



TSINGTAO

青島啤酒

董事會報告書 Report of the Directors

一. 公司經營情況

本公司的主要業務為生產及銷售啤酒。附屬公司及聯營公司主要從事啤酒生產、銷售及國內貿易。

本集團營業額及盈利幾乎完全由生產及銷售啤酒而產生。

1. 公司主營業務收入和利潤分地區的構成情況 (按中國會計準則計算)

1. COMPANY OPERATION

The Company is principally engaged in the production and distribution of beer products. The Subsidiaries and associated companies are principally engaged in the production, sales and domestic trading of beer products.

The Group's turnover and profit are substantially derived from the production and domestic trading of beer products.

1. The Group's turnover and profit from principal operating activities by geographical markets (Calculated in accordance with PRC GAAP)

| 地區 | Region | 主營業務收入 Turnover (人民幣萬元) (RMB'0000) | 主營業務利潤 Profit (人民幣萬元) (RMB'0000) |
|----------|---------------------------|---|---|
| 青島 | Qingdao | 216,193 | 81,951 |
| 山東(不含青島) | Shandong (Except Qingdao) | 110,526 | 18,024 |
| 華北 | North China | 172,656 | 39,256 |
| 華南 | South China | 265,625 | 86,675 |
| 出口銷售 | Export | 37,966 | 12,865 |



董事會報告書 (續)

Report of the Directors (Continued)

2. 主要控股公司及參股公司的經營情況及業績

公司2003年盈利最大的前3家子公司情況：(按中國會計準則計算)

(單位：人民幣萬元)

| 公司名稱 Company Name | 主營業務 Principal Activities | 註冊資本 Registered Capital | 資產規模 Assets | 主營業務收入 Income from principal operating activities | 淨利潤 Net Profit |
|--|--|----------------------------|----------------|--|-------------------|
| 青島啤酒西安有限責任公司 Tsingtao Brewery Xi'an Company Limited | 國內啤酒生產及銷售 Domestic production and sales of beer | 22,220 | 59,723 | 111,529 | 6,758 |
| 深圳青島啤酒朝日有限公司 Shenzhen Tsingtao Beer Ashai Company Limited | 生產及銷售啤酒 Production and sales of beer | 3,000萬美元 US\$30 million | 73,208 | 41,645 | 6,018 |
| 深圳市青島啤酒銷售有限公司 Shenzhen Tsingtao Brewery Sales Company Limited | 國內啤酒貿易 Domestic trading of beer | 2,000 | 48,824 | 139,092 | 5,846 |

2. Operations and results of principal holding companies and investors

The particulars of the top three most profitable subsidiaries of the Company in year 2003: (Calculated in accordance with PRC GAAP)

(Unit: RMB'0000)

3. 本年度主要供應商和客戶情況

(1)本公司最大的供應商為德國Cerecom Cereal Commerce GmBh，前五名供應商合計的採購金額佔公司年度採購總金額的13.5%。

(2)本公司最大的銷售客戶為臺灣青啤股份有限公司，前五名客戶銷售額合計佔公司銷售總額的8%，合共所佔的銷售百分比少於30%。

本年度內，本公司各董事、監事及其有關人士或任何持有本公司股本多於5%之股東並無擁有上述之供應商及銷售商的任何權益。

3. Major suppliers and customers during the year

(1) The largest supplier of the Company during the year was Cerecom Cereal Commerce GmBh of Germany and the top five largest suppliers of the Company during the year accounted for 13.5% of the total purchases of the Company.

(2) The largest customer of the Company during the year was Taiwan Tsingtao Beer Co., Ltd. And the top five largest customers of the Company during the year accounted for 8%, less than 30% of the total sales of the Company.

During the year, none of the Directors, Supervisors and their associates or shareholders holding more than 5% of the Company's share capital had an interest in any of the top five largest suppliers or customers of the Company.

董事會報告書 (續) Report of the Directors (Continued)

二. 利潤分配

董事會建議就截至2003年12月31日止年度派發末期股息每股人民幣0.20元，其餘未分配利潤結轉下一年度。上述分配預案須經本公司2003年度股東年會審議批准。

2. DIVIDEND

The Board of Directors proposed a final dividend of RMB0.2 per share for the year ended 31st December, 2003, and the remaining unappropriated profit will be transferred to the next financial year. The above proposal could only be put into effect after approval of the Company's 2003 Annual General Meeting.

三. 股本變動及股東情況

3. CHANGES OF SHARE CAPITAL & INFORMATION OF SHAREHOLDERS

1. 股份變動情況

(單位：萬股)

1. Changes of Share Capital

(Unit: '0000 Shares)

| | | 本次變動前 Beginning of Period | 本次變動增減 (+ , -) Increase/ Decrease (+ , -) During the Year | 本次 變動後 End of Period |
|---------------------|--|---------------------------------|--|-------------------------------|
| 一. 未上市流通股份 | (1) Unlisted Shares | | | |
| 發起人股份 | Promoter's Shares | | | |
| 其中： | Including: | | | |
| 國家持有股份 | State-owned Shares | 39,982 | | 39,982 |
| 境內法人持有股份 | Domestic Legal | 5,333 | | 5,333 |
| 未上市流通股份合計 | Sub-total of Unlisted Shares | 45,315 | | 45,315 |
| 二. 已上市流通股份 | (2) Listed Shares | | | |
| 1. 人民幣普通股 (A股) | 1.RMB-Dominated Ordinary Shares (A shares) | 20,000 | | 20,000 |
| 2. 境外上市的外資股 (H股) | 2.Overseas Listed Foreign Shares (H shares) | 34,685 | 6,000 | 40,685 |
| 已上市流通股份合計 | Sub-total of Listed Shares | 54,685 | | 60,685 |
| 三. 股份總數 | (3) Total Listed Shares | 100,000 | 6,000 | 106,000 |

董事會報告書 (續)

Report of the Directors (Continued)

