華潤啤酒(控股)有限公司

China Resources Beer (Holdings) Company Limited

(Incorporated in Hong Kong with limited liability)

(Stock Code: 291)

FINAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2015

- **Consolidated turnover and the consolidated profit attributable to shareholders of the Company's continuing operations amounted to approximately HK$34,821 million and HK$831 million, respectively, representing increases of 1.0% and 13.8%**
- **As of 1 September 2015, the Group completed the disposal of its non-beer businesses to CRH for a total consideration of HK$30 billion. The resolution was supported by 98.84% of voted independent shareholders and the proceeds were largely distributed to the shareholders in the form of a special dividend of HK$12.30 per share in October 2015**
- **The Board did not recommend the payment of final dividend**

FINANCIAL HIGHLIGHTS

	2015 *HK$ million*	**2014** *HK$ million*
Turnover		
- continuing operations	**34,821**	34,482
- discontinued operations [1]	**98,416**	134,488
Elimination of inter-segment transactions	**(134)**	(106)
	133,103	168,864
Profit/(loss) attributable to shareholders of the Company		
- continuing operations	**831**	730
- discontinued operations [1]	**(4,826)**	(891)
	(3,995)	(161)
Basic and diluted earnings/(loss) per share		
- continuing operations	**HK$0.34**	HK$0.30
- discontinued operations [1]	**HK$(1.99)**	HK$(0.37)
	HK$(1.65)	HK$(0.07)
Dividend per share		
- interim	**-**	HK$0.11
- final	**-**	HK$0.16
	-	HK$0.27
- special	**HK$12.30**	-
	At 31 December 2015 *HK$ million*	At 31 December 2014 *HK$ million*
Equity attributable to shareholders of the Company	**12,003**	48,747
Non-controlling interests	**11,057**	20,876
Total equity	**23,060**	69,623
Consolidated net borrowings	**3,210**	8,063
Gearing ratio [2]	**13.9%**	11.6%
Current ratio	**0.59**	0.76
Net assets per share (book value):	**HK$4.93**	HK$20.14

Notes:
1. The Group disposed of its non-beer businesses on 1 September 2015. These businesses are presented as discontinued operations according to the Hong Kong Financial Reporting Standard 5.
2. Gearing ratio represents the ratio of consolidated net borrowings to total equity.

ANALYSIS OF TURNOVER AND PROFIT

	Turnover		Profit Attributable to Shareholders ("PAS")		PAS excluding the effect of asset revaluation and major disposal of non-core assets/investments (Note 1)	
	2015	2014	**2015**	2014	**2015**	2014
	HK$ million	*HK$ million*	***HK$ million***	*HK$ million*	***HK$ million***	*HK$ million*
Continuing operations						
- Beer	**34,821**	34,482	**831**	761	**831**	761
Net corporate interest and expenses	-	-	-	(31)	-	(31)
	34,821	34,482	**831**	730	**831**	730
Discontinued operations [2]						
- Retail	**79,442**	109,500	**(3,331)**	(873)	**(3,400)**	(1,359)
- Food	**11,089**	16,486	**(29)**	13	**(39)**	(134)
- Beverage	**8,959**	9,891	**295**	237	**295**	237
	99,490	135,877	**(3,065)**	(623)	**(3,144)**	(1,256)
Net corporate interest and expenses	-	-	**(283)**	(268)	**(283)**	(268)
Loss on re-measurement of disposal group	-	-	**(2,222)**	-	**(2,222)**	-
Net profit on disposal of discontinued operations	-	-	**744**	-	-	-
	99,490	135,877	**(4,826)**	(891)	**(5,649)**	(1,524)
Elimination of inter-segment transactions	**(1,074)**	(1,389)	-	-	-	-
	98,416	134,488	**(4,826)**	(891)	**(5,649)**	(1,524)
Elimination of inter-segment transactions	**(134)**	(106)	-	-	-	-
Total	**133,103**	168,864	**(3,995)**	(161)	**(4,818)**	(794)

Note:

1. For the analysis of PAS excluding the effect of asset revaluation and major disposal of non-core assets/investments, the effect of the following transactions have been excluded in the PAS of the respective division:
   a. Net valuation surplus on investment properties of approximately HK$69 million (2014: HK$486 million) has been excluded from the result of Retail Division.
   b. Net valuation surplus on investment properties of approximately HK$10 million has been excluded from the results of Food Division. Net gain on disposal of non-core business investment of approximately HK$147 million had been excluded from the results of Food Division in 2014.

2. As the Group disposed of its non-beer businesses on 1 September 2015, the 2015 financial information of discontinued operations is for the period from 1 January 2015 to 31 August 2015.

CHAIRMAN'S STATEMENT

FINAL RESULTS

2015 was a year of successful strategic transformation with a focus on long-term prosperity for the Group. As of 1 September 2015, the Group had completed the disposal of all of its non-beer businesses – including retail, food and beverage businesses – to its parent company China Resources (Holdings) Company Limited ("CRH") for a total consideration of HK$30,000 million. The proposal was supported by 98.84% of voted independent shareholders. The proceeds were largely distributed to the shareholders in the form of a special dividend of HK$12.30 per share in October 2015, pursuant to which CRH closed the voluntary unconditional cash partial offer to the shareholders with an offer price of HK$12.70 per share. As of 31 December 2015, CRH held 51.91% of the entire issued shares of the Company. After the completion of the disposal, the financial information on consolidated balance sheet as at 31 December 2015 represented the continuing operations whereas the financial information as at 31 December 2014 included both continuing operations and discontinued operations.

The transaction has transformed the Group into a beer-focused listed entity of which its subsidiary, China Resources Snow Breweries Limited ("CRSB"), is the largest brewer by sales volume in China, the largest beer market by sales volume in the world. The strategic move has unleashed the value of its market-leading beer business from the previous conglomerate structure and associated capital constraints, allowing greater flexibility to execute its business plan and to lead further industry consolidation.

