

Tsingtao Brewery Company Limited
Working Regulations
of
Audit & Internal Control Committee of the Board
(amended and adopted in the 14th meeting of the tenth board
of directors of the Company held on 27 December 2023)

Chapter I General Provisions

- Article 1** To complete and standardize the order of meeting and decision-making procedures of the Audit & Internal Control Committee (the “**Committee**”) under the board of directors (the “**Board**”) of Tsingtao Brewery Company Limited (the “**Company**”), and improve the working efficiency and the effectiveness of decision-making of the Committee to ensure the smooth progress of the Committee, the Company works out these working regulations pursuant to the State’s laws, regulations, regulatory documents and the related articles in the securities regulations in the Company’s listing location, the Articles of Association of Tsingtao Brewery Company Limited (the “**Articles**”) and its annex Rules of Procedure of the Board of Directors of Qingdao Brewery Company Limited, and based on the Company’s actual situation.
- Article 2** The Committee is a specific working unit under the Board established pursuant to the Articles, whose main duties including the assistance to the Board to independently review the Company’s financial information and its disclosure, review the execution and effectiveness of the Company’s risk management, supervise and evaluate the internal and external audit work of the Company as well as the internal control systems, being in charge of the financially compliant control of the Company’s operations and management, and the independent communications, supervision and inspection with the internal and external auditors.
- Article 3** The Company’s Financial Management Department (including those in other names but adopting its duties and responsibilities, and will be deemed as the same when referring to the specific name of the related departments hereunder) and Internal Control and Audit Department are the working units of the Committee, which are in charge of the organization and submission of the relevant information and documents; while the Company’s Secretarial Office of the Board is the coordinating unit of the Committee, which is in charge of the communications for daily works and the arrangements of meetings of the Committee.

Chapter II Composition of the Committee

Article 4 The Committee shall comprise not less than 3 directors who are not senior management officers of listed companies, more than half of which shall be independent directors, and including at least 1 independent director with expertise of accounting. The members of the Committee are appointed by the Board. The former partner of the Company's existing external auditing unit is not allowed to take the position as the member of the Committee within 2 years since the date of his/her resignation or no longer taking the financial benefits entitled to the existing external auditing unit (the later date shall prevail).

Article 5 The Committee shall comprise 1 chairman (meeting convenor) who shall be selected from accounting professionals among the independent directors and shall be in charge of the works in the Committee.

Article 6 The Committee member's duty term shall be as long as that of he/she as director. The Committee member can be re-elected when he/she has fulfilled his/her duty term, during which the Committee member shall automatically lose his/her membership in the Committee when the member, if any, no long taking the position as director in the Company, and new member shall be appointed by the Board pursuant to the rules in the above Article 4 - 5 to make up the number of the Committee.

Chapter III Duties and Responsibilities of the Committee

Article 7 Pursuant to the relevant rules in the securities regulations in the Company's listing location and the Articles, the main duties and responsibilities of the Committee are as follows:

- (1) To evaluate the annual auditing works performed by the external firm and its practicing quality, make proposals to the Board towards the appointment, re-appointment and change of appointment of the external auditing unit, approve the remuneration and terms of engagement of the external auditing unit, and handle any issues concerning the resignation or dismissal of such external auditing unit, mainly including:
 - a. Formulate the policies, processes, and relevant internal control systems responsible for the selection of the external auditing unit responsible for the audit of the Company's financial accounting reports, review the selection documents, determine evaluation criteria and specific scoring standards, and supervise the selection process;
 - b. Propose the initiation of selection or replacement of the external auditing unit, suggest the accounting firm to be selected and the audit fees, and submit decisions to the decision-making body;

- c. Review the audit fees and hiring terms of the external auditing unit without improper influence from the Company's major shareholders, actual controllers, directors, supervisors, and senior management officers.
- (2) To examine and monitor, in the applicable standards, whether or not the external auditing unit is independent and objective, and its auditing procedures are valid, and to discuss with the external auditing unit the nature and scope of the auditing and the reporting responsibilities before the start of auditing work; ensure that the external auditing unit is honest, diligent, strictly complies with business rules and industry self-discipline norms, strictly implements internal control systems, verifies the Company's financial accounting reports, fulfills special attention obligations, and cautiously expresses professional opinions.

