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Stock Abbreviation: Changyu A, Changyu B

Announcement No.:2021-020

Yantai Changyu Pioneer Wine Co., Ltd.

2021 Third Quarter Report

This company and all board members guarantee the truthfulness, accuracy and completeness of disclosed contents as well as no unfaithful facts, misleading statements or significant omissions.

Important Notice

1. 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.

2. The person in charge of the Company, the person in charge of accounting work and the person in charge of accounting institution (person in charge of accounting) declare to assure the truthfulness, accuracy and completeness of the financial information in this quarter report.

3. Whether the Third Quarter Report has been audited

Yes No

1. Major Financial Data

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

	This report period	More or less than the same period of last year (%)	From the beginning of the year to the end of this report period	More or less than the same period of last year (%)
Operating revenue (CNY)	796,762,047	2.92%	2,671,222,485	21.82%
Net profit attributed to the shareholders of the listed company (CNY)	79,742,460	-6.32%	451,564,279	11.84%
Net profit attributed to the shareholders of the listed company after deducting the irregular profit and loss (CNY)	67,549,124	-7.98%	421,225,167	23.83%
Net cash flows from the operating activities (CNY)	—	—	792,193,127	213.82%
Basic earnings per share (CNY)	0.12	0%	0.66	11.86%
Diluted earnings per share (CNY)	0.12	0%	0.66	11.86%
Weighted average for earning rate of the net assets	0.76%	-0.16%	4.33%	0.48%
	The end of this report period	The end of last year	More or less than the end of last year (%)	
Total assets (CNY)	13,336,405,794	13,102,481,541	1.79%	
Net Assets attributed to the shareholders of the listed company (CNY)	10,417,438,031	10,267,832,644	1.46%	

2) Item and amount of non-recurring profit and lossAvailable Not available

Unit: CNY

Item	Amount in this report period	From the beginning of the year to the end of report period	Explanation
Government grants credited in profit and loss (except for those continuously-enjoyed normed or quantitative government grants that are closely related to the entity's normal operation, in line with national policy and regulation and based on certain criteria)	14,225,961	36,204,656	
The cost of investment for entity to acquire subsidiary corporation, joint-run business and joint venture is less than the income resulting from the fair value of enjoyed net assets that can be recognized by the invested entity when acquiring investment			
Other non-operating income and expenses	1,465,519	3,384,575	
Less: Income tax effect	3,298,567	9,035,909	
Minority interests effect (after-tax)	199,577	214,210	
Total	12,193,336	30,339,112	--

Details of other profit and loss items in line with the identification of non-recurring profit and loss

Available Not available

There don't exist details of other profit and loss items in line with the identification of non-recurring profit and loss

Explanation for situation that non-recurring profit and loss items are defined as recurrent profit and loss items in accordance with the *Explanatory Announcement on Public Company's Information Disclosure No.1 - Non-recurring Profit and Loss*Available Not availableThere is no situation that non-recurring profit and loss items are defined as recurrent profit and loss items in accordance with the *Explanatory Announcement on Public Company's Information Disclosure No.1 - Non-recurring Profit and Loss*.

3) Situation and reason for the change in key accounting data and financial indicators

Available Not available

From the beginning of the year to the end of this report period, compared with the same period of last year, this company's operating income increased by 21.82%, mainly owing to the increase in the sales volume caused by the constructive market exploitation; sales expenses increased by 38.70%, mainly due to the increased marketing investment; other income decreased by 45.52%, mainly due to the decline in government subsidies; cash paid for the purchase and construction of fixed assets, intangible assets and other long-term assets increased by 57.36%, mainly due to the increase in cash paid for the purchase and construction of fixed assets; the net cash flows from the operating activities increased by 213.82%, mainly owing to the increase in the cash received from selling products and rendering service that results from the year-on-year increased operating income.

Comparing with it at the beginning of the report period, the prepayment decreased by 56.73% at the end of the reporting period, mainly due to the decrease in the purchase of raw materials paid in advance to suppliers.

