



青島啤酒股份有限公司  
TSINGTAO BREWERY CO., LTD.

(Stock Code 股份代號 : 168)

年度報告  
ANNUAL REPORT  
2014



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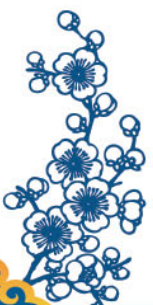
## 公司簡介 Company Profile

本公司前身為國有青島啤酒廠，始建於一九零三年，是中國歷史最為悠久的啤酒生產廠。公司一九九三年六月十六日註冊成立，隨後在香港發行了H種股票並於七月十五日在香港聯交所上市，成為首家海外上市的國內企業，同年七月在國內發行了A種股票並於八月二十七日上交所上市。

公司的經營範圍是啤酒製造、銷售以及與之相關的業務。目前公司在國內擁有55家全資和控股的啤酒生產企業，及12家聯營及合營啤酒生產企業，分佈於全國20個省、直轄市、自治區，規模和市場份額居國內啤酒行業領先地位。其生產的青島啤酒為國際市場上最具知名度的中國品牌，已營銷世界九十個國家和地區。

The Company, the earliest brewery in China, can trace its root back to 1903 when its predecessor, the State-owned Tsingtao Brewery Factory, was established. The Company was registered and established on 16 June 1993, and then issued H-shares in Hong Kong which were listed on the Stock Exchange on 15 July 1993, being the first domestic enterprise listed on an overseas stock exchange. In July 1993, the Company issued A-shares in China, which were listed on SSE on 27 August 1993.

The Company's business scope is production and sales of beer, and other related business. At present, the Company occupies leading position in the domestic beer industry in terms of size and market share with 55 wholly-owned and controlling breweries, and 12 associated and joint-investment breweries in 20 provinces, municipalities and autonomous regions in China. Tsingtao Beer is the most well-known Chinese brand in the international market that it is distributed to more than ninety countries and regions throughout the world.



## 會計數據摘要 Financial Highlights

### 按中國企業會計準則編制

Prepared in accordance with the China Accounting Standards for Business Enterprises (“CAS”)

#### 1. 本集團二零一四年財務資料

(單位：人民幣千元)

營業利潤	利潤總額	歸屬於母公司股東的淨利潤	歸屬於母公司股東的扣除非經常性損益後的淨利潤	經營活動產生的現金流量淨額	註：非經常性損益項目包括：	計入當期損益的政府補助	非流動資產處置損失	單獨進行減值測試的應收賬款減值準備轉回	除上述各項之外的其他營業外收入和支出	小計	所得稅影響額	少數股東權益影響額(稅後)	合計
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#### 1. The Group's financial information for the year ended 31 December 2014

(Unit: RMB'000)

Operating profit	Total profit	Net profit attributable to shareholders of the Company	Net profit attributable to shareholders of the Company after deduction of non-recurring profit or loss	Net cash flows from operating activities	Note: Non-recurring profit or loss items include:	Government grants recognised in profits	Losses on disposal of non-current assets	Reversal of bad debt provision for accounts receivables which provision is provided on the individual basis	Other non-operating income and expenses other than aforesaid items	Subtotal	Impact on the income tax	Impact on the non-controlling interests (after tax)	Total
2,284,253	2,682,999	1,990,098	1,671,409	1,690,634		448,001	(59,716)	3,000	10,461	401,746	(68,200)	(14,857)	318,689





## 會計數據摘要 Financial Highlights

### 2. 主要會計數據及財務指標

(單位：人民幣千元)

主要會計資料	Major accounting information	2014	2013	2012	2011	2010
營業收入	Revenue	29,049,321	28,290,978	25,781,544	23,158,054	19,897,828
利潤總額	Total profit	2,682,999	2,666,534	2,484,156	2,454,913	2,123,196
歸屬於母公司股東的淨利潤	Net profit attributable to shareholders of the Company	1,990,098	1,973,372	1,758,863	1,737,928	1,520,484
歸屬於母公司股東的扣除非經常性損益的淨利潤	Net profit attributable to shareholders of the Company after deduction of non-recurring profit or loss	1,671,409	1,655,872	1,470,047	1,490,258	1,372,933
基本每股收益	Basic earnings per share	1.4731	1.4607	1.3019	1.2864	1.1255
稀釋每股收益	Diluted earnings per share	1.4731	1.4607	1.3019	1.2864	1.1255
扣除非經常性損益後的基本每股收益	Basic earnings per share after deduction of non-recurring profit or loss	1.2372	1.2257	1.0881	1.1031	1.0162
全面攤薄淨資產收益率(%)	Fully diluted return on net assets (%)	12.93	14.07	14.11	15.64	15.83
加權平均淨資產收益率(%)	Weighted average return on net assets (%)	13.53	14.87	14.91	16.78	16.90
扣除非經常性損益後全面攤薄淨資產收益率(%)	Fully diluted return on net assets after deduction of non-recurring profit or loss (%)	10.86	11.81	11.79	13.41	14.30
扣除非經常性損益後的加權平均淨資產收益率(%)	Weighted average return on net assets after deduction of non-recurring profit or loss (%)	11.36	12.48	12.46	14.39	15.26
經營活動產生的現金流量淨額	Net cash flows from operating activities	1,690,634	3,401,151	3,103,597	1,872,309	3,284,028
每股經營活動產生的現金流量淨額	Net cash flows from operating activities per share	1.25	2.52	2.30	1.39	2.43
總資產	Total assets	27,003,913	27,364,867	23,661,106	21,634,154	17,777,116
總負債	Total liabilities	11,716,631	13,491,396	10,877,675	10,357,219	8,057,370
歸屬於母公司的股東權益	Total equity attributable to shareholders of the Company	15,387,562	14,020,559	12,467,953	11,110,439	9,603,112
歸屬於母公司股東的每股淨資產	Net assets per share attributable to shareholders of the Company	11.39	10.38	9.23	8.22	7.11



## 會計數據摘要 Financial Highlights

### 3. 報告期內股東權益變動情況

(單位：人民幣千元)

項目	Item	歸屬於母公司股東權益					未分配利潤 Undistributed profits	少數股東權益 Non-controlling interests	股東權益合計 Total shareholders' equity		
		Owners' equity attributable to shareholders of the Company									
		股本 Share capital	資本公積 Capital surplus	其他綜合收益 Other comprehensive income	盈餘公積 Surplus reserve	一般風險準備 General reserve					
期初數	Opening balance	1,350,983	4,079,399	25,193	1,059,469	80,642	7,424,873	(147,088)	13,873,471		
本期增加	Increase in the period	—	—	—	156,870	—	2,003,758	103,355	2,263,983		
本期減少	Decrease in the period	—	—	(15,153)	—	(13,660)	(764,813)	(56,546)	(850,172)		
期末數	Closing balance	1,350,983	4,079,399	10,040	1,216,339	66,982	8,663,818	(100,279)	15,287,282		

(1) 其他綜合收益：減少主要原因是重新計量設定受益計劃淨負債的變動及外幣報表折算差額所致。

(2) 盈餘公積：增加為本年度提取的盈餘公積。

(3) 未分配利潤：增加為本年度實現的歸屬於母公司股東的淨利潤及調減一般風險準備，減少為本年提取盈餘公積及分配股利。

(4) 少數股東權益：增加主要原因是本年度實現的少數股東收益增加及本公司購買山東綠蘭莎啤酒有限公司55%股權所致，減少主要是因為本年分配股利所致。

### 3. Changes in shareholders' equity in reporting period

(Unit: RMB'000)

(1) Other comprehensive income: Decrease mainly dues to the changes arising from remeasurement of defined benefit plan liabilities and currency translation differences.

(2) Surplus reserve: Increase represents the surplus reserve appropriated in the year.

(3) Undistributed profits: Increase represents net profit attributable to shareholders of the Company for the year and the reversal of general reserve. Decrease represents the appropriation of surplus reserve and distribution of dividends.

(4) Non-controlling interests: Increase mainly dues to the non-controlling interests realized in the current year and purchase 55% equities of Shandong Lulansa Brewery Company. Decrease represents the distribution of dividends in the current year.



## 會計數據摘要 Financial Highlights

### 4. 利潤分配

董事會建議就截至二零一四年十二月三十一日止年度派發末期股息每股人民幣0.45元(含稅)，其餘未分配利潤結轉下一年度。上述分配預案須經本公司二零一四年度股東年會審議批准。有關公司H股股東暫停辦理股份過戶登記手續的期間，本公司將在另行公佈的股東年會通告中載列。

### 4. Profit Distribution

The Board proposed a final dividend of RMB0.45 (with tax) per share for the year ended 31 December 2014, and carried forward the remaining distributable profits to the next year. The aforesaid distribution proposal shall be subject to the approval at the 2014 annual general meeting to be held by the Company. The period for the closure of register of members for H-share will be set out in the notice of the annual general meeting to be published by the Company separately.







## 董事長報告書 Chairman's Statement

致各位股東：

本人謹此提呈本公司截止2014年12月31日會計年度之業務報告及經審計之財務報告，敬請各位股東審閱。

2014年中國啤酒市場在連續多年增長後，首次出現負增長。啤酒行業全年完成產量4,922萬千升(數據來源：國家統計局)，同比下降0.96%。特別是下半年受經濟增速放緩、市場環境變化以及氣候異常等多因素疊加的影響，啤酒市場出現較大下降，亦導致市場競爭進一步加劇，給企業帶來前所未有的壓力。

報告期內，面對國內啤酒市場下降和國際化競爭不斷加劇的不利形勢，公司在董事會領導下，適時做出戰略調整、創新運營舉措，積極致力於國內外市場的開拓，取得了銷量、收入、利潤、市場份額等持續增長的佳績。公司全年實現啤酒銷售量915.4萬千升，同比增長5.2%；實現營業收入人民幣290.49億元，同比增長2.68%，實現歸屬於母公司股東的淨利潤人民幣19.90億元，同比增長0.85%。繼續保持了公司在國內啤酒行業的領先水平。

Dear shareholders,

I hereby present the business report and audited financial statements of the Company for the accounting year ended 31 December 2014 for your kind review.

In 2014, China's beer market had a negative growth for the first time after having maintained positive growth for years. For the full year, the beer industry realized 492.2 million hl of output (Source: National Bureau of Statistics), decreased by 0.96% from prior year. Especially in the second half of the year, due to multiple reasons including deceleration of economic growth rate, change of market environment and unusual climate, the beer market declined greatly, which brought more intense market competition and unprecedented pressure to the breweries.

During the Reporting Period, facing the unfavorable situation of the decline of domestic beer market and the more and more intense international competition, the Company, as led by the Board, made timely strategic adjustment, innovated the operating measures, and actively devoted to the expansion of domestic and overseas markets, which helped to obtain the satisfactory results of continuing growth of sales volume, income, profit and market share. In the year, the Company realized 91.54 million hl of sales volume of beer, increased by 5.2% from prior year; RMB29.049 billion of revenue, increased by 2.68% from prior year; and RMB 1.99 billion of net profit attributable to the shareholders of the Company, increased by 0.85% from prior year, which continued to maintain the Company's leading position in the domestic beer industry.



孫明波先生  
Mr. SUN Ming Bo





## 董事長報告書 Chairman's Statement

報告期內公司因應市場的變化，調整了發展戰略，在提高市場份額的同時，努力提升產品結構。公司通過多種渠道、方式加大市場推廣力度，發揮青島啤酒品牌、品質的核心優勢，加快品牌和品種結構升級，公司在8月份明確將品牌戰略調整為「1+1+N」，即青島啤酒主品牌+全國性第二品牌崂山啤酒+漢斯、山水、銀麥等區域品牌，更加適應市場競爭的需求，使公司在行業性衰退的情況下繼續保持了銷量、收入、利潤的持續增長，市場份額獲得不斷提升。年內公司在國內市場佔有率已達18.6%，同比提高了1個百分點。同時公司積極開拓中高端產品市場，保持了在國內中高端市場的領先地位，全年實現主品牌青島啤酒銷量450萬千升，其中聽裝、小瓶、純生和奧古特等高附加值產品實現國內銷售量共計166萬千升，同比增長5.3%。



報告期內公司加強營銷體系的建設和完善，在全國市場不斷深化和推廣「大客戶+微觀運營」的營銷模式，使公司營銷管理能力和對市場的掌控能力進一步提升。一方面繼續鞏固和加強山東等基地市場的建設，精耕細作，使基地市場保持了良好的發展勢頭，並帶動了周邊區域市場的銷量提升。2014年7月，公司收購了綠蘭莎啤酒營銷網絡及55%股權，使公司在山東基地市場的份額和競爭優勢進一步加強。另一方面公司聚焦資源，加大成長性市場的開發、整合力度，持續推進省級基地市場及工廠所在地基地市場建設，發揮區域協同效應，有效提升產能利用率，並帶動產品結構的升級。年內公司完成了青島啤酒三廠、青島啤酒（荷澤）有限公司、青島啤酒（甘肅）股份有限公司等多個遷建和改擴建工程，使公司產能規模、技術和裝備水平進一步提升，為公司今後繼續開拓當地市場奠定了堅實基礎。

During the Reporting Period, the Company adjusted its development strategies in response to the changes in the market to try to improve its product mix while increasing its market share. The Company, by various channels and ways, strengthened its market promotion, played its core advantages of Tsingtao Beer brand in brand and quality, and accelerated the upgrade of brand and product mix. In August, the Company announced that it would adjust its brand strategy to “1+1+N”, that is, principal brand, Tsingtao Beer + national secondary brand, Laoshan + regional brands including Hans, Shanshui and Yinmai, to better satisfy the needs for market competition, which helped the Company maintain continuous growth of sales volume, income, profit and market share while the whole industry was experiencing deceleration. Within the year, the Company's share in the domestic market had reached 18.6%, increased by 1 percentage point from prior year. At the same time, the Company also actively expanded the mid-and-high-end product market to maintain its leading position in the domestic mid-and-high-end market. The Company's full year sales volume of principal brand, Tsingtao Beer, reached 45 million hl, among which the domestic sales volume of high value-added products including canned beer, small-bottled beer, draft beer and Augerta reached 16.6 million hl in aggregate, increased by 5.3% from prior year.

During the Reporting Period, the Company strengthened the establishment and improvement of its sales system by continuously deepening and promoting the sales mode of “Big Customer + Micro Operation”, which further improved the Company's sales management ability and control over the market. On one hand, the Company continued to consolidate and strengthen the construction of base markets including Shandong in intensive manner so that the base markets could maintain a sound development trend and drive the growth of sales volume in neighboring regional markets. In July 2014, the Company acquired the sales network and 55% equity interests in Lulansa Brewery to further increase the Company's share and competition advantage in the base market in Shandong. On the other hand, the Company focused on its resources to strengthen its expansion and integration in growing market by continuing to improve the construction of provincial base markets and base markets in which its plants are located and playing regional synergistic effect to effectively improve the capacity utilization and promote the upgrade of product mix. Within the year, the Company had completed some projects of relocation and construction, reconstruction and expansion of Tsingtao Brewery No.3 Factory, Tsingtao Brewery (Heze) Company Limited and Tsingtao Brewery (Gansu) Company Limited, which further improved the Company's production capacity, technological and equipment level, and built a solid basis for the Company to continue to expand these local markets in future.





## 董事長報告書 Chairman's Statement

報告期內，公司繼續積極開展體育營銷和市場推廣，有力提升了產品影響力和市場競爭力。公司整合聚焦現有資源，通過系列化的推廣延伸活動，做深做透體育營銷，實現資源的最大化利用與傳播。2014年公司結合世界盃足球賽的舉辦，研發並推出青島啤酒足球罐及足球紀念鋁瓶套裝等新產品，通過全國主題促銷、新媒體互動傳播等方式，打造立體化的世界盃消費體驗，取得了較好的市場效果。公司第二品牌崂山啤酒也已正式成為中國男子籃球職業聯賽官方合作夥伴。同時公司以分佈全國各地的生產基地為依託，持續打造各地啤酒節經典項目，提升消費者認同感和參與度，並通過創新媒介傳播模式，探索視頻、移動端的多維度投放，提升了青島啤酒在年輕消費群體中的認可和喜好度。

年內公司成立了營銷中心創新營銷事業總部，發力新產品開發與銷售，積極拓展電子商務等新型業態，開拓新的經濟增長點。公司持續培育戰略性新產品，年內陸續上市了「世界盃鋁瓶、足球罐、炫奇果啤、啤酒節鋁瓶、經典1903」等系列新產品。其中結合VI升級推出的「青島啤酒經典1903」產品，賦予產品「精釀」的品質概念，開啟了青島啤酒「大精釀時代」，引領了國內市場消費潮流。

During the Reporting Period, the Company actively carried out sports marketing and market promotion activities to effectively improve the influence of its products and market competitiveness. By integrating and focusing on its existing resources, and through a series of promotion activities, the Company deepened and penetrated into the sports marketing to realize the maximum utilization and spread of its resources. In 2014 when FIFA World Cup was held, the Company researched and launched Tsingtao canned beer and aluminum-bottled beer in theme of football, which received satisfactory market response by building up all-around consumption experience of World Cup through national thematic promotion activities and interactive communication with new media. Laoshan Beer, the Company's secondary brand, had also formally become the official cooperative partner of CBA (China Basketball Association). At the same time, based on the production bases throughout the country, the Company had been presenting traditional beer festival activities in cities and regions to improve consumers' sense of recognition and involvement, and improving the recognition and popularity of Tsingtao Beer among the young consumers through innovative media propagation mode and exploring multiple broadcasting methods of video and mobile terminal.

Within the year, the Company established Innovative Marketing Department of Marketing Center to develop and sell new products, and actively explored new channels like e-commerce to obtain new economic growth. The Company kept on developing strategic new products that, within the year, the Company launched series of new products including "aluminum-bottled beer and canned beer in theme of FIFA World Cup, peach beer, aluminum-bottled beer in theme of beer festival, and Classic 1903", among which "Tsingtao Beer Classic 1903", being presented together with the improvement of VI (visual identity), provided the product with a quality concept of "craft beer" that started Tsingtao Beer's "Great Craft Beer Age" and led new consumption trend in the domestic market.



## 董事長報告書 Chairman's Statement

公司積極佈局線上銷售渠道，借助第三方成熟的電子商務平臺開設品牌旗艦店，電商發展領跑行業，繼年內率先創建青島啤酒天貓官方旗艦店並上線後，公司相繼在京東、1號店、亞馬遜等大型電商平臺建立了官方旗艦店；「青島啤酒官方商城」正式上線微信商城，成為了首家跨入移動購物領域的中國啤酒企業。

公司在努力為股東創造更高價值的同時，隨著公司的發展，積極回報廣大股東，已連續15年為股東現金分紅，且分紅金額不斷提高。公司積極進取、誠信有為的精神，獲得了國內外投資者的廣泛認同。

2014年公司董事會、監事會圓滿完成了換屆選舉，並為公司未來發展制訂了新的戰略目標。面對國內啤酒市場低速增長和國際化競爭不斷加劇的形勢，為繼續保持在國內市場的領先地位，第八屆董事會提出未來公司的銷量增長目標將保持比國內啤酒行業增長率高2個百分點的水平。

The Company actively arranged its online sales channels that it had opened brand flagship stores based on the mature third-party e-commerce platforms, becoming a leader in e-commerce development in the industry. After having established and launched Tsingtao Beer Tianmao Official Flagship Store within the year, it had also established official flagship stores on the large e-commerce platforms including Jingdong, YHD, and Amazon; "Tsingtao Beer Official Store" was officially opened in WeChat Store, becoming the first Chinese brewery to step into the mobile shopping area.

While striving to create higher values for the shareholders, during the Company's development, the Company also actively rewarded the mass shareholders by distributing cash dividends to the shareholders for 15 years in consecution and kept raising the dividend amount. The Company's spirit of aggressiveness and integrity received recognition from domestic and overseas investors.

In 2014, the Company successfully completed the election for a new round of board of directors and board of supervisors, and worked out new strategic target for the future development. With the situation of low growth rate of domestic beer market and more and more intense international competition, to maintain its leading position in domestic market, the Company's 8th Board brought out the future sales volume growth target which would be 2 percentage points higher than that of domestic beer industry.



## 董事長報告書 Chairman's Statement

同時公司將調整發展戰略，在鞏固核心基地市場，突破新興市場，不斷提升國內市場份額的同時，圍繞「品牌成長和能力提升」實現雙輪驅動，致力於產品結構的優化提升和管理提升，充分發揮青島啤酒的品牌和品質優勢，以差異化競爭戰略在國內中高端市場不斷取得新的增長。

最後，本人對過去一年中給予本公司大力支持的廣大股東、投資者、消費者及恪盡職守、忠誠奉獻的公司廣大員工致以衷心的感謝。

董事長

孫明波

中華人民共和國·青島

二零一五年三月三十日

At the same time, the Company will adjust its development strategy that, while consolidating core base markets, breaking through emerging markets and continuously increasing shares in domestic market, it will realize the double drives focusing on “brand growth and capacity improvement”, devote to the optimization and improvement of product mix and management improvement, fully play the advantages of Tsingtao Beer in brand and quality, and therefore obtain continuous growth in the domestic mid-and-high-end market with differentiation competition strategy.

Last but not least, I would like to express my sincere gratitude to all shareholders, investors, consumers, and the hard-working, loyal and dedicative staff for their great supports to the Company in the past year.

Chairman

SUN Ming Bo

Qingdao, the People's Republic of China

30 March 2015





# 鸿运当头 喜气洋洋





## 董事會報告 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。

本公司為中國最大的啤酒生產商和銷售商之一。

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. 主營業務收入分地區構成情況(按中國企業會計準則計算)

### I. Operations of the Company

The Company is mainly engaged in the production and sales of beer, while its subsidiaries and associated companies are mainly engaged in the production, sales and domestic trade of beer.

The Company is one of the largest beer producers and distributors in China.

Nearly all turnover and profits of the Group are generated from the production and sales of beer.

#### 1. Revenues from principal business by geographical markets (calculated in accordance with CAS)

單位：人民幣千元  
Unit: RMB'000

地區	Region	營業收入 Revenue	營業收入比 上年增減(%) Increase/(Decrease) (%) from prior year
山東地區	Shandong Province	15,729,865	3.62
華北地區	North China	5,639,180	7.12
華南地區	South China	4,647,687	(7.25)
華東地區	East China	3,394,158	11.09
東南地區	South-East China	2,790,708	35.48
港澳及其他海外地區	Hong Kong, Macau and other overseas	492,014	8.23
合計	Total	32,693,612	5.38
減：各地區分部間抵銷金額	Less: Eliminations	4,094,350	25.66
合併	Consolidation	28,599,262	3.00

黃克興先生  
Mr. HUANG Ke Xing



## 董事會報告 Report of the Directors

### 2. 主要附屬公司的經營情況(按中國企業會計準則計算)

### 2. Operation situation of main subsidiaries (calculated in accordance with CAS)

單位：人民幣萬元

Unit: RMB0'000

單位名稱 Name of Subsidiary	主要產品或服務 Principal products or service	註冊資本 Registered capital	營業收入 Revenue	營業利潤 Operating profit	淨利潤 Net profit	淨資產 Net asset	總資產 Total asset
青島啤酒西安漢斯集團有限公司 Tsingtao Brewery Xi'an Hans Group Company Limited	國內啤酒生產及銷售 Production and sales of beer in China	28,790	266,265	34,548	26,351	118,072	182,132
青島啤酒(市北)銷售有限公司 Tsingtao Brewery (Shibei) Sales Company	批發、預包裝食品 Whole-sale and pre-packed food	800	85,967	35,979	27,430	28,630	40,323

### 3. 報告期內主要供貨商和客戶情況

### 3. Main suppliers and clients during the Reporting Period

- (1) 2014年度前五名供應商合計的採購總額約863,214千元(2013年度：893,699千元)，佔採購總額的比例為7.14%(2013年度：7.76%)。
- (2) 2014年度前五名客戶營業收入的總額約1,340,238千元(2013年度：1,683,617千元)，佔全部營業收入的比例為4.61%(2013年度：5.95%)。

- (1) The total amount of the Company's purchase from its top 5 suppliers in 2014 was approximately RMB863,214,000 (2013: RMB893,699,000), which accounted for 7.14% of its purchase amount in aggregate (2013: 7.76%).
- (2) The total amount of the Company's revenue of its top 5 clients in 2014 was approximately RMB1,340,238,000 (2013: RMB1,683,617,000), which accounted for 4.61% of its revenue in aggregate (2013: 5.95%).

報告期內，本公司各董事、監事及其連絡人或任何持有本公司股份多於5%之股東並無擁有上述之供貨商及銷售商的任何權益。

During the Reporting Period, none of the Company's directors, supervisors or their associates or any shareholders holding more than 5% of shares in the Company possessed any interests in the aforesaid suppliers and distributors.

## 二. 利潤分配

## II. Profit Distribution

董事會建議就截至二零一四年十二月三十一日止年度派發末期股息每股人民幣0.45元(含稅)，其餘未分配利潤結轉下一年度。上述分配預案須經本公司二零一四年度股東年會審議批准。有關公司H股股東暫停辦理股份過戶登記手續的期間，本公司將在另行公佈的股東年會通告中載列。

The Board proposed a final dividend of RMB0.45 (with tax) per share for the year ended 31 December 2014, and carried forward the remaining distributable profits to the next year. The aforesaid distribution proposal shall be subject to the consideration and approval at the 2014 Annual General Meeting held by the Company. The period for closure of register of members for H-share will be set out in the notice of annual general meeting to be published by the Company separately.





## 董事會報告 Report of the Directors

### 三. 儲備

報告期內本公司及集團的儲備變動詳列於合併財務報表(按中國企業會計準則編制)附註四(37)及(38)。

### 四. 股本變動及股東情況

1. 報告期內，本公司股份總數及股本結構未發生變化。

本公司以在年報刊發前的最後實際可行日期可以得悉、公司董事也知悉的公開資料作為基礎，本公司的公眾持股量已經滿足《上市規則》的要求。截止報告期末，股本結構如下：

### III. Reserve

Details of changes of reserve of the Company and the Group during the Reporting Period are set out in Note 4(37) & (38) to Consolidated Financial Statements (prepared in accordance with CAS).

### IV. Changes of Share Capital and Information of Shareholders

1. During the Reporting Period, no changes happened to the total number of shares and share capital structure of the Company.

Based on the public information which could be known on the latest practical date before the annual report was published, which was also known by the directors of the Company, the number of the Company's shares held by the public had satisfied the requirements in *Listing Rules*. The structure of share capital as at the end of the Reporting Period is as follows:

單位：股  
Unit: Share

		報告期末 End of the Reporting Period
一、 人民幣普通股(A股)	I. RMB-denominated ordinary shares (A-share)	695,913,617
二、 境外上市的外資股(H股)	II. Overseas listed foreign shares (H-share)	655,069,178
股份總數	Total shares	1,350,982,795



## 董事會報告 Report of the Directors

### 2. 股東情況

- (1) 報告期末公司股東總數為21,314戶(其中A股股東21,017戶；H股股東297戶)。報告期內，本公司股東未有放棄或同意放棄任何股息的安排的情況。
- (2) 報告期末本公司前十名股東(暨無限售條件的流通股股東)持股情況

### 2. Shareholders

- (1) As at the end of the Reporting Period, the total number of shareholders of the Company was 21,314 (of which 21,017 were holders of A-share, and 297 were of H-share). During the Reporting Period, none of the shareholders of the Company gave up or agreed to give up the arrangements of any dividends.
- (2) As at the end of the Reporting Period, the shareholding of top 10 shareholders (and holders of listed shares without sales restriction) of the Company.

單位：股  
Unit: Share

股東名稱 Shareholder's name	報告期內增減 Increase/Decrease during the Reporting Period	報告期末持股 Shares held at the end of the Reporting Period	持股比例(%) Shareholding percentage (%)	股份質押或 凍結情況 Guaranteed or frozen shares	股份類別 Class of shares
青島啤酒集團有限公司(附註1) Tsingtao Brewery Group Company Limited (Note 1)	1,667,505	413,067,555	30.58	無 Nil	A股和H股 A-share and H-share
香港中央結算(代理人)有限公司(附註2) HKSCC Nominees Limited (Note 2)	106,999	373,879,441	27.67	未知 Unknown	H股 H-share
朝日集團控股株式會社 Asahi Group Holdings Ltd.		270,127,836	19.99	未知 Unknown	H股 H-share
中國建銀投資有限責任公司 China Jianyin Investment Company Ltd.		17,574,505	1.30	未知 Unknown	A股 A-share
中國人民人壽保險股份有限公司—分紅— — 個險分紅 PICC Life Insurance Co., Ltd. — Dividends — Dividends for personal insurance		16,006,416	1.18	未知 Unknown	A股 A-share
泰康人壽保險股份有限公司—分紅— — 個人分紅—019L—FH002滬 Taikang Life Insurance Co., Ltd. — Dividends — Personal dividends — 019L — FH002Hu		14,281,045	1.06	未知 Unknown	A股 A-share
高瓴資本管理有限公司—HCM中國基金 Hillhouse Capital Group—HCM China Fund		9,326,142	0.69	未知 Unknown	A股 A-share
中國對外經濟貿易信託有限公司— — 重陽對沖1號集合資金信託計劃 China Foreign Economy and Trade Trust Co., Ltd. — Chongyang Hedge No. 1 Assembled Funds Trust Plan		8,627,779	0.64	未知 Unknown	A股 A-share
上海重陽戰略投資有限公司—重陽戰略聚智基金 Shanghai Chongyang Strategic Investment Co., Ltd. — Chongyang Strategic Juzhi Fund		7,535,243	0.56	未知 Unknown	A股 A-share
上海重陽戰略投資有限公司—重陽戰略匯智基金 Shanghai Chongyang Strategic Investment Co., Ltd. — Chongyang Strategic Huizhi Fund		6,560,188	0.49	未知 Unknown	A股 A-share



## 董事會報告 Report of the Directors

### 附註：

- 青啤集團持股數量包括了通過其全資附屬公司持有的本公司H股股份7,944,000股，其自身持有本公司A股股份405,123,555股。
- 香港中央結算(代理人)有限公司持有的H股股份乃代表多個客戶所持有，並已扣除青啤集團全資附屬公司持有的H股股份數量。

除上所述，本公司並不知曉前十名股東之間是否存在關聯關係或屬於一致行動人。

### (3) H股主要股東

於2014年12月31日，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，在本公司的股份或相關股份中擁有權益或淡倉，而該等權益或淡倉是根據證券及期貨條例第336條而備存的登記冊所載錄者：

### Notes:

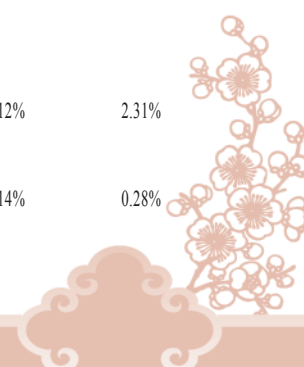
- Tsingtao Group holds 7,944,000 shares of H-share in the Company through a wholly-owned subsidiary, and 405,123,555 shares of A-share in the Company by itself.
- The H-shares are held by HKSCC Nominees Limited on behalf of different clients excluding the H-shares held by the wholly-owned subsidiary of Tsingtao Group.

Save as disclosed above, the Company is unaware if there are any associations among these top ten shareholders or if they are of the parties acting in concert.

### (3) Substantial Shareholders of H-share

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 2014, 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 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	佔全部已發行 股本之百分比 As a percentage of the entire issued capital	佔全部H股 之百分比 As a percentage of all H Shares
青島市國資委 SASACQ	好倉 Long position	A股 A-Share	法團權益 Corporate		405,123,555 A股 A-Share	29.99%	不適用 N/A
	好倉 Long position	H股 H-Share	受控制法團權益 Interest of controlled corporate	1	7,944,000 H股 H-Share	0.59%	1.21%
朝日集團控股株式會社 Asahi Group Holdings Ltd.	好倉 Long position	H股 H-Share	實益擁有人 Beneficial Owner	2	270,127,836 H股 H-Share	19.99%	41.24%
陳發樹 Chen Fa Shu	好倉 Long position	H股 H-Share	實益擁有人 Beneficial Owner	3	49,069,342 H股 H-Share	3.63%	7.49%
JPMorgan Chase & Co.	好倉 Long position	H股 H-Share	受控制法團權益/ 實益擁有人/ 投資經理/保管人 Interest of controlled corporation/Beneficial Owner/Investment Manager/Custodian	3&4	58,314,590 H股 H-Share	4.32%	8.90%
	可供借出股份中權益 Interest in a lending pool	H股 H-Share			15,104,358 H股 H-Share	1.12%	2.31%
	淡倉 Short position	H股 H-Share	實益擁有人 Beneficial Owner		1,845,511 H股 H-Share	0.14%	0.28%





## 董事會報告 Report of the Directors

### 註釋：

- (1) 被視為由青島市國資委享有權益的7,944,000股H股是透過青啤集團的全資附屬公司持有。根據最新的披露權益申報，青島市國資委享有7,844,000股H股權益。
- (2) 根據最新的披露權益申報，朝日啤酒享有269,127,836股H股權益。朝日集團於2011年7月1日重組設立，代替朝日啤酒持有上述H股權益。
- (3) 陳發樹先生和JPMorgan Chase & Co.的持股資料是根據最新的披露權益申報而作出。
- (4) JPMorgan Chase & Co.被視為享有權益的股份是分別透過多家中間控股公司持有。
- (5) 公司主要股東新近的披露權益申報，請參閱香港交易及結算所有限公司網站([www.hkex.com.hk](http://www.hkex.com.hk))有關「披露權益」的部分。

### 3. 優先認股權

本公司《章程》或中國法律並無有關優先認股權的規定，致令本公司必須首先按比例向現有股東發售新股份，然而，本公司須遵守上市規則關於優先認股權的規定。



### Notes:

- (1) The 7,944,000 H-Shares which were deemed to be interested by SASACQ were held by a wholly-owned subsidiary of Tsingtao Group. According to the latest disclosure of interests filings, SASACQ is interested in 7,844,000 H-Shares.
- (2) According to the latest disclosure of interests filings, Asahi Breweries is interested in 269,127,836 H-Shares. Asahi Group. was re-organized and set up on 1 July 2011, and held the aforesaid shares of H-share on behalf of Asahi Breweries.
- (3) The shareholding information of Mr. CHEN Fa Shu and JPMorgan Chase & Co. is made based on the latest disclosure of interests filings.
- (4) The shares in which JPMorgan Chase & Co. was deemed to be interested were held through various intermediate holding companies.
- (5) 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 ([www.hkexnews.hk](http://www.hkexnews.hk)).

### 3. Pre-emptive Right

There are no provisions concerning pre-emptive rights in the Company's *Articles of Association* or any of the laws in China, therefore, the Company must firstly offer new shares on pro-rate basis to its existing shareholders. However, the Company has to abide by the rules concerning pre-emptive right in *Listing Rules*.



## 董事會報告 Report of the Directors

### 五. 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情況

姓名 Name	職務 Position	年初持股數 Shares held at the beginning of the year	期末持股數 Shares held at the end of the Reporting Period	股份種類 Class of shares
孫明波 SUN Ming Bo	董事長 Chairman	124,160	124,160	A股 A-share
黃克興 HUANG Ke Xing	執行董事、總裁 Executive Director, President	1,300	1,300	A股 A-share
姜宏 JIANG Hong	執行董事、副總裁 Executive Director, Vice President	52,200	52,200	A股 A-share
樊偉 FAN Wei	副總裁兼製造總裁、總釀酒師 Vice President of the Company & President of Manufacturing Center, Chief Brewer	122,876	122,876	A股 A-share
劉英弟 LIU Ying Di	副總裁 Vice President	124,294	124,294	A股 A-share

截至二零一四年十二月三十一日止，除上述人員持股外，本公司的董事、監事和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《標準守則》通知本公司及香港聯交所。

本公司已以《標準守則》以及本公司制訂的《公司董事、監事及高級管理人員所持本公司股份及其變動的管理規則》作為董事進行證券交易的行為守則和規範。本公司已向所有董事及監事作出特定查詢，彼等亦確認於報告期內之所有適用時期，均遵守《標準守則》及其行為守則和規範所規定有關董事的證券交易的標準。

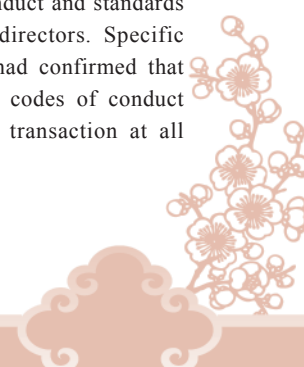
### V. Directors, Supervisors, Senior Management Officers and Employees

#### 1. The shareholding of directors, supervisors and senior management officers

單位：股  
Unit: Share

As at 31 December 2014, save as disclosed above, none of the directors, supervisors or senior management officers of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any associated corporations (as defined in Part XV of SFO), and such interests or short positions were recorded in the register required to be kept under section 352 of SFO or otherwise notified to the Company and the Stock Exchange pursuant to Model Code.

The Company has adopted Model Code and Administration Regulations of Shares of the Company held by Its Directors, Supervisors and Senior Management Officers and the 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 Model Code and its codes of conduct and standards regarding director's securities transaction at all applicable time during the Reporting Period.



## 董事會報告 Report of the Directors

### 2. 董事變更資料

根據上市規則第13.51B(1)條之董事資料更改列述如下：

#### 2.1 公司董事的資料更改情況如下：

- (1) 公司獨立非執行董事馬海濤先生於報告期內新任北京北陸藥業股份有限公司(股票代碼：300016)和北京千方科技股份有限公司(股票代碼：002373)獨立董事；
- (2) 公司獨立非執行董事賁聖林先生於報告期內新任寧波銀行股份有限公司(股票代碼：002142)獨立董事。
- (3) 公司獨立非執行董事蔣敏先生於報告期內擔任上海科大智能科技股份有限公司(股票代碼：300222)及安徽新華傳媒股份有限公司(股票代碼：601801)獨立董事。

### 3. 董事、監事、高級管理人員年度報酬情況

對公司執行董事及其他高管人員，實施以任職崗位和目標責任管理為核心的年度績效考核與薪酬激勵分配機制，包括基本薪酬和績效年薪。基薪根據高級管理人員的崗位職責、履職年限等確定。績效年薪根據公司年度經營業績、年度工作計劃完成情況、對高級管理人員年度考核結果等確定並發放。

### 2. Changes of information of directors

The changes of information of directors pursuant to Rule 13.51B(1) of *Listing Rules* are as follows:

#### 2.1. Changes of information of directors:

- (1) Mr. MA Hai Tao, Independent Non-executive Director of the Company, was appointed as Independent Director of Beijing BeiLu Pharmaceutical Co., Ltd (stock code: 300016) and China Transinfo Technology Co., Ltd. (stock code: 002373) during the Reporting Period.
- (2) Mr. BEN Sheng Lin, Independent Non-executive Director of the Company, was appointed as Independent Director of Bank of Ningbo Co., Ltd. (stock code: 002142) during the Reporting Period.
- (3) Mr. JIANG Min, Independent Non-executive Director of the Company, was appointed as Independent Director of CSG Intelligent Technology Co., Ltd. (stock code: 300222) and Anhui Xinhua Media Ltd. (stock code: 601801) during the Reporting Period.

### 3. Annual remuneration of directors, supervisors and senior management officers

For the executive directors and other senior management officers, the Company adopts the annual performance appraisal combined with the remuneration incentive program which focuses on the working position and the administration of target responsibilities, including basic salary and annual performance remuneration. The basic salary is determined in accordance with the senior management officers' position responsibilities, years of working, and etc., while the annual performance remuneration is determined and distributed in accordance with the Company's annual operating results, the degree of completion of annual work plan, the results of annual appraisal towards the senior management officers, and etc.





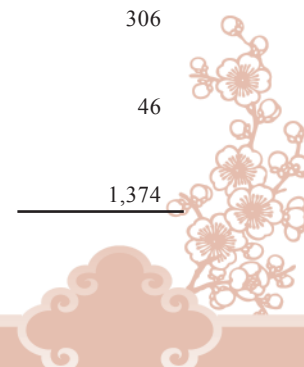
## 董事會報告 Report of the Directors

對公司獨立非執行董事和獨立監事按股東大會決議支付年度酬金。

The annual remuneration of the independent non-executive directors and independent supervisors is paid pursuant to the resolution passed at the general meeting.

報告期內從公司領取的報酬總額  
(萬元)(稅前)  
Total remuneration withdrawn from  
the Company during the Reporting Period  
(RMB0'000) (pre-tax)

姓名 Name	職務 Position	
孫明波 SUN Ming Bo	董事長 Chairman	188
黃克興 HUANG Ke Xing	執行董事、總裁 Executive Director, President	157
姜宏 JIANG Hong	執行董事、副總裁 Executive Director, Vice President	117
于竹明 YU Zhu Ming	執行董事、財務總監 Executive Director, CFO	95
杉浦康譽 Yasutaka SUGIURA	非執行董事 Non-executive Director	0
王學政 WANG Xue Zheng	獨立非執行董事 Independent Non-executive Director	11
馬海濤 MA Hai Tao	獨立非執行董事 Independent Non-executive Director	11
賈聖林 BEN Sheng Lin	獨立非執行董事 Independent Non-executive Director	6
蔣敏 JIANG Min	獨立非執行董事 Independent Non-executive Director	6
段家駿 DUAN Jia Jun	監事會主席 Chairman of Board of Supervisors	11
川面克行 Katsuyuki KAWATSURA	股東監事 Supervisor as Shareholders' Representative	0
李燕 LI Yan	獨立監事 Independent Supervisor	7
王亞平 WANG Ya Ping	獨立監事 Independent Supervisor	4
薛超山 XUE Chao Shan	職工監事 Supervisor as Employees' Representative	55
孫麗紅 SUN Li Hong	職工監事 Supervisor as Employees' Representative	44
邢軍 XING Jun	職工監事 Supervisor as Employees' Representative	39
樊偉 FAN Wei	副總裁兼製造總裁、總釀酒師 Vice President of the Company & President of Manufacturing Center, Chief Brewer	164
劉英弟 LIU Ying Di	副總裁 Vice President	107
王瑞永 WANG Rui Yong	副總裁兼營銷總裁 Vice President of the Company & President of Marketing Center	306
張瑞祥 ZHANG Rui Xiang	董事會秘書/公司秘書 Board Secretary/Company Secretary	46
合計 Total		1,374



## 董事會報告 Report of the Directors

### 4. 員工情況

4.1 截至報告期末，本公司(包括下屬子公司)在崗員工共計44,016人。員工專業構成及教育程度如下：

專業構成類別 Class of Professional	專業構成 Profession	專業構成人數(人) Number of Persons (person)
生產服務人員	Production and service personnel	17,295
銷售人員	Sales personnel	16,152
工程技術人員	Technical and engineering personnel	1,556
財務人員	Financial personnel	1,186
行政管理人員	Administrative personnel	7,827

教育程度類別 Class of education	教育程度 Educational Background	數量(人) Number of Persons (person)
碩士及以上	Master's degree and above	401
本科生	Undergraduate	6,986
專科生	2-year college	13,222
中專生	Secondary specialized school	8,740
中專以下	Under secondary specialized school	14,667

### 4.2 薪酬政策

公司實施以薪酬激勵為基礎、職業發展激勵為動力、情感激勵為凝聚、文化激勵為核心的全面激勵體系。公司針對價值鏈運行各環節的功能定位和崗位工作性質及員工專業化管理能力，建立了多元化薪酬政策，努力實現分配的公正化、市場化。多元化薪酬政策主要涵蓋子公司經營管理者、營銷系統、生產製造系統、研發系統、總部職能管理及特殊稀缺引進人才等。多元化的薪酬激勵模式充分發揮了薪酬激勵杠桿在公司可持續發展中的作用。

### 4. Employees

4.1 As at the end of the Reporting Period, the Company (including the subsidiaries) totally had 44,016 full-time employees. The composition of employees in terms of profession and educational background is as follows:

專業構成類別 Class of Professional	專業構成 Profession	專業構成人數(人) Number of Persons (person)
生產服務人員	Production and service personnel	17,295
銷售人員	Sales personnel	16,152
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本科生	Undergraduate	6,986
專科生	2-year college	13,222
中專生	Secondary specialized school	8,740
中專以下	Under secondary specialized school	14,667

### 4.2 Remuneration policy

The Company implements a comprehensive incentive program based on the salary incentive, driven by the professional development incentive, attracted by the emotional incentive and focused on the cultural incentive. According to the various functions of different parts operating in the value chain, the nature of different working positions, and the employees' ability in professional management, the Company has established a diversified remuneration policy to try to realize the fair and market-orientated distribution. The diversified remuneration policy mainly covers the operating managers of subsidiaries, marketing system, production and manufacturing system, R&D system, functional management of head office and the introduced special and scarce talents. The diversified remuneration incentive mode fully leverages the role of remuneration incentive in the Company's sustainable development.



## 董事會報告 Report of the Directors

### 4.3 培訓計劃

2014年，公司立體學習平臺的打造已經初見成效，在線學習覆蓋率達到46%；基於勝任線，啟動了提升中層管理者系統思維的項目，完善了高級領導力發展體系。基於儲備線，以「金★」、「銀★」計劃為主線的儲備培養體系繼續源源不斷的輸出合格的中、高層管理人才；同時，旨在培養國際一流釀造專家的青啤-杜門斯培養項目也已啟動。



2015年，公司將持續完善領導力培養系統，持續推進金★、銀★資格班人才培養項目及後期評估機制；全面推廣在線學習模式，結合基層領導力提升計劃、專業學校、技能訓練基地等，持續完善線上與線下培訓相結合的模式，建立形式多樣的微培訓模式。

## 六. 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它團體之股份或債券而獲益。

### 4.3 Training plan

In 2014, the establishment of the Company's all-around study platform had received initial success that the on-line study coverage reached 46%; based on the qualification requirements, the Company started the program of upgrading the way of thoughts of its medium managers, which improved the development system of senior leadership. Based on the needs for talent reserves, the system for cultivating reserved talents focusing on the "Golden ★" and "Silver ★" programs continued to keep providing qualified medium and senior managing talents; at the same time, the Tsingtao-Doemens Training Program for the purpose of cultivating the internationally first-class brewing experts was also started.

In 2015, the Company will continue to improve the leadership training system, and continued to promote the talent cultivation program of "Golden ★" and "Silver ★" classes and assessment mechanism; comprehensively promoted the on-line study mode, continued to improve the mode combing both on-line and off-line trainings with the basic leadership improvement plan, professional school and skill training base, and established various micro-training modes.

## VI. Directors' and Supervisors' Right of Purchasing Shares

Save as disclosed above, neither the Company nor any of its subsidiaries participated in any arrangements in any time of the year which could enable its directors and supervisors to obtain interests from purchasing shares or debentures of the Company or that of any other organizations.





## 董事會報告 Report of the Directors

七. 本公司發行的認股權與債券分離交易可轉換公司債券分拆出的「08青啤債」至2014年4月2日六年的存續期屆滿。本公司已於2014年4月2日順利完成了本息兌付。該債券於同日在上海證券交易所摘牌，詳情請見公司上載於香港交易所網站、日期為2014年3月24日的海外監管公告《青啤公司「08青啤債」本息兌付和摘牌公告》。

### 八. 董事或監事合約權益及董事服務合約

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）。除此之外，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。

### 九. 獨立非執行董事之獨立性的確認

本公司已經根據上市規則第3.13條收到每名現任獨立非執行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非執行董事屬獨立人士。

### 十. 購回、出售及贖回上市股份

報告期內，本公司或其任何附屬公司並無購入、出售及贖回本公司任何上市證券。

報告期內，本公司或本公司附屬公司概無發行或授予任何期權或其它類似權利，亦無任何行使轉換權或認購權的情況。

VII. On 2 April 2014, the 6-year duration of “08 Tsingtao Debt” split from the convertible corporate bonds of the separately traded bonds with warrants issued by the Company expired. The Company successfully reimbursed the principal capital and interests on 2 April 2014, and the Debt was delisted from SSE on the same day. For details, please refer to the overseas regulatory announcement, *Announcement for Reimbursement of Principal Capital and Interests of “08 Tsingtao Debt” and Delisting of Tsingtao Brewery Company Limited*, dated 24 March 2014, published by the Company on the website of the Stock Exchange.

### VIII. Contracted Rights of Director or Supervisor and Director’s Service Contract

All directors and supervisors appointed by the Company have entered into service contract with the Company, but did not enter into any service contract with the Company that the Company and its subsidiaries should make compensation to the director or supervisor when it terminates the contract within 1 year after the contract is signed by both parties (excluding statutory compensation). Besides that, neither directors nor supervisors obtained material interests from any contracts entered into with the Company or its subsidiaries within the year.

### IX. Confirmation of Independence by Independent Non-executive Directors

The Company has received annual confirmation letter from each existing independent non-executive director on their independence pursuant to Rule 3.13 of *Listing Rules*, and still believes that, the aforesaid independent non-executive directors are persons of independence.

### X. Buy-back, Sales and Redemption of Shares

During the Reporting Period, neither the Company nor any of its subsidiaries bought back, sold or redeemed any listed securities of the Company.

During the Reporting Period, neither the Company nor any of its subsidiaries issued or provided any options or any other similar rights, nor exercised any rights of conversion or subscription.



## 董事會報告 Report of the Directors

### 十一. 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合併財務報表附註。

### 十二. 固定資產

有關報告期內固定資產之變動載於隨附合併財務報表附註。

### 十三. 銀行貸款

於二零一四年十二月三十一日之銀行貸款詳情載於隨附合併財務報表附註。

孫明波

董事長

中華人民共和國 青島

二零一五年三月三十日

### XI. Principal Subsidiaries and Associated Companies

Details of the subsidiaries and associated companies of the Company are set out in the attached Notes to Financial Statements.

### XII. Fixed Assets

Any changes of fixed assets during the Reporting Period are set out in the attached Notes to Financial Statements.

### XIII. Bank Loans

Details of bank loans as at 31 December 2014 are set out in the attached Notes to Financial Statements.

SUN Ming Bo

Chairman

Qingdao, the People's Republic of China

30 March 2015



## 監事會報告 Report of the Supervisors

本人謹此提呈青島啤酒股份有限公司2014年度之監事會報告，敬請各位股東審閱。

報告期內，監事會嚴格按照法律法規及《公司章程》的相關規定，認真履行職責，對公司財務報告、重大事項等議題進行了監督審議，並就市場競爭、關連交易和內部控制等事項實地調研了部分生產公司和營銷公司，切實維護了公司和股東的合法權益，較好地履行了法律法規和《公司章程》賦予監事會的職責。

### 一、報告期內監事會的工作情況

#### (一) 監事會會議召開情況

報告期內，公司監事會共召開9次會議，其中定期會議5次，臨時會議4次，審議各類議案30項。主要議案如下：

##### 1、審議財務報告：

- (1) 審議公司2013年度財務報告；
- (2) 審議公司2014年第一季度報告；
- (3) 審議公司2014年半年度報告；
- (4) 審議公司2014年第三季度報告。

I hereby present the 2014 Report of the Supervisors of Tsingtao Brewery Company Limited for your kind review.

During the Reporting Period, the Board of Supervisors seriously took its duties and responsibilities by strictly abiding by the related provisions in the laws and regulations and *Articles of Association*. It supervised the proposals including the Company's financial statements and significant events, and made site researches in some production companies and sales companies for the matters including market competition, connected transaction and internal control, which practically protected the legal rights and interests of the Company and its shareholders, and performed the duties and responsibilities of Board of Supervisors entitled by the laws and regulations and *Articles of Association*.

### I. Work of the Board of Supervisors during the Reporting Period

#### (I) Meetings held by the Board of Supervisors

During the Reporting Period, the Board of Supervisors totally held 9 meetings, including 5 regular meetings and 4 extraordinary meetings, to consider 30 resolutions mainly including the followings:

##### 1. Financial reports:

- (1) considered the Company's 2013 Financial Report;
- (2) considered the Company's 2014 First Quarterly Report;
- (3) considered the Company's 2014 Interim Report;
- (4) considered the Company's 2014 Third Quarterly Report.



段家駿先生  
Mr. DUAN Jia Jun



## 監事會報告 Report of the Supervisors

### 2、 審議關連交易：

- (1) 審議批准關於青啤深圳與朝日啤酒及其附屬公司進行2014年度購銷產品持續關連交易的議案；
- (2) 審議批准關於本集團成員與三得利公司成員進行2014年持續關連交易的議案；
- (3) 審議批准關於本集團成員與三得利公司成員2014年進行的持續關連交易調整年度上限的議案。

### 3、 審議其它事項：

通過第八屆監事會第一次會議選舉產生了監事會主席。通過召開會議，審議通過了公司2013年度利潤分配預案、2014年預算草案、核銷2013年度資產損失、為子公司提供擔保等議案，審議了青島啤酒(興凱湖)有限公司、青島啤酒(密山)有限公司、青島啤酒(隨州)有限公司搬遷新建、青島啤酒(九江)有限公司新增易拉罐產能項目及收購綠蘭莎啤酒55%股權等議案共計20餘項。

### 2. *Connected transactions:*

- (1) Considered and approved the resolution of the continuing connected transaction between Tsingtao Shenzhen and Asahi Breweries and its subsidiary for the purchase and sales of products in 2014;
- (2) Considered and approved the resolution of the continuing connected transactions between the members of the Company and the members of Suntory Company in 2014;
- (3) Considered and approved the resolution of adjusting the annual cap amount of the continuing connected transactions between the members of the Group and the members of Suntory Company in 2014.

### 3. *Other issues:*

The 8th Board of Supervisors elected the Chairman of Board of Supervisors at its first meeting. It also held meetings to consider and approve the resolutions including the Company's 2013 preliminary proposal of profit distribution, drafted proposal of 2014 budget, writing-off of asset losses in 2013 and providing guarantees to the subsidiaries, and consider over 20 resolutions including relocation and new construction projects of Tsingtao Brewery (Xingkaihu) Company Limited, Tsingtao Brewery (Mishan) Company Limited and Tsingtao Brewery (Suizhou) Company Limited, project of increasing production capacity of canned beer in Tsingtao Brewery (Jiujiang) Company and the acquisition of 55% equity interests in Lulansa Brewery.



## 監事會報告 Report of the Supervisors

### (二) 監事會實地調研情況

隨著行業競爭加劇，公司市場佔有率、盈利能力、品牌影響力等正受到競品的嚴峻挑戰。為進一步掌握青島啤酒在全國啤酒市場的銷售經營、資本並購、競爭對手發展等情況，同時為使新任監事(尤其是外部監事)加快對公司的瞭解，監事會對山東、遼寧、新東南、陝西、蒙東及河北等部分營銷公司進行了實地調研。此外監事會還對北京青島啤酒三環有限公司等工廠進行調研，瞭解產銷協同情況，掌握了第一手資料，為監事會的科學決策奠定了基礎。



## 二、監事會對公司2014年度有關事項的獨立意見

### (一) 依法運作情況

報告期內，監事會成員依法出席股東大會，列席了董事會，監事會主席列席了總裁辦公會，通過依法行使監督權，監事會認為公司股東大會、董事會的召開程序、決議內容、董事會對股東大會決議的執行情況、公司高級管理人員執董事會決議的情況，均符合法律法規及相關監管要求，符合《公司章程》的相關規定。

監事會認為，在報告期內公司嚴格按照法律、法規、《公司章程》及其他監管規定的要求開展各項工作，決策程序合法、運作規範。

### (II) Site researches made by the Board of Supervisors

As the competition in the industry was becoming more intense, the Company's market share, profitability and brand influence are greatly challenged by other competitors. To better understand the situation including Tsingtao Brewery's sales and operations, asset mergers and acquisitions, and the development of the competitors in the national beer market, and at the same time to accelerate the understanding of the Company of the newly-appointed supervisors (especially the external supervisors), the Board of Supervisors made site researches in some sales companies in Shandong, Liaoning, South-East China, Shaanxi, East Inner Mongolia and Hebei. The Board of Supervisors also made researches in the plants including Beijing Tsingtao Brewery Tri-Circle Company Limited to understand the synergy of production and sales, and obtain the first-hand information, which built a basis for the wise decisions made by the Board of Supervisors.

## II. Independent Opinions on the Issues in 2014

### (I) Compliance operation

During the Reporting Period, the members of the Board of Supervisors attended the general meeting, sat in the board meetings, and the Chairman of the Board of Supervisors sat in the presidential conference in legal manner to legally exercise their supervision right. The Board of Supervisors is of the view that, the convening procedures of the Company's general meeting and board meetings, the matters in the resolutions, the Board's implementation of the resolutions approved at the general meeting, the implementation of resolutions approved at the board meetings by the Company's senior management officers are in compliance with the laws, regulations, related regulatory requirements, and related provisions in *Articles of Association*.

The Board of Supervisors is of the view that, during the Reporting Period, the Company carried out various work strictly in compliance with the requirements in the laws, regulations, *Articles of Association*, and other regulatory regulations, made decisions legally and operated in compliance manner.



## 監事會報告 Report of the Supervisors

公司董事會成員及高級管理人員能夠按照國家有關法律、法規和《公司章程》的有關規定，忠實勤勉地履行其職責。報告期內未發現公司董事及高級管理人員在執行職務、行使職權時有違反法律、法規、《公司章程》及損害公司和股東利益的行為。

### (二) 檢查公司財務情況

監事會對 2014 年度公司的財務狀況和財務成果進行了監督、審核，監事會認為，公司財務制度健全，財務運作規範、財務狀況良好。公司財務報告真實、客觀地反映了公司的財務狀況和經營情況。

### (三) 最近一次募集資金使用情況

報告期內，公司不存在新增募集資金。最近一次募集資金為 2009 年通過認股權證行權，募集資金約 11.9 億元。該批募集資金已經嚴格按照監管要求及募集用途使用完畢，剩餘部分經股東大會批准用於永久性補充流動資金。不存在募集資金管理及使用違規情形。

### (四) 收購資產情況

報告期內，公司收購了綠蘭莎啤酒營銷網絡及 55% 股權。監事會認為，該收購項目，有利於青島啤酒在山東形成東西連片競爭優勢，進一步穩固山東基地市場，基本實現「統一魯啤」戰略，該符合公司的戰略規劃，有利於提升公司的市場競爭力。同時，該項目程序規範，未發現有內幕交易，也未發現有損害股東利益及造成公司資產流失的情況。

All directors and senior management officers fulfilled their duties with diligence in accordance with the State laws, regulations and related provisions in *Articles of Association*. During the Reporting Period, none of the directors and senior management officers was found to have any behavior violating any laws, regulations, and *Articles of Association*, or damaging any interests of the Company or its shareholders in performing their duties and exercising their authorities.

### (II) Review of the financial situations

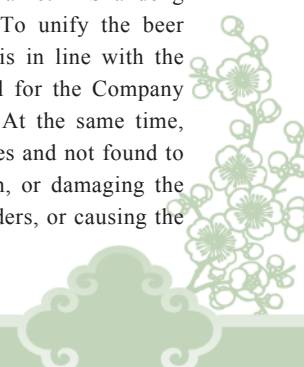
The Board of Supervisors supervised and inspected the Company's financial situation and financial results of 2014, and was of the view that, the Company's financial system was sound and complete, the financial operation was compliant, the financial situation was satisfactory, and the Company's financial statements truly and objectively reflected the Company's financial situation and operating results.

### (III) Latest use of proceeds received

During the Reporting Period, the Company did not have any newly received or remaining proceeds received from financing activities. The latest proceeds received from financing activities were approximately RMB1.19 billion received from the exercise of the warrants in 2009. The proceeds were used in strict compliance with the regulatory requirements and the purpose of receiving, and the remaining amount was permanently supplemented into circulating funds as approved at the general meeting. There was no situation of violation of regulations in the management and use of proceeds received from financing activities.

### (IV) Asset acquisition

During the Reporting Period, the Company acquired the sales network and 55% equity interests in Lulansa Brewery. The Board of Supervisors is of the view that, the acquisition is beneficial for Tsingtao Beer to obtain competitive advantage in an area from east to west in Shandong, further consolidate its base market in Shandong and generally realize the strategy of "To unify the beer market in Shandong". This acquisition is in line with the Company's strategic plan and beneficial for the Company to improve its market competitiveness. At the same time, this acquisition is in compliant procedures and not found to have any behavior of insider transaction, or damaging the interests of the Company or its shareholders, or causing the losses of Company's funds.





## 監事會報告 Report of the Supervisors

### (五) 關連交易情況

報告期內，公司的控股子公司青啤深圳與朝日啤酒及其附屬公司繼續進行啤酒購銷交易，公司與煙臺朝日繼續進行啤酒購銷交易，以及本集團成員與三得利公司成員之間進行的啤酒購銷、存款服務等方面的持續性關連交易。監事會認為，公司在審議該等持續關連交易時，關連董事進行回避表決，審議程序合法，其定價公平合理，未損害公司和股東的合法利益。

### (六) 內控工作報告情況

報告期內，監事會對公司內部控制制度的建設和運行情況、董事會關於公司2014年度內部控制的自我評價報告等進行了監督檢查。

監事會認為，公司已根據自身的實際情況和法律法規的要求，建立了內部控制制度體系，符合公司經營管理的發展需求，保證了公司各項業務的健康運行及經營風險的控制。公司的內部控制是合理的、完整的，經運行檢驗是可行和有效的，2014年度公司不存在違反監管機構發佈有關公司內部控制的規範性文件及公司內部控制制度的情形。公司董事會《2014年度內部控制評價報告》真實、客觀地反映了公司內部控制制度的建設及運行情況。

### (七) 建立和實施內幕信息知情人管理制度的情況

監事會認為，公司已按照相關規定制定了《內幕信息知情人登記管理制度》，在公司發佈重大事項和定期報告等情況下均對內幕信息知情人做了登記備案。經核查，本報告期內，公司未發生因內幕信息受到監管部門查處和整改的情形。公司內幕信息知情人管理制度完善，並且得到了嚴格地遵守、執行。

### (V) Connected transactions

During the Reporting Period, the Company continued the continuing connected transactions between Tsingtao Shenzhen, a controlling subsidiary of the Company, and Asahi Breweries and its subsidiary for the purchase and sales of beer, the transaction between the Company and Yantai Asahi for the purchase and sales of beer, and the purchase and sales of beer, and savings service between the members of the Group and the members of Suntory Company. The Board of Supervisors is of the view that, such continuing connected transactions were considered in legal process as the connected directors abstained from the voting, at fair and reasonable price, and did not damage the legal rights and interests of the Company or its shareholders.

### (VI) Internal control work report

During the Reporting Period, the Board of Supervisors reviewed the establishment and operation of the Company's internal control system, and the Board's self-appraisal report on the Company's internal control in 2014.

The Board of Supervisors is of the view that, the Company has established an internal control system in accordance with its own actual situation and the requirements of the laws and regulations, which satisfied the Company's needs for the development of operation and management, and ensured the Company's sound operation of various business and the control over the operating risks. The Company's internal control is reasonable, complete, and feasible and effective as verified in the operation. In 2014, there was no situation of breaching the regulatory documents on corporate internal control issued by the regulatory authorities and the Company's internal control system. The Board's 2014 *Internal Control Appraisal Report* truly and objectively reflected the establishment and operation of the Company's internal control system.

