



# **ANHUI GUJING DISTILLERY COMPANY LIMITED**

## **THIRD QUARTER REPORT 2017**



**October 2017**

## **Part I Important Statements**

**The board of directors (the “Board”), the supervisory board (the “Supervisory Board”) as well as the directors, supervisors and senior management of Anhui Gujing Distillery Company Limited (the “Company”) hereby guarantee the factuality, accuracy and completeness of the contents of this Report, and shall be jointly and severally liable for any false representation, misleading statements or material omissions in this Report.**

**All the directors of the Company attended the board meeting for the review of this Report.**

**Liang Jinhui, head of the Company, Ye Changqing, accounting head for this Report, and Zhu Jiafeng, head of the accounting department (head of accounting) of the Company, hereby guarantee that the financial statements carried in this Report are factual, accurate and complete.**

**This Report has been prepared in both Chinese and English. Should there be any discrepancies or misunderstandings between the two versions, the Chinese version shall prevail.**

## Part II Company Fundamentals

### I Key Consolidated Operating Results

Indicate by tick mark whether the Company needs to retrospectively restate any of its accounting data.

Yes  No

	September 30, 2017	December 31, 2016	Change	
Total assets (RMB)	9,995,172,521.06	8,736,205,153.86	14.41%	
Equity attributable to owners of the parent (RMB)	6,092,557,665.88	5,595,121,383.96	8.89%	
	July-September 2017	YoY change	January-September 2017	YoY change
Net sales (RMB)	1,673,566,893.29	14.59%	5,343,694,657.88	18.60%
Net margin attributable to shareholders of the Company (RMB)	248,593,418.78	64.21%	797,483,310.43	36.92%
Net margin attributable to shareholders of the Company before exceptional gains and losses (RMB)	245,301,628.24	91.21%	729,256,642.36	32.23%
Net cash flows from operating activities (RMB)	--	--	1,172,185,422.15	-2.55%
Basic earnings per share (RMB/share)	0.49	63.33%	1.58	36.21%
Diluted earnings per share (RMB/share)	0.49	63.33%	1.58	36.21%
Weighted average return on equity (%)	4.18%	1.44%	13.53%	2.32%

Unit: RMB

Item	January-September 2017	Note
Gains/Losses on disposal of non-current assets (inclusive of offset asset impairment provisions)	-5,360,371.18	
Government grants charged to the profit/loss for the Reporting Period (except for the government grants closely related to the business of the Company and given at a fixed quota or amount in accordance with the State's uniform standards)	26,666,268.85	

Gains/Losses on fair value changes of trading financial assets and liabilities & investment income from disposal of trading financial assets and liabilities as well as financial assets available for sale (exclusive of effective hedges related to normal business operations of the Company)	52,325,837.54	
Non-operating income and expense other than above	19,564,939.14	
Less: Income tax effects	23,017,502.12	
Minority interests effects (after tax)	1,952,504.16	
Total	68,226,668.07	--

Explanation of why the Company classified an item as an exceptional gain/loss according to the definition in the Explanatory Announcement No. 1 on Information Disclosure for Companies Offering Their Securities to the Public—Exceptional Gains and Losses, or reclassified any exceptional gain/loss item given as an example in the said explanatory announcement as a recurrent gain/loss:

Applicable  Not applicable

No such cases in the Reporting Period.

## II Total Number of Shareholders and Shareholdings of Top 10 Shareholders at Period-End

### 1. Numbers of Common Shareholders and Preference Shareholders with Resumed Voting Rights, and Shareholdings of Top 10 Shareholders

Unit: share

Total number of common shareholders at period-end		19,228	Total number of preference shareholders with resumed voting rights at period-end (if any)		0	
Top 10 shareholders						
Name of shareholder	Nature of shareholder	Shareholding percentage	Total shares held at period-end	Restricted shares held at period-end	Pledged or frozen shares	
					Status	Number
ANHUI GUJING GROUP COMPANY LIMITED	State-owned corporation	53.89%	271,404,022		Pledged	114,000,000
NORGES BANK	Foreign corporation	2.92%	14,712,309			
GAOLING FUND,L.P.	Foreign corporation	2.47%	12,446,408			
UBS (LUX) EQUITY FUND - CHINA	Foreign corporation	1.41%	7,096,361			

OPPORTUNITY (USD)						
CENTRAL HUIJIN INVESTMENT CO., LTD.	State-owned corporation	1.30%	6,543,600			
CHINA CONSTRUCTION BANK CORPORATION – YINHUA RICH TOPIC HYBRID SECURITIES INVESTMENT FUNDS	Other	1.26%	6,324,381			
CHINA INT'L CAPITAL CORP HONG KONG SECURITIES LTD	Foreign corporation	1.21%	6,072,690			
UBS (LUX) EQUITY FUND - GREATER CHINA (USD)	Foreign corporation	0.98%	4,949,038			
GREENWOODS CHINA ALPHA MASTER FUND	Foreign corporation	0.98%	4,939,963			
BANK OF CHINA-HUAXI A RETURN SECURITIES INVESTMENT FUND	Other	0.72%	3,632,625			

