

For Immediate Release
Press Release

China Resources Beer Announces Interim Results for 2016 “Focus on Beer Business and Create Higher Value”

- The unaudited turnover and attributable profit of the Group’s continuing operations (the Group disposed of its non-beer businesses on 1 September 2015) decreased by 1.8% and increased by 45.1% year-on-year, respectively, to approximately RMB15,213 million and RMB605 million.
- EBIT for the Group’s continuing operations increased by 40.2% to RMB1,657 million year-on-year.
- The Group’s beer sales volume for the first half of 2016 was approximately 6,128,000 kiloliters, outperforming industry average.
- On 2 March 2016, the Company announced that it entered into an agreement with ABI to purchase the 49% stake held by SABMiller Asia in CRSB for US\$1.6 billion (The transaction is subject to completion of the proposed acquisition by ABI of SABMiller PLC).
- The Board has resolved not to declare an interim dividend.

[Hong Kong, 19 August 2016] **China Resources Beer (Holdings) Company Limited** (HKEx: 00291) (the “Company”, or together with its subsidiaries, the “Group”) today announced its unaudited interim results for the six months ended 30 June 2016. Turnover and attributable profit for the Group’s continuing operations decreased by 1.8% and increased by 45.1% year-on-year to RMB15,213 million and RMB605 million, respectively. EBIT for the Group’s continuing operations for the first half of 2016 increased by 40.2% to RMB1,657 million year-on-year. The Board has resolved not to declare an interim dividend for the first six months ended 30 June 2016.

In the first half of 2016, overall sales volume in the beer industry was affected by the lackluster macro economy, the decline in consumer spending appetite and the unfavourable weather conditions in mainland China, especially the rainstorms in the mid-lower reaches of the Yangtze River and parts of southern China. The Group’s beer sales volume decreased by 1.9% to approximately 6,128,000 kiloliters as compared with the same period last year, outperforming the industry average, mainly thanks to enhanced production capacity, tailored sales strategies to local markets, established closer long-standing relationships with local distributors and expansion in market coverage through strong promotions.

The overall average selling price recorded a slight increase in the first half of 2016 as compared to the same period last year. This was mainly due to the continuous efforts of the Group in optimizing its product mix, mid- to high-end beer products maintained growth in sales volume. During the period under review, the operating profit of the Group grew through reduction in certain material costs and better use of selling expenses. As at the end of June 2016, the Group operated 98 breweries in 25 regions in mainland China, with an aggregate annual production capacity of approximately 22,000,000 kiloliters.

On 2 March 2016, the Company announced that it had entered into an agreement with Anheuser-Busch InBev SA/NV (“ABI”) to purchase the 49% stake currently held by SABMiller Asia Limited (“SABMiller Asia”) in China Resources Snow Breweries Limited (“CRSB”) (“Proposed Acquisition of Minority Interests”) for US\$1.6 billion (The transaction is subject to completion of the proposed acquisition by ABI of SABMiller PLC).

Mr. Chen Lang, Chairman of the Company, said, “The Company has always taken stakeholders’ long-term benefits as its top priority, and dedicating itself to enhance shareholders’ returns through various means, such as the Proposed Acquisition of Minority Interests. The Group continues to step up its strategic development by laying a solid foundation for greater value creation in the future. China is the world’s biggest beer market by sales volume and the beer industry is in a transitional stage. We expect a slower growth in sales volume than before and progressive consumption upgrades in the future. We believe the relevant changes will benefit the long-term development of the industry. Moreover, given the potential opportunity for further consolidation of the beer industry, we are confident in the industry’s outlook. Looking ahead, riding on our leadership position in the industry, as well as greater operational flexibility brought about by the strategic transformation, the Group trusts that it will deliver sustainable profit growth and improvement in the returns on its assets, so as to create higher value to shareholders in the future.”

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About China Resources Beer (Holdings) Company Limited

Listed on The Stock Exchange of Hong Kong Limited, 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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