



TSINGTAO

青島啤酒

青島啤酒股份有限公司
TSINGTAO BREWERY CO., LTD.

(Stock Code 股份代號 : 168)

2024
中期報告
INTERIM REPORT



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TSINGTAO BREWERY COMPANY LIMITED
CONSOLIDATED AND THE COMPANY'S BALANCE SHEETS

AS AT 30 JUNE 2024

Item	Notes	RMB			
		30 June 2024 Consolidated	31 December 2023 Consolidated	30 June 2024 the Company	31 December 2023 the Company
Current Assets:					
Cash and bank balances	(V) 1	24,466,683,530	19,282,104,642	8,651,199,032	8,876,231,346
Held-for-trading financial assets	(V) 2	2,812,664,867	1,924,078,158	2,532,863,973	1,100,355,616
Notes receivable	(V) 3	7,700,000	-	7,700,000	-
Accounts receivable	(V) 4, (XVII) 1	139,704,633	100,391,321	1,813,449,309	1,489,996,291
Prepayments	(V) 5	208,257,340	210,975,136	82,579,446	84,435,261
Other receivables	(V) 6, (XVII) 2	139,253,465	184,367,739	826,716,101	51,819,117
Including: Dividends receivable		7,775,267	-	764,575,267	6,800,000
Inventories	(V) 7, (XVII) 3	2,212,682,443	3,539,828,305	626,237,146	1,691,282,802
Non-current assets due within one year	(V) 8	30,961,440	28,432,377	-	-
Other current assets	(V) 9	1,785,240,150	4,341,747,852	46,769,590	492,047,233
Total Current Assets		31,803,147,868	29,611,925,530	14,587,514,597	13,786,167,666
Non-current Assets:					
Debt investments		-	-	139,165	170,683
Long-term equity investments	(V) 10, (XVII) 4	363,866,800	364,736,980	11,582,411,781	11,460,881,759
Other non-current financial assets	(V) 11	2,492,382,750	1,425,485,550	-	-
Investment properties	(V) 12	40,988,219	44,164,870	25,316,082	25,137,839
Fixed assets	(V) 13	10,819,770,472	11,145,718,923	2,356,284,807	2,427,838,479
Construction in progress	(V) 14	794,852,873	498,574,959	255,760,336	161,847,027
Right-of-use assets	(V) 15	128,943,147	119,546,878	50,834,354	50,372,171
Intangible assets	(V) 16	2,600,532,714	2,493,069,068	529,727,705	548,581,977
Goodwill	(V) 17	1,307,103,982	1,307,103,982	-	-
Long-term prepaid expenses	(V) 18	95,470,028	111,107,655	15,817,031	19,183,122
Deferred tax assets	(V) 19	2,109,812,009	2,025,849,104	1,288,699,171	1,301,856,358
Other non-current assets	(V) 20	249,039,103	108,727,850	1,138,313,247	69,572,073
Total Non-current Assets		21,002,762,097	19,644,085,819	17,243,303,679	16,065,441,488
TOTAL ASSETS		52,805,909,965	49,256,011,349	31,830,818,276	29,851,609,154

TSINGTAO BREWERY COMPANY LIMITED

CONSOLIDATED AND THE COMPANY'S BALANCE SHEETS (Cont'd)

AS AT 30 JUNE 2024

Item	Notes	30 June	31 December	30 June	RMB
		2024	2023	2024	31 December
		Consolidated	Consolidated	the Company	the Company
Current Liabilities:					
Notes payable	(V) 21	277,279,953	193,668,205	96,271,161	98,099,406
Accounts payable	(V) 22	4,343,065,654	2,952,827,066	5,381,641,660	3,440,168,162
Contract liabilities	(V) 23	5,560,277,517	7,691,295,634	4,174,744,481	6,197,478,683
Employee benefits payable	(V) 24	2,124,369,677	2,096,904,553	876,200,599	897,670,549
Taxes payable	(V) 25	1,030,681,162	343,503,981	135,427,128	50,894,110
Other payables	(V) 26	5,988,423,007	3,230,505,907	3,780,135,884	1,173,002,823
Including: Dividends payable		2,737,724,864	-	2,728,393,576	-
Non-current liabilities due within one year	(V) 27	51,024,657	50,250,346	26,262,114	23,437,186
Other current liabilities	(V) 28	106,860,300	359,524,000	79,101,098	322,825,851
Total Current Liabilities		19,481,981,927	16,918,479,692	14,549,784,125	12,203,576,770
Non-current Liabilities:					
Lease liabilities	(V) 29	71,065,190	63,393,018	16,224,165	15,676,430
Long-term payables	(V) 30	16,166,766	16,205,766	-	-
Long-term employee benefits payable	(V) 31	831,842,506	877,476,618	615,069,028	616,771,558
Deferred income	(V) 32	2,951,110,293	2,887,543,652	301,612,235	313,334,796
Deferred tax liabilities	(V) 19	238,134,357	238,165,428	-	-
Total Non-current Liabilities		4,108,319,112	4,082,784,482	932,905,428	945,782,784
TOTAL LIABILITIES		23,590,301,039	21,001,264,174	15,482,689,553	13,149,359,554
Shareholders' Equity					
Share capital	(V) 33	1,364,196,788	1,364,196,788	1,364,196,788	1,364,196,788
Capital reserve	(V) 34	4,228,171,063	4,207,455,611	5,293,375,615	5,271,029,372
Less: Treasury shares	(V) 35	67,284,191	77,643,806	67,284,191	77,643,806
Other comprehensive income	(V) 36	(80,885,210)	(81,061,345)	(87,446,000)	(87,446,000)
Surplus reserve	(V) 37	1,400,704,380	1,400,704,380	1,400,704,380	1,400,704,380
General risk reserve	(V) 38	301,761,292	301,761,292	-	-
Retained profits	(V) 39	21,247,324,492	20,334,065,296	8,444,582,131	8,831,408,866
Total equity attributable to shareholders of the Company		28,393,988,614	27,449,478,216	/	/
Minority interests		821,620,312	805,268,959	-	-
TOTAL SHAREHOLDERS' EQUITY		29,215,608,926	28,254,747,175	16,348,128,723	16,702,249,600
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		52,805,909,965	49,256,011,349	31,830,818,276	29,851,609,154

The accompanying notes form an integral part of the financial statements.

Legal Representative:
Huang, Kexing

Chief Financial Officer:
Hou, Qiuyan

Head of Accounting Department:
Sun, Zhuohan

TSINGTAO BREWERY COMPANY LIMITED
CONSOLIDATED AND THE COMPANY'S INCOME STATEMENTS

FOR THE PERIOD FROM 1 JANUARY 2024 TO 30 JUNE 2024

Item	Notes	RMB			
		January to June 2024 Consolidated	January to June 2023 Consolidated	January to June 2024 the Company	January to June 2023 the Company
I. Operating income	(V) 40, (XVII) 5	20,068,307,930	21,591,789,633	15,591,477,476	16,286,105,019
Less: Operating costs	(V) 40, (XVII) 5	11,719,203,916	13,126,371,443	11,725,097,270	12,581,264,619
Taxes and levies	(V) 41	1,344,517,938	1,421,970,263	389,259,467	404,778,904
Selling expenses	(V) 42	2,169,269,528	2,387,993,047	1,307,588,392	1,290,391,607
Administrative expenses	(V) 43	666,502,368	654,978,678	232,530,809	249,894,430
Research and development expenses	(V) 44	29,405,848	22,160,455	29,405,848	22,160,455
Financial expenses	(V) 45	(290,996,043)	(223,129,607)	(66,739,688)	(55,680,611)
Including: Interest expenses		11,174,771	4,259,760	970,640	-
Interest income		315,777,423	236,690,677	77,207,922	59,257,392
Add: Other income	(V) 46	286,034,209	169,697,462	32,512,293	17,743,558
Investment income	(V) 47, (XVII) 6	61,406,766	93,039,790	808,065,594	659,339,680
Including: Income from investments in associates and joint ventures		19,983,389	18,533,007	16,773,013	17,014,499
Gains from changes in fair value	(V) 48	137,218,767	127,479,565	32,508,356	82,027,397
Gains from credit impairment	(V) 49	195,277	711,665	7,535,302	298,330
Losses on asset impairment (Losses) Gains on disposal of assets	(V) 50 (V) 51	(3,026,192) (189,507)	(1,189,427) 11,092,590	- 396,144	(49,817) 9,805,067
II. Operating profit		4,912,043,695	4,602,276,999	2,855,353,067	2,562,459,830
Add: Non-operating income	(V) 52	4,213,577	7,886,606	669,613	3,304,216
Less: Non-operating expenses	(V) 53	6,622,709	6,043,569	121,211	127,044
III. Total profit		4,909,634,563	4,604,120,036	2,855,901,469	2,565,637,002
Less: Income tax expenses	(V) 54	1,188,505,811	1,122,838,779	514,334,628	485,095,347
IV. Net profit		3,721,128,752	3,481,281,257	2,341,566,841	2,080,541,655
(I) Classified by continuity of operations:					
1. Net profit from continuing operations		3,721,128,752	3,481,281,257	2,341,566,841	2,080,541,655
(II) Classified by ownership of the equity:					
1. Net profit attributable to shareholders of the Company		3,641,652,772	3,425,652,286	-	-
2. Profit or loss attributable to minority interests		79,475,980	55,628,971	/	/

TSINGTAO BREWERY COMPANY LIMITED

CONSOLIDATED AND THE COMPANY'S INCOME STATEMENTS (Cont'd)

FOR THE PERIOD FROM 1 JANUARY 2024 TO 30 JUNE 2024

Item	Notes	<i>RMB</i>			
		January to June 2024 Consolidated	January to June 2023 Consolidated	January to June 2024 the Company	January to June 2023 the Company
V. Other comprehensive income, net of tax		214,504	5,824,235	-	-
(I) Other comprehensive income attributable to owners of the Company, net of tax		176,135	7,174,606	-	-
1. Other comprehensive income that will be reclassified to profit or loss		176,135	7,174,606	-	-
(1) Other comprehensive income that will be reclassified to profit or loss under the equity method		(108,885)	272,018	-	-
(2) Translation differences of financial statements denominated in foreign currencies		285,020	6,902,588	-	-
(II) Other comprehensive income (loss) attributable to minority interests, net of tax		38,369	(1,350,371)	/	/
VI. Total comprehensive income		<u>3,721,343,256</u>	<u>3,487,105,492</u>	<u>2,341,566,841</u>	<u>2,080,541,655</u>
Total comprehensive income attributable to owners of the Company		3,641,828,907	3,432,826,892	2,341,566,841	2,080,541,655
Total comprehensive income attributable to minority interests		<u>79,514,349</u>	<u>54,278,600</u>	/	/
VII. Earnings per share					
(I) Basic earnings per share (RMB/Share)	(V) 55	2.672	2.516	/	/
(II) Diluted earnings per share (RMB/Share)	(V) 55	2.672	2.515	/	/

The accompanying notes form an integral part of the financial statements.

Legal Representative:
Huang, Kexing

Chief Financial Officer:
Hou, Qiuyan

Head of Accounting Department:
Sun, Zhuohan

TSINGTAO BREWERY COMPANY LIMITED
CONSOLIDATED AND THE COMPANY'S CASH FLOW STATEMENTS

FOR THE PERIOD FROM 1 JANUARY 2024 TO 30 JUNE 2024

	January to June 2024	January to June 2023	January to June 2024	RMB January to June 2023
Notes	Consolidated	Consolidated	the Company	the Company
I. Cash Flows from Operating Activities:				
Cash receipts from the sales of goods and the rendering of services	20,708,991,798	21,163,135,135	15,272,830,764	15,347,675,354
Receipts of tax refunds	18,723,526	2,971,662	5,856,392	797,480
Other cash receipts relating to operating activities (V) 56 (1)	735,366,385	527,646,468	184,203,788	125,506,660
Sub-total of cash inflows from operating activities	21,463,081,709	21,693,753,265	15,462,890,944	15,473,979,494
Cash payments for goods purchased and services received	8,516,220,206	9,422,808,092	9,679,519,090	10,029,927,488
Cash payments to and on behalf of employees	2,618,603,397	2,593,999,484	937,879,210	946,556,266
Payments of various types of taxes	2,851,272,881	3,328,402,216	1,002,651,616	1,040,980,600
Other cash payments relating to operating activities (V) 56 (2)	1,763,112,715	1,748,050,034	1,333,481,439	1,284,652,419
Sub-total of cash outflows from operating activities	15,749,209,199	17,093,259,826	12,953,531,355	13,302,116,773
Net Cash Flow from Operating Activities (V) 57 (1)	5,713,872,510	4,600,493,439	2,509,359,589	2,171,862,721
II. Cash Flows from Investing Activities:				
Cash receipts from disposals and recovery of investments (V) 56 (3)	4,520,765,500	5,103,403,700	688,000,000	558,000,000
Cash receipts from investment income	252,547,108	117,622,047	51,092,328	58,029,223
Net cash receipts from disposals of fixed assets, intangible assets and other long-term assets	120,229,379	614,874,015	2,371,697	599,158,710
Other cash receipts relating to investing activities (V) 56 (5)	174,881,118	110,074,467	4,761,980	2,169,243
Sub-total of cash inflows from investing activities	5,068,423,105	5,945,974,229	746,226,005	1,217,357,176
Cash payments to acquire or construct fixed assets, intangible assets and other long-term assets	1,045,436,663	640,345,509	324,892,594	151,866,621
Cash payments to acquire investments (V) 56 (4)	10,839,802,830	8,934,763,100	4,098,065,000	5,387,290,000
Other cash payments relating to investing activities (V) 56 (6)	135,081,052	98,598,510	3,848,833	1,401,855
Sub-total of cash outflows from investing activities	12,020,320,545	9,673,707,119	4,426,806,427	5,540,558,476
Net Cash Flow from Investing Activities	(6,951,897,440)	(3,727,732,890)	(3,680,580,422)	(4,323,201,300)

TSINGTAO BREWERY COMPANY LIMITED

CONSOLIDATED AND THE COMPANY'S CASH FLOW STATEMENTS (Cont'd)

FOR THE PERIOD FROM 1 JANUARY 2024 TO 30 JUNE 2024

		January to June 2024	January to June 2023	January to June 2024	RMB January to June 2023
	Notes	Consolidated	Consolidated	the Company	the Company
III. Cash Flows from Financing Activities:					
Other cash receipts relating to financing activities		103,400	398,229	35,400	145,782
Sub-total of cash inflows from financing activities		103,400	398,229	35,400	145,782
Cash repayments of borrowings		-	219,487,500	-	-
Cash payments for distribution of dividends or profits or settlement of interest expenses		43,901,542	44,393,815	-	-
Including: Payments for distribution of dividends or profits to minority interests by subsidiaries		37,387,000	38,575,444	/	/
Other cash payments relating to financing activities	(V) 56 (7)	52,645,323	90,016,468	13,779,153	11,008,122
Sub-total of cash outflows from financing activities		96,546,865	353,897,783	13,779,153	11,008,122
Net Cash Flow from Financing Activities		(96,443,465)	(353,499,554)	(13,743,753)	(10,862,340)
IV. Effect of Foreign Exchange Rate Changes on Cash and Cash Equivalents					
		1,555,954	7,423,402	(216,842)	3,429,373
V. Net (Decrease) Increase in Cash and Cash Equivalents					
Add: Opening balance of cash and cash equivalents	(V) 57 (1)	(1,332,912,441)	526,684,397	(1,185,181,428)	(2,158,771,546)
		9,292,085,271	12,839,870,784	5,366,639,531	7,366,468,326
VI. Closing Balance of Cash and Cash Equivalents					
	(V) 57 (2)	<u>7,959,172,830</u>	<u>13,366,555,181</u>	<u>4,181,458,103</u>	<u>5,207,696,780</u>

The accompanying notes form an integral part of the financial statements.

Legal Representative:
Huang, Kexing

Chief Financial Officer:
Hou, Qiuyan

Head of Accounting Department:
Sun, Zhuohan

TSINGTAO BREWERY COMPANY LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE PERIOD FROM 1 JANUARY 2024 TO 30 JUNE 2024

RMB

Item	For the period from 1 January 2024 to 30 June 2024									
	Attributable to shareholders of the Company								Minority interests	Total shareholders' equity
	Share capital	Capital reserve	Less: Treasury shares	Other comprehensive income	Surplus reserve	General reserve	Retained profits			
I. Balance at 1 January 2024	1,364,196,788	4,207,455,611	77,643,806	(81,061,345)	1,400,704,380	301,761,292	20,334,065,296	805,268,959	28,254,747,175	
II. Changes for the period	-	20,715,452	(10,359,615)	176,135	-	-	913,259,196	16,351,353	960,861,751	
(I) Total comprehensive income	-	-	-	176,135	-	-	3,641,652,772	79,514,349	3,721,343,256	
(II) Owners' contributions and reduction in capital	-	21,850,302	(1,694,555)	-	-	-	-	493,534	24,038,391	
1. Share-based payments recognized in shareholders' equity	-	21,850,302	(1,694,555)	-	-	-	-	493,534	24,038,391	
(III) Profit distribution	-	-	(8,665,060)	-	-	-	(2,728,393,576)	(46,718,288)	(2,766,446,804)	
1. Distribution to shareholders	-	-	(8,665,060)	-	-	-	(2,728,393,576)	(46,718,288)	(2,766,446,804)	
(IV) Others	-	(1,134,850)	-	-	-	-	-	(16,938,242)	(18,073,092)	
III. Balance at 30 June 2024	1,364,196,788	4,228,171,063	67,284,191	(80,885,210)	1,400,704,380	301,761,292	21,247,324,492	821,620,312	29,215,608,926	

RMB

Item	For the period from 1 January 2023 to 30 June 2023									
	Attributable to shareholders of the Company								Minority interests	Total shareholders' equity
	Share capital	Capital reserve	Less: Treasury shares	Other comprehensive income	Surplus reserve	General reserve	Retained profits			
I. Balance at 1 January 2023	1,364,232,790	4,154,076,977	171,854,660	(75,800,581)	1,400,704,380	295,071,942	18,528,390,855	777,490,832	26,272,312,535	
II. Changes for the period	-	62,926,564	(17,697,593)	7,174,606	-	-	970,033,264	8,481,091	1,066,313,118	
(I) Total comprehensive income	-	-	-	7,174,606	-	-	3,425,652,286	54,278,600	3,487,105,492	
(II) Owners' contributions and reduction in capital	-	62,637,798	(1,868,573)	-	-	-	-	1,281,032	65,787,403	
1. Share-based payments recognized in shareholders' equity	-	62,637,798	(1,868,573)	-	-	-	-	1,281,032	65,787,403	
(III) Profit distribution	-	-	(15,829,020)	-	-	-	(2,455,619,022)	(47,078,541)	(2,486,868,543)	
1. Distribution to shareholders	-	-	(15,829,020)	-	-	-	(2,455,619,022)	(47,078,541)	(2,486,868,543)	
(IV) Others	-	288,766	-	-	-	-	-	-	288,766	
III. Balance at 30 June 2023	1,364,232,790	4,217,003,541	154,157,067	(68,625,975)	1,400,704,380	295,071,942	19,498,424,119	785,971,923	27,338,625,653	

The accompanying notes form an integral part of the financial statements.

Legal Representative:
Huang, Kexing

Chief Financial Officer:
Hou, Qiuyan

Head of Accounting Department:
Sun, Zhuohan

TSINGTAO BREWERY COMPANY LIMITED

THE COMPANY'S STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE PERIOD FROM 1 JANUARY 2024 TO 30 JUNE 2024

RMB

Item	For the period from 1 January 2024 to 30 June 2024						
	Share capital	Capital reserve	Less: Treasury shares	Other comprehensive income	Surplus reserve	Retained profits	Total shareholders' equity
I. Balance at 1 January 2024	1,364,196,788	5,271,029,372	77,643,806	(87,446,000)	1,400,704,380	8,831,408,866	16,702,249,600
II. Changes for the period	-	22,346,243	(10,359,615)	-	-	(386,826,735)	(354,120,877)
(I) Total comprehensive income	-	-	-	-	-	2,341,566,841	2,341,566,841
(II) Owners' contributions and reduction in capital	-	22,343,836	(1,694,555)	-	-	-	24,038,391
1. Share-based payments recognized in shareholders' equity	-	22,343,836	(1,694,555)	-	-	-	24,038,391
(III) Profit distribution	-	-	(8,665,060)	-	-	(2,728,393,576)	(2,719,728,516)
1. Distribution to shareholders	-	-	(8,665,060)	-	-	(2,728,393,576)	(2,719,728,516)
(IV) Others	-	2,407	-	-	-	-	2,407
III. Balance at 30 June 2024	<u>1,364,196,788</u>	<u>5,293,375,615</u>	<u>67,284,191</u>	<u>(87,446,000)</u>	<u>1,400,704,380</u>	<u>8,444,582,131</u>	<u>16,348,128,723</u>

RMB

Item	For the period from 1 January 2023 to 30 June 2023						
	Share capital	Capital reserve	Less: Treasury shares	Other comprehensive income	Surplus reserve	Retained profits	Total shareholders' equity
I. Balance at 1 January 2023	1,364,232,790	5,216,070,112	171,854,660	(78,756,000)	1,400,704,380	8,867,060,724	16,597,457,346
II. Changes for the period	-	63,923,161	(17,697,593)	-	-	(375,077,367)	(293,456,613)
(I) Total comprehensive income	-	-	-	-	-	2,080,541,655	2,080,541,655
(II) Owners' contributions and reduction in capital	-	63,918,830	(1,868,573)	-	-	-	65,787,403
1. Share-based payments recognized in shareholders' equity	-	63,918,830	(1,868,573)	-	-	-	65,787,403
(III) Profit distribution	-	-	(15,829,020)	-	-	(2,455,619,022)	(2,439,790,002)
1. Distribution to shareholders	-	-	(15,829,020)	-	-	(2,455,619,022)	(2,439,790,002)
(IV) Others	-	4,331	-	-	-	-	4,331
III. Balance at 30 June 2023	<u>1,364,232,790</u>	<u>5,279,993,273</u>	<u>154,157,067</u>	<u>(78,756,000)</u>	<u>1,400,704,380</u>	<u>8,491,983,357</u>	<u>16,304,000,733</u>

The accompanying notes form an integral part of the financial statements.

Legal Representative:
Huang, Kexing

Chief Financial Officer:
Hou, Qiuyan

Head of Accounting Department:
Sun, Zhuohan

TSINGTAO BREWERY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 1 JANUARY 2024 TO 30 JUNE 2024

(I) BASIC INFORMATION ABOUT THE COMPANY

Tsingtao Brewery Company Limited (the “Company”) was established in the People’s Republic of China on 16 June 1993. The Company obtained the business license as a Sino-foreign joint stock limited company on 27 December 1995. The registered address and head office address of the Company is Qingdao, Shandong province, the PRC, with a total share capital of RMB482,400,000 at establishment.

The Company’s H shares have been listed on the Main Board of the Stock Exchange of Hong Kong Limited since 15 July 1993, and its A shares have been listed on the Shanghai Stock Exchange since 27 August 1993. The total share capital upon issue amounted to RMB900,000,000. Subsequently, the Company increased its total share capital to RMB1,308,219,178 after issuing new RMB ordinary shares and convertible corporate bonds, which were converted into H shares.

Approved by the Circular [2008] No.445 issued by the China Securities Regulatory Commission, the Company issued convertible bonds with detachable warrants subscription rights on 2 April 2008 at a total size of RMB1.5 billion with the term of 6 years. Upon the exercise period ended on 19 October 2009, 42,763,617 additional A shares of the Company were issued domestically. The Company’s total share capital was increased from 1,308,219,178 to 1,350,982,795.

In 2020, the Company implemented equity incentives with 13.2 million restricted shares, and the total number of shares of the Company was increased from 1,350,982,795 shares to 1,364,182,795 shares. In 2021, the Company granted 294,000 additional restricted shares to participants, and repurchased and cancelled 122,002 restricted shares. The Company’s total share capital was increased from 1,364,354,793. In 2022, the Company repurchased and cancelled 122,003 restricted shares. The Company’s total share capital was decreased to 1,364,232,790. In 2023, the Company repurchased and cancelled 36,002 restricted shares. The Company’s total share capital was decreased to 1,364,196,788.

The Company and its subsidiaries (collectively the “Group”) are principally engaged in the production and distribution of beer products.

The major subsidiaries included in the scope of consolidation for the period from 1 January 2024 to 30 June 2024 are disclosed in Note (VII).

The financial statements have been approved for issue by the Company’s Board of Directors on 29 August 2024.

(II) BASIS OF PREPARATION OF FINANCIAL STATEMENTS

Preparation basis

The Group has adopted the Accounting Standards for Business Enterprises (“ASBEs”) and relevant regulations issued by the Ministry of Finance. The Group also discloses relevant financial information in accordance with the “Rules Governing the Preparation of Information Disclosure by Publicly Offered Companies No. 15 - General Requirements for Financial Reporting (Revised in 2023)”. In addition, the financial statements include relevant disclosures required by the Hong Kong Companies Ordinance and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

Going concern

The Group assessed its ability to continue as a going concern for the period of 12 months from 30 June 2024 and did not notice any events or circumstances that may cast significant doubt upon its ability to continue as a going concern. The financial statements have been prepared on a going concern basis.

(II) BASIS OF PREPARATION OF FINANCIAL STATEMENTS (CONT'D)

Basis of accounting and principle of measurement

The Group has adopted the accrual basis of accounting. Except for certain financial instruments which are measured at fair value, the Group adopts the historical cost as the principle of measurement in the financial statements. Where assets are impaired, provisions for impairment are made in accordance with relevant requirements.

Where the historical cost is adopted as the measurement basis, assets are recorded at the amount of cash or cash equivalents paid or the fair value of the consideration given to acquire them at the time of their acquisition. Liabilities are measured at the amount of proceeds or assets received or the contractual amounts for assuming the present obligation, or, at the amounts of cash or cash equivalents expected to be paid to settle the liabilities in the normal course of business.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Regardless of whether that price is directly observable or estimated using another valuation technique, fair values measured and disclosed in these financial statements are determined on such a basis.

Fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than inputs included within Level 1, that are observable for the assets or liabilities, either directly or indirectly;
- Level 3 inputs are unobservable inputs for the assets or liabilities.

(III) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

1. Statement of Compliance with the ASBEs

The financial statements of the Company have been prepared in accordance with the ASBEs, and present truly and completely, the consolidated and the Company's financial position as at 30 June 2024, and the consolidated and the Company's results of operations, changes in shareholders' equity and cash flows for the period from 1 January 2024 to 30 June 2024.

2. Accounting period

The Group has adopted the calendar year as its accounting year, i.e., from 1 January to 31 December.

3. Functional currency

Renminbi ("RMB") is the currency of the primary economic environment in which the Company and its domestic subsidiaries operate. Therefore, the Company and its domestic subsidiaries choose RMB as their functional currency. The overseas subsidiaries of the Company determine Hong Kong Dollar (HKD), Macau Pataca (MOP) and Vietnamese Dong (VND) as their functional currencies based on the currencies in the primary economic environment in which they operate. The Company adopts RMB to prepare its financial statements.

(III) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONT'D)

4. Determination method for materiality criteria and basis for selection

An item in the financial statements is material if there is a reasonable expectation that its omission or misstatement would affect the economic decisions that users make on that basis. In judging materiality, the Group makes judgments based on the specific environment in which it operates, in terms of both the nature (whether it is part of the Group's ordinary activities, whether it significantly affects the Group's financial position, results of operations and cash flows, and other factors) and the amount of the item (as a proportion of the Group's key financial indicators, including operating income, net profit, total assets and total shareholders' equity, or the proportion of the amount of the item listed separately in the financial statements to which it belongs).

Item	Materiality criteria
Subsidiaries with significant minority interests	Minority interests in any individual subsidiary account for more than 1% of the consolidated shareholders' equity of the Group at the end of the period, or minority interests in any individual subsidiary account for more than 25% of the consolidated minority interests of the Group at the end of the period
Significant joint ventures and associates	Carrying amount of long-term equity investments in any individual joint venture or associate accounts for more than 1% of the consolidated total assets of the Group at the end of the period

5. Accounting treatment of business combinations involving enterprises under common control and business combinations not involving enterprises under common control

Business combinations are classified into business combinations involving enterprises under common control and business combinations not involving enterprises under common control.

5.1 Business combinations involving enterprises under common control

A business combination involving enterprises under common control is a business combination in which all of the combining enterprises are ultimately controlled by the same party or parties both before and after the combination, and that control is not transitory.

Assets and liabilities obtained shall be measured at their respective carrying amounts as recorded by the combined entities at the date of the combination. The difference between the carrying amount of the net assets obtained and the carrying amount of the consideration paid for the combination (or the aggregate face value of the shares issued as consideration) is adjusted to share premium under capital reserve. If the capital reserve is not sufficient to absorb the difference, any excess shall be adjusted against retained earnings.

Costs that are directly attributable to the combination are charged to profit or loss for the period in which they are incurred.

5.2 Business combination not involving enterprises under common control and goodwill

A business combination not involving enterprises under common control is a business combination in which all of the combining enterprises are not ultimately controlled by the same party or parties before and after the combination.

The cost of combination is the aggregate of the fair values, at the acquisition date, of the assets given, liabilities incurred or assumed, and equity securities issued by the acquirer in exchange for control of the acquiree. The intermediary expenses incurred by the acquirer in respect of auditing, legal services, valuation and consultancy services, etc. and other associated administrative expenses attributable to the business combination are recognized in profit or loss when they are incurred.

(III) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONT'D)

5. Accounting treatment of business combinations involving enterprises under common control and business combinations not involving enterprises under common control (Cont'd)

5.2 Business combination not involving enterprises under common control and goodwill (Cont'd)

The acquiree's identifiable assets, liabilities and contingent liabilities, acquired by the acquirer in a business combination, that meet the recognition criteria shall be measured at fair value at the acquisition date.

Where the cost of combination exceeds the acquirer's interest in the fair value of the acquiree's identifiable net assets, the difference is treated as an asset and recognized as goodwill, which is measured at cost on initial recognition. Where the cost of combination is less than the acquirer's interest in the fair value of the acquiree's identifiable net assets, the acquirer firstly reassesses the measurement of the fair values of the acquiree's identifiable assets, liabilities and contingent liabilities and measurement of the cost of combination. If after that reassessment, the cost of combination is still less than the acquirer's interest in the fair value of the acquiree's identifiable net assets, the acquirer recognizes the remaining difference immediately in profit or loss for the current period.

Goodwill arising on a business combination is measured at cost less accumulated impairment losses, and is presented separately in the consolidated financial statements.

6. Judgment criteria for control and preparation of consolidated financial statements

6.1 Judgment criteria for control

Control is the power over the investee, exposures or rights to variable returns from its involvement with the investee, and the ability to use its power over the investee to affect the amount of the investor's returns. The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to the elements of control.

6.2 Preparation of consolidated financial statements

The scope of consolidation in the consolidated financial statements is determined on the basis of control.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control over the subsidiary.

For a subsidiary disposed of by the Group, the operating results and cash flows before the date of disposal (the date when control is lost) are included in the consolidated income statement and consolidated cash flow statement, as appropriate.

For a subsidiary acquired through a business combination not involving enterprises under common control, the operating results and cash flows from the acquisition date (the date when control is obtained) are included in the consolidated income statement and consolidated cash flow statement, as appropriate.

No matter when the business combination occurs in the Reporting Period, subsidiaries acquired through a business combination involving enterprises under common control or the party being absorbed under merger by absorption are included in the Group's scope of consolidation as if they had been included in the scope of consolidation from the date when they first came under the common control of the ultimate controlling party. Their operating results and cash flows from the beginning of the earliest reporting period or from the date when they first came under the common control of the ultimate controlling party are included in the consolidated statement of profit or loss and other comprehensive income and consolidated cash flow statement, as appropriate.

(III) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONT'D)

6. Judgment criteria for control and preparation of consolidated financial statements (Cont'd)

6.2 Preparation of consolidated financial statements (Cont'd)

The significant accounting policies and accounting periods adopted by the subsidiaries are determined based on the uniform accounting policies and accounting periods set out by the Company.

All intra-group transactions are eliminated on consolidation.

The portion of subsidiaries' equity that is not attributable to the Company is treated as minority interests and presented as "minority interests" under shareholders' equity in the consolidated balance sheet. The portion of net profit or loss of subsidiaries for the period attributable to minority interests is presented as "profit or loss attributable to minority interests" under "net profit" in the consolidated income statement.

When losses attributable to the minority shareholders of a subsidiary in the Group's consolidated financial statements exceeds the minority shareholders' share of the opening balance of owners' equity of the subsidiary, the excess amount is still allocated against minority interests.

Acquisition of minority interests or disposal of interest in a subsidiary that does not result in the loss of control over the subsidiary is accounted for as equity transactions. The carrying amounts of the Company's interests and minority interests are adjusted to reflect the changes in their relative interests in the subsidiary. The difference between the amount by which the minority interests are adjusted and the fair value of the consideration paid or received is adjusted to capital reserve under owners' equity. If the capital reserve is not sufficient to absorb the difference, the excess is adjusted against retained earnings.

7. Classification and accounting treatment of joint arrangements

A joint arrangement is classified into joint operation and joint venture, depending on the rights and obligations of the parties to the arrangement, which is assessed by considering the structure and the legal form of the arrangement, the terms agreed by the parties in the contractual arrangement and, when relevant, other facts and circumstances. A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. The Group's joint arrangements are joint ventures.

The Group accounts for investments in joint ventures using equity method. Refer to Note (III) 15.3.2 "Long-term equity investments accounted for using the equity method" for details.

8. Recognition criteria of cash and cash equivalents

Cash comprises cash on hand and deposits that can be readily withdrawn on demand. Cash equivalents are the Group's short-term (generally due within three months from the acquisition date), highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(III) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONT'D)

9. Translation of transactions and financial statements denominated in foreign currencies

9.1 Translation of transactions

Foreign currency transactions are initially recorded using the functional currency spot exchange rate ruling at the dates of the transactions.

At the balance sheet date, foreign currency monetary items are translated into RMB using the spot exchange rates at the balance sheet date. Exchange differences arising from the differences between the spot exchange rates prevailing at the balance sheet date and those on initial recognition or at the previous balance sheet date are recognized in profit or loss for the period, except that exchange differences related to a specific-purpose borrowing denominated in foreign currency that qualify for capitalization are capitalized as part of the cost of the qualifying asset during the capitalization period.

When the consolidated financial statements include foreign operation(s), if there is foreign currency monetary item constituting a net investment in a foreign operation, exchange difference arising from changes in exchange rates are recognized as “exchange differences arising on translation of financial statements denominated in foreign currencies” in other comprehensive income, and in profit and loss for the period upon disposal of the foreign operation.

Foreign currency non-monetary items measured at historical cost are translated to the amounts in functional currency at the spot exchange rates on the dates of the transactions. Foreign currency non-monetary items measured at fair value are re-translated at the spot exchange rate on the date the fair value is determined. Difference between the re-translated functional currency amount and the original functional currency amount is treated as changes in fair value (including changes of exchange rate) and is recognized in profit and loss or as other comprehensive income.

9.2 Translation of financial statements denominated in foreign currencies

For the purpose of preparing the consolidated financial statements, financial statements of a foreign operation are translated from the foreign currency into RMB using the following method: assets and liabilities on the balance sheet are translated at the spot exchange rate prevailing at the balance sheet date; shareholders' equity items are translated at the spot exchange rates at the dates on which such items arose; all items in the income statement as well as items reflecting the distribution of profits are translated at exchange rates that approximate the actual spot exchange rates on the dates of the transactions; The difference between the translated assets and the aggregate of liabilities and shareholders' equity items is recognized as other comprehensive income and included in shareholders' equity.

Cash flows arising from a transaction in foreign currency and the cash flows of a foreign subsidiary are translated at an exchange rate which approximates the spot exchange rate on the date of the cash flows. The effect of exchange rate changes on cash and cash equivalents is regarded as a reconciling item and presented separately in the cash flow statement as “effect of exchange rate changes on cash and cash equivalents”.

The closing balances and the comparative figures of the prior year are presented at the translated amounts in the financial statements.

10. Financial instruments

Financial assets and financial liabilities are recognized when the Group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are measured at fair value on initial recognition (the method of determining the fair value of financial assets and financial liabilities is set out in related disclosure of basis of accounting and principle of measurement under Note (II)). For financial assets and financial liabilities at fair value through profit or loss, transaction costs are immediately recognized in profit or loss. For other financial assets and financial liabilities, transaction costs are included in their initial recognized amounts. For accounts receivable excluding significant financing components or regardless of financing components of contracts less than on year recognized based on Accounting Standards for Business Enterprises No. 14 - Revenue, accounts receivable initially recognized shall be measured at transaction price defined based on the Revenue Standard on initial recognition.

The amortized cost of a financial asset or a financial liability is the initially recognized amount net of principal repaid, plus or less the cumulative amortized amount arising from amortization of the difference between the initially recognized amount and the amount at the maturity date using the effective interest method, and then net of cumulative loss allowance (only applicable to financial assets).

10.1 Classification, recognition and measurement of financial assets

After initial recognition, the Group's financial assets of various types are subsequently measured at amortized cost, at fair value through other comprehensive income ("FVTOCI") or at fair value through profit or loss ("FVTPL"), respectively.

If contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, and the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows, such asset is classified into financial asset measured at amortized cost which include cash and bank balances, notes receivable, accounts receivable, other receivables, and debt investments, etc. The Group's debt investments with a maturity of more than one year from the date of acquisition are presented as other debt investments, and those maturing within one year (inclusive) from the balance sheet date are presented as non-current assets due within one year. Financial assets that meet the following conditions are classified as at FVTOCI: the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Financial assets of such type are presented as other debt investments if it is due after one year since the acquisition, or presented under non-current assets due within one year if it is due within one year (inclusive) since the balance sheet date.

Financial assets at FVTPL include financial assets classified as at FVTPL and financial assets designated as at FVTPL:

- Financial assets not satisfying the criteria of classification as financial assets at amortized cost and financial assets at FVTOCI are classified as financial assets at FVTPL.
- Upon initial recognition, the Group may irrevocably designate the financial assets as at FVTPL if doing so eliminates or significantly reduces accounting mismatch.

Financial assets at FVTPL other than derivative financial assets are presented as held-for-trading financial assets. Financial assets with a maturity over one year since the balance sheet day (or without a fixed maturity) and expected to be held for over one year are presented under other non-current financial assets.

10. Financial instruments (Cont'd)

10.1 Classification, recognition and measurement of financial assets (Cont'd)

10.1.1 Financial assets at amortized cost

Financial assets at amortized cost are subsequently measured at amortized cost using effective interest method. Any gains or losses arising from impairment or derecognition are included in profit or loss. For financial assets at amortized cost, the Group recognizes interest income using the effective interest method.

10.1.2 Financial assets at FVTOCI

For financial assets classified as at FVTOCI, except for the impairment losses or gains and the interest income calculated using the effective interest method which are included in profit or loss for the period, the fair value changes are included in other comprehensive income. The amounts included in profit or loss for each period are equivalent to that as if it has been always measured at amortized cost. Upon derecognition, the accumulated gains or losses previously included in other comprehensive income are transferred to profit or loss for the period.

10.1.3 Financial assets at FVTPL

Financial assets at FVTPL are subsequently measured at fair value, with gains or losses on fair value changes and related dividends and interest income included in profit or loss for the period.

10.2 Impairment of financial instruments

The Group carries out impairment testing of and recognizes the loss allowance for financial assets measured at amortized cost, financial assets at fair value through other comprehensive income on the basis of expected credit loss.

