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哈爾濱啤酒集團有限公司
HARBIN BREWERY GROUP LIMITED

(incorporated in the Cayman Islands with limited liability)

**Strategic acquisition of a minimum of 280,000,000 Shares of
Harbin Brewery Group Limited by Gardwell Limited**

SUMMARY

The S&P Agreement

The Board announces that on 27 June 2003, it has been notified by CEDF, a controlling shareholder of Harbin Brewery that the Vendor, which owns as to 343,200,000 Shares, representing approximately 35.06% in the capital of Harbin Brewery as at the date of this announcement, has on 27 June 2003 entered into the S&P Agreement with Gardwell pursuant to which the Vendor has agreed to sell and Gardwell has agreed to purchase 280,000,000 Sale Shares for an aggregate consideration of HK\$641.2 million with the right to purchase an additional 15,000,000 Shares, representing in total approximately 29.64% in the capital of Harbin Brewery on the date of Completion. The total number of the Sale Shares to be purchased will not exceed 295,000,000 Shares. The maximum consideration payable is HK\$675.55 million. Completion is conditional upon the shareholders of CEDF having duly passed a resolution in general meeting approving the S&P Agreement and the sale and purchase of the Sale Shares thereunder.

Each of CEDF and the Vendor undertakes that during the period commenced from the date of the S&P Agreement to and including 31 August 2003, it will not pursue any negotiations or discussions with any person other than Gardwell in relation to any potential disposal of the Sale Shares.

Background of Gardwell and the Subscription Agreement

Gardwell is a company controlled by SABMiller Holdings. Pursuant to the Subscription Agreement, SABMiller Holdings and Advent agreed to subscribe for 95% and 5% of the share capital of Gardwell respectively for a consideration of HK\$95 million and HK\$5 million respectively. Under the Subscription Agreement, SABMiller Holdings grants to Advent Put Options to require SABMiller Holdings to purchase from Advent the Option Shares for an aggregate consideration of HK\$55,000,000 which is exercisable in two tranches at any time after the first anniversary of the SI Completion Date but prior to the third anniversary of the SI Completion Date, subject to certain performance criteria relating to Gardwell's investment in Harbin Brewery being met.

The exercise of the Put Options will be accelerated and, in certain circumstances, the consideration increased by 100% if: (i) SABMiller Holdings or a person acting in concert with SABMiller Holdings announces a firm intention to make a general offer for the shares in Harbin Brewery prior to the third anniversary of the SI Completion Date; or (ii) SABMiller Holdings proposes to sell or transfer the Gardwell Shares held by it or the Shares in Harbin Brewery prior to the third anniversary of the SI Completion Date.

Strategic Investor

Harbin Brewery and SABMiller will, subject to the review and approval by the non-interested directors of Harbin Brewery, sign an agreement regarding SABMiller becoming the exclusive strategic investor in Harbin Brewery, following completion of Gardwell's acquisition of the Sale Shares. This agreement will outline the terms of the two companies' strategic objectives and provide for mutual co-operation to achieve those objectives. A further announcement will be made by Harbin Brewery once the terms of the strategic investor agreement have been approved. In any event, the Board intends to appoint two directors nominated by SABMiller to the Board, once the S&P Agreement has been completed. Harbin Brewery will make an announcement once the directors are so appointed.

The Board announces that on 27 June 2003, it has been notified by CEDF that the Vendor, which owns 343,200,000 Shares, representing approximately 35.06% in the capital of Harbin Brewery as at the date of this announcement, has on 27 June 2003 entered into the S&P Agreement.

S&P AGREEMENT

Date

27 June 2003

Parties

Purchaser : Gardwell Limited which does not have any shareholding direct or indirect in Harbin Brewery (other than the interests under the S&P Agreement). At the time of entering into of the S&P Agreement, Gardwell is not a connected person of Harbin Brewery.

Vendor : CEDF (Brewery) Holdings Limited

Sale Shares

280,000,000 Shares with the right to purchase additional 15,000,000 Shares, representing in total approximately 29.64% in the capital of Harbin Brewery on the date of Completion. The total number of the Shares to be purchased will not exceed 295,000,000 Shares.

Consideration

HK\$641.2 million for the purchase of 280,000,000 Shares or up to a maximum of HK\$675.55 million for the purchase of 295,000,000 Shares. The consideration was determined based on arm's length discussion between the Vendor and Gardwell.

Completion

Completion shall take place on the Business Day immediately following the date on which the condition precedent has been fulfilled.

Condition precedent

The shareholders of CEDF having duly passed an ordinary resolution in general meeting approving the S&P Agreement and the sale and purchase of the Sale Shares thereunder. The general meeting of CEDF is expected to be held in July 2003, and in any event by 31 August 2003.

