

Shares Code: 000869, 200869

Shares Abbreviation: Changyu A, Changyu B

Notice No.: 2016-Final01

Yantai Changyu Pioneer Wine Co. Ltd. 2016 Annual Report Abstract

1. Important Warning

This Annual Report abstract comes from the whole contents of annual report. If investors desire to comprehend the Company's operating results, financial situation and future development plan, please read the Annual Report on the media specified by the China Securities Regulatory Commission.

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.

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.

All directors personally attended the meeting for deliberating the annual report of 2015.

Non-standard audit opinion notice

Available Not available

The preliminary scheme of the report period's common stock profit distribution or increasing equity with reserve deliberated by the board of the directors

Available Not available

Whether to increase equity with reserve

Yes No

The Company's preliminary scheme of common stock profit distribution deliberated and passed by the board of the directors is as following: Based on the Company total 685,464,000 shares, we plan to pay CNY 5 in cash as dividends for every 10 shares (including tax) to the Company's all shareholders, send 0 bonus(including tax) and capital reserve will not be transferred to equity.

The preliminary scheme of this report period's preferred share profit distribution deliberated and passed by the board

Available Not available

2. Brief Introduction of the Company

(1) Company introduction

Abbreviation of the Shares:	Changyu A, Changyu B	Code number of the Shares	000869, 200869
Place of listing of the Shares	Shenzhen Stock Exchange		

Abbreviation of the Shares after alteration (if have)	-	
Contact person and information	Secretary to the Board of Directors	Authorized Representative of the Securities Affairs
Name	Mr. Qu Weimin	Mr. Li Tingguo
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(2) Main businesses during the report period or product brief introduction

During the report period, the Company's main business is to produce and operate wine and brandy, thus providing the domestic and foreign consumers with healthy and fashionable alcoholic drinks. Compared with earlier stage, there are no significant changes happened to the Company's main businesses. The wine industry that the Company involved in is still in the growth stage, the whole domestic wine market is on the rising trend. The Company takes the dominant position in the domestic wine market.

(3) Key accounting data and financial indicators

① Key accounting data and financial indicators in recent three years

Whether the Company makes retroactive adjustments or restates the accounting data of previous fiscal years because of changes of accounting policy and/or accounting errors.

Yes No

Unit: CNY

Item	2016	2015	More or less than Last year (%)	2014
Business revenue	4,717,596,472	4,649,722,368	1.46%	4,156,727,525
Net profit attributed to the shareholders of the listed company	982,460,488	1,030,073,860	-4.62%	977,707,711
Net profit attributed to the shareholders of the listed company after deducting the irregular profit and loss	941,730,478	993,268,823	-5.19%	950,191,379
Net cash flows from the operating activities	889,911,970	1,143,046,367	-22.15%	1,070,083,296
Basic earnings per	1.43	1.5	-4.67%	1.43

share (CNY/share)				
Diluted earnings per share (CNY/share)	1.43	1.5	-4.67%	1.43
Weighted average for earning rate of the net assets	12.55%	14.40%	-1.85%	13.96%
	Dec. 31st 2016	Dec. 31st 2015	More or less than Last year (%)	Dec. 31st 2014
Total assets	11,528,077,971	10,344,211,461	11.44%	8,912,232,640
Net Assets attributed to the shareholders of the listed company	8,209,010,989	7,564,099,003	8.53%	6,840,452,145

②Key financial indicators by quarter

Unit: CNY

	1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter
Business revenue	1,882,230,620	870,802,179	1,010,732,839	953,830,834
Net profit attributed to the shareholders of the listed company	542,806,719	152,215,128	129,748,790	157,689,851
Net profit attributed to the shareholders of the listed company after deducting the irregular profit and loss	538,762,161	139,716,160	123,011,178	140,240,980
Net cash flows from the operating activities	605,256,456	77,491,913	308,317,385	-101,153,784

Whether there are differences between the above mentioned financial indicators or their sum and the related financial indicators in the quarterly reports and semi-annual reports disclosed by the Company.

