



# **Yantai Changyu Pioneer Wine Co. Ltd.**

## **2015 Third Quarter Report**

**2015-Final 04**

**Oct 2015**

## **I. Important Notice**

**The board of directors, the board of supervisors, directors, supervisors & senior managers of the Company collectively and individually accept full responsibility for the truthfulness, accuracy and completeness of the information contained in this quarter report and confirm that to the best of their knowledge and belief there are no unfaithful facts, significant omissions or misleading statements.**

**All directors have personally attended the Board of Directors' meeting for deliberating the quarter report.**

**Mr. Sun Liqiang (Chairman of the Company), Mr. Leng Bin (Chief Financial Officer) and Mr. Jiang Jianxun (Financial Director) assure the truthfulness, accuracy and completeness of the financial report in the quarter report.**

## II、 Key financial data and shareholders changing

### 1. Key accounting data and financial data

Whether the Company makes retroactive adjustments or restates the accounting data of previous fiscal years.

Yes  No

	The end of the report period	The end of last year		More or less than last year(%)
Total assets (CNY)	9,655,921,097	8,912,232,640		8.34%
Net Assets attributed to the shareholders of the listed company (CNY)	7,419,322,809	6,840,452,145		8.46%
	The report period	More or less than last year(%)	From the beginning of year to the end of the report period	More or less than last year(%)
Business income (CNY)	860,434,812	-3.38%	3,686,228,062	15.46%
Net profit attributed to the shareholders of the listed company (CNY)	136,798,209	-15.02%	882,858,457	10.49%
Net profit attributed to the shareholders of the listed company after deducting the irregular profit and loss (CNY)	133,641,945	-16.19%	873,073,948	10.61%
Net cash flows from the operating activities (CNY)	--	--	1,219,234,324	11.16%
Basic earnings per share (CNY)	0.20	-13.04%	1.29	11.21%
Diluted earnings per share (CNY)	0.20	-13.04%	1.29	11.21%
Weighted average for earning rate of the net assets	1.79%	-0.61%	12.49%	0.55%

## Details of non-recurring profit and loss

available    not available

Unit: CNY

Item	From beginning of year to end of report period	Explanation
Gain on disposal of non-current assets(including the reversal of accrued impairment provision)	1,421	94,839
Government grants credited in profit and loss (except for those recurring government grants that are closely related to the entity's operation, in line with related regulations and have proper basis of calculation)	11,218,301	13,451,971
Other non-operating income and expenses	1,115,919	-936,620
Less: Income tax effect	2,551,132	2,959,916
Total	9,784,509	--

The reasons shall be made clear and definitely as to the non-recurring profit and loss that the Company has defined by virtue of the Explanatory Announcement on Public Company's Information Disclosure No.1 - Non-recurring Profit and Loss and as to regarding the non-recurring profit and loss as recurrent profit and loss as specified in the Explanatory Announcement on Public Company's Information Disclosure No.1 - Non-recurring Profit and Loss.

Available    Not available

There is no situation regarding the non-recurring profit and loss as defined and specified in the Explanatory Announcement on Public Company's Information Disclosure No.1 - Non-recurring Profit and Loss as recurrent profit and loss.

## 2. The total number of the shareholders and top 10 shareholders at the end of the report period

- 1) The total number of common shareholders and top 10 common shareholders at the end of the report period

