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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)

**MAJOR AND CONNECTED TRANSACTION
IN RELATION TO THE PROPOSED ACQUISITION OF 49%
OF THE TOTAL ISSUED SHARE CAPITAL
OF CHINA RESOURCES SNOW BREWERIES**

Joint Lead Financial Advisers to the Company (in alphabetical order)

NOMURA



Joint Financial Advisers to the Company



- The Company announces agreement with ABI to purchase 49% stake held by SABMiller Asia in China Resources Snow Breweries for US\$1,600,000,000.
- Transaction subject to regulatory approvals and completion of ABI-SABMiller Acquisition.

THE SALE AND PURCHASE AGREEMENT

The Board is pleased to announce that on 2 March 2016, the Company and ABI entered into the Sale and Purchase Agreement, pursuant to which ABI has conditionally agreed to procure SABMiller Asia to sell, and the Company has conditionally agreed to acquire, the Sale Shares, constituting 49% of the total issued share capital of China Resources Snow Breweries, upon the terms and subject to the conditions set forth in the Sale and Purchase Agreement. Upon Completion, China Resources Snow Breweries will become a wholly-owned subsidiary of the Company.

The total Consideration for the Sale Shares is US\$1,600,000,000 (equivalent to approximately HK\$12,440,000,000).

IMPLICATIONS UNDER THE LISTING RULES

As at the date of this announcement, China Resources Snow Breweries is a 51% owned subsidiary of the Company, and the remaining 49% equity interest in China Resources Snow Breweries is held by SABMiller Asia. Therefore SABMiller Asia is a substantial shareholder of China Resources Snow Breweries and a connected person of the Company at the subsidiary level. On 11 November 2015, ABI and SABMiller, the parent company of SABMiller Asia, announced that they have reached agreement for the ABI-SABMiller Acquisition. Accordingly, although ABI itself is not a connected person of the Company as at the date of the Sale and Purchase Agreement, it will also become a connected person of the Company upon the completion of the ABI-SABMiller Acquisition, the Acquisition therefore constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

Pursuant to Rule 14A.101 of the Listing Rules, a connected transaction between the listed issuer's group and a connected person at the subsidiary level on normal commercial terms or better is exempt from the circular, independent financial advice and shareholders' approval requirements if: (1) the listed issuer's board of directors have approved the transaction; and (2) the independent non-executive directors have confirmed that the terms of the transaction are fair and reasonable, the transaction is on normal commercial terms or better and in the interests of the listed issuer and its shareholders as a whole.

The Company has obtained the approval from the Board (including the independent non-executive Directors) regarding the Sale and Purchase Agreement and the Acquisition and the Directors (including the independent non-executive Directors) have confirmed that the terms of the Sale and Purchase Agreement and the Acquisition are fair and reasonable, and that the Acquisition is on normal commercial terms or better and in the interests of the Company and the Shareholders as a whole. As such, pursuant to Rule 14A.101 of the Listing Rules, the Acquisition is exempted from the circular, independent financial advice and Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Further, since the highest applicable percentage ratio in respect of the Acquisition exceeds 25% but is less than 100%, the Acquisition constitutes a major transaction for the Company under Chapter 14 of the Listing Rules, and is subject to the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, no Shareholder is required to abstain from voting under the Listing Rules if the Company were to convene a general meeting for the approval of the Acquisition.

As at the date of this announcement, CRH (Beer) Limited (formerly known as CRH (Enterprise) Limited) owns 1,257,253,998 shares in the Company which represent approximately 51.67% of the issued share capital of the Company. Pursuant to Rule 14.44 of the Listing Rules, CRH (Beer) Limited has issued a written shareholder's approval certificate to approve the Acquisition and accordingly, no extraordinary general meeting will be convened by the Company to approve the Acquisition.

A circular containing, among other things, details about the Acquisition required under the Listing Rules is expected to be despatched for the Shareholders' information on or before 23 March 2016.

