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TSINGTAO BREWERY COMPANY LIMITED

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

(Stock Code: 168)

Price Sensitive Information 2012 Third Quarterly Report

This announcement is made pursuant to the disclosure requirements of Rule 13.09(1) and 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The quarterly report (unaudited) contained in this announcement has been prepared in accordance with China Accounting Standards of Business Enterprises and in accordance with the requirements on preparation and disclosure of quarterly report issued by China Securities Regulatory Commission, and has been considered and approved by the Board of Directors of Tsingtao Brewery Company Limited (the “Company” or “the Company”).

1. IMPORTANT NOTICE

- 1.1 The Board of Directors (the “Board”), the Board of Supervisors and its directors, supervisors and the senior management officers of the Company undertake that this report contains no false representation, misleading statement or material omission, and jointly and severally accept full responsibility for the authenticity, accuracy and completeness of its content.
- 1.2 The third quarterly report for 2012 has been considered and approved in way of voting through communications at the ninth meeting of the seventh Board of the Company (the “Meeting”), in which the total valid votes of the Meeting are 10 affirmative votes.
- 1.3 The third quarterly financial report of the Company has been reviewed by the Audit & Internal Control Committee under the Board, but has not been audited.
- 1.4 SUN Ming Bo, the legal representative of the Company, and YU Zhu Ming, the chief accountant and Head of Finance Management Department, declare that the financial report contained in this quarterly report is true and complete.

2. BASIC INFORMATION OF THE COMPANY

2.1 Major accounting information and financial indicators

| | As at the end of the reporting period | As at the end of last year | <i>Currency: RMB</i> Increase/(Decrease) from the end of last year (%) |
|--|--|---|--|
| Total assets (<i>Yuan</i>) | 25,003,980,952 | 21,634,153,561 | 15.58 |
| Owners' interests (or shareholders' interests) (<i>Yuan</i>) | 12,409,318,339 | 11,110,438,674 | 11.69 |
| Net assets per share attributable to shareholders of listed company (<i>Yuan/share</i>) | 9.19 | 8.22 | 11.69 |
| | From the beginning of the year to the end of the reporting period (Jan. – Sep.) | | Increase/(Decrease) from the corresponding period in prior year (%) |
| Net cash flow from operating activities (<i>Yuan</i>) | 4,406,491,949 | | 60.41 |
| Net cash flow per share from operating activities (<i>Yuan/share</i>) | 3.26 | | 60.41 |
| | Reporting period (Jul. – Sep.) | From the beginning of the year to the end of the reporting period (Jan. – Sep.) | Increase/(Decrease) from the corresponding period in prior year (%) |
| Net profit attributable to shareholders of listed company (<i>Yuan</i>) | 675,203,456 | 1,682,610,100 | 0.14 |
| Basic earnings per share (<i>Yuan/share</i>) | 0.500 | 1.245 | 0.14 |
| Basic earnings per share after deduction of non-current profit or loss (<i>Yuan/share</i>) | 0.465 | 1.147 | 0.88 |
| Diluted earnings per share (<i>Yuan/share</i>) | 0.500 | 1.245 | 0.14 |
| Weighted average return on net assets (%) | 5.58 | 14.22 | Decreased by 0.73 percentage points |
| Weighted average return on net assets after deduction of non-current profit or loss (%) | 5.19 | 13.09 | Decreased by 0.64 percentage points |

Items and amount of non-current profit or loss

Unit: Yuan Currency: RMB
**Amount from the beginning of
the year to the end of
the reporting period
(Jan. – Sep.)**

| Item | |
|---|-------------|
| Losses on disposal of non-current assets | -19,194,027 |
| Governmental subsidies included in the profits/(losses) of the period but excluding those continuously granted in set amount or in set quantity based on certain standards which are closely related to the usual operations of the Company and in compliance with the State policies and regulations | 173,626,682 |
| Other non-operating incomes and expenses other than the aforesaid items | 5,546,991 |
| Impact on the income tax | -22,756,517 |
| Impact on the minority interests (after-tax) | -3,704,390 |
| Total | 133,518,739 |

2.2 List of total number of shareholders and top ten holders of listed shares without sales restriction as at the end of the reporting period

Unit: share

| | |
|--|--------|
| Total number of shareholders at the end of the reporting period (<i>shareholder</i>) | 23,310 |
|--|--------|