Yes No

(4) Capital stock and shareholders' situation**① Number of common stockholder and preferred shareholder recovering voting power, and situation of shares held by top ten shareholders**

Unit: share

Total shareholders in the report period	41,984	Total number of common shareholders by the end of last month before the disclosure day of the annual report	42,254	Total number of preferred shareholder recovering voting power by the end of report period	0	Total number of preferred shareholder recovering voting power by the end of last month before the disclosure day of the annual report	0
The top 10 shareholders holding situation							
Name of Shareholders	Character of shareholders	Percentage (%)	Shares held until the end of the report period	Number of restricted shares	Pledged or frozen		
					Share status	Amount	
YANTAI CHANGYU GROUP CO. LTD.	Domestic non-state-owned legal person	50.40%	345,473,856	0	--	0	
GAOLING FUND,L.P.	Foreign legal person	3.11%	21,300,919	0	--	0	
CHINA SECURITIES FINANCE CORP	State-owned legal person	2.32%	15,924,155	0	--	0	
BBH BOS S/A FIDELITY FD - CHINA FOCUS FD	Foreign legal person	2.22%	15,241,826	0	--	0	
TianAN property insurance co., LTD—Baoying No.1	Domestic non-state-owned legal person	1.16%	7,939,166	0	--	0	

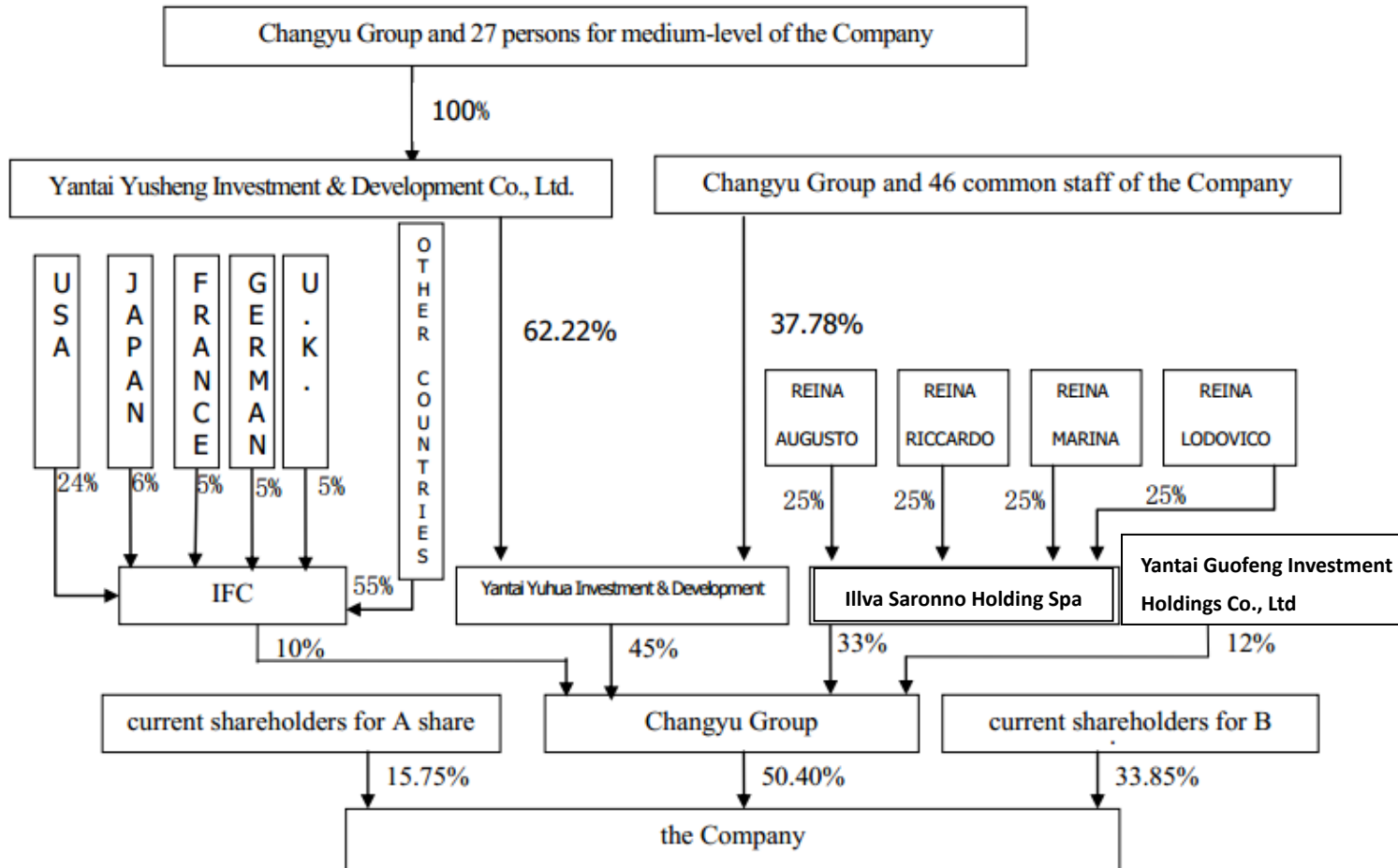
NORGES BANK	Foreign legal person	0.96%	6,584,748	0	--	0
GUOTAI JUNAN SECURITIES(HONGKONG) LIMITED	Foreign legal person	0.78%	5,321,478	0	--	0
CENTRAL HUIJIN ASSET MANAGEMENT LTD.	State-owned legal person	0.69%	4,761,200	0	--	0
BBH A/C VANGUARD EMERGING MARKETS STOCK INDEX FUND	Foreign legal person	0.55%	3,788,487	0	--	0
FIDELITY CHINA SPECIAL SITUATIONS PLC	Foreign legal person	0.55%	3,779,202	0	--	0
The explanation for the associated relationship and accordant action	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 shareholders who involved in financing activities and stock trading business (if any)	NO					

