

For Immediate Release
Press Release

China Resources Beer Announces Interim Results for 2017

“Forging Ahead”

- **Unaudited consolidated turnover of the Group reached RMB15,774,000,000, representing an increase of 3.7% year-on-year.**
- **The Group’s beer sales volume increased by 2.9% to 6,306,000 kiloliters as compared with the same period last year. The performance was better than the industry average.**
- **The Company completed the acquisition of a 49% stake in China Resources Snow Breweries Limited on 11 October 2016, the benefit of which has started to be fully reflected since the first half of 2017. Upon completion of the acquisition, the Company’s share of China Resources Snow Breweries Limited’s profit increased from 51% in the first half of 2016 to 100% in the first half of 2017. Thus the Group’s unaudited consolidated profit attributable to the Company’s shareholders increased by 93.4% to RMB1,170,000,000, as compared with the same period last year.**
- **The Board of Directors recommended an interim dividend of RMB0.07 per share.**

[Hong Kong, 21 August 2017] **China Resources Beer (Holdings) Company Limited** (the “Company”, or together with its subsidiaries, the “Group”; stock code under The Stock Exchange of Hong Kong Limited: 00291), today announced its unaudited interim results for the six months ended 30 June 2017. In the first half of 2017, consolidated turnover of the Group reached RMB15,774,000,000, representing an increase of 3.7% year-on-year. The Company completed the acquisition of a 49% stake in China Resources Snow Breweries Limited (“CRSB”) on 11 October 2016, the benefit of which has started to be fully reflected since the first half of 2017. Upon completion of the acquisition, the Company’s share of CRSB’s profit increased from 51% in the first half of 2016 to 100% in the first half of 2017. Thus the Group’s consolidated profit attributable to the Company’s shareholders increased by 93.4% to RMB1,170,000,000, as compared with the same period in previous year. The Board of Directors recommended an interim dividend of RMB 0.07 per share.

In the first half of 2017, the overall beer market capacity saw a slight uptick due to the positive prospects of the overall Chinese economy, the increased spending power of consumers and the relatively hot weather. Consumer’s growing demand for high-quality products also boosted the upgrade of product mix in the beer market. The beer sales volume of the Group increased by 2.9% to approximately 6,306,000 kiloliters as compared with the same period last year. The

performance was better than the industry average and the Group's market share was further increased. This was mainly on account of CRSB's tailored sales strategies to the local market, established closer long-standing cooperative relationships with distributors and expansion in market coverage through reinforced brand promotions. The national brand “雪花 Snow” accounted for approximately 90% of the total beer sales volume of the Group.

The Group continued to deepen its brand promotion and market expansion, and the overall sales volume of mid- to high-end beer products kept growing. This led to an increase in overall average selling price by approximately 0.8% in the first half of 2017 as compared with the same period last year. The Group was able to maintain its gross profit margin at adequate levels by increasing its production efficiency, improving energy conservation and reducing consumption to absorb the impact of certain rising costs, such as packaging materials. Besides that, the increase of certain operating costs such as transportation costs caused total operating expenses increased by 6.1% as compared with the same period last year. As at the end of June 2017, the Group operated 98 breweries in 25 provinces, directly administered municipalities and autonomous regions in mainland China, with an aggregate annual production capacity of approximately 22,000,000 kiloliters.

Mr. Chen Lang, the Chairman of the Company said: “The Group will continue to enhance its product mix, manage its sales and production plans meticulously, and increase its proportion in mid- to high-end and canned beer products, so as to meet the customer's demand for high-quality products. Besides, the Group will upgrade its brand portfolio and improve the competitiveness of its high-end brands through promotion of brand repositioning. In terms of cost and expenses, the Group will make an assessment of the situation, reinforce central procurement, improve logistics management and formulate suitable mid- to long-term production capacity optimization plans through innovative marketing and lean sales, so as to improve overall efficiency. Moreover, the Group will advance by way of both organic expansion and grasping appropriate acquisition opportunities for market consolidation, in order to reinforce its market leadership in China and enhance its core competitiveness. This is the first year since the Company has completed the acquisition of a 49% stake in CRSB which became wholly owned. Though we have to come across short-term challenges brought by the cost pressures, the Group believes that it can continue to make steady progress and become a trusted and beloved beer enterprise thanks to its established well-rounded strategy, the past experience and strong execution ability of its management team and its healthy financial management.”

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. The overall total beer sales volume of the Group's has ranked number one in the 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 2017 interim 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.