

Stock Code: 000869, 200869

Stock Abbreviation: Changyu A, Changyu B

Announcement No.: 2023-Final 01

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

### **2022 Annual Report Abstract**



**April 13, 2023**

## I. Important Notice

This Annual Report Abstract comes from the whole contents of annual report. If investors desire to comprehensively understand the Company's operating results, financial situation and future development plan, please read the Annual Report on the media specified by the China Securities Regulatory Commission.

Except for the following director, other directors attended this board meeting for reviewing this annual report in person.

Name of director not attending the meeting personally	Position of director not attending the meeting personally	Reason of not attending the meeting personally	Name of entrustee
Aldino Marzorati	Director	On a business trip	Enrico Sivieri

Non-standard audit opinion notice

Available     Not available

The preliminary scheme of the report period's ordinary share profit distribution or increasing equity with reserve deliberated by the board of the directors

Available     Not available

Whether to increase equity with reserve

Yes     No

The Company's preliminary scheme of profit distribution deliberated and passed by the board of directors this time is shown as following: Based on the Company's total 685,464,000 shares, we plan to pay CNY4.5 (including tax) in cash as dividends for every 10 shares to all shareholders and send 0 bonus share (including tax). Capital reserve will not be transferred to equity.

The preliminary scheme of preferred share profit distribution during the report period deliberated and passed by the board of directors

Available     Not available

## II. Basic information of the Company

### 1. Brief introduction of the Company

Stock Abbreviation	Changyu A, Changyu B	Stock Code	000869, 200869
Place of Stock Listing	Shenzhen Stock Exchange		
Stock Abbreviation before Alteration	-		
Contact person and information	Secretary to the Board of Directors	Authorized Representative of Securities Affairs	
Name	Mr. Jianxun Jiang	Mr. Tingguo Li	
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### 2. Main businesses during the report period or brief introduction of products

#### (1) Situation of industry in which the Company operates during the report period

In 2022, the domestic wine market continued to decline due to the impact of the economic situation and the pressure from other liquors such as Baijiu and beers. The sales volume of imported wine and domestic wine continued the trend of “double decline”, and the rising costs of raw material and packaging further dragged down the profitability of enterprises. The vast majority of wine enterprises were in difficulty, and the domestic wine industry was still on the edge of loss.

In the face of difficulties and challenges, the Company persisted in taking the market as the center, adhered to the development strategy of “Focus on middle-and-high level, Focus on high quality, Focus on large single product” and the marketing philosophy of “obtaining growth from the terminal and nurturing consumers”, took market-oriented action to accelerate the pace of business division reform, actively carry out circle marketing and continue to promote digital transformation. In 2022, the Company realized the operating revenue of CNY3918.94million with a year-on-year decrease of 0.86% and the net profit attributable to the parent company’s shareholders of CNY428.68million with a year-on-year decrease of 14.28%, maintaining the leading role in the industry.

#### (2) Main businesses during the report period

The Company need to comply with the disclosure requirements of Food and Liquor Manufacturing Related Businesses in *Shenzhen Stock Exchange Industry Information Disclosure Guideline No. 3 - Industry Information Disclosure*.

##### ① Situation of the industry in which the Company operates

During the report period, the Company’s main business was production and operation of wine and

brandy, thus providing domestic and foreign consumers with healthy and fashionable alcoholic drinks. Compared with earlier stage, there were no significant changes happened to the Company's main business. The wine industry that the Company involved in was still in growth stage. Being affected by many factors including slowing domestic economic growth and strong pressure from alternatives in recent years, the competition in the market was fierce, the wine consumption continuously declined, and a large number of wine production enterprises were on the brink of loss, even some wine enterprises were eliminated from the market. However, seen from the long term, the existing consumption concept might change with the increase of people's income level and their pursuit of a relaxed, romantic and healthy lifestyle. More domestic wine would be drunk by people, and wine would enter more and more household consumption. The situation of current low average consumption of domestic wine would gradually improve. The Company was at the forefront in the domestic wine market and was significantly ahead of major domestic competitors.

