



ANHUI GUJING DISTILLERY COMPANY LIMITED

THIRD QUARTER REPORT 2018



October 2018

Part I Important Notes

The Board of Directors (or the “Board”), the Supervisory Committee as well as the directors, supervisors and senior management of Anhui Gujing Distillery Company Limited (together with its consolidated subsidiaries, the “Company”, except where the context otherwise requires) hereby guarantee the factuality, accuracy and completeness of the contents of this Report and its summary, and shall be jointly and severally liable for any misrepresentations, misleading statements or material omissions therein.

All the Company’s directors have attended the Board meeting for the review of this Report and its summary.

Liang Jinhui, the Company’s legal representative, Ye Changqing, the Company’s Chief Accountant, and Zhu Jiafeng, head of the Company’s financial department (equivalent to financial manager) hereby guarantee that the financial statements carried in this Report are factual, accurate and complete.

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

Part II Key Corporate Information

I Key Consolidated Financial Information

Indicate by tick mark whether there is any retrospectively restated datum in the table below.

Yes No

	30 September 2018	31 December 2017	Change (%)	
Total assets (RMB)	12,498,719,843.68	10,152,862,119.05	23.11%	
Equity attributable to the listed company's shareholders (RMB)	7,162,683,158.57	6,459,078,378.38	10.89%	
	Q3 2018	YoY change (%)	Q1-Q3 2018	YoY change (%)
Operating revenue (RMB)	1,979,015,719.48	18.25%	6,762,099,614.81	26.54%
Net profit attributable to the listed company's shareholders (RMB)	363,302,909.34	46.14%	1,255,725,246.98	57.46%
Net profit attributable to the listed company's shareholders before exceptional items (RMB)	347,165,716.83	41.53%	1,219,514,190.95	67.23%
Net cash generated from/used in operating activities (RMB)	--	--	2,537,458,914.99	116.47%
Basic earnings per share (RMB/share)	0.72	46.94%	2.49	57.59%
Diluted earnings per share (RMB/share)	0.72	46.94%	2.49	57.59%
Weighted average return on equity (%)	5.92%	1.74%	18.15%	4.62%

Unit: RMB

Item	Q1-Q3 2018	Note
Gain or loss on disposal of non-current assets (inclusive of impairment allowance write-offs)	-4,383,973.75	
Government subsidies charged to current profit or loss (exclusive of government subsidies given in the Company's ordinary course of business at fixed quotas or amounts as per government's uniform standards)	12,056,901.76	
Gain or loss on fair-value changes in trading financial assets and liabilities & investment income from disposal of trading financial assets and liabilities and available-for-sale financial assets (exclusive of effective portion of hedges that arise in the	18,403,630.98	

Company's ordinary course of business)		
Non-operating income and expense other than above	23,258,875.51	
Less: Income tax effects	12,250,086.58	
Non-controlling interests effects (net of tax)	874,291.89	
Total	36,211,056.03	--

Explanation of why the Company reclassifies as recurrent an exceptional gain/loss item defined or listed in the Explanatory Announcement No. 1 on Information Disclosure for Companies Offering Their Securities to the Public—Exceptional Gain/Loss Items:

Applicable Not applicable

No such cases for the Reporting Period.

II Total Number of Shareholders and Holdings of Top 10 Shareholders at 30 September 2018

1. Numbers of Ordinary Shareholders and Preferred Shareholders with Resumed Voting Rights as well as Holdings of Top 10 Shareholders

Unit: share

Number of ordinary shareholders		21,908		Number of preferred shareholders with resumed voting rights (if any)	0	
Top 10 shareholders						
Name of shareholder	Nature of shareholder	Shareholding percentage	Number of shares	Restricted shares	Shares in pledge or frozen	
					Status	Shares
ANHUI GUJING GROUP COMPANY LIMITED	State-owned legal person	53.89%	271,404,022		Pledged	114,000,000
NORGES BANK	Foreign legal person	2.59%	13,026,335			
GAOLING FUND,L.P.	Foreign legal person	2.47%	12,446,408			
CHINA INT'L CAPITAL CORP HONG KONG SECURITIES LTD	Foreign legal person	1.56%	7,854,569			
AGRICULTURAL BANK OF	Other	1.49%	7,485,278			

CHINA- E FUND CONSUMPTION SECTOR STOCK SECURITIES INVESTMENT FUND						
UBS (LUX) EQUITY FUND - CHINA OPPORTUNITY (USD)	Foreign person	legal	1.41%	7,096,361		
CENTRAL HUIJIN ASSET MANAGEMENT CO., LTD.	State-owned person	legal	1.30%	6,543,600		
GREENWOODS CHINA ALPHA MASTER FUND	Foreign person	legal	1.12%	5,657,150		
UBS (LUX) EQUITY FUND - GREATER CHINA (USD)	Foreign person	legal	0.84%	4,214,618		
3W GREATER CHINA FOCUS FUND	Foreign person	legal	0.70%	3,529,479		

Top 10 unrestricted shareholders

Name of shareholder	Unrestricted shares	Shares by type	
		Type	Shares
ANHUI GUJING GROUP COMPANY LIMITED	271,404,022	RMB-denominated ordinary stock	271,404,022
NORGES BANK	13,026,335	Domestically listed foreign stock	13,026,335
GAOLING FUND,L.P.	12,446,408	Domestically listed foreign stock	12,446,408
CHINA INT'L CAPITAL CORP HONG KONG SECURITIES LTD	7,854,569	Domestically listed foreign stock	7,854,569

