

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)

單位：人民幣萬元

地區	Region	主營業務收入 Revenue generated from principal operating activities	主營業務利潤 Profit from principal operating activities
青島地區	Qingdao	266,227	105,575
其他山東地區	Shandong (Except Qingdao)	117,871	17,263
華北地區	North China	218,198	47,136
華南地區	South China	280,039	84,833
出口銷售	Overseas	30,837	14,107
內部抵銷	Intra-group set-offs	(51,103)	(1,361)
合計	Total	862,069	267,553

I. Operations of the Company

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.

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

1. Company turnover and profit from principal operating activities by geographical markets (Prepared in accordance with PRC GAAP)

Unit: RMB'0000

董事會報告書(續)

REPORT OF THE DIRECTORS (Continued)

2. 主要控股公司的經營情況及業績(按中國會計準則計算)

2. Operations and results of principal subsidiaries (in accordance with PRC GAAP)

單位：人民幣萬元

Unit: RMB'0000

公司名稱 Company Name	業務性質 Nature of Business	註冊資本 Registered Capital	資產規模 Assets	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 Manufacturing and domestic trading of beer	22,220	78,579	8,506
深圳市青島啤酒 華南營銷有限公司 Shenzhen Tsingtao Brewery Sales Company Limited	國內啤酒貿易 Domestic trading of beer	2,000	54,422	7,368
深圳青島啤酒 朝日有限公司 Shenzhen Tsingtao Beer Asahi Company Limited	國內啤酒生產及銷售 Manufacturing and trading of Beer	3,000(萬美元) US\$30 million	69,311	6,095



3. 報告期內主要供應商和客戶情況

- (1) 本公司向前五名供應商合計的採購金額佔公司年度採購總額的23.15%。
- (2) 本公司向前五名客戶銷售額合計佔公司銷售總額的7.10%。

報告期內，本公司各董事、監事及其聯繫人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。

二. 利潤分配

董事會建議就截至二零零四年十二月三十一日止年度派發末期股息每股人民幣0.15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二零零四年度股東年會審議批准。

3. Major suppliers and customers during the year

- (1) The top five largest suppliers of the Company during the year accounted for 23.15% of the total purchases of the Company.
- (2) The top five largest customers of the Company during the year accounted for 7.10% 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 aforesaid suppliers or sellers of the Company.

II. Profit Distribution

The Board of Directors proposed a final dividend of RMB0.15 per share for the year ended 31 December 2004, and the remaining unappropriated profit will be transferred to the next financial year. The above proposal is subject to approval by shareholders at the Company's 2004 Annual General Meeting.



三、股本變動及股東情況

1. 報告期內本公司股本無變動，截止報告期末，股本結構如下：

單位：萬股

一. 未上市流通股份
發起人股份
其中：
國家持有股份
境內法人持有股份
未上市流通股份合計

二. 已上市流通股份
人民幣普通股(A股)
境外上市的外資股(H股)
已上市流通股份合計

三. 股份總數

III. Changes of Share Capital & Information of Shareholders

1. As at the end of the reporting period, there had been no change to the share capital of the Company during the period. The structure of the share capital is shown in the following table:

Unit: '0000 share

股數

I. Unlisted Shares	
Promoter Shares	
Including:	
State-owned Shares	39,982
Domestic Legal	5,333

Total of Unlisted Shares	45,315
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II. Listed Shares	
RMB-denominated Ordinary Shares (A Share)	20,000
Overseas Listed (H Share)	40,685
Total of Listed Shares	60,685

III. Total Number of Shares	106,000
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2. 股票發行與上市情況

二零零三年四月一日，本公司向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，二零零三年十月二十一日及二零零四年三月三十一日，本公司分別向A-B公司發行了價值254,137,671港元和254,137,671港元的第三部份債券。至此，本公司已根據《戰略投資協議》向其發行完畢全部可轉換債券。

二零零三年七月二日，本公司向A-B公司發行的價值28,080萬港元的第一部份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。

2. Issue of Shares and Listing

On 1 April 2003, the Company issued Tranche I and Tranche II Convertible Bonds in an aggregate of HK\$907,920,000 to A-B. On 21 October 2003 and 31 March 2004, the Company issued Tranche III Convertible Bonds to A-B in amounts of HK\$254,137,671 and HK\$254,137,671, thereby concluding the issue of all convertible bonds under the Strategic Investment Agreement.