Top 10 non-restricted shareholders

Name of shareholder	Non-restricted shares held at period-end	Type of stock	
		Type	Number
ANHUI GUJING GROUP COMPANY LIMITED	271,404,022	RMB common stock	271,404,022
NORGES BANK	14,712,309	Domestically listed stock for	14,712,309

		foreign investors	
GAOLING FUND,L.P.	12,446,408	Domestically listed stock for foreign investors	12,446,408
UBS (LUX) EQUITY FUND - CHINA OPPORTUNITY (USD)	7,096,361	Domestically listed stock for foreign investors	7,096,361
CENTRAL HUIJIN INVESTMENT CO., LTD.	6,543,600	RMB common stock	6,543,600
CHINA CONSTRUCTION BANK CORPORATION – YINHUA RICH TOPIC HYBRID SECURITIES INVESTMENT FUNDS	6,324,381	RMB common stock	6,324,381
CHINA INT'L CAPITAL CORP HONG KONG SECURITIES LTD	6,072,690	Domestically listed stock for foreign investors	6,072,690
UBS (LUX) EQUITY FUND - GREATER CHINA (USD)	4,949,038	Domestically listed stock for foreign investors	4,949,038
GREENWOODS CHINA ALPHA MASTER FUND	4,939,963	Domestically listed stock for foreign investors	4,939,963
BANK OF CHINA-HUAXIA RETURN SECURITIES INVESTMENT FUND	3,632,625	RMB common stock	3,632,625
Related or acting-in-concert parties among shareholders above	Among the shareholders above, no affiliated relationship exists between the Company's controlling shareholder—Anhui Gujing Group Company Limited—and other shareholders, nor they are parties acting in concert as defined in the Administrative Measures on Information Disclosure of Changes in Shareholding of Listed Companies. As for other shareholders, the Company does not know whether they are related parties or whether they belong to parties acting in concert as defined in the Administrative Measures on Information Disclosure of Changes in Shareholding of Listed Companies.		
Top 10 common shareholders conducting securities margin trading (if any)	N/A		

Indicate by tick mark whether any of the top 10 common shareholders or the top 10 non-restricted common shareholders of the Company conducted any promissory repo during the Reporting Period.

Yea  No

No such cases in the Reporting Period.

**2. Total Number of Preference Shareholders and Shareholdings of Top 10 of Them at Period-End**

Applicable  Not applicable

## Part III Significant Events

### I Changes in Key Consolidated Financial Statement Items and Reasons for Such Changes

√ Applicable □ Not applicable

Unit: RMB

Balance sheet item	September 30, 2017 (RMB)	December 31, 2016 (RMB)	Change	Main reason for change
Monetary funds	715,513,494.38	532,909,026.07	34.27%	The main reason is the increase of sales back money.
Financial assets at fair value through profit/loss	202,683.92	429,190.68	-52.78%	The main reason is the decrease of the financial assets held at the end of the period.
Notes receivable	858,807,197.36	534,386,586.59	60.71%	The main reason is the increase of sales revenue.
Accounts receivable	20,524,908.75	12,287,262.88	67.04%	The main reason is the increase of sales revenue.
Interest receivable	11,123,178.08	2,843,178.08	291.22%	The main reason is the increase of bank interest.
Notes payable	55,340,583.00	11,298,583.00	389.80%	The main reason is to increase the proportion of issuing bills settlement.
Accounts payable	645,284,136.52	340,972,366.21	89.25%	The main reason is the increase in the amount of unsettled material.
Other accounts payable	1,001,979,659.72	641,472,271.53	56.20%	The main reason is the increase of dealer's non settlement discount.
Income statement item	January-September 2017 (RMB)	January-September 2016 (RMB)	Change	Main reason for change
Investment income	97,799,330.67	69,221,696.66	41.28%	The main reason is the increase in the proceeds of disposal of available for sale financial assets.
Non-operating income	47,769,894.93	33,553,013.41	42.37%	The main reason is the increase of government subsidies.



Gross margin	1,111,204,185.96	794,540,267.34	39.85%	The main reason is the increase of operating income.
Cash flow statement item	January-September 2017 (RMB)	January-September 2016 (RMB)	Change	Main reason for change
Cash generated by other operating activities	203,473,532.73	382,955,144.81	-46.87%	The main reason is the decrease of the deposit receipt.
Cash received as investment income	93,509,806.38	68,398,591.73	36.71%	The main reason is the increase of investment income.
Cash paid for investments	3,699,390,190.62	2,671,617,710.68	38.47%	The main reason is the increase in payment of financial products.
Net cash from financing activities	-302,160,000.00	-49,360,000.00	-512.16%	The main reason is the increase of payment of cash dividends.

## II Progress, Influence and Solutions Associated with Significant Events

Applicable  Not applicable

## III Commitments that the Company's Actual Controller, Shareholders, Related Parties and Acquirers, as well as the Company and Other Commitment Makers, Failed to Fulfill on Time during Reporting Period

Applicable  Not applicable

No such cases in the Reporting Period.

