



青島啤酒股份有限公司 TSINGTAO BREWERY CO., LTD.

(Stock Code 股份代號 : 168)



2026 中期報告

INTERIM REPORT

中期報告

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TSINGTAO BREWERY COMPANY LIMITED

CONSOLIDATED AND THE COMPANY'S BALANCE SHEETS

As at 30 June 2026

(All amounts in RMB Yuan unless otherwise stated)

		30 June 2026	31 December 2025	RMB 30 June 2026	RMB 31 December 2025
Item	Notes	Consolidated	Consolidated	The Company	The Company
Current Assets:					
Cash at bank and on hand	(V) 1	11,555,004,419	12,859,566,861	4,768,021,728	5,466,335,302
Financial assets held for trading	(V) 2	11,009,037,557	6,228,400,545	10,173,878,500	5,545,190,377
Accounts receivable	(V) 3, (XVII) 1	159,620,633	126,983,141	1,395,887,514	1,476,319,394
Advances to suppliers	(V) 4	176,894,761	134,631,742	79,118,815	61,864,233
Other receivables	(V) 5, (XVII) 2	79,469,657	69,681,772	325,459,162	82,550,866
Including: Dividends receivable		-	-	209,000,000	-
Inventories	(V) 6, (XVII) 3	2,270,441,023	3,236,740,516	831,103,862	1,440,827,219
Current portion of non-current assets	(V) 7	1,716,257,918	48,213,397	1,685,110,137	-
Other current assets	(V) 8	1,736,538,138	1,499,563,254	256,825,441	698,037,877
Total Current Assets		28,703,264,106	24,203,781,228	19,515,405,159	14,771,125,268
Non-current Assets:					
Debt investments		-	-	62,583	68,105
Long-term equity investments	(V) 9, (XVII) 4	380,846,727	372,338,347	14,166,481,784	14,040,699,740
Other non-current financial assets	(V) 10	2,870,859,390	2,471,993,300	-	-
Investment properties	(V) 11	44,884,015	53,320,573	27,001,268	27,902,762
Fixed assets	(V) 12	13,114,630,767	12,860,857,041	3,171,057,939	3,112,186,865
Construction in progress	(V) 13	622,445,400	630,084,165	301,090,814	193,771,918
Right-of-use assets	(V) 14	111,819,019	120,054,467	56,692,459	67,631,083
Intangible assets	(V) 15	2,585,598,782	2,596,199,354	536,044,721	560,339,788
Including: Data resources		422,901	470,776	-	-
Goodwill	(V) 16	1,307,103,982	1,307,103,982	-	-
Long-term prepaid expenses	(V) 17	66,644,000	72,832,144	14,030,797	15,162,637
Deferred tax assets	(V) 18	1,854,309,030	1,963,115,004	1,026,201,675	1,106,340,281
Other non-current assets	(V) 19	3,825,117,480	5,479,906,093	3,719,385,142	5,365,102,692
Total Non-current Assets		26,784,258,592	27,927,804,470	23,018,049,182	24,489,205,871
TOTAL ASSETS		55,487,522,698	52,131,585,698	42,533,454,341	39,260,331,139

TSINGTAO BREWERY COMPANY LIMITED

CONSOLIDATED AND THE COMPANY'S BALANCE SHEETS (Cont'd)

As at 30 June 2026

(All amounts in RMB Yuan unless otherwise stated)

		30 June 2026	31 December 2025	30 June 2026	31 December 2025
Item	Notes	Consolidated	Consolidated	The Company	The Company
Current Liabilities:					
Short-term borrowings		-	-	2,202,016,667	4,004,066,667
Notes payable	(V) 20	223,439,776	125,586,924	85,200,524	72,644,217
Accounts payable	(V) 21	4,147,937,571	3,050,359,193	6,954,982,998	5,486,769,846
Contract liabilities	(V) 22	5,626,155,728	7,674,071,543	4,066,379,894	6,101,750,945
Employee benefits payable	(V) 23	1,605,845,949	1,595,109,102	727,195,581	737,043,330
Taxes payable	(V) 24	1,049,345,338	442,764,137	181,792,580	81,694,589
Other payables	(V) 25	6,269,019,405	3,337,758,688	8,217,128,879	3,729,703,301
Including: Dividends payable		3,206,858,534	-	3,205,858,534	-
Current portion of non-current liabilities	(V) 26	29,441,725	36,713,618	21,845,749	24,970,921
Other current liabilities	(V) 27	77,769,424	338,211,423	51,992,666	297,651,589
Total Current Liabilities		19,028,954,916	16,600,574,628	22,508,535,538	20,536,295,405
Non-current Liabilities:					
Lease liabilities	(V) 28	77,554,447	77,752,524	26,782,577	30,836,382
Long-term employee benefits payable	(V) 29	678,302,383	705,061,917	510,092,211	517,137,494
Deferred income	(V) 30	3,214,222,874	2,975,490,394	253,627,176	261,723,934
Deferred tax liabilities	(V) 18	259,539,479	260,510,358	-	-
Total Non-current Liabilities		4,229,619,183	4,018,815,193	790,501,964	809,697,810
TOTAL LIABILITIES		23,258,574,099	20,619,389,821	23,299,037,502	21,345,993,215
Shareholders' Equity:					
Share capital	(V) 31	1,364,195,121	1,364,195,121	1,364,195,121	1,364,195,121
Capital surplus	(V) 32	4,198,517,596	4,198,492,389	5,286,350,362	5,286,329,592
Less: Treasury stock	(V) 33	-	-	-	-
Other comprehensive income	(V) 34	(165,344,493)	(153,741,746)	(152,972,000)	(152,972,000)
Surplus reserve	(V) 35	1,400,704,380	1,400,704,380	1,400,704,380	1,400,704,380
General reserve	(V) 36	301,761,292	301,761,292	-	-
Undistributed profits	(V) 37	24,251,488,030	23,537,536,867	11,336,138,976	10,016,080,831
Total equity attributable to shareholders of the Company		31,351,321,926	30,648,948,303	19,234,416,839	17,914,337,924
Non-controlling interests		877,626,673	863,247,574	/	/
TOTAL SHAREHOLDERS' EQUITY		32,228,948,599	31,512,195,877	19,234,416,839	17,914,337,924
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		55,487,522,698	52,131,585,698	42,533,454,341	39,260,331,139

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

TSINGTAO BREWERY COMPANY LIMITED

CONSOLIDATED AND THE COMPANY'S INCOME STATEMENTS

For the period from 1 January to 30 June 2026
(All amounts in RMB Yuan unless otherwise stated)

Item	Notes	RMB			
		Period from 1 January to 30 June 2026 Consolidated	Period from 1 January to 30 June 2025 Consolidated	Period from 1 January to 30 June 2026 The Company	Period from 1 January to 30 June 2025 The Company
I. Revenue	(V) 38, (XVII) 5	19,654,849,637	20,491,167,745	14,381,375,825	15,619,152,310
Less: Cost of sales	(V) 38, (XVII) 5	10,836,991,732	11,537,070,863	10,054,631,187	11,396,200,180
Taxes and surcharges	(V) 39	1,349,317,989	1,398,844,628	397,887,227	396,044,220
Selling and distribution expenses	(V) 40	1,913,379,513	2,187,282,017	1,256,422,197	1,355,650,938
General and administrative expenses	(V) 41	695,742,510	682,991,956	274,551,661	249,015,691
Research and development expenses	(V) 42	51,804,165	43,711,961	51,611,305	45,082,295
Finance expenses	(V) 43	(142,106,657)	(207,791,457)	32,378,059	(26,444,019)
Including: Interest expenses		8,702,431	4,846,659	100,755,587	30,342,103
Interest income		160,035,179	222,322,168	76,145,583	64,829,436
Add: Other income	(V) 44	163,880,493	194,953,690	23,445,408	39,802,772
Investment income	(V) 45, (XVII) 6	36,990,268	41,235,057	2,696,141,390	2,346,893,089
Including: Share of profit of associates and a joint venture		26,129,794	26,647,332	22,620,121	23,392,953
Profits arising from changes in fair value	(V) 46	180,971,792	53,498,908	128,764,316	34,144,403
Credit impairment gains (losses)	(V) 47	142,907	(505,690)	(3,104,246)	49,452,023
Asset impairment losses	(V) 48	(18,750,335)	-	(1,835,216)	-
Gains on disposal of assets	(V) 49	52,417,732	112,105,570	252,157	494,516
II. Operating profit		5,365,373,242	5,250,345,312	5,157,557,998	4,674,389,808
Add: Non-operating income	(V) 50	14,617,534	14,829,809	6,010,099	2,519,663
Less: Non-operating expenses	(V) 51	4,660,059	2,017,721	2,669,513	327,233
III. Total profit		5,375,330,717	5,263,157,400	5,160,898,584	4,676,582,238
Less: Income tax expenses	(V) 52	1,388,643,012	1,289,191,082	634,981,905	571,370,354
IV. Net profit		3,986,687,705	3,973,966,318	4,525,916,679	4,105,211,884
(I) Classified by continuity of operations:					
1. Net profit from continuing operations		3,986,687,705	3,973,966,318	4,525,916,679	4,105,211,884
(II) Classified by ownership of the equity:					
1. Attributable to shareholders of the Company		3,919,809,697	3,904,325,353	4,525,916,679	4,105,211,884
2. Attributable to non-controlling interests		66,878,008	69,640,965	/	/

TSINGTAO BREWERY COMPANY LIMITED

CONSOLIDATED AND THE COMPANY'S INCOME STATEMENTS (Cont'd)

For the period from 1 January to 30 June 2026

(All amounts in RMB Yuan unless otherwise stated)

Item	Notes	Period from 1 January to 30 June 2026 Consolidated	Period from 1 January to 30 June 2025 Consolidated	Period from 1 January to 30 June 2026 The Company	RMB Period from 1 January to 30 June 2025 The Company
V. Other comprehensive income, net of tax		(12,489,556)	(2,603,882)	-	-
(I) Other comprehensive income attributable to shareholders of the Company, net of tax		(11,602,747)	(2,240,923)	-	-
1. Items that will not be subsequently reclassified to profit or loss		-	-	-	-
(1) Changes in remeasurement of defined benefit plan		-	-	-	-
2. Items that will be subsequently reclassified to profit or loss		(11,602,747)	(2,240,923)	-	-
(1) Shares of other comprehensive income of investees accounted for using the equity method that will be subsequently reclassified to profit or loss		(449,305)	683,436	-	-
(2) Currency translation differences		(11,153,442)	(2,924,359)	-	-
(II) Other comprehensive income attributable to non-controlling interests, net of tax		(886,809)	(362,959)	/	/
VI. Total comprehensive income		<u>3,974,198,149</u>	<u>3,971,362,436</u>	<u>4,525,916,679</u>	<u>4,105,211,884</u>
Attributable to owners of the Company		3,908,206,950	3,902,084,430	4,525,916,679	4,105,211,884
Attributable to non-controlling interests		<u>65,991,199</u>	<u>69,278,006</u>	<u>/</u>	<u>/</u>
VII. Earnings per share:					
(I) Basic earnings per share (RMB/Share)	(V) 53	2.873	2.862	/	/
(II) Diluted earnings per share (RMB/Share)	(V) 53	2.873	2.862	/	/

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

TSINGTAO BREWERY COMPANY LIMITED

CONSOLIDATED AND THE COMPANY'S CASH FLOW STATEMENTS

For the period from 1 January to 30 June 2026

(All amounts in RMB Yuan unless otherwise stated)

		Period from 1 January to 30 June 2026 Consolidated	Period from 1 January to 30 June 2025 Consolidated	Period from 1 January to 30 June 2026 The Company	<i>RMB</i> Period from 1 January to 30 June 2025 The Company
	<i>Notes</i>				
I. Cash Flows from Operating Activities:					
Cash receipts from the sale of goods and the rendering of services		20,186,865,206	20,287,330,721	14,224,769,325	14,796,091,245
Receipts of tax refunds		21,605,091	6,668,509	14,807,615	3,228,813
Other cash receipts relating to operating activities	(V) 55(1)	821,958,680	539,284,516	301,636,983	142,365,437
Sub-total of cash inflows from operating activities		21,030,428,977	20,833,283,746	14,541,213,923	14,941,685,495
Cash payments for goods purchased and services received		8,179,979,863	8,190,134,871	8,766,560,635	8,576,903,142
Cash payments to and on behalf of employees		2,673,084,011	2,715,115,188	897,067,011	916,812,563
Payments of various types of taxes		2,942,860,856	3,309,472,183	1,117,644,441	1,290,346,876
Other cash payments relating to operating activities	(V) 55(2)	1,729,948,362	1,819,017,347	1,359,797,920	1,372,729,136
Sub-total of cash outflows from operating activities		15,525,873,092	16,033,739,589	12,141,070,007	12,156,791,717
Net Cash Flow from Operating Activities	(V) 56(1)	5,504,555,885	4,799,544,157	2,400,143,916	2,784,893,778
II. Cash Flows from Investing Activities:					
Cash receipts from disposals and recovery of investments	(V) 55(3)	7,417,872,631	8,107,661,353	1,422,538,756	121,900,000
Cash receipts from investment income		204,152,636	288,114,829	2,491,467,485	2,170,073,237
Net cash receipts from disposals of fixed assets, intangible assets and other long-term assets		41,374,050	77,385,995	1,492,086	1,819,424
Other cash receipts relating to investing activities	(V) 55(5)	58,304,104	23,125,971	-	3,725
Sub-total of cash inflows from investing activities		7,721,703,421	8,496,288,148	3,915,498,327	2,293,796,386
Cash payments to acquire or construct fixed assets, intangible assets and other long-term assets		1,109,223,879	949,329,514	414,260,586	350,512,479
Cash payments to acquire investments	(V) 55(4)	11,833,762,078	10,150,510,698	6,109,184,031	5,101,900,000
Other cash payments relating to investing activities	(V) 55(6)	1,109,249	12,910,774	-	872,647
Sub-total of cash outflows from investing activities		12,944,095,206	11,112,750,986	6,523,444,617	5,453,285,126
Net Cash Flow from Investing Activities		(5,222,391,785)	(2,616,462,838)	(2,607,946,290)	(3,159,488,740)

TSINGTAO BREWERY COMPANY LIMITED

CONSOLIDATED AND THE COMPANY'S CASH FLOW STATEMENTS (Cont'd)

For the period from 1 January to 30 June 2026

(All amounts in RMB Yuan unless otherwise stated)

	Notes	Period from 1 January to 30 June 2026 Consolidated	Period from 1 January to 30 June 2025 Consolidated	Period from 1 January to 30 June 2026 The Company	RMB Period from 1 January to 30 June 2025 The Company
III. Cash Flows from Financing Activities:					
Cash receipts from borrowings		-	-	1,000,000,000	2,500,000,000
Other cash receipts relating to financing activities		938,022	469,350	2,000,267,745	-
Sub-total of cash inflows from financing activities		938,022	469,350	3,000,267,745	2,500,000,000
Cash repayments of borrowings		-	-	2,800,000,000	400,000,000
Cash payments for distribution of dividends or profits or settlement of interest expenses		50,635,919	1,596,443,595	53,636,667	1,581,859,233
Including: Payments for distribution of dividends or profits to non-controlling interests by subsidiaries		50,612,100	42,150,800	/	/
Other cash payments relating to financing activities	(V) 55(7)	24,726,996	28,108,738	753,177,878	13,078,397
Sub-total of cash outflows from financing activities		75,362,915	1,624,552,333	3,606,814,545	1,994,937,630
Net Cash Flow from Financing Activities		(74,424,893)	(1,624,082,983)	(606,546,800)	505,062,370
IV. Effect of Foreign Exchange Rate Changes on Cash and Cash Equivalents		(8,963,250)	2,486,767	378,259	(6,064,369)
V. Net Increase (Decrease) in Cash and Cash Equivalents	(V) 56(1)	198,775,957	561,485,103	(813,970,915)	124,403,039
Add: Opening balance of cash and cash equivalents		2,287,130,298	4,046,010,946	4,039,886,261	4,413,184,813
VI. Closing Balance of Cash and Cash Equivalents	(V) 56(2)	2,485,906,255	4,607,496,049	3,225,915,346	4,537,587,852

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

TSINGTAO BREWERY COMPANY LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

For the period from 1 January to 30 June 2026

(All amounts in RMB Yuan unless otherwise stated)

RMB									
Period from 1 January to 30 June 2026									
Attributable to shareholders of the Company									
Item	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 2026	1,364,195,121	4,198,492,389	-	(153,741,746)	1,400,704,380	301,761,292	23,537,536,867	863,247,574	31,512,195,877
II. Changes for the period	-	25,207	-	(11,602,747)	-	-	713,951,163	14,379,099	716,752,722
(I) Total comprehensive income	-	-	-	(11,602,747)	-	-	3,919,809,697	65,991,199	3,974,198,149
(II) Owners' contributions and reduction in capital	-	-	-	-	-	-	-	-	-
(III) Profit distribution	-	-	-	-	-	-	(3,205,858,534)	(51,612,100)	(3,257,470,634)
1. Distribution to shareholders	-	-	-	-	-	-	(3,205,858,534)	(51,612,100)	(3,257,470,634)
(IV) Others	-	25,207	-	-	-	-	-	-	25,207
III. Balance at 30 June 2026	1,364,195,121	4,198,517,596	-	(165,344,493)	1,400,704,380	301,761,292	24,251,488,030	877,626,673	32,228,948,599

RMB									
Period from 1 January to 30 June 2025									
Attributable to shareholders of the Company									
Item	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 2025	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
II. Changes for the period	-	41,349	(1,479,017)	(2,240,923)	-	-	903,092,419	8,490,063	910,861,925
(I) Total comprehensive income	-	-	-	(2,240,923)	-	-	3,904,325,353	69,278,006	3,971,362,436
(II) Owners' contributions and reduction in capital	-	36,487	(1,266,350)	-	-	-	-	405	1,303,242
1. Share-based payments recognized in shareholders' equity	-	36,487	(1,266,350)	-	-	-	-	405	1,303,242
(III) Profit distribution	-	-	(212,667)	-	-	-	(3,001,232,934)	(60,788,348)	(3,061,808,615)
1. Distribution to shareholders	-	-	(212,667)	-	-	-	(3,001,232,934)	(60,788,348)	(3,061,808,615)
(IV) Others	-	4,862	-	-	-	-	-	-	4,862
III. Balance at 30 June 2025	1,364,196,788	4,198,149,470	22,222	(155,781,316)	1,400,704,380	301,761,292	22,853,747,997	807,647,547	30,770,403,936

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

TSINGTAO BREWERY COMPANY LIMITED

THE COMPANY'S STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (Cont'd)

For the period from 1 January to 30 June 2026

(All amounts in RMB Yuan unless otherwise stated)

RMB

Item	Period from 1 January to 30 June 2026						
	Share capital	Capital surplus	Less: Treasury stock	Other comprehensive income	Surplus reserve	Undistributed profits	Total shareholders' equity
I. Balance at 1 January 2026	1,364,195,121	5,286,329,592	-	(152,972,000)	1,400,704,380	10,016,080,831	17,914,337,924
II. Changes for the period	-	20,770	-	-	-	1,320,058,145	1,320,078,915
(I) Total comprehensive income	-	-	-	-	-	4,525,916,679	4,525,916,679
(II) Owners' contributions and reduction in capital	-	-	-	-	-	-	-
(III) Profit distribution	-	-	-	-	-	(3,205,858,534)	(3,205,858,534)
1. Distribution to shareholders	-	-	-	-	-	(3,205,858,534)	(3,205,858,534)
(IV) Others	-	20,770	-	-	-	-	20,770
III. Balance at 30 June 2026	1,364,195,121	5,286,350,362	-	(152,972,000)	1,400,704,380	11,336,138,976	19,234,416,839

RMB

Item	Period from 1 January to 30 June 2025						
	Share capital	Capital surplus	Less: Treasury stock	Other comprehensive income	Surplus reserve	Undistributed profits	Total shareholders' equity
I. Balance at 1 January 2025	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
II. Changes for the period	-	29,769	(1,479,017)	-	-	1,103,978,950	1,105,487,736
(I) Total comprehensive income	-	-	-	-	-	4,105,211,884	4,105,211,884
(II) Owners' contributions and reduction in capital	-	36,892	(1,266,350)	-	-	-	1,303,242
1. Share-based payments recognized in shareholders' equity	-	36,892	(1,266,350)	-	-	-	1,303,242
(III) Profit distribution	-	-	(212,667)	-	-	(3,001,232,934)	(3,001,020,267)
1. Distribution to shareholders	-	-	(212,667)	-	-	(3,001,232,934)	(3,001,020,267)
(IV) Others	-	(7,123)	-	-	-	-	(7,123)
III. Balance at 30 June 2025	1,364,196,788	5,286,368,083	22,222	(157,683,000)	1,400,704,380	10,160,068,875	18,053,632,904

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

TSINGTAO BREWERY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 January to 30 June 2026

(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 2025, the Company repurchased and cancelled 281,674 restricted shares. As at 30 June 2026, the total number of shares was 1,364,195,121.

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

For the period from 1 January to 30 June 2026, 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 26 August 2026.

(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.

2. Going concern

The Group assessed its ability to continue as a going concern for the 12 months from 30 June 2026 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.

(II) BASIS OF PREPARATION OF FINANCIAL STATEMENTS (CONT'D)

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 30 June 2026, and the consolidated and the Company's results of operations, changes in shareholders' equity and cash flows for the period from 1 January to 30 June 2026.

2. Accounting period

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

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.

(III) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONT'D)

4. Determination method for materiality criteria and basis for selection

Item	Materiality criteria
Significant subsidiaries	Net profit of any individual subsidiary accounts for more than 10% of the consolidated net profit of the Group
Significant non-wholly-owned subsidiaries	Non-controlling interests of any individual subsidiary accounts for more than 1% of the consolidated shareholders' equity of the Group at the end of the period or Non-controlling interests of any individual subsidiary accounts 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 exceeds RMB200 million or the net profit from any individual joint venture or associate accounts for more than 10% of the consolidated net profit of the Group at the end of the period
Significant receivables with allowance for bad debt made on an individual basis	The allowance for bad debt made on an individual basis exceeds RMB10 million.
Significant construction in progress	The amount exceeds RMB5 million

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.

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.

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

5.2 Business combination not involving enterprises under common control and goodwill (Cont'd)

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.

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.

6. Judgment criteria for control and preparation of consolidated financial statements (Cont'd)

6.2 Preparation of consolidated financial statements (Cont'd)

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.

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.

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 non-current financial assets.

10. Financial instruments (Cont'd)

10.1 Classification, recognition and measurement of financial assets (Cont'd)

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.

10. Financial instruments (Cont'd)

10.2 Impairment of financial instruments (Cont'd)

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.

10. Financial instruments (Cont'd)**10.2 Impairment of financial instruments (Cont'd)***10.2.3 Determination of ECL (Cont'd)*

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).

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.

10. Financial instruments (Cont'd)

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.

10. Financial instruments (Cont'd)

10.4 Classification of financial liabilities and equity instruments (Cont'd)

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.

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.

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. Inventories (Cont'd)

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.

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. Long-term equity investments (Cont'd)

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.

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.

(III) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONT'D)

14. Long-term equity investments (Cont'd)

14.3 Subsequent measurement and recognition of profit or loss (Cont'd)

14.3.2 Long-term equity investment accounted for using the equity method (Cont'd)

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.

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.

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	Estimated 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. Fixed assets (Cont'd)

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.

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 know-how, marketing networks, data resources, 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:

19. Intangible assets (Cont'd)**19.1 Useful life and the basis for determination, estimation, method of amortization or review procedures (Cont'd)**

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	-
Technology know-how	Straight-line method	10 years	-
Marketing networks	Straight-line method	5 - 10 years	-
Data resources	Straight-line method	5 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.

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.

19. Intangible assets (Cont'd)

19.2 Scope of aggregation and accounting treatment of research and development expenditures (Cont'd)

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.

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.

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. Employee benefits (Cont'd)

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.

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

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.

25. Revenue (Cont'd)

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.

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) 30. 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) 44.

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.

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.

27. Leases (Cont'd)

27.1 The Group as lessee (Cont'd)

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 Revenue Standard 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.

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. Deferred tax assets/deferred tax liabilities (Cont'd)

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.

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.

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.

For the period from 1 January to 30 June 2026, the Group recognized impairment losses of RMB18,750,335 (for the period from 1 January to 30 June 2025: nil) for fixed assets based on the assessment. As at 30 June 2026, the carrying amount of the provision for impairment of fixed assets is RMB498,408,443 (31 December 2025: RMB488,150,170) (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. Critical judgements in applying accounting policies and key assumptions and uncertainties in accounting estimates (Cont'd)

Significant accounting estimates and key assumptions (Cont'd)

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 30 June 2026, the Group's deferred tax assets before offsetting amounted to RMB2,455,244,290 (31 December 2025: RMB2,487,719,433). As stated in Note (V) 18, as at 30 June 2026, the Group had unrecognized deferred tax assets amounting to approximately RMB604,487,000 (31 December 2025: RMB596,648,000), 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.

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 30 June 2026, the Group has considered the uncertainties under different macroeconomic scenarios and updated relevant assumptions and parameters accordingly.

(III) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONT'D)

30. Significant changes in accounting policies

Interpretation No. 19 of the Accounting Standards for Business Enterprises (the “Interpretation No. 19”) and Interpretation No. 20 of the Accounting Standards for Business Enterprises (the “Interpretation No. 20”) were issued by the Ministry of Finance on 5 December 2025 and 4 June 2026, respectively.

