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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)

(Stock Code: 0249)

CLARIFICATION ANNOUNCEMENT
IN CONNECTION WITH THE CONDITIONAL VOLUNTARY OFFER
ANNOUNCED BY SABMILLER PLC AND RESUMPTION OF TRADING

At the request of the SFC, the Company applied for a voluntary suspension of trading in the Shares, which was suspended with effect from 2.30 p.m. on 7 May 2004 pending publication of this announcement. The Company has made an application to the Stock Exchange for the resumption of trading of the Shares on the Stock Exchange from 9.30 a.m. on 10 May 2004.

This announcement is being made to clarify certain statements made by, or attributed to, Mr. Peter Lo, Chief Executive Officer of Harbin Brewery Group Limited (the “Company”) in interviews or discussions with the press on 6 May 2004 (the “Interviews”) relating to the Company’s announcement dated 5 May 2004 (the “Response Announcement”) made in response to the unsolicited conditional voluntary offer (“Offer”) announced by SABMiller plc (“SABMiller”) on 4 May 2004.

Reasons for the Company’s unilateral termination of the SI Agreement (as defined in the Company’s announcement dated 4 May 2004) with SABMiller Asia BV

In the Company’s Response Announcement it was stated that the Company:

“... unilaterally terminated the SI Agreement ... on the basis that it was in the Company’s best interests to do so, taking into account the current strategic and market positions of the Company and SABMiller Asia BV in the PRC beer industry.”

In the Interviews, Mr Lo explained that since the date of signing the SI Agreement on 28 July 2003, the Company and SABMiller Asia BV had failed to realise the objectives specified in the SI Agreement, including greater levels of synergy, brand enhancement and contributions of technical expertise.

In this context, Mr Lo referred to the recent reaction of China Resources Breweries (“CRB”), SABMiller’s existing joint venture in the PRC, to the Company’s decision in January this year to raise its beer prices, when CRB countered by discounting its beer prices.

Mr Lo did not make any reference, in this context, to the sharing of distribution routes between CRB and the Company, as was reported in the Asia Wall Street Journal on 7 May 2004.

“The Board does not believe the Company’s long term future should be linked with that of CRB, one of its major competitors in the PRC.”

In this context, Mr Lo explained that having failed to deliver synergies as a major shareholder in both the Company and CRB, the Company doubted SABMiller could do so simply by increasing their shareholding in the Company.

In addition, Mr Lo questioned how SABMiller would be able to run the Company without the support of the management and the employees given that the canvassed views of the management and employees as a whole indicated a lack of support for the Offer.

The board of directors of the Company welcomes Anheuser-Busch Companies, Inc.’s acquisition of Global Conduit Holdings Limited which entered into a conditional sale and purchase agreement to acquire approximately 29.07% interest in the Company’s share capital.

In this context, Mr Lo referred to Anheuser-Busch’s recent success in China in building a nationwide network and promoting its Budweiser brand across the country and believed the Company would benefit from Anheuser-Busch’s expertise to establish a nationwide brand for Harbin. Mr. Lo also mentioned that the Company had been in discussions with Anheuser-Busch following the latter company’s announcement of its acquisition of an interest in the Company, as one of the Company’s soon-to-be major shareholders.

An independent board committee of the Company will be in accordance with Rule 2 of the Hong Kong Code on Takeovers and Mergers established and writing to shareholders of the Company with their formal response to the offer once the offer document has been posted by SABMiller. At that time, the Company’s response document will also contain the views of the independent financial adviser to the independent board committee, who is still to be appointed by the Company.

At the request of the Securities and Futures Commission (“SFC”), the Company applied for a voluntary suspension of trading in the shares of the Company (“Shares”), which was suspended with effect from 2.30 p.m. on 7 May 2004 pending publication of this announcement. The Company has made an application to the Stock Exchange for the resumption of trading of the Shares on the Stock Exchange from 9.30 a.m. on 10 May 2004.

By Order of the Board
Harbin Brewery Group Limited
LAM Pong Sui
Company Secretary

Hong Kong, 7 May 2004

As at the date of this announcement, the executive directors are: Messrs. Li Wentao, Lo Peter, Fu Hui, Au Peter Jeva and Bao Liusuo; the non-executive directors are: Dr Tong Kay Tak Tom, Mr Zhu Wenwei, Mr Roy E. Bagattini and Mr Jonathan F. Solesbury; the independent non-executive directors are: Dr Sit Fung Shuen Victor and Mr Sam Zuchowski.

Other than (i) Mr Sam Zuchowski who is in hospital and (ii) Messrs. Roy E. Bagattini and Jonathan F. Solesbury who have a conflict of interest as a result of being directors of the Company and representatives of SABMiller, the directors of the Company jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable inquiries, that to the best of their knowledge, the 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 misleading.

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