Regarding the operational performance for the year ended 31 December 2015, the Group recorded consolidated turnover of approximately HK$133,103 million. Of this, the beer business generated turnover and profit attributable to the Company's shareholders of HK$34,821 million and HK$831 million, respectively. During the first eight months of 2015, performance of the discontinued operations (non-beer businesses) was negatively affected by China's slower economic growth, integration, as well as ongoing investment in business transition and nationwide expansion. The turnover and the loss attributable to the Company's shareholders of the discontinued operations were approximately HK$98,416 million and approximately HK$4,826 million, respectively.

FINAL DIVIDEND

Taking into the accounts of the proceeds from the disposal was largely distributed as a special dividend, the Board has resolved not to declare a final dividend for the year ended 31 December 2015 (2014: HK$0.16 per share).

STRATEGY IMPLEMENTATION

The Group is dedicated to creating ample value by various means to its stakeholders. Instead of focusing on short-term catalysts, the Group concentrates on reinforcing its competitive advantages for the delivery of long-term sustainable value. Since 2009, the Group has been transformed from a conglomerate company with various industries into a consumer goods conglomerate with four main businesses - beer, retail, food and beverage. It was an effective implementation of the "subtraction" method - by removing various businesses with lower synergy potential (such as textile business, joint venture with Esprit in China and minority investments in container terminal operations), in order to concentrate resources on the retail space that could accelerate expansion and maximize value exploration.

Along the way, the Group continued to sharpen its competitive edge by expanding its nationwide sales network. However, the Group has faced pressure from the popularity of e-commerce and its associated disruptive change on the value chain of the retail industry in recent years. It is the Group's belief that its scale and nationwide network can generate significant value while the online channel will integrate with that of physical stores in the future. However, it needs to take further capital investment and a longer time frame to realize such value.

Taking into consideration the benefit of stakeholders, the preference by the investment community for companies with a specific industry focus rather than conglomerates; and also, the best way on resources allocation for business development, CRH proposed to acquire the non-beer businesses in April 2015 to eliminate the associated uncertain short-term outlook and allow the Group to concentrate on the beer business - the most profitable business of the Group with a leading market position.

Instead of generally used "addition" method for value creation, the Group bravely "subtracted" its businesses again to unlock the hidden value of the beer business. The Group understood that it was not an easy path, but its spirit of courage, endurance, innovation and strong operational capability gave it confidence for long-term prosperity of the beer business. The strategic move was well recognized by the investment community such that the Company's share price nearly doubled year-on-year as of 31 December 2015 excluding the effect of special dividend.

On 2 March 2016, the Group announced that it entered into an agreement with Anheuser-Busch InBev SA/NV ("ABI") to purchase the 49% stake held by SABMiller Asia Limited in CRSB for US$1,600 million (equivalent to approximately HK$12,440 million). The transaction is subject to regulatory approvals and completion of the proposed acquisition by ABI of SABMiller PLC. Upon completion, CRSB will become a wholly-owned subsidiary of the Company. We believe that the acquisition would be beneficial to the Company and the shareholders, allowing the Company to gain full ownership in CRSB, and ensuring effective implementation of the Company's growth strategies in China. In addition, the acquisition would allow full consolidation of CRSB at the Company level, enhancing financial transparency to shareholders and eliminating any value leakage associated with a sizable minority interest.

With regard to the beer operation in 2015, the overall beer market shrank during the year due to slower national economic growth and abnormal weather conditions in China. Despite the unfavorable market conditions, the beer business delivered a balanced growth of turnover and profitability. On top of that, the beer business deepened its penetration into various regions, optimized its product mix, enhanced its cost efficiency by leveraging its economies of scale and a better management over selling expenses.

As for the Group's discontinued operations in the first eight months of 2015, the retail business still suffered from an uncertain short-term economic outlook, changes in consumer spending habits and new industry players. The ongoing integration of Tesco PLC's China business, which is still in a running-in period, continued to negatively affect the division's business outlook. During the first eight months of 2015, a provision for goodwill impairment of HK$2,014 million (net amount attributable to shareholders) was made and an attributable loss of HK$3,331 million was incurred. Further investment will be required to enhance the operations of physical stores, e-commerce and IT systems, which is unlikely to result in profits in the short- and mid-terms.

The food division went through a transition period, thus resulting in an attributable loss of HK$29 million in the first eight months of 2015. The rice business, which has achieved a national presence, and the meat operation are still in need of continuous capital investment to enhance their market share, capacity utilization and profitability.

The beverage business recorded an attributable profit of HK$295 million during the first eight months of 2015. With intensifying competition in the industry, it will require additional investment to maintain the business's leading position and optimize its product portfolio.

PROSPECTS

The China beer market faced a decline in sales volume in 2015, mainly attributable to the slower growth of the macro-economy, as well as unfavorable weather conditions during the peak season. We continue to gain market share in spite of the sluggish environment. We are confident that the market's long-term prospects will be driven by multiple favorable factors. For instance, the China market has a lower market concentration and per capita beer consumption compared with most of the mature international markets, thus there is still capacity for growth. We believe that the beer market will be further consolidated over the medium term, especially at the expense of smaller regional players. The beer business will continue to become stronger through both organic expansion and acquisitions.

Other than the market share gain, the Group will also maintain its strategy of product mix upgrades. For those regions where we have significant scale and brand recognition, we will be more in favor of the product mix shifts, adding to our extensive use of the "雪花 Snow" brand across various product segments. We continuously pursue innovation on brand concept and product image which realizes one of the core competences of our management team. We have different product images for various product segments. For instance, "Brave the World", our nationwide mid-end product series, deliver the spirit of "ambitious, challenging and innovative", our premium and super premium products with the image of Chinese architecture and traditional heritage.