Interpretation No. 19 specified accounting treatment for compensatory assets in business combinations not involving enterprises under common control, accounting treatment for capital reserve arising from disposal of subsidiaries priorly acquired through business combinations involving enterprises under common control, derecognition of financial liabilities settled using an electronic payment system, assessment of contractual cash flow characteristics of financial assets. It came into effect from 1 January 2026.

Interpretation No. 20 specified assessment of contractual cash flow characteristics of financial assets and the accounting treatment when a currency lacks exchangeability. It came into effect from 1 January 2026.

Upon assessment, the Group considers that the adoption of the above Interpretations has no significant impact on the financial statements of the Group.

(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%, 15%, 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%, 5% and 3%
Consumption tax	Product types and prices	Consumption tax per unit
	Beer	
	More than or equal to RMB3,000 per ton Less than RMB3,000 per ton	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%

(IV) TAXES (CONT'D)

1. The main categories and tax rates are set out below: (Cont'd)

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 the subsidiary, Nanning Tsingtao Brewery Co., Ltd. ("Nanning Company"), which is subject to an enterprise income tax rate of 15% and some of its 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.

- (ii) Pursuant to the Notice issued by 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).
- (iii) According to Article 1 of the Announcement of the Ministry of Finance, the State Taxation Administration and the National Development and Reform Commission on Continuing the Enterprise Income Tax Policies for the Large-Scale Development of Western China (Announcement [2020] No. 23), from 1 January 2021, to 31 December 2030, enterprises encouraged in industries located in the western regions shall be subject to a reduced enterprise income tax rate of 15%. This preferential tax policy applies to Nanning Company, a subsidiary of the Company.

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 of the Ministry of Finance and the State Taxation Administration on Improving the Policies Regarding the Refund of End-of-Period Excess Input Value-Added Tax Credits (Announcement [2025] No. 7 of the Ministry of Finance and the State Taxation Administration), eligible general VAT taxpayers may apply to the competent tax authorities for refund of end-of-period VAT credits starting from the tax declaration period in September 2025.

(IV) TAXES (CONT'D)

1. The main categories and tax rates are set out below: (Cont'd)

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.

2. Tax incentives

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.

Pursuant to the Inland Revenue Ordinance (Cap. 112) of Hong Kong Legislation, companies incorporated in Hong Kong are subject to Hong Kong profits tax at the rate of 16.5%. With effect from 1 April 2018, under the two-tiered profits tax regime, Hong Kong profits tax is chargeable on profits derived from Hong Kong. The tax rates are 8.25% on the first HKD2,000,000 of assessable profits and 16.5% on the portion of assessable profits in excess of HKD2,000,000.

Pursuant to Article 10 (Dividends) of the Arrangement between the Mainland of China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income, and the Notice of the State Taxation Administration on the Issues Concerning the Application of the Dividend Clauses of Tax Agreements (Guo Shui Han [2009] No. 81), where the beneficial owner of dividends distributed by a Chinese resident enterprise is a Hong Kong tax resident, the withholding tax rate applicable to such dividends shall be: (1) 5% of the gross amount of the dividends, if the beneficial owner is a company that directly holds no less than 25% of the capital of the dividend-paying company for a continuous period of more than 12 months; (2) 10% of the gross amount of the dividends, in all other cases.

(V) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS

1. Cash at bank and on hand

Item	30 June 2026	RMB 31 December 2025
Cash on hand	57,486	59,183
Bank deposits	3,002,669,316	2,415,345,455
Interbank deposits (<i>Note 1</i>)	8,106,869,773	9,952,679,881
Deposits in the central bank (<i>Note 2</i>)	402,972,882	450,806,567
Other monetary funds (<i>Note 3</i>)	42,434,962	40,675,775
Total	11,555,004,419	12,859,566,861
Including: Total funds deposited overseas (<i>Note 4</i>)	261,244,445	381,819,202

(V) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

1. Cash at bank and on hand (Cont'd)

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 30 June 2026, the statutory reserve ratio is 5% (31 December 2025: 5%) of the balance of deposits.

Note 3: As at 30 June 2026, other monetary funds included housing maintenance fund of RMB33,250,396 deposited in the banks, balances held with third-party payment institutions of RMB8,307,048 and other deposits of RMB877,518 (31 December 2025: housing maintenance fund of RMB33,414,743 deposited in the banks, balances held with third-party payment institutions of RMB7,258,961 and other deposits of RMB2,071).

Note 4: As at 30 June 2026, 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 30 June 2026, the Group has cash at bank and on hand with restricted rights of use amounting to RMB437,100,796 (31 December 2025: RMB484,223,381), 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	30 June 2026	RMB 31 December 2025
Financial assets at FVTPL - Debt instruments (<i>Note</i>)		
Including: Wealth management products and funds	7,900,795,171	3,590,408,627
Structured deposits	3,029,122,386	2,601,271,918
Others	79,120,000	36,720,000
Total	11,009,037,557	6,228,400,545

Note: As at 30 June 2026, it mainly represents wealth management products, funds and structured deposits purchased by the Group. The determination of their fair values is set out in Note (X).

3. Accounts receivable

Item	30 June 2026	RMB 31 December 2025
Accounts receivable	202,045,885	169,903,034
Less: Allowance for bad debt	42,425,252	42,919,893
Total	159,620,633	126,983,141

(V) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

3. Accounts receivable (Cont'd)

(1) The aging analysis of accounts receivable by recording date is as follows:

Aging	RMB	
	Gross carrying amount at 30 June 2026	Gross carrying amount at 31 December 2025
Within 1 year (inclusive)	157,282,175	126,807,751
1 to 2 years	2,518,724	948,469
2 to 3 years	159,817	195
Over 5 years	42,085,169	42,146,619
Total	202,045,885	169,903,034

Accounts receivable are mainly recorded based on the dates of transaction. The aging of accounts receivable represented on their recording date is basically the same as the aging represented on the dates of invoice.

(2) Disclosure by provision method for bad debt

Category	30 June 2026				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	5.6	11,245,784	100.0	-
Allowance for bad debt made on a portfolio basis	190,800,101	94.4	31,179,468	16.3	159,620,633
Total	202,045,885	100.0	42,425,252	/	159,620,633

Category	31 December 2025				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	6.6	11,245,784	100.0	-
Allowance for bad debt made on a portfolio basis	158,657,250	93.4	31,674,109	20.0	126,983,141
Total	169,903,034	100.0	42,919,893	/	126,983,141

(V) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)**3. Accounts receivable (Cont'd)****(2) Disclosure by provision method for bad debt (Cont'd)***Allowance for bad debt made on an individual basis*

RMB

Name	30 June 2026			
	Gross carrying amount	Allowance for bad debt	Proportion (%)	Reason
Beijing Tsingtao Brewery Sales Co., Ltd. ("Beijing Sales Company")	11,245,784	11,245,784	100.0	The funds are difficult to recover
	<u> </u>	<u> </u>		

RMB

Name	31 December 2025			
	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 recover
	<u> </u>	<u> </u>		

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 recover, therefore, full allowance for bad debt has been made in prior years.

(V) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)**3. Accounts receivable (Cont'd)****(2) Disclosure by provision method for bad debt (Cont'd)**

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 and bad debt of accounts receivable are as follows:

<i>RMB</i>				
30 June 2026				
Aging	Expected average loss rate (%)	Gross carrying amount	Allowance for bad debt	Carrying amount
Not overdue	-	156,506,880	-	156,506,880
Overdue within 1 year	5	3,259,344	162,967	3,096,377
Overdue 1 to 2 years	50	34,751	17,375	17,376
Overdue more than 2 years	100	30,999,126	30,999,126	-
Total	/	190,800,101	31,179,468	159,620,633

<i>RMB</i>				
31 December 2025				
Aging	Expected average loss rate (%)	Gross carrying amount	Allowance for bad debt	Carrying amount
Not overdue	-	121,782,749	-	121,782,749
Overdue within 1 year	5	5,055,707	252,785	4,802,922
Overdue 1 to 2 years	50	794,940	397,470	397,470
Overdue more than 2 years	100	31,023,854	31,023,854	-
Total	/	158,657,250	31,674,109	126,983,141

(3) Allowance for bad debt

						RMB
		Changes for the period				
Category	31 December 2025	Provision	Currency translation differences	Recovery or reversal	Write-off	30 June 2026
Accounts receivable	42,919,893	24,012	(10)	457,193	61,450	42,425,252

There is no significant recovery or reversal of allowance for bad debt in the current period.

(V) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)**3. Accounts receivable (Cont'd)**

(4) For the period from 1 January to 30 June 2026, the Group wrote off accounts receivable amounting to RMB61,450 (for the period from 1 January to 30 June 2025: RMB15,135,519).

(5) Top five accounts receivable in closing balance categorized by debtors

Item	Balance	Allowance for bad debt	RMB
			Proportion to total accounts receivable
Total of top five accounts receivable	91,143,463	19,587,517	45%

4. Advances to suppliers**(1) Disclosure of advances to suppliers by aging**

Aging	30 June 2026		31 December 2025	
	RMB		RMB	
	Amount	Proportion (%)	Amount	Proportion (%)
Within 1 year	175,682,424	99.3	133,864,256	99.4
1 to 2 years	859,011	0.5	422,584	0.3
2 to 3 years	12,665	-	247,899	0.2
Over 3 years	340,661	0.2	97,003	0.1
Total	176,894,761	100.0	134,631,742	100.0

As at 30 June 2026, advances to suppliers aged over one year amounted to RMB1,212,337 (31 December 2025: RMB767,486). 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 30 June 2026, the closing balance of the top five advances to suppliers is RMB73,921,878 (31 December 2025: RMB51,642,769), accounting for 42% of the total closing balance of advances to suppliers (31 December 2025: 38%).

5. Other receivables**5.1 Summary of other receivables**

Category	30 June 2026	31 December 2025
	RMB	RMB
Other receivables	79,469,657	69,681,772
Total	79,469,657	69,681,772

(V) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

5. Other receivables (Cont'd)

5.2 Other receivables

(1) Disclosure by aging:

	Gross carrying amount at 30 June 2026	RMB Gross carrying amount at 31 December 2025
Aging		
Not overdue	79,469,657	69,628,492
Overdue 1 to 2 years	-	106,560
Overdue more than 2 years	37,201,230	37,459,932
Total	116,670,887	107,194,984

(2) Disclosure by nature:

	Gross carrying amount at 30 June 2026	RMB Gross carrying amount at 31 December 2025
Nature		
Guarantee deposits	49,150,637	37,829,991
Receivables from construction and equipment (Note 1)	20,407,238	19,870,107
Refund of land and buildings receivable	17,441,647	17,441,647
Receivables from disposal of land	3,110,000	3,110,000
Receivables from materials	2,482,567	3,867,734
Petty cash	1,878,459	2,367,310
Export tax rebates	1,267,442	1,759,664
Others	20,932,897	20,948,531
Total	116,670,887	107,194,984

Note 1: It represents receivables from 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.

(V) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)**5. Other receivables (Cont'd)****5.2 Other receivables (Cont'd)***(3) Allowance for bad debt*

	Stage I	Stage II	Stage III	RMB
	12-month ECL	Lifetime ECL (not credit-impaired)	Lifetime ECL (credit-impaired)	Total
Allowance for bad debt				
Balance at 1 January 2026	53,280	-	37,459,932	37,513,212
Balance at 1 January 2026 transferred during the period				
– to Stage III	(53,280)	-	53,280	-
Provision	-	-	103,280	103,280
Reversal	-	-	2,400	2,400
Currency translation differences	-	-	(2,455)	(2,455)
Write-off	-	-	410,407	410,407
Balance at 30 June 2026	-	-	37,201,230	37,201,230

(4) Allowance for bad debt for the period

		Changes for the period				RMB
	31 December 2025	Provision	Currency translation differences	Reversal	Write-off	30 June 2026
Category						
Other receivables	37,513,212	103,280	(2,455)	2,400	410,407	37,201,230

There is no significant recovery or reversal of allowance for bad debt in the current period.

(5) For the period from 1 January to 30 June 2026, the allowance for bad debt of other receivables actually written off amounted to RMB410,407 (for the period from 1 January to 30 June 2025: RMB1,701,494).

(6) Top five other receivables in closing balance categorized by debtors:

		Proportion to total other receivables as at 30 June 2026 (%)	Nature	Aging	Closing balance of allowance for bad debt
Name of the entity	Gross carrying amount at 30 June 2026				RMB
The Finance Bureau of Weinan High-tech Industrial Development Zone	15,000,000	12.9	Security deposits for land receivable	3-4 years	15,000,000
The Natural Resources Bureau of Qingdao West Coast New Area	8,584,437	7.4	Refund of land receivable	Over 5 years	8,584,437
Beijing Baixing Jiayuan Real Estate Development Group Co., Ltd.	3,110,000	2.7	Receivables from disposal of land	Over 5 years	3,110,000
Jiande Sub-bureau of Hangzhou Municipal Ecology and Environment Bureau	1,755,517	1.5	Receivables from disposal of pollution rights	Within 1 year	-
Beijing Shuangsheng & Five Star Beer Co., Ltd.	1,600,000	1.4	Agency service fees receivable	Over 5 years	1,600,000
Total	30,049,954	25.9	/	/	28,294,437

(7) The Group does not have amounts attributed to other parties and presented in other receivables as a result of centralized management of funds.

(V) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

6. Inventories

(1) Category of inventories

Item	30 June 2026			31 December 2025		
	Gross carrying amount	Provision for decline in value	Carrying amount	Gross carrying amount	Provision for decline in value	Carrying amount
Raw materials	663,053,445	-	663,053,445	559,706,259	568,513	559,137,746
Packaging materials	639,507,892	2,550,893	636,956,999	857,565,401	3,173,301	854,392,100
Low-cost and short-lived consumables	108,042,516	-	108,042,516	99,506,435	-	99,506,435
Work in progress	412,177,832	-	412,177,832	508,974,202	-	508,974,202
Goods on hand	450,210,231	-	450,210,231	1,214,730,033	-	1,214,730,033
Total	2,272,991,916	2,550,893	2,270,441,023	3,240,482,330	3,741,814	3,236,740,516

(2) Provision for decline in value of inventories

Item	31 December 2025	Increase in the period	Reversal	Write-off	RMB 30 June 2026
Raw materials	568,513	-	-	568,513	-
Packaging materials	3,173,301	-	-	622,408	2,550,893
Total	3,741,814	-	-	1,190,921	2,550,893

Item	31 December 2024	Increase in the period	Reversal	Write-off	RMB 30 June 2025
Raw materials	568,513	-	-	-	568,513
Packaging materials	4,894,271	-	-	-	4,894,271
Total	5,462,784	-	-	-	5,462,784

Item	Specific basis for determining net realizable value	Reasons for write-off during the current period
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

7. Current portion of non-current assets

Item	30 June 2026	31 December 2025
Time deposits due within one year (Note (V)19)	1,685,110,137	-
Other non-current financial assets due within one year (Note (V)10)	31,147,781	48,213,397
Total	1,716,257,918	48,213,397

(V) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

8. Other current assets

Item	RMB	
	30 June 2026	31 December 2025
Interbank deposits (Note)	1,292,448,296	99,035,890
Prepaid enterprise income tax	248,456,331	516,535,617
VAT to be deducted	133,616,412	421,234,710
Input VAT to be verified	43,739,603	103,646,160
Treasury bonds reverse repurchase investments (Note)	-	350,035,835
Others	18,482,607	9,090,759
Less: Impairment provision for other current assets	205,111	15,717
Total	1,736,538,138	1,499,563,254

Note: It represents the treasury bonds reverse repurchase investments and interbank deposits due within one year purchased by Finance Company, a subsidiary of the Company. 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.

9. Long-term equity investments

Investees	Changes for the period								Gross carrying amount at 30 June 2026	Opening balance of provision for impairment	Closing balance of provision for impairment
	Gross carrying amount at 31 December 2025	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 Jiube Beer Co., Ltd. ("Hebei Jiube Company") (Note 1)	216,508,751	-	-	9,744,201	-	-	(9,500,000)	-	216,752,952	-	-
II. Associates											
Shandong Yantai Brewery Co., Ltd. ("Yantai Brewery Company")	139,406,081	-	-	11,173,487	-	-	(10,907,377)	-	139,672,191	-	-
Sinotrans Logistics Supply Chain (Shandong) Co., Ltd. ("Sinotrans Logistics")	10,690,108	-	-	1,166,932	-	20,770	-	-	11,877,810	-	-
Tsingtao Brewery Europe Trading Co., Ltd. ("European Company")	5,733,407	-	-	3,509,672	(449,305)	-	-	-	8,793,774	-	-
Liaoning Shenyang Tsingtao Brewery Co., Ltd. ("Liaoning Shenyang Company") (Note 2)	-	-	-	-	-	-	-	-	-	-	-
Guangxi Guizai Culture and Tourism Industry Development Co., Ltd. ("Guizai Culture and Tourism") (Note 3)	-	3,000,000	-	-	-	-	-	-	3,000,000	-	-
Qingdao Huanyin Culture Media Co., Ltd. ("Huanyin Media") (Note 4)	-	750,000	-	-	-	-	-	-	750,000	-	-
Others	1,220,000	-	-	-	-	-	-	-	1,220,000	(1,220,000)	(1,220,000)
Total	373,558,347	3,750,000	-	25,594,292	(449,305)	20,770	(20,407,377)	-	382,066,727	(1,220,000)	(1,220,000)

(V) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

9. Long-term equity investments (Cont'd)

RMB

Investees	Gross carrying amount at 31 December 2024	Changes for the period						Gross carrying amount at 30 June 2025	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	214,012,611	-	-	7,765,409	-	-	(6,500,000)	-	215,278,020	-	
II. Associates											
Yantai Brewery Company	161,728,607	-	-	11,855,842	-	-	(33,842,175)	-	139,742,274	-	
Sinotrans Logistics	12,180,009	-	-	1,088,559	-	(7,123)	-	-	13,261,445	-	
European Company	3,952,576	-	-	3,254,379	683,436	-	-	-	7,890,391	-	
Liaoning Shenqing Company	-	-	-	-	-	-	-	-	-	-	
Others	1,220,000	-	-	-	-	-	-	-	1,220,000	(1,220,000)	
Total	393,093,803	-	-	23,964,189	683,436	(7,123)	(40,342,175)	-	377,392,130	(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 30 June 2026, the accumulative investment loss unrecognized is RMB229,075 (31 December 2025: RMB285,415).

Note 3: Guitai Culture and Tourism has a registered capital of RMB10,000,000, and Shenzhen Tsingtao Brewery Huanan Holding Co., Ltd. ("Huanan Holding Investment"), a subsidiary of the Company, holds the share of equity interests of 30% and has subscribed capital contributions of RMB3,000,000, which has been actually paid up.

Note 4: Huanyin Media has a registered capital of RMB5,000,000, and Tsingtao Brewery Culture Communication Co., Ltd. ("Cultural Communication Company"), a subsidiary of the Company, holds the share of equity interests of 15% and has subscribed capital contributions of RMB750,000, which has been actually paid up. In accordance with the Articles of Association, Cultural Communication Company can have a significant impact on the operating decisions of Huanyin Media.

10. Other non-current financial assets

Item	RMB	
	30 June 2026	31 December 2025
Debt instruments	2,901,407,171	2,519,606,697
Others	600,000	600,000
Less: Debt instruments due within one year	31,147,781	48,213,397
Total	2,870,859,390	2,471,993,300

(V) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

10. Other non-current financial assets (Cont'd)

At 30 June 2026, debt instruments represent the secondary capital bonds and special-purpose financial bonds purchased by Finance Company, a subsidiary of the Company, from the bank. The contractual cash flow characteristics of secondary capital bonds are inconsistent with the basic credit arrangement, which 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.

11. Investment properties

(1) Investment properties measured at cost

Item	Buildings	Land use rights	RMB Total
I. Original cost			
1. 31 December 2025	94,539,105	19,594,556	114,133,661
2. Increase in the period	100,571	238,961	339,532
(1) Transfer from fixed assets and intangible assets	100,571	238,961	339,532
3. Decrease in the period	4,245,831	8,488,180	12,734,011
(1) Transfer to fixed assets and intangible assets	4,245,831	8,488,180	12,734,011
4. 30 June 2026	90,393,845	11,345,337	101,739,182
II. Accumulated depreciation and accumulated amortization			
1. 31 December 2025	46,878,715	5,843,019	52,721,734
2. Increase in the period	986,677	265,419	1,252,096
(1) Provision or amortization	934,261	178,196	1,112,457
(2) Transfer from fixed assets and intangible assets	52,416	87,223	139,639
3. Decrease in the period	2,966,465	2,278,949	5,245,414
(1) Transfer to fixed assets and intangible assets	2,966,465	2,278,949	5,245,414
4. 30 June 2026	44,898,927	3,829,489	48,728,416
III. Provision for impairment			
1. 31 December 2025	8,091,354	-	8,091,354
2. Increase in the period	35,397	-	35,397
(1) Transfer from fixed assets	35,397	-	35,397
3. 30 June 2026	8,126,751	-	8,126,751
IV. Carrying amount			
1. 30 June 2026	37,368,167	7,515,848	44,884,015
2. 31 December 2025	39,569,036	13,751,537	53,320,573

(V) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)**11. Investment properties (Cont'd)****(1) Investment properties measured at cost (Cont'd)**

Item	Buildings	Land use rights	RMB Total
I. Original cost			
1. 31 December 2024	80,630,220	18,491,891	99,122,111
2. Increase in the period	1,401,449	448,165	1,849,614
(1) Transfer from fixed assets and intangible assets	1,401,449	448,165	1,849,614
3. Decrease in the period	3,400,001	-	3,400,001
(1) Transfer to fixed assets	3,400,001	-	3,400,001
4. 30 June 2025	78,631,668	18,940,056	97,571,724
II. Accumulated depreciation and accumulated amortization			
1. 31 December 2024	44,942,277	4,949,562	49,891,839
2. Increase in the period	1,606,513	373,093	1,979,606
(1) Provision or amortization	821,458	213,018	1,034,476
(2) Transfer from fixed assets and intangible assets	785,055	160,075	945,130
3. Decrease in the period	914,718	-	914,718
(1) Transfer to fixed assets	914,718	-	914,718
4. 30 June 2025	45,634,072	5,322,655	50,956,727
III. Provision for impairment			
Balance at 31 December 2024 and 30 June 2025	8,091,354	-	8,091,354
IV. Carrying amount			
1. 30 June 2025	24,906,242	13,617,401	38,523,643
2. 31 December 2024	27,596,589	13,542,329	41,138,918

(2) As at 30 June 2026, the Group has no investment properties without ownership certificates (31 December 2025: nil).

