



青島啤酒股份有限公司
TSINGTAO BREWERY CO., LTD.
(Stock Code 股份代號: 168)



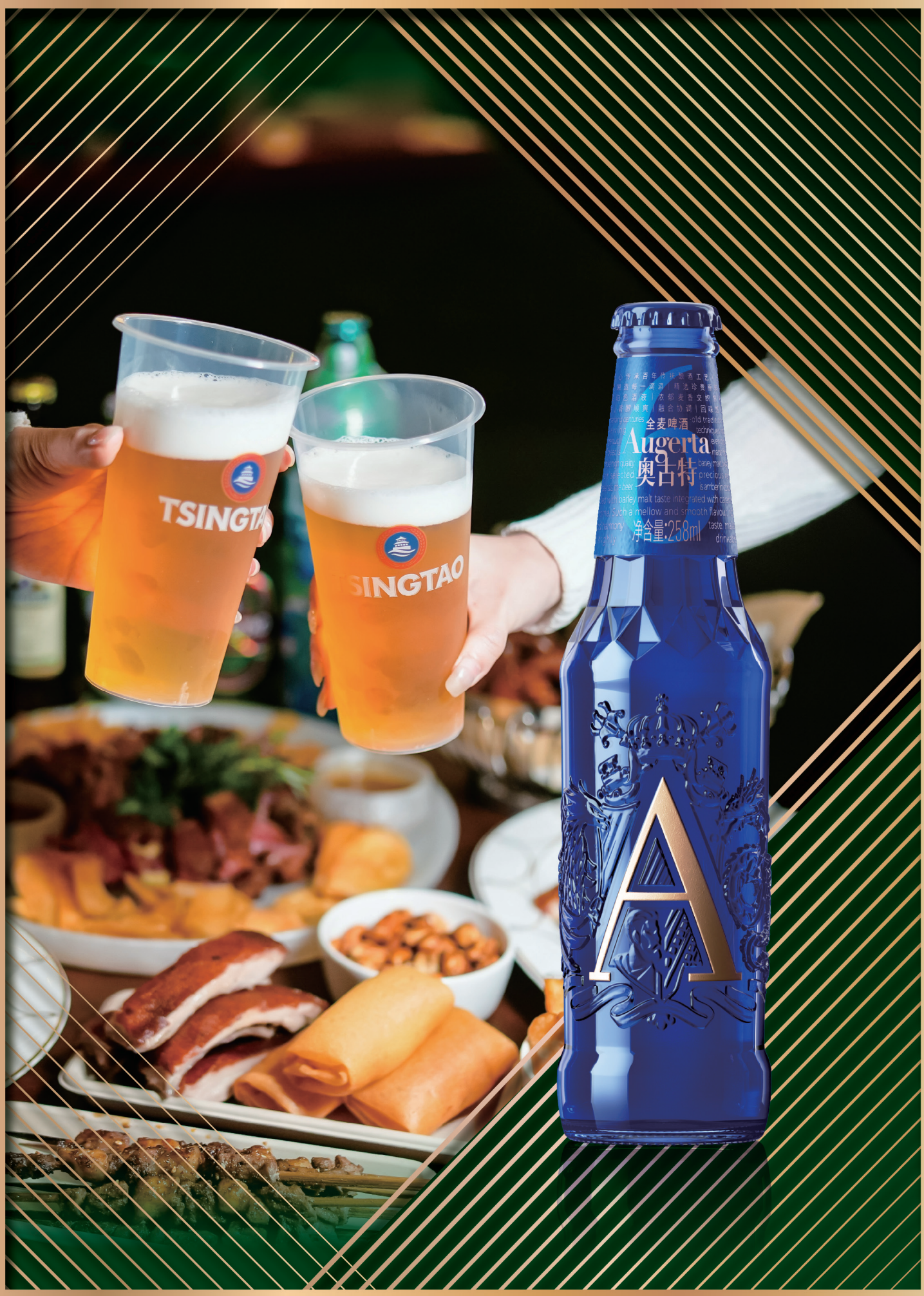
2024
年度報告
ANNUAL REPORT

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公司業務概要 Business Introduction of the Company

一、公司簡介

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股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股股票並於八月二十七日上交所上市。

公司的經營範圍是啤酒製造、銷售以及與之相關的業務。目前公司在國內擁有57家全資和控股的啤酒生產企業，及2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，已行銷全球超120個國家和地區。

1. Company Profile

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 Mainland 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 57 wholly-owned and controlling breweries, and 2 associated and joint-investment breweries in 20 provinces, municipalities and autonomous regions in China. The Company produces Tsingtao Beer, which is the most well-known Chinese brand on the international market. Products from Tsingtao Brewery have been sold in more than 120 countries and regions globally.



公司業務概要 Business Introduction of the Company

二、報告期內核心競爭力分析

(二) 報告期內核心競爭力分析

公司擁有的「青島啤酒」品牌是我國首批十大馳名商標之一，在國內外市場具有強大的品牌影響力和較高的知名度。2024年，「青島啤酒」以人民幣2,646.75億元的品牌價值繼續保持了中國啤酒行業品牌價值第一，公司擁有的「青島啤酒、嶗山啤酒、漢斯啤酒」等品牌總價值已突破人民幣4,267億元（數據及資料來源：世界品牌實驗室發佈）。

公司作為中國歷史最悠久的啤酒生產企業，高度重視產品質量，青島啤酒產品多次在國內外質量評比中榮獲冠軍，並在國內外消費者中獲得了廣泛的好評。近年來通過不斷改造完善，使公司的主要生產設備裝備達到國際先進水平，並通過對原料、工藝、技術、操作流程等方面的強化管理和控制，保障了食品安全和產品的高品質，也提升了產品的口味一致性。

公司擁有國內啤酒行業唯一的國家重點實驗室－啤酒生物發酵國家重點實驗室，依托這一高能級平台新建的青島啤酒科技研發中心已投入使用，將進一步拓展深化與全球創新鏈、產業鏈及供應鏈的合作。公司擁有國內一流的研發平台、高水平的研發團隊，以及國內領先的基礎研究能力，持續深耕關鍵技術領域，加強基礎研究和原始創新，並形成了多項自主知識產權的核心技術，保持了公司在國內啤酒市場的技術領先水平。近年來公司推出的青島啤酒「一世傳奇、百年之旅、琥珀拉格、奧古特、鴻運當頭、經典1903、原漿啤酒、水晶純生、皮爾森、青島啤酒IPA」等一系列具有鮮明特色、符合市場需求的新產品，以高品質供給引領創造新需求，實現對消費需求的精準解碼，進一步提升了公司品牌形象。

2. Core Competitiveness Analysis

(II) Core Competitiveness Analysis during the Reporting Period

The Company's "Tsingtao Beer" brand is among China's first batches of China's ten well-known trademarks and enjoys significant influence and high visibility in both domestic and international markets. In 2024, "Tsingtao Beer" maintained its position as the top brand value in the Chinese beer industry, with a brand value of RMB264.675 billion. The overall worth of brands such as "Tsingtao Beer, Laoshan Beer, and Hans Brewery" owned by the Company exceeded RMB426.7 billion (Source: World Brand Laboratory).

As China's longest-standing beer manufacturer, the Company places high priority on product quality. Tsingtao Beer products have consistently secured top honors in both domestic and international quality competitions, earning widespread recognition from customers worldwide. In recent years, the Company has elevated its major production equipment to meet advanced international standards through continuous improvement. Additionally, by strengthening management and control over raw materials, production processes, technologies, and operational procedures, the Company has ensured food safety, superior product quality, and consistent taste across its products.

The Company owns the State Key Laboratory of Biological Fermentation Engineering of Beer* (啤酒生物發酵國家重點實驗室), the only national key laboratory in the domestic beer industry. The newly established Tsingtao Beer Science and Technology Research and Development Center* (青島啤酒科技研發中心), built upon this high-level platform, has been put into use. It is expected to further expand and deepen the Company's collaboration with the global innovation, industrial, and supply chains. The Company also boasts a domestic first-class R&D platform, a high-caliber R&D team, and domestic leading capabilities in cultivating key technological fields, strengthening basic research and original innovation. It has developed numerous core technologies with proprietary intellectual property rights, maintaining its technological leadership in the domestic beer market. In recent years, the Company has introduced a range of new products, such as "Century Legend", "Tsingtao Centennial Journey", "Amber Lager", "Augerta", "Hong Yun Dang Tou", "Classic 1903", "Original Beer", "Draft", "Pearson", and "Tsingtao IPA". These distinctive, market-driven products have successfully created new demand through high-end offerings, precisely met consumer needs, and further enhanced the Company's brand image.

公司業務概要 Business Introduction of the Company

公司構建了以科技創新為引領的全局性、系統性創新引擎，持續賦能人民美好生活的遞進性需求。青島啤酒博物館、TSINGTAO 1903青島啤酒吧等文旅綜合體不斷創新升級、為消費者創造美好的「啤酒+」體驗，不斷刷新消費體驗，讓消費者沉浸式體驗青島啤酒的歷史文化和魅力質量，極大地提升了青島啤酒的品牌影響力和產品美譽度。

公司具有遍佈全國的生產基地、完善的供應鏈體系，覆蓋全國主要市場、輻射全球的網絡佈局，目前青島啤酒已行銷全球超120個國家和地區，持續強化市場推廣力度和深化市場銷售網絡建設，推進廠商協作運營、優化營銷價值鏈環節分工，不斷提高對終端客戶的維護和服務能力，鞏固和提高在基地市場的優勢地位和新興市場的佔有率，推動公司市場運營能力和盈利能力的不斷提升。

The Company has established a comprehensive and systematic innovation engine, guided by scientific and technological advancement, to continuously meet the evolving demand for better life quality. Cultural and tourism complexes, such as The World of Tsingtao* (青島啤酒博物館) and TSINGTAO 1903 Bar, have been consistently innovating and upgrading to deliver exceptional “beer+” experiences for consumers. These initiatives continually redefine consumer experiences, enabling them to immerse themselves in the rich history, culture, and quality charm of Tsingtao Beer, thereby significantly enhancing the brand’s influence and product reputation.

The Company boasts production bases all over China, a comprehensive supply chain system, and a network that covers major markets in China with a global reach. At present, Tsingtao Beer is available in over 120 countries and regions worldwide. The Company has continued to strengthen marketing, deepen the development of its sales network, promote collaborative operations between manufacturers, and improve the work allocation of the sales value chain. It has steadily strengthened its ability to maintain and serve end customers, consolidated and enhanced its competitive edge in the base market, raised its growing market share, and pushed for continual improvement in its market operations and profitability.

** For identification purposes only*



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. 本集團二零二四年財務資料

(單位：人民幣千元)

營業利潤
利潤總額
歸屬於母公司股東的淨利潤
歸屬於母公司股東的扣除非經常性損益後的淨利潤
經營活動產生的現金流量淨額
註：非經常性損益項目包括：
非流動資產處置淨損益
計入當期損益的政府補助，但與公司正常經營業務密切相關、符合國家政策規定、按照確定的標準享有、對公司損益產生持續影響的政府補助除外。
非金融企業持有金融資產和金融負債產生的公允價值變動損益以及處置金融資產和金融負債產生的損益
除上述各項之外的其他營業外收入和支出
所得稅影響額
少數股東權益影響額(稅後)
合計

1. The Group's financial information for the year ended 31 December 2024

(Unit: RMB'000)

Operating profit	5,843,119
Total profit	5,881,493
Net profit attributable to shareholders of the Company	4,344,984
Net profit attributable to shareholders of the Company after deduction of non-recurring profit or loss	3,951,102
Net cash flow from operating activities	5,154,661
Note: Non-recurring profit or loss items include:	
Net profit or loss on disposal of non-current assets	4,267
Government grants recognized in profit or loss for the current period, except for those that are closely related to the normal operation of the business, conform to national policies and regulations, are enjoyed in accordance with defined criteria, and have a continuing impact on the Company's profit or loss	469,274
Profits or losses from changes in fair value of financial assets and financial liabilities held by non-financial enterprises, and gains or losses on disposal of financial assets and financial liabilities	38,778
Other non-operating income and expenses other than aforesaid items	38,475
Impact of income tax expense	(113,279)
Impact on the non-controlling interests, net of tax	(43,633)
Total	393,882

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	2024	2023	2022	2021	2020
營業收入	Revenue	32,137,830	33,936,523	32,171,566	30,166,805	27,759,711
利潤總額	Total profit	5,881,493	5,746,407	5,006,141	4,478,975	3,239,549
歸屬於母公司股東的淨利潤	Net profit attributable to shareholders of the Company	4,344,984	4,267,851	3,710,629	3,155,456	2,201,324
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	3,951,102	3,720,724	3,209,052	2,206,584	1,815,585
基本每股收益	Basic earnings per share	3.191	3.139	2.736	2.328	1.629
稀釋每股收益	Diluted earnings per share	3.187	3.132	2.728	2.324	1.627
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	2.902	2.736	2.365	1.626	1.344
扣除非經常性損益後的稀釋每股收益	Diluted earnings per share after deduction of non-recurring profit or loss	2.898	2.731	2.359	1.625	1.342
全面攤薄淨資產收益率(%)	Fully diluted return on net assets (%)	14.95	15.55	14.55	13.72	10.67
加權平均淨資產收益率(%)	Weighted average return on net assets (%)	15.38	16.12	15.30	14.47	11.13
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 (%)	13.60	13.55	12.59	9.59	8.80
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 (%)	13.98	14.06	13.23	10.12	9.18
經營活動產生的現金流量淨額	Net cash flow from operating activities	5,154,661	2,777,567	4,878,771	6,043,111	4,953,422
每股經營活動產生的現金流量淨額(註1)	Net cash flow from operating activities per share (Note 1)	3.78	2.04	3.58	4.43	3.63
總資產	Total assets	51,420,386	49,256,011	50,311,700	46,563,004	41,514,186
總負債	Total liabilities	21,560,844	21,001,264	24,039,387	22,769,313	20,146,134
歸屬於母公司股東權益	Total equity attributable to shareholders of the Company	29,060,385	27,449,478	25,494,822	23,001,845	20,621,961
歸屬於母公司股東的每股淨資產(註2)	Net assets per share attributable to shareholders of the Company (Note 2)	21.30	20.12	18.69	16.86	15.12

註1：每股經營活動產生的現金流量淨額計算過程中，分子為經營活動產生的現金流量淨額，分母為未扣除截至報告期末未解鎖的96,667股限制性股票的總股本。

註2：歸屬於母公司股東的每股淨資產計算過程中，分子為歸屬於母公司股東的所有者權益，分母為未扣除截至報告期末未解鎖的96,667萬股限制性股票的總股本。

2. Summarised accounting data and financial indicators

(Unit: RMB'000)

Note 1: In the calculation process of net cash flow from operating activities per share, the numerator is net cash flow from operating activities, and the denominator is the total share capital including 96,667 restricted shares that have not been vested as of the end of the Reporting Period.

Note 2: In the calculation process of net assets per share attributable to shareholders of the Company, the numerator is the equity attributable to shareholders of the Company, and the denominator is the total share capital including 96,667 restricted shares that have not been vested as of the end of the Reporting Period.

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)

3. Changes in shareholders' equity in Reporting Period

(Unit: RMB'000)

		歸屬於母公司股東權益							少數股東權益	股東權益合計
		Attributable to shareholders of the Company							Non-controlling	Total
									interests	shareholders' equity
		其他綜合收益								
		減：庫存股								
		Other								
		Less: comprehensive								
		盈餘公積								
		General								
		Undistributed								
		profits								
項目	Item	股本	資本公積	減：庫存股	Other	盈餘公積	一般風險準備	未分配利潤		
		Share capital	Capital surplus	Treasury stock	income	Surplus reserve	General reserve	Undistributed profits		
期初數	Opening balance	1,364,197	4,207,456	(77,644)	(81,061)	1,400,704	301,761	20,334,065	805,269	28,254,747
本期增加	Increase in the current year	-	14,822	-	(72,479)	-	-	4,344,984	147,651	4,434,978
本期減少	Decrease in the current year	-	(24,170)	76,143	-	-	-	(2,728,393)	(153,763)	(2,830,183)
期末數	Ending balance	1,364,197	4,198,108	(1,501)	(153,540)	1,400,704	301,761	21,950,656	799,157	29,859,542

- (1) 資本公積：增加主要原因是實施限制性股票激勵計劃所致，減少原因為購買子公司少數股權所致；

(2) 庫存股：減少原因為激勵計劃限制性股票解鎖、對預計未來可解鎖限制性股票持有者分配現金股利所致；

(3) 其他綜合收益：增加主要原因是重新計量設定受益計劃淨負債的變動及外幣財務報表折算差額所致；
- (1) Capital surplus: Increase mainly represents the grant of the restricted shares under Incentive Plan. Decrease represents the acquisition of non-controlling interests;

(2) Treasury stock: Decrease represents the unlocking of restricted shares under the Incentive Plan, distribution of cash dividends to shareholders of restricted shares expected to be vested in the future;

(3) Other comprehensive income: Increase is mainly due to the changes arising from remeasurement of defined benefit plan liabilities and currency translation differences;

會計數據摘要 Financial Highlights

- (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，減少為本年分配股利；
- (5) 少數股東權益：增加主要原因是本年度部分擁有少數股東的子公司盈利，減少為本年對少數股東分配股利所致。
- (4) Undistributed profits: Increase represents net profit attributable to shareholders of the Company in the current year. Decrease represents the distribution of dividends in the current year;
- (5) Non-controlling interests: Increase is mainly due to profit of certain subsidiaries with non-controlling interests in the current year. Decrease represents the distribution of dividends in the current year.





董事長報告書 Chairman's Statement

姜宗祥先生
Mr. JIANG Zong Xiang



致各位股東：

2024年，國內啤酒市場消費復甦乏力，全年行業規模以上企業累計實現啤酒產量3,521.3萬千升，同比下降0.6%（資料來源：國家統計局；統計口徑：年主營業務收入人民幣2,000萬元以上的全部工業法人企業）。

Dear shareholders,

In 2024, the domestic beer market saw a sluggish recovery in consumption. The annual beer production of enterprises above a designated size reached 35.213 million kiloliters, a year-on-year decline of 0.6% (Source: National Bureau of Statistics; statistical scope: all industrial enterprises with annual main business revenue exceeding RMB20 million).

董事長報告書 Chairman's Statement

報告期內，面對複雜多變的市場環境，董事會帶領管理層及廣大員工堅持以創新驅動高質量發展，加快以科技創新為引領的品牌創新、產品創新、質量創新、營銷模式創新等系統性創新，構建啤酒業務發展新格局，公司經營績效和品牌影響力持續提升。2024年，公司主要經營指標繼續保持穩健增長，全年實現產品銷量753.8萬千升，營業收入人民幣321.4億元；實現歸屬於上市公司股東的淨利潤人民幣43.4億元，同比增長1.8%；歸屬於上市公司股東的扣除非經常性損益的淨利潤人民幣39.5億元，同比增長6.2%。

報告期內，公司充分發揮青島啤酒的品牌和品質優勢積極開拓市場，鞏固提升「一縱兩橫」戰略帶市場建設，聚焦資源強化基地市場優勢地位。公司創新市場運營模式，加快新商業、新零售業務拓展，報告期內公司線上產品銷量同比增長21%，連續12年保持增長；公司加快推進新鮮直送業務佈局，青島精品原漿和水晶純生啤酒產品在24座城市實現新鮮直送，滿足了消費者個性化、多元化、場景化需求。

在國際市場，公司以高品質、高價格、高可見度定位，持續推進海外市場產品分銷覆蓋和品牌傳播，目前青島啤酒已行銷全球超120個國家和地區。報告期內，青島啤酒在全球知名的品牌評估機構Brand Finance年度BSI評選榜單中名列榜首，被評為2024年度世界最強啤酒品牌(The World's Strongest Beer Brand in 2024)，全球品牌影響力持續提升。

During the Reporting Period, facing a complex and ever-changing market environment, the Board led the management and employees in driving high-quality development through innovation. The Company accelerated systematic innovations in brand, product, quality, and marketing models, guided by technological advancements, in a bid to build a new development framework for its beer business. Those efforts led to continuous improvements in the Company's operational performance and brand influence. In 2024, the Company's key operating indicators maintained steady growth. Specifically, its product sales volume reached 7.538 million kiloliters, and revenue totaled RMB321.4 billion. Net profit attributable to shareholders of the listed company amounted to RMB43.4 billion, marking a year-on-year increase of 1.8%, while net profit attributable to shareholders after deducting non-recurring profit or loss reached RMB39.5 billion, reflecting a year-on-year increase of 6.2%.

During the Reporting Period, the Company capitalized on the brand and quality strengths of Tsingtao Beer* (青島啤酒) to actively expand its market presence. It consolidated and enhanced the market development of its "One Vertical and Two Horizontal" strategic zones and allocated resources to reinforce its dominant position in key markets. The Company introduced innovative market operation models and accelerated the expansion of new commerce and new retails. During the Reporting Period, the Company's online product sales grew by 21% year-on-year, marking 12 consecutive years of growth. Additionally, the Company further advanced its fresh beer delivery service. Tsingtao's Original Beer and Draft products were delivered fresh in 24 cities, meeting consumers' personalized, diversified, and scenario-based demands.

The Company positioned as a high-quality, high-price, and high-visibility brand in the international market and the Company continues to expand product distribution and brand communication in overseas markets. Currently, Tsingtao Beer is available in over 120 countries and regions worldwide. During the Reporting Period, Tsingtao Beer was recognized as The World's Strongest Beer Brand in 2024, ranking first in the annual Brand Strength Index (BSI) by the globally renowned brand valuation consultancy Brand Finance, further solidifying its global brand influence.

董事長報告書 Chairman's Statement

報告期內，公司繼續實施青島啤酒主品牌+崂山啤酒全國性第二品牌的品牌戰略，發揮品牌引領作用積極開展品牌推廣和產品營銷活動，通過產品創新、立體化品牌運作和多元化場景下的沉浸式體驗，公司品牌影響力進一步提升。

公司持續優化提升品牌和品種結構，推進青島啤酒主品牌「1+1+1+2+N」產品組合發展，做強主力大單品，加速打造高端生鮮及超高端產品，青島主品牌經典及以上產品佔比持續提升。報告期內，青島啤酒主品牌共實現產品銷量434萬千升，其中中高端以上產品實現銷量315.4萬千升。

報告期內，公司依托具有全球釀酒領域科技研發能力領先的創新平台－青島啤酒科技研發中心，加強新品培育和品質提升，年內研發推出了「奧古特A系列、尼卡希白啤、無醇啤酒系列」等新產品，以卓越品質和創新口感滿足了消費者的多層次需求。

公司加快數字化轉型，創新綠色低碳發展模式，青島啤酒廠2024年獲評全球食品飲料行業首家「可持續燈塔工廠」，公司累計23家啤酒工廠榮獲國家級綠色工廠稱號，為公司高質量發展奠定堅實基礎。

董事長
姜宗祥
中華人民共和國·青島
二零二五年三月二十八日

During the Reporting Period, the Company continued to implement the brand strategy of “Tsingtao Beer as Core Brand + Laoshan Beer as Second Brand”. By leveraging the leading role of its brands, the Company actively organized brand promotion and product marketing campaigns. Through product innovation, multi-dimensional brand operations, and immersive experiences across diverse scenarios, the Company further enhanced its brand influence.

The Company further optimized its brand and product structure, advancing the development of the “1+1+1+2+N” product portfolio, with Tsingtao Beer as the core brand. It strengthened its core products and accelerated the rollout of high-end fresh and ultra-high-end products. The proportions of Tsingtao’s core brands, including Classic and higher-end products, increased steadily. During the Reporting Period, Tsingtao Beer’s core brands achieved a total sales volume of 4.34 million kiloliters, including 3.154 million kiloliters of mid-to-high-end products.

During the Reporting Period, leveraging the Tsingtao Beer Science and Technology Research and Development Center* (青島啤酒科技研發中心), a leading innovation platform in the global brewing industry, the Company stepped up efforts in new product development and quality improvement. During the year, it developed and launched a series of new products, including Augerta A Series* (奧古特A系列), Nicasi White Beer* (尼卡希白啤), and Non-alcoholic Series* (無醇啤酒系列). These offerings met consumers’ multi-level demands with exceptional quality and innovative flavors.

The Company accelerated its digital transformation and pioneered a green, low-carbon development model. In 2024, Tsingtao Brewery was recognized as the first “Sustainable Lighthouse Factory” in the global food and beverage industry. In addition, the Company has 23 breweries awarded the title of “National Green Factory”, laying a solid foundation for its high-quality development.

Chairman
JIANG Zong Xiang
Qingdao, the People’s Republic of China
28 March 2025

* For identification purposes only



净含量: 1L

TSINGTAO

青島啤酒

原漿
ORIGINAL BEER

以往酿酒师才能喝到的啤酒

净含量: 1L
原麦汁浓度: 13.0°P

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。本集團營業額及盈利幾乎完全由生產及銷售啤酒而產生。

2024年公司共實現產品銷售量753.8萬千升，實現營業收入人民幣321.38億元，實現歸屬於上市公司股東的淨利潤人民幣43.45億元，歸屬於上市公司股東的扣除非經常性損益後的淨利潤人民幣39.51億元。

1. 主要附屬公司的經營情況(按中國企業會計準則計算)

單位名稱 Name of Subsidiary	主要產品或服務 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	製造、批發和零售業 Manufacturing, wholesale and retail business	236,977	3,036,015	1,917,981	579,391	2,807,834	742,612
青島啤酒(平度)銷售有限公司 Tsingtao Brewery (Pingdu) Sales Company Limited	批發和零售業 Wholesale and retail business	5,000	1,079,562	935,567	453,289	2,353,374	604,386

2. 報告期內主要供貨商和客戶情況

- (1) 2024年度前五名供應商採購額約人民幣311,743萬元(2023年度：人民幣300,164萬元)，佔年度採購總額20.18%(2023年度：18.33%)。
- (2) 2024年度前五名客戶銷售額約人民幣249,607萬元(2023年度：人民幣263,043萬元)，佔年度銷售總額7.77%(2023年度：7.75%)。

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

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

In 2024, the Company realized 7.538 million kl of sales volume of products in total, realized RMB32.138 billion of revenue; and realized RMB4.345 billion of net profits attributable to shareholders of the Company, including RMB3.951 billion of net profits attributable to shareholders of the Company after deducting non-recurring profit or loss.

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

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

2. Information of main suppliers and clients during the Reporting Period

- (1) The total amount of the Company's purchase from its top 5 suppliers in 2024 was approximately RMB3,117.43 million (2023: RMB3,001.64 million), which accounted for 20.18% of its annual purchase amount in aggregate (2023: 18.33%).
- (2) The total amount of the Company's sales of its top 5 clients in 2024 was approximately RMB2,496.07 million (2023: RMB2,630.43 million), which accounted for 7.77% of its annual sales amount in aggregate (2023: 7.75%).

During the Reporting Period, none of the Company's directors, supervisors and 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. 利潤分配和派息政策

董事會建議就截至2024年12月31日止年度派發末期股息每股人民幣2.20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2024年度股東年會審議批准。概無本公司股東放棄或同意放棄任何股息的安排。

根據《公司章程》的規定，公司實行持續、穩定的利潤分配政策，在公司當年盈利且累計未分配利潤為正值的前提下，應當進行現金分紅，且公司董事會制訂的年度利潤分配預案中以現金方式分配的利潤不低於當年實現的可分配利潤的30%。公司現金分紅的方案依法經過公司董事會審議，並報股東大會批准，獨立非執行董事和中小股東能夠充分表達意見，程序合法、完備。

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本年報第69至86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6頁「會計數據摘要」。有關報告期內公司重大事項載於本年報第93至95頁「重要事項」。

本公司秉承「為了更美好的世界」的環境理念，以「做啤酒行業綠色發展的楷模」為環保願景，緊扣「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」的環保使命，不斷完善環境管理體系建設，高度重視資源的合理利用，用精益管理打造領先工廠，積極應對氣候變化，力求實現生產效益與生態文明平衡共進。

II. Profit Distribution and Dividend Payout Policy

The Board proposed a final dividend of RMB2.20 per share (tax included) for the year ended 31 December 2024, and carried forward the remaining undistributed profits to the next year. The proposed preliminary distribution scheme of final dividend, will be subject to the consideration and approval at the Company's 2024 Annual General Meeting. There is no arrangement under which a shareholder of the Company has waived or agreed to waive any dividend.

According to the Articles of Association, the Company implements a continuous and stable profit distribution policy. On the premise that the Company makes profits with positive accumulated undistributed profits for the current year, cash dividends shall be paid. In the annual profit distribution plan formulated by the Board of Directors, the profit distributed in cash shall be no less than 30% of the distributable profits realized in the current year. The cash dividend plan of the Company is deliberated by the Board of Directors and approved at the Annual General Meeting. The independent non-executive directors and minority shareholders can fully express their opinions, and the procedure is legal and complete.

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 discussion of principal risks and uncertainties faced by the Company are set out in "Management Discussion and Analysis" on pages 69 to 86 of this Annual Report. An analysis of the Group's performance during the year by using the key financial indicators is set out in "Financial Highlights" on page 6 of this Annual Report. Significant events occurred during the Reporting Period are set out in "Significant Events" on pages 93 to 95 of this Annual Report.

The Company upholds the environmental concept of "building a better world", sticks to the environmental vision of "being a model of green development in the beer industry," and keeps to the environmental mission of "promoting sustainable development of the Company and achieving harmony with nature through environmental protection, low-carbon management and circular economy". The Company constantly improves the environmental management system, attaches great importance to the reasonable utilization of resources, builds leading factories through lean management, and proactively addresses climate change in a bid to strike a balance between productivity and ecological civilization.

董事會報告 Report of the Directors

公司實行環保工作專職管理，工廠環保人員內部持證上崗。公司修訂完善了各項環保管理制度，發佈了相關環保技術標準，圍繞公司年度目標和工作方針，在全公司範圍內系統排查管理風險，迅速落地環保管理要求，推進落實環保目標責任制和考核機制。公司嚴格監控生產過程中環保設施運行情況及污染物排放情況，確保污染物穩定達標排放，環保績效持續提升。

於2024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。

本公司確認我們的僱員、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於香港交易所網站上載之《青島啤酒2024環境、社會及管治報告》。

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製)附註(五)(33)(35)(36)(37)(38)。

The Company assigns environmental management to dedicated personnel who must have the required certificate to perform their duties. The Company has amended and improved the environmental management policy and published relevant technical standards. Centered on its annual targets and work guidelines, the Company has identified management risks, quickly implemented requirements for environment management and promoted the accountability and appraisal mechanism for achieving the environmental targets. The Company has strictly monitored the operations of environmental facilities and pollutant discharge during production to ensure stable and up-to-standard discharge and continuous improvement in environmental performance.

Within 2024, the Group had complied with the relevant laws and regulations that has significant impacts on the operations of the Group.

The Company confirms that the employees, customers and cooperation partners are the key 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 strengthening the cooperation with our business partners. For details of the environmental and social responsibilities performed by the Company, please refer to Tsingtao Brewery 2024 Environment, Society and Governance Report published by the Company on the website of the Stock Exchange.

IV. Reserve

Details of changes of reserve of the Company and the Group during the Reporting Period are set out in Note (V)(33)(35)(36)(37)(38) to Consolidated Financial Statements (prepared in accordance with CAS).

董事會報告 Report of the Directors

五. 股本變動及股東情況

1. 2024年5月27日，本激勵計劃設定的預留授予限制性股票第二個解除限售期對應的限制性股票限售期屆滿，解除限售條件已成就，符合條件的33名激勵對象共計96,666股限制性股票解除限售。
2. 2024年7月24日，本激勵計劃設定的首次授予限制性股票第三個解除限售期對應的限制性股票限售期屆滿，解除限售條件已成就，符合條件的595名激勵對象共計4,235,863股限制性股票解除限售。

V. Changes of Share Capital and Information of Shareholders

1. On 27 May, 2024, the second locking period under the reserved grant under the Incentive Plan was expired. The conditions for unlocking the restricted shares have been met, and a total of 96,666 restricted shares from 33 eligible incentive recipients were released from restrictions.
2. On 24 July, 2024, the third locking period under the first grant under the Incentive Plan was expired. The conditions for unlocking the restricted shares have been met, and a total of 4,235,863 restricted shares from 595 eligible incentive recipients were released from restrictions.



董事會報告 Report of the Directors

單位：股
Unit: Share

		本次變動前 Before the change				本次變動增減(+, -) Change (+, -)			本次變動後 After the change	
		數量 Quantity	比例(%) Proportion (%)	發行新股 New shares issued	送股 Bonus shares	公積金轉股 Capitalizing of common reserves	其他 Others	小計 Subtotal	數量 Quantity	比例(%) Proportion (%)
二、	無限售條件流通股份	1,359,767,592	99.68	0	0	0	4,332,529	4,332,529	1,364,100,121	99.99
II.	Unrestricted tradable shares									
1、	人民幣普通股	704,698,414	51.66	0	0	0	4,332,529	4,332,529	709,030,943	51.97
1.	RMB-denominated ordinary shares									
2、	境內上市的外資股	0	0	0	0	0	0	0	0	0
2.	Overseas listed foreign shares									
3、	境外上市的外資股	655,069,178	48.02	0	0	0	0	0	655,069,178	48.02
3.	Overseas listed foreign shares									
4、	其他	0	0	0	0	0	0	0	0	0
4.	Others									
三、	普通股股份總數	1,364,196,788	100	0	0	0	0	0	1,364,196,788	100
III.	Total number of ordinary shares									



董事會報告 Report of the Directors

1. 股東情況

- (1) 報告期末公司股東總數為51,948戶。其中：A股51,709戶，H股239名。
- (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：

1. Shareholders

- (1) As at the end of the Reporting Period, the total number of shareholders of the Company was 51,948 including 51,709 holders of A-share, and 239 holders of H-share.
- (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
香港中央結算(代理人)有限公司(附註1) HKSCC Nominees Limited (Note 1)	7,600	614,001,319	45.01	未知 Unknown	H股 H-share
青島啤酒集團有限公司(附註2) Tsingtao Brewery Group Company Limited (Note 2)	0	443,467,655	32.51	無 Nil	A股和H股 A-share and H-share
香港中央結算有限公司 Hong Kong Securities Clearing Company Limited	1,697,668	22,640,444	1.66	無 Nil	A股 A-share
中國證券金融股份有限公司 China Securities Finance Corporation Company	0	16,015,045	1.17	無 Nil	A股 A-share
中國建設銀行股份有限公司－鵬華中證酒交易型 開放式指數證券投資基金 China Construction Bank Corporation — Penghua CSI Alcoholic Drink ETF	1,816,733	6,958,795	0.51	無 Nil	A股 A-share
新華人壽保險股份有限公司－分紅－個人分紅－ 018L－FH002滬 New China Life Insurance Company Ltd. - Dividends — Individual Dividend — 018L — FH002 Shanghai	3,895,380	6,377,899	0.47	無 Nil	A股 A-share
中國工商銀行股份有限公司－華泰柏瑞滬深300交易型 開放式指數證券投資基金 Industrial and Commercial Bank of China Limited — Huatai-PB CSI 300 ETF	3,260,692	6,049,862	0.44	無 Nil	A股 A-share

董事會報告 Report of the Directors

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
新華人壽保險股份有限公司－傳統－普通保險產品－018L－CT001滬 New China Life Insurance Company Ltd. — Traditional — General Insurance Products — 018L — CT001 Shanghai	—	6,015,704	0.44	無 Nil	A股 A-share
交通銀行股份有限公司－富國消費主題混合型證券投資基金 Bank of Communications Co., Ltd. — Fullgoal Consumption Theme Hybrid Securities Investment Fund	724,300	5,123,467	0.38	無 Nil	A股 A-share
中國農業銀行股份有限公司－易方達消費行業股票型證券 投資基金 Agricultural Bank of China Co., Ltd. — E Fund Consumer Industry Equity Securities Investment Fund	-8,740,502	4,828,498	0.35	無 Nil	A股 A-share

附註：

Notes:

- 香港中央結算(代理人)有限公司及香港中央結算有限公司均為香港交易及結算所有限公司的全資子公司，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，並已扣除青啤集團及鑫海盛持有的H股股份數量。而香港中央結算有限公司持有的A股股份亦為代表其多個客戶持有。
- 青啤集團持股數量包括了通過其自身以及全資附屬公司鑫海盛持有的本公司H股股份合計38,335,600股，其本身持有本公司A股股份405,132,055股。

- Both HKSCC Nominees Limited and Hong Kong Securities Clearing Company Limited are wholly-owned subsidiaries of Hong Kong Exchanges and Clearing Limited. The H-shares are held by HKSCC Nominees Limited on behalf of different clients excluding the H-shares held by Tsingtao Group and Xinhaisheng, while the A-shares are held by Hong Kong Securities Clearing Company Limited also on behalf of different clients.
- Tsingtao Group holds 38,335,600 shares of H-share in the Company by itself and through the wholly-owned subsidiary Xinhaisheng, and 405,132,055 shares of A-share in the Company by itself.

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。

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.

董事會報告 Report of the Directors

(3) H股主要股東

於2024年12月31日，除下述人士外，本公司的董事並不知悉有任何本公司的董事、監事、最高行政人員或他們的聯繫人以外的人士，在本公司的股份或相關股份中擁有權益或淡倉，而該等權益或淡倉是根據《證券及期貨條例》（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：

(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 2024, 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 Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (“SFO”):

名稱 Name	性質 Nature	股份類別 Class of Share	持股身份 Shareholder Identity	註釋 Notes	相關股份的 數目 Number of Related 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 Interests		405,132,055	29.70%	不適用 N/A
	好倉 Long position	H股 H-Share	受控制法團權益 Interest of controlled corporation	1	38,335,600	2.81%	5.85%
香港鑫海盛投資發展有限公司 Hong Kong Xinhaisheng Investment Limited	好倉 Long position	H股 H-Share	實益擁有人 Beneficial Owner		38,335,600	2.81%	5.85%
JPMorgan Chase & Co.	好倉 Long position	H股 H-Share	受控制法團權益／持有保證權益的 人／投資經理／保管人 Interest of controlled corporation/ person having security interest in shares/Investment Manager/ Custodian	2	33,110,391	2.43%	5.05%
	淡倉 Short position				5,465,862	0.40%	0.83%
	可供借出股份 中權益 Interest in a lending pool				23,386,428	1.71%	3.57%
FMR LLC	好倉 Long position	H股 H-Share	受控制法團權益 Interest of Controlled Corporation	3	37,412,625	2.74%	5.71%
FIL Limited	好倉 Long position	H股 H-Share	受控制法團權益 Interest of Controlled Corporation	4	34,295,953	2.51%	5.24%
Pandanus Associates Inc.	好倉 Long position	H股 H-Share	受控制法團權益 Interest of Controlled Corporation	4	34,295,953	2.51%	5.24%
Pandanus Partners L.P.	好倉 Long position	H股 H-Share	受控制法團權益 Interest of Controlled Corporation	4	34,295,953	2.51%	5.24%

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38,335,600股H股是透過青啤集團的全資附屬公司香港鑫海盛投資發展有限公司持有。根據最新的披露權益申報，青島市國資委享有38,335,600股H股權益。
- (2) 被視為JPMorgan Chase & Co.享有權益的股份是分別透過多家由其控制的全資附屬公司持有。
- (3) 被視為FMR LLC享有權益的股份是透過多家由其控制的全資附屬公司持有。
- (4) 被視為FIL Limited、Pandanus Associates Inc.以及Pandanus Partners L.P.享有權益的股份是透過多家由其控制的全資附屬公司持有。
- (5) 公司主要股東新近的披露權益申報，請參閱香港交易及結算所有限公司網站(www.hkexnews.hk)有關「披露權益」的部分。

2. 優先認股權

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

Notes:

- (1) The 38,335,600 H-Shares which were deemed to be interested by SASACQ were held by Hong Kong Xinhaisheng Investment Limited, a wholly-owned subsidiary of Tsingtao Brewery Group Company Limited, which is controlled by SASACQ. According to the latest disclosure of interests filings, SASACQ was interested in 38,335,600 H-Shares.
- (2) The shares in which JPMorgan Chase & Co. was deemed to be interested were held through various controlled wholly-owned subsidiaries of JPMorgan Chase & Co.
- (3) The shares in which FMR LLC was deemed to be interested were held through various controlled wholly-owned subsidiaries of FMR LLC.
- (4) The shares in which FIL Limited, Pandanus Associates Inc. and Pandanus Partners L.P. were deemed to be interested were held through various controlled wholly-owned subsidiaries of FMR LLC.
- (5) For the latest disclosure of interests filings for the Company's substantial shareholders, please refer to the "Disclosure of Interests" section on the website of Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk).

2. Pre-emptive Right

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

董事會報告 Report of the Directors

六. 董事、監事、高級管理人員和員工情況

1. 公司董事被授予的限制性股票情況

好倉：

			單位：股 Unit: Share					
姓名 Name	職務 Position	持股身份 Shareholder Identity	年初持有 限制性 股票數量 Number of restricted shares held at the beginning of the year	估已發行 A股股票總數 概約百分比 Approximate percentage of total issued A Shares (%)	估本公司 已發行股本 概約百分比 Approximate percentage in the issued share capital of the Company (%)	報告期內 解除限售的 股份數量 Number of unlocked shares during the Reporting Period	期末持有 限制性 股票數量 Number of restricted shares held at the end of the period	已收代價 (人民幣元) (註) Considerations received (RMB) (Note)
姜宗祥 JIANG Zong Xiang	董事長、黨委書記、總裁 Chairman, Secretary of the Party Committee, President	實益擁有人 Beneficial Owner	36,667	0.0052	0.0027	36,667	-	2,329,800
黃克興 HUANG Ke Xing	原任董事長、黨委書記 Former Chairman, Secretary of the Party Committee	實益擁有人及配偶權益 Beneficial owner and spouse's interest	50,000	0.0071	0.0037	50,000	-	3,177,000
王瑞永 WANG Rui Yong	執行董事、黨委委員、副總裁 Executive Director, Member of the Party Committee, Vice President	實益擁有人 Beneficial Owner	36,667	0.0052	0.0027	36,667	-	2,329,800
侯秋燕 HOU Qiu Yan	執行董事、黨委委員、財務總監 Executive Director, Member of the Party Committee, CFO	實益擁有人及配偶權益 Beneficial Owner and spouse's interest	20,000	0.0028	0.0015	20,000	-	1,270,800

VI. Directors, Supervisors, Senior Management Officers and Employees

1. Restricted shares granted to directors of the Company

Long positions:

董事會報告 Report of the Directors

註：1、每股限制性股票授予價格為人民幣21.18元。

2、姜宗祥先生持有102,900股。

3、黃克興先生被視為持有136,400股，他本人持有136,300股，他的配偶持有100股。

4、王瑞永先生持有110,000股。

5、侯秋燕先生被視為持有76,000股，他本人持有60,000股，他的配偶持有16,000股。

Notes: 1. The grant price per Restricted Share is RMB21.18.

2. Mr. JIANG Zong Xiang holds 102,900 shares.

3. Mr. HUANG Ke Xing is deemed to hold 136,400 shares, including 136,300 shares held by himself and 100 shares held by his spouse.

4. Mr. WANG Rui Yong holds 110,000 shares.

5. Mr. HOU Qiu Yan is deemed to hold 76,000 shares, including 60,000 shares held by himself and 16,000 shares held by his spouse.

2. 監事持股情況

好倉：

2. The shareholding of supervisors

Long positions:

單位：股
Unit: Share

姓名 Name	職務 Position	持股身份 Shareholder Identity	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 share
黃祖江 HUANG Zhu Jiang	職工監事 Supervisor as Employees' Representative	實益擁有人 Beneficial Owner	12,900	12,900	A股流通股份 Tradable A shares

於2024年12月31日，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。

As at 31 December 2024, 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 the Model Code.

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管理制度》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。

The Company has used the Model Code and its Rules for Managing the Shares of the Company Held by its Directors, Supervisors and Senior Management Personnel and the Changes as the code of standard conduct for securities trading by directors. The Company has conducted inquiries on all directors and supervisors, affirmed that they had followed the standards for securities trading by directors as specified in the Model Code and their code of conduct in all available periods during the Reporting Period.

董事會報告 Report of the Directors

3. 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：

3.1 公司董事的資料更改情況如下：

- (1) 公司獨立非執行董事肖耿先生，經四川百利天恆藥業股份有限公司於2024年7月8日召開的2024年第二次臨時股東大會增選為獨立董事。該公司證券代碼688506。
- (2) 公司獨立非執行董事盛雷鳴先生，於2024年6月16日起不再擔任上海振華重工(集團)股份有限公司獨立董事，該公司證券代碼600320。於2024年6月26日起不再擔任上海外服控股集團股份有限公司獨立董事，該公司證券代碼600662。
- (3) 公司獨立非執行董事張然女士，於2025年1月7日起不再擔任潛能恆信能源技術股份有限公司獨立董事，該公司證券代碼300191。於2025年4月3日起就任中國銀行股份有限公司獨立非執行董事，該公司證券代碼601988(A股)，03988(H股)。

4. 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。

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。

3. Changes of information of directors

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

3.1 Updates on the profiles of the Company's Directors include the following:

- (1) Mr. XIAO Geng, an independent non-executive director of the Company, was elected as an independent director at the second extraordinary general meeting of shareholders of Sichuan Biokin Pharmaceutical Co., Ltd. held on 8 July, 2024. The Company's stock code is 688506.
- (2) Mr. SHENG Lei Ming, an independent non-executive director of the Company, no longer served as an independent director of Shanghai Zhenhua Heavy Industries Co., Ltd. since 16 June, 2024. The company's securities code is 600320. Since 26 June, 2024, he no longer served as an independent director of Shanghai Foreign Service Holdings Group Co., Ltd. The company's stock code is 600662.
- (3) Ms. Rania ZHANG, an independent non-executive director of the Company, no longer served as an independent director of Sino Geophysical Co., Ltd. from 7 January, 2025. The company's stock code is 300191. She has served as an independent non-executive director of Bank of China Limited since 3 April, 2025. The company's securities code is 601988 (A share), 03988 (H share).

4. 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 focusing on the working position and the administration of target responsibilities, and the remuneration incentive program 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 the completion of annual work plan, the results of annual appraisal towards the senior management officers, and etc.

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

董事會報告 Report of the Directors

			報告期內的薪酬合計 (稅前，含企業繳納社保及 公積金和其他離職後福利) (人民幣萬元)
			Total Remuneration (Pre-tax, including social security and provident fund paid by the Company) (RMB '0000)
姓名 Name	職務 Position	備註 Note	
姜宗祥 JIANG Zong Xiang	董事長、黨委書記、總裁 Chairman, Secretary of the Party Committee, President	現任 Current	102.2
黃克興 HUANG Ke Xing	原任董事長、黨委書記 Former Chairman, Secretary of the Party Committee	原任 Former	110.41
王瑞永 WANG Rui Yong	執行董事、黨委委員、 副總裁 Executive Director, Member of the Party Committee, Vice President	現任 Current	98.5
侯秋燕 HOU Qiu Yan	執行董事、黨委委員、 財務總監 Executive Director, Member of the Party Committee, CFO	現任 Current	91.57
肖耿 XIAO Geng	獨立非執行董事 Independent non-executive Director	現任 Current	12
盛雷鳴 SHENG Lei Ming	獨立非執行董事 Independent non-executive Director	現任 Current	12
張然 Rania ZHANG	獨立非執行董事 Independent non-executive Director	現任 Current	12
宋學寶 SONG Xue Bao	獨立非執行董事 Independent non-executive Director	現任 Current	12
李燕 LI Yan	監事會臨時召集人 Tentative convener of the Board of Supervisors	現任 Current	8
王亞平 WANG Ya Ping	獨立監事 Independent Supervisor	現任 Current	8

董事會報告 Report of the Directors

			報告期內的薪酬合計 (稅前，含企業繳納社保及 公積金和其他離職後福利) (人民幣萬元) Total Remuneration (Pre-tax, including social security and provident fund paid by the Company) (RMB '0000)
姓名 Name	職務 Position	備註 Note	
黃祖江 HUANG Zhu Jiang	職工監事 Supervisor as Employees' Representative	現任 Current	79.42
孫麗紅 SUN Li Hong	職工監事 Supervisor as Employees' Representative	現任 Current	76.46
孟慶尚 MENG Qing Shang	職工監事 Supervisor as Employees' Representative	現任 Current	75.72
蔡志偉 CAI Zhi Wei	營銷總裁 President of Marketing Center	現任 Current	456.18
徐楠 XU Nan	副總裁、製造總裁、 總釀酒師 Vice President, President of Manufacturing and Chief Winemaker	現任 Current	99.32
李輝 LI Hui	副總裁 Vice President	現任 Current	90.87
員水源 YUN Shui Yuan	副總裁、供應鏈總裁 Vice President	現任 Current	90.85
張瑞祥 ZHANG Rui Xiang	董事會秘書 Board Secretary	現任 Current	85.78
姜省路 JIANG Xing Lu	獨立非執行董事 Independent non-executive Director	原任 Former	6
合計 Total			1,527.28

董事會報告 Report of the Directors

註：1、姜省路先生於2024年6月26日辭任獨立非執行董事職務，統計上半年的薪酬；黃克興於2024年12月25日辭任董事長和執行董事職務，統計全年薪酬。

Note: 1. Mr. JIANG Xing Lu resigned as the Independent Non-Executive Director on 26 June, 2024, whose salary for the first half of the year was calculated; Mr. Huang Ke Xing resigned as the Chairman and Executive Director on 25 December 2024 whose salary for the whole year was calculated.

5. 員工情況

5.1 截至報告期末，本公司（包括下屬子公司）在崗員工共計29,870人。員工專業構成及教育程度如下：

專業構成
Profession

專業構成類別	Class of Profession	專業構成人數 Number (person)
生產人員	Production personnel	13,121
銷售人員	Sales personnel	9,521
技術人員	Technical personnel	2,379
財務人員	Financial personnel	1,262
行政人員	Administrative personnel	3,587
合計	Total	29,870

教育程度
Educational Background

教育程度類別	Educational level	數量(人) Number (person)
碩士以上	Master's degree and above	461
本科生	Undergraduate	7,593
專科生	Junior college	9,625
中專生	Secondary specialized school	5,330
中專以下	Under secondary specialized school	6,861
合計	Total	29,870

5. Employees

5.1 As at the end of the Reporting Period, the Company (including the subsidiaries) totally had 29,870 full-time employees. The composition of employees in terms of profession and educational background is as follows:

董事會報告 Report of the Directors

5.2 薪酬政策

報告期內，公司繼續嚴格貫徹落實國家及地方關於工資總額管理的相關政策，結合公司高質量發展戰略、年度經營目標和經濟效益，秉承以目標為導向配置資源，綜合考慮全員勞動生產率、人事費用率以及員工工資水平市場對標等情況，實行工資總額預算管理。合理確定職工工資總額的增長幅度，實行工資總額與業績聯動的差異化考核分配機制。堅持「效益增長分享、效率提升」管理原則，完善科技人才職位體系及配套機制，加大科技創新激勵力度，同時向市場一線和生產一線傾斜，高業績、高效率，匹配高激勵，持續優化績效考核激勵機制；搭建多層次養老保險體系，公司企業年金計劃全面落地運營。通過強化工資總額與經營業績的聯動，不斷提高員工收入水平，助力公司經營業績持續健康發展。

5.3 培訓計劃

報告期內，公司重點圍繞「加速提升數字化人才素養，推動技能人才向工匠型轉變，全面普及實戰研究模式」開展培訓工作。在數字化人才方面，構建了通用能力課程體系，數字化三級人才普及率達100%。技能人才方面，新增市級以上技能榮譽36項。通過技能競賽、職位評聘等方式，技能人才職業發展通道進一步暢通；實戰研究模式不斷完善，完成1,156項技能迭代。

5.2 Remuneration policy

During the Reporting Period, the Company continued to strictly implement relevant national and local policies on total wage management, and carry out the total payroll management combining with its high-quality development strategy, annual business goals and economic benefits, adhering to the goal-oriented allocation of resources, while comprehensively considering the overall labor productivity, personnel cost rate, and market benchmarks for employee wage levels. The Company reasonably determined the growth rate of the total payroll and implemented a differentiated assessment and distribution mechanism that links total payroll with performance. Adhering to the management principle of “benefit growth and sharing, efficiency improvement”, the Company improved the position system and its supporting mechanisms for technical talents, increased incentives for scientific innovation, and tended to the front line of both market and production with high performance, high efficiency and high incentives, therefore continuously optimizing the performance evaluation incentive mechanism; the Company also established a multi-level pension insurance system and fully implemented and operated its enterprise annuity plan. By strengthening the linkage between total payroll and operating performance, the Company continuously improved the income level of all employees, accelerating the Company’s sustainable and healthy development in its operating performance.

5.3 Training plan

During the Reporting Period, the Company focused on training around “accelerating the improvement of digital talent literacy, promoting the transformation of skilled talents into craftsmen, and comprehensively popularizing practical research models”. In terms of digital talent, a general competency curriculum system has been established, and the penetration rate of the digital talents at three levels has reached 100%. In terms of technical talents, 36 new technical honors at or above the city level have been added. Through technical competitions, job evaluations and other means, the career development channels for technical talents were further streamlined; the practical research mode was constantly improving, completing 1,156 technical iterations.

董事會報告 Report of the Directors

七. 董事及監事收購股份之權利

除本年報所披露者外，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。

八. 董事或監事合約權益及董事服務合約

本公司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）。除本年報所披露者外，本年度內董事及監事均無在與本公司及其附屬公司訂立的任何合約中擁有重大權益。

九. 獨立非執行董事之獨立性的確認

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

十. 購回、出售及贖回上市股份

報告期內，本公司或其任何附屬公司並無購入、出售及贖回本公司任何上市證券。

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

VII. Directors' and Supervisors' Right of Purchasing Shares

Save as disclosed herein, 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.

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

All directors and supervisors appointed by the Company 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). Save as disclosed herein, neither directors nor supervisors obtained material interests from any contracts entered into with the Company or its subsidiaries within the year.

IX. Confirmation of Independence by Independent Non-executive Directors

The Company has received annual confirmation letter from each 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

Neither the Company nor its subsidiaries purchased, sold, or redeemed any of the Company's listed securities during the Reporting Period.

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

董事會報告 Report of the Directors

十一. 主要附屬公司及聯營公司

本公司各附屬公司及聯營公司之詳情載於隨附合併財務報表附註。

十二. 固定資產

有關報告期內固定資產之變動載於隨附合併財務報表附註。

十三. 銀行貸款

於2024年12月31日之銀行貸款詳情載於隨附合併財務報表附註。

十四. 獲準許之彌償條文

經本公司2020年度股東年會批准，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

除本年報所披露者外，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. A股限制性股票激勵計劃

(一) 激勵計劃限制性股票解鎖上市

1. 本公司於2024年5月16日召開第十屆董事會2024年第三次臨時會議和第十屆監事會2024年第三次臨時會議，分別審議通過了《關於A股限制性股票激勵計劃預留授予限制性股票第二個解除限售期解除限售條件成就的議案》，本次激勵計劃設定的預留授予限制性股票第二個解除限售期對應的限制性股票限售期已屆滿，解除限售條件已成就，公司同意為符合條件的33名激勵對象共計96,666股限制性股票辦理解除限售相關事宜。本次解鎖股票上市流通時間為2024年5月27日。

XI. Principal Subsidiaries and Associated Companies

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

XII. Fixed Assets

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

XIII. Bank Loans

Details of bank loans as at 31 December 2024 are set out in the attached Notes to Consolidated Financial Statements.

XIV. Permitted Indemnity Provision

As approved at the 2020 Annual General Meeting of the Company, the Company has purchased appropriate liabilities insurance for all directors.

XV. Equity-linked Agreements

Save as disclosed herein, no equity-linked agreements were entered into during the year or subsisted at the end of the year.

XVI. Restricted A Share Incentive Plan

(I) Unlocking and Listing of Restricted Shares under the Incentive Plan

1. At the third extraordinary meeting of 2024 of the tenth session of the Board and the third extraordinary meeting of 2024 of the tenth session of the Board of Supervisors held by the Company on 16 May 2024, the "Proposal on Fulfillment of the Unlocking Conditions for the Second Unlocking Period under the Reserved Grant of the Restricted Shares under the Restricted A Share Incentive Plan" was reviewed and approved. The second unlocking period under the reserved grant under the Incentive Plan has expired and the corresponding conditions for unlocking the restricted shares under the Incentive Plan have been fulfilled. It is therefore agreed that the Company shall deal with the unlocking matters in relation to the 33 qualified participants with a total of 96,666 restricted shares. The listing and circulation time of the unlocked shares is 27 May 2024.

董事會報告 Report of the Directors

2. 本公司於2024年7月16日召開第十屆董事會2024年第六次臨時會議和第十屆監事會2024年第五次臨時會議，分別審議通過了《關於A股限制性股票激勵計劃首次授予限制性股票第三個解除限售期解除限售條件成就的議案》，本次激勵計劃設定的首次授予限制性股票第三個解除限售期對應的限制性股票限售期已屆滿，解除限售條件已成就，公司同意為符合條件的595名激勵對象共計4,235,863股限制性股票辦理解除限售相關事宜。本次解鎖股票上市流通時間為2024年7月24日。激勵對象中的公司董事及高級管理人員在本次限制性股票解鎖後，持有、買賣本公司股票應遵守相關規定。

有關激勵計劃限制性股票解鎖上市的具體內容詳見公司日期為2024年5月16日、2024年5月20日、2024年7月16日及2024年7月18日發佈的相關公告。

2. At the sixth extraordinary meeting of 2024 of the tenth session of the Board and the fifth extraordinary meeting of 2024 of the tenth session of the Board of Supervisors held by the Company on 16 July 2024, the “Proposal on Fulfillment of the Unlocking Conditions for the Third Unlocking Period under the First Grant of the Restricted Shares under the Restricted A Share Incentive Plan” was reviewed and approved. The third unlocking period under the first grant under the Incentive Plan has expired and the corresponding conditions for unlocking the restricted shares under the Incentive Plan has been fulfilled. It is therefore agreed that the Company shall deal with the relevant matters in relation to the 595 qualified participants with a total of 4,235,863 restricted shares. The listing and circulation time of the unlocked shares is 24 July 2024. The directors and senior management of the Company, among the incentive participants, shall abide by the relevant regulations when holding and trading the Company’s shares upon this release of the restricted shares.

For more details of the unlocking and listing of restricted shares under the Incentive Plan, please refer to the relevant announcements of the Company published on 16 May, 20 May, 16 July and 18 July 2024.

董事會報告 Report of the Directors

(二) 根據《香港聯交所上市規則》第十七章股份計劃做出的披露

於2020年6月8日(「採納日期」)，本公司股東採納了A股限制性股票激勵計劃(「激勵計劃」)。激勵計劃旨在促進本公司建立、健全激勵約束機制及充分調動本公司董事、高級管理人員、其他本公司核心管理人員、中層管理人員和核心骨幹人員的積極性、責任感和使命感。激勵計劃參與人士包括(1)本公司董事、高級管理人員(不包括非執行董事、獨立非執行董事及監事)；(2)其他本公司核心管理人員；及(3)中層管理人員、本公司核心骨幹人員。根據激勵計劃將授予的股份數目最高為13,494,000股，分別佔本公司於激勵計劃之採納日期及於本報告日期已發行股本總數約0.9993%及0.9896%。根據激勵計劃，各參與者所獲授限制性股票數量不得超過計劃採納日期公司股本總額的1%。截至2024年1月1日及2024年12月31日，並無根據激勵計劃可供授出的限制性股票。



(II) Disclosures made according to Chapter 17 Share Schemes of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited

The shareholders of the Company adopted the Restricted A Share Incentive Plan (the "Incentive Plan") on 8 June 2020 (the "Adoption Date"). The purpose of the Incentive Plan is to promote the establishment and improvement of the incentive mechanism of the Company and to fully mobilize the enthusiasm, sense of responsibility and mission of the Company's Directors, senior management personnel, other core management personnel, middle management personnel and core personnel of the Company. The participants of the Incentive Plan include (1) the Directors and senior management personnel of the Company (excluding non-executive Directors, independent non-executive Directors and supervisors); (2) other core management personnel of the Company; and (3) middle management personnel and core personnel of the Company. According to the Incentive Plan, the maximum number of Shares to be awarded under the Incentive Plan is 13,494,000 Shares, representing approximately 0.9993% and 0.9896% of the total issued share capital of the Company as at the Adoption Date and the date of this report, respectively. The number of restricted shares granted to each participant under the Incentive Plan shall not exceed 1% of the total share capital of the Company as at the Adoption Date. As at 1 January 2024 and 31 December 2024, there is no outstanding restricted shares available for grant under the Incentive Plan.

董事會報告 Report of the Directors

激勵計劃授予的限制性股票的解除限售期及各期解除限售時間安排如下表所示：

The unlocking period and unlocking schedule of each period for the restricted shares granted under the Incentive Plan are set out in the table below:

解除限售安排 Unlocking Period	解除限售時間 Unlocking Time	可解除限售數量 佔獲授權益數量比例 Proportion of unlocking shares in the total shares granted
第一個解除限售期 First Unlocking Period	自相應授予登記完成之日起24個月後的首個交易日起至相應授予登記完成之日起36個月內的最後一個交易日當日止 Commencing from the first trading day after expiry of the 24-month period from the date of completion of registration of certain corresponding restricted shares and ending on the last trading day of the 36-month period from the date of completion of registration of certain corresponding restricted shares	1/3
第二個解除限售期 Second Unlocking Period	自相應授予登記完成之日起36個月後的首個交易日起至相應授予登記完成之日起48個月內的最後一個交易日當日止 Commencing from the first trading day after expiry of the 36-month period from the date of completion of registration of certain corresponding restricted shares and ending on the last trading day of the 48-month period from the date of completion of registration of certain corresponding restricted shares	1/3
第三個解除限售期 Third Unlocking Period	自相應授予登記完成之日起48個月後的首個交易日起至相應授予登記完成之日起60個月內的最後一個交易日當日止 Commencing from the first trading day after expiry of the 48-month period from the date of completion of registration of certain corresponding restricted shares and ending on the last trading day of the 60-month period from the date of completion of registration of certain corresponding restricted shares	1/3

限售期滿後，本公司為滿足解除限售條件的激勵對象辦理解除限售事宜，未滿足當期解除限售條件的激勵對象持有的當期限限制性股票由本公司回購併註銷。儘管有前述規定，授予董事、高級管理人員的限制性股票總量20%的部分（及就該等股票分配的股票股利（如有）），在激勵計劃限制性股票最後一次解除限售時，鎖定至相關董事、高級管理人員任職（或任期）期滿後，根據其任期考核或經濟責任審計結果確定是否解除限售。

After the expiry of the lock-up period, the Company will handle the unlocking arrangements for the participants who have satisfied the unlocking conditions. The restricted shares held by the participants who fail to satisfy the unlocking conditions shall be repurchased and cancelled by the Company. Notwithstanding the aforementioned stipulations, at the last unlocking of restricted shares of the Incentive Plan, 20% of the total restricted shares (and the dividends distributed to those shares (if any)) held by the Directors or senior management personnel shall be locked up until the expiry of his/her term of office and the unlocking of which would be subject to his/her performance appraisal or the results of economic duty audit during his/her term of office.

