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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)**

**ANNOUNCEMENT**

**DISCLOSEABLE TRANSACTION IN RELATION TO THE ACQUISITION OF THE  
OPERATIONS OF THE HEINEKEN GROUP IN THE EXCLUSIVE TERRITORY**

**INSIDE INFORMATION IN RELATION TO THE HEINEKEN TMLA AND THE  
FRAMEWORK AGREEMENT**

**Financial Advisers to China Resources Beer (Holdings) Company Limited**



**NOMURA**

This announcement is made by the Company pursuant to Listing Rule 13.09(2)(a) and Chapter 14 of the Listing Rules and the Inside Information Provisions.

Reference is made to the announcement made on 3 August 2018 jointly by the Company and its direct controlling shareholder, CRH (Beer) Limited (華潤集團(啤酒)有限公司) (**CBL**), with respect to matters affecting the Company, its holding company, China Resources Enterprise, Limited (**CRE**) and the Heineken Group (the **Joint Announcement**). Terms used in this announcement shall have the same respective meanings as those used in the Joint Announcement unless otherwise defined.

Under the Joint Announcement, the Board announced that on 3 August 2018, the Group entered into the Heineken TMLA Term Sheet, the Heads of Terms and the Framework Agreement Term Sheet with the Heineken Group (a third party independent of the Company and its connected persons) for the establishment of a long term strategic collaboration arrangement between the two groups through (i) the entering into of a trade mark licensing agreement to use the Heineken®

brand on an exclusive basis in mainland China, Hong Kong and Macau (or the **Exclusive Territory**); (ii) the Heineken China Transaction; and (iii) the entering into of a framework agreement in relation to, amongst other things, allowing the Company to leverage on the Heineken Group's global distribution channels to support and accelerate the international growth of the Company's brands (together, the **Company Transactions**).

The Board announces that on 5 November 2018, the Group entered into a master share purchase agreement with the Heineken Group (the **Heineken China Master Share Purchase Agreement**), pursuant to which the Company (through its wholly-owned subsidiary, China Resources Snow Breweries), has agreed to acquire, and Heineken International has agreed to sell, (i) the entire equity interest of six (6) PRC established companies, namely Heineken (China) Management Services Co., Ltd. (喜力(中國)企業管理有限公司), Heineken Trading (Shanghai) Co., Ltd. (喜力貿易(上海)有限公司), Heineken (Shanghai) Co., Ltd. (喜力啤酒(上海)有限公司), Heineken Brewery (Guangzhou) Co., Ltd. (喜力釀酒(廣州)有限公司), Heineken Brewery (Zhejiang) Co., Ltd. (喜力釀酒(浙江)有限公司), and Heineken Brewery (Hainan) Co., Ltd. (喜力釀酒(海南)有限公司) (together, the **Heineken China PRC Target Companies**), and (ii) the entire issued share capital of Heineken Hong Kong Limited (喜力香港有限公司) (the **Heineken China Hong Kong Target Company**, which together with the Heineken China PRC Target Companies, the **Heineken China Target Companies**).

As part of the Company Transactions and as contemplated in the Heineken TMLA Term Sheet and the Framework Agreement Term Sheet, on 5 November 2018, the Group also entered into (i) a trademark licensing agreement with the Heineken Group (the **Heineken TMLA**) in relation to the use of the Heineken® brand on an exclusive basis in the Exclusive Territory; and (ii) a framework agreement with the Heineken Group (the **Framework Agreement**, which together with the Heineken China Master Share Purchase Agreement and the Heineken TMLA, the **Company Transactions Documents**) in relation to the long term strategic collaboration between the Group and the Heineken Group.

As one or more of the relevant percentage ratios under Listing Rule 14.07 for the transactions contemplated under the Heineken China Master Share Purchase Agreement computed on an aggregated basis is or are above 5% but less than 25%, such transactions constitute a discloseable transaction of the Company and are therefore only subject to reporting and announcement requirements (but not the shareholders' approval requirements) under the Listing Rules.

Neither of the transactions contemplated under the Heineken TMLA and the Framework Agreement constitutes a "transaction" for the purpose of Chapter 14 of the Listing Rules and as such neither transaction is subject to any of the reporting, announcement and shareholders' approval requirements under the Listing Rules.