For notes receivable and accounts receivable arising from transactions regulated by Revenue Standards, the Group measures the loss allowance at an amount equivalent to the lifetime ECL.

For other financial instruments, the Group assesses the changes in credit risk since initial recognition of relevant financial instruments at each balance sheet date. If the credit risk has increased significantly since initial recognition of the financial instruments, the Group recognizes the loss allowance at an amount equivalent to lifetime ECL; if the credit risk has not increased significantly since initial recognition of the financial instruments, the Group recognizes the loss allowance at an amount equivalent to 12-month ECL. The increase or reversal of credit loss allowance for financial assets other than those classified as at FVTOCI is recognized as an impairment loss or gain and included in profit or loss for the period. For financial assets classified as at FVTOCI, the credit loss allowance is recognized in other comprehensive income and the impairment loss or gain is included in profit or loss for the period without reducing the carrying amount of the financial assets in the balance sheet.

Where the Group has measured the loss allowance at an amount equivalent to lifetime ECL of a financial instrument in prior accounting period, but the financial instrument no longer satisfies the criteria of significant increase in credit risk since initial recognition at the current balance sheet date, the Group recognizes the loss allowance of the financial instrument at an amount equivalent to 12-month ECL at the current balance sheet date, with any resulting reversal of loss allowance recognized as impairment gains in profit or loss for the period.

10. Financial instruments (Cont'd)

10.2 Impairment of financial instruments (Cont'd)

10.2.1 Significant increase in credit risk

The Group will make use of reasonable and supportable forward-looking information that is available to determine whether credit risk has increased significantly since initial recognition through comparing the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition.

10.2.2 Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred.

Based on the Group's internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

10.2.3 Determination of ECL

The Group determines the ECL of relevant financial instruments using the following method:

For notes receivable and accounts receivable arising from daily operations such as the sales of goods and rendering of services, regardless of whether there is a significant financing component, the Group measures the provision for losses at an amount equivalent to lifetime ECL.

Except for the above notes receivable and accounts receivable, at each balance sheet date, the ECL of financial instruments at different stages is measured separately. If there is no significant increase in the credit risk of a financial instrument since initial recognition (Stage I), the Group measures the provision for losses based on the 12-month ECL; if there is a significant increase in the credit risk of a financial instrument since initial recognition but it is not credit-impaired (Stage II), the Group measures the provision for losses based on the lifetime ECL; and if a financial instrument has become credit-impaired since initial recognition (Stage III), the Group measures the provision for losses based on the lifetime ECL.

For the financial instruments with lower credit risk at the balance sheet date, the Group assumes that the credit risk has not significantly increased since the initial recognition (Stage I), and measures the provision for losses based on the 12-month ECL.

For the financial instruments in Stage I and Stage II, the interest income is calculated by applying the effective interest rate to the gross carrying amount (before net of impairment provision). For the financial instruments in Stage III, the interest income is calculated by applying the effective interest rate to the amortized cost (gross carrying amount net of impairment provision).

(III) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONT'D)

10. Financial instruments (Cont'd)

10.2 Impairment of financial instruments (Cont'd)

10.2.3 Determination of ECL (Cont'd)

The credit risk characteristics of financial assets in each class for which expected credit losses are calculated on an individual basis are significantly different from those of other financial assets within that class. When the ECL of an individual financial asset cannot be evaluated at a reasonable cost, the Group classifies receivables into different portfolios based on their credit risk characteristics and calculates ECL on a portfolio basis. The basis for grouping and the method for provision are as follows:

Portfolio of bank acceptances	Banks with lower credit risk
Portfolio of accounts receivable	Dealers, with overdue date as the starting point for default
Portfolio of accounts receivable	Subsidiaries, with overdue date as the starting point for default
Portfolio of other receivables	Guarantee deposits
Portfolio of other receivables	Receivables from subsidiaries
Portfolio of other receivables	Receivables from other entities

The Group's measurement of ECL of financial instruments reflects factors including unbiased probability weighted average amount recognized by assessing a series of possible results, time value of money, reasonable and supportable information related to historical events, current condition and forecast of future economic position that is available without undue cost or effort at the balance date.

For accounts receivable and notes receivable arising from daily operations which are classified into portfolios, such as the sales of goods and rendering of services, the Group calculates ECL with reference to historical credit loss experience, taking into account current conditions and forecasts of future economic conditions, and based on the exposure at default and the lifetime ECL rates. For other receivables which are classified into portfolios, the Group calculates ECL with reference to historical credit loss experience, taking into account current conditions and forecasts of future economic conditions, and based on the exposure at default and the 12-month ECL or lifetime ECL rates.

The Group recognizes the loss provision made or reversed in profit or loss for the period. For debt instruments measured at FVTOCI, the Group recognizes the impairment loss or gain in profit or loss, and adjusts other comprehensive income accordingly.

10.2.4 Written-off of financial assets

The Group shall directly reduce the gross carrying amount of a financial asset when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. A write-off constitutes a derecognition event.

(III) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONT'D)

10. Financial instruments (Cont'd)

10.3 Transfer of financial assets

The Group derecognizes a financial asset if one of the following conditions is satisfied: (1) the contractual rights to the cash flows from the financial asset expire; or (2) the financial asset has been transferred and substantially all the risks and rewards of ownership of the financial asset are transferred to the transferee; or (3) although the financial asset has been transferred, the Group neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset but has not retained control of the financial asset.

For a transfer of a financial asset in its entirety that satisfies the derecognition criteria, the difference between (1) the carrying amount of the financial asset transferred; and (2) the sum of the consideration received from the transfer and any cumulative gain or loss that has been recognized in other comprehensive income, is recognized in profit or loss. Where the transferred assets are non-held-for-trading equity instrument investments designated as at FVTOCI, cumulative gains or losses previously recognized in other comprehensive income are transferred out and included in retained earnings.

For a transfer of a financial asset in its entirety that does not satisfy the derecognition criteria, the Group continues to recognize the transferred financial asset in its entirety. The consideration received from transfer of assets is recognized as a liability upon receipt.

10.4 Classification of financial liabilities and equity instruments

Financial instruments issued by the Group or their components are classified into financial liabilities or equity instruments on the basis of not only the legal form but also the contractual arrangements and their economic substance, together with the definition of financial liability and equity instrument.

10.4.1 Classification, recognition and measurement of financial liabilities

On initial recognition, financial liabilities are classified into financial liabilities at FVTPL and other financial liabilities.

10.4.1.1 Financial liabilities at FVTPL

Financial liabilities at FVTPL include held-for-trading financial liabilities (including derivative financial liabilities) and financial liabilities designated as at FVTPL. The Group has no financial liabilities designated as at fair value through profit or loss. Except for derivative financial liabilities which are presented separately, financial liabilities at FVTPL are presented as held-for-trading financial liabilities.

Held-for-trading financial liabilities are subsequently measured at fair value. Any gains or losses arising from changes in the fair value and any dividend or interest cost paid on the financial liabilities are recognized in profit or loss for the period.

10.4.1.2 Other financial liabilities

Except for financial liabilities and financial guarantee contracts arising from transfer of financial assets that do not meet the derecognition criteria or those arising from continuing involvement in the transferred financial assets, other financial liabilities are subsequently measured at amortized cost, with gain or loss arising from derecognition or amortization recognized in profit or loss.

(III) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONT'D)

10. Financial instruments (Cont'd)

10.4 Classification of financial liabilities and equity instruments (Cont'd)

10.4.2 Derecognition of financial liabilities

The Group derecognizes a financial liability (or part of it) only when the underlying present obligation (or part of it) is discharged. An agreement between the Group (an existing borrower) and an existing lender to replace the original financial liability with a new financial liability with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

When the Group derecognizes a financial liability or a part of it, it recognizes the difference between the carrying amount of the financial liability (or part of the financial liability) derecognized and the consideration paid (including any non-cash assets transferred or new financial liabilities assumed) in profit or loss for the period.

10.4.3 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued (including refinanced), repurchased, sold and cancelled by the Group are recognized as changes of equity. Change of fair value of equity instruments is not recognized by the Group. Transaction costs related to equity transactions are deducted from equity.

The Group recognizes the distribution to holders of the equity instruments as distribution of profits, and dividends paid do not affect total amount of shareholders equity.

10.5 Offsetting financial assets and financial liabilities

Where the Group has a legal right that is currently enforceable to set off the recognized financial assets and financial liabilities, and intends either to settle on a net basis, or to realize the financial asset and settle the financial liability simultaneously, a financial asset and a financial liability shall be offset and the net amount is presented in the balance sheet. Except for the above circumstances, financial assets and financial liabilities shall be presented separately in the balance sheet and shall not be offset.

11. Notes receivable

11.1 Determination basis and accounting treatment for ECL on notes receivable

The Group determines the ECL on notes receivables in accordance with Note (III), 10.2.3. The amount of increase or reversal of the allowance for ECL on notes receivable is recognized as a credit impairment loss or gain in profit or loss.

11.2 Categories of portfolios for which bad debt provision is made on a portfolio basis according to the credit risk characteristics and the basis of determination

The Group classifies notes receivable into the following portfolios based on their credit risk characteristics:

Portfolio of bank acceptances Banks with lower credit risk

The credit rating of the bank acceptances held by the Group is relatively high, and there is no significant credit risk, therefore, no allowance for losses has been made.

(III) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONT'D)

12. Accounts receivable

12.1 Determination basis and accounting treatment for ECL on accounts receivable

The Group determines the ECL on accounts receivable in accordance with Note (III), 10.2.3. The amount of increase or reversal of the allowance for ECL on accounts receivable is recognized as a credit impairment loss or gain in profit or loss.

12.2 Calculation of aging for portfolios of credit risk characteristics determined based on aging

The Group uses the aging of accounts receivable as a credit risk characteristic to determine its credit losses using an impairment matrix. The aging is calculated from their overdue date.

12.3 Judgment criteria for individual provision made for bad debts

The Group estimates the ECL on accounts receivable on an individual asset basis, considering the significant financial difficulty of the debtor, etc.

13. Other receivables

13.1 Determination basis and accounting treatment for ECL on other receivables

The Group determines the ECL on other receivables in accordance with Note (III), 10.2.3. The amount of increase or reversal of the allowance for ECL on other receivables is recognized as a credit impairment loss or gain in profit or loss.

13.2 Judgment criteria for individual provision made for bad debts

The Group estimates the ECL on other receivables on an individual asset basis, considering the significant financial difficulty of the debtor, etc.

14. Inventories

14.1 Category of inventories, valuation method of the inventories upon delivery, inventory system, amortization method for low-cost and short-lived consumables and packaging materials

14.1.1 Category of inventories

The inventories include raw materials, packaging materials, low-cost and short-lived consumables, work in progress and goods on hand, etc. Inventories are initially measured at cost. Cost of inventories comprises all costs of purchase, costs of conversion and other expenditures incurred in bringing the inventories to their present location and condition.

14.1.2 Valuation method of inventories upon delivery

The actual cost of inventories upon delivery is calculated using the weighted average method.

14.1.3 Inventory count system

The perpetual inventory system is maintained for stock system.

14.1.4 Amortization method for low-cost and short-lived consumables and packaging materials

Low-cost and short-lived consumables and packaging materials are amortized using the immediate write-off and straight-line amortization method, respectively.

14. Inventories (Cont'd)

14.2 Recognition criteria and accrual method for provision for decline in value of inventories

At the balance sheet date, inventories are measured at the lower of cost and net realizable value. If the net realizable value is below the cost of inventories, a provision for decline in value of inventories is made.

Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion, the estimated expenses necessary to make the sale and the relevant taxes. Net realizable value is determined on the basis of clear evidence obtained, and takes into consideration the purposes of holding inventories and effect of post balance sheet events.

After the provision for decline in value of inventories is made, if the circumstances that previously caused inventories to be written down below cost no longer exist so that the net realizable value of inventories is higher than their carrying amount, the original provision for decline in value is reversed and the reversal is included in profit or loss for the period.

14.3 Category of portfolios for which the provision for decline in value of inventories is made on a portfolio basis and the basis for determining the provision, and the basis for determining the net realizable value of different categories of inventories

For inventories produced and sold in the same region and with the same or similar end-use, and cannot be practicably evaluated separately from other items in that product line, the Group makes provision for decline in value of inventories on an aggregate basis.

15. Long-term equity investments

15.1 Determination criteria of joint control and significant influence

Control is the power over the investee, exposures or rights to variable returns from its involvement with the investee, and the ability to use its power over the investee to affect the amount of the investor's returns. Joint control is the contractually agreed sharing of control over an economic activity, and exists only when the strategic financial and operating policy decisions relating to the activity require the unanimous consent of the parties sharing control. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. When determining whether an investing enterprise is able to exercise control or significant influence over an investee, the effect of potential voting rights of the investee (for example, warrants and convertible debts) held by the investing enterprises or other parties that are currently exercisable or convertible shall be considered.

15.2 Determination of initial investment cost

For a long-term equity investment acquired through business combination involving enterprises under common control, shares of carrying amount of owners' equity of combined party in financial statements of ultimate controlling party is recognized as initial investment cost of long-term equity investment at the date of combination. The difference between initial investment cost of long-term equity investment and cash paid, non-cash assets transferred and carrying amount of liabilities assumed, is adjusted in capital reserve. If the balance of capital reserve is not sufficient to absorb the difference, any excess is adjusted to retained earnings. If the consideration of the combination is satisfied by the issue of equity securities, the initial investment cost of the long-term equity investment is the share of carrying amount of owners' equity of the acquired entity in the ultimate controlling party's consolidated financial statements at the date of combination. The aggregate face value of the shares issued is accounted for as share capital. The difference between the initial investment cost and the aggregate face value of the shares issued is adjusted to capital reserve. If the balance of capital reserve is not sufficient to absorb the difference, any excess is adjusted to retained earnings.

(III) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONT'D)

15. Long-term equity investments (Cont'd)

15.2 Determination of initial investment cost (Cont'd)

For a long-term equity investment acquired through business combination not involving enterprises under common control, the investment cost of the long-term equity investment is the cost of acquisition.

The intermediary expenses incurred by the combining party or acquirer in respect of auditing, legal services, valuation and consultancy services, etc., and other associated administrative expenses attributable to the business combination are recognized in profit or loss when they are incurred.

Long-term equity investment acquired otherwise than through a business combination is initially measured at its cost. When the entity is able to exercise significant influence or joint control (but not control) over an investee, the cost of long-term equity investments is the sum of the fair value of previously-held equity investments determined in accordance with Accounting Standards for Business Enterprises No. 22 - Recognition and Measurement of Financial Instruments (ASBEs No. 22) and the additional investment cost.

15.3 Subsequent measurement and recognition of profit or loss

15.3.1 Long-term equity investment accounted for using the cost method

The Company's separate financial statements adopted the cost method to account for the long-term equity investments in subsidiaries. A subsidiary is an investee that is controlled by the Group.

Under the cost method, a long-term equity investment is measured at initial investment cost. When additional investment is made or the investment is recouped, the cost of the long-term equity investment is adjusted accordingly. Investment income is recognized in the period in accordance with the attributable share of cash dividends or profit distributions declared by the investee.

15.3.2 Long-term equity investment accounted for using the equity method

The Group accounts for investment in associates and joint ventures using the equity method. An associate is an entity over which the Group has significant influence and a joint venture is an entity over which the Group exercises joint control along with other investors.

Under the equity method, where the initial investment cost of a long-term equity investment exceeds the Group's share of the fair value of the investee's identifiable net assets at the time of acquisition, no adjustment is made to the initial investment cost. Where the initial investment cost is less than the Group's share of the fair value of the investee's identifiable net assets at the time of acquisition, the difference is recognized in profit or loss for the period, and the cost of the long-term equity investment is adjusted accordingly.

(III) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONT'D)

15. Long-term equity investments (Cont'd)

15.3 Subsequent measurement and recognition of profit or loss (Cont'd)

15.3.2 Long-term equity investment accounted for using the equity method (Cont'd)

Under the equity method, the Group recognizes its share of the net profit or loss and other comprehensive income of the investee for the period as investment income and other comprehensive income for the period. Meanwhile, carrying amount of long-term equity investment is adjusted: the carrying amount of long-term equity investment is decreased in accordance with its share of the investee's declared profit or cash dividends; Other changes in owners' equity of the investee other than net profit or loss and other comprehensive income are correspondingly adjusted to the carrying amount of the long-term equity investment, and recognized in the capital reserve. The Group recognizes its share of the investee's net profit or loss based on the fair value of the investee's individual identifiable assets, etc. at the acquisition date after making appropriate adjustments. When the investors' accounting policies and accounting period are inconsistent with those of the Company, the Company recognizes investment income and other comprehensive income after making appropriate adjustments to conform to the Company's accounting policies and accounting period. However, unrealized gains or losses resulting from the Group's transactions with its associates and joint ventures, which do not constitute a business, are eliminated based on the proportion attributable to the Group and then investment gains or losses or is recognized. However, unrealized losses resulting from the Group's transactions with its associates and joint ventures which represent impairment losses on the transferred assets are not eliminated.

The Group discontinues recognizing its share of net losses of the investee after the carrying amount of the long-term equity investment together with any long-term interests that in substance form part of its net investment in the investee is reduced to zero. If the Group has incurred obligations to assume additional losses of the investee, a provision is recognized according to the expected obligation, and recorded as investment loss for the period. Where net profit is subsequently made by the investee, the Group resumes recognizing its share of the profit only after its share of the profit exceeds the share of loss previously not recognized.

15.4 Disposal of long-term equity investments

On disposal of a long-term equity investment, the difference between the proceeds actually received and receivable and the carrying amount is recognized in profit or loss for the period. For a long-term equity investment accounted for using the equity method, if remaining shares after the disposal are still accounted for using the equity method, other comprehensive income is accounted on the basis of directly disposed related assets and liabilities of investee and carried forward proportionately; Other owners' equity recognized from changes of owners' equity except for net profit or loss, other comprehensive income and profit distribution is recognized in profit or loss of current period and carried forward proportionately.

16. Investment properties

Investment property is property held to earn rentals or for capital appreciation or both. It includes a land use right that is leased out; a land use right held for transfer upon capital appreciation; and a building that is leased out.

An investment property is measured initially at cost. Subsequent expenditures incurred for such investment property are included in the cost of the investment property if it is probable that economic benefits associated with an investment property will flow to the Group and the cost can be measured reliably. Other subsequent expenditures are recognized in profit or loss for the period in which they are incurred.

(III) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONT'D)

16. Investment properties (Cont'd)

The Group adopts cost model for subsequent measurement of investment properties. Buildings and land use rights are depreciated over the useful life using the straight-line method since the month subsequent to the one in which it is ready for intended use. The estimated useful lives, estimated net residual value rates and annual depreciation (amortization) rates of each category of investment properties are as follows:

Category	Estimated useful life	Estimated net residual value rate	Annual depreciation (amortization) rate
Buildings	20 - 40 years	3% to 5%	2.4% to 4.9%
Land use rights	50 years	-	2.0%

An investment property is derecognized when it is disposed of or when it is permanently withdrawn from use and no future economic benefits are expected from its disposal.

The amount of proceeds from sales, transfer, retirement or damage of an investment property, net of its carrying amount and related taxes, is recognized in profit or loss for the period.

17. Fixed assets

17.1 Recognition criteria

Fixed assets are tangible assets that are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes, and have useful lives of more than one accounting year. A fixed asset is recognized only when it is probable that economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably, which includes buildings, machinery and equipment, transportation vehicles and other equipment. Fixed assets are initially measured at cost. The fixed assets contributed by the State-owned shareholders at the time of reform of corporate system into a corporation are recognized based on the revaluated amounts approved by the state-owned assets administration department.

Subsequent expenditures incurred for the fixed asset are included in the cost of the fixed asset and if it is probable that economic benefits associated with the asset will flow to the Group and the subsequent expenditures can be measured reliably. Meanwhile, the carrying amount of the replaced part is derecognized. Other subsequent expenditures are recognized in profit or loss for the period in which they are incurred.

17.2 Depreciation methods

A fixed asset is depreciated over its useful life using the straight-line method since the month subsequent to the one in which it is ready for intended use. The estimated useful life, estimated net residual value rate and annual depreciation rate of each category of fixed assets are as follows:

Category	Estimated useful life	Estimated net residual value rate	Annual depreciation rate
Buildings	20 - 40 years	3% to 5%	2.4% to 4.9%
Machinery and equipment	5 - 14 years	3% to 5%	6.8% to 19.4%
Transportation vehicles	5 - 12 years	3% to 5%	7.9% to 19.4%
Other equipment	5 - 10 years	3% to 5%	9.5% to 19.4%

Estimated net residual value of a fixed asset is the estimated amount that the Group would currently obtain from disposal of the asset, after deducting the estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.

(III) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONT'D)

17. Fixed assets (Cont'd)

17.3 Other explanations

If a fixed asset is upon disposal or no future economic benefits are expected to be generated from its use or disposal, the fixed asset is derecognized. When a fixed asset is sold, transferred, retired or damaged, the amount of any proceeds on disposal of the asset net of the carrying amount and related taxes is recognized in profit or loss for the period.

The Group reviews the useful life and the estimated net residual value of a fixed asset and the depreciation method applied at least once at each financial year-end, and accounts for any change as a change in an accounting estimate.

18. Construction in progress

Construction in progress is measured at its actual costs. The actual costs include various construction expenditures during the construction period, borrowing costs capitalized before it is ready for intended use and other relevant costs. Construction in progress is not depreciated.

Construction in progress is transferred to a fixed asset when it is ready for intended use.

19. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying asset are capitalized when expenditures for such asset and borrowing costs are incurred and activities relating to the acquisition, construction or production of the asset that are necessary to prepare the asset for its intended use or sale have commenced. Capitalization of borrowing costs ceases when the qualifying asset being acquired, constructed or produced becomes ready for its intended use or sale. Other borrowing costs are recognized as an expense in the period in which they are incurred.

Where funds are borrowed under a specific-purpose borrowing, the amount of interest to be capitalized is the actual interest expenses incurred on that borrowing for the period less any bank interest earned from depositing the borrowed funds before being used on the asset or any investment income on the temporary investment of those funds. Where funds are borrowed under general-purpose borrowings, the Group determines the amount of interest to be capitalized on such borrowings by applying a capitalization rate to the weighted average of the excess of cumulative expenditures on the asset over the amounts of specific-purpose borrowings. The capitalization rate is the weighted average of the interest rates applicable to the general-purpose borrowings.

20. Intangible assets

20.1 Useful life and the basis for determination, estimation, method of amortization or review procedures

Intangible assets include land use rights, trademarks, technology known-how, marketing networks, software, and others.

Intangible assets are initially measured at cost. The intangible assets contributed by the State-owned shareholders at the time of reform of corporate system into a corporation are recognized based on the revaluated amounts approved by the state-owned assets administration department. The amortization method and useful life of each category of intangible assets are as follows:

(III) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONT'D)

20. Intangible assets (Cont'd)

20.1 Useful life and the basis for determination, estimation, method of amortization or review procedures (Cont'd)

The amortization method, useful life and estimated net residual value of each category of intangible assets are as follows:

Category	Amortization method	Useful life (year)	Residual value rate (%)
Land use rights	Straight-line method	30 – 50 years	-
Trademarks - other trademarks	Straight-line method	5 – 10 years	-
Marketing networks	Straight-line method	5 – 10 years	-
Technology known-how	Straight-line method	10 years	-
Computer software	Straight-line method	5 – 10 years	-
Trademarks - “TSINGTAO BEER” trademark (Note 1)		An intangible asset with an indefinite useful life is not amortized.	

For an intangible asset with a finite useful life, review of its estimated useful life and amortization method is performed at the end of each year, with adjustment made as appropriate.

Note 1: Trademarks mainly include the “TSINGTAO BEER” trademark which was contributed by the founding shareholders to the Company on 16 June 1993 as their capital contributions. The trademark is recorded based on the value assessed by the state-owned assets administration department. Based on the forecast of beer industry and the industry position of the Company, the management is of the view that the “TSINGTAO BEER” trademark has an indefinite useful life, accordingly, it is not subject to amortization but annual impairment assessments.

20.2 Scope of aggregation and accounting treatment of research and development expenditures

Expenditure during the research phase is recognized as an expense in the period in which it is incurred.

Expenditure during the development phase that meets all of the following conditions at the same time is recognized as intangible asset. Expenditure during development phase that does not meet the following conditions is recognized in profit or loss for the period:

- (1) it is technically feasible to complete the intangible asset so that it will be available for use or sale;
- (2) the Group has the intention to complete the intangible asset and use or sell it;
- (3) the Group can demonstrate the ways in which the intangible asset will generate economic benefits, including the evidence of the existence of a market for the output of the intangible asset or the intangible asset itself or, if it is to be used internally, the usefulness of the intangible asset;
- (4) the availability of adequate technical, financial and other resources to complete the development and the ability to use or sell the intangible asset; and
- (5) the expenditure attributable to the intangible asset during its development phase can be reliably measured.

20. Intangible assets (Cont'd)

20.2 Scope of aggregation and accounting treatment of research and development expenditures (Cont'd)

If the expenditures cannot be distinguished between the research phase and development phase, the Group recognizes all of them in profit or loss for the period. The cost of an intangible asset resulting from internal development activities includes only the total expenditure incurred from the point in time when the conditions for capitalization are met to the point in time when the intangible asset reaches its intended use, and no further adjustments are made to expenditures on the same intangible asset that have already been expensed and recognized in profit or loss before meeting the conditions for capitalization in the course of the development process.

The Group's research and development expenditures mainly include expenditures on materials consumed for the implementation of the Group's research and development activities, employees' remuneration for personnel involved in research and development activities, depreciation and amortization of assets used in research and development, such as equipment and software, research and development testing, and research and development technical service fees.

21. Impairment of long-term assets

The Group reviews the long-term equity investments, fixed assets, construction in progress, right-of-use assets, intangible assets with a finite useful life and investment properties measured under the cost model, etc., at each balance sheet date to determine whether there is any indication that they have suffered an impairment loss. If there is any indication that such assets may be impaired, recoverable amounts are estimated for such assets. Intangible assets with indefinite useful life and intangible assets not yet available for use are tested for impairment annually, irrespective of whether there is any indication that the assets may be impaired.

Recoverable amount is estimated on individual basis. If it is not practical to estimate the recoverable amount of an individual asset, the recoverable amount of the asset group to which the asset belongs will be estimated. The recoverable amount of an asset or asset group is the higher of its fair value less costs of disposal and the present value of the future cash flows expected to be derived from the asset or asset group.

If such recoverable amount is less than its carrying amount, a provision for impairment losses in respect of the deficit is recognized in profit or loss for the period.

Goodwill is tested for impairment at least at the end of each year. For the purpose of impairment testing, goodwill is considered together with the related assets group(s), i.e., goodwill is reasonably allocated to the related assets group(s) or each of assets group(s) expected to benefit from the synergies of the combination. An impairment loss is recognized if the recoverable amount of the assets group or sets of assets groups (including goodwill) is less than its carrying amount. The impairment loss is firstly allocated to reduce the carrying amount of any goodwill allocated to such assets group or sets of assets groups, and then to the other assets of the group pro-rata on the basis of the carrying amount of each asset (other than goodwill) in the group.

Once an impairment loss of the above-mentioned assets is recognized, it will not be reversed in any subsequent period.

22. Long-term prepaid expenses

Long-term prepaid expenses represent expenses incurred that should be borne and amortized over the current and subsequent periods (together of more than one year), including leasehold improvements, etc. Long-term prepaid expenses are amortized using the straight-line method over the expected periods in which benefits are derived.

(III) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONT'D)

23. Contract liabilities

Contract liability refers to the Group's obligation to transfer goods or services to a customer for consideration received or receivable from the customer. Contract assets and contract liabilities under the same contract will be presented on a net basis.

24. Employee benefits

24.1 Accounting treatment of short-term benefits

In an accounting period in which an employee has rendered service to the Group, the Group recognizes the short-term employee benefits for that service as a liability, and the related expenditures are either charged to profit or loss in the period when they are incurred or included in cost of related assets. Employee welfare expenses incurred by the Group are recognized in profit or loss for the period or the costs of relevant assets based on the actually incurred amounts when they are actually incurred. Non-monetary employee welfare expenses are measured at fair value.

Payment made by the Group of social security contributions for employees such as premiums or contributions on medical insurance, work injury insurance and maternity insurance, etc. and payments of housing funds, as well as union running costs and employee education fund provided in accordance with relevant requirements, are calculated according to prescribed bases and percentages in determining the amount of employee benefits and recognized as relevant liabilities, with a corresponding charge to the profit or loss for the period or the costs of relevant assets in the accounting period in which employees provide services.

24.2 Accounting treatment of post-employment benefits

Post-employment benefits are classified into defined contribution plans and defined benefit plans.

In an accounting period in which an employee has rendered service to the Group, the amount payable calculated in accordance with the defined contribution plan is recognized as a liability by the Group and charged to profit or loss for the period, or included in cost of related assets.

For defined benefit plans, the Group calculates defined benefit plan obligations using projected unit credit method and the service cost resulting from employee service in the current period is recorded in profit or loss or the cost of related assets. Defined benefit costs are categorized as follows:

- (1) service cost (including current service cost, past service cost, as well as gains and losses on settlements);
- (2) net interest of net liabilities or assets of defined benefit plan (including interest income of planned assets, interest expenses of defined benefit plan liabilities and effect of asset ceiling); and
- (3) Changes arising from remeasurement of net liabilities or net assets of defined benefit plans.

Service costs and net interest of net liabilities and net assets of defined benefit plans are recognized in profit or loss of current period or costs of related assets. Remeasurements of the net defined benefit liability (asset) (including actuarial gains and losses, the return on plan assets, excluding amounts included in net interest on the net defined benefit liability (asset), and any change in the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability (asset)) are recognized in other comprehensive income.

(III) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONT'D)

24. Employee benefits (Cont'd)

24.3 Accounting treatment of termination benefits

A liability for a termination benefit is recognized in profit or loss at the earlier of when the Group cannot unilaterally withdraw from the termination plan or the redundancy offer and when it recognizes any related restructuring costs.

25. Share-based payments

A share-based payment is a transaction which the Group grants equity instruments, or incurs liabilities for amounts that are determined based on the price of equity instruments, in return for services rendered by employees. The Group's Restricted Share Incentive Scheme represents share-based payments granted by the Group to the relevant incentive recipients settled in consideration of the Company's own equity instruments.

25.1 Equity-settled share-based payments

Equity-settled share-based payments in exchange for services rendered by employees are measured at the fair value of the equity instruments granted to employees at the grant date. Such amount is recognized as related costs or expenses on a straight-line basis over the vesting period, based on the best estimate of the number of equity instruments expected to vest/as related costs or expenses at the grant date, with a corresponding increase in capital reserve.

At each balance sheet date during the vesting period, the Group makes the best estimate according to the subsequent latest information of change in the number of employees who are granted with options that may vest, whether or not the required performance conditions have been met, etc. and revises the number of equity instruments expected to vest. The effect of the above estimate is recognized as related costs or expenses, with a corresponding adjustment to capital reserve.

26. Revenue recognition

The Group's revenue is from the sales of goods.

The Group recognizes revenue based on the amount of consideration the Group expects to be entitled when the Group satisfies a performance obligation in the contract, namely, when the customer obtains control over relevant goods or services. A performance obligation is a commitment that the Group transfers a distinct good or service to a customer in the contract.

The Group assesses a contract at contract inception, identifies each individual performance obligation included in the contract, and determines whether the Group satisfies the performance obligation over time or the Group satisfies the performance obligation at a point in time. It is a performance obligation satisfied over time and the Group recognizes revenue over time according to the progress of performance if one of the following conditions is met: (1) the customer obtains and consumes economic benefits at the same time of the Group's performance; (2) the customer is able to control goods or services in progress during the Group's performance; (3) goods or services generated during the Group's performance have irreplaceable utilization, and the Group is entitled to collect amounts of cumulative performance part which have been done up to now. Otherwise, revenue is recognized at a point in time when the customer obtains control over the relevant goods or services.

The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties and amounts expected to be refunded to a customer. In determining the transaction price, the Group considers the impact of consideration payable to customers and other factors.

(III) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONT'D)

26. Revenue recognition (Cont'd)

If the contract includes consideration payable to a customer, the Group shall account for consideration payable to a customer as a reduction of the transaction price unless the payment to the customer is in exchange for a distinct good or service, and recognized the reduction of revenue when (or as) the later of either of the following events occurs: 1) the Group recognizes revenue for the transfer of the related goods or services to the customer; and 2) the Group pays or promises to pay the consideration.

27. Government grants

Government grants are monetary assets and non-monetary assets from the government to the Group at no consideration. A government grant is recognized only when the Group can comply with the conditions attaching to the grant and the Group will receive the grant.

If a government grant is in the form of a transfer of a monetary asset, it is measured at the amount received or receivable.

27.1 Basis of judgment and accounting treatment of government grants related to assets

The Group's government grants related to assets are stated in Note (V) 32. The relevant grants are government grants used to acquire, construct or otherwise form long-term assets, which are government grants related to assets.

A government grant related to an asset is recognized as deferred income, and charged to profit or loss over the useful lives of the related assets on a straight-line basis.

27.2 Basis of judgment and accounting treatment of government grants related to income

Government grants related to income are government grants other than those related to assets. The Group's government grants related to income are stated in Note (V) 46.

For a government grant related to income, if the grant is a compensation for related expenses or losses to be incurred in subsequent periods, the grant is recognized as deferred income and recognized in profit or loss for the period in which the related costs or losses are recognized; if the grant is a compensation for related expenses or losses already incurred, the grant is recognized immediately in profit or loss for the period.

A government grant related to the Group's daily activities is recognized in other income based on the substance of economic activities; a government grant not related to the Group's daily activities is recognized in non-operating income.

28. Leases

A lease is a contract whereby the lessor conveys to the lessee in return for a consideration the right to use an asset for an agreed period of time.

28.1 The Group as lessee

28.1.1 Right-of-use assets

Except for short-term leases and leases of low-value assets, at the commencement date of the lease, the Group recognizes a right-of-use asset. The Group measures the right-of-use assets at cost.

The Group depreciates right-of-use assets by reference to the relevant depreciation provisions of Accounting Standards for Business Enterprises No. 4 - Fixed Assets. The Group follows the provisions of Accounting Standards for Business Enterprises No. 8 - Impairment of Assets to determine whether right-of-use assets are impaired and to account for the identified impairment losses.

28.1.2 Lease liabilities

Except for short-term leases and leases of low-value assets, at the commencement date of the lease, the Group measures the lease liabilities at the present value of the lease payments that are not paid at that date. Lease payments include, among other things, fixed payments and payments that would be required if it were reasonably certain that a purchase option or lease termination option would be exercised.

After the commencement date of the lease, the Group calculates interest expenses of lease liabilities for each period of the lease term based on fixed periodic rate, and recognizes such expenses in profit or loss or cost of related assets.

After the commencement date of the lease term, the Group remeasures the lease liabilities and adjusts the corresponding right-of-use assets if any of the following occurs. If the carrying amount of the right-of-use asset has been reduced to zero, but the lease liabilities need to be reduced further, the Group will recognize the difference in profit or loss for the period:

- there is a change in the lease term, or in the assessment of an option to purchase the underlying asset, in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment;
- there is a change in the amounts expected to be payable under a residual value guarantee, or in future lease payments resulting from a change in an index or a rate used to determine those payments, in which case the related lease liability is remeasured by discounting the revised lease payments using the unchanged discount rate.

28.1.3 Basis of judgment and accounting treatment of short-term leases and leases of low-value assets as a simplified treatment for lessees

The Group chooses not to recognize right-of-use assets and lease liabilities for short-term leases of buildings, machinery and equipment, transportation vehicles, electronic equipment, appliances and furniture. A short-term lease is a lease that at the commencement date, has a lease term of 12 months or less and does not contain a purchase option. A lease of low-value assets, is a lease that the single underlying asset, when is new, is of low value.

(III) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONT'D)

28. Leases (Cont'd)

28.1 The Group as lessee (Cont'd)

28.1.4 Lease modifications

The Group accounts for a lease modification as a separate lease if:

- the lease modification expanded the scope of the lease by adding the right-of-use of one or more lease assets; and
- the increased consideration is equivalent to the amount of stand-alone price of the expanded lease scope adjusted according to the contract.

If the lease modification is not accounted for as an individual lease, on the effective date of the lease modification, the Group reallocates the consideration of the contract after the change, re-determines the lease term, and re-measures lease liabilities based on the changed lease payments and the present value calculated by the revised discount rate.

28.2 The Group as lessor

28.2.1 Separating components of a lease

For a contract that contains lease components and non-lease components, the Group allocates the contract consideration in accordance with the Accounting Standards for Business Enterprises No. 14 - Revenue on apportionment of transaction prices, based on the respective stand-alone prices of the lease components and the non-lease components.

28.2.2 Classification criteria and accounting treatment of leases as lessors

Leases are classified as finance leases whenever the terms of the leased assets transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

28.2.2.1 The Group as lessor under operating leases

Receipts of lease under operating leases are recognized as rental income on a straight-line basis over the term of the relevant lease. Initial direct costs related to operating leases incurred by the Group are capitalized when incurred, and are recognized in profit or loss for the current period on the same basis as recognition of rental income over the lease term.

29. Deferred tax assets/deferred tax liabilities

The income tax expenses include current income tax and deferred income tax.

29.1 Current income tax

At the balance sheet date, current income tax liabilities (or assets) for the current and prior periods are measured at the amount expected to be paid (or recovered) according to the requirements of tax laws.

29. Deferred tax assets/deferred tax liabilities (Cont'd)

29.2 Deferred tax assets and deferred tax liabilities

For temporary differences between the carrying amounts of certain assets or liabilities and their tax base, or between the nil carrying amount of those items that are not recognized as assets or liabilities and their tax base that can be determined according to tax laws, deferred tax assets and liabilities are recognized using the balance sheet liability method.

Deferred tax is generally recognized for all temporary differences. Deferred tax assets for deductible temporary differences are recognized to the extent that it is probable that taxable profits will be available against which the deductible temporary differences can be utilized. However, for temporary differences associated with the initial recognition of goodwill and the initial recognition of an asset or liability arising from a transaction (not a business combination) that affects neither the accounting profit nor taxable profits (or deductible losses) at the time of transaction and will not result in taxable temporary differences and deductible temporary differences in equal amounts, no deferred tax asset or liability is recognized.

For deductible losses and tax credits that can be carried forward, deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which the deductible losses and tax credits can be utilized.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

At the balance sheet date, deferred tax assets and liabilities are measured at the tax rates, according to tax laws, that are expected to apply in the period in which the asset is realized or the liability is settled.

Current and deferred tax expenses or income are recognized in profit or loss for the period, except when they arise from transactions or events that are directly recognized in other comprehensive income or in shareholders' equity, in which case they are recognized in other comprehensive income or in shareholders' equity; and when they arise from business combinations, in which case they adjust the carrying amount of goodwill.

At the balance sheet date, the carrying amount of deferred tax assets is reviewed and reduced if it is no longer probable that sufficient taxable profits will be available in the future to allow the benefit of deferred tax assets to be utilized. Such reduction in amount is reversed when it becomes probable that sufficient taxable profits will be available.

29.3 Income tax offsetting

When the Group has a legal right to settle on a net basis and intends either to settle on a net basis or to realize the assets and settle the liabilities simultaneously, current tax assets and current tax liabilities are offset and presented on a net basis.

