



INTERIM REPORT

中期報告

2009

青島啤酒股份有限公司
TSINGTAO BREWERY CO., LTD.

(Stock Code 股份代號: 168)

激情成就夢想

Passion, dreams & success



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TSINGTAO BREWERY COMPANY LIMITED
CONDENSED CONSOLIDATED INTERIM BALANCE SHEET

AS AT 30 JUNE 2009

		Unaudited 30 June 2009 RMB'000	Audited 31 December 2008 RMB'000
	<i>Note</i>		
ASSETS			
Non-current assets			
Property, plant and equipment	5	5,641,361	5,617,314
Intangible assets	5	339,548	249,468
Leasehold land and land use rights	6	831,700	842,077
Prepayment for land use rights		17,442	17,442
Interests in jointly controlled entity and associates		144,691	28,697
Deferred income tax assets		238,551	94,930
Available-for-sale financial assets		5,369	10,085
Other non-current assets		11,186	10,987
		7,229,848	6,871,000
Current assets			
Inventories	7	2,076,027	2,756,337
Trade receivables	8	86,574	81,453
Bills receivable		18,250	9,055
Income tax recoverable		5,610	55,276
Deposits, prepayments and other receivables	9	315,307	363,837
Derivative financial instruments		1,040	1,763
Pledged bank deposits		40,488	12,466
Cash and cash equivalents	10	4,696,395	2,381,044
		7,239,691	5,661,231
Total assets		14,469,539	12,532,231
EQUITY			
Equity attributable to shareholders of the Company			
Share capital	11	1,308,219	1,308,219
Other reserves	12	3,863,139	3,835,057
Retained earnings			
— Proposed final dividend		—	327,055
— Others		1,251,691	611,907
		6,423,049	6,082,238
Minority interests		251,007	335,377
Total equity		6,674,056	6,417,615
LIABILITIES			
Non-current liabilities			
Borrowings and loans	13	1,180,851	1,157,508
Deferred income tax liabilities		12,299	13,117
Deferred government grants		209,914	194,198
Other non-current liabilities		15,162	36,515
		1,418,226	1,401,338

TSINGTAO BREWERY COMPANY LIMITED

CONDENSED CONSOLIDATED INTERIM BALANCE SHEET (Cont'd)

AS AT 30 JUNE 2009

		Unaudited	Audited
		30 June	31 December
		2009	2008
	<i>Note</i>	RMB'000	RMB'000
Current liabilities			
Trade payables	<i>14</i>	1,273,175	1,208,379
Bills payable		380,362	146,983
Accruals and other payables	<i>15</i>	3,402,911	2,390,810
Deposits and advance from customers		228,269	340,759
Income tax payable		120,060	98,949
Loan due to a third party	<i>24(b)(i)</i>	110,543	107,890
Dividends payable		327,055	—
Borrowings and loans	<i>13</i>	534,882	419,508
		<u>6,377,257</u>	<u>4,713,278</u>
Total liabilities		<u>7,795,483</u>	<u>6,114,616</u>
Total equity and liabilities		<u>14,469,539</u>	<u>12,532,231</u>
Net current assets		<u>862,434</u>	<u>947,953</u>
Total assets less current liabilities		<u>8,092,282</u>	<u>7,818,953</u>

The notes on pages 8 to 23 form an integral part of this condensed interim financial information.

TSINGTAO BREWERY COMPANY LIMITED
CONDENSED CONSOLIDATED INTERIM INCOME STATEMENT

FOR THE SIX MONTHS ENDED 30 JUNE 2009

		Unaudited	
		Six months ended 30 June	
		2009	2008
		RMB'000	RMB'000
	<i>Note</i>		
Revenue		8,969,485	7,790,667
Cost of sales		(5,933,303)	(5,293,239)
Gross profit		3,036,182	2,497,428
Other gains (net)	<i>16</i>	76,110	77,879
Distribution costs		(1,857,528)	(1,610,684)
Administrative expenses		(387,869)	(362,154)
Other operating gains	<i>17</i>	20,116	15,117
Operating profit		887,011	617,586
Finance costs	<i>18</i>	(50,569)	(22,111)
Share of (loss)/profit of jointly controlled entity and associates — net		(808)	609
Profit before income tax		835,634	596,084
Income tax expense	<i>19</i>	(169,298)	(190,529)
Profit for the period		666,336	405,555
Profit attributable to:			
— Shareholders of the Company		639,784	381,128
— Minority interests		26,552	24,427
		666,336	405,555
Earnings per share for profit attributable to the shareholders of the Company (expressed in RMB per share)			
— Basic and diluted	<i>20</i>	0.489	0.291
Dividends	<i>21</i>	327,055	287,808

The notes on pages 8 to 23 form an integral part of this condensed interim financial information.

TSINGTAO BREWERY COMPANY LIMITED**CONDENSED CONSOLIDATED INTERIM STATEMENT OF
COMPREHENSIVE INCOME***FOR THE SIX MONTHS ENDED 30 JUNE 2009*

	Unaudited	
	Six months ended 30 June	
	2009	2008
	<i>RMB'000</i>	<i>RMB'000</i>
Profit for the period	666,336	405,555
Other comprehensive income		
Fair value loss on available-for-sale financial assets, net of tax	(2,409)	(5,691)
Currency translation differences	234	(164)
Other comprehensive income for the period, net of tax	(2,175)	(5,855)
Total comprehensive income for the period	664,161	399,700
Total comprehensive income attributable to:		
— Shareholders of the Company	637,609	375,530
— Minority interest	26,552	24,170
	664,161	399,700

The notes on pages 8 to 23 form an integral part of this condensed interim financial information.

TSINGTAO BREWERY COMPANY LIMITED
CONDENSED CONSOLIDATED INTERIM STATEMENT OF
CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 JUNE 2009

	Unaudited						
	Attributable to shareholders of the Company						
	Share capital	Other reserves	Proposed final dividends	Retained earnings	Total	Minority interests	Total equity
RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
Balance at 1 January 2008	1,308,219	3,632,861	287,808	280,297	5,509,185	479,150	5,988,335
Profit for the period	—	—	—	381,128	381,128	24,427	405,555
Other comprehensive income:							
Fair value loss on available-for-sale financial assets, net of tax	—	(5,434)	—	—	(5,434)	(257)	(5,691)
Currency translation differences	—	(164)	—	—	(164)	—	(164)
Total comprehensive income for the period ended 30 June 2008	—	(5,598)	—	381,128	375,530	24,170	399,700
Dividends declared	—	—	(287,808)	—	(287,808)	(29,725)	(317,533)
Acquisition of minority interests in subsidiaries	—	(86,993)	—	—	(86,993)	(102,822)	(189,815)
Convertible bond – equity component, net of transaction costs and tax	—	283,064	—	—	283,064	—	283,064
Others	—	466	—	—	466	—	466
	—	196,537	(287,808)	—	(91,271)	(132,547)	(223,818)
Balance at 30 June 2008	1,308,219	3,823,800	—	661,425	5,793,444	370,773	6,164,217
Balance at 1 January 2009	1,308,219	3,835,057	327,055	611,907	6,082,238	335,377	6,417,615
Profit for the period	—	—	—	639,784	639,784	26,552	666,336
Other comprehensive income:							
Fair value loss on available-for-sale financial assets, net of tax	—	(2,409)	—	—	(2,409)	—	(2,409)
Currency translation differences	—	234	—	—	234	—	234
Total comprehensive income for the period ended 30 June 2009	—	(2,175)	—	639,784	637,609	26,552	664,161
Dividends declared	—	—	(327,055)	—	(327,055)	(24,500)	(351,555)
Acquisition of minority interests in subsidiaries	—	30,461	—	—	30,461	(86,742)	(56,281)
Others	—	(204)	—	—	(204)	320	116
	—	30,257	(327,055)	—	(296,798)	(110,922)	(407,720)
Balance at 30 June 2009	1,308,219	3,863,139	—	1,251,691	6,423,049	251,007	6,674,056

The notes on pages 8 to 23 form an integral part of this condensed interim financial information.