**The Company Transactions are subject to fulfilment of the respective conditions precedent stated under the Company Transactions Documents. As such, the Company Transactions may or may not proceed. Shareholders and potential investors of the Company are advised**

**to exercise caution when dealing in the Shares. The Company will make further announcement(s) in respect of the Company Transactions as and when appropriate in accordance with the Listing Rules and the SFO.**

## **A. INTRODUCTION**

This announcement is made by the Company pursuant to Listing Rule 13.09(2)(a) and Chapter 14 of the Listing Rules and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the SFO.

Reference is made to the Joint Announcement made by (i) the Company, and (ii) the Company's direct controlling shareholder, CBL, in satisfaction of the relevant compliance requirements applicable to it, with respect to matters affecting the Company, CRE (the Company's holding company), and the Heineken Group. Terms used in this announcement shall have the same respective meanings as those used in the Joint Announcement unless otherwise defined.

Under the Joint Announcement, the Board announced that on 3 August 2018, the Group had entered into a Heineken TMLA Term Sheet, the Heads of Terms and a Framework Agreement Term Sheet with the Heineken Group (a third party independent of the Company and its connected persons) for the establishment of a long term strategic collaboration arrangement between the two groups through the Company Transactions.

The Board announces that, on 5 November 2018, the Group entered into the Heineken China Master Share Purchase Agreement with the Heineken Group, pursuant to which the Company (through its wholly-owned subsidiary, China Resources Snow Breweries), has agreed to acquire, and Heineken International has agreed to sell, (i) the entire equity interest of the Heineken China PRC Target Companies (the **Heineken China PRC Equity Interests**), and (ii) the entire issued share capital of the Heineken China Hong Kong Target Company (the **Heineken China Hong Kong Shares** and together with the Heineken China PRC Equity Interests, the **Heineken China Target Shares**). As one or more of the relevant percentage ratios under Listing Rule 14.07 for the transactions contemplated under the Heineken China Master Share Purchase Agreement computed on an aggregated basis is or are above 5% but less than 25%, such transactions constitute a discloseable transaction of the Company and are therefore only subject to reporting and announcement requirements (but not the shareholders' approval requirement) under the Listing Rules.

As part of the Company Transactions and contemplated under the Heineken TMLA Term Sheet and the Framework Agreement Term Sheet, on 5 November 2018, the Group also entered into (i) the Heineken TMLA with the Heineken Group in relation to the use of the Heineken® brand on an exclusive basis in the Exclusive Territory, and (ii) the Framework Agreement with the Heineken Group in relation to the long term strategic collaboration between the Group and the Heineken Group. Whilst neither of the transactions contemplated under the Heineken TMLA and the Framework Agreement constitutes a "transaction" for the purpose of Chapter 14 of the Listing Rules (and is therefore not subject to any of the reporting, announcement and shareholders'

approval requirements under the Listing Rules is applicable), the Company has set forth in sections entitled “Information on Heineken TMLA” and “Information on the Framework Agreement” information on the Heineken TMLA and the Framework Agreement respectively in discharge of its obligation under Listing Rule 13.09(2)(a) and the Inside Information Provisions.

## **B. PRINCIPAL TERMS OF THE HEINEKEN CHINA MASTER SHARE PURCHASE AGREEMENT**

### **Date**

5 November 2018

### **Parties**

- (1) China Resources Snow Breweries as buyer
- (2) The Company as buyer’s guarantor
- (3) Heineken International as seller
- (4) Heineken N.V. as seller’s guarantor

To the best of the Directors’ knowledge, information and belief after making reasonable enquiry, as at the date of the Joint Announcement and this announcement, Heineken International and its ultimate beneficial owner was and is a third party independent of the Company and its connected persons.

### **Subject Matter**

Under the Heineken China Master Share Purchase Agreement, the Company (through its wholly-owned subsidiary, China Resources Snow Breweries), has agreed that it shall purchase, and Heineken International has agreed to sell (or cause its designated affiliate(s) to sell) the Heineken China PRC Equity Interests and the Heineken China Hong Kong Shares.

Separate transfer agreements in respect of the acquisition of the Heineken China PRC Equity Interests and the Heineken China Hong Kong Shares, which are subject to the terms of the Heineken China Master Share Purchase Agreement will also be entered into among relevant parties of the Group and the Heineken Group.