Shareholders and potential investors should note that the Acquisition is subject to various conditions which may or may not be fulfilled. There is therefore no assurance that the Acquisition will proceed. Shareholders and potential investors are reminded to exercise caution when dealing in the shares of the Company.

The Board is pleased to announce that on 2 March 2016, the Company and ABI entered into the Sale and Purchase Agreement, pursuant to which ABI has conditionally agreed to procure SABMiller Asia to sell, and the Company has conditionally agreed to acquire, the Sale Shares, constituting 49% of the total issued share capital of China Resources Snow Breweries, upon the terms and subject to the conditions set forth in the Sale and Purchase Agreement. Upon Completion, China Resources Snow Breweries will become a wholly-owned subsidiary of the Company.

THE SALE AND PURCHASE AGREEMENT

Date

2 March 2016

Parties

- (i) the Company as purchaser; and
- (ii) ABI.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, as at the date of this announcement, ABI and its ultimate beneficial owner(s) are third parties independent of the Company and its connected persons.

Assets to be acquired

The Sale Shares constitutes 49% of the total issued share capital of China Resources Snow Breweries. Upon Completion, China Resources Snow Breweries will become a wholly-owned subsidiary of the Company.

Consideration

The total Consideration for the Sale Shares is US\$1,600,000,000 (equivalent to approximately HK\$12,440,000,000).

The Consideration is expected to be satisfied by the Company in cash using a combination of various funding options (including debt and/or equity financing) as appropriate in compliance with the disclosure and shareholders' approval requirements under the Listing Rules.

Basis of the consideration

The Consideration was determined after arm's length negotiations between the Company and ABI and with reference to the net asset value of China Resources Snow Breweries.

Conditions precedent

Completion of the Acquisition is conditional upon the fulfillment or waiver (as the case may be), of the following conditions precedent:

- 1 no law of the PRC shall have been enacted, entered, promulgated or enforced by any court of the PRC or any other governmental or regulatory authority in the PRC that prohibits the consummation of the Acquisition;
- 2 a merger filing having been made by ABI to and accepted by MOFCOM pursuant to the Anti-Monopoly Law, and MOFCOM having issued a decision confirming that it will not conduct further review of the ABI-SABMiller Acquisition or it will allow the ABI-SABMiller Acquisition to proceed without conditions or on conditions proposed or offered by ABI; or that all applicable waiting periods under the Anti-Monopoly Law in respect of the review of the ABI-SABMiller Acquisition have expired;
- 3 insofar as the Acquisition constitutes a "major transaction" as defined under the Listing Rules, the Company having obtained approval from its shareholders for entering into the Sale and Purchase Agreement and the transactions contemplated thereby in such manner as required by the Listing Rules; and
- 4 the Acquisition having been approved by SASAC and such approval remaining in full force and effect on Completion.

As at the date of this announcement, condition numbered 3 above has been satisfied.

Completion

Completion will take place as soon as practicable on or within 24 hours after the closing of the ABI-SABMiller Acquisition at such time as the parties may agree, or such later date as may be agreed in writing between the parties. To that end, the Company will cooperate with and assist ABI in seeking MOFCOM's approval of the ABI-SABMiller Acquisition. The Consideration will be paid in full by the Company to ABI on Completion.

Transaction expenses

If (i) the MOFCOM approval set out in the condition numbered 2 under the paragraph headed “*Conditions precedent*” above is received by ABI, and (ii) either ABI fails to close the ABI-SABMiller Acquisition on or prior to the Long Stop Date or the Sale and Purchase Agreement is terminated pursuant to the termination event numbered 2 under the paragraph headed “*Termination*” below, the Company will be entitled to reimbursement for up to US\$20,000,000 of documented, out-of-pocket fees and expenses (including legal, accounting, financial advisory, financial printer and other advisors’ fees and expenses, if applicable) incurred by the Company in connection with the negotiation and implementation of the Sale and Purchase Agreement.