AGRICULTURAL BANK OF CHINA- E FUND CONSUMPTION SECTOR STOCK SECURITIES INVESTMENT FUND	7,485,278	RMB-denominated ordinary stock	7,485,278
UBS (LUX) EQUITY FUND - CHINA OPPORTUNITY (USD)	7,096,361	Domestically listed foreign stock	7,096,361
CENTRAL HUIJIN ASSET MANAGEMENT CO., LTD.	6,543,600	RMB-denominated ordinary stock	6,543,600
GREENWOODS CHINA ALPHA MASTER FUND	5,657,150	Domestically listed foreign stock	5,657,150
UBS (LUX) EQUITY FUND - GREATER CHINA (USD)	4,214,618	Domestically listed foreign stock	4,214,618
3W GREATER CHINA FOCUS FUND	3,529,479	Domestically listed foreign stock	3,529,479
Related or acting-in-concert parties among shareholders above	Among the shareholders above, the Company's controlling shareholder—Anhui Gujing Group Company Limited—is not a connected party of other shareholders; nor are they parties acting in concert as defined in the Administrative Measures on Information Disclosure of Changes in Shareholding of Listed Companies. As for the other shareholders, the Company does not know whether they are connected parties or whether they belong to parties acting in concert as defined in the Administrative Measures on Information Disclosure of Changes in Shareholding of Listed Companies.		
Top 10 ordinary shareholders involved in securities margin trading (if any)	N/A		

Indicate by tick mark whether any of the top 10 ordinary shareholders or the top 10 unrestricted ordinary shareholders of the Company conducted any promissory repo during the Reporting Period.

Yea No

No such cases in the Reporting Period.

2. Number of Preferred Shareholders and Shareholdings of Top 10 of Them

Applicable Not applicable

Part III Significant Events

I Changes in Selected Consolidated Financial Statement Line Items and Explanation of why

√ Applicable □ Not applicable

Balance sheet item	30 September 2018	31 December 2017	Change (%)	Explanation of why
Monetary capital	2,290,543.6 88.54	1,484,088.6 26.40	54.34%	The main reason is the increase in sales refund.
Financial assets at fair value through profit or loss	765,314.56	99,800.76	666.84 %	Rise in financial assets held
Notes receivable	1,357,500.8 67.13	720,611.12 6.78	88.38%	Rise in notes receivable from customers
Prepayments	91,512,392. 86	41,729,637. 34	119.30 %	Rise in advertising prepayments
Other current assets	2,638,022.4 57.37	1,772,310.9 46.58	48.85%	The main reason is the increase in purchase financing.
Advances from customers	1,113,873.8 50.71	503,083.10 8.13	121.41 %	More orders from customers
Other current liabilities	912,548.90 1.99	182,846.94 2.10	399.08 %	Rise in unrecognized expense
Deferred income	76,794,419. 56	43,706,503. 22	75.70%	The main reason is the increase in government subsidies received from assets.
Other comprehensive income	5,000,360.6 5	53,520,827. 44	-90.66 %	Disposal of available-for-sale financial assets
Income statement item	Q1~Q3 2018	Q1~Q3 2017	Change (%)	Explanation of why
Other income	11,725,901. 76	29,208,717. 30	-59.85 %	The main reason is the decrease in revenue related government subsidies received.
Net profit	1,255,725.2 46.98	797,483.31 0.43	57.46%	Higher operating revenue and strong sales of high-class products
Cash flow statement item	Q1~Q3 2018	Q1~Q3 2017	Change (%)	Explanation of why
Net cash generated from operating activities	2,537,458.9 14.99	1,172,185.4 22.15	116.47 %	More cash inflows generated from sales
Net cash generated from financing	-503,600.00	-302,160.00	-66.67	Distribution of more dividends

activities	0.00	0.00	%	
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II Progress, Influence and Solutions Associated with Significant Events

Applicable Not applicable

III Commitments that the Company, Shareholders, the Company's Actual Controller, Acquirer, Directors, Supervisors, and Senior Executives or other Related Parties, Fulfilled in the Reporting Period or still Ongoing at Period-End

Applicable Not applicable

No such cases in the Reporting Period.

IV 2018 Annual Operating Performance Forecast

Warning of a forecast loss on or a forecast significant year-on-year change in net profit for year 2018, as well as explanation of why:

Applicable Not applicable

V Securities Investments

√ Applicable □ Not applicable

Unit: RMB

Security type	Security code	Security name	Initial investment cost	Measurement method	Beginning carrying amount	Gain/Loss on fair-value changes in Reporting Period	Accumulated fair-value changes charged to equity	Purchased in Reporting Period	Sold in Reporting Period	Gain/loss in Reporting Period	Ending carrying amount	Accounting title	Funding source
Domestically/Overseas listed stock	000001	PAYH	70,317,243.98	Fair value method	106,943,823.70		-25,087,573.68		81,856,250.02	11,586,297.23	0.00	Available-for-sale financial assets	Self-funded
Domestically/Overseas listed stock	601988	ZGYH	44,385,674.20	Fair value method	71,313,507.00		-6,466,716.00		64,846,791.00	6,017,812.54	0.00	Available-for-sale financial assets	Self-funded
Funds		GFNSTYR 1 st E Securities Investment Funds	150,000,000.00	Fair value method	127,154,958.08		-564,052.40		126,590,905.68	8,841,868.22	0.00	Available-for-sale financial assets	Self-funded
Funds		ZXYSDP 1 st Assets Management Plan	200,000,000.00	Fair value method	211,674,059.13		-5,006,911.63		0.00	10,883,000.00	206,667,147.50	Available-for-sale financial assets	Self-funded
Total			464,702,918.18	--	517,086,347.91		-37,125,253.71		273,293,946.70	37,328,977.99	206,667,147.50	--	--

