

Stock Code: 600132

Stock Abbreviation: Chongqing Brewery

# Chongqing Brewery Co., Ltd.

## Q3 Report of 2023

The board of directors and all directors of the company guarantee that this announcement is free of any false records, misleading statements or significant omissions, and that they will bear legal responsibility for the authenticity, accuracy and completeness of its content.

**Reminder of important content:**

The board of directors, board of supervisors, directors, supervisors and senior management of the company guarantee that this quarterly report contains true, accurate and complete information and is free of any false records, misleading statements or significant omissions, and that they will be jointly and severally liable for the legal consequences.

The legal representative of the company, officer in charge of accounting and head of accounting department (the chief accountant) guarantee that the financial information in the quarterly report is true, accurate and complete.

Whether the Q3 financial statements are audited

Yes No

**I. Key financial information****(I) Major accounting data and financial indicators**

Unit: yuan Currency: RMB

Item	For the quarter ended September 30, 2023 (“the reporting period”)	For the quarter ended September 30, 2022		Rate of change (%)	For the three quarters ended September 30, 2023	For the three quarters ended September 30, 2022		Rate of change (%)
		Before retrospective adjustment	After retrospective adjustment	After retrospective adjustment		Before retrospective adjustment	After retrospective adjustment	After retrospective adjustment
Operating revenue	4,523,879,342.82	4,247,364,892.75	4,247,364,892.75	6.51%	13,028,681,199.38	12,183,116,035.30	12,183,116,035.30	6.94%
Net profit attributable to shareholders of the Company	479,080,499.95	454,728,429.61	454,867,771.85	5.32%	1,344,089,296.32	1,182,303,204.39	1,182,418,780.75	13.67%
Net profit attributable to shareholders of the Company excluding non-recurring gains and losses	472,823,195.86	445,285,432.32	445,424,774.56	6.15%	1,326,981,171.32	1,161,030,910.61	1,161,146,486.97	14.28%
Net cash flows from operating activities	—	—	—	—	3,718,311,643.18	4,202,540,081.28	4,202,540,081.28	-11.52%
Basic earnings per share	0.99	0.94	0.94	5.32%	2.78	2.44	2.44	13.67%

Diluted earnings per share	0.99	0.94	0.94	5.32%	2.78	2.44	2.44	13.67%
Weighted average ROE (%)	25.27	26.08	26.09	Decreased by 0.82 p.p.	61.99	61.67	61.68	Increased by 0.31 p.p.
	As of September 30, 2023		As of December 31, 2022				Rate of change (%)	
			Before retrospective adjustment	After retrospective adjustment		After retrospective adjustment		
Total assets	14,049,739,569.56		12,497,542,168.83	12,497,582,459.14		12.42%		
Net assets attributable to shareholders of the Company	2,140,727,533.54		2,056,155,782.63	2,056,176,499.91		4.11%		

Note: "The reporting period" refers to the quarter ended September 30, 2023, the same below.

#### The illustration of retrospective adjustment

The Ministry of Finance issued the "Interpretation of China Accounting Standards for Business Enterprises No. 16" (Cai Kuai [2022] No. 31) (the "Interpretation No. 16") on November 30, 2022, and the regulations about *accounting for deferred tax related to assets and liabilities arising from a single transaction to which the initial recognition exemption does not apply* took effect since January 1, 2023. For taxable and deductible temporary differences associated with lease liabilities and right-of-use assets arising from single transactions and presented at the beginning of the earliest comparative period due to the initial adoption of the Interpretation No. 16, the Company adjusts them to retained earnings or other financial statement items at the beginning of the earliest comparative period presented in accordance with regulations in the Interpretation No. 16 and the "Interpretation of China Accounting Standards for Business Enterprises No. 18 – Income Tax".