2. Information of shareholders

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	54,164	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	0	—	0
GAOLING FUND, L.P.	Foreign legal person	3.08%	21,090,219	0	—	0
BBH BOS S/A FIDELITY FD - CHINA FOCUS FD	Foreign legal person	1.42%	9,719,826	0	—	0
SHENWAN HONGYUAN SECURITIES (HONGKONG) LIMITED	Foreign legal person	1.08%	7,414,152	0	—	0
CHINA SECURITIES FINANCE CORP	State-owned legal person	0.94%	6,446,263	0	—	0
FIDELITY PURITAN TRUST: FIDELITY SERIES INTRINSIC OPPORTUNITIES FUND	Foreign legal person	0.93%	6,350,762	0	—	0
GUOTAI JUNAN SECURITIES (HONGKONG) LIMITED	Foreign legal person	0.77%	5,278,928	0	—	0
Haitong International Securities Company Limited-Account Client	Foreign legal person	0.74%	5,077,402	0	—	0
China Merchants Securities (HK) Co., Ltd.	Foreign legal person	0.71%	4,882,997	0	—	0
VANGUARD EMERGING MARKETS STOCK INDEX FUND	Foreign legal person	0.60%	4,126,142	0	—	0

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
BBH BOS S/A FIDELITY FD - CHINA FOCUS FD	9,719,826	B share	9,719,826
SHENWAN HONGYUAN SECURITIES (HONGKONG) LIMITED	7,414,152	B share	7,414,152
CHINA SECURITIES FINANCE CORP	6,446,263	A share	6,446,263
FIDELITY PURITAN TRUST: FIDELITY SERIES INTRINSIC OPPORTUNITIES FUND	6,350,762	B share	6,350,762
GUOTAI JUNAN SECURITIES (HONGKONG) LIMITED	5,278,928	B share	5,278,928
Haitong International Securities Company Limited-Account Client	5,077,402	B share	5,077,402
China Merchants Securities (HK) Co., Ltd.	4,882,997	B share	4,882,997
VANGUARD EMERGING MARKETS STOCK INDEX FUND	4,126,142	B share	4,126,142
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)	The top 10 shareholders did not involve in financing activities and stock trading business		

2) The table of the total number of the preferred shareholders and the shareholding status of the top 10 preferred shareholders

Available Not available

3. Other Important Issues

Available Not available

4. Quarterly Financial Statements

1) Financial statements

① Consolidated balance sheet

Yantai Changyu Pioneer Wine Co., Ltd.

Unit: CNY

Item	September 30 th , 2021	December 31 st , 2020
Current Assets:		
Monetary fund	1,473,211,443	1,194,214,929
Petty cash		
Lending funds		
Transactional financial assets		
Derivative financial assets		
Notes receivable		
Accounts receivable	179,473,228	183,853,362
Receivables Financing	269,846,535	338,090,187
Accounts prepaid	30,851,843	71,296,416
Premiums receivable		
Reinsurance accounts receivable		
Receivable reserves for reinsurance contract		
Other receivables	24,440,849	22,428,956
Including: Interest receivable		
Dividends receivable		
Buying back the sale of financial assets		
Inventory	2,953,856,837	2,945,548,651
Contract assets		
Assets classified as holding for sale		
Non-current assets expire in one year		
Other current assets	235,859,294	234,118,715
Total Current Assets	5,167,540,029	4,989,551,216
Non-current Assets:		
Offering loans and imprest		
Debt investment		
Other debt investment		
Long-term account receivable		
Long-term equity investment	47,425,914	48,263,507
Investment in other equity instrument		
Other non-current financial assets		
Real estate for investment	24,676,846	27,057,730
Fixed assets	5,625,782,578	5,724,935,846
Construction in progress	690,139,743	635,495,152
Biological assets for production	191,808,066	192,173,536
Oil and gas assets		

Right-of-use assets	106,972,930	
Intangible assets	649,894,615	660,989,065
Development expenditure		
Goodwill	132,938,212	132,938,212
Long-term deferred expenses	326,582,353	314,465,855
Deferred tax assets	218,198,926	206,241,275
Other non-current assets	154,445,582	170,370,147
Total Non-Current Assets	8,168,865,765	8,112,930,325
Total Assets	13,336,405,794	13,102,481,541
Current liabilities:		
Short-term loan	709,833,200	689,090,715
Borrowings from the Central Bank		
Borrowing funds		
Transactional financial liability		
Derivative financial liabilities		
Notes payable		
Accounts payable	444,994,465	484,347,958
Advances from customers		
Contract liabilities	161,349,053	135,073,280
Sales/buyback financial assets		
Customer and interbank deposits		
Acting trading securities		
Acting underwriting securities		
Wage payable	152,906,801	188,779,911
Tax payable	236,591,579	213,412,813
Other accounts payable	412,969,457	386,105,526
Including: Interest payable	1,201,497	553,471
Dividend payable	404,542	1,003,125
Payable handling fees and commission		
Dividend payable for reinsurance		
Liabilities classified as holding for sale		
Non-current liabilities expire in one year	124,003,713	133,311,890
Other current liabilities	20,975,376	14,820,653
Total Current Liabilities	2,263,623,644	2,244,942,746
Non-Current Liabilities:		
Insurance contract reserve		
Long-term borrowings	189,971,429	200,352,968
Bonds payable		
Including: Preferred Stock		
Perpetual capital securities		
Lease liability	108,166,478	
Long-term accounts payable	64,000,000	86,000,000
Long-term accrued payroll		