Disclosure date of announcement on Board's consent for securities investments	Naught
Disclosure date of announcement on general meeting's consent for securities investments (if any)	Naught

VI Wealth Management Entrustment

√ Applicable Not applicable

Unit: RMB'0,000 (in RMB ten thousand yuan)

Type of wealth management	Funding source	Principal	Outstanding amount before maturity	Overdue amount
Wealth management product purchased from bank	Self-funded	119,000	119,000	0.00
Wealth management product purchased from broker	Self-funded	40,000	17,600	0.00
Wealth management product purchased from entrustment	Self-funded	125,000	105,000	0.00
Others	Self-funded	40,646.71	40,646.71	0.00
Total		324,646.71	282,246.71	0.00

High-risk wealth management entrustments with amounts that are individually significant, or with low security, low liquidity, or no protection of the principal:

√ Applicable Not applicable

Trustee	Type of trustee	Type of wealth management product	Principal (Unit: RMB'0,000)	Funding source	Start date	End date	Investment with principal	Way of payback	Reference annualized return (%)	Expected return (if any)	Actual gain/loss in Reporting Period(Unit	Collection/payme nt of gain/loss in Reporting Period	Impairmen t allowance (if any)	Through prescribe d procedure	Any plan for further entrustmen t	Overview and index to more informatio
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										RMB'0,000			or not		n (if any)
CITIC Wings Asset Management Company Limited	Company Limited	Funds	20,000	Self-funded			Purchasing new shares offline, fixed income instruments, and Reverse repurchase of national debt, etc	1.2% of the net value of product and 20% of excess earnings	6.00%	1,088.30	Collected	0.00	Yes	Yes	
Total			20,000	--	--	--	--	--	--	1,088.30	--	0.00	--	--	--

Wealth management entrustments with possible impairments including an expectedly unrecoverable principal:

Applicable Not applicable

VII Investments in Derivative Financial Instruments

Applicable Not applicable

Unit: RMB'0,000 (in RMB ten thousand yuan)

Counterparty	Relationship with the Company	Related-party transaction or not	Type of derivative	Initial investment amount	Start date	End date	Beginning investment	Purchased in Reporting Period	Sold in Reporting Period	Impairment allowance (if any)	Ending investment	Ending investment as % of the	Actual gain/loss in Reporting
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												Company's ending net assets	Period
Reverse repurchase of national debt	Naught	No	Reverse repurchase of national debt	0.00	29 March 2018	9 October 2018	5,000	31,980	17,000	0.00	19,980	2.79%	21.44
Total				0.00	--	--	5,000	31,980	17,000	0.00	19,980	2.79%	21.44
Funding source	Self-funded												
Legal matters involved (if applicable)	N/A												
Disclosure date of board announcement approving derivative investment (if any)	30 August 2013												
Disclosure date of general meeting announcement approving derivative investment (if any)													
Analysis of risks and control measures associated with derivative investments held in Reporting Period (including but not limited to market risk, liquidity risk, credit risk, operational risk, legal risk, etc.)	The Company had controlled the relevant risks strictly according to the Derivatives Investment Management System.												
Changes in market prices or fair value of derivative investments in Reporting Period (fair value analysis should include measurement method and related assumptions and parameters)	Naught												
Major changes in accounting policies and specific accounting principles adopted for derivative investments in Reporting Period compared to last reporting period	Naught												
Opinion of independent directors on derivative	Based on the sustainable development of the main business and the sufficient free idle money, the Company increased the profits												

investments and risk control	through investing in the reasonable financial derivative instruments, which was in favor of improving the service efficiency of the idle funds; in order to reduce the investment risks of the financial derivative instruments, the Company had set up corresponding supervision mechanism for the financial derivative instrument business and formulated reasonable accounting policy as well as specific principles of financial accounting; the derivative Investment business developed separately took national debts as mortgage object, which was met with the cautious and steady risks management principle and the interest of the Company and shareholders. Therefore, agreed the Company to develop the derivative Investment business of reverse repurchase of national debt not more than the limit of RMB0.3 billion.
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VIII Visits Paid to the Company for Purposes of Research, Communication, Interview, etc. during Reporting Period

Applicable Not applicable

No such cases in the Reporting Period.

IX Irregularities in Provision of Guarantees for External Parties

Applicable Not applicable

No such cases in the Reporting Period.

X Occupation of the Company's Capital by Controlling Shareholder or Its Related Parties for Non-Operating Purposes

Applicable Not applicable

No such cases in the Reporting Period.

