



Yantai Changyu Pioneer Wine Co. Ltd.

2018 the Third Quarter Report

2018-Final 04

October 2018

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. Zhou Hongjiang (Person in charge of the company) and Mr. Jiang Jianxun (Person in charge of accounting and accounting organ, also Financial Director) assure the truthfulness, accuracy and completeness of the financial statements in the quarter report.

II、 Corporate Information

1. Key accounting data and financial indicators

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)	12,907,492,685	12,536,755,208	2.96%	
Net Assets attributed to the shareholders of the listed company (CNY)	9,340,814,814	8,906,342,299	4.88%	
	The report period	More or less than last year (%)	From beginning of year to end of report period	More or less than last year (%)
Business income (CNY)	1,032,328,986	0.14%	3,860,559,050	1.65%
Net profit attributed to the shareholders of the listed company (CNY)	133,916,250	-8.35%	769,753,655	-5.69%
Net profit attributed to the shareholders of the listed company after deducting the irregular profit and loss (CNY)	110,520,695	-20.39%	717,199,414	-9.27%
Net cash flows from the operating activities (CNY)	--	--	776,840,794	-3.69%
Basic earnings per share (CNY)	0.20	-4.76%	1.12	-5.88%
Diluted earnings per share (CNY)	0.20	-4.76%	1.12	-5.88%
Weighted average for earning rate of the net assets	1.43%	-0.25%	8.35%	-1.21%

Details of irregular profit and loss

Yes No

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	-76,376	
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)	66,841,126	
Other non-operating income and expenses	2,950,317	
Less: Income tax effect	17,083,755	

Minority interests effect(after-tax)	77,071	
Total	52,554,241	--

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	39,225 (20,581 of Stock A and 18,644 of Stock B)	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	3.08%	21,090,219	0	--	0
CHINA SECURITIES FINANCE CORP	State-owned legal person	2.25%	15,440,794	0	--	0
BBH BOS S/A FIDELITY FD - CHINA FOCUS FD	Foreign legal person	2.22%	15,241,826	0	--	0
SHENWAN HONGYUAN SECURITIES(HONGKONG) LIMITED	Foreign legal person	1.27%	8,685,618	0	--	0
TAIKANG LIFE INSURANCE COMPANY LIMITED – UNITED LINKED – INDUSTRIES ALLOCATION	Others	1%	6,887,535	0	--	0
FIDELITY PURITAN TRUST: FIDELITY SERIES INTRINSIC OPPORTUNITIES FUND	Foreign legal person	0.89%	6,100,762	0	--	0
TAIKANG LIFE INSURANCE COMPANY LIMITED ---	Others	0.84%	5,740,737	0	--	0

DIVIDEND ---PERSONAL INSURANCE DIVIDEND --- 019L---FH002SHEN						
GUOTAI JUNAN SECURITIES(HONGKONG) LIMITED	Foreign legal person	0.73%	5,038,107	0	--	0
CENTRAL HUIJIN ASSET MANAGEMENT LTD.	State-owned legal person	0.69%	4,761,200			
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.	21,090,219	B share	21,090,219			
CHINA SECURITIES FINANCE CORP	15,440,794	A share	15,440,794			
BBH BOS S/A FIDELITY FD - CHINA FOCUS FD	15,241,826	B share	15,241,826			
SHENWAN HONGYUAN SECURITIES(HONGKONG) LIMITED	8,685,618	B share	8,685,618			
TAIKANG LIFE INSURANCE COMPANY LIMITED – UNITED LINKED – INDUSTRIES ALLOCATION	6,887,535	A share	6,887,535			
FIDELITY PURITAN TRUST: FIDELITY SERIES INTRINSIC OPPORTUNITIES FUND	6,100,762	B share	6,100,762			
TAIKANG LIFE INSURANCE COMPANY LIMITED -- - DIVIDEND ---PERSONAL INSURANCE DIVIDEND - -- 019L---FH002SHEN	5,740,737	A share	5,740,737			
GUOTAI JUNAN SECURITIES(HONGKONG) LIMITED	5,038,107	B share	5,038,107			
CENTRAL HUIJIN ASSET MANAGEMENT LTD.	4,761,200	A share	4,761,200			
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 are 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. Great changes and reasons on main accountant data and financial index

