

Yantai Changyu Pioneer Wine Co., Ltd.

2020 First Quarter Report

2020-Final 02



April2020

I. Important Notice

The Company's board of directors, board of supervisors, directors, supervisors and senior executives guarantee the truthfulness, accuracy and completeness of contents contained in this quarter report as well as no unfaithful facts, misleading statements or significant omissions and undertake individual and collective legal liabilities.

All directors attended the board meeting for deliberating this quarter report.

Mr. Zhou Hongjiang (person in charge of the Company), Mr. Jiang Jianxun (person in charge of accounting work), and Ms Guo Cuimei (person in charge of accounting institution and person in charge of accounting) declare to assure the truthfulness, accuracy and completeness of the financial statement in this quarter report.

II、Corporate Information

1. Key accounting data and financial indicators

Whether the Company needs to make retroactive adjustments or restate the accounting data of previous fiscal years.

Yes No

Item	This report period	The same period of last year	More or less than the same period of last year (%)
Operating revenue (CNY)	800,586,544	1,667,424,758	-51.99%
Net profit attributed to the shareholders of the listed company (CNY)	233,129,459	456,381,471	-48.92%
Net profit attributed to the shareholders of the listed company after deducting the irregular profit and loss (CNY)	225,980,141	450,709,661	-49.86%
Net cash flows from the operating activities (CNY)	-117,099,945	294,678,342	-139.74%
Basic earnings per share (CNY)	0.34	0.67	-49.25%
Diluted earnings per share (CNY)	0.34	0.67	-49.25%
Weighted average for earning rate of the net assets	2.24%	4.75%	-2.51%
	The end of this report period	The end of last year	More or less than the end of last year (%)
Total assets (CNY)	13,447,791,010	13,647,932,568	-1.47%
Net Assets attributed to the shareholders of the listed company (CNY)	10,534,302,179	10,308,910,198	2.19%

Details of non-recurring gains and losses

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	0	
Government grants credited in profit and loss (except for those recurring government grants that are closely related to the entity's operation,	6,701,749	

in line with related regulations and have proper basis of calculation)		
Other non-operating income and expenses	2,697,448	
Less: Income tax effect	2,231,821	
Minority interests effect(after-tax)	18,058	
Total	7,149,318	--

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

Available Not available

There is no situation that non-recurring profit and loss is defined and specified as recurrent profit and loss in accordance with the *Explanatory Announcement on Public Company's Information Disclosure No.1 - Non-recurring Profit and Loss* during the report period.

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	The total is 45,626, including 26,635 A shares and 18,991 B shares	Total number of preferred shareholders with recovered voting power at the end of report period (if have)	0			
Shareholding of top 10 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			
GAOLING FUND, L.P.	Foreign legal person	3.08%	21,090,219			
CHINA SECURITIES FINANCE CORP	State-owned legal person	2.25%	15,440,794			
BBH BOS S/A FIDELITY FD - CHINA FOCUS FD	Foreign legal person	2.22%	15,241,826			
SHENWAN HONGYUAN SECURITIES(HONGKONG) LIMITED	Foreign legal person	1.20%	8,239,333			
HONG KONG SECURITIES	Foreign legal	1.05%	7,166,916			

CLEARING COMPANY LIMITED (HKSCC)	person				
FIDELITY PURITAN TRUST: FIDELITY SERIES INTRINSIC OPPORTUNITIES FUND	Foreign legal person	0.93%	6,350,762		
GUOTAI JUNAN SECURITIES(HONGKONG) LIMITED	Foreign legal person	0.70%	4,805,756		
CENTRAL HUIJIN ASSET MANAGEMENT LTD.	State-owned legal person	0.69%	4,761,200		
HAITONG INTERNATIONAL SECURITIES COMPANY LIMITED-ACCOUNT CLIENT	Foreign legal person	0.56%	3,815,587		
Shareholding of top 10 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	8,239,333	B share	8,239,333		
HONG KONG SECURITIES CLEARING COMPANY LIMITED (HKSCC)	7,166,916	A share	7,166,916		
FIDELITY PURITAN TRUST: FIDELITY SERIES INTRINSIC OPPORTUNITIES FUND	6,350,762	B share	6,350,762		
GUOTAI JUNAN SECURITIES(HONGKONG) LIMITED	4,805,756	B share	4,805,756		
CENTRAL HUIJIN ASSET MANAGEMENT LTD.	4,761,200	A share	4,761,200		
HAITONG INTERNATIONAL SECURITIES COMPANY LIMITED-ACCOUNT CLIENT	3,815,587	B share	3,815,587		
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 table of the total number of the preferred shareholders and the shareholding status of the top 10 preferred shareholders

Available Not available

III 、 Major Issue

1. Situation and reason of change in major financial data and financial index during the report period

Available Not available

At the end of the report period, advance receipt in the consolidated financial statements decreased by 100% compared with the beginning of the year, mainly because the Company began to implement the "Accounting Standard for Business Enterprises No. 14-Revenue" revised and issued by the Ministry of Finance in 2017 since January 1st, 2020 and during the report period advances received from customers for purchases were confirmed to be contract liabilities and tax payable; other payable decreased by 27.74% compared with the beginning of the year, which is mainly due to the decline in advertising fees payable and the payable of investment projects funds.

