



# 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 2015

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PREMIUM LAGER BEER  
SINCE 1903  
**SINGTAO**  
青島啤酒  
330ml

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330ml

## 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在上交所上市。

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54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 54 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 is distributed to over 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. 本集團二零一五年財務資料

1. The Group’s financial information for the year ended 31 December 2015

(單位：人民幣千元)

(Unit: RMB'000)

營業利潤	Operating profit	1,855,163
利潤總額	Total profit	2,274,822
歸屬於母公司股東的淨利潤	Net profit attributable to shareholders of the Company	1,713,129
歸屬於母公司股東的扣除非經常性損益後的淨利潤	Net profit attributable to shareholders of the Company after deduction of non-recurring profit or loss	1,052,707
經營活動產生的現金流量淨額	Net cash flows from operating activities	2,574,566
註：非經常性損益項目包括：	Note: Non-recurring profit or loss items include:	
計入當期損益的政府補助	Government grants recognised in profits	511,057
處置子公司對投資收益的影響	Gain from disposal of a subsidiary	444,820
非流動資產處置損失	Losses on disposal of non-current assets	(101,512)
單獨進行減值測試的應收賬款減值準備轉回	Reversal of bad debt provision for accounts receivable which provision is provided on the individual basis	3,600
除上述各項之外的其他營業外收入和支出	Other non-operating income and expenses other than aforesaid items	10,114
小計	Subtotal	868,079
所得稅影響額	Impact of income tax expense	(188,706)
少數股東權益影響額(稅後)	Impact on the non-controlling interest, net of tax	(18,951)
合計	Total	660,422

## 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	Summarised accounting information	2015	2014	2013	2012	2011
營業收入	Revenue	27,634,686	29,049,321	28,290,978	25,781,544	23,158,054
利潤總額	Total profit	2,274,822	2,682,999	2,666,534	2,484,156	2,454,913
歸屬於母公司股東的淨利潤	Net profit attributable to shareholders of the Company	1,713,129	1,990,098	1,973,372	1,758,863	1,737,928
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	1,052,707	1,671,409	1,655,872	1,470,047	1,490,258
基本每股收益	Basic earnings per share	1.2681	1.4731	1.4607	1.3019	1.2864
稀釋每股收益	Diluted earnings per share	1.2681	1.4731	1.4607	1.3019	1.2864
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	0.7792	1.2372	1.2257	1.0881	1.1031
全面攤薄淨資產收益率(%)	Fully diluted return on net assets (%)	10.41	12.93	14.07	14.11	15.64
加權平均淨資產收益率(%)	Weighted average return on net assets (%)	10.76	13.53	14.87	14.91	16.78
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 (%)	6.40	10.86	11.81	11.79	13.41
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 (%)	6.61	11.36	12.48	12.46	14.39
經營活動產生的現金流量淨額	Net cash flows from operating activities	2,574,566	1,690,634	3,401,151	3,103,597	1,872,309
每股經營活動產生的現金流量淨額	Net cash flows from operating activities per share	1.91	1.25	2.52	2.30	1.39
總資產	Total assets	28,500,590	27,003,913	27,364,867	23,661,106	21,634,154
總負債	Total liabilities	12,334,579	11,716,631	13,491,396	10,877,675	10,357,219
歸屬於母公司股東權益	Total equity attributable to shareholders of the Company	16,458,062	15,387,562	14,020,559	12,467,953	11,110,439
歸屬於母公司股東的每股淨資產	Net assets per share attributable to shareholders of the Company	12.18	11.39	10.38	9.23	8.22

### 2. Summarised accounting data and financial indicators

(Unit: RMB'000)



## 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	少數股東權益	股東權益合計
		股本	資本公積	其他綜合收益	盈餘公積	一般風險準備			
		Share capital	Capital surplus	Other comprehensive income	Surplus reserve	General reserve	Undistributed profits	Non-controlling interests	shareholders' equity
期初數	Opening balance	1,350,983	4,079,399	10,040	1,216,339	66,982	8,663,818	(100,279)	15,287,282
本期增加	Increase in the current year	—	—	—	184,365	39,043	1,713,129	—	1,936,537
本期減少	Decrease in the current year	—	(4,320)	(30,366)	—	—	(831,350)	(191,772)	(1,057,808)
期末數	Ending balance	1,350,983	4,075,079	(20,326)	1,400,704	106,025	9,545,597	(292,051)	16,166,011

(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) 一般風險準備：增加為本年度提取的一般風險準備；

(4) 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，減少為本年提取盈餘公積，一般風險準備以及分配股利；

(5) 少數股東權益：減少主要原因是本年度部分擁有少數股東的子公司虧損，收購漢中公司和漢盛商貿的少數股權以及本年對少數股東分配股利所致。

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

(Unit: RMB '000)

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

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

(3) General reserve: Increase represents the general reserve appropriated in the current year;

(4) Undistributed profits: Increase represents net profit attributable to shareholders of the Company in the current year. Decrease represents the appropriation of surplus reserve, appropriation of general reserve and distribution of dividends;

(5) Non-controlling interests: Increase mainly dues to losses of certain subsidiaries with non-controlling interests, acquiring the non-controlling interests of Hanzhong Company and Hansheng Commerce, and distribution of dividends in the current year.

#### 4. 利潤分配

本公司董事會(「董事會」)建議就截至二零一五年十二月三十一日止年度派發末期股息每股人民幣0.39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二零一五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. Dividend Distribution

The Board of Directors (the “Board”) proposed a final dividend of RMB0.39 (pre-tax) per share for the year ended 31 December 2015, and the remaining distributable profits will carry forward to the next year. The aforesaid dividend proposal shall be subject to the approval at the 2015 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.





青島啤酒

鴻運当头

青島啤酒



净含量: 355ml

## 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2015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。

2015年中國啤酒市場受經濟增速放緩、消費環境整體低迷等因素影響，繼續呈現下滑態勢，啤酒行業全年實現產量4,716萬千升(數據來源：國家統計局)，同比下降5.1%，已連續兩年出現負增長。

面對國內啤酒市場萎縮和國際化競爭不斷加劇的不利形勢，公司董事會和管理層著眼長遠，堅守戰略定力，加快結構調整步伐，著力推進發展方式轉型，積極應對「轉方式、調結構」轉型期內的行業下行壓力和市場新形勢的挑戰。公司充分挖掘現有產能潛力，積極推進並實施產品創新、供應鏈創新和管理創新的差異化競爭戰略，培育主流產品和新特產品的差異化競爭優勢，引領消費升級，加快孕育新的增長點，為實現新形勢下有質量的增長奠定了堅實基礎。

Dear shareholders,

I hereby present the business report and audited financial statements of the Company for the accounting year ended 31 December 2015 for your kind review.

In 2015, as affected by the factors including the slowdown of economic growth, and the overall sluggish consumption environment, China's beer market continued to decline that the full-year output of beer industry was 471.6 million hl (Source: National Bureau of Statistics), decreased by 5.1% from prior year, which had been the negative growth for two consecutive years.

Facing the unfavorable situation of the decline of domestic beer market and the growing intense international competition, the Board and the management team looked ahead to the future, insisted on the strategies, accelerated the steps of structure adjustment, devoted to encouraging the transformation of development mode, and actively responded to the challenges of the decline pressure and new market situation during the transformation period of "Transforming the modes, adjusting the structure". The Company completely utilized its existing production potential, actively promoted and implemented the differentiated competition strategy of products innovation, supply chain innovation and management innovation, cultivated the differentiated competition advantages of principal products and new&special products to lead the upgrade of consumption and accelerate to cultivate new growth point which had built a solid basis for the material growth under the new situation.

孫明波先生  
Mr. SUN Ming Bo



## 董事長報告書 Chairman's Statement

2015年，公司共實現啤酒銷售量848萬千升，實現營業收入人民幣276.35億元，實現歸屬於上市公司股東的淨利潤人民幣17.13億元。

公司積極致力於國內外市場的開拓，發展沿海、沿黃河流域優勢市場，持續推進省級市場及大城市基地市場建設，帶動周邊區域市場銷量的提升。報告期內，公司繼續做深做透山東、陝西等傳統優勢市場，加大成長性市場的開發、整合力度，積極佈局新興市場，不斷提升公司營銷運作和市場掌控能力，鞏固和加強了公司在中高端市場的競爭優勢。

報告期內，公司繼續推進實施「青島啤酒主品牌+嶗山啤酒第二品牌」的品牌戰略，不斷優化品牌結構和品種結構，使公司在行業性衰退的情況下基本穩定了在國內市場的佔有率。同時，公司通過開發新產品、新技術，以品牌帶動品類發展，加快向以聽裝啤酒和精釀產品為代表的高附加值產品的轉型升級，以品類優勢打造主流產品和新特產品的差異化競爭優勢，保持了產品在國內中高端市場的領先地位。公司全年實現主品牌青島啤酒銷量416萬千升，其中鴻運當頭、奧古特、經典1903和純生、聽裝、小瓶啤酒等高附加值產品實現國內銷售量共計174萬千升，實現了持續增長。

In 2015, the Company's sales volume of beer reached 84.8 million hl in aggregate, the revenues reached RMB27.635 billion, and the net profit attributable to shareholders of the Company reached RMB1.713 billion.

The Company actively devoted to exploring the domestic and overseas markets, developing the superior markets in coastal and along-Yellow-River basin areas, and continuing to promote the construction of provincial markets and base markets in big cities to lead the growth of sales volume of neighboring regional markets. During the Reporting Period, the Company continued to extensively and intensively explore the traditional superior markets in provinces including Shandong and Shaanxi, strengthened the development and integration of growing markets, and actively established the network of emerging markets to continuously improve the Company's ability in sales operation and market control which consolidated and strengthened the Company's competitive advantages in the mid-and-high-end market.

During the Reporting Period, the Company continued to promote the implementation of the branding strategy of "Principal brand Tsingtao Beer + Secondary brand Laoshan Beer" to further optimize the brand mix and product mix, which helped the Company generally maintain its shares in the domestic market despite the industrial decline. At the same time, by developing new products and technologies, and with the development of the categories led by the brands, the Company accelerated the transformation and upgrade of the high value-added products represented by canned beer and craft beer, and built the advantages in differentiated competition of principal products and new&special products with its advantages in categories, which helped to maintain the leading position of products in the domestic mid-and-high-end market. The Company's full-year sales volume of Tsingtao Beer, the principal brand, reached 41.6 million hl including 17.4 million hl of domestic sales volume of the high value-added products such as Hong Yun Dang Tou ("Good Fortune"), Augerta, Classic 1903, draft beer, canned beer and small-bottled beer which realized continuous growth.

## 董事長報告書 Chairman's Statement

公司不斷推進和完善「大客戶+微觀運營」的營銷模式，積極開展體育營銷和市場推廣。以現有生產基地和銷售渠道網絡為依託，通過精細化產品銷售策略、完善渠道佈局、培育和強化經銷商管理等舉措，整合聚焦資源，助力市場開拓，提升了產品影響力和市場競爭力。2015年，公司圍繞「暢享歡聚時刻」品牌主張，結合亞冠聯賽、CBA聯賽、炫舞激情啦啦隊、海上啤酒節以及「因樂而生」等體育和音樂賽事開展大型營銷活動，以主題促銷、媒體互動傳播、現場體驗相結合等方式，拉動消費者需求，提升了青島啤酒在年輕消費群體中的認可和喜好度，取得了較好的市場效果。

報告期內公司進一步改革創新、抓住啤酒行業KA等現代渠道快速發展的機遇，積極開闢新的增長點，取得了顯著成效。公司積極探索移動互聯網時代營銷新模式，快速佈局電子商務業務，在國內啤酒行業率先建立了官方旗艦店+官方商城+網上零售商+分銷專營店的立體化電子商務渠道體系。年內公司上線的「青啤快購」APP，實現了「動動手指、啤酒送回家」的啤酒產品網絡消費新體驗，成為啤酒行業首家O2O平臺。目前「青啤快購」已在青島、長春、大連、成都、石家莊、南京、廈門等9個城市上線，註冊用戶十幾萬人，對新特產品發展、區域市場產品結構升級起到積極推動作用。

The Company kept on promoting and improving the marketing mode of “Big Customer + Micro Operation” that it actively carried out sports marketing and marketing promotions. Based on the existing production bases and sales channel networks, through the measures including diversifying the product sales strategies, improving the layout of channels, and cultivating and strengthening the management of the distributors, the Company integrated and focused on the resources, and put into efforts to explore the markets, which helped to improve the influence of the products and the market competitiveness. In 2015, with the brand theme of “Enjoy the gathering time”, the Company carried out a series of large-scaled marketing activities with the sports games and musical events including AFC Champions League, CBA games, Dancing with Passion Cheering Team, beer festivals on the sea and “Soul Hot” by way of combining with the thematic promotion, media interactive communication and site experience to encourage the consumers’ needs and improve the acknowledgement and affection of Tsingtao Beer by the young consumers, which received satisfactory market results.

During the Reporting Period, the Company made further reforms and innovations which obtained remarkable effects and results by seizing the opportunities of the rapid development of modern channels including KA in the beer industry to actively explore new growth point. The Company actively sought for the new marketing mode in the mobile internet era and rapidly established the layout of e-commerce that it became the first in the domestic beer industry to establish an overall e-commerce channel system of official flagship store + official shopping mall + online retailers + distributor boutiques. Within the year, the Company became the first O2O platform in the beer industry by launching “Tsingtao Quick-Buy” APP which realized the new experience of internet consumption of beer products with “Enjoy beer at home with a flick”. At present, “Tsingtao Quick-Buy” has been available in 9 cities including Qingdao, Changchun, Dalian, Chengdu, Shijiazhuang, Nanjing and Xiamen with around 100 thousand registered users, which played a positive role in promoting the development of new & special products and the upgrade of product mix in regional markets.



## 董事長報告書 Chairman's Statement

公司著眼啤酒產品趨向多元化、高端化和個性化的發展趨勢，創新釀造工藝、口味和包裝形式，積極培育及研發戰略性新產品和新特產品，成功推出的鴻運當頭、經典1903、全麥白啤、炫奇果啤、棗味黑啤、5L原漿啤酒等新產品獲得了市場廣泛好評，引領了產品的消費升級。

年內公司積極調整投資發展方式，壓縮對新建產能的資本性開支，合理控制投資規模，優先向滿足市場消費升級需求的戰略性新特產品、易拉罐產品等高附加值產品傾斜，實施及完成了青啤漢斯寶雞公司、青啤三廠、廈門公司等多個遷建和改擴建項目，在支持基地市場發展的同時確保了投資收益最大化，並帶動了產品結構升級。

年內，青島啤酒以人民幣1,055.68億元的品牌價值成為首個突破千億價值的啤酒品牌，崂山啤酒品牌價值也達到115.68億元，繼續保持了在國內啤酒市場的領先優勢（數據來源：世界品牌實驗室）。

The Company devoted to the development trend of diversification, high-end orientation and personalization of beer products that it innovated the brewing techniques, taste and packages, and actively cultivated and developed the strategic new products and new&special products to successfully present the new products including Hong Yun Dang Tou (“Good Fortune”), Classic 1903, whole-barley Weissbier, peach beer, date-taste black beer and 5L raw stock beer which received broad praises from the markets and led to upgrade the consumption of the products.

Within the year, the Company actively adjusted its investment and development mode, reduced the capital spending to the new constructions of production capacity, reasonably controlled the investment size, took priority to the high value-added products including the strategic new&special products and canned products which could satisfy the needs for upgrading the consumption in the market, implemented and completed a couple of relocation and expansion projects including Tsingtao-Hans Baoji Company, Tsingtao Brewery No. 3 and Xiamen Company, which ensured the maximization of investment returns while supporting the development of the base markets, and led to the upgrade of product mix.

Within the year, Tsingtao Beer became the first beer brand whose brand value had reached over RMB100 billion with its brand value of RMB105.568 billion, meanwhile the brand value of Laoshan had also reached RMB11.568 billion, which continued to maintain its leading position in the domestic beer market (Source: World Brand Lab).

## 董事長報告書 Chairman's Statement

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。

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 tremendous support to the Company in the past year.

董事長  
孫明波  
中華人民共和國·青島  
二零一六年三月二十八日

Chairman  
SUN Ming Bo  
Qingdao, the People's Republic of China  
28 March 2016





## 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	15,207,940	(3.32)
華北地區	North China	5,390,912	(4.40)
華南地區	South China	4,173,158	(10.21)
華東地區	East China	2,929,296	(13.70)
東南地區	South-East China	2,446,854	(12.32)
港澳及其他海外地區	Hong Kong, Macau and other overseas	520,678	5.83
合計	Total	30,668,838	(6.19)
減：各地區分部間抵銷金額	Less: Eliminations	3,460,394	/
合併	Consolidation	27,208,444	(4.86)

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	主要業務 Principal products or service	註冊資本 Registered capital	總資產 Total asset	淨資產 Net asset	淨利潤 Net profit	營業收入 Revenue	營業利潤 Operating profit
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	128,148	72,672	28,401	256,644	37,936
青島啤酒(平度)銷售有限公司 Tsingtao Brewery (Pingdu) Sales Company	啤酒銷售 Sales of beer	500	41,773	37,213	19,889	145,105	23,227
青島啤酒財務有限責任公司 Tsingtao Brewery Finance LLC	吸收成員單位存款及其他貸款、票據結算業務 Receiving the deposits and other borrowings of member units, and the settlement of bills	50,000	864,054	115,726	17,574	5,142	22,780

### 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) 2015年度前五名供應商合計的採購總額約848,642千元(2014年度：863,214千元)，佔採購總額的比例為7.51%(2014年度：7.14%)。
- (2) 2015年度前五名客戶營業收入的總額約1,576,570千元(2014年度：1,340,238千元)，佔全部營業收入的比例為5.71%(2014年度：4.61%)。

- (1) The total amount of the Company's purchase from its top 5 suppliers in 2015 was approximately RMB848,642 thousand (2014: RMB863,214 thousand), which accounted for 7.51% of its purchase amount in aggregate (2014: 7.14%).
- (2) The total amount of the Company's revenue of its top 5 clients in 2015 was approximately RMB1,576,570 thousand (2014: RMB1,340,238 thousand), which accounted for 5.71% of its revenue in aggregate (2014: 4.61%).

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.

## 董事會報告 Report of the Directors

### 二. 利潤分配

董事會建議就截至二零一五年十二月三十一日止年度派發末期股息每股人民幣0.39元(含稅)，派發股息總額為人民幣526,883,290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二零一五年度股東年會審議批准。末期股息預期於2016年8月16日之前派發予股東。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。

### 三. 業務回顧

本公司年內之業務回顧及有關公司未來發展的討論與分析，以及本公司面對的主要風險及不確定因素之討論載於第50至61頁「管理層討論與分析」。採用財務表現關鍵指標對本集團年內表現之分析載於本年報第4頁「會計數據摘要」。有關報告期內公司重大事項及期後進展情況載於本年報第68至74頁「重要事項」。

本集團致力支持環境可持續性。本公司秉承「好心有好報」的環境觀，以「做啤酒行業綠色發展的楷模」為環保願景；「通過實施環境保護低碳管理和循環經濟，促進公司永續發展，實現與大自然的和諧共處」為環保使命。本公司環保管理以履行社會責任、防範環境風險、提升環保績效為宗旨，嚴格遵守環境法律法規和其他要求，不斷改造和完善環保治理設施，深入開展環保規劃化、精細化管理，完善各項管理制度和考核機制，不斷提高環保人員水平和技能，實現污染物穩定達標排放。通過推行清潔生產和循環經濟，開展公司廢料區域集中競價，提升公司廢料綜合利用價值。



### II. Profit Distribution

The Board proposed a final dividend of RMB0.39 (pre-tax) per share for the year ended 31 December 2015 which is amounted to the total amount of RMB526,883,290 (pre-tax), and carried forward the remaining distributable profits to the next year. The proposed distribution of final dividend, which is expected to be payable to the shareholders before 16 August 2016, will be subject to the consideration and approval at the Company's 2015 annual general meeting. 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.

### III. Business Review

A review of the business of the Company within the year and a discussion and analysis of the Company's future development, and the principal risks and uncertainties faced by the Company are set out in 'Management Discussion and Analysis' on pages 50 to 61 of this Annual Report. An analysis of the Group's performance during the year using key financial indicators is set out in 'Financial Highlights' on page 4 of this Annual Report. Significant events occurred during the Reporting Period and the progress after the Reporting Period are set out in "Significant Events" on pages 68 to 74 of this Annual Report.

The Group's devoted to supporting the sustainability of the environment. The Company adheres to the environmental principal of "Good returns from kindness", and has the environmental protection vision of "Being the model of green development in beer industry", and takes the environmental protection mission of "To promote the everlasting development of the Company through implementing the low-carbon management of environmental protection and recycling economy to realize the harmonic relationship with nature". To realize the purpose of the implementation of its social responsibilities, prevention from environment risks, and improvement of environmental protection performance of its environmental protection management, the Company strictly abides by the environmental laws, regulations and other requirements, keeps on reconstructing and improving the environment treatment facilities, deeply carries out the planned and intensive management of environmental protection, improves the different management systems and assessment mechanisms, and keeps on improving the qualification and skill of environmental protection personnel to realize the steady and compliant discharging of pollution materials. And by promoting the clean production and recycling economy, the Company carries out the bidding for the waste area to improve the utilization efficiency of the wastes.



## 董事會報告 Report of the Directors

於2015年內，本集團已遵守對本集團營運有重大影響的相關法律及法規。

我們的僱員、客戶及合作夥伴是我們可持續發展的關鍵。本集團致力與僱員建立密切及關顧之關係、為客戶提供優質產品，並加強與我們的業務合作夥伴之間的合作。有關本公司環境及社會責任方面的表現情況請參閱公司2016年3月28日於香港交易所網站上載之《青島啤酒2015年可持續發展報告》。

### 四. 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(36)及(37)。

### 五. 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：

Within 2015, the Group has complied with the relevant laws and regulations that have significant impacts on the operations of the Group.

Our employees, customers and cooperation partners are the keys to our sustainable development. The Group is committed to establishing a close and caring relationship with our employees, providing quality products to the customers and enhancing the cooperation with our business partners. For details of the environmental and social responsibilities performed by the Company, please refer to *Tsingtao Brewery 2015 Sustainable Development Report* published by the Company on the website of the Stock Exchange on 28 March 2016.

### IV. Reserve

Details of changes of reserve of the Company and the Group during the Reporting Period are set out in Note IV(36) and (37) to Consolidated Financial Statements (prepared in accordance with CAS).

### V. 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 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 34,749 戶。其中：  
A 股 34,464 戶，H 股股東 285 名。

報告期內，本公司股東未有放棄或同意放棄任何股息安排的安排的情況。

- (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)持股情況如下：

### 2. Shareholders

- (1) As at the end of the Reporting Period, the total number of shareholders of the Company was 34,749 including 34,464 holders of A-share, and 285 holders 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 is as follows:

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 share
青島啤酒集團有限公司(附註1) Tsingtao Brewery Group Company Limited (Note 1)	3,380,500	416,448,055	30.83	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)	(3,363,992)	370,515,449	27.43	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
中國證券金融股份有限公司 China Securities Finance Corporation Company		40,395,975	2.99	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		29,006,916	2.15	未知 Unknown	A 股 A-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
中央匯金資產管理有限責任公司 Central Huijin Investment Ltd.		10,517,500	0.78	未知 Unknown	A 股 A-share
國信證券股份有限公司 Guosen Securities Co., Ltd.		9,748,954	0.72	未知 Unknown	A 股 A-share
摩根士丹利投資管理公司 — 摩根士丹利中國 A 股基金 Morgan Stanley Investment Management Inc. — Morgan Stanley China A-share Fund		9,146,020	0.68	未知 Unknown	A 股 A-share
香港金融管理局 — 自有資金 Hong Kong Monetary Authority — Own Funds		6,522,643	0.48	未知 Unknown	A 股 A-share



## 董事會報告 Report of the Directors

### 附註：

- 1、青啤集團持股數量包括了通過其自身以及全資附屬公司持有的本公司H股股份合計11,316,000股，其本身持有本公司A股股份405,132,055股。
- 2、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2015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連絡人以外的人士，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》(香港法例第571章)(「《證券及期貨條例》」)第336條而備存的登記冊所載錄者：

### Notes:

1. Tsingtao Group holds 11,316,000 shares of H-share in the Company by itself and through a wholly-owned subsidiary, and 405,132,055 shares of A-share in the Company by itself.
2. 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 2015, 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		405,132,055 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	11,316,000 H股 H-Share	0.84%	1.73%
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	43,547,342 H股 H-Share	3.22%	6.65%
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	58,506,287 H股 H-Share	4.33%	8.93%
	可供借出股份中權益 Interest in a lending pool	H股 H-Share			22,055,244 H股 H-Share	1.63%	3.37%
	淡倉 Short position	H股 H-Share	實益擁有人 Beneficial Owner		76,000 H股 H-Share	0.006%	0.01%
Baillie Gifford & Co.	好倉 Long position	H股 H-Share	受控制法團權益 Interest of controlled corporate	5	33,035,000 H股 H-Share	2.45%	5.04%
			投資經理 Investment Manager		6,376,753 H股 H-Share	0.47%	0.97%

## 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11,316,000股H股是透過青啤集團及其全資附屬公司持有。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，朝日啤酒株式會社享有269,127,836股H股權益。朝日集團控股株式會社於2011年7月1日重組設立，代替朝日啤酒株式會社持有上述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) Baillie Gifford & Co.被視為享有權益的股份是分別透過多家由Baillie Gifford & Co.的全資附屬公司持有。
- (6) 公司主要股東新近的披露權益申報，請參閱香港交易及結算所有限公司網站(www.hkexnews.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發行新股的規定。

### Notes:

- (1) The 11,316,000 H-Shares which were deemed to be interested by SASACQ were held by a wholly-owned subsidiary of and by Tsingtao Group, which is controlled by SASACQ. According to the latest disclosure of interests filings, SASACQ was interested in 7,844,000 H-Shares.
- (2) According to the latest disclosure of interests filings, Asahi Breweries was 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 in place 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) The shares in which Baillie Gifford & Co. was deemed to be interested were held through various wholly-owned subsidiaries of Baillie Gifford & Co.
- (6) 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).

### 3. Pre-emptive Right

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



  
**TSINGTAO**  
 青島啤酒

## 董事會報告 Report of the Directors

### 六. 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 (Note) (註)	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

註：根據最新的披露權益申報，黃克興先生持有26,502股，其中25,202股為黃克興先生之配偶持有。

截至二零一五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。

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

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

單位：股  
Unit: Share

Note: According to the latest disclosure of interest filings, Mr. HUANG Ke Xing holds 26,502 shares, among which 25,202 shares are held by the spouse of Mr. HUANG Ke Xing.

As at 31 December 2015, 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2016年2月16日辭任本公司獨立非執行董事、審計與內控委員會主席、提名與薪酬委員會委員及戰略與投資委員會委員等職務，而于增彪先生於同日獲委任為本公司獨立非執行董事，並接替馬海濤先生於各委員會所擔任的職務。

馬海濤先生於報告期內亦辭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和北京千方科技股份有限公司獨立董事的職位。

- (2) 公司獨立非執行董事賈聖林先生於2015年5月出任中國國際金融股份有限公司獨立非執行董事，於2016年2月出任物產中大集團股份有限公司獨立董事；
- (3) 公司獨立非執行董事蔣敏先生於報告期內任期屆滿不再擔任上海科大智能科技股份有限公司及安徽新華傳媒股份有限公司獨立董事。新任山東省藥用玻璃股份有限公司獨立董事。
- (4) 公司獨立監事李燕女士於報告期內兼任北京東華軟件股份有限公司、安徽荃銀高科股份有限公司及江西富祥藥業股份有限公司獨立董事。

### 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 had resigned as an Independent Non-executive Director of the Company, Chairman of Audit & Internal Control Committee, member of Nomination & Remuneration Committee and member of Strategy & Investment Committee on 16 February 2016, and on the same day, Mr. YU Zeng Biao was appointed as Independent Non-executive Director of the Company, and took the positions in the relevant committees formerly taken by Mr. MA Hai Tao.

Mr. MA Hai Tao had also resigned as Independent Director of Yantai Xinchao Industrial Co., Ltd., Beijing Beilu Pharmaceutical Co., Ltd and China Transinfo Technology Co., Ltd. during the Reporting Period.

- (2) Mr. BEN Sheng Lin, Independent Non-executive Director of the Company, was appointed as Independent Non-executive Director of China International Capital Corporation Limited in May 2015, and Independent Director of Zhongda Group Co., Ltd. in February 2016.
- (3) Mr. JIANG Min, Independent Non-executive Director of the Company, had no longer taken the position as Independent Director of CSG Intelligent Technology Co., Ltd. and Anhui Xinhua Media Ltd. after having fulfilled his duty term during the Reporting Period, and was appointed as Independent Director of Shandong Pharmaceutical Glass Co., Ltd.
- (4) Ms. LI Yan, Independent Supervisor of the Company, was appointed as Independent Director of Beijing DHC Co., Ltd., Anhui Win-all Hi-tech Seed Co., Ltd. and Jiangxi Fushine Pharmaceutical Co., Ltd. during the Reporting Period.





## 董事會報告 Report of the Directors

### 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。

### 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 combining 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 independent non-executive directors and independent supervisors is paid pursuant to the resolutions passed at the general meeting.

姓名 Name	職務 Position	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)
孫明波 SUN Ming Bo	董事長 Chairman	175.7
黃克興 HUANG Ke Xing	執行董事、總裁 Executive Director, President	145.1
姜宏 JIANG Hong	執行董事、副總裁 Executive Director, Vice President	108.8
于竹明 YU Zhu Ming	執行董事、財務總監 Executive Director, CFO	87.7
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	12
馬海濤 MA Hai Tao	獨立非執行董事 Independent Non-executive Director	12
賁聖林 BEN Sheng Lin	獨立非執行董事 Independent Non-executive Director	12
蔣敏 JIANG Min	獨立非執行董事 Independent Non-executive Director	12
李綱 LI Gang	現任監事會主席 Chairman of Board of Supervisors	1
段家駿 DUAN Jia Jun	原任監事會主席 Former Chairman of Board of Supervisors	9
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	8
王亞平 WANG Ya Ping	獨立監事 Independent Supervisor	8
薛超山 XUE Chao Shan	職工監事 Supervisor as Employees' Representative	54.8
孫麗紅 SUN Li Hong	職工監事 Supervisor as Employees' Representative	43.9
邢軍 XING Jun	職工監事 Supervisor as Employees' Representative	40.9
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	173.3
劉英弟 LIU Ying Di	副總裁 Vice President	99.3
王瑞永 WANG Rui Yong	副總裁兼營銷總裁 Vice President of the Company & President of Marketing Center	279.8
張瑞祥 ZHANG Rui Xiang	董事會秘書(香港公司秘書) Board Secretary/Company Secretary (Hong Kong)	48.2
合計 Total		1,331.5



## 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43,066人。員工專業構成及教育程度如下：

專業構成類別 Class of Profession	專業構成 Profession	專業構成人數(人) Number (person)
生產服務人員	Production and service personnel	17,865
銷售人員	Sales personnel	15,502
工程技術人員	Technical and engineering personnel	1,679
財務人員	Financial personnel	1,185
行政管理人員	Administrative personnel	6,835
教育程度類別 Class of education	教育程度 Educational Background	數量(人) Number (person)
碩士及以上	Master's degree and above	399
本科生	Undergraduate	7,158
專科生	2-year college	12,806
中專生	Secondary specialized school	8,759
中專以下	Under secondary specialized school	13,944

### 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。

### 4. Employees

4.1 As at the end of the Reporting Period, the Company (including the subsidiaries) totally had 43,066 full-time employees. The composition of employees in terms of profession and educational background is as follows:

### 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.

## 董事會報告 Report of the Directors

### 4.3 培訓計劃

2015年，公司圍繞「三支團隊」建設，繼續深化基於勝任、儲備兩條主線的人才培養模式，以立體化學習平臺建設為抓手，以重點項目為突破口，聚焦人才培養的有效性，並引入移動學習模式，線上線下立體學習社區的打造初見成效。同時，2015年重點人才培養項目順利推進，基於勝任、儲備兩條主線開展了一系列專業培訓項目，效果顯著。2016年，公司將夯實培訓管理平臺建設，加快培訓信息化步伐，提升營銷管理人員領導力和業務能力，深化推進基層一線技能培訓。

### 4.3 Training plan

In 2015, by focusing on the establishment of “Three teams”, the Company continued to deepen the talent cultivation mode based on the two purposes of qualification and reserve, that it, based on the establishment of all-around study platform, and with the important projects as breakthrough point, focused on the effectiveness of talent cultivation and introduced the mobile study mode which received primary effect of building the all-around on-line and off-line study center. At the same time, it successfully presented the project of cultivating important talents by carrying out a series of professional training projects based on the two purposes of qualification and reserve, which is fruitful. In 2016, the Company will build a solid platform of training management, accelerate the IT mode of trainings, improve the leadership and business ability of the management officers of marketing, and promote the skill training in the frontline.

## 七. 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。

## VII. 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.

## 八. 董事或監事合約權益及董事服務合約

本公司於2014年6月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。

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

All directors and supervisors appointed by the Company in June 2014 had 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 has been entered into 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.



## 董事會報告 Report of the Directors

### 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。

### 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。

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

The Company has received annual confirmation letter from each of the 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 of its 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.

### 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.



## 董事會報告 Report of the Directors

### 十三. 銀行貸款

於二零一五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。

### 十四. 獲准許之彌償條文

經本公司二零一三年度股東大會批准，本公司已為全體董事購買適當之責任保險。

### 十五. 股票掛鈎協議

本公司於本年度終結日或年內任何時間概無訂立任何股票掛鈎協議。

### 十六. 董事及監事在重要交易、安排或合約中的權益

報告期內，本公司任何董事、監事或與其有關的實體均未直接或間接從本公司、本公司控股公司、附屬公司的重要交易、安排或合約中擁有重大權益。

### 十七. 捐款

本集團於年內作出的慈善及其他捐款之金額載於合併財務報表項目附註46。

除上述披露者外，本集團並無於年內作出慈善及其他捐款。

**孫明波**

董事長

中華人民共和國 青島

二零一六年三月二十八日

### XIII. Bank Loans

Details of bank loans as at 31 December 2015 are set out in the attached Notes to Financial Statements.

### XIV. Permitted Indemnity Provision

As approved by the 2013 annual general meeting of the Company, the Company has purchased appropriate liabilities insurance for all directors.

### XV. Equity-linked Agreements

No equity-linked agreements were entered into during the year or subsisted at the end of the year.

### XVI. Directors' and Supervisors' Interests in Transactions, Arrangements and Contracts of Significance

No transaction, arrangement or contract of significance, in relation to the Company's business to which the Company, its holding companies, or its subsidiaries or fellow subsidiaries was a party and in which a director or a supervisor or any entity connected with them was materially interested, directly or indirectly, subsisted during the reporting period.

### XVII. Donations

The amount of charitable and other donations made by the Group during the year is set out in Note 46 to Consolidated Financial Statements.

Save as disclosed above, no charitable and other donations have been made by the Group during the year.

**SUN Ming Bo**

Chairman

Qingdao, the People's Republic of China

28 March 2016



## 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2015年度之監事會報告，敬請各位股東審閱。

報告期內，公司監事會嚴格按照法律法規及《公司章程》的相關規定，以切實維護公司和股東的合法權益為宗旨，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，並就市場營銷、持續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。

### 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8次會議，其中定期會議7次，臨時會議1次，審議各類議案共計31項。主要議案如下：

##### 1、 審議定期報告：

- (1) 審議公司2014年度財務報告；
- (2) 審議公司2015年第一季度報告；
- (3) 審議公司2015年半年度報告；
- (4) 審議公司2015年第三季度報告。

I hereby present the 2015 Report of 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 marketing, connected transaction and internal control.

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

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

During the Reporting Period, the Board of Supervisors totally held 8 meetings, including 7 regular meetings and 1 extraordinary meetings, to consider 31 resolutions mainly including the followings:

##### 1. Regular reports:

- (1) considered the Company's 2014 Financial Report;
- (2) considered the Company's 2015 First Quarterly Report;
- (3) considered the Company's 2015 Interim Report;
- (4) considered the Company's 2015 Third Quarterly Report.



李鋼先生  
Mr. LI Gang

## 監事會報告 Report of the Supervisors

### 2、 審議持續關連交易：

- (1) 審議批准關於青啤深圳與朝日啤酒及其附屬公司進行新三年期(2015-2017年)購銷產品持續關連交易的議案；
- (2) 審議批准本集團成員與三得利中國集團成員2015年度持續關連交易事項的議案；
- (3) 審議批准關於本公司(包括青啤財務公司)與煙臺朝日進行新三年期(2015-2017年)購銷產品及賬管服務持續關連交易的議案。

### 3、 審議其它事項：

通過第八屆監事會第十次會議選舉產生了新任監事會主席。通過召開會議，審議通過了公司2014年度利潤分配方案、收購、出售股權及其他議案等，共計20餘項。

### (二) 監事會實地調研情況

報告期內，中國啤酒市場銷量出現持續下滑，行業競爭進一步加劇，公司市場佔有率、盈利能力、品牌影響力等受到了競品的嚴峻挑戰。為進一步掌握青島啤酒在全國市場的銷售、經營情況等，同時也為使公司監事(尤其是外部監事)加深對公司的瞭解，監事會對部分市場進行了考察調研。通過調研交流，掌握了基本情況，為監事會更有針對性地對公司發展建言獻策提供了條件。



### 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 for the period of another three years (2015-2017);
- (2) Considered and approved the resolution of the continuing connected transactions between the members of the Company and the members of Suntory Company in 2015;
- (3) Considered and approved the resolution of the continuing connected transaction between the Company (including Tsingtao Finance Company) and Yantai Asahi for the purchase and sales of products and account management for the period of another three years (2015-2017).

### 3. Other issues:

It elected chairman of Board of Supervisors at the tenth meeting of the eighth session of Board of Supervisors. It also held meetings to consider and approve around 20 resolutions including the Company's proposal of profit distribution for 2014, purchase and sales of equity interests, and others.

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

During the Reporting Period, the sales volume of China's beer market continued to decline which resulted in more intense competition in the industry, and the Company's market share, profitability, and brand impact also received severe challenges from the products of the competitors. To further understating the sales and operations situation of Tsingtao Brewery, and also to make the supervisors (especially the external supervisors) have a better understanding of the Company, the Board of Supervisors made inspections and researches in some markets. And through the opinion exchanges during the investigations and researches, the Board of Supervisors obtained the basic information which helped it to make more specific suggestions and proposals for the Company's development.





## 監事會報告 Report of the Supervisors

### 二、監事會對公司2015年度有關事項的獨立意見

#### (一) 監督依法運作情況

報告期內，監事會成員依法出席股東大會，列席董事會；監事會主席列席了總裁辦公會，依法行使了監督權。

監事會認為，公司股東大會、董事會的召集召開程序、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行董事會決議的情況，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，公司嚴格按照法律法規、《公司章程》及其他監管要求開展各項運營工作，決策程序合法、運作規範。

監事會認為，公司董事會成員及高級管理人員均能按照國家有關法律、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，公司未有新增和存量募集資金，不存在募集資金管理及使用違規情形。

### II. Independent Comments to the Issues in 2015

#### (I) Compliance operation

During the Reporting Period, the members of Board of Supervisors attended the general meetings, sat in the board meetings, and the Chairman of Board of Supervisors sat in the presidential conference to legally exercise their supervision right.

The Board of Supervisors is of the view that the convening procedures of the Company's general meetings and board meetings, the matters in the resolutions, the Board's implementation of the resolutions approved at the general meetings, 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 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.