Unit: share

Total number of common shareholders at the end of the report period		35,368 including 19,937 A shareholders and 15,431 B shareholders				
The top 10 common shareholders						
Name of Shareholders	Character of shareholders	Percentage (%)	Shares held	Number of restricted shares	Pledged or frozen	
					Share status	Amounts
YANTAI CHANGYU GROUP CO. LTD.	Domestic non-state-owned legal person	50.40%	345,473,856	0	-	0
GAOLING FUND,L.P.	Foreign shareholder	3.11%	21,300,919	0	-	0
CHINA SECURITIES FINANCE CORPORATION LIMITED	Domestic general legal person	2.33%	15,997,455	0	-	0
BBH BOS S/A FIDELITY FD - CHINA FOCUS FD	Foreign shareholder	2.27%	15,576,126	0	-	0
GREENWOODS CHINA ALPHA MASTER FUND	Foreign shareholder	1.26%	8,617,471	0	-	0
GOLDEN CHINA MASTER FUND	Foreign shareholder	1.08%	7,389,916	0	-	0
NORGES BANK	Foreign shareholder	0.83%	5,698,452	0	-	0
VALUE PARTNERS CHINA GREENCHIP FUND LTD	Foreign shareholder	0.74%	5,063,024	0	-	0
CENTRAL HUIJIN INVESTMENT COMPANY LIMITED	Domestic general legal person	0.69%	4,761,200	0	-	0
GUOTAI JUNAN SECURITIES(HONGKONG) LIMITED	Foreign shareholder	0.68%	4,669,146	0	-	0
The top 10 common shareholders with unrestricted shares						
Name of Shareholders	Number of unrestricted common shares held	Type of share				
		Type of share	Amount			
YANTAI CHANGYU GROUP CO. LTD.	345,473,856	A share	345,473,856			
GAOLING FUND,L.P.	21,300,919	B share	21,300,919			
CHINA SECURITIES FINANCE CORPORATION LIMITED	15,997,455	A share	15,997,455			
BBH BOS S/A FIDELITY FD - CHINA FOCUS FD	15,576,126	B share	15,576,126			
GREENWOODS CHINA ALPHA MASTER FUND	8,617,471	B share	8,617,471			

GOLDEN CHINA MASTER FUND	7,389,916	B share	7,389,916
NORGES BANK	5,698,452	B share	5,698,452
VALUE PARTNERS CHINA GREENCHIP FUND LTD	5,063,024	B share	5,063,024
CENTRAL HUIJIN INVESTMENT COMPANY LIMITED	4,761,200	A share	4,761,200
GUOTAI JUNAN SECURITIES(HONGKONG) LIMITED	4,669,146	B share	4,669,146
The explanation for the associated relationship and accordant action	Among the top 10 shareholders, Yantai Changyu Group Company Limited has no associated relationship or accordant action relationship with the other 9 listed shareholders, and the relationship among the other shareholders is unknown.		
Explanation for the top10 common shareholders with unrestricted shares who involved in financing activities and stock trading business(if any)	The top 10 Shareholders is not involved in financing activities and stock trading business.		

Whether or not the Company's top10 common shareholders and top 10 common shareholders with unrestricted shares promise to buy back trading during the report period

Yes  No

There is no agreed to buy back trading by Company shareholders during the report period.

2) The total number of preferred shareholders and top 10 preferred shareholders at the end of the report period

Available  Not available

### III Major Issue

#### 1. The Great Change and Reasons on Main Accountant Data and Financial Index

available    not available

In consolidated financial statement, the great change and reasons on partial accountant data is as follows,

Compared the end of the report period with the beginning of the year, monetary capital increases by 53.50%, mainly due to the receivable of monetary capital in operation activity profit and bank loan; prepayment decreases by 68.87%, mainly due to the reduction of prepaid raw material purchase amount; Interest receivable increases by 89.17%, mainly due to the increase of the receivable interest on bank deposit; inventory decreases by 22.83%, mainly because selling products makes the decrease of merchandise inventory and raw material; construction in process increases by 33%, mainly due to the increase of the accumulative total investment in Company's project under construction; short-term loans increases by 99.73%, mainly due to the increase of short loan borrowing from bank; notes receivable increases by 40%, mainly due to the growth on payable bank acceptances; accounts payable decreases by 34.99%, mainly due to decrease of payable suppliers' loan; interest payable increases by 37.54%, mainly due to the growth on payable interest of bank loan; other account payable increases by 25.51%, mainly due to the increase of account payable for contractor in the investment project under construction and advertisement fees.

Compared January to September, 2015 with the same period of last year, financial expense increases by 164.37%, mainly due to the decline of income on bank deposit interest and the increase of expenditure on bank loan interest; cash paid for other related to operation activity which increases by 24.38%, mainly due to the growth of cash paid for marketing activities; cash received from borrowing increases by 54.97%, mainly due to the growth on cash received from bank short loan; net increase amount of cash and cash equivalents increases by 75.66%, mainly due to the growth on net cash flow generated by operation activities and financial activities.

Compared July to September, 2015 with the same period of last year, management expense of the Company increases by 28.87%, mainly due to the growth of depreciation cost and afforestation cost; financial expense increases by 3065.53%, mainly due to not only the increase in expected losses on the fluctuation of foreign currency loans interest rate and the expenditure of bank loan interest but also the decline in the income of bank loan interest.

