

For Immediate Release

Press Release

## **China Resources Beer Announces Annual Results for 2024 “At Our 30th Anniversary, We Are Getting Better and A better Tomorrow Awaits”**

- The consolidated turnover of the Group in 2024 was RMB38,635,000,000, benefiting from the continuous development of its premiumisation strategy in the beer and baijiu businesses. In 2024, the Group's gross profit margin increased by 1.2 percentage points year-on-year to 42.6%, reaching a five-year high. Excluding the impairment loss on fixed assets in relation to capacity optimisation and one-off staff compensation and settlement expenses of RMB36,000,000 (2023: RMB141,000,000), as well as the special income of RMB266,000,000 from government grants and profit on disposal of interests in leasehold land in the second half of the year (2023: RMB937,000,000), the Group's EBIT increased by 2.9% year-on-year to RMB6,344,000,000. In addition, the Group demonstrated solid cash-generating capability, with net cash from operating activities increasing by 67.0% year-on-year to RMB6,928,000,000 in 2024.
- Facing a volatile internal and external market environment and fluctuating volumes characterised by evolving consumer preferences, the Group achieved beer sales volume of approximately 10,874,000 kilolitres in 2024, outperforming major competitors. The Group's premiumisation development continued to gain momentum, with the sales volume of the premium beer segment and above increasing by over 9% compared to the same period last year. Notably, “Heineken®” recorded nearly 20% growth despite a high base from the previous year, while “Lao Xue” and “Amstel” basically doubled their sales volume. According to internal estimation, the Group's influence in the premium market has further increased and the sales volume of premium beer has been ranked among the top in the industry.
- The turnover of the Group's beer business in 2024 was RMB36,486,000,000. The ongoing premiumisation strategy drove a year-on-year increase of 1.5% in the average selling price, contributing to a 0.9 percentage point increase in the gross profit margin of the Group's beer business to 41.1% in 2024. Excluding the impairment loss on fixed assets in relation to capacity optimisation and one-off staff compensation and settlement expenses of RMB36,000,000 (2023: RMB141,000,000), as well as the special income of RMB261,000,000 from government grants and profit on disposal of interests in leasehold land in the second half of the year (2023: RMB874,000,000), the EBITDA of the Group's beer business increased by 2.4% year-on-year to RMB7,881,000,000 in 2024.
- In respect of the baijiu business, against the background of the profound adjustments in the baijiu industry, the Group's baijiu business achieved a year-on-year turnover increase of 4.0 percentage points to RMB2,149,000,000. Significant achievements were made in cost control, enhancing product profitability and driving a year-on-year increase in gross profit margin of 5.6 percentage points to 68.5%. The Group implemented a “single product matrix” strategy, with sales volume of the premium

single product “Zhaiyao” increasing by 35% compared to the same period last year, contributing over 70% of the turnover of the baijiu business. Excluding the special income from government grants in the second half of the year, the Group’s EBITDA of the baijiu business increased by nearly 8% year-on-year to RMB847,000,000.

- Looking back at the first four years of the “14th Five-Year Plan” period, despite facing challenges such as the pandemic and changes in the macroeconomic environment, the Group remained committed to promoting premiumisation and high-quality development while maintaining overall stability and the results were fruitful. The Group’s consolidated turnover from 2020 to 2024 increased by over RMB7,000,000,000, and the market share of the beer business has also increased. Sales volume of the sub-premium beer segment and above significantly increased from 1,460,000 kilolitres in 2020 to over 2,500,000 kilolitres in 2024. Notably, sales volume of “Heineken®” increased more than two-fold. Over the past four years, the Group’s EBITDA increased by 85.0%, while the growth rate of profit attributable to shareholders was even more remarkable, increasing by over two-fold and reaching 126.3%.
- In the first two months of 2025, preliminary statistics shows that the Group achieved single-digit growth in beer sales volume despite a high base from the previous year, with its continued development in premiumisation. Among which, sales volume of “Heineken®” maintained a strong double-digit growth. Benefiting from the growth in turnover and efforts in cost reduction and efficiency enhancement, the unaudited EBIT of the Group’s beer business for the first two months is expected to grow at a faster pace than turnover. Bolstered by the Chinese New Year at the beginning of 2025, the performance in the first two months laid a solid foundation for its full-year performance, despite a high base from the previous year. With the national policies to boost consumer spending, steady economic growth, a lower sales volume base anticipated in the following months, and a firm commitment to the “Three Refinements” cost and expense management strategy, the Group is increasingly confident in achieving turnover growth and a relatively fast recovery in profits for its beer business in 2025. The Group maintains a cautiously optimistic outlook for its overall performance.
- The Board recommends a final dividend of RMB0.387 per share (2023: a final dividend of RMB0.349 per share and a special dividend of RMB0.300 per share). Together with the interim dividend of RMB0.373 per share for the six months ended 30 June 2024, the total dividend for the year 2024 will amount to RMB0.760 per share (2023: RMB0.936 per share) in appreciation of the Shareholders’ support to the Group.

