TSINGTAO BREWERY COMPANY LIMITED

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

(Stock Code: 168)

ANNOUNCEMENT OF 2015 INTERIM RESULTS

The board of directors (the "Board") of Tsingtao Brewery Company Limited (the "Company") hereby presents the unaudited interim results of the Company and its subsidiaries (the "Group") for the six months ended 30 June 2015 (the "Reporting Period") prepared pursuant to China Accounting Standard for Business Enterprises ("CAS") as follows:

I. INTERIM FINANCIAL INFORMATION

(All amounts in RMB Yuan unless otherwise stated)

Consolidated Balance Sheet

ASSETS	*Note*	**30 June 2015 (Unaudited)**	31 December 2014
Current assets			
Cash at bank and on hand		**9,654,346,443**	6,388,650,779
Notes receivable		**47,710,000**	41,600,000
Accounts receivable	*2*	**371,147,787**	125,421,629
Advances to suppliers		**119,100,360**	191,672,927
Interests receivable		**136,394,321**	171,660,445
Dividends receivable		**15,310,781**	—
Other receivables		**522,235,114**	163,583,950
Inventories		**2,009,584,781**	2,486,827,106
Other current assets		**761,231,203**	782,631,150
Total current assets		**13,637,060,790**	10,352,047,986
Non-current assets			
Available-for-sale financial assets		**608,642**	308,642
Long-term equity investments		**1,540,705,013**	1,536,262,375
Investment properties		**7,855,468**	10,960,292
Fixed assets		**9,478,022,511**	9,118,776,190
Construction in progress		**715,837,378**	1,051,916,065
Fixed assets pending for disposal		**19,457,579**	17,965,978
Intangible assets		**2,798,549,890**	2,780,584,276
Goodwill		**1,307,103,982**	1,307,103,982
Long-term prepaid expenses		**37,004,946**	32,574,517
Deferred tax assets		**868,138,744**	718,786,072
Other non-current assets		**142,682,754**	76,626,751
Total non-current assets		**16,915,966,907**	16,651,865,140
TOTAL ASSETS		**30,553,027,697**	27,003,913,126

Consolidated Balance Sheet *(continued)*

LIABILITIES AND EQUITY	*Note*	**30 June 2015 (Unaudited)**	31 December 2014
Current liabilities			
Short-term borrowings		**348,622,070**	432,952,595
Notes payable		**104,416,776**	91,748,125
Accounts payable	*3*	**3,863,921,889**	2,494,168,939
Advances from customers		**647,086,762**	787,924,958
Employee benefits payable		**950,592,963**	866,668,648
Taxes payable		**722,559,305**	249,195,538
Interests payable		**825,840**	4,739,860
Dividends payable		**609,080,187**	—
Other payables		**4,907,646,110**	4,299,312,050
Current portion of non-current liabilities		**1,431,387**	1,561,421
Total current liabilities		**12,156,183,289**	9,228,272,134
Non-current liabilities			
Long-term borrowings		**2,376,255**	2,784,731
Payables for specific projects		**196,207,372**	324,837,574
Deferred income		**1,733,755,597**	1,511,117,533
Long-term employee benefits payable	*4*	**512,067,461**	491,150,976
Deferred tax liabilities		**145,065,472**	158,467,740
Total non-current liabilities		**2,589,472,157**	2,488,358,554
Total liabilities		**14,745,655,446**	11,716,630,688
Equity			
Share capital		**1,350,982,795**	1,350,982,795
Capital surplus	*5*	**4,073,746,292**	4,079,399,151
Other comprehensive income	*6*	**9,939,278**	10,040,344
Surplus reserve		**1,216,339,469**	1,216,339,469
General reserve	*7*	**66,981,927**	66,981,927
Undistributed profits	*8*	**9,254,598,188**	8,663,818,498
Total equity attributable to shareholders of the Company		**15,972,587,949**	15,387,562,184
Non-controlling interests		**(165,215,698)**	(100,279,746)
Total equity		**15,807,372,251**	15,287,282,438
TOTAL LIABILITIES AND EQUITY		**30,553,027,697**	27,003,913,126

Consolidated Income Statement

	Note	Six months ended 30 June **2015** **(unaudited)**	2014 (unaudited)
Revenue	*9*	**16,066,594,121**	16,958,068,052
Less: Cost of sales	*9*	**(9,822,404,877)**	(10,145,048,255)
Taxes and surcharges	*10*	**(1,183,028,440)**	(1,272,218,033)
Selling and distribution expenses		**(3,151,532,081)**	(3,470,956,501)
General and administrative expenses		**(636,737,390)**	(600,348,563)
Finance expenses — net		**147,615,265**	173,922,651
Asset impairment (losses)/reversal		**(864,201)**	1,030,824
Add: Investment income		**25,593,306**	34,787,119
Including: Share of profit of associates and a joint venture		**24,127,694**	35,087,117
Operating profit		**1,445,235,703**	1,679,237,294
Add: Non-operating income		**280,322,295**	222,411,726
Including: Gains on disposal of non-current assets		**479,332**	1,370,513
Less: Non-operating expenses		**(77,724,573)**	(21,421,591)
Including: Losses on disposal of non-current assets		**(74,677,547)**	(15,646,360)
Total profit		**1,647,833,425**	1,880,227,429
Less: Income tax expense	*11*	**(428,288,925)**	(442,470,623)
Net profit		**1,219,544,500**	1,437,756,806
Attributable to shareholders of the Company		**1,198,721,948**	1,404,661,148
Attributable to non-controlling interests		**20,822,552**	33,095,658
Other comprehensive income, net of tax		**(101,066)**	(1,534,917)
Other comprehensive income attributable to shareholders of the Company, net of tax			
Items that will be subsequently reclassified to profit or loss			
Currency translation differences		**25,578**	(1,576,530)
Shares of other comprehensive income of investees accounted for using the equity method that will be subsequently reclassified to profit or loss		**(126,644)**	41,613
Total comprehensive income		**1,219,443,434**	1,436,221,889
Attributable to shareholders of the Company		**1,198,620,882**	1,403,126,231
Attributable to non-controlling interests		**20,822,552**	33,095,658
Earnings per share	*12*		
Basic earnings per share		**0.887**	1.040
Diluted earnings per share		**0.887**	1.040