### IV Forecast of 2017 Annual Operating Results

Warning of a possible loss on or a significant year-over-year change in accumulative net margin during the period the beginning of the current year through the end of the next reporting period, as well as the reasons:

Applicable  Not applicable

### V Securities Investments

Applicable  Not applicable

Unit: RMB

Variety of securities	Code of securities	Name of securities	Initial investment cost	Accounting measurement model	Opening book value	Gains/Losses on fair value changes in Reporting Period	Cumulative fair value changes charged to equity	Purchased in Reporting Period	Sold in Reporting Period	Gains/losses in Reporting Period	Closing book value	Accounting title	Source of investment funds
Domestic/over seas stock	000001	PAYH	70,317,243.98	Fair value method	73,172,089.90	0.00	16,162,186.89	0.00	0.00	0.00	89,334,276.79	Available-for-sale financial asset	The Company's own funds
Domestic/over seas stock	601988	ZGYH	57,171,459.09	Fair value method	51,177,224.00	0.00	12,715,500.15	14,996,716.49	4,881,468.64	1,515,784.77	74,007,972.00	Available-for-sale financial asset	The Company's own funds
Domestic/over seas stock	600373	ZWCM	91,133,996.80	Fair value method	130,191,424.00	0.00	0.00	0.00	130,191,424.00	47,739,094.07	0.00	Available-for-sale financial asset	The Company's own funds

Fund	Guangfa Nest Yuerui No. 1 E Securities Investment Fund	150,000,000.00	Fair value method	149,488,814.37	0.00	7,576,431.14	0.00	0.00	0.00	157,065,245.51	Available-for-sale financial asset	The Company's own funds
Fund	CITIC Wings Dapu No. 1 Asset Management Plan	200,000,000.00	Fair value method	0.00	0.00	8,091,141.36	200,000,000.00	0.00	0.00	208,091,141.36	Available-for-sale financial asset	The Company's own funds
Total		568,622,699.87	--	404,029,552.27	0.00	44,545,259.54	214,996,716.49	135,072,892.64	49,254,878.84	528,498,635.66	--	--
Disclosure date of announcement about Board's consent for securities investment		Naught										
Disclosure date of announcement about shareholders' meeting's consent for securities investment (if any)		Naught										

## VI Investments in Derivative Financial Instruments

√ Applicable □ Not applicable

Unit: RMB'0,000

Operator	Relationship with the	Related transaction	Type of derivative	Initial investment	Starting date	Ending date	Opening investment	Purchased in the	Sold in the Reporting	Impairment provision (if	Closing investment	Proportion of closing	Actual gain/loss in
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	Company			amount			amount	Reporting Period	Period	any)	amount	investment amount in the Company's closing net assets	the Reporting Period
Reverse repurchase of national debt	Naught	No	Reverse repurchase of national debt	0.00	01/18/2017	10/11/2017	0.00	152,220	138,220	0.00	14,000	2.30%	200.05
Total				0.00	--	--	0.00	152,220	138,220	0.00	14,000	2.30%	200.05
Capital source for derivative investment				The Company's own funds									
Lawsuits involved (if applicable)				N/A									
Disclosure date of board announcement approving derivative investment (if any)				08/30/2013									
Disclosure date of shareholders' meeting announcement approving derivative investment (if any)													
Analysis of risks and control measures associated with derivative investments held in the Reporting Period (including but not limited to market risk, liquidity risk, credit risk, operational risk, legal risk, etc.)				The Company has strictly controlled related risks according to Derivative Investment Management System									
Changes in market prices or fair value of derivative investments during the Reporting Period (fair value analysis should include measurement method and related assumptions and parameters)				Naught									

<p>Significant changes in accounting policies and specific accounting principles adopted for derivative investments in the Reporting Period compared to previous reporting period</p>	<p>Naught</p>
<p>Opinion of independent directors on derivative investments and risk control</p>	<p>Based on the sustainable development of the main business of the Company and abundant idle money, the Company increased incomes by investing reasonable financial derivative instruments, which was beneficial to improve the utilization efficiency of the idle money of the Company, and the Company has set up corresponding supervision mechanism for financial derivatives business and made reasonable accounting policy and accounting principle to decrease the risks of derivative investments; in addition, the derivative investment business regarded the national debt as mortgage target, conforming to the prudent, steady risks management principle and the interests of the shareholders of the Company. Therefore, agreed the Company to develop the derivative Investment business of reverse repurchase of national debt not more than the limit of RMB0.3 billion.</p>

### VII Visits Paid to the Company for Purposes of Research, Communication, Interview, etc. during Reporting Period

Applicable  Not applicable

No such cases in the Reporting Period.

### VIII Irregularities Arising from Provision of Guarantees for Third Parties

Applicable  Not applicable

No such cases in the Reporting Period.

### IX Occupation of the Company's Funds by Its Controlling Shareholder or Related Parties for Non-Operating Purposes

Applicable  Not applicable

No such cases in the Reporting Period.

## **X Targeted Measures Taken to Help People Lift Themselves out of Poverty**

### **1. Outline of Targeted Measures in the Reporting Period**

In accordance with the requirements of the State, Anhui Provincial Party Committee and Government, and Bozhou Municipal Party Committee and Government on precision poverty alleviation, the Company has established targeted support towards 17 poor families in Bali village, Wuma town, Qiaocheng District, Bozhou. The Company has established a complete and formal long-term mechanism for poverty alleviation targeted at those families. A supporting policy of one file for one family, one card for one family, and one policy for one family has been implemented based on the principle of “organizations are responsible for villages and cadres are responsible for families”, and files have been created based on family members, major labor force, farmland and income structure of poor families in each poor village. Since the work of implementing poverty alleviation, 11 poor households have been out of poverty with fixed income now.

