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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))

CONTINUING CONNECTED TRANSACTIONS INTEGRATED ENERGY PROJECTS FRAMEWORK AGREEMENTS

THE INTEGRATED ENERGY PROJECTS FRAMEWORK AGREEMENTS

On 2 July 2024 (after trading hours), the Company entered into the Integrated Energy Projects Framework Agreements with CR Power and with CR Gas in relation to the cooperation on Integrated Energy Projects, respectively, for a term of three years commencing from 1 January 2024 to 31 December 2026.

LISTING RULES IMPLICATIONS

CR Power and CR Gas are both indirect non-wholly owned subsidiaries of CRH and hence an associate of CRH. Each of CR Power and CR Gas is therefore a connected person of the Company. Accordingly, the Integrated Energy Projects Framework Agreements and the transactions contemplated thereunder constitute continuing connected transactions of the Company under the Listing Rules.

As the nature of the services to be provided to the Group under the Integrated Energy Projects Framework Agreements is similar, the proposed annual caps under the CR Power Integrated Energy Project Framework Agreement and the CR Gas Integrated Energy Project Framework Agreement shall be aggregated pursuant to Rule 14A.81 of the Listing Rules. Since the highest of the applicable percentage ratios in relation to the Aggregated Annual Caps exceeds 0.1% but is less than 5%, the transactions contemplated under the Integrated Energy Projects Framework Agreements are subject to the reporting, annual review, announcement requirements, but exempt from the circular and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

THE INTEGRATED ENERGY PROJECTS FRAMEWORK AGREEMENTS

On 2 July 2024 (after trading hours), the Company entered into the Integrated Energy Projects Framework Agreements with CR Power and CR Gas with in relation to the cooperation on Integrated Energy Projects, respectively, for a term of three years commencing from 1 January 2024 to 31 December 2026.

(1) CR Power Integrated Energy Project Framework Agreement

The following sets out the principal terms of the CR Power Integrated Energy Project Framework Agreement:

Date: 2 July 2024 (after trading hours)

Parties: – the Company; and
– CR Power

Subject: **Integrated Energy Project**

CR Power Group will utilize the rooftops, idle lands and relevant storage and operation space of the Group to install photovoltaic power station facilities at nil consideration and will supply power and provide integrated energy services to the Group after photovoltaic power stations are put into operation; CR Power Group will take advantage of its power industry resources to construct energy storage and cold storage projects to supply power and provide integrated energy services to the Group based on the peak-to-trough price difference of the Group's power consumption throughout the whole day and in accordance with energy consumption needs and conditions of the Group.

Term: Three years commencing from 1 January 2024 to 31 December 2026. Subject to compliance with the Listing Rules and other applicable laws and regulations, the parties may renew the term of the CR Power Integrated Energy Project Framework Agreement.

Pricing policy and pricing terms: The pricing policy of the CR Power Integrated Energy Project Framework Agreement will be based on the market prices determined by ascertaining the prevailing prices at which the same or similar type of products or services are provided by or to or between independent third parties under normal commercial terms in the ordinary course of business, in each case taking into account the applicable circumstances, including but not limited to the relevant policies and regulations of PRC and provincial power system reformation and the configuration, cost, profit, resources, experience, quality assurance requirements and technical solutions of relevant parties, and the electricity price quoted on the national power grid.

When determining the market prices of any transaction under the CR Power Integrated Energy Project Framework Agreement for the power supply from CR Power Group to the Group, the business team of the Group and CR Power Group would compare the power tariffs of the same type of other projects in the vicinity of the relevant power projects, obtain market and industry data on such power tariffs from time to time through public available information, and understand the market price trends on a regular basis (if applicable).

The parties will review and ensure that the terms and pricing of the transactions contemplated under the CR Power Integrated Energy Project Framework Agreement are consistent with those of other independent third parties and the internal control measures below.

Payment arrangements for specific transactions will be negotiated and agreed upon in each formal cooperation agreement.

Historical transaction amount:

In compliance with the Listing Rules, the Company has been closely monitoring the continuing connected transactions with CR Power Group through various internal control measures. For the three years ended 31 December 2023 and for the period from 1 January 2024 to the date of this announcement, all applicable percentage ratios set out in Rule 14.07 of the Listing Rules calculated based on the transaction amount of the Integrated Energy Project entered into between the Group and CR Power Group are below 0.1%. Set out below are the approximate historical amounts of the Integrated Energy Project entered into between the Group and CR Power Group in the past (exclusive of tax):

| | Approximate historical amounts RMB million |
|---|---|
| for the year ended 31 December 2021 | 1.47 |
| for the year ended 31 December 2022 | 2.78 |
| for the year ended 31 December 2023 | 4.21 |
| For the period from 1 January 2024 to 26 June 2024 | 3.19 |

