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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)

INSIDE INFORMATION – BUSINESS UPDATE

This announcement is made by China Resources Beer (Holdings) Company Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) of Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

PROPOSED INVESTMENT IN THE BAIJIU BUSINESS IN THE PRC

The board of directors of the Company (the “**Board**”) has been reviewing the strategy of the Group and potential opportunities for further development. Having considered the current market conditions and the Board’s projection on the future development of the domestic alcoholic beverage market in the PRC, the Board is pleased to announce that, it has resolved to venture into the baijiu business in the PRC by way of a proposed investment in a business operated by an established and prominent player based in Shandong province, the PRC.

On 26 August 2021, China Resources Wine Holdings Co., Ltd (華潤酒業控股有限公司) (“**WH**”), a subsidiary of the Company, entered into an agreement with, among others, Shandong Jingzhi Baijiu Co., Ltd.* (山東景芝白酒有限公司) (the “**Target**”) and Shandong Jingzhi Liquor Co., Ltd.* (山東景芝酒業股份有限公司) (“**Jingzhi**”) for the proposed investment by WH into the Target by way of capital injection (the “**Investment**”). The exact amount of the Investment is to be finalised by reference to the valuation of the Target to be conducted. It is currently contemplated that none of the applicable percentage ratios in respect of the Investment exceeds 5%, therefore the Investment will not constitute a notifiable transaction of the Company under Chapter 14 of the Listing Rules. If the final amount of the Investment constitutes a notifiable transaction under Chapter 14 of the Listing Rules, the Company will comply with the applicable Listing Rules requirements accordingly. As Jingzhi and the Target are independent of the Company and its connected persons, the Investment will not constitute a connected transaction under Chapter 14A of the Listing Rules. Further, it is expected that the Target will not become a subsidiary of the Company upon completion of the Investment.

INFORMATION OF THE INVESTMENT TARGET

The Target is a limited liability company established in the People's Republic of China (the "PRC") in May 2021. As at the date of this announcement, the Target is a wholly-owned subsidiary of Jingzhi, a prominent and established Chinese liquor manufacturer based in Shandong province, the PRC engaged in the principal business of manufacturing of baijiu in the PRC. The Target will be principally engaged in the business of manufacturing, distribution and promotion of baijiu in the PRC and it is expected that the Target will be the sole operating unit of the baijiu business of Jingzhi after the Investment.

REASONS AND BENEFITS OF THE PROPOSED INVESTMENT

The Company has been reviewing its strategy and exploring opportunities for further development of its business. The Investment represents a significant milestone which enables the Group to tap into the baijiu market in the PRC which would be beneficial for potential subsequent business development and diversification of product mix and source of revenue of the Group. The Investment, in the view of the Board, is strategical and would place the Group in a better position for further assessment of the Group's strategy to diversify its business. The Company remains committed to the beer brewing business in the PRC.

The Board also considers the Investment as an invaluable opportunity for the Group to form a sustainable strategic partnership with Jingzhi as one of the leading baijiu makers in the PRC. The Company believes that by leveraging on the respective long history, extensive experience and network of the Group and Jingzhi in the beer and baijiu markets, the Target can be provided with opportunities to improve its marketing and management capabilities and will become a strong platform which helps synergistically develop brand influence to promote high-quality development in the baijiu market in the PRC. The Board considers that the Investment is in line with the Company's long-term business strategy and pave the way for a diversified development of the Group's business, and is in the commercial interest of the Company and its shareholders as a whole.

GENERAL

The Investment may or may not proceed as completion is subject to, amongst other things, approval from the relevant government authority, and execution of further transaction documentation (if necessary). Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company. The Company will make further announcement in respect of the Investment as and when appropriate in accordance with the Listing Rules.

** For identification purpose only*

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

Hong Kong, 26 August 2021

As at the date of this announcement, the Executive Directors of the Company are 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. Lai Ni Hium, Frank, Mr. Tuen-Muk Lai Shu and Mr. Richard Raymond Weissend. 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.