### **Consideration and its basis**

The aggregate consideration (the **Purchase Price**) payable in cash by the buyer at completion of the Heineken China Master Share Purchase Agreement (**Completion**) is the estimated purchase price being the agreed enterprise value of HK\$2,354,670,000 for the Heineken China Target

Shares and as adjusted by the Price Adjustment Items (the **Estimated Purchase Price**). Following Completion, the Purchase Price shall be further adjusted (the **Final Purchase Price**) based on a completion statement in accordance with normal market practice. The Purchase Price was determined after arm's length negotiations between the buyer and seller on normal commercial terms with reference to (i) the historical financial performance of the Heineken China Target Group Companies; and (ii) the enterprise value-to-EBITDA ratios of similar precedent transactions and enterprise value-to-EBITDA ratios of certain comparable companies engaged in the beer industry. The Purchase Price will be funded by the Company's internal resources and/or bank loans.

### **Conditions Precedent**

Completion of the Heineken China Master Share Purchase Agreement is conditional upon the fulfilment of the following conditions (the **Conditions Precedent**):

- (i) concurrently at Completion, each of the Heineken TMLA and Framework Agreement becoming fully effective in accordance with their respective terms and conditions;
- (ii) the parties to the Heineken China Master Share Purchase Agreement having obtained the PRC merger control clearance for the Heineken China Transaction, which is deemed to be granted if the merger control authority has declared the anti-trust filing complete and (a) issued a decision approving the Heineken China Transaction, or (b) the relevant statutory periods for a decision specified by the law in relation to anti-trust review, including any extensions thereof, have expired and no order has been issued by the PRC merger control authority prohibiting the consummation of the Heineken China Transaction;
- (iii) each of the Company and Heineken N.V. (being the publicly listed parent company of the seller), having obtained such approvals and/or taken such compliance actions as are necessary under applicable rules and regulations imposed by the relevant stock exchanges for the completion of the Heineken China Transaction;
- (iv) completion by each of the Heineken China PRC Target Companies of the registration procedures at the AIC as required by laws to transfer the Heineken China PRC Equity Interests to the buyer;
- (v) completion by each of the Heineken China PRC Target Companies of the registration procedures at MOFCOM as required by the laws in respect of the transfer of the Heineken China PRC Equity Interests to the buyer;
- (vi) as of Completion, (i) the Seller Fundamental Warranties being true and accurate with respect to the seller; and (ii) the Buyer Fundamental Warranties being true and accurate with respect to the buyer; and
- (vii) neither the Company nor Heineken N.V. (or any of their respective affiliates) having entered into any binding agreement or publicly announced any binding or non-binding

agreement or arrangement with respect to a competing transaction (as further defined in the Heineken China Master Share Purchase Agreement).

The performance of the obligations of Heineken International as the seller and of China Resources Snow Breweries as the buyer under the Heineken China Master Share Purchase Agreement is guaranteed by Heineken N.V. and the Company respectively.

### **Completion of the Heineken China Master Share Purchase Agreement and Long Stop Date**

Completion Date shall fall on the fifth business day after the date on which the last of the Conditions Precedent is satisfied or waived (other than any Condition Precedent that can only be satisfied at Completion, but subject to the satisfaction or waiver of such Condition Precedent at Completion), or at such other time and place as the parties to the Heineken China Master Share Purchase Agreement shall agree in writing.

If (i) any of the Conditions Precedent is not satisfied or waived by the Long Stop Date, (ii) the PRC merger control authority issues a final order prohibiting the Heineken China Transaction, (iii) the Heineken TMLA is terminated in accordance with its terms prior to Completion; or (iv) fulfillment of any of the Conditions Precedent by the Long Stop Date becomes or has become impossible, then the Heineken China Master Share Purchase Agreement shall terminate upon delivery of written notice by the buyer to the seller or by the seller to the buyer, provided that no party shall be entitled to terminate if any breach of such agreement by it or its affiliate result in any circumstances described in (i) - (iv) above.

### **Payment Terms**

Pursuant to the Heineken China Master Share Purchase Agreement, the Estimated Purchase Price shall be paid on the Completion Date. Following Completion, on the date falling five business days after the determination or agreement of the Final Purchase Price, the following shall occur:

- (a) if the Final Purchase Price exceeds the Estimated Purchase Price, the buyer will pay to the seller an amount in cash equal to the Final Purchase Price minus the Estimated Purchase Price; and
- (b) if the Final Purchase Price is less than the Estimated Purchase Price, the seller will pay to the buyer an amount in cash equal to the Estimated Purchase Price minus the Final Purchase Price.

