



# **Yantai Changyu Pioneer Wine Co., Ltd.**

## **2019 the Third Quarter Report**

**Final 2019-04**

**October 2019**

## **I. Important Notice**

**The board of directors, the board of supervisors, directors, supervisors and senior executives of the Company guarantee the truthfulness, accuracy and completeness of the contents contained in the third quarter report with no false records, misleading statements or significant omissions, and undertake individual and joint legal liabilities.**

**All directors attended the 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 Mrs. Guo Cuimei (Person in charge of accounting organ & Accountant in charge) assure the truthfulness, accuracy and completeness of the financial statements in the third quarter report.**

## II、 Corporate Information

### 1. Key accounting data and financial indicators

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

Yes  No

	The end of this report period	The end of last year	More or less than last year (%)	
Total assets (CNY)	13,191,032,907.00	13,117,729,052.00	0.56%	
Net Assets attributed to the shareholders of the listed company (CNY)	9,900,902,802.00	9,606,099,365.00	3.07%	
	This report period	More or less than last year (%)	From the beginning of the year to the end of this report period	More or less than last year (%)
Operating income (CNY)	968,100,175.00	-6.22%	3,526,374,960.00	-8.66%
Net profit attributed to the shareholders of the listed company (CNY)	125,557,834.00	-6.24%	728,961,623.00	-5.30%
Net profit attributed to the shareholders of the listed company after deducting the irregular profit and loss (CNY)	119,702,422.00	8.31%	672,193,117.00	-6.28%
Net cash flow from operating activities (CNY)	--	--	645,331,713.00	-16.93%
Basic earnings per share (CNY)	0.18	-5.26%	1.06	-5.36%
Diluted earnings per share (CNY)	0.18	-5.26%	1.06	-5.36%
Weighted average for earning rate of the net assets	1.31%	-0.12%	7.38%	-0.97%

Details of irregular profit and loss

Available  Not available

Unit: CNY

Item	Amount from the beginning of the year to the end of report period	Explanation
Gain on disposal of non-current assets, including the reversal of accrued impairment provision	-166,664.00	
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	69,007,365.00	

basis of calculation)		
In addition to the effective hedging business related to the Company's normal business, the profit and loss from changes in fair value arising from the holding of transactional financial assets, derivative financial assets, transactional financial liabilities and derivative financial liabilities, and the investment income from disposal of transactional financial assets, derivative financial assets, transactional financial liabilities, derivative financial liabilities and other debt investments	830,841.00	
Other non-operating income and expenses	5,352,597.00	
Less: Income tax effect	18,196,023.00	
Minority interests effect(after-tax)	59,610.00	
Total	56,768,506.00	--

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

Available  Not available

There is no situation regarding the non-recurring profit and loss as defined and specified in the Explanatory Announcement on Public Company's Information Disclosure No.1 - Non-recurring Profit and Loss as recurrent profit and loss.

## 2. The total number of shareholders and the shareholding of top 10 shareholders at the end of the report period

1) The total number of common shareholders and the total number of 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	42639	Total number of preferred shareholders with recovered voting power at the end of report period (if have)	0			
The top 10 common shareholders						
Name of Shareholders	Character of shareholders	Shareholding ratio (%)	Number of holding shares	Number of restricted shares	Pledged or frozen	
					Share status	Number
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	3.08%	21,090,219	0	--	0
CHINA SECURITIES FINANCE CORP	State-owned legal person	2.25%	15,440,794	0	--	0

BBH BOS S/A FIDELITY FD - CHINA FOCUS FD	Foreign legal person	2.22%	15,241,826	0	--	0
SHENWAN HONGYUAN SECURITIES(HONG KONG) LIMITED	Foreign legal person	1.27%	8,732,233	0	--	0
FIDELITY PURITAN TRUST: FIDELITY SERIES INTRINSIC OPPORTUNITIES FUND	Foreign legal person	0.93%	6,350,762	0	--	0
GUOTAI JUNAN SECURITIES(HONGKONG) LIMITED	Foreign legal person	0.76%	5,207,553	0	--	0
CENTRAL HUIJIN ASSET MANAGEMENT LTD.	State-owned legal person	0.69%	4,761,200	0	--	0
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		
The shareholding of top 10 shareholders with unrestricted shares						
Name of Shareholders	Number of unrestricted shares held	Type of share				
		Type of share	Number			
YANTAI CHANGYU GROUP CO. LTD.	345,473,856	A share	345,473,856			
GAOLING FUND,L.P.	21,090,219	B share	21,090,219			
CHINA SECURITIES FINANCE CORP	15,440,794	A share	15,440,794			
BBH BOS S/A FIDELITY FD - CHINA FOCUS FD	15,241,826	B share	15,241,826			
SHENWAN HONGYUAN SECURITIES(HONG KONG) LIMITED	8,732,233	B share	8,732,233			
FIDELITY PURITAN TRUST: FIDELITY SERIES INTRINSIC OPPORTUNITIES FUND	6,350,762	B share	6,350,762			
GUOTAI JUNAN SECURITIES(HONGKONG) LIMITED	5,207,553	B share	5,207,553			
CENTRAL HUIJIN ASSET MANAGEMENT LTD.	4,761,200	A share	4,761,200			
VANGUARD EMERGING MARKETS STOCK INDEX FUND	3,788,487	B share	3,788,487			
FIDELITY CHINA SPECIAL SITUATIONS PLC	3,779,202	B share	3,779,202			
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 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 conduct agreed buy-back transaction during the report period

Yes  No

There are no top 10 common shareholders or top 10 common shareholders with unrestricted shares in the Company conduct agreed buy-back transaction during the report period.

2) The total number of preferred shareholders and the shareholding of top 10 preferred shareholders

Available  Not available

### III Major Issue

#### 1. Situation and reasons on changes in main financial data and financial index during the report period

Available     Not available

Compared the end of the report period with the beginning of the year, Notes Receivable decreases by 100%, mainly due to adjustment to Receivables Financing resulting from change in accounting policy; Accounts Receivable decreases by 18.12%, mainly due to the reduce in credit sale resulting from the reduce in the direct supply business of sales business; Interest Receivable increases by 107.65%, mainly due to the received one-off interest resulting from the expiration of fixed deposit; Accounts Payable decreases by 20.34%, mainly owing to the payment of previous debt; Advances From Customers decreases by 29.42%, mainly owing to the reduce in accumulated Advances From Customers resulting from the improvement in the Company's production efficiency and the shortening of supply period after receiving the payment; Interest Payable increases by 389.91%, mainly owing that the Company's overseas enterprise need to pay the expired loan interest all at once; Deferred Tax Liabilities decreases by 25.15%, mainly owing to the amortization of assets appraisal appreciation resulting from the business combination not under common control.