首次授予及預留授予的限制性股票的授予價格為每股人民幣21.18元，即滿足授予條件後，激勵對象可以每股人民幣21.18元的價格認購本公司向激勵對象增發的限制性股票。根據國務院國有資產監督管理委員會及中國證監會相關規定，授予價格應當根據公平市場原則確定。有關釐定授予價格的基準的具體內容詳見公司日期為2020年4月29日及6月29日分別發佈的相關通函及公告。激勵計劃的有效期限從首次授予時限制性股票的註冊之日起計算，最長期限不得超過6年。

The grant price of the restricted shares under the first grant and reserved grant shall be RMB21.18 per share. Upon fulfilment of grant conditions, each participant is entitled to subscribe the restricted shares newly issued to the participants by the Company at the price of RMB21.18 per share. As prescribed by the relevant requirements of the State-owned Assets Supervision and Administration Commission of the State Council and CSRC, the grant price shall be determined according to principle of fair market. Please refer to the circular and announcement of the Company dated 29 April 2020 and 29 June 2020 respectively for details on the determination basis of the grant price. The validity period of the Incentive Plan shall be calculated from the date of registration of the restricted shares at the first grant and the maximum period shall not exceed 6 years.

董事會報告 Report of the Directors

激勵計劃限制性股票的年內變動詳情如下：

Details of movement of the restricted shares under the Incentive Plan during the year are as follows:

承授人	授出日期	歸屬期	股份數目 Number of shares				於2024年 12月31日 尚未行使	授出日期的 公允價值 (附註1) (人民幣)
			於2024年 1月1日 尚未行使	年內授出	年內歸屬	年內取消/ 失效		
Grantees	Date of grant	Vesting date	Outstanding as at 1 January 2024	Granted during the year	Vested during the year	Cancelled/ lapsed during the year	Outstanding as at 31 December 2024	Fair value as at date of grant (Note 1) (RMB)
董事								
<i>Director</i>								
姜宗祥	2020年6月29日	2024年7月24日	36,667	—	36,667	—	—	4,000,920
JIANG Zong Xiang	29 June 2020	24 July 2024						
黃克興	2020年6月29日	2024年7月24日	50,000	—	50,000	—	—	5,455,800
HUANG Ke Xing	29 June 2020	24 July 2024						
王瑞永	2020年6月29日	2024年7月24日	36,667	—	36,667	—	—	4,000,920
WANG Rui Yong	29 June 2020	24 July 2024						
侯秋燕	2020年6月29日	2024年7月24日	20,000	—	20,000	—	—	3,045,600
HOU Qiu Yan	29 June 2020	24 July 2024						
總薪酬最高的 五名個人(合共) (不包括董事)	2020年6月29日	2024年7月24日	158,669	—	158,669	—	—	20,004,600
Five highest paid individuals (total) (excluding Directors)	29 June 2020	24 July 2024						
其他僱員	2020年6月29日及 2021年3月22日	2024年5月27日及 2024年7月24日	4,127,193	—	4,030,526	—	96,667	637,230,420
Others Employees	29 June 2020 and 22 March 2021	27 May 2024 and 24 July 2024						
總計			4,429,196	—	4,332,529	—	96,667	673,738,260
Total								

附註：

- 按照中國企業會計準則的相關規定，本公司以權益工具授予日流通股單日收盤價格為基礎確定限制性股票的公允價值，具體會計政策請見財務報表附註(十二)「股份支付」一節的披露內容。
- 緊接首次授予和預留授予日期前的A股股票收市價分別為人民幣72.20元和79.72元。
- 緊接2024年5月27日授予股份歸屬日前一交易日(2024年5月24日)，本公司A股股票加權平均收盤價為人民幣83.52元。緊接2024年7月24日授予股份歸屬日前一交易日(2024年7月23日)，本公司A股股票加權平均收盤價為人民幣68.13元。
- 報告期內可就激勵計劃已授予的限制性股票而發行的股份數目除以報告期內已發行股份的加權平均數為0.9896%。

Note:

- The Group determines the fair value of restricted shares on the basis of the single-day closing price of the circulating shares on the date when the equity instruments are granted, in accordance with the relevant provisions of CAS. For specific accounting policies, please refer to the disclosures in the "Share-based payment" section in Note (XII) to the financial statements.
- The closing prices of A shares immediately before the dates of the first grant and reserved grant were RMB72.20 and RMB79.72 respectively.
- The weighted average closing prices of the Company's A shares on the trading day (24 May 2024) immediately before the vesting date of 27 May 2024 of the relevant shares granted was RMB83.52. The weighted average closing prices of the Company's A shares on the trading day (23 July 2024) immediately before the vesting date of 24 July 2024 of the relevant shares granted was RMB68.13.
- The number of shares that may be issued in respect of Restricted Shares granted under the Incentive Plan during the Reporting Period divided by the weighted average number of shares in issue for the Reporting Period was 0.9896%.

董事會報告 Report of the Directors

十七. 按照《香港聯交所上市規則》界定的持續關連交易情況

以下為公司截至2024年12月31日止年度進行的持續關連交易資料，而須根據上市規則第14A章在本年報內披露。

除非本報告另有界定，否則本部分所用詞匯與本公司日期為2024年1月22日的公告所界定者具有相同涵義。

(一) 與青啤集團及其附屬公司的持續關連交易

青啤集團為本公司的控股股東，直接及間接持有本公司約32.51%股份。優家健康及智鏈順達均為青啤集團之全資附屬公司，優家(天津)、優家(上海)及雲南大山均為青啤集團之間接附屬公司，均為青啤集團的聯繫人。因此，青啤集團、優家健康、優家(天津)、優家(上海)、雲南大山及智鏈順達均為本公司的關連人士。於2024年1月22日，本公司(1)與青啤集團簽訂《綜合服務框架協議》；(2)與優家健康簽訂《委託生產及購銷產品框架協議》；(3)與優家健康、優家(天津)、優家(上海)及雲南大山簽訂《商標使用許可協議》；及(4)與智鏈順達簽訂《供應鏈業務服務框架協議》，如下文和公司日期為2024年1月22日的公告中更具體描述。四項協議及其項下進行的交易構成《上市規則》第14A章項下本公司之持續關連交易，並須遵守上市規則第14A章所載申報、公告及年度審核規定，惟豁免遵守獨立股東批准之規定。



XVII. Continuing Connected Transactions Defined by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited

Set out below is the information in relation to the continuing connected transactions that were conducted during the year ended 31 December 2024 which are required to be disclosed in this Annual Report in accordance with Chapter 14A of the Listing Rules.

Unless otherwise defined herein, capitalized terms used in this section shall have the same meanings as those defined in the announcement dated 22 January 2024 of the Company.

(I) Continuing connected transactions with Tsingtao Group and its subsidiaries

Tsingtao Group is a controlling shareholder of the Company, directly and indirectly holding approximately 32.51% of the shares in the Company. Youjia Health and Zhilan Shunda are wholly-owned subsidiaries of Tsingtao Group, Youjia Tianjin, Youjia Shanghai and Yunnan Dashan are all indirect subsidiaries of Tsingtao Group, all of which are the associates of Tsingtao Group. Therefore, Tsingtao Group, Youjia Health, Youjia Tianjin, Youjia Shanghai, Yunnan Dashan and Zhilan Shunda are all connected persons of the Company. On 22 January 2024, the Company entered into (i) the Comprehensive Services Framework Agreement with Tsingtao Group; (ii) the Entrusted Production and Product Purchase and Sale Framework Agreement with Youjia Health; and (iii) the Trademark License Agreement with Youjia Health, Youjia Tianjin, Youjia Shanghai and Yunnan Dashan; and (iv) the Supply Chain Services Framework Agreement with Zhilan Shunda. For more details, refer to the text below and the announcement of the Company dated 22 January 2024. The four agreements and the transactions contemplated thereunder constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules which were subject to the reporting, announcement and annual review requirements but were exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

董事會報告 Report of the Directors

(A) 2024年《綜合服務框架協議》

於2024年1月22日，本公司與青啤集團簽訂協議（「《綜合服務框架協議》」），據此，本公司為青啤集團及其附屬公司提供質量檢測服務、健康飲品的產品研發服務、信息網絡服務及人力資源服務；本集團承租青啤集團及其附屬公司的自有房屋物業。《綜合服務框架協議》的年期由2024年1月1日起至2024年12月31日止。《綜合服務框架協議》項下截至2024年12月31日止年度的實際交易金額為人民幣17,974,687元，未超過截至2024年12月31日止年度上限金額人民幣28,000,000元。

(B) 2024年《委託生產及購銷產品框架協議》

於2024年1月22日，本公司與優家健康簽訂協議（「《委託生產及購銷產品框架協議》」），據此，(i)優家健康集團委託本集團生產「雀巢優活」、「pure life」、「優活家」等系列品牌的包裝飲用水及其他飲料產品；(ii)優家健康集團購買本集團啤酒產品用於發放職工福利；及(iii)本集團通過青島啤酒電商平台銷售優家健康集團向其供應的包裝飲用水及飲料產品等。《委託生產及購銷產品框架協議》的年期由2024年1月1日起至2024年12月31日止。《委託生產及購銷產品框架協議》項下截至2024年12月31日止年度的實際交易金額為人民幣1,811,230元，未超過截至2024年12月31日止年度上限金額人民幣26,850,000元。

(A) 2024 Comprehensive Services Framework Agreement

On 22 January 2024, the Company and Tsingtao Group entered into an agreement (the “Comprehensive Services Framework Agreement”) pursuant to which the Company shall provide quality examination services, health beverage product development services, information network services and human resources services for Tsingtao Group and its subsidiaries. Tsingtao Group and its subsidiaries shall provide houses leasing services to the Group. The Comprehensive Services Framework Agreement was for a term commencing from 1 January 2024 to 31 December 2024. The actual transaction amount under the Comprehensive Services Framework Agreement for the year ended 31 December 2024 was RMB17,974,687, which has not exceeded the annual cap amount of RMB28,000,000 for the year ended 31 December 2024.

(B) 2024 Entrusted Production and Product Purchase and Sale Framework Agreement

On 22 January 2024, the Company and Youjia Health entered into an agreement (the “Entrusted Production and Product Purchase and Sales Framework Agreement”) pursuant to which (i) Youjia Health Group shall entrust the Group with producing packaged drinking water products and other beverage products of the brand series of “Nestlé Pure Life”, “Pure Life”, “優活家”, etc.; (ii) Youjia Health Group shall purchase the Group’s brewery products for the purposes of providing employee benefits; and (iii) The Group sells packaged drinking water and beverage products, etc. supplied to it by Youjia Health Group through its own Tsingtao Beer’s e-commerce platform. The Entrusted Production and Product Purchase and Sale Framework Agreement was for a term commencing from 1 January 2024 to 31 December 2024. The actual transaction amount under the Entrusted Production and Product Purchase and Sale Framework Agreement for the year ended 31 December 2024 was RMB1,811,230, which has not exceeded the annual cap amount of RMB26,850,000 for the year ended 31 December 2024.

董事會報告 Report of the Directors

(C) 2024年《商標使用許可協議》

於2024年1月22日，本公司與優家健康、優家(天津)、優家(上海)及雲南大山簽訂協議(「《商標使用許可協議》」)。本公司許可優家健康、優家(天津)、優家(上海)及雲南大山(各稱為「被許可方」)，在協議期限內，在許可區域(即中華人民共和國境內(不含香港特別行政區、澳門特別行政區、台灣地區))進行許可產品的生產、銷售、宣傳推廣、促銷等商業活動中使用本公司擁有「TSINGTAO」和「青啤優活」等系列的註冊商標。《商標使用許可協議》的年期由2024年1月1日起至2024年12月31日止。《商標使用許可協議》項下截至2024年12月31日止年度的實際交易金額為人民幣84,190元，未超過截至2024年12月31日止年度上限金額人民幣730,000元。

(D) 2024年《供應鏈業務服務框架協議》

於2024年1月22日，本公司與智鏈順達簽訂協議(「《供應鏈業務服務框架協議》」)，據此，智鏈順達集團為本集團提供(i)物流運輸、國際貨代及設備租賃服務(啤酒等相關產品運輸服務；廠內物流、啤酒生產所需原材物料、包裝物等啤酒生態鏈物資的運輸服務或外包服務；進口大麥等原料／物料的貨運代理服務、叉車、貨架等設備租賃或採購服務)(「物流運輸服務」)；及(ii)倉儲服務及增值服務(配送中心、區域配送中心等倉儲服務及二次包裝、快遞快運等增值服務)(「倉儲及增值服務」)。同時，智鏈順達集團將

(C) 2024 Trademark License Agreement

On 22 January 2024, the Company and Youjia Health, Youjia Tianjin, Youjia Shanghai and Yunnan Dashan entered into an agreement (“the Trademark License Agreement”). The Company licenses Youjia Health, Youjia Tianjin, Youjia Shanghai and Yunnan Dashan (each referred to as the “Licensee”) to use the registered trademarks owned by the Company such as series of “TSINGTAO” and “Tsing Beer Youhuo*” (青啤優活), when carrying out business activities to produce, sell, publicise and promote the licensed products, in the licensed areas (namely the areas within territory of the PRC (excluding Hong Kong Special Administrative Region, Macao Special Administrative Region and Taiwan)) during the term of the agreement. The Trademark License Agreement was for a term commencing from 1 January 2024 to 31 December 2024. The actual transaction amount under the 2024 Trademark License Agreement for the year ended 31 December 2024 was RMB84,190, which has not exceeded the annual cap amount of RMB730,000 for the year ended 31 December 2024.

(D) 2024 Supply Chain Services Framework Agreement

On 22 January 2024, the Company and Zhilian Shunda entered into an agreement (the “Supply Chain Services Framework Agreement”) pursuant to which Zhilian Shunda Group shall provide the Group with (i) logistics, transportation and international freight forwarding services and equipment leasing services (transportation services for beer and other related products; transportation services or outsourcing services for beer ecological chain materials such as raw materials and packaging materials required for in-plant logistics and brewery production; freight forwarding services for imported barley and other raw materials/materials, rental or procurement services for forklift trucks, shelves and other equipment) (“Logistics and Transportation Services”); (ii) warehousing and value-added services (warehousing services such as distribution centres and regional distribution centres, etc. and value-added services such as secondary packaging

董事會報告 Report of the Directors

承租本集團部分工廠的閒置倉庫進行運營(「倉租服務」)以及購買本集團產品、啤酒及麥芽生產過程中產生的副產物及本集團工業設備安裝等服務(「智鏈購買產品服務」)。

本集團為智鏈順達集團提供外包服務、資訊諮詢／全球產區農產品尋源等代理服務(「信息資訊及代理服務」)。

《供應鏈業務服務框架協議》的年期由2024年1月1日起至2024年12月31日止。《供應鏈業務服務框架協議》項下截至2024年12月31日止年度有關(i)物流運輸服務及倉儲及增值服務、(ii)倉租服務；(iii)智鏈購買產品服務；及(iv)信息資訊及代理服務的實際交易金額合計為人民幣753,630,833元，未超過截至2024年12月31日止年度有關物流運輸服務、倉儲及增值服務、倉租服務；智鏈購買產品服務；及信息資訊及代理服務的年度上限金額人民幣990,530,000元。

(二) 本公司獨立非執行董事已審閱並確認截至2024年12月31日止年度的上述持續關連交易乃：

- (i) 於集團的一般及日常業務過程中進行；
- (ii) 按一般商業條款進行；及
- (iii) 根據規管有關交易之協議進行，條款屬公平合理，而且符合公司股東的整體利益。

董事會亦認為交易已根據有關協議項下的定價政策進行，且公司的內部控制程序乃足夠有效。

and express delivery, etc.) (“Warehousing and Value-added Services”). Zhilian Shunda Group shall be leased part of the idle warehouses in the factories of the Group for operation purposes (“Warehouse Leasing Services”) and purchase the Group’s products, byproducts produced during beer and malt production and services such as the installation of industrial equipment of the Group (“Zhilian Product Purchase Services”).

The Group provides Zhilian Shunda Group with services for outsourcing, information consulting/global agricultural product sourcing, and other agency services (“Information Consulting and Agency Services”).

The Supply Chain Services Framework Agreement was for a term commencing from 1 January 2024 to 31 December 2024. The actual transaction amount for (i) the Logistics and Transportation Services and Warehousing and Value-added Services; (ii) the Warehouse Leasing Services; (iii) Zhilian Product Purchase Services; and (iv) Information Consulting and Agency Services under the Supply Chain Services Framework Agreement for the year ended 31 December 2024 was RMB753,630,833, which has not exceeded the annual cap amount of RMB990,530,000 for the Logistics and Transportation Services and Warehousing and Value-added Services; and the Warehouse Leasing Services; Zhilian Product Purchase Services; and Information Consulting and Agency Services for the year ended 31 December 2024.

(II) The independent non-executive directors of the Company had reviewed and confirmed that the aforementioned continuing connected transactions for the year ended 31 December 2024 were entered into:

- (i) in the ordinary and usual course of business of the Group;
- (ii) on normal commercial terms; and
- (iii) according to the agreements governing them on terms that are fair and reasonable and in the interest of the shareholders of the Company as a whole.

The Board also considers that the transactions had been conducted in accordance with the pricing policies under the relevant agreement and the Company’s internal control procedures are adequate and effective.

董事會報告 Report of the Directors

(三) 本公司核數師已審查上述持續關連交易，並向董事會確認該等持續關連交易沒有任何事項引起核數師的注意，使核數師相信已披露的持續關連交易：

- 未經由董事會批准；
- 若交易涉及由本集團提供貨品或服務，各重大方面未按照本集團定價政策進行；
- 各重大方面沒有根據有關交易的協議條款進行；及
- 超逾有關年度上限。

本集團於一般業務過程中進行關聯方交易的詳情載於綜合財務報表附註(十一)及在該附註說明的所有關聯方交易(除上述的持續關連交易)並不屬於上市規則所界定的「關連交易」或「持續關連交易」。就本集團在截至2024年12月31日止年度所進行的持續關連交易而言，本公司已遵守上市規則第14A章所規定的披露要求。

十八. 董事及監事在重要交易、安排或合約中的權益

除本年報所披露外，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。

(III) The Company's auditor has reviewed the aforementioned continuing connected transactions and confirmed to the Board that in respect of such continuing connected transactions, no matter has attracted attention of the auditor that caused the auditor to believe that the continuing connected transactions:

- have not been approved by the Board;
- were not, in all material respects, in accordance with the pricing policies of the Group if the transactions involve the provision of goods or services by the Group;
- were not entered into, in all material respects, in accordance with the relevant agreement governing the transactions; and
- have exceeded the relevant annual cap.

Details of the related party transactions conducted by the Group in the normal course of business are set out in Note (XI) to the Consolidated Financial Statements and all those related party transactions, other than the continuing connected transactions set out above, do not fall under the definition of "connected transaction" or "continuing connected transaction" under the Listing Rules. The Company has complied with the disclosure requirements prescribed in Chapter 14A of the Listing Rules with respect to the continuing connected transactions conducted by the Group during the year ended 31 December 2024.

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

Save as disclosed herein, 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.

董事會報告 Report of the Directors

十九. 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(五)(52)。

除上述披露者外，本集團並無於年內作出慈善及其他捐款。

二十. 更換審計師

普華永道中天會計師事務所(特殊普通合夥)已於2024年6月28日舉行的本公司股東年會(「2023年度股東年會」)任滿告退。就此，德勤華永會計師事務所(特殊普通合夥)(「德勤華永」)於2023年度股東年會上獲委任為本公司新任審計師及內部控制審計師。

本公司本年度之綜合財務報表乃由德勤華永進行審計。德勤華永將於即將舉行的股東年會上膺選連任。

二十一. 稅項減免

本公司股東依據現行有效及不時更新的稅務法規繳納相關稅項，並根據實際情況享受可能的稅項減免，並應就具體繳納事宜諮詢其專業稅務和法律顧問意見。有關末期股息所得稅代扣代繳情況詳見公司將會發佈的2024年度股東年會投票結果公告。

姜宗祥
董事長
中華人民共和國·青島
二零二五年三月二十八日

XIX. Donations

The amount of charitable and other donations made by the Group during the year is set out in Note (V)(52) to Consolidated Financial Statements.

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

XX. Change of Auditor

PricewaterhouseCoopers Zhong Tian LLP retired as the auditor of the Company upon expiration of its term of office at the conclusion of the annual general meeting of the Company held on 28 June 2024 (the “2023 AGM”). In this connection, Deloitte Touche Tohmatsu Certified Public Accountants LLP (“Deloitte”), was appointed as the new auditor and internal control auditor of the Company at the 2023 AGM.

The Company’s consolidated financial statements for the year have been audited by Deloitte who will retire and, being eligible, offer themselves for reappointment at the forthcoming AGM.

XXI. Tax Relief

The shareholders of the Company paid relevant taxes according to the tax regulations currently valid and updated from time to time, enjoyed possible tax deductions as the case may be, and shall consult its professional tax and legal consultants for specific payment matters. For details of the withheld and payment of the income tax about final dividend, please refer to the poll results announcement of the 2024 Annual General Meeting to be issued by the Company.

JIANG Zong Xiang
Chairman
Qingdao, the People’s Republic of China
28 March 2025

* For identification purposes only

監事會報告 Report of the Supervisors

謹此提呈青島啤酒股份有限公司2024年度之監事會報告，敬請各位股東審閱。

報告期內，監事會嚴格按照法律法規及《公司章程》的相關規定，以切實維護公司和股東的合法權益為宗旨，謹慎、認真地履行了自身職責，對公司財務報告、重大事項等議題進行了監督審議，依法獨立行使職權，以保證公司規範運作。

一、報告期內監事會的工作情況

(一) 監事會召開情況

報告期內，公司監事會共召開9次會議，其中定期會議4次，臨時會議5次，審議各類議案共計23項。主要議案如下：

1、審議定期報告：

- (1) 審議公司2023年度財務報告；
- (2) 審議公司2024年第一季度報告；
- (3) 審議公司2024年半年度報告；
- (4) 審議公司2024年第三季度報告。

2、審議其它事項：

報告期內，通過召開會議，審議通過提質增效重回報工作方案、持續關聯交易、限制性股票解除限售期解鎖上市等議案，共計19項。

(二) 監事會實地調研情況

報告期內，為進一步掌握青島啤酒在全國的經營情況，同時為使公司監事加深對公司的了解，監事會深入西北、西南市場進行了實地調研。通過調研交流，掌握了第一手資料，為監事會決策的科學性及履行監督職能的有效性提供了有力支持。

I hereby present the 2024 Report of Supervisors of Tsingtao Brewery Company Limited for the kind review by all shareholders.

During the Reporting Period, the Board of Supervisors prudentially and seriously took its duties and responsibilities by strictly abiding by the related provisions in the laws and regulations and Articles of Association for the target of practically protecting the legal rights and interests of the Company and its shareholders. It supervised the proposals including the Company's financial statements and significant events. It legally exercised its duties and responsibilities to ensure the operations of the Company are in compliance.

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 held totally 9 meetings, including 4 regular meetings and 5 unscheduled meetings, with 23 different resolutions considered, mainly including the following:

1. Regular reports:

- (1) considered the Company's 2023 Financial Report;
- (2) considered the Company's 2024 First Quarterly Report;
- (3) considered the Company's 2024 Interim Report;
- (4) considered the Company's 2024 Third Quarterly Report.

2. Other issues:

During the Reporting Period, a total of 19 proposals were reviewed and approved through meetings, including the work plan for improving quality, efficiency and returns, continuing connected transactions, and unlocking and listing of restricted stocks after lifting their lock-up period.

(II) Site researches made by Board of Supervisors

During the Reporting Period, to further understand the business performance of Tsingtao Brewery in China and to deepen the Board of Supervisor's understanding of the Company, the Board of Supervisors conducted site surveys at the Northwest and Southwest markets. The surveys and communication allowed the Board of Supervisors to get firsthand information, providing strong support for it to make scientific decisions and perform effective supervision.

監事會報告 Report of the Supervisors

二、監事會對公司2024年度有關事項的獨立意見

(一) 依法運作情況

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

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

(二) 檢查公司財務情況

監事會對2024年度公司的財務狀況和財務成果進行了監督、審核，監事會認為，公司財務制度健全，財務運作規範，財務狀況良好。公司財務報告真實、客觀地反映了公司的財務狀況和經營情況。

(三) 最近一次募集資金使用情況

報告期內，公司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 made by Board of Supervisors to the issues in 2024

(I) Compliance operation

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 were 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

After having supervised and audited the financial situation and results of the Company for the year 2024, 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 reflect the Company's financial situation and operation.

(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) 持續關連交易情況

監事會認為，公司在審議本公司與青啤集團及其附屬公司2024年度日常關聯交易（持續關連交易）事項時，關連董事進行迴避表決，審議程序符合法律、法規及《公司章程》的相關規定；相關協議的條款按一般商業條款進行並屬公平、合理，關連交易定價公允，符合公司及公司股東的整體利益。

(五) 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法律法規的要求，形成了公司健全有效的內部控制體系，並能得到有效執行。董事會出具的《公司2024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、真實地反映了公司內部控制制度的建設及運行情況。

(六) 建立和實施内幕信息知情人管理制度的情況

經核查，本報告期內，公司未發生因内幕信息受到監管部門查處和整改的情形。公司內幕信息知情人管理制度完善，並且得到了嚴格地遵守、執行。

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，發揮了監事會的職能作用。借此機會，對各位監事，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！

(IV) Continuing connected transactions

The Board of Supervisors is of the view that, the consideration procedures have complied with laws, regulations and the Articles of Association, as the related directors avoided voting on the matters when the Company considered the daily connected transactions (continuing connected transactions) matters of 2024 between the Company and Tsingtao Group as well as its affiliates; the terms of related agreements have complied with general commercial terms and been fair and reasonable, and the pricing in the connected transactions has been fair and in the interests of the Company and its shareholders as a whole.

(V) Internal control work report

The Board of Supervisors is of the view that, the Company has established a sound and effective internal control system in accordance with its own actual situation and the requirements of the laws and regulations, which is effectively implemented. The 2024 Internal Control Evaluation Report presented by the Board and the internal control audit report presented by the auditor truly and objectively reflect the construction and operation of the Company's internal control system.

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

It has inspected that, 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. The administrative regulation of information insiders is improved, and strictly abided by and implemented.

In conclusion, the Board of Supervisors conscientiously performed its duties specified by laws, regulations, and the Articles of Association during the Reporting Period and played a functional role of the Board of Supervisors. We take this opportunity to extend our heartfelt thanks to all supervisors for their contributions to the work of the board during the Reporting Period.

企業管治報告 Corporate Governance Report

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

報告期內，本公司已遵守《上市規則》附錄C1載列之《企業管治守則》的守則條文惟偏離《企業管治守則》守則條文B.2.2及C.2.1條除外。

守則條文B.2.2條規定，其中包括，每名董事（包括有指定任期的董事）應輪流退任，至少每三年一次。如本公司日期為2024年6月21日之公告中所披露，本公司第十屆董事會及監事會之任期於2024年6月28日屆滿。鑒於本公司新一屆董事會候選人及監事會候選人的提名工作尚未完成，為保證本公司董事會及監事會相關工作的連續性及穩定性，本公司第十屆董事會及監事會的重選及委任延期舉行，本公司第十屆董事會各專門委員會的任期亦相應順延。本公司將在實際可行情況下盡快推進董事會及監事會重選及委任工作。

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 meetings, 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) who play a positive role in improving the efficiency of decision-making of the Board and promote the effective operation of corporate governance of the Company.

During the Reporting Period, the Company had complied with the provisions of the Corporate Governance Code contained in Appendix C1 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Listing Rules"), except for deviation from Code Provisions B.2.2 and C.2.1 of the Corporate Governance Code.

Pursuant to Code Provision B.2.2, among other things, every director (including those appointed for a specific term) should be subject to retirement by rotation at least once every three years. As disclosed in the announcement of the Company dated 21 June 2024, the terms of office of the tenth session of the Board and the supervisory committee of the Company have expired on 28 June 2024. As the nomination of candidates for the new session of the Board and the supervisory committee of the Company has not been completed, in order to maintain the continuity and stability of the work related to the Board and the supervisory committee of the Company, the re-election and appointment of the tenth session of the Board and the supervisory committee of the Company will be postponed. Meanwhile, the terms of office of the tenth session of each specialized Board committee and senior management officers will also be correspondingly extended. The Company will promote the re-election and appointment of the Board and the supervisory committee as soon as practicable.

企業管治報告 Corporate Governance Report

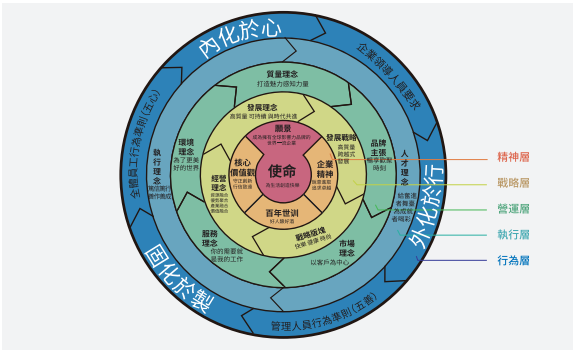
守則條文第C.2.1條規定，主席與行政總裁的角色應有區分，並不應由同一人同時兼任。於2024年12月25日起，執行董事姜宗祥先生除擔任董事長職責外，亦同時擔任本公司總裁，儘管有關安排偏離守則條文第C.2.1條規定，董事會認為在董事會的現有其他成員的監督下，董事會具備適當之權力制衡架構，可提供足夠制約以保障本公司及其股東的利益。

本公司所採納的企業管治措施如下：

企業文化

企業文化是企業的靈魂。本公司充分發揮企業文化在高質量發展過程中的導向、激勵、引領和凝聚作用，通過打造高標準企業文化體系，全面推動公司經營管理水平，持續提升企業的創新力、凝聚力和核心競爭力。青島啤酒企業文化戰略圖如下。

青島啤酒企業文化戰略圖



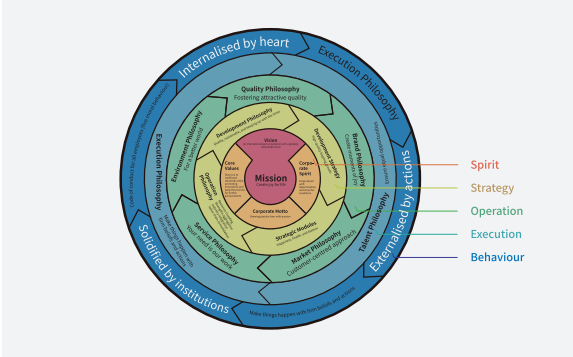
Pursuant to Code Provision C.2.1, the roles of chairman and chief executive should be separate and should not be performed by the same individual. Since 25 December 2024, Mr. Jiang Zong Xiang, an executive director of the Company, has assumed the roles and duties of the Chairman and continues to act as the President of the Company. Although the relevant arrangement deviates from Code Provision C.2.1, the Board considers that under the supervision of other existing members of the Board, the Board is appropriately structured with balance of power to provide sufficient checks to protect the interests of the Company and its shareholders.

Measures taken by the Company for corporate governance are as follows:

Corporate culture

Corporate culture is the soul of an enterprise. The Company gives full play to the guiding, motivating, leading and unifying roles of corporate culture in the process of high-quality development. By establishing a high-standard corporate culture system, it comprehensively promotes the level of the Company’s operations and management and constantly enhances its innovation, cohesion and core competitiveness. For the strategy pie chart of Tsingtao Brewery’s corporate culture, as shown below.

Corporate culture and strategy



企業管治報告 Corporate Governance Report

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。在本公司最新修訂的《公司章程》及其附件——董事會議事規則中，已詳細列明了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《企業管治守則》第A.2.1條職權範圍所載的企業管治職責，董事會已於年內履行有關的職責。

公司董事長和總裁的職責分工已清晰界定，並載於本《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。

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 newly revised 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 compliance with the laws and regulations. The Board is responsible for the implementation of the duties and responsibilities of corporate governance set out in the function scope of Code Provision A.2.1 of the Corporate Governance Code. The Board has performed the relevant duties during the year.

The division of duties between the Company's chairman and president has been clearly defined and stated in Articles of Association and its appendices. The chairman is responsible for deciding the agenda of each Board meeting, including contacting other directors before each meeting for any proposals to be considered at the meeting, and considering whether to include such proposals of other directors 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 of the Company 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 division of labour of senior management officers, so as to ensure the undertaking of obligations of integrity and diligence of their own responsibilities.

企業管治報告 Corporate Governance Report

2、組成

截止2024年12月31日，公司第十屆董事會成員由3名執行董事及4名獨立非執行董事組成：

執行董事

姜宗祥先生(董事長、總裁)

王瑞永先生

侯秋燕先生

獨立非執行董事

肖耿先生

盛雷鳴先生

張然女士

宋學寶先生

上述董事的任期為三年，由股東年會通過對其作出的委任後立即開始至本公司第十屆董事會任期屆滿。

本公司已採納董事會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、性別、種族、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。董事會酌情審查多元化政策的實施和有效性，或至少每年審查一次。目前董事會成員包括六名男性董事及一名女性董事，女性董事比例約為14.3%，而女性佔全體員工的比例則約為28%，董事會及全體員工達到性別多元化。提名與薪酬委員會將每年檢討是否需要提升本公司董事會性別多元化。

董事會認為上述政策足以有效確保董事會多元化。

2. Composition

As at 31 December 2024, the tenth session of the Board comprises 3 executive directors and 4 independent non-executive directors:

Executive Directors

Mr. JIANG Zong Xiang (Chairman and President)

Mr. WANG Rui Yong

Mr. HOU Qiu Yan

Independent Non-executive Directors

Mr. XIAO Geng

Mr. SHENG Lei Ming

Ms. Rania ZHANG

Mr. SONG Xue Bao

The above-mentioned directors shall serve for a term of three years, with immediate effect following their appointment during the annual general meeting, until the expiration of the term of the tenth session of the Company's Board of Directors.

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 the diversity of the members of the Board from different aspects including but not limited to age, sex, ethnicity, 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. The Board reviews the implementation and effectiveness of the diversity policy, as appropriate, or at least on an annual basis. The current Board members comprises 6 male directors and 1 female director, with female director account for about 14.3% of the Board, and the female representation is about 28% at employee workforce level, thereby achieving gender diversity in respect of the Board and across all employees. The Nomination & Remuneration Committee will review annually the need for achieving higher gender diversity in the Company.

The Board holds the above policy is effective enough to ensure diversity of the Board.

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有監管機構要求的會計或相關財務管理資格，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」。

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、金融投資及市場營銷等方面的專業經驗，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

2024年度，本公司共舉行了4次現場結合視頻會議和7次以通訊表決方式召開的書面議案會議，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：

- 3.1 審議批准年度、半年度及季度業績報告；
- 3.2 審議通過公司A股限制性股票激勵計劃限制性股票解除限售相關事項；
- 3.3 審議批准召集股東年會等事項；
- 3.4 審議批准子公司搬遷新建、新增產能及財務公司增資項目的可行性報告。

The members of the Board have backgrounds of various industries and possess different professional knowledge, among which one of the independent non-executive directors has the qualification on accounting or related financial management required by the regulatory authorities. All directors have substantial experience in their respective professional fields. The profile of the directors is set out in “Profile of Directors, Supervisors and Senior Management Officers” in this Annual Report.

The current independent non-executive directors have various professional backgrounds with substantial professional experience in law, accounting, financial investment, marketing and others. Such composition is helpful to the Board in the discussion and analysis of the issues 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 reports for reporting to the shareholders at the annual general meetings.

3. Board meeting

In 2024, the Company held 4 on-site meeting with video conference and 7 meetings of written resolutions held by means of communication voting in total to consider the Company's operation and financial performance, management structure and investment plan mainly including:

- 3.1 Considering and approving the reports of annual, interim and quarterly results;
- 3.2 Considering and approving the resolutions of matters related to the unlocking of the restricted shares under the A-Share Restricted Stock Incentive Plan of the Company;
- 3.3 Considering and approving matters such as the convening of the annual general meeting;
- 3.4 Considering and approving the feasibility report for the relocation of new construction projects, new production capacity projects, and the capital increase of the Financial Company.

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及股東大會的詳情載列如下：

The meeting notices and materials of proposals are sent to all directors within a reasonable time, so as to ensure that they can have fruitful discussion, and make quick and prudential decisions at the Board meetings. Details of all directors' attendance of Board meetings and general meetings in the year are as follows:

<div>參加董事會情況</div> <div>Information of attending board meetings</div>							<div>參加股東大會情況</div> <div>Information of attending general meeting</div>
董事姓名	本年應參加董事會次數	親自出席次數	以通訊方式參加次數	委託出席次數	缺席次數	是否連續兩次未親自參加會議	出席股東大會的次數
Name of the director	Number that should attend in the year	Number that attend in person	Number that attend in form of communications	Number that being attended by proxy	Number of absence	If not attend in person for two consecutive meetings	Number of attending general meeting
姜宗祥	11	11	7	0	0	否	2
JIANG Zong Xiang						No	
黃克興	10	10	7	0	0	否	2
HUANG Ke Xing						No	
王瑞永	11	11	7	0	0	否	2
WANG Rui Yong						No	
侯秋燕	11	11	7	0	0	否	2
HOU Qiu Yan						No	
肖耿	11	11	7	0	0	否	1
XIAO Geng						No	
盛雷鳴	11	11	7	0	0	否	2
SHENG Lei Ming						No	
張然	11	11	7	0	0	否	2
Rania ZHANG						No	
宋學寶	11	11	7	0	0	否	2
SONG Xue Bao						No	
姜省路	6	6	5	0	0	否	2
JIANG Xing Lu						No	

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。

The convening and holding of Board meetings are strictly subject to the provisions of the 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 notices of regular meetings are dispatched 14 days before convening the meetings. Should any director be unable to attend the meeting due to another business, he/she could authorize other director in writing to attend and vote on his/her behalf, and the independent non-executive directors could authorize another independent non-executive director to attend and vote on his/her behalf.

企業管治報告 Corporate Governance Report

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匯報相關工作。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。

董事會已採納了有效機制，以確保董事會可獲得獨立的觀點及意見。經董事長批准後，在適當情況下，董事如有需要可尋求獨立於本公司顧問的獨立法律、財務或其他專業意見，費用由本公司承擔，以促使其有效履行其職責。董事會將每年檢討該機制的實施及有效性。

董事會認為上述機制足以有效確保董事會獲提供獨立觀點及意見。

二、董事

1、董事及公司秘書之培訓

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（包括執行董事姜宗祥先生（董事長）、黃克興先生、王瑞永先生及侯秋燕先生，以及獨立非執行董事肖耿先生、盛雷鳴先生、姜省路先生、張然女士及宋學寶先生）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 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 meetings. The independent non-executive directors may, pursuant to the provisions of the Articles of Association, appoint independent professional organizations to serve them when exercising their powers, performing their duties and responsibilities or when being needed by the business, and the reasonable expenses occurred will be borne by the Company.

The Board has adopted effective mechanisms to ensure independent views and inputs are available to the Board. Subject to approval of the Chairman of the Board, directors may seek, at the Company's expense, independent legal, financial or other professional advice from advisors independent to the Company's advisors as and when necessary, in appropriate circumstances to enable them to perform their responsibilities effectively. The Board will review the implementation and effectiveness of such mechanisms on an annual basis.

The Board holds that the above mechanisms are effective enough to ensure that independent views and input are provided to the Board.

II. Directors

1. Training for the Directors and the Company Secretary

Pursuant to the Corporate Governance Code, all directors are obliged to take part in the continuing professional development to update their knowledge and skills. The Company has provided to the directors (including Executive Directors, being Mr. JIANG Zong Xiang (Chairman), Mr. HUANG Ke Xing, Mr. WANG Rui Yong and Mr. HOU Qiu Yan as well as Independent Non-Executive Directors, being Mr. XIAO Geng, Mr. SHENG Lei Ming, Mr. JIANG Xing Lu, Ms. Rania ZHANG and Mr. SONG Xue Bao) with trainings and development courses, including (1) induction training (director's manual) for the newly appointed directors; (2) continuing trainings and professional development courses for the directors.

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於2024年1月1日至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，本公司獨立非執行董事肖耿先生、盛雷鳴先生、姜省路先生、張然女士和宋學寶先生均參加了上交所舉辦的獨立董事後續培訓。

張瑞祥先生(本公司董事會秘書兼董事會秘書室主任)為本公司的公司秘書。於本年度，彼已符合根據上市規則第3.29條項下之相關專業培訓規定，已參加不少於15小時相關專業培訓，包括上交所和香港公司治理公會分別舉行的董秘後續培訓及管治課程。

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《上市規則》第3.13條的規定，董事會已收到所有獨立非執行董事就其獨立性提交的書面確認函。

3、董事的證券交易

本公司採納《上市規則》附錄C3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》。在向所有董事作出特定查詢後，本公司確認，本公司所有董事於報告期內均已遵守《上市規則》所規定的有關董事進行證券交易的標準。

4、董事、監事及高級管理人員的責任保險

經股東大會批准，本公司已為全體董事、監事及高級管理人員購買適當之責任保險。

During the period from 1 January 2024 to 31 December 2024, 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, the Company's Independent Non-executive Directors Mr. XIAO Geng, Mr. SHENG Lei Ming, Mr. JIANG Xing Lu, Ms. Rania ZHANG and Mr. SONG Xue Bao participated in the follow-up training for independent directors organized by the SSE.

Mr. ZHANG Rui Xiang (Board Secretary and Director of the Board Secretary's Office of the Company) is the Company Secretary of the Company. He has satisfied the requirements for professional training as stipulated in Rule 3.29 of Listing Rules and has attended no less than 15 hours of related professional training, including subsequent training and governance courses organized by SSE and The Hong Kong Chartered Governance Institute respectively.

2. Independence of independent non-executive 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. Securities transactions by directors

The Company formulated the "Regulations on Holding and Changes of Shares in the Company by Directors, Supervisors and Senior Management Officers" of the Company by adopting the Model Code set out in Appendix C3 of Listing Rules. The Company confirms that, after having made specific enquiries to all directors, all directors of the Company have been in compliance with the required standards set out in Listing Rules regarding the securities transactions by directors during the Reporting Period.

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

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

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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，並確保在編製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

以下委員會成員組成之披露為截止2024年末的狀況。

1、審計與內控委員會(「審計委員會」)

審計委員會職權範圍依據《上市規則》附錄C1之《企業管治守則》及中國證監會頒佈的《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：檢討公司風險管理及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。

第十屆董事會審計委員會的成員包括：獨立非執行董事張然女士(審計委員會主席)、肖耿先生、盛雷鳴先生和宋學寶先生。其中張然女士具備財務和會計業務的經驗和能力，並擁有會計學專業博士學位和會計學專業教授職稱。2024年度審計委員會共舉行了5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，委員會均會就曾經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：

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

The Board conducts annual review over the reports of annual, interim and quarterly results in accordance with the sufficient financial 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 standards and policies when preparing the financial statements consistently, so as to truly and fairly report the financial situation and operating results of the Company.

III. Specific Committees of the Board

The following disclosure on the members of the committees is about the status as of the end of year of 2024.

1. Audit & Internal Control Committee ("Audit Committee")

The duty scope of Audit Committee is determined pursuant to Corporate Governance Code set out in Appendix C1 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 changes. Its main duties include: to review the completeness and effectiveness of the Company's risk management as well as 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.

Members of the Audit Committee of the tenth session of the Board of Directors include: Ms. Rania ZHANG, Independent Non-executive Director (Chairman of the Audit Committee), Mr. XIAO Geng, Mr. SHENG Lei Ming and Mr. SONG Xue Bao. Among them, Ms. Rania ZHANG has experience and ability in finance and accounting, and she holds PhD in accounting and Professorship in accounting. The 2024 Audit Committee held 5 meetings in total. To ensure the independence of the report, the Chairman of the meeting has arranged for the external auditor to conduct separate meetings with the members of the Audit Committee. After each meeting, the committee would submit recommendations to the Board of Directors on the important matters discussed. The attendance of each member is as follows:

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委員姓名	Name of member	出席會議(次) Number of meetings attended (time)	應出席會議(次) Number of meetings that should be attended (time)	出席率(%) Attendance rate (%)
張然 (第十屆董事會審計 委員會主席)	Rania ZHANG (Chairman of the Audit Committee of the tenth session of the Board of Directors)	5	5	100
肖耿	XIAO Geng	5	5	100
盛雷鳴	SHENG Lei Ming	5	5	100
宋學寶	SONG Xue Bao	5	5	100
姜省路(註1)	JIANG Xing Lu (Note 1)	3	3	100

註1：姜省路先生於2024年6月26起不再擔任審計委員會成員。

Note 1: Mr. JIANG Xing Lu has ceased to serve as member of the Audit Committee since 26 June 2024.

審計委員會在本年度主要工作包括：	Major work of Audit Committee in the year includes:
<ul style="list-style-type: none">審閱本公司的年度、半年度及季度業績報告和財務報告；就變更公司審計師事項向董事會提供建議；檢討公司風險管理及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。	<ul style="list-style-type: none">Reviewing the Company’s annual, interim and quarterly results reports, and financial statements;Making proposals to the Board on the change of auditor;Reviewing the effectiveness of the Company’s risk management and internal control system and policies, including whether the resource of the financial reporting, and the qualification and experience of the employees were sufficient or not, and whether the training to the related personnel and the related budgets were sufficient or not.

2、 戰略與投資委員會(「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。

2. Strategy & Investment Committee (“Strategy Committee”)

The main duties and responsibilities of Strategy Committee are: to supervise and review the Company’s direction of strategic development, to work out the Company’s strategic plan, and to make timely adjustment for the Company’s strategic and governance structure.

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第十屆董事會戰略委員會的成員包括：董事長姜宗祥先生（戰略委員會主席）和獨立非執行董事盛雷鳴先生、張然女士及宋學寶先生。2024年度戰略委員會共舉行了4次會議，各委員出席會議的情況如下：

Members of the Strategy Committee of the tenth session of the Board of Directors include: Mr. JIANG Zong Xiang (Chairman of the Strategy Committee) and Independent Non-Executive Directors Mr. SHENG Lei Ming, Ms. Rania ZHANG and Mr. SONG Xue Bao. 4 meetings were held by the Strategy Committee in 2024 in total. The attendance of each member was as follows:

委員姓名	Name of member	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 (%)
姜宗祥(註1) (戰略委員會主席)	JIANG Zong Xiang (Note 1) (Chairman of the Strategy Committee)	4	4	100
黃克興(註2)	HUANG Ke Xing (Note 2)	4	4	100
盛雷鳴	SHENG Lei Ming	4	4	100
張然	Rania ZHANG	4	4	100
宋學寶	SONG Xue Bao	4	4	100

註1：姜宗祥先生於2024年12月25日起出任戰略委員會主席。

Note 1: Mr. JIANG Zong Xiang has served as member of the Strategy Committee since 25 December 2024.

註2：黃克興先生於2024年12月25日起不再擔任戰略委員會主席。

Note 2: Mr. HUANG Ke Xing has ceased to serve as chairman of the Strategy Committee since 25 December 2024.

戰略委員會在本年度的主要工作包括：審議收購子公司少數股東股權，財務公司增資事項、子公司搬遷新建、新增產能項目的可行性報告以及ESG報告。

The main work of the Strategy Committee in the year includes: reviewing the acquiring the minority equity of subsidiaries, the capital increase of the Financial Company, feasibility report on relocation of new construction, new production capacity of subsidiaries and ESG report.

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，及就個別執行董事及高級管理人員的薪酬待遇及董事委任向董事會提出建議。

3. Nomination & Remuneration Committee

The main duties and responsibilities of Nomination & Remuneration Committee includes: to study and consider the remuneration policies and incentive mechanism of the Company's directors and senior management officers, to work out evaluation standards, to study the schemes of improving corporate governance, to appraise the independence of independent non-executive directors and to make proposals to the Board for the remuneration packages of individual executive directors and senior management for the appointment of directors.

第十屆董事會提名與薪酬委員會的成員包括：獨立非執行董事盛雷鳴先生（提名與薪酬委員會主席）、肖耿先生、張然女士及宋學寶先生。

Members of the Nomination & Remuneration Committee of the tenth session of the Board of Directors include Independent Non-Executive directors Mr. SHENG Lei Ming (Chairman of the Nomination & Remuneration Committee), Mr. XIAO Geng, Ms. Rania ZHANG and Mr. SONG Xue Bao.

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2024年度提名與薪酬委員會舉行了3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，也就解除限售期條件成就等事項進行審核，並向董事會提出意見。檢討董事會的架構、人數及組成、審閱提名政策以及董事會多元化政策，並評估獨立非執行董事的獨立性。各委員出席會議的情況如下：

委員姓名	Name of member	出席會議(次) Number of meetings attended (time)	應出席會議(次) Number of meetings that should be attended (time)	出席率(%) Attending Rate (%)
盛雷鳴(註1) (提名委員會主席)	SHENG Lei Ming (Note 1) (Chairman of the Nomination Committee)	3	3	100
肖耿	XIAO Geng	3	3	100
張然	Rania ZHANG	3	3	100
宋學寶	SONG Xue Bao	3	3	100
姜省路(註2)	JIANG Xing Lu (Note 2)	2	2	100

註1：盛雷鳴先生於2024年6月28日起出任提名與薪酬委員會主席。

註2：姜省路先生於2024年6月26起不再擔任提名與薪酬委員會主席。

公司於2021年6月28日召開股東年會，通過董事會和監事會換屆選舉的議案，選舉產生第十屆董事會和監事會，按照公司制定的董事會成員多元化政策，公司第十屆董事會成員構成充分考慮了公司情況、自身業務模式和工作需要，兼顧了成員年齡、性別、種族、文化及教育背景或專業經驗。第十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。

In 2024, the Nomination & Remuneration Committee held 3 meetings, where they reviewed the remuneration information of the directors, supervisors and senior management officers as disclosed in the annual report, and also reviewed the matters relating to the fulfillment of conditions for the unlocking period, and gave advice to the Board reviewed the structure, size and composition of the Board, reviewed nomination policy and Board diversity policy and accessed the independence of independent non-executive directors. The attendance of each member is as follows:

Note 1: Mr. SHENG Lei Ming has served as chairman of the Nomination & Remuneration Committee since 28 June 2024.

Note 2: Mr. JIANG Xing Lu has ceased to serve as chairman of the Nomination & Remuneration Committee since 26 June 2024.

On 28 June 2021, the Company held the annual general meeting and approved the resolutions for the election of the Board of Directors and Board of Supervisors to elect the tenth session of the Board and Board of Supervisors. In accordance with the policy of diversity among Board members formulated by the Company, the composition of the tenth session of the Board has fully taken into account the Company’s situation, its own business model and operational needs, as well as the age, sex, ethnicity, cultural and educational background or professional experience of the members. The tenth session of the Board has achieved an appropriate balance of skills, experience and diversity perspectives to enhance the effective functioning of the Board and maintain a high standard of corporate governance.

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提名及薪酬委員會負責物色董事會成員、提名及遴選事宜。按照公司制定的提名政策，執行董事潛在人選可在高層管理人員中發掘與選拔；獨立非執行董事人選可於全國甄選。根據《公司章程》及相關法例的規定，股東亦可於股東大會上提名任何人士（退任董事除外）參選為董事（包括非執行董事）。在有需要的情況下，提名及薪酬委員會可聘請外部顧問協助招聘合適人選的工作，董事會成員的委任最終由股東於股東大會審批。

The Nomination and Remuneration Committee is responsible for searching, nominating and selecting Board members. According to the nomination policy established by the Company, potential candidates for executive directors may be searched and selected among senior management personnel and those for independent non-executive directors may be selected across the country. In accordance with the provisions of Articles of Association and relevant regulations, the shareholders are also allowed to nominate anyone (excluding resigned directors) for the election of directors (including non-executive directors) at general meetings. The Nomination and Remuneration Committee may appoint external consultants to assist the recruitment of suitable candidates when necessary. The appointment of Board members shall be considered and approved by shareholders at general meetings.

薪酬範圍(不含股份支付):	Emoluments bands (Except for share-based payment):	人數 Number of individuals
港幣1,000,000元 – 2,000,000元 (折合人民幣約926,000元 – 1,852,000元)	HKD1,000,000 – 2,000,000 (equivalent to approximately RMB926,000 – 1,852,000)	1
港幣4,000,000元 – 5,000,000元 (折合人民幣約3,704,000元 – 4,630,000元)	HKD4,000,000 – 5,000,000 (equivalent to approximately RMB3,704,000 – 4,630,000)	1

附註：上述所披露的高級管理人員乃指董事及監事以外的僱員。

Note: The members of the senior management officers disclosed above refer to the employees other than directors and supervisors.

根據上市規則附錄D2須予披露的董事、監事及高管酬金以及五名最高薪酬僱員詳情載於財務報表附註(十一)「關聯方關係及其交易」。

Further particulars regarding the directors, supervisors and senior management's emoluments and the five highest paid employees as required to be disclosed pursuant to Appendix D2 of the Listing Rules are set out in Note (XI) "Related parties and related party transactions" to the financial statements.

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四. 監控機制

1、 監事會

截止2024年12月31日，公司第十屆監事會由2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。2024年度，監事會共舉行9次會議，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，並列席了部分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。

2、 內部控制及風險管理

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》，以及內部控制及風險管理具體規範的要求，制定了一系列內部控制及風險管理制度，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。按照企業內部控制及風險管理規範體系的規定，建立健全和有效實施內部控制及風險管理，評價其有效性，並如實披露內部控制及風險管理評價報告是公司董事會的責任。監事會對董事會建立和實施內部控制及風險管理進行監督。經理層負責組織領導企業內部控制及風險管理的日常運行。

IV. Supervisory Mechanism

1. Board of Supervisors

As at 31 December 2024, the tenth session of Board of Supervisors of the Company is comprised of 2 supervisors as shareholders' representative and 3 supervisors as employees' representative. The profile of the 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 Company's supervision power to prevent the legal rights and interests of shareholders, the Company and its employees from being offended. In 2024, the Board of Supervisors totally held 9 meetings 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 attended some on-site board meetings and general meetings. Details of the work of Board of Supervisors are set out in "Report of the Supervisors" in this annual report.

2. Internal control and risk management

2.1 According to Internal Control Guide to Listing Companies of Shanghai Stock Exchange published by SSE, Listing Rules, and the requirements of the specific regulations of internal control and risk management, the Company formulated a series of internal control and risk management regulations which played corresponding roles in the Company's production and operating activities, and promoted the Company's normalized operation. Pursuant to the requirements of the internal control and risk management regulatory system, it is the responsibilities of the Board to establish sound and effectively implement the internal control and risk management systems and assess their effectiveness, and truly disclose the internal control and risk management evaluation report. The Board of Supervisors supervises the establishment and implementation of internal control and risk management of the Board, while the management is responsible for organizing and leading the ordinary operation of the enterprise's internal control and risk management.

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公司內部控制及風險管理系統的目標是合理保證經營管理合法合規、資產安全、財務報告及相關信息真實完整，提高經營效率和效果，促進實現發展戰略。由於內部控制及風險管理系統存在的固有局限性，故該等系統旨在管理而非消除未能達成業務目標的風險，而且只能就不會有重大的失實陳述或損失作出合理而非絕對的保證。上述風險包括但不限於與環境、社會及管治(「ESG」)有關的重大風險。

公司內控審計部每年對公司生產經營及內部控制活動中存在的風險(包括ESG風險)進行識別、評估，並依據風險評估的結果通過內部控制評價等方式完善公司內部控制體系。公司內控審計部及其他職能部門依據本公司內控制度和標準，從內控設計的有效性和執行的有效性兩個維度開展內控評價和管理查核，推動公司內控體系的完善和提升，每年內控審計部就公司內控體系的有效性和存在問題向審計委員會匯報。

對風險管理(包括ESG風險)及內部監控系統的有效性進行檢討後，董事會已達成結論，本集團已建立有效及足夠的風險管理及內部監控系統。

The target of the Company's internal control and risk management systems is to reasonably ensure the lawful and compliant operating management, the assets safety, the authenticity and completeness of financial report and related information, the improvement of operating efficiency and its effects, and the promotion and realization of development strategy. However, due to the inherent limitation to the internal control and risk management systems, such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss. Such risks would include, among others, material risks relating to environmental, social and governance ("ESG").

The Internal Audit Department of the Company conducts annual identification and evaluation of risks (including ESG risks) existing in the Company's production, operation and internal control activities, and improve the Company's internal control system based on the results of risks evaluation by ways of internal control evaluation, etc. According to the Company's internal control system and standards, the Internal Audit Department and other functional departments carry out the internal control evaluation and management inspection from the two aspects of the effectiveness of the design and the implementation of internal control to promote the improvement and upgrade of the Company's internal control system. The Internal Audit Department reports to the Audit Committee about the effectiveness and problems existing in the internal control systems every year.

After having conducted a review of the effectiveness of the risk management (including ESG risks) and internal control systems, the Board has reached the conclusion that the Company's risk management and internal control systems were in place, effective and adequate.

企業管治報告 Corporate Governance Report

2.2 內部控制及風險管理運行有效性評估

公司建立了總部獨立內控及風險管理(包括ESG風險)評價、總部職能部門自我內控評價和分(子)公司自我內控及風險管理評價相結合的三級內控評價機制，每年組織進行內部控制及風險管理(包括ESG風險)評價工作，就內部控制及風險管理(包括ESG風險)的設計有效性和實施有效性進行審計評價，並出具獨立的內控及風險管理評價報告。公司總部各職能部門、各分(子)公司也按照規定定期開展自評工作，對所發現的問題實施整改。

公司聘請外部審計師從專業的視角來審視公司內部控制體系，有力推動了公司內部控制體系建設的提升。公司還建立了外部審計師和公司審計委員會的單獨溝通機制，確保外部審計師的獨立性和知情權，切實發揮外部審計師的作用。

(1) 公司董事會對內控體系自我評估情況

公司第十屆董事會第二十次會議審議通過公司2024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及風險管理重大缺陷、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。

2.2 Evaluation of the effectiveness of internal control and risk management operation

The Company establishes a 3-tier internal control evaluation mechanism which combines the independent internal control and risk management (including ESG risks) evaluation of head office, self-evaluation of internal control of functional departments of head office, and the self-evaluation of internal control and risk management of branches/subsidiaries. It arranges the annual internal control and risk management (including ESG risks) evaluation work to audit and evaluate the effectiveness of the design and the implementation of internal control and risk management (including ESG risks), and issues an independent internal control and risk management evaluation report. The functional departments of the Company and the branches/subsidiaries also carry out the regular self-evaluation work as required, and rectify the problems found.

The Company appointed an external auditor to inspect the Company's internal control system from a professional perspective, which effectively promoted the improvement of the establishment of the Company's internal control system. The Company also established the separate communication mechanism between the external auditor and the Company's Audit Committee to ensure the independence and the right of information of the external auditor to give full play to the role of external auditor.

(1) The Board's self-evaluation of internal control system

The Company's 2024 internal control evaluation report was considered and approved at the twentieth meeting of the tenth session of the Board. According to criteria for identifying internal control and risk management defects worked out by the Company, during the Reporting Period, the Company did not have any material weakness or significant weakness of internal control and risk management in the financial reporting, nor in the non-financial reporting.

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(2) 公司境內註冊會計師對財務報告內控體系評估情況

公司聘請德勤華永對財務報告內部控制有效性進行了審計，認為公司於2024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2024年度內部控制評價報告及德勤華永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。

2.3 在處理及發佈內幕消息方面，本公司已於2021年10月修訂了《內幕信息知情人登記管理制度》等內部制度，進一步明確了內幕消息及內幕信息知情人的範圍、報告流程、登記備案、禁止行為等內容，嚴控知情人範圍，嚴防內部消息洩露風險。

2.4 本公司已採納反貪污政策，以規管員工接受利益，並已採納舉報政策，就員工及外部相關人士舉報關於本集團任何可能或真實不當行為提供指引。

(2) Evaluation by the Company's domestic certified public accountant to the internal control of financial reporting

Deloitte was appointed by the Company to audit and appraise the effectiveness of the internal control of financial reporting, who was of the view that, as at 31 December 2024, the Company had maintained effective internal control of financial reporting in all material aspects according to "Basic Standards of Corporate Internal Control" and related regulations.

The full text of the evaluation report to the Company's 2024 internal control and the auditor's report of the internal control of financial reporting presented by Deloitte are published on the websites of SSE, the Stock Exchange and the Company.

2.3 In terms of the handling and releasing inside information, the Company has revised the internal systems such as "Administrative Policies for the Registration of Information Insiders" in October 2021, further specifying the range, reporting process, registration and record-keeping, and prohibitive behaviors for inside information and information insiders to strictly control the range of insiders and prevent the risk of leaking inside information.

2.4 The Company has adopted an anti-corruption policy to govern acceptance of advantages by employees and a whistleblowing policy to provide guidance to employees and external stakeholders to report concerns about any suspected or actual improprieties relating to the Group.

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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製，並經德勤華永審計。德勤華永是首次為本公司提供審計服務。2024年度，本公司應向德勤華永支付其年度財務報告審計工作的酬金為人民幣500萬元，支付其內控審計工作的酬金為人民幣166萬元，公司不承擔稅費、差旅費及其它費用。審計師對財務報表審計的責任載於審計報告中「註冊會計師對財務報表審計的責任」之披露內容。

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 Deloitte who has first provided auditing service to the Company. In 2024, the Company should pay RMB5 million to Deloitte for its annual work of auditing the financial statements, and RMB1.66 million for its work of auditing the internal control, as remuneration, of which the Company does not bear the tax, traveling expenses and miscellaneous expenses. The auditor's responsibilities for auditing the financial statements are set out in the disclosed content in "Auditor's Responsibilities for the Audit of the Financial Statements" of this Annual Report.

五. 股東及其他利益相關者

1. 股東通訊政策

董事會已於二零二一年十月審議通過《公司投資者管理制度》暨採納股東通訊政策，其中列明本集團與股東保持有效持續對話的承諾。總括而言，本公司已與股東及持份者建立不同通訊渠道，包括：(i)提供印刷或電子版公司通訊；(ii)在公司網站上及時提供公司資訊；(iii)舉行股東週年大會，為股東提供平台，向董事會提出及交換意見；及(iv)就所有股份登記事宜向股東提供服務的安排。董事會已檢討於年內實施股東通訊政策的有效性，並認為該政策持續有效加強本公司與股東之間及時、透明、準確及公開的通訊。

V. Shareholders and other Interest-related Parties

1. Shareholders' Communication Policy

In October 2021, the Board considered and approved "The Company's Investor Management Policy" and adopted the shareholders' communication policy. The policies set out the Group's commitment of maintaining an effective ongoing dialogue with shareholders. In summary, the Company has established different communication channels with shareholders and stakeholders including: (i) providing printed or electronic copies of corporate communications; (ii) providing timely corporate information on the Company's website; (iii) holding annual general meetings to provide a platform for shareholders to make comments and exchange views with the Board; and (iv) providing service arrangements for the shareholders in respect of all share registration matters. The Board reviewed the validity of the implementation of the Shareholders' Communication Policy during the year and held that it remained effective in enhancing timely, transparent, accurate and open communication between the Company and the shareholders.

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2、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，按照《公司章程》的規定提前發出會議通知，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。

2024年1月25日公司在青島以現場會議與網絡投票相結合的方式召開了2024年第一次臨時股東大會，以特別決議案方式審議通過關於修訂《公司章程》及股東大會、董事會和監事會議事規則的議案。

2. General meeting

The Company has been devoting to protecting the legal rights and interests of all shareholders. The convening and holding of general meetings are strictly pursuant to the provisions of the Articles of Association and Rules of Order of Meeting for Shareholders' General Meeting. The Company's general meetings are convened by the Board and hosted by the chairperson of the Board. The executive directors make reports over proposals at the general meetings, while the representatives of shareholders, representatives of supervisors, witness lawyers, and Hong Kong certified public accountants (scrutineers for the vote-taking) jointly inspect and count the votes for the proposals, and have the chairperson of the meeting (Chairman of the Board) announce the voting results and work out the formal resolution of the meetings. The lawyer appointed by the Company would witness the meetings and issue letter of legal opinion.

