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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 (HKD counter) and 80291 (RMB counter))

FINAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2024

- The consolidated turnover of the Group in 2024 was RMB38,635,000,000, benefiting from the continuous development of its premiumisation strategy in the beer and baijiu businesses. In 2024, the Group's gross profit margin increased by 1.2 percentage points year-on-year to 42.6%, reaching a five-year high. Excluding the impairment loss on fixed assets in relation to capacity optimisation and one-off staff compensation and settlement expenses of RMB36,000,000 (2023: RMB141,000,000), as well as the special income of RMB266,000,000 from government grants and profit on disposal of interests in leasehold land in the second half of the year (2023: RMB937,000,000), the Group's EBIT increased by 2.9% year-on-year to RMB6,344,000,000. In addition, the Group demonstrated solid cash-generating capability, with net cash from operating activities increasing by 67.0% year-on-year to RMB6,928,000,000 in 2024.
- Facing a volatile internal and external market environment and fluctuating volumes characterised by evolving consumer preferences, the Group achieved beer sales volume of approximately 10,874,000 kilolitres in 2024, outperforming major competitors. The Group's premiumisation development continued to gain momentum, with the sales volume of the premium beer segment and above increasing by over 9% compared to the same period last year. Notably, "Heineken®" recorded nearly 20% growth despite a high base from the previous year, while "Lao Xue" and "Amstel" basically doubled their sales volume. According to internal estimation, the Group's influence in the premium market has further increased and the sales volume of premium beer has been ranked among the top in the industry.
- The turnover of the Group's beer business in 2024 was RMB36,486,000,000. The ongoing premiumisation strategy drove a year-on-year increase of 1.5% in the average selling price, contributing to a 0.9 percentage point increase in the gross profit margin of the Group's beer business to 41.1% in 2024. Excluding the impairment loss on fixed assets in relation to capacity optimisation and one-off staff compensation and settlement expenses of RMB36,000,000 (2023: RMB141,000,000), as well as the special income of RMB261,000,000 from government grants and profit on disposal of interests in leasehold land in the second half of the year (2023: RMB874,000,000), the EBITDA of the Group's beer business increased by 2.4% year-on-year to RMB7,881,000,000 in 2024.
- In respect of the baijiu business, against the background of the profound adjustments in the baijiu industry, the Group's baijiu business achieved a year-on-year turnover increase of 4.0 percentage points to RMB2,149,000,000. Significant achievements were made in cost control, enhancing product profitability and driving a year-on-year increase in gross profit margin of 5.6 percentage points to 68.5%. The Group implemented a "single product matrix" strategy, with sales volume of the premium single product "Zhaiyao" increasing by

35% compared to the same period last year, contributing over 70% of the turnover of the baijiu business. Excluding the special income from government grants in the second half of the year, the Group's EBITDA of the baijiu business increased by nearly 8% year-on-year to RMB847,000,000.

- Looking back at the first four years of the “14th Five-Year Plan” period, despite facing challenges such as the pandemic and changes in the macroeconomic environment, the Group remained committed to promoting premiumisation and high-quality development while maintaining overall stability and the results were fruitful. The Group's consolidated turnover from 2020 to 2024 increased by over RMB7,000,000,000, and the market share of the beer business has also increased. Sales volume of the sub-premium beer segment and above significantly increased from 1,460,000 kilolitres in 2020 to over 2,500,000 kilolitres in 2024. Notably, sales volume of “Heineken®” increased more than two-fold. Over the past four years, the Group's EBITDA increased by 85.0%, while the growth rate of profit attributable to shareholders was even more remarkable, increasing by over two-fold and reaching 126.3%.
- In the first two months of 2025, preliminary statistics shows that the Group achieved single-digit growth in beer sales volume despite a high base from the previous year, with its continued development in premiumisation. Among which, sales volume of “Heineken®” maintained a strong double-digit growth. Benefiting from the growth in turnover and efforts in cost reduction and efficiency enhancement, the unaudited EBIT of the Group's beer business for the first two months is expected to grow at a faster pace than turnover. Bolstered by the Chinese New Year at the beginning of 2025, the performance in the first two months laid a solid foundation for its full-year performance, despite a high base from the previous year. With the national policies to boost consumer spending, steady economic growth, a lower sales volume base anticipated in the following months, and a firm commitment to the “Three Refinements” cost and expense management strategy, the Group is increasingly confident in achieving turnover growth and a relatively fast recovery in profits for its beer business in 2025. The Group maintains a cautiously optimistic outlook for its overall performance.
- The Board recommends a final dividend of RMB 0.387 per share (2023: a final dividend of RMB0.349 per share and a special dividend of RMB0.300 per share). Together with the interim dividend of RMB0.373 per share for the six months ended 30 June 2024, the total dividend for the year 2024 will amount to RMB0.760 per share (2023: RMB0.936 per share) in appreciation of the Shareholders' support to the Group.

FINANCIAL HIGHLIGHTS

	2024 <i>RMB million</i>	2023 <i>RMB million</i>
Turnover	38,635	38,932
Profit attributable to shareholders of the Company	4,739	5,153
Basic earnings per share	RMB1.46	RMB1.59
Dividend per share		
- interim	RMB0.373	RMB0.287
- final	RMB0.387	RMB0.349
- special	-	RMB0.300
	RMB0.760	RMB0.936
	As at 31 December 2024 <i>RMB million</i>	As at 31 December 2023 <i>RMB million</i>
Equity attributable to shareholders of the Company	31,692	30,295
Non-controlling interests	3,893	3,879
Total equity	35,585	34,174
Consolidated net cash ¹	2,011	426
Gearing ratio ²	Net Cash	Net Cash
Current ratio	0.60	0.70
Net assets per share - book value ³	RMB9.77	RMB9.34

Notes:

1. Consolidated net cash represents consolidated total cash and cash equivalents, restricted and pledged bank deposits minus consolidated total bank loans.
2. Gearing ratio represents the ratio of consolidated net borrowings to total equity.
3. Net assets per share — book value is calculated by dividing equity attributable to shareholders of the Company by the number of issued shares at the end of the year.

ANALYSIS OF TURNOVER AND EARNINGS BEFORE INTEREST AND TAXATION

	Turnover		Earnings before interest and taxation	
	2024	2023	2024	2023
	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>
Eastern region	18,275	18,528	2,227	2,523
Central region	9,802	9,858	2,114	2,181
Southern region	10,177	9,930	2,161	2,185
Beer sub-total	38,254	38,316	6,502	6,889
Baijiu	2,161	2,083	121	130
	40,415	40,399	6,623	7,019
Elimination of inter-segment transactions	(1,780)	(1,467)	-	-
Net corporate expenses	-	-	(49)	(58)
Total	38,635	38,932	6,574	6,961

STATEMENT FROM THE CHAIRMAN OF THE BOARD

2024 is a year of extraordinary significance for China Resources Beer (Holdings) Company Limited (the “Company” or “CR Beer”, together with its subsidiaries, the “Group”), marking the milestone of the Group’s 30th anniversary. Over the past three decades, CR Beer has consistently aligned with national development trends and attentively observed changes in the industry, evolving with the times. From “packing its bag and setting off” in Shenyang to expanding nationwide, it has successfully distinguished itself in the beer industry. In 2017, the Group launched the “3+3+3” premiumisation development strategy, focusing on the key theme of high-quality development. From 2023 to 2025, we are driving the Company towards “Winning at Premiumisation”, achieving continuous improvements in production efficiency, product quality, and corporate efficiency. We are also seizing new opportunities in new product development, technological innovation, and digital transformation. Over the past year, the consumer goods market has entered a new phase, and the beer and baijiu industries in China have entered a new era. This shift has brought trends such as evolving consumer demographics, changing consumption scenarios, and more diversified consumer demands. Despite these changes, the direction of premiumisation remains unchanged. In 2024, the Group remains steadfast in its strategic focus. As the Group embarks on the journey towards the “New World” concept, it is continuously exploring its unique dual empowerment model of “beer + baijiu” with a “long-term perspective” approach, adhering to its corporate vision of “becoming the leader of the new world of the beer industry” and “the explorer of the new world of the baijiu industry”.