Particulars of top ten holders of listed shares without sales restriction

| Name of shareholders (Full name) | Number of listed shares without sales restriction held at the end of reporting period | Class of shares |
|--|--|--|
| Tsingtao Brewery Group Company Limited (<i>“Tsingtao Group”</i> , <i>Note 1</i>) | 411,400,050 | RMB-denominated ordinary shares and Overseas listed shares |
| HKSCC Nominees Limited (<i>Note 2</i>) | 373,755,484 | Overseas listed shares |
| Asahi Group Holdings Ltd. | 270,127,836 | Overseas listed shares |
| China Jianyin Investment Company Ltd. | 17,574,505 | RMB-denominated ordinary shares |
| Taikang Life Insurance Co., Ltd. — Dividends — Personal dividends — 019L — FH002Hu | 15,049,485 | RMB-denominated ordinary shares |

| Name of shareholders (Full name) | Number of listed shares without sales restriction held at the end of reporting period | Class of shares |
|--|--|---------------------------------|
| ICBC — E Fund Value Growth Mixed Securities Investment Fund | 10,497,240 | RMB-denominated ordinary shares |
| National Social Security Fund 108 | 9,649,914 | RMB-denominated ordinary shares |
| China Merchants Securities Co., Ltd. — Client account of collateral securities for margin trading | 9,237,906 | RMB-denominated ordinary shares |
| Shanghai Chongyang Investment Co., Ltd. | 9,033,643 | RMB-denominated ordinary shares |
| Guotai Junan Securities Co., Ltd. — Client account of collateral securities for margin trading | 8,293,170 | RMB-denominated ordinary shares |

Note:

1. Tsingtao Group holds 7,944,000 shares of H-share in the Company through a wholly-owned subsidiary, and 403,456,050 shares of A-share in the Company by itself.
2. The H-shares are held by HKSCC Nominees Limited on behalf of different clients, excluding the H-shares held by the wholly-owned subsidiary of Tsingtao Group.

3. SIGNIFICANT EVENTS

3.1 Material changes to main accounting items and financial indicators and the reasons

Applicable N/A

1. *Analysis to overall operations during the reporting period*

During the period from January to September in this year, the Company's sales volume of beer reached 68.2 million hl, representing an increase of 12.8% comparing with that of the corresponding period in prior year; revenues reached RMB21.795 billion, representing an increase of 13.7% comparing with that of the corresponding period in prior year; net profits attributable to shareholders of listed company reached RMB1.683 billion, representing an increase of 1.1% comparing with that of the corresponding period in prior year. The sales volume of Tsingtao beer, the principal brand, reached 36 million hl, representing an increase of

10.2% comparing with that that of the corresponding period in prior year; the secondary brands including Laoshan beer and Immense beer maintained a comparatively rapid growth trend.

During the reporting period, with the opportunities such as the London Olympic Games, the Company strengthened its brand promotion and marketing activities, and put into more efforts to eliminate the negative effects including the price hike of raw materials and the rise of labor cost, which made it maintain a rapid growth of sales volume of beer in the severe market competition. As a result, the Company's growth rate of sales volume of beer was higher than the average rate of the beer industry, and realized the rapid growth of market share. (According to the statistics from the National Bureau of Statistics, during the period from January to September in 2012, the national output volume of beer reached 398.7 million hl, increasing by 3.3% from the corresponding period in prior year).

2. Explanation to the material changes to the items in the Company's balance sheet, profit statement and cash flow statement as at the end of the reporting period.

| | <i>Unit: RMB'000</i> | | | |
|-----------------------------------|------------------------------------|-------------------------------------|--------------------------------------|---|
| 1. Items in balance sheet | End of the reporting period | End of last reporting period | Increased/ (Decreased) amount | Increased/ (Decrease) percentage |
| Cash at bank and on hand | 9,063,844 | 6,107,611 | 2,956,233 | 48.4% |
| Accounts receivable | 118,612 | 88,097 | 30,515 | 34.6% |
| Advances to suppliers | 59,033 | 273,209 | -214,176 | -78.4% |
| Interests receivable | 92,568 | 13,346 | 79,222 | 593.6% |
| Other current assets | 109,935 | 170,592 | -60,657 | -35.6% |
| Investment properties | 7,347 | — | 7,347 | — |
| Fixed assets pending for disposal | 11,649 | 3,427 | 8,222 | 239.9% |
| Notes payable | 128,519 | 83,894 | 44,625 | 53.2% |
| Accounts payable | 2,493,683 | 1,662,022 | 831,661 | 50.0% |
| Advances from suppliers | 491,569 | 751,129 | -259,560 | -34.6% |
| Taxes payable | 825,749 | 568,596 | 257,153 | 45.2% |
| Payables for specific projects | 351,289 | 190,538 | 160,751 | 84.4% |
| Minority interests | 294,274 | 166,496 | 127,778 | 76.7% |

