



## SABMILLER PLC

*(incorporated in England and Wales with limited liability)*

**Conditional voluntary offer by Anglo Chinese Corporate Finance, Limited  
on behalf of  
an indirect wholly owned subsidiary of SABMiller plc for  
all the shares of Harbin Brewery Group Limited**

SABMiller plc announces that Anglo Chinese Corporate Finance, Limited will make on behalf of the offeror referred to below a conditional offer for all the shares of Harbin Brewery Group Limited on the following basis:

**for every share of Harbin Brewery Group Limited . . . . . HK\$4.30 in cash**

The offeror is an indirect wholly owned subsidiary of SABMiller plc, a company listed in London and Johannesburg. SABMiller plc is one of the world's largest brewers with a brewing presence in over 40 countries across four continents and a portfolio of strong brands and leading market shares in many of the countries in which it has brewing operations. Outside the USA, SABMiller is one of the largest bottlers of Coca-Cola products in the world.

The offer is conditional only upon acceptances of the offer which, when taken together with any shares acquired or agreed to be acquired by the offeror or parties acting in concert with it before or during the offer period, result in the offeror and persons acting in concert with it holding more than 50% of the issued voting share capital of Harbin Brewery Group Limited.

### **Conditional voluntary offer**

#### ***Offer for the shares of Harbin Brewery Group Limited***

Anglo Chinese Corporate Finance, Limited, on behalf of the offeror, will make an offer for all the shares of Harbin Brewery Group Limited (the "Company") on the following basis:

**for every share of the Company . . . . . HK\$4.30 in cash**

The offer is conditional only upon acceptances being received which, when taken together with any shares acquired or agreed to be acquired before or during the offer period, would result in the offeror and persons acting in concert with it holding more than 50% of the issued voting share capital of the Company.

The shares of the Company acquired under the offer will be acquired free from all liens, charges, encumbrances, rights of pre-emption and any other third party rights of any nature and together with all rights attaching to them, including the right to receive all dividends and other distributions, if any, declared, made or paid on or after the date of this announcement.

Sellers' stamp duty at a rate of HK\$1.00 for every HK\$1,000 or part thereof of the consideration payable will be deducted from the amount payable to shareholders of the Company who accept the offer.

Gardwell Limited, a 95% owned indirect subsidiary of SABMiller plc and, therefore, a person acting in concert with the offeror, presently has a beneficial interest in 295,000,000 shares of the Company, representing approximately 29.4% of its total issued share capital. Other than this, the offeror and persons acting in concert with it do not own, control or direct any shares of the Company, or any convertible securities, warrants or options in respect of any shares of the Company, and have not received any irrevocable commitment from any person to accept the offer. The offeror and persons acting in concert with it have not entered into any outstanding derivatives in respect of any securities of the Company.

The offer price of HK\$4.30 per share of the Company represents a premium of approximately 33.3% to the price of HK\$3.225 per share as quoted on The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange") on Friday, 30th April, 2004, the last day before trading in the shares of the Company was suspended at the request of the Company. The offer price of HK\$4.30 per share also represents a premium of approximately 23.5% and 26.0% over the weighted average price of the Company's shares during the last thirty trading days and the last six months before the suspension of trading, of HK\$3.483 and HK\$3.412, respectively.

Based on the audited consolidated financial statements of the Group as at and for the year ended 31st December, 2003, the offer price represents a price to earnings multiple of approximately 37.7 times the fully diluted consolidated earnings per share of the Company of approximately HK\$0.11 and a premium of 303.2% over the Company's net asset value per share of approximately HK\$1.07.

## **Offer for outstanding options**

According to the interim report of the Company for the six months ended 30th June, 2003, it had 65,280,000 outstanding options granted under its Pre-IPO Scheme and 12,380,000 outstanding options granted under its Share Option Scheme, exercisable at prices of between HK\$1.56 and HK\$1.85 per share of the Company. In the event that the offer is declared or becomes unconditional, an appropriate offer or proposal will be made, in accordance with the provisions of the Hong Kong Code on Takeovers and Mergers (the "Takeovers Code"), to the holders of those options, for the cancellation or exchange of those outstanding options.

### ***Total consideration and settlement***

Based on the audited consolidated financial statements of the Group as at and for the year ended 31st December, 2003, there were 1,002,864,358 shares of the Company in issue. At the offer price of HK\$4.30 per share, the offer values the entire issued ordinary share capital of the Company at approximately HK\$4,312.3 million.

Anglo Chinese Corporate Finance, Limited is satisfied that there are sufficient financial resources available to the offeror to meet acceptance of the offer in full and for the cancellation or exchange of the options referred to above.

The consideration due to accepting shareholders less the relevant stamp duty will be paid as soon as possible but in any event within ten days of the later of the date on which the offer becomes unconditional and the date of receipt of duly completed valid acceptances.

## **Information on the Company**

The principal activity of the Company is the brewing, distribution and sale of beer in the PRC, particularly in the North East region of the PRC. According to the Company's website, the Company and its subsidiaries (the "Group") operate eight principal production facilities, six in Heilongjiang and two in Jilin, with an aggregate capacity in excess of one million tons per annum. The Group's principal brand, Harbin (popularly known as "HAPI"), is a leading brand in the North East region of the PRC.

## **Annual Report**

The published audited consolidated profit after tax and minority interests of the Company for the year ended 31st December, 2003 was approximately HK\$114,378,000, equivalent to approximately HK\$0.114 per share. The published audited consolidated net tangible assets of the Company as at 31st December, 2003 were approximately HK\$1,069.6 million, equivalent to approximately HK\$1.07 per share.

## **Information on the Offeror**

The offeror is an indirect wholly owned subsidiary of SABMiller plc.

