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## **TSINGTAO BREWERY COMPANY LIMITED**

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

**(Stock Code: 168)**

### **2022 First Quarterly Report**

This announcement is made pursuant to the disclosure requirements of Rules 13.09(2) and 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“**Listing Rules**”), and the provisions of inside information (as defined in the Listing Rules) under Section XIVA of the Securities and Futures Ordinance (Chapter 571 of the Law of Hong Kong).

The 2022 first quarterly report (unaudited, the “**Quarterly Report**”) contained in this announcement has been prepared in accordance with the China Accounting Standards of Business Enterprises and the requirements on preparation and disclosure of Quarterly Report issued by the Shanghai Stock Exchange, and has been approved by the Board of Directors (the “**Board**”) of Tsingtao Brewery Company Limited (the “**Company**”).

#### **I. IMPORTANT NOTICE**

- 1.1 The Board, the Board of Supervisors, directors, supervisors and senior management officers of the Company guarantee the authenticity, accuracy and completeness of the contents contained in this Quarterly Report without any false representation, misleading statement or material omissions, and they undertake both individual and joint legal liabilities.
- 1.2 The Quarterly Report was considered and approved at the sixth meeting of the tenth session of the Board (the “**Meeting**”) through written proposals. 8 out of the total 8 directors attended the meeting and voted.
- 1.3 Unless otherwise stated in this report, monetary units are denominated in Renminbi.
- 1.4 HUANG Ke Xing, the legal representative of the Company, YU Zhu Ming, the person in charge of the accounting work, and HOU Qiu Yan, the person in charge of the accounting department (accounting director) guarantee that the financial statements contained in this Quarterly Report are authentic, accurate and complete.
- 1.5 The Quarterly Report of the Company has been reviewed by Audit and Internal Control Committee of the Board, but has not been audited.

## II. MAJOR FINANCIAL DATA

### 1 Main accounting data and financial indicators

Item	<i>Unit: Yuan    Currency: RMB</i>		
	The reporting period	Increase/ Decrease from the corresponding period of prior year (%)	
Revenue	9,208,137,288	3.14	
Net profit attributable to shareholders of the Company	1,126,228,090	10.20	
Net profit attributable to shareholders of the Company after deducting non-recurring profit or loss	1,021,784,840	17.14	
Net cash flows from operating activities	933,619,727	-62.14	
Basic earnings per share ( <i>Yuan per share</i> )	0.834	10.32	
Diluted earnings per share ( <i>Yuan per share</i> )	0.829	9.95	
Weighted average return on net asset (%)	4.78	Decreased by 0.05 percentage point	
		<b>Increase/ Decrease at the end of the reporting period compared to the end of prior year (%)</b>	
	<b>As at the end of the reporting period</b>	<b>As at the end of prior year</b>	
Total assets	46,988,567,972	46,563,004,491	0.91
Net assets attributable to shareholders of the Company	24,158,557,594	23,001,844,598	5.03

During the reporting period, the Company resolutely promoted the high-quality development strategy formulated by the Board and continued to proactively developed the product market. The Company focused on the 2022 Winter Olympics, leveraged the brand and quality strengths of Tsingtao Beer and continued to increase its brand visibility through a series of online and offline advertising campaigns accelerated the optimization and upgrading of its product structure, achieving growth in all aspects in January and February of 2022, including the product sales volume, income and profits. Starting from March 2022, the scattered resurgence of the COVID-19 epidemic in China brought great impact to domestic beer consumption market, severely affecting the beer sales volume of the Company. In the first quarter of 2022, the Company sold 2.129 million kiloliters of products in total, including 1.304 million kiloliters of Tsingtao Beer, an increase of 5.1%

year-on-year; the Company realized operating revenue of RMB9.21 billion, an increase of 3.14% year-on-year, a net profit attributable to the Company's shareholders of RMB1.13 billion, an increase of 10.20% year-on-year, and a net profit attributable to the Company's shareholders after deducting non-recurring profit or loss of RMB1.02 billion, an increase of 17.14% year-on-year.