### **Information on the Heineken China Target Companies**

#### *1. Heineken China PRC Target Companies*

Based on the information made available to the buyer, Heineken China PRC Target Companies are companies established in the PRC with limited liability and are engaged in the production, sales and distribution of beer products (including non-alcoholic beer products) in the PRC.

Set out below is a summary of the unaudited financial information of each of Heineken China PRC Target Companies for the two financial years ended 31 December 2016 and 31 December 2017 prepared in accordance with IFRS and based on the information made available to the buyer:

	For the year ended 31 December 2016 (RMB million)	For the year ended 31 December 2017 (RMB million)
<b>Heineken (China) Management Services Co., Ltd.</b>		
Net profits (loss) before taxation	5.2	8.8
Net profits (loss) after taxation	1.8	5.6
<b>Heineken Trading (Shanghai) Co., Ltd.</b>		
Net profits (loss) before taxation	-415.3	-66.5
Net profits (loss) after taxation	-355.8	-49.9
<b>Heineken (Shanghai) Co., Ltd.</b>		
Net profits (loss) before taxation	82.3	-7.1
Net profits (loss) after taxation	82.1	-7.1
<b>Heineken Brewery (Guangzhou) Co., Ltd.</b>		
Net profits (loss) before taxation	310.9	18.5
Net profits (loss) after taxation	302.2	13.7
<b>Heineken Brewery (Zhejiang) Co., Ltd.</b>		
Net profits (loss) before taxation	37.8	-4.9
Net profits (loss) after taxation	24.0	-3.9
<b>Heineken Brewery (Hainan) Co., Ltd.</b>		
Net profits (loss) before taxation	-2.6	-28.3
Net profits (loss) after taxation	2.4	-21.3

As at 31 December 2017, the net asset value of each of the Heineken China PRC Target Companies based on the unaudited financial information of such Heineken China PRC Target Companies prepared in accordance with IFRS and based on the information made available to the buyer was as follows:

	Net Asset Value (RMB million)
Heineken (China) Management Services Co., Ltd.	55.2
Heineken Trading (Shanghai) Co., Ltd.	-347.8

Heineken (Shanghai) Co., Ltd.	-215.1
Heineken Brewery (Guangzhou) Co., Ltd.	475.4
Heineken Brewery (Zhejiang) Co., Ltd.	336.5
Heineken Brewery (Hainan) Co., Ltd.	626.7

## 2. *Heineken China Hong Kong Target Company*

Based on the information made available to the buyer, Heineken China Hong Kong Target Company is a company established in Hong Kong with limited liability and is engaged in the production, sales and distribution of beer products (including non-alcoholic beer products) in Hong Kong and Macau.

Set out below is a summary of the audited financial information of the Heineken China Hong Kong Target Company for the two financial years ended 31 December 2016 and 31 December 2017 prepared in accordance with HKFRS:

	For the year ended 31 December 2016 (HK\$ million)	For the year ended 31 December 2017 (HK\$ million)
Net profits (loss) before taxation	-5.4	-3.9
Net profits (loss) after taxation	-5.4	-3.9

Based on the information made available to the buyer, as at 31 December 2017, the net liability value of the Heineken China Hong Kong Target Company based on the audited financial information of the Heineken China Hong Kong Target Company prepared in accordance with HKFRS was HK\$79.1 million.

## C. INFORMATION ON THE HEINEKEN TMLA

On 5 November 2018, China Resources Snow Beer China (the **Trademark Licensee**) and the Company entered into the Heineken TMLA with Heineken Brouwerijen (a wholly-owned subsidiary of Heineken N.V.) (the **Trademark Licensor**) and Heineken N.V.. The performance of the obligations of the Trademark Licensee and the Trademark Licensor under the Heineken TMLA is guaranteed by the Company and Heineken N.V. respectively subject to the terms and conditions set forth in the Heineken TMLA.

Pursuant to the Heineken TMLA, the Trademark Licensor has agreed, subject to the terms and conditions of the Heineken TMLA, to grant to the Trademark Licensee the exclusive, royalty-bearing, non-sublicensable, non-transferable and non-assignable license to use certain Heineken® mark to produce, market, distribute and sell the Product in the Exclusive Territory.



The initial term of the Heineken TMLA shall be for a term of 20 years from the date on which the Heineken TMLA becomes fully effective in accordance with its terms (including subject to the due completion of the transactions contemplated under the Heineken China Master Share Purchase Agreement and Heineken N.V. acquiring ownership of at least 20% effective equity interest in the Company) and thereafter renewed for subsequent periods of 10 years on the same terms and conditions unless and until terminated in accordance with the termination provisions contained therein.