Submit an annual evaluation report on the performance of the engaged external auditing unit and a report on the Committee's supervisory responsibilities to the Board.

- (3) To work out and implement the policies of non-auditing service provided by the external auditing unit. The Committee shall report to the Board the issues towards which it thinks it must take actions or make improvements, and suggest the procedures that may be taken;
- (4) To examine the Company's financial information and its disclosure. Before submitting to the Board for discussing and approval, to review in advance the Company's quarterly, interim and annual financial accounting reports, monitor the truthfulness, accuracy, and completeness of the Company's financial statements and financial reports, and review the significant comments towards the financial reporting as set out in the statements and reports, among which it shall also abide by the rules in the Chapter V of these Working Regulations when examining the annual financial accounting report. The Committee shall, before it submit the relevant statements and reports to the Board, examine the followings:
 - a. To examine the Company's financial information and its disclosure, focusing particularly on significant accounting and auditing issues within the Company's financial accounting reports. Special attention is given to the possibility of fraud, misconduct related to financial accounting reports, and the likelihood of significant errors;
 - b. To deliberate on accounting policy changes, accounting estimate alterations, or substantial accounting error corrections made for reasons other than alterations in accounting standards, and submit them for the Board's review;

- c. To examine any material accounting assumptions (including the continuous operations of enterprise), and make judgment to its rationality and any preserved comments;
- d. To examine whether or not the Company abides by the accounting standards, the securities regulations in the Company's listing location concerning the financial reporting and other laws;
- e. To examine whether or not the periodic financial reports legally, accurately and completely disclose the Company's operational results and significant events;
- f. To examine the correctness of the Company's material auditing adjustments;
- g. To examine the parts concerning the significant judgments.

(5) Regarding (4) above:

- a. The members of the Committee shall get in contacts with the Board members and senior management officers. The Committee must hold at least 2 meetings with the Company's external auditing unit in each year; and
- b. The Committee shall consider about any significant or unusual items that are reflected or may need to be reflected in such reports and accounts, and shall consider appropriately about any issues brought out by the Company's financial and internal control departments, and the external auditing unit.

(6) To supervise and evaluate the Company's internal auditing system and its implementation, including:

- a. To provide guidance and supervision for the establishment and implementation of the internal audit system.
- b. To review the Company's annual internal audit work plan and internal audit reports, ensuring the implementation of the Company's internal audit plan.
- c. To direct the effective operation of the internal audit department, receiving semi-annual reports on the implementation of the internal audit plan and issues found during internal audit work for rectification.
- d. To report the progress and quality of internal audit work, as well as significant issues discovered, to the Board.

e. To supervise the Company's internal audit department to conduct a check at least semi-annually on the following matters, produce an inspection report, and submit it to the Committee:

1. Implementation status of significant events such as the use of raised funds, provision of guarantees, related-party transactions, securities investments and derivatives trading, provision of financial assistance, purchase or sale of assets, and external investments.
2. Significant fund transactions within the Company and fund transactions involving directors, supervisors, senior management officer, controlling shareholders, actual controllers, and their related parties.

The Committee should provide a written assessment of the effectiveness of the Company's internal controls based on internal audit reports and related materials submitted by the internal audit department, and report to the Board.

- (7) To be the principal representative between the Company and the external auditing unit to be in charge of the communications between the internal and external auditing, and monitor the relationship between the internal system and external auditing unit to ensure a co-ordination in work between them; must ensure the internal audit function is adequately resourced and has appropriate standing within the Company; and to examine and monitor its effectiveness.
- (8) To examine the Company's financial control, and review the Company's risk management and internal control systems, and consider the self-appraisal report of internal control submitted by the management team and report to the Board the results of its appraisal.
- (9) To discuss the risk management and internal control systems with the management team to ensure the management team has performed its duty to establish effective systems; the topics of discussion should include the adequacy of the resources, staff qualification and experience, the training programmes received by the staff and budget of the Company's accounting and financial reporting function.
- (10) To make research, initiatively or as designated by the Board, to the major investigation findings on risk management and internal control matters, and the responses from the management team to the investigation findings.
- (11) To examine the Company's financial and accounting policies and practices.