2024 Annual Results

With thirty years of dedicated efforts, CR Beer has always provided consumers with high-quality products and services with craftsmanship and technological innovation. Facing a complex and volatile macroeconomic environment, and impacted by numerous uncertain external factors, the performance of the beer and baijiu industries was affected to some extent. Nevertheless, benefiting from the continued promotion of high-quality development, the Group achieved solid and positive results in 2024. For the year ended 31 December 2024 (the “reviewing period”), the Group’s consolidated turnover was RMB38,635,000,000, with earnings before interest and tax (“EBIT”) and profit attributable to shareholders of the Company (the “Shareholders”) at RMB6,574,000,000 and RMB4,739,000,000, respectively. Furthermore, excluding the impairment loss on fixed assets in relation to capacity optimisation and one-off staff compensation and settlement expenses of RMB36,000,000 (2023: RMB141,000,000), as well as the special income of RMB266,000,000 from government grants and profit on disposal of interests in leasehold land in the second half of the year (2023: RMB937,000,000), the Group’s EBIT increased by 2.9% year-on-year to RMB6,344,000,000. In addition, the Group demonstrated solid cash-generating capability, with net cash from operating activities increasing by 67.0% year-on-year to RMB6,928,000,000 in 2024.

Looking back at the first four years of the “14th Five-Year Plan” period, despite facing challenges such as the pandemic and changes in the macroeconomic environment, the Group remained committed to promoting premiumisation and high-quality development while maintaining overall stability and the results were fruitful. The Group’s consolidated turnover increased from RMB31,448,000,000 in 2020 to RMB38,635,000,000 in 2024, an increase of over RMB7,000,000,000, representing an average annual increase of over 5 percentage points. This demonstrates continued growth in scale and the market share of the beer business has also increased. Sales volume of the sub-premium beer segment and above significantly increased from

1,460,000 kilolitres in 2020 to over 2,500,000 kilolitres in 2024. Notably, sales volume of “Heineken[®]” increased more than two-fold.

In addition to expanding its scale, the Group’s profitability and cash-generating capabilities have also significantly increased. Over the past four years, the Group’s earnings before interest, taxation, depreciation and amortisation (“EBITDA”) increased by 85.0% to RMB8,924,000,000. The growth rate of profit attributable to shareholders was even more remarkable, increasing by over two-fold, reaching 126.3% to RMB4,739,000,000. The Group’s net cash from operating activities also increased from RMB4,480,000,000 in 2020 by approximately 55% to RMB6,928,000,000 in 2024.

Final Dividend

The Board of the Company recommends a final dividend of RMB0.387 per share for the year ended 31 December 2024 (2023: a final dividend of RMB0.349 per share and a special dividend of RMB0.300 per share) on or around 4 July 2025 to Shareholders whose names appear on the register of members of the Company on 26 May 2025. Together with the interim dividend of RMB0.373 per share for the six months ended 30 June 2024, the total dividend for the year 2024 will amount to RMB0.760 per share (2023: RMB0.936 per share) in appreciation of the Shareholders’ support to the Group.

Strategy Execution

In the landmark year of 2024, CR Beer successfully held a series of 30th anniversary events, including the honour ceremony and grand opening of BREWTOWN, as well as the completion ceremony of Snow Building, effectively propelling the Group to new heights and showcasing a fresh image.

Facing a complex operating environment and a “New World” of the consumer industry presenting both risks and opportunities, the Group continues to prioritise growth as its primary strategy. By gaining insights into national development trends, the Group has been continuously advancing the dual empowerment model for its “beer + baijiu” businesses, breaking down the boundaries between the two business segments, and leveraging technology and innovation as key new competitive advantages to construct new growth curves in the new world.

CR Beer continues to drive transformation through its corporate strategy, organisational structure, and corporate culture to address the challenges brought about by the new world of consumer industry and maintain its leading position in the fierce market competition. At the beginning of the year, the Group’s management actively visited markets to gain insights into market development trends. In the middle of the year, the Group proposed nine core concepts for forging a common future with its partners, freeing up customer channel inventory and jointly addressing challenges with partners. Moreover, the Group actively promoted internal reflection and liberation, being pragmatic and effectively responding to various market challenges to break through. The Group also actively promoted benchmarking against world-class enterprises, building a technological innovation system, continuously improving operating efficiency through digital upgrades, and promoting normalised lean management and safe production to lead high-quality development. In terms of modernised corporate governance development, the Group accelerated its green and low-carbon transformation. During the reviewing period, the Group’s two breweries received carbon-neutral certification, and six plants were awarded the “National Green Plant” designation, bringing the total number of National Green Plant designations to 11.

The Group's performance in environmental, social, and governance ("ESG") areas has been widely recognised by the market, and its MSCI rating has been upgraded to "A", bringing it closer to the standards of world-class enterprises.

Beer Business

In 2024, the trend of consumption pattern differentiation continued, and the beer industry entered a phase of profound adjustment, experiencing fluctuations in volumes. The premiumisation strategy has become even more critical. Since CR Beer embarks on a new journey with Heineken® in the second five-year development plan, the Group remains committed to its strategic goal of "Winning at Premiumisation". It persisted in enriching its product portfolio of "domestic brands + international brands", strengthening innovation efforts, and further solidifying its market position of "becoming the leader of the new world of the beer industry".

In 2024, the Group achieved beer sales volume of approximately 10,874,000 kilolitres, with a year-on-year decrease of 2.5%. The Group's beer business recorded a slight year-on-year decrease of 1.0% to RMB36,486,000,000 in consolidated turnover. The sales volume and turnover performance outperformed some of the peers.

The Group's premiumisation development continued to perform strongly, with sales volume of the premium beer segment and above recording a year-on-year increase of over 9%. Among these, "Heineken®" achieved growth of nearly 20% despite a high base from the previous year, while "Lao Xue" and "Amstel" saw sales volume approximately two-fold in 2024. Sales volume of the premium product "Li" increased by 35% year-on-year. Sales volume of the sub-premium beer segment and above achieved single-digit growth year-on-year, and the proportion of sales volume of the mid-end beer segment and above exceeded 50% for the first time on an annual basis. According to internal estimation, the Group's influence in the premium market has further strengthened and its sales volume of premium beer has been ranked among the top in the industry. The Group also achieved significant results in expanding emerging channels and new modern retail chain businesses. In 2024, the Group's overall online business achieved a year-on-year increase of over 30% in total gross merchandise volume ("GMV"), and the Group led the overall instant retail beer market in terms of GMV.

The ongoing premiumisation strategy drove a year-on-year increase of 1.5% in the average selling price. Concurrently, a decrease in certain packaging costs enabled the gross profit margin of the Group's beer business to increase by 0.9 percentage point to 41.1% for 2024. The Group continued to implement various cost reduction and efficiency enhancement measures to control operating expenses. Excluding the impairment loss on fixed assets in relation to capacity optimisation and one-off staff compensation and settlement expenses of RMB36,000,000 (2023: RMB141,000,000), as well as the special income of RMB261,000,000 from government grants and profit on disposal of interests in leasehold land in the second half of the year (2023: RMB874,000,000), the EBITDA of the Group's beer business in 2024 increased by 2.4% year-on-year to RMB7,881,000,000.

The Group actively expanded its overseas business development, leveraging Hong Kong and Macau as springboards to enhance brand influence and sell mid-end beer products and above to Southeast Asia and certain European markets. The Group's key markets in Hong Kong, Macau, and overseas all achieved double-digit growth in sales volume year-on-year.

Baijiu Business

On the path of diversified development, CR Beer, as an explorer, has opened the door to the Chinese baijiu industry. As the Chinese baijiu industry enters a new cycle, the Group continued to implement measures in 2024 such as brand revitalisation, price control, inventory optimisation management, customer development, and new sales systems, dedicated to enhancing the Company's competitiveness and assisting it navigate the consumption cycle. With the further improvement of the Group's management and operation capabilities in the baijiu business, the Group's baijiu business is expected to develop healthily in the long term.