### (VII) Information on the establishment and implementation of administrative policies to the information insiders

The Board of Supervisors is of the view that, the Company has worked out *Registration and Administrative Policies of Information Insiders* according to the related requirements, and made timely registration and filing work of the Company's information insiders when disclosing significant events and periodic reports. During the Reporting Period, it was inspected that the Company did not have the situation of being investigated or punished concerning inside information by the regulatory authorities. The Company's policy of information insiders is complete and improved, and is strictly abided by and implemented.



## 監事會報告 Report of the Supervisors

各位股東，2014年中國啤酒產量出現了十多年來的首次下滑，但公司迎難而上，開拓進取，取得了較好的經營業績，使公司國內市場的優勢地位進一步鞏固和提升。

2015年，監事會將繼續嚴格按照法律法規、《公司章程》和監管規定的要求，忠實履行自己的職責，通過加強與其他上市公司監事會的合作等，提高履職能力，切實維護公司和廣大投資者的合法權益，進一步促進公司的規範運作，保障公司的持續、健康、穩定發展。

Dear shareholders, China's output volume of beer in 2014 experienced the first decline in over 10 years, but the Company did not surrendered to the difficulties but made aggressive progress which helped it obtain a satisfactory operating results, and further consolidate and improve the Company's leading position in the domestic market.

In 2015, the Board of Supervisors will loyally perform its duties and responsibilities by continuing to strictly abide by the laws, regulations, provisions in *Articles of Association* and regulatory requirements, improve its capacity of performing its duties and responsibilities to practically protect the legal rights and interests of the Company and the investors through strengthening the cooperation with the board of supervisors of other listed companies, to further promote the Company's compliant operation and ensure the Company's continuous, healthy and steady development.

監事會主席：段家駿  
二零一五年三月三十日

Chairman of Board of Supervisors: **DUAN Jia Jun**  
30 March 2015



## 企業管治報告 Corporate Governance Report

本公司自1993年於香港聯交所及上交所上市以來，按照境內外上市規則和監管要求，不斷完善公司治理結構，規範公司運作。公司股東大會、董事會、監事會各司其職，決策獨立，相互制衡。公司董事會設立了審計與內控委員會、戰略與投資委員會和提名與薪酬委員會三個由外部董事(包括獨立非執行董事)為主構成的專業委員會，對提高董事會的決策效率起到積極作用，促進了公司治理結構的有效運作。

報告期內，按照公司制訂的董事會成員多元化政策，順利完成了董事會換屆選舉工作。公司新一屆董事會成員在技能、經驗以及多元化視角方面達到適當的平衡，從而提升董事會的有效運作並保持高標準的公司治理水平。

報告期內，本公司已遵守《上市規則》附錄十四載列之《企業管治守則》的守則條文。本公司所採納的企業管治措施如下：

### 一. 董事會

#### 1. 職責與分工

董事會在董事長的領導下，在公司的發展戰略、管理架構、投資及融資、財務監控等方面行使管理決策權，並致力於實現股東價值最大化。在本公司的章程及其附件——董事會議事規則中，已詳細列明瞭董事會在公司發展戰略和管理方面的職權以及董事會對公司發展和經營的監督與檢查職權。同時，董事會履行企業管治職能，監督、評估及確保公司內部控制系統的效能及對法律法規的遵守情況。本公司董事會負責履行經修訂的《企業管治守則》第D.3.1條職權範圍所載的企業管治職責。

Since the Company was listed on the Stock Exchange and SSE in 1993, it has been improving its corporate governance structure and regulating the operation of the Company pursuant to the domestic and overseas listing rules and regulatory requirements. The Company's general meeting, the Board and Board of Supervisors exercise their respective duties, make decisions independently, supervise each other and maintain the balance of power among them. The Board sets up 3 professional committees, namely, Audit & Internal Control Committee, Strategy & Investment Committee and Nomination & Remuneration Committee, which are mainly comprised of external directors (including independent non-executive directors), to play positive role in improving efficiency of decision-making of the Board and promote the effective operation of corporate governance of the Company.

During the Reporting Period, pursuant to the diversity policy for members of the Board worked out by the Company, the Company successfully completed the election for a new round of board of directors. The members of the latest round of board of directors are in balance in the aspects including skills, experience and diversifying insights, thus to improve the effective operation of the Board and maintain the high-standard corporate governance.

During the Reporting Period, the Company abided by the code provisions in *Corporate Governance Code* set out in Appendix 14 of *Listing Rules*. The measures taken by the Company for corporate governance are as follows:

### I. The Board

#### 1. Duties and assignments

Under the leadership of the chairman, the Board exercises its administrative decision-making power concerning the Company's development strategy, management structure, investment and financing, financial supervision and control, and dedicates to realize the maximization of its shareholders' value. It has been stated in details in the Company's *Articles of Association* and its appendix *Order of Meeting for the Board of Directors* the Board's authorities in the Company's development strategies and management, and its power of supervision and inspection over the Company's development and operation. At the same time, the Board implements its duty of corporate governance by monitoring, evaluating and ensuring the effectiveness and efficiency of the Company's internal control system and compliance with the laws and regulations. The Board is responsible for the implementation of the duties and responsibilities of corporate governance set out in the function scope of Rule D.3.1 of the revised *Corporate Governance Code*.





## 企業管治報告 Corporate Governance Report

公司董事長和總裁的職責分工已清晰界定，並載於《公司章程》及其附件中。董事長負責決定每次董事會會議的議程，每次會議前徵詢其他董事有無提案，並根據實際情況將其他董事的提議加入會議議程。此外，董事長亦負責引領和制定本公司的總體發展戰略，並檢查董事會決議的實施情況。

總裁負責組織實施董事會決議及公司年度預算和投資方案，並向董事會報告公司經營情況和重大合同的簽訂執行情況；總裁在董事會的授權範圍內行使對公司資金、資產的運用權及代表公司簽訂合同。同時，公司明確了管理層人員各自具體的職責及其分工，以保證其切實履行誠信義務和勤勉盡責。

### 2、 組成

公司第八屆董事會成員由9名董事組成，公司董事（包括非執行董事）之任期自2014年6月16日起為期三年。

本公司在設定董事會成員組合時會從多個方面考慮董事會成員多元化，包括但不限於年齡、文化及教育背景、專業經驗、技能及知識。董事會所有委任均以用人唯才為原則，並在考慮人選時以客觀條件顧及董事會成員多元化的益處。

公司的董事會成員具有不同行業背景和專業知識，包括其中一名獨立非執行董事具備監管機構要求的會計或相關財務管理專長。各董事均於各自專業範疇累積了豐富經驗。董事的個人簡介載列於本年度報告「董事、監事、高級管理人員情況」。

The division of duties between the Company's chairman and president has been clearly defined and stated in *Articles of Association* and its appendix. The chairman is responsible for deciding the agenda of each board meeting, contacting other directors before each meeting for any proposals to be considered at the meeting, and considering whether to include such proposals into the agenda according to the actual circumstance. Besides, the chairman should also be responsible for leading and working out the Company's overall development strategy, and supervising the implementation of resolutions approved by the Board.

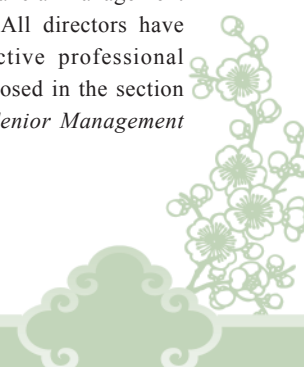
The president is responsible for arranging the implementation of resolutions approved by the Board, yearly budget and investment plan of the Company, and reporting to the Board about the Company's operations, signing and implementation of significant contracts; exercising the right of the use of funds and assets within the scope authorized by the Board, and signing the contracts on behalf of the Company. At the same time, the Company clarifies the respective and specific duties and responsibilities of all senior management officers, so as to ensure the undertaking of obligations of integrity and fulfillment of their own responsibilities.

### 2. Composition

The 8th Board comprises 9 directors. The service term of the Company's directors (including non-executive directors) is 3 years from 16 June 2014.

When determining the composition of the members of the Board, the Company considered about the diversity of the members of the Board from different aspects including but not limited to age, cultural and educational background, professional experience, skills and knowledge. The Board focused on the candidates' talents for all appointments, and took into account the benefits of the diversity of the members of the Board based on the objective conditions when choosing the candidates.

The members of the Board have various professional backgrounds and possess different professional knowledge, among which 1 independent non-executive director has the qualification in accounting or related financial management required by the regulatory authorities. All directors have substantial experience in their respective professional field. The profile of the directors is enclosed in the section 'Profile of Directors, Supervisors and Senior Management Officers' in this Annual Report.



## 企業管治報告 Corporate Governance Report

本屆董事會中共有4名獨立非執行董事，佔董事會總人數的1/3以上。現任獨立非執行董事具有不同的專業背景，並具有豐富的法律、財務會計及金融投資等方面的專業經驗，這種結構有助於董事會從多角度討論和分析問題，確保董事會的科學決策。自2005年起，獨立非執行董事每年均在股東年會上提交年度述職報告，向股東做出彙報。

There are 4 independent non-executive directors in the latest round of the Board, accounting for over 1/3 of the total numbers of the Board. These independent non-executive directors have various professional backgrounds with substantial experience in law, accounting and financial investment. Such structure is helpful to the Board in the discussion and analysis of the problems from different aspects to ensure reasonable decision-making of the Board. Since 2005, the independent non-executive directors have been submitting their annual performance review for reporting to the shareholders at the annual general meeting.

### 3、董事會會議

2014年度，本公司共舉行了4次現場會議和8次以通訊表決方式召開的會議，以討論本公司的營運及財務表現、管理架構、投資方案等，主要事項包括：

- 審議批准年度董事會工作報告；
- 審議批准年度、半年度及季度業績報告；
- 審議批准目標企業的收購方案及所屬子公司新建擴建的資本支出項目；
- 審議批准公司的持續關連交易事項；
- 審議批准核銷財產損失；

### 3. Board meeting

In 2014, the Company totally held 4 site meetings and 8 meetings combining with voting through communications to consider the Company's operation and financial performance, management structure and investment plan including:

- Considering and approving the work report of the Board;
- Considering and approving the reports of annual, interim and quarterly results;
- Considering and approving the plan for acquisition of target breweries, and capital investment projects for the new construction and expansion of the Company's subsidiaries;
- Considering and approving the continuing connected transactions of the Company;
- Considering and approving to write-off the property losses;



## 企業管治報告 Corporate Governance Report

會議通知和議案資料在合理的時間內送達各董事，董事會會議能進行富有成效的討論及做出迅速而審慎的決策。在本年度內，各位董事出席董事會會議的詳情載列如下：

The meeting notice and materials of proposals to be discussed are sent to all directors in the reasonable time, so as to ensure they can have fruitful discussion, and make quick and prudential decisions at the board meetings. In the year, details of all directors' attendance of board meetings are as follows:

董事姓名 Name	本年應參加 董事會次數 Times that should attend in the year	親自出席次數 Times that attend in person	參加董事會情況 Information of attending board meeting			是否連續兩次 未親自參加會議 If not attend in person for consecutive two times	參加股東 大會情況 Information of attending general meeting
			以通訊方式 參加次數 Times that attend in form of communications	委託出席次數 Times that being attended by proxy	缺席次數 Times of absence		出席股東大會 的次數 Times of attending general meeting
孫明波 SUN Ming Bo	12	4	8	0	0	否 No	1
黃克興 HUANG Ke Xing	12	4	8	0	0	否 No	1
姜宏 JIANG Hong	12	4	8	0	0	否 No	1
于竹明 YU Zhu Ming	6	2	4	0	0	否 No	1
杉浦康譽 Yasutaka SUGIURA	11	1	7	2	1	是 Yes	0
王學政 WANG Xue Zheng	12	4	8	0	0	否 No	1
馬海濤 MA Hai Tao	12	4	8	0	0	否 No	1
賁聖林 BEN Sheng Lin	6	2	4	0	0	否 No	1
蔣敏 JIANG Min	6	2	4	0	0	否 No	1
王帆 WANG Fan	6	2	4	0	0	否 No	0
孫玉國 SUN Yu Guo	6	2	4	0	0	否 No	0
陳志程 CHEN Zhi Cheng	6	1	2	1	2	否 No	0
趙昌文 ZHAO Chang Wen	6	1	2	1	2	否 No	0
吳曉波 WU Xiao Bo	6	0	2	2	2	是 Yes	0



## 企業管治報告 Corporate Governance Report

公司董事會的召集、召開嚴格按照《公司章程》、《董事會議事規則》的規定。董事會會議由董事長主持召開，並在會議通知發出後按時召開，各項提案在會議上充分討論，並對提案進行逐項表決。召開董事會定期會議的通知在會議召開前14天發出。如有董事因公務不能出席會議，可由該董事書面委託其他董事出席並代為行使表決權，如是獨立非執行董事則可委託其他獨立非執行董事出席和表決。

公司管理層負責向董事會提供審議各項議案所需的相關資料和信息，並在董事會會議召開時彙報相關工作。本公司獨立非執行董事根據《公司章程》的規定行使職權、履行職責或業務的需要時，可聘請獨立專業機構為其服務，由此發生的合理費用由本公司承擔。

### 二. 董事

#### 1. 董事之培訓

根據企業管治守則，全體董事須參與持續專業發展，以更新其知識及技能。本公司已為董事提供培訓及發展課程，包括(1)為新委任之董事提供就職課程(董事手冊)；(2)為董事提供持續培訓及專業發展課程。

The convening and holding of board meetings are strictly subject to the rules in *Articles of Association* and *Order of Meeting for Board of Directors*. The meetings are hosted by the chairman, and are held on time after the delivery of meeting notice. All proposals are discussed fully and completely at the meetings and voted in sequence. The notice of regular meeting is dispatched 14 days before the meeting. Should any director be unable to attend the meeting due to other business, he/she could authorize other director in writing to attend and vote on his/her behalf, and the independent non-executive director could authorize other independent non-executive director to attend and vote on his/her behalf.

The Company's management team is responsible for providing the Board with all related materials and information needed for considering the proposals, and reporting their related work at board meeting. The independent non-executive directors may, pursuant to the stipulations in *Articles of Association*, appoint independent professional organizations to serve them when exercising their duties, performing their duties and responsibilities or business needs and the reasonable expenses incurred will be borne by the Company.

### II. Directors

#### 1. Training of directors

Pursuant to *corporate governance code*, all directors are obliged to take part in the continuing professional development to renew their knowledge and skills. The Company has provided the directors with trainings and development courses, including (1) entry training (director's manual) for the newly appointed directors; (2) continuing trainings and professional development courses for the directors.





## 企業管治報告 Corporate Governance Report

於2014年1月1日至2014年12月31日期間，本公司全體董事定期接受有關本集團業務、營運及企業管治事宜的簡報及更新。董事並獲提供適用於本集團的新訂重點法律及條例或重要法律及條例的變動。公司每週編寫一期有關證券市場發展及監管政策的動態信息發送給董事、監事和高管人員。報告期內，公司執行董事兼總裁黃克興先生參加了中國上市公司協會在北京舉辦的專題培訓。部分董事、監事參加了由中國證監會青島證監局舉辦的不少於16學時的專題培訓。公司董事會秘書參加了兩地交易所和青島證監局舉辦的不少於30學時的專題培訓。



### 2、 董事的獨立性

本公司已委任足夠數目的獨立非執行董事。根據香港聯交所上市規則第3.13條的規定，董事會已收到所有獨立非執行董事就其獨立性提交的書面確認函。

### 3、 董事的證券交易

本公司採納《上市規則》附錄十所載的《標準守則》，制定了本公司的《董事、監事及高級管理人員所持本公司股份及其變動管理制度》。在向所有董事作出特定查詢後，本公司確認，本公司所有董事於報告期內均已遵守上市規則所規定的有關董事進行證券交易的標準。

### 4、 董事、監事及高級管理人員的責任保險

經股東大會批准，本公司已為全體董事、監事及高級管理人員購買適當之責任保險。

During the period from 1 January to 31 December 2014, all of the Company's directors received regular briefings and updates of the matters relating to the Group's business, operation and corporate governance. They were also provided with the newly published important laws and rules, or changes in the important laws and rules which were applicable to the Group. The Company prepared and distributed to the directors, supervisors and senior management officers a weekly newsletter about the development in stock market and updated information of regulatory policies. During the Reporting Period, Mr. HUANG Ke Xing, Executive Director & President of the Company, attended a thematic training held by China Association for Public Companies in Beijing. Some directors and supervisors attended the thematic trainings held by Qingdao Branch of China Securities Regulatory Commission for not less than 16 training hours. The Company's Board Secretary attended the thematic trainings held by the stock exchanges both in Hong Kong and in Shanghai, and Qingdao Branch of China Securities Regulatory Commission for not less than 30 training hours.

### 2. Independence of directors

The Company has appointed sufficient number of independent non-executive directors. The Board has received from all independent non-executive directors their written confirmation on their independence pursuant to Rule 3.13 of *Listing Rules*.

### 3. Securities transaction by director

The Company works out *Regulations on Holding of Shares in the Company by Directors, Supervisors and Senior Management Officers and the Changes* by applying *Model Code* set out in Appendix 10 of *Listing Rules*. The Company confirms that, after having made specific enquiries to all directors, they had been in compliance with the required standards set out in *Listing Rules* regarding the securities transaction by director during the Reporting Period.

### 4. Liability insurance of directors, supervisors and senior management officers

As approved at the general meeting, the Company has purchased appropriate liability insurance for all directors, supervisors and senior management officers.

## 企業管治報告 Corporate Governance Report

### 5、財務彙報和董事就財務報表所承擔的責任

根據管理層提供的充分財務資料，本公司董事會每年對年度、半年度及季度業績報告進行審議並批准對外披露。董事有責任組織相關部門和人員編制每個財政年度的財務報表，並確保在編制財務報表時貫徹應用適當的會計政策及遵守中國會計準則及制度，以真實及公允地報告本公司的財務狀況及經營成果。

## 三. 董事會專門委員會

董事會於2014年6月16日召開會議，根據董事會換屆人員的調整，批准成立新一屆董事會下屬3個專門委員會，明確其監察公司個別範疇業務的職權範圍。

### 1、審計與內控委員會

該委員會職權範圍依據《上市規則》附錄十四之《企業管治守則》及中國證監會頒佈的《中國上市公司治理準則》而制訂，並按照最新監管動態作出修訂。其主要職責包括：檢討公司內部監控體系及制度的健全性和有效性，審閱公司的年度、半年度及季度財務報表，負責公司外部審計師的聘任、工作協調及對其工作效率和工作質量進行檢討，檢討及監察公司財務彙報質量和程序。

第八屆董事會審計委員會由四名獨立非執行董事與一名非執行董事組成，由馬海濤先生擔任主席，其他成員包括非執行董事杉浦康馨先生及獨立非執行董事王學政先生、賈聖林先生和蔣敏先生，均由董事會委任。其中馬海濤先生具備財務和會計業務的經驗和能力。

### 5. Financial reporting and responsibilities taken by directors on financial statements

The Board makes annual review over the annual, interim and quarterly reports in accordance with the sufficient information provided by the management team and approves for public disclosure. The directors are responsible for arranging relevant departments and personnel to prepare financial statements for each fiscal year, and ensure to apply appropriate accounting policies and abide by China's accounting policies and regulations when preparing the financial statements, so as to truly and fairly report the financial situation and operating results of the Company.

## III. Specific Committees under the Board

The Board held a meeting on 16 June 2014, at which it approved to set up 3 specific committees under it based on the adjustments of its members of the latest round of the Board, and clarified their duty scope of supervising the specific business fields in the Company.

### 1. Audit & Internal Control Committee

The duty scope of Audit Committee is determined pursuant to *Corporate Governance Code* set out in Appendix 14 of *Listing Rules and Guidelines for Corporate Governance of China Listing Companies* published by China Securities Regulatory Commission, and is revised subject to the latest supervisory momentum. Its main duties include: to review the soundness, completeness and effectiveness of the Company's internal control system and regulations, to review the Company's annual, interim and quarterly financial statements, to appoint the Company's external auditor and coordinate the work with it, to review the efficiency and quality of the auditor's work, to review and supervise the quality and procedures of the Company's financial reporting.

The Audit Committee of the 8th Board is comprised of 4 independent non-executive directors and 1 non-executive director including Mr. MA Hai Tao, taking the position as Chairman of Audit Committee, and other members including Mr. Yasutaka SUGIURA, Non-executive Director, and independent non-executive directors including Mr. WANG Xue Zheng, Mr. BEN Sheng Lin and Mr. JIANG Min, all of whom are appointed by the Board. Mr. MA Hai Tao has experience and capability in financial and accounting business.



## 企業管治報告 Corporate Governance Report

2014年度審計委員會共舉行了6次會議，為保證彙報的獨立性，會議主席已安排外部審計師與審計委員會成員進行單獨的會議。於每次會議後，委員會均會就曾討論的重要事項向董事會提交建議。各委員出席會議的情況如下：

In 2014, Audit Committee totally held 6 meetings. To ensure the independence of the reporting, the Chairman of Audit Committee arranged sole meetings between external auditor and the members of Audit Committee. Audit Committee made proposals to the Board on important issues discussed by it after each meeting. The attendance of meetings of each member of Audit Committee is as follows:

委員姓名	Name	出席會議(次) Attendance (time)	應出席會議(次) Meetings should attend (time)	出席率(%) Attending Rate (%)
馬海濤(委員會主席)	MA Hai Tao (Chairman of Audit Committee)	6	6	100
王學政	WANG Xue Zheng	6	6	100
杉浦康譽	Yasutaka SUGIURA	4	6	67
賁聖林	BEN Sheng Lin	3	3	100
蔣敏	JIANG Min	3	3	100
趙昌文	ZHAO Chang Wen	3	3	100
吳曉波	WU Xiao Bo	0	3	0

審計委員會在本年度主要工作包括：

- 審閱本公司的年度、半年度及季度業績報告和財務報告；
- 就續聘公司審計師事項向董事會提供建議；
- 檢討公司內部控制體系及制度的有效性，包括考慮公司在財務彙報職能方面的資源以及從業人員的資歷、經驗是否充足，相關人員的培訓及有關預算是否充足。

Major work of Audit Committee in the year included:

- Reviewed the Company's annual, interim and quarterly reports, and financial statements;
- Made proposals to the Board on the re-appointment of auditor;
- Reviewed the effectiveness of the Company's internal control system and regulations, including whether the resource of the financial reporting, and the qualification and experience of the jobholders were sufficient or not, whether the training to the related personnel and the related budgets were sufficient or not.



## 企業管治報告 Corporate Governance Report

### 2、 戰略與投資委員會

該委員會的主要職責是審查和檢討公司的戰略發展方向，制訂公司戰略規劃，以及適時調整公司戰略和管治架構。

第八屆董事會戰略委員會的成員包括：執行董事兼總裁黃克興先生(委員會主席)、執行董事于竹明先生和獨立非執行董事馬海濤先生、賁聖林先生及蔣敏先生。2014年度戰略委員會共舉行了4次會議，各委員出席會議的情況如下：

委員姓名	Name	出席會議(次) Attendance (time)	應出席會議(次) Meetings should attend (time)	出席率(%) Attending Rate (%)
孫明波(第七屆董事會 戰略委員會主席)	SUN Ming Bo(Chairman of Strategy Committee under the 7th Board)	1	1	100
黃克興(第八屆董事會 戰略委員會主席)	HUANG Ke Xing (Chairman of Strategy Committee under the 8th Board)	3	3	100
王學政	WANG Xue Zheng	4	4	100
馬海濤	MA Hai Tao	4	4	100
賁聖林	BEN Sheng Lin	3	3	100
蔣敏	JIANG Min	3	3	100
趙昌文	ZHAO Chang Wen	1	1	100
孫玉國	SUN Yu Guo	1	1	100

戰略委員會在本年度的主要工作包括：審議公司收購目標公司股權及啤酒業務相關資產和子公司搬遷新建和新增產能擴建項目的可行性報告。

### 3、 提名與薪酬委員會

本公司成立了提名與薪酬委員會，其主要職責包括：研究和審議公司董事與高管人員的薪酬政策和激勵機制，制訂考核標準；研究改善公司治理結構的方案及評核獨立非執行董事的獨立性及就董事委任向董事會提出建議。

### 2. Strategy & Investment Committee

Strategy Committee's main duties are: to supervise and review the Company's orientation of strategic development, to work out the Company's strategic plan, and to make timely adjustment towards the Company's strategic and governance structure.

Members of the Strategy Committee of the 8th Board include: Mr. HUANG Ke Xing (Chairman of Strategy Committee), Executive Director & President of the Company, Mr. YU Zhu Ming, Executive Director, and independent non-executive directors including Mr. MA Hai Tao, Mr. BEN Sheng Lin and Mr. JIANG Min. In 2014, the Strategy Committee totally held 4 meetings, and the attendance of each member of Strategy Committee is as follows:

出席會議(次) Attendance (time)	應出席會議(次) Meetings should attend (time)	出席率(%) Attending Rate (%)
1	1	100
3	3	100
4	4	100
4	4	100
3	3	100
3	3	100
1	1	100
1	1	100

Strategy Committee's main work in the year: considered the feasibility report of acquiring the equity interests and beer-related assets of target companies, and the projects of relocation, new construction, and expansion for increasing production capacity of the subsidiaries.

### 3. Nomination & Remuneration Committee

The Company sets up the Nomination & Remuneration Committee, whose main duties are: to study and consider the remuneration policies and incentive mechanism of the Company's directors and senior management officers, to work out appraisal standards, to study the schemes of improving corporate governance, to assess the independence of independent non-executive director and make proposals to the Board for the appointment of directors.





## 企業管治報告 Corporate Governance Report

第八屆董事會提名與薪酬委員會由四名獨立非執行董事與一名非執行董事組成，由獨立非執行董事王學政先生擔任主席，其他成員包括非執行董事杉浦康譽先生及獨立非執行董事馬海濤先生、賁聖林先生和蔣敏先生，均由董事會委任。2014年度提名與薪酬委員會舉行了兩次會議，對年報披露的董事、監事和高管人員薪酬資料進行了審核，以及對於董事和監事候選人的提名事項和薪酬方案進行了審議。

The Nomination & Remuneration Committee of the 8th Board is comprised of 4 independent non-executive directors and 1 non-executive director including Mr. WANG Xue Zheng, Independent Non-executive Director, taking the position as Chairman of Nomination & Remuneration Committee, and other members including Mr. Yasutaka SUGIURA, Non-executive Director, and independent non-executive directors including Mr. MA Hai Tao, Mr. BEN Sheng Lin and Mr. JIANG Min, all of whom are appointed by the Board. In 2014, Nomination & Remuneration Committee held 2 meetings, at which all members of Nomination & Remuneration Committee reviewed the remuneration information of directors, supervisors and senior management officers disclosed in the Annual Report, and considered matters of the nomination of candidates for directors and supervisors and their remuneration scheme.

委員姓名	Name	出席會議(次) Attendance (time)	應出席會議(次) Meetings should attend (time)	出席率(%) Attending Rate (%)
王學政(委員會主席)	WANG Xue Zheng (Chairman of Nomination & Remuneration Committee)	2	2	100
馬海濤	MA Hai Tao	2	2	100
賁聖林	BEN Sheng Lin	0	0	不適用 N/A
蔣敏	JIANG Min	0	0	不適用 N/A
杉浦康譽	Yasutaka SUGIURA	1	2	50
趙昌文	ZHAO Chang Wen	2	2	100
吳曉波	WU Xiao Bo	1	2	50

### 四. 監控機制

#### 1、 監事會

公司第八屆監事會由4名股東代表監事和3名職工代表監事組成，現任監事的個人簡介資料，載列於本年度報告「董事、監事、高級管理人員情況」。

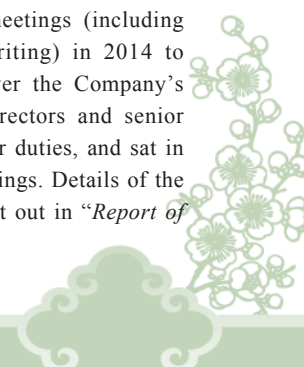
監事會依法獨立行使公司監督權，保障股東、公司和員工的合法權益不受侵犯。2014年度，監事會共舉行9次會議(包括現場會議4次和書面會議5次)，代表股東對公司財務以及董事和高管人員履行職責的合法合規性進行監督，並列席了所有的董事會現場會議和股東大會。有關監事會的工作情況載列於本年度報告的「監事會工作報告」中。

### IV. Supervisory Mechanism

#### 1. Board of Supervisors

The 8th Board of Supervisors is comprised of 4 supervisors as shareholders' representative and 3 supervisors as employees' representative. The profile of current supervisors is set out in "Profiles of Directors, Supervisors and Senior Management Officers" in this Annual Report.

The Board of Supervisors legally exercises the supervision authority to prevent the legal rights and interests of the Company and its employees from being offended. The Board of Supervisors totally held 9 meetings (including 4 site meetings and 5 meetings in writing) in 2014 to supervise on behalf of shareholders over the Company's finance, legality and compliance of directors and senior management officers on performing their duties, and sat in all site board meetings and general meetings. Details of the work of the Board of Supervisors are set out in "Report of the Supervisors" in this Annual Report.



## 企業管治報告 Corporate Governance Report

### 2、 公司內部控制體系

2.1 本公司按照上交所發佈的《上海證券交易所上市公司內部控制指引》、《上市規則》以及內部控制具體規範的要求，制定了一系列內部控制制度，並在公司生產經營活動中發揮了應有的作用，促進了本公司規範化運行。

#### 2.2 內部控制運行有效性評估

##### (1) 公司董事會對內控體系自我評估情況

公司第八屆董事會第五次會議審議通過公司2014年度內部控制評價報告，按照公司制定的內部控制缺陷認定標準，報告期內公司不存在財務報告內部控制重大缺陷、重要缺陷。亦未發現公司非財務報告內部控制重大缺陷、重要缺陷。

##### (2) 公司註冊會計師對財務報告內控體系評估情況

公司聘請普華永道中天對財務報告內部控制有效性進行了審計，認為公司於2014年12月31日按照《企業內部控制基本規範》和相關規定在所有重大方面保持了有效的財務報告內部控制。

公司董事會對公司內部控制的評價報告及普華永道中天出具的財務報告內部控制審計報告全文載於上交所網站、香港聯交所網站和公司網站。

### 3、 外聘審計師及酬金

本年度報告所收錄之財務報表根據中國企業會計準則編制，並經普華永道中天審計。普華永道中天已為本公司連續提供審計服務13年。2014年度，本公司應向普華永道中天支付其年度財務報告審計工作的酬金為人民幣660萬元，支付其財務報告內控審計工作的酬金為人民幣198萬元，公司不承擔其差旅費及其它費用。

### 2. Internal control system of the Company

2.1 According to *Internal Control Guide to Listing Companies of Shanghai Stock Exchange* published by SSE, *Listing Rules*, and the requirements of the specific regulations of internal control, the Company worked out a series of internal control regulations, which played corresponding roles in the Company's production and operating activities, and promoted the Company's normalized operation.

#### 2.2 Evaluation to the effectiveness of internal control operation

##### (1) The Board's self-appraisal on internal control system

The Company's 2014 internal control evaluation report was considered and approved at the fifth meeting of the 8th Board. According to the affirmation standards of internal control defects worked out by the Company, during the Reporting Period, the Company did not have any significant defects or material defects of internal control in the financial reporting, nor in the non-financial reporting.

##### (2) Appraisal by the Company's certified public accountant on the internal control in financial reporting

The Company appointed PwC Zhong Tian to audit the effectiveness of the internal control in financial reporting. PwC Zhong Tian was of the view that, as at 31 December 2014, the Company had maintained effective internal control in financial reporting in all material aspects according to *Basic Standards of Enterprise Internal Control* and related regulations.

The full text of the Board's appraisal report of the Company's internal control and the auditing report of the internal control in financial reporting presented by PwC Zhong Tian are published on the websites of SSE, the Stock Exchange and the Company.

### 3. External auditor and the remuneration

The financial statements included in this Annual Report are prepared in accordance with CAS and have been audited by PwC Zhong Tian who has provided auditing service to the Company for 13 years in consecution. For the year 2014, the Company should pay RMB6.6 million to PwC Zhong Tian for its full-year work of financial statements audit and RMB1.98 million for its work of auditing the internal control in financial reporting, but all expenses for business travels and others will not be borne by the Company.



## 企業管治報告 Corporate Governance Report

### 五. 股東及其他利益相關者

#### 1. 股東大會

本公司一直致力於維護全體股東的合法權益，股東大會的召集召開嚴格按照《公司章程》、《股東大會議事規則》的規定。公司股東大會由董事會召集，由董事長主持召開。股東大會由公司執行董事作提案報告，對提案表決的監票和計票由股東代表、監事代表及見證律師、執業會計師（點票監察人）共同進行，並由會議主席（董事長）宣佈表決結果，正式形成大會決議。公司聘請的律師對大會作見證並發表法律意見書。

股東大會是公司的最高權力機構，依法行使職權，決定公司重大事項。每年的股東年會為董事會與公司股東提供直接溝通的渠道。因此，本公司高度重視股東大會，於會議召開45日前發出會議通知，在股東年會上，公司董事長及其他與會執行董事就股東關注的事項進行了廣泛深入的溝通及說明。2014年6月16日公司在青島以現場投票的方式召開了2013年度股東年會，會議審議通過了公司2013年度董事會報告、監事會報告、經審計的財務報告、利潤分配預案和續聘財務報告及內部控制審計師等項議案，以及董事會及監事會換屆選舉方案和薪酬及購買責任保險事項。並聽取了公司2013年度獨立非執行董事述職報告。以上股東大會決議可查閱本公司在境內信息披露指定報章以及上交所網站和聯交所網站發佈的相關公告。

### V. Shareholders and Other Interest-related Parties

#### 1. General meeting

The Company has been devoted to maintaining the legal rights and interests of all shareholders. The convening and holding of general meeting are strictly pursuant to the terms in *Articles of Association and Rules of Order for General Meeting*. The Company's general meeting is convened by the Board and hosted by the Chairperson of the Board. The executive directors make reports of proposals at the general meeting, while the representatives of shareholders, representatives of supervisors, witness lawyers, profession accountant from Hong Kong (scrutineers for the vote-taking) jointly inspect and count the votes on the proposals, and have the chairperson of the meeting (Chairperson of the Board) announce the voting results and work out the formal resolutions of the meeting. The lawyers appointed by the Company witness the meeting and present legal comments.

General meeting is the highest authority of the Company, which legally exercises its duties to determine the significant events for the Company. The annual general meeting is a channel of direct communication between the Board and the shareholders of the Company. Therefore, the Company pays high regards to the general meeting by dispatching the meeting notice 45 days prior to the meeting date, and the chairperson and other attending executive directors make extensive and intensive communications and interpretation over the issues concerned by the shareholders at the annual general meeting. On 16 June 2014, the Company held the 2013 Annual General Meeting in form of site voting in Qingdao to consider and approve the Company's resolutions including report of directors, report of supervisors, audited financial statements, preliminary proposal for profit distribution, and re-appointment of auditor of financial reporting and internal control, election scheme for the new round of Board and Board of Supervisors and their remunerations and purchasing liability insurance for them, and also listened to the 2013 work report of independent non-executive directors. For the resolutions approved at the aforesaid general meeting, please refer to the related announcement published by the Company on the nominated domestic newspapers for information disclosure, and the websites of SSE and the Stock Exchange.



## 企業管治報告 Corporate Governance Report

### 2、股東權利

作為保障股東權益及權利的一項措施，本公司就各重大事項在股東大會上均單獨決議，以供股東考慮及投票。所有向股東大會提呈的決議案以投票方式表決。投票表決的結果將於相關股東大會後在聯交所網站、上交所網站及本公司網站公佈。

單獨或合併持有本公司發行在外的有表決權的股份百分之十以上(含百分之十)的股東可根據《公司章程》第八十六條第(一)項以書面形式請求召開臨時股東大會。有關請求必須向股東大會明確說明需要審議的內容，且必須由請求人簽署，並以書面的形式通知本公司董事會。股東應遵循《公司章程》所載有關召開臨時股東大會的規定及程序。

股東有權要求查詢《公司章程》第五十二條第(五)項所載信息，股東可就該等權利致函本公司董事會秘書室或電郵至公司「投資者關係」郵箱 (secretary@tsingtao.com.cn) 發出查詢或提出請求。股東提出查詢有關信息的，應提供相關書面證明文件，經公司核實其股東身份後予以提供。

### 3、投資者關係與溝通

本公司高度重視投資者關係管理工作，並努力通過各種渠道和形式加強與投資者的溝通與交流，對投資者關注的熱點問題給與及時的解答。同時，公司不斷致力於提升公司的透明度，幫助投資者加深對公司業務情況及發展前景的瞭解，並悉心聽取投資者的意見和建議，不斷提升公司治理和經營管理水平。

### 2. Shareholders' rights

As one of the measures securing the interests and rights of the shareholders, the Company makes a single resolution at the general meeting for each significant issue for the shareholders' consideration and voting. All resolutions submitted to the general meeting are voted by polls. The voting result will be published on the websites of the Stock Exchange, SSE and the Company after the corresponding general meeting.

Shareholders who solely or collectively hold more than 10% (10% inclusive) of publically listed shares with voting right issued by the Company may requisite in writing the convening of extraordinary general meeting pursuant to Rule 86 (1) in *Articles of Association*. The requisition must be clearly stated to the general meeting the issues needed to be considered with the signature by the person who makes such requisition and notifies in writing to the Board. The shareholders should follow the rules and procedures for convening extraordinary general meeting set out in *Articles of Association*.

Shareholders have right to inquire the information set out in Rule 52(V) of *Articles of Association*, and can make inquiry or request for such right by sending mail to the Company's Secretarial Office of the Board or emailing to the Company's email address of "Investor Relations" (secretary@tsingtao.com.cn). Shareholder who inquires for the related information should provide corresponding written verification document and will be provided with such information after their identification as shareholder being verified by the Company.

### 3. Investor relations and communications

The Company pays high regards to the management of investor relations, strives to strengthen the communications and exchanges with the investors through various channels and forms, and makes timely response to the hot issues concerned by the investors. At the same time, the Company devotes to improving its transparency to help the investors have a better understanding of the business situation and prospects of the Company, and carefully listens to the comments and proposals made by the investors to improve the Company's corporate governance and operating management.





## 企業管治報告 Corporate Governance Report

本公司於2014年召開中期業績推介會1次，組織國際路演和網上路演各一次。同時，本公司在年內參加國內外證券公司組織的投資論壇、投資策略會等大型投資者交流活動9次，並積極安排、接待境內外證券分析員、基金經理及其它投資機構／個人投資者現場調研及電話會議、參觀共計百餘場／次，取得了良好的溝通效果。本公司還聯合本地媒體成功舉辦中小投資者走進青島啤酒活動。由公司董事會秘書代表公司與來訪中小投資者舉行溝通交流會，介紹青島啤酒的生產經營情況，展望了公司發展戰略、發展前景等，加強了島城投資者對青島啤酒的認識和瞭解。

In 2014, the Company held 1 interim results presentation, arranged 1 international road-show and 1 on-line road-show. At the same time, the Company also participated in 9 large-scale investors' exchange activities including investment forums and investment strategy conferences organized by domestic and overseas securities companies in the year, and actively arranged and received over 100 site surveys, conference calls and visits for the domestic and overseas securities analysts, fund managers and other institutional/individual investors, which were fruitful. The Company also, together with local media, successfully hosted a visit in Tsingtao Brewery paid by the mid-and-small investors. The Company Secretary, on behalf of the Company, held a meeting with the visiting mid-and-small visitors to introduce to them Tsingtao Brewery's production and operating situation, the Company's development strategy and prospects, which strengthen the local investors' acknowledgement and understanding of Tsingtao Brewery.

#### 4、 修訂公司章程

公司於2014年6月16日召開的股東年會審議通過關於修訂公司章程的議案，對公司章程記載的董事會成員組成人數及董事會專門委員會名稱進行了修訂，並選舉產生了第八屆董事會和監事會組成人員。公司第八屆董事會第一次會議選舉產生公司董事長，聘任產生新一屆高管層。新一屆監事會選舉產生公司監事會主席。有關公司章程修訂以及董事監事變更事項，公司已於2014年7月完成了工商備案手續。新修訂《公司章程》的中文版本已上載到聯交所網站和公司網站，方便投資者瀏覽。

#### 4. Revisions to *Articles of Association*

The annual general meeting held by the Company on 16 June 2014 considered and approved the resolution of revising *Articles of Association* to revise the number of members of the Board and the name of specific committees under the Board set out in *Articles of Association*, and elected the members of the 8th Board and Board of Supervisors. The Chairman of the Company who was elected at the first meeting of the 8th Board appointed a new round of management team. The Chairman of Board of Supervisors was elected at the meeting of the latest round of Board of Supervisors. The Company completed the procedures for the records at the industrial and commercial administration for the revisions to *Articles of Association* and changes of directors and supervisors in July 2014. The Chinese version and English version of the newly revised *Articles of Association* were published on the websites of the Stock Exchange and the Company for the convenient reading of investors.



## 企業管治報告 Corporate Governance Report

### 5、其他利益相關者

本公司認為：企業要保持基業常青、永續經營，應堅持誠信經營，認真履行社會責任，建立與公司利益相關者和諧共贏的長期合作關係。多年來，公司在經營業績穩步增長的同時，堅持依法納稅、誠信經營、回饋社會，積極參與社會公益性活動和環境保護。

良好的企業管治有助於公司的健康發展及提高投資者的信心，而董事會的有效性是良好企業管治的核心。因此，公司董事會將致力於不斷提升決策的效率和水平，促進公司的穩健發展及增加股東價值。

### 5. Other interest-related parties

The Company is of the view that, it should insist on the operation with integrity and serious fulfillment of social responsibilities, and establishing a harmonic, win-win and long-term cooperation with interest-related parties of the Company to ensure its long-lasting existence and continuous operation. For years, the Company has been insisting on making full payment of taxes, operating with integrity, rewarding the society and actively participating in the social welfare and environment protection activities with the steady growth of its operating results.

Good corporate governance is helpful to the sound development of the Company and in raising the investors' confidence, while the effectiveness of the Board is the key to the good corporate governance. Therefore, the Board will be dedicated to the continuous improvement of efficiency and quality of decision-making, so as to promote the steady development of the Company and improving shareholder's value.



## 管理層討論與分析 Management Discussion and Analysis

### 一、報告期內主要財務分析(按中國企業會計準則計算)

Analysis of Principal Finance during the Reporting Period (calculated in accordance with CAS)

#### (I) 公司主營業務及經營情況分析

Analysis of main business and operating situation of the Company

##### 1、利潤表及現金流量表相關科目變動分析表

Analysis of changes of related items in income statement and cash flow statement

單位：千元 幣種：人民幣  
Unit: RMB'000 Currency: RMB

科目	Item	本期數 Number of this Reporting Period	上年同期數 Number of corresponding period in prior year	變動比例(%) Increased/ (Decreased) percentage (%)
營業收入	Revenues	29,049,321	28,290,978	2.68
營業成本	Costs of sales	17,899,291	17,007,894	5.24
銷售費用	Selling and distribution expenses	5,682,981	5,610,694	1.29
管理費用	General and administrative expenses	1,362,298	1,572,544	(13.37)
財務費用	Financial expenses	(334,653)	(251,391)	(33.12)
資產減值損失	Asset impairment losses	(3,514)	1,745	(301.37)
投資收益	Investment income	23,960	229,225	(89.55)
營業外支出	Non-operating expenses	70,671	248,401	(71.55)
少數股東損益	Net profit attributable to non-controlling interests	29,434	1,552	1,796.89
研發支出	R&D expenditures	19,247	20,104	(4.26)
經營活動產生的現金流量淨額	Net cash flows from operating activities	1,690,634	3,401,151	(50.29)
投資活動產生的現金流量淨額	Net cash flows from investing activities	(1,359,506)	(1,495,925)	9.12
籌資活動產生的現金流量淨額	Net cash flows from financing activities	(2,454,798)	(777,715)	(215.64)

#### 2、收入

##### Revenues

##### (1) 驅動業務收入變化的因素分析

Analysis of the factors driving the changes of business revenues

2014年營業收入較上年度增加2.68%，主要原因是本年度內公司積極開拓市場，銷量同比增加45萬千升，增幅5.2%，主品牌青島啤酒實現銷量450萬千升，其中聽裝、小瓶、純生和奧古特等高附加值產品實現國內銷售量共計166萬千升，同比增長5.3%

In 2014, revenues increased by 2.68% from prior year, which was mainly due to that the sales volume increased by 4.5 million hl at a growth rate of 5.2% from prior year as the Company actively expanded the market in the year that the sales volume of principal brand, Tsingtao Beer, reached 45 million, among which the domestic sales volume of high value-added products including canned beer, small-bottled beer, draft beer and Augerta reached 16.6 million hl, increased by 5.3% from prior year.

## 管理層討論與分析 Management Discussion and Analysis

### 3、 成本 Costs

#### 成本分析表 Cost analysis statement

單位：千元 幣種：人民幣  
Unit: RMB'000 Currency: RMB

分行業 By industries	成本構成項目 Items in the costs	本期金額 Amount during this Reporting Period	本期佔總成本 比例(%) Percentage of the total costs (%)	上年同期金額 Amount of corresponding period in prior year	上年同期佔 總成本比例 (%) Percentage of the total costs (%)	本期金額較 上年同期 變動比例(%) Increase/ (Decrease) (%)
啤酒銷售 Sales of beer	直接材料 Direct materials	10,808,126	60.38	11,110,558	65.33	(2.72)
	直接人工 Direct labor	737,229	4.12	687,403	4.04	7.25
	製造費用 Overhead	2,549,966	14.25	2,439,124	14.34	4.54
	外購成本 Outsourcing costs	3,534,242	19.75	2,385,912	14.03	48.13
	小計 Sub-total	17,629,563	98.50	16,622,997	97.74	6.06
	其他非主營銷售業務 Other non-principle sales business		269,728	1.50	384,897	2.26
合計 Total		17,899,291	100.00	17,007,894	100.00	5.24





## 管理層討論與分析 Management Discussion and Analysis

分產品 By products	成本構成項目 Items in the costs	本期金額 Amount during this Reporting Period	本期佔總成本 比例 (%) Percentage of the total costs (%)	上年同期金額 Amount of corresponding period in prior year	上年同期佔 總成本比例 (%) Percentage of the total costs (%)	本期金額較 上年同期 變動比例 (%) Increase/ (Decrease) (%)
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	小計 Sub-total	17,629,563	98.50	16,622,997	97.74	6.06
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合計 Total		17,899,291	100.00	17,007,894	100.00	5.24

備註：啤酒銷售成本構成項目金額參照本年度生產成本構成比例計算。

Note: The amount of the items composing the sales costs of beer is calculated with reference to the percentages in the composition of the production costs in the year.

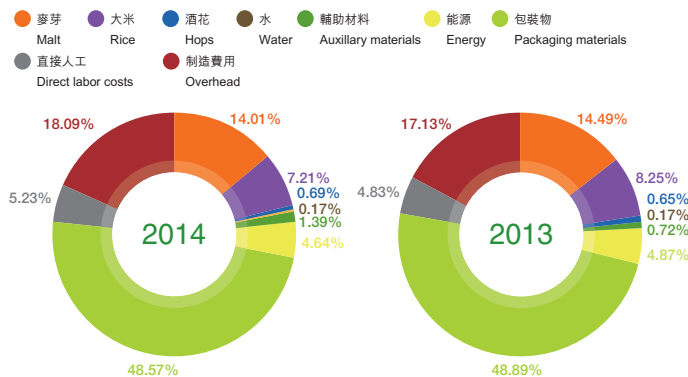
2014年營業成本較上年度增加約891,397千元，增幅5.24%。主要原因是本年度銷量增加，以及人工成本上升等原因使得營業成本增加所致。

In 2014, the Company's costs of sales increased by RMB891,397,000 with a growth rate of 5.24%, which was mainly due to the increase in costs of sales caused by the growth of sales volume and the rise of labor costs in the year.



## 管理層討論與分析 Management Discussion and Analysis

### 制造成本構成 Composition of production costs



#### 4、費用 Expenses

##### (1) 管理費用 General and administrative expenses

2014年管理費用較上年度減少13.37%，主要原因是上年度計提補充退休福利1.96億元所致。

In 2014, general and administrative expenses decreased by 13.37% from prior year, which was mainly due to the accrual of RMB196 million of supplementary retirement benefit in prior year.

##### (2) 財務費用 Financial expenses

2014年財務費用較上年度減少33.12%，主要原因是本年度利息收入增加所致。

In 2014, financial expenses decreased by 33.12% from prior year, which was mainly due to the increase in interests received in the year.

#### 5、其他利潤構成的詳細說明 Detailed explanation of other compositions of profits

##### (1) 資產減值損失 Asset impairment losses

2014年資產減值損失較上年度減少301.37%，主要原因是本年度計提的固定資產減值損失減少所致。

In 2014, asset impairment losses decreased by 301.37% from prior year, which was mainly due to the decrease in accrued fixed asset impairment losses in the year.

##### (2) 投資收益 Investment income

2014年投資收益較上年度減少89.55%，主要原因是上年度因與三得利公司合資項目本公司之原全資子公司青島啤酒上海松江有限公司(已更名為「三得利青島啤酒(上海)有限公司」)變更為本公司的聯營企業，其公允價值大於賬面價值產生收益所致。

In 2014, investment income decreased by 89.55% from prior year, which was mainly due to the incomes from the higher fair value than the book value of the Company's associated enterprise, Tsingtao Brewery Shanghai Songjiang Company Limited (which had been changed to the name of Suntory Tsingtao Brewery (Shanghai) Co., Ltd.), the Company's former wholly-owned subsidiary, in the joint-investment project with Suntory Company in prior year.

##### (3) 營業外支出 Non-operating expenses

2014年營業外支出較上年度減少71.55%，主要原因是上年度子公司承擔員工安置費用及本年度部分子公司非流動資產處置損失減少所致。

In 2014, non-operating expenses decreased by 71.55% from prior year, which was mainly due to the decrease in employees' settlement fees burdened by the subsidiaries in prior year and losses from disposing non-current assets in some subsidiaries in the year.



## 管理層討論與分析 Management Discussion and Analysis

### (4) 少數股東損益

#### Net profit attributable to non-controlling interests

2014年少數股東損益較上年度增加1,796.89%，主要原因是本年度擁有少數股東的子公司淨利潤增加所致。

In 2014, net profit attributable to non-controlling interests increased by 1,796.89% from prior year, which was mainly due to the increase in the net profit of the subsidiaries with minority shareholders in the year.

### 6、研發支出

#### R&D expenses

單位：千元 幣種：人民幣  
Unit: RMB'000 Currency: RMB

本期費用化研發支出	R&D expenditures	19,247
本期資本化研發支出	R&D expenditures capitalised	0
研發支出合計	Total R&D expenditures	19,247
研發支出總額佔淨資產比例(%)	Percentage of total R&D expenditures in net assets (%)	0.13
研發支出總額佔營業收入比例(%)	Percentage of total R&D expenditures in revenues (%)	0.07

### 7、現金流

#### Cash flow

(1) 經營活動產生的現金流量淨額同比減少50.29%，主要原因是本年度購買商品、接受勞務支付的現金同比增加所致。

Net cash flows from operating activities decreased by 50.29% from the corresponding period in prior year, which was mainly due to the increase in cash paid for purchasing goods and receiving services in the year.

(2) 投資活動產生的現金流量淨額同比增加9.12%，主要原因是青啤財務公司繳存的存款準備金同比減少所致。

Net cash flows from investing activities increased by 9.12% from the corresponding period in prior year, which was mainly due to the decrease in cash paid for deposit reservation by Tsingtao Finance Company.

(3) 籌資活動產生的現金流量淨額同比減少215.64%，主要原因是償還債務支付的現金同比增加所致。

Net cash flows from financing activities decreased by 215.64% from the corresponding period in prior year, which was mainly due to the increase in cash paid for the repayment of debts.



## 管理層討論與分析 Management Discussion and Analysis

### (II) 資產、負債情況分析

#### Analysis of assets and liabilities

#### 1、資產負債情況分析表

#### Analysis of assets and liabilities

單位：千元 幣種：人民幣  
Unit: RMB'000 Currency: RMB

項目名稱	Item	本期期末數 Amount at the end of this Reporting Period	本期期末數 佔總資產的 比例(%) Percentage of total assets (%)	上期期末數	上期期末數 佔總資產的 比例(%) Percentage of total assets (%)	本期期末金額較 上期期末變動 比例(%) Increase/ (Decrease) (%)
				Amount at the end of the corresponding reporting period in prior year		
貨幣資金	Cash at bank and on hand	6,388,651	23.66	8,531,720	31.18	(25.12)
應收票據	Notes receivable	41,600	0.15	84,760	0.31	(50.92)
預付款項	Advances to suppliers	191,673	0.71	132,346	0.48	44.83
其他流動資產	Other current assets	782,631	2.90	466,863	1.71	67.64
可供出售金融資產	Available-for-sale financial assets	309	0.001	1,309	0.005	(76.42)
投資性房地產	Investment properties	10,960	0.04	7,925	0.03	38.30
在建工程	Construction in progress	1,051,916	3.90	506,624	1.85	107.63
固定資產清理	Fixed assets pending for disposal	17,966	0.07	5,369	0.02	234.64
長期待攤費用	Long-term prepaid expenses	32,575	0.12	21,525	0.08	51.33
其他非流動資產	Other non-current assets	76,627	0.28	223,660	0.82	(65.74)
短期借款	Short-term borrowings	432,953	1.60	101,080	0.37	328.33
應付票據	Notes payable	91,748	0.34	138,383	0.51	(33.70)
應付利息	Interests payable	4,740	0.02	1,203	0.004	294.03
一年內到期非流動負債	Current portion of non-current liabilities	1,561	0.01	1,797,167	6.57	(99.91)
長期借款	Long-term borrowings	2,785	0.01	4,881	0.02	(42.95)
其他綜合收益	Other comprehensive income	10,040	0.04	25,193	0.09	(60.15)
少數股東權益	Non-controlling interests	(100,280)	(0.37)	(147,088)	(0.54)	31.82





## 管理層討論與分析 Management Discussion and Analysis

### (1) 貨幣資金

#### Cash at bank and on hand

貨幣資金報告期期末比年初減少25.12%，主要原因是本年度償還到期債券及支付現金股利所致。

Cash at bank and on hand at the end of the Reporting Period decreased by 25.12% from the beginning of the year, which was mainly due to the repayment of expired bonds and payment of cash dividends in the year.

### (2) 應收票據

#### Notes receivable

應收票據報告期期末比年初減少50.92%，主要原因是本年度採用銀行承兌匯票結算貨款方式比重減少所致。

Notes receivable at the end of the Reporting Period decreased by 50.92% from the beginning of the year, which was mainly due to the decrease in percentage of goods amount settled with accepted bank drafts in the year.

### (3) 預付款項

#### Advances to suppliers

預付款項報告期期末比年初增加44.83%，主要原因是本年度採取預付貨款方式採購原材料增加所致。

Advances to suppliers at the end of the Reporting Period increased by 44.83% from the beginning of the year, which was mainly due to the increase in prepayments for the purchase of raw materials in the year.

### (4) 其他流動資產

#### Other current assets

其他流動資產報告期期末比年初增加67.64%，主要原因是本年度預繳稅金及青啤財務公司新增理財產品增加所致。

Other current assets at the end of the Reporting Period increased by 67.64% from the beginning of the year, which was mainly due to the increase in the prepayments of taxes and new wealth management products of Tsingtao Finance Company in the year.

### (5) 可供出售金融資產

#### Available-for-sale financial assets

可供出售金融資產報告期期末比年初減少76.42%，主要原因是本年度公司處置部分可供出售權益工具所致。

Available-for-sale financial assets at the end of the Reporting Period decreased by 76.42% from the beginning of the year, which was mainly due to the disposal of some available-for-sale equity instruments by the Company in the year.

### (6) 投資性房地產

#### Investment properties

投資性房地產報告期期末比年初增加38.30%，主要原因是本年度部分子公司房產用於出租所致。

Investment properties at the end of the Reporting Period increased by 38.30% from the beginning of the year, which was mainly due to that the real estates of some subsidiaries were for rental in the year.

### (7) 在建工程

#### Construction in progress

在建工程報告期期末比年初增加107.63%，主要原因是本年度部分搬遷工廠在建項目增加所致。

Construction in progress at the end of the Reporting Period increased by 107.63% from the beginning of the year, which was mainly due to the increase in projects in construction for some relocated plants in the year.

### (8) 固定資產清理

#### Fixed assets pending for disposal

固定資產清理報告期期末比年初增加234.64%，主要原因是本年度部分子公司進入處置程序的固定資產增加所致。

Fixed assets pending for disposal at the end of the Reporting Period increased by 234.64% from the beginning of the year, which was mainly due to the increase in fixed assets in the disposal process of some subsidiaries in the year.



## 管理層討論與分析 Management Discussion and Analysis

### (9) 長期待攤費用

#### Long-term prepaid expenses

長期待攤費用報告期末比年初增加 51.33%，主要原因是本年度部分子公司攤銷期在一年以上的費用增加所致。

Long-term prepaid expenses increased by 51.33% from the beginning of the year, which was mainly due to that the expenses to be amortized in at least 1 year in some subsidiaries increased in the year.

### (10) 其他非流動資產

#### Other non-current assets

其他非流動資產報告期末比年初減少 65.74%，主要原因是本年度部分搬遷工廠依據工程進度核銷工程及設備預付款所致。

Other non-current assets at the end of the Reporting Period decreased by 65.74% from the beginning of the year, which was mainly due to that some relocated plants wrote-off the prepayments for the projects and equipment in accordance with the process of the projects in the year.

### (11) 短期借款

#### Short-term borrowings

短期借款報告期末比年初增加 328.33%，主要原因是本年度部分子公司短期借款增加所致。

Short-term borrowings at the end of the Reporting Period increased by 328.33% from the beginning of the year, which was mainly due to the increase in short-term borrowings of some subsidiaries in the year.

### (12) 應付票據

#### Notes payable

應付票據報告期末比年初減少 33.70%，主要原因是本年度採用票據結算貨款方式比重減少所致。

Notes payable at the end of the Reporting Period decreased by 33.70% from the beginning of the year, which was mainly due to the decrease in percentage of amount for purchasing goods settled with notes in the year.

### (13) 應付利息

#### Interests payable

應付利息報告期末比年初增加 294.03%，主要原因是本年度部分子公司借款利息增加所致。

Interests payable at the end of the Reporting Period increased by 294.03% from the beginning of the year, which was mainly due to the increase in interests of borrowings of some subsidiaries in the year.

### (14) 一年內到期的非流動負債

#### Current portion of non-current liabilities

一年內到期的非流動負債報告期末比年初減少 99.91%，主要原因是公司發行的分離交易可轉債本年度到期償還所致。

Current portion of non-current liabilities at the end of the Reporting Period decreased by 99.91% from the beginning of the year, which was mainly due to the reimbursement of the separately trade bonds with warrants issued by the Company expired in the year.

### (15) 長期借款

#### Long-term borrowings

長期借款報告期末比年初減少 42.95%，主要原因是本年度子公司部分長期借款將於一年內到期轉至一年內到期的非流動負債所致。

Long-term borrowings at the end of the Reporting Period decreased by 42.95% from the beginning of the year, which was mainly due to that, in the year, some long-term borrowings to due within 1 year of the subsidiaries were transformed into the non-current liabilities to due within 1 year

### (16) 其他綜合收益

#### Other comprehensive income

其他綜合收益報告期末比年初減少 60.15%，主要原因是本年度重新計量設定受益計劃淨負債變動所致。

Other comprehensive income at the end of the Reporting Period decreased by 60.15% from the beginning of the year, which was mainly due to the change of re-calculation of net liabilities of defined benefit plan in the year.



## 管理層討論與分析 Management Discussion and Analysis

### (17) 少數股東權益

#### Non-controlling interests

少數股東權益報告期末比年初增加31.82%，主要原因是本年度擁有少數股東的部分子公司淨資產增加所致。

Non-controlling interests at the end of the Reporting Period increased by 31.82% from the beginning of the year, which was mainly due to the increase in net assets of some subsidiaries with minority shareholders in the year.

### (III) 其他經營情況說明

#### Interpretation of other operating situations

#### 1、債務資本率

##### Debt/Capital Ratio

本集團2014年12月31日的債務資本率為0.02%（2013年12月31日：0.03%）。債務資本率的計算方法為：長期借款總額／（長期借款總額+歸屬於母公司股東的股東權益）。

On 31 December 2014, the Group's debt/capital ratio was 0.02% (31 December 2013: 0.03%). The calculation of debt/capital is: total amount of long-term borrowings/(total amount of long-term borrowings + shareholders' interests attributable to the shareholders of the Company).

#### 2、資產抵押

##### Assets mortgage

於2014年12月31日，本集團無資產抵押（2013年12月31日：無）。

As at 31 December 2014, the Group did not have any mortgages (31 December 2013: Nil).

#### 3、匯率波動風險

##### Risk of flexible exchange rate

由於本集團目前用於主品牌生產的原材料大麥主要依賴進口，因此匯率的變動將會間接影響本集團的原材料價格，從而對本集團的盈利能力產生一定影響。

As the Group currently relies on the imported barley among the raw materials in its production of principal brand, 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.

#### 4、資本性開支

##### Capital expenses

2014年本公司資本性新建、搬遷及改擴建項目共投入約19.49億元，使得公司的產能規模持續擴大，產能佈局得到優化。依據公司目前的資金狀況及盈利能力，有充足的自有資金及持續的經營現金淨流入滿足公司資本項目的資金需求。

In 2014, the Company totally invested in approximately RMB1.949 billion in the capital projects of new construction, relocation, reconstruction and expansion to further increase the Company's production capacity and optimize the capacity layout. Based on the Company's present fund situation and profitability, there are sufficient self-owned funds and continuous net operating cash in-flow to satisfy the Company's needs in funds for its capital projects.

#### 5、投資

##### Investments

詳見年報正文財務報表附註。

For details please refer to the enclosed Notes to Financial Statements.

#### 6、或有負債

##### Contingent liabilities

詳見年報正文財務報表附註。

For details please refer to the enclosed Notes to Financial Statements.



## 管理層討論與分析 Management Discussion and Analysis

### 二、關於公司未來發展的討論與分析 Discussion and Analysis of the Company's Future Development

#### (一) 行業競爭格局和發展趨勢

##### Industrial competition layout and development trend

2014年以來儘管中國啤酒市場經歷了多年未遇的負增長，但我們認為：中國啤酒市場仍是全球最具潛力的市場，未來在銷量和平均價格上仍有相當的提升空間，我們對啤酒行業和公司未來發展充滿信心。

Although China's beer market has experienced the negative growth since 2014 that has not happened for many years, we believe that China's beer market is still the most potential market in the world and has considerable room for improvement in sales volume and average sales price in the future. We are confident of the future development of beer industry and the Company.