2. 股票發行與上市情況

(1) 本公司於2001年2月5日至20日在上海證券交易所增發人民幣普通股10,000萬股，每股發行價為人民幣7.87元，2001年6月7日起全部上市流通。公司總股本增至10億股。

(2) 2002年10月21日，本公司與美國啤酒釀造商安海斯-布希公司（「A-B公司」）簽署《戰略性投資協議》，本公司向A-B公司分三批定向發行總金額為1,416,195,342港元的強制性可轉換債券，在協議規定的時間內將全部轉換成公司額外的新H股。全部轉換完成後，A-B公司在本公司股權比例將增加到27%。

2003年4月1日，本公司按照該協議的約定向A-B公司發行了價值907,920,000港元的第一部份及第二部份債券，該筆資金已於2003年4月1日到賬。2003年10月21日，本公司向A-B公司發行了價值254,137,671港元的第三部份第一部份債券，該筆資金已於2003年10月21日滙至公司銀行帳戶。

2. Issue of Shares and Listing

(1) The Company Issued 100 million additional RMB-Dominated Ordinary Shares in addition from 5th February to 20th February, 2001 in Shanghai Security and Stock Exchange with price of RMB7.87 per share. The above shares are all listed from 7th June, 2001 and the total share capital of the Company was increased to 1 billion shares.

(2) Pursuant to the Strategic Investment Agreement signed by the Company with a US beer brewer, Anheuser-Busch (A-B), Inc. on 21st October, 2002, the Company shall issue an aggregate of HK\$1,416,195,342 Mandatorily Convertible Bonds to A-B in three tranches, and convert all bonds into additional H shares of the Company within a specified period pursuant to the agreement. Upon full conversion into additional H shares of the Company, the shareholding of A-B in the Company will be increased to 27%.

On 1st April, 2003, the Company issued Tranche I and Tranche II Convertible Bonds in an aggregate of HK\$907,920,000 to A-B pursuant to the agreement, which was remitted to the specified account of the Company On 1st April, 2003. On 21st October, 2003, the Company issued the first Sub-tranche of Tranche III Convertible Bonds to A-B in an aggregate of HK\$254,137,671, which was remitted to the specified account of the Company on 21st October, 2003.

董事會報告書（續） Report of the Directors (Continued)

2003年7月2日，本公司向A-B公司發行的價值28,080萬港元的第一批可轉換債券轉成本公司新發行的6,000萬股H股股份，轉股價為4.68港元，佔第一批債券轉換前本公司總股本（10億股）的6%。

On 2nd July, 2003, Tranche I convertible bonds in an aggregate of HK\$280,800,000, which the Company issued to A-B, was converted to 60 million new H shares at HK\$4.68 per share. The above 60 million new H shares represent 6% of the Company's total share capital (1 billion shares) before closing of Tranche I.

3. 股東情況

(1) 報告期末公司股東總數為92,605戶，其中H股股東為610戶。

3. Shareholders

(1) At the end of the reporting period, the total number of the shareholders of the Company was 92,605, out of which there are 610 H-share shareholders.



董事會報告書(續)

Report of the Directors (Continued)

(2) 報告期末本公司前10名股東：

(2) The top 10 shareholders of the Company at the end of the reporting period

| 持有人 Name | 持股種類 Type of Share | 期末持股數 At end of period (股) (shares) | 佔總股本比例 Percentage to total share capital (%) | 持股增減 Increase/ Decrease (股) (shares) | 股份性質 Nature of Shareholding |
|---|-----------------------|--|--|--|-----------------------------------|
| 青島市國有資產管理辦公室 Office of Qingdao State-owned Assets Administration Bureau | A | 399,820,000 | 37.72 | 0 | 國家股 State-owned shares |
| 香港中央結算(代理人)有限公司 HKSCC Nominees Limited | H | 293,981,380 | 27.73 | 2,769,000 | 流通股 Listed shares |
| 安海斯 — 布希國際控股公司 Anheuser-Busch Companies Inc. | H | 105,000,000 | 9.91 | 60,000,000 | 流通股 Listed shares |
| 中國銀行山東省分行 Bank of China, Shandong Province Branch | A | 29,250,000 | 2.76 | — | 法人股 Legal Person Shares |
| 中國建設銀行青島市分行 Construction Bank of China, Qingdao Branch | A | 19,080,000 | 1.8 | — | 法人股 Legal Person Shares |
| 易方達平穩增長證券投資基金 E Fund Stable Growth Fund | A | 6,437,028 | 0.61 | — | 流通股 Listed shares |
| 融通新藍籌證券投資基金 Rongtong New Blue Chip Fund | A | 5,025,025 | 0.47 | — | 流通股 Listed shares |
| 青島華青財務服務有限公司 Qingdao Huaqing Financial Service Company Limited | A | 5,000,000 | 0.47 | — | 法人股 Legal Person Shares |
| 通乾證券投資基金 Tongqian Fund | A | 4,976,131 | 0.47 | — | 流通股 Listed shares |
| 漢盛證券投資基金 Han Sheng Fund | A | 3,708,475 | 0.35 | — | 流通股 Listed shares |

融通新藍籌證券投資基金和通乾證券投資基金的基金管理人同為融通基金管理有限公司。青島市國有資產管理辦公室(「國資辦」)和A-B公司因本公司引入後者為戰略投資者而構成一致行動人。

The fund managers of Rongtong New Blue Chip Fund and Tongqian Fund are both within Rongtong Fund. Office of Qingdao State-owned Assets Administration Bureau (State Asset Office) and A-B Company became concerted parties after the Company introduced A-B as the strategic investor.

董事會報告書 (續)

Report of the Directors (Continued)

除此以外，本公司並不知曉前10名股東之間是否存在其他關聯關係、所持股份是否存在質押或凍結的情況，以及是否為一致行動人。

Save as disclosed herein, the Company is not aware of any existence of associated relationship among the top 10 shareholders and of whether the shares held have been pledged or prohibited for sale or held by concerted parties.

(3) 本公司第一大股東為青島市國有資產管理辦公室，是青島市主管國有資產的政府部門。

(3) Office of Qingdao State-owned Assets Administration Bureau is the controlling shareholder of the Company, which is the government department of Qingdao City for administrating state-owned assets.

