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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

STRUCTURED DEPOSITS

AND

DISCLOSEABLE TRANSACTION ON ARRANGING STRUCTURED DEPOSITS IN COMMERCIAL BANKS

STRUCTURED DEPOSITS

In order to improve the efficiency on the use of the Company's idle funds, realize the preservation and appreciation of the Company's capital, act on the principle of stability and prudent operation and on the premise of ensuring the demand of production and operational funds together with the safety of the funds, the Company has made structured deposits with its idle funds.

As at the date of this announcement, the Company has entered into structured deposit agreements with Ping An Bank, SPDB, ICBC, Bank of Qingdao, Construction Bank, Everbright Bank, BOC and CIB respectively in the past twelve months.

IMPLICATIONS UNDER THE LISTING RULES

Based on the understanding in the PRC, structured deposits by the Company at the banks are principal guaranteed and are usual fund arrangements within the Group instead of assets acquisition transactions. With reference to the new financial instrument standard, the Company has classified structured deposit products as "financial assets held for trading". Pursuant to Rule 14.07 of the Listing Rules, as one of the applicable percentage ratios for the ICBC Structured Deposit Agreements exceeds 5% but all the applicable percentage ratios are less than 25%, the ICBC Structured Deposit Agreements can constitute a discloseable transaction under Chapter 14 of the Listing Rules. Notwithstanding the discrepancies in the treatment between Hong Kong and the PRC and on the above understanding of the Company, the Company hereby makes an announcement on discloseable transaction in relation to the arranging of the ICBC Structured Deposits.

BACKGROUND

In order to improve the efficiency on the use of the Company's idle funds, realize the preservation and appreciation of the Company's capital, act on the principle of stability and prudent operation, and on the premise of ensuring the demand of production and operational funds together with the safety of the funds, the Company has made structured deposits with its idle funds.

On 29 September 2021, the "Resolution in relation to the carrying out of structured deposit businesses by the Company" was considered and approved at the second extraordinary meeting of 2021 of the Board. According to the Company's operation development plan and situation of funds, on the basis of ensuring normal operation, liquidity and security of the funds of the Group, it is agreed that the Company can arrange structured deposits with a maximum balance of not more than RMB7.7 billion in a single day in 2021, and the Company can arrange structured deposits in the next twelve months, with a revolving balance of no more than RMB8 billion in a single day. The Company will closely monitor the arranging of structured deposits and timely comply with applicable disclosure obligations in accordance with the relevant laws and regulations as appropriate.

The Company will conduct strict product evaluation and screening based on the principle of stringent risk management, and choose structured deposit products with high security, high liquidity and controllable risk. During the period of product investment, the Company will maintain close contact with the deposit banks and timely track the products status, strengthen risk management and supervision, and ensure safety of funds.

In addition, the financial management center of the Company is responsible for the handling of procedures for specific products and the assignment of specialists to analyze and track product investment in a timely manner. Upon identification or determination of unfavourable factors, corresponding measures will be implemented promptly to strictly control the investment risks.

STRUCTURED DEPOSIT AGREEMENTS ENTERED INTO IN THE PAST TWELVE MONTHS

As at the date of this announcement, the Company has entered into structured deposit agreements with Ping An Bank, SPDB, ICBC, Bank of Qingdao, Construction Bank, Everbright Bank, BOC and CIB respectively in the past twelve months. The details are as follows:—

Unit: RMB'0000

No.	Type of Product	Actual Investment Amount	Actual Recovered Principal	Actual Income	Amount of Principal yet to be Recovered
1	Ping An Bank structured deposit	100,000	100,000	507.12	—
2	Construction Bank structured deposit	60,000	60,000	355.07	—
3	ICBC structured deposit	350,000	—	—	350,000
4	Ping An Bank structured deposit	200,000	100,000	1,686.03	100,000
5	Bank of Qingdao structured deposit	180,000	90,000	203.67	90,000
6	BOC structured deposit	100,000	—	—	100,000
7	Everbright Bank structured deposit	68,000	18,000	57.29	50,000
8	SPDB structured deposit	60,000	40,000	315.83	20,000
9	CIB structured deposit	40,000	—	—	40,000
Total amount of structured deposit		<u>1,158,000</u>	<u>408,000</u>	<u>3,125.01</u>	<u>750,000</u>