### **2. Subsequent Targeted Measure Plans**

First, the Company will continue to engage in poverty alleviation and strengthen its efforts in targeted support towards poor families; second, the Company will continue to implement the supporting policy of the Provincial Party Committee and Government and the Municipal Party Committee and Government, soundly advancing the poverty alleviation work in line with the requirements of relevant poor counties to carry out the social responsibility.

## Part IV Financial Statements

### I Financial Statements

#### 1. Consolidated Balance Sheet

Prepared by Anhui Gujing Distillery Company Limited

September 30, 2017

Unit: RMB

Item	September 30, 2017	December 31, 2016
Current assets:		
Monetary funds	715,513,494.38	532,909,026.07
Settlement reserve		
Interbank lendings		
Financial assets at fair value through profit/loss	202,683.92	429,190.68
Derivative financial assets		
Notes receivable	858,807,197.36	534,386,586.59
Accounts receivable	20,524,908.75	12,287,262.88
Accounts paid in advance	97,102,117.42	74,784,221.59
Premiums receivable		
Reinsurance premiums receivable		
Receivable reinsurance contract reserve		
Interest receivable	11,123,178.08	2,843,178.08
Dividends receivable		
Other accounts receivable	9,519,458.61	10,765,397.03
Financial assets purchased under agreements to resell		
Inventories	1,810,936,606.32	1,786,433,036.50
Assets held for sale		
Non-current assets due within one year		
Other current assets	2,301,537,926.48	1,750,278,829.24
Total current assets	5,825,267,571.32	4,705,116,728.66
Non-current assets:		
Loans and advances to customers		

Available-for-sale financial assets	528,498,635.66	404,029,552.27
Held-to-maturity investments		
Long-term accounts receivable		
Long-term equity investments		
Investment property	5,402,207.16	8,402,944.74
Fixed assets	1,794,083,695.11	1,865,691,585.06
Construction in progress	58,207,812.56	71,771,324.26
Engineering materials		
Disposal of fixed assets		
Productive living assets		
Oil-gas assets		
Intangible assets	692,438,826.77	700,684,529.08
R&D expenses		
Goodwill	478,283,495.29	478,283,495.29
Long-term deferred expense	68,752,085.13	93,588,397.35
Deferred income tax assets	231,383,554.29	107,654,597.15
Other non-current assets	312,854,637.77	300,982,000.00
Total non-current assets	4,169,904,949.74	4,031,088,425.20
Total assets	9,995,172,521.06	8,736,205,153.86
Current liabilities:		
Short-term borrowings		
Borrowings from the Central Bank		
Money deposits accepted and inter-bank deposits		
Interbank borrowings		
Financial liabilities at fair value through profit/loss		
Derivative financial liabilities		
Notes payable	55,340,583.00	11,298,583.00
Accounts payable	645,284,136.52	340,972,366.21
Accounts received in advance	623,448,823.49	623,990,614.91
Financial assets sold for repurchase		
Fees and commissions payable		
Payroll payable	197,784,546.15	288,027,136.09
Taxes payable	412,246,400.86	486,959,651.85



Interest payable		
Dividends payable		
Other accounts payable	1,001,979,659.72	641,472,271.53
Reinsurance premiums payable		
Insurance contract reserve		
Payables for acting trading of securities		
Payables for acting underwriting of securities		
Liabilities held for sale		
Non-current liabilities due within one year		
Other current liabilities	428,064,027.71	241,487,812.54
Total current liabilities	3,364,148,177.45	2,634,208,436.13
Non-current liabilities:		
Long-term borrowings		
Bonds payable		
Of which: Preference shares		
Perpetual bonds		
Long-term accounts payable		
Long-term payroll payable		
Special payables		
Provisions	1,120,755.50	0.00
Deferred income	45,031,765.70	43,978,795.45
Deferred income tax liabilities	116,888,761.32	117,287,002.52
Other non-current liabilities		
Total non-current liabilities	163,041,282.52	161,265,797.97
Total liabilities	3,527,189,459.97	2,795,474,234.10
Owners' equity:		
Share capital	503,600,000.00	503,600,000.00
Other equity instruments		
Of which: Preference shares		
Perpetual bonds		
Capital reserve	1,295,405,592.25	1,295,405,592.25
Less: Treasury shares		
Other comprehensive income	38,257,449.44	36,144,477.95

Special reserve		
Surplus reserve	256,902,260.27	256,902,260.27
Provisions for general risks		
Retained earnings	3,998,392,363.92	3,503,069,053.49
Equity attributable to owners of the Company	6,092,557,665.88	5,595,121,383.96
Minority interests	375,425,395.21	345,609,535.80
Total owners' equity	6,467,983,061.09	5,940,730,919.76
Total liabilities and owners' equity	9,995,172,521.06	8,736,205,153.86

Legal representative: Liang Jinhui

Person-in-charge of the accounting work: Ye Changqing

Chief of the accounting division: Zhu Jiafeng

## 2. Parent Company Balance Sheet

Unit: RMB

Item	September 30, 2017	December 31, 2016
Current assets:		
Monetary funds	513,868,135.00	225,792,686.26
Financial assets at fair value through profit/loss	202,683.92	429,190.68
Derivative financial assets		
Notes receivable	681,621,532.91	449,016,169.03
Accounts receivable	6,862,706.04	6,377,346.00
Accounts paid in advance	43,275,161.10	11,815,064.19
Interest receivable		
Dividends receivable		
Other accounts receivable	78,027,486.27	105,514,906.34
Inventories	1,589,890,899.58	1,549,397,565.11
Assets held for sale		
Non-current assets due within one year		
Other current assets	2,210,565,718.56	1,750,000,000.00
Total current assets	5,124,314,323.38	4,098,342,927.61
Non-current assets:		
Available-for-sale financial assets	527,921,835.66	403,547,952.27
Held-to-maturity investments		