(4) 報告期末本公司前10名流通股股東：

(4) The top 10 listed-shares shareholders of the Company at the end of the reporting period

| 持有人 Name | 持股種類 Type of Share | 期末持股數 At end of period (股) (shares) |
|-----------------|----------------------------------|--|
| 香港中央結算(代理人)有限公司 | HKSCC Nominees Limited | H 293,981,380 |
| 安海斯 — 布希國際控股公司 | Anheuser-Busch International Inc | H 105,000,000 |
| 易方達平穩增長證券投資基金 | E Fund Stable Growth Fund | A 6,437,028 |
| 融通新藍籌證券投資基金 | Rongtong New Blue Chip Fund | A 5,025,025 |
| 通乾證券投資基金 | Tongqian Fund | A 4,976,131 |
| 漢盛證券投資基金 | Han Sheng Fund | A 3,708,475 |
| 裕元證券投資基金 | Yu Yuan Fund | A 3,463,638 |
| 裕陽證券投資基金 | Yu Yang Fund | A 3,409,406 |
| 科翔證券投資基金 | Kexiang Fund | A 2,540,000 |
| 寶盈鴻利收益證券投資基金 | Bo Ying Hong Li Income Fund | A 2,000,000 |

易方達平穩增長證券投資基金和科翔證券投資基金的基金管理人同為易方達基金管理有限公司，融通新藍籌證券投資基金和通乾證券投資基金的基金管理人同為融通基金管理有限公司，裕元證券投資基金和裕陽證券投資基金的基金管理人同為博時基金管理有限公司。除此以外，本公司並不知曉前10名流通股股東之間是否存在關聯關係。

The fund managers of E Fund Stable Growth Fund and Kexiang Fund are both within E Fund Stable Growth Fund; The fund managers of Rongtong New Blue Chip Fund and Tongqian Fund are both within Rongtong Fund; The fund managers of Yu Yuan Fund and Yu Yang Fund are both within Bo Shi Fund Management Co., Ltd. Save as disclosed herein, the Company is not aware of any existence of associated relationship among the top 10 shareholders.

4. 優先認股權

本公司章程內並無有關優先認股權的條款。

4. Share option

There are no provisions regarding share option under the Articles of the Company.

董事會報告書 (續)

Report of the Directors (Continued)

四. 董事、監事、高級管理人員情況

4. PROFILES OF DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT

1. 董事、監事和高級管理人員基本情況

1. Profiles of Directors, Supervisors and Senior Management

| 姓名 Name | 性別 Sex | 年齡 Age | 職務 Title | 期初 持股數 Number of Shares held at beginning of period (股) (shares) | 期末 持股數 Number of Shares held at end of period (股) (shares) |
|------------------------|-------------|-----------|--|---|---|
| 李桂榮 Li Gui Rong | 男 Male | 64 | 董事長 Chairman | 0 | 0 |
| 金志國 Jin Zhi Guo | 男 Male | 47 | 副董事長、總裁 Vice Chairman, President | 0 | 0 |
| 劉英弟 Liu Ying Di | 男 Male | 47 | 董事 Director | 5000 | 5000 |
| 孫玉國 Sun Yu Guo | 男 Male | 49 | 董事、副總裁、總會計師 Director, Vice President, Chief Financial Officer | 0 | 0 |
| Stephen Burrows | 男 Male | 51 | 非執行董事 Non-executive Director | 0 | 0 |
| 楚振剛 Chu Zhen Gang | 男 Male | 55 | 獨立董事 Independent Director | 0 | 0 |
| 王立軍 Wang Li Jun | 男 Male | 47 | 非執行董事 Non-executive Director | 0 | 0 |
| 譚禮寧 Tan Li Ning | 男 Male | 40 | 獨立董事 Independent Director | 0 | 0 |
| 伍海華 Wu Hai Hua | 男 Male | 37 | 獨立董事 Independent Director | 0 | 0 |
| 潘桂榮 Pan Gui Rong | 女 Female | 54 | 獨立董事 Independent Director | 0 | 0 |
| 吳玉亭 Wu Yu Ting | 男 Male | 58 | 監事會主席 Chairman of Supervisory Committee | 0 | 0 |
| 于嘉平 Yu Jia Ping | 男 Male | 41 | 監事 Supervisor | 0 | 0 |
| 任增貴 Ren Zeng Gui | 男 Male | 41 | 監事 Supervisor | 0 | 0 |
| 黃祖江 Huang Zu Jiang | 男 Male | 38 | 監事 Supervisor | 8000 | 8000 |
| David Renaud | 男 Male | 49 | 監事 Supervisor | 0 | 0 |
| 劉清遠 Liu Qing Yuan | 男 Male | 55 | 監事 Supervisor | 0 | 0 |
| 鍾明山 Zhong Ming Shan | 男 Male | 52 | 監事 Supervisor | 0 | 0 |
| 陳軍 Chen Jun | 男 Male | 36 | 監事 Supervisor | 0 | 0 |

董事會報告書 (續) Report of the Directors (Continued)

| 姓名 Name | 性別 Sex | 年齡 Age | 職務 Title | 期初 持股數 Number of Shares held at beginning of period (股) (shares) | 期末 持股數 Number of Shares held at end of period (股) (shares) |
|-----------------------|-------------|-----------|--|---|---|
| 孫明波 Sun Ming Bo | 男 Male | 47 | 常務副總裁 Executive Vice President | 1261 | 1261 |
| 滕安功 Teng An Gong | 男 Male | 53 | 工會主席 Chairman of Workers' Union | 0 | 0 |
| 樊偉 Fan Wei | 男 Male | 44 | 總工程師 Senior Engineer | 3882 | 3882 |
| 嚴旭 Yan Xu | 女 Female | 39 | 副總裁 Vice President | 0 | 0 |
| 張學舉 Zhang Xue Ju | 男 Male | 49 | 副總裁 Vice President | 1000 | 1000 |
| 曹向東 Cao Xiang Dong | 男 Male | 52 | 副總裁 Vice President | 2000 | 2000 |
| 姜宏 Jiang Hong | 女 Female | 47 | 副總裁 Vice President | 1000 | 0 |
| 袁璐 Yuan Lu | 女 Female | 48 | 董事長助理、董事會秘書 Assistant Chairman, Company Secretary | 0 | 0 |

