



Yantai Changyu Pioneer Wine Co. Ltd.

2018 the First Quarter Report

2018-Final 02

April 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 (Chairman of the Company), Mr. Jiang Jianxun (Chief Financial Officer) and Mr. Jiang Jianxun (Financial Director) assure the truthfulness, accuracy and completeness of the financial report 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

Item	The report period	The same period of last year	More or less than last year (%)
Business income (CNY)	1,804,057,976.00	1,896,586,469.00	-4.88%
Net profit attributed to the shareholders of the listed company (CNY)	479,444,238.00	516,634,494.00	-7.20%
Net profit attributed to the shareholders of the listed company after deducting the irregular profit and loss (CNY)	466,181,564.00	512,684,945.00	-9.07%
Net cash flows from the operating activities (CNY)	507,263,964.00	384,358,508.00	31.98%
Basic earnings per share (CNY)	0.70	0.75	-6.67%
Diluted earnings per share (CNY)	0.70	0.75	-6.67%
Weighted average for earning rate of the net assets	5.24%	6.10%	-0.86%
	The end of the report period	The end of last year	More or less than last year (%)
Total assets (CNY)	13,134,043,590.00	12,536,755,208.00	4.76%
Net Assets attributed to the shareholders of the listed company (CNY)	9,380,239,163.00	8,906,342,299.00	5.32%

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	84,719.00	
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)	16,861,473.00	
Other non-operating income and expenses	525,389.00	
Less: Income tax effect	4,252,831.00	

Minority interests effect(after-tax)	-43,924.00	
Total	13,262,674.00	--

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	44,606	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	2.28%	15,638,655	0	--	0
BBH BOS S/A FIDELITY FD - CHINA FOCUS FD	Foreign legal person	2.22%	15,241,826	0	--	0
GUOTAI JUNAN SECURITIES(HONGKONG) LIMITED	Foreign legal person	1.00%	6,828,497	0	--	0
SHENWAN HONGYUAN SECURITIES(HONGKONG) LIMITED	Foreign legal person	0.96%	6,554,654	0	--	0
FIDELITY PURITAN TRUST: FIDELITY SERIES INTRINSIC OPPORTUNITIES FUND	Foreign legal person	0.89%	6,100,762	0	--	0
UNION LIFE INSURANCE CO., LTD --- DIVIDEND --- PERSONAL INSURANCE	Domestic non-state-owned legal person	0.79%	5,446,039	0	--	0

DIVIDEND						
CENTRAL HUIJIN ASSET MANAGEMENT LTD.	State-owned legal person	0.69%	4,761,200	0	--	0
VANGUARD EMERGING MARKETS STOCK INDEX FUND	Foreign legal person	0.55%	3,788,487	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.	21,090,219	B share	21,090,219			
CHINA SECURITIES FINANCE CORP	15,638,655	A share	15,638,655			
BBH BOS S/A FIDELITY FD - CHINA FOCUS FD	15,241,826	B share	15,241,826			
GUOTAI JUNAN SECURITIES(HONGKONG) LIMITED	6,828,497	B share	6,828,497			
SHENWAN HONGYUAN SECURITIES(HONGKONG) LIMITED	6,554,654	B share	6,554,654			
FIDELITY PURITAN TRUST: FIDELITY SERIES INTRINSIC OPPORTUNITIES FUND	6,100,762	B share	6,100,762			
UNION LIFE INSURANCE CO., LTD --- DIVIDEND -- -PERSONAL INSURANCE DIVIDEND	5,446,039	A share	5,446,039			
CENTRAL HUIJIN ASSET MANAGEMENT LTD.	4,761,200	A share	4,761,200			
VANGUARD EMERGING MARKETS STOCK INDEX FUND	3,788,487	B share	3,788,487			
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 report period: notes receivable increases by 109.5%, mainly due to the growth on bank acceptances; advance payment increases by 93.91%, mainly due to the growth of advances payment for raw material procurement; interest receivable increases by 294.4%, mainly due to the growth of bank term deposits; constructions in progress increases by 12.41%, mainly due to the increase in cumulative investment in technological transformation projects; goodwill increases by 28.02%, mainly due to the Company's acquisition of goodwill generated by Kilikanoon Estate Pty Ltd in Australia; deposits received increases by 35.28%, mainly due to growth of advances from customers; non-current liabilities due within one year increased by 20.11%, mainly due to the transfer of long-term accounts payable.