On 2 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.

董事會報告書(續)

REPORT OF THE DIRECTORS (Continued)

3. 股東情況

(1) 報告期末公司股東總數為53,304戶，其中，流通A股股東52,777戶，H股股東523戶。

(2) 報告期末本公司前十名股東持股情況

單位：股

3. Shareholders

(1) At the end of the reporting period, the total number of the shareholders of the Company was 53,304, out of which 52,777 were holders of listed A Shares and 523 were holders of listed H Shares.

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

Unit: share

股東名稱 Name of shareholders	年度內 增減 Increase/ decrease during the year	年末持股 數量 Number of shares held at year-end	比例 Percentage (%)	股東性質 Nature of shareholders
青島市人民政府國有資產 監督管理委員會 Qingdao State-owned Assets Administration Office	0	399,820,000	37.72	國有股東 State
香港中央結算(代理人)有限公司 HKSCC Nominees Limited	485,000	294,466,380	27.78	H股流通股 H Share
A-B JADE HONGKONG HOLDING CO.,LTD	0	105,000,000	9.91	H股流通股 H Share
中國東方資產管理公司 China Orient Asset Management Corporation	0	29,250,000	2.76	國有法人股 State-owned legal
中國建設銀行青島市分行 Construction Bank of China, Qingdao Branch	0	19,080,000	1.8	國有法人股 State-owned legal
易方達平穩增長證券投資基金 E Fund Stable Growth Fund		9,626,514	0.91	A股流通股 A Share
海富通收益增長證券投資基金 Fortis Haitong Returns Growth Fund		6,769,007	0.64	A股流通股 A Share
景順長城內需增長開放式證券投資基金 INVESCO Great Wall Neixu Fund		6,039,137	0.57	A股流通股 A Share
青島華青財務服務有限公司 Qingdao Huaqing Financial Service Company Limited		5,000,000	0.47	國有法人股 State-owned legal
融通新藍籌證券投資基金 Rongtong New Blue Chip Fund		4,890,900	0.46	A股流通股 A Share

董事會報告書(續)
REPORT OF THE DIRECTORS (Continued)

青島市人民政府國有資產監督管理委員會(簡稱「青島市國資委」)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。除此以外，本公司並不知曉前十名股東之間是否存在其他關聯關係或一致行動人。

Save as Qingdao State-owned Assets Administration Office (“QSAAO”) and A-B who became parties acting in concert as a result of the latter becoming a strategic investor of the Company, the Company is not aware of any other association among the top 10 shareholders or any concerted parties.

(3) 報告期末本公司前10名流通股股東持股情況

(3) Shareholdings of the top 10 listed-shares shareholders of the Company at the end of the reporting period

單位：股

Unit: Shares

股東名稱 Name of shareholders	年末持有 流通股的數量 Number of listed shares held at year-end	持股種類 Class of shares held
香港中央結算(代理人)有限公司 HKSCC Nominees Limited	294,466,380	H股 H share
A-B JADE HONGKONG HOLDING CO., LTD.	105,000,000	H股 H share
易方達平穩增長證券投資基金 E Fund Stable Growth Fund	9,626,514	A股 A share
海富通收益增長證券投資基金 Fortis Haitong Returns Growth Fund	6,769,007	A股 A share
景順長城內需增長開放式證券投資基金 INVESCO Great Wall Neixu Fund	6,039,137	A股 A share

董事會報告書(續)

REPORT OF THE DIRECTORS (Continued)

股東名稱(全稱) Full name of shareholders	年末持有 流通股的數量 Number of listed shares held at year-end	持股種類 Class of shares held
融通新藍籌證券投資基金 Rongtong New Blue Chip Fund	4,890,900	A股 A share
全國社保基金一零八組合 Social Security Fund 108	4,744,485	A股 A share
景福證券投資基金 Jing Fu Fund	4,420,860	A股 A share
通乾證券投資基金 Tongqian Fund	3,978,658	A股 A share
上海申能生物技術有限公司 Shanghai Shenneng Biotechnology Co., Ltd.	3,722,000	A股 A share

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，除此以外，本公司並不知曉前十名流通股股東之間是否存在其他關聯關係或一致行動人。

Both Rongtong New Blue Chip Fund and Tongqian Fund are managed by Rongtong Fund. Save as aforesaid, the Company is not aware of any other association or concerted parties among the top 10 shareholders of listed shares.