The Board of Supervisors is of the view that all directors and senior management officers fulfill 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 is of the view that the Company's financial system is sound and complete, the financial operation is compliant, the financial situation is satisfactory, and the financial statements truly and objectively reflects 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, and there was no situation of violation of regulations in the management and use of proceeds received from financing activities.

## 監事會報告 Report of the Supervisors

### (四) 收購、出售資產情況

報告期內，公司收購了三得利公司所持事業公司和銷售公司各50%股權、收購了漢中公司34%的少數股東股權。通過掛牌競拍方式出售了公司所持宏基偉業全部股權。

監事會認為上述收購、出售資產項目，均符合公司的戰略規劃。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。

### (五) 關聯(連)交易情況

監事會認為，公司董事會在審批相關關連交易時，關連董事按照監管要求回避表決，審議程序合法；相關協議之條款乃按一般商業條款訂立並屬公平合理，關聯交易定價公允，符合公司及其股東的整體利益。

### (六) 內控工作報告情況

監事會認為，公司已根據自身的實際情況和相關法規的要求，建立了較為健全的內部控制體系，制訂了較為完善、合理的內部控制制度。董事會出具的《公司2015年度內部控制評價報告》及審計師出具的內部控制審計報告客觀地反映了公司的內部控制情況。

### (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，公司已按照相關監管規定建立了較為完善的內幕信息知情人登記管理制度。報告期內，公司未發生因內幕信息洩露受到監管部門查處和整改的情形。

### (IV) Acquisition and sales of assets

During the Reporting Period, the Company acquired 50% equity interests respectively from Manufacturing Company and Sales Company held by Suntory Company, acquired 34% non-controlling equity interests in Hanzhong Company, and sold all equity interests held by the Company in Hongjiweiye by way of public bidding.

The Board of Supervisors is of the view that the aforesaid projects of acquiring and selling assets are in consistency with the Company's strategic plan, which are not found to have any behavior of insider dealing, or damaging the interests of the Company or its shareholders, or causing losses to the Company's funds.

### (V) Connected transactions

The Board of Supervisors is of the view that the related connected transactions are considered and approved by the Board in legal process that the connected directors abstained from the voting; the related terms and conditions are entered into on normal commercial terms at fair price which are fair and reasonable, and do not damage the legal rights and interests of the Company or its shareholders as a whole.

### (VI) Internal control work report

The Board of Supervisors is of the view that the Company has established a sound internal control system in accordance with its own actual situation and the requirements of the laws and regulations, and worked out improved and reasonable internal control system. The 2015 Internal Control Appraisal Report presented by the Board and the internal control audit report presented by the auditor truly and objectively reflect the internal control situation of the Company.

### (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 improved administrative policies for the registration of information insiders in accordance with the related regulatory regulations. During the Reporting Period, the Company did not have the situation of being investigated or rectified by the regulatory authorities for the release of inside information.



## 監事會報告 Report of the Supervisors

綜上，監事會在報告期內認真地履行了法律法規和《公司章程》賦予監事會的職責。借此機會，我對2015年10月辭職的前任監事會主席段家駿先生和其他監事，在報告期內為公司監事會工作所做的貢獻表示衷心的感謝！

2016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，對董事和其他高級管理人員的日常履職情況進行監督，積極參加股東大會、列席董事會會議，誠信勤勉地履行監事會的各項職責。及時瞭解公司的經營情況和財務狀況，通過學習和調研，進一步提高履職能力，提升公司規範運作水平，保障公司的持續、健康、穩定發展，切實維護公司和全體股東的合法權益。

Save as the above, the Board of Supervisors carefully performed the duties and responsibilities granted by the laws, regulations and *Articles of Association* during the Reporting Period. By this opportunity, please let me express my sincere gratitude to the contribution made to the Board of Supervisors during the Reporting Period by Mr. DUAN Jia Jun, the former Chairman of Board of Supervisors who resigned in October 2015, and other supervisors!

In 2016, the Board of Supervisors will supervise the daily performance of duties and responsibilities of the directors and other senior management officers by continuing to strictly abide by the laws, regulations, provisions in *Articles of Association* and regulatory requirements, actively attend the general meetings, sit in the board meetings, and perform duties and responsibilities in good faith and diligently. It will make timely understanding of the Company's operation and financial situation, and through the study and researches, further improve its duty performance, improve the Company's compliance operation, secure the continuous, healthy and stable development of the Company, and practically protect the legal rights and interests of the Company and all shareholders.

監事會主席：李鋼  
二零一六年三月二十八日

Chairman of Board of Supervisors: LI Gang  
28 March 2016



## 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。

本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 that they make decisions independently but supervise each other, which maintain the balance of power among them. The Board sets up three 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) which play positive role in improving efficiency of decision-making of the Board and promote the effective operation of corporate governance of the Company.

The members of the latest session of the Board 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 of corporate governance.

During the Reporting Period, the Company had abided by the code provisions in *Corporate Governance Code* set out in Appendix 14 of *Listing Rules*. 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 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 situation of the Company's abiding by 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，其中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。

本公司已採納董事會成員多元化政策以提升董事會之有效性。

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。

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 operation, 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 specific duties and responsibilities, and the work of all senior management officers, so as to ensure the undertaking of obligations of integrity and diligence of their own responsibilities.

### 2. Composition

The eighth session of the Board comprises 9 directors. The service term of the Company's directors (including non-executive directors) is three years commencing from 16 June 2014.

The Company has adopted a board diversity policy in order to enhance the effectiveness of the Board.

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 the age, cultural and educational background, professional experience, skills and knowledge. The Board focused on the candidates' qualification 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.

## 企業管治報告 Corporate Governance Report

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」。

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，向股東做出匯報。

### 3、董事會會議

2015年度，本公司共舉行了4次現場會議和4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；
- 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；

The members of the Board have various professional backgrounds and possess different professional knowledge, among which 1 independent non-executive director has the qualification on 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 set out in “Profile of Directors, Supervisors and Senior Management Officers” in this Annual Report.

There are 4 independent non-executive directors in the latest session of the Board, accounting for over 1/3 of the total numbers of the Board. These independent non-executive directors have various professional background with substantial experience in law, accounting and financial investment. Such composition is helpful to the Board in the discussion and analysis of the problems from different aspects to ensure the reasonable decision made by 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. Board meeting

In 2015, the Company totally held 4 site meetings and 4 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;
- 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 have fruitful discussion, and make quick and prudential decisions at the board meetings. Details of all directors' attendance of board meetings in the year are set out as below:

董事姓名 Name	本年應參加 董事會次數 Number that should attend in the year	親自出席次數 Number 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 Number that attend in form of communications	委託出席次數 Number that being attended by proxy	缺席次數 Number of absence		出席股東大會 的次數 Number of attending general meeting
孫明波 SUN Ming Bo	8	4	4	0	0	否 No	2
黃克興 HUANG Ke Xing	8	4	4	0	0	否 No	2
姜宏 JIANG Hong	8	4	4	0	0	否 No	2
于竹明 YU Zhu Ming	8	4	4	0	0	否 No	2
杉浦康譽 Yasutaka SUGIURA	8	4	4	0	0	否 No	2
王學政 WANG Xue Zheng	8	4	4	0	0	否 No	1
馬海濤 MA Hai Tao	8	3	4	1	0	否 No	0
賁聖林 BEN Sheng Lin	8	2	4	2	0	是 Yes	0
蔣敏 JIANG Min	8	3	4	1	0	否 No	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滙報相關工作。本公司獨立董事根據《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 provisions in *Articles of Association*, appoint independent professional organizations to serve them when exercising their duties, performing their duties and responsibilities or when being needed by the business, and the reasonable expenses occurred will be borne by the Company.

### II. Directors

#### 1. Training of directors

Pursuant to the *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 to 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2015年1月1日至2015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。

During the period from 1 January to 31 December 2015, all of the Company's directors received regular briefings and updates for 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, some directors and supervisors received the thematic trainings provided by Qingdao Branch of China Securities Regulatory Commission for not less than 16 training hours. The Company's Board Secretary received the thematic trainings provided 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、獨立非執行董事的獨立性

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。

### 2. Independence of directors

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

### 3、董事的證券交易

本公司採納《上市規則》附錄十所載的《上市公司董事進行證券交易的標準守則》，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》。在向所有董事及監事作出特定查詢後，本公司確認，本公司所有董事及監事於報告期內均已遵守上市規則所規定的有關董事及監事進行證券交易的標準。

### 3. Securities transaction by directors

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 and supervisors, they have been in compliance with the required standards set out in *Listing Rules* regarding the securities transaction by directors and supervisors during the Reporting Period.

### 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。

### 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、 財務匯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。以下委員會成員組成之披露為截止2015年末的狀況。

### 1、 審計委員會

審計委員會職權範圍依據《上市規則》附錄十四之《企業管治常規守則》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匯報質量和程序。

### 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 session of the Board, and clarified their duty scope of supervising the specific business fields in the Company. The composition of the committees as at the end of 2015 is disclosed below.

### 1. Audit 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 annual, interim and quarterly financial statements, to be in charge of the appointment, the work coordination, and the review of work efficiency and quality of external auditor, and to review and supervise the quality and procedures of the financial reporting of the Company.



## 企業管治報告 Corporate Governance Report

第八屆董事會審計委員會的成員包括：獨立非執行董事馬海濤先生(審計委員會主席)、非執行董事杉浦康譽先生及獨立非執行董事王學政先生、賁聖林先生和蔣敏先生。其中馬海濤先生具備財務和會計業務的經驗和能力。2015年度審計委員會共舉行了6次會議，為保證匯報的獨立性，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：

The Audit Committee under the eighth session of the Board is comprised of 4 independent non-executive directors and 1 non-executive director including Mr. MA Hai Tao (Chairman of Audit Committee), Mr. Yasutaka SUGIURA, Non-executive Director, and independent non-executive directors including Mr. WANG Xue Zheng, Mr. BEN Sheng Lin and Mr. JIANG Min, among whom Mr. MA Hai Tao has experience and capability in financial and accounting business. In 2015, the 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. The Audit Committee made proposals to the Board on important issues discussed between them 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*	MA Hai Tao*			
(審計委員會主席)	(Chairman of the Committee)	6	6	100
王學政	WANG Xue Zheng	5	6	83
杉浦康譽	Yasutaka SUGIURA	4	6	66
賁聖林	BEN Sheng Lin	4	6	66
蔣敏	JIANG Min	5	6	83

\* 於2016年2月16日辭任

\* resigned on 16 February 2016

審計委員會在本年度主要工作包括：

Major work of Audit Committee in the year including:

- 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匯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。

- Reviewing the Company's annual, interim and quarterly reports, and financial statements;
- Making proposals to the Board on the re-appointment of auditor
- Reviewing 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、 戰略委員會

戰略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(戰略委員會主席)及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。2015年度戰略委員會共舉行了3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) Number of meetings attended (time)	應出席會議(次) Number of meetings should be attended (time)	出席率(%) Attending Rate (%)
黃克興 (戰略委員會主席)	HUANG Ke Xing (Chairman of Strategy Committee)	3	3	100
于竹明	YU Zhu Ming	3	3	100
馬海濤*	MA Hai Tao*	3	3	100
賁聖林	BEN Sheng Lin	2	3	66
蔣敏	JIANG Min	2	3	66

\* 於2016年2月16日辭任

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出售子公司股權項目的可行性報告。

### 3、 提名與薪酬委員會

提名與薪酬委員會的主要職責包括：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 Committee

The main duties and responsibilities of Strategy Committee 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 Strategy Committee under the eighth session of the Board include: Mr. HUANG Ke Xing (Chairman of Strategy Committee), Executive Director & President, 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 2015, the Strategy Committee totally held 3 meetings, and the attendance of each member of Strategy Committee is as follows:

出席會議(次) Number of meetings attended (time)	應出席會議(次) Number of meetings should be attended (time)	出席率(%) Attending Rate (%)
3	3	100
3	3	100
3	3	100
2	3	66
2	3	66

\* resigned on 16 February 2016

Strategy Committee's work in the year mainly included: considering the feasibility reports of acquiring the equity interests held in the target companies and the sale of equity interests held in the subsidiaries.

### 3. Nomination & Remuneration Committee

The main duties and responsibilities of Nomination & Remuneration Committee 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 appraise the independence of independent non-executive director and make proposals to the Board for the appointment of director.



## 企業管治報告 Corporate Governance Report

第八屆董事會提名與薪酬委員會的成員包括：獨立非執行董事王學政先生(提名與薪酬委員會主席)、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。2015年度提名與薪酬委員會舉行了2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，以及對於獨立董事候選人的提名事項進行了審議。

Members of the Nomination & Remuneration Committee under the eighth session of the Board including Mr. WANG Xue Zheng (Chairman of Nomination & Remuneration Committee), Independent Non-executive Director, Mr. Yasutaka SUGIURA, Non-executive Director, and independent non-executive directors including Mr. MA Hai Tao, Mr. BEN Sheng Lin and Mr. JIANG Min. In 2015, 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 the matters of the nomination of candidate of independent non-executive director.

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(提名與薪酬委員會主席)	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	2	2	100
蔣敏	JIANG Min	2	2	100
杉浦康譽	Yasutaka SUGIURA	2	2	100

\* 於2016年2月16日辭任

\* resigned on 16 February 2016

### 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。2015年度，監事會共舉行8次會議(包括定期會議7次，臨時會議1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 eighth session of 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 power to prevent the legal rights and interests of shareholders, the Company and its employees from being offended. In 2015, the Board of Supervisors totally held 8 meetings (including 7 regular meetings and 1 extraordinary meeting) 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 responsibilities, 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 本公司按照上海證券交易所發佈的《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。公司按照中國證監會、財政部於2014年1月發佈《公開發行證券的公司信息披露編報規則第21號——年度內部控制評價報告的一般規定》以及上交所的相關要求，進一步明確了內控缺陷的認定標準，完善了公司內部控制體系。

#### 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十一次會議審議通過公司2015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) 公司境內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核評估，認為公司於2015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。

### 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* by the Stock Exchange, 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. The Company further clarified the affirmation standard of internal control defects and improved the internal control system of the Company in accordance with *Rules No. 21 of Information Disclosed and Reported by Public Listing Companies — General Regulations on Annual Internal Control Appraisal Report* published by China Securities Regulatory Commission and Ministry of Finance in January 2014.

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

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

The Company's 2015 internal control appraisal report was considered and approved at the eleventh meeting of the eighth session of the 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 domestic certified public accountant to the internal control in financial reporting

PwC Zhong Tian was appointed by the Company to audit the effectiveness of the internal control in financial reporting, who was of the view that, as at 31 December 2015, the Company had maintained effective internal control in financial reporting in all material aspects according to *Basic Standards of Corporate Internal Control* and related regulations.

The full text of the Board's appraisal report to 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.

## 企業管治報告 Corporate Governance Report

### 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14年。2015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。

## 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、香港執業會計師（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。2015年6月16日公司在青島以現場投票的方式召開了2014年度股東年會，會議審議通過了公司2014年度董事會報告、監事會報告、經

### 3. External auditor and its 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 14 consecutive years. In 2015, the Company should pay RMB6.6 million to PwC Zhong Tian for its full-year work of auditing the financial statements, and RMB1.98 million for its work of auditing the internal control, but all expenses for business travels and others will not be borne by the Company.

## V. Shareholders and other Interest-related Parties

### 1. General meeting

The Company has been devoting to maintaining the legal rights and interests of all shareholders. The convening and holding of general meeting are strictly pursuant to the provisions 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 over 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 to 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 lawyer appointed by the Company witnesses the meeting and present legal comments.

General meeting is the highest authority of the Company, which legally exercises its authorities 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 2015, the Company held the 2014 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

## 企業管治報告 Corporate Governance Report

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，並聽取了公司2014年度獨立非執行董事述職報告。2015年12月4日公司在青島以現場投票的方式召開了2015年第一次臨時股東大會，會議審議通過了收購三得利中國所持合資公司股權的關聯交易議案，以及選露李綱先生為公司股東監事的議案。

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香港聯交所網站發佈的相關公告。

### 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香港聯交所網站、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。

proposal for profit distribution, and re-appointment of auditor of financial reporting and internal control, and also listened to the 2014 work report of independent non-executive directors. On 4 December 2015, the Company held the 2015 First Extraordinary General Meeting in form of site voting to consider and approve the resolution of connected transaction of acquiring the equity interests in the joint-investment companies held by Suntory Company, and the resolution of electing Mr. LI Gang to be Supervisor as Shareholders' Representative of the Company.

For the resolutions approved at the aforesaid general meetings, please refer to the related announcements published by the Company on the nominated domestic newspapers for information disclosure, and the websites of SSE and the Stock Exchange.

### 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 with 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 (I) 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.



## 企業管治報告 Corporate Governance Report

### 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。

2015年，公司共舉辦或參加有事先預約的投資者來電來訪及聯合調研等溝通會議共75次，參加境內外證券金融投資機構舉辦的大型投資論壇或投資者溝通會議共計7次。

此外，還參加了青島證監局組織的投資者網上接待日活動。及時解答投資者通過上交所E互動平臺及公司郵箱所提出的問題等。

### 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 has been devoting to improving its transparency to help the investors have a better understanding of the business situation and prospects of the Company, and carefully listening to the comments and proposals made by investors to improve the Company's corporate governance and operating management.

In 2015, the Company totally held or attended 75 meetings including the calls and visits, and joint investigations and researches which were appointed in advance by the investors, attended 7 large-scale investment forums or investor communication meetings held by domestic and overseas securities and financial investing institutions.

Save as the above, the Company also participated in the investors' on-line open day activities organized by Qingdao Branch of China Securities Regulatory Commission to make timely response to the questions raised by the investors through the platform of SSE Info and the e-mail address of the Company.



## 企業管治報告 Corporate Governance Report

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。

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 relationship 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 charity activities and environmental protection 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	Revenue	27,634,686	29,049,321	(4.87)
營業成本	Cost of sales	17,192,102	17,899,291	(3.95)
營業稅金及附加	Taxes and surcharges	2,030,394	2,182,624	(6.97)
銷售費用	Selling and distribution expenses	5,904,539	5,682,981	3.90
管理費用	General and administrative expenses	1,412,436	1,362,298	3.68
財務費用	Financial expenses	(299,598)	(334,653)	10.48
資產減值損失	Asset impairment losses	2,062	(3,514)	158.69
投資收益	Investment income	462,413	23,960	1,829.98
營業外支出	Non-operating expenses	139,158	70,671	96.91
少數股東損益	Net profit attributable to non-controlling interests	(101,085)	29,434	(443.43)
研發支出	R&D expenditures	12,879	19,247	(33.09)
經營活動產生的現金流量淨額	Net cash flows from operating activities	2,574,566	1,690,634	52.28
投資活動產生的現金流量淨額	Net cash flows from investing activities	(236,709)	(1,359,506)	82.59
籌資活動產生的現金流量淨額	Net cash flows from financing activities	(30,678)	(2,454,798)	98.75

##### 2、 收入

Revenue

###### (1) 驅動業務收入變化的因素分析

Analysis of the factors driving the changes of business revenue

2015年主營業務收入較上年度減少4.86%，主要原因是本年度啤酒銷量下降，使得主營業務收入減少所致。

In 2015, revenue from main operation decreased by 4.86% from prior year, which was mainly due to the decrease in revenue from main operation caused by the decline of sales volume of beer in the 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	分行業情況 Information by industries			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) (%)
		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		
啤酒銷售 Sales of beer	直接材料 Direct materials	10,220,047	59.45	10,808,126	60.38	(5.44)
	直接人工 Direct labor	788,924	4.59	737,229	4.12	7.01
	製造費用 Overhead	2,565,493	14.92	2,549,966	14.25	0.61
	外購成本 Outsourcing costs	3,349,368	19.48	3,534,242	19.75	(5.23)
	小計 Sub-total	16,923,832	98.44	17,629,563	98.50	(4.00)
	其他非主營銷售業務 Other non-principle sales business		268,270	1.56	269,728	1.50
合計 Total		17,192,102	100.00	17,899,291	100.00	(3.95)



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

		分產品情況 Information by products			上年同期佔 總成本比例 (%)	本期金額較 上年同期 變動比例 (%)
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	Percentage of the total costs (%)	Increase/ (Decrease) (%)
啤酒銷售 Sales of beer	直接材料 Direct materials	10,220,047	59.45	10,808,126	60.38	(5.44)
	直接人工 Direct labor	788,924	4.59	737,229	4.12	7.01
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	外購成本 Outsourcing costs	3,349,368	19.48	3,534,242	19.75	(5.23)
	小計 Sub-total	16,923,832	98.44	17,629,563	98.50	(4.00)
	其他非主營銷售業務 Other non-principle sales business	268,270	1.56	269,728	1.50	(0.54)
合計 Total		17,192,102	100.00	17,899,291	100.00	(3.95)

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 cost of beer is calculated with reference to the percentages in the composition of the production costs in the year.

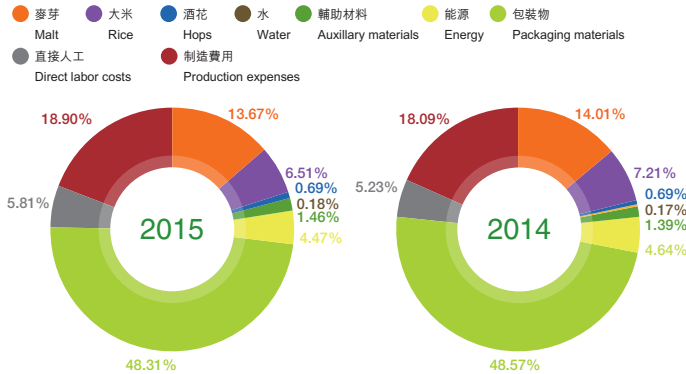
2015年營業成本較上年度減少3.95%。主要原因是本年度啤酒銷量下降，使得營業成本減少所致。

In 2015, the Company's cost of sales decreased by 3.95%, which was mainly due to the decrease in cost of sales caused by the decline of sales volume of beer 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) 銷售費用 Selling and distribution expenses

2015年銷售費用較上年度增加3.90%，主要原因是本年度部分區域促銷費用增投、銷售人員職工薪酬同比增長所致。

In 2015, selling and distribution expenses increased by 3.90% from prior year, which was mainly due to the increased investment in the promotion fees and the year-on-year pay rise of sales personnel in some regions in the year.

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

2015年管理費用較上年度增加3.68%，主要原因是本年度管理人員職工薪酬增加所致。

In 2015, general and administrative expenses increased by 3.68% from prior year, which was mainly due to the pay rise of administrative personnel in the year.

##### (3) 財務費用 Financial expenses

2015年財務費用較上年度增加10.48%，主要原因是本年度利息收入減少所致。

In 2015, financial expenses increased by 10.48% from prior year, which was mainly due to the decrease 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) 營業稅金及附加 Taxes and surcharges

2015年營業稅金及附加較上年度減少6.97%，主要原因是本年度啤酒銷量下降，使得消費稅減少所致。

In 2015, taxes and surcharges decreased by 6.97% from the prior year, which was mainly due to the decrease in consumption tax caused by the decrease in sales volume of beer.

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

2015年資產減值損失較上年度增加158.69%，主要原因是本年度部分子公司計提的壞賬損失及固定資產減值損失增加所致。

In 2015, asset impairment losses increased by 158.69% from prior year, which was mainly due to the increase in accrued bad debt losses and fixed asset impairment losses of some subsidiaries in the year.

##### (3) 投資收益 Investment income

2015年投資收益較上年度增加1,829.98%，主要原因是本年度轉讓子公司股權收益增加所致。

In 2015, investment income increased by 1,829.98% from prior year, which was mainly due to the increase in income from transferring the equity interests of subsidiaries in the year.

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

2015年營業外支出較上年度增加96.91%，主要原因是本年度部分子公司處置非流動資產損失增加所致。

In 2015, non-operating expenses increased by 96.91% from prior year, which was mainly due to the increase in losses caused by disposing the non-current assets of some subsidiaries in the year.

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

### (5) 少數股東損益

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

2015年少數股東損益較上年度減少443.43%，主要原因是本年度擁有少數股東的子公司淨利潤減少所致。

In 2015, net profit attributable to non-controlling interests decreased by 443.43% from prior year, which was mainly due to the decrease in net profit of the subsidiaries with non-controlling interests in the year.

### 6、研發投入

#### R&D expenditures

#### 研發投入情況表

#### Information of R&D expenditures

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

本期費用化研發投入	R&D expenditures of the Reporting Period	12,879
本期資本化研發投入	R&D expenditures of the Reporting Period capitalised	0
研發投入合計	Total R&D expenditures	12,879
研發投入總額佔營業收入比例(%)	Percentage of total R&D expenditures in revenues (%)	0.05
公司研發人員的數量	Number of R&D personnel	49
研發人員數量佔公司總人數的比例(%)	Percentage of number of R&D personnel in total number of employees of the Company (%)	0.11
研發投入資本化的比重(%)	Percentage of R&D expenditures capitalised	0

### 7、現金流

#### Cash flow

- (1) 經營活動產生的現金流量淨額同比增加52.28%，主要原因是本年度購買商品、接受勞務支付的現金減少所致。

Net cash flows from operating activities increased by 52.28% from the corresponding period in prior year, which was mainly due to the decrease 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82.59%，主要原因是本年度收回投資及轉讓子公司股權收到的現金增加所致。

Net cash flows from investing activities increased by 82.59% from the corresponding period in prior year, which was mainly due to the increase in cash received from withdrawn investment and transferring equity interests of subsidiaries in the year.

- (3) 籌資活動產生的現金流量淨額同比增加98.75%，主要原因是本年度償還債務所支付的現金同比減少所致。

Net cash flows from financing activities increased by 98.75% from the corresponding period in prior year, which was mainly due to the decrease in cash paid for the repayment of debts in the year.

## 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	8,401,752	29.48	6,388,651	23.66	31.51
應收票據	Notes receivable	22,770	0.08	41,600	0.15	(45.26)
預付款項	Advances to suppliers	44,393	0.16	191,673	0.71	(76.84)
投資性房地產	Investment properties	25,512	0.09	10,960	0.04	132.77
在建工程	Construction in progress	287,470	1.01	1,051,916	3.90	(72.67)
固定資產清理	Fixed assets pending for disposal	6,571	0.02	17,966	0.07	(63.43)
短期借款	Short-term borrowings	810,387	2.84	432,953	1.60	87.18
應付利息	Interests payable	1,486	0.01	4,740	0.02	(68.65)
一年內到期的非流動負債	Current portion of non- current liabilities	856	0.003	1,561	0.01	(45.17)
長期借款	Long-term borrowings	1,712	0.01	2,785	0.01	(38.53)
一般風險準備	General reserve	106,025	0.37	66,982	0.25	58.29
其他綜合收益	Other comprehensive income	(20,326)	(0.07)	10,040	0.04	(302.44)
少數股東權益	Non-controlling interests	(292,051)	(1.02)	(100,280)	(0.37)	(191.24)





## 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增加31.51%，主要原因是本年度經營活動產生現金淨流入所致。

Cash at bank and on hand at the end of the Reporting Period increased by 31.51% from the beginning of the year, which was mainly due to the net cash in-flow from operating activities in the year.

### (2) 應收票據

#### Notes receivable

應收票據報告期期末比年初減少45.26%，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 45.26% from the beginning of the year, which was mainly due to the decrease in percentage of goods amount settled with bank acceptance notes in the year.

### (3) 預付款項

#### Advances to suppliers

預付款項報告期期末比年初減少76.84%，主要原因是本年度採取預付貨款方式採購原材料減少所致。

Advances to suppliers at the end of the Reporting Period decreased by 76.84% from the beginning of the year, which was mainly due to the decrease in prepayments for the purchase of raw materials in the year.

### (4) 投資性房地產

#### Investment properties

投資性房地產報告期期末比年初增加132.77%，主要原因是本年度部分子公司自用房產轉為出租房產增加所致。

Investment properties at the end of the Reporting Period increased by 132.77% from the beginning of the year, which was mainly due to the increase in the real estates for rent of some subsidiaries transformed from those for self-use in the year.

### (5) 在建工程

#### Construction in progress

在建工程報告期期末比年初減少72.67%，主要原因是本年度部分子公司在建項目完工轉固所致。

Construction in progress at the end of the Reporting Period decreased by 72.67% from the beginning of the year, which was mainly due to that the construction in progress of some subsidiaries were completed and accounted as fixed assets in the year.

### (6) 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減少63.43%，主要原因是本年度部分子公司進入處置程序的固定資產清理完畢所致。

Fixed assets pending for disposal at the end of the Reporting Period decreased by 63.43% from the beginning of the year, which was mainly due to the completion of disposal procedures of the fixed assets pending for disposal of some subsidiaries in the year.

### (7) 短期借款

#### Short-term borrowings

短期借款報告期期末比年初增加87.18%，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 87.18% from the beginning of the year, which was mainly due to the increase in short-term borrowings of some subsidiaries in the year.

### (8) 應付利息

#### Interests payable

應付利息報告期期末比年初減少68.65%，主要原因是報告期末部分子公司應付借款利息減少所致。

Interests payable at the end of the Reporting Period decreased by 68.65% from the beginning of the year, which was mainly due to the decrease in interests payable for the borrowings of some subsidiaries in the year.

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

### (9) 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45.17%，主要原因是本年度部分子公司一年內到期長期借款減少所致。

Current portion of non-current liabilities at the end of the Reporting Period decreased by 45.17% from the beginning of the year, which was mainly due to the decrease in current portion of long-term borrowings of some subsidiaries in the year.

### (10) 長期借款

#### Long-term borrowings

長期借款報告期末比年初減少38.53%，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 38.53% from the beginning of the year, which was mainly due to that some current portion of long-term borrowings of the subsidiaries were transformed into the current portion of non-current liabilities in the year.

### (11) 一般風險準備

#### General reserve

一般風險準備報告期末比年初增加58.29%，主要原因是本年度青啤財務公司計提一般風險準備金增加所致。

General reserve at the end of the Reporting Period increased by 58.29% from the beginning of the year, which was mainly due to the increase in accrued reserves for general risks in Tsingtao Finance Company in the year.

### (12) 其他綜合收益

#### Other comprehensive income

其他綜合收益報告期末比年初減少302.44%，主要原因是本年度精算離職後福利採用的折現率同比下降及對境外子公司外幣報表折算差額減少所致。

Other comprehensive income at the end of the Reporting Period decreased by 302.44% from the beginning of the year, which was mainly due to the decrease in discount rate for supplemental retirement benefits and currency translation differences of overseas subsidiaries.

### (13) 少數股東權益

#### Non-controlling interests

少數股東權益報告期末比年初減少191.24%，主要原因是本年度擁有少數股東的部分子公司淨資產減少所致。

Non-controlling interests at the end of the Reporting Period decreased by 191.24% from the beginning of the year, which was mainly due to the decrease in net assets of some subsidiaries with non-controlling interests 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2015年12月31日的債務資本率為0.01%（2014年12月31日：0.02%）。債務資本率的計算方法為：長期借款總額／（長期借款總額＋歸屬於上市公司股東的股東權益）。

On 31 December 2015, the Group's debt/capital ratio was 0.01% (31 December 2014: 0.02%). The calculation of debt/capital is: total amount of long-term borrowings/(total amount of long-term borrowings + shareholders' interests attributable to shareholders of the Company).

#### 2、資產抵押

##### Assets mortgage

於2015年12月31日，本集團無資產抵押。（2014年12月31日：無）

As at 31 December 2015, the Group did not have any mortgages (31 December 2014: 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影響本集團的原材料採購成本，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 purchase costs of raw materials of the Group, so as to bring certain impacts to the profitability of the Group.

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

### 4、資本性開支

#### Capital expenses

2015年本集團資本性新建、搬遷及改擴建項目共投入約13.14億元，使得集團的產能佈局得到進一步優化。依據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集團資本項目的資金需求。

In 2015, the Company totally invested in approximately RMB1.314 billion for the capital projects of new construction, relocation, reconstruction and expansion to further optimize the production capacity layout of the Group. Based on the present fund situation and profitability, there are sufficient self-owned funds and continuous net operating cash in-flow to satisfy the Group's needs for 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.

作為一個充分競爭的傳統行業，經過幾十年的快速發展，中國啤酒市場銷量已穩居世界第一，人均消費量也已達世界人均水平。目前中國前五大啤酒企業已佔市場80%的份額，行業集中度不斷提升，隨著外資啤酒近年來憑藉其資本等優勢在國內投資力度的加大，其市場規模不斷膨脹，亦使市場競爭進一步加劇。

As a traditional industry involving in complete competition, and after several decades of rapid development, the sales volume of China's beer market has definitely taken the top position in the world, and the per capita consumption volume has also reached the world's average level. At present, the top five breweries in China has obtained 80% market share and the industry is becoming more and more concentrated, while the foreign players have been increasing their investments in China in recent years with their advantages including capitals which resulting in the increasing market size and further intense market competition.

國內啤酒行業總體已進入低速增長的「新常態」，外延式擴張的行業整合已進入尾聲，市場競爭由產能、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。

The overall domestic beer industry has entered into the period of "new normality" of low growth, and the industrial integration by way of extensive expansion has been to the end that, the market competition in form of expansion of production capacity and size has turned to that focusing on quality and differentiation, so the growth and development must rely on the improvement of its own operating ability.

## 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

2015年中國經濟保持了總體平穩、增速放緩的發展態勢，仍存在較大下行壓力，居民消費價格指數雖有所上升，但消費市場整體表現不佳，對啤酒行業產生較大負面影響，銷量出現明顯下滑。

In 2015, China's economy maintained the development trend of overall stability and the slowdown of growth, but the declining pressure still existed. Although the CPI rose, the overall performance of consumption market was still unsatisfactory, which brought huge negative impacts on the beer industry, and the sales volume declined greatly.

目前國內啤酒市場仍以餐飲等即飲市場為主導。餐飲消費市場當中，大眾餐飲市場有所增長，部分中高端餐飲持續下滑，對中高端啤酒銷售帶來了新的挑戰。同時面向家庭消費為主的以易拉罐、小瓶酒和精釀產品為代表的部分中高端產品，取得較快增長並保持良好發展態勢，而成熟的電子商務應用也為家庭啤酒消費帶來了方便、快捷的選擇方式。

At present, the domestic beer market is still dominated by the RTD markets including the caterings. Among the catering consumption, the mass catering market has some growth, but some mid-and-high-end caterings continue to decline which brings new challenges to the sales of mid-and-high-end beer. At the same time, some mid-and-high-end products represented by canned beer, small-bottled beer and craft beer which mainly for family consumption grow rapidly and maintain satisfactory development trend, and the application of matured e-commerce also brings a convenient and rapid choice for family consumption of beer.

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

當前中國啤酒人均消費量和平均價格較歐美等發達國家仍具有相當差距，隨著中國經濟的持續穩定增長，將加快國內啤酒行業的產業結構升級，帶動產品結構和價格的提升，未來產品結構的優化和提升將成為行業發展的主旋律。

At present, there is still some difference between China's per capita beer consumption volume and average price and those of the developed countries in Europe and America. The continuous and steady growth of China's economy will accelerate the upgrade of industrial structure in the domestic beer industry, and lead to the upgrade of product mix and the price rise. In the future, the optimization and upgrade of product mix will become the main trend of industrial development.

我們認為：中國啤酒市場仍是全球最大和最具發展潛力的市場，未來在行業利潤水平和銷量上仍具有相當的提升空間，我們對啤酒行業和公司未來發展充滿信心。

We believe that, China's beer market is still the largest market in the world with utmost potential, while there is still room for improvement in profit and sales volume in the future. We are confident of the future development of beer industry and the Company.

### (二) 公司發展戰略

#### The Company's development strategy

面對啤酒行業未來發展趨勢及競爭格局的新變化，公司董事會提出未來公司的銷量增長目標將力爭實現高於國內啤酒行業增長率2個百分點，繼續保持在國內市場的領先地位。

Facing the future development trend and new changes in competition situation in the beer industry, the Board brings out that in the future the Company will strive to achieve the growth target of sales volume of being 2 percentage points higher than the growth rate of the domestic beer industry, and continue to maintain its leading position in the domestic market.

公司將繼續堅守既定發展戰略，鞏固核心基地市場、突破新興市場，在努力穩定國內市場份額的基礎上，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，以消費者為中心，提升差異化品質競爭優勢，以差異化競爭戰略在國內中高端市場不斷取得新的增長。

The Company will continue to insist on its established development strategy, consolidate the core base markets, break through the emerging markets, and realize the double-drive of "Growth of brand and improvement of ability" based on the stabilization of the domestic market share; devote to the optimization improvement and management improvement of the product mix, fully utilize the brand advantage and quality advantage of Tsingtao Beer, focus on the consumers, improve the advantage of differentiated quality competition, and keep on obtaining new growth in the domestic mid-and-high-end market with differentiated competition strategy.

### (三) 經營計劃

#### Operating plan

2016年中國經濟仍面臨經濟下行壓力，國內啤酒市場競爭仍呈現加劇和嚴酷的態勢，特別是大企業之間的競爭、國際化競爭的激烈程度加大。在此背景下，2016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。

In 2016, China's economy still faces the declining pressure, and the competition in the domestic beer market still appears fiercer and severe trend, especially the competition among the big breweries and the international competition becoming more intense. Under such circumstances, the Company's operating target for 2016 is to strive to realize the growth of sales volume of beer being 2 percentage points higher than that of the industry.



## 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，堅持發展沿海、沿黃河流域優勢市場，推進省級基地市場及工廠所在地基地市場建設，加快具有區域優勢的地區市場的結構調整。同時合理控制資本性開支，充分發揮利用現有生產基地優勢，提升現有產能利用效率。

The Company will continue to actively expand the domestic and overseas markets, insist on developing the developed markets in coastal and along-Yellow-River basin areas, promote the construction of provincial base markets and the base markets in which its plants are located, and accelerate the structural adjustment in the markets with regional advantages. At the same time, it will also reasonably control the capital spending, fully utilize its advantages in existing production bases, and improve the utilization efficiency of existing production capacity.

公司將持續深化和推廣「大客戶+微觀運營」營銷模式，根據市場情況不斷創新營銷方式，進一步完善現有營銷渠道和網絡，加快銷售網絡一體化進程建設，建立最具競爭力的渠道網絡和銷售運作模式。2016年公司將借助對三得利啤酒中國業務收購的契機，推進實施對華東市場的一體化整合，著力提升營銷效率、深度和協同性，鞏固和提升華東市場份額。

The Company will continue to deepen and promote the marketing mode of “Big Customer + Micro Operation”, keep on innovating the marketing mode based on the market situation, further improve the existing marketing channels and networks, accelerate the construction of the integration progress of sales networks, and establish the most competitive channel networks and operating mode of sales. In 2016, relying on the opportunity of acquiring Suntory’s business in China, the Company will promote to implement the unified integration of the markets in eastern China, focus on improving the efficiency, depth and synergism of marketing, and consolidate and improve its market shares in eastern China.

在市場推廣上，公司將繼續圍繞「四位一體」的市場推廣模式，以深化體育營銷和音樂營銷為主線，優化資源配置整合，全面提升品牌的國際化、年輕化和時尚化形象。

In market promotion, the Company will continue to base on the market promotion mode of “Four-in-one”, focus on deepening the sports marketing and music marketing, optimize the allocation and integration of resources to completely improve the international, youthful and fashionable image of the brand.

公司將通過新產品開發、產品結構調整持續優化品牌、品種結構，以青島啤酒品牌帶動第二品牌發展，加快向高附加值產品的轉型升級並推進發展現代渠道及鞏固電商渠道優勢，線上、線下相結合，實現資源共享和優勢互補。

The Company will continue to optimize the brand mix and the product mix by developing new products and adjusting product mix, develop the secondary brand as led by Tsingtao Beer brand, accelerate the transformation and upgrade of the high value-added products, and promote and develop the modern channels while consolidating the advantage of e-commerce to realize the sharing of resources and complementing each other’s strength by combining both on-line and off-line channels.