Compared the first three quarters in 2019 with the same period in last year, Financial Expenses and Interest Expenses respectively decreases by 29.91% and 29.42%, mainly owing to obtainment of forestry loan with discounted interest this year; Non-operating Income increases by 30.57%, mainly owing to the increased waste income including offcut sales etc.

Compared the third quarter in 2019 with the same period in last year, Financial Expenses decreases by 26.68%, mainly owing to the increase in Interest Income; Interest Income increases by 187.05%, mainly owing to the increase in fixed deposit and call deposit; Other Income decreases by 83.38%, mainly owing to the year-on-year decrease in received government grants; Loss for Impairment of Assets increases by 739.26%, mainly owing to the loss on inventory valuation.

#### 2. Analysis explanation of the major issue's progress as well as its influence and solution

Available     Not available

Implementation progress of share repurchases

Available     Not available

Implementation progress of reducing repurchased shares by the way of centralized competitive 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 the report period**

Available     Not available

Commitments	Commitment Party	Commitment Type	Commitment content	Commitment time	Commitment period	Implementation
Commitments at shareholding 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 performing
	Yantai Changyu Group Co., Ltd.	Clear the purpose of brand royalty	According to <i>Trademark License Contract</i> , the trademark use fee annually paid by this company to Yantai Changyu Group Co., Ltd. will be mainly used by Yantai Changyu Group Co., Ltd. to publicize trademarks including Chagnyu and contractual products.	1997.05.18	Permanent	According to <i>Trademark License Contract</i> , the trademark use fee annually charged by Yantai Changyu Group Co., Ltd. shall be mainly used to publicize trademarks including Chagnyu and contractual products. Except 2013 to 2017 during which the commitment was not strictly performed, Yantai Changyu Group Co., Ltd. has been performing the commitment.
Equity incentive						



commitments						
Commitments made to the minority shareholders of the Company	-		-		-	-
Commitment under timely implementation or not	No					
Detailed explanation for specific reasons of unimplemented commitment as well as next work plan if commitment is not completed in the commitment period	<p>According to the <i>Trademark License Contract</i> (hereafter referred to as “the Contract”), Changyu Group promises that the trademark use fee annually paid by this Company to Changyu Group shall be mainly used by Changyu Group to publicize trademarks and contractual products. But above-mentioned ‘mainly’ is not a specific number, which is easy to cause divergence due to different understanding and leads to problem appearance during the implementation process.</p> <p>From 2013 to 2017, Changyu Group collected the total trademark use fee of CNY420,883,902, of which 51% should be used to publicize trademarks including Changyu and contract products with the 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 collected trademark use fee for 2017 and 2018 is CNY155,623,907, of which 51% should be used to publicize trademarks including Changyu and contract products with the 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 CNY67,143,006.</p> <p>From 2013 to December 31<sup>st</sup>, 2018, the accumulated balance that should be used by Changyu Group to publicize trademarks including Changyu and contract products is CNY231,768,615.</p> <p>Changyu Group promises that the four-year trademark use fee from 2019 to 2022 will be used for offset. 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.</p> <p>If Changyu Group is not able to implement above-mentioned commitment owing to various reasons, this 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.</p> <p>For other details, please refer to <i>Announcement on Commitment Issues of Yantai Changyu Group Company Limited</i> disclosed by this Company on April 4<sup>th</sup>, 2019.</p>					

#### 4. The situation of security investment

Available  Not available

There is no security investment during the report period.

#### 5. Entrusted financial management

Available  Not available

There is no entrusted financial management during the report period.

#### 6. The situation of derivative investment

Available  Not available

There is no derivative investment during the report period.

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

Available  Not available

Reception Time	Reception mode	Type of reception object	Basic information index of investigation and survey
2019.09.06	Other	Individual	<i>Investor Relations Activity Registration Form on September 6<sup>th</sup>, 2019</i> disclosed by the Company

### 8. The situation of illegal external guarantee

Available  Not available

There is no illegal external guarantee during the report period.

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

Available  Not available

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

## IV Financial Statements

### 1. Financial statements

#### 1) Consolidated balance sheet

Yantai Changyu Pioneer Wine Co., Ltd.

Unit: CNY

Item	September 30 <sup>th</sup> , 2019	December 31 <sup>st</sup> , 2018
<b>Current Assets:</b>		
Monetary fund	1,485,486,851.00	1,475,700,477.00
petty cash		
Lending funds		
Transactional financial assets		
Financial assets measured by fair value with changes recorded into current profits and losses		
Derivative financial assets		
Notes receivable		288,667,988.00
Accounts receivable	198,265,958.00	242,153,083.00
Receivables Financing	213,036,791.00	
Accounts prepaid	4,252,695.00	4,219,949.00
Premiums receivable		
Reinsurance accounts receivable		
Receivable reserves for reinsurance contract		
Other receivables	21,630,327.00	22,636,086.00
Including: Interest receivable	2,767,325.00	1,332,681.00
Dividends receivable		
Buying back the sale of financial assets		
Inventory	2,907,547,242.00	2,724,591,457.00
Contract assets		
Assets classified as holding for sale		
Non-current assets expire in one year		
Other current assets	265,584,006.00	258,676,396.00
<b>Total Current Assets</b>	<b>5,095,803,870.00</b>	<b>5,016,645,436.00</b>
<b>Non-current Assets:</b>		
Offering loans and imprest		
Debt investment		
Financial assets for sale		467,251.00
Other debt investment		
Held-to-maturity investment		
Long-term account receivable		