#### 2. Analysis explanation of the major issue's process, its influence and the solution

Available    Not available

About 75% equity of Dicot Partners S.L. in Spain acquired by the Company, related amount has been paid in the report period and delivery of assets have been completed.

Major issue summary	Disclosure dates	Disclosure index of interim report
Acquisition of 75% equity of Dicot Partners S.L. in Spain	2015.08.28	<a href="http://www.cninfo.com.cn/finalpage/2015-08-28/1201509186.PDF">http://www.cninfo.com.cn/finalpage/2015-08-28/1201509186.PDF</a>

### 3. The commitments of the Company or shareholders of the Company holding more than 5% in the report period or until the report period

available    not available

Commitments	Commitment Party	Commitment content	Commitment time	Commitment period	Implementation
Commitments at share reform	-	—		-	-
Commitments made in acquisition report or equity changes report	-	-		-	-
Commitments at asset restructuring	-	-		-	-
Commitments at the initial public offering or refinancing	Yantai Changyu Group Co, Ltd	Non Intra-industry competition	1997.05.18	Forever	In-process performed
	Yantai Changyu Group Co., Ltd	According to "Trademark License Contract", the Company will pay trademark royalty for the "Changyu"products of Yantai Changyu Group Co., Ltd every year, Yantai Changyu Group Co., Ltd will use trademark to advertise Changyu trademarks and the Contract products.	1997.05.18	Forever	In-process performed
Commitments made to the minority shareholders of the Company	-	-		-	-
Commitment under timely implementation or not	Yes				
Specific reasons of not completing the implementation and the next step	No				



**4. Forecast on the operating performance in the year of 2015**

Warning and explanation for the estimation on the possible loss of cumulative net profit in the period from the beginning of this year to the end of the next report period or the great change comparing with same period of last year.

Available  Not available

**5. The situation of security investment**

Available  Not available

There is no security investment during the report period.

**6. The explanation of holding other listed company equity situation**

Available  Not available

There is no other listed company equity holding during the report period.

**7. The situation of Derivatives investment**

Available  Not available

There is no derivative investment during the report period.

**8. The activities registration form of receptions, communication and interview etc. during the report period**

Available  Not available

There is no activities of receptions, communication and interview etc. during the report period.

**9. Violation of regulations in external guarantee**

Available  Not available

There is no violation of regulation in external guarantee.

**10. Non-business capital occupying of listed company by controlling shareholder and its related parties**

Available  Not available

There are no non-business capitals occupying of listed company by controlling shareholder and its related parties during the report period.

## IV Financial Statements

### 1. Financial statements

#### 1) Consolidated balance sheet

Yantai Changyu Pioneer Wine Co. Ltd.

2015.09.30 Unit: CNY

Assets	At 30 September 2015	At 31 December 2014
Current assets:		
Monetary fund	1,758,101,356	1,145,365,071
Financial assets which are measured by fair value and which changes are recorded in current profit and loss		
Derivative financial liability		
Notes receivable	134,588,926	138,315,319
Account receivable	159,907,612	145,672,411
Advance money	2,513,130	8,073,786
Interest receivable	6,846,961	3,619,429
Dividend receivable		
Other account receivable	47,660,989	31,362,302
Inventories	1,610,791,807	2,087,376,398
Assets held for sale		
Non-current assets due within one year		
Other current assets	23,466,319	29,662,076
Total current assets	3,743,877,100	3,589,446,792
Non-current assets:		
Financial assets for sale		
Investment held to expiration		
Long-term account receivable		
Long-term equity investment		
Real estate for investment		
fixed assets	2,540,565,577	2,532,682,355
Construction in progress	2,261,599,127	1,700,466,500
Project material	0	0
Liquidation of fixed assets		
Biological assets for production	181,556,004	151,723,241
Oil and gas assets		