General meeting is the highest authority of the Company, which legally exercises its authorities to determine the significant events for the Company. Every year's annual general meeting provides a channel of direct communication between the Board and the shareholders of the Company. Therefore, the Company pays high regards to the general meetings by dispatching the meeting notice in accordance with requirements of the Articles of Association, and the Chairman and other attending executive directors make extensive and intensive communications and interpretation over the issues concerned by the shareholders at the annual general meetings.

On 25 January 2024, the Company held the 2024 first extraordinary general meeting by way of combining on-site meeting and online voting in Qingdao to consider and approve proposals in relation to amendments to the "Articles of Association" and the Orders of Meeting for Shareholders' General Meeting, the Board of Directors and the Supervisory Committee by way of special resolution.

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2024年6月28日公司在青島以現場會議與網絡投票相結合的方式召開了2023年度股東年會，股東年會審議通過了公司2023年度董事會報告、監事會報告、經審計的財務報告、利潤分配預案和續聘財務報告及內部控制審計師等六項議案，以及聽取了公司2023年度獨立非執行董事述職報告。

以上股東大會決議可查閱本公司在境內信息披露指定報章以及上交所網站和香港聯交所網站發佈的相關公告。

3、 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》第七十五條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》第四十三條第(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。

On 28 June 2024, the Company held the annual general meeting of 2023 by way of combining on-site meeting and online voting in Qingdao. At the annual general meeting, six proposals were considered and approved, including the Company's 2023 Report of the Board of Directors, Report of the Board of Supervisors, Financial Report (audited), Profit Distribution Proposal, re-appointment of auditor for financial reporting and internal control audit, and the work report of the independent non-executive directors of 2023 was briefed.

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

3. Shareholders' rights

As one of the measures that secure the interests and rights of the shareholders, the Company makes a single resolution at the general meetings for each significant issue for the shareholders' consideration and voting. All resolutions submitted to the general meetings are voted by way of 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 voting right issued by the Company externally may request in writing the convening of extraordinary general meeting pursuant to Rule 75 of Articles of Association. Such request must be clearly stated to the general meeting the issues needed to be considered with the signature by the person who makes the request and notifies in writing to the Board. The shareholders should follow the relevant rules and procedures for convening extraordinary general meetings set out in Articles of Association.

Shareholders have the right to inquire the information set out in Rule 43(5) of Articles of Association, and can make inquiry or request for such rights 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 his/her identification as shareholder has been verified by the Company.

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4、 公司章程修訂

2024年1月25日，本公司召開的2024年第一次臨時股東大會上審議通過關於修訂公司章程及其附件的議案。

上述修改已於2024年1月25日相關決議作出之日生效。

上述章程修改內容請參考本公司於香港聯交所網站(www.hkexnews.hk)、上交所網站(www.sse.com.cn)發佈的相關公告。

5、 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了解，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。

2024年，公司繼續採取電話會議+線上會議等靈活措施加強與投資者的溝通交流，2024年全年舉行各種投資者會議100多次，使公司股票獲得資本市場的廣泛認同。另外，公司響應青島證監局和青島市上市公司協會發出的加強投資者教育和保護的號召，於11月參加了2024年度青島轄區上市公司「投資者網上集體接待日」等投資者交流活動，公司財務總監、獨立非執行董事和董秘出席活動並通過網絡在線交流形式與廣大投資者就公司發展戰略、經營狀況等投資者所關注的問題進行溝通。

4. Amendments to the Articles of Association

On 25 January 2024, the proposal in relation to amendments to the Articles of Association and its appendices was considered and approved at the 2024 first extraordinary general meeting convened by the Company.

The above amendments took effect from the date when the relevant resolution was made on 25 January 2024.

For the details of the aforementioned amendments to the Articles of Association, please refer to the relevant announcements published by the Company on the website of the Stock Exchange (www.hkexnews.hk) and the website of the SSE (www.sse.com.cn).

5. Investor relations and communications

The Company pays high regards to the management of investor relations, strives to strengthen the communications and interactions 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 consistently devoting to improve its transparency to help the investors have a better understanding of the business situation and prospects of the Company, and carefully listen to the comments and proposals made by investors to improve the Company's corporate governance and operating management.

In 2024, the Company continued to strengthen communications and interactions with investors by taking flexible measures, such as teleconferencing and online meetings. The Company held more than 100 meetings with investors in 2024, making its stocks gain broad recognition from the capital market. In addition, as a response to the call of the CSRC Qingdao Bureau and the China Association for Public Companies Qingdao for strengthening the education and protection of investors, the Company participated in interaction activities with investors, such as the "Online Collective Investor Reception Day" of listed companies in Qingdao in November for the year of 2024. The Company's CFO, Independent Non-executive Director and Board Secretary took part in the activity and communicated with investors online regarding issues concerned by investors such as the Company's development strategies and operating conditions.

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6、其他利益相關者

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

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

6. Other stakeholders

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 stakeholders 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 in accordance with the laws, 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 to be 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 improve shareholders' values.



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 Financial Data during the Reporting Period (calculated in accordance with CAS)

(一) 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 fluctuation 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 Amount of this Reporting Period	上年同期數 Amount of corresponding period in prior year	變動比例(%) Increase/ (Decrease) (%)
營業收入	Revenue	32,137,830	33,936,523	-5.30
營業成本	Cost of sales	19,209,916	20,816,890	-7.72
銷售費用	Selling and distribution expenses	4,602,520	4,708,403	-2.25
管理費用	General and administrative expenses	1,406,579	1,519,063	-7.40
財務費用	Finance expenses	-567,772	-457,125	
研發費用	Research and development expenses	102,767	100,637	2.12
投資收益	Investment income	117,792	172,044	-31.53
信用減值損失 (損失以「-」號填列)	Credit impairment losses (Losses are listed with “-”)	341	-14,306	
資產減值損失 (損失以「-」號填列)	Asset impairment losses (Losses are listed with “-”)	-35,776	-82,854	
資產處置收益 (損失以「-」號填列)	Gains on disposals of assets (Losses are listed with “-”)	4,267	178,577	-97.61
營業外收入	Non-operating income	73,144	22,623	223.31
營業外支出	Non-operating expenses	34,770	13,042	166.60
少數股東損益	Profit or loss attributable to non-controlling interests	146,793	80,348	82.70
經營活動產生的 現金流量淨額	Net cash flow from operating activities	5,154,661	2,777,567	85.58
投資活動產生的 現金流量淨額	Net cash flow from investing activities	-7,421,783	-3,462,971	
籌資活動產生的 現金流量淨額	Net cash flow from financing activities	-2,983,144	-2,868,066	

管理層討論與分析 Management Discussion and Analysis

2、 收入
Revenue

產銷量情況分析表
Output and sales volume analysis statement

					生產量比 上年增減(%) Increase/ (Decrease) in output volume from prior year (%)	銷售量比 上年增減(%) Increase/ (Decrease) in sales volume from prior year (%)	庫存量比 上年增減(%) Increase/ (Decrease) in inventory volume from prior year (%)
主要產品 Main product	單位 Unit	生產量 Output	銷售量 Sales volume	庫存量 Inventory volume			
啤酒 Beer	萬千升 ten million litre	723	754	52	-2.39	-5.85	0.78

產銷量情況說明

報告期內，本公司產量不包含本公司自聯營及合營啤酒生產企業外購產品的產量。

Explanation of the information of output and sales volume

During the Reporting Period, the output volume of the Company excludes that of the outsourcing products from the associated plants and joint ventures of the Company.

管理層討論與分析 Management Discussion and Analysis

3、 成本 Costs

成本分析表 Cost analysis statement

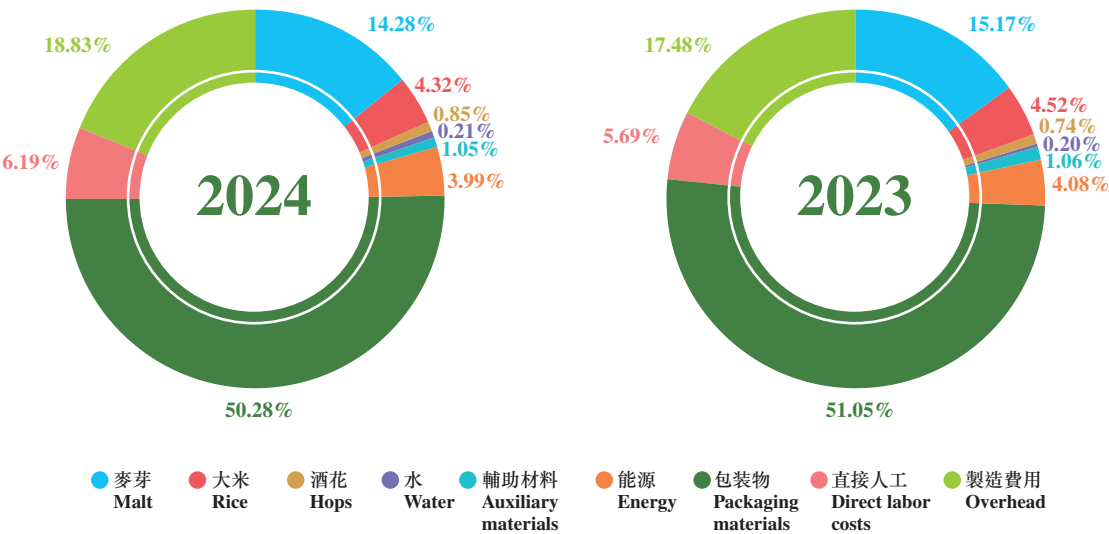
單位：千元 幣種：人民幣
Unit: RMB'000 Currency: RMB

分行業 By industries	成本構成項目 Items in the costs	分行業情況 By industries					情況說明 Explanation
		本期金額 Amount during this Reporting Period	本期佔總 成本比例(%) Percentage of the total cost during this Reporting Period (%)	上年同期金額 Amount of corresponding period in prior year	上年同期佔總 成本比例(%) Percentage of the total cost in the corresponding period in prior year (%)	本期金額較上年 同期變動比例 (%) Increase/ (Decrease) as compared with the corresponding period in prior year (%)	
啤酒銷售 Sales of beer	直接材料 Direct materials	12,446,267	65.81	13,686,118	66.63	-9.06	
啤酒銷售 Sales of beer	直接人工 Direct labor	1,031,779	5.46	1,002,716	4.88	2.90	
啤酒銷售 Sales of beer	製造費用及其他 Overhead and other	4,501,448	23.80	4,716,143	22.96	-4.55	
啤酒銷售 Sales of beer	外購產成品 Finished goods purchased from outside	931,781	4.93	1,135,640	5.53	-17.95	
合計 Total		18,911,275	100.00	20,540,617	100.00	-7.93	

分產品 By products	成本構成項目 Items in the costs	分產品情況 By products					情況說明 Explanation
		本期金額 Amount during this Reporting Period	本期佔總 成本比例(%) Percentage of the total cost during this Reporting Period (%)	上年同期金額 Amount of corresponding period in prior year	上年同期佔總 成本比例(%) Percentage of the total cost in the corresponding period in prior year (%)	本期金額較上年 同期變動比例 (%) Increase/ (Decrease) as compared with the corresponding period in prior year (%)	
啤酒銷售 Sales of beer	直接材料 Direct materials	12,446,267	65.81	13,686,118	66.63	-9.06	
啤酒銷售 Sales of beer	直接人工 Direct labor	1,031,779	5.46	1,002,716	4.88	2.90	
啤酒銷售 Sales of beer	製造費用及其他 Overhead and others	4,501,448	23.80	4,716,143	22.96	-4.55	
啤酒銷售 Sales of beer	外購產成品 Finished goods purchased from outside	931,781	4.93	1,135,640	5.53	-17.95	
合計 Total		18,911,275	100.00	20,540,617	100.00	-7.93	

管理層討論與分析 Management Discussion and Analysis

製造成本構成
Composition of production costs



4、費用
Expenses

(1) 營業收入
Revenue

2024年營業收入同比減少5.30%，主要原因是本年度受銷量影響使得營業收入減少。
The revenue had a year-on-year decrease of 5.30% in 2024, mainly due to a decrease in revenue caused by sales volume in current year.

(2) 營業成本
Cost of sales

2024年營業成本同比減少7.72%，主要原因是本年度受銷量以及部分原料成本下降影響使得營業成本減少。
The cost of sales had a year-on-year decrease of 7.72% in 2024, mainly due to a decrease in sales volume and lower costs of certain raw materials in current year.

(3) 銷售費用
Selling and distribution expenses

2024年銷售費用同比減少2.25%，主要原因是本年度部分區域業務宣傳費減少所致。
The selling and distribution expenses had a year-on-year decrease of 2.25% in 2024, mainly due to the decrease in business promotion expenses in certain regions in current year.

(4) 管理費用
General and administrative expenses

2024年管理費用同比減少7.40%，主要原因是本年度股份支付費用及職工薪酬同比減少所致。
The general and administrative expenses had a year-on-year decrease of 7.40% in 2024, mainly due to the year-on-year decrease in share-based payment and employee payroll in current year.

管理層討論與分析 Management Discussion and Analysis

(5) 財務費用

Finance expenses

2024年財務費用同比減少110,647千元，主要原因是本年度利息收入同比增加所致。

The finance expenses had a year-on-year decrease of 110,647 thousand yuan, mainly due to the year-on-year increase in interest income in current year.

(6) 研發費用

Research and development expenses

2024年研發費用同比增加2.12%，主要原因是本年度新產品研發投入同比增加所致。

The research and development expenses had a year-on-year increase of 2.12% in 2024, mainly due to the year-on-year increase in the investment in R&D of new products in current year.

(7) 投資收益

Investment income

2024年投資收益同比減少31.53%，主要原因是本年度本公司之全資子公司財務公司持有金融同業存單業務規模較同期減少所致。

The income from investment had a year-on-year decrease of 31.53% in 2024, mainly due to that the scale of the financial interbank certificate of deposit business held by Finance Company, a wholly-owned subsidiary of the Company, decreased compared to the corresponding period in prior year.

(8) 信用減值損失(損失以「-」號填列)

Credit impairment losses (losses are listed with “-”)

2024年信用減值損失同比減少14,647千元，主要原因是本年度個別子公司對應收款項計提信用減值損失同比減少所致。

The credit impairment losses had a year-on-year decrease of 14,647 thousand yuan, mainly due to the year-on-year decrease in credit impairment losses for accounts receivable provision of individual subsidiaries in current year.

(9) 資產減值損失(損失以「-」號填列)

Asset impairment losses (losses are listed with “-”)

2024年資產減值損失同比減少47,078千元，主要原因是本年度個別子公司計提的固定資產減值損失同比減少所致。

The asset impairment losses had a year-on-year decrease of 47,078 thousand yuan, mainly due to the year-on-year decrease in fixed asset impairment losses provisioned by individual subsidiaries in current year.



管理層討論與分析 Management Discussion and Analysis

(10) 資產處置收益(損失以「-」號填列)

Gains on disposals of assets (losses are listed with “-”)

2024年資產處置收益同比減少97.61%，主要原因是上年度個別子公司確認處置土地使用權收益所致。

The gains on disposals of assets had a year-on-year decrease of 97.61% in 2024, mainly due to that individual subsidiaries recognized the disposal of land use rights income in prior year.

(11) 營業外收入

Non-operating income

2024年營業外收入同比增加223.31%，主要原因是本年度個別子公司確認的與日常經營活動無關的收入同比增加所致。

The non-operating income had a year-on-year increase of 223.31% in 2024, mainly due to the year-on-year increase in revenues not related to operating activities confirmed by individual subsidiaries in current year.

(12) 營業外支出

Non-operating expenses

2024年營業外支出同比增加166.60%，主要原因是本年度個別子公司確認的與日常經營活動無關的支出同比增加所致。

The non-operating expenses had a year-on-year increase of 166.60% in 2024, mainly due to the year-on-year increase in expenses not related to operating activities confirmed by individual subsidiaries in current year.

(13) 少數股東損益

Profit or loss attributable to non-controlling interests

2024年少數股東損益同比增加82.70%，主要原因是本年度個別存在少數股東的子公司淨利潤增加所致。

The profit or loss attributable to non-controlling interests had a year-on-year increase of 82.70% in 2024, mainly due to the increase in net profit of individual subsidiaries with minority shareholders in current year.

(14) 經營活動產生的現金流量淨額變動

Net cash flow from operating activities

2024年經營活動產生的現金流量淨額同比增加85.58%，主要原因是本年度原料成本及銷量下降使得支付的原料款項同比減少，以及支付的各項稅費同比減少所致。

The net cash flow from operating activities had a year-on-year increase of 85.58% in 2024, mainly due to the year-on-year decrease in raw material payments caused by decrease in cost of raw material and sales volume in current year, as well as the year-on-year decrease in taxes and fees payables.

(15) 投資活動產生的現金流量淨額變動

Net cash flow from investing activities

2024年投資活動產生的現金流量淨額同比減少3,958,812千元，主要原因是本年度本公司之全資子公司財務公司理財淨投入同比增加所致。

The net cash flow from investing activities had a year-on-year decrease of 3,958,812 thousand yuan, mainly due to the year-on-year increase in net investment in financial management of Finance Company, a wholly-owned subsidiary of the Company, in current year.

(16) 籌資活動產生的現金流量淨額變動

Net cash flow from financing activities

2024年籌資活動產生的現金流量淨額同比減少115,078千元，主要原因是本年度分配股利支付的現金同比增加所致。

The net cash flow from financing activities had a year-on-year decrease of 115,078 thousand yuan, mainly due to the year-on-year increase in cash paid for dividend distribution in current year.

管理層討論與分析 Management Discussion and Analysis

5、研發投入

Research and development expenses

5.1 研發投入情況表

Information of Research and development expenses

單位：千元
Unit: RMB'000

本期費用化研發投入	R&D expenditures of the Reporting Period	102,767
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	102,767
研發投入總額佔營業收入比例(%)	Percentage of total R&D expenditures in revenue (%)	0.32
研發投入資本化的比重(%)	Percentage of R&D expenditures capitalized (%)	0.00

5.2 研發人員情況表

Information of R&D personnel

公司研發人員的數量	Number of R&D personnel	896
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 (%)	3

研發人員學歷結構

Educational background of R&D personnel

學歷結構人數

Number of persons

學歷結構類別	Educational background	
博士研究生	PhD	13
碩士研究生	Postgraduate	92
本科	Undergraduate	364
專科	Junior College	190
高中及以下	High school and below	237

研發人員年齡結構

Age groups of R&D personnel

年齡結構人數

Number of persons

年齡結構類別	Age group	
30歲以下(不含30歲)	Below 30 (not inclusive of 30)	34
30-40歲(含30歲，不含40歲)	30-40 (inclusive of 30, not inclusive of 40)	203
40-50歲(含40歲，不含50歲)	40-50 (inclusive of 40, not inclusive of 50)	327
50-60歲(含50歲，不含60歲)	50-60 (inclusive of 50, not inclusive of 60)	321
60歲及以上	60 and above	11

管理層討論與分析 Management Discussion and Analysis

(二) 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 Amount at the end of the corresponding reporting period in prior year	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) (%)
其他應收款	Other receivables	83,284	0.16	184,368	0.37	-54.83
一年內到期的 非流動資產	Current portion of non-current assets	51,714	0.10	28,432	0.06	81.88
其他流動資產	Other current assets	1,132,636	2.20	4,341,748	8.81	-73.91
其他非流動金融資產	Other non-current financial assets	2,498,380	4.86	1,425,486	2.89	75.27
其他非流動資產	Other non-current assets	4,728,913	9.20	108,728	0.22	4,249.31
其他流動負債	Other current liabilities	467,596	0.91	359,524	0.73	30.06
庫存股	Treasury stock	1,501	0.003	77,644	0.16	-98.07

- (1) 其他應收款本年度期末比期初減少54.83%，主要原因是本年度本公司收回前期處置土地使用權等長期資產的應收款項所致。

Other receivables at the end of the Reporting Period decreased by 54.83% from the amount at the beginning of the Reporting Period. This was mainly because the Company recovered the accounts receivable on long-term assets during the year, such as the previous disposal of land use rights.

- (2) 一年內到期的非流動資產本年度期末比期初增加81.88%，主要原因是本年度本公司之全資子公司財務公司購入銀行發行債券的未到期利息增加所致。

Current portion of non-current assets at the end of the Reporting Period increased by 81.88% from the amount at the beginning of the Reporting Period. This was mainly because of the increase in outstanding interest on the bank-issued bonds purchased by Finance Company, a wholly-owned subsidiary of the Company, in current year.

管理層討論與分析 Management Discussion and Analysis

- (3) 其他流動資產本年度期末比期初減少73.91%，主要原因是本年度本公司之全資子公司財務公司金融同業存單業務到期收回所致。

Other current assets at the end of the Reporting Period decreased by 73.91% from the amount at the beginning of the Reporting Period. This was mainly because Finance Company, a wholly-owned subsidiary of the Company, recovered inter-bank deposits due during the year.

- (4) 其他非流動金融資產本年度期末比期初增加75.27%，主要原因是本年度本公司之全資子公司財務公司購入銀行發行債券所致。

Other non-current financial assets at the end of the Reporting Period increased by 75.27% from the amount at the beginning of the Reporting Period. This was mainly because Finance Company, a wholly-owned subsidiary of the Company, purchased bonds from the bank during the year.



- (5) 其他非流動資產本年度期末比期初增加4249.31%，主要原因是本年度本公司辦理一年期以上定期存款增加所致。

Other non-current assets the end of the Reporting Period increased by 4249.31% from the amount at the beginning of the Reporting Period. This was mainly because of an increase in the Company's deposits with a fixed-term above one year in current year.

- (6) 其他流動負債本年度期末比期初增加30.06%，主要原因是本年度部分子公司增值稅待轉銷項稅額增加所致。

Other current liabilities at the end of the Reporting Period increased by 30.06% from the amount at the beginning of the Reporting Period. This was mainly because of an increase in the amount of VAT to be resold by certain subsidiaries in current year.

- (7) 庫存股本年度期末比期初減少98.07%，主要原因是本年度本公司部分限制性股票解鎖所致。

The treasury stock at the end of the Reporting Period decreased by 98.07% from the amount at the beginning of the Reporting Period. This was mainly because of the unlocking of some restricted stocks of the Company in current year.

管理層討論與分析 Management Discussion and Analysis

(三) 其他經營情況說明

Interpretation of other operating situations

1. 債務資本率

Debt/Capital Ratio

本公司2024年12月31日的債務資本率為0% (2023年12月31日：0%)。債務資本率的計算方法為：長期借款總額／(長期借款總額+歸屬於母公司股東權益)

As at 31 December 2024, the Company's debt/capital ratio was 0% (31 December 2023: 0%). The calculation of debt/capital is: total amount of long-term borrowings/(total amount of long-term borrowings + interests attributable to the Shareholders of the Company).

2. 資產抵押

Assets mortgage

於2024年12月31日，本公司無資產抵押。(2023年12月31日：無)

As at 31 December 2024, the Company did not have any mortgages (31 December 2023: Nil).

3. 匯率波動風險

Risk of exchange rate fluctuations

由於本公司目前用於啤酒生產的原料大麥主要依賴進口，因此匯率的變動將會影響本公司的原料採購成本；另外，本公司部分啤酒產品出口外銷，匯率的變動會直接影響本公司的產品出口收入；以上事項對本公司的盈利能力會產生一定影響。

As the Company currently relies on imported barley among the raw materials for beer production, the fluctuate exchange rate would indirectly affect the purchase cost of raw materials of the Company; besides, the fluctuate exchange rate would also directly affect the product export income of the Company as some beer products of the Company are exported for sale; these matters would impact the profitability of the Company in certain extent.

4. 資本性開支

Capital expenses

2024年度本公司資本性新建、搬遷及改擴建項目共投入約21.41億元。依據公司目前的資金狀況及盈利能力，有充足的自有資金及持續的經營現金淨流入滿足公司資本項目的資金需求。

In 2024, the Company invested in approximately RMB2.141 billion in aggregate for the capital projects of new construction, relocation, reconstruction and expansion. Based on the Company's present fund situation and profitability, there are sufficient self-owned funds and continuous net operating cash in-flow to satisfy the Company's needs for funds for its capital projects.

5. 投資

Investments

詳見2024年度財務報表附註。

Refer to the Notes to the Financial Statements of 2024 for details.

6. 或有負債

Contingent liabilities

無。

Nil.



管理層討論與分析 Management Discussion and Analysis

二、啤酒製造行業經營性信息分析

Analysis of operational information in brewing industry

1 公司現有產能狀況

公司現有工廠設計產能1,419萬千升，實際產能949萬千升。公司實際產能是綜合平衡各地市場銷售淡旺季係數及節假日、大修、日常維修、設備刷洗等因素後，生產企業所能達到的全年實際生產能力。

1 The existing production capacity of the Company

The designed production capacity of the existing plants of the Company is 14.19 million kl, of which the actual production capacity is 9.49 million kl. The Company's actual production capacity is the actual annual production capacity that the brewing plants can reach after combining and leveraging the factors including the indicators of peak season and low season in different markets, holidays and festivals, overhaul, routine maintenance and cleaning of equipment.

2 產品期末庫存量

Inventory at the end of the Reporting Period

單位：百萬升
Unit: million litre

成品酒 Finished beer product	半成品酒(含基礎酒) Semi-finished beer product (including base beer)
517	490

3 產品情況

Product information

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

產品檔次	Product class	產量 (千升) Production (kl)	同比(%) Increase/ (Decrease) from the corresponding period in prior year (%)	銷量 (千升) Sales volume (kl)	同比(%) Increase/ (Decrease) from the corresponding period in prior year (%)	產銷率(%) Sales-output Percentage (%)	銷售收入 Sales income	同比(%) Increase/ (Decrease) from the corresponding period in prior year (%)	主要 代表 品牌 Main representative brand
青島品牌	Tsingtao Brand	426萬 4.26 million	-2.00	434萬 4.34 million	-4.84	101.77	22,083,409	-5.07	青島
其他品牌	Other brands	297萬 2.97 million	-2.96	320萬 3.20 million	-7.20	107.78	9,495,448	-6.38	Tsingtao 崂山
合計	Total	723萬 7.23 million	-2.39	754萬 7.54 million	-5.85	104.23	31,578,857	-5.47	青島、崂山 Tsingtao and Laoshan

管理層討論與分析 Management Discussion and Analysis

產品檔次劃分標準：

Classification criteria of products:

- (1) 「青島啤酒」品牌是我國首批十大馳名商標之一，在國內外市場具有強大的品牌影響力和較高的知名度，青島啤酒產品主要面對中高端啤酒消費市場進行推廣和銷售，並保持了在國內中高端市場的領先地位；以嶗山啤酒為代表的其他品牌產品主推大眾消費市場銷售，與主品牌產品共同構成了覆蓋全國市場的完善的品牌和產品結構體系。

The “Tsingtao Beer” brand owned by the Company is one of China’s first top 10 well-known brands, which has strong brand impact and high popularity in domestic and overseas markets. Tsingtao Beer products are mainly promoted and sold in the mid-and-high-end beer consumption markets, and maintain a leading position in the domestic mid-and-high-end markets; products of other brands which are represented by Laoshan Beer are mainly for the sales in mass consumption markets, which jointly builds an improved brand and product mix system covering the markets in the whole country with the core brand products.

- (2) 上述公司產量及同期對比數據不包含本公司聯營及合營啤酒生產企業產量。

The aforesaid output and comparison data of the Company of the corresponding period exclude the output of the associated and joint investment brewing plants of the Company.

(2) 採購金額

Purchase amount

4 原料採購情況

Information of purchase of raw materials

(1) 採購模式

Purchasing mode

本公司採購的主要原材料包括釀酒原材料、包裝材料和其他物料等，其中啤酒主要生產原料大麥的採購來源以進口為主，包裝物料由國內採購。公司集中採購的大宗物資全部由總部統一競價，實行多數物料年度競價、部分物料季度競價，同時緊盯行業、判斷行情適時調整的策略。公司不斷拓展競價模式，搭建了青島啤酒採購商城，實現透明、規範、高效管理。

The main raw materials purchased by the Company include raw materials for brewing, packaging materials and other materials. Among the raw materials, barley, the main raw material in brewing beer, is mainly imported from abroad, while the packaging materials are purchased at home. The Company purchases bulk materials in centralized manner through the unified bidding by the head office, of which most materials are purchased through annual bidding, and some through quarterly bidding. At the same time, the Company makes timely adjustment by keeping an eye on the industry to determine the industry situation. The Company also expands the bidding model and establishes the Tsingtao Procurement Mall platform to exercise transparent, standardized and highly efficient management.

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

原料類別	Class of raw materials	估當期總採購額的比重(%)		
		當期採購金額	上期採購金額	Percentage of total purchase amount of the Reporting Period (%)
		Purchase amount of the Reporting Period	Purchase amount of the corresponding period in prior year	
釀酒原材料	Raw materials for brewing	3,621,346	3,852,016	27.86
包裝材料	Packaging materials	8,565,734	9,132,647	65.89
能源	Energy	812,400	868,863	6.25

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5 銷售情況

Information of sales

(1) 銷售模式

Sales mode

本公司設立青島啤酒營銷中心，負責市場推廣和管理、產品銷售及售後服務等業務職能，下設有品牌管理、銷售管理、現代渠道、創新事業、市場研究等專業職能部門，根據公司發展規劃制訂營銷戰略、年度營銷計劃並實施執行。The Company has established Tsingtao Brewery Marketing Center to perform such business functions as marketing and management, product sales and after-sales services. It consists of a number of specialized functional departments, including Brand Management, Sales Management, Modern Channels, Innovation Business and Market Research, to formulate and implement marketing strategies and annual marketing plans according to the Company's development planning.

本公司在國內市場分區域深度分銷模式的基礎上，不斷創新實踐線上線下立體化多鏈路業務拓展。按市場區域和渠道細分進行產品銷售和市場管理，通過包括各銷售分公司、省區、省辦等業務分支機構組織開發及維護區域市場銷售渠道。公司堅持高質量發展戰略，通過品牌引領，堅定「1+1」品牌戰略，堅持大單品發展戰略，培育和發展明星產品，全面提升品牌影響力。公司積極培育多渠道專業經銷商堅持推進「廠商聯合協作分銷模式」，通過網絡分工協作、專業市場策劃及促銷支持等措施，不斷提高區域市場的分銷能力、對終端客戶的維護和服務能力以及對消費者品牌影響力，助力公司產品銷售。公司創新營銷模式，構建並不斷拓展「互聯網+」渠道體系，通過搭建電商渠道專業組織，不斷放大「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領先優勢，並積極與第三方平台展開合作，大力推進O2O、B2B、即時零售、社區團購等業務，多渠道滿足互聯網時代消費者的購買需求和消費體驗。

On the basis of a deep region-based distribution model in the domestic market, the Company continues to expand business on multiple chains both online and offline. It carries out product

sales and exercises market management by market region and sub-divided channel, developing and maintaining regional market sales channels through business branches, including sales branches, province-based regional branches and province-based offices. With a brand-guided high-quality development strategy, the Company firmly adheres to the “1+1” brand strategy and large products development strategy, cultivates and develops star products, comprehensively enhances brand influence, and also makes active steps to cultivate professional distributors on multiple channels. By taking a suite of measures, including network-based collaboration, professional market planning and promotional support, the Company continues to improve its distribution capacity on regional markets, strengthen its capabilities to maintain and serve end customers, and expand its brand influence among consumers in a bid to boost product sales. The Company develops new sales models and builds up the “internet+” channel system. By setting up professional e-commerce channels, the Company continues to amplify the leading edge of a multi-dimensional e-commerce channel system that combines “Official Flagship Store + Official Mall + Online Retailers + Franchised Store”. On top of that, the Company actively collaborates with third-party platforms and vigorously promotes such business activities as O2O, B2B, instant retail and Community Group Purchase to satisfy the buying needs and consumption experience of consumers in the internet era through multiple channels.

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公司全面推進營銷數字化轉型發展，借助數字化新技術，推動供應鏈、經銷商網絡模式全面升級；加快渠道、人員、費用、消費者在線，打造營銷模式行業領先地位。

The Company promotes the digital transformation of marketing on all fronts and adopts new digital technologies to drive the upgrading of its supply chain and distributor network model in all aspects. It seeks to be an industrial leader for marketing models by accelerating the connectivity of channels, personnel, costs and consumers.

公司在海外市場的銷售通過境外子公司和當地代理商進行發展，遠銷全球超120個國家及地區，借力經銷商

本土資源，嘗試建立屬地化的業務開發團隊，充分發揮青島啤酒的品牌和品質優勢，實施品牌傳播和營銷推廣，打造並提升青島啤酒在國際市場的高端品牌形象。

The Company realizes sales development in overseas markets through overseas subsidiaries and local agents, with products sold to over 120 countries and regions globally. Through distributors and other local resources, the Company attempts to establish localized business development teams to fully exert the brand equity of Tsingtao Brewery, implement brand promotion and build and enhance the upmarket brand image of Tsingtao Brewery in international market.

(2) 區域情況

Regional information

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

區域名稱	Region	本期銷售收入 Sales income of the Reporting Period	上期銷售收入 Sales Income of the corresponding period in prior year	本期佔比 (%) Percentage of the Reporting Period (%)	本期銷售量 (千升) Sales volume of the Reporting Period (kl)	上期銷售量 (千升) Sales volume of the corresponding period in prior year (kl)	本期佔比 (%) Percentage of the Reporting Period (%)
山東地區	Shandong Region	22,094,714	22,868,534	69.97	5,328,001	5,566,302	70.68
華北地區	North China	7,802,889	7,981,434	24.71	2,004,553	1,998,634	26.59
華南地區	South China	3,377,276	3,621,713	10.69	887,708	943,489	11.78
華東地區	East China	2,496,807	2,771,451	7.91	712,470	791,864	9.45
東南地區	South-east China	673,845	888,265	2.13	163,389	202,848	2.17
港澳及其他海外 地區	Hong Kong, Macau and other overseas regions	543,428	717,183	1.72	71,307	99,787	0.95
分部間抵消	Elimination between regions	-5,410,102	-5,442,785	-17.13	-1,629,402	-1,596,220	-21.62
合併	Total	31,578,857	33,405,795	100.00	7,538,026	8,006,704	100.00

區域劃分標準：

本公司根據不同區域市場的經營戰略和發展需要對全國市場的業務架構進行劃分。

Standard for dividing the regions:

The Company sets up different business structures in the markets throughout the country based on the operation strategy and development needs in different regional markets.

管理層討論與分析 Management Discussion and Analysis

(3) 經銷商情況
Information of distributors

單位：個
Unit: PCS

區域名稱	Region	報告期末經銷商數量 Number of distributor as at the end of the Reporting Period	報告期內增加數量 Increased number during the Reporting Period	報告期內減少數量 Decreased number during the Reporting Period
國內市場	Domestic market	11,622	1,921	1,656

經銷商管理情況：

本公司對經銷商網絡管理體系積極承接公司高質量發展戰略，同時結合行業發展趨勢，實施「內外兼修並舉，走深抓實提質」的管理策略：向內苦練內功，渠道模式變革加速深入，應用廠商協作分銷模式重構廠商合作機制，激發網絡動能，持續進攻；向外勤修外功，強化網絡結構能力建設，從培育、發展和優化三個維度吸納優質網絡的同時，層級構建專業化網絡壁壘，提升網絡活力，夯實基礎。



Information on the management of distributors:

The Company actively undertakes the high-quality development strategy of its dealer network management system, and implements a management strategy of “internal and external coverage, practice and quality improvement” in line with the industry trends. Inwards, the Company strives to improve its strength and accelerate the transformation of its channel models, apply the manufacturer cooperation distribution model to reconstruct the manufacturer cooperation mechanism and to stimulate network momentum; outwards, the Company cultivates its skills and strengthens the construction of its network structure capabilities, aiming to attract high-quality networks from three dimensions: cultivation, development, and optimization. At the same time, it will construct specialized network barriers at different levels, enhance network vitality, and solidify the foundation.

管理層討論與分析 Management Discussion and Analysis

公司收入分析

Analysis of the Company's income

(1) 按不同類型披露公司主營業務構成
Disclosure of composition of the Company's principal business in different classes

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

劃分類型	Class	營業收入 Revenue	同比(%) Increase/ (Decrease) from the corresponding period in prior year (%)	營業成本 Cost of sales	同比(%) Increase/ (Decrease) from the corresponding period in prior year (%)	毛利率(%) Gross margin (%)	同比(%) Increase/(Decrease) from the corresponding period in prior year (%)
按產品檔次	By levels of products						
青島品牌	Tsingtao brand	22,083,409	-5.07	11,924,849	-7.59	46.00	增加1.47個百分點 Increase by 1.47 percentage points
其他品牌	Other brands	9,495,448	-6.38	6,986,427	-8.50	26.42	增加1.70個百分點 Increase by 1.70 percentage points
小計	Total	31,578,857	-	18,911,276	-	-	-
按地區分部	By regions						
山東地區	Shandong Region	22,094,714	-3.38	14,042,098	-6.16	36.45	增加1.89個百分點 Increase by 1.89 percentage points
華北地區	North China	7,802,889	-2.24	5,395,599	-3.51	30.85	增加0.91個百分點 Increase by 0.91 percentage points
華南地區	South China	3,377,276	-6.75	2,256,007	-8.13	33.20	增加1.00個百分點 Increase by 1.00 percentage points
華東地區	East China	2,496,807	-9.91	1,776,549	-10.59	28.85	增加0.55個百分點 Increase by 0.55 percentage points
東南地區	South-east China	673,845	-24.14	528,853	-17.13	21.52	減少6.64個百分點 Decrease by 6.64 percentage points
港澳及其他海外地區	Hong Kong, Macau and other overseas regions	543,428	-24.23	371,528	-18.57	31.63	減少4.75個百分點 Decrease by 4.75 percentage points
分部間抵消	Elimination between regions	-5,410,102		-5,459,358			
小計	Total	31,578,857	-	18,911,276	-	-	-

管理層討論與分析 Management Discussion and Analysis

三、關於公司未來發展的討論與分析 Discussion and analysis of the future development of the Company

(一) 行業競爭格局和發展趨勢

Industrial competition layout and development trend

作為全球最大的啤酒生產和消費市場，中國啤酒行業在經濟、人口等因素影響下，已步入穩定發展階段。伴隨各區域市場競爭格局的日漸清晰，市場集中度不斷提升。

China's beer market is the largest in the world in terms of both production and consumption. Influenced by economic factors and demographic trends, the country's beer industry has entered a phase of stable development. As regional market competition patterns continue to evolve, the beer market is experiencing a steady increase in concentration.

中高端產品的崛起、消費需求的多元化以及企業的多元化發展戰略，為行業帶來新的發展契機，啤酒行業整體盈利水平仍具相當提升空間。啤酒企業也開始將相關多元化發展提升至戰略層面，通過推出全新產品、尋求併購以及與其他公司合作等方式佈局非啤酒業務，為企業長遠穩定發展注入新動能。

The rise of mid-to-high-end products, the diversification of consumer demands, and the adoption of diversified development strategies by companies are creating new growth opportunities for the industry. As a result, there is significant potential for enhancing the overall profitability of the beer sector. Beer enterprises are increasingly elevating diversified development to a strategic level. They inject fresh momentum into long-term and stable development by expanding into non-beer businesses through various approaches, such as launching new products, pursuing mergers and acquisitions, and establishing collaborations with other companies.

隨著消費結構的持續升級、中高端市場競爭的日益激烈以及數字化和智能化轉型的加速推進，國內啤酒企業積極推動科技創新與數字化轉型升級，以消費需求為導向，加速推進啤酒行業高端化、智能化、綠色化的發展進程，提高生產運營效率和產品質量，降低系統運營成本。

With the continuous upgrading of the consumption structure, the increasingly fierce competitions in the mid-to-high-end markets, and faster digital and intelligent transformations, domestic beer enterprises are vigorously promoting scientific and technological innovation and digital transformation. Driven by consumer demands, they are speeding up the high-end, intelligent, and green development of the beer industry, increasing production and operational efficiency, improving product quality, and reducing systematic operational costs.

(二) 公司發展戰略

The Company's Development Strategy

公司將堅持以創新驅動高質量發展，圍繞消費者個性化、差異化、場景化需求，充分發揮青島啤酒的品牌、品質、產品、科技、覆蓋全國市場的生產基地和渠道網絡等平台資源優勢，採取積極的增長策略，以進促穩，進中提質。

The Company will commit to fostering high-quality development through innovation. By centering on consumers' personalized, differentiated, and scenario-based needs, the Company will capitalize on Tsingtao Beer's strengths in branding, quality, product offerings, and technology. Additionally, it will utilize its production facilities and extensive channel network that spans the Chinese market. The Company will implement active growth strategies to ensure stable development and enhance product quality while continuing to make progress.

公司以「為生活創造快樂」為使命，以「高質量、可持續、與時代共進」為發展理念，通過構建更具競爭力的產品組合，全面提升公司品牌影響力，持續打造省級基地市場戰略帶，加快國際市場開拓，塑造魅力感知質量，推動生產基地規模化、智能化、智慧型、綠色化發展，進一步擴大數字化應用範圍和場景，積極穩妥推進碳中和，持續優化價值鏈成本費用等舉措做強做優啤酒主業，加快建設「產品卓越、品牌卓著、創新領先、治理現代」的世界一流企業。

Guided by its mission of “creating happiness in life” and its development philosophy of “pursuing high quality, ensuring sustainable growth, and keeping abreast of the times”, the Company aims to build a more competitive product portfolio and enhance its brand influence across all fronts. To strengthen and refine its core businesses, the Company will implement a series of strategic measures, including: establishing provincial bases and markets as strategic hubs; accelerating expansion into international markets; enhancing the appeal of high-quality offerings; driving the large-scale, intelligent, smart, and green development of production bases; expanding the scope and scenarios of digital applications; proactively and steadily advancing carbon neutrality goals; and continuously optimizing costs and expenses across the value chain. Through these efforts, the Company will accelerate its transformation into a world-class enterprise renowned for “excellent products, distinguished brands, leading innovations, and modern governance”.

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(三) 經營計劃

Business Plan

公司將聚焦啤酒主業，充分發揮青島啤酒的品牌、品質、渠道網絡等優勢積極開拓市場，加速推進「一縱兩橫」戰略帶市場建設與佈局，不斷完善市場網絡，推動公司市場運營能力和盈利能力的不斷提升。

The Company will prioritize the development of its beer business as its core business, leveraging Tsingtao Beer's strengths in brand, quality, and distribution networks to drive market expansion. It will accelerate the growth of its "One Vertical and Two Horizontal" strategic belts, further refine its market network, and enhance operational capabilities to boost profitability.

公司將繼續實施青島啤酒主品牌+崂山啤酒全國性第二品牌的品牌戰略，持續推進產品結構優化升級，以產品帶動品牌發展，打造主力大單品、高端生鮮及超高端明星產品，實現全系列、多渠道產品覆蓋，在中高端產品上持續拓市場、抓運營、強品牌，全面發力「新人群、新需求、新產品、新渠道、新場景」，開闢新增長空間。

The Company will continue to execute its brand strategy of "Tsingtao Beer as Core Brand + Laoshan Beer as Second Brand", while further optimizing and upgrading its product portfolio to drive brand growth through product development. It will focus on flagship products, premium fresh beers, and ultra-high-end star offerings to ensure full coverage across all product lines and sales channels. For mid-to-high-end products, the Company will enhance market penetration, refine operations, and reinforce branding. Additionally, it will fully leverage "new consumer groups, new demands, new products, new channels, and new scenarios" to unlock new growth opportunities.

公司將加快科技創新為引領的系統性創新，充分發揮世界一流研發創新平台的輻射和帶動作用，持續深耕啤酒發酵菌種研究、質量提升、低碳釀造和產品創新等關鍵技術領域，以科技創新構築起產品和品牌的獨特競爭力。

The Company will accelerate systematic innovation guided by technological innovation and leverage its world-class R&D platform and continuously cultivate key areas such as beer fermentation yeast research, quality improvement, low-carbon brewing, and product innovation. Through technological innovation, it will build unique competitive edges for its products and brands.

公司將加快推進數字化轉型，利用數字技術賦能業務變革，持續打造全感知、全鏈接、全場景、全數據的「數字青島啤酒」，提高系統效率。

The Company will accelerate its digital transformation, leveraging digital technologies to drive business evolution. It will continue building an integrated "Digital Tsingtao Beer" ecosystem – encompassing whole sensing, full connectivity, omni-scenario applications, and comprehensive data – to maximize system efficiency.

2025年，公司發展仍面臨市場競爭激烈、消費需求不足等壓力挑戰；也迎來了國家倡導以科技創新引領新質生產力發展，大力提振消費等有利機遇。公司將在董事會的帶領下堅定信心，堅守戰略定力，堅定不移地做強做優啤酒主業，加力提速高質量發展。

In 2025, the Company will still face pressures from intense market competition and subdued consumer demand; on the other hand, the Company will welcome favorable opportunities arising from China's push for technological innovation and consumption stimulation to develop new quality productive forces. Under the Board's leadership, the Company will move forward with confidence, reinforce its strategic positioning, firmly strengthen and improve the beer business, and further expedite high-quality development.

(四) 可能面對的風險

Potential Business Risks

未來消費市場復甦、氣候變化等不確定因素以及人口老齡化可能影響國內啤酒市場的增長。

Potential uncertainties such as the future recovery of consumption and climate change, as well as population ageing, may impact the growth of the domestic beer market.

伴隨中國啤酒行業集中度的提升，市場競爭態勢將進一步加劇，廣告、促銷等市場費用持續上漲以及啤酒生產主要原材料價格波動對公司帶來的經營壓力，均可能會對公司未來銷量、收入和盈利的增長形成影響。As China's beer industry becomes more concentrated, market competition is expected to intensify further. Increasing marketing costs (including advertising and promotions) along with operational pressures from volatile raw material prices, could collectively affect the Company's future sales volume, revenue, and profitability.

董事、監事和高管人員簡介

Profiles of Directors, Supervisors and Senior Management Officers

公司第十屆董事會成員簡介 Members of the Tenth Session of the Board:



姜宗祥先生，現年52歲，山東工業大學本科畢業，南開大學經濟學碩士。現任本公司黨委書記、董事長、總裁，青島啤酒集團有限公司黨委書記、董事長。曾任青島啤酒(燕湖)有限公司副總經理，本公司戰略投資管理總部副部長、信息管理總部部長及製造中心採購管理總部部長、製造總裁助理兼採購管理總部部長、副總裁兼供應鏈總裁等職。具有豐富的公司治理、戰略管理、數字化轉型、供應鏈管理及生產經營經驗。現為山東省第十四屆人大代表。

Mr. JIANG Zong Xiang, aged 52, undergraduate from Shandong Polytechnic University and holds a master's degree in economy from Nankai University. He is currently the Secretary of the Party Committee, Chairman, and President of the Company, as well as the Secretary of the Party Committee and Chairman of Tsingtao Brewery Group. He formerly served as the Deputy General Manager of Tsingtao Brewery (Wuhu) Co., Ltd., Deputy Director of the Strategic Investment Management Headquarters, Director of the Information Management Headquarters, Director of the Manufacturing Center Procurement Management Headquarters, Assistant to the Manufacturing President and Director of the Procurement Management Headquarters, Vice President and President of the Supply Chain. He has rich experiences in corporate governance, strategic management, digital transformation, supply chain management, and production and operation. Mr. Jiang is also Delegate of the 14th People's Congress of Shandong Province.



王瑞永先生，現年59歲，北京大學高級管理人員工商管理碩士，高級工程師，現任本公司執行董事、黨委委員、副總裁。曾任北京五星青島啤酒有限公司總經理，青島啤酒淮海事業部總經理，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，本公司總裁助理，本公司營銷總裁。具有豐富的市場營銷、生產運營和企業管理經驗。青島市第十七屆人大代表。

Mr. WANG Rui Yong, aged 59, holds a master's degree in business administration from Peking University and is a senior engineer. He is the executive director, a member of the Party Committee and the vice president of the Company and is the 16th National People's Congress of Qingdao. He was the general manager of Beijing Five Star Tsingtao Brewery Co., Ltd, the general manager of Tsingtao Brewery huaihai Division, the general manager of Shanghai Tsingtao Brewery Huadong Marketing Co., Ltd General, the general manager of Tsingtao Brewery Marketing Center in Shandong Province, the assistant to the President of the Company and the president of Marketing of the Company. He has rich experience in marketing, production operation and enterprise management. Mr. Wang is also Delegate of the 17th Qingdao People's Congress.



侯秋燕先生，現年58歲，山東理工大學工商管理碩士，現任本公司執行董事、黨委委員、財務總監。曾任本公司區域生產工廠、銷售公司財務負責人，本公司財務管理總部副部長、部長，總裁助理兼財務管理總部部長等職，長期從事上市公司財務管理工作，具有豐富的啤酒企業生產及銷售等經營及財務管理經驗。

Mr. HOU Qiu Yan, aged 58, graduated from Shandong University of Technology with a master's degree in business administration. He is currently an executive director, a member of the Party Committee and CFO of the Company. He served as the head of finance department of the Company's regional manufacturing factory and sales companies, and deputy director and director of financial management headquarters of the Company, assistant to the president and the head of financial management headquarters of the Company. He has been engaged in financial management of listed companies for a long time and has extensive experience in production and sale and other operation and financial management of beer companies.

董事、監事和高管人員簡介

Profiles of Directors, Supervisors and Senior Management Officers



肖耿先生，現年61歲，加州大學洛杉磯分校經濟學博士，現任本公司獨立非執行董事，香港中文大學(深圳)公共政策學院實踐教授及副院長，香港特別行政區特首政策組專家組成員，香港國際金融學會董事會主席，兼任美的集團股份有限公司和四川百利天恆藥業股份有限公司兩家境內上市公司的獨立董事，並兼任瑞士銀行(中國)有限公司和錦州銀行股份有限公司兩家非境內上市公司的獨立董事。

Mr. XIAO Geng, aged 61, PhD in Economics from UCLA. He is currently an independent non-executive director of the Company, the Professor of Practice & Vice-dean of the School of Public Policy, the Chinese University of Hong Kong (Shenzhen), member of the expert team of the Chief Executive Policy Group of HKSAR, Chairman of the Board of Directors of the Hong Kong Institute of International Finance, and also the independent director of two domestic listed companies (Midea Group and Biokin Pharmaceutical Co., Ltd.), as well as two non-domestic listed companies (Swiss Bank (China) Limited and Bank of Jinzhou Co., Ltd).



盛雷鳴先生，現年54歲，華東政法大學法學博士。現任本公司獨立非執行董事，北京觀韜中茂(上海)律師事務所律師，兼任中華全國律師協會副會長，貴州茅台酒股份有限公司及上海聯影醫療科技股份有限公司獨立董事。

Mr. SHENG Lei Ming, aged 54, PhD in Law from East China University of Political Science and Law. He is currently an independent non-executive director of the Company, a lawyer of Beijing Guantao Zhongmao (Shanghai) Law Firm. He is also the Vice President of All China Lawyers Association, and the independent director of Kweichow Moutai Co., Ltd. and Shanghai United Imaging Medical Technology Co., Ltd.



張然女士，現年47歲，美國科羅拉多大學會計學和計量經濟學博士。現任本公司獨立非執行董事，中國人民大學商學院會計系教授、博士生導師、商學院碩博項目主任，兼任中國銀行股份有限公司獨立非執行董事。

Ms. Rania ZHANG, aged 47, PhD in Accounting and Econometrics from the University of Colorado, USA. She is currently an independent non-executive director of the Company, the professor of the Accounting Department of the Business School, Renmin University of China, doctoral supervisor, and director of the Master and Doctoral Program of the Business School. She concurrently serves as an independent non-executive director of Bank of China Limited.



宋學寶先生，現年58歲，中國人民大學經濟學博士，現任本公司獨立非執行董事、清華大學經濟管理學院市場營銷系副教授、博士生導師、系黨支部書記。兼任河北衡水老白干酒業股份有限公司獨立董事。

Mr. SONG Xue Bao, aged 58, PhD in Economics from Renmin University of China. He is currently an independent non-executive director of the Company, the associate professor, doctoral supervisor, and party branch secretary of the Marketing Department, School of Economics and Management, Tsinghua University. He is also an independent director of Hebei Hengshui Distillery (Group) Co., Ltd.

董事、監事和高管人員簡介

Profiles of Directors, Supervisors and Senior Management Officers

公司第十屆監事會成員簡介 Members of the Tenth Session of the Board of Supervisors



李燕女士，現年67歲，畢業於中央財政金融學院。現任本公司監事會臨時召集人，中央財經大學財稅學院教授，博士生導師，兼任青島港國際股份有限公司、首旅酒店(集團)股份有限公司、北京菜市口百貨股份有限公司獨立董事。

Ms. LI Yan, aged 67, graduated from the Central Institute of Finance. She is currently the independent supervisor of the Company, the professor and the doctoral supervisor of the School of Finance and Taxation of Central University of Finance and Economics, the director of the Institute of Government Budget, the non-practicing member of the Chinese Institute of Certified Public Accountants, the director of China Finance Society, the director of the Finance and Taxation Law Research Society of China Law Society, and an independent director of Qingdao Port International Co., Ltd., BGT Hotels (Group) Co., Ltd., Beijing Caishikou Department Store Co., Ltd.



王亞平先生，現年60歲，華東政法學院(現為華東政法大學)本科畢業，一級律師，現任本公司獨立監事，山東國曜琴島律師事務所合夥人會議主席，青島市律師協會監事長。兼任青島國恩科技股份有限公司獨立董事，青島三柏碩健康科技股份有限公司獨立董事，青島港國際股份有限公司獨立監事，青島控股國際有限公司獨立非執行董事。

Mr. WANG Ya Ping, aged 60, undergraduate from East China University of Political Science and Law, a first-grade lawyer. He is currently an independent supervisor of the Company, the Chairman of the Partnership Meeting of Shandong Guoyao Qindao Law Firm, and the Chairman of the Supervisory Board of Qingdao Lawyers Association. He is also an independent director of Qingdao Gon Technology Co. Ltd, an independent director of Qingdao Sport Soul Health Technology Co., Ltd., an independent supervisor of Qingdao Port International Co., Ltd., and an independent non-executive director of Qingdao Holdings International Co., Ltd.



黃祖江先生，現年59歲，畢業於山東海洋學院海洋化學專業，南開大學經管學院工商管理碩士研究生，高級工程師。現任本公司職工監事、製造中心總裁助理、青島啤酒二廠黨委書記、廠長。曾任公司製造總裁助理兼生產管理總部部長，營銷總裁助理兼物流管理總部總經理，製造總裁助理兼安全環保總部部長。具有豐富的生產運營及物流管理經驗。

Mr. HUANG Zu Jiang, aged 59, graduated from the major of marine chemistry of the Ocean University of China, holds a Master's degree in business administration from the School of Economics of Nankai University and is qualified as a Senior Engineer. He is Supervisor as Employees' Representative of the Company, Assistant to the President of the Manufacturing Center of the Company, and Secretary of the Party Committee and Director of Factory No. 2 of Tsingtao Brewery. He was Assistant to the Manufacturing President and Head of Production Management Headquarters of the Company, Assistant to Marketing President and General Manager of Logistics Management Headquarters of the Company, and Assistant to Manufacturing President and Head of Safety and Environmental Protection Headquarters of the Company. He has extensive experience in production, operations and logistics management.

董事、監事和高管人員簡介

Profiles of Directors, Supervisors and Senior Management Officers



孫麗紅女士，現年49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、法律事務管理總部部長，青啤集團總法律顧問。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 49, 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 Management Department of the Company, and the General Counsel of Tsingtao Brewery Group. 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.



孟慶尚先生，現年59歲，畢業於山東工業大學工業電氣自動化專業，高級工程師。現任本公司職工監事、青島啤酒廠黨委書記、廠長。具有豐富的生產運營及企業管理經驗。

Mr. MENG Qing Shang, aged 59, graduated from the major of electrical and automation of Shandong University of Industry and is qualified as a Senior Engineer. He is currently Supervisor as Employees' Representative of the Company and Secretary of the Party Committee and Director of Tsingtao Brewery Factory, He has rich experience in production, operations and enterprise management.

董事、監事和高管人員簡介

Profiles of Directors, Supervisors and Senior Management Officers

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



蔡志偉先生，現年57歲，廈門大學高級管理人員工商管理碩士，高級工程師，現任本公司營銷總裁。蔡先生歷任青島啤酒二廠副廠長，青島啤酒(廈門)有限公司總經理、廈門青島啤酒東南營銷有限公司總經理，上海青島啤酒華東營銷有限公司總經理，營銷中心山東省區總經理，公司營銷副總裁兼營銷中心銷售管理總部總經理，公司營銷中心常務副總裁等職，具有豐富的營銷管理經驗。

Mr. CAI Zhi Wei, aged 57, MBA for senior management personnel at Xiamen University, Senior Engineer. He is currently President of Marketing Center of the Company. Mr. CAI also served as Deputy Factory Manager of Tsingtao Brewery No. 2 Factory, General Manager of Tsingtao Brewery (Xiamen) Co., Ltd., General Manager of Xiamen Tsingtao Brewery South-East Sales Company Limited, General Manager of Shanghai Tsingtao Brewery East-China Sales Company Limited, General Manager of Shandong Area of Marketing Center of the Company, Vice President of Marketing Center of the Company & General Manager of Sales Management Head Department of Marketing Center, and Executive Vice President of Marketing Center of the Company with substantial management experience in marketing.



徐楠女士，現年57歲，山東輕工業學院本科畢業，工學學士，正高級工程師。現任本公司副總裁、製造總裁、總釀酒師。曾任青島啤酒(壽光)有限公司總釀酒師、總經理，本公司製造總裁助理兼青島啤酒二廠廠長，本公司製造總裁助理兼青島啤酒三廠廠長，本公司製造總裁助理兼生產技術管理總部部長。具有豐富的生產運營及質量管理經驗。榮獲第三屆「中國釀酒大師」榮譽稱號。

Ms. XU Nan, aged 57, graduated from Shandong Institute of Light Industry with a bachelor's degree in engineering and is a senior engineer. She is currently the vice president, manufacturing president and chief winemaker of the company. She served as chief brewer and general manager of Tsingtao Brewery (Shouguang) Co., Ltd, assistant to the manufacturing president of the Company and the director of Tsingtao Brewery No.2 Factory, assistant to the manufacturing president of the Company and director of Tsingtao Brewery No.3 Factory, and assistant to the manufacturing president and head of production technology management headquarters of the Company. She has rich experience in production operation and quality assurance. Ms. Xu's honors the third session "Chinese Brewmaster".



李輝先生，現年46歲，東南大學研究生、管理學碩士，現任公司副總裁、兼任營銷中心創新營銷事業總部總經理、市場發展研究總部總經理。曾任公司戰略投資管理總部副部長，具有豐富的企業戰略管理和市場營銷工作經驗。

Mr. LI Hui, aged 46, holds a master's degree in management from Southeast University. He serves as Vice President of the Company, General Manager of the innovative marketing headquarters of the Marketing Center, and General Manager of the market development research headquarters. He was the Deputy Director of the strategic investment management headquarters of the Company. He has extensive experience in strategy management and marketing.

董事、監事和高管人員簡介

Profiles of Directors, Supervisors and Senior Management Officers



員水源先生，現年48歲，鄭州紡織工學院本科、管理學學士，現任公司副總裁兼供應鏈總裁，曾任青島啤酒股份有限公司營銷中心華北省區總經理助理、營銷中心華北省區副總經理、公司營銷中心河北省區總經理。具有豐富的啤酒市場一線營銷工作和供應鏈管理工作經驗。

Mr. YUN Shuiyuan, aged 48, holds a bachelor's degree in management from Zhengzhou Institute of Textile Technology (now Zhongyuan University of Technology). He serves as Vice President and Supply Chain President of the Company. His previous positions included: Assistant to the General Manager of the Marketing Center of Tsingtao Brewery Co., Ltd. in North China, Deputy General Manager of the Marketing Center in North China, and General Manager of the Marketing Center in Hebei. He has rich experience in frontline marketing and supply chain management in the beer market.



張瑞祥先生，現年60歲，山東師範大學本科畢業，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 60, Bachelor's Degree at Shandong Normal University, 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 long-term experience in the operation of listing company, information disclosure and financing in capital market.

重要事項 Significant Events

(一) 報告期內其他重大事項

1. 子公司新擴建項目進展情況

- 1.1 青島啤酒二廠100萬千升純生基地項目，經由董事會於2023年3月22日審議通過，該項目投資預算約人民幣66,665萬元，項目資金由公司撥款解決。於2024年3月開工建設，聯合車間土建完成主體施工，設備進行安裝。
- 1.2 青島啤酒研發創新基地項目運營及二期優化方案，經由董事會於2023年3月22日審議通過，已於2024年12月投入使用。
- 1.3 青島啤酒(濰坊)有限公司60萬千升搬遷新建項目，經由董事會於2023年12月27日審議通過，同意公司在山東濰坊投資設立一家新公司，註冊資本為人民幣30,000萬元，新建年產60萬千升啤酒項目，投資預算人民幣84,923萬元，建設資金由政府扶持資金解決，不足部分由新公司註冊資金解決。新公司名稱為青島啤酒(濰坊)製造有限公司，於2024年1月17日設立，由本公司全資擁有。新建項目於2024年11月開工建設，目前進行土建施工。

(I) Other Significant Events during the Reporting Period

1. Progress of the new and expansion projects of the subsidiaries

- 1.1 The one million kiloliter draft beer production base project of Tsingtao Beer Plant II was reviewed and approved by the Board on 22 March 2023. The investment budget of the project is approximately RMB 666.65 million, which was funded by the Company's financial provisions. The project started construction in March 2024, the main construction of the joint workshop has been completed and is currently undergoing equipment installation.
- 1.2 The operation and second-phase optimization plan of the R&D Innovation Base project of Tsingtao Beer was reviewed and approved by the board of directors on 22 March 2023 and has been put into use in December 2024.
- 1.3 The 600,000 kiloliter relocation and new project of Tsingtao Brewery (Weifang) Co., Ltd. was reviewed and approved by the Board on 27 December 2023 to establish a new company in Weifang, Shandong Province, with a registered capital of RMB 300 million. The new project aims to produce 600,000 kiloliters of beer annually, with an investment budget of RMB 849.23 million. The construction funds were funded by the government's support funds, and any shortfall would be covered by the registered capital of the new company. With the name of Tsingtao Brewery (Weifang) Manufacturing Co., Ltd., the new company was established on 17 January 2024 and is wholly owned by the Company. The new project started construction in November 2024 and is currently undergoing civil engineering construction.

重要事項 Significant Events

1.4 青島啤酒麥芽廠擴建項目，於2024年11月筒倉完成建設，2024年12月制麥塔封頂，設備進行安裝。

1.5 山東綠蘭莎啤酒有限公司搬遷擴建項目，於2024年8月項目完工投產。

上述新擴建項目完成後，可進一步提高公司高端產品供應能力，通過工廠數字化、智能化升級，滿足市場及消費者日益對個性化產品的需求。

2. 青島啤酒財務有限責任公司(「財務公司」)增資事項

財務公司增資事項，經由董事會於2024年3月26日審議通過，財務公司註冊資本由人民幣10億元增至人民幣20億元，2024年7月12日獲得國家金融監督管理總局青島監管局批准，2024年7月25日完成工商變更登記手續。

3. 收購子公司少數股權

關於收購北京青島啤酒三環有限公司(「三環公司」)少數股東股權項目，經由董事會於2024年8月29日審議通過，同意由本公司出資人民幣10,120萬元收購北京雙合盛五星啤酒三環股份有限公司持有的三環公司46%股權；該事項於2024年11月27日辦理完畢股權交割及變更手續。變更後的股權結構為本公司持股75%，青島啤酒香港貿易有限公司持股25%。

1.4 Regarding the expansion project of Tsingtao Beer Malt Plant, the construction of the silo has been completed in November 2024, the malt-making tower has been roofed in December 2024, and is currently undergoing equipment installation.