Available Not available

Compared the end of the report period with the beginning of the year, accounts receivable decreases by 17.8%, mainly due to the recovery of previous goods payment; advance payment increases by 49.29%, mainly due to the growth of advance payment for packaging material; other account receivable decreases by 32.93%, mainly due to the recovery of partial cash deposit paid in earlier stage and investment amount of minority shareholders; other current assets increases by 48.53%, mainly due to the increase in input tax not deducted in this period; goodwill increases by 28.92%, mainly due to the company's acquisition of Kilikanoon in Australia; assets of deferred income tax decreases by 15.65%, mainly due to the decrease in unrealized profit of inventory in the internal transaction and wage payable; advance receipt decreases by 28.43%, mainly due to the decrease in obtainment of advance payment from distributors; tax payable decreases by 51.39%, mainly due to the decrease in added-value tax payable and consumption tax payable; other accounts payable increases by 26.74%, mainly due to the increase in advertising expense payable; non-current liabilities due within one year increases by 42.29%, mainly due to the increase in long-term loan due within one year; other comprehensive income increases by 239.64%, mainly due to the increase in translation differences arising on translation of foreign currency financial statements.

Compared the period from the beginning of the year to the end of report period with the same period of last year, financial expense increases by 14.93%, mainly due to the incorporation of newly-acquired overseas enterprise into the consolidation scope; other income increases by 124.23%, mainly due to the increase in governmental subsidy; other cash received related to operating activities increases by 44.64%, due to the increase in governmental subsidy; other cash received related to financing activities increases by 1704.52%, mainly due to the repeating of fixed deposit pledged for the company's long-term loan.

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

Available Not available

3. The commitments that the Company's actual controllers, shareholders, related parties, purchasers, the Company and other related parties do not implement completely exceeding the time limit within 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 performing
	Yantai Changyu Group Co., Ltd	Clear the purpose of brand royalty	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 performing
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 completed, specific reasons of not completing the implementation and the next step						No

4. Forecast on the operating performance in the year of 2018

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

8. The Company's receptions, studies, communications and visits

Available Not available

Reception Time	Reception mode	Reception object type	Basic information index of investigate and survey
2018.07.02	Field survey	Institution	< Investor Relations Activity Record of Yantai Changyu Pioneer Wine Company Limited > in 'Investor Relations Information on CNINFO website (www.cninfo.com.cn)

9. The situation of illegal external guarantee

Available Not available

There is no illegal external guarantee during the report period.

10. 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.

Unit: CNY

ITEM	At 30 September 2018	At 31 December 2017
Current assets:		
Monetary fund	1,507,762,428	1,402,522,509
Financial assets which are measured by fair value and which changes are recorded in current profit and loss		
Derivative financial liability		
Notes receivable & Account receivable	440,502,614	508,593,173
Incl: Notes receivable	223,654,454	244,796,818
Account receivable	216,848,160	263,796,355
Advance payment	3,609,668	2,417,931
Interest receivable		
Dividend receivable		
Other account receivable	12,729,544	18,978,422
Inventories	2,556,577,030	2,473,614,046
Assets held for sale	2,000,197	2,000,197
Non-current assets due within one year		
Other current assets	342,839,401	230,822,759
Total current assets	4,866,020,882	4,638,949,037
Non-current assets:		
Financial assets for sale	480,666	467,251
Investment held to expiration		
Long-term account receivable		
Long-term equity investment		
Real estate for investment	17,582,074	18,467,989
Fixed assets	5,478,944,494	5,329,083,969
Construction in progress	1,028,608,983	1,026,141,569
Project material		
Liquidation of fixed assets		
Biological assets for production	203,171,240	201,929,888
Oil and gas assets		
Intangible assets	662,739,630	655,448,897
Development expenditure		
Goodwill	165,199,111	128,135,981
Long-term deferred expenses	224,856,962	230,009,231