②Number of preferred shareholder and situation of preferred shares held by top ten preferred shareholders

Available Not available

There are no shares held by preferred shareholders during the report period.

③Introduction for property right and control relations between the Company and its actual controllers



(5) Company Bonds

Whether the Company exists public offering and lists on the Stock Exchange, and the Company is unable to fully pay company bonds in the approved announcement date of this annual report before maturity or in the maturity date.

No.

3. Management Discussion and Analysis**(1) Brief introduction of operation situation during the report period**

Whether the Company need to follow the disclosure requirement of special business?

No.

(2) Whether major business has significant changes during the report period?

Yes No

(3) The condition of products accounting for over 10% in the Company's main operating incomes or main operating profits

Available Not available

Unit: CNY

	Operating income	Operating cost	Gross profit rate	Year-on-year increase or decrease (%) of operating income	Year-on-year increase or decrease (%) of operating cost	Year-on-year increase or decrease (%) of gross profit rate
Wine	3,700,806,317	1,204,784,351	67.45%	1.13%	5.15%	-1.24%
Brandy	905,687,936	317,845,705	64.91%	2.54%	3.46%	-0.31%

(4) Whether there are features of operating seasonality or periodicity required special attention

Yes No

(5) Explanation for the operating income, operating cost, total net profit attributed to the common shareholders of the listed company or constituting major changes compared with former report period

Available Not available

(6) Face of suspension and termination of listing

Available Not available

(7) Related items involving financial report

①Explanation for the changes of the accounting policy, accounting estimation and accounting method

Available Not available

There are no changes to the accounting policy, accounting estimation and accounting method during the report period.

②During the report period, the situation explanation for the correction of major accounting errors which need to be retrospect and restated

Available Not available

There is no situation for the correction of major accounting errors which need to be retrospect and restated.

③Compared with the previous year's financial report, explanation for the changes of the consolidated statements scope.

Available Not available

For consolidation scope of the year, please refer to Financial Report Notes VIII "Equity in other entities" of "2016 Annual Report" in detail. For detail of changes in consolidation scope of the year, please refer to Financial Report Notes VII "Change in consolidation scope".