Notes:

1. Basis of preparation

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

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

The financial statements are prepared on a going concern basis.

2. Accounts receivable

	30 June 2015 (unaudited)	31 December 2014
Accounts receivable	**569,641,374**	324,504,493
Less: provision for bad debts	**(198,493,587)**	(199,082,864)
	371,147,787	125,421,629

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

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

	30 June 2015 (unaudited)	31 December 2014
Within 6 months	**370,557,027**	124,721,721
6 months to 1 year	**554,787**	669,040
1 to 2 years	**127,425**	128,640
2 to 3 years	**17,696**	—
Over 3 years	**198,384,439**	198,985,092
	569,641,374	324,504,493

3. Accounts payable

The ageing of accounts payable based on their recording dates is analysed below:

	30 June 2015 (unaudited)	31 December 2014
Within 1 year	**3,819,688,544**	2,455,391,766
1 to 2 years	**19,215,819**	13,592,341
2 to 3 years	**7,168,368**	8,486,995
Over 3 years	**17,849,158**	16,697,837
	3,863,921,889	2,494,168,939

4. Long-term employee benefits payable

	30 June 2015 (unaudited)	31 December 2014
Early retirement benefits *(a)*	**382,794,068**	374,294,592
Supplemental retirement benefits *(b)*	**234,428,607**	228,356,138
	617,222,675	602,650,730
Less: Payable within one year	**(105,155,214)**	(111,499,754)
	512,067,461	491,150,976

(a) Early retirement benefits

The Group offers early retirement benefits to those employees who accept voluntary retirement before their normal retirement date as approved by the management. The early retirement benefits include the salaries and social security contributions paid to the early retired employees from the off-duty date to the normal retirement date.

(b) Supplemental retirement benefits

Supplemental retirement benefits are provided to those retired employees qualified for certain criteria. The benefits that they can receive after their retirement depend on their position and seniority. Such defined benefit obligations were calculated using the projected unit credit method.

5. Capital surplus

	31 December 2014	Increase in current period (unaudited)	Decrease in current period (unaudited)	**30 June 2015 (unaudited)**
Share premium	3,992,428,160	—	—	**3,992,428,160**
Other capital surplus-	86,970,991	(5,652,859)	—	**81,318,132**
Share of changes in equity other than comprehensive income and profit distribution of investees accounted for using the equity method	(9,120,011)	—	—	**(9,120,011)**
Transfer of capital surplus recognised under the previous accounting system	91,701,228	—	—	**91,701,228**
Others *(i)*	4,389,774	(5,652,859)	—	**(1,263,085)**
	4,079,399,151	(5,652,859)	—	**4,073,746,292**

(i) Tsingtao Brewery (Hanzhong) Co., Ltd. ("Hanzhong Company") is a subsidiary of the Company. According to the resolution at the Eighth Session Fourth Board of Directors' meeting, the Company purchased 34% non-controlling interests by RMB27,250,000 from Hanzhong Company's minority shareholders. Equity transfer procedures have been completed in February 2015. The difference of RMB5,712,344 between the increase in the cost of long-term equity investments as a result of acquisition of non-controlling interests and the share of net assets of the subsidiary calculated continuously from the date of the acquisition or merger based on the new shareholding proportion has been adjusted against the capital surplus.

Hanzhong Company, purchased 34% non-controlling interests by RMB210,000 from Hansheng Commerce Co,. Ltd.'s minority shareholders. Equity transfer procedures have been completed in March 2015. The difference of RMB59,485 between the increase in the cost of long-term equity investments as a result of acquisition of non-controlling interests and the share of net assets of the subsidiary calculated continuously from the date of the acquisition or merger based on the new shareholding proportion has been recognised in the capital surplus.

6. Other comprehensive income

	Other comprehensive income in the balance sheet			Other comprehensive income in the income statement of six months ended 30 June 2015				
	31 December 2014	Attributable to the shareholders of the Company, net of tax (unaudited)	**30 June 2015 (unaudited)**	**The pre-tax amount in the current year (unaudited)**	**Less: Reclassification to profit or loss that were recognised in Other Comprehensive Income in the previous periods (unaudited)**	**Less: income tax expense (unaudited)**	**Attributable to the shareholders of the Company, net of tax (unaudited)**	**Attributable to the non-controlling interests, net of tax (unaudited)**
Item that will not be subsequently reclassified to profit or loss								
Changes arising from re-measurement of defined benefit plan liabilities	(14,767,000)	—	**(14,767,000)**	—	—	—	—	—
Items that will be subsequently reclassified to profit or loss								
Currency translation differences	25,572,023	25,578	**25,597,601**	**25,578**	—	—	**25,578**	—
Share of other comprehensive income of investees accounted for using the equity method that will be subsequently reclassified to profit or loss	(764,679)	(126,644)	**(891,323)**	**(126,644)**	—	—	**(126,644)**	—
	10,040,344	(101,066)	**9,939,278**	**(101,066)**	—	—	**(101,066)**	—