IMPLICATIONS UNDER THE LISTING RULES

Based on the understanding in the PRC, structured deposits by the Company at the banks are principal guaranteed and are usual fund arrangements within the Group instead of assets acquisition transactions. With reference to the new financial instrument standard, the Company has classified structured deposit products as “financial assets held for trading”. Pursuant to Rule 14.07 of the Listing Rules, as one of the applicable percentage ratios for the ICBC Structured Deposit Agreements exceeds 5% but all the applicable percentage ratios are less than 25%, the ICBC Structured Deposit Agreements can constitute a discloseable transaction under Chapter 14 of the Listing Rules. Notwithstanding the discrepancies in the treatment between Hong Kong and the PRC and on the above understanding of the Company, the Company hereby makes an announcement on discloseable transaction in relation to the arranging of the ICBC Structured Deposits.

ICBC STRUCTURED DEPOSIT AGREEMENTS

The Board announces that, on 15 January 2021 and 22 January 2021, the Company and ICBC entered into two structured deposit agreements. Pursuant to the ICBC Structured Deposit Agreements, the Company agreed to arrange structured deposits with a principal amount of RMB2.5 billion and RMB1 billion respectively. The relevant principal terms are as follows:-

(1) Date	: 15 January 2021	22 January 2021
(2) Parties to the Agreement	: (i) the Company (ii) ICBC	(i) the Company (ii) ICBC
(3) Name of Product	: Industrial and Commercial Bank of China Linked Exchange Rate Range Cumulative Corporate Structured Deposit Product in RMB – Special Account Type, Issue 013 in 2021 Type T	Industrial and Commercial Bank of China Linked Exchange Rate Range Cumulative Corporate Structured Deposit Product in RMB – Special Account Type, Issue 015 in 2021 Type I
(4) Type of Income	: Principal guaranteed floating income type	Principal guaranteed floating income type
(5) Type of Product	: Structured deposit	Structured deposit
(6) Product Risk Level (internal risk assessment of ICBC)	: Very low	Very low
(7) Deposit Amount	: RMB2,500,000,000	RMB1,000,000,000
(8) Term of Deposit	: From 15 January 2021 to 29 December 2021 (348 days)	From 22 January 2021 to 29 December 2021 (341 days)
(9) Expected Annualized Rate of Return	: 1.5% to 3.5%	1.5% to 3.5%

(10) Calculation Method of Expected Income	:	Calculation formula of expected return = Deposit x expected annualized rate of return x actual number of days of deposit/365	Calculation formula of expected return = Deposit x expected annualized rate of return x actual number of days of deposit/365
(11) Repayment of Principal with Interest	:	Principal will be repaid on the maturity date of the product, and the income will be repaid on the first business day following the maturity date of the product at the latest	Principal will be repaid on the maturity date of the product, and the income will be repaid on the first business day following the maturity date of the product at the latest

INFORMATION ON THE GROUP AND ICBC

The Group is principally engaged in the production and sales of brewery products and related business.

ICBC is a licensed bank incorporated under the laws of the PRC and is principally engaged in providing corporate and personal banking services and other financial services, the A shares and H shares of which are listed on the SSE (Stock Code: 601398) and the Main Board of the Stock Exchange (Stock Code: 1398) respectively.

To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, ICBC and its ultimate beneficial owners are third parties independent of the Company and its connected persons.

REASONS FOR AND BENEFITS OF ENTERING INTO THE ICBC STRUCTURED DEPOSIT AGREEMENTS

On the premise of ensuring the Group's operating liquidity and safety of funds not being affected, the Group has utilized certain idle funds to arrange for structured deposits with high security from the ICBC. Appropriate low-risk short-term financial management is conducive to enhancing the efficiency of utilization of funds and increasing the return of the idle funds.