Long-term equity investment	43,776,540.00	
Investment in other equity instrument		
Other non-current financial assets	511,751.00	
Real estate for investment	30,177,815.00	31,572,489.00
Fixed assets	5,612,020,771.00	5,749,731,667.00
Construction in progress	867,068,782.00	759,296,591.00
Biological assets for production	203,908,753.00	209,266,373.00
Oil and gas assets		
Right-of-use assets		
Intangible assets	650,906,119.00	655,473,459.00
Development expenditure		
Goodwill	149,437,671.00	165,199,111.00
Long-term deferred expenses	273,228,605.00	244,640,416.00
Deferred tax assets	264,192,230.00	285,436,259.00
Other non-current assets		
<b>Total Non-Current Assets</b>	8,095,229,037.00	8,101,083,616.00
<b>Total Assets</b>	13,191,032,907.00	13,117,729,052.00
<b>Current liabilities:</b>		
Short-term loan	687,652,403.00	688,002,410.00
Borrowings from the Central Bank		
Borrowing funds		
Transactional financial liability		
Financial liabilities measured by fair value with changes recorded into current profits and losses		
Derivative financial liabilities		
Notes payable		
Accounts payable	568,467,737.00	713,572,881.00
Advances from customers	159,561,019.00	226,075,244.00
Sales/buyback financial assets		
Customer and interbank deposits		
Acting trading securities		
Acting underwriting securities		
Wage payable	174,007,285.00	212,304,217.00
Tax payable	193,650,463.00	128,912,790.00
Other accounts payable	606,326,760.00	608,479,890.00
Including: Interest payable	3,492,202.00	712,826.00
Dividend payable	1,323,735.00	
Payable handling fees and commission		
Dividend payable for reinsurance		
Contract liabilities		
Liabilities classified as holding for sale		
Non-current liabilities expire in one year	170,422,720.00	152,940,788.00
Other current liabilities	14,753,257.00	15,860,254.00
<b>Total Current Liabilities</b>	2,574,841,644.00	2,746,148,474.00
<b>Non-Current Liabilities:</b>		
Insurance contract reserve		
Long-term borrowings	158,900,681.00	156,480,662.00

Bonds payable		
Preferred Stock		
Perpetual capital securities		
Lease liability		
Long-term accounts payable	201,000,000.00	225,000,000.00
Long-term accrued payroll		
Estimated liabilities		
Deferred income	60,247,288.00	70,367,039.00
Deferred tax liabilities	16,475,961.00	22,010,647.00
Other non-current liabilities	7,159,222.00	7,234,853.00
<b>Total non-current liabilities</b>	<b>443,783,152.00</b>	<b>481,093,201.00</b>
<b>Total liabilities</b>	<b>3,018,624,796.00</b>	<b>3,227,241,675.00</b>
Owner's equity (or shareholders' equity):		
Capital stock	685,464,000.00	685,464,000.00
Other equity instruments		
Preferred Stock		
Perpetual capital securities		
Capital reserve	566,209,403.00	565,955,441.00
Minus: treasury stock		
Other comprehensive income	-16,889,429.00	2,965,377.00
Special reserves		
Surplus reserve	342,732,000.00	342,732,000.00
General risk preparation		
Undistributed profits	8,323,386,828.00	8,008,982,547.00
Total owner's equity attributable to the holding company	9,900,902,802.00	9,606,099,365.00
Minority interests	271,505,309.00	284,388,012.00
<b>Total owner's equity</b>	<b>10,172,408,111.00</b>	<b>9,890,487,377.00</b>
<b>Total liabilities and owner's equity</b>	<b>13,191,032,907.00</b>	<b>13,117,729,052.00</b>

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	September 30 <sup>th</sup> , 2019	December 31 <sup>st</sup> , 2018
<b>Current Assets:</b>		
Monetary fund	570,192,493.00	624,588,809.00
Transactional financial assets		
Financial assets measured by fair value with changes recorded into current profits and losses		
Derivative financial assets		
Notes receivable		39,885,254.00
Accounts receivable		1,447,973.00
Receivables Financing	15,855,750.00	
Accounts prepaid	3,533.00	227.00

Other receivables	601,547,442.00	1,025,643,356.00
Including: Interest receivable	217,553.00	254,088.00
Dividends receivable	4,103,925.00	500,000,000.00
Inventory	422,486,614.00	385,154,740.00
Contract assets		
Assets classified as holding for sale		
Non-current assets expire in one year		
Other current assets	34,571,033.00	24,704,844.00
<b>Total Current Assets</b>	<b>1,644,656,865.00</b>	<b>2,101,425,203.00</b>
<b>Non-current Assets:</b>		
Debt investment		
Financial assets for sale		
Other debt investment		
Held-to-maturity investment		
Long-term account receivable		
Long-term equity investment	7,429,282,512.00	7,420,803,069.00
Investment in other equity instrument		
Other non-current financial assets		
Real estate for investment	30,177,815.00	31,572,489.00
Fixed assets	260,483,702.00	265,311,274.00
Construction in progress	6,740,745.00	6,311,701.00
Biological assets for production	120,424,630.00	125,002,793.00
Oil and gas assets		
Right-of-use assets		
Intangible assets	65,459,702.00	67,244,066.00
Development expenditure		
Goodwill		
Long-term deferred expenses		
Deferred tax assets	22,594,502.00	24,194,967.00
Other non-current assets	1,229,700,000.00	972,700,000.00
<b>Total Non-Current Assets</b>	<b>9,164,863,608.00</b>	<b>8,913,140,359.00</b>
<b>Total Assets</b>	<b>10,809,520,473.00</b>	<b>11,014,565,562.00</b>
<b>Current liabilities:</b>		
Short-term loan	150,000,000.00	150,000,000.00

Transactional financial liability		
Financial liabilities measured by fair value with changes recorded into current profits and losses		
Derivative financial liabilities		
Notes payable		
Accounts payable	30,969,787.00	132,704,304.00
Advances from customers		
Contract liabilities		
Wage payable	60,111,310.00	72,345,179.00
Tax payable	3,342,995.00	13,111,431.00
Other accounts payable	634,030,378.00	607,974,519.00
Including: Interest payable	163,125.00	181,250.00
Dividend payable		
Liabilities classified as holding for sale		
Non-current liabilities expire in one year		
Other current liabilities	3,433,054.00	3,433,054.00
<b>Total Current Liabilities</b>	<b>881,887,524.00</b>	<b>979,568,487.00</b>
<b>Non-Current Liabilities:</b>		
Long-term borrowings		
Bonds payable		
Preferred Stock		
Perpetual capital securities		
Lease liability		
Long-term accounts payable		
Long-term accrued payroll		
Estimated liabilities		
Deferred income	6,601,526.00	8,910,918.00
Deferred tax liabilities		
Other non-current liabilities	2,951,042.00	2,710,575.00
<b>Total non-current liabilities</b>	<b>9,552,568.00</b>	<b>11,621,493.00</b>
<b>Total liabilities</b>	<b>891,440,092.00</b>	<b>991,189,980.00</b>
Owner's equity (or shareholders' equity):		
Capital stock	685,464,000.00	685,464,000.00
Other equity instruments		
Preferred Stock		

