





Results Summary	H1 2017 RMB m	H1 2016 RMB m	change
Turnover	15,774	15,213	+4%
EBIT	1,687	1,657	+2%
Profit after tax	1,178	1,220	-3%
Profit attributable to shareholders *	1,170	605	+93%
EPS (RMB) **	0.36	0.23	+57%
DPS (RMB)	0.07	-	N/A
Dividend payout ratio (Proposed dividend/PAS)	19%	-	N/A
ROE ***	6.5%	5.8%	+12%
Additions to non-current assets	685	651	+5%
Net assets	18,633	20,514	-9%
Net cash	476	7	+6700%
Cash/(Gearing) ratio	2.6%	-	N/A

Notes:



^{*} Acquisition of 49% stake in China Resources Snow Breweries Limited (the "Acquisition") has been completed on 11 October 2016 and the beer subsidiary became a wholly-owned subsidiary.

^{**} EPS for 2017 reflected the benefit of the Acquisition on 11 October 2016 and the effect of rights issue in 2016.

^{***} ROE = PAS / Average of Equity attributable to shareholders of the Company







Growth through: Solidifying market leader position and upgrade of product mix

	H1 2017 RMB m	H1 2016 RMB m	change
Sales volume (million kl)	6.306	6.128	+3%
ASP (in RMB/kl)	2,501	2,483	+1%
Turnover	15,774	15,213	+4%
Gross profit	5,282	5,120	+3%
EBIT	1,687	1,657	+2%
GP margin	33.5%	33.7%	-0.2% point
EBIT margin	10.7%	10.9%	-0.2% point

Increase in turnover helped to absorb the surge of certain cost, in particular to packaging material costs, such that gross profit margin maintained at similar level.