Part IV Financial Statements

I Financial Statements

1. Consolidated Balance Sheet

Prepared by Anhui Gujing Distillery Company Limited

30 September 2018

Unit: RMB

Item	30 September 2018	31 December 2017
Current assets:		
Monetary capital	2,290,543,688.54	1,484,088,626.40
Settlement reserve		
Interbank loans granted		
Financial assets at fair value through profit or loss	765,314.56	99,800.76
Derivative financial assets		
Notes and accounts receivable	1,380,839,127.04	743,077,269.84
Including: Notes receivable	1,357,500,867.13	720,611,126.78
Accounts receivable	23,338,259.91	22,466,143.06
Prepayments	91,512,392.86	41,729,637.34
Premiums receivable		
Reinsurance receivables		
Receivable reinsurance contract reserve		
Other receivables	36,689,323.69	29,273,284.22
Financial assets purchased under resale agreements		
Inventories	2,204,200,968.64	2,064,130,297.51
Assets classified as held for sale		
Current portion of non-current assets		
Other current assets	2,638,022,457.37	1,772,310,946.58
Total current assets	8,642,573,272.70	6,134,709,862.65
Non-current assets:		
Loans and advances to customers		
Available-for-sale financial assets	206,667,147.50	517,086,347.91

Held-to-maturity investments		
Long-term receivables		
Long-term equity investments	4,900,000.00	0.00
Investment property	5,085,658.35	5,343,777.33
Fixed assets	1,708,627,796.64	1,792,254,178.56
Construction in progress	101,842,936.10	54,496,798.56
Productive living assets		
Oil and gas assets		
Intangible assets	744,755,466.09	691,381,442.67
R&D expense		
Goodwill	478,283,495.29	478,283,495.29
Long-term prepaid expense	70,151,864.55	69,238,523.78
Deferred income tax assets	223,358,180.46	92,157,477.74
Other non-current assets	312,474,026.00	317,910,214.56
Total non-current assets	3,856,146,570.98	4,018,152,256.40
Total assets	12,498,719,843.68	10,152,862,119.05
Current liabilities:		
Short-term borrowings		
Borrowings from central bank		
Customer deposits and interbank deposits		
Interbank loans obtained		
Financial liabilities at fair value through profit or loss		
Derivative financial liabilities		
Notes and accounts payable	838,200,488.62	636,365,039.83
Advances from customers	1,113,873,850.71	503,083,108.13
Financial assets sold under repurchase agreements		
Handling charges and commissions payable		
Payroll payable	277,999,223.05	372,374,014.37
Taxes payable	544,643,479.77	420,984,845.45
Other payables	1,053,169,955.68	1,032,543,553.34
Reinsurance payables		
Insurance contract reserve		

Payables for acting trading of securities		
Payables for underwriting of securities		
Liabilities directly associated with assets classified as held for sale		
Current portion of non-current liabilities		
Other current liabilities	912,548,901.99	182,846,942.10
Total current liabilities	4,740,435,899.82	3,148,197,503.22
Non-current liabilities:		
Long-term borrowings		
Bonds payable		
Including: Preferred shares		
Perpetual bonds		
Long-term payables		
Long-term payroll payable		
Provisions		
Deferred income	76,794,419.56	43,706,503.22
Deferred income tax liabilities	103,498,908.42	119,779,105.90
Other non-current liabilities		
Total non-current liabilities	180,293,327.98	163,485,609.12
Total liabilities	4,920,729,227.80	3,311,683,112.34
Owners' equity:		
Share capital	503,600,000.00	503,600,000.00
Other equity instruments		
Including: Preferred shares		
Perpetual bonds		
Capital reserves	1,295,405,592.25	1,295,405,592.25
Less: Treasury stock		
Other comprehensive income	5,000,360.65	53,520,827.44
Specific reserve		
Surplus reserves	256,902,260.27	256,902,260.27
General reserve		
Retained earnings	5,101,774,945.40	4,349,649,698.42
Total equity attributable to owners of the Company as the parent	7,162,683,158.57	6,459,078,378.38
Non-controlling interests	415,307,457.31	382,100,628.33

Total owners' equity	7,577,990,615.88	6,841,179,006.71
Total liabilities and owners' equity	12,498,719,843.68	10,152,862,119.05

Legal representative: Liang Jinhui

The Company's chief accountant: Ye Changqing

Head of the Company's financial department: Zhu Jiafeng

2. Balance Sheet of the Company as the Parent

Unit: RMB

Item	30 September 2018	31 December 2017
Current assets:		
Monetary capital	1,439,928,284.26	1,276,262,109.02
Financial assets at fair value through profit or loss	765,314.56	99,800.76
Derivative financial assets		
Notes and accounts receivable	1,197,375,721.44	683,031,572.43
Including: Notes receivable	1,185,344,522.86	674,521,654.40
Accounts receivable	12,031,198.58	8,509,918.03
Prepayments	35,785,234.66	8,534,600.82
Other receivables	101,027,526.08	130,357,778.75
Inventories	1,924,877,954.01	1,818,358,884.18
Assets classified as held for sale		
Current portion of non-current assets		
Other current assets	1,577,294,840.67	1,554,870,774.98
Total current assets	6,277,054,875.68	5,471,515,520.94
Non-current assets:		
Available-for-sale financial assets	206,667,147.50	516,530,547.91
Held-to-maturity investments		
Long-term receivables		
Long-term equity investments	1,155,089,408.32	1,155,089,408.32
Investment property	25,292,098.90	26,409,050.95
Fixed assets	1,247,404,694.51	1,303,119,011.66
Construction in progress	85,415,107.29	44,673,219.38
Productive living assets		
Oil and gas assets		
Intangible assets	191,004,601.22	185,868,178.71