本公司2003年8月13日召開2003年第2次臨時股東大會選舉Mr. Stephen Burrows為第四屆董事會董事，楚振剛先生為獨立董事，選舉Mr. David Renaud為第四屆監事會監事。2003年6月17日公司職工代表聯席會選舉黃祖江先生為本公司由職工代表出任的監事。

On the 2nd Extraordinary General Meeting held on 13rd August, 2003, Mr. Stephen Burrows was elected as the director of the 4th session Board of Directors, Mr. Chu Zhen Gang was elected as the independent director and Mr. David Renaud was elected as the supervisor of the 4th session Supervisory Committee. On the meeting of Company staffs' Representatives, Mr. Huang Zu Jiang was elected as the supervisor representing Company staffs.

上述董事、監事及高級管理人員中，Mr. Stephen Burrows、Mr. David Renaud聘任日期自2003年8月13日起至2005年6月24日止、黃祖江先生任期自2003年6月17日起至2005年6月24日止、姜宏女士任期自2003年10月28日起至2005年6月24日止，其餘人員任期自2002年6月24日起至2005年6月24日止。姜宏女士於報告期初已售出其所持有本公司股份。

Among the above Directors, Supervisors and Senior Managements, Mr. Stephen J. Burrows, Mr. David Renaud, will be employed from 13th August, 2003 to 24th June, 2005; Mr. Huang Zu Jiang will be employed from 17th June, 2003 to 24th June, 2005; Miss Jiang Hong will be employed from 28th October, 2003 to 24th June, 2005; the others will be employed from 24th June, 2002 to 24th June, 2005. Miss Jiang Hong sell all her shares of the Company at beginning of the reporting period.

董事會報告書 (續)

Report of the Directors (Continued)

2. 年度報酬情況

(1) 報酬決策程序、報酬確定依據

公司董事、監事的報酬依據公司股東大會審議通過的董事、監事年度薪酬計劃和董事、監事服務合約以及公司的經營效益情況確定其薪酬，公司高級管理人員的薪酬按董事會通過的經營者薪酬方案，根據公司經營業績和個人所承擔的工作職責兌現年度薪酬。

(2) 現任董事、監事和高級管理人員2003年度報酬總額為280萬元人民幣，金額最高的前三名董事薪酬總額為47.6萬元，金額最高的前三名高級管理人員薪酬總額為67萬元。

(3) 獨立董事的津貼及其他待遇

2003年度公司獨立董事津貼為每人5萬元人民幣(含稅)，除此以外無其他報酬。

(4) 在公司領取薪酬的董事、監事和高級管理人員中，年薪10萬元以內有1人，10至15萬元有8人，15至20萬元有4人，20萬元以上有3人。Mr. Stephen J. Burrows、Mr. David Renaud不在本公司或其他關聯單位領取報酬。

2. Annual remuneration

(1) Procedure and Basis for deciding remuneration

The remuneration of the Company's directors and supervisors should be decided in accordance with the operating profit of the Company, the annual remuneration plan and the service agreement for the Company's directors and supervisors approved by the Company's General Meeting; The remuneration of the Company's top managements should be decided in accordance with the remuneration plan for the Company's top managements approved by the Board, the Company's operating profit and individual role responsibility.

(2) The 2003 annual remuneration of the Company's directors, supervisors and top managements was in total RMB2.8 million; the total annual remuneration of the highest paid top three directors was RMB476 thousand, and the total remuneration of the highest paid top three senior managements was RMB670 thousand.

(3) Subsidy and other pay of independent directors

The 2003 annual subsidy of the independent directors paid by the Company was RMB50 thousand (including tax) for each without any other payments.

(4) Among the Company paid directors, supervisors and top managements, one people was paid within RMB100 thousand annual remuneration; 8 people were paid RMB100 thousand to RMB150 thousand annual remuneration; 4 people were paid RMB150 thousand to RMB200 thousand annual remuneration; and 3 people were paid more than 200 thousand. Mr. Stephen J. Burrows and Mr. David Renaud are not on the payroll of the Company, shareholder's companies or other associated companies.

董事會報告書 (續) Report of the Directors (Continued)

3. 2003年10月28日公司第四屆董事會第九次會議，聘任公司董事、副總裁孫玉國先生兼任公司總會計師，聘任公司總裁助理姜宏女士為公司副總裁，聘任公司董事會秘書袁璐女士兼任公司董事長助理。

3. On the Ninth Meeting of the Fourth Session Board of Directors held on 28th October, 2003, Mr. Sun Yu Guo, the director and vice president of the Company, was appointed as chief accountant of the Company; Miss Jiang Hong, the assistant president of the Company, was appointed as vice president of the Company, and Miss Yuan Lu, the Company secretary, was appointed as assistant director of the Board.

五. 董事及監事收購股份之權利

除上文所披露者外，本公司或其任何附屬公司概無於年內任何時間參與任何安排，以致本公司之董事及監事可藉購入本公司或任何其他團體之股份或債券而獲益。

5. DIRECTORS AND SUPERVISORS RIGHTS TO ACQUIRE SHARES

Save as disclosed above, none of the Directors, Supervisors, their associates and senior management has any interests in the equity or debt securities of the Company or any of its associated company, or had been granted or exercised any right to subscribe for the shares or debentures of the Company.

