

**NOTES TO THE FINANCIAL STATEMENTS (Cont'd)**

(Prepared in accordance with Generally Accepted Accounting Principles in Hong Kong)

(Amounts expressed in RMB unless otherwise stated)

**13. LONG-TERM INVESTMENTS**

	Group		Company	
	2000	1999	2000	1999
	RMB'000	RMB'000	RMB'000	RMB'000
Held-to-maturity securities (a)	<b>36,181</b>	36,867	<b>36,027</b>	36,859
Investment securities (b)	<b>21,641</b>	14,346	<b>17,970</b>	13,085
Total	<b>57,822</b>	51,213	<b>53,997</b>	49,944

**(a) Held-to-maturity securities**

	Group		Company	
	2000	1999	2000	1999
	RMB'000	RMB'000	RMB'000	RMB'000
Government bonds, at cost	<b>40,152</b>	40,006	<b>39,998</b>	39,998
Less: Accumulated amortisation of premium	<b>(3,971)</b>	(3,139)	<b>(3,971)</b>	(3,139)
	<b>36,181</b>	36,867	<b>36,027</b>	36,859

**(b) Investment securities**

	Group		Company	
	2000	1999	2000	1999
	RMB'000	RMB'000	RMB'000	RMB'000
Unlisted shares, at cost	<b>21,641</b>	14,346	<b>17,970</b>	13,085

In the opinion of the Company's directors, the underlying values of long-term investments are not less than the carrying amount of such investments in the books of the Company and the Group as at 31st December, 2000.

**14. INVESTMENT IN SUBSIDIARIES**

	Company	
	2000	1999
	RMB'000	RMB'000
Unlisted shares, at cost	<b>851,982</b>	448,128
Advances/loans to subsidiaries	<b>172,824</b>	397,581
Total	<b>1,024,806</b>	845,709

Advances/loans to subsidiaries are unsecured, non-interest bearing and have no fixed repayment terms. In the opinion of the Company's directors, the underlying values of the investment in subsidiaries are not less than the carrying value of such investments in the books of the Company as at 31st December, 2000.

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The decrease of advances/loans to subsidiaries of the Company was because certain loans to subsidiaries amounted to approximately RMB568,466,000 well reclassified to other receivables, with repayment term of one year, as agreed by the Company and relevant subsidiaries.

None of the subsidiaries had any loan capital outstanding at 31st December, 2000 or at any time during the year.

As at 31st December, 2000, particulars of the principal subsidiaries of the Company are as follows:

Name of subsidiaries	Place of establishment and principal operation	Equity interest		Registered capital	Principal activities
		Directly held	Indirectly held		
Tsingtao Brewery Shanghai Songjiang Company Limited ("Songjiang Company") (x)	Shanghai, the PRC	75%	—	USD 36,640,000	Manufacturing and domestic trading of beer
Shenzhen Tsingtao Beer Asahi Company Limited ("STB")	Shenzhen, the PRC	51%	—	USD 30,000,000	Manufacturing and trading of beer
Tsingtao Brewery Xi'an Company Limited ("Xi'an Company") (vii)	Xi'an, the PRC	57.34%	—	RMB 156,640,000	Manufacturing and domestic trading of beer
Tsingtao Brewery (Shouguang) Company Limited ("Shouguang Company") (xiii)	Weifang, the PRC	99%	—	RMB 60,606,060	Manufacturing and domestic trading of beer
Tsingtao Brewery (Sanshui) Company Limited ("Sanshui Company")	Sanshui, the PRC	75%	—	RMB 60,000,000	Manufacturing and domestic trading of beer
Tsingtao Brewery (Zhuhai) Company Limited ("Zhuhai Company")	Zhuhai, the PRC	60%	—	RMB 60,000,000	Manufacturing and domestic trading of beer
Tsingtao Brewery (Shanghai) Company Limited ("Shanghai Company") (xvi)	Shanghai, the PRC	—	90.25%	RMB 50,000,000	Manufacturing and domestic trading of beer
Tsingtao Brewery (Anshan) Company Limited ("Anshan Company") (viii)	Liaoning, the PRC	60%	—	RMB 50,000,000	Manufacturing and domestic trading of beer
Tsingtao Brewery Weinan Company Limited ("Weinan Company") (vii)	Xi'an, the PRC	—	41.28%	RMB 50,000,000	Manufacturing and domestic trading of beer
Tsingtao Brewery (No. 5) Company Limited (No. 5 Company) (ix)	Qingdao, the PRC	95%	—	RMB 3,000,000	Manufacturing and domestic trading of beer
Tsingtao Brewery (Haerbin) Company Limited ("Haerbin Company") (xv)	Haerbin, the PRC	95%	—	RMB 22,000,000	Manufacturing and domestic trading of beer
Tsingtao Brewery (Xingkaihu) Company Limited ("Xingkaihu Company")	Jixi, the PRC	95%	—	RMB 20,000,000	Manufacturing and domestic trading of beer
Tsingtao Brewery (Mishan) Company Limited ("Mishan Company") (xi)	Heilongjiang, the PRC	95%	—	RMB 20,000,000	Manufacturing and domestic trading of beer
Tsingtao Brewery (Wuhu) Company Limited ("Wuhu Company") (xvi)	Wuhu, the PRC	—	85.5%	RMB 20,000,000	Manufacturing and domestic trading of beer