12. Fixed assets**12.1 Summary of fixed assets**

Item	30 June	RMB
	2026	31 December 2025
Fixed assets	13,092,641,572	12,845,004,760
Disposal of fixed assets	21,989,195	15,852,281
Total	<u>13,114,630,767</u>	<u>12,860,857,041</u>

(V) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)**12. Fixed assets (Cont'd)****12.2 Fixed assets***(1) Details of fixed assets*

Item	<i>RMB</i>				
	Buildings	Machinery and equipment	Transportation vehicles	Other equipment	Total
I. Original cost					
31 December 2025	9,380,782,103	13,097,080,570	231,714,656	1,559,399,666	24,268,976,995
Increase in the period	302,971,126	721,303,082	2,314,322	44,604,074	1,071,192,604
(1) Purchases	-	15,876,859	2,314,322	15,688,517	33,879,698
(2) Transfer from construction in progress	298,725,295	705,426,223	-	28,915,557	1,033,067,075
(3) Transfer from investment properties	4,245,831	-	-	-	4,245,831
Decrease in the period	284,333,810	310,925,513	23,148,728	20,534,705	638,942,756
(1) Disposal or retirement	28,362,847	139,638,576	23,148,728	19,092,256	210,242,407
(2) Transfer to construction in progress	255,870,392	171,286,937	-	1,442,449	428,599,778
(3) Transfer to investment properties	100,571	-	-	-	100,571
30 June 2026	9,399,419,419	13,507,458,139	210,880,250	1,583,469,035	24,701,226,843
II. Accumulated depreciation					
31 December 2025	2,686,181,518	7,069,833,892	159,498,872	1,020,307,783	10,935,822,065
Increase in the period	124,940,264	341,791,252	3,417,634	75,598,017	545,747,167
(1) Provision	121,973,799	341,791,252	3,417,634	75,598,017	542,780,702
(2) Transfer from investment properties	2,966,465	-	-	-	2,966,465
Decrease in the period	136,136,948	209,614,806	8,459,357	17,181,293	371,392,404
(1) Disposal or retirement	18,646,480	114,931,460	8,459,357	16,234,930	158,272,227
(2) Transfer to construction in progress	117,438,052	94,683,346	-	946,363	213,067,761
(3) Transfer to investment properties	52,416	-	-	-	52,416
30 June 2026	2,674,984,834	7,202,010,338	154,457,149	1,078,724,507	11,110,176,828
III. Provision for impairment					
31 December 2025	126,202,126	356,658,941	1,735,258	3,553,845	488,150,170
Increase in the period	1,189,458	15,756,145	566,032	1,238,700	18,750,335
(1) Provision	1,189,458	15,756,145	566,032	1,238,700	18,750,335
Decrease in the period	1,121,624	6,445,797	93,565	831,076	8,492,062
(1) Disposal or retirement	1,086,227	6,445,797	93,565	831,076	8,456,665
(2) Transfer to investment properties	35,397	-	-	-	35,397
30 June 2026	126,269,960	365,969,289	2,207,725	3,961,469	498,408,443
IV. Carrying amount					
30 June 2026	6,598,164,625	5,939,478,512	54,215,376	500,783,059	13,092,641,572
31 December 2025	6,568,398,459	5,670,587,737	70,480,526	535,538,038	12,845,004,760

(V) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)**12. Fixed assets (Cont'd)****12.2 Fixed assets (Cont'd)***(1) Details of fixed assets (Cont'd)*

					<i>RMB</i>
Item	Buildings	Machinery and equipment	Transportation vehicles	Other equipment	Total
I. Original cost					
31 December 2024	8,831,682,509	12,376,267,447	252,850,187	1,454,068,334	22,914,868,477
Increase in the period	262,021,287	285,398,718	505,858	44,626,266	592,552,129
(1) Purchases	-	108,583,709	505,858	22,301,874	131,391,441
(2) Transfer from construction in progress	258,621,286	176,815,009	-	22,324,392	457,760,687
(3) Transfer from investment properties	3,400,001	-	-	-	3,400,001
Decrease in the period	290,026,162	280,036,237	12,933,347	20,860,546	603,856,292
(1) Disposal or retirement	135,650,256	118,748,550	12,933,347	19,807,693	287,139,846
(2) Transfer to construction in progress	152,974,457	161,287,687	-	1,052,853	315,314,997
(3) Transfer to investment properties	1,401,449	-	-	-	1,401,449
30 June 2025	8,803,677,634	12,381,629,928	240,422,698	1,477,834,054	22,903,564,314
II. Accumulated depreciation					
31 December 2024	2,549,574,213	6,918,853,289	173,970,780	927,630,868	10,570,029,150
Increase in the period	119,240,241	314,815,324	3,568,722	78,306,732	515,931,019
(1) Provision	118,325,523	314,815,324	3,568,722	78,306,732	515,016,301
(2) Transfer from investment properties	914,718	-	-	-	914,718
Decrease in the period	80,002,562	187,544,383	12,012,683	19,149,004	298,708,632
(1) Disposal or retirement	56,270,591	84,065,490	12,012,683	18,197,437	170,546,201
(2) Transfer to construction in progress	22,946,916	103,478,893	-	951,567	127,377,376
(3) Transfer to investment properties	785,055	-	-	-	785,055
30 June 2025	2,588,811,892	7,046,124,230	165,526,819	986,788,596	10,787,251,537
III. Provision for impairment					
31 December 2024	148,874,897	383,084,137	2,798,501	5,877,131	540,634,666
Decrease in the period	22,914,927	13,424,884	465,265	712,460	37,517,536
(1) Disposal or retirement	22,914,927	13,424,884	465,265	712,460	37,517,536
30 June 2025	125,959,970	369,659,253	2,333,236	5,164,671	503,117,130
IV. Carrying amount					
30 June 2025	6,088,905,772	4,965,846,445	72,562,643	485,880,787	11,613,195,647
31 December 2024	6,133,233,399	5,074,330,021	76,080,906	520,560,335	11,804,204,661

(V) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)**12. Fixed assets (Cont'd)****12.2 Fixed assets (Cont'd)****(2) Temporarily idle fixed assets****30 June 2026**

Item	Original cost	Accumulated depreciation	Provision for impairment	RMB Carrying amount
Machinery and equipment	204,017,064	155,383,904	6,206,626	42,426,534
Buildings	8,100,706	6,311,888	-	1,788,818
Total	212,117,770	161,695,792	6,206,626	44,215,352

31 December 2025

Item	Original cost	Accumulated depreciation	Provision for impairment	RMB Carrying amount
Machinery and equipment	216,098,798	157,033,472	5,338,948	53,726,378
Buildings	2,782,899	1,319,032	-	1,463,867
Total	218,881,697	158,352,504	5,338,948	55,190,245

As at 30 June 2026, the buildings and the machinery and equipment with carrying amount of RMB44,215,352 (Original cost: RMB212,117,770) are temporarily idle for product update or other reasons (31 December 2025: carrying amount of RMB55,190,245 (Original cost: RMB218,881,697)). 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.

(4) *Fixed assets without ownership certificates as at 30 June 2026*

Item	Carrying amount at 30 June 2026	Carrying amount at 31 December 2025	RMB Reason for not obtaining ownership certificates
Buildings	49,213,170	128,508,078	In process
Buildings	126,213,720	129,364,997	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.

(V) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

12. Fixed assets (Cont'd)

12.2 Fixed assets (Cont'd)

(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	20,329,590	1,579,255	18,750,335	Market inquiry	Market price	Accounting Standards for Business Enterprises No. 8 - Impairment of Assets

(6) As at 30 June 2026, the Group has no fixed assets pledged as collateral for bank borrowings (31 December 2025: nil).

12.3 Disposal of fixed assets

Item	RMB	
	30 June 2026	31 December 2025
Machinery and equipment	<u>21,989,195</u>	<u>15,852,281</u>

13. Construction in progress

(1) Details of construction in progress

Item	30 June 2026			31 December 2025		
	Gross carrying amount	Provision for impairment	Carrying amount	Gross carrying amount	Provision for impairment	Carrying amount
A production line improvement in Ludong	147,752,750	-	147,752,750	24,510,772	-	24,510,772
A production line improvement in Ludong	82,521,519	-	82,521,519	15,442,200	-	15,442,200
A production line improvement in Jiangsu	52,472,945	-	52,472,945	46,687,763	-	46,687,763
A relocation project in Liaoning	46,574,490	-	46,574,490	185,172,170	-	185,172,170
A production line improvement in Shanghai	39,995,311	-	39,995,311	4,366,186	-	4,366,186
A production line improvement in Lunan	35,781,819	-	35,781,819	12,462,152	-	12,462,152
A production line improvement in Ludong	33,662,904	-	33,662,904	122,073,217	-	122,073,217
A plant construction project in Ludong	31,456,909	-	31,456,909	1,700,458	-	1,700,458
A production line construction in Ludong	27,792,890	-	27,792,890	18,685,772	-	18,685,772
A R&D Center in Ludong	26,124,049	-	26,124,049	25,916,012	-	25,916,012
A production line improvement in Shenzhen	8,611,010	-	8,611,010	8,831,457	-	8,831,457
A production line improvement in Hubei	4,824,446	-	4,824,446	9,153,904	-	9,153,904
A workshop improvement in Henan	4,775,155	-	4,775,155	11,252,770	-	11,252,770
A production line improvement in Hunan	4,666,265	-	4,666,265	9,322,091	-	9,322,091
A plant construction project in Luzhong	4,009,712	-	4,009,712	49,458,785	-	49,458,785
Others	71,423,226	-	71,423,226	85,048,456	-	85,048,456
Total	<u>622,445,400</u>	<u>-</u>	<u>622,445,400</u>	<u>630,084,165</u>	<u>-</u>	<u>630,084,165</u>

(V) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

13. Construction in progress (Cont'd)

(2) Movements in significant construction in progress in the current period

The significant construction in progress of the Group is listed as follows:

<i>RMB</i>								
Item	Budget	31 December 2025	Increase in the period	Transfer to fixed assets	30 June 2026	Proportion of expenditures to budget (%)	Project progress (%)	Source of funds
A production line improvement in Ludong	263,318,239	24,510,772	124,525,164	1,283,186	147,752,750	57	57	Self-funding
A production line improvement in Ludong	210,450,198	15,442,200	120,526,121	53,446,802	82,521,519	83	83	Self-funding
A production line improvement in Jiangsu	137,240,247	46,687,763	17,462,338	11,677,156	52,472,945	64	64	Self-funding
A relocation project in Liaoning	346,813,607	185,172,170	149,698,668	288,296,348	46,574,490	95	95	Self-funding
A production line improvement in Shanghai	55,680,000	4,366,186	41,404,452	5,775,327	39,995,311	81	81	Self-funding
A production line improvement in Luman	76,345,800	12,462,152	34,692,786	11,373,119	35,781,819	62	62	Self-funding
A production line improvement in Ludong	888,001,000	122,073,217	191,238,714	279,649,027	33,662,904	90	88	Self-funding
A plant construction project in Ludong	421,460,000	1,700,458	34,762,763	5,006,312	31,456,909	9	9	Self-funding
A production line construction in Ludong	291,023,100	18,685,772	25,348,088	16,240,970	27,792,890	73	73	Self-funding
A R&D Center in Ludong	459,353,388	25,916,012	208,037	-	26,124,049	98	98	Self-funding
A production line improvement in Shenzhen	15,259,050	8,831,457	3,091,480	3,311,927	8,611,010	78	78	Self-funding
A production line improvement in Hubei	29,501,975	9,153,904	16,922,903	21,252,361	4,824,446	71	71	Self-funding
A workshop improvement in Henan	20,704,087	11,252,770	13,262,613	19,740,228	4,775,155	63	63	Self-funding
A production line improvement in Huanan	25,985,800	9,322,091	7,069,636	11,725,462	4,666,265	67	67	Self-funding
A plant construction project in Luzhong	238,974,031	49,458,785	76,981,552	122,430,625	4,009,712	53	53	Self-funding
Others	N/A	85,048,456	168,232,995	181,858,225	71,423,226	N/A	N/A	Self-funding
Total	/	630,084,165	1,025,428,310	1,033,067,075	622,445,400	/	/	/

<i>RMB</i>								
Item	Budget	31 December 2024	Increase in the period	Transfer to fixed assets	30 June 2025	Proportion of expenditures to budget (%)	Project progress (%)	Source of funds
A production line improvement in Ludong	784,095,000	198,930,329	154,647,483	32,320,149	321,257,663	52	51	Self-funding
A production line improvement in Ludong	474,983,484	155,113,919	54,357,647	4,114,549	205,357,017	72	73	Self-funding
A plant construction project in Luzhong	353,599,845	36,931,666	114,791,347	1,649,423	150,073,590	50	44	Self-funding
A production line improvement in Luman	60,000,000	9,711,978	42,922,572	5,525,749	47,108,801	88	88	Self-funding
A R&D Center in Ludong	454,974,247	39,221,157	7,942,051	555,805	46,607,403	96	96	Self-funding
A production line improvement in Jiangsu	112,264,119	44,752,346	33,471,368	42,260,450	35,963,264	82	69	Self-funding
A production line improvement in Luman	63,304,782	10,035,929	22,913,698	1,084,427	31,865,200	56	56	Self-funding
A production line construction in Ludong	269,574,966	15,660,587	29,261,777	15,076,173	29,846,191	63	63	Self-funding
A production line improvement in Ludong	120,239,916	5,396,132	18,510,966	-	23,907,098	56	45	Self-funding
A production line improvement in Shanghai	61,782,440	2,881,116	30,693,573	14,119,846	19,454,843	90	90	Self-funding
A production line construction in Luxi	30,238,530	7,756,774	14,251,329	14,851,412	7,156,691	73	73	Self-funding
A production line improvement in Anhui	12,659,897	3,303,065	6,992,170	4,225,324	6,069,911	94	94	Self-funding
A production line construction in Heilongjiang	23,509,729	11,390,582	7,586,684	15,222,280	3,754,986	82	82	Self-funding
A production line improvement in Henan	68,693,814	6,948,972	124,763,971	130,584,704	1,128,239	67	67	Self-funding
A production line improvement in Hubei	15,735,145	7,900,687	7,834,458	15,735,145	-	100	100	Self-funding
Others	N/A	74,939,380	198,557,953	160,435,251	113,062,082	N/A	N/A	Self-funding
Total	/	630,874,619	869,499,047	457,760,687	1,042,612,979	/	/	/

For the period from 1 January to 30 June 2026, there are no additional borrowing costs capitalized (for the period from 1 January to 30 June 2025: nil).

- (3) As at 30 June 2026, the Group has no construction in progress for which provision for impairment is required.

(V) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)**14. Right-of-use assets****(1) Presentation of right-of-use assets**

					<i>RMB</i>
Item	Buildings	Land use rights	Machinery and equipment	Others	Total
I. Original cost					
31 December 2025	223,575,504	7,177,957	1,156,828	1,268,974	233,179,263
Increase in the period	20,410,759	-	-	-	20,410,759
(1) New leases	20,410,759	-	-	-	20,410,759
Decrease in the period	38,790,568	-	-	2,524	38,793,092
(1) Termination of leases	38,790,568	-	-	2,524	38,793,092
30 June 2026	205,195,695	7,177,957	1,156,828	1,266,450	214,796,930
II. Accumulated depreciation					
31 December 2025	107,449,802	3,682,140	1,101,909	890,945	113,124,796
Increase in the period	21,219,095	268,206	32,951	209,682	21,729,934
(1) Provision	21,219,095	268,206	32,951	209,682	21,729,934
Decrease in the period	31,876,047	-	-	772	31,876,819
(1) Termination of leases	31,876,047	-	-	772	31,876,819
30 June 2026	96,792,850	3,950,346	1,134,860	1,099,855	102,977,911
III. Provision for impairment					
Balance at 31 December 2025 and					
30 June 2026	-	-	-	-	-
IV. Carrying amount					
30 June 2026	108,402,845	3,227,611	21,968	166,595	111,819,019
31 December 2025	116,125,702	3,495,817	54,919	378,029	120,054,467

(V) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)**14. Right-of-use assets (Cont'd)****(1) Presentation of right-of-use assets (Cont'd)**

					<i>RMB</i>
Item	Buildings	Land use rights	Machinery and equipment	Others	Total
I. Original cost					
31 December 2024	233,761,425	7,210,018	2,619,729	1,503,192	245,094,364
Increase in the period	35,034,565	-	20,912	67,504	35,122,981
(1) New leases	35,034,565	-	20,912	67,504	35,122,981
Decrease in the period	26,654,667	-	-	148,233	26,802,900
(1) Termination of leases	26,654,667	-	-	148,233	26,802,900
30 June 2025	242,141,323	7,210,018	2,640,641	1,422,463	253,414,445
II. Accumulated depreciation					
31 December 2024	123,578,518	3,167,796	1,931,468	743,957	129,421,739
Increase in the period	24,942,655	269,640	466,194	233,809	25,912,298
(1) Provision	24,942,655	269,640	466,194	233,809	25,912,298
Decrease in the period	26,154,184	-	-	148,234	26,302,418
(1) Termination of leases	26,154,184	-	-	148,234	26,302,418
30 June 2025	122,366,989	3,437,436	2,397,662	829,532	129,031,619
III. Provision for impairment					
Balance at 31 December 2024 and 30 June 2025	-	-	-	-	-
IV. Carrying amount					
30 June 2025	119,774,334	3,772,582	242,979	592,931	124,382,826
31 December 2024	110,182,907	4,042,222	688,261	759,235	115,672,625

- (2) As at 30 June 2026, the Group has no right-of-use assets for which provision for impairment is required.

(V) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

15. Intangible assets

(1) Details of intangible assets

Item							RMB
	Land use rights	Trademarks	Technology known-how	Marketing networks	Data resources	Software and others	Total
I. Original cost							
31 December 2025	2,984,900,568	449,743,612	18,629,100	974,935,670	478,755	1,035,476,802	5,464,164,507
Increase in the period	50,477,033	-	-	-	-	31,752,384	82,229,417
(1) Purchases	41,988,853	-	-	-	-	31,752,384	73,741,237
(2) Transfer from investment properties	8,488,180	-	-	-	-	-	8,488,180
Decrease in the period	238,961	-	-	-	-	893,552	1,132,513
(1) Disposal or retirement	-	-	-	-	-	893,552	893,552
(2) Transfer to investment properties	238,961	-	-	-	-	-	238,961
30 June 2026	3,035,138,640	449,743,612	18,629,100	974,935,670	478,755	1,066,335,634	5,545,261,411
II. Accumulated amortization							
31 December 2025	846,301,608	386,267,662	18,629,100	974,935,670	7,979	641,823,134	2,867,965,153
Increase in the period	35,046,831	41,822	-	-	47,875	57,541,492	92,678,020
(1) Provision	32,767,882	41,822	-	-	47,875	57,541,492	90,399,071
(2) Transfer from investment properties	2,278,949	-	-	-	-	-	2,278,949
Decrease in the period	87,223	-	-	-	-	893,321	980,544
(1) Disposal or retirement	-	-	-	-	-	893,321	893,321
(2) Transfer to investment properties	87,223	-	-	-	-	-	87,223
30 June 2026	881,261,216	386,309,484	18,629,100	974,935,670	55,854	698,471,305	2,959,662,629
III. Provision for impairment							
Balance at 31 December 2025 and 30 June 2026	-	-	-	-	-	-	-
IV. Carrying amount							
30 June 2026	2,153,877,424	63,434,128	-	-	422,901	367,864,329	2,585,598,782
31 December 2025	2,138,598,960	63,475,950	-	-	470,776	393,653,668	2,596,199,354

(V) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)**15. Intangible assets (Cont'd)****(1) Details of intangible assets (Cont'd)**

Item						RMB
	Land use rights	Trademarks	Technology known-how	Marketing networks	Software and others	Total
I. Original cost						
31 December 2024	3,060,177,380	449,743,612	18,629,100	974,935,670	933,707,706	5,437,193,468
Increase in the period	-	-	-	-	47,311,894	47,311,894
(1) Purchases	-	-	-	-	47,311,894	47,311,894
Decrease in the period	28,636,195	-	-	-	4,874,090	33,510,285
(1) Disposal or retirement	28,188,030	-	-	-	4,874,090	33,062,120
(2) Transfer to investment properties	448,165	-	-	-	-	448,165
30 June 2025	3,031,541,185	449,743,612	18,629,100	974,935,670	976,145,510	5,450,995,077
II. Accumulated amortization						
31 December 2024	831,376,428	386,184,019	18,629,100	974,935,670	541,947,667	2,753,072,884
Increase in the period	34,529,162	41,821	-	-	50,358,533	84,929,516
(1) Provision	34,529,162	41,821	-	-	50,358,533	84,929,516
Decrease in the period	7,073,933	-	-	-	4,222,631	11,296,564
(1) Disposal or retirement	6,913,858	-	-	-	4,222,631	11,136,489
(2) Transfer to investment properties	160,075	-	-	-	-	160,075
30 June 2025	858,831,657	386,225,840	18,629,100	974,935,670	588,083,569	2,826,705,836
III. Provision for impairment						
Balance at 31 December 2024 and 30 June 2025	-	-	-	-	-	-
IV. Carrying amount						
30 June 2025	2,172,709,528	63,517,772	-	-	388,061,941	2,624,289,241
31 December 2024	2,228,800,952	63,559,593	-	-	391,760,039	2,684,120,584

As at 30 June 2026, the Group has no intangible assets pledged as collateral for bank borrowings (31 December 2025: nil).

As at 30 June 2026, the Group has intangible assets formed through internal research and development amounting to RMB422,901, accounting for 0.02% of the balance of intangible assets. (31 December 2025: RMB470,776).

- (2) As at 30 June 2026, the Group has no land use rights without an appropriate ownership certificate.
- (3) As at 30 June 2026, the Group has no intangible assets for which provision for impairment is required.

(V) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)**16. Goodwill****(1) Original cost of goodwill**

Asset group	31 December 2025	RMB		30 June 2026
		Increase in the period	Decrease in the period	
		Goodwill arising from business combinations	Disposal	
Shandong Region - Shandong Xin Immense Brewery Co., Ltd. ("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

Asset group	31 December 2024	RMB		30 June 2025
		Increase in the period	Decrease in the period	
		Goodwill arising from business combinations	Disposal	
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

(V) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)**16. Goodwill (Cont'd)****(2) Provision for impairment of goodwill**

				<i>RMB</i>
Asset group	31 December 2025	Increase in the period Provision	Decrease in the period Disposal	30 June 2026
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

				<i>RMB</i>
Asset group	31 December 2024	Increase in the period Provision	Decrease in the period Disposal	30 June 2025
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

(V) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)**16. Goodwill (Cont'd)****(3) Relevant information of asset group(s) to which goodwill belongs**

RMB

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

(V) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)**17. Long-term prepaid expenses**

				<i>RMB</i>
Item	31 December 2025	Increase in the period	Amortization in the period	30 June 2026
Decoration and renovation expenses	63,708,463	8,725,170	12,677,855	59,755,778
Gardening, factory hardening and other expenses	9,123,681	659,778	2,895,237	6,888,222
Total	72,832,144	9,384,948	15,573,092	66,644,000

				<i>RMB</i>
Item	31 December 2024	Increase in the period	Amortization in the period	30 June 2025
Decoration and renovation expenses	72,809,122	1,695,510	16,061,875	58,442,757
Gardening, factory hardening and other expenses	12,893,327	844,285	4,096,546	9,641,066
Total	85,702,449	2,539,795	20,158,421	68,083,823

18. Deferred tax assets/deferred tax liabilities**(1) Deferred tax assets before offsetting**

		<i>RMB</i>		
Item	30 June 2026		31 December 2025	
	Deductible temporary differences	Deferred tax assets	Deductible temporary differences	Deferred tax assets
Provision for impairment of assets	88,961,696	22,240,424	78,341,372	19,585,343
Deferred income	2,348,732,584	587,183,146	2,440,250,668	610,062,667
Elimination of intra-group unrealized profit	48,353,592	12,088,398	239,266,396	59,816,599
Expenses to be paid	7,139,730,484	1,784,932,621	6,963,479,000	1,740,869,750
Lease liabilities	105,988,680	26,497,170	115,800,968	28,950,242
Deductible losses	89,210,124	22,302,531	113,739,328	28,434,832
Total	9,820,977,160	2,455,244,290	9,950,877,732	2,487,719,433

(V) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)**18. Deferred tax assets/deferred tax liabilities (Cont'd)****(2) Deferred tax liabilities before offsetting**

Item	30 June 2026		31 December 2025	
	Taxable temporary differences	Deferred tax liabilities	Taxable temporary differences	Deferred tax liabilities
Business combinations not involving enterprises under common control	286,168,264	71,542,066	294,837,016	73,709,254
Depreciation of fixed assets	2,777,472,356	694,368,089	2,577,047,844	644,261,961
Changes in fair value of financial assets held for trading	260,141,828	65,035,457	141,734,248	35,433,562
Right-of-use assets	109,651,548	27,412,887	119,850,328	29,962,582
Others	8,464,960	2,116,240	6,989,712	1,747,428
Total	3,441,898,956	860,474,739	3,140,459,148	785,114,787

(3) Deferred tax assets or liabilities presented on a net basis

Item	30 June 2026		31 December 2025	
	Offset amount between deferred tax assets and liabilities at the end of the period	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	600,935,260	1,854,309,030	524,604,429	1,963,115,004
Deferred tax liabilities	600,935,260	259,539,479	524,604,429	260,510,358

(4) Details of unrecognized deferred tax assets

Item	30 June 2026	31 December 2025
Deductible temporary differences	1,285,105,064	1,262,678,475
Deductible losses	1,132,844,341	1,123,912,541
Total	2,417,949,405	2,386,591,016

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 RMB283,211,000 (31 December 2025: RMB280,978,000) arising from the deductible losses that can be offset against the taxable income under tax laws from 2026 to 2031. 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 RMB321,276,000 (31 December 2025: RMB315,670,000) arising from these deductible temporary differences.

(V) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)**18. Deferred tax assets/deferred tax liabilities (Cont'd)**

(5) Deductible losses, for which no deferred tax assets are recognized, will expire in the following years

Years	RMB	
	30 June 2026	31 December 2025
2026	196,910,317	225,758,434
2027	128,871,492	128,871,492
2028	187,899,491	180,489,198
2029	254,659,243	285,311,734
2030	261,582,755	303,481,683
2031	102,921,043	-
Total	1,132,844,341	1,123,912,541

19. Other non-current assets

Item	RMB	
	30 June 2026	31 December 2025
Time deposits	5,380,686,845	5,322,652,795
Advances to suppliers for construction and equipment	129,540,772	157,253,298
Less: Time deposits due within one year (Note (V)7)	1,685,110,137	-
Total	3,825,117,480	5,479,906,093

20. Notes payable

Item	RMB	
	30 June 2026	31 December 2025
Acceptances of Finance Company	138,239,252	52,942,707
Commercial acceptances	85,200,524	72,644,217
Total	223,439,776	125,586,924

As at 30 June 2026, the Group has no notes payable that are due and unpaid (31 December 2025: nil).

(V) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)**21. Accounts payable****(1) Presentation of accounts payable**

		<i>RMB</i>
	30 June	31 December
Item	2026	2025
Payable for materials and packing materials	3,400,040,825	2,645,186,089
Payable for handling and transportation costs (<i>Note</i>)	489,841,904	284,063,014
Payable to related parties for goods purchase (<i>Note (XI) 6</i>)	144,819,126	69,029,408
Payable for promotional goods	99,603,404	43,547,467
Others	13,632,312	8,533,215
Total	<u>4,147,937,571</u>	<u>3,050,359,193</u>

Note: As at 30 June 2026, payable for handling and transportation costs includes payable to related parties amounting to RMB394,033,297 (31 December 2025: RMB168,105,169) (*Note (XI) 6*).