The Company's products were divided into two series: wine and brandy. For wine, main brands included Changyu, Noble Dragon, AFIP, Longyu, Golden Ice Valley, Zenithwirl, Vermouth, Rena, Baron Balboa, J.LORMIN, Atrio, Kilikanoon and IWCC and so on. For Brandy, main brands included Koya, Mminni, Pageze, Rouillet Fransac and so on.

② The production licenses of main products obtained by the Company in China

Producer name	Food category	Obtaining time	Obtaining method	Food production license number
Yantai Changyu Pioneer Wine Co., Ltd.	Alcohol	2021.06.01	Approval from government authority	SC11537060100050
Beijing Chateau Changyu AFIP Global Co., Ltd.	Alcohol	2022.08.22	Approval from government authority	SC11511280920745
Liaoning Changyu Golden Icewine Valley Co., Ltd.	Alcohol	2021.03.25	Approval from government authority	SC11521052200370
Ningxia Chateau Changyu Moser XV Co., Ltd.	Alcohol	2018.01.25	Approval from government authority	SC11564010500657
Xinjiang Chateau Changyu Baron Balboa Co., Ltd.	Alcohol	2017.08.25	Approval from government authority	SC11565900100392
Yantai Chateau Changyu-Castel Co., Ltd.	Alcohol	2021.06.08	Approval from government authority	SC11537063600172
Shaanxi Chateau Changyu Rena Co., Ltd.	Alcohol	2020.10.19	Approval from government authority	SC11561040400532
Yantai Chateau Koya Brandy Co., Ltd.	Alcohol	2021.01.11	Approval from government authority	SC11537063601165

□ Explanation for other major events

During the report period, there did not exist the trademark ownership dispute, food quality issue or food safety incident etc. that had a significant impact on the Company.

(3) Major sales mode

The Company's main sales mode was the distribution mode, and main sales channel was offline sales, that is, the Company's products were distributed to sales terminals through approximately 4,000 distributors at home and abroad and ultimately provided to consumers.

① Situation of change in the number of distributors

Region	Number at the beginning of 2022	Increased number during this report period	Number at the end of 2022
Eastern China	1857	79	1936
South China	565	40	605
Central China	476	-29	447
North China	365	-7	358
Northwest China	184	-14	170
Southwest China	493	-10	483
Northeast China	318	-6	312
HongKong, Macao, Taiwan China and overseas	573	29	602
Total	4831	82	4913

② The Company and distributors took cash spot settlement, and mainly adopted buyout distribution mode.

Sales model	2022			2021		
	Operating income (CNY)	Operating cost (CNY)	Gross margin	Operating income (CNY)	Operating cost (CNY)	Gross margin
Distribution	3,272,506,752	1,396,195,485	57.34%	3,263,303,800	1,349,422,481	58.65%
Direct sales	646,434,408	284,599,247	55.97%	689,763,784	298,367,393	56.74%
Total	3,918,941,160	1,680,794,732	57.11%	3,953,067,584	1,647,789,874	58.32%

Procurement mode and procurement content

Unit: CNY'0000

Procurement mode	Procurement content	The amount of the main procurement content
Price determined by quality comparison with standard price items	Raw materials such as grapes/ bulk wine	66,633.60
Tender/Price determined by quality comparison with standard price items	Packaging materials	41,755.50
Tender/Price determined by quality comparison with standard price items	Brewing materials	2,364.30
Tender/Price determined by quality comparison with standard price items	Vineyard supplies	1,140.30
Contract	Fuel and power	4,739.90
Price determined by quality comparison with standard price items	Other wines and derivatives	2,736

(4) Major production mode

The production mode of the Company is self-produce.

### 3. Key accounting data and financial indicators

#### (1) Key accounting data and financial indicators in recent three years

Whether the Company needs to retrospectively adjust or restate the accounting data of previous fiscal years.