TSINGTAO BREWERY COMPANY LIMITED**CONDENSED CONSOLIDATED INTERIM CASH FLOW STATEMENT**

FOR THE SIX MONTHS ENDED 30 JUNE 2009

	Unaudited	
	Six months ended 30 June	
	2009	2008
	<i>RMB'000</i>	<i>RMB'000</i>
Cash flows from operating activities		
Cash generated from operations	2,819,475	973,696
Income tax paid	(242,088)	(218,529)
Interest received	13,835	10,224
	<u>2,591,222</u>	<u>765,391</u>
Cash generated from operating activities — net		
	<u>2,591,222</u>	<u>765,391</u>
Cash flows from investing activities		
Purchases of property, plant and equipment and intangible assets	(412,724)	(473,220)
Purchase of equity shares in associate	(120,036)	—
Purchase of minority interests from third parties	(76,846)	(85,500)
Purchase of minority interests from a related party	—	(95,050)
Cash paid for excised derivative financial instruments	—	(4,161)
(Increase)/decrease in short-term bank deposits and pledged bank deposits	(28,734)	29,033
Removal compensation from government	20,583	32,439
Proceeds from disposal of available for sale financial assets	5,803	—
Dividend received	5,280	—
Proceeds from disposal of property, plant and equipment	5,128	2,864
Proceeds from disposal of associate	682	—
Acquisition of a subsidiary, net of cash acquired	—	7,887
	<u>(600,864)</u>	<u>(585,708)</u>
Cash flows from investing activities — net		
	<u>(600,864)</u>	<u>(585,708)</u>
Cash flows from financing activities		
Repayment of borrowings	(164,716)	(421,528)
Dividends paid to minority shareholders	(26,596)	(23,298)
Interest paid	(23,613)	(26,420)
Cash paid for pledged deposit of bills	(377)	—
Transaction costs paid for issuance of convertible bonds	—	(35,457)
Proceeds from borrowings	280,060	278,457
Cash received from discount of bills	259,000	—
Cash received upon issuance of convertible bonds	—	1,500,000
	<u>323,758</u>	<u>1,271,754</u>
Cash flows from financing activities — net		
	<u>323,758</u>	<u>1,271,754</u>
Net increase in cash and cash equivalents	2,314,116	1,451,437
Cash and cash equivalents at the start of period	2,381,044	1,314,643
Exchange gains/(losses) on cash and cash equivalents	1,235	(8,132)
	<u>4,696,395</u>	<u>2,757,948</u>
Cash and cash equivalents at the end of period		
	<u>4,696,395</u>	<u>2,757,948</u>

The notes on pages 8 to 23 form an integral part of this condensed interim financial information.

TSINGTAO BREWERY COMPANY LIMITED

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

FOR THE SIX MONTHS ENDED 30 JUNE 2009

1. GENERAL INFORMATION

Tsingtao Brewery Company Limited (the “Company”) was established in the People’s Republic of China (the “PRC”) on 16 June 1993. It obtained a business license as a Sino-foreign joint stock company on 27 December 1995. Its H shares have been listed on the Main Board of the Stock Exchange of Hong Kong Limited since 15 July 1993 and its A shares have been listed on the Shanghai Stock Exchange since 27 August 1993.

The Company and its subsidiaries (together “the Group”) are principally engaged in the production and distribution of beer products. The Company’s registered address is No. 56, Dengzhou Road, Qingdao, PRC.

This condensed consolidated financial information was approved for issue by the Board of Directors on 6 August 2009.

The English language names of some of the companies referred to in the financial statements represent unofficial translation of their registered Chinese names by management and these English language names have not been legally adopted by these entities.

This condensed consolidated interim financial information has not been audited.

Key events

On 23 January 2009, the second largest shareholder Anheuser-Busch InBev S.A. (“InBev S.A.”), which indirectly held 27% H share interest of the Company entered into an agreement with Asahi Breweries, Ltd. (“Asahi Breweries”) to sell approximately 19.99% H share interest held by its fully subsidiary, A-B Jade Hong Kong Holding Company Limited (“A-B Jade”). The relevant legal procedure of the transaction was completed on 6 May 2009 and after the transaction, Asahi Breweries became the second largest shareholder with 19.99% H share interest of the Company.

On 7 May 2009, A-B Jade entered into an agreement with Mr. Chen Fashu to sell approximately 7.01% H share interest of the Company. The relevant legal procedure of the transaction was completed on 24 June 2009.

The Company acquired 37% share of interest of Yantai Brewery (Asahi) Co., Ltd. (“Yantai Asahi”) from Yantai Brewery Co., Ltd. (“Yantai Brewery Group”) and 2% share of interest from Asahi-Itochu Brewery Co., Ltd. (“Asahi-Itochu”), together with the sales network of Yantai Asahi with a total consideration of RMB214,500,000. The related procedures have been completed in March 2009 and after the completion, Yantai Asahi became a 39% owned associate of the Company.

2. BASIS OF PREPARATION

This condensed consolidated interim financial information for the six months ended 30 June 2009 has been prepared in accordance with HKAS 34, ‘Interim financial reporting’. The condensed consolidated interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2008, which have been prepared in accordance with HKFRSs.

3. ACCOUNTING POLICIES

Except as described below, the accounting policies adopted are consistent with those of the annual financial statements for the year ended 31 December 2008, as described in those annual financial statements.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

3. ACCOUNTING POLICIES (CONT'D)

The following new standards and amendments to standards are mandatory for the first time for the financial year beginning 1 January 2009.

- HKAS 1 (revised), "Presentation of financial statements". The revised standard prohibits the presentation of items of income and expenses (that is "non-owner changes in equity") in the statement of changes in equity, requiring "non-owner changes in equity" to be presented separately from owner changes in equity. All "non-owner changes in equity" are required to be shown in a performance statement.

Entities can choose whether to present one performance statement (the statement of comprehensive income) or two statements (the income statement and statement of comprehensive income).

The Group has elected to present two statements: an income statement and a statement of comprehensive income. The interim financial statements have been prepared under the revised disclosure requirements.

- HKFRS 8, "Operating segments". HKFRS 8 replaces HKAS 14, "Segment reporting". It requires a "management approach" under which segment information is presented on the same basis as that used for internal reporting purposes.

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker has been identified as the Board of Directors that makes strategic decisions.

The Group is mainly engaged in the production and distribution of beer products. The internal reporting provided to the chief operating decision-maker is provided on a basis of geographical segment which is the same as previously reported, accordingly, the number of reportable segments presented is the same as the previously reported.

- Amendment to HKFRS 7, "Financial instruments: disclosures". The amendment increases the disclosure requirements about fair value measurement and amends the disclosure about liquidity risk. The amendment introduces a three-level hierarchy for fair value measurement disclosures about financial instruments and requires some specific quantitative disclosures for those instruments classified in the lowest level in the hierarchy. These disclosures will help to improve comparability between entities about the effects of fair value measurements. In addition, the amendment clarifies and enhances the existing requirements for the disclosure of liquidity risk primarily requiring a separate liquidity risk analysis for derivative and non-derivative financial liabilities. It also requires a maturity analysis for financial assets where the information is needed to understand the nature and context of liquidity risk. The Group will make additional relevant disclosures in its financial statements ending 31 December 2009.

The following new standards, amendments to standards and interpretations are mandatory for the first time for the financial year beginning 1 January 2009, but are not currently relevant for the Group.

- HKAS 23 (amendment), "Borrowing costs".
- HKFRS 2 (amendment), "Share-based payment".
- HKAS 32 (amendment), "Financial instruments: presentation".
- HK(IFRIC) 9 (amendment), "Reassessment of embedded derivatives" and HKAS 39 (amendment), "Financial instruments: Recognition and measurement".
- HK(IFRIC) 13, "Customer loyalty programmes".
- HK(IFRIC) 15, "Agreements for the construction of real estate".
- HK(IFRIC) 16, "Hedges of a net investment in a foreign operation".
- HKAS 39 (amendment), "Financial instruments: Recognition and measurement".

4. SEGMENT INFORMATION

The chief operating decision-maker has been identified as the Board of Directors (the “BOD”). The BOD reviews the Group’s internal reporting in order to assess performance and allocate resources. Management has determined the operating segments based on these reports.

As the Group is mainly engaged in the production and distribution of beer products, the BOD considers the business from a geographic perspective.

The BOD assesses the performance of the operating segments based on profit before income tax which is consistent with that in the financial statements. Other information, as noted below, is also provided to the BOD.

Total assets exclude deferred tax, available-for-sale financial assets, derivative financial instruments and interests in jointly controlled entity and associates, all of which are managed on a central basis. These are part of the reconciliation to total balance sheet assets.

Sales between segments are carried out based on terms agreed. The revenue from external parties reported to the BOD is measured in a manner consistent with that in the condensed consolidated interim statement of comprehensive income.

	(Unaudited)							Total Group RMB'000
	Qingdao Region RMB'000	Other Shandong Region RMB'000	Huabei Region RMB'000	Huinan Region RMB'000	Overseas RMB'000	Unallocated RMB'000	Eliminations RMB'000	
Six months ended 30 June 2009								
Total revenue	4,297,386	1,541,526	1,811,931	2,951,350	184,442	—	(1,817,150)	8,969,485
Inter-segment revenue	(182,497)	(1,212,168)	(327,077)	(94,319)	(1,089)	—	1,817,150	—
Revenue (from external customers)	4,114,889	329,358	1,484,854	2,857,031	183,353	—	—	8,969,485
Profit before income tax	325,608	168,415	149,044	236,625	48,710	(97,357)	4,589	835,634
Distribution costs	899,507	98,806	215,202	600,301	43,712	—	—	1,857,528
Depreciation and amortisation	(43,478)	(45,876)	(48,202)	(114,914)	(686)	(16,792)	—	(269,948)
Impairment losses	—	—	—	(1,334)	—	—	—	(1,334)
Finance income	8,320	1,175	2,749	1,517	75	—	—	13,836
Finance costs	(3,686)	(175)	(337)	(7,233)	(2,760)	(36,378)	—	(50,569)
Income tax expense	(21,307)	(32,716)	(31,421)	(76,448)	(7,406)	—	—	(169,298)
Six months ended 30 June 2008								
Total revenue	3,580,185	1,184,277	1,585,849	2,495,378	171,513	—	(1,226,535)	7,790,667
Inter-segment revenue	(122,643)	(893,251)	(176,286)	(33,352)	(1,003)	—	1,226,535	—
Revenue (from external customers)	3,457,542	291,026	1,409,563	2,462,026	170,510	—	—	7,790,667
Profit before income tax	341,152	35,041	59,538	196,195	33,836	(72,165)	2,487	596,084
Distribution costs	883,423	97,775	163,876	427,734	37,876	—	—	1,610,684
Depreciation and amortisation	(46,763)	(40,677)	(65,167)	(106,418)	(594)	(12,726)	—	(272,345)
Impairment losses	—	(287)	(932)	—	—	—	—	(1,219)
Finance income	3,218	2,522	1,882	1,543	1,059	—	—	10,224
Finance costs	7,255	(154)	(4,105)	(4,342)	(3,057)	(17,708)	—	(22,111)
Income tax expense	(89,505)	(12,319)	(21,321)	(59,650)	(7,734)	—	—	(190,529)