Compared the same period with last year: operating revenue decreases by 4.88%, although cash received related to sell products and supply labor service in the report period increases by 6.84%, it is affected by those factors including the adjustment of Company's marketing system, payment and settlement methods of partial marketing expenses, commissioning of new product lines being not completed, as well as product optimization. Meanwhile the Company takes actions in improving purchase mode of partial products, strengthening order drive and small order for distributors etc. that makes slight reduction in sales revenue confirmed by accounting standard; sales expense decreases by 4.17%, mainly owing to decrease in advertising expense; administrative expense increases by 19.8% mainly owing to increase in depreciation and intangible assets amortization; financial expense decreases by 19.17% mainly owing that, with the use of partial bank loan into investment project construction, corresponding loan interest is included into the cost of fixed assets; net profit attributable to parent company decreases by 7.2% mainly owing to decrease in income; Other cash paid related to operating activities increases by 27.27% mainly owing to payment of marketing expense exemplified as advertising expense.

The judgment of Company is that with the reformation of organizational structure, marketing policies and marketing system are gradually adjusted into position; the construction of marketing team and incentive measures are further perfected; product structure is constantly optimized; new product lines are ready to complete commissioning, the Company will enter new step of steady development in the future and promote the growth of operating performance.

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 period from January to June 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 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.

Unit: CNY

ITEM	At 31 March 2018	At 31 December 2017
Current assets:		
Monetary fund	1,700,742,920.00	1,402,522,509.00
Financial assets which are measured by fair value and which changes are recorded in current profit and loss		
Derivative financial liability		
Notes receivable	512,840,891.00	244,796,818.00
Account receivable	271,084,429.00	263,796,355.00
Advance money	4,688,679.00	2,417,931.00
Interest receivable	841,947.00	240,968.00
Dividend receivable		
Other account receivable	19,111,859.00	18,737,454.00
Inventories	2,366,202,029.00	2,473,614,046.00
Assets held for sale	2,000,197.00	2,000,197.00
Non-current assets due within one year		
Other current assets	244,746,112.00	230,822,759.00
Total current assets	5,122,259,063.00	4,638,949,037.00
Non-current assets:		
Financial assets for sale	469,028.00	467,251.00
Investment held to expiration		
Long-term account receivable		
Long-term equity investment		
Real estate for investment	18,405,315.00	18,467,989.00
Fixed assets	5,343,497,810.00	5,329,083,969.00
Construction in progress	1,153,468,887.00	1,026,141,569.00
Project material		
Liquidation of fixed assets		
Biological assets for production	203,462,752.00	201,929,888.00
Oil and gas assets		
Intangible assets	641,923,417.00	655,448,897.00
Development expenditure		
Goodwill	164,039,160.00	128,135,981.00
Long-term deferred expenses	228,713,906.00	230,009,231.00
Assets of deferred income tax	257,804,252.00	308,121,396.00

Other non-current assets		
Total non-current assets	8,011,784,527.00	7,897,806,171.00
Total assets	13,134,043,590.00	12,536,755,208.00
Current liabilities:		
Short-term loan	753,662,515.00	714,434,286.00
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	719,277,810.00	666,442,879.00
Advance money	474,678,260.00	350,894,156.00
Wage payable	162,876,153.00	210,824,234.00
Tax payable	52,527,451.00	145,094,156.00
Interest payable	771,250.00	771,250.00
Dividend payable		
Other accounts payable	618,535,523.00	602,964,319.00
Liabilities held for sale		
Non-current liabilities due within one year	133,264,742.00	110,954,827.00
Other current liabilities	15,931,213.00	16,878,199.00
Total current liabilities	2,931,524,917.00	2,819,258,306.00
Non-current liabilities:		
Long-term loan	172,360,586.00	156,125,854.00
Bond payable		
Including: Preferred stock		
Perpetual capital securities		
Long-term accounts payable	237,000,000.00	259,000,000.00
Long-term wages payable		
Special accounts payable		
Deferred income	89,523,491.00	92,918,855.00
Liabilities of deferred income tax	29,217,428.00	24,264,203.00
Other non-current liabilities	7,209,312.00	7,209,312.00
Total non-current liabilities	535,310,817.00	539,518,224.00
Total liabilities	3,466,835,734.00	3,358,776,530.00
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	-2,438,134.00	3,109,240.00
Reasonable reserve		