R&D expense		
Goodwill		
Long-term prepaid expense	48,110,017.62	58,563,409.89
Deferred income tax assets	45,663,561.76	37,996,747.93
Other non-current assets	12,474,026.00	12,474,026.00
Total non-current assets	3,017,120,663.12	3,340,723,600.75
Total assets	9,294,175,538.80	8,812,239,121.69
Current liabilities:		
Short-term borrowings		
Financial liabilities at fair value through profit or loss		
Derivative financial liabilities		
Notes and accounts payable	295,762,231.06	347,757,180.53
Advances from customers	2,088,955,645.55	1,680,678,175.37
Payroll payable	102,636,717.08	110,435,403.45
Taxes payable	232,319,730.60	262,884,211.13
Other payables	240,560,823.32	173,250,790.29
Liabilities directly associated with assets classified as held for sale		
Current portion of non-current liabilities		
Other current liabilities	88,890,468.06	18,296,415.85
Total current liabilities	3,049,125,615.67	2,593,302,176.62
Non-current liabilities:		
Long-term borrowings		
Bonds payable		
Including: Preferred shares		
Perpetual bonds		
Long-term payables		
Long-term payroll payable		
Provisions		
Deferred income	37,449,628.26	39,976,048.28
Deferred income tax liabilities	4,966,533.42	19,792,209.68
Other non-current liabilities		
Total non-current liabilities	42,416,161.68	59,768,257.96
Total liabilities	3,091,541,777.35	2,653,070,434.58

Owners' equity:		
Share capital	503,600,000.00	503,600,000.00
Other equity instruments		
Including: Preferred shares		
Perpetual bonds		
Capital reserves	1,247,162,107.35	1,247,162,107.35
Less: Treasury stock		
Other comprehensive income	5,000,360.65	53,454,736.38
Specific reserve		
Surplus reserves	251,800,000.00	251,800,000.00
Retained earnings	4,195,071,293.45	4,103,151,843.38
Total owners' equity	6,202,633,761.45	6,159,168,687.11
Total liabilities and owners' equity	9,294,175,538.80	8,812,239,121.69

3. Consolidated Income Statement for Q3

Unit: RMB

Item	Q3 2018	Q3 2017
1. Revenue	1,979,015,719.48	1,673,566,893.29
Including: Operating revenue	1,979,015,719.48	1,673,566,893.29
Interest income		
Premium income		
Handling charge and commission income		
2. Operating costs and expenses	1,533,950,578.93	1,358,235,844.48
Including: Cost of sales	449,656,771.27	403,027,066.48
Interest expense		
Handling charge and commission expense		
Surrenders		
Net claims paid		
Net amount provided as insurance contract reserve		
Expenditure on policy dividends		
Reinsurance premium expense		

Taxes and surcharges	262,259,812.95	270,572,799.66
Selling expense	655,345,557.85	567,852,892.46
Administrative expense	159,034,927.22	117,373,152.52
R&D expense	3,965,869.26	4,092,574.82
Finance costs	3,693,411.04	-4,682,311.30
Including: Interest expense		
Interest income	10,808,466.78	5,555,951.51
Asset impairment loss	-5,770.66	-330.16
Add: Other income	7,238,865.71	5,491,790.81
Investment income (“-” for loss)	36,500,416.69	16,781,846.20
Including: Share of profit or loss of joint ventures and associates		
Gain on changes in fair value (“-” for loss)	-255,827.36	66,574.90
Foreign exchange gain (“-” for loss)		
Asset disposal income (“-” for loss)	-43,358.78	-2,592.60
3. Operating profit (“-” for loss)	488,505,236.81	337,668,668.12
Add: Non-operating income	11,046,979.09	3,114,093.89
Less: Non-operating expense	2,375,421.09	4,710,036.11
4. Profit before tax (“-” for loss)	497,176,794.81	336,072,725.90
Less: Income tax expense	123,682,385.77	80,888,483.00
5. Net profit (“-” for net loss)	373,494,409.04	255,184,242.90
5.1 Net profit from continuing operations (“-” for net loss)	373,494,409.04	255,184,242.90
5.2 Net profit from discontinued operations (“-” for net loss)		
Net profit attributable to owners of the Company as the parent	363,302,909.34	248,593,418.78
Net profit attributable to non-controlling interests	10,191,499.70	6,590,824.12
6. Other comprehensive income, net of tax	-3,418,191.21	22,009,443.57
Attributable to owners of the Company as the parent	-3,418,191.21	22,009,443.57

6.1 Items that will not be reclassified to profit or loss		
6.1.1 Changes in net liabilities or assets caused by remeasurements on defined benefit pension schemes		
6.1.2 Share of other comprehensive income of investees that will not be reclassified to profit or loss under equity method		
6.2 Items that may subsequently be reclassified to profit or loss	-3,418,191.21	22,009,443.57
6.2.1 Share of other comprehensive income of investees that will be reclassified to profit or loss under equity method		
6.2.2 Gain/Loss on changes in fair value of available-for-sale financial assets	-3,418,191.21	22,009,443.57
6.2.3 Gain/Loss arising from reclassification of held-to-maturity investments to available-for-sale financial assets		
6.2.4 Effective gain/loss on cash flow hedges		
6.2.5 Differences arising from translation of foreign currency-denominated financial statements		
6.2.6 Other		
Attributable to non-controlling interests		
7. Total comprehensive income	370,076,217.83	277,193,686.47
Attributable to owners of the Company as the parent	359,884,718.13	270,602,862.35
Attributable to non-controlling interests	10,191,499.70	6,590,824.12
8. Earnings per share		
8.1 Basic earnings per share	0.72	0.49
8.2 Diluted earnings per share	0.72	0.49