目前中國前五大啤酒企業已佔市場80%的份額，隨著行業格局的進一步優化，結構提升將成為行業發展的主旋律。當前中國啤酒人均消費量已達到36升，但距離歐美國家人均消費水平仍具有相當的差距，而中西部地區、農村市場的人均消費量偏低，未來具有更大的增長潛力。隨著中國經濟的持續穩定增長，在國家新型城鎮化和收入倍增計劃的帶動下，會進一步促進國內啤酒消費結構的升級和產品的多元化，帶動國內啤酒行業產品結構和價格的提升，並為具有品牌、品質、規模等優勢的企業提供廣闊的發展空間。

China's top 5 breweries have obtained 80% market share by now. With further optimization of industry layout, structure improvement will become the main theme in the development of the industry. China's current average beer consumption volume per capita has reached 36 litres, but is still far below the average consumption per capita level in European and American countries, and in the future there will be more growth potential in middle and western China and rural markets where average consumption volume per capita is low. The continuous and steady growth of China's economy, new urbanization mode and income doubling program will further encourage the improvement of China's beer consumption structure and diversification of products, the improvement of product mix and rise of product price in domestic beer industry, and provide broad room for the development of breweries having advantages in brand, quality and scale.

同時，我們也清醒的認識到中國啤酒市場在發展中出現的新的特點和面臨的挑戰。啤酒市場發展將從以往的高增長階段進入低速增長的「新常態」，市場競爭會由前期產能、規模的擴張，轉向以質量型、差異化為主的競爭，增長和發展必須依靠自身運營能力的提高。同時，進口啤酒及替代產品將會搶佔傳統啤酒市場的份額。在銷售渠道方面，除餐飲、商超等主要渠道外，電子商務等也會為家庭啤酒消費增長帶來新的選擇。

At the same time, we are also well aware of the new features appearing from the development of China's beer market and the challenges to face. The development of beer market will transit from the period of high growth rate in the past to the "new normality" of low growth rate. The market competition will change from the expansion of production capacity and scale during the early period to that focusing on quality and differentiation. The growth and development must rely on the improvement of own operating capacity. At the same time, imported beers and surrogate products will take some market shares in traditional beer market. In terms of sales channel, besides the main channels including caterings and KA, e-commerce will also bring new choices for the growth of family beer consumption.

作為充分競爭的傳統行業，中國啤酒市場已成為國際啤酒巨頭重要的競逐之地，未來市場競爭仍會呈現較為激烈的態勢。在行業集中度進一步提升的同時，國內啤酒市場國際化競爭會進一步加劇。

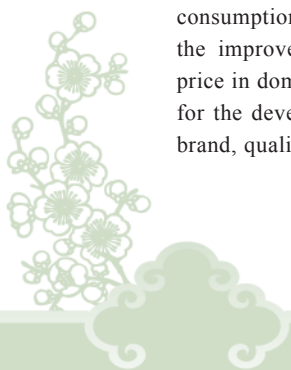
As a traditional industry involving in full competition, China's beer market has become an important place where the international players are competing for, and in the future the market competition will still be in an intense situation. While the industry integration is being further improved, the competition with international players in the domestic market will be more intense.

#### (二) 經營計劃

##### Operation plan

2015年公司的經營目標是力爭實現啤酒銷量增長高於行業增長率2個百分點，在市場競爭中繼續保持領先優勢。

The Company's operation target for 2015 is to strive to realize that the growth rate of sales volume of beer will be 2 percentage points higher than that of the industry, thus to continue to maintain its leading position in the market competition.





## 管理層討論與分析 Management Discussion and Analysis

公司將繼續積極開拓國內外市場，持續推進省級基地市場及工廠所在地基地市場建設；深化運營體育營銷及內部資源的優化配置，建立最具競爭力的渠道網絡和銷售運作模式，實現市場銷量的持續增長；公司將通過新產品開發、產品結構調整持續優化品牌結構，以青島啤酒品牌帶動第二品牌發展，不斷提升公司可持續發展能力。

The Company will continue to actively expand domestic and overseas market, promote the construction of provincial base markets and base markets in which its plants are located; deepen the operation of sports marketing and the optimal configuration of internal resources, and build up the best competitive channel network and sales operation mode, to realize continuous growth of market sales volume; the Company will continue to optimize the brand mix through the development of new products and adjustment of product mix, promote the development of secondary brands as led by Tsingtao Beer brand, and continuously improve the Company's capacity for sustainable development.

在管理提升方面，公司將通過創新驅動和強化運營策略的落實，實現有質量的增長；公司將通過精細化管理和流程優化，加強原材料管理和生產、技術的控制管理，規避風險、控制成本，不斷提高運營能力和效率，實現企業持續增長和健康發展。公司目前的資金狀況能夠滿足現有經營和業務發展的需要。

In the aspect of management improvement, the Company will realize material growth through innovation initiatives and strengthening the practice of operating strategy; the Company will strengthen the management of raw materials, and management of and control over production and technologies through delicacy management and process optimization to avoid risks, control the costs, continuously improve operating ability and efficiency, and realize the Company's continuous growth and healthy development. The Company's present fund situation can satisfy its needs for existing operation and business development.

### (三) 可能面對的風險

#### Potential operating risks

啤酒行業是一個充分競爭的傳統行業，隨著國內市場國際化競爭的加劇，大企業之間的競爭在範圍和力度上可能會進一步升級。未來公司可能面臨的主要經營風險包括：

The beer industry is a traditional industry with complete competition. As the competition with international players becomes more and more intense in domestic market, the competition among the leading breweries will be escalated in terms of scope and degree. The Company may face the following operating risks in the future:

- (1) 由於國內經濟增速放緩以及中高端餐飲消費不景氣，有可能導致啤酒市場在一定時期內增速繼續放緩，甚至下滑。  
The slow-down or even decline of growth rate of beer market during certain periods may be caused by the deceleration of national economic growth rate and depression of mid-and-high-end catering consumption;
- (2) 大集團之間的競爭將進一步導致行業競爭加劇。  
Competition among the leading breweries will cause more intense competition in the industry;
- (3) 由於市場競爭壓力，啤酒企業加大市場投入，使廣告、促銷等費用居高不下，影響行業利潤增長。  
The breweries will increase market investment due to the pressure of market competition, causing the expenditures on commercials and promotions to remain high and thereby affecting their profit growth;
- (4) 啤酒生產所需原材料以及人工成本持續上漲帶來的壓力，對公司盈利形成影響。  
Pressure from continuing rising costs of raw materials needed in beer production and labor will bring certain impacts to the Company's profit;
- (5) 替代品（進口啤酒、預調酒等）發展迅速，侵蝕國內啤酒市場份額。  
The rapid development of surrogate products (imported beer, RTD, and etc.) will take some shares in domestic beer market;
- (6) 移動互聯網發展迅速對啤酒行業傳統銷售模式帶來挑戰。  
Rapid development of mobile internet will bring challenges to the traditional sales mode in beer industry.



## 董事、監事和高級管理人員簡介 Profiles of Directors, Supervisors and Senior Manager

### 公司第八屆董事會成員簡介 Members of the 8th Board:



孫明波先生，現年58歲，復旦大學—華盛頓大學EMBA，同濟大學管理科學與工程博士，工程系列應用研究員。現任本公司董事長，青島啤酒集團有限公司董事長、首席執行官。曾任青島啤酒一廠副廠長、總工程師，本公司總經理助理兼副總工程師、常務副總裁、營銷總裁、總裁，具有豐富的戰略管理、營銷管理、生產技術管理及並購重組經驗，青島市專業技術拔尖人才，國務院特殊津貼專家，為第十二屆全國人大代表。

**Mr. SUN Ming Bo**, aged 58, EMBA at Fudan University – Washington University, Doctor of Management Science and Engineering at Tongji University, and applied researcher of engineering series. He is currently Chairman of the Company, Chairman and CEO of Tsingtao Group, and ever served as Deputy Factory Manager and Chief Engineer of Tsingtao Brewery No. 1 Factory, Assistant to General Manager & Vice Chief Engineer, Executive Vice President, President of Marketing Center and President of the Company with substantial experience in management of strategy, marketing, production technology, merger and acquisition, and re-organization. He is Top Talent in Professional Technologies in Qingdao and expert with special allowance from the State Council. Mr. SUN is representative of the 12th National People's Congress.



黃克興先生，現年52歲，北京大學光華管理學院EMBA畢業，碩士研究生學位，高級工程師。現任本公司執行董事、總裁、青島啤酒集團有限公司董事。曾任青島啤酒工程有限公司總經理、本公司總裁助理兼戰略投資管理總部部長、本公司副總裁、青島啤酒集團有限公司副總裁。具有豐富的啤酒行業戰略規劃、投資管理及經營管理經驗，為山東省政協第十一屆委員。

**Mr. HUANG Ke Xing**, aged 52, EMBA at Guanghua School of Management of Peking University, Senior Engineer. He is currently Executive Director and President of the Company and Director of Tsingtao Group, and ever served as General Manager of Tsingtao Brewery Engineering Company Limited, Assistant to President & Head of Strategic Investment Management Department and Vice President of the Company, and Vice President of Tsingtao Group with substantial experience in strategic planning, investment management and operating management of beer industry. Mr. HUANG is member of the 11th Shandong Committee of Chinese People's Political Consultative Conference.



姜宏女士，現年58歲，南開大學EMBA畢業，碩士研究生學位，高級經濟師。現任本公司執行董事、副總裁。曾任青島啤酒二廠廠長，本公司生產部部長、企業管理部部長、總裁助理兼人力資源管理總部部長，具有豐富的生產管理和人力資源管理經驗，國務院特殊津貼專家，2006年中國傑出人力資源管理者，2007年中國經濟女性成就獎，2010年中國最關注員工發展企業家。

**Ms. JIANG Hong**, aged 58, EMBA at Nankai University, Senior Economist. She is currently Executive Director and Vice President of the Company, and ever served as Factory Manager of Tsingtao Brewery No. 2 Factory, Head of Production Department, Head of Corporate Management Department, and Assistant to President of the Company & Head of Human Resources Department with substantial experience in production and HR administration. She is expert with special allowance from the State Council, and was awarded the prizes including 2006 China Outstanding HR Manager, 2007 Achievement Award of China Economic Female and 2010 Chinese Entrepreneur Most Caring Staff Development.



## 董事、監事和高級管理人員簡介

### Profiles of Directors, Supervisors and Senior Manager



于竹明先生，現年53歲，東北財經大學EMBA畢業，碩士研究生學位，高級會計師。現任本公司執行董事、財務總監。曾任青島啤酒四廠財務科科長，本公司財務管理總部部長、總裁助理、總會計師。具有豐富的財務管理和資本運作經驗，2008年山東省會計先進工作者，2009年青島市會計先進工作者。

**Mr. YU Zhu Ming**, aged 53, EMBA at Dongbei University of Finance & Economics, Senior Accountant. He is currently Executive Director and CFO of the Company, and ever served as Head of Finance Section of Tsingtao Brewery No. 4 Factory, Head of Finance Department, Assistant to President and Chief Account of the Company with substantial experience in finance management and capital operation. He was the prizes including awarded the prizes including Outstanding Accountant in Shandong Province in 2008 and Outstanding Accountant in Qingdao in 2009.



杉浦康譽先生，現年58歲，畢業於日本慶應義塾大學文學系，現任本公司非執行董事、朝日集團控股株式會社中國總代表兼朝日啤酒(中國)投資有限公司董事長、北京啤酒朝日有限公司總經理。曾任日本朝日啤酒株式會社商品企劃科科長、國際事業部部長、中國代表部副代表兼朝日啤酒(中國)投資有限公司副董事長兼總經理。

**Mr. Yasutaka SUGIURA**, aged 58, graduated from Department of Literature at Keio University in Japan. He is currently Non-executive Director of the Company, Chief Representative of China Office of Asahi Group Holdings Ltd. & Chairman of Asahi Beer (China) Investment Co., Ltd., and General Manager of Beijing Beer Asahi Co., Ltd. He also served as Head of Commodities Planning Section, Head of International Business Department of Asahi Breweries, Ltd., Vice Representative of China Office of Asahi Breweries, Ltd. & Vice Chairman & General Manager of Asahi Beer (China) Investment Co., Ltd.



王學政先生，現年65歲，北京大學法學博士畢業。現任本公司獨立非執行董事，中國人民大學、首都經濟貿易大學等大學兼職教授，中國國際經濟貿易仲裁委員會仲裁員、福建省政府法律顧問。

**Mr. WANG Xue Zheng**, aged 65, Doctor of Law Science at Peking University. He is currently Independent Non-executive Director of the Company, part-time Professor of the universities including Renmin University of China and Capital University of Economics and Business, Arbitrator of China International Economic and Trade Arbitration Commission, and Legal Consultant of Fujian Provincial Government.



## 董事、監事和高級管理人員簡介

### Profiles of Directors, Supervisors and Senior Manager



馬海濤先生，現年48歲，經濟學博士。現任本公司獨立非執行董事，中央財經大學教授，博士生導師，兼任煙臺新潮實業股份有限公司、北京北陸藥業股份有限公司及北京千方科技股份有限公司獨立董事。

**Mr. MA Hai Tao**, aged 48, Doctor of Economic Science. He is currently Independent Non-executive Director of the Company, Professor and Tutor of Doctoral Candidate of Central University of Finance, Independent Director of Yantai Xinchao Industry Co., Ltd., Beijing BeiLu Pharmaceutical Co., Ltd and China Transinfo Technology Co., Ltd.



賈聖林先生，現年48歲，先後獲得清華大學工程學士學位，中國人民大學企業管理碩士學位和美國普渡大學經濟學博士學位。現任本公司獨立非執行董事，浙江大學教授，博士生導師，浙江大學管理學院院長助理兼EMBA中心主任，浙江大學互聯網與創新金融研究中心主任，兼任中國人民大學國際貨幣研究所執行所長，浙江省人民政府參事，寧波銀行股份有限公司獨立董事。曾擔任荷蘭銀行高級副總裁，滙豐董事總經理，摩根大通銀行(中國)有限公司行長及環球企業銀行全球領導小組成員等職位。

**Mr. BEN Sheng Lin**, aged 48, Bachelor of Engineering at Tsinghua University, Master of Business Administration at Renmin University of China and Doctor of Economics at Purdue University in USA. He is currently Independent Non-executive Director of the Company, Professor and Tutor of Doctoral Candidates of Zhejiang University, Assistant to President of Management School & Director of EMBA Center of Zhejiang University, Director of Internet and Innovative Finance Research Center of Zhejiang University, Executive Superintendent of International Monetary Institute at Renmin University of China, Counsellor of Zhejiang People's Government, and Independent Director of Bank of Ningbo. He also served as Senior Vice President in ABN AMRO, Managing Director in HSBC, and CEO and member of Global Leadership Team at Global Corporate in JP Morgan Chase Bank (China) Co Ltd.



蔣敏先生，現年49歲，法學碩士。現任本公司獨立非執行董事，安徽天禾律師事務所創始合夥人，為安徽省人大代表、中華全國律師協會副會長、中國證監會上市公司並購重組審核委員會委員，曾任安徽省經濟律師事務所副主任。曾獲「中華律師業特殊貢獻獎」等榮譽稱號。同時，兼任安徽新華傳媒股份有限公司和上海科大智能科技股份有限公司獨立董事。

**Mr. JIANG Min**, aged 49, Master of Laws. He is currently Independent Non-executive Director of the Company, Founder and Partner of Anhui Tianhe Law Firm, representative of Anhui Province of the National People's Congress, Vice Chairman of All-China Lawyers Association, member of Reviewing Committee of Company Merger and Acquisition of China Securities Regulatory Commission, and ever served as Deputy Director of Anhui Economic Law Firm. He won the prizes including "Award for Special Contributions to China's Lawyer Sector", and he is also independent director of Anhui Xinhua Media Ltd. and CSG Intelligent Technology Co., Ltd.





## 董事、監事和高級管理人員簡介 Profiles of Directors, Supervisors and Senior Manager

### 公司第八屆監事會成員簡介 Members of the 8th Board of Supervisors



段家駿先生，現年55歲，中歐國際工商學院工商管理碩士，現任本公司監事會主席、青島市市直企業監事會主席，同時任青島啤酒集團有限公司、雙星集團有限責任公司、青島市紡織總公司及青島飲料集團有限公司監事會主席。曾任青島市地稅局市北分局局長、黃島分局局長、青島市地稅局副局長等職。

**Mr. DUAN Jia Jun**, aged 55, MBA at China Europe International Business School. He is currently Chairman of Board of Supervisors of the Company, Chairman of Board of Supervisors in Enterprises Directly under Qingdao Government, Chairman of Board of Supervisors of Tsingtao Group, Qingdao Double Star Group Co., Ltd., Qingdao Textile Co., Ltd. and Qingdao Beverage Group Co., Ltd. He also served as Chief of Shibe Branch and Huangdao Branch of Qingdao Local Taxation Bureau, and Deputy Chief of Qingdao Local Taxation Bureau.



川面克行先生，現年64歲，畢業於日本大阪大學工學部發酵工學系，現任本公司股東監事，朝日集團控股株式會社副董事長，曾任朝日啤酒吹田工廠、博多工廠釀造部長，酒類研究所所長，商品技術開發本部長，研究開發本部長兼酒類研究開發本部長。

**Mr. Katsuyuki KAWATSURA**, aged 64, graduated from Brewing Engineering Major of Engineering School at Osaka University in Japan. He is currently Supervisor as Shareholders' Representative of the Company, Vice Chairman of Asahi Group. And he ever served as Head of Brewing Department in Suita Factory and Hakata Factory, Institute Director of Liquor Research Institute, Division Director of Product Development Division, Division Director of R&D Division, and Division Director of Liquor R&D Division in Asahi Breweries.



李燕女士，現年57歲，畢業於中央財政金融學院。現任本公司獨立監事，中央財經大學財政學院教授，博士生導師，中國註冊會計師協會非執業會員，中國財政學會理事，中國法學會財稅法學研究會理事，兼任北京華力創通科技股份有限公司和安徽荃銀高科股份有限公司獨立董事。

**Ms. LI Yan**, aged 57, graduated from Central University of Finance and Economics. She is currently Independent Supervisor of the Company, Professor and Tutor of Doctoral Candidate in Finance School at Central University of Finance and Economics, Non-profession Member of The Chinese Institute of Certified Public Accountants Commission, Member of China Finance Commission, member of China Finance and Taxation Law Society, Independent Director of Beijing Hwa Create Co., Ltd. and Anhui Win-All Hi-Tech Seed Co., Ltd.



王亞平先生，現年50歲，華東政法學院法學學士，國家高級律師。現任本公司獨立監事，山東琴島律師事務所副主任、高級合夥人。青島市律師協會副會長，青島仲裁委員會仲裁員。兼任青島港國際股份有限公司獨立非執行董事。多次被評為山東省優秀律師、青島市優秀律師。

**Mr. WANG Ya Ping**, aged 50, Bachelor of Laws at East China University of Political Science and Law, senior lawyer. He is currently Independent Supervisor of the Company, Deputy Director and Senior Partner of Shandong Qindao Law Firm, Vice Chairman of Qingdao lawyers Association, arbitrator of Qingdao Arbitration Commission, and Independent Director of Qingdao Port International Co., Ltd. He was awarded the prizes including Outstanding Lawyer in Shandong and in Qingdao for several times.



## 董事、監事和高級管理人員簡介

### Profiles of Directors, Supervisors and Senior Manager



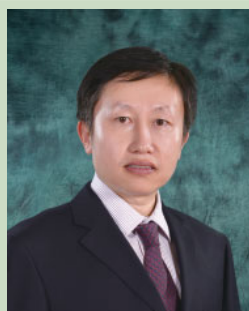
薛超山先生，現年56歲，廈門大學EMBA課程班畢業，現任本公司職工監事，製造總裁助理兼青島啤酒廠廠長。曾任青島啤酒銷售分公司副總經理，青島啤酒(三水)有限公司、青島啤酒(福州)有限公司、青島啤酒(漳州)有限公司總經理，青島啤酒東南營銷有限公司總經理、董事長，青島啤酒二廠廠長。具有豐富的市場營銷和企業管理經驗。

**Mr. XUE Chao Shan**, aged 56, graduated from EMBA class at Xiamen University. He is currently Supervisor as Employees' Representative of the Company, Assistant to President of Manufacturing Center of the Company & Factory Manager of Tsingtao Brewery Factory. He also served as Deputy Manager of Tsingtao Brewery Sales Company, General Manager of Tsingtao Brewery (Sanshui) Company Limited, Tsingtao Brewery (Fuzhou) Company Limited and Tsingtao Brewery (Zhangzhou) Company Limited, General Manager and Chairman of Tsingtao Brewery South-East Sales Company Limited, and Factory Manager of Tsingtao Brewery No. 2 Factory with substantial experience in marketing and business administration.



孫麗紅女士，現年39歲，青島大學經濟法系國際經濟法專業畢業，本科學歷，現任本公司職工監事、法律事務總部部長。曾任本公司董事會秘書室副主任、法律事務部副部長。具有豐富的法律工作經驗。

**Ms. SUN Li Hong**, aged 39, undergraduate of Major of International Economic Law in Department of Economic Law at Qingdao University. She is currently Supervisor as Employees' Representative and Head of Law Affairs Department of the Company, and ever served as Deputy Head of Secretarial Office of the Board, and Deputy Head of Law Affairs Department of the Company with substantial experience in law affairs.



邢軍先生，現年41歲，上海財經大學會計學本科學歷，會計師，現任本公司職工監事、財務管理總部副部長。曾任本公司財務總部會計核算處處長。具有豐富的財務管理經驗。

**Mr. XING Jun**, aged 41, undergraduate of Major of Accounting Science at Shanghai University of Finance and Economics, Accountant. He is currently Supervisor as Employees' Representative and Deputy Head of Finance Department of the Company, and ever served as Section Head of Accounting & Auditing of Finance Department of the Company with substantial experience in financial management.



## 董事、監事和高級管理人員簡介 Profiles of Directors, Supervisors and Senior Manager

### 公司現任高級管理人員簡介 Senior Management Officers



樊偉先生，現年55歲，江南大學碩士研究生畢業，工程系列應用研究員，現任本公司副總裁兼製造總裁、總釀酒師。曾任青島啤酒二廠副廠長、總工程師，本公司總釀酒師。具有豐富的生產、科研及技術管理經驗，青島市專業技術拔尖人才，國務院特殊津貼專家。

**Mr. FAN Wei**, aged 55, Master's Degree at Southern Yangtze University, Applied Researcher of engineering series. He is currently Vice President of the Company & President of Manufacturing Center and Chief Brewer, and ever served as Deputy Factory Manager and Chief Engineer of Tsingtao Brewery No. 2 Factory, and Chief Brewer of the Company with substantial experience in production, scientific research and technical management. He is Top Talent in Professional Technologies in Qingdao and expert with special allowance from the State Council.



劉英弟先生，現年58歲，高級工程師，現任本公司副總裁。曾任青島啤酒廠副廠長，本公司副總經理，青島啤酒集團有限公司副總裁。具有豐富的生產技術管理、信息化管理和工程項目管理經驗。2003年青島市專業技術拔尖人才，2006年國家信息化測評中心優秀CIO，曾為青島市第十四屆人大代表、山東省第十屆政協委員。

**Mr. LIU Ying Di**, aged 58, Senior Engineer. He is currently Vice President of the Company, and ever served as Deputy Factory Manager of Tsingtao Brewery Factory, Deputy General Manager of the Company and Vice President of Tsingtao Group with substantial experience in management of production technology, information and engineering projects. He was awarded the prizes including Top Talent of Professional Technologies in Qingdao in 2003, 'Best CIO' by National Information Evaluation Center in 2006. He was also representative of the 14th People's Congress in Qingdao and member of the 10th Shandong Committee of Chinese People's Political Consultative Conference.



王瑞永先生，現年49歲，北京大學工商管理碩士研究生學歷，高級工程師，現任本公司副總裁兼營銷總裁。曾任青島嶗山啤酒廠副廠長，青島啤酒(徐州)彭城有限公司副總經理，北京五星青島啤酒有限公司總經理，上海青島啤酒華東營銷公司總經理，青島啤酒營銷中心山東省區總經理，本公司營銷中心常務副總裁。具有豐富的市場營銷及企業管理經驗。

**Mr. WANG Rui Yong**, aged 49, MBA at Peking University, senior engineer. He is currently Vice President of the Company & President of Marketing Center, and ever served as Factory Manager of Qingdao Laoshan Brewery Factory, Deputy General Manager of Tsingtao Brewery (Xuzhou) Pengcheng Company Limited, General Manager of Beijing Five-Star Tsingtao Brewery Company Limited, Shanghai Tsingtao Brewery East-China Sales Company Limited and Shandong Area of Marketing Center of the Company, and Executive Vice President of Marketing Center of the Company with substantial experience in marketing and business administration.



張瑞祥先生，現年50歲，大學本科，經濟師，現任本公司董事會秘書兼董事會秘書室主任、公司秘書、授權代表。曾任本公司董事會秘書室主任助理、副主任、主任兼證券事務代表。具有長期的上市公司運作、信息披露及資本市場融資經驗。

**Mr. ZHANG Rui Xiang**, aged 50, undergraduate, Economist. He is currently Board Secretary, Head of Secretarial Office of the Board, Company Secretary and Authorized Representative of the Company. He also ever served as Assistant to Director, Deputy Director and Director of Secretarial Office of the Board & Representative to Securities Affairs of the Company with substantial experience in the operation of listing company, information disclosure and financing in capital market.





## 重要事項 Significant Events

### 一、報告期內發生的關連交易事項

按照《上市規則》第14A章的披露規定，在財務報表附註八所披露的若干關聯方交易根據上市規則亦構成關連交易。若干關連人士（按《上市規則》定義）與本集團於本部分所列載的交易經已訂立及／或持續進行，而本公司已根據上市規則的規定作出相關公佈（如需要）。

#### 1、與日常經營相關的持續關連交易

- (1) 經本公司董事會審議批准，本公司於2012年2月10日與煙臺朝日簽署新的《產品經銷合同》，煙臺朝日同意授予本公司銷售所有煙臺朝日產品的獨家經銷權，合同期限自2012年1月1日起至2014年12月31日止。煙臺朝日為本公司主要股東朝日集團的間接附屬公司，因此為朝日集團之聯繫人及本公司的關連人士。有關該持續關連交易事項的詳情請見公司於2012年2月10日在聯交所和上交所網站分別刊登的公告。本公司向煙臺朝日採購啤酒產品於2014年度的上限金額為人民幣848,310,000元，實際採購金額為人民幣716,937,800元，未超逾年度上限。
- (2) 經本公司董事會審議批准，2014年1月27日，青啤深圳與朝日啤酒及其全資附屬公司朝日中國投資簽訂兩份新的《產品經銷合同》，朝日啤酒及該附屬公司同意向青啤深圳繼續購買「朝日」品牌啤酒產品，合同期限為2014年1月1日至2014年12月31日。朝日集團為本公司的主要股東，而其附屬公司朝日啤酒及朝日中國投資為朝日集團之聯繫人，因此，朝日啤酒及朝日

### I. Connected Transactions Occurred during the Reporting Period

In accordance with the disclosure requirements in Chapter 14A of *Listing Rules*, certain connected party transactions disclosed in Note 8 to Financial Statements also constitute connected transactions. Such transactions between the connected persons (as defined in *Listing Rules*) and the Group set out in this section have been established and/or in continuous process, and the Company have made relevant announcements, if necessary, in accordance with the requirements of *Listing Rules*.

#### 1. The continuing connected transactions relating to daily operation

- (1) As considered and approved by the Board, the Company entered into a *Product Distribution Agreement* with Yantai Asahi on 10 February 2012, whereby Yantai Asahi agreed to grant the Company the sole distribution right for the distribution of all products of Yantai Asahi for the period from 1 January 2012 to 31 December 2014. As an indirect subsidiary of Asahi Group which is a substantial shareholder of the Company, Yantai Asahi is therefore an associate of Asahi Group and a connected person of the Company. For details of this continuing connected transaction, please refer to the announcement published on the websites of the Stock Exchange and SSE on 10 February 2012. The annual cap amount of the Company's purchasing beer products from Yantai Asahi for 2014 was RMB848,310,000, of which the actual purchasing amount was RMB716,937,800, not exceeding the annual cap amount.
- (2) As considered and approved by the Board, Tsingtao Shenzhen entered into two new *Product Distribution Agreements* with Asahi Breweries and its wholly-owned subsidiary, Asahi (China) Investment, on 27 January 2014, whereby Asahi Breweries and such subsidiary agreed to continue to purchase "Asahi" brand beer products from Tsingtao Shenzhen for the period from 1 January to 31 December 2014. As associates of Asahi Group which is a substantial shareholder of the Company, Asahi Breweries and Asahi (China) Investment, subsidiaries of Asahi Group, are therefore connected persons of the Company. For details of the subject continuing connected transactions, please refer to the announcements





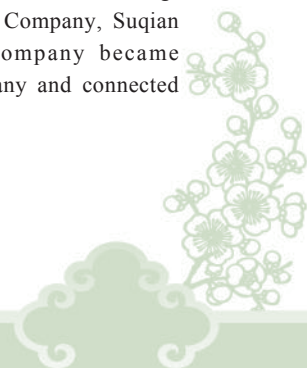
## 重要事項 Significant Events

中國投資為本公司之關連人士。有關該持續關連交易事項的詳情請見公司於2014年1月27日在聯交所和上交所網站分別刊登的公告。朝日啤酒于2014年度向青啤深圳支付的採購金額上限為人民幣31,031,121元，實際採購金額為人民幣21,437,349元，朝日中國投資向青啤深圳支付的採購金額上限為人民幣12,548,319元，實際採購金額為人民幣5,026,937元，均未超逾年度上限。

- (3) 經本公司董事會審議批准，2012年11月5日，本公司全資附屬公司青啤財務公司與煙臺朝日簽訂一份協議書，約定煙臺朝日將其銷售款存放在青啤財務公司賬戶的關聯存款及結算服務交易，合同期限自2012年1月1日起至2014年12月31日止。青啤財務公司吸收煙臺朝日銷售款之存款交易額度(包括利息和結算手續費)不得超出經董事會批准本公司與煙臺朝日進行購銷持續關連交易的各年度上限金額。截止報告期末，煙臺朝日存放於青啤財務公司的本金及相應的利息和手續費累計為人民幣691,042,669元，未超逾年度上限人民幣848,310,000元。有關該持續關連交易事項的詳情請見本公司於2012年11月7日分別在聯交所和上交所網站分別刊登的相關公告。
- (4) 本公司與三得利公司(於重組後為本集團子公司層面的主要股東及關連人士)的重組交易於2013年4月28日完成。重組交易完成後，新松江製造、徐州公司、彭城公司、宿遷公司及揚州公司成為三得利公司之子公司及本公司之關連人士。

published by the Company on the websites of the Stock Exchange and SSE respectively on 27 January 2014. The annual cap amount paid by Asahi Breweries to Tsingtao Shenzhen for 2014 was RMB31,031,121, of which the actual purchasing amount was RMB21,437,349, and the annual cap amount paid by Asahi (China) Investment to Tsingtao Shenzhen was RMB12,548,319, of which the actual purchasing amount was RMB5,026,937, neither exceeding the annual cap amount.

- (3) As considered and approved by the Board, Tsingtao Finance Company, the Company's wholly-owned subsidiary, entered into an agreement with Yantai Asahi on 5 November 2012, whereby Yantai Asahi agreed to deposit its sales incomes in the related deposit and settlement service of the account opened in Tsingtao Finance Company for the period from 1 January 2012 to 31 December 2014. The cap amount (including the interests and settlement fees) for Tsingtao Finance Company absorbing the deposit of Yantai Asahi's sales incomes was not allowed to exceed the respective annual cap amount of the continuing connected transaction of purchasing beer products between the Company and Yantai Asahi as approved by the Board. As at the end of the Reporting Period, the capital and its corresponding interests and settlement fees deposited by Yantai Asahi in Tsingtao Finance Company was RMB691,042,669, not exceeding the annual cap amount RMB848,310,000. For details of such continuing connected transaction, please refer to the announcements published by the Company on the websites of the Stock Exchange and SSE respectively on 7 November 2012.
- (4) The re-organization transaction between the Company and Suntory Company (becoming substantial shareholder and connected person at the subsidiary-level of the Group after the re-organization) was completed on 28 April 2013, after which New Songjiang Manufacturing, Xuzhou Company, Pengcheng Company, Suqian Company and Yangzhou Company became subsidiaries of Suntory Company and connected persons of the Company.



## 重要事項 Significant Events

本公司之子公司與新松江製造、彭城公司、徐州公司、三得利江蘇、宿遷公司、三得利昆山及揚州公司於2014年1月27日、2014年3月31日及2014年7月31日分別簽訂了產品經銷合同，合同期限自2014年1月1日起至2014年12月31日止；

本公司全資擁有的青啤財務公司與新松江製造及事業公司於2014年1月27日簽訂存款及結算服務合同，合同自2014年1月1日起至2014年12月31日止。

上述合同項下的購銷啤酒交易和存款及結算服務交易，構成上市規則下的持續關連交易。根據本公司於2014年7月31日的交易上限調整公告，本公司的子公司從新松江製造等七家公司採購啤酒產品之截至2014年12月31日的交易上限總金額為人民幣16億元，實際採購金額為人民幣1,046,953,966元。青啤財務公司提供存款及結算服務交易之截至2014年12月31日的交易上限總金額為人民幣15億元，實際採購金額為人民幣818,212,871元。均未超逾上限。

此外，在重組交易完成前，本集團成員間以及三得利公司集團成員間於其各自的日常及一般業務流程中分別簽訂了購買麥芽、啤酒及財務安排等協議。重組交易完成後，本公司部分成員及三得利公司部分成員變更為本公司之關連人士，本公司已就此遵守《上市規則》第14A章的相關要求；本集團成員與三得利公司集團成員(包括三得利上海、三得利昆山、三得利光明、三得利江蘇及江蘇三得利(淮安)啤酒有限公司)於2012年12月29日簽訂多份相關協議，內容並無變更並仍然持續進行。

有關上述持續關連交易事項的詳情請見本公司於2014年1月27日和7月31日分別在聯交所和上交所網站刊登的相關公告。

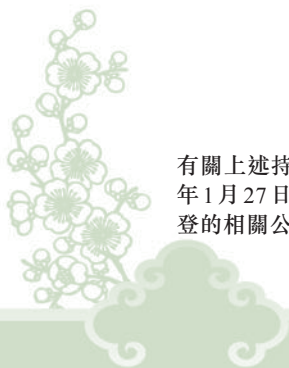
The Company entered into a beer distribution contract with New Songjiang Manufacturing, Pengcheng Company, Xuzhou Company, Suntory Jiangsu, Suqian Company, Suntory Kunshan and Yangzhou Company on 27 January, 31 March and 31 July 2014 respectively for the period from 1 January to 31 December 2014.

Tsingtao Finance Company, wholly-owned by the Company, entered into a deposit and settlement service contract respectively with New Songjiang Manufacturing and Business Company on 27 January 2014 for the period from 1 January to 31 December 2014.

The transactions of purchasing beer products and deposit and settlement service under the aforesaid contracts constitute continuing connected transactions in according to *Listing Rules*. Pursuant to the announcement of adjustment of cap amount published by the Company on 31 July 2014, the cap amount as at 31 December 2014 for the subsidiaries of the Company purchasing beer products from seven companies including New Songjiang Manufacturing was RMB1.6 billion, and the actual purchasing amount was RMB1,046,953,966. The cap amount for the deposit and settlement service provided by Tsingtao Finance Company as at 31 December 2014 was RMB1.5 billion, and the actual purchasing amount was RMB818,212,871. Neither of them exceeded the cap amount.

Save as above, before the completion of re-organization transactions, contracts of purchasing malt, beer and financial arrangements were entered into between the members of the Group and the members of Suntory Company in their respective ordinary and usual course of business. After the completion of re-organization transactions, some members of the Company and some members of Suntory Company became connected persons of the Company, the Company had been in compliance with the related requirements in Chapter 14A of *Listing Rules* in this respect; several related agreements were entered into between the members of the Group and the members of Suntory Company (including Suntory Shanghai, Suntory Kunshan, Suntory Guangming, Suntory Jiangsu and Jiangsu Suntory (Huai'an) Brewery Co., Ltd.) on 29 December 2012. These agreements are still effective without being changed in content.

For details of the aforesaid continuing connected transactions, please refer to the related announcements published by the Company on the websites of the Stock Exchange and SSE on 27 January and 31 July 2014 respectively.



## 重要事項 Significant Events

股東亦請注意本公司於2009年5月18日有關青啤深圳與本集團若干成員之持續關連交易之公告。朝日啤酒乃青啤深圳之主要股東，並於2009年5月6日完成收購本公司約19.99%之全部已發行股本後成為本公司之主要股東。根據《上市規則》第14A章，青啤深圳成為本公司之關連人士，青啤深圳與本集團成員之交易亦構成本公司的關連交易。有關該持續關連交易事項的其他詳情見本公司於2009年5月18日在本公司上市地交易所網站發佈的公告。

報告期內，上述持續關連交易遵照上述合同的約定執行。本公司獨立非執行董事已審核本公司及相關附屬公司所進行的各項持續關連交易，並確認該等交易：

- (1) 乃由本集團在日常及正常業務過程中訂立；
- (2) 乃按正常商業條款進行，或不優於本公司給予獨立第三方或不遜於來自獨立第三方之條款訂立；
- (3) 交易條款公平合理並符合本公司股東的整體利益；

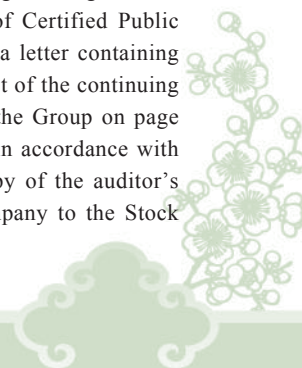
本公司審計師受聘根據香港會計師公會發佈的香港鑒證業務準則第3000號《歷史財務資料審核或審閱以外之鑒證業務》及參考實務說明第740號《香港上市規則規定的持續關連交易的核數師函件》，對本集團持續關連交易作出報告。根據《上市規則》第14A.56條，審計師已就本年報第66-68頁所載本集團披露的持續關連交易發出函件，並載有其發現和結論。本公司已將審計師函件副本向香港聯交所提供。

Shareholder please also be noted of the announcement of continuing connected transactions between Tsingtao Shenzhen and several members of the Group published by the Company on 18 May 2009. Asahi Breweries, substantial shareholder of Tsingtao Shenzhen, became substantial shareholder of the Company after acquiring approximately 19.99% of total issued shares capital of the Company on 6 May 2009. Pursuant to Chapter 14A of *Listing Rules*, Tsingtao Shenzhen became connected person of the Company, and the transactions between Tsingtao Shenzhen and the members of the Group also constituted connected transactions of the Company. For other details of this continuing connected transaction please refer to the announcement published by the Company on 18 May 2009 on the websites of the stock exchanges where the Company is listed.

During the Reporting Period, the aforesaid continuing connected transactions were carried out pursuant to the terms of the above contracts or agreements. The independent non-executive directors of the Company had audited the continuing connected transactions in the Company and its related subsidiaries, and confirmed such transactions were:

- (1) entered into in ordinary and usual course of business of the Group;
- (2) on normal commercial terms, or entered into in terms not better than those the Company providing to the independent third party or not worse than those from the independent third party;
- (3) fair and reasonable and in the interests of the Company and its shareholders as a whole.

The Company's auditor was engaged to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The auditor has issued a letter containing his findings and conclusions in respect of the continuing connected transactions disclosed by the Group on page 66 to page 68 of the Annual Report in accordance with Rule 14A.56 of *Listing Rules*. A copy of the auditor's letter has been provided by the Company to the Stock Exchange.



## 重要事項 Significant Events

該等交易在公司日常業務過程中進行，在本公司業務運營中有必要性和持續性。該等關連交易不會影響公司獨立性。

本公司確認上述2014年進行的持續關連交易之披露，符合《上市規則》第14A章的披露規定。

Such transactions are in the ordinary and usual course of business of the Company, and are necessary and continuous in the business operation of the Company. Such connected transactions will not affect the independence of the Company.

The Company confirms that the disclosure of the aforesaid connected transactions carried out in 2014 were in compliance with the disclosure rules set out in Chapter 14A of *Listing Rules*.

## 二、公司收購股權或資產情況

1、經本公司第七屆董事會第十五次會議審議批准，本公司與嘉禾啤酒股東石家莊嘉禾、嘉禾啤酒工會以及聯合投資有限公司於報告期內簽署了《資產重組及股權交易的框架協議》，嘉禾啤酒分立出一家承繼其與啤酒業務相關的新公司，即河北嘉禾啤酒有限公司，本公司以人民幣3億元的價格受讓嘉禾啤酒工會持有的河北嘉禾公司50%的股權以及河北嘉禾公司的營銷網絡，有關股權轉讓手續已於2014年2月辦理完畢。本公司將河北嘉禾公司作為合營企業核算。

2、經本公司第七屆董事會臨時會議審議批准，本公司於2014年7月12日與華獅啤酒簽署《股權轉讓協議》，協議約定華獅啤酒將其持有的綠蘭莎啤酒營銷網絡及55%股權以人民幣38,000萬元轉讓給本公司，華獅啤酒繼續持有其餘45%股權。2014年7月15日本公司受讓華獅啤酒持有綠蘭莎啤酒55%股權的工商變更登記手續辦理完畢。本公司董事會認為，該收購可進一步提升公司在山東基地市場的優勢地位，協同效應顯著。

## II. Purchase of equity interests or assets

1. As considered and approved at the fifteenth meeting of the 7th Board, the Company entered into an *Assets Restructuring and Equity Interests Transaction Framework Agreement* with shareholders of Jiahe Brewery, namely, Shijiazhuang Jiahe, Jiahe Brewery Labor Union and a joint investment limited company, whereby Jiahe Brewery separately established a new company, that is, Hebei Jiahe Company, to take its beer-related business, and the Company acquired 50% equity interests held by Jiahe Brewery Labor Union in Hebei Jiahe Company and the sales network of Jiahe Brewery for a consideration of RMB300 million. The procedures for the transfer of the equity interests were completed in February 2014, and the Company took Hebei Jiahe Company into its accounting scope as its joint venture.

2. As considered and approved at an interim meeting of the 7th Board, on 12 July 2014, the Company entered into an *Equity Interests Transfer Agreement* with Debier Brewery, whereby Debier Brewery agreed to transfer the sales network and 55% equity interests held in Lulansa Brewery to the Company for a consideration of RMB380 million, and the remaining 45% equity interests would continue to be held by Debier Brewery. The procedures for the change of registration at the industrial and commercial administration for the Company's acquiring 55% equity interests held by Debier Brewery in Lulansa Brewery were completed on 15 July 2014. The Board is of the view that, this acquisition will further improve the Company's leading position in the base market in Shandong with an obvious synergy effects.





## 重要事項 Significant Events

- 3、經本公司第八屆董事會第四次會議審議批准，本公司於2015年1月19日與理想化工簽署《股權轉讓協議》，協議約定理想化工將其持有的本公司控股子公司——漢中公司34%股權以人民幣2,725萬元的對價轉讓給本公司，2015年2月11日本公司受讓理想化工持有漢中公司34%股權的工商變更登記辦理完畢，漢中公司成為本公司全資擁有的子公司。

### 三、報告期內公司向子公司提供擔保及委託貸款事項

- 1、經公司第七屆董事會第十七次會議審議批准，公司與交通銀行股份有限公司於2014年5月簽訂了《交通銀行股份有限公司開立擔保函合同》，本公司全資附屬公司青啤香港向交通銀行股份有限公司香港分行申請借款，人民幣本金為266,648,200元(港幣原幣33,800萬元)，由交通銀行股份有限公司青島分行開立擔保函進行擔保，本公司以人民幣29,100萬元保證金提供反擔保。期限自2014年5月21日至2015年5月21日。截止2014年12月31日，公司擔保餘額為人民幣29,100萬元。
- 2、報告期內，本公司沒有發生委託理財事項。為保障子公司的生產經營，經本公司董事會批准，本公司為部分控股子公司提供了委託貸款，截止報告期末的餘額為人民幣56,630萬元。

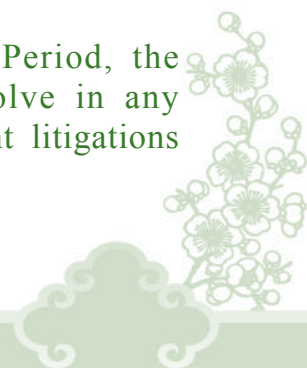
### 四、報告期內，本公司並無涉及新發生的任何重大訴訟、仲裁事項。

3. As considered and approved at the fourth meeting of the 8th Board, on 19 January 2015, the Company entered into an *Equity Interests Transfer Agreement* with Lixiang Chem, whereby the Company agreed to acquire 34% equity interests held by Lixiang Chem in Hanzhong Company, a controlling subsidiary of the Company, for a consideration of RMB27.25 million. The procedures for the change of registration at the industrial and commercial administration for the Company's acquiring 34% equity interests held by Lixiang Chem in Hanzhong Company were completed on 11 February 2015, and therefore Hanzhong Company became a wholly-owned subsidiary of the Company.

### III. Guarantees and entrusted loans provided by the Company to the subsidiaries during the Reporting Period

1. As considered and approved at the seventeenth meeting of the 7th Board, in May 2014, the Company entered into a Contract of Opening Letter of Guarantee by Bank of Communications Co., Ltd. with Bank of Communications Co., Ltd., whereby Qingdao Branch of Bank of Communications Bank Co., Ltd agreed to open a Letter of Guarantee to provide guarantee for a borrowing of principal capital of RMB266,648,200 (HKD338 million in original currency) made by Tsingtao HK, a wholly-owned subsidiary of the Company, to Hong Kong Branch of Bank of Communications Bank Co., Ltd while the Company agreed to provide a counter-guarantee of RMB291 million of deposit for the period from 21 May 2014 to 21 May 2015. As at 31 December 2014, the balance of the guarantee provided by the Company is RMB291 million.
2. During the Reporting Period, there was no event relating to the entrusted wealth management. To secure the production and operation of its subsidiaries, and upon the approval by the Board, the Company provided entrusted loans to some controlling subsidiaries, and as at the end of the Reporting Period, the balance was RMB566.30 million.

### IV. During the Reporting Period, the Company did not involve in any newly arising significant litigations or arbitration affairs.



## 財務報告 Financial Report

### 按照中國企業會計準則編制的財務報表

### Financial Statements Prepared in Accordance with China Accounting Standards for Business Enterprises

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## Auditor's Report



普华永道

PwC ZT Shen Zi (2015) No. 10059

### TO THE SHAREHOLDERS OF TSINGTAO BREWERY COMPANY LIMITED,

We have audited the accompanying financial statements of Tsingtao Brewery Company Limited (hereinafter the “Company”), which comprise the consolidated and company balance sheets as at 31 December 2014, and the consolidated and company income statements, the consolidated and company statements of changes in shareholders’ equity and the consolidated and company cash flow statements for the year then ended, and the notes to the financial statements.

#### Management’s Responsibility for the Financial Statements

Management of the Company is responsible for the preparation and fair presentation of these financial statements in accordance with the requirements of Accounting Standards for Business Enterprises, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

#### Auditor’s Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with China Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### Opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated and company’s financial position of the Company as at 31 December 2014, and their financial performance and cash flows for the year then ended in accordance with the requirements of Accounting Standards for Business Enterprises.

#### PricewaterhouseCoopers Zhong Tian LLP

Shanghai, the People’s Republic of China  
30 March 2015

普華永道中天會計師事務所(特殊普通合夥)

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## Consolidated and Company Balance Sheets

As at 31 December 2014

(All amounts in RMB Yuan unless otherwise stated)

ASSETS	Note 4 (unless otherwise stated)	As at 31 December			
		2014 Consolidated	2013 Consolidated	2014 Company	2013 Company
<b>Current assets</b>					
Cash at bank and on hand	(1)	6,388,650,779	8,531,720,086	1,183,342,128	3,063,967,823
Notes receivable	(2)	41,600,000	84,760,000	13,200,000	68,200,000
Accounts receivable	(3), 16(1)	125,421,629	152,292,736	565,001,961	526,636,145
Advances to suppliers	(5)	191,672,927	132,345,527	135,138,446	79,532,488
Interests receivable	(6)	171,660,445	188,461,377	16,783,698	32,741,538
Dividends receivable	16(3)	—	—	105,700,000	237,000,000
Other receivables	(4), 16(2)	163,583,950	183,395,467	146,429,551	115,409,496
Inventories	(7)	2,486,827,106	2,534,551,935	728,850,534	707,615,541
Other current assets	(8)	782,631,150	466,863,422	555,856,765	281,597,451
<b>Total current assets</b>		<b>10,352,047,986</b>	<b>12,274,390,550</b>	<b>3,450,303,083</b>	<b>5,112,700,482</b>
<b>Non-current assets</b>					
Available-for-sale financial assets	(9)	308,642	1,308,642	—	1,000,000
Long-term receivables	16(4)	—	—	339,200,000	604,190,000
Long-term equity investments	(10), 16(5)	1,536,262,375	1,270,638,738	9,286,244,364	8,164,381,055
Investment properties	(11), 16(6)	10,960,292	7,924,988	27,501,876	21,283,541
Fixed assets	(12), 16(7)	9,118,776,190	8,740,310,277	1,963,811,242	1,783,455,683
Construction in progress	(13), 16(8)	1,051,916,065	506,624,256	448,610,397	279,285,674
Fixed assets pending for disposal	(14)	17,965,978	5,368,759	8,163,309	3,024,172
Intangible assets	(15), 16(9)	2,780,584,276	2,533,027,393	659,033,003	508,548,301
Goodwill	(16)	1,307,103,982	1,079,925,496	—	—
Long-term prepaid expenses	(17)	32,574,517	21,525,082	7,101,267	3,012,849
Deferred tax assets	(18)	718,786,072	700,162,187	394,019,122	390,521,123
Other non-current assets	(20)	76,626,751	223,660,169	15,732,193	68,881,057
<b>Total non-current assets</b>		<b>16,651,865,140</b>	<b>15,090,475,987</b>	<b>13,149,416,773</b>	<b>11,827,583,455</b>
<b>TOTAL ASSETS</b>		<b>27,003,913,126</b>	<b>27,364,866,537</b>	<b>16,599,719,856</b>	<b>16,940,283,937</b>





**Consolidated and Company Balance Sheets** (Continued)

As at 31 December 2014

(All amounts in RMB Yuan unless otherwise stated)

LIABILITIES AND EQUITY	Note 4 (unless otherwise stated)	As at 31 December			
		2014 Consolidated	2013 Consolidated	2014 Company	2013 Company
<b>Current liabilities</b>					
Short-term borrowings	(21)	432,952,595	101,080,110	—	—
Notes payable	(22)	91,748,125	138,382,882	58,100,000	58,100,000
Accounts payable	(23),16(11)	2,494,168,939	2,707,070,770	1,888,324,753	1,779,985,807
Advances from customers	(24)	787,924,958	980,497,616	394,304,413	553,021,261
Employee benefits payable	(25)	866,668,648	823,317,140	300,204,990	286,811,192
Taxes payable	(26)	249,195,538	332,033,368	35,030,675	47,557,688
Interests payable		4,739,860	1,202,929	—	62,619
Dividends payable	(27)	—	1,020,000	—	—
Other payables	(28)	4,299,312,050	4,231,981,495	1,807,768,348	1,567,055,563
Current portion of non-current liabilities	(29)	1,561,421	1,797,167,198	—	1,488,815,632
<b>Total current liabilities</b>		<b>9,228,272,134</b>	<b>11,113,753,508</b>	<b>4,483,733,179</b>	<b>5,781,409,762</b>
<b>Non-current liabilities</b>					
Long-term borrowings	(30)	2,784,731	4,881,294	—	—
Payables for specific projects	(31)	324,837,574	450,935,656	84,446,050	87,270,918
Deferred income	(32)	1,511,117,533	1,260,778,419	51,591,650	57,579,176
Long-term employee benefits payable	(33)	491,150,976	487,301,292	243,592,856	224,108,125
Deferred tax liabilities	(18)	158,467,740	173,745,333	—	—
<b>Total non-current liabilities</b>		<b>2,488,358,554</b>	<b>2,377,641,994</b>	<b>379,630,556</b>	<b>368,958,219</b>
<b>Total liabilities</b>		<b>11,716,630,688</b>	<b>13,491,395,502</b>	<b>4,863,363,735</b>	<b>6,150,367,981</b>
<b>Equity</b>					
Share capital	(34)	1,350,982,795	1,350,982,795	1,350,982,795	1,350,982,795
Capital surplus	(35)	4,079,399,151	4,079,399,151	4,306,073,277	4,306,073,277
Other comprehensive income	(36)	10,040,344	25,192,989	(14,321,000)	—
Surplus reserve	(37)	1,216,339,469	1,059,469,127	1,216,339,469	1,059,469,127
General reserve	(38)	66,981,927	80,642,253	—	—
Undistributed profits	(39)	8,663,818,498	7,424,872,728	4,877,281,580	4,073,390,757
Total equity attributable to shareholders of the Company		15,387,562,184	14,020,559,043	11,736,356,121	10,789,915,956
Non-controlling interests		(100,279,746)	(147,088,008)	—	—
<b>Total equity</b>		<b>15,287,282,438</b>	<b>13,873,471,035</b>	<b>11,736,356,121</b>	<b>10,789,915,956</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>27,003,913,126</b>	<b>27,364,866,537</b>	<b>16,599,719,856</b>	<b>16,940,283,937</b>

The accompanying notes form an integral part of these financial statements.

Legal representative:  
SUN MingboPrincipal in charge of accounting  
(Chief Financial Officer):  
YU ZhumingHead of accounting department:  
HOU Qiuyan

## Consolidated and Company Income Statements

For the year ended 31 December 2014

(All amounts in RMB Yuan unless otherwise stated)

ITEM	Note 4	Year ended 31 December			
		2014 Consolidated	2013 Consolidated	2014 Company	2013 Company
<b>Revenue</b>	(40),16(13)	<b>29,049,321,166</b>	28,290,978,428	<b>17,053,869,772</b>	16,720,139,110
<i>Less:</i> Cost of sales	(40),(42), 16(13),(14)	<b>(17,899,291,275)</b>	(17,007,893,969)	<b>(13,102,792,134)</b>	(12,449,893,371)
Taxes and surcharges	(41)	<b>(2,182,624,248)</b>	(2,227,776,340)	<b>(503,011,241)</b>	(555,683,320)
Selling and distribution expenses	(42),16(14)	<b>(5,682,981,368)</b>	(5,610,693,817)	<b>(3,015,165,698)</b>	(2,859,374,648)
General and administrative expenses	(42),16(14)	<b>(1,362,297,511)</b>	(1,572,544,494)	<b>(411,513,035)</b>	(583,709,181)
Finance expenses — net	(43),16(15)	<b>334,652,990</b>	251,391,313	<b>1,840,847</b>	(14,935,958)
Asset impairment reversal/(losses)	(45),16(17)	<b>3,513,780</b>	(1,744,922)	<b>(4,963,777)</b>	(20,352,268)
<i>Add:</i> Investment income	(44),16(16)	<b>23,959,509</b>	229,225,467	<b>1,510,694,821</b>	1,210,857,193
Including: Share of profit of associates and a joint venture	(44),16(16)	<b>23,840,743</b>	9,465,953	<b>32,876,912</b>	18,912,870
<b>Operating profit</b>		<b>2,284,253,043</b>	2,350,941,666	<b>1,528,959,555</b>	1,447,047,557
<i>Add:</i> Non-operating income	(46)	<b>469,416,868</b>	563,993,284	<b>62,933,202</b>	39,971,984
Including: Gains on disposal of non-current assets	(46)	<b>3,216,362</b>	3,277,089	<b>760,038</b>	568,466
<i>Less:</i> Non-operating expenses	(47)	<b>(70,671,089)</b>	(248,401,282)	<b>(8,579,578)</b>	(49,462,498)
Including: Losses on disposal of non-current assets	(47)	<b>(62,932,536)</b>	(104,922,138)	<b>(8,026,293)</b>	(38,535,880)
<b>Total profit</b>		<b>2,682,998,822</b>	2,666,533,668	<b>1,583,313,179</b>	1,437,557,043
<i>Less:</i> Income tax expense	(48),16(18)	<b>(663,466,755)</b>	(691,609,875)	<b>(14,609,756)</b>	(119,441,447)
<b>Net profit</b>		<b>2,019,532,067</b>	1,974,923,793	<b>1,568,703,423</b>	1,318,115,596
Attributable to shareholders of the Company		<b>1,990,098,044</b>	1,973,372,097	<b>1,568,703,423</b>	1,318,115,596
Attributable to non-controlling interests		<b>29,434,023</b>	1,551,696	<b>n/a</b>	n/a



**Consolidated and Company Income Statements** (Continued)

For the year ended 31 December 2014

(All amounts in RMB Yuan unless otherwise stated)

ITEM	Note 4	Year ended 31 December			
		2014 Consolidated	2013 Consolidated	2014 Company	2013 Company
<b>Other comprehensive income, net of tax</b>	(36)	<b>(15,152,645)</b>	6,167,439	<b>(14,321,000)</b>	—
Other comprehensive income attributable to shareholders of the Company, net of tax					
Items that will not be subsequently reclassified to profit or loss					
Changes arising from remeasurement of defined benefit plan liabilities		(14,767,000)	—	(14,321,000)	—
Items that will be subsequently reclassified to profit or loss					
Currency translation differences		(226,482)	6,772,955	—	—
Shares of other comprehensive income of investees accounted for using the equity method that will be subsequently reclassified to profit or loss		(159,163)	(605,516)	—	—
<b>Total comprehensive income</b>		<b>2,004,379,422</b>	1,981,091,232	<b>1,554,382,423</b>	1,318,115,596
Attributable to shareholders of the Company		1,974,945,399	1,979,539,536	1,554,382,423	1,318,115,596
Attributable to non-controlling interests		29,434,023	1,551,696	n/a	n/a
<b>Earnings per share</b>					
Basic earnings per share	(49)	1.473	1.461	n/a	n/a
Diluted earnings per share	(49)	1.473	1.461	n/a	n/a

The accompanying notes form an integral part of these financial statements.

Legal representative:  
SUN Mingbo

Principal in charge of accounting  
(Chief Financial Officer):  
YU Zhuming

Head of accounting department:  
HOU Qiuyan

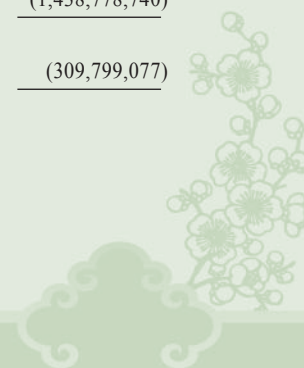


## Consolidated and Company Cash Flow Statements

For the year ended 31 December 2014

(All amounts in RMB Yuan unless otherwise stated)

ITEM	Note 4	Year ended 31 December			
		2014 Consolidated	2013 Consolidated	2014 Company	2013 Company
<b>Cash flows from operating activities</b>					
Cash received from sales of goods or rendering of services		31,459,967,418	31,282,494,614	18,720,403,598	18,828,174,113
Refund of taxes and surcharges		21,808,028	4,477,949	12,112,593	4,107,230
Cash received relating to other operating activities	(50)(a)	1,345,835,790	1,437,886,260	374,721,604	366,035,434
<b>Sub-total of cash inflows</b>		<b>32,827,611,236</b>	<b>32,724,858,823</b>	<b>19,107,237,795</b>	<b>19,198,316,777</b>
Cash paid for goods and services		(17,472,501,614)	(16,357,520,202)	(14,159,824,012)	(13,341,514,374)
Cash paid to and on behalf of employees		(3,815,094,456)	(3,374,053,943)	(1,316,932,036)	(1,151,115,071)
Payments of taxes and surcharges		(5,453,353,430)	(5,541,350,802)	(1,424,010,798)	(1,713,589,893)
Cash paid relating to other operating activities	(50)(b)	(4,396,027,395)	(4,050,782,713)	(2,222,878,017)	(1,976,677,908)
<b>Sub-total of cash outflows</b>		<b>(31,136,976,895)</b>	<b>(29,323,707,660)</b>	<b>(19,123,644,863)</b>	<b>(18,182,897,246)</b>
<b>Net cash flows from operating activities</b>	(51)(a)	<b>1,690,634,341</b>	<b>3,401,151,163</b>	<b>(16,407,068)</b>	<b>1,015,419,531</b>
<b>Cash flows from investing activities</b>					
Cash received from disposal of investments		—	39,650,000	1,089,250,481	549,060,002
Cash received from returns on investments		15,289,709	50,645,699	1,599,045,408	564,604,436
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		6,002,096	11,628,307	1,845,160	3,372,055
Cash received relating to other investing activities	(50)(c)	1,026,457,967	865,865,627	6,651,500	11,943,170
<b>Sub-total of cash inflows</b>		<b>1,047,749,772</b>	<b>967,789,633</b>	<b>2,696,792,549</b>	<b>1,128,979,663</b>
Cash paid to acquire fixed assets, intangible assets and other long-term assets		(1,948,865,815)	(2,036,229,867)	(700,316,527)	(479,570,350)
Cash paid to acquire investments	(50)(f)	(246,469,400)	(23,327)	(1,732,683,400)	(942,780,000)
Cash paid to acquire subsidiaries	(51)(b)	(175,271,123)	—	—	—
Cash paid relating to other investing activities	(50)(d)	(36,649,251)	(427,461,788)	(3,214,010)	(16,428,390)
<b>Sub-total of cash outflows</b>		<b>(2,407,255,589)</b>	<b>(2,463,714,982)</b>	<b>(2,436,213,937)</b>	<b>(1,438,778,740)</b>
<b>Net cash flows from investing activities</b>		<b>(1,359,505,817)</b>	<b>(1,495,925,349)</b>	<b>260,578,612</b>	<b>(309,799,077)</b>





**Consolidated and Company Cash Flow Statements** (Continued)

For the year ended 31 December 2014

(All amounts in RMB Yuan unless otherwise stated)

ITEM	Note 4	Year ended 31 December			
		2014 Consolidated	2013 Consolidated	2014 Company	2013 Company
<b>Cash flows from financing activities</b>					
Cash received from capital contributions		—	10,000,000	—	—
<i>Including: Cash received from capital contributions by minority shareholders of subsidiaries</i>		—	10,000,000	—	—
Cash received from borrowings		<b>335,339,524</b>	38,092,485	—	—
<b>Sub-total of cash inflows</b>		<b>335,339,524</b>	48,092,485	—	—
Cash repayments of borrowings		<b>(1,812,821,735)</b>	(207,780,250)	<b>(1,500,000,000)</b>	(170,000,000)
Cash payments for distribution of dividends or profits or interests expenses		<b>(685,519,373)</b>	(618,020,864)	<b>(620,004,877)</b>	(559,995,118)
<i>Including: Cash payments for dividends or profit to minority shareholders of subsidiaries</i>		<b>(57,566,458)</b>	(50,786,731)	—	—
Cash payments relating to other financing activities	(50)(e)	<b>(291,796,055)</b>	(6,751)	<b>(291,000,000)</b>	—
<b>Sub-total of cash outflows</b>		<b>(2,790,137,163)</b>	(825,807,865)	<b>(2,411,004,877)</b>	(729,995,118)
<b>Net cash flows from financing activities</b>		<b>(2,454,797,639)</b>	(777,715,380)	<b>(2,411,004,877)</b>	(729,995,118)
<b>Effect of foreign exchange rate changes on cash and cash equivalents</b>		<b>(4,845,769)</b>	(1,790,048)	<b>(4,059,808)</b>	196,283
<b>Net (decreases)/increase in cash and cash equivalents</b>	(51)(a)	<b>(2,128,514,884)</b>	1,125,720,386	<b>(2,170,893,141)</b>	(24,178,381)
<i>Add: Cash and cash equivalents at beginning of year</i>		<b>7,394,904,648</b>	6,269,184,262	<b>3,035,286,188</b>	3,059,464,569
<b>Cash and cash equivalents at end of year</b>	(51)(c)	<b>5,266,389,764</b>	7,394,904,648	<b>864,393,047</b>	3,035,286,188

The accompanying notes form an integral part of these financial statements.