When the Group has a legal right to settle current tax assets and liabilities on a net basis, and deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity which intend either to settle current tax assets and liabilities on a net basis or to realize the assets and liabilities simultaneously, in each future period in which significant amounts of deferred tax assets or liabilities are expected to be reversed, deferred tax assets and deferred tax liabilities are offset and presented on a net basis.

(III) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONT'D)

30. Critical judgements in applying accounting policies and key assumptions and uncertainties in accounting estimates

In the application of the Group's accounting policies, which are described in Note (III), the Group is required to make judgements, estimates and assumptions about the carrying amounts of items in the financial statements that cannot be measured accurately, due to the internal uncertainties of operating activities. These judgements, estimates and assumptions are based on historical experience of the Group's management as well as other factors that are considered to be relevant. Actual results may differ from these estimates.

The aforementioned judgements, estimates and assumptions are reviewed regularly on a going concern basis. The effect of a change in accounting estimate is recognized in the period of the change, if the change affects that period only; or recognized in the period of the change and future periods, if the change affects both.

Significant accounting estimates and key assumptions

At the balance sheet date, the key assumptions and uncertainties that are probable to cause significant adjustments to the carrying amounts of assets and liabilities in future periods include:

30.1 Accounting estimates on impairment of goodwill

The Group tests annually whether goodwill has suffered any impairment. The recoverable amount of asset group or portfolio of asset groups is the higher of fair value less costs of disposal and the present value of the expected future cash flows. Its calculation requires use of estimates (Note (V) 17).

If the management revises the sales growth rate during the forecast period, the perpetual growth rate, the gross profit margin or the pre-tax discount rate that are used in the calculation of the future cash flows of asset group or portfolio of asset groups, and the revised sales growth rate during the forecast period, the revised perpetual growth rate and the gross profit margin are lower than the rates currently used, or the revised pre-tax discount rate is higher than the one currently applied, the Group would need to recognize further impairment of goodwill. If the actual sales growth rate during the forecast period, the perpetual growth rate and gross profit margin are higher or pre-tax discount rate is lower than the management's estimates, the impairment losses of goodwill previously provided for shall not be reversed.

30.2 Accounting estimates on impairment of fixed assets

According to the accounting policies stated in Note (III) 17, the Group tests whether fixed assets have suffered any impairment on the balance sheet date. The recoverable amount of fixed assets is the higher of fair value less costs of disposal and the present value of the future cash flows expected to be derived from the asset. Its calculation requires the use of accounting estimates.

For the period from 1 January 2024 to 30 June 2024, the Group recognized impairment losses of RMB3,026,192 (For the period from 1 January 2023 to 30 June 2023: RMB1,189,427) for fixed assets based on the evaluation. As at 30 June 2024, the carrying amount of provision for impairment of fixed assets is RMB545,391,726 (31 December 2023: RMB594,456,776) (Note (V) 13).

If the management revises the growth rate, gross profit margin or pre-tax discount rate that are used in the calculation of the future cash flows of the asset group to which fixed assets belong, and the growth rate and gross profit margin are lower than the rates currently used, or the revised pre-tax discount rate is higher than the one currently applied, the Group would need to recognize further impairment of fixed assets. If the actual growth rate and gross profit margin are higher or pre-tax discount rate is lower than the management's estimates, the impairment losses of fixed assets previously provided for shall not be reversed.

(III) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONT'D)

30. Critical judgements in applying accounting policies and key assumptions and uncertainties in accounting estimates (Cont'd)

Significant accounting estimates and key assumptions (Cont'd)

30.3 Accounting estimates on recognition of deferred tax assets

The estimates of deferred tax assets require estimates of future taxable income and applicable income tax rates of respective years. The realization of deferred tax assets depends on whether sufficient taxable income will be available in the future. The change in future income tax rates and timing of reversal of temporary differences would affect income tax expenses (benefits) and balance of deferred tax. Change in aforesaid estimates would result in material adjustment to deferred income tax.

As at 30 June 2024, deferred tax assets of RMB2,529,525,261 (31 December 2023: RMB2,431,404,225) have been recognized. As stated in Note (V) 19, on 30 June 2024, the Group had unrecognized deferred tax assets amounting to approximately RMB689,769,000 (31 December 2023: RMB717,237,000), which were mainly attributable to the accumulated losses of certain subsidiaries of the Group that are deductible against taxable income under the tax law in the next five years and deductible temporary differences of these subsidiaries. The Group does not recognize deferred tax assets for such deductible losses and deductible temporary differences due to the fact that it is uncertain whether these subsidiaries would suffer losses or make profits and whether it is probable that sufficient taxable income will be available in future periods to allow the benefits of the deferred tax assets to be utilized. If the future taxable income of the subsidiaries is more than expected, additional deferred tax assets will be recognized.

30.4 Actuarial of supplementary post-employment benefits

As stated in Note (III) 24, the Group's obligations for supplementary post-employment benefits are estimated on an actuarial basis. The actuarial is the best estimate on the amount of supplementary post-employment benefits that the Group is committed to pay to eligible employees at the balance sheet date, in which discount rate is determined with reference to the yield of the government bonds of China and the mortality rate published by China Life Insurance Mortality Table 2010 - 2013. If the underlying assumptions change in the future, the actuarial estimates will change accordingly, which will be recognized in other comprehensive income in future years.

30.5 Measurement of ECL

The Group calculates the ECL based on the exposure at default and the ECL rate and determines the ECL rate based on the probability of default and the loss given default (LGD) rate or based on an aging matrix. When determining the ECL rate, the Group uses internal historical credit loss experience and other data and adjusts the historical data in combination with the current conditions and forward-looking information.

When considering the forward-looking information, the Group considers different macroeconomic scenarios. The Group regularly monitors and reviews the important macroeconomic assumptions and parameters related to the calculation of ECL, including the risk of economic downturn, external market environment, changes in customer conditions, gross domestic product and consumer price index, etc. As at 30 June 2024, the Group has considered the uncertainties under different macroeconomic scenarios and updated relevant assumptions and parameters accordingly.

(III) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONT'D)

31. Significant changes in accounting policies

Interpretation No.17 of the Accounting Standards for Business Enterprises

The Ministry of Finance issued the Interpretation No.17 of the Accounting Standards for Business Enterprises on 25 October 2023, which stipulated the classification of current and non-current liabilities and is effective from 1 January 2024.

The adoption of this interpretation has no significant impact on the financial statements of the Group.

(IV) TAXES

1. The main categories and tax rates are set out below:

Category of tax	Basis of tax computation	Tax rate
Enterprise income tax (Note 1)	Taxable income	3%-12%, 16.5%, 20% and 25%
VAT (Note 2)	Taxable value-added amount (Tax payable is calculated using the taxable sales amount multiplied by the effective tax rate less deductible input VAT of the current period or calculated using the taxable sales amount multiplied by the effective tax rate)	13%, 9%, 6% and 3%
Consumption tax	Product types and prices Beer	Consumption tax per unit
	More than or equal to RMB3,000 per ton	RMB250 per ton
	Less than RMB3,000 per ton	RMB220 per ton
City maintenance and construction tax	Turnover tax payable	5% and 7%
Educational surcharge and local educational surcharge	Turnover tax payable	5%

Note 1: Enterprise income tax.

(i) Applicable tax rates :

All of the Group's intra-group companies located in Chinese Mainland are subject to an enterprise income tax rate of 25%, except for some subsidiaries which are small and micro enterprises.

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

Hong Kong profits tax has been provided at the rate of 16.5% on the estimated taxable income for the period. Macau profits supplemental tax has been provided at a progressive tax rate ranging from 3% to 12% on the estimated taxable income for the period. Vietnam enterprise income tax has been provided at the rate of 20% on the estimated taxable income for the period.

(IV) TAXES (CONT'D)

1. The main categories and tax rates are set out below: (Cont'd)

Note 1: **Enterprise income tax. (Cont'd)**

- (ii) Pursuant to the Notice issued by the Ministry of Finance and the State Administration of Taxation on the Deduction Policies of Relevant Enterprise Income Tax for Equipment and Instruments (Cai Shui [2018] No. 54) and the Announcement of the Ministry of Finance and the State Taxation Administration on Extending the Implementation Period of Certain Preferential Tax Policies (Cai Shui [2021] No. 6), during the period from 1 January 2018 to 31 December 2023, the newly purchased equipment under RMB5 million can be recognized in costs and expenses of the current period in the month after the assets are put into use, and can be deducted when calculating the taxable income (depreciation is no longer provided). Pursuant to the Notice issued by the Ministry of Finance and the State Administration of Taxation on the Deduction Policies of Relevant Enterprise Income Tax for Equipment and Instruments (Cai Shui [2023] No. 37), during the period from 1 January 2024 to 31 December 2027, the newly purchased equipment under RMB5 million can be recognized in costs and expenses of the current period in the month after the assets are put into use, and can be deducted when calculating the taxable income (depreciation is no longer provided).

Note 2: **VAT**

The Group calculates output VAT at the rate of 13% on the sales revenue of beer and other products. The applicable VAT rates for the financial business income of Tsingtao Brewery Finance Co., Ltd. (“Finance Company”) and the construction business income of Tsingtao Brewery Construction Co., Ltd. (“Construction Company”) are 6% and 9% respectively. Input VAT paid for purchase of goods, machinery and equipment for production or taxable services can be deducted from output VAT. VAT payable is the balance of output tax less the deductible input tax.

Some subsidiaries of the Company are small-scale taxpayers and are subject to VAT at the rate of 3%.

Pursuant to the Announcement on Further Strengthening the Implementation of the Policies Regarding the Refund of Term-End Excess Input Value-Added Tax Credits (Cai Shui [2022] No. 14), the Announcement on Further Accelerating the Progress of Implementation of the Policies Regarding the Refund of Term-End Excess Input Value-Added Tax Credits (Cai Shui [2022] No. 17) and the Announcement on Keeping Accelerating the Implementation of the Policies Regarding the Refund of Term-End Excess Input Value-Added Tax Credits (Cai Shui [2022] No. 19) jointly issued by the Ministry of Finance and the State Taxation Administration, qualified small and micro enterprises and enterprises in the manufacturing industry and other industries can apply to the competent tax authorities for refund of outstanding VAT credits starting from the tax declaration period in April 2022; qualified small enterprises and medium-sized enterprises in the manufacturing industry and other industries can apply to the competent tax authorities for refund of outstanding VAT credits in one lump sum starting from the tax declaration period in May 2022; and qualified large enterprises in the manufacturing industry and other industries can apply to the competent tax authorities for refund of outstanding VAT credits in one lump sum starting from the tax declaration period in June 2022.

Note 3: **Withholding enterprise income tax**

According to the Notice on the Issues concerning Withholding the Enterprise Income Tax on the Dividends Paid by Chinese Resident Enterprises to H-share Holders Which Are Overseas Non-resident Enterprises issued by the State Administration of Taxation on 6 November 2008 (Guo Shui Han [2008] No. 897), the Company shall withhold the enterprise income tax on the basis of 10% of the dividends, when it pays dividends to its H-share holders which are overseas non-resident enterprises.

(IV) TAXES (CONT'D)

2. Tax incentives

According to the Announcement of the Ministry of Finance, the State Taxation Administration and the General Administration of Customs on Relevant Policies for Deepening the Value-Added Tax Reform (Announcement [2019] No. 39), the Announcement of the Ministry of Finance and the State Taxation Administration on Clarifying the Additional Value-Added Tax Credit Policy for the Life Service Industry (Announcement [2019] No. 87), the Announcement of the Ministry of Finance and the State Taxation Administration on Relevant Value-Added Tax Policies for Promoting the Resolution of Difficulties so as to Develop the Difficulty-Ridden Industries in the Service Sector (Announcement [2022] No. 11), and the Announcement of the Ministry of Finance and the State Taxation Administration on Clarifying the Value-Added Tax Reduction and Exemption Policies for Small-Scale Value-Added Tax Taxpayers and Other Policies (Announcement [2023] No. 1), part of the Company's subsidiaries are life service enterprises, and VAT payable will be offset by adding 15% to the deductible input tax from 1 October 2019 to 31 December 2022; VAT payable will be offset by adding 10% to the deductible input tax from 1 January 2023 to 31 December 2023.

According to the Announcement of the Ministry of Finance and the State Taxation Administration on the Relevant Tax and Fee Policies for Further Supporting the Development of Micro and Small Enterprises and Individual Industrial and Commercial Households (Announcement [2023] No. 12), the calculation for taxable income of small low-profit enterprises is reduced by 25% and the applicable enterprise income tax is 20%. The policy is extended to 31 December 2027.

(V) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS

1. Cash and bank balances

Item	RMB	
	30 June 2024	31 December 2023
Cash on hand	99,363	90,093
Bank deposits	4,850,218,046	4,277,183,058
Interbank deposits (Note 1)	18,172,235,686	13,979,254,429
Deposits in the central bank (Note 2)	910,614,532	791,743,445
Other monetary funds (Note 3)	533,515,903	233,833,617
Total	<u>24,466,683,530</u>	<u>19,282,104,642</u>
Including: Total funds deposited overseas (Note 4)	<u>94,421,926</u>	<u>99,237,540</u>

Note 1: Interbank deposits represent the bank deposits and interest receivable deposited in domestic banks by Finance Company, a subsidiary of the Company.

Note 2: Deposits in the central bank represent the statutory reserve and interest receivable deposited in the central bank by Finance Company, a subsidiary of the Company. As at 30 June 2024, the statutory reserve ratio is 5% (31 December 2023: 5%) of the balance of deposits.

Note 3: As at 30 June 2024, other monetary funds include housing maintenance fund of RMB33,313,468 (31 December 2023: RMB33,279,248) deposited in the banks, refundable deposits held in accounts of security companies of RMB500,122,287 (31 December 2023: RMB200,474,362) and other deposits of RMB80,148 (31 December 2023: RMB80,007).

Note 4: As at 30 June 2024, the funds deposited overseas represent the cash on hand, bank deposits and interest receivable of Hong Kong Company, Macau Company and Vietnam Company held in Hong Kong, Macau and Vietnam respectively. There is no restriction on the repatriation of funds deposited overseas.

(V) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

1. Cash and bank balances (Cont'd)

Note 5: As at 30 June 2024, the Group has cash and bank balances with restricted rights of use amounting to RMB944,008,148 (31 December 2023: RMB825,102,700), which are mainly legal reserve, housing maintenance fund and other deposits placed with the Central Bank by the Company's subsidiary, Finance Company.

2. Held-for-trading financial assets

Item	30 June 2024	<i>RMB</i> 31 December 2023
Financial assets at FVTPL	<u>2,812,664,867</u>	<u>1,924,078,158</u>
Including: Debt instruments	<u>2,812,664,867</u>	<u>1,924,078,158</u>

It represents the structured deposits purchased by the Group etc., the fair value of which is determined based on the future cash flows at 30 June 2024.

3. Notes receivable

(1) Classification of notes receivable

Item	30 June 2024	<i>RMB</i> 31 December 2023
Bank acceptances	<u>7,700,000</u>	<u>-</u>

(2) The Group had no pledged notes receivable at the end of the period (31 December 2023: nil).

(3) Notes receivable endorsed by the Group and not yet matured at 30 June 2024

Item	<i>RMB</i> Amounts derecognized at the end of the period
Bank acceptances	<u><u>18,280,000</u></u>

(4) The credit rating of the bank acceptances held by the Group is relatively high, and there is no significant credit risk, therefore, no allowance for losses has been made.

(V) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)**4. Accounts receivable***(1)* The aging analysis of accounts receivable by accounting date is as follows:

Aging	Gross carrying amount at	<i>RMB</i>
	30 June 2024	Gross carrying amount at 31 December 2023
Within 1 year	140,167,946	100,395,481
1 to 2 years	-	-
2 to 3 years	38,202	38,202
3 to 4 years	-	-
4 to 5 years	-	-
Over 5 years	177,287,671	177,287,671
Total	317,493,819	277,721,354

(2) Disclosure by provision method for bad debt

Category	30 June 2024				<i>RMB</i>
	Gross carrying amount		Provision for bad debt		Carrying amount
	Amount	Proportion (%)	Amount	Proportion of provision (%)	
Provision for bad debt made on an individual basis	26,242,020	8.3	26,242,020	100.0	-
Provision for bad debt made on a portfolio basis	291,251,799	91.7	151,547,166	52.0	139,704,633
Total	317,493,819	100.0	177,789,186	/	139,704,633

Category	31 December 2023				<i>RMB</i>
	Gross carrying amount		Provision for bad debt		Carrying amount
	Amount	Proportion (%)	Amount	Proportion of provision (%)	
Provision for bad debt made on an individual basis	26,242,020	9.4	26,242,020	100.0	-
Provision for bad debt made on a portfolio basis	251,479,334	90.6	151,088,013	60.1	100,391,321
Total	277,721,354	100.0	177,330,033	/	100,391,321

(V) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)**4. Accounts receivable (Cont'd)****(2) Disclosure by provision method for bad debt (Cont'd)***Provision for bad debt made on an individual basis*

RMB

Name	30 June 2024			Reason for provision
	Gross carrying amount	Provision for bad debt	Proportion of provision (%)	
Gansu Nongken Brewery Co., Ltd.	14,996,236	14,996,236	100.0	The funds are difficult to be recovered
Beijing Tsingtao Brewery Sales Co., Ltd. ("Beijing Sales Company")	11,245,784	11,245,784	100.0	The funds are difficult to be recovered
Total	26,242,020	26,242,020	/	/

RMB

Name	31 December 2023			Reason for provision
	Gross carrying amount	Provision for bad debt	Proportion of provision (%)	
Gansu Nongken Brewery Co., Ltd.	14,996,236	14,996,236	100.0	The funds are difficult to be recovered
Beijing Sales Company	11,245,784	11,245,784	100.0	The funds are difficult to be recovered
Total	26,242,020	26,242,020	/	/

The Group has ceased all business transactions with the above companies, and assessed the cash flows expected to be recovered under different scenarios and made provision for bad debt based on the present value of the difference between these cash flows and the cash flows receivable from the contracts. The Group is of the view that the funds are difficult to be recovered, therefore, full provision for bad debts has been made in prior years.

(V) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)**4. Accounts receivable (Cont'd)****(2) Disclosure by provision method for bad debt (Cont'd)**

As part of the Group's credit risk management, the Group uses the ageing of accounts receivable to assess the expected credit loss on accounts receivable. Based on the Group's assessment of credit risk, the ageing information is indicative of the customer's ability to pay the accounts receivable when due. The majority of the Group's sales are made by way of receipts in advance or bank acceptances, while the remaining sales are accompanied by a credit period of 30-100 days. The credit risk of and expected credit losses on accounts receivable are as follows:

<i>RMB</i>				
30 June 2024				
Ageing	Expected average loss rate (%)	Gross carrying amount	Provision for bad debt	Carrying amount
Not overdue	-	130,869,770	-	130,869,770
Overdue within 1 year	5	9,298,176	463,313	8,834,863
Overdue 1 to 2 years	50	-	-	-
Overdue more than 2 years	100	151,083,853	151,083,853	-
Total	/	291,251,799	151,547,166	139,704,633

<i>RMB</i>				
31 December 2023				
Ageing	Expected average loss rate (%)	Gross carrying amount	Provision for bad debt	Carrying amount
Not overdue	-	100,312,281	-	100,312,281
Overdue within 1 year	5	83,200	4,160	79,040
Overdue 1 to 2 years	50	-	-	-
Overdue more than 2 years	100	151,083,853	151,083,853	-
Total	/	251,479,334	151,088,013	100,391,321

(3) Provision for credit losses

<i>RMB</i>				
Category	31 December 2023	Changes for the period		30 June 2024
		Provision	Write-off	
Accounts receivable	177,330,033	459,153	-	177,789,186

There is no recovery or reversal of provision for credit losses in the current period.

(4) During the period from 1 January 2024 to 30 June 2024, the Company had no accounts receivable actually written off (2023: nil).

(V) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)**4. Accounts receivable (Cont'd)****(5) Top five accounts receivable in closing balance categorized by debtors**

Item	Balance	Bad debt provision	Proportion to total accounts receivable
Total of top five accounts receivable	<u>75,391,877</u>	<u>26,242,020</u>	<u>24%</u>

(6) As at 30 June 2024, the Group has no accounts receivable derecognized due to transfer of financial assets (31 December 2023: nil).

5. Prepayments**(1) Disclosure of prepayments by aging**

Aging	30 June 2024		31 December 2023	
	Amount	Proportion (%)	Amount	Proportion (%)
Within 1 year	188,873,410	90.7	177,842,045	84.3
1 to 2 years	784,389	0.4	22,194,647	10.5
2 to 3 years	17,647,214	8.5	10,208,526	4.8
Over 3 years	<u>952,327</u>	<u>0.4</u>	<u>729,918</u>	<u>0.4</u>
Total	<u>208,257,340</u>	<u>100.0</u>	<u>210,975,136</u>	<u>100.0</u>

As at 30 June 2024, the carrying amount of prepayments over one year is RMB19,383,930 (31 December 2023: RMB33,133,091). The counterparty has not yet been requested to deliver the products due to the production plan or other reasons.

(2) Top five prepayments in closing balance categorized by receivers

As at 30 June 2024, the closing balance of the top five prepayments is RMB79,735,966 (31 December 2023: RMB83,858,634), accounting for 38% of the total closing balance of prepayments (31 December 2023: 40%).

6. Other receivables**6.1 Summary of other receivables**

Category	30 June 2024	31 December 2023
Dividends receivable	7,775,267	-
Other receivables	<u>131,478,198</u>	<u>184,367,739</u>
Total	<u>139,253,465</u>	<u>184,367,739</u>

(V) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

6. Other receivables (Cont'd)

6.2 Other receivables

(1) Disclosure by aging:

Aging	Gross carrying amount at 30 June 2024	RMB
		Gross carrying amount at 31 December 2023
Not overdue	126,138,502	179,639,380
Overdue within 1 year	4,994,093	19,482,543
Overdue 1 to 2 years	16,036,491	939,886
Overdue more than 2 years	60,364,990	60,300,630
Total	207,534,076	260,362,439

(2) Disclosure by nature:

Nature	Gross carrying amount at 30 June 2024	RMB
		Gross carrying amount at 31 December 2023
Guarantee deposits	45,748,815	28,278,479
Receivables from materials	37,612,657	25,079,843
Refund of land and buildings receivable	17,441,647	17,441,647
Receivables from construction and equipment (Note 1)	16,661,786	8,575,760
Petty cash	11,694,462	10,357,435
Receivables from disposal of land	3,507,780	118,061,140
Export rebates	1,127,879	2,039,915
Others	73,739,050	50,528,220
Total	207,534,076	260,362,439

Note 1: It represents receivables from related parties and other external entities of Tsingtao Brewery Equipment Co., Ltd. ("Machinery and Equipment Company"), Tsingtao Brewery Equipment Manufacturing Co., Ltd. ("Equipment Manufacturing Company") and Construction Company, subsidiaries of the Company, for construction and equipment.

(V) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)**6. Other receivables (Cont'd)****6.2 Other receivables (Cont'd)***(3) Provision for bad debt*

Provision for bad debt	RMB		Total
	Stage I 12-month ECL	Stage III Lifetime ECL (credit-impaired)	
Balance at 1 January 2024	694,070	75,300,630	75,994,700
Balance at 1 January 2024 transferred during the period			
– Transfer to Stage III	(60,781)	60,781	-
Provision	69,439	747,316	816,755
Reversal	(11,840)	(50,870)	(62,710)
Write-off	-	(692,867)	(692,867)
Balance at 30 June 2024	690,888	75,364,990	76,055,878

(4) Provision for expected credit losses for the period

Categories	Changes in the period			30 June 2024	
	31 December 2023	Provision	Reversal		Write-off
Other receivables	75,994,700	816,755	(62,710)	(692,867)	76,055,878

(5) The bad debt provision for other receivables of RMB692,867 was actually written off during the year, and the gross carrying amount was RMB692,867.

(6) Top five other receivables in closing balance categorized by debtors:

Name of entity	Gross carrying amount at 30 June 2024	Proportion to total other receivables as at 30 June 2024 (%)		Nature	Aging	Closing balance of provision for ECL
		2024 (%)	Nature			
No.1	15,000,000	7.2	Security deposits for land receivable	1-2 years	15,000,000	
No.2	8,584,437	4.1	Refund of land receivable	Over 5 years	8,584,437	
No.3	5,000,000	2.4	Receivables from materials	Over 5 years	5,000,000	
No.4	4,616,730	2.2	Receivables from materials	Over 5 years	4,616,730	
No.5	3,110,000	1.5	Receivables from disposal of land	Over 5 years	3,110,000	
Total	36,311,167	17.4	/	/	36,311,167	

(7) As at 30 June 2024 (31 December 2023), the Group has no overdue dividends receivable.

(8) The Group does not have amounts attributed to other parties and reported in other receivables as a result of centralized management of funds.

(V) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)**7. Inventories****(1) Category of inventories**

Item	30 June 2024			31 December 2023			RMB
	Gross carrying amount	Provision for decline in value	Carrying amount	Gross carrying amount	Provision for decline in value	Carrying amount	
Raw materials	582,060,872	840,862	581,220,010	631,065,277	867,241	630,198,036	
Packaging materials	622,203,499	4,611,059	617,592,440	764,775,186	4,611,059	760,164,127	
Low-cost and short-lived consumables	86,243,430	-	86,243,430	77,914,938	-	77,914,938	
Work in progress	449,193,201	-	449,193,201	529,788,219	-	529,788,219	
Goods on hand	478,433,362	-	478,433,362	1,541,762,985	-	1,541,762,985	
Total	2,218,134,364	5,451,921	2,212,682,443	3,545,306,605	5,478,300	3,539,828,305	

(2) Provision for decline in value of inventories

Item	31 December 2023	Increase in the current period	Write-off	RMB
				30 June 2024
Raw materials	867,241	-	(26,379)	840,862
Packaging materials	4,611,059	-	-	4,611,059
Total	5,478,300	-	(26,379)	5,451,921

Item	31 December 2022	Increase in the current period	Write-off	RMB
				30 June 2023
Raw materials	899,894	-	-	899,894
Packaging materials	2,517,462	-	-	2,517,462
Total	3,417,356	-	-	3,417,356

Item	Specific basis for determining net realizable value	Reasons for reversal/write-off
Raw materials and packaging materials	Estimated selling price less estimated costs to be incurred to completion, estimated selling expenses and related taxes	Sold or net realizable value rebounded

8. Non-current assets due within one year

Item	30 June 2024	31 December 2023	RMB
Other non-current financial assets due within one year (Note (V) 11)	30,961,440	28,432,377	

(V) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)**9. Other current assets**

Item	<i>RMB</i>	
	30 June 2024	31 December 2023
Interbank deposits (<i>Note</i>)	1,596,063,095	3,554,841,231
Prepaid enterprise income tax	49,415,340	343,170,789
VAT to be deducted	45,858,553	272,074,959
Input VAT to be verified	85,912,965	141,105,029
Credit and factoring business (<i>Note</i>)	4,005,158	12,617,905
Others	4,992,669	20,354,044
<i>Less:</i> Impairment provision for other current assets	1,007,630	2,416,105
Total	<u>1,785,240,150</u>	<u>4,341,747,852</u>

Note: It represents the interbank deposits due within one year purchased by Finance Company, a subsidiary of the Company, and the loans granted to the dealers. The management holds this type of investment for the purpose of obtaining contractual cash flow rather than trading at any time. The characteristics of contractual cash flow are consistent with the basic loan arrangement, so it is included in other current assets at amortized cost, and classified in Stage 1.

10. Long-term equity investments

Investees	<i>RMB</i>											
	Gross carrying amount at 31 December 2023	<u>Changes for the period</u>								Gross carrying amount at 30 June 2024	Opening balance of provision for impairment	Closing balance of provision for impairment
		Increased investment	Decreased investment	Investment income or loss recognized under equity method	Adjustment to other comprehensive income	Other changes in equity	Cash dividends or profits declared	Other changes				
I. Joint venture												
Hebei Jiube Beer Co., Ltd. ("Hebei Jiube Company") (<i>Note 1</i>)	216,772,296	-	-	2,853,258	-	-	(7,500,000)	-	212,125,554	-	-	
II. Associates												
Shandong Yantai Brewery Co., Ltd. ("Yantai Brewery Company")	133,501,116	-	-	6,815,197	-	-	(7,775,267)	-	131,541,046	-	-	
Qingdao Zhaoshang Logistics Co., Ltd. ("Zhaoshang Logistics Company")	11,917,798	-	-	1,632,734	-	2,407	-	-	13,552,939	-	-	
Tsingtao Brewery Europe Trading Co., Ltd. ("European Company")	3,545,770	-	-	3,210,376	(108,885)	-	-	-	6,647,261	-	-	
Liaoning Shengqing Tsingtao Brewery Co., Ltd. ("Liaoning Shengqing Company") (<i>Note 2</i>)	-	-	-	-	-	-	-	-	-	-	-	
Others	1,220,000	-	-	-	-	-	-	-	1,220,000	(1,220,000)	(1,220,000)	
Total	365,956,980	-	-	14,511,565	(108,885)	2,407	(15,275,267)	-	365,086,800	(1,220,000)	(1,220,000)	

(V) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)**10. Long-term equity investments (Cont'd)**

RMB

Investees	Changes for the period								Gross carrying amount at 30 June 2023	Opening balance of provision for impairment	Closing balance of provision for impairment
	31 December 2022	Increased investment	Decreased investment	Investment income or loss recognized under equity method	Adjustment to other comprehensive income	Other changes in equity	Cash dividends or profits declared	Other changes			
I. Joint venture											
Hebei Jiahe Company (Note 1)	220,762,244	-	-	3,696,494	-	-	(9,000,000)	-	215,458,738	-	
II. Associates											
Yantai Brewery Company	129,800,797	-	-	11,584,192	-	-	(10,595,945)	-	130,789,046	-	
Zhaoshang Logistics Company	14,314,260	-	-	1,733,813	-	4,331	(2,918,530)	-	13,133,874	-	
European Company	3,251,165	-	-	1,518,508	272,018	-	-	-	5,041,691	-	
Liaoning Shenqing Company (Note 2)	-	-	-	-	-	-	-	-	-	-	
Others	1,220,000	-	-	-	-	-	-	-	1,220,000	(1,220,000)	
Total	369,348,466	-	-	18,533,007	272,018	4,331	(22,514,473)	-	365,643,349	(1,220,000)	(1,220,000)

Note 1: The share of equity interests and voting rights held by the Company are both 50% in Hebei Jiahe Company, so the Company owns joint control over Hebei Jiahe Company and accounts for it as a joint venture.

Note 2: Liaoning Shenqing Company's net assets are negative due to continuous losses, and the Group has no obligation to bear additional losses. Therefore, when recognizing the Group's share of net loss incurred, the carrying amount of long-term equity investments is written down to zero. As at 30 June 2024, the accumulative investment loss unrecognized is RMB829,545 (31 December 2023: RMB851,442).

11. Other non-current financial assets

Item	RMB	
	30 June 2024	31 December 2023
Debt instruments	2,522,744,190	1,453,317,927
Others	600,000	600,000
<i>Less:</i> Debt instruments due within one year	30,961,440	28,432,377
Total	2,492,382,750	1,425,485,550

Debt instruments represent the secondary capital bonds purchased by Finance Company, a subsidiary of the Company, from the bank, whose contractual cash flow characteristics are inconsistent with the basic credit arrangement, and which are expected to be held for more than one year, and will be included in other non-current financial assets at fair value; the part that can be recovered within one year is listed as non-current assets due within one year. The Group's maximum exposure to this investment is the carrying amount of the Group's purchased shares at the balance sheet date.

(V) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)**12. Investment properties****(1) Investment properties measured at cost**

Item	Buildings	Land use rights	RMB Total
I. Original cost			
1. 31 December 2023	87,639,510	20,130,316	107,769,826
2. Increase in the current period	912,997	247,295	1,160,292
(1) Purchases	912,997	-	912,997
(2) Transfer from intangible assets	-	247,295	247,295
3. Decrease in the current period	9,475,181	1,885,720	11,360,901
(1) Transfer to fixed assets and intangible assets	9,475,181	1,885,720	11,360,901
4. 30 June 2024	79,077,326	18,491,891	97,569,217
II. Accumulated depreciation and accumulated amortization			
1. 31 December 2023	49,198,203	5,478,353	54,676,556
2. Increase in the current period	959,156	304,034	1,263,190
(1) Provision or amortization	959,156	211,979	1,171,135
(2) Transfer from intangible assets	-	92,055	92,055
3. Decrease in the current period	6,405,298	1,044,804	7,450,102
(1) Transfer to fixed assets and intangible assets	6,405,298	1,044,804	7,450,102
4. 30 June 2024	43,752,061	4,737,583	48,489,644
III. Provision for impairment			
1. 31 December 2023	8,928,400	-	8,928,400
2. Decrease in the current period	837,046	-	837,046
(1) Transfer to fixed assets	837,046	-	837,046
3. 30 June 2024	8,091,354	-	8,091,354
IV. Carrying amount			
1. 30 June 2024	27,233,911	13,754,308	40,988,219
2. 31 December 2023	29,512,907	14,651,963	44,164,870

(V) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)**12. Investment properties (Cont'd)****(1) Investment properties measured at cost (Cont'd)**

Item			<i>RMB</i>
	Buildings	Land use rights	Total
I. Original cost			
1. 31 December 2022	78,607,221	8,685,220	87,292,441
2. Increase in the current period	11,162,392	11,445,096	22,607,488
(1) Transfer from fixed assets and intangible assets	11,162,392	11,445,096	22,607,488
3. Decrease in the current period	2,115,357	-	2,115,357
(1) Transfer to fixed assets	2,115,357	-	2,115,357
4. 30 June 2023	87,654,256	20,130,316	107,784,572
II. Accumulated depreciation and accumulated amortization			
1. 31 December 2022	46,022,539	2,964,806	48,987,345
2. Increase in the current period	3,333,344	2,286,831	5,620,175
(1) Provision or amortization	973,862	169,489	1,143,351
(2) Transfer from fixed assets and intangible assets	2,359,482	2,117,342	4,476,824
3. Decrease in the current period	1,226,305	-	1,226,305
(1) Transfer to fixed assets	1,226,305	-	1,226,305
4. 30 June 2023	48,129,578	5,251,637	53,381,215
III. Provision for impairment			
1. 31 December 2022	9,248,640	-	9,248,640
2. Increase in the current period	64,749	-	64,749
(1) Transfer from fixed assets	64,749	-	64,749
3. Decrease in the current period	384,989	-	384,989
(1) Transfer to fixed assets	384,989	-	384,989
4. 30 June 2023	8,928,400	-	8,928,400
IV. Carrying amount			
1. 30 June 2023	30,596,278	14,878,679	45,474,957
2. 31 December 2022	23,336,042	5,720,414	29,056,456

(2) As at 30 June 2024, the Group has no investment properties without ownership certificates (31 December 2023: nil).

13. Fixed assets**13.1 Summary of fixed assets**

Item	<i>RMB</i>	
	30 June 2024	31 December 2023
Fixed assets	10,805,948,074	11,131,822,943
Disposal of fixed assets	13,822,398	13,895,980
Total	<u>10,819,770,472</u>	<u>11,145,718,923</u>

(V) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)**13. Fixed assets (Cont'd)****13.2 Fixed assets***(1) Details of fixed assets*

Item					<i>RMB</i>
	Buildings	Machinery and equipment	Transportation vehicles	Other equipment	Total
I. Original cost					
31 December 2023	8,290,325,344	12,062,862,209	251,159,242	1,255,991,655	21,860,338,450
Increase in the current period	35,710,969	202,028,540	5,620,838	42,445,773	285,806,120
(1) Purchases	-	21,694,711	5,620,838	10,927,289	38,242,838
(2) Transfer from construction in progress	26,235,788	180,333,829	-	31,518,484	238,088,101
(3) Transfer from investment properties	9,475,181	-	-	-	9,475,181
Decrease in the current period	69,836,439	307,984,871	11,281,317	14,974,930	404,077,557
(1) Disposal or retirement	56,520,295	170,865,480	11,281,317	13,936,330	252,603,422
(2) Transfer to construction in progress	13,316,144	137,119,391	-	1,038,600	151,474,135
30 June 2024	8,256,199,874	11,956,905,878	245,498,763	1,283,462,498	21,742,067,013
II. Accumulated depreciation					
31 December 2023	2,393,522,944	6,689,119,756	185,188,280	866,227,751	10,134,058,731
Increase in the current period	116,358,746	317,717,742	5,969,371	55,116,186	495,162,045
(1) Provision	109,953,448	317,717,742	5,969,371	55,116,186	488,756,747
(2) Transfer from investment properties	6,405,298	-	-	-	6,405,298
Decrease in the current period	40,152,163	174,583,383	10,295,312	13,462,705	238,493,563
(1) Disposal or retirement	31,182,417	118,178,484	10,295,312	12,742,897	172,399,110
(2) Transfer to construction in progress	8,969,746	56,404,899	-	719,808	66,094,453
30 June 2024	2,469,729,527	6,832,254,115	180,862,339	907,881,232	10,390,727,213
III. Provision for impairment					
31 December 2023	177,481,914	410,251,403	2,533,805	4,189,654	594,456,776
Increase in the current period	876,078	2,422,068	259,062	306,030	3,863,238
(1) Provision	39,032	2,422,068	259,062	306,030	3,026,192
(2) Transfer from investment properties	837,046	-	-	-	837,046
Decrease in the current period	20,978,968	30,910,763	421,928	616,629	52,928,288
(1) Disposal or retirement	20,978,968	30,910,763	421,928	616,629	52,928,288
30 June 2024	157,379,024	381,762,708	2,370,939	3,879,055	545,391,726
IV. Carrying amount					
30 June 2024	5,629,091,323	4,742,889,055	62,265,485	371,702,211	10,805,948,074
31 December 2023	5,719,320,486	4,963,491,050	63,437,157	385,574,250	11,131,822,943

(V) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)**13. Fixed assets (Cont'd)****13.2 Fixed assets (Cont'd)***(1) Details of fixed assets (Cont'd)*

Item	RMB				
	Buildings	Machinery and equipment	Transportation vehicles	Other equipment	Total
I. Original cost					
31 December 2022	8,068,783,521	11,815,614,003	270,763,103	1,168,657,061	21,323,817,688
Increase in the current period	114,717,980	251,024,454	6,755,064	32,794,018	405,291,516
(1) Purchases	27,498,122	15,066,436	6,755,064	12,635,924	61,955,546
(2) Transfer from construction in progress	85,104,501	235,958,018	-	20,158,094	341,220,613
(3) Transfer from investment properties	2,115,357	-	-	-	2,115,357
Decrease in the current period	91,363,199	179,494,168	11,799,096	20,603,378	303,259,841
(1) Disposal or retirement	1,914,162	64,225,247	11,799,096	20,370,439	98,308,944
(2) Transfer to construction in progress	78,286,645	115,268,921	-	232,939	193,788,505
(3) Transfer to investment properties	11,162,392	-	-	-	11,162,392
30 June 2023	8,092,138,302	11,887,144,289	265,719,071	1,180,847,701	21,425,849,363
II. Accumulated depreciation					
31 December 2022	2,257,787,475	6,505,166,495	200,325,398	813,775,542	9,777,054,910
Increase in the current period	109,505,016	296,127,800	7,085,675	48,876,172	461,594,663
(1) Provision	108,278,711	296,127,800	7,085,675	48,876,172	460,368,358
(2) Transfer from investment properties	1,226,305	-	-	-	1,226,305
Decrease in the current period	45,758,117	135,073,982	10,774,316	18,567,024	210,173,439
(1) Disposal or retirement	534,126	52,637,345	10,774,316	18,438,946	82,384,733
(2) Transfer to construction in progress	42,864,509	82,436,637	-	128,078	125,429,224
(3) Transfer to investment properties	2,359,482	-	-	-	2,359,482
30 June 2023	2,321,534,374	6,666,220,313	196,636,757	844,084,690	10,028,476,134
III. Provision for impairment					
31 December 2022	155,257,972	388,218,992	3,533,952	4,166,003	551,176,919
Increase in the current period	943,386	501,806	44,814	84,410	1,574,416
(1) Provision	558,397	501,806	44,814	84,410	1,189,427
(2) Transfer from investment properties	384,989	-	-	-	384,989
Decrease in the current period	1,291,564	12,087,939	395,099	846,546	14,621,148
(1) Disposal or retirement	1,226,815	11,586,784	395,099	846,546	14,055,244
(2) Transfer to construction in progress	-	501,155	-	-	501,155
(3) Transfer to investment properties	64,749	-	-	-	64,749
30 June 2023	154,909,794	376,632,859	3,183,667	3,403,867	538,130,187
IV. Carrying amount					
30 June 2023	5,615,694,134	4,844,291,117	65,898,647	333,359,144	10,859,243,042
31 December 2022	5,655,738,074	4,922,228,516	66,903,753	350,715,516	10,995,585,859

(V) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

13. Fixed assets (Cont'd)

13.2 Fixed assets (Cont'd)

(2) Temporarily idle fixed assets

30 June 2024

Item	Original cost	Accumulated depreciation	Provision for impairment	RMB Carrying amount
Machinery and equipment	148,656,941	105,080,299	4,657,306	38,919,336
Buildings	19,711,092	9,597,802	7,981,754	2,131,536
Total	168,368,033	114,678,101	12,639,060	41,050,872

31 December 2023

Item	Original cost	Accumulated depreciation	Provision for impairment	RMB Carrying amount
Machinery and equipment	188,298,416	140,272,019	3,527,181	44,499,216
Buildings	19,403,703	9,335,619	7,981,754	2,086,330
Total	207,702,119	149,607,638	11,508,935	46,585,546

As at 30 June 2024, the buildings and the machinery and equipment with carrying amount of RMB41,050,872 (Original cost: RMB168,368,033) are temporarily idle for product update or other reasons (31 December 2023: carrying amount of RMB46,585,546 (Original cost: RMB207,702,119)). The management plans to reallocate these assets within the Group or upgrade these assets.