**(II) Non-recurring gains and losses**

Unit: yuan Currency: RMB

Items	For the quarter ended September 30, 2023	For the three quarters ended September 30, 2023	Remarks
Gains or losses on disposal of non-current assets	-943,356.19	-553,378.44	
Government grants included in profit or loss (excluding those closely related to operating activities of the Company and continuously enjoyed with certain quantity/quota based on certain national standards)	15,003,212.78	37,707,931.72	
Gains or losses on changes in fair value of held-for-trading financial assets, derivative financial assets, held-for-trading financial liabilities and derivative financial liabilities, and investment income from disposal of held-for-trading financial assets, derivative financial assets, held-for-trading financial liabilities, derivative financial liabilities and other debt investments, excluding those arising from hedging business related to operating activities	1,996,185.53	2,157,185.53	
Reversals for impairment of receivables and contract assets based on impairment testing on an individual basis	-	85,105.55	
Other non-operating revenue or expenditures	-192,075.89	1,806,213.66	
Other profit or loss satisfying the definition of non-recurring profit or loss	350,618.42	2,159,327.10	
Less: Enterprise income tax affected	3,839,093.50	9,461,547.37	
Effect on non-controlling interest (after tax))	6,118,187.06	16,792,712.75	
Total	6,257,304.09	17,108,125.00	

Explain the reasons if the Company classifies an item as a recurring gain/loss item, which is enumerated as a non-recurring gain/loss in the <Explanatory Announcement No. 1 on Information Disclosure for Companies Offering Their Securities to the Public—Non-Recurring Gains and Losses>:

Applicable N/A

**(III) The conditions and reason of change for major accounting data and financial indicators**

□Applicable √N/A

**II. Main operating conditions during the reporting period****(I) Main operating conditions**

For the first three quarters of 2023, the beer production of large-scale enterprises nationwide reached 29.933 million kiloliters, an increase of 2.1% compared with the same period last year. (Data sourced from the National Bureau of Statistics of China).

For the first three quarters of 2023, the Company sold 2.6517 million kiloliters of beer, an increase of 4.95% compared with 2.5265 million kiloliters over the same period of last year. The operating revenue was RMB13.029 billion yuan, an increase of 6.94% compared with RMB12.183 billion yuan over the same period of last year. Net profit attributable to shareholders of the Company for the first three quarters of 2023 amounted to RMB1.344 billion yuan, an increase of 13.67% compared with RMB1.182 billion yuan over the same period of last year. Net profit attributable to shareholders of the Company excluding non-recurring profit or loss amounted to RMB1.327 billion yuan, an increase of 14.28% compared with RMB1.161 billion yuan over the same period of last year.

**(II) Revenue by product grade**

Unit: yuan Currency: RMB

Product grade	For the three quarters ended September 30, 2023 Main business revenue	For the three quarters ended September 30, 2022 Main business revenue	YoY (%)
Premium	4,344,877,746.91	4,309,466,842.89	0.82
Mainstream	6,785,047,039.76	6,037,871,551.07	12.37
Economic	1,631,233,692.71	1,580,190,768.16	3.23
Total	12,761,158,479.38	11,927,529,162.12	6.99

Note: The product grade of the company is divided by consumer price, i.e. premium product indicates consumer price of RMB 10 yuan and above, mainstream product indicates consumer price of RMB 6-10 yuan, and economic product indicates consumer price of RMB 6 yuan and below.

**(III) Revenue by marketing channel**

Unit: yuan Currency: RMB

Channel type	For the three quarters ended September 30, 2023 Main business revenue	For the three quarters ended September 30, 2022 Main business revenue	YoY (%)
Wholesale	12,729,364,124.06	11,875,522,372.85	7.19

**(IV) Revenue by region**

Unit: yuan Currency: RMB

Region	For the three quarters ended September 30, 2023 Main business revenue	For the three quarters ended September 30, 2022 Main business revenue	YoY (%)
South	3,644,313,241.15	3,011,145,413.83	21.03
Central	5,349,507,527.31	5,144,323,769.30	3.99
North-West	3,767,337,710.92	3,772,059,978.99	-0.13
Total	12,761,158,479.38	11,927,529,162.12	6.99

Note: The administration area of the company is divided into three regions: Southern region, Central region and North-West region.

### (V) Dealers

For the quarter ended September 30, 2023, the company added 168 dealers and reduced 168 dealers, with a total of 2,965 dealers at the end of the reporting period, which was unchanged from June 30, 2023.