SABMiller plc is one of the world's largest brewers, with major brewing and distribution operations in America, Africa, Europe and Asia and 2002/03 lager volumes in excess of 115 million hectoliters. It has a brewing presence in over 40 countries across four continents with some 45,000 employees and a portfolio of strong brands and leading market shares in many of the countries in which it has brewing operations. Outside the USA, SABMiller plc is one of the largest bottlers of Coca Cola products in the world.

In the year ended 31st March, 2003, the SABMiller group generated US\$770 million pre-tax profit from a turnover of approximately US\$9,112 million. SABMiller plc is listed in London and Johannesburg. SABMiller, through its joint venture, China Resources Breweries, operates 30 breweries in 9 provinces in China with total volumes of 27 million hectolitres in the year ended 31st March, 2003. SABMiller entered the China market in 1994 and is one of the few profitable foreign brewers operating in China.

## **Reasons for the offer and the intentions of the Offeror**

On 28th July, 2003, the Company announced the completion of the acquisition by Gardwell Limited of 295,000,000 shares in the Company (the "Acquisition"), representing approximately 29.4% of the issued share capital of the Company. Upon completion of the Acquisition, the Company and SABMiller Asia BV, an indirect wholly owned subsidiary of SABMiller plc, entered into a Strategic Investor Agreement ("SIA"), pursuant to which SABMiller Asia BV, and its affiliates, became the exclusive strategic investor of the Company in the PRC. As part of these arrangements two persons designated by SABMiller Asia BV were appointed to the board of directors of the Company. Those directors have voluntarily recused themselves from deliberations of the board relating to the offer.

Under the SIA, SABMiller Asia BV agreed that SABMiller Asia BV and persons acting in concert with it would not purchase any shares of the Company which would result in their total voting rights exceeding 29.7% of the issued share capital of the Company. The SIA has been terminated, in accordance with its terms, enabling the offeror to make the offer.

SABMiller plc regards the Company as one of the leading brewers in the PRC, now the world's largest beer market, and is seeking to further expand its ownership of the Company. The offer is the next logical step in the development of the relationship between SABMiller plc and the Company, and will represent one further step in SABMiller's strategy in the PRC of focusing on local brands to build regional leadership. It will further strengthen its position in this strategically important market.

Over time, SABMiller plc will be working to take advantage of any medium to long term opportunities for further co-operation with its existing joint venture in the PRC, China Resources Breweries. SABMiller plc believes this offer represents excellent value to the Company's shareholders and a powerful strategic fit with its existing joint venture operations in North East China. The Company provides SABMiller plc with the opportunity to enhance its local brand portfolios to the benefit of consumers, and further develop SABMiller plc's regional leadership. Moving to a majority ownership position is a natural progression in SABMiller plc's commitment to China and its strongly growing brewing sector. Majority ownership and commitment by SABMiller plc will ensure a successful future for the Company.

The deal will enable SABMiller plc to fully leverage the strengths of the business, and the Company's strong portfolio of brands. The offer opens potential opportunities to explore and take advantage of further co-operation with our existing joint venture in the PRC, China Resources Breweries. The offer is fully supported by China Resources Enterprise, Limited, our partner in China Resources Breweries.

## **Listing of the Company's shares**

Shareholders should be aware that, in the event the shares of the Company held by the public (as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules")) is less than 25% of the issued shares of the Company, trading in the shares may be suspended.

If sufficient acceptances of the offer are received, it is the intention of the offeror to avail itself of the compulsory purchase provisions of the Companies Law (2003 Revision) of the Cayman Islands. These provisions would permit the offeror to compulsorily acquire the balance of the Company's shares if acceptances are received under the offer which, when taken together with any shares acquired by the offeror and persons acting in concert with it before or during the offer period, would result in the offeror and persons acting in concert with it holding not less than 90% of the Company's shares. In such event, and subject to compliance with the applicable provisions of the Takeovers Code and the Listing Rules, the listing of the Company's shares will be withdrawn from the Hong Kong Stock Exchange.

Rule 2.11 of the Takeovers Code states that, except with the consent of the Executive, where any person seeks to acquire or privatize a company by means of an offer and the use of compulsory acquisition rights, such rights may only be exercised if, in addition to satisfying any requirements imposed by law, acceptances of the offer and purchases, in each case of the disinterested shares, made by the offeror and persons acting in concert with it during the period of four months after the initial offer document total 90% of the disinterested shares. Further Rule 2.2 of the Takeovers Code states, if after a proposed offer the shares of an offeree company are to be delisted from the Hong Kong Stock Exchange, neither the offeror nor any persons acting in concert with the offeror may vote at the meeting, if any, of the company convened in accordance with the Listing Rules.

## General

The offer document containing, among other things, the terms of the offer to be made to the shareholders of the Company described in this announcement and the relevant forms of acceptance and transfer, will be despatched to shareholders of the Company within 21 days of the date of this announcement, or such later date as consented to by the Takeovers Executive.

By order of the board  
**SABMiller plc**

**E.A.G. Mackay**  
*Chief Executive*

Hong Kong, 4th May, 2004

*The directors of SABMiller plc jointly and severally accept full responsibility for the accuracy of the information contained in this announcement, except in relation to information on the Company, and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement, have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement, except in relation to information on the Company, misleading.*

*The information relating to the Company contained in this announcement has been taken from the published annual and interim reports of the Company and from other public sources, including the Company's website at [www.hapi.com.cn](http://www.hapi.com.cn). The directors of SABMiller plc take full responsibility for ensuring such information has been correctly and fairly reproduced.*

*Please also refer to the published version of this announcement in the (**South China Morning Post**)*