#### **D. INFORMATION ON THE FRAMEWORK AGREEMENT**

On 5 November 2018, the Company entered into the Framework Agreement with Heineken Brouwerijen and Heineken N.V..

Pursuant to the Framework Agreement, the Company and Heineken Brouwerijen have agreed to commence a long-term strategic collaboration, the principles of which are as follows:

- (i) within the Exclusive Territory:
  - (a) to combine the competitive advantage of the Group in its distribution channels together with the Heineken Group's premium brands advantage;
  - (b) to achieve fast growth for the Heineken Group licensed premium brands in the Exclusive Territory; and
  - (c) to attain world class operational efficiency; and
- (ii) outside the Exclusive Territory, to leverage on and utilise, where appropriate and agreed by the parties to the Framework Agreement, the Heineken Group's global distribution channels, strong knowledge and unique capability in the premium beer sector in these markets to support the internationalisation of the Group's existing and future portfolio of Chinese beer brands (excluding the Heineken Group licensed premium brands) to become the best sold Chinese beer brand(s) in the international markets outside the Exclusive Territory.

The Framework Agreement has also set forth the terms on which designated subsidiaries of the Company, as licensee(s), may enter into further trade mark licensing agreements with the applicable subsidiary(ies) of Heineken N.V., as licensor, with respect to other Heineken Group-owned brands in the Exclusive Territory which are not covered by the Heineken TMLA.

Under the Framework Agreement and subject to the terms and conditions thereof, Heineken Brouwerijen and the Company shall, during the term of the Framework Agreement, dedicate resources and engage in senior management strategic discussions to explore, formulate and implement appropriate plans to attain the long-term strategic collaboration principle stated in the Framework Agreement. During the term of the Framework Agreement and the Heineken TMLA

and until the end of the 12-month period after the date of notice to terminate the Heineken TMLA, other than with the prior written consent of the Company or Heineken Brouwerijen (as the case may be), Heineken N.V. shall procure that the Heineken Group will not, and the Company shall procure that the Group will not, directly or indirectly produce, package, import, market, distribute, sell or promote in the Exclusive Territory any international premium lager brand other than (a) the Product and (b) other brands of the Heineken Group licensed to any member of the Group from time to time by the Heineken Group.

The performance of the obligations of the Heineken Brouwerijen under the Framework Agreement is guaranteed by Heineken N.V. subject to the terms and conditions set forth in the agreement.

Prior to the Framework Agreement becoming fully effective, it may be terminated automatically upon the termination of the earlier of (i) of the Heineken China Master Share Purchase Agreement in accordance with its terms, and (ii) the Heineken TMLA in accordance with its terms. Following the Framework Agreement becoming fully effective, it will terminate automatically when Heineken N.V. ceases to hold at least 5% effective equity interest in the Company. The performance of the obligations of the Heineken Brouwerijen under the Framework Agreement is guaranteed by Heineken N.V. subject to the terms and conditions set forth in the agreement.

#### **E. INFORMATION ON THE PARTIES TO THE HEINEKEN CHINA MASTER SHARE PURCHASE AGREEMENT, THE HEINEKEN TMLA AND THE FRAMEWORK AGREEMENT**

##### **The Company**

The Company is listed on the Main Board of the Stock Exchange. The Group's core business is the production, sales and distribution of beer products.

##### **China Resources Snow Breweries**

China Resources Snow Breweries Limited is a company incorporated in the British Virgin Islands with limited liability and is wholly-owned by the Company. China Resources Snow Breweries and its subsidiaries are principally engaged in the production, sales and distribution of beer products.

##### **China Resources Snow Beer China**

China Resources Snow Beer (China) Company Limited is a company incorporated in China with limited liability and is wholly-owned by the Company. China Resources Snow Beer China and its subsidiaries are principally engaged in the production, sales and distribution of beer products.

##### **Heineken Group**

The Heineken Group (including Heineken N.V. and all of its subsidiaries) is an international group of companies which produce, manufacture, package, distribute, market and sell beer,

non-alcoholic beer and a range of other beverages, including beverages derived from beer and the beer brewing and fermentation process, wort-based beverages, cider and cider based beverages, soft drinks, (mineral) water and fruit juices.