Intangible assets	450,189,688	452,951,194
Development expenditure		
Goodwill	13,112,525	13,112,525
Long-term deferred expenses	207,521,904	201,911,605
Assets of deferred income tax	241,747,567	254,186,823
Other non-current assets	15,751,605	15,751,605
Total non-current assets	5,912,043,997	5,322,785,848
Total assets	9,655,921,097	8,912,232,640
Current liabilities:		
Short-term loan	599,201,414	300,000,000
Financial liabilities which are measured by fair value and which changes are recorded in current profit and loss		
Derivative financial liability		
Notes payable	14,000,000	10,000,000
Accounts payable	232,595,646	357,811,822
Advance money	191,496,711	215,127,598
Wage payable	135,617,207	158,948,592
Tax payable	18,573,559	87,504,048
Interest payable	4,780,463	3,475,641
dividend payable		
Other accounts payable	589,637,638	469,804,317
Liabilities held for sale		
Non-current liabilities due within one year		
Other current liabilities	12,398,718	12,398,718
Total current liabilities	1,798,301,356	1,615,070,736
Non-current liabilities:		
Long-term loan	196,369,600	209,380,000
Bond payable		
Including: preferred stock		
Perpetual capital securities		
Long-term accounts payable		
Long-term wages payable		
Special accounts payable		
Deferred income	70,702,284	76,024,992
Liabilities of deferred income tax	4,485,917	4,565,636
Other non-current liabilities	3,998,352	3,998,352
Total non-current liabilities	275,556,153	293,968,980
Total liabilities	2,073,857,509	1,909,039,716

Shareholder rights and interests:		
Share capital	685,464,000	685,464,000
Other equity instrument		
Including: preferred stock		
Perpetual capital securities		
Capital public reserve	563,139,042	563,139,042
Less: Inventory shares		
Other comprehensive Income	-5,186,904	-2,803,271
Reasonable reserve		
Surplus reserve	342,732,000	342,732,000
Provision of general risk		
Retained profit	5,833,174,671	5,251,920,374
Total owner's equity attributable to parent Company	7,419,322,809	6,840,452,145
Minority interests	162,740,779	162,740,779
Total owner's equity	7,582,063,588	7,003,192,924
Total liabilities and owner's equity	9,655,921,097	8,912,232,640

Legal representative: Sun Liqiang Person in charge of accounting : Leng Bin Person in charge of accounting organ: Jiang Jianxun

**2)、Balance sheet of parent company**

Yantai Changyu Pioneer Wine Co. Ltd.

Unit: CNY

<b>Assets</b>	<b>At 30 September 2015</b>	<b>At 31 December 2014</b>
Current assets:		
Monetary fund	708,578,664	496,138,263
Financial assets which are measured by fair value and which changes are recorded in current profit and loss		
Derivative financial liability		
Notes receivable	23,933,565	98,158,251
Account receivable	0	1,516,518
Advance money	883,984	1,710,787
Interest receivable	6,846,961	3,580,811
Dividend receivable	0	402,596,884
Other account receivable	4,723,500,885	4,708,836,276
Inventories	724,957,519	681,696,774
Assets held for sale		
Non-current assets due within one year		
Other current assets	17,610,141	14,996,807
Total current assets	6,206,311,719	6,409,231,371
Non-current assets:		
Financial assets for sale		
Investment held to expiration		
Long-term account receivable		
Long-term equity investment	1,093,087,027	1,093,437,027
Real estate for investment		
Fixed assets	377,395,816	403,210,655
Construction in progress	273,189	182,765
Project material		
Liquidation of fixed assets		
Biological assets for production	104,848,354	83,631,722
Oil and gas assets		
Intangible assets	74,976,314	76,760,678
Development expenditure		
Goodwill		
Long-term deferred expenses		
Assets of deferred income tax	18,877,285	27,053,571

Other non-current assets		
Total non-current assets	1,669,457,985	1,684,276,418
Total assets	7,875,769,704	8,093,507,789
Current liabilities:		
Short-term loan	599,201,414	300,000,000
Financial liabilities which are measured by fair value and which changes are recorded in current profit and loss		
Derivative financial liability		
Notes payable		
Accounts payable	178,325,815	228,052,722
Advance money		
Wage payable	56,071,378	70,233,251
Tax payable	6,164,183	18,205,124
Interest payable	4,780,463	3,475,641
dividend payable		
Other accounts payable	688,079,921	1,030,604,819
Liabilities held for sale		
Non-current liabilities due within one year		
Other current liabilities	3,017,898	3,017,898
Total current liabilities	1,535,641,072	1,653,589,455
Non-current liabilities:		
Long-term loan	196,369,600	209,380,000
Bond payable		
Including: preferred stock		
Perpetual capital securities		
Long-term accounts payable		
Long-term wages payable		
Special accounts payable		
Deferred income	20,271,221	22,747,915
Liabilities of deferred income tax		
Other non-current liabilities	1,895,828	1,895,828
Total non-current liabilities	218,536,649	234,023,743
Total liabilities	1,754,177,721	1,887,613,198
Shareholder rights and interests:		
Share capital	685,464,000	685,464,000
Other equity instrument		
Including: preferred stock		

