

Stock Code: 000869, 200869

Stock Abbreviation: Changyu A, Changyu B

Announcement No.: Final 2022-01

Yantai Changyu Pioneer Wine Co., Ltd.**2021 Annual Report Abstract****1. 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 following directors, other directors have personally attended the meeting for deliberating the annual report.

Name of director not personally attending the meeting	Position of director not personally attending the meeting	Reason of not personally attending the meeting	Name of entrustee
Aldino Marzorati	Director	Conflict with working hours	Zhou Hongjiang
Stefano Battioni	Director	Conflict with working hours	Leng Bin
Enrico Sivieri	Director	Conflict with working hours	Zhou Hongjiang

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, the Company plans 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 draft plan of preferred share profit distribution during the report period deliberated and passed by the board of directors

Available Not available

2. Basic information of the Company

(1) Brief introduction of the Company

Abbreviation of Shares	Changyu A, Changyu B	Code number of the Shares	000869, 200869
Place of listing of Shares	Shenzhen Stock Exchange		
Contact person and information	Secretary to the Board of Directors	Authorized Representative of the Securities Affairs	
Name	Mr. Jiang Jianxun	Mr. Li Tingguo	
Address	56 Dama Road, Yantai, Shandong, China	56 Dama Road, Yantai, Shandong, China	
Fax	0086-535-6633639	0086-535-6633639	
Tel	0086-535-6602761	0086-535-6633656	
E-mail	jjiangjianxun@changyu.com.cn	stock@changyu.com.cn	

(2) Main businesses during the report period or brief introduction of products

1) Situation of the industry in which the Company operates

During the report period, the Company's main businesses are production and operation of wine and brandy, thus providing domestic and foreign consumers with healthy and fashionable alcoholic drinks. Compared with earlier stage, there are no significant changes happened to the Company's main businesses. The wine industry that the Company involved in is still in growth stage. Although being affected by many factors including the epidemic for the short-term, the competition in the market is fierce, the wine consumption temporarily declines, and a large number of wine production enterprises are on the brink of loss. However, seen from the long term, with the change in the consumption conception of younger consumers, the whole domestic wine market is likely to be on the rising trend. The Company is at the forefront in the domestic wine market and is 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, Pageese, Roullet Fransac and so on.

2) License obtained

As of December 31st, 2021, the Company and its subsidiaries have obtained 8 food production licenses (alcohol), of which the food production licenses having been obtained since the beginning of 2020 are as follows:

Producer name	Food category	Obtaining time	Obtaining method	Food production license number
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
--------------------------------------	---------	------------	------------------------------------	------------------

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.

Distribution mode

Available Not available

① Situation of change in the number of distributors

Region	Number at the beginning of 2021	Increased number during this report period	Number at the end of 2021
Eastern China	1702	155	1857
South China	541	24	565
Central China	479	-3	476
North China	358	7	365
Northwest China	156	28	184
Southwest China	411	82	493
Northeast China	289	29	318
HongKong, Macao, Taiwan China and overseas	511	62	573
Total	4447	384	4831

② The Company adopted the settlement method of cash and carry with the distributors, and mainly adopted buyout distribution mode.

The ratio of sales in self-owned exclusive shop exceeds 10%

Available Not available

③ Sales of online direct selling

Available Not available

Sales model	2021			2020		
	Operating income (CNY)	Operating cost (CNY)	Gross margin	Operating income (CNY)	Operating cost (CNY)	Gross margin
Distribution	3,263,303,800	1,349,422,481	58.65%	2,945,453,550	1,289,537,264	56.22%
Direct sales	689,763,784	298,367,393	56.74%	449,948,451	214,340,143	52.36%
Total	3,953,067,583	1,647,789,874	58.32%	3,395,402,001	1,503,877,407	55.71%

④ The change in sales prices of major products accounting for more than 10% of total operating income in current report period exceeds 30% compared with those in last report period

Available Not available

⑤ 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	49,125.70
Tender/Price determined by quality comparison with standard price items	Packaging materials	53,324.70
Tender/Price determined by quality comparison with standard price items	Brewing materials	2,262.50
Tender/Price determined by quality comparison with standard price items	Vineyard supplies	1,082.80
Contract	Fuel and power	2,945.50
Price determined by quality comparison with standard price items	Other wines and derivatives	1,651.80

Amount of purchasing raw materials from cooperatives or farmers exceeds 30% of total procedure amount

Available Not available

The year-on-year change in the price of major outsourced raw materials exceeds 30%

Available Not available

⑥ Major production mode

The production mode of the Company is self-produce.

