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華潤啤酒(控股)有限公司

China Resources Beer (Holdings) Company Limited

(Incorporated in Hong Kong with limited liability)

(Stock code: 291 (HKD counter) and 80291 (RMB counter))

RENEWAL OF CONTINUING CONNECTED TRANSACTIONS STRATEGIC COOPERATION AGREEMENTS 2024

Reference is made to the announcement of the Company dated 19 November 2021 in relation to, among other things, the entering into of the Strategic Cooperation Agreements 2021. As the Strategic Cooperation Agreements 2021 are due to expire on 31 December 2024, the Company entered into new strategic cooperation arrangements under the Strategic Cooperation Agreements 2024 on 18 November 2024 with CR Bank and CR Trust, respectively.

As at the date of this announcement, CRI, a subsidiary of CRC, is the controlling shareholder of CRH, which in turn holds a controlling interest in the Company and thus CRI and CRH are both connected persons of the Company.

CRI is directly interested in approximately 49.77% and indirectly interested in 51% of the registered capital of CR Bank and CR Trust respectively, CR Bank and CR Trust are connected persons of the Company under the Listing Rules.

As one or more applicable percentage ratios (as defined under the Listing Rules) in respect of the highest proposed annual cap for the transactions contemplated under each of the Strategic Cooperation Agreements 2024 exceed 0.1% but are less than 5%, the transactions contemplated under the Strategic Cooperation Agreements 2024 are only subject to the reporting, announcement and annual review requirements, but are exempted from the Independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

CONTINUING CONNECTED TRANSACTIONS – STRATEGIC COOPERATION AGREEMENTS 2024

Background

Reference is made to the announcement of the Company dated 19 November 2021 in relation to, among other things, the entering into of the Strategic Cooperation Agreements 2021. As the Strategic Cooperation Agreements 2021 are due to expire on 31 December 2024, the Company entered into new strategic cooperation arrangements under the Strategic Cooperation Agreements 2024 on 18 November 2024 with CR Bank and CR Trust, respectively.

The Strategic Cooperation Agreements 2024

CR Bank Strategic Cooperation Agreement 2024

Parties:	CR Bank and the Company
Date of agreement:	18 November 2024
Date of commencement of agreement:	1 January 2025
Term of the agreement:	Three years ending 31 December 2027
Transaction nature:	<ol style="list-style-type: none">(1) Deposit: the Group may open deposit accounts with CR Bank Group and freely deposit funds into or withdraw funds from the CR Bank Group deposit accounts. The Group may also engage CR Bank Group in other deposit businesses to deposit funds such as call deposits and certificates of deposit.(2) Financial services and products: other than deposit businesses, the Group may use the commercial banking services of CR Bank Group including but not limited to, credit services, agency services, settlement services, cash management services, financial consulting service, other financial services and products as agreed by the parties.

Pricing policy:

- (1) Deposit: Any deposit made with CR Bank Group under these arrangements will bear the same interest and be on the same terms and conditions as would apply to a similar deposit made by any other customer of the bank, which rate(s) are determined with reference to that published by the People's Bank of China or such other rates more preferential to the Group.
- (2) Financial services and products: where the People's Bank of China or the China Banking and Insurance Regulatory Commission of the PRC provides for standard tariffs or charges in respect of these services, such standard tariffs or charges will apply. Reference will also be made to tariffs or charges imposed or offered by other major commercial banks on similar services in the same period. These services will be provided on terms no less favourable than terms available to, other independent customers of CR Bank Group engaging similar services.

Subject to the CR Bank Strategic Cooperation Agreement 2024, the Group and CR Bank Group shall, in respect of specific financial services and products to be provided, enter into separate agreements which stipulate specific terms of each transaction. The terms of such agreements will be in line with the principles, terms and legal requirements of the strategic cooperation between the Group and CR Bank Group and shall be on normal commercial terms and in compliance with the Listing Rules.