To optimize our cost structure, we will explore different ways for better management on production and administrative costs as well as efficiency enhancement, such as implementation of IT systems, improvement of overall production utilization and studying the integration of a number of breweries. We have demonstrated our capability to strengthen medium-term profitability by enhancing scale and market share. With the increase in market share and brand value, we are confident that our profitability improvement can be sustained in the long run.

APPRECIATION

On behalf of the Board, I would like to express our deepest gratitude to all valued shareholders for their support for our milestone transformation and their continued confidence in our future. We are also thankful to our appreciative customers, business partners and associates, as well as our management team and colleagues. We will continue to be committed to delivering quality products and services to our customers and bringing ample return to our shareholders.

Chen Lang
Chairman

Hong Kong, 18 March 2016

2015 RESULTS

The Directors of China Resources Beer (Holdings) Company Limited (the "Company") are pleased to announce the audited consolidated results of the Company and its subsidiaries (the "Group") for the year ended 31 December 2015 as follows:

CONSOLIDATED PROFIT AND LOSS ACCOUNT

For the year ended 31 December 2015

	Notes	**2015 HK$ million**	2014 HK$ million (Re-presented)
Continuing operations			
Turnover	*3*	**34,821**	34,482
Cost of sales		**(24,002)**	(22,530)
Gross profit		**10,819**	11,952
Other income	*4*	**1,020**	967
Selling and distribution expenses		**(5,669)**	(6,931)
General and administrative expenses		**(3,740)**	(3,515)
Finance costs	*5*	**(284)**	(188)
Profit before taxation		**2,146**	2,285
Taxation	*6*	**(491)**	(803)
Profit for the year from continuing operations	*7*	**1,655**	1,482
Discontinued operations			
Loss for the year from discontinued operations		**(5,513)**	(1,191)
		(3,858)	291
Attributable to:			
Shareholders of the Company			
Continuing operations		**831**	730
Discontinued operations		**(4,826)**	(891)
		(3,995)	(161)
Non-controlling interests		**137**	452
		(3,858)	291
(Loss)/earnings per share	*9*		
From continuing and discontinued operations			
Basic		**HK$(1.65)**	HK$(0.07)
Diluted		**HK$(1.65)**	HK$(0.07)
From continuing operations			
Basic		**HK$0.34**	HK$0.30
Diluted		**HK$0.34**	HK$0.30
From discontinued operations			
Basic		**HK$(1.99)**	HK$(0.37)
Diluted		**HK$(1.99)**	HK$(0.37)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2015

	2015 **HK$ million**	2014 HK$ million
(Loss)/profit for the year	**(3,858)**	291
Other comprehensive income/(expenses):		
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translating foreign operations	**(2,832)**	(110)
Fair value adjustment on available for sale investments	**(17)**	144
Reclassification adjustments:		
–release of valuation reserve upon disposal of available for sale investments	**(8)**	(163)
–release of exchange differences upon disposal of subsidiaries/associates	**(1,274)**	(6)
–release of valuation reserve upon disposal of subsidiaries	**14**	-
Income tax relating to fair value adjustment on available for sale investments	**-**	(1)
	(4,117)	(136)
Items that will not be reclassified to profit or loss:		
Surplus on revaluation of properties	**-**	69
Income tax relating to surplus on revaluation of properties	**-**	(22)
	-	47
Other comprehensive expenses for the year, net of tax	**(4,117)**	(89)
Total comprehensive (expenses)/income for the year	**(7,975)**	202
Attributable to:		
Shareholders of the Company	**(7,104)**	(253)
Non-controlling interests	**(871)**	455
	(7,975)	202
Total comprehensive (expenses)/income for the year attributable to shareholders of the Company arising from:		
Continuing operations	**(15)**	689
Discontinued operations	**(7,089)**	(942)
	(7,104)	(253)

CONSOLIDATED BALANCE SHEET

At 31 December 2015

	Notes	2015 HK$ million	2014 HK$ million
Non-current assets			
Fixed assets			
- Investment properties		**-**	21,105
- Interests in leasehold land held for own use under operating leases		**3,741**	10,653
- Other property, plant and equipment		**21,790**	56,302
Goodwill		**9,938**	22,854
Other intangible assets		**232**	510
Interests in associates		**-**	368
Interests in joint ventures		**-**	1,014
Available for sale investments		**12**	33
Prepayments		**188**	1,015
Deferred taxation assets		**1,975**	2,274
		37,876	116,128
Current assets			
Stocks		**7,744**	27,690
Trade and other receivables	*10*	**1,827**	16,555
Taxation recoverable		**108**	157
Pledged bank deposits		**149**	187
Cash and bank balances		**3,345**	20,647
		13,173	65,236
Current liabilities			
Trade and other payables	*11*	**(20,027)**	(76,260)
Short term loans		**(2,122)**	(9,025)
Taxation payable		**(231)**	(1,069)
		(22,380)	(86,354)
Net current liabilities		**(9,207)**	(21,118)
Total assets less current liabilities		**28,669**	95,010
Non-current liabilities			
Long term loans		**(4,582)**	(19,872)
Deferred taxation liabilities		**(309)**	(2,245)
Other non-current liabilities		**(718)**	(3,270)
		(5,609)	(25,387)
		23,060	69,623
Capital and reserves			
Share capital		**6,013**	15,740
Reserves		**5,990**	33,007
Equity attributable to shareholders of the Company		**12,003**	48,747
Non-controlling interests		**11,057**	20,876
Total equity		**23,060**	69,623

Notes:

1. **Basis of preparation**

The announcement has been presented in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules").

The financial statements for the year ended 31 December 2015 have been prepared in accordance with accounting principles generally accepted in Hong Kong.

