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## TSINGTAO BREWERY COMPANY LIMITED

(a Sino-foreign joint stock limited company established in the People's Republic of China)

(Stock Code: 168)

### 2023 ANNUAL RESULTS ANNOUNCEMENT

The board of directors (the “Board”) of Tsingtao Brewery Company Limited (the “Company”) hereby presents the preliminary consolidated results of the Company and its subsidiaries (the “Group”) for the year ended 31 December 2023 (the “Reporting Period”) extracted from the audited consolidated financial statements of the Group prepared in accordance with the China Accounting Standards for Business Enterprises.

#### 1. FINANCIAL INFORMATION

(All amounts in RMB Yuan unless otherwise stated)

##### Consolidated Balance Sheet

ASSETS	Note	31 December 2023	31 December 2022
<b>Current assets</b>			
Cash at bank and on hand		19,282,104,642	17,854,931,855
Financial assets held for trading		1,924,078,158	2,683,817,846
Notes receivable		–	4,500,000
Accounts receivable	2	100,391,321	119,599,728
Advances to suppliers		210,975,136	281,866,630
Other receivables		184,367,739	682,770,179
Inventories		3,539,828,305	4,152,187,132
Current portion of non-current assets		28,432,377	–
Other current assets		4,341,747,852	6,222,809,869
<b>Total current assets</b>		<b>29,611,925,530</b>	<b>32,002,483,239</b>
<b>Non-current assets</b>			
Long-term equity investments		364,736,980	368,128,466
Other non-current financial assets		1,425,485,550	600,000
Investment properties		44,164,870	29,056,456
Fixed assets		11,145,718,923	11,009,077,139
Construction in progress		498,574,959	456,529,051
Right-of-use assets		119,546,878	154,916,167
Intangible assets		2,493,069,068	2,557,820,344
Goodwill		1,307,103,982	1,307,103,982
Long-term prepaid expenses		111,107,655	101,670,196
Deferred tax assets		2,025,849,104	2,250,079,564
Other non-current assets		108,727,850	74,235,192
<b>Total non-current assets</b>		<b>19,644,085,819</b>	<b>18,309,216,557</b>
<b>TOTAL ASSETS</b>		<b>49,256,011,349</b>	<b>50,311,699,796</b>

## Consolidated Balance Sheet (continued)

<b>LIABILITIES AND EQUITY</b>	<i>Note</i>	<b>31 December 2023</b>	31 December 2022
<b>Current liabilities</b>			
Short-term borrowings		–	225,411,423
Notes payable		<b>193,668,205</b>	198,056,961
Accounts payable	3	<b>2,952,827,066</b>	3,463,768,573
Contract liabilities		<b>7,691,295,634</b>	8,909,252,504
Employee benefits payable	4	<b>2,096,904,553</b>	2,180,772,440
Taxes payable		<b>343,503,981</b>	771,894,656
Other payables		<b>3,230,505,907</b>	3,394,613,087
Current portion of non-current liabilities		<b>50,250,346</b>	49,263,731
Other current liabilities		<b>359,524,000</b>	478,755,359
<b>Total current liabilities</b>		<b>16,918,479,692</b>	19,671,788,734
<b>Non-current liabilities</b>			
Lease liabilities		<b>63,393,018</b>	98,401,477
Long-term payables		<b>16,205,766</b>	16,283,766
Deferred income		<b>2,887,543,652</b>	3,132,390,832
Long-term employee benefits payable		<b>877,476,618</b>	918,404,801
Deferred tax liabilities		<b>238,165,428</b>	202,117,651
<b>Total non-current liabilities</b>		<b>4,082,784,482</b>	4,367,598,527
<b>Total liabilities</b>		<b>21,001,264,174</b>	24,039,387,261
<b>Equity</b>			
Share capital		<b>1,364,196,788</b>	1,364,232,790
Capital surplus		<b>4,207,455,611</b>	4,154,076,977
Less: Treasury stock		<b>(77,643,806)</b>	(171,854,660)
Other comprehensive income		<b>(81,061,345)</b>	(75,800,581)
Surplus reserve		<b>1,400,704,380</b>	1,400,704,380
General reserve		<b>301,761,292</b>	295,071,942
Undistributed profits	5	<b>20,334,065,296</b>	18,528,390,855
<b>Total equity attributable to shareholders of the Company</b>		<b>27,449,478,216</b>	25,494,821,703
Non-controlling interests		<b>805,268,959</b>	777,490,832
<b>Total equity</b>		<b>28,254,747,175</b>	26,272,312,535
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>49,256,011,349</b>	50,311,699,796

## Consolidated Income Statement

	Note	Year ended 2023	Year ended 2022
<b>I. Revenue</b>	6	<b>33,936,522,741</b>	32,171,565,624
<i>Less:</i> Cost of sales	6	<b>(20,816,889,655)</b>	(20,317,934,822)
Taxes and surcharges	7	<b>(2,386,660,732)</b>	(2,390,725,323)
Selling and distribution expenses		<b>(4,708,402,798)</b>	(4,199,502,747)
General and administrative expenses		<b>(1,519,063,042)</b>	(1,473,368,004)
Research and development expenses		<b>(100,637,006)</b>	(62,954,899)
Finance expenses		<b>457,124,855</b>	420,805,540
Including: Interest expenses		<b>(16,430,590)</b>	(9,237,800)
Interest income		<b>506,376,003</b>	459,661,656
<i>Add:</i> Other income		<b>391,115,874</b>	543,278,784
Investment income		<b>172,044,176</b>	169,903,657
Including: Share of profit of associates and a joint venture		<b>15,798,284</b>	19,873,379
Profits arising from changes in fair value (losses are listed with “-”)		<b>230,255,010</b>	164,354,223
Credit impairment losses (losses are listed with “-”)		<b>(14,306,494)</b>	11,144,534
Asset impairment losses (losses are listed with “-”)		<b>(82,853,720)</b>	(26,123,742)
Gains on disposals of assets (losses are listed with “-”)	8	<b>178,576,672</b>	(9,517,758)
<b>II. Operating profit</b>		<b>5,736,825,881</b>	5,000,925,067
<i>Add:</i> Non-operating income		<b>22,623,304</b>	20,345,173
<i>Less:</i> Non-operating expenses		<b>(13,041,883)</b>	(15,128,954)
<b>III. Total profit</b>		<b>5,746,407,302</b>	5,006,141,286
<i>Less:</i> Income tax expense	9	<b>(1,398,208,378)</b>	(1,201,419,808)
<b>IV. Net profit</b>		<b>4,348,198,924</b>	3,804,721,478
<b>Classified by continuity of operations</b>			
Net profit from continuing operations		<b>4,348,198,924</b>	3,804,721,478
Net profit from discontinued operations		-	-
<b>Classified by ownership of the equity</b>			
Attributable to shareholders of the Company		<b>4,267,851,406</b>	3,710,628,593
Attributable to non-controlling interests		<b>80,347,518</b>	94,092,885
<b>V. Other comprehensive income, net of tax</b>		<b>(4,872,548)</b>	(18,322,498)
Other comprehensive income attributable to shareholders of the Company, net of tax			
Items that will not be subsequently reclassified to profit or loss			
Changes arising from remeasurement of defined benefit plan		<b>(9,369,000)</b>	(7,457,000)
Items that will be subsequently reclassified to profit or loss			
Shares of other comprehensive income of investees accounted for using the equity method that will be subsequently reclassified to profit or loss		<b>193,842</b>	94,081
Currency translation differences		<b>3,914,394</b>	(8,805,122)
Other comprehensive income attributable to non-controlling interests, net of tax		<b>388,216</b>	(2,154,457)
<b>VI. Total comprehensive income</b>		<b>4,343,326,376</b>	3,786,398,980
Attributable to shareholders of the Company		<b>4,262,590,642</b>	3,694,460,552
Attributable to non-controlling interests		<b>80,735,734</b>	91,938,428
<b>VII. Earnings per share</b>	10		
Basic earnings per share (RMB Yuan)		<b>3.139</b>	2.736
Diluted earnings per share (RMB Yuan)		<b>3.132</b>	2.728