7. General reserve

	31 December 2014	Increase in the current period (unaudited)	Decrease in the current period (unaudited)	**30 June 2015 (unaudited)**
General reserve	66,981,927	—	—	**66,981,927**

Pursuant to Caijin [2012] No. 20 "Requirements on Impairment Allowance for Financial Institutions" issued by the Ministry of Finance, Tsingtao Brewery Financial Co., Ltd. ("Finance Company"), a subsidiary of the Company, appropriates general reserve by 1.2% of the ending balance of the risk assets, based on its risk consideration.

8. Undistributed profits

	Six months ended 30 June	
	2015	2014
	(unaudited)	(unaudited)
Undistributed profits at the beginning of the period	**8,663,818,498**	7,424,872,728
Add: Net profit attributable to the shareholders of the Company in the current period	**1,198,721,948**	1,404,661,148
Less: Ordinary shares dividend payable	**(607,942,258)**	(607,942,258)
Undistributed profits at the end of the period	**9,254,598,188**	8,221,591,618

In accordance with the resolution at the Annual General Meeting on 16 June 2015, the Company proposed a cash dividend RMB0.45 per share (pre-tax) to the shareholders of the Company of RMB607,942,258, based on a total number of 1,350,982,795 shares (2014: cash dividend RMB0.45 per share (pre-tax) to the shareholders of the Company of RMB607,942,258, based on a total number of 1,350,982,795 shares). As at 30 June 2015, the dividend has not been paid yet.

9. Revenue and cost of sales

	Six months ended 30 June	
	2015	2014
	(unaudited)	(unaudited)
Revenue from main operation	**15,842,763,003**	16,730,266,832
Revenue from other operations	**223,831,118**	227,801,220
	16,066,594,121	16,958,068,052

	Six months ended 30 June	
	2015	2014
	(unaudited)	(unaudited)
Cost of main operation	**(9,680,116,688)**	(9,998,223,382)
Cost of other operations	**(142,288,189)**	(146,824,873)
	(9,822,404,877)	(10,145,048,255)

10. Taxes and surcharges

	Six months ended 30 June 2015 (unaudited)	2014 (unaudited)
Consumption tax	**930,943,143**	998,529,165
City maintenance and construction tax	**141,520,542**	153,278,842
Education surcharges	**107,212,687**	115,135,439
Business tax	**3,268,768**	5,258,892
Others	**83,300**	15,695
	1,183,028,440	1,272,218,033

11. Income tax expenses

	Six months ended 30 June 2015 (unaudited)	2014 (unaudited)
Current income tax calculated according to tax law and related regulations in mainland China — China enterprise income tax	**588,802,303**	569,714,716
Current profits tax calculated according to tax law and related regulations in Hong Kong — Hong Kong profits tax	**1,549,926**	1,231,799
Current profits supplemental tax calculated according to tax law and related regulations in Macau — Macau profits supplemental tax	**691,636**	693,982
Deferred income tax	**(162,754,940)**	(129,169,874)
	428,288,925	442,470,623

The reconciliation from income tax calculated based on the applicable tax rates and total profit presented in the consolidated financial statements to the income tax expenses is listed below:

	Six months ended 30 June 2015 (unaudited)	2014 (unaudited)
Total profit	**1,647,833,425**	1,880,227,429
Income tax expense calculated at applicable tax rates	**410,608,931**	468,522,194
Tax impact of equivalent sales and cost, expenses and losses not deductible for tax purpose	**7,758,821**	6,501,040
Income not subject to tax	**(12,530,128)**	(30,320,883)
Utilisation of previously unrecognised deferred tax assets	**(38,999,410)**	(39,887,467)
Tax impact for which no deferred tax assets were recognised	**61,450,711**	37,655,739
Income tax expenses	**428,288,925**	442,470,623

11. Income tax expenses *(continued)*

(1) Enterprise income tax

The applicable enterprise income tax rate of the Company and its subsidiaries incorporated and operated in mainland China for the current period is 25%.

(2) Hong Kong profits tax and Macao profits supplemental tax

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

12. Earnings per share

(a) Basic earnings per share

Basic earnings per share is calculated by dividing consolidated net profit attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding:

	Six months ended 30 June	
	2015	2014
	(unaudited)	(unaudited)
Consolidated net profit attributable to ordinary shareholders of the Company	**1,198,721,948**	1,404,661,148
Weighted average numbers of ordinary shares outstanding	**1,350,982,795**	1,350,982,795
Basic earnings per share	**0.887**	1.040
Including:		
— Basic earnings per share relating to continuing operations	**0.887**	1.040

(b) Diluted earnings per share

Diluted earnings per share is calculated by dividing net profit attributable to ordinary shareholders of the Company adjusted based on the dilutive potential ordinary share by the adjusted weighted average number of ordinary shares outstanding. As there were no dilutive potential ordinary shares for the six months ended 30 June 2015 (Six months ended 30 June 2014: nil), diluted earnings per share equal to basic earnings per share.

