



Yantai Changyu Pioneer Wine Co. Ltd.

2016 Third Quarter Report

2016-Final 04

October 2016

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 report and confirm that to the best of their knowledge and belief there are no unfaithful facts, significant omissions or misleading statements.

All directors attended the meeting for deliberating this 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 annual report.

II、Key financial data and shareholders changing

1. Key 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)	11,020,562,470.00	10,344,211,461.00	6.54%	
Net Assets attributed to the shareholders of the listed company (CNY)	8,046,894,118.00	7,564,099,003.00	6.24%	
	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)	1,010,732,839.00	17.47%	3,763,765,638	2.10%
Net profit attributed to the shareholders of the listed company (CNY)	129,748,790.00	-5.15%	824,770,637	-6.58%
Net profit attributed to the shareholders of the listed company after deducting the irregular profit and loss (CNY)	123,011,178.00	-7.95%	801,489,499	-8.20%
Net cash flows from the operating activities (CNY)	--	--	991,065,754	-18.71%
Basic earnings per share (CNY)	0.19	-5%	1.20	-6.98%
Diluted earnings per share (CNY)	0.19	-5%	1.20	-6.98%
Weighted average for earning rate of the net assets		-0.19%	9.59%	-2.90%

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	-20,083.00	
Tax return, deduction and exemption with unauthorized approval or no official document of approval	15,820,557.00	
Occupancy expenses of fund collected from non-financial business and credited in profit and loss	10,758,836.00	
Other non-operating income and expenses	3,714,321.00	
Less: Income tax effect	-6,992,493.00	
Total	23,281,138.00	--

The reasons shall be made clear and definitely as to the irregular profit and loss that the Company has defined by virtue of the Explanatory Announcement on Public Company's Information Disclosure No.1 - Irregular Profit and Loss and as to regarding the irregular profit and loss as recurrent profit and loss as specified in the Explanatory Announcement on Public Company's Information Disclosure No.1 - Irregular 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 shareholders and top 10 shareholders at the end of the report period

1) The number of the common shareholders and preferred shareholders with recovered voting power as well as the shareholding of top 10 shareholders

Unit: share

Total number of common shareholders at the end of report period	41529, including 22841 A shares and 18688 B shares	Total number of preferred shareholders with recovered voting power at the end of report period	0			
The top 10 common shareholders						
Name of Shareholders	Character of shareholders	Percentage (%)	Shares held	Number of restricted shares	Pledged or frozen	
					Share status	Amount
YANTAI CHANGYU GROUP COMPANY LIMITED	Domestic non-state-owned legal person	50.40%	345,473,856	0		0
GAOLING FUND,L.P.	Foreign legal person	3.11%	21,300,919	0		0
CHINA SECURITIES FINANCE CORP	State-owned legal person	2.32%	15,924,155	0		0
BBH BOS S/A FIDELITY FD - CHINA FOCUS FD	Foreign legal person	2.22%	15,241,826	0		0
NORGES BANK	Foreign legal person	0.96%	6,584,748	0		0
TIANAN PROPERTY INSURANCE COMPANY LIMITED- BAOYING NO.1	Domestic non-state-owned legal person	0.91%	6,269,414	0		0
GUOTAI JUNAN SECURITIES (HONGKONG)	Foreign legal person	0.76%	5,221,382	0		0

