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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

STRATEGIC COOPERATION AGREEMENTS 2018

Reference is made to the announcements of the Company dated 9 December 2015 and 23 December 2015 in relation to the entering into of the Strategic Cooperation Agreements 2015. As the Strategic Cooperation Agreements 2015 are due to expire on 31 December 2018, the Company entered into new strategic cooperation arrangements under the Strategic Cooperation Agreements 2018 on 29 November 2018 with CR Bank and CR Trust.

As at the date of this announcement, as CRC (being the holding company of CRH, which in turn, is a controlling shareholder of the Company) holds approximately 75.33% and 51% of the registered capital of CR Bank and CR Trust respectively, CR Bank and CR Trust are connected persons 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 each of the Strategic Cooperation Agreements 2018 exceed 0.1% but are less than 5%, the transactions contemplated under the Strategic Cooperation Agreements 2018 are subject to the reporting, announcement and annual review requirements, but are exempted from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

BACKGROUND

Reference is made to the announcements of the Company dated 9 December 2015 and 23 December 2015 in relation to the entering into of the Strategic Cooperation Agreements 2015. As the Strategic Cooperation Agreements 2015 are due to expire on 31 December 2018, the Company entered into new strategic cooperation arrangements under the Strategic Cooperation Agreements 2018 on 29 November 2018 with CR Bank and CR Trust.

THE STRATEGIC COOPERATION AGREEMENTS 2018

CR Bank Strategic Cooperation Agreement 2018

Parties:	CR Bank and the Company.
Date of agreement:	29 November 2018.
Date of commencement of agreement:	1 January 2019.
Term of the agreement:	Three years ending 31 December 2021.
Transaction nature:	<p>(1) Deposit: the Group may open deposit accounts with the CR Bank and freely deposit funds into or withdraw funds from the CR Bank deposit accounts. The Group may also engage CR Bank in other deposit businesses to deposit funds such as call deposits.</p> <p>(2) Financial services and products: other than deposit businesses, the Group may use the commercial banking services of CR Bank including but not limited to, credit services, agency services, settlement services, cash management services, financial consulting service, wealth management products and other financial services and products as agreed by the parties.</p>
Pricing policy:	<p>(1) Deposit: Any deposit made with CR Bank under these arrangements will bear the same interest and be on the same terms and conditions as would apply to a similar deposit made by any other customer of the bank, which rate(s) are determined with reference to that published by the People's Bank of China or such other rates more preferential to the Company.</p> <p>(2) Financial services and products: where the People's Bank of China or the China Banking and Insurance Regulatory Commission of the PRC provides for standard tariffs or charges in respect of these services, such standard tariffs or charges will apply. Reference will also be made to tariffs or charges imposed or offered by other major commercial banks on similar services in the same period. These services will be provided on terms no less favourable than terms available to other independent customers of CR Bank engaging similar services.</p> <p>Subject to the CR Bank Strategic Cooperation Agreement 2018, the Group and CR Bank shall, in respect of specific financial services and products to be provided, enter into separate agreements which stipulate specific terms of each</p>

transaction. The terms of such agreements will be in line with the principles, terms and legal requirements of the strategic cooperation between the Group and CR Bank.

CR Trust Strategic Cooperation Agreement 2018

Parties:	CR Trust and the Company.
Date of agreement:	29 November 2018.
Date of commencement of agreement:	1 January 2019.
Term of agreement:	Three years ending 31 December 2021.
Transaction nature:	The Group may use financial services and products provided by CR Trust including, but not limited to, cash management, asset management, custodian trust loan services, equity cooperation, shares nominee services, account receivable factoring services, buying and resale consulting services, debenture underwriting services and other trust and financial services.
Pricing policy:	Where the China Banking and Insurance Regulatory Commission of the PRC provides for standard tariffs or charges in respect of these services, such standard tariffs or charges will apply. Reference will also be made to tariffs or charges imposed or offered by other major trust companies on similar services in the same period. These services will be provided on terms no less favourable than terms available to other independent customers of CR Trust engaging similar services.

Subject to the CR Trust Strategic Cooperation Agreement 2018, the Group and CR Trust shall, in respect of specific financial services and products to be provided, enter into separate agreements which stipulate specific terms of each transaction. The terms of such agreements will be in line with the principles, terms and legal requirements of the strategic cooperation between the Group and CR Trust.