CR Trust Strategic Cooperation Agreement 2024

Parties:	CR Trust and the Company
Date of agreement:	18 November 2024
Date of commencement of agreement:	1 January 2025
Term of agreement:	Three years ending 31 December 2027
Transaction nature:	The Group may use financial services and products provided by CR Trust Group including but not limited to, cash management, asset management, equity cooperation, consulting services, debenture underwriting services and other trust and financial services.
Pricing policy:	<p>Where the China Banking and Insurance Regulatory Commission of the PRC provides for standard tariffs or charges in respect of these services, such standard tariffs or charges will apply. Reference will also be made to tariffs or charges imposed or offered by other major trust companies on similar services in the same period. These services will be provided on terms no less favourable than terms available to other independent customers of CR Trust Group engaging similar services.</p> <p>Subject to the CR Trust Strategic Cooperation Agreement 2024, the Group and CR Trust Group shall, in respect of specific financial services and products to be provided, enter into separate agreements which stipulate specific terms of each transaction. The terms of such agreements will be in line with the principles, terms and legal requirements of the strategic cooperation between the Group and CR Trust Group and shall be on normal commercial terms and in compliance with the Listing Rules.</p>

Historical figures under the Strategic Cooperation Agreements 2021

Set out below are the historical figures of the maximum daily deposit amount, inclusive of interest payable, placed by the Group with CR Bank Group, and the maximum daily amount of financial services and products provided by CR Bank Group and CR Trust Group to the Group (for the avoidance of doubt, excluding the daily deposit amount placed by the Group with CR Bank Group) on any single day under the terms of the Strategic Cooperation Agreements 2021 during each of the years ended 31 December 2022 and 2023 and the ten months ended 31 October 2024:

	For the year ended		For the ten
	31 December		months ended
	2022	2023	31 October
	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>
	<i>(Approx.)</i>	<i>(Approx.)</i>	<i>(Approx.)</i>
Maximum daily deposit amount placed with CR Bank Group and the aggregate interest income arising from such deposit during the year/period	1,378.00	1,160.03	731.67
Maximum daily amount of financial services and products provided by CR Bank Group during the year/period (for the avoidance of doubt, excluding the daily deposit amount placed by the Group with CR Bank Group)	0	0	0
Maximum daily amount of other financial services and products provided by CR Trust Group during the year/period	0	0	0

Annual caps under the Strategic Cooperation Agreements 2024

The proposed maximum daily deposit amount, inclusive of interest payable which may be placed by the Group with CR Bank Group for the term of the CR Bank Strategic Cooperation Agreement 2024 are as follows:

Maximum daily deposit amount for the year ending 31 December

2025 <i>RMB million</i>	2026 <i>RMB million</i>	2027 <i>RMB million</i>
1,900	1,900	1,900

The proposed maximum daily amount of financial services and products provided by CR Bank Group and CR Trust Group to the Group on an aggregated basis (for the avoidance of doubt, excluding the daily deposit amount placed by the Group with CR Bank Group) for the term of the Strategic Cooperation Agreements 2024 are as follows:

Maximum daily amount of financial services and products provided by CR Bank Group and CR Trust Group to the Group on an aggregated basis for the year ending 31 December (for the avoidance of doubt, excluding the daily deposit amount placed by the Group with CR Bank Group)

2025 <i>RMB million</i>	2026 <i>RMB million</i>	2027 <i>RMB million</i>
1,900	1,900	1,900

Such maximum daily amount is applicable to each day during the relevant year, and is calculated on an individual basis outstanding as at the end of each day without aggregating with the amount incurred on the days before. Moreover, given the difference in the nature between (i) deposit and (ii) the financial services and products provided by CR Bank Group and CR Trust Group, separate maximum daily amounts are set for each of these services.

The proposed annual caps for deposit as well as the financial services and products on any single day under the Strategic Cooperation Agreements 2024 have been renewed and determined after taking into account of the Group's liquidity, business needs and the expected level of services to be received from CR Bank Group and CR Trust Group under the Strategic Cooperation Agreements 2024. Further, the proposed annual caps were increased when compared to that of the Strategic Cooperation Agreements 2021, due to: (1) CR Bank Group

may provide highly liquid and competitive deposit products according to the Group's needs; (2) the Group and CR Bank Group are contemplating to develop supply chain financial services, if such funds are settled through CR Bank Group, the amount of deposits is expected to increase; and (3) CR Bank Group provides cross-border funding services, the funds from such services are expected to increase the deposit amount.

In determining the maximum daily deposit amount, the Company has considered that the Group's cash and cash equivalent has fluctuated since 2022, with cash and cash equivalent of approximately RMB10.2 billion as at 31 December 2022, as compared with approximately RMB12.9 billion, RMB5.5 billion and RMB6.5 billion as at 30 June 2023, 31 December 2023 and 30 June 2024, respectively. While the Group is not under any obligation to place deposits with CR Bank Group pursuant to the Strategic Cooperation Agreements 2024, the proposed annual caps will allow the Group to increase the amount of cash deposits it places with CR Bank Group as and when appropriate.