*Note:*

## 1 Basis of preparation

The financial statements are prepared in accordance with the Accounting Standards for Business Enterprises – Basic Standards, and the specific accounting standards and other relevant regulations issued by the Ministry of Finance on 15 February 2006 and in subsequent periods and the disclosure requirements in the Preparation Convention of Information Disclosure by Companies Offering Securities to the Public No.15 – General Rules on Financial Reporting issued by the China Securities Regulatory Commission.

The financial statements are prepared on a going concern basis.

The new Hong Kong “Companies Ordinance” came into effect on 3 March 2014. Certain matters relating to financial statement have been disclosed in accordance with the requirements of Hong Kong “Companies Ordinance”.

### Significant changes in accounting policies

The Ministry of Finance issued the Circular on Issuing Interpretation No. 16 of the Accounting Standards for Business Enterprises (hereinafter referred to as “Interpretation No. 16”). The Group and the Company adopted the new leasing standards since 1 January 2019, and recognised deferred income tax related to temporary differences arising from lease liabilities and right-of-use assets on a net basis. From 1 January 2023, the Group and the Company implemented Interpretation No. 16 which clarifies that deferred income taxes related to assets and liabilities arising from a specific single transaction are not applicable for initial recognition exemption, and recognised deferred tax assets and deferred tax liabilities separately for equal deductible temporary differences and taxable temporary differences arising from above transactions and disclosed the related information in the notes. The relevant disclosures in the notes as at 31 December 2022 are adjusted accordingly. The implementation of Interpretation No. 16 have no impact to the Group and the Company’s profit or losses for the year ended 31 December 2022, as well as the financial statements line items as at 1 January 2022 and 31 December 2022.

## 2 Accounts receivable

	<b>31 December 2023</b>	31 December 2022
Accounts receivable	<b>277,721,354</b>	297,637,369
<i>Less:</i> Provision for bad debts	<b>(177,330,033)</b>	(178,037,641)
	<b><u>100,391,321</u></b>	<b><u>119,599,728</u></b>

The majority of the Group’s domestic sales are made by advances from customers or banker acceptance notes. The remainders are providing credit terms from 30 to 100 days.

## 2 Accounts receivable (continued)

The ageing of accounts receivable based on their recording dates is analysed below:

	31 December 2023	31 December 2022
Within 1 year	100,395,481	119,595,685
1 to 2 years	–	38,937
2 to 3 years	38,202	1,300
3 to 4 years	–	–
4 to 5 years	–	–
Over 5 years	177,287,671	178,001,447
	<u>277,721,354</u>	<u>297,637,369</u>

Accounts receivable is mainly recorded based on the dates of transaction. The ageing of accounts receivable represented on their recording date is basically the same as the ageing represented on the dates of invoice.

## 3 Accounts payable

The ageing of accounts payable based on their recording dates is analysed as below:

	31 December 2023	31 December 2022
Within 1 year	2,939,758,192	3,448,520,398
1 to 2 years	4,211,803	7,146,485
2 to 3 years	3,809,463	912,839
Over 3 years	5,047,608	7,188,851
	<u>2,952,827,066</u>	<u>3,463,768,573</u>

Accounts payable is mainly recorded based on the dates of transaction. The ageing of accounts payable represented on their recording date is basically the same as the ageing represented on the dates of invoice.

#### 4 Employee benefits payable

	31 December 2023	31 December 2022
Short-term employee benefits payable	1,678,436,704	1,749,475,431
Defined contribution plans payable (i)	64,061,572	23,871,003
Termination benefits payable	327,581,277	382,451,799
Supplemental post-employment benefits payable	<u>26,825,000</u>	<u>24,974,207</u>
	<u><u>2,096,904,553</u></u>	<u><u>2,180,772,440</u></u>

- (i) The Group pays the basic pension and unemployment insurance to the local labor and social security departments monthly, following the demanding proportion and base. There are no forfeited contributions can be deducted against amounts due for employees in the current and future period.

#### 5 Dividend

Pursuant to the resolution at the annual general meeting dated 16 June 2023, the Company approved a cash dividend RMB 1.30 per share (tax included) and a special cash dividend of RMB 0.50 (tax included) per share to the shareholders of the Company, totaling a cash dividend of RMB 1.80 (tax included) per share for the year of 2022. Based on a total number of 1,364,232,790 issued shares, a total cash dividend of RMB 2,455,619,022 were distributed, the of which the affected amount of restricted shares' cash dividend is RMB 131,407 (2022: cash dividend of RMB 1.10 per share (tax included) to the shareholders of the Company of RMB 1,500,790,272 for the year of 2021, based on a total number of 1,364,354,793 issued shares, of which the affected amount of restricted shares is RMB225,705).

Pursuant to the resolution at the board meeting dated 26 March 2024, the Board proposed a cash dividend of RMB 2.00 per share (tax included) to the shareholders of the Company with RMB2,728,393,576 based on a total number of 1,364,196,788 shares as at 31 December 2023. Such dividend distribution is subject to the approval at the forthcoming annual general meeting.