13. Segment information

As the Group is mainly engaged in the production and distribution of beer, the reportable segments of the Group are business units operating in different regions. Each region requires different marketing strategies, and the Group, therefore, separately manages the production and operation of each reportable segment and evaluates their operating results respectively, in order to make decisions about resources to be allocated to these segments and to assess their performance.

Finance Company, the Group's wholly-owned subsidiary, is principally engaged in the financial businesses of wealth management and agency collection and payment for its members. Due to the unique business characteristics of Finance Company, the Group manages its operation independently and evaluates its operating results separately, to determine its resource allocation and assess its performance.

13. **Segment information** *(continued)*

The Group identified 7 reportable segments as follows:

— Shandong region, responsible for the production and distribution of beer in Shandong region and surrounding regions

— Huanan region, responsible for the production and distribution of beer in South China region

— Huabei region, responsible for the production and distribution of beer in North China region

— Huadong region, responsible for the production and distribution of beer in East China region

— Dongnan region, responsible for the production and distribution of beer in Southeast China region

— Hong Kong, Macau and other overseas, responsible for the distribution of beer in Hong Kong, Macau and other overseas

— Finance Company, engaged in the financial businesses of wealth management and agency collection and payment for its members.

Inter-segment transfer pricing is based on mutually-agreed prices.

Assets are allocated based on the operation of the segments and the physical location of the assets. Liabilities are allocated based on the operation of the segments. Expenses indirectly attributable to each segment are allocated among segments based on the proportion of each segment's revenue.

13. Segment information *(continued)*

(a) Segment information as at and for the six months ended 30 June 2015 is as follows (unaudited):

	Shandong Region	Huanan Region	Huabei Region	Huadong Region	Dongnan Region	Hong Kong, Macau and other overseas	Finance Company	Unallocated	Elimination	Total
Revenue from external customers	8,296,585,345	2,238,920,635	2,401,220,007	1,580,401,299	1,316,917,613	229,342,778	3,206,444	–	–	16,066,594,121
Inter-segment revenue	1,293,991,664	216,979,048	769,506,380	99,396,078	55,267,802	63,472,882	20,701,557	–	(2,519,315,411)	–
Operating costs	(6,008,938,633)	(1,538,122,029)	(2,167,616,565)	(1,477,829,723)	(919,250,034)	(209,100,497)	(354,169)	(349,154)	2,499,155,927	(9,822,404,877)
Selling and distribution expenses	(1,670,846,404)	(434,177,230)	(305,760,579)	(318,346,819)	(363,418,762)	(58,982,287)	–	–	–	(3,151,532,081)
Interest income	15,857,261	9,081,304	23,439,584	778,324	4,312,725	596,999	153,810,006	30,249,380	(68,206,021)	169,919,562
Interest expenses	(7,697,889)	(2,356,287)	(12,310,653)	(5,600,649)	(4,529,286)	(3,058,710)	(71,890,610)	–	103,463,556	(3,980,528)
Share of profit of associates and a joint venture	–	–	–	–	–	–	–	24,127,694	–	24,127,694
Asset impairment reversal/(losses)	75,724	116,947	54,527	150,000	(1,242,518)	7,222	(5,349,486)	(6,103)	5,329,486	(864,201)
Depreciation and amortisation	(224,159,469)	(101,658,846)	(87,052,611)	(11,618,567)	(37,736,872)	(1,094,549)	(579,262)	(23,523,697)	–	(487,423,873)
Total profit	1,191,362,583	220,370,113	376,463,218	(158,165,339)	2,855,103	15,688,720	93,967,883	(115,688,700)	20,979,844	1,647,833,425
Income tax expenses	(260,849,060)	(55,841,843)	(85,858,108)	6,602,966	1,135,359	(3,020,662)	(24,081,739)	–	(6,375,838)	(428,288,925)
Net profit	930,513,523	164,528,270	290,605,110	(151,562,373)	3,990,462	12,668,058	69,886,144	(115,688,700)	14,604,006	1,219,544,500
Total assets	11,145,270,102	4,771,097,252	5,852,785,386	629,580,684	2,141,871,199	362,752,580	10,201,492,134	7,013,541,200	(11,565,362,840)	30,553,027,697
Total liabilities	6,431,706,578	1,967,507,057	4,317,295,232	1,811,396,331	1,109,213,449	513,535,259	9,154,774,030	993,637,482	(11,553,409,972)	14,745,655,446
Long-term equity investments in associates and joint venture	–	–	–	–	–	–	–	1,540,705,013	–	1,540,705,013
Additions to non-current assets other than long-term equity investments	230,300,551	104,099,554	358,763,420	10,699,116	46,291,949	1,197,972	290,000	18,415,367	(16,012,521)	754,045,408

13. Segment information *(continued)*

(b) Segment information as at and for the six months ended 30 June 2014 is as follows (unaudited):