LIMITED					
CENTRAL HUIJIN ASSET MANAGEMENT LTD.	State-owned legal person	0.69%	4,761,200	0	0
CHINA CONSTRUCTION BANK- CHINA-EU YONGYU HYBRID SECURITY INVESTMENT FUND	Domestic non-state-owned legal person	0.58%	3,956,508	0	0
CHINA GUANGFA BANK – CHINA-EU SHENGSHI GROWTH CLASSIFICATION EQUITY SECURITY INVESTMENT FUND	Domestic non-state-owned legal person	0.57%	3,930,647	0	0
The top 10 common shareholders with unrestricted shares					
Name of Shareholders	Number of unrestricted shares held	Type of share			
		Type of share	Amount		
YANTAI CHANGYU GROUP COMPANY LIMITED	345,473,856	A share	345,473,856		
GAOLING FUND,L.P.	21,300,919	B share	21,300,919		
CHINA SECURITIES FINANCE CORP	15,924,155	A share	15,924,155		
BBH BOS S/A FIDELITY FD - CHINA FOCUS FD	15,241,826	B share	15,241,826		
NORGES BANK	6,584,748	B share	6,584,748		
TIANAN PROPERTY INSURANCE COMPANY LIMITED- BAOYING NO.1	6,269,414	A share	6,269,414		
GUOTAI JUNAN SECURITIES (HONGKONG) LIMITED	5,221,382	B share	5,221,382		
CENTRAL HUIJIN ASSET MANAGEMENT LTD.	4,761,200	A share	4,761,200		
CHINA CONSTRUCTION BANK- CHINA-EU YONGYU HYBRID SECURITY INVESTMENT FUND	3,956,508	A share	3,956,508		
CHINA GUANGFA BANK – CHINA-EU SHENGSHI GROWTH CLASSIFICATION EQUITY SECURITY INVESTMENT FUND	3,930,647	A share	3,930,647		
The explanation for the associated relationship and accordant action of the top 10 shareholders	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 top 10 common shareholders who involved in financing activities and stock trading business(if any)	No				

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

Yes No

There is no top 10 common shareholders and top 10 common shareholders with unrestricted shares in the Company promise to buy back trading during the report period.

2) The total number of the 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:

Compared the end of the report period with the beginning of the report period, interest receivable decreased by 100%, mainly due to the reduce of bank deposit interest receivable income; construction in process increased by 44.66%, mainly due to the increase in accumulated investment amount of the Company's investment projects under construction; notes payable decreased by 38.97%, mainly due to the reduce of acceptance bill amount paid to the bank; other payables increased by 59.93%, mainly due to the increase in payable advertising expense and investment project fund and so on; non-current liability due within one year decreased by 69.25%, mainly due to the reduce of bank loan amount due within one year; deferred income increased by 50.91%, mainly due to the increase in government grant amount.

Compared from January to September of 2016 with the same period last year, the non-business income increased by 125.94%, mainly due to the increase in tax refund and government grants; the net after-tax of other comprehensive income increased by 109.33%, mainly due to the increase in foreign currency statements translation balance of overseas subsidiary companies benefiting from exchange rate; cash paid for goods and services increased by 47.61%, mainly due to the increase in purchasing production and operation materials; cash received from acquiring loans increased by 75.58%, mainly due to the increase in the amount of bank loans; cash paid to pay debts increased by 273.35%, which due to the increase in the amount of repayment of bank loans.

The business cost from July to September of 2016 had a year-over-year growth of 33.80%, which is mainly caused by consolidating Dicot Group into the financial statements.

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

Available Not available

3. The commitments that the Company, shareholders, actual controllers, purchasers, directors, supervisors, senior executives or other related parties complete performing during the report period and don't complete up to the end of report period

available not available

Commitments	Commitment Party	Commitment Type	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	Solve horizontal competition	Non-horizontal competition	1997.05.18	Permanent	Has been performed
	Yantai Changyu Group Co., Ltd	Permission to use intangible assets	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	Permanent	Has been performed
Equity incentive commitments						
Commitments made to the minority shareholders of the Company	-		-		-	-
Commitment under timely implementation or not	Yes					
For commitments that exceed the time limit and are not	No					

completed, specific reasons of not completing the implementati on and the next step	
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4. Forecast on the operating performance in 2016

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 situation of derivative investment

Available Not available

There is no derivative investment during the report period.

7. 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.

8. The situation of illegal external guarantee

Available Not available

There is no illegal external guarantee during the report period.

9. The situation of non-operating fund occupation of controlling shareholders and related parties

Available Not available

There is no non-operating fund occupation of controlling shareholders and related parties during the report period.