## **F. REASONS FOR AND BENEFITS OF THE COMPANY TRANSACTIONS**

As highlighted in the annual report of the Group for the year ended 31 December 2017, sales of mid- to high-end beer had become the main revenue driver for the Chinese beer market and premiumisation is one of the most important strategies for the Group. The Company Transactions represent an important strategic and long term growth, and value enhancing proposition for the Group to expand into the premium beer market. The resultant long term collaboration arrangement between the Group and the Heineken Group will be highly complementary, as the Group has a best-in-class route to market network, a wide brewery footprint and a deep understanding of the Chinese market, and will benefit from the addition of the strong international premium brand Heineken® to its portfolio. In addition, Heineken Group's global reach and marketing capability is expected to help accelerate the international growth of the Group.

The Directors consider that the respective terms of the Heineken China Master Share Purchase Agreement, Heineken TMLA and the Framework Agreement to be fair and reasonable and that the Company Transactions to be in the interests of the Company and its shareholders taken as a whole.

## **G. IMPLICATIONS UNDER THE LISTING RULES**

As one or more of the relevant percentage ratios under Listing Rule 14.07 for the transactions contemplated under the Heineken China Master Share Purchase Agreement computed on an aggregated basis is or are above 5% but less than 25%, such transactions constitute a discloseable transaction of the Company and are therefore only subject to reporting and announcement requirements (but not the shareholders' approval requirements) under the Listing Rules.

Neither of the transactions contemplated under the Heineken TMLA and the Framework Agreement constitutes a "transaction" for the purpose of Chapter 14 of the Listing Rules by virtue of Listing Rule 14.04(1)(g) and, as such, neither of them is subject to any of the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules. The Company has set forth in sections entitled "Information on Heineken TMLA" and "Information on the Framework Agreement" information on the Heineken TMLA and the Framework Agreement respectively in discharge of its obligation under Listing Rule 13.09(2)(a) and the Inside Information Provisions.

## **H. GENERAL**

**The Company Transactions are subject to the fulfilment of the respective conditions precedent and termination provisions stated in the relevant Company Transaction Documents. As such, the Company Transactions may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the**

**Shares. The Company will make further announcement(s) in respect of the Company Transactions as and when appropriate in accordance with the Listing Rules and the SFO.**

## **DEFINITIONS**

In this announcement, unless the context requires otherwise, these terms shall have the meanings ascribed to them respectively as follows:

“AIC”	the State Administration of Market Regulation of the PRC and its competent local counterparts
“Board”	the board of Directors of the Company
“Buyer Fundamental Warranties”	such warranties as are defined as “Buyer Fundamental Warranties” and given by the buyer to the seller under the Heineken China Master Share Purchase Agreement
“CBL”	CRH (Beer) Limited (華潤集團(啤酒)有限公司), a company incorporated in the British Virgin Islands with limited liability, the direct controlling shareholder (as to approximately 51.67% of the issued Shares) of the Company
“China” or “PRC”	the People’s Republic of China
“China Resources Snow Beer China”	China Resources Snow Beer (China) Company Limited (華潤雪花啤酒(中國)有限公司), a company established under PRC law and a wholly-owned subsidiary of the Company
“China Resources Snow Breweries”	China Resources Snow Breweries Limited (華潤雪花啤酒有限公司), a company incorporated in the British Virgin Islands and a wholly-owned subsidiary of the Company
“Company”	China Resources Beer (Holdings) Company Limited (華潤啤酒(控股)有限公司) (formerly known as China Resources Enterprise, Limited), a company incorporated in Hong Kong with limited liability the shares of which are listed on the Main Board of the

Stock Exchange (Stock Code: 291)

“Company Transactions”	together, the Heineken China Transaction and the transactions contemplated under the Heineken TMLA and the Framework Agreement
“Completion”	completion of the transactions contemplated under the Company Transactions Documents
“Completion Date”	the date on which Completion takes place
“Conditions Precedent”	the conditions as set out in the sub-section headed “Conditions Precedent”
“connected person”	as such expression is defined under the Listing Rules
“CRE”	China Resources Enterprise, Limited, a company incorporated in Hong Kong with limited liability
“Director(s)”	the director(s) of the Company
“EBITDA”	earnings before interest, tax, depreciation and amortisation
“Exclusive Territory”	China, for the purpose of this announcement only, including Hong Kong and Macau but excluding Taiwan
“Framework Agreement”	the framework agreement entered into between Heineken Brouwerijen, Heineken N.V. and the Company dated 5 November 2018
“Group”	together, the Company and its subsidiaries
“Heineken Brouwerijen”	Heineken Brouwerijen B.V., a wholly-owned subsidiary of Heineken N.V.
“Heineken China Businesses”	the Heineken China Target Group Companies conducting the Heineken Group’s current operations in