2. **Principal Accounting Policies**

The accounting policies used in the preparation of these financial statements are consistent with those used in the annual financial statements for the year ended 31 December 2014 except for the adoption of the new and revised standards, amendments and interpretations mentioned below.

Adoption of new and revised standards, amendments and interpretations

The Hong Kong Institute of Certified Public Accountants ("HKICPA") has issued a number of new and revised standards, amendments and interpretations on Hong Kong Accounting Standards ("HKAS") and Hong Kong Financial Reporting Standards ("HKFRS") that are effective or available for early adoption for the financial year beginning 1 January 2015. In the current year, the Group has adopted the following new and revised standards, amendments and interpretations.

HKAS 19 (2011) (Amendments)	Defined Benefit Plans: Employee Contributions
HKFRSs (Amendments)	Annual Improvements 2010-2012 Cycle
HKFRSs (Amendments)	Annual Improvements 2011-2013 Cycle

The adoption of the new and revised standards, amendments and interpretations has had no material effect on the results or financial positions of the Group for the current and prior accounting periods. Accordingly, no prior period adjustments are required.

2. Principal Accounting Policies (continued)

Accounting standards and amendments that are not yet effective

The Group has not early applied the following new and revised standards and amendments that have been issued but are not yet effective.

HKAS 1 (Amendments)	Disclosure Initiative
HKAS 16 and HKAS 38 (Amendments)	Clarification of Acceptable Methods of Depreciation and Amortisation
HKAS 16 and HKAS 41 (Amendments)	Agriculture: Bearer Plants
HKAS 27 (Amendments)	Equity Method in Separate Financial Statement
HKFRSs (Amendments)	Annual Improvements 2012-2014 Cycle
HKFRS 9	Financial Instruments
HKFRS 10 and HKAS 28 (Amendments)	Sale and Contribution of Assets between an Investor and its Associate or Joint Venture
HKFRS 10, HKFRS 12 and HKAS 28 (Amendments)	Investment Entities: Applying the Consolidation Exception
HKFRS 11 (Amendment)	Accounting for Acquisitions of Interests in Joint Operation
HKFRS 14	Regulatory Deferral Accounts
HKFRS 15	Revenue from Contracts with Customers

The Group has not early applied the new standards and amendments that have been issued by the HKICPA but are not yet effective. The Group has already commenced an assessment of the impact of these new standards and amendments but is not yet in a position to determine whether these new standards and amendments would have a material impact on its results of operations and financial position.

3. Segment information

Operating segments

	Continuing operations		Discontinued operations [1]						
	Beer [2] HK$ million	**Sub-total** HK$ million	**Retail** HK$ million	**Food** HK$ million	**Beverage** HK$ million	**Investment and Others/ Elimination** HK$ million	**Sub-total** HK$ million	**Elimination** HK$ million	**Total** HK$ million
For the year ended 31 December 2015									
TURNOVER									
External sales	34,687	34,687	79,422	10,102	8,892	-	98,416	-	133,103
Inter-segment sales [3]	134	134	20	987	67	(1,074)	-	(134)	-
Total	34,821	34,821	79,442	11,089	8,959	(1,074)	98,416	(134)	133,103
Segment result [4]	2,255	2,255	(3,142)	58	656	-	(2,428)		(173)
Unallocated corporate expenses		(26)					(124)		(150)
Interest income		201					218		419
Finance costs		(284)					(787)		(1,071)
Loss on re-measurement of disposal group [7]		-					(2,222)		(2,222)
Net profit on disposal of discontinued operation		-					744		744
Profit/(loss) before taxation		2,146					(4,599)		(2,453)
Taxation		(491)					(914)		(1,405)
Profit/(loss) for the year		1,655					(5,513)		(3,858)
As at 31 December 2015									
ASSETS									
Segment assets	47,845	47,845	-	-	-	-	-		47,845
Deferred taxation assets									1,975
Taxation recoverable									108
Unallocated corporate assets									1,121
Consolidated total assets									51,049
LIABILITIES									
Segment liabilities	27,243	27,243	-	-	-	-	-		27,243
Taxation payable									231
Deferred taxation liabilities									309
Unallocated corporate liabilities									206
Consolidated total liabilities									27,989
OTHER INFORMATION									
Additions to non-current assets [5]	3,103	3,103	2,260	555	394	1	3,210		6,313
Depreciation and amortisation	2,154	2,154	1,930	189	131	2	2,252		4,406
Impairment loss recognised	178	178	3,083 [6]	-	-	-	3,083		3,261
Valuation gain on Investment properties	-	-	92	16	-	-	108		108

3. Segment information (continued)

Operating segments (continued)

	Continuing operations		Discontinued operations [1]						
	Beer [2] HK$ million	Sub-total HK$ million	Retail HK$ million	Food HK$ million	Beverage HK$ million	Investments and Others/ Elimination HK$ million	Sub-total HK$ million	Elimination HK$ million	Total HK$ million
For the year ended 31 December 2014									
TURNOVER									
External sales	34,376	34,376	109,382	15,295	9,811	-	134,488	-	168,864
Inter-segment sales [3]	106	106	118	1,191	80	(1,389)	-	(106)	-
Total	34,482	34,482	109,500	16,486	9,891	(1,389)	134,488	(106)	168,864
Segment result [4]	2,200	2,200	(1,020)	181	503	-	(336)		1,864
Unallocated corporate expenses		(23)					(188)		(211)
Interest income		296					424	(6)	714
Finance costs		(188)					(344)	6	(526)
Profit/(loss) before taxation		2,285					(444)		1,841
Taxation		(803)					(747)		(1,550)
Profit/(loss) for the year		1,482					(1,191)		291
As at 31 December 2014									
ASSETS									
Segment assets	54,186	54,186	102,966	12,961	3,423	-	119,350		173,536
Deferred taxation assets									2,274
Taxation recoverable									157
Unallocated corporate assets									5,397
Consolidated total assets									181,364
LIABILITIES									
Segment liabilities	29,587	29,587	56,667	2,741	3,357	-	62,765		92,352
Taxation payable									1,069
Deferred taxation liabilities									2,245
Unallocated corporate liabilities									16,075
Consolidated total liabilities									111,741
OTHER INFORMATION									
Additions to non-current assets [5]	3,079	3,079	23,372	458	787	3	24,620		27,699
Depreciation and amortisation	2,153	2,153	2,299	223	170	2	2,694		4,847
Impairment loss recognised	63	63	439	15	45	-	499		562
Valuation gain on Investment properties	-	-	610	-	-	-	610		610

