

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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 IT SERVICES SUPPLY FRAMEWORK AGREEMENT 2024

Reference is made to the announcement of the Company dated 24 June 2022 in relation to, among other things, the entering into of the IT Services Supply Framework Agreement 2022. As the IT Services Supply Framework Agreement 2022 is due to expire on 31 December 2024 and the Group is expected to continue to carry on the transactions contemplated thereunder after its expiry, the Company has entered into the IT Services Supply Framework Agreement 2024 on 18 November 2024, whereby the annual caps are renewed taking into account of the Group's expected needs for IT Services. Pursuant to the IT Services Supply Framework Agreement 2024, CR Digital Holdings agreed to supply, through itself, its subsidiaries, or other parties designated by it, IT Services to the Group for a term commencing from 1 January 2025 to 31 December 2027.

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.

CR Digital Holdings is the wholly-owned subsidiary of CRI and hence an associate of CRI. CR Digital Holdings is therefore a connected person of the Company. Accordingly, the IT Services Supply Framework Agreement 2024 and the transactions contemplated thereunder constitute continuing connected transactions 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 IT Services Supply Framework Agreement 2024 is more than 0.1% but less than 5%, the continuing connected transactions contemplated under the IT Services Supply Framework Agreement 2024 are only subject to the reporting, announcement and annual review requirements but are exempt from the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

CONTINUING CONNECTED TRANSACTIONS

Reference is made to the announcement of the Company dated 24 June 2022 in relation to, among other things, the entering into of the IT Services Supply Framework Agreement 2022. As the IT Services Supply Framework Agreement 2022 is due to expire on 31 December 2024 and the Group is expected to continue to carry on the transactions contemplated thereunder after its expiry, the Company has entered into the IT Services Supply Framework Agreement 2024 on 18 November 2024, whereby the annual caps are renewed taking into account of the Group's expected needs for IT Services. Pursuant to the IT Services Supply Framework Agreement 2024, CR Digital Holdings agreed to supply, through itself, its subsidiaries, or other parties designated by it, IT Services to the Group for a term commencing from 1 January 2025 to 31 December 2027.

Principal terms of the IT Services Supply Framework Agreement 2024

Date: 18 November 2024

Parties: The Company and CR Digital Holdings

Subject: The Group may purchase the IT Services from CR Digital Holdings Group from time to time during the term of the IT Services Supply Framework Agreement 2024, which shall include (i) maintenance services for generic applications and operating systems, including daily maintenance, procurement of software, and licensing of software; (ii) specific implementation services, including implementation of unified application systems; (iii) information technology infrastructure, including cloud platforms, hardware and software, and technical support services for the informatisation of traditional resource pool; and (iv) other services, including general contracting projects such as data security, smart manufacturing and smart parks, industrial internet of things (IIoT), and collection of software licensing fees relating to legalisation and localisation of software, etc.

Term: From 1 January 2025 to 31 December 2027.

Pricing policy and pricing terms:

The Group will send its request for service on the designated platform agreed by both parties from time to time, and CR Digital Holdings will provide (and procure its subsidiaries and other parties designated by it) the related IT Services and charge based on the service fee of the related IT Services set forth in the IT Services Supply Framework Agreement 2024, and the time spent or workload involved. Where outsourcing is allowed under the IT Services Supply Framework Agreement 2024, the service fee will be based on the outsourcing costs plus a pre-determined mark-up margin. The mark-up margin is determined based on the estimated time spent or workload involved for managing the related service providers and the prevailing market rate for the related management service. The Company and CR Digital Holdings will enter into a supplemental agreement to adjust the related fees in the event that the agreement between CR Digital Holdings and the related service provider is expired and renewed at a higher outsourcing cost or charge, which shall be determined by reference to the prevailing market price for transactions of similar nature and subject to the internal control and corporate governance measures below. In the event that CR Digital Holdings proposes to provide any service other than those specified in the IT Services Supply Framework Agreement 2024, the service fees shall be determined by reference to the prevailing market price for transactions of similar nature and subject to the internal control and corporate governance measures below.