## 2 Item and amounts of non-recurring profit or loss

*Unit: Yuan Currency: RMB*

Item	Amount of this reporting period	Explanation
Gains/(Losses) on disposal of non-current assets	9,844,677	Mainly due to the gains from some subsidiaries' disposal of fixed assets
Government grants recognized in profits/(losses) of the corresponding period, excluding those closely related to the usual operations of the Company, in compliance with the State policies, and continuously received in set amount or quantities by certain standards	85,255,217	Mainly due to the government subsidies related to routine business activities received by some subsidiaries
Other than effective hedging business related to the Company's normal business, the gains/(losses) on fair value changes from the holding of financial assets for trading, derivative financial assets, financial liabilities for trading and derivative financial liabilities, as well as investment income from the disposal of financial assets for trading, derivative financial assets, financial liabilities for trading, derivative financial liabilities and other debt investments	42,531,781	Mainly due to the income from structured deposits
Other non-operating income and expenses other than aforesaid items	-1,333,050	
Less: Impact of income tax expense	29,464,998	
Impact on the non-controlling interests (net of tax)	2,390,377	
Total	<u>104,443,250</u>	

**Provide an explanation if the Company classifies any non-recurring profits or losses item mentioned in the Explanatory Announcement No. 1 on Information Disclosure for Companies Offering Their Securities to the Public — Non-Recurring profits or losses as a recurring profits or losses item**

Applicable     Not applicable

**3 Circumstances where there are changes to key accounting data and financial indicators and the reasons:**

<b>Item</b>	<b>Increase/Decrease (%)</b>	<b>Major causes</b>
Financial assets held for trading	150.59	Due to debt instruments such as structured deposits during the reporting period
Other non-current assets	88.96	Due to the increase in some subsidiaries' prepayments for project and equipment procurement during the reporting period
Short-term borrowings	202.64	Due to the inter-bank borrowings of Tsingtao Brewery Finance LLC. (" <b>Finance Company</b> "), a wholly-owned subsidiary of the Company, during the reporting period
Notes payable	42.00	Due to the increase in the percentage of clearing of amount payable for raw materials by notes during the reporting period
Other current liabilities	-61.49	Due to the decrease in some subsidiaries's VAT output to be recognized as at the end of the reporting period
Research and development expenses	49.33	Due to the increase in the spending on the R&D of new products during the reporting period

<b>Item</b>	<b>Increase/Decrease (%)</b>	<b>Major causes</b>
Other income	-31.39	Due to the year-on-year decrease in government subsidies related to daily business activities received by some subsidiaries during the reporting period
Investment income	172.58	Due to the increase of interbank negotiable certificates of deposits by the Company's wholly-owned subsidiary Finance Company during the reporting period
Gains on disposals of assets	-48.74	Due to the year-on-year decrease in the income from some subsidiaries' disposal of long-term assets such as land use rights during the reporting period
Non-operating income	143.82	Due to the year-on-year increase in the income irrelevant to daily business activities recognized by some subsidiaries during the reporting period
Non-operating expenses	1,847.15	Due to the Company proactively fulfilled its social responsibility by making donations externally for fighting against COVID-19 during the reporting period
Net cash flows from operating activities	-62.14	Due to the advance on sales at the beginning of the reporting period recognized in the revenue, the net cash flows from operating activities decrease from the corresponding period of prior year

<b>Item</b>	<b>Increase/Decrease (%)</b>	<b>Major causes</b>
Net cash flows from investing activities	Not applicable	Net cash flows from investing activities increased by RMB5,524.387 million from the corresponding period of prior year, which was mainly due to the decrease in the net investment in financial instruments and the reserves deposited in the Central Bank by the Company's wholly-owned subsidiary Finance Company
Net cash flows from financing activities	Not applicable	Net cash flows from financing activities increased by RMB564.004 million, which was mainly due to the inter-bank borrowings of the Company's wholly-owned subsidiary Finance Company during the reporting period

### III. SHAREHOLDER INFORMATION

#### **Total number of shareholders of ordinary shares, number of shareholders of preferred shares with voting right restored and shareholding of top ten shareholders**

*Unit: Share*

Total number of shareholders of ordinary shares as at the end of the reporting period	61,277 shareholders including 61,029 holders of A-share and 248 holders of H-share.	Number of shareholders of preferred shares with voting right restored as at the end of the reporting period (if any)	Not applicable
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## Particulars of top ten shareholders

Name of shareholder	Nature of shareholder	Number of shares held	Percentage of shares held (%)	Number of shares subject to sales restriction held	Any pledged, marked or frozen shares	
					Status	Number
HKSCC Nominees Limited	Overseas legal person	613,927,619	45.00	0	Unknown	
Tsingtao Brewery Group Company Limited	State-owned legal person	443,467,655	32.50	0	Nil	0
Hong Kong Securities Clearing Company Limited	Overseas legal person	18,842,860	1.38	0	Nil	0
China Securities Finance Corporation Company	State-owned legal person	16,015,045	1.17	0	Nil	0
Industrial Bank Co., Ltd. – ICBCCS Culture & Sports Industry Equity Securities Investment Fund	Other	6,373,899	0.47	0	Nil	0
Industrial and Commercial Bank of China Limited – Oriental Red Qiheng Three-year Hybrid Securities Investment Fund	Other	5,609,103	0.41	0	Nil	0
Industrial and Commercial Bank of China Limited – Fullgoal Tianhui Select Hybrid Growth Securities Investment Fund (LOF)	Other	5,000,000	0.37	0	Nil	0
Agricultural Bank of China Co., Ltd. – E Fund Consumer Industry Equity Securities Investment Fund	Other	4,934,900	0.36	0	Nil	0
Bank of Communications Limited – Fullgoal Consumption-Themed Hybrid Securities Investment Fund	Other	4,736,119	0.35	0	Nil	0
China Construction Bank Co., Ltd. – Fullgoal Value Creation Hybrid Securities Investment Fund	Other	4,511,686	0.33	0	Nil	0