六. 公司治理結構

1. 公司治理

本公司已建立了較規範的法人治理結構，完善了股東大會、董事會、監事會、經理層相互制衡的管理體制，並建立了相關的議事規則和工作制度，以保障其協調運轉、規範運作。報告期內根據《上市公司治理準則》的要求，修改了公司章程相關內容，外部董事、外部監事已佔董事會和監事會成員的一半以上，其中獨立董事佔董事會成員的三分之一以上。

6. CORPORATE GOVERNANCE

1. Corporate Governance

The Company has established regulatory corporate governance structure, perfected the management mechanism characterized by intro-surveillance among the shareholders' meeting, the Board, the Supervisory Committee and top management, and set up relevant procedure rules as well as working regulations to ensure harmonized, regulatory operation. During the reporting period, the Articles of the Company was amended in accordance with Criteria of Corporate Governance of Listed Companies. The external directors and supervisors represented respectively over half of the composition of the Board and the Supervisory Committee, of which independent directors represent over one third of the Board Members.

董事會報告書（續） Report of the Directors (Continued)

公司董事會深刻認識到良好的公司治理對保護投資者權益和提升股東價值的重要意義，並嚴格按照境內外監管法規和公司章程的要求規範運作。公司董事會已成立了戰略與投資委員會、審計與財務委員會、人力資源與公司治理委員會三個專門委員會並制訂了各專門委員會的工作細則，從而保證了董事會科學高效的決策。根據本公司與A-B公司簽署的《戰略性投資協定》，報告期內A-B公司代表已分別進入本公司董事會、監事會及董事會各專門委員會，對進一步完善公司治理、推進國際化運作起到了積極推動作用。

2. 獨立董事履行職責情況

在董事會三個專門委員會中，除戰略與投資委員會外，審計與財務委員會、人力資源與公司治理委員會均由獨立董事佔多數並擔任委員會主席。獨立董事參加了年內董事會召開的各次會議並召集及參加了董事會專門委員會的7次會議，對公司的財務審計、高管人員選聘、重大經營決策等提出了許多建設性意見，認真履行了其擔負的職責。

3. 公司與控股股東—青島市國有資產管理辦公室在業務、人員、資產、機構、財務等方面完全分開，具有獨立完整的業務及自主經營能力。

4. 公司董事會人力資源與公司治理委員會已初步建立了對公司經營者的薪酬制度及績效考評制度，並參照個人所擔負的不同職責和年度業績情況給予獎懲。

The Board of Directors deeply recognized the importance of proper corporate governance for protection of shareholders' interest and enhancement of shareholders' value and operate in strict compliance with relevant supervision regulations of both domestic and abroad as well as the Company's Articles. The Board has set up three special committees respectively as Strategy and Investment Committee, Audit and Finance Committee and Human Resource and Corporate Governance Committee, all of which have their own working regulations so as to ensure scientific and efficient decision of the Board. In accordance with the Strategic Investment Agreement signed by the Company with A-B, respective representatives of A-B have entered the Board, the Supervisory Committee and the special committees of the Board during the report period to promote the internationalization and advance the corporate governance of the Company.

2. Discharge of Responsibilities by Independent Directors

Among the three special committees, independent directors representing the majority assume chairmanship in Audit and Finance Committee and Human Resource and Corporate Governance Committee except Strategy & Investment Committee. The independent directors attended all the meetings held by the Board in the reporting period and chaired 7 meetings of the special committees under the Board, in which they put forward many constructive opinions and recommendations related to financial auditing, appointment of top management, material operational decisions and etc..

3. The Company has been separated from its controlling shareholder (Qingdao State-owned Assets Administration Office) in business, staff, asset, organization, finance and etc. to have its individual and complete business and self operating capability.

4. The Human Resource and Corporate Governance Committee has initially established the remuneration and assessment policy for the Company's top managements, and award or punish them in accordance with the evaluation of their responsibilities and annual achievements.

董事會報告書 (續) Report of the Directors (Continued)

七. 股東大會簡介

1. 2003年1月23日本公司分別召開2003年臨時股東大會、內資股臨時股東大會、H股臨時股東大會，上述會議通知於2002年12月9日刊登在《中國證券報》、《上海證券報》、香港《文匯報》和《The Standard》。

出席臨時股東大會的股東和股東代理人共代表股份數816,404,950股，佔公司總股本的81.64%，符合本公司章程要求。臨時股東大會以普通決議案審議並通過以下決議：(1) 批准、確認及追認《戰略性投資協議》及根據是項協議擬進行的交易；(2) 批准及同意由香港證券及期貨事務監察委員會根據《香港公司收購及合併守則》向國資辦、A-B公司及與他們各自一致行動的人士授出豁免，容許該等人士毋須提出強制性收購建議、收購本公司所有已發行的股份。以特別決議案審議並通過以下決議：(1) 授權董事向A-B公司或其代理人發行本金總額為1,416,195,342港元的可轉換債券，並授權董事可因此增加公司註冊股本，以及酌情對公司章程作出適當及必要的修訂，以反映公司註冊股本的變動；(2) 授權董事發行因A-B公司行使可轉換債券的轉股權時所必須發行的，每股面值人民幣1元的H股股份；(3) 同意豁免與放棄可轉換債券的優先購買權(如有)；(4) 批准及確認因執行《戰略性投資協議》及發行可轉換債券就此建議對公司的公司章程作出修訂；另

7. PROFILE OF GENERAL MEETINGS

1. On 23rd January, 2003, the Company held respectively EGM, the H Shares EGM and the A Shares EGM, and the notices of the above meetings were published on 9th December, 2002 in "China Securities Journal", "Shanghai Securities Journal", Hong Kong "Wen Wei Po" and "The Standard".

