

# University proves to be intoxicating to students

**GUIYANG** — Getting drunk has long been a rite of passage for students around the world — and for scholars at one new university it is likely to be easier than ever. A month after this year's college entrance exams, Luo Sha, 19, applied to the recently founded Moutai University in her hometown.

Luo, from Renhuai, the city where Moutai Group is located, said she chose the university because she was "nurtured" by Moutai's liquor culture from childhood.

Kweichow Moutai, a distilled Chinese liquor produced in southwestern Guizhou province, is considered the country's national liquor and is often served on official occasions such as State banquets, not to mention on many family dinner tables throughout the nation.

"Backed up by the renowned State-owned enterprise, the university is very attractive," Luo said.

"Kweichow Moutai Group now has nearly 30,000 personnel, but only 4,000 of them have bachelor's degrees or above, while only 1,200 people have received higher education in brewing or related majors," said Feng Xiaolun, president of Moutai University.

"They are far from enough to meet the company's demand for skilled talent in the industry," Feng added.

"We have to train the graduates we recruit every year. A shortage of professionals has become a problem for the fur-



**Workers package baijiu liquor** at Kweichow Moutai Group's facility in Renhuai, Guizhou province. The group decided to set up a university to cultivate liquor-making talent and China's Ministry of Education approved its establishment. BLOOMBERG VIA GETTY IMAGES

ther development of Moutai Group."

To change the situation, Moutai Group decided to set up a university to cultivate liquor-making talent and China's Ministry of Education approved its establishment.

Moutai Group has invested 1.88 billion yuan (\$276.6 million) in the university since 2012, decided to pour 1 percent of its annual sales into the university to develop

future skilled staff. The university is a private, nonprofit higher education institution.

So far, the university has recruited 376 lecturers and professors. Meanwhile, Moutai Group will invite 39 senior professionals, such as national brewers, national liquor tasting judges and senior winemaking engineers from the company to serve as practical instructors at the university.

The university in 2017 will initially offer five majors to 600 students from Guizhou: winemaking, viticulture and ecological engineering, food quality and safety, resource recycling sciences and marketing.

It will start to enroll college students nationwide in 2018.

The university has its own advantages. For example, all the factories owned by Moutai Group can serve as practi-

cal training bases for the students.

In 2016, the value of industrial output of China's white liquor industry topped 550 billion yuan, but the export volumes accounted for less than two bottles per 1,000.

Feng said China needed more professionals to help domestic liquor products go global.

XINHUA

# Moutai shares sees 6th day of declines

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Shares of Kweichow Moutai Co, the best-known high-end Chinese liquor, have experienced consecutive losses for six trading days, as a result of an excessive surge earlier, with industry analysts regarding it as rational declines.

On Wednesday, Moutai shares edged up 1.82 percent to close at 460.13 yuan

(\$67.7). Its share price is now the highest among listed Chinese companies. In the six trading days before Wednesday, Moutai's cumulative drop reached 6.76 percent, and its market value shrunk by more than 40 billion yuan.

Last week, Moutai's market value exceeded 600 billion yuan, as its share price had been consistently advancing this year, and its market value had topped that of other glob-

al liquor producers.

Earlier this year, a number of institutions have been bullish about the growth potential of Moutai stock, rating it "recommend to buy" or "strongly recommended." TF Securities earlier proposed that Moutai's target price could reach 615 yuan.

Huang Fusheng, an analyst at Pacific Securities, said in the past three years, the growth rate of Moutai's net profit had

## 600b yuan

Moutai's market value last week, before the correction. Its share price had been consistently advancing this year

been lower than 10 percent, its shares had been affected by speculative investment.

In 2016, 2015 and 2014, Moutai's net profit attributable to shareholders grew by 7.84 percent, 1 percent and

1.41 percent, respectively, according to the company's earnings report.

"The earlier growth and valuation were too high, so the whole market was concerned about Moutai's share price, and some people have been reluctant to buy it," Huang said.

"Moutai's valuation bubble, and the fluctuation of the market, as well as the decrease of the growth rate, could be the signals of the end of the booming growth of the Chinese liquor sector and Moutai, but that remains far off"

# LeEco faces 'bigger than ever' crisis

Freezing of assets set to decrease investor confidence in Leshi unit

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## 15.9b yuan

the total value of LeEco stocks frozen by Shanghai High People's Court

With 15.9 billion yuan (\$2.34 billion) worth of stocks frozen by a court, Chinese billionaire Jia Yueting and his internet company LeEco are facing a "bigger than ever" crisis.

