



# **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.



## IV Financial Statements

### 1、Financial statements

#### 1)、Consolidated balance sheet

Yantai Changyu Pioneer Wine Co. Ltd.

2016.03.31

Unit: CNY

Item	At 31 March 2016	At 31 December 2015
Current assets:		
Monetary fund	1,995,815,223	1,285,362,414
Financial assets which are measured by fair value and which changes are recorded in current profit and loss		
Derivative financial liability		
Notes receivable	345,165,151	113,988,122
Account receivable	252,068,992	197,795,091
Advance money	2,827,464	3,591,098
Interest receivable	9,308,401	8,019,338
Dividend receivable		
Other account receivable	40,775,106	46,146,487
Inventories	1,721,974,673	2,260,852,964
Assets held for sale		
Non-current assets due within one year		
Other current assets	38,722,148	48,449,551
Total current assets	4,406,657,158	3,964,205,065
Non-current assets:		
Financial assets for sale	344,637	402,814
Investment held to expiration		
Long-term account receivable		
Long-term equity investment		
Real estate for investment		
fixed assets	3,073,332,738	3,089,245,185
Construction in progress	2,359,779,470	2,005,990,308
Project material		
Liquidation of fixed assets		
Biological assets for production	204,042,233	192,198,283
Oil and gas assets		
Intangible assets	460,644,051	463,899,916

Development expenditure		
Goodwill	124,857,479	105,504,426
Long-term deferred expenses	178,553,851	175,124,167
Assets of deferred income tax	275,903,680	302,406,656
Other non-current assets	17,137,746	45,234,641
Total non-current assets	6,694,595,885	6,380,006,396
Total assets	11,101,253,043	10,344,211,461
Current liabilities:		
Short-term loan	676,506,575	665,581,921
Financial liabilities which are measured by fair value and which changes are recorded in current profit and loss		
Derivative financial liability		
Notes payable	18,830,000	29,000,000
Accounts payable	346,048,607	569,278,368
Advance money	327,453,292	234,566,504
Wage payable	158,304,383	190,239,451
Tax payable	15,982,078	41,285,107
Interest payable	1,000,865	977,304
dividend payable		
Deferred income	11,181,873	11,241,873
Other accounts payable	608,359,943	509,226,395
Liabilities held for sale		
Non-current liabilities due within one year	158,089,650	156,335,647
Other current liabilities		
Total current liabilities	2,321,757,266	2,407,732,570
Non-current liabilities:		
Long-term loan	74,976,921	71,686,629
Bond payable		
Including: preferred stock		
Perpetual capital securities		
Long-term accounts payable	285,000,000	
Long-term wages payable		
Special accounts payable		
Deferred income	70,232,145	69,836,411
Liabilities of deferred income tax	33,666,605	34,350,349
Other non-current liabilities	4,047,476	4,047,476
Total non-current liabilities	467,923,147	179,920,865
Total liabilities	2,789,680,413	2,587,653,435

Shareholder rights and interests:		
Share capital	685,464,000	685,464,000
Other equity instrument		
Including: preferred stock		
Perpetual capital securities		
Capital public reserve	565,955,441	565,955,441
Less: Inventory shares		
Other comprehensive Income	239,045	-10,442,512
Reasonable reserve		
Surplus reserve	342,732,000	342,732,000
Provision of general risk		
Retained profit	6,523,196,793	5,980,390,074
Total owner's equity attributable to parent Company	8,117,587,279	7,564,099,003
Minority interests	193,985,351	192,459,023
Total owner's equity	8,311,572,630	7,756,558,026
Total liabilities and owner's equity	11,101,253,043	10,344,211,461

Legal representative: Sun Liqiang Person in charge of accounting : Leng Bin Person in charge of accounting organ: Jiang Jianxun

## 2)、Balance sheet of parent company

Yantai Changyu Pioneer Wine Co. Ltd.