IV Financial Statements

1. Financial statements

1) Consolidated balance sheet

Yantai Changyu Pioneer Wine Co. Ltd.

2016.09.30 Unit: CNY

Assets	At 30 September 2016	At 31 December 2015
Current assets:		
Monetary fund	1,469,286,073.00	1,285,362,414.00
Financial assets which are measured by fair value and which changes are recorded in current profit and loss		
Derivative financial liability		
Notes receivable	109,459,835.00	113,988,122.00
Account receivable	194,924,910.00	197,795,091.00
Advance money	5,482,775.00	3,591,098.00
Interest receivable	0.00	8,019,338.00
Dividend receivable		
Other account receivable	53,435,022.00	46,146,487.00
Inventories	1,910,732,810.00	2,260,852,964.00
Assets held for sale		
Non-current assets due within one year		
Other current assets	65,192,970.00	48,449,551.00
Total current assets	3,808,514,395.00	3,964,205,065.00
Non-current assets:		
Financial assets for sale	352,030.00	402,814.00
Investment held to expiration		
Long-term account receivable		
Long-term equity investment		
Real estate for investment		
Fixed assets	3,049,917,360.00	3,089,245,185.00
Construction in progress	2,901,943,065.00	2,005,990,308.00
Project material	0.00	0.00
Liquidation of fixed assets		
Biological assets for production	214,653,810.00	192,198,283.00
Oil and gas assets		
Intangible assets	454,225,055.00	463,899,916.00

Development expenditure		
Goodwill	119,486,579.00	105,504,426.00
Long-term deferred expenses	191,660,288.00	175,124,167.00
Assets of deferred income tax	262,672,142.00	302,406,656.00
Other non-current assets	17,137,746.00	45,234,641.00
Total non-current assets	7,212,048,075.00	6,380,006,396.00
Total assets	11,020,562,470.00	10,344,211,461.00
Current liabilities:		
Short-term loan	567,333,562.00	665,581,921.00
Financial liabilities which are measured by fair value and which changes are recorded in current profit and loss		
Derivative financial liability		
Notes payable	17,700,000.00	29,000,000.00
Accounts payable	447,063,313.00	569,278,368.00
Advance money	265,549,368.00	234,566,504.00
Wage payable	144,300,101.00	190,239,451.00
Tax payable	-32,546,823.00	41,285,107.00
Interest payable	0.00	977,304.00
dividend payable		
Other accounts payable	814,423,095.00	509,226,395.00
Liabilities held for sale		
Non-current liabilities due within one year	48,080,693.00	156,335,647.00
Other current liabilities	11,381,873.00	11,241,873.00
Total current liabilities	2,283,285,182.00	2,407,732,570.00
Non-current liabilities:		
Long-term loan	48,851,915.00	71,686,629.00
Bond payable		
Including: preferred stock		
Perpetual capital securities		
Long-term accounts payable	305,000,000.00	
Long-term wages payable		
Special accounts payable		
Deferred income	105,390,690.00	69,836,411.00
Liabilities of deferred income tax	33,179,308.00	34,350,349.00
Other non-current liabilities	4,047,476.00	4,047,476.00
Total non-current liabilities	496,469,389.00	179,920,865.00
Total liabilities	2,779,754,571.00	2,587,653,435.00
Shareholder rights and		

interests:		
Share capital	685,464,000.00	685,464,000.00
Other equity instrument		
Including: preferred stock		
Perpetual capital securities		
Capital public reserve	565,955,441.00	565,955,441.00
Less: Inventory shares		
Other comprehensive Income	-9,686,034.00	-10,442,512.00
Reasonable reserve		
Surplus reserve	342,732,000.00	342,732,000.00
Provision of general risk		
Retained profit	6,462,428,711.00	5,980,390,074.00
Total owner's equity attributable to parent Company	8,046,894,118.00	7,564,099,003.00
Minority interests	193,913,781.00	192,459,023.00
Total owner's equity	8,240,807,899.00	7,756,558,026.00
Total liabilities and owner's equity	11,020,562,470.00	10,344,211,461.00