在管理提升方面，公司將持續推進創新驅動和強化運營策略的落實，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，實現企業持續健康發展。

In the aspect of improving the management, the Company will continue to promote the innovation drives and strengthen the practices of operating strategies, strengthen the management of raw materials and the control over the production and technologies through intensive management and process optimization to avoid risks, control the costs, and keep on improving operating ability and efficiency to realize the Company’s continuous and healthy development.

### (四) 可能面對的風險

#### Potential operating risks

作為充分競爭的傳統行業，在國內經濟增長下行壓力較大的形勢下，隨著國內啤酒市場國際化競爭的加劇，未來公司可能面臨的主要經營風險包括：

As a traditional industry which involves in complete competition, under the situation of huge declining pressure of domestic economic growth, and with the more intense competition among the international players in China’s beer market, the Company may face the following operating risks in the future:

- 1、由於國內經濟增速放緩，雖然大眾餐飲市場有所增長，但中高端餐飲市場尚未復蘇，可能導致啤酒市場在一定時期內繼續低迷，短期銷量和收入水平仍有下滑的可能性。

Due to the slow-down of China’s economic growth, the mid-and-high-end catering market still has not recovered although the mass catering market has obtained certain growth, which may result in the continuous downturn of beer market during a certain period of time, and the sales volume and incomes in short term may also decline.

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

- 2、 隨著外資啤酒在國內市場投資規模的加大，行業競爭加劇，主要啤酒企業之間的競爭在範圍和力度上可能會進一步升級。

As the foreign players increase their investment in China which causes the fiercer competition in the industry, the competition among the top brewers will be fiercer in terms of range and degree.

- 3、 由於市場競爭壓力，啤酒企業產能利用率降低，從而加大促銷力度，使廣告、促銷等市場費用持續增長。

Due to the pressure of market competition and the decline of utilization efficiency of production capacity, the breweries will put into more efforts in sales promotion which will result in the continuous growth of marketing expenses for commercials and sales promotions.

- 4、 由於勞動力密集，人工成本持續上漲帶來壓力，對公司盈利形成影響。

Due to the dense labor force, the Company's profits are affected because of the pressure brought by the continuous rising of labor costs.

- 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 the domestic beer market.

- 6、 移動互聯網等電子商務銷售模式發展迅速，對啤酒行業傳統銷售模式帶來更大的衝擊和挑戰。

The rapid development of e-commerce sales mode including the mobile internet will bring more impacts and challenges to the traditional sales mode in the beer industry.

### 三、報告期內公司重大收購及出售股權交易

#### Material acquisitions and sales of equity interests during the Reporting Period

報告期內公司重大收購及出售股權交易載於本年報第68至73頁「重要事項」。

Material acquisitions and sales of equity interests during the Reporting Period is set out in 'Significant Events' on pages 68 to 73 of this Annual Report.

### 四、員工情況、薪酬政策及培訓計劃

#### Employees, remuneration policy and training plan

員工情況、薪酬政策及培訓計劃載於本年報第22至27頁「董事會報告」。

Employees, remuneration policy and training plan is set out in 'Report of the Directors' on pages 22 to 27 of this Annual Report.



## 董事、監事和高級管理人員簡介

### Profiles of Directors, Supervisors and Senior Management Officers

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



孫明波先生，現年59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，青啤集團董事長、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 59, 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 Twelfth National People's Congress.



黃克興先生，現年53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、青啤集團董事。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 53, 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 Eleventh Shandong Committee of Chinese People's Political Consultative Conference.



姜宏女士，現年59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 59, 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 management. 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 Management Officers



于竹明先生，現年54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 54, 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 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59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董事長。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 59, 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 & Chairman of Asahi (China) Investment and Chairman 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 & Vice Chairman & General Manager of Asahi (China) Investment.



王學政先生，現年66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 66, 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 Management Officers



馬海濤先生，現年49歲，經濟學博士。中央財經大學教授，博士生導師。報告期末任本公司獨立非執行董事，按照教育部通知精神於2015年12月29日提出辭職，2016年2月16日生效。

**Mr. MA Hai Tao**, aged 49, Doctor of Economic Science, Professor and Tutor of Doctoral Candidate of Central University of Finance and Economics. He was Independent Non-executive Director of the Company at the end of the Reporting Period, and had proposed the resignation on 29 December 2015 in accordance with the requirements made by Ministry of Education. The resignation took into effect on 16 February 2016.



賈聖林先生，現年49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，並兼任寧波銀行股份有限公司、物產中大集團股份有限公司獨立董事和中國國際金融股份有限公司獨立非執行董事。曾擔任摩根大通銀行(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 49, 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, Independent Director of Bank of Ningbo, Zhongda Group Co., Ltd. and Independent Non-executive Director of China International Capital Corporation Limited. He also served as CEO and member of Global Leadership Team at Global Corporate in JP Morgan Chase Bank (China) Co Ltd., and etc.



蔣敏先生，現年50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，兼任山東省藥用玻璃股份有限公司獨立董事。

**Mr. JIANG Min**, aged 50, 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 M&A of Listed Companies under 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 Shandong Pharmaceutical Glass Co., Ltd.

## 董事、監事和高級管理人員簡介

### Profiles of Directors, Supervisors and Senior Management Officers

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



李綱先生，現年55歲，畢業於西安交通大學管理科學與工程專業，管理學博士。現任本公司及青啤集團監事會主席，並擔任青島市市直企業監事會主席。曾任青島市地稅局市北分局副局長、地稅局局長助理兼嶗山局局長、青島市地稅局稽查局局長及青島市地稅局副局長等職。

Mr. LI Gang, aged 55, graduated from Major of Administration Science and Engineering at Xi'an Jiaotong University as Doctor of Administration Science. He is currently Chairman of Board of Supervisors of the Company and Tsingtao Group, and also serves as Chairman of Board of Supervisors in Enterprises Directly under Qingdao Government. He ever served as Deputy Chief of Shibe Branch of Qingdao Local Taxation Bureau, Assistant to Chief of Qingdao Local Taxation Bureau & Chief of Laoshan Branch of Qingdao Local Taxation Bureau, Chief of Inspection Bureau of Qingdao Local Taxation Bureau, and Deputy Chief of Qingdao Local Taxation Bureau.



段家駿先生，現年56歲，中歐國際工商學院工商管理碩士，曾任本公司監事會主席。於2015年10月17日因個人原因提出辭職，即日生效。

Mr. DUAN Jia Jun, aged 56, MBA at China Europe International Business School. He was Chairman of Board of Supervisors of the Company, and had proposed the resignation for personal reasons on 17 October 2015 which took into effect on the same day.



川面克行先生，現年65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 65, 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58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，兼任北京東華軟件股份有限公司、安徽荃銀高科股份有限公司及江西富祥藥業股份有限公司獨立董事。

Ms. LI Yan, aged 58, 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 DHC Co., Ltd., Anhui Win-all Hi-tech Seed Co., Ltd. and Jiangxi Fushine Pharmaceutical Co., Ltd.

## 董事、監事和高級管理人員簡介

### Profiles of Directors, Supervisors and Senior Management Officers



王亞平先生，現年51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 51, 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 Non-executive Director of Qingdao Port International Co., Ltd. He was awarded the prizes including Outstanding Lawyer in Shandong and in Qingdao for several times.



薛超山先生，現年57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 57, graduated from EMBA class at Xiamen University. He is currently Supervisor as Employees' Representative of the Company, Assistant to President of Manufacturing Center & 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40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 40, 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. She also 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42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 42, 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. He also 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 Management Officers

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



樊偉先生，現年56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 56, 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. He also 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59歲，高級工程師，現任本公司副總裁，青島市第十五屆人大代表。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，山東省第十屆政協委員。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。

**Mr. LIU Ying Di**, aged 59, Senior Engineer. He is currently Vice President of the Company, and representative of the Fifteenth People's Congress in Qingdao. He also served as Deputy Factory Manager of Tsingtao Brewery Factory, Deputy General Manager of the Company, Vice President of Tsingtao Group and member of the Tenth Shandong Committee of Chinese People's Political Consultative Conference with substantial experience in management of production and technology, information and engineering projects. He was awarded as the Top Talent of Professional Technologies in Qingdao in 2003.



王瑞永先生，現年50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 50, 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51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 51, undergraduate, Economist. He is currently Board Secretary & Head of Secretarial Office of the Board, Company Secretary and Authorized Representative of the Company. He also 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 listed 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

有關年度關連人士交易之詳情載於綜合財務報表附註八。有關年度不獲豁免之關連人士交易，包括關連交易或持續關連交易已在下列披露。本集團已就該等交易遵守上市規則第14A章所載之要求。

#### 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2015年2月3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2015年1月1日起至2017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2015年2月3日在香港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2015年度的上限金額為人民幣12億元，實際採購金額為人民幣652,532,842元，未超逾年度上限。



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

Details on related party transactions for the year are set out in Note VIII to the financial statements. Details of any related party transactions which also constitute non-exempted connected transactions or continuing connected transactions are disclosed below. The Group has complied with the requirements in accordance with Chapter 14A of the Listing Rules in respect of such transactions.

#### 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 3 February 2015, 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 2015 to 31 December 2017. 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 announcements published on the websites of the Stock Exchange and SSE on 3 February 2015. The annual cap amount of the Company's purchasing beer products from Yantai Asahi for 2015 was RMB1.2 billion of which the actual purchasing amount was RMB652,532,842, not exceeding the annual cap amount.

## 重要事項 Significant Events

- (2) 經本公司董事會審議批准，2015年2月3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《新朝日產品經銷合同》，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2015年1月1日至2017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系人，因此，朝日啤酒及朝日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2015年2月3日在聯交所和上交所網站分別刊登的公告。朝日啤酒於2015年度向青啤深圳支付的採購金額上限為人民幣4,000萬元，實際採購金額為人民幣26,190,227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1,000萬元，實際採購金額為人民幣7,613,190元，均未超逾年度上限。
- (2) As considered and approved by the Board, Tsingtao Shenzhen entered into two *New Asahi Product Distribution Agreement* with Asahi Breweries and its wholly-owned subsidiary, Asahi (China) Investment, on 3 February 2015, whereby Asahi Breweries and such subsidiary agreed to continue to purchase “Asahi” brand beer products from Tsingtao Shenzhen for the period from 1 January 2015 to 31 December 2017. As the 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 published by the Company on the websites of the Stock Exchange and SSE respectively on 3 February 2015. The annual cap amount paid by Asahi Breweries to Tsingtao Shenzhen for 2015 was RMB40 million, of which the actual purchasing amount was RMB26,190,227, and the annual cap amount paid by Asahi (China) Investment to Tsingtao Shenzhen was RMB10 million, of which the actual purchasing amount was RMB7,613,190, not exceeding the annual cap amounts.
- (3) 經本公司董事會審議批准，2015年2月3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2015年1月1日起至2017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739,301,406元，未超逾年度上限人民幣12億元。有關該持續關連交易事項的詳情請見本公司於2015年2月3日在香港聯交所和上交所網站分別刊登的相關公告。
- (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 3 February 2015, whereby Yantai Asahi agreed to the related deposit and settlement service of depositing its sales incomes in the account opened in Tsingtao Finance Company for the period from 1 January 2015 to 31 December 2017. 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 RMB739,301,406, not exceeding the annual cap amount of RMB1.2 billion. For details of the subject continuing connected transaction, please refer to the announcements published by the Company on the websites of the Stock Exchange and SSE respectively on 3 February 2015.
- (4) 由於三得利公司為本公司之附屬公司之主要股東及事業公司為三得利公司的附屬公司，因此三得利公司集團各成員(包括事業公司及新松江製造)構成本集團屬附屬公司層面之關連人士。
- (4) As Suntory Company is a substantial shareholder of a subsidiary of the Company, and Manufacturing Company is a subsidiary of Suntory Company, members of the Suntory Company group (including Manufacturing Company and New Songjiang Manufacturing) are connected persons of the Group at the level of subsidiaries.

## 重要事項 Significant Events

銷售公司(本公司之子公司)與事業公司於2015年2月3日簽訂了啤酒銷售框架協議,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同日簽訂存款及結算服務合同,合同期限均自2015年1月1日起至2015年12月31日止。有關上述持續關連交易事項的詳情,請見本公司於2015年2月3日在香港聯交所和上交所網站刊登的相關公告。

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。本公司的子公司從事業公司附屬公司採購啤酒產品之截至2015年12月31日的交易上限總金額為人民幣39億元,實際採購金額為人民幣2,167,071,941元。青啤財務公司提供存款及結算服務交易之截至2015年12月31日的交易年度上限總金額為人民幣18億元,實際交易金額為人民幣787,703,270元。均未超過年度上限。

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,本公司已按《上市規則》第14A.60條遵守《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9日簽訂多份相關協議,內容並無變更並仍然持續進行。

Sales Company (a subsidiary of the Company) and Manufacturing Company, entered into a framework agreement for the sales of beer on 3 February 2015. And on the same day, Tsingtao Finance Company, a wholly-owned subsidiary of the Company, entered into a deposit and settlement service contract with New Songjiang Manufacturing and the Manufacturing Company respectively for the period from 1 January to 31 December 2015. For details of the transactions, please refer to the announcements published by the Company on the websites of the Stock Exchange and SSE on 3 February 2015.

The transactions of purchasing beer products, and deposit and settlement service under the aforesaid contracts constitute continuing connected transactions in according to *Listing Rules*. The annual cap amount as at 31 December 2015 for purchasing beer products from the subsidiaries of Manufacturing Company by the subsidiaries of the Company was RMB3.9 billion, and the actual purchasing amount was RMB2,167,071,941. The annual cap amount for the deposit and settlement service provided by Tsingtao Finance Company as at 31 December 2015 was RMB1.8 billion, and the actual transaction amount was RMB787,703,270. Neither of them exceeded the annual 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.60 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 9 December 2012. These agreements are still effective without any changes in content.

## 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。根據當時生效的上市規則第14A.11(5)條，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 根據有關交易的協議進行，條款公平合理，並且符合上市發行人股東的整體利益。

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(修訂)《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68至70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.11(5) of *Listing Rules* for the time being in force, 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 on which 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) according to the agreement governing them on terms that are fair and reasonable and in the interests of the listed issuer's 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 (revised) *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 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 pages 68 to 70 of this 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，在本公司業務經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。

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.

### 2. 不獲豁免關連交易

有關不獲豁免關連交易詳情載於以下「報告期內公司重大收購及出售股權交易及期後進展情況」之第二段。

### 2. Non-exempt connected transaction

Details of the connected transaction are set out in paragraph 2 of the section “Material acquisition and sales of equity interests during the Reporting Period and the progress after the Reporting Period” below.

本公司確認上述2015年進行的關連交易(包括持續關連)交易之披露，符合《上市規則》第14A章的披露規定。

The Company confirms that the disclosure of the aforesaid connected transactions (including continuing connected transactions) carried out in 2015 were in compliance with the disclosure rules set out in Chapter 14A of *Listing Rules*.

## 二、報告期內公司重大收購及出售股權交易及期後進展情況

## II. Material acquisition and sales of equity interests during the Reporting Period and the progress after the Reporting Period

1、本公司第八屆董事會第七次會議於2015年8月28日審議通過了《關於批准青島宏基偉業投資有限公司100%股權轉讓的可行性報告》，同意以掛牌競拍的方式，在青島產權交易所資產評估報告確定的價格為基礎，以人民幣46,129萬元為掛牌價溢價出售宏基偉業100%股權，最終交易價格以掛牌競拍後形成的實際轉讓價格為準。2015年12月，本公司通過青島產權交易所採用公開掛牌競拍方式獲取股權受讓方，即壽光晨鳴控股有限公司，並與其簽署了股權轉讓協議，轉讓價格為掛牌價人民幣46,129萬元。本次出售股權交易已於2015年12月下旬辦理完成股權交割手續，使得歸屬於母公司股東的淨利潤增加人民幣33,403萬元。有關該交易的詳情請見本公司於2015年8月31日及12月21日在香港聯交所網站和公司網站上載的海外監管公告。

1. On 28 August 2015, the seventh meeting of the eighth session of the Board was held to consider and approve the *Feasible Report on Transfer of 100% Equity Interests held in Qingdao Hongjiweiye Investment Co., Ltd.*, which agreed to sell the 100% equity interests held in Hongjiweiye for RMB461.29 million, the premium bidding price based on the price determined in the asset evaluation report, by way of public bidding in Qingdao Property Exchange, and the actual transfer price after the public bidding would be deemed as the final price of the transaction. In December 2015, the Company entered into an equity interests transfer agreement with Shouguang Chenming Holding Co., Ltd., the transferee of the subject equity interests obtained by way of public bidding in Qingdao Property Exchange, at the transfer price, that is, the bidding price, of RMB461.29 million. The procedures of transferring the equity interests involved in the transaction of selling equity interests had been completed in late December of 2015, which increased RMB334.03 million of net profit attributable to shareholders of the Company. For details of the subject transaction, please refer to the overseas regulatory announcements published on the websites of the Stock Exchange and the Company on 31 August and 21 December 2015 respectively.

## 重要事項 Significant Events

- 2、經本公司第八屆董事會第八次會議審議通過，本公司與三得利公司於2015年10月18日在上海簽訂框架協議。根據框架協議，本公司向三得利公司收購所持事業公司和銷售公司各50%的股權，代價總額為人民幣822,912,001元(約港幣1,005,390,349元)及根據框架協議約定的價格調整金額之和。由於三得利公司為銷售公司之主要股東，三得利公司為本公司附屬公司層面之關連人士，收購事項構成於《上市規則》下本公司之關連交易。實際的價格調整金額將由雙方於交割日後由雙方共同聘請的審計師出具審計報告後30個工作日內以書面確認。上述重大關聯交易已經公司2015年第一次臨時股東大會審議通過。有關本次交易和目標公司的詳細內容請參閱本公司於2015年10月19日及12月4日在香港聯交所網站和公司網站上載的相關公告。

2016年2月4日，該交易通過國家商務部有關經營者集中審查的手續，2016年3月16日及24日分別辦理完畢事業公司和銷售公司股權轉讓的工商變更登記手續。公司將會根據過渡期審計情況及確認結果與三得利公司確定最終的交易對價，並進行相應的會計處理，具體事宜視進展情況，公司將另行發佈公告。

2. As considered and approved at the eighth meeting of the eighth session of the Board, on 18 October 2015, the Company and Suntory Company had entered into the *Framework Agreement*, pursuant to which the Company would acquire 50% equity interests held by Suntory Company respectively in Manufacturing Company and Sales Company for a consideration of the total sum of RMB822,912,001 (around HKD1,005,390,349) and the adjusted amount of the price as agreed in the *Framework Agreement*. Since Suntory Company is a substantial shareholder of the Sales Company, Suntory Company is a connected person of the Company at the subsidiary level, the acquisition constitutes a connected transaction of the Company under the *Listing Rules*. The actual adjusted amount of the price would be confirmed in written form within 30 working days after the auditing report had been presented by the auditor employed by Suntory Company both parties after the transferring date. The aforesaid significant connected transaction had been considered and approved at the 2015 First Extraordinary General Meeting. For details of this transaction, please refer to the related announcements published by the Company on the websites of the Stock Exchange and the Company on 19 October and 4 December 2015 respectively.

On 4 February 2016, the procedures of unified reviewing taken by the State Ministry of Commerce to the operators for this transaction had been completed, and the procedures of alteration registration at the industrial and commercial administration for the transfer of the equity interests in Manufacturing Company and Sales Company had been completed on 16 and 24 March 2016 respectively. The Company will confirm the final consideration of the deal with Suntory Company in accordance with the audit situation during the transitional period and the confirmed results, and take the accounting treatment accordingly. For details of this issue, the Company will publish separate announcement in accordance with the progress.



## 重要事項 Significant Events

### 三、報告期內擔保及委託他人進行資金管理的情況

- 1、經本公司第八屆董事會第六次會議審議批准，本公司及青啤香港於2015年5月向中國銀行股份有限公司提交了《授信額度安排與切分申請書》，通過中國銀行以境內授信額度切分的方式，將公司在中國銀行的授信額度切分3億元人民幣給青啤香港使用，公司為該筆授信切分提供反擔保；於2015年12月31日，中國銀行股份有限公司澳門分行向青啤香港發放貸款本金餘額為人民幣283,176,400元(原幣港幣338,000,000元)，期限自2015年5月5日至2016年5月4日。
- 2、2015年，經本公司第八屆董事會審議批准，本公司之全資子公司青啤財務公司開展了保本類理財產品業務。報告期內，上述業務已累計使用資金人民幣90,000萬元，實現到期理財收益人民幣2,162萬元。截止報告期末，上述理財產品均已到期收回，本金及收益已全部到賬。
- 3、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64,850萬元。

### 四、重大法律訴訟

報告期內，本公司並無涉及任何重大訴訟或仲裁，而據本公司所知，亦無任何尚未了結或可能面臨或對本公司作出之重大法律訴訟或仲裁。

### III. Guarantees and fund management entrusted to others during the Reporting Period

1. As considered and approved at the sixth meeting of the eighth session of the Board, in May 2015, the Company and Tsingtao HK submitted to Bank of China Co., Ltd. the *Application for Arrangement and Division of Credit Line*, pursuant to which to divide RMB300 million from the credit line of the Company in Bank of China to Tsingtao HK for its use by way of dividing the domestic credit line in Bank of China, and the Company would provide anti-guarantee for this division; as at 31 December 2015, Macau Branch of Bank of China Co., Ltd. had provided to Tsingtao HK with RMB283,176,400 (HKD338,000,000 in original currency) of the principal of the loan for the period from 5 May 2015 to 4 May 2016.
2. In 2015, as considered and approved at the eighth session of the Board, Tsingtao Brewery Finance LLC, a wholly-owned subsidiary of the Company, launched the business of capital preservation financial products. During the Reporting Period, it had accumulatively utilized RMB900 million as the fund for the aforesaid business, and received RMB21.62 million of incomes from the matured financial products. As at the end of the Reporting Period, all financial products had matured and been withdrawn, and the principal and its incomes had been credited into the account.
3. To secure the production and operation of its subsidiaries, and upon the approval by the Board, the Company provided to some controlling subsidiaries with entrusted loans. As at the end of the Reporting Period, the balance was RMB648.5 million.

### IV. Material Legal Proceedings

During the Reporting Period, the Company did not involve in any material litigation or arbitration and no material litigation or arbitration were pending or threatened or made against the Company so far the Company is aware.

## 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



普華永道

PwC ZT Shen Zi (2016) 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 2015, 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 2015, 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  
28 March 2016

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 2015

(All amounts in RMB Yuan unless otherwise stated)

ASSETS	Note 4 (unless otherwise stated)	As at 31 December			
		2015 Consolidated	2014 Consolidated	2015 Company	2014 Company
<b>Current assets</b>					
Cash at bank and on hand	(1)	8,401,751,637	6,388,650,779	3,043,305,966	1,183,342,128
Notes receivable	(2)	22,770,000	41,600,000	18,600,000	13,200,000
Accounts receivable	(3), 16(1)	117,990,987	125,421,629	448,695,212	565,001,961
Advances to suppliers	(5)	44,392,821	191,672,927	21,196,969	135,138,446
Interests receivable	(6)	148,581,416	171,660,445	21,963,787	16,783,698
Dividends receivable	16(3)	—	—	—	105,700,000
Other receivables	(4), 16(2)	200,675,954	163,583,950	154,660,185	146,429,551
Inventories	(7)	2,182,435,136	2,486,827,106	829,296,282	728,850,534
Other current assets	(8)	768,741,109	782,631,150	657,471,757	555,856,765
<b>Total current assets</b>		<b>11,887,339,060</b>	<b>10,352,047,986</b>	<b>5,195,190,158</b>	<b>3,450,303,083</b>
<b>Non-current assets</b>					
Available-for-sale financial assets	(9)	608,642	308,642	300,000	—
Long-term receivables	16(4)	—	—	474,200,000	339,200,000
Long-term equity investments	(10), 16(5)	1,507,745,095	1,536,262,375	9,103,798,500	9,286,244,364
Investment properties	(11), 16(6)	25,512,148	10,960,292	32,874,602	27,501,876
Fixed assets	(12), 16(7)	9,896,905,884	9,118,776,190	2,278,222,674	1,963,811,242
Construction in progress	(13), 16(8)	287,469,734	1,051,916,065	161,458,068	448,610,397
Fixed assets pending for disposal	(14)	6,571,007	17,965,978	2,910,998	8,163,309
Intangible assets	(15), 16(9)	2,707,099,617	2,780,584,276	671,513,765	659,033,003
Goodwill	(16)	1,307,103,982	1,307,103,982	—	—
Long-term prepaid expenses	(17)	39,861,860	32,574,517	8,413,988	7,101,267
Deferred tax assets	(18)	769,158,717	718,786,072	433,253,394	394,019,122
Other non-current assets	(20)	65,214,382	76,626,751	11,896,660	15,732,193
<b>Total non-current assets</b>		<b>16,613,251,068</b>	<b>16,651,865,140</b>	<b>13,178,842,649</b>	<b>13,149,416,773</b>
<b>TOTAL ASSETS</b>		<b>28,500,590,128</b>	<b>27,003,913,126</b>	<b>18,374,032,807</b>	<b>16,599,719,856</b>

## Consolidated and Company Balance Sheets (Continued)

As at 31 December 2015

(All amounts in RMB Yuan unless otherwise stated)

LIABILITIES AND EQUITY	Note 4 (unless otherwise stated)	As at 31 December			
		2015 Consolidated	2014 Consolidated	2015 Company	2014 Company
<b>Current liabilities</b>					
Short-term borrowings	(21)	810,387,282	432,952,595	—	—
Notes payable	(22)	100,141,631	91,748,125	51,600,000	58,100,000
Accounts payable	(23)	2,590,986,856	2,494,168,939	1,955,648,512	1,888,324,753
Advances from customers	(24)	1,000,313,388	787,924,958	664,814,193	394,304,413
Employee benefits payable	(25)	925,629,768	866,668,648	341,050,125	300,204,990
Taxes payable	(26)	261,889,152	249,195,538	52,527,324	35,030,675
Interests payable		1,486,051	4,739,860	—	—
Other payables	(27)	4,061,298,404	4,299,312,050	1,992,292,436	1,807,768,348
Current portion of non-current liabilities	(28)	856,189	1,561,421	—	—
<b>Total current liabilities</b>		<b>9,752,988,721</b>	<b>9,228,272,134</b>	<b>5,057,932,590</b>	<b>4,483,733,179</b>
<b>Non-current liabilities</b>					
Long-term borrowings	(29)	1,711,800	2,784,731	—	—
Payables for specific projects	(30)	251,632,082	324,837,574	48,663,142	84,446,050
Deferred income	(31)	1,656,652,129	1,511,117,533	43,821,553	51,591,650
Long-term employee benefits payable	(32)	537,725,965	491,150,976	268,790,726	243,592,856
Deferred tax liabilities	(18)	133,868,381	158,467,740	—	—
<b>Total non-current liabilities</b>		<b>2,581,590,357</b>	<b>2,488,358,554</b>	<b>361,275,421</b>	<b>379,630,556</b>
<b>Total liabilities</b>		<b>12,334,579,078</b>	<b>11,716,630,688</b>	<b>5,419,208,011</b>	<b>4,863,363,735</b>
<b>Equity</b>					
Share capital	(33)	1,350,982,795	1,350,982,795	1,350,982,795	1,350,982,795
Capital surplus	(34),16(11)	4,075,078,879	4,079,399,151	4,306,624,104	4,306,073,277
Other comprehensive income	(35),16(12)	(20,326,159)	10,040,344	(32,110,000)	(14,321,000)
Surplus reserve	(36)	1,400,704,380	1,216,339,469	1,400,704,380	1,216,339,469
General reserve	(37)	106,025,418	66,981,927	—	—
Undistributed profits	(38),16(13)	9,545,596,720	8,663,818,498	5,928,623,517	4,877,281,580
<b>Total equity attributable to shareholders of the Company</b>		<b>16,458,062,033</b>	<b>15,387,562,184</b>	<b>12,954,824,796</b>	<b>11,736,356,121</b>
Non-controlling interests		(292,050,983)	(100,279,746)	—	—
<b>Total equity</b>		<b>16,166,011,050</b>	<b>15,287,282,438</b>	<b>12,954,824,796</b>	<b>11,736,356,121</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>28,500,590,128</b>	<b>27,003,913,126</b>	<b>18,374,032,807</b>	<b>16,599,719,856</b>

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

TSINGTAO  
青島啤酒

## Consolidated and Company Income Statements

For the year ended 31 December 2015

(All amounts in RMB Yuan unless otherwise stated)

ITEM	Note 4 (unless otherwise stated)	Year ended 31 December			
		2015 Consolidated	2014 Consolidated	2015 Company	2014 Company
<b>Revenue</b>	(39),16(14)	<b>27,634,686,040</b>	29,049,321,166	<b>16,695,191,598</b>	17,053,869,772
<i>Less:</i> Cost of sales	(39),(41), 16(14),(15)	<b>(17,192,101,695)</b>	(17,899,291,275)	<b>(12,474,793,348)</b>	(13,102,792,134)
Taxes and surcharges	(40)	<b>(2,030,394,346)</b>	(2,182,624,248)	<b>(492,915,490)</b>	(503,011,241)
Selling and distribution expenses	(41),16(15)	<b>(5,904,539,236)</b>	(5,682,981,368)	<b>(3,101,044,762)</b>	(3,015,165,698)
General and administrative expenses	(41),16(15)	<b>(1,412,435,528)</b>	(1,362,297,511)	<b>(445,201,522)</b>	(411,513,035)
Finance expenses — net	(42),16(16)	<b>299,597,521</b>	334,652,990	<b>49,593,277</b>	1,840,847
Asset impairment (losses)/reversals	(44),16(18)	<b>(2,062,375)</b>	3,513,780	<b>30,360,880</b>	(4,963,777)
<i>Add:</i> Investment income	(43),16(17)	<b>462,412,814</b>	23,959,509	<b>1,682,451,832</b>	1,510,694,821
Including: Share of (losses)/profits of associates and a joint venture		<b>(4,562,375)</b>	23,840,743	<b>(2,157,821)</b>	32,876,912
<b>Operating profit</b>		<b>1,855,163,195</b>	2,284,253,043	<b>1,943,642,465</b>	1,528,959,555
<i>Add:</i> Non-operating income	(45)	<b>558,817,491</b>	469,416,868	<b>116,840,761</b>	62,933,202
Including: Gains on disposal of non-current assets		<b>29,048,431</b>	3,216,362	<b>25,209,539</b>	760,038
<i>Less:</i> Non-operating expenses	(46)	<b>(139,158,284)</b>	(70,671,089)	<b>(48,384,459)</b>	(8,579,578)
Including: Losses on disposal of non-current assets		<b>(130,560,143)</b>	(62,932,536)	<b>(47,118,238)</b>	(8,026,293)
<b>Total profit</b>		<b>2,274,822,402</b>	2,682,998,822	<b>2,012,098,767</b>	1,583,313,179
<i>Less:</i> Income tax expense	(47),16(19)	<b>(662,778,888)</b>	(663,466,755)	<b>(168,449,661)</b>	(14,609,756)
<b>Net profit</b>		<b>1,612,043,514</b>	2,019,532,067	<b>1,843,649,106</b>	1,568,703,423
Attributable to shareholders of the Company		<b>1,713,128,882</b>	1,990,098,044	<b>1,843,649,106</b>	1,568,703,423
Attributable to non-controlling interests		<b>(101,085,368)</b>	29,434,023	<b>n/a</b>	n/a



## Consolidated and Company Income Statements (Continued)

For the year ended 31 December 2015

(All amounts in RMB Yuan unless otherwise stated)

ITEM	Note 4 (unless otherwise stated)	Year ended 31 December			
		2015 Consolidated	2014 Consolidated	2015 Company	2014 Company
<b>Other comprehensive income, net of tax</b>	(35), 16(12)	<b>(30,366,503)</b>	(15,152,645)	<b>(17,789,000)</b>	(14,321,000)
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 re-measurement of defined benefit plan liabilities		<b>(18,513,000)</b>	(14,767,000)	<b>(17,789,000)</b>	(14,321,000)
Items that will be subsequently reclassified to profit or loss					
Currency translation differences		<b>(11,776,550)</b>	(226,482)	—	—
Shares of other comprehensive income of investees accounted for using the equity method that will be subsequently reclassified to profit or loss		<b>(76,953)</b>	(159,163)	—	—
<b>Total comprehensive income</b>		<b>1,581,677,011</b>	2,004,379,422	<b>1,825,860,106</b>	1,554,382,423
Attributable to shareholders of the Company		<b>1,682,762,379</b>	1,974,945,399	<b>1,825,860,106</b>	1,554,382,423
Attributable to non-controlling interests		<b>(101,085,368)</b>	29,434,023	n/a	n/a
<b>Earnings per share</b>					
Basic earnings per share	(48)	<b>1.268</b>	1.473	n/a	n/a
Diluted earnings per share	(48)	<b>1.268</b>	1.473	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 2015

(All amounts in RMB Yuan unless otherwise stated)

ITEM	Note 4	Year ended 31 December			
		2015 Consolidated	2014 Consolidated	2015 Company	2014 Company
<b>Cash flows from operating activities</b>					
Cash received from sales of goods or rendering of services		30,171,388,322	31,459,967,418	18,757,422,852	18,720,403,598
Refund of taxes and surcharges		10,028,669	21,808,028	9,354,744	12,112,593
Cash received relating to other operating activities	(49)(a)	1,124,581,635	1,345,835,790	445,061,883	374,721,604
<b>Sub-total of cash inflows</b>		<b>31,305,998,626</b>	<b>32,827,611,236</b>	<b>19,211,839,479</b>	<b>19,107,237,795</b>
Cash paid for goods and services		(15,852,126,090)	(17,472,501,614)	(13,327,737,802)	(14,159,824,012)
Cash paid to and on behalf of employees		(4,031,145,871)	(3,815,094,456)	(1,427,121,090)	(1,316,932,036)
Payments of taxes and surcharges		(4,920,972,297)	(5,453,353,430)	(1,488,819,902)	(1,424,010,798)
Cash paid relating to other operating activities	(49)(b)	(3,927,188,608)	(4,396,027,395)	(1,978,165,138)	(2,222,878,017)
<b>Sub-total of cash outflows</b>		<b>(28,731,432,866)</b>	<b>(31,136,976,895)</b>	<b>(18,221,843,932)</b>	<b>(19,123,644,863)</b>
<b>Net cash flows from operating activities</b>	(50)(a)	<b>2,574,565,760</b>	<b>1,690,634,341</b>	<b>989,995,547</b>	<b>(16,407,068)</b>
<b>Cash flows from investing activities</b>					
Cash received from disposal of investments	(49)(g)	900,000,000	—	1,234,790,136	1,089,250,481
Cash received from returns on investments		44,952,014	15,289,709	1,479,390,131	1,599,045,408
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		43,670,333	6,002,096	28,307,729	1,845,160
Net cash received from disposal of subsidiaries and other business units	(50)(b)	459,983,058	—	—	—
Cash received relating to other investing activities	(49)(c)	964,583,967	1,026,457,967	14,322,250	6,651,500
<b>Sub-total of cash inflows</b>		<b>2,413,189,372</b>	<b>1,047,749,772</b>	<b>2,756,810,246</b>	<b>2,696,792,549</b>
Cash paid to acquire fixed assets, intangible assets and other long-term assets		(1,314,449,614)	(1,948,865,815)	(310,509,839)	(700,316,527)
Cash paid to acquire investments	(49)(h)	(1,211,507,900)	(246,469,400)	(1,270,277,900)	(1,732,683,400)
Net cash paid to acquire subsidiaries and other business units	(50)(b)	(100,000,000)	(175,271,123)	—	—
Cash paid relating to other investing activities	(49)(d)	(23,941,227)	(36,649,251)	(10,704,160)	(3,214,010)
<b>Sub-total of cash outflows</b>		<b>(2,649,898,741)</b>	<b>(2,407,255,589)</b>	<b>(1,591,491,899)</b>	<b>(2,436,213,937)</b>
<b>Net cash flows from investing activities</b>		<b>(236,709,369)</b>	<b>(1,359,505,817)</b>	<b>1,165,318,347</b>	<b>260,578,612</b>

## Consolidated and Company Cash Flow Statements (Continued)

For the year ended 31 December 2015

(All amounts in RMB Yuan unless otherwise stated)

ITEM	Note 4	Year ended 31 December			
		2015 Consolidated	2014 Consolidated	2015 Company	2014 Company
<b>Cash flows from financing activities</b>					
Cash received from borrowings		685,688,711	335,339,524	—	—
Cash received relating to other financing activities	(49)(e)	304,095,000	—	304,095,000	—
<b>Sub-total of cash inflows</b>		<b>989,783,711</b>	<b>335,339,524</b>	<b>304,095,000</b>	<b>—</b>
Cash repayments of borrowings		(328,662,415)	(1,812,821,735)	—	(1,500,000,000)
Cash payments for distribution of dividends, profits or interest expense		(690,740,856)	(685,519,373)	(607,942,258)	(620,004,877)
Including: Cash payments for dividends or profit to minority shareholders of subsidiaries		(69,015,440)	(57,566,458)	—	—
Cash payments relating to other financing activities	(49)(f)	(1,058,358)	(291,796,055)	—	(291,000,000)
<b>Sub-total of cash outflows</b>		<b>(1,020,461,629)</b>	<b>(2,790,137,163)</b>	<b>(607,942,258)</b>	<b>(2,411,004,877)</b>
<b>Net cash flows from financing activities</b>		<b>(30,677,918)</b>	<b>(2,454,797,639)</b>	<b>(303,847,258)</b>	<b>(2,411,004,877)</b>
<b>Exchange effect on cash and cash equivalents</b>		<b>1,805,946</b>	<b>(4,845,769)</b>	<b>(887,585)</b>	<b>(4,059,808)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	(50)(a)	<b>2,308,984,419</b>	<b>(2,128,514,884)</b>	<b>1,850,579,051</b>	<b>(2,170,893,141)</b>
Add: Cash and cash equivalents at beginning of year		5,266,389,764	7,394,904,648	864,393,047	3,035,286,188
<b>Cash and cash equivalents at end of year</b>	(50)(c)	<b>7,575,374,183</b>	<b>5,266,389,764</b>	<b>2,714,972,098</b>	<b>864,393,047</b>

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 Statement of Changes in Shareholders' Equity

For the year ended 31 December 2015

(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 2014		1,350,982,795	4,079,399,151	25,192,989	1,059,469,127	80,642,253	7,424,872,728	(147,088,008)	13,873,471,035
<b>Movements for the year ended</b>									
<b>31 December 2014</b>									
Total comprehensive income		—	—	(15,152,645)	156,870,342	(13,660,326)	1,238,945,770	46,808,262	1,413,811,403
Net profit		—	—	—	—	—	1,990,098,044	29,434,023	2,019,532,067
Other comprehensive income	(35)	—	—	(15,152,645)	—	—	—	—	(15,152,645)
Profit distribution	(38)	—	—	—	156,870,342	(13,660,326)	(751,152,274)	(56,546,458)	(664,488,716)
Appropriation to surplus reserve		—	—	—	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
Balance at 31 December 2014		1,350,982,795	4,079,399,151	10,040,344	1,216,339,469	66,981,927	8,663,818,498	(100,279,746)	15,287,282,438
Balance at 1 January 2015		1,350,982,795	4,079,399,151	10,040,344	1,216,339,469	66,981,927	8,663,818,498	(100,279,746)	15,287,282,438
<b>Movements for the year ended</b>									
<b>31 December 2015</b>									
Total comprehensive income		—	(4,320,272)	(30,366,503)	184,364,911	39,043,491	881,778,222	(191,771,237)	878,728,612
Net profit		—	—	—	—	—	1,713,128,882	(101,085,368)	1,612,043,514
Other comprehensive income	(35)	—	—	(30,366,503)	—	—	—	—	(30,366,503)
Profit distribution	(38)	—	—	—	184,364,911	39,043,491	(831,350,660)	(69,049,068)	(676,991,326)
Appropriation to surplus reserve		—	—	—	184,364,911	—	(184,364,911)	—	—
Appropriation to general reserve		—	—	—	—	39,043,491	(39,043,491)	—	—
Profit distribution to shareholders		—	—	—	—	—	(607,942,258)	(69,049,068)	(676,991,326)
Others	(34)	—	(4,320,272)	—	—	—	—	(21,636,801)	(25,957,073)
Balance at 31 December 2015		1,350,982,795	4,075,078,879	(20,326,159)	1,400,704,380	106,025,418	9,545,596,720	(292,050,983)	16,166,011,050

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 2015

(All amounts in RMB Yuan unless otherwise stated)

ITEM	Note 16	Share capital	Capital surplus	Other comprehensive income	Surplus reserve	Undistributed profits	Total shareholders' equity
<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>Movements for the year ended</b>							
<b>31 December 2014</b>		—	—	(14,321,000)	156,870,342	803,890,823	946,440,165
Total comprehensive income		—	—	(14,321,000)	—	1,568,703,423	1,554,382,423
Net profit		—	—	—	—	1,568,703,423	1,568,703,423
Other comprehensive income	(12)	—	—	(14,321,000)	—	—	(14,321,000)
Profit distribution	(13)	—	—	—	156,870,342	(764,812,600)	(607,942,258)
Appropriation to surplus reserve		—	—	—	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
<b>Balance at 1 January 2015</b>		1,350,982,795	4,306,073,277	(14,321,000)	1,216,339,469	4,877,281,580	11,736,356,121
<b>Movements for the year ended</b>							
<b>31 December 2015</b>		—	550,827	(17,789,000)	184,364,911	1,051,341,937	1,218,468,675
Total comprehensive income		—	—	(17,789,000)	—	1,843,649,106	1,825,860,106
Net profit		—	—	—	—	1,843,649,106	1,843,649,106
Other comprehensive income	(12)	—	—	(17,789,000)	—	—	(17,789,000)
Profit distribution	(13)	—	—	—	184,364,911	(792,307,169)	(607,942,258)
Appropriation to surplus reserve		—	—	—	184,364,911	(184,364,911)	—
Profit distribution to shareholders		—	—	—	—	(607,942,258)	(607,942,258)
Others	(11)	—	550,827	—	—	—	550,827
<b>Balance at 31 December 2015</b>		1,350,982,795	4,306,624,104	(32,110,000)	1,400,704,380	5,928,623,517	12,954,824,796

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 2015*

*(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 issuing new RMB ordinary shares and corporate convertible bonds which were converted 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 included in the scope of consolidation in this year are disclosed in Note 6(1). There are no new subsidiaries in the scope of consolidation in this year. Qingdao Hongjiweiye Investment Co., Ltd. (“Hongjiweiye”), Tsingtao Brewery (Taierzhuang) Malt Co., Ltd. (“Taierzhuang Malt”) and Tsingtao Beer (Jinan) Baotuquan Sales Co., Ltd. (“Qingpi Baotuquan”) have been excluded from the scope of consolidation from this year (Note 5).