## Particulars of top ten holders of shares not subject to sales restriction

Name of shareholder	Number of listed shares not subject to sales restriction held	Class and number of shares	
		Class	Number
HKSCC Nominees Limited	613,927,619	Overseas listed foreign shares	613,927,619
Tsingtao Brewery Group Company Limited	443,467,655	RMB-denominated ordinary shares	405,132,055
		Overseas listed foreign shares	38,335,600
Hong Kong Securities Clearing Company Limited	18,842,860	RMB-denominated ordinary shares	18,842,860
China Securities Finance Corporation Company	16,015,045	RMB-denominated ordinary shares	16,015,045
Industrial Bank Co., Ltd. – ICBCCS Culture & Sports Industry Equity Securities Investment Fund	6,373,899	RMB-denominated ordinary shares	6,373,899
Industrial and Commercial Bank of China Limited – Oriental Red Qiheng Three-year Hybrid Securities Investment Fund	5,609,103	RMB-denominated ordinary shares	5,609,103
Industrial and Commercial Bank of China Limited – Fullgoal Tianhui Select Hybrid Growth Securities Investment Fund (LOF)	5,000,000	RMB-denominated ordinary shares	5,000,000
Agricultural Bank of China Co., Ltd. – E Fund Consumer Industry Equity Securities Investment Fund	4,934,900	RMB-denominated ordinary shares	4,934,900
Bank of Communications Limited – Fullgoal Consumption-Themed Hybrid Securities Investment Fund	4,736,119	RMB-denominated ordinary shares	4,736,119
China Construction Bank Co., Ltd. – Fullgoal Value Creation Hybrid Securities Investment Fund	4,511,686	RMB-denominated ordinary shares	4,511,686



- Explanation of associations or actions in concert among the above shareholders
1. The total number of shares held by Tsingtao Brewery Group Company Limited (“**Tsingtao Group**”) includes 38,335,600 shares of H-share held in the Company by itself and through Hong Kong Xinhaisheng Investment Limited (“**Xinhaisheng**”), a wholly-owned subsidiary, and 405,132,055 shares of A-share held in the Company by itself.
  2. 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 A-shares are held by Hong Kong Securities Clearing Company Limited on behalf of different clients as well.
  3. As at the end of the reporting period, four entities under Fosun International Limited held 68,983,919 H-shares of the Company in total, accounting for about 5.06% of the Company’s total share capital. The shares were held by HKSCC Nominees Limited on behalf of the four entities of Fosun International Limited.

Save as disclosed above, the Company is unaware of whether there are any associations among these top ten shareholders or if they are of the parties these shareholders are acting in concert.

Participation of top ten shareholders and top ten shareholders without restricted sale conditions in securities margin trading and refinancing (if any)

During the reporting period, Tsingtao Group did not involve in securities margin trading and refinancing. In addition, the Company is not aware of the participation of top ten shareholders and top ten shareholders without restricted sale conditions in securities margin trading and refinancing.

#### **IV. MISCELLANEOUS MATTERS**

**Other important information regarding the Company’s business performance during the reporting period that needs to be brought to the attention of investors**

Applicable     Not applicable

Please refer to the website of Shanghai Stock Exchange (<http://www.sse.com.cn>) and the website of the Company (<http://stock.tsingtao.com.cn>) for the unaudited balance sheets, income statements and cash flow statements of the Company as at 31 March 2022.

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

Qingdao, the People's Republic of China  
28 April 2022

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

*Executive Directors:* *Mr. HUANG Ke Xing (Chairman), Mr. YU Zhu Ming and Mr. WANG Rui Yong*

*Non-executive Director:* *Mr. SHI Kun*

*Independent Non-executive Directors:* *Mr. XIAO Geng, Mr. SHENG Lei Ming, Mr. JIANG Xing Lu and Ms. Rania ZHANG*