### III. Shareholders

#### (I) Total number of ordinary shareholders, number of preferred shareholders with resumed voting power and shareholding of top 10 shareholders

Unit: share

Total number of ordinary shareholders at the end of the reporting period	52,784	Total number of preferred shareholders with resumed voting power at the end of the reporting period (if any)	N/A			
Shareholdings of top 10 shareholders						
Name of shareholder	Nature of shareholder	Number of shares held	Shareholding (%)	Number of restricted shares held	Pledge, marking or freezing	
					Share status	Amount
Carlsberg Brewery Hong Kong Limited	Overseas legal person	205,882,718	42.54	0	None	
Carlsberg Chongqing Limited	Overseas legal person	84,500,000	17.46	0	None	
Hong Kong Securities Clearing Co., Ltd.	Overseas legal person	32,294,027	6.67	0	Unknown	
Dajia Life Insurance Co., Ltd. — all-purpose product	Other	3,434,374	0.71	0	Unknown	
China Construction Bank of China Co., Ltd. - Penghua China Securities Wine Trading Open Index Securities Investment Fund	Other	2,892,402	0.60	0	Unknown	

China Life Insurance Co., Ltd. - traditional-general insurance product — 005L — CT001 Shanghai	Other	2,743,606	0.57	0	Unknown	
One-one-zero portfolio of National Social Security Fund	Other	2,174,538	0.45	0	Unknown	
One-one-eight portfolio of National Social Security Fund	Other	2,141,368	0.44	0	Unknown	
China Merchants Bank Co., Ltd. - Hongde Ruize Hybrid Securities Investment Fund	Other	1,929,177	0.40	0	Unknown	
China Merchants Bank Co., Ltd. - Hongde Ruiyuan 3-Year Term Flexible Hybrid Securities Investment Fund	Other	1,911,002	0.39	0	Unknown	
Shareholdings of top 10 unrestricted shareholders						
Name of shareholder	Number of outstanding unrestricted shares held		Share category and quantity			
			Share category	Amount		
Carlsberg Brewery Hong Kong Limited		205,882,718	RMB ordinary shares	205,882,718		
Carlsberg Chongqing Limited		84,500,000	RMB ordinary shares	84,500,000		
Hong Kong Securities Clearing Co., Ltd.		32,294,027	RMB ordinary shares	32,294,027		
Dajia Life Insurance Co., Ltd. — all-purpose product		3,434,374	RMB ordinary shares	3,434,374		
China Construction Bank of China Co., Ltd. - Penghua China Securities Wine Trading Open Index Securities Investment Fund		2,892,402	RMB ordinary shares	2,892,402		
China Life Insurance Co., Ltd. - traditional-general insurance product — 005L — CT001 Shanghai		2,743,606	RMB ordinary shares	2,743,606		

One-one-zero portfolio of National Social Security Fund	2,174,538	RMB ordinary shares	2,174,538
One-one-eight portfolio of National Social Security Fund	2,141,368	RMB ordinary shares	2,141,368
China Merchants Bank Co., Ltd. - Hongde Ruize Hybrid Securities Investment Fund	1,929,177	RMB ordinary shares	1,929,177
China Merchants Bank Co., Ltd. - Hongde Ruiyuan 3-Year Term Flexible Hybrid Securities Investment Fund	1,911,002	RMB ordinary shares	1,911,002
Remarks on related-party relationships among the aforesaid shareholders or actions in concert	Among the top ten unrestricted shareholders, Carlsberg Chongqing Limited and Carlsberg Brewery Hong Kong Limited are both controlled by Carlsberg Breweries A/S. China Merchants Bank Co., Ltd. - Hongde Ruize Hybrid Securities Investment Fund and China Merchants Bank Co., Ltd. - Hongde Ruiyuan 3-Year Term Flexible Hybrid Securities Investment Fund are both managed by Hongde Fund Management Co., Ltd. It is unknown whether the other shareholders are related to each other and whether the other shareholders are acting in concert.		

#### IV. Other reminders

Other important information about the company's operations during the reporting period that investors should be reminded of.