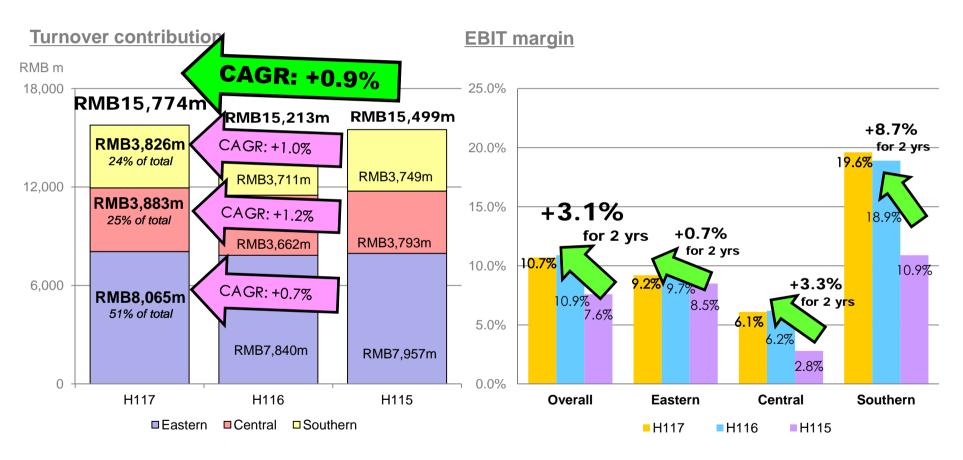








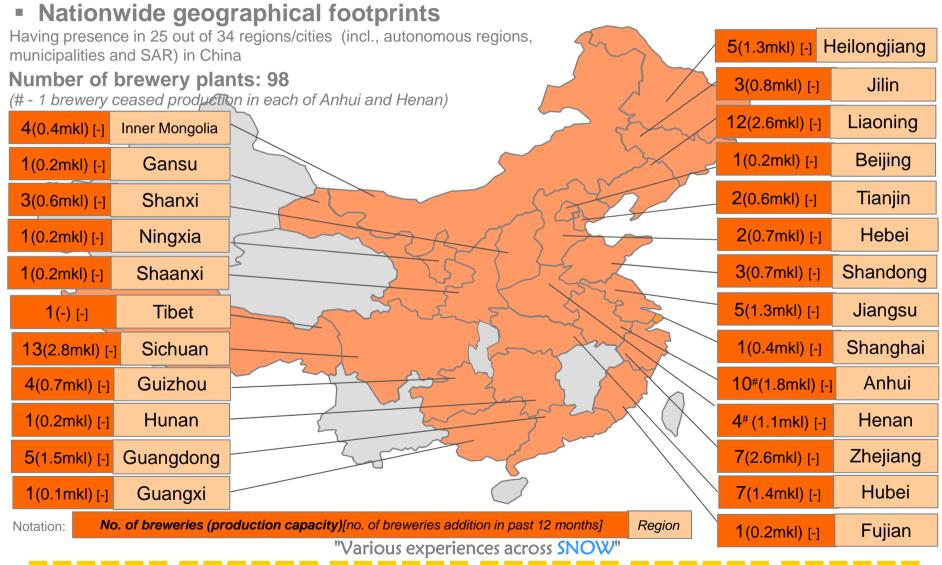
Segment results















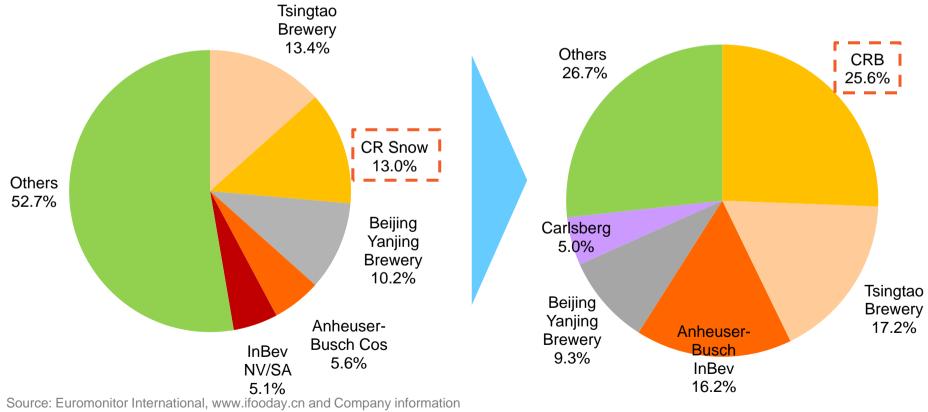


Market share distribution

China beer market competitive landscape by volume

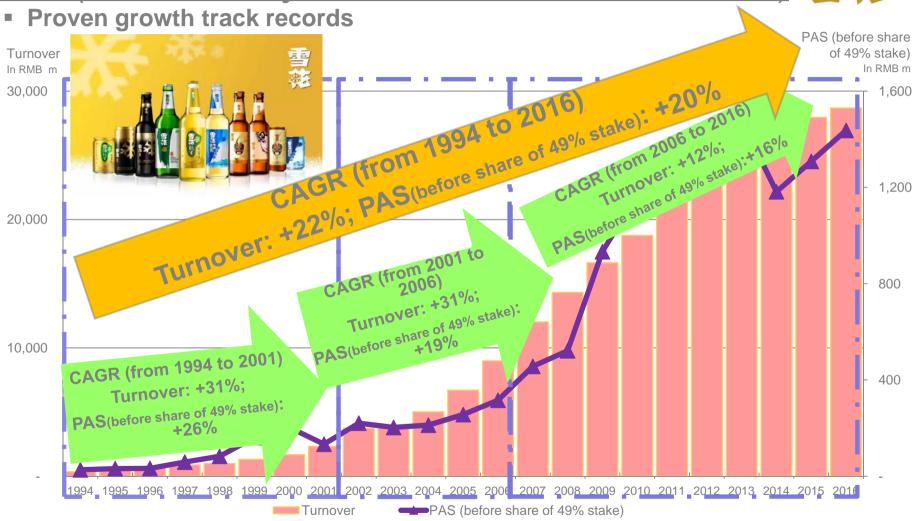


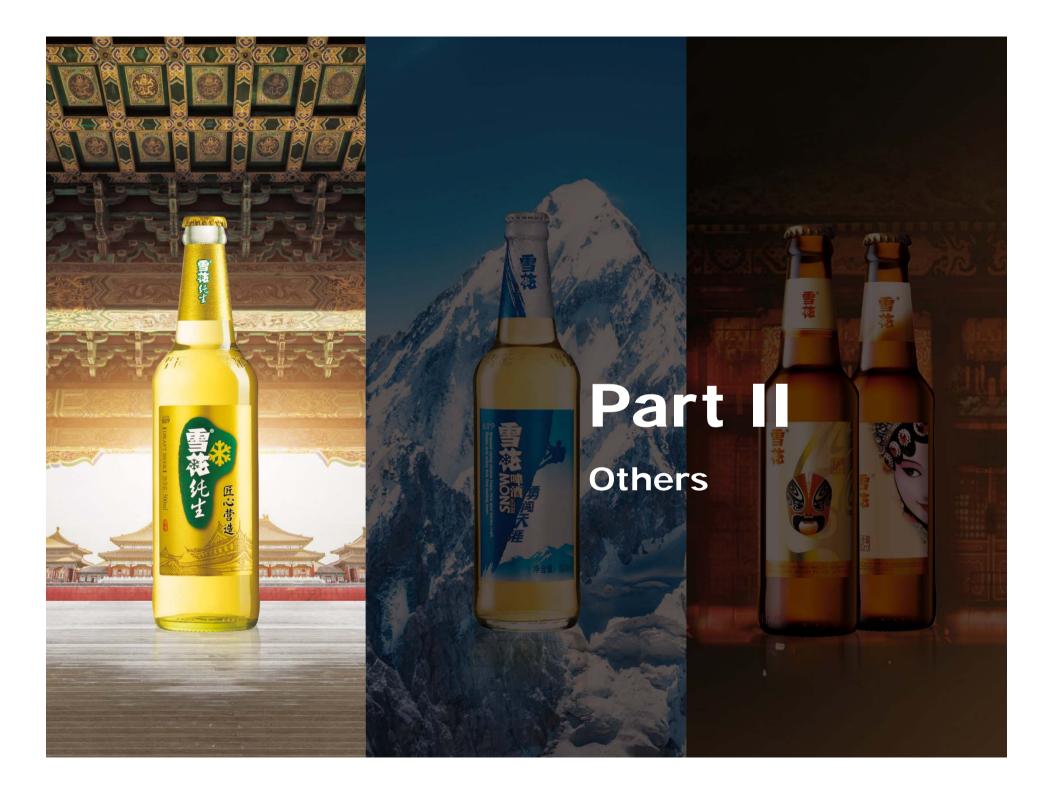
2016 Top five market share = 73.3%

















Evolution of the China Beer Market Over the Past 3 Decades

CR Snow has been at the forefront of evolution, effectively positioning itself to capture outsized growth

First Stage Second Stage Third Stage Regional Expansion **Future Development Market Consolidation** Premiumization 1990-1996 1996-2010⁽¹⁾ 2010-2015(2) #1 #2 #2 SNOW SNOW **Industry** #3 #3 Leaders · Increasing sophistication of China economic Inorganic growth / M&A Product premiumization Chinese consumer taste liberalization and brand building Critical success factors : Ongoing premiumization · Successful integration and Regional expansion Scale advantages drive Kev · Packaging innovation and realization of synergies beyond core provincial operational leverage Growth conversion from glass to can Channel penetration markets **Drivers** Continued M&A · Gaining regional market Increase in product consolidation of smaller / share quality/operational efficiency medium sized players E-commerce growth 1994 - CRSnow first CRSnow expanded its CRSnow launched mid to Product premiumization entered the China presence into developed high end brand portfolio Increase canned beer coastal regions via strategic 2013 – CRSnow acquired market market share **CR Snow** acquisitions and organic growth Kingway Brewery, Upgrade breweries and Set up first brewery facility Strategic Built nationwide CR Snow significantly enhancing drive efficiency and in Shenyang province brand its presence in Southern productivity gains • 2006 - CRSnow became the China Notes No.1 brewer in China by vol. 1. Euromonitor International as of 2005 "Various experiences across SNOW"