	Shandong Region	Huanan Region	Huabei Region	Huadong Region	Dongnan Region	Hong Kong, Macau and ther overseas	Finance Company	Unallocated	Elimination	Total
Revenue from external customers	8,424,757,429	2,481,441,230	2,410,282,035	1,866,470,857	1,528,801,969	245,333,343	981,189	–	–	16,958,068,052
Inter-segment revenue	1,341,462,083	200,875,069	931,369,002	118,280,470	16,467,105	101,086,397	13,437,457	–	(2,722,977,583)	–
Operating costs	(6,028,094,022)	(1,641,044,452)	(2,238,972,528)	(1,786,690,445)	(1,064,504,965)	(251,084,822)	–	(208,706)	2,865,551,685	(10,145,048,255)
Selling and distribution expenses	(1,961,010,055)	(463,587,455)	(268,558,021)	(365,064,762)	(353,076,825)	(59,659,383)	–	–	–	(3,470,956,501)
Interest income	18,456,758	9,336,945	25,677,404	1,223,082	5,115,789	312,552	210,005,097	30,577,641	(88,727,954)	211,977,314
Interest expenses	(1,650,000)	(3,713,824)	(15,804,466)	(6,597,481)	(4,169,900)	(4,610,389)	(92,179,700)	(19,692,246)	123,682,603	(24,735,403)
Share of profit of associates and a joint venture	–	–	–	–	–	–	–	35,087,117	–	35,087,117
Asset impairment reversal/(losses)	441,808	100,000	86,449	121,933	120,521	(94,983)	(1,048,875)	923,971	380,000	1,030,824
Depreciation and amortisation	(208,698,568)	(96,416,256)	(80,587,608)	(11,317,322)	(37,219,204)	(1,103,680)	(512,974)	(21,454,424)	–	(457,310,036)
Total profit	1,015,841,879	288,183,149	457,873,308	(132,173,227)	87,761,264	31,519,329	131,133,558	4,516,494	(4,428,325)	1,880,227,429
Income tax expenses	(220,564,796)	(64,917,162)	(108,918,775)	9,561,494	(13,253,323)	(5,240,652)	(32,783,440)	–	(6,353,969)	(442,470,623)
Net profit	795,277,083	223,265,987	348,954,533	(122,611,733)	74,507,941	26,278,677	98,350,118	4,516,494	(10,782,294)	1,437,756,806
Total assets	10,798,566,784	5,117,191,550	5,700,314,917	828,575,178	2,138,394,472	131,000,930	9,547,863,105	5,317,665,707	(10,320,131,629)	29,259,441,014
Total liabilities	6,059,815,791	2,099,020,250	3,822,295,925	1,803,881,288	1,193,906,336	291,702,667	8,656,833,579	919,456,332	(10,240,800,969)	14,606,111,199
Long-term equity investments in associates and joint venture	–	–	–	–	–	–	–	1,515,726,046	–	1,515,726,046
Additions to non-current assets other than long-term equity investments	420,994,002	85,016,828	281,404,038	19,209,213	30,860,048	2,395,935	558	83,557,521	–	923,438,143

The Group's revenue from external customers in domestic and overseas markets, and the total non-current assets other than financial assets and deferred tax assets located domestically and in foreign countries or geographical areas are summarised as follows:

Revenue from external customers	**Six months ended 30 June**	
	2015	2014
	(unaudited)	(unaudited)
Domestic	**15,823,149,740**	16,703,408,438
Hong Kong and Macau	**115,709,039**	126,701,716
Other overseas	**127,735,342**	127,957,898
	16,066,594,121	16,958,068,052

Total non-current assets	**30 June 2015**	30 June 2014
	(unaudited)	(unaudited)
Domestic	**16,036,063,153**	15,850,526,330
Hong Kong and Macau	**11,156,368**	11,993,127
	16,047,219,521	15,862,519,457

14. Net current assets

	30 June 2015 (unaudited)	31 December 2014
Current assets	**13,637,060,790**	10,352,047,986
Less: Current liabilities	**(12,156,183,289)**	(9,228,272,134)
Net current assets	**1,480,877,501**	1,123,775,852

15. Total assets less current liabilities

	30 June 2015 (unaudited)	31 December 2014
Total assets	**30,553,027,697**	27,003,913,126
Less: Current liability	**(12,156,183,289)**	(9,228,272,134)
Total assets less current liabilities	**18,396,844,408**	17,775,640,992

16. Contingencies

The Group's potential risk of income tax liabilities related to prior years has not been settled. The directors of the Company are of the view that the potential income tax liabilities could not be reliably estimated and therefore, no provision for the potential difference in income tax of previous years was made in these financial statements. For detailed information, please refer to the information on income tax expense stated in the annual results announcement in previous years.

17. Capital commitments

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

	30 June 2015 (unaudited)	31 December 2014
Buildings, machinery and equipment and intangible assets	**425,630,008**	421,350,610

17. Capital commitments *(continued)*

(b) Capital commitments authorised by the management but not yet contracted for

	30 June 2015 (unaudited)	31 December 2014
Buildings, machinery and equipment and intangible assets	**2,381,298,912**	2,100,066,328

As at the balance sheet date, joint venture of the Group has no significant capital expenditures contracted for but not yet necessary to be recognised on the balance sheet, or capital commitments authorised by the management but not yet contracted for.

II. DIVIDENDS

The Company shall not distribute interim dividends for the 6 months ended 30 June 2015 pursuant to the provisions in the articles of association of the Company.

III. MANAGEMENT DISCUSSIONS AND ANALYSIS

(I) Summary of industrial development in the first half-year

In the first half of 2015, the huge decline pressure of the domestic macro-economy and the continuous slow-down of economic growth brought negative impacts to the beer industry, and the overall sales volume of the industry declined significantly. The consumption environment of domestic beer market was still unsatisfactory that the mid-and-high-end catering market continued to become smaller although the mass catering market had some growth, which brought comparatively huge pressure to the consumption of mid-and-high-end beer.

