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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)**

## **SUPPLEMENTAL ANNOUNCEMENT**

Reference is made to the announcement of the Company dated 21 December 2017 (the “**Announcement**”) in relation to the Supply Framework Agreement, entered into between CRSB, a wholly-owned subsidiary of the Company, and Gain Land regarding the continuing connected transactions of the supply of beer products for a term of 3 years. Unless otherwise stated, terms used in this supplemental announcement have the same meanings as defined in the Announcement.

As disclosed in the Announcement, the price of beer products under the Supply Framework Agreement shall be determined by reference to the prevailing market price for the transactions of similar nature. Pursuant to the Supply Framework Agreement, the CRSB Group shall supply beer products to Gain Land on normal commercial terms and all terms, as a whole, shall be no more favourable than those terms offered to independent third party retailers and distributors for beer products that are of similar nature and quality.

The Company hereby supplements that the CRSB Group shall determine the price of the supply of beer products to the Gain Land Group and the price of the supply of similar beer products to independent third party retailers and distributors in accordance with the following internal control procedures:

- (a) The product sales and administration department will conduct a comprehensive survey on consumer demand, market competition and the average market price of similar products in the same industry each year. The standard price for products to be supplied to commercial supermarkets and traders will be determined by the results of such survey and the prices of the Company in previous years. The management will then review and approve such standard price. The product sales and administration department will, where appropriate, further advise the management to adjust the product prices according to actual and expected market conditions.
- (b) The sales department will be responsible for tracking the business relationships with commercial supermarkets and traders and maintaining close relationships and good communication with traders, so that the Company will be well informed of the latest market developments in a timely manner. The sales department will also follow the established internal control procedures to regularly track, monitor and evaluate the product prices in order to ensure the standardization of the pricing basis.

- (c) The abovementioned departments will report the market information to the management of the Company either in writing or verbally. The management is responsible for supervision of such departments, in order to ensure all relevant procedures have been in compliance with the corresponding internal control measures.
- (d) The risk management department will be responsible for auditing in respect of the formulation and implementation of the above pricing basis each year.
- (e) The board of directors will review and examine internal control procedures for the continuing connected transactions each year.

The prices of beer products of the same nature and quality which were determined by the above internal control procedures shall be identical, regardless of whether these beer products are supplied to the Gain Land Group or independent third party retailers and distributors.

The above pricing basis will be able to safeguard CRSB's interest, while CRSB can also retain flexibility and competitiveness to meet the needs of the market at the same time.

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, 23 January 2018

*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.*