4. SEGMENT INFORMATION (CONT'D)

	(Unaudited)							Total Group RMB '000
	Qingdao Region RMB '000	Other Shandong Region RMB '000	Huabei Region RMB '000	Huanan Region RMB '000	Overseas RMB '000	Unallocated RMB '000	Eliminations RMB '000	
	As at 30 June 2009							
Total assets	<u>2,026,349</u>	<u>2,760,171</u>	<u>2,508,511</u>	<u>5,354,461</u>	<u>285,279</u>	<u>3,198,402</u>	<u>(1,663,634)</u>	<u>14,469,539</u>
Total assets include:								
Interests in jointly controlled entity and associates	—	—	—	—	—	144,691	—	144,691
Additions to non-current assets (other than financial instruments and deferred tax assets)	17,398	115,956	22,359	121,949	16	227,616	—	505,294
Total liabilities	<u>2,177,480</u>	<u>1,003,086</u>	<u>1,275,801</u>	<u>3,170,965</u>	<u>259,059</u>	<u>1,650,917</u>	<u>(1,741,825)</u>	<u>7,795,483</u>
As at 30 June 2008								
Total assets	<u>2,708,242</u>	<u>2,797,290</u>	<u>2,538,735</u>	<u>5,112,411</u>	<u>338,069</u>	<u>1,914,161</u>	<u>(1,743,879)</u>	<u>13,665,029</u>
Total assets include:								
Interests in jointly controlled entity and associates	—	—	—	—	—	29,069	—	29,069
Additions to non-current assets (other than financial instruments and deferred tax assets)	38,537	225,790	30,462	270,297	82	8,442	—	573,610
Total liabilities	<u>2,021,892</u>	<u>1,041,824</u>	<u>1,274,053</u>	<u>3,375,570</u>	<u>280,170</u>	<u>1,697,728</u>	<u>(2,190,425)</u>	<u>7,500,812</u>

Six months ended 30 June	
2009	2008
RMB '000	RMB '000
(Unaudited)	(Unaudited)

Reportable segments' profit before tax was reconciled to total profit before tax as follows:

Total segment profit before tax	932,991	668,249
Share of (loss)/profit of jointly controlled entity and associates-net	(808)	609
Interest expense on convertible bond	(36,378)	(17,708)
Corporate overhead	(66,784)	(53,893)
Other gains/(loss) from derivative instruments	6,571	(1,660)
Other unallocated gains	<u>42</u>	<u>487</u>
Profit before income tax	<u>835,634</u>	<u>596,084</u>

4. SEGMENT INFORMATION (CONT'D)

	30 June 2009 <i>RMB'000</i> (Unaudited)	30 June 2008 <i>RMB'000</i> (Unaudited)
Reportable segments' assets were reconciled to total assets as follows:		
Total segment assets	11,271,137	11,750,868
Deferred income tax assets	238,551	175,429
Interests in jointly controlled entity and associates	144,691	29,069
Available-for-sale financial assets	5,369	12,634
Derivative financial instruments	1,040	—
Corporate cash and equivalents	2,369,933	1,315,234
Corporate property, plant and equipment and intangible assets	434,527	345,667
Other unallocated corporate assets	4,291	36,128
Total assets per balance sheet	<u>14,469,539</u>	<u>13,665,029</u>
	30 June 2009 <i>RMB'000</i> (Unaudited)	30 June 2008 <i>RMB'000</i> (Unaudited)
Reportable segments' liabilities were reconciled to total liabilities as follows:		
Total segment liabilities	6,144,566	5,803,084
Deferred income tax liabilities	12,299	115,033
Derivative financial instruments	—	20,300
Convertible bonds payable	1,161,557	1,101,761
Dividends payable	327,055	311,333
Other unallocated corporate liabilities	150,006	149,301
Total liabilities per balance sheet	<u>7,795,483</u>	<u>7,500,812</u>

The Group is domiciled in Mainland China. The result of its revenue from external customers in Mainland China for the six months ended 30 June 2009 is approximately RMB8,786,132,000 (for the six months ended 30 June 2008: RMB7,620,157,000), and the total of its revenue from external customers from overseas is approximately RMB183,353,000 (for the six months ended 30 June 2008: RMB170,510,000).

At 30 June 2009, the total of non-current assets other than financial instruments and deferred tax assets (there are no employment benefit assets and rights arising under insurance contracts) located in Mainland China is approximately RMB6,983,786,000 (At 31 December 2008: RMB6,763,843,000; At 30 June 2008: RMB6,902,679,000), and the total of these non-current assets located in China Hong Kong is approximately RMB2,142,000 (At 31 December 2008: RMB2,142,000; At 30 June 2008: RMB3,055,000).

5. PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

	Property, plant and equipment <i>RMB'000</i> (Unaudited)	Intangible assets <i>RMB'000</i> (Unaudited)
Six months ended 30 June 2008		
Opening net book amount 1 January 2008	5,608,946	237,269
Acquisition of subsidiaries	3,575	—
Additions	469,641	1,340
Disposals	(24,272)	—
Depreciation and amortisation	(257,240)	(3,499)
Impairment	(1,219)	—
Closing net book amount as at 30 June 2008	<u>5,799,431</u>	<u>235,110</u>
Six months ended 30 June 2009		
Opening net book amount as at 1 January 2009	5,617,314	249,468
Additions	287,888	96,939
Disposals	(11,688)	—
Depreciation and amortisation	(250,819)	(6,859)
Impairment	(1,334)	—
Closing net book amount as at 30 June 2009	<u>5,641,361</u>	<u>339,548</u>

6. LEASEHOLD LAND AND LAND USE RIGHTS

The Group's interests in leasehold land and land use rights represent prepaid operating lease payments and their net book values were analysed as follows:

	<i>RMB'000</i> (Unaudited)
Six months ended 30 June 2008	
Opening net book amount 1 January 2008	717,172
Additions	98,773
Depreciation and amortisation	(9,803)
Closing net book amount as at 30 June 2008	<u>806,142</u>
Six months ended 30 June 2009	
Opening net book amount as at 1 January 2009	842,077
Additions	206
Depreciation and amortisation	(10,583)
Closing net book amount as at 30 June 2009	<u>831,700</u>

7. INVENTORIES

	As at	
	30 June 2009	31 December 2008
	RMB'000	RMB'000
	(Unaudited)	
Raw materials, packaging materials and auxiliary materials	1,631,238	2,210,611
Work-in-progress	257,129	279,098
Finished goods	187,660	266,628
	2,076,027	2,756,337

8. TRADE RECEIVABLES

The Group has a policy in place that sales are on cash on delivery terms for most of the domestic customers, and letters of credit have to be received for overseas customers. Only certain long-term overseas distributors with good credit history and certain domestic distributors are granted credit terms less than 1 year. At 30 June 2009 and 31 December 2008, the ageing analysis of the trade receivables were as follows:

	As at 30 June 2009 (Unaudited)			As at 31 December 2008		
	Amount	Provision for impairment of receivables	Balance after provision	Amount	Provision for impairment of receivables	Balance after provision
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Less than 1 year	84,953	(71)	84,882	80,843	(835)	80,008
1 to less than 2 years	1,868	(550)	1,318	681	(209)	472
2 to less than 3 years	889	(889)	—	3,828	(3,828)	—
Over 3 years	263,735	(263,361)	374	245,507	(244,534)	973
	351,445	(264,871)	86,574	330,859	(249,406)	81,453

9. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	As at	
	30 June 2009	31 December 2008
	RMB'000	RMB'000
	(Unaudited)	
Other receivables from third parties	199,839	211,825
Other receivables from related parties	4,611	2,187
	173,687	221,284
Deposits, prepayment from third parties	11,083	4,173
Deposits, prepayment from related parties	389,220	439,469
<i>Less: provision for impairment</i>	(73,913)	(75,632)
	315,307	363,837

10. CASH AND CASH EQUIVALENTS

	As at	
	30 June 2009 RMB'000 (Unaudited)	31 December 2008 RMB'000
Cash at bank and on hand	4,695,095	2,380,044
Bank draft	1,300	—
Short-term bank deposits	—	1,000
	<u>4,696,395</u>	<u>2,381,044</u>