CRB: Pure beer business

The Undisputed Leader in World's Most Attractive Beer Market

- China is the largest¹ and most attractive beer market globally
- CRE is the #1 brewer in China for the past 11 years with 25.6% market share¹ vs. 17.2% for the next player in 2016

Irreplaceable Heritage Brands That Resonate Nationwide with the Local Consumer

- Snow ("雪花") is the world's largest selling beer brand by volume since 2008
- Portfolio of 30+ sub-brands and products catering across the entire consumer spectrum
- Nationwide presence operating 98 breweries in 25 out 34 provinces in China

Proven Track Record of Double-Digit Growth Through Premiumization and Innovation

- Successful track record of growth through increasing volumes and ASPs
- Sales and PAS (before share of 49% stake) CAGR of 22% and 20%, respectively since inception in 1994
- Increasing focus on premiumization of mid-end to high-end products

The Leading Platform for Industry Consolidation

- Leading market consolidator with successful acquisition and integration of domestic breweries in the past
- Track record of M&A with 20+ acquisitions over previous years

Consistent and Proven Management Leadership

- Experienced management team members who works in CR Snow for many years
 - Sponsorship from one of the leading SOEs in China

Full ownership with faster response

- Shareholders will enjoy full economic benefit of future earnings growth
- Will enable faster responses to the dynamics of current beer market

Note







Differentiated sales channel strategy with unique on-the-ground capabilities Distribution strategy focused on professionalism, exclusivity and flatness of network

Urban markets

High end ontrade channel

- **Specific sales force** to target on-trade customers such as high-end restaurants and night clubs to promote sales of mid to high-end products
- Build and maintain a strong channel and customer relationship

Other on-trade channel and traditional retail channel

- Established a flat distributor network by dividing targeted markets into smaller areas which eliminates layers of distributors
- Allows for higher profitability, closer proximity to end customers and better management of distributors and retailers

Modern retail channel

channel

- Sales team at headquarters covers and negotiates with nationwide retailers directly
- Regional sales teams coordinate negotiations with regional retailers and provide comprehensive sales support and monitor performance
- E-commerce
- Sales on e-commerce platforms such as T-mall
- Flagship stores on platforms such as Yihaodian, JD.com
- Establishing own e-commerce platform to directly interact with end customers and consumers

Regional markets¹

- Maintain long standing relationships with local distributors to broaden coverage and penetration
- Flat distribution model through careful and finer division of regional markets
- Utilize **secondary** distributors to supply to rural areas