Manufacturing consignment

Available Not available

⑦ Major components of operating costs

Sector	Project	2021		2020		Year-on-year increase or decrease (%)
		Amount	Proportion in the operating cost (%)	Amount	Proportion in the operating cost (%)	
Liquor and alcoholic	Blending liquor	833,479,062	51.93%	731,348,214	49.42%	13.96%
	Packing material	477,555,065	29.76%	457,572,889	30.92%	4.37%
	Wages	59,063,486	3.68%	56,969,384	3.85%	3.68%

beverage	Manufacturing expenses	234,857,160	14.63%	234,032,840	15.81%	0.35%
Wine	Blending liquor	611,321,504	51.55%	540,591,702	49.07%	13.08%
	Packing material	328,926,668	27.74%	326,909,741	29.67%	0.62%
	Wages	50,206,319	4.23%	48,585,743	4.41%	3.34%
	Manufacturing expenses	195,416,595	16.48%	185,657,867	16.85%	5.26%
Brandy	Blending liquor	220,058,439	53.02%	190,756,512	52.20%	15.36%
	Packing material	147,425,674	35.52%	130,663,148	35.76%	12.83%
	Wages	8,708,416	2.10%	8,383,641	2.29%	3.87%
	Manufacturing cost	38,849,077	9.36%	35,597,765	9.75%	9.13%

⑧ Yield and inventory

Sector	Project	Unit	2021	2020	Year-on-year increase or decrease (%)
Alcohol and alcoholic beverage industry	Sales volume	Ton	97,499	98,414	-0.93%
	Yield	Ton	100,737	93,990	7.18%
	Inventory	Ton	30,412	28,522	6.63%
Wine	Sales volume	Ton	67,700	70,662	-4.19%
	Yield	Ton	67,342	67,477	-0.20%
	Inventory	Ton	16,104	15,898	1.30%
Brandy	Sales volume	Ton	29,799	27,752	7.38%
	Yield	Ton	33,394	26,513	25.95%
	Inventory	Ton	14,308	12,624	13.34%

⑨ Explanation for other major situation

During the report period, there did not exist the situation that had a significant impact on the Company, such as trademark ownership disputes, food quality issue and food safety incidents and so on.

(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, 2021	December 31, 2020	Increase/decrease compared with last year-end (%)	December 31, 2019
Total assets (CNY)	13,472,009,754	13,102,481,541	2.82%	13,647,932,568
Net Assets attributed to shareholders of the listed company (CNY)	10,447,884,183	10,267,832,644	1.75%	10,308,910,198
	2021	2020	Increase/decrease compared with last year (%)	2019
Operating revenue (CNY)	3,953,067,583	3,395,402,001	16.42%	5,074,025,899
Net profit attributed to shareholders of the listed company (CNY)	500,102,606	470,860,587	6.21%	1,141,367,296
Net profit attributed to shareholders of the listed company after deducting non-recurring profits and losses (CNY)	472,235,962	397,655,187	18.76%	892,496,644
Net cash flows from operating activities (CNY)	1,125,382,658	505,146,673	122.78%	848,852,360
Basic earnings per share (CNY)	0.73	0.69	5.80%	1.67
Diluted earnings per share (CNY)	0.73	0.69	5.80%	1.67
Weighted average for earning rate of net assets (CNY)	4.84%	4.57%	0.27%	11.40%

2) Key accounting data by quarter

Unit: CNY

	1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter
Operating revenue	1,134,006,251	740,454,186	796,762,047	1,281,845,099
Net profit attributed to shareholders of the listed company	286,745,340	85,076,479	79,742,460	48,538,327
Net profit attributed to shareholders of the listed company after deducting non-recurring profits and losses	280,760,222	72,915,820	67,549,124	51,010,796
Net cash flows from operating activities	314,895,523	141,039,626	336,257,978	333,189,531

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	51,552	Total number of shareholders by the end of last month before the disclosure day of the annual report	50,528	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
Situation of shares held by top ten shareholders							
Name of Shareholders	Character of shareholders	Percentage (%)	Amount of holding shares	Number of restricted shares	Pledged or frozen		
					Share status	Amount	
YANTAI CHANGYU GROUP CO., LTD.	Domestic non-state legal person	50.40%	345,473,856		-	-	
GAOLING FUND, L.P.	Foreign legal person	3.08%	21,090,219		-	-	
BBH BOS S/A FIDELITY FD - CHINA FOCUS FD	Foreign legal person	1.33%	9,140,216		-	-	
SHENWAN HONGYUAN SECURITIES(HONGKONG) LIMITED	Foreign legal person	1.08%	7,413,952		-	-	
FIDELITY PURITAN TRUST: FIDELITY SERIES INTRINSIC OPPORTUNITIES FUND	Foreign legal person	0.93%	6,350,762		-	-	
Haitong International Securities Company Limited-Account Client	Foreign legal person	0.74%	5,060,702		-	-	
GUOTAI JUNAN SECURITIES (HONGKONG) LIMITED	Foreign legal person	0.73%	5,011,871		-	-	
Fengdi JIANG	Domestic natural person	0.71%	4,854,000		-	-	
China Merchants Futures (Hong Kong) Co., Limited	Foreign legal person	0.67%	4,589,660		-	-	
VANGUARD EMERGING MARKETS STOCK	Foreign legal person	0.61%	4,170,863		-	-	

