

For Immediate Release

Press Release

China Resources Beer Acquires 55.19% Equity Interest in Guizhou Jinsha Winery *Further Expanding the Chinese Baijiu Business*

[Hong Kong, 25 October 2022] **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) is pleased to announce today that China Resources Wine Holdings Limited 華潤酒業控股有限公司, an indirect wholly-owned subsidiary of the Company, has agreed to acquire 55.19% equity interest in Guizhou Jinsha Jiaojiu Winery Industry Co., Ltd. 貴州金沙窖酒酒業有限公司 (“Guizhou Jinsha Winery”). The total amount of consideration for the acquisition is RMB12.3 billion, which comprises approximately RMB1.0 billion for capital increase and approximately RMB11.3 billion for share purchase. After completion of the capital increase and the share purchase, the results, assets and liabilities of Guizhou Jinsha Winery will be consolidated into the Company’s financial statements.

Guizhou Jinsha Winery, an established Chinese baijiu manufacturer based in Guizhou, China, is primarily engaged in the design, production and distribution of Chinese baijiu products in China. It distributes its sauce-flavor baijiu products primarily under the brand series of “Zhaiyao” and “Jinsha Huisha”. With over 70 years of experience since 1951, Guizhou Jinsha Winery has accumulated extensive experience and established a high-quality baijiu brand image in the domestic market. Net profit after taxation of Guizhou Jinsha Winery for the year ended 31 December 2021 and six months ended 30 June 2022 were approximately RMB1.3 billion and RMB0.7 billion, respectively. Its net asset value as at 31 December 2021 and 30 June 2022 were approximately RMB0.3 billion and RMB1.0 billion, respectively.

In 2021, the Group entered into an investment in Shandong Jingzhi Baijiu Co., Ltd 山東景芝白酒有限公司, which enabled the Group to tap into the baijiu market in China. The acquisition of Guizhou Jinsha Winery represents the Group’s continuous effort in seeking potential business development in the baijiu market, striving to diversify its product mix of alcoholic beverages and expand its source of revenue. The Group believes that the acquisition of the controlling stake of this high-quality baijiu assets is a scarce opportunity, and the high profit margin and strong operating cash flow of Guizhou Jinsha Winery will significantly enhance the Group’s profitability and valuation.

The completion of the acquisition is subject to approval from the relevant government authority and execution of further transaction documentation.

Mr. Hou Xiaohai, Executive Director and Chief Executive Officer of the Company, said, "The acquisition of Guizhou Jinsha Winery is a key initiative of the Group's strategic plans for the baijiu market. It reflects the results of the Group's focus on its alcoholic beverages business, as well as its efforts to facilitate the cooperation between the central and local governments, and to expand its core business. The acquisition also represents our steady progress in the development of non-beer alcoholic beverages. Guizhou Jinsha Winery has a long brewing history and cultural heritage which features unique sauce flavor, presenting extraordinary development potential. We believe the Company can revitalize Guizhou Jinsha Winery through talent team building, brand development, channel networking and lean management. Looking ahead, we will integrate our existing baijiu business resources and further strengthen the Group's competitiveness and brand value within the Chinese baijiu industry through a 'dual empowerment' model to develop both beer and non-beer businesses at the same time. Meanwhile, we will continue to stride forward to our strategy of 'winning at premium segment', and uphold our mission of 'leading industrial development, brewing a better life'!"

About China Resources Beer (Holdings) Company Limited

Listed on the Stock Exchange of Hong Kong Limited (stock code: 00291) and one of the constituent stocks of the Hang Seng Index in Hong Kong, the Company focuses on the manufacturing, sales and distribution of beer products.

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The relevant details are published on the website of the Company www.crbeer.com.hk.