Estimated liabilities		
Deferred income	42,124,052	52,653,609
Deferred tax liabilities	11,679,645	12,022,613
Other non-current liabilities	2,078,972	2,078,971
Total non-current liabilities	418,020,576	353,108,161
Total liabilities	2,681,644,220	2,598,050,907
Owner's equity (or shareholders' equity):		
Capital stock	685,464,000	685,464,000
Other equity instruments		
Including: Preferred Stock		
Perpetual capital securities		
Capital reserve	524,968,760	524,968,760
Minus: treasury stock		
Other comprehensive income	-16,564,741	576,129
Special reserves		
Surplus reserve	342,732,000	342,732,000
General risk preparation		
Undistributed profits	8,880,838,012	8,714,091,755
Total owner's equity attributable to the holding company	10,417,438,031	10,267,832,644
Minority interests	237,323,543	236,597,990
Total owner's equity	10,654,761,574	10,504,430,634
Total liabilities and owner's equity	13,336,405,794	13,102,481,541

Legal representative: Zhou Hongjiang;

Person in charge of accounting : Jiang Jianxun;

Person in charge of accounting organ: Guo Cuimei

② Consolidated profit statement from the beginning of the year to the end of the report period

Unit: CNY

Item	Amount in this report period	Amount in prior report period
1. Revenue	2,671,222,485	2,192,739,690
Including: Operating income	2,671,222,485	2,192,739,690
Interest income		
Earned premium		
Handling fees and commission income		
2. Total operating costs	2,079,791,757	1,717,091,047
Including: Operating costs	1,116,643,740	950,246,786
Interest expenditure		
Handling fees and commission expenditure		
Premium rebate		
Net amount of indemnity expenditure		
Net amount of insurance contract reserve fund withdrawal		
Policy bonus payment		
Amortized reinsurance expenditures		
Taxes and surcharges	159,145,623	136,365,030
Selling expenses	584,801,218	421,620,422
Administrative expenses	201,906,440	190,953,700
Research and development expenditure	3,723,499	2,675,257
Financial expenses	13,571,237	15,229,852
Including: Interest expenses	21,606,786	25,065,852
Interest income	13,246,594	9,907,307
Plus: Other income	36,204,656	66,451,990
Investment profit (loss is listed with "-")	-1,840,676	-1,256,105
Including: Investment profit for joint-run business and joint venture	-1,840,676	-1,256,105
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 "-")	-9,174,028	3,125,029
Loss for impairment of assets(loss is listed with "-")	2,296,193	5,083,785
Assets disposal income (loss is listed with "-")		-1,139,783
3. Operating profit (loss is listed with "-")	618,916,873	547,913,559
Plus: Non-operating income	5,043,079	7,619,514
Minus: Non-operating expenditure	1,658,504	1,073,199

4. Total profits (total loss is listed with "-")	622,301,448	554,459,874
Minus: Income taxes	173,193,630	147,252,351
5. Net profit (net loss is listed with "-")	449,107,818	407,207,523
(一) Classification by continuous operation		
1.Net profit from continuous operation(net loss is listed with "-")	449,107,818	407,207,523
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	451,564,279	403,760,926
2. Minority interests	-2,456,461	3,446,597
6. Net value of other comprehensive income after tax	-19,534,801	-2,290,461
6.1 Net value of other comprehensive income after tax of holding company's owners	-17,140,870	-2,631,948
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	-17,140,870	-2,631,948
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	-17,140,870	-2,631,948
6.1.2.7 Other		
6.2 Net value of other comprehensive income after tax of minority shareholders	-2,393,931	341,487
7.Total comprehensive Income	429,573,017	404,917,062
Total comprehensive income of holding company	434,423,409	401,128,978
Total comprehensive income of minority shareholders	-4,850,392	3,788,084
8. Earnings per share		
8.1 Basic earnings per share	0.66	0.59
8.2 Diluted earnings per share	0.66	0.59