As affected by the complex factors including the aforesaid situation and climate, in the first half of this year, the production volume of domestic beer industry reached 245.7 million hl, decreased by 6.2% from the corresponding period in previous year (statistics were from National Bureau of Statistics), which made the market competition fiercer.

(II) Review of operational situation of the Company in the first half-year

Facing the complicated and unfavorable market environment, the Company determined its work guideline of “Stabling the growth, adjusting the structure, controlling the new normality by seeking improvement in stability; Insisting on practice, focusing on real effects, exploring new future by real practice and solid work” for the year 2015. The Company actively devoted into “Stabling the growth, adjusting the structure”, explored and took into practice of the new mode and new methods of qualified growth with “innovative drives”, and implemented the transformation and upgrading in the parts including R&D, production, sales and investment, which obtained certain achievements, and built a solid basis for the Company’s continuous healthy development.

During the Reporting Period, the Company continued to devote into the exploration of domestic market, to positively respond to the industry's decline pressure and market challenges. In the first half-year, the Company had accumulatively realized its sales volume of 49.18 million hl, domestic market share of 20%; realized revenues of RMB16.067 billion, and net profits attributable to shareholders of the Company of RMB1.199 billion.

Before the huge competition pressure in the beer markets, the Company actively promoted and implemented the differentiation competition strategy of products innovation, supply chain innovation and management innovation.

In the first half-year, by promoting the construction of provincial markets and base markets in big cities, the Company continued to optimize its brand mix and products mix, enhanced the sales of high value-added products and raised the consumers' needs, which ensured the growth of high-end products and competitive strength in base markets, and maintained its leading position in the domestic mid-and-high-end markets. In the first half-year, the Company realized the sales volume of its principal brand, Tsingtao Beer, of 24 million hl, including the total sales volume of 9.7 million hl of high-end products including canned beer, small-bottled beer, Augerta, Classic 1903 and draft beer, which realized the continuous growth. At the same time, the Company kept on promoting and improving the management of micro-operations, intensive product sales strategies and channel layouts, improving the process and system, and strengthening the distributor management, to build a solid systematic and management basis for the future development in the markets.

The Company kept on innovating the sales strategy, rapidly arranged the market networks focusing on the new and special products, developed professional distributors, which obtained significant achievements. The Company actively explored the new sales modes in the era of mobile internet, led the development of e-commerce in the beer industry. After having built up official flagship store on the large e-commerce platform, the Company had been the first to build an overall e-commerce channel system of official flagship store + official shopping mall + online retailers + distributor boutiques. On 25 July in this year, "Tsingtao Quick-Buy" APP was launched in Qingdao with around 10,000 registered users which realized the new mode of "Enjoy beer at home by clicks only". As the first O2O platform in the beer industry, "Tsingtao Quick-Buy" will accelerate the e-commerce of O2O mode and the transformation of B2C business.

The Company changed its R&D mode of new technologies and new products to lead the upgrade of product consumption. With the R&D platform of "State Key Laboratory of Biological Fermentation Engineering of Beer", by focusing on the international R&D trend of new products, innovating brewing techniques and packing form, the Company realized the overall innovation from yeast, raw materials, techniques and packages. In the first half-year, by combining with the needs in the domestic market, focusing on the purpose of being young, fashionable, healthy and functional, the Company developed new products and successfully presents the new products including whole-barley Weissbier, peach beer, date-taste black beer, 5L raw stock beer, leading the new trends in the domestic consumption.

The Company kept on putting more funds into safe production, environment protection and quality improvement that it had practiced the projects of securing the safe production, steady operation of environment protection devices and improving product quality including ammonia system reconstruction, desulfurization and dust extraction reconstruction, wastewater treatment, and renewal of packing equipment. At present, the Company has reached national leading level in the areas including safe production, clean production, energy conservation and emission reduction, and reducing the consumption of resources.

In the first half-year, the Company actively adjusted its investment mode from "increasing volume and production capacity" to "improving quality and efficiency", reasonably controlled the progress of expansion investment projects, took priorities in the strategic new and special products and canned products which could satisfy the upgraded consumption needs in the markets, and put full efforts into supporting the exploration of base markets to ensure the maximization of investment income.

During the Reporting Period, Tsingtao Beer became the first beer brand of over RMB100 billion value with its brand value of RMB105.568 billion, while the brand value of Laoshan Beer also reached RMB11.568 billion, continuing to maintain its leading position in the domestic market (Source: World Brand Lab).

(III) Analysis of principal financials during the Reporting Period (calculated in accordance with CAS)

1. Analysis of principal business

Analysis of changes to items in Income Statement

Unit: *'000 Yuan* Currency: *RMB*

Item	**Amount during this period**	**Amount during the corresponding period in previous year**	**Increase/ (Decrease) (%)**
Revenues	16,066,594	16,958,068	(5.26)
Costs of sales	9,822,405	10,145,048	(3.18)
Selling and distribution expenses	3,151,532	3,470,957	(9.20)
General and administrative expenses	636,737	600,349	6.06
Financial expenses	(147,615)	(173,923)	15.13
Asset Impairment losses/(reverse)	864	(1,031)	183.84
Non-operating expenses	77,725	21,422	262.83
Net profits attributable to non-controlling interests	20,823	33,096	(37.08)

(1) Revenues

In the first half of 2015, revenues decreased by 5.26% comparing with that of the corresponding period in previous year, which was mainly due to the decrease in revenues caused by the decline of sales volume of beer during the Reporting Period.