Historical transaction amounts

Set out below are the historical transaction amounts for the IT Services received from CR Digital Holdings and its designated partner by the Group (exclusive of value-added tax, where applicable) under IT Services Supply Framework Agreement 2022:

For the year ended 31 December 2022	RMB54.00 million
For the year ended 31 December 2023	RMB69.53 million
For the ten months ended 31 October 2024	RMB44.28 million

Proposed annual caps

It is estimated that the maximum amount of purchases to be incurred by the Group from the CR Digital Holdings Group under the IT Services Supply Framework Agreement 2024 will not exceed the following amounts (exclusive of value-added tax, where applicable):

For the year ending 31 December 2025	RMB73.30 million
For the year ending 31 December 2026	RMB73.30 million
For the year ending 31 December 2027	RMB73.30 million

The above proposed annual caps are determined after arm's length negotiations between the parties by reference to (i) the historical transaction amounts as mentioned in the above paragraph headed "Historical transaction amounts"; (ii) the projected IT Services required by the Group, in particular its non-beer business; (iii) the fact that some of the cloud and system maintenance services will be provided by CR Digital Holdings Group (or other parties designated by it); (iv) the existing and expected needs for IT Services driven by the initiative as mentioned in the paragraph headed "Reasons for and benefits of entering into the IT Services Supply Framework Agreement 2024"; and (v) the enhancement of the Group's software and IT platforms to support partial production digitalisation.

Internal control and corporate governance measures

The Group has adopted the following internal control and corporate governance procedures to protect Shareholders' interests and ensure that the transactions contemplated under the IT Services Supply Framework Agreement 2024 are in conformity with the terms of the said agreement and the pricing policy of the Group:

- (a) The business department will obtain fee quotes from at least three independent service providers for similar services of comparable quality from time to time to ascertain if the service fees quoted by CR Digital Holdings are similar to the prevailing market price. It will share its findings with the risk management department. In the event that the prevailing market price is significantly lower than that agreed service fee or price, the business department shall escalate to the attention of the management of the Company, and shall negotiate with CR Digital Holdings to lower their price to match the prevailing market price. In the event that the agreement between CR Digital Holdings and the related service provider is expired, or it is proposed that the related IT Services fees will be adjusted upwards, the business department will conduct similar exercises as mentioned above to ensure that the proposed service fees quoted by CR Digital Holdings are similar to the prevailing market price prior to the entering of a supplemental agreement with CR Digital Holdings.
- (b) The risk management department will monitor the continuing connected transactions of the Company and report to the audit committee of the Company regularly. It will also ensure that the transactions are entered into: (i) in accordance with the terms of the IT Services Supply Framework Agreement 2024; (ii) in the ordinary and usual course of business of the Group; (iii) on normal commercial terms or better; and (iv) no less favourable than terms offered by independent third parties to the Company.
- (c) The abovementioned departments will report to the management of the Company regularly. The management is responsible for supervision of such departments, in order to ensure all relevant procedures have been in compliance with the corresponding internal control and corporate governance measures.
- (d) The Company's auditors will conduct an annual review on the annual caps of the transactions contemplated under the IT Services Supply Framework Agreement 2024.
- (e) The independent non-executive Directors will conduct an annual review of the transactions under the IT Services Supply Framework Agreement 2024, including whether they are based on the IT Services Supply Framework Agreement 2024 and the fairness of the Group's basis of selecting its information technology service provider.

- (f) The Board will review and examine internal control and corporate governance procedures for the continuing connected transactions each year.

In the event that the transaction amounts contemplated under the respective IT Services Supply Framework Agreement 2024 are expected to reach the annual caps, the relevant departments will follow up forthwith by reporting to the management of the Company, which will notify the information technology department to cease placing further orders with CR Digital Holdings if it considers appropriate. If an amendment to the annual caps is required, the relevant departments will report to the Board and a Board meeting will be held for considering the matters thereabout to ensure compliance of the requirements under the Listing Rules.

Relationship between the parties

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.

CR Digital Holdings is the wholly-owned subsidiary of CRI and hence an associate of CRI. CR Digital Holdings is therefore a connected person of the Company. Accordingly, the IT Services Supply Framework Agreement 2024 and the transactions contemplated thereunder constitute continuing connected transactions of the Company under the Listing Rules.

GENERAL

Information of 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 beverage products. CRC is a company incorporated in the PRC with limited liability and is a state-owned enterprise under the supervision of SASAC. It is the holding company of CRI, 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.

Information of CR Digital Holdings

CR Digital Holdings is a company established in the PRC and is principally engaged in the provision of information technology services, in particular the technological research and consultation services of informationisation, intellectualisation, digitalisation, information infrastructure and cloud computing. It has over 27 years of experience in enterprise management, internet of things, big data, artificial intelligence, blockchain and cloud computing. CR Digital Holdings is a wholly-owned subsidiary of CRI and ultimately owned by CRC, a state-owned enterprise in the PRC under the supervision of the SASAC.