These financial statements have been approved for issue by the Company’s Board of Directors on 28 March 2016.

### 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) and (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(29).

#### (1) Basis of preparation

The financial statements are prepared in accordance with the Accounting Standards 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 Standards 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 on a going concern basis.

The new Hong Kong Companies Ordinance comes into operation for the year ended 31 December 2015. As a result, there are changes to presentation and disclosures of certain information in the financial statements.

## Notes to Financial Statements

For the Year Ended 31 December 2015

(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 2015 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 2015 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 2015

(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 realized 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 unrealized 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 unrealized 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 unrealized 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 unrealized 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 view 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 highly liquid investments which are readily convertible to known amounts of cash and 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 capitalized 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 2015

(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.

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 2015

(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.

The objective evidence of impairment is 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 2015

(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. The loss which has already occurred will not be reversed in subsequent period.

##### (iv) De-recognition 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.

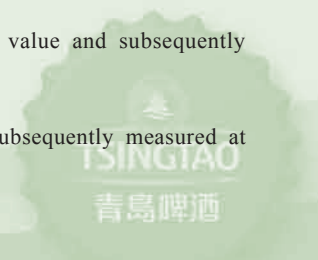
On de-recognition of a financial asset, the difference between the carrying amount and the sum of the consideration received and the cumulative changes in fair value that had been recognised directly in equity, is recognised in profit or loss.

##### (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 and borrowings.

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



## Notes to Financial Statements

For the Year Ended 31 December 2015

(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 (continued)

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 maximize 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 is 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.

##### (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 no provision has been made 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 from government etc.
Group B	Amounts due from subsidiaries
Group C	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

## Notes to Financial Statements

For the Year Ended 31 December 2015

(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 (continued)

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.

#### (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 realizable 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 realizable 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 realizable value. Net realizable 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) Amortization methods of low value consumables and packaging materials

Low value consumables and packaging materials are written off once used and amortised based upon periods of usage respectively.



## Notes to Financial Statements

For the Year Ended 31 December 2015

(All amounts in RMB Yuan unless otherwise stated)

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

#### (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.

##### (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*

Long-term equity investments accounted for using the cost method 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 recognizes 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.

## Notes to Financial Statements

For the Year Ended 31 December 2015

(All amounts in RMB Yuan unless otherwise stated)

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

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

##### (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.

##### (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 at the initial 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	20-40 years	3% to 5%	2.4% to 4.9%

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 when it is disposed or when it 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 2015

(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 equipment, motor vehicles and other equipment.

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 reorganization 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)).

##### (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.



## Notes to Financial Statements

For the Year Ended 31 December 2015

(All amounts in RMB Yuan unless otherwise stated)

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

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

##### (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 an 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 an 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 an 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.

#### (17) Intangible assets

Intangible assets comprise land use rights, trademarks, marketing 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.

## Notes to Financial Statements

For the Year Ended 31 December 2015

(All amounts in RMB Yuan unless otherwise stated)

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

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

##### *(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 marketing networks purchased by the Company in the process of business combination of Yantai Brewery Tsingtao Asahi Co., Ltd. (“Yantai Asahi”), Hebei Jiahe Beer Co., Ltd. (“Hebei Jiahe Company”) and Shandong Lulansa Brewery Co., Ltd (“Lulansa Brewery”), marketing networks purchased in the process of business combination by the subsidiary Beijing Tsingtao Brewery Beifang Sales Co., Ltd. (“Beifang Sales Company”), new recognised marketing networks in the process of business combination of subsidiaries as Shandong Xin Immense Brewery Co., Ltd. (“Immense Brewery Company”), Suntory (shanghai) market service Co., Ltd. (“Shanghai Market Service”), The Prince (Lian Yungang) beer sales Co., Ltd. (“The Prince Sales”), and Baotiquan brand. Amortisation is calculated using the straight-line method over the estimated useful lives of 5-10 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.

##### *(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.

## Notes to Financial Statements

For the Year Ended 31 December 2015

(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 (continued)

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 liable 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.

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

Fixed assets, constructions 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.

## Notes to Financial Statements

For the Year Ended 31 December 2015

(All amounts in RMB Yuan unless otherwise stated)

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

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

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 benefits 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 pension and unemployment insurance, and which belong to supplemental retirement benefits.

###### *Basic pension insurance*

The employees of the group participated in the basic social pension insurance organised and implemented by the local labour 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 labour and social security departments have obligations to pay the entire basic social pension. When an employee has rendered service to the Group during the accounting period, the Group should recognize liabilities and costs of assets or expenses.

###### *Supplemental retirement benefits*

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 interest 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.

## Notes to Financial Statements

For the Year Ended 31 December 2015

(All amounts in RMB Yuan unless otherwise stated)

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

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

##### (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 recognizes 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 recognizes 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.

#### (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.



## Notes to Financial Statements

For the Year Ended 31 December 2015

(All amounts in RMB Yuan unless otherwise stated)

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

#### (23) Revenue recognition *(continued)*

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. The products will be delivered by carriers to the specific location agreed or will be picked up by the distributors themselves. If the goods are transported by carriers, the relevant risk of damage in transit will be taken by the carriers and settled to the distributors. Revenue is recognised once the goods are picked up by the distributors or carriers.

##### (b) Rendering of services

The Group provides construction service. 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.

#### (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 satisfied 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 to be received. 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 amortized 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 realized or the liability is settled.

## Notes to Financial Statements

For the Year Ended 31 December 2015

(All amounts in RMB Yuan unless otherwise stated)

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

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

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 utilized.

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 utilized, 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
- tax payer within the Group has a legally enforceable right to offset current tax assets against current tax liabilities.

#### (26) Leases

A finance lease is a lease that transfers substantially all the risks and rewards related to the 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.

Lease income under an operating lease is recognised on a straight-line basis over the period of the lease.

##### (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 amortized 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.

## Notes to Financial Statements

For the Year Ended 31 December 2015

(All amounts in RMB Yuan unless otherwise stated)

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

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

Such non-current assets and assets/liabilities included in disposal groups as classified as held for sale are accounted for as current assets/liabilities, and are presented separately in the balance sheet.

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 organization 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.

#### (29) 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 or the pre-tax discount rate 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 or the revised pre-tax discount rate is higher than the one currently applied, the Group would need to recognize further impairment against goodwill. If the actual gross margin is higher or pre-tax discount rate is lower than management's estimates, the impairment loss of goodwill previously provided for is not allowed to be reversed by the Group.



## Notes to Financial Statements

For the Year Ended 31 December 2015

(All amounts in RMB Yuan unless otherwise stated)

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

#### (29) Critical accounting estimates and judgments (continued)

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

##### (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 present value of the expected future cash flow and fair value less costs to sell. These calculations require the use of accounting estimates.

For the year ended 31 December 2015, the Group recognised impairment losses of 3,140,390 (2014: 1,721,452) for fixed assets based on such evaluation. As at 31 December 2015, the Group recognised the cumulative provision for fixed assets impairment amounting to 413,382,183 (31 December 2014: 508,605,804) (Note 4(12)).

If management revises the gross margin or the pre-tax discount rate 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 or the revised pre-tax discount rate is higher than the one currently applied, the Group would need to recognize further impairment against fixed assets. If the actual gross margin is higher or pre-tax discount rate is lower than management's estimates, the impairment loss of fixed assets previously provided for is not allowed to be reversed by the Group.

##### (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 realization of deferred tax assets depends on the realization 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 2015, deferred tax assets of 769,158,717 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 528,709,000 as at 31 December 2015, 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 realization 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 amortization expense in future periods.

## Notes to Financial Statements

For the Year Ended 31 December 2015

(All amounts in RMB Yuan unless otherwise stated)

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

#### (29) Critical accounting estimates and judgments (continued)

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

##### (v) Net realizable 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 realizable value. The Group determines the estimates on net realizable 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 realized selling price, costs or expenses are different with previous estimates, the Group should adjust the net realizable 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.

### 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% and 5%
Consumption tax	Sales Price of Beer More than or equal to RMB3,000 per ton	Consumption Tax per Unit RMB250 per ton	Not Applicable
	Less than RMB3,000 per ton	RMB220 per ton	
City maintenance and construction tax	Amount of VAT, business tax and consumption tax paid		5% and 7%
Education surcharge	Amount of VAT, business tax and consumption tax paid		3%

## Notes to Financial Statements

For the Year Ended 31 December 2015

(All amounts in RMB Yuan unless otherwise stated)

### 3 Taxation (continued)

#### (2) Preferential tax treatment and approval documents

##### *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 in 1993 (including the Company). According to the Notice, the relevant local tax authorities were required to immediately rectify the expired preferential tax treatments adopted by the Company and take appropriate action on the differences of income taxes collected in prior years arising therefore in accordance with the applicable rules and provisions under the promulgated Law on Tax Collection and Administration of the PRC. 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%.

#### (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 3,000 or above per ton, the consumption tax is 250 per ton. For all other beer sold below that price, the consumption tax is levied at 220 per ton.

Tsingtao Brewery (Langfang) Co., Ltd. (“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 2015

(All amounts in RMB Yuan unless otherwise stated)

### 4 Notes to the consolidated financial statements

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

	31 December 2015	31 December 2014
Cash on hand	424,497	431,550
Bank deposits	389,464,333	512,439,722
Interbank deposits (i)	7,185,485,353	4,753,518,492
Deposits in central bank (ii)	489,020,000	794,310,000
Other cash balances (iii)	337,357,454	327,951,015
	<u>8,401,751,637</u>	<u>6,388,650,779</u>
Including: cash at bank and on hand overseas (iv)	<u>79,939,295</u>	<u>64,297,399</u>

(i) Interbank deposits represent bank deposits reserved in 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. As at 31 December 2015, the statutory deposit reserves ratio of Finance Company is 7.5% (31 December 2014: 14.5%).

(iii) As at 31 December 2015, other cash balances of 300,000,000 (31 December 2014: nil) are structured deposits; 31,504,108 (31 December 2014: 31,399,875) represent housing maintenance fund in the bank; 4,057,894 (31 December 2014: 3,701,400) are pledged as collateral for issuance of bank acceptance (Note 4(22)); the remains are other deposits of 1,795,452 (31 December 2014: guarantee deposit for loan of a subsidiary of 291,000,000 and other deposits of 1,849,740).

(iv) As at 31 December 2015, cash at bank and on hand overseas 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 2015	31 December 2014
Cash at bank and on hand	8,401,751,637	6,388,650,779
Less: Restricted deposits in central bank	(489,020,000)	(794,310,000)
Other restricted cash balances	(337,357,454)	(327,951,015)
	<u>7,575,374,183</u>	<u>5,266,389,764</u>

## Notes to Financial Statements

For the year ended 31 December 2015

(All amounts in RMB Yuan unless otherwise stated)

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

#### (2) Notes receivable

	31 December 2015	31 December 2014
Bank acceptance notes	<u>22,770,000</u>	<u>41,600,000</u>

As at 31 December 2015, the Group's notes receivable which have been endorsed but not yet matured are derecognised amounting to 228,139,434 (as at 31 December 2014: derecognised amounting to 313,442,478 all of which were endorsed but not yet matured), and there are no discounted bank acceptance notes that are not yet matured (31 December 2014: nil).

As at 31 December 2015, there are no pledged notes receivable, or no endorsed or discounted trade acceptance notes that are not yet matured (31 December 2014: nil).

#### (3) Accounts receivable

	31 December 2015	31 December 2014
Accounts receivable	<u>313,868,670</u>	324,504,493
Less: Provision for bad debts	<u>(195,877,683)</u>	<u>(199,082,864)</u>
	<u>117,990,987</u>	<u>125,421,629</u>

The majority of the Group's domestic sales are made by advances from customers. The remains are settled by letters of credit, bank acceptance notes or providing credit terms from 30 to 100 days.

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

	31 December 2015	31 December 2014
Within 6 months	<u>117,065,349</u>	124,721,721
6 months to 1 year	545,871	669,040
1 to 2 years	814,122	128,640
2 to 3 years	110,102	—
3 to 4 years	—	654,876
4 to 5 years	605,020	650,142
Over 5 years	<u>194,728,206</u>	<u>197,680,074</u>
	<u>313,868,670</u>	<u>324,504,493</u>

As at 31 December 2015, accounts receivable of 7,921,217 (as at 31 December 2014: 27,627,054) have past due but not impaired. Based on analysis on financial condition and past credit record of the customers, the overdue amounts can be recovered. The ageing analysis of these accounts receivable is as follows:

	31 December 2015	31 December 2014
Within 6 months	<u>7,921,217</u>	<u>27,627,054</u>

## Notes to Financial Statements

For the year ended 31 December 2015

(All amounts in RMB Yuan unless otherwise stated)

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

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

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

	31 December 2015				31 December 2014			
	Ending balance		Provision for bad debts		Ending balance		Provision for bad debts	
	% of total				% of total			
	Amount	balance	Amount	Ratio	Amount	balance	Amount	Ratio
Individually significant and subject to separate assessment for provision	30,201,710	9.62%	(30,201,710)	100%	33,801,710	10.42%	(33,801,710)	100%
Subject to provision on the grouping basis								
Group C	283,666,960	90.38%	(165,675,973)	58.41%	290,702,783	89.58%	(165,281,154)	56.86%
	<u>313,868,670</u>	<u>100%</u>	<u>(195,877,683)</u>	<u>62.41%</u>	<u>324,504,493</u>	<u>100%</u>	<u>(199,082,864)</u>	<u>61.35%</u>

(c) As at 31 December 2015, 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 Co., Ltd. ("Nongken Brewery Company")	14,996,236	(14,996,236)	100%	(i)
Beijing Tsingtao Brewery Sales Co., Ltd. ("Beijing Sales Company")	11,245,784	(11,245,784)	100%	(ii)
Tsingtao Brewery (Guangzhou) General Agency Co., Ltd. ("Guangzhou General Agency")	3,959,690	(3,959,690)	100%	(iii)
	<u>30,201,710</u>	<u>(30,201,710)</u>		

(i) As the Group has ceased all business transactions with Nongken Brewery Company, 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) As the Company has ceased all business transactions with Beijing Sales Company, 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 been ceased operation years ago, 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.

## Notes to Financial Statements

For the year ended 31 December 2015

(All amounts in RMB Yuan unless otherwise stated)

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

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

- (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 2015			31 December 2014		
	Ending balance	Provision for bad debts		Ending balance	Provision for bad debts	
		Amount	Ratio		Amount	Ratio
Within 6 months	117,065,349	—	—	124,721,721	—	—
6 months to 1 year	545,871	(27,294)	5%	669,040	(33,452)	5%
1 to 2 years	814,122	(407,061)	50%	128,640	(64,320)	50%
2 to 3 years	110,102	(110,102)	100%	—	—	—
3 to 4 years	—	—	—	654,876	(654,876)	100%
4 to 5 years	605,020	(605,020)	100%	650,142	(650,142)	100%
Over 5 years	164,526,496	(164,526,496)	100%	163,878,364	(163,878,364)	100%
	<b>283,666,960</b>	<b>(165,675,973)</b>	<b>58.41%</b>	<b>290,702,783</b>	<b>(165,281,154)</b>	<b>56.86%</b>

- (e) The provisions for bad debts are 469,127, the increase amount of bad debts due to currency translation differences are 3,204, and the reversal provisions for bad debts are 3,677,512. The significant reversal provision for bad debts is as follows:

	Reason for collecting or reversal	Rationality of provision basis	Amount of collecting or reversal	Collecting way
Guangzhou General Agency	Partially collected	The collecting probability is low in the management's view	3,600,000	By cash

- (f) In the current year, there are no accounts receivable written off (2014: amounting to 6,977, represent accounts receivable that can't be collected approved to be written off).

- (g) As at 31 December 2015, 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	58,076,190	(34,583,754)	18.50%

- (h) As at 31 December 2015, there are no accounts receivable derecognised due to the transfer of financial assets (31 December 2014: nil).

## Notes to Financial Statements

For the year ended 31 December 2015

(All amounts in RMB Yuan unless otherwise stated)

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

#### (4) Other receivables

	31 December 2015	31 December 2014
Receivables on construction and equipment (i)	56,248,785	46,017,517
Payment on behalf for recycling bottles	45,814,654	6,081,251
Guarantee deposits	27,900,032	30,394,835
Staff advance	24,388,135	23,297,441
Refund for prepayment of land use rights	17,441,647	17,441,647
Brand royalty (ii)	15,381,998	17,630,536
VAT refund	5,545,370	2,597,139
Others	79,358,957	88,887,211
	<b>272,079,578</b>	<b>232,347,577</b>
Less: provision for bad debts	<b>(71,403,624)</b>	<b>(68,763,627)</b>
	<b>200,675,954</b>	<b>163,583,950</b>

(i) It represents the construction and equipment receivables of Tsingtao Brewery Construction Co., Ltd. (“Construction Company”), Tsingtao Brewery Machinery and Equipment Co., Ltd. (“Machinery and Equipment Company”) and Tsingtao Brewery Equipment Manufacture Co., Ltd. (“Equipment Manufacture”), all of which are subsidiaries of the Company, due from the Company’s associates, including Tsingtao Brewery Shanghai Songjiang Manufacturing Co., Ltd (“New Songjiang Manufacturing”), Tsingtao Brewery (Suqian) Co., Ltd. (“Suqian Company”), Tsingtao Brewery (Yangzhou) Co., Ltd. (“Yangzhou Company”), Tsingtao Brewery (Xuzhou) Pengcheng Co., Ltd. (“Pengcheng Company”) (Note 8(5)), and the third parties.

(ii) It mainly represents the Company’s brand royalty receivables due from the Company’s associates, including New Songjiang Manufacturing, Tsingtao Brewery (Xuzhou) Co., Ltd. (“Xuzhou Company”), 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 associates (Note 8(5)).

(a) The ageing of other receivables is analysed below:

	31 December 2015	31 December 2014
Within 6 months	150,182,199	159,420,717
6 months to 1 year	3,059,079	1,949,829
1 to 2 years	48,854,292	1,222,821
2 to 3 years	978,016	865,213
3 to 4 years	737,691	9,340,281
4 to 5 years	9,277,730	7,067,634
Over 5 years	58,990,571	52,481,082
	<b>272,079,578</b>	<b>232,347,577</b>

The Group has no specific credit terms for other receivables. Therefore, the Group has no other receivables that are past due but not impaired as at 31 December 2015 and 31 December 2014.



## Notes to Financial Statements

For the year ended 31 December 2015

(All amounts in RMB Yuan unless otherwise stated)

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

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

(b) Other receivables by categories are analysed as follows:

	31 December 2015				31 December 2014			
	Ending balance		Provision for bad debts		Ending balance		Provision for bad debts	
	% of total		Amount	Ratio	% of total		Amount	Ratio
	Amount	balance			Amount	balance		
Individually significant and subject to separate assessment for provision	17,441,647	6.41%	(17,441,647)	100%	17,441,647	7.51%	(17,441,647)	100%
Subject to provision on the grouping basis								
Group A	8,821,351	3.24%	—	—	9,998,266	4.30%	—	—
Group B (i)	62,899,286	23.12%	—	—	69,792,290	30.04%	—	—
Group C	182,917,294	67.23%	(53,961,977)	29.50%	135,115,374	58.15%	(51,321,980)	37.98%
	<b>272,079,578</b>	<b>100%</b>	<b>(71,403,624)</b>	<b>26.24%</b>	<b>232,347,577</b>	<b>100%</b>	<b>(68,763,627)</b>	<b>29.60%</b>

(i) It represents the construction and equipment receivables and brand royalty receivables of the Group due from the associates, including New Songjiang Manufacturing, Suqian Company, Yangzhou Company, Pengcheng Company, Xuzhou Company and Suntory Jiangsu. As is stated in Note 10(3), the Company entered into the agreement with Suntory (China) Investment Co., Ltd. (“Suntory Company”) about purchasing 50% equity interest of Suntory Tsingtao Brewery (Shanghai) Co., Ltd. (“Manufacturing Company”, the parent company of the associates listed above). After the transaction, Manufacturing Company and the associates listed above will become subsidiaries of the Company. According to the bad debt provision method for the subsidiaries (Group B), there is no bad debt provision made for these associates.

(c) As at 31 December 2015, other receivables that are individually significant and subject to separate assessment for provision 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) A 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 obtaining new land use right is low, and therefore has transferred the cost of the expropriated land use right 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 recorded accordingly.



## Notes to Financial Statements

For the year ended 31 December 2015

(All amounts in RMB Yuan unless otherwise stated)

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

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

- (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 2015			31 December 2014		
	Ending balance	Provision for bad debts		Ending balance	Provision for bad debts	
		Amount	Ratio		Amount	Ratio
Within 6 months	123,121,531	—	—	82,060,875	—	—
6 months to 1 year	3,059,079	(152,954)	5%	1,180,115	(59,006)	5%
1 to 2 years	5,855,323	(2,927,662)	50%	1,222,821	(611,411)	50%
2 to 3 years	978,016	(978,016)	100%	865,213	(865,213)	100%
3 to 4 years	737,691	(737,691)	100%	7,679,281	(7,679,281)	100%
4 to 5 years	7,616,730	(7,616,730)	100%	7,067,634	(7,067,634)	100%
Over 5 years	41,548,924	(41,548,924)	100%	35,039,435	(35,039,435)	100%
	<b>182,917,294</b>	<b>(53,961,977)</b>	<b>29.50%</b>	<b>135,115,374</b>	<b>(51,321,980)</b>	<b>37.98%</b>

- (e) The provisions for bad debts are 3,518,748, and the reversal provision for bad debts are 877,496.

- (f) In the current year, other receivables of 1,255 were written off.

- (g) As at 31 December 2015, the top five other receivables are analysed as follows:

	Nature	Amount	Ageing	% of total balance	provision for bad debts
No.1	Payment on behalf for recycling bottles	40,151,046	within 6 months	14.76%	—
No.2	Construction and equipment receivables, brand royalty receivables, etc.	25,398,906	within 2 years	9.34%	—
No.3	Construction and equipment receivables, brand royalty receivables, etc.	19,421,507	within 2 years	7.14%	—
No.4	Construction and equipment receivables	16,695,368	within 6 months	6.14%	—
No.5	Construction and equipment receivables, brand royalty receivables	11,448,059	within 2 years	4.19%	—
		<b>113,114,886</b>		<b>41.57%</b>	<b>—</b>

## Notes to Financial Statements

For the year ended 31 December 2015

(All amounts in RMB Yuan unless otherwise stated)

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

#### (5) Advances to suppliers

(a) The ageing of advances to suppliers is analysed as follows:

	31 December 2015		31 December 2014	
	Amount	% of total balance	Amount	% of total balance
Within 1 year	40,244,046	90.65%	188,308,026	98.25%
1 to 2 years	791,721	1.78%	3,319,554	1.73%
2 to 3 years	3,311,707	7.46%	—	—
Over 3 years	45,347	0.11%	45,347	0.02%
	<b>44,392,821</b>	<b>100%</b>	<b>191,672,927</b>	<b>100%</b>

As at 31 December 2015, advances to suppliers over 1 year with carrying amount of 4,148,775 (31 December 2014: 3,364,901) are mainly advances paid for materials, which have not been required to deliver yet due to production plan.

(b) As at 31 December 2015, 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	20,588,294	46.38%

#### (6) Interests receivable

	31 December 2015	31 December 2014
Interests receivable	148,581,416	171,660,445

Interests receivable are mainly the inter-bank deposits interests due from external financial institutions, which not yet been received by Finance Company, a subsidiary of the Company.

As at 31 December 2015, there are no interests receivable overdue (31 December 2014: nil).



## Notes to Financial Statements

For the year ended 31 December 2015

(All amounts in RMB Yuan unless otherwise stated)

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

#### (7) Inventories

(a) Classification of inventories is as follows:

	31 December 2015			31 December 2014		
	Ending balance	Provision	Carrying amount	Ending balance	Provision	Carrying amount
Raw materials	644,183,244	(2,487,995)	641,695,249	656,883,671	(3,055,402)	653,828,269
Packaging materials	609,947,904	(8,736,698)	601,211,206	855,013,268	(10,262,020)	844,751,248
Low-value consumables	51,139,719	—	51,139,719	79,432,536	—	79,432,536
Materials on consignment for further processing	80,187,035	—	80,187,035	24,105,809	—	24,105,809
Work in progress	389,693,337	—	389,693,337	388,393,264	—	388,393,264
Finished goods	418,508,590	—	418,508,590	496,315,980	—	496,315,980
	<u>2,193,659,829</u>	<u>(11,224,693)</u>	<u>2,182,435,136</u>	<u>2,500,144,528</u>	<u>(13,317,422)</u>	<u>2,486,827,106</u>

(b) The movements of inventories are as follows:

	31 December 2014	Increase in the current year	Decrease in the current year	31 December 2015
Raw materials	656,883,671	4,306,645,793	(4,319,346,220)	644,183,244
Packaging materials	855,013,268	6,483,327,328	(6,728,392,692)	609,947,904
Low-value consumables	79,432,536	504,215,868	(532,508,685)	51,139,719
Material on consignment for further processing	24,105,809	355,379,036	(299,297,810)	80,187,035
Work in progress	388,393,264	4,798,569,527	(4,797,269,454)	389,693,337
Finished goods	496,315,980	17,118,649,100	(17,196,456,490)	418,508,590
	<u>2,500,144,528</u>	<u>33,566,786,652</u>	<u>(33,873,271,351)</u>	<u>2,193,659,829</u>

(c) Provisions for decline in the value of inventories are analysed as follows:

	31 December 2014	Increase in the current year	Decrease in the current year		31 December 2015
			Reversal	Write-off	
Raw materials	(3,055,402)	—	481,190	86,217	(2,487,995)
Packaging materials	(10,262,020)	(39,759)	69,451	1,495,630	(8,736,698)
	<u>(13,317,422)</u>	<u>(39,759)</u>	<u>550,641</u>	<u>1,581,847</u>	<u>(11,224,693)</u>

## Notes to Financial Statements

For the year ended 31 December 2015

(All amounts in RMB Yuan unless otherwise stated)

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

#### (7) Inventories (continued)

(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: impairment factors disappeared, and net realisable value increased Writing-off: used or disposed in the current year

#### (8) Other current assets

	31 December 2015	31 December 2014
Prepaid Enterprise Income tax	571,276,009	451,721,398
Input VAT	197,334,248	303,564,776
Wealth management products (i)	—	20,000,000
Others	130,852	7,344,976
	<b>768,741,109</b>	<b>782,631,150</b>

(i) It represents the wealth management products purchased in 2014 by Finance Company, a subsidiary of the Company, which has been collected when matured in May 2015.

#### (9) Available-for-sale financial assets

	31 December 2015	31 December 2014
Measured at cost — available-for-sale equity instruments	9,261,821	8,961,821
Less: impairment allowance	(8,653,179)	(8,653,179)
	<b>608,642</b>	<b>308,642</b>



## Notes to Financial Statements

For the year ended 31 December 2015

(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 are analysed as follows:

Available-for-sale financial assets are measured at cost:

	31 December 2014	Increase in the current year	31 December 2015	Dividends 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	1,366,560	300,000	<b>1,666,560</b>	153,492
	<u>8,961,821</u>	<u>300,000</u>	<u><b>9,261,821</b></u>	<u>153,492</u>
		31 December 2014	Changes in the current year	<b>31 December 2015</b>
Impairment allowance 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		(1,057,918)	—	<b>(1,057,918)</b>
		<u>(8,653,179)</u>	<u>—</u>	<u><b>(8,653,179)</b></u>

(b) 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 reasonable fair value estimates is wide 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 2015

(All amounts in RMB Yuan unless otherwise stated)

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

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

	31 December 2015	31 December 2014
Joint Ventures (a)	225,462,073	221,117,360
Associates (b)	1,283,503,022	1,316,365,015
	<b>1,508,965,095</b>	1,537,482,375
Less: Provision for impairment of long-term equity investments	<b>(1,220,000)</b>	(1,220,000)
	<b>1,507,745,095</b>	1,536,262,375

There is no restriction on realisation the long-term equity investments to cash.

There is no restriction on fund transferring among the Group and its joint venture and associates.

#### (a) Joint Venture

	31 December 2014	Movements in the current period			31 December 2015	Equity interest held	Voting rights	Balance of provision for impairment at end of year
		Share of net profit or loss adjusted using the equity method	Share of other comprehensive income	Other equity changes				
Hebei Jiahe Company	221,117,360	3,793,886	—	550,827	225,462,073	50%	50%	—

The share of equity interests and voting right held by the Company are both 50% in Hebei Jiahe Company, so the Group owns joint control over Hebei Jiahe Company and accounts for it as a joint venture.

Details of equity interests in the joint venture are disclosed in note 6(2).



## Notes to Financial Statements

For the year ended 31 December 2015

(All amounts in RMB Yuan unless otherwise stated)

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

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

##### (b) Associates

	31 December 2014	Movements in the current year			31 December 2015	Equity interests held	Voting rights	Balance of provision for impairment at end of year
		Share of net profit or loss using the equity method	Share of other comprehensive income	Cash dividends declared				
Manufacturing Company (i)	1,152,888,578	(25,075,065)	—	—	1,127,813,513	50%	44.44%	—
Yantai Asahi	137,751,910	11,015,056	—	(15,310,781)	133,456,185	39%	39%	—
Qingdao Zhaoshang Logistics Company Limited ("Zhaoshang Logistics")	20,213,625	4,630,607	—	(7,785,990)	17,058,242	30%	30%	—
Liaoning Shenqing Tsingtao Brewery Company Limited ("Liaoning Shenqing")	2,606,987	(409,627)	—	—	2,197,360	30%	30%	—
Tsingtao Brewery Import & Export S.A.R.L. ("European Company")	1,683,915	150,760	(76,953)	—	1,757,722	40%	40%	—
Others	1,220,000	—	—	—	1,220,000			(1,220,000)
	1,316,365,015	(9,688,269)	(76,953)	(23,096,771)	1,283,503,022			(1,220,000)

- (i) The Group's share of equity interests in Manufacturing Company is 50%, while the voting right is 44.44%. All decisions of operating activities are made by the Board of Directors of Manufacturing Company. As there are 9 directors in total while 4 directors are from the Group, the Group can exercise significant influence over Manufacturing Company and accounted for it as an associate. The other 5 directors are from Suntory Company.

The share of net losses using the equity method of Manufacturing Company is 25,075,065, including investment loss of 25,546,005 which derives from shares of net loss based on the fair value adjustment and investment income of 470,940 due to the unrealised profit in intra-group sales reversed in the current year.

Details of equity interests in the associates are disclosed in note 6(2).

#### (11) Investment properties

	Buildings
31 December 2014	10,960,292
Transferred from fixed assets (i)	18,925,768
Depreciation in the current year	(1,437,400)
Transferred to fixed assets	(2,936,512)
31 December 2015	25,512,148

- (i) In January 2015, the fixed assets with the carrying amount of 18,925,768 (cost: 36,023,286) are reclassified to investment properties as they are used for leasing instead of self-use.

For the year ended 31 December 2015, there is no investment property measured at fair value in the Group (2014: nil).

As at 31 December 2015, there is no investment property without ownership certificates (31 December 2014: nil).



## Notes to Financial Statements

For the year ended 31 December 2015

(All amounts in RMB Yuan unless otherwise stated)

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

#### (12) Fixed assets

	Buildings	Machinery and equipment	Vehicles	Other equipment	Total
Cost					
As at 31 December 2014	5,652,887,413	9,894,357,211	360,593,899	684,698,285	16,592,536,808
Increase in the current year	699,476,898	932,178,553	32,304,451	128,462,493	1,792,422,395
Purchase	—	14,283,576	32,304,451	102,099,039	148,687,066
Transfer from construction in progress	694,649,823	917,894,977	—	26,363,454	1,638,908,254
Transfer from investment properties	4,827,075	—	—	—	4,827,075
Decrease in the current year	(228,691,212)	(632,274,761)	(42,573,809)	(39,859,026)	(943,398,808)
Disposal	(144,247,787)	(454,488,121)	(42,573,809)	(39,859,026)	(681,168,743)
Transfer to construction in progress (i)	(48,420,139)	(177,786,640)	—	—	(226,206,779)
Transfer to investment properties	(36,023,286)	—	—	—	(36,023,286)
<b>As at 31 December 2015</b>	<b>6,123,673,099</b>	<b>10,194,261,003</b>	<b>350,324,541</b>	<b>773,301,752</b>	<b>17,441,560,395</b>

#### Accumulated depreciation

As at 31 December 2014	(1,426,402,286)	(4,924,208,298)	(194,882,641)	(419,661,589)	(6,965,154,814)
Increase in the current year	(138,392,146)	(479,353,637)	(37,851,826)	(91,064,265)	(746,661,874)
Accrual	(136,501,583)	(479,353,637)	(37,851,826)	(91,064,265)	(744,771,311)
Transfer from investment properties	(1,890,563)	—	—	—	(1,890,563)
Decrease in the current year	122,209,606	382,176,551	39,896,899	36,261,304	580,544,360
Disposal	77,945,344	302,375,967	39,896,899	36,261,304	456,479,514
Transfer to construction in progress (i)	27,773,331	79,800,584	—	—	107,573,915
Transfer to investment properties	16,490,931	—	—	—	16,490,931
<b>As at 31 December 2015</b>	<b>(1,442,584,826)</b>	<b>(5,021,385,384)</b>	<b>(192,837,568)</b>	<b>(474,464,550)</b>	<b>(7,131,272,328)</b>

#### Provision for impairment

As at 31 December 2014	(66,887,938)	(437,705,292)	(3,662,620)	(349,954)	(508,605,804)
Increase in the current year	—	—	—	—	—
— Accrual	(1,103,769)	(2,015,931)	—	(20,690)	(3,140,390)
Decrease in the current year	6,534,161	90,534,382	1,118,800	176,668	98,364,011
Disposal	5,927,574	90,534,382	1,118,800	176,668	97,757,424
Transfer to investment properties	606,587	—	—	—	606,587
<b>As at 31 December 2015</b>	<b>(61,457,546)</b>	<b>(349,186,841)</b>	<b>(2,543,820)</b>	<b>(193,976)</b>	<b>(413,382,183)</b>

#### Carrying amount

<b>As at 31 December 2015</b>	<b>4,619,630,727</b>	<b>4,823,688,778</b>	<b>154,943,153</b>	<b>298,643,226</b>	<b>9,896,905,884</b>
As at 31 December 2014	4,159,597,189	4,532,443,621	162,048,638	264,686,742	9,118,776,190

## Notes to Financial Statements

For the year ended 31 December 2015

(All amounts in RMB Yuan unless otherwise stated)

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

#### (12) Fixed assets (continued)

- (i) For the year ended 31 December 2015, fixed assets of the Group with the carrying amount of 118,632,864 (cost: 226,206,779; accumulated depreciation: 107,573,915) are transferred to construction in progress to be upgraded due to the plant overall planning or technology renewal.

As at 31 December 2015, there are no fixed assets pledged as collateral for borrowings (31 December 2014: nil).

For the year ended 31 December 2015, fixed assets accumulated depreciation are 744,771,311 (2014: 730,381,665), of which 652,563,182, 12,605,248 and 79,602,881 (2014: 640,661,147, 17,191,812 and 72,528,706) 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 1,638,908,254 (2014: 869,545,906).

#### (a) Temporarily idle fixed assets

As at 31 December 2015, the buildings and the machinery and equipment with carrying amount of 56,228,495 (cost: 102,660,465) are temporarily idle for the reason of products update (31 December 2014: carrying amount of 30,268,786 (cost: 69,372,544)). The 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 equipment	99,927,957	(39,729,074)	(5,108,256)	55,090,627
Buildings	2,732,508	(1,483,194)	(111,446)	1,137,868
	<u>102,660,465</u>	<u>(41,212,268)</u>	<u>(5,219,702)</u>	<u>56,228,495</u>

#### (b) Fixed assets held under finance leases

As at 31 December 2015, there are no fixed assets held under finance leases (31 December 2014: nil).

#### (c) Provision for impairment

According to the accounting policies stated in Note 2(19), the Group performs impairment testing on buildings, machinery and equipment with impairment indicator at the balance sheet date, and impairment of 3,140,390 has been provided.

