

Yantai Changyu Pioneer Wine Co., Ltd.

2021 First Quarter Report

2021-Final 02



April 2021

I. Important Notice

The Company's board of directors, board of supervisors, directors, supervisors and senior executives guarantee the truthfulness, accuracy and completeness of contents contained in this quarter report as well as no unfaithful facts, misleading statements or significant omissions and undertake individual and collective legal liabilities.

All directors attended the board meeting for deliberating this quarter report.

Mr. Zhou Hongjiang (person in charge of the Company), Mr. Jiang Jianxun (person in charge of accounting work), and Ms. Guo Cuimei (person in charge of accounting institution and person in charge of accounting) declare to assure the truthfulness, accuracy and completeness of the financial statement in this quarter report.

II、 Corporate Information

1. Key accounting data and financial indicators

Whether the Company needs to make retroactive adjustments or restate the accounting data of previous fiscal years.

Yes No

	This report period	The same period of last year	More or less than the same period of last year (%)
Operating revenue (CNY)	1,134,006,251	805,715,048	40.75%
Net profit attributed to the shareholders of the listed company (CNY)	286,745,340	234,499,910	22.28%
Net profit attributed to the shareholders of the listed company after deducting the irregular profit and loss (CNY)	280,760,222	225,980,141	24.24%
Net cash flows from the operating activities (CNY)	314,895,523	-118,493,699	not available
Basic earnings per share (CNY)	0.42	0.34	23.53%
Diluted earnings per share (CNY)	0.42	0.34	23.53%
Weighted average for earning rate of the net assets	2.75%	2.23%	0.52%
	The end of this report period	The end of last year	More or less than the end of last year (%)
Total assets (CNY)	13,456,572,813	13,102,481,541	2.70%
Net Assets attributed to the shareholders of the listed company (CNY)	10,539,609,394	10,267,832,644	2.65%

Details of non-recurring gains and losses

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)	-6,232	

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)	6,454,025	
Other non-operating income and expenses	1,395,626	
Less: Income tax effect	1,839,989	
Minority interests effect (after-tax)	18,312	
Total	5,985,118	--

The reasons shall be made clear and definitely as to the non-recurring profit and loss that the Company has defined by virtue of the *Explanatory Announcement on Public Company's Information Disclosure No.1 - Non-recurring Profit and Loss* and as to regarding the non-recurring profit and loss as recurrent profit and loss as specified in the *Explanatory Announcement on Public Company's Information Disclosure No.1 - Non-recurring Profit and Loss*.

Available Not available

There is no situation that non-recurring profit and loss is defined and specified as recurrent profit and loss in accordance with the *Explanatory Announcement on Public Company's Information Disclosure No.1 - Non-recurring Profit and Loss* during the report period.

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	53,529	Total number of preferred shareholders with recovered voting power at the end of report period (if have)	0			
Shareholding of top 10 shareholders						
Name of Shareholders	Character of shareholders	Percentage (%)	Shares held	Number of restricted shares	Pledged or frozen	
					Share status	Amount
YANTAI CHANGYU GROUP COMPANY LIMITED	Domestic non-state-owned legal person	50.40%	345,473,856	0	—	—
GAOLING FUND, L.P.	Foreign legal person	3.08%	21,090,219	0	—	—
CHINA SECURITIES FINANCE CORP	State-owned legal person	1.75%	11,966,365	0	—	—
BBH BOS S/A FIDELITY FD - CHINA FOCUS FD	Foreign legal person	1.61%	11,015,226	0	—	—
SHENWAN HONGYUAN SECURITIES (HONGKONG) LIMITED	Foreign legal person	1.06%	7,284,152	0	—	—
FIDELITY PURITAN TRUST: FIDELITY SERIES INTRINSIC OPPORTUNITIES FUND	Foreign legal person	0.93%	6,350,762	0	—	—
GUOTAI JUNAN SECURITIES (HONGKONG) LIMITED	Foreign legal person	0.78%	5,335,545	0	—	—
Haitong International Securities Company Limited-Account Client	Foreign legal person	0.70%	4,789,387	0	—	—
CENTRAL HUIJIN ASSET MANAGEMENT LTD.	State-owned legal person	0.69%	4,761,200	0	—	—
China Merchants Securities (HK) Co., Ltd.	Foreign legal person	0.63%	4,284,707	0	—	—
Shareholding of top 10 shareholders with unrestricted shares						