Long-term accounts receivable		
Long-term equity investments	1,155,089,408.32	1,155,089,408.32
Investment property	26,832,966.19	30,846,736.84
Fixed assets	1,323,218,118.71	1,375,089,823.91
Construction in progress	39,378,695.59	68,022,146.66
Engineering materials		
Disposal of fixed assets		
Productive living assets		
Oil-gas assets		
Intangible assets	184,553,224.30	186,370,081.28
R&D expenses		
Goodwill		
Long-term deferred expense	66,011,973.28	92,695,064.02
Deferred income tax assets	36,778,706.50	36,366,330.90
Other non-current assets	12,854,637.77	982,000.00
Total non-current assets	3,372,639,566.32	3,349,009,544.20
Total assets	8,496,953,889.70	7,447,352,471.81
Current liabilities:		
Short-term borrowings		
Financial liabilities at fair value through profit/loss		
Derivative financial liabilities		
Notes payable	28,583.00	28,583.00
Accounts payable	578,432,233.10	307,649,868.02
Accounts received in advance	1,681,733,667.38	1,003,521,896.65
Payroll payable	65,902,495.91	90,742,908.53
Taxes payable	197,603,089.12	320,037,309.94
Interest payable		
Dividends payable		
Other accounts payable	300,695,448.30	282,570,379.80
Liabilities held for sale		
Non-current liabilities due within one year		
Other current liabilities	46,985,970.69	37,589,367.67
Total current liabilities	2,871,381,487.50	2,042,140,313.61
Non-current liabilities:		

Long-term borrowings		
Bonds payable		
Of which: Preference shares		
Perpetual bonds		
Long-term payables		
Long-term payroll payable		
Special payables		
Provisions		
Deferred income	40,977,788.28	42,745,851.74
Deferred income tax liabilities	15,977,984.99	15,385,289.84
Other non-current liabilities		
Total non-current liabilities	56,955,773.27	58,131,141.58
Total liabilities	2,928,337,260.77	2,100,271,455.19
Owners' equity:		
Share capital	503,600,000.00	503,600,000.00
Other equity instruments		
Of which: Preference shares		
Perpetual bonds		
Capital reserve	1,247,162,107.35	1,247,162,107.35
Less: Treasury shares		
Other comprehensive income	39,498,202.19	37,315,555.64
Special reserve		
Surplus reserve	251,800,000.00	251,800,000.00
Retained earnings	3,526,556,319.39	3,307,203,353.63
Total owners' equity	5,568,616,628.93	5,347,081,016.62
Total liabilities and owners' equity	8,496,953,889.70	7,447,352,471.81

### 3. Consolidated Income Statement for July-September

Unit: RMB

Item	July-September 2017	July-September 2016
1. Operating revenue	1,673,566,893.29	1,460,526,002.88
Including: Net sales	1,673,566,893.29	1,460,526,002.88
Interest revenue		
Premium revenue		

Fee and commission revenue		
2. Operating expenses	1,358,235,844.48	1,295,538,071.74
Including: Cost of sales	403,027,066.48	379,261,657.76
Interest expense		
Fee and commission expense		
Surrenders		
Net claims paid		
Net amount provided as insurance contract reserve		
Expenditure on policy dividends		
Reinsurance premium expense		
Taxes and surtaxes	270,572,799.66	227,083,386.54
Selling expense	567,852,892.46	522,299,572.98
Administrative expense	121,465,727.34	168,327,112.65
Finance costs	-4,682,311.30	-1,469,126.50
Asset impairment losses	-330.16	35,468.31
Add: Gains on fair value changes ("-" for losses)	66,574.90	-2,064,863.14
Investment income ("-" for losses)	16,781,846.20	24,896,841.30
Including: Share of gains/losses of associates and joint ventures		
Exchange gains ("-" for losses)		
Other income		
3. Operating margin ("-" for losses)	332,179,469.91	187,819,909.30
Add: Non-operating income	8,603,292.10	25,413,316.24
Including: Gains on disposal of non-current assets	783.47	375,882.42
Less: Non-operating expense	4,710,036.11	377,941.64
Including: Losses on disposal of non-current assets	4,655,940.34	96,960.62
4. Gross margin ("-" for losses)	336,072,725.90	212,855,283.90
Less: Income tax expense	80,888,483.00	59,011,681.50
5. Net margin ("-" for losses)	255,184,242.90	153,843,602.40
Attributable to owners of the parent	248,593,418.78	151,384,181.93
Attributable to minority interests	6,590,824.12	2,459,420.47
6. Other comprehensive income, net of tax	22,009,443.57	14,565,128.27