(2) The aging analysis of accounts payable by recording date is as follows:

		<i>RMB</i>
	30 June	31 December
Aging	2026	2025
Within 1 year (inclusive)	4,140,610,858	3,038,846,282
1 - 2 years	5,847,554	8,189,751
2 - 3 years	254,173	1,960,508
Over 3 years	1,224,986	1,362,652
Total	<u>4,147,937,571</u>	<u>3,050,359,193</u>

Accounts payable are mainly recorded based on the dates of transaction. The aging of accounts payable represented on their recording date is basically the same as the aging represented on the dates of invoice.

- (3) As at 30 June 2026, accounts payable aged over one year amounted to RMB7,326,713 (31 December 2025: RMB11,512,911), which mainly consisted of the payable for materials. The amount had not yet been settled.

22. Contract liabilities**(1) Details of contract liabilities**

		<i>RMB</i>
	30 June	31 December
Item	2026	2025
Distributor contract liabilities	<u>5,626,155,728</u>	<u>7,674,071,543</u>

- (2) As at 30 June 2026, a majority of contract liabilities included in the opening balance have been transferred to revenue.

(V) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)**23. Employee benefits payable****(1) Presentation of employee benefits payable**

Item	<i>RMB</i>	
	30 June 2026	31 December 2025
1. Short-term employee benefits	1,502,049,730	1,484,035,437
2. Post-employment benefits – Defined contribution plans	21,325,254	22,739,057
3. Termination benefits	82,470,965	88,334,608
Total	<u>1,605,845,949</u>	<u>1,595,109,102</u>

(2) Presentation of short-term employee benefits

Item	<i>RMB</i>			
	31 December 2025	Increase in the period	Decrease in the period	30 June 2026
I. Wages and salaries, bonuses, allowances and subsidies	975,458,046	1,765,860,557	1,756,433,147	984,885,456
II. Staff welfare	568,155	101,453,419	101,983,922	37,652
III. Social security contributions	9,922,937	149,842,208	150,192,550	9,572,595
Including: Medical insurance	6,705,694	137,845,360	138,143,300	6,407,754
Work injury insurance	1,716,174	9,700,402	9,750,073	1,666,503
Maternity insurance	1,501,069	2,296,446	2,299,177	1,498,338
IV. Housing funds	16,487,726	178,979,140	180,284,687	15,182,179
V. Labor union funds and employee education funds	481,598,573	62,639,489	51,866,214	492,371,848
Total	<u>1,484,035,437</u>	<u>2,258,774,813</u>	<u>2,240,760,520</u>	<u>1,502,049,730</u>

Item	<i>RMB</i>			
	31 December 2024	Increase in the period	Decrease in the period	30 June 2025
I. Wages and salaries, bonuses, allowances and subsidies	1,055,855,174	1,833,299,226	1,820,525,171	1,068,629,229
II. Staff welfare	568,151	100,498,738	100,487,596	579,293
III. Social security contributions	10,162,722	147,082,715	147,357,334	9,888,103
Including: Medical insurance	6,949,072	135,330,449	135,619,448	6,660,073
Work injury insurance	1,695,473	9,481,595	9,464,028	1,713,040
Maternity insurance	1,518,177	2,270,671	2,273,858	1,514,990
IV. Housing funds	16,503,522	182,047,612	182,104,996	16,446,138
V. Labor union funds and employee education funds	462,350,846	64,423,946	49,366,473	477,408,319
Total	<u>1,545,440,415</u>	<u>2,327,352,237</u>	<u>2,299,841,570</u>	<u>1,572,951,082</u>

(V) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)**23. Employee benefits payable (Cont'd)****(3) Post-employment benefits - Defined contribution plans**

Item	31 December 2025	Increase in the period	Decrease in the period	<i>RMB</i> 30 June 2026
1. Basic pension	18,854,999	278,546,610	279,800,053	17,601,556
2. Unemployment insurance	3,784,093	11,189,095	11,249,841	3,723,347
3. Enterprise annuity	99,965	82,906,674	83,006,288	351
Total	22,739,057	372,642,379	374,056,182	21,325,254

Item	31 December 2024	Increase in the period	Decrease in the period	<i>RMB</i> 30 June 2025
1. Basic pension	18,804,066	275,375,253	275,445,056	18,734,263
2. Unemployment insurance	3,807,552	11,019,329	11,036,261	3,790,620
3. Enterprise annuity	102,016	82,090,080	82,088,014	104,082
Total	22,713,634	368,484,662	368,569,331	22,628,965

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.

The Group launched the enterprise annuity plan on 1 October 2023 in accordance with the relevant policies of the national enterprise annuity system. After the implementation of the enterprise annuity plan, for employees meeting specified eligibility criteria, in addition to the basic pension insurance, the Group accrues annuity contributions at a certain percentage of the total payroll. During the accounting periods in which employees render services, the Group recognizes the contributions payable calculated based on the aforesaid percentage as liabilities, and charges such amounts to profit or loss or the cost of related assets.

(4) Termination benefits

Item	30 June 2026	<i>RMB</i> 31 December 2025
Early retirement benefits payable (Note (V) 29)	82,470,965	88,334,608
Other termination benefits (Note)	-	-
Total	82,470,965	88,334,608

Note: For the period from 1 January to 30 June 2026, other termination benefits paid by the Group for termination of labor relationship amounted to RMB6,097,503 (for the period from 1 January to 30 June 2025: RMB5,593,301).

(V) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)**24. Taxes payable**

		RMB
	30 June	31 December
Item	2026	2025
Enterprise income tax	343,960,367	189,845,608
VAT	282,089,177	77,012,227
Consumption tax	248,435,778	105,364,147
City maintenance and construction tax	32,980,393	9,774,558
Education surcharge	24,785,722	7,195,745
Others	117,093,901	53,571,852
Total	1,049,345,338	442,764,137

25. Other payables**25.1 Summary of other payables**

		<i>RMB</i>
	30 June	31 December
Item	2026	2025
Dividends payable	3,206,858,534	-
Other payables	3,062,160,871	3,337,758,688
Total	6,269,019,405	3,337,758,688

25.2 Dividends payable

		RMB
Item	30 June 2026	31 December 2025
Dividends to ordinary shares	3,205,858,534	-
Dividends to minority shareholders	1,000,000	-
Total	3,206,858,534	-

(V) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)**25. Other payables (Cont'd)****25.3 Other payables**

		<i>RMB</i>
	30 June	31 December
Nature	2026	2025
Guarantee deposits payable	1,090,517,754	1,023,515,685
Payable for equipment and construction work	1,075,864,368	1,211,824,961
Advertising and marketing expenses payable	389,864,056	468,863,243
Compensation received in advance for land acquisition	100,000,000	132,276,751
Labor costs payable	61,707,579	51,601,682
Energy costs payable	53,978,373	40,016,471
General and administrative expenses payable	29,255,796	31,128,154
Deposits taken by Finance Company from related parties (Note)	17,974,144	46,639,222
Withholding of employees' social security contributions	17,286,204	19,101,743
Others	225,712,597	312,790,776
Total	<u>3,062,160,871</u>	<u>3,337,758,688</u>

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 30 June 2026, other payables aged over one year of RMB508,894,859 (31 December 2025: RMB389,027,432) 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

		<i>RMB</i>
	30 June	31 December
Item	2026	2025
Lease liabilities due within one year (Note (V) 28)	<u>29,441,725</u>	<u>36,713,618</u>

27. Other current liabilities

		<i>RMB</i>
	30 June	31 December
Item	2026	2025
Deferred output VAT	<u>77,769,424</u>	<u>338,211,423</u>

(V) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)**28. Lease liabilities**

	30 June 2026	<i>RMB</i> 31 December 2025
Lease liabilities	106,996,172	114,466,142
<i>Less:</i> Lease liabilities included in non-current liabilities due within one year	<u>29,441,725</u>	<u>36,713,618</u>
Net amount	<u>77,554,447</u>	<u>77,752,524</u>

As at 30 June 2026 and 31 December 2025, the matters that are not included in lease liabilities but will lead to potential cash outflow are as follows:

As at 30 June 2026, the future minimum rent payable for the short-term lease contracts that are treated under simplified methods by the Group is RMB7,378,638 (31 December 2025: RMB6,687,370), all of which are payable within one year.

29. Long-term employee benefits payable**29.1 Long-term employee benefits payable**

Item	30 June 2026	<i>RMB</i> 31 December 2025
1. Early retirement benefits	233,427,122	257,251,221
<i>Less:</i> Early retirement benefits payable within one year	82,470,965	88,334,608
2. Supplementary post-employment benefits	<u>527,346,226</u>	<u>536,145,304</u>
Total	<u>678,302,383</u>	<u>705,061,917</u>

29.2 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:

Item	30 June 2026	31 December 2025
Discount rate (yield-to-maturity of the government bonds with the same term)	<u>1.12%-1.68%</u>	<u>1.34%-1.81%</u>

29. Long-term employee benefits payable (Cont'd)**29.2 Early retirement benefits (Cont'd)**

Early retirement benefits included in profit or loss for the period:

		<i>RMB</i>
	Period from 1 January 2026 to 30 June 2026 (Amount incurred in the current period)	Period from 1 January 2025 to 30 June 2025 (Amount incurred in the prior period)
Item		
General and administrative expenses	19,363,747	15,806,182
Finance expenses	1,626,106	1,985,199

29.3 Post-employment benefits - Net liability of defined benefit plans

Supplementary post-employment benefits payable is 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 seniority, etc. As at 31 December 2025, the Group's supplementary post-employment benefits are 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 liability of defined benefit plans payable by the Group:

		<i>RMB</i>
	30 June	31 December
Item	2026	2025
Defined benefit obligations	719,459,670	724,504,417
Less: Fair value of plan assets	192,113,444	188,359,113
Defined benefit liabilities	527,346,226	536,145,304

(2) Changes in defined benefit plans

Present value of defined benefit obligations

		RMB
	Amount incurred in the current period	Amount incurred in the prior period
Item		
I. Opening balance	724,504,417	735,820,743
II. Defined benefit costs recognized in profit or loss for the period	9,997,400	10,884,359
1. Current service costs	2,896,998	3,693,361
2. Interest expenses	7,100,402	7,190,998
III. Defined benefit costs recognized in other comprehensive income	-	-
1. Actuarial (gains) losses (Note (V) 34)	-	-
IV. Other changes	(15,042,147)	(14,533,605)
1. Benefits paid	(15,042,147)	(14,533,605)
V. Closing balance	719,459,670	732,171,497

(V) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)**29. Long-term employee benefits payable (Cont'd)****29.3 Post-employment benefits - Net liability of defined benefit plans (Cont'd)***(2) Changes in defined benefit plans (Cont'd)*

Plan assets

Item	Amount incurred in the current period	RMB Amount incurred in the prior period
I. Opening balance	188,359,113	178,331,675
II. Defined benefit costs recognized in profit or loss for the period	1,907,902	1,791,999
1. Interest income	1,907,902	1,791,999
III. Defined benefit costs recognized in other comprehensive income	-	-
IV. Other changes	1,846,429	3,612,212
1. Contributions paid by the employer and employees	4,104,043	5,118,451
2. Benefits paid	(2,257,614)	(1,506,239)
V. Closing balance	192,113,444	183,735,886

Net liabilities of defined benefit plans

Item	Amount incurred in the current period	RMB Amount incurred in the prior period
I. Opening balance	536,145,304	557,489,068
II. Defined benefit costs recognized in profit or loss for the period	8,089,498	9,092,360
III. Defined benefit costs recognized in other comprehensive income	-	-
IV. Other changes	(16,888,576)	(18,145,817)
V. Closing balance	527,346,226	548,435,611

(3) Main actuarial assumptions for the present value of defined benefit obligations

	30 June 2026	31 December 2025
Discount rate	<u>2.00%</u>	<u>2.00%</u>

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.

29. Long-term employee benefits payable (Cont'd)**29.3 Post-employment benefits - Net liability of defined benefit plans (Cont'd)**

- (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 3.26%
Decrease in discount rate	0.25%	Increase by 3.43%

If the discount rate increases (decreases) by 0.25%, the present value of the defined benefit plan obligations will decrease by RMB23,587,000 (increase by RMB24,857,000).

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.

- (5) The weighted average duration of the present value of the Group's supplementary post-employment benefit obligations is 13.6 years (31 December 2025: 13.6 years).
- (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.

30. Deferred income**RMB**

Item	31 December 2025	Amount of grants increased in the period	Amount included in other income in the period	Amount included in gains from disposal of assets in the period	30 June 2026	Reason
Government grants	2,975,490,394	380,217,337	140,860,132	624,725	3,214,222,874	Grants for project construction and technological improvement projects, etc.

RMB

Item	31 December 2024	Amount of grants increased in the period	Amount included in other income in the period	Amount included in gains from disposal of assets in the period	30 June 2025	Reason
Government grants	2,947,288,445	114,338,844	137,409,233	1,898,777	2,922,319,279	Grants for project construction and technological improvement projects, etc.

(V) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)**31. Share capital**

	31 December 2025	Changes for the period			RMB
		Issue of new shares	Cancellation of treasury stock	Sub-total	30 June 2026
RMB ordinary shares	709,125,943	-	-	-	709,125,943
Foreign shares listed overseas	655,069,178	-	-	-	655,069,178
Total shares	1,364,195,121	-	-	-	1,364,195,121

	31 December 2024	Changes for the period			RMB
		Issue of new shares	Cancellation of treasury stock	Sub-total	30 June 2025
RMB ordinary shares	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

32. Capital reserve

Item	31 December 2025	Increase in the period	Decrease in the period	RMB
				30 June 2026
Share premium	4,108,849,920	-	-	4,108,849,920
Other capital reserve	89,642,469	32,493	7,286	89,667,676
Including: Changes in equity other than comprehensive income and profit distribution of investees accounted for using the equity method	(10,184,546)	20,770	-	(10,163,776)
Transfer from capital surplus recognized under the previous accounting system	93,338,214	-	-	93,338,214
Others	6,488,801	11,723	7,286	6,493,238
Total	4,198,492,389	32,493	7,286	4,198,517,596

Item	31 December 2024	Increase in the period	Decrease in the period	RMB
				30 June 2025
Share premium	4,103,536,849	5,346,711	-	4,108,883,560
Other capital reserve	94,571,272	201,555	5,506,917	89,265,910
Including: Changes in equity other than comprehensive income and profit distribution of investees accounted for using the equity method	(10,172,572)	(7,123)	-	(10,179,695)
Share-based payments recognized in shareholders' equity	5,310,224	195,008	5,505,232	-
Transfer from capital surplus recognized under the previous accounting system	93,338,214	-	-	93,338,214
Others	6,095,406	13,670	1,685	6,107,391
Total	4,198,108,121	5,548,266	5,506,917	4,198,149,470

(V) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

33. Treasury stock

Item				<i>RMB</i>
	31 December 2025	Increase in the period	Decrease in the period	30 June 2026
Treasury stock	-	-	-	-

Item				<i>RMB</i>
	31 December 2024	Increase in the period	Decrease in the period	30 June 2025
Treasury stock	1,501,239	-	1,479,017	22,222

34. Other comprehensive income

Item						<i>RMB</i>
	Amount incurred in the current period					30 June 2026
	31 December 2025	Amount before tax incurred in the period	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	
I. Other comprehensive income that cannot be reclassified to profit or loss						
Including: Changes arising from remeasurement of net liabilities of defined benefit plans (Note (V) 29.3(2))	(160,048,000)	-	-	-	-	(160,048,000)
II. Other comprehensive income that will be reclassified to profit or loss						
Including: Exchange differences on translation of financial statements denominated in foreign currencies	6,673,068	(12,040,251)	-	-	(11,153,442)	(886,809)
Other comprehensive income that will be reclassified to profit or loss under the equity method	(366,814)	(449,305)	-	-	(449,305)	(816,119)
Total	(153,741,746)	(12,489,556)	-	-	(11,602,747)	(886,809)

(V) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)**34. Other comprehensive income**

							<i>RMB</i>
Amount incurred in the current period							
Item	31 December 2024	Amount before tax incurred in the period	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	30 June 2025
I. Other comprehensive income that cannot be reclassified to profit or loss							
Including: Changes arising from remeasurement of net liabilities of defined benefit plans (Note (V) 29.3(2))	(165,312,000)	-	-	-	-	-	(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	12,540,793	(3,287,318)	-	-	(2,924,359)	(362,959)	9,616,434
Other comprehensive income that will be reclassified to profit or loss under the equity method	(769,186)	683,436	-	-	683,436	-	(85,750)
Total	(153,540,393)	(2,603,882)	-	-	(2,240,923)	(362,959)	(155,781,316)

35. Surplus reserve

				<i>RMB</i>
Item	31 December 2025	Increase in the period	Decrease in the period	30 June 2026
Statutory surplus reserve (Note)	1,400,704,380	-	-	1,400,704,380

				<i>RMB</i>
Item	31 December 2024	Increase in the period	Decrease in the period	30 June 2025
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 Fifth Meeting of the Eleventh Session of the Board of Directors that the Company would not appropriate the statutory surplus reserve.

(V) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)**36. General reserve**

Item	31 December 2025	Increase in the period	Decrease in the period	RMB
				30 June 2026
General reserve	301,761,292	-	-	301,761,292

Item	31 December 2024	Increase in the period	Decrease in the period	RMB
				30 June 2025
General reserve	301,761,292	-	-	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.

37. Undistributed profits

Item	Current period	RMB
		Prior period
Undistributed profits at the beginning of the period	23,537,536,867	21,950,655,578
Add: Net profit attributable to owners of the Company for the period	3,919,809,697	3,904,325,353
Less: Dividends payable to ordinary shares (Note 1)	3,205,858,534	3,001,232,934
Undistributed profits at the end of the period	24,251,488,030	22,853,747,997

Note 1: Cash dividends approved at the General Meeting of Shareholders during the period

Pursuant to the resolution of the General Meeting of Shareholders dated 26 June 2026, the Company distributed cash dividends for 2025 at RMB2.35 per share (tax included). Based on 1,364,195,121 shares issued, as at 10 August 2026, the Company has distributed cash dividends of RMB3,205,858,534 in total (In 2025, the Company distributed cash dividends for 2024 at RMB2.20 per share (tax included). Based on 1,364,196,788 shares issued, as at 11 July 2025, the Company has distributed cash dividends of RMB3,001,232,934 in total).

38. Revenue and cost of sales**(1) Revenue and cost of sales**

Item	Amount incurred in the current period		Amount incurred in the prior period	
	Revenue	Cost of sales	Revenue	Cost of sales
Main operation	19,336,935,197	10,667,836,083	20,214,060,489	11,387,010,424
Other operations	317,914,440	169,155,649	277,107,256	150,060,439
Total	19,654,849,637	10,836,991,732	20,491,167,745	11,537,070,863

(V) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)**38. Revenue and cost of sales (Cont'd)****(2) Revenue from contracts***a. Main operation*

Name of industry	Amount incurred in the current period		Amount incurred in the prior period	
	Revenue from main operation	Cost of main operation	Revenue from main operation	Cost of main operation
Sales of beer, etc.	<u>19,336,935,197</u>	<u>10,667,836,083</u>	<u>20,214,060,489</u>	<u>11,387,010,424</u>

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 period		Amount incurred in the prior period	
	Revenue from other operations	Cost of other operations	Revenue from other operations	Cost of other operations
Tourism related	100,036,691	43,151,997	59,966,894	19,752,393
Catering related	76,925,649	41,679,505	75,778,309	42,861,356
Sales of packaging materials	68,981,794	37,695,517	72,841,691	40,272,629
Sales of materials	3,391,120	1,443,480	2,660,005	2,155,881
Others	68,579,186	45,185,150	65,860,357	45,018,180
Total	<u>317,914,440</u>	<u>169,155,649</u>	<u>277,107,256</u>	<u>150,060,439</u>

Except for the revenue from the rendering of integrated services, revenue from the Group's other operations is recognized at a point in time.

(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 30 June 2026, the amount of revenue corresponding to the Group's performance obligations under contracts entered into but not yet fulfilled was RMB5,626,155,728 (31 December 2025: RMB7,674,071,543), and the Group expects to recognize the revenue within 1 year.

(V) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)**39. Taxes and surcharges**

Item	RMB	
	Amount incurred in the current period	Amount incurred in the prior period
Consumption tax	974,650,585	1,007,381,854
City maintenance and construction tax	160,193,610	170,687,029
Education surcharge	118,660,101	126,487,782
Real estate tax	42,758,680	40,006,294
Land use tax	29,259,238	29,285,961
Stamp duty	18,218,699	20,161,431
Others	5,577,076	4,834,277
Total	1,349,317,989	1,398,844,628

40. Selling and distribution expenses

Item	RMB	
	Amount incurred in the current period	Amount incurred in the prior period
Employee benefits	1,201,004,481	1,245,698,663
Advertising and publicity expenses	441,353,939	658,851,265
Information service expenses	56,078,531	51,631,792
Labor costs	51,150,694	48,890,072
Lease expenses	45,040,981	44,222,356
General and administrative expenses	41,985,210	44,322,605
Depreciation and amortization expenses	25,202,729	30,911,316
Consumption of materials	18,007,273	21,768,046
Others	33,555,675	40,985,902
Total	1,913,379,513	2,187,282,017

41. General and administrative expenses

Item	RMB	
	Amount incurred in the current period	Amount incurred in the prior period
Employee benefits	408,062,911	413,103,369
Depreciation and amortization expenses	147,853,647	140,436,208
Repair and maintenance expenses	34,373,813	25,801,811
General and administrative expenses	31,248,809	30,905,769
Agency fees	21,068,149	20,028,014
Security and firefighting expenses	14,562,188	14,428,415
Labor costs	4,272,232	4,024,071
Consumption of materials	2,754,121	2,935,738
Security fund for the disabled	2,232,393	2,925,471
Insurance expenses	1,983,416	3,932,126
Share-based payments	-	191,205
Others	27,330,831	24,279,759
Total	695,742,510	682,991,956

(V) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)**42. Research and development expenses**

Item	RMB	
	Amount incurred in the current period	Amount incurred in the prior period
Employee benefits and labor costs	32,958,334	24,906,230
Depreciation and amortization expenses	8,135,222	6,807,426
Repair expenses	3,275,859	6,274,985
Consumption of materials	2,293,179	1,423,052
Share-based payments	-	4,208
Others	5,141,571	4,296,060
Total	51,804,165	43,711,961

43. Finance expenses

Item	RMB	
	Amount incurred in the current period	Amount incurred in the prior period
Interest expenses	8,702,431	4,846,659
Less: Interest income	160,035,179	222,322,168
Discounted interest on long-term employee benefits payable	6,818,606	7,384,195
Foreign exchange losses	1,540,893	1,041,589
Others	866,592	1,258,268
Total	(142,106,657)	(207,791,457)

Among others, the interest expenses on lease liabilities for the period from 1 January to 30 June 2026 are RMB2,493,972 (for the period from 1 January to 30 June 2025: RMB2,633,802).

44. Other income

By nature	RMB	
	Amount incurred in the current period	Amount incurred in the prior period
Government grants		
– Related to assets	132,716,880	132,645,531
– Related to income	31,163,613	62,308,159
Total	163,880,493	194,953,690

(V) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)**45. Investment income**

		<i>RMB</i>
Item	Amount incurred in the current period	Amount incurred in the prior period
Income from long-term equity investments accounted for using the equity method	26,129,794	26,647,332
Investment income from interbank certificates of deposits	5,573,006	907,969
Investment income from other non-current financial assets	2,909,027	2,955,754
Investment income from disposal of financial assets held for trading	2,281,353	10,401,031
Others	97,088	322,971
Total	<u>36,990,268</u>	<u>41,235,057</u>

46. Profits arising from changes in fair value

		<i>RMB</i>
Source of profits (losses) arising from changes in fair value	Amount incurred in the current period	Amount incurred in the prior period
Financial assets held for trading - Debt instruments	135,517,800	27,312,563
Current portion of non-current assets - Debt instruments	36,587,901	35,270,936
Other non-current financial assets - Debt instruments	8,866,091	(9,084,591)
Total	<u>180,971,792</u>	<u>53,498,908</u>

47. Credit impairment gains (losses)

		<i>RMB</i>
Item	Amount incurred in the current period	Amount incurred in the prior period
Credit impairment gains (losses) of accounts receivable	433,181	(469,721)
Credit impairment losses of other receivables	(100,880)	(171,671)
Impairment (losses) gains of other current assets	(189,394)	135,702
Total	<u>142,907</u>	<u>(505,690)</u>

48. Asset impairment losses

		<i>RMB</i>
Item	Amount incurred in the current period	Amount incurred in the prior period
Impairment losses of fixed assets	(18,750,335)	-

(V) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)**49. Gains on disposal of assets**

Item	RMB	
	Amount incurred in the current period	Amount incurred in the prior period
Gains on disposal of intangible assets	49,631,461	107,855,591
Gains on disposal of right-of-use assets	1,865,839	127,195
Gains on disposal of fixed assets	920,432	4,122,784
Total	52,417,732	112,105,570

For the period from 1 January 2026 to 30 June 2026, gains or losses on disposal of assets are all included in non-recurring profit or loss for the year.

50. Non-operating income

			RMB	
	Amount incurred in the current period		Amount incurred in the prior period	
		Amount included in non-recurring profit or loss for the current period		Amount included in non-recurring profit or loss for the prior period
Item	Amount		Amount	
Gains from unpayable debts	7,336,728	7,336,728	9,366,092	9,366,092
Penalty income	1,150,504	1,150,504	2,678,591	2,678,591
Others	6,130,302	6,130,302	2,785,126	2,785,126
Total	14,617,534	14,617,534	14,829,809	14,829,809

Non-operating income for the period from 1 January 2026 to 30 June 2026 are included in non-recurring profit or loss for the period.

