

For Immediate Release

Press Release

China Resources Beer Announces Annual Results for 2015 “Successful Transformation into a Beer-Focused Company”

- Consolidated turnover and consolidated profit attributable to shareholders of the Company’s continuing operations reached HK\$34,821 million and HK\$831 million respectively, representing increases of 1.0% and 13.8% year-on-year.
- As of 1 September 2015, the Group completed the disposal of its non-beer businesses to China Resources (Holdings) Company Limited (“CRH”) for a total consideration of HK\$30,000 million. The resolution was supported by 98.84% of voted independent shareholders and the proceeds were largely distributed to the shareholders in the form of a special dividend of HK\$12.30 per share in October 2015.
- The Board did not recommend the payment of final dividend.

[Hong Kong, 18 March 2016] **China Resources Beer (Holdings) Company Limited** (HKEx: 00291) (the “Company”, together with its subsidiaries, the “Group”) today announced its audited consolidated final results for the year ended 31 December 2015.

On 4 May and 15 June 2015, the Company and CRH entered into a Sale and Purchase Agreement and a Supplemental Agreement. Pursuant to the Agreement, the Company agreed to sell the non-beer businesses of the Company to CRH for a total consideration of HK\$30,000 million. The transaction obtained the support of 98.84% of voted independent shareholders at the Company’s extraordinary general meeting on 3 August 2015 and was completed on 1 September 2015.

For the year ended 31 December 2015, consolidated turnover and consolidated profit attributable to shareholders of the Company’s continuing operations reached HK\$34,821 million and HK\$831 million, respectively, representing increases of 1.0% and 13.8% year-on-year. Taking into the accounts of the proceeds from the disposal was largely distributed to shareholders as a special dividend of HK\$12.30 per share, the Board has resolved not to declare a final dividend.

The Group’s **beer business** reported turnover and attributable profit of HK\$34,821 million and HK\$831 million in 2015, respectively, representing increases of 1.0% and 9.2% year-on-year, respectively. EBITDA of the business in 2015 increased by 1.3% to HK\$4,409 million year-on-year.

The macroeconomic slowdown, unfavourable weather conditions and the anti-corruption driven by the Chinese government combined to dent consumers' spending appetite during the year under review. The beer sales volume decreased by 1.3% year-on-year, to approximately 11,683,000 kiloliters, to which the Group's flagship “雪花 Snow” beer brand contributed around 90% of the total beer sales volume. The rapid increase in sales of beer in the mid-end and above segments contributed to the increase in the overall average selling price in Renminbi by about 3.2% year-on-year, enabling a rise in the Group's 2015 beer sales. As at the end of 2015, the Group operated 97 breweries in China with an aggregate annual production capacity of approximately 22,000,000 kiloliters.

The Group's discontinued operations reported turnover and loss attributable to shareholders of HK\$98,416 million and HK\$4,826 million, respectively, in the first eight months of 2015. The retail business continued to suffer due to the anti-corruption campaign and the uncertain economic outlook, in addition to the more complex operating environment brought about by a change in consumption habits and new industry players. The ongoing integration of Tesco PLC's China business, which is still in a running-in period, continued to negatively impact the division's business outlook. Further investment will be required to enhance the operations of physical stores, e-commerce and IT systems, which is unlikely to result in profits in the short- and mid-term. The loss of the rice business in food division was mainly due to the high initial investment and marketing expenses incurred. Furthermore, the meat operation requires continuous capital investment to enhance market share, capacity utilization and profitability. The growth in sales volume of “怡寶 C'estbon” purified water in the beverage division has strengthened the Group's leadership in the core markets, including Guangdong, Hunan, and Sichuan provinces, while expanding its sales network in adjacent regions.

Mr. Chen Lang, Chairman of the Company, said, “We are committed to the creation of long-term sustainable value and to maintaining our competitive advantage. From a leading consumer goods conglomerate, the Group today has been transformed into a beer-focused entity. This has enabled us to unleash the intrinsic value of our beer business. Our historic performance can testify our capability to strengthen the medium-term profitability. With increased market share and brand value, we are ready for a new chapter in business and are confident in our sustainable value in the long run for our shareholders and customers.”

About China Resources Beer (Holdings) Company Limited

Listed on the Hong Kong Stock Exchange, the Company focuses on the manufacturing, sales and distribution of beer products in China. The overall total beer sales volume of the Group's beer business has ranked number one in the mainland China market since 2006. The flagship brand “雪花 Snow” has become the largest beer brand by volume worldwide since 2008.

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Full details of our 2015 annual results have been posted on the designated website of Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk and the corporate website at www.crbeer.com.hk.