[Hong Kong, 18 March 2025] China Resources Beer (Holdings) Company Limited (the “Company” or “CR Beer”, 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 audited consolidated results for the year ended 31 December 2024. The consolidated turnover of the Group in 2024 was RMB38,635,000,000, benefiting from the continuous development of its premiumisation strategy in the beer and baijiu businesses. In 2024, the Group’s gross profit margin increased by 1.2 percentage points year-on-year to 42.6%, demonstrating enhanced

product profitability and reaching a five-year high. The Group received higher amounts of government grants and profit on disposal of interests in leasehold land in the second half of 2023. In order to better demonstrate its operating results, the Group has also defined government grants and profit on disposal of interests in leasehold land in the second half of 2024 as special income. Excluding the impairment loss on fixed assets in relation to capacity optimisation and one-off staff compensation and settlement expenses, as well as the special income from government grants and profit on disposal of interests in leasehold land in the second half of the year, the Group's EBITDA in 2024 increased by 3.0 percentage points year-on-year to RMB8,694,000,000. The EBITDA margin, excluding the abovementioned factors, increased by 0.8 percentage point year-on-year, reflecting continued improvement in profitability. The Group's net cash from operating activities achieved robust growth during the period under review, reaching another five-year high with 67.0% year-on-year increase to RMB6,928,000,000, another five-year high, fully demonstrating the business's value creation capabilities and providing a solid foundation for Shareholder returns.

**Mr. Hou Xiaohai, Executive Director and Chairman of the Board**, said, "2024 is a year of extraordinary significance for CR Beer, marking the milestone of the Group's 30th anniversary. Over the past three decades, CR Beer has consistently aligned with national development trends and attentively observed changes in the industry, evolving with the times. From 'packing its bag and setting off' in Shenyang to expanding nationwide, it has successfully distinguished itself in the beer industry. In 2017, the Group launched the '3+3+3' premiumisation development strategy, focusing on the key theme of high-quality development. From 2023 to 2025, we are driving the Company towards 'Winning at Premiumisation', achieving continuous improvements in production efficiency, product quality, and corporate efficiency. We are also seizing new opportunities in new product development, technological innovation, and digital transformation."

In 2024, facing a complex and volatile macroeconomic environment, and impacted by numerous uncertain external factors, the Group continued the promotion of high-quality development, thereby achieving solid and positive results in 2024. In the landmark year of 2024, CR Beer successfully held a series of 30th anniversary events, including the honour ceremony and grand opening of BREWTOWN, as well as the completion ceremony of Snow Building, effectively propelling the Group to new heights and showcasing a fresh image."

Looking ahead to 2025, **Mr. Hou** stated, "Despite the continued uncertainty in the macroeconomic environment and the era of industry differentiation and fluctuations in volumes, challenges and opportunities coexist. The Group remains confident in the long-term development of the alcoholic beverage market in China. With the national policies to boost consumer spending, steady

economic growth, a lower sales volume base anticipated in the following months, and a firm commitment to the ‘Three Refinements’ cost and expense management strategy, the Group is increasingly confident in achieving turnover growth and a relatively fast recovery in profits for its beer business in 2025. The Group maintains a cautiously optimistic outlook for its overall performance. In respect of the baijiu business, as the baijiu industry enters a period of adjustment, the Group remains steadfast in its strategic confidence and commitment and will deepen its dual empowerment model for its beer and baijiu businesses, establishing a unique competitive advantage through brand and product innovation, sales model upgrades, and the construction of a common future with its partners. By strengthening technological capabilities, the Group aims to achieve rapid growth for core products, solidify its base product offerings, and drive turnover and profit growth, laying a solid foundation to become ‘the explorer of the new world of the baijiu industry’. CR Beer is ‘packing its bag and setting off again’, adhering to its long-term perspective approach, striving for high-quality development, and actively building agile response capabilities to cope with the ‘New World’ of consumer industry, creating a new world of alcoholic beverage industry that is digital, technological, innovative, lean, diversified, globalised, and ecological, and becoming a ‘leader of the new world of the alcoholic beverage industry’, thereby leading the Group to move towards becoming a world-class alcoholic beverage enterprise.”