The Group's baijiu business continued to promote a national layout and a strategy of breakthroughs in key regions. The Group's baijiu business generated the turnover of RMB2,149,000,000 in 2024, representing an increase of approximately 4.0% compared to the same period last year. This performance drove an increase of 5.6 percentage points in the gross profit margin to 68.5% in 2024. The Group implemented a "single product matrix" strategy, with sales volume of the premium single product "Zhaiyao" increasing by 35% compared to the same period last year, contributing over 70% of the turnover of the baijiu business. In terms of expanding emerging channels, the turnover of the Group's online and chain businesses both achieved double-digit growth or higher year-on-year. The Group's baijiu business recorded an EBITDA of RMB852,000,000, representing an approximately 0.5 percentage point increase compared to the same period last year. Excluding the special income from government grants in the second half of the year, the Group's EBITDA increased by nearly 8% year-on-year to RMB847,000,000.

PROSPECT

2025 marks the winning year for CR Beer's "3+3+3" strategy, the final year of the "14th Five-Year Plan" strategy, and a crucial year for laying the foundation for the "15th Five-Year Plan" strategy. Despite the continued uncertainty in the macroeconomic environment and the era of industry differentiation and fluctuations in volumes, challenges and opportunities coexist. The Group remains confident in the long-term development of the alcoholic beverage market in China. CR Beer will firmly promote premiumisation and high-quality development, deepen the "dual empowerment model for beer and baijiu businesses" to create more value, comprehensively implement the "Three Refinements" management strategy of streamlined organisational structure, precise business, and lean cost, accelerate the development of a team of international talent, technological talent, digital talent, and versatile talent, continuously build technological innovation and digital intelligence, construct the Company's core competitiveness, and prioritise growth as its primary strategy.

Beer Business

CR Beer remains committed to driving growth within its beer business, with its premiumisation development continuing to focus on key flagship brands such as "Heineken[®]", "Snow Draft Beer", and "superX". The Group aims to achieve sustained rapid double-digit sales volume growth for "Heineken[®]". Following product revitalisation in 2024, "superX" is expected to regain stronger sales momentum, and "Snow Draft Beer" will expand its sales volume by increasing coverage in the off-premise channel. Furthermore, the Group will continue to nurture brands such as "Lao Xue" and "Amstel". Driven by a market-, consumer- and customer-centric approach, the Group will place greater emphasis on diversification, personalisation, and niche markets. As consumers increasingly prioritise product quality and experience, the Group will launch a wider

range of high-quality, niche, diverse, personalised, and health-conscious new products. This includes revitalising select regional classic brands and actively exploring the development of customised beers to cater to diverse and individual consumer preferences, while continuously enhancing brand image and strengthening brand value.

In terms of channels, the Group will continue to forge a common future with its partners, shifting from customer management towards empowerment. The Group will also deepen its penetration of existing channels, cultivate large-scale chain on-premise outlets, and actively expand into emerging channels such as online business and instant delivery, as well as new modern retail chains businesses. Furthermore, the Group will develop craft beer and branded custom beer businesses, improve channel efficiency and profitability. By creating richer and more engaging consumption scenarios and experiences, the Group aims to enhance consumer stickiness.

CR Beer is committed to driving growth through technological innovation and digital empowerment. The Group is accelerating high-quality procurement, manufacturing excellence, capacity consolidation and flexibility, integrated supply chain management, and the convergence of digital marketing. These initiatives will build a leading cost advantage, leveraging ongoing material cost efficiencies, and implementing the “Three Refinements” management strategy of “streamlined, precise, and lean” to enhance profitability. Regarding overseas business development, the Group will continue to strengthen its Hong Kong operations, launching more high-quality products to meet local consumer demand. Furthermore, CR Beer will reshape its presence in overseas markets, building competitiveness and actively promoting Chinese alcohol culture internationally.

In the first two months of 2025, preliminary statistics shows that the Group achieved single-digit growth in beer sales volume despite a high base from the previous year, with its continued development in premiumisation. Among which, sales volume of Heineken® maintained a strong double-digit growth. Benefiting from the growth in turnover and efforts in cost reduction and efficiency enhancement, the unaudited EBIT of the Group’s beer business for the first two months is expected to grow at a faster pace than turnover. Bolstered by the Chinese New Year at the beginning of 2025, the performance in the first two months laid a solid foundation for its full-year performance, despite a high base from the previous year. With the national policies to boost consumer spending, steady economic growth, a lower sales volume base anticipated in the following months, and a firm commitment to the “Three Refinements” cost and expense management strategy, the Group is increasingly confident in achieving turnover growth and a relatively fast recovery in profits for its beer business in 2025. The Group maintains a cautiously optimistic outlook for its overall performance.

Baijiu Business

As the baijiu industry enters a period of adjustment, the Group remains steadfast in its strategic confidence and commitment and will deepen its dual empowerment model for its beer and baijiu businesses, establishing a unique competitive advantage through brand and product innovation, sales model upgrades, and the construction of a common future with its partners. By strengthening technological capabilities, the Group aims to achieve rapid growth for core products, solidify its base product offerings, and drive turnover and profit growth, laying a solid foundation to become “the explorer of the new world of the baijiu industry”.

In terms of organisational management, the Group is firmly implementing the “Three Refinements” management strategy, focusing on key business areas to achieve breakthroughs. The Group will continuously strive for improvement, avoid stagnation, and intensify efforts to attract outstanding talent from the baijiu industry to join the team. The Group will also continue to improve its quality management system, enhance product quality, as well as to build an innovative omni-channel business development model and management system, vigorously develop online business, chain stores, and instant retail business, creating new growth drivers. The Group will construct a safe, complete, and efficient supplier system to ensure the production and reserve of high-quality base liquor, meeting future long-term business development needs, and promote lean production and strengthen green and low-carbon management to achieve sustainable development across the entire industry chain.

The trend of the overall consumer goods industry is moving towards healthier and more environmentally friendly directions. As a responsible enterprise, CR Beer will continue to actively promote green development and strive for better performance in ESG aspects. We will actively promote more factories to obtain carbon-neutral certification and National Green Plant designations, promote value chain carbon emission and carbon footprint accounting for key products, and formulate carbon reduction targets and plans. We will continue to create more value in the fields of technological innovation, operation management, and brand building, maintaining long-term and sustainable business development prospects.

CR Beer is “packing its bag and setting off again”, adhering to its long-term perspective approach, striving for high-quality development, and actively building agile response capabilities to cope with the “New World” of consumer industry, the ability to stabilise the overall market, the ability to grow new businesses, the ability of technology and digitalisation, the ability of talent and cost leadership, and the ability of industrial chain co-prosperity, creating a new world of alcoholic beverage industry that is digital, technological, innovative, lean, diversified, globalised, and ecological, and becoming a “leader of the new world of the alcoholic beverage industry”, thereby leading the Group to move towards becoming a world-class alcoholic beverage enterprise.

APPRECIATION

On behalf of the Board, we warmly welcome Mr. Wang Chengwei to the Board.

CR Beer's achievements over the past thirty years are attributable to the strong support of our Shareholders, the diligent efforts of our management team and employees, the selfless dedication of past Snow Beer colleagues, and the long-term trust of our customers and partners. Looking ahead, we will continue to uphold our original aspirations, fully committed to providing our customers with superior products and services. At the same time, we will continue striving to create greater and more sustainable value for our Shareholders.