The shareholders and their agents attending the EGM represented 816,404,950 shares, 81.64% of the Company's total share capital, which was in accordance with the Articles of the Company. The following resolutions had been considered and approved in the EGM: (1) Approve and confirm the Strategic Investment Agreement and the related transactions in accordance with the Agreement; (2) Approve and confirm the Securities and Futures Commission of Hong Kong to issue Whitewash Waiver Certificate to Qingdao State-Owned Assets Administration Office, A-B Company and their concert parties in accordance with Takeovers Code of Hong Kong to authorize them to acquire the exist shares of their own company without having to put forward mandatory acquirement proposal. The following special resolutions have been considered and approved: (1) Directors are hereby authorized to issue to A-B or it's nominees the Convertible Bonds in the aggregate of HK\$1,416,195,342 and the Directors are also authorized to increase the registered capital of the Company and make appropriate and necessary amendments to the Articles of Association of the Company as they think fit to reflect such increase in the registered capital of the Company. (2) The Directors are authorized to issue such number of H shares of RMB1.00 each as may be required to be issued pursuant to the conversion of Convertible Bonds. (3) The shareholders approve the waiver and giving up of their pre-emptive rights (if any). (4) Approved and confirmed the amendments to the Articles of the Company which was made incidental to the performance of the Strategic Investment Agreement and the issue of the Convertible Bonds; The Directors are authorized to modify the wordings in the Articles of the Association of the Company as appropriate

董事會報告書 (續) Report of the Directors (Continued)

外授權董事在必要時修訂公司章程的文字，並採取一切必須或適當的行動以致修訂生效。

出席內資股臨時股東大會的股東和股東代理人共代表股份數為479,310,582股，佔本公司已發行內資股股份的73.38%，符合本公司章程要求。內資股臨時股東大會以特別決議案通過以下決議：(1) 授權董事向A-B公司或其代理人發行本金總額為1,416,195,342港元的可轉換債券，並授權董事可因此增加公司註冊股本，以及酌情對公司的公司章程作出適當及必要的修訂，以反映公司註冊股本的變動；(2) 授權董事發行因A-B公司行使可轉換債券的轉股權時所必須發行的，每股面值人民幣1元的H股股份；(3) 同意豁免與放棄可轉換債券的優先購買權(如有)；(4) 批准及確認因執行《戰略性投資協議》及發行可轉換債券就此建議對公司的公司章程作出修訂；另外授權董事在必要時修訂公司章程的文字，並採取一切必須或適當的行動以致修訂生效。

出席H股臨時股東大會的股東和股東代理人共代表股份數為337,094,368股，佔本公司已發行H股股份的97.18%，符合本公司章程要求。H股臨時股東大會審議通過了與內資股臨時股東大會審議內容相同的四項特別決議案。

2. 2003年5月20日本公司召開2002年度股東年會，出席股東年會的股東和股東代理人共代表股份數800,375,339股，佔本公司總股本的80.04%，符合本公司章程的要求。

and to do all acts may be necessary or desirable to give effect to the amendments.

The shareholders and their agents attending the EGM of A shares represented 479,310,582 shares, which is 73.38% of the Company's total A share capital in accordance with the Articles of the Company. The following resolutions had been considered and approved in the EGM of A shares: (1) Directors are hereby authorized to issue to A-B or its nominees the Convertible Bonds in the aggregate principal amount of HK\$1,416,195,342.00 and the Directors are also authorized to increase the registered capital of the Company to make appropriate and necessary amendments to the Articles of the Company as they think fit to reflect such increase in the registered capital of the Company. (2) The Directors are authorized to issue such number of H shares of RMB1.00 each as may be required to be issued pursuant to the conversion of Convertible Bonds. (3) The shareholders approve the waiver and giving up of their pre-emptive rights (if any). (4) Approved and confirmed the amendments to the Articles of the Association of the Company which was made incidental to the performance of the Strategic Investment Agreement and the issue of the Convertible Bonds; The Directors are authorized to modify the wordings in the Articles of the Association of the Company as appropriate and to do all acts may be necessary or desirable to give effect to the amendments.

The shareholders and their agents attending the EGM of H shares represented 337,094,368 shares, which is 97.18% of the Company's total H share capital in accordance with the Articles of the Company. The four same special resolutions with A shares EGM had been considered and approved in the EGM of H shares.

2. The Company convened its 2002 annual general meeting (AGM) on 20th May, 2003. The shareholders and their agents attending the AGM represented 800,375,339 shares, which is 80.04% of the Company's total share capital in accordance with the Articles of the Company.

董事會報告書 (續) Report of the Directors (Continued)

會議以普通決議案審議並通過「公司2002年度董事會工作報告、2002年度監事會工作報告、2002年度財務報告(經審計)、2002年度利潤分配及特別派息方案、聘任2003年度境內審計師和國際審計師並授權董事會決定其酬金」共5項議案。

3. 2003年8月13日本公司召開2003年第2次臨時股東大會。出席臨時股東大會的股東和股東代理人共代表股份數610,091,681股，佔本公司總股本的57.55%，符合本公司章程要求。

臨時股東大會以普通決議案審議並通過以下決議：批准本公司董事會提呈關於修改公司章程第93條第1款、第122條和第123條的議案，並授權董事會依據國家有關審批部門的要求(如有)就章程修改作適當的文字修改及其他一切事宜；以特別決議案審議並通過以下決議：(1)增補、選舉Mr. Stephen J. Burrows為本公司非執行董事；(2)增補、選舉David Andrew Renaud為本公司監事；(3)選舉公司現任非執行董事楚振剛先生為獨立董事。

The following 5 ordinary resolutions were considered and approved in the AGM: The Work Report of the Company's Board of Directors for the year 2002, The Work Report of the Company's Supervisory Committee for the year 2002, The Company's Audited Financial Statements for the year 2002, The Company's Proposal for Profit Distribution and Special Dividend Payment, The Appointment of domestic auditor and international auditor for the year 2003 and the authorization to the Board of Directors for fixing auditors' remunerations.

3. The Company convened the 2nd EGM of 2003 in 13th August, 2003. The shareholders and their agents attending the EGM represented 610,091,681 shares, which is 57.55 % of the Company's total share capital in accordance with the Articles of the Company.

The following ordinary resolutions have been considered and approved by the EGM: The Board of Directors was authorized to modify paragraph 1 of Article 93, Article 122 and Article 123 and was also authorized to modify the wordings in the Article of the Company and to do all acts may be necessary or desirable to give effects to the amendments pursuant to the requirement (if any) of the relevant governmental authorities. The following special resolutions have been considered and approved by the EGM: (1) Appoint and elect Mr. Stephen J. Burrows as a non-executive director of the Company; (2) Appoint and elect Mr. David Andrew Renaud as a supervisor of the Company; (3) Appoint and elect Mr. Chu Zhen Gang (currently a non-executive director of the Company) as an independent director of the Company.