Leshi Internet Information and Technology Corp, the listed video-streaming unit of LeEco, said in a filing on Tuesday that unpaid debts prompted a local court to freeze its founder Jia's 519 million shares, around 26 percent of Leshi's stock.

That equals 15.9 billion yuan, given that the market value of Leshi stands at 61.2 billion yuan, and accounts for 99 percent of Jia's holding in Leshi.

The account will remain frozen for three years. Shanghai High People's Court announced the ruling because LeEco failed to pay interest due on bank loans taken out to fund its smartphone business. Jia used his shares in Leshi as collateral for the loans.

Lu Zhenwang, CEO of Shanghai-based Wanqing Consultancy, said although the shares were frozen due to Jia's personal behavior, it will undoubtedly decrease investors' confidence in the Shenzhen-listed Leshi unit.

"It will have negative impact on LeEco's ongoing efforts to integrate its film business in Leshi," Lu said. "This is a bigger than ever crisis for Jia and LeEco."

Leshi's stocks have been suspended from trading since April. On Tuesday, LeEco confirmed that another 1.24 billion yuan (\$183 million) in assets belonging to Jia, his

wife and three affiliated companies, had been frozen by the court due to unpaid debt.

LeEco has been wrestling with a financial squeeze since last November, with Jia admitted publicly that its expansion into smartphone, automobile, cloud and internet finance business had been a step too far.

The cash crunch worsened in recent months, although the company managed to raise a 16.8 billion yuan investment from real estate developer Sunac China Holdings and other investors at the beginning of the year.

Shen Meng, director of boutique investment bank Chanson & Co, said it would be possible for Jia to unfreeze his Leshi stocks through negotiations with banks.

"But the chances are very low given that LeEco is so weak financially that almost no bank is willing to lend Jia money," Shen said.

"In fact, Jia's influence is fading, as Sun Hongbin, chairman of Sunac, becomes the real leader of LeEco's quality assets, namely the video-streaming and smart television business," he added.

In May, Jia stepped down as chief executive of Shenzhen-listed Leshi Internet Information and Technology Corp, although he remains its chairman.

### Daily Stock Market Performance



### Gainers and Losers

Category	Company	Close	Daily % Chg	
GAINERS	Baotailong New Matrl	7.12	10.05	
	FujianQngshnPrprlndstry	4.50	10.02	
	Tanyuan Technology Co	37.28	10.00	
	GuangdongCntAttoPartsSt	14.85	10.00	
	XishuStrngYrClnnrMngla	23.54	9.34	
	FangdaCarbonNewMateril	15.55	8.06	
	Zhejiang Huayou Cobalt	62.59	7.99	
	Xiamen Goldenhome Co	79.57	7.43	
	GuangxiRad&TVInfnltnwrkC	8.71	7.40	
	New China Life Ins	53.69	7.27	
	LOSERS	JiangsuSfnngxnglndstry	4.14	-9.01
		China Sports Industry	15.91	-7.07
		BeijingTiantanBlgdPrd	36.33	-5.39
		GbitsNetworkTechXiamen	266.94	-4.58
		Aisino Corp	20.16	-4.27
Shanxi Coal Int Energy		4.65	-4.12	
Shanghai Zhongyida Co		8.28	-2.59	
Zhejiang Dingli Mach		64.08	-2.55	
Xiamen ITG Group Corp		8.84	-2.54	
Shanghai U9 Game Co		10.82	-2.52	
Hualan Biological Eng		31.73	-10.01	
BeijingWaternklnfotch		16.24	-9.98	
Jinke Properties Group		5.89	-9.94	
GuizhouSpace Appliance		21.25	-5.39	
JiangxiBoyaBioPhrmctcl		40.45	-4.12	
Beijing Thunisoft Corp	16.87	-2.77		
Chaozhou Three-Circle	20.46	-2.15		
TaihaiManoirNclrEqpmnt	23.58	-1.67		
HitthinkRylfshlnfnltnwrk	62.30	-1.61		
Weifu High-Technology	25.70	-1.57		
GAINERS	China Unicom Hong Kong	10.80	-4.09	
	China Mobile Ltd	81.10	-1.28	
	Cheung Kong Property	58.75	-1.26	
	Kunlun Energy Co Ltd	6.80	-0.29	
	CITIC Ltd	11.62	-0.17	