Hou Xiaohai

Executive Director and Chairman of the Board

Hong Kong, 18 March 2025

2024 RESULTS

The board of directors (“Board”) of China Resources Beer (Holdings) Company Limited (the “Company”) are pleased to announce the audited consolidated results of the Company and its subsidiaries (the “Group”) for the year ended 31 December 2024 as follows:

CONSOLIDATED PROFIT AND LOSS ACCOUNT

For the year ended 31 December 2024

		2024	2023
	Notes	RMB million	RMB million
Turnover	3	38,635	38,932
Cost of sales		(22,160)	(22,829)
Gross profit		16,475	16,103
Other income and other gains and losses	4	1,934	2,651
Selling and distribution expenses		(8,378)	(8,065)
Administrative and other expenses		(3,303)	(3,362)
Share of results of joint ventures and an associate		15	(5)
Finance costs	5	(94)	(244)
Profit before taxation		6,649	7,078
Taxation	6	(1,890)	(1,864)
Profit for the year	7	4,759	5,214
Attributable to:			
Shareholders of the Company		4,739	5,153
Non-controlling interests		20	61
		4,759	5,214
Earnings per share	9		
Basic		RMB1.46	RMB1.59

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2024

	2024 <i>RMB million</i>	2023 <i>RMB million</i>
Profit for the year	4,759	5,214
Other comprehensive income:		
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translating foreign operations	8	9
Other comprehensive income for the year, net of tax	8	9
Total comprehensive income for the year	4,767	5,223
Attributable to:		
Shareholders of the Company	4,747	5,162
Non-controlling interests	20	61
	4,767	5,223

CONSOLIDATED BALANCE SHEET

As at 31 December 2024

	Notes	2024 <u>RMB million</u>	2023 <u>RMB million</u>
Non-current assets			
Fixed assets		18,124	16,294
Right-of-use assets		3,050	3,229
Goodwill		16,806	16,806
Other intangible assets		8,258	8,991
Interests in joint ventures and an associate	10	1,469	1,451
Financial assets at fair value through profit or loss	11	3,672	3,716
Prepayments		90	150
Deferred taxation assets		2,193	3,728
Pledged bank deposits		18	18
		<u>53,680</u>	<u>54,383</u>
Current assets			
Stocks		9,640	9,502
Trade and other receivables	12	1,646	1,506
Taxation recoverable		500	613
Cash and cash equivalents		3,816	5,520
Restricted bank deposits		26	-
		<u>15,628</u>	<u>17,141</u>
Current liabilities			
Trade and other payables	13	(24,583)	(22,755)
Short-term bank loans	14	(1,168)	(931)
Lease liabilities		(76)	(84)
Taxation payable		(227)	(594)
		<u>(26,054)</u>	<u>(24,364)</u>
Net current liabilities		<u>(10,426)</u>	<u>(7,223)</u>
Total assets less current liabilities		<u>43,254</u>	<u>47,160</u>
Non-current liabilities			
Long-term bank loans	14	(681)	(4,181)
Lease liabilities		(74)	(89)
Deferred taxation liabilities		(2,986)	(4,391)
Other non-current liabilities		(3,928)	(4,325)
		<u>(7,669)</u>	<u>(12,986)</u>
		<u>35,585</u>	<u>34,174</u>
Capital and reserves			
Share capital		14,090	14,090
Reserves		17,602	16,205
Equity attributable to shareholders of the Company		<u>31,692</u>	<u>30,295</u>
Non-controlling interests		<u>3,893</u>	<u>3,879</u>
Total equity		<u>35,585</u>	<u>34,174</u>

Notes:

1. Basis of preparation

The results announcement has been presented in accordance with the applicable disclosure requirements of Appendix D2 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“Listing Rules”).

The consolidated financial statements for the year ended 31 December 2024 have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”).

In addition, the consolidated financial statements include applicable disclosures required by the Listing Rules and by the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) (“Hong Kong Companies Ordinance”).

2. Principal accounting policies

The accounting policies used in the preparation of these consolidated financial statements are consistent with those applied in the consolidated annual financial statements for the year ended 31 December 2023, except for the application of amendments to HKFRSs, which are effective for the Group’s financial year beginning 1 January 2024.

Amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to HKFRSs issued by the HKICPA for the first time, which are mandatorily effective for the Group’s annual period beginning on or after 1 January 2024 for the preparation of the consolidated financial statements:

Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

The application of the amendments to HKFRSs in the current year had no material impact on the Group’s financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

2. Principal accounting policies (continued)

New and amendments to HKFRSs in issue but not yet effective

The Group has not early applied the following new and amendments to HKFRSs that have been issued but are not yet effective.

Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments
Amendments to HKFRS 9 and HKFRS 7	Amendments to Contracts Referencing Nature-Dependent Electricity
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
Amendments HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards – Volume 11
Amendments to HKAS 21	Lack of Exchangeability
HKFRS 18	Presentation and Disclosure in Financial Statements

Except as described below, these new and amendments to HKFRSs are not expected to have a material impact on consolidated financial statements in the foreseeable future.

HKFRS 18 Presentation and Disclosure in Financial Statements

HKFRS 18 Presentation and Disclosure in Financial Statements, which sets out requirements on presentation and disclosures in financial statements, will replace HKAS 1 Presentation of Financial Statements. This new HKFRS Accounting Standard, while carrying forward many of the requirements in HKAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some HKAS 1 paragraphs have been moved to HKAS 8 and HKFRS 7. Minor amendments to HKAS 7 Statement of Cash Flows and HKAS 33 Earnings per Share are also made.

HKFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. The application of the new standard is expected to affect the presentation of the statement of profit or loss and disclosures in the future financial statements. The Group is in the process of assessing the detailed impact of HKFRS 18 on the Group's consolidated financial statements.

3. Segment information

	Eastern region	Central region	Southern region	Beer Sub-total	Baijiu	Corporate / Elimination	Total
	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>
For the year ended							
31 December 2024							
TURNOVER¹							
External sales	17,209	9,242	10,035	36,486	2,149	-	38,635
Inter-segment sales	1,066	560	142	1,768	12	(1,780)	-
Total	18,275	9,802	10,177	38,254	2,161	(1,780)	38,635
Segment result before depreciation and amortisation	3,004	2,574	2,528	8,106	852 ³		8,958
Depreciation and amortisation	(777)	(460)	(367)	(1,604)	(731)		(2,335)
Segment result²	2,227	2,114	2,161	6,502	121		6,623
Unallocated corporate expenses							(49)
Interest income							169
Finance costs							(94)
Profit before taxation							6,649
Taxation							(1,890)
Profit for the year							4,759
As at 31 December 2024							
ASSETS							
Segment assets	20,882	7,432	11,202	39,516	21,592		61,108
Deferred taxation assets							2,193
Taxation recoverable							500
Unallocated corporate assets ⁵							5,507
Consolidated total assets							69,308
LIABILITIES							
Segment liabilities	13,886	6,281	6,051	26,218	2,471		28,689
Taxation payable							227
Deferred taxation liabilities							2,986
Unallocated corporate liabilities							1,821
Consolidated total liabilities							33,723
OTHER INFORMATION							
Additions to non-current assets ⁴	1,674	145	452	2,271	267	951	3,489
Depreciation and amortisation	777	460	367	1,604	731	15	2,350
Impairment loss recognised for fixed assets and stocks	148	54	30	232	-	-	232

3. Segment information (continued)

	Eastern region	Central region	Southern region	Beer Sub-total	Baijiu	Corporate / Elimination	Total
	RMB million	RMB million	RMB million	RMB million	RMB million	RMB million	RMB million
For the year ended							
31 December 2023							
TURNOVER¹							
External sales	17,508	9,511	9,846	36,865	2,067	-	38,932
Inter-segment sales	1,020	347	84	1,451	16	(1,467)	-
Total	18,528	9,858	9,930	38,316	2,083	(1,467)	38,932
Segment result before							
depreciation and amortisation	3,298	2,602	2,530	8,430	848 ³		9,278
Depreciation and amortisation	(775)	(421)	(345)	(1,541)	(718)		(2,259)
Segment result²	2,523	2,181	2,185	6,889	130		7,019
Unallocated corporate expenses							(58)
Interest income							361
Finance costs							(244)
Profit before taxation							7,078
Taxation							(1,864)
Profit for the year							5,214
As at 31 December 2023							
ASSETS							
Segment assets	20,285	7,881	11,194	39,360	21,482		60,842
Deferred taxation assets							3,728
Taxation recoverable							613
Unallocated corporate assets ⁵							6,341
Consolidated total assets							71,524
LIABILITIES							
Segment liabilities	12,392	6,529	5,728	24,649	6,446		31,095
Taxation payable							594
Deferred taxation liabilities							4,391
Unallocated corporate liabilities							1,270
Consolidated total liabilities							37,350
OTHER INFORMATION							
Additions to non-current assets ⁴	1,357	683	718	2,758	17,825	559	21,142
Depreciation and amortisation	775	421	345	1,541	718	18	2,277
Impairment loss recognised for fixed assets and stocks	344	30	30	404	-	-	404

Notes:

1. Turnover represents sales of beer and baijiu products and was recognised at a point in time.
2. Segment result represents earnings before interest income, finance costs and taxation.
3. Baijiu segment result mainly included the financial performance of Guizhou Jinsha Jiaojiu Winery Industry Co., Ltd* ("Guizhou Jinsha") and the results before interest, taxation, depreciation and amortisation of Guizhou Jinsha for the year ended 31 December 2024 were RMB807 million (2023: RMB804 million).
4. Additions to non-current assets included fixed assets, right-of-use assets, goodwill and other intangible assets. For the year ended 31 December 2023, the additions included RMB17,599 million arising from acquisition of Guizhou Jinsha.
5. Unallocated corporate assets mainly represent cash and cash equivalents and fixed assets being managed by corporate headquarter.

