



Yantai Changyu Pioneer Wine Co. Ltd.

2016 First Quarter Report

2016-Final 02

April 2016

I. Important Notice

The board of directors, the board of supervisors, directors, supervisors & senior managers of the Company collectively and individually accept full responsibility for the truthfulness, accuracy and completeness of the information contained in this report and confirm that to the best of their knowledge and belief there are no unfaithful facts, significant omissions or misleading statements.

All directors attended the meeting for deliberating this quarter report, and no directors make an objection statement to this report.

Mr. Sun Liqiang (Chairman of the Company), Mr. Leng Bin (Chief Financial Officer) and Mr. Jiang Jianxun (Financial Director) assure the truthfulness, accuracy and completeness of the financial report in the annual report.

II、 Key financial data and shareholders changing

1. Key financial data

Whether the Company makes retroactive adjustments or restates the accounting data of previous fiscal years.

Yes No

Item	The report period	The same period of last year	More or less than last year(%)
Business income (CNY)	1, 882, 230, 620	1, 825, 212, 207	3. 12%
Net profit attributed to the shareholders of the listed company (CNY)	542, 806, 719	530, 248, 397	2. 37%
Net profit attributed to the shareholders of the listed company after deducting the irregular profit and loss (CNY)	538, 762, 161	526, 745, 613	2. 28%
Net cash flows from the operating activities (CNY)	605, 256, 456	697, 396, 327	-13. 21%
Basic earnings per share (CNY)	0. 79	0. 77	2. 60%
Diluted earnings per share (CNY)	0. 79	0. 77	2. 60%
Weighted average for earning rate of the net assets	6. 93%	7. 46%	-0. 53%
	The end of the report period	The end of last year	More or less than last year(%)
Total assets (CNY)	11, 101, 253, 043	10, 344, 211, 461	7. 32%
Net Assets attributed to the shareholders of the listed company (CNY)	8, 117, 587, 279	7, 564, 099, 003	7. 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	72,728	
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)	3,887,501	
Other non-operating income and expenses	1,095,395	

Less: Income tax effect	1,011,066	
Total	4,044,558	--

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	36502	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		
GAOLING FUND,L.P.	Foreign legal person	3.11%	21,300,919	0		
CHINA SECURITIES FINANCE CORP	State-owned legal person	2.33%	15,997,455	0		
BBH BOS S/A FIDELITY FD - CHINA FOCUS FD	Foreign legal person	2.27%	15,576,126	0		
GREENWOODS CHINA ALPHA MASTER FUND	Foreign legal person	1.47%	10,082,711	0		
GOLDEN CHINA MASTER FUND	Foreign legal person	1.08%	7,389,916	0		
NORGES BANK	Foreign legal person	0.96%	6,584,748	0		
GUOTAI JUNAN SECURITIES (HONGKONG) LIMITED	Foreign legal person	0.78%	5,317,307	0		
CENTRAL HUIJIN ASSET MANAGEMENT LTD.	State-owned legal person	0.69%	4,761,200	0		

BBH A/C VANGUARD EMERGING MARKETS STOCK INDEX FUND	Foreign legal person	0.55%	3,788,487	0	
The top 10 common shareholders with unrestricted shares					
Name of Shareholders	Number of unrestricted shares held	Type of share			
		Type of share	Amount		
YANTAI CHANGYU GROUP COMPANY LIMITED	345,473,856	A share	345,473,856		
GAOLING FUND,L.P.	21,300,919	B share	21,300,919		
CHINA SECURITIES FINANCE CORP	15,997,455	A share	15,997,455		
BBH BOS S/A FIDELITY FD - CHINA FOCUS FD	15,576,126	B share	15,576,126		
GREENWOODS CHINA ALPHA MASTER FUND	10,082,711	B share	10,082,711		
GOLDEN CHINA MASTER FUND	7,389,916	B share	7,389,916		
NORGES BANK	6,584,748	B share	6,584,748		
GUOTAI JUNAN SECURITIES (HONGKONG) LIMITED	5,317,307	B share	5,317,307		
CENTRAL HUIJIN ASSET MANAGEMENT LTD.	4,761,200	A share	4,761,200		
BBH A/C 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 is no top 10 common shareholders and top 10 common shareholders with unrestricted shares in the Company promise to buy back trading during the report period.

2) The total number of the preferred shareholders and top 10 preferred shareholders at the end of the report period

Available Not available

III Major Issue

1. The Great Change and Reasons on Main Accountant Data and Financial Index

Available Not available

Compared the end of the report period with the beginning of the report period, monetary capital increases by 55.27%, mainly due to the increased returned sales money; notes receivable increases by 202.81%, mainly due to the growth on bank acceptances; account receivables increases by 27.44%, mainly due to the expansion of Company's direct-selling business and increase of clients' sales amount on credit; inventory decreases by 23.84%, mainly due that the sales of products result in the reduce of inventory and materials; notes payable decreases by 35.07%, mainly due that the notes payable amount is paid during the report period; accounts payable decreases by 39.21%, mainly due that the accounts payable amount is paid during the report period; advance receipt increases by 39.6%, mainly due to increased advance order amount from clients.

Compared with the same period of last year, the financial expense increases by 174.7%, mainly due to the increased interest expenditure of bank loan and the reduced interest income of bank loan; the cash for purchasing commodities and accepting service payment increases by 70.43%, mainly due to the payment of previous purchase amount of materials as well as the staff's remuneration; the subtotal of cash outflow in financing activities increases by 1814.92%, mainly due to increased cash for repaying debt; net amount of cash flow in financing activities increases by 5220.62%, mainly due to increased cash from loan.

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

Available Not available

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

available not available

Commitments	Commitment Party	Commitment Type	Commitment content	Commitment time	Commitment period	Implementation
Commitments at share reform	-		—			
Commitments made in acquisition report or equity changes report	-		-		-	-
Commitments	-		-		-	-

at asset restructuring						
Commitments at the initial public offering or refinancing	Yantai Changyu Group Co., Ltd	Solve horizontal competition	Non-horizontal competition	1997.05.18	Permanent	Has been performed
	Yantai Changyu Group Co., Ltd	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 performed
Equity incentive commitments						
Commitments made to the minority shareholders of the Company	-		-		-	-
Commitment under timely implementation or not	Yes					
For commitments that exceed the time limit and are not completed, specific reasons of not completing the	No					

implementati on and the next step	
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4. Forecast on the operating performance in the period from January to June of 2016

Warning and explanation for the estimation on the possible loss of cumulative net profit in the period from the beginning of this year to the end of the next report period or the great change comparing with same period of last year.

Available Not available

5. The situation of security investment

Available Not available

There is no security investment during the report period.

6. The situation of derivative investment

Available Not available

There is no derivative investment during the report period.

7. The activities registration form of receptions, communication and interview etc. during the report period

Available Not available

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

8. The situation of illegal external guarantee

Available Not available

There is no illegal external guarantee during the report period.

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

Available Not available

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

Yantai Changyu Pioneer Wine Co. Ltd.

Board of Directors

30th April 2016