Perpetual capital securities		
Capital public reserve	557,222,454	557,222,454
Less: Inventory shares		
Other comprehensive Income		
Reasonable reserve		
Surplus reserve	342,732,000	342,732,000
Provision of general risk		
Retained profit	4,536,173,529	4,620,476,137
Total owner's equity	6,121,591,983	6,205,894,591
Total liabilities and owner's equity	7,875,769,704	8,093,507,789

Legal representative: Sun Liqiang Person in charge of accounting : Leng Bin Person in charge of accounting organ: Jiang Jianxun

## 3)、Consolidated profit statement during the report period

Unit: CNY

Item	Nine months ended 30 Sep 2015	Nine months ended 30 Sep 2014
1. Total business income	860,434,812	890,560,257
Including : Business income	860,434,812	890,560,257
2. Total business cost	682,081,799	680,635,306
Including: Business cost	249,515,941	296,035,468
Business tax and associate charges	63,187,225	71,547,225
Sales expenses	297,952,014	268,432,892
Management expenses	58,080,802	45,069,753
Financial expenses	13,345,817	-450,032
Assets depreciation loss		
Add: fair value charge profit (loss is listed with "-")		
Investment profit (loss is listed with "-")		
Including: investment profit for joint-run business and joint venture		
3. Operating profit (loss is listed with "-")	178,353,013	209,924,951
Add: Non-operating income	4,924,080	4,663,088
Including: Disposal earnings of non-current asset	2,985	0
Less: non-operating expenditures	1,031,322	1,292,178
Including: non-current assets disposing loss	1,564	-10,897
4. Total profit (loss is listed with "-")	182,245,771	213,295,861
Less: income tax expenses	45,447,562	52,325,722
5. Net profit (net loss is listed with "-")	136,798,209	160,970,139
Net profit of parent company's owners	136,798,209	160,970,139
Minority shareholder profit and loss		
6. Net after-tax of other comprehensive income	1,761,358	-1,167,652
Net after-tax of other comprehensive income attributable to owners of parent company	1,761,358	-1,167,652
(I) Other comprehensive income items which will not be reclassified subsequently to profit of loss		
1). Changes as a result of re-measurement of net defined benefit plan liability or asset		
2). Share of the other comprehensive income of the investee accounted for using equity method which will not be reclassified subsequently to profit and loss		
(II) Other comprehensive income items which will be reclassified subsequently to profit or loss	1,761,358	-1,167,652
1). Share of the other comprehensive income of the investee accounted for using equity method which will be reclassified subsequently to profit or loss		
2). Gains or losses arising from changes in fair value		



of available-for-sale financial assets		
3). Gains or losses arising from reclassification of held-to-maturity investment as available-for-sale financial assets		
4). The effect hedging portion of gains or losses arising from cash flow hedging instruments		
5). Translation differences arising on translation of foreign currency financial statements	1,761,358	-1,167,652
6). Other		
Net after-tax of other comprehensive income attributable to minority shareholders		
7. Total comprehensive income	138,559,567	159,802,487
Total comprehensive income attributable to owners of parent Company	138,559,567	159,802,487
Total comprehensive income attributable to minority shareholders		
8. Earnings per share:		
(i) Basic earnings per share	0.20	0.23
(ii) Diluted earnings per share	0.20	0.23

During this report period, the issue relates to company consolidation under common control, consolidated party completes net profit amount of CNY 0 before being consolidated, and consolidated party completes net profit amount of CNY 0 in the same period of last year.