While the Group has not engaged or purchased any financial services and products offered by CR Bank Group and CR Trust Group during the relevant year/period as financial services and products suitable for the Group had not been made available, in determining the maximum daily amount of financial services and products provided by CR Bank Group and CR Trust Group to the Group on an aggregated basis (for the avoidance of doubt, excluding the daily deposit amount placed by the Group with CR Bank Group), the Company has considered that the Group's cash and cash equivalent has fluctuated since 2022, with cash and cash equivalent of approximately RMB10.2 billion as at 31 December 2022, as compared with approximately RMB12.9 billion, RMB5.5 billion and RMB6.5 billion as at 30 June 2023, 31 December 2023 and 30 June 2024, respectively. While the Group is not under any obligation to engage financial services and products provided by CR Bank Group and CR Trust Group pursuant to the Strategic Cooperation Agreements 2024, the Company has been communicating with CR Bank Group and CR Trust Group as to the need of the Group as well as the range of services and products that CR Bank Group and/or CR Trust Group may offer so as to allow the Group to consider and if appropriate, to engage or purchase suitable financial services and products in the near future. The proposed annual caps will allow the Group to increase the amount of financial services and products it may engage or purchase, such as asset management services whereby the Group may consider purchasing low-risk financial products provided by CR Bank Group and CR Trust Group, as and when appropriate, to enhance the Group's asset returns, thereby increasing the returns of idle cash assets of the Group. Further, the Group is contemplating entering into debt financing business with CR Bank Group and CR Trust Group, whereby CR Bank Group and CR Trust Group will provide relevant financial products and services based on the Group's needs.

It is expected that the aggregate annual amount of fees and commissions paid by the Group for the financial services and products provided by CR Bank Group and CR Trust Group respectively during the term of the Strategic Cooperation Agreements 2024 will not exceed 0.1% of all applicable percentage ratios under the Listing Rules, and these arrangements will constitute de minimis transactions under the Listing Rules.

To the extent the aggregate annual amount of fees and commissions paid by the Group for the financial services and products provided by CR Bank Group and CR Trust Group respectively during the term of the Strategic Cooperation Agreements 2024 exceeds 0.1% and is below 5% of the applicable percentage ratios, these arrangements will constitute continuing connected transactions exempted from Independent Shareholders' approval but will be subject to the annual review by the independent non-executive directors of the Company and the Company's auditors and a further announcement will be made by the Company stating the relevant caps as and when necessary. Under no circumstances will the amounts of fees and commissions paid in any one financial year exceed 5% of all applicable percentage ratios under the Listing Rules unless the Company has obtained the prior approval of its Independent Shareholders.

Internal Control and Risk Management Measures

The Group has adopted the following internal control procedures and corporate governance measures to protect shareholders' interests and ensure the transactions contemplated under the Strategic Cooperation Agreements 2024 are in conformity with the terms of the said agreements and the pricing policy of the Group when engaging the deposit business of CR Bank Group:

1. The finance department of the Company will check the benchmark interest rates for deposits published by the People's Bank of China and quoted by other commercial banks constantly;
2. Before making a deposit in CR Bank Group, the finance department of the Company will check the interest rates offered by CR Bank Group against those provided by at least three major commercial banks that have established business relationship with the Group, with the aim to ensure that the deposit interest rate is not lower than the then applicable interest rate for the same deposit services from other domestic commercial banks in the PRC;

3. The finance department of the Company will closely monitor the transactions contemplated under any agreements for deposit businesses from CR Bank Group and will report on relevant transactions to the management of the Group on a regular basis;
4. To manage the relevant risks, the finance department of the Company will request CR Bank Group to provide us with sufficient information on various financial indicators and annual financial statements so that the Group is able to monitor and review its financial conditions. Subject to compliance with laws and regulations, CR Bank Group must notify the Group on any judicial, legal or regulatory procedures or investigations having material effect on its financial conditions. If the Group considers that any material adverse changes have occurred in the financial conditions of CR Bank Group, the Group will adopt appropriate measures (including early withdrawal of deposits or suspend the placement of further deposits) to safeguard the financial conditions of the Group;
5. The finance department of the Company will review periodic report(s) submitted by CR Bank Group in order to monitor and ensure that the proposed annual cap will not be exceeded;
6. The abovementioned department will report to the management of the Company regularly. The management is responsible for supervision of such department, in order to ensure all relevant procedures have been in compliance with the corresponding internal control and corporate governance measures;
7. The Company's auditors will conduct an annual review on the annual caps of the transactions contemplated under the Strategic Cooperation Agreements 2024;
8. The independent non-executive directors of the Company will conduct an annual review of the transactions under the Strategic Cooperation Agreements 2024, including whether they are based on the Strategic Cooperation Agreements 2024 and the fairness of the Group with respect to the formulation and implementation of the above pricing basis each year; and
9. The board of directors of the Company will review and examine internal control and corporate governance procedures for the continuing connected transactions each year.