(3) The Group has no fixed assets leased out under operating leases.

(4) Fixed assets without ownership certificates as at the end of the period

Item	Carrying amount at 30 June 2024	Carrying amount at 31 December 2023	Reason for not obtaining ownership certificates
Buildings	120,506,000	511,131,000	In process
Buildings	135,254,000	36,787,000	Unable to obtain the ownership certificates

The directors of the Company are of the view that there are no substantial legal impediments to buildings with ownership certificates in the process, and buildings for which ownership certificates cannot be obtained will not affect the Group's normal use of these buildings, and has no significant impact on the normal operations of the Group, therefore, no provision for impairment of fixed assets has been made.

(V) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)**13. Fixed assets (Cont'd)****13.2 Fixed assets (Cont'd)***(5) Impairment testing of fixed assets*

Item	Carrying amount	Recoverable amount	Impairment amount	Determination of fair value and cost of disposal	Key parameters	RMB
						Basis for determining key parameters
Fixed assets with impairment indicators	3,574,441	548,249	3,026,192	Market inquiry	Market price	Accounting Standards for Business Enterprises No. 8 - Impairment of Assets

(6) As at 30 June 2024, the Group has no fixed assets pledged as collateral for bank borrowings (31 December 2023: nil).

13.3 Disposal of fixed assets

Item	30 June 2024	RMB
		31 December 2023
Machinery and equipment	13,822,398	13,895,980

14. Construction in progress*(1) Details of construction in progress*

Item	30 June 2024			31 December 2023		
	Gross carrying amount	Provision for impairment	Carrying amount	Gross carrying amount	Provision for impairment	Carrying amount
	A R&D Center in Ludong	269,825,722	-	269,825,722	223,807,829	-
A production line improvement in Ludong	165,906,176	-	165,906,176	98,416,913	-	98,416,913
A plant construction project in Luxi	131,128,718	-	131,128,718	53,439,453	-	53,439,453
A production line construction in Ludong	42,141,019	-	42,141,019	37,186,221	-	37,186,221
A production line improvement in Ludong	29,641,711	-	29,641,711	9,733,072	-	9,733,072
A production line construction in Fujian	17,181,560	-	17,181,560	-	-	-
A production line construction in Heilongjiang	16,940,704	-	16,940,704	-	-	-
A relocation project in Lunan	14,284,418	-	14,284,418	7,116,349	-	7,116,349
A production line improvement in Ludong	7,484,061	-	7,484,061	7,476,515	-	7,476,515
A production line improvement in Ludong	5,154,543	-	5,154,543	4,009,522	-	4,009,522
A relocation project in Ludong	1,632,134	-	1,632,134	5,342,740	-	5,342,740
Others	93,532,107	-	93,532,107	52,046,345	-	52,046,345
Total	794,852,873	-	794,852,873	498,574,959	-	498,574,959

(V) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)**14. Construction in progress (Cont'd)****(2) Movements in significant construction in progress in the current period**

The significant construction in progress of the Group is listed as follows:

Item						<i>RMB</i>		
	Budget	31 December 2023	Increase in the current period	Transfer to fixed assets	30 June 2024	Proportion of expenditures to budget (%)	Project progress (%)	Source of funds
A R&D Center in Ludong	579,460,000	223,807,829	46,017,893	-	209,825,722	46.6	46.6	Self-funding
A production line improvement in Ludong	403,277,000	98,416,913	67,489,263	-	165,906,176	49.0	42.9	Self-funding
A plant construction project in Luxi	445,100,000	53,439,453	77,837,036	147,771	131,128,718	48.8	32.5	Self-funding
A production line construction in Ludong	240,406,000	37,186,221	28,081,945	23,127,147	42,141,019	66.0	65.8	Self-funding
A production line improvement in Ludong	142,798,374	9,733,072	28,827,632	8,918,993	29,641,711	94.6	44.5	Self-funding
A production line construction in Fujian	21,927,816	-	18,092,179	910,619	17,181,560	82.5	82.5	Self-funding
A production line construction in Heilongjiang	37,211,376	-	16,940,704	-	16,940,704	45.6	45.6	Self-funding
A relocation project in Luanan	751,680,000	7,116,349	7,292,298	124,229	14,284,418	96.0	96.0	Self-funding
A production line improvement in Ludong	58,218,884	7,476,515	7,546	-	7,484,061	68.5	68.5	Self-funding
A production line improvement in Ludong	584,920,000	4,009,522	20,089,510	18,944,489	5,154,543	99.0	99.0	Self-funding
A relocation project in Ludong	326,410,000	5,342,740	5,395,020	-	1,632,134	79.5	79.0	Self-funding
Others	N/A	52,046,345	218,294,989	176,809,227	93,532,107	N/A	N/A	Self-funding
Total	/	498,574,959	534,366,015	238,088,101	794,852,873	/	/	/

Item						<i>RMB</i>		
	Budget	31 December 2022	Increase in the current period	Transfer to fixed assets	30 June 2023	Proportion of expenditures to budget (%)	Project progress (%)	Source of funds
A R&D Center in Ludong	343,600,000	134,020,116	33,978,907	-	167,999,023	49	49	Self-funding
A relocation project in Ludong	326,410,000	49,985,995	85,796,634	693,578	135,089,051	73	73	Self-funding
A production line improvement in Ludong	594,095,000	101,273,535	10,576,876	63,410,655	48,439,756	93	93	Self-funding
A production line improvement in Ludong	265,987,823	21,525,153	18,777,375	14,527,642	25,774,886	40	38	Self-funding
A construction project in Ludong	401,432,000	12,449,509	17,597,520	6,232,471	23,814,558	22	16	Self-funding
A relocation project in Luanan	647,860,000	5,662,122	17,887,556	44,248	23,505,430	95	95	Self-funding
An industrial park project in Ludong	271,850,000	19,371,179	961,906	1,360,889	18,972,196	92	92	Self-funding
A production line improvement in Shanghai	21,331,900	1,474,779	13,077,479	-	14,552,258	68	68	Self-funding
A production line improvement in Shaanxi	60,489,172	568,321	35,923,815	24,324,432	12,167,704	72	69	Self-funding
A production line improvement in Guangdong	49,169,140	954,389	42,088,039	33,326,122	9,716,306	95	95	Self-funding
A production line improvement in Jiangsu	45,594,298	6,808,142	4,619,000	2,130,089	9,297,053	39	39	Self-funding
A relocation project in Luxi	445,100,000	6,779,718	2,319,825	994,166	8,105,377	2	2	Self-funding
A production line improvement in Beijing	68,696,976	16,075,774	40,560,108	48,211,860	8,424,022	82	82	Self-funding
A production line improvement in Henan	50,715,335	8,932,671	16,612,999	17,148,672	8,396,998	87	87	Self-funding
A production line improvement in Luxi	46,009,277	14,295,441	10,933,765	17,888,128	7,361,078	68	68	Self-funding
A production line improvement in Ludong	128,548,000	1,324,630	15,346,392	9,623,342	7,047,680	45	38	Self-funding
A production line improvement in Jiangsu	70,344,470	13,583,993	7,592,368	16,043,615	5,132,746	44	43	Self-funding
Others	N/A	41,443,584	88,491,316	85,260,704	44,674,196	N/A	N/A	Self-funding
Total	/	456,529,051	463,161,880	341,220,613	578,470,318	/	/	/

For the period from 1 January 2024 to 30 June 2024, there are no additional borrowing costs capitalized (For the period from 1 January 2023 to 30 June 2023: nil).

(3) As at 30 June 2024, the Group has no construction in progress for which provision for impairment is required

(V) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)**15. Right-of-use assets****(1) Presentation of right-of-use assets**

Item					<i>RMB</i>
	Buildings	Land use rights	Machinery and equipment	Others	Total
I. Original cost					
31 December 2023	235,823,105	7,210,018	5,519,424	349,486	248,902,033
Increase in the current period	40,275,056	-	-	1,194,084	41,469,140
(1) New leases	40,275,056	-	-	1,194,084	41,469,140
Decrease in the current period	21,222,982	-	3,031,501	7,676	24,262,159
(1) Termination of leases	21,222,982	-	3,031,501	7,676	24,262,159
30 June 2024	254,875,179	7,210,018	2,487,923	1,535,894	266,109,014
II. Accumulated depreciation					
31 December 2023	122,449,266	2,628,516	4,047,868	229,505	129,355,155
Increase in the current period	29,719,761	269,640	489,463	314,333	30,793,197
(1) Provision	29,719,761	269,640	489,463	314,333	30,793,197
Decrease in the current period	19,943,308	-	3,031,501	7,676	22,982,485
(1) Termination of leases	19,943,308	-	3,031,501	7,676	22,982,485
30 June 2024	132,225,719	2,898,156	1,505,830	536,162	137,165,867
III. Provision for impairment					
Balance at 31 December 2023 and 30 June 2024	-	-	-	-	-
IV. Carrying amount					
30 June 2024	122,649,460	4,311,862	982,093	999,732	128,943,147
31 December 2023	113,373,839	4,581,502	1,471,556	119,981	119,546,878

(V) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)**15. Right-of-use assets (Cont'd)****(1) Presentation of right-of-use assets (Cont'd)**

Item	<i>RMB</i>				
	Buildings	Land use rights	Machinery and equipment	Others	Total
I. Original cost					
31 December 2022	243,333,328	7,210,018	6,167,984	346,913	257,058,243
Increase in the current period	18,521,428	-	-	5,213	18,526,641
(1) New leases	18,521,428	-	-	5,213	18,526,641
Decrease in the current period	11,245,930	-	-	-	11,245,930
(1) Termination of leases	10,890,758	-	-	-	10,890,758
(2) Lease modification	355,172	-	-	-	355,172
30 June 2023	250,608,826	7,210,018	6,167,984	352,126	264,338,954
II. Accumulated depreciation					
31 December 2022	96,781,127	2,089,236	3,143,825	127,888	102,142,076
Increase in the current period	26,435,414	269,640	775,380	53,429	27,533,863
(1) Provision	26,435,414	269,640	775,380	53,429	27,533,863
Decrease in the current period	10,890,758	-	-	-	10,890,758
(1) Termination of leases	10,890,758	-	-	-	10,890,758
30 June 2023	112,325,783	2,358,876	3,919,205	181,317	118,785,181
III. Provision for impairment					
Balance at 31 December 2022 and 30 June 2023	-	-	-	-	-
IV. Carrying amount					
30 June 2023	138,283,043	4,851,142	2,248,779	170,809	145,553,773
31 December 2022	146,552,201	5,120,782	3,024,159	219,025	154,916,167

(2) At 30 June 2024, the Group has no right-of-use assets for which provision for impairment is required.

(V) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)**16. Intangible assets****(1) Details of intangible assets**

Item						RMB
	Land use rights	Trademarks	Technology known-how	Marketing networks	Software and others	Total
I. Original cost						
31 December 2023	2,844,791,731	449,743,612	18,629,100	974,935,670	803,317,789	5,091,417,902
Increase in the current period	159,501,815	-	-	-	28,838,289	188,340,104
(1) Purchases	157,616,095	-	-	-	28,838,289	186,454,384
(2) Transfer from investment properties	1,885,720	-	-	-	-	1,885,720
Decrease in the current period	247,295	-	-	-	14,866	262,161
(1) Disposal or retirement	-	-	-	-	14,866	14,866
(2) Transfer to investment properties	247,295	-	-	-	-	247,295
30 June 2024	3,004,046,251	449,743,612	18,629,100	974,935,670	832,141,212	5,279,995,845
II. Accumulated amortization						
31 December 2023	764,818,304	384,737,256	18,629,100	970,662,194	459,501,980	2,598,348,834
Increase in the current period	34,192,921	1,404,941	-	4,273,476	40,846,165	80,717,503
(1) Provision	33,148,117	1,404,941	-	4,273,476	40,846,165	79,672,699
(2) Transfer from investment properties	1,044,804	-	-	-	-	1,044,804
Decrease in the current period	92,055	-	-	-	11,151	103,206
(1) Disposal or retirement	-	-	-	-	11,151	11,151
(2) Transfer to investment properties	92,055	-	-	-	-	92,055
30 June 2024	798,919,170	386,142,197	18,629,100	974,935,670	500,336,994	2,678,963,131
III. Provision for impairment						
Balance at 31 December 2023 and 30 June 2024	-	-	-	-	-	-
IV. Carrying amount						
30 June 2024	2,205,127,081	63,601,415	-	-	331,804,218	2,600,532,714
31 December 2023	2,079,973,427	65,006,356	-	4,273,476	343,815,809	2,493,069,068

(V) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)**16. Intangible assets (Cont'd)****(1) Details of intangible assets (Cont'd)**

Item						<i>RMB</i>
	Land use rights	Trademarks	Technology known-how	Marketing networks	Software and others	Total
I. Original cost						
31 December 2022	2,889,935,942	449,743,612	18,629,100	974,935,670	682,547,388	5,015,791,712
Increase in the current period	-	-	-	-	18,782,851	18,782,851
(1) Purchases	-	-	-	-	18,782,851	18,782,851
Decrease in the current period	17,104,183	-	-	-	-	17,104,183
(1) Disposal or retirement	5,659,087	-	-	-	-	5,659,087
(2) Transfer to investment properties	11,445,096	-	-	-	-	11,445,096
30 June 2023	2,872,831,759	449,743,612	18,629,100	974,935,670	701,330,239	5,017,470,380
II. Accumulated amortization						
31 December 2022	710,475,303	381,923,778	18,629,100	955,185,200	391,757,987	2,457,971,368
Increase in the current period	32,726,490	1,406,739	-	8,919,163	31,945,960	74,998,352
(1) Provision	32,726,490	1,406,739	-	8,919,163	31,945,960	74,998,352
Decrease in the current period	3,099,935	-	-	-	-	3,099,935
(1) Disposal or retirement	982,593	-	-	-	-	982,593
(2) Transfer to investment properties	2,117,342	-	-	-	-	2,117,342
30 June 2023	740,101,858	383,330,517	18,629,100	964,104,363	423,703,947	2,529,869,785
III. Provision for impairment						
Balance at 31 December 2022 and 30 June 2023	-	-	-	-	-	-
IV. Carrying amount						
30 June 2023	2,132,729,901	66,413,095	-	10,831,307	277,626,292	2,487,600,595
31 December 2022	2,179,460,639	67,819,834	-	19,750,470	290,789,401	2,557,820,344

As at 31 December 2024, the Group has no intangible assets pledged as collateral for bank borrowings (31 December 2023: nil).

As at 30 June 2024, the Group has no intangible assets formed through internal research and development (31 December 2023: nil).

- (2) As at 30 June 2024, the Group has no land use rights without an appropriate ownership certificate.
- (3) As at 30 June 2024, the Group has no intangible assets for which provision for impairment is required.

(V) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)**17. Goodwill****(1) Original cost of goodwill**

Asset group	31 December 2023	RMB		30 June 2024
		Increase in the current period Goodwill arising from business combinations	Decrease in the current period Disposal	
Shandong Region - Immense Brewery Company	958,868,617	-	-	958,868,617
Shandong Region - Lulansa Company	227,026,482	-	-	227,026,482
South China Region - Nanning Company	130,895,740	-	-	130,895,740
Southeast Region - Fuzhou Company/Xiamen Company/ Zhangzhou Company/Dongnan Sales Company	114,031,330	-	-	114,031,330
North China Region - Three Ring Company/Beifang Sales Company	24,642,782	-	-	24,642,782
Others	49,049,770	-	-	49,049,770
Total	1,504,514,721	-	-	1,504,514,721

Asset group	31 December 2022	RMB		30 June 2023
		Increase in the current period Goodwill arising from business combinations	Decrease in the current period Disposal	
Shandong Region - Immense Brewery Company	958,868,617	-	-	958,868,617
Shandong Region - Lulansa Company	227,026,482	-	-	227,026,482
South China Region - Nanning Company	130,895,740	-	-	130,895,740
Southeast Region - Fuzhou Company/Xiamen Company/ Zhangzhou Company/Dongnan Sales Company	114,031,330	-	-	114,031,330
North China Region - Three Ring Company/Beifang Sales Company	24,642,782	-	-	24,642,782
Others	49,049,770	-	-	49,049,770
Total	1,504,514,721	-	-	1,504,514,721

(V) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)**17. Goodwill (Cont'd)****(2) Provision for impairment of goodwill**

				<i>RMB</i>
Asset group	31 December 2023	Increase in the current period	Decrease in the current period	30 June 2024
		Provision	Disposal	
South China Region - Nanning Company	130,895,740	-	-	130,895,740
North China Region - Three Ring Company/Beifang Sales Company	24,642,782	-	-	24,642,782
Others	41,872,217	-	-	41,872,217
Total	197,410,739	-	-	197,410,739
				<i>RMB</i>
Asset group	31 December 2022	Increase in the current period	Decrease in the current period	30 June 2023
		Provision	Disposal	
South China Region - Nanning Company	130,895,740	-	-	130,895,740
North China Region - Three Ring Company/Beifang Sales Company	24,642,782	-	-	24,642,782
Others	41,872,217	-	-	41,872,217
Total	197,410,739	-	-	197,410,739

(V) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)**17. Goodwill (Cont'd)****(3) Relevant information of asset group(s) to which goodwill belongs**

RMB

Name	Composition and basis of asset group(s) or portfolio(s) of asset groups	Operating segments and basis	Whether consistent with prior years
Shandong Region - Immense Brewery Company	Composition: Immense Brewery Company; Basis: The asset group is able to generate cash inflows independently	Shandong Region, principal place of business	Yes
Shandong Region - Lulansa Company	Composition: Lulansa Company; Basis: The asset group is able to generate cash inflows independently	Shandong Region, principal place of business	Yes
South China Region - Nanning Company	Composition: Nanning Company; Basis: The asset group is able to generate cash inflows independently	South China Region, principal place of business	Yes
Southeast Region - Fuzhou Company/ Xiamen Company/ Zhangzhou Company/ Dongnan Sales Company	Composition: Fuzhou Company/Xiamen Company/ Zhangzhou Company/ Dongnan Sales Company Basis: The asset group is able to generate cash inflows independently	Southeast Region, principal place of business	Yes
North China Region - Three Ring Company/ Beifang Sales Company	Composition: Three Ring Company/Beifang Sales Company; Basis: The asset group is able to generate cash inflows independently	North China Region, principal place of business	Yes
Other regions	Composition: Company of the asset group in which other goodwill is located Basis: Other asset groups are able to generate cash inflows independently	Other regions, principal place of business	Yes

(V) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)**18. Long-term prepaid expenses**

Item	31 December 2023	Increase in the current period	Amortization in the current period	<i>RMB</i>
				30 June 2024
Decoration and renovation expenses	97,012,458	6,543,560	19,907,606	83,648,412
Gardening, factory hardening and other expenses	14,095,197	703,265	2,976,846	11,821,616
Total	111,107,655	7,246,825	22,884,452	95,470,028

Item	31 December 2022	Increase in the current period	Amortization in the current period	<i>RMB</i>
				30 June 2023
Decoration and renovation expenses	91,369,852	6,669,465	17,553,960	80,485,357
Gardening, factory hardening and other expenses	10,300,344	3,407,361	2,194,398	11,513,307
Total	101,670,196	10,076,826	19,748,358	91,998,664

19. Deferred tax assets and deferred tax liabilities**(1) Deferred tax assets before offsetting**

Item	30 June 2024		31 December 2023	
	Deductible temporary differences	Deferred tax assets	Deductible temporary differences	Deferred tax assets
Provision for impairment of assets	100,700,016	25,175,004	126,700,328	31,675,082
Deferred income	2,008,314,756	502,078,689	1,937,347,340	484,336,835
Elimination of intra-group unrealized profit	63,975,088	15,993,772	267,517,592	66,879,398
Expenses to be paid	7,587,945,192	1,896,986,298	7,068,643,036	1,767,160,759
Share-based payments	224,138,052	56,034,513	211,765,240	52,941,310
Lease liabilities	133,027,940	33,256,985	113,643,364	28,410,841
Total	10,118,101,044	2,529,525,261	9,725,616,900	2,431,404,225

(V) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)**19. Deferred tax assets and deferred tax liabilities (Cont'd)****(2) Deferred tax liabilities before offsetting**

Item	30 June 2024		31 December 2023		RMB
	Taxable temporary differences	Deferred tax liabilities	Taxable temporary differences	Deferred tax liabilities	
Business combinations not involving enterprises under common control	361,034,396	90,258,599	372,984,456	93,246,114	
Depreciation of fixed assets	1,956,470,872	489,117,718	2,008,666,984	502,166,746	
Changes in fair value of held-for-trading financial assets	159,779,776	39,944,944	55,761,640	13,940,410	
Right-of-use assets	143,347,716	35,836,929	119,546,878	29,886,720	
Others	10,757,676	2,689,419	17,922,236	4,480,559	
Total	2,631,390,436	657,847,609	2,574,882,194	643,720,549	

(3) Deferred tax assets or liabilities presented on a net basis

Item	30 June 2024		31 December 2023		RMB
	Offset amount between deferred tax assets and liabilities at the end of the period	Closing balance of deferred tax assets or liabilities after offsetting	Offset amount between deferred tax assets and liabilities at the end of the period	Closing balance of deferred tax assets or liabilities after offsetting	
Deferred tax assets	419,713,252	2,109,812,009	405,555,121	2,025,849,104	
Deferred tax liabilities	419,713,252	238,134,357	405,555,121	238,165,428	

(4) Details of unrecognized deferred tax assets

Item	30 June 2024	31 December 2023	RMB
Deductible temporary differences	1,484,525,234	1,683,519,459	
Deductible losses	1,275,804,519	1,185,426,967	
Total	2,760,329,753	2,868,946,426	

Given the loss-making position or unstable profitability of certain subsidiaries, whether it is probable that sufficient taxable income will be available in future periods to offset the deductible losses is highly uncertain. Therefore, the Group has not recognized deferred tax assets of approximately RMB318,951,000 (31 December 2023: RMB296,357,000) arising from the deductible losses that can be offset against the taxable income under tax laws in the five-year period from 2024 to 2028. In addition, given the loss-making position or unstable profitability of certain subsidiaries, whether it is probable that sufficient taxable income will be available in future periods to offset the deductible temporary differences is highly uncertain. Therefore, the Group has not recognized deferred tax assets of approximately RMB371,131,000 (31 December 2023: RMB420,880,000) arising from these deductible temporary differences.

(V) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

19. Deferred tax assets and deferred tax liabilities (Cont'd)

(5) *Deductible losses, for which no deferred tax assets are recognized, will expire in the following years*

Years	RMB	
	30 June 2024	31 December 2023
2024	228,877,483	294,891,982
2025	182,320,642	191,313,638
2026	265,157,325	271,118,765
2027	193,665,512	198,990,294
2028	260,502,346	229,112,288
2029	145,281,211	-
Total	1,275,804,519	1,185,426,967

20. Other non-current assets

Item	RMB	
	30 June 2024	31 December 2023
Prepayments for construction and equipment	249,039,103	108,727,850

21. Notes payable

Item	RMB	
	30 June 2024	31 December 2023
Bank acceptances	181,008,792	95,568,799
Commercial acceptances	96,271,161	98,099,406
Total	277,279,953	193,668,205

As at 30 June 2024, the Group has no notes payable that are due and unpaid (31 December 2023: nil).

(V) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

22. Accounts payable

(1) Details of accounts payable

Item	30 June	RMB
	2024	31 December 2023
Payable for materials and packing materials	3,519,429,730	2,478,199,755
Payable for handling and transportation costs (Note)	592,083,130	306,791,839
Payable to related parties for beer purchase (Note (XI) 6)	118,519,168	83,816,715
Payable for promotional goods	105,558,486	83,005,437
Others	7,475,140	1,013,320
Total	4,343,065,654	2,952,827,066

Note: As at 30 June 2024, payable for handling and transportation costs includes payable to related parties amounting to RMB272,979,459 (31 December 2023: RMB150,019,012) (Note (XI) 6).

(2) The aging analysis of accounts payable by accounting date is as follows:

Aging	30 June	RMB
	2024	31 December 2023
Within 1 year	4,332,956,446	2,939,758,192
1 - 2 years	3,580,460	4,211,803
2 - 3 years	1,786,620	3,809,463
Over 3 years	4,742,128	5,047,608
Total	4,343,065,654	2,952,827,066

(3) As at 30 June 2024, accounts payable aged over one year amounted to RMB10,109,208 (31 December 2023: RMB13,068,874), which mainly consisted of the payable for material. The amount had not yet been settled.

23. Contract liabilities

(1) Details of contract liabilities

Item	30 June	RMB
	2024	31 December 2023
Distributor contract liabilities	5,560,277,517	7,691,295,634

(2) As at 30 June 2024, a majority of contract liabilities included in the opening balance has been transferred to operating income.

(V) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)**24. Employee benefits payable****(1) Presentation of employee benefits payable**

Item	31 December 2023	Increase in the current period	Decrease in the current period	<i>RMB</i>
				30 June 2024
1. Short-term benefits	1,678,436,704	2,180,764,548	2,245,631,780	1,613,569,472
2. Post-employment benefits – defined contribution plan	64,061,572	372,624,374	284,143,167	152,542,779
3. Termination benefits	327,581,277	64,867,824	59,628,801	332,820,300
4. Supplementary post-employment benefits (<i>Note (V) 31</i>)	26,825,000	11,407,849	12,795,723	25,437,126
Total	2,096,904,553	2,629,664,595	2,602,199,471	2,124,369,677

(2) Presentation of short-term benefits

Item	31 December 2023	Increase in the current period	Decrease in the current period	<i>RMB</i>
				30 June 2024
I. Wages or salaries, bonuses, allowances and subsidies	1,195,793,626	1,697,071,972	1,772,839,900	1,120,025,698
II. Staff welfare	13,182	101,294,080	101,265,540	41,722
III. Social security contributions	10,715,995	147,034,571	147,299,055	10,451,511
Including: Medical insurance	7,489,044	134,934,596	135,189,910	7,233,730
Work injury insurance	1,706,406	9,351,310	9,358,215	1,699,501
Maternity insurance	1,520,545	2,748,665	2,750,930	1,518,280
IV. Housing funds	16,717,953	174,200,117	174,258,875	16,659,195
V. Labor union funds and employee education fund	455,195,948	61,163,808	49,968,410	466,391,346
Total	1,678,436,704	2,180,764,548	2,245,631,780	1,613,569,472

(V) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)**24. Employee benefits payable (Cont'd)****(2) Presentation of short-term benefits (Cont'd)**

	<i>RMB</i>			
Item	31 December 2022	Increase in the current period	Decrease in the current period	30 June 2023
I. Wages or salaries, bonuses, allowances and subsidies	1,285,406,920	1,828,852,068	1,777,228,380	1,337,030,608
II. Staff welfare	116,457	98,827,449	98,932,660	11,246
III. Social security contributions	10,708,953	141,967,314	141,616,229	11,060,038
Including: Medical insurance	7,365,353	130,143,541	129,793,814	7,715,080
Work injury insurance	1,722,786	9,093,596	9,028,951	1,787,431
Maternity insurance	1,620,814	2,730,177	2,793,464	1,557,527
IV. Housing funds	17,164,783	160,855,154	161,150,948	16,868,989
V. Labor union funds and employee education fund	436,078,318	65,199,513	45,870,723	455,407,108
Total	1,749,475,431	2,295,701,498	2,224,798,940	1,820,377,989

(3) Post-employment benefits – defined contribution plan

	<i>RMB</i>			
Item	31 December 2023	Increase in the current period	Decrease in the current period	30 June 2024
1. Basic pension	19,045,299	273,417,700	273,229,043	19,233,956
2. Unemployment insurance	3,798,064	10,921,103	10,914,124	3,805,043
3. Enterprise annuity contribution	41,218,209	88,285,571	-	129,503,780
Total	64,061,572	372,624,374	284,143,167	152,542,779

	<i>RMB</i>			
Item	31 December 2022	Increase in the current period	Decrease in the current period	30 June 2023
1. Basic pension	19,838,137	260,390,086	260,122,466	20,105,757
2. Unemployment insurance	4,032,866	9,719,800	9,721,241	4,031,425
Total	23,871,003	270,109,886	269,843,707	24,137,182

The Group pays the basic pension and unemployment insurance to the local labor and social security department on a monthly basis, following the demanding proportion and base. The Group has no forfeited contributions that can be used to offset the Group's contributions payable on behalf of the employees for the current and future periods.

(V) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)**24. Employee benefits payable (Cont'd)****(4) Termination benefits**

Item	30 June 2024	RMB 31 December 2023
Early retirement benefits payable (Note (V) 31)	116,631,468	111,296,568
Other termination benefits (Note)	<u>216,188,832</u>	<u>216,284,709</u>
Total	<u>332,820,300</u>	<u>327,581,277</u>

Note: For the period from 1 January 2024 to 30 June 2024, other termination benefits paid by the Group for termination of labor relationship amount to RMB4,992,335 (For the period from 1 January 2023 to 30 June 2023: RMB29,684,214).

25. Taxes payable

Item	30 June 2024	RMB 31 December 2023
Enterprise income tax	425,688,058	129,745,915
Consumption tax	247,896,520	98,244,617
VAT	247,775,347	49,144,171
City maintenance and construction tax	31,074,926	6,782,264
Educational surcharge	22,911,037	5,512,040
Others	<u>55,335,274</u>	<u>54,074,974</u>
Total	<u>1,030,681,162</u>	<u>343,503,981</u>

26. Other payables**26.1 Summary of other payables**

Item	30 June 2024	RMB 31 December 2023
Dividends payable	2,737,724,864	-
Other payables	<u>3,250,698,143</u>	<u>3,230,505,907</u>
Total	<u>5,988,423,007</u>	<u>3,230,505,907</u>

26.2 Dividends payable

Item	30 June 2024	RMB 31 December 2023
Dividends on ordinary shares	2,728,393,576	-
Dividends to minority shareholders	<u>9,331,288</u>	<u>-</u>
Total	<u>2,737,724,864</u>	<u>-</u>

(V) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)**26. Other payables (Cont'd)****26.3 Other payables**

Nature	<i>RMB</i>	
	30 June 2024	31 December 2023
Guarantee deposits	1,043,888,655	977,852,099
Payable for equipment and construction work	641,039,656	853,124,798
Advertising and marketing expenses to be paid	626,686,707	584,138,424
Compensation received in advance for land acquisition	100,000,000	100,000,000
Restricted shares repurchase obligations (<i>Note (XII)</i>)		
(<i>Note (V) 35</i>)	67,284,191	77,643,806
Energy costs to be paid	65,349,662	39,188,946
Labor costs to be paid	54,191,630	46,940,000
Deposits taken by Finance Company from related parties		
(<i>Note</i>)	30,848,390	29,555,174
Administrative expenses payable	23,173,881	35,590,819
Withholding of employees' social security contributions	16,495,588	19,177,977
Payable for minority interests	2,677,355	2,677,355
Others	579,062,428	464,616,509
Total	<u>3,250,698,143</u>	<u>3,230,505,907</u>

Note: It represents the principal and interest of deposits taken from the Company's associates by Finance Company, a subsidiary of the Company (*Note (XI) 6*).

As at 30 June 2024, other payables aged over one year of RMB675,172,477 (31 December 2023: RMB782,003,240) are mainly liabilities arising from restricted shares repurchase obligations, compensation received in advance for land acquisition and warranty deposits payable for equipment and construction work.

27. Non-current liabilities due within one year

Item	<i>RMB</i>	
	30 June 2024	31 December 2023
Lease liabilities due within one year (<i>Note (V) 29</i>)	<u>51,024,657</u>	<u>50,250,346</u>

28. Other current liabilities

Item	<i>RMB</i>	
	30 June 2024	31 December 2023
Output tax to be transferred	<u>106,860,300</u>	<u>359,524,000</u>

(V) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)**29. Lease liabilities**

Item	30 June 2024	<i>RMB</i> 31 December 2023
Lease liabilities	122,089,847	113,643,364
<i>Less:</i> Lease liabilities included in non-current liabilities due within one year	<u>51,024,657</u>	<u>50,250,346</u>
Net amount	<u>71,065,190</u>	<u>63,393,018</u>

As at 30 June 2024 and 31 December 2023, the matters that are not included in lease liabilities but will lead to potential cash outflow are as follows:

As at 30 June 2024, the future minimum rent payable for the short-term lease contracts that are treated under simplified methods by the Group is RMB35,269,416 (31 December 2023: RMB13,156,750), all of which are payable within one year.

30. Long-term payables

Item	30 June 2024	<i>RMB</i> 31 December 2023
Special payables	<u>16,166,766</u>	<u>16,205,766</u>

Note: Special payables mainly represent the relocation compensation received by the Group from the government. As the relocation has not yet been completed, the amount is temporarily accounted for as “special payables” in accordance with the requirements under Interpretation No. 3 of the Accounting Standards for Business Enterprises issued by the Ministry of Finance.

31. Long-term employee benefits payable***31.1 Long-term employee benefits payable***

Item	30 June 2024	<i>RMB</i> 31 December 2023
1. Early retirement benefits	309,971,771	351,662,633
2. Supplementary post-employment benefits	663,939,329	663,935,553
<i>Less:</i> Early retirement benefits payable within one year	116,631,468	111,296,568
Post-employment benefits payable within one year - Net liabilities of defined benefit plans	<u>25,437,126</u>	<u>26,825,000</u>
Total	<u>831,842,506</u>	<u>877,476,618</u>

(V) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

31. Long-term employee benefits payable (Cont'd)

31.2 Early retirement benefits

Early retirement benefits are provided to those employees who meet certain criteria as approved by the Company. As at the balance sheet date, the main actuarial assumptions used in estimating the early retirement benefits payable by the Group are as follows:

	30 June 2024	31 December 2023
Discount rate (yield-to-maturity of the government bonds with the same term)	<u>1.54%-2.18%</u>	<u>2.08%-2.55%</u>

Early retirement benefits included in profit or loss for the period:

Item	For the period from 1 January 2024 to 30 June 2024 (Amount incurred in the current period)	<i>RMB</i> For the period from 1 January 2023 to 30 June 2023 (Amount incurred in the prior period)
Administrative expenses	12,979,109	2,788,856
Financial expenses	<u>3,152,560</u>	<u>4,343,162</u>

31.3 Post-employment benefits - Net liabilities of defined benefit plans

Supplementary post-employment benefits are provided to those employees who meet certain criteria as approved by the Company. The benefits that the employees can receive depend on their positions and seniorities, etc.

(1) Post-employment benefits - Net liabilities of defined benefit plans payable by the Group:

Item	30 June 2024	<i>RMB</i> 31 December 2023
Defined benefit obligations	663,939,329	663,935,553
Less: Fair value of plan assets	-	-
Defined benefit liabilities	<u>663,939,329</u>	<u>663,935,553</u>

(V) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

31. Long-term employee benefits payable (Cont'd)

31.3 Post-employment benefits - Net liabilities of defined benefit plans (Cont'd)

(2) Changes in defined benefit plans

Present value of defined benefit obligations

Item	Present value of defined benefit obligations	Fair value of plan assets	RMB Net liabilities of defined benefit plans
I. Balance at 1 January 2024	663,935,553	-	663,935,553
II. Defined benefit costs recognized in profit or loss for the period			
1. Current service costs	3,830,499	-	3,830,499
2. Net interest	8,969,000	-	8,969,000
III. Other changes			
1. Benefits paid	(12,795,723)	-	(12,795,723)
IV. Balance at 30 June 2024	663,939,329	-	663,939,329

Item	Present value of defined benefit obligations	RMB Net liabilities of defined benefit plans
I. Balance at 1 January 2023	654,400,689	654,400,689
II. Defined benefit costs recognized in profit or loss for the period		
1. Current service costs	15,068,774	15,068,774
2. Net interest	9,628,918	9,628,918
III. Other changes		
1. Benefits paid	(12,049,904)	(12,049,904)
IV. Balance at 30 June 2023	667,048,477	667,048,477

Net liabilities of defined benefit plans

Item	Amount incurred in the current period	RMB Amount incurred in the prior period
I. Opening balance	663,935,553	654,400,689
II. Defined benefit costs recognized in profit or loss for the period	12,799,499	24,697,692
III. Other changes	(12,795,723)	(12,049,904)
IV. Closing balance	663,939,329	667,048,477

31. Long-term employee benefits payable (Cont'd)**31.3 Post-employment benefits - Net liabilities of defined benefit plans (Cont'd)**

- (3) Main actuarial assumptions adopted for the calculation of the present value of defined benefit obligations

	30 June 2024	31 December 2023
Discount rate	2.75%	2.75%

Mortality refers to China Life Insurance Mortality Table (2010-2013).

The salary growth rate of in-service personnel is determined based on the Group's policies on post-employment benefits and the growth rate of average social salary.

- (4) The sensitivity analysis of the main actuarial assumptions for the present value of defined benefit obligations is as follows:

Item	Changes in discount rate	Impact on present value of defined benefit obligations
Increase in discount rate	0.25%	Decrease by 3.28%
Decrease in discount rate	0.25%	Increase by 3.46%

If the discount rate increases (decreases) by 0.25%, the present value of the defined benefit plan obligations will decrease by RMB21,765,000 (increase by RMB22,943,000).

The sensitivity analysis above is based on a change in an assumption while all other assumptions held constant. However, various assumptions may be correlated in practice. The projected unit credit method is also applied in calculating the present value of defined benefit obligations in the sensitivity analysis above.