Historical figures under the Strategic Cooperation Agreements 2015

Set out below are the historical figures of the maximum daily deposit amount, inclusive of interest payable, placed by the Group with CR Bank, and the maximum daily amount of financial services and products provided by CR Bank and CR Trust to the Group (for the avoidance

of doubt, excluding the daily deposit amount placed by the Group with CR Bank) on any single day under the terms of the Strategic Cooperation Agreements 2015 during each of the years ended 31 December 2016 and 2017 and the ten months ended 31 October 2018:

	For the year ended 31 December		For the ten months ended 31 October
	2016	2017	2018
	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>
	<i>(Approx.)</i>	<i>(Approx.)</i>	<i>(Approx.)</i>
Maximum daily deposit amount placed with CR Bank during the year/period	30	705	802
Maximum daily amount of financial services and products provided by CR Bank during the year/period (for the avoidance of doubt, excluding the daily deposit amount placed by the Group with CR Bank)	0	0	0
Maximum daily amount of other financial services and products provided by CR Trust during the year/period	0	0	0

Annual caps under the Strategic Cooperation Agreements 2018

The proposed maximum daily deposit amount, inclusive of interest payable, which may be placed by the Group with CR Bank for the term of the CR Bank Strategic Cooperation Agreement 2018 are as follows:

Maximum daily deposit amount for the year ending 31 December

2019	2020	2021
<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>
1,200	1,200	1,200

The proposed maximum daily amount of financial services and products provided by CR Bank and CR Trust to the Group on an aggregated basis (for the avoidance of doubt, excluding the daily deposit amount placed by the Group with CR Bank) for the term of the Strategic Cooperation Agreements 2018 are as follows:

**Maximum daily amount of financial services and products provided by
CR Bank and CR Trust to the Group on an aggregated basis for the
year ending 31 December
(for the avoidance of doubt, excluding the daily deposit amount placed
by the Group with CR Bank)**

2019 <i>RMB million</i>	2020 <i>RMB million</i>	2021 <i>RMB million</i>
1,200	1,200	1,200

Such maximum daily amount is applicable to each day during the relevant year, and is calculated on an individual basis outstanding as at the end of each day without aggregating with the amount incurred on the days before. Moreover, given the difference in the nature between (i) deposit and (ii) the financial services and products provided by CR Bank and CR Trust, separate maximum daily amounts are set for each of these services.

The proposed annual caps for deposit as well as the financial services and products on any single day under the Strategic Cooperation Agreements 2018 have been renewed and determined after taking into account of the Group's liquidity, business needs and the expected level of services to be received from CR Bank and CR Trust under the Strategic Cooperation Agreements 2018.

In determining the maximum daily deposit amount, the Group had considered the potential strategic cooperation between the Group and the Bank, including the expectations that: (i) CR Bank will provide high-liquidity and competitive deposit products based on the Group's individualized needs, through which CR Bank is expected to bring economic benefits to the Group; (ii) the Group will carry out supply chain finance business with CR Bank, whereby CR Bank is expected to provide financing services directly to upstream suppliers and downstream distributors of the Group through personalized products and services which would in turn assist the Group in recovering receivable funds. The recovered funds will be settled through CR Bank and is expected to increase the Group's deposit amount; and (iii) the Group will begin dealing in settlement business with CR Bank, through which the Group's deposit amount is expected to increase.

In determining the maximum daily amount of financial services and products provided by CR Bank and CR Trust to the Group on an aggregated basis (for the avoidance of doubt, excluding the daily deposit amount placed by the Group with CR Bank), the Group had considered potential cooperation including the Group's expectation that it will engage: (i) CR Bank's and CR Trust's debt financing services, whereby CR Bank and CR Trust will provide financial services and products based on the Group's capital needs; and (ii) CR Bank's and CR Trust's asset management services, whereby CR Bank and CR Trust will provide low-risk, high-liquidity non-deposit financial products such as money market funds and other bank or trust products to the Group to enhance the Group's asset returns.