Compared with the same period of last year, the total operating income in the consolidated financial statements in this reporting period decreased by 51.99%, the operating income decreased by 51.99%, net profit decreased by 48.73%, cash received from selling commodities and providing labor services decreased by 49.60%, the sub-total cash outflow from operating activities decreased by 28.17%, and the net cash flow from operating activities decreased by 139.74%, which were mainly due to the decreased product sales and sales revenue seriously influenced by the COVID-19 epidemic; total operating cost and operating cost decreased by 53% and 50.7% respectively, mainly due to the decline in sales volume; the sales expenses decreased by 68.55%, mainly due to the company's decreased marketing activities that were severely affected by the COVID-19 epidemic; the financial expenses increased by 193.12%, mainly due to the bank loans discount received in the same period of last year but no in this report period.

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

Available Not available

Implementation progress of share repurchase

Available Not available

Implementation progress of reducing or repurchasing shares by the way of centralized bidding

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
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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 fulfilling the commitment
	Yantai Changyu Group Co., Ltd.	Define the use of trademark use fee	According to Trademark License Contract, the annual trademark use fee of trademarks including “张裕” (Changyu) paid by the Company to Yantai Changyu Group Co., Ltd. should be mainly used by Yantai Changyu Group Co., Ltd. to publicize trademarks including “张裕” (Changyu) and contractual products.	1997.05.18	1997.05.18 to 2019.04.04	According to Trademark License Contract, the annual trademark use fee charged by Yantai Changyu Group Co., Ltd. should be mainly used to publicize trademarks including “张裕” (Changyu) and contractual products. Except the period from 2013 to 2017 when Yantai Changyu Group Co., Ltd. didn't strictly fulfill the commitment, Yantai Changyu Group Co., Ltd. has been fulfilling the commitment.
Equity incentive commitments						

Commitments made to the minority shareholders of the Company	Yantai Changyu Group Co., Ltd.	Compensating unredeemed commitment	The CNY231,768,615 that was not used for publicity of trademarks and contract products as promised will be offset by the four-year trademark use fee from 2019 to 2022. If insufficient, the shortfall would be filled in one time in 2023. If there is any excess, the excess portion of the trademark use fee would be collected from the year with excess occurrence.	2019.04.04	2019.04.04 to 2023.12.31	Has been fulfilling the commitment
Commitment under timely implementation or not	No					
For commitments that exceed the time limit and are not completed, specific reasons of not completing the implementation and the next step	<p>According to <i>Trademark License Contract</i> (hereafter referred to as “this Contract”), Changyu Group promised that the annual trademark use fee paid by the Company to Changyu Group would be mainly used by Changyu Group to publicize these trademarks and contractual products. However, the above-mentioned "mainly" is not a specific number. During the implementation process, due to inconsistent understanding, it is easy to cause divergence and leads to problems.</p> <p>From 2013 to 2017, Changyu Group collected a total of CNY420,883,902 trademark use fee, of which 51% was used to publicize trademarks including Changyu and contract products with amount of CNY214,650,790. The amount has been used to publicize trademarks including Changyu and contract products is CNY50,025,181, with a balance of CNY164,625,609.</p> <p>In 2018 and 2019, the trademark use fee collected of 2017 and 2018 is CNY155,623,907, of which 51% is used to publicize trademarks including Changyu and contract products with amount of CNY79,368,193. The amount has been used to publicize trademarks including Changyu and contract products is</p>					

CNY12,225,187, with a balance of CNY67,143,006.

Since 2013, the accumulated balance of Changyu Group using to publicize trademarks including Changyu and contract products is CNY231,768,615.

If Changyu Group is not able to implement the above-mentioned commitment owing to various reasons, the Company will timely supervise and urge Changyu Group to fulfill its commitment and request Changyu Group to raise funds through bank loaning, assets sales and equity sales etc. in order to implement the commitment.

By the end of 2019, the Company has used the trademark use fee of CNY 38,094,295, which shall be paid to Changyu Group in 2019 to set off against the above balance; by the end of this reporting period, the balance of trademark use fee that this Company could use to set off to Changyu Group is CNY 193,674,320.