the Exclusive Territory

“Heineken China Hong Kong Shares”	the entire issued share capital of the Heineken China Hong Kong Target Company
“Heineken China Hong Kong Target Company”	Heineken Hong Kong Limited (喜力香港有限公司), a company incorporated in Hong Kong with limited liability
“Heineken China Master Share Purchase Agreement”	the master share purchase agreement signed by China Resources Snow Breweries, the Company, Heineken International and Heineken N.V. with respect to the sale and purchase of Heineken China PRC Equity Interests and Heineken China Hong Kong Shares dated 5 November 2018
“Heineken China PRC Equity Interests”	together, the entire equity interests of each of the Heineken China PRC Target Companies
“Heineken China PRC Target Companies”	together, Heineken (China) Management Services Co., Ltd. (喜力(中國)企業管理有限公司), Heineken Trading (Shanghai) Co., Ltd. (喜力貿易(上海)有限公司), Heineken (Shanghai) Co., Ltd. (喜力啤酒(上海)有限公司), Heineken Brewery (Guangzhou) Co., Ltd. (喜力釀酒(廣州)有限公司), Heineken Brewery (Zhejiang) Co., Ltd. (喜力釀酒(浙江)有限公司), and Heineken Brewery (Hainan) Co., Ltd. (喜力釀酒(海南)有限公司), each a company established under PRC law with limited liability
“Heineken China Target Companies”	together, the Heineken China PRC Target Companies and the Heineken China Hong Kong Target Company
“Heineken China Target Group Companies”	together, the Heineken China Target Companies and their respective subsidiaries
“Heineken China Target Shares”	together, the Heineken China PRC Equity Interests and the Heineken China Hong Kong Shares
“Heineken China Transaction”	the disposal by the Heineken Group of the Heineken China Businesses by way of sale of shares in Heineken China Target Companies to the Group

“Heineken Group”	for the purpose of this announcement only, Heineken International, Heineken Brouwerijen and such other wholly-owned subsidiaries of Heineken N.V. as the context so requires
“Heineken International”	Heineken International B.V., a wholly-owned subsidiary of Heineken N.V.
“Heineken N.V.”	Heineken N.V., an independent third party listed on NYSE Euronext Amsterdam (Stock Code: HEIA); OTCQX (Stock Code: HEINY)
“Heineken TMLA”	the trade mark licensing agreement signed by the Trademark Licensor, the Trademark Licensee, Heineken N.V. and the Company dated 5 November 2018
“HK\$”	Hong Kong Dollars, the lawful currency of Hong Kong
“HKFRS”	Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“IFRS”	the International Financial Reporting Standards issued by the International Accounting Standards Board
“Inside Information Provisions”	as such term is defined under the Listing Rules under Part XIVA of the SFO
“Joint Announcement”	the joint announcement made by the Company and CBL dated 3 August 2018
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange

“Long Stop Date”	the date falling 12 months after the date of the Heineken China Master Share Purchase Agreement or any later date agreed in writing by the parties to the Heineken China Master Share Purchase Agreement
“Macau”	the Macau Special Administrative Region of the PRC
“MOFCOM”	the Ministry of Commerce of the PRC and its competent local counterpart
“Purchase Price”	as defined in the contents of this announcement
“Product”	a specific lager beer (including non-alcoholic beer) under the brand name Heineken® and shall include beer (including non-alcoholic beer) under the brand name Heineken®, including approved Chinese translations of Heineken® and variants and line extensions of Heineken® developed and approved for the Exclusive Territory by Trademark Licensor from time to time
“RMB”	Renminbi, the lawful currency of the PRC
“Seller Fundamental Warranties”	such warranties as are defined as “Seller Fundamental Warranties” and given by the seller to the buyer under the Heineken China Master Share Purchase Agreement
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	the share(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Trademark Licensee”	China Resources Snow Beer China
“Trademark Licensor”	Heineken Brouwerijen



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, 5 November 2018

*As at the date of this announcement, the Executive Directors of the Company are Mr. Chen Lang (Chairman), Mr. Jian Yi, 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.*