董事會報告書(續)
REPORT OF THE DIRECTORS (Continued)

(4) H股主要股東

截至二零零四年十二月三十一日止，除下述人士外，本公司的董事並不知悉有任何本公司的董事、監事、最高行政人員或他們的聯繫人以外的人士，在本公司的股份及相關股份中擁有權益或淡倉，而該等權益或淡倉根據香港《證券及期貨條例》第336條而備存的登記冊所載錄的：

(4) Substantial shareholders of H Shares

Save as disclosed 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 31 December 2004, 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 the Securities and Futures Ordinance ("SFO"):

名稱 Name	性質 Nature	股份類別 Class of Shares	持股身份 Capacity	註釋 Note	股份／相關 股份的數目 Number of shares/ underlying shares	相對 整體股本 而言 As a percentage of the entire issued capital	相對 全部H股 而言 As a percentage of all issued H Shares
青島市國資委 QS0AAO	好倉 Long Position	A股 A Shares	實益擁有 Beneficial	1	399,820,000 A股 A Shares	37.72%	不適用 N/A
	好倉 Long Position	H股 H Shares	一致行動 人士的權益 Interests of persons acting in concert	1, 2	353,219,178 H股 H Shares	33.32%	86.82%
	非上市、 實物交收的 衍生工具 (強制性可轉 換債券) Unlisted, physically settled derivatives (mandatory convertible bonds)	H股 H Shares	一致行動 人士的權益 Interests of persons acting in concert	1, 2	248,219,178 相關H股 underlying H Shares	23.42%	61.01%

董事會報告書(續)

REPORT OF THE DIRECTORS (Continued)

名稱 Name	性質 Nature	股份類別 Class of Shares	持股身份 Capacity	註釋 Note	股份/相關 股份的數目 Number of shares/ underlying shares	相對 整體股本 而言 As a percentage of the entire issued capital	相對 全部H股 而言 As a percentage of all issued H Shares
安海斯－ 布希公司 Anheuser-Busch Companies, Inc.	好倉 Long Position	H股 H Shares	法團權益 Corporate	1, 2	353,219,178 H股 H Shares	33.32%	86.82%
	非上市、 實物交收的 衍生工具 (強制性可轉 換債券) Unlisted, physically settled derivatives (mandatory convertible bond)	H股 H Shares	法團權益 Corporate	1, 2	248,219,178 相關H股 underlying H Shares	23.42%	61.01%
	好倉 Long Position	A股 A Shares	一致行動 人士的權益 Interests of persons acting in concert	1	399,820,000 A股 A Shares	37.72%	不適用 N/A
The Capital Group Companies, Inc.	好倉 Long Position	H股 H Shares	投資經理 Investment Manager	3	41,220,000 H股 H Shares	3.89%	10.13%
Government of Singapore Investment Corporation Pte Ltd	好倉 Long Position	H股 H Shares	投資經理 Investment Manager	不適用 N/A	36,658,000 H股 H Shares	3.46%	9.01%
Franklin Resources, Inc.	好倉 Long Position	H股 H Shares	法團權益 Corporate	4	24,238,000 H股 H Shares	2.29%	5.96%
Templeton International, Inc.	好倉 Long Position	H股 H Shares	法團權益 Corporate	5	23,388,000 H股 H Shares	2.21%	5.75%

註釋：

- (1) 青島市國資委持有的A股股份只由非上市流通的國有股組成。國資委與A-B公司於二零零二年十月二十一日簽訂的承諾協議，是《證券及期貨條例》項下第317條所指的協議。因此，國資委被視為對A-B公司持有的H股及相關H股享有權益，A-B公司也被視為對國資委持有的A股享有權益。
- (2) 被視為由A-B公司享有權益的353,219,178股H股是分別透過其全資附屬公司持有。於二零零四年十二月三十一日，其中248,219,178股為第二及第三部份債券未轉換的相關H股；該等債券已於二零零五年四月十一日（即上述記錄期間之後）轉換成248,219,178股H股；據此，A-B公司於第二及第三部份的債券轉股之後，連同先前已持有的105,000,000股H股，共持有353,219,178股H股，而當中91,575,342股H股按《受託表決協議》配發予表決受託人。
- (3) 被視為由The Capital Group Companies, Inc.享有權益的41,220,000股H股是以投資經理的身份透過其全資擁有的公司持有。
- (4) 被視為由Franklin Resources, Inc.享有權益的24,238,000股H股是分別透過其全資擁有的公司所持有。
- (5) 被視為由Templeton International, Inc.享有權益的23,388,000股H股是透過其全資擁有的公司所持有。
- (6) 公司主要股東新近的披露權益申報，請參閱香港交易所網站(www.hkex.com.hk)有關「披露權益」的部份。