For detailed information, please refer to Announcement of Commitment Issues of Yantai Changyu Group Co., Ltd. disclosed on April 4th, 2019.

4. Situation of security investment

Available Not available

There is no security investment during the report period.

5. Entrusted Investment

Available Not available

There is no entrusted investment during the report period.

6. 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. Situation of illegal external guarantee

Available Not available

There is no illegal external guarantee during the report period.

9. 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

Preparation: Yantai Changyu Pioneer Wine Co., Ltd.

Unit: CNY

Item	March 31 st , 2020	December 31 st , 2019
Current Assets:		
Monetary fund	1,357,943,341	1,565,783,980
Petty cash		
Lending funds		
Transactional financial assets		
Derivative financial assets		
Notes receivable		
Accounts receivable	232,296,773	266,218,153
Receivables Financing	337,822,516	316,470,229
Accounts prepaid	67,133,372	67,707,537
Premiums receivable		
Reinsurance accounts receivable		
Receivable reserves for reinsurance contract		
Other receivables	25,950,169	24,246,812
Including: Interest receivable	449,266	148,927
Dividends receivable		
Buying back the sale of financial assets		
Inventory	2,937,821,383	2,872,410,407
Contract assets		
Assets classified as holding for sale		
Non-current assets expire in one year		
Other current assets	240,803,606	267,424,938
Total Current Assets	5,199,771,160	5,380,262,056
Non-current Assets:		
Offering loans and imprest		
Debt investment		
Other debt investment		
Long-term account receivable		
Long-term equity investment	43,476,178	43,981,130
Investment in other equity instrument		
Other non-current financial assets		

Real estate for investment	28,920,958	29,714,586
Fixed assets	5,865,801,057	5,894,068,898
Construction in progress	621,599,900	567,478,833
Biological assets for production	198,575,539	202,425,286
Oil and gas assets		
Right-of-use assets		
Intangible assets	646,302,332	651,946,355
Development expenditure		
Goodwill	141,859,193	141,859,193
Long-term deferred expenses	274,212,143	277,595,408
Deferred tax assets	239,290,853	264,926,503
Other non-current assets	187,981,697	193,674,320
Total Non-Current Assets	8,248,019,850	8,267,670,512
Total Assets	13,447,791,010	13,647,932,568
Current liabilities:		
Short-term loan	691,022,499	754,313,744
Borrowings from the Central Bank		
Borrowing funds		
Transactional financial liability		
Derivative financial liabilities		
Notes payable		
Accounts payable	552,989,893	570,252,612
Advances from customers		120,609,499
Contract liabilities	123,372,585	
Sales/buyback financial assets		
Customer and interbank deposits		
Acting trading securities		
Acting underwriting securities		
Wage payable	194,884,308	234,459,116
Tax payable	172,919,622	375,169,971
Other accounts payable	325,552,930	450,532,485
Including: Interest payable	1,603,064	758,047
Dividend payable		
Payable handling fees and commission		
Dividend payable for reinsurance		
Liabilities classified as holding for sale		
Non-current liabilities expire in one year	123,518,455	150,826,221
Other current liabilities		
Total Current Liabilities	2,184,260,292	2,656,163,648
Non-Current Liabilities:		
Insurance contract reserve		
Long-term borrowings	204,000,823	128,892,501
Bonds payable		

Preferred Stock		
Perpetual capital securities		
Lease liability		
Long-term accounts payable	169,000,000	191,000,000
Long-term accrued payroll		
Estimated liabilities		
Deferred income	66,161,819	70,701,288
Deferred tax liabilities	13,486,479	14,691,424
Other non-current liabilities	7,645,777	7,645,777
Total non-current liabilities	460,294,898	412,930,990
Total liabilities	2,644,555,190	3,069,094,638
Owner's equity (or shareholders' equity):		
Capital stock	685,464,000	685,464,000
Other equity instruments		
Preferred Stock		
Perpetual capital securities		
Capital reserve	565,050,422	565,050,422
Minus: treasury stock		
Other comprehensive income	-11,973,061	-4,235,583
Special reserves		
Surplus reserve	342,732,000	342,732,000
General risk preparation		
Undistributed profits	8,953,028,818	8,719,899,359
Total owner's equity attributable to the holding company	10,534,302,179	10,308,910,198
Minority interests	268,933,641	269,927,732
Total owner's equity	10,803,235,820	10,578,837,930
Total liabilities and owner's equity	13,447,791,010	13,647,932,568