董事會報告書 (續) Report of the Directors (Continued)

八. 董事會日常工作情況

(1) 報告期內本公司召開董事會會議的情況：

2003年1月8日召開第四屆董事會臨時會議，審議通過關於公司繼續受讓青島啤酒福州有限公司24%股權的議案。

2003年1月28日召開第四屆董事會臨時會議，審議通過關於公司對青島啤酒集團有限公司在青島啤酒揚州有限公司中持有的80%股權受託管理的議案。

2003年2月15日召開第四屆董事會第5次會議，審議通過了公司2002年度總裁工作報告、2003年預算方案、關於建設青島啤酒博物館項目的議案。

2003年2月28日召開第四屆董事會臨時會議，審議通過關於公司與陝西寶雞啤酒股份有限公司合作事宜的議案。

2003年3月31日召開第四屆董事會臨時會議，審議通過關於向A-B公司發行第一部份和第二部份債券的議案。

2003年4月2日召開第四屆董事會第6次會議，審議通過了2002年年度報告、2002年度利潤分配及特別派息預案、青啤向安海斯—布希公司發行的第一及第二批可轉換債券的資金使用方案、關於修改公司章程部份條款的議案。

8. DAILY WORKS OF THE BOARD OF DIRECTORS

Meeting of the Board of Directors in the reporting period:

The Company convened the extraordinary meeting of the 4th session Board of Directors on 8th January, 2003. The Board considered and approved the resolution of acquiring 24% equity of Tsingtao Brewery (Fuzhou) Company Limited.

On 28th January, 2003, the Company convened the extraordinary meeting of the 4th session Board of Directors. The Board considered and approved the resolution that the Company was entrusted for the management of 80% equity of Tsingtao Brewery (Yangzhou) Company Limited by the Group.

On 15th February, 2003, the Company convened the 5th meeting of the 4th session Board of Directors. The Board considered and approved the 2002 Annual Working Report of the President, Budget Plan of 2003 and the Construction of Tsingtao Beer Museum.

On 28th February, 2003, the Company convened the extraordinary meeting of the 4th session Board of Directors. The Board considered and approved the cooperation between the Company and Shanxi Baoji Brewery Company Limited.

On 31st March, 2003, the Company convened the extraordinary meeting of the 4th session Board of Directors. The Board considered and approved the issue of Tranche I and Tranche II Convertible Bonds to A-B.

On 2nd April, 2003, the Company convened the 6th meeting of the 4th session Board of Directors. The Board considered and approved the Annual Report of 2002, the Company's proposal for profit distribution and special dividend payment, the utilization plan of the proceed raised from the issuance of Tranche I and Tranche II Convertible Bonds to A-B by the Company, the amendments of some Articles in the Articles of the Company.

董事會報告書 (續) Report of the Directors (Continued)

2003年4月29日召開第四屆董事會第7次會議，審議通過了公司2003年第1季度報告(未經審計)。

On 29th April, 2003, the Company convened the 7th meeting of the 4th session Board of Directors. The Board considered and approved the First Quarter Report of 2003 (unaudited).

2003年6月26日召開第四屆董事會臨時會議，審議通過關於同意A-B公司第一部份債券轉股、關於同意Mr. Stephen Burrows為董事候選人和楚振剛先生為公司獨立董事候選人的議案。

On 26th June, 2003, the Company convened the extraordinary meeting of the 4th session Board of Directors. The Board considered and approved the Conversion of Tranche I Convertible Bonds into shares by A-B, The approval of Mr. Stephen Burrows as the Candidate of the Company's Director and Mr. Chu Zhen Gang as the Candidate of the Company's independent Director.

2003年8月13日召開第四屆董事會第8次會議，審議並通過2003年中期報告(未經審計)、獨立董事制度、調整董事會下設的三個專門委員會及修訂其工作細則的議案、董事薪酬實施方案。

On 13th August, 2003, the Company convened the 8th meeting of the 4th session Board of Directors. The Board considered and approved The Interim Results of 2003(unaudited), Regulations of Independent Directors, Adjustment of the three Special Committees & the Modification of their working rules, and the Remuneration Plan of the Directors.

2003年9月30日召開第四屆董事會臨時會議，審議通過關於向A-B公司發行第三部份第一分部份債券等事宜的議案。

On 30th September, 2003, the Company convened the extraordinary meeting of the 4th session Board of Directors. The Board considered and approved the resolution of issuing the first part of Tranche III Convertible Bonds to A-B.

2003年10月8日召開第四屆董事會臨時會議，審議通過關於在湖南省長沙市寧鄉縣新建啤酒廠等事宜的議案。

On 8th October, 2003, the Company convened the extraordinary meeting of the 4th session Board of Directors. The Board considered and approved the resolution of constructing a new brewery in Ningxiang County, Changsha City, Hunan Province.



2003年10月15日召開第四屆董事會臨時會議，審議通過關於調整董事會三個專門委員會事宜的議案。

On 15th October, 2003, the Company convened the extraordinary meeting of the 4th session Board of Directors. The Board considered and approved the resolution of adjusting the three Special Committees.