### Cross Currency Rates

	USD	EUR	CNY	HKD	GBP	KRW	BRL	RUB	JPY	INR	CAD
USD		1.133	0.147	0.128	1.290	0.001	0.302	0.017	0.009	0.015	0.771
EUR	0.882		0.130	0.113	1.139	0.001	0.266	0.015	0.008	0.014	0.680
CNY	6.799	7.708		0.871	8.772	0.006	2.054	0.113	0.060	0.105	5.244
HKD	7.807	8.841	1.148		10.068	0.007	2.358	0.130	0.069	0.120	6.019
GBP	0.775	0.878	0.114	0.099		0.001	0.234	0.013	0.007	0.012	0.598
KRW	1150.400	1305.280	169.215	147.364	1489.390		348.627	19.268	10.146	17.741	890.220
BRL	3.310	3.755	0.487	0.424	4.270	0.003		0.055	0.029	0.051	2.553
RUB	59.965	67.911	8.812	7.680	77.340	0.052	18.096		0.528	0.916	46.230
JPY	113.550	128.600	16.706	14.546	146.446	0.098	34.298	1.894		1.751	87.539
INR	64.845	73.476	9.537	8.306	83.653	0.056	19.585	1.082	0.571		49.992
CAD	1.297	1.469	0.191	0.166	1.673	0.001	0.392	0.022	0.011	0.020	

Data provided by Bloomberg

### International Stock Markets

Index	Close	% Chg	YTD % Chg
Hang Seng Index	25,521.97	0.5	0%
Hang Seng China Ent Index	10,380.73	0.7	0%
TAIEX Taiwan Stock Index	10,404.79	0.6	0%
Nikkei 225	20,081.63	0.2	0%
Sensex	31,219.40	0.0	0%
KOSPI	2,388.35	0.3	0%
S&P/ASX 200	5,763.25	-0.4	0%
New Zealand 50 Gross Index	7,595.67	-0.3	0%
Straits Times Index STI	3,241.90	1.0	0%
Bangkok SET Index	1,577.19	0.2	0%
Bursa Malaysia KLCI Index	1,763.58	0.1	0%
VN-Index	778.32	0.4	0%
Dow Jones	21,479.27	0.6	0%

### Commodities

Commodity	Close	Daily % Chg	YTD % Chg
Brent Crude Oil (USD/bbl.)	49.18	-0.9	0%
Gold (USD/t oz.)	1219.20	-1.9	0%
Silver (USD/t oz.)	16.09	-3.2	0%
Copper (USD/lb.)	2.69	-0.7	0%
Aluminum (USD/MT)	1919.25	0.1	0%
Corn (USD/bu.)	3.89	2.0	0%
Wheat (USD/bu.)	5.55	5.5	0%
Soybeans (USD/bu.)	9.81	2.7	0%
Coffee (USD/lb.)	1.28	0.3	0%
Sugar #11 (USD/lb.)	0.14	-0.8	0%
Palm Oil (MYR/MT)	2536.00	1.1	0%

### ETFs

Equity ETFs	Ticker	Close	Daily % Change
China 50	510050	2.56	1.71
China AMC CSI 300 Index	510330	3.93	1.16
China CSI 500	510500	6.51	0.62
China SME	159902	3.36	1.14
China Universal CSI Consumer Staples Index	159928	1.79	0.90
E Fund ChiNext Price Index	159915	1.76	0.34
E Fund CSI 300	510310	1.54	1.05
E Fund CSI 300 Financials ex Banks Index	512070	1.84	2.11
E Fund Hang Seng China Enterprises Index	510900	1.14	1.06
E FUND SZSE100 INDEX FUND	159901	4.47	1.45
Fortune SGAM Xianjin Tianyi Money Market	511990	100.01	0.00
Guangfa CSI 500	510510	1.72	0.88
Guotai Shanghai Stock Exchange 180 Financial Index	510230	5.74	1.63
Harvest CSI 300 Index	159919	3.97	1.12
Huatai-Pinebridge CSI 300	510300	3.69	1.29
Shanghai SSE180	510180	3.25	1.12
SSE Pledge Urban Investment Bond	511220	94.05	0.02
Yinhua Traded Money Market Fund	511880	101.85	0.04