- (5) The weighted average duration of the present value of the Group's supplementary post-employment benefit obligations is 13.9 years (31 December 2023: 13.9 years).
- (6) Supplementary post-employment benefits payable exposes the Group to various risks, mainly including the risk of changes in interest rates of government bonds. A decrease in interest rates of government bonds will result in an increase in defined benefit liabilities; supplementary retirement benefit obligations are linked to inflation, an increase of which would result in an increase in defined benefit liabilities.

(V) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)**32. Deferred income***RMB*

Item	31 December 2023	Amount of grants increased in the current period	Amount included in other income in the current period	Amount included in gains from disposal of assets in the current period	30 June 2024	Reason
Government grants	2,887,543,652	202,544,922	(138,921,410)	(56,871)	2,951,110,293	Grants for project construction and technological improvement projects, etc.

RMB

Item	31 December 2022	Amount of grants increased in the current period	Amount included in other income in the current period	Amount included in gains from disposal of assets in the current period	30 June 2023	Reason
Government grants	3,132,390,832	118,247,860	(138,797,299)	(14,228)	3,111,827,165	Grants for project construction and technological improvement projects, etc.

33. Share capital*RMB*

	31 December 2023	Changes for the period			30 June 2024
		Issue of new shares	Cancellation of treasury shares	Sub-total	
RMB ordinary shares (<i>Note</i>)	709,127,610	-	-	-	709,127,610
Foreign shares listed overseas	655,069,178	-	-	-	655,069,178
Total shares	1,364,196,788	-	-	-	1,364,196,788

RMB

	31 December 2022	Changes for the period			30 June 2023
		Issue of new shares	Cancellation of treasury shares	Sub-total	
RMB ordinary shares (<i>Note</i>)	709,163,612	-	-	-	709,163,612
Foreign shares listed overseas	655,069,178	-	-	-	655,069,178
Total shares	1,364,232,790	-	-	-	1,364,232,790

Note: For the restricted share incentive plan carried out by the Group, please refer to Note (XII) for details.

(V) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)**34. Capital reserve**

				<i>RMB</i>
Item	31 December 2023	Increase in the current period	Decrease in the current period	30 June 2024
Share premium	3,930,935,521	5,570,862	1,126,758	3,935,379,625
Other capital reserve	276,520,090	23,171,208	6,899,860	292,791,438
Including: Changes in equity other than comprehensive income and profit distribution of investees accounted for using the equity method	(10,173,615)	2,407	-	(10,171,208)
Share-based payments recognized in shareholders' equity (<i>Note</i>)	188,161,481	23,168,801	6,889,361	204,440,921
Transfer from capital reserve recognized under the previous accounting system	93,338,214	-	-	93,338,214
Others	5,194,010	-	10,499	5,183,511
Total	4,207,455,611	28,742,070	8,026,618	4,228,171,063

				<i>RMB</i>
Item	31 December 2022	Increase in the current period	Decrease in the current period	30 June 2023
Share premium (<i>Note</i>)	3,684,461,721	6,078,904	-	3,690,540,625
Other capital reserve	469,615,256	62,926,564	6,078,904	526,462,916
Including: Changes in equity other than comprehensive income and profit distribution of investees accounted for using the equity method	(10,175,373)	4,331	-	(10,171,042)
Share-based payments recognized in shareholders' equity (<i>Note</i>)	381,506,262	62,637,798	6,078,904	438,065,156
Transfer from capital reserve recognized under the previous accounting system	93,338,214	-	-	93,338,214
Others	4,946,153	284,435	-	5,230,588
Total	4,154,076,977	69,005,468	6,078,904	4,217,003,541

Note: As described in Note XII, for the period from 1 January 2024 to 30 June 2024, the Group has recognized administrative expenses and research and development expenses totaling RMB23,662,335 for the Restricted Share Incentive Plan and included the portion attributable to minority shareholders of RMB493,534 in minority interests, with the difference of RMB23,168,801 included in capital reserve. As at 30 June 2024, deferred tax assets and capital reserve are offset by RMB1,318,499 due to changes in the Company's share price. In addition, the Group adjusts other capital reserve corresponding to the unlocked portion of restricted shares of RMB5,570,862 to share premium.

(V) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)**35. Treasury shares**

Item	31 December 2023	Amount incurred in the current period		RMB	
		Increase in the current period	Decrease in the current period	30 June 2024	
Treasury shares	77,643,806	-	10,359,615	67,284,191	

Item	31 December 2022	Amount incurred in the current period		RMB	
		Increase in the current period	Decrease in the current period	30 June 2023	
Treasury shares	171,854,660	-	17,697,593	154,157,067	

For the period from 1 January 2024 to 30 June 2024, the Company has distributed cash dividends of RMB8,665,060 to incentive recipients of the restricted shares for the part that are expected to be unlocked in the future, thereby offsetting treasury shares and other payables by RMB8,665,060. On 27 May 2024, 96,666 restricted shares were unlocked, and the Company offset treasury shares by RMB1,694,555.

36. Other comprehensive income

Item	31 December 2023	Amount incurred in the current period					RMB	
		Amount before tax incurred in the current period	Less: Amount previously included in other comprehensive income and transferred to profit or loss in the current year	Less: Income tax expenses	Attributable to the Company, net of tax	Attributable to minority shareholders, net of tax	30 June 2024	
I. Other comprehensive income that cannot be reclassified to profit or loss								
Including: Changes arising from re-measurement of net liabilities of defined benefit plans (Note (V) 31.3(2))	(91,694,000)	-	-	-	-	-	-	(91,694,000)
II. Other comprehensive income that will be reclassified to profit or loss								
Including: Exchange differences on translation of financial statements denominated in foreign currencies	11,236,954	323,389	-	-	285,020	38,369		11,521,974
Other comprehensive income that will be reclassified to profit or loss under the equity method	(604,299)	(108,885)	-	-	(108,885)	-		(713,184)
Total	(81,061,345)	214,504	-	-	176,135	38,369		(80,885,210)

(V) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)**36. Other comprehensive income (Cont'd)**

Item	31 December 2022	Amount incurred in the current period					30 June 2023
		Amount before tax incurred in the current period	Less: Amount previously included in other comprehensive income and transferred to profit or loss in the current year	Less: Income tax expenses	Attributable to the Company, net of tax	Attributable to minority shareholders, net of tax	
I. Other comprehensive income that cannot be reclassified to profit or loss							
Including: Changes arising from re-measurement of net liabilities of defined benefit plans <i>(Note (V) 31.3(2))</i>	(82,325,000)	-	-	-	-	-	(82,325,000)
II. Other comprehensive income that will be reclassified to profit or loss							
Including: Exchange differences on translation of financial statements denominated in foreign currencies	7,322,560	5,552,217	-	-	6,902,588	(1,350,371)	14,225,148
Other comprehensive income that will be reclassified to profit or loss under the equity method	(798,141)	272,018	-	-	272,018	-	(526,123)
Total	(75,800,581)	5,824,235	-	-	7,174,606	(1,350,371)	(68,625,975)

37. Surplus reserve

Item	31 December 2023	RMB		30 June 2024
		Increase in the current period	Decrease in the current period	
Statutory surplus reserve <i>(Note)</i>	1,400,704,380	-	-	1,400,704,380

Item	31 December 2022	RMB		30 June 2023
		Increase in the current period	Decrease in the current period	
Statutory surplus reserve <i>(Note)</i>	1,400,704,380	-	-	1,400,704,380

Note: In accordance with the Company Law of the People's Republic of China and the Company's Articles of Association, the Company should appropriate 10% of the net profit for the year to statutory surplus reserve, and it may cease the appropriation when the statutory surplus reserve accumulates to more than 50% of the registered capital. The statutory surplus reserve can be used to make up for the losses or increase share capital after approval from the appropriate authorities. The Company has appropriated statutory surplus reserve of RMB1,400,704,380, which has exceeded 50% of the registered capital. The Company would not appropriate the statutory surplus reserve.

(V) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)**38. General reserve**

Item	<i>RMB</i>			
	31 December 2023	Increase in the current period	Decrease in the current period	30 June 2024
General reserve	<u>301,761,292</u>	<u>-</u>	<u>-</u>	<u>301,761,292</u>

Item	<i>RMB</i>			
	31 December 2022	Increase in the current period	Decrease in the current period	30 June 2023
General reserve	<u>295,071,942</u>	<u>-</u>	<u>-</u>	<u>295,071,942</u>

Pursuant to the Administrative Measures for the Provision of Reserves of Financial Enterprises (Cai Jin [2012] No. 20) issued by the Ministry of Finance, Finance Company, a subsidiary of the Company, provides general reserve at 1.5% of the balance of risk assets at the balance sheet date, taking into account the risk profile exposed to the Company.

39. Retained profits

Item	<i>RMB</i>	
	Current period	Prior period
Retained profits at the beginning of the period	20,334,065,296	18,528,390,855
Add: Net profit attributable to owners of the Company for the period	3,641,652,772	3,425,652,286
Less: Ordinary shares dividend payable (<i>Note 1</i>)	<u>2,728,393,576</u>	<u>2,455,619,022</u>
Retained profits at the end of the period	<u>21,247,324,492</u>	<u>19,498,424,119</u>

Note 1: Cash dividends approved at the General Meeting of Shareholders during the period

Pursuant to the resolution of the General Meeting of Shareholders dated 28 June 2024, the Company distributed cash dividends for 2023 at RMB2.00 per share (tax included). Based on 1,364,196,788 shares issued, as at 9 August 2024, the Company has distributed cash dividends of RMB2,728,393,576 in total (In 2023, the Company distributed cash dividends for 2022 at RMB1.30 per share (tax included) and special dividends at RMB0.50 per share (tax included), with cash dividends at RMB1.80 per share (tax included) in total. Based on 1,364,232,790 shares issued, as at 11 August 2023, the Company distributed cash dividends of RMB2,455,619,022 in total).

During the period from 1 January 2024 to 30 June 2024, the Board of Directors didn't declare to distribute the interim dividends (During the period from 1 January 2023 to 30 June 2023: nil).

(V) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)**40. Operating income and operating costs****(1) Operating income and operating costs**

Item	<i>RMB</i>			
	Amount incurred in the current period		Amount incurred in the prior period	
	Operating income	Operating costs	Operating income	Operating costs
Main operations	19,828,139,761	11,587,189,408	21,365,429,380	13,007,892,186
Other operations	240,168,169	132,014,508	226,360,253	118,479,257
Total	20,068,307,930	11,719,203,916	21,591,789,633	13,126,371,443

(2) Revenue from contracts*a. Main operations*

Name of industry	<i>RMB</i>			
	Amount incurred in the current period		Amount incurred in the prior period	
	Principal operating income	Principal operating costs	Principal operating income	Principal operating costs
Sales of beer, etc.	19,828,139,761	11,587,189,408	21,365,429,380	13,007,892,186

Please refer to Note (XV) for operating income and operating costs presented by operating segments.

Revenue from the Group's main operations is recognized at a point in time.

b. Other operations

Name of industry	<i>RMB</i>			
	Amount incurred in the current period		Amount incurred in the prior period	
	Other operating income	Other operating costs	Other operating income	Other operating costs
Catering related	75,179,463	42,122,686	85,788,388	47,746,854
Sales of packaging materials	72,138,459	39,159,548	43,141,484	19,684,969
Sales of raw materials	6,166,313	3,107,472	5,164,496	4,652,800
Revenue from construction and equipment	-	-	4,408,830	4,087,910
Others	86,683,934	47,624,802	87,857,055	42,306,724
Total	240,168,169	132,014,508	226,360,253	118,479,257

Except for the rental income and income from the rendering of integrated services, revenue from the Group's other operations is recognized at a point in time.

(V) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

40. Operating income and operating costs (Cont'd)

(3) Description of performance obligations

The Group's beer sales business is a performance obligation fulfilled at a point in time, with revenue recognized at a point in time when the customer obtains control over the relevant goods or services.

(4) Explanation of apportionment to remaining performance obligations

As at 30 June 2024, the amount of revenue corresponding to the Group's performance obligations under contracts entered into but not yet fulfilled was RMB5,560,277,517 (31 December 2023: RMB7,691,295,634), and the Group expects to recognize the revenue within 1 year.

41. Taxes and levies

Category	RMB	
	Amount incurred in the current period	Amount incurred in the prior period
Consumption tax	977,460,694	1,041,396,774
City maintenance and construction tax	159,803,339	169,393,084
Educational surcharge	118,494,928	125,385,831
Real estate tax	36,760,780	32,558,933
Land use tax	28,329,199	29,264,949
Stamp duty	19,532,018	19,786,859
Others	4,136,980	4,183,833
Total	<u>1,344,517,938</u>	<u>1,421,970,263</u>

42. Selling expenses

Item	RMB	
	Amount incurred in the current period	Amount incurred in the prior period
Employee benefits	1,182,981,030	1,199,903,081
Advertising and publicity expenses	724,153,465	852,716,808
Labor costs	46,363,286	80,536,079
Administrative expenses	50,964,948	78,256,329
Lease expenses	44,573,354	44,536,789
Depreciation and amortization expenses	39,811,137	40,917,344
Consumption of materials	25,104,732	27,428,094
Others	55,317,576	63,698,523
Total	<u>2,169,269,528</u>	<u>2,387,993,047</u>

(V) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

43. Administrative expenses

Item	RMB	
	Amount incurred in the current period	Amount incurred in the prior period
Employee benefits	376,323,969	358,360,075
Depreciation and amortization expenses	123,509,077	112,912,384
Share-based payments	23,201,354	58,041,015
Administrative expenses	35,543,444	31,539,418
Repair expenses	25,901,613	20,924,230
Agency fees	20,751,336	17,789,258
Security and firefighting expenses	14,461,140	13,638,573
Insurance expenses	3,996,774	4,089,583
Consumption of materials	3,385,649	3,583,077
Others	39,428,012	34,101,065
Total	<u>666,502,368</u>	<u>654,978,678</u>

44. Research and development expenses

Item	RMB	
	Amount incurred in the current period	Amount incurred in the prior period
Employee benefits and labor costs	20,078,894	13,410,632
Consumption of materials	1,333,863	2,196,322
Depreciation and amortization expenses	2,134,718	2,117,945
Share-based payments	460,981	1,600,777
Others	5,397,392	2,834,779
Total	<u>29,405,848</u>	<u>22,160,455</u>

45. Financial expenses

Item	RMB	
	Amount incurred in the current period	Amount incurred in the prior period
Interest expenses	11,174,771	7,593,399
Less: Interest income	315,777,423	236,690,677
Discounted interest on long-term employee benefits payable	12,121,560	13,972,080
Foreign exchange gains	350,545	(9,208,802)
Others	1,134,504	1,204,393
Total	<u>(290,996,043)</u>	<u>(223,129,607)</u>

Among others, the interest expenses on lease liabilities for the period from 1 January 2024 to 30 June 2024 are RMB3,099,629 (For the period from 1 January 2023 to 30 June 2023: RMB3,333,639).

(V) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

46. Other income

By nature	<i>RMB</i>	
	Amount incurred in the current period	Amount incurred in the prior period
Government grants		
– Related to assets	130,778,855	132,709,027
– Related to income	155,255,354	36,988,435
Total	<u>286,034,209</u>	<u>169,697,462</u>

47. Investment income

Item	<i>RMB</i>	
	Amount incurred in the current period	Amount incurred in the prior period
Income from long-term equity investments accounted for using the equity method	19,983,389	18,533,007
Investment income from interbank certificates of deposit	31,418,034	71,746,121
Investment income from disposal of held-for-trading financial assets	8,127,958	2,343,360
Investment income from other non-current financial assets	1,754,098	-
Others	123,287	417,302
Total	<u>61,406,766</u>	<u>93,039,790</u>

48. Gains from changes in fair value

Source of gains from changes in fair value	<i>RMB</i>	
	Amount incurred in the current period	Amount incurred in the prior period
Held-for-trading financial assets - Debt instruments	37,996,602	119,246,796
Non-current assets due within one year - Debt instruments	32,324,965	4,668,169
Other non-current financial assets - Debt instruments	66,897,200	3,564,600
Total	<u>137,218,767</u>	<u>127,479,565</u>

49. Credit impairment gains

Item	<i>RMB</i>	
	Amount incurred in the current period	Amount incurred in the prior period
Credit impairment (losses) gains of accounts receivable	(459,153)	288,209
Credit impairment losses of other receivables	(754,045)	(143,438)
Impairment gains of other current assets	1,408,475	566,894
Total	<u>195,277</u>	<u>711,665</u>

(V) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)**50. Impairment losses of assets**

Item	<i>RMB</i>	
	Amount incurred in the current period	Amount incurred in the prior period
Impairment losses of fixed assets	(3,026,192)	(1,189,427)

51. (Losses) Gains on disposal of assets

Item	<i>RMB</i>	
	Amount incurred in the current period	Amount incurred in the prior period
(Losses) Gains on disposal of intangible assets	(27,783)	7,696,611
(Losses) Gains on disposal of fixed assets	(93,110)	3,131,282
(Losses) Gains on disposal of right-of-use assets	(68,614)	264,697
Total	(189,507)	11,092,590

For the period from 1 January 2024 to 30 June 2024, gains or losses on disposal of assets are all included in non-recurring profit or loss for the period.

52. Non-operating income

Item	<i>RMB</i>	
	Amount incurred in the current period	Amount incurred in the prior period
Gains from unpayable debts	2,627,923	3,723,908
Penalty income	649,642	916,747
Others	936,012	3,245,951
Total	4,213,577	7,886,606

During the six months ended 30 June 2024, non-operating income are all included in non-recurring profit or loss for the period.

53. Non-operating expenses

Item	<i>RMB</i>	
	Amount incurred in the current period	Amount incurred in the prior period
Compensation, liquidated damage and overdue fines	6,429,645	5,787,413
Donations	11,700	150,484
Others	181,364	105,672
Total	6,622,709	6,043,569

During the six months ended 30 June 2024, non-operating expenses are all included in non-recurring profit or loss for the period.

(V) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

54. Income tax expenses

Item	RMB	
	Amount incurred in the current period	Amount incurred in the prior period
Current income tax calculated according to tax laws and relevant regulations - PRC enterprise income tax	1,272,698,843	1,151,876,908
Current income tax calculated according to tax laws and relevant regulations - HK profit tax	802,417	11,380,373
Current income tax calculated according to tax laws and relevant regulations - MAC supplementary income tax	317,026	235,036
Deferred income tax	(85,312,475)	(40,653,538)
Total	<u>1,188,505,811</u>	<u>1,122,838,779</u>

Reconciliation of income tax expenses to accounting profit is as follows:

Item	RMB	
	Amount incurred in the current period	Amount incurred in the prior period
Accounting profit	4,909,634,563	4,604,120,036
Income tax expenses calculated at applicable tax rates	1,225,461,348	1,149,462,058
Effect of non-taxable income	(10,389,767)	(10,103,428)
Effect of non-deductible costs, expenses and losses	22,264,243	25,972,764
Effect of utilizing deductible losses and deductible temporary differences not recognized for deferred tax assets for prior period	(91,501,782)	(89,645,271)
Effect of deductible temporary differences or deductible losses not recognized for deferred tax assets	42,671,769	47,152,656
Total	<u>1,188,505,811</u>	<u>1,122,838,779</u>

(V) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)**55. Earnings per share****(1) Basic earnings per share**

Item	Amount incurred in the current period	Amount incurred in the prior period
Consolidated net profit attributable to shareholders of the Company	3,641,652,772	3,425,652,286
Less: Cash dividends on restricted stock expected to be unlocked in the future	8,665,060	15,829,020
Consolidated net profit attributable to ordinary shareholders of the Company	3,632,987,712	3,409,823,266
Weighted average number of outstanding ordinary shares of the Company	1,359,783,703	1,355,358,334
Basic earnings per share	2.672	2.516
Including: Basic earnings per share from continuing operation	<u>2.672</u>	<u>2.516</u>

Basic earnings per share are calculated by dividing consolidated net profit attributable to ordinary shareholders of the Company by the weighted average number of outstanding ordinary shares of the Company.

(2) Diluted earnings per share

Item	Amount incurred in the current period	Amount incurred in the prior period
Consolidated net profit attributable to shareholders of the Company	3,641,652,772	3,425,652,286
Weighted average number of outstanding ordinary shares of the Company	1,359,783,703	1,355,358,334
Weighted average number of ordinary shares increased as a result of share-based payments	3,208,756	6,604,755
Weighted average number of outstanding ordinary shares after dilution	1,362,992,459	1,361,963,089
Diluted earnings per share	2.672	2.515
Including: Diluted earnings per share from continuing operation	<u>2.672</u>	<u>2.515</u>

Diluted earnings per share are calculated by dividing consolidated net profit attributable to ordinary shareholders of the Company, adjusted for dilutive potential ordinary shares, by the adjusted weighted average number of outstanding ordinary shares of the Company. During the six months ended 30 June 2024, the Company's restricted share incentive plan was not dilutive to earnings per share.

(V) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

56. Notes to items in the cash flow statement

(1) Other cash receipts relating to operating activities

Item	RMB	
	Amount incurred in the current period	Amount incurred in the prior period
Government grants received	347,961,140	145,367,785
Guarantee deposits	324,043,210	276,700,869
Others	63,362,035	105,577,814
Total	735,366,385	527,646,468

(2) Other cash payments relating to operating activities

Item	RMB	
	Amount incurred in the current period	Amount incurred in the prior period
Marketing and promotion expenses	762,744,938	770,264,047
Advertising and publicity expenses	595,937,811	574,669,743
Administrative expenses	135,495,723	127,684,956
Guarantee deposits	140,491,163	135,047,731
Lease payments	61,356,582	57,960,412
Others	67,086,498	82,423,145
Total	1,763,112,715	1,748,050,034

(3) Cash receipts from disposals and recovery of investments

Item	RMB	
	Amount incurred in the current period	Amount incurred in the prior period
Cash receipts from disposals and recovery of structured deposits	1,480,000,000	500,000,000
Cash receipts from redemption of interbank certificates of deposit	1,944,770,500	2,913,410,700
Cash receipts from redemption of treasury bonds reverse repurchase agreements	499,999,000	989,993,000
Cash receipts from redemption of wealth management products and funds	595,996,000	700,000,000
Total	4,520,765,500	5,103,403,700

(V) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

56. Notes to items in the cash flow statement (Cont'd)

(4) Cash payments to acquire investments

Item	RMB	
	Amount incurred in the current period	Amount incurred in the prior period
Cash payments to purchase time and structured deposits	9,280,000,000	5,180,000,000
Cash payments to purchase interbank certificates of deposit	9,803,830	1,944,770,500
Cash payments to purchase bonds	1,000,000,000	900,000,000
Cash payments to purchase treasury bonds reverse repurchase agreements	499,999,000	509,994,000
Cash payments to purchase wealth management products and funds	50,000,000	399,998,600
Total	10,839,802,830	8,934,763,100

(5) Other cash receipts relating to investing activities

Item	RMB	
	Amount incurred in the current period	Amount incurred in the prior period
Interest income from deposits in Finance Company	162,791,192	99,447,119
Bidding deposits received and others	12,089,926	10,627,348
Total	174,881,118	110,074,467

(6) Other cash payments relating to investing activities

Item	RMB	
	Amount incurred in the current period	Amount incurred in the prior period
Deposit reserve paid by Finance Company	118,860,000	88,550,000
Bidding deposits and others paid	16,221,052	10,048,510
Total	135,081,052	98,598,510

(7) Other cash payments relating to financing activities

Item	RMB	
	Amount incurred in the current period	Amount incurred in the prior period
Repayment of lease liabilities	33,472,127	31,726,468
Purchase of minority interests	18,065,000	58,290,000
Interest expenses on pledged repurchase of Finance Company	1,108,196	-
Total	52,645,323	90,016,468

(V) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)**56. Notes to items in the cash flow statement (Cont'd)****(8) Changes in liabilities arising from financing activities**

Item	Opening balance	Increase in the current period		Decrease in the current period		Closing balance
		Cash changes	Non-cash changes	Cash changes	Non-cash changes	
		<i>RMB</i>				
Lease liabilities and lease liabilities due within one year	113,643,364	-	43,198,284	33,472,127	1,279,674	122,089,847
Others (including those due within one year)	81,455,232	103,400	-	-	10,359,615	71,199,017
Total	195,098,596	103,400	43,198,284	33,472,127	11,639,289	193,288,864

57. Supplementary information to the cash flow statement**(1) Supplementary information to the cash flow statement**

Supplementary information	<i>RMB</i>	
	Amount incurred in the current period	Amount incurred in the prior period
1. Reconciliation of net profit to cash flows from operating activities:		
Net profit	3,721,128,752	3,481,281,257
Add: Provision for impairment of assets	3,026,192	1,189,427
Credit impairment gains	(195,277)	(711,665)
Depreciation of fixed assets	488,756,747	460,368,358
Depreciation of investment properties	1,171,135	1,143,351
Depreciation of right-of-use assets	30,793,197	27,533,863
Amortization of intangible assets	79,672,699	74,998,352
Amortization of long-term prepaid expenses	22,884,452	19,748,358
Share-based payment expenses	23,662,335	59,641,792
Losses (Gains) on disposal of fixed assets, intangible assets and other long-term assets	189,507	(11,092,590)
Gains from changes in fair value	(137,218,767)	(127,479,565)
Financial expenses	(300,739,829)	(230,463,013)
Investment income	(61,406,766)	(93,039,790)
(Increase) in deferred tax assets	(85,281,404)	(59,759,633)
(Decrease) Increase in deferred tax liabilities	(31,071)	19,106,095
Amortization of deferred income	(138,921,410)	(138,797,299)
Decrease in inventories	1,326,545,993	1,767,153,073
Decrease in operating receivables	508,482,900	333,304,109
Increase (Decrease) in operating payables	231,353,125	(983,631,041)
Net cash flow from operating activities	5,713,872,510	4,600,493,439
2. Net changes in cash and cash equivalents:		
Closing balance of cash and cash equivalents	7,959,172,830	13,366,555,181
Less: Opening balance of cash and cash equivalents	9,292,085,271	12,839,870,784
Net (decrease) increase in cash and cash equivalents	<u>(1,332,912,441)</u>	<u>526,684,397</u>

(V) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)**57. Supplementary information to the cash flow statement (Cont'd)****(2) Composition of cash and cash equivalents**

Item	30 June 2024	<i>RMB</i> 31 December 2023
I. Cash		
Including: Cash on hand	99,363	90,093
Bank deposits that can be readily withdrawn on demand	7,952,766,747	9,289,636,261
Cash at non-financial institutions that can be readily withdrawn on demand	6,306,720	2,358,917
II. Closing balance of cash and cash equivalents	<u>7,959,172,830</u>	<u>9,292,085,271</u>

Cash and cash equivalents exclude the time deposits that have not yet matured and related interest and restricted cash and bank balances of the Group. As at 30 June 2024 and 31 December 2023, the Group's cash and bank balances that are not cash and cash equivalents amount to RMB16,513,817,420 and RMB9,992,378,288, respectively.

58. Foreign currency monetary items**(1) Foreign currency monetary items**

Item	Closing balance in foreign currency	Exchange rate	<i>RMB</i> Closing balance in RMB
Cash and bank balances			
Including: USD	14,142,443	7.1268	100,790,363
HKD	69,262,246	0.9127	63,215,652
EUR	2,420,917	7.6617	18,548,340
MOP	33,341,794	0.8857	29,530,827
VND	2,490,239,323	0.0003	747,072
Total			<u>212,832,254</u>
Accounts receivable			
Including: HKD	38,930,988	0.9127	35,532,313
USD	3,162,390	7.1268	22,537,721
EUR	2,030,617	7.6617	15,557,978
MOP	3,717,369	0.8857	3,292,474
GBP	688,800	9.0430	6,228,818
CAD	219,992	5.2274	1,149,986
VND	235,645,789	0.0003	70,694
Total			<u>84,369,984</u>

(V) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

58. Foreign currency monetary items (Cont'd)

(1) Foreign currency monetary items (Cont'd)

Item			RMB
	Closing balance in foreign currency	Exchange rate	Closing balance in RMB
Other receivables			
Including: HKD	1,615,262	0.9127	1,474,250
MOP	666,603	0.8857	590,410
VND	349,000,000	0.0003	104,700
Total			<u>2,169,360</u>
Accounts payable			
Including: HKD	41,815,067	0.9127	38,164,612
VND	23,679,365,569	0.0003	7,103,810
MOP	5,194,205	0.8857	4,600,507
Total			<u>49,868,929</u>
Other payables			
USD	733,080	7.1268	5,224,515
HKD	4,513,203	0.9127	4,119,200
MOP	1,022,335	0.8857	905,482
VND	82,000,000	0.0003	24,600
Total			<u>10,273,797</u>
Non-current liabilities due within one year			
HKD	6,014,901	0.9127	5,489,800
MOP	18,312	0.8857	16,219
Total			<u>5,506,019</u>
Lease liabilities			
HKD	3,069,204	0.9127	<u>2,801,262</u>

Foreign currencies mentioned above refer to all currencies other than RMB (the scope is different from the foreign currency items in Note IX (1)).

(V) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

59. Leases

(1) *The Group as a lessee*

The Group recognizes a right-of-use asset on the commencement date of the lease term and recognizes a lease liability for the present value of the outstanding lease payments. Lease payments include, among other things, fixed payments and payments that would be required if it were reasonably certain that a purchase option or lease termination option would be exercised. Variable rentals determined as a percentage of sales are not included in the lease payments and are recognized in profit or loss when they are actually incurred. variable lease payments not included in the measurement of the lease liabilities from January to June 2024 amounted to RMB6,167,349.

The short-term lease expenses under simplified treatment and recognized in profit or loss for the period from 1 January 2024 to 30 June 2024 amounted to RMB82,430,365 (For the period from 1 January 2023 to 30 June 2023: RMB80,301,085).

Total cash outflows related to leases for the period from 1 January 2024 to 30 June 2024 amounted to RMB94,828,709 (For the period from 1 January 2023 to 30 June 2023: RMB89,686,880), and all cash outflows are included in operating activities, except for the amount paid for the repayment of lease liabilities, which is included in financing activities as described in Note (V) 56(7).

(2) *The Group as a lessor*

The Group as a lessor under operating leases

Item	Rental income	RMB	
		Including: Income related to variable lease payments not included in lease receipts	
Investment properties	2,206,760	-	-
Transportation vehicles and others	2,781,932	-	-
Total	4,988,692	-	-
		RMB '0000	
		Undiscounted lease receipts	
	30 June 2024	31 December 2023	
1st year subsequent to the balance sheet date	488	414	
2nd year subsequent to the balance sheet date	389	231	
3rd year subsequent to the balance sheet date	236	191	
4th year subsequent to the balance sheet date	183	180	
5th year subsequent to the balance sheet date	108	195	
Subsequent years	3	-	
Total	1,407	1,211	

(VI) CHANGE IN CONSOLIDATION SCOPE

1. Change in consolidation scope due to other reasons

Name of investee	Principal operating activities	Reason for change	Shareholding ratio
Tsingtao Brewery (Weifang) Co., Ltd. ("Weifang Company")	Manufacturing	Establishment	100%

(VII) INTERESTS IN OTHER ENTITIES

1. Interests in subsidiaries

(1) Composition of the Group

Name of subsidiary	Place of operation	Registered capital	Place of incorporation	Nature of business	Total shareholding proportion of the Group (%)		Acquisition method
					Directly	Indirectly	
Shenzhen Tsingtao Brewery Huanan Holding Co., Ltd. ("Huanan Holding Investment")	Shenzhen, the PRC	200,000,000	Shenzhen, the PRC	Industrial investment	100	-	Establishment or investment
Tsingtao Brewery (Zhuhai) Co., Ltd. ("Zhuhai Company")	Zhuhai, the PRC	60,000,000	Zhuhai, the PRC	Manufacturing	-	100	Establishment or investment
Tsingtao Brewery (Huangshi) Co., Ltd. ("Huangshi Company")	Huangshi, the PRC	168,630,000	Huangshi, the PRC	Manufacturing	97.18	2.82	Establishment or investment
Tsingtao Brewery (Yingcheng) Co., Ltd. ("Yingcheng Company")	Yingcheng, the PRC	97,070,000	Yingcheng, the PRC	Manufacturing	95.11	4.89	Establishment or investment
Shenzhen Huanan Tsingtao Brewery Sales Co., Ltd. ("Huanan Sales Company")	Guangdong, the PRC	20,000,000	Shenzhen, the PRC	Wholesale and retail sale	100	-	Establishment or investment
Tsingtao Brewery (Changsha) Co., Ltd. ("Changsha Company")	Changsha, the PRC	68,000,000	Changsha, the PRC	Manufacturing	70	30	Establishment or investment
Shanghai Tsingtao Brewery Huadong (Holding) Co., Ltd. ("Huadong Holding Company")	Shanghai, the PRC	100,000,000	Shanghai, the PRC	Wholesale and retail sale	100	-	Establishment or investment
Tsingtao Brewery Huadong Shanghai Sales Co., Ltd. ("Huadong Sales Company")	Shanghai, the PRC	100,300,000	Shanghai, the PRC	Wholesale and retail sale	97.01	2.99	Establishment or investment
Nanjing Tsingtao Brewery Huadong Sales Co., Ltd. ("Nanjing Sales Company")	Jiangsu, the PRC	1,000,000	Nanjing, the PRC	Wholesale and retail sale	-	100	Establishment or investment
Tsingtao Brewery (Wuhu) Co., Ltd. ("Wuhu Company")	Wuhu, the PRC	314,290,000	Wuhu, the PRC	Manufacturing	94.27	5.73	Establishment or investment
Tsingtao Brewery (Maanshan) Co., Ltd. ("Maanshan Company")	Maanshan, the PRC	85,000,000	Maanshan, the PRC	Manufacturing	94.12	5.88	Establishment or investment
Tsingtao Brewery (Shouguang) Co., Ltd. ("Shouguang Company")	Shouguang, the PRC	60,606,060	Shouguang, the PRC	Manufacturing	99	-	Establishment or investment
Tsingtao Brewery (Weifang) Co., Ltd. ("Weifang Company")	Weifang, the PRC	75,000,000	Weifang, the PRC	Manufacturing	100	-	Establishment or investment
Tsingtao Brewery (Xuzhou) Huaihui Sales Co., Ltd.	Jiangsu, the PRC	131,000,000	Xuzhou, the PRC	Wholesale and retail sale	-	100	Establishment or investment
Tsingtao Brewery (Xuecheng) Co., Ltd. ("Xuecheng Company")	Xuecheng, the PRC	45,000,000	Xuecheng, the PRC	Manufacturing	-	85	Establishment or investment
Tsingtao Brewery (Tengzhou) Co., Ltd. ("Tengzhou Company")	Tengzhou, the PRC	61,020,000	Tengzhou, the PRC	Manufacturing	76.65	23.35	Establishment or investment
Tsingtao Brewery (Heze) Co., Ltd. ("Heze Company")	Heze, the PRC	130,000,000	Heze, the PRC	Manufacturing	93.08	6.92	Establishment or investment
Tsingtao Brewery (Langfang) Co., Ltd. ("Langfang Company")	Langfang, the PRC	99,000,000	Langfang, the PRC	Manufacturing	80.80	19.20	Establishment or investment

(VII) INTERESTS IN OTHER ENTITIES (CONT'D)

1. Interests in subsidiaries (Cont'd)

(1) Composition of the Group (Cont'd)

Name of subsidiary	Place of operation	Registered capital RMB	Place of incorporation	Nature of business	Total shareholding proportion of the Group (%)		Acquisition method
					Directly	Indirectly	
Tsingtao Brewery Xi'an Han's Group Co., Ltd. ("Xi'an Han's")	Shaanxi, the PRC	236,976,728	Xi'an, the PRC	Manufacturing, wholesale and retail sale	100	-	Establishment or investment
Tsingtao Brewery Baoji Co., Ltd. ("Baoji Company")	Baoji, the PRC	130,000,000	Baoji, the PRC	Manufacturing	-	100	Establishment or investment
Tsingtao Brewery (Anshan) Co., Ltd. ("Anshan Company")	Anshan, the PRC	50,000,000	Anshan, the PRC	Manufacturing	80	-	Establishment or investment
Tsingtao Brewery (Xingkaifu) Co., Ltd. ("Xingkaifu Company")	Jixi, the PRC	240,000,000	Jixi, the PRC	Manufacturing	100	-	Establishment or investment
Tsingtao Brewery (Mishan) Co., Ltd. ("Mishan Company")	Mishan, the PRC	118,000,000	Mishan, the PRC	Manufacturing	100	-	Establishment or investment
Tsingtao Brewery (Harbin) Co., Ltd. ("Harbin Company")	Harbin, the PRC	155,600,000	Harbin, the PRC	Manufacturing	100	-	Establishment or investment
Tsingtao Brewery International Trade Co., Ltd. ("International Trade")	Qingdao, the PRC	11,000,000	Qingdao, the PRC	Wholesale and retail sale	100	-	Establishment or investment
Tsingtao Brewery (Dezhou) Co., Ltd. ("Dezhou Company")	Dezhou, the PRC	25,000,000	Dezhou, the PRC	Manufacturing	100	-	Establishment or investment
Tsingtao Brewery (Rizhao) Co., Ltd. ("Rizhao Company")	Rizhao, the PRC	290,000,000	Rizhao, the PRC	Manufacturing	100	-	Establishment or investment
Tsingtao Brewery (Luzhou) Co., Ltd. ("Luzhou Company")	Luzhou, the PRC	111,110,000	Luzhou, the PRC	Manufacturing	95	-	Establishment or investment
Hong Kong Company	Hong Kong, the PRC	HKD 40,500,000	Hong Kong, the PRC	Wholesale and retail sale	100	-	Establishment or investment
Tsingtao Brewery (Hanzhong) Co., Ltd. ("Hanzhong Company")	Hanzhong, the PRC	29,410,000	Hanzhong, the PRC	Manufacturing	34	66	Establishment or investment
Beijing Tsingtao Brewery Beifang Sales Co., Ltd. ("Beifang Sales Company")	Beijing, the PRC	89,980,000	Beijing, the PRC	Wholesale and retail sale	95	5	Establishment or investment
Qingdao Guangrunlong Logistics Co., Ltd. ("Guangrunlong Logistics")	Shandong, the PRC	6,184,000	Qingdao, the PRC	Logistics	100	-	Establishment or investment
Tsingtao Brewery (Xiamen) Co., Ltd. ("Xiamen Company")	Xiamen, the PRC	90,000,000	Xiamen, the PRC	Manufacturing	-	100	Establishment or investment
Xiamen Tsingtao Brewery Dongnan Sales Co., Ltd. ("Dongnan Sales Company")	Fujian, the PRC	215,000,000	Xiamen, the PRC	Wholesale and retail sale	100	-	Establishment or investment
Tsingtao Brewery (Jinan) Co., Ltd. ("Jinan Company")	Jinan, the PRC	560,000,000	Jinan, the PRC	Manufacturing	100	-	Establishment or investment
Tsingtao Brewery (Chengdu) Co., Ltd. ("Chengdu Company")	Chengdu, the PRC	280,000,000	Chengdu, the PRC	Manufacturing	100	-	Establishment or investment
Tsingtao Brewery (Yulin) Co., Ltd. ("Yulin Company")	Yulin, the PRC	55,000,000	Yulin, the PRC	Manufacturing	-	100	Establishment or investment
Tsingtao Brewery Chengyang Sales Co., Ltd. ("Chengyang Sales Company")	Qingdao, the PRC	8,000,000	Qingdao, the PRC	Wholesale and retail sale	100	-	Establishment or investment
Tsingtao Brewery Chenzhou Sales Co., Ltd. ("Chenzhou Sales Company")	Chenzhou, the PRC	1,000,000	Chenzhou, the PRC	Wholesale and retail sale	-	100	Establishment or investment
Machinery and Equipment Company	Qingdao, the PRC	2,000,000	Qingdao, the PRC	Industrial engineering	-	100	Establishment or investment
Tsingtao Brewery (Shijiazhuang) Co., Ltd. ("Shijiazhuang Company")	Shijiazhuang, the PRC	321,010,000	Shijiazhuang, the PRC	Manufacturing	100	-	Establishment or investment
Tsingtao Brewery (Taiyuan) Co., Ltd. ("Taiyuan Company")	Taiyuan, the PRC	200,000,000	Taiyuan, the PRC	Manufacturing	100	-	Establishment or investment