## Notes to Financial Statements

For the year ended 31 December 2015

(All amounts in RMB Yuan unless otherwise stated)

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

#### (12) Fixed assets (continued)

##### (d) Fixed assets without ownership certificates

The ownership certificates of the Group's certain buildings have not been obtained. The analysis is as follows:

Reason	31 December 2015	31 December 2014
	Carrying amount	Carrying amount
In the application process	590,092,000	329,537,000
Unable to obtain	49,321,000	51,288,000
	<b>639,413,000</b>	<b>380,825,000</b>

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 Shenzhen Asahi Company	In the application process
Partial buildings of Sanshui Company	In the application process
Partial buildings of Yulin Company	In the application process
Partial buildings of Wuwei Company	In the application process
Partial buildings of Weinan Company	In the application process
Partial buildings of Wuhu Company	In the application process
Partial buildings of Suizhou Company	In the application process
Partial buildings of Immense Brewery Company	In the application process
Partial buildings of Luzhou Company	In the application process
Partial buildings of Xiamen Company	In the application process
Partial buildings of Shaoguan Company	In the application process
Partial buildings of Malt Factory	In the application process
Partial buildings of Hansi Baoji Company	In the application process
Partial buildings of Shaoguan Company	Temporary buildings, unable to obtain
Partial buildings of Five Star Company	Temporary buildings, 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 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 2015

(All amounts in RMB Yuan unless otherwise stated)

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

#### (13) Construction in progress

	31 December 2015			31 December 2014		
	Ending balance	Provision for impairment	Carrying amount	Ending balance	Provision for impairment	Carrying amount
Relocation and renovation project of Malt Factory	108,143,961	—	108,143,961	340,292,939	—	340,292,939
Relocation and renovation project of Xingkaihu Company	45,645,690	—	45,645,690	10,632,206	—	10,632,206
Production line improvement of No. 1 Factory	28,698,169	—	28,698,169	57,160,867	—	57,160,867
Relocation project of Hansi Baoji Company	20,840,772	—	20,840,772	194,854,352	—	194,854,352
New factory project of Zhangjiakou Company	15,998,126	—	15,998,126	13,522,040	—	13,522,040
Production line improvement of No. 2 Factory	12,277,670	—	12,277,670	12,598,791	—	12,598,791
Relocation project of Weinan Company	11,363,320	—	11,363,320	88,341,022	—	88,341,022
Relocation and renovation project of Langfang Company	8,028,094	—	8,028,094	7,578,858	—	7,578,858
Production line improvement of Jiujiang Company	4,752,858	—	4,752,858	12,428,961	—	12,428,961
Relocation project of Suizhou Company	3,749,476	—	3,749,476	165,094	—	165,094
Equipment installation of Fuzhou Company	3,595,846	—	3,595,846	1,445,663	—	1,445,663
Production line improvement of No. 5 Factory	3,429,437	—	3,429,437	2,684,260	—	2,684,260
New office building project of Shanghai Sales Company	3,258,376	—	3,258,376	3,058,376	—	3,058,376
Production line improvement of Hangzhou Company	1,723,505	—	1,723,505	283,019	—	283,019
Special equipment installation of the Headquarter	1,567,079	—	1,567,079	443,069	—	443,069
Production line improvement of Shaoguan Company	1,377,684	—	1,377,684	—	—	—
Production line improvement of Taiyuan Company	1,268,376	—	1,268,376	—	—	—
Production line improvement of No.4 Factory	1,204,757	—	1,204,757	717,647	—	717,647
Production line improvement of Xi'an Company	1,121,539	—	1,121,539	1,696,745	—	1,696,745
Production line improvement of Chenzhou Company	1,097,663	—	1,097,663	144,863	—	144,863
Production line improvement of Changsha Company	1,032,000	—	1,032,000	588,889	—	588,889
Other projects	7,295,336	—	7,295,336	303,278,404	—	303,278,404
	<b>287,469,734</b>	<b>—</b>	<b>287,469,734</b>	<b>1,051,916,065</b>	<b>—</b>	<b>1,051,916,065</b>

## Notes to Financial Statements

For the year ended 31 December 2015

(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 2014	Increase in the current year	Transfer to fixed assets	31 December 2015	Proportion of expenditures incurred to budgeted amount	Completion percentage	Source of funds
Relocation and renovation project of Malt Factory	422,500,000	340,292,939	76,081,466	(308,230,444)	108,143,961	99%	99%	Funding from convertible bond and self-funding
Relocation and renovation project of Xingkaihu Factory	255,000,000	10,632,206	35,013,484	—	45,645,690	38%	34%	Self-funding
Production line improvement of No. 1 Factory	315,508,388	57,160,867	109,800,944	(138,263,642)	28,698,169	88%	88%	Self-funding
Relocation project of Hansi Baoji Company	355,000,000	194,854,352	88,890,702	(262,904,282)	20,840,772	99%	99%	Self-funding
New factory project of Zhangjiakou Company	400,000,000	13,522,040	2,476,086	—	15,998,126	4%	4%	Self-funding
Production line improvement of No. 2 Factory	403,642,000	12,598,791	18,934,002	(19,255,123)	12,277,670	87%	84%	Self-funding
Relocation project of Weinan Company	308,330,000	88,341,022	132,177,860	(209,155,562)	11,363,320	70%	68%	Self-funding
Relocation and renovation project of Langfang Factory	299,220,000	7,578,858	833,851	(384,615)	8,028,094	7%	3%	Self-funding
Production line improvement of Jiujiang Company	40,120,000	12,428,961	14,011,396	(21,687,499)	4,752,858	66%	66%	Self-funding
Relocation project of Suizhou Company	268,000,000	165,094	3,584,382	—	3,749,476	4%	1%	Self-funding
Equipment installation of Fuzhou Company	11,143,000	1,445,663	9,966,738	(7,816,555)	3,595,846	89%	89%	Self-funding
Production line improvement of No. 5 Factory	21,616,350	2,684,260	11,967,307	(11,222,130)	3,429,437	68%	68%	Self-funding
New office building project of Shanghai Sales Company	140,000,000	3,058,376	200,000	—	3,258,376	2%	2%	Self-funding
Production line improvement of Hangzhou Company	11,628,462	283,019	8,585,929	(7,145,443)	1,723,505	76%	76%	Self-funding
Special equipment installation of the Headquarter	5,890,000	443,069	3,098,788	(1,974,778)	1,567,079	60%	60%	Self-funding
Production line improvement of Shaoguan Company	5,168,000	—	2,665,463	(1,287,779)	1,377,684	52%	52%	Self-funding
Production line improvement of Taiyuan Company	17,941,223	—	17,739,505	(16,471,129)	1,268,376	99%	99%	Self-funding
Production line improvement of No. 4 Factory	6,775,292	717,647	5,198,108	(4,710,998)	1,204,757	91%	87%	Self-funding
Production line improvement of Xi'an Company	27,400,000	1,696,745	17,652,095	(18,227,301)	1,121,539	71%	71%	Self-funding
Production line improvement of Chenzhou Company	3,693,000	144,863	3,129,604	(2,176,804)	1,097,663	89%	89%	Self-funding
Production line improvement of Changsha Company	4,437,362	588,889	3,217,943	(2,774,832)	1,032,000	86%	86%	Self-funding
Other projects		303,278,404	309,236,270	(605,219,338)	7,295,336			
		1,051,916,065	874,461,923	(1,638,908,254)	287,469,734			

For the year ended 31 December 2015, there are no new increased borrowing costs capitalised (2014: the amount of the borrowing costs capitalised were 3,215,124. The capitalisation rate of borrowing costs was 6.53%).

## Notes to Financial Statements

For the year ended 31 December 2015

(All amounts in RMB Yuan unless otherwise stated)

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

#### (13) Construction in progress (continued)

##### (b) Provision for impairment

For the year ended 31 December 2015, the Group did not provide or write off provision for impairment of construction in progress (2014: nil).

#### (14) Fixed assets pending for disposal

	31 December 2015	31 December 2014
Machinery and equipment	<u>6,571,007</u>	<u>17,965,978</u>

#### (15) Intangible assets

	Land use rights	Trademarks	Technology known-how	Marketing networks	Others	Total
Cost						
31 December 2014	2,030,358,583	415,988,313	18,629,100	974,935,670	296,806,879	3,736,718,545
Increase in the current year						
— Purchase	128,722,037	—	—	—	42,989,390	171,711,427
Decrease in the current year	(59,296,870)	—	—	—	(278,192)	(59,575,062)
Disposal	(48,360,928)	—	—	—	(278,192)	(48,639,120)
Other (i)	(10,935,942)	—	—	—	—	(10,935,942)
<b>31 December 2015</b>	<b>2,099,783,750</b>	<b>415,988,313</b>	<b>18,629,100</b>	<b>974,935,670</b>	<b>339,518,077</b>	<b>3,848,854,910</b>
Accumulated amortisation						
31 December 2014	(319,866,688)	(171,126,326)	(18,629,100)	(346,510,942)	(100,001,213)	(956,134,269)
Increase in the current year						
— Amortisation	(44,087,677)	(32,756,556)	—	(98,144,804)	(29,193,163)	(204,182,200)
Decrease in the current year	18,487,773	—	—	—	73,403	18,561,176
Disposal	14,525,126	—	—	—	73,403	14,598,529
Other (i)	3,962,647	—	—	—	—	3,962,647
<b>31 December 2015</b>	<b>(345,466,592)</b>	<b>(203,882,882)</b>	<b>(18,629,100)</b>	<b>(444,655,746)</b>	<b>(129,120,973)</b>	<b>(1,141,755,293)</b>
Carrying amount						
<b>31 December 2015</b>	<b>1,754,317,158</b>	<b>212,105,431</b>	<b>—</b>	<b>530,279,924</b>	<b>210,397,104</b>	<b>2,707,099,617</b>
31 December 2014	1,710,491,895	244,861,987	—	628,424,728	196,805,666	2,780,584,276

(i) It represents the land using right of Hongjiweiye transferred out due to the disposal (Note 5(1)).

For the year ended 31 December 2015, the amortisation amount of intangible assets is 204,182,200 (2014: 191,582,989).

As at 31 December 2015, there are no intangible assets pledged as collateral for borrowings (31 December 2014: nil).

## Notes to Financial Statements

For the year ended 31 December 2015

(All amounts in RMB Yuan unless otherwise stated)

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

#### (15) Intangible assets (continued)

As at 31 December 2015, the relevant legal procedures for certificates application of the Group's land use rights with carrying amount of approximately 51,683,000 (31 December 2014: 53,339,000) 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 2015, 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 amount of the buildings constructed thereon are approximately 31,782,000 as at 31 December 2015 (31 December 2014: 32,642,000). The Company's directors consider that there is no significant adverse impact on the operations of the Group.

Development expenditures are set out as follows:

	31 December 2014	Increase in the current year	Decrease in the current year		31 December 2015
			Charged to profit or loss	Recognised as intangible assets	
Beer technology improvement project	—	12,878,657	(12,878,657)	—	—

For the year ended 31 December 2015, development expenditures of 12,878,657 (2014: 19,247,427) are recognised in profit or loss.



## Notes to Financial Statements

For the year ended 31 December 2015

(All amounts in RMB Yuan unless otherwise stated)

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

#### (16) Goodwill

	31 December 2014	Increase in the current year	Decrease in the current year	31 December 2015
Goodwill —				
Immense Brewery Company	958,868,617	—	—	<b>958,868,617</b>
Lulansa Brewery	227,026,482	—	—	<b>227,026,482</b>
Huanan Region — Nanning Company	130,895,740	—	—	<b>130,895,740</b>
Dongnan Region — Fuzhou Company/ Xiamen Company/Zhangzhou Company/ Dongnan Sales Company	114,031,330	—	—	<b>114,031,330</b>
Huabei Region — Three Ring Company/ Beifang Sales Company	24,642,782	—	—	<b>24,642,782</b>
Others Regions	49,049,770	—	—	<b>49,049,770</b>
	<u>1,504,514,721</u>	<u>—</u>	<u>—</u>	<u><b>1,504,514,721</b></u>
Less: provision for impairment (a) —				
Immense Brewery Company	—	—	—	—
Lulansa Brewery	—	—	—	—
Huanan Region — Nanning Company	(130,895,740)	—	—	<b>(130,895,740)</b>
Dongnan Region — Fuzhou Company/ Xiamen Company/Zhangzhou Company/Dongnan Sales Company	—	—	—	—
Huabei Region — Three Ring Company/ Beifang Sales Company	(24,642,782)	—	—	<b>(24,642,782)</b>
Others Regions	(41,872,217)	—	—	<b>(41,872,217)</b>
	<u>(197,410,739)</u>	<u>—</u>	<u>—</u>	<u><b>(197,410,739)</b></u>
	<u>1,307,103,982</u>	<u>—</u>	<u>—</u>	<u><b>1,307,103,982</b></u>

#### (a) Impairment

The goodwill allocated to the asset groups and groups of asset groups are summarised by operating segments as follows:

	31 December 2015	31 December 2014
Huanan Region	<b>(130,895,740)</b>	(130,895,740)
Huabei Region	<b>(24,642,782)</b>	(24,642,782)
Other Regions	<b>(41,872,217)</b>	(41,872,217)
	<u><b>(197,410,739)</b></u>	<u>(197,410,739)</u>



## Notes to Financial Statements

For the year ended 31 December 2015

(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	36.6%	27.3%	32.8%	23.2%
Pre-tax discount rate	16.2%	16.0%	16.3%	16.2%
Post-tax discount rate	13.2%	13.2%	13.2%	13.2%

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 2014	Increase in the current year	Amortisation in the current year	31 December 2015
Decoration and renovation expenses	13,750,016	8,350,627	(4,668,957)	17,431,686
Factory hardening expenses	4,360,573	4,640,554	(1,884,231)	7,116,896
Gardening expenses	6,483,763	5,647,888	(5,494,457)	6,637,194
Site and vehicle leasing expenses	5,488,157	900,979	(1,586,852)	4,802,284
Others	2,492,008	2,704,593	(1,322,801)	3,873,800
	<u>32,574,517</u>	<u>22,244,641</u>	<u>(14,957,298)</u>	<u>39,861,860</u>



## Notes to Financial Statements

For the year ended 31 December 2015

(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 2015		31 December 2014	
	Deductible temporary differences and deductible losses	Deferred tax assets	Deductible temporary differences and deductible losses	Deferred tax assets
Deductible losses	281,250,744	70,312,686	59,591,708	14,897,927
Provision for asset impairment	10,759,220	2,689,805	17,615,072	4,403,768
Deferred income	34,102,432	8,525,608	30,055,740	7,513,935
Elimination of intra-group unrealised profit	85,554,512	21,388,628	117,046,284	29,261,571
Accruals of expenses	2,732,546,792	683,136,698	2,672,649,440	668,162,360
	<b>3,144,213,700</b>	<b>786,053,425</b>	<b>2,896,958,244</b>	<b>724,239,561</b>
Including:				
Expected to reverse within one year (inclusive)		666,210,087		648,383,844
Expected to be recovered after one year		119,843,338		75,855,717
		<b>786,053,425</b>		<b>724,239,561</b>

##### (b) Deferred tax liabilities without offsetting

	31 December 2015		31 December 2014	
	Taxable temporary differences	Deferred tax liabilities	Taxable temporary differences	Deferred tax liabilities
Business combinations not under common control	533,864,420	133,466,105	624,870,956	156,217,739
Depreciation of fixed assets	17,963,676	4,490,919	22,356,652	5,589,163
The difference between carrying amount and tax base resulted from government grants charged in profit or loss in the current period	51,224,260	12,806,065	8,457,308	2,114,327
	<b>603,052,356</b>	<b>150,763,089</b>	<b>655,684,916</b>	<b>163,921,229</b>
Including:				
Expected to be recovered within one year (inclusive)		26,610,652		30,843,169
Expected to be recovered after one year		124,152,437		133,078,060
		<b>150,763,089</b>		<b>163,921,229</b>

## Notes to Financial Statements

For the year ended 31 December 2015

(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)

- (c) Deductible temporary differences and deductible losses that are not recognised as deferred tax assets are analysed as follows:

	31 December 2015	31 December 2014
Deductible temporary differences	345,082,076	349,367,033
Deductible losses	1,769,750,774	1,565,207,139
	<u>2,114,832,850</u>	<u>1,914,574,172</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 442,438,000 (31 December 2014: 391,302,000) arising from the accumulated losses that can set off against taxable incomes under tax laws in the five-year period from 2016 to 2020. 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 86,271,000 (31 December 2014: 87,342,000) 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 2015	31 December 2014
2015	—	181,246,239
2016	281,111,059	283,673,297
2017	336,857,590	352,640,046
2018	357,741,607	371,328,914
2019	329,760,124	376,318,643
2020	464,280,394	—
	<u>1,769,750,774</u>	<u>1,565,207,139</u>

- (e) The net balances of deferred tax assets and liabilities after offsetting are as follows:

	31 December 2015		31 December 2014	
	Offsetting amount	Net amounts	Offsetting amount	Net amounts
Deferred tax assets	16,894,708	769,158,717	5,453,489	718,786,072
Deferred tax liabilities	16,894,708	133,868,381	5,453,489	158,467,740

## Notes to Financial Statements

For the year ended 31 December 2015

(All amounts in RMB Yuan unless otherwise stated)

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

#### (19) Provision for asset impairment

	31 December 2014	Increase in the current year	Decrease in the current year		Others	31 December 2015
			Reversal	Write-off		
Provision for bad debts	267,846,491	3,987,875	(4,555,008)	(1,255)	3,204	267,281,307
Including: Provision for bad debts of accounts receivable	199,082,864	469,127	(3,677,512)	—	3,204	195,877,683
Provision for bad debts of other receivables	68,763,627	3,518,748	(877,496)	(1,255)	—	71,403,624
Provision for decline in value of inventories	13,317,422	39,759	(550,641)	(1,581,847)	—	11,224,693
Provision for impairment of available-for-sale financial assets	8,653,179	—	—	—	—	8,653,179
Provision for impairment of long-term equity investments	1,220,000	—	—	—	—	1,220,000
Provision for impairment of investment properties (i)	246,160	—	—	—	606,587	852,747
Provision for impairment of fixed assets (i)	508,605,804	3,140,390	—	(97,757,424)	(606,587)	413,382,183
Provision for impairment of goodwill	197,410,739	—	—	—	—	197,410,739
	<u>997,299,795</u>	<u>7,168,024</u>	<u>(5,105,649)</u>	<u>(99,340,526)</u>	<u>3,204</u>	<u>900,024,848</u>

- (i) Other changes represent buildings with partial provision for impairment transferred to investment properties measured by cost method, and the provision for impairment are reclassified accordingly (Note 4(12)).

#### (20) Other non-current assets

	31 December 2015	31 December 2014
Prepayments for construction and equipment	<u>65,214,382</u>	<u>76,626,751</u>

## Notes to Financial Statements

For the year ended 31 December 2015

(All amounts in RMB Yuan unless otherwise stated)

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

#### (21) Short-term borrowings

	Currency	31 December 2015	31 December 2014
Unsecured loan (i)	HKD	301,942,672	27,168,683
Interbank borrowing (ii)	RMB	300,000,000	—
Entrusted loan (iii)	RMB	208,444,610	107,960,037
Guaranteed loan (iv)	HKD	—	266,648,200
Rediscounted bills	RMB	—	31,175,675
		<b>810,387,282</b>	<b>432,952,595</b>

(i) Represents the borrowing of RMB283,176,400 (Original foreign currency: HKD338,000,000) to Hong Kong company, a subsidiary, provided by the Bank of China Macau branch (31 December 2014: nil), and the borrowing of RMB18,766,272 (Original foreign currency: HKD22,399,465) provided by the Bank of Tokyo-Mitsubishi UFJ (China), Ltd. (“BTMU China”) to Shenzhen Tsingtao Brewery Asahi Co., Ltd. (“Shenzhen Asahi”) (31 December 2014: the borrowing provided by BTMU China to Shenzhen Asahi was RMB27,168,683 (HKD:34,440,000)).

(ii) It represents the interbank borrowing from Agricultural Bank of China with the maturity date of 4 January 2016.

(iii) As at 31 December 2015, the entrusted loan includes borrowings of Shanghai Market Service and the Prince Sales, subsidiaries of the Company, from Suntory Company through banks, amounting to 124,661,317 and 63,783,293 respectively (31 December 2014, amounting to 65,954,812 and 42,005,225 respectively) (Note 8(5)), and the borrowing of Lulansa Company, a subsidiary of the Company, from its minority shareholder Shandong Huashi Beer Co., Ltd., amounting to 20,000,000 (As at 31 December 2014: nil).

(iv) As at 31 December 2014, it represents the borrowing of Hong Kong Company, a subsidiary of the Company, from the Bank of Communications Co., Ltd. Hong Kong Branch, which was guaranteed by the Bank of Communications Co., Ltd. Qingdao Branch through establishing the guarantee letter, and the Company provided a deposit of 291,000,000 as counter guarantee (Note 4(1)). The borrowing was repaid in May 2015 when matured.

As at 31 December 2015, the interest rate range of short-term borrowings is from 1.48% to 5.60% (31 December 2014: 2.25% to 3.30%).

#### (22) Notes payable

	31 December 2015	31 December 2014
Trade acceptance notes	32,119,311	43,043,268
Bank acceptance notes	68,022,320	48,704,857
	<b>100,141,631</b>	<b>91,748,125</b>

Other cash balances of 4,057,894 (31 December 2014: 3,701,400) are pledged as collateral for the bank acceptance notes of the Group (Note 4(1)).

All notes payable will be due within six months.



## Notes to Financial Statements

For the year ended 31 December 2015

(All amounts in RMB Yuan unless otherwise stated)

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

#### (23) Accounts payable

	31 December 2015	31 December 2014
Payable for materials purchase	1,692,948,348	1,711,096,325
Payable for beer purchase due to related parties (Note 8(5))	879,652,889	742,975,403
Payable for promotional goods	16,975,251	38,999,836
Others	1,410,368	1,097,375
	<u>2,590,986,856</u>	<u>2,494,168,939</u>

(a) As at 31 December 2015, accounts payable over 1 year with carrying amount of 53,746,030 (31 December 2014: 38,777,173) 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 2015	31 December 2014
Within 1 year	2,537,240,826	2,455,391,766
1 to 2 years	32,294,411	13,592,341
2 to 3 years	4,354,162	8,486,995
Over 3 years	17,097,457	16,697,837
	<u>2,590,986,856</u>	<u>2,494,168,939</u>

#### (24) Advances from customers

	31 December 2015	31 December 2014
Advances on sales of beer	1,000,313,388	787,924,958

As at 31 December 2015, advances from customers over 1 year with carrying amount of 13,766,714 (31 December 2014: 11,066,878) 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 2015	31 December 2014
Short-term employee benefits (a)	788,693,683	729,256,984
Defined contribution plans (b)	22,745,678	24,219,212
Termination benefits (c)	98,978,948	98,706,409
Defined benefit plans (d)	15,211,459	14,486,043
	<u>925,629,768</u>	<u>866,668,648</u>

## Notes to Financial Statements

For the year ended 31 December 2015

(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 2014	Increase in the current year	Decrease in the current year	31 December 2015
Wages and salaries, bonus, allowances and subsidies	483,278,751	2,832,683,121	(2,794,499,445)	521,462,427
Staff welfare	87,587	199,106,201	(199,193,788)	—
Social security contributions	14,257,421	219,282,431	(218,625,470)	14,914,382
Including: Medical insurance	10,716,798	182,776,161	(181,857,935)	11,635,024
Work injury insurance	1,530,014	19,260,682	(19,104,574)	1,686,122
Maternity insurance	2,010,609	17,245,588	(17,662,961)	1,593,236
Housing funds	17,423,853	230,428,572	(231,152,862)	16,699,563
Labour union funds and employee education funds	214,209,372	101,271,995	(79,864,056)	235,617,311
	<u>729,256,984</u>	<u>3,582,772,320</u>	<u>(3,523,335,621)</u>	<u>788,693,683</u>

##### (b) Defined contribution plans

	31 December 2014	Increase in the current year	Decrease in the current year	31 December 2015
Basic pension	20,044,155	417,340,323	(418,618,669)	18,765,809
Unemployment insurance	4,175,057	25,441,305	(25,636,493)	3,979,869
	<u>24,219,212</u>	<u>442,781,628</u>	<u>(444,255,162)</u>	<u>22,745,678</u>

##### (c) Termination benefits

	31 December 2015	31 December 2014
Early retirement benefits payable (to be paid within one year) (Note 4(32))	98,470,798	97,013,711
Other termination benefits (i)	508,150	1,692,698
	<u>98,978,948</u>	<u>98,706,409</u>

- (i) For the year ended 31 December 2015, the Group's other termination benefits paid for termination of the employment relationship is 22,491,665, because of certain subsidiaries' relocation and other events.

## Notes to Financial Statements

For the year ended 31 December 2015

(All amounts in RMB Yuan unless otherwise stated)

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

#### (25) Employee benefits payable (continued)

##### (d) Defined benefit plans

	31 December 2015	31 December 2014
Supplemental retirement benefits (to be paid within one year) (Note 4(32))	<u>15,211,459</u>	<u>14,486,043</u>

#### (26) Taxes payable

	31 December 2015	31 December 2014
Enterprise income tax	122,496,662	113,240,519
Consumption tax	58,051,366	59,375,803
VAT	23,863,186	16,554,579
City maintenance and construction tax	7,208,969	5,609,330
Education surcharge	5,967,324	6,439,127
Business tax	3,303,668	4,664,057
Others	<u>40,997,977</u>	<u>43,312,123</u>
	<u>261,889,152</u>	<u>249,195,538</u>

#### (27) Other payables

	31 December 2015	31 December 2014
Accruals for marketing expenses	1,948,497,991	1,838,126,307
Guarantee deposits	648,667,909	850,600,819
Payables to vendors of construction, machinery and equipment	600,398,710	770,944,679
Accruals for advertising expenses	140,129,568	117,227,075
Accruals for transportation expenses	138,921,466	122,058,687
Absorbed deposits from related parties and interests payables (i)	84,107,852	37,190,491
Accruals for general and administrative expenses	53,494,182	52,915,645
Accruals for labour expenses	51,706,889	48,623,816
Accruals for water, electricity and steam expenses	30,112,147	35,344,769
Investment payable (ii)	20,000,000	125,000,000
Withholding social expenses for staff	11,727,176	11,334,634
Others	<u>333,534,514</u>	<u>289,945,128</u>
	<u>4,061,298,404</u>	<u>4,299,312,050</u>

(i) It represents the deposits and interests payable of Finance Company, a subsidiary of the Company, which are absorbed from the associates including Manufacturing Company, New Songjiang Manufacturing, Suqian Company, Yangzhou Company, Pengcheng Company, Xuzhou Company and Yantai Asahi.

(ii) As at 31 December 2014, the Company had the equity investment payables to Lulansa and Hebei Jiahe Company of 120,000,000 and 5,000,000 respectively. In the current year, the Company has paid 10,000,000 and 5,000,000 respectively according to the agreement with the acquirees.



## Notes to Financial Statements

For the year ended 31 December 2015

(All amounts in RMB Yuan unless otherwise stated)

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

#### (27) Other payables (continued)

As at 31 December 2015, other payables over 1 year with carrying amount of 475,844,128 (31 December 2014: 555,132,800) are mainly liabilities due to acquisition of subsidiaries, payables to vendors of construction, machinery and equipment, and investment payable.

#### (28) Current portion of non-current liabilities

	31 December 2015	31 December 2014
Current portion of long-term borrowings (Note 4(29))	<u>856,189</u>	<u>1,561,421</u>

#### (29) Long-term borrowings

	Currency	31 December 2015	31 December 2014
Guaranteed (i)	EUR	490,368	1,725,811
Guaranteed (ii)	DKK	<u>2,077,621</u>	<u>2,620,341</u>
		<b>2,567,989</b>	4,346,152
Less: Current portion of guaranteed borrowing			
Guaranteed (i)	EUR	(490,368)	(1,168,580)
Guaranteed (ii)	DKK	<u>(365,821)</u>	<u>(392,841)</u>
		<u>(856,189)</u>	<u>(1,561,421)</u>
		<b>1,711,800</b>	<u>2,784,731</u>

(i) Bank guaranteed borrowing of RMB490,368 (Original foreign currency: EUR69,113) (31 December 2014: RMB1,725,811 (Original foreign currency: EUR231,479)) guaranteed by the Bank of China Beijing Branch. The principal amount shall be repaid annually based on the matching principal method, with the last repayment falling due on 31 December 2016.

(ii) Bank guaranteed borrowing of RMB2,077,621 (Original foreign currency: DKK2,184,670) (31 December 2014: RMB2,620,341 (Original foreign currency: DKK2,587,991)) is 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 365,821 (31 December 2014: RMB392,841).

As at 31 December 2015 and 2014, the long-term borrowings are interest-free borrowings.

#### (30) 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.

## Notes to Financial Statements

For the year ended 31 December 2015

(All amounts in RMB Yuan unless otherwise stated)

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

#### (31) Deferred income

	31 December 2014	Increase in the current year	Decrease in the current year	31 December 2015	Reason
Government grants	1,511,117,533	370,535,039	(225,000,443)	1,656,652,129	Grants for relocation and technology improvement projects
Government grants items	31 December 2014	Additions in the current year	Charged to non-operating income	31 December 2015	Related to assets/income
<b>Relocation projects</b>					
Tengzhou Company relocation project	206,469,962	—	(11,846,071)	194,623,891	Assets
Wuwei Company relocation project	190,898,228	1,620,258	(11,855,694)	180,662,792	Assets
Rizhao Company relocation project	180,781,256	—	(10,998,392)	169,782,864	Assets
Zhuhai Company relocation project	176,158,454	—	(12,683,361)	163,475,093	Assets
Gansu nongken Company relocation project	107,488,598	100,694,816	(49,018,730)	159,164,684	Assets/Income
Fuzhou Company relocation project	149,179,366	—	(12,556,567)	136,622,799	Assets
Hansi Baoji relocation project	66,559,092	64,000,502	(11,573,359)	118,986,235	Assets/Income
Weinan Company relocation project	25,902,583	85,077,342	(1,856,074)	109,123,851	Assets/Income
Harbin Company relocation project	103,260,559	—	(7,795,273)	95,465,286	Assets/Income
Suizhou Company relocation project	—	47,125,540	(1,141,673)	45,983,867	Assets/Income
Langfang Company relocation project	47,164,007	473	(1,472,155)	45,692,325	Assets
Xingkaihu Company relocation project	41,255,903	2,980,547	(3,843,679)	40,392,771	Assets/Income
Heze Company relocation project	58,766,821	9,560,000	(34,764,170)	33,562,651	Assets/Income
No. 3 Factory relocation project	27,505,389	—	(3,780,709)	23,724,680	Assets
Malt Factory relocation project	7,872,908	35,782,908	(37,355,815)	6,300,001	Assets/Income
<b>Technology improvement projects</b>					
Technology improvement projects of Luzhou Company	12,608,314	—	(1,088,381)	11,519,933	Assets
Production line improvement project of Shijiazhuang Company	14,086,389	—	(3,537,273)	10,549,116	Assets
<b>Other projects</b>	95,159,704	23,692,653	(7,833,067)	111,019,290	
	1,511,117,533	370,535,039	(225,000,443)	1,656,652,129	

## Notes to Financial Statements

For the year ended 31 December 2015

(All amounts in RMB Yuan unless otherwise stated)

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

#### (32) Long-term employee benefits payable

	31 December 2015	31 December 2014
Early retirement benefits (a)	391,090,281	374,294,592
Supplemental retirement benefits (b)	260,317,941	228,356,138
	651,408,222	602,650,730
Less: Payable within one year (note 4(25))	(113,682,257)	(111,499,754)
	537,725,965	491,150,976

#### (a) Early retirement benefits

Some employees of the Group have retired early because of factory relocation. As at the balance sheet date, the significant actuarial assumptions used in estimating the early retirement benefits payable by the Group are as follows:

	31 December 2015	31 December 2014
Discount rate (yield-to-maturity of the fixed interest rate government bond with the same term)	2.30%-3.51%	3.26%-4.10%

Early retirement benefits charged to profit or loss for the current period:

	2015	2014
General and administrative expenses	111,946,056	71,235,614
Finance expenses	13,753,955	16,773,316

#### (b) Supplemental retirement benefits

Supplemental retirement benefits are provided to those retired employees who met certain criteria and the benefit plan was approved by the Board's meeting. The benefits they can receive depend on their positions and seniorities 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 obligations of the Group:

	31 December 2015	31 December 2014
Defined benefit obligations	260,317,941	228,356,138
Less: fair value of plan assets	—	—
Defined benefit liabilities	260,317,941	228,356,138

## Notes to Financial Statements

For the year ended 31 December 2015

(All amounts in RMB Yuan unless otherwise stated)

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

#### (32) Long-term employee benefits payable (continued)

##### (b) Supplemental retirement benefits (continued)

(ii) The movements in supplemental retirement benefits of the Group are as follows:

	Present value of the defined benefit obligation
As at 1 January 2015	228,356,138
Amount charged to profit or loss in the current period	
— Service cost	20,566,000
— Interest expense on the net defined benefit obligations	8,279,000
Re-measurement amount	
— Actuarial loss (Note 4(35))	18,513,000
Payment from the plan	<u>(15,396,197)</u>
As at 31 December 2015	<u>260,317,941</u>

(iii) The significant actuarial assumptions for the present value of the defined benefit obligations of the Group are as follows:

	31 December 2015	31 December 2014
Discount rate	3.00%	3.75%

Mortality refers to China Life Insurance Mortality Table (2000-2003).

(iv) The sensitivity of the significant actuarial assumptions for the present value of defined benefit obligations is analysed as follow:

	Change in assumption	Impact on defined benefit obligation	
		Increase in assumption	Decrease in assumption
Discount rate	0.25%	Decrease by 2.72%	Increase by 2.85%

The sensitivity analyses above are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity analyses present value of the defined benefit obligation, the same method, projected unit credit method, has been applied as well.

## Notes to Financial Statements

For the year ended 31 December 2015

(All amounts in RMB Yuan unless otherwise stated)

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

#### (32) Long-term employee benefits payable (continued)

##### (b) Supplemental retirement benefits (continued)

- (v) The group has not invested in any plan assets, and no separate trustee-administered assets to reimburse the payment of the defined benefit obligation of the Group (31 December 2014: nil).
- (vi) The weighted average duration of the defined benefit obligations is 11.1 years (31 December 2014: 10.6 years).
- (vii) Supplemental retirement benefits caused many risks to the Group, and the primary risk is the fluctuation of the interest rates of government bonds. Decreasing in interest rates of government bonds results in increasing in the defined benefit obligation.
- (viii) The expected maturity of undiscounted defined benefit obligations is analysed as below:

	Within 1 year	1 to 5 years	More than 5 years	Total
Supplemental retirement benefits	15,211,459	64,135,140	299,189,151	378,535,750

#### (33) Share capital

	31 December 2014	Movements in the current year	31 December 2015
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 2013	Movements in the current year	31 December 2014
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 2015

(All amounts in RMB Yuan unless otherwise stated)

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

#### (34) Capital surplus

	31 December 2014	Increase in the current year	Decrease in the current year	31 December 2015
Share premium (i)	3,992,428,160	59,485	(4,930,584)	<b>3,987,557,061</b>
Other capital surplus —	86,970,991	550,827	—	<b>87,521,818</b>
Share of changes in equity other than comprehensive income and profit distribution of investees accounted for using the equity method	(10,756,997)	550,827	—	<b>(10,206,170)</b>
Transfer from capital surplus recognised under the previous accounting system	93,338,214	—	—	<b>93,338,214</b>
Others	4,389,774	—	—	<b>4,389,774</b>
	<u>4,079,399,151</u>	<u>610,312</u>	<u>(4,930,584)</u>	<u><b>4,075,078,879</b></u>
	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 of equity other than comprehensive income and profits distribution of investees accounted for using the equity method	(10,756,997)	—	—	(10,756,997)
Transfer from capital surplus recognised under the previous accounting system	93,338,214	—	—	93,338,214
Others	4,389,774	—	—	4,389,774
	<u>4,079,399,151</u>	<u>—</u>	<u>—</u>	<u>4,079,399,151</u>

- (i) According to the resolution at the fourth meeting of the eighth session Board of Directors, the Company purchased 34% non-controlling interests of a subsidiary of the Company, Tsingtao Brewery (Hanzhong) Co., Ltd. (“Hanzhong Company”), with cash consideration of 26,297,900. Equity transfer procedures have been completed in February 2015. The difference of 4,930,584 between the increased cost of long-term equity investments as a result of the 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 has been adjusted against the capital surplus. As of 31 December 2015, the consideration has been fully paid.

Hanzhong Company, purchased 34% non-controlling interests of its subsidiary, Hansheng Commerce Co., Ltd., with cash consideration of 210,000. Equity transfer procedures have been completed in March 2015. The difference of 59,485 between the increased cost of long-term equity investments as a result of the 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 has been recognised as capital surplus. As of 31 December 2015, the consideration has been fully paid.

## Notes to Financial Statements

For the year ended 31 December 2015

(All amounts in RMB Yuan unless otherwise stated)

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

#### (35) Other comprehensive income

	Other comprehensive income in the balance sheet			Other comprehensive income in the income statement of 2015				
	31 December 2014	Attributable to shareholders of the Company, net of tax	31 December 2015	The pre-tax amount in the current year	Less: Transfer out from which were recognised in other comprehensive income in the previous periods	Less: Income tax expense	Attributable to 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 re-measurement of defined benefit plan liabilities (Note 4(32)(b)(ii))	(14,767,000)	(18,513,000)	(33,280,000)	(18,513,000)	—	—	(18,513,000)	—
Items that will be subsequently reclassified to profit or loss								
Currency translation differences	25,572,023	(11,776,550)	13,795,473	(11,776,550)	—	—	(11,776,550)	—
Shares of other comprehensive income of investees accounted for using the equity method that will be subsequently reclassified to profit or loss	(764,679)	(76,953)	(841,632)	(76,953)	—	—	(76,953)	—
	10,040,344	(30,366,503)	(20,326,159)	(30,366,503)	—	—	(30,366,503)	—
	Other comprehensive income in the balance sheet			Other comprehensive income in the income statement of 2014				
	31 December 2013	Attributable to shareholders of the Company, net of tax	31 December 2014	The pre-tax amount in the current year	Less: Transfer out from which were recognised in other comprehensive income in the previous periods	Less: Income tax expense	Attributable to 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 re-measurement of defined benefit plan liabilities	—	(14,767,000)	(14,767,000)	(14,767,000)	—	—	(14,767,000)	—
Items that will be subsequently reclassified to profit or loss								
Currency translation differences	25,798,505	(226,482)	25,572,023	(226,482)	—	—	(226,482)	—
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)	—
	25,192,989	(15,152,645)	10,040,344	(15,152,645)	—	—	(15,152,645)	—

## Notes to Financial Statements

For the year ended 31 December 2015

(All amounts in RMB Yuan unless otherwise stated)

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

#### (36) Surplus reserve

	31 December 2014	Appropriation in the current year	Decrease in the current year	31 December 2015
Statutory surplus reserve	1,216,339,469	184,364,911	—	1,400,704,380
	31 December 2013	Appropriation in the current year	Decrease in the current year	31 December 2014
Statutory surplus reserve	1,059,469,127	156,870,342	—	1,216,339,469

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 the resolution of the Board of Directors, the Company appropriated of 184,364,911 (10% of net profit) as statutory surplus reserve for the year ended 31 December 2015 (2014: appropriated of 156,870,342 (10% of net profit)).