Yes  No

Unit: CNY

	December 31 <sup>st</sup> , 2022	December 31 <sup>st</sup> , 2021	More or less than Last year end (%)	December 31 <sup>st</sup> , 2020
Total assets	13,171,506,378	13,472,009,754	-2.23%	13,102,481,541
Net Assets attributed to shareholders of the listed company	10,579,053,733	10,447,884,183	1.26%	10,267,832,644
	2022	2021	More or less than Last year (%)	2020
Operating revenue	3,918,941,160	3,953,067,583	-0.86%	3,395,402,001
Net profit attributed to shareholders of the listed company	428,681,411	500,102,606	-14.28%	470,860,587
Net profit attributed to shareholders of the listed company after deducting non-recurring profits and losses	413,831,359	472,235,962	-12.37%	397,655,187
Net cash flows from operating activities	868,876,647	1,125,382,658	-22.79%	505,146,673
Basic earnings per share	0.63	0.73	-13.70%	0.69
Diluted earnings per share	0.63	0.73	-13.70%	0.69

Weighted average for earning rate of net assets	4.09%	4.84%	-0.75%	4.57%
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**(2) Key accounting data by quarter**

Unit: CNY

	1 <sup>st</sup> Quarter	2 <sup>nd</sup> Quarter	3 <sup>rd</sup> Quarter	4 <sup>th</sup> Quarter
Operating revenue	1,165,989,959	787,102,176	857,930,890	1,107,918,135
Net profit attributed to shareholders of the listed company	290,587,744	67,871,859	75,890,351	-5,668,543
Net profit attributed to shareholders of the listed company after deducting non-recurring profits and losses	284,168,658	60,140,364	68,081,711	1,440,626
Net cash flows from operating activities	299,300,737	306,972,858	132,417,260	130,185,792

Whether there are significant differences between above-mentioned financial indicators or their sum and the related financial indicators in the quarterly report and semi-annual report disclosed by the Company.

Yes  No

#### 4. Capital stock and shareholders' situation

##### (1) Number of ordinary shareholder and preferred shareholder recovering voting power, and situation of shares held by top ten shareholders

Unit: share

Total shareholders in the report period	44,371	Total number of shareholders by the end of last month before the disclosure day of the annual report	42,682	Total number of preferred shareholder recovering voting power by the end of report period	0	Total number of preferred shareholder recovering voting power by the end of last month before the disclosure day of the annual report	0
Shareholders holding more than 5% or the top 10 shareholders holding situation							
Name of Shareholders	Character of shareholders	Percentage (%)	Amount of holding shares	Number of restricted shares	Pledged /marked or frozen		
					Share status	Amount	
YANTAI CHANGYU GROUP CO., LTD.	Domestic non-state legal person	50.40%	345,471,556	0	-	0	
GAOLING FUND, L.P.	Foreign legal person	3.08%	21,090,219	0	-	0	
BBH BOS S/A FIDELITY FD - CHINA FOCUS FD	Foreign legal person	1.12%	7,683,016	0	-	0	
SHENWAN HONGYUAN SECURITIES (HONGKONG) LIMITED	Foreign legal person	1.06%	7,293,952	0	-	0	
#JIANG Fengdi	Domestic natural person	0.77%	5,295,000	0	-	0	
GUOTAI JUNAN SECURITIES (HONGKONG) LIMITED	Foreign legal person	0.73%	4,998,831	0	-	0	
Haitong International Securities Company Limited-Account Client	Foreign legal person	0.73%	4,986,502	0	-	0	
HONG KONG SECURITIES CLEARING COMPANY LIMITED	Foreign legal person	0.64%	4,420,086	0	-	0	
VANGUARD EMERGING MARKETS STOCK INDEX FUND	Foreign legal person	0.59%	4,026,863	0	-	0	
FIDELITY CHINA SPECIAL SITUATIONS PLC	Foreign legal person	0.55%	3,779,202	0	-	0	
The explanation for the associated relationship and accordant action	Among the top 10 shareholders, Yantai Changyu Group Company Limited has no associated relationship or accordant action relationship with the other 9 listed shareholders, while the relationship among the other shareholders is unknown.						
Explanation for the top 10 shareholders who involved in financing activities and stock trading business (if have)	The top 10 shareholders do not involve in financing activities and stock trade business.						