Perpetual capital securities		
Capital reserve	557,222,454.00	557,222,454.00
Minus: treasury stock		
Other comprehensive income		
Special reserves		
Surplus reserve	342,732,000.00	342,732,000.00
Undistributed profits	8,332,661,927.00	8,437,957,128.00
<b>Total owner's equity</b>	<b>9,918,080,381.00</b>	<b>10,023,375,582.00</b>
<b>Total liabilities and owner's equity</b>	<b>10,809,520,473.00</b>	<b>11,014,565,562.00</b>

### 3) Consolidated profit statement in this report period

Unit: CNY

Item	Amount in this report period	Amount in prior report period
<b>1. Revenue</b>	968,100,175.00	1,032,328,986.00
Including: Operating income	968,100,175.00	1,032,328,986.00
Interest income		
Earned premium		
Handling fees and commission income		
<b>2. Total operating costs</b>	799,392,634.00	880,955,872.00
Including: Operating costs	348,321,823.00	394,965,077.00
Interest expenditure		
Handling fees and commission expenditure		
Premium rebate		
Net amount of indemnity expenditure		
Net amount of insurance contract reserve fund withdrawal		
Policy bonus payment		
Amortized reinsurance expenditures		
Taxes and surcharges	62,058,908.00	45,258,725.00
Selling expenses	315,345,327.00	357,743,961.00
Administrative expenses	63,818,230.00	68,182,863.00
Research and development expenditure	1,149,179.00	2,940,503.00
Financial expenses	8,699,167.00	11,864,743.00
Including: Interest expenses	9,525,615.00	8,659,111.00
Interest income	5,589,246.00	1,947,160.00
Plus: Other income	4,795,473.00	28,858,248.00
Investment profit (loss is listed with "-")	-128,956.00	
Including: Investment profit for joint-run business and joint venture	-959,797.00	
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 "-")	-1,417,236.00	0.00
Loss for impairment of assets(loss is listed with "-")	-4,457,409.00	-531,111.00
Assets disposal income (loss is listed with "-")	-167,802.00	-170,334.00
<b>3. Operating profit (loss is listed with "-")</b>	<b>167,331,611.00</b>	<b>179,529,917.00</b>
Plus: Non-operating income	2,667,687.00	2,775,336.00
Minus: Non-operating expenditure	726,954.00	439,049.00
<b>4. Total profits (total loss is listed with "-")</b>	<b>169,272,344.00</b>	<b>181,866,204.00</b>
Minus: Income taxes	43,673,789.00	47,969,306.00
<b>5. Net profit (net loss is listed with "-")</b>	<b>125,598,555.00</b>	<b>133,896,898.00</b>
(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	125,557,834.00	133,916,250.00
2. Minority interests	40,721.00	-19,352.00
<b>6. Net value of other comprehensive income after tax</b>	<b>-16,794,085.00</b>	<b>19,757,123.00</b>
6.1 Net value of other comprehensive income after tax of holding company's owners	-16,794,085.00	16,681,680.00
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	-16,794,085.00	16,681,680.00
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 gain/loss of fair value changes for available-for-sale financial assets		
6.1.2.4 Amount of financial assets re-classify to other comprehensive income		
6.1.2.5 Gain/loss of held-to-maturity investments that re-classify to ailable-for-sale financial asset		
6.1.2.6 Credit impairment provision for other debt investmen		
6.1.2.7 Cash flow hedging reserve		

6.1.2.8 Translation differences arising on translation of foreign currency financial statements	-16,794,085.00	16,681,680.00
6.1.2.9 Other		
6.2 Net value of other comprehensive income after tax of minority shareholders		3,075,443.00
<b>7.Total comprehensive Income</b>	108,804,470.00	153,654,021.00
Total comprehensive income of holding company	108,763,749.00	150,597,930.00
Total comprehensive income of minority shareholders	40,721.00	3,056,091.00
<b>8. Earnings per share</b>		
8.1 Basic earnings per share	0.18	0.19
8.2 Diluted earnings per share	0.18	0.19

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 in this report period

Unit: CNY

Item	Amount in this report period	Amount in prior report period
<b>1. Revenue</b>	200,488,769.00	185,358,483.00
Minus: Operating costs	184,071,670.00	163,922,392.00
Taxes and surcharges	10,446,607.00	9,009,093.00
Selling expenses		
Administrative expenses	16,494,204.00	21,186,737.00
Research and development expenditure	206,023.00	500,205.00
Financial expenses	-547,440.00	6,173,386.00
Including: Interest expenses	2,190,828.00	2,223,333.00
Interest income	3,602,659.00	-1,543,446.00
Plus:Other income	858,264.00	1,160,677.00
Investment profit (loss is listed with "-")	55,000,000.00	79,850,000.00
Including: Investment profit for joint-run business and joint venture		
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 "-")	21,901.00	-528.00

<b>2. Operating profit (loss is listed with "-")</b>	45,697,870.00	65,576,819.00
Plus: Non-operating income	122,208.00	812,444.00
Minus: Non-operating expenses	748,159.00	299,472.00
<b>3. Total profits (total loss is listed with "-")</b>	45,071,919.00	66,089,791.00
Minus: Income tax	-181,802.00	-1,834,728.00
<b>4. Net profit (net loss is listed with "-")</b>	45,253,721.00	67,924,519.00
1.Net profit from continuous operation(net loss is listed with "-")	45,253,721.00	67,924,519.00
2.Net profit from terminational operation(net loss is listed with "-")		
<b>5. Net value of other comprehensive income after tax</b>		
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 gain/loss of fair value changes for available-for-sale financial assets		
5.2.4 Amount of financial assets re-classify to other comprehensive income		
5.2.5 Gain/loss of held-to-maturity investments that re-classify to available-for-sale financial asset		
5.2.6 Credit impairment provision for other debt investment		
5.2.7 Cash flow hedging reserve		
5.2.8 Translation differences arising on translation of foreign currency financial statements		
5.2.9 Other		
<b>6. Total comprehensive income</b>	45,253,721.00	67,924,519.00
<b>7. Earnings per share</b>		
7.1 Basic earnings per share	0.07	0.10
7.2 Diluted earnings per share	0.07	0.10