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

Assets	At 30 September 2016	At 31 December 2015
Current assets:		
Monetary fund	256,392,807.00	280,818,833.00
Financial assets which are measured by fair value and which changes are recorded in current profit and loss		
Derivative financial liability		
Notes receivable	16,892,548.00	38,429,319.00
Account receivable	0.00	2,392,870.00
Advance money	2,407,631.00	445,619.00
Interest receivable	0.00	8,019,338.00
Dividend receivable	0.00	788,092,349.00
Other account receivable	5,755,926,763.00	5,734,456,129.00
Inventories	749,630,630.00	728,173,107.00
Assets held for sale		
Non-current assets due within one year		
Other current assets	20,722,043.00	22,700,317.00

Total current assets	6,801,972,422.00	7,603,527,881.00
Non-current assets:		
Financial assets for sale		
Investment held to expiration		
Long-term account receivable		
Long-term equity investment	1,834,339,122.00	1,423,725,152.00
Real estate for investment	0.00	0.00
Fixed assets	356,194,620.00	369,506,014.00
Construction in progress	6,014,987.00	7,990,777.00
Project material	0.00	0.00
Liquidation of fixed assets	0.00	0.00
Biological assets for production	125,296,144.00	110,961,189.00
Oil and gas assets	0.00	0.00
Intangible assets	72,597,161.00	74,381,525.00
Development expenditure	0.00	0.00
Goodwill	0.00	0.00
Long-term deferred expenses	0.00	0.00
Assets of deferred income tax	35,029,560.00	37,938,692.00
Other non-current assets	0.00	0.00
Total non-current assets	2,429,471,594.00	2,024,503,349.00
Total assets	9,231,444,016.00	9,628,031,230.00
Current liabilities:		
Short-term loan	500,000,000.00	601,297,447.00
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	145,375,074.00	273,091,182.00
Advance money	0.00	0.00
Wage payable	64,174,130.00	71,058,615.00
Tax payable	-551,897.00	19,331,311.00
Interest payable	0.00	977,304.00
dividend payable	0.00	0.00
Other accounts payable	366,105,010.00	994,821,281.00
Liabilities held for sale	0.00	0.00
Non-current liabilities due within one year	44,928,000.00	127,345,600.00
Other current liabilities	1,767,054.00	1,767,054.00
Total current liabilities	1,121,797,371.00	2,089,689,794.00

Non-current liabilities:		
Long-term loan		56,761,600.00
Bond payable		
Including: preferred stock		
Perpetual capital securities		
Long-term accounts payable		
Long-term wages payable		
Special accounts payable		
Deferred income	20,336,263.00	21,824,352.00
Liabilities of deferred income tax		
Other non-current liabilities	1,944,955.00	1,944,955.00
Total non-current liabilities	22,281,218.00	80,530,907.00
Total liabilities	1,144,078,589.00	2,170,220,701.00
Shareholder rights and interests:		
Share capital	685,464,000.00	685,464,000.00
Other equity instrument	0.00	0.00
Including: preferred stock	0.00	0.00
Perpetual capital securities	0.00	0.00
Capital public reserve	557,222,454.00	557,222,454.00
Less: Inventory shares	0.00	0.00
Other comprehensive Income	0.00	0.00
Reasonable reserve	0.00	0.00
Surplus reserve	342,732,000.00	342,732,000.00
Provision of general risk		
Retained profit	6,501,946,973.00	5,872,392,075.00
Total owner's equity	8,087,365,427.00	7,457,810,529.00
Total liabilities and owner's equity	9,231,444,016.00	9,628,031,230.00

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 2016	Nine months ended 30 Sep 2015
1. Total business income	1,010,732,839.00	860,434,812.00
Including : Business income	1,010,732,839.00	860,434,812.00
2. Total business cost	844,198,855.00	682,081,799.00
Including: Business cost	333,864,479.00	249,515,941.00