4. Other income and other gains and losses

	2024 <i>RMB million</i>	2023 <i>RMB million</i>
Other income and other gains and losses includes the following:		
Interest income	169	361
Government grants recognised	482	667
Profit on disposal of fixed assets	67	39
Profit on disposal of interests in leasehold land held for own use	27	447
Change in fair value of financial assets at fair value through profit or loss (Note 11)	(44)	5
Sales of scrapped materials	208	217
Bottles usage income	518	589

5. Finance costs

	2024 <i>RMB million</i>	2023 <i>RMB million</i>
Interests on bank loans	76	174
Interests on lease liabilities	5	8
Financing charges	5	5
Net exchange loss	8	57
	94	244

6. Taxation

	2024 <i>RMB million</i>	2023 <i>RMB million</i>
Chinese Mainland income tax		
Current taxation	1,760	1,857
Deferred taxation	130	7
	1,890	1,864

Hong Kong Profits Tax is calculated at 16.5% (2023: 16.5%) on the estimated assessable profits for the year.

Chinese Mainland income tax has been provided for based on the estimated assessable profits in accordance with the relevant tax laws applicable to the subsidiaries in the Chinese Mainland. The applicable principal income tax rate for the year ended 31 December 2024 is 25% (2023: 25%).

7. Profit for the year

	2024 <i>RMB million</i>	2023 <i>RMB million</i>
Profit for the year has been arrived at after charging /(crediting):		
Auditors' remuneration		
- Audit services	11	11
- Non-audit services	1	3
Staff costs (including directors' emoluments)	5,871	5,867
Depreciation		
- Owned fixed assets	1,439	1,393
- Right-of-use assets	178	172
Amortisation of other intangible assets	733	712
Impairment loss recognised on		
- Owned fixed assets	79	142
- Stocks	153	262
Change in fair value of financial assets at fair value through profit or loss (Note 11)	44	(5)
Cost of goods sold	22,160	22,829
Expense relating to short-term leases	76	82

8. Dividends

	2024 <i>RMB million</i>	2023 <i>RMB million</i>
2024 interim dividend paid of RMB0.373 per ordinary share (2023: RMB0.287)	1,213	931
2024 proposed final dividend of RMB0.387 per ordinary share (2023: RMB0.349)	1,255	1,156
2024 proposed special dividend: Nil (2023: RMB0.300 per ordinary share)	-	994
	2,468	3,081

At the meeting held on 18 March 2025, the directors proposed a final dividend of RMB0.387 (2023: a final dividend of RMB0.349 and a special dividend of RMB0.300) per ordinary share. The proposed dividend, which is calculated on the Company's number of ordinary shares as at the date of the board meeting, is not recognised as a liability in these consolidated financial statements. The total dividends paid by the Company, including the final dividend and special dividend for the year 2023 and the interim dividend for the year 2024, amounted to RMB3,363 million (2023: RMB1,911 million, including the final dividend for the year 2022 and the interim dividend for the year 2023) are reflected in the current year consolidated financial statements. In addition, dividends of RMB6 million have been paid to non-controlling shareholders of subsidiaries during the year ended 31 December 2024 (2023: RMB3 million).

9. Earnings per share

	2024 <i>RMB million</i>	2023 <i>RMB million</i>
The calculation of the basic earnings per share is based on the following data:		
Earnings		
Profit attributable to shareholders of the Company for the purposes of calculating basic earnings per share	4,739	5,153
Number of shares	2024	2023
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share	3,244,176,905	3,244,176,905
Basic earnings per share	2024 <i>RMB</i> 1.46	2023 <i>RMB</i> 1.59

No separate diluted earnings per share information has been presented as there were no potential ordinary shares outstanding issue for both years.

10. Interests in joint ventures and an associate

(a) Interests in joint ventures

	2024 <i>RMB million</i>	2023 <i>RMB million</i>
Cost of investment in joint ventures	602	602
Elimination of profit of disposal of land to a joint venture	(456)	(438)
Elimination of profit of disposal of fixed assets to a joint venture	(55)	(43)
Accumulated share of post-acquisition losses and total comprehensive expenses	(58)	(71)
Others	9	5
	42	55

(b) Interests in an associate

	2024 <i>RMB million</i>	2023 <i>RMB million</i>
Cost of investment in an associate	1,279	1,279
Accumulated share of post-acquisition loss and total comprehensive expense	(20)	(22)
Exchange difference	168	139
	1,427	1,396

On 27 October 2021, CRE Beverage Trading Limited (華創飲品貿易有限公司), one of the subsidiaries of the Company, completed the capital injection of 40% equity interests of Shandong Jingzhi Baijiu Co., Ltd (山東景芝白酒有限公司, “Shandong Jingzhi Baijiu”), an independent third party. The Company has the power to exercise significant influence over Shandong Jingzhi Baijiu as the Company has 40% voting rights on the board of directors of Shangdong Jingzhi Baijiu.

11. Financial assets at fair value through profit or loss

	2024 <i>RMB million</i>	2023 <i>RMB million</i>
Consideration receivable (Note)	<u>3,672</u>	<u>3,716</u>

Notes:

The Company, through its wholly-owned subsidiary China Resources Snow Breweries (China) Investment Co., Ltd. (“CR Snow Investment”), entered into the following agreements with the wholly-owned subsidiaries of China Resources Land Limited (“CR Land”) on 22 January 2021: (1) the joint venture agreement (“JV Agreement”); (2) the relocation compensation agreement; and (3) the construction agreement.

According to the JV Agreement, each of CR Snow Investment and Shenzhen Runtou Consulting Co., Ltd.* (深圳市潤投諮詢有限公司) (a wholly-owned subsidiary of CR Land) (“Shenzhen Runtou”) committed to the capital injection of RMB500 million to Shenzhen Runxue Industrial Co., Ltd* (深圳市潤雪實業有限公司, “Shenzhen Runxue”). Upon the formation of Shenzhen Runxue after the execution of the JV Agreement on 26 April 2021, each of CR Snow Investment and Shenzhen Runtou injected RMB50 million and therefore owned 50% equity interest of Shenzhen Runxue respectively. The investment cost as at 31 December 2024 amounted to RMB500 million (2023: RMB500 million). Shenzhen Runxue is primarily engaged in the development and management of real estate and it is responsible for the demolition of the existing building and relocation of several parcels of land (the “Land”) owned by China Resources Snow Breweries (China) Co., Ltd.* (華潤雪花啤酒(中國)有限公司, “CR Snow”) (a wholly-owned subsidiary of CR Snow Investment), as well as applying to Shenzhen Government together with CR Snow for land modification of the Land pursuant to the relocation compensation agreement. The land modification involves the de-registration of the title certificate of the Land and modification of the Land for general industrial and emerging industrial uses with the relevant authority of Shenzhen Government.

The consideration will be settled by installment based on the proportion of the floor areas of properties sold to the total saleable floor areas of properties. The construction of certain properties has been completed during the year ended 31 December 2024 and handover to customers in January 2025. The construction for remaining properties is expected to be completed in late 2025. Based on the contract terms and the properties handover status, the first installment of consideration receivable is expected to be received from Shenzhen Runxue by CR Snow in 2026.

On 26 May 2021, the gain on disposal of right-of-use assets of approximately RMB3,510 million arose from the disposal of the Land and related deferred tax liabilities of approximately RMB878 million had been recognised. 50% gain on disposal of right-of-use assets (after 50% elimination of downstream transaction) of approximately RMB1,755 million had been recognised.

