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## **TSINGTAO BREWERY COMPANY LIMITED**

*(a Sino-foreign joint stock limited company established in the People's Republic of China)*

**(Stock Code: 168)**

### **PROFIT WARNING**

This announcement is made by Tsingtao Brewery Company Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the inside information provisions of Part XIVA of the Securities and Futures Ordinance (Chapter 571 of The Laws of Hong Kong).

The board of directors (“**Board**”) of the Company would like to inform the shareholders of the Company and potential investors that, based on the financial information currently available and the preliminary assessment of the unaudited consolidated financial information of the Group, the net profit attributable to shareholders of the Company for the year ended 31 December 2016 is expected to decrease by approximately 39% as compared with the corresponding period of 2015, which is attributable to the supplemental income tax payment as described below and the decrease in operating profits of the Company due to stringent market conditions in 2016.

References are made to the announcements of the Company dated 5 July 2007 and 16 April 2008 in relation to the adjustment of the preferential income tax policy and the notes to the financial statements of the annual reports from the year 2007 onwards, wherein the Company disclosed that the tax authority had yet to reach a conclusion on how to deal with the differences in income tax resulted from the application of the expired preferential income tax rate in the years prior to 2007. According to a recent request as notified by the tax authority of Qingdao, the Company will pay the differences in income tax of approximately RMB338.88 million resulted from the application of the expired preferential income tax rate in the years prior to 2007. According to the relevant accounting treatment, the Company is required to reduce the net profit attributable to shareholders of the Company by approximately RMB338.88 million for the year ended 31 December 2016.

The foregoing is a preliminary assessment only. Detailed annual results of the Group for the year ended 31 December 2016 will be published in the forthcoming 2016 annual results announcement and 2016 annual report of the Company.

**Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.**

By order of the Board  
**Tsingtao Brewery Company Limited**  
**ZHANG Rui Xiang**  
*Company Secretary*

Qingdao, the People's Republic of China  
21 March 2017

*Directors of the Company as at the date of this announcement are:*

*Executive Directors:* *Mr. SUN Ming Bo (Chairman), Mr. HUANG Ke Xing, Mr. FAN Wei and Mr. YU Zhu Ming*

*Non-executive Director:* *Mr. Yasutaka SUGIURA*

*Independent non-executive Directors:* *Mr. WANG Xue Zheng, Mr. YU Zeng Biao, Mr. BEN Sheng Lin and Mr. JIANG Min*