Name of Shareholders	Number of unrestricted shares held	Type of share	
		Type of share	Amount
YANTAI CHANGYU GROUP COMPANY LIMITED	345,473,856	A share	345,473,856
GAOLING FUND, L.P.	21,090,219	B share	21,090,219
CHINA SECURITIES FINANCE CORP	11,966,365	A share	11,966,365
BBH BOS S/A FIDELITY FD - CHINA FOCUS FD	11,015,226	B share	11,015,226
SHENWAN HONGYUAN SECURITIES(HONGKONG) LIMITED	7,284,152	B share	7,284,152
FIDELITY PURITAN TRUST: FIDELITY SERIES INTRINSIC OPPORTUNITIES FUND	6,350,762	B share	6,350,762
GUOTAI JUNAN SECURITIES(HONGKONG) LIMITED	5,335,545	B share	5,335,545
Haitong International Securities Company Limited-Account Client	4,789,387	B share	4,789,387
CENTRAL HUIJIN ASSET MANAGEMENT LTD.	4,761,200	A share	4,761,200
China Merchants Securities (HK) Co., Ltd.	4,284,707	B share	4,284,707
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 are 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 table of the total number of the preferred shareholders and the shareholding status of the top 10 preferred shareholders

Available Not available

III 、 Major Issue

1. Situation and reason of change in major financial data and financial index during the report period

Available Not available

Compared with the beginning of the report period, at the end of the report period, in the consolidated balance sheet, monetary fund increased by 19.58%, mainly due to the receipt of monetary funds for sales of products during the report period; receivables financing increased by 21.55%, mainly due to the receipt of notes receivables from sales of products during the report period; accounts prepaid decreased by 66.89%, mainly due to the completion of procedure and settlement for the amount prepaid for raw materials at the beginning of the report period; non-current liabilities due within one year decreased by 33.67%, mainly due to the repayment of due long-term bank loan during the report period.

Compared with the same period of last year, in the consolidated profit statement during the report period: operating income increased by 40.75%, operating costs increased by 51.55%, taxes and surcharges increased by 45.50%, net profit increased by 21.70%, mainly due to the increase in product sales during the report period; selling expenses increased by 79.84%, mainly due to the Company's increased marketing investment; financial expenses increased by 58.18%, mainly due to the implementation of the new lease standards in 2021 that the amortization of financing expenses was included in financial expenses.

Compared with the same period of last year, in the consolidated cash flow statement during the report period: cash received from sales of goods and rendering of services increased by 44.02%, mainly due to the increase in monetary funds received from sales of products during the report period; other cash paid related to operating activities increased by 49.85%, mainly due to the increase in cash paid for marketing investment; cash received from acquiring loans decreased by 97.29%, mainly due to a decrease in obtained bank loan; cash paid to repay debt decreased by 80.79%, mainly due to the decrease in the cash used for the repayment of bank loan; the cash and cash equivalents increased significantly (from negative to positive), mainly due to the increase in cash received from sales of products during the report period.

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

Available Not available

Implementation progress of share repurchase

Available Not available

Implementation progress of reducing or repurchasing shares by the way of centralized bidding

Available Not available

3. The commitments that the Company's actual controllers, shareholders, related parties, purchasers, the Company and other related parties do not implement completely exceeding the time limit within 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 fulfilling the commitment
	Yantai Changyu Group Co., Ltd.	Define the use of trademark use fee	According to Trademark License Contract, the annual trademark use fee of trademarks including “张裕” (Changyu) paid by the Company to Yantai Changyu Group Co., Ltd. should be mainly used by Yantai Changyu Group Co., Ltd. to publicize trademarks including “张	1997.05.18	1997.05.18 to 2019.04.04	According to Trademark License Contract, the annual trademark use fee charged by Yantai Changyu Group Co., Ltd. should be mainly used to publicize trademarks including “张裕” (Changyu) and contractual products. Except the period from 2013 to 2017 when Yantai Changyu Group Co., Ltd. Didn't strictly

			裕” (Changyu) and contractual products.			fulfill the commitment, Yantai Changyu Group Co., Ltd. has been fulfilling the commitment.
Equity incentive commitments						
Commitments made to the minority shareholders of the Company	Yantai Changyu Group Co., Ltd.	Compensating unredeemed commitment	The CNY231,768,615 that was not used for publicity of trademarks and contract products as promised will be offset by the four-year trademark use fee from 2019 to 2022. If insufficient, the shortfall would be filled in one time in 2023. If there is any excess, the excess portion of the trademark use fee would be collected from the year with excess occurrence.	2019.04.04	2019.04.04 to 2023.12.31	Has been fulfilling the commitment
Commitment under timely implementation or not	No					
For commitments that exceed the time limit and are not completed, specific reasons of not completing the implementation and the next step	<p>According to <i>Trademark License Contract</i> (hereafter referred to as “this Contract”), Changyu Group promised that the annual trademark use fee paid by the Company to Changyu Group would be mainly used by Changyu Group to publicize these trademarks and contractual products. However, the above-mentioned “mainly” is not a specific number. During the implementation process, due to inconsistent understanding, it is easy to cause divergence and leads to problems.</p> <p>From 2013 to 2017, Changyu Group collected a total of CNY420,883,902 trademark use fee, of which 51% was used to publicize trademarks including Changyu and contract products with amount of CNY214,650,790. The amount has been used to publicize trademarks including Changyu and contract products is CNY50,025,181, with a balance of CNY164,625,609. In 2018 and 2019, the trademark use fee collected of 2017 and 2018 is CNY155,623,907, of which 51% is used to publicize trademarks including Changyu and contract products with amount of CNY79,368,193. The amount has been used to publicize trademarks including Changyu and contract products is CNY12,225,187, with a balance of</p>					