Legal representative: Sun Liqiang Person in charge of accounting : Leng Bin Person in charge of accounting organ: Jiang Jianxun

## 4)、Profit statement of parent company during the report period

Unit: CNY

Item	Nine months ended 30 Sep 2015	Nine months ended 30 Sep 2014
1. Business income	291,897,847	416,385,311
Less: Business cost	241,514,316	334,343,258
Business tax and associate charges	29,809,401	45,932,704
Sales expenses		
Management expenses	19,080,677	25,710,512
Financial expenses	12,852,778	-2,436,611
Assets depreciation loss		
Add: fair value charge profit (loss is listed with "-")		
Investment profit (loss is listed with "-")	165,805,888	666,018,499
Including: investment profit for joint-run business and joint venture		
2. Operating profit (loss is listed with "-")	154,446,563	678,853,947
Add: non-operating income	1,010,174	1,599,689
Including: Disposal earnings of non-current asset		
Less: non-operating expenditures	241,565	619,379
Including: non-current assets disposing loss		
3. Total profit (loss is listed with "-")	155,215,172	679,834,257
Less: income tax expenses	-2,647,679	3,453,940
4. Net profit (net loss is listed with "-")	157,862,851	676,380,317
5. Net after-tax of other comprehensive income		
(I) Other comprehensive income items which will not be reclassified subsequently to profit or loss		
1). Changes as a result of re-measurement of net defined benefit plan liability or asset		
2). Share of the other comprehensive income of the investee accounted for using equity method which will not be reclassified subsequently to profit and loss		
(II) Other comprehensive income items which will be reclassified subsequently to profit or loss		
1). Share of the other comprehensive income of the investee accounted for using equity method which will be reclassified subsequently to profit or loss		
2). Gains or losses arising from changes in fair value of available-for-sale financial assets		
3). Gains or losses arising from reclassification of held-to-maturity investment as available-for-sale financial assets		
4). The effect hedging portion of gains or losses		

arising from cash flow hedging instruments		
5). Translation differences arising on translation of foreign currency financial statements		
6). Other		
6. Total comprehensive income	157,862,851	676,380,317
7. Earnings per share:		
(i) Basic earnings per share	0.23	0.99
(ii) Diluted earnings per share	0.23	0.99

## 5)、 Consolidated profit statement from the beginning of the year to the end of the report period

Unit: CNY

Item	Nine months ended 30 Sep 2015	Nine months ended 30 Sep 2014
1. Total business income	3,686,228,062	3,192,550,505
Including : Business income	3,686,228,062	3,192,550,505
2. Total business cost	2,524,530,583	2,143,581,647
Including: Business cost	1,182,038,684	1,050,337,854
Business tax and associate charges	203,798,313	203,984,038
Sales expenses	951,377,530	754,913,922
Management expenses	177,851,142	149,050,250
Financial expenses	9,464,914	-14,704,417
Assets depreciation loss		
Add: fair value charge profit (loss is listed with "-")		
Investment profit (loss is listed with "-")		
Including: investment profit for joint-run business and joint venture		
3. Operating profit (loss is listed with "-")	1,161,697,479	1,048,968,858
Add: Non-operating income	13,720,914	14,107,884
Including: Disposal earnings of non-current asset	2,985	0
Less: non-operating expenditures	1,385,273	1,497,694
Including: non-current assets disposing loss	1,564	0
4. Total profit (loss is listed with "-")	1,174,033,120	1,061,579,048
Less: income tax expenses	291,174,663	262,567,598
5. Net profit (net loss is listed with "-")	882,858,457	799,011,450
Net profit of parent company's owners	882,858,457	799,011,450
Minority shareholder profit and loss		
6. Net after-tax of other comprehensive income	-2,383,633	-1,437,255
Net after-tax of other comprehensive income attributable to owners of parent company	-2,383,633	-1,437,255
(I) Other comprehensive income items which will not be reclassified subsequently to profit of loss		
1). Changes as a result of re-measurement of net defined benefit plan liability or asset		
2). Share of the other comprehensive income of the investee accounted for using equity method which will not be reclassified subsequently to profit and loss		
(II) Other comprehensive income items which will be reclassified subsequently to profit or loss	-2,383,633	-1,437,255
1). Share of the other comprehensive income of the investee accounted for using equity method which		

will be reclassified subsequently to profit or loss		
2). Gains or losses arising from changes in fair value of available-for-sale financial assets		
3). Gains or losses arising from reclassification of held-to-maturity investment as available-for-sale financial assets		
4). The effect hedging portion of gains or losses arising from cash flow hedging instruments		
5). Translation differences arising on translation of foreign currency financial statements	-2,383,633	-1,437,255
6). Other		
Net after-tax of other comprehensive income attributable to minority shareholders		
7. Total comprehensive income	880,474,824	797,574,195
Total comprehensive income attributable to owners of parent Company	880,474,824	797,574,195
Total comprehensive income attributable to minority shareholders		
8. Earnings per share:		
(i) Basic earnings per share	1.29	1.16
(ii) Diluted earnings per share	1.29	1.16

During this report period, the issue relates to company consolidation under common control, consolidated party completes net profit amount of CNY 0 before being consolidated, and consolidated party completes net profit amount of CNY 0 in the same period of last year.