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

2) Balance sheet of parent company

Unit: CNY

Item	March 31 st , 2020	December 31 st , 2019
Current Assets:		
Monetary fund	573,970,392	710,505,269
Transactional financial assets		
Derivative financial assets		
Notes receivable		
Accounts receivable	1,005,195	1,988,326
Receivables Financing	61,558,184	41,679,635
Accounts prepaid	776,539	776,539

Other receivables	398,120,944	586,424,958
Including: Interest receivable	299,598	90,355
Dividends receivable	121,503,907	200,000,000
Inventory	489,003,304	434,007,808
Contract assets		
Assets classified as holding for sale		
Non-current assets expire in one year		
Other current assets	38,346,117	39,130,466
Total Current Assets	1,562,780,675	1,814,513,001
Non-current Assets:		
Debt investment		
Other debt investment		
Long-term account receivable		
Long-term equity investment	7,432,422,620	7,432,422,620
Investment in other equity instrument		
Other non-current financial assets		
Real estate for investment	28,920,958	29,714,586
Fixed assets	255,270,487	261,137,072
Construction in progress		
Biological assets for production	119,259,703	121,414,096
Oil and gas assets		
Right-of-use assets		
Intangible assets	64,270,125	64,864,914
Development expenditure		
Goodwill		
Long-term deferred expenses		
Deferred tax assets	15,619,247	16,255,870
Other non-current assets	1,527,700,000	1,427,700,000
Total Non-Current Assets	9,443,463,140	9,353,509,158
Total Assets	11,006,243,815	11,168,022,159
Current liabilities:		
Short-term loan	150,000,000	150,000,000
Transactional financial liability		
Derivative financial liabilities		
Notes payable		
Accounts payable	44,141,853	63,655,240
Advances from customers		
Contract liabilities		
Wage payable	64,942,821	70,445,847
Tax payable	929,580	6,052,456
Other accounts payable	533,165,191	660,149,563
Including: Interest payable	160,890	181,250
Dividend payable		

Liabilities classified as holding for sale		
Non-current liabilities expire in one year		
Other current liabilities		
Total Current Liabilities	793,179,445	950,303,106
Non-Current Liabilities:		
Long-term borrowings		
Bonds payable		
Preferred Stock		
Perpetual capital securities		
Lease liability		
Long-term accounts payable		
Long-term accrued payroll		
Estimated liabilities		
Deferred income	8,300,728	9,176,315
Deferred tax liabilities		
Other non-current liabilities	3,146,706	3,146,707
Total non-current liabilities	11,447,434	12,323,022
Total liabilities	804,626,879	962,626,128
Owner's equity (or shareholders' equity):		
Capital stock	685,464,000	685,464,000
Other equity instruments		
Preferred Stock		
Perpetual capital securities		
Capital reserve	557,222,454	557,222,454
Minus: treasury stock		
Other comprehensive income		
Special reserves		
Surplus reserve	342,732,000	342,732,000
Undistributed profits	8,616,198,482	8,619,977,577
Total owner's equity	10,201,616,936	10,205,396,031
Total liabilities and owner's equity	11,006,243,815	11,168,022,159

3) Consolidated profit statement

Unit: CNY

Item	Amount incurred in current period	Amount incurred in previous period
1. Revenue	800,586,544	1,667,424,758
Including: Operating income	800,586,544	1,667,424,758
Interest income		
Earned premium		
Handling fees and commission income		
2. Total operating costs	501,275,026	1,066,576,146

Including: Operating costs	296,611,909	601,688,193
Interest expenditure		
Handling fees and commission expenditure		
Premium rebate		
Net amount of indemnity expenditure		
Net amount of insurance contract reserve		
Policy bonus payment		
Amortized reinsurance expenditures		
Taxes and surcharges	42,868,342	67,002,049
Selling expenses	100,167,854	318,512,447
Administrative expenses	58,450,503	81,023,493
Research and development expenditure	717,857	990,219
Financial expenses	2,458,561	-2,640,255
Including: Interest expenses	1,340,165	1,827,791
Interest income	2,920,565	2,420,094
Plus: Other income	6,701,749	6,172,178
Investment profit (loss is listed with "-")	-504,952	
Including: Investment profit for joint-run business and joint venture	-504,952	
Termination of recognized income of financial assets measured at amortized cost (loss is listed with "-")		
Exchange income (loss is listed with "-")		
Net exposure hedging income (Loss is listed with "-")		
Fair value charge profit (loss is listed with "-")		
Loss of credit impairment (loss is listed with "-")	4,879,060	
Loss for impairment of assets (loss is listed with "-")	65,237	5,064,706
Assets disposal income (loss is listed with "-")		1,138
3. Operating profit (loss is listed with "-")	310,452,612	612,086,634
Plus: Non-operating income	3,495,969	1,262,992
Minus: Non-operating expenditure	798,521	3,429
4. Total profits (total loss is listed with "-")	313,150,060	613,346,197
Minus: Income taxes	79,402,353	157,428,397
5. Net profit (net loss is listed with "-")	233,747,707	455,917,800
(一) Classification by continuous operation		
1. Net profit from continuous operation (net loss is listed with "-")		
2. Net profit from terminational operation (net loss is listed with "-")		
(二) Classification by ownership		
1. Net profits attribute to equity holders of the company	233,129,459	456,381,471