11. SHARE CAPITAL

	As at 30 June 2009		As at 31 December 2008	
	RMB'000 (Unaudited)	Number of shares ('000) (Unaudited)	RMB'000	Number of shares ('000)
PRC public shares subject to restriction	417,395	417,395	417,395	417,395
PRC public shares ("A Shares")	235,755	235,755	235,755	235,755
Overseas public shares ("H Shares")	655,069	655,069	655,069	655,069
	<u>1,308,219</u>	<u>1,308,219</u>	<u>1,308,219</u>	<u>1,308,219</u>

12. OTHER RESERVES

	(Unaudited)				
	Share premium RMB'000	Capital reserve RMB'000	Surplus reserve RMB'000	Cumulative translation adjustments RMB'000	Total RMB'000
Balance at 1 January 2008	3,058,231	75,508	495,219	3,903	3,632,861
Fair value loss on available-for-sale financial assets, net of tax	—	(5,434)	—	—	(5,434)
Translation difference	—	—	—	(164)	(164)
Equity component of convertible bonds, net of transaction costs	—	380,490	—	—	380,490
Deferred tax arising on initially stating the convertible bonds at fair value	—	(97,426)	—	—	(97,426)
Acquisition of minority interests in subsidiaries	—	(86,993)	—	—	(86,993)
Others	—	466	—	—	466
Balance at 30 June 2008	<u>3,058,231</u>	<u>266,611</u>	<u>495,219</u>	<u>3,739</u>	<u>3,823,800</u>
Balance at 1 January 2009	3,058,231	236,659	536,108	4,059	3,835,057
Fair value loss on available-for-sale financial assets	—	(2,409)	—	—	(2,409)
Translation difference	—	—	—	234	234
Acquisition of minority interests in subsidiaries	—	30,461	—	—	30,461
Others	—	(204)	—	—	(204)
Balance at 30 June 2009	<u>3,058,231</u>	<u>264,507</u>	<u>536,108</u>	<u>4,293</u>	<u>3,863,139</u>

13. BORROWINGS AND LOANS

	As at		
	30 June 2009	31 December 2008	30 June 2008
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)		(Unaudited)
Non-current			
Bank borrowings (a)	15,771	15,868	91,045
Convertible bonds (b)	1,161,557	1,137,179	1,101,761
Finance lease liabilities	3,523	4,461	5,315
	<u>1,180,851</u>	<u>1,157,508</u>	<u>1,198,121</u>
Current			
Bank borrowings (a)	532,317	416,943	832,155
Finance lease liabilities	2,565	2,565	3,206
	<u>534,882</u>	<u>419,508</u>	<u>835,361</u>
	<u><u>1,715,733</u></u>	<u><u>1,577,016</u></u>	<u><u>2,033,482</u></u>

(a) Bank borrowings

Movements of bank borrowings were analysed as follows:

	<i>RMB'000</i> (Unaudited)
Six months ended 30 June 2008	
Opening amount 1 January 2008	1,072,166
New borrowings	278,457
Repayments of borrowings	(421,528)
Currency translation differences	(5,895)
	<u>923,200</u>
Six months ended 30 June 2009	
Opening amount as at 1 January 2009	432,811
New borrowings	280,060
Repayments of borrowings	(164,716)
Currency translation differences	(67)
	<u>548,088</u>

The Group had the following undrawn borrowing facilities:

	As at		
	30 June 2009	31 December 2008	30 June 2008
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)		(Unaudited)
Floating rate:			
— expiring within one year	5,390,000	700,000	1,600,000
	<u>5,390,000</u>	<u>700,000</u>	<u>1,600,000</u>

Although global market conditions (the “credit crunch”) will affect market confidence and consumer spending patterns, the Group remains well placed to grow revenues through ongoing market exploring. The Group does not have any exposure to sub-prime lending or collateralised debt obligations. The Group has sufficient headroom to enable it to conform to covenants on its existing borrowings. The Group has sufficient working capital and undrawn financing facilities to service its operating activities.

13. BORROWINGS AND LOANS (CONT'D)

(b) Convertible bond — liability component

The fair value of the liability component of the convertible bond at 30 June 2009 amounted to approximately RMB1,161,557,000. The fair value was calculated using cash flow discounted at the rate of 6.1%.

Interest expense on borrowings and loans for the six months ended 30 June 2009 is approximately RMB49,741,000 (30 June 2008: RMB44,404,000).

14. TRADE PAYABLES

At 30 June 2009 and 31 December 2008, the ageing analysis of the trade payables (including amounts due to related parties of trading in nature) were as follows:

	As at	
	30 June 2009 RMB'000 (Unaudited)	31 December 2008 RMB'000
Less than 1 year	1,241,078	1,184,724
1 to less than 2 years	10,946	5,357
2 to less than 3 years	6,037	4,609
Over 3 years	15,114	13,689
	<u>1,273,175</u>	<u>1,208,379</u>

15. ACCRUALS AND OTHER PAYABLES

The analysis of accruals and other payables (including amounts due to related parties) by nature were as follows:

	As at	
	30 June 2009 RMB'000 (Unaudited)	31 December 2008 RMB'000
Accruals for marketing and advertising expenses	1,231,874	723,061
Guarantee deposits for recycled bottles	692,468	587,242
VAT and other duties and taxes	457,287	218,727
Accrued payroll and other staff costs	297,280	294,865
Payable to vendors of construction in progress and fixed assets	222,638	223,188
Accruals for transportation expenses	139,217	50,432
Others	362,147	293,295
	<u>3,402,911</u>	<u>2,390,810</u>

16. OTHER GAINS — NET

	<u>Six months ended 30 June</u>	
	2009	2008
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Derivative instruments:		
— Foreign exchange forward contracts not qualified for hedge accounting	(723)	2,501
— Realised loss on foreign exchange forward contracts	—	(4,161)
— Disposal of available-for-sale financial assets	7,294	—
Finance income	13,835	10,224
Government grants (i)	55,704	69,315
	<u>76,110</u>	<u>77,879</u>

- (i) In connection with the acquisitions of certain subsidiaries of the Group in prior years, the Group entered into various agreements with the relevant municipal governments that these subsidiaries could enjoy certain financial incentives granted by the governments, mainly including financial subsidies determined with reference to the amounts of taxes paid by these subsidiaries.

17. OTHER OPERATING GAINS — NET

	<u>Six months ended 30 June</u>	
	2009	2008
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Impairment provision against property, plant and equipment (“PP&E”) (Note 5)	(1,334)	(1,219)
Loss on disposal of PP&E	(1,251)	(6,614)
Gain on disposal of sundry materials and others	22,701	22,950
	<u>20,116</u>	<u>15,117</u>

18. FINANCE COSTS

	<u>Six months ended 30 June</u>	
	2009	2008
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Interest on loans		
— Bank borrowings	13,363	26,696
— Convertible bond	36,378	17,708
Discount of bills	2,126	154
Net foreign exchange translation gains	(1,298)	(22,447)
	<u>50,569</u>	<u>22,111</u>

19. INCOME TAX EXPENSE

	Six months ended 30 June	
	2009	2008
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Current income tax		
— Hong Kong profits tax (i)	18,893	3,098
— PRC enterprise income tax (ii)	293,972	185,607
Deferred income tax	(143,567)	1,824
	169,298	190,529

(i) Hong Kong profits tax

Hong Kong profits tax has been provided at the rate of 16.5% (2008: 16.5%) on the estimated assessable profit for the year.

(ii) PRC corporate income tax ("CIT")

CIT is provided on the estimated assessable income of the year calculated in accordance with the relevant regulations of the PRC after considering all the available tax benefits from refunds and allowances.

On 16 March 2007, the 10th National Peoples Congress of PRC approved the PRC Corporate Income Tax Law ("CIT Law"), being effective on 1 January 2008. Applicable income tax rate of entities within the Group is subject to 25% from 1 January 2008 except that the lower preferential tax rates enjoyed by certain enterprises shall gradually be increased to the statutory tax rate of 25% within 5 years from 1 January 2008.

Tax concessions and holidays entitled by the Group:

In accordance with an approval document dated 18th April 1994 issued by the State Administration for Taxation ("SAT") of the PRC, net profit earned by the Company was subject to CIT at 15%, which was effective from the date of establishment of the Company and until there is further changes of the relevant laws and regulations. The Company also received a confirmation from the Finance Bureau of Qingdao on 23 March 1997 that this preferential tax treatment would not be terminated until further notice.

On 5 July 2007, the Company became aware of a notice which was issued by SAT in June 2007 (the "Notice") regarding the preferential tax treatment granted to nine state-owned enterprises listed on the Stock Exchange of Hong Kong Limited in 1993 (including the Company). According to the Notice, the relevant local tax authorities were required to immediately rectify the expired preferential tax treatments adopted by the Company and take appropriate action on the differences of income taxes collected in prior years arising therefore in accordance with the applicable rules and provisions under the promulgated Law on Tax Collection and Administration of the PRC.

On 15 April 2008, the Company was informed by the governing local tax bureau that the applicable CIT rate for the year ended 31 December 2007 was adjusted from 15% to 33%. The PRC CIT for the year ended 31 December 2007 of the Company was hence provided at 33% in the financial statements of the Company and the Group. Up to the date of the approval of this condensed consolidated financial information, the Company has not been notified by any tax authorities regarding the exposure of prior years. The directors are of the view that the final outcome cannot be reliably estimated and, therefore, no provision for potential CIT exposure in prior years had been made in the financial statements.