1.5 The relocation and expansion project of Shandong Lulansa Beer Co., Ltd. has been completed and put into operation in August 2024.

After completion of the new and expansion projects mentioned above, the Company's supply capacity for high-end products will be further improved by digitalization and intelligence upgrading of the plants, therefore meeting the increasing demands for personalized products of the market and consumers.

2. Capital increase of Tsingtao Brewery Finance LLC. ("Financial Company")

The capital increase of the Financial Company was reviewed and approved by the board of directors on 26 March 2024, with its registered capital increasing from RMB 1 billion to RMB 2 billion. It was approved by Qingdao Regulatory Bureau of the State Financial Supervision Administration on 12 July 2024, and the procedures for change of registration at the industrial and commercial administration were completed on 25 July 2024.

3. Acquiring minority equity of the subsidiaries

Regarding the project of acquiring the minority equity of Beijing Tsingtao Brewery Sanhuan Co., Ltd. ("Sanhuan Company"), the Board reviewed and approved the project on 29 August 2024, and the Company was agreed to invest RMB 101.2 million to acquire 46% equity of Sanhuan Company held by Beijing Sonhoshin & Five Star Beer Co., Ltd; the equity acquiring procedures has been completed on 27 November 2024, and the equity structure after change is that the Company holds 75% of the shares and Tsingtao Brewery Hong Kong Trading Co., Ltd. holds the remaining 25% of the shares.

重要事項 Significant Events

4. 新設子公司

關於設立青島啤酒數字科技公司項目可行性報告，經由董事會於2024年8月29日審議通過，同意由本公司單獨投資設立青島啤酒數字科技公司，註冊資本人民幣5,000萬元，新公司名稱為青島九源科技有限公司，於2024年11月5日設立。

(二) 報告期內，本公司並無涉及新發生的任何重大訴訟、仲裁事項。

4. Establishing new subsidiaries

The feasibility report on the establishment of a digital technology company of Tsingtao Beer was reviewed and approved by the Board on 29 August 2024. The Company was agreed to solely invest in the establishment of a digital technology company with a registered capital of RMB 50 million. The new company was named as Qingdao Joyo Technology Co., Ltd., and was established on 5 November 2024.

(II) During the Reporting Period, the Company did not involve in any material litigation or arbitration.

財務報告 Financial Report

按照中國企業會計準則編製的財務報表
Financial Statements Prepared in Accordance with China Accounting Standards for Business Enterprises

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Auditor's Report



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香港金鐘道88號
太古廣場一座35樓

Deloitte Touche Tohmatsu
35/F One Pacific Place
88 Queensway
Hong Kong

TO THE SHAREHOLDERS OF TSINGTAO BREWERY COMPANY LIMITED,

I. Opinion

We have audited the financial statements of Tsingtao Brewery Company Limited (“Tsingtao Brewery Company”), which comprise the consolidated and the Company’s balance sheets as at 31 December 2024, and the consolidated and the Company’s income statements, the consolidated and the Company’s cash flow statements and the consolidated and the Company’s statements of changes in shareholders’ equity for the year then ended, and the notes to the financial statements.

In our opinion, the accompanying financial statements are prepared, in all material respects, in accordance with the Accounting Standards for Business Enterprises, and present fairly Tsingtao Brewery Company’s consolidated and the Company’s financial position as at 31 December 2024, and the consolidated and the Company’s results of operations and cash flows for the year then ended.

II. Basis for Opinion

We conducted our audit in accordance with China Standards on Auditing. Our responsibilities under those standards are further described in the “Auditor’s Responsibilities for the Audit of the Financial Statements” section of our report. We are independent of Tsingtao Brewery Company in accordance with the Code of Ethics for Chinese Certified Public Accountants (the “Code”), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

III. Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We determine the followings are key audit matters in need of communication in our report.

III. Key Audit Matters *(continued)*

Impairment assessment on goodwill of Shandong Xin Immense Brewery Co., Ltd. (“Immense Brewery Company”)

Matter description:

As described in Notes (III) 29.1 and (V) 16 to the financial statements, Tsingtao Brewery Company Limited acquired 100% equity interest in Immense Brewery Company in 2011, and the carrying amount of the goodwill arising from the acquisition of Immense Brewery Company by Tsingtao Brewery Company Limited as at 31 December 2024 was RMB958,868,617. The management performed an impairment assessment of the goodwill arising from the acquisition of Immense Brewery Company by comparing the recoverable amount of the asset group containing the goodwill with its carrying amount. The management involved an external valuer to assess the recoverable amount of the asset group. Since the carrying amount of the goodwill of Immense Brewery Company is significant to the financial statements and the above assessment process involves significant estimates of the management, we consider this matter as a key audit matter.

Audit response:

In connection with the impairment assessment on the goodwill of Immense Brewery Company, we have performed the following procedures:

- (1) Understand the Company’s key internal controls relating to goodwill impairment, evaluate the design and implementation of relevant internal controls and test the operating effectiveness;
- (2) Interview the external valuer engaged by the management to understand its relevant qualifications and evaluate its independence and competence;
- (3) Review and evaluate, with the assistance of internal valuation experts, the reasonableness and appropriateness of the valuation model, evaluation approach, key assumptions and parameters used in the impairment testing of the management and the external valuer, and check the mathematical accuracy of the impairment testing;
- (4) Review the deviation between the results of the impairment testing in prior years and the actual situation after the period to evaluate the effectiveness of the management’s accounting estimates.

IV. Other Information

The management of Tsingtao Brewery Company is responsible for other information. The other information comprises the information included in Tsingtao Brewery Company’s annual report of 2024 but does not include the financial statements and our auditor’s report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

V. Responsibilities of the Management and Those Charged with Governance for the Financial Statements

The management of Tsingtao Brewery Company is responsible for the preparation and fair presentation of the financial statements in accordance with the Accounting Standards for Business Enterprises, and designing, implementing and maintaining internal control that is necessary to enable that the financial statements are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the management is responsible for assessing Tsingtao Brewery Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate Tsingtao Brewery Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for supervising the financial reporting process of Tsingtao Brewery Company.

VI. Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with China Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with China Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- (1) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (2) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- (3) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- (4) Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Tsingtao Brewery Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause Tsingtao Brewery Company to cease to continue as a going concern.

VI. Auditor's Responsibilities for the Audit of the Financial Statements *(continued)*

- (5) Evaluate the overall presentation (including the disclosures), structure and content of the financial statements and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- (6) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within Tsingtao Brewery Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Deloitte Touche Tohmatsu CPA LLP

Shanghai, China

Chinese Certified Public Accountant:
(Engagement partner)

Chinese Certified Public Accountant:
28 March 2025

The auditor's report and the accompanying financial statements are English translations of the Chinese auditor's report and statutory financial statements prepared under accounting principles and practices generally accepted in the People's Republic of China. These financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles and practices generally accepted in other countries and jurisdictions. In case the English version does not conform to the Chinese version, the Chinese version prevails.

Consolidated and the Company's Balance Sheets

As at 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

					RMB
		31 December 2024	31 December 2023	31 December 2024	31 December 2023
Item	Notes	Consolidated	Consolidated	The Company	The Company
Current Assets:					
Cash at bank and on hand	(V) 1	17,978,772,896	19,282,104,642	4,441,690,675	8,876,231,346
Financial assets held for trading	(V) 2	2,021,804,089	1,924,078,158	1,013,496,918	1,100,355,616
Accounts receivable	(V) 3, (XVII)1	102,420,347	100,391,321	1,504,521,958	1,489,996,291
Advances to suppliers	(V) 4	241,896,760	210,975,136	109,301,675	84,435,261
Other receivables	(V) 5, (XVII)2	83,284,378	184,367,739	69,213,725	51,819,117
Including: Dividends receivable		-	-	-	6,800,000
Inventories	(V) 6, (XVII)3	3,576,387,537	3,539,828,305	1,631,619,369	1,691,282,802
Current portion of non-current assets	(V) 7	51,713,930	28,432,377	-	-
Other current assets	(V) 8	1,132,635,624	4,341,747,852	587,163,872	492,047,233
Total Current Assets		25,188,915,561	29,611,925,530	9,357,008,192	13,786,167,666
Non-current Assets:					
Debt investments		-	-	139,405	170,683
Long-term equity investments	(V) 9, (XVII)4	391,873,803	364,736,980	12,764,528,838	11,460,881,759
Other non-current financial assets	(V) 10	2,498,379,750	1,425,485,550	-	-
Investment properties	(V) 11	41,138,918	44,164,870	31,379,907	25,137,839
Fixed assets	(V) 12	11,817,650,634	11,145,718,923	2,556,850,846	2,427,838,479
Construction in progress	(V) 13	630,874,619	498,574,959	382,478,370	161,847,027
Right-of-use assets	(V) 14	115,672,625	119,546,878	46,790,596	50,372,171
Intangible assets	(V) 15	2,684,120,584	2,493,069,068	588,440,165	548,581,977
Goodwill	(V) 16	1,307,103,982	1,307,103,982	-	-
Long-term prepaid expenses	(V) 17	85,702,449	111,107,655	16,703,102	19,183,122
Deferred tax assets	(V) 18	1,930,039,528	2,025,849,104	1,157,149,024	1,301,856,358
Other non-current assets	(V) 19	4,728,913,379	108,727,850	4,651,391,377	69,572,073
Total Non-current Assets		26,231,470,271	19,644,085,819	22,195,851,630	16,065,441,488
TOTAL ASSETS		51,420,385,832	49,256,011,349	31,552,859,822	29,851,609,154

Consolidated and the Company's Balance Sheets (Continued)

As at 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

		RMB			
		31 December 2024	31 December 2023	31 December 2024	31 December 2023
Item	Notes	Consolidated	Consolidated	The Company	The Company
Current Liabilities:					
Short-term borrowings		-	-	600,620,000	-
Notes payable	(V) 20	217,159,673	193,668,205	137,893,869	98,099,406
Accounts payable	(V) 21	3,053,514,829	2,952,827,066	3,942,270,234	3,440,168,162
Contract liabilities	(V) 22	8,312,560,682	7,691,295,634	6,653,508,377	6,197,478,683
Employee benefits payable	(V) 23	1,766,787,700	2,096,904,553	868,740,105	897,670,549
Taxes payable	(V) 24	392,937,002	343,503,981	60,503,158	50,894,110
Other payables	(V) 25	3,269,711,751	3,230,505,907	1,081,026,727	1,173,002,823
Including: Dividends payable		912,000	-	-	-
Current portion of non-current liabilities	(V) 26	42,063,828	50,250,346	16,660,284	23,437,186
Other current liabilities	(V) 27	467,595,834	359,524,000	400,435,699	322,825,851
Total Current Liabilities		17,522,331,299	16,918,479,692	13,761,658,453	12,203,576,770
Non-current Liabilities:					
Lease liabilities	(V) 28	68,236,710	63,393,018	19,798,942	15,676,430
Long-term payables	(V) 29	16,090,646	16,205,766	-	-
Long-term employee benefits payable	(V) 30	747,148,699	877,476,618	538,166,191	616,771,558
Deferred income	(V) 31	2,947,288,445	2,887,543,652	285,091,068	313,334,796
Deferred tax liabilities	(V) 18	259,748,022	238,165,428	-	-
Total Non-current Liabilities		4,038,512,522	4,082,784,482	843,056,201	945,782,784
TOTAL LIABILITIES		21,560,843,821	21,001,264,174	14,604,714,654	13,149,359,554
Shareholders' Equity:					
Share capital	(V) 32	1,364,196,788	1,364,196,788	1,364,196,788	1,364,196,788
Capital surplus	(V) 33	4,198,108,121	4,207,455,611	5,286,338,314	5,271,029,372
Less: Treasury stock	(V) 34	1,501,239	77,643,806	1,501,239	77,643,806
Other comprehensive income	(V) 35	(153,540,393)	(81,061,345)	(157,683,000)	(87,446,000)
Surplus reserve	(V) 36	1,400,704,380	1,400,704,380	1,400,704,380	1,400,704,380
General reserve	(V) 37	301,761,292	301,761,292	-	-
Undistributed profits	(V) 38	21,950,655,578	20,334,065,296	9,056,089,925	8,831,408,866
Total equity attributable to shareholders of the Company		29,060,384,527	27,449,478,216	16,948,145,168	16,702,249,600
Non-controlling interests		799,157,484	805,268,959	/	/
TOTAL SHAREHOLDERS' EQUITY		29,859,542,011	28,254,747,175	16,948,145,168	16,702,249,600
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		51,420,385,832	49,256,011,349	31,552,859,822	29,851,609,154

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

Head of the Company:
JIANG Zong XiangChief Financial Officer:
HOU Qiu YanHead of Accounting Department:
SUN Zhuo Han

Consolidated and the Company's Income Statements

For the year ended 31 December 2024

(All amounts in RMB yuan unless otherwise stated)

				RMB		
Item	Notes	2024 Consolidated	2023 Consolidated	2024 The Company	2023 The Company	
I.	Revenue	(V) 39, (XVII)5	32,137,830,111	33,936,522,741	24,560,177,793	25,403,774,410
Less:	Cost of sales	(V) 39, (XVII)5	19,209,915,823	20,816,889,655	18,787,942,246	19,899,038,207
	Taxes and surcharges	(V) 40	2,328,256,391	2,386,660,732	695,175,180	691,028,756
	Selling and distribution expenses	(V) 41	4,602,519,864	4,708,402,798	3,175,948,579	3,210,244,246
	General and administrative expenses	(V) 42	1,406,578,781	1,519,063,042	548,146,914	530,968,316
	Research and development expenses	(V) 43	102,766,675	100,637,006	95,700,810	100,637,006
	Finance expenses	(V) 44	(567,771,603)	(457,124,855)	(122,677,806)	(89,819,629)
	Including: Interest expenses		21,837,054	16,430,590	3,498,283	2,197,088
	Interest income		616,771,200	506,376,003	146,274,697	117,691,823
Add:	Other income	(V) 45	501,406,284	391,115,874	52,682,635	34,095,387
	Investment income	(V) 46, (XVII)6	117,791,880	172,044,176	1,865,100,162	1,760,294,094
	Including: Share of profit of associates and a joint venture		48,272,283	15,798,284	47,700,589	15,697,521
	Profits arising from changes in fair value					
	(Losses are listed with “-”)	(V) 47	199,524,435	230,255,010	31,120,205	133,365,589
	Credit impairment losses					
	(Losses are listed with “-”)	(V) 48	340,927	(14,306,494)	2,648,164	(2,698,178)
	Asset impairment losses					
	(Losses are listed with “-”)	(V) 49	(35,776,310)	(82,853,720)	(5,611,822)	(266,617,610)
	Gains on disposals of assets					
	(Losses are listed with “-”)	(V) 50	4,267,451	178,576,672	463,766	(5,450,844)
II.	Operating profit		5,843,118,847	5,736,825,881	3,326,344,980	2,714,665,946
Add:	Non-operating income	(V) 51	73,143,904	22,623,304	7,402,443	7,929,646
Less:	Non-operating expenses	(V) 52	34,769,751	13,041,883	17,608,375	5,836,002
III.	Total profit		5,881,493,000	5,746,407,302	3,316,139,048	2,716,759,590
Less:	Income tax expenses	(V) 53	1,389,716,314	1,398,208,378	363,064,413	296,923,833
IV.	Net profit		4,491,776,686	4,348,198,924	2,953,074,635	2,419,835,757
(I)	Classified by continuity of operations:					
1.	Net profit from continuing operations		4,491,776,686	4,348,198,924	2,953,074,635	2,419,835,757
(II)	Classified by ownership of the equity:					
1.	Attributable to shareholders of the Company		4,344,983,858	4,267,851,406	2,953,074,635	2,419,835,757
2.	Attributable to non-controlling interests		146,792,828	80,347,518	/	/

Consolidated and the Company's Income Statements (Continued)

For the year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

Item	Notes			RMB	
		2024 Consolidated	2023 Consolidated	2024 The Company	2023 The Company
V. Other comprehensive income, net of tax		(72,106,537)	(4,872,548)	(70,237,000)	(8,690,000)
(I) Other comprehensive income attributable to shareholders of the Company, net of tax		(72,479,048)	(5,260,764)	(70,237,000)	(8,690,000)
1. Items that will not be subsequently reclassified to profit or loss		(73,618,000)	(9,369,000)	(70,237,000)	(8,690,000)
(1) Changes in remeasurement of defined benefit plan		(73,618,000)	(9,369,000)	(70,237,000)	(8,690,000)
2. Items that will be subsequently reclassified to profit or loss		1,138,952	4,108,236	-	-
(1) Shares of other comprehensive income of investees accounted for using the equity method that will be subsequently reclassified to profit or loss		(164,887)	193,842	-	-
(2) Currency translation differences		1,303,839	3,914,394	-	-
(II) Other comprehensive income attributable to non-controlling interests, net of tax		372,511	388,216	/	/
VI. Total comprehensive income		4,419,670,149	4,343,326,376	2,882,837,635	2,411,145,757
Attributable to owners of the Company		4,272,504,810	4,262,590,642	2,882,837,635	2,411,145,757
Attributable to non-controlling interests		147,165,339	80,735,734	/	/
VII. Earnings per share					
(I) Basic earnings per share (RMB/Share)	(V) 54	3.191	3.139	/	/
(II) Diluted earnings per share (RMB/Share)	(V) 54	3.187	3.132	/	/

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

Head of the Company:
JIANG Zong Xiang

Chief Financial Officer:
HOU Qiu Yan

Head of Accounting Department:
SUN Zhuo Han

Consolidated and the Company's Cash Flow Statements

For the year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

		2024	2023	2024	RMB
	Notes	Consolidated	Consolidated	The Company	2023 The Company
I. Cash Flows from Operating Activities:					
Cash receipts from the sales of goods and the rendering of services		38,057,169,909	37,880,402,381	28,824,981,961	28,412,272,110
Receipts of tax refunds		28,053,282	20,475,070	11,957,796	8,740,402
Other cash receipts relating to operating activities	(V)56(1)	1,276,698,363	893,153,991	402,349,228	291,853,925
Sub-total of cash inflows from operating activities		39,361,921,554	38,794,031,442	29,239,288,985	28,712,866,437
Cash payments for goods purchased and services received		18,165,295,658	19,808,796,432	19,630,757,950	21,216,030,788
Cash payments to and on behalf of employees		5,849,932,838	5,512,802,425	2,168,268,146	1,967,503,047
Payments of various types of taxes		5,666,167,946	6,242,281,255	1,799,644,955	1,814,085,074
Other cash payments relating to operating activities	(V) 56(2)	4,525,863,980	4,452,584,190	3,423,443,310	3,307,691,538
Sub-total of cash outflows from operating activities		34,207,260,422	36,016,464,302	27,022,114,361	28,305,310,447
Net Cash Flow from Operating Activities	(V) 57(1)	5,154,661,132	2,777,567,140	2,217,174,624	407,555,990
II. Cash Flows from Investing Activities:					
Cash receipts from disposals and recovery of investments	(V) 56(3)	15,986,967,604	16,567,896,400	5,766,500,000	7,734,600,000
Cash receipts from investment income		783,310,021	371,486,434	2,113,267,389	1,915,452,800
Net cash receipts from disposals of fixed assets, intangible assets and other long-term assets		199,746,730	722,373,507	4,399,804	606,342,582
Other cash receipts relating to investing activities	(V) 56(5)	387,575,840	376,451,515	7,279,186	4,578,268
Sub-total of cash inflows from investing activities		17,357,600,195	18,038,207,856	7,891,446,379	10,260,973,650
Cash payments to acquire or construct fixed assets, intangible assets and other long-term assets		2,141,049,570	1,617,742,854	752,860,769	535,716,738
Cash payments to acquire investments	(V) 56(4)	22,610,540,465	19,863,002,985	8,133,475,518	9,632,990,000
Other cash payments relating to investing activities	(V) 56(6)	27,793,535	20,433,429	8,818,800	4,089,048
Sub-total of cash outflows from investing activities		24,779,383,570	21,501,179,268	8,895,155,087	10,172,795,786
Net Cash Flow from Investing Activities		(7,421,783,375)	(3,462,971,412)	(1,003,708,708)	88,177,864

Consolidated and the Company's Cash Flow Statements (Continued)

For the year ended 31 December 2023

(All amounts in RMB Yuan unless otherwise stated)

	Notes	2024 Consolidated	2023 Consolidated	2024 The Company	RMB 2023 The Company
III. Cash Flows from Financing Activities:					
Cash receipts from borrowings		-	-	600,000,000	-
Other cash receipts relating to financing activities		489,801	1,134,071	200,807	268,103
Sub-total of cash inflows from financing activities		489,801	1,134,071	600,200,807	268,103
Cash repayments of borrowings		-	219,487,500	-	-
Cash payments for distribution of dividends or profits or settlement of interest expenses		2,801,178,944	2,534,272,032	2,731,859,719	2,466,629,398
Including: Payments for distribution of dividends or profits to non-controlling interests by subsidiaries		58,653,476	56,295,288	/	/
Other cash payments relating to financing activities	(V) 56(7)	182,454,562	115,440,419	35,081,480	31,913,449
Sub-total of cash outflows from financing activities		2,983,633,506	2,869,199,951	2,766,941,199	2,498,542,847
Net Cash Flow from Financing Activities		(2,983,143,705)	(2,868,065,880)	(2,166,740,392)	(2,498,274,744)
IV. Effect of Foreign Exchange Rate Changes on Cash and Cash Equivalents		4,191,623	5,684,639	(180,242)	2,712,095
V. Net Decrease in Cash and Cash Equivalents	(V) 57(1)	(5,246,074,325)	(3,547,785,513)	(953,454,718)	(1,999,828,795)
Add: Opening balance of cash and cash equivalents		9,292,085,271	12,839,870,784	5,366,639,531	7,366,468,326
VI. Closing Balance of Cash and Cash Equivalents	(V) 57(2)	4,046,010,946	9,292,085,271	4,413,184,813	5,366,639,531

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

Head of the Company:
JIANG Zong Xiang

Chief Financial Officer:
HOU Qiu Yan

Head of Accounting Department:
SUN Zhuo Han

Consolidated Statement of Changes in Shareholders' Equity

For the year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

RMB

Item		2024								
		Attributable to shareholders of the Company								
		Share capital	Capital surplus	Less: Treasury stock	Other comprehensive income	Surplus reserve	General reserve	Undistributed profits	Non-controlling interests	Total shareholders' equity
I.	Balance at 1 January 2024	1,364,196,788	4,207,455,611	77,643,806	(81,061,345)	1,400,704,380	301,761,292	20,334,065,296	805,268,959	28,254,747,175
II.	Changes for the year	-	(9,347,490)	(76,142,567)	(72,479,048)	-	-	1,616,590,282	(6,111,475)	1,604,794,836
(I)	Total comprehensive income	-	-	-	(72,479,048)	-	-	4,344,983,858	147,165,339	4,419,670,149
(II)	Owners' contributions and reduction in capital	-	14,822,384	(67,477,507)	-	-	-	-	485,515	82,785,406
1.	Share-based payments recognized in shareholders' equity	-	14,822,384	(67,477,507)	-	-	-	-	485,515	82,785,406
2.	Others	-	-	-	-	-	-	-	-	-
(III)	Profit distribution	-	-	(8,665,060)	-	-	-	(2,728,393,576)	(59,569,642)	(2,779,298,158)
1.	Distribution to shareholders	-	-	(8,665,060)	-	-	-	(2,728,393,576)	(59,569,642)	(2,779,298,158)
(IV)	Others	-	(24,169,874)	-	-	-	-	-	(94,192,687)	(118,362,561)
III.	Balance at 31 December 2024	1,364,196,788	4,198,108,121	1,501,239	(153,540,393)	1,400,704,380	301,761,292	21,950,655,578	799,157,484	29,859,542,011

RMB

		2023								
		Attributable to shareholders of the Company							Total	
			Less:	Other						
Item		Share capital	Capital surplus	Treasury stock	comprehensive income	Surplus reserve	General reserve	Undistributed profits	Non-controlling interests	shareholders' equity
I.	Balance at 1 January 2023	1,364,232,790	4,154,076,977	171,854,660	(75,800,581)	1,400,704,380	295,071,942	18,528,390,855	777,490,832	26,272,312,535
II.	Changes for the year	(36,002)	53,378,634	(94,210,854)	(5,260,764)	-	6,689,350	1,805,674,441	27,778,127	1,982,434,640
(I)	Total comprehensive income	-	-	-	(5,260,764)	-	-	4,267,851,406	80,735,734	4,343,326,376
(II)	Owners' contributions and reduction in capital	(36,002)	53,129,019	(78,513,241)	-	-	-	-	2,374,497	133,980,755
1.	Restricted shares repurchase	(36,002)	(726,520)	(762,522)	-	-	-	-	-	-
2.	Share-based payments recognized in shareholders' equity	-	53,855,539	(77,750,719)	-	-	-	-	1,828,483	133,434,741
3.	Others	-	-	-	-	-	-	-	546,014	546,014
(III)	Profit distribution	-	-	(15,697,613)	-	-	6,689,350	(2,462,176,965)	(55,332,104)	(2,495,122,106)
1.	Transfer to general reserve	-	-	-	-	-	6,689,350	(6,689,350)	-	-
2.	Distribution to shareholders	-	-	(15,697,613)	-	-	-	(2,455,487,615)	(55,332,104)	(2,495,122,106)
(IV)	Others	-	249,615	-	-	-	-	-	-	249,615
III.	Balance at 31 December 2023	1,364,196,788	4,207,455,611	77,643,806	(81,061,345)	1,400,704,380	301,761,292	20,334,065,296	805,268,959	28,254,747,175

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

Head of the Company:
JIANG Zong Xiang

Chief Financial Officer:
HOU Qiu Yan

Head of Accounting Department:
SUN Zhuo Han

The Company's Statement of Changes in Shareholders' Equity

For the year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

RMB

Item	Share capital	Capital surplus	Less: Treasury stock	2024 Other comprehensive income	Surplus reserve	Undistributed profits	Total shareholders' equity
I. Balance at 1 January 2024	1,364,196,788	5,271,029,372	77,643,806	(87,446,000)	1,400,704,380	8,831,408,866	16,702,249,600
II. Changes for the year	-	15,308,942	(76,142,567)	(70,237,000)	-	224,681,059	245,895,568
(I) Total comprehensive income	-	-	-	(70,237,000)	-	2,953,074,635	2,882,837,635
(II) Owners' contributions and reduction in capital	-	15,307,899	(67,477,507)	-	-	-	82,785,406
1. Share-based payments recognized in shareholders' equity	-	15,307,899	(67,477,507)	-	-	-	82,785,406
(III) Profit distribution	-	-	(8,665,060)	-	-	(2,728,393,576)	(2,719,728,516)
1. Distribution to shareholders	-	-	(8,665,060)	-	-	(2,728,393,576)	(2,719,728,516)
(IV) Others	-	1,043	-	-	-	-	1,043
III. Balance at 31 December 2024	1,364,196,788	5,286,338,314	1,501,239	(157,683,000)	1,400,704,380	9,056,089,925	16,948,145,168

RMB

Item	Share capital	Capital surplus	Less: Treasury stock	2023 Other comprehensive income	Surplus reserve	Undistributed profits	Total shareholders' equity
I. Balance at 1 January 2023	1,364,232,790	5,216,070,112	171,854,660	(78,756,000)	1,400,704,380	8,867,060,724	16,597,457,346
II. Changes for the year	(36,002)	54,959,260	(94,210,854)	(8,690,000)	-	(35,651,858)	104,792,254
(I) Total comprehensive income	-	-	-	(8,690,000)	-	2,419,835,757	2,411,145,757
(II) Owners' contributions and reduction in capital	(36,002)	54,957,502	(78,513,241)	-	-	-	133,434,741
1. Restricted shares repurchase	(36,002)	(726,520)	(762,522)	-	-	-	-
2. Share-based payments recognized in shareholders' equity	-	55,684,022	(77,750,719)	-	-	-	133,434,741
(III) Profit distribution	-	-	(15,697,613)	-	-	(2,455,487,615)	(2,439,790,002)
1. Distribution to shareholders	-	-	(15,697,613)	-	-	(2,455,487,615)	(2,439,790,002)
(IV) Others	-	1,758	-	-	-	-	1,758
III. Balance at 31 December 2023	1,364,196,788	5,271,029,372	77,643,806	(87,446,000)	1,400,704,380	8,831,408,866	16,702,249,600

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

Head of the Company:
JIANG Zong Xiang

Chief Financial Officer:
HOU Qiu Yan

Head of Accounting Department:
SUN Zhuo Han

Notes to Financial Statements

For the year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

(I) Basic Information About the Company

1. Company overview

Tsingtao Brewery Company Limited (the “Company”) was established in the People’s Republic of China on 16 June 1993. The Company obtained the 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 convertible corporate bonds, which were converted into H shares.

As 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 RMB1.5 billion with the term of 6 years. Upon the exercise period ended on 19 October 2009, 42,763,617 additional A shares of the Company were issued domestically. The Company’s total share capital was increased from 1,308,219,178 to 1,350,982,795.

In 2020, the Company implemented equity incentives with 13.2 million restricted shares, and the total number of shares of the Company was increased from 1,350,982,795 shares to 1,364,182,795 shares. In 2021, the Company granted 294,000 restricted shares to participants. From 2021 to 2023, the Company repurchased and cancelled 280,007 restricted shares. As at 31 December 2024, the total number of shares was 1,364,196,788.

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

In 2024, the major subsidiaries included in the scope of consolidation are disclosed in Note (VII).

2. Date of approval for the issue of the financial statements

The Company’s and consolidated financial statements were approved by the Company’s Board of Directors on 28 March 2025.

(II) Basis of Preparation of Financial Statements

1. Preparation basis

The Group has adopted the Accounting Standards for Business Enterprises (“ASBEs”) and relevant regulations issued by the Ministry of Finance. The Group also discloses relevant financial information in accordance with the “Rules Governing the Preparation of Information Disclosure by Publicly Offered Companies No. 15 - General Requirements for Financial Reporting (Revised in 2023)”. In addition, the financial statements include relevant disclosures required by the Hong Kong Companies Ordinance and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

Notes to Financial Statements

For the year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

(II) Basis of Preparation of Financial Statements (continued)

2. Going concern

The Group assessed its ability to continue as a going concern for the 12 months from 31 December 2024 and did not notice any events or circumstances that may cast significant doubt upon its ability to continue as a going concern. The financial statements have been prepared on a going concern basis.

3. Basis of accounting and principle of measurement

The Group has adopted the accrual basis of accounting. Except for certain financial instruments which are measured at fair value, the Group adopts the historical cost as the principle of measurement in the financial statements. Where assets are impaired, provisions for impairment are made in accordance with relevant requirements.

Where the historical cost is adopted as the measurement basis, assets are recorded at the amount of cash or cash equivalents paid or the fair value of the consideration given to acquire them at the time of their acquisition. Liabilities are measured at the amount of proceeds or assets received or the contractual amounts for assuming the present obligation, or, at the amounts of cash or cash equivalents expected to be paid to settle the liabilities in the normal course of business.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Regardless of whether that price is directly observable or estimated using another valuation technique, fair values measured and disclosed in these financial statements are determined on such a basis.

Fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than inputs included within Level 1, that are observable for the assets or liabilities, either directly or indirectly;
- Level 3 inputs are unobservable inputs for the assets or liabilities.

(III) Significant Accounting Policies and Accounting Estimates

1. Statement of Compliance with the ASBEs

The financial statements of the Company have been prepared in accordance with the ASBEs, and present truly and completely, the consolidated and the Company's financial position as at 31 December 2024, and the consolidated and the Company's results of operations, changes in shareholders' equity and cash flows for the year then ended.

2. Accounting period

The Group has adopted the calendar year as its accounting year, i.e., from 1 January to 31 December.

Notes to Financial Statements

For the year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

(III) Significant Accounting Policies and Accounting Estimates (continued)

3. Functional currency

Renminbi (“RMB”) is the currency of the primary economic environment in which the Company and its domestic subsidiaries operate. Therefore, the Company and its domestic subsidiaries choose RMB as their functional currency. The overseas subsidiaries of the Company determine Hong Kong Dollar (HKD), Macau Pataca (MOP) and Vietnamese Dong (VND) as their functional currencies based on the currencies of the primary economic environment in which they operate. The Company adopts RMB to prepare its financial statements.

4. Determination method for materiality criteria and basis for selection

An item in the financial statements is material if there is a reasonable expectation that its omission or misstatement would affect the economic decisions that users make on that basis. In judging materiality, the Group makes judgments based on the specific environment in which it operates, in terms of both the nature (whether it is part of the Group’s ordinary activities, whether it significantly affects the Group’s financial position, results of operations and cash flows, and other factors) and the amount of the item (as a proportion of the Group’s key financial indicators, including revenue, net profit, total assets and total shareholders’ equity, or the proportion of the amount of the item listed separately in the financial statements to which it belongs).

Item	Materiality criteria
Subsidiaries with significant non-controlling interests	Non-controlling interests in any individual subsidiary account for more than 1% of the consolidated shareholders’ equity of the Group at the end of the period, or non-controlling interests in any individual subsidiary account for more than 25% of the consolidated non-controlling interests of the Group at the end of the period
Significant joint ventures and associates	Carrying amount of long-term equity investments in any individual joint venture or associate accounts for more than 1% of the consolidated total assets of the Group at the end of the period

5. Accounting treatment of business combinations involving enterprises under common control and business combinations not involving enterprises under common control

Business combinations are classified into business combinations involving enterprises under common control and business combinations not involving enterprises under common control.

5.1 Business combinations involving enterprises under common control

A business combination involving enterprises under common control is a business combination in which all of the combining enterprises are ultimately controlled by the same party or parties both before and after the combination, and that control is not transitory.

Assets and liabilities obtained shall be measured at their respective carrying amounts as recorded by the combined entities at the date of the combination. The difference between the carrying amount of the net assets obtained and the carrying amount of the consideration paid for the combination is adjusted to share premium under capital surplus. If the capital surplus is not sufficient to absorb the difference, any excess shall be adjusted against retained earnings.

Costs that are directly attributable to the combination are charged to profit or loss for the period in which they are incurred.

Notes to Financial Statements

For the year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

(III) Significant Accounting Policies and Accounting Estimates (continued)

5. Accounting treatment of business combinations involving enterprises under common control and business combinations not involving enterprises under common control (continued)

5.2 Business combination not involving enterprises under common control and goodwill

A business combination not involving enterprises under common control is a business combination in which all of the combining enterprises are not ultimately controlled by the same party or parties before and after the combination.

The cost of combination is the aggregate of the fair values, at the acquisition date, of the assets given, liabilities incurred or assumed, and equity securities issued by the acquirer in exchange for control of the acquiree. The intermediary expenses incurred by the acquirer in respect of auditing, legal services, valuation and consultancy services, etc. and other associated general and administrative expenses attributable to the business combination are recognized in profit or loss when they are incurred.

The acquiree's identifiable assets, liabilities and contingent liabilities, acquired by the acquirer in a business combination, that meet the recognition criteria shall be measured at fair value at the acquisition date.

Where the cost of combination exceeds the acquirer's interest in the fair value of the acquiree's identifiable net assets, the difference is treated as an asset and recognized as goodwill, which is measured at cost on initial recognition. Where the cost of combination is less than the acquirer's interest in the fair value of the acquiree's identifiable net assets, the acquirer firstly reassesses the measurement of the fair values of the acquiree's identifiable assets, liabilities and contingent liabilities and measurement of the cost of combination. If after that reassessment, the cost of combination is still less than the acquirer's interest in the fair value of the acquiree's identifiable net assets, the acquirer recognizes the remaining difference immediately in profit or loss for the current period.

Goodwill arising from a business combination is measured at cost less accumulated impairment losses, and is presented separately in the consolidated financial statements.

6. Judgment criteria for control and preparation of consolidated financial statements

6.1 Judgment criteria for control

Control is the power over the investee, exposures or rights to variable returns from its involvement with the investee, and the ability to use its power over the investee to affect the amount of the investor's returns. The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to the elements of control.

6.2 Preparation of consolidated financial statements

The scope of consolidation in the consolidated financial statements is determined on the basis of control.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control over the subsidiary.

For a subsidiary disposed of by the Group, the operating results and cash flows before the date of disposal (the date when control is lost) are included in the consolidated income statement and consolidated cash flow statement, as appropriate.

Notes to Financial Statements

For the year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

(III) Significant Accounting Policies and Accounting Estimates *(continued)*

6. Judgment criteria for control and preparation of consolidated financial statements *(continued)*

6.2 Preparation of consolidated financial statements *(continued)*

For a subsidiary acquired through a business combination not involving enterprises under common control, the operating results and cash flows from the acquisition date (the date when control is obtained) are included in the consolidated income statement and consolidated cash flow statement, as appropriate.

No matter when the business combination occurs in the Reporting Period, subsidiaries acquired through a business combination involving enterprises under common control or the party being absorbed under merger by absorption are included in the Group's scope of consolidation as if they had been included in the scope of consolidation from the date when they first came under the common control of the ultimate controlling party. Their operating results and cash flows from the beginning of the earliest reporting period or from the date when they first came under the common control of the ultimate controlling party are included in the consolidated statement of profit or loss and other comprehensive income and consolidated cash flow statement, as appropriate.

The significant accounting policies and accounting periods adopted by the subsidiaries are determined based on the uniform accounting policies and accounting periods set out by the Company.

Influence over the consolidated financial statements arising from intra-group transactions are eliminated on consolidation.

The portion of subsidiaries' equity that is not attributable to the Company is treated as non-controlling interests and presented as "non-controlling interests" under shareholders' equity in the consolidated balance sheet. The portion of net profit or loss of subsidiaries for the period attributable to non-controlling interests is presented as "profit or loss attributable to non-controlling interests" under "net profit" in the consolidated income statement.

When losses attributable to the minority shareholders of a subsidiary in the Group's consolidated financial statements exceeds the minority shareholders' share of the opening balance of owners' equity of the subsidiary, the excess amount is still allocated against non-controlling interests.

Acquisition of non-controlling interests or disposal of interest in a subsidiary that does not result in the loss of control over the subsidiary is accounted for as equity transactions. The carrying amounts of the Company's interests and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. The difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is adjusted to capital surplus under owners' equity. If the capital surplus is not sufficient to absorb the difference, the excess is adjusted against retained earnings.

7. Classification and accounting treatment of joint arrangements

A joint arrangement is classified into joint operation and joint venture, depending on the rights and obligations of the parties to the arrangement, which is assessed by considering the structure and the legal form of the arrangement, the terms agreed by the parties in the contractual arrangement and, when relevant, other facts and circumstances. A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. The Group's joint arrangements are joint ventures.

The Group accounts for investments in joint ventures using equity method. Refer to Note (III) "14.3.2 Long-term equity investments accounted for using the equity method" for details.

Notes to Financial Statements

For the year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

(III) Significant Accounting Policies and Accounting Estimates *(continued)*

8. Recognition criteria of cash and cash equivalents

Cash comprises cash on hand and deposits that can be readily withdrawn on demand. Cash equivalents are the Group's short-term (generally due within three months from the acquisition date), highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

9. Translation of transactions and financial statements denominated in foreign currencies

9.1 Translation of transactions

Foreign currency transactions are translated at initial recognition using the spot exchange rates at the dates of the transactions.

At the balance sheet date, foreign currency monetary items are translated into RMB using the spot exchange rates at the balance sheet date. Exchange differences arising from the differences between the spot exchange rates prevailing at the balance sheet date and those on initial recognition or at the previous balance sheet date are recognized in profit or loss for the period.

When the consolidated financial statements include foreign operation(s), if there is foreign currency monetary item constituting a net investment in a foreign operation, exchange difference arising from changes in exchange rates are recognized as "exchange differences arising on translation of financial statements denominated in foreign currencies" in other comprehensive income, and in profit or loss for the period upon disposal of the foreign operation.

Foreign currency non-monetary items measured at historical cost are translated to the amounts in functional currency at the spot exchange rates on the dates of the transactions. Foreign currency non-monetary items measured at fair value are re-translated at the spot exchange rate on the date the fair value is determined. Difference between the re-translated functional currency amount and the original functional currency amount is treated as changes in fair value (including changes of exchange rate) and is recognized in profit or loss or as other comprehensive income.

9.2 Translation of financial statements denominated in foreign currencies

For the purpose of preparing the consolidated financial statements, financial statements of a foreign operation are translated from the foreign currency into RMB using the following method: assets and liabilities on the balance sheet are translated at the spot exchange rate prevailing at the balance sheet date; shareholders' equity items are translated at the spot exchange rates at the dates on which such items arose; all items in the income statement as well as items reflecting the distribution of profits are translated at exchange rates that approximate the actual spot exchange rates on the dates of the transactions; The difference between the translated assets and the aggregate of liabilities and shareholders' equity items is recognized as other comprehensive income and included in shareholders' equity.

Cash flows arising from a transaction in foreign currency and the cash flows of a foreign subsidiary are translated at an exchange rate which approximates the spot exchange rate on the date of the cash flows. The effect of foreign exchange rate changes on cash and cash equivalents is regarded as a reconciling item and presented separately in the cash flow statement as "effect of foreign exchange rate changes on cash and cash equivalents".

The closing balances and the comparative figures of the prior year are presented at the translated amounts in the financial statements.

Notes to Financial Statements

For the year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

(III) Significant Accounting Policies and Accounting Estimates *(continued)*

10. Financial instruments

Financial assets and financial liabilities are recognized when the Group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are measured at fair value on initial recognition (the method of determining the fair value of financial assets and financial liabilities is set out in related disclosure of basis of accounting and principle of measurement under Note (II)). For financial assets and financial liabilities at fair value through profit or loss, transaction costs are immediately recognized in profit or loss. For other financial assets and financial liabilities, transaction costs are included in their initial recognized amounts. For accounts receivable excluding significant financing components or regardless of financing components of contracts less than one year recognized based on Accounting Standards for Business Enterprises No. 14 - Revenue, accounts receivable initially recognized shall be measured at transaction price defined based on the Revenue Standard on initial recognition.

The amortized cost of a financial asset or a financial liability is the initially recognized amount net of principal repaid, plus or less the cumulative amortized amount arising from amortization of the difference between the initially recognized amount and the amount at the maturity date using the effective interest method, and then net of cumulative loss allowance (only applicable to financial assets).

10.1 Classification, recognition and measurement of financial assets

After initial recognition, the Group's financial assets of various types are subsequently measured at amortized cost, at fair value through other comprehensive income ("FVTOCI") or at fair value through profit or loss ("FVTPL"), respectively.

If contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, and the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows, such asset is classified into financial asset measured at amortized cost which include cash at bank and on hand, accounts receivable, other receivables, and debt investments, etc. The Group's debt investments with a maturity of more than one year from the date of acquisition are presented as other debt investments, and those maturing within one year (inclusive) from the balance sheet date are presented as current portion of non-current assets. Financial assets that meet the following conditions are classified as at FVTOCI: the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Financial assets of such type are presented as other debt investments if they are due after one year since the acquisition, or presented under current portion of non-current assets if they are due within one year (inclusive) since the balance sheet date.

Financial assets at FVTPL include financial assets classified as at FVTPL and financial assets designated as at FVTPL:

- Financial assets not satisfying the criteria of classification as financial assets at amortized cost and financial assets at FVTOCI are classified as financial assets at FVTPL.
- Upon initial recognition, the Group may irrevocably designate the financial assets as at FVTPL if doing so eliminates or significantly reduces accounting mismatch.

Financial assets at FVTPL other than derivative financial assets are presented as held-for-trading financial assets. Financial assets with a maturity over one year since the balance sheet date (or without a fixed maturity) and expected to be held for over one year are presented under other noncurrent financial assets.

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For the year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

(III) Significant Accounting Policies and Accounting Estimates (continued)

10. Financial instruments (continued)

10.1 Classification, recognition and measurement of financial assets (continued)

10.1.1 Financial assets at amortized cost

Financial assets at amortized cost are subsequently measured at amortized cost using effective interest method. Any gains or losses arising from impairment or derecognition are included in profit or loss. For financial assets at amortized cost, the Group recognizes interest income using the effective interest method.

10.1.2 Financial assets at FVTPL

Financial assets at FVTPL are subsequently measured at fair value, with gains or losses on changes in fair value and related dividends and interest income included in profit or loss for the period.

10.2 Impairment of financial instruments

For financial assets at amortized cost, the Group accounts for the impairment and recognizes the loss allowance on the basis of expected credit loss ("ECL").

For all notes receivable and accounts receivable arising from transactions regulated by the Revenue Standards, the Group measures the loss allowance at an amount equivalent to the lifetime ECL.

For other financial instruments, the Group assesses the changes in credit risk since initial recognition of relevant financial instruments at each balance sheet date. If the credit risk has increased significantly since initial recognition of the financial instruments, the Group recognizes the loss allowance at an amount equivalent to lifetime ECL; if the credit risk has not increased significantly since initial recognition of the financial instruments, the Group recognizes the loss allowance at an amount equivalent to 12-month ECL. The increase or reversal of credit loss allowance for financial assets other than those classified as at FVTOCI is recognized as an impairment loss or gain and included in profit or loss for the period.

Where the Group has measured the loss allowance at an amount equivalent to lifetime ECL of a financial instrument in prior accounting period, but the financial instrument no longer satisfies the criteria of significant increase in credit risk since initial recognition at the current balance sheet date, the Group recognizes the loss allowance of the financial instrument at an amount equivalent to 12-month ECL at the current balance sheet date, with any resulting reversal of loss allowance recognized as impairment gains in profit or loss for the period.

10.2.1 Significant increase in credit risk

The Group makes use of reasonable and supportable forward-looking information that is available to determine whether credit risk has increased significantly since initial recognition through comparing the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition.

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For the year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

(III) Significant Accounting Policies and Accounting Estimates *(continued)*

10. Financial instruments *(continued)*

10.2 Impairment of financial instruments *(continued)*

10.2.2 Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred.

Based on the Group's internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

10.2.3 Determination of ECL

The Group determines the ECL of relevant financial instruments using the following method:

For notes receivable and accounts receivable arising from daily operations such as the sales of goods and rendering of services, regardless of whether there is a significant financing component, the Group measures the loss allowance at an amount equivalent to lifetime ECL.

Except for the above notes receivable and accounts receivable, at each balance sheet date, the ECL of financial instruments at different stages is measured separately. If there is no significant increase in the credit risk of a financial instrument since initial recognition (Stage I), the Group measures the loss allowance based on the 12-month ECL; if there is a significant increase in the credit risk of a financial instrument since initial recognition but it is not credit-impaired (Stage II), the Group measures the loss allowance based on the lifetime ECL; and if a financial instrument has become credit-impaired since initial recognition (Stage III), the Group measures the loss allowance based on the lifetime ECL.

For the financial instruments with lower credit risk at the balance sheet date, the Group assumes that the credit risk has not significantly increased since the initial recognition (Stage I), and measures the loss allowance based on the 12-month ECL.

For the financial instruments in Stage I and Stage II, the interest income is calculated by applying the effective interest rate to the gross carrying amount (before net of impairment provision). For the financial instruments in Stage III, the interest income is calculated by applying the effective interest rate to the amortized cost (gross carrying amount net of impairment provision).

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For the year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

(III) Significant Accounting Policies and Accounting Estimates (continued)

10. Financial instruments (continued)

10.2 Impairment of financial instruments (continued)

10.2.3 Determination of ECL (continued)

The credit risk characteristics of financial assets in each class for which expected credit losses are calculated on an individual basis are significantly different from those of other financial assets within that class. When the ECL of an individual financial asset cannot be evaluated at a reasonable cost, the Group classifies receivables into different portfolios based on their credit risk characteristics and calculates ECL on a portfolio basis. The basis for grouping and the method for provision are as follows:

Portfolio of bank acceptances	Banks with lower credit risk
Portfolio of accounts receivable	Dealers, with overdue date as the starting point for default
Portfolio of accounts receivable	Subsidiaries, with overdue date as the starting point for default
Portfolio of other receivables	Guarantee deposits
Portfolio of other receivables	Receivables from subsidiaries
Portfolio of other receivables	Receivables from other entities

The Group's measurement of ECL of financial instruments reflects factors including unbiased probability weighted average amount recognized by assessing a series of possible results, time value of money, reasonable and supportable information related to historical events, current condition and forecast of future economic position that is available without undue cost or effort at the balance date.

For accounts receivable and notes receivable arising from daily operations which are classified into portfolios, such as the sales of goods and rendering of services, the Group calculates ECL with reference to historical credit loss experience, taking into account current conditions and forecasts of future economic conditions, and based on the exposure at default and the lifetime ECL rates. For other receivables which are classified into portfolios, the Group calculates ECL with reference to historical credit loss experience, taking into account current conditions and forecasts of future economic conditions, and based on the exposure at default and the 12-month ECL or lifetime ECL rates.

The Group recognizes the loss allowance made or reversed in profit or loss for the period.

10.2.4 Written-off of financial assets

The Group shall directly reduce the gross carrying amount of a financial asset when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. A write-off constitutes a derecognition event.

Notes to Financial Statements

For the year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

(III) Significant Accounting Policies and Accounting Estimates *(continued)*

10. Financial instruments *(continued)*

10.3 Transfer of financial assets

The Group derecognizes a financial asset if one of the following conditions is satisfied: (1) the contractual rights to the cash flows from the financial asset expire; or (2) the financial asset has been transferred and substantially all the risks and rewards of ownership of the financial asset are transferred to the transferee; or (3) although the financial asset has been transferred, the Group neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset but has not retained control of the financial asset.

For a transfer of a financial asset in its entirety that satisfies the derecognition criteria, the difference between (1) the carrying amount of the financial asset transferred; and (2) the sum of the consideration received from the transfer and any cumulative gain or loss that has been recognized in other comprehensive income, is recognized in profit or loss.

For a transfer of a financial asset in its entirety that does not satisfy the derecognition criteria, the Group continues to recognize the transferred financial asset in its entirety. The consideration received from transfer of assets is recognized as a liability upon receipt.

10.4 Classification of financial liabilities and equity instruments

Financial instruments issued by the Group or their components are classified into financial liabilities or equity instruments on the basis of not only the legal form but also the contractual arrangements and their economic substance, together with the definition of financial liability and equity instrument.

10.4.1 Classification, recognition and measurement of financial liabilities

On initial recognition, financial liabilities are classified into financial liabilities at FVTPL and other financial liabilities.

10.4.1.1 Financial liabilities at FVTPL

Financial liabilities at FVTPL include financial liabilities held for trading (including derivative financial liabilities) and financial liabilities designated as at FVTPL. The Group has no financial liabilities designated as at fair value through profit or loss. Except for derivative financial liabilities which are presented separately, financial liabilities at FVTPL are presented as financial liabilities held for trading.

Financial liabilities held for trading are subsequently measured at fair value. Any profits or losses arising from changes in fair value and any dividend or interest cost paid on the financial liabilities are recognized in profit or loss for the period.

10.4.1.2 Other financial liabilities

Except for financial liabilities and financial guarantee contracts arising from transfer of financial assets that do not meet the derecognition criteria or those arising from continuing involvement in the transferred financial assets, other financial liabilities are subsequently measured at amortized cost, with gain or loss arising from derecognition or amortization recognized in profit or loss.

Notes to Financial Statements

For the year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

(III) Significant Accounting Policies and Accounting Estimates *(continued)*

10. Financial instruments *(continued)*

10.4 Classification of financial liabilities and equity instruments *(continued)*

10.4.2 Derecognition of financial liabilities

The Group derecognizes a financial liability (or part of it) only when the underlying present obligation (or part of it) is discharged. An agreement between the Group (an existing borrower) and an existing lender to replace the original financial liability with a new financial liability with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

When the Group derecognizes a financial liability or a part of it, it recognizes the difference between the carrying amount of the financial liability (or part of the financial liability) derecognized and the consideration paid (including any non-cash assets transferred or new financial liabilities assumed) in profit or loss for the period.

10.4.3 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued (including refinanced), repurchased, sold and cancelled by the Group are recognized as changes of equity. Change in fair value of equity instruments is not recognized by the Group. Transaction costs related to equity transactions are deducted from equity.

The Group recognizes the distribution to holders of the equity instruments as distribution of profits, and dividends paid do not affect total amount of shareholders' equity.

10.5 Offsetting financial assets and financial liabilities

Where the Group has a legal right that is currently enforceable to set off the recognized financial assets and financial liabilities, and intends either to settle on a net basis, or to realize the financial asset and settle the financial liability simultaneously, a financial asset and a financial liability shall be offset and the net amount is presented in the balance sheet. Except for the above circumstances, financial assets and financial liabilities shall be presented separately in the balance sheet and shall not be offset.

11. Accounts receivable

11.1 Determination basis and accounting treatment for ECL of accounts receivable

The Group determines the ECL of accounts receivable in accordance with Note (III) 10.2.3. The amount of increase or reversal of the allowance for ECL of accounts receivable is recognized as a credit impairment loss or gain in profit or loss.

11.2 Calculation of aging for portfolios of credit risk characteristics determined based on aging

The Group uses the aging of accounts receivable as a credit risk characteristic to determine its credit losses using an impairment matrix. The aging is calculated from their overdue date.

11.3 Judgment criteria for individual provision made for bad debts

The Group estimates the ECL of accounts receivable on an individual asset basis, considering the significant financial difficulty of the debtor, etc.

Notes to Financial Statements

For the year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

(III) Significant Accounting Policies and Accounting Estimates *(continued)*

12. Other receivables

12.1 Determination basis and accounting treatment for ECL of other receivables

The Group determines the ECL of other receivables in accordance with Note (III) 10.2.3. The amount of increase or reversal of the allowance for ECL of other receivables is recognized as a credit impairment loss or gain in profit or loss.

12.2 Judgment criteria for individual provision made for bad debts

The Group estimates the ECL of other receivables on an individual asset basis, considering the significant financial difficulty of the debtor, etc.

13. Inventories

13.1 Category of inventories, valuation method of the inventories upon delivery, inventory system, amortization method for low-cost and short-lived consumables and packaging materials

13.1.1 Category of inventories

The Group's inventories mainly include raw materials, packaging materials, low-cost and short-lived consumables, work in progress and goods on hand, etc. Inventories are initially measured at cost. Cost of inventories comprises all costs of purchase, costs of conversion and other expenditures incurred in bringing the inventories to their present location and condition.

13.1.2 Valuation method of inventories upon delivery

The actual cost of inventories upon delivery is calculated using the weighted average method.

13.1.3 Inventory count system

The perpetual inventory system is maintained for stock system.

13.1.4 Amortization method for low-cost and short-lived consumables and packaging materials

Low-cost and short-lived consumables and packaging materials are amortized using the immediate write-off and straight-line amortization method, respectively.

13.2 Recognition criteria and accrual method for provision for decline in value of inventories

At the balance sheet date, inventories are measured at the lower of cost and net realizable value. If the net realizable value is below the cost of inventories, a provision for decline in value of inventories is made.

Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion, the estimated expenses necessary to make the sale and the relevant taxes. Net realizable value is determined on the basis of clear evidence obtained, and takes into consideration the purposes of holding inventories and effect of post balance sheet events.

Notes to Financial Statements

For the year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

(III) Significant Accounting Policies and Accounting Estimates (continued)

13. Inventories (continued)

13.2 Recognition criteria and accrual method for provision for decline in value of inventories (continued)

After the provision for decline in value of inventories is made, if the circumstances that previously caused inventories to be written down below cost no longer exist so that the net realizable value of inventories is higher than their carrying amount, the original provision for decline in value is reversed and the reversal is included in profit or loss for the period.

13.3 Category of portfolios for which the provision for decline in value of inventories is made on a portfolio basis and the basis for determining the provision, and the basis for determining the net realizable value of different categories of inventories

For inventories produced and sold in the same region and with the same or similar end-use, and cannot be practicably evaluated separately from other items in that product line, the Group makes provision for decline in value of inventories on an aggregate basis.

14. Long-term equity investments

14.1 Determination criteria of joint control and significant influence

Control is the power over the investee, exposures or rights to variable returns from its involvement with the investee, and the ability to use its power over the investee to affect the amount of the investor's returns. Joint control is the contractually agreed sharing of control over an economic activity, and exists only when the strategic financial and operating policy 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. When determining whether an investing enterprise is able to exercise control or significant influence over an investee, the effect of potential voting rights of the investee (for example, warrants and convertible debts) held by the investing enterprises or other parties that are currently exercisable or convertible shall be considered.

14.2 Determination of initial investment cost

For a long-term equity investment acquired through business combination involving enterprises under common control, shares of carrying amount of owners' equity of combined party in financial statements of ultimate controlling party is recognized as initial investment cost of long-term equity investment at the date of combination. The difference between initial investment cost of long-term equity investment and cash paid, non-cash assets transferred and carrying amount of liabilities assumed, is adjusted in capital surplus. If the balance of capital surplus is not sufficient to absorb the difference, any excess is adjusted to retained earnings. If the consideration of the combination is satisfied by the issue of equity securities, the initial investment cost of the long-term equity investment is the share of carrying amount of owners' equity of the acquired entity in the ultimate controlling party's consolidated financial statements at the date of combination. The aggregate face value of the shares issued is accounted for as share capital. The difference between the initial investment cost and the aggregate face value of the shares issued is adjusted to capital surplus. If the balance of capital surplus is not sufficient to absorb the difference, any excess is adjusted to retained earnings.

For a long-term equity investment acquired through business combination not involving enterprises under common control, the investment cost of the long-term equity investment is the cost of acquisition.

Notes to Financial Statements

For the year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

(III) Significant Accounting Policies and Accounting Estimates (continued)

14. Long-term equity investments (continued)

14.2 Determination of initial investment cost (continued)

The intermediary expenses incurred by the combining party or acquirer in respect of auditing, legal services, valuation and consultancy services, etc., and other associated general and administrative expenses attributable to the business combination are recognized in profit or loss when they are incurred.

Long-term equity investment acquired otherwise than through a business combination is initially measured at its cost. When the entity is able to exercise significant influence or joint control (but not control) over an investee, the cost of long-term equity investments is the sum of the fair value of previously-held equity investments determined in accordance with Accounting Standards for Business Enterprises No. 22 - Recognition and Measurement of Financial Instruments (ASBEs No. 22) and the additional investment cost.

14.3 Subsequent measurement and recognition of profit or loss

14.3.1 Long-term equity investment accounted for using the cost method

The Company's separate financial statements adopted the cost method to account for the long-term equity investments in subsidiaries. A subsidiary is an investee that is controlled by the Group.

Under the cost method, a long-term equity investment is measured at initial investment cost. When additional investment is made or the investment is recouped, the cost of the long-term equity investment is adjusted accordingly. Investment income is recognized in the period in accordance with the attributable share of cash dividends or profit distributions declared by the investee.

14.3.2 Long-term equity investment accounted for using the equity method

The Group accounts for investment in associates and joint ventures using the equity method. An associate is an entity over which the Group has significant influence and a joint venture is an entity over which the Group exercises joint control along with other investors.

Under 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 time of acquisition, no adjustment is made to 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 time of acquisition, the difference is recognized in profit or loss for the period, and the cost of the long-term equity investment is adjusted accordingly.

Notes to Financial Statements

For the year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

(III) Significant Accounting Policies and Accounting Estimates *(continued)*

14. Long-term equity investments *(continued)*

14.3 Subsequent measurement and recognition of profit or loss *(continued)*

14.3.2 Long-term equity investment accounted for using the equity method *(continued)*

Under the equity method, the Group recognizes its share of the net profit or loss and other comprehensive income of the investee for the period as investment income and other comprehensive income for the period. Meanwhile, carrying amount of long-term equity investment is adjusted: the carrying amount of long-term equity investment is decreased in accordance with its share of the investee's declared profit or cash dividends; Other changes in owners' equity of the investee other than net profit or loss and other comprehensive income are correspondingly adjusted to the carrying amount of the long-term equity investment, and recognized in the capital surplus. The Group recognizes its share of the investee's net profit or loss based on the fair value of the investee's individual identifiable assets, etc. at the acquisition date after making appropriate adjustments. When the investors' accounting policies and accounting period are inconsistent with those of the Company, the Company recognizes investment income and other comprehensive income after making appropriate adjustments to conform to the Company's accounting policies and accounting period. However, unrealized gains or losses resulting from the Group's transactions with its associates and joint ventures, which do not constitute a business, are eliminated based on the proportion attributable to the Group and then investment gains or losses or is recognized. However, unrealized losses resulting from the Group's transactions with its associates and joint ventures which represent impairment losses on the transferred assets are not eliminated.

The Group discontinues recognizing its share of net losses of the investee after the carrying amount of the long-term equity investment together with any long-term interests that in substance form part of its net investment in the investee is reduced to zero. If the Group has incurred obligations to assume additional losses of the investee, a provision is recognized according to the expected obligation, and recorded as investment loss for the period. Where net profit is subsequently made by the investee, the Group resumes recognizing its share of the profit only after its share of the profit exceeds the share of loss previously not recognized.

14.4 Disposal of long-term equity investments

On disposal of a long-term equity investment, the difference between the proceeds actually received and receivable and the carrying amount is recognized in profit or loss for the period. For a long-term equity investment accounted for using the equity method, if remaining shares after the disposal are still accounted for using the equity method, other comprehensive income is accounted on the basis of directly disposed related assets and liabilities of investee and carried forward proportionately; Other owners' equity recognized from changes of owners' equity except for net profit or loss, other comprehensive income and profit distribution is recognized in profit or loss of current period and carried forward proportionately.

Notes to Financial Statements

For the year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

(III) Significant Accounting Policies and Accounting Estimates (continued)

15. Investment properties

Investment property is property held to earn rentals or for capital appreciation or both. It includes a land use right that is leased out; a land use right held for transfer upon capital appreciation; and a building that is leased out.

An investment property is measured initially at cost. Subsequent expenditures incurred for such investment property are included in the cost of the investment property if it is probable that economic benefits associated with an investment property will flow to the Group and the cost can be measured reliably. Other subsequent expenditures are recognized in profit or loss for the period in which they are incurred.

The Group adopts the cost model for subsequent measurement of investment properties. Investment properties are depreciated over their useful lives using the straight-line method. The estimated useful lives, estimated net residual value rates and annual depreciation (amortization) rates of each category of investment properties are as follows:

Category	Estimated useful life	Estimated net residual value rate	Annual depreciation (amortization) rate
Buildings	20-40 years	3% to 5%	2.4% to 4.9%
Land use rights	50 years	-	2.0%

An investment property is derecognized when it is disposed of or when it is permanently withdrawn from use and no future economic benefits are expected from its disposal.

The difference between proceeds from sales, transfer, retirement or damage of an investment property, net of its carrying amount and related taxes, is recognized in profit or loss for the period.

16. Fixed assets

16.1 Recognition criteria

Fixed assets are tangible assets that are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes, and have useful lives of more than one accounting year. A fixed asset is recognized only when it is probable that economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably, which includes buildings, machinery and equipment, transportation vehicles and other equipment. Fixed assets are initially measured at cost. The fixed assets contributed by the State-owned shareholders at the time of reform of corporate system into a corporation are recognized based on the revaluated amounts approved by the state-owned assets administration department.

Subsequent expenditures incurred for the fixed asset are included in the cost of the fixed asset if it is probable that economic benefits associated with the asset will flow to the Group and the subsequent expenditures can be measured reliably. Meanwhile, the carrying amount of the replaced part is derecognized. Other subsequent expenditures are recognized in profit or loss for the period in which they are incurred.

