

For Immediate Release

Press Release

China Resources Beer Announces Interim Results for 2024 “Step into the 30th Anniversary and Raise a Toast to the New World”

- The unaudited consolidated turnover of the Group in the first half of 2024 was RMB23,744,000,000, benefiting from the continuous development of its premiumisation strategy in the beer and baijiu businesses. The Group's profit attributable to shareholders amounted to RMB4,705,000,000 in the first half of 2024, representing an increase of 1.2% when compared to the same period last year. During the period under review, the Group's net cash from operating activities increased by 25.6% year-on-year, demonstrating the Group's solid cash-generating capability.
- In respect of the beer business, overall beer sales volume decreased by 3.4% year-on-year to approximately 6,348,000 kilolitres, outperforming some of the largest beer companies. The Group's premium beer products continued to perform strongly. In the first half of 2024, the proportion of sales volume of the mid-end beer segment and above in the first half of a year exceeded 50% for the first time. In addition, sales volume of the sub-premium beer segment and above achieved a single-digit increase as compared to the same period last year, with the sales volume generated from e-commerce channels recorded an approximately 60% increase as compared to the same period last year. Notably, the sales volume of the premium beer segment and above recorded an increase of over 10% compared to the same period last year, with sales volume of products including “Heineken®”, “Lao Xue” and “Amstel” all recording an increase of over 20% compared to the same period last year.
- The ongoing premiumisation strategy drove a year-on-year increase of 2.0% in the average selling price of the beer products. Moreover, lower costs for certain packaging materials contributed to an increase of 0.6 percentage point in the gross profit margin of the Group's beer business to 45.8% in the first half of 2024. The Group adopted various cost-reduction and efficiency-enhancing measures, thus operating expenses of its beer business remained largely unchanged compared to the same period last year. The Group's beer business achieved earnings before interest and taxation (“EBIT”) of RMB 6,365,000,000, representing an increase of approximately 2.6% compared to the same period last year. Excluding the impairment loss on fixed assets and one-off compensation and settlement expenses in relation to capacity optimisation, EBIT of the Group's beer business doubled compared to the first half of 2019 before the pandemic, and the EBIT margin improved significantly by over 10 percentage points to 28.3%, hitting a record high.
- In respect of the baijiu business, the Group generated an unaudited consolidated turnover of RMB1,178,000,000 in the first half of 2024, representing an increase of approximately 20.6% compared to the same period last year. This performance drove an increase of 2.1 percentage points in the gross profit margin to 67.6%. Sales of the Group's baijiu business expanded rapidly, with the sales volume of its nationwide

premium single product, “Zhaiyao”, increased by over 50% compared to the same period last year, contributing approximately 70% of the turnover of the baijiu business.

- Looking ahead to the second half of 2024, in face of the rapidly changing market environment, the Group will prioritise growth as its primary strategy and uphold a long-term perspective, aiming to achieve high-quality development. The Group will also actively deepen the dual empowerment model for “beer + baijiu” businesses, and increase its efforts to control capital expenditure, striving to achieve annual turnover and profit growth.
- The Board of Directors has declared an interim dividend of RMB0.373 per share, representing an increase of 30% compared to same period last year, aiming to share the fruits of success with the shareholders.

[Hong Kong, 19 March 2024] China Resources Beer (Holdings) Company Limited (“CR Beer” or the “Company”, or together with its subsidiaries, the “Group”; stock code under the Stock Exchange of Hong Kong Limited: 291 (HKD counter) and 80291 (RMB counter)) announced today its unaudited interim results for the six months ended 30 June 2024. The unaudited consolidated turnover of the Group in the first half of 2024 was RMB23,744,000,000, benefiting from the continuous development of its premiumisation strategy in the beer and baijiu businesses. In the first half of 2024, the Group’s gross profit margin and earnings before interest, taxation, depreciation and amortisation (“EBITDA”) margin both increased by 0.9 percentage points year-on-year to 46.9% and 31.7%, respectively. The Group’s profit attributable to shareholders amounted to RMB4,705,000,000 in the first half of 2024, representing an increase of 1.2% when compared with the same period last year. During the period under review, the Group’s net cash from operating activities increased by 25.6% year-on-year, demonstrating the Group’s solid cash-generating capability. On 10 January 2023 (the “Completion Date”), the Group completed the transfer of 55.19% equity interest of Guizhou Jinsha Jiaojiu Winery Industry Co., Ltd.* (貴州金沙窖酒酒業有限公司, “Guizhou Jinsha”). As a result, Guizhou Jinsha has become an indirect non-wholly owned subsidiary of the Group and has been included in the Group’s consolidated financial statement since the Completion Date.