- (12) To examine the “auditor’s findings” and “suggestions to management” provided by the external auditing unit to management, any material queries raised by the auditor to management about the accounting records, financial accounts or systems of control, and the management’s response.
- (13) To ensure the Board will provide a timely response to the issues raised by the external auditing unit to management in the “auditor’s findings” and “suggestions to management”.
- (14) To examine the following arrangements made by the Company: the Company’s employees may, in confidence, raise concerns about possible improprieties in the financial reporting, internal control and other matters. The Committee should ensure that proper arrangements are in place for fair and independent investigation of these matters, and for appropriate follow-up action.
- (15) In accordance with the laws, regulations and the Company’s provisions on connected transactions, to take control and make daily management to the Company’s connected transactions, including confirming the list of the Company’s connected persons and reporting to the Board and the supervisory committee, examining the significant connected transaction matters and recording them in writing to submit to the Board for discussion, and report to the supervisory committee. The Committee may appoint independent financial consultant to present the report as its judgmental basis.
- (16) To discuss the Company’s internal auditing plan, listen to the inspecting and monitoring report, and self-appraisal report of the risk management and internal control, review the annual working report of the internal auditing organization, make direction to the auditing methods and procedures of the internal auditing organization, be responsible for the communications between the internal and external auditors.
- (17) To examine and inspect other duties and responsibilities granted by the Board or make research of other issues determined by the Board.
- (18) To report to the Board the matters regulated by these Working Regulations.
- (19) To examine and inspect other relevant matters required by the periodically amended Appendix C1 – Corporate Governance Code of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and Clause D.3.3 of the Corporate Governance Report, as well as securities regulations in the Company’s listing location and other relevant laws, regulations, and normative documents.

Article 8

The Committee should maintain high vigilance and attention concerning the following circumstances related to the external auditing unit:

- (1) Changes in the external auditing unit after the balance sheet date but before the issuance of the annual report, consecutive changes in the external auditing unit for two years, or multiple changes in the external auditing unit within the same fiscal year.
- (2) The prospective appointment of an external auditing unit that has received multiple administrative penalties for practice quality or is under investigation for multiple audit projects within the last three years.
- (3) Cases where the original audit team intends to transfer to another external auditing unit.
- (4) Significant changes in audit fees during the engagement period compared to the previous year, or the engagement price significantly below the benchmark price.
- (5) Failure of the external auditing unit to substantively rotate audit engagement partners or signing Certified Public Accountants (CPAs) as required.

Article 9

The Committee is responsible for reviewing the Company's financial information and its disclosure, supervising and evaluating internal and external audit work, and internal controls. The following matters, after being agreed upon by more than half of the Committee members, should be submitted for the Board's review:

- (1) Disclosure of financial information in financial accounting reports and periodic reports, and internal control assessment reports.
- (2) Appointment or dismissal of accounting firms undertaking the Company's audit business.
- (3) Appointment or dismissal of the Company's financial head.
- (4) Making accounting policy changes, accounting estimate alterations, or significant accounting error corrections for reasons other than alterations in accounting standards.
- (5) Other matters as stipulated by laws, administrative regulations, securities regulations in the Company's listing location, and the Articles.

Article 10 In case of false records, misleading statements, or significant omissions in the financial accounting reports issued by the Company, the Committee should urge the relevant departments within the Company to formulate corrective measures and timelines, conduct follow-up reviews, supervise the implementation of corrective measures, and promptly disclose the completion status of the corrections.

Chapter IV Duties and Responsibilities of Chairman of the Committee

Article 11 The chairman of the Committee mainly exercises the following duties and responsibilities:

- (1) To convene the regular meetings of the Committee;
- (2) To convene the extraordinary meetings of the Committee in exceptional cases;
- (3) To chair the meetings of the Committee;
- (4) To urge and inspect the implementation of the resolutions of the Committee;
- (5) Other duties and responsibilities granted by the Board and the Committee.

Article 12 The Company should provide necessary working conditions for the Committee, equip specialized personnel or institutions to handle the Committee's daily work such as coordination, meeting organization, material preparation, and file management. When performing its duties, the Company's management and relevant departments should cooperate. If deemed necessary, the Committee may hire intermediary institutions to provide professional opinions, and reasonable costs incurred shall be borne by the Company.