Notes:

1. The Group's non-beer businesses were disposed on 1 September 2015. The results of the non-beer businesses from 1 January 2015 to 31 August 2015 were classified as discontinued operations accordingly.
2. Beer segment has significant non-controlling interests to the Group. The total non-controlling interests as at 31 December 2015 was HK$11,057 million which is from China Resources Snow Breweries Limited ("CRSB") and is attributed to SABMiller Asia Limited. The operation in the Group is mainly contributed by CRSB. The consolidated financial statements of the Group represented majority of the summarised financial information of CRSB.
3. Inter-segment sales were charged at prevailing market rates.
4. Segment result represents earnings before interest income, finance costs and taxation.
5. Additions to non-current assets included fixed assets, goodwill and other intangible assets.
6. The Group's retail segment has made an impairment on goodwill amounting to HK$2,518 million, following management's assessment of its performance as a results of challenging environment of industry and keen competition.
7. The Group has recognised a loss of HK$2,222 million in relation to the re-measurement of disposal to the fair value less cost to sell.

3. Segment information (continued)

Geographical segments

	Hong Kong HK$ million	Chinese Mainland HK$ million	Other Countries HK$ million	Total HK$ million
Turnover from continuing operations for the year ended 31 December 2015	34	34,737	50	34,821
As at 31 December 2015				
Non-current assets (Note)	7	35,882	-	35,889
Turnover from continuing operations for the year ended 31 December 2014	43	34,398	41	34,482
As at 31 December 2014				
Non-current assets (Note)	16,514	97,306	1	113,821

Note:
Non-current assets excluded available for sale investments and deferred tax assets.

4. Other income

	2015 HK$ million	2014 HK$ million (Re-presented)
Other income includes the following:		
Continuing operations		
Interest income	**201**	296
Profit on disposal of available for sale investments	**4**	-
Government grants recognised	**142**	106
Dividend income from available for sale investments	**1**	-

5. Finance costs

	2015 HK$ million	2014 HK$ million (Re-presented)
Continuing operations		
Interests on bank loans and other loans	**141**	151
Financing charges (including exchange gain or loss)	**166**	58
	307	209
Less: Amount capitalised in cost of qualifying assets	**(23)**	(21)
	284	188

6. Taxation

	2015 HK$ million	2014 HK$ million (Re-presented)
Continuing operations		
Current taxation		
Hong Kong	2	2
Chinese Mainland	1,144	1,044
	1,146	1,046
Deferred taxation		
Chinese Mainland	(655)	(243)
	491	803

Hong Kong Profits Tax is calculated at 16.5% (2014: 16.5%) on the estimated assessable profits for the year.

Chinese Mainland income tax has been provided for based on the estimated assessable profits in accordance with the relevant tax laws applicable to the subsidiaries in the Chinese Mainland. Overseas taxation is calculated at the rates prevailing in the respective jurisdictions.

7. Profit for the year

	2015 HK$ million	2014 HK$ million (Re-presented)
Profit for the year has been arrived at after charging:		
Continuing operations		
Depreciation		
- Owned assets	**2,125**	2,123
Impairment loss recognised on (included in cost of sales, selling and distribution expenses or and administrative expenses)		
- fixed assets	**89**	49
- stocks	**89**	14
Amortisation of other intangible assets (included in general and administrative expenses)	**29**	30
Operating leases charges on land and buildings	**152**	137
Cost of goods sold	**24,002**	22,530

8. Dividends

	2015 HK$ million	2014 HK$ million
No interim dividend was proposed in 2015 (2014: HK$0.11 per ordinary share)	**-**	265
2015 special dividend paid of HK$12.30 (2014: nil) per ordinary share	**29,928**	-
No final dividend was proposed in 2015 (2014: HK$0.16 per ordinary share)	**-**	387
	29,928	652

At the meeting held on 18 March 2016, the directors did not recommend the payment of final dividend (2014: HK$0.16 per ordinary share in cash form, with an option to receive new and fully paid shares of the Company in lieu of cash). The total dividends paid by the Company, including the final dividend for the year 2014 and the special dividend for the year 2015, amounting to HK$30,312 million (2014: HK$602 million) are reflected in the current year financial statements.

9. Earnings per share

	2015	2014
Basic and diluted (loss)/earnings per share		
- From continuing and discontinued operations	**HK$(1.65)**	HK$(0.07)
- From continuing operations	**HK$0.34**	HK$0.30
- From discontinued operations	**HK$(1.99)**	HK$(0.37)

	2015 HK$ million	2014 HK$ million
The calculation of the basic and diluted earnings per share is based on the following data:		
Earnings		
Profit attributable to shareholders of the Company for continuing operations	**831**	730
Loss attributable to shareholders of the Company for discontinued operations	**(4,826)**	(891)
	(3,995)	(161)

	2015	2014
Number of shares		
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share	**2,427,007,227**	2,409,546,529
Effect of dilutive potential ordinary shares:		
- Share options	**-**	707,108
Weighted average number of ordinary shares for the purpose of calculating diluted earnings per share	**2,427,007,227**	2,410,253,637

The denominators used are the same as those detailed above for both basic and diluted earnings per share.