Assets of deferred income tax	259,888,643	308,121,396
Other non-current assets		
Total non-current assets	8,041,471,803	7,897,806,171
Total assets	12,907,492,685	12,536,755,208
Current liabilities:		
Short-term loan	753,501,353	714,434,286
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	600,341,636	666,442,879
Advance receipt	251,147,961	350,894,156
Wage payable	173,784,498	210,824,234
Tax payable	70,524,280	145,094,156
Interest payable		
Dividend payable		
Deferred income	15,437,490	16,878,199
Other accounts payable	765,177,765	603,735,569
Liabilities held for sale		
Non-current liabilities due within one year	157,878,438	110,954,827
Other current liabilities		
Total current liabilities	2,787,793,421	2,819,258,306
Non-current liabilities:		
Long-term loan	134,684,845	156,125,854
Bond payable		
Including: Preferred stock		
Perpetual capital securities		
Long-term accounts payable	235,000,000	259,000,000
Long-term wages payable		
Special accounts payable		
Deferred income	88,516,800	92,918,855
Liabilities of deferred income tax	24,085,949	24,264,203
Other non-current liabilities	6,848,846	7,209,312
Total non-current liabilities	489,136,440	539,518,224
Total liabilities	3,276,929,861	3,358,776,530
Shareholder rights and interests:		
Share capital	685,464,000	685,464,000
Other equity instrument		
Including: Preferred stock		
Perpetual capital securities		
Capital public reserve	565,955,441	565,955,441
Less: Inventory shares		
Other comprehensive Income	10,560,100	3,109,240

Reasonable reserve		
Surplus reserve	342,732,000	342,732,000
Provision of general risk		
Retained profit	7,736,103,273	7,309,081,618
Total owner's equity attributable to parent Company	9,340,814,814	8,906,342,299
Minority interests	289,748,010	271,636,379
Total owner's equity	9,630,562,824	9,177,978,678
Total liabilities and owner's equity	12,907,492,685	12,536,755,208

Legal representative: Zhou Hongjiang; Person in charge of accounting : Jiang Jianxun; Person in charge of accounting organ: Jiang Jianxun

2) Balance sheet of parent company

Unit: CNY

Item	At 30 September 2018	At 31 December 2017
Current assets:		
Monetary fund	621,340,991	559,174,466
Financial assets which are measured by fair value and which changes are recorded in current profit and loss		
Derivative financial liability		
Notes receivable & Account receivable	56,202,850	49,450,536
Incl: Notes receivable	48,760,986	41,645,203
Account receivable	7,441,864	7,805,333
Advance payment	162,657	99,673
Interest receivable		
Dividend receivable		
Other account receivable	437,667,412	999,846,643
Inventories	360,755,648	348,042,053
Assets held for sale	2,000,197	2,000,197
Non-current assets due within one year		
Other current assets	32,703,007	29,706,058
Total current assets	1,510,832,762	1,988,319,626
Non-current assets:		
Financial assets for sale		
Investment held to expiration		
Long-term account receivable		
Long-term equity investment	7,420,803,069	4,511,202,204
Real estate for investment	17,582,074	18,467,989
fixed assets	269,614,276	288,150,901
Construction in progress	13,918,231	6,756,349
Project material		
Liquidation of fixed assets		
Biological assets for production	119,610,212	119,572,539
Oil and gas assets		
Intangible assets	67,838,855	69,623,219
Development expenditure		
Goodwill		
Long-term deferred expenses		
Assets of deferred income tax	23,790,555	28,787,907
Other non-current assets	932,200,000	3,718,674,166
Total non-current assets	8,865,357,272	8,761,235,274
Total assets	10,376,190,034	10,749,554,900
Current liabilities:		

Short-term loan	200,000,000	600,000,000
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	88,550,852	97,833,124
Advance receipt	6,000,000	6,000,000
Wage payable	59,650,846	70,108,076
Tax payable	3,681,742	14,569,690
Interest payable		
Dividend payable		
Deferred income	3,563,054	3,953,054
Other accounts payable	561,807,771	545,365,672
Liabilities held for sale		
Non-current liabilities due within one year		
Other current liabilities		
Total current liabilities	923,254,265	1,337,829,616
Non-current liabilities:		
Long-term loan		-
Bond payable		
Including: Preferred stock		
Perpetual capital securities		
Long-term accounts payable		
Long-term wages payable		
Special accounts payable		
Deferred income	10,523,269	12,970,473
Liabilities of deferred income tax		
Other non-current liabilities	1,935,802	2,235,802
Total non-current liabilities	12,459,071	15,206,275
Total liabilities	935,713,336	1,353,035,891
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
Retained profit	7,855,058,244	7,811,100,555
Total owner's equity	9,440,476,698	9,396,519,009
Total liabilities and owner's equity	10,376,190,034	10,749,554,900

