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**HARBIN BREWERY GROUP LIMITED**  
**哈爾濱啤酒集團有限公司**  
*(Incorporated in Cayman Islands with limited liability)*

**ALLOTMENT AND ISSUE OF SHARES TO  
HOLDERS OF CONVERTIBLE NOTES**

Reference is made to the Prospectus, in which the principal terms and conditions of the Convertible Notes had been disclosed. The Directors announce that the Noteholders had exercised their rights to convert the principal amount of the Convertible Notes at HK\$1.56 per Share and accordingly the Directors allotted and issued a total of 13,974,358 Shares, representing approximately 1.51% of the enlarged issued share capital of the Company, to the Noteholders on 9 January 2003. The total enlarged issued share capital of the Company will increase from 913,000,000 Shares to 926,974,358 Shares. Accordingly, the public float of the Company will increase from approximately 30.48% to approximately 31.53%.

Reference is made to the Prospectus, in which the principal terms and conditions of the Convertible Notes had been disclosed. The Directors announce that the Noteholders had exercised their rights to convert the principal amount of the Convertible Notes in the sum of HK\$21.8 million at HK\$1.56 per Share (being the conversion price fixed under the instrument constituting the Convertible Notes and is equivalent to the offer price under the public offer and placing of Shares pursuant to the Prospectus). Accordingly, pursuant to a general mandate given by the shareholders of the Company to the Directors to issue and allot Shares, the Directors allotted and issued a total of 13,974,358 Shares, representing approximately 1.51% of the enlarged issued share capital of the Company, to the Noteholders on 9 January 2003.

After the allotment and issue of Shares to the Noteholders, the total enlarged issued share capital of the Company will increase from 913,000,000 Shares to 926,974,358 Shares, and CEDF (Brewery) Holdings Limited and Harbin Brewery Factory (BVI) Limited, the substantial shareholders of the Company (as defined under the Listing Rules), will hold approximately 37.02% and 31.45% interests of the enlarged issued share capital of the Company, respectively. Accordingly, the public float of the Company will increase from approximately 30.48% to approximately 31.53%.

## DEFINITIONS

“Company”	Harbin Brewery Group Limited
“Convertible Notes”	the convertible notes dated 30 October 2001 with an aggregate principal amount of HK\$21.8 million issued by the Company to the Noteholders
“Directors”	the board of directors of the Company
“Noteholders”	Shanghai International Shanghai Growth Investment Limited and SinoPac Capital Limited, independent third parties not connected with the Company, any of the chief executives, directors and substantial shareholders of the Company or its subsidiaries or their respective associates
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Prospectus”	the prospectus dated 18 June 2002 issued by the Company relating to a public offer and placing of Shares
“Share(s)”	Share(s) of HK\$0.10 each in the capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

By Order of the board of directors of  
**Harbin Brewery Group Limited**  
**LAM Pong Sui**  
*Company Secretary*

Hong Kong, 9 January 2003

Please also refer to the published version of this announcement in South China Morning Post.