It is expected that the aggregate annual amount of fees and commissions paid by the Group for the financial services and products provided by CR Bank and CR Trust respectively during the term of the Strategic Cooperation Agreements 2018 will not exceed 0.1% of all applicable percentage ratios under the Listing Rules, and these arrangements will constitute de minimis transactions under the Listing Rules.

To the extent the aggregate annual amount of fees and commissions paid by the Group for the financial services and products provided by CR Bank and CR Trust respectively during the term of the Strategic Cooperation Agreements 2018 exceeds 0.1% and is below 5% of such percentage ratios, these arrangements will constitute continuing connected transactions exempted from independent shareholders' approval but will be subject to the annual review by the independent non-executive directors of the Company and the Company's auditors and a further announcement will be made by the Company stating the relevant caps as and when necessary. Under no circumstances will the amounts of fees and commissions paid in any one financial year exceed 5% of all applicable percentage ratios under the Listing Rules unless the Company has obtained the prior approval of its independent shareholders.

Internal Control and Risk Management Measures

To protect shareholders' interests, the Group will adopt the following internal control procedures and corporate governance measures when engaging the deposit business of CR Bank:

1. the Group will check the benchmark interest rates for deposits published by the People's Bank of China and quoted by other commercial banks constantly;
2. before making a deposit in CR Bank, the Group will check the interest rates offered by CR Bank against those provided by at least three major commercial banks that have established business relationship with the Group, with the aim to ensure that the deposit interest rate is not lower than the then applicable interest rate for the same deposit services from other domestic commercial banks in the PRC;
3. the Group will closely monitor the transactions contemplated under any agreements for deposit businesses from CR Bank and will report on relevant transactions to the management of the Group on a regular basis;
4. to manage the relevant risks, the Company will request CR Bank to provide us with sufficient information on various financial indicators and annual financial statements so that the Group is able to monitor and review its financial conditions. Subject to compliance with laws and regulations, CR Bank must notify the Group on any judicial, legal or regulatory procedures or investigations having material effect on its financial conditions. If the Group considers that any material adverse changes have occurred in the financial conditions of CR Bank, the Group will adopt appropriate measures (including early withdrawal of deposits or suspend the placement of further deposits) to safeguard the financial conditions of the Group; and
5. the Group will review periodic report(s) submitted by CR Bank in order to monitor and ensure that the proposed annual cap will not be exceeded.

To protect shareholders' interests, the Group will adopt the following internal control procedures and corporate governance measures when engaging CR Bank and CR Trust for their financial services and products:

1. before entering into any contract or agreements with CR Bank and CR Trust, the Group will check the tariffs or charges offered by CR Bank and CR Trust against those provided by major commercial banks and major trust companies that have established business relationship with the Group, with the aim to ensure that the tariffs or charges are appropriate;
2. the Group will closely monitor the transactions contemplated under any agreements for financial services and products of CR Bank and CR Trust and will report on relevant transactions to the management of the Group on a regular basis;
3. to manage the relevant risks, the Company will request CR Bank and CR Trust to provide us with sufficient information on various financial indicators and annual financial statements so that the Group is able to monitor and review its financial conditions. Subject to compliance with laws and regulations, CR Bank and CR Trust must notify the Group on any judicial, legal or regulatory procedures or investigations having material effect on its financial conditions. If the Group considers that any material adverse changes have occurred in the financial conditions of CR Bank and CR Trust, the Group will adopt appropriate measures to safeguard the financial conditions of the Group; and
4. the Group will review periodic report(s) submitted by CR Bank and CR Trust in order to monitor and ensure that the proposed annual cap will not be exceeded.

LISTING RULES IMPLICATIONS

As at the date of this announcement, as CRC (being the holding company of CRH, which in turn, is a controlling shareholder of the Company) holds approximately 75.33% and 51% of the registered share capital of CR Bank and CR Trust respectively, CR Bank and CR Trust are connected persons 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 Strategic Cooperation Agreements 2018 exceed 0.1% but are less than 5% respectively, the continuing connected transactions contemplated under the Strategic Cooperation Agreements 2018 are subject to the reporting, announcement and annual review requirements but are exempted from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

As Mr. Chen Rong is a director of the Company as well as each of CR Bank and CR Trust, he abstained from voting on the relevant board resolutions approving the Strategic Cooperation Agreements 2018 and the transactions contemplated thereunder. Apart from the aforesaid, none of the directors of the Company has any material interest in the Strategic Cooperation Agreements 2018 and the transactions contemplated thereunder.