As at 31 December 2024, the fair value of consideration is measured at approximately RMB3,672 million (31 December 2023: RMB3,716 million). Accordingly, the fair value loss of approximately RMB44 million was recognised in profit or loss during the year ended 31 December 2024 (2023: fair value gain of approximately RMB5 million).

12. Trade and other receivables

	2024 <i>RMB million</i>	2023 <i>RMB million</i>
Trade receivables from third parties	126	141
Trade receivables from fellow subsidiaries	22	9
Less: allowance for credit losses	(24)	(26)
	124	124
Value-added tax recoverable	481	235
Prepayments	178	243
Deposits paid	34	44
Other receivables	809	637
Consideration refundable of acquisition of Guizhou Jinsha	-	122
Amounts due from fellow subsidiaries (Note)	-	101
Others	20	-
	<u>1,646</u>	<u>1,506</u>

Note:

Amounts due from fellow subsidiaries in 2023 mainly included loans of RMB101 million and were unsecured, bear interest at 3.2% per annum and were repayable within one year from the reporting date. The amount is fully repaid during the current year.

The Group normally trades with its customers under the following credit terms:

- (a) cash upon delivery; or
- (b) open credit from 30 to 90 days

The following is the aging analysis of trade receivables from third parties and fellow subsidiaries as at the balance sheet date by invoice date:

	2024 <i>RMB million</i>	2023 <i>RMB million</i>
0 – 30 days	77	54
31 – 60 days	8	2
61 – 90 days	2	15
> 90 days	37	53
	<u>124</u>	<u>124</u>

Impairment assessment on trade receivables uses the expected loss rates which are based on credit assessments on each aging category of customers and adjusted for forward-looking information affecting the ability of the customers to settle the trade receivables.

Impairment on other receivables is measured as either 12-month expected credit losses or lifetime expected credit loss, depending on whether there has been a significant increase in credit risk since the initial recognition.

Based on the assessments performed by management, the fair value of the Group's trade and other receivables at balance sheet date was approximate to the corresponding carrying amount.

13. Trade and other payables

	2024 <i>RMB million</i>	2023 <i>RMB million</i>
Trade payables to third parties	3,247	2,956
Trade payables to fellow subsidiaries	2	3
	<u>3,249</u>	<u>2,959</u>
Contract liabilities (Note (i))	8,430	7,896
Accruals	3,449	3,720
Deposits received (Note (ii))	5,202	5,001
Other payables	3,915	3,129
Capital contribution payable	19	19
Amount due to a holding company (Note (iii))	5	5
Amounts due to fellow subsidiaries (Note (iii))	14	26
Loan from a joint venture (Note (iii))	300	-
	<u>24,583</u>	<u>22,755</u>

Notes:

- (i) Included receipt in advance on sales of RMB1,664 million (2023: RMB1,262 million) and liabilities on promotional schemes of RMB6,766 million (2023: RMB6,634 million). Contract liabilities are classified as current liabilities because the Group expects to settle them within 12 months after the end of the reporting period. During the year ended 31 December 2024, revenue recognised that was included in the contract liabilities balance at the beginning of the year amounted to RMB7,896 million (2023: RMB6,642 million).
- (ii) Amounts mainly included deposits received for consumables and packing materials.
- (iii) Amount due to a holding company, amounts due to fellow subsidiaries and loan from a joint venture were unsecured, interest-free and repayable on demand.

The following is an aging analysis of trade payables to third parties and fellow subsidiaries as at the balance sheet date by invoice date:

	2024 <i>RMB million</i>	2023 <i>RMB million</i>
0 – 30 days	3,235	2,894
31 – 60 days	14	34
61 – 90 days	-	16
> 90 days	-	15
	<u>3,249</u>	<u>2,959</u>

The fair value of the Group's trade and other payables as at balance sheet date was approximate to the corresponding carrying amount.

14. Bank loans

	2024 <i>RMB million</i>	2023 <i>RMB million</i>
Unsecured bank loans		
Within 1 year	1,168	931
After 1 years, but within 2 years	405	2,418
After 2 years, but within 5 years	276	1,763
	1,849	5,112

As at 31 December 2024, the Group has fixed-rate bank loans denominated in Renminbi with interest rate of 2.00% (2023: 2.40%-2.83%) per annum.

The Group has floating-rate bank loans denominated in Renminbi with interest rates linked to the lending rate stipulated by the People's Bank of China.

As at 31 December 2024, the effective interest rates on the Group's floating rate unsecured bank loans were 0.99%-2.35% (2023: 2.02%-2.20%) per annum.

15. Other information

The consolidated financial statements of the Group for the year ended 31 December 2024 have been reviewed by the audit committee of the Company and the financial information included in this preliminary results announcement of annual results for the year ended 31 December 2024 has been agreed by the Company's auditor, Messrs. Deloitte Touche Tohmatsu. An unqualified auditor's report will be included in the annual report for the year ended 31 December 2024 to shareholders of the Company.

The financial information relating to the years ended 31 December 2024 and 2023 included in this preliminary announcement of annual results for the year ended 31 December 2024 does not constitute the Company's statutory annual consolidated financial statements for those years but is derived from those consolidated financial statements. Further information relating to these statutory financial statements required to be disclosed in accordance with section 436 of the Companies Ordinance is as follows:

The Company has delivered the consolidated financial statements for the year ended 31 December 2023 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Companies Ordinance. The Company will deliver the consolidated financial statements for the year ended 31 December 2024 to the Registrar of Companies in due course.

The Company's auditor has reported on the consolidated financial statements of the Group for the year ended 31 December 2024. The auditor's reports were unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its reports; and did not contain a statement under sections 406(2), 407(2) or 407(3) of the Companies Ordinance.

MANAGEMENT DISCUSSION AND ANALYSIS

REVIEW OF OPERATIONS

The consolidated turnover of the Group in 2024 was RMB38,635,000,000, benefiting from the continuous development of its premiumisation strategy in the beer and baijiu businesses. In 2024, the Group's gross profit margin increased by 1.2 percentage points year-on-year to 42.6%, demonstrating enhanced product profitability and reaching a five-year high. The Group received higher amounts of government grants and profit on disposal of interests in leasehold land in the second half of 2023. In order to better demonstrate its operating results, the Group has also defined government grants and profit on disposal of interests in leasehold land in the second half of 2024 as special income. Excluding the impairment loss on fixed assets in relation to capacity optimisation and one-off staff compensation and settlement expenses, as well as the special income from government grants and profit on disposal of interests in leasehold land in the second half of the year, the Group's EBITDA in 2024 increased by 3.0 percentage points year-on-year to RMB8,694,000,000. The EBITDA margin, excluding the abovementioned factors, increased by 0.8 percentage point year-on-year, reflecting continued improvement in profitability. The Group's net cash from operating activities achieved robust growth during the period under review, reaching another five-year high with 67.0% year-on-year increase to RMB6,928,000,000, another five-year high, fully demonstrating the business's value creation capabilities and providing a solid foundation for Shareholder returns.

Beer Business

Facing a volatile internal and external market environment and fluctuating volumes characterised by evolving consumer preferences, the Group achieved beer sales volume of approximately 10,874,000 kilolitres in 2024, a year-on-year decrease of 2.5%, outperforming major competitors. In 2024, the Group's premiumisation development continued to gain momentum, with the sales volume of the premium beer segment and above increasing by over 9% compared to the same period last year. Notably, "Heineken®" recorded nearly 20% growth despite a high base from the previous year, while "Lao Xue" and "Amstel" basically doubled their sales volume in 2024. Sales volume of the premium product "Li" increased by 35% year-on-year. Concurrently, the overall sales volume of the sub-premium beer segment and above, along with its key products, also saw year-on-year growth, with the proportion of sales volume of the mid-end segment and above exceeding 50% for the first time on an annual basis.