Legal representative: Liang Jinhui

The Company's chief accountant: Ye Changqing

Head of the Company's financial department: Zhu Jiafeng

4. Income Statement of the Company as the Parent for Q3

Unit: RMB

Item	Q3 2018	Q3 2017
1. Operating revenue	966,230,506.66	921,576,158.99
Less: Cost of sales	407,544,411.06	369,286,185.89
Taxes and surcharges	224,111,296.49	239,185,115.80
Selling expense	56,667,185.18	49,208,966.68
Administrative expense	110,294,343.82	82,935,471.05
R&D expense	3,045,462.80	2,973,517.28
Finance costs	4,498,704.12	-4,231,951.79
Including: Interest expense		
Interest income	7,601,319.39	5,010,330.12
Asset impairment loss		
Add: Other income	6,035,419.81	1,413,247.38
Investment income (“-” for loss)	30,902,683.31	13,166,277.13
Including: Share of profit or loss of joint ventures and associates		
Gain on changes in fair value (“-” for loss)	-255,827.36	66,574.90
Asset disposal income (“-” for loss)	0.00	0.00
2. Operating profit (“-” for loss)	196,751,378.95	196,864,953.49
Add: Non-operating income	8,922,115.32	4,078,123.06
Less: Non-operating expense	2,344,326.21	4,415,042.93
3. Profit before tax (“-” for loss)	203,329,168.06	196,528,033.62
Less: Income tax expense	51,037,972.71	48,553,805.46
4. Net profit (“-” for net loss)	152,291,195.35	147,974,228.16
4.1 Net profit from continuing operations (“-” for net loss)	152,291,195.35	147,974,228.16
4.2 Net profit from discontinued operations (“-” for net loss)		
5. Other comprehensive income, net of tax	-3,389,900.15	22,106,418.63
5.1 Items that will not be reclassified to profit or loss		
5.1.1 Changes in net liabilities or assets caused by remeasurements on		

defined benefit pension schemes		
5.1.2 Share of other comprehensive income of investees that will not be reclassified to profit or loss under equity method		
5.2 Items that may subsequently be reclassified to profit or loss	-3,389,900.15	22,106,418.63
5.2.1 Share of other comprehensive income of investees that will be reclassified to profit or loss under equity method		
5.2.2 Gain/Loss on changes in fair value of available-for-sale financial assets	-3,389,900.15	22,106,418.63
5.2.3 Gain/Loss arising from reclassification of held-to-maturity investments to available-for-sale financial assets		
5.2.4 Effective gain/loss on cash flow hedges		
5.2.5 Differences arising from translation of foreign currency-denominated financial statements		
5.2.6 Other		
6. Total comprehensive income	148,901,295.20	170,080,646.79
7. Earnings per share		
7.1 Basic earnings per share	0.30	0.30
7.2 Diluted earnings per share	0.30	0.30

5. Consolidated Income Statement for Q1~Q3

Unit: RMB

Item	Q1~Q3 2018	Q1~Q3 2017
1. Revenue	6,762,099,614.81	5,343,694,657.88
Including: Operating revenue	6,762,099,614.81	5,343,694,657.88
Interest income		
Premium income		
Handling charge and commission income		
2. Operating costs and expenses	5,164,780,878.40	4,371,107,557.95

Including: Cost of sales	1,492,332,239.51	1,316,206,265.39
Interest expense		
Handling charge and commission expense		
Surrenders		
Net claims paid		
Net amount provided as insurance contract reserve		
Expenditure on policy dividends		
Reinsurance premium expense		
Taxes and surcharges	991,726,986.48	876,704,154.17
Selling expense	2,252,645,873.02	1,817,541,653.59
Administrative expense	431,508,130.58	376,683,136.96
R&D expense	11,993,003.62	8,204,285.81
Finance costs	-16,591,495.51	-21,946,953.95
Including: Interest expense		
Interest income	32,453,350.26	23,510,763.14
Asset impairment loss	1,166,140.70	-2,284,984.02
Add: Other income	11,725,901.76	29,208,717.30
Investment income (“-” for loss)	105,275,436.64	97,799,330.67
Including: Share of profit or loss of joint ventures and associates		
Gain on changes in fair value (“-” for loss)	-19,119.59	-53,081.45
Foreign exchange gain (“-” for loss)		
Asset disposal income (“-” for loss)	111,079.03	485,294.07
3. Operating profit (“-” for loss)	1,714,412,034.25	1,100,027,360.52
Add: Non-operating income	25,805,776.85	18,075,883.56
Less: Non-operating expense	6,813,434.13	6,899,058.12
4. Profit before tax (“-” for loss)	1,733,404,376.97	1,111,204,185.96
Less: Income tax expense	444,472,301.01	283,905,016.12
5. Net profit (“-” for net loss)	1,288,932,075.96	827,299,169.84