51. Non-operating expenses

Item			RMB	
	Amount incurred in the current period		Amount incurred in the prior period	
	Amount	Amount included in non-recurring profit or loss for the current period	Amount	Amount included in non-recurring profit or loss for the prior period
Compensation, liquidated damage and overdue fines	3,332,084	3,332,084	1,475,871	1,475,871
Donations	14,536	14,536	205,672	205,672
Others	1,313,439	1,255,937	336,178	237,128
Total	4,660,059	4,602,557	2,017,721	1,918,671

Except for carbon sinks and other expenses related to production and operation business of RMB57,502 (for the period from 1 January 2025 to 30 June 2025: RMB99,050), non-operating expenses for the period from 1 January 2026 to 30 June 2026 are included in non-recurring profit or loss for the year.

(V) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)**52. Income tax expenses**

		<i>RMB</i>
Item	Amount incurred in the current period	Amount incurred in the prior period
Current income tax calculated according to tax laws and relevant regulations - PRC enterprise income tax	1,280,015,696	1,471,708,910
Current income tax calculated according to tax laws and relevant regulations - Hong Kong profits tax	645,420	12,490,144
Current income tax calculated according to tax laws and relevant regulations - Macau profits supplemental tax	146,801	228,102
Deferred income tax	107,835,095	(195,236,074)
Total	<u>1,388,643,012</u>	<u>1,289,191,082</u>

Reconciliation of income tax expenses to accounting profit is as follows:

		<i>RMB</i>
Item	Amount incurred in the current period	Amount incurred in the prior period
Total profit	5,375,330,717	5,263,157,400
Income tax expenses calculated at applicable tax rate (25%)	1,343,832,679	1,315,789,350
Effect of different tax rates applied by subsidiaries	(5,447,211)	(1,464,273)
Effect of non-taxable income	(7,383,242)	(9,887,913)
Effect of non-deductible costs, expenses and losses	27,733,792	29,907,830
Effect of utilizing deductible losses and deductible temporary differences not recognized for deferred tax assets for prior period	(9,552,205)	(83,222,266)
Effect of deductible losses and deductible temporary differences not recognized for deferred tax assets for the current period	39,459,199	38,068,354
Total	<u>1,388,643,012</u>	<u>1,289,191,082</u>

53. Earnings per share**(1) Basic earnings per share**

		<i>RMB</i>
Item	Amount incurred in the current period	Amount incurred in the prior period
Consolidated net profit attributable to ordinary shareholders of the Company	3,919,809,697	3,904,325,353
Weighted average number of outstanding ordinary shares of the Company	1,364,195,121	1,364,100,121
Basic earnings per share	2.873	2.862
Including: – Basic earnings per share from continuing operation	2.873	2.862

(V) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)**53. Earnings per share (Cont'd)****(1) Basic earnings per share (Cont'd)**

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.

(2) Diluted earnings per share

Item	RMB	
	Amount incurred in the current period	Amount incurred in the prior period
Consolidated net profit attributable to shareholders of the Company	3,919,809,697	3,904,325,353
Weighted average number of outstanding ordinary shares of the Company	1,364,195,121	1,364,100,121
Increase in weighted average number of ordinary shares as a result of share-based payments	-	67,799
Weighted average number of outstanding ordinary shares after dilution	1,364,195,121	1,364,167,920
Diluted earnings per share	2.873	2.862
Including: – Diluted earnings per share from continuing operation	2.873	2.862

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.

54. 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	RMB	
	Amount incurred in the current period	Amount incurred in the prior period
Raw materials, packaging materials and consumables used	6,667,140,170	6,849,447,032
Employee benefits	2,658,856,969	2,720,929,743
Handling and transportation costs	952,033,148	1,090,008,489
Changes in inventories of finished goods and work in progress	861,316,172	1,177,270,965
Depreciation and amortization expenses	667,285,687	643,169,807
Finished goods purchased from outside	570,928,924	644,285,021
Advertising and publicity expenses	441,353,939	658,851,265
Repair expenses	151,648,339	148,655,508
Labor costs	104,301,856	105,519,478
Lease expenses	98,921,402	85,953,064
General and administrative expenses	78,102,489	79,634,869
Share-based payment expenses	-	195,413
Others	246,028,825	247,136,143
Total	13,497,917,920	14,451,056,797

(V) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)**55. Notes to items in the cash flow statement****(1) Other cash receipts relating to operating activities**

Item	RMB	
	Amount incurred in the current period	Amount incurred in the prior period
Government grants received	401,061,816	169,585,793
Guarantee deposits	308,190,684	321,069,618
Others	112,706,180	48,629,105
Total	821,958,680	539,284,516

(2) Other cash payments relating to operating activities

Item	RMB	
	Amount incurred in the current period	Amount incurred in the prior period
Marketing and promotion expenses	768,043,371	874,878,478
Advertising and publicity expenses	488,717,395	427,762,341
Guarantee deposits	181,523,091	188,068,146
General and administrative expenses	110,987,828	134,799,276
Lease payments	81,613,401	61,579,049
Others	99,063,276	131,930,057
Total	1,729,948,362	1,819,017,347

(3) Cash receipts from disposals and recovery of investments

Item	RMB	
	Amount incurred in the current period	Amount incurred in the prior period
Cash receipts from disposals and recovery of time and structured deposits	6,410,088,919	7,249,811,923
Cash receipts from redemption of wealth management products and funds	997,783,712	249,997,000
Cash receipts from redemption of bonds related investments	10,000,000	607,852,430
Total	7,417,872,631	8,107,661,353

(V) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)**55. Notes to items in the cash flow statement (Cont'd)****(4) Cash payments to acquire investments**

Item	RMB	
	Amount incurred in the current period	Amount incurred in the prior period
Cash payments to purchase wealth management products and funds	5,209,997,890	379,996,000
Cash payments to purchase time and structured deposits	5,032,174,788	9,352,702,438
Cash payments to purchase interbank certificates of deposits	1,187,839,400	9,959,830
Cash payments to purchase bonds related investments	400,000,000	407,852,430
Cash payments to acquire equity investments	3,750,000	-
Total	11,833,762,078	10,150,510,698

(5) Other cash receipts relating to investing activities

Item	RMB	
	Amount incurred in the current period	Amount incurred in the prior period
Recovery of statutory deposit reserve by Finance Company	47,790,000	-
Interest income from deposits in Finance Company	10,499,104	22,819,661
Long-term asset quality guarantee deposits and others received	15,000	306,310
Total	58,304,104	23,125,971

(6) Other cash payments relating to investing activities

Item	RMB	
	Amount incurred in the current period	Amount incurred in the prior period
Long-term asset quality guarantee deposits and others paid	1,109,249	1,920,774
Statutory deposit reserve paid by Finance Company	-	10,990,000
Total	1,109,249	12,910,774

(7) Other cash payments relating to financing activities

Item	RMB	
	Amount incurred in the current period	Amount incurred in the prior period
Repayment of lease liabilities	24,726,996	28,108,738
Total	24,726,996	28,108,738

(V) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)**55. Notes to items in the cash flow statement (Cont'd)****(8) Explanations on presentation of cash flows on a net basis**

Item	Basis for presenting on a net basis	Financial impact
Statutory deposit reserve of Finance Company	According to the Accounting Standards for Business Enterprises No. 31 - Cash Flow Statement, cash inflows and outflows for items characterized by rapid turnover, large amount and short maturity can be presented on a net basis.	The net cash flow presented on a net basis for the current period is RMB47,790,000.
Interbank lending of Finance Company	According to the Accounting Standards for Business Enterprises No. 31 - Cash Flow Statement, interbank lending between a financial enterprise and another for relevant items can be presented on a net basis.	There is no net cash flow presented on a net basis for the current period.

(9) Changes in liabilities arising from financing activities

Item	Opening balance	Increase in the period		Decrease in the period		Closing balance
		Cash changes	Non-cash changes	Cash changes	Non-cash changes	
Dividends	-	-	3,257,470,634	50,612,100	-	3,206,858,534
Lease liabilities and lease liabilities due within one year	114,466,142	-	20,410,759	24,726,996	3,153,733	106,996,172
Total	114,466,142	-	3,277,881,393	75,339,096	3,153,733	3,313,854,706

56. Supplementary information to the cash flow statement

(1) Supplementary information to the cash flow statement

Supplementary information	RMB	
	Amount incurred in the current period	Amount incurred in the prior period
1. Reconciliation of net profit to cash flows from operating activities:		
Net profit	3,986,687,705	3,973,966,318
Add: Provision for impairment of assets	18,750,335	-
Credit impairment (gains) losses	(142,907)	505,690
Depreciation of fixed assets	542,780,702	515,016,301
Depreciation of investment properties	1,112,457	1,034,476
Depreciation of right-of-use assets	21,729,934	25,912,298
Amortization of intangible assets	90,399,071	84,929,516
Amortization of long-term prepaid expenses	15,573,092	20,158,421
Share-based payment expenses	-	195,413
Gains on disposals of fixed assets, intangible assets and other long-term assets	(52,417,732)	(112,105,570)
Profits arising from changes in fair value	(180,971,792)	(53,498,908)
Finance expenses	(147,618,854)	(208,030,932)
Investment income	(36,990,268)	(41,235,057)
Decrease (Increase) in deferred tax assets	108,805,974	(175,484,793)
Decrease in deferred tax liabilities	(970,879)	(19,751,281)
Amortization of deferred income	(140,860,132)	(137,409,233)
Decrease in inventories	965,225,802	1,504,255,429
Decrease in operating receivables	481,553,905	518,219,646
Decrease in operating payables	(168,090,528)	(1,097,133,577)
Net cash flow from operating activities	5,504,555,885	4,799,544,157
2. Net changes in cash and cash equivalents:		
Closing balance of cash and cash equivalents	2,485,906,255	4,607,496,049
Less: Opening balance of cash and cash equivalents	2,287,130,298	4,046,010,946
Net increase in cash and cash equivalents	198,775,957	561,485,103

(V) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)**56. Supplementary information to the cash flow statement (Cont'd)****(2) Composition of cash and cash equivalents**

Item	RMB	
	30 June 2026	31 December 2025
I. Cash		
Including: Cash on hand	57,486	59,183
Bank deposits that can be readily withdrawn on demand	2,485,848,769	1,937,074,115
II. Cash equivalents		
Including: Principal of treasury bonds reverse repurchase	-	349,997,000
III. Closing balance of cash and cash equivalents	<u>2,485,906,255</u>	<u>2,287,130,298</u>

Cash and cash equivalents presented in the cash flow statement:

Item	RMB	
	30 June 2026	31 December 2025
Cash at bank and on hand	11,555,004,419	12,859,566,861
Principal of treasury bonds reverse repurchase	-	349,997,000
Less: Time deposits over three months	8,514,857,407	10,294,322,323
Restricted deposits with the central bank	402,972,882	450,806,567
Interest receivable on deposits	117,139,961	143,887,859
Restricted other monetary funds	34,127,914	33,416,814
Closing balance of cash and cash equivalents	<u>2,485,906,255</u>	<u>2,287,130,298</u>

(V) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

57. Foreign currency monetary items

(1) Foreign currency monetary items

			RMB
	Closing balance in foreign currency		Closing balance in RMB
Item		Exchange rate	
Cash at bank and on hand			
Including: HKD	955,552,019	0.8686	829,992,484
USD	17,959,322	6.8109	122,319,146
MOP	34,557,290	0.8432	29,138,707
EUR	1,224,678	7.7671	9,512,196
VND	2,610,688,128	0.0003	783,206
Total			991,745,739
Accounts receivable			
Including: USD	6,856,450	6.8109	46,698,595
HKD	27,324,449	0.8686	23,734,016
EUR	2,919,181	7.7671	22,673,571
MOP	4,868,452	0.8432	4,105,079
GBP	170,130	9.0145	1,533,637
CAD	271,796	4.7847	1,300,462
VND	239,845,610	0.0003	71,954
Total			100,117,314
Other receivables			
Including: HKD	10,844,643	0.8686	9,419,657
MOP	353,509	0.8432	298,079
VND	229,500,000	0.0003	68,850
Total			9,786,586
Accounts payable			
Including: HKD	25,350,111	0.8686	22,019,106
VND	41,806,056,933	0.0003	12,541,817
MOP	2,727,959	0.8432	2,300,215
Total			36,861,138

(V) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)**57. Foreign currency monetary items (Cont'd)****(1) Foreign currency monetary items (Cont'd)**

Item	RMB	
	Closing balance in foreign currency	Closing balance in RMB
Other payables		
Including: VND	27,575,842,858	8,272,753
USD	956,468	6,514,408
HKD	4,147,634	3,602,635
MOP	904,946	763,050
EUR	5,940	46,137
Total		19,198,983
Current portion of non-current liabilities		
Including: MOP	1,571,404	1,325,008
HKD	63,629	55,268
Total		1,380,276
Lease liabilities		
Including: MOP	1,125,949	949,400
HKD	17,929	15,573
Total		964,973

Foreign currencies monetary items mentioned above refer to all currencies other than RMB (the scope is different from the foreign currency items in Note (IX) 1).

58. 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 for the period from 1 January 2026 to 30 June 2026 amounted to RMB388,335.

The short-term lease expenses under simplified treatment and recognized in profit or loss for the period from 1 January 2026 to 30 June 2026 amounted to RMB87,751,241 (for the period from 1 January 2025 to 30 June 2025: RMB74,950,453).

Total cash outflows related to leases for the period from 1 January 2026 to 30 June 2026 amounted to RMB106,340,397 (for the period from 1 January 2025 to 30 June 2025: RMB89,687,787), 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) 55(7).

(V) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

58. Leases (Cont'd)

(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	5,473,672	-
Others	8,718,932	-
Total	14,192,604	-
		RMB'0000
		Undiscounted lease receipts
		30 June 2026 31 December 2025
1st year subsequent to the balance sheet date	531	367
2nd year subsequent to the balance sheet date	380	189
3rd year subsequent to the balance sheet date	280	153
4th year subsequent to the balance sheet date	34	121
5th year subsequent to the balance sheet date	3	3
Subsequent years	27	3
Total	1,255	836

(VI) CHANGE IN CONSOLIDATION SCOPE

1. Change in consolidation scope due to other reasons

There were no changes in consolidation scope for the period.

(VII) INTERESTS IN OTHER ENTITIES

1. Interests in subsidiaries

(1) Composition of the Group

Name of subsidiary	Place of operation	Registered capital RMB	Place of incorporation	Nature of business	Total shareholding proportion of the Group (%)		Acquisition method
					Directly	Indirectly	
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	-	99.47	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	100	-	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	100	-	Establishment or investment
Tsingtao Brewery (Shouguang) Co., Ltd. ("Shouguang Company")	Shouguang, the PRC	60,606,060	Shouguang, the PRC	Manufacturing	99	-	Establishment or investment
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 (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

(VII) INTERESTS IN OTHER ENTITIES (CONT'D)

1. Interests in subsidiaries (Cont'd)

(1) Composition of the Group (Cont'd)

Name of subsidiary	Place of operation	Registered capital RMB	Place of incorporation	Nature of business	Total shareholding proportion of the Group (%)		Acquisition method
					Directly	Indirectly	
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	HKD40,500,000	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
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	3,000,000,000	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

(VII) INTERESTS IN OTHER ENTITIES (CONT'D)

1. Interests in subsidiaries (Cont'd)

(1) Composition of the Group (Cont'd)

Name of subsidiary	Place of operation	Registered capital RMB	Place of incorporation	Nature of business	Total shareholding proportion of the Group (%)		Acquisition method
					Directly	Indirectly	
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
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	USD1,000,000	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
Tsingtao Brewery (Weifang) Manufacturing Co., Ltd. ("Weifang Manufacturing Company")	Weifang, the PRC	300,000,000	Weifang, the PRC	Manufacturing	100	-	Establishment or investment
Qingdao Jiuyuan Technology Co., Ltd. ("Jiuyuan Technology Company")	Qingdao, the PRC	50,000,000	Qingdao, the PRC	Software and IT services industry	100	-	Establishment or investment
Tsingtao Brewery Biotechnology Co., Ltd. ("Biotechnology Company")	Qingdao, the PRC	421,000,000	Qingdao, the PRC	Manufacturing	100	-	Establishment or investment
Tsingtao Brewery (Sanshui) Co., Ltd. ("Sanshui Company")	Sanshui, the PRC	USD5,000,000	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	USD30,000,000	Shenzhen, the PRC	Manufacturing	51	-	Business combinations not involving enterprises under common control

(VII) INTERESTS IN OTHER ENTITIES (CONT'D)**1. Interests in subsidiaries (Cont'd)****(1) Composition of the Group (Cont'd)**

Name of subsidiary	Place of operation	Registered capital RMB	Place of incorporation	Nature of business	Total shareholding proportion of the Group (%)		Acquisition method
					Directly	Indirectly	
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) Nongken Co., Ltd. ("Gansu Nongken")	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	-	54.91	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
Tsingtao Brewery (Fuzhou) Co., Ltd. ("Fuzhou Company")	Fuzhou, the PRC	USD26,828,100	Fuzhou, the PRC	Manufacturing	-	100	Business combinations not involving enterprises under common control

(VII) INTERESTS IN OTHER ENTITIES (CONT'D)

1. Interests in subsidiaries (Cont'd)

(1) Composition of the Group (Cont'd)

Name of subsidiary	Place of operation	Registered capital RMB	Place of incorporation	Nature of business	Total shareholding proportion of the Group (%)		Acquisition method
					Directly	Indirectly	
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
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	USD60,371,200	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
Macau Company	Macau, the PRC	MOP200,000	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

(VII) INTERESTS IN OTHER ENTITIES (CONT'D)**1. Interests in subsidiaries (Cont'd)****(1) Composition of the Group (Cont'd)**

Name of subsidiary	Place of operation	Registered capital RMB	Place of incorporation	Nature of business	Total shareholding proportion of the Group (%)		Acquisition method
					Directly	Indirectly	
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
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

(VII) INTERESTS IN OTHER ENTITIES (CONT'D)

1. Interests in subsidiaries (Cont'd)

(1) Composition of the Group (Cont'd)

Name of subsidiary	Place of operation	Registered capital RMB	Place of incorporation	Nature of business	Total shareholding proportion of the Group (%)		Acquisition method
					Directly	Indirectly	
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 minority shareholders for the period	Dividends declared to minority shareholders for the period	RMB	
				Closing balance of minority interests	
Shenzhen Asahi	49%	25,332,402	50,612,100	209,337,370	

(3) Significant financial information of significant non-wholly owned subsidiary

Name of subsidiary	30 June 2026						RMB
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities	
	327,614,288	366,875,185	694,489,473	238,406,065	28,635,923	267,041,988	
Name of subsidiary	31 December 2025						RMB
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities	
	319,866,941	382,616,446	702,483,387	192,066,052	30,728,718	222,794,770	

(VII) INTERESTS IN OTHER ENTITIES (CONT'D)

1. Interests in subsidiaries (Cont'd)

(3) Significant financial information of significant non-wholly owned subsidiary (Cont'd)

Name of subsidiary	Amount incurred in the current period			RMB
	Revenue	Net profit	Total comprehensive income	Cash flows from operating activities
Shenzhen Asahi	443,769,033	51,048,867	51,048,867	93,211,316

Name of subsidiary	Amount incurred in the prior period			RMB
	Revenue	Net profit	Total comprehensive income	Cash flows from operating activities
Shenzhen Asahi	404,309,011	49,841,146	49,841,146	39,601,990

Financial information above represents the amounts of subsidiaries in the Group before elimination. The dividends declared to minority shareholders for the period from 1 January 2026 to 30 June 2026 have been paid in the current year.

2. Interests in joint ventures or 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

(VII) INTERESTS IN OTHER ENTITIES (CONT'D)

2. Interests in joint ventures or associates (Cont'd)

(2) Key financial information of significant joint ventures

	RMB	
Hebei Jiahe Company	30 June 2026	31 December 2025
Current assets	143,915,597	111,181,818
Including: Cash and cash equivalents	83,576,525	90,089,366
Non-current assets	73,571,754	73,506,300
Total assets	217,487,351	184,688,118
Current liabilities	55,928,388	25,359,844
Total liabilities	55,928,388	25,359,844
Total shareholders' equity	161,558,963	159,328,274
Adjustment based on fair value of identifiable net assets of the joint venture at the time of acquisition of the investment	44,089,723	45,832,010
Equity attributable to the Company after adjustment	205,648,686	205,160,284
Share of net assets calculated based on shareholding proportion (Note)	102,824,343	102,580,142
Adjusting item		
– Goodwill	113,928,609	113,928,609
Carrying amount of equity investments in joint venture	216,752,952	216,508,751
Fair value of equity investments in joint venture for which publicly quoted price is available	N/A	N/A

	RMB	
	Amount incurred in the current period	Amount incurred in the prior period
Hebei Jiahe Company		
Revenue	191,891,518	200,976,833
Finance expenses	(108,658)	(183,928)
Income tax expenses	7,108,957	5,804,942
Net profit	21,279,160	17,414,826
Other comprehensive income	-	-
Total comprehensive income	21,279,160	17,414,826
Adjustment based on fair value of identifiable net assets of the joint venture at the time of acquisition of the investment	(1,790,759)	(1,884,008)
Total comprehensive income attributable to the Company after adjustment	19,488,401	15,530,818
Dividends received from the joint venture in the period	9,500,000	6,500,000

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

According to the definition of significant associates in Note (III), 4, the Group does not have any significant associates.

(VII) INTERESTS IN OTHER ENTITIES (CONT'D)

2. Interests in joint ventures or associates (Cont'd)

(4) Summarized financial information of insignificant associates

	30 June 2026/ Amount incurred in the current period	RMB 31 December 2025/ Amount incurred in the prior period
Associate		
Total carrying amount of the investment	165,313,775	157,049,596
Aggregate of the following calculated based on the shareholding proportion		
– Net profit (<i>Note</i>)	15,850,091	16,198,780
– Other comprehensive (loss) income (<i>Note</i>)	(449,305)	683,436
– Total comprehensive income	15,400,786	16,882,216

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.

- (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 period	RMB Accumulated unrecognized losses at the end of current period
Liaoning Shenqing Company	285,415	56,340	229,075

- (7) As at 30 June 2026, 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

RMB

Financial statements items	31 December 2025	Amount of grants increased in the period	Amount included in other income in the period	Amount included in gains from disposal of assets in the period	30 June 2026	Related to assets/income
Deferred income	2,964,920,863	371,404,523	132,716,880	624,725	3,202,983,781	Related to assets
Deferred income	10,569,531	8,812,814	8,143,252	-	11,239,093	Related to income
Total	2,975,490,394	380,217,337	140,860,132	624,725	3,214,222,874	

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.

2. Government grants included in profit or loss for the period

RMB

Category	Amount incurred in the current period	Amount incurred in the prior period
Related to assets	132,716,880	132,645,531
Related to income	31,163,613	62,308,159
Total	163,880,493	194,953,690

(IX) RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS

The Group's activities expose it to a variety of financial risks: market risk (primarily currency 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 analyze 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.

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 operating 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 analyze the Group's exposure to various risks, establish an appropriate maximum tolerance to risk, implement risk management, and monitor regularly and effectively these exposures to ensure the risks are controlled 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 30 June 2026, 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 30 June 2026, 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	30 June 2026	<i>RMB</i>
		31 December 2025
Cash at bank and on hand	791,367,768	205,805,764
Accounts receivable	74,450,729	45,441,503
Other payables	6,560,545	4,083,269

Sensitivity analysis on currency risk

As at 30 June 2026, 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 RMB4,452,000 (31 December 2025: approximately RMB7,681,000). 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 RMB27,770,000 (31 December 2025: approximately RMB1,588,000).

(IX) RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS (CONT'D)

1. Risk management objectives, policies and procedures and the changes in the year (Cont'd)

1.1 Market risk (Cont'd)

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. The Group determines the relative proportions of its fixed rate and floating rate contracts depending on the prevailing market conditions. As at 30 June 2026, there are no long-term borrowings (31 December 2025: nil). There is no material interest rate risk in the view of the directors of the Company.

The Group holds floating-rate products such as structured deposits, wealth management products and funds, the returns on which are subject to fluctuations in market interest rates. To manage the associated risks, the Group strictly adheres to approval procedures when making investments and continuously monitors changes in market interest rates. The management of the Group will make timely adjustments according to the latest market conditions to address the impact of interest rate fluctuations. The directors of the Company are of the view that reasonable changes in the future interest rate will not have a material adverse impact on the Group's operating performance.

1.1.3 Interest rate risk - risk of changes in fair value

The Group's exposure to risks of changes in fair value of financial instruments arising from changes in interest rates relates primarily to fixed-rate financial assets held for trading and time deposits. For fixed-rate financial assets held for trading, the Group's objective is to maintain an appropriate portfolio of fixed- and floating-rate instruments in order to manage interest rate risk.

1.1.4 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 30 June 2026, 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 RMB52,164,000 (31 December 2025: approximately RMB32,805,000).

1.2 Credit risk

As at 30 June 2026, 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.

(IX) RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS (CONT'D)

1. Risk management objectives, policies and procedures and the changes in the year (Cont'd)

1.2 Credit risk (Cont'd)

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.

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.

The Group's 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 30 June 2026, the Group holds no significant collateral or other credit enhancements due to the debtor's mortgage (31 December 2025: nil).