#### 6 Revenue and cost of sales

	Year ended 31 December 2023	Year ended 31 December 2022
Revenue from main operation	33,405,795,047	31,697,342,623
Revenue from other operations	<u>530,727,694</u>	<u>474,223,001</u>
	<u><u>33,936,522,741</u></u>	<u><u>32,171,565,624</u></u>

**6 Revenue and cost of sales (continued)**

	Year ended 31 December 2023	Year ended 31 December 2022
Cost of main operation	(20,540,617,406)	(20,038,520,561)
Cost of other operations	(276,272,249)	(279,414,261)
	<u>(20,816,889,655)</u>	<u>(20,317,934,822)</u>

**7 Taxes and surcharges**

	Year ended 31 December 2023	Year ended 31 December 2022
Consumption tax	1,773,027,036	1,792,707,139
City maintenance and construction tax	255,452,674	250,307,469
Education surcharges	189,249,020	186,637,842
Real estate tax	66,395,951	65,177,298
Land use tax	58,097,040	57,084,421
Stamp duty	34,482,986	32,258,349
Others	9,956,025	6,552,805
	<u>2,386,660,732</u>	<u>2,390,725,323</u>

**8 Gains on disposals of assets**

	Year ended 31 December 2023	Year ended 31 December 2022
Gains on disposals of intangible assets	159,381,953	2,622,931
Gains/(Losses) on disposals of fixed assets	18,119,594	(12,935,494)
Gains on disposals of right-of-use assets	1,075,125	794,805
	<u>178,576,672</u>	<u>(9,517,758)</u>

## 9 Income tax expense

	Year ended 31 December 2023	Year ended 31 December 2022
Current income tax calculated according to tax law and related regulations in mainland China — China enterprise income tax	1,153,691,861	1,243,044,901
Current profits tax calculated according to tax law and related regulations in Hong Kong — Hong Kong profits tax	12,838,414	1,641,044
Current profits supplemental tax calculated according to tax law and related regulations in Macau — Macau profits supplemental tax	430,653	669,150
Deferred income tax	<u>231,247,450</u>	<u>(43,935,287)</u>
	<u><b>1,398,208,378</b></u>	<u><b>1,201,419,808</b></u>

The reconciliation from income tax calculated based on the applicable tax rates and total profit presented in the consolidated financial statements to the income tax expense is listed below:

	Year ended 31 December 2023	Year ended 31 December 2022
Total profit	<u>5,746,407,302</u>	<u>5,006,141,286</u>
Income tax expense calculated at applicable tax rates	1,434,869,290	1,249,649,535
Tax impact of equivalent sales and costs, expenses and losses not deductible for tax purpose	28,256,149	17,289,977
Income not subject to tax	(16,797,147)	(19,119,069)
Impact of utilisation of deductible tax losses and temporary differences from previously unrecognised deferred tax assets	(92,703,140)	(109,323,388)
Deductible temporary differences of currently unrecognised deferred tax assets	9,169,317	13,016,263
Deductible tax losses of currently unrecognised deferred tax assets	57,278,072	63,276,802
Extra deduction of research and development expenses	<u>(21,864,163)</u>	<u>(13,370,312)</u>
Income tax expense	<u><b>1,398,208,378</b></u>	<u><b>1,201,419,808</b></u>

## 9 Income tax expense (continued)

### *Hong Kong profits tax, Macau profits supplemental tax and Vietnam corporate income tax*

The Company's subsidiaries, Tsingtao Brewery Hong Kong Trading Co., Ltd, Asia Brewery (Macau) Co., Ltd and Tsingtao Brewery Vietnam Co., Ltd., were established in Hong Kong, Macau and Vietnam, applying Hong Kong profits tax, Macau profits supplemental tax and Vietnam corporate income tax respectively.

Hong Kong profits tax has been provided at the rate of 16.5% on the estimated assessable profit for the year. Macau profits supplemental tax is imposed on the estimated taxable profit for the year at a progressive rate scale ranging from 3% to 12%. Vietnam corporate income tax has been provided at the rate of 20% on the estimated assessable profit for the year.

## 10 Earnings per share

### *(a) Basic earnings per share*

Basic earnings per share is calculated by dividing consolidated net profit attributable to ordinary shareholders of the Company by the weighted average numbers of ordinary shares outstanding:

	Year ended 31 December 2023	Year ended 31 December 2022
Consolidated net profit attributable to shareholders of the Company	4,267,851,406	3,710,628,593
<i>Less:</i> Cash dividend of restricted shares expected to be vested in the future	<u>(7,972,553)</u>	<u>(9,779,624)</u>
Consolidated net profit attributable to ordinary shareholders of the Company	4,259,878,853	3,700,848,969
Weighted average numbers of ordinary shares outstanding	<u>1,357,202,238</u>	<u>1,352,799,223</u>
Basic earnings per share	<u><u>3.139</u></u>	<u><u>2.736</u></u>
Including:		
— Basic earnings per share from continuing operations:	3.139	2.736

## 10 Earnings per share (continued)

### (b) Diluted earnings per share

Diluted earnings per share is calculated by dividing consolidated net profit attributable to ordinary shareholders of the Company adjusted based on the dilutive potential ordinary share by the adjusted weighted average number of the Company's ordinary shares outstanding. In 2023, the restricted share incentive plan implemented by the Company has a dilutive effect on earnings per share, which is calculated as follows:

	Year ended 31 December 2023	Year ended 31 December 2022
Consolidated net profit attributable to ordinary shareholders of the Company	4,267,851,406	3,710,628,593
Weighted average numbers of ordinary shares outstanding	1,357,202,238	1,352,799,223
Weighted average number of ordinary shares increased due to share-based payment	5,266,974	7,609,171
Weighted average number of ordinary shares outstanding after dilution	<u>1,362,469,212</u>	<u>1,360,408,394</u>
Diluted earnings per share	<u>3.132</u>	<u>2.728</u>
Including:		
— Diluted earnings per share from continuing operations:	3.132	2.728

## 11 Segment information

As the Group is mainly engaged in the production and distribution of beer, etc. the reportable segments of the Group are business units operating in different regions. Different region requires different marketing strategies, and the Group, therefore, separately manages the production and operation of each reportable segment and evaluates their operating results respectively, in order to make decisions on resources allocation to these segments and to assess their performance.