Notes:

- (1) QSOAAO was interested in the above 399,820,000 A Shares which were unlisted state-owned shares. Pursuant to an undertaking agreement between QSOAAO and A-B dated 21 October 2002, which constitutes a section 317 agreement under the SFO, QSOAAO was deemed to be interested in the H Shares and the relevant underlying H Shares in which A-B was interested, and A-B was deemed to be interested in the A Shares in which QSOAAO was interested.
- (2) The 353,219,178 H Shares which were deemed to be interested by A-B were held by its wholly-owned subsidiaries. Of which, 248,219,178 shares were those underlying H Shares to be converted from Tranche II Bonds and Tranche III Bonds. The bonds were converted into 248,219,178 H Shares on 11 April 2000 subsequent to the period to which the above table relates. Accordingly, together with 105,000,000 H Shares already held, A-B held a total of 353,219,178 H Shares upon the conversion of Tranche II Bonds and Tranche III Bonds. Of which, 91,575,342 H Shares were allotted and issued to a voting trustee pursuant to the Voting Trust Agreement.
- (3) The 41,220,000 H Shares which were deemed to be interested by The Capital Group Companies, Inc. were held by its wholly-owned company in the capacity of investment manager.
- (4) The 24,238,000 H Shares which were deemed to be interested by Franklin Resources, Inc. were held by its wholly-owned companies.
- (5) The 23,388,000 H Shares which were deemed to be interested by Templeton International, Inc. were held by its wholly-owned company.
- (6) For the latest disclosure of interests filings for the Company's substantial shareholders, please refer to the "Disclosure of Interests" section on the Stock Exchange's web-site at www.hkex.com.hk.

截至二零零四年十二月三十一日止，本公司的董事，監事及高級管理人員並無在本公司或其相聯法團(定義見《證券及期貨條例》第XV部所指的相聯法團)的股份、相關股份及債券證中擁有任何H股的權益及淡倉，而該等權益及淡倉是指根據《證券及期貨條例》第352條須予備存的登記冊所記錄的或依據《上市公司董事進行證券交易的標準守則》已通知本公司及交易。

4. 優先認股權

本公司章程內並無有關優先認股權的條款。

四. 董事、監事、高級管理人員和員工情況

1. 董事、監事和高級管理人員持股變動

本公司董事、監事、高級管理人員持有本公司股份於報告期內概無變動。截至報告期末，劉英弟先生持有本公司股份5,000股，黃祖江先生持有本公司股份8,000股，孫明波先生持有本公司股份1,261股，樊偉先生持有本公司股份3,882股，張學舉先生持有本公司股份1,000股，曹向東先生持有本公司股份2,000股。上述人員所持有股份均為A股流通股。除上述人員持股外，本公司其餘董事、監事和高級管理人員概無持有本公司任何股份。

As at 31 December 2004, none of the Directors, Supervisors or chief executive of the Company has any interests and short positions in the H Shares, underlying H Shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO) which was recorded on the register required to be kept under Section 352 of the SFO or otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies.

4. Pre-emptive rights

There are no provisions regarding pre-emptive rights under the Articles of the Company.

IV. Profiles of Directors, Supervisors, Senior Management

1. Changes in Shareholdings of Directors, Supervisors and Senior Management

There were no changes in shareholdings by Directors, Supervisors and Senior Management in the share capital of the Company during the reporting period. As at the end of the reporting period, Mr Liu Ying Di, Mr Huang Zu Jiang, Mr Sun Ming Bo, Mr Fan Wei, Mr Zhang Xue Ju and Mr Cao Xiang Dong were interested in 5,000, 8,000, 1,261, 3,882, 1,000 and 2,000 shares in the share capital of the Company, respectively, all of which were listed A Shares. Save as disclosed above, no other Directors, Supervisors and Senior Management of the Company were interested in the Shares of the Company.