## 5) Consolidated profit statement from the beginning of the year to the end of the report period

Unit: CNY

Item	Amount in this report period	Amount in prior report period
<b>1. Revenue</b>	3,526,374,960.00	3,860,559,050.00
Including: Operating income	3,526,374,960.00	3,860,559,050.00
Interest income		
Earned premium		
Handling fees and commission income		
<b>2. Total operating costs</b>	2,618,215,214.00	2,904,626,278.00
Including: Operating costs	1,284,574,048.00	1,369,522,369.00
Interest expenditure		
Handling fees and commission expenditure		
Premium rebate		
Net amount of indemnity expenditure		
Net amount of insurance contract reserve fund withdrawal		
Policy bonus payment		
Amortized reinsurance expenditures		
Taxes and surcharges	185,609,756.00	210,534,976.00
Selling expenses	907,316,128.00	1,068,402,994.00
Administrative expenses	219,370,542.00	226,147,745.00
Research and development expenditure	3,855,990.00	5,067,509.00
Financial expenses	17,488,750.00	24,950,685.00
Including: Interest expenses	19,338,175.00	27,398,639.00
Interest income	10,195,663.00	9,193,030.00
Plus:Other income	69,007,365.00	66,841,126.00
Investment profit (loss is listed with "-")	-128,956.00	
Including: Investment profit for joint-run business and joint venture	-959,797.00	
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 "-")	-2,183,171.00	
Loss for impairment of assets(loss is listed with "-")	1,691,320.00	4,199,837.00
Assets disposal income (loss is listed with "-")	-166,664.00	-76,376.00
<b>3. Operating profit (loss is listed with "-")</b>	976,379,640.00	1,026,897,359.00
Plus: Non-operating income	6,243,601.00	4,781,728.00
Minus: Non-operating expenditure	891,004.00	1,831,411.00
<b>4. Total profits (total loss is listed with "-")</b>	981,732,237.00	1,029,847,676.00
Minus: Income taxes	253,955,367.00	259,949,041.00
<b>5. Net profit (net loss is listed with "-")</b>	727,776,870.00	769,898,635.00
(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	728,961,623.00	769,753,655.00
2. Minority interests	-1,184,753.00	144,980.00
<b>6. Net value of other comprehensive income after tax</b>	-21,451,376.00	8,630,710.00
6.1 Net value of other comprehensive income after tax of holding company's owners	-19,854,806.00	7,450,860.00
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	-19,854,806.00	7,450,860.00
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 gain/loss of fair value changes for available-for-sale financial assets		
6.1.2.4 Amount of financial assets re-classify to other comprehensive income		
6.1.2.5 Gain/loss of held-to-maturity investments that re-classify to available-for-sale financial asset		
6.1.2.6 Credit impairment provision for other debt investment		
6.1.2.7 Cash flow hedging reserve		
6.1.2.8 Translation differences arising on translation of foreign currency financial statements	-19,854,806.00	7,450,860.00
6.1.2.9 Other		
6.2 Net value of other comprehensive income after tax of minority shareholders	-1,596,570.00	1,179,850.00
<b>7.Total comprehensive Income</b>	706,325,494.00	778,529,345.00
Total comprehensive income of holding company	709,106,817.00	777,204,515.00
Total comprehensive income of minority shareholders	-2,781,323.00	1,324,830.00
<b>8. Earnings per share</b>		
8.1 Basic earnings per share	1.06	1.12
8.2 Diluted earnings per share	1.06	1.12

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

## 6) Profit statement of parent company from the beginning of the year to the end of the report period

Unit: CNY

Item	Amount in this report period	Amount in prior report period
<b>1. Revenue</b>	552,839,771.00	594,203,694.00
Minus: Operating costs	493,642,250.00	516,569,381.00
Taxes and surcharges	23,586,763.00	33,472,468.00
Selling expenses		
Administrative expenses	55,928,450.00	61,014,018.00
Research and development expenditure	611,084.00	860,671.00
Financial expenses	-4,204,810.00	-8,978,222.00
Including: Interest expenses	-514,245.00	13,580,944.00
Interest income	5,073,326.00	28,087,271.00
Plus: Other income	2,574,791.00	3,137,204.00
Investment profit (loss is listed with "-")	319,221,755.00	392,259,576.00
Including: Investment profit for joint-run business and joint venture		
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 "-")	21,901.00	74,472.00
<b>2. Operating profit (loss is listed with "-")</b>	305,094,481.00	386,736,630.00
Plus: Non-operating income	825,767.00	868,923.00
Minus: Non-operating expenses	845,797.00	300,000.00
<b>3. Total profits (total loss is listed with "-")</b>	305,074,451.00	387,305,553.00
Minus: Income tax	-908,748.00	615,864.00
<b>4. Net profit (net loss is listed with "-")</b>	305,983,199.00	386,689,689.00
1. Net profit from continuous operation (net loss is listed with "-")	305,983,199.00	386,689,689.00
2. Net profit from terminational operation (net loss is listed with "-")		
<b>5. Net value of other comprehensive income after tax</b>		
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 gain/loss of fair value changes for available-for-sale financial assets		
5.2.4 Amount of financial assets re-classify to other comprehensive income		
5.2.5 Gain/loss of held-to-maturity investments that re-classify to available-for-sale financial asset		
5.2.6 Credit impairment provision for other debt investmen		
5.2.7 Cash flow hedging reserve		
5.2.8 Translation differences arising on translation of foreign currency financial statements		
5.2.9 Other		
<b>6. Total comprehensive income</b>	305,983,199.00	386,689,689.00
<b>7. Earnings per share</b>		
7.1 Basic earnings per share	0.45	0.56
7.2 Diluted earnings per share	0.45	0.56