#### (37) General reserve

	31 December 2014	Appropriation in the current year	Decrease in the current year	31 December 2015
General reserve	66,981,927	39,043,491	—	106,025,418
	31 December 2013	Appropriation in the current year	Decrease in the current year	31 December 2014
General reserve	80,642,253	—	(13,660,326)	66,981,927

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, appropriated general reserve of 39,043,491 according to 1.3% of the ending balance of the risk assets at 31 December 2015 based on its risk consideration (2014: reversal of 13,660,326 according to 1.2% of the ending balance of the risk assets).



## Notes to Financial Statements

For the year ended 31 December 2015

(All amounts in RMB Yuan unless otherwise stated)

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

#### (38) Undistributed profits

	2015	2014
Undistributed profits at beginning of year	8,663,818,498	7,424,872,728
Add: Net profit attributable to shareholders of the Company in the current year	1,713,128,882	1,990,098,044
Less: Appropriation to statutory surplus reserve	(184,364,911)	(156,870,342)
Appropriation to general reserve	(39,043,491)	13,660,326
Ordinary shares dividends payable	(607,942,258)	(607,942,258)
Undistributed profits at end of year	<u>9,545,596,720</u>	<u>8,663,818,498</u>

In accordance with the resolution at the annual general meeting dated 16 June 2015, the Company approved a cash dividend of RMB607,942,258 (RMB0.45 per share (pre-tax)) based on a total number of 1,350,982,795 shares.

In accordance with the resolution at the meeting of the Board dated 28 March 2016, the Board proposed a cash dividend of RMB526,883,290 (RMB0.39 per share (pre-tax)) based on a total number of 1,350,982,795 shares. Such dividend distribution is subject to the approval at the forthcoming annual general meeting (Note 11(1)).

#### (39) Revenue and cost of sales

	2015	2014
Revenue from main operation (a)	27,208,444,414	28,599,262,109
Revenue from other operations (b)	426,241,626	450,059,057
	<u>27,634,686,040</u>	<u>29,049,321,166</u>
	2015	2014
Cost of main operation (a)	(16,923,832,300)	(17,629,562,829)
Cost of other operations (b)	(268,269,395)	(269,728,446)
	<u>(17,192,101,695)</u>	<u>(17,899,291,275)</u>



## Notes to Financial Statements

For the year ended 31 December 2015

(All amounts in RMB Yuan unless otherwise stated)

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

#### (39) Revenue and cost of sales (continued)

##### (a) Revenue and cost of main operation

	2015		2014	
	Revenue from main operation	Cost of main operation	Revenue from main operation	Cost of main operation
Sales of beer	27,208,444,414	(16,923,832,300)	28,599,262,109	(17,629,562,829)

##### (b) Revenue and cost of other operations

	2015		2014	
	Revenue from other operations	Cost of other operations	Revenue from other operations	Cost of other operations
Sale of packaging materials	94,620,023	(40,579,508)	144,441,949	(53,401,328)
Sale of raw materials	68,466,438	(67,281,933)	101,709,818	(93,144,380)
Construction and equipment installations	60,376,960	(53,781,031)	11,283,243	(6,211,435)
Transportation services	35,439,554	(32,757,342)	37,732,133	(40,340,736)
Others	167,338,651	(73,869,581)	154,891,914	(76,630,567)
	426,241,626	(268,269,395)	450,059,057	(269,728,446)

#### (40) Taxes and surcharges

	2015	2014	Tax base
Consumption tax	1,612,404,507	1,740,571,213	Note 3
City maintenance and construction tax	234,423,796	250,143,051	Note 3
Education surcharges	176,805,013	187,824,159	Note 3
Business tax	6,651,033	4,057,217	Note 3
Others	109,997	28,608	
	2,030,394,346	2,182,624,248	

## Notes to Financial Statements

For the year ended 31 December 2015

(All amounts in RMB Yuan unless otherwise stated)

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

#### (41) Expenses by nature

The cost of sales, selling and distribution expenses and general and administrative expenses classified by nature are as follows:

	2015	2014
Raw materials and consumables used	10,695,849,751	11,412,545,296
Employee benefits expenses	4,180,557,669	3,856,159,087
Finished goods purchased from outside	3,349,368,312	3,534,242,388
Promotion related expenses	1,665,754,246	1,383,919,300
Handling and transportation expenses	1,397,436,781	1,423,041,676
Depreciation and amortisation charges	965,348,209	933,125,037
Advertising related expenses	644,707,221	761,275,636
Repair expenses	371,475,184	326,287,876
Administrative, business travel and business entertainment expenses	306,160,636	345,143,084
Service charges	171,156,163	171,021,450
Tax expenses	169,169,138	163,968,757
Operating lease payments	127,208,736	123,518,824
Amortisation expenses of packaging materials	104,749,429	135,731,996
Changes in inventories of finished goods and work in progress	76,507,317	52,231,071
Auditors' remuneration — audit services	8,580,000	8,580,000
Other expenses	275,047,667	313,778,676
	<u>24,509,076,459</u>	<u>24,944,570,154</u>
Cost of sales, selling and distribution expenses, and general and administrative expenses in total	<u>24,509,076,459</u>	<u>24,944,570,154</u>

#### (42) Finance expenses — net

	2015	2014
Interest expense	8,983,686	30,912,464
Less: Interest income	(336,573,133)	(407,754,133)
Exchange (gains)/losses	(1,132,310)	8,381,492
Unwinding the discounted long-term employee benefits payable	22,032,955	25,269,316
Others	7,091,281	8,537,871
	<u>(299,597,521)</u>	<u>(334,652,990)</u>



## Notes to Financial Statements

For the year ended 31 December 2015

(All amounts in RMB Yuan unless otherwise stated)

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

#### (43) Investment income

	2015	2014
(Losses)/Profits from long-term equity investments accounted for using the equity method	(4,562,375)	23,840,743
Gain from disposal of a subsidiary (Note 5(1))	444,819,948	—
Income from available-for-sale financial assets (Note 4(9)(a))	153,492	65,522
Losses from disposal of available-for-sale financial assets	—	(999,999)
Income from wealth management products of Finance Company	21,615,918	—
Income from government bonds reverse repo agreements of Finance Company	85,833	126,807
Others	299,998	926,436
	<u>462,412,814</u>	<u>23,959,509</u>

There is no significant restriction on transferring funds in the form of investment income.

#### (44) Asset impairment losses

	2015	2014
Reversals of bad debts	(567,133)	(4,855,132)
Reversals of decline in the values of inventories	(510,882)	(380,100)
Impairment losses of fixed assets	3,140,390	1,721,452
	<u>2,062,375</u>	<u>(3,513,780)</u>

#### (45) Non-operating income

	2015	2014
Government grants (a)	511,057,423	448,000,648
Gains on disposal of non-current assets	29,048,431	3,216,362
Including: Gains on disposal of fixed assets	29,048,431	3,216,362
Gains on unpaid debts	6,313,169	2,702,597
Penalty gains	1,150,588	1,894,506
Others	11,247,880	13,602,755
	<u>558,817,491</u>	<u>469,416,868</u>

For the year ended 31 December 2015, all non-operating income has been regard as non-recurring profit or loss in the current year.

## Notes to Financial Statements

For the year ended 31 December 2015

(All amounts in RMB Yuan unless otherwise stated)

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

#### (45) Non-operating income (continued)

##### (a) Details of government grants

	2015	2014	Note	Related to assets/income
Funds for enterprises development and projects supporting	224,959,994	211,119,654	Enterprises development and projects supporting	Assets/Income
Relocation compensations	212,541,722	160,855,912	Relocation compensations for manufacturing factories	Assets/Income
Tax refund	15,338,736	22,596,250	Returns of certain portion of tax paid	Income
Others	58,216,971	53,428,832		Income
	<u>511,057,423</u>	<u>448,000,648</u>		

#### (46) Non-operating expenses

	2015	2014
Losses on disposal of non-current assets	130,560,143	62,932,536
Including: Losses on disposal of fixed assets	94,980,905	54,059,202
Losses on disposal of intangible assets	35,579,238	8,873,334
Compensations, defaults and overdue fines	1,311,162	1,510,442
Penalty losses	1,191,933	695,628
Donations	858,051	320,000
Others	5,236,995	5,212,483
	<u>139,158,284</u>	<u>70,671,089</u>

For the year ended 31 December 2015, non-operating expenses have been regard as non-recurring profit or loss in the current year.

#### (47) Income tax expense

	2015	2014
Current income tax calculated according to tax law and related regulations in mainland China — China enterprise income tax	733,633,312	697,182,794
Current profits tax calculated according to tax law and related regulations in Hong Kong — Hong Kong profits tax	3,018,132	3,206,612
Current profits supplemental tax calculated according to tax law and related regulations in Macau — Macau profits supplemental tax	1,099,448	1,244,888
Deferred income tax	(74,972,004)	(38,167,539)
	<u>662,778,888</u>	<u>663,466,755</u>

## Notes to Financial Statements

For the year ended 31 December 2015

(All amounts in RMB Yuan unless otherwise stated)

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

#### (47) Income tax expense (continued)

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:

	2015	2014
Total profit	<u>2,274,822,402</u>	<u>2,682,998,822</u>
Income tax expense calculated at applicable tax rates	566,309,444	669,132,514
Tax impact of equivalent sales and costs, expenses and losses not deductible for tax purpose	4,218,971	35,978,053
Income not subject to tax	(13,549,529)	(25,049,146)
Utilisation of previously unrecognised deferred tax assets	(53,594,226)	(157,257,260)
Deductible temporary differences for which no deferred tax assets were recognised	43,324,129	28,245,659
Deductible tax losses for which no deferred tax assets were recognised	<u>116,070,099</u>	<u>112,416,935</u>
Income tax expense	<u>662,778,888</u>	<u>663,466,755</u>

#### (48) 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 numbers of ordinary shares outstanding:

	2015	2014
Consolidated net profit attributable to ordinary shareholders of the Company	1,713,128,882	1,990,098,044
Weighted average numbers of ordinary shares outstanding	<u>1,350,982,795</u>	<u>1,350,982,795</u>
Basic earnings per share	<u>1.268</u>	<u>1.473</u>
Including:		
— Basic earnings per share relating to continuing operations	1.268	1.473

##### (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 numbers of ordinary shares outstanding. As there were no dilutive potential ordinary shares in 2015 (2014: nil), diluted earnings per share equals to basic earnings per share.

## Notes to Financial Statements

For the year ended 31 December 2015

(All amounts in RMB Yuan unless otherwise stated)

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

#### (49) Notes to consolidated cash flow statement

##### (a) Cash received relating to other operating activities

	2015	2014
Deposits	334,184,303	604,806,260
Government grants	272,863,019	262,853,849
Sales of raw materials, sales of packaging materials and disposal of scraps	250,665,383	248,872,052
Others	266,868,930	229,303,629
	<u>1,124,581,635</u>	<u>1,345,835,790</u>

##### (b) Cash paid relating to other operating activities

	2015	2014
Handling and transportation expenses	1,524,484,852	1,608,371,799
Marketing and promotion expenses	703,864,523	896,257,023
Advertising expenses	648,500,751	794,351,968
Administrative expenses	337,407,997	339,064,413
Deposits	283,477,241	362,456,995
Others	429,453,244	395,525,197
	<u>3,927,188,608</u>	<u>4,396,027,395</u>

##### (c) Cash received relating to other investing activities

	2015	2014
Interest income of Finance Company's deposits	343,125,632	418,558,601
Deposit reserves collected by Finance Company	305,290,000	298,590,000
Government compensations for relocation and expansion projects	292,535,223	273,874,382
Bidding deposits collected	23,633,112	35,434,984
	<u>964,583,967</u>	<u>1,026,457,967</u>

##### (d) Cash paid relating to other investing activities

	2015	2014
Bidding deposits paid	23,941,227	36,649,251

## Notes to Financial Statements

For the year ended 31 December 2015

(All amounts in RMB Yuan unless otherwise stated)

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

#### (49) Notes to consolidated cash flow statement (continued)

##### (e) Cash received relating to other financing activities

	2015	2014
Guarantee deposits for loan collected (Note 4(21)(iv))	291,000,000	—
Interest of the guarantee deposits for loan received	13,095,000	—
	<u>304,095,000</u>	<u>—</u>

##### (f) Cash paid relating to other financing activities

	2015	2014
Guarantee deposits for loan paid	—	291,000,000
Others	1,058,358	796,055
	<u>1,058,358</u>	<u>291,796,055</u>

##### (g) Cash received from disposal of investment

	2015	2014
The principal of wealth management products collected when matured	900,000,000	—

##### (h) Cash paid to acquire investments

	2015	2014
Payment for wealth management products purchasing	880,000,000	20,000,000
Structured deposit (Note 4(1)(iii))	300,000,000	—
Payment for purchasing non-controlling interests of subsidiaries (Note 4(34))	26,507,900	—
Payment for acquiring equity interests of Hebei Jiahe Company (Note 4(27))	5,000,000	226,469,400
	<u>1,211,507,900</u>	<u>246,469,400</u>



## Notes to Financial Statements

For the year ended 31 December 2015

(All amounts in RMB Yuan unless otherwise stated)

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

#### (50) Supplementary information to consolidated cash flow statements

##### (a) Supplementary information to consolidated cash flow statements

Reconciliation from net profit to cash flows from operating activities:

	2015	2014
Net profit	1,612,043,514	2,019,532,067
<i>Add:</i> Provision for asset impairment	2,062,375	(3,513,780)
Depreciation of fixed assets and investment properties	746,208,711	730,774,600
Amortisation of intangible assets	204,182,200	191,582,989
Amortisation of long-term prepaid expenses	14,957,298	10,767,448
Losses on disposal of fixed assets and intangible assets	101,511,712	59,716,174
Finance expenses	(304,983,006)	(364,517,853)
Investment income	(462,412,814)	(23,959,509)
Increase in deferred tax assets	(50,372,645)	(18,623,885)
Amortisation of deferred income	(219,770,962)	(210,192,726)
Decrease in deferred tax liabilities	(24,599,359)	(19,543,654)
Decrease in inventories	293,405,212	72,042,838
Decrease/(Increase) in operating receivables	149,806,072	(286,151,145)
Increase/(Decrease) in operating payables	512,527,452	(467,279,223)
Net cash flows from operating activities	<u>2,574,565,760</u>	<u>1,690,634,341</u>
Net increase in cash		
	2015	2014
Cash at end of year	7,575,374,183	5,266,389,764
<i>Less:</i> Cash at beginning of year	<u>(5,266,389,764)</u>	<u>(7,394,904,648)</u>
Net increase/(decrease) in cash	<u>2,308,984,419</u>	<u>(2,128,514,884)</u>



## Notes to Financial Statements

For the year ended 31 December 2015

(All amounts in RMB Yuan unless otherwise stated)

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

#### (50) Supplementary information to consolidated cash flow statements (continued)

##### (b) Acquisition or disposal of subsidiaries

##### (i) Acquisition of subsidiaries

	2015	2014
Cash paid for merger and acquisition in the current year	—	197,474,000
Including: Lulansa Brewery	—	197,374,000
Equipment Manufacture	—	100,000
Less: Cash held by subsidiaries on acquisition date	—	(22,202,877)
Including: Lulansa Brewery	—	(3,004,985)
Equipment Manufacture	—	(19,197,892)
Plus: Cash paid in the current year for merger and acquisition in the prior year	<b>100,000,000</b>	—
Including: Lulansa Brewery	<b>100,000,000</b>	—
Net cash outflows on acquisition of subsidiaries	<b>100,000,000</b>	175,271,123
The consideration for acquisition of subsidiaries in the prior year		
Lulansa Brewery		317,374,000
Equipment Manufacture		100,000
		<b>317,474,000</b>

##### (ii) Disposal of a subsidiary

	2015	2014
Cash received from disposal of a subsidiary Hongjiweiye in the current year (Note5(1)(b))	<b>461,290,000</b>	—
Less: Cash held by the subsidiary on the date of losing right of control	<b>(1,306,942)</b>	—
Net cash outflows on disposal of the subsidiary	<b>459,983,058</b>	—
Consideration for disposal in 2015	<b>461,290,000</b>	

## Notes to Financial Statements

For the year ended 31 December 2015

(All amounts in RMB Yuan unless otherwise stated)

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

#### (50) Supplementary information to consolidated cash flow statements (continued)

##### (b) Acquisition or disposal of subsidiaries (continued)

##### (ii) Disposal of a subsidiary — Hongjiweiye (continued)

Net assets of the subsidiary disposed

	2015	2014
Current assets	1,306,942	—
Non-current assets	15,641,981	—
Current liabilities	(478,871)	—
	<u>16,470,052</u>	<u>—</u>

##### (c) Cash and cash equivalents

	31 December 2015	31 December 2014
Cash (Note4(1))	7,575,374,183	5,266,389,764
Including: Cash on hand	424,497	431,550
Cash at bank that can be readily drawn on demand	7,574,949,686	5,265,958,214
Cash at end of year	<u>7,575,374,183</u>	<u>5,266,389,764</u>



## Notes to Financial Statements

For the year ended 31 December 2015

(All amounts in RMB Yuan unless otherwise stated)

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

#### (51) Foreign currency items

	31 December 2015		
	Balance in foreign currency	Currency exchange rate	Balance in RMB
Cash at bank and cash on hand —			
HKD	72,383,244	0.8378	60,642,682
USD	7,428,181	6.4936	48,235,636
MOP	23,724,245	0.8134	19,297,301
EUR	2,575,530	7.0952	18,273,900
			<u>146,449,519</u>
Accounts receivable —			
HKD	45,126,456	0.8378	37,806,945
USD	4,408,262	6.4936	28,625,490
EUR	1,761,592	7.0952	12,498,848
MOP	8,166,078	0.8134	6,642,288
CAD	266,114	4.6814	1,245,786
			<u>86,819,357</u>
Other receivables —			
HKD	1,569,194	0.8378	1,314,671
Short-term borrowings —			
HKD	360,399,465	0.8378	301,942,672
Other payables —			
HKD	8,414,155	0.8378	7,049,379
USD	444,164	6.4936	2,884,223
MOP	139,706	0.8134	113,637
			<u>10,047,239</u>
Current portion of non-current liabilities —			
EUR	69,113	7.0952	490,368
DKK	384,670	0.9510	365,821
			<u>856,189</u>
Long-term borrowings —			
DKK	1,800,000	0.9510	1,711,800

## Notes to Financial Statements

For the year ended 31 December 2015

(All amounts in RMB Yuan unless otherwise stated)

### 5 Changes in consolidation scope

#### (1) Disposal of subsidiaries

(a) The summarised information related to the disposed subsidiaries in the current year is as follows:

Company name	Consideration received from the disposal	Share of equity interest disposed	Method of disposal	The date of losing control	Reason for losing control	The difference between the consideration and the share of the net assets of the subsidiary in the consolidation financial statement	The amount transfer from the other comprehensive income of investing in the original subsidiaries
Hongjiweiye	461,290,000	100%	(i)	25 December 2015	Completion of property settlement procedure	444,819,948	—

(i) According to the resolution at the seventh meeting of the eighth session Board of Directors, the Company disposed 100% equity interest of Hongjiweiye, a wholly owned subsidiary of the Company, by publicly listed auction at Qingdao Property Exchange. The Company has entered into the equity interest transfer agreement with Shouguang Chenming Holding Co., Ltd. on 10 December 2015, with the consideration of 461,290,000. On 25 December 2015, the consideration has been fully collected and the procedures of alteration registration have been completed. In relation to the disposal of 100% equity interest in Hongjiweiye, the Group recognised the investment income of 444,819,948 (Note 4(43)).

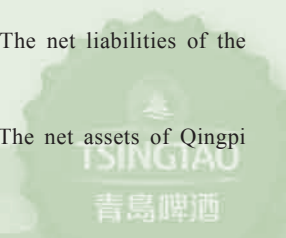
(b) The information of disposal gain and loss is as follows:

	Amount
Consideration received from the disposal of Hongjiweiye	461,290,000
Less: the share of the net assets of Hongjiweiye in the consolidation financial statement	(16,470,052)
	444,819,948
Other comprehensive income transferred to profit or loss	—
Investment income from disposal	444,819,948

#### (2) Other reasons for the changes of consolidated scoping

The Company has completed deregistration process of Taierzhuang Malt at 25 September 2015. The net liabilities of the Taierzhuang Malt was 17,139,767 at the date of deregistration.

The Company has completed deregistration process of Qingpi Baotuquan at 22 December 2015. The net assets of Qingpi Baotuquan was 69,617,874 at the date of deregistration.



## Notes to Financial Statements

For the year ended 31 December 2015

(All amounts in RMB Yuan unless otherwise stated)

### 6 Interests in other entities

#### (1) Interests in subsidiaries

##### (a) The structure of the Group

Name	Kind of legal entity	Place of operation	Place of incorporation	Principal activities	Share proportion		Acquisition method
					Directly	Indirectly	
Shenzhen Tsingtao Brewery Huanan Holding Co., Ltd. ("Huanan Holding Company")	Limited liability company	Shenzhen, the PRC	Shenzhen, the PRC	Financing	100%	—	Establishment or investment
Tsingtao Brewery (Zhuhai) Co., Ltd. ("Zhuhai Company")	Limited liability company	Zhuhai, the PRC	Zhuhai, the PRC	Manufacturing	—	100%	Establishment or investment
Tsingtao Brewery (Huangshi) Co., Ltd. ("Huangshi Company")	Limited liability company	Huangshi, the PRC	Huangshi, the PRC	Manufacturing	97.18%	2.82%	Establishment or investment
Tsingtao Brewery (Yingcheng) Co., Ltd. ("Yingcheng Company")	Limited liability 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")	Limited liability company	Guangdong, the PRC	Shenzhen, the PRC	Wholesale and retail sale	100%	—	Establishment or investment
Tsingtao Brewery (Changsha) Co., Ltd. ("Changsha Company")	Limited liability company	Changsha, the PRC	Changsha, the PRC	Manufacturing	70%	30%	Establishment or investment
Shanghai Tsingtao Brewery Huadong (Holding) Co., Ltd. ("Huadong Holding Company")	Limited liability company	Shanghai, the PRC	Shanghai, the PRC	Finance	100%	—	Establishment or investment
Tsingtao Brewery Huadong Shanghai Sales Co., Ltd. ("Shanghai Sales Company")	Limited liability company	Shanghai, the PRC	Shanghai, the PRC	Wholesale and retail sale	97.01%	2.99%	Establishment or investment
Nanjing Tsingtao Brewery Huadong Sales Co., Ltd. ("Nanjing Sales Company") (ii)	Limited liability company	Jiangsu, the PRC	Nanjing, the PRC	Wholesale and retail sale	—	50%	Establishment or investment
Tsingtao Brewery (Wuhu) Co., Ltd. ("Wuhu Company")	Limited liability company	Wuhu, the PRC	Wuhu, the PRC	Manufacturing	89.04%	10.96%	Establishment or investment
Tsingtao Brewery (Maanshan) Co., Ltd. ("Maanshan Company")	Limited liability company	Maanshan, the PRC	Maanshan, the PRC	Manufacturing	94.12%	5.58%	Establishment or investment
Tsingtao Brewery (Shouguang) Co., Ltd. ("Shouguang Company")	Limited liability company	Shouguang, the PRC	Shouguang, the PRC	Manufacturing	99%	—	Establishment or investment
Tsingtao Brewery (Weifang) Co., Ltd. ("Weifang Company")	Limited liability company	Weifang, the PRC	Weifang, the PRC	Manufacturing	100%	—	Establishment or investment
Tsingtao Brewery (Xuzhou) Huaihai Sales Co., Ltd. ("Huaihai Sales Company") (ii)	Limited liability company	Jiangsu, the PRC	Xuzhou, the PRC	Wholesale and retail sale	—	50%	Establishment or investment
Tsingtao Brewery (Xuecheng) Co., Ltd. ("Xuecheng Company")	Limited liability company	Xuecheng, the PRC	Xuecheng, the PRC	Manufacturing	—	85%	Establishment or investment
Tsingtao Brewery (Tengzhou) Co., Ltd. ("Tengzhou Company")	Limited liability company	Tengzhou, the PRC	Tengzhou, the PRC	Manufacturing	76.65%	23.35%	Establishment or investment
Tsingtao Brewery (Heze) Co., Ltd. ("Heze Company")	Limited liability company	Heze, the PRC	Heze, the PRC	Manufacturing	93.08%	6.92%	Establishment or investment
Langfang Company	Limited liability company	Langfang, the PRC	Langfang, the PRC	Manufacturing and Wholesale and retail sale	80.80%	19.20%	Establishment or investment
Tsingtao Brewery Xi'an Han's Group Co., Ltd. ("Xi'an Company")	Limited liability company	Shanxi, the PRC	Xi'an, the PRC	Wholesale and retail sale	100%	—	Establishment or investment
Tsingtao Brewery Hansi Baoji Co., Ltd. ("Hansi Baoji")	Limited liability company	Baoji, the PRC	Baoji, the PRC	Manufacturing	—	100%	Establishment or investment
Tsingtao Brewery (Anshan) Co., Ltd. ("Anshan Company")	Limited liability company	Anshan, the PRC	Anshan, the PRC	Manufacturing	60%	—	Establishment or investment

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For the year ended 31 December 2015

(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	Kind of legal entity	Place of operation	Place of incorporation	Principal activities	Share proportion		Acquisition method
					Directly	Indirectly	
Tsingtao Brewery (Xingkaihu) Co., Ltd. ("Xingkaihu Company")	Limited liability company	Jixi, the PRC	Jixi, the PRC	Manufacturing	100%	—	Establishment or investment
Tsingtao Brewery (Mishan) Co., Ltd. ("Mishan Company")	Limited liability company	Mishan, the PRC	Mishan, the PRC	Manufacturing	100%	—	Establishment or investment
Tsingtao Brewery (Harbin) Co., Ltd. ("Harbin Company")	Limited liability company	Harbin, the PRC	Harbin, the PRC	Manufacturing	100%	—	Establishment or investment
Tsingtao Brewery Import/Export Co., Ltd. ("Import/Export Company")	Limited liability company	Qingdao, the PRC	Qingdao, the PRC	Wholesale and retail sale	100%	—	Establishment or investment
Tsingtao Brewery (Pingyuan) Co., Ltd. ("Pingyuan Company")	Limited liability company	Pingyuan, the PRC	Pingyuan, the PRC	Manufacturing	100%	—	Establishment or investment
Tsingtao Brewery (Rizhao) Co., Ltd. ("Rizhao Company")	Limited liability company	Rizhao, the PRC	Rizhao, the PRC	Manufacturing	100%	—	Establishment or investment
Tsingtao Brewery (Luzhou) Co., Ltd. ("Luzhou Company")	Limited liability company	Luzhou, the PRC	Luzhou, the PRC	Manufacturing	95%	—	Establishment or investment
Tsingtao Brewery (Taizhou) Co., Ltd. ("Taizhou Company")	Limited liability company	Taizhou, the PRC	Taizhou, the PRC	Manufacturing	86.43%	13.57%	Establishment or investment
Hong Kong Company	Limited liability company	Hong Kong, the PRC	Hong Kong, the PRC	Wholesale and retail sale	100%	—	Establishment or investment
Hanzhong Company	Limited liability company	Hanzhong, the PRC	Hanzhong, the PRC	Manufacturing	34%	66%	Establishment or investment
Beifang Sales Company	Limited liability company	Beijing, the PRC	Beijing, the PRC	Wholesale and retail sale	95%	5%	Establishment or investment
Qingdao Guangrunlong Logistics Co., Ltd. ("Guangrunlong Logistics")	Limited liability company	Shandong, the PRC	Qingdao, the PRC	Logistics	100%	—	Establishment or investment
Tsingtao Brewery (Xiamen) Co., Ltd. ("Xiamen Company")	Limited liability company	Xiamen, the PRC	Xiamen, the PRC	Manufacturing	—	100%	Establishment or investment
Xiamen Tsingtao Brewery Dongnan Sales Co., Ltd. ("Dongnan Sales Company")	Limited liability company	Fujian, the PRC	Xiamen, the PRC	Wholesale and retail sale	100%	—	Establishment or investment
Tsingtao Brewery (Jinan) Co., Ltd. ("Jinan Company")	Limited liability company	Jinan, the PRC	Jinan, the PRC	Manufacturing	100%	—	Establishment or investment
Tsingtao Brewery (Chengdu) Co., Ltd. ("Chengdu Company")	Limited liability company	Chengdu, the PRC	Chengdu, the PRC	Manufacturing	100%	—	Establishment or investment
Tsingtao Brewery (Yulin) Co., Ltd. ("Yulin Company")	Limited liability company	Yulin, the PRC	Yulin, the PRC	Manufacturing	—	100%	Establishment or investment
Tsingtao Brewery (Chengyang) Sales Co., Ltd. ("Chengyang Sales Company")	Limited liability company	Qingdao, the PRC	Qingdao, the PRC	Wholesale and retail sale	100%	—	Establishment or investment
Tsingtao Brewery Chenzhou Sales Co., Ltd. ("Chenzhou Sales Company")	Limited liability company	Chenzhou, the PRC	Chenzhou, the PRC	Wholesale and retail sale	—	100%	Establishment or investment
Machinery and Equipment Company	Limited liability company	Qingdao, the PRC	Qingdao, the PRC	Construction	—	100%	Establishment or investment
Tsingtao Brewery (Shijiazhuang) Co., Ltd. ("Shijiazhuang Company")	Limited liability company	Shijiazhuang, the PRC	Shijiazhuang, the PRC	Manufacturing	100%	—	Establishment or investment
Tsingtao Brewery (Taiyuan) Co., Ltd. ("Taiyuan Company")	Limited liability company	Taiyuan, the PRC	Taiyuan, the PRC	Manufacturing	100%	—	Establishment or investment
Finance Company	Limited liability company	Qingdao, the PRC	Qingdao, the PRC	Financing	100%	—	Establishment or investment
Tsingtao Brewery Sifang Sales Co., Ltd. ("Sifang Sales Company")	Limited liability 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 2015

(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	Kind of legal entity	Place of operation	Place of incorporation	Principal activities	Share proportion		Acquisition method
					Directly	Indirectly	
Tsingtao Brewery (Jieyang) Co., Ltd. ("Jieyang Company")	Limited liability company	Jieyang, the PRC	Jieyang, the PRC	Manufacturing	75%	—	Establishment or investment
Tsingtao Brewery (Shaoguan) Co., Ltd. ("Shaoguan Company")	Limited liability company	Shaoguan, the PRC	Shaoguan, the PRC	Manufacturing	100%	—	Establishment or investment
Tsingtao Brewery (Hainan) Co., Ltd. ("Hainan Company")	Limited liability company	Chengmai, the PRC	Chengmai, the PRC	Manufacturing	100%	—	Establishment or investment
Tsingtao Brewery (Shibe) Sales Co., Ltd. ("Shibe Sales Company")	Limited liability company	Qingdao, the PRC	Qingdao, the PRC	Wholesale and retail sale	100%	—	Establishment or investment
Tsingtao Brewery (Jiujiang) Co., Ltd. ("Jiujiang Company")	Limited liability company	Jiujiang, the PRC	Jiujiang, the PRC	Manufacturing	90%	—	Establishment or investment
Tsingtao Brewery (Pingdu) Sales Co., Ltd. ("Pingdu Sales Company")	Limited liability company	Qingdao, the PRC	Qingdao, the PRC	Wholesale and retail sale	100%	—	Establishment or investment
Shanghai Tsingtao Brewery Sales Co., Ltd. ("New Shanghai Sales") (ii)	Limited liability company	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")	Limited liability company	Xuzhou, the PRC	Xuzhou, the PRC	Wholesale and retail sale	100%	—	Establishment or investment
Tsingtao Brewery (Luoyang) Co., Ltd. ("Luoyang Company")	Limited liability company	Luoyang, the PRC	Luoyang, the PRC	Manufacturing	100%	—	Establishment or investment
Tsingtao Brewery Suntory (Shanghai) Sales Co., Ltd. ("Sales Company") (i)	Limited liability company	Shanghai, the PRC	Shanghai, the PRC	Wholesale and retail sale	50%	—	Establishment or investment
Tsingtao Brewery (Zhangjiakou) Co., Ltd. ("Zhangjiakou company")	Limited liability company	Zhangjiakou, the PRC	Zhangjiakou, the PRC	Manufacturing	100%	—	Establishment or investment
Tsingtao Brewery (Sanshui) Co., Ltd. ("Sanshui Company")	Limited liability company	Sanshui, the PRC	Sanshui, the PRC	Manufacturing	—	75%	Business combination not under common control
Tsingtao Brewery (Chenzhou) Co., Ltd. ("Chenzhou Company")	Limited liability company	Chenzhou, the PRC	Chenzhou, the PRC	Manufacturing	88.80%	11.20%	Business combination not under common control
Shenzhen Asahi	Limited liability company	Shenzhen, the PRC	Shenzhen, the PRC	Manufacturing	51%	—	Business combination not under common control
Nanning Tsingtao Brewery Co., Ltd. ("Nanning Company")	Limited liability company	Nanning, the PRC	Nanning, the PRC	Manufacturing	—	75%	Business combination not under common control
Beijing Tsingtao Brewery Three Ring Co., Ltd. ("Three Ring Company")	Limited liability company	Beijing, the PRC	Beijing, the PRC	Manufacturing	29%	25%	Business combination not under common control
Beijing Five Star Tsingtao Brewery Co., Ltd. ("Five Star Company")	Limited liability company	Beijing, the PRC	Beijing, the PRC	Manufacturing	37.64%	25%	Business combination not under common control
Tsingtao Brewery (Weinan) Co., Ltd. ("Weinan Company")	Limited liability company	Weinan, the PRC	Weinan, the PRC	Manufacturing	28%	72%	Business combination not under common control
Tsingtao Brewery (Gansu) Nongken Co., Ltd. ("Gansu Nongken Company")	Limited liability company	Lanzhou, the PRC	Lanzhou, the PRC	Manufacturing	—	55.06%	Business combination not under common control
Tsingtao Brewery (Wuwei) Company Co., Ltd. ("Wuwei Company")	Limited liability company	Wuwei, the PRC	Wuwei, the PRC	Manufacturing	—	99.72%	Business combination not under common control
Tsingtao Brewery (Rongcheng) Co., Ltd. ("Rongcheng Company")	Limited liability company	Rongcheng, the PRC	Rongcheng, the PRC	Manufacturing	70%	—	Business combination not under common control
Tsingtao Brewery (Suizhou) Co., Ltd. ("Suizhou Company")	Limited liability company	Suizhou, the PRC	Suizhou, the PRC	Manufacturing	—	90%	Business combination not under common control



## Notes to Financial Statements

For the year ended 31 December 2015

(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	Kind of legal entity	Place of operation	Place of incorporation	Principal activities	Share proportion		Acquisition method
					Directly	Indirectly	
Tsingtao Brewery (Fuzhou) Co., Ltd. ("Fuzhou Company")	Limited liability company	Fuzhou, the PRC	Fuzhou, the PRC	Manufacturing	—	100%	Business combination not under common control
Tsingtao Brewery (Zhangzhou) Co., Ltd. ("Zhangzhou Company")	Limited liability company	Zhangzhou, the PRC	Zhangzhou, the PRC	Manufacturing	—	90%	Business combination not under common control
Construction Company	Limited liability company	Qingdao, the PRC	Qingdao, the PRC	Construction	100%	—	Business combination not under common control
Tsingtao Brewery (Penglai) Co., Ltd. ("Penglai Company")	Limited liability company	Penglai, the PRC	Penglai, the PRC	Manufacturing	80%	—	Business combination not under common control
Tsingtao Brewery Cultural Communication Co., Ltd. ("Cultural Communication Company")	Limited liability company	Qingdao, the PRC	Qingdao, the PRC	Manufacturing	100%	—	Business combination not under common control
Tsingtao Brewery Beverage Co., Ltd. ("Beverage Company")	Limited liability company	Qingdao, the PRC	Qingdao, the PRC	Manufacturing	100%	—	Business combination not under common control
Immense Brewery company	Limited liability company	Shandong, the PRC	Mengyin, the PRC	Manufacturing, Wholesale and retail sale	75%	25%	Business combination not under common control
Tsingtao Brewery (Hangzhou) Co., Ltd. ("Hangzhou Company")	Limited liability company	Jiande, the PRC	Jiande, the PRC	Manufacturing	80%	—	Business combination not under common control
Macau Company	Limited liability company	Macau, the PRC	Macau, the PRC	Wholesale and retail sale	—	60%	Business combination not under common control
Shanghai Market Service (ii)	Limited liability company	Shanghai, the PRC	Shanghai, the PRC	Wholesale and retail sale	—	50%	Business combination not under common control
The Prince Sales (ii)	Limited liability company	Jiangsu, the PRC	LianYungang, the PRC	Wholesale and retail sale	—	50%	Business combination not under common control
Lulansa Brewery	Limited liability company	Zibo, the PRC	Zibo, the PRC	Manufacturing	55%	—	Business combination not under common control
Equipment Manufacture	Limited liability company	Qingdao, the PRC	Qingdao, the PRC	Manufacturing	—	100%	Business combination not under common control

(i) The Company has 50% equity interests in Sales Company. But 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 of which are from the Company. So the voting rate of the Company was 55.56%, and can exercise control over Sales Company. The other 4 directors are from Suntory 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 2015, no share capital or debt securities are issued by the subsidiaries of the Company.

There are no restrictions on using the assets of the Group or settling the liabilities of the Group.



## Notes to Financial Statements

For the year ended 31 December 2015

(All amounts in RMB Yuan unless otherwise stated)

### 6 Interests in other entities (continued)

#### (1) Interests in subsidiaries (continued)

##### (b) Subsidiaries with significant non-controlling interests

Name of subsidiaries	Share proportion of non-controlling interests	Non-controlling interests for the year ended 31 December 2015	Total dividends distributed to the minority shareholders in 2015	Non-controlling interests as at 31 December 2015
Shenzhen Asahi Sales Company (i)	49%	50,174,534	(48,608,000)	227,849,867
	50%	(203,652,670)	—	(801,471,442)

Summarised financial information of significant non-wholly owned subsidiaries is as follows:

	As at 31 December 2015					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
Shenzhen Asahi Sales Company (i)	94,885,314	587,167,299	682,052,613	(210,633,354)	(6,233,681)	(216,867,035)
	155,230,576	71,536,633	226,767,209	(1,816,704,314)	(13,005,779)	(1,829,710,093)

	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)

	Year ended 31 December 2015			
	Revenue	Net profit/(loss)	Other comprehensive income	Cash flows from operating activities
Shenzhen Asahi Sales Company (i)	955,037,753	102,423,390	102,423,390	133,996,040
	2,624,532,323	(407,305,340)	(407,305,340)	(133,139,799)

	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)

## Notes to Financial Statements

For the year ended 31 December 2015

(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 (continued)

Financial information above doesn't include the offset amount in the Group.

- (i) The information are extracted from the consolidated financial statement of Sales Company and its subsidiaries, including Nanjing Sales Company, Huaihai Sales Company, New Shanghai Sales, Shanghai Market Service and The Prince Sales.

#### (2) Interests in Joint Ventures and Associates

##### (a) Fundamental information of significant Joint Ventures and Associates

	Place of operation	Place of incorporation	Principal activities	Strategic impact on the Group	Share proportion	
					Directly	Indirectly
Joint Ventures —						
Hebei Jiahe Company	Shijiazhuang, the PRC	Shijiazhuang, the PRC	Manufacturing	Yes	50%	—
Associates —						
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 investments above are accounted for using the equity method.