CNY67,143,006. From 2013 to 2018, the accumulated balance of Changyu Group using to publicize trademarks including Changyu and contract products is CNY231,768,615. The above balance that was not used for publicity of trademarks and contract products as promised will be offset by the four-year trademark use fee from 2019 to 2022. If insufficient, the shortfall would be filled in one time in 2023. If there is any excess, the excess portion of the trademark use fee would be collected from the year with excess occurrence.

If Changyu Group is not able to implement the above-mentioned commitment owing to various reasons, the Company will timely supervise and urge Changyu Group to fulfill its commitment and request Changyu Group to raise funds through bank loaning, assets sales and equity sales etc. in order to implement the commitment.

For detailed information, please refer to *Announcement of Commitment Issues of Yantai Changyu Group Co., Ltd.* disclosed on April 4th, 2019.

4. Investment in financial assets

1) Situation of security investment

Available Not available

There is no security investment during the report period.

2) Situation of derivative investment

Available Not available

There is no derivative investment during the report period.

5. Progress of investment projects with raised funds

Available Not available

6. Forecast of business performance from January to June of 2021

A warning and reason explanation for predicting that the cumulative net profit from the beginning of the year to the end of the next report period may be a loss or there will be a significant change compared with the same period of previous year

Available Not available

7. Major contracts during daily operations

Available Not available

8. Entrusted Investment

Available Not available

There is no entrusted investment during the report period.

9. Situation of illegal external guarantee

Available Not available

There is no illegal external guarantee during the report period.

10. 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.

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

Available Not available

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

IV Financial Statements

1. Financial Statements

1) Consolidated balance sheet

Preparation: Yantai Changyu Pioneer Wine Co., Ltd.

Unit: CNY

Item	March 31 st , 2021	December 31 st , 2020
Current Assets:		
Monetary fund	1,428,071,572	1,194,214,929
Petty cash		
Lending funds		
Transactional financial assets		
Derivative financial assets		
Notes receivable		
Accounts receivable	151,141,109	183,853,362
Receivables Financing	410,932,156	338,090,187
Accounts prepaid	23,605,179	71,296,416
Premiums receivable		
Reinsurance accounts receivable		
Receivable reserves for reinsurance contract		
Other receivables	20,813,055	22,428,956
Including: Interest receivable		
Dividends receivable		
Buying back the sale of financial assets		
Inventory	3,003,633,671	2,945,548,651
Contract assets		
Assets classified as holding for sale		
Non-current assets expire in one year		
Other current assets	227,321,727	234,118,715
Total Current Assets	5,265,518,469	4,989,551,216
Non-current Assets:		
Offering loans and imprest		
Debt investment		
Other debt investment		
Long-term account receivable		
Long-term equity investment	47,946,782	48,263,507
Investment in other equity instrument		
Other non-current financial assets		
Real estate for investment	26,264,102	27,057,730
Fixed assets	5,631,039,398	5,724,935,846

Construction in progress	660,339,023	635,495,152
Biological assets for production	193,565,938	192,173,536
Oil and gas assets		
Right-of-use assets	114,171,240	
Intangible assets	695,104,398	660,989,065
Development expenditure		
Goodwill	132,938,212	132,938,212
Long-term deferred expenses	340,594,384	314,465,855
Deferred tax assets	181,119,364	206,241,275
Other non-current assets	167,971,503	170,370,147
Total Non-Current Assets	8,191,054,344	8,112,930,325
Total Assets	13,456,572,813	13,102,481,541
Current liabilities:		
Short-term loan	704,847,942	689,090,715
Borrowings from the Central Bank		
Borrowing funds		
Transactional financial liability		
Derivative financial liabilities		
Notes payable		
Accounts payable	502,683,205	484,347,958
Advances from customers		
Contract liabilities	118,807,719	135,073,280
Sales/buyback financial assets		
Customer and interbank deposits		
Acting trading securities		
Acting underwriting securities		
Wage payable	164,844,499	188,779,911
Tax payable	187,404,541	213,412,813
Other accounts payable	430,309,296	386,105,526
Including: Interest payable	1,335,566	553,471
Dividend payable		1,003,125
Payable handling fees and commission		
Dividend payable for reinsurance		
Liabilities classified as holding for sale		
Non-current liabilities expire in one year	88,424,997	133,311,890
Other current liabilities	15,445,004	14,820,653
Total Current Liabilities	2,212,767,203	2,244,942,746
Non-Current Liabilities:		
Insurance contract reserve		
Long-term borrowings	208,558,582	200,352,968
Bonds payable		
Preferred Stock		
Perpetual capital securities		