Tsingtao Brewery Finance LLC. (“Finance Company”), the Group's subsidiary, is principally engaged in the financial businesses of wealth management and agency collection and payment for its members. Due to the unique business characteristics of Finance Company, the Group manages its operation independently and evaluates its operating results separately, to determine its resources allocation and assess its performance.

## 11 Segment information *(continued)*

The Group identified seven reportable segments as follows:

- Shandong region segment, responsible for the production and distribution in Shandong region and surrounding regions
- South China region segment, responsible for the production and distribution in South China region
- North China region segment, responsible for the production and distribution in North China region
- East China region segment, responsible for the production and distribution in East China region
- Southeast China region segment, responsible for the production and distribution in Southeast China region
- Hong Kong, Macau and other overseas region segment, responsible for the distribution in Hong Kong SAR, Macau SAR and other overseas regions
- Finance Company segment, engaged in the financial businesses of wealth management and agency collection and payment for its members

Inter-segment transfer pricing is based on mutually-agreed prices.

Assets are allocated based on the operation of the segments and the physical location of the assets. Liabilities are allocated based on the operation of the segments.

## 11 Segment information (continued)

(a) Segment information as at and for the year ended 31 December 2023 is as follows:

	Shandong Region	South China Region	North China Region	East China Region	Southeast China Region	Hong Kong, Macau and other overseas Regions	Finance Company	Unallocated	Elimination	Total
Revenue from external customers	20,866,332,836	2,859,744,421	6,106,656,158	2,503,928,088	892,139,372	698,044,791	366,201	9,310,874	-	33,936,522,741
Inter-segment revenue	3,522,459,866	847,801,438	1,991,780,256	343,047,679	7,132,768	290,056,707	12,294,379	33,152,159	(7,047,725,252)	-
Cost of sales	(16,235,240,699)	(2,522,156,307)	(5,702,699,057)	(2,038,137,889)	(644,744,611)	(725,428,085)	(531,826)	(40,784,702)	7,092,833,521	(20,816,889,655)
Selling and distribution expenses	(3,070,269,682)	(393,194,453)	(646,654,298)	(368,502,077)	(153,334,982)	(76,447,306)	-	-	-	(4,708,402,798)
Interest income	88,128,982	32,004,613	61,918,749	13,591,875	3,369,093	3,785,551	426,602,401	114,956,005	(237,981,266)	506,376,003
Interest expenses	(4,128,308)	(3,756,480)	(1,569,002)	(14,979,863)	(2,807,476)	(2,727,459)	(244,035,331)	-	257,573,329	(16,430,590)
Share of profits of associates and a joint venture	-	-	-	-	-	-	-	15,798,284	-	15,798,284
Credit impairment reversals/(losses)	(4,707,250)	(250)	(15,337,372)	-	-	(5,105)	5,743,483	(3,400,000)	3,400,000	(14,306,494)
Asset impairment losses	(59,440,847)	(4,681,360)	(5,690,455)	(13,016,724)	-	-	-	(212,224,334)	212,200,000	(82,853,720)
Depreciation and amortization	(535,122,282)	(142,663,191)	(236,564,411)	(136,288,924)	(34,891,425)	(2,850,647)	(1,741,285)	(92,061,963)	-	(1,182,184,128)
Total profit/(losses)	3,278,094,311	420,413,959	1,170,296,036	247,358,611	41,860,218	185,251,659	421,514,528	(300,279,372)	281,897,352	5,746,407,302
Income tax expense	(804,978,601)	(62,560,879)	(296,234,922)	(57,348,805)	(3,605,880)	(55,030,343)	(104,098,286)	-	(14,350,662)	(1,398,208,378)
Net profit/(losses)	2,473,115,710	357,853,080	874,061,114	190,009,806	38,254,338	130,221,316	317,416,242	(300,279,372)	267,546,690	4,348,198,924
Total assets	18,007,882,689	4,525,449,382	9,680,233,695	3,334,096,721	843,958,033	655,122,774	20,910,131,826	10,741,854,412	(19,442,718,183)	49,256,011,349
Total liabilities	13,075,226,259	2,000,683,377	4,762,732,242	2,396,479,253	474,255,218	368,948,301	17,252,657,772	187,781,893	(19,517,500,141)	21,001,264,174
Non-cash expenses other than depreciation and amortization	74,172,778	8,124,346	14,947,374	7,635,482	1,903,973	1,099,762	726,077	3,266,477	-	111,876,269
Long-term equity investments in associates and a joint venture	-	-	-	-	-	-	-	364,736,980	-	364,736,980
Additions of non-current assets (i)	892,870,476	102,912,843	302,262,913	46,505,387	2,625,097	1,528,694	2,305,668	152,996,834	(20,373,986)	1,483,633,926

(i) Non-current assets do not include financial assets, long-term equity investments and deferred tax assets.