20. EARNINGS PER SHARE — BASIC AND DILUTED

Earnings per share was calculated by dividing the profit attributable to shareholders of the Company by the number of ordinary shares in issue during the period.

	<u>Six months ended 30 June</u>	
	2009 (Unaudited)	2008 (Unaudited)
Profit attributable to shareholders of the Company (<i>RMB'000</i>)	639,784	381,128
Number of ordinary shares in issue (<i>thousands</i>)	1,308,219	1,308,219
Basic earnings per share (<i>RMB per share</i>)	<u>0.489</u>	<u>0.291</u>

The Company issued convertible bonds with attached warrants subscription rights. Though the contingently issuable shares of the Company due to the exercise of the warrants subscription rights by the bonds holders may potentially dilute basic earnings per share in the future, the exercise price of those rights was higher than the prevailing share price of the Company as at 30 June 2009 and therefore, they were not included in the calculation of diluted earnings per share for the period.

21. DIVIDENDS

During the period, a final dividend of RMB0.22 and a final special dividend of RMB0.03 in respect of 2008 per share, amounting to an aggregate amount of approximately RMB327,055,000 (2008: final dividend for 2007 at RMB287,808,000), were approved in Annual General Meeting held on 16 June 2009. The Board of Directors does not recommend the payment of an interim dividend for the period (30 June 2008: nil).

22. CONTINGENCIES

- (a) As described in Note 19(ii), the directors are of the view that the potential income tax liabilities prior to 2007 arising from the cancellation of the previous preferential tax concessions could not be reliably estimated and therefore no provision was made.
- (b) As at 30 June 2009, the Group had provided guarantee of RMB20,000,000 in favor of an associate of the Group for its bank loans.

23. COMMITMENTS

(a) Capital and other commitments

The Group's and the Company's commitments is primarily related to construction of fixed assets, acquisition of subsidiaries and other activities which were contracted but not provided for in the financial statements. Details were as follows:

<u>As at</u>	
30 June 2009 RMB'000 (Unaudited)	31 December 2008 <i>RMB'000</i>
<u>896,506</u>	<u>1,355,272</u>

Note: These commitments mainly relate to construction of new breweries and increase in production capacity as well as for raw materials purchase.

23. COMMITMENTS (CONT'D)

(b) Operating lease and other commitments

As at 30 June 2009, the Group had future aggregate minimum lease payments under non-cancelable operating leases of land and buildings as well as other commitments associated with its operating activities as follows:

	As at	
	30 June 2009 RMB'000 (Unaudited)	31 December 2008 RMB'000
Not later than one year	<u>2,358</u>	<u>712</u>

24. RELATED PARTY TRANSACTIONS

Parties are considered to be related if one company has the ability, directly or indirectly, to control the other company or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence.

(a) The following major transactions were carried out with related parties during the period:

	Six months ended 30 June	
	2009 RMB'000 (Unaudited)	2008 RMB'000 (Unaudited)
Purchases from related companies		
— Yantai Asahi	144,824	—
— Tsingtao Beer and Asahi Beverage Co. Ltd.	<u>160</u>	<u>12</u>
Sales to related companies		
— Associates	197,359	169,510
— Asahi Breweries	18,147	—
— Asahi Brewery (Shanghai) Product Services Ltd. ("Asahi Brewery Shanghai")	4,183	—
— Tsingtao Beer (Jinan) Baotouquan sales Co. Ltd. ("Baotouquan Company")	<u>2,356</u>	<u>—</u>
Logistics services provided to the Group (including paid on behalf)		
— Associates	<u>121,397</u>	<u>174,628</u>
Guarantee provided in favour of an associate of the Group		
— Tsingtao Beer and Asahi Beverage Co. Ltd.	<u>20,000</u>	<u>22,000</u>
Interest paid to		
— Tsingtao Beer Group Company ("TB Group Company")	<u>1,963</u>	<u>2,476</u>

As described in Note 1, the Company purchased 2% share interest of Yantai Asahi from Asahi-Itochu during the period.

All the above transactions with related parties were carried out based on terms agreed between the Group and the related companies.

24. RELATED PARTY TRANSACTIONS (CONT'D)

- (b) As at 30 June 2009, the Group had the following significant balances maintained with related parties:

	30 June 2009 RMB'000 (Unaudited)	31 December 2008 RMB'000
Trade receivable and other long-term assets accounts		
— Associates	12,868	15,215
— Asahi Breweries	5,041	—
— Baotuquan Company	2,756	—
— Asahi Brewery Shanghai	1,808	—
Deposits, prepayment and other receivables		
— Associates	8,849	6,360
— Baotuquan Company	6,845	—
Trade payables		
— Associates	40,943	47
Other payables and long-term payables		
— A-B Jade (i)	—	107,890
— TB Group Company	245	20,307
— Associates	—	5,403
Sales deposits		
— Associates	3,388	2,202
Short-term loans from		
— TB Group Company	80,000	55,000

Except for those mentioned in notes (i) below, the Group's current balances maintained with related parties were all unsecured, non-interest bearing and with no fixed repayment terms.

- (i) In October 2003, a subsidiary of the Company, Tsingtao Brewery (Hong Kong) Trading Company Limited ("Hong Kong Company") entered into a loan agreement with A-B Jade that Hong Kong Company borrowed a loan of USD\$15,000,000, principal and interest equivalent to approximately RMB110,543,000 (the "Loan") from A-B Jade. The Loan is interest-bearing at 1% per annum, unsecured and repayable within 5 years. During the prior year, the loan expired on 18 December 2008 and was extended for the period from 19 December 2008 to 18 December 2009 with a 4.5% interest bearing rate per annum. The Company has undertaken to guarantee the repayment.

As mentioned in Note 1, as at 30 June 2009, A-B Jade was no longer a related party of the Group after the disposal of the equity interested of the Company.

24. RELATED PARTY TRANSACTIONS (CONT'D)

(c) Key management compensation

	<u>Six months ended 30 June</u>	
	<u>2009</u>	<u>2008</u>
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Basic salaries, allowances and benefits-in-kind	4,266	3,330
Retirement fund contributions	260	177
	<u>4,526</u>	<u>3,507</u>

Key management personnel are those persons, in total 17 persons, having authority and responsibility for planning, directing and controlling the activities of the Group, including directors and other senior management personnel.

25. EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

On 6 June 2009, TB Group Company entered into an agreement with Shandong Commercial Group General Corporation ("Lushang Group") to acquire the 100% share interest of Baotuquan Company from Lushang Group, and Baotuquan Company became the fully-owned subsidiary of TB Group Company. On 27 July 2009, TB Group Company entered into a custodian agreement with the Company. According to the custodian agreement, the Company will be entitled to all custodian rights in relation to the equity of Baotuquan Company at a consideration of RMB9,000,000, except the right to dispose of the equity in Baotuquan. The custodian agreement has become effective upon signing of the same and will have a term of one year as from the date of the custodian agreement.

TSINGTAO BREWERY COMPANY LIMITED
SUPPLEMENTARY INFORMATION

RECONCILIATION OF DIFFERENCES BETWEEN PRC GAAP AND HKFRS

The Group has prepared a separate set of financial information for the period ended 30 June 2009 in accordance with “Accounting Standards for Business Enterprises (2006)” and relevant regulations (“PRC GAAP”) for shareholders of A shares of the Company.

Differences between PRC GAAP and HKFRS give rise to minor differences in the reported balances of assets, liabilities and net profit of the Group. The financial effects between PRC GAAP and HKFRS were summarised in the following table:

Impact on the consolidated net assets:

	As at	
	30 June	31 December
	2009	2008
	RMB'000	RMB'000
	(Unaudited)	
Net assets attributable to the Company's shareholders as per accounts prepared under PRC GAAP	6,423,049	6,082,238
HKFRS adjustments:	—	—
Net assets attributable to the Company's shareholders as per financial statements prepared under HKFRS	<u>6,423,049</u>	<u>6,082,238</u>

Impact on the consolidated net profit:

	Six months ended 30 June	
	2009	2008
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Profit attributable to shareholders of the Company under PRC GAAP	639,784	381,128
HKFRS adjustments:	—	—
Profit attributable to shareholders of the Company under HKFRS	<u>639,784</u>	<u>381,128</u>

(I) REVIEW OF OPERATIONAL RESULTS FOR THE FIRST HALF OF 2009

For the first half of 2009, the economic growth in China slowed down due to the international financial crisis, as a result, the GDP only grew 7.1%. Under such circumstance, the national beer industry also dramatically slowed down with its total national output volume of 205.1 million hl, increasing 6% only comparing with that in the same period in the previous year.

Despite of the negative effect brought by the international financial crisis, the Company worked out its yearly working guideline of “To explore the market with full efforts”, “To lower the cost with full efforts”, and “To prevent from financial risk with full efforts”. In the first half year, the Company’s sales volume generally realized rapid growth through greatly exploring its base markets and opportunity markets, and promoting overall integration and structure optimization of brand 1+3 (Tsingtao, Shanshui, Laoshan, and Hans).