Lease liability	126,752,077	
Long-term accounts payable	64,000,000	86,000,000
Long-term accrued payroll		
Estimated liabilities		
Deferred income	48,957,247	52,653,609
Deferred tax liabilities	13,413,777	12,022,613
Other non-current liabilities	2,178,971	2,078,971
Total non-current liabilities	463,860,654	353,108,161
Total liabilities	2,676,627,857	2,598,050,907
Owner's equity (or shareholders' equity):		
Capital stock	685,464,000	685,464,000
Other equity instruments		
Preferred Stock		
Perpetual capital securities		
Capital reserve	524,968,760	524,968,760
Minus: treasury stock		
Other comprehensive income	-6,848,783	576,129
Special reserves		
Surplus reserve	342,732,000	342,732,000
General risk preparation		
Undistributed profits	8,993,293,417	8,714,091,755
Total owner's equity attributable to the holding company	10,539,609,394	10,267,832,644
Minority interests	240,335,562	236,597,990
Total owner's equity	10,779,944,956	10,504,430,634
Total liabilities and owner's equity	13,456,572,813	13,102,481,541

Legal representative: Zhou Hongjiang; Person in charge of accounting: Jiang Jianxun; Person in charge of accounting organ: Guo Cuimei

2) Balance sheet of parent company

Unit: CNY

Item	March 31 st , 2021	December 31 st , 2020
Current Assets:		
Monetary fund	568,720,291	267,548,326
Transactional financial assets		
Derivative financial assets		
Notes receivable		
Accounts receivable	103,204	
Receivables Financing	31,834,266	13,920,000
Accounts prepaid		171,709
Other receivables	286,496,051	580,131,798
Including: Interest receivable		
Dividends receivable		200,000,000
Inventory	464,358,837	482,442,935
Contract assets		
Assets classified as holding for sale		
Non-current assets expire in one year		
Other current assets	32,419,867	24,842,325
Total Current Assets	1,383,932,516	1,369,057,093
Non-current Assets:		
Debt investment		
Other debt investment		
Long-term account receivable		
Long-term equity investment	7,599,650,440	7,599,778,881
Investment in other equity instrument		
Other non-current financial assets		
Real estate for investment	26,264,102	27,057,730
Fixed assets	237,509,195	243,634,747
Construction in progress	3,705,589	2,865,243
Biological assets for production	117,319,312	115,103,753
Oil and gas assets		
Right-of-use assets	44,055,097	
Intangible assets	80,103,270	80,789,730
Development expenditure		
Goodwill		
Long-term deferred expenses		
Deferred tax assets	18,458,710	18,285,685
Other non-current assets	1,824,700,000	1,530,700,000
Total Non-Current Assets	9,951,765,715	9,618,215,769
Total Assets	11,335,698,231	10,987,272,862
Current liabilities:		

Short-term loan	150,000,000	150,000,000
Transactional financial liability		
Derivative financial liabilities		
Notes payable		
Accounts payable	99,385,225	76,470,081
Advances from customers		
Contract liabilities		
Wage payable	64,346,072	67,808,910
Tax payable	9,649,652	9,123,959
Other accounts payable	326,155,711	521,505,947
Including: Interest payable	137,671	181,250
Dividend payable		
Liabilities classified as holding for sale		
Non-current liabilities expire in one year		
Other current liabilities		
Total Current Liabilities	649,536,660	824,908,897
Non-Current Liabilities:		
Long-term borrowings		
Bonds payable		
Preferred Stock		
Perpetual capital securities		
Lease liability	51,463,133	
Long-term accounts payable		
Long-term accrued payroll		
Estimated liabilities		
Deferred income	4,609,061	5,507,708
Deferred tax liabilities		
Other non-current liabilities	1,164,471	1,164,471
Total non-current liabilities	57,236,665	6,672,179
Total liabilities	706,773,325	831,581,076
Owner's equity (or shareholders' equity):		
Capital stock	685,464,000	685,464,000
Other equity instruments		
Preferred Stock		
Perpetual capital securities		
Capital reserve	560,182,235	560,182,235
Minus: treasury stock		
Other comprehensive income		
Special reserves		
Surplus reserve	342,732,000	342,732,000
Undistributed profits	9,040,546,671	8,567,313,551
Total owner's equity	10,628,924,906	10,155,691,786
Total liabilities and owner's equity	11,335,698,231	10,987,272,862