## Notes to Financial Statements

For the year ended 31 December 2015

(All amounts in RMB Yuan unless otherwise stated)

### 6 Interests in other entities (continued)

#### (2) Interests in Joint Ventures and Associates (continued)

##### (b) Summarised financial information of the joint venture

	Hebei Jiahe Company	
	31 December 2015	31 December 2014
Current assets	37,608,985	43,334,281
Including: cash and cash equivalents	4,394,803	1,680,356
Non-current assets	118,821,650	124,975,094
Total assets	156,430,635	168,309,375
Current liabilities	(56,500,419)	(90,830,962)
Total liabilities	(56,500,419)	(90,830,962)
Total equity attributable to shareholders of the company	99,930,216	77,478,413
Adjusted fair value of the identifiable net assets when obtained	123,136,711	136,899,089
Adjusted total equity attributable to shareholders of the company	223,066,927	214,377,502
The share of net assets calculated based on the shareholding proportion (i)	111,533,464	107,188,751
Adjusting item — goodwill	113,928,609	113,928,609
Book value of investment on the joint venture	225,462,073	221,117,360

There is no quoted market price for the joint venture investment of the Group.

	Hebei Jiahe Company	
	For the year ended 31 December 2015	From the acquisition date to 31 December 2014
Revenue	325,255,910	246,074,642
Finance expenses — net	1,492,628	(10,889)
Income tax expense	2,902,104	—
Net profit/(loss)	21,350,150	(9,576,228)
Total comprehensive income	21,350,150	(9,576,228)
Adjusted fair value of the identifiable net assets when obtained	(13,762,378)	(11,127,852)
Adjusted total comprehensive income attributable to shareholders of the company	7,587,772	(20,704,080)
Dividends received from the joint venture in the current year	—	—

(i) The share of the net asset of the 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 ventures at the acquisition date and conformed to accounting policies of the Group.

## Notes to Financial Statements

For the year ended 31 December 2015

(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 2015					31 December 2014				
	Manufacturing Company	Yantai Asahi	Zhaoshang Logistics	Liaoning Shengqing	European Company	Manufacturing Company	Yantai Asahi	Zhaoshang Logistics	Liaoning Shengqing	European Company
Current assets	1,445,256,641	230,208,045	133,747,718	43,381,314	21,926,025	1,240,522,099	262,904,813	131,874,742	51,095,628	26,416,613
Including: cash and cash equivalents	127,606,056	18,329,398	1,324,943	5,392,240	6,939,318	47,155,477	31,090,597	1,279,025	11,198,256	5,074,043
Non-current assets	2,432,645,024	235,744,650	4,471,033	5,548,121	140,059	2,449,674,233	166,191,009	5,471,348	4,108,502	183,438
Total assets	3,877,901,665	465,952,695	138,218,751	48,929,435	22,066,084	3,690,196,332	429,095,822	137,346,090	55,204,130	26,600,051
Current liabilities	(1,367,318,381)	(182,023,878)	(81,357,946)	(41,604,901)	(17,671,780)	(1,093,886,116)	(145,916,544)	(59,335,082)	(46,514,172)	(22,390,263)
Non-current liabilities	(393,752,504)	—	—	—	—	(423,875,953)	(157,439)	(10,632,259)	—	—
Total liabilities	(1,761,070,885)	(182,023,878)	(81,357,946)	(41,604,901)	(17,671,780)	(1,517,762,069)	(146,073,983)	(69,967,341)	(46,514,172)	(22,390,263)
Non-controlling interests	17,238,991	—	—	—	—	24,604,928	—	—	—	—
Total equity attributable to shareholders of the Company	2,099,591,789	283,928,817	56,860,805	7,324,534	4,394,304	2,147,829,335	283,021,839	67,378,749	8,689,958	4,209,788
Adjusted fair value of the identifiable net assets when obtained	96,068,723	41,608,497	—	—	—	98,923,187	45,468,498	—	—	—
Adjusted total equity attributable to shareholders of the company	2,195,660,512	325,537,314	56,860,805	7,324,534	4,394,304	2,246,752,522	328,490,337	67,378,749	8,689,958	4,209,788
The share of net assets calculated based on the shareholding proportion (i)	1,097,830,256	126,959,552	17,058,242	2,197,360	1,757,722	1,123,376,261	128,111,231	20,213,625	2,606,987	1,683,915
Adjusting items										
— Goodwill	38,540,092	9,640,679	—	—	—	38,540,092	9,640,679	—	—	—
— Unrealised profits of internal transaction	(8,556,835)	(3,144,046)	—	—	—	(9,027,775)	—	—	—	—
Book value of investments on Associates	1,127,813,513	133,456,185	17,058,242	2,197,360	1,757,722	1,152,888,578	137,751,910	20,213,625	2,606,987	1,683,915

There is no quoted market price for the investments in associates of the Group.



## Notes to Financial Statements

For the year ended 31 December 2015

(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 2015					31 December 2014				
	Manufacturing Company	Yantai Asahi	Zhaoshang Logistics	Liaoning Shenqing	European Company	Manufacturing Company	Yantai Asahi	Zhaoshang Logistics	Liaoning Shenqing	European Company
Revenue	2,205,194,668	656,940,745	286,732,365	127,819,132	57,146,965	2,504,698,465	733,066,197	284,064,949	176,283,546	79,861,584
Net (loss)/profits	(53,279,484)	40,165,391	15,435,356	(1,365,424)	376,899	47,629,664	43,620,459	7,834,555	(3,717,926)	625,057
Other comprehensive income	—	—	—	—	(192,383)	—	—	—	—	(397,907)
Total comprehensive income	(53,279,484)	40,165,391	15,435,356	(1,365,424)	184,516	47,629,664	43,620,459	7,834,555	(3,717,926)	227,150
Non-controlling interests	(5,041,938)	—	—	—	—	2,778,348	—	—	—	—
Total comprehensive income attributable to shareholders of the company	(48,237,546)	40,165,391	15,435,356	(1,365,424)	184,516	44,851,316	43,620,459	7,834,555	(3,717,926)	227,150
Adjusted fair value of the identifiable net assets when obtained	(2,854,464)	(3,860,001)	—	—	—	(15,949,294)	(3,860,001)	—	—	—
Adjusted total comprehensive income attributable to shareholders	(51,092,010)	36,305,390	15,435,356	(1,365,424)	184,516	28,902,022	39,760,458	7,834,555	(3,717,926)	227,150
Dividends received from the associates in the current year	—	15,310,781	7,785,990	—	—	—	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 associates, 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 2015, the Group's joint venture and associates have no excess losses.

(e) As at 31 December 2015, there are no unrecognised commitments related to the investment in the joint venture of the Group, and no contingent liabilities related to the investments in the joint venture and associates either. The unrecognised commitment related to the investments in the associates is referred to Note 10(3).

## Notes to Financial Statements

For the year ended 31 December 2015

(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 resources allocation to these segments and to assess their performance.

Finance Company 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 resources allocation and assess its performance.

The Group identified 7 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 2015

(All amounts in RMB Yuan unless otherwise stated)

### 7 Segment information (continued)

(a) Segment information as at and for the year ended 31 December 2015 is as follows:

	Shandong Region	Huinan Region	Huabei Region	Huadong Region	Dongnan Region	Hong Kong, Macau and other overseas	Finance Company	Unallocated	Elimination	Total
Revenue from external customers	13,879,320,963	3,897,629,068	4,175,305,898	2,791,751,756	2,361,332,805	521,019,539	7,090,439	1,235,572	—	27,634,686,040
Inter-segment revenue	2,409,239,282	367,148,144	1,230,524,967	158,795,127	96,647,998	136,623,354	44,333,105	522,386	(4,443,834,363)	—
Cost of sales	(10,422,223,784)	(2,731,461,698)	(3,753,714,890)	(2,580,654,489)	(1,647,398,764)	(466,551,547)	(857,223)	(980,273)	4,411,740,973	(17,192,101,695)
Selling and distribution expenses	(2,903,216,351)	(896,675,114)	(515,609,310)	(771,367,698)	(685,431,043)	(132,239,720)	—	—	—	(5,904,539,236)
Interest income	32,471,846	17,051,525	38,341,478	1,423,945	8,453,697	1,282,409	312,677,989	63,002,048	(138,131,804)	336,573,133
Interest expense	(16,247,266)	(7,416,500)	(23,983,522)	(11,201,897)	(9,412,213)	(5,167,345)	(143,050,534)	—	207,495,591	(8,983,686)
Share of losses of associates and a joint venture	—	—	—	—	—	—	—	(4,562,375)	—	(4,562,375)
Asset impairment reversals/(losses)	410,047	(1,704,329)	(144,128)	116,575	(1,246,431)	20,861	(1,919,763)	26,634,189	(24,229,396)	(2,062,375)
Depreciation and amortisation	(426,915,496)	(201,828,380)	(192,373,441)	(20,141,897)	(71,774,863)	(2,559,829)	(1,160,002)	(48,594,301)	—	(965,348,209)
Total profit	1,642,093,566	119,959,379	568,188,479	(477,140,939)	(39,215,938)	54,573,287	234,462,433	157,522,512	14,379,623	2,274,822,402
Income tax expense	(430,127,308)	(52,102,265)	(135,177,876)	14,864,093	13,436,339	(11,891,193)	(58,720,749)	—	(3,059,929)	(662,778,888)
Net profit	1,211,966,258	67,857,114	433,010,603	(462,276,846)	(25,779,599)	42,682,094	175,741,684	157,522,512	11,319,694	1,612,043,514
Total assets	11,275,923,045	4,369,906,866	5,253,710,545	472,166,928	1,850,291,719	639,489,966	8,640,128,102	5,730,710,815	(9,731,737,858)	28,500,590,128
Total liabilities	5,245,399,475	1,678,424,615	3,602,888,045	1,961,942,945	862,107,223	771,626,167	7,484,780,186	431,515,081	(9,704,104,659)	12,334,579,078
Long-term equity investments in associates and a joint venture	—	—	—	—	—	—	—	1,507,745,095	—	1,507,745,095
Additions to non-current assets other than long-term equity investments	395,236,305	167,527,198	421,095,932	12,373,385	80,489,739	2,199,444	502,400	59,582,307	(51,946,886)	1,087,059,824



## Notes to Financial Statements

For the year ended 31 December 2015

(All amounts in RMB Yuan unless otherwise stated)

### 7 Segment information (continued)

(b) Segment information as at and for the year 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	14,136,469,427	4,401,431,421	4,185,880,314	3,029,370,253	2,797,425,636	493,720,960	2,725,072	2,298,083	—	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 expense	(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 profits of associates and a joint venture	—	—	—	—	—	—	—	23,840,743	—	23,840,743
Asset impairment reversals/(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	1,864,241,525	354,953,325	636,576,464	(286,923,471)	82,486,126	33,934,525	246,643,056	(239,565,940)	(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	1,478,118,811	277,405,568	494,143,474	(267,450,996)	76,286,842	26,794,316	184,801,246	(239,565,940)	(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 2015

(All amounts in RMB Yuan unless otherwise stated)

### 7 Segment information (continued)

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	2015	2014
Domestic	27,079,863,084	28,529,135,920
Hong Kong and Macau	256,705,161	264,175,591
Other countries/geographical areas	298,117,795	256,009,655
	27,634,686,040	29,049,321,166
	<b>31 December</b>	31 December
Total non-current assets	2015	2014
Domestic	15,832,510,231	15,920,989,555
Hong Kong and Macau	10,973,478	11,780,871
	15,843,483,709	15,932,770,426

### 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 the joint venture and associates

Except for the information of the joint venture and associates disclosed in Note 6(2), the other associates having related parties transactions with the Group are set out below:

Company name	Relationship with the Group
Associates —	
New Songjiang Manufacturing	A subsidiary of Manufacturing Company, the Group's associate
Pengcheng Company	A subsidiary of Manufacturing Company, the Group's associate
Yangzhou Company	A subsidiary of Manufacturing Company, the Group's associate
Xuzhou Company	A subsidiary of Manufacturing Company, the Group's associate
Suqian Company	A subsidiary of Manufacturing Company, the Group's associate
Suntory Brewery (Kunshan) Co., Ltd. ("Suntory Kunshan")	A subsidiary of Manufacturing Company, the Group's associate
Suntory Brewery (Shanghai) Co., Ltd. ("Suntory Shanghai")	A subsidiary of Manufacturing Company, the Group's associate
Suntory Brewery (Guangming) Co., Ltd. ("Suntory Guangming")	A subsidiary of Manufacturing Company, the Group's associate
Suntory Jiangsu	A subsidiary of Manufacturing Company, the Group's associate

## Notes to Financial Statements

For the year ended 31 December 2015

(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”)	Majority 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	2015	2014
New Songjiang Manufacturing	Purchase of beer and materials	Mutually-agreed prices and approval by Board of Directors	704,024,383	738,743,071
Yantai Asahi	Purchase of beer and materials	Mutually-agreed prices and approval by Board of Directors	652,574,835	716,937,800
Suntory Kunshan	Purchase of beer and materials	Mutually-agreed prices and approval by Board of Directors	354,175,704	399,901,466
Suntory Shanghai Hebei Jiahe Company	Purchase of beer and materials	Mutually-agreed prices and approval by Board of Directors	354,107,541	382,028,091
Zhaoshang Logistics	Purchase of beer Receiving logistics service (including payment on behalf)	Mutually-agreed prices	321,850,749	234,863,895
Pengcheng Company	Purchase of beer and materials	Mutually-agreed prices and approval by Board of Directors	252,517,226	273,950,690
Suntory Jiangsu	Purchase of beer and materials	Mutually-agreed prices and approval by Board of Directors	215,468,796	321,034,934
Xuzhou Company	Purchase of beer	Mutually-agreed prices and approval by Board of Directors	148,510,929	141,052,723
Yangzhou Company	Purchase of beer and materials	Mutually-agreed prices and approval by Board of Directors	144,064,484	182,696,277
Suqian Company	Purchase of beer and materials	Mutually-agreed prices and approval by Board of Directors	128,913,295	139,035,617
Suntory Guangming	Purchase of beer and materials	Mutually-agreed prices and approval by Board of Directors	108,501,880	135,420,114
			13,013,005	24,996,350
			<b>3,397,722,827</b>	<b>3,690,661,028</b>

## Notes to Financial Statements

For the year ended 31 December 2015

(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	2015	2014
Liaoning Shenqing	Sale of beer	Mutually-agreed prices	<b>115,460,864</b>	138,593,056
European Company	Sale of beer	Mutually-agreed prices Mutually-agreed prices and approval by Board of Directors	<b>45,303,670</b>	74,437,520
Asahi Breweries New Songjiang Manufacturing	Sale of beer Sale of materials	Mutually-agreed prices Mutually-agreed prices and approval by Board of Directors	<b>26,190,227</b>	21,437,349
Asahi Investment New Songjiang Manufacturing	Sale of beer Providing construction and equipment installation services	Mutually-agreed prices	<b>9,058,981</b>	22,667,757
Asahi Investment New Songjiang Manufacturing	Sale of beer Providing construction and equipment installation services	Mutually-agreed prices Mutually-agreed prices and approval by Board of Directors	<b>7,613,190</b>	5,026,937
Pengcheng Company	Sale of materials	Mutually-agreed prices	<b>1,820,085</b>	—
Yantai Asahi Pengcheng Company	Sale of materials Providing construction and equipment installation services	Mutually-agreed prices	<b>1,806,911</b>	6,164,001
Yantai Asahi Pengcheng Company	Sale of materials Providing construction and equipment installation services	Mutually-agreed prices	<b>1,027,882</b>	8,333,567
Pengcheng Company	Providing construction and equipment installation services	Mutually-agreed prices	<b>270,085</b>	—
Suntory Shanghai Suqian Company Yangzhou Company	Sale of materials Providing construction and equipment installation services Sale of materials	Mutually-agreed prices	<b>60,554</b>	112,414
Suntory Shanghai Suqian Company Yangzhou Company	Sale of materials Providing construction and equipment installation services Sale of materials	Mutually-agreed prices	<b>49,060</b>	—
Suntory Shanghai Suqian Company Yangzhou Company	Sale of materials Providing construction and equipment installation services Sale of materials	Mutually-agreed prices	<b>45,925</b>	402,810
Suntory Shanghai Suqian Company Yangzhou Company	Sale of materials Providing construction and equipment installation services Sale of materials	Mutually-agreed prices	<b>17,298</b>	—
Suntory Shanghai Suqian Company Yangzhou Company	Sale of materials Providing construction and equipment installation services Sale of materials	Mutually-agreed prices	<b>8,139</b>	—
Suntory Shanghai Suqian Company Yangzhou Company	Sale of materials Providing construction and equipment installation services Sale of materials	Mutually-agreed prices	<b>5,983</b>	—
Suntory Shanghai Suqian Company Yangzhou Company	Sale of materials Providing construction and equipment installation services Sale of materials	Mutually-agreed prices	<b>4,615</b>	306,378
Suntory Shanghai Suqian Company Yangzhou Company	Sale of materials Providing construction and equipment installation services Sale of materials	Mutually-agreed prices	—	159,087
Suntory Shanghai Suqian Company Yangzhou Company	Sale of materials Providing construction and equipment installation services Sale of materials	Mutually-agreed prices	—	948,718
			<b>208,743,469</b>	<b>278,589,594</b>

## Notes to Financial Statements

For the year ended 31 December 2015

(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	2015	2014
New Songjiang Manufacturing	Brand royalty	Mutually-agreed prices	8,796,834	9,288,629
Pengcheng Company	Brand royalty	Mutually-agreed prices	1,985,814	2,963,590
Yangzhou Company	Brand royalty	Mutually-agreed prices	1,432,035	1,507,048
Xuzhou Company	Brand royalty	Mutually-agreed prices	1,267,679	1,605,978
Suqian Company	Brand royalty	Mutually-agreed prices	1,023,779	1,258,314
Suntory Jiangsu	Brand royalty	Mutually-agreed prices	183,945	91,652
			<u>14,690,086</u>	<u>16,715,211</u>

##### (d) Entrusted loan from related parties

	2015	2014
Suntory Company (Note 4(21)(iii))	<u>788,646,845</u>	<u>470,850,295</u>

##### (e) Loan repayments to related parties

	2015	2014
Suntory Company (Note 4(21)(iii))	<u>708,162,272</u>	<u>452,176,918</u>

##### (f) Absorbed deposits from related parties

	2015	2014
Yantai Asahi	739,061,937	690,956,821
New Songjiang Manufacturing	609,691,239	717,642,070
Pengcheng Company	239,216,089	353,187,695
Manufacturing Company	177,641,865	100,331,847
Xuzhou Company	163,382,367	202,814,147
Yangzhou Company	150,275,185	171,747,273
Suqian Company	141,149,662	176,376,884
	<u>2,220,418,344</u>	<u>2,413,056,737</u>



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(All amounts in RMB Yuan unless otherwise stated)

### 8 Related parties and related party transactions (continued)

#### (4) Related party transactions (continued)

##### (g) Interest expense paid to related parties

	2015	2014
Suntory Company (Note 4(21)(iii))	2,479,313	1,574,415
New Songjiang Manufacturing	326,369	177,039
Yantai Asahi	229,335	77,461
Pengcheng Company	154,793	363,073
Yangzhou Company	70,564	131,938
Manufacturing Company	27,732	38,619
Xuzhou Company	26,702	58,546
Suqian Company	21,728	39,507
	<u>3,336,536</u>	<u>2,460,598</u>

##### (h) Financial services fee received from related parties

	2015	2014
New Songjiang Manufacturing	15,924	22,322
Yantai Asahi	10,134	8,387
Pengcheng Company	5,479	10,116
Suqian Company	3,518	5,602
Xuzhou Company	3,228	4,778
Yangzhou Company	1,533	3,762
Manufacturing Company	141	974
	<u>39,957</u>	<u>55,941</u>

##### (i) Key management compensation

	2015	2014
Key management compensation	<u>12,576,482</u>	<u>15,544,871</u>

(j) For the year ended 31 December 2015 and 2014, there is no loan provided to the key management from the Group.

## Notes to Financial Statements

For the year ended 31 December 2015

(All amounts in RMB Yuan unless otherwise stated)

### 8 Related parties and related party transactions (continued)

#### (5) Receivable and payable balances with related parties

Receivables from related parties:

		31 December 2015		31 December 2014	
		Ending balance	Provision for bad debts	Ending balance	Provision for bad debts
Accounts receivable	European Company	12,498,849	—	14,042,337	—
	Beijing Sales Company	11,245,784	(11,245,784)	11,245,784	(11,245,784)
	Guangzhou General Agency	3,959,690	(3,959,690)	7,559,690	(7,559,690)
	Asahi Breweries	2,345,825	—	1,875,403	—
	Asahi Investment	862,511	—	334,369	—
	New Songjiang Manufacturing	—	—	8,057,140	—
		<b>30,912,659</b>	<b>(15,205,474)</b>	<b>43,114,723</b>	<b>(18,805,474)</b>
Other receivables	Suqian Company	25,398,906	—	25,511,113	—
	Yangzhou Company	19,421,507	—	19,697,470	—
	New Songjiang Manufacturing	11,448,059	—	14,081,877	—
	Xuzhou Company	2,241,990	—	1,702,337	—
	Pengcheng Company	2,195,963	—	3,358,686	—
	Suntory Jiangsu	2,192,861	—	5,440,807	—
		<b>62,899,286</b>	<b>—</b>	<b>69,792,290</b>	<b>—</b>
Advances to suppliers	Suntory Jiangsu	1,446,791	—	1,446,791	—
	Suqian Company	—	—	2,000,000	—
	<b>1,446,791</b>	<b>—</b>	<b>3,446,791</b>	<b>—</b>	



## Notes to Financial Statements

For the year ended 31 December 2015

(All amounts in RMB Yuan unless otherwise stated)

### 8 Related parties and related party transactions (continued)

#### (5) Receivable and payable balances with related parties (continued)

Payables to related parties:

		31 December 2015	31 December 2014
Accounts payable	New Songjiang Manufacturing	431,183,207	266,147,466
	Suntory Kunshan	234,843,123	230,442,454
	Yantai Asahi	91,317,028	102,562,149
	Pengcheng Company	74,067,416	66,890,582
	Suntory Shanghai	21,179,335	25,413,423
	Suntory Jiangsu	19,997,712	18,076,499
	Hebei jiahe Company	3,657,847	1,098,481
	Yangzhou Company	1,485,417	16,452,019
	Suqian Company	811,896	10,692,196
	Xuzhou Company	673,221	4,656,471
	Suntory Guangming	436,687	543,663
		<u>879,652,889</u>	<u>742,975,403</u>
Other payables	Suntory Shanghai	52,175,437	41,872,594
	Suntory Kunshan	44,431,093	33,303,009
	Zhaoshang Logistics	33,947,864	39,467,925
	Pengcheng Company	25,597,994	6,888,087
	Xuzhou Company	14,033,356	1,528,060
	Yangzhou Company	13,461,796	9,551,506
	New Songjiang Manufacturing	13,306,619	5,296,230
	Suqian Company	9,589,096	1,048,549
	Yantai Asahi	8,215,924	12,375,031
	Suntory Guangming	6,675,880	4,154,033
	Manufacturing Company	113,226	513,159
		<u>221,548,285</u>	<u>155,998,183</u>
Advances from customers	Liaoning Shenqing	<u>9,793,264</u>	<u>3,108,416</u>
Interests payable	Suntory Company	<u>440,749</u>	<u>252,829</u>
Short-term borrowings	Suntory Company	<u>188,444,610</u>	<u>107,960,037</u>



## Notes to Financial Statements

For the year ended 31 December 2015

(All amounts in RMB Yuan unless otherwise stated)

### 8 Related parties and related party transactions (continued)

#### (6) Benefits and interests of directors

##### (a) Directors' and CEO's emoluments

The remuneration of every director, supervisor and CEO for the year ended 31 December 2015 are set out below:

Name	Emoluments in respect of a person's services as a director				Emoluments in respect of director's other services in connection with the management of the affairs of the company or its subsidiaries undertaking	Total
	Fees	Salary, bonus, and allowance	Social pension	Housing funds		
<b>Directors:</b>						
Sun Mingbo	—	1,693,236	43,719	20,508	—	1,757,463
Huang Kexing (acting as CEO)	—	1,387,266	43,719	20,508	—	1,451,493
Jiang Hong	—	1,024,151	43,719	20,508	—	1,088,378
Yu Zhuming	—	812,876	43,719	20,508	—	877,103
Ma Haitao (iii)	120,000	—	—	—	—	120,000
Wang Xuezheng	120,000	—	—	—	—	120,000
Ben Shenglin	120,000	—	—	—	—	120,000
Jiang Min	120,000	—	—	—	—	120,000
<b>Supervisors:</b>						
Duan Jiajun (i)	90,000	—	—	—	—	90,000
Li Gang (ii)	10,000	—	—	—	—	10,000
Li Yan	80,000	—	—	—	—	80,000
Wang Yaping	80,000	—	—	—	—	80,000
Xue Chaoshan	—	483,900	43,719	20,508	—	548,127
Sun Lihong	—	374,600	43,719	20,508	—	438,827
Xing Jun	—	344,700	43,719	20,508	—	408,927
	<b>740,000</b>	<b>6,120,729</b>	<b>306,033</b>	<b>143,556</b>	<b>—</b>	<b>7,310,318</b>

(i) Resigned from supervisor on 17 October 2015.

(ii) Appointed as supervisor on 4 December 2015.

(iii) Resigned from director on 16 February 2015.

For the year ended 31 December 2015, the directors (including Sun Mingbo, Huang Kexing, Jiang Hong, Yu Zhuming) and the Supervisors (including Xue Chaoshan, Sun Lihong, Xing Jun) have provided management services in connection with the management of the affairs of the company or its subsidiaries undertaking. As the emoluments as directors or supervisors and other services can't be distinguished from each other, emoluments as both of the roles are combined disclosed together.

## Notes to Financial Statements

For the year ended 31 December 2015

(All amounts in RMB Yuan unless otherwise stated)

### 8 Related parties and related party transactions (continued)

#### (6) Benefits and interests of directors (Continued)

##### (a) Directors, supervisors and CEO's emoluments (Continued)

The remuneration of every director, supervisor and CEO for the year ended 31 December 2014 is set out below:

Name	Emoluments in respect of a person's services as a director				Emoluments in respect of director's other services in connection with the management of the affairs of the company or its subsidiaries undertaking	Total
	Fees	Salary, bonus, and allowance	Social pension	Housing funds		
<b>Directors:</b>						
Sun Mingbo	—	1,826,856	38,672	18,024	—	1,883,552
Wang Fan (i)	—	531,288	19,336	8,418	—	559,042
Huang Kexing (acting as CEO)	—	1,514,376	38,672	18,024	—	1,571,072
Jiang Hong	—	1,117,736	38,672	18,024	—	1,174,432
Sun Yuguo (i)	—	113,828	19,336	8,418	—	141,582
Yu Zhuming (ii)	—	893,200	38,672	18,024	—	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	38,672	18,024	—	549,653
Sun Lihong	—	385,500	38,672	18,024	—	442,196
Xing Jun	—	337,000	38,672	18,024	—	393,696
	690,000	7,212,741	309,376	143,004	—	8,355,121

- (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 2015

(All amounts in RMB Yuan unless otherwise stated)

### 8 Related parties and related party transactions (continued)

#### (6) Benefits and interests of directors (Continued)

- (b) As at 31 December 2015, there are no termination benefits for the directors (2014: nil).
- (c) For the year ended 31 December 2015, there is no consideration provided to third parties for making available directors' services (2014: nil).
- (d) For the year ended 31 December 2015, there are no loans and quasi-loans in favour of directors, controlled body corporate of directors, and connected entities of directors, and no guarantee or security provided to directors, controlled body corporate of directors, and connected entities of directors (2014: nil).
- (e) No significant transactions, arrangements and contracts in related to the group's business to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted during the year ended 31 December 2015 (2014: nil).

#### (7) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year include 3 (2014: 3) directors whose emoluments are reflected in the analysis shown in the table above. The emoluments payable to the remaining 2 (2014: 2) individuals during the year are as follows:

	2015	2014
Salary, bonus and allowance	4,402,400	4,594,300
Social pension	87,438	77,344
housing funds	41,016	36,048
	<u>4,530,854</u>	<u>4,707,692</u>
	<b>Number of individuals</b>	
	2015	2014
<b>Emoluments bands:</b>		
HKD2,000,000-2,500,000 (RMB1,600,000-2,000,000)	1	1
HKD3,000,000-3,500,000 (RMB2,400,000-2,800,000)	1	0
HKD3,500,000-4,000,000 (RMB2,800,000-3,200,000)	0	1

### 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.



## Notes to Financial Statements

For the year ended 31 December 2015

(All amounts in RMB Yuan unless otherwise stated)

### 10 Commitments

#### (1) Capital commitments

Capital expenditures contracted for but not yet necessary to be recognised on the balance sheet

	31 December 2015	31 December 2014
Buildings, machinery and equipment	<u>353,124,460</u>	<u>421,350,610</u>

#### (2) Operating lease commitments

The future minimum lease payments due under the signed irrevocable operating leases contracts are summarised as follows:

	31 December 2015	31 December 2014
Within one year	26,323,769	13,480,278
1 to 2 years	4,149,753	4,652,988
2 to 3 years	<u>120,000</u>	<u>1,671,002</u>
	<u>30,593,522</u>	<u>19,804,268</u>

#### (3) Investment commitments

According to the Framework Agreement of Transfer of Equity Interests and Permission for Use of Brand and Technologies ("Framework Agreement") entered between the Company and Suntory Company on 18 October 2015, the Company will acquire 50% equity interest of Manufacturing Company and 50% equity interest of Sales Company. The consideration is determined by basic price of 822,912,001 together with subsequent consideration adjustment as mentioned in Framework Agreement. After the completion of this deal, Manufacturing Company and Sales Company will become fully owned subsidiaries of the Company. As at 31 December 2015, the related equity transfer procedures have not yet completed, the final consideration still has not been agreed, and hence the equity payment has not been made by the Company.

### 11 Events after the balance sheet date

#### (1) Dividends distribution after the balance sheet date

	Amount
Dividends proposed (a)	
— Dividends authorised to declare	<u>526,883,290</u>

- (a) In accordance with the resolution at the Board of Directors' meeting dated on 28 March 2016, the Board of Directors proposed a dividend of RMB526,883,290 to the shareholders, which is not recorded as liability in the financial statements for the current year (Note 4(38)).

## Notes to Financial Statements

For the year ended 31 December 2015

(All amounts in RMB Yuan unless otherwise stated)

### 11 Events after the balance sheet date *(continued)*

#### (2) Other event

As stated in Note10(3), the Company acquires 50% equity interest of Manufacturing Company and 50% equity interest of Sales Company respectively, and the procedures of alteration at the industrial and commercial administration for the transfer of the equity interests of Manufacturing Company and Sales Company have been completed on 16 March 2016 and 24 March 2016 respectively. As at the reporting date of this financial statement, the final consideration still has not been agreed, and hence the equity payment has not been made by the Company.

### 12 Lease

For the year ended 31 December 2015, there is no financing lease (2014: nil). Operating lease payments recognised in profit or loss for the current year amount to 127,208,736 (2014: 123,518,824).

### 13 Financial instrument and risk

The Group's activities expose it to a variety of financial risks: market risk (primarily foreign exchange 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 minimize 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 USD and EUR. 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 head office is responsible for monitoring the amount of assets and liabilities and transactions denominated in foreign currencies to minimise the foreign exchange risk. The Group may consider entering into forward exchange contracts or currency swap contracts to mitigate the foreign exchange risk. For the year ended 31 December 2015 and 2014, the Group did not enter into any forward foreign exchange contracts or currency swap contracts.



## Notes to Financial Statements

For the year ended 31 December 2015

(All amounts in RMB Yuan unless otherwise stated)

### 13 Financial instrument and risk (continued)

#### (1) Market risk (Continued)

##### (a) Foreign exchange risk (Continued)

As at 31 December 2015 and 2014, the carrying amounts in RMB equivalent to the Group's assets and liabilities denominated in foreign currencies are summarised as below:

	31 December 2015		
	HKD	Other foreign currencies	Total
Financial assets denominated in foreign currency —			
Cash at bank and on hand	60,642,682	85,806,837	146,449,519
Accounts receivable	37,806,945	49,012,412	86,819,357
Other receivables	1,314,671	—	1,314,671
	<u>99,764,298</u>	<u>134,819,249</u>	<u>234,583,547</u>
Financial liabilities denominated in foreign currency —			
Short-term borrowings	301,942,672	—	301,942,672
Other payables	7,049,379	2,997,860	10,047,239
Current portion of non-current liabilities	—	856,189	856,189
Long-term borrowings	—	1,711,800	1,711,800
	<u>308,992,051</u>	<u>5,565,849</u>	<u>314,557,900</u>
	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>

As at 31 December 2015, for various financial assets and liabilities denominated in HKD, if RMB had strengthened or weakened by 10% against the HKD while all other variables had been held constant, the Group's net profit for the year would have been by approximately 1,379,000 (31 December 2014: 2,018,000) higher or lower, and other comprehensive income would have been approximately 17,307,000 (31 December 2014: 20,089,000) higher or lower respectively.

## Notes to Financial Statements

For the year ended 31 December 2015

(All amounts in RMB Yuan unless otherwise stated)

### 13 Financial instrument and risk (continued)

#### (1) Market risk (Continued)

##### (b) Interest rate risk

The Group's interest rate risk arises from interest bearing debts such as long-term bank borrowings. 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 2015 and 2014, as the long-term bank borrowings are all interest-free and immaterial, there is no material interest rate risk in the view of the directors of the Group.

The Group's head office continuously monitors the interest rate position of the Group. Increase in interest rate will increase the cost of new interest-bearing borrowings and therefore could have an adverse impact on the Group's financial position. The management of the Group makes decisions according to the latest market conditions. The directors of the Company are of the view that future interest rate changes will not have a material adverse impact on the Group's operating performance.

##### (c) Price risk

The Group's price risk arises from price fluctuation of the principal raw materials in beer production, while the rise of raw material prices will have adverse impact on the Group's operating performance. The purchasing department of the Group keeps analysing and monitoring the trend of raw materials prices, and considers entering into long-term purchase contracts with the suppliers to make sure that there is no material fluctuation of raw material prices. 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 performance.

#### (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 public-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 related to customers.

In addition, the Group has policies to limit the credit exposure on accounts receivable and notes receivable. The Group assesses the credit quality of and sets credit limits on its customers by taking into account their financial position, the availability of guarantee from third parties, their credit history and other factors such as current market conditions. The credit history of the customers is regularly monitored by the Group. In respect of customers with a poor credit history, the Group will use written payment reminders, or shorten or cancel credit periods, to ensure the overall credit risk of the Group is limited to a controllable extent.



## Notes to Financial Statements

For the year ended 31 December 2015

(All amounts in RMB Yuan unless otherwise stated)

### 13 Financial instrument and risk (continued)

#### (3) Liquidity risk

Cash flow forecasting is performed by each subsidiary of the Group and aggregated by the Group's head office. The head office 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 2015				
	Within 1 year	1 to 2 years	2 to 5 years	Over 5 years	Total
Short-term borrowings	812,760,460	—	—	—	812,760,460
Notes payable	100,141,631	—	—	—	100,141,631
Accounts payable	2,590,986,856	—	—	—	2,590,986,856
Interests payable	1,486,051	—	—	—	1,486,051
Other payables	4,061,298,404	—	—	—	4,061,298,404
Current portion of non-current liabilities	856,189	—	—	—	856,189
Long-term borrowings	—	380,400	1,141,200	190,200	1,711,800
	<b>7,567,529,591</b>	<b>380,400</b>	<b>1,141,200</b>	<b>190,200</b>	<b>7,569,241,391</b>
	31 December 2014				
	Within 1 year	1 to 2 years	2 to 5 years	Over 5 years	Total
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
	<b>7,328,774,807</b>	<b>962,231</b>	<b>1,215,000</b>	<b>607,500</b>	<b>7,331,559,538</b>

Bank borrowings are analysed by repayment terms as follows:

	31 December 2015	31 December 2014
Within 1 year	811,243,471	434,514,016
1 to 2 years	380,400	962,231
2 to 5 years	1,141,200	1,215,000
Over 5 years	190,200	607,500
	<b>812,955,271</b>	<b>437,298,747</b>



## Notes to Financial Statements

For the year ended 31 December 2015

(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) Assets measured at fair value on a recurring basis

As at 31 December 2015, there is no asset measured at fair value on a recurring basis. (31 December 2014: assets measured at fair value on a recurring basis are wealth management products of the Group (Note 4(8)), which belong to Level 2).

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.

#### (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. The difference between the carrying amount and fair value of those financial assets and liabilities not measured by fair value is small.

The fair value of long-term borrowings 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.

### 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.



## Notes to Financial Statements

For the year ended 31 December 2015

(All amounts in RMB Yuan unless otherwise stated)

### 15 Capital management (continued)

For the year ended 31 December 2015, the group's strategy, which was unchanged from the prior year, 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 as at 31 December 2015 and 2014 are as follows:

	<b>31 December 2015</b>	31 December 2014
Cash and cash equivalents	<u>7,575,374,183</u>	<u>5,266,389,764</u>
Less: Short-term borrowings	<b>(810,387,282)</b>	(432,952,595)
Current portion of non-current liabilities	<b>(856,189)</b>	(1,561,421)
Long-term borrowings	<u><b>(1,711,800)</b></u>	<u>(2,784,731)</u>
	<u><b>(812,955,271)</b></u>	<u>(437,298,747)</u>
Cash balance after deducting borrowings	<u><b>6,762,418,912</b></u>	<u>4,829,091,017</u>

### 16 Notes to the Company's financial statements

#### (1) Accounts receivable

	<b>31 December 2015</b>	31 December 2014
Accounts receivable	<b>513,563,811</b>	633,484,987
Less: provision for bad debts	<u><b>(64,868,599)</b></u>	<u>(68,483,026)</u>
	<u><b>448,695,212</b></u>	<u>565,001,961</u>

The majority of the Company's domestic sales are made by advances from customers. The remains are settled by letters of credit, bank acceptance notes or providing credit terms from 30 to 100 days.

## Notes to Financial Statements

For the year ended 31 December 2015

(All amounts in RMB Yuan unless otherwise stated)

### 16 Notes to the Company's financial statements (continued)

#### (1) Accounts receivable (Continued)

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

	31 December 2015	31 December 2014
Within 6 months	411,254,406	560,528,612
6 months to 1 year	19,460,215	552,490
1 to 2 years	14,063,769	36,928
2 to 3 years	18,464	—
3 to 4 years	—	3,119,850
4 to 5 years	3,119,850	—
Over 5 years	65,647,107	69,247,107
	<b>513,563,811</b>	<b>633,484,987</b>

As at 31 December 2015, the Company has no accounts receivables (as at 31 December 2014: 1,484,759, within 6 months) which have been past due but not impaired.