Legal representative:  
SUN MingboPrincipal in charge of accounting  
(Chief Financial Officer):  
YU ZhumingHead of accounting department:  
HOU Qiuyan

## Consolidated Statement of Changes in Shareholders' Equity

For the year ended 31 December 2014

(All amounts in RMB Yuan unless otherwise stated)

ITEM	Note 4	Attributable to shareholders of the Company						Non-controlling interests	Total shareholders' equity
		Share capital	Capital surplus	Other comprehensive income	Surplus reserve	General reserve	Undistributed profits		
Balance at 1 January 2013		1,350,982,795	3,965,939,536	19,025,550	927,657,567	51,424,191	6,152,923,371	315,477,896	12,783,430,906
<b>Movements for the year ended</b>									
<b>31 December 2013</b>		—	113,459,615	6,167,439	131,811,560	29,218,062	1,271,949,357	(462,565,904)	1,090,040,129
Total comprehensive income		—	—	6,167,439	—	—	1,973,372,097	1,551,696	1,981,091,232
Net profit		—	—	—	—	—	1,973,372,097	1,551,696	1,974,923,793
Other comprehensive income	(36)	—	—	6,167,439	—	—	—	—	6,167,439
Profit distribution	(39)	—	—	—	131,811,560	29,218,062	(701,422,740)	(50,705,160)	(591,098,278)
Appropriation to surplus reserves		—	—	—	131,811,560	—	(131,811,560)	—	—
Appropriation to general reserve		—	—	—	—	29,218,062	(29,218,062)	—	—
Profit distribution to shareholders		—	—	—	—	—	(540,393,118)	(50,705,160)	(591,098,278)
Others	(35)	—	113,459,615	—	—	—	—	(413,412,440)	(299,952,825)
<b>Balance at 31 December 2013</b>		<u>1,350,982,795</u>	<u>4,079,399,151</u>	<u>25,192,989</u>	<u>1,059,469,127</u>	<u>80,642,253</u>	<u>7,424,872,728</u>	<u>(147,088,008)</u>	<u>13,873,471,035</u>
<b>Balance at 1 January 2014</b>		<u>1,350,982,795</u>	<u>4,079,399,151</u>	<u>25,192,989</u>	<u>1,059,469,127</u>	<u>80,642,253</u>	<u>7,424,872,728</u>	<u>(147,088,008)</u>	<u>13,873,471,035</u>
<b>Movements for the year ended</b>									
<b>31 December 2014</b>		—	—	(15,152,645)	156,870,342	(13,660,326)	1,238,945,770	46,808,262	1,413,811,403
Total comprehensive income		—	—	(15,152,645)	—	—	1,990,098,044	29,434,023	2,004,379,422
Net profit		—	—	—	—	—	1,990,098,044	29,434,023	2,019,532,067
Other comprehensive income	(36)	—	—	(15,152,645)	—	—	—	—	(15,152,645)
Profit distribution	(39)	—	—	—	156,870,342	(13,660,326)	(751,152,274)	(56,546,458)	(664,488,716)
Appropriation to surplus reserves		—	—	—	156,870,342	—	(156,870,342)	—	—
Reversal of general reserve		—	—	—	—	(13,660,326)	13,660,326	—	—
Profit distribution to shareholders		—	—	—	—	—	(607,942,258)	(56,546,458)	(664,488,716)
Others		—	—	—	—	—	—	73,920,697	73,920,697
<b>Balance at 31 December 2014</b>		<u>1,350,982,795</u>	<u>4,079,399,151</u>	<u>10,040,344</u>	<u>1,216,339,469</u>	<u>66,981,927</u>	<u>8,663,818,498</u>	<u>(100,279,746)</u>	<u>15,287,282,438</u>

The accompanying notes form an integral part of these financial statements.

Legal representative:

**SUN Mingbo**

Principal in charge of accounting

(Chief Financial Officer):

**YU Zhuming**

Head of accounting department:

**HOU Qiuyan**



## Company Statement of Changes in Shareholders' Equity

For the year ended 31 December 2014

(All amounts in RMB Yuan unless otherwise stated)

ITEM	Note 4	Share capital	Capital surplus	Other comprehensive income	Surplus reserve	Undistributed profits	Total shareholders' equity
<b>Balance at 1 January 2013</b>		1,350,982,795	4,315,189,317	—	927,657,567	3,337,117,630	9,930,947,309
<b>Movement for the year ended 31 December 2013</b>							
Total comprehensive income		—	(9,116,040)	—	131,811,560	736,273,127	858,968,647
Net profit		—	—	—	—	1,318,115,596	1,318,115,596
Profit distribution	(39)	—	—	—	131,811,560	(672,204,678)	(540,393,118)
Appropriation to surplus reserves		—	—	—	131,811,560	(131,811,560)	—
Profit distribution to shareholders		—	—	—	—	(540,393,118)	(540,393,118)
Others		—	(9,116,040)	—	—	90,362,209	81,246,169
<b>Balance at 31 December 2013</b>		1,350,982,795	4,306,073,277	—	1,059,469,127	4,073,390,757	10,789,915,956
<b>Balance at 1 January 2014</b>		1,350,982,795	4,306,073,277	—	1,059,469,127	4,073,390,757	10,789,915,956
<b>Movement for the year ended 31 December 2014</b>							
Total comprehensive income		—	—	(14,321,000)	156,870,342	803,890,823	946,440,165
Net profit		—	—	—	—	1,568,703,423	1,568,703,423
Other comprehensive income		—	—	(14,321,000)	—	—	(14,321,000)
Profit distribution	(39)	—	—	—	156,870,342	(764,812,600)	(607,942,258)
Appropriation of surplus reserves		—	—	—	156,870,342	(156,870,342)	—
Profit distribution to shareholders		—	—	—	—	(607,942,258)	(607,942,258)
<b>Balance at 31 December 2014</b>		1,350,982,795	4,306,073,277	(14,321,000)	1,216,339,469	4,877,281,580	11,736,356,121

The accompanying notes form an integral part of these financial statements.

Legal representative:  
**SUN Mingbo**

Principal in charge of accounting  
(Chief Financial Officer):  
**YU Zhuming**

Head of accounting department:  
**HOU Qiuyan**



## Notes to Financial Statements

For the Year Ended 31 December 2014

(All amounts in RMB Yuan unless otherwise stated)

### 1 General information

Tsingtao Brewery Company Limited (the “Company”) was established in the People’s Republic of China (the “PRC”) on 16 June 1993. The Company obtained business license as a Sino-foreign joint stock limited company on 27 December 1995. The registered address and head office address of the company is Qingdao, Shandong province, the PRC, with a total share capital of RMB482,400,000 at establishment.

The Company’s 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 total share capital upon issue amounted to RMB900,000,000. Subsequently, the Company increased its total share capital to RMB1,308,219,178 after issue of new RMB ordinary shares, issue of corporate convertible bonds and conversion of such bonds into H shares.

Approved by the Circular [2008] No. 445 issued by the China Securities Regulatory Commission, the Company issued convertible bonds with detachable warrants subscription rights on 2 April 2008 at a total size of RMB1,500 million with the term of 6 years. Upon the exercise period ended on 19 October 2009, 42,763,617 A shares of the Company were issued and the total number of the Company’s shares was increased from 1,308,219,178 to 1,350,982,795.

The Company and its subsidiaries (collectively the “Group”) are principally engaged in the production and distribution of beer products.

Subsidiaries which are newly included in the scope of consolidation in this year are disclosed in Note 6(1). These subsidiaries include Shandong Lulansa Brewery Co., Ltd (“Lulansa Brewery”), Tsingtao Brewery Machinery and Equipment Co.,Ltd. (“Machinery and Equipment Company”) and Tsingtao Brewery (Zhangjiakou) Co., Ltd. (“Zhangjiakou company”), with details in Note 5(1)&Note 5(2); Tsingtao Brewery Southwest Sales Co.,Ltd. (“Southwest Sales”) has been excluded from the scope of consolidation from this year, Note 5(2)(ii).

These financial statements have been approved for issue by the Company’s Board of Directors on 30 March 2015.

### 2 Summary of significant accounting policies and accounting estimates

The Group applied the accounting policies and accounting estimates based on its business operations characteristics, including provision of bad debts of receivable (Note 2(10)), cost formulas (Note 2(11)), depreciation of fixed assets and amortization of intangible assets (Note 2(14)&(17)), timing of revenue recognition (Note 2(23)),etc.

The areas including significant judgments to determine the critical accounting policies of the Group are disclosed in Note 2(30).

#### (1) Basis of preparation

The financial statements are prepared in accordance with the Accounting Standard for Business Enterprises — Basic Standard, and the specific accounting standards and other relevant regulations issued by the Ministry of Finance on 15 February 2006 and in subsequent periods (hereafter collectively referred to as “the Accounting Standard for Business Enterprises” or “CAS”) and the disclosure requirements in the Preparation Convention of Information Disclosure by Companies Offering Securities to the Public No.15 – General Rules on Financial Reporting issued by the China Securities Regulatory Commission.

The financial statements are prepared in accordance with the applicable requirements of the predecessor Companies Ordinance (Cap. 32) for this year and the comparative period.

The financial statements are prepared on a going concern basis.





## Notes to Financial Statements

For the Year Ended 31 December 2014

(All amounts in RMB Yuan unless otherwise stated)

### 2 Summary of significant accounting policies and accounting estimates *(continued)*

#### (2) Statement of compliance with the Accounting Standards for Business Enterprises

The financial statements for the year ended 31 December 2014 are in compliance with the Accounting Standards for Business Enterprises, and truly and completely present the Consolidated and the Company's financial position as at 31 December 2014 and their financial performance, cash flows and other information for the year then ended.

#### (3) Accounting period

The Company's accounting year starts on 1 January and ends on 31 December.

#### (4) Recording currency

The recording currency of the Company and the subsidiaries incorporated and operated in mainland China is Renminbi (RMB), while the recording currency of the subsidiaries in Hong Kong and Macau is Hong Kong Dollar (HKD) and Macau Pataca (MOP) respectively. The consolidated financial statements of the Group are represented in RMB.

#### (5) Business combinations

##### (a) *Business combinations involving enterprises under common control*

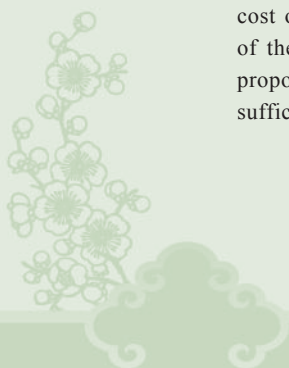
The consideration paid and net assets obtained by the absorbing party in a business combination are measured at the carrying amount. The difference between the carrying amount of the net assets obtained from the combination and the carrying amount of the consideration paid for the combination is treated as an adjustment to capital surplus (share premium). If the capital surplus (share premium) is not sufficient to absorb the difference, the remaining balance is adjusted against retained earnings. Costs directly attributable to the combination are included in profit or loss in the period in which they are incurred. Transaction costs associated with the issue of equity or debt securities for the business combination are included in the initially recognised amounts of the equity or debt securities.

##### (b) *Business combinations involving enterprises not under common control*

The cost of combination and identifiable net assets obtained by the acquirer in a business combination are measured at fair value at the acquisition date. Where the cost of the combination exceeds the acquirer's interests in the fair value of the acquiree's identifiable net assets, the difference is recognised as goodwill; where the cost of combination is lower than the acquirer's interests in the fair value of the acquiree's identifiable net assets, the difference is recognised in profit or loss for the current period. Costs directly attributable to the combination are included in profit or loss in the period in which they are incurred. Transaction costs associated with the issue of equity or debt securities for the business combination are included in the initially recognised amounts of the equity or debt securities.

##### (c) *Acquisition of non-controlling interests*

When acquiring part of or all of the non-controlling interests from its minority shareholders after obtaining the control over a subsidiary, the assets and liabilities of the subsidiary shall be stated at the amounts calculated continuously from the date of acquisition or merger in the consolidated financial statements. The difference between the increase in the cost of long-term equity investments as a result of acquisition of non-controlling interests and the share of net assets of the subsidiary calculated continuously from the date of the acquisition or merger based on the new shareholding proportion shall be adjusted against the capital surplus (share premium). If the capital surplus (share premium) is not sufficient to absorb the difference, the remaining difference shall be adjusted against retained earnings.



## Notes to Financial Statements

For the Year Ended 31 December 2014

(All amounts in RMB Yuan unless otherwise stated)

### 2 Summary of significant accounting policies and accounting estimates *(continued)*

#### (6) Preparation of consolidated financial statements

The consolidated financial statements comprise the financial statements of the Company and all of its subsidiaries.

Subsidiaries are consolidated from the date on which the Group obtains control and are de-consolidated from the date that such control ceases. For a subsidiary that is acquired in a business combination involving enterprises under common control, it is included in the consolidated financial statements from the date when it, together with the Company, comes under common control of the ultimate controlling party. The portion of the net profits realised before the combination date is presented separately in the consolidated income statement.

In preparing the consolidated financial statements, where the accounting policies and the accounting periods of the Company and subsidiaries are inconsistent, the financial statements of the subsidiaries are adjusted in accordance with the accounting policies and accounting period of the Company. For subsidiaries acquired from a business combination involving enterprises not under common control, the individual financial statements of the subsidiaries are adjusted based on the fair value of the identifiable net assets at the acquisition date.

All significant intra-group balances, transactions and unrealised profits are eliminated in the consolidated financial statements. The items which can't be attributable to the shareholders of the company in subsidiary's equity, net profit or loss, and total comprehensive income of the period, are separately presented in the equity item, in net profit item and total comprehensive income item of the consolidated financial statement respectively. Elimination of intra-group unrealised profit on sale of assets by the Company to its subsidiaries should be in full of the net profit attributable to the shareholders, and elimination of intra-group unrealised profit on sale of assets by subsidiaries to the Company should be allocated between the net profit attributable to the shareholders and non-controlling interests in the ratio of their interests. Elimination of intra-group unrealised profit on sale of assets amongst the subsidiaries should be allocated between the net profit attributable to the shareholders and non-controlling interests, according to the Company's share interest in the subsidiary of selling party.

If the Group and the Company or the subsidiaries as accounting entity are in different views in this transaction, the adjustment should be made in the Group's view.

#### (7) Cash and cash equivalents

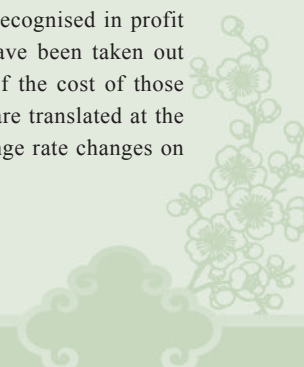
Cash and cash equivalents comprise cash on hand, deposits that can be readily drawn on demand, and short-term and highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

#### (8) Foreign currency translation

##### (a) Foreign currency transactions

Foreign currency transactions are translated into RMB using the exchange rates prevailing at the dates of the transactions.

At the balance sheet date, monetary items denominated in foreign currencies are translated into RMB using the spot exchange rates on the balance sheet date. Exchange differences arising from these translations are recognised in profit or loss for the current period, except for those attributable to foreign currency borrowings that have been taken out specifically for the acquisition or construction of qualifying assets, which are capitalised as part of the cost of those assets. Non-monetary items denominated in foreign currencies that are measured at historical costs are translated at the balance sheet date using the spot exchange rates at the date of the transactions. The effect of exchange rate changes on cash is presented separately in the cash flow statement.



## Notes to Financial Statements

For the Year Ended 31 December 2014

(All amounts in RMB Yuan unless otherwise stated)

### 2 Summary of significant accounting policies and accounting estimates *(continued)*

#### (8) Foreign currency translation *(continued)*

##### *(b) Translation of foreign currency financial statements*

The asset and liability items in the balance sheets for overseas operations are translated at the spot exchange rates on the balance sheet date. Among the shareholders' equity items, the items other than "undistributed profits" are translated at the spot exchange rates on the transaction dates. The income and expense items in the income statements of overseas operations are translated at the spot exchange rates of the transaction dates. The differences arising from the above translation are presented separately in the shareholders' equity. The cash flows of overseas operations are translated at the spot exchange rates on the dates of the cash flows. The effect of exchange rate changes on cash is presented separately in the cash flow statement.

#### (9) Financial instruments

##### *(a) Financial assets*

##### *(i) Classification of financial assets*

Financial assets are classified into the following categories at initial recognition: financial assets at fair value through profit or loss, receivables, available-for-sale financial assets and held-to-maturity investments. The classification of financial assets depends on the Group's intention and ability to hold the financial assets.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for the purpose of selling in the short term, which are included in financial assets held for trading.

Receivables

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either designated in this category or not classified in any of the other categories at initial recognition. Available-for-sale financial assets are included in other current assets on the balance sheet if management intends to dispose of them within 12 months on the balance sheet date.

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed maturity and fixed or determinable payments that management has the positive intention and ability to hold to maturity. Held-to-maturity investments with maturities over 12 months when the investments were made but are due within 12 months at the balance sheet date are included in the current portion of non-current assets; held-to-maturity investments with maturities no more than 12 months when the investments were made are included in other current assets.



## Notes to Financial Statements

For the Year Ended 31 December 2014

(All amounts in RMB Yuan unless otherwise stated)

### 2 Summary of significant accounting policies and accounting estimates *(continued)*

#### (9) Financial instruments *(continued)*

##### (a) Financial assets *(continued)*

##### (ii) Recognition and measurement

Financial assets are recognised at fair value on the balance sheet when the Group becomes a party to the contractual provisions of the financial instrument. In the case of financial assets at fair value through profit or loss, the related transaction costs incurred at the time of acquisition are recognised in profit or loss for the current period. For other financial assets, transaction costs that are attributable to the acquisition of the financial assets are included in their initially recognised amounts.

Financial assets at fair value through profit or loss and available-for-sale financial assets are subsequently measured at fair value. Investments in equity instruments are measured at cost when they do not have a quoted market price in an active market and whose fair value cannot be reliably measured. Receivables and held-to-maturity investments are measured at amortised cost using the effective interest method.

Gains or losses arising from change in the fair value of financial assets at fair value through profit or loss are recognised in profit or loss. Interests and cash dividends received during the period in which such financial assets are held, as well as the gains or losses arising from disposal of these assets are recognised in profit or loss for the current period.

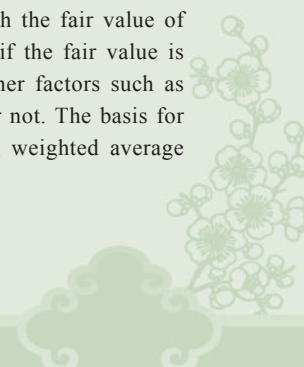
Gains or losses arising from change in fair value of available-for-sale financial assets are recognised directly in equity, except for impairment losses and foreign exchange gains and losses arising from translation of monetary financial assets. When such financial assets are derecognised, the cumulative gains or losses previously recognised directly into equity are recycled into profit or loss for the current period. Interests on available-for-sale investments in debt instruments calculated using the effective interest method during the period in which such investments are held and cash dividends declared by the investee on available-for-sale investments in equity instruments are recognised as investment income, which is recognised in profit or loss for the period.

##### (iii) Impairment of financial assets

The Group assesses the carrying amounts of financial assets other than those at fair value through profit or loss at each balance sheet date. If there is objective evidence that a financial asset is impaired, an impairment loss is provided for.

There is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the financial asset. And such one or more events must have a reliably measurable effect on the present value of estimated future cash flows of the financial assets.

The objective evidence which indicates impairment in fair value of available-for-sale equity instruments includes the significant and prolonged decline in fair value. The Group has separately tested various available-for-sale equity instruments at the balance sheet date. It will be defined as impairment if the fair value is lower than the original cost at initial recognition by more than 50% (including 50%) or the period in which the fair value of the investment has been below that original cost has lasted for no less than 1 year. While if the fair value is between 20% (including 20%) to 50% lower than the original cost, the Group will take other factors such as price fluctuation into consideration to estimate whether the equity instrument has impaired or not. The basis for measuring the original cost of available-for-sale equity instruments is determined by using weighted average method.





## Notes to Financial Statements

For the Year Ended 31 December 2014

(All amounts in RMB Yuan unless otherwise stated)

### 2 Summary of significant accounting policies and accounting estimates *(continued)*

#### (9) Financial instruments *(continued)*

##### (a) Financial assets *(continued)*

##### (iii) Impairment of financial assets *(continued)*

When an impairment loss on a financial asset carried at amortised cost has occurred, the amount of loss is provided for at the difference between the asset's carrying amount and the present value of its estimated future cash flows (excluding future credit losses that have not been incurred). If there is objective evidence that the value of the financial asset recovered and the recovery is related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed and the amount of reversal is recognised in profit or loss.

When an impairment loss on an available-for-sale financial asset measured at fair value has occurred, the cumulative losses arising from the decline in fair value that had been recognised directly in equity are transferred out from equity and into impairment loss. For an investment in debt instrument classified as available-for-sale on which impairment losses have been recognised, if, in a subsequent period, its fair value increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the previously recognised impairment loss is reversed into profit or loss for the current period. For an investment in an equity instrument classified as available-for-sale on which impairment losses have been recognised, the increase in its fair value in a subsequent period is recognised directly in equity.

When an impairment loss on an available-for-sale financial asset carried at cost has occurred, the amount of loss is provided for at the difference between the asset's carrying amount and the present value of its estimated future cash flows using the market yield of similar financial assets. As to the loss which is already occurred will not be reversed in subsequent period.

##### (iv) Derecognition of financial assets

A financial asset is derecognised when any of the below criteria is met: (1) the contractual rights to receive the cash flows from the financial asset expire; (2) the financial asset has been transferred and the Group transfers substantially all the risks and rewards of ownership of the financial asset to the transferee; or (3) the financial asset has been transferred and the Group has not retained control of the financial asset, although the Group neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset.

On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received and the cumulative changes in fair value that had been recognised directly in equity, is recognised in profit or loss.



## Notes to Financial Statements

For the Year Ended 31 December 2014

(All amounts in RMB Yuan unless otherwise stated)

### 2 Summary of significant accounting policies and accounting estimates (continued)

#### (9) Financial instruments (continued)

##### (b) Financial liabilities

Financial liabilities are classified into the following categories at initial recognition: financial liabilities at fair value through profit or loss and other financial liabilities. The financial liabilities of the Group mainly comprise other financial liabilities, including payables, borrowings and debentures payable.

Payables, including accounts payable and other payables, are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Borrowings and debentures payable are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities with maturities no more than one year are classified as current liabilities. Other financial liabilities with maturities over one year but are due within one year at the balance sheet date are classified as the current portion of non-current liabilities. Others are classified as non-current liabilities.

A financial liability is derecognised or partly derecognised when the current obligation is discharged or partly discharged. The difference between the carrying amount of the financial liability or the derecognised part of the financial liability and the consideration paid is recognised in profit or loss.

##### (c) Determination of fair value of financial instruments

The fair value of a financial instrument that is traded in an active market is determined at the quoted price in the active market. The fair value of a financial instrument that is not traded in an active market is determined by using a valuation technique when it is applicable under current conditions and there are enough available data and other information to support. Those inputs should be consistent with the inputs a market participant would use when pricing the asset or liability, and should maximise the use of relevant observable inputs. When related observable inputs can't be acquired or are not feasible to be acquired, then use unobservable inputs.

#### (10) Receivables

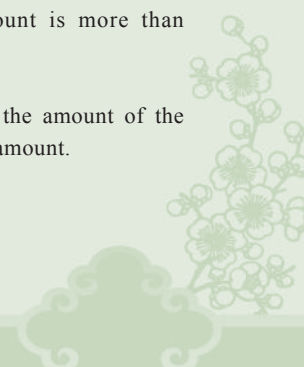
Receivables comprise accounts receivable and other receivables. Accounts receivable arising from sale of goods or rendering of services are initially recognised at fair value of the contractual payments from the buyers or service recipients.

##### (a) Receivables with amounts that are individually significant and subject to separate assessment for provision for bad debts

Receivables with amounts that are individually significant are subject to assessment for impairment on the individual basis. If there exists objective evidence that the Group will not be able to collect the amount under the original terms, a provision for impairment of that receivable is made.

The criterion for determining "individually significant" amounts is that any individual amount is more than RMB10,000,000.

The method of providing for bad debts for those individually significant amounts is as follows: the amount of the present value of the future cash flows expected to be derived from the receivable below its carrying amount.



## Notes to Financial Statements

For the Year Ended 31 December 2014

(All amounts in RMB Yuan unless otherwise stated)

### 2 Summary of significant accounting policies and accounting estimates (continued)

#### (10) Receivables (continued)

##### (b) Receivables that are subject to provision for bad debts on the grouping basis

Receivables with amounts that are not individually significant and those receivables that have been individually assessed for impairment and have not been found impaired are classified into certain groupings based on their credit risk characteristics. The provision for bad debts is determined based on the historical loss experience for the groupings of receivables with similar credit risk characteristics, taking into consideration of the current circumstances.

Basis for grouping is as follows:

Group A	Receivables of government etc.
Group B	Amounts due from subsidiaries
Group C	All others

Methods of determining provision for bad debts by grouping are as follows:

Group A	Low credit risk upon assessment, no bad debts provided
Group B	Low credit risk upon assessment, no bad debts provided
Group C	Ageing analysis method

The provision ratios used under the ageing analysis method for the above groupings are as follows:

	Provision ratios used for accounts receivable	Provision ratios used for other receivables
Within 6 months	0%	0%
6 months to 1 year	5%	5%
1 to 2 years	50%	50%
Over 2 years	100%	100%

##### (c) Receivables with amounts that are not individually significant but subject to separate assessment for provision for bad debts

The reason for making separate assessment for provision for bad debts is that there exists objective evidence that the Group will not be able to collect the amount under the original terms of the receivable.

The provision for bad debts is determined based on the amount of the present value of the future cash flows expected to be derived from the receivable below its carrying amount.

##### (d) When the Group transfers the accounts receivable to the financial institutions without recourse, the difference between the proceeds received from the transaction and their carrying amounts and the related taxes is recognised in profit or loss for the current period.



## Notes to Financial Statements

For the Year Ended 31 December 2014

(All amounts in RMB Yuan unless otherwise stated)

### 2 Summary of significant accounting policies and accounting estimates (continued)

#### (11) Inventories

##### (a) Classification

Inventories comprise raw materials, work in progress, finished goods and turnover materials, and are measured at the lower of cost and net realisable value.

##### (b) Cost formulas

Cost is determined using the weighted average method. The cost of finished goods and work in progress comprise raw materials, direct labour and systematically allocated production overhead based on the normal production capacity.

##### (c) Basis for determining net realisable values of inventories and method for making provision for decline in the value of inventories

Provision for decline in the value of inventories is determined at the excess amount of the carrying amounts of the inventories over their net realisable value. Net realisable value is determined based on the estimated selling price in the ordinary course of business, less the estimated costs to completion and estimated costs necessary to make the sale and related taxes.

##### (d) The Group adopts the perpetual inventory system

##### (e) Amortisation methods of low value consumables and packaging materials

Low value consumables and packaging materials are amortised into expenses when issued and based upon periods of usage respectively.

#### (12) Long-term equity investments

Long-term equity investments comprise the Company's long-term equity investments in its subsidiaries, and the Group's long-term equity investments in its joint ventures and associates.

Subsidiaries are the investees over which the Company is able to exercise control. A joint venture is a joint arrangement which is structured through a separate vehicle over which the Group has jointly control together with other parties and has rights to the net assets of the arrangement based on legal forms, contractual terms and other facts and circumstances. An associate is the investee over which the Group has significant influence by participating in the financial and operating policy decisions.

Investments in subsidiaries are presented in the Company's financial statements using the cost method, and are adjusted to the equity method when preparing the consolidated financial statements. Investments in joint ventures and associates are accounted for using the equity method.





## Notes to Financial Statements

For the Year Ended 31 December 2014

(All amounts in RMB Yuan unless otherwise stated)

### 2 Summary of significant accounting policies and accounting estimates *(continued)*

#### (12) Long-term equity investments *(continued)*

##### (a) *Determination of investment cost*

For long-term equity investments acquired through a business combination: for long-term equity investments acquired through a business combination involving enterprises under common control, the investment cost shall be the absorbing party's share of the carrying amount of shareholders' equity of the party being absorbed at the combination date; for long-term equity investment acquired through a business combination involving enterprises not under common control, the investment cost shall be the combination cost.

For long-term equity investments acquired not through a business combination: for long-term equity investment acquired by payment in cash, the initial investment cost shall be the purchase price actually paid; for long-term equity investments acquired by issuing equity securities, the initial investment cost shall be the fair value of the equity securities issued.

##### (b) *Subsequent measurement and recognition of related profit and loss*

For long-term equity investments accounted for using the cost method, they are measured at the initial investment costs, and cash dividends or profit distribution declared by the investees are recognised as investment income in profit or loss.

For long-term equity investments accounted for using the equity method, where the initial investment cost of a long-term equity investment exceeds the Group's share of the fair value of the investee's identifiable net assets at the acquisition date, the long-term equity investment is measured at the initial investment cost; where the initial investment cost is less than the Group's share of the fair value of the investee's identifiable net assets at the acquisition date, the difference is included in profit or loss and the cost of the long-term equity investment is adjusted upwards accordingly.

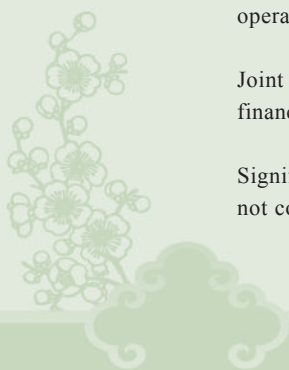
For long-term equity investments accounted for using the equity method, the Group recognises the investment income according to its share of net profit or loss of the investee. The Group discontinues recognising its share of net losses of an investee after the carrying amount of the long-term equity investment together with any long-term interests that, in substance, form part of the investor's net investment in the investee are reduced to zero. However, if the Group has obligations for additional losses and the criteria with respect to recognition of provisions under the accounting standards on contingencies are satisfied, the Group continues recognising the investment losses and the provisions. For changes in shareholders' equity of the investee other than those arising from its net profit or loss, the Group records its proportionate share directly into capital surplus other comprehensive income, and profit distribution. The carrying amount of the investment is reduced by the Group's share of the profit distribution or cash dividends declared by an investee. The unrealised profit or loss arising from the intra-group transactions amongst the Group and its investees is eliminated in proportion to the Group's equity interest in the investees, and then based on which the investment income is recognised. For the loss on the intra-group transaction amongst the Group and its investees attributable to asset impairment, any unrealised loss is not eliminated.

##### (c) *Basis for determining existence of control, jointly control or significant influence over investees*

Control is the power to govern the financial and operating policies of the investee so as to obtain benefits from its operating activities and can influence the amount.

Joint control is the contractually agreed sharing of control over an economic activity, and exists only when the strategic financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control.

Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.



## Notes to Financial Statements

For the Year Ended 31 December 2014

(All amounts in RMB Yuan unless otherwise stated)

### 2 Summary of significant accounting policies and accounting estimates (continued)

#### (12) Long-term equity investments (continued)

##### (d) Impairment of long-term equity investments

The carrying amounts of long-term equity investments in subsidiaries, joint ventures and associates are reduced to the recoverable amounts when the recoverable amounts are below their carrying amounts (Note 2(19)).

#### (13) Investment properties

Investment properties are buildings that are held for the purpose of leasing, are measured initially at cost. Subsequent expenditures incurred in relation to an investment property are included in the cost of the investment property when it is probable that the associated economic benefits will flow to the Group and their costs can be reliably measured; otherwise, the expenditures are recognised in profit or loss in the period in which they are occurred.

The Group adopts the cost model for subsequent measurement of investment properties. Buildings are depreciated to their estimated net residual values over their estimated useful lives. The estimated useful lives, the estimated net residual values that are expressed as a percentage of cost and the annual depreciation rates of investment properties are as follows:

	Estimated useful lives	Estimated residual value	Annual depreciation rate
Buildings	40 years	3% to 5%	2.38% to 2.43%

When an investment property is transferred to owner-occupied properties, it is reclassified as fixed asset at the date of the transfer. When an owner-occupied property is transferred out for earning rentals or for capital appreciation, the fixed asset is reclassified as investment properties at its carrying amount at the date of the transfer.

The investment property's estimated useful life, net residual value and depreciation method applied are reviewed and adjusted as appropriate at each year end.

An investment property is derecognised on disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal. The net amount of proceeds from sale, transfer, retirement or damage of an investment property after its carrying amount and related taxes and expenses is recognised in profit or loss for the current period.

The carrying amount of investment properties shall be reduced to the recoverable amount if the recoverable amount is below the carrying amount (Note 2(19)).



## Notes to Financial Statements

For the Year Ended 31 December 2014

(All amounts in RMB Yuan unless otherwise stated)

### 2 Summary of significant accounting policies and accounting estimates (continued)

#### (14) Fixed assets

##### (a) Recognition and initial measurement of fixed assets

Fixed assets comprise buildings, machinery and equipments, motor vehicles and other equipments.

Fixed assets are recognised when it is probable that the related economic benefits will flow to the Group and the costs can be reliably measured. Fixed assets purchased or constructed by the Group are initially measured at cost at the acquisition date. The fixed assets contributed by the State shareholders at the reorganisation of the Company into a corporation entity are recognised based on the revaluated amounts approved by the state-owned assets administration department.

Subsequent expenditures incurred for a fixed asset are included in the cost of the fixed asset when it is probable that the associated economic benefits will flow to the Group and the related cost can be reliably measured. The carrying amount of the replaced part is derecognised. All the other subsequent expenditures are recognised in profit or loss in the period in which they are incurred.

##### (b) Depreciation methods of fixed assets

Fixed assets are depreciated using the straight-line method to allocate the cost of the assets to their estimated residual values over their estimated useful lives. For the fixed assets that have been provided for impairment loss, the related depreciation charge is prospectively determined based upon the adjusted carrying amounts over their remaining useful lives.

The estimated useful lives, the estimated residual values expressed as a percentage of cost and the annual depreciation rates of fixed assets are as follows:

	Estimated useful lives	Estimated residual value	Annual depreciation rate
Buildings	20-40 years	3% to 5%	2.4% to 4.9%
Machinery and equipment	5-14 years	3% to 5%	6.8% to 19.4%
Motor vehicles	5-12 years	3% to 5%	7.9% to 19.4%
Other equipment	5-10 years	3% to 5%	9.5% to 19.4%

The estimated useful lives, the estimated residual value of a fixed asset and the depreciation method applied to the asset are reviewed, and adjusted as appropriate at each year-end.

##### (c) The carrying amount of fixed assets shall be reduced to the recoverable amount if the recoverable amount is below the carrying amount (Note 2(19)).



## Notes to Financial Statements

For the Year Ended 31 December 2014

(All amounts in RMB Yuan unless otherwise stated)

### 2 Summary of significant accounting policies and accounting estimates *(continued)*

#### (14) Fixed assets *(continued)*

##### *(d) Basis for identification of fixed assets held under finance lease and related measurement*

A lease that in substance transfers substantially all the risks and rewards incidental to ownership of an asset is a finance lease. The leased asset is recognised at the lower of the fair value of the leased asset and the present value of the minimum lease payments. The difference between the recorded amount of the leased asset and the minimum lease payments is accounted for as unrecognised finance charge (Note 2 (26)(b)).

Fixed assets held under a finance lease are depreciated on a basis consistent with the depreciation policy adopted for fixed asset that are self-owned. When a leased asset can be reasonably determined that its ownership will be transferred at the end of the lease term, it is depreciated over the period of expected use; otherwise, the leased asset is depreciated over the shorter period of the lease term and the period of expected use.

##### *(e) Disposal of fixed assets*

A fixed asset is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The amount of proceeds from disposals on sale, transfer, retirement or damage of a fixed asset net of its carrying amount and related taxes and expenses are recognised in profit or loss for the current period.

#### (15) Construction in progress

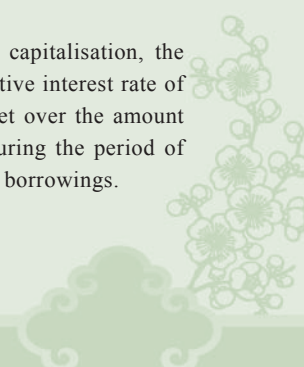
Construction in progress is measured at actual cost. Actual cost comprises construction costs, installation costs, borrowing costs that are eligible for capitalisation and other costs necessary to bring the fixed assets ready for their intended use. Construction in progress is transferred to fixed assets when the assets are ready for their intended use, and depreciation begins from the following month. The carrying amount of construction in progress is reduced to the recoverable amount when the recoverable amount is below the carrying amount (Note 2(19)).

#### (16) Borrowing costs

The borrowing costs that are directly attributable to the acquisition and construction of a fixed asset that needs a substantially long period of time for its intended use commence to be capitalised and recorded as part of the cost of the asset when expenditures for the asset and borrowing costs have been incurred, and the activities relating to the acquisition and construction that are necessary to prepare the asset for its intended use have commenced. The capitalisation of borrowing costs ceases when the asset under acquisition or construction becomes ready for its intended use and the borrowing costs incurred thereafter are recognised in profit or loss for the current period. Capitalisation of borrowing costs is suspended during periods in which the acquisition or construction of a fixed asset is interrupted abnormally and the interruption lasts for more than 3 months, until the acquisition or construction is resumed.

For the specific borrowings obtained for the acquisition or construction of a fixed asset qualifying for capitalisation, the amount of borrowing costs eligible for capitalisation is determined by deducting any interests income earned from depositing the unused specific borrowings in the banks or any investment income arising on the temporary investment of those borrowings during the capitalisation period.

For the general borrowings obtained for the acquisition or construction of a fixed asset qualifying for capitalisation, the amount of borrowing costs eligible for capitalisation is determined by applying the weighted average effective interest rate of general borrowings, to the weighted average of the excess amount of cumulative expenditures on the asset over the amount of specific borrowings. The effective interest rate is the rate at which the estimated future cash flows during the period of expected duration of the borrowings or applicable shorter period are discounted to the initial amount of the borrowings.



## Notes to Financial Statements

For the Year Ended 31 December 2014

(All amounts in RMB Yuan unless otherwise stated)

### 2 Summary of significant accounting policies and accounting estimates *(continued)*

#### (17) Intangible assets

Intangible assets comprise land use rights, trademarks, sales networks, computer software, technology known-how and others. All intangible assets are measured at cost. The intangible assets contributed by the State shareholders at the reorganisation of the Company into a corporation are recognised based on the revaluated amounts as approved by the state-owned assets administration department.

##### (a) Land use rights

Land use rights are amortised on the straight-line basis over their approved useful period from 30 to 50 years. If the acquisition costs of the land use rights and the buildings located thereon cannot be reasonably allocated between the land use rights and the buildings, all of the acquisition costs are recognised as fixed assets.

##### (b) Trademarks

Trademarks mainly include the “TSINGTAO BEER” trademark which was injected by the founding shareholders into the Company on 16 June 1993 as their capital contributions. The recorded value of the trademark was assessed based on the results of the valuation as approved by state-owned assets administration department. Based on the forecast of beer industry and the business position of the Company, the directors are of the view that the “TSINGTAO BEER” trademark has an indefinite useful life, accordingly, it is not subject to amortisation but annual impairment assessments.

Other trademarks were acquired as a result of acquisitions of certain subsidiaries. They are amortised over their estimated useful lives ranging from 5 to 10 years.

##### (c) Marketing networks

Marketing networks include the marketing network acquired by business combination from Yantai Brewery Tsingtao Asahi Co., Ltd. (“Yantai Asahi”), Hebei Jiahe Beer Co., Ltd. (“Hebei Jiahe Company”) and Lulansa Brewery, the marketing network of Tsingtao Beer (Jinan) Baotuquan Sales Co., Ltd. (“Baotuquan Company”), Shandong Xin Immense Brewery Company Limited (“Immense Brewery Company”), Suntory (shanghai) market service Co.,Ltd. (“Shanghai Market Service”), The Prince (Lian Yungang) beer sales Co., Ltd. (“The Prince Sales”) and Beijing Tsingtao Brewery Beifang Sales Co., Ltd. (“Beifang Sales Company”). Amortisation is calculated using the straight-line method over the estimated useful lives of 10 years.

##### (d) Computer software

Computer software are amortised over their estimated useful lives ranging from 5 to 10 years.

##### (e) Technology known-how

Technology known-how is amortised on the straight-line basis over their estimated useful lives of 10 years.

##### (f) Periodical review of useful life and amortisation method

For an intangible asset with a finite useful life, review of its useful life and amortisation method is performed at each year-end, with adjustment made as appropriate.





## Notes to Financial Statements

For the Year Ended 31 December 2014

(All amounts in RMB Yuan unless otherwise stated)

### 2 Summary of significant accounting policies and accounting estimates (continued)

#### (17) Intangible assets (continued)

##### (g) Research and development

The expenditure on an internal research and development project is classified into expenditure on the research phase and expenditure on the development phase based on its nature and whether there is material uncertainty that the research and development activities can form an intangible asset at end of the project.

Expenditure on the research phase, such as planned investigation, evaluation and selection for improvement of the beer technology, is recognised in profit or loss in the period when it is incurred. Expenditure on the development phase, such as the designing and testing for the final application of the beer technology before the large-scale production, should be capitalised only if all of the following conditions satisfied:

- The development of the beer technology has been sufficiently proved by the technical team;
- The budget relating to the beer technology improvement has been approved by the management;
- It can be demonstrated that the products due to beer technology improvement have potential market from previous marketing investigation
- There are adequate technical and financial resource for improvement of the beer technology and the large-scale production, and;
- The expenditure attributable to the improvement of beer technology during its development phase can be reliably measured.

Other development expenditures that do not meet the conditions above are recognised in profit or loss in the period in which they are incurred. Development costs previously recognised as expenses are not recognised as an asset in a subsequent period. Capitalised expenditure on the development phase is presented as development costs in the balance sheet and transferred to intangible assets at the date that the asset is ready for its intended use.

##### (h) Impairment of intangible assets

The carrying amount of intangible assets is reduced to the recoverable amount when the recoverable amount is below the carrying amount (Note 2(19)).

#### (18) Long-term prepaid expenses

Long-term prepaid expenses comprise the expenditure for improvements to fixed assets held under operating leases, and other expenditures that have been incurred but should be recognised as expenses over more than one year in the current and subsequent periods. Long-term prepaid expenses are amortised on the straight-line basis over the expected beneficial period and are presented at actual expenditure net of accumulated amortisation.



## Notes to Financial Statements

For the Year Ended 31 December 2014

(All amounts in RMB Yuan unless otherwise stated)

### 2 Summary of significant accounting policies and accounting estimates (continued)

#### (19) Impairment of long-term assets

Fixed assets, construction in progress, intangible assets with finite useful lives, investing properties measured at cost method and long-term equity investments in subsidiaries, joint ventures and associates are tested for impairment if there is any indication that the assets may be impaired at the balance sheet date. The intangible assets not ready for intended use yet, are treated at least annually for impairment, irrespective of whether there are any indications of impairment. If the result of the impairment test indicates that the recoverable amount of an asset is less than its carrying amount, a provision for impairment and an impairment loss are recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and the present value of the future cash flows expected to be derived from the asset. Provision for asset impairment is determined and recognised on the individual asset basis. If it is not possible to estimate the recoverable amount of an individual asset, the recoverable amount of a group of assets to which the asset belongs is determined. A group of assets is the smallest group of assets that is able to generate independent cash inflows.

Goodwill that is separately presented in the financial statements is tested at least annually for impairment, irrespective of whether there is any indication that it may be impaired. In conducting the test, the carrying value of goodwill is allocated to the related asset groups or groups of asset groups which are expected to benefit from the synergies of the business combination. If the result of the test indicates that the recoverable amount of an asset group or group of asset groups, including the allocated goodwill, is lower than its carrying amount, the corresponding impairment loss is recognised. The impairment loss is first deducted from the carrying amount of goodwill that is allocated to the asset group or group of asset groups, and then deducted from the carrying amounts of other assets within the asset groups or groups of asset groups in proportion to the carrying amounts of assets other than goodwill.

Once the above asset impairment loss is recognised, it will not be reversed for the value recovered in the subsequent periods.

#### (20) Employee benefits

Employee benefits include short-term employee benefits, post-employment benefits, termination benefits and other long-term employee benefits provided in various forms of remuneration in exchange for service rendered by employees or compensations for the termination of employment relationship.

##### (a) Short-term employee benefits

Short-term employee benefits include employee wages or salaries, bonus, allowances and subsidies, staff welfare, premiums or contributions on medical insurance, work injury insurance and maternity insurance, housing funds, union running costs and employee education costs. The employee benefit liabilities are recognised in the accounting period in which the service is rendered by the employees, with a corresponding charge to the profit or loss for the current period or the cost of relevant assets. Employee benefits which are non-monetary benefits are measured at fair value.

##### (b) Post-employment benefits

The Group classifies post-employment benefit plans as either defined contribution plans or defined benefit plans. Defined contribution plans are post-employment benefit plan under which the Group pays fixed contributions into a separate fund and will have no obligation to pay further contributions; and defined benefit plans are post-employment benefit plan that are not defined contribution plan. During the reporting period, the Group post-employment benefits mainly include defined contribution plans such as basic pensions and unemployment insurance, and which belong to supplemental retirement benefits.



## Notes to Financial Statements

For the Year Ended 31 December 2014

(All amounts in RMB Yuan unless otherwise stated)

### 2 Summary of significant accounting policies and accounting estimates (continued)

#### (20) Employee benefits (continued)

##### (b) Post-employment benefits (continued)

###### *Basic pension insurance*

The employees of the group participated in the basic social pension insurance organised and implemented by the local labor and social security departments. The Group pays the basic social pension insurance to related local agencies monthly, following the demanding proportion and base. When the employees retire, the local labor and social security departments have obligations to pay the entire basic social pensions. When an employee has rendered service to the Group during the accounting period, the Group should recognise liabilities and costs of assets or expenses.

###### *Supplemental retirement benefits*

Approved by the Company's Board of Directors on 16 December 2013, in addition to the basic social pension plans, the Group also provides supplementary retirement benefits to those retired employees qualified for certain criteria. Such supplementary benefits are classified as defined benefit plans. The defined benefit obligation recognised in the balance sheet is the present value of the defined benefit obligation, net of the fair value of plan assets. The defined benefit obligation is calculated by using the Projected Unit Credit method and applying interests rates of government bonds that have terms to maturity approximating to the terms of the related pension obligation. The service cost and net interests income related to supplemental retirement benefits are recognised as assets or expenses, and actuarial gains or losses arising from re-measurement of net defined benefit obligation is recognised as other comprehensive income.

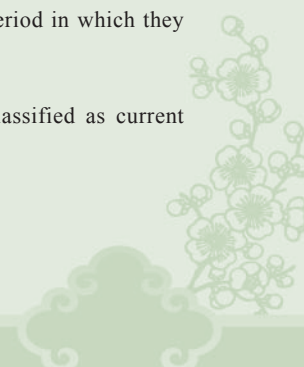
##### (c) Termination benefits

The Group provides compensation for terminating the employment relationship with employees before the end of the employment contracts or as an offer to encourage employees to accept voluntary redundancy before the end of the employment contracts. The Group recognises a liability arising from compensation for termination of the employment relationship with employees, with a corresponding charge to profit or loss at the earlier of the following dates: 1) when the Group cannot unilaterally withdraw the offer of termination benefits because of an employment termination plan or a curtailment proposal; 2) when the Group recognises costs or expenses related to the restructuring that involves the payment of termination benefits.

###### *Early retirement benefits*

The Group offers early retirement benefits to those employees who accept early retirement arrangements. The early retirement benefits refer to the salaries and social security contributions to be paid to and for the employees who accept voluntary retirement before the normal retirement date prescribed by the State, as approved by the management. The Group pays early retirement benefits to those early retired employees from the early retirement date until normal retirement date. The Group accounts for the early retirement benefits in accordance with the treatment of termination benefits, in which the salaries and social security contributions to be paid to and for the early retired employees from the off-duty date to the normal retirement date are recognised as liabilities with a corresponding charge to the profit or loss for the current period. The differences arising from the changes in the respective actuarial assumptions of the early retirement benefits and the adjustments of benefit standards are recognised in profit or loss in the period in which they occur.

The termination benefits expected to be paid within one year since the balance sheet date are classified as current liabilities.



## Notes to Financial Statements

For the Year Ended 31 December 2014

(All amounts in RMB Yuan unless otherwise stated)

### 2 Summary of significant accounting policies and accounting estimates (continued)

#### (21) Dividends distribution

Cash dividend is recognised as a liability for the period in which the dividend is approved by the shareholders' meeting.

#### (22) Convertible bonds with detachable warrants subscription rights

The convertible bonds with subscription warrants subscription rights issued are split into liability and equity components at initial recognition. The liability component is determined as the discounted amount of future cash flows, and the equity component is determined as the amount after deducting liability amount from proceeds of the issue. The transaction costs incurred on the issue of the convertible bonds are allocated between the liability component and equity component based on the proportion of their amounts at initial recognition. The liability amount of the convertible bonds is measured at amortised cost using the effective interest method.

#### (23) Revenue recognition

The amount of revenue is determined in accordance with the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group's activities. Revenue is shown net of discounts and returns.

Revenue is recognised when the economic benefits associated with the transaction will flow to the Group, the related revenue can be reliably measured, and the specific revenue recognition criteria have been met for each type of the Group's activities as described below:

##### (a) Sale of goods

The Group manufactures and sells beer products to the regional distributors. Revenue is recognised when the Group has delivered the beer products to the location specified in the sales contract and the distributor has confirmed the acceptance of the products. Upon confirming the acceptance, the distributor has the right to sell the beer products at its discretion and takes the risks of any price fluctuations and obsolescence and loss of the products.

##### (b) Rendering of services

The Group provides construction service to external parties. The related revenue is recognised using the percentage of completion method, with the stage of completion being determined based on proportion of costs incurred to date to the estimated total costs.

##### (c) Royalty income

Interests income is determined by using the effective interest method, based on the length of time for which the Group's cash is used by others.

Income from an operating lease is recognised on a straight-line basis over the period of the lease.



## Notes to Financial Statements

For the Year Ended 31 December 2014

(All amounts in RMB Yuan unless otherwise stated)

### 2 Summary of significant accounting policies and accounting estimates *(continued)*

#### (24) Government Grants

Government grants are transfers of monetary or non-monetary assets from the government to the Group at nil consideration, including relocation compensation, refund of taxes and financial subsidies, etc.

A government grant is recognised when the conditions attached to it can be complied with and the government grant can be received. For a government grant in the form of transfer of monetary assets, the grant is measured at the amount received or receivable. For a government grant in the form of transfer of non-monetary assets, it is measured at fair value; if the fair value is not reliably determinable, the grant is measured at nominal amount.

Grants related to assets are those obtained for forming long-term assets by purchase, construction or acquisition in other ways. Grants related to income are government grants other than those related to assets.

A government grant related to an asset is recognised as deferred income, and evenly amortised to profit or loss over the useful life of the related asset. Government grants measured at nominal amounts are recognised immediately in profit or loss for the current period.

For government grants related to income, where the grant is a compensation for related expenses or losses to be incurred by the Group in the subsequent periods, the grant is recognised as deferred income, and included in profit or loss over the periods in which the related costs are recognised; where the grant is a compensation for related expenses or losses already incurred by the Group, the grant is recognised immediately in profit or loss for the current period.

#### (25) Deferred tax assets and deferred tax liabilities

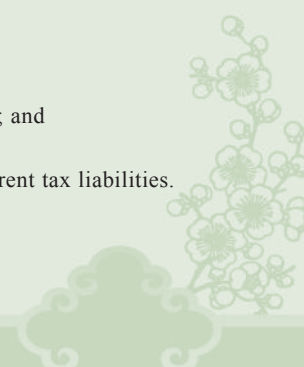
Deferred tax assets and deferred tax liabilities are calculated and recognised based on the differences arising between the tax bases of assets and liabilities and their carrying amounts (temporary differences). Deferred tax asset is recognised for the deductible losses that can be carried forward to subsequent years for deduction of the taxable profit in accordance with the tax laws. No deferred tax liability is recognised for a temporary difference arising from the initial recognition of goodwill. No deferred tax asset or deferred tax liability is recognised for the temporary differences resulting from the initial recognition of assets or liabilities due to a transaction other than a business combination, which affects neither accounting profit nor taxable profit (or deductible loss). At the balance sheet date, deferred tax assets and deferred tax liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled.

Deferred tax assets are only recognised for deductible temporary differences, deductible losses and tax credits to the extent that it is probable that taxable profit will be available in the future against which the deductible temporary differences, deductible losses and tax credits can be utilised.

Deferred tax liabilities are recognised for temporary differences arising from investments in subsidiaries, associates and joint ventures, except where the Group is able to control the timing of reversal of the temporary difference, and it is probable that the temporary difference will not reverse in the foreseeable future. When it is probable that the temporary differences arising from investments in subsidiaries, associates and joint ventures will be reversed in the foreseeable future and that the taxable profit will be available in the future against which the temporary differences can be utilised, the corresponding deferred tax assets are recognised.

Deferred tax assets and liabilities are offset when:

- the deferred taxes are related to the same tax payer within the Group and the same taxation authority; and
- that tax payer within the Group has a legally enforceable right to offset current tax assets against current tax liabilities.





## Notes to Financial Statements

For the Year Ended 31 December 2014

(All amounts in RMB Yuan unless otherwise stated)

### 2 Summary of significant accounting policies and accounting estimates (continued)

#### (26) Leases

A finance lease is a lease that transfers substantially all the risks and rewards incidental to ownership of an asset. An operating lease is a lease other than a finance lease.

##### (a) Operating leases

Lease payments under an operating lease are recognised on a straight-line basis over the period of the lease, and are either capitalised as part of the cost of related assets, or charged as an expense for the current period.

##### (b) Finance leases

The leased asset is recognised at the lower of the fair value of the leased asset and the present value of the minimum lease payments. The difference between the recorded amount of the leased asset and the minimum lease payments is accounted for as unrecognised finance charge and is amortised using the effective interest method over the period of the lease. A long-term payable is recorded at the amount equal to the minimum lease payments less the unrecognised finance charge.

#### (27) Held for sale and discontinued operations

A non-current asset or a disposal group is classified as held for sale when all of the following conditions are satisfied: (1) the non-current asset or the disposal group is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such non-current asset or disposal group; (2) the Group has made a resolution and obtained appropriate approval for disposal of the non-current asset or the disposal group; (3) the Group has signed an irrevocable transfer agreement with the transferee; and (4) the transfer is to be completed within one year.

Non-current assets (except for financial assets and deferred tax assets) that meet the recognition criteria for held for sale are recognised at the amount equal to the lower of the fair value less costs to sell and the carrying amount. Any excess of the original carrying amount over the fair value less the costs to sell is recognised as asset impairment losses.

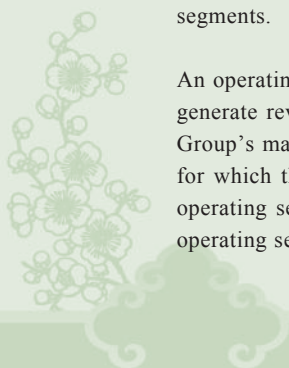
Such non-current assets and assets included in disposal groups as classified as held for sale are accounted for as current assets; while liabilities included in disposal groups classified as held for sale are accounted for as current liabilities.

A discontinued operation is a component of the Group that either has been disposed of or is classified as held for sale, and is separately identifiable operationally and for financial reporting purposes, and satisfies one of the following conditions: (1) represents a separate major line of business or geographical area of operations; (2) is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; and (3) is a subsidiary acquired exclusively with a view to resale.

#### (28) Segment information

The Group identifies operating segments based on the internal organisation structure, management requirements and internal reporting system, and discloses segment information of reportable segments which is determined on the basis of operating segments.

An operating segment is a component of the Group that satisfies all of the following conditions: (1) the component is able to generate revenues and incur expenses from its ordinary activities; (2) whose operating results are regularly reviewed by the Group's management to make decisions about resources to be allocated to the segment and to assess its performance; and (3) for which the information on financial position, operating results and cash flows is available to the Group. If two or more operating segments have similar economic characteristics and satisfy certain conditions, they are aggregated into one single operating segment.



## Notes to Financial Statements

For the Year Ended 31 December 2014

(All amounts in RMB Yuan unless otherwise stated)

### 2 Summary of significant accounting policies and accounting estimates (continued)

#### (29) Changes in significant accounting policies

In 2014, the Ministry of Finance issued CAS 39 “Fair Value Measurement”, CAS 40 “Joint arrangement”, CAS 41 “Disclosure of Interests in Other Entities” and CAS 2 “Long-Term Equity Investments (revised)”, CAS 9 “Employee Benefits (revised)”, CAS 30 “Presentation of Financial Statements (revised)”, CAS 33 “Consolidated Financial Statements (revised)” and CAS 37 “Presentation of Financial Instrument (revised)”. Other than CAS 37 “Presentation of Financial Instrument(revised)” being required to be implemented for financial statements of year 2014, these standards should be applied from 1 July 2014. Overseas listed companies are encouraged to early adopt. As the Company issued both A shares and H shares, the Group has early adopted part of these new and revised standards in preparation of financial statements for the year ended 31 December 2013 and adopted all above new and revised standards for the year ended 31 December 2014. The impact of applying these standards on the financial statements for the year ended 31 December 2014 is set out below:

Details and reasons for changes	Procedures for approval	Financial statement items impacted
Certain of financial statement items have been presented according to these standards for the year ended 31 December 2014 and the comparative period.	Approved by the Board	See as below
Disclosure of fair value has been prepared according to CAS 39 “Fair Value Measurement” for the year ended 31 December 2014, according to the standards, the relevant information of the comparative period is not required to be adjusted.	Approved by the Board	Not applicable
Disclosure of interests of the Group in other entities has been prepared according to CAS 41 “Disclosure of Interests in Other Entities” for the year ended 31 December 2014 and the comparative period.	Approved by the Board	Not applicable

For the change of accounting policy for the first item aforementioned, the related impact of financial statement account and amount is set out below:

Items	31 December 2013 Consolidated	1 January 2013 Consolidated	31 December 2013 Company	1 January 2013 Company
Available-for-sale financial assets	Increase by 1,308,642	Increase by 1,308,642	Increase by 1,000,000	Increase by 1,000,000
Long-term equity investments	Decrease by 1,308,642	Decrease by 1,308,642	Decrease by 1,000,000	Decrease by 1,000,000
Deferred income	Increase by 1,260,778,419	Increase by 1,381,212,241	Increase by 57,579,176	Increase by 51,836,628
Other non-current liabilities	Decrease by 1,260,778,419	Decrease by 1,381,212,241	Decrease by 57,579,176	Decrease by 51,836,628
Long-term employee benefits payable	Increase by 487,301,292	—	Increase by 224,108,125	—
Other non-current liabilities	Decrease by 487,301,292	—	Decrease by 224,108,125	—
Other comprehensive income	Increase by 25,192,989	Increase by 19,025,550	—	—
Capital surplus	Increase by 605,516	—	—	—
Currency translation differences	Decrease by 25,798,505	Decrease by 19,025,550	—	—
General reserve	Increase by 80,642,253	Increase by 51,424,191	—	—
Undistributed profits	Decrease by 80,642,253	Decrease by 51,424,191	—	—

## Notes to Financial Statements

For the Year Ended 31 December 2014

(All amounts in RMB Yuan unless otherwise stated)

### 2 Summary of significant accounting policies and accounting estimates (continued)

#### (30) Critical accounting estimates and judgments

The Group continually evaluates the critical accounting estimates and key judgments applied based on historical experience and other factors, including expectations of future events that are believed to be reasonable.

##### (a) Critical accounting estimates and key assumptions

The critical accounting estimates and key assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next accounting year are outlined below:

###### (i) Accounting estimates on impairment of goodwill

The Group tests annually whether goodwill has suffered any impairment. The recoverable amount of asset groups and groups of asset groups is the present value of the future cash flows expected to be derived from them. These calculations require use of estimates (Note 4(16)).

If management revises the gross margin that is used in the calculation of the future cash flows of asset groups and groups of asset groups, and the revised gross margin is lower than the one currently used, the Group would need to recognise further impairment against goodwill.

If management revises the pre-tax discount rate applied to the discounted cash flows, and the revised pre-tax discount rate is higher than the one currently applied, the Group would need to recognise further impairment against goodwill.

If the actual gross margin/pre-tax discount rate is higher/lower than management's estimates, the impairment loss of goodwill previously provided for is not allowed to be reversed by the Group.

###### (ii) Accounting estimates on impairment of fixed assets

According to the accounting policies stated in Note 2(19), the Group tests whether fixed assets, for example, buildings and Machinery have suffered any impairment on the balance sheet date. The recoverable amounts of the fixed assets have been determined based on the higher of an asset's fair value less costs to sell and value in use calculations. These calculations require the use of accounting estimates.

In 2014, the Group recognised impairment losses amounting to RMB1,721,452 (2013: RMB10,302,603) for fixed assets based on such evaluation. As at 31 December 2014, the Group recognised the cumulative provision for fixed assets impairment amounting to RMB508,605,804 (31 December 2013: RMB 627,722,952) (Note 4(12)).