3) Consolidated profit statement for this report period

Unit: CNY

Item	Three months ended 30 September 2018	Three months ended 30 September 2017
I. Total Operating Revenue	1,032,328,986	1,030,899,920
Incl: Operating Revenue	1,032,328,986	1,030,899,920
II. Total Operating Cost	881,486,983	849,810,998
Incl: Operating Cost	394,965,077	329,547,531
Tax and levies on operations	45,258,725	55,781,211
Selling expenses	357,743,961	387,624,972
Administrative expenses	69,715,725	69,196,400
Research & Development expenses	1,407,641	1,142,752
Finance expenses	11,864,743	7,139,053
Incl: Interest expenses	6,703,768	7,873,529
Interest income	1,849,137	3,877,588
Impairment losses of Assets	531,111	-620,921
Add: Gains on increase in fair value of assets		
Investment income		
Incl. Investment income from affiliates		
Gains on assets disposal	-170,334	-278,016
Other income	28,858,248	29,809,744
III. Operating profit	179,529,917	210,620,650
Add: Non-operating income	2,775,336	-18,081,069
Including: Disposal earnings of non-current asset		
Less: Non-operating expenses	439,049	157,492
Incl. Losses from disposal of non-current assets		
IV. Total Profit before Taxation	181,866,204	192,382,089
Less: Income tax	47,969,306	44,950,415
V. Net profit after Taxation	133,896,898	147,431,674
(I) Going concern net profit	133,896,898	147,431,674
(II) Discontinued operation net profit		
Net profit attributable to Parent company	133,916,250	146,115,408
Minority interest income	-19,352	1,316,266
VI. Net after-tax of other comprehensive income	19,757,123	7,625,587
Net after-tax of other comprehensive income attributable to owners of parent company	16,681,680	6,468,774
(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	16,681,680	6,468,774
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	16,681,680	6,468,774
6. Other	-	-
Net after-tax of other comprehensive income attributable to minority shareholders	3,075,443	1,156,813
VII. Total comprehensive income	153,654,021	155,057,261
Total comprehensive income attributable to owners of parent Company	150,597,930	152,584,182
Total comprehensive income attributable to minority shareholders	3,056,091	2,473,079
VIII. Earnings per share:		
(I) Basic earnings per share	0.20	0.21
(II) Diluted earnings per share	0.20	0.21

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: Zhou Hongjiang; Person in charge of accounting: Jiang Jianxun; Person in charge of accounting organ: Jiang Jianxun

4) Profit statement of parent company for this report period

Unit: CNY

Item	Three months ended 30 September 2018	Three months ended 30 September 2017
I. Sales Revenue	185,358,483	216,615,411
less: Cost of sales	163,922,392	182,660,783
Tax and levies on operations	9,009,093	9,293,101
Selling and distribution expenses		
Administrative expenses	21,447,867	23,115,442
Research & Development expenses	239,075	227,673
Finance expenses	6,173,386	-6,419,161
Incl: Interest expenses	2,223,333	5,800,616
Interest income	781,752	13,540,002
Impairment losses of Assets		
Add: Gains on increase in fair value of assets		
Investment income	79,850,000	212,738,266
Incl. Investment income from affiliates		
Gains on assets disposal	-528	-457,457
Other income	1,160,677	1,668,380
II. Operating profit	65,576,819	221,686,762
Add: Non-operating income	812,444	-716,495
Including: Disposal earnings of non-current asset		
Less: Non-operating expenses	299,472	18,685
Incl. Losses from disposal of non-current assets		
III. Total Profit before Taxation	66,089,791	220,951,582
Less: Income tax	-1,834,728	1,879,991
IV. Net profit after Taxation	67,924,519	219,071,591
(I) Going concern net profit	67,924,519	219,071,591
(II) Discontinued operation net profit		
V. Net after-tax of other comprehensive income	-	-
Net after-tax of other comprehensive income attributable to owners of parent company	-	-
(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	-	
VI. Total comprehensive income	67,924,519	219,071,591
VII. Earnings per share:		
(I) Basic earnings per share	0.10	0.32
(II) Diluted earnings per share	0.10	0.32