Proposed annual caps and basis of determination of the proposed annual caps:

Proposed annual caps (exclusive of tax) for the transactions under the CR Power Integrated Energy Project Framework Agreement for the years ending 31 December 2024, 2025 and 2026 are set out as follows:

| 2024 | 2025 | 2026 |
|--------------------|--------------------|--------------------|
| <i>RMB million</i> | <i>RMB million</i> | <i>RMB million</i> |
| 18.00 | 37.00 | 40.00 |

The proposed annual caps have been determined with reference to, among others, the following factors: (i) the historical transaction amount; (ii) the location of the Integrated Energy Projects, the designed capacity of the project's power generation system, technical differences and the ratio of plant consumption, etc.; and (iii) the Group's demand on the Integrated Energy Projects for its business development.

The continuing connected transactions contemplated under the CR Power Integrated Energy Project Framework Agreement are recurring in nature and continue in the ordinary and usual course of business of the Group.

(2) CR Gas Integrated Energy Project Framework Agreement

The following sets out the principal terms of the CR Gas Integrated Energy Project Framework Agreement:

Date: 2 July 2024 (after trading hours)

Parties: – the Company; and

– CR Gas

Subject: **Integrated Energy Project**

CR Gas Group will utilize the rooftops, idle lands and relevant storage and operation space of the Group to install photovoltaic power station facilities at nil consideration and will supply power and provide integrated energy services to the Group after photovoltaic power stations are put into operation; CR Gas Group will take advantage of its experience and resources in the city gas and public infrastructure facilities industries to construct photovoltaic, charging, heating, energy storage and cold storage projects to supply power and provide integrated energy services to the Group based on the peak-to-trough price difference of the Group's power consumption throughout the whole day and in accordance with energy consumption needs and conditions of the Group.

Term: Three years commencing from 1 January 2024 to 31 December 2026. Subject to compliance with the Listing Rules and other applicable laws and regulations, the parties may renew the term of the CR Gas Integrated Energy Project Framework Agreement.

Pricing policy and pricing terms:

The pricing policy of the CR Gas Integrated Energy Project Framework Agreement will be based on the market prices determined by ascertaining the prevailing prices at which the same or similar type of products or services are provided by or to or between independent third parties under normal commercial terms in the ordinary course of business, in each case taking into account the applicable circumstances, including but not limited to the relevant policies and regulations of PRC and provincial power system reformation and the configuration, cost, profit, resources, experience, quality assurance requirements and technical solutions of relevant parties, and the electricity price quoted on the national power grid.

When determining the market prices of any transaction under the CR Gas Integrated Energy Project Framework Agreement for the power supply from CR Gas Group to the Group, the business team of the Group and CR Gas Group would compare the power tariffs of the same type of other projects in the vicinity of the relevant power projects, obtain market and industry data on such power tariffs from time to time through public available information, and understand the market price trends on a regular basis (if applicable).

The parties will review and ensure that the terms and pricing of the transactions contemplated under the CR Gas Integrated Energy Project Framework Agreement are consistent with those of other independent third parties and the internal control measures below.

Payment arrangements for specific transactions will be negotiated and agreed upon in each formal cooperation agreement.

Historical transaction amount:

To the date of this announcement, there were no historical transactions in respect of the Integrated Energy Project entered into between the Group and CR Gas Group.

Proposed annual caps and basis of determination of the proposed annual caps:

Proposed annual caps (exclusive of tax) for the transactions under the the CR Gas Integrated Energy Project Framework Agreement for the years ending 31 December 2024, 2025 and 2026 are set out as follows:

| 2024 | 2025 | 2026 |
|--------------------|--------------------|--------------------|
| <i>RMB million</i> | <i>RMB million</i> | <i>RMB million</i> |
| 7.00 | 19.50 | 27.80 |

The proposed annual caps have been determined with reference to, among others, the following factors: (i) the location of the Integrated Energy Projects, the designed capacity of the project's power generation system, technical differences and the ratio of plant consumption, etc.; and (ii) the Group's demand on the Integrated Energy Projects for its business development.

The continuing connected transactions contemplated under the CR Gas Integrated Energy Project Framework Agreement are recurring in nature and continue in the ordinary and usual course of business of the Group.

INTERNAL CONTROL MEASURES

In order to ensure that all continuing connected transactions of the Group comply with the Listing Rules, the Company has formulated and continuously improved the management measures for continuing connected transactions which sets forth the procedures for approval and management of continuing connected transactions.