5.1 Net profit from continuing operations (“-” for net loss)	1,288,932,075.96	827,299,169.84
5.2 Net profit from discontinued operations (“-” for net loss)		
Net profit attributable to owners of the Company as the parent	1,255,725,246.98	797,483,310.43
Net profit attributable to non-controlling interests	33,206,828.98	29,815,859.41
6. Other comprehensive income, net of tax	-48,520,466.79	2,112,971.49
Attributable to owners of the Company as the parent	-48,520,466.79	2,112,971.49
6.1 Items that will not be reclassified to profit or loss		
6.1.1 Changes in net liabilities or assets caused by remeasurements on defined benefit pension schemes		
6.1.2 Share of other comprehensive income of investees that will not be reclassified to profit or loss under equity method		
6.2 Items that may subsequently be reclassified to profit or loss	-48,520,466.79	2,112,971.49
6.2.1 Share of other comprehensive income of investees that will be reclassified to profit or loss under equity method		
6.2.2 Gain/Loss on changes in fair value of available-for-sale financial assets	-48,520,466.79	2,112,971.49
6.2.3 Gain/Loss arising from reclassification of held-to-maturity investments to available-for-sale financial assets		
6.2.4 Effective gain/loss on cash flow hedges		
6.2.5 Differences arising from translation of foreign currency-denominated financial statements		
6.2.6 Other		
Attributable to non-controlling interests		

7. Total comprehensive income	1,240,411,609.17	829,412,141.33
Attributable to owners of the Company as the parent	1,207,204,780.19	799,596,281.92
Attributable to non-controlling interests	33,206,828.98	29,815,859.41
8. Earnings per share		
8.1 Basic earnings per share	2.49	1.58
8.2 Diluted earnings per share	2.49	1.58

6. Income Statement of the Company as the Parent for Q1~Q3

Unit: RMB

Item	Q1~Q3 2018	Q1~Q3 2017
1. Operating revenue	3,339,740,226.62	2,953,626,991.47
Less: Cost of sales	1,369,991,138.38	1,177,443,742.79
Taxes and surcharges	836,991,302.87	760,338,385.91
Selling expense	146,852,888.17	168,810,396.78
Administrative expense	293,729,948.49	259,920,181.40
R&D expense	10,431,247.70	6,093,224.72
Finance costs	-12,706,830.00	-12,590,308.28
Including: Interest expense		
Interest income	27,845,600.69	13,837,334.84
Asset impairment loss	1,440,847.72	-1,943,865.48
Add: Other income	8,398,899.82	21,964,845.00
Investment income (“-” for loss)	92,204,951.64	88,106,430.10
Including: Share of profit or loss of joint ventures and associates		
Gain on changes in fair value (“-” for loss)	-19,119.59	-53,081.45
Asset disposal income (“-” for loss)	0.00	117,524.82
2. Operating profit (“-” for loss)	793,594,415.16	705,690,952.10
Add: Non-operating income	21,200,416.41	6,524,601.89
Less: Non-operating expense	5,660,670.73	5,213,277.86
3. Profit before tax (“-” for loss)	809,134,160.84	707,002,276.13
Less: Income tax expense	213,614,710.77	185,489,310.37
4. Net profit (“-” for net loss)	595,519,450.07	521,512,965.76

4.1 Net profit from continuing operations (“-” for net loss)	595,519,450.07	521,512,965.76
4.2 Net profit from discontinued operations (“-” for net loss)		
5. Other comprehensive income, net of tax	-48,454,375.73	2,182,646.55
5.1 Items that will not be reclassified to profit or loss		
5.1.1 Changes in net liabilities or assets caused by remeasurements on defined benefit pension schemes		
5.1.2 Share of other comprehensive income of investees that will not be reclassified to profit or loss under equity method		
5.2 Items that may subsequently be reclassified to profit or loss	-48,454,375.73	2,182,646.55
5.2.1 Share of other comprehensive income of investees that will be reclassified to profit or loss under equity method		
5.2.2 Gain/Loss on changes in fair value of available-for-sale financial assets	-48,454,375.73	2,182,646.55
5.2.3 Gain/Loss arising from reclassification of held-to-maturity investments to available-for-sale financial assets		
5.2.4 Effective gain/loss on cash flow hedges		
5.2.5 Differences arising from translation of foreign currency-denominated financial statements		
5.2.6 Other		
6. Total comprehensive income	547,065,074.34	523,695,612.31
7. Earnings per share		
7.1 Basic earnings per share	1.18	1.04
7.2 Diluted earnings per share	1.18	1.04

7. Consolidated Cash Flow Statement for Q1~Q3

Unit: RMB

Item	Q1~Q3 2018	Q1~Q3 2017
1. Cash flows from operating activities:		
Proceeds from sale of commodities and rendering of services	7,234,393,863.39	5,433,189,005.14
Net increase in customer deposits and interbank deposits		
Net increase in borrowings from central bank		
Net increase in loans from other financial institutions		
Premiums received on original insurance contracts		
Net proceeds from reinsurance		
Net increase in deposits and investments of policy holders		
Net increase in proceeds from disposal of financial assets at fair value through profit or loss		
Interest, handling charges and commissions received		
Net increase in interbank loans obtained		
Net increase in proceeds from repurchase transactions		
Tax rebates	5,652,636.00	14,260,319.10
Cash generated from other operating activities	752,962,249.94	203,473,532.73
Subtotal of cash generated from operating activities	7,993,008,749.33	5,650,922,856.97
Payments for commodities and services	1,161,445,122.31	701,247,390.39
Net increase in loans and advances to customers		
Net increase in deposits in central bank and in interbank loans granted		
Payments for claims on original insurance contracts		
Interest, handling charges and commissions paid		