3) Consolidated profit statement

Unit: CNY

Item	Amount incurred in current period	Amount incurred in previous period
1. Revenue	1,134,006,251	805,715,048
Including: Operating income	1,134,006,251	805,715,048
Interest income		
Earned premium		
Handling fees and commission income		
2. Total operating costs	763,383,605	503,718,024
Including: Operating costs	439,796,024	293,557,602
Interest expenditure		
Handling fees and commission expenditure		
Premium rebate		
Net amount of indemnity expenditure		
Net amount of insurance contract reserve		
Policy bonus payment		
Amortized reinsurance expenditures		
Taxes and surcharges	62,465,972	42,932,963
Selling expenses	189,956,956	105,626,558
Administrative expenses	65,994,869	58,450,503
Research and development expenditure	1,322,003	717,857
Financial expenses	3,847,781	2,432,541
Including: Interest expenses	6,137,736	1,340,165
Interest income	1,533,573	2,959,442
Plus: Other income	6,454,025	6,701,749
Investment profit (loss is listed with "-")	-834,725	-504,952
Including: Investment profit for joint-run business and joint venture	-834,725	-504,952
Termination of recognized income of financial assets measured at amortized cost (loss is listed with "-")		
Exchange income (loss is listed with "-")		
Net exposure hedging income (Loss is listed with "-")		
Fair value charge profit (loss is listed with "-")		
Loss of credit impairment (loss is listed with "-")	-846,868	4,245,080
Loss for impairment of assets (loss is listed with "-")	9,448,110	65,237
Assets disposal income (loss is listed with "-")	-6,232	
3. Operating profit (loss is listed with "-")	384,836,956	312,504,138

Plus: Non-operating income	1,407,423	3,555,394
Minus: Non-operating expenditure	11,797	907,906
4. Total profits (total loss is listed with "-")	386,232,582	315,151,626
Minus: Income taxes	99,867,230	79,854,888
5. Net profit (net loss is listed with "-")	286,365,352	235,296,738
(一) Classification by continuous operation		
1. Net profit from continuous operation (net loss is listed with "-")		
2. Net profit from terminational operation (net loss is listed with "-")		
(二) Classification by ownership		
1. Net profits attribute to equity holders of the company	286,745,340	234,499,910
2. Minority interests	-379,988	796,828
6. Net value of other comprehensive income after tax	-8,207,352	-9,349,817
6.1 Net value of other comprehensive income after tax of holding company's owners	-7,424,912	-7,737,478
6.1.1 Other comprehensive income that will not be classified into the profit and loss		
6.1.1.1 Changes of the defined benefit plans that re-measured		
6.1.1.2 Other comprehensive income under equity method that cannot be transfer to gain/loss		
6.1.1.3 Change of fair value of investment in other equity instrument		
6.1.1.4 Fair value change of enterprise's credit risk		
6.1.1.5 Other		
6.1.2 Other comprehensive income that will be classified into the profit and loss	-7,424,912	-7,737,478
6.1.2.1 Other comprehensive income under equity method that can transfer to gain/loss		
6.1.2.2 Change of fair value of other debt investment		
6.1.2.3 Amount of financial assets re-classify to other comprehensive income		
6.1.2.4 Credit impairment provision for other debt investment		
6.1.2.5 Cash flow hedging reserve		
6.1.2.6 Translation differences arising on translation of foreign currency financial statements	-7,424,912	-7,737,478
6.1.2.7 Other		
6.2 Net value of other comprehensive income after tax of minority shareholders	-782,440	-1,612,339
7. Total comprehensive Income	278,158,000	225,946,921
Total comprehensive income of holding company	279,320,428	226,762,432

Total comprehensive income of minority shareholders	-1,162,428	-815,511
8. Earnings per share		
8.1 Basic earnings per share	0.42	0.34
8.2 Diluted earnings per share	0.42	0.34

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: Zhou Hongjiang; Person in charge of accounting: Jiang Jianxun; Person in charge of accounting organ: Guo Cuimei

