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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)**

### **ANNOUNCEMENT ON FULFILLMENT OF THE UNLOCKING CONDITIONS FOR THE SECOND UNLOCKING PERIOD UNDER THE RESERVED GRANT OF THE RESTRICTED SHARES UNDER THE RESTRICTED A SHARE INCENTIVE PLAN**

References are made to the (i) announcements dated 23 March 2020, 29 June 2020, 27 July 2020, 22 March 2021, 27 May 2021, 30 September 2021, 15 December 2021, 6 December 2022, 5 May 2023, 10 July 2023 and 18 December 2023; (ii) circular dated 29 April 2020; and (iii) announcement of the poll results at the Annual General Meeting and the Class Meetings dated 8 June 2020 of Tsingtao Brewery Company Limited (the “**Company**”), in relation to, among other things, the adoption of the Restricted A Share Incentive Plan (the “**Incentive Plan**”), the First Grant and the Reserved Grant of the Restricted Shares under the Incentive Plan, the results of the Reserved Grant, the repurchase and cancellation of part of the Restricted Shares under the Incentive Plan, the fulfillment of the Unlocking Conditions for the First Unlocking Period under the Reserved Grant of the Restricted Shares under the Incentive Plan and the fulfillment of the Unlocking Conditions for the Second Unlocking Period under the First Grant of the Restricted Shares under the Incentive Plan. Unless otherwise defined herein, capitalized terms used in this announcement shall have the same meaning as defined in the above announcements and circular.

On 16 May 2024, the board of directors (the “**Board**”) and the Supervisory Committee of the Company, respectively considered and approved the “Resolution on the Fulfillment of the Unlocking Conditions for the Second Unlocking Period under the Reserved Grant of the Restricted Shares under the A Share Incentive Plan”.

# I. EXPLANATION ON FULFILLMENT OF THE UNLOCKING CONDITIONS FOR THE SECOND UNLOCKING PERIOD UNDER THE RESERVED GRANT OF THE RESTRICTED SHARES UNDER THE INCENTIVE PLAN

## 1. Upcoming expiry of the Second Locking Period Under the Reserved Grant under the Incentive Plan

Pursuant to the relevant provisions of the Incentive Plan, the unlocking periods and unlocking schedule for the First Grant and Reserved Grant of the Restricted A Shares are set out in the table below:

<b>Unlocking Period</b>	<b>Unlocking Time</b>	<b>Proportion of unlocking shares in the total shares granted</b>
First Unlocking Period	Commencing from the first trading day after expiry of the 24-month period from the date of completion of registration of certain corresponding Restricted Shares and ending on the last trading day of the 36-month period from the date of completion of registration of certain corresponding Restricted Shares	1/3
Second Unlocking Period	Commencing from the first trading day after expiry of the 36-month period from the date of completion of registration of certain corresponding Restricted Shares and ending on the last trading day of the 48-month period from the date of completion of registration of certain corresponding Restricted Shares	1/3
Third Unlocking Period	Commencing from the first trading day after expiry of the 48-month period from the date of completion of registration of certain corresponding Restricted Shares and ending on the last trading day of the 60-month period from the date of completion of registration of certain corresponding Restricted Shares	1/3

The Grant Date for the Reserved Grant of the Restricted Shares under the Incentive Plan is on 22 March 2021, the share registration date is 26 May 2021, and the second locking period under the Reserved Grant of the Restricted Shares will expire on 25 May 2024.

## 2. Explanation on Fulfillment of the Unlocking Conditions

Pursuant to the relevant provisions of the Incentive Plan, within the Unlocking Period, the Restricted Shares granted to the Participants may be unlocked only when the following conditions are satisfied:

No.	Unlocking Conditions	Explanation on the status of fulfillment
1.	<b>There is no occurrence of any of the following events on the part of the Company:</b>	As there is no occurrence of the aforesaid circumstances, the Company has satisfied the conditions for unlocking the Restricted Shares.
	(1) issue of an auditors' report with adverse opinion or which indicates an inability to give opinion by a certified public accountant in respect of the financial report of the Company for its most recent accounting year;	
	(2) issue of an auditors' report with adverse opinion or which indicates an inability to give opinion by a certified public accountant in respect of the internal control of the financial report of the Company for its most recent accounting year;	
	(3) failure to conduct profit distribution in accordance with laws and regulations, the Articles of Association and public undertakings during the last 36 months after listing;	
	(4) prohibition from implementation of a share incentive plan by laws and regulations;	
	(5) any other circumstances as determined by the CSRC.	