During this report period, the issue relates to company consolidation under common control, consolidated party completes net profit amount of CNY0 before being consolidated, and consolidated party completes net profit amount of CNY0 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

③ Consolidated cash flow statement from the beginning of the year to the end of the report period

Unit: CNY

Item	Amount in this report period	Amount in prior report period
1. Cash flows from operating activities:		
Cash received from sales of goods and rendering of services	2,812,156,999	2,310,331,855
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		
Cash received from collecting interest, handling fees and commission		
Net increase in borrowings		
Net increase in repurchasement business funds		
Net cash received from securities trading agency		
Tax refund received	35,554,848	33,733,604
Other cash received related to operating activities	89,165,735	69,259,710
Sub-total of cash inflows of operating activities	2,936,877,582	2,413,325,169
Cash paid for goods and services	826,697,935	855,818,928
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	347,266,653	325,519,463
Cash paid for taxes and expenses	564,651,786	605,846,671
Other cash paid related to operating activities	406,068,081	373,703,033
Sub-total of cash outflows of operating activities	2,144,684,455	2,160,888,095
Net cash flow from operating activities	792,193,127	252,437,074
2. Cash flow from investing activities:		
Cash received from return of investment	63,553,063	80,128,600
Cash received from obtaining investment profit	1,266,049	1,484,244

Cash received from disposal of fixed assets, intangible assets and other long-term assets	13,331	1,139,360
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	64,832,443	82,752,204
Cash paid to acquire fixed assets, intangible asset and other long-term assets	157,862,603	100,318,579
Cash for investments	44,218,000	58,200,000
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	202,080,603	158,518,579
Net cash flow from investing activities	-137,248,160	-75,766,375
3. Cash flow from financing activities		
Cash received from acquiring investment	7,840,000	
Cash received from acquiring minority shareholders' investment by branch	7,840,000	
Cash received from acquiring loans	652,239,164	784,217,057
Other cash received related to financing activities	21,654,861	
Sub-total cash inflows of financing activities	681,734,025	784,217,057
Cash paid to repay debts	678,372,588	775,223,291
Cash paid to distribute dividend, profit or pay interest	295,219,066	514,217,826
Dividend and profit paid to minority shareholders by branch	1,872,818	2,932,523
Other cash paid related to financing activities	7,645,295	44,025,637
Sub-total of cash outflows of financing activities	981,236,949	1,333,466,754
Net cash flow from financing activities	-299,502,924	-549,249,697
4. Influences of exchange rate fluctuation on cash and cash equivalents	698,524	-301,828
5. Net Increase of cash and cash equivalents	356,140,567	-372,880,826
Plus: balance at the beginning of the period of cash and cash equivalents	1,052,665,105	1,397,399,469
6. Balance at the end of the period of cash and cash equivalents	1,408,805,672	1,024,518,643

2) Explanation for adjustment in financial statements

① The situation of adjusting related items of the financial statements at the beginning of the year when it was first implemented owing to the first implementation of new Lease Standards since 2021.

Available Not available

Whether needs to adjust the balance sheet account at the beginning of the year

Yes No

Consolidated balance sheet

Unit: CNY

Item	December 31 st , 2020	January 1 st , 2021	Adjusted amount
Current Assets:			
Monetary fund	1,194,214,929	1,194,214,929	
Petty cash			
Lending funds			
Transactional financial assets			
Derivative financial assets			
Notes receivable			
Accounts receivable	183,853,362	183,853,362	
Receivables Financing	338,090,187	338,090,187	
Accounts prepaid	71,296,416	71,296,416	
Premiums receivable			
Reinsurance accounts receivable			
Receivable reserves for reinsurance contract			
Other receivables	22,428,956	22,428,956	
Including: Interest receivable			
Dividends receivable			
Buying back the sale of financial assets			
Inventory	2,945,548,651	2,945,548,651	
Contract assets			
Assets classified as holding for sale			
Non-current assets expire in one year			
Other current assets	234,118,715	234,118,715	
Total Current Assets	4,989,551,216	4,989,551,216	
Non-current Assets:			
Offering loans and imprest			
Debt investment			
Other debt investment			
Long-term account receivable			