(2) Costs of sales

In the first half of 2015, costs of sales decreased by 3.18% comparing with that of the corresponding period in previous year, which was mainly due to the decrease in costs of sales caused by the decline of sales volume of beer during the Reporting Period.

(3) Selling and distribution expenses

In the first half of 2015, selling and distribution expenses decreased by 9.20% comparing with that of the corresponding period in previous year, which was mainly due to the decrease in investments in the markets caused by the decline of sales volume during the Reporting Period.

(4) General and administrative expenses

In the first half of 2015, general and administrative expenses increased by 6.06% comparing with that of the corresponding period in previous year, which was mainly due to the increase in employees' remuneration during the Reporting Period.

(5) Financial expenses

In the first half of 2015, financial expenses increased by 15.13% comparing with that of the corresponding period in previous year, which was mainly due to the decrease in interests during the Reporting Period.

(6) Asset Impairment losses

In the first half of 2015, asset impairment losses increased by 183.84% comparing with that of the corresponding period in previous year, which was mainly due to the increase in impairment losses of fixed assets during the Reporting Period.

(7) Non-operating expenses

In the first half of 2015, non-operating expenses increased by 262.83% comparing with that of the corresponding period in previous year, which was mainly due to the increase in losses in disposing of fixed assets during the Reporting Period.

(8) Net profits attributable to non-controlling interests

In the first half of 2015, net profits attributable to non-controlling interests decreased by 37.08% comparing with that of the corresponding period in previous year, which was mainly due to the decrease in net profits of the units with non-controlling shareholders during the Reporting Period.

Analysis of changes to items in balance sheet

Unit: *'000 Yuan* Currency: *RMB*

Item	**30 Jun. 2015**	**31 Dec. 2014**	**Increase/ (Decrease)** *(%)*
Cash at bank and on hand	9,654,346	6,388,651	51.12
Accounts receivable	371,148	125,422	195.92
Advances to suppliers	119,100	191,673	(37.86)
Dividends receivable	15,311	—	—
Other receivables	522,235	163,584	219.25
Constructions in progress	715,837	1,051,916	(31.95)
Other non-current assets	142,683	76,627	86.20
Accounts payable	3,863,922	2,494,169	54.92
Taxes payable	722,559	249,196	189.96
Dividends payable	609,080	—	—
Interests payable	826	4,740	(82.58)
Specific payables	196,207	324,838	(39.60)
Non-controlling interests	(165,216)	(100,280)	(64.75)

(1) Cash at bank and on hand

Cash at bank and on hand at the end of the Reporting Period increased by 51.12% from the beginning of the Reporting Period, which was mainly due to the net cash in-flow generated from the operating activities during the Reporting Period.

(2) Accounts receivable

Accounts receivable at the end of the Reporting Period increased by 195.92% from the beginning of the Reporting Period, which was mainly due to the increase in balance of receivable accounts of some subsidiaries in the peak seasons of sales during the Reporting Period.

(3) Advances to suppliers

Advances to suppliers at the end of the Reporting Period decreased by 37.86% from the beginning of the Reporting Period, which was mainly due to the decrease in purchase of raw materials with prepayments during the Reporting Period.

(4) Dividends receivable

Dividends receivable at the end of the Reporting Period increased by RMB15,311 thousand from the beginning of the Reporting Period, which was mainly due to the receivable dividends of the associated units during the Reporting Period.

(5) Other receivables

Other receivables at the end of the Reporting Period increased by 219.25% from the beginning of the Reporting Period, which was mainly due to the increase in financial products with fixed benefits purchased during the Reporting Period.

(6) Constructions in progress

Constructions in progress at the end of the Reporting Period decreased by 31.95% from the beginning of the Reporting Period, which was mainly due to that the constructions in progress in some subsidiaries had been completed and transformed into fixed assets during the Reporting Period.

(7) Other non-current assets

Other non-current assets at the end of the Reporting Period increased by 86.20% from the beginning of the Reporting Period, which was mainly due to the increase in prepaid construction amounts and equipment purchase amounts in the relocation projects in progress of some subsidiaries during the Reporting Period.

(8) Accounts payable

Accounts payable at the end of the Reporting Period increased by 54.92% from the beginning of the Reporting Period, which was mainly due to the increase in payable accounts caused by the growth of purchase for materials in the peak seasons during the Reporting Period.

(9) Taxes payable

Taxes payable at the end of the Reporting Period increased by 189.96% from the beginning of the Reporting Period, which was mainly due to the increase in payable value-added tax, payable income tax and payable consumption tax in the peak seasons of sales during the Reporting Period.

(10) Dividends payable

Dividends payable at the end of the Reporting Period increased by RMB609,080 thousand from the end of the Reporting Period, which was mainly due to that the cash dividends to be distributed according to the resolution passed at the general meeting hadn't been paid at the end of the Reporting Period.

(11) Interests payable

Interests payable at the end of the Reporting Period decreased by 82.58% from the beginning of the Reporting Period, which was mainly due to the decrease in payable interests of the borrowings of some subsidiaries at the end of the Reporting Period.

(12) Specific payables

Specific payables at the end of the Reporting Period decreased by 39.60% from the beginning of the Reporting Period, which was mainly due to that some subsidiaries made up the relocation expenses with the relocation compensations received from the government during the Reporting Period.

(13) Non-controlling interests

Non-controlling interests at the end of the Reporting Period decreased by 64.75% from the beginning of the Reporting Period, which was mainly due to the decrease in net assets of some subsidiaries with non-controlling shareholders during the Reporting Period.