本公司已採納《香港聯合交易所有限公司證券上市規則》(「上市規則」)附錄十所載董事進行證券交易之標準守則，作為本公司董事進行證券交易的行為守則。經諮詢所有董事後，董事確認於截至二零零四年十二月三十一日止年度已遵守標準守則所規定的標準。

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二零零四年度報酬總額為328萬元人民幣(不包括外部董事及監事的津貼)，金額最高的前三名董事薪酬總額為72萬元，金額最高的前三名高級管理人員薪酬總額為64萬元。

The Company has adopted the Model Code for Securities Transactions by Directors as set out in Appendix 10 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") as the code of conduct for securities transactions by the Company's Directors. Based on specific enquiry with the Directors, all Directors confirmed that they had complied with the required standard as set out in the Mode Code, throughout the year ended 31 December 2004.

2. Annual remuneration

(1) Procedure and Basis for determining remuneration

The remuneration of the Company's Directors and Supervisors should be determined in accordance with the annual remuneration plan and the service agreement for the Company's Directors and Supervisors approved by the Company's General Meeting and the operating profit of the Company. The remuneration of the Company's top managements should be decided in accordance with the remuneration plan approved by the Board, the Company's operating profit and individual responsibilities.

(2) The 2004 annual remuneration of the Company's Directors, Supervisors and top managements amounted to RMB3.28 million in aggregate (excluding allowances for external Directors and Supervisors); the annual remuneration of the three highest paid Directors amounted to RMB720,000 in aggregate, and the remuneration of the three highest paid senior management staff amounted to RMB640,000 in aggregate.

(3) 獨立董事的津貼及其他待遇

二零零四年度公司獨立董事津貼為每人人民幣5萬元(含稅)，另外，獨立董事因參加公司董事會及專業委員會會議發生的差旅費由公司據實報銷。

- (4)** 在公司領取薪酬的董事、監事和高級管理人員中，年薪人民幣10萬元以內有一人，人民幣10至15萬元有三人，人民幣15至20萬元有四人，人民幣20萬元以上有九人。

3. 二零零四年四月二十九日公司第四屆董事會第十二次會議聘任張安文先生為公司副總裁。二零零四年十二月八日，公司非執行董事王立軍先生因工作變動而辭去董事職務。

4. 截至報告期末，本公司(包括下屬子公司)在崗員工共計24,888人。

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。

(3) Allowances and other remuneration for independent Directors

The 2004 annual allowance of the independent Directors paid by the Company amounted to 50,000 (tax inclusive) per person. Travel expenses incurred by independent Directors in attending the board meetings and specific committee meetings will be reimbursed by the Company.

- (4)** Among the Company's paid Directors, Supervisors and top management staff, 1 person was paid an annual salary of not more than RMB100,000, 3 persons were paid an annual salary ranging between RMB100,000 and RMB150,000; 4 persons were paid an annual salary ranging between RMB150,000 and RMB200,000, and 9 persons were paid an annual salary of more than RMB200,000.

3. On the 12th Meeting of the 4th Session Board of Directors held on 29 April 2004, Mr. Zhang An Wen was appointed as Vice President of the Company. On 8 December 2004, Mr Wang Li Jun resigned as Director of the Company as a result of changes in his work engagements.

4. As at the end of the reporting period, the Company (together with its subsidiaries) had 24,888 employees.

V. Rights of Directors and Supervisors to acquire shares

Save as disclosed above, neither the Company nor any of its subsidiaries participated in any arrangement during any time of the year to enable the Directors and Supervisors of the Company to benefit from the acquisition of shares or debentures of the Company or any other corporation.

六. 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。本公司外部董事、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。

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公司的《戰略投資協議》，A-B公司的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、推進國際化運作發揮了積極作用。

VI. Corporate Governance

The Company has established regulatory corporate governance structure, perfected the management mechanism characterised by check and balance 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 harmonised, regulatory operation. External Directors and Supervisors accounted for over half of the composition of the Board and the Supervisory Committee, respectively, while independent Directors accounted for over one third of the Board Members.