Mr. Hou Xiaohai, Executive Director and Chairman of the Board, said, “2024 marks the 30th anniversary of CR Beer. It is also a pivotal year of the final three-year phase of the Company’s ‘3+3+3’ corporate development strategy, which is crucial for implementing the ‘Winning at Premiumisation’ strategy. In the first half of 2024, the proportion of sales volume of the mid-end beer segment and above in the first half of a year exceeded 50% for the first time, while recurring profit also hit a record high. Over the past three decades, CR Beer has accumulated extensive experience in the alcoholic beverage industry and built unique core competencies. In 2024, the

Group continues to prioritise growth as its primary strategy and leverages its dual empowerment model of ‘beer + baijiu’, aiming to strengthen the Company's foundation, enhance its operational management capabilities, in order to effectively address the challenges presented by the “New World” of the consumer industry. The Group also increases its efforts to control capital expenditure, striving to achieve annual turnover and profit growth. Looking ahead, in face of the rapidly changing market environment, the Group will uphold a long-term perspective, aiming to achieve high-quality development. The Group will continue to promote the ‘new world of beer’ and the ‘new world of baijiu’, further developing the high-end market through multiple dimensions, including brand, quality, product and culture. As the overall consumer market undergoes profound transformations, the Group remains confident in the prospects for premiumisation and high-quality growth in China's consumer goods sector. Let us join hands to ‘step into the 30th anniversary, and raise a toast to the new world!’.

Beer Business

Facing with a complex and volatile market environment, high base effect from the first half of last year, the impact of higher-than-usual rainfall in some regions in the first half of this year, and the capacity contraction in the lower-end market, the Group's overall beer sales volume in the first half of 2024 decreased by 3.4% year-on-year to approximately 6,348,000 kilolitres, outperforming some of the largest beer companies. However, the Group's premium beer products continued to perform strongly. In the first half of 2024, the proportion of sales volume of the mid-end beer segment and above exceeded 50% for the first time. In addition, sales volume of the sub-premium beer segment and above achieved a single-digit increase as compared to the same period last year, with the sales volume generated from e-commerce channels recorded an approximately 60% increase as compared to the same period last year. Notably, the sales volume of the premium beer segment and above recorded an increase of over 10% compared to the same period last year, with sales volume of products including “Heineken®”, “Lao Xue” and “Amstel” all recording an increase of over 20% compared to the same period last year, while sales volume of key product “Snow Draft Beer” also achieved a positive year-on-year growth.

The unaudited consolidated turnover of the Group's beer business in the first half of 2024 was RMB 22,566,000,000. The ongoing premiumisation strategy drove a year-on-year increase of 2.0% in the average selling price of the beer products. Moreover, lower costs for certain packaging materials contributed to an increase of 0.6 percentage point in the gross profit margin of the beer business to 45.8% in the first half of 2024. The Group upheld the concept of “austerity” and adopted various cost-reduction and efficiency-enhancing measures to control operating

expenses. Operating expenses of the Group's beer business in the first half of 2024 remained largely unchanged compared to the same period last year. The Group's beer business achieved earnings before interest and taxation ("EBIT") of RMB 6,365,000,000 in the first half of 2024, representing an increase of approximately 2.6% compared to the same period last year, while EBIT margin increased by 1.1 percentage point to 28.2%.

In the first half of 2024, the Group's impairment loss on fixed assets and one-off staff compensation and settlement expenses in relation to capacity optimisation were approximately RMB 19,000,000 (for the first half of 2023: RMB 94,000,000). Excluding such expenses, EBIT of the Group's beer business doubled compared to the first half of 2019 before the pandemic, and the EBIT margin improved significantly by over 10 percentage points to 28.3%, hitting a record high.

During the period under review, the Group continued to optimise its production capacity deployment and ceased operation of one brewery while setting up one new intelligent factory in Jinan City, Shandong Province, which has already been put into operation. As at 30 June 2024, the Group operated 62 breweries in 24 provinces, municipalities and autonomous regions in Mainland China, with an aggregate annual production capacity of approximately 19,400,000 kilolitres.