4) Profit statement of parent company

Unit: CNY

Item	Amount incurred in current period	Amount incurred in previous period
1. Revenue	135,152,834	80,885,723
Minus: Operating costs	109,342,846	75,083,735
Taxes and surcharges	7,423,984	1,297,141
Selling expenses		
Administrative expenses	22,386,072	18,193,115
Research and development expenditure	317,164	186,498
Financial expenses	1,173,748	-6,073,212
Including: Interest expenses	1,215,243	-4,587,790
Interest income	643,262	1,656,341
Plus: Other income	2,991,973	898,901
Investment profit (loss is listed with "-")	479,871,558	
Including: Investment profit for joint-run business and joint venture	-128,442	
Termination of recognized income of financial assets measured at amortized cost (loss is listed with "-")		
Net exposure hedging income (Loss is listed with "-")		
Fair value charge profit (loss is listed with "-")		
Loss of credit impairment (loss is listed with "-")		
Loss for impairment of assets (loss is listed with "-")		
Assets disposal income (loss is listed with "-")	364	
2. Operating profit (loss is listed with "-")	477,372,915	-6,974,532
Plus: Non-operating income	67,317	1,639,361
Minus: Non-operating expenses		25,000
3. Total profits (total loss is listed with "-")	477,440,232	-5,360,171
Minus: Income tax	-443,762	-1,581,075
4. Net profit (net loss is listed with "-")	477,883,994	-3,779,096
1. Net profit from continuous operation (net loss is listed with "-")	477,883,994	-3,779,096
2. Net profit from terminational operation (net loss is listed with "-")		
5. Net value of other comprehensive income after tax		
5.1 Other comprehensive income that will not be classified into the profit and loss		
5.1.1 Remeasure the changes in net assets or liabilities of defined benefit plans		
5.1.2 Shares of other comprehensive income from investee which cannot be reclassified into profit and loss under the equity method		
5.1.3 Change of fair value of investment in other equity instrument		
5.1.4 Fair value change of enterprise's credit risk		
5.1.5 Other		
5.2 Other comprehensive income that will be classified into the		

profit and loss		
5.2.1 Other comprehensive income under equity method that can transfer to gain/loss		
5.2.2 Change of fair value of other debt investment		
5.2.3 Amount of financial assets re-classify to other comprehensive income		
5.2.4 Credit impairment provision for other debt investment		
5.2.5 Cash flow hedging reserve		
5.2.6 Translation differences arising on translation of foreign currency financial statements		
5.2.7 Other		
6. Total comprehensive income	477,883,994	-3,779,096
7. Earnings per share		
7.1 Basic earnings per share	0.70	-0.01
7.2 Diluted earnings per share	0.70	-0.01

5) Consolidated cash flow statement

Unit: CNY

Item	Amount incurred in current period	Amount incurred in previous period
1. Cash flows from operating activities:		
Cash received from sales of goods and rendering of services	1,124,323,460	780,677,233
Net increase in customer and interbank deposits		
Net increase in borrowings from central bank		
Net increase in borrowings from other financial institutions		
Cash received from receiving insurance premium of original insurance contract		
Net cash received from reinsurance business		
Net increase of deposit of insured and investment fund		
Net increase in disposing of financial assets that measured by fair value with changes recorded into the current profit and loss		
Cash received from collecting interest, handling fees and commission		
Net increase in borrowings		
Net increase in repurchasement business funds		
Tax refund received	12,044,650	9,399,269
Other cash received related to operating activities	7,599,340	7,972,557
Sub-total of cash inflows of operating activities	1,143,967,450	798,049,059
Cash paid for goods and services	293,741,971	328,637,910
Net increase in customer loans and advances		
Net increase in deposits in central bank and interbank deposits		
Cash paid to original insurance contract payments		
Net increase in lending funds		
Cash paid to interest, handling fees and commission		
Cash paid to policy bonus		
Cash paid to and on behalf of employees	136,142,282	138,780,969
Cash paid for taxes and expenses	262,597,971	357,971,700
Other cash paid related to operating activities	136,589,703	91,152,179
Sub-total of cash outflows of operating activities	829,071,927	916,542,758
Net cash flow from operating activities	314,895,523	-118,493,699
2. Cash flow from investing activities:		
Cash received from return of investment	5,200,000	32,200,000
Cash received from obtaining investment profit	70,741	697,156
Cash received from disposal of fixed assets, intangible assets and other long-term assets	11,081	146,938
Net cash received from disposal of branch and other business unit		
Other cash received related to investing activities		
Sub-total of cash inflows of investment activities	5,281,822	33,044,094
Cash paid to acquire fixed assets, intangible asset and other long-	40,864,588	51,465,979