The Directors are of the view that the terms of ICBC Structured Deposit Agreements are on normal commercial terms, and are fair and reasonable and in the interests of the Company and its shareholders as a whole.

DEFINITIONS

Unless the context requires otherwise, the following terms and expressions shall have the following meanings in this announcement:

“Bank of Qingdao”	means	the Bank of Qingdao Co., Ltd. (青島銀行), a joint stock company incorporated in the PRC with limited liability, the H-shares and the A-shares of which are listed on the Stock Exchange (Stock code: 3866) and the SZSE (Stock code: 002948), respectively
“Board”	means	the board of directors of the Company
“BOC”	means	the Bank of China Limited (中國銀行股份有限公司), a joint stock limited company incorporated in the PRC with limited liability, the H-shares and A-shares of which are listed on the Stock Exchange (Stock code: 3988) and the SSE (Stock code: 601988), respectively
“CIB”	means	the Industrial Bank Co., Ltd. (興業銀行股份有限公司), a joint stock company incorporated in the PRC with limited liability, the A-shares of which are listed on the SSE (Stock code: 601166)
“Company”	means	Tsingtao Brewery Company Limited (青島啤酒股份有限公司), a Sino-foreign joint stock limited company established in Qingdao, the PRC, whose H-shares and A-shares are listed on the Stock Exchange and the SSE, respectively
“connected person”	means	the meanings ascribed to it under the Listing Rules
“Construction Bank”	means	the China Construction Bank Corporation (中國建設銀行股份有限公司), a joint stock company incorporated in the PRC with limited liability, the H-shares and A-shares of which are listed on the Stock Exchange (Stock code: 0939) and the SSE (Stock code: 601939), respectively
“Director(s)”	means	the director(s) of the Company
“Everbright Bank”	means	the China Everbright Bank Co. Ltd. (中國光大銀行股份有限公司), a joint stock company incorporated in the PRC with limited liability, the H-shares and A-shares of which are listed on the Stock Exchange (Stock code: 6818) and the SSE (Stock code: 601818), respectively
“Group”	means	the Company and its subsidiaries

“ICBC”	means	the Industrial and Commercial Bank of China Limited Qingdao City South Second Branch (中國工商銀行股份有限公司青島市南第二支行), a branch of a joint stock company incorporated in the PRC with limited liability, the H-shares and A-shares of its parent company, Industrial and Commercial Bank of China Limited, are listed on the Stock Exchange (Stock code: 1398) and the SSE (Stock code: 601398), respectively
“ICBC Structured Deposit Agreements”	means	the structured deposit agreements entered into between the Company and ICBC on 15 January 2021 and 22 January 2021 respectively
“ICBC Structured Deposits”	means	the structured deposit products provided by ICBC and arranged by the Company, details of which are set out in this announcement
“Listing Rules”	means	the Rules Governing the Listing of Securities on The Stock Exchange
“percentage ratio”	means	the meanings ascribed to it under Rule 14.07 of the Listing Rules
“Ping An Bank”	means	the Ping An Bank Co., Ltd. (平安銀行股份有限公司), a joint stock company incorporated in the PRC with limited liability, the A-shares of which are listed on the SZSE (Stock code: 000001)
“PRC”	means	the People’s Republic of China
“RMB”	means	Renminbi, the lawful currency of the PRC
“SPDB”	means	the Shanghai Pudong Development Bank Co., Ltd. (上海浦東發展銀行股份有限公司), a joint stock company incorporated in the PRC with limited liability, the A-shares of which are listed on the SSE (Stock Code: 600000)
“SSE”	means	the Shanghai Stock Exchange
“Stock Exchange”	means	The Stock Exchange of Hong Kong Limited
“SZSE”	means	Shenzhen Stock Exchange
“%”	means	per cent

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

Qingdao, the People’s Republic of China
30 September 2021

Directors of the Company 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