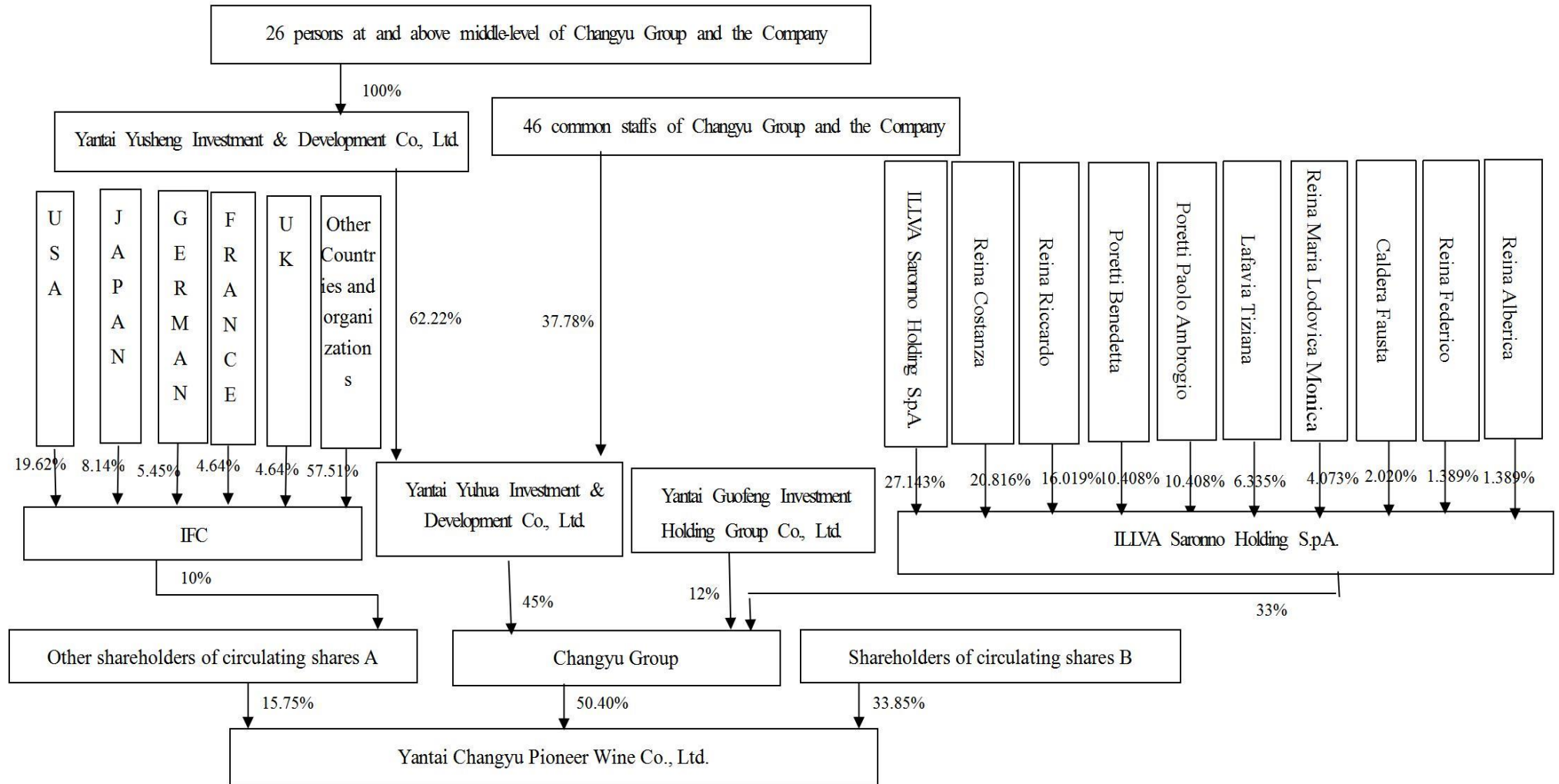
##### (2) Number of preferred shareholder and situation of preferred shares held by top ten preferred shareholders

 Available     Not available

There are no shares held by preferred shareholders during the report period.



**(3) Introduction for property right and control relations between the Company and its actual controllers**



**5. Existing bond position on the submit date of annual report approval**

Available     Not available

**III. Important Matters**

None

**Yantai Changyu Pioneer Wine Co., Ltd.**  
**Board of Directors**  
**April 13, 2023**