Policy dividends paid		
Cash paid to and for employees	1,096,353,967.34	962,585,070.51
Taxes paid	2,355,225,927.92	2,164,760,737.13
Cash used in other operating activities	842,524,816.77	650,144,236.79
Subtotal of cash used in operating activities	5,455,549,834.34	4,478,737,434.82
Net cash generated from/used in operating activities	2,537,458,914.99	1,172,185,422.15
2. Cash flows from investing activities:		
Proceeds from disinvestment	1,947,182,948.35	3,027,776,929.29
Investment income	98,688,294.81	93,509,806.38
Net proceeds from disposal of fixed assets, intangible assets and other long-lived assets	190,780.00	413,563.04
Net proceeds from disposal of subsidiaries or other business units		
Cash generated from other investing activities	0.00	1,646,000.00
Subtotal of cash generated from investing activities	2,046,062,023.16	3,123,346,298.71
Payments for acquisition of fixed assets, intangible assets and other long-lived assets	236,113,190.57	111,377,061.93
Payments for investments	2,577,352,685.44	3,699,390,190.62
Net increase in pledged loans granted		
Net payments for acquisition of subsidiaries and other business units		
Cash used in other investing activities		
Subtotal of cash used in investing activities	2,813,465,876.01	3,810,767,252.55
Net cash generated from/used in investing activities	-767,403,852.85	-687,420,953.84
3. Cash flows from financing activities:		
Capital contributions received		
Including: Capital contributions by non-controlling interests to subsidiaries		
Increase in borrowings obtained		
Net proceeds from issuance of bonds		
Cash generated from other financing activities		

Subtotal of cash generated from financing activities		
Repayment of borrowings		
Payments for interest and dividends	503,600,000.00	302,160,000.00
Including: Dividends paid by subsidiaries to non-controlling interests		
Cash used in other financing activities		
Subtotal of cash used in financing activities	503,600,000.00	302,160,000.00
Net cash generated from/used in financing activities	-503,600,000.00	-302,160,000.00
4. Effect of foreign exchange rate changes on cash and cash equivalents		
5. Net increase in cash and cash equivalents	1,266,455,062.14	182,604,468.31
Add: Cash and cash equivalents, beginning of the period	1,024,088,626.40	527,849,026.07
6. Cash and cash equivalents, end of the period	2,290,543,688.54	710,453,494.38

8. Cash Flow Statement of the Company as the Parent for Q1~Q3

Unit: RMB

Item	Q1~Q3 2018	Q1~Q3 2017
1. Cash flows from operating activities:		
Proceeds from sale of commodities and rendering of services	3,141,049,319.18	3,652,910,092.77
Tax rebates	4,523,679.80	13,013,817.25
Cash generated from other operating activities	710,469,125.62	191,916,993.96
Subtotal of cash generated from operating activities	3,856,042,124.60	3,857,840,903.98
Payments for commodities and services	860,712,047.84	675,142,223.73
Cash paid to and for employees	415,612,241.11	376,675,264.85
Taxes paid	1,443,242,295.51	1,463,992,035.18
Cash used in other operating activities	183,422,505.37	174,480,145.44
Subtotal of cash used in operating activities	2,902,989,089.83	2,690,289,669.20
Net cash generated from/used in operating activities	953,053,034.77	1,167,551,234.78

2. Cash flows from investing activities:		
Proceeds from disinvestment	1,616,531,449.45	2,910,776,929.29
Investment income	94,048,416.72	92,096,692.18
Net proceeds from disposal of fixed assets, intangible assets and other long-lived assets		
Net proceeds from disposal of subsidiaries or other business units		
Cash generated from other investing activities	0.00	1,646,000.00
Subtotal of cash generated from investing activities	1,710,579,866.17	3,004,519,621.47
Payments for acquisition of fixed assets, intangible assets and other long-lived assets	149,014,040.26	89,445,216.89
Payments for investments	1,397,352,685.44	3,492,390,190.62
Net payments for acquisition of subsidiaries and other business units		
Cash used in other investing activities		
Subtotal of cash used in investing activities	1,546,366,725.70	3,581,835,407.51
Net cash generated from/used in investing activities	164,213,140.47	-577,315,786.04
3. Cash flows from financing activities:		
Capital contributions received		
Increase in borrowings obtained		
Net proceeds from issuance of bonds		
Cash generated from other financing activities		
Subtotal of cash generated from financing activities		
Repayment of borrowings		
Payments for interest and dividends	503,600,000.00	302,160,000.00
Cash used in other financing activities		
Sub-total of cash used in financing activities	503,600,000.00	302,160,000.00
Net cash generated from/used in financing activities	-503,600,000.00	-302,160,000.00
4. Effect of foreign exchange rate changes on cash and cash equivalents		

5. Net increase in cash and cash equivalents	613,666,175.24	288,075,448.74
Add: Cash and cash equivalents, beginning of the period	826,262,109.02	225,792,686.26
6. Cash and cash equivalents, end of the period	1,439,928,284.26	513,868,135.00

II Independent Auditor’s Report

Indicate by tick mark whether the financial statements above have been audited by an independent auditor.

Yes No

These financial statements have not been audited by such an auditor.

Chairman of the Board:  (Liang Jinhui)

Anhui Gujing Distillery Company Limited

26 October 2018