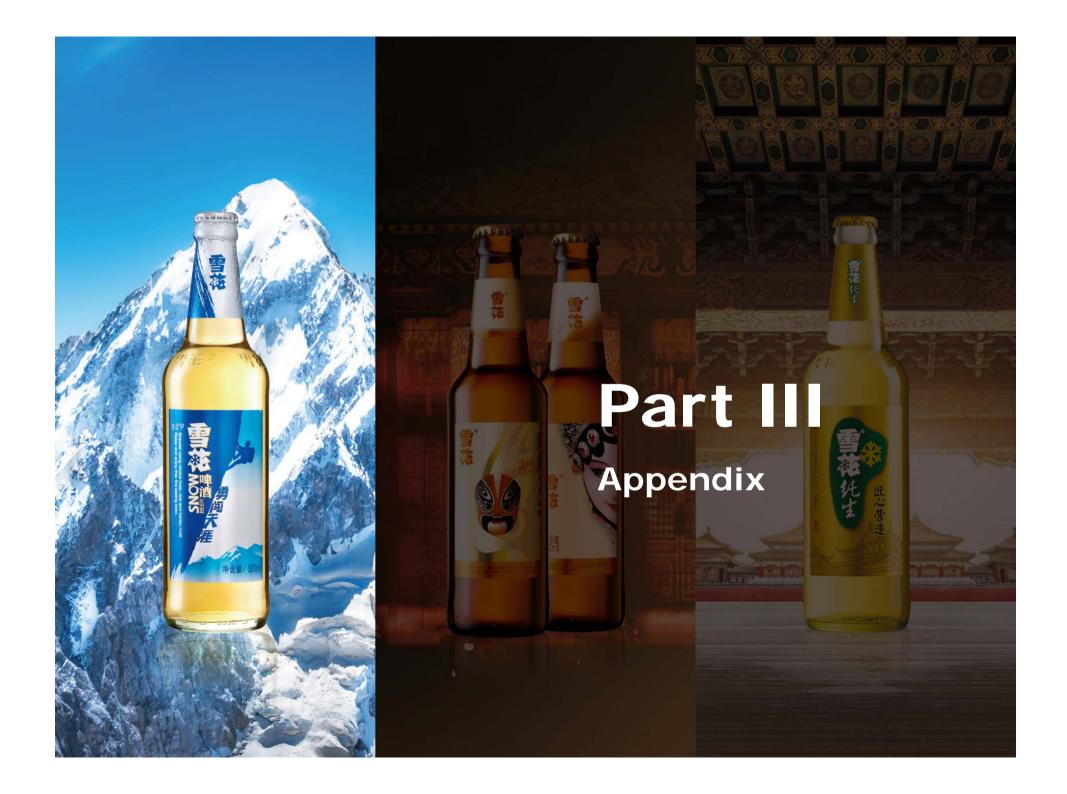
Regional markets in smaller towns and rural areas







- Future growth strategy
 - 1 Expand "Snow" with ongoing premiumization
 - Focus on premiumization to drive sales and profitability growth
 - Grow higher-priced and higher margin brands and products
 - 2 Strengthen our regional presence through organic growth and acquisitions
 - Continue to grow market share on a regional basis both organically and through acquisitions
 - Focus on expanding and upgrading current breweries in regions
 - Ongoing evaluation of acquisition targets that can help strengthen regional presence
 - Continue to optimize utilization of existing production plants
 - Continue to improve efficiencies of the breweries to best-in-class operating standards