Long-term equity investment	48,263,507	48,263,507	
Investment in other equity instrument			
Other non-current financial assets			
Real estate for investment	27,057,730	27,057,730	
Fixed assets	5,724,935,846	5,724,935,846	
Construction in progress	635,495,152	635,495,152	
Biological assets for production	192,173,536	192,173,536	
Oil and gas assets			
Right-of-use assets		104,654,936	104,654,936
Intangible assets	660,989,065	660,989,065	
Development expenditure			
Goodwill	132,938,212	132,938,212	
Long-term deferred expenses	314,465,855	306,090,617	-8,375,238
Deferred tax assets	206,241,275	207,199,400	958,125
Other non-current assets	170,370,147	170,370,147	
Total Non-Current Assets	8,112,930,325	8,210,168,148	97,237,823
Total Assets	13,102,481,541	13,199,719,364	97,237,823
Current liabilities:			
Short-term loan	689,090,715	689,090,715	
Borrowings from the Central Bank			
Borrowing funds			
Transactional financial liability			
Derivative financial liabilities			
Notes payable			
Accounts payable	484,347,958	479,305,382	-5,042,576
Advances from customers			
Contract liabilities	135,073,280	135,073,280	
Sales/buyback financial assets			
Customer and interbank deposits			
Acting trading securities			
Acting underwriting securities			
Wage payable	188,779,911	188,779,911	
Tax payable	213,412,813	213,412,813	
Other accounts payable	386,105,526	386,105,526	
Including: Interest payable	553,471	553,471	
Dividend payable	1,003,125	1,003,125	
Payable handling fees and commission			
Dividend payable for reinsurance			
Liabilities classified as holding for sale			
Non-current liabilities expire in one year	133,311,890	141,497,136	8,185,246
Other current liabilities	14,820,653	14,820,653	
Total Current Liabilities	2,244,942,746	2,248,085,416	3,142,670
Non-Current Liabilities:			

Insurance contract reserve			
Long-term borrowings	200,352,968	200,352,968	
Bonds payable			
Including: Preferred Stock			
Perpetual capital securities			
Lease liability		104,489,294	104,489,294
Long-term accounts payable	86,000,000	86,000,000	
Long-term accrued payroll			
Estimated liabilities			
Deferred income	52,653,609	52,653,609	
Deferred tax liabilities	12,022,613	12,260,894	238,281
Other non-current liabilities	2,078,971	2,078,971	
Total non-current liabilities	353,108,161	457,835,736	104,727,575
Total liabilities	2,598,050,907	2,705,921,152	107,870,245
Owner's equity (or shareholders' equity):			
Capital stock	685,464,000	685,464,000	
Other equity instruments			
Including: Preferred Stock			
Perpetual capital securities			
Capital reserve	524,968,760	524,968,760	
Minus: treasury stock			
Other comprehensive income	576,129	576,129	
Special reserves			
Surplus reserve	342,732,000	342,732,000	
General risk preparation			
Undistributed profits	8,714,091,755	8,703,459,333	-10,632,422
Total owner's equity attributable to the holding company	10,267,832,644	10,257,200,222	-10,632,422
Minority interests	236,597,990	236,597,990	
Total owner's equity	10,504,430,634	10,493,798,212	-10,632,422
Total liabilities and owner's equity	13,102,481,541	13,199,719,364	97,237,823

Explanation for adjustment

The Company implemented the new Lease Standards from January 1st, 2021. According to the new Lease Standard, for the contract that existed before the first implementation date, the Company chose not to reassess whether it is a lease or whether it includes a lease on the first implementation date. For the lease contract with the Company as lessee, the Company chose to adjust only the cumulative impact amount of the lease contract that has not yet been completed on January 1st, 2021. The amount of cumulative impact of the first implementation adjusted to the amount of related items in the financial statements on January 1st, 2021, the comparable period information will not be adjusted.

② Explanation for retroactive adjustment in comparable data in prior report period owing to the implementation of new Lease Standards since 2021

Available Not available

③ Audit report

Whether the Third Quarter Report has been audited.

Yes No

The Third Quarter Report has not been audited.

Yantai Changyu Pioneer Wine Co., Ltd.

Board of Directors

October 28th, 2021