Analysis of changes to items in cash flow

Unit: *'000 Yuan* Currency: *RMB*

Item	**Amount during this period**	**Amount during the corresponding period in previous year**	**Increase/ (Decrease)** *(%)*
Cash flow from operating activities-net	4,421,119	3,976,312	11.19
Cash flow from investing activities-net	(1,198,517)	(982,951)	(21.93)
Cash flow from financing activities-net	147,359	(1,943,205)	107.58

(1) Net cash flow from operating activities increased by 11.19% comparing with that of the corresponding period in previous year, which was mainly due to the decrease in cash paid for commercials, loading and transportation fees during the Reporting Period.

(2) Net cash flow from investing activities decreased by 21.93% comparing with that of the corresponding period in previous year, which was mainly due to the increase in cash paid for the investments during the Reporting Period.

(3) Net cash flow from financing activities increased by 107.58% comparing with that of the corresponding period in previous year, which was mainly due to the decrease in cash paid for the repayment of debts during the Reporting Period.

2. Analysis of industries, products and regional operations

(1) Table of main operation by industries and products

Unit: *'000 Yuan* Currency: *RMB*

Table of main operation by industries

				Main operation by industries		
By industries	**Revenues**	**Costs of sales**	**Gross margin**	**Increase/ (Decrease) in revenues from the corresponding period in previous year**	**Increase/ (Decrease) in costs of sales from the corresponding period in previous year**	**Increase/ (Decrease) in gross margin from the corresponding period in previous year**
			(%)	*(%)*	*(%)*	*(%)*
Beer	15,842,763	9,680,117	38.90	(5.30)	(3.18)	Decreased by 1.34 percentage points

Table of main operation by products

				Main operation by products		
By products	**Revenues**	**Costs of sales**	**Gross margin**	**Increase/ (Decrease) in revenues from the corresponding period in previous year**	**Increase/ (Decrease) in costs of sales from the corresponding period in previous year**	**Increase/ (Decrease) in gross margin from the corresponding period in previous year**
			(%)	*(%)*	*(%)*	*(%)*
Beer	15,842,763	9,680,117	38.90	(5.30)	(3.18)	Decreased by 1.34 percentage points

The Group is mainly engaged in the production and sales of beer.

(2) Table of main operation by location

Unit: *'000 Yuan* Currency: *RMB*

Region	**Revenues**	**Increase/ (Decrease) in revenues from the corresponding period in previous year** *(%)*
Shandong Province	9,016,655	(2.28)
North China	3,162,051	(5.11)
South China	2,405,715	(8.01)
East China	1,672,154	(15.17)
South-East China	1,367,401	(11.31)
Hong Kong, Macau and other overseas	229,296	(5.65)
Sub-total	17,853,272	(5.69)
Less: Eliminations	2,010,509	(8.65)
Total	15,842,763	(5.30)

3. Interpretation for other operational situations

(1) Debt/Capital ratio

As at 30 June 2015, the Group's debt/capital ratio was 0.01% (0.02% as at 31 December 2014). The calculation of debt/capital ratio is: total amount of long-term borrowings/(total amount of long-term borrowings + equity attributable to shareholders of the Company).

(2) Asset mortgage

As at 30 June 2015, no assets of the Group were pledged (Nil as at 31 December 2014).

(3) Risk of fluctuation of exchange rate

At present, the Group mainly relies on the imported barley among the raw materials in its production of principal brand, and therefore the changes of exchange rate would indirectly affect the price of raw materials used by the Group, so as to bring certain extent of impact on the profitability of the Group.

(4) Capital expenses

In the first half of 2015, the Company totally invested in approximately RMB789 million in the new construction, relocation, re-construction and expansion projects to further improve the Company's production capacity and upgrade the layout of production capacity. According to the Company's current situation in funds and profitability, it has sufficient funds and continuous net operational cash in-flow to satisfy its needs for funds for the Company's capital projects.

(5) Investments

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

(6) Contingent liabilities

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

(III) Analysis of core competitiveness

During the Reporting Period, there were no changes to the Company's core competitiveness.

IV. SIGNIFICANT EVENTS

1. During the Reporting Period, the Company was not involved in any new significant litigations and arbitration.

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

V. REVIEW OF THE UNAUDITED INTERIM RESULTS

The Audit & Internal Control Committee under the Board has reviewed the Group's unaudited 2015 interim results.

VI. IN COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Company had been committing to the corporate governance and improving its transparency. Under the requirements on corporate governance raised by the regulatory authorities, the Company had been improving its internal control to realize a standard and highly efficient operation and to ensure that its shareholders can obtain returns from sound corporate governance.

During the Reporting Period, the Company had been in compliance with the provisions in *Corporate Governance Code* set out in Appendix 14 of *Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited*.

By order of the Board
Tsingtao Brewery Company Limited
Chairman
SUN Ming Bo

Qingdao, the People's Republic of China
28 August 2015

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

Executive Directors:	*Mr. SUN Ming Bo (Chairman), Mr. HUANG Ke Xing, Ms. JIANG Hong and Mr. YU Zhu Ming*
Non-executive Directors:	*Mr. Yasutaka SUGIURA*
Independent Non-executive Directors:	*Mr. WANG Xue Zheng, Mr. MA Hai Tao, Mr. Ben Sheng Lin and Mr. JIANG Min*