1.3 Liquidity risk

Cash flow forecasting is performed by each subsidiary of the Group. Based on the aggregation of cash flow forecasts from the subsidiaries, the Group continuously monitors short-term and long-term liquidity requirements at the group level 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.

(IX) RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS (CONT'D)**1. Risk management objectives, policies and procedures and the changes in the year (Cont'd)****1.3 Liquidity risk (Cont'd)**

As at 30 June 2026, the financial liabilities and lease liabilities of the Group 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	<i>RMB</i> Total
Notes payable	223,439,776	-	-	-	223,439,776
Accounts payable	4,147,937,571	-	-	-	4,147,937,571
Other payables	6,151,733,201	-	-	-	6,151,733,201
Lease liabilities	31,013,174	23,730,499	43,258,197	26,198,298	124,200,168

(X) DISCLOSURE OF FAIR VALUE**1. Fair value of assets and liabilities measured at fair value at the end of the period**

	<i>RMB</i> Level 2 fair value measurement
Item	30 June 2026
Other non-current financial assets - Debt instruments	2,870,259,390
Financial assets held for trading - Debt instruments	5,153,094,509
Current portion of non-current assets - Debt instruments	31,147,781
	Level 3 fair value measurement
Item	30 June 2026
Financial assets held for trading - Other debt instruments	5,855,943,048
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

		<i>RMB</i>
Item	Fair value at 30 June 2026	Valuation technique
Other non-current financial assets – Debt instruments	2,870,259,390	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 – Debt instruments	5,153,094,509	The fair value is calculated based on the valuation results obtained from a third-party pricing service institution (e.g., China Bond Financial Valuation Center & China Securities Index Co., Ltd.) or the discounted cash flow method.
Current portion of non-current assets – Debt instruments	31,147,781	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.)

(X) **DISCLOSURE OF FAIR VALUE (CONT'D)**

3. Valuation techniques and qualitative and quantitative information of key parameters adopted in continuous level 3 fair value measurement

RMB

Item	Fair value at 30 June 2026	Valuation technique	Input
Financial assets held for trading – Other debt instruments	5,855,943,048	Discounted cash flow technique	Discount rate reflecting counterparty's credit risk
Other non-current financial assets – Equity instruments	600,000	Discounted cash flow technique	Revenue growth rate, weighted average cost of capital, operating profit before tax

4. Reconciliation between opening and closing carrying amounts of items measured at Level 3 fair value continuously:

Level 3 fair value measurement

RMB

Item	31 December 2025	Total gains or losses for the period		Purchase, issuance and settlement			30 June 2026	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	2,205,915,607	90,027,441	-	3,560,000,000	-	-	5,855,943,048	95,943,048
Other non-current financial assets – Equity instruments	600,000	-	-	-	-	-	600,000	-
Total	2,206,515,607	90,027,441	-	3,560,000,000	-	-	5,856,543,048	95,943,048

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, other non-current assets, notes payable, accounts payable and other 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	164,372	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).

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) 2 (1).

Except for the information about the significant joint ventures and associates disclosed in Note (VII) 2 (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
Sinotrans Logistics (<i>Note 1</i>)	Associate
Liaoning Shengqing Company	Associate
Yantai Brewery Company	Associate

Note 1: Qingdao Zhaoshang Logistics Co., Ltd. changed its company name to Sinotrans Logistics Supply Chain (Shandong) Co., Ltd. on 22 January 2026.

(XI) RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONT'D)

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
Qingdao Huadong Winery Co., Ltd. (“Huadong Winery Company”)	Subsidiary of Tsingtao Brewery Group
Qingdao Jiuhui Real Estate Development Co., Ltd. (“Qingdao Jiuhui Real Estate Company”)	Subsidiary of Tsingtao Brewery Group
Qingdao Laoshan Mineral Water Co., Ltd. (“Laoshan Mineral Water Company”)	Subsidiary of Tsingtao Brewery Group
Qingdao East China Supply Chain Technology Co., Ltd. (“East China Supply Chain Company”) (Note 2)	Subsidiary of Tsingtao Brewery Group
Qingdao Laohe Beverage Co., Ltd. (“Laohe Beverage Company”) (Note 2)	Subsidiary of Tsingtao Brewery Group
Qingdao Laokuang Ganluquan Mineral Water Co., Ltd. (“Laokuang Ganluquan Company”) (Note 2)	Subsidiary of Tsingtao Brewery Group
Qingdao Laoshan Yijiu Lingling Drinks Co., Ltd. (“Laoshan Yijiu Lingling Company”) (Note 2)	Subsidiary of Tsingtao Brewery Group
Qingdao Qingyin International Trading Co., Ltd. (“Qingyin International Trading Company”) (Note 2)	Subsidiary of Tsingtao Brewery Group
Qingdao Beverage Group Co., Ltd. (“Beverage Group”) (Note 2)	Subsidiary of Tsingtao Brewery Group

Note 2: In 2025, Beverage Group became a subsidiary of Tsingtao Brewery Group and was included in the consolidation scope of Tsingtao Brewery Group. From the date control was obtained, Beverage Group and its subsidiaries, East China Supply Chain Company, Laohe Beverage Company, Laokuang Ganluquan Company, Laoshan Yijiu Lingling Company and Qingyin International Trading Company, became related parties of the Group.

On 21 January 2026, the Company issued the Announcement of Tsingtao Brewery Co., Ltd. on Expected 2026 Daily Related Party Transaction with the Controlling Shareholder and Its Subsidiaries. At the 4th Meeting of the 11th Session of the Board of Directors of the Company, it was considered and approved that the Company entered into the 2026 Entrusted Production, Purchase and Sales of Products and Assets Leases Framework Agreement with Beverage Group, the Trademark License Agreement with Youjia Health and its subsidiaries and related company Youjia Shanghai, the 2026 Supply Chain Business Service Framework Agreement with Smart Chain Success Delivery, and the 2026 Comprehensive Service Framework Agreement with Tsingtao Brewery Group (together with its subsidiaries, Beverage Group and its subsidiaries, Youjia Health and its subsidiaries and related companies, Smart Chain Success Delivery and its subsidiaries, the “Associated Persons”).

(XI) RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONT'D)

5. Related party transactions

(1) Purchase and sales of goods, rendering and receipt of services

Purchase of goods/receipt of services

Related party	Content of related party transaction	Approved transaction amount	Whether the transaction amount is exceeded	Amount incurred in the current period	RMB Amount incurred in the prior period
Yantai Brewery Company	Purchase of beer	N/A	N/A	343,605,195	381,587,877
Hebei Jiabe Company	Purchase of beer	N/A	N/A	190,868,574	199,572,300
Youjia Health (Note 3)*	Purchase of beverage		No	-	5,873,807
Youjia Shanghai (Note 3)*	Purchase of beverage		No	-	613,473
Laoshan Mineral Water Company (Note 3)*	Purchase of beverage		No	1,523,187	-
East China Supply Chain Company (Note 3)*	Purchase of beverage	46,000,000	No	43	-
Laoshan Yijiu Lingling Company (Note 3)*	Purchase of beverage		No	44,107	-
Huadong Winery Company (Note 3)*	Purchase of wine		No	78,938	-
Qingdao Jiuhui Real Estate Company (Note 3)*	Receipt of leasing services		No	5,124,665	-
Chengfa Real Estate Investment (Note 3)*	Receipt of leasing services	55,692,500	No	171,429	166,667
Sinotrans Logistics	Receipt of logistics service	N/A	N/A	76,085,765	85,496,368
Sinotrans Logistics	Receipt of leasing services	N/A	N/A	7,304,421	4,324,346
Sinotrans Logistics	Receipt of warehousing service	N/A	N/A	-	115,962
Smart Chain Success Delivery (Note 3)*	Receipt of logistics service		No	625,200,809	476,625,559
Qiji Chengpei Company (Note 3)*	Receipt of logistics service		No	67,235,394	16,995,690
Dasheng Smart Chain (Note 3)*	Receipt of logistics service		No	5,505	2,367
Smart Chain Success Delivery (Note 3)*	Receipt of warehousing service	1,239,000,000	No	4,173,409	4,396,278
Qiji Chengpei Company (Note 3)*	Receipt of warehousing service		No	8,179,495	1,051,176
Qiji Chengpei Company (Note 3)*	Receipt of packing service		No	7,302,834	5,440,408
Smart Chain Success Delivery (Note 3)*	Receipt of packing service		No	-	1,592,287

(XI) RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONT'D)

5. Related party transactions (Cont'd)

(1) Purchase and sales of goods, rendering and receipt of services (Cont'd)

Sales of goods/rendering of services

Related party	Content of related party transaction	Approved transaction amount	Whether the transaction amount is exceeded	Amount incurred in the current period	RMB Amount incurred in the prior period
European Company	Sales of products and materials	N/A	N/A	45,761,145	41,672,539
Liaoning Shengqing Company	Sales of products and materials	N/A	N/A	18,689,439	16,121,853
Yantai Brewery Company	Sales of materials	N/A	N/A	627,257	-
Hebei Jiahe Company	Sales of materials	N/A	N/A	1,077,071	-
Yantai Brewery Company	Rendering of leasing services	N/A	N/A	284,178	-
Hebei Jiahe Company	Rendering of leasing services	N/A	N/A	431,525	-
Yantai Brewery Company	Rendering of human resource services	N/A	N/A	165,959	-
Hebei Jiahe Company	Rendering of human resource services	N/A	N/A	168,798	-
Youjia Shanghai (Note 4)*	Sales of products		No	-	78,818
Yunnan Dashan (Note 4)*	Sales of products		No	-	5,192
Qingyin International Trading Company (Note 4)*	Sales of products	46,000,000	No	223,138	-
Youjia Shanghai (Note 4)*	Rendering of commissioned processing		No	-	787,264
Youjia Shanghai (Note 4)*	Rendering of the right to use trademarks		No	868,798	61,866
Youjia Tianjin (Note 4)*	Rendering of the right to use trademarks	2,200,000	No	143,769	47,923
Yunnan Dashan (Note 4)*	Rendering of the right to use trademarks		No	-	1,934
Smart Chain Success Delivery (Note 4)*	Sales of products and materials		No	3,557,737	1,886,718
Dasheng Smart Chain (Note 4)*	Sales of products		No	1,985,571	1,435,250
Smart Chain Success Delivery (Note 4)*	Rendering of warehouse rental services	1,239,000,000	No	960,578	724,286
Dasheng Smart Chain (Note 4)*	Rendering of warehouse rental services		No	2,635,800	77,122
Smart Chain Success Delivery (Note 4)*	Rendering of outsourcing services		No	331,142	161,978

(XI) RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONT'D)**5. Related party transactions (Cont'd)****(1) Purchase and sales of goods, rendering and receipt of services (Cont'd)***Sales of goods/rendering of services (Cont'd)*

Related party	Content of related party transaction	Approved transaction amount	Whether the transaction amount is exceeded	Amount incurred in the current period	RMB Amount incurred in the prior period
Tsingtao Brewery Group (Note 4)*	Rendering of comprehensive services in respect of human resources and information, etc.		No	2,309,640	5,391,340
Smart Chain Success Delivery (Note 4)*	Rendering of comprehensive services in respect of human resources and information, etc.		No	1,710,046	1,332,679
Youjia Health (Note 4)*	Rendering of comprehensive services in respect of human resources and information, etc.		No	53,208	601,649
Tsingtao Brewery Real Estate (Note 4)*	Rendering of comprehensive services in respect of human resources and information, etc.		No	473,624	168,989
Yunnan Dashan (Note 4)*	Rendering of comprehensive services in respect of human resources and information, etc.		No	123,244	140,604
Youjia Shanghai (Note 4)*	Rendering of comprehensive services in respect of human resources and information, etc.		No	257,916	40,285
Beverage Group (Note 4)*	Rendering of comprehensive services in respect of human resources and information, etc.		No	99,334	-
Huadong Winery Company (Note 4)*	Rendering of comprehensive services in respect of human resources and information, etc.	55,692,500	No	451,860	-
Qingdao Jiuhui Real Estate Company (Note 4)*	Rendering of comprehensive services in respect of human resources and information, etc.		No	59,590	-
Laohe Beverage Company (Note 4)*	Rendering of comprehensive services in respect of human resources and information, etc.		No	6,509	-
Laokuang Ganluquan Company (Note 4)*	Rendering of comprehensive services in respect of human resources and information, etc.		No	6,509	-
Laoshan Mineral Water Company (Note 4)*	Rendering of comprehensive services in respect of human resources and information, etc.		No	65,616	-
Laoshan Yijiu Lingling Company (Note 4)*	Rendering of comprehensive services in respect of human resources and information, etc.		No	786,677	-
Qingyin International Trading Company (Note 4)*	Rendering of comprehensive services in respect of human resources and information, etc.		No	33,897	-

Explanation of related party transactions involving purchases and sales of goods, rendering and receipt of services

Purchases of goods and receipt of services

Pricing by agreement with reference to market prices

Note 3: 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 services from Youjia Health, Youjia Shanghai, Laoshan Mineral Water Company, East China Supply Chain Company, Laoshan Yijiu Lingling Company, Huadong Winery Company, Tsingtao Brewery Group, Qingdao Jiuhui Real Estate Company, Chengfa Real Estate Investment, Smart Chain Success Delivery and its subsidiaries Qiji Chengpei Company and Dasheng Smart Chain.

(XI) **RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONT'D)**

5. Related party transactions (Cont'd)

(1) Purchase and sales of goods, rendering and receipt of services (Cont'd)

Sales of goods and rendering of services

Pricing by agreement with reference to market prices

Note 4: 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 Smart Chain Success Delivery and its subsidiaries Qiji Chengpei Company and Dasheng Smart Chain, Youjia Shanghai, Youjia Health and its subsidiaries Yunnan Dashan and Youjia Tianjin, Tsingtao Brewery Group, Tsingtao Brewery Real Estate and its subsidiary Qingdao Jiuhui Real Estate Company, Beverage Group and its subsidiaries Huadong Winery Company, Laohe Beverage Company, Laokuang Ganluquan Company, Laoshan Mineral Water Company, Laoshan Yijiu Lingling Company and Qingyin International Trading Company.

* The approved transaction amounts of RMB46,000,000, RMB1,239,000,000, RMB55,692,500 and RMB2,200,000 for Beverage Group and its subsidiaries, Smart Chain Success Delivery and its subsidiaries, Tsingtao Brewery Group and its subsidiaries, and Youjia Health and its subsidiaries and related companies represent the combined amounts of all the approved transactions.

(2) Related party leases

The Group as a lessor

Name of lessee	Type of leased assets	RMB	
		Rental income recognized in the current period	Rental income recognized in the prior period
Smart Chain Success Delivery	Warehouse	960,578	724,286
Dasheng Smart Chain	Warehouse	2,635,800	77,122

(XI) RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONT'D)**5. Related party transactions (Cont'd)****(2) Related party leases (Cont'd)***The Group as a lessee*

		Amount incurred in the current period				Amount incurred in the prior period				RMB
Name of lessor	Type of leased assets	Rental expenses for short-term leases and leases of low-value assets under simplified methods	Rental paid	Interest expenses on lease liabilities	Addition to right-of-use assets	Rental expenses for short-term leases and leases of low-value assets under simplified methods	Rental paid	Interest expenses on lease liabilities	Addition to right-of-use assets	
Chengfa Real Estate Investment	Buildings	-	360,000	32,060	-	-	350,000	38,582	-	
Qingdao Jinhui Real Estate Company	Buildings	5,124,665	5,585,885	-	-	-	-	-	-	

(3) Financing

As at 30 June 2026, there is no financing with related parties (Balance of financing at 31 December 2025: nil).

(4) Deposits from related parties

Related party	Amount incurred in the current period	RMB
		Amount incurred in the prior period
Yantai Brewery Company	351,977,524	405,061,058

(5) Interest expenses

Related party	Amount incurred in the current period	RMB
		Amount incurred in the prior period
Yantai Brewery Company	23,056	55,217

(XI) RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONT'D)**5. Related party transactions (Cont'd)****(6) Service charges from related parties**

Related party	Amount incurred in the current period	RMB Amount incurred in the prior period
Yantai Brewery Company	-	4,631

(7) Compensation for key management personnel

Item	Amount incurred in the current period	RMB Amount incurred in the prior period
Compensation for key management personnel	3,398,302	3,808,867

For the period from 1 January 2026 to 30 June 2026, there was no loan provided to key management personnel from the Group (for the period from 1 January 2025 to 30 June 2025: nil).

6. Receivable and payable balances with related parties**(1) Receivables from related parties**

Item	Related party	30 June 2026		31 December 2025	
		Gross carrying amount	Allowance for bad debt	Gross carrying amount	Allowance for bad debt
Accounts receivable	European Company	22,099,154	-	12,146,567	-
Accounts receivable	Beijing Sales Company	11,245,784	11,245,784	11,245,784	11,245,784
Prepayments	Qingdao Jiuhui Real Estate Company	3,668,561	-	-	-
Other receivables	Yantai Brewery Company	5,583,135	-	-	-

(XI) RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONT'D)**6. Receivable and payable balances with related parties (Cont'd)****(2) Payables to related parties**

		30 June	<i>RMB</i>
		2026	31 December
Item	Related party		2025
Accounts payable	Smart Chain Success Delivery	316,399,333	139,426,334
Accounts payable	Yantai Brewery Company	99,479,357	62,354,504
Accounts payable	Sinotrans Logistics	27,830,107	18,972,528
Accounts payable	Qiji Chengpei Company	49,803,857	9,706,307
Accounts payable	Hebei Jiahe Company	45,120,823	6,395,907
Accounts payable	Laoshan Mineral Water Company	218,946	278,997
Other payables	Yantai Brewery Company	17,974,144	46,639,222
Other payables	Sinotrans Logistics	4,283,832	7,253,866
Other payables	Smart Chain Success Delivery	1,671,650	3,770,085
Other payables	Qiji Chengpei Company	9,722,775	7,599,185
Other payables	Dasheng Smart Chain	-	10,000
Contract liabilities and other current liabilities	Dasheng Smart Chain	1,857,715	21,643
Contract liabilities and other current liabilities	Liaoning Shenqing Company	2,412,911	15,230,226

(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 received an aggregate amount of RMB279,576,000 as contributions from the incentive recipients in 2020, and recognized liabilities of RMB279,576,000 and treasury stock of RMB279,576,000 for the obligation to repurchase restricted shares accordingly.

(XII) SHARE-BASED PAYMENTS (CONT'D)

1. Restricted share incentive plan (Cont'd)

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.

According to the Plan for Granting Reserved Restricted Shares, the Company received an aggregate amount of RMB6,226,920 as contributions from the incentive recipients in 2021, 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. 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 2020 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.

(XII) SHARE-BASED PAYMENTS (CONT'D)

1. Restricted share incentive plan (Cont'd)

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.

On 5 May 2023, the Company held the second extraordinary meeting of the tenth session of 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 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 Company held the third extraordinary meeting of the tenth session of Board of Directors in 2024, deliberated and approved the Proposal on Fulfillment of the Unlocking Conditions for the Second Unlocking Period in respect of the Reserve Grant of the Restricted Shares under the Restricted A Share Incentive Plan. On 27 May 2024, the Company unlocked 96,666 restricted shares, and offset liabilities of RMB1,694,555 and treasury stock of RMB1,694,555 for the obligation to repurchase restricted shares. On 16 July 2024, the Company held the sixth extraordinary meeting of the tenth session of 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.

(XII) SHARE-BASED PAYMENTS (CONT'D)

1. Restricted share incentive plan (Cont'd)

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.

In 2025, a cash dividend was distributed to the above-mentioned recipients for restricted shares expected to be unlocked in the future, and the repurchase obligation and treasury stock were offset accordingly.

On 20 May 2025, the Company held the first meeting of the eleventh Board of Directors in 2025, deliberated and approved the Proposal on Fulfillment of the Unlocking Conditions for the Third Unlocking Period in respect of the Reserve Grant of the Restricted Shares under the Restricted A Share Incentive Plan. On 30 May 2025, the Company unlocked 95,000 restricted shares, and offset liabilities of RMB1,266,350 and treasury stock of RMB1,266,350 for the obligation to repurchase restricted shares.

On 26 August 2025, the Company held the second meeting of the eleventh Board of Directors, deliberated and approved the Proposal on the Company's Repurchase and Cancellation of Part of Restricted A Shares under the Incentive Plan. During the third unlocking period under the Incentive Plan, one incentive recipient has resigned for personal reasons, resulting in changes in his personal circumstances, which triggered the conditions for repurchase and cancellation of restricted shares stipulated in Chapter 13 of the Incentive Plan. On 13 November 2025, the Company repurchased and canceled a total of 1,667 restricted shares that had been granted but remained unlocked, reducing share capital by RMB1,667, capital reserve by RMB33,640, and treasury stock by RMB35,307. Meanwhile, cash dividends previously distributed amounting to RMB13,086 were reversed, with corresponding adjustments to profit distribution and treasury stock.

As at 31 December 2025, the restricted share incentive plan has been fully concluded.

2. Changes in restricted shares for the period from 1 January 2026 to 30 June 2026

Item	Amount incurred in the current period	RMB Amount incurred in the prior period
Restricted shares (number of shares) issued at the beginning of the period	-	96,667
Restricted shares (number of shares) unlocked during the period	-	(95,000)
Restricted shares (number of shares) cancelled during the period	-	-
Restricted shares (number of shares) issued at the end of the period	-	1,667
Share-based payment expenses for the period	-	195,413
Accumulated share-based payment expenses	-	659,401,575

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

	30 June 2026	RMB 31 December 2025
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	792,226,607	870,771,838

As at 30 June 2026, the Group has no other commitments to be disclosed.

2. Contingencies

As at 30 June 2026, the Company is not involved in significant contingencies.

(XIV) EVENTS AFTER THE BALANCE SHEET DATE

1. New subsidiary established

Qingdao Huazun Liquor Industry Co., Ltd. was jointly established by the Company and Asia Pacific Spirit Alliance Pte. Ltd. on 10 August 2026, and the relevant matters have been completed with industrial and commercial registration. The registered capital of Qingdao Huazun Liquor Industry Co., Ltd. is RMB70 million, of which the Company holds 55%. As at the date of approval for the issue of the financial statements, the Company has not yet actually paid its subscribed capital contribution.

2. Merger by absorption

On 2 July 2026, Huadong Sales Company, a wholly-owned subsidiary of the Company, formally entered into an absorption merger agreement with Shanghai Company, with the merger benchmark date specified in the agreement as 30 June 2026. Upon completion of this absorption merger, Huadong Sales Company will assume all assets and liabilities of Shanghai Company, and Shanghai Company will be deregistered in accordance with the law. As at the date of approval for the issue of the financial statements, the absorption merger has not yet completed.

(XV) OTHER SIGNIFICANT EVENTS

1. Segment reporting

(1) Basis for determining reportable segments and related accounting policies

As the Group is mainly engaged in the production and sales of beer, the reportable 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 reportable segment and evaluates their operating results respectively, so as to make decisions on resources allocation and 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 reportable 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 responsible for 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 geographical location of the assets. Liabilities are allocated based on the operation of the segments.

(XV) OTHER SIGNIFICANT EVENTS (CONT'D)

1. Segment reporting (Cont'd)

(2) Financial information of the reportable segments

For the period from 1 January 2026 to 30 June 2026/30 June 2026

RMB

Item	Shandong Region	South China Region	North China Region	East China Region	Southeast China Region	Hong Kong, Macau and other overseas regions	Finance Company	Unallocated amount	Inter-segment offsetting	Total
Revenue from external customers	12,432,765,303	1,501,206,318	3,710,988,431	1,362,718,054	359,500,750	281,401,195	-	6,269,586	-	19,654,849,637
Inter-segment revenue	1,446,115,307	434,722,644	1,386,483,760	251,859,590	4,434,024	249,891,773	22,003,902	56,443,994	(3,851,954,994)	-
Cost of sales	8,316,101,426	1,269,724,944	3,346,619,897	1,097,169,371	272,396,276	444,334,908	15,998,443	60,027,719	(3,985,381,252)	10,836,991,732
Selling and distribution expenses	1,217,043,566	154,587,854	281,285,106	159,096,672	69,737,113	31,629,202	-	-	-	1,913,379,513
Interest income	19,116,120	16,725,154	27,252,411	6,219,434	280,480	3,711,487	82,196,106	74,788,547	(70,254,560)	160,035,179
Interest expenses	81,334,996	1,035,566	660,184	3,621,954	1,033,233	21,840	-	-	(79,005,342)	8,702,431
Share of profits of associates and a joint venture	-	-	-	-	-	3,509,672	-	22,620,122	-	26,129,794
Credit impairment gains (losses)	287,427	(53,280)	2,400	-	-	95,754	(189,394)	(3,200,000)	3,200,000	142,907
Asset impairment losses	(6,242,785)	(1,562,603)	(8,337,521)	(1,914,604)	(692,822)	-	-	-	-	(18,750,335)
Depreciation and amortization expenses	327,002,167	64,355,631	117,585,182	65,657,687	13,640,703	723,429	952,853	77,850,875	(482,840)	667,285,687
Total profit (loss)	3,658,660,970	330,468,000	1,130,244,121	183,332,430	(12,637,791)	52,459,657	148,235,447	(261,126,109)	145,693,992	5,375,330,717
Income tax expenses	882,373,546	78,594,898	296,396,137	47,791,243	5,034,827	12,221,240	34,177,163	-	32,053,958	1,388,643,012
Net profit (loss)	2,776,287,424	251,873,102	833,847,984	135,541,187	(17,672,618)	40,238,417	114,058,284	(261,126,109)	113,640,034	3,986,687,705
Total assets	30,305,473,815	4,274,922,774	8,718,665,395	3,712,303,486	748,359,701	822,822,700	13,545,580,107	6,453,169,184	(14,948,083,494)	53,633,213,668
Total liabilities	21,633,464,032	1,812,241,047	4,265,942,351	2,379,956,120	487,082,489	69,816,386	8,766,412,499	(2,965,852,714)	(13,450,027,590)	22,999,034,620
Non-cash expenses other than depreciation and amortization expenses	5,363,362	7,251	768,241	10,997	321	-	-	668,434	-	6,818,606
Long-term equity investments in associates and joint ventures	-	-	-	-	-	-	-	380,846,727	-	380,846,727
(Decrease) Increase in non-current assets (Note)	(983,383,613)	46,635,906	80,086,643	82,863,505	4,625,862	2,565,657	421,104	35,343,471	-	(730,841,465)

Note: Non-current assets exclude financial assets, long-term equity investments and deferred tax assets.