2. Minority interests	618,248	-463,671
6. Net value of other comprehensive income after tax	-9,349,817	-8,882,651
6.1 Net value of other comprehensive income after tax of holding company's owners	-7,737,478	-7,286,081
6.1.1 Other comprehensive income that will not be classified into the profit and loss		
6.1.1.1 Changes of the defined benefit plans that re-measured		
6.1.1.2 Other comprehensive income under equity method that cannot be transfer to gain/loss		
6.1.1.3 Change of fair value of investment in other equity instrument		
6.1.1.4 Fair value change of enterprise's credit risk		
6.1.1.5 Other		
6.1.2 Other comprehensive income that will be classified into the profit and loss	-7,737,478	-7,286,081
6.1.2.1 Other comprehensive income under equity method that can transfer to gain/loss		
6.1.2.2 Change of fair value of other debt investment		
6.1.2.3 Amount of financial assets re-classify to other comprehensive income		
6.1.2.4 Credit impairment provision for other debt investment		
6.1.2.5 Cash flow hedging reserve		
6.1.2.6 Translation differences arising on translation of foreign currency financial statements	-7,737,478	-7,286,081
6.1.2.7 Other		
6.2 Net value of other comprehensive income after tax of minority shareholders	-1,612,339	-1,596,570
7.Total comprehensive Income	224,397,890	447,035,149
Total comprehensive income of holding company	225,391,981	449,095,390
Total comprehensive income of minority shareholders	-994,091	-2,060,241
8. Earnings per share		
8.1 Basic earnings per share	0.34	0.67
8.2 Diluted earnings per share	0.34	0.67

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: Guo Cuimei

4) Profit statement of parent company

Unit: CNY

Item	Amount incurred in current period	Amount incurred in previous period
1. Revenue	80,885,723	242,003,808
Minus: Operating costs	75,083,735	213,607,081
Taxes and surcharges	1,297,141	8,712,074
Selling expenses		
Administrative expenses	18,193,114	20,122,062
Research and development expenditure	186,498	219,892
Financial expenses	-6,073,212	-4,343,667
Including: Interest expenses	-4,587,790	-4,311,896
Interest income	1,656,341	489,663
Plus: Other income	898,901	858,264
Investment profit (loss is listed with "-")		
Including: Investment profit for joint-run business and joint venture		
Termination of recognized income of financial assets measured at amortized cost (loss is listed with "-")		
Net exposure hedging income (Loss is listed with "-")		
Fair value charge profit (loss is listed with "-")		
Loss of credit impairment (loss is listed with "-")	-71,879	
Loss for impairment of assets (loss is listed with "-")		
Assets disposal income (loss is listed with "-")		
2. Operating profit (loss is listed with "-")	-6,974,531	4,544,630
Plus: Non-operating income	1,639,361	539,265
Minus: Non-operating expenses	25,000	
3. Total profits (total loss is listed with "-")	-5,360,170	5,083,895
Minus: Income tax	-1,581,075	1,410,940
4. Net profit (net loss is listed with "-")	-3,779,095	3,672,955
1. Net profit from continuous operation (net loss is listed with "-")	-3,779,095	3,672,955
2. Net profit from terminational operation (net loss is listed with "-")		
5. Net value of other comprehensive income after tax		
5.1 Other comprehensive income that will not be classified into the profit and loss		
5.1.1 Remeasure the changes in net assets or liabilities of defined benefit plans		
5.1.2 Shares of other comprehensive income from investee which cannot be reclassified into profit and loss under the equity method		
5.1.3 Change of fair value of investment in other equity instrument		
5.1.4 Fair value change of enterprise's credit risk		

5.1.5 Other		
5.2 Other comprehensive income that will be classified into the profit and loss		
5.2.1 Other comprehensive income under equity method that can transfer to gain/loss		
5.2.2 Change of fair value of other debt investment		
5.2.3 Amount of financial assets re-classify to other comprehensive income		
5.2.4 Credit impairment provision for other debt investment		
5.2.5 Cash flow hedging reserve		
5.2.6 Translation differences arising on translation of foreign currency financial statements		
5.2.7 Other		
6. Total comprehensive income	-3,779,095	3,672,955
7. Earnings per share		
7.1 Basic earnings per share	-0.01	0.01
7.2 Diluted earnings per share	-0.01	0.01