During the reporting period, the Company realized 30.2 million hl of accumulated sales volume, increasing 12.6% comparing with that in the same period in the previous year, in which the sales volume of brand 1+3 reached 28.8 million hl, increasing 16% comparing with that in the same period in the previous year; the sales volume of Tsingtao reached 14.4 million hl, increasing 29.5% comparing with that in the same period in the previous year; and the sales volume of high-end beer such as small bottled Tsingtao beer and draft beer increased greatly, in which that of small bottled Tsingtao beer increased over 40% while that of draft beer increased nearly 20% comparing with that in the same period in the previous year. Meanwhile, the Company realized its revenues from principal business to RMB8,970 million, increasing 15.1% comparing with that in the same period in the previous year; net profit attributable to shareholders of the parent company of RMB640 million, increasing 67.9% comparing with that in the same period in the previous year. The Company continued to show a good developing trend in which the growth in profit was greater than the increase in sales income, which was in turn greater than the increase in sales volume.

In addition to the Olympic marketing, the Company determined to focus on its brand promotion in the theme of NBA games. In the first half year, its brand impact was further improved through a NBA cheering squad selection show hosted by Tsingtao Brewery. As a result, the brand value of Tsingtao reached RMB36.625 billion which continued to be the leader in the industry.

(II) ANALYSIS TO PRINCIPAL BUSINESS AND OPERATIONAL SITUATION OF THE COMPANY

1. Principal Business

(1) Table of Principal Business by Industries and Products

Unit: RMB'000

By Industries or Products	Sales Amount	Sales Costs	Gross Profit Rate (%)	Increase/	Increase/	Increase/
				Decrease of Sales Amount (%)	Decrease of Sales Costs (%)	Decrease of Gross Profit Rate (%)
By Industries Beer	8,969,485	5,933,303	33.9	15.1	12.1	1.8
By Products Beer	8,969,485	5,933,303	33.9	15.1	12.1	1.8

The Group is mainly engaged in the production and sales of beer.

(2) *Table of Principal Business by Geographical Markets*

Unit: RMB'000

Region	Sales Amount	Increase/ Decrease (%)
Qingdao	4,297,386	20.0
Shandong Province (excluding Qingdao)	1,541,526	30.2
North China	1,811,931	14.3
South China	2,951,350	18.3
Exports	184,442	7.5
Sub-total	10,786,635	19.6
Less: Intra-group set-offs	(1,817,150)	48.2
Total	8,969,485	15.1

2. Operational Costs

In the first half of 2009, the operational costs of the Group increased 12.1% comparing with that in the same period in the previous year, which was mainly due to the growth of operational costs caused by the expansion of sales scale during the reporting period.

3. Expenses during the Period

(1) In the first half of 2009, the expenses for sales and market expansion increased 15.3% comparing with that in the same period in the previous year, which was mainly due to the growth of promotional expenses caused by the optimization of product mix and the growth of sales volume of high-end products during the reporting period.

(2) In the first half of 2009, the financial expenses of the Group increased 128.7% comparing with that in the same period in the previous year, which was mainly due to the accrued increased interests from bonds with warrants during the reporting period.

4. Interpretation of Composition of Assets/Liabilities

Unit: RMB'000

Item	30 Jun 2009	30 Jun 2008	Increase/ Decrease Amount	Increase/ Decrease Percent
Interests in jointly controlled entity and associates	144,691	28,697	115,994	404.2%
Deferred income tax assets	238,551	94,930	143,621	151.3%
Income tax recoverable	5,610	55,276	(49,666)	(89.9%)
Cash and cash equivalents	4,696,395	2,381,044	2,315,351	97.2%
Borrowings and loans	1,715,733	1,577,016	138,717	8.8%
Bills payable	380,362	146,983	233,379	158.8%
Accruals and other payables	3,402,911	2,390,810	1,012,101	42.3%
Deposits and advance from customers	228,269	340,759	(112,490)	(33.0%)
Income tax payable	120,060	98,949	21,111	21.3%
Dividends payable	327,055	—	327,055	—

(1) Interests in Jointly Controlled Entity and Associates

By the end of the reporting period, the interests in jointly controlled entity and associates increased 404.2% comparing with that at the beginning of the reporting period, which was mainly due to the acquisition of 39% interests in Yantai Beer Asahi during the reporting period.

(2) *Deferred Income Tax Assets*

By the end of the reporting period, the deferred income tax assets increased 151.3% comparing with that at the beginning of the reporting period, which was mainly due to the increase of deferred income tax assets resulted from the increase of expenses pending for payment during the reporting period.

(3) *Income Tax Recoverable*

By the end of the reporting period, the income tax recoverable decreased 89.9% comparing with that at the beginning of the reporting period, which was mainly due to that, the income taxes prepaid at the end of last year were settled and cleared during the reporting period.

(4) *Cash and Cash Equivalents*

By the end of the reporting period, the cash and cash equivalents increased 97.2% comparing with that at the beginning of the reporting period, which was mainly due to the increase of net amount of cash flow from operational activities during the reporting period.

(5) *Borrowings and Loans*

By the end of the reporting period, the borrowings and loans increased 8.8% comparing with that at the beginning of the reporting period, which was mainly due to the increase of borrowings of the subsidiaries from the banks during the reporting period.

By the end of the reporting period, the total amount of borrowings of the Group was RMB548 million, which included RMB531 million of short-term borrowings and RMB17,537 thousand of long-term borrowings. Among the long-term borrowings, those would expire within 1 year were amounted to RMB1,766 thousand, those would expire in 1-5 years were amounted to RMB8,146 thousand, and those would expire over 5 years were amounted to RMB7,625 thousand.

By the end of the reporting period, the borrowings in Renminbi were amounted to RMB355,516 thousand, borrowings in Hong Kong dollars were amounted to RMB72,556 thousand, borrowings in US dollars were amounted to RMB102,479 thousand, borrowings in Euro were amounted to RMB11,358 thousand, and borrowings in Danish krone were amounted to RMB6,179 thousand.

(6) *Bills Payable*

By the end of the reporting period, the bills payable increased 158.8% comparing with that at the beginning of the reporting period, which was mainly due to the increase of accepted bills of exchange issued by the Company during the reporting period.

(7) *Accruals and Other Payables*

By the end of the reporting period, the accruals and other payables increased 42.3% comparing with that at the beginning of the reporting period, which was mainly due to the increase of expenses pending for payment during the reporting period.

(8) *Deposits and Advance from Customers*

By the end of the reporting period, the deposits and advance from customers decreased 33.0% comparing with that at the beginning of the reporting period, which was mainly due to that the goods paid in advance to the Company at the year beginning were sold out.

(9) *Income Tax Payable*

By the end of the reporting period, the income tax payable increased 21.3% comparing with that at the beginning of the reporting period, which was mainly due to the increase of sales revenues and at the moment of sales peak season during the reporting period.

(10) Dividends Payable

By the end of the reporting period, the dividends payable increased RMB327,055 thousand comparing with that at the beginning of the reporting period, which was mainly due to the distribution of 2008 yearly dividends announced by the Company during the reporting period.

5. Analysis of Cash Flow

Unit: RMB'000

Item	Jan. - Jun. 2009	Jan. - Jun. 2008	Increased/ Decreased Amount	Increased/ Decreased Percent
Net amount of cash flow from business activities	2,591,222	765,391	1,825,831	238.5%
Net amount of cash flow from investing activities	(600,864)	(585,708)	(15,156)	2.6%
Net amount of cash flow from fund-raising activities	323,758	1,271,754	(947,996)	(74.5%)

(1) By the end of the first half of 2009, the net amount of cash flow from business activities increased 238.5% comparing with that in the same period in the previous year, which was mainly due to that, firstly, the cash flow-in from sales of goods was comparatively high resulting from the great growth trend of product sales and the optimization of product mix during the period; secondly, the decrease of price of raw materials and less pre-paid accounts.

(2) By the end of the first half of 2009, the net amount of cash flow from fund raising activities decreased 74.5% comparing with that in the same period in the previous year, which was mainly due to the fund raised from the issuance of bonds with warrants in the same period in last year.

6. Interpretation for Other Operations

(1) Investments

- (a) During the reporting period, Tsingtao (H.K.), a wholly-owned subsidiary of the Company, acquired 25% interests in Tsingtao Songjiang held by Carlsberg Hong Kong for a consideration in Hong Kong dollars which was equal to approximately RMB51,250 thousand. After the acquisition, the Company holds 100% interests in Tsingtao Songjiang.
- (b) During the reporting period, South China Investment, a wholly-owned subsidiary of the Company, acquired 21.35% interests in Tsingtao Zhuhai held by Royal Sister Company for a consideration of RMB25,600 thousand. After the acquisition, the Company holds 99.47% interests in Tsingtao Zhuhai.
- (c) During the reporting period, the Company acquired 39% interests in Yantai Beer Asahi Company Limited jointly held by Yantai Beer Group Co., Ltd. and Asahi Breweries Itochu (Holdings) Ltd. for a consideration of RMB214,500 thousand as well as its sales network. After the acquisition, Yantai Beer Asahi became an associate of the Company which holds 39% interests in it.

(2) Debt/Capital Ratio

By 30 June 2009, the Group's debt/capital ratio was 15.5% (17.1% on 30 June 2008), the calculation of debt/capital is: total amount of long-term borrowings/(total amount of long-term borrowings + interests attributable to shareholders of the parent company).