## 11 Segment information (continued)

### (b) Segment information as at and for the year ended 31 December 2022 is as follows:

	Shandong Region	South China Region	North China Region	East China Region	Southeast China Region	Hong Kong, Macau and other overseas Regions	Finance Company	Unallocated	Elimination	Total
Revenue from external customers	19,338,419,626	2,724,838,170	5,892,008,341	2,562,248,581	916,259,041	714,565,660	15,549,095	7,677,110	–	32,171,565,624
Inter-segment revenue	3,395,887,277	767,816,685	2,078,280,801	292,369,336	8,140,643	468,822,296	13,578,067	32,001,040	(7,056,896,145)	–
Cost of sales	(15,329,233,273)	(2,381,882,901)	(5,620,814,292)	(2,106,126,887)	(672,550,224)	(1,026,845,834)	(79,630)	(38,163,207)	6,857,761,426	(20,317,934,822)
Selling and distribution expenses	(2,680,340,912)	(399,978,506)	(574,957,115)	(339,173,233)	(143,800,854)	(61,252,127)	–	–	–	(4,199,502,747)
Interest income	89,228,055	29,686,723	61,500,794	13,760,934	3,464,239	2,512,824	383,612,384	109,479,093	(233,583,390)	459,661,656
Interest expenses	(4,826,967)	(3,179,252)	(1,812,549)	(15,865,083)	(2,806,838)	(4,985,631)	(236,148,459)	–	260,386,979	(9,237,800)
Share of profits of associates and a joint venture	–	–	–	–	–	–	–	19,873,379	–	19,873,379
Credit impairment reversals/(losses)	8,953,081	(250)	(181,084)	–	–	(31,390)	2,240,697	(71,136,520)	71,300,000	11,144,534
Asset impairment losses	(16,892,457)	(2,468,331)	(3,470,556)	(2,747,218)	(202,284)	–	(157,799)	(185,097)	–	(26,123,742)
Depreciation and amortization	(489,420,835)	(146,147,337)	(231,590,174)	(141,231,208)	(33,628,736)	(4,224,497)	(2,013,484)	(77,222,974)	–	(1,125,479,245)
Total profit/(losses)	3,189,088,389	347,000,617	1,200,126,219	41,986,966	51,759,291	102,052,009	340,797,720	(91,922,058)	(174,747,867)	5,006,141,286
Income tax expense	(744,428,993)	(96,443,367)	(311,428,869)	(6,852,713)	(2,699,194)	(23,766,039)	(86,206,710)	59,845,422	10,560,655	(1,201,419,808)
Net profit/(losses)	2,444,659,396	250,557,250	888,697,350	35,134,253	49,060,097	78,285,970	254,591,010	(32,076,636)	(164,187,212)	3,804,721,478
Total assets	21,547,694,779	4,433,402,734	9,414,096,472	3,425,443,410	934,711,794	636,519,598	21,131,091,092	9,332,543,763	(20,543,803,846)	50,311,699,796
Total liabilities	14,986,490,257	2,276,582,449	5,224,981,460	2,919,947,039	595,806,172	624,318,289	17,791,759,358	177,009,639	(20,557,507,402)	24,039,387,261
Non-cash expenses other than depreciation and amortization	26,271,928	971,132	5,276,376	1,294,217	164,638	120,691	–	3,345,165	–	37,444,147
Long-term equity investments in associates and a joint venture	–	–	–	–	–	–	–	368,128,466	–	368,128,466
Additions of non-current assets (i)	1,389,197,364	73,078,204	182,426,118	86,256,530	10,288,889	2,201,190	686,954	97,003,257	(31,385,867)	1,809,752,639

(i) Non-current assets do not include financial assets, long-term equity investments and deferred tax assets.

## 11 Segment information (continued)

(c) *The Group's revenue from external customers in domestic and overseas markets, and the total non-current assets other than financial assets and deferred tax assets located domestically and in foreign countries or geographical areas are summarized as follows:*

	Year ended 31 December 2023	Year ended 31 December 2022
<b>Revenue from external customers</b>		
Mainland China	<b>33,046,718,088</b>	31,283,510,679
Hong Kong and Macau SAR	<b>199,115,083</b>	179,831,863
Other overseas regions	<b>690,689,570</b>	708,223,082
	<b><u>33,936,522,741</u></b>	<b><u>32,171,565,624</u></b>
<b>Total non-current assets</b>	<b>31 December 2023</b>	31 December 2022
Mainland China	<b>16,179,642,528</b>	16,044,851,478
Hong Kong and Macau SAR	<b>13,108,637</b>	13,685,515
	<b><u>16,192,751,165</u></b>	<b><u>16,058,536,993</u></b>

## II. DISCUSSION AND ANALYSIS MADE BY THE MANAGEMENT

### (I) Business Performance Review during the Reporting Period

In 2023, the domestic beer market presented a status of volatile consumption. Enterprises above designated size in the beer industry produced a total of 35.555 million kiloliters of beer, up 0.3% year-on-year (Data source: National Bureau of Statistics of China; statistic caliber: all industrial corporate enterprises with a principal business revenue of over RMB20 million per year).

During the Reporting Period, the Company continued to implement the high-quality development strategy. Driven by scientific and technological innovation, the Company accelerated digital transformation, enhanced innovative management on all fronts, and promoted high-end, intelligent, green, and whole-value chain development.

The Company leveraged the brand and quality advantages of Tsingtao Beer\* (青島啤酒) to proactively expand the market, deeply cultivated the strategic belt of “one vertical and two horizontal” markets, and consolidated and enhanced its advantaged position of the base market. The Company took active steps to expand the emerging markets, facilitated regional balanced development, strengthened regional network construction, and continuously optimised and improved management operation efficiency and cost management effectiveness. Meanwhile, the Company developed more sources of income and reduce expenditure, cut costs and increase efficiency, and took a combination of measures to achieve sustainable and sound growth of Company’s revenue. During the Reporting Period, the Company achieved sale of 8.007 million kiloliters of products, which generated revenue of RMB33.94 billion, up 5.5% year-on-year. The Company achieved realisation of RMB4.27 billion in net profit attributable to shareholders of the listed Company up 15% year-on-year.

During the Reporting Period, the Company continued to implement the brand strategy of “Tsingtao Beer as Core Brand + Laoshan Beer as Second Brand”. In celebration of the 120th anniversary of Tsingtao Beer, the Company focused on strengthening communication and promotion through resources, carrying out a series of marketing activities primarily focusing on the sports, music, and experience, creatively facilitated brand promotion and consumer experience, deepened and broadened connections between the brand and consumers, and upgraded the immersive brand experience model in all aspects to continuously increase the brand influence.

The Company expedited the “1+1+1+2+N” product mix development of Tsingtao Beer as the core brand, optimised upgrading of the product structure, and sped up the development of major single products, high-end fresh products, and ultra-high-end star products, thereby enabling a full spectrum of products to cover multiple channels, consolidating and boosting the Company’s competitive edge in mid-to-high-end markets. During the Reporting Period, there was continuous rapid growth in beer products such as Tsingtao Classic\* (青島經典) and Tsingtao White Beer\* (青島白啤). The Company launched new high-end fresh products, including Tsingtao Original Beer (1L)\* (青島啤酒1升精品原漿) and Tsingtao Draft (1L)\* (青島啤酒1升水

晶純生), and the “Fresh and Direct Delivery” mode satisfied consumers’ demand for fresh beer and propelled the continuous improvement of the Company’s product structure. During the Reporting Period, the Company achieved sale of a total of 4.56 million kiloliters of Tsingtao Beer, up 2.7% year-on-year. In particular, the sales volume of products above mid-to-high-end reached 3.24 million kiloliters, up 10.5% year-on-year, and the Company’s revenue per kiloliter increased by 6.4% year-on-year.

In the international market, the Company adhered to the positioning of high quality, high prices, and high visibility. It consolidated and improved its position in the overseas traditional advantaged markets, built a global strategic map that covers countries along the “Belt and Road” promoted international communication, and expanded distribution coverage in the global market. The Company’s products have been marketed in 120 countries and regions, continuously boosting the international influence of brand of Tsingtao Beer.