Other comprehensive income, net of tax attributable to owners of the parent	22,009,443.57	14,565,128.27
6.1 Other comprehensive income that will not be reclassified into gains/losses		
6.1.1 Changes in net liabilities or assets with a defined benefit plan upon re-measurement		
6.1.2 Share of other comprehensive income of investees that cannot be reclassified into gains/losses under equity method		
6.2 Other comprehensive income to be subsequently reclassified into gains/losses	22,009,443.57	14,565,128.27
6.2.1 Share of other comprehensive income of investees that will be reclassified into gains/losses under equity method		
6.2.2 Gains/Losses on fair value changes of available-for-sale financial assets	22,009,443.57	14,565,128.27
6.2.3 Gains/Losses on reclassifying held-to-maturity investments into available-for-sale financial assets		
6.2.4 Effective gains/losses on cash flow hedges		
6.2.5 Currency translation differences		
6.2.6 Other		
Other comprehensive income, net of tax attributable to minority interests		
7. Total comprehensive income	277,193,686.47	168,408,730.67
Attributable to owners of the parent	270,602,862.35	165,949,310.20
Attributable to minority interests	6,590,824.12	2,459,420.47
8. Earnings per share		
8.1 Basic earnings per share	0.49	0.30
8.2 Diluted earnings per share	0.49	0.30

Legal representative: Liang Jinhui

Person-in-charge of the accounting work: Ye Changqing

Chief of the accounting division: Zhu Jiafeng

**4. Parent Company Income Statement for July-September**

Unit: RMB

Item	July-September 2017	July-September 2016
1. Operating revenue	921,576,158.99	804,435,303.66
Less: Operating expenses	369,286,185.89	350,189,125.02
Taxes and surtaxes	239,185,115.80	204,951,334.28
Selling expense	49,208,966.68	75,015,225.25
Administrative expense	85,908,988.33	120,782,364.91
Finance costs	-4,231,951.79	-1,303,334.98
Asset impairment losses	0.00	170,676.54
Add: Gains on fair value changes (“-” for losses)	66,574.90	-2,097,346.45
Investment income (“-” for loss)	13,166,277.13	22,268,798.87
Including: Share of gains/losses of associates and joint ventures		
Other income		
2. Operating margin (“-” for losses)	195,451,706.11	74,801,365.06
Add: Non-operating income	5,491,370.44	19,196,694.62
Including: Gains on disposal of non-current assets		
Less: Non-operating expense	4,415,042.93	95,984.32
Including: Losses on disposal of non-current assets	4,415,042.93	95,984.32
3. Gross margin (“-” for losses)	196,528,033.62	93,902,075.36
Less: Income tax expense	48,553,805.46	23,653,702.19
4. Net margin (“-” for losses)	147,974,228.16	70,248,373.17
5. Other comprehensive income, net of tax	22,106,418.63	14,589,310.33
5.1 Other comprehensive income that will not be reclassified into gains and losses		
5.1.1 Changes in net liabilities or assets with a defined benefit plan upon re-measurement		
5.1.2 Share of other comprehensive income of investees that cannot be		

reclassified into gains/losses under equity method		
5.2 Other comprehensive income to be subsequently reclassified into gains/losses	22,106,418.63	14,589,310.33
5.2.1 Share of other comprehensive income of investees that will be reclassified into gains/losses under equity method		
5.2.2 Gains/Losses on fair value changes of available-for-sale financial assets	22,106,418.63	14,589,310.33
5.2.3 Gains/Losses on reclassifying held-to-maturity investments into available-for-sale financial assets		
5.2.4 Effective gains/losses on cash flow hedges		
5.2.5 Currency translation differences		
5.2.6 Other		
6. Total comprehensive income	170,080,646.79	84,837,683.50
7. Earnings per share		
7.1 Basic earnings per share	0.30	0.14
7.2 Diluted earnings per share	0.30	0.14

## 5. Consolidated Income Statement for January-September

Unit: RMB

Item	January-September 2017	January-September 2016
1. Operating revenue	5,343,694,657.88	4,505,560,709.61
Including: Net sales	5,343,694,657.88	4,505,560,709.61
Interest revenue		
Premium revenue		
Fee and commission revenue		
2. Operating expenses	4,371,107,557.95	3,808,343,755.26
Including: Cost of sales	1,316,206,265.39	1,159,656,092.42
Interest expense		
Fee and commission expense		
Surrenders		



Net claims paid		
Net amount provided as insurance contract reserve		
Expenditure on policy dividends		
Reinsurance premium expense		
Taxes and surtaxes	876,704,154.17	698,322,570.89
Selling expense	1,817,541,653.59	1,536,222,706.22
Administrative expense	384,887,422.77	425,404,568.37
Finance costs	-21,946,953.95	-11,233,287.64
Asset impairment losses	-2,284,984.02	-28,895.00
Add: Gains on fair value changes ("-" for losses)	-53,081.45	15,147.04
Investment income ("-" for losses)	97,799,330.67	69,221,696.66
Including: Share of gains/losses of associates and joint ventures		
Exchange gains ("-" for losses)		
Other income		
3. Operating margin ("-" for losses)	1,070,333,349.15	766,453,798.05
Add: Non-operating income	47,769,894.93	33,553,013.41
Including: Gains on disposal of non-current assets	488,670.14	381,359.64
Less: Non-operating expense	6,899,058.12	5,466,544.12
Including: Losses on disposal of non-current assets	5,849,041.32	4,420,995.91
4. Gross margin ("-" for losses)	1,111,204,185.96	794,540,267.34
Less: Income tax expense	283,905,016.12	203,993,450.18
5. Net margin ("-" for losses)	827,299,169.84	590,546,817.16
Attributable to owners of the parent	797,483,310.43	582,439,644.55
Attributable to minority interests	29,815,859.41	8,107,172.61
6. Other comprehensive income, net of tax	2,112,971.49	-3,554,781.07
Other comprehensive income, net of tax attributable to owners of the parent	2,112,971.49	-3,554,781.07
6.1 Other comprehensive income that will not be reclassified into gains/losses		
6.1.1 Changes in net liabilities		