10. Trade and other receivables

	2015 HK$ million	2014 HK$ million
Trade receivables	**715**	2,351
Provision for doubtful debts	**(47)**	(115)
	668	2,236
Value-added tax recoverable	**310**	5,677
Prepayments	**320**	3,249
Deposits paid	**13**	877
Other receivables	**430**	3,162
Amount due from a holding company	**-**	1,038
Amounts due from fellow subsidiaries	**86**	261
Amounts due from associates	**-**	23
Amounts due from joint ventures	**-**	32
	1,827	16,555

The Group normally trades with its customers under the following credit terms:
(a) cash upon delivery; and
(b) open credit from 30 to 90 days

The following is the aging analysis of trade receivables at the balance sheet date:

	2015 HK$ million	2014 HK$ million
The Group		
0 – 30 days	**135**	841
31 – 60 days	**98**	400
61 – 90 days	**81**	220
＞ 90 days	**354**	775
	668	2,236

The fair value of the Group's trade and other receivables at balance sheet date was approximate to the corresponding carrying amount.

11. Trade and other payables

	2015	2014
	HK$ million	HK$ million
Trade payables	**1,792**	26,893
Receipt in advance	**744**	17,679
Accruals	**8,966**	12,893
Deposit received	**5,018**	7,758
Other payables	**2,735**	11,018
Amount due to a holding company	**174**	-
Amounts due to fellow subsidiaries	**598**	16
Amounts due to associates	**-**	3
	20,027	76,260

The following is an aging analysis of trade payables at the balance sheet date:

	2015	2014
	HK$ million	HK$ million
0 – 30 days	**1,639**	16,557
31 – 60 days	**50**	4,227
61 – 90 days	**31**	1,671
＞ 90 days	**72**	4,438
	1,792	26,893

The fair value of the Group’s trade and other payables at balance sheet date was approximate to the corresponding carrying amount.

12. Events after reporting period

On 2 March 2016, the Company and Anheuser-Busch InBev SA/NV(“ABI”) entered into a sales and purchase agreement, pursuant to which ABI has conditionally agreed to procure SABMiller Asia Limited (“SABMiller Asia”) to sell, and the Company has conditionally agreed to acquire, the 49% equity interest in China Resources Snow Breweries Limited (“China Resources Snow Breweries”), a company currently owned as to 51% by the Company and 49% by SABMiller Asia, at a total consideration of US$1,600 million (equivalent to approximately HK$12,440 million), upon the terms and subject to the conditions set forth in the sales and purchase agreement. The consideration is expected to be satisfied by the Company in cash using a combination of various funding options (including debt and/or equity financing) as appropriate in compliance with the disclosure and shareholders’ approval requirements under the Listing Rules. Upon completion, China Resources Snow Breweries will become a wholly-owned subsidiary of the Company. The acquisition was not completed as at the date of approval of the financial statements.

13. Other Information

The consolidated financial statements of the Company and its subsidiaries for the year ended 31 December 2015 have been reviewed by the Audit Committee of the Company and audited by the Company's auditor, PricewaterhouseCoopers. An unqualified auditors' report will be included in the Annual Report to shareholders.

The financial information relating to the years ended 31 December 2015 and 2014 included in this preliminary announcement of annual results for the year ended 31 December 2015 does not constitute the Company's statutory annual consolidated financial statements for those years but is derived from those financial statements. Further information relating to these statutory financial statements required to be disclosed in accordance with section 436 of the Hong Kong Companies Ordinance (Cap. 622) is as follows:

The Company has delivered the financial statements for the year ended 31 December 2014 to the Registrar of Companies as required by section 109(3) of the predecessor Hong Kong Companies Ordinance (Cap. 32). The Company will deliver the financial statements for the year ended 31 December 2015 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance (Cap. 622) in due course.

The Company's auditor has reported on the financial statements of the Group for both years. The auditor's reports were unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its reports; and did not contain a statement under sections 406(2), 407(2) or 407(3) of the Hong Kong Companies Ordinance (Cap. 622).

MANAGEMENT DISCUSSION AND ANALYSIS

REVIEW OF OPERATIONS

On 4 May and 15 June 2015, the Company and China Resources (Holdings) Company Limited ("CRH") entered into a Sale and Purchase Agreement and a Supplemental Agreement. Pursuant to which, the Company agreed to sell all of the non-beer businesses of the Company to CRH for a total consideration of HK$30,000 million. The transaction was formally approved by the Company's independent shareholders by way of poll at the Company's extraordinary general meeting on 3 August 2015 and was completed on 1 September 2015.

On 2 March 2016, the Group announced that it entered into an agreement with Anheuser-Busch InBev SA/NV ("ABI") to purchase the 49% stake held by SABMiller Asia Limited in China Resources Snow Breweries Limited ("CRSB") for US$1,600 million (equivalent to approximately HK$12,440 million). The transaction is subject to regulatory approvals and completion of the proposed acquisition by ABI of SABMiller PLC. Upon completion, CRSB will become a wholly-owned subsidiary of the Company. We believe that the acquisition would be beneficial to the Company and the shareholders, allowing the Company to gain full ownership in CRSB, and ensuring effective implementation of the Company's growth strategies in China. In addition, the acquisition would allow full consolidation of CRSB at the Company level, enhancing financial transparency to shareholders and eliminating any value leakage associated with a sizable minority interest.

Continuing Operations

The consolidated turnover and the consolidated profit attributable to shareholders from the Company's continuing operations in 2015 were HK$34,821 million and HK$831 million respectively, representing increases of 1.0% and 13.8% over the previous year.