Surplus reserve	342,732,000.00	342,732,000.00
Provision of general risk		
Retained profit	7,788,525,856.00	7,309,081,618.00
Total owner's equity attributable to parent Company	9,380,239,163.00	8,906,342,299.00
Minority interests	286,968,693.00	271,636,379.00
Total owner's equity	9,667,207,856.00	9,177,978,678.00
Total liabilities and owner's equity	13,134,043,590.00	12,536,755,208.00

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 31 March 2018	At 31 December 2017
Current assets:		
Monetary fund	619,587,197.00	559,174,466.00
Financial assets which are measured by fair value and which changes are recorded in current profit and loss		
Derivative financial liability		
Notes receivable	91,173,459.00	41,645,203.00
Account receivable	7,399,313.00	7,805,333.00
Advance money	883,556.00	99,673.00
Interest receivable	97,500.00	76,646.00
Dividend receivable	287,495,922.00	407,495,922.00
Other account receivable	524,727,297.00	592,274,075.00
Inventories	335,580,040.00	348,042,053.00
Assets held for sale	2,000,197.00	2,000,197.00
Non-current assets due within one year		
Other current assets	26,310,801.00	29,706,058.00
Total current assets	1,895,255,282.00	1,988,319,626.00
Non-current assets:		
Financial assets for sale		
Investment held to expiration		
Long-term account receivable		
Long-term equity investment	4,617,128,387.00	4,511,202,204.00
Real estate for investment	18,405,315.00	18,467,989.00
fixed assets	283,857,300.00	288,150,901.00
Construction in progress	6,081,862.00	6,756,349.00
Project material		
Liquidation of fixed assets		
Biological assets for production	122,400,380.00	119,572,539.00
Oil and gas assets		
Intangible assets	69,028,431.00	69,623,219.00
Development expenditure		
Goodwill		
Long-term deferred expenses		
Assets of deferred income tax	25,632,635.00	28,787,907.00
Other non-current assets	3,721,606,444.00	3,718,674,166.00
Total non-current assets	8,864,140,754.00	8,761,235,274.00
Total assets	10,759,396,036.00	10,749,554,900.00
Current liabilities:		
Short-term loan	600,000,000.00	600,000,000.00

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	109,191,325.00	97,833,124.00
Advance money	6,000,000.00	6,000,000.00
Wage payable	59,738,430.00	70,108,076.00
Tax payable	6,404,562.00	14,569,690.00
Interest payable	652,500.00	652,500.00
Dividend payable		
Other accounts payable	543,246,768.00	544,713,172.00
Liabilities held for sale		
Non-current liabilities due within one year		
Other current liabilities	3,523,054.00	3,953,054.00
Total current liabilities	1,328,756,639.00	1,337,829,616.00
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	12,341,059.00	12,970,473.00
Liabilities of deferred income tax		
Other non-current liabilities	2,235,802.00	2,235,802.00
Total non-current liabilities	14,576,861.00	15,206,275.00
Total liabilities	1,343,333,500.00	1,353,035,891.00
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	557,222,454.00	557,222,454.00
Less: Inventory shares		
Other comprehensive Income		
Reasonable reserve		
Surplus reserve	342,732,000.00	342,732,000.00
Retained profit	7,830,644,082.00	7,811,100,555.00
Total owner's equity	9,416,062,536.00	9,396,519,009.00
Total liabilities and owner's equity	10,759,396,036.00	10,749,554,900.00