Chapter V Procedures of Three-Party Communications on Annual Report

Article 13 The Company sets up the communication mechanism for the auditing of annual report with the Committee, management and external auditing organization ("**CPA of Annual Auditing**") which is responsible for the auditing of the Company's financial reports, and will, pursuant to the related supervisory requirements of the China Securities Supervisory Commission, carry out its work through the communications in advance, in the process and afterwards among the three parties of the Committee, the management team and the CPA of Annual Auditing.

The Company's chairman is the first person who is responsible for the annual report communication mechanism. The Company's Finance Management Department, as the department who leads the issue, is responsible for providing to the Committee and CPA of Annual Auditing with the financial materials, and other production and operation information needed for the communicating meetings to actively participate in the communications among the three parties. The Company's Secretarial Office of the Board, as the coordinator, is responsible for the organization, minutes recording, file reservation and daily contacts for the communicating meetings, and providing the necessary information and conditions for the Committee's work, including arranging the site visits paid by the independent non-executive directors.

Article 14

During the preparation and disclosure of the Company's annual financial report, the Committee shall follow the following working rules:

- (1) To discuss the nature, scope and reporting responsibilities of the auditing with the CPA of Annual Auditing before the start of the annual auditing in each year, and discuss to determine, with the CPA of Annual Auditing, the auditing scheme, auditing schedule and personnel of the annual financial report;
- (2) To review the financial accounting statements prepared by the Company at the extraordinary meeting or circularizing the materials before the CPA of Annual Auditing entered the meeting venue, and review the statements and the significant events on the financial reporting as set out in the statements to produce the comments in writing;
- (3) To urge the CPA of Annual Auditing to submit the initial draft, formal text and the soft copy of the auditing report within the appointed period, and record in writing the way, time and result of the urge, and the signing confirmation of relative persons-in-charge;
- (4) To keep communications with the auditors after the CPA of Annual Auditing enter the meeting venue, actively understand the progress of the auditing work carried out by the CPA of Annual Auditing and the problems found in the auditing, and pay attention to the Company's results pre-announcement and its correction;
- (5) To review again the Company's financial accounting statements at the extraordinary meeting or circularizing the materials after the CPA of Annual Auditing submitting the initial auditing comments, and examine and monitor in the applicable standards whether or not the external auditing unit is independent and objective, the auditing process is valid, and produce the comments in writing;

- (6) To convene the Committee meeting to vote on the annual financial report, and work out the resolution to submit to the Board for its review; at the same time, to submit to the Board the conclusion report of the auditing for the year carried out by the CPA of Annual Auditing in the Company, and the resolution of re-appointment or changing the appointment of the CPA of Annual Auditing for the subsequent year;
- (7) In the above communications, if the independent non-executive directors propose the evasion of the Company's management team, the management officers shall evade.

Chapter VI Order of Meeting of the Committee

Article 15

The Committee meetings can be classified as regular meeting and extraordinary meeting, of which the regular meeting shall be held at least 4 times per year, that is, once in each quarter. The chairman of the Committee shall convene an extraordinary meeting of the Committee within 7 working days when one of the following situations occurs:

1. As proposed by the Board;
2. As proposed by the supervisory committee;
3. As proposed by two or more committee members;
4. As being thought necessary by the chairman of the Committee.

Independent directors, while fulfilling their duties, can prompt the Committee to discuss and deliberate on significant company matters falling within the Committee's scope in accordance with the procedures.

Committee meetings are primarily conducted in person. However, when ensuring that all participating members can communicate fully and express their opinions, if necessary, meetings may be conducted via video, telephone, written resolutions, or other means, following the prescribed procedures.

Article 16

The Committee meetings can be notified by mail or by fax and must notify all Committee members at least three days before the meeting. Unanimous agreement by all Committee members may waive the aforementioned notification period.

Article 17 The notice of Committee meeting shall include the followings:

1. Date and venue of the meeting;
2. The duration of the meeting;
3. Issues submitted to the meeting for consideration;
4. Expressly stated with remarkable words: the Committee members are not allowed to be absent without proper reasons, otherwise they shall submit to the Committee the written proxy form in which the trusted Committee member's name, authorized duty scope and etc. shall be stated;
5. Date of the notice.

Article 18 The Committee meetings are convened and chaired by the chairman of the Committee, and the chairman shall nominate another member to chair the meeting if he/she is not able to exercise his/her duty for some reasons.

