

For Immediate Release

Press Release

China Resources Beer Announces the Strategic Partnership with Heineken

Winning Together

- The parent of CR Beer, CRH (Beer) Limited (CBL), announced that they had entered into heads of terms (or CRE Heads of Terms) with Heineken on the formation of a strategic partnership for mainland China, Hong Kong and Macau. CBL will issue new CBL shares to Heineken for a total consideration of HK\$24.35 billion which represents a 40% interest (as enlarged by such allotment and on a diluted basis) in CBL. Concurrently, CRE will also acquire treasury shares in Heineken N.V. representing 0.9% shareholding.
- CR Beer announced that they had entered into non-binding heads of terms (Heads of Terms) for the establishment of a strategic partnership with Heineken Group. Through the partnership, i) Heineken will grant the Company a license to use the Heineken brand on an exclusive basis in mainland China, Hong Kong and Macau, ii) The Company will combine Heineken's China businesses at cash consideration of around HK\$2.35 billion (on a debt-free and cash-free basis at completion), iii) Heineken will exclusively license other international premium brands to the Company in mainland China, Hong Kong and Macau, and iv) The Company and Heineken will work together for the international development of the Company's Chinese beer brands
- The current partnership along with its associated transactions provides an important opportunity for CR Beer to strengthen its presence in the premium beer market in China and creates potential value uplift for both partners

[Hong Kong, 3rd August 2018] **China Resources Beer (Holdings) Company Limited** (HKEx stock code: 00291) (the “Company”, or together with its subsidiaries, the “Group”), together with its parent, CBL, today announced, through CRE Heads of Terms entered into between CRE and Heineken, have formed a strategic partnership for mainland China, Hong Kong and Macau through below items: (i) the allotment by CBL to the Heineken Group of such number of new CBL shares as will represent 40% of the issued share capital in CBL as enlarged and on a diluted basis at a total cash consideration of approximately HK\$24.35 billion; and (ii) the acquisition by CRE of approximately 5.2 million Heineken N.V. shares (equivalent to an approximate 0.9% shareholding in Heineken N.V.) which are currently held in treasury at a total cash consideration of approximately €463.63 million.

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A Member of CR Enterprise

CR Beer has also entered into Heads of Terms with Heineken for the establishment of a strategic partnership. Under the Heads of Terms, Heineken Group will license the exclusive rights to use the Heineken brand in mainland China, Hong Kong and Macau. Heineken will combine its China business with CR Beer at cash consideration of around HK\$2.35 billion (on a debt-free and cash-free basis at completion). Concurrently, the Company and Heineken will also enter into framework agreement to accelerate the international growth of the Company's beer brands and to govern the use of other premium brands owned by the Heineken Group which may be licensed to the Company in mainland China, Hong Kong and Macau.

This partnership represents an important and strategic opportunity for the Company to strengthen its presence in the premium beer market and is also in line with the Company's strategy to focus on premiumisation as mentioned in the 2017 annual report. China is now one of the largest premium beer markets globally and is forecasted to be the biggest contributor to premium volume growth in the next five years driven by its rapidly growing middle class. The strengths of the Company and Heineken are highly complementary and the partnership has significant potential for value creation for both partners. The Company has the leading distribution network and brewing facilities in China with a deep understanding of the Chinese consumer, while Heineken has proven premium brand building capabilities and a world-class iconic brand portfolio. Furthermore, the partnership will also help the Company to significantly expand its international presence.

Aforementioned CR Beer transactions are subject to the completion of further due diligence, negotiation and signing of legal documents.

Mr Chen Lang, Chairman of the Company said "We are very excited about this partnership and see immense potential in the combined strengths of CR Beer and Heineken. With Heineken's long heritage and world-class iconic brand portfolio, along with our leading presence and deep understanding of China, we believe we can win together in this new era of the Chinese beer market, in which the premium segment will become increasingly important. In Heineken we have found the perfect partner to achieve our ambitions in China and - as an international partner - to support us in growing our business outside China."

Mr Jean- François van Boxmeer, Chairman of the Executive Board & CEO of Heineken said: "We very much look forward to joining forces with CRE and CR Beer, the undisputed market leader in China. We believe that our strong Heineken® brand and marketing capabilities, combined with CR Beer's deep understanding of the local market, its scale and best-in-class

distribution network will create a winning combination in the growing premium beer segment in China. We look forward to working together with CRE's leadership in our newly formed Strategic Advisory Council, and supporting CR Beer in its ambition to internationalise."