Business tax and associate charges	61,035,668.00	63,187,225.00
Sales expenses	375,213,789.00	297,952,014.00
Management expenses	63,948,763.00	58,080,802.00
Financial expenses	10,136,156.00	13,345,817.00
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 "-")	166,533,984.00	178,353,013.00
Add: Non-operating income	9,067,280.00	4,924,080.00
Including: Disposal earnings of non-current asset		
Less: non-operating expenditures	383,399.00	1,031,322.00
Including: non-current assets disposing loss	4,598.00	
4. Total profit (loss is listed with "-")	175,217,865.00	182,245,771.00
Less: income tax expenses	45,167,011.00	45,447,562.00
5. Net profit (net loss is listed with "-")	130,050,854.00	136,798,209.00
Net profit of parent company's owners	129,748,790.00	136,798,209.00
Minority shareholder profit and loss	302,064.00	0.00
6. Net after-tax of other comprehensive income	-6,479,357.00	1,761,358.00
Net after-tax of other comprehensive income attributable to owners of parent company	-5,493,441.00	1,761,358.00
(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	-5,493,441.00	1,761,358.00
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	-5,493,441.00	1,761,358.00
6). Other		
Net after-tax of other comprehensive income	-985,916.00	0.00

attributable to minority shareholders		
7. Total comprehensive income	123,571,497.00	138,559,567.00
Total comprehensive income attributable to owners of parent Company	124,255,349.00	138,559,567.00
Total comprehensive income attributable to minority shareholders	-683,852.00	
8. Earnings per share:		
(i) Basic earnings per share	0.19	0.20
(ii) Diluted earnings per share	0.19	0.20

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 2016	Nine months ended 30 Sep 2015
1. Business income	294,628,902.00	291,897,847.00
Less: Business cost	228,032,632.00	241,514,316.00
Business tax and associate charges	30,216,123.00	29,809,401.00
Sales expenses		
Management expenses	24,357,373.00	19,080,677.00
Financial expenses	11,513,117.00	12,852,778.00
Assets depreciation loss		
Add: fair value charge profit (loss is listed with "-")		
Investment profit (loss is listed with "-")	281,433,572.00	165,805,888.00
Including: investment profit for joint-run business and joint venture		
2. Operating profit (loss is listed with "-")	281,943,229.00	154,446,563.00
Add: non-operating income	656,267.00	1,010,174.00
Including: Disposal earnings of non-current asset	94,567.00	
Less: non-operating expenditures	294,672.00	241,565.00
Including: non-current assets disposing loss	490.00	855.00
3. Total profit (loss is listed with "-")	282,304,824.00	155,215,172.00
Less: income tax expenses	217,814.00	-2,647,679.00
4. Net profit (net loss is listed with "-")	282,087,010.00	157,862,851.00
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	282,087,010.00	157,862,851.00
7. Earnings per share:		
(i) Basic earnings per share	0.41	0.23
(ii) Diluted earnings per share	0.41	0.23