During the Reporting Period, the Company fully implemented digital solutions, with digital transformation as an important driver for high-quality development, oriented by demand, driven by data, and empowered by all forces. The Company made breakthroughs in the digitization of marketing and continuously improved management and operation efficiency by taking measures, including increasing the digital coverage depth for channels and upgrading the supply chain and the distributors’ network model.

During the Reporting Period, the Company persisted in being driven by innovation, accelerated the conversion of old and new growth drivers, and promoted high-quality development through high-quality projects. The Company focused on giving play to the demonstration role of the world’s first industrial internet “Lighthouse Brewery” in the beer industry and sped up the construction of large-scale, intelligent, and green plants. Projects have been commenced one after one, including a high-end and characteristic beer production base with an annual production capacity of 1 million kiloliters, a draft beer production base with an annual production capacity of 1 million kiloliters, and a high-end malt raw material base with an annual production capacity of 250,000 tons providing a solid foundation for the allure of quality.

## **(II) Core Competitiveness Analysis during the Reporting Period**

The brand “Tsingtao Beer”, owned by the Company, is one of the first batches of China’s ten well-known trademarks and has strong influence and high visibility in local and international markets. In 2023, “Tsingtao Beer” remained the top brand value in the Chinese beer industry with a brand value of RMB240.689 billion. The overall worth of brands such as “Tsingtao Beer”, “Laoshan Beer”, and “Hans Brewery” owned by the company has surpassed RMB380 billion (Data resource: World Brand Laboratory).

As a beer manufacturer with the longest history in China, the Company prioritizes product quality. Tsingtao Beer products have won several championships in domestic and foreign quality competitions as well as domestic and foreign customer recognition. The Company has boosted its major production equipment to the advanced international level through continuous improvement in recent years. Furthermore, by strengthening management and control of raw materials, production process, technologies, and operation procedures, the Company has ensured food safety and excellent product quality and maintained the consistency of product taste.

The Company spent RMB600 million on building the Tsingtao Beer Science and Technology Research and Development Center\* (青島啤酒科技研發中心), an innovative platform with leading technology R&D capabilities in the global brewing industry. The Company accelerated the development of a new high ground for beer brewing technology research with global influence, a new high ground for training high-calibre international talents for beer brewing, a new high ground for multi-disciplinary international academic exchanges in beer brewing, and a new high ground for global beer culture communication and consumer experience. The Company possesses the State Key Laboratory of Biological Fermentation Engineering of Beer\* (啤酒生物發酵國家重點實驗室), the only national key laboratory in the beer industry in China. It also has China's first-class R&D platform, a high-caliber R&D team, and a domestic leading capability for basic research. The Company has also developed a number of core technologies with proprietary intellectual property right and maintained its technologically leading position in the domestic beer market. In recent years, the Company has launched a series of Tsingtao Beer products, such as "Century Legend", "Tsingtao Centennial Journey", "Amber Lager", "Augerta", "Hong Yun Dang Tou", "Classic 1903", "Keg Original Beer", "Pearson" and "Tsingtao IPA", being innovative products with distinctive characteristics that fit market needs, which led the consumption trend for high-end beer products and further improved the Company's brand image.

Industrial tourism and consumer experience bases such as The World of Tsingtao\*(青島啤酒博物館) and the TSINGTAO 1903 bar allowed consumers to have an immersive experience of Tsingtao Brewery's history, culture, and attractive quality, thus substantially improving its brand influence and product reputation.

The Company boasts production bases all over China, a comprehensive supply chain system, and a network that covers major markets in China with a global reach. Its business has expanded to 120 countries and regions globally. The Company has continued to strengthen market promotion and deepen the construction of market network, promote collaborative operation between manufacturers, and optimise the division of labor in the marketing value chain. It has steadily strengthened its ability to maintain and serve end customers, consolidated its competitive edge in the base market, and expanded market share in the emerging markets, and pushed for continual improvement in its market operation capacity and profitability.

### **(III) Future Prospects**

#### ***(I) Structure and Trend of the Industry***

China's beer market is the world's largest market for beer production and consumption. Affected by factors such as the economy and population, the industry has entered a stage of stable development, with increasing industrial concentration and an increasingly clear-cut competitive landscape in each region.

Through scientific and technological innovation and digital transformation, domestic beer enterprises are accelerating the high-end, intelligent, and green development of the beer industry, improving production and operation efficiency, and cutting system operation costs in a bid to meet consumer demand as starting point.

The diversification of consumer demand and the change in consumption habits are causing changes in the structure of the beer industry. Beer consumption channels and consumption scenarios are presenting a diversified development. Mid-to-high-end products that better meet consumer demand have been ushered in development opportunities and maintained good momentum for growth. There is substantial room for improvement in the overall profit level of the beer industry. Beer enterprises are also beginning to bring relevant diversified development up to the strategic level. They step into non-beer businesses by ways such as launching new products, seeking mergers and acquisitions, and partnering with other companies, providing new growth drivers for stable development on a long-term basis.

## ***(II) The Company's Development Strategy***

The Company steadfastly promotes a high-quality development strategy. Targeting demand for high-quality, diversified, featured, and scenario-based consumer consumption, the Company capitalizes on its platforms and resources, including its brands, products, technology, technologies, and production bases, channels, and networks that cover the market nationwide, and adopts active growth tactics to make improvements while ensuring stable growth and to improve quality while making improvements. The Company upholds the principle of promoting quality and efficiency for the traditional industry through scientific and technological innovation and shapes new edges for high-quality development through high-end, intelligent, and green development. The Company uses advanced and applicable technologies to explore new paths for reducing carbon throughout the whole industrial chain, continues to foster new quality productive forces, and drives new industrialization through the integration of digital technologies and the real economy.

The Company takes “Create Happiness for Life” as its mission and “High Quality, Sustainability, and Advances with the Times” as its development concept. The Company is building more competitive product portfolios to increase its brand influence in all aspects. It continuously develops the base market strategic belt at the provincial level, fosters attractive quality, promotes the large-scale, intelligent, smart, and green development of production bases, proactively and steadily drives carbon neutralization, and constantly optimizes value chain costs etc. By taking these measures, the Company strives to strengthen and improve the beer business as its primary business, further accelerates high-quality corporate development, and expedites the building of a global top enterprise with “Excellent Products, Excellent Brands, Leading Innovation, and Modern Governance”.

## ***(III) Business Plan***

The Company will grasp favorable opportunities brought by consumption upgrades in the domestic market, focus on its primary business of selling beer products, capitalize on the brand and quality edges of Tsingtao Beer, proactively drive the upgrading of its product structure, improve product quality, and step up efforts in market expansion to achieve sustainable and high-quality development.

