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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)

CONTINUING CONNECTED TRANSACTIONS

Reference is made to the Company's announcement on 1 September 2015, CRSB, a wholly-owned subsidiary of the Company, entered into the 2015 Supply Framework Agreement with Gain Land pursuant to which the CRSB Group agreed to supply beer products to the Gain Land Group from 1 September 2015 to 31 December 2017. As the supply of beer products will continue, the parties have entered into the Supply Framework Agreement to govern these transactions for three years commencing from 1 January 2018 to 31 December 2020.

Gain Land is an indirect 80%-owned subsidiary of CRH, which is in turn the indirect controlling shareholder of the Company. As such, Gain Land is an associate of a connected person of the Company under the Listing Rules. Accordingly, the Supply Framework Agreement and the transactions contemplated thereunder constitute continuing connected transactions of the Company under the Listing Rules.

As each of the applicable percentage ratios set out in Rule 14.07 of the Listing Rules in respect of each of the annual caps under the Supply Framework Agreement is more than 0.1% but less than 5%, the continuing connected transactions contemplated under the Supply Framework Agreement are only subject to the reporting, announcement and annual review requirements but are exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

CONTINUING CONNECTED TRANSACTIONS

CRSB, a wholly-owned subsidiary of the Company, entered into the 2015 Supply Framework Agreement with Gain Land in relation to the supply of beer products. The term of the 2015 Supply Framework Agreement expires on 31 December 2017. As the supply of beer products will continue, the Supply Framework Agreement has been entered into to govern these transactions for three years commencing from 1 January 2018 to 31 December 2020.

Principal terms of the Supply Framework Agreement

Date	:	21 December 2017.
Parties	:	(1) CRSB, a wholly-owned subsidiary of the Company; and (2) Gain Land, an indirect non-wholly owned subsidiary of CRH.
Subject	:	CRSB Group agreed to supply its beer products to the Gain Land Group from time to time for the purposes of retail and distribution of the same by the Gain Land Group. The transactions shall be conducted on normal commercial terms and the terms, as a whole, shall be no more favorable than those terms offered to independent third party retailers and distributors of the CRSB Group in relation to the supply of beer products of similar nature and quality.
Term	:	From 1 January 2018 to 31 December 2020.
Pricing basis	:	The price of the supply of beer products shall be determined by reference to the prevailing market price for transactions of similar nature.

Proposed annual caps

It is estimated that the maximum amount of purchases to be made by the Gain Land Group under the Supply Framework Agreement will not exceed RMB297 million, RMB323 million and RMB348 million respectively for the three years ending 31 December 2020.

The above proposed annual caps are determined after arm's length negotiations between the parties by reference to the estimated growth in demand for the beer products supplied by the CRSB Group, the expected increase in the price of beer, the production capacity of the CRSB Group, and the historical transaction amounts for the Gain Land Group's purchases of beer products from the CRSB Group for the two years ended 31 December 2015 and 2016 and the nine months ended 30 September 2017 being approximately RMB150 million, RMB149 million and RMB93 million respectively.

Relationship between the parties

Gain Land is an indirect non-wholly owned (80%) subsidiary of CRH which is in turn the indirect controlling shareholder of the Company. As such, Gain Land is an associate of a connected person of the Company under the Listing Rules. Accordingly, the Supply Framework Agreement and the transactions contemplated thereunder constitute continuing connected transactions of the Company under the Listing Rules.

Reasons for entering into the Supply Framework Agreement

The CRSB Group is principally engaged in manufacturing, sales and distribution of beer products. The Gain Land Group is primarily engaged in the business of multi-category retailing through hypermarkets, supermarkets, convenience stores, cash and carry business or liquor stores or other multi-category retail format. The entering into of the Supply Framework Agreement will provide the CRSB Group with an effective distribution platform for their beer products. Pursuant to the Supply Framework Agreement, the CRSB Group will supply beer products to the Gain Land Group on normal commercial terms and all terms, as a whole, will be no more favorable than those terms offered to independent third party retailers and distributors.

