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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
PROPERTY MANAGEMENT AND COMMERCIAL OPERATION SERVICES
FRAMEWORK AGREEMENT**

The Board is pleased to announce that on 12 December 2024 (after trading hours), the Company entered into the Property Management and Commercial Operation Services Framework Agreement with CR Mixc, pursuant to which CR Mixc Group will provide property management services and other commercial operation services to the Group commencing from 1 January 2025 to 31 December 2027, both days inclusive.

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 SASAC. It principally engages in manufacture, sales and distribution of alcoholic beverage products. CR Mixc is a limited liability company incorporated in the Cayman Islands. CR Mixc Group is mainly engaged in the provision of residential property management services and commercial operational and property management services in the PRC.

CRH is the indirect controlling shareholder of the Company and thus a connected person of the Company. CR Mixc is a non wholly-owned subsidiary of CRH and is therefore a connected person of the Company. Accordingly, the Property Management and Commercial Operation Services Framework Agreement 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 Property Management and Commercial Operation Services Framework Agreement exceed 0.1% but are below 5%, the continuing connected transactions contemplated under the Property Management and Commercial Operation Services Framework Agreement 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.

INTRODUCTION

The Board is pleased to announce that on 12 December 2024 (after trading hours), the Company and CR Mixc entered into the Property Management and Commercial Operation Services Framework Agreement, pursuant to which CR Mixc Group will provide property management services and other commercial operation services to the Group from 1 January 2025 to 31 December 2027, both days inclusive, the principal terms of which are set out below.

THE PROPERTY MANAGEMENT AND COMMERCIAL OPERATION SERVICES FRAMEWORK AGREEMENT

Parties: (a) the Company; and

(b) CR Mixc.

Property to be managed: Properties owned, leased, used, developed or operated by the Group in the PRC during the tenure of the Property Management and Commercial Operation Services Framework Agreement, subject to the mutual agreement of the parties, including but not limited to the Buildings which will be completed in Shenzhen in 2025, namely Snow Building, Snow Technology Building, Snow Court and their surrounding area

Term: from 1 January 2025 to 31 December 2027 (both days inclusive)

Subject matter:

- (a) CR Mixc Group will provide the property management services for commercial properties to the Group, such as preliminary property preparation services, post-delivery management services, and indoor integrated property services. Indoor integrated property services mainly pertain to the property management services such as janitorial services, front-desk concierge services, conference management services, and file management services; and
- (b) CR Mixc Group will provide the commercial operation services for commercial properties to the Group, such as commercial property positioning, design and management, tenant solicitation and management services, as well as operation management services, such as opening preparation services, tenant guidance, consumer management, marketing and publicity, informative product services, etc.

Members of the Group and CR Mixc Group shall enter into separate agreements (“**CR Mixc Individual Agreement**”) in relation to property management services and commercial operation services to be provided by CR Mixc Group to the Group, each of which shall be subject to the terms and conditions under the Property Management and Commercial Operation Services Framework Agreement and the Annual Caps thereunder. The duration of the CR Mixc Individual Agreement shall not exceed the term of the Property Management and Commercial Operation Services Framework Agreement and the terms of the CR Mixc Individual Agreement shall be made on normal commercial terms.

Payment and pricing policy:

The actual property management service fees and commercial operation service fees are determined based on (i) the location, type, quality and size of the properties in the PRC (including but not limited to the Buildings); (ii) the scope of the services to be provided; (iii) the estimated costs (including labour costs and administrative costs) for providing such services and the estimated inflation rate; (iv) the local government's pricing guidance/regulations on fees in the PRC; (v) the rate generally offered by CR Mixc Group to its independent third parties in respect of similar services; and (vi) the prevailing market rate generally offered by independent service providers in respect of similar services.

The payment for the property management services and commercial operation services to be provided by CR Mixc Group shall be determined on an arm's length basis based on normal commercial principles with reference to the market price of services of equivalent or similar nature, such as floor area, location and type of property. In particular, the fees shall not be less favourable, from the Group's perspective, than the amount of fees charged by CR Mixc Group in offering services of equivalent or similar nature to an independent third party customer.