REASONS FOR AND BENEFITS OF ENTERING INTO THE IT SERVICES SUPPLY FRAMEWORK AGREEMENT 2024

The Group is currently utilising certain enterprise information management platform and software which have been developed and maintained by the CR Digital Holdings Group. Such platform and software cover key parts of the Group's business such as financial, tax, budgeting, enterprise resources planning (ERP), human resources, order placement and procurement. IT Services are needed for upgrading and maintenance of the said platform and software. Further, the Group is in the course of promoting digitalisation. The overall goal is to realise a significant improvement in corporate management and operational efficiency through digital operation, so as to benchmark against the industry leaders and achieve good development. Such initiative encompasses six main areas, namely smart procurement, smart production, supply chain control tower, digital marketing, baijiu and shared operations, which call for the development and improvement of platform and software covering the supply chain from suppliers, manufacturing plants, sales channels, sales terminals to consumers, etc.

In light of the above, such cooperation under the IT Services Supply Framework Agreement 2024 can help the further development and enhancement of the Group's digital management and operation with respect to enterprise management and business by leveraging the expertise and advantages of the CR Digital Holdings Group in respect of the platform and software for supply chain.

It is believed that the transactions contemplated under the IT Services Supply Framework Agreement 2024 will be able to increase the business efficiency by standardisation of the enterprise information management platform and software, which will in turn facilitate the Company's long-term development and bring long-term benefits and maximise return to the Group and its Shareholders as a whole.

Given that the CR Digital Holdings Group has been providing the related services to the Group for more than 10 years, the Company believes that by entering into the IT Services Supply Framework Agreement 2024, the Group will be able to procure the related IT Services from a stable and reliable service provider. Further, as the Group will expand its non-beer business, it is expected that more IT Services will be needed to support such new business. The Directors consider that the entering into of the IT Services Supply Framework Agreement 2024 is necessary for operating and maintaining the Group's information technology infrastructure, platform and software.

The Directors (including the independent non-executive Directors) consider that the transactions contemplated under the IT Services Supply Framework Agreement 2024 are in the ordinary and usual course of business of the Group and on normal commercial terms and the terms of the IT Services Supply Framework Agreement 2024 including the annual caps are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

Listing Rules implications

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 IT Services Supply Framework Agreement 2024 is more than 0.1% but less than 5%, the continuing connected transactions contemplated under the IT Services Supply Framework Agreement 2024 are only subject to the reporting, announcement and annual review requirements but are exempt from the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

None of the Directors has any material interest in the IT Services Supply Framework Agreement 2024. As such, no Director was required to abstain and none of them has abstained from voting on the relevant Board resolution for approving the IT Services Supply Framework Agreement 2024 and the annual caps in relation thereto.

DEFINITIONS

“associate(s)”	has the meaning ascribed to it in the Listing Rules;
“Board”	means the board of Directors;
“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;
“controlling shareholder”	has the meaning ascribed to it under the Listing Rules;
“CR Digital Holdings”	means CR Digital Holdings Co., Ltd* (華潤數科控股有限公司), a company established in the PRC with limited liability and a wholly-owned subsidiary of CRI and hence a connected person of the Company;
“CR Digital Holdings Group”	means CR Digital Holdings and its subsidiaries;
“CRC”	means China Resources Company Limited* (中國華潤有限公司), a company incorporated in the PRC with limited liability, is the ultimate holding company of the Company;
“CRH”	means China Resources (Holdings) Company Limited, a company incorporated in Hong Kong with limited liability and the intermediate holding company of the Company;
“CRI”	means China Resources Inc.* (華潤股份有限公司), a company incorporated in the PRC with limited liability;
“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;
“independent third party(ies)”	party(ies) which is/are independent of the Group and the connected persons of the Company;
“IT Services”	means various types of information technology services, which include (i) maintenance services for generic applications and operating systems, including daily maintenance, procurement of software, and licensing of software; (ii) specific implementation services, including implementation of unified application systems; (iii) information technology infrastructure, including cloud platforms and hardware and software, and technical support services for the informatisation of traditional resource pool; and (iv) other services, including general contracting projects such as data security, smart manufacturing and smart parks, industrial internet of things (IIoT), and collection of software licensing fees relating to legalisation and localisation of software, etc.;
“IT Services Supply Framework Agreement 2022”	means the supply framework agreement relating to the provision of the IT Services dated 24 June 2022 entered into between the Company and CR Digital Holdings;
“IT Services Supply Framework Agreement 2024”	means the supply framework agreement relating to the provision of the IT Services dated 18 November 2024 entered into between the Company and CR Digital Holdings;
“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);
“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);
“RMB”	means Renminbi, the lawful currency of the PRC; 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, 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.