Applicable N/A

On September 26, 2023, the 11<sup>th</sup> meeting of the 10<sup>th</sup> Board of Directors of the company reviewed and passed the "Proposal on the Related Party Transaction Regarding the Acquisition of 100% Equity in Beijing Capital Brewing Jinmai Trading Co., Ltd. and G-Shell Asia Pacific (Beijing) Food Co., Ltd.". On October 10, 2023, Carlsberg Chongqing Brewery Co., Ltd., the controlling subsidiary of the Company, completed the acquisition of 100% equity of the two companies. The equity transfer has been registered with the competent market supervision and management department. Beijing Capital Brewing Jinmai Trading Co., Ltd. and G-Shell Asia Pacific (Beijing) Food Co., Ltd. have become controlling subsidiaries of the Company.

**V. Quarterly Financial Statements****(I) Audit Opinion**

□Applicable √N/A

**(II) Financial Statements****Consolidated Balance Sheet**

As of September 30, 2023

Prepared by: Chongqing Brewery Co., Ltd.

Unit: yuan Currency: RMB

Items	September 30, 2023	December 31, 2022
Cash and bank balances	4,900,980,743.13	3,397,877,592.02
Settlement funds		
Loans to other banks		
Held-for-trading financial assets	360,170,000.00	
Derivative financial assets	4,065,215.92	3,829,356.40
Notes receivable		
Accounts receivable	139,470,074.79	65,511,539.08
Receivables financing		
Advances paid	32,618,290.35	43,187,607.98
Premiums receivable		
Reinsurance accounts receivable		
Reinsurance reserve receivable		
Other receivables	240,739,715.20	17,619,026.18
Including: Interest receivable		
Dividend receivable	218,285,820.47	
Financial assets under reverse repo		
Inventories	1,615,753,078.37	2,166,477,563.20
Contract assets		
Assets held for sale		
Non-current assets due within one year		
Other current assets	51,497,523.93	109,533,473.56
Total current assets	7,345,294,641.69	5,804,036,158.42
Loans and advances		
Debt investments		
Other debt investments		
Long-term receivables		
Long-term equity investments	139,111,102.38	296,599,881.05
Other equity instrument investments	15,580,410.62	14,303,331.73
Other non-current financial assets		
Investment property		
Fixed assets	3,631,275,694.57	3,680,691,105.17

<b>Items</b>	<b>September 30, 2023</b>	<b>December 31, 2022</b>
Construction in progress	548,949,865.58	395,295,204.91
Productive biological assets		
Oil & gas assets		
Right-of-use assets	90,373,030.26	100,306,926.11
Intangible assets	679,247,154.48	685,169,039.95
Development expenditures		
Goodwill	699,192,456.06	699,192,456.06
Long-term prepayments		
Deferred tax assets	741,490,056.76	732,447,606.34
Other non-current assets	159,225,157.16	89,540,749.40
Total non-current assets	6,704,444,927.87	6,693,546,300.72
Total assets	14,049,739,569.56	12,497,582,459.14
Short-term borrowings		
Central bank loans		
Loans from other banks		
Held-for-trading financial liabilities		
Derivative financial liabilities	15,484,973.48	2,616,336.56
Notes payable		
Accounts payable	3,111,861,451.99	2,497,671,747.37
Advances received		
Contract liabilities	1,721,972,120.21	1,614,042,546.14
Financial liabilities under repo		
Absorbing deposit and interbank deposit		
Deposit for agency security transaction		
Deposit for agency security underwriting		
Employee benefits payable	384,386,840.33	399,367,324.65
Taxes and rates payable	439,144,540.41	255,387,461.35
Other payables	2,753,573,559.61	3,490,319,176.38
Including: Interest payable		
Dividend payable		
Handling fee and commission payable		
Reinsurance accounts payable		
Liabilities held for sale		
Non-current liabilities due within one year	23,520,834.28	24,005,592.21
Other current liabilities	18,656,923.91	27,809,237.78
Total current liabilities	8,468,601,244.22	8,311,219,422.44
Insurance policy reserve		
Long-term borrowings		