Exclusivity

Each of CEDF and the Vendor undertakes that during the period commenced from the date of the S&P Agreement to and including 31 August 2003, it will not pursue any negotiations or discussions with any person other than Gardwell in relation to any potential disposal of the Sale Shares.

EFFECTS OF THE S&P AGREEMENT

The following table illustrates the change in the shareholding structure of Harbin Brewery immediately upon completion of the S&P Agreement (assuming that there are no other transactions which will change, or would have changed, the shareholding structure of Harbin Brewery or the Vendor's shareholding from the date of this announcement up to the date of Completion), save as disclosed herein:

	Immediately prior to the date of this announcement		After Completion			
			(Assuming the 280,000,000 Shares are to be purchased)		(Assuming the 295,000,000 Shares are to be purchased)	
	<i>Number of Shares</i>	<i>%</i>	<i>Number of Shares</i>	<i>%</i>	<i>Number of Shares</i>	<i>%</i>
Vendor	343,200,000	35.06	63,200,000	6.35	0 ⁽¹⁾	0
Gardwell	0	0	280,000,000	28.13	295,000,000	29.64
Harbin Brewery Factory (BVI) Limited	291,500,000	29.78	291,500,000	29.29	291,500,000	29.29
Public	344,074,358	35.15	360,524,358	36.23	408,724,358	41.07
Total	<u>978,774,358</u>	<u>100</u>	<u>995,224,358⁽²⁾</u>	<u>100</u>	<u>995,224,358</u>	<u>100</u>

Note (1): the Vendor has undertaken to Gardwell under the S&P Agreement that it will dispose of its remaining shares in Harbin Brewery prior to completion of the S&P Agreement to persons who are not Associates or persons acting in concert with the Vendor and CEDF.

Note (2): the number of Shares will be increased by 16,450,000 Shares upon the exercise of certain Share Options. The Shares will be sold following the exercise as described in the paragraph headed “Exercise of Share Options” below. None of the Executives or their Associates hold any shareholding interests in Harbin Brewery (other than certain Share Options and the indirect interest in Harbin Brewery through Gardwell).

THE SUBSCRIPTION AGREEMENT

Subscribers and their shareholding interest in Gardwell

Gardwell is a company controlled by SABMiller Holdings. Pursuant to the Subscription Agreement, SABMiller Holdings and Advent agreed to subscribe for 95% and 5% of the share capital of Gardwell respectively for a consideration of HK\$95 million and HK\$5 million respectively. Advent is beneficially owned as to 27% by Peter Lo, 23% by Li Wentao, 19% by Fu Hui, 10% by Bao Liusuo and 18% by Peter Jeva Au (all being certain executive Directors) and as to 3% by Lam Pong Sui (being the chief financial officer of Harbin Brewery).

Completion of the Subscription Agreement is conditional upon the condition under the S&P Agreement having been fulfilled on or before 31 August 2003. The board of Gardwell will comprise up to four directors, three of which will be appointed by SABMiller Holdings and one will be appointed by Advent.

Lock up

Advent undertakes that it shall not at any time (a) sell or transfer the Gardwell Shares held by it; or (b) create any encumbrance over the Gardwell Shares held by it, other than, in each case, in favour of SABMiller Holdings.

Each of the Executives undertakes that he shall not, while Advent holds any Gardwell Shares (a) sell or transfer the shares held by him in Advent; or (b) create any encumbrance over the shares held by him in Advent, other than, in each case, in favour of another Executive.

Exercise of Share Options

Not later than 20 days following the date of the Subscription Agreement or the SI Completion Date, the Executives shall (subject to compliance with any applicable laws and regulations) exercise such number of options as have been granted to them representing options to subscribe for an aggregate of 16,450,000 Shares, representing approximately 1.68% of the existing issued share capital of Harbin Brewery as at the date of this announcement and shall, immediately following such exercise, sell those Shares.

Put Options

Under the Subscription Agreement, SABMiller Holdings grants to Advent Put Options to require SABMiller Holdings to purchase from Advent the Option Shares for an aggregate consideration of HK\$55,000,000 which is exercisable in two tranches, namely the First Put Option and the Second Put Option, at any time after the first anniversary of the SI Completion Date but prior to the third anniversary of the SI Completion Date, subject to certain performance criteria (i.e. the share price performance of Harbin Brewery) relating to Gardwell's investment in Harbin Brewery being met.

The exercise of the Put Options will be accelerated and, in certain circumstances, the consideration increased by 100% if: (i) SABMiller Holdings or a person acting in concert with SABMiller Holdings announces a firm intention to make a general offer for the shares in Harbin Brewery prior to the third anniversary of the SI Completion Date; or (ii) SABMiller Holdings proposes to sell or transfer the Gardwell Shares held by it or the Shares in Harbin Brewery prior to the third anniversary of the SI Completion Date.

Termination

The Subscription Agreement shall be terminated upon Advent ceasing to hold any Gardwell Shares.