## Beer Business

Facing a volatile internal and external market environment and fluctuating volumes characterised by evolving consumer preferences, the Group achieved beer sales volume of approximately 10,874,000 kilolitres in 2024, a year-on-year decrease of 2.5%, outperforming major competitors. In 2024, the Group’s premiumisation development continued to gain momentum, with the sales volume of the premium beer segment and above increasing by over 9% compared to the same period last year. Notably, “Heineken®” recorded nearly 20% growth despite a high base from the previous year, while “Lao Xue” and “Amstel” basically doubled their sales volume in 2024. Sales volume of the premium product “Li” increased by 35% year-on-year. Concurrently, the overall sales volume of the sub-premium beer segment and above, along with its key products, also saw year-on-year growth, with the proportion of sales volume of the mid-end segment and above exceeding 50% for the first time on an annual basis.

The turnover of the Group’s beer business in 2024 was RMB36,486,000,000. The ongoing premiumisation strategy drove a year-on-year increase of 1.5% in the average selling price, contributing to a 0.9 percentage point increase in the gross profit margin of the Group’s beer business to 41.1% in 2024. Excluding the impairment loss on fixed assets in relation to capacity optimisation and one-off staff compensation and settlement expenses of RMB36,000,000 (2023:

RMB141,000,000), as well as the special income from government grants and profit on disposal of interests in leasehold land of RMB239,000,000 and RMB22,000,000 recognised in the second half of the year, respectively (second half of 2023: RMB441,000,000 and RMB433,000,000, respectively), the EBITDA of the Group's beer business increased by 2.4% year-on-year to RMB7,881,000,000 in 2024, while the EBITDA margin, excluding the above mentioned factors, increased by 0.7 percentage point to 21.6%.

The Group continued to optimise its capacity distribution by ceasing operations of two breweries during the reviewing period, while setting up two new intelligent factories in Jinan City, Shandong Province and Xiamen City, Fujian Province. As of the end of 2024, the Group operated 62 breweries in 25 provinces, municipalities, and autonomous regions in Mainland China, with an aggregate annual production capacity of approximately 19,000,000 kilolitres.

In terms of new product launches, the Group introduced the super-premium product "Nong Li" in 2024, launched the premium national barley product "Ken 14" to promote "Chinese Barley, Chinese Beer", and revamped and relaunched "Brave the World superX", achieving sales growth. Moreover, the Group actively embraced new consumption scenarios and models, introducing a diverse product portfolio including "gift sets", "Löwen Rosé", and "Amstel Extra" to meet consumer demand. The Group focused on developing national chain and online businesses, achieving significant breakthroughs, with overall online GMV increasing by over 30% year-on-year in 2024.

In respect of Chinese brand promotion, the Group's "Brave People are Always 18" campaign for the 18th anniversary of Brave the World generated phenomenal popularity in 2024. In addition, the Group's collaboration with the popular drama "Always on the Move" and the brand proposition "Chinese New Year is Only Complete with Snow" resonated deeply with consumers. In respect of international brand promotion, the Group actively developed campaigns centred around "Heineken® Star Wishes for the New Year", the "2024 F1 Chinese Grand Prix", the "UEFA Champions League", the "UEFA European Football Championship", "ATP", and "Heineken® Soundscape", thereby attracting younger consumer groups and driving sustained rapid growth of the "Heineken®" brand.

In respect of ESG, the Group's Liangshan Plant in Sichuan and Bengbu Plant in Anhui received carbon-neutral certification during the reviewing period, and six plants were awarded the "National Green Plant" designation. The Group's MSCI ESG rating improved from BBB to A, positioning it as one at the leading companies in the Chinese alcoholic beverage industry. Furthermore, the Group actively promoted the "National Barley Revitalisation" initiative, building a high-quality national barley industry chain, supporting rural revitalisation, and promoting green agriculture



development, demonstrating its accelerated progress in green and low-carbon initiatives. These actions reflect the Group's commitment to giving back to society and spreading warmth and strength.