term assets		
Cash for investments	5,200,000	32,754,396
Net increase in hypothecated loan		
Net cash paid to acquire branch and other business unit		
Other cash paid related to investment activities		
Subtotal of cash outflows of investment activities	46,064,588	84,220,375
Net cash flow from investing activities	-40,782,766	-51,176,281
3. Cash flow from financing activities		
Cash received from acquiring investment		
Including: Cash received from acquiring minority shareholders' investment by branch		
Cash received from acquiring loans	4,450,003	164,447,222
Cash received from issuing bonds		
Sub-total cash inflows of financing activities	4,450,003	164,447,222
Cash paid to repay debts	38,398,750	199,877,909
Cash paid to distribute dividend, profit or pay interest	6,362,415	14,678,347
Including: Dividend and profit paid to minority shareholders by branch		1,551,687
Other cash paid related to financing activities		
Sub-total of cash outflows of financing activities	44,761,165	214,556,256
Net cash flow from financing activities	-40,311,162	-50,109,034
4. Influences of exchange rate fluctuation on cash and cash equivalents	64,400	-109,441
5. Net Increase of cash and cash equivalents	233,865,995	-219,888,455
Plus: balance at the beginning of the period of cash and cash equivalents	1,052,665,106	1,397,399,469
6. Balance at the end of the period of cash and cash equivalents	1,286,531,101	1,177,511,014

6) Cash flow statement of parent company

Unit: CNY

Item	Amount incurred in current period	Amount incurred in previous period
1. Cash flows from operating activities:		
Cash received from sales of goods and rendering of services	151,725,566	115,544,590
Tax refund received		
Other cash received related to operating activities	9,600,551	13,720,041
Sub-total of cash inflows of operating activities	161,326,117	129,264,631
Cash paid for goods and services	82,090,305	122,591,995
Cash paid to and on behalf of employees	22,814,323	17,199,260
Cash paid for taxes and expenses	16,191,497	4,853,193
Other cash paid related to operating activities	134,756,189	101,579,010
Sub-total of cash outflows of operating activities	255,852,314	246,223,458
Net cash flow from operating activities	-94,526,197	-116,958,827
2. Cash flow from investing activities:		
Cash received from return of investment	5,200,000	12,200,000
Cash received from obtaining investment profit	680,070,741	82,242,639
Cash received from disposal of fixed assets, intangible assets and other long-term assets	47,954	
Net cash received from disposal of branch and other business unit		
Other cash received related to investing activities		
Sub-total of cash inflows of investment activities	685,318,695	94,442,639
Cash paid to acquire fixed assets, intangible asset and other long-term assets	2,178,067	556,491
Cash for investments	5,200,000	12,200,000
Net cash paid to acquire branch and other business unit		
Other cash paid related to investment activities	281,000,000	100,000,000
Subtotal of cash outflows of investment activities	288,378,067	112,756,491
Net cash flow from investing activities	396,940,628	-18,313,852
3. Cash flow from financing activities		
Cash received from acquiring investment		
Cash received from acquiring loans		
Other cash received related to financing activities		
Sub-total cash inflows of financing activities		
Cash paid to repay debts		
Cash paid to distribute dividend, profit or pay interest	1,256,484	1,411,688
Other cash paid related to financing activities		
Sub-total of cash outflows of financing activities	1,256,484	1,411,688
Net cash flow from financing activities	-1,256,484	-1,411,688
4. Influences of exchange rate fluctuation on cash and cash equivalents		

5. Net Increase of cash and cash equivalents	301,157,947	-136,684,367
Plus: balance at the beginning of the period of cash and cash equivalents	182,123,070	623,116,542
6. Balance at the end of the period of cash and cash equivalents	483,281,017	486,432,175

2. Notes on financial statement adjustments

1) Relevant situations of adjustment in financial statement at the beginning of 2021 when the new lease standards are first implemented

Available Not available

Whether to adjust the balance sheet accounts at the beginning of the year

Yes No

Consolidated balance sheet

Unit: CNY

Item	December 31 st , 2020	January 1 st , 2021	Adjustment
Current Assets:			
Monetary fund	1,194,214,929	1,194,214,929	
Accounts receivable	183,853,362	183,853,362	
Receivables Financing	338,090,187	338,090,187	
Accounts prepaid	71,296,416	71,296,416	
Other receivables	22,428,956	22,428,956	
Inventory	2,945,548,651	2,945,548,651	
Other current assets	234,118,715	234,118,715	
Total Current Assets	4,989,551,216	4,989,551,216	
Non-current Assets:			
Long-term equity investment	48,263,507	48,263,507	
Real estate for investment	27,057,730	27,057,730	
Fixed assets	5,724,935,846	5,724,935,846	
Construction in progress	635,495,152	635,495,152	
Biological assets for production	192,173,536	192,173,536	
Right-of-use assets		117,697,372	117,697,372
Intangible assets	660,989,065	660,989,065	
Goodwill	132,938,212	132,938,212	
Long-term deferred expenses	314,465,855	312,427,221	-2,038,634
Deferred tax assets	206,241,275	208,755,834	2,514,559
Other non-current assets	170,370,147	170,370,147	
Total Non-Current Assets	8,112,930,325	8,231,103,622	118,173,297
Total Assets	13,102,481,541	13,220,654,838	118,173,297
Current liabilities:			
Short-term loan	689,090,715	689,090,715	
Accounts payable	484,347,958	484,347,958	
Contract liabilities	135,073,280	135,073,280	
Wage payable	188,779,911	188,779,911	