The turnover of the Group's beer business in 2024 was RMB36,486,000,000. The ongoing premiumisation strategy drove a year-on-year increase of 1.5% in the average selling price, contributing to a 0.9 percentage point increase in the gross profit margin of the Group's beer business to 41.1% in 2024. Excluding the impairment loss on fixed assets in relation to capacity optimisation and one-off staff compensation and settlement expenses of RMB36,000,000 (2023: RMB141,000,000), as well as the special income from government grants and profit on disposal of interests in leasehold land of RMB239,000,000 and RMB22,000,000 recognised in the second half of the year, respectively (second half of 2023: RMB441,000,000 and RMB433,000,000, respectively), the EBITDA of the Group's beer business increased by 2.4% year-on-year to RMB7,881,000,000 in 2024, while the EBITDA margin, excluding the above mentioned factors, increased by 0.7 percentage point to 21.6%.

The Group continued to optimise its capacity distribution by ceasing operations of two breweries during the reviewing period, while setting up two new intelligent factories in Jinan City,

Shandong Province and Xiamen City, Fujian Province. As of the end of 2024, the Group operated 62 breweries in 25 provinces, municipalities, and autonomous regions in Mainland China, with an aggregate annual production capacity of approximately 19,000,000 kilolitres.

In terms of new product launches, the Group introduced the super-premium product “Nong Li” in 2024, launched the premium national barley product “Ken 14” to promote “Chinese Barley, Chinese Beer”, and revamped and relaunched “Brave the World superX”, achieving sales growth. Moreover, the Group actively embraced new consumption scenarios and models, introducing a diverse product portfolio including “gift sets”, “Löwen Rosé”, and “Amstel Extra” to meet consumer demand. The Group focused on developing national chain and online businesses, achieving significant breakthroughs, with overall online GMV increasing by over 30% year-on-year in 2024.

In respect of Chinese brand promotion, the Group’s “Brave People are Always 18” campaign for the 18th anniversary of Brave the World generated phenomenal popularity in 2024. In addition, the Group’s collaboration with the popular drama “Always on the Move” and the brand proposition “Chinese New Year is Only Complete with Snow” resonated deeply with consumers. In respect of international brand promotion, the Group actively developed campaigns centred around “Heineken® Star Wishes for the New Year”, the “2024 F1 Chinese Grand Prix”, the “UEFA Champions League”, the “UEFA European Football Championship”, “ATP”, and “Heineken® Soundscape”, thereby attracting younger consumer groups and driving sustained rapid growth of the “Heineken®” brand.

In respect of ESG, the Group’s Liangshan Plant in Sichuan and Bengbu Plant in Anhui received carbon-neutral certification during the reviewing period, and six plants were awarded the “National Green Plant” designation. The Group’s MSCI ESG rating improved from BBB to A, positioning it as one at the leading companies in the Chinese alcoholic beverage industry. Furthermore, the Group actively promoted the “National Barley Revitalisation” initiative, building a high-quality national barley industry chain, supporting rural revitalisation, and promoting green agriculture development, demonstrating its accelerated progress in green and low-carbon initiatives. These actions reflect the Group’s commitment to giving back to society and spreading warmth and strength.

Raising a toast to 30 years, stepping into a new world. 2024 marks the 30th anniversary of CR Beer. Having navigated periods of both growth and consolidation, guided by the principle of “Moving forward with the Times”, CR Beer has become a leading enterprise in the Chinese beer industry. Looking ahead, in the face of fluctuating consumption, the Group will continue to implement its “Excellence in Development for Winning at Premiumisation” strategy, exploring new opportunities, new businesses, and new growth drivers. The Group will respond agilely to new consumption trends and meet evolving consumer demands, further promoting the “streamlined, precise, and lean” strategy based on the principle of “austerity”. By implementing initiatives in digital intelligence, technology, innovation, and green and low-carbon development, the Group will enhance its competitive position, lead industry development, and become a pioneer in the new era of the alcoholic beverage industry.

Baijiu Business

In 2024, against the background of the profound adjustments in the baijiu industry, the Group’s baijiu business achieved a year-on-year turnover increase of 4.0 percentage points to RMB2,149,000,000. Significant achievements were made in cost control, enhancing product

profitability and driving a year-on-year increase in gross profit margin of 5.6 percentage points to 68.5%. The Group implemented a “single product matrix” strategy, with sales volume of the premium single product “Zhaiyao” increasing by 35% compared to the same period last year, contributing over 70% of the turnover of the baijiu business of the Group. Under the “dual empowerment model for beer and baijiu businesses” strategy, the Group’s baijiu business leveraged the channel advantages of its beer business, achieving significant growth in the number of distributors and laying a solid foundation for rapid mid-to-long-term development. During the reviewing period, the EBITDA of the Group’s baijiu business was RMB852,000,000, representing a year-on-year increase of 0.5 percentage point. Excluding the special income of RMB5,000,000 from government grants in the second half of the year (second half of 2023: RMB63,000,000), the Group’s EBITDA of the baijiu business increased by nearly 8% to RMB847,000,000 year-on-year.

In 2024, the Group’s baijiu business focused on the following management initiatives to achieve performance growth. In respects of brand management, the Group launched the brand positioning “Strive for the Top, Drink Zhaiyao”, sponsored major events such as the “WinnerBook Club” and the “Beijing International Film Festival”, and held the “Jinsha Red” sorghum festival, enhancing brand influence across multiple dimensions. In sales management, the Group focused on developing key markets, actively building model markets, and implementing a diversified expansion model centered around “circulation + group purchasing”, deeply integrating and leveraging the “beer + baijiu” channel advantages to promote the development of key distributors. In customer management, the Group established the “Sanrun Club”, a tiered management platform for key clients in the baijiu business, supporting and empowering key distributors and forging a common future with suppliers.

At the same time, the Group placed great emphasis on expanding innovative baijiu business, achieving breakthrough growth in e-commerce, government and enterprise, and chain operations in 2024. The Group actively explored operational excellence, continuously cultivating expertise in optimised procurement, intelligent manufacturing, and production and sales management. The Group was also committed to strengthening technological research and development. During the reviewing period, the Group promoted the establishment of the Guizhou Sauce-Flavored Baijiu Technology Innovation Center, delivering multiple research achievements and receiving several awards, including the China Business Science and Technology Award. In terms of digitalisation, the Group implemented QR code management and lean cost management, building production supply chain and marketing operation systems, achieving significant results in risk control and efficiency improvement. Regarding organisational development, the Group focused on “Organisational Structure, Talent, Performance, and Human Resource Management”, establishing a unique human resource management model and system for the baijiu business based on CR Beer's existing experience and tailored to the characteristics of the baijiu business.

Looking ahead, the Group will continue to position itself as “the explorer of the new world of the baijiu industry”, adhering to a long-term perspective and completing the “exploration, development, and enhancement” development plan. The Group will thoroughly implement the “dual empowerment model for beer and baijiu businesses” strategy, focusing on brand and product innovation and upgrades, innovating omni-channel business development models and management systems, forging a common future with suppliers, strengthening scientific research and development capabilities, and implementing the “streamlined, precise, and lean” management strategy. These efforts will ensure the steady development and sustainable growth of the business, build core competitiveness, and confidently navigate the new world.

FINANCIAL REVIEW

Capital and Funding

As at 31 December 2024, the Group's consolidated net cash amounted to RMB2,011,000,000. The Group's borrowings as at 31 December 2024 were RMB1,849,000,000 with RMB1,168,000,000 repayable within one year, and RMB681,000,000 repayable after one year but within five years. The Group's borrowings were denominated in RMB with fixed interest rates 2.00% per annum and the effective interest rates of floating rates were in the range of 0.99% to 2.35%.

The Group was in a net cash position as at 31 December 2024 and 31 December 2023.

The Group's principal assets, liabilities, revenue and payments are denominated in Hong Kong dollars (HKD), RMB, and US dollars. As at 31 December 2024, 1.7% of the Group's cash and bank deposit balance was held in HKD, 97.9% in RMB and 0.4% in US dollars.

As at 31 December 2024, the Group's current liabilities and current ratio were RMB26,054,000,000 and 0.60, respectively. The current liabilities included receipts in advance on sales of beer and accruals on promotion and marketing expenses. Majority of these amounts would be offset by trade receivables or be realised through sale discounts in the future, with no significant net cash outflow in short run. Taking into account the gearing ratio, historical and expected future cash flows from operations and unutilised available banking facilities of the Group, management expected the Group to have adequate resources to meet its liabilities and commitment as and when they fall due and to continue in operational existence for the foreseeable future.