Beer

In 2015, the turnover and attributable profit of the Group's beer business were HK$34,821 million and HK$831 million respectively, representing increases of 1.0% and 9.2% compared with the previous year. During the year under review, the business continued to optimize tax planning. However, the Renminbi depreciation has led to an exchange loss arising from repayment of non-Renminbi loans, as well as a decrease in interest income from bank deposits due to dividend payout to non-controlling shareholders of CRSB. EBITDA of the business in 2015 increased by 1.3% to HK$4,409 million, compared with the previous year.

During the year under review, the macroeconomic slowdown and the anti-extravagance campaign driven by the Chinese government led to a decline in consumers' spending. This, combined with unfavorable weather conditions, resulted in a decline in overall sales volume in the beer industry.

In 2015, beer sales volume decreased by 1.3% compared with 2014 to approximately 11,683,000 kilolitres. By constantly enhancing the distribution of the production capacity, executing sales strategies tailored to local conditions, improving long-term relationship with the local distributors, strengthening the brand promotion, and expanding the market coverage, the Group's beer sales in 2015 surpassed the industry average. The operation’s national “雪花 Snow” brand accounted for approximately 90% of the operation’s total beer sales volume. In order to meet consumers’ needs, the business continued to improve and refine its product mix. The rapid increase in sales of premium beer also contributed to an increase in overall average selling price. In 2015, the overall average selling price in Renminbi increased by about 3.2% compared with 2014. During the year under review, the business organized various large-scale promotional campaigns, alongside optimization of its product mix. Through the “Great Expedition, Challenge the Unclimbed by College Students” event and its appointment as the sponsor of Beijing’s bid for the 2022 Winter Olympics, the business reinforced the promotion of the mid-end “Brave the World” series. In addition, the business utilized the “Snow Draft Beer Ingenuity in Craft” photo competition on Chinese ancient buildings as a key event for promoting its high-end beer series such as “Snow Draft Beer”.

During the year under review, the company improved operating profit by achieving economies of scale, lean management and better control of selling expenses. As at the end of 2015, the Group operated 97 breweries in 25 provinces in mainland China, with an aggregate annual production capacity of approximately 22,000,000 kiloliters.

Looking ahead, in light of prolonged weakness in the macro economy, slower expansion of overall market capacity and ongoing competition in the beer market, the Group will continue to carry out the “雪花 Snow” marketing campaigns and promotion activities to enhance the brand reputation and customer loyalty. It will also step up the promotion of premium beer products, strengthen product mix and quality as well as explore synergies from mergers and acquisitions. In the meantime, the beer business will continue to increase its regional presence through organic growth and acquisitions, and consolidate its leading position.

Discontinued Operations

Retail

The Group’s retail division reported turnover and loss attributable to shareholders of HK$79,442 million and HK$3,331 million, respectively, in the first eight months of 2015. Turnover and the loss attributable to shareholders were HK$109,500 million and HK$873 million, respectively, for the year ended 31 December 2014.

In view of the current macro-economic environment and declining retail performance of the joint venture (the “Joint Venture”) set up with Tesco PLC, the Group assessed the valuation of goodwill of a cash generating unit under its retail division and made a provision for the impairment loss on goodwill for HK$2,014 million (net amount attributable to shareholders) during the first half of 2015. In addition, the Group continued to monitor the operations of the retail business portfolio during the running-in period of the Joint Venture. A provision of HK$422 million (net amount attributable to shareholders) was made during the first half of 2015 for the closure of certain less efficient stores and stores with poor prospects, primarily comprising assets impairment for those shops and compensations for early termination of the shop leases. Excluding goodwill impairment and provision for stores closure, the division’s attributable loss for the first eight months of 2015 was HK$895 million.

During the period under review, the domestic economic slowdown resulted in lower consumption growth and had a negative impact on the retail sector. The central government's strict austerity campaign and the decline in government consumption affected the sales of high-end products, gifts and stored-value cards. Furthermore, the continuous expansion of e-commerce and the entry of new industry players have drawn a number of customers from physical stores.

Food

The Group's food division reported turnover and loss attributable to shareholders of HK$11,089 million and HK$29 million for the first eight months of 2015 respectively. The division's turnover and profit attributable to shareholders were HK$16,486 million and HK$13 million, respectively, for the year ended 31 December 2014.

The rice business grew rapidly through mergers and acquisitions and began to establish a nationwide presence. However, the rice business is currently unprofitable, because of the high initial investment and marketing expenses. The meat operation recorded weaker growth in overall demand, with intensifying competition faced by the slaughtering business in southern China resulting in the increase in hog purchase prices outstripping the increase in the selling price of pork. All these factors resulted in a fall in both turnover and gross profit.

Beverage

The Group's beverage division reported turnover and attributable profit of HK$8,959 million and HK$295 million in the first eight months of 2015, respectively. The division's turnover and profit attributable to shareholders were HK$9,891 million and HK$237 million, respectively, for the year ended 31 December 2014.

The division's total sales volume was approximately 5,826,000 kiloliters in the first eight months of 2015, compared with the approximately 6,556,000 kiloliters for the whole of 2014. The rapid growth in sales volume of "怡寶 C'estbon" purified water has further strengthened its leadership in southern China to a greater extent. The Group has been focusing on its core markets in Guangdong, Hunan, and Sichuan provinces and expanding its sales network in adjacent regions, which in turn improved the division's market competitiveness.

FINANCIAL REVIEW

Capital and Funding

As at 31 December 2015, the Group's consolidated cash and bank balance amounted to HK$3,494 million. The Group's borrowings as at 31 December 2015 were HK$6,704 million with HK$2,122 million repayable within one year, HK$4,580 million repayable after one year but within five years and HK$2 million repayable after five years.

On the basis of the Group's net borrowings relative to the shareholders' funds and minority interests, the Group's gearing was approximately at 13.9% as at 31 December 2015 (31 December 2014: 11.6%).