If management revises the gross margin that is used in the calculation of the future cash flows of asset groups and groups of asset groups, and the revised gross margin is lower than the one currently used, the Group would need to recognise further impairment against fixed assets.

If management revises the pre-tax discount rate applied to the discounted cash flows, and the revised pre-tax discount rate is higher than the one currently applied, the Group would need to recognise further impairment against fixed assets.

If the actual gross margin/pre-tax discount rate is higher/lower than management's estimates, the impairment loss of fixed assets previously provided for is not allowed to be reversed by the Group.



## Notes to Financial Statements

For the Year Ended 31 December 2014

(All amounts in RMB Yuan unless otherwise stated)

### 2 Summary of significant accounting policies and accounting estimates *(continued)*

#### (30) Critical accounting estimates and judgments *(continued)*

##### (a) Critical accounting estimates and key assumptions *(continued)*

##### (iii) Accounting estimates on recognition of deferred tax assets

The estimates of deferred tax assets require estimates over future taxable profit and corresponding applicable income tax rates of respective years. The realisation of deferred tax assets depends on the realisation of sufficient profitability (taxable profit) of the Group. The change in future income tax rates and timing of reversals of taxable temporary differences would affect income tax expense (benefits) and balances of deferred tax. Deviation of aforesaid estimates could result in material adjustment to the carrying amount of deferred income tax.

As at 31 December 2014, deferred tax assets of RMB718,786,072 have been recognised in the Group's balance sheet. As stated in Note 4(18), the Group has unrecognised deferred tax assets aggregated to approximately RMB496,981,000 as at 31 December 2014, which mainly attributable to accumulated tax losses and impairment losses of certain subsidiaries. Deferred tax assets have not been recognised due to the fact that there is no certainty of obtaining approval from local tax authorities or there is no certainty of their respective realisation of these tax benefits through available future taxable profits of those subsidiaries concerned. In cases where the actual future assessable profits are more or less than expected or approval from local tax authorities are obtained, a recognition or reversal of deferred tax assets may arise accordingly.

##### (iv) Useful lives of fixed assets and intangible assets

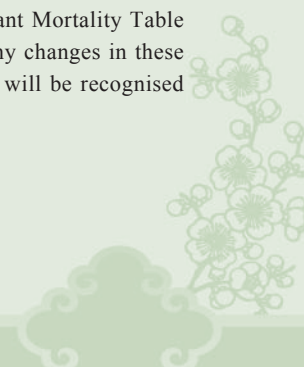
The Group revisited the estimated useful lives for its fixed assets and intangible assets annually. The estimated useful lives are determined by management by reference to the historical experience of similar assets, the estimation generally used by other companies in the same industry and anticipated renovation in technologies. When there are significant changes in previous estimates, the Group should adjust the depreciation and amortisation expense in future periods.

##### (v) Net realisable values of inventories

Provision for decline in the value of inventories is determined at the excess amount of the category of carrying amounts of the inventories over their net realisable value. The Group determines the estimates on net realisable values of inventories based on the estimated selling price of same inventories less the estimated costs to completion and estimated costs necessary to make the sale and related taxes. When the realised selling price, costs or expenses are different with previous estimates, the Group should adjust the net realisable values of inventories. Therefore, the estimates based on current experience may be different from the actual result, which could result in adjustment to the carrying amount of inventories on balance sheet.

##### (vi) Post-retirement benefits Actuary

As stated in Note 2 (20)(b), the present value of the post-retirement obligation estimated on an actuarial basis using a number of assumptions. The actuarial valuations, in which discount rate was determined by government bonds of China and the mortality rate was based on published statistics by China Life Annuitant Mortality Table 2000-2003, are the best estimation on the post-retirement obligation on balance sheet date. Any changes in these assumptions will have impact on the carrying amount of post-employment obligations, which will be recognised in the future years.



## Notes to Financial Statements

For the Year Ended 31 December 2014

(All amounts in RMB Yuan unless otherwise stated)

### 3 Taxation

(1) The main categories and rates of taxes applicable to the Group are set out below:

Category	Tax base		Tax rate
Enterprise income tax	Taxable income		3% to 25%
Value added tax (“VAT”)	Taxable value added amount (Tax payable is calculated using the taxable sales amount multiplied by the effective tax rate less deductible VAT input of current period)		17%
Business tax	Taxable turnover amount		3% to 5%
Consumption tax	<b>Sales Price of Beer</b>	<b>Consumption Tax per Unit</b>	Not Applicable
	More than or equal to RMB3,000 per ton	RMB250 per ton	
	Less than RMB3,000 per ton	RMB220 per ton	
City maintenance and construction tax	Amount of VAT, business tax and consumption tax paid		5% to 7%
Education surcharge	Amount of VAT, business tax and consumption tax paid		3%

(2) Preferential tax treatment and approval documents

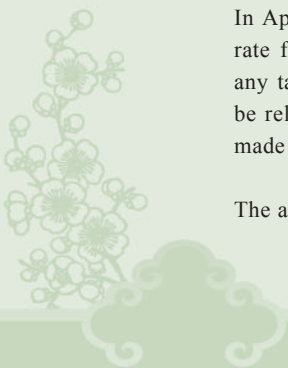
(i) *Enterprise income tax of the Company*

In accordance with an approval document dated 18 April 1994 issued by the State Administration for Taxation (“SAT”) of the PRC, net profit earned by the Company was subject to enterprise income tax at 15%, which was effective from the date of establishment of the Company 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 (Guoshuihan [2007] No.664) which was issued by SAT (the “Notice”) regarding the preferential tax treatment granted to nine state-owned enterprises listed on the Stock Exchange of Hong Kong Limited (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. For this purpose, the Company issued an announcement in relation to such matter on the websites of stock exchanges in the PRC and overseas, and in domestic newspapers on 6 July 2007.

In April 2008, the Company was informed by the governing local tax bureau that the applicable enterprise income tax rate for the year ended 31 December 2007 was adjusted from 15% to 33%. 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 enterprise income tax exposure in prior years had been made in the financial statements.

The applicable enterprise income tax rate of the Company for the current year is 25%.





## Notes to Financial Statements

For the Year Ended 31 December 2014

(All amounts in RMB Yuan unless otherwise stated)

### 3 Taxation (continued)

#### (3) Hong Kong profits tax and Macau profits supplemental tax

Hong Kong profits tax has been provided at the rate of 16.5% on the estimated assessable profit for the year. Macau profits supplemental tax is imposed on the estimated taxable profit for the year at a progressive rate scale ranging from 3% to 12%.

#### (4) VAT

According to “the People’s Republic of China Value-added Tax Temporary Regulations” (“VAT Regulations”), the Group is subject to output VAT calculated at 17% of the domestic sales value of tangible goods. In addition, it is subject to a refund of 15% on its export sales of products based on an “exempt, credit, refund” policy enacted. The Group also pays input VAT on its purchases of raw materials and auxiliary materials, machineries and VAT taxable services which is deductible against output VAT on its sales in order to arrive at the net VAT amount payable to the PRC government.

#### (5) Consumption tax

Beers production, manufacturing consignment and beer product importation activities undertaken by the Group are subject to consumption tax in the PRC. For beer with an ex-factory price (including packaging materials and related deposits) of RMB3,000 or above per ton, the consumption tax is RMB250 per ton. For all other beer sold below that price, the consumption tax is levied at RMB220 per ton.

Tsingtao Brewery (Langfang) Company limited (“Langfang Company”), a subsidiary of the Company, has outstanding consumption balances in respect of prior years amounting to approximately 3,884,000. The consumption tax was held over according to the preferential treatment provided by local governments.

#### (6) Withholding Tax

According to Circular Guoshuihan [2008] No. 897 “Notice on the issue about withholding Enterprise Income Tax on the dividends paid by Chinese resident enterprises to overseas non-resident enterprises H-share holders” issued by State Administration of Taxation on 6 November 2008, where a Chinese resident enterprise pays dividends to its H-share holders which are overseas non-resident enterprises, it shall withhold the enterprise income tax on the basis of 10% of the dividends.



## Notes to Financial Statements

For the year ended 31 December 2014

(All amounts in RMB Yuan unless otherwise stated)

### 4 Notes to the consolidated financial statements

#### (1) Cash at bank and on hand

	31 December 2014	31 December 2013
Cash on hand	431,550	479,275
Bank deposits	512,439,722	688,630,207
Interbank deposits (i)	4,753,518,492	6,705,795,166
Deposits in central bank (ii)	794,310,000	1,092,900,000
Other cash balances (iii)	327,951,015	43,915,438
Including: cash at bank and on hand overseas (iv)	64,297,399	67,053,772
	<b>6,388,650,779</b>	<b>8,531,720,086</b>

- (i) Interbank deposits represent bank deposits reserved in other domestic banks by Tsingtao brewery financial Co., Ltd. (“Finance Company”).
- (ii) Deposits in central bank represent statutory deposit reserves in the People’s Bank of China by Finance Company. At 31 December 2014, the statutory deposit reserve ratio of Finance Company is 14.5% (31 December 2013: 15.0%).
- (iii) As at 31 December 2014, other cash balances of 291,000,000 (31 December 2013: nil) are guarantee deposit for loan of a subsidiary (Note 4(21)); 31,399,875 (31 December 2013: 31,297,133) represent housing maintenance fund in the bank; 3,701,400 (31 December 2013: 11,698,305) are pledged as collateral for issuance of bank acceptance (Note 4(22)); 1,849,740 (31 December 2013: 920,000) represent other deposits.
- (iv) As at 31 December 2014, cash at bank and on hand represents the cash and bank deposits of Tsingtao Brewery (Hong Kong) Trading Co., Ltd. (“Hong Kong Company”) and Asia Brewery (Macau) Co., Ltd. (“Macau Company”) held in Hong Kong and Macau respectively.

#### Cash and cash equivalents presented in cash flow statements

	31 December 2014	31 December 2013
Cash at bank and on hand	6,388,650,779	8,531,720,086
Less: Restricted cash in central bank	(794,310,000)	(1,092,900,000)
Other restrict deposits	(327,951,015)	(43,915,438)
	<b>5,266,389,764</b>	<b>7,394,904,648</b>

#### (2) Notes receivable

	31 December 2014	31 December 2013
Bank acceptance notes	41,600,000	84,760,000

As at 31 December 2014, the Group’s notes receivable which has been endorsed but not yet matured are derecognised amounting to RMB313,442,478 (as at 31 December 2013: derecognised amounting to RMB320,532,455), and there are no discounted bank acceptance notes that were not mature (31 December 2013: nil).

As at 31 December 2014, there are no pledged notes receivables, or no endorsed or discounted trade acceptance notes that were not yet matured (31 December 2013: nil).



## Notes to Financial Statements

For the year ended 31 December 2014

(All amounts in RMB Yuan unless otherwise stated)

### 4 Notes to the consolidated financial statements (continued)

#### (3) Accounts receivable

	31 December 2014	31 December 2013
Accounts receivable	324,504,493	354,377,376
Less: Provision for bad debts	<u>(199,082,864)</u>	<u>(202,084,640)</u>
	<u>125,421,629</u>	<u>152,292,736</u>

The majority of the Group's domestic sales are made by advances from customers. The remainings are settled by letters of credit, bank acceptance notes or providing credit terms from 30 to 150 days.

(a) The ageing of accounts receivable based on their recording dates is analysed below:

	31 December 2014	31 December 2013
Within 6 months	124,721,721	150,525,869
6 months to 1 year	669,040	1,859,860
1 to 2 years	128,640	—
2 to 3 years	—	565,506
Over 3 years	<u>198,985,092</u>	<u>201,426,141</u>
	<u>324,504,493</u>	<u>354,377,376</u>

(b) Accounts receivable by categories are analysed as follows:

	31 December 2014				31 December 2013			
	Ending balance		Provision for bad debts		Ending balance		Provision for bad debts	
	Amount	% of total balance	Amount	Ratio	Amount	% of total balance	Amount	Ratio
Individually significant and subject to separate assessment for provision	33,801,710	10.42%	(33,801,710)	100%	36,801,710	10.38%	(36,801,710)	100%
Subject to provision on the grouping basis Group C	290,702,783	89.58%	(165,281,154)	56.86%	317,575,666	89.62%	(165,282,930)	52.05%
	<u>324,504,493</u>	<u>100%</u>	<u>(199,082,864)</u>	<u>61.35%</u>	<u>354,377,376</u>	<u>100%</u>	<u>(202,084,640)</u>	<u>57.03%</u>



## Notes to Financial Statements

For the year ended 31 December 2014

(All amounts in RMB Yuan unless otherwise stated)

### 4 Notes to the consolidated financial statements (continued)

#### (3) Accounts receivable (continued)

- (c) As at 31 December 2014, accounts receivable with amounts that are individually significant and subject to separate assessment for provision are analysed as follows:

	Ending balance	Provision for bad debts	Ratio	Reason
Gansu Nongken Brewery Company Limited ("Nongken Brewery Company")	14,996,236	(14,996,236)	100%	(i)
Beijing Tsingtao Brewery Sales Company Limited ("Beijing Sales Company")	11,245,784	(11,245,784)	100%	(ii)
Tsingtao Brewery (Guangzhou) General Agency Company Limited ("Guangzhou General Agency")	<u>7,559,690</u>	<u>(7,559,690)</u>	100%	(iii)
	<u>33,801,710</u>	<u>(33,801,710)</u>		

- (i) As Nongken Brewery Company had been deregistered, the management of the Group is of the view that it is difficult to collect the receivable amount, therefore full bad debt provision has been made accordingly.
- (ii) The Company has ceased all business transactions with Beijing Sales Company since year 2002, the management of the Company is of the view that it is difficult to collect the receivable amount, therefore full bad debt provision has been made accordingly.
- (iii) As Guangzhou General Agency has ceased operation, the management of the Company is of the view that it is difficult to collect the receivable amount, therefore full bad debt provision has been made accordingly.
- (d) Accounts receivable that are subject to provision for bad debts on the grouping basis (Group C) using the ageing analysis method are analysed as follows:

	31 December 2014			31 December 2013		
	Ending balance	Provision for bad debts		Ending balance	Provision for bad debts	
	Amount	Ratio	Amount	Ratio	Ratio	
Within 6 months	124,721,721	—	—	150,525,869	—	—
6 months to 1 year	669,040	(33,452)	5%	1,859,860	(92,993)	5%
1 to 2 years	128,640	(64,320)	50%	—	—	—
2 to 3 years	—	—	—	565,506	(565,506)	100%
Over 3 years	<u>165,183,382</u>	<u>(165,183,382)</u>	100%	164,624,431	<u>(164,624,431)</u>	100%
	<u>290,702,783</u>	<u>(165,281,154)</u>	56.86%	<u>317,575,666</u>	<u>(165,282,930)</u>	52.05%



## Notes to Financial Statements

For the year ended 31 December 2014

(All amounts in RMB Yuan unless otherwise stated)

### 4 Notes to the consolidated financial statements (continued)

#### (3) Accounts receivable (continued)

- (e) The provisions for bad debts are 76,088, and the reversal provisions for bad debts are 3,070,887. The significant reversal provisions for bad debts are as follows:

	Reason for reversal	Rationality of provision basis	Amount of reversal	Recovery way
Guangzhou General Agency	Partial collected in the current year	The possibility of recovery is low in management's view	3,000,000	Bank acceptance notes

- (f) Accounts receivable of RMB6,977 (2013: RMB7,894,205), that the management has no expectation of recovering additional cash, were written off with the approval in the current year.

- (g) As at 31 December 2014, the top five accounts receivable are analysed as follows:

	Amount	Provision of bad debts	% of total balance
Total amount of the top five accounts receivable	56,683,231	(34,583,754)	17.47%

- (h) As at 31 December 2014, there are no accounts receivables derecognised due to the transfer of financial assets (31 December 2013: nil).

#### (4) Other receivables

	31 December 2014	31 December 2013
Receivables on construction and equipment (i)	46,017,517	44,698,215
Guarantee deposits	30,394,835	33,574,454
Staff advance	23,297,441	27,967,711
Brand royalty (ii)	17,630,536	12,639,838
Refund for prepayment of land use rights	17,441,647	17,441,647
Payment on behalf for recycled bottles	6,081,251	24,942,168
VAT refund	2,597,139	6,190,446
Others	88,887,211	89,362,545
	<u>232,347,577</u>	<u>256,817,024</u>
Less: provision for bad debts	<u>(68,763,627)</u>	<u>(73,421,557)</u>
	<u>163,583,950</u>	<u>183,395,467</u>





## Notes to Financial Statements

For the year ended 31 December 2014

(All amounts in RMB Yuan unless otherwise stated)

### 4 Notes to the consolidated financial statements (continued)

#### (4) Other receivables (continued)

- (i) It represents the construction and equipment receivables of Tsingtao Brewery Construction Co., Ltd. (“Construction Company”) and Tsingtao Brewery Machinery and Equipment Co., Ltd. (“Machinery and Equipment Company”), both of which are subsidiaries of the Company, from the Company’s associates Shanghai Songjiang Manufacturing Co., Ltd (“New Songjiang Manufacturing”), Tsingtao Brewery (Suqian) Co., Ltd. (“Suqian Company”) and Tsingtao Brewery (Yangzhou) Co., Ltd. (“Yangzhou Company”) and the third parties’ (Note 8(5)).
- (ii) It represents the Company’s brand royalty receivables from New Songjiang Manufacturing, Tsingtao Brewery (Xuzhou) Co., Ltd. (“Xuzhou Company”), Tsingtao Brewery (Xuzhou) Pengcheng Co., Ltd. (“Pengcheng Company”), Suqian Company, Yangzhou Company and China Jiangsu Suntory Food Co., Ltd. (“Suntory Jiangsu”), according to the “Brand and Advertising Services Contract” signed among the Company and these associate companies (Note 8(5)).
- (a) The ageing of other receivables is analysed below:

	31 December 2014	31 December 2013
Within 6 months	159,420,717	174,597,753
6 months to 1 year	1,949,829	3,801,297
1 to 2 years	1,222,821	4,430,663
2 to 3 years	865,213	5,126,417
Over 3 years	68,888,997	68,860,894
	<u>232,347,577</u>	<u>256,817,024</u>

- (b) Other receivables by categories are analysed as follows:

	31 December 2014				31 December 2013			
	Ending balance		Provision for bad debts		Ending balance		Provision for bad debts	
	Amount	% of total balance	Amount	Ratio	Amount	% of total balance	Amount	Ratio
Individually significant and subject to separate assessment for provision	17,441,647	7.51%	(17,441,647)	100%	17,441,647	6.79%	(17,441,647)	100%
Subject to provision on the grouping basis								
Group A	9,998,266	4.30%	—	—	7,851,446	3.06%	—	—
Group C	204,907,664	88.19%	(51,321,980)	25.05%	231,523,931	90.15%	(55,979,910)	24.18%
	<u>232,347,577</u>	<u>100%</u>	<u>(68,763,627)</u>	<u>29.60%</u>	<u>256,817,024</u>	<u>100%</u>	<u>(73,421,557)</u>	<u>28.59%</u>



## Notes to Financial Statements

For the year ended 31 December 2014

(All amounts in RMB Yuan unless otherwise stated)

### 4 Notes to the consolidated financial statements (continued)

#### (4) Other receivables (continued)

- (c) As at 31 December 2014, other receivables that are individually significant and that subject to separate assessment for provision on the individual basis are analysed as follows:

	Ending balance	Provision for bad debts	Ratio	Reason
Refund for prepayment of land use rights	17,441,647	(17,441,647)	100%	(i)

- (i) The land use right of the company was expropriated by the government years ago. The government committed rendering another new land use right instead. The management of the Company considers that the possibility of obtain new land use right is low, therefore has transferred the cost of land use right that expropriated of 8,584,437 and cost of buildings on this land of 8,857,210 to other receivables, and full bad debt provision has been made accordingly.
- (d) Other receivables that are subject to provision for bad debts on the grouping basis (Group C) using the ageing analysis method are analysed as follows:

	31 December 2014			31 December 2013		
	Ending balance	Provision for bad debts		Ending balance	Provision for bad debts	
	Amount	Ratio		Amount	Ratio	
Within 6 months	151,853,165	—	—	172,510,464	—	—
6 months to 1 year	1,180,115	(59,006)	5%	2,153,679	(107,684)	5%
1 to 2 years	1,222,821	(611,411)	50%	1,975,124	(987,562)	50%
2 to 3 years	865,213	(865,213)	100%	3,465,417	(3,465,417)	100%
Over 3 years	49,786,350	(49,786,350)	100%	51,419,247	(51,419,247)	100%
	<u>204,907,664</u>	<u>(51,321,980)</u>	<u>25.05%</u>	<u>231,523,931</u>	<u>(55,979,910)</u>	<u>24.18%</u>

- (e) The provisions for bad debts are RMB951,259, and the reversal provision for bad debts are RMB2,811,592.

- (f) Other receivables of RMB2,797,597 were written off in the current year, including the significant items as follows:

Nature	Amount	Reason	Procedure	Arising from related party transactions or not
Material refunds receivable	2,657,769	The management is of view that the receivables could not be recovered	Approved by the Group	No



## Notes to Financial Statements

For the year ended 31 December 2014

(All amounts in RMB Yuan unless otherwise stated)

### 4 Notes to the consolidated financial statements (continued)

#### (4) Other receivables (continued)

(g) As at 31 December 2014, the top five other receivables are analysed as follows:

	Nature	Amount	Ageing	% of total balance	provision for bad debts
No.1	Construction and brand royalty	25,511,113	Within 6 months	10.98%	—
No.2	Construction and brand royalty	19,697,470	Within 6 months	8.48%	—
No.3	Construction and brand royalty	14,081,877	Within 6 months	6.06%	—
No.4	Land refunds receivable	8,584,437	Over 3 years	3.69%	(8,584,437)
No.5	Guaranteed deposit	5,740,127	Within 6 months	2.47%	—
		<u>73,615,024</u>		<u>31.68%</u>	<u>(8,584,437)</u>

#### (5) Advances to suppliers

(a) The ageing of advances to suppliers is analysed as follows:

	31 December 2014		31 December 2013	
	Amount	% of total balance	Amount	% of total balance
Within 1 year	<b>188,308,026</b>	<b>98.25%</b>	130,167,919	98.35%
1 to 2 years	<b>3,319,554</b>	<b>1.73%</b>	248,289	0.19%
2 to 3 years	—	—	1,929,319	1.46%
Over 3 years	<b>45,347</b>	<b>0.02%</b>	—	—
	<u><b>191,672,927</b></u>	<u><b>100%</b></u>	<u>132,345,527</u>	<u>100%</u>

As at 31 December 2014, advances to suppliers over 1 year with carrying amount of RMB3,364,901 (31 December 2013: RMB2,177,608) are mainly advances paid for materials, which are not fully settled due to production plan.

(b) As at 31 December 2014, the total amount of top five advances to suppliers are analysed as follows:

	Amount	% of total balance
Total amount of the top five advances to suppliers	<u>172,854,853</u>	<u>90.18%</u>



## Notes to Financial Statements

For the year ended 31 December 2014

(All amounts in RMB Yuan unless otherwise stated)

### 4 Notes to the consolidated financial statements (continued)

#### (6) Interests receivable

	31 December 2013	Increase in the current year	Decrease in the current year	31 December 2014
Interests Receivable	188,461,377	408,031,131	(424,832,063)	171,660,445

Interests receivable is mainly due from external financial institutions, which arising from the interests of the inter-bank deposit not yet received by Finance Company, a subsidiary of the Company.

As at 31 December 2014, there is no interests receivable overdue (31 December 2013: nil).

#### (7) Inventories

(a) Classification of inventories is as follows:

	31 December 2014			31 December 2013		
	Ending balance	Provision	Carrying amount	Ending balance	Provision	Carrying amount
Raw materials	656,883,671	(3,055,402)	653,828,269	627,732,569	(3,572,307)	624,160,262
Packaging materials	855,013,268	(10,262,020)	844,751,248	909,403,798	(11,130,052)	898,273,746
Low-value consumption goods	79,432,536	—	79,432,536	51,071,803	—	51,071,803
Materials on consignment for further processing	24,105,809	—	24,105,809	4,174,110	—	4,174,110
Work in progress	388,393,264	—	388,393,264	385,960,322	—	385,960,322
Finished goods	496,315,980	—	496,315,980	570,911,692	—	570,911,692
	<b>2,500,144,528</b>	<b>(13,317,422)</b>	<b>2,486,827,106</b>	<b>2,549,254,294</b>	<b>(14,702,359)</b>	<b>2,534,551,935</b>

(b) Movement of inventories is as follows:

	31 December 2013	Increase in the current year	Decrease in the current year	Increase due to business combinations	31 December 2014
Raw materials	627,732,569	3,756,301,889	(3,733,556,160)	6,405,373	656,883,671
Packaging materials	909,403,798	7,360,337,443	(7,426,182,018)	11,454,045	855,013,268
Low-value consumption goods	51,071,803	977,314,980	(951,576,307)	2,622,060	79,432,536
Material on consignment for further processing	4,174,110	168,674,332	(148,742,633)	—	24,105,809
Work in progress	385,960,322	4,804,172,886	(4,806,107,761)	4,367,817	388,393,264
Finished goods	570,911,692	17,772,943,871	(17,848,764,619)	1,225,036	496,315,980
	<b>2,549,254,294</b>	<b>34,839,745,401</b>	<b>(34,914,929,498)</b>	<b>26,074,331</b>	<b>2,500,144,528</b>

## Notes to Financial Statements

For the year ended 31 December 2014

(All amounts in RMB Yuan unless otherwise stated)

### 4 Notes to the consolidated financial statements (continued)

#### (7) Inventories (continued)

(c) Provision for decline in the value of inventories are analysed as follows:

	31 December 2013	Increase in the current year	Decrease in the current year		31 December 2014
			Reversal	Write-off	
Raw materials	(3,572,307)	—	205,000	311,905	(3,055,402)
Packaging materials	(11,130,052)	—	175,100	692,932	(10,262,020)
	(14,702,359)	—	380,100	1,004,837	(13,317,422)

(d) Provisions for decline in the value of inventories are as follows:

	Basis for provision	Reason for reversal or writing-off
Raw materials and packaging materials	Estimated selling price less the estimated costs to completion and estimated expenses necessary to make the sale and related taxes	Reversal: increase in net realisable value Writing-off: used or sold in the current year

#### (8) Other current assets

	31 December 2014	31 December 2013
Prepaid Enterprise Income tax	451,721,398	142,498,623
Input VAT	303,564,776	320,426,790
Available-for-sale financial assets (wealth management products) (i)	20,000,000	—
Others	7,344,976	3,938,009
	782,631,150	466,863,422

(i) It represents the wealth management products purchased by Finance Company, a subsidiary of the Company, with a holding period from 6 November 2014 to 6 May 2015.

#### (9) Available-for-sale financial assets

	31 December 2014	31 December 2013
Measured at cost (available-for-sale equity instruments)	8,961,821	10,116,821
Less: impairment allowance	(8,653,179)	(8,808,179)
	308,642	1,308,642





## Notes to Financial Statements

For the year ended 31 December 2014

(All amounts in RMB Yuan unless otherwise stated)

### 4 Notes to the consolidated financial statements (continued)

#### (9) Available-for-sale financial assets (continued)

(a) Available-for-sale financial assets measured at cost are as follows:

	31 December 2013	Decrease in the current year	<b>31 December 2014</b>	Dividend distribution in the current year
Cost of available-for-sale equity instruments				
— Qingdao Yingxiao Club	3,985,261	—	<b>3,985,261</b>	—
— Guangxi Beihai Real Estate Co., Ltd.	3,610,000	—	<b>3,610,000</b>	—
— Others	2,521,560	(1,155,000)	<b>1,366,560</b>	65,522
	<u>10,116,821</u>	<u>(1,155,000)</u>	<b><u>8,961,821</u></b>	<u>65,522</u>
		31 December 2013	Decrease in current year	<b>31 December 2014</b>
Provision of impairment				
— Qingdao Yingxiao Club		(3,985,261)	—	<b>(3,985,261)</b>
— Guangxi Beihai Real Estate Co., Ltd.		(3,610,000)	—	<b>(3,610,000)</b>
— Others		(1,212,918)	155,000	<b>(1,057,918)</b>
		<u>(8,808,179)</u>	<u>155,000</u>	<b><u>(8,653,179)</u></b>

For the year ended 31 December 2014, the provision for the available-for-sale financial assets decreased by 155,000, which was due to the deregistration of the investee Taizhou Jiaojiang Beer Sales Co., Ltd. and the write-off of the cost and provision for available-for-sale equity instrument by the Company accordingly.

The available-for-sale financial assets measured at cost mainly include the unlisted equity investments held by the Group which are not quoted in an active market and whose fair value cannot be reliably measured as the range of fair value reasonable estimates are large and probabilities for determining these estimates cannot be reasonably determined. The Group has no plan to dispose these investments.



## Notes to Financial Statements

For the year ended 31 December 2014

(All amounts in RMB Yuan unless otherwise stated)

### 4 Notes to the consolidated financial statements (continued)

#### (10) Long-term equity investments

	31 December 2014	31 December 2013
Joint Ventures — unlisted company (a)	221,117,360	—
Associates — unlisted company (b)	1,316,365,015	1,271,858,738
	<b>1,537,482,375</b>	1,271,858,738
Less: Provision for impairment of long-term equity investments	<b>(1,220,000)</b>	(1,220,000)
	<b>1,536,262,375</b>	1,270,638,738

There is no restriction on transfer to cash.

There is no restriction on transfer of cash among the Group and its joint ventures and associates.

#### (a) Joint Ventures

	31 December 2013	Movement in the current period				31 December 2014	Equity interest held	Voting rights held	Impairment
		Increase in investment	Net profit or loss adjusted on equity method	Adjustment of other comprehensive income	Other changes				
Hebei Jiahe Company (i)	—	231,469,400	(10,352,040)	—	—	221,117,360	50%	50%	—
Equipment Manufacture (ii)	—	—	30,164	—	(30,164)	—	—	—	—
	—	231,469,400	(10,321,876)	—	(30,164)	221,117,360			—

- (i) According to the Assets Restructuring and Equity Transaction Framework Agreement signed between the Company and shareholders of Jiahe Brewery Co., Ltd, including Shijiazhuang Jiahe Brewery Co., Ltd, trade union committee of Jiahe Brewery Co., Ltd and Union Investment Co., Ltd., a new company, Hebei Jiahe Company, has been splited and to continue brewery business. The Company acquired 50% equity interest in Hebei Jiahe Company by RMB231,469,400 and marketing network of Hebei Jiahe Company in terms of business combination by RMB68,530,600. The equity transaction procedures have been completed in February 2014. Apart from the 5,000,000 for the transaction pending to be paid upon completing the land transfer registration, the Company has paid 295,000,000 for the transaction by 31 December 2014.

The percentage of equity interests and voting right held by the Company are both 50% to Hebei Jiahe Company, so the Group owns joint control over Hebei Jiahe Company and accounts for it as a joint venture.

- (ii) The percentages of shareholding and voting rights in the Equipment Manufacturing Company held by the Group are 50% before year 2014, thereby the Group is able to exercise joint control over it and to account for it as a joint venture.

On 31 October 2014, The Company's subsidiary, Engineering Company, has entered into an Equity Transfer Agreement with the shareholder of the Equipment Manufacturing Company, and has obtained the remaining 50% equities of the Equipment Manufacturing Company with the consideration of RMB100,000, therefore the Equipment Manufacturing Company has been changed to a wholly-owned subsidiary of the Company.

As at 31 December 2014, the Company has no unrecognised commitments related to the investment of joint ventures.



## Notes to Financial Statements

For the year ended 31 December 2014

(All amounts in RMB Yuan unless otherwise stated)

### 4 Notes to the consolidated financial statements (continued)

#### (10) Long-term equity investments (continued)

##### (b) Associates

	Accounting Method	Investment cost	31 December 2013	Movement in current year			31 December 2014	Equity interests held	Voting rights held	Impairment provided	
				Share of net profit using the equity method	Share of other comprehensive income	Cash dividend declared					
Suntory Tsingtao Brewery (Shanghai) Co., Ltd. ("Manufacturing Company") (i)	Equity Method	1,141,123,402	1,110,117,556	11,321,022	—	—	31,450,000	1,152,888,578	50%	44.44%	—
Yantai Asahi	Equity Method	120,024,598	137,342,504	15,506,579	—	(15,097,173)	—	137,751,910	39%	39%	—
Qingdao Zhaoshang Logistics Company Limited. ("Zhaoshang Logistics")	Equity Method	6,000,000	17,863,258	2,350,367	—	—	—	20,213,625	30%	30%	—
Liaoning Shengqing Tsingtao Brewery Company Limited. ("Liaoning Shengqing")	Equity Method	600,000	3,722,365	(1,115,378)	—	—	—	2,606,987	30%	30%	—
European Company	Equity Method	584,166	1,593,055	250,023	(159,163)	—	—	1,683,915	40%	40%	—
Others	Equity Method	1,220,000	1,220,000	—	—	—	—	1,220,000	—	—	(1,220,000)
			1,271,858,738	28,312,613	(159,163)	(15,097,173)	31,450,000	1,316,365,015			(1,220,000)

- (i) The Group's percentage of equity interests in Manufacturing Company is 50%, while the voting rate is 44.44%. All decisions of operating activities are made by the Board of Directors in Manufacturing Company. There are 9 directors in total while 4 directors are from the Group, so the Group can exercise significant influence over Manufacturing Company and account for it as an associate. The other 5 directors are from Suntory (China) Investment Company Limited ("Suntory Company").

The Company and Suntory Company signed the supplemental agreement on 24 February 2014. In accordance with the supplemental agreement, Suntory will further inject supplementary capital amounting to RMB62,900,000 to the Manufacturing Company as capital surplus. Such further injection will not affect the Company and Suntory Company's share percentage of investment in Manufacturing Company. On 21 July 2014, Manufacturing Company received the supplemental capital from Suntory Company, the Company recognised RMB31,450,000, 50% of the increased capital, as long-term equity investment.

The share of net profit using the equity method is RMB11,321,022, including investment income RMB14,451,011 of net profit share based on the fair value adjustment and RMB3,129,989 of investment decrease due to the unrealised profit in downstream transaction when sold the fixed asset to the Manufacturing Company.

#### (11) Investment properties

	Buildings
31 December 2013	7,924,988
Transferred from fixed assets	7,418,921
Depreciations in the current year	(392,935)
Transferred to fixed assets	(3,990,682)
31 December 2014	10,960,292

For the year ended 31 December 2014, there is no investment properties measured at fair value in the Group (2013: nil).

For the year ended 31 December 2014, there is no investment properties without ownership certificates (31 December 2013: nil).

## Notes to Financial Statements

For the year ended 31 December 2014

(All amounts in RMB Yuan unless otherwise stated)

### 4 Notes to the consolidated financial statements (continued)

#### (12) Fixed assets

	Buildings	Machinery and equipments	Vehicles	Other equipments	Total
Cost					
31 December 2013	5,369,387,764	9,658,650,486	361,507,635	629,994,552	16,019,540,437
Increase in the current year	407,618,784	683,228,138	48,369,175	96,639,395	1,235,855,492
Purchase	—	52,233,287	45,913,932	96,128,395	194,275,614
Transfer from construction in progress	308,906,334	560,639,572	—	—	869,545,906
Business combination not under common control	88,388,038	70,355,279	2,455,243	511,000	161,709,560
Transfer from investment properties	10,324,412	—	—	—	10,324,412
Decrease in current year	(124,119,135)	(447,521,413)	(49,282,911)	(41,935,662)	(662,859,121)
Disposal	(112,568,805)	(447,521,413)	(49,282,911)	(41,935,662)	(651,308,791)
Transfer to investment properties	(11,550,330)	—	—	—	(11,550,330)
<b>31 December 2014</b>	<b>5,652,887,413</b>	<b>9,894,357,211</b>	<b>360,593,899</b>	<b>684,698,285</b>	<b>16,592,536,808</b>

#### Accumulated depreciation

31 December 2013	(1,341,994,423)	(4,724,872,198)	(205,717,239)	(378,923,348)	(6,651,507,208)
Increase in the current year	(145,702,239)	(480,688,781)	(28,429,807)	(78,894,568)	(736,715,395)
Accrual	(139,368,509)	(480,688,781)	(28,429,807)	(78,894,568)	(730,381,665)
Transfer from investment properties	(6,333,730)	—	—	—	(6,333,730)
Decrease in the current year	61,294,376	284,352,681	39,264,405	38,156,327	423,067,789
Disposal	57,162,967	284,352,681	39,264,405	38,156,327	418,936,380
Transfer to investment properties	4,131,409	—	—	—	4,131,409
<b>31 December 2014</b>	<b>(1,426,402,286)</b>	<b>(4,924,208,298)</b>	<b>(194,882,641)</b>	<b>(419,661,589)</b>	<b>(6,965,154,814)</b>

#### Provision for impairment

31 December 2013	(87,100,842)	(529,371,546)	(10,864,776)	(385,788)	(627,722,952)
Increase in the current year — Accrual	(377,471)	(1,175,363)	(97,561)	(71,057)	(1,721,452)
Decrease in the current year — Disposal	20,590,375	92,841,617	7,299,717	106,891	120,838,600
<b>31 December 2014</b>	<b>(66,887,938)</b>	<b>(437,705,292)</b>	<b>(3,662,620)</b>	<b>(349,954)</b>	<b>(508,605,804)</b>

#### Carrying amount

<b>31 December 2014</b>	<b>4,159,597,189</b>	<b>4,532,443,621</b>	<b>162,048,638</b>	<b>264,686,742</b>	<b>9,118,776,190</b>
31 December 2013	3,940,292,499	4,404,406,742	144,925,620	250,685,416	8,740,310,277



## Notes to Financial Statements

For the year ended 31 December 2014

(All amounts in RMB Yuan unless otherwise stated)

### 4 Notes to the consolidated financial statements (continued)

#### (12) Fixed assets (continued)

As at 31 December 2014, there are no fixed assets pledged as collateral for borrowings (31 December 2013: nil).

In 2014, fixed assets depreciation amounts to RMB730,381,665 (2013: RMB711,602,405), of which RMB640,661,147, 17,191,812 and 72,528,706 (2013: RMB625,610,113, RMB10,966,040 and RMB75,026,252) have been charged to cost of sales, selling and distribution expenses and general and administrative expenses respectively.

The cost of fixed assets transferred from construction in progress amounts to RMB 869,545,906 (2013: RMB1,801,688,134).

#### (a) Temporarily idle fixed assets

As at 31 December 2014, the buildings and the machinery and equipments with carrying amount of RMB30,268,786 (cost of RMB69,372,544) are temporarily idle for the reason of products update (31 December 2013: carrying amount of RMB9,832,690 (cost of RMB54,809,962)). Management planned to reallocate these assets among the Group. The detailed analysis of these assets is as follows:

	Cost	Accumulated depreciation	Provision for impairment	Carrying amount
Machinery and equipments	69,022,044	(37,365,889)	(1,533,283)	30,122,872
Buildings	350,500	(204,586)	—	145,914
	<u>69,372,544</u>	<u>(37,570,475)</u>	<u>(1,533,283)</u>	<u>30,268,786</u>

#### (b) Fixed assets held under finance leases

As at 31 December 2014, there are no fixed assets held under finance leases (31 December 2013: nil).

#### (c) Provision for impairment

According to the accounting policies stated in Note 2(19), the Group performs impairment testing on buildings, machinery and equipments with impairment indicator at the balance sheet date, and impairment of RMB1,721,452 has been recognised.

#### (d) Fixed assets without certificates of ownership

The ownership certificates of the Group's certain buildings have not been obtained. The analysis is as follows:

Reason	31 December 2014		31 December 2013	
	Cost	Carrying amount	Cost	Carrying amount
In the application process	444,708,000	329,537,000	760,091,000	650,380,000
Unable to obtain	130,533,000	51,288,000	156,165,000	83,693,000
	<u>575,241,000</u>	<u>380,825,000</u>	<u>916,256,000</u>	<u>734,073,000</u>



## Notes to Financial Statements

For the year ended 31 December 2014

(All amounts in RMB Yuan unless otherwise stated)

### 4 Notes to the consolidated financial statements (continued)

#### (12) Fixed assets (continued)

##### (d) Fixed assets without certificates of ownership (continued)

Per consultation with the Company's legal adviser, the Company's directors are of the view that this situation will not prevent the Group from legal possession of such facilities as there is no legal restriction for the Group to apply for and obtain the building ownership certificates, there are no significant adverse impact on the operations of the Group, therefore, no provision for fixed assets impairment is provided. In addition, certain buildings of the Group are still located on parcels of allocated land owned by certain local municipal governments (Note 4(15)).

	Reason
Partial buildings of Immense Brewery Company	In progress
Partial buildings of Sanshui Company	In progress
Partial buildings of Mishan Company	In progress
Partial buildings of Chengdu Company	In progress
Partial buildings of Yulin Company	In progress
Partial buildings of Wuwei Company	In progress
Partial buildings of Shenzhen Asahi Company	In progress
Partial buildings of Weinan Company	In progress
Partial buildings of Gansu Nongken Company	In progress
Partial buildings of Wuhu Company	In progress
Partial buildings of Suizhou Company	In progress
Partial buildings of Luzhou Company	In progress
Partial buildings of Xiamen Company	In progress
Partial buildings of Shaoguan Company	In progress
Partial buildings of Shaoguan Company	Temporary building, unable to obtain
Partial buildings of Five Star Company	Temporary building, unable to obtain
Partial buildings of Xiamen Company	Lack of document, unable to obtain
Partial buildings of No.1 Factory	Lack of document, unable to obtain
Partial buildings of Malt Factory	Lack of document, unable to obtain
Partial buildings of Three Ring Company	Lack of document, unable to obtain
Partial buildings of Xuecheng Company	Lack of document, unable to obtain



## Notes to Financial Statements

For the year ended 31 December 2014

(All amounts in RMB Yuan unless otherwise stated)

### 4 Notes to the consolidated financial statements (continued)

#### (13) Construction in progress

	31 December 2014			31 December 2013		
	Ending balance	Provision for impairment	Carrying amount	Ending balance	Provision for impairment	Carrying amount
Relocation and renovation Project of Malt Factory	340,292,939	—	340,292,939	181,815,189	—	181,815,189
Relocation Project of Gansu Nongken Company	215,203,326	—	215,203,326	31,365,944	—	31,365,944
Relocation Project of Hansi Baoji Company	194,854,352	—	194,854,352	404,114	—	404,114
Relocation Project of Weinan Company	88,341,022	—	88,341,022	977,602	—	977,602
Production Line Improvement of No. 1 Factory	57,160,867	—	57,160,867	44,717,502	—	44,717,502
Production Line Improvement of No. 3 Factory	33,014,376	—	33,014,376	21,653,376	—	21,653,376
New Factory Project of Zhangjiakou Company	13,522,040	—	13,522,040	—	—	—
Production Line Improvement of Jiujiang Company	12,428,961	—	12,428,961	2,136,834	—	2,136,834
Production Line Improvement of No. 2 Factory	12,598,791	—	12,598,791	26,757,777	(462,515)	26,295,262
Relocation Project of Heze Company	11,814,099	—	11,814,099	130,232,175	—	130,232,175
Production Line Improvement of Xingkaihu Company	10,632,206	—	10,632,206	221,361	—	221,361
Production Line Improvement of Langfang Company	7,578,858	—	7,578,858	—	—	—
Production Line Improvement of Xiamen Company	7,258,157	—	7,258,157	652,427	—	652,427
Production Line Improvement of Five stars Company	6,066,000	—	6,066,000	—	—	—
Relocation Project of Harbin Company	5,471,634	—	5,471,634	16,063,881	—	16,063,881
Production Line Improvement of Nanning Company	4,918,806	—	4,918,806	2,254,340	—	2,254,340
Production Line Improvement of Taizhou Company	3,190,758	—	3,190,758	542,606	—	542,606



## Notes to Financial Statements

For the year ended 31 December 2014

(All amounts in RMB Yuan unless otherwise stated)

### 4 Notes to the consolidated financial statements (continued)

#### (13) Construction in progress (continued)

	31 December 2014			31 December 2013		
	Ending balance	Provision for impairment	Carrying amount	Ending balance	Provision for impairment	Carrying amount
New office building project of shanghai sales company	3,058,376	—	3,058,376	1,657,376	—	1,657,376
Production Line Improvement of Wuhu Company	2,733,342	—	2,733,342	—	—	—
Production Line Improvement of Hanzhong Company	2,500,694	—	2,500,694	2,510,641	—	2,510,641
Production Line Improvement of Rongcheng Company	2,302,127	—	2,302,127	64,103	—	64,103
Production Line Improvement of No.5 Factory	2,684,260	—	2,684,260	526,166	—	526,166
Production Line Improvement of Xi'an Company	1,696,745	—	1,696,745	4,139,129	—	4,139,129
Equipment installation of Fuzhou Company	1,445,663	—	1,445,663	—	—	—
Production Line Improvement of Pingyuan Company	1,093,894	—	1,093,894	158,744	—	158,744
Production Line Improvement of Weifang Company	1,050,723	—	1,050,723	—	—	—
Production Line Improvement of Xuecheng Company	1,038,500	—	1,038,500	50,000	—	50,000
Production Line Improvement of No. 4 Factory	717,647	—	717,647	1,228,661	—	1,228,661
Relocation Project of Sanshui Company	691,234	—	691,234	3,718,738	—	3,718,738
Relocation Project of Wuwei Company	630,992	—	630,992	1,106,799	—	1,106,799
Production Line Improvement of Luoyang Company	622,222	—	622,222	—	—	—
Other projects	5,302,454	—	5,302,454	32,131,286	—	32,131,286
	<b>1,051,916,065</b>	<b>—</b>	<b>1,051,916,065</b>	<b>507,086,771</b>	<b>(462,515)</b>	<b>506,624,256</b>



## Notes to Financial Statements

For the year ended 31 December 2014

(All amounts in RMB Yuan unless otherwise stated)

### 4 Notes to the consolidated financial statements (continued)

#### (13) Construction in progress (continued)

##### (a) Movement in significant construction in progress

Name	Budget	31 December 2013	Increase in the current year	Transfer to fixed assets	Write-off	31 December 2014	Expenditures percentage of budget	Completion percentage	Source of funds
Relocation and renovation Project of Malt Factory	382,086,095	181,815,189	164,068,943	(5,591,193)	—	340,292,939	91%	85%	Funding from convertible bonds
Relocation Project of Gansu Nongken Company	296,200,000	31,365,944	184,057,744	(220,362)	—	215,203,326	80%	80%	Self-funding
Relocation Project of Hansi Baoji Company	352,000,000	404,114	194,806,352	(356,114)	—	194,854,352	85%	85%	Self-funding
Relocation Project of Weinan Company	308,330,000	977,602	87,363,420	—	—	88,341,022	25%	25%	Self-funding
Production Line Improvement of No. 1 Factory	297,660,000	44,717,502	44,651,837	(32,208,472)	—	57,160,867	76%	76%	Self-funding
Production Line Improvement of No. 3 Factory	329,693,931	21,653,376	250,704,993	(239,343,993)	—	33,014,376	83%	80%	Self-funding
New Factory Project of Zhangjiakou Company	400,000,000	—	13,522,040	—	—	13,522,040	3%	3%	Self-funding
New Factory Project of Jiujiang Company	220,000,000	2,136,834	22,572,018	(12,279,891)	—	12,428,961	99%	99%	Self-funding
Production Line Improvement of No.2 Factory	643,817,000	26,757,777	9,912,908	(23,609,379)	(462,515)	12,598,791	97%	97%	Self-funding
Relocation Project of Heze Company	291,640,000	130,232,175	59,779,652	(178,197,728)	—	11,814,099	81%	80%	Self-funding
Production Line Improvement of Xingkaihu Company	62,122,205	221,361	10,667,280	(256,435)	—	10,632,206	84%	84%	Self-funding
Production Line Improvement of Langfang Company	9,861,637	—	7,578,858	—	—	7,578,858	77%	77%	Self-funding
Production Line Expansion of Xiamen Company	186,670,000	652,427	12,804,860	(6,199,130)	—	7,258,157	90%	90%	Self-funding
Production Line Improvement of Five stars Company	28,478,592	—	18,276,252	(12,210,252)	—	6,066,000	97%	97%	Self-funding
Relocation Project of Harbin Company	232,052,873	16,063,881	19,821,837	(30,414,084)	—	5,471,634	96%	96%	Self-funding
Production Line Improvement of Nanning Company	14,629,826	2,254,340	8,315,628	(5,651,162)	—	4,918,806	72%	72%	Self-funding
Production Line Improvement of Taizhou Company	19,932,313	542,606	13,623,456	(10,975,304)	—	3,190,758	71%	71%	Self-funding
New office building project of Shanghai Sales Company	140,000,000	1,657,376	1,401,000	—	—	3,058,376	2%	2%	Self-funding
Production Line Improvement of Wuhu Company	6,960,547	—	5,576,846	(2,843,504)	—	2,733,342	80%	80%	Self-funding
Production Line Improvement of Hanzhong Company	12,258,000	2,510,641	6,568,342	(6,578,289)	—	2,500,694	86%	85%	Self-funding
Production Line Improvement of Rongcheng Company	3,151,081	64,103	2,302,127	(64,103)	—	2,302,127	76%	76%	Self-funding
Production Line Improvement of No.5 Factory	12,370,114	526,166	8,530,046	(6,371,952)	—	2,684,260	73%	70%	Self-funding
Production Line Improvement of Xi'an Company	21,275,000	4,139,129	13,444,476	(15,886,860)	—	1,696,745	83%	83%	Self-funding
Equipment installation of Fuzhou Company	1,632,287	—	3,377,617	(1,931,954)	—	1,445,663	57%	57%	Self-funding
Production Line Improvement of Pingyuan Company	6,307,300	158,744	3,537,995	(2,602,845)	—	1,093,894	59%	59%	Self-funding
Production Line Improvement of Weifang Company	2,988,500	—	1,650,307	(599,584)	—	1,050,723	55%	55%	Self-funding
Production Line Improvement of Xuecheng Company	6,330,000	50,000	4,662,996	(3,674,496)	—	1,038,500	74%	72%	Self-funding
Production Line Improvement of No.4 Factory	12,360,869	1,228,661	10,998,842	(11,509,856)	—	717,647	100%	99%	Self-funding
Relocation Project of Sanshui Company	21,700,238	3,718,738	13,398,755	(16,426,259)	—	691,234	79%	79%	Self-funding
Relocation Project of Wuwei Company	314,910,000	1,106,799	16,790,461	(17,266,268)	—	630,992	100%	99%	Self-funding
Production Line Improvement of Luoyang Company	18,509,571	—	18,500,289	(17,878,067)	—	622,222	100%	99%	Self-funding
Other projects		32,131,286	181,569,538	(208,398,370)	—	5,302,454			
		507,086,771	1,414,837,715	(869,545,906)	(462,515)	1,051,916,065			

## Notes to Financial Statements

For the year ended 31 December 2014

(All amounts in RMB Yuan unless otherwise stated)

### 4 Notes to the consolidated financial statements (continued)

#### (13) Construction in progress (continued)

##### (a) Movement in significant construction in progress (continued)

For the year ended 31 December 2014, the amount of the borrowing costs of production line improvement of Malt Factory to be capitalised is RMB3,215,124. The capitalisation rate of borrowing costs is 6.53%. Interest charges capitalised from convertible bonds amount to RMB3,492,122 less interest income amount to RMB276,998 (2013: the amount of the borrowing costs to be capitalised is RMB20,370,497. The capitalisation rate of borrowing costs is 6.53%. Interest charges capitalised from convertible bonds amount to RMB22,869,706, less interest income amount to RMB2,499,209).

##### (b) Provision for impairment

	31 December 2013	Increase in the current year	Decrease in the current year	31 December 2014	Reason for provision
Tin Seamer Installation Project	(462,515)	—	462,515	—	Project terminated and disposed in the current year

#### (14) Fixed assets pending for disposal

	31 December 2014	31 December 2013
Machinery and equipments	17,965,978	5,368,759

#### (15) Intangible assets

	Land use rights	Trademarks	Technology know-how	Marketing network	Others	Total
Cost						
31 December 2013	1,800,063,245	377,622,586	18,629,100	837,704,038	266,789,311	3,300,808,280
Increase in the current year	245,288,441	38,365,727	—	137,231,632	31,364,304	452,250,104
Purchase	216,766,871	11,255,627	—	6,075,032	30,324,304	264,421,834
Business combination (a)	28,521,570	27,110,100	—	131,156,600	1,040,000	187,828,270
Decrease in the current year — Disposal	(14,993,103)	—	—	—	(1,346,736)	(16,339,839)
<b>31 December 2014</b>	<b>2,030,358,583</b>	<b>415,988,313</b>	<b>18,629,100</b>	<b>974,935,670</b>	<b>296,806,879</b>	<b>3,736,718,545</b>
Accumulated amortisation						
31 December 2013	(280,201,267)	(132,846,788)	(18,629,100)	(252,639,615)	(83,464,117)	(767,780,887)
Increase in the current year — Amortisation	(41,971,266)	(38,279,538)	—	(93,871,327)	(17,460,858)	(191,582,989)
Decrease in the current year — Disposal	2,305,845	—	—	—	923,762	3,229,607
<b>31 December 2014</b>	<b>(319,866,688)</b>	<b>(171,126,326)</b>	<b>(18,629,100)</b>	<b>(346,510,942)</b>	<b>(100,001,213)</b>	<b>(956,134,269)</b>
Net book value						
<b>31 December 2014</b>	<b>1,710,491,895</b>	<b>244,861,987</b>	<b>—</b>	<b>628,424,728</b>	<b>196,805,666</b>	<b>2,780,584,276</b>
31 December 2013	1,519,861,978	244,775,798	—	585,064,423	183,325,194	2,533,027,393



## Notes to Financial Statements

For the year ended 31 December 2014

(All amounts in RMB Yuan unless otherwise stated)

### 4 Notes to the consolidated financial statements (continued)

#### (15) Intangible assets (continued)

In 2014, the amortization of intangible assets is RMB191,582,989, which is recognised in profit or loss (2013: RMB167,025,396, recognised in profit or loss).

As at 31 December 2014, there are no intangible assets pledged as collateral for borrowings (31 December 2013: nil).

- (a) In 2014, the increase in marketing network is mainly due to the Company acquired marketing network of RMB68,530,600 of Jiahe Brewery and RMB62,626,000 of Lulansa Brewery by business combination of the Company in the current year. These two marketing networks have been merged with the Group's own sales networks.

In accordance with the valuation report issued by external independent appraiser, the valuation method used for marketing network is the income approach, using the critical assumptions as follows:

It will strive to maintain and develop the customer relations, especially the relationship with the key customer by being based on the current customer relations of Hebei Jiahe Company and Lulansa Brewery and the established marketing policies, regardless of the contribution made by new customers to the marketing network during the future operations.

- (b) As at 31 December 2014, the relevant legal procedures for certificates application of the Group's land use rights with carrying value of approximately RMB53,339,000 (31 December 2013: RMB61,644,000) are still in process. According to the legal adviser's opinion, the directors of the Company are of the view that, there is no substantial legal restriction for the acquisition of the certificates, which does not have significant impact on the Group's operation and no provision for impairment of intangible assets is considered necessary. In addition, as at 31 December 2014, buildings of certain subsidiaries of the Group were located on parcels of allocated land owned by certain local municipal governments. Most of the relevant local governments have undertaken to implement transfer procedures for these lands. Carrying values of the buildings constructed thereon were approximately RMB32,642,000 as at 31 December 2014 (31 December 2013: RMB33,618,000). The Company's directors consider that there is no significant adverse impact on the operations of the Group.
- (c) Development expenditures are set out as follows:

	31 December 2013	Increase in the current year	Decrease in the current year		31 December 2014
			Charged to losses	Recognised as intangible assets	
Beer technology improvement project	—	19,247,427	(19,247,427)	—	—

In 2014, expenditures on research and development incurred amount to RMB19,247,427 (2013: RMB20,104,429) in total, which is recognised in profit and loss for the current year.

- (d) The land usage right is located in the Mainland of China, between 10 to 50 years.



## Notes to Financial Statements

For the year ended 31 December 2014

(All amounts in RMB Yuan unless otherwise stated)

### 4 Notes to the consolidated financial statements (continued)

#### (16) Goodwill

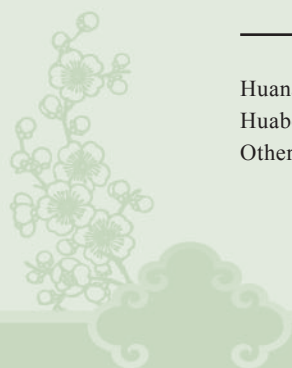
	31 December 2013	Increase in the current year	Decrease in the current year	31 December 2014
Goodwill				
Immense Brewery Company	958,868,617	—	—	958,868,617
Lulansa Brewery (i)	—	227,026,482	—	227,026,482
Huanan Region — Nanning Company	130,895,740	—	—	130,895,740
Dongnan Region — Fuzhou Company/ Xiamen Company/Zhangzhou Company/ Dongnan Sales Company	114,031,330	—	—	114,031,330
Huabei Region — Three Ring Company/ Beifang Sales Company	24,642,782	—	—	24,642,782
Others (i)	48,897,766	152,004	—	49,049,770
	<u>1,277,336,235</u>	<u>227,178,486</u>	<u>—</u>	<u>1,504,514,721</u>
Less: provision for impairment (a) —				
Immense Brewery Company	—	—	—	—
Lulansa Brewery	—	—	—	—
Huanan Region — Nanning Company	(130,895,740)	—	—	(130,895,740)
Dongnan Region — Fuzhou Company/ Xiamen Company/Zhangzhou Company/Dongnan Sales Company	—	—	—	—
Huabei Region — Three Ring Company/Beifang Sales Company	(24,642,782)	—	—	(24,642,782)
Others	(41,872,217)	—	—	(41,872,217)
	<u>(197,410,739)</u>	<u>—</u>	<u>—</u>	<u>(197,410,739)</u>
	<u>1,079,925,496</u>	<u>227,178,486</u>	<u>—</u>	<u>1,307,103,982</u>

- (i) As stated in Note 5(1), the increase of goodwill resulted from acquisition of Lulansa Brewery and Equipment Manufacture Company.

#### (a) Impairment

The goodwill allocated to the asset groups and groups of asset groups are summarised by operating segments as follows:

	31 December 2014	31 December 2013
Huanan Region	(130,895,740)	(130,895,740)
Huabei Region	(24,642,782)	(24,642,782)
Other Regions	(41,872,217)	(41,872,217)
	<u>(197,410,739)</u>	<u>(197,410,739)</u>



## Notes to Financial Statements

For the year ended 31 December 2014

(All amounts in RMB Yuan unless otherwise stated)

### 4 Notes to the consolidated financial statements (continued)

#### (16) Goodwill (continued)

##### (a) Impairment (continued)

The recoverable amounts of asset groups and groups of asset groups are calculated using the estimated cash flows determined according to the five-year financial budgets approved by management. Cash flows beyond the five-year period are calculated using the estimated growth rate of 3% which does not exceed the long-term average growth rate of the brewery industry in the PRC.

The main assumptions applied in calculating discounted future cash flows are as follows:

	Immense Brewery Company	Lulansa Brewery	Dongnan Region	Other Regions
Gross margin	31.7%	29.2%	28.2%	23.1%
Pre-tax discount rate	15.9%	15.9%	15.8%	15.8%
Post-tax discount rate	13.1%	13.1%	13.1%	13.1%

Management determines budgeted gross margin based on previous experience and forecast on future market. The discount rate used by management is the pre-tax interest rate that is able to reflect the risks specific to related asset groups and groups of asset groups. The above assumptions are used to assess the recoverable amount of each asset group and group of asset groups.

#### (17) Long-term prepaid expenses

	31 December 2013	Increase in the current year	Amortisation in the current year	31 December 2014
Decoration and renovation expenses	9,118,128	9,076,589	(4,444,701)	<b>13,750,016</b>
Gardening expenses	5,013,897	5,494,155	(4,024,289)	<b>6,483,763</b>
Factory hardening expenses	—	5,186,410	(825,837)	<b>4,360,573</b>
Rental charges	3,948,570	1,123,530	(1,183,943)	<b>3,888,157</b>
Occupancy expenses	1,760,000	—	(160,000)	<b>1,600,000</b>
Others	1,684,487	936,199	(128,678)	<b>2,492,008</b>
	<u>21,525,082</u>	<u>21,816,883</u>	<u>(10,767,448)</u>	<u><b>32,574,517</b></u>



## Notes to Financial Statements

For the year ended 31 December 2014

(All amounts in RMB Yuan unless otherwise stated)

### 4 Notes to the consolidated financial statements (continued)

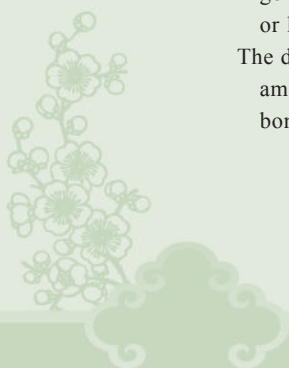
#### (18) Deferred tax assets and deferred tax liabilities

##### (a) Deferred tax assets without offsetting

	31 December 2014		31 December 2013	
	Deductible temporary differences and accumulated losses	Deferred tax assets	Deductible temporary differences and accumulated losses	Deferred tax assets
Deductible losses	59,591,708	14,897,927	—	—
Provision for assets impairment	17,615,072	4,403,768	24,232,664	6,058,166
Deferred government grants	30,055,740	7,513,935	31,018,964	7,754,741
Elimination of intra-group unrealised profit	117,046,284	29,261,571	153,159,088	38,289,772
Accruals of expenses	2,672,649,440	668,162,360	2,612,422,400	653,105,600
	<u>2,896,958,244</u>	<u>724,239,561</u>	<u>2,820,833,116</u>	<u>705,208,279</u>
Including:		31 December 2014	31 December 2013	
Amount of reversal within 1 year (Including 1 year)		648,383,844	619,839,767	
Amount of reversal beyond 1 year		<u>75,855,717</u>	<u>85,368,512</u>	
		<u>724,239,561</u>	<u>705,208,279</u>	

##### (b) Deferred tax liabilities without offsetting

	31 December 2014		31 December 2013	
	Taxable temporary differences	Deferred tax liabilities	Taxable temporary differences	Deferred tax liabilities
Business combinations not under common control	624,870,956	156,217,739	691,052,288	172,763,072
Depreciation of fixed assets	22,356,652	5,589,163	—	—
The difference between carrying amount and tax base resulted from government grants charged in profit or loss of the current year	8,457,308	2,114,327	3,929,044	982,261
The difference between carrying amount and tax base of convertible bonds	—	—	20,184,368	5,046,092
	<u>655,684,916</u>	<u>163,921,229</u>	<u>715,165,700</u>	<u>178,791,425</u>



## Notes to Financial Statements

For the year ended 31 December 2014

(All amounts in RMB Yuan unless otherwise stated)

### 4 Notes to the consolidated financial statements (continued)

#### (18) Deferred tax assets and deferred tax liabilities (continued)

##### (b) Deferred tax liabilities without offsetting (continued)

Including:	31 December 2014	31 December 2013
Amount of reversal within 1 year (Including 1 year)	30,843,169	29,619,934
Amount of reversal beyond 1 year	133,078,060	149,171,491
	<u>163,921,229</u>	<u>178,791,425</u>

##### (c) Deductible temporary differences and deductible losses that are not recognised as deferred tax assets are analysed as follows:

	31 December 2014	31 December 2013
Deductible temporary differences	349,367,033	399,534,590
Deductible losses	1,638,556,236	1,361,655,040
	<u>1,987,923,269</u>	<u>1,761,189,630</u>

Given the loss-making position of certain subsidiaries, whether it is probable that sufficient future taxable incomes will be available against such deductible losses is highly uncertain. Therefore, the Group has not recognised deferred tax assets of approximately RMB409,639,000 (31 December 2013: RMB340,414,000) arising from the accumulated losses that can set off against taxable incomes under tax laws in the five-year period from 2015 to 2019. In addition, given the loss-making position of certain subsidiaries, whether it is probable that sufficient future taxable incomes will be available against temporary differences is highly uncertain or the possibility of obtaining approval on the losses from tax authorities is low. Therefore, the Group also has not recognised deferred tax assets of approximately RMB87,342,000 (31 December 2013: RMB99,884,000) arising from the deductible temporary differences resulting from the impact of provision for impairment losses.