The Directors (including the independent non-executive Directors) consider that the transactions contemplated under the Supply Framework Agreement are in the ordinary and usual course of business of the Group and on normal commercial terms and the terms of the Supply Framework Agreement including the annual caps are fair and reasonable and in the interests of the Company and its shareholders as a whole.

Listing Rules implications

As each of the applicable percentage ratios set out in Rule 14.07 of the Listing Rules in respect of the annual caps under the Supply Framework Agreement, on an annual basis, is more than 0.1% but less than 5%, the continuing connected transactions contemplated under the Supply Framework Agreement are only subject to the reporting, announcement and annual review requirements but are exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

None of the directors of the Company has any material interest in the Supply Framework Agreement. As such, no director of the Company was required to abstain and none of them has abstained from voting on the relevant board resolution for approving the Supply Framework Agreement and the annual caps in relation thereto.

Information about the parties

The Company is listed on the Stock Exchange of Hong Kong. The Group's core business is the manufacture, sales and distribution of beer products.

The CRH Group is a conglomerate in Hong Kong and the PRC that is principally engaged in seven core businesses, namely consumer products, power, real estate, cement, gas, pharmaceutical and financial services, as well as other operations including microelectronics, textiles and chemical products. Gain Land, an indirect subsidiary of CRH, is principally engaged in investment holding. The Gain Land Group is primarily engaged in the business of

multi-category retailing through hypermarkets, supermarkets, convenience stores, cash and carry business or liquor stores or other multi-category retail format.

DEFINITIONS

“associate(s)”	has the meaning ascribed to it in the Listing Rules;
“Board”	means the board of Directors;
“Company”	means China Resources Beer (Holdings) Company Limited, a company incorporated in Hong Kong with limited liability and the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 291);
“connected person”	has the meaning ascribed to it under the Listing Rules;
“controlling shareholder”	has the meaning ascribed to it under the Listing Rules;
“CRH”	means China Resources (Holdings) Company Limited, a company incorporated in Hong Kong with limited liability and the intermediate holding company of the Company;
“CRH Group”	means CRH and its subsidiaries (but excluding the Group and its associates);
“CRSB”	means China Resources Snow Breweries Limited, a company incorporated in the British Virgin Islands and a wholly-owned subsidiary of the Company;
“CRSB Group”	means CRSB and its subsidiaries;
“Director(s)”	means the director(s) of the Company;
“Gain Land”	means Gain Land Limited, a company incorporated under the laws of the British Virgin Islands and an indirect non-wholly owned subsidiary of CRH;
“Gain Land Group”	means Gain Land and its subsidiaries;
“Group”	means the Company and its subsidiaries;
“Hong Kong”	means the Hong Kong Special Administrative Region of the PRC;
“Listing Rules”	means the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
“PRC”	means the People’s Republic of China (excluding, for the purpose of this announcement, Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan, the Republic of China);

“Share(s)”	means ordinary share(s) in the capital of the Company;
“Shareholder(s)”	means the holder(s) of the Shares;
“Stock Exchange”	means The Stock Exchange of Hong Kong Limited;
“subsidiary(ies)”	has the meaning ascribed thereto under the Companies Ordinance (Chapter 622 of the Laws of Hong Kong);
“2015 Supply Framework Agreement”	means the supply framework agreement dated 1 September 2015 between CRSB and Gain Land;
“Supply Framework Agreement”	means the supply framework agreement dated 21 December 2017; entered into between CRSB and Gain Land;
“RMB”	means Renminbi, the lawful currency of the PRC; and
“%”	means per cent.

For and on behalf of
China Resources Beer (Holdings) Company Limited
Lai Po Sing, Tomakin
Chief Financial Officer, Executive Director and
Company Secretary

Hong Kong, 21 December 2017

As at the date of this announcement, the Executive Directors of the Company are Mr. Chen Lang (Chairman), Mr. Hou Xiaohai (Chief Executive Officer) and Mr. Lai Po Sing, Tomakin (Chief Financial Officer). The Non-executive Directors of the Company are Mr. Chen Rong and Mr. Lai Ni Hium, Frank. The Independent Non-executive Directors of the Company 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.