(VII) INTERESTS IN OTHER ENTITIES (CONT'D)

1. Interests in subsidiaries (Cont'd)

(1) Composition of the Group (Cont'd)

Name of subsidiary	Place of operation	Registered capital	Place of incorporation	Nature of business	Total shareholding proportion of the Group (%)		Acquisition method
					Directly	Indirectly	
Finance Company	Qingdao, the PRC	1,000,000,000	Qingdao, the PRC	Financing	100	-	Establishment or investment
Tsingtao Brewery (Jieyang) Co., Ltd. ("Jieyang Company")	Jieyang, the PRC	200,000,000	Jieyang, the PRC	Manufacturing	75	-	Establishment or investment
Tsingtao Brewery (Shaoguan) Co., Ltd. ("Shaoguan Company")	Shaoguan, the PRC	200,000,000	Shaoguan, the PRC	Manufacturing	100	-	Establishment or investment
Tsingtao Brewery (Electronic Commerce) Co., Ltd. ("Electronic Commerce Company")	Qingdao, the PRC	8,000,000	Qingdao, the PRC	Wholesale and retail sale	100	-	Establishment or investment
Tsingtao Brewery (Jiujiang) Co., Ltd. ("Jiujiang Company")	Jiujiang, the PRC	200,000,000	Jiujiang, the PRC	Manufacturing	90	-	Establishment or investment
Tsingtao Brewery (Pingdu) Sales Co., Ltd. ("Pingdu Sales Company")	Qingdao, the PRC	5,000,000	Qingdao, the PRC	Wholesale and retail sale	100	-	Establishment or investment
Shanghai Tsingtao Brewery Sales Co., Ltd. ("Shanghai Sales Company")	Shanghai, the PRC	96,300,000	Shanghai, the PRC	Wholesale and retail sale	-	100	Establishment or investment
Tsingtao Brewery (Xuzhou) Enterprise Management Service Co., Ltd. ("Xuzhou Enterprise Management")	Xuzhou, the PRC	10,000,000	Xuzhou, the PRC	Wholesale and retail sale	100	-	Establishment or investment
Tsingtao Brewery (Luoyang) Co., Ltd. ("Luoyang Company")	Luoyang, the PRC	200,000,000	Luoyang, the PRC	Manufacturing	100	-	Establishment or investment
Tsingtao Brewery (Shanghai) Industrial Co., Ltd. ("Shanghai Industrial Company")	Shanghai, the PRC	416,800,000	Shanghai, the PRC	Wholesale and retail sale	100	-	Establishment or investment
Tsingtao Brewery (Zhangjiakou) Co., Ltd. ("Zhangjiakou Company")	Zhangjiakou, the PRC	200,000,000	Zhangjiakou, the PRC	Manufacturing	100	-	Establishment or investment
Vietnam Company	Vietnam	USD1,000,000	Vietnam	Wholesale and retail sale	-	100	Establishment or investment
Tsingtao Brewery (Zaozhuang) Co., Ltd. ("Zaozhuang Company")	Zaozhuang, the PRC	200,000,000	Zaozhuang, the PRC	Manufacturing	100	-	Establishment or investment
Tsingtao Brewery (West Coast) Cultural Tourism Development Co., Ltd. ("West Coast Cultural Tourism")	Qingdao, the PRC	240,000,000	Qingdao, the PRC	Wholesale, retail sale and services	96.25	3.75	Establishment or investment
Tsingtao Brewery Fashion Industry Development Co., Ltd.	Qingdao, the PRC	100,000,000	Qingdao, the PRC	Services	-	100	Establishment or investment
Tsingtao Brewery Technology Research and Development Center Co., Ltd. ("Research and Development Center")	Qingdao, the PRC	480,000,000	Qingdao, the PRC	Technology promotion and application	100	-	Establishment or investment
Weifang Manufacturing Company	Weifang, the PRC	300,000,000	Weifang, the PRC	Manufacturing	100	-	Establishment or investment
Tsingtao Brewery (Sanshui) Co., Ltd. ("Sanshui Company")	Sanshui, the PRC	USD5,000,000	Sanshui, the PRC	Manufacturing	-	75	Business combination not under common control
Tsingtao Brewery (Chenzhou) Co., Ltd. ("Chenzhou Company")	Chenzhou, the PRC	70,000,000	Chenzhou, the PRC	Manufacturing	88.80	11.20	Business combination not under common control
Shenzhen Tsingtao Brewery Asahi Co., Ltd. ("Shenzhen Asahi")	Shenzhen, the PRC	USD30,000,000	Shenzhen, the PRC	Manufacturing	51	-	Business combination not under common control

(VII) INTERESTS IN OTHER ENTITIES (CONT'D)**1. Interests in subsidiaries (Cont'd)****(1) Composition of the Group (Cont'd)**

Name of subsidiary	Place of operation	Registered capital RMB	Place of incorporation	Nature of business	Total shareholding proportion of the Group (%)		Acquisition method
					Directly	Indirectly	
Nanning Tsingtao Brewery Co., Ltd. ("Nanning Company")	Nanning, the PRC	730,000,000	Nanning, the PRC	Manufacturing	-	75	Business combination not under common control
Beijing Tsingtao Brewery Three Ring Co., Ltd. ("Three Ring Company")	Beijing, the PRC	USD29,800,000	Beijing, the PRC	Manufacturing	29	25	Business combination not under common control
Beijing Tsingtao Brewery Five Star Co., Ltd. ("Five Star Company")	Beijing, the PRC	862,000,000	Beijing, the PRC	Manufacturing	37.64	25	Business combination not under common control
Tsingtao Brewery (Weinan) Co., Ltd. ("Weinan Company")	Weinan, the PRC	50,000,000	Weinan, the PRC	Manufacturing	28	72	Business combination not under common control
Tsingtao Brewery (Gansu) Co., Ltd. ("Gansu Nongken Company")	Lanzhou, the PRC	174,420,800	Lanzhou, the PRC	Manufacturing	50	5.06	Business combination not under common control
Tsingtao Brewery (Wuwei) Co., Ltd. ("Wuwei Company")	Wuwei, the PRC	36,100,000	Wuwei, the PRC	Manufacturing	-	99.72	Business combination not under common control
Tsingtao Brewery (Rongcheng) Co., Ltd. ("Rongcheng Company")	Rongcheng, the PRC	20,000,000	Rongcheng, the PRC	Manufacturing	70	-	Business combination not under common control
Tsingtao Brewery (Suizhou) Co., Ltd. ("Suizhou Company")	Suizhou, the PRC	24,000,000	Suizhou, the PRC	Manufacturing	-	90	Business combination not under common control
Tsingtao Brewery (Fuzhou) Co., Ltd. ("Fuzhou Company")	Fuzhou, the PRC	USD26,828,100	Fuzhou, the PRC	Manufacturing	-	100	Business combination not under common control
Tsingtao Brewery (Zhangzhou) Co., Ltd. ("Zhangzhou Company")	Zhangzhou, the PRC	100,000,000	Zhangzhou, the PRC	Manufacturing	-	90	Business combination not under common control
Construction Company	Qingdao, the PRC	13,142,176	Qingdao, the PRC	Construction	100	-	Business combination not under common control
Tsingtao Brewery (Penglai) Co., Ltd. ("Penglai Company")	Penglai, the PRC	37,500,000	Penglai, the PRC	Manufacturing	80	-	Business combination not under common control

(VII) INTERESTS IN OTHER ENTITIES (CONT'D)**1. Interests in subsidiaries (Cont'd)****(1) Composition of the Group (Cont'd)**

Name of subsidiary	Place of operation	Registered capital RMB	Place of incorporation	Nature of business	Total shareholding proportion of the Group (%)		Acquisition method
					Directly	Indirectly	
Tsingtao Brewery Culture Communication Co., Ltd. ("Cultural Communication Company")	Qingdao, the PRC	73,500,000	Qingdao, the PRC	Services	100	-	Business combination not under common control
Tsingtao Brewery Beverage Co., Ltd. ("Beverage Company")	Qingdao, the PRC	130,000,000	Qingdao, the PRC	Manufacturing	100	-	Business combination not under common control
Immense Brewery Company	Shandong, the PRC	USD18,760,000	Mengyin, the PRC	Manufacturing, wholesale and retail sale	75	25	Business combination not under common control
Tsingtao Brewery (Hangzhou) Co., Ltd. ("Hangzhou Company")	Jiande, the PRC	230,000,000	Jiande, the PRC	Manufacturing	100	-	Business combination not under common control
Macau Company	Macau, the PRC	MOP 200,000	Macau, the PRC	Wholesale and retail sale	-	60	Business combination not under common control
Tsingtao Brewery (Shanghai) Market Service Co., Ltd.	Shanghai, the PRC	334,578,898	Shanghai, the PRC	Wholesale and retail sale	-	100	Business combination not under common control
Shandong Lulansa Brewery Co., Ltd. ("Lulansa Company")	Zibo, the PRC	100,000,000	Zibo, the PRC	Manufacturing	90	-	Business combination not under common control
Equipment Manufacturing Company	Qingdao, the PRC	2,897,600	Qingdao, the PRC	Manufacturing	-	100	Business combination not under common control
Tsingtao Brewery (Shanghai) Investing Co., Ltd. ("Shanghai Investing Company")	Shanghai, the PRC	907,330,000	Shanghai, the PRC	Industrial investment	100	-	Business combination not under common control
Tsingtao Brewery Shanghai Songjiang Manufacturing Co., Ltd. ("New Songjiang Manufacturing Company")	Shanghai, the PRC	50,000,000	Shanghai, the PRC	Manufacturing	-	100	Business combination not under common control
Tsingtao Brewery (Suqian) Co., Ltd. ("Suqian Company")	Suqian, the PRC	100,000,000	Suqian, the PRC	Manufacturing	75	25	Business combination not under common control
Tsingtao Brewery (Xuzhou) Pengcheng Co., Ltd. ("Pengcheng Company")	Xuzhou, the PRC	155,000,000	Xuzhou, the PRC	Manufacturing	-	100	Business combination not under common control

(VII) INTERESTS IN OTHER ENTITIES (CONT'D)

1. Interests in subsidiaries (Cont'd)

(1) Composition of the Group (Cont'd)

Name of subsidiary	Place of operation	Registered capital RMB	Place of incorporation	Nature of business	Total shareholding proportion of the Group (%)		Acquisition method
					Directly	Indirectly	
Tsingtao Brewery (Xuzhou) Co., Ltd. ("Xuzhou Company")	Xuzhou, the PRC	39,336,899	Xuzhou, the PRC	Manufacturing	-	66	Business combination not under common control
Tsingtao Brewery (Yangzhou) Co., Ltd. ("Yangzhou Company")	Yangzhou, the PRC	200,000,000	Yangzhou, the PRC	Manufacturing	50	50	Business combination not under common control
Kunshan Company	Kunshan, the PRC	731,535,952	Kunshan, the PRC	Manufacturing	-	100	Business combination not under common control
Tsingtao Brewery (Lianyungang) Co., Ltd. ("Lianyungang Company")	Lianyungang, the PRC	378,293,523	Lianyungang, the PRC	Manufacturing	56.09	43.91	Business combination not under common control
Tsingtao Brewery (Minhang) Co., Ltd. ("Minhang Company")	Shanghai, the PRC	377,251,025	Shanghai, the PRC	Manufacturing	-	96.48	Business combination not under common control

Except Gansu Nongken, whose corporate category is incorporated company by shares, all of the above-mentioned subsidiaries are limited liability companies. None of the Company's subsidiaries has issued stocks or bonds.

(2) Significant non-wholly owned subsidiary

Name of subsidiary	Share proportion of minority shareholders	Profit or loss attributable to minority interests for the period	RMB	
			Dividends declared to be distributed to minority shareholders for the period	Closing balance of minority interests
Shenzhen Asahi	49%	21,315,915	37,387,000	205,752,573

(VII) INTERESTS IN OTHER ENTITIES (CONT'D)

1. Interests in subsidiaries (Cont'd)

(3) Significant financial information of significant non-wholly owned subsidiary

Name of subsidiary	30 June 2024						RMB
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities	
	Shenzhen Asahi	275,056,301	391,801,380	666,857,681	227,130,405	19,824,065	246,954,470

Name of subsidiary	31 December 2023						RMB
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities	
	Shenzhen Asahi	288,291,612	401,973,691	690,265,303	215,403,106	22,308,860	237,711,966

Name of subsidiary	Amount incurred in the current period				RMB
	Operating income	Net profit	Total comprehensive income	Cash flows from operating activities	
	Shenzhen Asahi	396,362,383	43,501,867	43,501,867	48,746,509

Name of subsidiary	Amount incurred in the prior period				RMB
	Operating income	Net profit	Total comprehensive income	Cash flows from operating activities	
	Shenzhen Asahi	437,893,127	41,749,971	41,749,971	67,678,811

Financial information above represents the amounts of subsidiaries in the Group before elimination. The dividends declared to be distributed to minority shareholders for the period from 1 January 2024 to 30 June 2024 have been paid in the current period.

2. Transactions in which the share of ownership interest in a subsidiary changes and the subsidiary is still controlled

(1) Explanation of changes in the share of ownership interests in subsidiaries

Pursuant to the resolution of the Board of Directors dated 4 March 2024, the Board of Directors deliberated and approved the receipt of the 20% equity interest in Anshan Company held by Taian Bajiaotai Construction and Investment Group Limited Liability Company (“Bajiaotai CIC”) at a price of RMB18,065,000. The parties have signed the equity transfer contract and the formalities for change of equity interest were completed on 15 March 2024. Upon completion of the equity transfer, the Company holds 80% equity interest in Anshan Company and Bajiaotai CIC holds 20% equity interest in Anshan Company.

(VII) INTERESTS IN OTHER ENTITIES (CONT'D)

2. Transactions in which the share of ownership interest in a subsidiary changes and the subsidiary is still controlled (Cont'd)

(2) Effect of the transaction on minority interests and equity attributable to owners of the Company

	<i>RMB</i> Anshan Company
Purchase consideration	
– Cash	18,065,000
Total purchase consideration	18,065,000
Less: Share of net assets of subsidiaries in proportion to equity acquired	16,938,242
Differences	1,126,758
Including: Capital reserve adjustment	1,126,758

3. Interests in joint ventures and associates

(1) Significant joint ventures

Name of joint venture or associate	Place of operation	Place of incorporation	Nature of business	Shareholding proportion (%)		Accounting method for investments in joint ventures or associates
				Directly	Indirectly	
I. Joint venture						
Hebei Jiahe Company	Shijiazhuang, the PRC	Shijiazhuang, the PRC	Manufacturing	50	-	Equity method

(2) Key financial information of significant joint ventures

Hebei Jiahe Company	30 June 2024	<i>RMB</i> 31 December 2023
Current assets	118,192,742	93,119,431
Including: Cash and cash equivalents	59,914,617	67,777,905
Non-current assets	81,069,693	83,536,111
Total assets	199,262,435	176,655,542
Current liabilities	53,598,085	24,820,723
Total liabilities	53,598,085	24,820,723
Total shareholders' equity	145,664,350	151,834,819
Adjustment based on fair value of identifiable net assets of the joint venture at the time of acquisition of the investment	50,729,540	53,852,555
Equity attributable to shareholders of the Company after adjustment	196,393,890	205,687,374
Share of net assets calculated based on shareholding proportion (<i>Note</i>)	98,196,945	102,843,687
Adjusting item		
– Goodwill	113,928,609	113,928,609
Carrying amount of equity investments in joint venture	212,125,554	216,772,296
Fair value of equity investments in joint venture for which publicly quoted prices exist	N/A	N/A

(VII) INTERESTS IN OTHER ENTITIES (CONT'D)

3. Interests in joint ventures and associates (Cont'd)

(2) Key financial information of significant joint ventures (Cont'd)

Hebei Jiahe Company	Amount incurred in the current period	Amount incurred in the prior period
Operating income	177,130,042	202,905,425
Financial expenses	(425,070)	(495,249)
Income tax expenses	2,943,177	3,661,077
Net profit	8,829,531	10,979,026
Other comprehensive income	-	-
Total comprehensive income	8,829,531	10,979,026
Adjustment based on fair value of identifiable net assets of the joint venture at the time of acquisition of the investment	(3,123,015)	(3,149,332)
Total comprehensive income attributable to the Company after adjustment	5,706,516	7,829,694
Dividends received from the joint venture in the current period	7,500,000	9,000,000

Note: The share of net assets of the joint venture is calculated by the shareholding proportion of the Group, based on the amount attributable to the Company in the financial statements of the joint venture. For amounts in the financial statements of the joint venture, the fair value of the identifiable assets and liabilities of the joint venture at the time of acquisition of the investment and the impact of uniform accounting policies are taken into consideration.

(3) Key financial information of significant associates

The Group determines significant associates by taking into account factors such as the proportion of the carrying amount of the associates to the Group's consolidated total assets and the proportion of income from long-term equity investments accounted for under equity method to the Group's consolidated net profit. The Group does not have any significant associates.

(4) Summarized financial information of insignificant associates

	30 June 2024/ Amount incurred in the current period	RMB 31 December 2023/ Amount incurred in the prior period
Associates		
Total carrying amount of the investment	152,961,246	149,184,684
Aggregate of the following on a percentage of shareholding basis		
– Net profit (Note)	11,658,307	9,606,794
– Other comprehensive (loss) income (Note)	(108,885)	272,018
– Total comprehensive income	11,549,422	9,878,812

Note: For net profit and other comprehensive income, the fair value of identifiable assets and liabilities at the time of acquisition of the investment and the impact of adjustments to the uniform accounting policies are taken into consideration.

(VII) INTERESTS IN OTHER ENTITIES (CONT'D)

3. Interests in joint ventures and associates (Cont'd)

(5) When measured by equity method, the accounting policy difference between the Group and all of its joint ventures and associates is unnoticeable. In addition, there are no significant restrictions on the realization of such long-term investments and the repatriation of the investment income, nor on the ability of joint ventures and associates to transfer capital to the Group.

(6) Excess losses of joint ventures or associates

Name of joint venture or associate	Accumulated unrecognized losses in the prior period	Net profit shared in the current period	RMB
			Accumulated unrecognized losses at the end of current period
Liaoning Shenqing Company	851,442	(21,897)	829,545

(7) As at 30 June 2024, the Group has no unrecognized commitment related to investments in joint ventures or contingent liabilities related to investments in joint ventures or associates.

(VIII) GOVERNMENT GRANTS

1. Liability items involving government grants

Financial statements items	31 December 2023	Increase in the period	Amount recognized in other income for the period	Amount recognized in gains on disposal of assets for the period	30 June 2024	RMB
						Related to assets/income
Deferred income	2,858,207,387	150,590,000	(130,778,855)	(56,871)	2,877,961,661	Related to assets
Deferred income	29,336,265	51,954,922	(8,142,555)	-	73,148,632	Related to income
Total	2,887,543,652	202,544,922	(138,921,410)	(56,871)	2,951,110,293	

At the end of the prior period and the end of the current period, the Group has no government grants recognized at the amount receivable.

2. Government grants included in profit or loss for the period

Category	Amount incurred in the current period	RMB
		Amount incurred in the prior period
Related to assets	130,778,855	132,709,027
Related to income	155,255,354	36,988,435
Total	286,034,209	169,697,462

(IX) RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS

The Group's activities expose it to a variety of financial risks: market risk (primarily foreign exchange risk, interest rate risk and other price risk), credit risk and liquidity risk. The financial risk mentioned above and risk management policies adopted by the Group to reduce the risk are as follows:

The Board of Directors is responsible for planning and establishing risk management framework of the Group, formulating risk management policies and related guidelines of the Group and supervising the implementation of risk management measures. The Group has developed risk management policies to identify and analyze risks faced by the Group. These risk management policies explicitly stipulate specific risks, covering the management of market risks, credit risks, liquidity risk and many other aspects. The Group assesses the changes in market environment and the Group's operating activities regularly to determine whether the policies and systems of risk management should be updated. The Group's risk management is launched by relevant departments in accordance with the policies approved by the Board of Directors. These departments identify, evaluate and avoid related risks through close cooperation with other business departments of the Group. Internal audit department of the Group conducts regular inspections on the control and procedures of risk management and reports the result to the audit committee of the Group.

The Group adopts sensitivity analysis technique to analyses how the profit and loss for the period and shareholders' equity would have been affected by reasonably possible changes in the relevant risk variables. As it is unlikely that risk variables will change in an isolated manner, and the interdependence among risk variables will have significant effect on the amount ultimately influenced by the changes in a single risk variable, the following are based on the assumption that the change in each risk variable is on a stand-alone basis.

1. Risk management objectives, policies and procedures and the changes in the period

The Group's risk management objectives are to achieve a proper balance between risks and yield, minimize the adverse impacts of risks on the Group's operation performance, and maximize the benefits of the shareholders and other stakeholders. Based on these risk management objectives, the Group's basic risk management strategy is to identify and analyzes the Group's exposure to various risks, establish an appropriate maximum tolerance to risk, implement risk management, and monitors regularly and effectively these exposures to ensure the risks are monitored at a certain level.

1.1 Market risk

1.1.1 Currency risk

The Group's major operating activities are carried out in Chinese Mainland and a majority of the transactions are denominated in RMB. The Group has foreign exchange risk from recognized foreign currency assets and liabilities and future foreign currency transactions (foreign currency assets and liabilities and foreign currency transactions are mainly denominated in USD). The Group continuously monitors foreign currency transactions and the scale of foreign currency assets and liabilities to minimize the foreign exchange risk. As at 30 June 2024, the Group has no foreign currency borrowings and has not entered into any forward exchange contracts or currency swap contracts to hedge foreign exchange risk.

As at 30 June 2024, the amounts of foreign currency financial assets and liabilities held by companies within the Group whose functional currency is RMB are translated into RMB as follows:

Item	30 June	RMB
	2024	31 December 2023
Cash and bank balances	118,481,931	232,027,761
Accounts receivable	49,952,161	37,706,577
Other payables	5,224,515	5,030,163

(IX) RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS (CONT'D)

1. Risk management objectives, policies and procedures and the changes in the period (Cont'd)

1.1 Market risk (Cont'd)

1.1.1 Currency risk (Cont'd)

Sensitivity analysis on currency risk

As at 30 June 2024, for various financial assets and liabilities denominated in USD of companies whose functional currency is RMB, if USD had strengthened or weakened by 5% against RMB while all other variables remain unchanged, the Group's net profit and shareholders' equity will increase or decrease by approximately RMB4,397,000 (31 December 2023: approximately RMB6,885,000). For financial assets and financial liabilities denominated in other foreign currencies held by the companies choosing RMB as their functional currencies, if other foreign currencies had strengthened or weakened by 5% against RMB while other factors remain unchanged, the Group's net profit and shareholders' equity will increase or decrease by approximately RMB1,724,000 (31 December 2023: approximately RMB3,041,000)

1.1.2 Interest rate risk - risk of changes in cash flows

The Group's interest rate risk arises primarily from interest bearing debts such as long-term borrowings. Financial liabilities issued at floating rates expose the Group to cash flow interest rate risk. Financial liabilities issued at fixed rates expose the Group to fair value interest rate risk. The Group determines the relative proportions of its fixed rate and floating rate contracts depending on the prevailing market conditions. As at 30 June 2024, there is no long-term borrowings (31 December 2023: nil). There is no material interest rate risk in the view of the directors of the Company.

The Group's head office continuously monitors the interest rate position of the Group. Increase in interest rate will increase the cost of new interest-bearing debts and the interest expenses on the Group's outstanding interest-bearing debts at floating rate and therefore could have an adverse impact on the Group's financial performance. The management of the Group will make timely adjustments according to the latest market conditions, and these adjustments may involve interest rate swap arrangements to reduce interest rate risk. For the period from 1 January 2024 to 30 June 2024 and for the period from 1 January 2023 to 30 June 2023, the Group has no interest rate swap arrangements. The directors of the Company are of the view that the future interest rate changes will not have a material adverse impact on the Group's operating performance.

1.1.3 Other price risk

Other price risk of the Group mainly arises from the investments in debt instruments, where risk of price changes exists (including interest rate risk). As at 30 June 2024, if the expected price of the Group's investments in various debt instruments increases or decreases by 0.5% while other factors remain unchanged, the Group's net profit and shareholders' equity will increase or decrease by approximately RMB20,008,000 (31 December 2023: approximately RMB12,665,000).

(IX) RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS (CONT'D)

1. Risk management objectives, policies and procedures and the changes in the period (Cont'd)

1.2 Credit risk

As at 30 June 2024, the Group's maximum exposure to credit risk which will cause a financial loss to the Group is mainly losses on the Group's financial assets due to the counterparty's failure to discharge an obligation, including: cash and bank balances (Note (V) 1), notes receivable (Note (V) 3), accounts receivable (Note (V) 4), other receivables (Note (V) 6), other current assets (Note (V) 9) and investments in debt instruments at fair value through profit or loss that are not included in the scope of impairment assessment, etc. (Note (V) 2, 8 and 11).

In order to minimize the credit risk, the Group has responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of trade debt at each balance sheet date to ensure that adequate credit impairment losses are made. In this regard, the management of the Group considers that the Group's credit risk is significantly reduced.

The Group believes that there is no significant credit risk associated with cash and bank balances considering they are deposited at joint-stock commercial banks and other large and medium-sized commercial banks with high credit rating, and it does not expect that there will be any significant losses resulting from non-performance by these banks.

Investments in debt instruments held by the Group are mainly bonds with high credit ratings. The Group controls its exposure to credit risk by setting overall investment limits, which are reviewed and approved on a yearly basis. The Group regularly monitors the credit risk exposure of bond investments, changes in credit ratings of the bonds and other relevant information to ensure that the overall credit risk is limited to a controllable extent.

Sales are mainly settled by advances from customers, and accordingly, there is no significant credit risk related to dealers.

In addition, the Group has policies to limit the credit risk exposure on notes receivable, accounts receivable and other receivables, etc. The Group assesses the credit quality of and sets credit periods on its dealers by taking into account their financial position, the availability of guarantee from third parties, their credit history and other factors such as current market conditions. The credit history of the dealers is regularly monitored by the Group. In respect of dealers with a poor credit history, the Group will use written payment reminders, or shorten or cancel credit periods, to ensure that the overall credit risk of the Group is limited to a controllable extent.

As at 30 June 2024, the Group holds no significant collateral or other credit enhancements due to the debtor's mortgage (31 December 2023: nil)

1.3 Liquidity risk

Cash flow forecasting is performed by each subsidiary of the Group and aggregated by the Group's head office. The Group monitors rolling forecasts of the Group's short-term and long-term liquidity requirements to ensure that it has sufficient cash reserves and marketable securities that are readily realizable, while continuously monitoring the compliance with borrowing agreements and obtaining commitments from major financial institutions for sufficient standby funds to meet its short-term and long-term liquidity requirements.

(IX) RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS (CONT'D)

1. Risk management objectives, policies and procedures and the changes in the period (Cont'd)

1.3 Liquidity risk (Cont'd)

The financial liabilities of the Group at the balance sheet date are analyzed by their maturity date below at their undiscounted contractual cash flows:

	Within 1 year	1 to 2 years	2 to 5 years	More than 5 years	RMB Total
Notes payable	277,279,953	-	-	-	277,279,953
Accounts payable	4,343,065,654	-	-	-	4,343,065,654
Other payables	5,888,423,007	-	-	-	5,888,423,007
Lease liabilities	51,061,778	30,091,762	29,756,319	26,857,416	137,767,275

(X) DISCLOSURE OF FAIR VALUE

1. Fair value of assets and liabilities measured at fair value at the end of the period

Item	RMB Level 2 fair value measurement
	30 June 2024
Non-current assets due within one year - Debt instruments	30,961,440
Other non-current financial assets - Debt instruments	2,491,782,750
Item	RMB Level 3 fair value measurement
	30 June 2024
Held-for-trading financial assets - Debt instruments	2,812,664,867
Other non-current financial assets - Equity instruments	600,000

2. Valuation techniques and qualitative and quantitative information of key parameters adopted in continuous level 2 fair value measurement

Item	Fair value at 30 June 2024	Valuation technique	RMB
Non-current assets due within one year - Debt instruments	30,961,440	The fair value is calculated based on the valuation results obtained from a third-party pricing service (e.g., Central Treasury Bonds Registration & Settlement Company Ltd.)	
Other non-current financial assets - Debt instruments	2,491,782,750	The fair value is calculated based on the valuation results obtained from a third-party pricing service (e.g., Central Treasury Bonds Registration & Settlement Company Ltd.)	

(X) **DISCLOSURE OF FAIR VALUE (CONT'D)**

3. Valuation techniques and qualitative and quantitative information of key parameters adopted in continuous level 3 fair value measurement

RMB

Item	Fair value at 30 June 2024	Valuation technique	Input
Held-for-trading financial assets - Debt instruments	2,812,664,867	Discounted cash flow technique	Discount rate reflecting counterparty's credit risk
Other non-current financial assets - Equity instruments	600,000	Discounted cash flow technique	Income growth rate and systematic risk factor

4. Reconciliation between opening and closing carrying amounts of items measured at Level 3 fair value continuously:

Level 3 fair value measurement

RMB

Item	<u>Total gains or losses for the period</u>			<u>Purchase, issuance and settlement</u>			30 June 2024	Changes in unrealized gains or losses included in profit or loss in respect of the assets held at the end of the Reporting Period
	1 January 2024	Included in profit or loss	Included in other comprehensive income	Purchase	Issuance	Settlement		
Held-for-trading financial assets - Debt instruments	1,924,078,158	46,124,560	-	1,450,000,000	-	(607,537,851)	2,812,664,867	34,582,709
Other non-current financial assets - Equity instruments	600,000	-	-	-	-	-	600,000	-
Total	1,924,678,158	46,124,560	-	1,450,000,000	-	(607,537,851)	2,813,264,867	34,582,709

5. Assets and liabilities not measured at fair value but the fair values of which should be disclosed

Financial assets and financial liabilities measured at amortized cost of the Group mainly include cash and bank balances, notes receivable, accounts receivable, other receivables, other current assets, notes payable, accounts payable, other payables, other current liabilities and long-term payables, etc. The difference between the carrying amounts and fair values of those financial assets and liabilities not measured at fair value is small.

(XI) RELATED PARTIES AND RELATED PARTY TRANSACTIONS

1. Information about the parent company

Name of parent company	Place of incorporation	Nature of business	Registered capital	RMB '0000	
				Parent company's shareholding in the Company (%)	Parent company's voting rights in the Company (%)
Tsingtao Brewery Group Co., Ltd. ("Tsingtao Brewery Group")	Qingdao, Shandong Province, the PRC	Operation and investment of state-owned assets	134,372	32.51	32.51

The ultimate controlling party of the Company is the State-owned Assets Supervision and Administration Commission of Qingdao Municipal People's Government, and the Company's main business location is in Qingdao.

2. Information about the subsidiaries of the Group

The information about the subsidiaries of the Group is set out in Note (VII) 1(1).

3. Information about the joint ventures and associates of the Group

The information about the joint ventures and associates of the Group is set out in Note (VII) 3(1).

Except for the information about the significant joint ventures and associates disclosed in Note (VII) 3(1), information about other associates having related party transactions with the Group is set out below:

Name of related party	Relationship with the Group
Beijing Sales Company	Associate
European Company	Associate
Zhaoshang Logistics Company	Associate
Liaoning Shenqing Company	Associate
Yantai Brewery Company	Associate

4. Information about other related parties of the Group

Name of other related party	Relationship with the Group
Tsingtao Brewery Youjia Health Drinks Co., Ltd. ("Youjia Health")	Subsidiary of Tsingtao Brewery Group
Tsingtao Brewery Youjia Health Drinks (Shanghai) Co., Ltd. ("Youjia Shanghai")	Subsidiary of Tsingtao Brewery Group
Tsingtao Brewery Youjia (Tianjin) Natural Mineral Water Co., Ltd. ("Youjia Tianjin")	Subsidiary of Tsingtao Brewery Group
Yunnan Dashan Beverage Co., Ltd. ("Yunnan Dashan")	Subsidiary of Tsingtao Brewery Group
Qingdao Smart Chain Success Delivery Technology Co., Ltd. ("Smart Chain Success Delivery")	Subsidiary of Tsingtao Brewery Group
Qingdao Qiji Urban Distribution Co., Ltd. ("Qiji Chengpei Company")	Subsidiary of Tsingtao Brewery Group
Shanghai Dasheng Smart Supply Chain Co., Ltd. ("Dasheng Smart Chain")	Subsidiary of Tsingtao Brewery Group
Tsingtao Brewery Real Estate Co., Ltd. ("Tsingtao Brewery Real Estate")	Subsidiary of Tsingtao Brewery Group

(XI) RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONT'D)

4. Information about other related parties of the Group (Cont'd)

On 22 January 2024, the Company issued the Announcement of Tsingtao Brewery Co., Ltd. on Signing the Related Party Transaction Framework Agreement and Daily Related Party Transaction with the Controlling Shareholder and Its Subsidiaries. At the First Extraordinary Meeting of the Tenth Session of the Board of Directors of the Company in 2024, it was considered and approved that the Company entered into the 2024 Entrusted Production and Purchase and Sales of Products Framework Agreement with Youjia Health, the Trademark License Agreement with Youjia Health and its subsidiaries, the 2024 Supply Chain Business Service Framework Agreement with Zhilian Shunda, and the 2024 Comprehensive Service Framework Agreement with Tsingtao Brewery Group (together with its subsidiaries, Youjia Health and its subsidiaries, Zhilian Shunda and its subsidiaries, the "Associated Persons").

5. Related party transactions

(1) Purchases and sales of goods, rendering and receipt of services

Purchases of goods/receipt of services

Related party	Content of related party transaction	Approved transaction amount	Whether the transaction amount is exceeded	RMB	
				Amount incurred in the current period	Amount incurred in the prior period
Yantai Brewery Company	Purchase of beer	N/A	N/A	341,866,991	416,585,347
Youjia Health (Note 1)*	Purchase of beverage	27,580,000	No	117,345	-
Hebei Jiahe Company	Purchase of beer	N/A	N/A	175,879,385	201,322,371
Zhaoshang Logistics Company	Receipt of logistics service (including advance payments)	N/A	N/A	104,904,386	99,037,398
Zhaoshang Logistics Company	Receipt of warehousing service	N/A	N/A	262,390	189,929
Qiji chengpei Company (Note 1)*	Receipt of logistics service		No	12,568,573	8,613,980
Smart Chain Success Delivery (Note 1)*	Receipt of warehousing service		No	11,628,121	5,305,691
Qiji chengpei Company (Note 1)*	Receipt of warehousing service		No	999,804	1,440,011
Smart Chain Success Delivery (Note 1)*	Receipt of logistics service	990,530,000	No	401,718,058	280,129,418
Smart Chain Success Delivery (Note 1)*	Receipt of packing service		No	2,117,815	-
Qiji chengpei Company (Note 1)*	Receipt of packing service		No	1,781,031	-

(XI) RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONT'D)**5. Related party transactions (Cont'd)****(1) Purchases and sales of goods, rendering and receipt of services (Cont'd)***Sales of goods/rendering of services*

Related party	Content of related party transaction	Approved transaction amount	Whether the transaction amount is exceeded	Amount incurred in the current period	RMB Amount incurred in the prior period
European Company	Sales of beer and materials	N/A	N/A	50,071,994	53,599,043
Liaoning Shengqing Company	Sales of beer and materials	N/A	N/A	12,055,164	19,770,069
Youjia Shanghai (Note 2)*	Sales of beer		No	108,339	760,418
Youjia Health (Note 2)*	Sales of beer		No	-	7,765
Youjia Shanghai (Note 2)*	Rendering of the right to use trademarks		No	21,441	-
Youjia Tianjin (Note 2)*	Rendering of the right to use trademarks	27,580,000	No	17,342	-
Youjia Shanghai (Note 2)*	Rendering of commissioned processing		No	986,666	849,861
Smart Chain Success Delivery (Note 2)*	Sales of beer		No	12,577	7,251
Qiji chengpei Company (Note 2)*	Sales of beer		No	1,542	-
Smart Chain Success Delivery (Note 2)*	Rendering of warehouse rental service	990,530,000	No	439,116	147,522
Dasheng Smart Chain (Note 2)*	Rendering of warehouse rental service		No	168,059	126,147
Tsingtao Brewery Group (Note 2)*	Rendering of comprehensive service in respect of human resources and information, etc.		No	5,356,027	2,400,975
Youjia Health (Note 2)*	Rendering of comprehensive service in respect of human resources and information, etc.		No	766,807	1,912,769
Smart Chain Success Delivery (Note 2)*	Rendering of comprehensive service in respect of human resources and information, etc.		No	1,207,941	1,065,744
Tsingtao Brewery Real Estate (Note 2)*	Rendering of comprehensive service in respect of human resources and information, etc.	28,000,000	No	148,848	136,209
Yunnan Dashan (Note 2)*	Rendering of comprehensive service in respect of human resources and information, etc.		No	82,643	134,391
Youjia Shanghai (Note 2)*	Rendering of comprehensive service in respect of human resources and information, etc.		No	98,905	80,141
Zhaoshang Logistics	Sales of beer	N/A	N/A	6,205	10,703
Yantai Brewery Company	Rendering of equipment engineering service	N/A	N/A	-	1,415,929

(XI) RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONT'D)

5. Related party transactions (Cont'd)

(1) Purchases and sales of goods, rendering and receipt of services (Cont'd)

Explanation of related party transactions of purchase and sales of goods, rendering and receipt of service.

Purchase of goods and receipt of services

Pricing by agreement with reference to market prices

Note 1: These transactions are continuing connected transactions that have complied with the disclosure requirements of Chapter 14A of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong, which indicate the purchases of goods and receipt of labor services from Youjia Health, Smart Chain Success Delivery and its subsidiary Qiji chengpei Company.

Sales of goods and rendering of services

Pricing by agreement with reference to market prices

Note 2: These transactions are continuing connected transactions that have complied with the disclosure requirements of Chapter 14A of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong, which indicate the sales of goods and the rendering of services to Tsingtao Brewery Group, Youjia Health, Smart Chain Success Delivery, Youjia Shanghai, Tsingtao Brewery Real Estate, Yunnan Dashan, Dasheng Smart Chain, Youjia Tianjin, and Qiji chengpei Company.

* The approved transaction amounts of RMB27,580,000, RMB990,530,000 and RMB28,000,000 for Youjia Health and its subsidiaries, Smart Chain Success Delivery and its subsidiaries and Tsingtao Brewery Group and its subsidiaries represent the combined amounts of all the approved transactions.

(2) Financing

As at 30 June 2024, there is no financing with related parties (Balance of financing at 31 December 2023: nil).