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 2016	Nine months ended 30 Sep 2015
1. Total business income	3,763,765,638.00	3,686,228,062.00
Including : Business income	3,763,765,638.00	3,686,228,062.00
2. Total business cost	2,684,436,063.00	2,524,530,583.00
Including: Business cost	1,236,598,583.00	1,182,038,684.00
Business tax and associate charges	214,117,460.00	203,798,313.00
Sales expenses	1,025,951,023.00	951,377,530.00
Management expenses	186,644,608.00	177,851,142.00
Financial expenses	21,124,389.00	9,464,914.00
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 "-")	1,079,329,575.00	1,161,697,479.00
Add: Non-operating income	31,000,806.00	13,720,914.00
Including: Disposal earnings of non-current asset	94,567.00	2,985.00
Less: non-operating expenditures	727,175.00	1,385,273.00
Including: non-current assets disposing loss	114,650.00	1,564.00
4. Total profit (loss is listed with "-")	1,109,603,206.00	1,174,033,120.00
Less: income tax expenses	283,882,492.00	291,174,663.00
5. Net profit (net loss is listed with "-")	825,720,714.00	882,858,457.00
Net profit of parent company's owners	824,770,637.00	882,858,457.00
Minority shareholder profit and loss	950,077.00	0.00
6. Net after-tax of other comprehensive income	222,397.00	-2,383,633.00
Net after-tax of other comprehensive income attributable to owners of parent company	756,478.00	-2,383,633.00
(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	756,478.00	-2,383,633.00
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	756,478.00	-2,383,633.00
6). Other		
Net after-tax of other comprehensive income attributable to minority shareholders	-534,081.00	
7. Total comprehensive income	825,943,111.00	880,474,824.00
Total comprehensive income attributable to owners of parent Company	825,527,115.00	880,474,824.00
Total comprehensive income attributable to minority shareholders	415,996.00	
8. Earnings per share:		
(i) Basic earnings per share	1.20	1.29
(ii) Diluted earnings per share	1.20	1.29

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 2016	Nine months ended 30 Sep 2015
1. Business income	949,927,902.00	980,951,076.00
Less: Business cost	729,345,231.00	789,900,152.00
Business tax and associate charges	103,617,979.00	105,768,887.00
Sales expenses		
Management expenses	79,384,545.00	76,796,243.00
Financial expenses	29,763,533.00	5,811,231.00
Assets depreciation loss		
Add: fair value charge profit (loss is listed with "-")		
Investment profit (loss is listed with "-")	965,325,025.00	212,576,174.00
Including: investment profit for joint-run business and joint venture		
2. Operating profit (loss is listed with "-")	973,141,639.00	215,250,737.00
Add: non-operating income	1,797,395.00	4,168,595.00
Including: Disposal earnings of non-current asset	94,567.00	
Less: non-operating expenditures	331,511.00	542,654.00
Including: non-current assets disposing loss	22,328.00	855.00
3. Total profit (loss is listed with "-")	974,607,523.00	218,876,678.00
Less: income tax expenses	2,320,625.00	1,575,126.00
4. Net profit (net loss is listed with "-")	972,286,898.00	217,301,552.00
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	972,286,898.00	217,301,552.00
7. Earnings per share:		
(i) Basic earnings per share	1.42	0.32
(ii) Diluted earnings per share	1.42	0.32

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 2016	Nine months ended 30 September 2015
1. Cash flows from operating activities:		
Cash received from sales of goods and rendering of services	3,719,438,063.00	3,686,172,658.00
Tax refund received	17,604,409.00	
Other cash received related to operating activities	32,427,926.00	13,703,183.00
Subtotal of cash flows of operating activities	3,769,470,398.00	3,699,875,841.00
Cash paid for goods and services	830,439,785.00	562,603,094.00
Cash paid to and on behalf of employees	336,707,087.00	275,218,502.00
Cash paid for taxes and expenses	939,380,988.00	1,036,869,330.00
Other cash paid related to operating activities	671,876,784.00	605,950,591.00
Sub-total of cash outflows of operating activities	2,778,404,644.00	2,480,641,517.00
Net cash flow from operating activities	991,065,754.00	1,219,234,324.00
2. Cash flow from investing activities:		
Cash received from return of investment		
Fixed deposit with the term of over 3 months	16,007,000.00	37,245,259.00
Cash received from obtaining investment profit	28,483.00	1,091,331.00
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	258,555.00	30,300.00
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	16,294,038.00	38,366,890.00
Cash paid to acquire fixed assets, intangible assets and other long-term assets	542,967,101.00	572,289,511.00
Cash paid to buy fixed deposit with the term of over 3 months	12,021,025.00	11,000,000.00
Cash for investment		500,000.00
Net cash paid to acquire branch and other business unit	762,436.00	
Other cash paid related to investment activities		
Subtotal of cash outflows of investment activities	555,750,562.00	583,789,511.00
Net cash flow from investing activities	-539,456,524.00	-545,422,621.00
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	876,125,040.00	498,979,200.00
Other cash received related to financing activities	178,584,375.00	
Subtotal cash flows of financing activities	1,054,709,415.00	498,979,200.00
Cash paid to pay debts	818,659,951.00	219,273,330.00
Cash paid to distribute dividend, profit or pay interest	369,159,124.00	316,787,365.00
Including: dividend and profit paid to minority shareholders by subsidiary		
Other cash paid related to financing activities	20,000,000.00	
Subtotal of cash outflows of financing activities	1,207,819,075.00	536,060,695.00
Net cash flow from financing activities	-153,109,660.00	-37,081,495.00
4. Influences of exchange rate fluctuation on cash and cash equivalents	7,018,097.00	-1,746,180.00
5. Net Increase in cash and cash equivalents	305,517,667.00	634,984,028.00
Add: balance at the beginning of the period of cash and cash equivalents	1,092,241,661.00	960,472,274.00
6. Balance at the end of the period of cash and cash equivalents	1,397,759,328.00	1,595,456,302.00