Legal representative: Sun Liqiang Person in charge of accounting : Leng Bin Person in charge of accounting organ: Jiang Jianxun

## 6)、Profit statement of parent company from the beginning of the year to the end of the report period

Unit: CNY

Item	Nine months ended 30 Sep 2015	Nine months ended 30 Sep 2014
1. Business income	980,951,076	1,106,282,590
Less: Business cost	789,900,152	900,088,247
Business tax and associate charges	105,768,887	121,671,047
Sales expenses		
Management expenses	76,796,243	75,668,879
Financial expenses	5,811,231	-12,845,994
Assets depreciation loss		
Add: fair value charge profit (loss is listed with "-")		
Investment profit (loss is listed with "-")	212,576,174	731,492,782
Including: investment profit for joint-run business and joint venture		
2. Operating profit (loss is listed with "-")	215,250,737	753,193,193
Add: non-operating income	4,168,595	3,753,448
Including: Disposal earnings of non-current asset		
Less: non-operating expenditures	542,654	619,379
Including: non-current assets disposing loss		
3. Total profit (loss is listed with "-")	218,876,678	756,327,262
Less: income tax expenses	1,575,126	6,208,620
4. Net profit (net loss is listed with "-")	217,301,552	750,118,642
5. Net after-tax of other comprehensive income		
(I) Other comprehensive income items which will not be reclassified subsequently to profit of loss		
1). Changes as a result of re-measurement of net defined benefit plan liability or asset		
2). Share of the other comprehensive income of the investee accounted for using equity method which will not be reclassified subsequently to profit and loss		
(II) Other comprehensive income items which will be reclassified subsequently to profit or loss		
1). Share of the other comprehensive income of the investee accounted for using equity method which will be reclassified subsequently to profit or loss		
2). Gains or losses arising from changes in fair value of available-for-sale financial assets		
3). Gains or losses arising from reclassification of held-to-maturity investment as available-for-sale		

financial assets		
4). The effect hedging portion of gains or losses arising from cash flow hedging instruments		
5). Translation differences arising on translation of foreign currency financial statements		
6). Other		
6. Total comprehensive income	217,301,552	750,118,642
7. Earnings per share:		
(i) Basic earnings per share	0.32	0.11
(ii) Diluted earnings per share	0.32	0.11

## 7)、 Consolidated cash flow statement from the beginning of the year to the end of the report period

Unit: CNY

Item	Nine months ended 30 September 2015	Nine months ended 30 September 2014
1. Cash flows from operating activities:		
Cash received from sales of goods and rendering of services	3,686,172,658	3,488,176,932
Tax refund received		2,300,000
Other cash received related to operating activities	13,703,183	19,977,917
Subtotal of cash flows of operating activities	3,699,875,841	3,510,454,849
Cash paid for goods and services	562,603,094	610,813,461
Cash paid to and on behalf of employees	275,218,502	259,145,333
Cash paid for taxes and expenses	1,036,869,330	1,056,511,881
Other cash paid related to operating activities	605,950,591	487,190,069
Sub-total of cash outflows of operating activities	2,480,641,517	2,413,660,744
Net cash flow from operating activities	1,219,234,324	1,096,794,105
2. Cash flow from investing activities:		
Cash received from return of investment		
Fixed deposit with the term of over 3 months	37,245,259	275,392,728
Cash received from obtaining investment profit	1,091,331	8,360,995
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	30,300	100
Net cash received from disposal of branch and other business unit		
Other cash received related to investing activities		
Subtotal of cash flows of investment activities	38,366,890	283,753,823
Cash paid to acquire fixed assets, intangible assets and other long-term assets	572,289,511	676,609,445
Cash paid to buy fixed deposit with the term of over 3 months	11,000,000	77,247,483
Cash for investment	500,000	
Net cash paid to acquire branch and other business unit		
Other cash paid related to investment activities		
Subtotal of cash outflows of investment activities	583,789,511	753,856,928
Net cash flow from investing activities	-545,422,621	-470,103,105
3. Cash flow from financing activities		
Cash received from acquiring investment		
Including: cash received from acquiring minority shareholders investment by subsidiary		
Cash received from acquiring loans	498,979,200	321,993,680
Other cash received related to financing activities		129,182,292