Notes to Financial Statements

For the year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

(III) Significant Accounting Policies and Accounting Estimates (continued)

16. Fixed assets (continued)

16.2 Depreciation methods

A fixed asset is depreciated over its useful life using the straight-line method since the month subsequent to the one in which it is ready for intended use. The estimated useful life, estimated net residual value rate and annual depreciation rate of each category of fixed assets are as follows:

Category	Estimate useful life	Estimated net residual value rate	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%
Transportation 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%

Estimated net residual value of a fixed asset is the estimated amount that the Group would currently obtain from disposal of the asset, after deducting the estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.

16.3 Other explanations

If a fixed asset is upon disposal or no future economic benefits are expected to be generated from its use or disposal, the fixed asset is derecognized. When a fixed asset is sold, transferred, retired or damaged, the amount of any proceeds on disposal of the asset net of the carrying amount and related taxes is recognized in profit or loss for the period.

The Group reviews the useful life and the estimated net residual value of a fixed asset and the depreciation method applied at least once at each financial year-end, and accounts for any change as a change in an accounting estimate.

17. Construction in progress

Construction in progress is measured at its actual costs. The actual costs include various construction expenditures during the construction period and other relevant costs. Construction in progress is not depreciated.

Construction in progress is transferred to a fixed asset when it is ready for intended use.

18. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying asset are capitalized when expenditures for such asset and borrowing costs are incurred and activities relating to the acquisition, construction or production of the asset that are necessary to prepare the asset for its intended use or sale have commenced. Capitalization of borrowing costs ceases when the qualifying asset being acquired, constructed or produced becomes ready for its intended use or sale. Other borrowing costs are recognized as an expense in the period in which they are incurred.

Notes to Financial Statements

For the year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

(III) Significant Accounting Policies and Accounting Estimates (continued)

18. Borrowing costs (continued)

Where funds are borrowed under a specific-purpose borrowing, the amount of interest to be capitalized is the actual interest expenses incurred on that borrowing for the period less any bank interest earned from depositing the borrowed funds before being used on the asset or any investment income on the temporary investment of those funds. Where funds are borrowed under general-purpose borrowings, the Group determines the amount of interest to be capitalized on such borrowings by applying a capitalization rate to the weighted average of the excess of cumulative expenditures on the asset over the amounts of specific-purpose borrowings. The capitalization rate is the weighted average of the interest rates applicable to the general-purpose borrowings.

19. Intangible assets

19.1 Useful life and the basis for determination, estimation, method of amortization or review procedures

Intangible assets include land use rights, trademarks, technology known-how, marketing networks, software, and others.

Intangible assets are initially measured at cost. The intangible assets contributed by the State-owned shareholders at the time of reform of corporate system into a corporation are recognized based on the revaluated amounts approved by the state-owned assets administration department. The amortization method and useful life of each category of intangible assets are as follows:

The amortization method, useful life and estimated net residual value of each category of intangible assets are as follows:

Category	Amortization method	Useful life (year)	Residual value rate (%)
Land use rights	Straight-line method	30 - 50 years	-
Trademarks - other trademarks	Straight-line method	5 - 10 years	-
Marketing networks	Straight-line method	5 - 10 years	-
Technology known-how	Straight-line method	10 years	-
Computer software	Straight-line method	5 - 10 years	-
Trademarks - "TSINGTAO BEER" trademark (Note 1)	An intangible asset with an indefinite useful life is not amortized		

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

Note 1: Trademarks mainly include the "TSINGTAO BEER" trademark which was contributed by the founding shareholders to the Company on 16 June 1993 as their capital contributions. The trademark is recorded based on the value assessed by the state-owned assets administration department. Based on the forecast of beer industry and the industry position of the Company, the management is of the view that the "TSINGTAO BEER" trademark has an indefinite useful life, accordingly, it is not subject to amortization but annual impairment assessments.

Notes to Financial Statements

For the year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

(III) Significant Accounting Policies and Accounting Estimates *(continued)*

19. Intangible assets *(continued)*

19.2 Scope of aggregation and accounting treatment of research and development expenditures

Expenditure during the research phase is recognized as an expense in the period in which it is incurred.

Expenditure during the development phase that meets all of the following conditions at the same time is recognized as intangible asset. Expenditure during development phase that does not meet the following conditions is recognized in profit or loss for the period:

- (1) it is technically feasible to complete the intangible asset so that it will be available for use or sale;
- (2) the Group has the intention to complete the intangible asset and use or sell it;
- (3) the Group can demonstrate the ways in which the intangible asset will generate economic benefits, including the evidence of the existence of a market for the output of the intangible asset or the intangible asset itself or, if it is to be used internally, the usefulness of the intangible asset;
- (4) the availability of adequate technical, financial and other resources to complete the development and the ability to use or sell the intangible asset; and
- (5) the expenditure attributable to the intangible asset during its development phase can be reliably measured.

If the expenditures cannot be distinguished between the research phase and development phase, the Group recognizes all of them in profit or loss for the period. The cost of an intangible asset resulting from internal development activities includes only the total expenditure incurred from the point in time when the conditions for capitalization are met to the point in time when the intangible asset reaches its intended use, and no further adjustments are made to expenditures on the same intangible asset that have already been expensed and recognized in profit or loss before meeting the conditions for capitalization in the course of the development process.

The Group's research and development expenditures mainly include expenditures on materials consumed for the implementation of the Group's research and development activities, employees' remuneration for personnel involved in research and development activities, depreciation and amortization of assets used in research and development, such as equipment and software, research and development testing, and research and development technical service fees.

20. Impairment of long-term assets

The Group reviews the long-term equity investments, fixed assets, construction in progress, right-of-use assets, intangible assets with a finite useful life, investment properties measured under the cost model, other non-current assets - advances to suppliers for construction and equipment, etc., at each balance sheet date to determine whether there is any indication that they have suffered an impairment loss. If there is any indication that such assets may be impaired, recoverable amounts are estimated for such assets. Intangible assets with indefinite useful life and intangible assets not yet available for use are tested for impairment annually, irrespective of whether there is any indication that the assets may be impaired.

Notes to Financial Statements

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(All amounts in RMB Yuan unless otherwise stated)

(III) Significant Accounting Policies and Accounting Estimates *(continued)*

20. Impairment of long-term assets *(continued)*

Recoverable amount is estimated on individual basis. If it is not practical to estimate the recoverable amount of an individual asset, the recoverable amount of the asset group to which the asset belongs will be estimated. The recoverable amount of an asset or asset group is the higher of its fair value less costs of disposal and the present value of the future cash flows expected to be derived from the asset or asset group.

If such recoverable amount is less than its carrying amount, a provision for impairment losses in respect of the deficit is recognized in profit or loss for the period.

Goodwill is tested for impairment at least at the end of each year. For the purpose of impairment testing, goodwill is considered together with the related asset group(s), i.e., goodwill is reasonably allocated to the related asset group(s) or each of asset group(s) expected to benefit from the synergies of the combination. An impairment loss is recognized if the recoverable amount of the asset group or sets of asset groups (including goodwill) is less than its carrying amount. The impairment loss is firstly allocated to reduce the carrying amount of any goodwill allocated to such asset group or sets of asset groups, and then to the other assets of the group pro-rata on the basis of the carrying amount of each asset (other than goodwill) in the group.

Once an impairment loss of the above-mentioned assets is recognized, it will not be reversed in any subsequent period.

21. Long-term prepaid expenses

Long-term prepaid expenses represent expenses incurred that should be borne and amortized over the current and subsequent periods (together of more than one year), including leasehold improvements, etc. Long-term prepaid expenses are amortized using the straight-line method over the expected periods in which benefits are derived.

22. Contract liabilities

Contract liability refers to the Group's obligation to transfer goods or services to a customer for consideration received or receivable from the customer. Contract assets and contract liabilities under the same contract will be presented on a net basis.

23. Employee benefits

23.1 Accounting treatment of short-term benefits

In an accounting period in which an employee has rendered service to the Group, the Group recognizes the short-term employee benefits for that service as a liability, and the related expenditures are either charged to profit or loss for the period when they are incurred or included in cost of related assets. Employee welfare expenses incurred by the Group are recognized in profit or loss for the period or the costs of relevant assets based on the actually incurred amounts when they are actually incurred. Non-monetary employee welfare expenses are measured at fair value.

Payment made by the Group of social security contributions for employees such as premiums or contributions on medical insurance, work injury insurance and maternity insurance, etc. and payments of housing funds, as well as labor union funds and employee education funds provided in accordance with relevant requirements, are calculated according to prescribed bases and percentages in determining the amount of employee benefits and recognized as relevant liabilities, with a corresponding charge to profit or loss for the period or the costs of relevant assets in the accounting period in which employees provide services.

Notes to Financial Statements

For the year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

(III) Significant Accounting Policies and Accounting Estimates *(continued)*

23. Employee benefits *(continued)*

23.2 Accounting treatment of post-employment benefits

Post-employment benefits are classified into defined contribution plans and defined benefit plans.

In an accounting period in which an employee has rendered service to the Group, the amount payable calculated in accordance with the defined contribution plan is recognized as a liability by the Group and charged to profit or loss for the period, or included in cost of related assets.

For defined benefit plans, the Group calculates defined benefit plan obligations using projected unit credit method and the service cost resulting from employee service in the current period is recorded in profit or loss or the cost of related assets. Defined benefit costs are categorized as follows:

- (1) service cost (including current service cost, past service cost, as well as gains and losses on settlements);
- (2) net interest of net liabilities or assets of defined benefit plan (including interest income of planned assets, interest expenses of defined benefit plan liabilities and effect of asset ceiling); and
- (3) Changes arising from remeasurement of net liabilities or net assets of defined benefit plans.

Service costs and net interest of net liabilities and net assets of defined benefit plans are recognized in profit or loss of current period or costs of related assets. Remeasurements of the net defined benefit liability (asset) (including actuarial gains and losses, the return on plan assets, excluding amounts included in net interest on the net defined benefit liability (asset), and any change in the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability (asset)) are recognized in other comprehensive income.

23.3 Accounting treatment of termination benefits

A liability for a termination benefit is recognized in profit or loss at the earlier of when the Group cannot unilaterally withdraw from the termination plan or the redundancy offer and when it recognizes any related restructuring costs.

24. Share-based payments

A share-based payment is a transaction which the Group grants equity instruments, or incurs liabilities for amounts that are determined based on the price of equity instruments, in return for services rendered by employees. The Group's Restricted Share Incentive Scheme represents share-based payments granted by the Group to the relevant incentive recipients settled in consideration of the Company's own equity instruments.

24.1 Equity-settled share-based payments

Equity-settled share-based payments in exchange for services rendered by employees are measured at the fair value of the equity instruments granted to employees at the grant date. Such amount is recognized as related costs or expenses on a straight-line basis over the vesting period, based on the best estimate of the number of equity instruments expected to vest/as related costs or expenses at the grant date, with a corresponding increase in capital surplus.

Notes to Financial Statements

For the year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

(III) Significant Accounting Policies and Accounting Estimates *(continued)*

24. Share-based payments *(continued)*

24.1 Equity-settled share-based payments *(continued)*

At each balance sheet date during the vesting period, the Group makes the best estimate according to the subsequent latest information of change in the number of employees who are granted with options that may vest, whether or not the required performance conditions have been met, etc. and revises the number of equity instruments expected to vest. The effect of the above estimate is recognized as related costs or expenses, with a corresponding adjustment to capital surplus.

25. Revenue recognition

The Group's revenue is from the sales of goods.

The Group recognizes revenue based on the amount of consideration the Group expects to be entitled when the Group satisfies a performance obligation in the contract, namely, when the customer obtains control over relevant goods or services. A performance obligation is a commitment that the Group transfers a distinct good or service to a customer in the contract.

The Group assesses a contract at contract inception, identifies each individual performance obligation included in the contract, and determines whether the Group satisfies the performance obligation over time or the Group satisfies the performance obligation at a point in time. It is a performance obligation satisfied over time and the Group recognizes revenue over time according to the progress of performance if one of the following conditions is met: (1) the customer obtains and consumes economic benefits at the same time of the Group's performance; (2) the customer is able to control goods or services in progress during the Group's performance; (3) goods or services generated during the Group's performance have irreplaceable utilization, and the Group is entitled to collect amounts of cumulative performance part which have been done up to now. Otherwise, revenue is recognized at a point in time when the customer obtains control over the relevant goods or services.

The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties and amounts expected to be refunded to a customer. In determining the transaction price, the Group considers the impact of consideration payable to customers and other factors.

If the contract includes consideration payable to a customer, the Group shall account for consideration payable to a customer as a reduction of the transaction price unless the payment to the customer is in exchange for a distinct good or service, and recognized the reduction of revenue when (or as) the later of either of the following events occurs: 1) the Group recognizes revenue for the transfer of the related goods or services to the customer; and 2) the Group pays or promises to pay the consideration.

Notes to Financial Statements

For the year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

(III) Significant Accounting Policies and Accounting Estimates (continued)

26. Government grants

Government grants are monetary assets and non-monetary assets from the government to the Group at no consideration. A government grant is recognized only when the Group can comply with the conditions attaching to the grant and the Group will receive the grant.

If a government grant is in the form of a transfer of a monetary asset, it is measured at the amount received or receivable.

26.1 Basis of judgment and accounting treatment of government grants related to assets

The Group's government grants related to assets are stated in Note (V) 31. The relevant grants are government grants used to acquire, construct or otherwise form long-term assets, which are government grants related to assets.

A government grant related to an asset is recognized as deferred income, and charged to profit or loss over the useful lives of the related assets on a straight-line basis.

26.2 Basis of judgment and accounting treatment of government grants related to income

Government grants related to income are government grants other than those related to assets. The Group's government grants related to income are stated in Note (V) 45.

For a government grant related to income, if the grant is a compensation for related expenses or losses to be incurred in subsequent periods, the grant is recognized as deferred income and recognized in profit or loss for the period in which the related costs or losses are recognized; if the grant is a compensation for related expenses or losses already incurred, the grant is recognized immediately in profit or loss for the period.

A government grant related to the Group's daily activities is recognized in other income based on the substance of economic activities; a government grant not related to the Group's daily activities is recognized in non-operating income.

27. Leases

A lease is a contract whereby the lessor conveys to the lessee in return for a consideration the right to use an asset for an agreed period of time.

Notes to Financial Statements

For the year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

(III) Significant Accounting Policies and Accounting Estimates (continued)

27. Leases (continued)

27.1 The Group as lessee

27.1.1 Right-of-use assets

Except for short-term leases and leases of low-value assets, at the commencement date of the lease, the Group recognizes a right-of-use asset. The Group measures the right-of-use assets at cost.

The Group depreciates right-of-use assets by reference to the relevant depreciation provisions of Accounting Standards for Business Enterprises No. 4 - Fixed Assets. The Group follows the provisions of Accounting Standards for Business Enterprises No. 8 - Impairment of Assets to determine whether right-of-use assets are impaired and to account for the identified impairment losses.

27.1.2 Lease liabilities

Except for short-term leases and leases of low-value assets, at the commencement date of the lease, the Group measures the lease liabilities at the present value of the lease payments that are not paid at that date. Lease payments include, among other things, fixed payments and payments that would be required if it were reasonably certain that a purchase option or lease termination option would be exercised.

After the commencement date of the lease, the Group calculates interest expenses of lease liabilities for each period of the lease term based on fixed periodic rate, and recognizes such expenses in profit or loss or cost of related assets.

After the commencement date of the lease term, the Group remeasures the lease liabilities and adjusts the corresponding right-of-use assets if any of the following occurs. If the carrying amount of the right-of-use asset has been reduced to zero, but the lease liabilities need to be reduced further, the Group will recognize the difference in profit or loss for the period:

- there is a change in the lease term, or in the assessment of an option to purchase the underlying asset, in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment;
- there is a change in the amounts expected to be payable under a residual value guarantee, or in future lease payments resulting from a change in an index or a rate used to determine those payments, in which case the related lease liability is remeasured by discounting the revised lease payments using the unchanged discount rate.

27.1.3 Basis of judgment and accounting treatment of short-term leases and leases of low-value assets as a simplified treatment for lessees

The Group chooses not to recognize right-of-use assets and lease liabilities for short-term leases of buildings, machinery and equipment, transportation vehicles, electronic equipment, appliances and furniture. A short-term lease is a lease that at the commencement date, has a lease term of 12 months or less and does not contain a purchase option. A lease of low-value assets is a lease that the single underlying asset, when is new, is of low value.

Notes to Financial Statements

For the year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

(III) Significant Accounting Policies and Accounting Estimates (continued)

27. Leases (continued)

27.1 The Group as lessee (continued)

27.1.4 Lease modifications

The Group accounts for a lease modification as a separate lease if:

- the lease modification expanded the scope of the lease by adding the right-of-use of one or more lease assets; and
- the increased consideration is equivalent to the amount of stand-alone price of the expanded lease scope adjusted according to the contract.

If the lease modification is not accounted for as an individual lease, on the effective date of the lease modification, the Group reallocates the consideration of the contract after the change, re-determines the lease term, and re-measures lease liabilities based on the changed lease payments and the present value calculated by the revised discount rate.

27.2 The Group as lessor

27.2.1 Separating components of a lease

For a contract that contains lease components and non-lease components, the Group allocates the contract consideration in accordance with the Accounting Standards for Business Enterprises No. 14 - Revenue on allocation of transaction prices, based on the respective stand-alone prices of the lease components and the non-lease components.

27.2.2 Classification criteria and accounting treatment of leases as lessors

Leases are classified as finance leases whenever the terms of the leased assets transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

27.2.2.1 The Group as lessor under operating leases

Receipts of lease under operating leases are recognized as rental income on a straight-line basis over the term of the relevant lease. Initial direct costs related to operating leases incurred by the Group are capitalized when incurred, and are recognized in profit or loss for the current period on the same basis as recognition of rental income over the lease term.

Notes to Financial Statements

For the year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

(III) Significant Accounting Policies and Accounting Estimates *(continued)*

28. Deferred tax assets/deferred tax liabilities

The income tax expenses include current income tax and deferred income tax.

28.1 Current income tax

At the balance sheet date, current income tax liabilities (or assets) for the current and prior periods are measured at the amount expected to be paid (or recovered) according to the requirements of tax laws.

28.2 Deferred tax assets and deferred tax liabilities

For temporary differences between the carrying amounts of certain assets or liabilities and their tax base, or between the nil carrying amount of those items that are not recognized as assets or liabilities and their tax base that can be determined according to tax laws, deferred tax assets and liabilities are recognized using the balance sheet liability method.

Deferred tax is generally recognized for all temporary differences. Deferred tax assets for deductible temporary differences are recognized to the extent that it is probable that taxable profits will be available against which the deductible temporary differences can be utilized. However, for temporary differences associated with the initial recognition of goodwill and the initial recognition of an asset or liability arising from a transaction (not a business combination) that affects neither the accounting profit nor taxable profits (or deductible losses) at the time of transaction and will not result in taxable temporary differences and deductible temporary differences in equal amounts, no deferred tax asset or liability is recognized.

For deductible losses and tax credits that can be carried forward, deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which the deductible losses and tax credits can be utilized.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

At the balance sheet date, deferred tax assets and liabilities are measured at the tax rates, according to tax laws, that are expected to apply in the period in which the asset is realized or the liability is settled.

Current and deferred tax expenses or income are recognized in profit or loss for the period, except when they arise from transactions or events that are directly recognized in other comprehensive income or in shareholders' equity, in which case they are recognized in other comprehensive income or in shareholders' equity; and when they arise from business combinations, in which case they adjust the carrying amount of goodwill.

At the balance sheet date, the carrying amount of deferred tax assets is reviewed and reduced if it is no longer probable that sufficient taxable profits will be available in the future to allow the benefit of deferred tax assets to be utilized. Such reduction in amount is reversed when it becomes probable that sufficient taxable profits will be available.

Notes to Financial Statements

For the year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

(III) Significant Accounting Policies and Accounting Estimates *(continued)*

28. Deferred tax assets/deferred tax liabilities *(continued)*

28.3 Income tax offsetting

When the Group has a legal right to settle on a net basis and intends either to settle on a net basis or to realize the assets and settle the liabilities simultaneously, current tax assets and current tax liabilities are offset and presented on a net basis.

When the Group has a legal right to settle current tax assets and liabilities on a net basis, and deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity which intend either to settle current tax assets and liabilities on a net basis or to realize the assets and liabilities simultaneously, in each future period in which significant amounts of deferred tax assets or liabilities are expected to be reversed, deferred tax assets and deferred tax liabilities are offset and presented on a net basis.

29. Critical judgements in applying accounting policies and key assumptions and uncertainties in accounting estimates

In the application of the Group's accounting policies, which are described in Note (III), the Group is required to make judgements, estimates and assumptions about the carrying amounts of items in the financial statements that cannot be measured accurately, due to the internal uncertainties of operating activities. These judgements, estimates and assumptions are based on historical experience of the Group's management as well as other factors that are considered to be relevant. Actual results may differ from these estimates.

The aforementioned judgements, estimates and assumptions are reviewed regularly on a going concern basis. The effect of a change in accounting estimate is recognized in the period of the change, if the change affects that period only; or recognized in the period of the change and future periods, if the change affects both.

Significant accounting estimates and key assumptions

At the balance sheet date, the key assumptions and uncertainties that are probable to cause significant adjustments to the carrying amounts of assets and liabilities in future periods include:

29.1 Accounting estimates on impairment of goodwill

The Group tests annually whether goodwill has suffered any impairment. The recoverable amount of asset group or portfolio of asset groups is the present value of the expected future cash flows. Its calculation requires use of estimates (Note (V) 16).

If the management revises the sales growth rate during the forecast period, the perpetual growth rate, the gross profit margin or the pre-tax discount rate that are used in the calculation of the future cash flows of asset group or portfolio of asset groups, and the revised sales growth rate during the forecast period, the revised perpetual growth rate and the gross profit margin are lower than the rates currently used, or the revised pre-tax discount rate is higher than the one currently applied, the Group would need to recognize further impairment of goodwill. If the actual sales growth rate during the forecast period, the perpetual growth rate and gross profit margin are higher or pretax discount rate is lower than the management's estimates, the impairment losses of goodwill previously provided for shall not be reversed.

Notes to Financial Statements

For the year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

(III) Significant Accounting Policies and Accounting Estimates *(continued)*

29. Critical judgements in applying accounting policies and key assumptions and uncertainties in accounting estimates *(continued)*

Significant accounting estimates and key assumptions *(continued)*

29.2 Accounting estimates on impairment of fixed assets

According to the accounting policies stated in Note (III) 16, the Group tests whether fixed assets have suffered any impairment on the balance sheet date. The recoverable amount of fixed assets is the higher of fair value less costs of disposal and the present value of the future cash flows expected to be derived from the asset. Its calculation requires the use of accounting estimates.

In 2024, the Group recognized impairment losses of RMB35,753,647 (2023: RMB79,527,094) for fixed assets based on the assessment. As at 31 December 2024, the carrying amount of provision for impairment of fixed assets is RMB540,634,666 (31 December 2023: RMB594,456,776) (Note (V) 12).

If the management revises the growth rate, gross profit margin or pre-tax discount rate that are used in the calculation of the future cash flows of the asset group to which fixed assets belong, and the growth rate and gross profit margin are lower than the rates currently used, or the revised pre-tax discount rate is higher than the one currently applied, the Group would need to recognize further impairment of fixed assets. If the actual growth rate and gross profit margin are higher or pretax discount rate is lower than the management's estimates, the impairment losses of fixed assets previously provided for shall not be reversed.

29.3 Accounting estimates on recognition of deferred tax assets

The estimates of deferred tax assets require estimates of future taxable income and applicable income tax rates of respective years. The realization of deferred tax assets depends on whether sufficient taxable income will be available in the future. The change in future income tax rates and timing of reversal of temporary differences would affect income tax expenses (benefits) and balance of deferred tax. Change in aforesaid estimates would result in material adjustment to deferred income tax.

As at 31 December 2024, the Group's deferred tax assets before offsetting amounted to RMB2,342,757,380 (31 December 2023: RMB2,431,404,225). As stated in Note (V) 18, as at 31 December 2024, the Group had unrecognized deferred tax assets amounting to approximately RMB632,996,000 (31 December 2023: RMB717,237,000), which were mainly attributable to the accumulated losses of certain subsidiaries of the Group that are deductible against taxable income under the tax law in the next five years and deductible temporary differences of these subsidiaries. The Group does not recognize deferred tax assets for such deductible losses and deductible temporary differences due to the fact that it is uncertain whether these subsidiaries would suffer losses or make profits and whether it is probable that sufficient taxable income will be available in future periods to allow the benefits of the deferred tax assets to be utilized. If the future taxable income of the subsidiaries is more than expected, additional deferred tax assets will be recognized.

Notes to Financial Statements

For the year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

(III) Significant Accounting Policies and Accounting Estimates *(continued)*

29. Critical judgements in applying accounting policies and key assumptions and uncertainties in accounting estimates *(continued)*

Significant accounting estimates and key assumptions *(continued)*

29.4 Actuarial of supplementary post-employment benefits

As stated in Note (III) 23, the Group's obligations for supplementary post-employment benefits are estimated on an actuarial basis. The actuarial is the best estimate on the amount of supplementary post-employment benefits that the Group is committed to pay to eligible employees at the balance sheet date, in which discount rate is determined with reference to the yield of the government bonds of China and the mortality rate published by China Life Insurance Mortality Table 2010 - 2013. If the underlying assumptions change in the future, the actuarial estimates will change accordingly, which will be recognized in other comprehensive income in future years.

29.5 Measurement of ECL

The Group calculates the ECL based on the exposure at default and the ECL rate and determines the ECL rate based on the probability of default and the loss given default or based on an aging matrix. When determining the ECL rate, the Group uses internal historical credit loss experience and other data and adjusts the historical data in combination with the current conditions and forward-looking information.

When considering the forward-looking information, the Group considers different macroeconomic scenarios. The Group regularly monitors and reviews the important macroeconomic assumptions and parameters related to the calculation of ECL, including the risk of economic downturn, external market environment, changes in customer conditions, gross domestic product and consumer price index, etc. As at 31 December 2024, the Group has considered the uncertainties under different macroeconomic scenarios and updated relevant assumptions and parameters accordingly.

30. Significant changes in accounting policies

Interpretation No. 17 of the Accounting Standards for Business Enterprises ("Interpretation No. 17") and Interpretation No. 18 of the Accounting Standards for Business Enterprises ("Interpretation No. 18") were issued by the Ministry of Finance on 25 October 2023 and 6 December 2024 respectively.

Interpretation No. 17 stipulated the classification of current liabilities and non-current liabilities and was effective from 1 January 2024.

Interpretation No. 18 stipulated the subsequent measurement of investment properties held as underlying items under the variable fee method and the accounting treatment of assurance-type warranties which are not separate performance obligations. The Interpretation was effective from 6 December 2024 and may be early applied.

Upon assessment, the Group considers that the adoption of these interpretations has no significant impact on the financial statements.

Notes to Financial Statements

For the year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

(IV) Taxes

1. The main categories and tax rates are set out below:

Category of tax	Basis of tax computation	Tax rate
Enterprise income tax (Note 1)	Taxable income	3%-12%, 16.5%, 20% and 25%
Value-added tax ("VAT") (Note 2)	Taxable value-added amount (Tax payable is calculated using the taxable sales amount multiplied by the effective tax rate less deductible input VAT of the current period or calculated using the taxable sales amount multiplied by the effective tax rate)	13%, 9%, 6% and 3%
Consumption tax	Product types and prices Beer More than or equal to RMB3,000 per ton Less than RMB3,000 per ton	Consumption tax per unit RMB250 per ton RMB220 per ton
City maintenance and construction tax	VAT and consumption tax paid	5% and 7%
Education surcharge and local education surcharge	VAT and consumption tax paid	5%

Note 1: Enterprise income tax

(i) Applicable tax rates:

All of the Group's intra-group companies located in Chinese Mainland are subject to an enterprise income tax rate of 25%, except for some subsidiaries which are small and low-profit enterprises.

The Company's subsidiaries, Tsingtao Brewery Hong Kong Trading Co., Ltd. ("Hong Kong Company"), Asia Brewery (Macau) Co., Ltd. ("Macau Company") and Tsingtao Brewery Vietnam Co., Ltd. ("Vietnam Company"), were established in Hong Kong SAR, Macau SAR and Vietnam and subject to Hong Kong profits tax, Macau profits supplemental tax and Vietnam corporate income tax respectively.

Hong Kong profits tax has been provided at the rate of 16.5% on the estimated taxable income for the period. Macau profits supplemental tax has been provided at a progressive tax rate ranging from 3% to 12% on the estimated taxable income for the period. Vietnam corporate income tax has been provided at the rate of 20% on the estimated taxable income for the period.

Notes to Financial Statements

For the year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

(IV) Taxes (continued)

1. The main categories and tax rates are set out below: (continued)

Note 1: Enterprise income tax (continued)

- (ii) Pursuant to the Notice issued by the Ministry of Finance and the State Administration of Taxation on the Deduction Policies of Relevant Enterprise Income Tax for Equipment and Instruments (Cai Shui [2018] No. 54) and the Announcement of the Ministry of Finance and the State Taxation Administration on Extending the Implementation Period of Certain Preferential Tax Policies (Cai Shui [2021] No. 6), during the period from 1 January 2018 to 31 December 2023, the newly purchased equipment under RMB5 million can be recognized in costs and expenses of the current period in the month after the assets are put into use, and can be deducted when calculating the taxable income (depreciation is no longer provided). Pursuant to the Notice issued by the Ministry of Finance and the State Administration of Taxation on the Deduction Policies of Relevant Enterprise Income Tax for Equipment and Instruments (Cai Shui [2023] No. 37), during the period from 1 January 2024 to 31 December 2027, the newly purchased equipment under RMB5 million can be recognized in costs and expenses of the current period in the month after the assets are put into use, and can be deducted when calculating the taxable income (depreciation is no longer provided).

Note 2: VAT

The Group calculates output VAT at the rate of 13% on the sales revenue of beer and other products. The applicable VAT rates for the financial business income of Tsingtao Brewery Finance Co., Ltd. ("Finance Company") and the construction business income of Tsingtao Brewery Construction Co., Ltd. ("Construction Company") are 6% and 9% respectively. Input VAT paid for purchase of goods, machinery and equipment for production or taxable services can be deducted from output VAT. VAT payable is the balance of output tax less the deductible input tax.

Some subsidiaries of the Company are small-scale taxpayers and are subject to VAT at the rate of 3%.

Pursuant to the Announcement on Further Strengthening the Implementation of the Policies Regarding the Refund of Term-End Excess Input Value-Added Tax Credits (Cai Shui [2022] No. 14), the Announcement on Further Accelerating the Progress of Implementation of the Policies Regarding the Refund of Term-End Excess Input Value-Added Tax Credits (Cai Shui [2022] No. 17) and the Announcement on Keeping Accelerating the Implementation of the Policies Regarding the Refund of Term-End Excess Input Value-Added Tax Credits (Cai Shui [2022] No. 19) jointly issued by the Ministry of Finance and the State Taxation Administration, qualified small and micro enterprises and enterprises in the manufacturing industry and other industries can apply to the competent tax authorities for refund of outstanding VAT credits starting from the tax declaration period in April 2022; qualified small enterprises and medium-sized enterprises in the manufacturing industry and other industries can apply to the competent tax authorities for refund of outstanding VAT credits in one lump sum starting from the tax declaration period in May 2022; and qualified large enterprises in the manufacturing industry and other industries can apply to the competent tax authorities for refund of outstanding VAT credits in one lump sum starting from the tax declaration period in June 2022.

Note 3: Withholding enterprise income tax

According to the Notice on the Issues concerning Withholding the Enterprise Income Tax on the Dividends Paid by Chinese Resident Enterprises to H-share Holders Which Are Overseas Nonresident Enterprises issued by the State Administration of Taxation on 6 November 2008 (Guo Shui Han [2008] No. 897), the Company shall withhold the enterprise income tax on the basis of 10% of the dividends, when it pays dividends to its H-share holders which are overseas nonresident enterprises.

Notes to Financial Statements

For the year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

(IV) Taxes (continued)

2. Tax incentives

According to the Announcement of the Ministry of Finance, the State Taxation Administration and the General Administration of Customs on Relevant Policies for Deepening the Value-Added Tax Reform (Announcement [2019] No. 39), the Announcement of the Ministry of Finance and the State Taxation Administration on Clarifying the Additional Value-Added Tax Credit Policy for the Life Service Industry (Announcement [2019] No. 87), the Announcement of the Ministry of Finance and the State Taxation Administration on Relevant Value-Added Tax Policies for Promoting the Resolution of Difficulties so as to Develop the Difficulty-Ridden Industries in the Service Sector (Announcement [2022] No. 11), and the Announcement of the Ministry of Finance and the State Taxation Administration on Clarifying the Value-Added Tax Reduction and Exemption Policies for Small-Scale Value-Added Tax Taxpayers and Other Policies (Announcement [2023] No. 1), part of the Company's subsidiaries are life service enterprises, and VAT payable will be offset by adding 10% to the deductible input tax from 1 January 2023 to 31 December 2023.

According to the Announcement of the Ministry of Finance and the State Taxation Administration on the Relevant Tax and Fee Policies for Further Supporting the Development of Micro and Small Enterprises and Individual Industrial and Commercial Households (Announcement [2023] No. 12), the calculation for taxable income of small low-profit enterprises is reduced by 25% and the applicable enterprise income tax is 20%. The policy is extended to 31 December 2027.

(V) Notes to Items in the Consolidated Financial Statements

1. Cash at bank and on hand

Item	RMB	
	31 December 2024	31 December 2023
Cash on hand	69,483	90,093
Bank deposits	2,952,526,043	4,277,183,058
Interbank deposits (Note 1)	14,270,488,863	13,979,254,429
Deposits in the central bank (Note 2)	718,530,910	791,743,445
Other monetary funds (Note 3)	37,157,597	233,833,617
Total	17,978,772,896	19,282,104,642
Including: Total funds deposited overseas (Note 4)	115,326,793	99,237,540

Notes to Financial Statements

For the year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

(V) Notes to Items in the Consolidated Financial Statements (continued)

1. Cash at bank and on hand (continued)

Note 1: Interbank deposits represent the bank deposits and interest receivable deposited in domestic banks by Finance Company, a subsidiary of the Company.

Note 2: Deposits in the central bank represent the statutory reserve and interest receivable deposited in the People's Bank of China by Finance Company, a subsidiary of the Company. As at 31 December 2024, the statutory reserve ratio is 5% (31 December 2023: 5%) of the balance of deposits.

Note 3: As at 31 December 2024, other monetary funds included housing maintenance fund of RMB33,356,936 deposited in the banks, balance of the e-commerce platform account of RMB3,800,521 and other deposits of RMB140 (31 December 2023: housing maintenance fund of RMB33,279,248 deposited in the banks, refundable deposits held in accounts of security companies of RMB200,474,362 and other deposits of RMB80,007).

Note 4: As at 31 December 2024, the funds deposited overseas represent the cash on hand, bank deposits and interest receivable of Hong Kong Company, Macau Company and Vietnam Company held in Hong Kong, Macau and Vietnam respectively. There is no restriction on the repatriation of funds deposited overseas.

Note 5: As at 31 December 2024, the Group has cash at bank and on hand with restricted rights of use amounting to RMB751,887,986 (31 December 2023: RMB825,102,700), which are mainly statutory reserve, housing maintenance fund and other deposits placed with the Central Bank by the Company's subsidiary, Finance Company.

2. Financial assets held for trading

Item	RMB	
	31 December 2024	31 December 2023
Financial assets at FVTPL	2,021,804,089	1,924,078,158
Including: Debt instruments (<i>Note</i>)	2,021,804,089	1,924,078,158

Note: It mainly represents structured deposits and fund investments purchased by the Group, as at 31 December 2024, the fair value of structured deposits was determined based on an assessment of future cash flows and the fair value of fund investments was determined based on an assessment of quoted prices in an active market.

Notes to Financial Statements

For the year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

(V) Notes to Items in the Consolidated Financial Statements (continued)

3. Accounts receivable

Item	RMB	
	31 December 2024	31 December 2023
Accounts receivable	269,289,669	277,721,354
Less: Provision for bad debt	166,869,322	177,330,033
Total	102,420,347	100,391,321

(1) The aging analysis of accounts receivable by accounting date is as follows:

Aging	RMB	
	Gross carrying amount at 31 December 2024	Gross carrying amount at 31 December 2023
Within 1 year	102,495,602	100,395,481
1 to 2 years	1,111	-
2 to 3 years	-	38,202
3 to 4 years	38,202	-
4 to 5 years	-	-
Over 5 years	166,754,754	177,287,671
Total	269,289,669	277,721,354

(2) Disclosure by provision method for bad debt

					RMB
	31 December 2024				
	Gross carrying amount		Allowance for bad debt		
Category	Amount	Proportion (%)	Amount	Proportion (%)	Carrying amount
Allowance for bad debt made on an individual basis	26,242,020	9.7	26,242,020	100.0	-
Allowance for bad debt made on a portfolio basis	243,047,649	90.3	140,627,302	57.9	102,420,347
Total	269,289,669	100.0	166,869,322		102,420,347

Notes to Financial Statements

For the year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

(V) Notes to Items in the Consolidated Financial Statements (continued)

3. Accounts receivable (continued)

(2) Disclosure by provision method for bad debt (continued)

RMB

Category	31 December 2023				
	Gross carrying amount		Allowance for bad debt		Carrying amount
	Amount	Proportion (%)	Amount	Proportion (%)	
Allowance for bad debt made on an individual basis	26,242,020	9.4	26,242,020	100.0	-
Allowance for bad debt made on a portfolio basis	251,479,334	90.6	151,088,013	60.1	100,391,321
Total	277,721,354	100.0	177,330,033		100,391,321

Allowance for bad debt made on an individual basis

RMB

Name	31 December 2024			Reason
	Gross carrying amount	Allowance for bad debt	Proportion (%)	
Gansu Nongken Brewery Co., Ltd.	14,996,236	14,996,236	100.0	The funds are difficult to be recovered
Beijing Tsingtao Brewery Sales Co., Ltd. ("Beijing Sales Company")	11,245,784	11,245,784	100.0	The funds are difficult to be recovered
Total	26,242,020	26,242,020		

Notes to Financial Statements

For the year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

(V) Notes to Items in the Consolidated Financial Statements (continued)

3. Accounts receivable (continued)

(2) Disclosure by provision method for bad debt (continued)

RMB

Name	31 December 2023			Reason
	Gross carrying amount	Allowance for bad debt	Proportion (%)	
Gansu Nongken Brewery Co., Ltd.	14,996,236	14,996,236	100.0	The funds are difficult to be recovered
Beijing Sales Company	11,245,784	11,245,784	100.0	The funds are difficult to be recovered
Total	26,242,020	26,242,020		

The Group has ceased all business transactions with the above companies, and assessed the cash flows expected to be recovered under different scenarios and made allowance for bad debt based on the present value of the difference between these cash flows and the cash flows receivable from the contracts. The Group is of the view that the funds are difficult to be recovered, therefore, full allowance for bad debt has been made in prior years.

Allowance for bad debt made on a portfolio basis

As part of the Group's credit risk management, the Group uses the aging of accounts receivable to assess the expected credit loss of accounts receivable. Based on the Group's assessment of credit risk, the aging information is indicative of the customer's ability to pay the accounts receivable when due. The majority of the Group's sales are made by way of receipts in advance or bank acceptances, while the remaining sales are accompanied by a credit period of 30-100 days. The credit risk of and bad debt of accounts receivable are as follows:

RMB

Aging	31 December 2024			
	Expected average loss rate (%)	Gross carrying amount	Allowance for bad debt	Carrying amount
Not overdue	-	100,969,381	-	100,969,381
Overdue within 1 year	5	1,527,332	76,366	1,450,966
Overdue 1 to 2 years	50	-	-	-
Overdue more than 2 years	100	140,550,936	140,550,936	-
Total		243,047,649	140,627,302	102,420,347

Notes to Financial Statements

For the year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

(V) Notes to Items in the Consolidated Financial Statements (continued)

3. Accounts receivable (continued)

(2) Disclosure by provision method for bad debt (continued)

Aging	31 December 2023				RMB
	Expected average loss rate (%)	Gross carrying amount	Allowance for bad debt	Carrying amount	
Not overdue	-	100,312,281	-	100,312,281	
Overdue within 1 year	5	83,200	4,160	79,040	
Overdue 1 to 2 years	50	-	-	-	
Overdue more than 2 years	100	151,083,853	151,083,853	-	
Total	/	251,479,334	151,088,013	100,391,321	

(3) Allowance for bad debt

Category	31 December 2023	Changes for the year			31 December 2024	RMB
		Provision	Recovery or reversal	Write-off		
Accounts receivable	177,330,033	337,785	100,000	10,698,496	166,869,322	

There is no significant recovery or reversal of allowance for bad debt in the current year.

(4) In 2024, the Group wrote off accounts receivable amounting to RMB10,698,496 (2023: nil).

(5) Top five accounts receivable in closing balance categorized by debtors

Item	Balance	Allowance for bad debt	Proportion to total accounts receivable	RMB
Total of top five accounts receivable	65,389,012	34,583,753	24%	

Notes to Financial Statements

For the year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

(V) Notes to Items in the Consolidated Financial Statements (continued)

4. Advances to suppliers

(1) Disclosure of advances to suppliers by aging

Aging	31 December 2024		31 December 2023	
	Amount	Proportion (%)	Amount	Proportion (%)
Within 1 year	240,470,903	99.5	177,842,045	84.3
1 to 2 years	318,868	0.1	22,194,647	10.5
2 to 3 years	328,786	0.1	10,208,526	4.8
Over 3 years	778,203	0.3	729,918	0.4
Total	241,896,760	100.0	210,975,136	100.0

As at 31 December 2024, advances to suppliers aged over one year amounted to RMB1,425,857 (31 December 2023: RMB33,133,091). The counterparty has not yet been requested to deliver the products due to the production plan or other reasons.

(2) Top five advances to suppliers in closing balance categorized by receivers

As at 31 December 2024, the closing balance of the top five advances to suppliers is RMB107,919,422 (31 December 2023: RMB83,858,634), accounting for 45% of the total closing balance of advances to suppliers (31 December 2023: 40%).

5. Other receivables

(1) Disclosure by aging:

Aging	Gross carrying amount at 31 December 2024	Gross carrying amount at 31 December 2023
Not overdue	83,142,414	179,639,380
Overdue within 1 year	128,883	19,482,543
Overdue 1 to 2 years	15,039,050	939,886
Overdue more than 2 years	57,602,799	60,300,630
Total	155,913,146	260,362,439

Notes to Financial Statements

For the year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

(V) Notes to Items in the Consolidated Financial Statements (continued)

5. Other receivables (continued)

(2) Disclosure by nature:

Nature	RMB	
	Gross carrying amount at 31 December 2024	Gross carrying amount at 31 December 2023
Guarantee deposits	42,807,365	28,278,479
Receivables from materials	26,899,102	25,079,843
Refund of land and buildings receivable	17,441,647	17,441,647
Receivables from construction and equipment (Note 1)	9,124,860	8,575,760
Petty cash	8,592,468	10,357,435
Receivables from disposal of land	3,507,780	118,061,140
Export tax rebates	676,725	2,039,915
Others	46,863,199	50,528,220
Total	155,913,146	260,362,439

Note 1: It represents receivables from related parties and other external entities of Tsingtao Brewery Machinery and Equipment Co., Ltd. ("Machinery and Equipment Company"), Tsingtao Brewery Equipment Manufacturing Co., Ltd. ("Equipment Manufacturing Company") and Construction Company, subsidiaries of the Company, for construction and equipment.

(3) Allowance for bad debt

Allowance for bad debt	RMB		
	Stage I	Stage II	Stage III
	12-month ECL	Lifetime ECL (not credit-impaired)	Lifetime ECL (credit-impaired)
			Total
Balance at 1 January 2024	694,070	-	75,300,630
Balance at 1 January 2024 transferred during the year	694,070	-	75,300,630
- to Stage III	(665,339)	-	665,339
Provision	102,616	-	1,930,778
Reversal	105,378	-	296,045
Write-off	-	-	4,997,903
Balance at 31 December 2024	25,969	-	72,602,799

Notes to Financial Statements

For the year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

(V) Notes to Items in the Consolidated Financial Statements (continued)

5. Other receivables (continued)

(4) Allowance for bad debt for the year

RMB

Category	31 December 2023	Changes for the year			31 December 2024
		Provision	Reversal	Write-off	
Other receivables	75,994,700	2,033,394	401,423	4,997,903	72,628,768

(5) In 2024, the allowance for bad debt of other receivables actually written off amounted to RMB4,997,903 (2023: RMB4,928,445).

(6) Top five other receivables in closing balance categorized by debtors:

RMB

Name of the entity	Gross carrying amount at 31 December 2024	Proportion to total other receivables as at 31 December 2024 (%)	Nature	Aging	Closing balance of allowance for bad debt
No.1	15,000,000	9.6	Security deposits for land receivable	1-2 years	15,000,000
No.2	8,584,437	5.5	Refund of land receivable	Over 5 years	8,584,437
No.3	5,000,000	3.2	Receivables from materials	Over 5 years	5,000,000
No.4	4,616,730	3.0	Receivables from materials	Over 5 years	4,616,730
No.5	3,110,000	2.0	Receivables from disposal of land	Over 5 years	3,110,000
Total	36,311,167	23.3			36,311,167

(7) The Group does not have amounts attributed to other parties and presented in other receivables as a result of centralized management of funds.

Notes to Financial Statements

For the year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

(V) Notes to Items in the Consolidated Financial Statements (continued)

6. Inventories

(1) Category of inventories

Item	31 December 2024			31 December 2023		
	Gross carrying amount	Provision for decline in value	Carrying amount	Gross carrying amount	Provision for decline in value	Carrying amount
Raw materials	657,782,989	568,513	657,214,476	631,065,277	867,241	630,198,036
Packaging materials	843,507,955	4,894,271	838,613,684	764,775,186	4,611,059	760,164,127
Low-cost and short-lived consumables	79,162,141	-	79,162,141	77,914,938	-	77,914,938
Work in progress	478,344,613	-	478,344,613	529,788,219	-	529,788,219
Goods on hand	1,523,052,623	-	1,523,052,623	1,541,762,985	-	1,541,762,985
Total	3,581,850,321	5,462,784	3,576,387,537	3,545,306,605	5,478,300	3,539,828,305

(2) Provision for decline in value of inventories

Item	31 December 2023	Increase in the year	Reversal	Write-off	31 December 2024
Raw materials	867,241	-	298,728	-	568,513
Packaging materials	4,611,059	3,648,016	3,326,625	38,179	4,894,271
Total	5,478,300	3,648,016	3,625,353	38,179	5,462,784

Item	31 December 2022	Increase in the year	Write-off	31 December 2023
Raw materials	899,894	-	32,653	867,241
Packaging materials	2,517,462	3,326,626	1,233,029	4,611,059
Total	3,417,356	3,326,626	1,265,682	5,478,300

Item	Specific basis for determining net realizable value	Reasons for reversal/write-off
Raw materials and packaging materials	Estimated selling price less estimated costs to be incurred to completion, estimated selling and distribution expenses and related taxes	Sold or net realizable value rebounded

Notes to Financial Statements

For the year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

(V) Notes to Items in the Consolidated Financial Statements (continued)

7. Current portion of non-current assets

Item	RMB	
	31 December 2024	31 December 2023
Other non-current financial assets due within one year (Note (V) 10)	51,713,930	28,432,377

8. Other current assets

Item	RMB	
	31 December 2024	31 December 2023
Prepaid enterprise income tax	439,522,554	343,170,789
VAT to be deducted	347,281,015	272,074,959
Treasury bonds reverse repurchase investments (Note)	130,029,342	-
Interbank deposits (Note)	108,358,937	3,554,841,231
Input VAT to be verified	95,195,085	141,105,029
Credit and factoring business (Note)	12,014,386	12,617,905
Others	439,727	20,354,044
Less: Impairment provision for other current assets	205,422	2,416,105
Total	1,132,635,624	4,341,747,852

Note: It represents the treasury bonds reverse repurchase investments, interbank deposits due within one year purchased by Finance Company, a subsidiary of the Company, and the loans granted to the dealers. The management holds this type of investment for the purpose of obtaining contractual cash flow rather than trading at any time. The characteristics of contractual cash flow are consistent with the basic loan arrangement, so it is included in other current assets at amortized cost, and classified in Stage 1.

Notes to Financial Statements

For the year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

(V) Notes to Items in the Consolidated Financial Statements (continued)

9. Long-term equity investments

RMB

Investees	Gross carrying amount at 31 December 2023	Changes for the year							Gross carrying amount at 31 December 2024	Opening balance of provision for impairment	Closing balance of provision for impairment
		Increased investment	Decreased investment	Investment income or loss recognized under equity method	Adjustment to other comprehensive income	Other changes in equity	Cash dividends or profits declared	Other changes			
I. Joint venture											
Hebei Jiahe Beer Co., Ltd. ("Hebei Jiahe Company") (Note 1)	216,772,296	-	-	4,740,315	-	-	(7,500,000)	-	214,012,611	-	-
II. Associates											
Shandong Yantai Brewery Co., Ltd. ("Yantai Brewery Company")	132,501,116	-	-	37,002,758	-	-	(7,775,267)	-	161,728,607	-	-
Qingdao Zhaoshang Logistics Co., Ltd. ("Zhaoshang Logistics Company")	11,917,798	-	-	3,142,950	-	1,043	(2,881,782)	-	12,180,009	-	-
Tsingtao Brewery Europe Trading Co., Ltd. ("European Company")	3,545,770	-	-	571,693	(164,887)	-	-	-	3,952,576	-	-
Liaoning Shenqing Tsingtao Brewery Co., Ltd. ("Liaoning Shenqing Company") (Note 2)	-	-	-	-	-	-	-	-	-	-	-
Others	1,220,000	-	-	-	-	-	-	-	1,220,000	(1,220,000)	(1,220,000)
Total	365,956,980	-	-	45,457,716	(164,887)	1,043	(18,157,049)	-	393,093,803	(1,220,000)	(1,220,000)

RMB

Investees	Gross carrying amount at 31 December 2022	Changes for the year							Gross carrying amount at 31 December 2023	Opening balance of provision for impairment	Closing balance of provision for impairment
		Increased investment	Decreased investment	Investment income or loss recognized under equity method	Adjustment to other comprehensive income	Other changes in equity	Cash dividends or profits declared	Other changes			
I. Joint venture											
Hebei Jiahe Company (Note 1)	220,762,244	-	-	5,010,052	-	-	(9,000,000)	-	216,772,296	-	-
II. Associates											
Yantai Brewery Company	129,800,797	-	-	13,296,262	-	-	(10,595,943)	-	132,501,116	-	-
Zhaoshang Logistics Company	14,314,260	-	-	2,881,782	-	1,758	(5,280,002)	-	11,917,798	-	-
European Company	3,251,165	-	-	100,763	193,842	-	-	-	3,545,770	-	-
Liaoning Shenqing Company (Note 2)	-	-	-	-	-	-	-	-	-	-	-
Others	1,220,000	-	-	-	-	-	-	-	1,220,000	(1,220,000)	(1,220,000)
Total	369,348,466	-	-	21,288,859	193,842	1,758	(24,875,945)	-	365,956,980	(1,220,000)	(1,220,000)

Note 1: The share of equity interests and voting rights held by the Company are both 50% in Hebei Jiahe Company, so the Company owns joint control over Hebei Jiahe Company and accounts for it as a joint venture.

Note 2: Liaoning Shenqing Company's net assets are negative due to continuous losses, and the Group has no obligation to bear additional losses. Therefore, when recognizing the Group's share of net loss incurred, the carrying amount of long-term equity investments is written down to zero. As at 31 December 2024, the accumulative investment loss unrecognized is RMB519,463 (31 December 2023: RMB851,442).

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(All amounts in RMB Yuan unless otherwise stated)

(V) Notes to Items in the Consolidated Financial Statements (continued)

10. Other non-current financial assets

Item	RMB	
	31 December 2024	31 December 2023
Debt instruments	2,549,493,680	1,453,317,927
Others	600,000	600,000
Less: Debt instruments due within one year	51,713,930	28,432,377
Total	2,498,379,750	1,425,485,550

Debt instruments represent the secondary capital bonds purchased by Finance Company, a subsidiary of the Company, from the bank, whose contractual cash flow characteristics are inconsistent with the basic credit arrangement, and which are expected to be held for more than one year, and will be included in other non-current financial assets at fair value; the part that can be recovered within one year is listed as current portion of non-current assets. The Group's maximum exposure to this investment is the carrying amount of the Group's purchased shares at the balance sheet date.

Notes to Financial Statements

For the year ended 31 December 2024

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(V) Notes to Items in the Consolidated Financial Statements (continued)

11. Investment properties

(1) Investment properties measured at cost

Item	Buildings	Land use rights	RMB Total
I. Original cost			
31 December 2023	87,639,510	20,130,316	107,769,826
Increase in the year	2,976,348	247,295	3,223,643
(1) Purchases	971,293	-	971,293
(2) Transfer from fixed assets and intangible assets	2,005,055	247,295	2,252,350
Decrease in the year	9,985,638	1,885,720	11,871,358
(1) Transfer to fixed assets and intangible assets	9,985,638	1,885,720	11,871,358
31 December 2024	80,630,220	18,491,891	99,122,111
II. Accumulated depreciation and accumulated amortization			
31 December 2023	49,198,203	5,478,353	54,676,556
Increase in the year	2,323,547	516,013	2,839,560
(1) Provision or amortization	1,986,761	423,958	2,410,719
(2) Transfer from fixed assets and intangible assets	336,786	92,055	428,841
Decrease in the year	6,579,473	1,044,804	7,624,277
(1) Transfer to fixed assets and intangible assets	6,579,473	1,044,804	7,624,277
31 December 2024	44,942,277	4,949,562	49,891,839
III. Provision for impairment			
31 December 2023	8,928,400	-	8,928,400
Increase in the year	1,733	-	1,733
(1) Transfer from fixed assets	1,733	-	1,733
Decrease in the year	838,779	-	838,779
(1) Transfer to fixed assets	838,779	-	838,779
31 December 2024	8,091,354	-	8,091,354
IV. Carrying amount			
31 December 2024	27,596,589	13,542,329	41,138,918
31 December 2023	29,512,907	14,651,963	44,164,870

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For the year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

(V) Notes to Items in the Consolidated Financial Statements (continued)

11. Investment properties (continued)

(1) Investment properties measured at cost (continued)

Item	Buildings	Land use rights	RMB Total
I. Original cost			
31 December 2022	78,607,221	8,685,220	87,292,441
Increase in the year	11,147,646	11,445,096	22,592,742
(1) Transfer from fixed assets and intangible assets	11,147,646	11,445,096	22,592,742
Decrease in the year	2,115,357	-	2,115,357
(1) Transfer to fixed assets	2,115,357	-	2,115,357
31 December 2023	87,639,510	20,130,316	107,769,826
II. Accumulated depreciation and accumulated amortization			
31 December 2022	46,022,539	2,964,806	48,987,345
Increase in the year	4,401,969	2,513,547	6,915,516
(1) Provision or amortization	2,012,460	396,204	2,408,664
(2) Transfer from fixed assets and intangible assets	2,389,509	2,117,343	4,506,852
Decrease in the year	1,226,305	-	1,226,305
(1) Transfer to fixed assets	1,226,305	-	1,226,305
31 December 2023	49,198,203	5,478,353	54,676,556
III. Provision for impairment			
31 December 2022	9,248,640	-	9,248,640
Increase in the year	64,749	-	64,749
(1) Transfer from fixed assets	64,749	-	64,749
Decrease in the year	384,989	-	384,989
(1) Transfer to fixed assets	384,989	-	384,989
31 December 2023	8,928,400	-	8,928,400
IV. Carrying amount			
31 December 2023	29,512,907	14,651,963	44,164,870
31 December 2022	23,336,042	5,720,414	29,056,456

(2) As at 31 December 2024, the Group has no investment properties without ownership certificates (31 December 2023: nil).

Notes to Financial Statements

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(All amounts in RMB Yuan unless otherwise stated)

(V) Notes to Items in the Consolidated Financial Statements (continued)

12. Fixed assets

12.1 Summary of fixed assets

Item	RMB	
	31 December 2024	31 December 2023
Fixed assets	11,804,204,661	11,131,822,943
Disposal of fixed assets	13,445,973	13,895,980
Total	11,817,650,634	11,145,718,923

12.2 Fixed assets

(1) Details of fixed assets

RMB					
Item	Buildings	Machinery and equipment	Transportation vehicles	Other equipment	Total
I. Original cost					
31 December 2023	8,290,325,344	12,062,862,209	251,159,242	1,255,991,655	21,860,338,450
Increase in the year	812,142,677	929,429,432	26,235,022	258,281,509	2,026,088,640
(1) Purchases	-	20,340,303	26,235,022	97,913,178	144,488,503
(2) Transfer from construction in progress	802,157,039	909,089,129	-	160,368,331	1,871,614,499
(3) Transfer from investment properties	9,985,638	-	-	-	9,985,638
Decrease in the year	270,785,512	616,024,194	24,544,077	60,204,830	971,558,613
(1) Disposal or retirement	113,080,026	266,203,200	24,544,077	57,842,362	461,669,665
(2) Transfer to construction in progress	155,700,431	349,820,994	-	2,362,468	507,883,893
(3) Transfer to investment properties	2,005,055	-	-	-	2,005,055
31 December 2024	8,831,682,509	12,376,267,447	252,850,187	1,454,068,334	22,914,868,477
II. Accumulated depreciation					
31 December 2023	2,393,522,944	6,689,119,756	185,188,280	866,227,751	10,134,058,731
Increase in the year	258,122,399	591,338,471	11,303,902	115,139,076	975,903,848
(1) Provision	251,542,926	591,338,471	11,303,902	115,139,076	969,324,375
(2) Transfer from investment properties	6,579,473	-	-	-	6,579,473
Decrease in the year	102,071,130	361,604,938	22,521,402	53,735,959	539,933,429
(1) Disposal or retirement	67,961,236	183,422,477	22,521,402	52,649,231	326,554,346
(2) Transfer to construction in progress	33,773,108	178,182,461	-	1,086,728	213,042,297
(3) Transfer to investment properties	336,786	-	-	-	336,786
31 December 2024	2,549,574,213	6,918,853,289	173,970,780	927,630,868	10,570,029,150

Notes to Financial Statements

For the year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

(V) Notes to Items in the Consolidated Financial Statements (continued)

12. Fixed assets (continued)

12.2 Fixed assets (continued)

(1) Details of fixed assets (continued)

					RMB
Item	Buildings	Machinery and equipment	Transportation vehicles	Other equipment	Total
III. Provision for impairment					
31 December 2023	177,481,914	410,251,403	2,533,805	4,189,654	594,456,776
Increase in the year	1,474,789	30,305,801	1,246,030	3,565,806	36,592,426
(1) Provision	636,010	30,305,801	1,246,030	3,565,806	35,753,647
(2) Transfer from investment properties	838,779	-	-	-	838,779
Decrease in the year	30,081,806	57,473,067	981,334	1,878,329	90,414,536
(1) Disposal or retirement	30,080,073	57,473,067	981,334	1,878,329	90,412,803
(2) Transfer to investment properties	1,733	-	-	-	1,733
31 December 2024	148,874,897	383,084,137	2,798,501	5,877,131	540,634,666
IV. Carrying amount					
31 December 2024	6,133,233,399	5,074,330,021	76,080,906	520,560,335	11,804,204,661
31 December 2023	5,719,320,486	4,963,491,050	63,437,157	385,574,250	11,131,822,943

Notes to Financial Statements

For the year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

(V) Notes to Items in the Consolidated Financial Statements (continued)

12. Fixed assets (continued)

12.2 Fixed assets (continued)

(1) Details of fixed assets (continued)

	RMB				
Item	Buildings	Machinery and equipment	Transportation vehicles	Other equipment	Total
I. Original cost					
31 December 2022	8,068,783,521	11,815,614,003	270,763,103	1,168,657,061	21,323,817,688
Increase in the year	450,732,232	805,540,724	12,021,567	140,014,743	1,408,309,266
(1) Purchases	-	88,226,552	12,021,567	83,973,643	184,221,762
(2) Transfer from construction in progress	448,616,875	717,314,172	-	56,041,100	1,221,972,147
(3) Transfer from investment properties	2,115,357	-	-	-	2,115,357
Decrease in the year	229,190,409	558,292,518	31,625,428	52,680,149	871,788,504
(1) Disposal or retirement	41,030,049	330,161,053	31,625,428	51,449,775	454,266,305
(2) Transfer to construction in progress	177,012,714	228,131,465	-	1,230,374	406,374,553
(3) Transfer to investment properties	11,147,646	-	-	-	11,147,646
31 December 2023	8,290,325,344	12,062,862,209	251,159,242	1,255,991,655	21,860,338,450
II. Accumulated depreciation					
31 December 2022	2,257,787,475	6,505,166,495	200,325,398	813,775,542	9,777,054,910
Increase in the year	219,608,152	597,739,040	13,618,013	100,905,602	931,870,807
(1) Provision	218,381,847	597,739,040	13,618,013	100,905,602	930,644,502
(2) Transfer from investment properties	1,226,305	-	-	-	1,226,305
Decrease in the year	83,872,683	413,785,779	28,755,131	48,453,393	574,866,986
(1) Disposal or retirement	22,819,332	265,534,590	28,755,131	47,485,601	364,594,654
(2) Transfer to construction in progress	58,663,842	148,251,189	-	967,792	207,882,823
(3) Transfer to investment properties	2,389,509	-	-	-	2,389,509
31 December 2023	2,393,522,944	6,689,119,756	185,188,280	866,227,751	10,134,058,731
III. Provision for impairment					
31 December 2022	155,257,972	388,218,992	3,533,952	4,166,003	551,176,919
Increase in the year	28,691,508	48,548,861	522,826	2,148,888	79,912,083
(1) Provision	28,306,519	48,548,861	522,826	2,148,888	79,527,094
(2) Transfer from investment properties	384,989	-	-	-	384,989
Decrease in the year	6,467,566	26,516,450	1,522,973	2,125,237	36,632,226
(1) Disposal or retirement	6,402,817	26,516,450	1,522,973	2,125,237	36,567,477
(2) Transfer to investment properties	64,749	-	-	-	64,749
31 December 2023	177,481,914	410,251,403	2,533,805	4,189,654	594,456,776
IV. Carrying amount					
31 December 2023	5,719,320,486	4,963,491,050	63,437,157	385,574,250	11,131,822,943
31 December 2022	5,655,738,074	4,922,228,516	66,903,753	350,715,516	10,995,585,859

Notes to Financial Statements

For the year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

(V) Notes to Items in the Consolidated Financial Statements (continued)

12. Fixed assets (continued)

12.2 Fixed assets (continued)

(2) Temporarily idle fixed assets

31 December 2024

				<i>RMB</i>
Item	Original cost	Accumulated depreciation	Provision for impairment	Carrying amount
Machinery and equipment	175,175,359	125,854,958	4,980,370	44,340,031
Buildings	19,460,959	9,438,826	7,981,754	2,040,379
Total	194,636,318	135,293,784	12,962,124	46,380,410

31 December 2023

				<i>RMB</i>
Item	Original cost	Accumulated depreciation	Provision for impairment	Carrying amount
Machinery and equipment	188,298,416	140,272,019	3,527,181	44,499,216
Buildings	19,403,703	9,335,619	7,981,754	2,086,330
Total	207,702,119	149,607,638	11,508,935	46,585,546

As at 31 December 2024, the buildings and the machinery and equipment with carrying amount of RMB46,380,410 (Original cost: RMB194,636,318) are temporarily idle for product update or other reasons (31 December 2023: carrying amount of RMB46,585,546 (Original cost: RMB207,702,119)). The management plans to reallocate these assets within the Group or upgrade these assets.

(3) The Group has no fixed assets leased out under operating leases.