Before entering into the Integrated Energy Projects Framework Agreements in its ordinary and usual course of business, the Group has conducted research study on the market price fairness by obtaining and comparing the prevailing price quotations and pricing terms of the same or similar transactions from other independent third party suppliers in the vicinity and the electricity price quoted on the national power grid according to its internal approval and monitoring procedures for continuing connected transactions, in order to select suppliers upon integrated consideration of various assessment criteria (including but not limited to the prices, the level and quality of tailor-made services, suitability, payment terms, and time required for the provision of goods or services) and determine the relevant procurement terms through negotiations based on the business needs of the Integrated Energy Projects, the types and scale of the procurement. Such quotes, together with the offer from the connected person, and the Integrated Energy Projects Framework Agreements shall be reviewed by the management, finance department and legal compliance department of the Company according to the Group's internal approval and monitoring procedures. Thereafter, the Integrated Energy Projects Framework Agreements, the continuing connected transactions contemplated thereunder, and the Aggregated Annual Caps would be submitted to the Board for consideration and approval.

The finance department of the relevant members of the Group will be responsible for the monthly reporting of the amount of continuing connected transactions to the finance department of the Company for monitoring the Aggregated Annual Caps under the Integrated Energy Projects Framework Agreements of the relevant transactions every month and notify the Board, relevant departments and business units of the Group when the utilization rate of the Aggregated Annual Caps or any proposed annual cap under the respective Integrated Energy Projects Framework Agreements reaches 80%, which will facilitate the Board to consider implementation of relevant response measures such as the revision of annual caps. The continuing connected transactions shall also be subject to review and audit by independent non-executive Directors and independent auditor of the Company respectively every year pursuant to Chapter 14A of the Listing Rules. Among these, the independent auditor of the Company shall sample check, among other things, the compliance of such pricing terms with the pricing policies or mechanisms under the Integrated Energy Projects Framework Agreements.

GENERAL

Information of the Group

The Company is incorporated in Hong Kong with limited liability and its controlling shareholder is CRC, a state-owned enterprise under the supervision of the SASAC. The Company principally engages in the manufacture, sales and distribution of alcoholic beverage products. CRC is a company established in the PRC with limited liability and is a state-owned enterprise under the supervision of SASAC. It is the holding company of CRH and is a conglomerate which holds a variety of businesses in the PRC and Hong Kong including but not limited to consumer products, integrated energy, urban construction and operation, healthcare, industrial finance, technology and emerging sectors.

CR Power

CR Power Group is principally engaged in the investment, development, operation and management of power plants in the PRC. As at the date of this announcement, CR Power is an indirect non-wholly owned subsidiary of CRH, which indirectly holds 62.94% interest in CR Power as at the date of this announcement, and CRH is ultimately beneficially owned by CRC. CRC is beneficially owned by SASAC. The shares of CR Power are listed on the Main Board of the Stock Exchange (stock code: 836).

CR Gas

The principal businesses of CR Gas include the purchases and sales of natural gas, the construction and operation of pipeline facilities, comprehensive services, combined cooling, heating and power, and gas for vehicles and vessels. As at the date of this announcement, CR Gas is an indirect non-wholly owned subsidiary of CRH, which indirectly holds 61.46% interest in CR Gas as at the date of this announcement, and CRH is ultimately beneficially owned by CRC. CRC is beneficially owned by SASAC. The shares of CR Gas are listed on the Main Board of the Stock Exchange (stock code: 1193).

REASONS FOR AND BENEFITS OF ENTERING INTO THE INTEGRATED ENERGY PROJECTS FRAMEWORK AGREEMENTS

The transactions contemplated under the Integrated Energy Projects Framework Agreements serve as a good opportunity for the Group to explore the possibility of the use of integrated energy which is in line with the PRC government's policy of "carbon peaking and carbon neutrality". CR Power Group and CR Gas Group possess the relevant qualifications and capabilities to provide stable and satisfactory integrated energy services to the Group. The cooperation under the Integrated Energy Projects Framework Agreements will support the development within the CRH Group on normal commercial terms and on a scale which will not place the Group's resources at risk or affect its relationship with other independent third-party suppliers.

The Directors (including the independent non-executive Directors) consider that the transactions contemplated under the Integrated Energy Projects Framework Agreements are in the ordinary and usual course of business of the Group and on normal commercial terms and the terms of the Integrated Energy Projects Framework Agreements including the Aggregated Annual Caps are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

Each of the Directors has confirmed that he/she does not have any material interest in the transactions contemplated under the Integrated Energy Projects Framework Agreements and no Director is required to abstain from voting on the board resolutions in respect of the Integrated Energy Projects Framework Agreements (including the Aggregated Annual Caps).

LISTING RULES IMPLICATIONS

CR Power and CR Gas are both indirect non-wholly owned subsidiaries of CRH and hence an associate of CRH. Each of CR Power and CR Gas is therefore a connected person of the Company. Accordingly, the Integrated Energy Projects Framework Agreements and the transactions contemplated thereunder constitute continuing connected transactions of the Company under the Listing Rules.