##### (d) Deductible losses that are not recognised as deferred tax assets will be overdue in the following years:

	31 December 2014	31 December 2013
2014	—	89,081,607
2015	181,246,239	193,003,753
2016	283,673,297	360,081,218
2017	352,640,046	406,656,485
2018	371,328,914	312,831,977
2019	449,667,740	—
	<u>1,638,556,236</u>	<u>1,361,655,040</u>





## Notes to Financial Statements

For the year ended 31 December 2014

(All amounts in RMB Yuan unless otherwise stated)

### 4 Notes to the consolidated financial statements (continued)

#### (18) Deferred tax assets and deferred tax liabilities (continued)

(e) Offsetting of deferred tax assets and liabilities:

	31 December 2014		31 December 2013	
	Offsetting amount	Net amounts	Offsetting amount	Net amounts
Deferred tax assets	5,453,489	718,786,072	5,046,092	700,162,187
Deferred tax liabilities	5,453,489	158,467,740	5,046,092	173,745,333

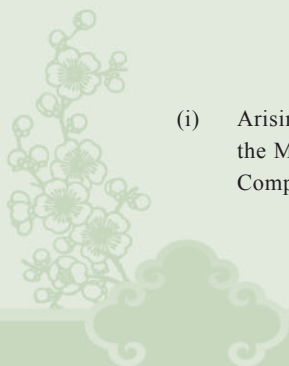
#### (19) Provision for asset impairment

	31 December 2013	Increase in the current year	Decrease in the current year		31 December 2014
			Reversal	Write-off	
Provision for bad debts	275,506,197	1,027,347	(5,882,479)	(2,804,574)	267,846,491
Including:					
Provision for bad debts of accounts receivable	202,084,640	76,088	(3,070,887)	(6,977)	199,082,864
Provision for bad debts of other receivables	73,421,557	951,259	(2,811,592)	(2,797,597)	68,763,627
Provision for decline in value of inventories	14,702,359	—	(380,100)	(1,004,837)	13,317,422
Provision for impairment of available-for-sale financial assets	8,808,179	—	—	(155,000)	8,653,179
Provision for impairment of long-term equity investments	1,220,000	—	—	—	1,220,000
Provision for impairment of investment properties	246,160	—	—	—	246,160
Provision for impairment of fixed assets	627,722,952	1,721,452	—	(120,838,600)	508,605,804
Provision for impairment of construction in progress	462,515	—	—	(462,515)	—
Provision for impairment of goodwill	197,410,739	—	—	—	197,410,739
	<u>1,126,079,101</u>	<u>2,748,799</u>	<u>(6,262,579)</u>	<u>(125,265,526)</u>	<u>997,299,795</u>

#### (20) Other non-current assets

	31 December 2014	31 December 2013
Prepayments for construction and equipments	76,626,751	192,210,169
Others (i)	—	31,450,000
	<u>76,626,751</u>	<u>223,660,169</u>

- (i) Arising from the transaction with Suntory Company in 2013, Suntory Company should inject supplementary capital to the Manufacturing Company as capital surplus. On July 2014, Manufacturing Company received the above amount, the Company recognised 50% of those as long-term equity investment Note 4 (10)(b)(i).



## Notes to Financial Statements

For the year ended 31 December 2014

(All amounts in RMB Yuan unless otherwise stated)

### 4 Notes to the consolidated financial statements (continued)

#### (21) Short-term borrowings

Classification of short-term borrowings	Currency	31 December 2014	31 December 2013
Guaranteed loan (i)	HKD	266,648,200	—
Entrusted loan (ii)	RMB	107,960,037	89,286,660
Rediscounted bills (iii)	RMB	31,175,675	—
Unsecured loan	HKD	27,168,683	11,793,450
		<u>432,952,595</u>	<u>101,080,110</u>

(i) Represents the borrowings of RMB266,648,200 (Original foreign currency: HKD338,000,000) to Hong Kong company, a subsidiary, provided by the Bank of Communications Ltd Hong Kong branch, which is guaranteed by the Bank of Communications Ltd Tsingtao branch through establishing the guaranteed letter, and the Company provide RMB291,000,000 as the counter guarantee (Note 4(1)).

(ii) As at 31 December 2014, it represents borrowings entrusted to Shanghai Market Service and The Prince Sales by Suntory Company through banks, amounting to RMB65,954,812 and RMB42,005,225 (31 December 2013, it represents borrowings amounting to RMB45,847,700 and RMB43,438,960 respectively) (Note 8(5)).

(iii) This mainly represented the buy-back rediscounted bills with the PBOC by Finance Company, a subsidiary of the Company. The par value of the rediscounted acceptance notes were RMB31,200,000, with a discounted interest of RMB24,325.

As at 31 December 2014, the interest rate range of short-term borrowings is from 2.25% to 3.30% (31 December 2013: 2.08% to 3.30%).

#### (22) Notes payable

	31 December 2014	31 December 2013
Trade acceptance notes	43,043,268	68,100,000
Bank acceptance notes	<u>48,704,857</u>	<u>70,282,882</u>
	<u>91,748,125</u>	<u>138,382,882</u>

Other cash balances of RMB3,701,400 (31 December 2013: RMB11,698,305) are pledged as collateral for insurance of bank acceptance notes (Note 4(1)).

As at 31 December 2014, all notes payable will be due within six months.



## Notes to Financial Statements

For the year ended 31 December 2014

(All amounts in RMB Yuan unless otherwise stated)

### 4 Notes to the consolidated financial statements (continued)

#### (23) Accounts payable

	31 December 2014	31 December 2013
Payable for materials purchase	1,711,096,325	1,991,026,108
Payable for beer purchase from related parties (Note 8(5))	742,975,403	667,798,509
Payable for promotional goods	38,999,836	46,552,932
Others	1,097,375	1,693,221
	<u>2,494,168,939</u>	<u>2,707,070,770</u>

(a) As at 31 December 2014, accounts payable over 1 year with carrying amount of RMB38,777,173 (31 December 2013: RMB36,139,990) are mainly payables for materials purchase, for which final settlement has not yet been completed.

(b) The ageing of accounts payable based on their recording dates is analysed as follows:

	31 December 2014	31 December 2013
Within 1 year	2,455,391,766	2,670,930,780
1 to 2 years	13,592,341	14,474,250
2 to 3 years	8,486,995	3,017,998
Over 3 years	16,697,837	18,647,742
	<u>2,494,168,939</u>	<u>2,707,070,770</u>

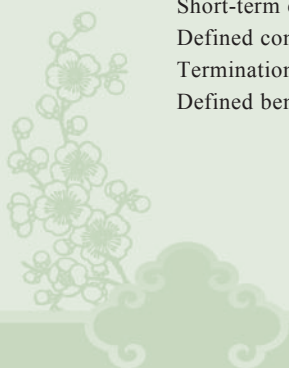
#### (24) Advances from customers

	31 December 2014	31 December 2013
Advances on sales of beer	<u>787,924,958</u>	<u>980,497,616</u>

As at 31 December 2014, advances from customers over 1 year with carrying amount of approximately RMB11,066,878 (31 December 2013: RMB12,307,032) are mainly purchase deposits received from customers in advance. The amount has not been settled as the Group still maintains cooperative relationship with these customers.

#### (25) Employee benefits payable

	31 December 2014	31 December 2013
Short-term employee benefits (a)	729,256,984	695,761,623
Defined contribution plans (b)	24,219,212	25,339,925
Termination benefits (c)	98,706,409	88,385,592
Defined benefit obligations (d)	14,486,043	13,830,000
	<u>866,668,648</u>	<u>823,317,140</u>



## Notes to Financial Statements

For the year ended 31 December 2014

(All amounts in RMB Yuan unless otherwise stated)

### 4 Notes to the consolidated financial statements (continued)

#### (25) Employee benefits payable (continued)

##### (a) Short-term employee benefits

	31 December 2013	Increase in the current year	Decrease in the current year	31 December 2014
Wages and salaries, bonus, allowances and subsidies	486,120,139	2,676,740,372	(2,679,581,760)	<b>483,278,751</b>
Staff welfare	39,525	173,576,151	(173,528,089)	<b>87,587</b>
Social security contributions	20,757,509	191,064,656	(197,564,744)	<b>14,257,421</b>
Including: Medical insurance	17,636,579	157,572,858	(164,492,639)	<b>10,716,798</b>
Work injury insurance	1,595,180	17,225,518	(17,290,684)	<b>1,530,014</b>
Maternity insurance	1,525,750	16,266,280	(15,781,421)	<b>2,010,609</b>
Housing funds	20,903,305	199,405,154	(202,884,606)	<b>17,423,853</b>
Labour union funds and employee education funds	167,941,145	121,462,184	(75,193,957)	<b>214,209,372</b>
	<u>695,761,623</u>	<u>3,362,248,517</u>	<u>(3,328,753,156)</u>	<b><u>729,256,984</u></b>

##### (b) Defined contribution plans

	31 December 2013	Increase in the current year	Decrease in the current year	31 December 2014
Basic pensions	20,585,049	357,286,182	(357,827,076)	<b>20,044,155</b>
Unemployment insurance	4,754,876	25,831,480	(26,411,299)	<b>4,175,057</b>
	<u>25,339,925</u>	<u>383,117,662</u>	<u>(384,238,375)</u>	<b><u>24,219,212</u></b>

##### (c) Termination benefits

	31 December 2014	31 December 2013
Early retirement benefits payable (due within one year) (Note 4(33))	<b>97,013,711</b>	87,826,795
Other termination benefits (i)	<b>1,692,698</b>	558,797
	<b><u>98,706,409</u></b>	<u>88,385,592</u>

- (i) For the year ended 31 December 2014, the Group's other termination benefits paid for termination of the employment relationship is RMB17,164,220, because of subsidiaries' relocation and other events.



## Notes to Financial Statements

For the year ended 31 December 2014

(All amounts in RMB Yuan unless otherwise stated)

### 4 Notes to the consolidated financial statements (continued)

#### (25) Employee benefits payable (continued)

##### (d) Defined benefit obligations

	31 December 2014	31 December 2013
Supplemental retirement benefits(due within one year) Note 4 (33)	<u>14,486,043</u>	<u>13,830,000</u>

#### (26) Taxes payable

	31 December 2014	31 December 2013
Enterprise income tax	113,240,519	151,982,579
Consumption tax	59,375,803	90,390,319
VAT	16,554,579	34,612,879
City maintenance and construction tax	5,609,330	7,676,252
Education surcharge	6,439,127	7,599,861
Business tax	4,664,057	9,506,613
Others	43,312,123	30,264,865
	<u>249,195,538</u>	<u>332,033,368</u>

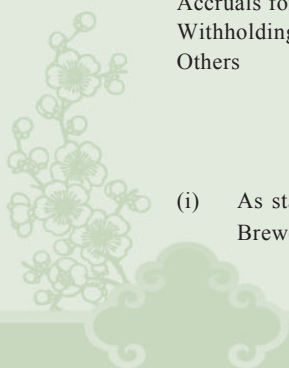
#### (27) Dividends payable

	31 December 2014	31 December 2013
Minority shareholder dividends payable to Tsingtao Brewery (Hanzhong) Co., Ltd. ("Hanzhong Company")	<u>—</u>	<u>1,020,000</u>

#### (28) Other payables

	31 December 2014	31 December 2013
Accruals for marketing expenses	1,838,126,307	2,013,204,630
Guarantee deposits	850,600,819	779,318,274
Payables to vendors of construction, machinery and equipment	770,944,679	742,278,549
Investment payable (i)	125,000,000	—
Accruals for transportation expenses	122,058,687	110,468,153
Accruals for advertising expenses	79,551,835	76,107,166
Accruals for general and administrative expenses	52,915,645	56,490,573
Accruals for labour expenses	48,623,816	49,250,941
Accruals for electricity expenses	15,396,634	16,420,582
Withholding social expenses for staff	11,334,634	11,476,642
Others	384,758,994	376,965,985
	<u>4,299,312,050</u>	<u>4,231,981,495</u>

- (i) As stated in Note 5(1)(a)(i) and Note 4(10)(a)(i), the investment payable include unpaid equity investment of Lulansa Brewery RMB120,000,000 and Hebei Jiahe company RMB5,000,000.





## Notes to Financial Statements

For the year ended 31 December 2014

(All amounts in RMB Yuan unless otherwise stated)

### 4 Notes to the consolidated financial statements (continued)

#### (28) Other payables (continued)

As at 31 December 2014, other payables over 1 year with carrying amount of RMB555,132,800 (31 December 2013: RMB412,487,432) are mainly liabilities incurred on acquisition of subsidiaries, payables to vendors of construction, machinery and equipments.

#### (29) Current portion of non-current liabilities

	31 December 2014	31 December 2013
Current portion of long-term borrowings (a)	1,561,421	308,351,566
Current portion of debentures payable (b)	—	1,488,815,632
	<u>1,561,421</u>	<u>1,797,167,198</u>

#### (a) Current portion of long-term borrowings

	Currency	31 December 2014	31 December 2013
Guaranteed (Note 4 (30))	EUR	1,168,580	1,292,000
Guaranteed (Note 4 (30))	DKK	392,841	441,566
Guaranteed (i)	HKD	—	306,618,000
		<u>1,561,421</u>	<u>308,351,566</u>

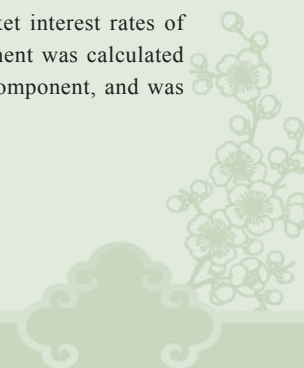
- (i) As at 31 December 2013, the bank guarantee borrowings amount RMB306,618,000 (original foreign currency: HKD390,000,000) is the loan of Hong Kong Company, which are guaranteed by the Company. The borrowing has been paid in 2014 and the interest rate is 3.15%.

As at 31 December 2014, there are no overdue borrowings (31 December 2013: nil). Guarantee details please refer to Note 4(30).

#### (b) Current portion of debentures payable

As stated in Note 1, the Company issued the convertible bond with subscription warrants amounted to RMB1,500 million with a term of 6 years on 2 April 2008, and the convertible bond expired and repaid on 2 April 2014. The coupon rate of the convertible bonds was 0.8% per annum. Upon the issue of the bonds, the prevailing market interest rate of similar bonds without warrants were higher than the interest rate of the bond. The effective interest rate of the convertible bonds was 6.1%.

The fair value of the liability component of the convertible bonds was assessed based on the market interest rates of similar bonds without warrants on the date of issue. The fair value of the embedded equity component was calculated as the issue amount of the convertible bonds less the amount initially recognised for the liability component, and was included in equity.



## Notes to Financial Statements

For the year ended 31 December 2014

(All amounts in RMB Yuan unless otherwise stated)

### 4 Notes to the consolidated financial statements (continued)

#### (29) Current portion of non-current liabilities (continued)

##### (b) Current portion of debentures payable (continued)

As at 2 April 2014, the liability component of the convertible bonds prior to the due date set out as follows:

Face value of the convertible bonds	1,500,000,000
Less: Equity component	(389,702,040)
Transaction costs attributable to liability component	(26,245,028)
Liability component on initial recognition, date 2 April 2008	<u>1,084,052,932</u>
Interest expenses up to 31 December 2013	464,762,700
Interest paid up to 31 December 2013	<u>(60,000,000)</u>
Liability component as at 31 December 2013	<u>1,488,815,632</u>
Interest expenses for the period ended 2 April 2014	23,184,368
Including: Capitalised interest expenses	3,492,122
Interest expenses recognised as financial expenses	19,692,246
Interest paid for the year ended 2 April 2014	<u>(12,000,000)</u>
Liability component as at 2 April 2014	<u>1,500,000,000</u>
Repaid principal as at 2 April 2014	1,500,000,000

#### (30) Long-term borrowings

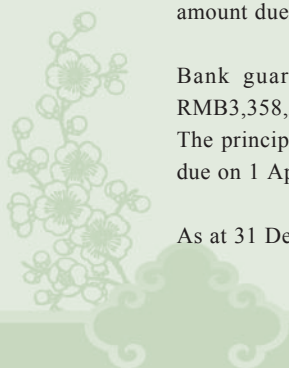
	Currency	31 December 2014	31 December 2013
Guaranteed	EUR	557,231	1,964,614
Guaranteed	DKK	<u>2,227,500</u>	<u>2,916,680</u>
		<u>2,784,731</u>	<u>4,881,294</u>

As at 31 December 2014, guaranteed long-term borrowings include:

Bank guaranteed borrowing of RMB1,725,811 (Original foreign currency: EUR231,479) (31 December 2013: RMB3,256,614 (Original foreign currency: EUR386,822)) guaranteed by the Beijing Branch of Bank of China. The principal amount shall be repaid annually based on the matching principal method, with the last repayment falling due on 31 December 2016. The amount due within one year amounted to RMB1,168,580 (31 December 2013: RMB1,292,000);

Bank guaranteed borrowing of RMB2,620,341 (Original foreign currency: DKK2,587,991) (31 December 2013: RMB3,358,246 (Original foreign currency: DKK2,997,363)) guaranteed by Beijing Development and Reform Commission. The principal amount shall be repaid twice annually based on the matching principal method, with the last repayment falling due on 1 April 2021. The amount due within one year amounted to RMB392,841 (31 December 2013: RMB441,566).

As at 31 December 2014 and 31 December 2013, the long-term borrowings are interest-free borrowings.



## Notes to Financial Statements

For the year ended 31 December 2014

(All amounts in RMB Yuan unless otherwise stated)

### 4 Notes to the consolidated financial statements (continued)

#### (31) Payables for specific projects

Payables for specific projects mainly represent the relocation compensation received by subsidiaries from the government. As the relocation has not yet been completed, the amount was temporarily accounted for as “Payables for specific projects” in accordance with the requirements under No. 3 Interpretation of Accounting Standards for Business Enterprises issued by the Ministry of Finance.

#### (32) Deferred income

	31 December 2013	Increase in current year	Decrease in current year	31 December 2014	Reason
Government grants items	1,260,778,419	460,531,840	(210,192,726)	1,511,117,533	Relocation and technical project grants
			Amount recognised in		
	31 December 2013	Current year additions	non-operating income	31 December 2014	Related to assets/ income
<b>Relocation projects</b>					
Tengzhou Company project	182,434,283	39,999,989	(15,964,310)	206,469,962	Assets
Wuwei Company project	140,730,029	62,994,404	(12,826,205)	190,898,228	Assets
Rizhao Company project	194,266,819	—	(13,485,563)	180,781,256	Assets
Zhuhai Company project	190,134,021	—	(13,975,567)	176,158,454	Assets
Fuzhou Company project	171,453,147	—	(22,273,781)	149,179,366	Assets
Gansu nongken Company project	31,067,299	109,470,754	(33,049,455)	107,488,598	Assets
Harbin Company project	115,594,470	4,564,130	(16,898,041)	103,260,559	Assets
Hansi Baoji project	—	80,763,983	(14,204,891)	66,559,092	Income
Heze Company project	19,477,155	43,654,205	(4,364,539)	58,766,821	Assets
Langfang Company project	47,866,500	1,019,382	(1,721,875)	47,164,007	Assets
Xingkaihu Company project	—	42,608,627	(1,352,724)	41,255,903	Assets
Weinan Company project	—	30,918,543	(5,015,960)	25,902,583	Assets
No. 3 Factory project	31,976,430	—	(4,471,041)	27,505,389	Assets
Malt Factory project	6,300,000	2,824,868	(1,251,960)	7,872,908	Assets
<b>Projects on technology improvement</b>					
Production Line					
Improvement of					
Shijiazhuang Company	17,605,129	—	(3,518,740)	14,086,389	Assets
Luzhou Company project	13,795,709	—	(1,187,395)	12,608,314	Assets
Other projects	98,077,428	41,712,955	(44,630,679)	95,159,704	
	1,260,778,419	460,531,840	(210,192,726)	1,511,117,533	



## Notes to Financial Statements

For the year ended 31 December 2014

(All amounts in RMB Yuan unless otherwise stated)

### 4 Notes to the consolidated financial statements (continued)

#### (33) Long-term employee benefits payable

	31 December 2014	31 December 2013
Early retirement benefits (a)	374,294,592	393,248,087
Supplemental retirement benefits (b)	228,356,138	195,710,000
	<b>602,650,730</b>	588,958,087
Less: Payable within one year	<b>(111,499,754)</b>	(101,656,795)
	<b>491,150,976</b>	487,301,292

#### (a) Early retirement benefits

Some employees of the Group have been early retired. As at the balance sheet date, the main actuarial assumptions used in estimating the early retirement benefits payable by the Group are as follows:

	31 December 2014	31 December 2013
Discount rate (Yield-to-maturity of the government bond with the same term and fixed interest rate)	3.26%-4.10%	4.22%-5.30%

Early retirement benefits recognised in profit or loss for the current period:

	2014	2013
General and administrative expenses	71,235,614	89,550,635
Financial expenses	16,773,316	11,903,888
Non-operating expenses	—	120,931,669

#### (b) Supplemental retirement benefits

Supplemental retirement benefits are provided to those retired employees who met certain criteria and the benefit plan were approved by Board's meeting. The benefits they can receive depend on their position and seniority at the time of retirement. Such defined benefit obligations were calculated by the external independent actuary Towers Watson & Co., using the projected unit credit method.

(i) Supplemental retirement benefits obligation of the Group:

	31 December 2014	31 December 2013
Defined benefit obligation	228,356,138	195,710,000
Less: fair value of plan assets	—	—
Defined benefit obligation	<b>228,356,138</b>	195,710,000



## Notes to Financial Statements

For the year ended 31 December 2014

(All amounts in RMB Yuan unless otherwise stated)

### 4 Notes to the consolidated financial statements (continued)

#### (33) Long-term employee benefits payable (continued)

##### (b) Supplemental retirement benefits (continued)

##### (ii) Movement on supplemental retirement benefit obligation of the Group

	Present value of the defined benefit obligation
As at 1 January 2014	195,710,000
Amount recognised in profit or loss in the current period	
— Service cost	23,723,000
— Interest cost on the net defined benefit obligation	8,496,000
Remeasurement amount	
— Actuarial loss	14,767,000
Payment from plans	<u>(14,339,862)</u>
As at 31 December 2014	<u>228,356,138</u>

##### (iii) The main actuarial assumptions of the Group for the present value of the defined benefit obligation:

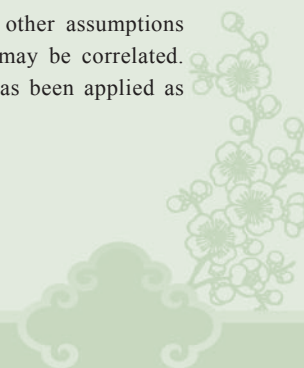
	31 December 2014	31 December 2013
Discount rate	3.75%	4.50%

Mortality refers to China Life Insurance Mortality Table(2000-2003)

##### (iv) The sensitivity analysis of the significant actuarial assumptions to the present value of defined benefit obligation:

	Change in assumption	Impact on defined benefit obligation	
		Increase in assumption	Decrease in assumption
Discount rate	0.25%	Decrease by 2.59%	Increase by 2.71%

The sensitivity analyses above are based on a change in an assumption while holding all other assumptions constantly. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity analyses, the same method, projected unit credit method, has been applied as well.





## Notes to Financial Statements

For the year ended 31 December 2014

(All amounts in RMB Yuan unless otherwise stated)

### 4 Notes to the consolidated financial statements (continued)

#### (33) Long-term employee benefits payable (continued)

##### (b) Supplemental retirement benefits (continued)

- (v) The group has not invested in any plan assets (31 December 2013: nil).
- (vi) The weighted average duration of the defined benefit obligation is 10.6 years (31 December 2013: 10.1 years).
- (vii) There are no separate trustee-administered assets to reimburse the expenditure of the defined benefit obligation in the Group (31 December 2013: nil).
- (viii) Supplemental retirement benefits caused many risk to the Group, and primary risk is the fluctuation of the interest rates of government bonds. Decrease in interest rates of government bonds results in increase in the defined benefit obligation.
- (ix) As at 31 December 2014, the maturity of undiscounted defined benefit obligation is analysed as below:

	Less than 1 year	1 to 5 years	More than 5 years	Total
Supplementary retirement benefits	14,982,219	59,695,694	286,305,222	360,983,135

#### (34) Share capital

	31 December 2013	Movements in the current year	31 December 2014
Shares with unlimited sales conditions —			
RMB-denominated ordinary shares	695,913,617	—	695,913,617
Foreign shares listed overseas	655,069,178	—	655,069,178
	1,350,982,795	—	1,350,982,795
	31 December 2012	Movements in the current year	31 December 2013
Shares with unlimited sales conditions —			
RMB-denominated ordinary shares	695,913,617	—	695,913,617
Foreign shares listed overseas	655,069,178	—	655,069,178
	1,350,982,795	—	1,350,982,795



## Notes to Financial Statements

For the year ended 31 December 2014

(All amounts in RMB Yuan unless otherwise stated)

### 4 Notes to the consolidated financial statements (continued)

#### (35) Capital surplus

	31 December 2013	Increase in the current year	Decrease in the current year	31 December 2014
Share premium	3,992,428,160	—	—	3,992,428,160
Other capital surplus	86,970,991	—	—	86,970,991
Share of changes in equity other than comprehensive income and profit distribution of investees accounted for using the equity method	(9,120,011)	—	—	(9,120,011)
Transfer of capital surplus recognised under the previous accounting system	91,701,228	—	—	91,701,228
Others	4,389,774	—	—	4,389,774
	<u>4,079,399,151</u>	<u>—</u>	<u>—</u>	<u>4,079,399,151</u>

	31 December 2012	Increase in the current year	Decrease in the current year	31 December 2013
Share premium (i)	3,868,211,548	124,216,612	—	3,992,428,160
Other capital surplus	97,727,988	—	(10,756,997)	86,970,991
Share of changes of equity other than comprehensive income and profits distribution of investees accounted for using the equity method (ii)	1,636,986	—	(10,756,997)	(9,120,011)
Transfer of capital surplus recognised under the previous accounting system	91,701,228	—	—	91,701,228
Others	4,389,774	—	—	4,389,774
	<u>3,965,939,536</u>	<u>124,216,612</u>	<u>(10,756,997)</u>	<u>4,079,399,151</u>

- (i) The increase in the year 2013 includes: the Tsingtao Brewery Suntory (Shanghai) Sales Co., Ltd. (“Sales Company”) was under joint investment of both companies, the Company has control over Sales Company. The Company transfers to Sales Company the 100% equity interests of Tsingtao Brewery Huadong Nanjing Sales Co., Ltd. (“Nanjing Sales Company”), Tsingtao Brewery (Xuzhou) Huaihai Sales Co., Ltd. (“Huaihai Sales Company”) and Shanghai Tsingtao Brewery Sales Co., Ltd. (“New Shanghai Sales”), which is deemed as disposal of equity interests in subsidiaries to minority shareholders and recognised as capital surplus of RMB121,141,643. Hong Kong Company, the Company’s subsidiary, acquired 15% of Macau Company’s equity with impact on capital surplus of RMB3,074,969.
- (ii) The decrease in the year of 2013 is due to Manufacturing Company, the associate of the company, having acquired 33.4% equity interest from minority shareholders of Suntory Jiangsu in the current year. The difference between the increase in the cost of long-term equity investments as a result of acquisition of non-controlling interests and the share of net assets of the subsidiary calculated continuously from the date of the acquisition based on the new shareholding proportion were adjusted against the capital surplus, amounting to RMB21,118,560, of which 50% were picked up and recognised in capital surplus by the Company using the equity method.

## Notes to Financial Statements

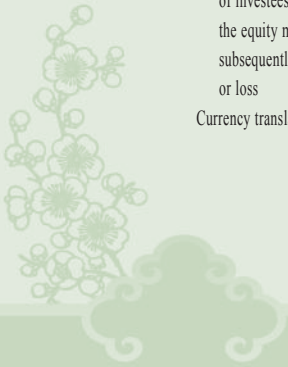
For the year ended 31 December 2014

(All amounts in RMB Yuan unless otherwise stated)

### 4 Notes to the consolidated financial statements (continued)

#### (36) Other comprehensive income

	Other comprehensive income in the balance sheet		Other comprehensive income in the income statement of 2014					
	31 December 2013	Attributable to the shareholders of the Company, net of tax	31 December 2014	The pre-tax amount in current year	Less: Reclassification to profit or loss that were recognised in other comprehensive income in the previous periods	Less: Income tax expense	Attributable to the shareholders of the Company, net of tax	Attributable to the non-controlling interests, net of tax
Items that will not be subsequently reclassified to profit or loss								
Changes arising from remeasurement of defined benefit plan liabilities (Note 4 (33)(b)(ii))	—	(14,767,000)	(14,767,000)	(14,767,000)	—	—	(14,767,000)	—
Items that will be subsequently reclassified to profit or loss								
Shares of other comprehensive income of investees accounted for using the equity method that will be subsequently reclassified to profit or loss	(605,516)	(159,163)	(764,679)	(159,163)	—	—	(159,163)	—
Currency translation differences	25,798,505	(226,482)	25,572,023	(226,482)	—	—	(226,482)	—
	25,192,989	(15,152,645)	10,040,344	(15,152,645)	—	—	(15,152,645)	—
	Other comprehensive income in the balance sheet		Other comprehensive income in the income statement of 2013					
	31 December 2012	Attributable to the shareholders of the Company, net of tax	31 December 2013	The pre-tax amount in current year	Less: Reclassification to profit or loss that were recognised in other comprehensive income in the previous periods	Less: Income tax expense	Attributable to the shareholders of the Company, net of tax	Attributable to the non-controlling interests, net of tax
Items that will be subsequently reclassified to profit or loss								
Shares of other comprehensive income of investees accounted for using the equity method that will be subsequently reclassified to profit or loss	—	(605,516)	(605,516)	(605,516)	—	—	(605,516)	—
Currency translation differences	19,025,550	6,772,955	25,798,505	6,772,955	—	—	6,772,955	—
	19,025,550	6,167,439	25,192,989	6,167,439	—	—	6,167,439	—



## Notes to Financial Statements

For the year ended 31 December 2014

(All amounts in RMB Yuan unless otherwise stated)

### 4 Notes to the consolidated financial statements (continued)

#### (37) Surplus reserve

	31 December 2013	Increase in the current year	Decrease in the current year	31 December 2014
Statutory surplus reserve	<u>1,059,469,127</u>	<u>156,870,342</u>	<u>—</u>	<u>1,216,339,469</u>
	31 December 2012	Increase in the current year	Decrease in the current year	31 December 2013
Statutory surplus reserve	<u>927,657,567</u>	<u>131,811,560</u>	<u>—</u>	<u>1,059,469,127</u>

In accordance with the Company Law and the Company's Articles of Association, the Company should appropriate 10% of net profit for the year to the statutory surplus reserve, and the Company can cease appropriation when the statutory surplus reserve accumulated to more than 50% of the registered capital. The statutory surplus reserve can be used to make up for the loss or increase the share capital after approval from the appropriate authorities. According to a resolution at the Board of Directors, the Company appropriated 10% of net profit, amounting to RMB156,870,342 for the year ended 31 December 2014 (2013: 10% of net profit for the year, amounting to RMB131,811,560) to the statutory surplus reserve.

#### (38) General reserve

	31 December 2013	Increase in the current year	Decrease in the current year	31 December 2014
General reserve	<u>80,642,253</u>	<u>—</u>	<u>(13,660,326)</u>	<u>66,981,927</u>
	31 December 2012	Increase in the current year	Decrease in the current year	31 December 2013
General reserve	<u>51,424,191</u>	<u>29,218,062</u>	<u>—</u>	<u>80,642,253</u>

Pursuant to Caijin [2012] No. 20 "Requirements on Impairment Allowance for Financial Institutions" issued by the Ministry of Finance, Finance Company, a subsidiary of the Company, appropriates general reserve by 1.2% of the ending balance of the risk assets, based on its risk consideration. For the year ended 31 December 2014, reversal amount was RMB13,660,326 (2013: appropriation of RMB29,218,062).



## Notes to Financial Statements

For the year ended 31 December 2014

(All amounts in RMB Yuan unless otherwise stated)

### 4 Notes to the consolidated financial statements (continued)

#### (39) Undistributed profits

	2014	2013
Undistributed profits at the beginning of the year	7,424,872,728	6,152,923,371
Add: Net profit attributable to shareholders of the Company in the current year	1,990,098,044	1,973,372,097
Less: Appropriation for statutory surplus reserve	(156,870,342)	(131,811,560)
Reversal/(appropriation) of general reserve	13,660,326	(29,218,062)
Ordinary shares dividend payable	(607,942,258)	(540,393,118)
Undistributed profits at the end of the year	<u>8,663,818,498</u>	<u>7,424,872,728</u>
Dividend proposed but not declared	607,942,258	607,942,258
Total proposed dividend in the current year	607,942,258	607,942,258

As at 31 December 2014, included in the undistributed profits, RMB695,309,548 is subsidiaries' surplus reserve attributable to the Company (31 December 2013: RMB620,139,125), of which RMB75,170,423 is appropriated for the current year (2013: RMB30,844,290).

In accordance with the resolution at the Annual General Meeting dated 16 June 2014, the Company approved a cash dividend RMB0.45 per share (pre-tax) to the shareholders of the Company of RMB607,942,258, based on a total number of 1,350,982,795 shares.

In accordance with the resolution at the Board of Directors' meeting dated 30 March 2015, the Board proposed a cash dividend to the shareholders of the Company of RMB607,942,258 (RMB0.45 per share (pre-tax)) based on a total number of 1,350,982,795 shares. Such dividend distribution is still subject to the approval at the Annual General Meeting (Note 11(1)).

#### (40) Revenue and cost of sales

	2014	2013
Revenue from main operation (a)	28,599,262,109	27,766,755,010
Revenue from other operations (b)	450,059,057	524,223,418
	<u>29,049,321,166</u>	<u>28,290,978,428</u>
	2014	2013
Cost of main operation (a)	(17,629,562,829)	(16,622,997,268)
Cost of other operations (b)	(269,728,446)	(384,896,701)
	<u>(17,899,291,275)</u>	<u>(17,007,893,969)</u>





## Notes to Financial Statements

For the year ended 31 December 2014

(All amounts in RMB Yuan unless otherwise stated)

### 4 Notes to the consolidated financial statements (continued)

#### (40) Revenue and cost of sales (continued)

##### (a) Revenue and cost of main operation

	2014		2013	
	Revenue from main operation	Cost of main operation	Revenue from main operation	Cost of main operation
Sales of Beer	<u>28,599,262,109</u>	<u>(17,629,562,829)</u>	<u>27,766,755,010</u>	<u>(16,622,997,268)</u>

##### (b) Revenue and cost of other operations

	2014		2013	
	Revenue from other operations	Cost of other operations	Revenue from other operations	Cost of other operations
Sale of packaging materials	144,441,949	(53,401,328)	102,068,567	(44,980,346)
Sale of materials and scraps	101,709,818	(93,144,380)	232,968,515	(215,066,954)
Transportation service	37,732,133	(40,340,736)	31,172,390	(34,137,383)
Others	166,175,157	(82,842,002)	158,013,946	(90,712,018)
	<u>450,059,057</u>	<u>(269,728,446)</u>	<u>524,223,418</u>	<u>(384,896,701)</u>

#### (41) Taxes and surcharges

	2014	2013	Tax basis
Consumption tax	1,740,571,213	1,754,868,396	Note 3
City maintenance and construction tax	250,143,051	262,670,848	Note 3
Education surcharges and local education surcharges	187,824,159	198,054,156	Note 3
Business tax	4,057,217	12,146,451	Note 3
Others	28,608	36,489	
	<u>2,182,624,248</u>	<u>2,227,776,340</u>	



## Notes to Financial Statements

For the year ended 31 December 2014

(All amounts in RMB Yuan unless otherwise stated)

### 4 Notes to the consolidated financial statements (continued)

#### (42) Expenses classified by nature

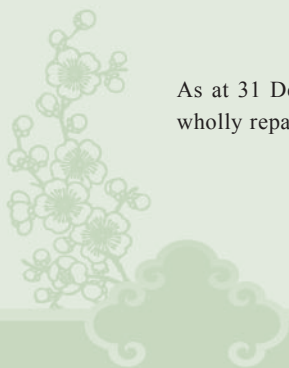
The cost of sales, selling and distribution expenses and general and administrative expenses classified by nature, are as follows:

	2014	2013
Materials consumption	11,412,545,296	12,119,288,583
Employee benefit expenses	3,856,159,087	3,624,942,344
Finished goods purchased from outside	3,534,242,388	2,385,911,918
Transportation expenses and handling charges	1,423,041,676	1,317,490,516
Promotion-related expenses	1,383,919,300	1,773,901,322
Depreciation and amortisation expenses	933,125,037	885,048,906
Advertising related expenses	761,275,636	639,822,709
Administrative and business travel expenses	345,143,084	354,504,830
Repair expenses	326,287,876	376,830,109
Service charges	171,021,450	152,766,685
Tax expenses	163,968,757	143,692,447
Amortisation expenses of package	135,731,996	189,741,358
Rental expenses	123,518,824	110,453,130
Movement in Finished goods, Work in progress and Material on consignment for further processing	52,231,071	(187,553,903)
Auditors' remuneration	8,580,000	8,580,000
Others	313,778,676	295,711,326
	<u>24,944,570,154</u>	<u>24,191,132,280</u>

#### (43) Financial expenses — net

	2014	2013
Interests expense	30,912,464	83,451,256
Including: Bank borrowings	10,378,062	14,821,483
Debentures payable	19,692,246	68,629,773
Rediscounted bills and others	842,156	—
Less: Interest income	(407,754,133)	(355,033,717)
Exchange losses/(gains)	8,381,492	(32,786)
Unwinding the discount of long-term payroll payable	25,269,316	11,903,888
Others	8,537,871	8,320,046
	<u>(334,652,990)</u>	<u>(251,391,313)</u>

As at 31 December 2014 and 31 December 2013, the Group's interest expenses by repayment term of bank borrowings are wholly repayable within five years.



## Notes to Financial Statements

For the year ended 31 December 2014

(All amounts in RMB Yuan unless otherwise stated)

### 4 Notes to the consolidated financial statements (continued)

#### (44) Investment income

	2014	2013
Income from long-term equity investment under equity method	23,840,743	9,465,953
Income from disposal of long-term equity investment (a)	—	219,356,731
Income from available-for-sale financial assets	65,522	47,283
Losses from disposal of available-for-sale financial assets (b)	(999,999)	—
Income from government bonds reverse repo agreements of Finance Company	126,807	—
Others	926,436	355,500
	<u>23,959,509</u>	<u>229,225,467</u>

There is no significant restriction on recovery of investment income.

In 2014 and 2013, investment income of the Group was from unlisted investments.

- (a) The investment income from disposal of long-term equity investments for the year ended 31 December 2013 was due to the difference between the fair value of the Company's Manufacturing Business and the book value of the net asset, which was recognised as investment income when the Manufacturing Business invested by the Company in the transaction between the Company and Suntory Company. Manufacturing Business invested by the Company is Tsingtao Brewery Shanghai Songjiang Co., Ltd. ("Songjiang Company"), a former subsidiary of the Company, which holds 100% equity interests in Tsingtao Brewery (Yangzhou) Co., Ltd., Tsingtao Brewery (Suqian) Co., Ltd., Tsingtao Brewery (Xuzhou) Pengcheng Co., Ltd. and 66% equity interests in Tsingtao Brewery (Xuzhou) Co., Ltd.. Songjiang Company changed its name to Manufacturing Company after the transaction.
- (b) The investment losses from disposal of available-for-sale financial assets in the current year comprise: loss of 299,999 on disposal of equity interest in Baoji Redwolf Brewery Co., Ltd., and loss of 700,000 on disposal of investment in China Securities Co., Ltd.

#### (45) Asset impairment losses

	2014	2013
Impairment loss of fixed assets	1,721,452	10,302,603
Reversal of bad debts	(4,855,132)	(7,745,950)
Reversal of decline in the values of inventories	(380,100)	(811,731)
	<u>(3,513,780)</u>	<u>1,744,922</u>



## Notes to Financial Statements

For the year ended 31 December 2014

(All amounts in RMB Yuan unless otherwise stated)

### 4 Notes to the consolidated financial statements (continued)

#### (46) Non-operating income

	2014	2013
Government grants (a)	448,000,648	374,818,301
Gain on disposal of non-current assets	3,216,362	3,277,089
Including: Gains on disposal of fixed assets	3,216,362	3,277,089
Gain on unpaid debts	2,702,597	4,548,575
Penalty gains	1,894,506	1,912,843
Income from the transaction with Suntory Company (b)	—	170,541,992
Others	13,602,755	8,894,484
	<u>469,416,868</u>	<u>563,993,284</u>

In 2014, all non-operating income has been recognised in non-recurring profit or loss.

#### (a) Details of government grants

	2014	2013	Note
Project support fund	211,119,654	185,542,867	Grants for technology improvement projects
Relocation compensation	160,855,912	121,090,526	Relocation compensation for manufacturing factories
Tax return	22,596,250	31,897,262	Return of certain portion of tax paid
Others	53,428,832	36,287,646	
	<u>448,000,648</u>	<u>374,818,301</u>	

(b) This amount is the difference arising from the cost of the combination lower than the acquirer's interest in the fair value of the acquiree's identifiable net assets upon the Group's acquisition of the net assets of sales business of Shanghai Market Service and the Princess Sales.

#### (47) Non-operating expenses

	2014	2013
Losses on disposal of non-current assets	62,932,536	104,922,138
Including: Losses on disposal of fixed assets	54,059,202	73,045,456
Losses on disposal of intangible assets	8,873,334	31,876,682
Compensation and overdue fine	1,510,442	1,389,911
Penalty losses	695,628	1,214,082
Public welfare donations	320,000	12,128,100
Staff settlement expenses	—	120,931,669
Others	5,212,483	7,815,382
	<u>70,671,089</u>	<u>248,401,282</u>

For the year ended 2014, non-operating expenses are totally recognised in non-recurring profit or loss in current year.



## Notes to Financial Statements

For the year ended 31 December 2014

(All amounts in RMB Yuan unless otherwise stated)

### 4 Notes to the consolidated financial statements (continued)

#### (48) Income tax expense

	2014	2013
Current income tax calculated according to tax law and related regulations in mainland China — China enterprise income tax	697,182,794	922,205,257
Current profits tax calculated according to tax law and related regulations in Hong Kong — Hong Kong profits tax	3,206,612	9,583,322
Current profits supplemental tax calculated according to tax law and related regulations in Macau — Macau profits supplemental tax	1,244,888	938,872
Deferred income tax	<u>(38,167,539)</u>	<u>(241,117,576)</u>
	<u>663,466,755</u>	<u>691,609,875</u>

The reconciliation from income tax calculated based on the applicable tax rates and total profit presented in the consolidated financial statements to the income tax expense is as follows:

	2014	2013
Total profit	<u>2,682,998,822</u>	<u>2,666,533,668</u>
Income tax expense calculated at applicable tax rates	669,132,514	663,581,558
Tax impact of equivalent sales and costs, expenses and losses not deductible for tax purpose	38,116,009	55,678,659
Income not subject to tax	(25,049,146)	(121,705,331)
Utilisation of previously unrecognised deferred tax assets	(157,257,260)	(29,886,114)
Tax impact for which no deferred tax assets were recognised	140,662,594	125,817,321
Others	<u>(2,137,956)</u>	<u>(1,876,218)</u>
Income tax expense	<u>663,466,755</u>	<u>691,609,875</u>

#### (49) Earnings per share

##### (a) Basic earnings per share

Basic earnings per share is calculated by dividing consolidated net profit attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding:

	2014	2013
Consolidated net profit attributable to ordinary shareholders of the Company	1,990,098,044	1,973,372,097
Weighted average numbers of ordinary shares outstanding	<u>1,350,982,795</u>	<u>1,350,982,795</u>
Basic earnings per share	<u>1.473</u>	<u>1.461</u>
Including:		
— Basic earnings per share relating to continuing operations	1.473	1.461



## Notes to Financial Statements

For the year ended 31 December 2014

(All amounts in RMB Yuan unless otherwise stated)

### 4 Notes to the consolidated financial statements (continued)

#### (49) Earnings per share (continued)

##### (b) Diluted earnings per share

Diluted earnings per share is calculated by dividing net profit attributable to ordinary shareholders of the Company adjusted based on the dilutive potential ordinary share by the adjusted weighted average number of ordinary shares outstanding. As there were no dilutive potential ordinary shares in 2014 (2013: nil), diluted earnings per share equals to basic earnings per share.

#### (50) Notes to consolidated cash flow statement

##### (a) Cash received relating to other operating activities

	2014	2013
Deposits	604,806,260	726,751,164
Government grants	262,853,849	265,452,438
Income from sales of materials, scraps and packagings	248,872,052	222,587,483
Others	229,303,629	223,095,175
	<u>1,345,835,790</u>	<u>1,437,886,260</u>

##### (b) Cash paid relating to other operating activities

	2014	2013
Transportation expenses	1,608,371,799	1,475,704,977
Marketing and promotion expenses	896,257,023	815,291,081
Advertising expenses	794,351,968	688,731,374
Deposits	362,456,995	399,617,905
Administrative expenses	339,064,413	333,392,934
Others	395,525,197	338,044,442
	<u>4,396,027,395</u>	<u>4,050,782,713</u>

##### (c) Cash received relating to other investing activities

	2014	2013
Interest income of Finance Company	418,558,601	219,293,784
Decreases in deposit reserve of Finance Company	298,590,000	—
Government compensation for relocation and expansion projects	273,874,382	596,654,153
Receipt of tender deposits etc.	35,434,984	37,280,236
Cash receipt due to acquisition of a subsidiary (Note 4(51)(b)(i))	—	12,637,454
	<u>1,026,457,967</u>	<u>865,865,627</u>



## Notes to Financial Statements

For the year ended 31 December 2014

(All amounts in RMB Yuan unless otherwise stated)

### 4 Notes to the consolidated financial statements (continued)

#### (50) Notes to consolidated cash flow statement (continued)

##### (d) Cash paid relating to other investing activities

	2014	2013
Payment of tender deposits etc.	36,649,251	46,028,666
Increase of deposits in Finance Company	—	290,340,000
Cash payment in disposal of subsidiaries (Note 4(51)(b)(ii))	—	91,093,122
	<u>36,649,251</u>	<u>427,461,788</u>

##### (e) Cash paid relating to other financing activities

	2014	2013
Loan Margin (Note 4(21))	291,000,000	—
Others	796,055	6,751
	<u>291,796,055</u>	<u>6,751</u>

##### (f) Cash payment of investment

	2014	2013
Purchase Hebei jiahe equity (Note 4(10)(a)(i))	226,469,400	—
Purchase wealth management products (Note 4(8) (i))	20,000,000	—
Other	—	23,327
	<u>246,469,400</u>	<u>23,327</u>



## Notes to Financial Statements

For the year ended 31 December 2014

(All amounts in RMB Yuan unless otherwise stated)

### 4 Notes to the consolidated financial statements (continued)

#### (51) Supplementary information to consolidated cash flow statements (continued)

##### (a) Supplementary information to consolidated cash flow statements

Reconciliation from net profit to cash flows from operating activities:

	2014	2013
Net profit	2,019,532,067	1,974,923,793
Add: Provisions for asset impairment	(3,513,780)	1,744,922
Depreciation of fixed assets and investment properties	730,774,600	711,962,304
Amortisation of intangible assets	191,582,989	167,025,396
Amortisation of long-term prepaid expenses	10,767,448	6,061,206
Losses on disposal of fixed assets and intangible assets	59,716,174	101,645,049
Financial expenses	(364,517,853)	(263,806,231)
Investment income	(23,959,509)	(229,225,467)
Increase in deferred tax assets	(18,623,885)	(217,582,982)
Decrease in deferred tax liabilities	(19,543,654)	(23,534,594)
(Increase)/decrease in inventories	72,042,838	(336,290,704)
Increase in operating receivables	(286,151,145)	(632,823,473)
(Decrease)/increase in operating payables	(677,471,949)	2,141,051,944
Net cash flows from operating activities	<u>1,690,634,341</u>	<u>3,401,151,163</u>
Net increase in cash and cash equivalents		
	2014	2013
Cash at the end of the year	5,266,389,764	7,394,904,648
Less: Cash at the beginning of the year	<u>(7,394,904,648)</u>	<u>(6,269,184,262)</u>
Net (decrease)/increase in cash	<u>(2,128,514,884)</u>	<u>1,125,720,386</u>



## Notes to Financial Statements

For the year ended 31 December 2014

(All amounts in RMB Yuan unless otherwise stated)

### 4 Notes to the consolidated financial statements (continued)

#### (51) Supplementary information to consolidated cash flow statements (continued)

##### (b) Acquisition or disposal of subsidiaries

##### (i) Acquisition of subsidiaries

	2014	2013
Cash and cash equivalents paid for business combination in the current year	197,474,000	—
Including: Lulansa Brewery	197,374,000	—
Equipment Manufacture	100,000	—
Less: Cash and cash equivalents held on acquisition date	(22,202,877)	(12,637,454)
Including: Lulansa Brewery	(3,004,985)	—
Equipment Manufacture	(19,197,892)	—
Shanghai Market Service	—	(11,252,278)
The Prince Sales	—	(1,385,176)
	<u>175,271,123</u>	<u>(12,637,454)</u>
Net cash outflow/(inflow) on acquisition of the subsidiary		
Including:		
Net cash outflow on acquisition of the subsidiary		
— Lulansa Brewery	194,369,015	
Net cash inflow on acquisition of the subsidiary		
— Equipment Manufacture	(19,097,892)	
The price of acquisition of the subsidiaries in 2014		
Lulansa Brewery	317,374,000	
Equipment Manufacture	<u>100,000</u>	
	<u>317,474,000</u>	



## Notes to Financial Statements

For the year ended 31 December 2014

(All amounts in RMB Yuan unless otherwise stated)

### 4 Notes to the consolidated financial statements (continued)

#### (51) Supplementary information to consolidated cash flow statements (continued)

##### (b) Acquisition or disposal of subsidiaries (continued)

##### (i) Acquisition of subsidiaries (continued)

Net assets of subsidiaries

	2014	2013
Current assets	60,180,711	126,090,435
Non-current assets	218,617,988	82,778,377
Current liabilities	(109,359,827)	(581,296,199)
Non-current liabilities	(4,266,061)	(18,707,019)
	<u>165,172,811</u>	<u>(391,134,406)</u>

##### (ii) Disposal of subsidiaries

	2014	2013
Cash and cash equivalents received from disposal of subsidiaries in the current year	—	—
Less: Cash and cash equivalents held by subsidiaries on the control right loss date	—	(91,093,122)
Including: Songjiang Company	—	(42,032,762)
Yangzhou Company	—	(9,066,675)
Xuzhou Company	—	(3,327,151)
Suqian Company	—	(10,985,983)
Pengcheng Company	—	(25,680,551)
Net cash outflow on disposal of the subsidiary	<u>—</u>	<u>(91,093,122)</u>
Net assets of disposal of the subsidiary		
	<u>2014</u>	<u>2013</u>
Current assets	—	799,645,215
Non-current assets	—	981,948,490
Current liabilities	—	(805,499,796)
Non-current liabilities	—	(278,556,980)
	<u>—</u>	<u>697,536,929</u>



## Notes to Financial Statements

For the year ended 31 December 2014

(All amounts in RMB Yuan unless otherwise stated)

### 4 Notes to the consolidated financial statements (continued)

#### (51) Supplementary information to consolidated cash flow statements (continued)

##### (c) Cash and cash equivalent

	31 December 2014	31 December 2013
Cash (Note 4(1))	5,266,389,764	7,394,904,648
Including: Cash on hand	431,550	479,275
Cash at bank that can be readily drawn on demand	5,265,958,214	7,394,425,373
Cash at end of year	5,266,389,764	7,394,904,648

#### (52) Foreign currency items

	31 December 2014		
	Foreign currency amount	Currency rate	RMB amount
Cash at bank and cash on hand			
US dollar	10,747,854	6.1190	65,766,119
Euro	6,505,956	7.4556	48,505,806
HK dollar	56,919,096	0.7889	44,903,475
Macau Pataca	24,961,910	0.7771	19,397,900
Accounts receivable			
HK dollar	33,954,392	0.7889	26,786,620
US dollar	3,124,226	6.1190	19,117,139
Euro	1,883,462	7.4556	14,042,339
Macau Pataca	9,217,317	0.7771	7,162,777
Canadian dollar	202,739	5.2755	1,069,550
Other receivables			
HK dollar	1,466,907	0.7889	1,157,243
Macau Pataca	316,988	0.7771	246,331
Short-term borrowing			
HK dollar	372,438,691	0.7889	293,816,883
Other payables			
HK dollar	8,654,506	0.7889	6,827,540
US dollar	453,115	6.1190	2,772,611
Euro	339,000	7.4556	2,527,448
Macau Pataca	223,546	0.7771	173,718
Current portion of non-current liabilities			
Euro	156,739	7.4556	1,168,580
Danish Kroner	387,991	1.0125	392,841
Long-term borrowing			
Euro	74,740	7.4556	557,231
Danish Kroner	2,200,000	1.0125	2,227,500



## Notes to Financial Statements

For the year ended 31 December 2014

(All amounts in RMB Yuan unless otherwise stated)

### 5 Changes in consolidation scope

#### (1) The business combinations not under common control

##### (a) The business combinations not under common control occur in current year

Acquiree	Acquisition date	Acquisition costs	Acquired proportionate interest	Acquisition method	Purchasing date	Basis of determining acquisition date	Revenue of acquiree from the year end	Net loss of acquiree from acquisition date to the year end	Operating cash flow of acquiree from acquisition date to the year end	Net cash flow of acquiree from acquisition date to the year end
Lulansa Brewery (i)	15 July 2014	317,374,000	55%	(i)	15 July 2014	Obtain approval and completing property delivery procedures	74,863,670	9,913,426	(23,812,386)	150,041
Equipment Manufacture (ii)	31 October 2014	100,000	50%	(ii)	31 October 2014	Obtain approval and completing property delivery procedures	641	6,124,826	(12,386,038)	(12,386,038)

- (i) According to the Framework Agreement on Capital Increase and Equity Transaction of Shandong Lulansa Brewery Co., Ltd. between the Company and Shandong Huashi Beer Co., Ltd. (“Huashi Beer”). At 30 April 2014, Huashi Beer add the capital with the assets and liabilities related to beer production and sales held by Huashi Beer. The Lulansa Brewery’s registered capital increased to RMB100,000,000 from RMB3,000,000 on the date of incorporation on 30 April 2014 after the capital increase. As at 15 July 2014, the Company purchased 55% equities of Lulansa Brewery with RMB317,374,000, and at the same time purchased the marketing network of Lulansa Brewery with RMB62,626,000, with the transfer procedures related to equities completed in July 2014. Except for the equity transfer amount of RMB120,000,000 to be paid after the completion of transfer registration of buildings, the Company has made a transfer payment of RMB260,000,000.
- (ii) As described in Note 4(10)(a)(ii), the Group purchased the remaining 50% equity interests of Equipment Manufacturing Company, which becomes a wholly-owned subsidiary of the Company.

##### (b) The information of combination costs and goodwill recognition is as follows:

Lulansa Brewery

	Amount
Combination costs-cash	317,374,000
Less: fair value of the share of identifiable net assets obtained	(90,347,518)
Goodwill	227,026,482



## Notes to Financial Statements

For the year ended 31 December 2014

(All amounts in RMB Yuan unless otherwise stated)

### 5 Changes in consolidation scope (continued)

#### (1) The business combinations not under common control (continued)

(c) The information of acquiree's assets and liabilities at acquisition date is as follows:

Lulansa Brewery

	Acquisition date Fair value	Acquisition date Carrying amount
Cash at bank and on hand	3,004,985	3,004,985
Accounts receivable	7,344,793	7,344,793
Advances to suppliers	2,025,581	2,025,581
Inventories	23,958,681	24,727,547
Other current assets	763,469	566,165
Fixed assets	159,949,438	170,603,323
Intangible assets	56,671,670	29,507,670
Less: Accounts payable	(74,718,840)	(74,718,840)
Other liabilities	(10,746,924)	(10,746,924)
Deferred tax liabilities	(3,984,638)	—
Net assets	164,268,215	152,314,300
Less: Non-controlling interests	(73,920,697)	(68,541,435)
Net assets acquired	90,347,518	83,772,865

The Company has adopted valuation techniques for measuring the fair value of net assets of Lulansa Brewery at the acquisition date. In accordance with the valuation report issued by Qingdao Tianhe Assets Appraisal Co., Ltd., valuation methods and critical assumptions applied are as follows:

The valuation method used for fixed assets is Depreciated Replacement Cost approach, using the following critical assumptions:

Assets in category of house and buildings are continued to be used for the existing purpose, the houses which have no Property Ownership Certificate may legally obtain the Property Ownership Certificate; assets in category of machines and equipment are continued to be used for the existing purpose.

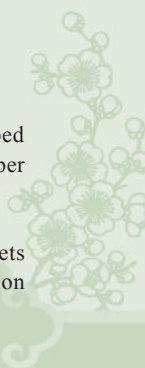
The valuation methods used for intangible assets are as follows:

The valuation methods used for land use right are the Adjusted Benchmarking Land Price Scale Method and the Cost Approximation, using the following critical assumption: The use purpose will not be changed.

The valuation methods used for trademarks is the Income Approach, using the following Critical assumption: the trademarks are continued to be used for the current purpose, in the current manner, size, frequency and circumstance, or used on the minor-changed basis; the trademarks can be duly extended in the future years, and may be extended by the enterprises which use the trademarks pursuant to the relevant laws and regulations.

#### (2) Other reasons for consolidation scoping changes

- (i) As at 25 April 2014, the Company set up a wholly-owned subsidiary Zhangjiakou Company with a subscribed investment amount of RMB200,000,000, and the actual investment amount was RMB81,480,000 as at 31 December 2014.
- (ii) As at 28 March 2014, the Company has completed the registration of cancellation of the Southwest Sales, the net assets of the Southwest Sales was RMB44,840,481 as at the cancellation date; and from 1 January 2014 to the cancellation date, the net loss of the Southwest Sales was RMB46,757.