Termination

The Sale and Purchase Agreement may be terminated:

- 1 by either party by written notice to the other party if (i) Completion has not occurred prior to the Long Stop Date or (ii) any of the conditions set out under the paragraph headed “*Conditions precedent*” above becomes incapable of being satisfied as of Completion, in each case, other than through the failure of the terminating party to comply with its obligations under the Sale and Purchase Agreement;
- 2 upon the lapse or withdrawal of the ABI-SABMiller Acquisition in accordance with its terms, other than where: (i) such lapse or withdrawal is as a result of the exercise of ABI’s right to effect an election by ABI, with the consent of the UK Panel on Takeovers and Mergers, to implement the ABI-SABMiller Acquisition by way of (among other steps) the UK Offer (as defined in the ABI-SABMiller Announcement) rather than the UK Scheme (as defined in the ABI-SABMiller Announcement) and, subject to applicable Law, to otherwise change the Proposed Structure (as defined in the ABI-SABMiller Announcement); or (ii) it is otherwise to be followed within five Business Days by an announcement under Rule 2.7 of the UK Code made by ABI or a person acting in concert with ABI to implement the ABI-SABMiller Acquisition by a different offer or scheme or merger on substantially the same or improved terms; or
- 3 with the written consent of all the parties.

In the event of termination of the Sale and Purchase Agreement pursuant to its terms, the Sale and Purchase Agreement will become void and of no effect with no liability on the part of any party except for any antecedent breach and that the terms of the Sale and Purchase Agreement as summarised under the paragraph headed “*Transaction expenses*” above, this paragraph and the applicable law and jurisdiction clause in the Sale and Purchase Agreement above will survive such termination.

INFORMATION OF CHINA RESOURCES SNOW BREWERIES

China Resources Snow Breweries is a non-wholly owned subsidiary of the Company. As at the date of this announcement, the Company and SABMiller Asia owns 51% and 49%, respectively, of the total issued share capital of China Resources Snow Breweries. China Resources Snow Breweries and its subsidiaries are principally engaged in the production, sales and distribution of beer products.

Set out below are the net profits (both before and after taxation) of China Resources Snow Breweries based on the audited accounts of China Resources Snow Breweries prepared in accordance with HKFRS, for the two financial years ended 31 December 2014:

	For the financial year ended	
	31 December	
	2013	2014
	<i>HK\$ million</i>	<i>HK\$ million</i>
Net profit before taxation	2,677	2,317
Net profit after taxation	1,912	1,513

As at 31 December 2014, the net asset value of China Resources Snow Breweries was approximately HK\$27,255 million based on the audited accounts of China Resources Snow Breweries prepared in accordance with HKFRS.

To the best of the Company's knowledge and after making reasonable enquiries, the aggregate original acquisition cost of 49% of the total issued share capital of China Resources Snow Breweries to SABMiller Asia is approximately HK\$6 billion.

INFORMATION OF ABI, SABMILLER AND SABMILLER ASIA

ABI is a publicly traded company (Euronext: ABI) (MEXBOL: ABI) (JSE: ANB) based in Leuven, Belgium, with American Depositary Receipts on the New York Stock Exchange (NYSE: BUD). It is the leading global brewer and one of the world's top five consumer products companies. On 11 November 2015, ABI and SABMiller announced that they have reached agreement for a proposed acquisition by ABI of the entire issued share capital of SABMiller. SABMiller is a multinational beer and beverage company, the shares of which are listed on both the London Stock Exchange and Johannesburg Stock Exchange. SABMiller Asia is a company incorporated in Hong Kong and a wholly-owned subsidiary of SABMiller.

INFORMATION OF THE COMPANY

The Company is listed on the Main Board of the Stock Exchange. The Group's core business is the manufacturing, sales and distribution of beer products.