or assets with a defined benefit plan upon re-measurement		
6.1.2 Share of other comprehensive income of investees that cannot be reclassified into gains/losses under equity method		
6.2 Other comprehensive income to be subsequently reclassified into gains/losses	2,112,971.49	-3,554,781.07
6.2.1 Share of other comprehensive income of investees that will be reclassified into gains/losses under equity method		
6.2.2 Gains/Losses on fair value changes of available-for-sale financial assets	2,112,971.49	-3,554,781.07
6.2.3 Gains/Losses on reclassifying held-to-maturity investments into available-for-sale financial assets		
6.2.4 Effective gains/losses on cash flow hedges		
6.2.5 Currency translation differences		
6.2.6 Other		
Other comprehensive income, net of tax attributable to minority interests		
7. Total comprehensive income	829,412,141.33	586,992,036.09
Attributable to owners of the parent	799,596,281.92	578,884,863.48
Attributable to minority interests	29,815,859.41	8,107,172.61
8. Earnings per share		
8.1 Basic earnings per share	1.58	1.160
8.2 Diluted earnings per share	1.58	1.160

## 6. Parent Company Income Statement for January-September

Unit: RMB

Item	January-September 2017	January-September 2016
1. Operating revenue	2,953,626,991.47	2,543,139,218.98
Less: Operating expenses	1,177,443,742.79	1,116,821,291.46

Taxes and surtaxes	760,338,385.91	643,663,363.49
Selling expense	168,810,396.78	181,479,242.23
Administrative expense	266,013,406.12	305,915,030.32
Finance costs	-12,590,308.28	-9,686,500.62
Asset impairment losses	-1,943,865.48	0.00
Add: Gains on fair value changes (“-” for losses)	-53,081.45	-58,568.17
Investment income (“-” for loss)	88,106,430.10	65,648,174.23
Including: Share of gains/losses of associates and joint ventures		
Other income		
2. Operating margin (“-” for losses)	683,608,582.28	370,536,398.16
Add: Non-operating income	28,606,971.71	27,932,610.15
Including: Gains on disposal of non-current assets	117,524.82	0.00
Less: Non-operating expense	5,213,277.86	4,414,060.57
Including: Losses on disposal of non-current assets	4,462,721.08	4,414,060.57
3. Gross margin (“-” for losses)	707,002,276.13	394,054,947.74
Less: Income tax expense	185,489,310.37	97,983,312.40
4. Net margin (“-” for losses)	521,512,965.76	296,071,635.34
5. Other comprehensive income, net of tax	2,182,646.55	-3,129,579.67
5.1 Other comprehensive income that will not be reclassified into gains and losses		
5.1.1 Changes in net liabilities or assets with a defined benefit plan upon re-measurement		
5.1.2 Share of other comprehensive income of investees that cannot be reclassified into gains/losses under equity method		
5.2 Other comprehensive income to be subsequently reclassified into gains/losses	2,182,646.55	-3,129,579.67
5.2.1 Share of other comprehensive income of investees that will be reclassified into gains/losses under equity method		

5.2.2 Gains/Losses on fair value changes of available-for-sale financial assets	2,182,646.55	-3,129,579.67
5.2.3 Gains/Losses on reclassifying held-to-maturity investments into available-for-sale financial assets		
5.2.4 Effective gains/losses on cash flow hedges		
5.2.5 Currency translation differences		
5.2.6 Other		
6. Total comprehensive income	523,695,612.31	292,942,055.67
7. Earnings per share		
7.1 Basic earnings per share	1.04	0.590
7.2 Diluted earnings per share	1.04	0.590

## 7. Consolidated Cash Flow Statement for January-September

Unit: RMB

Item	January-September 2017	January-September 2016
1. Cash generated by or used in operating activities:		
Cash generated by sale of commodities and rendering of service	5,433,189,005.14	4,665,181,632.59
Net increase in money deposits from customers and interbank placements		
Net increase in loans from Central Bank		
Net increase in funds borrowed from other financial institutions		
Cash received as premiums of original insurance contracts		
Net cash generated by reinsurance business		
Net increase in deposits of policy holders and investment fund		
Net increase in disposal of financial assets at fair value through gains/losses		
Interest, fees and commissions received		
Net increase in interbank borrowings		