No.	Unlocking Conditions	Explanation on the status of fulfillment
2.	<p><b>There is no occurrence of any of the following events on the part of the Participants:</b></p> <p>(1) being subject to any identification as an ineligible personnel by a stock exchange in the last 12 months;</p> <p>(2) being subject to any identification as an ineligible personnel by the CSRC and its resident agencies in the last 12 months;</p> <p>(3) imposition of administrative penalties or measures prohibiting the Participants from entering into the market by the CSRC and its resident agencies in the last 12 months due to material breach of laws and regulations;</p> <p>(4) circumstances under which the Participant is prohibited from acting as a director or a member of the senior management of a company under the Company Law;</p> <p>(5) circumstances under which the Participant is not allowed by the laws and regulations to participate in any share incentive plan of a listed company;</p> <p>(6) any other circumstances as determined by the CSRC.</p>	<p>As there is no occurrence of the aforesaid circumstances, the Participants have satisfied the unlocking conditions.</p>

No.	Unlocking Conditions	Explanation on the status of fulfillment
3.	<p><b>Performance appraisal requirement of the Company:</b></p> <p>Performance appraisal targets of unlocking for the Second Unlocking period:</p> <p>(1) The return on net assets of the Company for 2021 shall not be lower than 8.3% and not lower than the 75th percentile of the industry average or the benchmarking companies.</p> <p>(2) On the basis of the average net profit from 2016 to 2018, the growth rate of the net profit of the Company for 2021 shall not be less than 70%, and the net profit growth for the current year shall not be less than the sum of the net profit growth of the benchmarking companies compared with the average net profit from 2016 to 2018.</p> <p>(3) The proportion of the Company's income from principal business to operating income for 2021 shall not be less than 90%.</p>	<p>Fulfilling the Company's performance appraisal targets of unlocking within the Second Unlocking Period:</p> <p>(1) The return on net assets of the Company for 2021 is 15.26%. The average is 10.03%, and the 75th percentile of the benchmarking companies is 5.79%.</p> <p>(2) The net profit of the Company for 2021 increased by 168.8% as compared with the average net profit from 2016 to 2018. In the corresponding period, the net profit of the Company had grown by RMB2.098 billion, and the sum of the net profit of the benchmarking companies had grown by RMB833 million.</p> <p>(3) The proportion of the Company's income from principal business to operating income for 2021 is 98.36%.</p>

No.	Unlocking Conditions	Explanation on the status of fulfillment
		<i>Notes:</i>
		<ol style="list-style-type: none"> <li data-bbox="959 331 1498 725">1. Both of the abovementioned “growth rate of the net profit” and “return rate on net assets” are based on the net profit attributable to the shareholders of the listed company excluding the impact of the share-based payment expenses of the Incentive Plan as the accounting basis.</li> <li data-bbox="959 757 1498 1515">2. The significant asset restructuring made in the benchmarking company Chongqing Beer Co., Ltd. in 2020 had a significant impact on its annual performance indicators. Pursuant to the Incentive Plan, the ninth session of the Board has considered and approved at the fourth extraordinary meeting that during the assessment on fulfillment of appraisal target in 2020, the impact of the asset restructuring in Chongqing Beer Co., Ltd. has been removed from the indicator of the sample companies in the benchmarking companies.</li> </ol>

<b>No.</b>	<b>Unlocking Conditions</b>	<b>Explanation on the status of fulfillment</b>
		3. According to the provisions of the Incentive Plan, after consideration and approval at the second interim meeting of the tenth session of the Board in 2022, the deferred impact of the significant asset restructuring event of Chongqing Beer Co., Ltd. in 2020 on the annual performance indicator assessment was excluded when assessing the fulfillment of the appraisal target in 2021.