Tax payable	213,412,813	213,412,813	
Other accounts payable	386,105,526	386,105,526	
Including: Interest payable	553,471	553,471	
Dividend payable	1,003,125	1,003,125	
Non-current liabilities expire in one year	133,311,890	133,311,890	
Other current liabilities	14,820,653	14,820,653	
Total Current Liabilities	2,244,942,746	2,244,942,746	
Non-Current Liabilities:			
Long-term borrowings	200,352,968	200,352,968	
Lease liability		125,716,975	125,716,975
Long-term accounts payable	86,000,000	86,000,000	
Deferred income	52,653,609	52,653,609	
Deferred tax liabilities	12,022,613	12,022,613	
Other non-current liabilities	2,078,971	2,078,971	
Total non-current liabilities	353,108,161	478,825,136	125,716,975
Total liabilities	2,598,050,907	2,723,767,882	125,716,975
Owner's equity (or shareholders' equity):			
Capital stock	685,464,000	685,464,000	
Capital reserve	524,968,760	524,968,760	
Other comprehensive income	576,129	576,129	
Surplus reserve	342,732,000	342,732,000	
Undistributed profits	8,714,091,755	8,706,548,077	-7,543,678
Total owner's equity attributable to the holding company	10,267,832,644	10,260,288,966	-7,543,678
Minority interests	236,597,990	236,597,990	
Total owner's equity	10,504,430,634	10,496,886,956	-7,543,678
Total liabilities and owner's equity	13,102,481,541	13,220,654,838	118,173,297

The explanation of adjustment situation

No

Balance sheet of parent company

Unit: CNY

Item	December 31 st , 2020	January 1 st , 2021	Adjustment
Current Assets:			
Monetary fund	267,548,326	267,548,326	
Receivables Financing	13,920,000	13,920,000	
Accounts prepaid	171,709	171,709	
Other receivables	580,131,798	580,131,798	
Dividends receivable	200,000,000	200,000,000	
Inventory	482,442,935	482,442,935	
Other current assets	24,842,325	24,842,325	
Total Current Assets	1,369,057,093	1,369,057,093	
Non-current Assets:			
Long-term equity investment	7,599,778,881	7,599,778,881	
Real estate for investment	27,057,730	27,057,730	
Fixed assets	243,634,747	243,634,747	
Construction in progress	2,865,243	2,865,243	
Biological assets for production	115,103,753	115,103,753	
Right-of-use assets		44,816,966	44,816,966
Intangible assets	80,789,730	80,789,730	
Deferred tax assets	18,285,685	19,835,976	1,550,291
Other non-current assets	1,530,700,000	1,530,700,000	
Total Non-Current Assets	9,618,215,769	9,664,583,026	46,367,257
Total Assets	10,987,272,862	11,033,640,119	46,367,257
Current liabilities:			
Short-term loan	150,000,000	150,000,000	
Accounts payable	76,470,081	76,470,081	
Wage payable	67,808,910	67,808,910	
Tax payable	9,123,959	9,123,959	
Other accounts payable	521,505,947	521,505,947	
Including: Interest payable	181,250	181,250	
Total Current Liabilities	824,908,897	824,908,897	
Non-Current Liabilities:			
Lease liability		51,018,131	51,018,131
Deferred income	5,507,708	5,507,708	
Other non-current liabilities	1,164,471	1,164,471	
Total non-current liabilities	6,672,179	57,690,310	51,018,131
Total liabilities	831,581,076	882,599,207	51,018,131
Owner's equity (or shareholders' equity):			
Capital stock	685,464,000	685,464,000	
Capital reserve	560,182,235	560,182,235	
Surplus reserve	342,732,000	342,732,000	
Undistributed profits	8,567,313,551	8,562,662,677	-4,650,874

Total owner's equity	10,155,691,786	10,151,040,912	-4,650,874
Total liabilities and owner's equity	10,987,272,862	11,033,640,119	46,367,257

The explanation of adjustment situation

No

2) Explanation on retrospective adjustments in the previous comparison data for the first implementation of new lease standards at the beginning of 2021

Available Not available

For retrospective adjustment in the previous comparison data, please refer to the above section of “1) Relevant situations of adjustment in financial statement at the beginning of 2021 when the new lease standards are first implemented” .

3. Audit report

Whether the first quarter report has been audited.

Yes No

The first quarter report has not been audited.

Yantai Changyu Pioneer Wine Co., Ltd.
Board of Directors
April 29th, 2021