The Board of Directors deeply recognised the importance of proper corporate governance for protection of shareholders' interest and enhancement of shareholders' value and operates 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 between the Company and A-B, representatives of A-B have joined the Board, the Supervisory Committee and the special committees of the Board to improve corporate governance and promote internationalised operations at the Company.

1. 獨立董事參加董事會的出席情況

1. *Independent Directors' Attendance at Board Meetings*

獨立董事姓名 Name of Independent Director	本年應參加 董事會次數 Number of board meetings held during the year	親自出席 Attendance in person	委託出席 Attendance by proxy
楚振剛 Chu Zhen Gang	5	5	0
譚禮寧 Tan Li Ning	5	3	2
伍海華 Wu Hai Hua	5	5	0
潘桂榮 Pan Gui Rong	5	5	0

本公司獨立董事本著為全體股東負責的態度，出席了年內召開的各次董事會和專門委員會會議，並按照兩地《上市規則》及相關法律法規要求，行使了獨立董事的權利，履行了誠信勤勉義務，保護了中小股東的合法利益。

The Independent Directors of the Company attended all meetings of the board and the special committees during the year, in fulfilment of their obligations to shareholders in general. They exercised the rights of an Independent Director and perform their duties in good faith and due diligence to protect the lawful interests of minority shareholders in accordance with the Listing Rules and relevant laws and regulation of Hong Kong and the Mainland.

另外，獨立董事還對本公司二零零四年度的對外擔保、關聯交易情況進行了審閱確認並發表了獨立意見，認為公司在財務風險管理和控制方面是嚴格規範的。由獨立董事組成的審計與財務委員會已按《上市規則》之規定開展工作，並已對本公司年

In addition, the Independent Directors reviewed and endorsed the Company's external guarantees and connected transactions for the year 2004, and furnished an independent opinion to the effect that the Company had adhered to rigid standards in financial risk management and control. The Audit

度財務報告及內部控制制度進行了審議，認為本公司內部控制制度嚴格，財務報告客觀、公允地反映了本公司的實際財務狀況及盈利能力。

本公司已經根據《上市規則》第3.13條收到每名現任獨立董事就其獨立性而作出的年度確認函，本公司仍然認為有關獨立董事屬獨立人士。

七、股東大會簡介

二零零四年六月八日公司召開二零零三年度股東年會。出席股東年會的股東和股東代理人共代表股份數877,351,844股，佔公司總股本的82.77%，符合公司章程的要求。會議以普通決議案審議及批准「本公司二零零三年度董事會工作報告、二零零三年度監事會工作報告、二零零三年度財務報告(經審計)、二零零三年度利潤分配(包括股利分配)方案、聘任二零零四年度境內審計師和國際審計師並授權董事會決定其酬金」共五項議案；以特別決議案審議及批准「關於增發H股之有條件的一般授權議案、關於修改《公司章程》的議案」。

and Finance Committee, comprising Independent Directors, performed its duties in accordance with the Listing Rules and reviewed the Company's annual financial report and internal control system. The Committee was of the view that the Company's internal control system was stringent and that the financial report reflected the actual financial conditions and profitability of the Company in an objective and fair manner.

In accordance with Rule 3.13 of the Listing Rules, the Company has received an annual confirmation letter from each of its current Independent Directors confirming their independence and the Company is of the view that the Independent Directors are independent persons.

VII. The General Meeting

The Company convened its 2003 Annual General Meeting on 8 June 2004. Shareholders and proxies representing 877,351,844 shares or 82.77% of the Company's total share capital attended the Annual General Meeting, which was in accordance with the Articles of the Company. The meeting reviewed and approved 5 ordinary resolutions in respect of The Work Report of the Company's Board of Directors for the year 2003, The Work Report of the Company's Supervisory Committee for the year 2003, The Company's Audited Financial Statements for the year 2003, The Company's Proposal for Profit Distribution (including Dividend Payment) and the appointment of the domestic auditors and the international auditors for the year 2004 with the authorisation of the Board of Directors to fix their remuneration. Special resolutions in respect of the conditional general mandate for the issue of additional H Shares and the amendment of the Articles of Association were also reviewed and approved.