## Notes to Financial Statements

For the year ended 31 December 2014

(All amounts in RMB Yuan unless otherwise stated)

### 6 Interests in other entities

#### (1) Interests in subsidiaries

##### (a) The structure of the Group

Name	Place of main operation	Place of registration	Nature of business	Share proportion		
				Directly	Indirectly	Acquisition method
Shenzhen Tsingtao Brewery Huanan Holding Co., Ltd. ("Huanan Holding Company")	Shenzhen, the PRC	Shenzhen, the PRC	Finance	100%	—	Establishment or investment
Tsingtao Brewery (Zhuhai) Co., Ltd. ("Zhuhai Company")	Zhuhai, the PRC	Zhuhai, the PRC	Manufacturing	—	100%	Establishment or investment
Tsingtao Brewery (Huangshi) Co., Ltd. ("Huangshi Company")	Huangshi, the PRC	Huangshi, the PRC	Manufacturing	97.18%	2.82%	Establishment or investment
Tsingtao Brewery (Yingcheng) Co., Ltd. ("Yingcheng Company")	Yingcheng, the PRC	Yingcheng, the PRC	Manufacturing	89.91%	10.09%	Establishment or investment
Shenzhen Huanan Tsingtao Brewery Sales Co., Ltd. ("Huanan Sales Company")	Guangdong, the PRC	Shenzhen, the PRC	Wholesale and retail sale	100%	—	Establishment or investment
Tsingtao Brewery (Changsha) Co., Ltd. ("Changsha Company")	Changsha, the PRC	Changsha, the PRC	Manufacturing	70%	30%	Establishment or investment
Tsingtao Brewery Huadong Holding Co., Ltd. ("Huadong Holding Company")	Shanghai, the PRC	Shanghai, the PRC	Finance	100%	—	Establishment or investment
Tsingtao Brewery Huadong Shanghai Sales Co., Ltd. ("Shanghai Sales Company")	Shanghai, the PRC	Shanghai, the PRC	Wholesale and retail sale	97.01%	2.99%	Establishment or investment
Nanjing Sales Company (ii)	Jiangsu, the PRC	Nanjing, the PRC	Wholesale and retail sale	—	50%	Establishment or investment
Tsingtao Brewery (Wuhu) Co., Ltd. ("Wuhu Company")	Wuhu, the PRC	Wuhu, the PRC	Manufacturing	89.04%	10.96%	Establishment or investment
Tsingtao Brewery (Maanshan) Co., Ltd. ("Maanshan Company")	Maanshan, the PRC	Maanshan, the PRC	Manufacturing	94.12%	5.58%	Establishment or investment
Tsingtao Brewery (Shouguang) Co., Ltd. ("Shouguang Company")	Shouguang, the PRC	Shouguang, the PRC	Manufacturing	99%	—	Establishment or investment
Tsingtao Brewery (Weifang) Co., Ltd. ("Weifang Company")	Weifang, the PRC	Weifang, the PRC	Manufacturing	100%	—	Establishment or investment
Huaihai Sales Company (ii)	Jiangsu, the PRC	Xuzhou, the PRC	Wholesale and retail sale	—	50%	Establishment or investment
Tsingtao Brewery (Xuecheng) Co., Ltd. ("Xuecheng Company")	Xuecheng, the PRC	Xuecheng, the PRC	Manufacturing	—	85%	Establishment or investment
Tsingtao Brewery (Tengzhou) Co., Ltd. ("Tengzhou Company")	Tengzhou, the PRC	Tengzhou, the PRC	Manufacturing	76.65%	23.35%	Establishment or investment
Tsingtao Brewery (Heze) Co., Ltd. ("Heze Company")	Heze, the PRC	Heze, the PRC	Manufacturing	93.08%	6.92%	Establishment or investment
Tsingtao Brewery (Taierzhuang) Malt Co., Ltd. ("Taierzhuang Malt")	Taierzhuang, the PRC	Taierzhuang, the PRC	Manufacturing	—	100%	Establishment or investment
Langfang Company	Langfang, the PRC	Langfang, the PRC	Manufacturing	80.80%	19.20%	Establishment or investment
Tsingtao Brewery Xi'an Han's Group Co., Ltd. ("Xi'an Company")	Shaanxi, the PRC	Xi'an, the PRC	Manufacturing & Wholesale and retail sale	100%	—	Establishment or investment
Tsingtao Brewery Hansi Baoji Co., Ltd. ("Hansi Baoji")	Baoji, the PRC	Baoji, the PRC	Manufacturing	—	100%	Establishment or investment
Tsingtao Brewery (Anshan) Co., Ltd. ("Anshan Company")	Anshan, the PRC	Anshan, the PRC	Manufacturing	60%	—	Establishment or investment
Tsingtao Brewery (Xingkaihu) Co., Ltd. ("Xingkaihu Company")	Jixi, the PRC	Jixi, the PRC	Manufacturing	100%	—	Establishment or investment



## Notes to Financial Statements

For the year ended 31 December 2014

(All amounts in RMB Yuan unless otherwise stated)

### 6 Interests in other entities (continued)

#### (1) Interests in subsidiaries (continued)

##### (a) The structure of the Group (continued)

Name	Place of main operation	Place of registration	Nature of business	Share proportion		Acquisition method
				Directly	Indirectly	
Tsingtao Brewery (Mishan) Co., Ltd. ("Mishan Company")	Mishan, the PRC	Mishan, the PRC	Manufacturing	100%	—	Establishment or investment
Tsingtao Brewery (Harbin) Co., Ltd. ("Harbin Company")	Harbin, the PRC	Harbin, the PRC	Manufacturing	100%	—	Establishment or investment
Tsingtao Brewery Import/Export Co., Ltd. ("Import/Export Company")	Qingdao, the PRC	Qingdao, the PRC	Wholesale and retail sale	100%	—	Establishment or investment
Tsingtao Brewery (Pingyuan) Co., Ltd. ("Pingyuan Company")	Pingyuan, the PRC	Pingyuan, the PRC	Manufacturing	100%	—	Establishment or investment
Tsingtao Brewery (Rizhao) Co., Ltd. ("Rizhao Company")	Rizhao, the PRC	Rizhao, the PRC	Manufacturing	100%	—	Establishment or investment
Tsingtao Brewery (Luzhou) Co., Ltd. ("Luzhou Company")	Luzhou, the PRC	Luzhou, the PRC	Manufacturing	95%	—	Establishment or investment
Tsingtao Brewery (Taizhou) Co., Ltd. ("Taizhou Company")	Taizhou, the PRC	Taizhou, the PRC	Manufacturing	86.43%	13.57%	Establishment or investment
Hong Kong Company	Hong Kong, the PRC	Hong Kong, the PRC	Wholesale and retail sale	100%	—	Establishment or investment
Hanzhong Company	Hanzhong, the PRC	Hanzhong, the PRC	Manufacturing	—	66%	Establishment or investment
Beifang Sales Company	Beijing, the PRC	Beijing, the PRC	Wholesale and retail sale	95%	5%	Establishment or investment
Qingdao Guangrunlong Logistics Co., Ltd. ("Guangrunlong Logistics")	Shandong, the PRC	Qingdao, the PRC	Logistics	100%	—	Establishment or investment
Tsingtao Brewery (Xiamen) Co., Ltd. ("Xiamen Company")	Xiamen, the PRC	Xiamen, the PRC	Manufacturing	—	100%	Establishment or investment
Dongnan Sales Company	Fujian, the PRC	Xiamen, the PRC	Wholesale and retail sale	100%	—	Establishment or investment
Tsingtao Brewery (Jinan) Co., Ltd. ("Jinan Company")	Jinan, the PRC	Jinan, the PRC	Manufacturing	100%	—	Establishment or investment
Tsingtao Brewery (Chengdu) Co., Ltd. ("Chengdu Company")	Chengdu, the PRC	Chengdu, the PRC	Manufacturing	100%	—	Establishment or investment
Tsingtao Brewery (Yulin) Co., Ltd. ("Yulin Company")	Yulin, the PRC	Yulin, the PRC	Manufacturing	—	100%	Establishment or investment
Tsingtao Brewery Chengyang Sales Co., Ltd. ("Chengyang Sales Company")	Qingdao, the PRC	Qingdao, the PRC	Wholesale and retail sale	100%	—	Establishment or investment
Tsingtao Brewery Chenzhou Sales Co., Ltd. ("Chenzhou Sales Company")	Chenzhou, the PRC	Chenzhou, the PRC	Wholesale and retail sale	—	100%	Establishment or investment
Machinery and Equipment Company	Qingdao, the PRC	Qingdao, the PRC	Construction	—	100%	Establishment or investment
Tsingtao Brewery (Shijiazhuang) Co., Ltd. ("Shijiazhuang Company")	Shijiazhuang, the PRC	Shijiazhuang, the PRC	Manufacturing	100%	—	Establishment or investment
Tsingtao Brewery (Taiyuan) Co., Ltd. ("Taiyuan Company")	Taiyuan, the PRC	Taiyuan, the PRC	Manufacturing	100%	—	Establishment or investment
Finance Company	Qingdao, the PRC	Qingdao, the PRC	Financing	100%	—	Establishment or investment
Tsingtao Brewery Sifang Sales Co., Ltd. ("Sifang Sales Company")	Qingdao, the PRC	Qingdao, the PRC	Wholesale and retail sale	100%	—	Establishment or investment



## Notes to Financial Statements

For the year ended 31 December 2014

(All amounts in RMB Yuan unless otherwise stated)

### 6 Interests in other entities (continued)

#### (1) Interests in subsidiaries (continued)

##### (a) The structure of the Group (continued)

Name	Place of main operation	Place of registration	Nature of business	Share proportion		
				Directly	Indirectly	Acquisition method
Tsingtao Brewery (Jieyang) Co., Ltd. ("Jieyang Company")	Jieyang, the PRC	Jieyang, the PRC	Manufacturing	75%	—	Establishment or investment
Tsingtao Brewery (Shaoguan) Co., Ltd. ("Shaoguan Company")	Shaoguan, the PRC	Shaoguan, the PRC	Manufacturing	100%	—	Establishment or investment
Tsingtao Brewery (Hainan) Co., Ltd. ("Hainan Company")	Chengmai, the PRC	Chengmai, the PRC	Manufacturing	100%	—	Establishment or investment
Tsingtao Brewery Shibe Sales Co., Ltd. ("Shibe Sales Company")	Qingdao, the PRC	Qingdao, the PRC	Wholesale and retail sale	100%	—	Establishment or investment
Tsingtao Brewery (Jiujiang) Co., Ltd. ("Jiujiang Company")	Jiujiang, the PRC	Jiujiang, the PRC	Manufacturing	90%	—	Establishment or investment
Tsingtao Brewery Pingdu Sales Co., Ltd. ("Pingdu Sales Company")	Qingdao, the PRC	Qingdao, the PRC	Wholesale and retail sale	100%	—	Establishment or investment
New Shanghai Sales (ii)	Shanghai, the PRC	Shanghai, the PRC	Wholesale and retail sale	—	50%	Establishment or investment
Tsingtao Brewery (Xuzhou) Enterprise Management Service Co., Ltd. ("Xuzhou Enterprise Management")	Xuzhou, the PRC	Xuzhou, the PRC	Wholesale and retail sale	100%	—	Establishment or investment
Tsingtao Brewery (Luoyang) Co., Ltd. ("Luoyang Company")	Luoyang, the PRC	Luoyang, the PRC	Manufacturing	100%	—	Establishment or investment
Sales Company (i)	Shanghai, the PRC	Shanghai, the PRC	Wholesale and retail sale	50%	—	Establishment or investment
Qingdao Hongjiweiye Investment Co., Ltd. (Hongjiweiye)	Qingdao, the PRC	Qingdao, the PRC	Finance service	100%	—	Establishment or investment
Zhangjiakou Company	Zhangjiakou, the PRC	Zhangjiakou, the PRC	Manufacturing	100%	—	Establishment or investment
Tsingtao Brewery (Sanshui) Co., Ltd. ("Sanshui Company")	Sanshui, the PRC	Sanshui, the PRC	Manufacturing	—	75%	Business combination not under common control
Tsingtao Brewery (Chenzhou) Co., Ltd. ("Chenzhou Company")	Chenzhou, the PRC	Chenzhou, the PRC	Manufacturing	88.80%	11.20%	Business combination not under common control
Shenzhen Tsingtao Brewery Asahi Co., Ltd. ("Shenzhen Asahi")	Shenzhen, the PRC	Shenzhen, the PRC	Manufacturing	51%	—	Business combination not under common control
Tsingtao Brewery (Nanning) Co., Ltd. ("Nanning Company")	Nanning, the PRC	Nanning, the PRC	Manufacturing	—	75%	Business combination not under common control
Beijing Tsingtao Brewery Three Ring Co., Ltd Beijing, the PRC ("Three Ring Company")	Beijing, the PRC	Beijing, the PRC	Manufacturing	29%	25%	Business combination not under common control
Beijing Five Star Tsingtao Brewery Co., Ltd. Beijing, the PRC ("Five Star Company")	Beijing, the PRC	Beijing, the PRC	Manufacturing	37.64%	25%	Business combination not under common control
Tsingtao Brewery (Weinan) Co., Ltd. ("Weinan Company")	Weinan, the PRC	Weinan, the PRC	Manufacturing	28%	72%	Business combination not under common control
Tsingtao Brewery (Gansu) Nongken Co., Ltd. Lanzhou, the PRC ("Gansu Nongken Company")	Lanzhou, the PRC	Lanzhou, the PRC	Manufacturing	—	55.06%	Business combination not under common control
Tsingtao Brewery (Wuwei) Company Co., Ltd. Wuwei, the PRC ("Wuwei Company")	Wuwei, the PRC	Wuwei, the PRC	Manufacturing	—	99.72%	Business combination not under common control
Tsingtao Brewery (Rongcheng) Co., Ltd. ("Rongcheng Company")	Rongcheng, the PRC	Rongcheng, the PRC	Manufacturing	70%	—	Business combination not under common control
Tsingtao Brewery (Suizhou) Company Limited ("Suizhou Company")	Suizhou, the PRC	Suizhou, the PRC	Manufacturing	—	90%	Business combination not under common control
Tsingtao Brewery (Fuzhou) Co., Ltd. ("Fuzhou Company")	Fuzhou, the PRC	Fuzhou, the PRC	Manufacturing	—	100%	Business combination not under common control

## Notes to Financial Statements

For the year ended 31 December 2014

(All amounts in RMB Yuan unless otherwise stated)

### 6 Interests in other entities (continued)

#### (1) Interests in subsidiaries (continued)

##### (a) The structure of the Group (continued)

Name	Place of main operation	Place of registration	Nature of business	Share proportion		Acquisition method
				Directly	Indirectly	
Tsingtao Brewery (Zhangzhou) Co., Ltd. ("Zhangzhou Company")	Zhangzhou, the PRC	Zhangzhou, the PRC	Manufacturing	—	90%	Business combination not under common control
Construction Company	Qingdao, the PRC	Qingdao, the PRC	Construction	100%	—	Business combination not under common control
Tsingtao Brewery (Penglai) Co., Ltd. ("Penglai Company")	Penglai, the PRC	Penglai, the PRC	Manufacturing	80%	—	Business combination not under common control
Tsingtao Brewery Cultural Communication Co., Ltd. ("Cultural Communication Company")	Qingdao, the PRC	Qingdao, the PRC	Manufacturing	100%	—	Business combination not under common control
Tsingtao Brewery Beverage Co., Ltd. ("Beverage Company")	Qingdao, the PRC	Qingdao, the PRC	Manufacturing	100%	—	Business combination not under common control
Baotuquan Company	Jinan, the PRC	Jinan, the PRC	Wholesale and retail sale	100%	—	Business combination not under common control
Immense Brewery Company	Shandong, the PRC	Mengyin, the PRC	Manufacturing	75%	25%	Business combination not under common control
Tsingtao Brewery (Hangzhou) Co., Ltd. ("Hangzhou Company")	Jiande, the PRC	Jiande, the PRC	Manufacturing	80%	—	Business combination not under common control
Macau Company	Macau, the PRC	Macau, the PRC	Wholesale and retail sale	—	60%	Business combination not under common control
Shanghai Market Service (ii)	Shanghai, the PRC	Shanghai, the PRC	Wholesale and retail sale	—	50%	Business combination not under common control
The Prince Sales (ii)	Jiangsu, the PRC	LianYungang, the PRC	Wholesale and retail sale	—	50%	Business combination not under common control
Lulansa Brewery	Zibo, the PRC	Zibo, the PRC	Manufacturing	55%	—	Business combination not under common control
Equipment Manufacture	Qingdao, the PRC	Qingdao, the PRC	Manufacturing	—	100%	Business combination not under common control

- (i) The Company's percentage of equity interests is 50%, while the voting rate is 55.56%. All operating activities decisions are made by the board of directors, and only when at least half of the directors agree, the decisions could be made. There are 9 directors in total in Sales Company, 5 directors are from the Company, so the Company has control over Sales Company.
- (ii) Nanjing Sales Company, Huaihai Sales Company, New Shanghai Sales, Shanghai Market Service and The Prince Sales, are all wholly owned subsidiaries of the Sales Company.

As at 31 December 2014, there is no debenture issued by the subsidiaries of the Company.

The Group has no restrictions both on use of group assets and payoff of the group liabilities.





## Notes to Financial Statements

For the year ended 31 December 2014

(All amounts in RMB Yuan unless otherwise stated)

### 6 Interests in other entities (continued)

#### (1) Interests in subsidiaries (continued)

##### (b) Subsidiaries with material non-controlling interests

Name of subsidiaries	Share proportion of non-controlling interests	Non-controlling interests for the year ended 31 December 2014	Total proposed dividend in the year ended 31 December 2014 attributable to the minority shareholders	Non-controlling interests as at 31 December 2014
Shenzhen Asahi Sales Company (i)	49%	53,915,921	(42,140,000)	226,361,472
	50%	(111,685,106)	—	(597,818,772)

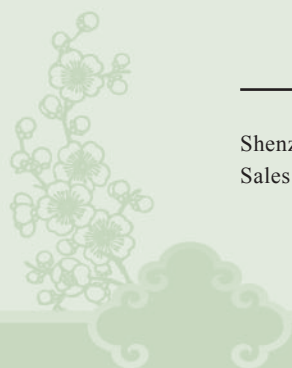
Summarised financial information of non-wholly owned subsidiaries in this year is as follows:

	As at 31 December 2014					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
Shenzhen Asahi Sales Company (i)	111,534,533	606,751,298	718,285,831	(250,048,220)	(6,275,423)	(256,323,643)
	135,704,411	80,215,894	215,920,305	(1,396,750,346)	(14,807,503)	(1,411,557,849)

	As at 31 December 2013					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
Shenzhen Asahi Sales Company (i)	153,181,692	620,888,488	774,070,180	(329,622,868)	(6,677,083)	(336,299,951)
	196,127,652	86,320,969	282,448,621	(1,237,169,195)	(17,546,757)	(1,254,715,952)

	Year ended 31 December 2014			
	Revenue	Net profit/ (loss)	Other comprehensive income	Cash flows from operating activities
Shenzhen Asahi Sales Company (i)	1,100,376,455	110,191,959	110,191,959	97,456,584
	2,921,002,615	(223,370,213)	(223,370,213)	(121,314,866)

	Year ended 31 December 2013			
	Revenue	Net profit/ (loss)	Other comprehensive income	Cash flows from operating activities
Shenzhen Asahi Sales Company (i)	1,164,865,545	95,614,943	95,614,943	191,510,630
	2,095,851,007	(564,202,141)	(564,202,141)	(135,349,309)



## Notes to Financial Statements

For the year ended 31 December 2014

(All amounts in RMB Yuan unless otherwise stated)

### 6 Interests in other entities (continued)

#### (1) Interests in subsidiaries (continued)

##### (b) Subsidiaries with material non-controlling interests

Financial information above doesn't include the elimination amount in the Group.

- (i) Financial statements of Sales Company are the consolidated financial data with its subsidiaries Nanjing Sales Company, Huaihai Sales Company, New Shanghai Sale, Shanghai Market Service and The Prince Sales.

#### (2) Interests in Joint Ventures and Associates

##### (a) Basic information of significant Joint Ventures and Associates

	Place of main operation	Place of registration	Nature of business	Strategic impact on the Group	Share proportion	
					Directly	Indirectly
<b>Joint Ventures —</b>						
Hebei Jiaye Company	Shijiazhuang, the PRC	Shijiazhuang, the PRC	Manufacturing	Yes	50%	—
<b>Associates —</b>						
Manufacturing Company	Shanghai, the PRC	Shanghai, the PRC	Manufacturing Wholesale and retail sale	Yes	50%	—
Yantai Asahi	Yantai, the PRC	Yantai, the PRC	Manufacturing	Yes	39%	—
Zhaoshang Logistics	Qingdao, the PRC	Qingdao, the PRC	Logistics	Yes	30%	—
Liaoning Shenqing	Shenyang, the PRC	Shenyang, the PRC	Wholesale and retail sale	Yes	30%	—
European Company	France	France	Wholesale and retail sale	Yes	—	40%

The equity investment above is accounted for using the equity method.



## Notes to Financial Statements

For the year ended 31 December 2014

(All amounts in RMB Yuan unless otherwise stated)

### 6 Interests in other entities (continued)

#### (2) Interests in Joint Ventures and Associates

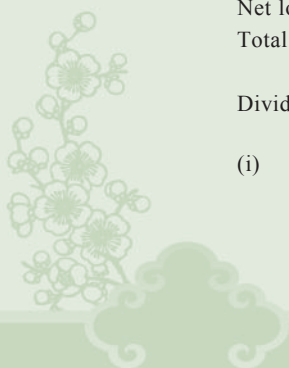
##### (b) Summarised financial information of joint venture

	<b>Hebei Jiahe Company</b>	
	<b>31 December 2014</b>	<b>26 February 2014</b> (Acquisition date)
Current assets	47,019,370	79,117,103
Including: cash and cash equivalent	1,680,356	30,994,347
Non-current assets	124,975,094	126,963,283
<b>Total assets</b>	<b>171,994,464</b>	<b>206,080,386</b>
Current liabilities	(94,516,051)	(119,025,745)
<b>Total liabilities</b>	<b>(94,516,051)</b>	<b>(119,025,745)</b>
Total equity attributable to shareholders	77,478,413	87,054,641
Adjusted fair value of the identifiable net assets when obtained	136,899,089	148,026,941
Adjusted total equity attributable to shareholders	214,377,502	235,081,582
The share of net assets calculated based on the shareholding proportion (i)	107,188,751	117,540,791
Adjusting event-goodwill	113,928,609	113,928,609
Investment on joint venture measured at the carrying amount	221,117,360	231,469,400

There is no quoted market price for the investment to joint venture of the Company.

	<b>Hebei Jiahe Company</b>	
	<b>From acquisition date to 31 December 2014</b>	2013
Revenue	<b>246,074,642</b>	Not applicable
Financial expenses	<b>(10,889)</b>	Not applicable
Income tax expense	—	Not applicable
Net loss	<b>(9,576,228)</b>	Not applicable
Total comprehensive income	<b>(9,576,228)</b>	Not applicable
Dividends distribution from Joint Ventures in current year	—	Not applicable

- (i) The share of the net asset of joint venture was calculated by the share proportion of the Group, based on the equity attributable to shareholders of the Company in the consolidated financial statement of the joint venture, adjusted accordingly to the fair value of the identifiable assets and liabilities of the joint venture at the acquisition date and conformed to accounting policies of the Group.



## Notes to Financial Statements

For the year ended 31 December 2014

(All amounts in RMB Yuan unless otherwise stated)

### 6 Interests in other entities (continued)

#### (2) Interests in Joint Ventures and Associates (continued)

##### (c) Summarised financial information of associates

	31 December 2014					31 December 2013				
	Manufacturing Company	Yantai Asahi	Zhaoshang Logistics	Liaoning Shenqing	European Company	Manufacturing Company	Yantai Asahi	Zhaoshang Logistics	Liaoning Shenqing	European Company
Current assets	1,240,522,099	262,904,813	131,874,742	51,095,628	26,416,613	1,268,012,943	215,257,456	112,500,388	73,723,408	19,437,573
Including: cash and cash equivalent	47,155,477	31,090,597	1,279,025	11,198,256	5,074,043	135,379,102	46,463,778	1,607,886	12,547,221	3,833,012
Non-current assets	2,449,674,233	166,191,009	5,471,348	4,108,502	183,438	2,484,229,460	175,386,556	5,184,536	4,499,639	214,233
Total assets	3,690,196,332	429,095,822	137,346,090	55,204,130	26,600,051	3,752,242,403	390,644,012	117,684,924	78,223,047	19,651,806
Current liabilities	(1,093,886,116)	(145,916,544)	(59,335,082)	(46,514,172)	(22,390,263)	(1,256,127,564)	(112,531,931)	(58,052,290)	(65,815,163)	(15,669,168)
Non-current liabilities	(423,875,953)	(157,439)	(10,632,259)	—	—	(431,836,009)	—	(88,440)	—	—
Total liabilities	(1,517,762,069)	(146,073,983)	(69,967,341)	(46,514,172)	(22,390,263)	(1,687,963,573)	(112,531,931)	(58,140,730)	(65,815,163)	(15,669,168)
Non-controlling interests	(24,604,928)	—	—	—	—	(24,200,811)	—	—	—	—
Total equity attributable to shareholders of the company	2,147,829,335	283,021,839	67,378,749	8,689,958	4,209,788	2,040,078,019	278,112,081	59,544,194	12,407,884	3,982,638
Adjusted fair value of the identifiable net assets when obtained	98,923,187	45,468,498	—	—	—	114,872,481	49,328,497	—	—	—
Adjusted total equity attributable to shareholders of the company	2,246,752,522	328,490,337	67,378,749	8,689,958	4,209,788	2,154,950,500	327,440,578	59,544,194	12,407,884	3,982,638
The share of net assets calculated based on the shareholding proportion (i)	1,123,376,261	128,111,231	20,213,625	2,606,987	1,683,915	1,077,475,250	127,701,825	17,863,258	3,722,365	1,593,055
Adjusting items										
— Goodwill	38,540,092	9,640,679	—	—	—	38,540,092	9,640,679	—	—	—
— unrealized profits of internal transaction	(9,027,775)	—	—	—	—	(5,897,786)	—	—	—	—
Investment on Associates measured at the carrying amount	1,152,888,578	137,751,910	20,213,625	2,606,987	1,683,915	1,110,117,556	137,342,504	17,863,258	3,722,365	1,593,055

There is no quoted market price for the investment to associates of the Company.



## Notes to Financial Statements

For the year ended 31 December 2014

(All amounts in RMB Yuan unless otherwise stated)

### 6 Interests in other entities (continued)

#### (2) Interests in Joint Ventures and Associates (continued)

##### (c) Summarised financial information of associates (continued)

	31 December 2014					31 December 2013				
	Manufacturing Company	Yantai Asahi	Zhaoshang Logistics	Liaoning Shengqing	European Company	Manufacturing Company	Yantai Asahi	Zhaoshang Logistics	Liaoning Shengqing	European Company
Revenue	2,504,698,465	733,066,197	284,064,949	176,283,546	79,861,584	1,857,540,229	624,739,879	248,071,863	305,827,613	60,847,170
Net profits/(loss)	47,629,664	43,620,459	7,834,555	(3,717,926)	625,057	507,032	43,011,895	13,460,954	233,500	228,274
Other comprehensive income	—	—	—	—	(397,907)	—	—	—	—	(72,931)
Total comprehensive income	47,629,664	43,620,459	7,834,555	(3,717,926)	227,150	507,032	43,011,895	13,460,954	233,500	155,343
Non-controlling interests	2,778,348	—	—	—	—	(6,220,307)	—	—	—	—
Total comprehensive income attributable to shareholders of the company	44,851,316	43,620,459	7,834,555	(3,717,926)	227,150	6,727,339	43,011,895	13,460,954	233,500	155,343
Dividend distributed from Associate current year	—	(15,097,173)	—	—	—	—	—	—	—	—

(i) The share of the net asset of associates was calculated by the share proportion of the Group, based on the equity attributable to shareholders of the Company in the consolidated financial statement of the associate, adjusted accordingly to the fair value of the identifiable assets and liabilities of the associates at the acquisition date and conformed to accounting policies of the Group.

(d) As at 31 December 2014, the Group's joint ventures and associates have no excess losses.



## Notes to Financial Statements

For the year ended 31 December 2014

(All amounts in RMB Yuan unless otherwise stated)

### 7 Segment information

As the Group is mainly engaged in the production and distribution of beer, the reportable segments of the Group are business units operating in different regions. Each region requires different marketing strategies, and the Group, therefore, separately manages the production and operation of each reportable segment and evaluates their operating results respectively, in order to make decisions on resource allocation to these segments and to assess their performance.

Finance Company, the Group's wholly-owned subsidiary, is principally engaged in the financial businesses of wealth management and agency collection and payment for its members. Due to the unique business characteristics of Finance Company, the Group manages its operation independently and evaluates its operating results separately, to determine its resource allocation and assess its performance.

The Group identified several reportable segments as follows:

- Shandong region, responsible for the production and distribution of beer in Shandong region and surrounding regions
- Huanan region, responsible for the production and distribution of beer in South China region
- Huabei region, responsible for the production and distribution of beer in North China region
- Huadong region, responsible for the production and distribution of beer in East China region
- Dongnan region, responsible for the production and distribution of beer in Southeast China region
- Hong Kong, Macau and other overseas, responsible for the distribution of beer in Hong Kong, Macau and other overseas
- Finance Company, engaged in the financial businesses of wealth management and agency collection and payment for its members.

Inter-segment transfer pricing is based on mutually-agreed prices.

Assets are allocated based on the operation of the segments and the physical location of the assets. Liabilities are allocated based on the operation of the segments. Expenses indirectly attributable to each segment are allocated among segments based on the proportion of each segment's revenue.





## Notes to Financial Statements

For the year ended 31 December 2014

(All amounts in RMB Yuan unless otherwise stated)

### 7 Segment information (continued)

(a) Segment information as at and for the twelve months ended 31 December 2014 is as follows:

	Shandong Region	Huanan Region	Huabei Region	Huadong Region	Dongnan Region	Hong Kong, Macau and other overseas	Finance Company	Unallocated	Elimination	Total
Revenue from external customers	14,138,767,510	4,401,431,421	4,185,880,314	3,029,370,253	2,797,425,636	493,720,960	2,725,072	—	—	29,049,321,166
Inter-segment revenue	2,798,039,532	346,157,226	1,469,467,695	388,238,839	4,325,080	228,880,851	26,666,023	—	(5,261,775,246)	—
Cost of sales	(10,750,854,373)	(2,942,466,510)	(3,912,087,588)	(3,018,058,330)	(1,925,743,800)	(528,508,316)	(911,223)	(597,709)	5,179,936,574	(17,899,291,275)
Selling and distribution expenses	(2,894,923,865)	(905,931,345)	(469,597,147)	(570,217,054)	(699,628,996)	(142,682,961)	—	—	—	(5,682,981,368)
Interest income	37,018,242	22,158,073	51,423,783	3,171,357	11,511,957	890,255	401,750,175	47,261,197	(167,430,906)	407,754,133
Interest expenses	(4,976,486)	(6,232,135)	(30,867,874)	(19,205,756)	(2,178,400)	(8,260,598)	(175,679,618)	(19,692,246)	236,180,649	(30,912,464)
Share of profit of associates and a joint venture	—	—	—	—	—	—	—	23,840,743	—	23,840,743
Asset impairment reversal/(losses)	12,772,286	101,000	(1,260,777)	281,916	(717,993)	(4,228)	(1,995,000)	(7,626,424)	1,963,000	3,513,780
Depreciation and amortisation	(390,907,541)	(204,615,169)	(172,267,958)	(46,165,693)	(64,696,196)	(4,794,584)	(1,078,611)	(48,599,285)	—	(933,125,037)
Total profit	1,866,539,608	354,953,325	636,576,464	(286,923,471)	82,486,126	33,934,525	246,643,056	(241,864,023)	(9,346,788)	2,682,998,822
Income tax expense	(386,122,714)	(77,547,757)	(142,432,990)	19,472,475	(6,199,284)	(7,140,209)	(61,841,810)	—	(1,654,466)	(663,466,755)
Net profit	1,480,416,894	277,405,568	494,143,474	(267,450,996)	76,286,842	26,794,316	184,801,246	(241,864,023)	(11,001,254)	2,019,532,067
Total assets	10,963,131,068	4,753,828,553	5,541,467,121	820,073,692	1,472,517,809	365,899,300	6,374,018,178	3,798,985,214	(7,086,007,809)	27,003,913,126
Total liabilities	4,904,496,575	1,734,712,629	3,486,761,551	1,655,514,340	685,815,470	524,545,790	5,396,985,107	468,097,597	(7,140,298,371)	11,716,630,688
Long-term equity investments in associates and a joint venture	—	—	—	—	—	—	—	1,536,262,375	—	1,536,262,375
Additions to non-current assets other than long-term equity investments	1,027,654,229	233,796,032	852,412,229	35,453,319	80,269,661	2,825,284	907,188	60,067,187	(38,170,841)	2,255,214,288



## Notes to Financial Statements

For the year ended 31 December 2014

(All amounts in RMB Yuan unless otherwise stated)

### 7 Segment information (continued)

(b) Segment information as at and for the twelve months ended 31 December 2013 is as follows:

	Shandong Region	Huanan Region	Huabei Region	Huadong Region	Dongnan Region	Hong Kong, Macau and other overseas	Finance Company	Unallocated	Elimination	Total
Revenue from external customers	14,094,827,756	4,837,542,164	4,000,871,852	2,836,675,203	2,064,249,615	456,773,334	38,504	—	—	28,290,978,428
Inter-segment revenue	2,234,418,232	248,611,459	1,309,771,908	224,674,037	6,847,900	111,871,488	29,012,601	—	(4,165,207,625)	—
Cost of sales	(10,007,600,118)	(3,069,880,129)	(3,709,536,248)	(2,562,049,395)	(1,312,166,972)	(361,895,649)	—	—	4,015,234,542	(17,007,893,969)
Selling and distribution expenses	(2,879,546,898)	(1,061,492,176)	(442,018,415)	(545,893,460)	(576,505,010)	(105,178,678)	(59,180)	—	—	(5,610,693,817)
Interest income	27,450,286	15,180,983	49,737,465	1,665,220	6,011,594	2,089,774	344,384,553	71,687,006	(163,173,164)	355,033,717
Interest expenses	—	(1,209,563)	—	(1,615,483)	—	(11,413,342)	(170,966,921)	(68,629,773)	170,383,826	(83,451,256)
Share of profit of associates and a joint ventures	—	—	—	—	—	—	—	9,465,953	—	9,465,953
Asset impairment reversal/(losses)	2,261,872	479,421	834,191	(1,195,053)	(697,998)	(3,427,355)	17,000	—	(17,000)	(1,744,922)
Depreciation and amortisation	(376,484,695)	(224,719,497)	(137,078,710)	(58,686,944)	(45,328,695)	(2,240,959)	(948,201)	(39,561,205)	—	(885,048,906)
Total profit	1,977,575,212	329,589,110	414,329,235	(216,347,296)	67,383,789	69,381,435	197,175,937	(93,751,783)	(78,801,971)	2,666,533,668
Income tax expense	(465,611,713)	(88,557,235)	(90,025,249)	16,249,794	(6,927,710)	(16,331,153)	(49,148,033)	—	8,741,424	(691,609,875)
Net profit	1,511,963,499	241,031,875	324,303,986	(200,097,502)	60,456,079	53,050,282	148,027,904	(93,751,783)	(70,060,547)	1,974,923,793
Total assets	9,484,349,394	4,738,553,943	5,109,285,307	890,279,960	1,436,711,644	256,846,893	8,424,683,384	5,490,921,972	(8,466,765,960)	27,364,866,537
Total liabilities	5,099,455,441	2,009,662,466	3,691,027,461	1,587,337,654	727,543,370	308,455,631	7,630,992,693	1,824,831,664	(9,387,910,878)	13,491,395,502
Long-term equity investments in associates and joint ventures	—	—	—	—	—	—	—	1,270,638,738	—	1,270,638,738
Additions to non-current assets other than long-term equity investments	976,677,744	137,675,238	591,469,503	244,054,713	230,967,301	4,125,132	1,044,800	60,103,364	—	2,246,117,795

The Group's revenue from external customers domestically and in foreign countries or geographical areas, and the total non-current assets other than financial assets and deferred tax assets located domestically and in foreign countries or geographical areas are as follows:

Revenue from external customers	2014	2013
Domestic	28,529,135,920	27,808,934,342
Hong Kong and Macau	264,175,591	257,086,415
Other countries/geographical areas	256,009,655	224,957,671
	<b>29,049,321,166</b>	<b>28,290,978,428</b>
	<b>31 December 2014</b>	<b>31 December 2013</b>
Total non-current assets		
Domestic	15,920,989,555	14,377,944,213
Hong Kong and Macau	11,780,871	11,060,945
	<b>15,932,770,426</b>	<b>14,389,005,158</b>

## Notes to Financial Statements

For the year ended 31 December 2014

(All amounts in RMB Yuan unless otherwise stated)

### 8 Related parties and related party transactions

#### (1) Information of subsidiaries

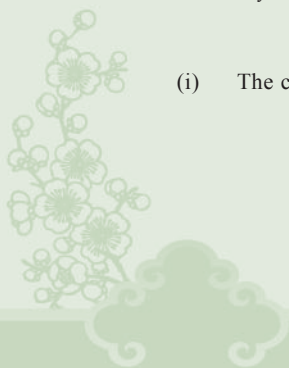
The general information and other related information of the subsidiaries is set out in Note 6(1).

#### (2) Information of joint ventures and associates

Except the information of joint ventures and associates disclosed in Note 6, the other information of associates is as follows:

	Place of operating	Place of registration	Nature of business	Strategic influence on the Group	Equity interest (%)	
					Direct	Indirect
<b>Associates (i) —</b>						
New Songjiang Manufacturing	Shanghai the PRC	Shanghai the PRC	Producing & trading of beer and wine etc.	Yes	—	50%
Pengcheng Company	Xuzhou the PRC	Xuzhou the PRC	Producing & trading of beer and wine etc.	Yes	—	50%
Yangzhou Company	Yangzhou the PRC	Yangzhou the PRC	Producing & trading of beer and wine etc.	Yes	—	50%
Xuzhou Company	Xuzhou the PRC	Xuzhou the PRC	Producing & trading of beer and wine etc.	Yes	—	50%
Suqian Company	Suqian the PRC	Suqian the PRC	Producing & trading of beer and wine etc.	Yes	—	50%
Suntory Brewery (Kunshan) Company Limited (“Suntory Kunshan”)	Suzhou the PRC	Suzhou the PRC	Producing & trading of beer and wine etc.	Yes	—	50%
Suntory Brewery (Shanghai) Company Limited (“Suntory Shanghai”)	Shanghai the PRC	Shanghai the PRC	Producing & trading of beer and wine etc.	Yes	—	50%
Suntory Brewery (Guangming) Company Limited (“Suntory Guangming”)	Shanghai the PRC	Shanghai the PRC	Producing & trading of beer and wine etc.	Yes	—	50%
Suntory Jiangsu	Lianyungang the PRC	Lianyungang the PRC	Producing & trading of beer and wine etc.	Yes	—	50%

(i) The companies above are all subsidiaries of Manufacturing Company, an associate of the Company.



## Notes to Financial Statements

For the year ended 31 December 2014

(All amounts in RMB Yuan unless otherwise stated)

### 8 Related parties and related party transactions (continued)

#### (3) Information of other related parties

	Relationship with the Group
Tsingtao Brewery Group Co.,Ltd. (“TB Group Company”)	Shareholder of the Company
Asahi Breweries, Ltd. (“Asahi Breweries”)	Same shareholder of the Company
Asahi Beer (China) Investment Co., Ltd. (“Asahi Investment”)	Same shareholder of the Company
Suntory Company	Minority shareholder of the Subsidiary

#### (4) Related party transactions

##### (a) Purchases of goods and receiving services

Name of related party	Nature of transaction	Pricing policies and procedures for decision-making		
			2014	2013
New Songjiang Manufacturing	Purchase of beer and materials	Mutually-agreed prices and approval by board of directors	738,743,071	453,408,082
Yantai asahi	Purchase of beer	Mutually-agreed prices and approval by board of directors	716,937,800	612,104,832
Suntory Kunshan	Purchase of beer and materials	Mutually-agreed prices and approval by board of directors	399,901,466	297,135,134
Suntory Shanghai	Purchase of beer and materials	Mutually-agreed prices and approval by board of directors	382,028,091	285,275,422
Pengcheng Company	Purchase of beer and materials	Mutually-agreed prices and approval by board of directors	321,034,934	204,940,627
Zhaoshang Logistics	Purchase logistics service (including paid on behalf)	Mutually-agreed prices	273,950,690	307,092,867
Hebei Jiahe Company	Purchase of beer	Mutually-agreed prices	234,863,895	—
Xuzhou Company	Purchase of beer	Mutually-agreed prices and approval by board of directors	182,696,277	123,890,673
Suntory Jiangsu	Purchase of beer and materials	Mutually-agreed prices and approval by board of directors	141,052,723	85,379,692
Yangzhou Company	Purchase of beer and materials	Mutually-agreed prices and approval by board of directors	139,035,617	130,274,403
Suqian Company	Purchase of beer	Mutually-agreed prices and approval by board of directors	135,420,114	94,747,128
Suntory Guangming Manufacturing Company	Purchase of beer and materials	Mutually-agreed prices	24,996,350	26,799,271
	Purchase of beer and materials	Mutually-agreed prices and approval by board of directors	—	75,431,781

## Notes to Financial Statements

For the year ended 31 December 2014

(All amounts in RMB Yuan unless otherwise stated)

### 8 Related parties and related party transactions (continued)

#### (4) Related party transactions (continued)

##### (b) Sales of goods and providing services

Name of related party	Nature of transaction	Pricing policies and procedures for decision-making	2014	2013
Liaoning Shenqing European Company	Sale of beer	Mutually-agreed prices	<b>138,593,056</b>	242,466,191
New Songjiang Manufacturing Company	Sale of beer	Mutually-agreed prices	<b>74,437,520</b>	58,093,166
Asahi Breweries	Sale of materials	Mutually-agreed prices	<b>22,667,757</b>	47,472,391
Pengcheng Company	Sale of beer	Mutually-agreed prices and approval by board of directors	<b>21,437,349</b>	18,977,539
Asahi Investment Company	Sale of beer and materials	Mutually-agreed prices	<b>6,164,001</b>	16,128,225
Yangzhou Company	Sale of beer	Mutually-agreed prices and approval by board of directors	<b>5,026,937</b>	6,293,213
Xuzhou Company	Sale of materials	Mutually-agreed prices	<b>402,810</b>	10,689,567
Suqian Company	Sale of beer and materials	Mutually-agreed prices	<b>306,378</b>	11,653,810
Suntory Shanghai	Sale of materials	Mutually-agreed prices	<b>159,087</b>	10,624,139
Yangzhou Company	Sale of materials	Mutually-agreed prices	<b>112,414</b>	—
Suqian Company	Providing construction and equipments installation services	Mutually-agreed prices	<b>948,718</b>	36,000,000
Manufacturing Company	Providing construction and equipments installation services	Mutually-agreed prices	—	2,823,658
Manufacturing Company	Sale of materials	Mutually-agreed prices	—	6,036,233



## Notes to Financial Statements

For the year ended 31 December 2014

(All amounts in RMB Yuan unless otherwise stated)

### 8 Related parties and related party transactions (continued)

#### (4) Related party transactions (continued)

##### (c) Brand royalty

Name of related party	Nature of transaction	Pricing policies and procedures for decision-making	2014	2013
New Songjiang Manufacturing	Brand royalty	Mutually-agreed prices	9,288,629	6,613,053
Pengcheng Company	Brand royalty	Mutually-agreed prices	2,963,590	1,970,134
Xuzhou Company	Brand royalty	Mutually-agreed prices	1,605,978	1,083,336
Yangzhou Company	Brand royalty	Mutually-agreed prices	1,507,048	1,440,316
Suqian Company	Brand royalty	Mutually-agreed prices	1,258,314	817,537
Suntory Jiangsu	Brand royalty	Mutually-agreed prices	91,652	—
			<u>16,715,211</u>	<u>11,924,376</u>

##### (d) Entrusted funds from related parties

	2014	2013
Suntory Company (Note 4(21)(ii))	<u>470,850,295</u>	<u>410,862,595</u>

##### (e) Repayment funds to related parties

	2014	2013
Suntory Company	452,176,918	372,770,110
TB Group Company	—	5,000,000
	<u>452,176,918</u>	<u>377,770,110</u>

##### (f) Receiving funds from related party

	2014	2013
Xuzhou Company	—	10,000,000





## Notes to Financial Statements

For the year ended 31 December 2014

(All amounts in RMB Yuan unless otherwise stated)

### 8 Related parties and related party transactions (continued)

#### (4) Related party transactions (continued)

##### (g) Deposits increased

	2014	2013
New Songjiang Manufacturing	717,642,070	329,962,939
Yantai Asahi	690,956,821	647,034,862
Pengcheng Company	353,187,695	51,601,205
Xuzhou Company	202,814,147	53,939,015
Suqian Company	176,376,884	57,482,744
Yangzhou Company	171,747,273	18,930,561
Manufacturing Company	100,331,847	15,346,883
	<u>2,413,056,737</u>	<u>1,174,298,209</u>

##### (h) Payment of interest

	2014	2013
Suntory Company (Note 4(21)(ii))	1,574,415	820,343
Pengcheng Company	363,073	159,645
New Songjiang Manufacturing	177,039	136,844
Yangzhou Company	131,938	79,100
Yantai Asahi	77,461	150,358
Xuzhou Company	58,546	20,035
Suqian Company	39,507	25,832
Manufacturing Company	38,619	11,281
TB Group Company	—	1,371,040
	<u>2,460,598</u>	<u>2,774,478</u>

##### (i) Interest received

	2014	2013
Xuzhou Company	—	355,500



## Notes to Financial Statements

For the year ended 31 December 2014

(All amounts in RMB Yuan unless otherwise stated)

### 8 Related parties and related party transactions (continued)

#### (4) Related party transactions (continued)

##### (j) Service charge to related parties

	2014	2013
New Songjiang Manufacturing	22,322	10,560
Pengcheng Company	10,116	4,722
Yantai Asahi	8,387	9,825
Suqian Company	5,602	3,599
Xuzhou Company	4,778	3,393
Yangzhou Company	3,762	3,729
Manufacturing Company	974	2,676
	<u>55,941</u>	<u>38,504</u>

##### (k) Remuneration of key management

	2014	2013
Remuneration of key management	<u>15,544,871</u>	<u>22,261,324</u>



## Notes to Financial Statements

For the year ended 31 December 2014

(All amounts in RMB Yuan unless otherwise stated)

### 8 Related parties and related party transactions (continued)

#### (4) Related party transactions (continued)

##### (i) Directors, supervisors and CEO's emoluments

Directors, supervisors and CEO's emoluments for the year ended 31 December 2014 are set out below:

Name	Fees	Salary	Social insurance and housing funds	Total
<b>Directors:</b>				
Sun Mingbo	—	1,826,856	56,696	1,883,552
Wang Fan (i)	—	531,288	27,754	559,042
Huang Kexing	—	1,514,376	56,696	1,571,072
Jiang Hong	—	1,117,736	56,696	1,174,432
Sun Yuguo (i)	—	113,828	27,754	141,582
Yu Zhuming (ii)	—	893,200	56,696	949,896
Ma Haitao	110,000	—	—	110,000
Wang Xuezheng	110,000	—	—	110,000
Zhao Changwen (i)	50,000	—	—	50,000
Wu Xiaobo (i)	50,000	—	—	50,000
Ben Shenglin (ii)	60,000	—	—	60,000
Jiang Min (ii)	60,000	—	—	60,000
<b>Supervisors:</b>				
Duan Jiajun	110,000	—	—	110,000
Li Yan	70,000	—	—	70,000
Yang Weicheng (iii)	30,000	—	—	30,000
Wang Yaping (iv)	40,000	—	—	40,000
Xue Chaoshan	—	492,957	56,696	549,653
Sun Lihong	—	385,500	56,696	442,196
Xing Jun	—	337,000	56,696	393,696
	<b>690,000</b>	<b>7,212,741</b>	<b>452,380</b>	<b>8,355,121</b>

- (i) Resigned from director on 16 June 2014.
- (ii) Appointed as director on 16 June 2014.
- (iii) Resigned from supervisor on 16 June 2014.
- (iv) Appointed as supervisor on 16 June 2014.



## Notes to Financial Statements

For the year ended 31 December 2014

(All amounts in RMB Yuan unless otherwise stated)

### 8 Related parties and related party transactions (continued)

#### (4) Related party transactions (continued)

##### (i) Directors, supervisors and CEO's emoluments (continued)

Directors, supervisors and CEO's emoluments for the year ended 31 December 2013 are set out below:

Name	Fees	Salary	Social insurance and housing funds	Total
<b>Directors:</b>				
Sun Mingbo	—	1,817,916	49,680	1,867,596
Wang Fan	—	1,414,076	49,680	1,463,756
Huang Kexing (i)	—	1,504,756	49,680	1,554,436
Jiang Hong	—	1,107,436	49,680	1,157,116
Sun Yuguo	—	1,007,436	49,680	1,057,116
Ma Haitao	100,000	—	—	100,000
Wang Xuezheng	100,000	—	—	100,000
Zhao Changwen	100,000	—	—	100,000
Wu Xiaobo	100,000	—	—	100,000
<b>Supervisors:</b>				
Duan Jiajun	100,000	—	—	100,000
Yang Weicheng	60,000	—	—	60,000
Li Yan	60,000	—	—	60,000
Xue Chaoshan	—	487,200	49,680	536,880
Sun Lihong	—	377,100	49,680	426,780
Xing Jun	—	328,554	49,680	378,234
	620,000	8,044,474	397,440	9,061,914

(i) Appointed as director on 25 June 2013.



## Notes to Financial Statements

For the year ended 31 December 2014

(All amounts in RMB Yuan unless otherwise stated)

### 8 Related parties and related party transactions (continued)

#### (4) Related party transactions (continued)

##### (i) Directors, supervisors and CEO's emoluments (continued)

The five individuals whose emoluments are the highest

The five individuals whose emoluments were the highest in the Group for the current year include 3 (2013: 2) directors whose emoluments are reflected in the analysis presented above. The emoluments payable to the remaining 2 (2013: 3) individuals during the current year are as follows:

	2014	2013
Salary	4,594,300	6,148,440
Social insurance and housing funds	113,392	149,040
	<u>4,707,692</u>	<u>6,297,480</u>
	<b>Number of individuals</b>	
	2014	2013
<b>Emolument bands:</b>		
HKD1,500,001-2,000,000 (RMB1,200,000-1,600,000)	0	1
HKD2,000,001-2,500,000 (RMB1,600,000-2,000,000)	1	1
HKD3,500,001-4,000,000 (RMB2,800,000-3,200,000)	1	1



## Notes to Financial Statements

For the year ended 31 December 2014

(All amounts in RMB Yuan unless otherwise stated)

### 8 Related parties and related party transactions (continued)

#### (5) Receivables from and payables to related parties

Receivables from related parties:

	31 December 2014		31 December 2013	
	Ending balance	Provision for bad debts	Ending balance	Provision for bad debts
Accounts receivable				
European Company	14,042,337	—	8,979,371	—
Beijing Sales Company	11,245,784	(11,245,784)	11,245,784	(11,245,784)
New Songjiang Manufacturing	8,057,140	—	21,550,620	—
Guangzhou General Agency	7,559,690	(7,559,690)	10,559,690	(10,559,690)
Asahi Breweries	1,875,403	—	1,856,920	—
Asahi Investment	334,369	—	438,049	—
Pengcheng Company	—	—	6,172,275	—
Yangzhou Company	—	—	5,726,964	—
Xuzhou Company	—	—	2,244,742	—
Suqian Company	—	—	1,334,719	—
	<b>43,114,723</b>	<b>(18,805,474)</b>	<b>70,109,134</b>	<b>(21,805,474)</b>
Other receivables				
Suqian Company	25,511,113	—	25,243,889	—
Yangzhou Company	19,697,470	—	19,822,427	—
New Songjiang Manufacturing	14,081,877	—	20,508,389	—
Suntory Jiangsu	5,440,807	—	3,609,414	—
Pengcheng Company	3,358,686	—	2,801,363	—
Xuzhou Company	1,702,337	—	5,492,488	—
	<b>69,792,290</b>	<b>—</b>	<b>77,477,970</b>	<b>—</b>
Advances to suppliers				
Suqian Company	2,000,000	—	—	—
Suntory Jiangsu	1,446,791	—	18,440,338	—
Xuzhou Company	—	—	6,338,878	—
	<b>3,446,791</b>	<b>—</b>	<b>24,779,216</b>	<b>—</b>
Other non-current assets — Prepayments for Equipment Manufacture (i)	—	—	2,385,602	—

(i) As stated in Note 4(10)(a)(ii), Equipment Manufacture Company changed to a subsidiary during year 2014.





## Notes to Financial Statements

For the year ended 31 December 2014

(All amounts in RMB Yuan unless otherwise stated)

### 8 Related parties and related party transactions (continued)

#### (5) Receivables from and payables to related parties (continued)

Payables to related parties:

	31 December 2014	31 December 2013
Accounts payable		
New Songjiang Manufacturing	266,147,466	262,586,846
Suntory Kunshan	230,442,454	225,535,406
Yantai Asahi	102,562,149	45,903,404
Pengcheng Company	66,890,582	78,976,202
Suntory Shanghai	25,413,423	27,916,108
Suntory Jiangsu	18,076,499	—
Yangzhou Company	16,452,019	16,341,453
Suqian Company	10,692,196	10,539,090
Xuzhou Company	4,656,471	—
Hebei jiahe Company	1,098,481	—
Suntory Guangming	543,663	—
	<u>742,975,403</u>	<u>667,798,509</u>
Other payables		
Suntory Shanghai	41,872,594	29,900,231
Zhaoshang Logistics	39,467,925	29,860,209
Suntory Kunshan	33,303,009	22,899,387
Yantai Asahi	12,375,031	31,618,667
Yangzhou Company	9,551,506	1,298,122
Pengcheng Company	6,888,087	3,577,228
New Songjiang Manufacturing	5,296,230	3,581,981
Suntory Guangming	4,154,033	116,492
Xuzhou Company	1,528,060	633,901
Suqian Company	1,048,549	1,519,634
Manufacturing Company	513,159	—
Suntory Company	—	89,847
Suntory Jiangsu	—	34,270
	<u>155,998,183</u>	<u>125,129,969</u>
Advances from customers		
Liaoning Shenqing	3,108,416	9,612,722
Interests payable		
Suntory Company	252,829	217,904
Short-term borrowings		
Suntory Company	107,960,037	89,286,660



## Notes to Financial Statements

For the year ended 31 December 2014

(All amounts in RMB Yuan unless otherwise stated)

### 9 Contingent liabilities

As stated in Note 3(2), the Group's potential risk of income tax liabilities related to prior years has not been settled. The directors are of the view that the impact of the potential income tax liabilities could not be reliably estimated and therefore, no provision was made in these financial statements.

### 10 Commitments

#### (1) Capital commitments

##### (a) Capital expenditures contracted for but not yet necessary to be recognised on the balance sheet

	31 December 2014	31 December 2013
Buildings, machinery and equipment	<u>421,350,610</u>	<u>447,368,640</u>

##### (b) Capital commitments authorised by the management but not yet contracted for

	31 December 2014	31 December 2013
Buildings, machinery and equipment and intangible assets	<u>2,100,066,328</u>	<u>2,603,744,863</u>

As at the balance sheet date, the joint venture of the Group has no significant capital expenditures contracted for but not yet necessary to be recognised on the balance sheet, or capital commitments authorised by the management but not yet contracted for.

#### (2) Operating lease commitments

The future minimum lease payments due under the signed irrevocable operating leases contracts are summarised as follows:

	31 December 2014	31 December 2013
Within one year	13,480,278	6,256,288
Between 1 and 2 years	4,652,988	2,520,000
Between 2 and 3 years	<u>1,671,002</u>	<u>420,000</u>
	<u>19,804,268</u>	<u>9,196,288</u>



## Notes to Financial Statements

For the year ended 31 December 2014

(All amounts in RMB Yuan unless otherwise stated)

### 10 Commitments (continued)

#### (3) Investment commitments

	31 December 2014	31 December 2013
Acquire equity of Hebei Jiahe and marketing network	—	300,000,000
Purchase New Zhonglou Brewery's assets	—	20,000,000
	—	320,000,000

### 11 Events after the balance sheet date

#### (1) Dividends distribution after the balance sheet date

	Amount
Dividends proposed (a)	
— Dividends authorised to declare	607,942,258

In accordance with the resolution at the Board of Directors' meeting dated on 30 March 2015, the Board of Directors proposed a dividend in the amount of RMB607,942,258 to the shareholders, which is not recorded as liability in the financial statements for the current year (Note 4(39)).

#### (2) Significant non-adjusted events

##### *Purchasing 34% equity of Hanzhong Company*

According to the Equity Transfer Agreement of Tsingtao Brewery Hanzhong Co., Ltd. signed between the Company and Shaanxi Lixiang Chemical Co., Ltd., ("Lixiang Chemical") on 19 January 2015, the Company purchased the 34% equity of Hanzhong Company (a subsidiary of the Company), from Lixiang Chemical with a consideration of RMB 27,250,000. The equity transfer procedures have been completed in February 2015.

### 12 Lease

For the year ended 31 December 2014, there is no financing lease (2013: nil), leases payments under operating leases recognised in profit or loss for the current year amount to RMB123,518,824 (2013: RMB110,453,130).



## Notes to Financial Statements

For the year ended 31 December 2014

(All amounts in RMB Yuan unless otherwise stated)

### 13 Financial instrument and risk

The Group's activities expose it to a variety of financial risks: market risk (primarily currency risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

#### (1) Market risk

##### (a) Foreign exchange risk

The Group's major operational activities are carried out in Mainland China and a majority of the transactions are denominated in RMB. The Group is exposed to foreign exchange risk arising from financing activities and business transactions denominated in foreign currencies, primarily with respect to HKD, and from some sales receipts settled by US Dollar and Euro. As the balance of the borrowings denominated in foreign currencies and the business transactions settled in foreign currencies are not material, the directors of the Company are of the view that the Group's exposure to foreign exchange risk would be immaterial. The Group's finance department at its headquarter is responsible for monitoring the amount of assets and liabilities, and transactions denominated in foreign currencies to minimise the currency risk. The Group may consider entering into forward exchange contracts to mitigate the foreign exchange risk. During 2014 and 2013, the Group did not enter into any forward exchange contracts.

As at 31 December 2014 and 2013, the carrying amounts in RMB equivalent to the Group's assets and liabilities denominated in foreign currencies are summarised as below:

	31 December 2014		
	HKD	Other foreign currencies	Total
Financial assets denominated in foreign currency —			
Cash at bank and on hand	44,903,475	133,669,825	178,573,300
Accounts receivable	26,786,620	41,391,805	68,178,425
Other receivables	1,157,243	246,331	1,403,574
	<u>72,847,338</u>	<u>175,307,961</u>	<u>248,155,299</u>
Financial liabilities denominated in foreign currency —			
Short-term borrowings	293,816,883	—	293,816,883
Other payables	6,827,540	5,473,777	12,301,317
Current portion of non-current liabilities	—	1,561,421	1,561,421
Long-term borrowings	—	2,784,731	2,784,731
	<u>300,644,423</u>	<u>9,819,929</u>	<u>310,464,352</u>



## Notes to Financial Statements

For the year ended 31 December 2014

(All amounts in RMB Yuan unless otherwise stated)

### 13 Financial instrument and risk (continued)

#### (1) Market risk (continued)

##### (a) Foreign exchange risk (continued)

	31 December 2013		
	HKD	Other foreign currencies	Total
Financial assets denominated in foreign currency —			
Cash at bank and on hand	54,142,465	96,165,089	150,307,554
Accounts receivable	30,766,170	31,495,678	62,261,848
Other receivables	1,777,057	185,599	1,962,656
	<u>86,685,692</u>	<u>127,846,366</u>	<u>214,532,058</u>
Financial liabilities denominated in foreign currency —			
Short-term borrowings	11,793,450	—	11,793,450
Other payables	8,424,745	4,202,346	12,627,091
Current portion of non-current liabilities	306,618,000	1,733,566	308,351,566
Long-term borrowings	—	4,881,294	4,881,294
	<u>326,836,195</u>	<u>10,817,206</u>	<u>337,653,401</u>

As at 31 December 2014, if the currency had strengthened/weakened by 10% against the HKD while all other variables had been held constant, the Group's net profit for the year would have increased or decreased by approximately RMB2,018,000 (31 December 2013: RMB866,000), other comprehensive income would have increased or decreased by approximately RMB 20,089,000 (31 December 2013: RMB22,861,000).

##### (b) Interest rate risk

The Group's interest rate risk arises from interest bearing debts including bank borrowings and debentures payable. Financial liabilities issued at floating rates expose the Group to cash flow interest rate risk. Financial liabilities issued at fixed rates expose the Group to fair value interest rate risk. The Group determines the relative proportions of its fixed rate and floating rate contracts depending on the prevailing market conditions. As at 31 December 2014, the Group's interest bearing debts were mainly RMB-denominated and HKD-denominated with fixed rates, amounting to RMB432,952,595 (31 December 2013: RMB1,589,895,742, and floating rates, amounting to RMB306,618,000)

The Group's finance department at its headquarters continuously monitors the interest rate position of the Group. Increases in interest rates will increase the cost of new borrowing and the interest expenses with respect to the Group's outstanding floating rate borrowings, and therefore could have a material adverse effect on the Group's financial position. The management of the Group makes decisions with reference to the latest market conditions. The directors of the Company are of the view that future interest rate changes will not have material adverse impact on the Group's operating results.



## Notes to Financial Statements

For the year ended 31 December 2014

(All amounts in RMB Yuan unless otherwise stated)

### 13 Financial instrument and risk (continued)

#### (1) Market risk (continued)

##### (c) Price risk

The Group's price risk arises from fluctuation in price of the principal raw materials in beer production, while the rise in price of raw material will have adverse impact on the Group's operating results. The purchasing department of the Group keeps analysing and monitoring the trend of the price of the raw materials, and considers entering into long-term purchase contracts with the suppliers to make sure that there is no material fluctuation in price of the raw materials. The directors of the Company are of the view that future price changes of principal raw materials will not have material adverse impact on the Group's operating results.

#### (2) Credit risk

Credit risk is managed on a Group basis. Credit risk mainly arises from cash at bank and on hand, accounts receivable, other receivables and notes receivable etc.

The Group expects that there is no significant credit risk associated with cash at bank considering they are deposited at state-owned banks and other medium or large size listed banks. Management does not expect that there will be any significant losses from non-performance by these counterparties.

Sales are mainly settled by advances from customers or bank acceptance notes, and accordingly, there is no significant credit risk in relation to customers.

As at 31 December 2014, there is no significant overdue accounts receivable (31 December 2013: nil).

#### (3) Liquidity risk

Cash flow forecasting is performed by each subsidiary of the Group and aggregated by the Group's finance department in its headquarters. The Group's finance department at its headquarter monitors rolling forecasts of the Group's short-term and long-term liquidity requirements to ensure it has sufficient cash to meet operational needs, while maintaining sufficient headroom on its undrawn committed borrowing facilities from major financial institution so that the Group does not breach borrowing limits or covenants on any of its borrowing facilities to meet the short-term and long-term liquidity requirements.

The financial liabilities of the Group at the balance sheet date are analysed by their maturity date below at their undiscounted contractual cash flows:

	31 December 2014				Total
	Within 1 year	1 to 2 years	2 to 5 years	Over 5 years	
Short-term borrowings	437,244,412	—	—	—	437,244,412
Notes payable	91,748,125	—	—	—	91,748,125
Accounts payable	2,494,168,939	—	—	—	2,494,168,939
Interests payable	4,739,860	—	—	—	4,739,860
Other payables	4,299,312,050	—	—	—	4,299,312,050
Current portion of non-current liabilities	1,561,421	—	—	—	1,561,421
Long-term borrowings	—	962,231	1,215,000	607,500	2,784,731
	<u>7,328,774,807</u>	<u>962,231</u>	<u>1,215,000</u>	<u>607,500</u>	<u>7,331,559,538</u>



## Notes to Financial Statements

For the year ended 31 December 2014

(All amounts in RMB Yuan unless otherwise stated)

### 13 Financial instrument and risk (continued)

#### (3) Liquidity risk (continued)

	31 December 2013				Total
	Within 1 year	1 to 2 years	2 to 5 years	Over 5 years	
Short-term borrowings	101,163,500	—	—	—	101,163,500
Notes payable	138,382,882	—	—	—	138,382,882
Accounts payable	2,707,070,770	—	—	—	2,707,070,770
Interests payable	1,202,929	—	—	—	1,202,929
Dividends payable	1,020,000	—	—	—	1,020,000
Other payables	4,231,981,495	—	—	—	4,231,981,495
Current portion of non-current liabilities	1,824,162,030	—	—	—	1,824,162,030
Long-term borrowings	—	1,784,107	1,975,387	1,121,800	4,881,294
	<u>9,004,983,606</u>	<u>1,784,107</u>	<u>1,975,387</u>	<u>1,121,800</u>	<u>9,009,864,900</u>

Bank borrowings and debentures payable are analysed by repayment terms as follows:

	31 December 2014		31 December 2013	
	Bank borrowings	Debentures payable	Bank borrowings	Debentures payable
Wholly repayable within five years	<b>434,678,406</b>	—	410,954,724	1,500,000,000
Wholly repayable beyond five years	<b>2,620,341</b>	—	3,358,246	—
	<u><b>437,298,747</b></u>	<u>—</u>	<u>414,312,970</u>	<u>1,500,000,000</u>



## Notes to Financial Statements

For the year ended 31 December 2014

(All amounts in RMB Yuan unless otherwise stated)

### 14 Fair value estimation

The level of fair value measurement is determined by the lowest level of inputs which has significant impact on fair value measurement, as a whole:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Inputs for the asset or liability that are not based on observable market data.