(XV) OTHER SIGNIFICANT EVENTS (CONT'D)

1. Segment reporting (Cont'd)

(2) Financial information of the reportable segments (Cont'd)

For the period from 1 January 2025 to 30 June 2025/30 June 2025

RMB

Item	Shandong Region	South China Region	North China Region	East China Region	Southeast China Region	Hong Kong, Macau and other overseas regions	Finance Company	Unallocated amount	Inter-segment offsetting	Total
Revenue from external customers	13,108,585,144	1,458,599,511	3,820,155,114	1,457,721,006	353,760,372	286,794,974	196,451	5,355,173	-	20,491,167,745
Inter-segment revenue	1,708,867,275	524,585,347	1,379,111,236	224,943,106	8,678,879	198,823,174	7,449,636	55,503,570	(4,107,762,223)	-
Cost of sales	9,192,799,661	1,280,438,208	3,422,917,330	1,128,463,120	282,607,786	382,216,046	52,147,639	60,757,735	(4,265,276,662)	11,537,070,863
Selling and distribution expenses	1,492,320,804	141,219,121	277,199,265	173,779,222	73,082,755	29,680,850	-	-	-	2,187,282,017
Interest income	26,464,596	5,954,498	13,721,403	3,626,417	484,965	2,888,156	162,862,158	63,525,932	(57,205,957)	222,322,168
Interest expenses	33,311,445	1,255,991	680,379	3,545,462	1,106,372	98,143	52,097,172	-	(87,248,305)	4,846,659
Share of profits of associates and a joint venture	-	-	-	-	-	3,254,379	-	23,392,953	-	26,647,332
Credit impairment gains (losses)	14,555,253	(53,280)	2,400	-	-	(574,266)	(14,425,797)	50,000,000	(50,000,000)	(505,690)
Asset impairment losses	-	-	-	-	-	-	-	-	-	-
Depreciation and amortization expenses	299,179,726	71,555,941	120,647,324	67,819,665	17,650,093	3,055,764	868,019	66,756,973	(482,493)	647,051,012
Total profit (loss)	3,314,897,898	372,121,343	1,152,848,610	285,557,898	(21,230,776)	80,492,904	122,252,031	(132,283,422)	88,500,914	5,263,157,400
Income tax expenses	777,087,189	73,949,557	295,959,857	51,692,080	1,606,395	27,613,796	29,781,143	-	31,501,065	1,289,191,082
Net profit (loss)	2,537,810,709	298,171,786	856,888,753	233,865,818	(22,837,171)	52,879,108	92,470,888	(132,283,422)	56,999,849	3,973,966,318
Total assets	20,501,032,448	4,135,090,731	7,630,787,654	3,628,476,258	775,336,604	690,795,660	18,849,754,835	10,371,689,536	(16,319,329,509)	50,263,634,217
Total liabilities	17,319,688,469	1,890,768,909	4,580,993,089	2,508,768,086	463,233,909	72,959,702	14,757,527,307	223,633,588	(20,458,973,719)	21,358,599,340
Non-cash expenses other than depreciation and amortization expenses	5,753,412	35,465	988,981	72,870	5,913	-	11,571	707,188	-	7,575,400
Long-term equity investments in associates and joint ventures	-	-	-	-	-	-	-	376,172,130	-	376,172,130
Increase (Decrease) in non-current assets/(Note)	1,430,049,764	56,547,586	29,908,951	249,589,166	1,263,291	(520,095)	1,415,229	7,310,943	(46,497,047)	1,729,067,788

Note: Non-current assets exclude financial assets, long-term equity investments and deferred tax assets.

(3) Revenue from external transactions:

	Amount incurred in the current period	RMB Amount incurred in the prior period
Revenue from external transactions		
Chinese Mainland	19,342,563,434	20,178,128,670
Hong Kong and Macau SARs	77,468,127	83,949,059
Other overseas countries and regions	234,818,076	229,090,016
Total	19,654,849,637	20,491,167,745

(XV) OTHER SIGNIFICANT EVENTS (CONT'D)

1. Segment reporting (Cont'd)

(4) Total non-current assets by geographical location:

Total non-current assets:

		RMB
	30 June	31 December
Item	2026	2025
Chinese Mainland	18,345,344,708	18,156,534,651
Hong Kong and Macau SARs	18,168,756	13,508,720
Total	18,363,513,464	18,170,043,371

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.

For the period from 1 January 2026 to 30 June 2026, 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 30 June 2026 and 31 December 2025 are as follows:

Item		RMB
	30 June 2026	31 December 2025
Cash and cash equivalents	2,485,906,255	2,287,130,298
Less: Short-term borrowings	-	-
Cash balance after deducting borrowings	2,485,906,255	2,287,130,298

(XVII) NOTES TO KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS

1. Accounts receivable

		RMB
	30 June	31 December
Item	2026	2025
Accounts receivable	1,417,699,822	1,498,227,456
Less: Allowance for bad debt	21,812,308	21,908,062
Total	1,395,887,514	1,476,319,394

1. Accounts receivable (Cont'd)**(1) Disclosure by aging**

Aging	RMB	
	Gross carrying amount at 30 June 2026	Gross carrying amount at 31 December 2025
Within 1 year (inclusive)	1,135,213,466	1,125,960,312
1 to 2 years	130,277,128	157,609,474
2 to 3 years	19,825,129	70,936,681
3 to 4 years	23,677,971	37,251,851
4 to 5 years	17,214,822	16,726,516
Over 5 years	91,491,306	89,742,622
Total	1,417,699,822	1,498,227,456

Accounts receivable are primarily recorded based on the transaction date, and the aging analysis presented by recording date is generally consistent with that presented by invoice date.

(2) Disclosure by provision method for bad debt

					<i>RMB</i>
30 June 2026					
	Gross carrying amount		Allowance for bad debt		
Category	Amount	Proportion (%)	Amount	Proportion (%)	Carrying amount
Allowance for bad debt made on an individual basis	11,245,784	0.8	11,245,784	100.0	-
Allowance for bad debt made on a portfolio basis	1,406,454,038	99.2	10,566,524	0.8	1,395,887,514
Subsidiaries	1,327,629,843	93.6	-	-	1,327,629,843
Dealers	78,824,195	5.6	10,566,524	13.4	68,257,671
Total	1,417,699,822	100.0	21,812,308	/	1,395,887,514
<i>RMB</i>					
31 December 2025					
	Gross carrying amount		Allowance for bad debt		
Category	Amount	Proportion (%)	Amount	Proportion (%)	Carrying amount
Allowance for bad debt made on an individual basis	11,245,784	0.8	11,245,784	100.0	-
Allowance for bad debt made on a portfolio basis	1,486,981,672	99.2	10,662,278	0.7	1,476,319,394
Subsidiaries	1,438,736,605	96.0	-	-	1,438,736,605
Dealers	48,245,067	3.2	10,662,278	22.1	37,582,789
Total	1,498,227,456	100.0	21,908,062	/	1,476,319,394

1. Accounts receivable (Cont'd)

(2) Disclosure by provision method for bad debt (Cont'd)

Allowance for bad debt made on an individual basis

Name	30 June 2026			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 recover

RMB

Name	31 December 2025			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 recover

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 ECL 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:

As at 30 June 2026, the credit risk and allowance for bad debt of accounts receivable are summarized as follows:

Aging	30 June 2026			
	Expected average loss rate (%)	Gross carrying amount	Allowance for bad debt	Carrying amount
Not overdue	-	65,351,816	-	65,351,816
Overdue within 1 year	5	3,058,794	152,939	2,905,855
Overdue more than 2 years	100	10,413,585	10,413,585	-
Total	/	78,824,195	10,566,524	68,257,671

RMB

1. Accounts receivable (Cont'd)**(2) Disclosure by provision method for bad debt (Cont'd)**

As at 31 December 2025, the credit risk and allowance for bad debt of accounts receivable are summarized as follows:

Aging	31 December 2025				RMB
	Expected average loss rate (%)	Gross carrying amount	Allowance for bad debt	Carrying amount	
Not overdue	-	32,857,604	-	32,857,604	
Overdue within 1 year	5	4,973,878	248,693	4,725,185	
Overdue more than 2 years	100	10,413,585	10,413,585	-	
Total	/	48,245,067	10,662,278	37,582,789	

(3) Allowance for bad debt

Category	31 December 2025	Changes for the period			30 June 2026	RMB
		Provision	Recovery or reversal	Write-off		
Accounts receivable	21,908,062	-	95,754	-	21,812,308	

There is no significant recovery or reversal of allowance for bad debt in the current period.

(4) Accounts receivable actually written off in the current period

For the period from 1 January 2026 to 30 June 2026, the Company does not have accounts receivable actually written off (for the period from 1 January 2025 to 30 June 2025: 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	727,249,603	-	51%	

2. Other receivables**2.1 Summary of other receivables**

Category	30 June	RMB
	2026	31 December 2025
Dividends receivable	209,000,000	-
Other receivables	116,459,162	82,550,866
Total	325,459,162	82,550,866

2.2 Dividends receivable

Item	Gross carrying amount at 30 June 2026	RMB Gross carrying amount at 31 December 2025
Dividends receivable from subsidiaries	209,000,000	-

As at 30 June 2026, the Company had no dividends receivable that were past due or for which allowance for credit loss was made (31 December 2025: nil); the Company does not have dividends receivable actually written off (for the period from 1 January 2025 to 30 June 2025: nil).

2.3 Other receivables*(1) Disclosure by aging:*

Aging	Gross carrying amount at 30 June 2026	RMB Gross carrying amount at 31 December 2025
Not overdue	112,395,493	78,701,569
Overdue within 1 year	1,192,732	978,160
Overdue 1 - 2 years	-	-
Overdue more than 2 years	20,874,431	20,874,631
Total	134,462,656	100,554,360

2. Other receivables (Cont'd)**2.3 Other receivables (Cont'd)***(2) Disclosure of other receivables by nature*

Item	Gross carrying amount at 30 June 2026	RMB Gross carrying amount at 31 December 2025
Amounts due from subsidiaries	96,997,320	75,791,896
Refund of land and buildings receivable	17,441,647	17,441,647
Guarantee deposits	10,001,610	3,349,995
Petty cash	711,238	498,723
Others	9,310,841	3,472,099
Total	134,462,656	100,554,360

The Company does not have amounts attributed to other parties and presented in other receivables due to centralized management of funds.

(3) Allowance for bad debt

Allowance for bad debt	Stage I	Stage II	Stage III	Total
	12-month ECL	Lifetime ECL (not credit- impaired)	Lifetime ECL (credit- impaired)	
Balance at 1 January 2026	-	-	18,003,494	18,003,494
Balance at 1 January 2026 transferred during the period				
- to Stage II	-	-	-	-
- to Stage III	-	-	-	-
- back to Stage II	-	-	-	-
- back to Stage I	-	-	-	-
Provision	-	-	-	-
Reversal	-	-	-	-
Write-off	-	-	-	-
Balance at 30 June 2026	-	-	18,003,494	18,003,494

(4) Allowance for bad debt for the period

No allowance for bad debt of other receivables was made for the period; no allowance for bad debt of other receivables was recovered or reversed for the period.

(5) There were no allowance for bad debt of other receivables actually written off in the period.

2. Other receivables (Cont'd)**2.3 Other receivables (Cont'd)**(6) *Top five other receivables in closing balance categorized by debtors*

						RMB
Name of the entity	30 June 2026	Proportion to total other receivables as at 30 June 2026 (%)	Nature	Aging	Allowance for bad debt	Carrying amount
Qingdao Xianghong Shangwu Co., Ltd.	23,089,846	17.2	Amounts due from subsidiaries	Within 1 year	-	23,089,846
Zaozhuang Company	8,706,269	6.5	Amounts due from subsidiaries	Within 1 year	-	8,706,269
Qingdao West Coast New Area Natural Resources Bureau	8,584,437	6.4	Refund of land receivable	Over 5 years	8,584,437	-
Jiuyuan Technology Company	7,731,049	5.7	Amounts due from subsidiaries	Within 1 year	-	7,731,049
Lulansa Company	5,888,399	4.4	Amounts due from subsidiaries	Within 1 year	-	5,888,399
Total	54,000,000	40.2	/	/	8,584,437	45,415,563

3. Inventories**(1) Categories of inventories**

						RMB
Item	30 June 2026			31 December 2025		
	Gross carrying amount	Provision for decline in value	Carrying amount	Gross carrying amount	Provision for decline in value	Carrying amount
Raw materials	420,508,120	-	420,508,120	303,810,996	-	303,810,996
Packaging materials	114,230,339	662,025	113,568,314	104,950,542	662,025	104,288,517
Low-cost and short-lived consumables	32,408,818	-	32,408,818	18,563,949	-	18,563,949
Work in progress	111,549,617	-	111,549,617	114,066,648	-	114,066,648
Goods on hand	153,068,993	-	153,068,993	900,097,109	-	900,097,109
Total	831,765,887	662,025	831,103,862	1,441,489,244	662,025	1,440,827,219

(2) Provision for decline in value of inventories

					RMB
Item	31 December 2025	Increase in the period	Write-off in the period		30 June 2026
Packaging materials	662,025	-	-		662,025

4. Long-term equity investments

Item	30 June 2026			31 December 2025		
	Gross carrying amount	Provision for impairment	Carrying amount	Gross carrying amount	Provision for impairment	Carrying amount
Investments in subsidiaries	15,672,447,701	1,874,268,870	13,798,178,831	15,548,363,670	1,874,268,870	13,674,094,800
Investments in associates and joint ventures	369,522,953	1,220,000	368,302,953	367,824,940	1,220,000	366,604,940
Total	16,041,970,654	1,875,488,870	14,166,481,784	15,916,188,610	1,875,488,870	14,040,699,740

RMB

(1) Subsidiaries

Investees	Changes for the period				Opening balance of provision for impairment	Increase in provision for impairment	Decrease in provision for impairment	Closing balance of provision for impairment	Cash dividends or profits declared (Note 1)
	31 December 2025	Increased investment	Decreased investment	30 June 2026					
Shenzhen Asahi	129,455,430	-	-	129,455,430	-	-	-	-	52,677,900
Chenzhou Company	65,059,968	-	-	65,059,968	-	-	-	-	-
Huann Sales Company	53,377,231	-	-	53,377,231	-	-	-	-	500,000,000
Chenzhou Sales Company	3,743,932	-	-	3,743,932	-	-	-	-	-
Huann Holding Investment	208,790,000	-	-	208,790,000	-	-	-	-	50,000,000
Zhuhai Company	2,818,363	-	-	2,818,363	-	-	-	-	-
Sanshui Company	2,196,022	-	-	2,196,022	-	-	-	-	-
Suizhou Company	2,771,536	-	-	2,771,536	-	-	-	-	-
Nanning Company	2,322,270	-	-	2,322,270	-	-	-	-	-
Huadong Holding Company	96,855,102	-	-	96,855,102	(96,855,102)	-	-	(96,855,102)	-
Shouguang Company	63,147,098	-	-	63,147,098	-	-	-	-	-
Five Star Company	26,229,478	-	-	26,229,478	(24,656,410)	-	-	(24,656,410)	-
Three Ring Company	172,395,579	-	-	172,395,579	(69,457,513)	-	-	(69,457,513)	-
Beifang Sales Company	89,598,000	-	-	89,598,000	(83,984,000)	-	-	(83,984,000)	-
Xi'an Hans	358,271,161	-	-	358,271,161	-	-	-	-	850,000,000
Baoji Company	3,081,699	-	-	3,081,699	-	-	-	-	-
Gansu Nongken	53,452,357	-	-	53,452,357	-	-	-	-	-
Wuwei Company	2,454,374	-	-	2,454,374	-	-	-	-	-
Yulin Company	3,389,549	-	-	3,389,549	-	-	-	-	-
Weinan Company	17,373,191	-	-	17,373,191	-	-	-	-	14,000,000
Anshan Company	50,762,068	-	-	50,762,068	-	-	-	-	-
Xingkuahu Company	242,327,964	-	-	242,327,964	(129,430,000)	-	-	(129,430,000)	-

RMB

4. Long-term equity investments (Cont'd)

(1) Subsidiaries (Cont'd)

Investees	31 December 2025	Changes for the period		30 June 2026	Opening balance of provision for impairment	Increase in provision for impairment	Decrease in provision for impairment	Closing balance of provision for impairment	Cash dividends or profits declared (Note 1)
		Increased investment	Decreased investment						
Harbin Company	216,263,678	-	-	216,263,678	(109,940,000)	-	-	(109,940,000)	80,000,000
Penglai Company	30,000,000	-	-	30,000,000	(30,000,000)	-	-	(30,000,000)	-
Rongcheng Company	68,129,774	-	-	68,129,774	(65,103,434)	-	-	(65,103,434)	-
Tsingtao Brewery International	11,210,000	-	-	11,210,000	-	-	-	-	20,000,000
Tsingtao Brewery (Laoshan) Co., Ltd.	18,089,491	-	-	18,089,491	-	-	-	-	-
Hong Kong Company	41,728,681	-	-	41,728,681	-	-	-	-	80,000,000
Qingdao Xianghong Shangwu Co., Ltd.	5,760,000	-	-	5,760,000	-	-	-	-	-
Dongnan Sales Company	299,076,285	-	-	299,076,285	-	-	-	-	-
Xiamen Company	2,405,835	-	-	2,405,835	-	-	-	-	-
Fuzhou Company	3,075,771	-	-	3,075,771	-	-	-	-	-
Zhangzhou Company	1,319,305	-	-	1,319,305	-	-	-	-	-
Changsha Company	49,033,988	-	-	49,033,988	-	-	-	-	-
Jinan Company	563,057,135	-	-	563,057,135	-	-	-	-	87,000,000
Guangrunlong Real Estate	16,465,405	-	-	16,465,405	-	-	-	-	-
Cultural Communication Company	79,079,541	-	-	79,079,541	-	-	-	-	60,000,000
Chengdu Company	282,758,796	-	-	282,758,796	(118,855,583)	-	-	(118,855,583)	-
Rizhao Company	342,438,349	-	-	342,438,349	-	-	-	-	39,000,000
Weifang Company	76,406,967	-	-	76,406,967	-	-	-	-	-
Dezhou Company	24,748,277	-	-	24,748,277	-	-	-	-	-
Construction Company	4,393,499	-	-	4,393,499	-	-	-	-	-
Langfang Company	82,081,062	-	-	82,081,062	-	-	-	-	-

4. Long-term equity investments (Cont'd)

(1) Subsidiaries (Cont'd)

Investees	Changes for the period			30 June 2026	Opening balance of provision for impairment	Increase in provision for impairment	Decrease in provision for impairment	Closing balance of provision for impairment	Cash dividends or profits declared (Note 1)
	31 December 2025	Increased investment	Decreased investment						
Here Company	127,667,832	-	-	127,667,832	(51,301,600)	-	-	(51,301,600)	186,160,000
Tengzhou Company	49,878,712	-	-	49,878,712	-	-	-	-	-
Tsingtao Brewery (Shanghai) Co., Ltd. ("Shanghai Company") (Note 2)	1,570,000	21,470,919	-	23,040,919	-	-	-	-	-
Wuhu Company	274,666,268	-	-	274,666,268	(274,290,000)	-	-	(274,290,000)	-
Huadong Sales Company (Note 3)	97,300,000	1	-	97,300,001	(47,300,000)	-	-	(47,300,000)	-
Maanshan Company (Note 4)	82,837,659	15,163,111	-	98,000,770	-	-	-	-	-
Shijiazhuang Company	324,095,534	-	-	324,095,534	-	-	-	-	62,000,000
Taiyuan Company	203,083,671	-	-	203,083,671	-	-	-	-	32,000,000
Chengyang Sales Company	8,000,000	-	-	8,000,000	-	-	-	-	-
Finance Company	3,004,178,143	-	-	3,004,178,143	-	-	-	-	-
Immense Brewery Company	1,414,117,998	-	-	1,414,117,998	-	-	-	-	-
Hangzhou Company	250,091,325	-	-	250,091,325	-	-	-	-	-
Jieyang Company	152,469,234	-	-	152,469,234	-	-	-	-	-
Beverage Company	31,947,919	-	-	31,947,919	-	-	-	-	-
Shaoguan Company	201,931,363	-	-	201,931,363	(150,000,000)	-	-	(150,000,000)	-
Electronic Commerce Company	8,000,000	-	-	8,000,000	-	-	-	-	-
Pingdu Sales Company	5,000,000	-	-	5,000,000	-	-	-	-	350,000,000
Jiujiang Company	182,352,063	-	-	182,352,063	-	-	-	-	9,000,000
Xuzhou Enterprise Management	10,000,000	-	-	10,000,000	(10,000,000)	-	-	(10,000,000)	-
Xuecheng Company	1,788,359	-	-	1,788,359	-	-	-	-	-
Luoyang Company	202,866,677	-	-	202,866,677	-	-	-	-	200,000,000
Shanghai Industrial Company	200,895,228	-	-	200,895,228	(200,895,228)	-	-	(200,895,228)	-

4. Long-term equity investments (Cont'd)

(1) Subsidiaries (Cont'd)

Investees	31 December 2025	Changes for the period		30 June 2026	Opening balance of provision for impairment	Increase in provision for impairment	Decrease in provision for impairment	Closing balance of provision for impairment	Cash dividends or profits declared (Note 1)
		Increased investment	Decreased investment						
Nanjing Sales Company	6,871,662	-	-	6,871,662	-	-	-	-	-
Shanghai Sales Company	6,445,495	-	-	6,445,495	-	-	-	-	-
Luzhou Company	120,857,127	-	-	120,857,127	-	-	-	-	-
Zhangjiakou Company	202,332,974	-	-	202,332,974	-	-	-	-	-
Lulansa Company	561,968,028	-	-	561,968,028	-	-	-	-	-
Huangshi Company	166,130,808	-	-	166,130,808	-	-	-	-	-
Yingcheng Company	93,989,969	-	-	93,989,969	-	-	-	-	-
Hanzhong Company	28,458,947	-	-	28,458,947	-	-	-	-	-
Shanghai Investing Company	1,920,654,036	-	-	1,920,654,036	-	-	-	-	-
Xuzhou Company	2,057,553	-	-	2,057,553	-	-	-	-	-
Pengcheng Company	2,804,775	-	-	2,804,775	-	-	-	-	-
New Songjiang Manufacturing Company	3,411,828	-	-	3,411,828	-	-	-	-	-
Minhang Company	2,417,018	-	-	2,417,018	-	-	-	-	-
Kunshan Company	2,460,403	-	-	2,460,403	-	-	-	-	-
Lianyungang Company	214,622,958	-	-	214,622,958	(212,200,000)	-	-	(212,200,000)	-
Yangzhou Company	102,988,145	-	-	102,988,145	-	-	-	-	-
Tsingtao Brewery Shanghai Yangru Co., Ltd.	200,000,000	-	-	200,000,000	(200,000,000)	-	-	(200,000,000)	-
Suqian Company	77,512,621	-	-	77,512,621	-	-	-	-	-
Zouhuang Company	201,852,223	-	-	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	300,000,000	-	-	300,000,000	-	-	-	-	-
Jiuyuan Technology Company	50,000,000	-	-	50,000,000	-	-	-	-	-
Biotechnology Company (Note 5)	97,394,904	87,450,000	-	184,844,904	-	-	-	-	-
Total	15,548,363,670	124,084,031	-	15,672,447,701	(1,874,268,870)	-	-	(1,874,268,870)	2,671,837,900

4. Long-term equity investments (Cont'd)

(2) Joint ventures and associates

Investees	31 December 2025	Changes for the period				Cash dividends or profits declared (Note 1)	30 June 2026	Opening balance of provision for impairment	Closing balance of provision for impairment
		Investment income or loss recognized under equity method	Adjustment to other comprehensive income	Other changes in equity	Provision for impairment				
I. Joint venture									
Hebei Jiade Company	216,508,751	9,744,201	-	-	-	(9,500,000)	216,752,952	-	-
II. Associates									
Yantai Brewery Company	139,406,081	11,173,487	-	-	-	(10,907,377)	139,672,191	-	-
Sinotrans Logistics	10,690,108	1,166,932	-	20,770	-	-	11,877,810	-	-
Liaoning Shenqing Company	-	-	-	-	-	-	-	-	-
Others	1,220,000	-	-	-	-	-	1,220,000	(1,220,000)	(1,220,000)
Total	367,824,940	22,084,620	-	20,770	-	(20,407,377)	369,522,953	(1,220,000)	(1,220,000)

Note 1: For the period from 1 January 2026 to 30 June 2026, the cash dividends declared represent the dividends distributed to the Company.