Pledge of Assets

As at 31 December 2024, assets with a carrying value of RMB18,000,000 (31 December 2023: RMB18,000,000) were pledged for construction in progress and notes payable.

Contingent Liabilities

The Group did not have any material contingent liabilities as at 31 December 2024.

Exposure to Fluctuations in Exchange Rates and Any Related Hedges

The Group collects substantially all of its revenue in RMB and most of the Group's expenditures, including expenditure incurred in its operations as well as capital expenditure, are also denominated in RMB.

The Group's business transactions are mainly carried out in HKD and RMB. The Group's exposure to currency risk during the year ended 31 December 2024 was attributable to the bank balances and debts which were denominated in currencies other than the functional currency of the relevant entities to which these bank balances and debts were related. The management regularly monitors the relevant foreign currency exposure and will consider taking appropriate measures to control the risk arising from significant exchange fluctuations.

EMPLOYEES

As at 31 December 2024, the Group had a staff size of around 26,000 (2023: around 27,000), amongst which more than 99% were employed in the Mainland China, whilst the rest were mainly employed in Hong Kong. The staff costs (including Directors' emoluments) of the Group was approximately RMB5,871,000,000 for the year ended 31 December 2024. Remuneration packages are assessed in accordance with the nature of job duties, individual performance and market trends with built-in merit components, and supplemented with various cash bonuses.

DIVIDENDS

The Board recommends a final dividend of RMB0.387 per share for the year ended 31 December 2024 (2023: a final dividend of RMB0.349 and a special dividend of RMB0.300 per share) payable on or around 4 July 2025 to the Shareholders whose names appear on the register of members of the Company on 26 May 2025. The final dividend, if approved (where applicable), is to be payable in cash in HKD which will be converted from RMB at the average CNY Central Parity Rate announced by the People's Bank of China for the five business days prior to and including the date of the Annual General Meeting (as defined in the below section headed "Closure of Register of Members"). Together with the interim dividend of RMB0.373 per share for the six months ended 30 June 2024, the total dividend for the year ended 31 December 2024 will amount to RMB0.760 per share (2023: RMB0.936 per share). The final dividend will be payable in cash in HKD unless the Shareholder has elected to receive the same in RMB by returning the dividend currency election form.

Unless a permanent election on dividend currency had been made by Shareholders, the dividend currency election form is expected to be despatched to the Shareholders on Friday, 30 May 2025. If Shareholders elect to receive all or part of the final dividend in RMB, Shareholders should complete the dividend currency election form and return it to the share registrar of the Company, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, not later than 4:30 p.m. on Monday, 16 June 2025.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Tuesday, 13 May 2025 to Tuesday, 20 May 2025, both days inclusive, during which no transfer of shares of the Company will be registered. In order to determine the identity of Shareholders who are entitled to attend and vote at the annual general meeting to be held on 20 May 2025 (the “Annual General Meeting”), all share transfer documents accompanied by the relevant share certificates must be lodged with the Company’s share registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong no later than 4:30 p.m. on Monday, 12 May 2025 for registration.

Subject to the approval of Shareholders at the Annual General Meeting (where applicable), the proposed final dividend will be payable to Shareholders whose names appear on the register of members of the Company after the close of business at 4:30 p.m. on Monday, 26 May 2025, and the register of members of the Company will be closed on Monday, 26 May 2025, during which no transfer of shares of the Company will be registered. In order to qualify for the proposed final dividend, all share transfer documents, accompanied by the relevant share certificates must be lodged with the Company’s share registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong no later than 4:30 p.m. on Friday, 23 May 2025 for registration.

CORPORATE GOVERNANCE

It is the firm belief of the Company that a good and solid corporate governance framework is essential to the successful growth of the Company and the enhancement of shareholder value. The Company is committed to attaining and maintaining high standards of corporate governance and adopts principles of corporate governance emphasising a quality Board, accountability to all stakeholders, open communication and fair disclosure.

The Company has implemented its own corporate governance standard and objectives since November 2003. On 8 April 2005, the Company adopted the Corporate Governance Practice Manual (“CG Manual”). The Company has from time to time revised the CG Manual in response to the amendments to the Listing Rules. Ten revisions were made between 2009 and 2024 and the latest CG Manual dated 27 June 2024 incorporates almost all the applicable principles and code provisions of the Corporate Governance Code (“CG Code”) contained in Appendix C1 to the Listing Rules and includes the implementation details for the applicable principles and the code provisions and, where appropriate, the recommended best practices. The CG Manual can be downloaded from the Company’s website and copies are available on request to the company secretary of the Company.

The Company has complied with the applicable principles and the code provisions set out in the CG Code throughout the year ended 31 December 2024, save and except the following:

In respect of Code Provision C.3.3 of the CG Code, the Company did not have formal letters of appointment for Directors. However, the Directors are subject to retirement by rotation at least once every three years in accordance with the articles of association of the Company (the

“Articles”). In any event, all Directors must retire by rotation in the manner prescribed under the Articles, and on re-election of the retiring Directors, Shareholders are given information that is reasonably necessary for them to make an informed decision on the reappointment of the retiring Directors. In addition, the Directors are required to refer to the guidelines set out in “A Guide on Directors’ Duties” issued by the Companies Registry and “Guidelines for Directors”, and, if applicable, “Guide for Independent Non-executive Directors” published by the Hong Kong Institute of Directors in performing their duties and responsibilities as Directors. Besides, the Directors are required to comply with the requirements under the Listing Rules, the statutes and common law, legal and other regulatory requirements and the Company’s business and governance policies.

In respect of Code Provision D.1.2 of the CG Code, the Company has not provided all members of the Board with monthly updates to enable the Board as a whole and each Director to discharge their duties. However, the Company has based on business situation, provided to the Board from time to time, updated business information to enable the Board as a whole and each Director to discharge their duties. The Company considers that such business information arising out of the ordinary business provided to the Board from time to time instead of monthly updates are more sufficient for the Board as a whole and each Director to discharge their duties. In the event of any significant updates to be provided, the Company will update all the Directors as soon as practicable for discussion and resolution.

On 8 April 2005, the Company has adopted a Code of Ethics and Securities Transactions (“Code of Ethics”) which incorporates the Model Code for Securities Transactions by Directors of Listed Issuers (“Model Code”) set out in Appendix C3 to the Listing Rules. The Company has from time to time revised the Code of Ethics in response to the amendments of the Listing Rules. Ten revisions were made between 2006 and 2024, with the latest revised version dated 27 June 2024. The prohibitions on securities dealing and disclosure requirements in the Code of Ethics also apply to specified individuals including the Group’s senior management and persons who are privy to inside information of the Group. The Code of Ethics is on terms no less exacting than the required standard set out in the Model Code. Having made specific enquiries with the Directors, all Directors confirmed that they have complied with the required standard set out in the Model Code and Code of Ethics during the year ended 31 December 2024.

PURCHASE, SALES OR REDEMPTION OF LISTED SECURITIES

During the year ended 31 December 2024, neither the Company nor its subsidiaries purchased, sold or redeemed any of the Company’s listed securities.

EVENTS AFTER THE PERIOD UNDER REVIEW

No important events affecting the Company and its subsidiaries have occurred since the end of this financial year.

PUBLIC FLOAT

As at the date of this announcement, based on the information that is publicly available to the Company and within the knowledge of the Directors, the Company maintains a sufficient public float with more than 25% of the issued shares of the Company being held by the public.

By order of the Board

China Resources Beer (Holdings) Company Limited

Hou Xiaohai

Executive Director and Chairman

Hong Kong, 18 March 2025

** For identification purposes only*

As at the date of this announcement, the Executive Directors of the Company are Mr. Hou Xiaohai (Chairman), Mr. Zhao Chunwu (President) and Mr. Zhao Wei (Chief Financial Officer). The Non-executive Directors are Mr. Daniel Robinson, Ms. Guo Wei and Mr. Wang Chengwei. The Independent Non-executive Directors are Mr. Houang Tai Ninh, Dr. Li Ka Cheung, Eric, Mr. Lai Hin Wing Henry Stephen, Mr. Bernard Charnwut Chan and Mr. Siu Kwing Chue, Gordon.