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 beer business has ranked number one in the mainland China market since 2006. The flagship brand "雪花 Snow" is the largest beer brand by volume worldwide.

About Heineken Group

Heineken is the world's most international brewer. It is the leading developer and marketer of premium beer and cider brands. Led by the Heineken® brand, the Group has a portfolio of more than 300 international, regional, local and specialty beers and ciders. We are committed to innovation, long-term brand investment, disciplined sales execution and focused cost management. Through "Brewing a Better World", sustainability is embedded in the business and delivers value for all stakeholders. Heineken has a well-balanced geographic footprint with leadership positions in both developed and developing markets. We employ over 80,000 employees and operate breweries, malteries, cider plants and other production facilities in more than 70 countries.

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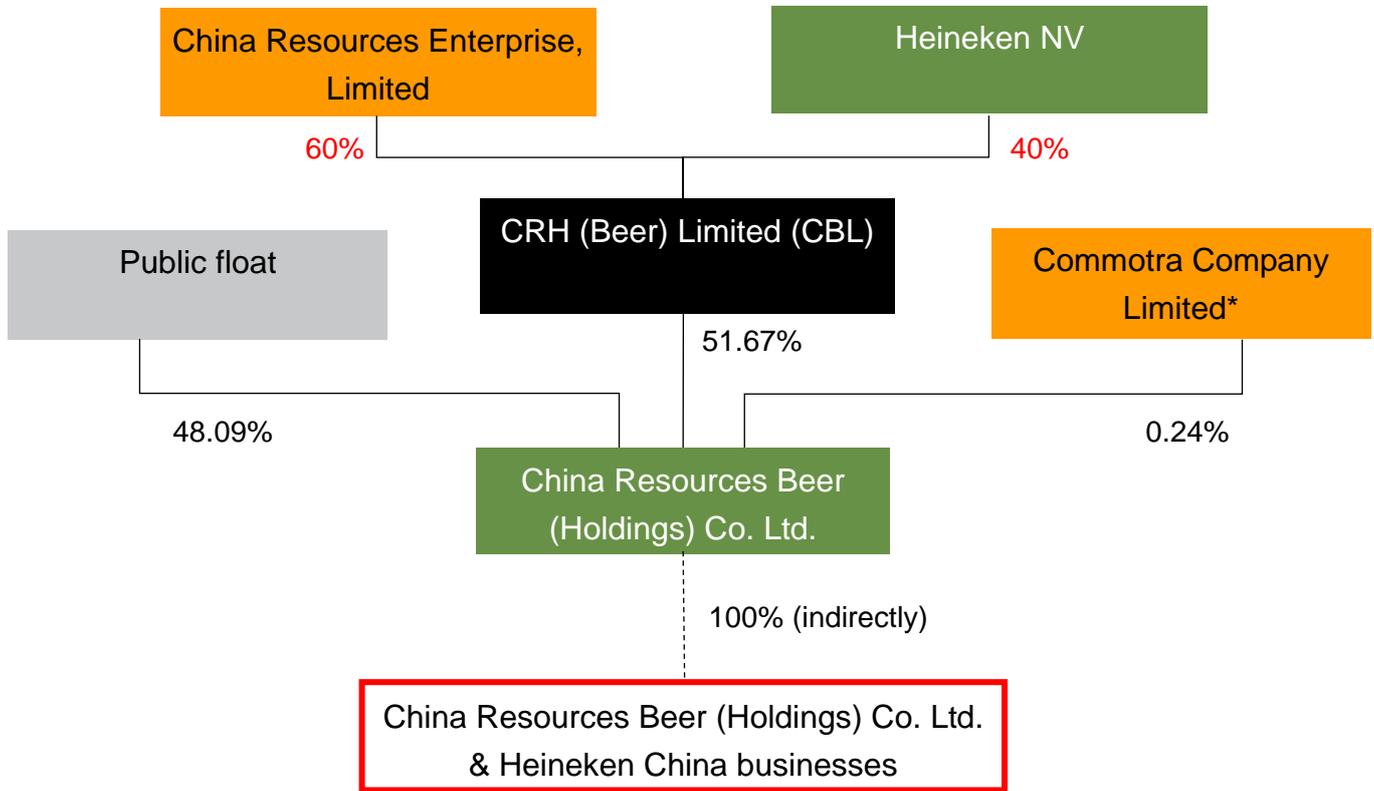
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Appendix

CBL shareholder structure after transaction



* Commotra Company Limited is beneficially wholly-owned subsidiary of China Resources (Holdings) Company Limited