(3) Assets Mortgage

By 30 June 2009, all banking facilities of the Group were borrowings without guarantees or mortgages (by 31 December 2008, all banking facilities of the Group were borrowings without guarantees or mortgages).

(4) Risk of Flexible Exchange Rate

As the Group currently relies on the imported barley among the raw materials in its production of Tsingtao Beer, so the change of exchange rate would indirectly affect the price of raw materials used by the Group, so as to bring certain impacts to the profitability of the Group.

(5) Contingencies

For details please refer to the Note 22 in the Condensed Consolidated Interim Financial Information.

7. Staff

As of 30 June 2009, the Company (including its subsidiaries) totally had 37,602 of working staff, and 4,571 of retired staff.

The Company cares about its staff and secures their legal rights. It provides the working staff with social insurances including pension, basic medical insurance, unemployment insurance, work-related injury insurance, and maternity insurance, and pays premiums for these insurances with full amount. Meanwhile, the Company sets up an remuneration incentive mechanism subject to the staff's position value and personal development to have its staff share the operational results, which makes the remuneration of its staff may obtain continuous growth with its development.

The Company takes seriously about its staff's education and trainings by strengthening its establishment of education and training system. It has set up Tsingtao Brewery Administration Institute as a platform for its staff's study, sharing and practice. It carries out the practical, applicable and effective training programs with pertinence based on the Company's needs. The contents of training includes: promoting the comprehensive managing level of management team, improving staff's professional skills for their own position, and the continuing education of professional technicians. As of 30 June 2009, the number of training hours reached 3.46 million hours, and the persons who attended the trainings reached 99,700 person-time.

(III) OUTLOOK FOR THE SECOND HALF OF 2009

In the first half year, the national beer industry was more integrated, while the market share of those breweries with brand impact further increased. In the second half year, as driven by the policy of exploring domestic needs launched by Chinese government, the consumption of beer will continue to recover. The Company would seize the opportunity to promote the integrated operation and the construction of marketing with full force, to be engaged in the further exploration of domestic market to further expand its sales share, and optimize its product mix based on the effective control over its costs to continuously improve the Company's profitability, so as to create higher returns for the grand shareholders.

SIGNIFICANT EVENTS

1. The Company shall not distribute interim dividends for the 6 months ended on 30 June 2009 pursuant to the provisions in the articles of association of the Company.
2. During the reporting period, the Company did not involve in any new events of significant litigations and arbitration.
3. Under the *Entrusted Operation and Management Agreement* and its supplementary agreement entered into between the Company and Tsingtao Brewery Group Company Limited (“Group Company”), the Company went on to manage the Group Company’s 80% interests in Tsingtao Brewery (Yangzhou) Company Limited (“Yangzhou Company”) as its custodian and included it into the consolidating scope of financial statements during the reporting period. Save as it, there is no other issues of custody of the Company.
4. The associated guarantee provided by Tsingtao Brewery No. 5 Company Limited, the Company’s subsidiary, for its associate Qingdao Tsingtao-Asahi Company Limited (40% interests in it) in respect of loans with credit line of RMB22 million offered by Shibe No. 1 Sub-branch of Qingdao Branch of the Communications Bank Co., Ltd has been extended to 15 July 2009. Save as it, all external guarantees provided by the Company during the reporting period were for the bank loans and current borrowings for its subsidiaries under the approval of the Board of Directors.
5. According to the notice from the tax authority in Qingdao in April 2008, the applicable enterprise income tax rate for the Company for 2007 was 33% (the previous income tax rate applicable to the Company was 15%). As at the date of disclosure of this Announcement, the tax authority has not made any decision on how to settle the income tax before the year 2007. The Company will issue further announcement as and when appropriate upon receipt of any further information. Pursuant to the *new Enterprise Income Tax Law of the People’s Republic of China* which came into effect on 1 January 2008, the income tax rate applicable to the Company for 2009 is 25%.

SIGNIFICANT CONNECTED TRANSACTIONS OCCURRED DURING THE REPORTING PERIOD

1. The Company entered into the *Distribution Agreement* with Yantai Beer Qingdao Asahi Company Limited (“Yantai Beer”) on 22 April 2009 whereby Yantai Beer agreed to grant the Company the sole distribution rights for the distribution of all products produced by Yantai Beer. The Company holds 39% interests in Yantai Beer, while Asahi Breweries, Ltd. (“Asahi”) indirectly holds 51% interests in Yantai Beer, Asahi is a substantial shareholder of Shenzhen Tsingtao-Asahi Company Limited, a subsidiary of the Company (and thus a connected person of the Company), Yantai Beer is therefore an associate of a connected person of the Company pursuant to the *Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited*, the transactions contemplated under the *Distribution Agreement* thus constituted continuing connected transactions of the Company which should be subject to the announcement and reporting requirements and shall be approved by the independent shareholders of the Company. The resolution for approving the continuing connected transactions has been discussed and passed at the 2008 AGM of the Company held on 16 June 2009, while Asahi abstained from voting on the relevant resolution due to its interests in the Distribution Agreement. For details of the continuing connected transactions, please refer to the circular delivered to the shareholders on 30 April 2009, the announcement published at the website of the Shanghai Stock Exchange and the Hong Kong Stock Exchange, and the announcement for the results of the AGM published on 17 June 2009 in Mainland China and Hong Kong.

2. Under the approval of the Board of Directors of the Company, Shenzhen Tsingtao-Asahi Company Limited (“Tsingtao Shenzhen”), a subsidiary of the Company, had entered into a *Product Sales Agreement* with each of Asahi Breweries and a wholly-owned subsidiary of Asahi Breweries respectively on 8 May 2009, whereby Asahi Breweries and its subsidiary agreed to purchase the beer products under the “Asahi” brand from Tsingtao Shenzhen. As Asahi Breweries is the substantial shareholder of Tsingtao Shenzhen (holds 29% interests in it), Asahi Breweries and its subsidiary thus constituted connected persons of the Company and the transaction of Tsingtao Shenzhen selling products to Asahi Breweries and the subsidiary constituted continuing connected transaction pursuant to the *Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited*, which is subject to the announcement and reporting requirements, but is exempt from the independent shareholders’ approval requirement. For details of the transaction, please refer to announcement published on 8 May 2009.

CHANGES TO SHARE CAPITAL AND INFORMATION OF SHAREHOLDERS

1. There were no changes of total amount of share and the structure of share capital during the reporting period.
2. Information of shareholders
 - (1) As of 30 June 2009, the total amount of shareholders of the Company was 35,235. Based on the open information the Company may acknowledge and may be understood by the Directors of the Company on the latest actually available date before publishing the interim report, the number of the Company’s shares held by the public has been satisfied with the requirements in the *Rules Governing the Listing of Securities on The stock Exchange of Hong Kong Limited* (“Listing Rules”).
 - (2) Shareholdings of top ten shareholders of the Company by the end of the reporting period

Unit: Share

Shareholder’s name	Increase/ Decrease within the reporting period	Shares held at the end of the reporting period	Holding percentage (%)	Guaranteed or frozen shares	Class of shares
Tsingtao Brewery Group Company Limited (<i>Note 1</i>)	+6,832,000	410,924,250	31.41	Nil	A-share with sales restriction
HKSCC Nominees Limited (<i>Note 2</i>)	+1,110,100	298,228,172	22.80	Unknown	H-share
Asahi Breweries Ltd (<i>Note 3</i>)		261,577,836	19.99	Unknown	H-share
ICBC (Asia) Nominee Limited (<i>Note 3</i>)		91,641,342	7.01	Unknown	H-share
China Jianyin Investment Company Ltd.		17,574,505	1.34	Unknown	A-share with sales restriction
Industrial Bank Co., Ltd. — Industrial Trend Investment Mixed Securities Investment Fund		15,078,956	1.15	Unknown	A-share

Shareholder's name	Increase/ Decrease within the reporting period	Shares held at the end of the reporting period	Holding percentage (%)	Guaranteed or frozen shares	Class of shares
Bank of China — Dacheng Blue Chip Steady Securities Investment Fund		11,659,922	0.89	Unknown	A-share
Industrial Bank Co., Ltd. — Industrial Global Vision Stock Securities Investment Fund		11,522,726	0.88	Unknown	A-share
National Social Security Fund 108		11,465,900	0.88	Unknown	A-share
National Social Security Fund 102		10,000,000	0.76	Unknown	A-share

- (3) Shareholdings of top ten holders of listed shares without sales restriction of the Company by the end of the reporting period

Shareholder's name	Listed shares held	Unit: share	
			Class of shares
HKSCC Nominees Limited	298,228,172		H-share
Asahi Breweries Ltd	261,577,836		H-share
ICBC (Asia) Nominee Limited	91,641,342		H-share
Industrial Bank Co., Ltd. — Industrial Trend Investment Mixed Securities Investment Fund	15,078,956		A-share
Bank of China — Dacheng Blue Chip Steady Securities Investment Fund	11,659,922		A-share
Industrial Bank Co., Ltd. — Industrial Global Vision Stock Securities Investment Fund	11,522,726		A-share
National Social Security Fund 108	11,465,900		A-share
National Social Security Fund 102	10,000,000		A-share
China Life Insurance Company Limited — Dividend — Individual dividend — 005L — FH002 Hu	7,606,212		A-share
China Construction Bank — Yinhua Core Value Selected Stock Securities Investment Fund	5,054,161		A-share