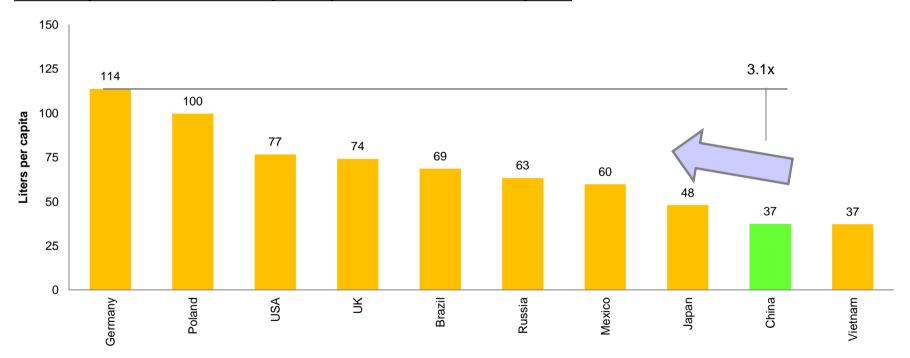




Appendix I – Global beer consumption summary

Long term potential on market volume growth

2014 Top ten beer markets per capita volume consumption



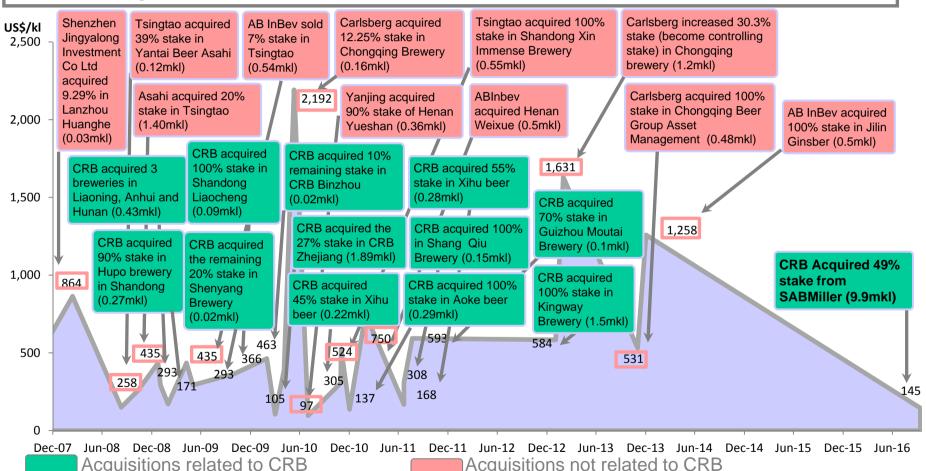




<u> Appendix II – Historical major M&As in beer business</u>



Lower acquisition cost on M&A



Source: Deutsche bank and Company data



Directors



pendix III - Major awards

Highlight	nts of acc	colades received	新春香草 — 三五香香香
9			es in the Board Category for "Listed Companies
Institute of	2012/2014/	(SEHK-Hang Seng Index Cons	stituents)" in "Directors Of The Year Awards"

Institutional	2012/2013/	Consumer staple
Investor	2016/2017	Best IR Companies:

2016

Best IR Companies: Buy (2013) and Sell Side (2012/2013),

Best CEO: Sell Side (2013/2016), ranked second in Sell Side (2012), ranked second in Buy side (2016)

Best CFO: Buy and Sell Side (2016),

Best Investor Relations Professional: Buy and Sell Side (2012/2013), ranked second (2016), ranked third (2017), Sell side ranked first (2017), second (2013), Best Investor Relations Program: Buy side and Sell side (2016), Best Analyst Days: (2016) and Best Website: (2016), One of Asia's Most Honored Companies (2016/2017) in The All-Asia Executive Team Survey

		,
Corporate	2010/2013-	Asia's best CEO (Investor Relations), Asia's best CFO (Investor Relations), Best
Governance	2017	Investor relations professional, Best Investor Relations Company (2013-2017),
Asia		Asia's Best Corporate Social Responsibility (2013 – 2016) and Best
		Environmental Responsibility (2010, 2013 - 2015)
	2010-2016	Asian Corporate Directors: Mr. Chen Lang (2010-2013, 2015-2016), Mr. Hong Jie 2014)
	2006-2013	Asia's Best Companies for Corporate Governance, The Best of Asia (China)
	2013-2014	Asian Company Secretary of the Year





Highlights of accolades received

China Financial Market	2017	Most Valuable Brand Award in China Financial Market Listed Company Awards 2016
HKIRA	2015-2017	Best IR company – Mid-cap (2015-2017), Best IRO – Mid-cap (2015), Best IR presentation collaterals – Mid-cap (2016/2017) in HKIRA Investor Relations Awards
The Asset	2009/ 2010/ 2012-2016	Platinum award: 2009/2010/2016 Gold award: 2012-2015 in The Asset Corporate Awards
Ta Kung Pao	2011/2014/ 2016	Best Investor Relations Company (2016); Best Corporate Governance for Listed Companies, Best Information Disclosure for Listed Companies (2014); Best Management Team Award (2011) in Golden Bauhinia Award
Forbes	2011-2016	Ranked number 981/861/800/1067/1200/1628 in Global 2000
Fortune China 500	2011-2016	Ranked number 39/46/37/40/38/194
Economic Digest	2005-2016	Named one of Hong Kong Outstanding Enterprises
HKIFAPC	2013-2016	Award for Outstanding Listed Company of the Year
Yazhou Zhoukan	2010, 2012- 2016	"Outstanding Performance Award" (2010,2012), "The Largest Conglomerates Company Award" (2013-2015), "The Largest Food and Beverage Company Award" (2016) in Global Chinese Business 1000
	2011	"The Largest Capitalization Company Award" in Mainland Enterprises Listed in Hong Kong Ranking "Various experiences across SNOW"