## 7) Consolidated cash flow statement from the beginning of the year to the end of the report period

Unit: CNY

Item	Amount in this report period	Amount in prior report period
<b>1. Cash flows from operating activities:</b>		
Cash received from sales of goods and rendering of services	3,383,591,970.00	3,758,220,631.00
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	29,589,937.00	44,108,497.00
Other cash received related to operating activities	73,784,588.00	72,133,583.00
<b>Sub-total of cash inflows of operating activities</b>	<b>3,486,966,495.00</b>	<b>3,874,462,711.00</b>
Cash paid for goods and services	1,215,074,533.00	1,148,035,339.00
Net increase in customer loans and advances		
Net increase in deposits in central bank and interbank deposits		
Cash paid to original insurance contract payments		
Cash paid to interest, handling fees and commission		
Cash paid to policy bonus		
Cash paid to and on behalf of employees	371,205,468.00	382,654,609.00
Cash paid for taxes and expenses	674,162,579.00	980,026,533.00
Other cash paid related to operating activities	581,192,202.00	586,905,436.00
<b>Sub-total of cash outflows of operating activities</b>	<b>2,841,634,782.00</b>	<b>3,097,621,917.00</b>
<b>Net cash flow from operating activities</b>	<b>645,331,713.00</b>	<b>776,840,794.00</b>
<b>2. Cash flow from investing activities:</b>		
Cash received from return of investment		
Cash received from return of fixed deposit	174,597,650.00	315,000,000.00
Cash received from obtaining investment profit		
Cash received from interest income	1,199,968.00	2,663,349.00
Cash received from disposal of fixed assets, intangible assets and other long-term assets	197,599.00	679,061.00
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	175,995,217.00	318,342,410.00
Cash paid to acquire fixed assets, intangible asset and other long-term assets	201,251,495.00	194,381,509.00
Cash for investments	401,647.00	



Cash paid to acquire fixed deposit	113,718,193.00	340,000,000.00
Net increase in hypothecated loan		
Net cash paid to acquire branch and other business unit		105,834,656.00
Other cash paid related to investment activities	170,752.00	
Subtotal of cash outflows of investment activities	315,542,087.00	640,216,165.00
Net cash flow from investing activities	-139,546,870.00	-321,873,755.00
3. Cash flow from financing activities		
Cash received from acquiring investment		
Cash received from acquiring minority shareholders' investment by branch		
Cash received from acquiring loans	684,581,027.00	693,422,472.00
Other cash received related to financing activities		23,521,431.00
Sub-total cash inflows of financing activities	684,581,027.00	716,943,903.00
Cash paid to repay debts	697,660,583.00	697,658,527.00
Cash paid to distribute dividend, profit or pay interest	437,742,354.00	370,522,623.00
Dividend and profit paid to minority shareholders by branch		
Other cash paid related to financing activities		20,000,000.00
Sub-total of cash outflows of financing activities	1,135,402,937.00	1,088,181,150.00
Net cash flow from financing activities	-450,821,910.00	-371,237,247.00
4. Influences of exchange rate fluctuation on cash and cash equivalents	-308,084.00	-1,776,998.00
5. Net Increase of cash and cash equivalents	54,654,849.00	81,952,794.00
Plus: balance at the beginning of the period of cash and cash equivalents	1,206,860,334.00	1,180,889,274.00
6. Balance at the end of the period of cash and cash equivalents	1,261,515,183.00	1,262,842,068.00

### 8) Cash flow statement of parent company from the beginning of the year to the end of the report period

Unit: CNY

Item	Amount in this report period	Amount in prior report period
<b>1. Cash flows from operating activities:</b>		

Cash received from sales of goods and rendering of services	442,359,311.00	500,155,064.00
Tax refund received		
Other cash received related to operating activities	44,030,652.00	117,304,238.00
<b>Sub-total of cash inflows of operating activities</b>	<b>486,389,963.00</b>	<b>617,459,302.00</b>
Cash paid for goods and services	332,017,753.00	324,043,336.00
Cash paid to and on behalf of employees	57,697,044.00	61,318,451.00
Cash paid for taxes and expenses	34,602,597.00	56,041,351.00
Other cash paid related to operating activities	236,084,524.00	35,822,969.00
<b>Sub-total of cash outflows of operating activities</b>	<b>660,401,918.00</b>	<b>477,226,107.00</b>
<b>Net cash flow from operating activities</b>	<b>-174,011,955.00</b>	<b>140,233,195.00</b>
<b>2. Cash flow from investing activities:</b>		
Cash received from return of investment		
Cash received from return of fixed deposit	110,000,000.00	305,000,000.00
Cash received from obtaining investment profit	815,117,830.00	797,517,435.00
Cash received from interest income	715,111.00	2,342,015.00
Cash received from disposal of fixed assets, intangible assets and other long-term assets	29,815.00	538,055.00
Net cash received from disposal of branch and other business unit		
Other cash received related to investing activities		
<b>Sub-total of cash inflows of investment activities</b>	<b>925,862,756.00</b>	<b>1,105,397,505.00</b>
Cash paid to acquire fixed assets, intangible asset and other long-term assets	14,223,638.00	15,121,500.00
Cash for investments	265,479,443.00	107,194,420.00
Cash paid to acquire fixed deposit	105,238,750.00	340,000,000.00
Net cash paid to acquire branch and other business unit		
Other cash paid related to investment activities		
<b>Subtotal of cash outflows of investment activities</b>	<b>384,941,831.00</b>	<b>462,315,920.00</b>
<b>Net cash flow from investing activities</b>	<b>540,920,925.00</b>	<b>643,081,585.00</b>
<b>3. Cash flow from financing activities</b>		
Cash received from acquiring investment		
Cash received from acquiring loans		200,000,000.00
Other cash received related to financing activities		
<b>Sub-total cash inflows of financing activities</b>		<b>200,000,000.00</b>
Cash paid to repay debts		600,000,000.00
Cash paid to distribute dividend, profit or pay interest	416,717,150.00	356,615,750.00
Other cash paid related to financing activities		
<b>Sub-total of cash outflows of financing activities</b>	<b>416,717,150.00</b>	<b>956,615,750.00</b>
<b>Net cash flow from financing activities</b>	<b>-416,717,150.00</b>	<b>-756,615,750.00</b>
<b>4. Influences of exchange rate fluctuation on cash and cash equivalents</b>		
<b>5. Net Increase of cash and cash equivalents</b>	<b>-49,808,180.00</b>	<b>26,699,030.00</b>