As the nature of the services to be provided to the Group under the Integrated Energy Projects Framework Agreements is similar, the proposed annual caps under the CR Power Integrated Energy Project Framework Agreement and the CR Gas Integrated Energy Project Framework Agreement shall be aggregated pursuant to Rule 14A.81 of the Listing Rules. Since the highest of the applicable percentage ratios in relation to the Aggregated Annual Caps exceeds 0.1% but is less than 5%, the transactions contemplated under the Integrated Energy Projects Framework Agreements are subject to the reporting, annual review, announcement requirements, but exempt from the circular and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

DEFINITIONS

In this announcement, the following expressions shall, unless the context requires otherwise, have the following meanings:

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|-------------------------------------|--|
| “Aggregated Annual Caps” | the proposed aggregated annual caps in respect of the transactions contemplated under the Integrated Energy Projects Framework Agreements; |
| “associate” | has the meaning ascribed to it under the Listing Rules; |
| “Board” | means the board of directors of the Company; |
| “Company” | means China Resources Beer (Holdings) Company Limited, a company incorporated in Hong Kong with limited liability and the shares of which are listed on the Main Board of the Stock Exchange (Stock Codes: 291 (HKD counter) and 80291 (RMB counter)); |
| “connected person” | has the meaning ascribed to it under the Listing Rules; |
| “continuing connected transactions” | has the meaning ascribed to it under the Listing Rules; |
| “controlling shareholder” | has the meaning ascribed to it under the Listing Rules; |

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| “CRC” | means China Resources Company Limited* (中國華潤有限公司), a company established in the PRC with limited liability and a state-owned enterprise under the supervision of SASAC, is the ultimate holding company of the Company, CR Gas and CR Power; |
| “CR Gas” | China Resources Gas Group Limited (華潤燃氣控股有限公司), a company incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange (stock code: 1193) and an indirect non-wholly owned subsidiary of CRH as at the date of this announcement; |
| “CR Gas Integrated Energy Project Framework Agreement” | the framework agreement for the cooperation on Integrated Energy Project entered into between the Company and CR Gas on 2 July 2024; |
| “CR Gas Group” | CR Gas and its subsidiaries; |
| “CRH” | means China Resources (Holdings) Company Limited (華潤(集團)有限公司), a company incorporated in Hong Kong with limited liability and the intermediate holding company of the Company; |
| “CRH Group” | CRH and its subsidiaries (but excluding the Group); |
| “CR Power” | China Resources Power Holdings Company Limited (華潤電力控股有限公司), a company incorporated in Hong Kong with limited liability, the shares of which are listed and traded on the Main Board of the Stock Exchange (stock code: 836) and an indirect non-wholly owned subsidiary of CRH as at the date of this announcement; |
| “CR Power Group” | CR Power and its subsidiaries; |

| | |
|--|--|
| “CR Power Integrated Energy Project Framework Agreement” | the framework agreement for the cooperation on Integrated Energy Project entered into between the Company and CR Power on 2 July 2024; |
| “Director(s)” | means the director(s) of the Company; |
| “Group” | means the Company and its subsidiaries; |
| “Hong Kong” | means the Hong Kong Special Administrative Region of the PRC; |
| “Integrated Energy Project(s)” | the integrated energy project(s) contemplated under the CR Power Integrated Energy Project Framework Agreement and CR Gas Integrated Energy Project Framework Agreement, respectively, the details of which are set forth in the sections headed “CR Power Integrated Energy Project Framework Agreement – Subject” and “CR Gas Integrated Energy Project Framework Agreement – Subject” in this announcement; |
| “Integrated Energy Projects Framework Agreements” | means the CR Gas Integrated Energy Project Framework Agreement and the CR Power Integrated Energy Project Framework Agreement; |
| “independent third party(ies)” | means party(ies) which is/are independent of the Group and the connected persons of the Company; |
| “Listing Rules” | means the Rules Governing the Listing of Securities on the Stock Exchange; |
| “PRC” | means the People’s Republic of China (excluding, for the purpose of this announcement, Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan); |
| “RMB” | means Renminbi, the lawful currency of the PRC; |

| | |
|-------------------|--|
| “SASAC” | means the State-owned Assets Supervision and Administration Commission of the State Council of the PRC; |
| “Share(s)” | means ordinary share(s) in the capital of the Company; |
| “Shareholder(s)” | means the holder(s) of the Shares; |
| “Stock Exchange” | means The Stock Exchange of Hong Kong Limited; |
| “subsidiary(ies)” | has the meaning ascribed thereto under the Companies Ordinance (Chapter 622 of the Laws of Hong Kong); and |
| “%” | means per cent |

* *For identification purposes only*

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

Hong Kong, 2 July 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.