Notes:

1. *According to the notice from Tsingtao Brewery Group Company Limited ("TB Group"), the controlling shareholder of the Company, that, by 30 June 2009, TB Group had acquired 7,844,000 shares of H-share on the Hong Kong market through its wholly-owned subsidiary. After the acquisition, TB Group had held 410,924,250 shares in the Company, which was accounted for about 31.41% of the issued entire shares of the Company. TB Group may further acquire shares in the Company through secondary market in its own name or through parties acting in concert during the 12 months from 25 September 2008, and the accumulated percentage of increased shares would not exceed 2% (including the acquired shares) of the issued entire shares of the Company. TB Group promised that, it would not sell out the shares in the Company during the implementation of share acquisition scheme and during the statutory period.*
2. *H-shares held by HKSCC Nominees Limited are held on behalf of different clients.*
3. *On 23 January 2009, Anheuser-Busch InBev S.A. ("A-B InBev") entered into a Share Purchasing Agreement with Asahi Breweries, Ltd. to sell 19.99% of H-shares in the Company through its wholly-owned subsidiary, A-B Jade Hong Kong Holding Company Limited ("A-B Jade"). The share transfer was completed on 6 May 2009. On 7 May 2009, A-B Jade entered into Share Purchasing Agreement with CHEN Fa Shu to sell 7.01% of H-shares in the Company, and the share transfer was completed on 24 June 2009.*

Industrial Trend Investment Mixed Securities Investment Fund and Industrial Global Vision Stock Securities Investment Fund are the products operated by AEGON-INDUSTRIAL Fund Management Co., Ltd. National Social Security Fund 108 and National Social Security Fund 102 are the products operated by Bosera Funds Management Co., Ltd.

Save as disclosed above, the Company is unaware if there are any other associations among these top ten shareholders, top ten holders of listed shares without sales restriction or they are of the parties acting in concert.

(4) Holders 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 30 June 2009, 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 (Cap. 571, Laws of Hong Kong) (the “SFO”):

Name	Nature	Class of Shares	Capacity	Note	Number of shares/ underlying shares	As a percentage of the entire issued capital	As a percentage of all H Shares
State-owned Assets Supervision and Administration Commission of the People’s Government of Qingdao (“SASACQ”)	Long Position	A-Share	Corporate		403,080,250 A-Shares	30.81%	N/A
	Long Position	H-Share	Interest of controlled corporations	1	7,844,000 H-Shares	0.60%	1.20%
Asahi Breweries, Ltd	Long Position	H Share	Beneficial Owner		261,577,836 H-Shares	19.99%	39.93%
Chen Fa Shu	Long Position	H Share	Beneficial Owner		91,641,342 H-Shares	7.01%	13.99%
JPMorgan Chase & Co.	Long Position	H-Share	Interest of controlled corporations/ Beneficial Owner/ Investment Manager/ Custodian	2	59,014,637 H-Shares	4.51%	9.01%
	Interest in a lending pool	H-Share			28,410,317 H-Shares	2.17%	4.34%
	Short Position	H-Share	Beneficial Owner		902,150 H-Shares	0.07%	0.14%
Marathon Asset Management	Long Position	H-Share	Investment Manager		32,755,000 H-Shares	2.50%	5.00%

Notes:

- (1) The 7,844,000 H-shares which were deemed to interested by SASACQ were held by a wholly-owned subsidiary of Tsingtao Brewery Group Company Limited.
- (2) The Shares in which JPMorgan Chase & Co. was deemed to be interested were held through various intermediate holding companies.
- (3) For the latest disclosure of interests filings for the Company’s substantial shareholders, please refer to the “Disclosure of Interests” section on the website of Hong Kong Exchanges and Clearing Limited (“HKEx”) (www.hkex.com.hk).

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

1. LATEST APPOINTMENT OF SENIOR MANAGEMENT AND THE DESIGNATION OF NON-EXECUTIVE DIRECTORS AND SUPERVISOR

- a. On 14 January 2009, the appointment of Mr. HUANG Ke Xing the Vice President of the Company was considered and approved at the 4th meeting of the 6th Board of Directors, whose duty term shall be from the date of being appointed by the Board to the fulfillment of the 6th Board of Directors.

- As A-B InBev sold out all shares in the Company, Mr. Stephen J.BURROWS and Mr. Mark F.SCHUMM, the Non-executive Directors of the Company, proposed to resign as the Director of the Company, while Ms. ZHENG Xiao Fan, the Supervisor of the Company, proposed to resign as the Supervisor of the Company. Their resignation was taken into effect since 1 May 2009.

2. SHAREHOLDING OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

There were no changes to the shares in the Company held by the Company's Directors, Supervisors and senior management during the reporting period. As of 30 June 2009, Mr. SUN Ming Bo held 1,840 shares in the Company, Mr. LIU Ying Di held 5,894 shares in the Company, Mr. FAN Wei held 3,476 shares in the Company, Mr. DONG Jian Jun held 92 shares in the Company, Mr. ZHANG Xue Ju held 1,179 shares in the Company, Mr. CAO Xiang Dong held 2,358 shares in the Company, and Mr. HUANG Ke Xing held 1,300 shares in the Company. The shares held by the aforesaid individuals are of listed A-shares.

As of 30 June 2009, save as disclosed above, none of the Directors, Supervisors or senior management of the Company had any interests and short positions in the shares, underlying shares and debentures of the Company or any associated corporations (as defined in Part XV of the *Securities and Futures Ordinance* (the "SFO")), which was recorded in the register required to be kept under section 352 of the SFO or otherwise notified to the Company and The Stock Exchange of Hong Kong Limited pursuant to the *Model Code for Securities Transactions by Directors of Listed Companies* (the "Model Code") included in Appendix 10 of the Listing Rules.

3. MODEL CODE

The Company has adopted the *Model Code* and the *Administration Regulations of the Company's Shares held by Directors, Supervisors and Senior Management of the Company and its Changes* formulated by the Company as its codes of conduct and standards in respect of securities transactions by the Directors. Specific enquiries were made with all Directors who had confirmed that they had complied with the *Model Code* and its codes of conduct and standards regarding Director's securities transactions at all applicable time during the reporting period.

PURCHASING, SELLING OR REDEEMING SECURITIES

During the reporting period, neither the Company nor any of its subsidiaries ever purchased, sold or redeemed any of its listed securities. (For definition of "securities", please refer to Appendix 16.1 of *Listing Rules*.)

CHANGES TO DIRECTORS UNDER RULE 13.51B(1) OF LISTING RULES

The followings are the changes to Directors disclosed under Rule 13.51B(1) of Listing Rules.

- Mr. POON Chiu Kwok, an Independent Non-executive Director of the Company, has ceased to be an Independent Non-executive Director of CATIC Shenzhen Holdings Limited since 15 June 2009 (He was appointed for the first time on 31 May 2003).
- Mr. FU Yang, an Independent Non-executive Director of the Company, has ceased to be an Independent Non-executive Director of Air China Limited since 10 June 2009.

CODE OF CORPORATE GOVERNANCE PRACTICE

The Company had been paying attention to the corporate governance and the transparency of it. Under the requirements on corporate governance raised by the regulatory authority, the Company had been improving its internal control to realize a standard and highly efficient operations to ensure its shareholders can obtain rewards from sound corporate governance.

During the reporting period, the Company had been in compliance with the Appendix 14 *Code of Corporate Governance Practice of Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited*.

REVIEW OF THE UNAUDITED INTERIM RESULTS

The Audit & Finance Committee under the Board of Directors of the Company has reviewed the Company's unaudited 2009 interim results.

Tsingtao Brewery Company Limited
Board of Directors

COMPANY INFORMATION

1. Official name of the Company: 青島啤酒股份有限公司
Name in English: TSINGTAO BREWERY COMPANY LIMITED
2. Stock listing of the Company:
A share: Shanghai Stock Exchange
Short name: 青島啤酒 Code: 600600
H share: The Stock Exchange of Hong Kong Limited
Short name: TSINGTAO BREW Code: 0168
Warrants: Shanghai Stock Exchange
Short name: 青啤CWB1 Code: 580021
Bonds: Shanghai Stock Exchange
Short name: 08青啤債 Code: 126013
3. Registered address: No.56, Dengzhou Road, Qingdao, Shandong Province, the People's Republic of China
Office address: Tsingtao Beer Tower, May Fourth Square, Hong Kong Road Central, Qingdao, Shandong Province, the People's Republic of China
Postcode: 266071
Website: www.tsingtao.com.cn
E-mail: info@tsingtao.com.cn
4. Legal representative: JIN Zhi Guo
5. Secretary to the Board of Directors: ZHANG Xue Ju
Securities affairs representative: ZHANG Rui Xiang
Telephone: 86-532-85713831
Fax: 86-532-85713240
E-mail: secretary@tsingtao.com.cn
6. Designated newspapers for information disclosure: *China Securities Journal; Shanghai Securities News;*
Websites for publication of www.tsingtao.com.cn
interim report: www.hkexnews.hk
Interim report kept at: Equity Management Dept. of the Company



青島啤酒

2009

INTERIM REPORT

中期報告

青島啤酒股份有限公司
TSINGTAO BREWERY CO., LTD.