3) Consolidated profit statement

Unit: CNY

Item	Three months ended 31 March 2018	Three months ended 31 March 2017
I. Total Operating Revenue	1,804,057,976.00	1,896,586,469.00
Incl: Operating Revenue	1,804,057,976.00	1,896,586,469.00
II. Total Operating Cost	1,184,474,700.00	1,211,081,443.00
Incl: Operating Cost	625,431,208.00	636,501,146.00
Tax and levies on operations	101,766,053.00	110,070,692.00
Selling expenses	374,283,098.00	390,557,653.00
Administrative expenses	81,613,467.00	68,123,359.00
Finance expenses	4,711,493.00	5,828,593.00
Impairment losses of Assets	-3,330,619.00	
Add: Gains on increase in fair value of assets	-	-
Investment income	-	-
Incl. Investment income from affiliates	-	-
Gains on assets disposal	84,719.00	-21,933.00
Other income	16,861,473.00	
III. Operating profit	636,529,468.00	685,483,093.00
Add: Non-operating income	936,426.00	5,019,039.00
Including: Disposal earnings of non-current asset		
Less: Non-operating expenses	411,037.00	47,086.00
Incl. Losses from disposal of non-current assets		
IV. Total Profit before Taxation	637,054,857.00	690,455,046.00
Less: Income tax	158,539,458.00	174,172,291.00
V. Net profit after Taxation	478,515,399.00	516,282,755.00
(I) Going concern net profit	478,515,399.00	516,282,755.00
(II) Discontinued operation net profit		
Net profit attributable to Parent company	479,444,238.00	516,634,494.00
Minority interest income	-928,839.00	-351,739.00
VI. Net after-tax of other comprehensive income	-6,819,043.00	1,623,907.00
Net after-tax of other comprehensive income attributable to owners of parent company	-5,547,374.00	1,372,041.00
(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	-5,547,374.00	1,372,041.00
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	-5,547,374.00	1,372,041.00
6. Other	-	-
Net after-tax of other comprehensive income attributable to minority shareholders	-1,271,669.00	251,866.00
VII. Total comprehensive income	471,696,356.00	517,906,662.00
Total comprehensive income attributable to owners of parent Company	473,896,864.00	518,006,535.00
Total comprehensive income attributable to minority shareholders	-2,200,508.00	-99,873.00
VIII. Earnings per share:		
(I) Basic earnings per share	0.70	0.75
(II) Diluted earnings per share	0.70	0.75

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

Unit: CNY

Item	Three months ended 31 March 2018	Three months ended 31 March 2017
I. Sales Revenue	262,548,732.00	698,458,930.00
less: Cost of sales	223,847,815.00	611,883,847.00
Tax and levies on operations	14,257,566.00	45,787,579.00
Selling and distribution expenses		
Administrative expenses	20,509,904.00	20,418,872.00
Finance expenses	5,548,315.00	4,922,061.00
Impairment losses of Assets		
Add: Gains on increase in fair value of assets		
Investment income	20,000,000.00	24,861,144.00
Incl. Investment income from affiliates		
Gains on assets disposal	75,000.00	-11,641.00
Other income	1,059,414.00	
II. Operating profit	19,519,546.00	40,296,074.00
Add: Non-operating income	47,479.00	466,924.00
Including: Disposal earnings of non-current asset		
Less: Non-operating expenses		19,985.00
Incl. Losses from disposal of non-current assets		
III. Total Profit before Taxation	19,567,025.00	40,743,013.00
Less: Income tax	23,498.00	3,970,467.00
IV. Net profit after Taxation	19,543,527.00	36,772,546.00
(I) Going concern net profit		
(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	19,543,527.00	36,772,546.00
VII. Earnings per share:		
(I) Basic earnings per share	0.03	0.05
(II) Diluted earnings per share	0.03	0.05