5) Consolidated cash flow statement

Unit: CNY

Item	Amount incurred in current period	Amount incurred in previous period
1. Cash flows from operating activities:		
Cash received from sales of goods and rendering of services	777,333,801	1,542,378,382
Net increase in customer and interbank deposits		
Net increase in borrowings from central bank		
Net increase in borrowings from other financial institutions		
Cash received from receiving insurance premium of original insurance contract		
Net cash received from reinsurance business		
Net increase of deposit of insured and investment fund		
Net increase in disposing of financial assets that measured by fair value with changes recorded into the current profit and loss		
Cash received from collecting interest, handling fees and commission		
Net increase in borrowings		
Net increase in repurchasement business funds		
Tax refund received	9,399,269	9,948,082
Other cash received related to operating activities	7,611,919	11,283,776
Sub-total of cash inflows of operating activities	794,344,989	1,563,610,240
Cash paid for goods and services	330,117,098	461,343,969
Net increase in customer loans and advances		
Net increase in deposits in central bank and interbank deposits		
Cash paid to original insurance contract payments		

Net increase in lending funds		
Cash paid to interest, handling fees and commission		
Cash paid to policy bonus		
Cash paid to and on behalf of employees	133,530,418	162,305,720
Cash paid for taxes and expenses	356,905,177	401,268,381
Other cash paid related to operating activities	90,892,241	244,013,828
Sub-total of cash outflows of operating activities	911,444,934	1,268,931,898
Net cash flow from operating activities	-117,099,945	294,678,342
2. Cash flow from investing activities:		
Cash received from return of investment		0
Fixed deposit with the term of over 3 months	32,200,000	26,755,750
Cash received from obtaining investment profit	0	
Cash received from interest income	697,156	484,857
Cash received from disposal of fixed assets, intangible assets and other long-term assets	146,938	21,379
Net cash received from disposal of branch and other business unit		
Other cash received related to investing activities		
Sub-total of cash inflows of investment activities	33,044,094	27,261,986
Cash paid to acquire fixed assets, intangible asset and other long-term assets	49,322,227	114,280,901
Cash for investments	0	
Fixed deposit with the term of over 3 months	32,754,396	20,458,100
Net increase in hypothecated loan		
Net cash paid to acquire branch and other business unit		
Other cash paid related to investment activities		
Subtotal of cash outflows of investment activities	82,076,623	134,739,001
Net cash flow from investing activities	-49,032,529	-107,477,015
3. Cash flow from financing activities		
Cash received from acquiring investment		
Cash received from acquiring minority shareholders' investment by branch		
Cash received from acquiring loans	164,447,222	78,214,913
Cash received from issuing bonds		
Sub-total cash inflows of financing activities	164,447,222	78,214,913
Cash paid to repay debts	199,877,909	64,904,847
Cash paid to distribute dividend, profit or pay interest	6,678,347	8,203,612
Dividend and profit paid to minority shareholders by branch		
Other cash paid related to financing activities		
Sub-total of cash outflows of financing activities	206,556,256	73,108,459
Net cash flow from financing activities	-42,109,034	5,106,454
4. Influences of exchange rate fluctuation on cash and cash equivalents	-109,441	-468,104
5. Net Increase of cash and cash equivalents	-208,350,949	191,839,677

Plus: balance at the beginning of the period of cash and cash equivalents	1,365,772,675	1,206,860,334
6. Balance at the end of the period of cash and cash equivalents	1,157,421,726	1,398,700,011

6) Cash flow statement of parent company

Unit: CNY

Item	Amount incurred in current period	Amount incurred in previous period
1. Cash flows from operating activities:		
Cash received from sales of goods and rendering of services	115,544,590	171,139,612
Tax refund received		
Other cash received related to operating activities	13,720,041	13,968,773
Sub-total of cash inflows of operating activities	129,264,631	185,108,385
Cash paid for goods and services	122,591,995	115,043,734
Cash paid to and on behalf of employees	17,199,260	28,667,432
Cash paid for taxes and expenses	4,853,193	17,016,423
Other cash paid related to operating activities	101,579,010	75,568,493
Sub-total of cash outflows of operating activities	246,223,458	236,296,082
Net cash flow from operating activities	-116,958,827	-51,187,697
2. Cash flow from investing activities:		
Cash received from return of investment		
Fixed deposit with the term of over 3 months	12,200,000	
Cash received from obtaining investment profit	82,099,880	347,863,838
Cash received from interest income	142,759	
Cash received from disposal of fixed assets, intangible assets and other long-term assets		
Net cash received from disposal of branch and other business unit		
Other cash received related to investing activities		
Sub-total of cash inflows of investment activities	94,442,639	347,863,838
Cash paid to acquire fixed assets, intangible asset and other long-term assets	556,491	8,209,927
Cash for investments		13,000,000
Fixed deposit with the term of over 3 months	12,200,000	12,200,000
Net cash paid to acquire branch and other business unit		
Other cash paid related to investment activities	100,000,000	
Subtotal of cash outflows of investment activities	112,756,491	33,409,927
Net cash flow from investing activities	-18,313,852	314,453,911
3. Cash flow from financing activities		
Cash received from acquiring investment		
Cash received from acquiring loans		
Other cash received related to financing activities		
Sub-total cash inflows of financing activities		