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

Unit: CNY

Item	Nine months ended 30 September 2018	Nine months ended 30 September 2017
I. Total Operating Revenue	3,860,559,050	3,797,998,117
Incl: Operating Revenue	3,860,559,050	3,797,998,117
II. Total Operating Cost	2,900,426,441	2,740,611,614
Incl: Operating Cost	1,369,522,369	1,255,301,664
Tax and levies on operations	210,534,976	216,255,209
Selling expenses	1,068,402,994	1,056,360,698
Administrative expenses	226,147,745	196,767,631
Research and development expenses	5,067,509	4,113,907
Finance expenses	24,950,685	18,287,002
Incl: Interest expenses	25,443,296	22,915,567
Interest income	9,095,007	8,726,754
Impairment losses of Assets	-4,199,837	-6,474,497
Add: Other income	66,841,126	29,809,744
Investment income	-	-
Incl. Investment income from affiliates	-	-
Gains on changes in fair value		
Gains on exchange		
Gains on assets disposal	-76,376	-773,087
III. Operating profit	1,026,897,359	1,086,423,160
Add: Non-operating income	4,781,728	5,066,536
Less: Non-operating expenses	1,831,411	344,060
IV. Total profit before taxation	1,029,847,676	1,091,145,636
Less: Income tax	259,949,041	273,703,205
V. Net profit after taxation	769,898,635	817,442,431
(I) Going concern net profit	769,898,635	817,442,431
(II) Discontinued operation net profit		
Net profit attributable to parent company	769,753,655	816,184,462
Minority interest income	144,980	1,257,969
VI. Net after-tax of other comprehensive income	8,630,710	9,393,328
Net after-tax of other comprehensive income attributable to owners of parent company	7,450,860	7,927,583
(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	-	-
2. Other comprehensive income which cannot be transferred to profit and loss under equity method	-	-
(II) Other comprehensive income items which can be reclassified subsequently to profit or loss	7,450,860	7,927,583
1. Other comprehensive income which can be transferred to profit and loss under equity method	-	-

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	7,450,860	7,927,583
6. Other	-	-
Net after-tax of other comprehensive income attributable to minority shareholders	1,179,850	1,465,745
VII. Total comprehensive income	778,529,345	826,835,759
Total comprehensive income attributable to owners of parent Company	777,204,515	824,112,045
Total comprehensive income attributable to minority shareholders	1,324,830	2,723,714
VIII. Earnings per share:		
(I) Basic earnings per share	1.12	1.19
(II) Diluted earnings per share	1.12	1.19

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.

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 September 2018	Nine months ended 30 September 2017
I. Operating Revenue	594,203,694	1,048,435,914
Less: Operating Cost	516,569,381	920,611,161
Tax and levies on operations	33,472,468	58,158,891
Selling expenses		
Administrative expenses	61,014,018	62,601,562
Research and development expenses	860,671	819,621
Finance expenses	-8,978,222	2,873,808
Incl: Interest expenses	13,580,944	15,825,773
Interest income	28,087,271	15,000,735
Impairment losses of Assets		
Add: Other income	3,137,204	1,668,380
Investment income	392,259,576	278,866,246
Incl. Investment income from affiliates		
Gains on changes in fair value		
Gains on assets disposal	74,472	-447,009
II. Operating profit	386,736,630	283,458,488
Add: Non-operating income	868,923	285,028
Less: Non-operating expenses	300,000	38,942
III. Total Profit before taxation	387,305,553	283,704,574
Less: Income tax	615,864	1,198,988
IV. Net profit after taxation	386,689,689	282,505,586
(I) Going concern net profit	386,689,689	282,505,586
(II) Discontinued operation net profit		
V. 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	-	-
2. Other comprehensive income which cannot be transferred to profit and loss under equity method	-	-
(II) Other comprehensive income items which can be reclassified subsequently to profit or loss	-	-
1. Other comprehensive income which can be transferred to profit and loss under equity method	-	-
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	-	
VI. Total comprehensive income	386,689,689	282,505,586
VII. Earnings per share:		
(I) Basic earnings per share	0.56	0.41
(II) Diluted earnings per share	0.56	0.41