董事會報告書 (續) Report of the Directors (Continued)

2003年10月28日召開第四屆董事會第9次會議，審議並通過了青啤公司2003年第3季度報告(未經審計)、關於青島啤酒香港貿易有限公司1,500萬美元借款及公司為其提供保證的議案、關於公司發行的第三批可轉換債券第一部份的資金安排以及關於增補公司高級管理人員的議案。

2003年12月19日召開第四屆董事會臨時會議，審議通過關於青島啤酒廊坊公司股權轉讓事宜的議案。

(2) 董事會對股東大會決議的執行情況

本公司2002年度股利分配方案為每股派發現金紅利人民幣0.16元(A股含稅)，另外派發青啤百年特別紅利每股現金人民幣0.06元(A股含稅)，股息已於2003年7月18日派發完畢。

九. 募集資金使用情況

1. 本公司於2001年增發1億A股共募集資金人民幣7.87億元，截至本報告期末，除西安公司純生項目因當地市場前景因素尚未動工外，其餘募集資金投入項目已全部竣工投產並產生效益。尚餘募集資金人民幣12,820萬元暫時用於公司流動資金周轉。

On 28th October, 2003, the Company convened the 9th meeting of the 4th session Board of Directors. The Board considered and approved the Company's third quarter report of 2003 (unaudited); the resolution of the loan of US\$15 million to Tsingtao Beer (H.K.) Trading Company Limited and the guarantee provided by the Company in respect thereof; the capital arrangement of the first sub-tranche of Tranche III Convertible Bonds issued by the Company and the appointment of the Company's senior managements.

On 19th December, 2003, the Company convened the extraordinary meeting of the 4th session Board of Directors. The Board considered and approved the resolution of the equity transfer of Tsingtao Brewery (Langfang) Company Limited.

(2) Execution of the Board of Directors on resolutions approved by the General Meetings

The proposed cash dividend per share distributable to shareholders amounted to RMB0.16 (A shares tax included). In order to celebrate the 100th anniversary of Tsingtao Brewery, payment of a special cash dividend per share of RMB0.06 (A shares tax included). The above dividends have been distributed to the shareholders in 18th July, 2003.

9. USE OF PROCEEDS

1. The Company raised in an aggregate of RMB787 million through issuance of 100 million additional A shares in 2001. Till the end of the reporting period, except the draft beer project in Xian has not been started yet due to the local market prospect, the other projects invested with the capital raised by additional issuance of A shares have been completed and begun to bring about profit. The remaining RMB128.2 million is temporarily used for the Company's cash flow.

董事會報告書（續） Report of the Directors (Continued)

2. 定向發行可轉換債券的募集資金於報告期內尚未有資本性投入，暫時補充公司流動資金。

2. The capital raised through the subscription of Mandatorily Convertible Bonds has not been invested into any capital investments in the reporting period, while is temporally used for compensation of the Company's cash flow.

十. 最佳應用守則

董事會確認在2003年1月1日至12月31日的12個月期間，本公司已遵守《香港聯合交易所證券上市規則》附錄十四之最佳應用守則。

10. CODE OF BEST PRACTICE

The Board of Directors confirms that the Company has complied with the Code of Best Practice as set out in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited through the 12 months period from 1st January, 2003 to 31st December, 2003.

十一. 董事或監事合約權益及董事服務合約

本年度內董事及監事均無在與本公司及其附屬公司訂立的任何合約中擁有重大權益。

11. DIRECTORS' AND SUPERVISORS' INTEREST IN CONTRACT

None of the Directors and Supervisors was with material interests in any contracts entered into with the Company or any of its subsidiaries during the year.

本公司所有獲委任董事及監事均已與本公司訂立服務合約，各董事及監事概無與本公司簽定任何一年內若由本公司及其附屬公司終止合約時須作出賠償的服務合約（法定賠償除外）。

Service contracts have been entered into between the Company and all appointed Directors and Supervisors. The Directors and Supervisors have not entered into any service contracts with the Company or any of its subsidiaries during the year, which are not terminable by the Company, or such subsidiaries within the year without payment of compensation (other than statutory compensation).

十二. 購回、出售及贖回股份

報告期內，本公司並無購回及註銷其任何上市股份，而本公司及其附屬公司亦無購買或再出售本公司任何上市股份。

12. PURCHASE, SALES AND REDEMPTION OF SHARES

During the report period, neither of the Company nor any of its subsidiaries had purchased, redeemed or sold any of the listed securities of the Company.

董事會報告書 (續)

Report of the Directors (Continued)

十三. 主要附屬公司及聯營公司

本公司各附屬公司及聯營公司之詳情載於隨附財務報表附註。

13. PRINCIPAL SUBSIDIARIES AND ASSOCIATED COMPANIES

The particulars of the Company's subsidiaries and associated companies are set out in notes of accompanying financial statements.

十四. 固定資產

有關年內固定資產之變動載於隨附財務報表之附註。

14. FIXED ASSETS

Details of movement in fixed assets during the year are set out in notes of accompanying financial statements.

十五. 銀行貸款

於2003年12月31日之銀行貸款詳情載於隨附財務報表之附註。

15. BANK LOANS

Details of bank loans as at 31st December, 2003 are set out in notes of accompanying financial statements.

十六. 其他報告事項

本公司2003年年度報告摘要，分別用中文和英文同時於2004年4月2日刊登在《上海證券報》、《中國證券報》和香港《文匯報》、《The Standard》。本年報以中、英兩種文字編製，在對兩種文本理解發生歧義時(除以香港會計準則編製的財務報表外)，以中文文本為準。

16. OTHER MATTERS TO BE REPORTED

The summary of 2003 annual report of the Company was published on 2nd April, 2004 in both Chinese and English in "China Securities Journal", "Shanghai Securities Journal", Hong Kong "Wen Wei Po" and "The Standard" respectively. The annual report has been compiled in both Chinese and English, in case any conflicts occurs (except for the audited financial statements prepared under HK GAAP), the Chinese version shall prevail.

十七. 核數師

報告期內普華永道中天會計師事務所有限公司和羅兵咸永道會計師事務所分別獲委任為本公司之國內及國際核數師，並已審計隨附之財務報表。

17. AUDITORS

During the year, Messrs. PricewaterhouseCoopers Zhongtian CPAs Co., Ltd. and PricewaterhouseCoopers were appointed as domestic and international auditors of the Company respectively, who have audited the accompanying financial statements.

董事會代表

李桂榮

董事長

中華人民共和國·青島

2004年4月1日

On behalf of the Board

Li Gui Rong

Chairman

Qingdao, People Republic of China

1st April, 2004