Highlights of accolades received

MerComm, Inc.	2010-2017	Total 47 awards received 7 Gold Awards: covering Traditional Format, Interior design, Printing & Production, Overall Presentation in Beer, Food and Supermarket Category (2013-2016) 11 Silver Awards: covering Annual Report Overall Presentation, Traditional Format, Cover Photo/Design, Annual Report, Interior Design in Beer, Food and Retail Category (2010-2017) 20 Bronze Awards: covering Traditional Format, Printing & Production, Other and General, Non-Traditional Annual Report, Annual Report Overall Presentation, Traditional Annual Report, Interior Design, Cover Design in Food, Supermarket and Convenience Stores Category (2011-2016) 9 Honors Awards: covering Traditional format, Interior Design, Annual Report, Annual Reports Covers (Special Treatment), Non-Traditional Annual Report, Annual Report (Unique Presentation) in Multi-Industry, Food, Supermarket, Consumer Goods Category: (2011, 2013-2016)
League of American Communications Professionals LLC	2014- 2017	Gold: Consumer Staples; Consumer –Food/Beverages/Tobacco category (2014/2015); Retailing – Multi-line Retail category (2014), Silver: Consumer Consumables category (2016), Retailing – Multi-line Retail category (2015); Retailing – Food and Specialty category (2014/2015) Ranked 65 th in Top 80 Winners Reports – Asia Pacific (2016); and

"Various experiences across **SNOW**"

Top 40 Chinese Reports (2016) in Vision Awards Annual Report Competition





Highlights of accolades received

CAPITAL and CAPITAL Weekly	2011-2015	Awarded as one of the companies receiving the commendation in Corporate Social Responsibility Award
The Mirror Monthly Magazine	2012-2016	Received Outstanding Corporate Social Responsibility Award
Asiamoney	2010/2012	Overall Best companies in Asia for Corporate Governance, Best awards in Asia region (ex-Japan) for disclosure and transparency, responsibilities of management and the board of directors, shareholders' rights and equitable treatment, Best for Investor Relations (2012) Best awards in Hong Kong region for overall corporate governance, disclosure and transparency, responsibilities of management and the board of directors, shareholders' rights and equitable treatment, investor relations and investor relations officer (2010)
	2011	Best awards: Investor relations, Investor relations officer Ranked second: Best for overall for corporate governance, disclosure and transparency, responsibilities of management and the board of directors and shareholders' rights and equitable treatment in Hong Kong region
Oxfam	2017	Oxfam Corporate Donor Award in Corporate Donor Programme 2016-2017





Highlights of accolades received

IR Magazine	2012-2014	Best in Sector – Consumer Goods & Services, Investor Relations by a Hong Kong Company (2012, 2013) and Investor Relations Officer (Hong Kong) (2012)
	2013/2014	Global Top Mid-Cap (2013) and ranked 19 th in Global Top 50 Gold (2013), Global Top 50 Silver (2014)
Deloitte	2012-2014	Ranked 71 th (2014), 78 th (2013) and 93 th (2012) in <i>Top 250 Global Retailers</i> , 18 th (2014) from <i>50 fastest-growing retailer</i>
CAPITAL	2010- 2014	"CAPITAL Outstanding China Enterprise Award-Consumer Goods" in The CAPITAL Outstanding China Enterprise Awards
Zhaopin.com	2014	Received The Most Promising Employer in China Best Employer
ChinaHR.com	2014	3 th in Top 5 Best Employers (Retail – Department Stores Industry)
China Business Journal	2014	Ranked 5 th in the Top 10 Happiest Companies
Newsweek	2012	Ranked number 428 in Green Rankings – Global 500 List
Retail Asia	2009-2015	Gold Award: <i>Top Retailer Awards (China)</i> (2013-2015), Best of the Best Retailers Award (Asia Pacific) (2014, 2015) in Retail Asia-Pacific Top 500 Awards

Please refer to our company website, www.crbeer.com.hk, for further details of awards received prior to 2009.





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