Cash paid to repay debts		
Cash paid to distribute dividend, profit or pay interest	1,411,688	1,631,250
Other cash paid related to financing activities		
Sub-total of cash outflows of financing activities	1,411,688	1,631,250
Net cash flow from financing activities	-1,411,688	-1,631,250
4. Influences of exchange rate fluctuation on cash and cash equivalents		
5. Net Increase of cash and cash equivalents	-136,684,367	261,634,964
Plus: balance at the beginning of the period of cash and cash equivalents	623,116,542	532,384,882
6. Balance at the end of the period of cash and cash equivalents	486,432,175	794,019,846

2. Notes on financial statement adjustments

1) Relevant situations of adjustment in financial statement at the beginning of 2020 when the new revenue standards and new lease standards are first implemented

Available Not available

Consolidated balance sheet

Unit: CNY

Item	December 31 st , 2019	January 1 st , 2020	Adjustment
Current Assets:			
Monetary fund	1,565,783,980	1,565,783,980	
Petty cash			
Lending funds			
Transactional financial assets			
Derivative financial assets			
Notes receivable			
Accounts receivable	266,218,153	266,218,153	
Receivables Financing	316,470,229	316,470,229	
Accounts prepaid	67,707,537	67,707,537	
Premiums receivable			
Reinsurance accounts receivable			
Receivable reserves for reinsurance contract			
Other receivables	24,246,812	24,246,812	
Including: Interest receivable	148,927	148,927	
Dividends receivable			
Buying back the sale of financial assets			
Inventory	2,872,410,407	2,872,410,407	
Contract assets			
Assets classified as holding for sale			

Non-current assets expire in one year			
Other current assets	267,424,938	267,424,938	
Total Current Assets	5,380,262,056	5,380,262,056	
Non-current Assets:			
Offering loans and imprest			
Debt investment			
Other debt investment			
Long-term account receivable			
Long-term equity investment	43,981,130	43,981,130	
Investment in other equity instrument			
Other non-current financial assets			
Real estate for investment	29,714,586	29,714,586	
Fixed assets	5,894,068,898	5,894,068,898	
Construction in progress	567,478,833	567,478,833	
Biological assets for production	202,425,286	202,425,286	
Oil and gas assets			
Right-of-use assets			
Intangible assets	651,946,355	651,946,355	
Development expenditure			
Goodwill	141,859,193	141,859,193	
Long-term deferred expenses	277,595,408	277,595,408	
Deferred tax assets	264,926,503	264,926,503	
Other non-current assets	193,674,320	193,674,320	
Total Non-Current Assets	8,267,670,512	8,267,670,512	
Total Assets	13,647,932,568	13,647,932,568	
Current liabilities:			
Short-term loan	754,313,744	754,313,744	
Borrowings from the Central Bank			
Borrowing funds			
Transactional financial liability			
Derivative financial liabilities			
Notes payable			
Accounts payable	570,252,612	570,252,612	
Advances from customers	120,609,499		-120,609,499
Contract liabilities		106,734,070	106,734,070
Sales/buyback financial assets			
Customer and interbank deposits			
Acting trading securities			
Acting underwriting securities			
Wage payable	234,459,116	234,459,116	
Tax payable	375,169,971	389,045,400	13,875,429
Other accounts payable	450,532,485	450,532,485	