In order to ensure that the terms of the Property Management and Commercial Operation Services Framework Agreement are and will be made on normal commercial terms, the actual property management service fees and commercial operation service fees for each CR Mixc Individual Agreement shall not, from the Group's perspective, be less favourable than the fees charged and terms for services of equivalent or similar nature provided by independent third parties to the Group.

The Company will, prior to the signing of each of the CR Mixc Individual Agreement, designate members of the management in its finance department and legal and compliance department to review each of such agreements by comparing their terms against the terms for services of equivalent or similar nature provided by independent third parties. Once the designated members determine, after arm's length negotiations, that the terms of the CR Mixc Individual Agreement are on normal commercial terms, the agreements will be approved by such designated members for signing.

Historical transaction amounts:

The actual transaction amounts of property management services and commercial operation services for the two years ended 31 December 2023 and the eleven months ended 30 November 2024 are set out below (exclusive of tax):

	For the year ended 31 December 2022 <i>RMB million</i>	For the year ended 31 December 2023 <i>RMB million</i>	For the eleven months ended 30 November 2024 <i>RMB million</i>
Property management services	20.59	23.25	15.84
Commercial operation services	0	0	0
Actual total transaction amounts	20.59	23.25	15.84

Annual Caps:

The maximum annual amount payable to CR Mixc Group under the Property Management and Commercial Operation Services Framework Agreement for the three years ending 31 December 2027 will not exceed the caps set out below:

	Proposed Annual Caps for the year ending		
	31 December (exclusive of tax)		
	2025	2026	2027
	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>
Property management services	63	95	96
Commercial operation services	<u>11</u>	<u>9</u>	<u>10</u>
Total	<u>74</u>	<u>104</u>	<u>106</u>

Basis of determining
Annual Caps:

The above Annual Caps are determined with reference to (i) the growth in historical amount of property management services provided by CR Mixc Group to the Group; (ii) the gross floor area of the Buildings which are expected to be completed in Shenzhen in 2025 amounted to 250,000 square metres, thus the demand from the Group for property management services is expected to increase, and the demand from Snow Building for commercial operation services, such as tenant solicitation and operation management services as well as other services, is expected to increase; and (iii) a reasonable buffer to cater for any unexpected property management work.

REASONS FOR, AND BENEFITS OF, ENTERING INTO THE PROPERTY MANAGEMENT AND COMMERCIAL OPERATION SERVICES FRAMEWORK AGREEMENT

From the previous cooperation between the Group and CR Mixc Group, it is believed that CR Mixc Group possesses the qualification and ability to provide tenant sourcing and property services. The cooperation under the Property Management and Commercial Operation Services Framework Agreement can increase the synergy of properties held, leased, used or operated by the Group in the PRC, which enhance management synergy. The cooperation under the Property Management and Commercial Operation Services Framework Agreement will be carried out on normal commercial terms and it will not place the Group's resources at risk or affect its relationship with other independent third-party suppliers.

In view of the above, the Directors consider that the transactions contemplated under the Property Management and Commercial Operation Services Framework Agreement and the Annual Caps thereunder are fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

None of the Directors have any material interest in the transactions contemplated under the Property Management and Commercial Operation Services Framework Agreement, and none of them were required to abstain from voting on the resolutions in relation to the transactions contemplated.

INTERNAL CONTROL MEASURES ON CONTINUING CONNECTED TRANSACTIONS

In order to safeguard the interests of the Company and the Shareholders as a whole, the Company has adopted certain measures in monitoring the transactions under the Property Management and Commercial Operation Services Framework Agreement (taking into account the Annual Caps) including the following, for so long as the transactions constitute continuing connected transactions of the Company:

- (i) the administrative and management department of the Company will obtain fee quotes from at least two independent service providers for similar services of comparable quality from time to time to ascertain if the service fees quoted by CR Mixc Group are similar to the prevailing market price. It will share its findings with the audit department;