八、董事會工作情況

- 1 二零零四年一月八日召開第四屆董事會第十次會議，審議批准公司二零零三年度總裁工作報告、二零零四年經營預算方案、關於在湖南長沙新建啤酒廠事宜等議案。
- 2 二零零四年二月十七日召開第四屆董事會臨時會議，審議批准關於北京青島啤酒三環有限公司股權轉讓事宜和關於青島啤酒(廈門)有限公司增資及股權轉讓事宜的議案。
- 3 二零零四年三月二日召開第四屆董事會臨時會議，審議批准關於向美國安海斯一布希公司發行第三部分第二部份的可轉換債券的議案和關於青島啤酒長沙有限公司增資的議案。
- 4 二零零四年四月一日召開第四屆董事會第十一次會議，審議通過公司二零零三年度報告(經審計)、二零零三年度利潤分配預案、關於啤酒廠系統效率提高的方案、關於受讓青啤南寧公司45%外方股權的議案、關於受讓青啤瀘州公司少數股東股權的議案、關於增資控股甘肅農墾啤酒股份有限公司等議案。

VIII. Day-to-day Operations of the Board of Directors

- 1 On 8 January 2004, the Company convened the 10th meeting of the 4th session of the Board of Directors. The Board to review and approve the 2003 Annual Working Report of the President, the Budget Plan of 2004 and the construction of a new brewery in Changsha, Hunan.
- 2 On 17 February 2004, the Company convened an extraordinary meeting of the 4th session of the Board of Directors to review and approve the transfer of equity in Beijing Tsingtao Brewery Three Ring Company Limited and the capital enlargement of and transfer of equity in Tsingtao Brewery (Xiamen) Company Limited.
- 3 On 2 March 2004, the Company convened an extraordinary meeting of the 4th session of the Board of Directors to review and approve the issue of the second sub-tranche of Tranche III Convertible Bonds to A-B and the capital enlargement of Tsingtao Brewery (Changsha) Company Limited.
- 4 On 1 April 2004, the Company convened the 11th meeting of the 4th session of the Board of Directors to review and approve the Company's audited annual report of 2003, the Company's proposal of profit distribution for 2003, plans to enhance system efficiency at breweries, the acquisition of a 45% foreign partner equity in Tsingtao Brewery (Nanning) Company Limited, the acquisition of minority shareholders' interests in Tsingtao Brewery (Luzhou) Company Limited and the additional investment in Gansu Nongken Brewery Company Limited for a controlling interest.

董事會報告書(續)

REPORT OF THE DIRECTORS (Continued)

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| 5 | 二零零四年四月二十九日召開第四屆董事會第十二次會議，審議批准公司二零零四年第一季度報告(未經審計)、聘任張安文先生為公司副總裁的議案。 | 5 | On 29 April 2004, the Company convened the 12th meeting of the 4th session of the Board of Directors to review and approve the first quarterly report of 2004 (unaudited) of the Company and the appointment of Mr Zhang An Wen as Vice President of the Company. |
| 6 | 二零零四年五月二十五日召開第四屆董事會臨時會議，審議關於青島遠洋祥和工貿有限公司訴本公司易貨合同糾紛案件二審判決結果的議案。 | 6 | On 25 May 2004, the Company convened an extraordinary meeting of the 4th session of the Board of Directors to review a resolution relating to the verdict of the second trial of a case involving Qingdao Yuan Yang Xiang He Industrial and Trading Company's suing of the Company over a barter trade contract dispute. |
| 7 | 二零零四年六月二十二日召開第四屆董事會臨時會議，審議批准關於原青島啤酒第三有限公司閒置土地資產盤活事宜的議案。 | 7 | On 22 June 2004, the Company convened an extraordinary meeting of the 4th session of the Board of Directors to review and approve the active utilisation of idle land assets of the former Tsingtao Brewery No. 3 Company Limited. |
| 8 | 二零零四年七月七日召開第四屆董事會臨時會議，審議批准關於公司外幣貸款展期事宜的議案。 | 8 | On 7 July 2004, the Company convened an extraordinary meeting of the 4th session of the Board of Directors to review and approve the extension of the term of the Company's foreign currency loans. |
| 9 | 二零零四年八月十一日召開第四屆董事會第十三次會議，審議批准公司二零零四年半年度報告及其摘要(未經審計)、青島啤酒上海松江有限公司純生改造項目的議案、關於委託貸款審批程序的議案等。 | 9 | On 11 August 2004, the Company convened the 13th meeting of the 4th session of the Board of Directors to review and approve The Interim Results of 2004 (unaudited) and its summary, the draft beer line upgrade project of Tsingtao Brewery Shanghai Songjiang Company Limited and the approval procedures for entrusted loans. |
| 10 | 二零零四年九月二十八日召開第四屆董事會臨時會議，審議批准受讓青島啤酒(漳州)有限公司90%股權的關聯交易的議案。 | 10 | On 28 September 2004, the Company convened an extraordinary meeting of the 4th session of the Board of Directors to review and approve the acquisition of 90% equity interest in Tsingtao Brewery (Zhangzhou) Company Limited, which constituted a connected transaction. |