Note 2: Pursuant to the resolution of the Board of Directors dated 27 March 2026, the Board of Directors approved the Company's acquisition of 95% equity interest in Shanghai Company held by Huadong Holding Company for RMB21,470,919. As at the date of approval for the issue of the financial statements, the Company holds 100% equity interest in Shanghai Company.

Note 3: Pursuant to the resolution of the Board of Directors dated 27 March 2026, the Board of Directors approved the Company's acquisition of 2.99% equity interest in Huadong Sales Company held by Huadong Holding Company for RMB1. As at the date of approval for the issue of the financial statements, the Company holds 100% equity interest in Huadong Sales Company.

Note 4: Pursuant to the resolution of the Board of Directors dated 27 March 2026, the Board of Directors approved the Company's acquisition of 5.5882% equity interest in Maanshan Company held by Huadong Holding Company for RMB14,404,994 and 0.2941% equity interest in Maanshan Company held by Yangzhou Company for RMB758,117. As at the date of approval for the issue of the financial statements, the Company holds 100% equity interest in Maanshan Company.

Note 5: Pursuant to the resolution of the Board of Directors dated 28 March 2025, the Board of Directors deliberated and approved the establishment of Biotechnology Company, a wholly-owned subsidiary of the Company, with a registered capital of RMB421,000,000. As at the date of approval for the issue of the financial statements, the Company has contributed a cumulative amount of RMB184,844,904.

5. Revenue and cost of sales**(1) Revenue and cost of sales**

Item	Amount incurred in the current period		Amount incurred in the prior period	
	Revenue	Cost of sales	Revenue	Cost of sales
Main operation	14,096,034,646	9,780,106,144	14,664,635,061	10,464,984,506
Other operations	285,341,179	274,525,043	954,517,249	931,215,674
Total	14,381,375,825	10,054,631,187	15,619,152,310	11,396,200,180

(2) Revenue from contracts**a. Main operation**

Name of industry	Amount incurred in the current period		Amount incurred in the prior period	
	Revenue from main operation	Cost of main operation	Revenue from main operation	Cost of main operation
Sales of beer, etc.	14,096,034,646	9,780,106,144	14,664,635,061	10,464,984,506

b. Other operations

Name of industry	Amount incurred in the current period		Amount incurred in the prior period	
	Revenue from other operations	Cost of other operations	Revenue from other operations	Cost of other operations
Sales of materials	234,979,092	225,408,404	916,937,446	895,553,184
Others	50,362,087	49,116,639	37,579,803	35,662,490
Total	285,341,179	274,525,043	954,517,249	931,215,674

(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.

6. Investment income

(1) Details of investment income

Item	RMB	
	Amount incurred in the current period	Amount incurred in the prior period
Income from long-term equity investments accounted for using the cost method (Note)	2,671,837,900	2,321,635,747
Income from long-term equity investments accounted for using the equity method	22,620,121	23,392,953
Investment income (loss) from disposal of financial assets held for trading	553,337	(2,500)
Others	1,130,032	1,866,889
Total	2,696,141,390	2,346,893,089

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 period	
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	146,872,814	
Profit or loss 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, other than those used in the effective hedging activities relating to the normal operation of the business	129,317,653	
Profit or loss on disposal of non-current assets, including the write-off of provision for impairment of assets previously accrued	52,417,732	
Other non-operating income and expenses other than the above	10,014,977	
Income tax effects	(79,977,229)	
Effects attributable to non-controlling interests (after tax)	(6,257,344)	
Total	252,388,603	

1. Breakdown of non-recurring profit or loss (Cont'd)

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 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	Weighted average return on net assets (%)	Earnings per share	
		Basic earnings per share	Diluted earnings per share
Net profit attributable to ordinary shareholders of the Company	12.02	2.873	2.873
Net profit after deducting non-recurring profit or loss attributable to ordinary shareholders of the Company	11.25	2.688	2.688

(I) INTRODUCTION TO GENERAL INFORMATION OF THE COMPANY'S OPERATING ACTIVITIES DURING THE REPORTING PERIOD

In the first half of 2026, the Company remained committed to implementing a brand-led high-quality development strategy, continuously strengthening innovation-driven growth, optimizing its product mix, deepening its market footprint, and enhancing operational efficiency. During the Reporting Period, the Company achieved product sales of 4.5 million kiloliters; generated operating revenue of RMB19.65 billion; and recorded net profit attributable to shareholders of the listed company of RMB3.92 billion. The Company maintained sound operations and strong internal momentum, demonstrating robust development resilience and sustainable growth capabilities.

During the Reporting Period, the Company continued to advance the optimization and upgrading of its product mix, with mid-to-high-end and health-oriented categories driving growth. By deepening the “Tsingtao Beer + Laoshan Beer” brand strategy and leveraging the “1+1+1+2+N” product matrix, the Company built a diversified growth engine. In the first half of the year, the main “Tsingtao Beer” brand achieved sales of 2.708 million kiloliters, of which mid-to-high-end and premium products accounted for 2.044 million kiloliters, representing a year-on-year increase of 2.6%.

The Company continued to strengthen the market leadership of its flagship products and fresh beer offerings, using core flagship products to solidify its foundation and strategic products to tap into incremental markets; at the same time, it accelerated its expansion into emerging segments to build a more balanced and sustainable growth structure. In the first half of the year, the Classic Series products underwent a refresh and upgrade, continuing to maintain steady growth; White Beer and Light Dry products saw strong growth, with White Beer continuing to lead its industry segment thanks to its “World Gold Medal Quality” and ranking first in the industry’s white beer category; Light Dry precisely positioned itself in the “zero-sugar, low-calorie” health segment, rapidly growing into a category benchmark. The Company implemented strategic partnerships with international premium brands; the all-malt lager produced in collaboration with Germany’s Paulaner Group gained immediate recognition upon its launch, further solidifying the Company’s premium product portfolio.

During the Reporting Period, despite a market environment characterized by weak consumer demand, the Company deepened its market operations, drove channel transformation, and focused on “new products, new channels, new consumer groups, new scenarios, and new demands” to cultivate new growth drivers. Taking into account the distinct characteristics of each regional market, the Company continued to strengthen product innovation and brand communication, rigorously pursued refined market operations and point-of-sale sales promotion, pioneered “scenario-based marketing,” and built a smart and efficient supply chain; the competitive edge in traditional core markets was further consolidated, while emerging markets gradually gained momentum. In overseas markets, the Company expanded its distribution network coverage, accelerated product innovation, and achieved steady growth in export sales; Tsingtao Beer was listed among Kantar BrandZ’s “Top 50 Globalized Chinese Brands 2026,” with its global brand influence continuing to rise.

The Company proactively drove channel transformation. Building on strengths in mainstream channels, it accelerated its expansion into high-potential channels such as convenience retail and high-end dining, with growth in these emerging channels consistently leading the industry. During the Reporting Period, sales volumes in online, convenience retail, and modern retail all reached record highs. Notably, the convenience retail segment maintained rapid growth for six consecutive years through comprehensive product category coverage and innovative marketing models, unlocking new growth momentum in incremental markets.

(II) CORE COMPETITIVENESS ANALYSIS

The Company’s core competitiveness and the discussion and analysis on the Company’s future developments (including the Company’s development strategy and business plan) did not change during the Reporting Period. Please refer to the Company’s 2025 Annual Report for details.

**(III) ANALYSIS OF PRINCIPAL FINANCIALS DURING THE REPORTING PERIOD
(CALCULATED IN ACCORDANCE WITH CHINA'S ACCOUNTING STANDARDS FOR
BUSINESS ENTERPRISES)**

1. Analysis of changes in relevant items of the financial statements

Item	Unit: '000 Yuan Currency: RMB		
	Current Reporting Period	Corresponding period in the previous year	Increase/ Decrease (%)
Revenue	19,654,850	20,491,168	-4.08
Cost of sales	10,836,992	11,537,071	-6.07
Selling and distribution expenses	1,913,380	2,187,282	-12.52
General and administrative expenses	695,743	682,992	1.87
Finance expenses	-142,107	-207,791	
Research and development expenses	51,804	43,712	18.51
Profits arising from changes in fair value	180,972	53,499	238.27
Asset impairment losses	-18,750	—	
Gains on disposals of assets	52,418	112,106	-53.24
Net cash flow from operating activities	5,504,556	4,799,544	14.69
Net cash flow from investing activities	-5,222,392	-2,616,463	
Net cash flow from financing activities	-74,425	-1,624,083	

(1) Revenue

In the first half of 2026, revenue decreased by 4.08% year-on-year, mainly due to the impact of sales volume during the Reporting Period.

(2) Cost of sales

In the first half of 2026, cost of sales decreased by 6.07% year-on-year, mainly due to the impact of sales volume and a decrease in certain raw material costs during the Reporting Period.

(3) Selling and distribution expenses

In the first half of 2026, selling and distribution expenses decreased by 12.52% year-on-year, mainly due to the impact of sales volume and reduced business promotion expenses in certain regions during the Reporting Period.

(4) General and administrative expenses

In the first half of 2026, general and administrative expenses increased by 1.87% year-on-year, which remained largely flat compared with the same period last year.

(5) Finance expenses

In the first half of 2026, finance expenses increased by RMB65,684 thousand year-on-year, mainly due to a decrease in interest income resulting from lower interest rates during the Reporting Period.

(6) Research and development expenses

In the first half of 2026, research and development expenses increased by 18.51% year-on-year, mainly due to increased investment in new product development during the Reporting Period.

(7) Profits arising from changes in fair value

In the first half of 2026, profits arising from changes in fair value increased by 238.27% year-on-year, mainly due to an increase in fair value gain generated by wealth management products, bonds and other investments held by the Group during the Reporting Period.

(8) Asset impairment losses

In the first half of 2026, asset impairment losses increased by RMB18,750 thousand year-on-year, mainly due to higher impairment losses on fixed assets recognized by certain subsidiaries during the Reporting Period.

(9) Gains on disposals of assets

In the first half of 2026, gains on disposals of assets decreased by 53.24% year-on-year, mainly due to reduced gains from disposals of land use rights and other long-term assets recognized by certain subsidiaries during the Reporting Period.

(10) Net cash flow from operating activities

In the first half of 2026, net cash flow from operating activities increased by 14.69% year-on-year, mainly due to decreased tax payments resulting from the impact of sales volume during the Reporting Period.

(11) Net cash flow from investing activities

In the first half of 2026, net cash flow from investing activities decreased by RMB2,605,929 thousand year-on-year, mainly due to an increase in net investment in wealth management products by the Group during the Reporting Period.

(12) Net cash flow from financing activities

In the first half of 2026, net cash flow from financing activities increased by RMB1,549,658 thousand year-on-year, mainly due to the fact that the cash dividends declared pursuant to the shareholders' resolution at the end of the Reporting Period had not yet been paid.

2. Information on assets and liabilities

Unit: '000 Yuan Currency: RMB					
Item	30 June 2026	Percentage of total assets (%)	31 December 2025	Percentage of total assets (%)	Increase/ (Decrease) (%)
Financial assets held for trading	11,009,038	19.84	6,228,401	11.95	76.76
Advances to suppliers	176,895	0.32	134,632	0.26	31.39
Current portion of non-current assets	1,716,258	3.09	48,213	0.09	3459.71
Other non-current assets	3,825,117	6.89	5,479,906	10.51	-30.20
Notes payable	223,440	0.40	125,587	0.24	77.92
Accounts payable	4,147,938	7.48	3,050,359	5.85	35.98
Taxes payable	1,049,345	1.89	442,764	0.85	137.00
Other payables	6,269,019	11.30	3,337,759	6.40	87.82
Other current liabilities	77,769	0.14	338,211	0.65	-77.01

(1) Financial assets held for trading

At the end of the Reporting Period, financial assets held for trading increased by 76.76% compared with the beginning of the period, mainly due to the purchase of wealth management products during the Reporting Period.

(2) Advances to suppliers

At the end of the Reporting Period, advances to suppliers increased by 31.39% compared with the beginning of the period, mainly due to an increase in purchases of raw materials through advance payment during the Reporting Period.

(3) Current portion of non-current assets

At the end of the Reporting Period, current portion of non-current assets increased by RMB1,668,045 thousand compared with the beginning of the period, mainly due to the reclassification of certain long-term time deposits originally presented in other non-current assets at the beginning of the year into current portion of non-current assets, as their maturity dates were less than one year from the end of the Reporting Period.

(4) Other non-current assets

At the end of the Reporting Period, other non-current assets decreased by 30.20% compared with the beginning of the period, mainly due to the reclassification of certain long-term time deposits originally presented in other non-current assets at the beginning of the year into current portion of non-current assets, as their maturity dates were less than one year from the end of the Reporting Period.

(5) Notes payable

At the end of the Reporting Period, notes payable increased by 77.92% compared with the beginning of the period, mainly due to an increase in raw material payables settled by notes during the Reporting Period.

(6) Accounts payable

At the end of the Reporting Period, accounts payable increased by 35.98% compared with the beginning of the period, mainly due to increased raw material purchases during the Reporting Period.

(7) Taxes payable

At the end of the Reporting Period, taxes payable increased by 137.00% compared with the beginning of the period, mainly due to an increase in income tax, value-added tax, consumption tax and other taxes payable during the Reporting Period.

(8) Other payables

At the end of the Reporting Period, other payables increased by 87.82% compared with the beginning of the period, mainly due to unpaid cash dividends declared pursuant to the shareholders' resolution at the end of the Reporting Period had not yet been paid.

(9) Other current liabilities

At the end of the Reporting Period, other current liabilities decreased by 77.01% compared with the beginning of the period, mainly due to a decrease in deferred output VAT (output VAT to be transferred) of certain subsidiaries during the Reporting Period.

3. Other information

(1) Debt/Capital ratio

As at 30 June 2026, the Group's debt/capital ratio was 0% (31 December 2025: 0%). The calculation of debt/capital ratio is: total amount of long-term borrowings/(total amount of long-term borrowings + equity attributable to the shareholders of the Company).

(2) Assets mortgage

As at 30 June 2026, the Group did not have any mortgages (31 December 2025: Nil).

(3) Risk of fluctuations in exchange rate

The Group currently relies on imported barley as its raw material for beer production. Therefore, fluctuations in the exchange rate would affect the purchase cost of raw materials. In addition, fluctuations in exchange rate would also directly affect the product export income of the Group as some beer products of the Group are exported for sale. These matters would impact the profitability of the Group to certain extents.

(4) Capital expenses

In the first half of year 2026, the Group had invested a total of approximately RMB1,109 million in new construction, relocation, reconstruction and expansion projects. Based on the current situation of the Group's funds and profitability, there are sufficient self-owned funds and continuous net operating cash inflow to satisfy the Group's needs for funds for its capital projects.

(5) Investments

See details in the notes to the financial statements of this 2026 Interim Report.

(6) Contingent liabilities

Nil.

4. Save as disclosed herein, there has been no material change in information disclosed in the interim report from the information disclosed in the 2025 Annual Report of the Company in relation to matters set out in Appendix D2 of the Hong Kong Listing Rules and there are no other matters that need to be disclosed in this report.

SIGNIFICANT EVENTS

During the Reporting Period, the Company was not involved in any new significant litigation or arbitration.

CHANGES TO SHARE CAPITAL AND INFORMATION OF SHAREHOLDERS

1. Information of Shareholders

- (1) As at 30 June 2026, the total number of shareholders of the Company was 111,118, including 110,890 holders of A-share and 228 holders of H-share. Based on disclosed public information which was known by the Board of Directors of the Company on the latest practicable date prior to the publication of the Interim Report, the Company's public float satisfied the requirements of the Listing Rules.
- (2) As at the end of the Reporting Period, the shareholding of top 10 shareholders of the Company is as follows:

Shareholder's name	Class of share	Shares held at the end of the Reporting Period	Unit: Share
			Shareholding percentage (%)
HKSCC Nominees Limited (<i>Note 1</i>)	H-share	614,151,236	45.02
Tsingtao Brewery Group Company Limited (<i>Note 2</i>)	A-share and H-share	443,467,655	32.51
Hong Kong Securities Clearing Company Limited	A-share	12,830,143	0.94
China Construction Bank Co., Ltd. – Penghua CSI Wine Transaction Open Index Securities Investment Fund	A-share	11,842,660	0.87
New China Life Insurance Company Ltd. – Dividends – Individual Dividend – 018L – FH002 Shanghai	A-share	6,165,999	0.45
New China Life Insurance Company Ltd. – Traditional – General Insurance Products – 018L – CT001 Shanghai	A-share	5,900,771	0.43
Industrial and Commercial Bank of China, Ltd. – CSI Main Consumer ETF	A-share	4,844,585	0.36
China Life Insurance Company Limited – Traditional – General Insurance Products – 005L – CT001 Shanghai	A-share	4,603,805	0.34
National Social Security Fund Portfolio No. 110	A-share	3,643,824	0.27
Agricultural Bank of China, Ltd. – Southern S&P China A-Share Large-Cap Dividend Low-Volatility 50 ETF	A-share	3,589,460	0.26

Notes:

1. 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.
2. Tsingtao Group holds 38,335,600 shares of H-share in the Company itself and through Xinhaisheng and 405,132,055 shares of A-share in the Company by itself.

Apart from the disclosed information above, the Company is unaware of any associations among these top ten shareholders or if any of the parties are acting in concert.

(3) Substantial Shareholders of H-share

Apart from the disclosed information below, the directors of the Company are not aware of any persons other than a director or chief executive of the Company or his/her respective associate(s) who, as at 30 June 2026, had an interest or short position in the shares or underlying shares of the Company which was recorded in the register required under Section 336 of the Securities and Futures Ordinance (Cap. 571) (SFO):

Name	Nature	Class of shares	Capacity	Note	Number of shares/ underlying shares	As a percentage of the entire issued capital	As a percentage of all H Shares
SASACQ	Long position	A-Share	Corporate		405,132,055 A-Share	29.70%	N/A
	Long position	H-Share	Interest of controlled Corporation	1	38,335,600 H-Share	2.81%	5.85%
Hong Kong Xinhaisheng Investment Limited	Long position	H-Share	Beneficial Owner	1	38,335,600 H-Share	2.81%	5.85%
BlackRock, Inc.	Long position	H-Share	Interest of controlled Corporation	2	59,170,620 H-Share	4.34%	9.03%
	Short position	H-Share	Interest of controlled Corporation	2	102,000 H-Share	0.01%	0.02%
Ruizhong Life Insurance Co., Ltd.	Long position	H-Share	Beneficial Owner		52,432,000 H-Share	4.00%	8.00%
JPMorgan Chase & Co.	Long position	H-Share	Interest of controlled corporation/ Person having security interest in shares/Investment Manager/ Custodian	3	32,272,439 H-Share	2.37%	4.92%
	Short position	H-Share	Beneficial Owner	3	7,089,636 H-Share	0.52%	1.08%
	Interest in a lending pool	H-Share		3	22,409,397 H-Share	1.64%	3.42%
FIL Limited	Long position	H-Share	Interest of controlled Corporation	4	32,651,566 H-Share	2.39%	4.98%
Pandanus Associates Inc.	Long position	H-Share	Interest of controlled Corporation	4	32,651,566 H-Share	2.39%	4.98%
Pandanus Partners L.P.	Long position	H-Share	Interest of controlled Corporation	4	32,651,566 H-Share	2.39%	4.98%

Notes:

- (1) The 38,335,600 H-Shares which were deemed to be interested by SASACQ were held by Xinhaisheng, a wholly-owned subsidiary of Tsingtao Brewery Group. According to the latest disclosure of interest filings, SASACQ was interested in 38,335,600 H-Shares.
- (2) The shares in which BlackRock, Inc. was deemed to be interested were held through various controlled wholly-owned subsidiaries of BlackRock, Inc.
- (3) The shares in which JPMorgan Chase & Co. was deemed to be interested were held through various controlled wholly-owned subsidiaries of JPMorgan Chase & Co.
- (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 FIL Limited, Pandanus Associates Inc. and Pandanus Partners L.P.
- (5) For the latest disclosure of interests filed 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.hkex.com.hk).

1. The Shareholding of the Company's Directors at the End of the Reporting Period

- a) Mr. JIANG Zong Xiang, executive director and chairman of the Company, held 102,900 tradable A-shares.
- b) Mr. HOU Qiu Yan, executive director, CFO of the Company and the joint company secretary, is deemed to hold 76,000 shares, including 60,000 tradable A-shares held by himself and 16,000 tradable A-shares held by his spouse. Mr. HOU resigned as an executive director, the chief financial officer, the secretary to the Board and a joint company secretary from 1 September 2026.
- c) Ms. SUN Jing, Employee Director of the Company, held 82,500 tradable A-shares.

Note:

All the above interests in the shares are long positions.

As at 30 June 2026, apart from the disclosed information above, none of the directors 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 set out in Appendix C3 of the Listing Rules.

2. Model Code

The Company has adopted *Model Code* and *Administration Regulations of Shares of the Company Held by Its Directors and Senior Management Officers and the Changes* formulated by the Company as its code of conduct and standards in respect of securities transactions by the directors. Specific enquiries were made with all directors who had confirmed that they had complied with *Model Code* as well as its code of conduct and standards regarding securities transactions by the directors at all applicable times during the Reporting Period.

3. Employees

As at 30 June 2026, the Company (including the subsidiaries) employs a total of 28,501 full-time employees.

During the reporting period, there were no changes to the Company's pay policy. Refer to the Company's 2025 Annual Report for details. For information on employees' payrolls (including bonuses), please refer to "Employee benefits payable" in Note 23 to the Financial Statements. During the reporting period, the Company did not implement any share plans either.

In the first half of 2026, to align with the Company's strategic initiatives for high-quality development and digital transformation, strengthen the foundation of talent development, and comprehensively enhance the overall competence and professional skills of all employees, the Company further refined its tiered and categorized training system for digital capability development and launched specialized training programs on data-driven decision-making, achieving a 100% training participation rate among third-level management personnel. The "Clean Wind Escort" rotational training program continued, with a cumulative total of 16 sessions organized and 2,158 participant-times, achieving a 100% training rate for the four key target groups. The "Charm Perception Micro-Lecture Hall" platform was further strengthened, with 84 new live-streamed courses launched. The Company successfully launched its 11th Vocational Skills Competition, optimizing the competition categories and assessment content. Using the skills competition as a lever to hone job-specific competencies and strengthen operational foundations, the initiative has effectively supported the Company's digital transformation and the implementation of high-quality development.

PURCHASE, SALE OR REDEMPTION OF THE SECURITIES

During the six months ended 30 June 2026, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities of the Company.

REVIEW OF THE UNAUDITED INTERIM REPORT

The Audit & Internal Control Committee of the Board has reviewed the Company's unaudited 2026 Interim Report.

CORPORATE GOVERNANCE CODE

The Company is committed to maintaining and promoting stringent corporate governance standards. The principles of the Company's corporate governance are to promote effective internal control measures and to enhance the work transparency and accountability of the Board to all shareholders.

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, except for deviation from code provision C.2.1 of the Corporate Governance Code.

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. From 20 May 2025, Mr. JIANG Zong Xiang, the Chairman of the Company, has acted on behalf of 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.

DEFINITIONS

In this Report, the following expressions have the following respective meanings set adjacent below, unless the context requires otherwise:

the Company	Means	Tsingtao Brewery Company Limited
the Group	Means	the Company and its subsidiaries
the Board	Means	Board of Directors of the Company
Tsingtao Group/Tsingtao Brewery Group	Means	Tsingtao Brewery Group Company Limited
the Stock Exchange	Means	The Stock Exchange of Hong Kong Limited
Reporting Period	Means	1 January to 30 June 2026
Model Code	Means	Model Code for Securities Transactions by Directors of Listed Issuers
Listing Rules	Means	Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
Articles of Association	Means	Articles of Association of the Company
Finance Company	Means	Tsingtao Brewery Finance Co., Ltd.
SASACQ	Means	State-owned Assets Supervision and Administration Commission of Qingdao Municipal Government
Xinhaisheng	Means	Hong Kong Xinhaisheng Investment Limited

COMPANY INFORMATION

1. BASIC INFORMATION

Company Name:	Tsingtao Brewery Company Limited
Legal Representative:	JIANG Zong Xiang
Registered Address:	No. 56 Dengzhou Road, Shibei District, Qingdao, Shandong Province
Office Address:	Tsingtao Beer Tower, No. 35 Donghai West Road, Shinan District, Qingdao, Shandong Province
Postal Code:	266071
Company Website:	www.tsingtao.com.cn

2. CONTACT INFORMATION

Address:	Secretarial Office of the Board, Room 1106, Tsingtao Beer Tower, No. 35 Donghai West Road, Shinan District, Qingdao, Shandong Province
Postal Code:	266071
Tel:	86-532-85713831
Fax:	86-532-85713240

3. STOCK EXCHANGES ON WHICH THE COMPANY'S SHARES ARE LISTED:

A-Share:	Shanghai Stock Exchange
Stock Name:	TSINGTAO BREW
Stock Code:	600600
H-Share:	The Stock Exchange of Hong Kong Limited
Stock Name:	TSINGTAO BREW
Stock Code:	00168



青島啤酒

2026
INTERIM REPORT
中期報告

青島啤酒股份有限公司
TSINGTAO BREWERY CO., LTD.