<b>Items</b>	<b>September 30, 2023</b>	<b>December 31, 2022</b>
Bonds payable		
Including: Preferred shares		
Perpetual bonds		
Lease liabilities	71,861,479.85	77,928,597.87
Long-term payables		
Long-term employee benefits payable	150,783,121.68	154,407,707.35
Provisions	31,426,902.27	31,657,899.75
Deferred income	252,002,160.78	256,611,695.14
Deferred tax liabilities	40,652,106.11	42,694,067.15
Other non-current liabilities		
Total non-current liabilities	546,725,770.69	563,299,967.26
Total liabilities	9,015,327,014.91	8,874,519,389.70
Share capital	483,971,198.00	483,971,198.00
Other equity instruments		
Including: Preferred shares		
Perpetual bonds		
Capital reserve	10,901,252.00	7,728,100.00
Less: Treasury shares		
Other comprehensive income	-17,929,220.42	-13,542,920.53
Special reserve		
Surplus reserve	241,985,599.00	241,985,599.00
General risk reserve		
Undistributed profit	1,421,798,704.96	1,336,034,523.44
Total equity attributable to the parent company	2,140,727,533.54	2,056,176,499.91
Non-controlling interest	2,893,685,021.11	1,566,886,569.53
Total equity	5,034,412,554.65	3,623,063,069.44
Total liabilities & equity	14,049,739,569.56	12,497,582,459.14

Legal representative: João Miguel Ventura Rego Abecasis

Officer in charge of accounting: Chin Wee Hua

Head of accounting department: Liping Liu

**Consolidated Income Statement**  
For the Three Quarters Ended September 30, 2023

Unit: yuan Currency: RMB

Items	For the three quarters ended September 30, 2023	For the three quarters ended September 30, 2022
I. Total operating revenue	13,028,681,199.38	12,183,116,035.30
Including: Operating revenue	13,028,681,199.38	12,183,116,035.30
Interest income		
Premiums earned		
Revenue from handling charges and commission		
II. Total operating cost	9,722,652,274.27	9,186,568,273.13
Including: Operating cost	6,619,347,583.95	6,128,141,752.45
Interest expenses		
Handling charges and commission expenditures		
Surrender value		
Net payment of insurance claims		
Net provision of insurance policy reserve		
Premium bonus expenditures		
Reinsurance expenses		
Taxes and surcharges	827,451,760.22	795,568,292.48
Selling expenses	1,941,461,094.31	1,802,528,145.17
Administrative expenses	367,928,294.34	411,196,490.46
R&D expenses	13,349,414.97	87,077,060.83
Financial expenses	-46,885,873.52	-37,943,468.26
Including: Interest expenses	3,453,072.62	2,360,716.32
Interest income	54,414,874.17	44,833,105.62
Add: Other income	39,522,652.39	37,213,616.24
Investment income (or less: losses)	63,128,833.64	65,797,874.29
Including: Investment income from associates and joint ventures	60,797,041.80	53,041,519.51
Gains from derecognition of financial assets at amortized cost		
Gains on foreign exchange (or less: losses)		
Gains on net exposure to hedging risk (or less: losses)		
Gains on changes in fair value (or less: losses)	170,000.00	
Credit impairment loss	-4,325,186.51	-996,135.41
Assets impairment loss	-37,070,931.38	-13,810,748.07

Items	For the three quarters ended September 30, 2023	For the three quarters ended September 30, 2022
Gains on asset disposal (or less: losses)	-553,378.44	2,779,047.60
III. Operating profit (or less: losses)	3,366,900,914.81	3,087,531,416.82
Add: Non-operating revenue	4,504,807.87	1,848,624.74
Less: Non-operating expenditures	2,698,594.21	2,332,658.71
IV. Profit before tax (or less: total loss)	3,368,707,128.47	3,087,047,382.85
Less: Income tax expenses	659,736,629.17	685,621,632.65
V. Net profit (or less: net loss)	2,708,970,499.30	2,401,425,750.20
1. Net profit from continuing operations (or less: net loss)	2,708,963,284.50	2,400,067,232.90
2. Net profit from discontinued operations (or less: net loss)	7,214.80	1,358,517.30
1. Net profit attributable to owners of parent company (or less: net loss)	1,344,089,296.32	1,182,418,780.75
2. Net profit attributable to non-controlling shareholders (or less: net loss)	1,364,881,202.98	1,219,006,969.45
VI. Other comprehensive income after tax	-8,544,380.97	-1,599,253.57
(I) Items attributable to the owners of the parent company	-4,386,299.89	-822,336.19
1. Not to be reclassified subsequently to profit or loss	492,505.48	1,996,415.91
(1) Remeasurements of the net defined benefit plan		1,574,918.99
(2) Items under equity method that will not be reclassified to profit or loss		
(3) Changes in fair value of other equity instrument investments	492,505.48	421,496.92
(4) Changes in fair value of own credit risk		
2. To be reclassified subsequently to profit or loss	-4,878,805.37	-2,818,752.10
(1) Items under equity method that may be reclassified to profit or loss		
(2) Changes in fair value of other debt investments		
(3) Profit or loss from reclassification of financial assets into other comprehensive income		