Unit: CNY

Item	At 31 March 2016	At 31 December 2015
Current assets:		
Monetary fund	475,587,330	280,818,833
Financial assets which are measured by fair value and which changes are recorded in current profit and loss		
Derivative financial liability		
Notes receivable	154,299,349	38,429,319
Account receivable	0	2,392,870
Advance money	518,811	445,619
Interest receivable	9,308,401	8,019,338
Dividend receivable	0	788,092,349
Other account receivable	5,761,780,316	5,734,456,129
Inventories	658,219,597	728,173,107
Assets held for sale		
Non-current assets due within one year		
Other current assets	17,610,141	22,700,317

Total current assets	7,077,323,945	7,603,527,881
Non-current assets:		
Financial assets for sale		
Investment held to expiration		
Long-term account receivable		
Long-term equity investment	1,423,725,152	1,423,725,152
Real estate for investment	0	0
fixed assets	364,683,698	369,506,014
Construction in progress	7,722,287	7,990,777
Project material		
Liquidation of fixed assets		
Biological assets for production	119,393,508	110,961,189
Oil and gas assets		
Intangible assets	73,786,737	74,381,525
Development expenditure		
Goodwill		
Long-term deferred expenses		
Assets of deferred income tax	31,004,994	37,938,692
Other non-current assets		
Total non-current assets	2,020,316,376	2,024,503,349
Total assets	9,097,640,321	9,628,031,230
Current liabilities:		
Short-term loan	600,742,615	601,297,447
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	177,475,015	273,091,182
Advance money	0	0
Wage payable	62,736,080	71,058,615
Tax payable	9,732,973	19,331,311
Interest payable	1,000,865	977,304
Deferred income	1,767,054	1,767,054
dividend payable		
Other accounts payable	61,852,045	994,821,281
Liabilities held for sale	0	0
Non-current liabilities due within one year	126,661,600	127,345,600

Other current liabilities		
Total current liabilities	1,041,968,247	2,089,689,794
Non-current liabilities:		
Long-term loan	58,649,600	56,761,600
Bond payable		
Including: preferred stock		
Perpetual capital securities		
Long-term accounts payable		
Long-term wages payable		
Special accounts payable		
Deferred income	21,378,190	21,824,352
Liabilities of deferred income tax		
Other non-current liabilities	1,944,955	1,944,955
Total non-current liabilities	81,972,745	80,530,907
Total liabilities	1,123,940,992	2,170,220,701
Shareholder rights and interests:		
Share capital	685,464,000	685,464,000
Other equity instrument		
Including: preferred stock		
Perpetual capital securities		
Capital public reserve	557,222,454	557,222,454
Less: Inventory shares		
Other comprehensive Income		
Reasonable reserve		
Surplus reserve	342,732,000	342,732,000
Provision of general risk		
Retained profit	6,388,280,875	5,872,392,075
Total owner's equity attributable to parent Company		
Minority interests		
Total owner's equity	7,973,699,329	7,457,810,529
Total liabilities and owner's equity	9,097,640,321	9,628,031,230

Legal representative: Sun Liqiang Person in charge of accounting : Leng Bin Person in charge of accounting organ: Jiang Jianxun

**3)、 Consolidated profit statement**

Yantai Changyu Pioneer Wine Co. Ltd.

Unit: CNY

Item	Three months ended 31 Mar 2016	Three months ended 31 Mar 2015
1. Total business income	1, 882, 230, 620	1, 825, 212, 207
Including : Business income	1, 882, 230, 620	1, 825, 212, 207
2. Total business cost	1, 167, 560, 487	1, 126, 739, 273
Including: Business cost	605, 388, 600	602, 400, 431
Business tax and associate charges	97, 663, 734	90, 171, 910
Sales expenses	390, 313, 786	378, 802, 990
Management expenses	69, 048, 398	62, 252, 665
Financial expenses	5, 145, 969	-6, 888, 723
Assets depreciation loss		
Add: fair value charge profit (loss is listed with "-")		
Investment profit (loss is listed with "-")		
Including: investment profit for joint-run business and joint venture		
3. Operating profit (loss is listed with "-")	714, 670, 133	698, 472, 934
Add: Non-operating income	5, 214, 481	4, 486, 099
Including: Disposal earnings of non-current asset	94, 567	0
Less: non-operating expenditures	158, 857	12, 706
Including: non-current assets disposing loss	21, 839	0
4. Total profit (loss is listed with "-")	719, 725, 757	702, 946, 327
Less: income tax expenses	176, 813, 048	172, 697, 930
5. Net profit (net loss is listed with "-")	542, 912, 709	530, 248, 397
Net profit of parent company's owners	542, 806, 719	530, 248, 397
Minority shareholder profit and loss	105, 990	0
6. Net after-tax of other comprehensive income	11, 045, 624	-5, 490, 622
Net after-tax of other comprehensive income attributable to owners of parent company	10, 681, 557	-5, 490, 622
(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	10, 681, 557	-5, 490, 622
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	10,681,557	-5,490,622
6). Other		
Net after-tax of other comprehensive income attributable to minority shareholders	364,067	
7. Total comprehensive income	553,958,333	524,757,775
Total comprehensive income attributable to owners of parent Company	553,488,276	524,757,775
Total comprehensive income attributable to minority shareholders	470,057	
8. Earnings per share:		
(i) Basic earnings per share	0.79	0.77
(ii) Diluted earnings per share	0.79	0.77