The Group's principal assets, liabilities, revenue and payments are denominated in Hong Kong dollars, Renminbi and US dollars. As at 31 December 2015, 28.9% of the Group's cash deposit balance was held in Hong Kong dollars, 52.2% in Renminbi and 18.9% in US dollars; whereas 95.2% of the Group's borrowings was denominated in Hong Kong dollars and 4.8% in Renminbi. The Group's borrowings are principally on a floating rate basis.

Pledge of Assets

As at 31 December 2015, assets with a carrying value of HK$149 million (31 December 2014: HK$271 million) were pledged for bank borrowings and notes payable.

Contingent Liabilities

The Group did not have any material contingent liabilities as at 31 December 2015.

DIVIDENDS

The directors do not recommend the payment of a final dividend for the year ended 31 December 2015 (2014: HK$0.16 per share). No interim dividend was paid during the year (2014: HK$0.11 per share). A special dividend of HK$12.30 per share was paid during the year (2014: Nil).

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Friday, 20 May 2016 to Wednesday, 25 May 2016, both days inclusive, during which no transfer of shares of the Company will be registered. In order to determine the identity of members who are entitled to attend and vote at the annual general meeting to be held on 25 May 2016, all share transfer documents accompanied by the relevant share certificates must be lodged with the Company's Share Registrar, Tricor Standard Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong no later than 4:30 p.m. on Thursday, 19 May 2016 for registration.

CORPORATE GOVERNANCE

The Company recognises that a good and solid corporate governance framework is essential to the successful growth of the Company and the enhancement of shareholder value. The Company is committed to attaining and maintaining high standards of corporate governance and adopts principles of corporate governance emphasising a quality Board, accountability to all stakeholders, open communication and fair disclosure.

On 8 April 2005, the Company adopted the Corporate Governance Practice Manual ("CG Manual"). The CG Manual which was revised on 31 March 2009, 18 November 2010, 21 March 2012 and 7 December 2015, incorporates almost all the Code Provisions of the Corporate Governance Code ("CG Code") contained in Appendix 14 to the Listing Rules and includes the implementation details for the Code Provisions and, where appropriate, the Recommended Best Practices. The CG Manual can be downloaded from our website and copies are available on request to the Company Secretary.

The Company has complied with the Code Provisions set out in the CG Code throughout the year ended 31 December 2015, save and except the following:

In respect of Code Provision A.4.1 of the CG Code, all the non-executive Directors are not appointed for a fixed term. The Board does not believe in any arbitrary term of office. The current arrangement will give the Company sufficient flexibility to organize the composition of the Board to serve the needs of the Group. Further, the Articles of Association of the Company requires that one-third of the Directors (including executive and non-executive Directors) shall retire each year and every Director shall be subject to retirement by rotation at least once every three years. The Directors to retire each year shall be those appointed by the Board during the year and those who have been longest in office since their election or re-election. A retiring Director is eligible for re-election.

In respect of Code Provision A.5.6 of the CG Code, the Board did not have a policy concerning diversity of the Board members but the Board is actively considering the adoption of the relevant policy.

In respect of Code Provision C.1.2 of the CG Code, the Company has not provided all members of the Board with monthly updates to enable the Board as a whole and each Director to discharge their duties. However, the Company has based on business situation, provided to the Board from time to time, updated business information to enable the Board as a whole and each Director to discharge their duties.

In respect of Code Provision D.1.4 of the CG Code, the Company did not have formal letters of appointment for Directors. However, the Directors are subject to retirement by rotation at least once every three years in accordance with the Articles of Association of the Company. In addition, the Directors are required to refer to the guidelines set out in "A Guide on Directors' Duties" issued by the Companies Registry and "Guidelines for Directors", and, if applicable, "Guide for Independent Non-Executive Directors" published by the Hong Kong Institute of Directors in performing their duties and responsibilities as Directors of the Company. Besides, the Directors are required to comply with the requirements under the Listing Rules, legal and other regulatory requirements.

On 8 April 2005, the Company has adopted a Code of Ethics and Securities Transactions ("Code of Ethics") which incorporates the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") set out in Appendix 10 to the Listing Rules. The Code of Ethics has been amended, approved and reconfirmed by the Board of directors of the Company on 6 April 2006, 4 April 2007, 31 March 2008 and further revised on 31 March 2009, 18 November 2010, and 7 December 2015 respectively. The prohibitions on securities dealing and disclosure requirements in the Code of Ethics also apply to specified individuals who include the Group's senior management and persons who are privy to inside information of the Group. The Code of Ethics is on terms no less exacting than the required standard set out in the Model Code. Having made specific enquiry with the directors, all directors confirmed that they have complied with the required standard set out in the Model Code during the year ended 31 December 2015.

PURCHASE, SALES OR REDEMPTION OF LISTED SECURITIES

During the year, neither the Company nor its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

EMPLOYEES

As at 31 December 2015, the Group, had a staff size of around 60,000, amongst which more than 99% were employed in the Chinese Mainland, whilst the rest were mainly in Hong Kong. Remuneration packages are assessed in accordance with the nature of job duties, individual performance and market trends with built-in merit components, paid in the form of cash bonuses.

By order of the Board
CHEN LANG
Chairman

Hong Kong, 18 March 2016

As at the date of this announcement, the Executive Directors of the Company are Mr. Chen Lang (Chairman), Mr. Hong Jie (Chief Executive Officer), Mr. Liu Hongji (Vice Chairman) and Mr. Lai Ni Hium, Frank (Chief Financial Officer). The Non-executive Directors are Mr. Du Wenmin, Mr. Wei Bin, Mr. Yan Biao, Mr. Chen Ying and Mr. Wang Yan. The Independent Non-executive Directors are Mr. Houang Tai Ninh, Dr. Li Ka Cheung, Eric, Dr. Cheng Mo Chi, Moses, Mr. Bernard Charnwut Chan and Mr. Siu Kwing Chue, Gordon.