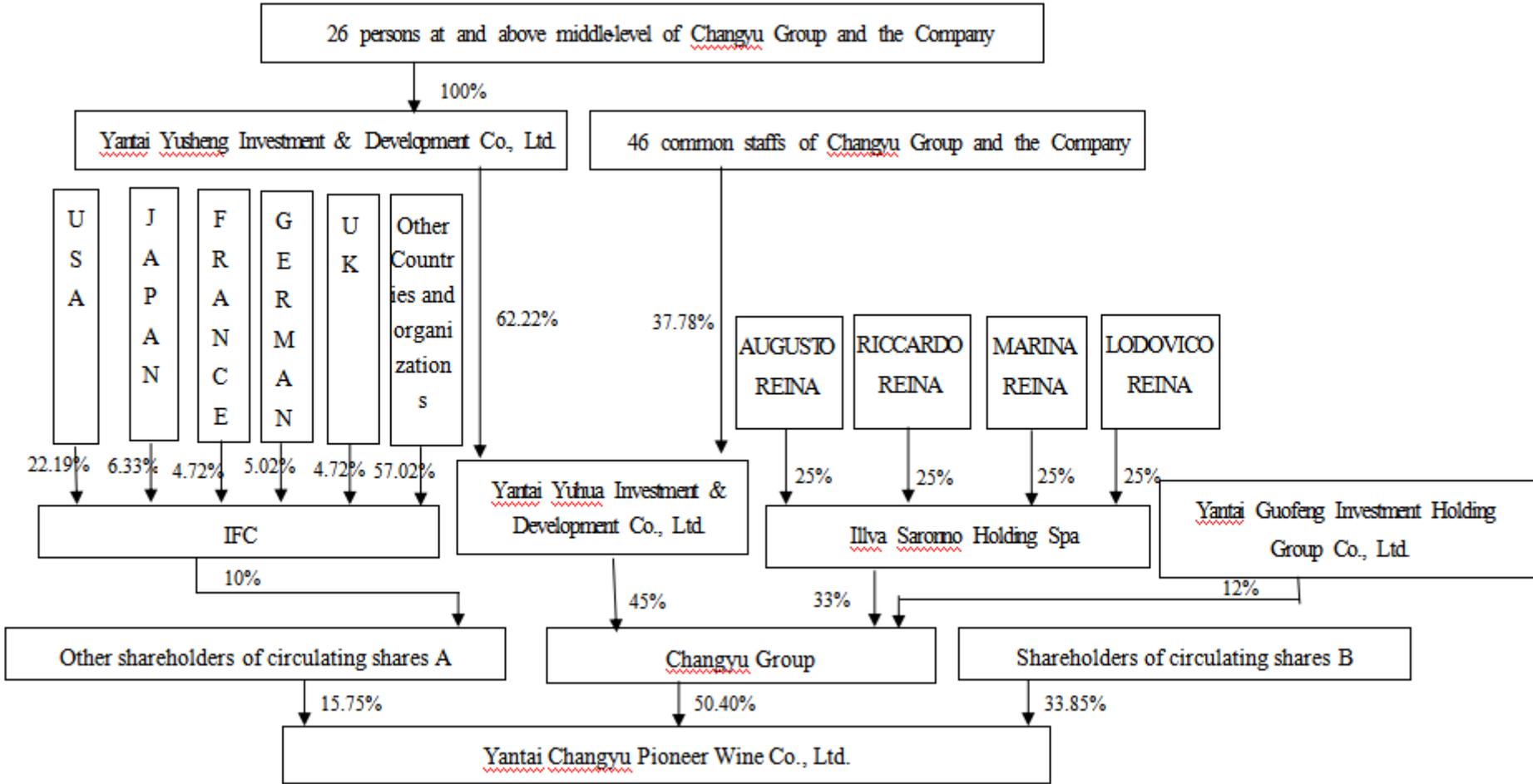
INDEX FUND						
The explanation for the associated relationship and accordant action	Among the top 10 shareholders, Yantai Changyu Group Company Limited has no associated relationship or accordant action relationship with the other 9 listed shareholders, while the relationship among the other shareholders is unknown.					
Explanation for shareholders who involved in financing activities and stock trading business (if have)	The top 10 shareholders did 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) Subsistent company bonds at the date when the annual report is approved to be disclosed

Available Not available

3. Major issues

No

**Yantai Changyu Pioneer Wine Co., Ltd.
Board of Directors
April 27, 2022**