REASONS AND BENEFITS OF THE TRANSACTION

The Board believes that the Acquisition would be beneficial to the Company and the shareholders as a whole due to the following reasons:

- (1) it allows the Company to gain full ownership in China Resources Snow Breweries, one of the leading brewers in the PRC, the largest beer market in the world;
- (2) it ensures effective implementation of the Company's growth strategies in the PRC; and
- (3) it allows full consolidation of China Resources Snow Breweries at the Company level, enhancing financial transparency to shareholders and eliminating any value leakage associated with a sizable minority interest.

The Directors (including the independent non-executive Directors) consider that the terms of the Sale and Purchase Agreement and the Acquisition are entered into on normal commercial terms and after arm's length negotiations among the parties and are fair and reasonable so far as the Shareholders are concerned and are in the interests of the Company and the Shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

As at the date of this announcement, China Resources Snow Breweries is a 51% owned subsidiary of the Company, and the remaining 49% equity interest in China Resources Snow Breweries is held by SABMiller Asia. Therefore SABMiller Asia is a substantial shareholder of China Resources Snow Breweries and a connected person of the Company at the subsidiary level. On 11 November 2015, ABI and SABMiller, the parent company of SABMiller Asia, announced that they have reached agreement for the ABI-SABMiller Acquisition. Accordingly, although ABI itself is not a connected person of the Company as at the date of the Sale and Purchase Agreement, it will also become a connected person of the Company upon the completion of the ABI-SABMiller Acquisition, the Acquisition therefore constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

Pursuant to Rule 14A.101 of the Listing Rules, a connected transaction between the listed issuer's group and a connected person at the subsidiary level on normal commercial terms or better is exempt from the circular, independent financial advice and shareholders' approval requirements if: (1) the listed issuer's board of directors have approved the transaction; and (2) the independent non-executive directors have confirmed that the terms of the transaction are fair and reasonable, the transaction is on normal commercial terms or better and in the interests of the listed issuer and its shareholders as a whole.

The Company has obtained the approval from the Board (including the independent non-executive Directors) regarding the Sale and Purchase Agreement and the Acquisition and the Directors (including the independent non-executive Directors) have confirmed that the terms of the Sale and Purchase Agreement and the Acquisition are fair and reasonable, and that the Acquisition is on normal commercial terms or better and in the interests of the Company and the Shareholders as a whole. As such, pursuant to Rule 14A.101 of the Listing Rules, the Acquisition is exempted from the circular, independent financial advice and Shareholders' approval requirements under Chapter 14A of the Listing Rules.

No Director is considered to have a material interest in the Acquisition and therefore no Director was required to abstain from voting on the Board resolution approving the Sale and Purchase Agreement and the Acquisition.

Further, since the highest applicable percentage ratio in respect of the Acquisition exceeds 25% but is less than 100%, the Acquisition constitutes a major transaction for the Company under Chapter 14 of the Listing Rules, and is subject to the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, no Shareholder is required to abstain from voting under the Listing Rules if the Company were to convene a general meeting for the approval of the Acquisition.

As at the date of this announcement, CRH (Beer) Limited (formerly known as CRH (Enterprise) Limited) owns 1,257,253,998 shares in the Company which represent approximately 51.67% of the issued share capital of the Company. Pursuant to Rule 14.44 of the Listing Rules, CRH (Beer) Limited has issued a written shareholder's approval certificate to approve the Acquisition and accordingly, no extraordinary general meeting will be convened by the Company to approve the Acquisition.

A circular containing, among other things, details about the Acquisition required under the Listing Rules is expected to be despatched for the Shareholders' information on or before 23 March 2016.

Shareholders and potential investors should note that the Acquisition is subject to various conditions which may or may not be fulfilled. There is therefore no assurance that the Acquisition will proceed. Shareholders and potential investors are reminded to exercise caution when dealing in the shares of the Company.