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Name of subsidiaries	Place of establishment and principal operation	Equity interest		Registered capital	Principal activities
		Directly held	Indirectly held		
Tsingtao Brewery (Rongcheng) Company Limited ("Rongcheng Company")	Rongcheng, the PRC	70%	—	RMB 20,000,000	Manufacturing and domestic trading of beer
Tsingtao Brewery (Tengzhou) Company Limited ("Tengzhou Company")	Tengzhou, the PRC	95%	—	RMB 15,000,000	Manufacturing and domestic trading of beer
Tsingtao Brewery (Rizhao) Co., Ltd ("Rizhao Company")	Rizhao, the PRC	95%	—	RMB 10,000,000	Manufacturing and domestic trading of beer
Tsingtao Brewery No. 3 Company Limited ("Pingdu Company")	Pingdu, the PRC	95%	—	RMB 10,000,000	Manufacturing and domestic trading of beer
Tsingtao Brewery (Langfang) Company Limited ("Langfang Company")(v)	Beijing, the PRC	95%	—	RMB 10,000,000	Manufacturing and domestic trading of beer
Tsingtao Brewery (Taizhou) Company Limited ("Taizhou Company") (xiv)	Zhejiang, the PRC	95%	—	RMB 10,000,000	Manufacturing and domestic trading of beer
Tsingtao Brewery (Heze) Company Limited ("Heze Company")	Heze, the PRC	90%	—	RMB 10,000,000	Manufacturing and domestic trading of beer
Tsingtao Brewery (Penglai) Company Limited ("Penglai Company")	Penglai, the PRC	80%	—	RMB 10,000,000	Manufacturing and domestic trading of beer
Tsingtao Brewery (Xuecheng) Company Limited ("Xuecheng Company")	Xuecheng, the PRC	70%	—	RMB 10,000,000	Manufacturing and domestic trading of beer
Tsingtao Brewery (Xuzhou) Company Limited ("Xuzhou Company") (iii)	Peixian, the PRC	60%	—	RMB 10,000,000	Manufacturing and domestic trading of beer
Tsingtao Brewery (Chongqing) Company Limited ("Chongqing Company") (xii)	Chongqing, the PRC	95%	—	RMB 7,000,000	Manufacturing and domestic trading of beer
Tsingtao Brewery (Huangshi) Company Limited ("Huangshi Company")	Huangshi, the PRC	95%	—	RMB 5,000,000	Manufacturing and domestic trading of beer
Tsingtao Brewery (Maanshan) Company Limited ("Maanshan Company") (xvi)	Maanshan, the PRC	—	91.25%	RMB 5,000,000	Manufacturing and domestic trading of beer
Tsingtao Brewery (Yingcheng) Company Limited ("Yingcheng Company")	Yingcheng, the PRC	95%	—	RMB 5,000,000	Manufacturing and domestic trading of beer
Tsingtao Brewery (Pingyuan) Company Limited ("Pingyuan Company")	Pingyuan, the PRC	90%	—	RMB 5,000,000	Manufacturing and domestic trading of beer
Tsingtao Brewery (Anqiu) Company Limited ("Anqiu Company")	Anqiu, the PRC	95%	—	RMB 5,000,000	Manufacturing and domestic trading of beer

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		Directly held	Indirectly held		
Tsingtao Brewery (Xuzhou Pangcheng) Company Limited ("Pangcheng Company")(iv)	Pangcheng, the PRC	90%	—	RMB 5,000,000	Manufacturing and domestic trading of beer
Tsingtao Brewery (Chenzhou) Company Limited ("Chenzhou Company") (i)	Chenzhou, the PRC	70%	—	RMB 5,000,000	Manufacturing and domestic trading of beer
Tsingtao Brewery (Weifang) Company Limited ("Weifang Company") (ii)	Weifang, the PRC	70%	—	RMB 5,000,000	Manufacturing and domestic trading of beer
Tsingtao Brewery (Huadong) Shanghai Sales Company Limited ("Huadong Shanghai Sales") (xvii)	Shanghai, the PRC	—	95%	RMB 3,000,000	Domestic trading of beer
Shenzhen Tsingtao Brewery Sales Company Limited ("Shenzhen Sales Company")	Shenzhen, the PRC	95%	—	RMB 2,500,000	Domestic trading of beer
Jiangsu Tsingtao Brewery Sales Co., Ltd.	Jiangsu, the PRC	90%	—	RMB 2,000,000	Domestic trading of beer
Tsingtao Brewery Kai Fa Co., Ltd.	Qingdao, the PRC	100%	—	RMB 1,320,000	Domestic trading of beer
Tsingtao Brewery Huadong Nanjing Sales Company Limited ("Huadong Nanjing Sales") (xvii)	Nanjing, the PRC	—	95%	RMB 1,000,000	Domestic trading of beer
Shanghai Tsingtao Brewery Sales Company Limited (xviii)	Shanghai, the PRC	35%	—	RMB 1,000,000	Domestic trading of beer
Tsingtao Brewery (Taierzhuang) Malt Company Limited ("Taierzhuang Company") (vi)	Taierzhuang, the PRC	—	87.5%	RMB 500,000	Manufacturing and domestic trading of beer
Tsingtao Brewery (Hong Kong) Trading Company Limited ("HK Company") (xvii)	Hong Kong	100%	—	HKD 500,000	Trading of Tsingtao beer in Hong Kong
Tsingtao Brewery Huadong Holding Company Limited ("Huadong Holding") (xvi)	Shanghai, the PRC	95%	—	RMB 100,000,000	Investment holding
Tsingtao Brewery Group Sales Company Limited	Qingdao, the PRC	95%	—	RMB 5,000,000	Not yet commenced business
Tsingtao Brewery Import/Export Company Limited	Qingdao, the PRC	95%	—	RMB 5,000,000	Not yet commenced business
Tsingtao Brewery (Wuhan) Company Limited ("Wuhan Company")	Wuhan, the PRC	51%	46.55%	RMB 1,000,000	Not yet commenced business