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 2018	Nine months ended 30 September 2017
I. Cash flows from operating activities:		
Cash received from sales of goods and rendering of services	3,758,220,631	3,748,429,160
Tax refund received	44,108,497	55,504,426
Other cash received related to operating activities	72,133,583	49,871,055
Subtotal of cash flows of operating activities	3,874,462,711	3,853,804,641
Cash paid for goods and services	1,148,035,339	1,022,363,394
Cash paid to and on behalf of employees	382,654,609	353,314,524
Cash paid for various taxes	980,026,533	1,071,778,605
Other cash paid related to operating activities	586,905,436	599,720,288
Sub-total of cash outflows of operating activities	3,097,621,917	3,047,176,811
Net cash flow from operating activities	776,840,794	806,627,830
II. Cash flow from investing activities:		
Cash received from return of investment		
Cash received from fixed deposit	315,000,000	103,000,000
Cash received from obtaining investment profit	2,663,349	682,550
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	679,061	324,523
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	318,342,410	104,007,073
Cash paid to acquire fixed assets, intangible assets and other long-term assets	194,381,509	354,737,497
Cash for fixed deposit	340,000,000	201,000,000
Cash for investment		
Net cash paid to acquire branch and other business unit	105,834,656	308,574,514
Other cash paid related to investment activities		
Subtotal of cash outflows of investment activities	640,216,165	864,312,011
Net cash flow from investing activities	-321,873,755	-760,304,938
III. Cash flow from financing activities		
Cash received from acquiring investment		48,396,726
Incl: Cash received from acquiring minority shareholders investment by branch		48,396,726
Cash received from acquiring loans	693,422,472	789,967,950
Other cash received related to financing activities	23,521,431	1,303,473
Subtotal cash flows of financing activities	716,943,903	839,668,149
Cash paid to pay debts	697,658,527	591,490,823
Cash paid to distribute dividend, profit or pay interest	370,522,623	369,915,621
Incl: dividend and profit paid to minority shareholders by branch		
Other cash paid related to financing activities	20,000,000	
Subtotal of cash outflows of financing activities	1,088,181,150	961,406,444
Net cash flow from financing activities	-371,237,247	-121,738,295
IV. Influences of exchange rate fluctuation on cash and cash equivalents	-1,776,998	2,252,682
V. Net Increase in cash and cash equivalents	81,952,794	-73,162,721

Add: Balance at the beginning of the period of cash and cash equivalents	1,180,889,274	1,256,942,304
VI. Balance at the end of the period of cash and cash equivalents	1,262,842,068	1,183,779,583

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 2018	Nine months ended 30 September 2017
I. Cash flows from operating activities:		
Cash received from sales of goods and rendering of services	500,155,064	682,267,341
Tax refund received		
Other cash received related to operating activities	117,304,238	282,251,646
Subtotal of cash flows of operating activities	617,459,302	964,518,987
Cash paid for goods and services	324,043,336	329,643,068
Cash paid to and on behalf of employees	61,318,451	77,242,480
Cash paid for various taxes	56,041,351	176,498,230
Other cash paid related to operating activities	35,822,969	81,894,029
Sub-total of cash outflows of operating activities	477,226,107	665,277,807
Net cash flow from operating activities	140,233,195	299,241,180
II. Cash flow from investing activities:		
Cash received from return of investment		
Cash received from fixed deposit	305,000,000	103,000,000
Cash received from obtaining investment profit	799,859,450	714,832,479
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	538,055	317,078
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	1,105,397,505	818,149,557
Cash paid to acquire fixed assets, intangible assets and other long-term assets	15,121,500	5,101,890
Cash for fixed deposit	340,000,000	105,000,000
Cash for investment	107,194,420	349,440,824
Net cash paid to acquire branch and other business unit		
Other cash paid related to investment activities		
Subtotal of cash outflows of investment activities	462,315,920	459,542,714
Net cash flow from investing activities	643,081,585	358,606,843
III. Cash flow from financing activities		
Cash received from acquiring investment		
Cash received from acquiring loans	200,000,000	600,000,000
Other cash received related to financing activities		
Subtotal cash flows of financing activities	200,000,000	600,000,000
Cash paid to pay debts	600,000,000	530,339,600
Cash paid to distribute dividend, profit or pay interest	356,615,750	358,704,864
Other cash paid related to financing activities		
Subtotal of cash outflows of financing activities	956,615,750	889,044,464
Net cash flow from financing activities	-756,615,750	-289,044,464
IV. Influences of exchange rate fluctuation on cash and cash equivalents		
V. Net Increase in cash and cash equivalents	26,699,030	368,803,559
Add: balance at the beginning of the period of cash and cash equivalents	493,568,866	238,003,198
VI. Balance at the end of the period of cash and cash equivalents	520,267,896	606,806,757

2. Audit report

Whether the 3rd quarter report has been audited.

Yes No

The third quarter report has not been audited.

Yantai Changyu Pioneer Wine Co., Ltd.
Board of Directors
30th October 2018