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: Sun Liqiang Person in charge of accounting : Leng Bin Person in charge of accounting organ: Jiang Jianxun

#### 4)、Profit statement of parent company

Yantai Changyu Pioneer Wine Co. Ltd.

Unit: CNY

Item	Three months ended 31 March 2015	Three months ended 31 March 2014
I.Sales Revenue	429,102,315	450,781,749
less: Cost of sales	323,773,053	349,541,377
Tax and levies on operations	47,351,215	48,892,624
Selling and distribution expenses		
Management expenses	39,984,821	27,804,156
Finance expenses	6,317,441	-17,412,991
Impairment losses of Assets		
Add: Gains on increase in fair value of assets		
Investment income	506,737,526	6,770,286
Incl. Investment income from affiliates		
II.Operating profit	518,413,311	48,726,869
Add: Non-operating income	562,752	1,578,100
Including: Disposal earnings of non-current asset	94,567	
Less: Non-operating expenses	36,839	
Incl. Losses from disposal of non-current assets	21,839	

III.Total Profit	518,939,224	50,304,969
Less: Income tax	3,050,424	10,883,671
IV.Net profit	515,888,800	39,421,298
Net profit attributable to Parent company		
Net profit attributable to Minority interest		
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		
Net after-tax of other comprehensive income attributable to minority shareholders		
VI. Total comprehensive income	515,888,800	39,421,298
Total comprehensive income attributable to owners of parent Company		
Total comprehensive income attributable to minority shareholders		
VII. Earnings per share:		
(i) Basic earnings per share	0.75	0.06
(ii) Diluted earnings per share	0.75	0.06

Legal representative: Sun Liqiang

Person in charge of accounting : Leng Bin

Person in charge of accounting organ: Jiang Jianxun



## 5)、Consolidated cash flow statement

Yantai Changyu Pioneer Wine Co. Ltd.

Unit: CNY

Item	Three months ended 31 March 2016	Three months ended 31 March 2015
<b>1. Cash flows from operating activities:</b>		
Cash received from sales of goods and rendering of services	1, 852, 141, 728	1, 808, 838, 404
Tax refund received	1, 092, 133	
Other cash received related to operating activities	5, 343, 373	5, 773, 600
<b>Subtotal of cash flows of operating activities</b>	<b>1, 858, 577, 234</b>	<b>1, 814, 612, 004</b>
Cash paid for goods and services	444, 239, 863	260, 654, 494
Cash paid to and on behalf of employees	127, 947, 911	116, 601, 340
Cash paid for taxes and expenses	482, 676, 851	525, 095, 241
Other cash paid related to operating activities	198, 456, 153	214, 864, 602
<b>Sub-total of cash outflows of operating activities</b>	<b>1, 253, 320, 778</b>	<b>1, 117, 215, 677</b>
<b>Net cash flow from operating activities</b>	<b>605, 256, 456</b>	<b>697, 396, 327</b>
<b>2. Cash flow from investing activities:</b>		
Cash received from return of investment		
Fixed deposit with the term of over 3 months	6, 000, 000	4, 795, 537
Cash received from obtaining investment profit	21, 433	156, 135
Cash received from interest income		
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	231, 240	
Net cash received from disposal of branch and other business unit		
Other cash received related to investing activities		
<b>Subtotal of cash flows of investment activities</b>	<b>6, 252, 673</b>	<b>4, 951, 672</b>
Cash paid to acquire fixed assets, intangible assets and other long-term assets	172, 593, 131	257, 537, 234
Fixed deposit with the term of over 3 months	7, 007, 000	
Cash for investment		
Net cash paid to acquire branch and other business unit	760, 824	
Other cash paid related to investment activities		
<b>Subtotal of cash outflows of investment activities</b>	<b>180, 360, 955</b>	<b>257, 537, 234</b>
<b>Net cash flow from investing activities</b>	<b>-174, 108, 282</b>	<b>-252, 585, 562</b>
<b>3.Cash flow from financing activities</b>		
Cash received from acquiring investment		
Including: cash received from acquiring minority shareholders investment by branch		
Cash received from acquiring loans	397, 881, 779	
Other cash received related to financing activities		
<b>Subtotal cash flows of financing activities</b>	<b>397, 881, 779</b>	