Subtotal cash flows of financing activities	498,979,200	451,175,972
Cash paid to pay debts	219,273,330	242,219,439
Cash paid to distribute dividend, profit or pay interest	316,787,365	348,206,212
Including: dividend and profit paid to minority shareholders by subsidiary		
Other cash paid related to financing activities		125,000,000
Subtotal of cash outflows of financing activities	536,060,695	715,425,651
Net cash flow from financing activities	-37,081,495	-264,249,679
4. Influences of exchange rate fluctuation on cash and cash equivalents	-1,746,180	-955,861
5. Net Increase in cash and cash equivalents	634,984,028	361,485,460
Add: balance at the beginning of the period of cash and cash equivalents	960,472,274	956,558,932
6. Balance at the end of the period of cash and cash equivalents	1,595,456,302	1,318,044,392

## 8)、Cash flow statement of parent company from the beginning of the year to the end of the report period

Unit: CNY

Item	Nine months ended 30 September 2015	Nine months ended 30 September 2014
1. Cash flows from operating activities:		
Cash received from sales of goods and rendering of services	746,119,787	824,436,981
Tax refund received		
Other cash received related to operating activities	1,649,471	8,435,432
Subtotal of cash flows of operating activities	747,769,258	832,872,413
Cash paid for goods and services	355,658,742	351,039,198
Cash paid to and on behalf of employees	110,941,633	88,087,059
Cash paid for taxes and expenses	147,646,342	204,621,077
Other cash paid related to operating activities	376,478,651	1,375,496,249
Sub-total of cash outflows of operating activities	990,725,368	2,019,243,583
Net cash flow from operating activities	-242,956,110	-1,186,371,170
2. Cash flow from investing activities:		
Cash received from return of investment	350,000	
Withdraw of fixed deposit with the term of over 3 months	37,245,259	275,392,728
Cash received from obtaining investment profit	519,194,784	1,492,449,661
Cash received from interest income		
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	30,200	121,997
Net cash received from disposal of branch and other business unit		
Other cash received related to investing activities		
Subtotal of cash flows of investment activities	556,820,243	1,767,964,386
Cash paid to acquire fixed assets, intangible assets and other long-term assets	26,594,493	33,910,855
Cash paid for buying fixed deposit with the term of over 3 months	11,000,000	51,547,483
Cash for investment	500,000	
Net cash paid to acquire branch and other business unit		
Other cash paid related to investment activities		
Subtotal of cash outflows of investment activities	38,094,493	85,458,338
Net cash flow from investing activities	518,725,750	1,682,506,048
3. Cash flow from financing activities		
Cash received from acquiring investment		
Including: cash received from acquiring minority shareholders investment by branch		
Cash received from acquiring loans	498,979,200	321,993,680
Other cash received related to financing activities		129,182,292
Subtotal cash flows of financing activities	498,979,200	451,175,972

Cash paid to pay debts	219,273,330	242,219,439
Cash paid to distribute dividend, profit or pay interest	316,787,365	348,206,212
Including: dividend and profit paid to minority shareholders by branch		
Other cash paid related to financing activities		125,000,000
Subtotal of cash outflows of financing activities	536,060,695	715,425,651
Net cash flow from financing activities	-37,081,495	-264,249,679
4. Influences of exchange rate fluctuation on cash and cash equivalents		
5. Net Increase in cash and cash equivalents	238,688,145	231,885,199
Add: balance at the beginning of the period of cash and cash equivalents	333,245,466	197,150,989
6. Balance at the end of the period of cash and cash equivalents	571,933,611	429,036,188

## 2. Audit report

Whether the third quarter report has been audited.

Yes     No

The 3<sup>rd</sup> quarter report has not been audited.

**Yantai Changyu Pioneer Wine Co. Ltd.**

**Board of Directors**

**28<sup>th</sup> October 2015**