The Company will take advantage of its production and sales network that covers major markets in China, as well as a comprehensive supply chain system, accelerate the development of “one vertical and two horizontal” strategic belts, continuously intensify market promotion, and deepen the building of a market sales network to consolidate its dominant position on the base market and expand its market share of the emerging market, and drive continuous improvement in its market operation capacity and profitability. In the global market, the Company will adhere to high quality, high prices, and high visibility, expand distribution coverage and brand communication in the foreign markets, and constantly enhance the international brand profile of Tsingtao Beer.

The Company will continue to implement the brand strategy of “1+1” (Tsingtao Beer + Laoshan Beer), promoting continuous optimisation and upgrading in brand structure, and consolidate and enhance its competitive edge in mid-to-high-end markets. Focusing on marketing through sports, music, and experience, the Company will lead a new marketing trend for the diversification of consumption scenarios under the backdrop of consumption upgrading through an immersive brand promotion model on all fronts, and further build new business forms, models, and scenarios to meet consumers’ multi-level demands.

The Company will strengthen systematic innovation, guided by scientific and technological innovation. It will promote digital transformation on all fronts, upgrade and speed up digital and intelligent manufacturing, push for the progress of intelligent manufacturing projects, and build a whole-chain and end-to-end digital ecosystem and a smart supply chain system to shape new competitive edges. The Company will steadfastly enable green transformation through innovation, practice the environmental concept of “for a better world,” and make maximum efforts to promote environmental protection, low-carbon management, and a circular economy.

In 2024, the Company will face multiple pressures and challenges, including the complicated and changeable external market environment and slow growth. In this context, the Company will stay confident under the Board’s leadership, forge ahead, grasp favorable opportunities brought by the new round of technological revolutions and consumption upgrades, as well as by continuing trends such as the upgrading, diversification, and customization of the beer industry, to resolutely strengthen and optimise its beer business as the primary business, drive continuous improvement in its market operation capacity and profitability, achieve high-quality development, and create higher values for its shareholders.

#### ***(IV) Potential Business Risks***

In the future, the growth of the domestic beer market might be affected by uncertainties such as consumption and climate change.

With the diversified, customized, and scenario-based trend of domestic consumption demand for beer, consumers' demand for high-quality products will keep growing. Hence, enterprises will continue to increase spending on the development of mid-to-high-end products, thereby launching new products and new packages. They will prioritize the improvement of product and service quality and build up their brand image. The current increasing domestic beer market concentration will further intensify market competition for domestic mid-to-high-end products, resulting in a continuous increase in advertising, promotion, and other related expenses. Changes in costs will also affect the Company's future sales volume, revenue, and profits.

### **III. SHARE CAPITAL**

Neither the Company nor its affiliates purchased, sold, or redeemed any of the Company's listed securities during the Reporting Period, with the exception of the repurchase and cancellation of restricted shares as described in "Significant Events" of this announcement.

### **IV. FINAL DIVIDEND DISTRIBUTION PROPOSAL**

The Board proposes the distribution of the final dividend of the Company for the year ended 31 December 2023, and the amount shall be RMB2.00 per share in cash (taxes included). Dividend distribution proposal shall be subject to the consideration and approval at the Company's 2023 annual general meeting, and the final dividend is expected to be distributed to the shareholders on 9 August 2024. Information in relation to the period for the closure of register of members for H-share shareholders of the Company will be set out in the notice of annual general meeting to be published by the Company separately.

### **V. CORPORATE GOVERNANCE**

The Company is committed to maintaining a high level of corporate governance. For the year ended 31 December 2023, the Company had complied with the provisions of the Corporate Governance Code contained in Appendix C1 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Listing Rules"). Details of the corporate governance practices of the Company will be set out in the annual report for 2023.

## **VI. AUDITOR’S COPE OF WORK**

The figures in respect of the Group’s consolidated balance sheet, consolidated income statement and the related notes for the year ended 31 December 2023 as set out in this preliminary announcement this preliminary announcement of the Group’s results for the year ended 31 December 2023 have been agreed by the Group’s auditor, PricewaterhouseCoopers Zhong Tian LLP (“PwC”), to the amounts set out in the Group’s audited consolidated financial statements for the year. The work performed by PwC in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by PwC on this preliminary results announcement.

## **VII. AUDIT AND INTERNAL CONTROL COMMITTEE**

The audit and internal control committee is subordinated to the Board of Directors in conformity with Rule 3.21 of the Listing Rules. The Group’s audited annual financial statements for the fiscal year as at 31 December, 2023 have been reviewed and approved by the audit and internal control committee.

## **VIII. SIGNIFICANT EVENTS**

### **(I) Unlocking and Listing of Restricted Shares under the Incentive Plan**

1. At the second extraordinary meeting of 2023 of the tenth session of the Board and the first extraordinary meeting of 2023 of the tenth session of the Board of Supervisors held by the Company on 5 May 2023, the “Proposal on Fulfillment of the Unlocking Conditions for the First Unlocking Period under the Reserved Grant of the Restricted Shares under the Restricted A Share Incentive Plan” was reviewed and approved. The first unlocking period under the reserved grant under the Incentive Plan has expired and the corresponding conditions for unlocking the restricted shares under the Incentive Plan have been fulfilled. It is therefore agreed that the Company shall deal with the unlocking matters in relation to the 33 qualified participants with a total of 96,667 restricted shares.
2. At the fifth extraordinary meeting of 2023 of the tenth session of the Board and the second extraordinary meeting of 2023 of the tenth session of the Board of Supervisors held by the Company on 10 July 2023, the “Proposal on Fulfillment of the Unlocking Conditions for the Second Unlocking Period under the First Grant of the Restricted Shares under the Restricted A Share Incentive Plan” was reviewed and approved. The second unlocking period under the first grant under the Incentive Plan has expired and the corresponding conditions for unlocking the restricted shares under the Incentive Plan has been fulfilled. It is therefore agreed that the Company shall deal with the relevant matters in relation to the 612 qualified participants with a total of 4,328,702 restricted shares. The listing and circulation time of the unlocked shares is 24 July 2023. The directors and senior management of the Company, among the incentive subjects, shall abide by the relevant regulations when holding and trading the Company’s shares upon release of the restricted shares.

For more details of the unlocking and listing of restricted shares under the Incentive Plan, please refer to the relevant announcements of the Company published on 5 May, 22 May, 10 July and 18 July 2023.