(3) Deposits from related parties

Related party	Amount incurred in the current period	RMB Amount incurred in the prior period
Yantai Brewery Company	389,041,901	446,509,988

(4) Interest expenses

Related party	Amount incurred in the current period	RMB Amount incurred in the prior period
Yantai Brewery Company	109,062	253,969

(XI) RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONT'D)**5. Related party transactions (Cont'd)****(5) Service charges from related parties**

Related party	Amount incurred in the current period	<i>RMB</i> Amount incurred in the prior period
Yantai Brewery Company	4,332	1,798

(6) Compensation for key management personnel

Item	Amount incurred in the current period	<i>RMB</i> Amount incurred in the prior period
Share-based payments	1,475,029	3,440,343
Compensation for key management personnel	4,175,724	4,042,790

For the period from 1 January 2024 to 30 June 2024, there is no loan provided to key management personnel from the Group (For the period from 1 January 2023 to 30 June 2023; nil).

6. Receivable and payable balances with related parties**(1) Receivables from related parties**

Item	Related party	30 June 2024		<i>RMB</i> 31 December 2023	
		Gross carrying amount	Provision for ECL	Gross carrying amount	Provision for ECL
Accounts receivable	European Company	15,486,515	-	12,505,888	-
Accounts receivable	Beijing Sales Company	11,245,784	11,245,784	11,245,784	11,245,784
Other receivables	Yantai Brewery Company	4,435,460	-	4,435,460	-
Other receivables	Zhaoshang Logistics	50,000	-	-	-

(XI) RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONT'D)

6. Receivable and payable balances with related parties (Cont'd)

(2) Payables to related parties

Item	Related party	RMB	
		30 June 2024	31 December 2023
Accounts payable	Smart Chain Success Delivery	232,789,609	110,666,835
Accounts payable	Yantai Brewery Company	80,457,812	82,280,320
Accounts payable	Zhaoshang Logistics Company	33,440,343	37,506,398
Accounts payable	Qiji chengpei Company	6,749,507	1,845,779
Accounts payable	Hebei Jiahe Company	38,061,356	1,536,395
Other payables	Yantai Brewery Company	30,848,390	29,555,174
Other payables	Zhaoshang Logistics Company	8,745,005	-
Other payables	Smart Chain Success Delivery	2,453,078	-
Other payables	Qiji chengpei Company	1,103,127	-
Contract liabilities and other current liabilities	Liaoning Shenqing Company	2,045,482	13,803,974

(XII) SHARE-BASED PAYMENTS

1. Restricted Share Incentive Plan

On 8 June 2020, the Company held the 2019 Annual General Meeting of Shareholders and the first meeting of A-share and H-share shareholders in 2020, deliberated and approved the Proposal of Tsingtao Brewery Co., Ltd. Restricted A Share Incentive Plan (Draft) and its Summary, the Proposal of the Implementation of Evaluation and Management Measures for the Restricted A Share Incentive Plan of Tsingtao Brewery Co., Ltd. and the Proposal for the General Meeting of Shareholders to Authorize the Board of Directors to Handle Matters Related to the Restricted A Share Incentive Plan. On 29 June 2020, the Company held the eighth extraordinary meeting of the ninth session of Board of Directors in 2020, deliberated and approved the Proposal of Tsingtao Brewery Co., Ltd. on the First Grant of Restricted A Share to Incentive Recipients (the "Incentive Plan"). According to the Incentive Plan, the Company granted 13,200,000 restricted shares to 627 incentive recipients. The grant date was 29 June 2020, and the grant price was RMB21.18 per share. The unlocking periods for restricted shares granted are 24 months, 36 months, and 48 months from the equity registration date. According to the Company's performance assessment and personal performance assessment, 1/3, 1/3, and 1/3 of restricted shares will be unlocked respectively. According to the Incentive Plan, if the incentive recipients resign before the expiration of the unlocking period, the shares shall not be unlocked, and the Company must repurchase and cancel the restricted shares at corresponding repurchase price.

According to the Incentive Plan, the Company, in 2020, received an aggregate amount of RMB279,576,000 as contributions from the incentive recipients, and recognized liabilities of RMB279,576,000 and treasury shares of RMB279,576,000 for the obligation to repurchase restricted shares accordingly.

(XII) SHARE-BASED PAYMENTS (CONT'D)

1. Restricted Share Incentive Plan (Cont'd)

On 22 March 2021, the Company held the first extraordinary meeting of the ninth session of Board of Directors in 2021, deliberated and approved the Proposal on Granting Reserved Part of Restricted A Shares to Incentive Recipients (the "Plan for Granting Reserved Restricted Shares"). According to the Plan for Granting Reserved Restricted Shares, the Company granted 300,000 restricted shares to 35 incentive recipients, with the grant date of 22 March 2021 and the grant price of RMB21.18 per share. The unlocking periods for the restricted shares granted are 24 months, 36 months and 48 months from the equity registration date. According to the Company's performance assessment and personal performance assessment, 1/3, 1/3 and 1/3 of the restricted shares will be unlocked respectively. According to the Plan for Granting Reserved Restricted Shares, if the incentive recipients resign before the expiration of the unlocking period, the shares shall not be unlocked, and the Company must repurchase and cancel the restricted shares at corresponding repurchase price. Among the 35 incentive recipients, 1 incentive recipient has waived the subscription due to personal reasons.

According to the Plan for Granting Reserved Restricted Shares, the Company, in 2021, received an aggregate amount of RMB6,226,920 as contributions from the incentive recipients, and recognized liabilities of RMB6,226,920 and treasury shares of RMB6,226,920 for the obligation to repurchase restricted shares.

According to the resolution of the 2020 Annual General Meeting of Shareholders, a cash dividend of RMB10,028,999 was distributed to the above-mentioned recipients for restricted shares expected to be unlocked in the future, and the repurchase obligation was offset accordingly.

On 29 September 2021, the Company held the second extraordinary meeting of the tenth session of Board of Directors in 2021, deliberated and approved the Proposal on the Company's Repurchase and Cancellation of Part of Restricted A Shares under the Incentive Plan. As at the meeting of the Board of Directors, 12 incentive recipients under the Incentive Plan have resigned for personal reasons, resulting in changes in their personal circumstances, which triggered the conditions for repurchase and cancellation of restricted shares. In 2021, the Company cancelled 122,002 restricted shares, and offset liabilities of RMB2,584,002 and treasury shares of RMB2,584,002 for the obligation to repurchase restricted shares.

As at 31 December 2021, under the Restricted Share Incentive Plan, the Company recognized liabilities of RMB273,189,919 and treasury shares of RMB273,189,919 for the obligation to repurchase restricted shares.

In 2022, a cash dividend of RMB14,483,492 was distributed to the above-mentioned recipients for restricted shares expected to be unlocked in the future, and the repurchase obligation was offset accordingly.

On 28 September 2022, the Company held the eighth extraordinary meeting of the tenth session of Board of Directors in 2022, deliberated and approved the Proposal on the Company's Repurchase and Cancellation of Part of Restricted A Shares under the Incentive Plan. From 1 September 2021 to the date of meeting of the Board of Directors, 14 incentive recipients under the Incentive Plan have resigned for personal reasons, resulting in changes in their personal circumstances, which triggered the conditions for repurchase and cancellation of restricted shares. In 2022, the Company cancelled 122,003 restricted shares, and offset liabilities of RMB2,584,024 and treasury shares of RMB2,584,024 for the obligation to repurchase restricted shares.

On 8 July 2022, the Company held the sixth extraordinary meeting of the tenth session of Board of Directors in 2022, deliberated and approved the Proposal on Fulfillment of the Unlocking Conditions for the First Unlocking Period in respect of the First Grant of the Restricted Shares under the Restricted A Share Incentive Plan. On 25 July 2022, the Company unlocked 4,359,428 restricted shares, and offset liabilities of RMB84,267,743 and treasury shares of RMB84,267,743 for the obligation to repurchase restricted shares.

(XII) SHARE-BASED PAYMENTS (CONT'D)

1. Restricted Share Incentive Plan (Cont'd)

As at 31 December 2022, under the Restricted Share Incentive Plan, the Company recognized liabilities of RMB171,854,660 and treasury shares of RMB171,854,660 for the obligation to repurchase restricted shares.

In 2023, a cash dividend of RMB15,697,613 was distributed to the above-mentioned recipients for restricted shares expected to be unlocked in the future, and the repurchase obligation was offset accordingly.

On 17 October 2023, the Company held the sixth extraordinary meeting of the tenth session of Board of Directors in 2023, deliberated and approved the Proposal on the Company's Repurchase and Cancellation of Part of Restricted A Shares under the Incentive Plan. From 29 September 2022 to the date of meeting of the Board of Directors, 7 incentive recipients under the Incentive Plan have resigned for personal reasons, resulting in changes in their personal circumstances, which triggered the conditions for repurchase and cancellation of restricted shares. In 2023, the Company cancelled 36,002 restricted shares, and offset liabilities of RMB762,522 and treasury shares of RMB762,522 for the obligation to repurchase restricted shares.

On 5 May 2023, the Company held the second extraordinary meeting of the tenth session of the Board of Directors in 2023, deliberated and approved the Proposal on Fulfillment of the Unlocking Conditions for the First Unlocking Period in respect of the Reserve Grant of the Restricted Shares under the Restricted A Share Incentive Plan. On 26 May 2023, the Company unlocked 96,667 restricted shares, and offset liabilities of RMB1,868,573 and treasury shares of RMB1,868,573 for the obligation to repurchase restricted shares. On 10 July 2023, the Company held the fifth extraordinary meeting of the tenth session of Board of Directors in 2023, deliberated and approved the Proposal on Fulfillment of the Unlocking Conditions for the Second Unlocking Period in respect of the First Grant of the Restricted Shares under the Restricted A Share Incentive Plan. On 24 July 2023, the Company unlocked 4,328,702 restricted shares, and offset liabilities of RMB75,882,146 and treasury shares of RMB75,882,146 for the obligation to repurchase restricted shares.

As at 31 December 2023, under the Restricted Share Incentive Plan, the Company recognized liabilities of RMB77,643,806 and treasury shares of RMB77,643,806 for the obligation to repurchase restricted shares.

During the period from 1 January 2024 to 30 June 2024, the Company paid cash dividends amounting to RMB8,665,060 to the above incentive recipients who are expected to unlock restricted shares in the future, thus offsetting the repurchase obligation accordingly.

On 27 May 2024, the Third Extraordinary Meeting of the Tenth Session of the Board of Directors of the Company in 2024 considered and passed the "Proposal on the fulfillment of the conditions for the release of restricted shares during the second release period of the restricted shares reserved for grant under the Restricted Share Incentive Plan for A Shares" on 16 May 2024. On 27 May 2024, the Company unlocked 96,666 shares of restricted shares, thus eliminating the liabilities of repurchase obligation of RMB1,694,555 and treasury shares of RMB1,694,555.

As at 30 June 2024, a total of RMB67,284,191 of repurchase obligation liabilities and RMB67,284,191 of treasury shares were recognized under the Restricted Share Incentive Plan.

(XII) SHARE-BASED PAYMENTS (CONT'D)

2. Changes in restricted shares for the period from 1 January 2024 to 30 June 2024

Item	Amount incurred in the current period	<i>RMB</i> Amount incurred in the prior period
Restricted shares (number of shares) issued at the beginning of the period	4,429,196	8,890,567
Restricted shares (number of shares) unlocked during the period	(96,666)	(96,667)
Restricted shares (number of shares) cancelled during the period	-	-
Restricted shares (number of shares) issued at the end of the period	4,332,530	8,793,900
Share-based payment expenses for the period	23,662,335	59,641,792
Accumulated share-based payment expenses	658,530,942	609,795,590

Share-based payment expenses for the period from 1 January 2024 to 30 June 2024 amount to RMB23,662,335, and the amounts included in administrative expenses and research and development expenses were RMB23,201,354 and RMB460,981, respectively (For the period from 1 January 2023 to 30 June 2023: RMB58,041,015 and RMB1,600,777).

Item	Maturity	Remaining maturity
2020 Tsingtao Brewery Company Limited A-share Restricted Share Incentive Plan	24 July 2026	2.00 years
2021 Tsingtao Brewery Company Limited A-share Restricted Share Incentive Plan	26 May 2027	2.83 years

The weighted average share price of restricted shares unlocked on 27 May 2024 was RMB78.909 based on the unlock date.

3. Method for determining the fair value of restricted shares on the grant date

The Group determines the fair value of restricted shares based on the single-day closing price of the circulating shares on the date when the restricted shares are granted.

(XIII) COMMITMENTS AND CONTINGENCIES

1. Significant commitments

(1) Capital commitments

	<i>RMB</i> 30 June 2024	31 December 2023
Capital commitments that have been entered into but have not been recognized in the financial statements:		
- Commitment for acquisition and construction of long- term assets	384,878,446	588,931,900

As at 30 June 2024, the Group has no other commitments to be disclosed.

(XIII) COMMITMENTS AND CONTINGENCIES (CONT'D)

2. Contingencies

As at 30 June 2024, the Company is not involved in significant contingencies.

(XIV) EVENTS AFTER THE BALANCE SHEET DATE

Pursuant to the resolution of the Board on 26 March 2024, the Board considered and approved the capital increase of the Company to the Finance Company, a subsidiary of the Company, in the amount of RMB1,000,000,000 with the Company's own funds, and as of the date of approval of these financial statements, the Company has completed the capital increase to the Finance Company.

(XV) OTHER SIGNIFICANT EVENTS

1. Segment reporting

(1) Basis for determining reporting segments and related accounting policies

As the Group is mainly engaged in the production and sales of beer, the reporting segments of the Group are business units operating in different regions. Different regions require different marketing strategies, and the Group, therefore, separately manages the production and operation of each reporting segment and evaluates their operating results respectively, so as to make decisions on resources allocation and to assess their performance.

Finance Company, a subsidiary of the Group, 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, so as to determine its resources allocation and assess its performance.

The Group identified seven reporting segments as follows:

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

Inter-segment transfers are measured 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.

(XV) OTHER SIGNIFICANT EVENTS (CONT'D)**1. Segment reporting (Cont'd)****(2) Financial information of the reporting segments****For the period from 1 January 2024 to 30 June 2024**

Item	Shandong Region	South China Region	North China Region	East China Region	Southeast China Region	Hong Kong, Macau and other Overseas Regions	Finance Company	Unallocated amount	Inter-segment offsetting	Total
Revenue from external transactions	12,910,961,373	1,464,791,331	3,738,606,822	1,356,765,366	355,533,844	236,338,103	142,804	5,168,287	-	20,068,307,930
Revenue from inter-segment transactions	1,536,027,255	493,212,532	1,328,420,705	173,712,086	3,897,937	98,838,993	2,796,882	151,848,404	(3,788,754,794)	-
Operating costs	9,179,447,138	1,265,095,438	3,392,096,037	1,078,383,404	282,167,404	241,758,958	-	156,664,561	(3,876,409,024)	11,719,203,916
Selling expenses	1,452,734,952	175,639,268	268,499,423	168,046,827	70,017,535	34,331,523	-	-	-	2,169,269,528
Interest income	37,983,025	14,962,722	28,683,477	5,435,665	1,308,556	2,194,126	244,738,378	76,391,065	(95,919,591)	315,777,423
Interest expenses	3,235,357	1,464,130	685,749	3,261,628	1,199,879	225,313	103,767,249	-	(102,664,534)	11,174,771
Income from investments in associates and joint ventures	-	-	-	-	-	-	-	19,983,289	-	19,983,289
Credit impairment gains (losses)	381,414	-	(48,981)	(589,459)	-	(459,153)	911,456	8,000,000	(8,000,000)	195,277
Impairment losses of assets	(1,075,688)	(66,316)	(1,323,681)	-	(500,507)	-	-	-	-	(3,026,192)
Depreciation and amortization	294,290,951	70,904,671	117,486,731	65,326,076	17,448,521	3,625,268	852,052	53,343,960	-	623,178,230
Total profit (loss)	2,988,148,950	330,121,164	1,088,478,564	108,862,065	(19,288,043)	59,625,858	282,440,970	(15,927,441)	87,172,476	4,909,634,563
Income tax expenses	743,948,489	69,811,051	233,243,842	30,866,132	731,405	11,579,412	70,644,545	-	27,680,935	1,188,505,811
Net profit (loss)	2,244,200,461	260,310,113	855,234,722	77,995,933	(20,019,448)	48,046,446	211,796,425	(15,927,441)	59,491,541	3,721,128,752
Total assets	18,364,764,979	4,547,775,420	8,937,769,885	3,596,701,827	835,661,223	604,261,241	23,987,636,559	11,995,219,411	(22,173,692,589)	50,696,097,956
Total liabilities	15,660,811,958	1,879,613,571	4,655,604,250	2,591,662,955	467,062,575	68,159,730	19,205,210,521	204,507,345	(21,300,502,223)	23,352,166,682
Non-cash expenses other than depreciation and amortization	24,786,614	2,322,825	4,305,111	2,120,506	499,001	273,083	208,708	1,268,047	-	35,783,895
Long-term equity investments in associates and joint ventures	-	-	-	-	-	-	-	363,866,800	-	363,866,800
Increase (Decrease) in non-current assets (Note)	678,703,127	26,719,401	69,477,986	63,827,735	23,961,024	14,090,358	-	1,041,763,201	(1,027,564,140)	890,978,692

Note: Non-current assets exclude financial assets, long-term equity investments and deferred tax assets.

(XV) OTHER SIGNIFICANT EVENTS (CONT'D)**1. Segment reporting (Cont'd)****(2) Financial information of the reporting segments**

For the period from 1 January 2023 to 30 June 2023

Item	Shandong Region	South China Region	North China Region	East China Region	Southeast China Region	Hong Kong, Macau and other Overseas Regions	Finance Company	Unallocated amount	Inter- segment offsetting	Total
Revenue from external transactions	13,408,821,868	1,632,177,525	4,050,094,965	1,642,307,735	504,808,531	349,991,749	268,073	3,319,187	-	21,591,789,633
Revenue from inter-segment transactions	1,940,798,408	458,041,085	1,110,504,878	208,243,069	3,541,811	154,365,465	6,123,515	15,376,454	(3,896,994,685)	-
Operating costs	10,261,691,215	1,380,069,065	3,528,449,373	1,274,901,163	353,549,797	377,421,339	253,969	18,305,411	(4,068,269,889)	13,126,371,443
Selling expenses	1,630,220,770	180,796,710	295,105,087	176,060,701	73,118,057	32,691,722	-	-	-	2,387,993,047
Interest income	48,963,617	15,231,017	30,848,923	6,017,944	1,575,780	1,468,928	198,012,623	57,452,342	(122,880,497)	236,690,677
Interest expenses	112,516	1,654,359	402,588	7,423,974	1,338,495	2,600,292	123,770,177	-	(133,042,641)	4,259,760
Income from investments in associates and joint ventures	-	-	-	-	-	-	-	18,533,007	-	18,533,007
Credit impairment gains (losses)	(1,541,027)	-	(103,471)	-	-	(11,791)	2,367,954	-	-	711,665
Impairment gains (losses) of assets	(49,817)	(1,139,610)	-	-	-	-	-	-	-	(1,189,427)
Depreciation and amortization	268,624,343	71,662,333	111,321,836	68,076,858	17,565,866	1,780,025	931,230	43,829,791	-	583,792,282
Total profit (loss)	2,534,877,019	344,178,146	1,018,934,759	194,711,014	48,438,804	98,756,413	194,637,752	(12,309,750)	181,895,879	4,604,120,036
Income tax expenses	653,224,226	68,048,060	248,458,332	29,082,459	3,226,592	34,021,366	48,884,902	(6,456,838)	44,349,680	1,122,838,779
Net profit (loss)	1,881,652,793	276,130,086	770,476,427	165,628,555	45,212,212	64,735,047	145,752,850	(5,852,912)	137,546,199	3,481,281,257
Total assets	17,534,417,965	4,677,750,664	9,889,379,366	3,742,055,648	911,761,556	532,244,505	23,484,139,676	14,079,588,558	(22,520,212,672)	52,331,125,266
Total liabilities	14,030,109,417	2,016,679,636	4,939,962,290	3,044,238,514	539,281,420	307,978,691	19,998,551,116	2,640,302,979	(22,524,604,450)	24,992,499,613
Non-cash expenses other than depreciation and amortization	12,966,942	410,735	2,608,412	1,176,865	90,980	51,785	-	-	-	17,305,719
Long-term equity investments in associates and joint ventures	-	-	-	-	-	-	-	364,423,349	-	364,423,349
Increase (Decrease) in non-current assets (Note)	284,360,416	45,948,216	140,253,918	34,727,254	1,348,240	1,393,230	373,425	31,582,454	(865,591)	539,121,562

Note: Non-current assets exclude financial assets, long-term equity investments and deferred tax assets.

(XV) OTHER SIGNIFICANT EVENTS (CONT'D)

1. Segment reporting (Cont'd)

(3) Revenue from external transactions:

	Amount incurred in the current period	<i>RMB</i> Amount incurred in the prior period
Revenue from external transactions		
Chinese Mainland	19,719,640,669	21,233,299,551
Hong Kong and Macau SAR	90,496,611	93,597,869
Other overseas countries and regions	258,170,650	264,892,213
Total	<u>20,068,307,930</u>	<u>21,591,789,633</u>

(4) Total non-current assets by geographical location:

Total non-current assets:

Item	30 June 2024	<i>RMB</i> 31 December 2023
Chinese Mainland	16,378,637,378	16,179,642,528
Hong Kong and Macau SAR	21,929,960	13,108,637
Total	<u>16,400,567,338</u>	<u>16,192,751,165</u>

In the regional information above, non-current assets are attributed to the region in which the assets are located. Total non-current assets exclude financial assets and deferred tax assets.

(5) There is no customer whose revenue accounts for more than 10% of the total revenue.

(XVI) CAPITAL MANAGEMENT

The Group's objectives in managing capital are to safeguard the Group's ability to continue as a going concern, so as to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

For the period from 1 January 2024 to 30 June 2024, the Group's strategy, which is unchanged from the prior year, is to maintain the cash balance above a certain standard to meet the Group's business development needs. Cash balance is calculated as cash and cash equivalents less short-term borrowing. The cash balances as at 30 June 2024 and 31 December 2023 are as follows:

Item	30 June 2024	31 December 2023
Cash and cash equivalents	7,959,172,830	9,292,085,271
Less: Short-term borrowings	-	-
Cash balance after deducting borrowings	<u>7,959,172,830</u>	<u>9,292,085,271</u>

1. Accounts receivable

(1) Disclosure by aging

Aging	Gross carrying amount at 30 June 2024	RMB
		Gross carrying amount at 31 December 2023
Within 1 year	1,380,891,359	1,130,550,125
1 to 2 years	209,659,752	142,120,371
2 to 3 years	62,767,217	63,923,848
3 to 4 years	29,778,690	43,130,192
4 to 5 years	43,273,296	33,534,045
Over 5 years	143,983,066	133,182,628
Total	1,870,353,380	1,546,441,209

(2) Disclosure by provision method for ECL

Category	30 June 2024				
	Gross carrying amount		Provision for ECL		Carrying amount
	Amount	Proportion (%)	Amount	Proportion of provision (%)	
Provision for ECL made on an individual basis	11,245,784	0.6	11,245,784	100.0	-
Provision for ECL made on a portfolio basis	1,859,107,596	99.4	45,658,287	2.5	1,813,449,309
Subsidiaries	1,772,377,110	94.8	-	-	1,772,377,110
Distributors	86,730,486	4.6	45,658,287	52.6	41,072,199
Total	1,870,353,380	100.0	56,904,071	/	1,813,449,309

Category	31 December 2023				
	Gross carrying amount		Provision for ECL		Carrying amount
	Amount	Proportion (%)	Amount	Proportion of provision (%)	
Provision for ECL made on an individual basis	11,245,784	0.7	11,245,784	100.0	-
Provision for ECL made on a portfolio basis	1,535,195,425	99.3	45,199,134	2.9	1,489,996,291
Subsidiaries	1,461,941,930	94.5	-	-	1,461,941,930
Distributors	73,253,495	4.8	45,199,134	61.7	28,054,361
Total	1,546,441,209	100.0	56,444,918	/	1,489,996,291

1. Accounts receivable (Cont'd)

(2) Disclosure by provision method for ECL (Cont'd)

Provision for ECL made on an individual basis

Name	30 June 2024			Reason for provision
	Gross carrying amount	Provision for credit losses	Proportion of provision (%)	
Beijing Sales Company	11,245,784	11,245,784	100.0	The funds are difficult to be recovered

RMB

Name	31 December 2023			Reason for provision
	Gross carrying amount	Provision for credit losses	Proportion of provision (%)	
Beijing Sales Company	11,245,784	11,245,784	100.0	The funds are difficult to be recovered

RMB

Accounts receivable for which provision for ECL is made based on the portfolio of subsidiaries:

This portfolio consists of accounts receivable arising from purchase and sale transactions between the Company and the subsidiaries, and the related ECL is low, therefore, no provision for credit losses has been made.

Accounts receivable for which provision for ECL is made based on the portfolio of dealers:

As at 30 June 2024, the credit risks and ECL of accounts receivable are summarized as follows:

Aging	30 June 2024			
	Expected average loss rate %	Gross carrying amount	Provision for ECL	Carrying amount
Not overdue	-	32,376,669	-	32,376,669
Overdue within 1 year	5	9,158,843	463,313	8,695,530
Overdue more than 2 years	100	45,194,974	45,194,974	-
Total	/	86,730,486	45,658,287	41,072,199

RMB

1. Accounts receivable (Cont'd)**(2) Disclosure by provision method for ECL (Cont'd)**

As at 31 December 2023, the credit risks and ECL of accounts receivable are summarized as follows:

Aging	31 December 2023			RMB
	Expected average loss rate %	Gross carrying amount	Provision for ECL	Carrying amount
Not overdue	-	27,975,321	-	27,975,321
Overdue within 1 year	5	83,200	4,160	79,040
Overdue more than 2 years	100	45,194,974	45,194,974	-
Total	/	73,253,495	45,199,134	28,054,361

(3) Provision for credit losses

Category	31 December 2023	Changes for the period			30 June 2024
		Provision	Write-off or transfer	Other changes	
Accounts receivable	56,444,918	459,153	-	-	56,904,071

There is no recovery or reversal of provision for credit losses in the current period.

(4) Accounts receivable actually written off in the current period

For the period from 1 January 2024 to 30 June 2024, the Company has no accounts receivable actually written off (31 December 2023: nil).

(5) Top five accounts receivable in closing balance categorized by debtors

Item	Balance	Bad debt provision	Proportion to total accounts receivable
Total of top five accounts receivable	747,301,536	-	40%

(6) As at 30 June 2024, the Group has no accounts receivable derecognized due to transfer of financial assets (31 December 2023: nil).

2. Other receivables**2.1 Summary of other receivables**

Category	30 June 2024	RMB 31 December 2023
Dividends receivable	764,575,267	6,800,000
Other receivables	<u>62,140,834</u>	<u>45,019,117</u>
Total	<u>826,716,101</u>	<u>51,819,117</u>

2.2 Dividends receivable

Item	Gross carrying amount at 30 June 2024	RMB Gross carrying amount at 31 December 2023
Dividends receivable from subsidiaries	<u>764,575,267</u>	<u>6,800,000</u>

As at 30 June 2024, the Company has no dividends receivable overdue, no loss allowance made for dividends receivable or dividends receivable actually written off (31 December 2023: nil).

2.3 Other receivables*(1) Disclosure by aging:*

Aging	Gross carrying amount at 30 June 2024	RMB Gross carrying amount at 31 December 2023
Not overdue	61,678,739	44,880,804
Overdue within 1 year	469,488	140,110
Overdue 1 - 2 years	113	10,421
Overdue more than 2 years	<u>37,548,408</u>	<u>37,538,152</u>
Total	<u>99,696,748</u>	<u>82,569,487</u>

2. Other receivables (Cont'd)**2.3 Other receivables (Cont'd)**(2) *Disclosure of other receivables by nature:*

Item	30 June	RMB
	2024	31 December 2023
Amounts due from subsidiaries	40,365,132	32,766,510
Refund of land and buildings receivable	17,441,647	17,441,647
Petty cash	7,796,122	6,944,524
Guarantee deposits	6,151,569	20,051,420
Others	27,942,278	5,365,386
Total	<u>99,696,748</u>	<u>82,569,487</u>

The Company does not have the situation where the funds are pooled with other parties and presented in other receivables due to centralized management of funds.

(3) *Provision for bad debt*

Provision for bad debt	Stage I	Stage III	RMB
	12-month ECL	Lifetime ECL (credit-impaired)	Total
Balance at 1 January 2024	12,218	37,538,152	37,550,370
Balance at 1 January 2024 transferred during the period			
– Transfer to Stage II	-	-	-
– Transfer to Stage III	(5,128)	5,128	-
– Transfer back to Stage II	-	-	-
– Transfer back to Stage I	-	-	-
Provision in the current period	416	5,128	5,544
Reversal in the current period	-	-	-
Write-off in the current period	-	-	-
Balance at 30 June 2024	7,506	37,548,408	37,555,914

(4) *Provision for ECL for the current period*

The provision for credit losses for the current period is RMB5,544; there were no other receivables recovered or reversed during the period.

(5) No other receivables are actually written off in the current period.

2. Other receivables (Cont'd)**2.3 Other receivables (Cont'd)**

(6) Top five other receivables in closing balance categorized by debtors:

Name of entity	30 June 2024	Proportion to total other receivables as at 30 June 2024 (%)	Nature	Aging	RMB	
					Provision for ECL	Carrying amount
No.1	25,919,846	26.0	Receivables from subsidiaries	Within one year	-	25,919,846
No.2	8,584,437	8.6	Receivables from refund of land	Over five years	8,584,437	-
No.3	2,870,995	2.9	Receivables from subsidiaries	Over five years	-	2,870,995
No.4	2,218,535	2.2	Receivables from subsidiaries	Within one year	-	2,218,535
No.5	1,787,448	1.8	Receivables from subsidiaries	Within one year	-	1,787,448
Total	41,381,261	41.5			8,584,437	32,796,824

3. Inventories**(1) Category of inventories**

Item	30 June 2024			31 December 2023		
	Gross carrying amount	Provision for decline in value	Carrying amount	Gross carrying amount	Provision for decline in value	Carrying amount
Raw materials	311,568,400	-	311,568,400	338,430,240	-	338,430,240
Packaging materials	52,202,804	662,025	51,540,779	54,109,212	662,025	53,447,187
Low-cost and short-lived consumables	32,517,562	-	32,517,562	25,051,468	-	25,051,468
Work in progress	99,346,151	-	99,346,151	109,306,082	-	109,306,082
Goods on hand	131,264,254	-	131,264,254	1,165,047,825	-	1,165,047,825
Total	626,899,171	662,025	626,237,146	1,691,944,827	662,025	1,691,282,802

(2) Provision for decline in value of inventories

Item	31 December 2023		Increase in the current period		Write-off in the current period		30 June 2024
Packaging materials		662,025		-		-	662,025

4. Long-term equity investments

Item	30 June 2024			31 December 2023		
	Gross carrying amount	Impairment provision	Carrying amount	Gross carrying amount	Impairment provision	Carrying amount
Investments in subsidiaries	13,217,981,112	1,992,788,870	11,225,192,242	13,092,479,419	1,992,788,870	11,099,690,549
Investments in associates and joint ventures	358,439,539	1,220,000	357,219,539	362,411,210	1,220,000	361,191,210
Total	13,576,420,651	1,994,008,870	11,582,411,781	13,454,890,629	1,994,008,870	11,460,881,759

(1) Subsidiaries

Investees	Changes for the period					RMB			
	31 December 2023	Increased investment	Decreased investment	Share-based payments (Note 3)	30 June 2024	Opening balance of impairment provision	Charged for the period	Closing balance of impairment provision	Cash dividends or profits declared (Note 4)
Shenzhen Asahi	129,344,422	-	-	111,009	129,455,431	-	-	-	38,913,000
Chenzhou Company	64,981,274	-	-	78,694	65,059,968	-	-	-	-
Huanan Sales Company	53,049,046	-	-	328,185	53,377,231	-	-	-	-
Chenzhou Sales Company	3,582,161	-	-	148,754	3,730,915	-	-	-	-
Huanan Holding Investment	208,790,000	-	-	-	208,790,000	-	-	-	-
Zhuhai Company	2,707,358	-	-	111,005	2,818,363	-	-	-	-
Sanshui Company	2,092,834	-	-	103,188	2,196,022	-	-	-	-
Suzhou Company	2,679,857	-	-	91,679	2,771,536	-	-	-	-
Nanning Company	2,226,900	-	-	95,370	2,322,270	-	-	-	-
Huadong Holding Company	96,855,102	-	-	-	96,855,102	(96,855,102)	-	(96,855,102)	-
Shouguang Company	63,067,362	-	-	79,736	63,147,098	-	-	-	-
Five Star Company	26,206,026	-	-	23,452	26,229,478	(24,656,410)	-	(24,656,410)	-
Three Ring Company	71,103,075	-	-	92,504	71,195,579	(69,457,513)	-	(69,457,513)	-
Beifang Sales Company	89,416,640	-	-	181,360	89,598,000	(83,984,000)	-	(83,984,000)	-
Xi'an Hans	357,698,646	-	-	541,276	358,239,922	-	-	-	-
Baoji Company	3,033,538	-	-	48,161	3,081,699	-	-	-	-
Gansu Nongken Company	53,370,429	-	-	81,928	53,452,357	-	-	-	-
Wuwei Company	2,339,004	-	-	95,370	2,434,374	-	-	-	-
Yulin Company	3,278,432	-	-	111,117	3,389,549	-	-	-	-
Weinan Company	17,258,147	-	-	115,044	17,373,191	-	-	-	-
Anshan Company (Note 1)	32,618,374	18,065,000	-	78,694	50,762,068	-	-	-	-
Xingkaifu Company	242,254,482	-	-	73,482	242,327,964	(129,430,000)	-	(129,430,000)	-
Mishan Company	118,520,000	-	-	-	118,520,000	(118,520,000)	-	(118,520,000)	-
Harbin Company	216,152,185	-	-	111,493	216,263,678	(109,940,000)	-	(109,940,000)	-
Penglai Company	30,000,000	-	-	-	30,000,000	(30,000,000)	-	(30,000,000)	-
Rongcheng Company	68,010,952	-	-	118,822	68,129,774	(65,103,434)	-	(65,103,434)	-
International Trade	11,210,000	-	-	-	11,210,000	-	-	-	-
Tsingtao Brewery (Laoshan) Co., Ltd.	18,089,491	-	-	-	18,089,491	-	-	-	-
Hong Kong Company	41,728,681	-	-	-	41,728,681	-	-	-	-
Qingdao Xiangzhong Shangwu Co., Ltd.	5,760,000	-	-	-	5,760,000	-	-	-	-
Dongnan Sales Company	298,841,031	-	-	222,237	299,063,268	-	-	-	-
Xiamen Company	2,337,847	-	-	67,988	2,405,835	-	-	-	-
Fuzhou Company	2,992,752	-	-	83,019	3,075,771	-	-	-	-
Zhangzhou Company	1,319,305	-	-	-	1,319,305	-	-	-	-
Changsha Company	48,985,521	-	-	48,467	49,033,988	-	-	-	-
Jinan Company	562,942,006	-	-	115,129	563,057,135	-	-	-	-
Guangrunlong Logistics	16,465,405	-	-	-	16,465,405	-	-	-	-
Cultural Communication Company	79,909,161	-	-	159,966	79,069,127	-	-	-	-
Chengdu Company	282,660,962	-	-	97,834	282,758,796	(118,855,583)	-	(118,855,583)	-

4. Long-term equity investments (Cont'd)

(1) Subsidiaries (Cont'd)

Investees	Changes for the period				30 June 2024	Opening balance of impairment provision	Charged for the period	Closing balance of impairment provision	Cash dividends or profits declared (Note 4)
	31 December 2023	Increased investment	Decreased investment	Share-based payments (Note 3)					
Rizhao Company	342,310,667	-	-	127,682	342,438,349	-	-	-	-
Weifang Company	76,305,942	-	-	101,025	76,406,967	-	-	-	-
Dezhou Company	24,661,935	-	-	86,342	24,748,277	-	-	-	-
Construction Company	4,315,327	-	-	78,172	4,393,499	-	-	-	-
Langfang Company	81,995,838	-	-	85,224	82,081,062	-	-	-	-
Heze Company	127,569,717	-	-	98,115	127,667,832	(51,301,600)	-	(51,301,600)	-
Tengzhou Company	49,870,374	-	-	8,338	49,878,712	-	-	-	-
Tsingtao Brewery (Shanghai) Co., Ltd.	1,570,000	-	-	-	1,570,000	-	-	-	-
Wuhu Company	274,619,365	-	-	46,903	274,666,268	(274,290,000)	-	(274,290,000)	-
Huadong Sales Company	97,300,000	-	-	-	97,300,000	(47,300,000)	-	(47,300,000)	-
Maanshan Company	82,737,034	-	-	100,625	82,837,659	-	-	-	-
Shijiazhuang Company	323,968,895	-	-	126,639	324,095,534	-	-	-	-
Taiyuan Company	203,024,749	-	-	58,922	203,083,671	-	-	-	-
Chengyang Sales Company	8,000,000	-	-	-	8,000,000	-	-	-	750,000,000
Finance Company	1,003,992,974	-	-	156,531	1,004,149,505	-	-	-	-
Immense Brewery Company	1,413,671,268	-	-	446,730	1,414,117,998	-	-	-	-
Hangzhou Company	249,924,145	-	-	135,939	250,060,084	-	-	-	-
Jieyang Company	152,402,025	-	-	67,209	152,469,234	-	-	-	-
Beverage Company	31,904,773	-	-	43,146	31,947,919	-	-	-	-
Shaoguan Company	201,822,803	-	-	79,922	201,902,725	(150,000,000)	-	(150,000,000)	-
Electronic Commerce Company	8,000,000	-	-	-	8,000,000	-	-	-	-
Pingdu Sales Company	5,000,000	-	-	-	5,000,000	-	-	-	-
Jiujiang Company	182,226,900	-	-	125,163	182,352,063	-	-	-	-
Xuzhou Enterprise Management	10,000,000	-	-	-	10,000,000	(10,000,000)	-	(10,000,000)	-
Xuc Cheng Company	1,780,542	-	-	7,817	1,788,359	-	-	-	-
Luoyang Company	202,734,665	-	-	103,374	202,838,039	-	-	-	-
Shanghai Industrial Company	200,895,228	-	-	-	200,895,228	(200,895,228)	-	(200,895,228)	-
Nanjing Sales Company	6,577,667	-	-	265,878	6,843,545	-	-	-	-
Shanghai Sales Company	6,140,272	-	-	278,216	6,418,488	-	-	-	-
Luzhou Company	120,793,026	-	-	64,101	120,857,127	-	-	-	-
Zhangjiakou Company	202,301,705	-	-	31,269	202,332,974	-	-	-	-
Lalansa Company	561,862,548	-	-	105,480	561,968,028	-	-	-	-
Huangshi Company	166,058,889	-	-	71,919	166,130,808	-	-	-	-
Yingcheng Company	93,989,969	-	-	-	93,989,969	-	-	-	-
Hanzhong Company	28,379,211	-	-	79,736	28,458,947	-	-	-	-
Shanghai Investing Company	1,920,654,036	-	-	-	1,920,654,036	-	-	-	-
Xuzhou Company	2,001,269	-	-	56,284	2,057,553	-	-	-	-
Pengcheng Company	2,727,471	-	-	77,304	2,804,775	-	-	-	-
New Songjiang Manufacturing Company	3,324,145	-	-	87,683	3,411,828	-	-	-	-
Minhang Company	2,277,189	-	-	111,191	2,388,380	-	-	-	-
Kunshan Company	2,357,215	-	-	103,188	2,460,403	-	-	-	-
Lianyungang Company	214,535,405	-	-	87,553	214,622,958	(212,200,000)	-	(212,200,000)	-
Yangzhou Company	102,866,066	-	-	83,028	102,949,094	-	-	-	-
Tsingtao Brewery Shanghai Yangpu Co., Ltd.	200,000,000	-	-	-	200,000,000	(200,000,000)	-	(200,000,000)	-
Suqian Company	77,409,433	-	-	103,188	77,512,621	-	-	-	-
Zanzhuang Company	201,720,329	-	-	131,894	201,852,223	-	-	-	-
West Coast Cultural Tourism	231,000,000	-	-	-	231,000,000	-	-	-	-
Research and Development Center	250,000,000	-	-	-	250,000,000	-	-	-	-
Weifang Manufacturing Company (Note 2)	-	100,000,000	-	-	100,000,000	-	-	-	-
Total	13,092,479,419	118,065,000	-	7,436,693	13,217,981,112	(1,992,788,870)	-	(1,992,788,870)	788,913,000

4. Long-term equity investments (Cont'd)

(2) Joint ventures and associates

Investees	31 December 2023	Changes for the period				Cash dividends or profits declared (Note 4)	30 June 2024	Opening balance of impairment provision	Closing balance of impairment provision
		Investment income or loss recognized under equity method	Adjustment to other comprehensive income	Other changes in equity	Provision for impairment				
I. Joint venture									
Hebei Jiabe Company	216,772,296	2,853,258	-	-	-	(7,500,000)	212,125,554	-	-
II. Associates									
Yantai Brewery Company	132,501,116	6,815,197	-	-	-	(7,775,267)	131,541,046	-	-
Zhaoshang Logistics Company	11,917,798	1,632,734	-	2,407	-	-	13,552,939	-	-
Liaoning Shenqing Company	-	-	-	-	-	-	-	-	-
Others	1,220,000	-	-	-	-	-	1,220,000	(1,220,000)	(1,220,000)
Total	362,411,210	11,301,189	-	2,407	-	(15,275,267)	358,439,539	(1,220,000)	(1,220,000)

Note 1: According to the resolution of the Board of Directors on 4 March 2024, the Board of Directors considered and approved the transfer of 20% equity interest in Anshan held by Bajiaotai CIC at the price of RMB18,065,000. The parties have signed the equity transfer contract on 15 March 2024, the equity change procedures were completed. After the completion of the equity transfer transaction, the Company holds 80% equity interest in Anshan Company and Bajiaotai CIC holds 20% equity interest in Anshan Company.

