

For Immediate Release  
Press Release

## China Resources Beer Announces Interim Results for 2019

### *Continuous Quality Growth*

- **The unaudited consolidated turnover of the Group increased by 7.2% to RMB18,825,000,000. The Group's earnings before interest and taxation and the profit attributable to the Company's shareholders amounted to RMB2,632,000,000 and RMB1,871,000,000 respectively, representing an increase of 27.5% and 24.1% year-on-year respectively.**
- **The overall sales volume of the Group outperformed the market, delivering a 2.6% year-on-year growth to approximately 6,375,000 kiloliters. Benefitting from the brand repositioning strategy, further upgrade of product mix and contribution from the acquisition of Heineken China, the sales volume of the mid- to high-end beer expanded by 7.0%. The overall average selling price of the Group increased by 4.5% year-on-year.**
- **Through the cost of sales increased due to the rising cost of certain raw materials and further upgrade of product mix, the Group's gross profit recorded a growth of 12.7% year-on-year to RMB7,125,000,000.**
- **The Group completed the acquisition of Heineken China on 29 April 2019 and began the long-term strategic partnership with Heineken Group.**
- **The Board recommended an interim dividend of RMB0.12 per share.**

Hong Kong, 16 August 2019 **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 2019. In the first half of 2019, consolidated turnover of the Group reached RMB18,825,000,000, representing an increase year-on-year of 7.2%. During the period under review, consolidated profit attributable to the Company's shareholders increased by 24.1% to RMB1,871,000,000. The earnings before interest and taxation recorded an increase year-on-year of 27.5% to RMB 2,632,000,000. The Board recommended an interim dividend of RMB0.12 per share.

**Mr. Hou Xiaohai, Chief Executive Officer of the Company,** said, “The premium beer market in China continued to expand. The Group stayed focused on our three major management themes – “Innovative Development, Transformation and Upgrade, Quality Growth”. We implemented and achieved good progress in a series of key strategic measures. During the period under review, the Group completed the acquisition of Heineken China businesses, and launched long-term strategic partnership with the Heineken Group. This long-term strategic partnership will help the Group capture the opportunities in the rapidly growing premium beer market in China. ”

In the first half of 2019, benefitting from consumption upgrade, the overall beer market volume grew compared with the same period last year. The Group’s overall sales volume outperformed the market, delivering a 2.6% year-on-year growth to approximately 6,375,000 kiloliters. Benefitting from the brand repositioning strategy, the sales volume of the mid- to high-end beer expanded by 7.0% year-on-year. The Group’s overall average selling price increased by 4.5% compared with the same period last year, while the cost of sales also increased due to the rising cost of certain raw materials and further upgrade of product mix. Combining the above factors, the gross profit in the first half of 2019 recorded a growth of 12.7% year-on-year to RMB7,125,000,000.

The Group launched mid- to high-end product, MARRSGREEN, in April 2019, together with our high-end beer product, “Craftsmanship”, and our mid to high-end beer product, “Brave the World superX” launched last year, and invested more in advertisement. In addition with the impact of the acquisition of Heineken China businesses, the Group's overall selling and distribution expense in the first half of 2019 increased by 13.3% compared with the same period last year. The Group also continued to pursue capacity optimization and organizational restructuring, and the relevant staff compensation and resettlement expenses of approximately RMB 348,000,000 (2018: approximately RMB 88,000,000). The recognized impairment loss of fixed assets and inventories for the first half of 2019 were RMB88,000,000 and RMB138,000,000, respectively. The general and administrative expenses in the first half of 2019 was decreased by 4.3% year-on-year as a result of the impact of staff compensation and resettlement, an one-off annuity provision of its staff cost that the Group accrued for

2017 in the first half of 2018 of approximately RMB 174,000,000, decrease in staff costs and reduction in impairment loss recognised.

During the period under review, one brewery ceased operation. In the meantime, three breweries were added after the acquisition of Heineken China businesses. As of the end of June 2019, the Group operated 80 breweries across 25 provinces, municipalities and autonomous regions in Mainland China, with an aggregate annual production capacity of approximately 21,600,000 kiloliters.

In terms of execution of the premiumization strategies, the share acquisition of the Heineken China was completed on 29 April 2019, and the Heineken trademark licensing agreement and framework agreement also became effective on the same date. This long-term strategic partnership will help the Group capture the opportunities in the rapidly growing premium beer market in China and enhancing our value. The Group will continue to focus on promoting the integration of the Heineken China businesses.

Looking into the future, the competition in the industry is expected to remain intense. Honoring the key management themes, the Group will continue to implement a series of strategic measures. The Group's financial performance is expected to be affected by the implementation of production capacity optimization and organizational restructuring continuously.

**Mr. Jian Yi, Executive Director of the Company**, said, "The Group continues to hold firmly of our three key management themes and related strategic measures, proactively develop new products, diversify our product portfolio and satisfy consumers' demand for premium, personalized and differentiated products. We look forward to partnering with all stakeholders to make the Group a trusted and beloved beer enterprise. "

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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.

For further information, please contact:

**China Resources Beer (Holdings) Company Limited**

Mr. Vincent Tse, Director  
Investor Relations Department  
Tel: +852 2829 8407  
Mobile: +852 9861 1983  
Email: [vincent.tse@cre.com.hk](mailto:vincent.tse@cre.com.hk)

Mr. Kevin Leung, Deputy General Manager  
Investor Relations Department  
Tel: +852 2829 9899  
Mobile: +852 6906 2830  
Email: [kevin.leung@cre.com.hk](mailto:kevin.leung@cre.com.hk)

**Hill + Knowlton Strategies Asia**

Ms. Cora Wan  
Tel: +852 2894 6226  
Mobile: +852 9877 4860  
Email: [cora.wan@hkstrategies.com](mailto:cora.wan@hkstrategies.com)

Ms. Bernice Cheung  
Tel: +852 2894 6232  
Mobile: +852 6330 7057  
Email: [bernicecheung@hkstrategies.com](mailto:bernicecheung@hkstrategies.com)

Full details of our 2019 interim results have been posted on the designated website of Hong Kong Exchanges and Clearing Limited at [www.hkexnews.hk](http://www.hkexnews.hk) and the corporate website at [www.crbeer.com.hk](http://www.crbeer.com.hk).