- (ii) the administrative and management department and audit department of the Company are responsible for the review of any CR Mixc Individual Agreement entered into on a regular basis to ensure that the terms thereunder are made in accordance with the terms and conditions (including the pricing policies) of the Property Management and Commercial Operation Services Framework Agreement;
- (iii) the audit department of the Company 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 Property Management and Commercial Operation Services Framework Agreement; (ii) in the ordinary and usual course of business of the Group; (iii) on normal commercial terms; and (iv) no less favourable than terms offered by independent third parties to the Company;
- (iv) 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;
- (v) the Company's auditors will conduct an annual review on the Annual Caps;
- (vi) the independent non-executive Directors will conduct an annual review of the transactions under the Property Management and Commercial Operation Services Framework Agreement, including whether they are based on the Property Management and Commercial Operation Services Framework Agreement and the fairness of the Group's basis of selecting its property management and commercial operation service provider; and
- (vii) The Board will review and examine internal control and corporate governance procedures for the continuing connected transactions each year.

INFORMATION ABOUT THE PARTIES

The Company

The Company is incorporated in Hong Kong with limited liability. It is indirectly held by CRH 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 ultimate 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 Mixc

CR Mixc is an exempted company incorporated in the Cayman Islands with limited liability. CR Mixc Group is mainly engaged in the provision of residential property management services and commercial operational and property management services in the PRC.

LISTING RULES IMPLICATIONS

CRH is the indirect controlling shareholder of the Company and thus a connected person of the Company. CR Mixc is a non wholly-owned subsidiary of CRH and is therefore a connected person of the Company. Accordingly, the Property Management and Commercial Operation Services Framework Agreement 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 exceed 0.1% but are below 5%, the continuing connected transactions contemplated under the Property Management and Commercial Operation Services Framework Agreement 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.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“Annual Cap(s)”	the maximum aggregate annual value(s) of the transactions contemplated under the Property Management and Commercial Operation Services Framework Agreement for each of the three financial years ending 31 December 2025, 2026 and 2027;
“Board”	the board of Directors;
“Buildings”	collectively, the Snow Building, the Snow Technology Building and the Snow Court;
“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));
“connected person(s)”	has the same meaning ascribed to it under the Listing Rules;
“continuing connected transaction(s)”	has the same meaning ascribed to it under the Listing Rules;
“CRC”	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;
“CRH”	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;
“CR Mixc”	China Resources Mixc Lifestyle Services Limited, an exempted company incorporated in the Cayman Islands with limited liability whose shares are listed on the Main Board of the Stock Exchange (Stock code: 1209);

“CR Mixc Group”	CR Mixc and its subsidiaries;
“CR Mixc Individual Agreement”	has the meaning ascribed to it in the section headed “The Property Management and Commercial Operation Services Framework Agreement – Subject matter” of this announcement;
“Directors”	the directors of the Company;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“independent third parties”	any entity or person who is not a connected person;
“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, the Macau Special Administrative Region of the PRC and Taiwan;
“Property Management and Commercial Operation Services Framework Agreement”	the agreement entered into between the Company and CR Mixc on 12 December 2024 in relation to the provision of property management services and commercial operation services;
“SASAC”	the State-owned Assets Supervision and Administration Commission of the State Council of the PRC;
“Share(s)”	ordinary share(s) in the capital of the Company;
“Shareholder(s)”	holder(s) of the Share(s);
“Snow Building”	Snow Building* (雪花大厦), which is located at Shenzhen in PRC, a building owned by the Group;

“Snow Court”	Snow Court* (雪花閣), which is located at Shenzhen in PRC, a building owned by the Group;
“Snow Technology Building”	Snow Technology Building* (雪花科技大廈), which is located at Shenzhen in PRC, a building owned by the Group;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“subsidiary(ies)”	has the same meaning ascribed to it under the Listing Rules; and
“%”	per cent.

* *All the English translations of certain Chinese names or words in this announcement are included for information purpose only, and should not be regarded as the official English translation of such Chinese names or words.*

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

Hong Kong, 12 December 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, Ms. Guo Wei and Mr. Wang Chengwei. 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.