Note 2: According to the resolution of the Board of Directors on 27 December 2023, the Board of Directors considered and approved the establishment of Weifang Manufacturing Company, a wholly-owned subsidiary of the Company, with a registered capital of RMB300,000,000. Weifang Manufacturing Company was established in January 2024 and the Company has contributed RMB100,000,000 as at the date of approval for issue of the financial statements.

Note 3: The Company is obliged to settle the share-based payments to restricted share incentive recipients who are employees of the Company's subsidiaries. During the period from 1 January 2024 to 30 June 2024, the Company recognized long-term equity investments of RMB7,436,693 according to the settlement obligation.

Note 4: For the period from 1 January 2024 to 30 June 2024, the cash dividends declared represent the dividends distributed to the Company.

5. Operating income and operating costs**(1) Operating income and operating costs**

Item	<i>RMB</i>			
	Amount incurred in the current period		Amount incurred in the prior period	
	Operating income	Operating costs	Operating income	Operating costs
Main operations	14,508,821,767	10,671,162,840	15,061,643,753	11,393,532,972
Other operations	1,082,655,709	1,053,934,430	1,224,461,266	1,187,731,647
Total	15,591,477,476	11,725,097,270	16,286,105,019	12,581,264,619

(2) Revenue from contracts*a. Main operations*

Name of industry	<i>RMB</i>			
	Amount incurred in the current period		Amount incurred in the prior period	
	Principal operating income	Principal operating costs	Principal operating income	Principal operating costs
Sales of beer, etc.	14,508,821,767	10,671,162,840	15,061,643,753	11,393,532,972

b. Other operations

Name of industry	<i>RMB</i>			
	Amount incurred in the current period		Amount incurred in the prior period	
	Other operating income	Other operating costs	Other operating income	Other operating costs
Sales of materials	1,051,318,643	1,023,889,356	1,194,473,815	1,159,180,723
Others	31,337,066	30,045,074	29,987,451	28,550,924
Total	1,082,655,709	1,053,934,430	1,224,461,266	1,187,731,647

(3) Description of performance obligations

The Group's beer sales business is a performance obligation fulfilled at a point in time, with revenue recognized at a point in time when the customer obtains control over the relevant goods or services.

The Company is mainly engaged in production and sales of beer.

6. Investment income

(1) Details of investment income

Item	<i>RMB</i>	
	Amount incurred in the current period	Amount incurred in the prior period
Income from long-term equity investments accounted for using the cost method (<i>Note</i>)	788,913,000	639,137,400
Income from long-term equity investments accounted for using the equity method	16,773,013	17,014,499
Others	2,379,581	3,187,781
Total	808,065,594	659,339,680

There are no significant restrictions on the repatriation of the investment income.

Note: Income from long-term equity investments accounted for using the cost method is the profit distribution declared by subsidiaries to the Company (*Note* (XVII) 4).

(XVIII) SUPPLEMENTARY INFORMATION

1. Breakdown of non-recurring profit or loss

Item	<i>RMB</i>	
	Amount incurred in the current period	
Government grants recognized in profit or loss for the current period, except for those that are closely related to the normal operation of the business, conform to national policies and regulations, are enjoyed in accordance with defined criteria, and have a continuing impact on the Company's profit or loss	269,964,844	
Gains or losses from changes in fair value of financial assets and financial liabilities held by non-financial enterprises, and investment income from disposal financial assets and financial liabilities, other than those used in the effective hedging activities relating to normal operating business	32,508,356	
Net profit or loss on disposal of non-current assets	(189,507)	
Other non-operating income and expenses other than the above	(2,409,132)	
Tax effects	(70,456,535)	
Effects attributable to minority interests (after tax)	(14,287,163)	
Total	215,130,863	

In 2023, the China Securities Regulatory Commission promulgated the Explanatory Announcement on Information Disclosure by Companies Offering Securities to the Public No. 1 - Non-Recurring Profit or Loss (Revised in 2023) (hereinafter referred to as the "2023 Explanatory Announcement No. 1"), which came into force on the date of promulgation. The Group prepared a breakdown of non-recurring profit or loss for 2023 in accordance with the provisions of the 2023 Explanatory Announcement No. 1.

According to the provisions of the 2023 Explanatory Announcement No. 1, non-recurring profit or loss arises from transactions or events that are not directly related to the normal business operations, or transactions and events that are related to normal business operations, but are so extraordinary that would have an impact on users of the financial statements when making proper judgments on the performance and profitability of the Company.

2. Return on net assets and earnings per share

The return on net assets and earnings per share have been prepared by the Group in accordance with the Information Disclosure and Presentation Rules for Companies Offering Securities to the Public No. 9 - Calculation and Disclosure of Return on Net Assets and Earnings per Share (Revised in 2010) issued by the China Securities Regulatory Commission.

Profit for the Reporting Period	Weighted average return on net assets (%)	Earnings per share	
		Basic earnings per share	Diluted earnings per share
Net profit attributable to ordinary shareholders of the Company	12.44	2.672	2.672
Net profit after deducting non-recurring profit or loss attributable to ordinary shareholders of the Company	11.70	2.514	2.514

(I) INTRODUCTION OF GENERAL INFORMATION OF THE COMPANY'S OPERATING ACTIVITIES DURING THE REPORTING PERIOD

In the first half of 2024, the domestic beer market witnessed a sluggish recovery in consumption, and industrial enterprises above the designated size produced 19.088 million kilolitres of beer in total, representing an increase of 0.1% year-on-year (data source: National Bureau of Statistics; statistical basis: all industrial enterprises with annual main business revenue of more than RMB20 million).

In the face of the sluggish market, the Board led all employees to firmly promote and implement the high-quality development strategy, persist in taking innovation as the driving force, drive progress in the beer business while maintaining stable growth, and improve product quality while seeking progress. The Company capitalized on the brand and quality advantages of Tsingtao Beer, proactively developed domestic and foreign markets, continuously promoted product innovation and the upgrading of the product mix, accelerated digital transformation, and reduced costs and expenses. The combination of those measures helped the Company achieve continuous growth in its profitability. During the Reporting Period, the Company sold 4.63 million kilolitres of products, realized a revenue of RMB20.07 billion, and registered RMB3.64 billion in profits attributable to the shareholders of the Company, representing an increase of 6.31% year-on-year.

During the Reporting Period, the Company made active efforts to cultivate the domestic market, consolidate the strategic belt of "one vertical and two horizontal" markets, and refine and strengthen the development of base markets. In particular, the Company's traditional advantage from its business along the Yellow River and the rapidly growing regional markets continued to play a key role in stabilizing the Company's business volume and profits and strengthening the foundation for high-quality development. Base markets in key cities are oriented towards growth, supported by structure, and driven by innovation. The Company proactively explored new marketing models and reinforced production-sales collaboration. In the first half of 2024, growth in business volume and profits was achieved in multiple base markets, continuously driving the Company's high-quality development.

In the international market, the Company is committed to the positioning of high quality, high prices, and high visibility. It continued to strengthen the international communication of Tsingtao Beer as a brand, promote the coverage of distribution on overseas markets, and proactively expand emerging markets, thereby achieving rapid growth in multiple markets, including Eastern Europe, the Middle East, and Oceania in the South Pacific. So far, Tsingtao Beer's products have been sold to more than 120 countries and regions around the globe. In 2024, Tsingtao Beer is shortlisted for the Top 50 Kantar BrandZ Chinese Global Brand Builders. It is the only shortlisted brand from the food and beverage industry and has continuously maintained as the industry's top in global brand influence.

During the Reporting Period, with a focus on "sports marketing + music marketing + experience marketing", the Company carried out activities to promote the brand and products by centering around a number of major international sports events, including UEFA Euro 2024 and the Paris 2024 Olympics. By virtue of its marketing practice in multiple scenarios and immersive beer consumption experience, the Company continued to enhance its brand influence and product competitiveness, thereby driving the expansion and upgrading of product consumption.

During the Reporting Period, driven by scientific and technological innovation, the Company accelerated the cultivation of new quality productive forces, stepped up efforts to develop new products and improve product quality, boosted the attractiveness of products, and further promoted the optimization and upgrading of its product mix. The Company leveraged the attractive quality of its fresh beer and took one step ahead of the industry to accelerate the cultivation of the fresh beer product track. In particular, the Company created a new operation model for “Tsingtao Original Beer” and “Tsingtao Pure Draft”, that is, promoting the express delivery of fresh products to meet consumer demand for the consumption experience of “freshness” and “high speed.” In the first half of 2024, the Company achieved sustained growth in sales volume, with its products reaching 27 provinces, cities and autonomous regions across the country (including Hong Kong and Macau). In the first half of 2024, the Company developed and launched new products, including “Nicasi White Beer”, “Whole Wheat Augerta A6 and Augerta A3”, and “Alcohol-free White Beer”. By supplying high-quality products, the Company created new consumption demand and satisfied consumer demand for high-quality, diverse, and unique beer products. The Company persisted in long-termism in its product portfolio strategy, held fast to high-quality development, and continued to develop the market and strengthen operations and brand building for mid-end and high-end products, thereby achieving growth in the sales volume of both ultra-high-end products and craft beer and witnessing a continuous increase in the market share and competitiveness of mid-end and high-end products. During the Reporting Period, the sales volume of Tsingtao Beer’s core brands reached 2.61 million kilolitres, including 1.896 million kilolitres in the sales volume of mid-end and high-end products, driving a year-on-year growth in the operating revenue per kilolitres of beer by 1.0%.

During the Reporting Period, the Company accelerated digital transformation, promoted industrial upgrading and high-quality development, and delivered significant achievements in the development of new quality productive forces. The Company increased spending on intelligent manufacturing, big data analysis, and the IoT to drive the transformation of its production bases towards high-end, large-scale, intelligent, and green production. The Company pushed forward the progress of a group of significant, high-quality projects, including the expansion of the 1 million kilolitres high-end and featured beer production base, the high-end malt raw material base in the Tsingtao Beer Smart Industrial Park, and the 1 million kilolitres draft beer production base, providing new growth drivers for the Company’s development in the future.

(II) CORE COMPETITIVENESS ANALYSIS

The Company’s core competitiveness and the discussion and analysis on the Company’s future developments (including the Company’s development strategy and business plan) did not change during the Reporting Period. Please refer to the Company’s 2023 Annual Report for details.

(III) ANALYSIS OF PRINCIPAL FINANCIALS DURING THE REPORTING PERIOD (CALCULATED IN ACCORDANCE WITH CHINA’S ACCOUNTING STANDARDS FOR BUSINESS ENTERPRISES)

1. Analysis of changes to items in Financial Statements

Item	Unit: '000 Yuan Currency: RMB		
	Current Reporting Period	Corresponding period in the previous year	Increase/Decrease (%)
Operating income	20,068,308	21,591,790	(7.06)
Operating costs	11,719,204	13,126,371	(10.72)
Selling expenses	2,169,270	2,387,993	(9.16)
Administrative expenses	666,502	654,979	1.76
Finance expenses	(290,996)	(223,130)	
Research and development expenses	29,406	22,160	32.70
Other income	286,034	169,697	68.56
Investment income	61,407	93,040	(34.00)
(Losses) Gains on disposal of assets	(190)	11,093	(101.71)
Non-operating income	4,214	7,887	(46.57)
Net cash flow from operating activities	5,713,873	4,600,493	24.20
Net cash flow from investing activities	(6,951,897)	(3,727,733)	
Net cash flow from financing activities	(96,443)	(353,500)	

(1) Operating income

In the first half of 2024, operating income decreased by 7.06% from the corresponding period in prior year, which was mainly due to the impact of the sales volume during the Reporting Period.

(2) Operating costs

In the first half of 2024, operating costs decreased by 10.72% from the corresponding period in prior year, which was mainly due to the decrease in the sales volume and the costs of some raw materials during the Reporting Period.

(3) Selling expenses

In the first half of 2024, selling expenses decreased by 9.16% from the corresponding period in prior year, which was mainly due to the decrease in the sales volume and the business promotion costs in some regions during the Reporting Period.

(4) Administrative expenses

In the first half of 2024, administrative expenses increased by 1.76% from the corresponding period in prior year, which was basically the same as prior year.

(5) Finance expenses

In the first half of 2024, finance expenses decreased by RMB67,866,000 from the corresponding period in prior year, which was mainly due to the fact that the interest income during the Reporting Period increased from the corresponding period in prior year.

(6) Research and development expenses

In the first half of 2024, research and development expenses increased by 32.70% from the corresponding period in prior year, which was mainly due to that the research and development spending on new products in the Reporting Period increased from the corresponding period in prior year.

(7) Other income

In the first half of 2024, other income increased by 68.56% from the corresponding period in prior year, which was mainly due to that the government subsidies related to daily operating activities received by some subsidiaries in the Reporting Period increased from the corresponding period in prior year.

(8) Investment income

In the first half of 2024, investment income decreased by 34.00% from the corresponding period in prior year, which was mainly due to the fact that the negotiable certificates of deposit held by Finance Company, a wholly-owned subsidiary of the Company, during the Reporting Period decreased from the corresponding period in prior year.

(9) Gains on disposal of assets

In the first half of 2024, gains on disposal of assets dropped by 101.71% from the corresponding period in prior year, which was mainly due to the fact that the income from long-term assets recognized by some subsidiaries, such as land use rights and fixed assets, during the Reporting Period decreased from the corresponding period in prior year.

(10) Non-operating income

In the first half of 2024, non-operating income decreased by 46.57% from the corresponding period in prior year, which was mainly due to the fact that the income irrelevant to routine operating activities recognized by some subsidiaries during the Reporting Period decreased from the corresponding period in prior year.

(11) Net cash flow from operating activities

In the first half of 2024, net cash flow from operating activities increased by 24.20% from the corresponding period in prior year, which was mainly due to the drop in the costs of raw materials during the Reporting Period, causing a decrease in the amount paid for raw materials from the corresponding period in prior year, and due to the fact that the taxes paid decreased from the corresponding period in prior year.

(12) Net cash flow from investing activities

In the first half of 2024, net cash flow from investing activities decreased by RMB3,224,164,000 from the corresponding period in prior year, which was mainly due to the fact that net investment from the wealth management of Finance Company, a wholly-owned subsidiary of the Company, during the Reporting Period increased from the corresponding period in prior year.

(13) Net cash flow from financing activities

In the first half of 2024, net cash flow from financing activities increased by RMB257,057,000 from the corresponding period in prior year, which was mainly due to the fact that some subsidiaries repaid borrowings that were due and did not renew the borrowings in the corresponding period in prior year.

2. Information on assets and liabilities

Unit: '000 Yuan Currency: RMB

Item	As of the end of this Reporting Period	Percentage of total assets (%)	As of the end of corresponding period of last year	Change ratio of figure at the end of this Reporting Period to the end of corresponding period of last year (%)	
				Figure at end of corresponding period of last year to total assets (%)	Reporting Period to the end of corresponding period of last year (%)
Cash and bank balances	24,466,684	46.33	19,282,105	39.15	26.89
Held-for-trading financial assets	2,812,665	5.33	1,924,078	3.91	46.18
Notes receivable	7,700	0.01	-	-	-
Accounts receivable	139,705	0.26	100,391	0.20	39.16
Inventories	2,212,682	4.19	3,539,828	7.19	(37.49)
Other current assets	1,785,240	3.38	4,341,748	8.81	(58.88)
Other non-current financial assets	2,492,383	4.72	1,425,486	2.89	74.84
Construction in progress	794,853	1.51	498,575	1.01	59.42
Other non-current assets	249,039	0.47	108,728	0.22	129.05
Notes payable	277,280	0.53	193,668	0.39	43.17
Accounts payable	4,343,066	8.22	2,952,827	5.99	47.08
Taxes payable	1,030,681	1.95	343,504	0.70	200.05
Other payables	5,988,423	11.34	3,230,506	6.56	85.37
Other current liabilities	106,860	0.20	359,524	0.73	(70.28)

(1) Cash and bank balances

Cash and bank balances as at the end of the Reporting Period increased by 26.89% from the beginning of the Reporting Period, which was mainly due to the net cash inflow from operating activities during the Reporting Period.

(2) Held-for-trading financial assets

Held-for-trading financial assets as at the end of the Reporting Period increased by 46.18% from the beginning of the Reporting Period, which was mainly due to the handling of the structured deposits and other debt instruments in the Reporting Period.

(3) Notes receivable

Notes receivable as at the end of the Reporting Period increased by RMB7,700,000 from the beginning of the Reporting Period, which was mainly due to the increase in the banker's acceptance received by some subsidiaries during the Reporting Period.

(4) Accounts receivable

Accounts receivable as at the end of the Reporting Period increased by 39.16% from the beginning of the Reporting Period, which was mainly due to that some subsidiaries' trade receivable increased in the Reporting Period.

(5) Inventory

Inventory as at the end of the Reporting Period decreased by 37.49% from the beginning of the Reporting Period, which was mainly due to the decrease in some subsidiaries' goods on hand in the peak season during the Reporting Period.

(6) Other current assets

Other current assets as at the end of the Reporting Period decreased by 58.88% from the beginning of the Reporting Period, which was mainly due to the fact that the negotiable certificates of deposit of Finance Company, a wholly-owned subsidiary of the Company, were recovered upon maturity during the Reporting Period.

(7) Other non-current financial assets

Other non-current financial assets as at the end of the Reporting Period increased by 74.84% from the beginning of the Reporting Period, which was mainly due to that the Finance Company, a wholly-owned subsidiary of the Company, purchased bonds issued by the bank in the Reporting Period.

(8) Construction in progress

Construction in progress as at the end of the Reporting Period increased by 59.42% from the beginning of the Reporting Period, which was mainly due to the fact that some subsidiaries implemented relocation and expansion projects during the Reporting Period.

(9) Other non-current assets

Other non-current assets as at the end of the Reporting Period increased by 129.05% from the beginning of the Reporting Period, which was mainly due to the increase in some subsidiaries' prepayments for projects and the procurement of equipment in the Reporting Period.

(10) Notes payable

Notes payable as at the end of the Reporting Period increased by 43.17% from the beginning of the Reporting Period, which was mainly due to the increase in the payment for amounts payable for raw materials by notes in the Reporting Period.

(11) Accounts payable

Accounts receivable as at the end of the Reporting Period increased by 47.08% from the beginning of the Reporting Period, which was mainly due to the increase in the accounts payable caused by the purchase of materials in the Reporting Period.

(12) Taxes payable

Taxes payable as at the end of the Reporting Period increased by 200.05% from the beginning of the Reporting Period, which was mainly due to the increase in the income taxes, VATs, consumption taxes and other taxes payable as at the end of the Reporting Period.

(13) Other payables

Other payables as at the end of the Reporting Period increased by 85.37% from the beginning of the Reporting Period, which was mainly due to that the cash dividends to be distributed according to the resolution at the annual general meeting had yet to be paid as at the end of the Reporting Period.

(14) Other current liabilities

Other current liabilities as at the end of the Reporting Period decreased by 70.28% from the beginning of the Reporting Period, which was mainly due to the decrease in some subsidiaries' output VAT to be transferred in the Reporting Period.

3. Other information

(1) Debt/Capital ratio

As at 30 June 2024, the Company's debt/capital ratio was 0% (31 December 2023: 0%). The calculation of debt/capital ratio is: total amount of long-term borrowings/(total amount of long-term borrowings + interests attributable to the shareholders of the Company).

(2) Assets mortgage

As at 30 June 2024, the Company did not have any mortgages (31 December 2023: Nil).

(3) Risk of fluctuations in exchange rate

The Company currently relies on imported barley as its raw material. Therefore, fluctuations in the exchange rate would indirectly affect the purchase cost of raw materials. In addition, fluctuations in exchange rate would also directly affect the product export income of the Company as some beer products of the Company are exported for sale. These matters would impact the profitability of the Company to certain extents.

(4) Capital expenses

In the first half of year 2024, the Company had invested a total of approximately RMB1,045 million in new construction, relocation, reconstruction and expansion projects. Based on the current situation of the Company's funds and profitability, there are sufficient self-owned funds and continuous net operating cash inflow to satisfy the Company's needs for funds for its capital projects.

(5) Investments

See details in the notes to the financial statements of the 2024 Interim Report.

(6) Contingent liabilities

Nil.

4. Save as disclosed herein, there has been no material change in information disclosed in the interim report from the information disclosed in the 2023 Annual Report of the Company in relation to matters set out in Appendix D2 of the Hong Kong Listing Rules. And there are no other matters that need to be disclosed in this report.

SIGNIFICANT EVENTS

(I) UNLOCKING AND LISTING OF RESTRICTED SHARES UNDER THE INCENTIVE PLAN

1. At the third extraordinary meeting of 2024 of the tenth session of the Board and the third extraordinary meeting of 2024 of the tenth session of the supervisory committee of the Company (the “Supervisory Committee”) held by the Company on 16 May 2024, the “Resolution on the Fulfillment of the Unlocking Conditions for the Second Unlocking Period under the Reserved Grant of the Restricted Shares under the Restricted A Share Incentive Plan (“the Incentive Plan”)” was reviewed and approved. The second 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 96,666 Restricted Shares in accordance with the relevant provisions under the Incentive Plan. The listing and circulation date of the unlocked shares was 27 May 2024.
2. At the sixth extraordinary meeting of 2024 of the tenth session of the Board and the fifth extraordinary meeting of 2024 of the tenth session of the Supervisory Committee held by the Company on 16 July 2024, the “Resolution on the Fulfillment of the Unlocking Conditions for the Third Unlocking Period under the First Grant of the Restricted Shares under the Restricted A Share Incentive Plan” was reviewed and approved. The third 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 595 qualified participants with a total of 4,235,863 Restricted Shares in accordance with the relevant provisions under the Incentive Plan. The listing and circulation date of the unlocked shares was 24 July 2024. 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 dated 16 May 2024, 20 May 2024, 16 July 2024 and 18 July 2024 published on the websites of Shanghai Stock Exchange and Hong Kong Exchanges and Clearing Limited.

Save as disclosed above, there were no important events affecting the Group which have occurred since the end of the Reporting Period and up to the date of this report.

3. Details of movement of the Restricted Shares under the Incentive Plan during the Reporting Period are as follows:

Grantees	Date of grant (Note 1)	Vesting date	Number of shares				Outstanding as at 30 June 2024	Fair value as at date of grant (Note 2)
			Outstanding as at 1 January 2024	Granted during the Reporting Period	Vested during the Reporting Period	Cancelled/lapsed during the Reporting Period		
<i>Director</i>								
HUANG Ke Xing	29 June 2020	24 July 2023	50,000	—	—	—	50,000	5,455,800
JIANG Zong Xiang	29 June 2020	24 July 2023	36,667	—	—	—	36,667	4,000,920
WANG Rui Yong	29 June 2020	24 July 2023	36,667	—	—	—	36,667	4,000,920
HOU Qiu Yan	29 June 2020	24 July 2023	20,000	—	—	—	20,000	3,045,600
Five highest paid individuals (total) (excluding Directors)	29 June 2020	24 July 2023	158,668	—	—	—	158,668	20,004,600
Others Employees	29 June 2020 and 22 March 2021	24 July 2023 and 27 May 2024 (Note 3)	4,127,194	—	96,666	—	4,030,528	637,230,420
Total	—	—	4,429,196	—	96,666	—	4,332,530	673,738,260

Notes:

- The purchase price for the Restricted Shares granted under the first grant and reserved grant under the Incentive Plan was RMB21.18 and their unlocking periods are 24 months, 36 months and 48 months respectively from the date of completion of registration.
- In accordance with the relevant requirements of the China Accounting Standards for Business Enterprises), the closing prices of A shares on the date of grant shall be taken by the Company as the fair value of the restricted shares. For specific accounting policies, please refer to the disclosures in the “Share-based payment” section in note XII to the interim financial statements.
- The weighted average closing prices of the Company’s A shares on the trading day (24 May 2024) immediately before the vesting date of 27 May 2024 of the relevant shares granted was RMB83.52.
- The closing prices of the Company’s A shares immediately before the dates of the first grant and the reserved grant were RMB72.20 and RMB79.72 respectively.
- A total of 13,500,000 Restricted Shares were available for grant under the Incentive Plan, in which (i) 13,200,000 Restricted Shares were granted on 29 June 2020 under the first grant; (ii) 294,000 Restricted Shares were granted on 22 March 2021 under the reserve grant and (iii) the repurchase and cancellation procedures in respect of 6,000 restricted shares were completed on 9 December 2022. Therefore, no shares were available for grant under the Incentive Plan as at each of 1 January 2024 and 30 June 2024.
- The number of shares that may be issued in respect of Restricted Shares granted under the Incentive Plan during the Reporting Period divided by the weighted average number of shares in issue for the Reporting Period was 0.9896%.

(II) During the Reporting Period, the Company was not involved in any new significant litigation or arbitration.

CHANGES TO SHARE CAPITAL AND INFORMATION OF SHAREHOLDERS

1. Information of Shareholders

- (1) As at 30 June 2024, the total number of shareholders of the Company was 76,821, including 76,578 holders of A-share and 243 holders of H-share. Based on disclosed public information which was known by the Board of Directors of the Company on the latest practicable date prior to the publication of the Interim Report, the number of public shareholding of the Company had satisfied the requirements of the Listing Rules.
- (2) As at the end of the Reporting Period, the shareholding of top 10 shareholders of the Company is as follows

Shareholder's name	Class of share	Unit: Share	
		Shares held at the end of the Reporting Period	Shareholding percentage (%)
HKSCC Nominees Limited (Note 1)	H-share	613,953,719	45.00
Tsingtao Brewery Group Company Limited (Note 2)	A-share and H-share	443,467,655	32.51
Hong Kong Securities Clearing Company Limited	A-share	19,663,222	1.44
China Securities Finance Corporation Company	A-share	16,015,045	1.17
中國人壽保險股份有限公司 — 傳統 — 普通保險產品 — 005L — CT001 滬	A-share	12,221,558	0.90
China Construction Bank Co., Ltd.- Penghua CSI Wine Transaction Open Index Securities Investment Fund	A-share	5,154,047	0.38
Agricultural Bank of China Limited-E Fund Consumer Sector Equity Securities Investment Fund	A-share	5,128,298	0.38
Bank of Communications Co., Ltd – Fullgoal Consumption Theme	A-share	4,696,067	0.34
Hybrid Securities Investment Fund	A-share	4,600,074	0.34
China Construction Bank Co., Ltd. – Huitianfu Consumer Industry Mixed Securities Investment Fund	A-share	4,352,770	0.32
Industrial and Commercial Bank of China Limited – Huatai-PineBridge CSI 300 Exchange-traded Open-end Index Securities Investment Fund	A-share		

Notes:

- Both HKSCC Nominees Limited and Hong Kong Securities Clearing Company Limited are wholly-owned subsidiaries of Hong Kong Exchanges and Clearing Limited. The H-shares are held by HKSCC Nominees Limited on behalf of different clients excluding the H-shares held by Tsingtao Group and Xinhaisheng, while the A-shares are held by Hong Kong Securities Clearing Company Limited also on behalf of different clients.
- Tsingtao Group holds 38,335,600 shares of H-share in the Company itself and through Xinhaisheng and 405,132,055 shares of A-share in the Company by itself.

Apart from the disclosed information above, the Company is unaware of any associations among these top ten shareholders or if any of the parties is acting in concert.

(3) Substantial Shareholders of H-share

Apart from the disclosed information below, the directors of the Company are not aware of any persons other than a director or supervisor or chief executive of the Company or his/her respective associate(s) who, as at 30 June 2024, had an interest or short position in the shares or underlying shares of the Company which was recorded in the register to be kept under Section 336 of SFO:

Name	Nature	Class of Shares	Capacity	Note	Number of Shares/ underlying Shares	As a percentage of the entire issued capital	As a percentage of all H Shares
SASACQ	Long position	A-Share	Corporate		405,132,055 A-Share	29.70%	N/A
	Long position	H-Share	Interest of Controlled Corporation	1	38,335,600 H-Share	2.81%	5.85%
Xinhaisheng	Long position	H-Share	Beneficial Owner		38,335,600 H-Share	2.81%	5.85%
JPMorgan Chase & Co.	Long position	H-Share	Interest of controlled corporation/ person having security interest in shares/Investment Manager/ Custodian	2	43,149,833 H-Share	3.16%	6.59%
	Interest in a lending pool	H-Share			33,157,206 H-Share	2.43%	5.06%
	Short position	H-Share	Beneficial Owner		5,734,450 H-Share	0.42%	0.88%
Citigroup Inc.	Long position	H-Share	Interest of controlled corporation/ person having security interest in shares/Investment Manager/ Custodian	3	41,106,194 H-Share	3.01%	6.28%
	Interest in a lending pool	H-Share			39,682,715 H-Share	2.91%	6.06%
	Short position	H-Share	Beneficial Owner		887,914 H-Share	0.07%	0.14%
FMR LLC	Long position	H-Share	Interest of Controlled Corporation	4	33,067,499 H-Share	2.42%	5.05%

Notes:

- (1) The 38,335,600 H-Shares which were deemed to be interested by SASACQ were held by Xinhaisheng, a wholly-owned subsidiary of Tsingtao Brewery Group, which is controlled by SASACQ. According to the latest disclosure of interest filings, SASACQ was interested in 38,335,600 H-Shares.
- (2) The shares in which JPMorgan Chase & Co. was deemed to be interested were held through various controlled wholly-owned subsidiaries of JPMorgan Chase & Co.
- (3) The shares in which Citigroup Inc., Inc. was deemed to be interested were held through various controlled wholly-owned subsidiaries of Citigroup Inc.
- (4) The shares in which FMR LLC was deemed to be interested were held through various controlled wholly-owned subsidiaries of FMR LLC.
- (5) For the latest disclosure of interests filed for the Company's substantial shareholders, please refer to the "Disclosure of Interests" section on the website of Hong Kong Exchanges and Clearing Limited (www.hkex.com.hk).

1. The shareholding of the Company's directors, supervisors and staff at the end of the Reporting Period

- a) Mr. HUANG Ke Xing, Chairman of the Company, is deemed to hold 136,400 shares, including 86,300 tradable A-shares and 50,000 Restricted Shares held by himself and 100 tradable A-shares held by his spouse.
- b) Mr. JIANG Zong Xiang, executive director and president of the Company, held 102,900 shares, including 66,233 tradable A-shares and 36,667 Restricted Shares.
- c) Mr. WANG Rui Yong, executive director and vice president of the Company, held 110,000 shares, including 73,333 tradable A-shares and 36,667 Restricted Shares.
- d) Mr. HOU Qiu Yan, executive director and CFO of the Company, is deemed to hold 76,000 shares, including 40,000 tradable A-shares and 20,000 Restricted Shares held by himself and 10,666 tradable A-shares and 5,334 Restricted Shares held by his spouse.
- e) Mr. HUANG Zu Jiang, supervisor as employees' representative of the Company, held 12,900 tradable A-shares.

Note:

All the above interests in the shares are long position.

As at 30 June 2024, apart from the disclosed information above, none of the directors, supervisors or senior management officers of the Company had any interests or short position in the shares, underlying shares or debentures of the Company or any associated corporations (as defined in Part XV of SFO), and such interests or short positions were recorded in the register required to be kept under Section 352 of SFO or otherwise notified to the Company and the Stock Exchange pursuant to the Model Code set out in Appendix C3 of the Listing Rules.

2. Model Code

The Company has adopted the Model Code and the Administration System of Shares of the Company Held by Its Directors, Supervisors and Senior Management Officers and the Changes formulated by the Company as its code of conduct and standards in respect of securities transactions by the directors and supervisors. Specific enquiries were made with all directors and supervisors who had confirmed that they had complied with Model Code as well as its code of conduct and standards regarding securities transactions by the directors and supervisors at all applicable times during the Reporting Period.

3. Employees

As at 30 June 2024, the Company (including the subsidiaries) employs a total of 30,006 full-time employees.

In the first half of 2024, the Company refined the digital generic skills course system and launched the digital skill certification to accelerate the improvement of staff skills in digitization; promoted the upgrading of skill standards on all fronts and built a skilled craftsman team comprised of professionals who are equipped with multiple skills and are able to perform multiple duties while holding one position; deepened the practical research workshop model, focused on different business scenarios, and built the practical research paradigm to increase problem-solving efficiency; continuously enriched learning resources and, by virtue of 4,340 external courses and 7,687 internal courses on the E-enterprise learning platform, provided staff with the most cutting-edge, classic, advanced, and effective theoretical knowledge and practical cases.

PURCHASING, SELLING OR REDEEMING THE SECURITIES

During the six months as of 30 June 2024, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities of the Company.

REVIEW OF THE UNAUDITED INTERIM REPORT

The Audit & Internal Control Committee of the Board has reviewed the Company's unaudited 2024 Interim Report.

DISCLOSURE PURSUANT TO RULE 13.51B(1) OF THE LISTING RULES

Mr. SHENG Lei Ming ceased to be an independent director of Shanghai Zhenhua Heavy Industries Co.,Ltd. (上海振華重工(集團)股份有限公司, a company listed on the Shanghai Stock Exchange (stock code: 600320)) with effect from 17 June 2024, and he ceased to be an independent director of Shanghai Foreign Service Holding Group Co.,Ltd. (上海外服控股集團股份有限公司, a company listed on the Shanghai Stock Exchange (stock code: 600662)) with effect from 26 June 2024.

Mr. XIAO Geng was appointed as an independent non-executive director of Sichuan Biokin Pharmaceutical Co.,Ltd. (四川百利天恒藥業股份有限公司, a company listed on the Shanghai Stock Exchange (stock code: 688506)) with effect from 8 July 2024.

Save as disclosed above, there is no information required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules during the Reporting Period.

CODE OF CORPORATE GOVERNANCE

The Company was listed simultaneously on Shanghai Stock Exchange and The Stock Exchange of Hong Kong Limited and its corporate governance practices shall comply with the requirements of applicable laws and securities regulations of both Shanghai and Hong Kong. The Company is dedicated to maintain a high level of corporate governance and abided by all the code provisions set out in the Corporate Governance Code in Part 2 of Appendix C1 of the Listing Rules during the Reporting Period except for the deviation from code provision B.2.2.

Code provision B.2.2 stipulates that, among others, every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years. As disclosed in the announcement of the Company dated 21 June 2024, the terms of the tenth session of the Board and the Supervisory Committee expired on 28 June 2024. As the nomination of candidates for the new session of the Board and the Supervisory Committee has not been completed, in order to maintain the continuity and stability of the work related to the Board and the Supervisory Committee, the re-election and appointment of the tenth session of the Board and the Supervisory Committee of the Company was postponed and the terms of the tenth session of the Board committees was correspondingly extended. The Company will try to advance the progress of re-election and appointment of the Board and the Supervisory Committee as soon as practicable.

DEFINITIONS

In this report, the following expressions have the following respective meanings set adjacent below, unless the context requires otherwise:

the Company	Means	Tsingtao Brewery Company Limited
the Group	Means	the Company and its subsidiaries
the Board	Means	Board of Directors of the Company
Tsingtao Group	Means	Tsingtao Brewery Group Company Limited
SSE	Means	Shanghai Stock Exchange
the Stock Exchange	Means	The Stock Exchange of Hong Kong Limited
Reporting Period	Means	January 1 to June 30, 2024
Restricted Shares	Means	Restricted shares under the Restricted A Share Incentive Plan
Model Code	Means	Model Code for Securities Transactions by Directors of Listed Issuers
Listing Rules	Means	Rules Governing the Listing of Securities on The Stock of Exchange of Hong Kong Limited
Articles of Association	Means	Articles of Association of the Company
Finance Company	Means	Tsingtao Brewery Finance LLC.
SASACQ	Means	State-owned Assets Supervision and Administration Commission of the People's Government of Qingdao
Xinhaisheng	Means	Hong Kong Xinhaisheng Investment Development Co., Ltd.

COMPANY INFORMATION

1. BASIC INFORMATION

Company Name: Tsingtao Brewery Company Limited
Legal Representative: HUANG Ke Xing
Registered Address: No. 56 Dengzhou Road, Shibei District, Qingdao, Shandong Province
Office Address: Tsingtao Beer Tower, No. 35 Donghai West Road, Shinan District, Qingdao, Shandong Province
Postal Code: 266071
Company Website: www.tsingtao.com.cn

2. CONTACT PERSON AND CONTACT INFORMATION

Company Secretary: ZHANG Rui Xiang
Address: Secretarial Office of the Board,
Room 1106, Tsingtao Beer Tower,
No. 35 Donghai West Road, Shinan District,
Qingdao, Shandong Province
Postal Code: 266071
Tel: 86-532-85713831
Fax: 86-532-85713240

3. STOCK EXCHANGES ON WHICH THE COMPANY'S SHARES ARE LISTED:

A-Share: Shanghai Stock Exchange
Stock Name: TSINGTAO BREW
Stock Code: 600600
H-Share: The Stock Exchange of Hong Kong Limited
Stock Name: TSINGTAO BREW
Stock Code: 00168



青島啤酒

2024
INTERIM REPORT
中期報告

青島啤酒股份有限公司
TSINGTAO BREWERY CO., LTD.



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