Including: Interest payable	758,047	758,047	
Dividend payable			
Payable handling fees and commission			
Dividend payable for reinsurance			
Liabilities classified as holding for sale			
Non-current liabilities expire in one year	150,826,221	150,826,221	
Other current liabilities			
Total Current Liabilities	2,656,163,648	2,656,163,648	
Non-Current Liabilities:			
Insurance contract reserve			
Long-term borrowings	128,892,501	128,892,501	
Bonds payable			
Preferred Stock			
Perpetual capital securities			
Lease liability			
Long-term accounts payable	191,000,000	191,000,000	
Long-term accrued payroll			
Estimated liabilities			
Deferred income	70,701,288	70,701,288	
Deferred tax liabilities	14,691,424	14,691,424	
Other non-current liabilities	7,645,777	7,645,777	
Total non-current liabilities	412,930,990	412,930,990	
Total liabilities	3,069,094,638	3,069,094,638	
Owner's equity (or shareholders' equity):			
Capital stock	685,464,000	685,464,000	
Other equity instruments			
Preferred Stock			
Perpetual capital securities			
Capital reserve	565,050,422	565,050,422	
Minus: treasury stock			
Other comprehensive income	-4,235,583	-4,235,583	
Special reserves			
Surplus reserve	342,732,000	342,732,000	
General risk preparation			
Undistributed profits	8,719,899,359	8,719,899,359	
Total owner's equity attributable to the holding company	10,308,910,198	10,308,910,198	
Minority interests	269,927,732	269,927,732	
Total owner's equity	10,578,837,930	10,578,837,930	
Total liabilities and owner's equity	13,647,932,568	13,647,932,568	

Balance sheet of parent company

Unit: CNY

Item	December 31 st , 2019	January 1 st , 2020	Adjustment
Current Assets:			
Monetary fund	710,505,269	710,505,269	
Transactional financial assets			
Derivative financial assets			
Notes receivable			
Accounts receivable	1,988,326	1,988,326	
Receivables Financing	41,679,635	41,679,635	
Accounts prepaid	776,539	776,539	
Other receivables	586,424,958	586,424,958	
Including: Interest receivable	90,355	90,355	
Dividends receivable	200,000,000	200,000,000	
Inventory	434,007,808	434,007,808	
Contract assets			
Assets classified as holding for sale			
Non-current assets expire in one year			
Other current assets	39,130,466	39,130,466	
Total Current Assets	1,814,513,001	1,814,513,001	
Non-current Assets:			
Debt investment			
Other debt investment			
Long-term account receivable			
Long-term equity investment	7,432,422,620	7,432,422,620	
Investment in other equity instrument			
Other non-current financial assets			
Real estate for investment	29,714,586	29,714,586	
Fixed assets	261,137,072	261,137,072	
Construction in progress			
Biological assets for production	121,414,096	121,414,096	
Oil and gas assets			
Right-of-use assets			
Intangible assets	64,864,914	64,864,914	
Development expenditure			
Goodwill			
Long-term deferred expenses			
Deferred tax assets	16,255,870	16,255,870	
Other non-current assets	1,427,700,000	1,427,700,000	

Total Non-Current Assets	9,353,509,158	9,353,509,158	
Total Assets	11,168,022,159	11,168,022,159	
Current liabilities:			
Short-term loan	150,000,000	150,000,000	
Transactional financial liability			
Derivative financial liabilities			
Notes payable			
Accounts payable	63,655,240	63,655,240	
Advances from customers			
Contract liabilities			
Wage payable	70,445,847	70,445,847	
Tax payable	6,052,456	6,052,456	
Other accounts payable	660,149,563	660,149,563	
Including: Interest payable	181,250	181,250	
Dividend payable			
Liabilities classified as holding for sale			
Non-current liabilities expire in one year			
Other current liabilities			
Total Current Liabilities	950,303,106	950,303,106	
Non-Current Liabilities:			
Long-term borrowings			
Bonds payable			
Preferred Stock			
Perpetual capital securities			
Lease liability			
Long-term accounts payable			
Long-term accrued payroll			
Estimated liabilities			
Deferred income	9,176,315	9,176,315	
Deferred tax liabilities			
Other non-current liabilities	3,146,707	3,146,707	
Total non-current liabilities	12,323,022	12,323,022	
Total liabilities	962,626,128	962,626,128	
Owner's equity (or shareholders' equity):			
Capital stock	685,464,000	685,464,000	
Other equity instruments			
Preferred Stock			
Perpetual capital securities			
Capital reserve	557,222,454	557,222,454	
Minus: treasury stock			
Other comprehensive income			
Special reserves			
Surplus reserve	342,732,000	342,732,000	

Undistributed profits	8,619,977,577	8,619,977,577	
Total owner's equity	10,205,396,031	10,205,396,031	
Total liabilities and owner's equity	11,168,022,159	11,168,022,159	

2) Explanation on retrospective adjustments in the previous comparison data for the first implementation of new revenue standards and new lease standards at the beginning of 2020

Available Not available

3. Audit report

Whether the first quarter report has been audited.

Yes No

The first quarter report has not been audited.

Yantai Changyu Pioneer Wine Co., Ltd.

Board of Directors

April 29th, 2020