Plus: balance at the beginning of the period of cash and cash equivalents	532,384,882.00	493,568,866.00
<b>6. Balance at the end of the period of cash and cash equivalents</b>	<b>482,576,702.00</b>	<b>520,267,896.00</b>

## 2. Explanation for adjustment in financial statements

### 1) The situation of adjusting related items in financial statements at the beginning of 2019 owing to the implementation of new financial instruments standard, new revenue standard or new lease standard since 2019

Available    Not available

#### Consolidated balance sheet

Unit: CNY

Item	December 31 <sup>st</sup> , 2018	January 1 <sup>st</sup> , 2019	Adjusted amount
<b>Current Assets:</b>			
Monetary fund	1,475,700,477.00	1,475,700,477.00	
petty cash			
Lending funds			
Transactional financial assets			
Financial assets measured by fair value with changes recorded into current profits and losses			
Derivative financial assets			
Notes receivable	288,667,988.00		-288,667,988.00
Accounts receivable	242,153,083.00	237,781,161.00	-4,371,922.00
Receivables Financing			
Accounts prepaid	4,219,949.00	4,219,949.00	
Premiums receivable			
Reinsurance accounts receivable			
Receivable reserves for reinsurance contract			
Other receivables	22,636,086.00	22,636,086.00	
Including: Interest receivable	1,332,681.00	1,332,681.00	
Dividends receivable			
Buying back the sale of financial assets			
Inventory	2,724,591,457.00	2,724,591,457.00	
Contract assets			
Assets classified as holding for sale			
Non-current assets expire in one year			
Other current assets	258,676,396.00	258,676,396.00	
<b>Total Current Assets</b>	<b>5,016,645,436.00</b>	<b>5,016,645,436.00</b>	
<b>Non-current Assets:</b>			
Offering loans and imprest			
Debt investment			

Financial assets for sale	467,251.00		-467,251.00
Other debt investment			
Held-to-maturity investment			
Long-term account receivable			
Long-term equity investment			
Investment in other equity instrument			
Other non-current financial assets		467,251.00	467,251.00
Real estate for investment	31,572,489.00	31,572,489.00	
Fixed assets	5,749,731,667.00	5,749,731,667.00	
Construction in progress	759,296,591.00	759,296,591.00	
Biological assets for production	209,266,373.00	209,266,373.00	
Oil and gas assets			
Right-of-use assets			
Intangible assets	655,473,459.00	655,473,459.00	
Development expenditure			
Goodwill	165,199,111.00	165,199,111.00	
Long-term deferred expenses	244,640,416.00	244,640,416.00	
Deferred tax assets	285,436,259.00	286,529,239.00	1,092,980.00
Other non-current assets			
<b>Total Non-Current Assets</b>	<b>8,101,083,616.00</b>	<b>8,101,083,616.00</b>	
<b>Total Assets</b>	<b>13,117,729,052.00</b>	<b>13,117,729,052.00</b>	
<b>Current liabilities:</b>			
Short-term loan	688,002,410.00	688,002,410.00	
Borrowings from the Central Bank			
Borrowing funds			
Transactional financial liability			
Financial liabilities measured by fair value with changes recorded into current profits and losses			
Derivative financial liabilities			
Notes payable			
Accounts payable	713,572,881.00	713,572,881.00	
Advances from customers	226,075,244.00	226,075,244.00	
Sales/buyback financial assets			
Customer and interbank deposits			
Acting trading securities			
Acting underwriting securities			
Wage payable	212,304,217.00	212,304,217.00	
Tax payable	128,912,790.00	128,912,790.00	
Other accounts payable	608,479,890.00	608,479,890.00	
Including: Interest payable	712,826.00	712,826.00	
Dividend payable			
Payable handling fees and commission			
Dividend payable for reinsurance			
Contract liabilities			
Liabilities classified as holding for sale			

Non-current liabilities expire in one year	152,940,788.00	152,940,788.00	
Other current liabilities	15,860,254.00	15,860,254.00	
<b>Total Current Liabilities</b>	<b>2,746,148,474.00</b>	<b>2,746,148,474.00</b>	
<b>Non-Current Liabilities:</b>			
Insurance contract reserve			
Long-term borrowings	156,480,662.00	156,480,662.00	
Bonds payable			
Preferred Stock			
Perpetual capital securities			
Lease liability			
Long-term accounts payable	225,000,000.00	225,000,000.00	
Long-term accrued payroll			
Estimated liabilities			
Deferred income	70,367,039.00	70,367,039.00	
Deferred tax liabilities	22,010,647.00	22,010,647.00	
Other non-current liabilities	7,234,853.00	7,234,853.00	
<b>Total non-current liabilities</b>	<b>481,093,201.00</b>	<b>481,093,201.00</b>	
<b>Total liabilities</b>	<b>3,227,241,675.00</b>	<b>3,227,241,675.00</b>	
<b>Owner's equity (or shareholders' equity):</b>			
Capital stock	685,464,000.00	685,464,000.00	
Other equity instruments			
Preferred Stock			
Perpetual capital securities			
Capital reserve	565,955,441.00	565,955,441.00	
Minus: treasury stock			
Other comprehensive income	2,965,377.00	2,965,377.00	
Special reserves			
Surplus reserve	342,732,000.00	342,732,000.00	
General risk preparation			
Undistributed profits	8,008,982,547.00	8,005,703,605.00	-3,278,942.00
<b>Total owner's equity attributable to the holding company</b>	<b>9,606,099,365.00</b>	<b>9,606,099,365.00</b>	
Minority interests	284,388,012.00	284,388,012.00	
<b>Total owner's equity</b>	<b>9,890,487,377.00</b>	<b>9,602,820,423.00</b>	<b>-3,278,942.00</b>
<b>Total liabilities and owner's equity</b>	<b>13,117,729,052.00</b>	<b>13,117,729,052.00</b>	

Explanation for adjustment

Unit: CNY

Item	Book value based on original standard December 31 <sup>st</sup> , 2018	Influence of new financial instruments standard	Influence of change in reporting mode of other financial statements	Book value based on new standard January 1 <sup>st</sup> , 2019
Notes receivable & Accounts receivable	530,821,071		-530,821,071	
Notes receivable		-288,667,988	288,667,988	
Accounts receivable		-4,371,922	242,153,083	237,781,161
Receivables Financing		288,667,988		288,667,988
Financial assets for sale	467,251	-467,251		
Other non-current financial assets		467,251		467,251
Deferred tax assets	285,436,259	1,092,980		286,529,239
Total	816,724,581	-3,278,942		813,445,639

