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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)

**ANNOUNCEMENT ON COMPLETION AND
SIGNING OF A STRATEGIC INVESTOR AGREEMENT WITH SABMILLER ASIA**

The S&P Agreement and the Subscription Agreement were completed on 28 July 2003.

Gardwell is the owner of 295,000,000 Shares and is owned as to 95% by SABMiller Holdings and as to 5% by Advent, a company owned by certain executives of Harbin Brewery.

Harbin Brewery and SABMiller Asia entered into the SI Agreement on 28 July 2003 for the purpose of regulating their relationship with each other and certain aspects of the affairs of and their dealings with Harbin Brewery. The key terms of the SI Agreement are set out in paragraph 3 below. The non-interested directors of Harbin Brewery (other than Mr Zhu Wenwei who was on business trip) have reviewed and approved the SI Agreement and, as advised by Anglo Chinese Corporate Finance, Limited, consider that the SI Agreement is on normal commercial terms for a transaction of that type and is in the interests of Harbin Brewery and its shareholders as a whole.

Reference is made to the announcement dated 30 June 2003 made by the board of directors of Harbin Brewery Group Limited (the "Announcement"). Terms used in this announcement shall have the same meanings as defined in the Announcement unless otherwise stated.

1. COMPLETION OF THE S&P AGREEMENT

The Board announces that it has been notified by CEDF that the conditions precedent to the S&P Agreement have been fulfilled, and completion for the sale and purchase of 295,000,000 Shares took place on 28 July 2003. Gardwell is the owner of 295,000,000 Shares and the Vendor no longer owns any Shares.

The following table shows the change in the shareholding structure of Harbin Brewery as at the date of the Announcement and immediately after completion of the S&P Agreement:

	As at the date of the Announcement		Immediately after completion of the S&P Agreement	
	Number of Shares	%	Number of Shares	%
Vendor	343,200,000	35.06	0 ⁽¹⁾	0
Gardwell	0	0	295,000,000	29.60
Harbin Brewery Factory (BVI) Limited	291,500,000	29.78	291,500,000	29.25
Public	<u>344,074,358</u>	<u>35.15</u>	<u>410,204,358</u> ⁽²⁾	<u>41.16</u>
Total	<u>978,774,358</u>	<u>100</u>	<u>996,704,358</u>	<u>100</u>

Note (1): Harbin Brewery has been informed by the Vendor that (a) the Vendor has disposed of all of its Shares in Harbin Brewery to persons not acting in concert with the Vendor or CEDF and (b) the Vendor has complied with its undertaking as referred to in the S&P Agreement as follows: the 48,200,000 Shares held by the Vendor have been (i) placed as to 5,998,747 Shares to persons who are independent from, and not connected with, and are not persons acting in concert with, any of Harbin Brewery, the Vendor, CEDF and SABMiller or any of their respective subsidiaries or Associates and (ii) transferred as to 42,201,253 Shares to Brewery Investors Limited (“BIL”) pursuant to a restructuring exercise under which the shares in the Vendor held by BIL have been repurchased by the Vendor and, in consideration of the repurchase, the 42,201,253 Shares have been transferred to BIL. As a result of the restructuring exercise, the Vendor is now wholly-owned by CEDF. Neither the Vendor nor CEDF holds any Shares immediately after completion of the S&P Agreement. The agreements relating to the restructuring were signed on 3 July 2003 and thereafter BIL became the registered shareholder of the 42,201,253 Shares. Harbin Brewery has been informed that BIL intends to commence a voluntary winding up shortly pursuant to which the Shares held by BIL will be distributed to BIL’s shareholders. None of the BIL nor any of its shareholders is a connected person (as defined in the Listing Rules) of Harbin Brewery. As far as Harbin Brewery is aware, BIL and BIL’s shareholders are not persons acting in concert with nor Associates of, the Vendor, CEDF, Gardwell or SABMiller or any of their respective subsidiaries. In addition, so far as Harbin Brewery is aware, there are no arrangements between SABMiller and Gardwell with CEDF, BIL or BIL’s shareholders to allow Gardwell or SABMiller to exercise control over the Shares held by BIL or BIL’s shareholders and there are no such arrangements between CEDF and the Vendor with BIL or BIL’s shareholders to allow CEDF or the Vendor to exercise control over the Shares in Harbin Brewery held by BIL or BIL’s shareholders.

Note (2): the increase in the number of Shares held by the public from 344,074,358 by 66,130,000 was due to (i) the transfer of the 48,200,000 Shares as referred to in Note (1) and (ii) the increase in the number of the issued Shares by 17,930,000 Shares upon the exercise of 16,450,000 Share Options held by certain executives of Harbin Brewery and the spouse of one of the executives and 1,480,000 Share Options held by an employee of Harbin Brewery. The Share Options have been granted under the Pre-IPO Share Option Scheme as defined in Harbin Brewery's prospectus dated 18 June 2002. The Shares issued upon exercise of certain Share Options have been placed to persons who are independent from, and not connected with, and are not persons acting in concert with, any of Harbin Brewery, CEDF and SABMiller or any of their respective subsidiaries or Associates.

The Board announces that Messrs. Louis W. Moelchert, Jr. and Martin A. Murbach, being the CEDF nominated non-executive Directors, resigned as non-executive Directors with effect from 28 July 2003. The Board would like to take this opportunity to express its sincere gratitude for their contributions made to Harbin Brewery during their terms.