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

	31 December 2015				31 December 2014			
	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	15,205,474	2.96%	(15,205,474)	100%	18,805,474	2.97%	(18,805,474)	100%
Subject to provision on the grouping basis								
Group B	407,623,922	79.37%	—	—	523,685,664	82.67%	—	—
Group C	90,734,415	17.67%	(49,663,125)	54.73%	90,993,849	14.36%	(49,677,552)	54.59%
	<b>513,563,811</b>	<b>100%</b>	<b>(64,868,599)</b>	<b>12.63%</b>	<b>633,484,987</b>	<b>100%</b>	<b>(68,483,026)</b>	<b>10.81%</b>



## Notes to Financial Statements

For the year ended 31 December 2015

(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 2015, 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
Beijing Sales Company	11,245,784	(11,245,784)	100%	Notes4(3)(c)
Guangzhou General Agency	3,959,690	(3,959,690)	100%	Notes4(3)(c)
	<u>15,205,474</u>	<u>(15,205,474)</u>		

- (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 2015			31 December 2014		
	Ending balance	Provision for bad debts		Ending balance	Provision for bad debts	
	Amount	Ratio		Amount	Ratio	
Within 6 months	41,058,093	—	—	40,772,967	—	—
6 months to 1 year	—	—	—	552,490	(27,624)	5%
1 to 2 years	26,394	(13,197)	50%	36,928	(18,464)	50%
2 to 3 years	18,464	(18,464)	100%	—	—	—
3 to 4 years	—	—	—	100,000	(100,000)	100%
4 to 5 years	100,000	(100,000)	100%	—	—	—
Over 5 years	49,531,464	(49,531,464)	100%	49,531,464	(49,531,464)	100%
	<u>90,734,415</u>	<u>(49,663,125)</u>	<u>54.73%</u>	<u>90,993,849</u>	<u>(49,677,552)</u>	<u>54.59%</u>

- (e) The provisions for bad debts are 22,108, and the reversal provisions for bad debts are 3,636,535. The significant reversal amount is as follows:

Reason for collecting or reversal	Rationality of provision basis	Amount of collecting or reversal	Collecting way
Guangzhou General Agency	Partially collected	3,600,000	By cash
	The collecting probability is low in the management's view		

- (f) As at 31 December 2015, there are no accounts receivable written off (2014: nil).

## Notes to Financial Statements

For the year ended 31 December 2015

(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 2015, the top five accounts receivable are analysed as follows:

	Amount	Provision for bad debts	% of total balance
Total amount of the top five accounts receivable	186,608,784	—	36.34%

(h) As at 31 December 2015, there are no accounts receivable derecognised due to the transfer of financial assets (31 December 2014: nil).

#### (2) Other receivables

	31 December 2015	31 December 2014
Receivables from subsidiaries	112,597,272	101,748,835
Staff advance	25,500,880	20,983,452
Refund for prepayment of land use rights	17,441,647	17,441,647
Brand royalty (Note 4(4)(ii))	15,381,998	17,630,536
Deposits	6,162,946	7,983,219
Others	17,407,738	20,715,998
	<b>194,492,481</b>	186,503,687
Less: provision for bad debts	<b>(39,832,296)</b>	(40,074,136)
	<b>154,660,185</b>	146,429,551

(a) The ageing of other receivables is analysed below:

	31 December 2015	31 December 2014
Within 6 months	102,491,667	117,505,784
6 months to 1 year	28,695,359	12,585,726
1 to 2 years	18,736,096	1,840,498
2 to 3 years	1,722,168	354,924
3 to 4 years	231,984	1,908,167
4 to 5 years	1,846,239	211,377
Over 5 years	40,768,968	52,097,211
	<b>194,492,481</b>	186,503,687

The Company has no specific credit terms for other receivables. Therefore, the Company has no other receivables that are past due but not impaired as at 31 December 2015 and 31 December 2014.

## Notes to Financial Statements

For the year ended 31 December 2015

(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 2015				31 December 2014			
	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	8.97%	(17,441,647)	100%	17,441,647	9.35%	(17,441,647)	100%
Subject to provision on the grouping basis								
Group A	3,206,031	1.65%	—	—	7,401,127	3.97%	—	—
Group B	112,597,272	57.89%	—	—	101,748,835	54.56%	—	—
Group C	61,247,531	31.49%	(22,390,649)	36.56%	59,912,078	32.12%	(22,632,489)	37.78%
	<b>194,492,481</b>	<b>100%</b>	<b>(39,832,296)</b>	<b>20.48%</b>	<b>186,503,687</b>	<b>100%</b>	<b>(40,074,136)</b>	<b>21.49%</b>

(c) As at 31 December 2015, other receivables 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
Refund for repayment of land use rights	17,441,647	(17,441,647)	100%	Notes4(4)(c)

(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 2015			31 December 2014		
	Ending balance	Provision for bad debts Amount	Ratio	Ending balance	Provision for bad debts Amount	Ratio
Within 6 months	38,278,941	—	—	36,801,091	—	—
6 months to 1 year	488,980	(24,449)	5%	348,660	(17,433)	5%
1 to 2 years	226,820	(113,410)	50%	294,542	(147,271)	50%
2 to 3 years	260,396	(260,396)	100%	354,924	(354,924)	100%
3 to 4 years	231,984	(231,984)	100%	247,167	(247,167)	100%
4 to 5 years	185,239	(185,239)	100%	211,377	(211,377)	100%
Over 5 years	21,575,171	(21,575,171)	100%	21,654,317	(21,654,317)	100%
	<b>61,247,531</b>	<b>(22,390,649)</b>	<b>36.56%</b>	<b>59,912,078</b>	<b>(22,632,489)</b>	<b>37.78%</b>

## Notes to Financial Statements

For the year ended 31 December 2015

(All amounts in RMB Yuan unless otherwise stated)

### 16 Notes to the Company's financial statements (continued)

#### (2) Other receivables (continued)

(e) For the year ended 31 December 2015, the provisions for bad debts are 257,468, and the reversal provisions for bad debts are 499,308.

(f) For the year ended 31 December 2015, there are no other receivables written off.

(g) As at 31 December 2015, the top five other receivables are analysed as follows:

	Nature	Amount	Ageing	% of total balance	Provisions for bad debts
Wuhu Company	Payment on behalf for recycled bottles	33,242,553	Within two years	17.09%	—
Suizhou Company	Payment on behalf for recycled bottles	20,508,157	Within two years	10.54%	—
Yingcheng Company	Payment on behalf for recycled bottles	20,196,785	Within two years	10.38%	—
Tsingtao Xianghong Shangwu Co., Ltd. (“Xianghong Shangwu”)	Payment on behalf for Social Security	12,380,215	Within two years	6.37%	—
New Shanghai Sales Company	Assets transferred	9,657,610	Over 3 years	4.97%	—
		<u>95,985,320</u>		<u>49.35%</u>	<u>—</u>

#### (3) Dividends receivable

	31 December 2015	31 December 2014
Huanan Sales Company	<u>—</u>	<u>105,700,000</u>



## Notes to Financial Statements

For the year ended 31 December 2015

(All amounts in RMB Yuan unless otherwise stated)

### 16 Notes to the Company's financial statements (continued)

#### (4) Long-term receivables

	31 December 2014			31 December 2015
Entrusted loans to Subsidiaries (i)	566,300,000			648,500,000
		Increase in the current year	Decrease in the current year	
Less: provisions for bad debts	(227,100,000)	(25,800,000)	78,600,000	(174,300,000)
	339,200,000			474,200,000

(i) The entrusted loans to subsidiaries are unsecured RMB loans provided by the Company through banks and Finance Company, with annual interest of 3.9%-5.4% and quarterly payment.

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

	31 December 2015	31 December 2014
Subsidiaries (a)	8,412,708,408	8,560,450,508
Joint Ventures (b)	225,462,073	221,117,360
Associates (c)	1,221,216,078	1,250,264,555
	9,859,386,559	10,031,832,423
Less: Provision for impairment of long-term equity investments (d)	(755,588,059)	(745,588,059)
	9,103,798,500	9,286,244,364

There is no restriction on realisation the long-term equity investments to cash.



## Notes to Financial Statements

For the year ended 31 December 2015

(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

	Movements in the current year			31 December for 2015	Provision impairment for the current year	Balance of provision for impairment at end of year	Cash dividends declared in the current year
	31 December 2014	Increased investment	Decreased investment				
Shenzhen Asahi	126,746,680	—	—	126,746,680	—	—	50,592,000
Chenzhou Company	62,601,208	—	—	62,601,208	—	—	35,520,000
Huanan Sales Company	45,070,000	—	—	45,070,000	—	—	300,000,000
Huanan Holding Company	208,790,000	—	—	208,790,000	—	—	—
Huadong Holding Company	96,855,102	—	—	96,855,102	—	(96,855,102)	—
Shouguang Company	60,000,000	—	—	60,000,000	—	—	—
Five star Company	24,656,410	—	—	24,656,410	—	(24,656,410)	—
Three Ring Company	69,457,513	—	—	69,457,513	—	(69,457,513)	—
Beifang Sales Company	83,984,000	—	—	83,984,000	—	(83,984,000)	—
Xi'an Company	392,627,114	—	—	392,627,114	—	—	738,000,000
Weinan Company	14,000,000	—	—	14,000,000	—	—	—
Anshan Company	30,000,000	—	—	30,000,000	—	—	—
Xingkaihu Company	129,430,000	—	—	129,430,000	—	(129,430,000)	—
Mishan Company	23,920,000	—	—	23,920,000	—	(23,920,000)	—
Harbin Company	213,540,000	—	—	213,540,000	—	(109,940,000)	—
Penglai Company	30,000,000	—	—	30,000,000	—	(30,000,000)	—
Rongcheng Company	65,103,434	—	—	65,103,434	—	(65,103,434)	—
Import/ Export Company	11,210,000	—	—	11,210,000	—	—	—
Tsingtao Brewery (Laoshan) Co., Ltd.	18,089,491	—	—	18,089,491	—	—	—
Hong Kong Company	41,728,681	—	—	41,728,681	—	—	—
Tsingtao Brewery Kai Fa Co., Ltd.	1,320,000	—	—	1,320,000	—	(1,320,000)	—
Taizhou Company	60,000,000	—	—	60,000,000	—	—	—
Maanshan Company	80,000,000	—	—	80,000,000	—	—	—
Xianghong Shangwu	5,760,000	—	—	5,760,000	—	—	—
Dongnan Sales Company	293,088,560	—	—	293,088,560	—	—	—
Changsha Company	47,600,000	—	—	47,600,000	—	—	—
Jinan Company	560,000,000	—	—	560,000,000	—	—	42,600,000
Guangrunlong Logistics	16,465,405	—	—	16,465,405	—	—	—
Chengdu Company	280,000,000	—	—	280,000,000	—	—	—
Cultural Communication Company	5,290,000	—	—	5,290,000	—	—	40,000,000
Rizhao Company	339,239,300	—	—	339,239,300	—	—	40,500,000
Weifang Company	73,620,001	—	—	73,620,001	—	—	27,500,000
Pingyuan Company	21,730,001	—	—	21,730,001	—	—	—
Construction Company	2,490,000	—	—	2,490,000	—	—	30,000,000
Langfang Company	79,090,000	—	—	79,090,000	—	—	—
Heze Company	124,590,000	—	—	124,590,000	—	(51,301,600)	—
Tengzhou Company	48,310,000	—	—	48,310,000	—	—	—
Tsingtao Brewery (Shanghai) Company Limited	1,570,000	—	—	1,570,000	—	—	—



## Notes to Financial Statements

For the year ended 31 December 2015

(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)

	Movements in the current year			31 December for 2015	Provision impairment for the current year	Balance of provision for impairment at end of year	Cash dividends declared in the current year
	31 December 2014	Increased investment	Decreased investment				
Wuhu Company	144,290,000	—	—	144,290,000	—	—	—
Shanghai Sales Company	97,300,000	—	—	97,300,000	—	(47,300,000)	—
Chengyang Sales Company	8,000,000	—	—	8,000,000	—	—	—
Qingpi Baotuquan (i)	174,160,000	—	(174,160,000)	—	—	—	—
Shijiazhuang Company	321,010,000	—	—	321,010,000	—	—	—
Taiyuan Company	200,000,000	—	—	200,000,000	—	—	—
Finance Company	500,000,000	—	—	500,000,000	—	—	—
Immense Brewery Company	1,404,558,400	—	—	1,404,558,400	—	—	—
Hangzhou Company	186,000,000	—	—	186,000,000	—	—	—
Sifang Sales Company	10,000,000	—	—	10,000,000	—	—	—
Jieyang Company	150,000,000	—	—	150,000,000	—	—	15,187,500
Beverage Company	30,044,252	—	—	30,044,252	—	—	—
Shaoguan Company	200,000,000	—	—	200,000,000	—	—	—
Hainan Company	200,000,000	—	—	200,000,000	—	—	—
Shibei Sales Company	8,000,000	—	—	8,000,000	—	—	—
Jiujiang Company	180,000,000	—	—	180,000,000	—	—	—
Xuzhou Enterprise Management	10,000,000	—	—	10,000,000	—	(10,000,000)	—
Pingdu sales Company	5,000,000	—	—	5,000,000	—	—	—
Luoyang Company	200,000,000	—	—	200,000,000	—	—	—
Sales Company (ii)	10,000,000	—	—	10,000,000	(10,000,000)	(10,000,000)	—
Hongjiweiye (iii)	10,000,000	6,973,296	(16,973,296)	—	—	—	—
Luzhou Company	118,460,956	—	—	118,460,956	—	—	—
Harbin sales Company	1,100,000	—	—	1,100,000	—	(1,100,000)	—
Zhangjiakou Company (iv)	81,480,000	10,120,000	—	91,600,000	—	—	—
Lulansa Company	317,374,000	—	—	317,374,000	—	—	—
Huangshi Company	163,630,000	—	—	163,630,000	—	—	—
Yingcheng Company	42,070,000	—	—	42,070,000	—	—	—
Hanzhong Company (v)	—	26,297,900	—	26,297,900	—	—	—
	<u>8,560,450,508</u>	<u>43,391,196</u>	<u>(191,133,296)</u>	<u>8,412,708,408</u>	<u>(10,000,000)</u>	<u>(754,368,059)</u>	<u>1,319,899,500</u>

## Notes to Financial Statements

For the year ended 31 December 2015

(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)

- (i) As stated in Note 5(2)(i), the Group cancelled the registration of Qingpi Baotouquan on 22 December 2015.
- (ii) As at 31 December 2015, recoverable amount of the Company's long-term equity investment in Sales Company is less than the carrying amount, and therefore provision for impairment of 10,000,000 is recorded.
- (iii) According to the thirteenth meeting of the seventeenth session of Board of Directors, the company increases the capital of Hongjiweiye by two pieces of land with carrying amount of 6,973,296 in May 2015. As stated in Note 5(1), the Company transferred 100% equity interest of Hongjiweiye with a consideration of 461,290,000 on 25 December 2015.
- (iv) Zhangjiakou Company was established in April 2014 with the registration capital of 200,000,000. In the current year, the Company invested cash of 10,120,000 and the paid-in capital increase to 91,600,000 as at 31 December 2015.
- (v) As stated in Note 4(34)(i), the Company purchased 34% equity interest of Hanzhong Company with a consideration of 26,297,900 in the current year.

##### (b) Joint ventures

	31 December 2014	Movements in the current year			31 December 2015	Equity interest held	Voting rights	Balance of provision for impairment at end of year
		Share of net profit or loss using the equity method	Cash dividends declared	Other equity changes				
Hebei Jiahe	221,117,360	3,793,886	—	550,827	225,462,073	50%	50%	—

Summarised financial information of joint ventures please refer to Note 6(2).



## Notes to Financial Statements

For the year ended 31 December 2015

(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

	Movements in the current year				Equity interest held	Voting rights	Balance of provision for impairment at end of year
	31 December 2014	Share of net profit or loss using the equity method	Cash dividends declared	31 December 2015			
Manufacturing Company (i)	1,089,508,090	(22,223,799)	—	<b>1,067,284,291</b>	50%	44.44%	—
Yantai Asahi	136,715,853	12,051,113	(15,310,781)	<b>133,456,185</b>	39%	39%	—
Zhaoshang Logistics	20,213,625	4,630,607	(7,785,990)	<b>17,058,242</b>	30%	30%	—
Liaoning Shenqing	2,606,987	(409,627)	—	<b>2,197,360</b>	30%	30%	—
Others	1,220,000	—	—	<b>1,220,000</b>			(1,220,000)
	<u>1,250,264,555</u>	<u>(5,951,706)</u>	<u>(23,096,771)</u>	<u><b>1,221,216,078</b></u>			<u>(1,220,000)</u>

- (i) The share of net loss using the equity method in Manufacturing Company is 22,223,799, including investment loss of 22,990,693 which derives from shares of net loss based on the fair value adjustment and investment income of 766,894 due to the unrealized profit in intra-group sales reversed in the current year.

The explanation for the difference between equity interest percentage and voting right percentage in Manufacturing Company refers to Note 4(10)(b)(i).

	Manufacturing Company	
	31 December 2015	31 December 2014
Total equity attributable to shareholders	<b>2,099,591,789</b>	2,147,829,335
Adjusted fair value of the identifiable net assets when obtained	<b>(44,953,445)</b>	(47,209,605)
Adjusted total equity attributable to shareholders	<b>2,054,638,344</b>	2,100,619,730
Share of net assets calculated by shareholding proportion	<b>1,027,319,172</b>	1,050,309,865
Adjusting events		
— Goodwill	<b>48,521,954</b>	48,521,954
— Unrealised profits of internal transaction	<b>(8,556,835)</b>	(9,323,729)
Book value of investment on the associate	<u><b>1,067,284,291</b></u>	<u>1,089,508,090</u>

Details of equity interests in the associate are disclosed in note 6(2).

## Notes to Financial Statements

For the year ended 31 December 2015

(All amounts in RMB Yuan unless otherwise stated)

### 16 Notes to the Company's financial statements (continued)

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

##### (d) Provision for impairment of long-term equity investments

	31 December 2014	Increase in the current year	Decrease in the current year	<b>31 December 2015</b>
Subsidiaries	(744,368,059)	(10,000,000)	—	<b>(754,368,059)</b>
Associates	(1,220,000)	—	—	<b>(1,220,000)</b>
	<u>(745,588,059)</u>	<u>(10,000,000)</u>	<u>—</u>	<b><u>(755,588,059)</u></b>

#### (6) Investment properties

	<b>Buildings</b>
31 December 2014	27,501,876
Transferred from fixed assets (i)	8,037,325
Depreciation in the current year	(1,304,189)
Transferred to fixed assets	<u>(1,360,410)</u>
<b>31 December 2015</b>	<b><u>32,874,602</u></b>

- (i) In January 2015, the real estate of the carrying amount of 8,037,325 (Original: 12,209,784) that is for own use is now for leasing and is accordingly transferred to investment properties.

For the year ended 31 December 2015, there is no investment property measured at fair value in the Group (2014: nil).

As at 31 December 2015, there is no investment property without ownership certificates (31 December 2014: nil).



## Notes to Financial Statements

For the year ended 31 December 2015

(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 2014	995,347,960	2,370,314,967	104,543,484	302,278,401	3,772,484,812
Increases in the current year	291,679,386	243,693,271	3,880,037	42,811,412	582,064,106
Purchase	—	12,414,342	3,880,037	29,039,069	45,333,448
Transferred from construction in process	289,568,041	231,278,929	—	13,772,343	534,619,313
Transferred from investment properties	2,111,345	—	—	—	2,111,345
Decreases in the current year	(128,270,662)	(143,091,897)	(6,449,731)	(17,663,331)	(295,475,621)
Disposal	(76,631,496)	(94,686,078)	(6,449,731)	(17,663,331)	(195,430,636)
Transferred to construction in process	(39,429,382)	(48,405,819)	—	—	(87,835,201)
Transferred to investment properties	(12,209,784)	—	—	—	(12,209,784)
<b>31 December 2015</b>	<b>1,158,756,684</b>	<b>2,470,916,341</b>	<b>101,973,790</b>	<b>327,426,482</b>	<b>4,059,073,297</b>
Accumulated depreciation					
31 December 2014	(314,805,128)	(1,199,904,114)	(53,807,687)	(198,024,625)	(1,766,541,554)
Increases in the current year	(31,228,828)	(106,961,258)	(7,544,159)	(31,817,026)	(177,551,271)
Accruals	(30,477,893)	(106,961,258)	(7,544,159)	(31,817,026)	(176,800,336)
Transferred from investment properties	(750,935)	—	—	—	(750,935)
Decreases in the current year	76,278,026	102,345,593	5,522,925	16,614,832	200,761,376
Disposal	45,641,608	74,615,078	5,522,925	16,614,832	142,394,443
Transferred to construction in process	26,463,959	27,730,515	—	—	54,194,474
Transferred to investment properties	4,172,459	—	—	—	4,172,459
<b>31 December 2015</b>	<b>(269,755,930)</b>	<b>(1,204,519,779)</b>	<b>(55,828,921)</b>	<b>(213,226,819)</b>	<b>(1,743,331,449)</b>
Provision for impairment					
31 December 2014	(2,621,413)	(37,896,473)	(1,586,835)	(27,295)	(42,132,016)
Decreases in the current year —					
Disposal	1,118,506	3,256,156	238,180	—	4,612,842
<b>31 December 2015</b>	<b>(1,502,907)</b>	<b>(34,640,317)</b>	<b>(1,348,655)</b>	<b>(27,295)</b>	<b>(37,519,174)</b>
Carrying amount					
<b>31 December 2015</b>	<b>887,497,847</b>	<b>1,231,756,245</b>	<b>44,796,214</b>	<b>114,172,368</b>	<b>2,278,222,674</b>
31 December 2014	677,921,419	1,132,514,380	49,148,962	104,226,481	1,963,811,242

## Notes to Financial Statements

For the year ended 31 December 2015

(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 2015, there are no fixed assets pledged as collateral for borrowings (31 December 2014: nil).

For the year ended 31 December 2015, fixed assets depreciation are 176,800,336 (2014: 169,462,923), of which 147,098,753, 4,485,467 and 25,216,116 (2014: 140,738,179, 4,048,020 and 24,676,724) have been charged to cost of sales, selling and distribution expenses and general and administrative expenses respectively.

The costs of fixed assets transferred from construction in progress amounts to 534,619,313 (2014: 322,487,064).

As at 31 December 2015, the ownership certificates of certain fixed assets (buildings) with carrying amount approximately 212,001,000 have not been obtained by the Company. (31 December 2014: 30,868,000) (Note 4 (12)(d)).

#### (8) Construction in progress

	31 December 2015			31 December 2014		
	Ending balance	Provision for impairment	Carrying amount	Ending balance	Provision for impairment	Carrying amount
Relocation project of Malt Factory	112,762,943	—	112,762,943	340,292,939	—	340,292,939
Production line improvement of No.1 Factory	30,216,182	—	30,216,182	57,160,867	—	57,160,867
Production line improvement of No.2 Factory	12,277,670	—	12,277,670	14,297,239	—	14,297,239
Production line improvement of No. 5 Factory	3,429,437	—	3,429,437	2,684,260	—	2,684,260
Instruments installation of Headquarter	1,567,079	—	1,567,079	443,069	—	443,069
Production line improvement of No.4 Factory	1,204,757	—	1,204,757	717,647	—	717,647
Production line improvement of No.3 Factory	—	—	—	33,014,376	—	33,014,376
	<b>161,458,068</b>	<b>—</b>	<b>161,458,068</b>	<b>448,610,397</b>	<b>—</b>	<b>448,610,397</b>



## Notes to Financial Statements

For the year ended 31 December 2015

(All amounts in RMB Yuan unless otherwise stated)

### 16 Notes to the Company's financial statements (continued)

#### (8) Construction in progress (continued)

##### (a) Movements in significant construction in progress

Name	Budget	31 December 2014	Increase in the current year	Transfer to fixed assets	31 December 2015	Proportion of expenditures to budgeted	Completion percentage	Source of funds
Relocation project of Malt Factory	422,500,000	340,292,939	80,700,448	(308,230,444)	112,762,943	99%	99%	Funding from convertible bond and self-funding
Production line improvement of No.1 Factory	315,508,388	57,160,867	111,318,957	(138,263,642)	30,216,182	88%	88%	Self-funding
Production line improvement of No.2 Factory	403,642,000	14,297,239	18,934,002	(20,953,571)	12,277,670	87%	84%	Self-funding
Production line improvement of No.5 Factory	21,616,350	2,684,260	11,967,307	(11,222,130)	3,429,437	68%	68%	Self-funding
Instruments installation of Headquarter	5,890,000	443,069	3,098,788	(1,974,778)	1,567,079	60%	60%	Self-funding
Production line improvement of No.4 Factory	6,775,292	717,647	5,198,108	(4,710,998)	1,204,757	91%	87%	Self-funding
Production line improvement of No.3 Factory	335,587,778	33,014,376	16,249,374	(49,263,750)	—	100%	100%	Self-funding
		<u>448,610,397</u>	<u>247,466,984</u>	<u>(534,619,313)</u>	<u>161,458,068</u>			

As stated in Note 4 (13)(a), there are no new increased borrowing costs capitalised for the year ended 31 December 2015.

##### (b) Provision for impairment

The company did not provide or write off provision of impairment for construction in progress for the year ended 31 December 2015 (2014: nil).



## Notes to Financial Statements

For the year ended 31 December 2015

(All amounts in RMB Yuan unless otherwise stated)

### 16 Notes to the Company's financial statements (continued)

#### (9) Intangible assets

	Land use rights	Trademarks	Marketing networks	Others	Totals
Cost					
31 December 2014	272,447,650	190,345,726	225,632,003	259,200,523	947,625,902
Increase in the current year	12,921,277	—	95,275,800	38,634,429	146,831,506
Purchase	12,921,277	—	—	38,634,429	51,555,706
Others (i)	—	—	95,275,800	—	95,275,800
Decrease in the current year	(10,935,942)	—	—	(275,471)	(11,211,413)
Disposal	—	—	—	(275,471)	(275,471)
Others (Note 4(15)(i))	(10,935,942)	—	—	—	(10,935,942)
<b>31 December 2015</b>	<b>274,432,985</b>	<b>190,345,726</b>	<b>320,907,803</b>	<b>297,559,481</b>	<b>1,083,245,995</b>

#### Accumulated amortisation

31 December 2014	(66,504,469)	(75,639,451)	(63,952,834)	(82,496,145)	(288,592,899)
Increase in the current year	(5,434,179)	(11,683,643)	(85,286,435)	(24,769,690)	(127,173,947)
Accruals	(5,434,179)	(11,683,643)	(23,357,165)	(24,769,690)	(65,244,677)
Others (i)	—	—	(61,929,270)	—	(61,929,270)
Decrease in the current year	3,962,647	—	—	71,969	4,034,616
Disposal	—	—	—	71,969	71,969
Others (Note 4(15)(i))	3,962,647	—	—	—	3,962,647
<b>31 December 2015</b>	<b>(67,976,001)</b>	<b>(87,323,094)</b>	<b>(149,239,269)</b>	<b>(107,193,866)</b>	<b>(411,732,230)</b>

#### Carrying amount

<b>31 December 2015</b>	<b>206,456,984</b>	<b>103,022,632</b>	<b>171,668,534</b>	<b>190,365,615</b>	<b>671,513,765</b>
31 December 2014	205,943,181	114,706,275	161,679,169	176,704,378	659,033,003

(i) The cost and accumulated amortisation of the marketing network of Baotuquan is transferred to the Company.

For the year ended 31 December 2015, the amortisation expense of intangible assets is 65,244,677 (2014: 56,000,072).

As at 31 December 2015, there are no intangible assets pledged as collateral for bank borrowings (31 December 2014: nil).

Development expenditures are set out as follows:

	31 December 2014	Increase in the current year	Decrease in the current year	Recognised as intangible assets	31 December 2015
			Charged to profit or losses		
Beer technology improvement project	—	12,878,657	(12,878,657)	—	—

For the year ended 31 December 2015, development expenditures of 12,878,657 (2014: 19,247,427) are recognised in profit or loss.

## Notes to Financial Statements

For the year ended 31 December 2015

(All amounts in RMB Yuan unless otherwise stated)

### 16 Notes to the Company's financial statements (continued)

#### (10) Provision for asset impairment

	31 December 2014	Increase in the current year	Decrease in the current year		31 December 2015
			Reversal	Write off	
Provision for bad debts	335,657,162	26,079,576	(66,120,002)	(16,615,841)	<b>279,000,895</b>
Including:					
Provision for bad debts of accounts receivable	68,483,026	22,108	(3,636,535)	—	<b>64,868,599</b>
Provision for bad debts of other receivables	40,074,136	257,468	(499,308)	—	<b>39,832,296</b>
Provision for bad debts of long-term receivables	227,100,000	25,800,000	(61,984,159)	(16,615,841)	<b>174,300,000</b>
Provision for decline in value of inventories	1,022,238	39,759	(360,213)	—	<b>701,784</b>
Provision for impairment of available-for-sale financial assets	4,385,261	—	—	—	<b>4,385,261</b>
Provision for impairment of long-term equity investments	745,588,059	10,000,000	—	—	<b>755,588,059</b>
Provision for impairment of fixed assets	42,132,016	—	—	(4,612,842)	<b>37,519,174</b>
	<u>1,128,784,736</u>	<u>36,119,335</u>	<u>(66,480,215)</u>	<u>(21,228,683)</u>	<b><u>1,077,195,173</u></b>

## Notes to Financial Statements

For the year ended 31 December 2015

(All amounts in RMB Yuan unless otherwise stated)

### 16 Notes to the Company's financial statements (continued)

#### (11) Capital surplus

	31 December 2014	Increase in the current year	Decrease in the current year	31 December 2015
Share premium	4,190,058,186	—	—	<b>4,190,058,186</b>
Other capital surplus —	116,015,091	550,827	—	<b>116,565,918</b>
Share of changes in equity other than comprehensive income and profit distribution of investees accounted for using the equity method	(10,756,997)	550,827	—	<b>(10,206,170)</b>
Transfer of capital surplus recognised under the previous accounting system	123,006,624	—	—	<b>123,006,624</b>
Others	3,765,464	—	—	<b>3,765,464</b>
	<u>4,306,073,277</u>	<u>550,827</u>	<u>—</u>	<u><b>4,306,624,104</b></u>
	31 December 2013	Increase in the current year	Decrease in the current year	31 December 2014
Share premium	4,190,058,186	—	—	4,190,058,186
Other capital surplus —	116,015,091	—	—	116,015,091
Share of changes in equity other than comprehensive income and profit distribution of investees accounted for using the equity method	(10,756,997)	—	—	(10,756,997)
Transfer of capital surplus recognised under the previous accounting system	123,006,624	—	—	123,006,624
Others	3,765,464	—	—	3,765,464
	<u>4,306,073,277</u>	<u>—</u>	<u>—</u>	<u>4,306,073,277</u>

#### (12) Other comprehensive income

	Changes arising from re-measurement of defined benefit plan liabilities
As at 31 December 2013	—
Movements for the year ended 31 December 2014	<u>(14,321,000)</u>
As at 31 December 2014	<u>(14,321,000)</u>
Movements for the year ended 31 December 2015	<u>(17,789,000)</u>
<b>As at 31 December 2015</b>	<u><b>(32,110,000)</b></u>

## Notes to Financial Statements

For the year ended 31 December 2015

(All amounts in RMB Yuan unless otherwise stated)

### 16 Notes to the Company's financial statements (continued)

#### (13) Undistributed profits

	2015	2014
Undistributed profits at beginning of year	4,877,281,580	4,073,390,757
Add: Net profit in the current year	1,843,649,106	1,568,703,423
Less: Appropriation to statutory surplus reserve	(184,364,911)	(156,870,342)
Ordinary shares dividends payable	(607,942,258)	(607,942,258)
Undistributed profits at end of year	<u>5,928,623,517</u>	<u>4,877,281,580</u>

The dividends actual paid for the year ended 31 December 2015, and the dividends proposed but not paid at end of year are disclosed in Note 4(38).

#### (14) Revenue and cost of sales

	2015	2014
Revenue from main operation	15,466,786,549	15,725,964,989
Revenue from other operations	<u>1,228,405,049</u>	<u>1,327,904,783</u>
	<u>16,695,191,598</u>	<u>17,053,869,772</u>
	2015	2014
Cost of main operation	(11,279,567,918)	(11,807,526,468)
Cost of other operations	<u>(1,195,225,430)</u>	<u>(1,295,265,666)</u>
	<u>(12,474,793,348)</u>	<u>(13,102,792,134)</u>

##### (a) Revenue and cost of main operation

	2015		2014	
	Revenue from main operation	Cost of main operation	Revenue from main operation	Cost of main operation
Sale of Beer	<u>15,466,786,549</u>	<u>(11,279,567,918)</u>	15,725,964,989	(11,807,526,468)

##### (b) Revenue and cost of other operations

	2015		2014	
	Revenue from other operations	Cost of other operations	Revenue from other operations	Cost of other operations
Sales of raw materials	1,193,089,356	(1,177,824,990)	1,296,190,981	(1,284,733,091)
others	35,315,693	(17,400,440)	31,713,802	(10,532,575)
	<u>1,228,405,049</u>	<u>(1,195,225,430)</u>	1,327,904,783	(1,295,265,666)

## Notes to Financial Statements

For the year ended 31 December 2015

(All amounts in RMB Yuan unless otherwise stated)

### 16 Notes to the Company's financial statements (continued)

#### (15) Expenses by nature

The costs of sales, selling and distribution expenses and general and administrative expenses classified by nature are as follows:

	2015	2014
Finished goods purchased from third parties	7,918,743,541	7,933,919,478
Raw materials and consumables used	3,962,528,769	4,404,529,285
Employee benefits expenses	1,466,581,701	1,339,712,610
Handling and transportation expenses	824,803,687	892,410,130
Promotion related expenses	682,530,294	534,669,976
Advertising related expenses	411,812,834	598,621,959
Depreciation and amortisation charges	245,812,654	228,491,252
Administrative and business travel and business entertainment expenses	128,577,718	138,526,676
Repair expenses	81,022,997	169,949,658
Operating lease payments	61,711,163	60,041,299
Changes in inventories of finished goods and work in progress	45,687,678	12,216,957
Tax expenses	39,608,027	35,599,684
Agency fee	33,881,617	20,062,578
Product packaging and design expenses	30,605,459	50,494,148
Service charges	17,093,109	33,134,196
Auditors' remuneration — audit service	8,580,000	8,580,000
Other expense	61,458,384	68,510,981
	<u>16,021,039,632</u>	<u>16,529,470,867</u>

#### (16) Finance expenses — net

	2015	2014
Interest expense	—	19,692,246
Less: Interest income	(63,283,981)	(47,440,224)
Exchange (gain)/losses	(889,800)	8,546,946
Unwinding the discounted of long-term employee benefits payable	10,014,668	11,065,068
Others	4,565,836	6,295,117
	<u>(49,593,277)</u>	<u>(1,840,847)</u>

#### (17) Investment income

	2015	2014
Investment income from long-term equity investment accounted for using the cost method (a)	1,319,899,500	1,404,620,000
(Losses)/Profits from long-term equity investment accounted for using the equity method	(2,157,821)	32,876,912
Gains from disposal of long-term equity investment (b)	338,622,580	27,850,651
Losses from disposal of available-for-sale financial assets	—	(999,999)
Income from entrusted loans	25,787,575	46,347,257
Others	299,998	—
	<u>1,682,451,832</u>	<u>1,510,694,821</u>

## Notes to Financial Statements

For the year ended 31 December 2015

(All amounts in RMB Yuan unless otherwise stated)

### 16 Notes to the Company's financial statements (continued)

#### (17) Investment income (continued)

There is no significant restriction on transferring funds in the form of investment income.

- (a) Investment income from long-term equity investment accounted for using the cost method is the profit distribution of subsidiaries (Note 16(5)(a)).
- (b) For the year ended 31 December 2015, gains from disposal of long-term equity investment include the disposal gain of 443,164,704 due to Hongjiweiye's 100% equity interest and investment loss of 104,542,124 due to the deregistration of Qingpi Baotuquan.

#### (18) Asset impairment losses

	2015	2014
(Reversals)/Provisions of bad debts	(40,040,426)	4,963,777
Reversals of decline in the value of inventories	(320,454)	—
Impairment losses of long-term equity investments	10,000,000	—
	<u>(30,360,880)</u>	<u>4,963,777</u>

#### (19) Income tax expense

	2015	2014
Current income tax calculated according to tax law and related regulations in Mainland China — China enterprise income tax	207,683,933	17,878,410
Deferred income tax	(39,234,272)	(3,268,654)
	<u>168,449,661</u>	<u>14,609,756</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 as below:

	2015	2014
Total profit	2,012,098,767	1,583,313,179
Income tax expense calculated at applicable tax rates	503,024,692	395,828,295
Tax impact of equivalent sales and cost, expenses and losses not deductible for tax purpose	11,775,523	10,562,390
Income not subject to tax	(331,975,297)	(360,491,988)
Utilisation of previously unrecognised deferred tax assets	(17,317,545)	(41,108,485)
Deductible temporary differences for which no deferred tax assets were recognised	2,942,288	9,819,544
Income tax expense	<u>168,449,661</u>	<u>14,609,756</u>

## Supplementary Information

For the year ended 31 December 2015

(All amounts in RMB Yuan unless otherwise stated)

### 1 Summary of non-recurring profit or loss

	2015	2014
Government grants recognised in profits	511,057,423	448,000,648
Gain from disposal of a subsidiary	444,819,948	—
Losses on disposal of non-current assets	(101,511,712)	(59,716,174)
Reversal of bad debt provision for accounts receivables which provision is provided on the individual basis	3,600,000	3,000,000
Other non-operating income and expenses other than aforesaid items	10,113,496	10,461,305
	<u>868,079,155</u>	<u>401,745,779</u>
Impact of income tax expense	(188,706,308)	(68,200,260)
Impact on the non-controlling interests, net of tax	(18,950,437)	(14,856,942)
	<u>660,422,410</u>	<u>318,688,577</u>

#### 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	
	2015	2014	2015	2014	2015	2014
Net profit attributable to ordinary shareholders of the Company	10.76%	13.53%	1.268	1.473	1.268	1.473
Net profit attributable to ordinary shareholders of the Company after deducting non-recurring profit or loss	6.61%	11.36%	0.779	1.237	0.779	1.237



## 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：

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
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
漢中公司	指	青島啤酒漢中有限責任公司	Hanzhong Company	Means	Tsingtao Brewery Hanzhong LLC
漢盛商貿	指	漢中市漢盛商貿有限責任公司	Hansheng Commerce	Means	Hanzhong Hansheng Commerce & Trade LLC
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.
青啤深圳朝日集團	指	深圳青島啤酒朝日有限公司	Tsingtao Shenzhen Asahi Group	Means	Shenzhen Tsingtao-Asahi Co., Ltd
朝日啤酒	指	日本朝日集團控股株式會社	Asahi Breweries	Means	Asahi Group Holdings Ltd.
朝日中國投資	指	日本朝日啤酒株式會社	Asahi Breweries	Means	Asahi Breweries, Ltd.
	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(特殊普通合夥)	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2015年12月31日止年度	Reporting Period	Means	The year ended 31 December 2015
《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

In this Report, the following expressions have the following respective meanings set adjacent below, unless the context requires otherwise: —



## 釋義 Definitions

《上市規則》	指	《香港聯合交易所有限公司證券上市規則》	<i>Listing Rules</i>	Means	<i>Rules Governing the Listing of Securities on The Stock of Exchange of Hong Kong Limited</i>
《公司章程》	指	青島啤酒股份有限公司章程	<i>Articles of Association</i>	Means	<i>Articles of Association of the Company</i>
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.
事業公司	指	三得利青島啤酒(上海)有限公司	Manufacturing 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
宿遷公司	指	青島啤酒(宿遷)有限公司	Suqian Company	Means	Tsingtao Brewery (Suqian) Company Limited
揚州公司	指	青島啤酒(揚州)有限公司	Yangzhou Company	Means	Tsingtao Brewery (Yangzhou) Company Limited
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
宏基偉業	指	青島宏基偉業投資有限公司	Hongjiweiye	Means	Qingdao Hongjiweiye Investment Co., Ltd.
晨鳴控股	指	壽光晨鳴控股有限公司	Chenming Holdings	Means	Shouguang Chenming Holding Co., Ltd.
框架協議	指	《三得利青島啤酒(上海)有限公司和青島啤酒三得利(上海)銷售有限公司股權轉讓及商標技術使用許可框架協議》	<i>Framework Agreement</i>	Means	<i>Framework Agreement of Transfer of Equity Interests and Permission for Use of Label and Technologies</i>



## 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><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>Shandong Province<br><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><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><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：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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