Notes to Financial Statements

For the year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

(V) Notes to Items in the Consolidated Financial Statements (continued)

12. Fixed assets (continued)

12.2 Fixed assets (continued)

(4) Fixed assets without ownership certificates as at 31 December 2024

Item	Carrying amount at 31 December 2024	Carrying amount at 31 December 2023	RMB Reason for not obtaining ownership certificates
Buildings	118,288,000	511,131,000	In process
Buildings	132,855,000	36,787,000	Unable to obtain the ownership certificates

The directors of the Company are of the view that there are no substantial legal impediments to buildings with ownership certificates in the process, and buildings for which ownership certificates cannot be obtained will not affect the Group's normal use of these buildings, and have no significant impact on the normal operations of the Group, therefore, no provision for impairment of fixed assets has been made.

(5) Impairment testing of fixed assets

Item	Carrying amount	Recoverable amount	Impairment amount	Determination of fair value and cost of disposal	Key parameters	RMB Basis for determining key parameters
Fixed assets with impairment indicators	39,251,330	3,497,683	35,753,647	Market inquiry	Market price	Accounting Standards for Business Enterprises No. 8 - Impairment of Assets

(6) As at 31 December 2024, the Group has no fixed assets pledged as collateral for bank borrowings (31 December 2023: nil).

Notes to Financial Statements

For the year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

(V) Notes to Items in the Consolidated Financial Statements (continued)

12. Fixed assets (continued)

12.3 Disposal of fixed assets

Item	RMB	
	31 December 2024	31 December 2023
Machinery and equipment	13,445,973	13,895,980

13. Construction in progress

(1) Details of construction in progress

Item	31 December 2024			31 December 2023		
	Gross carrying amount	Provision for impairment	Carrying amount	Gross carrying amount	Provision for impairment	Carrying amount
A production line improvement in Ludong	198,930,329	-	198,930,329	9,733,072	-	9,733,072
A production line improvement in Ludong	155,113,919	-	155,113,919	98,416,913	-	98,416,913
A production line improvement in Jiangsu	44,752,346	-	44,752,346	2,171,592	-	2,171,592
A R&D Center in Ludong	39,221,157	-	39,221,157	223,807,829	-	223,807,829
A plant construction project in Luzhong	36,931,666	-	36,931,666	-	-	-
A production line construction in Ludong	15,660,587	-	15,660,587	37,186,221	-	37,186,221
A production line construction in Heilongjiang	11,390,582	-	11,390,582	-	-	-
A production line improvement in Lunan	10,035,929	-	10,035,929	53,774	-	53,774
A plant construction project in Lunan	9,711,978	-	9,711,978	-	-	-
A plant construction project in Hubei	7,900,687	-	7,900,687	-	-	-
A plant construction project in Luxi	7,756,774	-	7,756,774	53,439,453	-	53,439,453
A production line construction in Henan	6,948,972	-	6,948,972	1,945,710	-	1,945,710
A production line improvement in Ludong	5,396,132	-	5,396,132	7,476,515	-	7,476,515
A production line improvement in Anhui	3,303,065	-	3,303,065	6,918,679	-	6,918,679
A relocation project in Lunan	-	-	-	7,116,349	-	7,116,349
Others	77,820,496	-	77,820,496	50,308,852	-	50,308,852
Total	630,874,619	-	630,874,619	498,574,959	-	498,574,959

Notes to Financial Statements

For the year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

(V) Notes to Items in the Consolidated Financial Statements (continued)

13. Construction in progress (continued)

(2) Movements in significant construction in progress in the current year

The significant construction in progress of the Group is listed as follows:

								RMB
Item	Budget	31 December 2023	Increase in the year	Transfer to fixed assets	31 December 2024	Proportion of expenditures to budget (%)	Project progress (%)	Source of funds
A production line improvement in Ludong	691,305,000	9,733,072	215,427,066	26,229,809	198,930,329	38	35	Self-funding
A production line improvement in Ludong	466,613,300	98,416,913	188,371,079	131,674,073	155,113,919	62	63	Self-funding
A production line improvement in Jiangsu	118,577,405	2,171,592	51,977,557	9,396,803	44,752,346	77	69	Self-funding
A R&D Center in Ludong	445,042,085	223,807,829	203,958,881	388,545,553	39,221,157	96	96	Self-funding
A plant construction project in Luzhong	106,485,451	-	36,931,666	-	36,931,666	42	35	Self-funding
A production line construction in Ludong	505,458,793	37,186,221	88,834,638	110,360,272	15,660,587	79	78	Self-funding
A production line construction in Heilongjiang	66,596,445	-	55,535,756	44,145,174	11,390,582	83	83	Self-funding
A production line improvement in Lunan	58,498,009	53,774	39,884,066	29,901,911	10,035,929	68	68	Self-funding
A plant construction project in Lunan	60,000,000	-	14,210,656	4,498,678	9,711,978	42	24	Self-funding
A plant construction project in Hubei	15,000,811	-	13,726,913	5,826,226	7,900,687	92	92	Self-funding
A plant construction project in Luxi	414,048,473	53,439,453	301,040,876	346,723,555	7,756,774	92	86	Self-funding
A production line construction in Henan	135,844,776	1,945,710	134,712,792	129,709,530	6,948,972	99	99	Self-funding
A production line improvement in Ludong	31,407,807	7,476,515	11,013,487	13,093,870	5,396,132	83	83	Self-funding
A production line improvement in Anhui	24,976,017	6,918,679	16,378,825	19,994,439	3,303,065	93	93	Self-funding
A relocation project in Lunan	645,072,574	7,116,349	18,988,584	26,104,933	-	100	100	Self-funding
Others	N/A	50,308,852	612,921,317	585,409,673	77,820,496	N/A	N/A	Self-funding
Total		498,574,959	2,003,914,159	1,871,614,499	630,874,619			

Notes to Financial Statements

For the year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

(V) Notes to Items in the Consolidated Financial Statements (continued)

13. Construction in progress (continued)

(2) Movements in significant construction in progress in the current year (continued)

The significant construction in progress of the Group is listed as follows: (continued)

								RMB
Item	Budget	31 December 2022	Increase in the year	Transfer to fixed assets	31 December 2023	Proportion of expenditures to budget (%)	Project progress (%)	Source of funds
A R&D Center in Ludong	579,460,000	134,020,116	89,787,713	-	223,807,829	39	39	Self-funding
A production line improvement in Ludong	403,277,000	12,449,509	92,944,264	6,976,860	98,416,913	34	34	Self-funding
A plant construction project in Luxi	445,100,000	6,779,718	49,128,065	2,468,330	53,439,453	12	12	Self-funding
A production line construction in Ludong	240,406,000	21,525,153	66,598,863	50,937,795	37,186,221	60	60	Self-funding
A production line improvement in Ludong	142,798,374	1,324,630	25,794,797	17,386,355	9,733,072	34	34	Self-funding
A production line improvement in Ludong	58,218,884	292,036	24,432,227	17,247,748	7,476,515	69	69	Self-funding
A relocation project in Lunan	751,680,000	5,662,122	37,382,634	35,928,407	7,116,349	96	96	Self-funding
A production line improvement in Anhui	49,183,507	220,181	19,741,966	13,043,468	6,918,679	90	90	Self-funding
A production line improvement in Guangdong	14,118,243	428,159	13,818,309	8,333,603	5,912,865	91	88	Self-funding
A relocation project in Ludong	326,410,000	49,985,995	204,462,894	249,106,149	5,342,740	79	79	Self-funding
A production line improvement in Shanghai	27,423,800	1,474,779	18,456,571	14,963,895	4,967,455	73	73	Self-funding
A production line improvement in Ludong	584,920,000	101,273,535	27,270,920	124,534,933	4,009,522	96	96	Self-funding
A production line improvement in Shanghai	25,838,150	13,783,695	36,347	10,759,955	3,060,087	91	71	Self-funding
A production line improvement in Jiangsu	28,143,167	13,583,993	16,294,696	27,707,097	2,171,592	99	98	Self-funding
A production line improvement in Beijing	68,696,976	16,075,774	51,400,886	65,506,545	1,970,115	98	98	Self-funding
A production line construction in Henan	50,715,335	8,932,671	23,738,934	30,725,895	1,945,710	99	99	Self-funding
A production line improvement in Ludong	13,054,520	1,656,644	8,848,092	8,598,930	1,905,806	80	80	Self-funding
Others	N/A	67,060,341	493,879,877	537,746,182	23,194,036	N/A	N/A	Self-funding
Total		456,529,051	1,264,018,055	1,221,972,147	498,574,959			

Notes to Financial Statements

For the year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

(V) Notes to Items in the Consolidated Financial Statements (continued)

13. Construction in progress (continued)

(2) Movements in significant construction in progress in the current year (continued)

The significant construction in progress of the Group is listed as follows: (continued)

In 2024, there are no additional borrowing costs capitalized (2023: nil).

(3) As at 31 December 2024, the Group has no construction in progress for which provision for impairment is required.

14. Right-of-use assets

(1) Presentation of right-of-use assets

					RMB
Item	Buildings	Land use rights	Machinery and equipment	Others	Total
I. Original cost					
31 December 2023	235,823,105	7,210,018	5,519,424	349,486	248,902,033
Increase in the year	70,614,269	-	131,806	1,196,195	71,942,270
(1) New leases	70,614,269	-	131,806	1,196,195	71,942,270
Decrease in the year	72,675,949	-	3,031,501	42,489	75,749,939
(1) Termination of leases	72,675,949	-	3,031,501	42,489	75,749,939
31 December 2024	233,761,425	7,210,018	2,619,729	1,503,192	245,094,364
II. Accumulated depreciation					
31 December 2023	122,449,266	2,628,516	4,047,868	229,505	129,355,155
Increase in the year	56,468,637	539,280	915,101	556,941	58,479,959
(1) Provision	56,468,637	539,280	915,101	556,941	58,479,959
Decrease in the year	55,339,385	-	3,031,501	42,489	58,413,375
(1) Termination of leases	55,339,385	-	3,031,501	42,489	58,413,375
31 December 2024	123,578,518	3,167,796	1,931,468	743,957	129,421,739
III. Provision for impairment					
Balance at 31 December 2023 and 31 December 2024	-	-	-	-	-
IV. Carrying amount					
31 December 2024	110,182,907	4,042,222	688,261	759,235	115,672,625
31 December 2023	113,373,839	4,581,502	1,471,556	119,981	119,546,878

Notes to Financial Statements

For the year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

(V) Notes to Items in the Consolidated Financial Statements (continued)

14. Right-of-use assets (continued)

(1) Presentation of right-of-use assets (continued)

					RMB
Item	Buildings	Land use rights	Machinery and equipment	Others	Total
I. Original cost					
31 December 2022	243,333,328	7,210,018	6,167,984	346,913	257,058,243
Increase in the year	27,613,537	-	-	2,573	27,616,110
(1) New leases	27,613,537	-	-	2,573	27,616,110
Decrease in the year	35,123,760	-	648,560	-	35,772,320
(1) Expiry of leases	26,911,172	-	1,089	-	26,912,261
(2) Lease modification	8,212,588	-	647,471	-	8,860,059
31 December 2023	235,823,105	7,210,018	5,519,424	349,486	248,902,033
II. Accumulated depreciation					
31 December 2022	96,781,127	2,089,236	3,143,825	127,888	102,142,076
Increase in the year	52,579,311	539,280	905,132	101,617	54,125,340
(1) Provision	52,579,311	539,280	905,132	101,617	54,125,340
Decrease in the year	26,911,172	-	1,089	-	26,912,261
(1) Termination of leases	26,911,172	-	1,089	-	26,912,261
31 December 2023	122,449,266	2,628,516	4,047,868	229,505	129,355,155
III. Provision for impairment					
Balance at 31 December 2022 and 31 December 2023	-	-	-	-	-
IV. Carrying amount					
31 December 2023	113,373,839	4,581,502	1,471,556	119,981	119,546,878
31 December 2022	146,552,201	5,120,782	3,024,159	219,025	154,916,167

(2) At 31 December 2024, the Group has no right-of-use assets for which provision for impairment is required.

Notes to Financial Statements

For the year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

(V) Notes to Items in the Consolidated Financial Statements (continued)

15. Intangible assets

(1) Details of intangible assets

Item	RMB					
	Land use rights	Trademarks	Technology known-how	Marketing networks	Software and others	Total
I. Original cost						
31 December 2023	2,844,791,731	449,743,612	18,629,100	974,935,670	803,317,789	5,091,417,902
Increase in the year	225,598,635	-	-	-	136,603,266	362,201,901
(1) Purchases	223,712,915	-	-	-	136,603,266	360,316,181
(2) Transfer from investment properties	1,885,720	-	-	-	-	1,885,720
Decrease in the year	10,212,986	-	-	-	6,213,349	16,426,335
(1) Disposal or retirement	9,965,691	-	-	-	6,213,349	16,179,040
(2) Transfer to investment properties	247,295	-	-	-	-	247,295
31 December 2024	3,060,177,380	449,743,612	18,629,100	974,935,670	933,707,706	5,437,193,468
II. Accumulated amortization						
31 December 2023	764,818,304	384,737,256	18,629,100	970,662,194	459,501,980	2,598,348,834
Increase in the year	68,581,528	1,446,763	-	4,273,476	87,833,756	162,135,523
(1) Provision	67,536,724	1,446,763	-	4,273,476	87,833,756	161,090,719
(2) Transfer from investment properties	1,044,804	-	-	-	-	1,044,804
Decrease in the year	2,023,404	-	-	-	5,388,069	7,411,473
(1) Disposal or retirement	1,931,349	-	-	-	5,388,069	7,319,418
(2) Transfer to investment properties	92,055	-	-	-	-	92,055
31 December 2024	831,376,428	386,184,019	18,629,100	974,935,670	541,947,667	2,753,072,884
III. Provision for impairment						
Balance at 31 December 2023 and 31 December 2024	-	-	-	-	-	-
IV. Carrying amount						
31 December 2024	2,228,800,952	63,559,593	-	-	391,760,039	2,684,120,584
31 December 2023	2,079,973,427	65,006,356	-	4,273,476	343,815,809	2,493,069,068

Notes to Financial Statements

For the year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

(V) Notes to Items in the Consolidated Financial Statements (continued)

15. Intangible assets (continued)

(1) Details of intangible assets (continued)

Item	RMB					
	Land use rights	Trademarks	Technology known-how	Marketing networks	Software and others	Total
I. Original cost						
31 December 2022	2,889,935,942	449,743,612	18,629,100	974,935,670	682,547,388	5,015,791,712
Increase in the year	85,028	-	-	-	121,004,910	121,089,938
(1) Purchases	85,028	-	-	-	121,004,910	121,089,938
Decrease in the year	45,229,239	-	-	-	234,509	45,463,748
(1) Disposal or retirement	33,784,143	-	-	-	234,509	34,018,652
(2) Transfer to investment properties	11,445,096	-	-	-	-	11,445,096
31 December 2023	2,844,791,731	449,743,612	18,629,100	974,935,670	803,317,789	5,091,417,902
II. Accumulated amortization						
31 December 2022	710,475,303	381,923,778	18,629,100	955,185,200	391,757,987	2,457,971,368
Increase in the year	66,952,144	2,813,478	-	15,476,994	67,978,502	153,221,118
(1) Provision	66,952,144	2,813,478	-	15,476,994	67,978,502	153,221,118
Decrease in the year	12,609,143	-	-	-	234,509	12,843,652
(1) Disposal or retirement	10,491,800	-	-	-	234,509	10,726,309
(2) Transfer to investment properties	2,117,343	-	-	-	-	2,117,343
31 December 2023	764,818,304	384,737,256	18,629,100	970,662,194	459,501,980	2,598,348,834
III. Provision for impairment						
Balance at 31 December 2022 and 31 December 2023	-	-	-	-	-	-
IV. Carrying amount						
31 December 2023	2,079,973,427	65,006,356	-	4,273,476	343,815,809	2,493,069,068
31 December 2022	2,179,460,639	67,819,834	-	19,750,470	290,789,401	2,557,820,344

As at 31 December 2024, the Group has no intangible assets pledged as collateral for bank borrowings (31 December 2023: nil).

As at 31 December 2024, the Group has no intangible assets formed through internal research and development (31 December 2023: nil).

(2) As at 31 December 2024, the Group has no land use rights without an appropriate ownership certificate.

(3) As at 31 December 2024, the Group has no intangible assets for which provision for impairment is required.

Notes to Financial Statements

For the year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

(V) Notes to Items in the Consolidated Financial Statements (continued)

16. Goodwill

(1) Original cost of goodwill

RMB				
Asset group	31 December 2023	Increase in the year Goodwill arising from business combinations	Decrease in the year Disposal	31 December 2024
Shandong Region - Immense Brewery Company	958,868,617	-	-	958,868,617
Shandong Region - Lulansa Company	227,026,482	-	-	227,026,482
South China Region - Nanning Company	130,895,740	-	-	130,895,740
Southeast Region - Fuzhou Company/ Xiamen Company/Zhangzhou Company/Dongnan Sales Company	114,031,330	-	-	114,031,330
North China Region - Three Ring Company/Beifang Sales Company	24,642,782	-	-	24,642,782
Others	49,049,770	-	-	49,049,770
Total	1,504,514,721	-	-	1,504,514,721

RMB				
Asset group	31 December 2022	Increase in the year Goodwill arising from business combinations	Decrease in the year Disposal	31 December 2023
Shandong Region - Immense Brewery Company	958,868,617	-	-	958,868,617
Shandong Region - Lulansa Company	227,026,482	-	-	227,026,482
South China Region - Nanning Company	130,895,740	-	-	130,895,740
Southeast Region - Fuzhou Company/ Xiamen Company/Zhangzhou Company/Dongnan Sales Company	114,031,330	-	-	114,031,330
North China Region - Three Ring Company/Beifang Sales Company	24,642,782	-	-	24,642,782
Others	49,049,770	-	-	49,049,770
Total	1,504,514,721	-	-	1,504,514,721

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For the year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

(V) Notes to Items in the Consolidated Financial Statements (continued)

16. Goodwill (continued)

(2) Provision for impairment of goodwill

RMB

Asset group	31 December 2023	Increase in the year Provision	Decrease in the year Disposal	31 December 2024
South China Region - Nanning Company	130,895,740	-	-	130,895,740
North China Region - Three Ring Company/Beifang Sales Company	24,642,782	-	-	24,642,782
Others	41,872,217	-	-	41,872,217
Total	197,410,739	-	-	197,410,739

RMB

Asset group	31 December 2022	Increase in the year Provision	Decrease in the year Disposal	31 December 2023
South China Region - Nanning Company	130,895,740	-	-	130,895,740
North China Region - Three Ring Company/Beifang Sales Company	24,642,782	-	-	24,642,782
Others	41,872,217	-	-	41,872,217
Total	197,410,739	-	-	197,410,739

Notes to Financial Statements

For the year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

(V) Notes to Items in the Consolidated Financial Statements (continued)

16. Goodwill (continued)

(3) Relevant information of asset group(s) to which goodwill belongs

Name	Composition and basis of asset group(s) or portfolio(s) of asset groups	Operating segments and basis	Whether consistent with prior years
Shandong Region - Immense Brewery Company	Composition: Immense Brewery Company Basis: The asset group is able to generate cash inflows independently	Shandong Region, principal place of business	Yes
Shandong Region - Lulansa Company	Composition: Lulansa Company Basis: The asset group is able to generate cash inflows independently	Shandong Region, principal place of business	Yes
South China Region - Nanning Company	Composition: Nanning Company Basis: The asset group is able to generate cash inflows independently	South China Region, principal place of business	Yes
Southeast Region - Fuzhou Company/Xiamen Company/Zhangzhou Company/Dongnan Sales Company	Composition: Fuzhou Company/Xiamen Company/ Zhangzhou Company/ Dongnan Sales Company Basis: The asset group is able to generate cash inflows independently	Southeast Region, principal place of business	Yes
North China Region - Three Ring Company/Beifang Sales Company	Composition: Three Ring Company/ Beifang Sales Company Basis: The asset group is able to generate cash inflows independently	North China Region, principal place of business	Yes
Other regions	Composition: Company of the asset group in which other goodwill is located Basis: Other asset groups are able to generate cash inflows independently	Other regions, principal place of business	Yes

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For the year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

(V) Notes to Items in the Consolidated Financial Statements (continued)

16. Goodwill (continued)

(4) Specific determination method for recoverable amount

In the goodwill impairment testing, the Group compares the carrying amount of relevant assets or portfolio of asset groups (including goodwill) with the recoverable amount. If the recoverable amount is lower than the carrying amount, the relevant difference will be recorded in profit or loss for the period.

In 2024 and 2023, the Company assessed the recoverable amount of the asset group (including goodwill), and engaged Yinxin Assets Appraisal Co., Ltd. to assess the recoverable amount of the asset group of Immense Brewery Company (including goodwill).

The recoverable amounts of the asset group or portfolio of asset groups are calculated using the estimated cash flows determined according to the five-year financial budgets and forecasts approved by the management. Cash flows beyond the five-year period are estimated using a fixed growth rate stated below.

The main assumptions applied in calculating discounted future cash flows to the recoverable amount of the asset group or portfolio of asset groups by the Group are as follows:

Year	Duration of the forecast period	Key parameters for the forecast period	Basis for determining the parameters for the forecast period	Key parameters of the stabilization period (growth rate, profit margin, discount rate, etc.)	Basis for determining key parameters for the stabilization period
2024	5 years	Gross margin and growth rate over the forecast period	Based on historical experience and forecasts of market development	Perpetual growth rate of 1% and pre-tax discount rate of 15%	Industry perpetual growth rate and pre-tax discount rate
2023	5 years	Gross margin and growth rate over the forecast period	Based on historical experience and forecasts of market development	Perpetual growth rate of 1% and pre-tax discount rate of 14%	Industry perpetual growth rate and pre-tax discount rate

The recoverable amounts of all the Group's asset groups and portfolios of asset groups are higher than the carrying amounts of the asset groups (including goodwill).

The Group determines growth rate and gross margin based on the historical experience and forecast of the future market. The discount rate is the pre-tax interest rate that is able to reflect the risks specific to relevant asset groups or portfolios of asset groups. The growth rate in the forecast period is determined by the average growth rate of the five-year budget and forecast of the approved sales income of the relevant asset groups or portfolios of asset groups, the perpetual growth rate is the growth rate after the five-year forecast period, and is consistent with the forecast data contained in authoritative industry reports and does not exceed the long-term average growth rate of each product.

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For the year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

(V) Notes to Items in the Consolidated Financial Statements (continued)

17. Long-term prepaid expenses

Item	31 December 2023	Increase in the year	Amortization in the year	RMB 31 December 2024
Decoration and renovation expenses	97,012,458	17,432,038	41,635,374	72,809,122
Gardening, factory hardening and other expenses	14,095,197	6,670,710	7,872,580	12,893,327
Total	111,107,655	24,102,748	49,507,954	85,702,449

Item	31 December 2022	Increase in the year	Amortization in the year	RMB 31 December 2023
Decoration and renovation expenses	91,369,852	41,787,165	36,144,559	97,012,458
Gardening, factory hardening and other expenses	10,300,344	9,434,798	5,639,945	14,095,197
Total	101,670,196	51,221,963	41,784,504	111,107,655

18. Deferred tax assets and deferred tax liabilities

(1) Deferred tax assets before offsetting

Item	31 December 2024		31 December 2023	
	Deductible temporary differences	Deferred tax assets	Deductible temporary differences	Deferred tax assets
Provision for impairment of assets	95,277,228	23,819,307	126,700,328	31,675,082
Deferred income	2,199,047,376	549,761,844	1,937,347,340	484,336,835
Elimination of intra-group unrealized profit	247,890,996	61,972,749	267,517,592	66,879,398
Expenses to be paid	6,711,648,208	1,677,912,052	7,068,643,036	1,767,160,759
Share-based payments	5,472,744	1,368,186	211,765,240	52,941,310
Lease liabilities	111,692,968	27,923,242	113,643,364	28,410,841
Total	9,371,029,520	2,342,757,380	9,725,616,900	2,431,404,225

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For the year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

(V) Notes to Items in the Consolidated Financial Statements (continued)

18. Deferred tax assets and deferred tax liabilities (continued)

(2) Deferred tax liabilities before offsetting

Item	31 December 2024		31 December 2023	
	Taxable temporary differences	Deferred tax liabilities	Taxable temporary differences	Deferred tax liabilities
Business combinations not involving enterprises under common control	352,596,168	88,149,042	372,984,456	93,246,114
Depreciation of fixed assets	2,036,179,312	509,044,828	2,008,666,984	502,166,746
Changes in fair value of financial assets held for trading	168,463,892	42,115,973	55,761,640	13,940,410
Right-of-use assets	125,672,496	31,418,124	119,546,878	29,886,720
Others	6,951,628	1,737,907	17,922,236	4,480,559
Total	2,689,863,496	672,465,874	2,574,882,194	643,720,549

(3) Deferred tax assets or liabilities presented on a net basis

Item	31 December 2024		31 December 2023	
	Offset amount between deferred tax assets and liabilities at the end of the year	Closing balance of deferred tax assets or liabilities after offsetting	Offset amount between deferred tax assets and liabilities at the end of the year	Closing balance of deferred tax assets or liabilities after offsetting
Deferred tax assets	412,717,852	1,930,039,528	405,555,121	2,025,849,104
Deferred tax liabilities	412,717,852	259,748,022	405,555,121	238,165,428

Notes to Financial Statements

For the year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

(V) Notes to Items in the Consolidated Financial Statements (continued)

18. Deferred tax assets and deferred tax liabilities (continued)

(4) Details of unrecognized deferred tax assets

Item	RMB	
	31 December 2024	31 December 2023
Deductible temporary differences	1,291,624,503	1,683,519,459
Deductible losses	1,240,360,292	1,185,426,967
Total	2,531,984,795	2,868,946,426

Given the loss-making position or unstable profitability of certain subsidiaries, whether it is probable that sufficient taxable income will be available in future periods to offset the deductible losses is highly uncertain. Therefore, the Group has not recognized deferred tax assets of approximately RMB310,090,000 (31 December 2023: RMB296,357,000) arising from the deductible losses that can be offset against the taxable income under tax laws in the five-year period from 2025 to 2029. In addition, given the loss-making position or unstable profitability of certain subsidiaries, whether it is probable that sufficient taxable income will be available in future periods to offset the deductible temporary differences is highly uncertain. Therefore, the Group has not recognized deferred tax assets of approximately RMB322,906,000 (31 December 2023: RMB420,880,000) arising from these deductible temporary differences.

(5) Deductible losses, for which no deferred tax assets are recognized, will expire in the following years

Years	RMB	
	31 December 2024	31 December 2023
2024	-	294,891,982
2025	168,521,437	191,313,638
2026	271,802,518	271,118,765
2027	194,222,114	198,990,294
2028	251,500,563	229,112,288
2029	354,313,660	-
Total	1,240,360,292	1,185,426,967

19. Other non-current assets

Item	RMB	
	31 December 2024	31 December 2023
Time deposits due after one year	4,592,148,411	-
Advances to suppliers for construction and equipment	136,764,968	108,727,850
Total	4,728,913,379	108,727,850

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(All amounts in RMB Yuan unless otherwise stated)

(V) Notes to Items in the Consolidated Financial Statements (continued)

20. Notes payable

Item	RMB	
	31 December 2024	31 December 2023
Commercial acceptances	137,893,869	98,099,406
Acceptances of Finance Company	79,265,804	95,568,799
Total	217,159,673	193,668,205

As at 31 December 2024, the Group has no notes payable that are due and unpaid (31 December 2023: nil).

21. Accounts payable

(1) Presentation of accounts payable

Item	RMB	
	31 December 2024	31 December 2023
Payable for materials and packing materials	2,617,780,464	2,478,199,755
Payable for handling and transportation costs (Note)	290,539,248	306,791,839
Payable to related parties for beer purchase (Note (XI) 6)	84,704,658	83,816,715
Payable for promotional goods	52,213,486	83,005,437
Others	8,276,973	1,013,320
Total	3,053,514,829	2,952,827,066

Note: As at 31 December 2024, payable for handling and transportation costs includes payable to related parties amounting to RMB202,435,516 (31 December 2023: RMB150,019,012) (Note (XI) 6).

(2) The aging analysis of accounts payable by accounting date is as follows:

Aging	RMB	
	31 December 2024	31 December 2023
Within 1 year	3,046,919,946	2,939,758,192
1 - 2 years	2,676,232	4,211,803
2 - 3 years	1,402,482	3,809,463
Over 3 years	2,516,169	5,047,608
Total	3,053,514,829	2,952,827,066

(3) As at 31 December 2024, accounts payable aged over one year amounted to RMB6,594,883 (31 December 2023: RMB13,068,874), which mainly consisted of the payable for materials. The amount had not yet been settled.

Notes to Financial Statements

For the year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

(V) Notes to Items in the Consolidated Financial Statements (continued)

22. Contract liabilities

(1) Details of contract liabilities

Item	RMB	
	31 December 2024	31 December 2023
Distributor contract liabilities	8,312,560,682	7,691,295,634

- (2) As at 31 December 2024, a majority of contract liabilities included in the opening balance have been transferred to revenue.

23. Employee benefits payable

(1) Presentation of employee benefits payable

Item	RMB	
	31 December 2024	31 December 2023
1. Short-term employee benefits	1,545,440,415	1,678,436,704
2. Defined contribution plans	22,713,634	64,061,572
3. Termination benefits	198,633,651	327,581,277
4. Supplementary post-employment benefits (Note (V) 30)	-	26,825,000
Total	1,766,787,700	2,096,904,553

(2) Presentation of short-term employee benefits

Item	RMB			
	31 December 2023	Increase in the current year	Decrease in the current year	31 December 2024
I. Wages and salaries, bonuses, allowances and subsidies	1,195,793,626	3,631,511,008	3,771,449,460	1,055,855,174
II. Staff welfare	13,182	267,102,000	266,547,031	568,151
III. Social security contributions	10,715,995	295,946,621	296,499,894	10,162,722
Including: Medical insurance	7,489,044	271,737,574	272,277,546	6,949,072
Work injury insurance	1,706,406	19,149,476	19,160,409	1,695,473
Maternity insurance	1,520,545	5,059,571	5,061,939	1,518,177
IV. Housing funds	16,717,953	358,859,000	359,073,431	16,503,522
V. Labor union funds and employee education funds	455,195,948	121,994,903	114,840,005	462,350,846
Total	1,678,436,704	4,675,413,532	4,808,409,821	1,545,440,415

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For the year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

(V) Notes to Items in the Consolidated Financial Statements (continued)

23. Employee benefits payable (continued)

(2) Presentation of short-term benefits (continued)

RMB				
Item	31 December 2022	Increase in the current year	Decrease in the current year	31 December 2023
I. Wages or salaries, bonuses, allowances and subsidies	1,285,406,920	3,758,085,422	3,847,698,716	1,195,793,626
II. Staff welfare	116,457	262,362,119	262,465,394	13,182
III. Social security contributions	10,708,953	285,190,368	285,183,326	10,715,995
Including: Medical insurance	7,365,353	262,139,123	262,015,432	7,489,044
Work injury insurance	1,722,786	17,635,538	17,651,918	1,706,406
Maternity insurance	1,620,814	5,415,707	5,515,976	1,520,545
IV. Housing funds	17,164,783	336,499,058	336,945,888	16,717,953
V. Labor union funds and employee education funds	436,078,318	131,735,717	112,618,087	455,195,948
Total	1,749,475,431	4,773,872,684	4,844,911,411	1,678,436,704

(3) Defined contribution plans

RMB				
Item	31 December 2023	Increase in the current year	Decrease in the current year	31 December 2024
1. Basic pension	19,045,299	551,345,956	551,587,189	18,804,066
2. Unemployment insurance	3,798,064	22,154,574	22,145,086	3,807,552
3. Enterprise annuity	41,218,209	157,990,322	199,106,515	102,016
Total	64,061,572	731,490,852	772,838,790	22,713,634

RMB				
Item	31 December 2022	Increase in the current year	Decrease in the current year	31 December 2023
1. Basic pension	19,838,137	523,172,026	523,964,864	19,045,299
2. Unemployment insurance	4,032,866	19,879,597	20,114,399	3,798,064
3. Enterprise annuity	-	41,218,209	-	41,218,209
Total	23,871,003	584,269,832	544,079,263	64,061,572

The Group pays the basic pension and unemployment insurance to the local labor and social security department on a monthly basis, following the demanding proportion and base. The Group has no forfeited contributions that can be used to offset the Group's contributions payable on behalf of the employees for the current and future periods.

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(V) Notes to Items in the Consolidated Financial Statements (continued)

23. Employee benefits payable (continued)

(4) Termination benefits

Item	RMB	
	31 December 2024	31 December 2023
Early retirement benefits payable (Note (V) 30)	95,546,333	111,296,568
Other termination benefits (Note)	103,087,318	216,284,709
Total	198,633,651	327,581,277

Note: In 2024, other termination benefits paid by the Group for termination of labor relationship amounted to RMB14,408,914 (2023: RMB43,019,649).

24. Taxes payable

Item	RMB	
	31 December 2024	31 December 2023
Enterprise income tax	166,451,087	129,745,915
Consumption tax	107,440,393	98,244,617
VAT	53,311,791	49,144,171
City maintenance and construction tax	7,635,795	6,782,264
Education surcharge	5,676,806	5,512,040
Others	52,421,130	54,074,974
Total	392,937,002	343,503,981

25. Other payables

25.1 Summary of other payables

Item	RMB	
	31 December 2024	31 December 2023
Dividends payable	912,000	-
Other payables	3,268,799,751	3,230,505,907
Total	3,269,711,751	3,230,505,907

25.2 Dividends payable

Item	RMB	
	31 December 2024	31 December 2023
Dividends to minority shareholders	912,000	-

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For the year ended 31 December 2024

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(V) Notes to Items in the Consolidated Financial Statements (continued)

25. Other payables (continued)

25.3 Other payables

Nature	RMB	
	31 December 2024	31 December 2023
Payable for equipment and construction work	1,074,929,395	853,124,798
Guarantee deposits payable	988,251,532	977,852,099
Advertising and marketing expenses to be paid	362,745,117	584,138,424
Compensation received in advance for land acquisition	203,500,000	100,000,000
Deposits taken by Finance Company from related parties (Note)	79,178,094	29,555,174
Energy costs to be paid	43,597,788	39,188,946
Labor costs to be paid	41,836,572	46,940,000
General and administrative expenses payable	29,974,408	35,590,819
Withholding of employees' social security contributions	18,947,720	19,177,977
Restricted shares repurchase obligations (Note (XII)) (Note (V) 34)	1,501,239	77,643,806
Payable for non-controlling interests	-	2,677,355
Others	424,337,886	464,616,509
Total	3,268,799,751	3,230,505,907

Note: It represents the principal and interest of deposits taken from the Company's associates by Finance Company, a subsidiary of the Company (Note (XI) 6).

As at 31 December 2024, other payables aged over one year of RMB715,610,122 (31 December 2023: RMB782,003,240) are mainly compensation received in advance for land acquisition and warranty deposits payable for equipment and construction work.

26. Current portion of non-current liabilities

Item	RMB	
	31 December 2024	31 December 2023
Lease liabilities due within one year (Note (V) 28)	42,063,828	50,250,346

27. Other current liabilities

Item	RMB	
	31 December 2024	31 December 2023
Deferred output VAT	467,595,834	359,524,000

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(V) Notes to Items in the Consolidated Financial Statements (continued)

28. Lease liabilities

	31 December 2024	31 December 2023
		RMB
Lease liabilities	110,300,538	113,643,364
Less: Lease liabilities included in current portion of non-current liabilities	42,063,828	50,250,346
Net amount	68,236,710	63,393,018

As at 31 December 2024 and 31 December 2023, the matters that are not included in lease liabilities but will lead to potential cash outflow are as follows:

As at 31 December 2024, the future minimum rent payable for the short-term lease contracts that are treated under simplified methods by the Group is RMB12,491,651 (31 December 2023: RMB13,156,750), all of which are payable within one year.

29. Long-term payables

Item	31 December 2024	31 December 2023
		RMB
Special payables	16,090,646	16,205,766

Note: Special payables mainly represent the relocation compensation received by the Group from the government. As the relocation has not yet been completed, the amount is temporarily accounted for as “special payables” in accordance with the requirements under Interpretation No. 3 of the Accounting Standards for Business Enterprises issued by the Ministry of Finance.

30. Long-term employee benefits payable

30.1 Long-term employee benefits payable

Item	31 December 2024
	RMB
1. Early retirement benefits	285,205,964
Less: Early retirement benefits payable within one year	95,546,333
2. Supplementary post-employment benefits	557,489,068
Total	747,148,699
Item	31 December 2023
1. Early retirement benefits	351,662,633
Less: Early retirement benefits payable within one year	111,296,568
2. Supplementary post-employment benefits	663,935,553
Less: Post-employment benefits payable within one year - Net liabilities of defined benefit plans	26,825,000
Total	877,476,618

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(V) Notes to Items in the Consolidated Financial Statements (continued)

30. Long-term employee benefits payable (continued)

30.2 Early retirement benefits

Early retirement benefits are provided to those employees who meet certain criteria as approved by the Company. As at the balance sheet date, the main actuarial assumptions used in estimating the early retirement benefits payable by the Group are as follows:

	31 December 2024	31 December 2023
Discount rate (yield-to-maturity of the government bonds with the same term)	1.08%-1.66%	2.08%-2.55%

Early retirement benefits included in profit or loss for the period:

Item	2024	RMB 2023
	(Amount incurred in the current year)	(Amount incurred in the prior year)
General and administrative expenses	47,978,319	46,778,619
Finance expenses	5,735,323	7,903,460

30.3 Post-employment benefits - Net liabilities of defined benefit plans

Supplementary post-employment benefits are provided to those employees who meet certain criteria as approved by the Company. The benefits that the employees can receive depend on their positions and seniorities, etc. As at the balance sheet date, the Group's supplementary post-employment benefits payable is calculated by external independent actuary Towers Watson Management Consulting (Shenzhen) Co., Ltd. (a member of China Association of Actuaries) according to the projected unit credit method.

(1) Post-employment benefits - Net liabilities of defined benefit plans payable by the Group:

Item	31 December 2024	RMB 31 December 2023
Defined benefit obligations	735,820,743	663,935,553
Less: Fair value of plan assets	(178,331,675)	-
Defined benefit liabilities	557,489,068	663,935,553

Notes to Financial Statements

For the year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

(V) Notes to Items in the Consolidated Financial Statements (continued)

30. Long-term employee benefits payable (continued)

30.3 Post-employment benefits - Net liabilities of defined benefit plans (continued)

(2) Changes in defined benefit plans

Present value of defined benefit obligations

Item	RMB	
	Amount incurred in the current year	Amount incurred in the prior year
I. Opening balance	663,935,553	654,400,689
II. Defined benefit costs recognized in profit or loss for the period	24,729,000	25,371,000
1. Current service costs	6,840,000	6,113,000
2. Net interest	17,889,000	19,258,000
III. Defined benefit costs recognized in other comprehensive income	73,618,000	9,369,000
1. Actuarial gains (losses) (Note (V) 35)	73,618,000	9,369,000
IV. Other changes	(26,461,810)	(25,205,136)
1. Benefits paid	(26,461,810)	(25,205,136)
V. Closing balance	735,820,743	663,935,553

Plan assets

Item	RMB	
	Amount incurred in the current year	Amount incurred in the prior year
I. Opening balance	-	-
II. Defined benefit costs recognized in profit or loss for the period	-	-
III. Defined benefit costs recognized in other comprehensive income	-	-
IV. Other changes	178,331,675	-
1. Contributions paid by the employer and employees	176,691,618	-
2. Benefits paid	(173,593)	-
3. Investment income from plan assets	1,813,650	-
V. Closing balance	178,331,675	-

Notes to Financial Statements

For the year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

(V) Notes to Items in the Consolidated Financial Statements (continued)

30. Long-term employee benefits payable (continued)

30.3 Post-employment benefits - Net liabilities of defined benefit plans (continued)

(2) Changes in defined benefit plans

Net liabilities (net assets) of defined benefit plans

Item	Amount incurred in the current year	RMB Amount incurred in the prior year
I. Opening balance	663,935,553	654,400,689
II. Defined benefit costs recognized in profit or loss for the period	24,729,000	25,371,000
III. Defined benefit costs recognized in other comprehensive income	73,618,000	9,369,000
IV. Other changes	(204,793,485)	(25,205,136)
V. Closing balance	557,489,068	663,935,553

(3) Main actuarial assumptions for the present value of defined benefit obligations

	31 December 2024	31 December 2023
Discount rate	2.00%	2.75%

Mortality refers to China Life Insurance Mortality Table (2010-2013).

The salary growth rate of in-service personnel is determined based on the Group's policies on post-employment benefits and the growth rate of average social salary.

(4) The sensitivity analysis of the main actuarial assumptions for the present value of defined benefit obligations is as follows:

Item	Changes in discount rate	Impact on present value of defined benefit obligations
Increase in discount rate	0.25%	Decrease by 3.36%
Decrease in discount rate	0.25%	Increase by 3.54%

If the discount rate increases (decreases) by 0.25%, the present value of the defined benefit plan obligations will decrease by RMB24,715,000 (increase by RMB26,076,000).

The sensitivity analysis above is based on a change in an assumption while all other assumptions held constant. However, various assumptions may be correlated in practice. The projected unit credit method is also applied in calculating the present value of defined benefit obligations in the sensitivity analysis above.

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(All amounts in RMB Yuan unless otherwise stated)

(V) Notes to Items in the Consolidated Financial Statements (continued)

30. Long-term employee benefits payable (continued)

30.3 Post-employment benefits - Net liabilities of defined benefit plans (continued)

- (5) The weighted average duration of the present value of the Group's supplementary post-employment benefit obligations is 14.1 years (31 December 2023: 13.9 years).

The expected maturity of undiscounted defined benefit obligations in 2024 is analyzed as below:

Item					RMB
	Within 1 year	1 to 2 years	2 to 5 years	Over 5 years	Total
Supplementary post-employment benefits payable	29,248,000	29,906,000	94,194,000	888,146,000	1,041,494,000

The expected maturity of undiscounted defined benefit obligations in 2023 is analyzed as below:

Item					RMB
	Within 1 year	1 to 2 years	2 to 5 years	Over 5 years	Total
Supplementary post-employment benefits payable	26,825,000	28,284,000	90,805,000	918,656,000	1,064,570,000

- (6) Supplementary post-employment benefits payable expose the Group to various risks, mainly including the risk of changes in interest rates of government bonds. A decrease in interest rates of government bonds will result in an increase in defined benefit liabilities; supplementary retirement benefit obligations are linked to inflation, an increase of which would result in an increase in defined benefit liabilities.

31. Deferred income

Item	31 December 2023				31 December 2024	Reason
		Amount of grants increased in the year	Amount included in other income in the year	Amount included in gains from disposal of assets in the year		
Government grants	2,887,543,652	376,111,828	314,548,027	1,819,008	2,947,288,445	Grants for project construction and technological improvement projects, etc.

Notes to Financial Statements

For the year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

(V) Notes to Items in the Consolidated Financial Statements (continued)

31. Deferred income (continued)

RMB

Item	31 December 2022	Amount of grants increased in the year	Amount included in other income in the year	Amount included in gains from disposal of assets in the year	31 December 2023	Reason
Government grants	3,132,390,832	67,497,013	301,959,583	10,384,610	2,887,543,652	Grants for project construction and technological improvement projects, etc.

32. Share capital

RMB

	31 December 2023	Changes for the year			31 December 2024
		Issue of new shares	Cancellation of treasury stock	Sub-total	
RMB ordinary shares (Note)	709,127,610	-	-	-	709,127,610
Foreign shares listed overseas	655,069,178	-	-	-	655,069,178
Total shares	1,364,196,788	-	-	-	1,364,196,788

RMB

	31 December 2022	Changes for the year			31 December 2023
		Issue of new shares	Cancellation of treasury stock	Sub-total	
RMB ordinary shares (Note)	709,163,612	-	36,002	(36,002)	709,127,610
Foreign shares listed overseas	655,069,178	-	-	-	655,069,178
Total shares	1,364,232,790	-	36,002	(36,002)	1,364,196,788

Note: For the restricted share incentive plan carried out by the Group, please refer to Note (XII) for details.

Notes to Financial Statements

For the year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

(V) Notes to Items in the Consolidated Financial Statements (continued)

33. Capital surplus

Item	31 December 2023	Increase in the year	Decrease in the year	RMB 31 December 2024
Share premium	3,930,935,521	197,673,641	25,072,313	4,103,536,849
Other capital surplus	276,520,090	24,784,565	206,733,383	94,571,272
Including: Changes in equity other than comprehensive income and profit distribution of investees accounted for using the equity method	(10,173,615)	1,043	-	(10,172,572)
Share-based payments recognized in shareholders' equity (Note)	188,161,481	23,852,040	206,703,297	5,310,224
Transfer from capital surplus recognized under the previous accounting system	93,338,214	-	-	93,338,214
Others	5,194,010	931,482	30,086	6,095,406
Total	4,207,455,611	222,458,206	231,805,696	4,198,108,121

Item	31 December 2022	Increase in the year	Decrease in the year	RMB 31 December 2023
Share premium	3,684,461,721	247,200,320	726,520	3,930,935,521
Other capital surplus	469,615,256	83,135,941	276,231,107	276,520,090
Including: Changes in equity other than comprehensive income and profit distribution of investees accounted for using the equity method	(10,175,373)	1,758	-	(10,173,615)
Share-based payments recognized in shareholders' equity (Note)	381,506,262	82,886,326	276,231,107	188,161,481
Transfer from capital surplus recognized under the previous accounting system	93,338,214	-	-	93,338,214
Others	4,946,153	247,857	-	5,194,010
Total	4,154,076,977	330,336,261	276,957,627	4,207,455,611

Note: As described in Note XII, in 2024, the Group has recognized general and administrative expenses and research and development expenses totaling RMB24,337,555 for the Restricted Share Incentive Plan and included the portion attributable to minority shareholders of RMB485,515 in non-controlling interests, with the difference of RMB23,852,040 included in capital surplus. As at 31 December 2024, deferred tax assets and other capital surplus are offset by RMB9,029,656 due to changes in the Company's share price. In addition, the Group adjusts other capital surplus corresponding to the unlocked portion of restricted shares of RMB197,673,641 to share premium.

Notes to Financial Statements

For the year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

(V) Notes to Items in the Consolidated Financial Statements (continued)

34. Treasury stock

				RMB
Item	31 December 2023	Increase in the year	Decrease in the year	31 December 2024
Treasury stock	77,643,806	-	76,142,567	1,501,239

				RMB
Item	31 December 2022	Increase in the year	Decrease in the year	31 December 2023
Treasury stock	171,854,660	-	94,210,854	77,643,806

In 2024, the Company has distributed cash dividends of RMB8,665,060 to incentive recipients of the restricted shares for the part that are expected to be unlocked in the future, thereby offsetting treasury stock and other payables by RMB8,665,060. On 27 May 2024, 96,666 restricted shares were unlocked, and the Company offset treasury stock by RMB1,694,555. On 24 July 2024, 4,235,863 restricted shares were unlocked, and the Company offset treasury stock by RMB65,782,952.

35. Other comprehensive income

							RMB
Amount incurred in the current year							
Item	31 December 2023	Amount before tax incurred in the year	Less: Amount previously included in other comprehensive income and transferred to profit or loss in the year	Less: Income tax expenses	Attributable to the Company, net of tax	Attributable to minority shareholders, net of tax	31 December 2024
I. Other comprehensive income that cannot be reclassified to profit or loss							
Including: Changes arising from re-measurement of net liabilities of defined benefit plans (Note (V) 30.3(2))	(91,694,000)	(73,618,000)	-	-	(73,618,000)	-	(165,312,000)
II. Other comprehensive income that will be reclassified to profit or loss							
Including: Exchange differences on translation of financial statements denominated in foreign currencies	11,236,954	1,676,350	-	-	1,303,839	372,511	12,540,793
Other comprehensive income that will be reclassified to profit or loss under the equity method	(604,299)	(164,887)	-	-	(164,887)	-	(769,186)
Total	(81,061,345)	(72,106,537)	-	-	(72,479,048)	372,511	(153,540,393)

Notes to Financial Statements

For the year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

(V) Notes to Items in the Consolidated Financial Statements (continued)

35. Other comprehensive income (continued)

RMB

Item	31 December 2022	Amount incurred in the prior year					31 December 2023
		Amount before tax incurred in the year	Less: Amount previously included in other comprehensive income and transferred to profit or loss in the year	Less: Income tax expenses	Attributable to the Company, net of tax	Attributable to minority shareholders, net of tax	
I. Other comprehensive income that cannot be reclassified to profit or loss							
Including: Changes arising from re-measurement of net liabilities of defined benefit plans (Note (V) 30.3(2))	(82,325,000)	(9,369,000)	-	-	(9,369,000)	-	(91,694,000)
II. Other comprehensive income that will be reclassified to profit or loss							
Including: Exchange differences on translation of financial statements denominated in foreign currencies	7,322,560	4,302,610	-	-	3,914,394	388,216	11,236,954
Other comprehensive income that will be reclassified to profit or loss under the equity method	(798,141)	193,842	-	-	193,842	-	(604,299)
Total	(75,800,581)	(4,872,548)	-	-	(5,260,764)	388,216	(81,061,345)

36. Surplus reserve

RMB

Item	31 December 2023	Increase in the year	Decrease in the year	31 December 2024
Statutory surplus reserve (Note)	1,400,704,380	-	-	1,400,704,380

RMB

Item	31 December 2022	Increase in the year	Decrease in the year	31 December 2023
Statutory surplus reserve (Note)	1,400,704,380	-	-	1,400,704,380

Note: In accordance with the Company Law of the People's Republic of China and the Company's Articles of Association, the Company should appropriate 10% of the net profit for the year to the statutory surplus reserve, and it may cease the appropriation when the statutory surplus reserve accumulates to more than 50% of the registered capital. The statutory surplus reserve can be used to make up for the losses or increase share capital after approval from the appropriate authorities. The Company has appropriated the statutory surplus reserve of RMB1,400,704,380, which has exceeded 50% of the registered capital. Therefore, it is resolved at the Twentieth Meeting of the Tenth Session of the Board of Directors that the Company would not appropriate the statutory surplus reserve.

Notes to Financial Statements

For the year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

(V) Notes to Items in the Consolidated Financial Statements (continued)

37. General reserve

				RMB
Item	31 December 2023	Increase in the year	Decrease in the year	31 December 2024
General reserve	301,761,292	-	-	301,761,292

				RMB
Item	31 December 2022	Increase in the year	Decrease in the year	31 December 2023
General reserve	295,071,942	6,689,350	-	301,761,292

Pursuant to the Administrative Measures for the Provision of Reserves of Financial Enterprises (Cai Jin [2012] No. 20) issued by the Ministry of Finance, Finance Company, a subsidiary of the Company, provides general reserve at 1.5% of the balance of risk assets at the balance sheet date, taking into account the risk profile exposed to the Company.

38. Undistributed profits

Item	2024	RMB 2023
Undistributed profits at the beginning of the year	20,334,065,296	18,528,390,855
Add: Net profit attributable to owners of the Company for the year	4,344,983,858	4,267,851,406
Less: Transfer to general reserve	-	6,689,350
Dividends payable to ordinary shares (Note 1)	2,728,393,576	2,455,487,615
Undistributed profits at the end of the year	21,950,655,578	20,334,065,296

Note 1: Cash dividends approved at the General Meeting of Shareholders during the year

Pursuant to the resolution of the General Meeting of Shareholders dated 28 June 2024, the Company distributed cash dividends for 2023 at RMB2.00 per share (tax included). Based on 1,364,196,788 shares issued, as at 9 August 2024, the Company has distributed cash dividends of RMB2,728,393,576 in total (In 2023, the Company distributed cash dividends for 2022 at RMB1.30 per share (tax included) and special dividends at RMB0.50 per share (tax included), with cash dividends at RMB1.80 per share (tax included) in total. Based on 1,364,232,790 shares issued, as at 11 August 2023, the Company distributed cash dividends of RMB2,455,619,022 in total, of which the impact of restricted shares amounted to RMB131,407).

Pursuant to the resolution of the Board of Directors dated 28 March 2025, the Board of Directors proposed that the Company distribute the annual cash dividends at RMB2.20 per share (tax included) to all shareholders. Based on 1,364,196,788 shares, as at 31 December 2024, the total cash dividends to be paid is RMB3,001,232,934, and the above proposal is subject to the approval at the General Meeting of Shareholders (Note (XIV) 1).

Notes to Financial Statements

For the year ended 31 December 2024

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(V) Notes to Items in the Consolidated Financial Statements (continued)

39. Revenue and cost of sales

(1) Revenue and cost of sales

Item	Amount incurred in the current year		Amount incurred in the prior year	
	Revenue	Cost of sales	Revenue	Cost of sales
Main operation	31,578,857,295	18,911,276,253	33,405,795,047	20,540,617,406
Other operations	558,972,816	298,639,570	530,727,694	276,272,249
Total	32,137,830,111	19,209,915,823	33,936,522,741	20,816,889,655

(2) Revenue from contracts

a. Main operation

Name of industry	Amount incurred in the current year		Amount incurred in the prior year	
	Revenue from main operation	Cost of main operation	Revenue from main operation	Cost of main operation
Sales of beer, etc.	31,578,857,295	18,911,276,253	33,405,795,047	20,540,617,406

Please refer to Note (XV) for revenue and cost of sales presented by operating segments.

Revenue from the Group's main operation is recognized at a point in time.

b. Other operations

Name of industry	Amount incurred in the current year		Amount incurred in the prior year	
	Revenue from other operations	Cost of other operations	Revenue from other operations	Cost of other operations
Catering related	196,999,655	105,422,149	217,758,094	117,069,573
Sales of packaging materials	122,669,809	67,079,426	77,512,352	40,172,669
Tourism related	115,941,265	34,857,090	91,475,000	20,570,656
Sales of materials	9,732,916	5,680,637	9,370,608	6,457,601
Others	113,629,171	85,600,268	134,611,640	92,001,750
Total	558,972,816	298,639,570	530,727,694	276,272,249

Except for the income from the rendering of integrated services, revenue from the Group's other operations is recognized at a point in time.

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For the year ended 31 December 2024

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(V) Notes to Items in the Consolidated Financial Statements (continued)

39. Revenue and cost of sales (continued)

(3) Description of performance obligations

The Group's beer sales business is a performance obligation fulfilled at a point in time, with revenue recognized at a point in time when the customer obtains control over the relevant goods or services.

(4) Explanation of allocation to remaining performance obligations

As at 31 December 2024, the amount of revenue corresponding to the Group's performance obligations under contracts entered into but not yet fulfilled was RMB8,312,560,682 (31 December 2023: RMB7,691,295,634), and the Group expects to recognize the revenue within 1 year.

40. Taxes and surcharges

Item	RMB	
	Amount incurred in the current year	Amount incurred in the prior year
Consumption tax	1,718,332,621	1,773,027,036
City maintenance and construction tax	245,190,377	255,452,674
Education surcharge	181,741,977	189,249,020
Real estate tax	78,644,927	66,395,951
Land use tax	57,939,803	58,097,040
Stamp duty	35,678,483	34,482,986
Others	10,728,203	9,956,025
Total	2,328,256,391	2,386,660,732

41. Selling and distribution expenses

Item	RMB	
	Amount incurred in the current year	Amount incurred in the prior year
Employee benefits	2,486,880,539	2,481,097,389
Advertising and publicity expenses	1,476,790,435	1,638,942,337
General and administrative expenses	120,335,388	114,090,273
Information service expenses	118,949,186	38,727,432
Labor costs	98,924,386	100,483,996
Lease expenses	85,442,320	85,233,322
Depreciation and amortization expenses	71,919,440	80,080,982
Consumption of materials	46,273,732	58,528,364
Others	97,004,438	111,218,703
Total	4,602,519,864	4,708,402,798

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(V) Notes to Items in the Consolidated Financial Statements (continued)

42. General and administrative expenses

Item	RMB	
	Amount incurred in the current year	Amount incurred in the prior year
Employee benefits	731,057,881	831,653,457
Depreciation and amortization expenses	255,209,863	231,626,167
General and administrative expenses	89,573,592	86,244,463
Repair expenses	62,575,830	50,762,323
Agency fees	56,373,972	56,747,599
Security and firefighting expenses	36,123,981	33,567,947
Share-based payments	23,866,897	82,482,894
Insurance expenses	22,340,513	23,744,648
Security fund for the disabled	19,977,829	21,019,810
Labor costs	8,472,663	9,518,390
Consumption of materials	8,336,419	8,447,355
Others	92,669,341	83,247,989
Total	1,406,578,781	1,519,063,042

43. Research and development expenses

Item	RMB	
	Amount incurred in the current year	Amount incurred in the prior year
Employee benefits and labor costs	68,113,874	58,539,138
Repair expense	20,230,353	20,746,913
Consumption of materials	5,716,790	6,872,433
Depreciation and amortization expenses	4,227,262	4,171,319
Technical collaboration fees	961,347	2,114,105
General and administrative expenses	768,758	2,991,798
Share-based payments	470,658	2,231,915
Others	2,277,633	2,969,385
Total	102,766,675	100,637,006

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(V) Notes to Items in the Consolidated Financial Statements (continued)

44. Finance expenses

Item	RMB	
	Amount incurred in the current year	Amount incurred in the prior year
Interest expenses	21,837,054	16,430,590
Less: Interest income	616,771,200	506,376,003
Discounted interest on long-term employee benefits payable	21,810,674	27,161,460
Foreign exchange gains	2,553,191	2,855,625
Others	2,798,678	2,803,473
Total	(567,771,603)	(457,124,855)

Among others, the interest expenses on lease liabilities in 2024 are RMB6,044,935 (2023: RMB6,238,080).

45. Other income

By nature	RMB	
	Amount incurred in the current year	Amount incurred in the prior year
Government grants		
– Related to assets	267,297,753	262,808,348
– Related to income	234,108,531	128,307,526
Total	501,406,284	391,115,874

46. Investment income

Item	RMB	
	Amount incurred in the current year	Amount incurred in the prior year
Share of profits of associates and a joint venture	48,272,283	15,798,284
Investment income from interbank certificates of deposits	45,385,476	128,996,975
Investment income from disposal of financial assets held for trading	21,715,128	25,719,167
Investment income from other non-current financial assets	2,027,145	-
Others	391,848	1,529,750
Total	117,791,880	172,044,176

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(V) Notes to Items in the Consolidated Financial Statements (continued)

47. Profits arising from changes in fair value

		<i>RMB</i>
	Amount incurred in the current year	Amount incurred in the prior year
Source of profits arising from changes in fair value		
Other non-current financial assets - Debt instruments	72,894,200	25,417,850
Financial assets held for trading - Debt instruments	54,322,589	176,566,669
Current portion of non-current assets - Debt instruments	72,307,646	28,270,491
Total	199,524,435	230,255,010

48. Credit impairment gains (losses)

		<i>RMB</i>
	Amount incurred in the current year	Amount incurred in the prior year
Item		
Credit impairment (losses) gains of accounts receivable	(237,785)	675,794
Credit impairment losses of other receivables	(1,631,971)	(15,599,034)
Impairment gains of other current assets	2,210,683	616,746
Total	340,927	(14,306,494)

49. Asset impairment losses

		<i>RMB</i>
	Amount incurred in the current year	Amount incurred in the prior year
Item		
Losses on decline in value of inventories	(22,663)	(3,326,626)
Impairment losses of fixed assets	(35,753,647)	(79,527,094)
Total	(35,776,310)	(82,853,720)

50. Gains (Losses) on disposal of assets

		<i>RMB</i>
	Amount incurred in the current year	Amount incurred in the prior year
Item		
(Losses) Gains on disposal of intangible assets	(2,975,241)	159,381,953
Gains on disposal of fixed assets	5,093,794	18,119,594
Gains on disposal of right-of-use assets	2,148,898	1,075,125
Total	4,267,451	178,576,672

In 2024, gains or losses on disposal of assets are all included in non-recurring profit or loss for the year.

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(V) Notes to Items in the Consolidated Financial Statements (continued)

51. Non-operating income

Item	RMB	
	Amount incurred in the current year	Amount incurred in the prior year
Gains from unpayable debts	62,417,685	10,051,556
Penalty income	3,219,648	2,862,456
Others	7,506,571	9,709,292
Total	73,143,904	22,623,304

In 2024, non-operating income is all included in non-recurring profit or loss for the year.

52. Non-operating expenses

RMB				
Item	Amount incurred in the current year		Amount incurred in the prior year	
	Amount	Amount included in non-recurring profit or loss for the current year	Amount	Amount included in non-recurring profit or loss for the prior year
Compensation, liquidated damage and overdue fines	29,318,655	29,318,655	4,148,215	4,148,215
Donations	1,182,498	1,182,498	5,940,091	5,940,091
Others	4,268,598	4,167,842	2,953,577	2,873,737
Total	34,769,751	34,668,995	13,041,883	12,962,043

Except for carbon sinks and other expenses related to production and operation business of RMB100,756 (2023: carbon emission rights of RMB79,840), non-operating expenses for 2024 are included in non-recurring profit or loss for the year.

53. Income tax expenses

Item	RMB	
	Amount incurred in the current year	Amount incurred in the prior year
Current income tax calculated according to tax laws and relevant regulations		
- PRC enterprise income tax	1,279,245,875	1,153,691,861
Current income tax calculated according to tax laws and relevant regulations		
- Hong Kong profits tax	1,666,736	12,838,414
Current income tax calculated according to tax laws and relevant regulations		
- Macau profits supplemental tax	441,189	430,653
Deferred income tax	108,362,514	231,247,450
Total	1,389,716,314	1,398,208,378

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(V) Notes to Items in the Consolidated Financial Statements (continued)

53. Income tax expenses (continued)

Reconciliation of income tax expenses to total profit is as follows:

		RMB
	Amount incurred in the current year	Amount incurred in the prior year
Item		
Total profit	5,881,493,000	5,746,407,302
Income tax expenses calculated at applicable tax rate (25%)	1,470,373,250	1,436,601,826
Effect of different tax rates applied by subsidiaries	(2,766,678)	(1,732,536)
Effect of non-taxable income	(18,508,512)	(16,797,147)
Effect of non-deductible costs, expenses and losses	15,521,259	28,256,149
Effect of utilizing deductible losses and deductible temporary differences not recognized for deferred tax assets for prior period	(155,696,486)	(92,703,140)
Effect of deductible losses and deductible temporary differences not recognized for deferred tax assets	104,768,342	66,447,389
Weighted deductions for research and development expenses	(23,974,861)	(21,864,163)
Total	1,389,716,314	1,398,208,378

54. Earnings per share

(1) Basic earnings per share

Item	Amount incurred in the current year	Amount incurred in the prior year
Consolidated net profit attributable to shareholders of the Company	4,344,983,858	4,267,851,406
Less: Cash dividends on restricted shares expected to be unlocked in the future	193,334	7,972,553
Consolidated net profit attributable to ordinary shareholders of the Company	4,344,790,524	4,259,878,853
Weighted average number of outstanding ordinary shares of the Company	1,361,588,923	1,357,202,238
Basic earnings per share	3.191	3.139
Including: - Basic earnings per share from continuing operation	3.191	3.139

Basic earnings per share are calculated by dividing the consolidated net profit attributable to ordinary shareholders of the Company by the weighted average number of outstanding ordinary shares of the Company.