2. COMPLETION OF THE SUBSCRIPTION AGREEMENT

As the conditions precedent to the S&P Agreement and to the Subscription Agreement have been fulfilled, completion of the Subscription Agreement took place on 28 July 2003. Gardwell is owned as to 95% by SABMiller Holdings and as to 5% by Advent. 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 executive Directors) and as to 3% by Lam Pong Sui (being the chief financial officer of Harbin Brewery).

3. STRATEGIC INVESTOR

Harbin Brewery and SABMiller Asia BV ("SABMiller Asia"), a wholly-owned subsidiary of SABMiller, entered into a strategic investor agreement ("SI Agreement") on 28 July 2003.

3.1 Duration

The SI Agreement is for a term of three years from the date of the SI Agreement, subject to early termination upon occurrence of certain termination events.

3.2 Objectives

During the continuance of the SI Agreement and as long as SABMiller Asia holds not less than 15% of the issued share capital of Harbin Brewery (in the absence of any breach of Harbin Brewery's obligations under the SI Agreement), SABMiller Asia will be the exclusive strategic investor of Harbin Brewery in the PRC. Harbin Brewery and SABMiller Asia undertake to use all reasonable endeavours to achieve the objectives in enhancing the strategic, market and financial position of the parties in the PRC beer industry, creating an alliance which will assist Harbin Brewery's expansion plans in the PRC and support SABMiller Asia's worldwide strategic ambitions, exploring synergy and co-operation between the groups of Harbin Brewery and SABMiller Asia, further enhancing the equity of the Harbin brand and providing for the efficient and effective use of the relevant expertise and know-how of the parties.

Any transfer, use or licence of the technology and intellectual property rights of Harbin Brewery and SABMiller Asia are subject to terms and conditions to be agreed between the parties. The entering into of the relevant agreements (the “Technology and IP Agreements”) on the use and licence of the technology and intellectual property rights (if any) between Harbin Brewery and SABMiller Asia (an associate of a substantial shareholder of Harbin Brewery) will constitute connected transactions for Harbin Brewery for the purposes of the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”). Depending on the terms of the Technology and IP Agreements and the consideration to be involved (if any), Harbin Brewery may be required to disclose the Technology and IP Agreements and/or obtain approval of the Technology and IP Agreements by the independent shareholders of Harbin Brewery pursuant to the requirements under the Listing Rules. Further announcements will be made by Harbin Brewery if required by the Listing Rules in respect of the Technology and IP Agreements if they are to be entered into.

3.3 Standstill

Under the SI Agreement, SABMiller Asia has agreed not to purchase any shares of Harbin Brewery which would result in the total voting rights of SABMiller Asia and persons acting in concert with it exceeding 29.7% of the issued share capital of Harbin Brewery (save in case of an issue of new Shares or other securities by Harbin Brewery, the effect of which would be to dilute SABMiller Asia’s shareholding in Harbin Brewery) for a period of three years from the date of the SI Agreement.

3.4 SABMiller Asia nominated directors

Under the SI Agreement, SABMiller Asia is entitled to appoint two non-executive directors to the Board. If SABMiller Asia holds more than 5% but less than 15% of the issued Shares, it is only entitled to appoint one non-executive director to the Board. If SABMiller Asia holds less than 5% of the issued Shares, it is not entitled to appoint any person to the Board.

Messrs. Roy Bagattini and Jonathan Solesbury, being the nominees of SABMiller Asia, have been appointed as non-executive directors of Harbin Brewery with effect from 28 July 2003.

The Board believes that they will make valuable contributions to the development of Harbin Brewery and the strategic alliance with SABMiller will be strengthened.

3.5 General

Although the SI Agreement is entered into between Harbin Brewery and SABMiller Asia (an associate of a substantial shareholder of Harbin Brewery), the SI Agreement is exempt from disclosure or shareholders’ approval requirements under Chapter 14 of the Listing Rules because the SI Agreement which regulates the relationship between Harbin Brewery and SABMiller Asia and certain aspects of the affairs of and their dealings with Harbin Brewery does not require Harbin Brewery or any of its subsidiaries to pay any monetary

consideration or provide any financial assistance to SABMiller Asia and the SI Agreement is on normal commercial terms for a transaction of that type. Depending on the terms of the Technology and IP Agreements, the Technology and IP Agreements, if they are to be entered into, will be subject to the requirements under the Listing Rules.

The non-interested directors of Harbin Brewery, being Dr Sit Fung Shuen, Victor, Mr Sam Zuchowski and Dr Tong Kay Tak, Tom, have reviewed and approved the SI Agreement. Mr Zhu Wenwei, being one of the non-interested directors, was not able to attend the meeting because he was on business trip. Taking into account, amongst other things, the fact that SABMiller is a major shareholder of Harbin Brewery and the common intention of the companies to support the business objectives of Harbin Brewery with a view to enhancing the market position, the attending non-interested directors of Harbin Brewery, as advised by Anglo Chinese Corporate Finance, Limited, consider that the SI Agreement is on normal commercial terms for a transaction of that type and is in the interests of Harbin Brewery and its shareholders as a whole.

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

Hong Kong, 28 July 2003

Please also refer to the published version of this announcement in The Standard.