The Group has adopted the following internal control procedures and corporate governance measures to protect shareholders' interests and ensure the transactions contemplated under the Strategic Cooperation Agreements 2024 are in conformity with the terms of the said agreements and the pricing policy of the Group when engaging the financial services and products of CR Bank Group and CR Trust Group:

1. Before entering into any contract or agreements with CR Bank Group and CR Trust Group, the finance department of the Company will check the tariffs or charges offered by CR Bank Group and CR Trust Group against those provided by at least three major commercial banks and major trust companies that have established business relationship with the Group, with the aim to ensure that the tariffs or charges are appropriate;
2. The finance department of the Company will closely monitor the transactions contemplated under any agreements for financial services and products of CR Bank Group and CR Trust Group and will report on relevant transactions to the management of the Group on a regular basis;
3. To manage the relevant risks, the finance department of the Company will request CR Bank Group and CR Trust Group to provide us with sufficient information on various financial indicators and annual financial statements so that the Group is able to monitor and review its financial conditions. Subject to compliance with laws and regulations, CR Bank Group and CR Trust Group must notify the Group on any judicial, legal or regulatory procedures or investigations having material effect on its financial conditions. If the Group considers that any material adverse changes have occurred in the financial conditions of CR Bank Group and CR Trust Group, the Group will adopt appropriate measures to safeguard the financial conditions of the Group;
4. The finance department of the Company will review periodic report(s) submitted by CR Bank Group and CR Trust Group in order to monitor and ensure that the proposed annual cap will not be exceeded;
5. The abovementioned department will report to the management of the Company regularly. The management is responsible for supervision of such department, in order to ensure all relevant procedures have been in compliance with the corresponding internal control and corporate governance measures;

6. The Company's auditors will conduct an annual review on the annual caps of the transactions contemplated under the Strategic Cooperation Agreements 2024;
7. The independent non-executive directors of the Company will conduct an annual review of the transactions under the Strategic Cooperation Agreements 2024, including whether they are based on the Strategic Cooperation Agreements 2024 and the fairness of the Group with respect to the formulation and implementation of the above pricing basis each year; and
8. The board of directors of the Company will review and examine internal control and corporate governance procedures for the continuing connected transactions each year.

Listing Rules Implications

As at the date of this announcement, CRI, a subsidiary of CRC, is the controlling shareholder of CRH, which in turn holds a controlling interest in the Company and thus CRI and CRH are both connected persons of the Company. CRI is directly interested in approximately 49.77% and indirectly interested in 51% of the registered share capital of CR Bank and CR Trust respectively, CR Bank and CR Trust are connected persons of the Company under the Listing Rules.

As one or more applicable percentage ratios (as defined under the Listing Rules) in respect of the highest proposed annual cap for the transactions contemplated under the Strategic Cooperation Agreements 2024 exceed 0.1% but are less than 5% respectively, the continuing connected transactions contemplated under the Strategic Cooperation Agreements 2024 are only subject to the reporting, announcement and annual review requirements but are exempted from the Independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

Reasons for and Benefits of the Strategic Cooperation Agreements 2024

Both CR Bank and CR Trust are financial institutions regulated by the China Banking and Insurance Regulatory Commission of the PRC. CR Bank and CR Trust have sound internal control and risk management systems and are able to provide low-risk, high-liquidity deposit products and financial products as well as individualized and efficient financial services to the Group.

The Strategic Cooperation Agreements 2024 will enable the Group to enhance the efficiency of its use of capital and reduce finance costs. All deposit, financial services and products provided by CR Bank Group and CR Trust Group will be on normal commercial terms and on a scale which will not place the Group's resources at risk or affect its relationship with other financial institutions.

All directors of the Company (including independent non-executive directors of the Company) consider the Strategic Cooperation Agreements 2024 were negotiated on an arm's length basis and are on normal commercial terms, were entered in the ordinary and usual course of business and the relevant terms and annual caps are fair and reasonable and in the interests of the Company and its shareholders as a whole.

None of the directors of the Company has any material interest in the Strategic Cooperation Agreements 2024 and the transactions contemplated thereunder and none of the directors of the Company abstained from voting on the board resolutions approving the Strategic Cooperation Agreements 2024 and the transactions contemplated thereunder.