Notes to Financial Statements

For the year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

(V) Notes to Items in the Consolidated Financial Statements (continued)

54. Earnings per share (continued)

(2) Diluted earnings per share

Item	Amount incurred in the current year	Amount incurred in the prior year
Consolidated net profit attributable to shareholders of the Company	4,344,983,858	4,267,851,406
Weighted average number of outstanding ordinary shares of the Company	1,361,588,923	1,357,202,238
Increase in weighted average number of ordinary shares as a result of share-based payments	1,884,961	5,266,974
Weighted average number of outstanding ordinary shares after dilution	1,363,473,884	1,362,469,212
Diluted earnings per share	3.187	3.132
Including: - Diluted earnings per share from continuing operation	3.187	3.132

Diluted earnings per share are calculated by dividing the consolidated net profit attributable to ordinary shareholders of the Company, adjusted for dilutive potential ordinary shares, by the adjusted weighted average number of outstanding ordinary shares of the Company. In 2024, the Company's restricted share incentive plan was dilutive to earnings per share.

55. Supplementary information to the income statement

The cost of sales, selling and distribution expenses, general and administrative expenses and research and development expenses in the income statement classified by nature are as follows:

Item	Amount incurred in the current year	RMB Amount incurred in the prior year
Raw materials, packaging materials and consumables used	12,834,968,629	13,934,364,337
Employee benefits	5,370,421,359	5,423,803,171
Handling and transportation costs	1,733,254,197	1,756,151,188
Advertising and publicity expenses	1,476,790,435	1,638,942,337
Depreciation and amortization expenses	1,232,627,597	1,174,649,960
Finished goods purchased from outside	931,780,763	1,077,605,964
Repair expenses	429,241,095	396,927,619
General and administrative expenses	216,564,001	209,278,155
Labor costs	215,861,896	225,202,527
Lease expenses	164,143,184	163,448,594
Changes in inventories of finished goods and work in progress	70,153,967	528,616,234
Share-based payment expenses	24,337,555	84,714,809
Auditors' remuneration - Audit services	6,873,559	8,094,340
Others	614,762,906	523,193,266
Total	25,321,781,143	27,144,992,501

Notes to Financial Statements

For the year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

(V) Notes to Items in the Consolidated Financial Statements (continued)

56. Notes to items in the cash flow statement

(1) Other cash receipts relating to operating activities

Item	RMB	
	Amount incurred in the current year	Amount incurred in the prior year
Government grants received	560,001,090	146,358,167
Guarantee deposits	533,390,281	474,017,978
Others	183,306,992	272,777,846
Total	1,276,698,363	893,153,991

(2) Other cash payments relating to operating activities

Item	RMB	
	Amount incurred in the current year	Amount incurred in the prior year
Marketing and promotion expenses	1,950,468,286	1,724,120,316
Advertising and publicity expenses	1,580,519,340	1,623,248,577
General and administrative expenses	378,607,192	358,725,394
Guarantee deposits	306,649,516	287,866,170
Lease payments	135,194,667	139,540,814
Others	174,424,979	319,082,919
Total	4,525,863,980	4,452,584,190

(3) Cash receipts from disposals and recovery of investments

Item	RMB	
	Amount incurred in the current year	Amount incurred in the prior year
Cash receipts from disposals and recovery of time and structured deposits	11,380,000,000	7,600,000,000
Cash receipts from redemption of interbank certificates of deposits	3,502,398,800	5,058,921,300
Cash receipts from redemption of wealth management products and funds	1,051,992,000	1,979,999,100
Cash receipts from redemption of treasury bonds related investments	52,576,804	1,928,976,000
Total	15,986,967,604	16,567,896,400

Notes to Financial Statements

For the year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

(V) Notes to Items in the Consolidated Financial Statements (continued)

56. Notes to items in the cash flow statement (continued)

(4) Cash payments to acquire investments

Item	RMB	
	Amount incurred in the current year	Amount incurred in the prior year
Cash payments to purchase time and structured deposits	20,229,842,431	12,530,000,000
Cash payments to purchase wealth management products and funds	1,219,989,000	1,121,992,600
Cash payments to purchase bonds	1,000,000,000	1,399,629,585
Cash payments to purchase interbank certificates of deposits	108,132,230	3,502,398,800
Cash payments to purchase treasury bonds related investments	52,576,804	1,308,982,000
Total	22,610,540,465	19,863,002,985

(5) Other cash receipts relating to investing activities

Item	RMB	
	Amount incurred in the current year	Amount incurred in the prior year
Interest income from deposits in Finance Company	293,929,058	304,236,716
Recovery of deposit reserve from Finance Company	73,110,000	50,130,000
Bidding deposits received and others	20,536,782	22,084,799
Total	387,575,840	376,451,515

(6) Other cash payments relating to investing activities

Item	RMB	
	Amount incurred in the current year	Amount incurred in the prior year
Bidding deposits and others paid	27,793,535	20,433,429
Total	27,793,535	20,433,429

Notes to Financial Statements

For the year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

(V) Notes to Items in the Consolidated Financial Statements (continued)

56. Notes to items in the cash flow statement (continued)

(7) Other cash payments relating to financing activities

		<i>RMB</i>
	Amount incurred in the current year	Amount incurred in the prior year
Item		
Purchase of non-controlling interests	119,575,518	58,290,000
Repayment of lease liabilities	59,528,581	56,640,602
Interest expenses on pledged repurchase of Finance Company <i>(Note)</i>	3,350,463	-
Restricted share repurchase cancellation proceeds paid	-	509,817
Total	182,454,562	115,440,419

Note: Cash flows relating to Finance Company's pledged repurchase and interbank lending operations are presented on a net basis due to their characteristics of fast turnover, large amount and short maturity.

(8) Changes in liabilities arising from financing activities

						<i>RMB</i>
Item	Opening balance	Increase in the current year		Decrease in the current year		Closing balance
		Cash changes	Non-cash changes	Cash changes	Non-cash changes	
Lease liabilities and lease liabilities						
due within one year	113,643,364	-	71,942,270	59,528,580	15,756,516	110,300,538
Others (including those due within one year)	81,455,232	-	2,790,701,862	2,790,100,380	79,643,475	2,413,239
Total	195,098,596	-	2,862,644,132	2,849,628,960	95,399,991	112,713,777

Notes to Financial Statements

For the year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

(V) Notes to Items in the Consolidated Financial Statements (continued)

57. Supplementary information to the cash flow statement

(1) Supplementary information to the cash flow statement

Supplementary information	RMB	
	Amount incurred in the current year	Amount incurred in the prior year
1. Reconciliation of net profit to cash flows from operating activities:		
Net profit	4,491,776,686	4,348,198,924
Add: Provision for impairment of assets	35,776,310	82,853,720
Credit impairment (gains) losses	(340,927)	14,306,494
Depreciation of fixed assets	969,324,375	930,644,502
Depreciation of investment properties	2,410,719	2,408,664
Depreciation of right-of-use assets	58,479,959	54,125,340
Amortization of intangible assets	161,090,719	153,221,118
Amortization of long-term prepaid expenses	49,507,954	41,784,504
Share-based payment expenses	24,337,555	84,714,809
Gains on disposal of fixed assets, intangible assets and other long-term assets	(4,267,451)	(178,576,672)
Profits arising from changes in fair value	(199,524,435)	(230,255,010)
Finance expenses	(585,102,943)	(475,936,951)
Investment income	(117,791,880)	(172,044,176)
Decrease in deferred tax assets	86,779,920	195,199,673
Increase in deferred tax liabilities	21,582,594	36,047,777
Amortization of deferred income	(314,548,027)	(301,959,583)
(Increase) Decrease in inventories	(39,568,399)	607,292,623
Increase in operating receivables	(154,658,195)	(204,826,685)
Increase (Decrease) in operating payables	669,396,598	(2,209,631,931)
Net cash flow from operating activities	5,154,661,132	2,777,567,140
2. Net changes in cash and cash equivalents:		
Closing balance of cash and cash equivalents	4,046,010,946	9,292,085,271
Less: Opening balance of cash and cash equivalents	9,292,085,271	12,839,870,784
Net decrease in cash and cash equivalents	(5,246,074,325)	(3,547,785,513)

Notes to Financial Statements

For the year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

(V) Notes to Items in the Consolidated Financial Statements (continued)

57. Supplementary information to the cash flow statement (continued)

(2) Composition of cash and cash equivalents

Item	RMB	
	31 December 2024	31 December 2023
I. Cash		
Including: Cash on hand	69,483	90,093
Bank deposits that can be readily withdrawn on demand	3,915,827,757	9,289,636,261
II. Cash equivalents		
Principal of treasury bonds reverse repurchase	129,999,000	-
Cash at non-financial institutions that can be readily withdrawn on demand	114,706	2,358,917
III. Closing balance of cash and cash equivalents	4,046,010,946	9,292,085,271

Cash and cash equivalents presented in the cash flow statement:

Item	RMB	
	31 December 2024	31 December 2023
Cash at bank and on hand	17,978,772,896	19,282,104,642
Deposits with non-financial institutions	114,706	2,358,917
Principal of treasury bonds reverse repurchase	129,999,000	-
Less: Restricted deposits with the central bank	718,530,910	791,743,445
Other restricted cash at bank and on hand	33,357,076	33,359,255
Time deposits over three months	13,149,842,431	8,730,000,000
Interest receivable on deposits	161,145,239	437,275,588
Closing balance of cash and cash equivalents	4,046,010,946	9,292,085,271

Notes to Financial Statements

For the year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

(V) Notes to Items in the Consolidated Financial Statements (continued)

58. Foreign currency monetary items

(1) Foreign currency monetary items

Item			RMB
	Closing balance in foreign currency	Exchange rate	Closing balance in RMB
Cash at bank and on hand			
Including: USD	11,256,863	7.1884	80,918,834
HKD	90,524,123	0.9260	83,825,338
EUR	1,613,718	7.5257	12,144,358
MOP	30,526,412	0.8985	27,427,981
VND	10,123,777,938	0.0003	3,037,133
Total			207,353,644
Accounts receivable			
Including: HKD	26,039,494	0.9260	24,112,571
USD	3,849,954	7.1884	27,675,009
EUR	2,103,062	7.5257	15,827,014
MOP	4,301,055	0.8985	3,864,498
GBP	261,778	9.0765	2,376,028
CAD	291,213	5.0498	1,470,567
VND	332,334,117	0.0003	99,700
Total			75,425,387

Notes to Financial Statements

For the year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

(V) Notes to Items in the Consolidated Financial Statements (continued)

58. Foreign currency monetary items (continued)

(1) Foreign currency monetary items (continued)

			RMB
Item	Closing balance in foreign currency	Exchange rate	Closing balance in RMB
Other receivables			
Including: HKD	106,484,017	0.9260	98,604,200
MOP	666,603	0.8985	598,943
VND	347,500,000	0.0003	104,250
Total			99,307,393
Accounts payable			
Including: HKD	46,676,592	0.9260	43,222,524
VND	34,189,818,065	0.0003	10,256,945
MOP	2,353,448	0.8985	2,114,573
Total			55,594,042
Other payables			
USD	834,320	7.1884	5,997,426
HKD	2,167,701	0.9260	2,007,291
MOP	1,083,832	0.8985	973,823
VND	551,827,945	0.0003	165,548
Total			9,144,088
Current portion of non-current liabilities			
HKD	6,144,968	0.9260	5,690,240
MOP	25,337	0.8985	22,765
Total			5,713,005
Lease liabilities			
HKD	33,864	0.9260	31,358
MOP	18,230	0.8985	16,380
Total			47,738

Foreign currencies mentioned above refer to all currencies other than RMB (the scope is different from the foreign currency items in Note IX (1)).

Notes to Financial Statements

For the year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

(V) Notes to Items in the Consolidated Financial Statements (continued)

59. Leases

(1) The Group as a lessee

The Group recognizes a right-of-use asset on the commencement date of the lease term and recognizes a lease liability for the present value of the outstanding lease payments. Lease payments include, among other things, fixed payments and payments that would be required if it were reasonably certain that a purchase option or lease termination option would be exercised. Variable rentals determined as a percentage of sales are not included in the lease payments and are recognized in profit or loss when they are actually incurred. Variable lease payments not included in the measurement of the lease liabilities in 2024 amounted to RMB13,730,359.

The short-term lease expenses under simplified treatment and recognized in profit or loss in 2024 amounted to RMB153,418,443 (2023: RMB155,542,148).

Total cash outflows related to leases in 2024 amounted to RMB194,723,248 (2023: RMB196,181,416), and all cash outflows are included in operating activities, except for the amount paid for the repayment of lease liabilities, which is included in financing activities as described in Note (V) 56 (7).

(2) The Group as a lessor

The Group as a lessor under operating leases

Item	Rental income	RMB	
		Including: Income related to variable lease payments not included in lease receipts	
Investment properties	5,115,813	-	-
Others	5,209,303	-	-
Total	10,325,116	-	-

	RMB'0000	
	Undiscounted lease receipts	
	31 December 2024	31 December 2023
1st year subsequent to the balance sheet date	342	414
2nd year subsequent to the balance sheet date	239	231
3rd year subsequent to the balance sheet date	203	191
4th year subsequent to the balance sheet date	180	180
5th year subsequent to the balance sheet date	30	195
Subsequent years	-	-
Total	994	1,211

Notes to Financial Statements

For the year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

(VI) CHANGE IN CONSOLIDATION SCOPE

1. Change in consolidation scope due to other reasons

Name of investee	Principal operating activities	Reason for change	Shareholding ratio
Tsingtao Brewery (Weifang) Manufacturing Co., Ltd. ("Weifang Manufacturing Company")	Manufacturing	Establishment	100%
Qingdao Jiuyuan Technology Co., Ltd. ("Jiuyuan Technology Company")	Software and IT services industry	Establishment	100%
Shanghai Tingtao Catering Management Co., Ltd.	Service industry	Deregistration	68.57%
Zibo Tingtao Cultural Communication Co., Ltd.	Service industry	Deregistration	100%

(VII) INTERESTS IN OTHER ENTITIES

1. Interests in subsidiaries

(1) Composition of the Group

Name of subsidiary	Place of operation	Registered capital (unless otherwise stated, the following amounts are in RMB)	Place of incorporation	Nature of business	Total shareholding proportion of the Group (%)		Acquisition method
					Directly	Indirectly	
Shenzhen Tsingtao Brewery Huanan Holding Co., Ltd. ("Huanan Holding Investment")	Shenzhen, the PRC	200,000,000	Shenzhen, the PRC	Industrial investment	100	-	Establishment or investment
Tsingtao Brewery (Zhuhai) Co., Ltd. ("Zhuhai Company")	Zhuhai, the PRC	60,000,000	Zhuhai, the PRC	Manufacturing	-	100	Establishment or investment
Tsingtao Brewery (Huangshi) Co., Ltd. ("Huangshi Company")	Huangshi, the PRC	168,630,000	Huangshi, the PRC	Manufacturing	97.18	2.82	Establishment or investment
Tsingtao Brewery (Yingcheng) Co., Ltd. ("Yingcheng Company")	Yingcheng, the PRC	97,070,000	Yingcheng, the PRC	Manufacturing	95.11	4.89	Establishment or investment
Shenzhen Huanan Tsingtao Brewery Sales Co., Ltd. ("Huanan Sales Company")	Guangdong, the PRC	20,000,000	Shenzhen, the PRC	Wholesale and retail sale	100	-	Establishment or investment
Tsingtao Brewery (Changsha) Co., Ltd. ("Changsha Company")	Changsha, the PRC	68,000,000	Changsha, the PRC	Manufacturing	70	30	Establishment or investment
Shanghai Tsingtao Brewery Huadong (Holding) Co., Ltd. ("Huadong Holding Company")	Shanghai, the PRC	100,000,000	Shanghai, the PRC	Wholesale and retail sale	100	-	Establishment or investment
Tsingtao Brewery Huadong Shanghai Sales Co., Ltd. ("Huadong Sales Company")	Shanghai, the PRC	100,300,000	Shanghai, the PRC	Wholesale and retail sale	97.01	2.99	Establishment or investment
Nanjing Tsingtao Brewery Huadong Sales Co., Ltd. ("Nanjing Sales Company")	Jiangsu, the PRC	1,000,000	Nanjing, the PRC	Wholesale and retail sale	-	100	Establishment or investment
Tsingtao Brewery (Wuhu) Co., Ltd. ("Wuhu Company")	Wuhu, the PRC	314,290,000	Wuhu, the PRC	Manufacturing	94.27	5.73	Establishment or investment
Tsingtao Brewery (Maanshan) Co., Ltd. ("Maanshan Company")	Maanshan, the PRC	85,000,000	Maanshan, the PRC	Manufacturing	94.12	5.88	Establishment or investment
Tsingtao Brewery (Shouguang) Co., Ltd. ("Shouguang Company")	Shouguang, the PRC	60,606,060	Shouguang, the PRC	Manufacturing	99	-	Establishment or investment

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(All amounts in RMB Yuan unless otherwise stated)

(VII) INTERESTS IN OTHER ENTITIES (continued)

1. Interests in subsidiaries (continued)

(1) Composition of the Group (continued)

Name of subsidiary	Place of operation	Registered capital (unless otherwise stated, the following amounts are in RMB)	Place of incorporation	Nature of business	Total shareholding proportion of the Group (%)		Acquisition method
					Directly	Indirectly	
Tsingtao Brewery (Weifang) Co., Ltd. ("Weifang Company")	Weifang, the PRC	75,000,000	Weifang, the PRC	Manufacturing	100	-	Establishment or investment
Tsingtao Brewery (Xuzhou) Huaihai Sales Co., Ltd.	Jiangsu, the PRC	131,000,000	Xuzhou, the PRC	Wholesale and retail sale	-	100	Establishment or investment
Tsingtao Brewery (Xuecheng) Co., Ltd. ("Xuecheng Company")	Xuecheng, the PRC	45,000,000	Xuecheng, the PRC	Manufacturing	-	85	Establishment or investment
Tsingtao Brewery (Tengzhou) Co., Ltd. ("Tengzhou Company")	Tengzhou, the PRC	61,020,000	Tengzhou, the PRC	Manufacturing	76.65	23.35	Establishment or investment
Tsingtao Brewery (Heze) Co., Ltd. ("Heze Company")	Heze, the PRC	130,000,000	Heze, the PRC	Manufacturing	93.08	6.92	Establishment or investment
Tsingtao Brewery (Langfang) Co., Ltd. ("Langfang Company")	Langfang, the PRC	99,000,000	Langfang, the PRC	Manufacturing	80.81	19.19	Establishment or investment
Tsingtao Brewery Xi'an Han's Group Co., Ltd. ("Xi'an Han's")	Shaanxi, the PRC	236,976,728	Xi'an, the PRC	Manufacturing, wholesale and retail sale	100	-	Establishment or investment
Tsingtao Brewery Baoji Co., Ltd. ("Baoji Company")	Baoji, the PRC	130,000,000	Baoji, the PRC	Manufacturing	-	100	Establishment or investment
Tsingtao Brewery (Anshan) Co., Ltd. ("Anshan Company")	Anshan, the PRC	50,000,000	Anshan, the PRC	Manufacturing	80	-	Establishment or investment
Tsingtao Brewery (Xingkaihu) Co., Ltd. ("Xingkaihu Company")	Jixi, the PRC	240,000,000	Jixi, the PRC	Manufacturing	100	-	Establishment or investment
Tsingtao Brewery (Mishan) Co., Ltd. ("Mishan Company")	Mishan, the PRC	118,000,000	Mishan, the PRC	Manufacturing	100	-	Establishment or investment
Tsingtao Brewery (Harbin) Co., Ltd. ("Harbin Company")	Harbin, the PRC	155,600,000	Harbin, the PRC	Manufacturing	100	-	Establishment or investment
Tsingtao Brewery International Trade Co., Ltd. ("International Trade")	Qingdao, the PRC	11,000,000	Qingdao, the PRC	Wholesale and retail sale	100	-	Establishment or investment
Tsingtao Brewery (Dezhou) Co., Ltd. ("Dezhou Company")	Dezhou, the PRC	25,000,000	Dezhou, the PRC	Manufacturing	100	-	Establishment or investment
Tsingtao Brewery (Rizhao) Co., Ltd. ("Rizhao Company")	Rizhao, the PRC	290,000,000	Rizhao, the PRC	Manufacturing	100	-	Establishment or investment
Tsingtao Brewery (Luzhou) Co., Ltd. ("Luzhou Company")	Luzhou, the PRC	111,110,000	Luzhou, the PRC	Manufacturing	95	-	Establishment or investment
Hong Kong Company	Hong Kong, the PRC	HKD 40,500,000	Hong Kong, the PRC	Wholesale and retail sale	100	-	Establishment or investment
Tsingtao Brewery (Hanzhong) Co., Ltd. ("Hanzhong Company")	Hanzhong, the PRC	29,410,000	Hanzhong, the PRC	Manufacturing	34	66	Establishment or investment
Beijing Tsingtao Brewery Beifang Sales Co., Ltd. ("Beifang Sales Company")	Beijing, the PRC	89,980,000	Beijing, the PRC	Wholesale and retail sale	95	5	Establishment or investment

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(All amounts in RMB Yuan unless otherwise stated)

(VII) INTERESTS IN OTHER ENTITIES (continued)

1. Interests in subsidiaries (continued)

(1) Composition of the Group (continued)

Name of subsidiary	Place of operation	Registered capital (unless otherwise stated, the following amounts are in RMB)	Place of incorporation	Nature of business	Total shareholding proportion of the Group (%)		Acquisition method
					Directly	Indirectly	
Qingdao Guangrunlong Real Estate Co., Ltd. ("Guangrunlong Real Estate")	Shandong, the PRC	6,184,000	Qingdao, the PRC	Real estate services and retail industry	100	-	Establishment or investment
Tsingtao Brewery (Xiamen) Co., Ltd. ("Xiamen Company")	Xiamen, the PRC	90,000,000	Xiamen, the PRC	Manufacturing	-	100	Establishment or investment
Xiamen Tsingtao Brewery Dongnan Sales Co., Ltd. ("Dongnan Sales Company")	Fujian, the PRC	215,000,000	Xiamen, the PRC	Wholesale and retail sale	100	-	Establishment or investment
Tsingtao Brewery (Jinan) Co., Ltd. ("Jinan Company")	Jinan, the PRC	560,000,000	Jinan, the PRC	Manufacturing	100	-	Establishment or investment
Tsingtao Brewery (Chengdu) Co., Ltd. ("Chengdu Company")	Chengdu, the PRC	280,000,000	Chengdu, the PRC	Manufacturing	100	-	Establishment or investment
Tsingtao Brewery (Yulin) Co., Ltd. ("Yulin Company")	Yulin, the PRC	55,000,000	Yulin, the PRC	Manufacturing	-	100	Establishment or investment
Tsingtao Brewery Chengyang Sales Co., Ltd. ("Chengyang Sales Company")	Qingdao, the PRC	8,000,000	Qingdao, the PRC	Wholesale and retail sale	100	-	Establishment or investment
Tsingtao Brewery Chenzhou Sales Co., Ltd. ("Chenzhou Sales Company")	Chenzhou, the PRC	1,000,000	Chenzhou, the PRC	Wholesale and retail sale	-	100	Establishment or investment
Machinery and Equipment Company	Qingdao, the PRC	2,000,000	Qingdao, the PRC	Industrial engineering	-	100	Establishment or investment
Tsingtao Brewery (Shijiazhuang) Co., Ltd. ("Shijiazhuang Company")	Shijiazhuang, the PRC	321,010,000	Shijiazhuang, the PRC	Manufacturing	100	-	Establishment or investment
Tsingtao Brewery (Taiyuan) Co., Ltd. ("Taiyuan Company")	Taiyuan, the PRC	200,000,000	Taiyuan, the PRC	Manufacturing	100	-	Establishment or investment
Finance Company	Qingdao, the PRC	2,000,000,000	Qingdao, the PRC	Financing	100	-	Establishment or investment
Tsingtao Brewery (Jieyang) Co., Ltd. ("Jieyang Company")	Jieyang, the PRC	200,000,000	Jieyang, the PRC	Manufacturing	75	-	Establishment or investment
Tsingtao Brewery (Shaoguan) Co., Ltd. ("Shaoguan Company")	Shaoguan, the PRC	200,000,000	Shaoguan, the PRC	Manufacturing	100	-	Establishment or investment
Tsingtao Brewery (Electronic Commerce) Co., Ltd. ("Electronic Commerce Company")	Qingdao, the PRC	8,000,000	Qingdao, the PRC	Wholesale and retail sale	100	-	Establishment or investment
Tsingtao Brewery (Jiujiang) Co., Ltd. ("Jiujiang Company")	Jiujiang, the PRC	200,000,000	Jiujiang, the PRC	Manufacturing	90	-	Establishment or investment
Tsingtao Brewery (Pingdu) Sales Co., Ltd. ("Pingdu Sales Company")	Qingdao, the PRC	5,000,000	Qingdao, the PRC	Wholesale and retail sale	100	-	Establishment or investment
Shanghai Tsingtao Brewery Sales Co., Ltd. ("Shanghai Sales Company")	Shanghai, the PRC	96,300,000	Shanghai, the PRC	Wholesale and retail sale	-	100	Establishment or investment
Tsingtao Brewery (Xuzhou) Enterprise Management Service Co., Ltd. ("Xuzhou Enterprise Management")	Xuzhou, the PRC	10,000,000	Xuzhou, the PRC	Wholesale and retail sale	100	-	Establishment or investment

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(All amounts in RMB Yuan unless otherwise stated)

(VII) INTERESTS IN OTHER ENTITIES (continued)

1. Interests in subsidiaries (continued)

(1) Composition of the Group (continued)

Name of subsidiary	Place of operation	Registered capital (unless otherwise stated, the following amounts are in RMB)	Place of incorporation	Nature of business	Total shareholding proportion of the Group (%)		Acquisition method
					Directly	Indirectly	
Tsingtao Brewery (Luoyang) Co., Ltd. ("Luoyang Company")	Luoyang, the PRC	200,000,000	Luoyang, the PRC	Manufacturing	100	-	Establishment or investment
Tsingtao Brewery (Shanghai) Industrial Co., Ltd. ("Shanghai Industrial Company")	Shanghai, the PRC	416,800,000	Shanghai, the PRC	Wholesale and retail sale	100	-	Establishment or investment
Tsingtao Brewery (Zhangjiakou) Co., Ltd. ("Zhangjiakou Company")	Zhangjiakou, the PRC	200,000,000	Zhangjiakou, the PRC	Manufacturing	100	-	Establishment or investment
Vietnam Company	Vietnam	USD 1,000,000	Vietnam	Wholesale and retail sale	-	100	Establishment or investment
Tsingtao Brewery (Zaozhuang) Co., Ltd. ("Zaozhuang Company")	Zaozhuang, the PRC	200,000,000	Zaozhuang, the PRC	Manufacturing	100	-	Establishment or investment
Tsingtao Brewery (West Coast) Cultural Tourism Development Co., Ltd. ("West Coast Cultural Tourism")	Qingdao, the PRC	240,000,000	Qingdao, the PRC	Wholesale, retail sale and services	96.25	3.75	Establishment or investment
Tsingtao Brewery Fashion Industry Development Co., Ltd.	Qingdao, the PRC	100,000,000	Qingdao, the PRC	Services	-	100	Establishment or investment
Tsingtao Brewery Technology Research and Development Center Co., Ltd. ("Research and Development Center")	Qingdao, the PRC	480,000,000	Qingdao, the PRC	Technology promotion and application	100	-	Establishment or investment
Weifang Manufacturing Company	Weifang, the PRC	300,000,000	Weifang, the PRC	Manufacturing	100	-	Establishment or investment
Jiuyuan Technology Company	Qingdao, the PRC	50,000,000	Qingdao, the PRC	Software and IT services industry	100	-	Establishment
Tsingtao Brewery (Sanshui) Co., Ltd. ("Sanshui Company")	Sanshui, the PRC	USD 5,000,000	Sanshui, the PRC	Manufacturing	-	75	Business combinations not involving enterprises under common control
Tsingtao Brewery (Chenzhou) Co., Ltd. ("Chenzhou Company")	Chenzhou, the PRC	70,000,000	Chenzhou, the PRC	Manufacturing	88.80	11.20	Business combinations not involving enterprises under common control
Shenzhen Tsingtao Brewery Asahi Co., Ltd. ("Shenzhen Asahi")	Shenzhen, the PRC	USD 30,000,000	Shenzhen, the PRC	Manufacturing	51	-	Business combinations not involving enterprises under common control

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(All amounts in RMB Yuan unless otherwise stated)

(VII) INTERESTS IN OTHER ENTITIES (continued)

1. Interests in subsidiaries (continued)

(1) Composition of the Group (continued)

Name of subsidiary	Place of operation	Registered capital (unless otherwise stated, the following amounts are in RMB)	Place of incorporation	Nature of business	Total shareholding proportion of the Group (%)		Acquisition method
					Directly	Indirectly	
Nanning Tsingtao Brewery Co., Ltd. ("Nanning Company")	Nanning, the PRC	730,000,000	Nanning, the PRC	Manufacturing	-	75	Business combinations not involving enterprises under common control
Beijing Tsingtao Brewery Three Ring Co., Ltd. ("Three Ring Company")	Beijing, the PRC	USD29,800,000	Beijing, the PRC	Manufacturing	75	25	Business combinations not involving enterprises under common control
Beijing Tsingtao Brewery Five Star Co., Ltd. ("Five Star Company")	Beijing, the PRC	862,000,000	Beijing, the PRC	Manufacturing	37.64	25	Business combinations not involving enterprises under common control
Tsingtao Brewery (Weinan) Co., Ltd. ("Weinan Company")	Weinan, the PRC	50,000,000	Weinan, the PRC	Manufacturing	28	72	Business combinations not involving enterprises under common control
Tsingtao Brewery (Gansu) Co., Ltd. ("Gansu Nongken Company")	Lanzhou, the PRC	174,420,800	Lanzhou, the PRC	Manufacturing	50	5.06	Business combinations not involving enterprises under common control
Tsingtao Brewery (Wuwei) Co., Ltd. ("Wuwei Company")	Wuwei, the PRC	36,100,000	Wuwei, the PRC	Manufacturing	-	99.72	Business combinations not involving enterprises under common control
Tsingtao Brewery (Rongcheng) Co., Ltd. ("Rongcheng Company")	Rongcheng, the PRC	20,000,000	Rongcheng, the PRC	Manufacturing	70	-	Business combinations not involving enterprises under common control
Tsingtao Brewery (Suizhou) Co., Ltd. ("Suizhou Company")	Suizhou, the PRC	24,000,000	Suizhou, the PRC	Manufacturing	-	90	Business combinations not involving enterprises under common control

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For the year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

(VII) INTERESTS IN OTHER ENTITIES (continued)

1. Interests in subsidiaries (continued)

(1) Composition of the Group (continued)

Name of subsidiary	Place of operation	Registered capital (unless otherwise stated, the following amounts are in RMB)	Place of incorporation	Nature of business	Total shareholding proportion of the Group (%)		Acquisition method
					Directly	Indirectly	
Tsingtao Brewery (Fuzhou) Co., Ltd. ("Fuzhou Company")	Fuzhou, the PRC	USD 26,828,100	Fuzhou, the PRC	Manufacturing	-	100	Business combinations not involving enterprises under common control
Tsingtao Brewery (Zhangzhou) Co., Ltd. ("Zhangzhou Company")	Zhangzhou, the PRC	100,000,000	Zhangzhou, the PRC	Manufacturing	-	90	Business combinations not involving enterprises under common control
Construction Company	Qingdao, the PRC	13,142,176	Qingdao, the PRC	Construction	100	-	Business combinations not involving enterprises under common control
Tsingtao Brewery (Penglai) Co., Ltd. ("Penglai Company")	Penglai, the PRC	37,500,000	Penglai, the PRC	Manufacturing	80	-	Business combinations not involving enterprises under common control
Tsingtao Brewery Culture Communication Co., Ltd. ("Cultural Communication Company")	Qingdao, the PRC	73,500,000	Qingdao, the PRC	Services	100	-	Business combinations not involving enterprises under common control
Tsingtao Brewery Beverage Co., Ltd. ("Beverage Company")	Qingdao, the PRC	130,000,000	Qingdao, the PRC	Manufacturing	100	-	Business combinations not involving enterprises under common control
Immense Brewery Company	Shandong, the PRC	USD 18,760,000	Mengyin, the PRC	Manufacturing, wholesale and retail sale	75	25	Business combinations not involving enterprises under common control
Tsingtao Brewery (Hangzhou) Co., Ltd. ("Hangzhou Company")	Jiande, the PRC	230,000,000	Jiande, the PRC	Manufacturing	100	-	Business combinations not involving enterprises under common control

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For the year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

(VII) INTERESTS IN OTHER ENTITIES (continued)

1. Interests in subsidiaries (continued)

(1) Composition of the Group (continued)

Name of subsidiary	Place of operation	Registered capital (unless otherwise stated, the following amounts are in RMB)	Place of incorporation	Nature of business	Total shareholding proportion of the Group (%)		Acquisition method
					Directly	Indirectly	
Macau Company	Macau, the PRC	MOP 200,000	Macau, the PRC	Wholesale and retail sale	-	60	Business combinations not involving enterprises under common control
Tsingtao Brewery (Shanghai) Market Service Co., Ltd.	Shanghai, the PRC	334,578,898	Shanghai, the PRC	Wholesale and retail sale	-	100	Business combinations not involving enterprises under common control
Shandong Lulansa Brewery Co., Ltd. ("Lulansa Company")	Zibo, the PRC	100,000,000	Zibo, the PRC	Manufacturing	90	-	Business combinations not involving enterprises under common control
Equipment Manufacturing Company	Qingdao, the PRC	2,897,600	Qingdao, the PRC	Manufacturing	-	100	Business combinations not involving enterprises under common control
Tsingtao Brewery (Shanghai) Investing Co., Ltd. ("Shanghai Investing Company")	Shanghai, the PRC	907,320,000	Shanghai, the PRC	Industrial investment	100	-	Business combinations not involving enterprises under common control
Tsingtao Brewery Shanghai Songjiang Manufacturing Co., Ltd. ("New Songjiang Manufacturing Company")	Shanghai, the PRC	50,000,000	Shanghai, the PRC	Manufacturing	-	100	Business combinations not involving enterprises under common control
Tsingtao Brewery (Suqian) Co., Ltd. ("Suqian Company")	Suqian, the PRC	100,000,000	Suqian, the PRC	Manufacturing	75	25	Business combinations not involving enterprises under common control
Tsingtao Brewery (Xuzhou) Pengcheng Co., Ltd. ("Pengcheng Company")	Xuzhou, the PRC	155,000,000	Xuzhou, the PRC	Manufacturing	-	100	Business combinations not involving enterprises under common control

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For the year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

(VII) INTERESTS IN OTHER ENTITIES (continued)

1. Interests in subsidiaries (continued)

(1) Composition of the Group (continued)

Name of subsidiary	Place of operation	Registered capital (unless otherwise stated, the following amounts are in RMB)	Place of incorporation	Nature of business	Total shareholding proportion of the Group (%)		Acquisition method
					Directly	Indirectly	
Tsingtao Brewery (Xuzhou) Co., Ltd. ("Xuzhou Company")	Xuzhou, the PRC	39,336,899	Xuzhou, the PRC	Manufacturing	-	66	Business combinations not involving enterprises under common control
Tsingtao Brewery (Yangzhou) Co., Ltd. ("Yangzhou Company")	Yangzhou, the PRC	200,000,000	Yangzhou, the PRC	Manufacturing	50	50	Business combinations not involving enterprises under common control
Tsingtao Brewery (Kunshan) Co., Ltd. ("Kunshan Company")	Kunshan, the PRC	731,535,952	Kunshan, the PRC	Manufacturing	-	100	Business combinations not involving enterprises under common control
Tsingtao Brewery (Lianyungang) Co., Ltd. ("Lianyungang Company")	Lianyungang, the PRC	378,293,523	Lianyungang, the PRC	Manufacturing	56.09	43.91	Business combinations not involving enterprises under common control
Tsingtao Brewery (Minhang) Co., Ltd. ("Minhang Company")	Shanghai, the PRC	377,251,025	Shanghai, the PRC	Manufacturing	-	96.48	Business combinations not involving enterprises under common control

Except Gansu Nongken, whose corporate category is incorporated company by shares, all of the above-mentioned subsidiaries are limited liability companies. None of the Company's subsidiaries has issued stocks or bonds.

(2) Significant non-wholly owned subsidiary

Name of subsidiary	Share proportion of minority shareholders	Profit or loss attributable to non-controlling interests for the year	Dividends declared to minority shareholders for the year	Closing balance of non-controlling interests	RMB
Shenzhen Asahi	49%	40,144,190	37,387,000	224,499,858	

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For the year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

(VII) INTERESTS IN OTHER ENTITIES (continued)

1. Interests in subsidiaries (continued)

(3) Significant financial information of significant non-wholly owned subsidiary

Name of subsidiary	31 December 2024					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
Shenzhen Asahi	294,267,468	389,442,968	683,710,436	197,742,475	27,451,399	225,193,874

RMB

Name of subsidiary	31 December 2023					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
Shenzhen Asahi	288,291,612	401,973,691	690,265,303	215,403,106	22,308,860	237,711,966

RMB

Name of subsidiary	Amount incurred in the current year			
	Revenue	Net profit	Total comprehensive income	Cash flows from operating activities
Shenzhen Asahi	814,078,012	82,115,219	82,115,219	139,054,653

RMB

Name of subsidiary	Amount incurred in the prior year			
	Revenue	Net profit	Total comprehensive income	Cash flows from operating activities
Shenzhen Asahi	869,890,816	76,296,712	76,296,712	110,908,849

Financial information above represents the amounts of subsidiaries in the Group before elimination. The dividends declared to minority shareholders in 2024 have been paid in the current year.

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For the year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

(VII) INTERESTS IN OTHER ENTITIES *(continued)*

2. Transactions in which the share of ownership interest in a subsidiary changes and the subsidiary is still controlled

(1) Explanation of changes in the share of ownership interests in subsidiaries

Pursuant to the resolution of the Board of Directors dated 4 March 2024, the Board of Directors deliberated and approved the receipt of the 20% equity interest in Anshan Company held by Taian Bajiaotai Construction and Investment Group Limited Liability Company (“Bajiaotai CIC”) at a price of RMB18,065,000. The parties have signed the equity transfer contract and the formalities for change of equity interest were completed on 15 March 2024. Upon completion of the equity transfer, the Company holds 80% equity interest in Anshan Company and Bajiaotai CIC holds 20% equity interest in Anshan Company.

Pursuant to the resolution of the Board of Directors dated 29 August 2024, the Board of Directors deliberated and approved the receipt of the 46% equity interest in Three Ring Company held by Beijing Sonhoshin & Five Star Beer Three Ring Co., Ltd. at a price of RMB101,200,000. The parties have signed the equity transfer contract and the formalities for change of equity interest were completed on 27 November 2024. Upon completion of the equity transfer, the Company holds 100% equity interest in Three Ring Company.

(2) Effect of the transaction on non-controlling interests and equity attributable to owners of the Company

	RMB	
	Anshan Company	Three Ring Company
Purchase consideration		
- Cash	18,065,000	101,200,000
Total purchase consideration	18,065,000	101,200,000
Less: Share of net assets of subsidiaries in proportion to equity acquired	16,938,242	77,254,445
Differences	1,126,758	23,945,555
Including: Capital surplus adjustment	1,126,758	23,945,555

3. Interests in joint ventures and associates

(1) Significant joint ventures

Name of joint venture or associate	Place of operation	Place of incorporation	Nature of business	Shareholding proportion (%)		Accounting treatment for investments in joint ventures or associates
				Directly	Indirectly	
I. Joint venture						
Hebei Jiahe Company	Shijiazhuang, the PRC	Shijiazhuang, the PRC	Manufacturing	50	-	Equity method

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For the year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

(VII) INTERESTS IN OTHER ENTITIES (continued)

3. Interests in joint ventures and associates (continued)

(2) Key financial information of significant joint ventures

	RMB	
Hebei Jiahe Company	31 December 2024	31 December 2023
Current Assets:	106,479,374	93,119,431
Including: Cash and cash equivalents	68,857,101	67,777,905
Non-current Assets:	77,368,045	83,536,111
Total assets	183,847,419	176,655,542
Current Liabilities:	33,183,389	24,820,723
Total liabilities	33,183,389	24,820,723
Total shareholders' equity	150,664,030	151,834,819
Adjustment based on fair value of identifiable net assets of the joint venture at the time of acquisition of the investment	49,503,974	53,852,555
Equity attributable to shareholders of the Company after adjustment	200,168,004	205,687,374
Share of net assets calculated based on shareholding proportion (Note)	100,084,002	102,843,687
Adjusting item		
– Goodwill	113,928,609	113,928,609
Carrying amount of equity investments in joint venture	214,012,611	216,772,296
Fair value of equity investments in joint venture for which publicly quoted price is available	N/A	N/A

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(All amounts in RMB Yuan unless otherwise stated)

(VII) INTERESTS IN OTHER ENTITIES (continued)

3. Interests in joint ventures and associates (continued)

(2) Key financial information of significant joint ventures (continued)

	Amount incurred in the current year	RMB Amount incurred in the prior year
Hebei Jiahe Company		
Revenue	312,906,292	363,235,165
Finance expenses	(1,101,650)	1,287,465
Income tax expenses	4,986,344	6,000,945
Net profit	13,829,210	16,729,617
Other comprehensive income	-	-
Total comprehensive income	13,829,210	16,729,617
Adjustment based on fair value of identifiable net assets of the joint venture at the time of acquisition of the investment	(4,348,581)	(6,272,807)
Total comprehensive income attributable to the Company after adjustment	9,480,629	10,456,810
Dividends received from the joint venture in the year	7,500,000	9,000,000

Note: The share of net assets of the joint venture is calculated by the shareholding proportion of the Group, based on the amount attributable to the Company in the financial statements of the joint venture. For amounts in the financial statements of the joint venture, the fair value of the identifiable assets and liabilities of the joint venture at the time of acquisition of the investment and the impact of uniform accounting policies are taken into consideration.

(3) Key financial information of significant associates

The Group determines significant associates by taking into account factors such as the proportion of the carrying amount of the associates to the Group's consolidated total assets and the proportion of income from long-term equity investments accounted for under equity method to the Group's consolidated net profit. The Group does not have any significant associates.

(4) Summarized financial information of insignificant associates

	31 December 2024/ Amount incurred in the current year	RMB 31 December 2023/ Amount incurred in the prior year
Associates		
Total carrying amount of the investment	179,081,192	149,184,684
Aggregate of the following calculated based on the shareholding proportion		
– Net profit (<i>Note</i>)	40,717,401	11,022,070
– Other comprehensive (loss) income (<i>Note</i>)	(164,887)	193,842
– Total comprehensive income	40,552,514	11,215,912

Note: For net profit and other comprehensive income, the fair value of identifiable assets and liabilities at the time of acquisition of the investment and the impact of adjustments to the uniform accounting policies are taken into consideration.

Notes to Financial Statements

For the year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

(VII) INTERESTS IN OTHER ENTITIES (continued)

3. Interests in joint ventures and associates (continued)

- (5) When measured by equity method, the accounting policy difference between the Group and all of its joint ventures and associates is unnoticeable. In addition, there are no significant restrictions on the realization of such long-term investments and the repatriation of the investment income, nor on the ability of joint ventures and associates to transfer capital to the Group.

(6) Excess losses of joint ventures or associates

Name of joint venture or associate	Accumulated unrecognized losses in the prior period	Net profit shared in the current year	RMB Accumulated unrecognized losses at the end of current year
Liaoning Shenqing Company	851,442	331,979	519,463

- (7) As at 31 December 2024, the Group has no unrecognized commitment related to investments in joint ventures or contingent liabilities related to investments in joint ventures or associates.

(VIII) GOVERNMENT GRANTS

1. Liability items involving government grants

Financial statements items	31 December 2023	Amount of grants increased in the year	Amount included in other income in the year	Amount included in gains from disposal of assets in the year	31 December 2024	Related to assets/income
Deferred income	2,858,207,387	251,130,785	267,297,753	1,819,008	2,840,221,411	Related to assets
Deferred income	29,336,265	124,981,043	47,250,274	-	107,067,034	Related to income
Total	2,887,543,652	376,111,828	314,548,027	1,819,008	2,947,288,445	

At the end of the prior period and the end of the current period, the Group has no government grants recognized at the amount receivable.

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For the year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

(VIII) GOVERNMENT GRANTS *(continued)*

2. Government grants included in profit or loss for the period

Category	RMB	
	Amount incurred in the current year	Amount incurred in the prior year
Related to assets	267,297,753	262,808,348
Related to income	234,108,531	128,307,526
Total	501,406,284	391,115,874

(IX) RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS

The Group's activities expose it to a variety of financial risks: market risk (primarily foreign exchange risk, interest rate risk and other price risk), credit risk and liquidity risk. The financial risks mentioned above and risk management policies adopted by the Group to reduce the risks are as follows:

The Board of Directors is responsible for planning and establishing risk management framework of the Group, formulating risk management policies and related guidelines of the Group and supervising the implementation of risk management measures. The Group has developed risk management policies to identify and analyze risks faced by the Group. These risk management policies explicitly stipulate specific risks, covering the management of market risks, credit risks, liquidity risk and many other aspects. The Group assesses the changes in market environment and the Group's operating activities regularly to determine whether the policies and systems of risk management should be updated. The Group's risk management is launched by relevant departments in accordance with the policies approved by the Board of Directors. These departments identify, evaluate and avoid related risks through close cooperation with other business departments of the Group. Internal audit department of the Group conducts regular inspections on the control and procedures of risk management and reports the result to the audit committee of the Group.

The Group adopts sensitivity analysis technique to analyses how profit or loss for the period and shareholders' equity would have been affected by reasonably possible changes in the relevant risk variables. As it is unlikely that risk variables will change in an isolated manner, and the interdependence among risk variables will have significant effect on the amount ultimately influenced by the changes in a single risk variable, the following are based on the assumption that the change in each risk variable is on a stand-alone basis.

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(All amounts in RMB Yuan unless otherwise stated)

(IX) RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS *(continued)*

1. Risk management objectives, policies and procedures and the changes in the year

The Group's risk management objectives are to achieve a proper balance between risks and yield, minimize the adverse impacts of risks on the Group's operation performance, and maximize the benefits of the shareholders and other stakeholders. Based on these risk management objectives, the Group's basic risk management strategy is to identify and analyzes the Group's exposure to various risks, establish an appropriate maximum tolerance to risk, implement risk management, and monitors regularly and effectively these exposures to ensure the risks are monitored at a certain level.

1.1 Market risk

1.1.1 Currency risk

The Group's major operating activities are carried out in Chinese Mainland and a majority of the transactions are denominated in RMB. The Group has foreign exchange risk from recognized foreign currency assets and liabilities and future foreign currency transactions (foreign currency assets and liabilities and foreign currency transactions are mainly denominated in USD). The Group continuously monitors foreign currency transactions and the scale of foreign currency assets and liabilities to minimize the foreign exchange risk. As at 31 December 2024, the Group has no foreign currency borrowings and has not entered into any forward exchange contracts or currency swap contracts to hedge foreign exchange risk.

As at 31 December 2024, the amounts of foreign currency financial assets and liabilities held by companies within the Group whose functional currency is RMB are translated into RMB as follows:

Item	RMB	
	31 December 2024	31 December 2023
Cash at bank and on hand	92,221,576	232,027,761
Accounts receivable	49,390,919	37,706,577
Other payables	5,997,426	5,030,163

Sensitivity analysis on currency risk

As at 31 December 2024, for various financial assets and liabilities denominated in USD of companies whose functional currency is RMB, if USD had strengthened or weakened by 5% against RMB while all other variables remain unchanged, the Group's net profit and shareholders' equity will increase or decrease by approximately RMB3,816,000 (31 December 2023: approximately RMB6,885,000). For financial assets and financial liabilities denominated in other foreign currencies held by the companies choosing RMB as their functional currencies, if other foreign currencies had strengthened or weakened by 5% against RMB while other variables remain unchanged, the Group's net profit and shareholders' equity will increase or decrease by approximately RMB1,270,000 (31 December 2023: approximately RMB3,041,000).

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For the year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

(IX) RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS *(continued)*

1. Risk management objectives, policies and procedures and the changes in the year *(continued)*

1.1 Market risk *(continued)*

1.1.2 Interest rate risk - risk of changes in cash flows

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 2024, there are no long-term borrowings (31 December 2023: nil). There is no material interest rate risk in the view of the directors of the Company.

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 debts and the interest expenses on the Group's outstanding interest-bearing debts at floating rate and therefore could have an adverse impact on the Group's financial performance. The management of the Group will make timely adjustments according to the latest market conditions, and these adjustments may involve interest rate swap arrangements to reduce interest rate risk. In 2024 and 2023, the Group has no interest rate swap arrangements. The directors of the Company are of the view that the future interest rate changes will not have a material adverse impact on the Group's operating performance.

1.1.3 Other price risk

Other price risk of the Group mainly arises from the investments in debt instruments, where risk of price changes exists (including interest rate risk). As at 31 December 2024, if the expected price of the Group's investments in various debt instruments increases or decreases by 0.5% while other variables remain unchanged, the Group's net profit and shareholders' equity will increase or decrease by approximately RMB17,142,000 (31 December 2023: approximately RMB12,665,000).

1.2 Credit risk

As at 31 December 2024, the Group's maximum exposure to credit risk which will cause a financial loss to the Group is mainly losses on the Group's financial assets due to the counterparty's failure to discharge an obligation, including: cash at bank and on hand (Note (V) 1), accounts receivable (Note (V) 3), other receivables (Note (V) 5), other current assets (Note (V) 8) and investments in debt instruments at fair value through profit or loss that are not included in the scope of impairment assessment, etc. (Note (V) 2, 7 and 10).

In order to minimize the credit risk, the Group is responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of trade debt at each balance sheet date to ensure that adequate allowance for ECL is made. In this regard, the management of the Group considers that the Group's credit risk is significantly reduced.

The Group believes that there is no significant credit risk associated with cash at bank and on hand considering they are deposited at joint-stock commercial banks and other large and medium-sized commercial banks with high credit rating, and it does not expect that there will be any significant losses resulting from non-performance by these banks.

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(All amounts in RMB Yuan unless otherwise stated)

(IX) RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS (continued)

1. Risk management objectives, policies and procedures and the changes in the year (continued)

1.2 Credit risk (continued)

Investments in debt instruments held by the Group are mainly bonds with high credit ratings. The Group controls its exposure to credit risk by setting overall investment limits, which are reviewed and approved on a yearly basis. The Group regularly monitors the credit risk exposure of bond investments, changes in credit ratings of the bonds and other relevant information to ensure that the overall credit risk is limited to a controllable extent.

Sales are mainly settled by advances from customers, and accordingly, there is no significant credit risk related to dealers.

In addition, the Group has policies to limit the credit risk exposure on accounts receivable and other receivables, etc. The Group assesses the credit quality of and sets credit periods on its dealers 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 dealers is regularly monitored by the Group. In respect of dealers with a poor credit history, the Group will use written payment reminders, or shorten or cancel credit periods, to ensure that the overall credit risk of the Group is limited to a controllable extent.

As at 31 December 2024, the Group holds no significant collateral or other credit enhancements due to the debtor's mortgage (31 December 2023: nil).

1.3 Liquidity risk

Cash flow forecasting is performed by each subsidiary of the Group and aggregated by the Group's head office. The Group monitors rolling forecasts of the Group's short-term and long-term liquidity requirements to ensure that it has sufficient cash reserves and marketable securities that are readily realizable, while continuously monitoring the compliance with borrowing agreements and obtaining commitments from major financial institutions for sufficient standby funds to meet its short-term and long-term liquidity requirements.

The financial liabilities of the Group at the balance sheet date are analyzed by their maturity date below at their undiscounted contractual cash flows:

	Within 1 year	1 to 2 years	2 to 5 years	Over 5 years	RMB Total
Notes payable	217,159,673	-	-	-	217,159,673
Accounts payable	3,053,514,829	-	-	-	3,053,514,829
Other payables	3,066,211,751	-	-	-	3,066,211,751
Lease liabilities	44,189,642	18,886,244	33,943,224	32,644,313	129,663,423

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(All amounts in RMB Yuan unless otherwise stated)

(X) DISCLOSURE OF FAIR VALUE

1. Fair value of assets and liabilities measured at fair value at the end of the period

		RMB
		Level 2 fair value measurement
Item		31 December 2024
Current portion of non-current assets - Debt instruments		51,713,930
Other non-current financial assets - Debt instruments		2,497,779,750
Financial assets held for trading - Fund investments		1,008,307,171
		Level 3 fair value measurement
Item		31 December 2024
Financial assets held for trading - Other debt instruments		1,013,496,918
Other non-current financial assets - Equity instruments		600,000

2. Valuation techniques and qualitative and quantitative information of key parameters adopted in continuous level 2 fair value measurement

			RMB
Item	Fair value at 31 December 2024	Valuation technique	
Current portion of non-current assets - Debt instruments	51,713,930	The fair value is calculated based on the valuation results obtained from a third-party pricing service (e.g., Central Treasury Bonds Registration & Settlement Company Ltd.)	
Other non-current financial assets - Debt instruments	2,497,779,750	The fair value is calculated based on the valuation results obtained from a third-party pricing service (e.g., Central Treasury Bonds Registration & Settlement Company Ltd.)	
Financial assets held for trading - Fund investments	1,008,307,171	The fair value is calculated based on the valuation results obtained from a third-party pricing service (e.g., China Bond Financial Valuation Center & China Securities Index Co., Ltd.)	

3. Valuation techniques and qualitative and quantitative information of key parameters adopted in continuous level 3 fair value measurement

				RMB
Item	Fair value at 31 December 2024	Valuation technique	Input	
Financial assets held for trading - Others debt instruments	1,013,496,918	Discounted cash flow technique	Discount rate reflecting counterparty's credit risk	
Other non-current financial assets - Equity instruments	600,000	Discounted cash flow technique	Income growth rate and systematic risk factor	

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For the year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

(X) DISCLOSURE OF FAIR VALUE (continued)

4. Reconciliation between opening and closing carrying amounts of items measured at Level 3 fair value continuously:

Level 3 fair value measurement

Item	1 January 2024	Total gains or losses for the period		Purchase, issuance and settlement			31 December 2024	Changes in unrealized gains or losses included in profit or loss in respect of the assets held at the end of the Reporting Period
		Included in profit or loss	Included in other comprehensive income	Purchase	Issuance	Settlement		
Financial assets held for trading								
- Other debt instruments	1,924,078,158	49,663,685	-	3,196,950,000	-	(4,157,194,925)	1,013,496,918	146,918
Other non-current financial assets								
- Equity instruments	600,000	-	-	-	-	-	600,000	-
Total	1,924,678,158	49,663,685	-	3,196,950,000	-	(4,157,194,925)	1,014,096,918	146,918

5. Assets and liabilities not measured at fair value but the fair values of which should be disclosed

Financial assets and financial liabilities measured at amortized cost of the Group mainly include cash at bank and on hand, accounts receivable, other receivables, other current assets, notes payable, accounts payable, other payables, other current liabilities and long-term payables, etc. The difference between the carrying amounts and fair values of those financial assets and liabilities not measured at fair value is small.

(XI) RELATED PARTIES AND RELATED PARTY TRANSACTIONS

1. Information about the parent company

Name of parent company	Place of incorporation	Nature of business	Registered capital	RMB'0000	
				Parent company's shareholding in the Company (%)	Parent company's voting rights in the Company (%)
Tsingtao Brewery Group Co., Ltd. ("Tsingtao Brewery Group")	Qingdao, Shandong Province, the PRC	Operation and investment of state-owned assets	134,372	32.51	32.51

The ultimate controlling party of the Company is the State-owned Assets Supervision and Administration Commission of Qingdao Municipal People's Government, and its main business location is in Qingdao.

2. Information about the subsidiaries of the Group

The information about the subsidiaries of the Group is set out in Note (VII) 1 (1).

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For the year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

(XI) RELATED PARTIES AND RELATED PARTY TRANSACTIONS *(continued)*

3. Information about the joint ventures and associates of the Group

The information about the joint ventures and associates of the Group is set out in Note (VII) 3(1).

Except for the information about the significant joint ventures and associates disclosed in Note (VII) 3 (1), information about other associates having related party transactions with the Group is set out below:

Name of related party	Relationship with the Group
Beijing Sales Company	Associate
European Company	Associate
Zhaoshang Logistics Company	Associate
Liaoning Shenqing Company	Associate
Yantai Brewery Company	Associate

4. Information about other related parties of the Group

Name of other related party	Relationship with the Group
Tsingtao Brewery Youjia Health Drinks Co., Ltd. (“Youjia Health”)	Subsidiary of Tsingtao Brewery Group
Tsingtao Brewery Youjia Health Drinks (Shanghai) Co., Ltd. (“Youjia Shanghai”)	Subsidiary of Tsingtao Brewery Group
Tsingtao Brewery Youjia (Tianjin) Natural Mineral Water Co., Ltd. (“Youjia Tianjin”)	Subsidiary of Tsingtao Brewery Group
Yunnan Dashan Beverage Co., Ltd. (“Yunnan Dashan”)	Subsidiary of Tsingtao Brewery Group
Qingdao Smart Chain Success Delivery Technology Co., Ltd. (“Smart Chain Success Delivery”)	Subsidiary of Tsingtao Brewery Group
Qingdao Qiji Urban Distribution Co., Ltd. (“Qiji Chengpei Company”)	Subsidiary of Tsingtao Brewery Group
Shanghai Dasheng Smart Supply Chain Co., Ltd. (“Dasheng Smart Chain”)	Subsidiary of Tsingtao Brewery Group
Qingdao Chengfa Real Estate Investment Co., Ltd. (“Chengfa Real Estate Investment”)	Subsidiary of Tsingtao Brewery Group
Tsingtao Brewery Real Estate Development Co., Ltd. (“Tsingtao Brewery Real Estate”)	Subsidiary of Tsingtao Brewery Group

On 22 January 2024, the Company issued the Announcement of Tsingtao Brewery Co., Ltd. on Signing the Related Party Transaction Framework Agreement and Daily Related Party Transaction with the Controlling Shareholder and Its Subsidiaries. At the First Extraordinary Meeting of the Tenth Session of the Board of Directors of the Company in 2024, it was considered and approved that the Company entered into the 2024 Entrusted Production and Purchase and Sales of Products Framework Agreement with Youjia Health, the Trademark License Agreement with Youjia Health and its subsidiaries, the 2024 Supply Chain Business Service Framework Agreement with Zhilian Shunda, and the 2024 Comprehensive Service Framework Agreement with Tsingtao Brewery Group (together with its subsidiaries, Youjia Health and its subsidiaries, Zhilian Shunda and its subsidiaries, the “Associated Persons”).

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For the year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

(XI) RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

5. Related party transactions

(1) Purchases and sales of goods, rendering and receipt of services

Purchases of goods/receipt of services

RMB					
Related party	Content of related party transaction	Approved transaction amount	Whether the transaction amount is exceeded	Amount incurred in the current year	Amount incurred in the prior year
Yantai Brewery Company	Purchase of beer	N/A	N/A	620,816,693	717,172,532
Youjia Health (Note 1)*	Purchase of beverage	26,850,000	No	282,478	-
Hebei Jiahe Company	Purchase of beer	N/A	N/A	310,365,271	360,433,432
Zhaoshang Logistics Company	Receipt of logistics service (including advance payments)	N/A	N/A	180,850,488	186,829,464
Zhaoshang Logistics Company	Receipt of leasing services	N/A	N/A	14,906,774	-
Zhaoshang Logistics Company	Receipt of warehousing service	N/A	N/A	237,106	466,385
Qiji Chengpei Company (Note 1)*	Receipt of logistics service		No	28,566,623	13,512,599
Smart Chain Success Delivery (Note 1)*	Receipt of warehousing service		No	9,685,159	12,549,293
Qiji Chengpei Company (Note 1)*	Receipt of warehousing service		No	2,204,125	2,247,648
Smart Chain Success Delivery (Note 1)*	Receipt of logistics service	990,530,000	No	699,376,907	465,776,330
Smart Chain Success Delivery (Note 1)*	Receipt of packing service		No	4,041,722	-
Qiji Chengpei Company (Note 1)*	Receipt of packing service		No	8,272,232	2,998,774
Dasheng Smart Chain (Note 1)*	Receipt of logistics service		No	-	2,244
Tsingtao Brewery Group (Note 1)*	Receipt of leasing services	28,000,000	No	510,000	485,714
Chengfa Real Estate Investment (Note 1)*	Receipt of leasing services		No	323,810	-

Sales of goods/rendering of services

RMB					
Related party	Content of related party transaction	Approved transaction amount	Whether the transaction amount is exceeded	Amount incurred in the current year	Amount incurred in the prior year
European Company	Sales of products and materials	N/A	N/A	93,897,603	94,165,304
Liaoning Shenqing Company	Sales of products and materials	N/A	N/A	18,096,883	29,996,214
Youjia Shanghai (Note 2)*	Sales of products		No	183,958	81,589
Youjia Health (Note 2)*	Sales of products		No	-	22,697
Yunnan Dashan (Note 2)*	Sales of products	26,850,000	No	4,814	12,307
Youjia Shanghai (Note 2)*	Rendering of commissioned processing		No	1,339,980	849,861

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(All amounts in RMB Yuan unless otherwise stated)

(XI) RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

5. Related party transactions (continued)

(1) Purchases and sales of goods, rendering and receipt of services (continued)

					RMB
Related party	Content of related party transaction	Approved transaction amount	Whether the transaction amount is exceeded	Amount incurred in the current year	Amount incurred in the prior year
Youjia Shanghai (Note 2)*	Rendering of the right to use trademarks	730,000	No	46,029	-
Youjia Tianjin (Note 2)*	Rendering of the right to use trademarks		No	38,161	-
Smart Chain Success Delivery (Note 2)*	Sales of products	990,530,000	No	21,943	17,446
Qiji Chengpei Company (Note 2)*	Sales of products		No	1,542	-
Smart Chain Success Delivery (Note 2)*	Rendering of warehouse rental service		No	1,233,071	1,300,597
Dasheng Smart Chain (Note 2)*	Rendering of warehouse rental service		No	227,509	252,294
Tsingtao Brewery Group (Note 2)*	Rendering of comprehensive service in respect of human resources and information, etc.		No	12,397,095	6,995,067
Youjia Health (Note 2)*	Rendering of comprehensive service in respect of human resources and information, etc.	28,000,000	No	1,528,641	3,788,484
Smart Chain Success Delivery (Note 2)*	Rendering of comprehensive service in respect of human resources and information, etc.		No	2,524,846	2,207,750
Tsingtao Brewery Real Estate (Note 2)*	Rendering of comprehensive service in respect of human resources and information, etc.		No	300,817	270,973
Yunnan Dashan (Note 2)*	Rendering of comprehensive service in respect of human resources and information, etc.		No	169,963	215,854
Youjia Shanghai (Note 2)*	Rendering of comprehensive service in respect of human resources and information, etc.		No	219,515	180,249
Zhaoshang Logistics Company	Sales of products	N/A	N/A	64,270	-
Yantai Brewery Company	Rendering of equipment engineering service	N/A	N/A	-	1,460,177

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(All amounts in RMB Yuan unless otherwise stated)

(XI) RELATED PARTIES AND RELATED PARTY TRANSACTIONS *(continued)*

5. Related party transactions *(continued)*

(1) Purchases and sales of goods, rendering and receipt of services *(continued)*

Explanation of related party transactions of purchase and sales of goods, rendering and receipt of service

Purchase of goods and receipt of services

Pricing by agreement with reference to market prices

Note 1: These transactions are continuing connected transactions that have complied with the disclosure requirements of Chapter 14A of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong, which indicate the purchases of goods and receipt of labor services from Youjia Health, Smart Chain Success Delivery and its subsidiary Qiji Chengpei Company.