In respect of Chinese brand and product promotion, the Group launched the rebrand and upgrade of "Brave the World superX" in the first half of 2024. Regarding the brand promotion, the Group successfully held the "Brave People are Always 18" campaign, generating phenomenal popularity. In addition, the Group's collaborations with the major annual drama "Always on the Move" and the nationwide campaigns "Chinese New Year is Only Complete with Snow" and "Classic Lao Xue - Challenge Accepted" further strengthened brand building efforts. In respect of international brand promotion, the Group continued to actively expand into new regions and sales channels. The Group also engaged in sports marketing initiatives, with campaigns centred around "F1", "the UEFA Champions League", "UEFA European Football Championship", "ATP" and "Heineken Soundscape", thereby attracting young consumer groups and driving the sustained high growth of the "Heineken®" brand.

Looking ahead, in the face of the new normal in the consumer market, the Group will uphold a high-quality development and long-term perspective, and continue to implement the strategic theme of "Excellence in Development for Winning at Premiumisation". The Group remains committed to a market-centric, consumer-centric, and customer-centric approach, fostering win-

win partnerships, and forging a common future with the suppliers, in order to navigate the evolving landscape, challenges, and goals together. Through innovative marketing models and product concepts, the Group will enhance its competitive position and continue to lead the development of the industry, striving to “become the leader of the new world of the beer industry”.

Baijiu Business

In respect of expanding its non-beer businesses, the Group has completed the transfer of 55.19% equity interest in Guizhou Jinsha in 2023. The Group’s baijiu business generated an unaudited consolidated turnover of RMB1,178,000,000 in the first half of 2024, representing an increase of approximately 20.6% compared to the same period last year. This performance drove an increase of 2.1 percentage points in the gross profit margin to 67.6% in the first half of 2024. Sales of the Group’s baijiu business expanded rapidly, with the sales volume of its nationwide premium single product, “Zhaiyao”, increased over 50% compared to same period last year, contributing approximately 70% of the turnover of the baijiu business. EBITDA of the Group’s baijiu business was RMB413,000,000, remaining largely unchanged compared to the same period last year.

Since the completion of the acquisition, the Group has actively promoted the post-investment integration, empowerment, and improvement of Guizhou Jinsha. In terms of products, the Group continued to drive product innovation and upgrades, launching “Zhaiyao 3.0”, “Zhaiyao Song Lyrics series”, “Jinsha Classic”, and unpackaged product series to cater to the needs of the diverse consumer groups. In terms of business promotion, the Group’s key focus areas include “adhering to large single products, focusing on core markets, developing connections with genuine key distributors, price control, inventory control, quality enhancement, consumer education, supplier relationship building, and digitisation construction”. These efforts aim to align with consumer trends and navigate industry cycles. In terms of management, the Group firmly promotes the models of dual empowerment of “beer + baijiu” businesses and mutual growth of “baijiu + baijiu” businesses. The Group has also introduced CR Beer’s marketing philosophy, management model, and experience to form management empowerment.

Looking ahead, the Group will continue to position itself to become “an explorer of the new world of the baijiu industry”, and to learn from renowned baijiu enterprises, aiming to explore and lead industry transformation. The Group will continue to build a unique dual empowerment model for its “beer + baijiu” businesses under a market-oriented mechanism, with a focus on four main advantages: experience in development, resources, management mechanisms within the company, and listed platforms established by CR Beer. With that in mind, we will utilise the

respective strengths of CR Beer, CR Snow, and CRWH to form a three-pronged driving force that will achieve mutual empowerment and synergies across several key areas. These areas include organisational structure, talent, sales, branding, supply chain, manufacturing, technological innovation, digitalisation, financial and tax, legal, and risk control aspects, resulting in new and enhanced competitiveness for CRWH. In addition, the Group will collaborate with its channel partners and forge a common future with the suppliers, aiming to elevate brand value and market position together, drive the steady development and sustained growth of the business, and enhance core competitiveness. Let's raise a toast to the new world of the baijiu industry..

** English name is for identification purpose only*

About China Resources Beer (Holdings) Company Limited

Listed on The Stock Exchange of Hong Kong Limited (stock code: 291 (HKD Counter) and 80291 (RMB Counter)) and one of the constituent stocks of the Hang Seng Index in Hong Kong, the Company focuses on the manufacturing, sales and distribution of alcoholic beverages.

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