DEFINITIONS

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

“ABI”	Anheuser-Busch InBev SA/NV, a public company organized under the laws of Belgium
“ABI-SABMiller Acquisition”	the proposed acquisition by ABI of SABMiller pursuant to a transaction governed by the UK Code
“ABI-SABMiller Announcement”	the announcement dated 11 November 2015 published by ABI and SABMiller in relation to the ABI-SABMiller Acquisition
“Acquisition”	the proposed acquisition by the Company of the Sale Shares pursuant to the terms of the Sale and Purchase Agreement
“Anti-Monopoly Law”	the Anti-Monopoly Law of the PRC

“Board”	the board of Directors
“Business Days”	any day (excluding a Saturday or Sunday or public holiday) on which banks are generally open for business in Brussels, Hong Kong, London, New York and the PRC
“China Resources Snow Breweries”	China Resources Snow Breweries Limited, a company incorporated under the laws of the British Virgin Islands with limited liability and is currently owned as to 51% by the Company and 49% by SABMiller Asia
“Company”	China Resources Beer (Holdings) Company Limited (formerly known as China Resources Enterprise, 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)
“Completion”	completion of the Acquisition
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Consideration”	the consideration of US\$1,600,000,000 (equivalent to approximately HK\$12,440,000,000) payable by the Company to ABI in accordance with the Sale and Purchase Agreement
“Director(s)”	the directors of the Company
“Group”	the Company and its subsidiaries from time to time
“HKFRS”	Hong Kong Financial Reporting Standards
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Long Stop Date”	11 May 2017 or such later date as may be extended up to (but not including) 24 August 2017, as agreed between ABI and SABMiller (with the consent of UK Panel on Takeovers and Mergers and as the High Court of Justice in England and Wales may approve (if any such approval is required))
“MOFCOM”	the Ministry of Commerce of the PRC
“PRC”	the People’s Republic of China

“SABMiller”	SABMiller plc, a public limited company incorporated in England and Wales
“SABMiller Asia”	SABMiller Asia Limited, a company incorporated under the laws of Hong Kong with limited liability and a wholly-owned subsidiary of SABMiller
“Sale and Purchase Agreement”	the sale and purchase agreement dated 2 March 2016 entered into between the Company and ABI in relation to the Acquisition
“Sale Shares”	shares in China Resources Snow Breweries, constituting 49% of the total issued share capital of China Resources Snow Breweries, to be acquired by the Company pursuant to the Sale and Purchase Agreement
“SASAC”	State-owned Assets Supervision and Administration Commission of the State Council of the PRC
“Shareholder(s)”	holder(s) of the share(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder”	has the meaning ascribed to it under the Listing Rules
“UK Code”	UK City Code on Takeovers and Mergers
“US\$”	US dollars, the lawful currency of the United States of America
“%”	per cent.

Translation of US\$ into HK\$ in this announcement is based on the approximate exchange rate of US\$1.00 to HK\$7.775 for information purposes only. Such translations should not be construed as representations that the relevant amounts have been, could have been, or could be converted at that or any other rate or at all.

By Order of the Board
China Resources Beer (Holdings) Company Limited
Chen Lang
Chairman

the PRC, 2 March 2016

As at the date of this announcement, the Executive Directors of the Company are Mr. Chen Lang (Chairman), Mr. Hong Jie (Chief Executive Officer), Mr. Liu Hongji (Vice Chairman) and Mr. Lai Ni Hium, Frank (Chief Financial Officer). The Non-executive Directors are Mr. Du Wenmin, Mr. Wei Bin, Mr. Yan Biao, Mr. Chen Ying and Mr. Wang Yan. The Independent Non-executive Directors are Mr. Houang Tai Ninh, Dr. Li Ka Cheung, Eric, Dr. Cheng Mo Chi, Moses, Mr. Bernard Charnwut Chan and Mr. Siu Kwing Chue, Gordon.