Others

The Directors consider that the change of the controlling shareholder will not have any material adverse impact on the financial and operational position of Harbin Brewery and there is no change in its business.

BACKGROUND OF SABMILLER HOLDINGS

SABMiller Holdings is a wholly-owned subsidiary of SABMiller. SABMiller is one of the world's leading brewers, with major brewing and distribution operations in America, Africa, Europe and Asia. It is the world's second largest brewer by sales volume. SABMiller is listed on both the London and the Johannesburg stock exchanges.

STRATEGIC INVESTOR

Harbin Brewery and SABMiller will, subject to the review and approval by the non-interested directors of Harbin Brewery, sign an agreement regarding SABMiller becoming the exclusive strategic investor in Harbin Brewery, following completion of Gardwell's acquisition of the Sale Shares. This agreement will outline the terms of the two companies' strategic objectives and provide for mutual co-operation to achieve those objectives. A further announcement will be made once the terms of the strategic investor agreement have been approved. In any event, the Board intends to appoint two directors nominated by SABMiller to the Board, once the S&P Agreement has been completed. Harbin Brewery will make an announcement once the directors are so appointed. Pending the approval and execution of the strategic investor agreement and until 31 July 2003, SABMiller Holdings

has agreed not to purchase any shares of Harbin Brewery (save in certain permitted circumstances and pursuant to the S&P Agreement) and Harbin Brewery has agreed not to pursue any negotiations or discussions with any person other than SABMiller in relation to a strategic investor agreement.

DEFINITIONS

The following words and phrases shall have the following meanings in this announcement:

“acting in concert”	has the meaning assigned to that expression in the Code
“Advent”	Advent Strategic Limited, a company incorporated in the BVI with limited liability and is beneficially owned by the Executives
“Associates”	has the meaning assigned to that expression in the Code
“Board”	the board of Directors of Harbin Brewery
“Business Day(s)”	a day on which commercial banks in Hong Kong are open to the public for the conduct of general banking business
“BVI”	British Virgin Islands
“CEDF”	China Enterprise Development Fund Limited
“Code”	the Hong Kong Codes of Takeovers and Mergers
“Completion”	completion of the S&P Agreement
“Directors”	the directors of Harbin Brewery
“Executive(s)”	the beneficial owner(s) of Advent, being Peter Lo, Peter Jeva Au, Bao Liusuo, Li Wentao, Lam Pong Sui and Fu Hui
“First Option Shares”	the 228 Gardwell Shares out of the total 500 Gardwell Shares held by Advent following completion of the Subscription Agreement
“First Put Option”	one of the put options granted to Advent by SABMiller Holdings under the Subscription Agreement as described in the paragraph headed “Put Options”
“Gardwell”	Gardwell Limited, a company incorporated in the BVI and is established by SABMiller Holdings
“Gardwell Shares”	the shares of US\$1 each to be issued by Gardwell
“Harbin Brewery”	Harbin Brewery Group Limited, the securities of which are listed on the Stock Exchange
“Option Shares”	the First Option Shares and the Second Option Shares
“Put Options”	the First Put Option and the Second Put Option

“S&P Agreement”	the sale and purchase agreement dated 27 June 2003 entered into between, among other persons, the Vendor and Gardwell
“SABMiller”	SABMiller plc, a company listed on both the London and the Johannesburg stock exchanges
“SABMiller Holdings”	SABMiller Holdings Limited, a company incorporated in England with limited liability which is a wholly-owned subsidiary of SABMiller
“Sale Shares”	280,000,000 Shares or up to a maximum of 295,000,000 Shares representing a total of approximately 29.64% in the capital of Harbin Brewery upon Completion
“Second Option Shares”	the balance of 272 Gardwell Shares out of the total 500 Gardwell Shares held by Advent following completion of the Subscription Agreement
“Second Put Option”	one of the put options granted to Advent by SABMiller Holdings under the Subscription Agreement as described in the paragraph headed “Put Options”
“Share Options”	the options granted by Harbin Brewery to its employees or management staff
“Shares”	the ordinary share of HK\$0.1 each in the capital of Harbin Brewery
“SI Completion Date”	the date of the Subscription Agreement or, if later, the date of completion of the strategic investor agreement
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscribers”	SABMiller Holdings and Advent
“Subscription Agreement”	the subscription agreement dated 27 June 2003 entered into between Advent, SABMiller Holdings and the Executives in relation to, among other things, the subscription of the Gardwell Shares
“Vendor”	CEDF (Brewery) Holdings Limited, a company incorporated in the BVI and is owned as to approximately 86.84% by CEDF and as to approximately 13.16% by Brewery Investors Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent

By order of the Board
Harbin Brewery Group Limited
Dr Sit Fung Shuen, Victor
Independent Non-Executive Director

Hong Kong, 30 June 2003

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