Article 19 The Committee meetings shall be attended by the Committee members themselves. If a member cannot attend due to unforeseen circumstances, he/she should review the meeting materials in advance, form clear opinions, and provide written authorization for another member to attend on his/her behalf. The proxy form shall clearly state the name, issues entrusted, duty scope and effective period of the entrusted Committee member (“**Proxy**”), and be signed or sealed by the truster. In cases where an independent director member cannot attend due to unforeseen circumstances, he/she should delegate another independent director member to attend according to the aforementioned regulations. The Proxy shall exercise his/her rights within the scope of being authorized. Any Committee member who neither attends the Committee meeting nor entrusts Proxy to attend the meeting on his/her behalf is seen as abandoning his/her voting right at such meeting.

Article 20 The Committee meeting shall be held only when being attended by more than two-thirds of Committee members; each member is entitled a voting right; the comments after consideration made by the Committee to the Board must be approved by more than half of all Committee members. The Board will consider directly the related matters of which effective comments fail to be worked out due to the evasion of some Committee members.

Article 21 Should a Committee member attend and vote at a Committee meeting while in a situation where, as per the securities regulations in the Company's listing location, they should cease from performing their duties but have not yet ceased, or should be dismissed from their position but have not yet been dismissed, their vote shall be considered invalid and not counted towards the attendance.

Article 22 The Committee meeting must ensure the members to express their opinions completely, and the resolutions finally made must be signed by the attending members.

Article 23 Based on the meeting agenda and its needs, the Committee may call together other persons who are related to the meeting topics to make certain introductions or listen to the comments, and such related persons are not allowed to be absent without proper reasons. The persons who attend the meeting without voting rights may not involve in the discussion, are not allowed to disorder the meeting progressing, voting and making resolutions.

Article 24 The Committee meeting is voted by poll, and the meeting resolutions and minutes shall be worked out after the voting. The minutes shall make sufficiently detailed record of the issues considered and the decisions reached at the meeting, including any doubts raised or dissents expressed by the members, and should include the opinions of independent director members. The initial draft and final version of the minutes shall be distributed to all members within the reasonable period after the meeting, of which the initial draft is for comments made by the members and the final version is for their records. All members of the Committee who attend the meeting shall sign confirm the resolutions and minutes and relevant personnel such as secretary of the Board and record-keeping personnel should sign and confirm the meeting minutes.

The written document of the resolutions, the minutes and all meeting materials shall be preserved by the secretary of the Board for not less than 10 years. The meeting records shall be available for review by any directors during any reasonable period after they notify properly.

Article 25 The resolutions of the Committee meeting shall include the followings:

- (1) The date, venue and name of the convenor of the meeting;
- (2) Number of the members who shall attend the meeting and the number of the members who actually attend the meeting;
- (3) Explaining the procedures of the meeting, and the legitimation and effect of the meeting resolutions;

- (4) Explaining the contents of the resolutions discussed and voted at the meeting, and the results of the voting;
- (5) Other issues needed to be explained and recorded in the resolutions.

Article 26 After working out the resolutions of the Committee, if the proposal is needed to be submitted to the Board for discussion, the Committee shall submit such proposal timely to the Board, unless the Committee is not allowed to report as requested by the laws or regulations.

Article 27 All Committee members who attend the meeting are obliged to make the issues discussed at the meeting confidential, and not allowed to disclose the related information without permission.

Chapter VII Miscellaneous

Article 28 For any deficiencies in these Working Regulations or any issues in conflict with the issued or amended laws, regulations, regulatory documents, securities regulations in the Company's listing location or the Articles after these Working Regulations taking into effect, to implement pursuant to the State's laws, regulations regulatory documents, securities regulations in the Company's listing location or the Articles.

Article 29 If these Working Regulations are needed to be amended in accordance with the changes of the actual situations, the Committee shall submit the proposed amendments to the Board for consideration and approval.

Article 30 These Working Regulations and its amendments shall take into effect since the date of being approved by the resolutions of the Board.

Article 31 The Board is responsible for the explanation of these Working Regulations.

Article 32 These Working Regulations will be published at the websites of the Company and the listing exchanges on which the Company is listed pursuant to the requirements of the securities regulations in the Company's listing location.