| 2. Items in profit statement | Jan. – Sep. 2012 | Jan. – Sep. 2011 | Increased/ (Decreased) amount | Increased/ (Decrease) percentage |
|-------------------------------------|-------------------------|-------------------------|--------------------------------------|---|
| Revenue | 21,795,346 | 19,173,354 | 2,621,992 | 13.7% |
| Cost of sales | 12,835,890 | 10,913,452 | 1,922,438 | 17.6% |
| Taxes and surcharges | 1,889,290 | 1,696,705 | 192,585 | 11.4% |
| Selling and distribution expenses | 4,108,823 | 3,608,907 | 499,916 | 13.9% |
| General and administrative expenses | 904,754 | 793,877 | 110,877 | 14.0% |
| Financial expenses — net | -132,311 | -20,231 | -112,080 | -554.0% |
| Losses from assets impairment | 5,731 | 1,656 | 4,075 | 246.1% |
| Investment income | 13,620 | 5,408 | 8,212 | 151.8% |

| 3. Items in cash flow statement | Jan. – Sep. 2012 | Jan. – Sep. 2011 | Increased/ (Decreased) amount | Increased/ (Decrease) percentage |
|---|-------------------------|-------------------------|--------------------------------------|---|
| Cash flow from operating activities — net | 4,406,492 | 2,747,067 | 1,659,425 | 60.4% |
| Cash flow from investing activities — net | -1,639,532 | -3,491,031 | 1,851,499 | 53.0% |
| Cash flow from financing activities — net | -397,739 | 55,525 | -453,264 | -816.3% |
| Net increase in cash and cash equivalents | 2,370,307 | -689,823 | 3,060,130 | 443.6% |

- (1) At the end of the reporting period, the cash at bank and on hand increased by 48.4% from the beginning of the reporting period, which was mainly due to the increase in net cash flow from operating activities during the reporting period.
- (2) At the end of the reporting period, the accounts receivable increased by 34.6% from the beginning of the reporting period, which was mainly due to the increase in accounts receivable of beer caused by the increase in beer purchased by clients in the peak seasons during the reporting period.
- (3) At the end of the reporting period, the advances to suppliers decreased by 78.4% from the beginning of the reporting period, which was mainly due to the decrease in prepayments for purchasing raw materials during the reporting period.
- (4) At the end of the reporting period, the interests receivable increased by 593.6% from the beginning of the reporting period, which was mainly due to the increase in interests receivable of bank deposits from the Finance Company, a subsidiary of the Company, during the reporting period.

- (5) At the end of the reporting period, the other current assets decreased by 35.6% from the beginning of the reporting period, which was mainly due to that the outstanding input VAT of some subsidiaries at the end of last year had been set-off during the reporting period and the pre-paid income tax decreased.
- (6) At the end of the reporting period, the investment properties increased by RMB7,347,000 from the beginning of the reporting period, which was mainly due to the premises of some subsidiaries were listed under the item of investment properties as they were transferred from self-use to leasing during the reporting period.
- (7) At the end of the reporting period, the fixed assets pending for disposal increased by 239.9% from the beginning of the reporting period, which was mainly due to the increase in assets pending for disposal for the technical reconstruction and relocation projects of some subsidiaries during the reporting period.
- (8) At the end of the reporting period, the notes payable increased by 53.2% from the beginning of the reporting period, which was due to the increase in purchase of materials in the peak season during the reporting period.
- (9) At the end of the reporting period, the accounts payable increased by 50.0% from the beginning of the reporting period, which was due to the increase in purchase of materials in the peak season during the reporting period.
- (10) At the end of the reporting period, the advances from suppliers decreased by 34.6% from the beginning of the reporting period, which was mainly due to the decrease in advances from suppliers caused by the increase in sales volume as entering the peak season during the reporting period.
- (11) At the end of the reporting period, the taxes payable increased by 45.2% from the beginning of the reporting period, which was mainly due to the increase in value-added taxes payable and consumption taxes payable caused by the increase in sales volume and revenues during the reporting period.
- (12) At the end of the reporting period, the payables for specific projects increased by 84.4% from the beginning of the reporting period, which was mainly due to the increase in compensations received by some subsidiaries from the local governments for the relocation during the reporting period.
- (13) At the end of the reporting period, the minority interests increased by 76.7% from the beginning of the reporting period, which was mainly due to the increase in capital contribution made by the minority shareholders to the subsidiaries during the reporting period.