Sales of goods and rendering of services

Pricing by agreement with reference to market prices

Note 2: These transactions are continuing connected transactions that have complied with the disclosure requirements of Chapter 14A of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong, which indicate the sales of goods and the rendering of services to Tsingtao Brewery Group, Youjia Health, Smart Chain Success Delivery, Youjia Shanghai, Tsingtao Brewery Real Estate, Yunnan Dashan, Dasheng Smart Chain, Youjia Tianjin, and Qiji Chengpei Company.

* The approved transaction amounts of RMB27,580,000, RMB990,530,000 and RMB28,000,000 for Youjia Health and its subsidiaries, Smart Chain Success Delivery and its subsidiaries and Tsingtao Brewery Group and its subsidiaries represent the combined amounts of all the approved transactions.

(2) Financing

As at 31 December 2024, there is no financing with related parties (Balance of financing at 31 December 2023: nil).

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For the year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

(XI) RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)**5. Related party transactions** (continued)**(3) Deposits from related parties**

Related party	RMB	
	Amount incurred in the current year	Amount incurred in the prior year
Yantai Brewery Company	700,218,788	831,353,435

(4) Interest expenses

Related party	RMB	
	Amount incurred in the current year	Amount incurred in the prior year
Yantai Brewery Company	165,497	531,826

(5) Service charges from related parties

Related party	RMB	
	Amount incurred in the current year	Amount incurred in the prior year
Yantai Brewery Company	7,580	9,047

(6) Compensation for key management personnel

Item	RMB	
	Amount incurred in the current year	Amount incurred in the prior year
Share-based payments	1,475,029	4,948,150
Compensation for key management personnel	14,787,846	17,026,560

In 2024, there is no loan provided to key management personnel from the Group (2023: nil).

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For the year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

(XI) RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

6. Receivable and payable balances with related parties

(1) Receivables from related parties

Item	Related party	31 December 2024		31 December 2023	
		Gross carrying amount	Allowance for bad debt	Gross carrying amount	Allowance for bad debt
Accounts receivable	European Company	15,827,014	-	12,505,888	-
Accounts receivable	Beijing Sales Company	11,245,784	11,245,784	11,245,784	11,245,784
Other receivables	Yantai Brewery Company	-	-	4,435,460	-

(2) Payables to related parties

Item	Related party	31 December 2024		31 December 2023	
Accounts payable	Smart Chain Success Delivery	164,379,463		110,666,835	
Accounts payable	Yantai Brewery Company	81,500,724		82,280,320	
Accounts payable	Zhaoshang Logistics Company	31,808,268		37,506,398	
Accounts payable	Qiji Chengpei Company	6,247,785		1,845,779	
Accounts payable	Hebei Jiahe Company	3,203,934		1,536,395	
Other payables	Yantai Brewery Company	79,178,094		29,555,174	
Other payables	Zhaoshang Logistics Company	7,905,520		-	
Other payables	Smart Chain Success Delivery	3,960,843		-	
Other payables	Qiji Chengpei Company	1,225,994		-	
Contract liabilities and other current liabilities	Liaoning Shenqing Company	14,069,690		13,803,974	

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(XI) RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

7. Benefits and interests of directors

(1) Compensation for directors and supervisors

The compensation for each director and supervisor in 2024 is as follows:

RMB

Compensation for services as a director or supervisor									
Name	Remuneration	Salaries and subsidies	Bonuses	Social security	Retirement	Housing funds	Compensation	Total	Accumulated share-based payments (Shares)
				contributions (Excluding retirement plan contributions)	plan contributions and other post-retirement benefits		for other services rendered in connection with the management of the Company or subsidiaries		
Executive director:									
JIANG Zong Xiang (i)	-	643,716	211,522	24,416	96,798	45,594	-	1,022,046	110,000
HUANG Ke Xing (ii)	-	702,996	234,256	24,416	96,798	45,594	-	1,104,060	150,000
WANG Rui Yong	-	585,072	233,081	24,416	96,798	45,594	-	984,961	110,000
HOU Qiu Yan	-	536,784	212,130	24,416	96,798	45,594	-	915,722	60,000
Independent director:									
ZHANG Ran	120,000	-	-	-	-	-	-	120,000	-
XIAO Geng	120,000	-	-	-	-	-	-	120,000	-
SHENG Lei Ming	120,000	-	-	-	-	-	-	120,000	-
SONG Xue Bao	120,000	-	-	-	-	-	-	120,000	-
JIANG Sheng Lu (iii)	60,000	-	-	-	-	-	-	60,000	-
Supervisor:									
LI Yan	80,000	-	-	-	-	-	-	80,000	-
WANG Ya Ping	80,000	-	-	-	-	-	-	80,000	-
HUANG Zu Jiang	-	300,000	327,400	24,416	96,798	45,594	-	794,208	-
SUN Li Hong	-	269,572	328,228	24,416	96,798	45,594	-	764,608	-
MENG Qing Shang	-	234,000	356,400	24,416	96,798	45,594	-	757,208	-
Total	700,000	3,272,140	1,903,017	170,912	677,586	319,158	-	7,042,813	430,000

(i) JIANG Zong Xiang was appointed as the Chairman on 25 December 2024.

(ii) HUANG Ke Xing resigned as the Chairman on 25 December 2024.

(iii) JIANG Sheng Lu resigned as the independent director on 26 June 2024.

In 2024, executive directors HUANG Ke Xing, JIANG Zong Xiang, WANG Rui Yong and HOU Qiu Yan and employee supervisors HUANG Zu Jiang, SUN Li Hong and MENG Qing Shang provided management services to the Company or subsidiaries, but the Group did not make a clear distinction in the compensation of the above persons as directors, supervisors or as management personnel, therefore, they were consolidated and presented in the compensation for the services rendered as a director and supervisor. Bonuses are set by the Compensation Committee and are in line with the Company's relevant compensation policies.

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(All amounts in RMB Yuan unless otherwise stated)

(XI) RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

7. Benefits and interests of directors (continued)

(1) Compensation for directors and supervisors (continued)

The compensation for each director and supervisor in 2023 is as follows:

RMB									
Compensation for services as a director or supervisor							Compensation for other services rendered in connection with the management of the Company or subsidiaries	Total	Accumulated share-based payments (Shares)
Name	Remuneration	Salaries and subsidies	Bonuses	Social security	Retirement	Housing funds			
				contributions	plan				
				(Excluding retirement plan contributions)	and other post- retirement benefits				
Executive director:									
HUANG Ke Xing	-	690,544	923,816	23,189	59,717	43,296	-	1,740,562	150,000
JIANG Zong Xiang	-	632,358	822,025	23,189	59,717	43,296	-	1,580,585	110,000
WANG Rui Yong	-	575,032	842,498	23,189	59,717	43,296	-	1,543,732	110,000
HOU Qiu Yan	-	527,692	140,794	23,189	59,717	43,296	-	794,688	60,000
Independent director:									
ZHANG Ran	120,000	-	-	-	-	-	-	120,000	-
JIANG Sheng Lu	120,000	-	-	-	-	-	-	120,000	-
XIAO Geng	120,000	-	-	-	-	-	-	120,000	-
SHENG Lei Ming	120,000	-	-	-	-	-	-	120,000	-
SONG Xue Bao	120,000	-	-	-	-	-	-	120,000	-
Supervisor:									
LI Yan	80,000	-	-	-	-	-	-	80,000	-
WANG Ya Ping	80,000	-	-	-	-	-	-	80,000	-
HUANG Zu Jiang	-	580,000	29,000	23,189	59,717	43,296	-	735,202	-
SUN Li Hong	-	520,000	52,700	23,189	59,717	43,296	-	698,902	-
MENG Qing Shang	-	550,000	29,900	23,189	59,717	43,296	-	706,102	-
Total	760,000	4,075,626	2,840,733	162,323	418,019	303,072	-	8,559,773	430,000

In 2023, executive directors HUANG Ke Xing, JIANG Zong Xiang, WANG Rui Yong and HOU Qiu Yan and employee supervisors HUANG Zu Jiang, SUN Li Hong and MENG Qing Shang provided management services to the Company or subsidiaries, but the Group did not make a clear distinction in the compensation of the above persons as directors, supervisors or as management personnel, therefore, they were consolidated and presented in the compensation for the services rendered as a director and supervisor. Bonuses are set by the Compensation Committee and are in line with the Company's relevant compensation policies.

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(XI) RELATED PARTIES AND RELATED PARTY TRANSACTIONS *(continued)*

7. Benefits and interests of directors *(continued)*

(2) Retirement benefits for directors

In 2024, other than the retirement plan contributions and other post-retirement benefits disclosed in the table above, the Group has not incurred any other retirement benefits due to directors' services or other services (2023: nil).

(3) Termination benefits for directors

There were no termination benefits for directors in 2024 (2023: nil).

(4) Considerations paid to third parties for obtaining directors' services

There were no considerations paid by the Company to third parties for obtaining directors' services in 2024 (2023: nil).

(5) Loans, quasi-loans to and other transactions with directors, legal entities controlled by directors and related parties of directors

In 2024, there were no loans, similar loans and other transaction information in favor of directors, legal entities controlled by directors and related parties of directors, and the Company did not provide guarantees for loans to directors, legal entities controlled by directors and related parties of such directors (2023: nil).

(6) Directors' significant interests in transactions, arrangements or contracts

In 2024, the Company had not entered into any significant transactions, arrangements or contracts that were related to the business of the Group, in which the directors of the Company had significant interests, whether directly or indirectly (2023: nil).

8. Five highest paid individuals

The five highest paid individuals (excluding share-based payments) of the Group in 2024 include three directors (2023: three directors), whose emoluments are disclosed in Note (XI)7, and the aggregate amounts of emoluments paid to the other two individuals (2023: two) is set out below:

	2024	RMB 2023
Salaries and subsidies	1,487,052	3,449,232
Bonuses	3,734,298	2,475,611
Social security contributions (Excluding retirement plan contributions)	48,832	46,378
Retirement plan contributions and other post-retirement benefits	193,596	119,434
Housing funds	91,188	86,592
Total	5,554,966	6,177,247
Accumulated share-based payments (Shares)	240,000	240,000

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(XI) RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

8. Five highest paid individuals (continued)

	Number of individuals	
	2024	2023
Emolument bands (excluding share-based payments):		
HKD0 - HKD1,000,000	-	-
(Equivalent to approximately RMB 0 - RMB926,000)		
HKD1,000,000 - HKD2,000,000	1	1
(Equivalent to approximately RMB926,000 - RMB1,852,000)		
HKD4,000,000 - HKD5,000,000	1	-
(Equivalent to approximately RMB3,704,000 - RMB4,630,000)		
HKD5,000,000 - HKD6,000,000	-	1
(Equivalent to approximately RMB4,630,000 - RMB5,556,000)		

(XII) SHARE-BASED PAYMENTS

1. Restricted Share Incentive Plan

On 8 June 2020, the Company held the 2019 Annual General Meeting of Shareholders and the first meeting of A-share and H-share shareholders in 2020, deliberated and approved the Proposal of Tsingtao Brewery Co., Ltd. Restricted A Share Incentive Plan (Draft) and its Summary, the Proposal of the Implementation of Evaluation and Management Measures for the Restricted A Share Incentive Plan of Tsingtao Brewery Co., Ltd. and the Proposal for the General Meeting of Shareholders to Authorize the Board of Directors to Handle Matters Related to the Restricted A Share Incentive Plan. On 29 June 2020, the Company held the eighth extraordinary meeting of the ninth session of Board of Directors in 2020, deliberated and approved the Proposal of Tsingtao Brewery Co., Ltd. on the First Grant of Restricted A Share to Incentive Recipients (the "Incentive Plan"). According to the Incentive Plan, the Company granted 13,200,000 restricted shares to 627 incentive recipients. The grant date was 29 June 2020, and the grant price was RMB21.18 per share. The unlocking periods for restricted shares granted are 24 months, 36 months, and 48 months from the equity registration date. According to the Company's performance assessment and personal performance assessment, 1/3, 1/3, and 1/3 of restricted shares will be unlocked respectively. According to the Incentive Plan, if the incentive recipients resign before the expiration of the unlocking period, the shares shall not be unlocked, and the Company must repurchase and cancel the restricted shares at corresponding repurchase price.

According to the Incentive Plan, the Company, in 2020, received an aggregate amount of RMB279,576,000 as contributions from the incentive recipients, and recognized liabilities of RMB279,576,000 and treasury stock of RMB279,576,000 for the obligation to repurchase restricted shares accordingly.

On 22 March 2021, the Company held the first extraordinary meeting of the ninth session of Board of Directors in 2021, deliberated and approved the Proposal on Granting Reserved Part of Restricted A Shares to Incentive Recipients (the "Plan for Granting Reserved Restricted Shares"). According to the Plan for Granting Reserved Restricted Shares, the Company granted 300,000 restricted shares to 35 incentive recipients, with the grant date of 22 March 2021 and the grant price of RMB21.18 per share. The unlocking periods for the restricted shares granted are 24 months, 36 months and 48 months from the equity registration date. According to the Company's performance assessment and personal performance assessment, 1/3, 1/3 and 1/3 of the restricted shares will be unlocked respectively. According to the Plan for Granting Reserved Restricted Shares, if the incentive recipients resign before the expiration of the unlocking period, the shares shall not be unlocked, and the Company must repurchase and cancel the restricted shares at corresponding repurchase price. Among the 35 incentive recipients, 1 incentive recipient has waived the subscription due to personal reasons.

Notes to Financial Statements

For the year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

(XII) SHARE-BASED PAYMENTS *(continued)*

1. Restricted Share Incentive Plan *(continued)*

According to the Plan for Granting Reserved Restricted Shares, the Company, in 2021, received an aggregate amount of RMB6,226,920 as contributions from the incentive recipients, and recognized liabilities of RMB6,226,920 and treasury stock of RMB6,226,920 for the obligation to repurchase restricted shares.

According to the resolution of the 2020 Annual General Meeting of Shareholders, a cash dividend of RMB10,028,999 was distributed to the above-mentioned recipients for restricted shares expected to be unlocked in the future, and the repurchase obligation was offset accordingly.

On 29 September 2021, the Company held the second extraordinary meeting of the tenth session of Board of Directors in 2021, deliberated and approved the Proposal on the Company's Repurchase and Cancellation of Part of Restricted A Shares under the Incentive Plan. As at the meeting of the Board of Directors, 12 incentive recipients under the Incentive Plan have resigned for personal reasons, resulting in changes in their personal circumstances, which triggered the conditions for repurchase and cancellation of restricted shares. In 2021, the Company cancelled 122,002 restricted shares, and offset liabilities of RMB2,584,002 and treasury stock of RMB2,584,002 for the obligation to repurchase restricted shares.

As at 31 December 2021, under the Restricted Share Incentive Plan, the Company recognized liabilities of RMB273,189,919 and treasury stock of RMB273,189,919 for the obligation to repurchase restricted shares.

In 2022, a cash dividend of RMB14,483,492 was distributed to the above-mentioned recipients for restricted shares expected to be unlocked in the future, and the repurchase obligation was offset accordingly.

On 28 September 2022, the Company held the eighth extraordinary meeting of the tenth session of Board of Directors in 2022, deliberated and approved the Proposal on the Company's Repurchase and Cancellation of Part of Restricted A Shares under the Incentive Plan. From 1 September 2021 to the date of meeting of the Board of Directors, 14 incentive recipients under the Incentive Plan have resigned for personal reasons, resulting in changes in their personal circumstances, which triggered the conditions for repurchase and cancellation of restricted shares. In 2022, the Company cancelled 122,003 restricted shares, and offset liabilities of RMB2,584,024 and treasury stock of RMB2,584,024 for the obligation to repurchase restricted shares.

On 8 July 2022, the Company held the sixth extraordinary meeting of the tenth session of Board of Directors in 2022, deliberated and approved the Proposal on Fulfillment of the Unlocking Conditions for the First Unlocking Period in respect of the First Grant of the Restricted Shares under the Restricted A Share Incentive Plan. On 25 July 2022, the Company unlocked 4,359,428 restricted shares, and offset liabilities of RMB84,267,743 and treasury stock of RMB84,267,743 for the obligation to repurchase restricted shares.

As at 31 December 2022, under the Restricted Share Incentive Plan, the Company recognized liabilities of RMB171,854,660 and treasury stock of RMB171,854,660 for the obligation to repurchase restricted shares.

In 2023, a cash dividend of RMB15,697,613 was distributed to the above-mentioned recipients for restricted shares expected to be unlocked in the future, and the repurchase obligation was offset accordingly.

On 17 October 2023, the Company held the sixth extraordinary meeting of the tenth session of Board of Directors in 2023, deliberated and approved the Proposal on the Company's Repurchase and Cancellation of Part of Restricted A Shares under the Incentive Plan. From 29 September 2022 to the date of meeting of the Board of Directors, 7 incentive recipients under the Incentive Plan have resigned for personal reasons, resulting in changes in their personal circumstances, which triggered the conditions for repurchase and cancellation of restricted shares. In 2023, the Company cancelled 36,002 restricted shares, and offset liabilities of RMB762,522 and treasury stock of RMB762,522 for the obligation to repurchase restricted shares.

Notes to Financial Statements

For the year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

(XII) SHARE-BASED PAYMENTS (continued)

1. Restricted Share Incentive Plan (continued)

On 5 May 2023, the Company held the second extraordinary meeting of the tenth session of the Board of Directors in 2023, deliberated and approved the Proposal on Fulfillment of the Unlocking Conditions for the First Unlocking Period in respect of the Reserve Grant of the Restricted Shares under the Restricted A Share Incentive Plan. On 26 May 2023, the Company unlocked 96,667 restricted shares, and offset liabilities of RMB1,868,573 and treasury stock of RMB1,868,573 for the obligation to repurchase restricted shares. On 10 July 2023, the Company held the fifth extraordinary meeting of the tenth session of the Board of Directors in 2023, deliberated and approved the Proposal on Fulfillment of the Unlocking Conditions for the Second Unlocking Period in respect of the First Grant of the Restricted Shares under the Restricted A Share Incentive Plan. On 24 July 2023, the Company unlocked 4,328,702 restricted shares, and offset liabilities of RMB75,882,146 and treasury stock of RMB75,882,146 for the obligation to repurchase restricted shares.

As at 31 December 2023, under the Restricted Share Incentive Plan, the Company recognized liabilities of RMB77,643,806 and treasury stock of RMB77,643,806 for the obligation to repurchase restricted shares.

In 2024, the Company paid cash dividends amounting to RMB8,665,060 to the above incentive recipients who are expected to unlock restricted shares in the future, thus offsetting the repurchase obligation accordingly.

On 16 May 2024, the Third Extraordinary Meeting of the Tenth Session of the Board of Directors of the Company in 2024 considered and passed the “Proposal on the fulfillment of the conditions for the release of restricted shares during the second release period of the restricted shares reserved for grant under the Restricted Share Incentive Plan for A Shares”. On 27 May 2024, the Company unlocked 96,666 shares of restricted shares, thus eliminating the liabilities of repurchase obligation of RMB1,694,555 and treasury stock of RMB1,694,555. On 16 July 2024, the Company held the Sixth Extraordinary Meeting of the Tenth Session of the Board of Directors in 2024, deliberated and approved the Proposal on Fulfillment of the Unlocking Conditions for the Third Unlocking Period in respect of the First Grant of the Restricted Shares under the Restricted A Share Incentive Plan. On 24 July 2024, the Company unlocked 4,235,863 restricted shares, and offset liabilities of RMB65,782,952 and treasury stock of RMB65,782,952 for the obligation to repurchase restricted shares.

As at 31 December 2024, a total of RMB1,501,239 of repurchase obligation liabilities and RMB1,501,239 of treasury stock were recognized under the Restricted Share Incentive Plan.

2. Changes in restricted shares for the year in 2024

Item	Amount incurred in the current year	Amount incurred in the prior year
Restricted shares (number of shares) issued at the beginning of the year	4,429,196	8,890,567
Restricted shares (number of shares) unlocked during the year	(4,332,529)	(4,425,369)
Restricted shares (number of shares) cancelled during the year	-	(36,002)
Restricted shares (number of shares) issued at the end of the year	96,667	4,429,196
Share-based payment expenses for the year	24,337,555	84,714,809
Accumulated share-based payment expenses	659,206,162	634,868,607

Share-based payment expenses for 2024 amounted to RMB24,337,555, and the amounts included in general and administrative expenses and research and development expenses were RMB23,866,897 and RMB470,658, respectively (2023: RMB82,482,894 and RMB2,231,915).

Notes to Financial Statements

For the year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

(XII) SHARE-BASED PAYMENTS *(continued)*

2. Changes in restricted shares for the year in 2024 *(continued)*

Item	Maturity	Remaining maturity
2020 Tsingtao Brewery Company Limited A-share Restricted Share Incentive Plan	24 July 2026	1.56 years
2021 Tsingtao Brewery Company Limited A-share Restricted Share Incentive Plan	26 May 2027	2.40 years

The weighted average share price of restricted shares unlocked on 27 May 2024 was RMB78.909 based on the unlock date, and the weighted average share price of restricted shares unlocked on 24 July 2024 was RMB77.032 based on the unlock date.

3. Method for determining the fair value of restricted shares on the grant date

The Group determines the fair value of restricted shares based on the closing price of the circulating shares on the date when the restricted shares are granted.

(XIII) COMMITMENTS AND CONTINGENCIES

1. Significant commitments

(1) Capital commitments

	31 December 2024	31 December 2023
Capital commitments that have been entered into but have not been recognized in the financial statements:		
- Commitment for acquisition and construction of long-term assets	591,671,473	588,931,900

As at 31 December 2024, the Group has no other commitments to be disclosed.

2. Contingencies

As at 31 December 2024, the Company is not involved in significant contingencies.

(XIV) EVENTS AFTER THE BALANCE SHEET DATE

1. Profit distribution

Pursuant to the resolution of the Board of Directors dated 28 March 2025, the Board of Directors proposed that the Company distribute dividends of RMB3,001,232,934 to all shareholders, which is subject to the approval of the Company's shareholders' meeting.

2. Capital increase in the subsidiary

Pursuant to the resolution of the Board of Directors dated 28 March 2025, the Board of Directors deliberated and approved the capital increase of RMB1,000,000,000 by the Company with its own funds to Finance Company, a subsidiary of the Company.

Notes to Financial Statements

For the year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

(XV) OTHER SIGNIFICANT EVENTS

1. Segment reporting

(1) Basis for determining reporting segments and related accounting policies

As the Group is mainly engaged in the production and sales of beer, the reporting segments of the Group are business units operating in different regions. Different regions require different marketing strategies, and the Group, therefore, separately manages the production and operation of each reporting segment and evaluates their operating results respectively, so as to make decisions on resources allocation and to assess their performance.

Finance Company, a subsidiary of the Group, 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, so as to determine its resources allocation and assess its performance.

The Group identified seven reporting segments as follows:

- Shandong region segment, which is responsible for the production and sales in Shandong region and surrounding regions
- South China region segment, which is responsible for the production and sales in South China region
- North China region segment, which is responsible for the production and sales in North China region
- East China region segment, which is responsible for the production and sales in East China region
- Southeast China region segment, which is responsible for the production and sales in Southeast China region
- Hong Kong, Macau and other overseas region segments, which are responsible for the sales in Hong Kong, Macau and other overseas regions
- Finance Company segment, which is engaged in the financial businesses of wealth management and agency collection and payment for its members

Inter-segment transfers are measured 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.

Notes to Financial Statements

For the year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

(XV) OTHER SIGNIFICANT EVENTS (continued)

1. Segment reporting (continued)

(2) Financial information of the reporting segments

2024

Item	Shandong Region	South China Region	North China Region	East China Region	Southeast region	Hong Kong, Macau and other overseas regions	Finance Company	Unallocated amount	Inter-segment offsetting	Total	RMB
Revenue from external customers	20,296,043,089	2,653,836,478	5,687,545,798	2,287,053,480	673,197,305	527,373,681	250,035	12,530,245	-	32,137,830,111	
Inter-segment revenue	3,297,513,302	849,114,873	2,248,300,459	314,107,550	8,567,940	224,981,923	6,248,877	170,159,815	(7,118,994,739)	-	
Cost of sales	15,352,385,767	2,351,380,265	5,524,783,841	1,851,303,155	534,086,219	578,334,645	180,453,623	181,257,429	(7,344,069,121)	19,209,915,823	
Selling and distribution expenses	3,098,612,633	331,607,756	578,970,076	365,831,334	150,662,947	76,835,118	-	-	-	4,602,519,864	
Interest income	72,837,682	29,655,851	54,870,215	10,425,004	2,359,114	5,104,631	477,170,246	144,636,582	(180,288,125)	616,771,200	
Interest expenses	10,014,295	2,845,142	1,375,877	6,809,409	2,312,012	387,267	195,024,467	-	(196,931,415)	21,837,054	
Share of profits of associates and a joint venture	-	-	-	-	-	571,694	-	47,700,589	-	48,272,283	
Credit impairment gains (losses)	176,540	(147,108)	193,094	(1,515,174)	-	(80,090)	1,713,665	2,600,000	(2,600,000)	340,927	
Asset impairment losses	(13,926,387)	(5,476,022)	(5,256,989)	(7,602,180)	(2,317,423)	(12,205)	(22,867)	(1,162,237)	-	(35,776,310)	
Depreciation and amortization expenses	566,341,971	143,045,002	241,545,333	134,545,975	33,038,570	7,155,044	1,723,077	113,418,754	-	1,240,813,726	
Total profit (loss)	3,672,581,149	485,037,115	1,252,644,978	102,880,323	(63,765,164)	93,726,655	501,053,820	(223,072,151)	60,406,275	5,881,493,000	
Income tax expenses	854,312,233	117,544,590	242,867,016	33,071,832	1,668,517	23,574,244	122,497,468	-	(5,819,586)	1,389,716,314	
Net profit (loss)	2,818,268,916	367,492,525	1,009,777,962	69,808,491	(65,433,681)	70,152,411	378,556,352	(223,072,151)	66,225,861	4,491,776,686	
Total assets	22,548,264,844	4,321,016,711	8,222,704,351	3,452,819,786	782,979,428	578,211,520	18,792,797,464	6,365,999,118	(15,574,446,918)	49,490,346,304	
Total liabilities	14,363,849,239	1,682,158,167	4,635,664,452	2,304,801,109	452,811,029	55,439,960	13,840,801,688	195,412,364	(16,229,842,209)	21,301,095,799	
Non-cash expenses other than depreciation and amortization expenses	32,602,523	2,389,596	5,615,788	2,348,948	511,970	273,083	235,321	2,171,001	-	46,148,230	
Long-term equity investments in associates and joint ventures	-	-	-	-	-	-	-	391,873,803	-	391,873,803	
Increase in non-current assets (Note)	6,247,936,730	101,072,181	209,028,058	199,955,567	40,095,212	12,164,730	759,504	191,570,604	6,172,791	7,008,755,377	

Note: Non-current assets exclude financial assets, long-term equity investments and deferred tax assets.

Notes to Financial Statements

For the year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

(XV) OTHER SIGNIFICANT EVENTS (continued)

1. Segment reporting (continued)

(2) Financial information of the reporting segments (continued)

2023

Item	Shandong Region	South China Region	North China Region	East China Region	Southeast region	Hong Kong, Macau and other overseas regions	Finance Company	Unallocated amount	Inter-segment offsetting	Total	RMB
Revenue from external customers	20,866,332,836	2,859,744,421	6,106,656,158	2,503,928,088	892,139,372	698,044,791	366,201	9,310,874	-	33,936,522,741	
Inter-segment revenue	3,522,459,866	847,801,438	1,991,780,256	343,047,679	7,132,768	290,056,707	12,294,379	33,152,159	(7,047,725,252)	-	
Cost of sales	16,235,240,699	2,522,156,307	5,702,699,057	2,038,137,889	644,744,611	725,428,085	531,826	40,784,702	(7,092,833,521)	20,816,889,655	
Selling and distribution expenses	3,070,269,682	393,194,453	646,654,298	368,502,077	153,334,982	76,447,306	-	-	-	4,708,402,798	
Interest income	88,128,982	32,004,613	61,918,749	13,591,875	3,369,093	3,785,551	426,602,401	114,956,005	(237,981,266)	506,376,003	
Interest expenses	4,128,308	3,756,480	1,569,002	14,979,863	2,807,476	2,727,459	244,035,331	-	(257,573,329)	16,430,590	
Share of profits of associates and a joint venture	-	-	-	-	-	-	-	15,798,284	-	15,798,284	
Credit impairment (losses) gains	(4,707,250)	(250)	(15,337,372)	-	-	(5,105)	5,743,483	(3,400,000)	3,400,000	(14,306,494)	
Asset impairment (losses) gains	(59,440,847)	(4,681,360)	(5,690,455)	(13,016,724)	-	-	-	(212,224,334)	212,200,000	(82,853,720)	
Depreciation and amortization	535,122,282	142,663,191	236,564,411	136,288,924	34,891,425	2,850,647	1,741,285	92,061,963	-	1,182,184,128	
Total profit (loss)	3,278,094,311	420,413,959	1,170,296,036	247,358,611	41,860,218	185,251,659	421,514,528	(300,279,372)	281,897,352	5,746,407,302	
Income tax expenses	804,978,601	62,560,879	296,234,922	57,348,805	3,605,880	55,030,343	104,098,286	-	14,350,662	1,398,208,378	
Net profit (loss)	2,473,115,710	357,853,080	874,061,114	190,009,806	38,254,338	130,221,316	317,416,242	(300,279,372)	267,546,690	4,348,198,924	
Total assets	18,007,882,689	4,525,449,382	9,680,233,695	3,334,096,721	843,958,033	655,122,774	20,910,131,826	10,741,854,412	(19,442,718,183)	49,256,011,349	
Total liabilities	13,075,226,259	2,000,683,377	4,762,732,242	2,396,479,253	474,255,218	368,948,301	17,252,657,772	187,781,893	(19,517,500,141)	21,001,264,174	
Non-cash expenses other than depreciation and amortization	74,172,778	8,124,346	14,947,374	7,635,482	1,903,973	1,099,762	726,077	3,266,477	-	111,876,269	
Long-term equity investments in associates and joint ventures	-	-	-	-	-	-	-	364,736,980	-	364,736,980	
Increase (Decrease) in non-current assets (Note)	892,870,476	102,912,843	302,262,913	46,505,387	2,625,097	1,528,694	2,305,668	152,996,834	(20,373,986)	1,483,633,926	

Note: Non-current assets exclude financial assets, long-term equity investments and deferred tax assets.

Notes to Financial Statements

For the year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

(XV) OTHER SIGNIFICANT EVENTS *(continued)*

1. Segment reporting *(continued)*

(3) Revenue from external transactions:

		<i>RMB</i>
	Amount incurred in the current year	Amount incurred in the prior year
Revenue from external transactions		
Chinese Mainland	31,565,199,458	33,046,718,088
Hong Kong and Macau SAR	185,549,504	199,115,083
Other overseas countries and regions	387,081,149	690,689,570
Total	32,137,830,111	33,936,522,741

(4) Total non-current assets by geographical location:

Total non-current assets:

		<i>RMB</i>
Item	31 December 2024	31 December 2023
Chinese Mainland	17,193,176,736	16,179,642,528
Hong Kong and Macau SAR	17,725,846	13,108,637
Total	17,210,902,582	16,192,751,165

In the regional information above, non-current assets are attributed to the region in which the assets are located. Total non-current assets exclude financial assets and deferred tax assets.

(XVI) CAPITAL MANAGEMENT

The Group's objectives in managing capital are to safeguard the Group's ability to continue as a going concern, so as 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.

In 2024, the Group's strategy, which is unchanged from the prior year, is to maintain the cash balance above a certain standard to meet the Group's business development needs. Cash balance is cash and cash equivalents less short-term borrowings. The cash balances as at 31 December 2024 and 31 December 2023 are as follows:

		<i>RMB</i>
Item	31 December 2024	31 December 2023
Cash and cash equivalents	3,916,011,946	9,292,085,271
Less: Short-term borrowings	-	-
Cash balance after deducting borrowings	3,916,011,946	9,292,085,271

Notes to Financial Statements

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(All amounts in RMB Yuan unless otherwise stated)

(XVII) NOTES TO KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS

1. Accounts receivable

Item	RMB	
	31 December 2024	31 December 2023
Accounts receivable	1,559,370,720	1,546,441,209
Less: Allowance for bad debt	54,848,762	56,444,918
Total	1,504,521,958	1,489,996,291

(1) Disclosure by aging

Aging	RMB	
	Gross carrying amount at 31 December 2024	Gross carrying amount at 31 December 2023
Within 1 year	1,146,751,030	1,130,550,125
1 to 2 years	133,296,358	142,120,371
2 to 3 years	81,056,910	63,923,848
3 to 4 years	31,053,298	43,130,192
4 to 5 years	33,105,564	33,534,045
Over 5 years	134,107,560	133,182,628
Total	1,559,370,720	1,546,441,209

(2) Disclosure by allowance method for bad debt

					<i>RMB</i>
Category	31 December 2024				
	Gross carrying amount		Allowance for bad debt		Carrying amount
	Amount	Proportion (%)	Amount	Proportion (%)	
Allowance for bad debt made on an individual basis	11,245,784	0.7	11,245,784	100.0	-
Allowance for bad debt made on a portfolio basis	1,548,124,936	99.3	43,602,978	2.8	1,504,521,958
Subsidiaries	1,464,700,772	93.9	-	-	1,464,700,772
Dealers	83,424,164	5.4	43,602,978	52.3	39,821,186
Total	1,559,370,720	100.0	54,848,762	/	1,504,521,958

Notes to Financial Statements

For the year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

(XVII) NOTES TO KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS

(continued)

1. Accounts receivable (continued)

(2) Disclosure by allowance method for bad debt (continued)

Category	31 December 2023					RMB
	Gross carrying amount		Allowance for bad debt		Carrying amount	
	Amount	Proportion (%)	Amount	Proportion (%)		
Allowance for bad debt made on an individual basis	11,245,784	0.7	11,245,784	100.0	-	
Allowance for bad debt made on a portfolio basis	1,535,195,425	99.3	45,199,134	2.9	1,489,996,291	
Subsidiaries	1,461,941,930	94.5	-	-	1,461,941,930	
Dealers	73,253,495	4.8	45,199,134	61.7	28,054,361	
Total	1,546,441,209	100.0	56,444,918	/	1,489,996,291	

Allowance for bad debt made on an individual basis

				RMB
Name	31 December 2024			Reason
	Gross carrying amount	Allowance for bad debt	Proportion (%)	
Beijing Sales Company	11,245,784	11,245,784	100.0	The funds are difficult to be recovered

				RMB
	31 December 2023			
Name	Gross carrying amount	Allowance for bad debt	Proportion (%)	Reason
Beijing Sales Company	11,245,784	11,245,784	100.0	The funds are difficult to be recovered

Accounts receivable for which allowance for bad debt is made based on the portfolio of subsidiaries:

This portfolio consists of accounts receivable arising from purchase and sale transactions between the Company and the subsidiaries, and the related bad debt is low, therefore, no allowance for bad debt has been made.

Accounts receivable for which allowance for bad debt is made based on the portfolio of dealers:

Notes to Financial Statements

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(XVII) NOTES TO KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS

(continued)

1. Accounts receivable (continued)

(2) Disclosure by allowance method for bad debt (continued)

As at 31 December 2024, the credit risks and bad debt of accounts receivable are summarized as follows:

Aging	31 December 2024			RMB
	Expected average loss rate %	Gross carrying amount	Allowance for bad debt	Carrying amount
Not overdue	-	38,370,220	-	38,370,220
Overdue within 1 year	5	1,527,332	76,366	1,450,966
Overdue more than 2 years	100	43,526,612	43,526,612	-
Total	/	83,424,164	43,602,978	39,821,186

As at 31 December 2023, the credit risks and bad debt of accounts receivable are summarized as follows:

Aging	31 December 2023			RMB
	Expected average loss rate %	Gross carrying amount	Allowance for bad debt	Carrying amount
Not overdue	-	27,975,321	-	27,975,321
Overdue within 1 year	5	83,200	4,160	79,040
Overdue more than 2 years	100	45,194,974	45,194,974	-
Total	/	73,253,495	45,199,134	28,054,361

(3) Allowance for bad debt

Category	31 December 2023	Changes for the year			31 December 2024
		Provision	Write-off or transfer	Other changes	
Accounts receivable	56,444,918	80,091	1,676,247	-	54,848,762

There is no significant recovery or reversal of allowance for bad debt in the current year.

(4) Accounts receivable actually written off in the current year

In 2024, the Company wrote off accounts receivable amounting to RMB1,676,247. (31 December 2023: nil).

Notes to Financial Statements

For the year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

(XVII) NOTES TO KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS

(continued)

1. Accounts receivable (continued)

(5) Top five accounts receivable in closing balance categorized by debtors

Item	Balance	RMB	
		Allowance for bad debt	Proportion to total accounts receivable
Total of top five accounts receivable	660,324,428	-	42%

2. Other receivables

2.1 Summary of other receivables

Category	RMB	
	31 December 2024	31 December 2023
Dividends receivable	-	6,800,000
Other receivables	69,213,725	45,019,117
Total	69,213,725	51,819,117

2.2 Dividends receivable

Item	RMB	
	Gross carrying amount at 31 December 2024	Gross carrying amount at 31 December 2023
Dividends receivable from subsidiaries	-	6,800,000

As at 31 December 2024, the Company has no dividends receivable overdue, no credit loss allowance made for dividends receivable or dividends receivable actually written off (31 December 2023: nil).

Notes to Financial Statements

For the year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

(XVII) NOTES TO KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS

(continued)

2. Other receivables (continued)

2.3 Other receivables

(1) Disclosure by aging:

		RMB
	Gross carrying amount at	Gross carrying amount at
Aging	31 December 2024	31 December 2023
Not overdue	69,081,761	44,880,804
Overdue within 1 year	128,883	140,110
Overdue 1 - 2 years	19,050	10,421
Overdue more than 2 years	36,952,395	37,538,152
Total	106,182,089	82,569,487

(2) Disclosure of other receivables by nature:

		RMB
Item	31 December 2024	31 December 2023
Amounts due from subsidiaries	54,095,366	32,766,510
Refund of land and buildings receivable	17,441,647	17,441,647
Petty cash	6,946,111	6,944,524
Guarantee deposits	4,418,636	20,051,420
Others	23,280,329	5,365,386
Total	106,182,089	82,569,487

The Company does not have amounts attributed to other parties and presented in other receivables due to centralized management of funds.

Notes to Financial Statements

For the year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

(XVII) NOTES TO KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS

(continued)

2. Other receivables (continued)

2.3 Other receivables (continued)

(3) Allowance for bad debt

	Stage I	Stage II	Stage III	RMB
Allowance for bad debt	12-month ECL	Lifetime ECL (not credit-impaired)	Lifetime ECL (credit-impaired)	Total
Balance at 1 January 2024	12,218	-	37,538,152	37,550,370
Balance at 1 January 2024 transferred				
during the year	12,218	-	37,538,152	37,550,370
- to Stage II	-	-	-	-
- to Stage III	(12,306)	-	12,306	-
- back to Stage II	-	-	-	-
- back to Stage I	-	-	-	-
Provision	16,058	-	4,240	20,298
Reversal	-	-	48,553	48,553
Write-off	-	-	553,751	553,751
Balance at 31 December 2024	15,970	-	36,952,394	36,968,364

(4) Allowance for bad debt for the year

The allowance for bad debt of other receivables made for the current year was RMB20,298; the allowance for bad debt of other receivables recovered or reversed for the current year was RMB48,553.

(5) In 2024, the allowance for bad debt of other receivables actually written off amounted to RMB553,751 and the corresponding gross carrying amount was RMB553,751.

(6) Top five other receivables in closing balance categorized by debtors:

		Proportion to total other receivables as			Allowance for	RMB
Name of the entity	31 December 2024	at 31 December 2024 (%)	Nature	Aging	bad debt	Carrying amount
No.1	25,919,846	24.4	Amount due from subsidiaries	1-2 years	-	25,919,846
No.2	8,584,437	8.1	Refund of land receivable	Over 5 years	8,584,437	-
No.3	7,229,325	6.8	Amount due from subsidiaries	Within 1 year	-	7,229,325
No.4	4,461,100	4.2	Amount due from subsidiaries	Within 1 year	-	4,461,100
No.5	3,490,400	3.3	Amount due from subsidiaries	Within 1 year	-	3,490,400
Total	49,685,108	46.8			8,584,437	41,100,671

Notes to Financial Statements

For the year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

(XVII) NOTES TO KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS

(continued)

3. Inventories

(1) Category of inventories

Item	31 December 2024			31 December 2023		
	Gross carrying amount	Provision for decline in value	Carrying amount	Gross carrying amount	Provision for decline in value	Carrying amount
Raw materials	365,586,596	-	365,586,596	338,430,240	-	338,430,240
Packaging materials	73,417,884	662,025	72,755,859	54,109,212	662,025	53,447,187
Low-cost and short-lived consumables	20,953,447	-	20,953,447	25,051,468	-	25,051,468
Work in progress	103,698,389	-	103,698,389	109,306,082	-	109,306,082
Goods on hand	1,068,625,078	-	1,068,625,078	1,165,047,825	-	1,165,047,825
Total	1,632,281,394	662,025	1,631,619,369	1,691,944,827	662,025	1,691,282,802

(2) Provision for decline in value of inventories

Item	31 December 2023	Increase in the year	Write-off in the year	31 December 2024
Packaging materials	662,025	-	-	662,025

4. Long-term equity investments

Item	31 December 2024			31 December 2023		
	Gross carrying amount	Provision for impairment	Carrying amount	Gross carrying amount	Provision for impairment	Carrying amount
Investments in subsidiaries	14,369,396,481	1,992,788,870	12,376,607,611	13,092,479,419	1,992,788,870	11,099,690,549
Investments in associates and joint ventures	389,141,227	1,220,000	387,921,227	362,411,210	1,220,000	361,191,210
Total	14,758,537,708	1,994,008,870	12,764,528,838	13,454,890,629	1,994,008,870	11,460,881,759

Notes to Financial Statements

For the year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

(XVII) NOTES TO KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS

(continued)

4. Long-term equity investments (continued)

(1) Subsidiaries

Investees	Changes for the year				31 December 2024	Opening balance of provision for impairment	Charged for the year	Closing balance of provision for impairment	Cash dividends or profits declared (Note 7)
	31 December 2023	Increased investment	Decreased investment	Share-based payments (Note 6)					
Shenzhen Asahi	129,344,422	-	-	111,008	129,455,430	-	-	-	38,913,000
Chenzhou Company	64,981,274	-	-	78,694	65,059,968	-	-	-	44,400,000
Huanan Sales Company	53,049,046	-	-	328,185	53,377,231	-	-	-	100,000,000
Chenzhou Sales Company	3,582,161	-	-	157,827	3,739,988	-	-	-	-
Huanan Holding Investment	208,790,000	-	-	-	208,790,000	-	-	-	80,000,000
Zhuhai Company	2,707,358	-	-	111,005	2,818,363	-	-	-	-
Sanshui Company	2,092,834	-	-	103,188	2,196,022	-	-	-	-
Suizhou Company	2,679,857	-	-	91,679	2,771,536	-	-	-	-
Nanning Company	2,226,900	-	-	95,370	2,322,270	-	-	-	-
Huadong Holding Company	96,855,102	-	-	-	96,855,102	(96,855,102)	-	(96,855,102)	-
Shouguang Company	63,067,362	-	-	79,736	63,147,098	-	-	-	-
Five Star Company	26,206,026	-	-	23,452	26,229,478	(24,656,410)	-	(24,656,410)	-
Three Ring Company (Note 1)	71,103,075	101,200,000	-	92,504	172,395,579	(69,457,513)	-	(69,457,513)	-
Beifang Sales Company	89,416,640	-	-	181,360	89,598,000	(83,984,000)	-	(83,984,000)	-
Xi'an Hans	357,698,646	-	-	563,048	358,261,694	-	-	-	200,000,000
Baoji Company	3,033,538	-	-	48,161	3,081,699	-	-	-	-
Gansu Nongken Company	53,370,429	-	-	81,928	53,452,357	-	-	-	8,000,000
Wuwei Company	2,359,004	-	-	95,370	2,454,374	-	-	-	-
Yulin Company	3,278,432	-	-	111,117	3,389,549	-	-	-	-
Weinan Company	17,258,147	-	-	115,044	17,373,191	-	-	-	-
Anshan Company (Note 2)	32,618,374	18,065,000	-	78,694	50,762,068	-	-	-	-
Xingkaifu Company	242,254,482	-	-	73,482	242,327,964	(129,430,000)	-	(129,430,000)	-
Mishan Company	118,520,000	-	-	-	118,520,000	(118,520,000)	-	(118,520,000)	-
Harbin Company	216,152,185	-	-	111,493	216,263,678	(109,940,000)	-	(109,940,000)	-
Penglai Company	30,000,000	-	-	-	30,000,000	(30,000,000)	-	(30,000,000)	-
Rongcheng Company	68,010,952	-	-	118,822	68,129,774	(65,103,434)	-	(65,103,434)	-
International Trade	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	-	-	-	-
Qingdao Xianghong Shangwu Co., Ltd.	5,760,000	-	-	-	5,760,000	-	-	-	-
Dongnan Sales Company	298,841,031	-	-	231,309	299,072,340	-	-	-	-
Xiamen Company	2,337,847	-	-	67,988	2,405,835	-	-	-	-
Fuzhou Company	2,992,752	-	-	83,019	3,075,771	-	-	-	-
Zhangzhou Company	1,319,305	-	-	-	1,319,305	-	-	-	-
Changsha Company	48,985,521	-	-	48,467	49,033,988	-	-	-	-
Jinan Company	562,942,006	-	-	115,129	563,057,135	-	-	-	80,000,000
Guangrunlong Real Estate	16,465,405	-	-	-	16,465,405	-	-	-	-
Cultural Communication Company	78,909,161	-	-	167,224	79,076,385	-	-	-	-

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(All amounts in RMB Yuan unless otherwise stated)

(XVII) NOTES TO KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS

(continued)

4. Long-term equity investments (continued)

(1) Subsidiaries (continued)

Investees	Changes for the year				31 December 2024	Opening balance of provision for impairment	Charged for the year	Closing balance of provision for impairment	Cash dividends or profits declared (Note 7)
	31 December 2023	Increased investment	Decreased investment	Share-based payments (Note 6)					
Chengdu Company	282,660,962	-	-	97,834	282,758,796	(118,855,583)	-	(118,855,583)	-
Rizhao Company	342,310,667	-	-	127,682	342,438,349	-	-	-	40,000,000
Weifang Company	76,305,942	-	-	101,025	76,406,967	-	-	-	-
Dezhou Company	24,661,935	-	-	86,342	24,748,277	-	-	-	-
Construction Company	4,315,327	-	-	78,172	4,393,499	-	-	-	-
Langfang Company	81,995,838	-	-	85,224	82,081,062	-	-	-	-
Heze Company	127,569,717	-	-	98,115	127,667,832	(51,301,600)	-	(51,301,600)	-
Tengzhou Company	49,870,374	-	-	8,338	49,878,712	-	-	-	-
Tsingtao Brewery (Shanghai) Co., Ltd.	1,570,000	-	-	-	1,570,000	-	-	-	-
Wuhu Company	274,619,365	-	-	46,903	274,666,268	(274,290,000)	-	(274,290,000)	-
Huadong Sales Company	97,300,000	-	-	-	97,300,000	(47,300,000)	-	(47,300,000)	-
Maanshan Company	82,737,034	-	-	100,625	82,837,659	-	-	-	-
Shijiazhuang Company	323,968,895	-	-	126,639	324,095,534	-	-	-	122,576,447
Taiyuan Company	203,024,749	-	-	58,922	203,083,671	-	-	-	40,000,000
Chengyang Sales Company	8,000,000	-	-	-	8,000,000	-	-	-	750,000,000
Finance Company (Note 3)	1,003,992,974	1,000,000,000	-	176,491	2,004,169,465	-	-	-	-
Immense Brewery Company	1,413,671,268	-	-	446,730	1,414,117,998	-	-	-	225,000,000
Hangzhou Company	249,924,145	-	-	157,713	250,081,858	-	-	-	-
Jieyang Company	152,402,025	-	-	67,209	152,469,234	-	-	-	-
Beverage Company	31,904,773	-	-	43,146	31,947,919	-	-	-	-
Shaoguan Company	201,822,803	-	-	99,882	201,922,685	(150,000,000)	-	(150,000,000)	-
Electronic Commerce Company	8,000,000	-	-	-	8,000,000	-	-	-	-
Pingdu Sales Company	5,000,000	-	-	-	5,000,000	-	-	-	-
Jiujiang Company	182,226,900	-	-	125,163	182,352,063	-	-	-	16,200,000
Xuzhou Enterprise Management	10,000,000	-	-	-	10,000,000	(10,000,000)	-	(10,000,000)	-
Xuecheng Company	1,780,542	-	-	7,817	1,788,359	-	-	-	-
Luoyang Company	202,734,665	-	-	123,334	202,857,999	-	-	-	60,000,000
Shanghai Industrial Company	200,895,228	-	-	-	200,895,228	(200,895,228)	-	(200,895,228)	-
Nanjing Sales Company	6,577,667	-	-	285,475	6,863,142	-	-	-	-
Shanghai Sales Company	6,140,272	-	-	297,983	6,438,255	-	-	-	-
Luzhou Company	120,793,026	-	-	64,101	120,857,127	-	-	-	-
Zhangjiakou Company	202,301,705	-	-	31,269	202,332,974	-	-	-	-
Lulansha Company	561,862,548	-	-	105,480	561,968,028	-	-	-	-
Huangshi Company	166,058,889	-	-	71,919	166,130,808	-	-	-	-
Yingcheng Company	93,989,969	-	-	-	93,989,969	-	-	-	-
Hanzhong Company	28,379,211	-	-	79,736	28,458,947	-	-	-	-
Shanghai Investing Company	1,920,654,036	-	-	-	1,920,654,036	-	-	-	-
Xuzhou Company	2,001,269	-	-	56,284	2,057,553	-	-	-	-
Pengcheng Company	2,727,471	-	-	77,304	2,804,775	-	-	-	-

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(All amounts in RMB Yuan unless otherwise stated)

(XVII) NOTES TO KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS

(continued)

4. Long-term equity investments (continued)

(1) Subsidiaries (continued)

Investees	Changes for the year				31 December 2024	Opening balance of provision for impairment	Charged for the year	Closing balance of provision for impairment	Cash dividends or profits declared (Note 7)
	31 December 2023	Increased investment	Decreased investment	Share-based payments (Note 6)					
New Songjiang Manufacturing Company	3,324,145	-	-	87,683	3,411,828	-	-	-	-
Minhang Company	2,277,189	-	-	131,151	2,408,340	-	-	-	-
Kunshan Company	2,357,215	-	-	103,188	2,460,403	-	-	-	-
Lianyungang Company	214,535,405	-	-	87,553	214,622,958	(212,200,000)	-	(212,200,000)	-
Yangzhou Company	102,866,066	-	-	110,245	102,976,311	-	-	-	-
Tsingtao Brewery Shanghai Yangpu Co., Ltd.	200,000,000	-	-	-	200,000,000	(200,000,000)	-	(200,000,000)	-
Suqian Company	77,409,433	-	-	103,188	77,512,621	-	-	-	-
Zaozhuang Company	201,720,329	-	-	131,894	201,852,223	-	-	-	-
West Coast Cultural Tourism	231,000,000	-	-	-	231,000,000	-	-	-	-
Research and Development Center	250,000,000	-	-	-	250,000,000	-	-	-	-
Weifang Manufacturing Company (Note 4)	-	100,000,000	-	-	100,000,000	-	-	-	-
Jiuyuan Technology Company (Note 5)	-	50,000,000	-	-	50,000,000	-	-	-	-
Total	13,092,479,419	1,269,265,000	-	7,652,062	14,369,396,481	(1,992,788,870)	-	(1,992,788,870)	1,805,089,447

(2) Joint ventures and associates

Investees	Changes for the year				31 December 2024	Opening balance of provision for impairment	Closing balance of provision for impairment
	31 December 2023	Investment income or loss recognized under equity method	Adjustment to other comprehensive income	Other changes in equity			
I. Joint venture							
Hebei Jiahe Company	216,772,296	4,740,315	-	-	-	(7,500,000)	214,012,611
II. Associates							
Yantai Brewery Company	132,501,116	37,002,758	-	-	-	(7,775,267)	161,728,607
Zhaoshang Logistics Company	11,917,798	3,142,950	-	1,043	-	(2,881,782)	12,180,009
Liaoning Shenqing Company	-	-	-	-	-	-	-
Others	1,220,000	-	-	-	-	-	1,220,000
Total	362,411,210	44,886,023	-	1,043	-	(18,157,049)	389,141,227

Notes to Financial Statements

For the year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

(XVII) NOTES TO KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS

(continued)

4. Long-term equity investments (continued)

(2) Joint ventures and associates (continued)

Note 1: Pursuant to the resolution of the Board of Directors dated 29 August 2024, the Board of Directors deliberated and approved the receipt of the 46% equity interest in Three Ring Company held by Beijing Sonhoshin & Five Star Beer Three Ring Co., Ltd. at a price of RMB101,200,000. The parties have signed the equity transfer contract and the formalities for change of equity interest were completed on 27 November 2024. Upon completion of the equity transfer, the Company holds 100% equity interest in Three Ring Company.

Note 2: Pursuant to the resolution of the Board of Directors dated 4 March 2024, the Board of Directors deliberated and approved the receipt of the 20% equity interest in Anshan Company held by Bajiaotai CIC at the price of RMB18,065,000. The parties have signed the equity transfer contract and the formalities for change of equity interest were completed on 15 March 2024. After the completion of the equity transfer transaction, the Company holds 80% equity interest in Anshan Company and Bajiaotai CIC holds 20% equity interest in Anshan Company.

Note 3: Pursuant to the resolution of the Board of Directors dated 26 March 2024, the Board of Directors deliberated and approved the capital increase of RMB1,000,000,000 by the Company with its own funds to Finance Company, a subsidiary of the Company, and the Company completed the approval and change procedures of the capital increase in July 2024.

Note 4: Pursuant to the resolution of the Board of Directors dated 27 December 2023, the Board of Directors deliberated and approved the establishment of Weifang Manufacturing Company, a wholly-owned subsidiary of the Company, with a registered capital of RMB300,000,000. Weifang Manufacturing Company was established in January 2024 and the Company has contributed RMB100,000,000 as at the date of approval for the issue of the financial statements.

Note 5: Pursuant to the resolution of the Board of Directors on 29 August 2024, the Board of Directors deliberated and approved the establishment of Jiuyuan Technology Company, a wholly-owned subsidiary of the Company, with a registered capital of RMB50,000,000. Jiuyuan Technology Company was established in November 2024 and the Company has contributed RMB50,000,000.

Note 6: The Company is obliged to settle the share-based payments to restricted share incentive recipients who are employees of the Company's subsidiaries. In 2024, the Company recognized long-term equity investments of RMB7,652,062 according to the settlement obligation.

Note 7: In 2024, the cash dividends declared represent the dividends distributed to the Company.

5. Revenue and cost of sales

(1) Revenue and cost of sales

Item	Amount incurred in the current year		Amount incurred in the prior year	
	Revenue	Cost of sales	Revenue	Cost of sales
Main operation	22,812,143,461	17,080,204,740	23,526,187,984	18,085,563,615
Other operations	1,748,034,332	1,707,737,506	1,877,586,426	1,813,474,592
Total	24,560,177,793	18,787,942,246	25,403,774,410	19,899,038,207

RMB

Notes to Financial Statements

For the year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

(XVII) NOTES TO KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS

(continued)

5. Revenue and cost of sales (continued)

(2) Revenue from contracts

a. Main operation

Name of industry	Amount incurred in the current year		Amount incurred in the prior year	
	Revenue from main operation	Cost of main operation	Revenue from main operation	Cost of main operation
Sales of beer, etc.	22,812,143,461	17,080,204,740	23,526,187,984	18,085,563,615

b. Other operations

Name of industry	Amount incurred in the current year		Amount incurred in the prior year	
	Revenue from other operations	Cost of other operations	Revenue from other operations	Cost of other operations
Sales of raw materials	1,677,879,664	1,640,475,906	1,812,474,881	1,752,099,590
Others	70,154,668	67,261,600	65,111,545	61,375,002
Total	1,748,034,332	1,707,737,506	1,877,586,426	1,813,474,592

(3) Description of performance obligations

The Group's beer sales business is a performance obligation fulfilled at a point in time, with revenue recognized at a point in time when the customer obtains control over the relevant goods or services.

The Company is mainly engaged in production and sales of beer.

Notes to Financial Statements

For the year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

6. Investment income

(1) Details of investment income

Item	RMB	
	Amount incurred in the current year	Amount incurred in the prior year
Income from long-term equity investments accounted for using the cost method (Note)	1,805,089,447	1,724,237,400
Income from long-term equity investments accounted for using the equity method	47,700,589	15,697,521
Investment income from disposal of financial assets held for trading	7,657,246	15,102,696
Others	4,652,880	5,256,477
Total	1,865,100,162	1,760,294,094

There are no significant restrictions on the repatriation of the investment income.

Note: Income from long-term equity investments accounted for using the cost method is the profit distribution declared by subsidiaries to the Company (Note (XVII) 4).

(XVIII) SUPPLEMENTARY INFORMATION

1. Breakdown of non-recurring profit or loss

Item	RMB	
	Amount incurred in the current year	
Government grants recognized in profit or loss for the current period, except for those that are closely related to the normal operation of the business, conform to national policies and regulations, are enjoyed in accordance with defined criteria, and have a continuing impact on the Company's profit or loss	469,273,541	
Profits or losses from changes in fair value of financial assets and financial liabilities held by non-financial enterprises, and gains or losses on disposal of financial assets and financial liabilities	38,777,451	
Net profit or loss on disposal of non-current assets	4,267,451	
Other non-operating income and expenses other than the above	38,474,909	
Income tax effects	(113,279,107)	
Effects attributable to non-controlling interests (after tax)	(43,632,559)	
Total	393,881,686	

Notes to Financial Statements

For the year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

(XVIII) SUPPLEMENTARY INFORMATION (continued)

1. Breakdown of non-recurring profit or loss (continued)

In 2023, the China Securities Regulatory Commission promulgated the Explanatory Announcement on Information Disclosure by Companies Offering Securities to the Public No. 1 - Non-Recurring Profit or Loss (Revised in 2023) (hereinafter referred to as the “2023 Explanatory Announcement No. 1”), which came into force on the date of promulgation. The Group prepared a breakdown of non-recurring profit or loss for 2024 in accordance with the provisions of the 2023 Explanatory Announcement No. 1.

According to the provisions of the 2023 Explanatory Announcement No. 1, non-recurring profit or loss arises from transactions or events that are not directly related to the normal business operations, or transactions and events that are related to normal business operations, but are so extraordinary that would have an impact on users of the financial statements when making proper judgments on the performance and profitability of the Company.

2. Return on net assets and earnings per share

The return on net assets and earnings per share have been prepared by the Group in accordance with the Information Disclosure and Presentation Rules for Companies Offering Securities to the Public No. 9 - Calculation and Disclosure of Return on Net Assets and Earnings per Share (Revised in 2010) issued by the China Securities Regulatory Commission.

Profit for the Reporting Period	Earnings per share		
	Weighted average return on net assets (%)	Basic earnings per share	Diluted earnings per share
Net profit attributable to ordinary shareholders of the Company	15.38	3.191	3.187
Net profit after deducting non-recurring profit or loss attributable to ordinary shareholders of the Company	13.98	2.902	2.898

釋義 Definitions

本報告中，除非文義另有所指，下列詞語具有下述含義：

In this Report, the following expressions have the following respective meanings set adjacent below, unless the context requires otherwise:

公司、本公司、青島啤酒	指	青島啤酒股份有限公司	Company, the Company, Tsingtao Brewery	Means	Tsingtao Brewery Company Limited
本集團	指	本公司及其附屬公司	the Group	Means	the Company and its subsidiaries
董事會	指	本公司董事會	the Board	Means	Board of Directors of the Company
青啤集團	指	青島啤酒集團有限公司	Tsingtao Group	Mean	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
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	the Stock Exchange	Means	The Stock Exchange of Hong Kong Limited
德勤華永	指	德勤華永會計師事務所(特殊普通合夥)	Deloitte	Means	Deloitte Touche Tohmatsu (Special General Partnership)
審計委員會	指	本公司第十屆董事會審計與內控委員會	Audit Committee	Means	Audit & Internal Control Committee under the tenth session of the Board
戰略委員會	指	本公司第十屆董事會戰略與投資委員會	Strategy Committee	Means	Strategy & Investment Committee under the tenth session of the Board
報告期	指	2024年1月1日至12月31日	Reporting Period	Means	January 1 to December 31, 2024
《標準守則》	指	《上市發行人董事進行證券交易的標準守則》	Model Code	Means	Model Code for Securities Transactions by Directors of Listed Issuers
《上市規則》	指	《香港聯合交易所有限公司證券上市規則》	Listing Rules	Means	Rules Governing the Listing of Securities on The Stock of Exchange of Hong Kong Limited
《公司章程》	指	青島啤酒股份有限公司章程	Articles of Association	Means	Articles of Association of the Company
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
激勵計劃	指	公司A股限制性股票激勵計劃	Incentive Plan	Means	The A-Share Restricted Stock Incentive Plan of the Company

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：姜宗祥 | 2. Legal Representative: JIANG Zong Xiang |
| 3. 公司秘書：張瑞祥
聯繫地址：山東省青島市
東海西路35號
青啤大廈
1106室
董事會秘書室
郵政編碼：266071
電話：86-532-85713831
傳真：86-532-85713240 | 3. Company Secretary: Zhang Rui Xiang
Address: Secretarial Office of the Board
Room 1106 Tsingtao Beer Tower
No. 35 Donghai West Road,
Qingdao,
Shandong Province
Postal Code: 266071
Tel: 86-532-85713831
Fax: 86-532-85713240 |
| 4. 註冊地址：山東省青島市登州路56號
辦公地址：山東省青島市
東海西路35號青啤大廈
郵政編碼：266071
公司網址：www.tsingtao.com.cn
電子信箱：info@tsingtao.com.cn | 4. Registered Address: No. 56, Dengzhou Road,
Qingdao, Shandong Province
Business Address: Tsingtao Beer Tower
No. 35 Donghai West Road,
Qingdao, Shandong Province
Postal Code: 266071
Company Website: www.tsingtao.com.cn
E-mail: info@tsingtao.com.cn |
| 5. 公司股票上市交易所：
A股：上海證券交易所
股票簡稱：青島啤酒
代碼：600600
H股：香港聯合交易所
股票簡稱：青島啤酒
代碼：00168 | 5. Stock Exchanges on which the Company's shares are listed:
A share: Shanghai Stock Exchange
Stock Name: 青島啤酒
Stock Code: 600600
H share: The Stock Exchange of Hong Kong Limited
Stock Name: TSINGTAO BREW
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: Shanghai Branch of China Securities Depository and Clearing Corporation Limited |
| 7. 會計師事務所：德勤華永會計師事務所(特殊普通合夥)，地址為上海市黃浦區延安東路222號30樓 | 7. Accounting firm: Deloitte Touche Tohmatsu (Special General Partnership). Address: 30F, No. 222 Yan'an East Road, Huangpu District, Shanghai |
| 8. 法律顧問：
(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
(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:
(1) Woo Kwan Lee & Lo at 26th Floor, Jardine House, 1 Connaught Place, Central, Hong Kong
(2) Haiwen & Partners at 20th Floor, Fortune Finance Center, No. 5 Dong San Huan Road Central, Chaoyang District, Beijing |



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青島啤酒股份有限公司
TSINGTAO BREWERY CO., LTD.



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