Net increase in funds in repurchase business		
Tax rebates received	14,260,319.10	16,075,251.07
Cash generated by other operating activities	203,473,532.73	382,955,144.81
Subtotal of cash generated by operating activities	5,650,922,856.97	5,064,212,028.47
Cash paid for goods and services	701,247,390.39	813,734,763.05
Net increase in loans and advances to customers		
Net increase in funds deposited in Central Bank and interbank placements		
Cash paid for claims of original insurance contracts		
Interest, fees and commissions paid		
Cash paid as policy dividends		
Cash paid to and for employees	962,585,070.51	774,961,969.54
Taxes paid	2,164,760,737.13	1,623,032,665.41
Cash used in other operating activities	650,144,236.79	649,635,442.00
Subtotal of cash used in operating activities	4,478,737,434.82	3,861,364,840.00
Net cash from operating activities	1,172,185,422.15	1,202,847,188.47
2. Cash generated by or used in investing activities:		
Cash generated by disinvestments	3,027,776,929.29	2,687,852,537.76
Cash received as investment income	93,509,806.38	68,398,591.73
Net cash generated by disposal of fixed assets, intangible assets and other long-term assets	413,563.04	971,279.86
Net cash generated by disposal of subsidiaries or other business units		
Cash generated by other investing activities	1,646,000.00	314,000.00
Subtotal of cash generated by investing activities	3,123,346,298.71	2,757,536,409.35
Cash paid to acquire fixed assets, intangible assets and other long-term assets	111,377,061.93	116,075,478.32
Cash paid for investments	3,699,390,190.62	2,671,617,710.68
Net increase in pledged loans		

Net cash paid to acquire subsidiaries and other business units	0.00	795,770,032.45
Cash used in other investing activities		
Subtotal of cash used in investing activities	3,810,767,252.55	3,583,463,221.45
Net cash from investing activities	-687,420,953.84	-825,926,812.10
3. Cash generated by or used in financing activities:		
Cash received as capital contributions		
Including: Cash received from minority shareholder investments by subsidiaries		
Cash received as borrowings	0.00	1,000,000.00
Cash generated by issuance of bonds		
Cash generated by other financing activities		
Subtotal of cash generated by financing activities	0.00	1,000,000.00
Repayment of borrowings		
Cash paid for interest expenses and distribution of dividends or profit	302,160,000.00	50,360,000.00
Including: dividends or profit paid by subsidiaries to minority interests		
Cash used in other financing activities		
Sub-total of cash used in financing activities	302,160,000.00	50,360,000.00
Net cash from financing activities	-302,160,000.00	-49,360,000.00
4. Effect of foreign exchange rate changes on cash and cash equivalents		
5. Net increase in cash and cash equivalents	182,604,468.31	327,560,376.37
Add: Opening balance of cash and cash equivalents	527,849,026.07	1,040,373,733.07
6. Closing balance of cash and cash equivalents	710,453,494.38	1,367,934,109.44

**8. Parent Company Cash Flow Statement for January-September**

Unit: RMB

Item	January-September 2017	January-September 2016
1. Cash generated by or used in operating activities:		
Cash generated by sale of commodities and rendering of service	3,652,910,092.77	2,585,404,219.49
Tax rebates received	13,013,817.25	15,009,167.60
Cash generated by other operating activities	191,916,993.96	249,909,533.84
Subtotal of cash generated by operating activities	3,857,840,903.98	2,850,322,920.93
Cash paid for goods and services	675,142,223.73	588,723,963.61
Cash paid to and for employees	376,675,264.85	357,751,167.07
Taxes paid	1,463,992,035.18	1,032,959,847.90
Cash used in other operating activities	174,480,145.44	260,998,167.70
Subtotal of cash used in operating activities	2,690,289,669.20	2,240,433,146.28
Net cash from operating activities	1,167,551,234.78	609,889,774.65
2. Cash generated by or used in investing activities:		
Cash generated by disinvestments	2,910,776,929.29	2,685,870,391.93
Cash received as investment income	92,096,692.18	65,404,965.00
Net cash generated by disposal of fixed assets, intangible assets and other long-term assets	0.00	514,500.00
Net cash generated by disposal of subsidiaries or other business units		
Cash generated by other investing activities	1,646,000.00	0.00
Subtotal of cash generated by investing activities	3,004,519,621.47	2,751,789,856.93
Cash paid to acquire fixed assets, intangible assets and other long-term assets	89,445,216.89	104,776,556.58
Cash paid for investments	3,492,390,190.62	3,463,441,781.52
Net cash paid to acquire subsidiaries and other business units		
Cash used in other investing activities		

Subtotal of cash used in investing activities	3,581,835,407.51	3,568,218,338.10
Net cash from investing activities	-577,315,786.04	-816,428,481.17
3. Cash generated by or used in financing activities:		
Cash received as capital contributions		
Cash received as borrowings		
Cash generated by issuance of bonds		
Cash generated by other financing activities		
Subtotal of cash generated by financing activities		
Repayment of borrowings		
Cash paid for interest expenses and distribution of dividends or profit	302,160,000.00	50,360,000.00
Cash used in other financing activities		
Sub-total of cash used in financing activities	302,160,000.00	50,360,000.00
Net cash from financing activities	-302,160,000.00	-50,360,000.00
4. Effect of foreign exchange rate changes on cash and cash equivalents		
5. Net increase in cash and cash equivalents	288,075,448.74	-256,898,706.52
Add: Opening balance of cash and cash equivalents	225,792,686.26	548,650,832.84
6. Closing balance of cash and cash equivalents	513,868,135.00	291,752,126.32

## II Auditor's Report

Are the Q3 2017 financial statements audited?

Yes  No

These financial statements are unaudited.



Board Chairman: Liang Jinhui

Anhui Gujing Distillery Company Limited



October 27, 2017