#### (1) Persistent financial instruments measured at fair value

As at 31 December 2014, persistent financial instruments measured at fair value are wealth management products of the Group (Note 4(8)(i)), which belong to Level 2 (31 December 2013: nil).

The timing of transfers is determined at the date of the event or change in circumstances that caused the transfer. There were no transfers between level 1 and 2 during the year.

The fair value of wealth management products, is determined by using valuation technique, as the financial instrument not trade in an active market. The valuation model was discounted cash flow, and the unobservable input was expected annual yield.

#### (2) Financial instruments not measured at fair value but disclosed at fair value

Financial assets and liabilities of the Group measured at amortised cost mainly represent receivables, short-term borrowings, payables, long-term borrowings, debentures payable and long-term payables.

Except for financial liabilities below, the carrying amount of the other financial assets and liabilities not measured at fair value is a reasonable approximation of their fair value.

	31 December 2014		31 December 2013	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial liabilities — the convertible bond with subscription warrants	—	—	1,488,815,632	1,478,019,032

The fair value of long-term borrowings, long-term payables and debentures payable not quoted in an active market is the present value of the contractually determined stream of future cash flows discounted at the rate of interest applied at that time by the market to instruments of comparable credit status and providing substantially the same cash flows on the same terms, which belongs to level 3.



## Notes to Financial Statements

For the year ended 31 December 2014

(All amounts in RMB Yuan unless otherwise stated)

### 15 Capital management

The Group's objectives when managing capital are to safeguard the group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

During 2014, the group's strategy, which was unchanged from 2013, was to maintain the cash balance above a certain standard to meet the Group's business development needs. Cash balance is calculated as cash and cash equivalents less total borrowings (including short-term borrowings, current portion of non-current liabilities, and long-term borrowings as shown in the consolidated balance sheet). The cash balance at 31 December 2014 and 2013 were as follows:

	<b>31 December 2014</b>	31 December 2013
Cash and cash equivalents	<b>5,266,389,764</b>	7,394,904,648
<i>Less:</i> Short-term borrowings	<b>(432,952,595)</b>	(101,080,110)
Current portion of non-current liabilities	<b>(1,561,421)</b>	(1,797,167,198)
Long-term borrowings	<b>(2,784,731)</b>	(4,881,294)
	<b>(437,298,747)</b>	(1,903,128,602)
Cash balance	<b>4,829,091,017</b>	5,491,776,046



## Notes to Financial Statements

For the year ended 31 December 2014

(All amounts in RMB Yuan unless otherwise stated)

### 16 Notes to the Company's financial statements

#### (1) Accounts receivable

	31 December 2014	31 December 2013
Accounts receivable	633,484,987	598,121,378
Less: provision for bad debts	<u>(68,483,026)</u>	<u>(71,485,233)</u>
	<u>565,001,961</u>	<u>526,636,145</u>

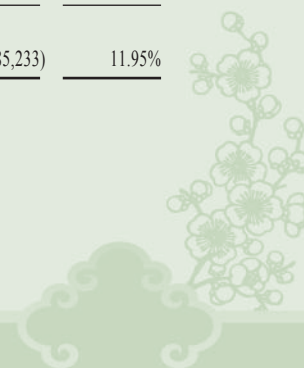
The majority of the Company's domestic sales are made with advances from customers. The remainings are settled by letters of credit, bank acceptance notes or credit terms from 30 to 150 days.

(a) The ageing of accounts receivable based on their recording dates is analysed below:

	31 December 2014	31 December 2013
Within 6 months	560,528,612	515,442,948
6 months to 1 year	552,490	5,894,268
1 to 2 years	36,928	1,399,518
2 to 3 years	—	118,036
Over 3 years	<u>72,366,957</u>	<u>75,266,608</u>
	<u>633,484,987</u>	<u>598,121,378</u>

(b) Accounts receivable are analysed by categories as follows:

	31 December 2014				31 December 2013			
	Ending balance		Provision for bad debts		Ending balance		Provision for bad debts	
	Amount	% of total balance	Amount	Ratio	Amount	% of total balance	Amount	Ratio
Individually significant and that the related provision for bad debts is provided on the individual basis	18,805,474	2.97%	(18,805,474)	100%	21,805,474	3.64%	(21,805,474)	100%
Subject to provision on the grouping basis								
Group B	523,685,664	82.67%	—	—	459,157,977	76.77%	—	—
Group C	90,993,849	14.36%	(49,677,552)	54.59%	117,157,927	19.59%	(49,679,759)	42.40%
	<u>633,484,987</u>	<u>100%</u>	<u>(68,483,026)</u>	<u>10.81%</u>	<u>598,121,378</u>	<u>100%</u>	<u>(71,485,233)</u>	<u>11.95%</u>



## Notes to Financial Statements

For the year ended 31 December 2014

(All amounts in RMB Yuan unless otherwise stated)

### 16 Notes to the Company's financial statements (continued)

#### (1) Accounts receivable (continued)

- (c) As at 31 December 2014, accounts receivable with amounts that are individually significant and the related provision for bad debts is provided on the individual basis are analysed as follows:

	Ending balance	Provision for bad debts	Ratio	Reason
Beijing Sales Company	11,245,784	(11,245,784)	100%	Note 4(3)(c)
Guangzhou General Agency	7,559,690	(7,559,690)	100%	Note 4(3)(c)
	<u>18,805,474</u>	<u>(18,805,474)</u>		

- (d) Accounts receivable that related provision for bad debts is provided on grouping basis using the ageing analysis method (Group C) are analysed as follows:

	31 December 2014			31 December 2013		
	Ending balance	Provision for bad debts		Ending balance	Provision for bad debts	
		Amount	Ratio		Amount	Ratio
Within 6 months	40,772,967	—	—	66,896,588	—	—
6 months to 1 year	552,490	(27,624)	5%	612,190	(30,610)	5%
1 to 2 years	36,928	(18,464)	50%	—	—	—
2 to 3 years	—	—	—	118,036	(118,036)	100%
Over 3 years	49,631,464	(49,631,464)	100%	49,531,113	(49,531,113)	100%
	<u>90,993,849</u>	<u>(49,677,552)</u>	<u>54.59%</u>	<u>117,157,927</u>	<u>(49,679,759)</u>	<u>42.40%</u>

- (e) The amount of provision for bad debts is RMB57,455, the reversed amount is RMB3,059,662, the major reversed amount is as follows:

	Reason for reversal	Rationality of provision basis	Amount of reversal	Reversal method
Guangzhou General Agency	Partial collected in the current year	The possibility of recovery is low in management's view	3,000,000	Bank acceptance notes

- (f) There are no accounts receivable that are written off in the current period (twelve months ended 31 December 2013: RMB137,094).



## Notes to Financial Statements

For the year ended 31 December 2014

(All amounts in RMB Yuan unless otherwise stated)

### 16 Notes to the Company's financial statements (continued)

#### (1) Accounts receivable (continued)

(g) As at 31 December 2014, the five largest accounts receivable are analysed as follows:

	Amount	Provision for bad debts	% of total balance
Total amount of the five largest accounts receivable	312,292,385	—	49.30%

(h) As at 31 December 2014, there are no accounts receivable derecognised due to transfer of financial assets (31 December 2013: nil).

#### (2) Other receivables

	31 December 2014	31 December 2013
Receivables from subsidiaries	101,748,835	74,460,499
Staff advance	20,983,452	20,071,909
Brand royalty (Note 4(4)(ii))	17,630,536	12,639,838
Refund for prepayment of land use rights	17,441,647	17,441,647
Deposits	7,983,219	17,102,705
Others	20,715,998	17,100,819
	<b>186,503,687</b>	<b>158,817,417</b>
Less: provision for bad debts	<b>(40,074,136)</b>	<b>(43,407,921)</b>
	<b>146,429,551</b>	<b>115,409,496</b>

(a) The ageing of other receivables is analysed below:

	31 December 2014	31 December 2013
Within 6 months	117,505,784	75,196,390
6 months to 1 year	12,585,726	594,798
1 to 2 years	1,840,498	469,432
2 to 3 years	354,924	1,944,337
Over 3 years	54,216,755	80,612,460
	<b>186,503,687</b>	<b>158,817,417</b>





## Notes to Financial Statements

For the year ended 31 December 2014

(All amounts in RMB Yuan unless otherwise stated)

### 16 Notes to the Company's financial statements (continued)

#### (2) Other receivables (continued)

(b) Other receivables by categories are analysed as follows:

	31 December 2014				31 December 2013			
	Ending balance		Provision for bad debts		Ending balance		Provision for bad debts	
	Amount	% of total balance	Amount	Ratio	Amount	% of total balance	Amount	Ratio
Individually significant and that the related provision for bad debts is provided on the individual basis	17,441,647	9.35%	(17,441,647)	100%	17,441,647	10.98%	(17,441,647)	100%
Subject to provision by groups								
Group A	7,401,127	3.97%	—	—	1,661,000	1.05%	—	—
Group B	101,748,835	54.56%	—	—	74,460,499	46.88%	—	—
Group C	59,912,078	32.12%	(22,632,489)	37.78%	65,254,271	41.09%	(25,966,274)	39.79%
	<u>186,503,687</u>	<u>100%</u>	<u>(40,074,136)</u>	<u>21.49%</u>	<u>158,817,417</u>	<u>100%</u>	<u>(43,407,921)</u>	<u>27.33%</u>

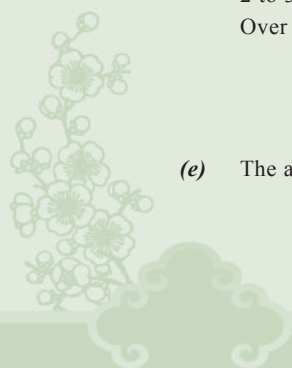
(c) As at 31 December 2014, other receivables with amounts that are individually significant and the related provision for bad debts is provided on the individual basis are analysed as follows:

	Ending balance	Provision for bad debts	Ratio	Reason
Refund for repayment of land use rights	<u>17,441,647</u>	<u>(17,441,647)</u>	100%	Note 4(4)(c)

(d) Other receivables that the related provision for bad debts is provided on grouping basis using the ageing analysis method (Group C) are analysed as follows:

	31 December 2014			31 December 2013		
	Ending balance	Provision for bad debts Amount	Ratio	Ending balance	Provision for bad debts Amount	Ratio
Within 6 months	36,801,091	—	—	39,030,535	—	—
6 months to 1 year	348,660	(17,433)	5%	51,745	(2,587)	5%
1 to 2 years	294,542	(147,271)	50%	416,609	(208,305)	50%
2 to 3 years	354,924	(354,924)	100%	283,337	(283,337)	100%
Over 3 years	22,112,861	(22,112,861)	100%	25,472,045	(25,472,045)	100%
	<u>59,912,078</u>	<u>(22,632,489)</u>	<u>37.78%</u>	<u>65,254,271</u>	<u>(25,966,274)</u>	<u>39.79%</u>

(e) The amount of provision for bad debts is RMB437,487, the reversed amount is RMB1,111,503.



## Notes to Financial Statements

For the year ended 31 December 2014

(All amounts in RMB Yuan unless otherwise stated)

### 16 Notes to the Company's financial statements (continued)

#### (2) Other receivables (continued)

(f) Other receivables that were written off RMB2,659,769 in the current year are as follows:

Nature	Amount	Reason	Deregistration procedure	Arising from related party transactions or not
Material refunds receivable	2,659,769	Management confirmed that it cannot be received	Approved to write off	No

(g) As at 31 December 2014, the five largest other receivables are analysed as follows:

Nature	Amount	Ageing	% of total balance	Provisions for bad debts
Wuhu Company	25,757,427	Within 6 months	13.81%	—
Luzhou Company	12,766,988	Within 6 months	6.85%	—
New Shanghai Sales Company	11,845,252	Over 3 years	6.35%	—
Suizhou Company	11,775,489	Within 2 years	6.31%	—
Tsingtao Xianghong Shangwu Company Limited (“Xianghong Shangwu”)	10,819,847	Within 6 months	5.80%	—
	<u>72,965,003</u>		<u>39.12%</u>	

#### (3) Dividends receivable

	31 December 2014	31 December 2013
Xi'an Company	—	237,000,000
Huanan Sales Company	<u>105,700,000</u>	—
	<u>105,700,000</u>	<u>237,000,000</u>



## Notes to Financial Statements

For the year ended 31 December 2014

(All amounts in RMB Yuan unless otherwise stated)

### 16 Notes to the Company's financial statements (continued)

#### (4) Long-term receivables

	31 December 2013			31 December 2014
Entrusted loans to Subsidiaries (i)	<u>822,650,000</u>			<u>566,300,000</u>
		Increase in the current year	Decrease in the current year	
Less: provisions for bad debts	<u>(218,460,000)</u>	<u>(60,200,000)</u>	<u>51,560,000</u>	<u>(227,100,000)</u>
	<u>604,190,000</u>			<u>339,200,000</u>

(i) Represents the entrusted loans to the subsidiaries provided by the Company through banks and Finance Company, which are unsecured RMB loans, with annual interest of 3.3% — 5.4%. The interests are paid monthly.

#### (5) Long-term equity investments

	31 December 2014	31 December 2013
Subsidiaries — unlisted (a)	<b>8,560,450,508</b>	7,801,596,508
Joint Ventures — unlisted (b)	<b>221,117,360</b>	—
Associates — unlisted (c)	<u>1,250,264,555</u>	<u>1,190,682,776</u>
	<b>10,031,832,423</b>	8,992,279,284
Less: Provision for impairment of long-term equity investments (d)	<u>(745,588,059)</u>	<u>(827,898,229)</u>
	<u>9,286,244,364</u>	<u>8,164,381,055</u>

There is no restriction on sales of the long-term equity investments held by the Company.



## Notes to Financial Statements

For the year ended 31 December 2014

(All amounts in RMB Yuan unless otherwise stated)

### 16 Notes to the Company's financial statements (continued)

#### (5) Long-term equity investments (continued)

##### (a) Subsidiaries

	Accounting treatment	Investment cost	31 December 2013	Increased investment	Decreased investment	31 December 2014	Equity interest held	Voting rights held	Explanation of inconsistency of equity interest held and voting rights held	Provision for impairment	Cash dividends declared in the current year
Shenzhen Asahi	Cost method	126,746,680	126,746,680	—	—	126,746,680	51%	51%	Not applicable	—	43,860,000
Chenzhou Company	Cost method	62,601,208	62,601,208	—	—	62,601,208	88.80%	88.80%	Not applicable	—	—
Huanan Sales Company	Cost method	45,070,000	45,070,000	—	—	45,070,000	100%	100%	Not applicable	—	415,700,000
Huanan Holding Company	Cost method	208,790,000	208,790,000	—	—	208,790,000	100%	100%	Not applicable	—	—
Huadong Holding Company	Cost method	96,855,102	96,855,102	—	—	96,855,102	100%	100%	Not applicable	(96,855,102)	—
Shouguang Company	Cost method	60,000,000	60,000,000	—	—	60,000,000	99%	99%	Not applicable	—	—
Fives star Company	Cost method	24,656,410	24,656,410	—	—	24,656,410	37.64%	37.64%	Not applicable	(24,656,410)	—
Three Ring Company	Cost method	69,457,513	69,457,513	—	—	69,457,513	29%	29%	Not applicable	(69,457,513)	—
Beifang Sales Company	Cost method	83,984,000	83,984,000	—	—	83,984,000	95%	95%	Not applicable	(83,984,000)	—
Xi'an Company	Cost method	392,627,114	392,627,114	—	—	392,627,114	100%	100%	Not applicable	—	70,000,000
Weinan Company	Cost method	14,000,000	14,000,000	—	—	14,000,000	28%	28%	Not applicable	—	—
Anshan Company	Cost method	30,000,000	30,000,000	—	—	30,000,000	60%	60%	Not applicable	—	—
Xingkaihu Company	Cost method	129,430,000	129,430,000	—	—	129,430,000	100%	100%	Not applicable	(129,430,000)	—
Mishan Company	Cost method	23,920,000	23,920,000	—	—	23,920,000	100%	100%	Not applicable	(23,920,000)	—
Harbin Company (i)	Cost method	109,940,000	109,940,000	103,600,000	—	213,540,000	100%	100%	Not applicable	(109,940,000)	—
Penglai Company	Cost method	30,000,000	30,000,000	—	—	30,000,000	80%	80%	Not applicable	(30,000,000)	—
Rongcheng Company	Cost method	65,103,434	65,103,434	—	—	65,103,434	70%	70%	Not applicable	(65,103,434)	—
Import/Export Company	Cost method	11,210,000	11,210,000	—	—	11,210,000	100%	100%	Not applicable	—	—
Tsingtao Brewery (Laoshan) Company Limited	Cost method	18,089,491	18,089,491	—	—	18,089,491	96.90%	96.90%	Not applicable	—	—
Hong Kong Company	Cost method	41,728,681	41,728,681	—	—	41,728,681	100%	100%	Not applicable	—	—
Xinan Sales Company (iii)	Cost method	99,300,000	99,300,000	—	(99,300,000)	—	—	—	Not applicable	—	—
Tsingtao Brewery Kai Fa Company Limited	Cost method	1,320,000	1,320,000	—	—	1,320,000	100%	100%	Not applicable	(1,320,000)	—
Taizhou Company	Cost method	60,000,000	60,000,000	—	—	60,000,000	86.43%	86.43%	Not applicable	—	—
Maanshan Company	Cost method	80,000,000	80,000,000	—	—	80,000,000	94.12%	94.12%	Not applicable	—	—
Xianghong Shangwu	Cost method	5,760,000	5,760,000	—	—	5,760,000	100%	100%	Not applicable	—	—
Dongnan Sales Company	Cost method	293,088,560	293,088,560	—	—	293,088,560	100%	100%	Not applicable	—	—
Changsha Company	Cost method	47,600,000	47,600,000	—	—	47,600,000	70%	70%	Not applicable	—	—
Jinan Company	Cost method	560,000,000	560,000,000	—	—	560,000,000	100%	100%	Not applicable	—	85,620,000
Guangrunlong Logistics	Cost method	16,465,405	16,465,405	—	—	16,465,405	100%	100%	Not applicable	—	—
Chengdu Company (i)	Cost method	200,000,000	200,000,000	80,000,000	—	280,000,000	100%	100%	Not applicable	—	—
Cultural Communication Company	Cost method	5,290,000	5,290,000	—	—	5,290,000	100%	100%	Not applicable	—	—
Rizhao Company	Cost method	339,239,300	339,239,300	—	—	339,239,300	100%	100%	Not applicable	—	127,530,000
Weifang Company	Cost method	73,620,001	73,620,001	—	—	73,620,001	100%	100%	Not applicable	—	—
Pingyuan Company	Cost method	21,730,001	21,730,001	—	—	21,730,001	100%	100%	Not applicable	—	—
Construction Company	Cost method	2,490,000	2,490,000	—	—	2,490,000	100%	100%	Not applicable	—	—
Langfang Company	Cost method	79,090,000	79,090,000	—	—	79,090,000	80.80%	80.80%	Not applicable	—	—
Heze Company	Cost method	124,590,000	124,590,000	—	—	124,590,000	93.08%	93.08%	Not applicable	(51,301,600)	—
Tengzhou Company	Cost method	48,310,000	48,310,000	—	—	48,310,000	76.65%	76.65%	Not applicable	—	—

## Notes to Financial Statements

For the year ended 31 December 2014

(All amounts in RMB Yuan unless otherwise stated)

### 16 Notes to the Company's financial statements (continued)

#### (5) Long-term equity investments (continued)

##### (a) Subsidiaries (continued)

	Accounting treatment	Investment cost	31 December 2013	Increased investment	Decreased investment	31 December 2014	Equity interest held	Voting rights held	Explanation of inconsistency of equity interest held and voting rights held	Provision for impairment	Cash dividends declared in the current year
Tsingtao Brewery (Shanghai)											
Company Limited	Cost method	1,570,000	1,570,000	—	—	1,570,000	5%	5%	Not applicable	—	—
Wuhu Company (i)	Cost method	94,290,000	94,290,000	50,000,000	—	144,290,000	89.04%	89.04%	Not applicable	—	—
Shanghai Sales Company	Cost method	47,300,000	97,300,000	—	—	97,300,000	97.01%	97.01%	Not applicable	(47,300,000)	—
Chengyang Sales Company	Cost method	8,000,000	8,000,000	—	—	8,000,000	100%	100%	Not applicable	—	112,370,000
Baotouquan Company	Cost method	174,160,000	174,160,000	—	—	174,160,000	100%	100%	Not applicable	—	—
Shijiazhuang Company	Cost method	321,010,000	321,010,000	—	—	321,010,000	100%	100%	Not applicable	—	—
Taiyuan Company	Cost method	200,000,000	200,000,000	—	—	200,000,000	100%	100%	Not applicable	—	—
Finance Company	Cost method	300,000,000	500,000,000	—	—	500,000,000	100%	100%	Not applicable	—	—
Immense Brewery Company	Cost method	1,404,558,400	1,404,558,400	—	—	1,404,558,400	75%	75%	Not applicable	—	—
Hangzhou Company	Cost method	186,000,000	186,000,000	—	—	186,000,000	80%	80%	Not applicable	—	—
Sifang Sales Company	Cost method	10,000,000	10,000,000	—	—	10,000,000	100%	100%	Not applicable	—	99,480,000
Jieyang Company	Cost method	150,000,000	150,000,000	—	—	150,000,000	75%	75%	Not applicable	—	—
Beverage Company (i)	Cost method	10,044,252	10,044,252	20,000,000	—	30,044,252	100%	100%	Not applicable	—	—
Shaoguan Company	Cost method	200,000,000	200,000,000	—	—	200,000,000	100%	100%	Not applicable	—	—
Hainan Company	Cost method	200,000,000	200,000,000	—	—	200,000,000	100%	100%	Not applicable	—	—
Shibei Sales Company	Cost method	8,000,000	8,000,000	—	—	8,000,000	100%	100%	Not applicable	—	311,110,000
Jujiang Company	Cost method	180,000,000	180,000,000	—	—	180,000,000	90%	90%	Not applicable	—	—
Xuzhou Enterprise											
Management	Cost method	10,000,000	10,000,000	—	—	10,000,000	100%	100%	Not applicable	(10,000,000)	—
Pingdu sales Company	Cost method	5,000,000	5,000,000	—	—	5,000,000	100%	100%	Not applicable	—	138,950,000
Luoyang Company	Cost method	200,000,000	200,000,000	—	—	200,000,000	100%	100%	Not applicable	—	—
Sales Company (ii)	Cost method	10,000,000	10,000,000	—	—	10,000,000	50%	55.56%	(ii)	—	—
Hongjiweiye	Cost method	10,000,000	10,000,000	—	—	10,000,000	100%	100%	Not applicable	—	—
Luzhou Company	Cost method	118,460,956	118,460,956	—	—	118,460,956	95%	95%	Not applicable	—	—
Harbin sales Company	Cost method	1,100,000	1,100,000	—	—	1,100,000	55%	55%	Not applicable	(1,100,000)	—
Zhangjiakou Company (iii)	Cost method	3,000,000	—	81,480,000	—	81,480,000	100%	100%	Not applicable	—	—
Lulansa Company (iii)	Cost method	317,374,000	—	317,374,000	—	317,374,000	55%	55%	Not applicable	—	—
Huangshi Company (i)	Cost method	163,630,000	—	163,630,000	—	163,630,000	97.18%	97.18%	Not applicable	—	—
Yingcheng Company (i)	Cost method	42,070,000	—	42,070,000	—	42,070,000	89.91%	89.91%	Not applicable	—	—
			<u>7,801,596,508</u>	<u>858,154,000</u>	<u>(99,300,000)</u>	<u>8,560,450,508</u>				<u>(744,368,059)</u>	<u>1,404,620,000</u>

(i) According to a resolution at the Board of Directors dated on 28 August 2014, the Company increased investments of RMB103,600,000 to Harbin Company, RMB80,000,000 to Chengdu Company, RMB50,000,000 to Wuhu Company, RMB20,000,000 to the Beverage Company, RMB163,630,000 to Huangshi Company, and RMB42,070,000 to Yingcheng Company. As at 31 December 2014, the above subsidiaries have completed the registration of changes. The Huangshi Company and Yingcheng Company therein have changed from indirectly controlled subsidiaries to directly controlled subsidiaries by the Company.

(ii) As stated in Note 6(1)(a)(i), the Company has control over Sales Company.

(iii) The investment changes of the Company to subsidiaries refer to Note 5.



## Notes to Financial Statements

For the year ended 31 December 2014

(All amounts in RMB Yuan unless otherwise stated)

### 16 Notes to the Company's financial statements (continued)

#### (5) Long-term equity investments (continued)

##### (b) Joint Venture

	Movements in the current year							
	31 December 2013	Increased investment	Share of Profits using the equity method	Cash dividend declared	31 December 2014	Share proportion	Voting rights held	Provision for impairment
Hebei Jiahe	—	231,469,400	(10,352,040)	—	221,117,360	50%	50%	—

Summarised financial information of joint ventures please refer to Note 6(2)(b).

##### (c) Associates

	Movements in the current year							
	31 December 2013	Increased investment	Share of Profits using the equity method	Cash dividend declared	31 December 2014	Share proportion	Voting rights held	Provision for impairment
Manufacturing								
Company (i)	1,032,811,832	31,450,000	25,246,258	—	1,089,508,090	50%	44.44%	—
Yantai Asahi	135,065,321	—	16,747,705	(15,097,173)	136,715,853	39%	39%	—
Zhaoshang								
Logistics	17,863,258	—	2,350,367	—	20,213,625	30%	30%	—
Liaoning								
Shenqing	3,722,365	—	(1,115,378)	—	2,606,987	30%	30%	—
Others	1,220,000	—	—	—	1,220,000			(1,220,000)
	1,190,682,776	31,450,000	43,228,952	(15,097,173)	1,250,264,555			(1,220,000)

- (i) The net profit adjustment in the current period under equity method is RMB25,246,258, of which RMB27,451,999 is calculated on the share of net profit realised by the Manufacturing Business invested by the Company (Note 4(44)(a)) at book value and by the holding interest of Suntory Shanghai, Suntory Kunshan, Suntory Kunshan, Suntory Guangming adjusted at fair value, RMB924,248 is investment income from upstream transactions in purchasing goods, and RMB3,129,989 is investment loss from downstream transactions in selling PP&E.
- (ii) The explanation of inconsistency of equity interest held and voting rights held in Manufacturing Company refers to Note 4(10)(b)(i).





## Notes to Financial Statements

For the year ended 31 December 2014

(All amounts in RMB Yuan unless otherwise stated)

### 16 Notes to the Company's financial statements (continued)

#### (5) Long-term equity investments (continued)

##### (c) Associates (continued)

(iii) Summarised financial information of associates refers to Note 6(2)(c).

	31 December 2014		31 December 2013	
	Manufacturing Company	Yantai Asahi	Manufacturing Company	Yantai Asahi
Total equity attributable to shareholders	2,147,829,335	283,021,839	2,040,078,019	278,112,081
Adjusted fair value of the identifiable net assets when obtained	(47,209,605)	45,468,498	(57,262,291)	49,328,497
Adjusted total equity attributable to shareholders	2,100,619,730	328,490,337	1,982,815,728	327,440,578
Equity attributable to the Company	1,050,309,865	128,111,231	991,407,864	127,701,825
Adjusting events				
— Goodwill included in long-term equity investments	48,521,954	9,640,679	48,521,954	9,640,679
— Offset unrealised profits from internal transaction	(9,323,729)	(1,036,057)	(7,117,986)	(2,277,183)
Long-term equity investments	1,089,508,090	136,715,853	1,032,811,832	135,065,321

##### (d) Provision for impairment of long-term equity investments

	31 December 2013	Increase in the current year	Decrease in the current year	31 December 2014
Subsidiaries — unlisted company (i)	(826,678,229)	—	82,310,170	(744,368,059)
Associates — unlisted company	(1,220,000)	—	—	(1,220,000)
	(827,898,229)	—	82,310,170	(745,588,059)

(i) Due to the deregistration of Xinan Sals, a subsidiary of the Company, the Company write off the provision for the long-term equity investment occurred in previous year.

#### (6) Investment properties

	Buildings
31 December 2013	21,283,541
Transferred from fixed assets	7,418,921
Depreciations in current year	(972,857)
Transferred to fixed assets	(227,729)
31 December 2014	27,501,876

For the 12 months ended 31 December 2014, there is no investment property measured by fair value in the Group (2013: nil).

For the 12 months ended 31 December 2014, there is no investment property without ownership certificates (31 December 2013: nil).



## Notes to Financial Statements

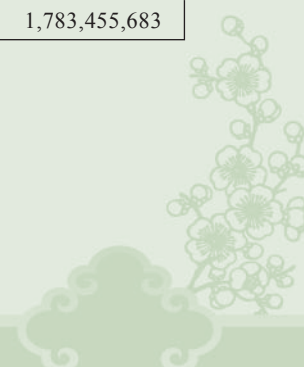
For the year ended 31 December 2014

(All amounts in RMB Yuan unless otherwise stated)

### 16 Notes to the Company's financial statements (continued)

#### (7) Fixed assets

	Buildings	Machinery and equipment	Motor vehicles	Other equipment	Total
Original cost					
31 December 2013	933,086,930	2,205,880,294	133,375,411	276,325,720	3,548,668,355
Increases in current year	84,484,784	240,483,045	12,816,724	39,582,574	377,367,127
Purchase	—	2,253,036	12,816,724	39,582,574	54,652,334
Transferred from construction in process	84,257,055	238,230,009	—	—	322,487,064
Transferred from investment properties	227,729	—	—	—	227,729
Decreases in current year	(22,223,754)	(76,048,372)	(41,648,651)	(13,629,893)	(153,550,670)
Disposal	(10,673,424)	(76,048,372)	(41,648,651)	(13,629,893)	(142,000,340)
Transferred to investment properties	(11,550,330)	—	—	—	(11,550,330)
<b>31 December 2014</b>	<b>995,347,960</b>	<b>2,370,314,967</b>	<b>104,543,484</b>	<b>302,278,401</b>	<b>3,772,484,812</b>
Accumulated depreciation					
31 December 2013	(300,772,757)	(1,156,678,194)	(75,479,165)	(181,876,483)	(1,714,806,599)
Increases in current year	—	—	—	—	—
— Accruals	(23,064,553)	(107,228,812)	(10,045,367)	(29,124,191)	(169,462,923)
Decreases in current year	9,032,182	64,002,892	31,716,845	12,976,049	117,727,968
Disposal	4,900,773	64,002,892	31,716,845	12,976,049	113,596,559
Transferred to investment properties	4,131,409	—	—	—	4,131,409
<b>31 December 2014</b>	<b>(314,805,128)</b>	<b>(1,199,904,114)</b>	<b>(53,807,687)</b>	<b>(198,024,625)</b>	<b>(1,766,541,554)</b>
Provision for impairment					
31 December 2013	(2,621,413)	(39,280,483)	(8,476,882)	(27,295)	(50,406,073)
Decreases in current year	—	—	—	—	—
— Disposal	—	1,384,010	6,890,047	—	8,274,057
<b>31 December 2014</b>	<b>(2,621,413)</b>	<b>(37,896,473)</b>	<b>(1,586,835)</b>	<b>(27,295)</b>	<b>(42,132,016)</b>
Carrying amount					
<b>31 December 2014</b>	<b>677,921,419</b>	<b>1,132,514,380</b>	<b>49,148,962</b>	<b>104,226,481</b>	<b>1,963,811,242</b>
31 December 2013	629,692,760	1,009,921,617	49,419,364	94,421,942	1,783,455,683



## Notes to Financial Statements

For the year ended 31 December 2014

(All amounts in RMB Yuan unless otherwise stated)

### 16 Notes to the Company's financial statements (continued)

#### (7) Fixed assets (continued)

As at 31 December 2014, there are no fixed assets pledged as collateral for borrowings (31 December 2013: nil).

In 2014, depreciation charged to fixed assets amounts to RMB169,462,923 (2013: RMB153,903,376), of which RMB140,738,179, RMB4,048,020 and RMB24,676,724 (2013: RMB122,511,416, RMB4,295,853 and RMB27,096,107) has been charged in cost of sales, selling and distribution expenses and general and administrative expenses respectively.

The costs of fixed assets transferred from construction in progress amount to RMB322,487,064 (2013: RMB293,501,896).

As at 31 December 2014, the ownership certificates of the Company are certain buildings amounting to approximately RMB30,868,000 had not been obtained (31 December 2013: RMB33,323,000) Note 4(12)(d).

#### (8) Construction in progress

	31 December 2014			31 December 2013		
	Ending balance	Provision for impairment	Carrying amount	Ending balance	Provision for impairment	Carrying amount
Relocation project of Malt Factory	340,292,939	—	340,292,939	181,815,189	—	181,815,189
Production Line Improvement of No.1 Factory	57,160,867	—	57,160,867	44,717,502	—	44,717,502
Production Line Improvement of No.3 Factory	33,014,376	—	33,014,376	21,653,376	—	21,653,376
Production Line Improvement of No. 2 Factory	14,297,239	—	14,297,239	28,903,340	(462,515)	28,440,825
Production Line Improvement of No.5 Factory	2,684,260	—	2,684,260	526,166	—	526,166
Production Line Improvement of No.4 Factory	717,647	—	717,647	1,228,661	—	1,228,661
Instruments Installation of Headquarter	443,069	—	443,069	903,955	—	903,955
	<b>448,610,397</b>	<b>—</b>	<b>448,610,397</b>	<b>279,748,189</b>	<b>(462,515)</b>	<b>279,285,674</b>



## Notes to Financial Statements

For the year ended 31 December 2014

(All amounts in RMB Yuan unless otherwise stated)

### 16 Notes to the Company's financial statements (continued)

#### (8) Construction in progress (continued)

##### (a) Movement in significant construction in progress

Name	Budget	31 December 2013	Increase in the current year	Transfer to fixed assets	construction written off	31 December 2014	Proportion of expenditures incurred to budgeted amount	Progress of construction	Source of funds
Relocation project of Malt Factory	382,086,095	181,815,189	164,068,943	(5,591,193)	—	340,292,939	91%	85%	Funding from convertible bonds
Production Line Improvement of No. 1 Factory	297,660,000	44,717,502	44,651,837	(32,208,472)	—	57,160,867	76%	76%	Self-funding
Production Line Improvement of No. 3 Factory	329,693,931	21,653,376	250,704,993	(239,343,993)	—	33,014,376	83%	80%	Self-funding
Production Line Improvement of No. 2 Factory	643,817,000	28,903,340	9,465,793	(23,609,379)	(462,515)	14,297,239	97%	97%	Self-funding
Production Line Improvement of No. 5 Factory	12,370,114	526,166	8,530,046	(6,371,952)	—	2,684,260	73%	70%	Self-funding
Production Line Improvement of No. 4 Factory	12,360,869	1,228,661	10,998,842	(11,509,856)	—	717,647	100%	99%	Self-funding
Instruments Installation of Headquarter	6,300,000	903,955	3,391,333	(3,852,219)	—	443,069	59%	59%	Self-funding
		<u>279,748,189</u>	<u>491,811,787</u>	<u>(322,487,064)</u>	<u>(462,515)</u>	<u>448,610,397</u>			

As at 31 December 2014, the amount of capitalised borrowing costs is new factory project of Malt Factory Note 4(13) (a).

##### (b) Provision for impairment

	31 December 2013	Increase in the current year	Decrease in the current year	31 December 2014	Reason for provision
End Seamer Installation Project	(462,515)	—	462,515	—	Project terminated and disposed in current period



## Notes to Financial Statements

For the year ended 31 December 2014

(All amounts in RMB Yuan unless otherwise stated)

### 16 Notes to the Company's financial statements (continued)

#### (9) Intangible assets

	Land use rights	Patents	Proprietary	Marketing network	Others
Original cost					
31 December 2013	234,791,235	190,345,726	94,475,403	221,534,569	741,146,933
Increase in current year	37,656,415	—	131,156,600	37,753,038	206,566,053
Purchase	37,656,415	—	—	37,753,038	75,409,453
Business combination (a)	—	—	131,156,600	—	131,156,600
Decrease in current year	—	—	—	(87,084)	(87,084)
— Disposal	—	—	—	(87,084)	(87,084)
<b>31 December 2014</b>	<b>272,447,650</b>	<b>190,345,726</b>	<b>225,632,003</b>	<b>259,200,523</b>	<b>947,625,902</b>
Accumulated amortisation					
31 December 2013	(61,345,959)	(63,955,808)	(45,663,110)	(61,633,755)	(232,598,632)
Increase in current year	(5,158,510)	(11,683,643)	(18,289,724)	(20,868,195)	(56,000,072)
— Accruals	(5,158,510)	(11,683,643)	(18,289,724)	(20,868,195)	(56,000,072)
Decrease in current year	—	—	—	5,805	5,805
— Disposal	—	—	—	5,805	5,805
<b>31 December 2014</b>	<b>(66,504,469)</b>	<b>(75,639,451)</b>	<b>(63,952,834)</b>	<b>(82,496,145)</b>	<b>(288,592,899)</b>
Net book value					
<b>31 December 2014</b>	<b>205,943,181</b>	<b>114,706,275</b>	<b>161,679,169</b>	<b>176,704,378</b>	<b>659,033,003</b>
31 December 2013	173,445,276	126,389,918	48,812,293	159,900,814	508,548,301

In 2014, amortisation expenses of intangible assets amount to RMB56,000,072, which is recognised in profit or loss (2013: RMB42,605,243, recognised in profit or loss).

As at 31 December 2014, there is no land use rights pledged as collateral for bank borrowings (31 December 2013: nil).

(a) In 2014, the new marketing network is in Note 4(15)(a).

(b) Expenditures on research and development are set out as follows:

	31 December 2013	Increase in the current year	Decrease in the current year		31 December 2014
			Charged to losses	Recognised as intangible assets	
Beer production process improvement project	—	19,247,427	(19,247,427)	—	—

In 2014, expenditures on research and development incurred amount to RMB19,247,427 (2013: RMB20,104,429) in total, which is recognised in losses.

The land use rights is located in the Mainland of China, between 10 to 50 years.



## Notes to Financial Statements

For the year ended 31 December 2014

(All amounts in RMB Yuan unless otherwise stated)

### 16 Notes to the Company's financial statements (continued)

#### (10) Provision for asset impairment

	31 December 2013	Increase in the current year	Decrease in the current year		31 December 2014
			Reversal	Write off	
Provision for bad debts	333,353,154	60,694,942	(55,731,165)	(2,659,769)	<b>335,657,162</b>
Including:					
Provision for bad debts of accounts receivable	71,485,233	57,455	(3,059,662)	—	<b>68,483,026</b>
Provision for bad debts of other receivables	43,407,921	437,487	(1,111,503)	(2,659,769)	<b>40,074,136</b>
Provision for bad debts of long-term receivables	218,460,000	60,200,000	(51,560,000)	—	<b>227,100,000</b>
Provision for decline in value of inventories	1,022,238	—	—	—	<b>1,022,238</b>
Provision for available-for-sale financial assets	4,385,261	—	—	—	<b>4,385,261</b>
Provision for impairment of long-term equity investments	827,898,229	—	—	(82,310,170)	<b>745,588,059</b>
Provision for impairment of fixed assets	50,406,073	—	—	(8,274,057)	<b>42,132,016</b>
Provision for impairment of construction in progress	462,515	—	—	(462,515)	—
	<u>1,217,527,470</u>	<u>60,694,942</u>	<u>(55,731,165)</u>	<u>(93,706,511)</u>	<u><b>1,128,784,736</b></u>

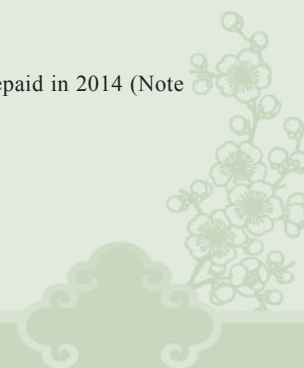
#### (11) Accounts payable

The ageing of accounts payable based on their recording dates is analysed below:

	31 December 2014	31 December 2013
Within 1 year	<b>1,883,748,053</b>	1,776,565,648
1 to 2 years	<b>1,443,335</b>	1,563,686
2 to 3 years	<b>1,314,978</b>	25,031
Over 3 years	<b>1,818,387</b>	1,831,442
	<u><b>1,888,324,753</b></u>	<u>1,779,985,807</u>

#### (12) Debentures payable

As at 31 December 2013, the carrying value of debentures payable is RMB1,500,000,000, and it has been repaid in 2014 (Note 4(29)(b)).





## Notes to Financial Statements

For the year ended 31 December 2014

(All amounts in RMB Yuan unless otherwise stated)

### 16 Notes to the Company's financial statements (continued)

#### (13) Revenue and cost of sales

	2014	2013
Revenue from main operation	15,725,964,989	15,436,053,104
Revenue from other operations	<u>1,327,904,783</u>	<u>1,284,086,006</u>
	<u>17,053,869,772</u>	<u>16,720,139,110</u>
	2014	2013
Cost of main operation	<u>(11,807,526,468)</u>	(11,236,157,489)
Cost of other operations	<u>(1,295,265,666)</u>	<u>(1,213,735,882)</u>
	<u>(13,102,792,134)</u>	<u>(12,449,893,371)</u>

#### (a) Revenue and cost of main operation

	2014		2013	
	Revenue from main operation	Cost of main operation	Revenue from main operation	Cost of main operation
Sale of Beer	<u>15,725,964,989</u>	<u>(11,807,526,468)</u>	<u>15,436,053,104</u>	<u>(11,236,157,489)</u>

#### (b) Revenue and cost of other operations

	2014		2013	
	Revenue from other operations	Cost of other operations	Revenue from other operations	Cost of other operations
Sales of materials	1,296,190,981	(1,284,733,091)	1,247,078,985	(1,196,812,190)
others	<u>31,713,802</u>	<u>(10,532,575)</u>	<u>37,007,021</u>	<u>(16,923,692)</u>
	<u>1,327,904,783</u>	<u>(1,295,265,666)</u>	<u>1,284,086,006</u>	<u>(1,213,735,882)</u>



## Notes to Financial Statements

For the year ended 31 December 2014

(All amounts in RMB Yuan unless otherwise stated)

### 16 Notes to the Company's financial statements (continued)

#### (14) Expenses classified by nature

The costs of sales, selling and distribution expenses and general and administrative expenses classified by nature, are as follows:

	2014	2013
Finished goods purchased from outside	7,933,919,478	7,426,082,680
Materials consumption	4,404,529,285	4,618,814,067
Employee benefit expenses	1,339,712,610	1,378,811,307
Transportation expenses and handling charges	892,410,130	853,338,476
Advertising related expenses	598,621,959	390,337,762
Promotion-related expenses	534,669,976	739,556,504
Depreciation and amortisation expenses	228,491,252	200,766,482
Repair expenses	169,949,658	124,985,737
Administrative and business travel expenses	138,526,676	133,454,137
Rental expenses	60,041,299	46,491,423
Product packaging and design expenses	50,494,148	31,010,525
Tax expenses	35,599,684	35,257,941
Service charges	33,134,196	11,584,158
Agency fee	20,062,578	15,401,569
Movement in Finished goods, Work in progress and Material on consignment for further processing	12,216,957	(180,827,449)
Auditors' remuneration	8,580,000	8,580,000
Others	68,510,981	59,331,881
Total Cost of sales, Selling and distribution, General and administrative expenses	<u>16,529,470,867</u>	<u>15,892,977,200</u>

#### (15) Financial expenses — net

	2014	2013
Interest expenses	19,692,246	76,007,373
Including: Bank borrowings	—	7,377,600
Debentures payable	19,692,246	68,629,773
Less: Interest income	(47,440,224)	(71,900,112)
Exchange losses	8,546,946	2,120,445
Unwinding the discount of long-term payroll payable	11,065,068	2,570,044
Others	6,295,117	6,138,208
	<u>(1,840,847)</u>	<u>14,935,958</u>

As at 31 December 2014 and 2013, the Company's interest expenses by repayment term of bank borrowings and debentures payable are wholly repayable within five years.



## Notes to Financial Statements

For the year ended 31 December 2014

(All amounts in RMB Yuan unless otherwise stated)

### 16 Notes to the Company's financial statements (continued)

#### (16) Investment income

	2014	2013
Income from long-term equity investment under cost method (a)	1,404,620,000	686,007,500
Income from long-term equity investment under equity method	32,876,912	18,912,870
Income from disposal of long-term equity investment (b)	27,850,651	462,690,825
Loss of disposal of available-for-sale financial assets	(999,999)	—
Income from entrusted loans	46,347,257	43,245,998
	<u>1,510,694,821</u>	<u>1,210,857,193</u>

There is no restriction on recovery of investment income.

In 2014 and 2013, all the investment income of the Company is from unlisted investments.

- (a) Investment income from long-term equity investment under cost method is the profit distribution of subsidiaries.
- (b) The investment income of RMB27,850,651 comes from the deregistered Xinan Sales Company in 2014.

In 2013, the investment income of disposal of long-term equity investment comprise: the investment income of RMB463,690,823 comes from the disposal of 50% equity of Manufacturing Company, the loss on equity transfer of RMB 999,998 comes from that the Company transfers its 100% equity of New Shanghai Sales to Sale Company.

#### (17) Asset impairment losses

	2014	2013
Impairment losses on bad debts	4,963,777	13,792,740
Provision for impairment of fixed assets	—	6,559,528
	<u>4,963,777</u>	<u>20,352,268</u>



## Notes to Financial Statements

For the year ended 31 December 2014

(All amounts in RMB Yuan unless otherwise stated)

### 16 Notes to the Company's financial statements (continued)

#### (18) Income tax expense

	2014	2013
Current income tax calculated according to tax law and related regulations in		
Mainland China	17,878,410	243,333,103
Deferred income tax	<u>(3,268,654)</u>	<u>(123,891,656)</u>
	<u>14,609,756</u>	<u>119,441,447</u>

The reconciliation from income tax calculated based on the applicable tax rates and total profit presented in the Company's financial statements to the income tax expense is listed below:

	2014	2013
Total profit	<u>1,583,313,179</u>	<u>1,437,557,043</u>
Income tax expense calculated at applicable tax rates	395,828,295	359,389,261
Income not subject to tax	(360,491,988)	(292,942,916)
Cost, expenses and losses not deductible	10,562,390	12,082,482
Tax impact for which no deferred income tax asset was recognised	9,819,544	52,465,464
Utilisation of previously unrecognised deferred tax assets	<u>(41,108,485)</u>	<u>(11,552,844)</u>
Income tax expense	<u>14,609,756</u>	<u>119,441,447</u>



## Notes to Financial Statements

For the year ended 31 December 2014

(All amounts in RMB Yuan unless otherwise stated)

### 17 Net current assets

	<b>31 December 2014 Group</b>	31 December 2013 Group	<b>31 December 2014 Company</b>	31 December 2013 Company
Current assets	<b>10,352,047,986</b>	12,274,390,550	<b>3,450,303,083</b>	5,112,700,482
Less: Current liabilities	<b>(9,228,272,134)</b>	(11,113,753,508)	<b>(4,483,733,179)</b>	(5,781,409,762)
Net current assets	<b>1,123,775,852</b>	1,160,637,042	<b>(1,033,430,096)</b>	(668,709,280)

### 18 Total assets less current liabilities

	<b>31 December 2014 Group</b>	31 December 2013 Group	<b>31 December 2014 Company</b>	31 December 2013 Company
Total assets	<b>27,003,913,126</b>	27,364,866,537	<b>16,599,719,856</b>	16,940,283,937
Less: Current liabilities	<b>(9,228,272,134)</b>	(11,113,753,508)	<b>(4,483,733,179)</b>	(5,781,409,762)
Total assets less current liabilities	<b>17,775,640,992</b>	16,251,113,029	<b>12,115,986,677</b>	11,158,874,175



## Supplementary Information

For the year ended 31 December 2014

(All amounts in RMB Yuan unless otherwise stated)

### 1 Summary of non-recurring profit or loss

	2014	2013
Government grants recognised in profits	448,000,648	374,818,301
Losses on disposal of non-current assets	(59,716,174)	(101,645,049)
Reversal of bad debt provision for accounts receivables which provision is provided on the individual basis	3,000,000	8,300,000
Investment income from transaction with Suntory Company	—	219,356,731
Supplementary retirement benefits	—	(195,710,000)
Non-operating income from transaction with Suntory Company	—	170,541,992
Staff resettlement expense	—	(120,931,669)
Other non-operating income and expenses other than aforesaid items	10,461,305	(7,191,573)
	<b>401,745,779</b>	<b>347,538,733</b>
Impact of the income tax	(68,200,260)	(10,136,798)
Impact of the non-controlling interests (after tax)	(14,856,942)	(19,901,994)
	<b>318,688,577</b>	<b>317,499,941</b>

#### Basis for preparation of summary of non-recurring profit or loss

Under the requirements in Explanatory announcement No.1 on information disclosure by companies offering securities to the public – non-recurring profit or loss [2008] from CSRC, non-recurring profit or loss refer to those arises from transactions and events that are not directly relevant to ordinary activities, or that are relevant to ordinary activities, but are extraordinary and not expected to recur frequently that would have an influence on users of financial statements making economic decisions on the financial performance and profitability of an enterprise.

### 2 Return on net assets and earnings per share

	Weighted average return		Earnings per share			
	on net assets (%)		Basic earnings per share		Diluted earnings per share	
	2014	2013	2014	2013	2014	2013
Net profit attributable to ordinary shareholders of the Company	13.53%	14.87%	1.473	1.461	1.473	1.461
Net profit attributable to ordinary shareholders of the Company after deducting non-recurring profit or loss	11.36%	12.48%	1.237	1.226	1.237	1.226





## Supplementary Information

For the year ended 31 December 2014

(All amounts in RMB Yuan unless otherwise stated)

### 3 Supplementary information of Changes in accounting policies

The Ministry of Finance issued CAS No. 2 – Long-term equity investment and other 7 new and amended standards in 2014. As requirement, the Group adopted these new and amended standards in restating financial statements for the year 2013(Note2(29)). The restated financial statements as at 1 January 2013 set out below:

ASSETS	1 January 2013 Consolidated	1 January 2013 Company
<b>Current assets</b>		
Cash at bank and on hand	7,118,248,041	3,087,112,980
Notes receivable	61,800,000	53,700,000
Accounts receivable	82,685,056	689,075,914
Advances to suppliers	83,739,085	31,459,444
Interests receivable	63,996,403	16,382,068
Dividends receivable	—	50,000,000
Other receivables	87,291,890	155,080,986
Inventories	2,360,058,834	526,788,093
Other current assets	284,314,434	70,879,214
<b>Total current assets</b>	<b>10,142,133,743</b>	<b>4,680,478,699</b>
<b>Non-current assets</b>		
Available-for-sale financial assets	1,308,642	1,000,000
Long-term receivables	—	569,790,000
Long-term equity investments	162,568,290	7,316,328,354
Investment properties	7,252,927	21,018,594
Fixed assets	8,343,690,353	1,625,195,023
Construction in progress	678,285,333	250,717,330
Fixed assets pending for disposal	9,917,059	9,377,775
Intangible assets	2,546,579,520	505,086,472
Goodwill	1,081,684,918	—
Long-term prepaid expenses	6,425,454	907,191
Deferred tax assets	485,349,168	266,629,467
Other non-current assets	195,910,178	42,582,408
<b>Total non-current assets</b>	<b>13,518,971,842</b>	<b>10,608,632,614</b>
<b>TOTAL ASSETS</b>	<b>23,661,105,585</b>	<b>15,289,111,313</b>



## Supplementary Information

For the year ended 31 December 2014

(All amounts in RMB Yuan unless otherwise stated)

### 3 Supplementary information of Changes in accounting policies (continued)

LIABILITIES AND EQUITY	1 January 2013 Consolidated	1 January 2013 Company
<b>Current liabilities</b>		
Short-term borrowings	147,617,652	170,000,000
Notes payable	81,883,234	48,100,000
Accounts payable	1,993,401,689	1,647,514,644
Advances from customers	656,414,452	344,126,929
Employee benefits payable	886,635,390	294,413,393
Taxes payable	350,866,482	65,018,805
Interests payable	1,735,072	287,019
Dividends payable	1,101,571	—
Other payables	3,213,582,340	1,237,550,433
Current portion of non-current liabilities	2,786,281	—
<b>Total current liabilities</b>	<b>7,336,024,163</b>	<b>3,807,011,223</b>
<b>Non-current liabilities</b>		
Long-term borrowings	452,485,603	—
Bond payable	1,409,316,153	1,409,316,153
Payables for specific projects	120,063,611	90,000,000
Deferred income	1,381,212,241	51,836,628
Deferred tax liabilities	178,572,908	—
<b>Total non-current liabilities</b>	<b>3,541,650,516</b>	<b>1,551,152,781</b>
<b>Total liabilities</b>	<b>10,877,674,679</b>	<b>5,358,164,004</b>
<b>Equity</b>		
Share capital	1,350,982,795	1,350,982,795
Capital surplus	3,965,939,536	4,315,189,317
Other comprehensive income	19,025,550	—
Surplus reserve	927,657,567	927,657,567
General reserve	51,424,191	—
Undistributed profits	6,152,923,371	3,337,117,630
<b>Total equity attributable to shareholders of the Company</b>	<b>12,467,953,010</b>	<b>9,930,947,309</b>
<b>Non-controlling interests</b>	<b>315,477,896</b>	<b>—</b>
<b>Total equity</b>	<b>12,783,430,906</b>	<b>9,930,947,309</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>23,661,105,585</b>	<b>15,289,111,313</b>



## 釋義 Definitions

本報告中，除非文義另有所指，下列詞語具有下述含義：

In this Report, the following expressions have the following respective meanings set adjacent below, unless the context requires otherwise:

公司、本公司、青島啤酒	指	青島啤酒股份有限公司	Company, the Company, Tsingtao Brewery	Means	Tsingtao Brewery Company Limited
本集團	指	本公司及其附屬公司	the Group	Means	the Company and its subsidiaries
董事會	指	本公司董事會	the Board	Means	board of directors of the Company
《證券及期貨條例》	指	《證券及期貨條例》(香港法例第571章)	SFO	Means	Securities and Futures Ordinance (Cap 571, Laws of Hong Kong)
青啤集團	指	青島啤酒集團有限公司	Tsingtao Group	Means	Tsingtao Brewery Group Company Limited
青島市國資委	指	青島市人民政府國有資產監督管理委員會	SASACQ	Means	State-owned Assets Supervision & Administration Commission of the People's Government of Qingdao
煙臺朝日	指	煙臺啤酒青島朝日有限公司	Yantai Asahi	Means	Yantai Beer Tsingtao-Asahi Co., Ltd.
青啤深圳	指	深圳青島啤酒朝日有限公司	Tsingtao Shenzhen	Means	Shenzhen Tsingtao-Asahi Co., Ltd
朝日集團	指	日本朝日集團控股株式會社	Asahi Group	Means	Asahi Group Holdings Ltd.
朝日啤酒	指	日本朝日啤酒株式會社	Asahi Breweries	Means	Asahi Breweries, Ltd.
朝日中國投資	指	朝日啤酒(中國)投資有限公司	Asahi (China) Investment	Means	Asahi Beer (China) Investment Co., Ltd.
上交所	指	上海證券交易所	SSE	Means	Shanghai Stock Exchange
香港聯交所	指	香港聯合交易所有限公司	Stock Exchange	Means	The Stock Exchange of Hong Kong Limited
普華永道中天	指	普華永道中天會計師事務所(特殊普通合伙)	PwC Zhong Tian	Means	PricewaterhouseCoopers Zhong Tian LLP
審計委員會	指	本公司第八屆董事會審計與內控委員會	Audit Committee	Means	Audit & Internal Control Committee under the 8th Board
戰略委員會	指	本公司第八屆董事會戰略與投資委員會	Strategy Committee	Means	Strategy & Investment Committee under the 8th Board
報告期	指	本公司截至2014年12月31日止年度	Reporting Period	Means	The year ended 31 December 2014
《標準守則》	指	《上市發行人董事進行證券交易的標準守則》	Model Code	Means	Model Code for Securities Transactions by Directors of Listed Issuers
《上市規則》	指	《香港聯合交易所有限公司證券上市規則》	Listing Rules	Means	Rules Governing the Listing of Securities on The Stock of Exchange of Hong Kong Limited
《公司章程》	指	青島啤酒股份有限公司章程	Articles of Association	Means	Articles of Association of the Company
三得利公司	指	三得利(中國)投資有限公司	Suntory Company	Means	Suntory (China) Holding Co., Ltd.



## 釋義 Definitions

事業公司	指	三得利青島啤酒(上海)有限公司	Business Company	Means	Suntory-Tsingtao (Shanghai) Co., Ltd.
銷售公司	指	青島啤酒三得利(上海)銷售有限公司	Sales Company	Means	Tsingtao-Suntory (Shanghai) Sales Co., Ltd
青啤財務公司	指	青島啤酒財務有限責任公司	Tsingtao Finance Company	Means	Tsingtao Brewery Finance LLC.
新松江製造	指	青島啤酒松江製造有限公司	New Songjiang Manufacturing	Means	Tsingtao Brewery Songjiang Manufacturing Company Limited
徐州公司	指	青島啤酒(徐州)有限公司	Xuzhou Company	Means	Tsingtao Brewery (Xuzhou) Company Limited
彭城公司	指	青島啤酒(徐州)彭城有限公司	Pengcheng Company	Means	Tsingtao Brewery (Xuzhou) Pengcheng Company Limited
三得利江蘇	指	江蘇三得利食品有限公司	Suntory Jiangsu	Means	Jiangsu Suntory Foods Co., Ltd.
宿遷公司	指	青島啤酒(宿遷)有限公司	Suqian Company	Means	Tsingtao Brewery (Suqian) Company Limited
三得利昆山	指	三得利啤酒(昆山)有限公司	Suntory Kunshan	Means	Suntory Brewery (Kunshan) Co., Ltd.
揚州公司	指	青島啤酒(揚州)有限公司	Yangzhou Company	Means	Tsingtao Brewery (Yangzhou) Company Limited
三得利上海	指	三得利啤酒(上海)有限公司	Suntory Shanghai	Means	Suntory Brewery (Shanghai) Co., Ltd.
三得利光明	指	三得利光明啤酒(上海)有限公司	Suntory Guangming	Means	Suntory Guangming Brewery (Shanghai) Co., Ltd.
河北嘉禾公司	指	河北嘉禾啤酒有限公司	Hebei Jiahe Company	Means	Hebei Jiahe Brewery Co., Ltd.
嘉禾啤酒	指	嘉禾啤酒有限公司	Jiahe Brewery	Means	Jiahe Brewery Co., Ltd.
石家莊嘉禾	指	石家莊嘉禾啤酒有限責任公司	Shijiazhuang Jiahe	Means	Shijiazhuang Jiahe Brewery LLC.
嘉禾啤酒工會	指	嘉禾啤酒有限公司工會委員會	Jiahe Brewery Labor Union	Means	Labor Union of Jiahe Brewery Co., Ltd.
華獅啤酒	指	山東華獅啤酒有限公司	Debier Brewery	Means	Debier Brewery Co., Ltd.
綠蘭莎啤酒	指	山東綠蘭莎啤酒有限公司	Lulansa Brewery	Means	Shandong Lulansa Brewery Co., Ltd.
理想化工	指	陝西理想化工有限責任公司	Lixiang Chem	Means	Shaanxi Lixiang Chemical Industry LLC
漢中公司	指	青島啤酒漢中有限責任公司	Hanzhong Company	Means	Tsingtao Brewery Hanzhong LLC.
青啤香港	指	青島啤酒香港貿易有限公司	Tsingtao HK	Means	Tsingtao Brewery Hong Kong Trade Company Limited



## 公司資料 Company Information

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|--|--|
| 1. 中文名稱：青島啤酒股份有限公司   | 1. English Name: Tsingtao Brewery Company Limited  |
| 2. 法定代表人：孫明波   | 2. Legal Representative: SUN Ming Bo   |
| 3. 公司秘書：張瑞祥<br>聯繫地址：山東省青島市香港中路<br>五四廣場<br>青啤大廈<br>1105室<br>董事會秘書室<br>郵政編碼：266071<br>電話：86-532-85713831<br>傳真：86-532-85713240 | 3. Company Secretary: Zhang Rui Xiang<br>Address: Secretarial Office of the Board<br>Room 1105<br>Tsingtao Beer Tower<br>May Fourth Square<br>Hong Kong Road Central, Qingdao<br>Postal Code: 266071<br>Tel: 86-532-85713831<br>Fax: 86-532-85713240   |
| 4. 註冊地址：山東省青島市登州路56號<br>辦公地址：山東省青島市<br>香港中路五四廣場青啤大廈<br>郵政編碼：266071<br>公司網址：www.tsingtao.com.cn<br>電子信箱：info@tsingtao.com.cn  | 4. Registered Address: No. 56, Dengzhou Road,<br>Qingdao, Shandong Province<br>Business Address: Tsingtao Beer Tower, May Fourth Square<br>Hong Kong Road Central, Qingdao<br>Shandong Province<br>Postal Code: 266071<br>Company Website: www.tsingtao.com.cn<br>E-mail: info@tsingtao.com.cn |
| 5. 公司股票上市交易所：<br>A股：上海證券交易所<br>股票簡稱：青島啤酒<br>代碼：600600<br>H股：香港聯合交易所<br>股票簡稱：青島啤酒<br>代碼：00168                                 | 5. Stock Exchanges on which the Company's shares are listed:<br>A share: Shanghai Stock Exchange<br>Stock Name: 青島啤酒<br>Stock Code: 600600<br>H share: The Stock Exchange of Hong Kong Limited<br>Stock Name: TSINGTAO BREW<br>Stock Code: 00168   |
| 6. 未上市股票託管機構：<br>中國證券登記結算有限責任公司上海分公司   | 6. Custodian of unlisted shares:<br>China Securities Depository and Clearing Corporation Limited, Shanghai Branch  |
| 7. 會計師事務所：普華永道中天會計師事務所(特殊普通合夥)，地址為上海市黃浦區湖濱路202號企業天地2號樓普華永道中心11樓  | 7. Auditor: PricewaterhouseCoopers Zhong Tian LLP at 11/F PricewaterhouseCoopers Center, 2 Corporate Avenue, 202 Hu Bin Road, Huangpu District, Shanghai   |
| 8. 法律顧問：<br>(1) 胡關李羅律師行，地址為香港中環康樂廣場1號怡和大廈26樓<br><br>(2) 北京市海問律師事務所，地址為北京市朝陽區東三環中路5號財富金融中心20層                                 | 8. Legal advisers:<br>(1) Woo Kwan Lee & Lo at 26th Floor, Jardine House, 1 Connaught Place, Central, Hong Kong<br><br>(2) Haiwen & Partners at 20th Floor, Fortune Finance Center, No. 5 Dong San Huan Road Central, Chaoyang District, Beijing   |





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