Raising a toast to 30 years, stepping into a new world. 2024 marks the 30th anniversary of CR Beer. Having navigated periods of both growth and consolidation, guided by the principle of "Moving forward with the Times", CR Beer has become a leading enterprise in the Chinese beer industry. Looking ahead, in the face of fluctuating consumption, the Group will continue to implement its "Excellence in Development for Winning at Premiumisation" strategy, exploring new opportunities, new businesses, and new growth drivers. The Group will respond agilely to new consumption trends and meet evolving consumer demands, further promoting the "streamlined, precise, and lean" strategy based on the principle of "austerity". By implementing initiatives in digital intelligence, technology, innovation, and green and low-carbon development, the Group will enhance its competitive position, lead industry development, and become a pioneer in the new era of the alcoholic beverage industry.

## **Baijiu Business**

In 2024, against the background of the profound adjustments in the baijiu industry, the Group's baijiu business achieved a year-on-year turnover increase of 4.0 percentage points to RMB2,149,000,000. Significant achievements were made in cost control, enhancing product profitability and driving a year-on-year increase in gross profit margin of 5.6 percentage points to 68.5%. The Group implemented a "single product matrix" strategy, with sales volume of the premium single product "Zhaiyao" increasing by 35% compared to the same period last year, contributing over 70% of the turnover of the baijiu business. Under the "dual empowerment model for beer and baijiu businesses" strategy, the Group's baijiu business leveraged the channel advantages of its beer business, achieving significant growth in the number of distributors and laying a solid foundation for rapid mid-to-long-term development. During the reviewing period, the EBITDA of the Group's baijiu business was RMB852,000,000, representing a year-on-year increase of 0.5 percentage point. Excluding the special income of RMB5,000,000 from government grants in the second half of the year (second half of 2023: RMB63,000,000), the Group's EBITDA of the baijiu business increased by nearly 8% to RMB847,000,000 year-on-year.

In 2024, the Group's baijiu business focused on the following management initiatives to achieve performance growth. In respects of brand management, the Group launched the brand positioning "Strive for the Top, Drink Zhaiyao", sponsored major events such as the "WinnerBook Club" and the "Beijing International Film Festival", and held the "Jinsha Red" sorghum festival, enhancing

brand influence across multiple dimensions. In sales management, the Group focused on developing key markets, actively building model markets, and implementing a diversified expansion model centered around “circulation + group purchasing”, deeply integrating and leveraging the “beer + baijiu” channel advantages to promote the development of key distributors. In customer management, the Group established the “Sanrun Club”, a tiered management platform for key clients in the baijiu business, supporting and empowering key distributors and forging a common future with suppliers.

At the same time, the Group placed great emphasis on expanding innovative baijiu business, achieving breakthrough growth in e-commerce, government and enterprise, and chain operations in 2024. The Group actively explored operational excellence, continuously cultivating expertise in optimised procurement, intelligent manufacturing, and production and sales management. The Group was also committed to strengthening technological research and development. During the reviewing period, the Group promoted the establishment of the Guizhou Sauce-Flavored Baijiu Technology Innovation Center, delivering multiple research achievements and receiving several awards, including the China Business Science and Technology Award. In terms of digitalisation, the Group implemented QR code management and lean cost management, building production supply chain and marketing operation systems, achieving significant results in risk control and efficiency improvement. Regarding organisational development, the Group focused on “Organisational Structure, Talent, Performance, and Human Resource Management”, establishing a unique human resource management model and system for the baijiu business based on CR Beer’s existing experience and tailored to the characteristics of the baijiu business.

Looking ahead, the Group will continue to position itself as “the explorer of the new world of the baijiu industry”, adhering to a long-term perspective and completing the “exploration, development, and enhancement” development plan. The Group will thoroughly implement the “dual empowerment model for beer and baijiu businesses” strategy, focusing on brand and product innovation and upgrades, innovating omni-channel business development models and management systems, forging a common future with suppliers, strengthening scientific research and development capabilities, and implementing the “streamlined, precise, and lean” management strategy. These efforts will ensure the steady development and sustainable growth of the business, build core competitiveness, and confidently navigate the new world.

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### 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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