## **(II) Repurchase and Cancellation of Some Restricted Shares**

The Board considered and approved the “Proposal on the Company’s Repurchase and Cancellation of Some Restricted A Shares under the Incentive Plan” on 17 October 2023 as 7 Company participants had their labor relationship with the Company terminated upon negotiation, resigned due to personal reasons, died of illness or failure in performance assessment, causing changes to the individual circumstances as the participants of the Company, it was proposed to repurchase or cancel some or all of the Company’s restricted A shares that have been granted to the 7 participants but have not yet been released from lockup in accordance with relevant provisions of the Incentive Plan. There were a total of 36,002 shares. Registration procedures for the aforementioned repurchase and cancellation were completed on 21 December 2023. The Company’s total share capital was reduced from 1,364,232,790 to 1,364,196,788.

For additional information, please refer to the relevant announcements of Company published on 17 October and 18 December 2023.

## **(III) Other Significant Events during the Reporting Period**

### ***1. Integration and Liquidation of a Subsidiary***

The project concerning the integration and liquidation of Tsingtao Brewery (Yingcheng) Co. Ltd. (“Tsingtao Yingcheng”) Tsingtao Yingcheng\* (青島啤酒(應城)有限公司) was considered and approved by the Board on 24 April 2023. Procedures for the capital increase of RMB50 million for Tsingtao Yingcheng were completed in May 2023. The liquidation procedures commenced on 2 June 2023. So far, procedures for the termination of all employees’ labor relations with Tsingtao Yingcheng have been completed; the fixed assets and land have yet to be disposed of.

### ***2. Progress of a New Expansion Project in a Subsidiary***

- 1) Tsingtao Brewery Factory No. 2’s project concerning production base of 1 million kiloliters of draft beer was considered and approved by the Board on 22 March 2023. The project budget is approximately RMB666.65 million, and the project fund is allocated by the Company. The original building has been demolished, and the construction planning permit has been obtained.
- 2) Tsingtao Brewery Factory No. 5’s project concerning a production base of 1 million kiloliters of craft beer was considered and approved by the Board on 22 March 2023. The project budget is approximately RMB1,358.53 million, and the fund is allocated by the Company. The project team has been set up, and construction is expected to commence in March 2024.

- 3) Tsingtao Brewery's R&D and innovation base project operations and Phase II optimization proposal were considered and approved by the Board on 22 March 2023. The project budget is approximately RMB201.5 million. The requisite fund is provided by the Company by increasing the registered capital of Tsingtao Brewery Science and Technology Research Center Co., Ltd.\* (青島啤酒科技研發中心有限公司) by RMB100 million, and the remaining fund is provided by the Company through entrusted loans. During the Reporting Period, procedures for the capital increase have been completed. The R&D and innovation base is expected to be put into use within this year.

Upon completion, the above new construction and expansion projects can further increase the Company's capacity for supplying high-end products. Through the digital and intelligent upgrading of factories, the projects will meet market and consumer demands for customized products.

**3. *The Company's corporate-level reduction project was considered and approved by the Board on 25 August 2023. Adjustments to the shareholding of the Company's holding subsidiaries during the Reporting Period:***

- 1) Lianyungang Company\* (青島啤酒(連雲港)有限公司): the Company increased the capital of Lianyungang Company by RMB212.2 million, from RMB166,093,523 to RMB378,293,523. Changes in shareholders: the Company's contribution is RMB212.2 million, accounting for 56.09% of the capital; Tsingtao Brewery (Shanghai) Investment Co.,Ltd.\* (青島啤酒(上海)投資有限公司)'s contribution is RMB166,093,523, accounting for 43.91% of the capital.
- 2) Gansu Company\* (青島啤酒(甘肅)農墾股份有限公司): Tsingtao Brewery Xi'an Hans Group\* (青島啤酒西安漢斯集團有限公司) transferred to the Company 50% of Gansu Company's shares it held at its net book value. Upon the transfer, Gansu Company's share structure is as follows: the Company holds 50% of the shares; Tsingtao Brewery Weinan\* (青島啤酒渭南有限責任公司), a subsidiary of the Company, holds 5.06% of the shares; and the other three external shareholders hold 44.94% of the shares.

**4. *Events after the Reporting Period***

- 1) Tsingtao Weifang\* (青島啤酒(濰坊)有限公司)'s 600,000-kiloliter relocation and new construction project was considered and approved on 27 December 2023. It is approved that a new branch be established in Weifang, Shandong, with a registered capital of RMB300 million. A new construction project with an annual beer production capacity of 600,000 kilo liters is established. The investment budget is RMB849.23 million. The construction fund comes from government support grants and the deficiency comes from the registered capital of the new company. The name of the new company is Tsingtao Brewery (Weifang) Manufacturing Co., Ltd.\* (青島啤酒(濰坊)製造有限公司), which was established on 17 January 2024. It is wholly owned by the Company.

- 2) The project concerning the purchase of 20% of the shares of Tsingtao Brewery (Anshan) Co., Ltd.\* (青島啤酒(鞍山)有限公司) held by minority shareholders was considered and approved by the Board on 4 March 2024. It is approved that the Company accept the transfer of 20% of the shares of Tsingtao Brewery (Anshan) Co., Ltd. (hereinafter referred to as “Anshan Company”) from Bajiaotai Construction Investment Group Co., Ltd.\* (台安八角台建設投資集團有限責任公司) (hereinafter referred to as “Bajiaotai Construction Company”) for consideration of RMB18.065 million. The two parties have entered into a share transfer contract, and procedures for the change were completed on March 15, 2024. Upon the share transfer, the Company holds 80% of the shares of Anshan Company, and Bajiaotai Construction Company holds 20% of the shares of Anshan Company.

#### **(IV) Others**

During the Reporting Period, the Company did not involve in any material litigation or arbitration.

By Order of the Board of Directors  
**Tsingtao Brewery Company Limited**  
**HUANG Ke Xing**  
*Chairman*

Qingdao, the People’s Republic of China  
26 March 2024

*Directors of the Company as at the date of announcement are:*

*Executive Directors:* Mr. HUANG Ke Xing (Chairman), Mr. JIANG Zong Xiang,  
Mr. WANG Rui Yong and Mr. HOU Qiu Yan

*Independent Non-Executive Directors:* Mr. XIAO Geng, Mr. SHENG Lei Ming, Mr. JIANG Xing Lu,  
Ms. Rania ZHANG and Mr. SONG Xue Bao

*\* For identification purposes only*