Cash paid to pay debts	101,108,029	
Cash paid to distribute dividend, profit or pay interest	7,186,699	5,655,312
Including: dividend and profit paid to minority shareholders by branch		
Other cash paid related to financing activities		
<b>Subtotal of cash outflows of financing activities</b>	108,294,728	5,655,312
Net cash flow from financing activities	289,587,051	-5,655,312
<b>4. Influences of exchange rate fluctuation on cash and cash equivalents</b>	252,077	-4,788,900
<b>5. Net Increase in cash and cash equivalents</b>	720,987,302	434,366,553
<b>Add: balance at the beginning of the period of cash and cash equivalents</b>	1,092,241,661	960,472,274
<b>6. Balance at the end of the period of cash and cash equivalents</b>	1,813,228,963	1,394,838,827

Legal representative: Sun Liqiang Person in charge of accounting : Leng Bin Person in charge of accounting organ: Jiang Jianxun

#### 6)、Cash flow statement of parent company

Yantai Changyu Pioneer Wine Co. Ltd.

Unit: CNY

Item	Three months ended 31 March 2015	Three months ended 31 March 2014
<b>1. Cash flows from operating activities:</b>		
Cash received from sales of goods and rendering of services	429,685,962	162,288,723
Tax refund received		
Other cash received related to operating activities	160,725	21,820,787
<b>Subtotal of cash flows of operating activities</b>	429,846,687	184,109,510
Cash paid for goods and services	183,441,735	127,692,870
Cash paid to and on behalf of employees	44,615,485	43,975,135
Cash paid for taxes and expenses	61,696,240	76,313,505
Other cash paid related to operating activities	1,025,733,883	12,432,398
<b>Sub-total of cash outflows of operating activities</b>	1,315,487,343	260,413,908
<b>Net cash flow from operating activities</b>	-885,640,656	-76,304,398
<b>2. Cash flow from investing activities:</b>		
Cash received from return of investment		
Fixed deposit with the term of over 3 months	6,000,000	4,795,537
Cash received from obtaining investment profit	1,097,942,213	6,926,421
Cash received from interest income		
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	231,240	
Net cash received from disposal of branch and other business unit		
Other cash received related to investing activities		
<b>Subtotal of cash flows of investment activities</b>	1,104,173,453	11,721,958
Cash paid to acquire fixed assets, intangible assets and other	10,535,307	13,345,676

long-term assets		
Fixed deposit with the term of over 3 months	7,007,000	
Cash for investment		
Net cash paid to acquire branch and other business unit		
Other cash paid related to investment activities		
<b>Subtotal of cash outflows of investment activities</b>	17,542,307	13,345,676
<b>Net cash flow from investing activities</b>	1,086,631,146	-1,623,718
<b>3.Cash flow from financing activities</b>		
Cash received from acquiring investment		
Including: cash received from acquiring minority shareholders investment by branch		
Cash received from acquiring loans	100,000,000	
Other cash received related to financing activities		
<b>Subtotal cash flows of financing activities</b>	100,000,000	
Cash paid to pay debts	100,000,000	
Cash paid to distribute dividend, profit or pay interest	6,857,499	5,655,312
Including: dividend and profit paid to minority shareholders by branch		
Other cash paid related to financing activities		
<b>Subtotal of cash outflows of financing activities</b>	106,857,499	5,655,312
Net cash flow from financing activities	-6,857,499	-5,655,312
<b>4. Influences of exchange rate fluctuation on cash and cash equivalents</b>		
<b>5. Net Increase in cash and cash equivalents</b>	194,132,991	-83,583,428
<b>Add: balance at the beginning of the period of cash and cash equivalents</b>	143,798,080	333,245,466
<b>6. Balance at the end of the period of cash and cash equivalents</b>	337,931,071	249,662,038

Legal representative: Sun Liqiang Person in charge of accounting : Leng Bin Person in charge of accounting organ: Jiang Jianxun

## 2. Audit report

Whether the 1<sup>st</sup> quarter report has been audited.

Yes No

The first quarter report has not been audited.

**Yantai Changyu Pioneer Wine Co. Ltd.**  
**Board of Directors**  
**30<sup>th</sup> April 2016**