董事會報告書(續)

REPORT OF THE DIRECTORS (Continued)

11 二零零四年十月二十六日召開第四屆董事會第十四次會議，審議批准公司二零零四年第三季度報告(未經審計)。

12 二零零四年十月二十八日召開第四屆董事會臨時會議，審議批准關於增加公司委託貸款額度事宜的議案。

11 On 26 October 2004, the Company convened the 14th meeting of the 4th session of the Board of Directors to review and approve the Company's third quarterly report of 2004 (unaudited).

12 On 28 October 2004, the Company convened an extraordinary meeting of the 4th session of the Board of Directors to review and approve the increase of the amount of the Company's entrusted loans.

九. 募集資金使用情況

報告期內公司無A股募集資金或前期募集資金使用到本期的情況。

IX. Use of Proceeds

During the reporting period, there was no outstanding application of proceeds from the Company's A-Share issue or proceeds raised in previous periods.

十. 最佳應用守則

截至二零零四年十二月三十一日止年度，董事會認為公司已遵守《上市規則》的附錄十四之最佳應用守則。而且，本公司董事均未有違反《上市規則》的附錄十之《上市發行人董事進行證券交易的標準守則》的情況。

X. Code of Best Practice

The Board of Directors is of the opinion that the Company has complied with the Code of Best Practice set out in Appendix 14 to the Listing Rules for the year ended 31 December 2004. Moreover, the Directors of the Company have not violated Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules.

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。

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)。

XI. Directors' and Supervisors' Interest in Contracts and Service Contracts of Directors

None of the Directors and Supervisors was materially interested in any contracts entered into by the Company or any of its subsidiaries during the year.

Service contracts have been entered into between the Company and all appointed Directors and Supervisors. None of the Directors and Supervisors has entered into any service contracts with the Company which are not terminable by the Company and its subsidiaries within one 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、出售及贖回其任何上市股份，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。

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。

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。

十五. 銀行貸款

於二零零四年十二月三十一日之銀行貸款詳情載於隨附財務報表之附註。

十六. 其他報告事項

本公司二零零四年年度報告摘要，分別用中文和英文同時於二零零四年四月十二日刊登在《上海證券報》、《中國證券報》和香港《文匯報》、《The Standard》。本年報以中、英兩種文字編制，在對兩種文本理解發生歧義時，以中文文本為準。

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獲委任為本公司之境內外核數師，並已審閱隨附之財務報表。

董事會代表

李桂榮

董事長

中華人民共和國·青島

二零零五年四月十一日

XII. Purchase, sales and redemption of shares

During the report period, the Company did not repurchase, sell or redeem any of its listed shares. Neither of the Company nor any of its subsidiaries had purchased or resold any of the listed shares of the Company.

XIII. Principal subsidiaries and associated companies

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

XIV. Fixed Assets

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

XV. Bank Loans

Details of bank loans as at 31 December 2004 are set out in notes of accompanying financial statements.

XVI. Other Matters

The summary of 2004 annual report of the Company was published on 12 April 2004 in "China Securities Journal", "Shanghai Securities Journal", Hong Kong "Wen Wei Po" (in Chinese) and "The Standard" (in English). The annual report has been prepared in Chinese and English, but in case of any discrepancy the Chinese version shall prevail.

XVII. Auditors

The accompanying financial statements have been audited by Messrs. PricewaterhouseCoopers Zhongtian Certified Public Accountants Limited Company and PricewaterhouseCoopers, who have been appointed as domestic and international auditors of the Company, respectively, for the reporting period.

On behalf of the Board

Li Gui Rong

Chairman

Qingdao, People's Republic of China

11 April 2005