5) Consolidated cash flow statement

Unit: CNY

Item	Three months ended 31 March 2018	Three months ended 31 March 2017
1. Cash flows from operating activities:		
Cash received from sales of goods and rendering of services	1,766,530,391.00	1,653,469,554.00
Tax refund received	6,890,085.00	
Other cash received related to operating activities	18,289,974.00	35,857,955.00
Subtotal of cash flows of operating activities	1,791,710,450.00	1,689,327,509.00
Cash paid for goods and services	418,799,244.00	424,736,589.00
Cash paid to and on behalf of employees	152,403,775.00	137,940,254.00
Cash paid for various taxes	486,679,596.00	564,277,054.00
Other cash paid related to operating activities	226,563,871.00	178,015,104.00
Sub-total of cash outflows of operating activities	1,284,446,486.00	1,304,969,001.00
Net cash flow from operating activities	507,263,964.00	384,358,508.00
2. Cash flow from investing activities:		
Cash received from return of investment		
Fixed deposit with the term of over 3 months		3,000,000.00
Cash received from obtaining investment profit	35,723.00	25,550.00
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	261,737.00	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	297,460.00	3,055,850.00
Cash paid to acquire fixed assets, intangible assets and other long-term assets	110,862,244.00	142,789,698.00
Fixed deposit with the term of over 3 months	300,000,000.00	5,000,000.00
Cash for investment		
Net cash paid to acquire branch and other business unit	104,566,419.00	
Other cash paid related to investment activities		
Subtotal of cash outflows of investment activities	515,428,663.00	147,789,698.00
Net cash flow from investing activities	-515,131,203.00	-144,733,848.00
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	96,644,015.00	51,803,310.00
Other cash received related to financing activities		
Subtotal cash flows of financing activities	96,644,015.00	51,803,310.00
Cash paid to pay debts	79,119,513.00	18,643,560.00
Cash paid to distribute dividend, profit or pay interest	8,294,731.00	6,949,153.00
Including: dividend and profit paid to minority shareholders by branch		
Other cash paid related to financing activities		
Subtotal of cash outflows of financing activities	87,414,244.00	25,592,713.00
Net cash flow from financing activities	9,229,771.00	26,210,597.00
4. Influences of exchange rate fluctuation on cash and cash equivalents		
	-571,409.00	197,614.00
5. Net Increase in cash and cash equivalents		
	791,123.00	266,032,871.00
Add: balance at the beginning of the period of cash and cash equivalents	1,180,889,274.00	1,256,942,304.00
6. Balance at the end of the period of cash and cash equivalents		
	1,181,680,397.00	1,522,975,175.00

6) Cash flow statement of parent company

Unit: CNY

Item	Three months ended 31 March 2018	Three months ended 31 March 2017
1. Cash flows from operating activities:		
Cash received from sales of goods and rendering of services	156,753,252.00	422,763,453.00
Tax refund received		
Other cash received related to operating activities	42,356,221.00	198,360,050.00
Subtotal of cash flows of operating activities	199,109,473.00	621,123,503.00
Cash paid for goods and services	83,858,780.00	163,847,294.00
Cash paid to and on behalf of employees	35,076,108.00	33,712,684.00
Cash paid for various taxes	27,242,412.00	145,925,056.00
Other cash paid related to operating activities	13,004,908.00	17,540,294.00
Sub-total of cash outflows of operating activities	159,182,208.00	361,025,328.00
Net cash flow from operating activities	39,927,265.00	260,098,175.00
2. Cash flow from investing activities:		
Cash received from return of investment		
Fixed deposit with the term of over 3 months		3,000,000.00
Cash received from obtaining investment profit	140,035,723.00	92,701,945.00
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	538,055.00	
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	140,573,778.00	95,701,945.00
Cash paid to acquire fixed assets, intangible assets and other long-term assets	8,617,593.00	1,875,090.00
Fixed deposit with the term of over 3 months	300,000,000.00	5,000,000.00
Cash for investment	105,926,184.00	55,192,710.00
Net cash paid to acquire branch and other business unit		
Other cash paid related to investment activities		
Subtotal of cash outflows of investment activities	414,543,777.00	62,067,800.00
Net cash flow from investing activities	-273,969,999.00	33,634,145.00
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		
Other cash received related to financing activities		
Subtotal cash flows of financing activities		
Cash paid to pay debts		
Cash paid to distribute dividend, profit or pay interest	5,872,500.00	5,055,403.00
Other cash paid related to financing activities		
Subtotal of cash outflows of financing activities	5,872,500.00	5,055,403.00
Net cash flow from financing activities	-5,872,500.00	-5,055,403.00
4. Influences of exchange rate fluctuation on cash and cash equivalents		
5. Net Increase in cash and cash equivalents	-239,915,234.00	288,676,917.00
Add: balance at the beginning of the period of cash and cash equivalents	493,568,866.00	238,003,198.00
6. Balance at the end of the period of cash and cash equivalents	253,653,632.00	526,680,115.00

2. Audit report

Whether the 1st quarter report has been audited.

Yes No

The first quarter report has not been audited.

Yantai Changyu Pioneer Wine Co., Ltd.
Board of Directors
27th April 2018