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 2016	Nine months ended 30 September 2015
1. Cash flows from operating activities:		
Cash received from sales of goods and rendering of services	734,992,794.00	746,119,787.00
Tax refund received		
Other cash received related to operating activities	558,955.00	1,649,471.00
Subtotal of cash flows of operating activities	735,551,749.00	747,769,258.00
Cash paid for goods and services	494,981,314.00	355,658,742.00
Cash paid to and on behalf of employees	117,230,247.00	110,941,633.00

Cash paid for taxes and expenses	110,070,539.00	147,646,342.00
Other cash paid related to operating activities	797,564,401.00	376,478,651.00
Sub-total of cash outflows of operating activities	1,519,846,501.00	990,725,368.00
Net cash flow from operating activities	-784,294,752.00	-242,956,110.00
2. Cash flow from investing activities:		
Cash received from return of investment		350,000.00
Withdraw of fixed deposit with the term of over 3 months	16,007,000.00	37,245,259.00
Cash received from obtaining investment profit	1,397,454,077.00	519,194,784.00
Cash received from interest income		
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	256,440.00	30,200.00
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	1,413,717,517.00	556,820,243.00
Cash paid to acquire fixed assets, intangible assets and other long-term assets	23,384,289.00	26,594,493.00
Cash paid for buying fixed deposit with the term of over 3 months	12,021,025.00	11,000,000.00
Cash for investment	10,613,970.00	500,000.00
Net cash paid to acquire branch and other business unit		
Other cash paid related to investment activities		
Subtotal of cash outflows of investment activities	46,019,284.00	38,094,493.00
Net cash flow from investing activities	1,367,698,233.00	518,725,750.00
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	500,000,000.00	498,979,200.00
Other cash received related to financing activities	135,484,375.00	
Subtotal cash flows of financing activities	635,484,375.00	498,979,200.00
Cash paid to pay debts	749,640,092.00	219,273,330.00
Cash paid to distribute dividend, profit or pay interest	364,379,781.00	316,787,365.00
Including: dividend and profit paid to minority shareholders by branch		
Other cash paid related to financing activities		
Subtotal of cash outflows of financing activities	1,114,019,873.00	536,060,695.00
Net cash flow from financing activities	-478,535,498.00	-37,081,495.00
4. Influences of exchange rate fluctuation on cash and cash equivalents		
5. Net Increase in cash and cash equivalents	104,867,983.00	238,688,145.00
Add: balance at the beginning of the period of cash and cash equivalents	143,798,080.00	333,245,466.00
6. Balance at the end of the period of cash and cash equivalents	248,666,063.00	571,933,611.00

2. Audit report

Whether the third quarter report has been audited.

Yes No

The 3rd quarter report has not been audited.

Yantai Changyu Pioneer Wine Co. Ltd.

Board of Directors

28th October 2016