- (14) From January to September in 2012, the revenue increased by 13.7% from the corresponding period in prior year, which was mainly due to the increase in revenue caused by the increase in sales volume of principal products during the reporting period.
- (15) From January to September in 2012, the cost of sales increased by 17.6% from the end of corresponding period in prior year, which was mainly due to the increase in cost of sales caused by the growth of sales volume and price hike of some raw materials during the reporting period.
- (16) From January to September in 2012, the taxes and surcharges increased by 11.4% from the corresponding period in prior year, which was mainly due to the increase in various taxes caused by the growth of sales volume and sales revenue during the reporting period.
- (17) From January to September in 2012, the selling and distribution expenses increased by 13.9% from the corresponding period in prior year, which was mainly due to the increase in staff remuneration, logistics expenses and advertisement fees during the reporting period.
- (18) From January to September in 2012, the general and administrative expenses increased by 14.0% from the corresponding period in prior year, which was mainly due to the increase in general and administrative expenses caused by the increase in staff remuneration during the reporting period, and the increase in new constructions, and merged and acquired subsidiaries comparing with that in the corresponding period in prior year.
- (19) From January to September in 2012, the net financial expenses decreased by 554.0% from the corresponding period in prior year, which was mainly due to the increase in incomes from interests during the reporting period.
- (20) From January to September in 2012, the losses from assets impairment increased by 246.1% from the corresponding period in prior year, which was mainly due to the increase in accrued losses of bad debts of other accounts receivable during the reporting period.
- (21) From January to September in 2012, the investment income increased 151.8% from the corresponding period in prior year, which was mainly due to the increase in net profits of the associates of the Company during the reporting period.
- (22) The net cash flow from operating activities increased by 60.4% from the corresponding period in prior year, which was mainly due to that the cash received from sales of goods during the reporting period was more than that in the corresponding period in prior year.
- (23) The net cash flow from investing activities increased by 53.0% from the corresponding period in prior year, which was mainly due to that the cash paid for acquiring subsidiaries during the reporting period was less than that in the corresponding period in prior year

(24) The net cash flow from financing activities decreased by 816.3% from the corresponding period in prior year, which was mainly due to that the subsidiary in Hong Kong obtained long-term borrowings in the corresponding period in last year.

3.2 Explanation on significant events, impacts and resolutions

Applicable N/A

3.3 Implementation of underwritings made by the Company, shareholders as well as de facto controlling parties

Applicable N/A

In the Company's share reform, the former controlling shareholder, the State-owned Assets Supervision and Administration Commission of Qingdao, undertook that, after the completion of the share reform, it would propose to the Board of Tsingtao Brewery for setting up and implementing long-term incentive scheme including stock option.

Both the State-owned Assets Supervision and Administration Commission of Qingdao and Tsingtao Group took the undertaking of "propose to the Board of Tsingtao Brewery Company for setting up long-term incentive scheme including stock option" made during the share reform seriously, and have been making research on the subject, seeking the feasible incentive scheme and will promote the implementation when it is appropriate in the future.

3.4 Warning and explanation in forecast of possible accumulated net profit from the year beginning to the end of next reporting period becoming a loss or substantial changes over the corresponding period in last year.

Applicable N/A

3.5 Implementation of cash dividend distribution policy during the reporting period

The Company proposed the payment of cash dividend of RMB0.26 (with tax) per share, totaling to RMB351,255,527 (with tax), to all shareholders for the year 2011 in the Company's 2011 profit distribution (including dividend distribution) scheme, which was considered and approved at the 2011 Annual General Meeting of the Company convened on 27 June 2012. As at 2 August 2012, the Company had completed the distribution of cash dividend.

For the unaudited balance sheet, profit statement and cash flow statement of the Company as at 30 September 2012, please refer to the websites of Shanghai Stock Exchange (<http://www.sse.com.cn>) and the Company (<http://stock.tsingtao.com.cn>).

By Order of the Board of Directors
Tsingtao Brewery Company Limited
ZHANG Xue Ju ZHANG Rui Xiang
Joint Company Secretaries

Qingdao, the People's Republic of China
30 October 2012

Directors of the Company as at the date hereof are:

Executive Directors: *Mr. SUN Ming Bo (Chairman), Mr. WANG Fan (Vice Chairman), Ms. JIANG Hong and Mr. SUN Yu Guo*

Non-executive Directors: *Mr. Fumio YAMAZAKI and Mr. CHEN Zhi Cheng*

Independent Non-executive Directors: *Mr. WANG Xue Zheng, Mr. ZHAO Chang Wen, Mr. WU Xiao Bo and Mr. MA Hai Tao*