**Balance sheet of parent company**

Unit: CNY

Item	December 31 <sup>st</sup> , 2018	January 1 <sup>st</sup> , 2019	Adjusted amount
<b>Current Assets:</b>			
Monetary fund	624,588,809.00	624,588,809.00	
Transactional financial assets			
Financial assets measured by fair value with changes recorded into current profits and losses			
Derivative financial assets			
Notes receivable	39,885,254.00		-39,885,254.00
Accounts receivable	1,447,973.00	1,447,973.00	
Receivables Financing		39,885,254.00	39,885,254.00
Accounts prepaid	227.00	227.00	
Other receivables	1,025,643,356.00	1,025,643,356.00	
Including: Interest receivable	254,088.00	254,088.00	
Dividends receivable	500,000,000.00	500,000,000.00	
Inventory	385,154,740.00	385,154,740.00	
Contract assets			
Assets classified as holding for sale			
Non-current assets expire in one year			
Other current assets	24,704,844.00	24,704,844.00	
<b>Total Current Assets</b>	<b>2,101,425,203.00</b>	<b>2,101,425,203.00</b>	
<b>Non-current Assets:</b>			
Debt investment			
Financial assets for sale			
Other debt investment			
Held-to-maturity investment			
Long-term account receivable			
Long-term equity investment	7,420,803,069.00	7,420,803,069.00	
Investment in other equity instrument			
Other non-current financial assets			
Real estate for investment	31,572,489.00	31,572,489.00	
Fixed assets	265,311,274.00	265,311,274.00	
Construction in progress	6,311,701.00	6,311,701.00	

Biological assets for production	125,002,793.00	125,002,793.00	
Oil and gas assets			
Right-of-use assets			
Intangible assets	67,244,066.00	67,244,066.00	
Development expenditure			
Goodwill			
Long-term deferred expenses			
Deferred tax assets	24,194,967.00	24,194,967.00	
Other non-current assets	972,700,000.00	972,700,000.00	
<b>Total Non-Current Assets</b>	<b>8,913,140,359.00</b>	<b>8,913,140,359.00</b>	
<b>Total Assets</b>	<b>11,014,565,562.00</b>	<b>11,014,565,562.00</b>	
<b>Current liabilities:</b>			
<b>Short-term loan</b>	<b>150,000,000.00</b>	<b>150,000,000.00</b>	
<b>Transactional financial liability</b>			
<b>Financial liabilities measured by fair value with changes recorded into current profits and losses</b>			
<b>Derivative financial liabilities</b>			
<b>Notes payable</b>			
<b>Accounts payable</b>	<b>132,704,304.00</b>	<b>132,704,304.00</b>	
<b>Advances from customers</b>			
<b>Contract liabilities</b>			
<b>Wage payable</b>	<b>72,345,179.00</b>	<b>72,345,179.00</b>	
<b>Tax payable</b>	<b>13,111,431.00</b>	<b>13,111,431.00</b>	
<b>Other accounts payable</b>	<b>607,974,519.00</b>	<b>607,974,519.00</b>	
<b>Including: Interest payable</b>	<b>181,250.00</b>	<b>181,250.00</b>	
<b>Dividend payable</b>			
<b>Liabilities classified as holding for sale</b>			
<b>Non-current liabilities expire in one year</b>			
<b>Other current liabilities</b>	<b>3,433,054.00</b>	<b>3,433,054.00</b>	
<b>Total Current Liabilities</b>	<b>979,568,487.00</b>	<b>979,568,487.00</b>	
<b>Non-Current Liabilities:</b>			
<b>Long-term borrowings</b>			
<b>Bonds payable</b>			
<b>Preferred Stock</b>			
<b>Perpetual capital securities</b>			

<b>Lease liability</b>			
<b>Long-term accounts payable</b>			
<b>Long-term accrued payroll</b>			
<b>Estimated liabilities</b>			
<b>Deferred income</b>	8,910,918.00	8,910,918.00	
<b>Deferred tax liabilities</b>			
<b>Other non-current liabilities</b>	2,710,575.00	2,710,575.00	
<b>Total non-current liabilities</b>	11,621,493.00	11,621,493.00	
<b>Total liabilities</b>	991,189,980.00	991,189,980.00	
<b>Owner's equity (or shareholders' equity):</b>			
<b>Capital stock</b>	685,464,000.00	685,464,000.00	
<b>Other equity instruments</b>			
<b>Preferred Stock</b>			
<b>Perpetual capital securities</b>			
<b>Capital reserve</b>	557,222,454.00	557,222,454.00	
<b>Minus: treasury stock</b>			
<b>Other comprehensive income</b>			
<b>Special reserves</b>			
<b>Surplus reserve</b>	342,732,000.00	342,732,000.00	
<b>Undistributed profits</b>	8,437,957,128.00	8,437,957,128.00	
<b>Total owner's equity</b>	10,023,375,582.00	10,023,375,582.00	
<b>Total liabilities and owner's equity</b>	11,014,565,562.00	11,014,565,562.00	

Explanation for adjustment

Unit: CNY

<b>Item</b>	<b>Book value based on original standard December 31<sup>st</sup>, 2018</b>	<b>Influence of new financial instruments standard</b>	<b>Influence of change in reporting mode of other financial statements</b>	<b>Book value based on new standard January 1<sup>st</sup>, 2019</b>
Notes receivable & Accounts receivable	41,333,227		-41,333,227	
Notes receivable		-39,885,254	39,885,254	
Accounts receivable			1,447,973	1,447,973
Receivables Financing		39,885,254		39,885,254
Other receivables	1,025,643,356			1,025,643,356
<b>Total</b>	<b>1,066,976,583</b>			<b>1,066,976,583</b>

2) Explanation for retroactive adjustment in comparable data in prior report period owing to the implementation of new financial instruments standard or new lease standard since 2019



Available  Not available

### 3. Audit report

Whether the third quarter report has been audited.

Yes  No

The third quarter report has not been audited.

**Yantai Changyu Pioneer Wine Co., Ltd.**  
**Board of Directors**  
**October 28<sup>th</sup>, 2019**