REASONS FOR AND BENEFITS OF THE STRATEGIC COOPERATION AGREEMENTS 2018

Both CR Bank and CR Trust are financial institutions regulated by the China Banking and Insurance Regulatory Commission of the PRC. CR Bank and CR Trust have sound internal control and risk management systems and are able to provide low-risk, high-liquidity deposit products and financial products as well as individualized and efficient financial services to the Group.

The Strategic Cooperation Agreements 2018 will enable the Group to enhance the efficiency of its use of capital and reduce finance costs. All deposit, financial services and products provided by CR Bank and CR Trust will be on normal commercial terms and on a scale which will not place the Group's resources at risk or affect its relationship with other financial institutions.

All directors of the Company (including independent non-executive directors of the Company) consider the Strategic Cooperation Agreements 2018 were negotiated on an arm's length basis and are on normal commercial terms, and the relevant terms and annual caps are fair and reasonable and in the interests of the Company and its shareholders as a whole.

INFORMATION ABOUT CR BANK, CR TRUST AND THE COMPANY

CR Bank

CR Bank is a licensed bank regulated by the China Banking and Insurance Regulatory Commission of the PRC and headquartered in Zhuhai. As at October 2018, CR Bank had around 92 branches and sub branches in the PRC.

CR Trust

As at the date of this announcement, CRC holds a 51% equity interest in CR Trust and the remaining 49% equity interest of CR Trust is held by the State-owned Assets Supervision and Administration Commission of the People's Government of Shenzhen. The registered capital of CR Trust is RMB11 billion. With the headquarters located in Shenzhen, PRC, CR Trust is authorised by the relevant regulatory body to conduct business on a nationwide basis in the PRC.

The Company

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

DEFINITIONS

In this announcement the following words have the following meanings, unless the context requires otherwise.

"China Resources Group"	CRC, CRH and their respective subsidiaries
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“Company”	China Resources Beer (Holdings) Company Limited (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)
“CR Bank”	China Resources Bank of Zhuhai Co., Ltd. (珠海華潤 銀行股份有限公司), a municipal bank headquartered in Zhuhai, in which CRC holds approximately a 75.33% equity interest as at the date of this announcement
“CR Bank Strategic Cooperation Agreement 2015”	the strategic cooperation agreement entered into by CR Bank and the Company on 9 December 2015
“CR Bank Strategic Cooperation Agreement 2018”	the strategic cooperation agreement entered into by CR Bank and the Company on 29 November 2018
“CR Trust”	China Resources SZITIC Trust Co., Ltd. (華潤深國 投信托有限公司), in which CRC holds a 51% equity interest as at the date of this announcement
“CR Trust Strategic Cooperation Agreement 2015”	the strategic cooperation agreement entered into by CR Trust and the Company on 9 December 2015
“CR Trust Strategic Cooperation Agreement 2018”	the strategic cooperation agreement entered into by CR Trust and the Company on 29 November 2018
“CRC”	China Resources Co., Limited, a joint stock limited liability company incorporated in the PRC, which is the holding company of CRH and the banking and trust activities in which the China Resources Group has an interest
“CRH”	China Resources (Holdings) Company Limited, a company incorporated in Hong Kong with limited liability and the intermediate holding company of the China Resources Group in Hong Kong, holding all the China Resources Group’s material interests apart from its banking and trust activities
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region, the People’s Republic of China
“independent shareholders”	shareholders of the Company other than CRH and its associates, as defined in the Listing Rules

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China, and for the purpose of this announcement, excluding Hong Kong, Macau and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Strategic Cooperation Agreements 2015”	collectively, the CR Bank Strategic Cooperation Agreement 2015 and the CR Trust Strategic Cooperation Agreement 2015
“Strategic Cooperation Agreements 2018”	collectively, the CR Bank Strategic Cooperation Agreement 2018 and the CR Trust Strategic Cooperation Agreement 2018

By Order of the Board
China Resources Beer (Holdings) Company Limited
Lai Po Sing, Tomakin
*Chief Financial Officer, Executive Director
and Company Secretary*

Hong Kong, 29 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.