Items	For the three quarters ended September 30, 2023	For the three quarters ended September 30, 2022
(4) Provision for credit impairment of other debt investments		
(5) Cash flow hedging reserve	-4,878,805.37	-2,818,752.10
(6) Translation reserve		
(7) Others		
(II) Items attributable to non- controlling shareholders	-4,158,081.08	-776,917.38
VII. Total comprehensive income	2,700,426,118.33	2,399,826,496.63
(I) Items attributable to the owners of the parent company	1,339,702,996.43	1,181,596,444.56
(II) Items attributable to non- controlling shareholders	1,360,723,121.90	1,218,230,052.07
(I) Basic EPS (yuan per share)	2.78	2.44
(II) Diluted EPS (yuan per share)	2.78	2.44

Legal representative: João Miguel Ventura Rego Abecasis

Officer in charge of accounting: Chin Wee Hua

Head of accounting department: Liping Liu

**Consolidated Cash Flow Statement**  
For the Three Quarters Ended September 30, 2023

Unit: yuan Currency: RMB

Items	For the three quarters ended September 30, 2023	For the three quarters ended September 30, 2022
Cash receipts from sale of goods or rendering of services	13,729,002,139.22	13,232,619,530.14
Net increase of client deposit and interbank deposit		
Net increase of central bank loans		
Net increase of loans from other financial institutions		
Cash receipts from original insurance contract premium		
Net cash receipts from reinsurance		
Net increase of policy-holder deposit and investment		
Cash receipts from interest, handling charges and commission		
Net increase of loans from others		
Net increase of repurchase		
Net cash receipts from agency security transaction		
Receipts of tax refund	104,862,956.31	
Other cash receipts related to operating activities	351,728,190.21	627,199,307.41
Subtotal of cash inflows from operating activities	14,185,593,285.74	13,859,818,837.55
Cash payments for goods purchased and services received	5,657,350,566.51	5,195,075,945.62
Net increase of loans and advances to clients		
Net increase of central bank deposit and interbank deposit		
Cash payments for insurance indemnities of original insurance contracts		
Net increase of loans to others		
Cash payments for interest, handling charges and commission		
Cash payments for policy bonus		
Cash paid to and on behalf of employees	1,154,628,762.78	1,208,135,628.26

Items	For the three quarters ended September 30, 2023	For the three quarters ended September 30, 2022
Cash payments for taxes and rates	2,280,400,071.15	1,886,057,828.93
Other cash payments related to operating activities	1,374,902,242.12	1,368,009,353.46
Subtotal of cash outflows from operating activities	10,467,281,642.56	9,657,278,756.27
Net cash flows from operating activities	3,718,311,643.18	4,202,540,081.28
Cash receipts from withdrawal of investments	1,987,185.53	1,512,411,748.50
Cash receipts from investment income	344,606.28	344,606.28
Net cash receipts from the disposal of fixed assets, intangible assets and other long-term assets	747,600.96	6,538,008.91
Net cash receipts from the disposal of subsidiaries & other business units		
Other cash receipts related to investing activities		
Subtotal of cash inflows from investing activities	3,079,392.77	1,519,294,363.69
Cash payments for the acquisition of fixed assets, intangible assets and other long-term assets	568,174,243.39	505,270,039.62
Cash payments for investments	360,000,000.00	1,000,000,000.00
Net increase of pledged borrowings		
Net cash payments for the acquisition of subsidiaries & other business units		
Other cash payments related to investing activities		
Subtotal of cash outflows from investing activities	928,174,243.39	1,505,270,039.62
Net cash flows from investing activities	-925,094,850.62	14,024,324.07
Cash receipts from absorbing investments		
Including: Cash received by subsidiaries from non-controlling shareholders as investments		
Cash receipts from borrowings		
Other cash receipts related to financing activities		