Information about CR Bank, CR Trust and the Company

CR Bank

CR Bank is a licensed bank regulated by the China Banking and Insurance Regulatory Commission of the PRC and headquartered in Zhuhai. As at October 2024, CR Bank had around 100 branches and sub-branches in the PRC. CR Bank is ultimately owned by CRC, a state-owned enterprise in the PRC under the supervision of the SASAC.

CR Trust

As at the date of this announcement, CRI is indirectly interested in 51% equity interest in CR Trust and the remaining 49% equity interest of CR Trust is indirectly held by the State-owned Assets Supervision and Administration Commission of the People's Government of Shenzhen. The registered capital of CR Trust is RMB11 billion. With the headquarters located in Shenzhen, the PRC, CR Trust is authorised by the relevant regulatory body to conduct business on a nationwide basis in the PRC. CR Trust is ultimately owned by CRC, a state-owned enterprise in the PRC under the supervision of the SASAC.

The Company

The Company is incorporated in Hong Kong with limited liability and its ultimate holding company is CRC, a state-owned enterprise under the supervision of the SASAC. The Company principally engages in the manufacture, sales and distribution of alcoholic beverages.

DEFINITIONS

In this announcement the following words have the following meanings, unless the context requires otherwise.

“China Resources Group”	CRC, CRI, CRH and their respective subsidiaries
“Company”	China Resources Beer (Holdings) Company Limited, a company incorporated in Hong Kong with limited liability the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 291 (HKD counter) and 80291 (RMB counter))
“CR Bank”	China Resources Bank of Zhuhai Co., Ltd. (珠海華潤銀行股份有限公司), a municipal bank headquartered in Zhuhai, the PRC, in which CRI directly holds approximately 49.77% equity interest as at the date of this announcement
“CR Bank Group”	CR Bank and its subsidiaries
“CR Bank Strategic Cooperation Agreement 2021”	the strategic cooperation agreement entered into by CR Bank and the Company on 19 November 2021
“CR Bank Strategic Cooperation Agreement 2024”	the strategic cooperation agreement entered into by CR Bank and the Company on 18 November 2024
“CR Trust”	China Resources SZITIC Trust Co., Ltd. (華潤深國投信託有限公司), in which CRI indirectly holds a 51% equity interest as at the date of this announcement

“CR Trust Group”	CR Trust and its subsidiaries
“CR Trust Strategic Cooperation Agreement 2021”	the strategic cooperation agreement entered into by CR Trust and the Company on 19 November 2021
“CR Trust Strategic Cooperation Agreement 2024”	the strategic cooperation agreement entered into by CR Trust and the Company on 18 November 2024
“CRC”	China Resources Company Limited (中國華潤有限公司), incorporated in the PRC with limited liability, which is a state-owned enterprise under the supervision of the SASAC and the holding company of the Company
“CRI”	China Resources Inc. (華潤股份有限公司) (formerly known as China Resources Co., Limited), incorporated in the PRC, which is the holding company of CRH and the banking and trust activities in which the China Resources Group has an interest
“CRH”	China Resources (Holdings) Company Limited, a company incorporated in Hong Kong with limited liability and the intermediate holding company of the China Resources Group in Hong Kong, holding all the China Resources Group’s material interests apart from its banking and trust activities
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Shareholders”	shareholders of the Company other than CRH and its associates, as defined in the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“PRC”	the People’s Republic of China, and for the purpose of this announcement, excluding Hong Kong, Macau Special Administrative Region and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“SASAC”	the State-owned Assets Supervision and Administration Commission of the State Council of the PRC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Strategic Cooperation Agreements 2021”	collectively, the CR Bank Strategic Cooperation Agreement 2021 and the CR Trust Strategic Cooperation Agreement 2021
“Strategic Cooperation Agreements 2024”	collectively, the CR Bank Strategic Cooperation Agreement 2024 and the CR Trust Strategic Cooperation Agreement 2024

By order of the Board
China Resources Beer (Holdings) Company Limited
Hou Xiaohai
Executive Director and Chairman

Hong Kong, 18 November 2024

As at the date of this announcement, the Executive Directors of the Company are Mr. Hou Xiaohai (Chairman), Mr. Zhao Chunwu (President) and Mr. Zhao Wei (Chief Financial Officer). The Non-executive Directors are Mr. Daniel Robinson, Mr. Tang Liqing and Ms. Guo Wei. The Independent Non-executive Directors are Mr. Houang Tai Ninh, Dr. Li Ka Cheung, Eric, Mr. Lai Hin Wing Henry Stephen, Mr. Bernard Charnwut Chan and Mr. Siu Kwing Chue, Gordon.