**4. The performance appraisal requirements for the individual:**

Results of appraisal are determined based on the individual's performance appraisal indicators in 2021, the application for unlocking all of the Restricted Shares can only be made if the results of appraisal during such locking period are "Fair" or above.

<b>Results of appraisal</b>	<b>Excellent</b>	<b>Good</b>	<b>Fair</b>	<b>Fail</b>
Performance grade	A	B+	B-	C

The total number of the Participants of the Reserved Grant under the Incentive Plan is 34, of which, there were no "Fail" in the 33 Participants' individual performance appraisal results in 2021, fulfilling the Unlocking Conditions; 1 Participant is no longer eligible due to resignation, who has completed the repurchase and cancellation procedure of his/her Restricted Shares that have not been unlocked on 9 December 2022, and will not be included under the current unlocking.

In conclusion, the unlocking period corresponding to the Second Unlocking Period under the Reserved Grant of the Restricted Shares under the Incentive Plan is expiring and the conditions for unlocking the Restricted Shares under the Incentive Plan have been fulfilled. Pursuant to the authorisation obtained at general meeting and class meeting of the Company, the Company shall deal with the relevant matters in relation to the 33 qualified Participants with a total of 96,666 Restricted Shares in accordance with the relevant provisions under the Incentive Plan.

## II. STATUS OF THE RESTRICTED SHARES UNDER THE CURRENT UNLOCKING PERIOD

The total number of Participants who are qualified for the current unlocking is 33, the number of the Restricted Shares which can be unlocked is 96,666 Shares (based on the actual registration amount on the China Securities Depository and Clearing Corporation Limited Shanghai Branch), accounting for 0.00709% of the Company's total share capital, the details are as follows:

Name	Position	Number of the Restricted Shares granted (shares)	Number of the Restricted Shares which can be unlocked this time (shares)	Proportion of the number of the Unlocking Shares this time to the total share capital of the Company
	Core personnel	<u>290,000</u>	<u>96,666</u>	<u>0.00709%</u>
Total		<u><u>290,000</u></u>	<u><u>96,666</u></u>	<u><u>0.00709%</u></u>

## III. OPINIONS OF THE SUPERVISORY COMMITTEE

The Supervisory Committee is of the view that, in view of the fulfillment of relevant Unlocking Conditions for the Second Unlocking Period under the Reserved Grant of the Restricted Shares under the Incentive Plan, pursuant to the authorisation obtained at general meeting and class meeting of the Company, the Board has dealt with matters related to the second unlocking under the Reserved Grant of Restricted Shares under the Incentive Plan for the eligible 33 Participants, unlocking a total of 96,666 Shares, in accordance with the relevant provisions under the Incentive Plan. Such matters are in compliance with the relevant provisions of the "Administration Measures on Share Incentives of Listed Companies" and other laws and regulations, regulatory documents and the Incentive Plan, and the "Articles of Association" without prejudice to the interests of the Company and its shareholders.



#### IV. SUMMARY OF THE LEGAL OPINIONS

Beijing Haiwen & Partners has issued the legal opinion in relation to the fulfillment of Unlocking Conditions for the Second Unlocking Period under the Reserved Grant of the Restricted Shares under the Incentive Plan, the opinions are concluded as follows:

The necessary approvals and authorisations have been obtained for the current unlocking, in compliance with the relevant provisions under the Incentive Plan; the Second Unlocking Period under the Reserved Grant of the Restricted Shares under the Incentive Plan will commence on 27 May 2024, as at the date of the issuance of the legal opinion, the current unlocking is in compliance with the Unlocking Conditions stipulated in the Incentive Plan and the “Assessment Management Measures”.

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

Qingdao, the PRC  
16 May 2024

*Members of the Board of the Company as at the date of this announcement are as follows:*

*Executive Directors:* Mr. HUANG Ke Xing (Chairman), Mr. JIANG Zong Xiang,  
Mr. WANG Rui Yong and Mr. HOU Qiu Yan

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