Items	For the three quarters ended September 30, 2023	For the three quarters ended September 30, 2022
Subtotal of cash inflows from financing activities		
Cash payments for the repayment of borrowings		
Cash payments for distribution of dividends or profits and for interest expenses	1,292,249,785.12	1,007,033,775.38
Including: Cash paid by subsidiaries to non-controlling shareholders as dividend or profit	33,924,670.32	39,091,379.38
Other cash payments related to financing activities	20,021,948.58	21,430,401.15
Subtotal of cash outflows from financing activities	1,312,271,733.70	1,028,464,176.53
Net cash flows from financing activities	-1,312,271,733.70	-1,028,464,176.53
<b>IV. Effect of foreign exchange rate changes on cash &amp; cash equivalents</b>		
<b>V. Net increase in cash and cash equivalents</b>	1,480,945,058.86	3,188,100,228.82
Add: Opening balance of cash and cash equivalents	3,396,809,241.14	2,165,733,418.37
<b>VI. Closing balance of cash and cash equivalents</b>	4,877,754,300.00	5,353,833,647.19

Legal representative: João Miguel Ventura Rego Abecasis

Officer in charge of accounting: Chin Wee Hua

Head of accounting department: Liping Liu

The first adoption of new accounting standards or interpretations since 2023 that involve adjustments to the financial statements at the beginning of the year of first adoption.

√Applicable □N/A

The illustration of retrospective adjustment

The Ministry of Finance issued the “Interpretation of China Accounting Standards for Business Enterprises No. 16” (Cai Kuai [2022] No. 31) (the “Interpretation No. 16”) on November 30, 2022, and the regulations about accounting for deferred tax related to assets and liabilities arising from a single transaction to which the initial recognition exemption does not apply took effect since January 1, 2023. For taxable and deductible temporary differences associated with lease liabilities and right-of-use assets arising from single transactions and presented at the beginning of the earliest comparative period due to the initial adoption of the Interpretation No. 16, the Company adjusts them to retained earnings or other financial statement items at the beginning of the earliest comparative period presented in accordance with regulations in the Interpretation No. 16 and the “Interpretation of China Accounting Standards for Business Enterprises No. 18 – Income Tax”.

The impact of the Group's Implement Interpretation No. 16 on the consolidated statement items on December 31, 2022 are as below.

Item	Balance sheet		
	Before retrospective adjustment	Interpretation No. 16	After retrospective adjustment
		Adjustment	
Deferred tax assets	732,407,316.03	40,290.31	732,447,606.34
Retained earnings	1,336,013,806.16	20,717.28	1,336,034,523.44
Minority equity	1,566,866,996.50	19,573.03	1,566,886,569.53

The impact of the Group's Implement Interpretation No. 16 on the consolidated statement items on January 1, 2022 are as below.

Item	Balance sheet		
	Before retrospective adjustment	Interpretation No. 16	After retrospective adjustment
		Adjustment	
Deferred tax assets	1,062,310,605.52	11,748.17	1,062,322,353.69
Retained earnings	1,040,351,272.07	6,040.91	1,040,357,312.98
Minority equity	1,373,750,135.57	5,707.26	1,373,755,842.83

The impact on items related to the Group's consolidated income statement for the period from January 1, 2022 to September 30, 2022 are as below.

Item	Income statement		
	Before retrospective adjustment	Interpretation No. 16	After retrospective adjustment
		Adjustment	
Income tax expenses	685,846,401.92	-224,769.27	685,621,632.65

Hereby announced.

Board of Directors of Chongqing Brewery Co., Ltd.  
October 30, 2023