

Conditional voluntary offer by
Anglo Chinese Corporate Finance, Limited
on behalf of
SABMiller (PRC) Holdings Limited (the “Offeror”),
an indirect wholly owned subsidiary of SABMiller plc (“SABMiller”),
for all the issued shares in Harbin Brewery Group Limited (“Harbin Brewery”)
other than those held by SABMiller (PRC) Holdings Limited
and parties acting in concert with it (the “Offer”)

On 4th May, 2004 SABMiller announced that Anglo Chinese Corporate Finance, Limited would make a conditional voluntary general offer for Harbin Brewery. On 24th May, 2004 the offer document containing such offer from Anglo Chinese Corporate Finance, Limited, (a deemed licensed corporation under the Securities and Futures Ordinance (Cap. 571 of the laws of Hong Kong)) was despatched to shareholders of Harbin Brewery. Set out below is a copy of the letter to shareholders of Harbin Brewery from the Chief Executive of SABMiller plc, as extracted from such offer document.



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Letter to the shareholders of Harbin Brewery Group Limited from the Chief Executive of SABMiller plc

Dear Shareholder,

HK\$4.30 Cash Offer for your Shares in Harbin Brewery

As Chief Executive of SABMiller, I am writing to you personally to explain why I believe that it is in your best interests to accept our Offer.

- It represents **outstanding and certain value** for Harbin Brewery shareholders;
- It brings **unique benefits** to Harbin Brewery through co-operation with our existing operations in China and a **positive future** for Harbin Brewery, its brands, breweries and employees;
- It is further evidence of our **long standing commitment to China**, through our successful ten year partnership with China Resources Enterprise.

Our Offer represents outstanding and certain value for Harbin Brewery shareholders

Our Offer values your Shares in Harbin Brewery:

- at a **65%** premium to their average daily closing price during the period from the date of the IPO until the last trading day before the announcement of our Offer, and at a higher price than any closing price of the Shares during that period;

- at approximately 38 times Harbin Brewery's 2003 earnings; and
- at over four times Harbin Brewery's 2003 net asset value.

The Shares have traded above our Offer price since we announced our Offer, but I believe these higher prices are unsustainable under normal circumstances.

SABMiller's ownership would bring unique benefits to Harbin Brewery through co-operation with our existing operations in China held through China Resources Breweries

SABMiller has a 29.4% stake in Harbin Brewery, acquired in July 2003, and this Offer further demonstrates our commitment to Harbin Brewery.

The ownership of Harbin Brewery offers a compelling and unique strategic fit with SABMiller, given our existing operations in North East China where significant geographic overlap already exists. The future benefits of this opportunity are available only to SABMiller and to no other potential majority shareholder, and this is reflected in the value of our Offer.

I strongly believe that we can improve the operating environment in North East China, for the benefit of Harbin Brewery, its brands, breweries and employees without job losses in either Harbin Brewery or our existing business.

If our Offer is successful, we intend to:

- develop Harbin Brewery's strong brands to complement our own in building a powerful national portfolio of brands in China;
- improve the quality and efficiency of the distribution system by using our increased scale;
- utilise the brewing capacity of China Resources Breweries and Harbin Brewery to ensure that product is brewed closer to the customer, ensuring greater choice and the highest quality; and
- implement the tried and tested international SABMiller performance management systems.

After the successful completion of the Offer, Harbin Brewery will be a member of the SABMiller Group. It is our intention over time to align the Harbin Brewery business with China Resources Breweries and any changes made to the current structure will be designed to protect the unique heritage of Harbin Brewery, its brands, employees and other interested parties.

SABMiller will deliver a positive future for Harbin Brewery, its brands, breweries and employees

SABMiller brings significant financial and operational resources to Harbin Brewery. Under our ownership, we intend to maintain Harbin Brewery's unique identity and heritage and ensure that it evolves as a powerful force in the Chinese brewing sector. We are committed to developing Harbin Brewery's brands and the opportunities for employees at all levels should be greater than those currently existing.

The management of Harbin Brewery has recognised, in its announcement of 7th May, 2004 and elsewhere, that its future lies in being linked with an international brewing group with a greater national presence in China than Harbin Brewery has on its own. As one of the largest international brewers, we see potential to introduce international brands from our portfolio to complement Harbin Brewery's brands in China.

In our ten years of successfully operating in China in close partnership with local management teams and employees, the operations have been structured to deliver competitive and performance advantages without ever having closed a major functioning brewery or undertaking major headcount rationalisation. SABMiller fully intends to apply these principles to support the further development of Harbin Brewery.

SABMiller will leverage the existing expertise of Harbin Brewery with the international experience of SABMiller, through the adoption of advanced management techniques and proven skills transfer programs.

Our Offer is further evidence of SABMiller's long standing commitment to China, as demonstrated by our successful 10 year partnership with China Resources Enterprise

As one of the world's leading brewers, with operations in 40 countries and across four continents, we place paramount importance on developing strong relationships with our partners in each market in which we operate. Our relationship with China Resources Enterprise, our partner in China, is an example of this. Since 1994, we have together built China's second largest brewery group. Along the way, we have demonstrated a successful track record of integrating brewing acquisitions in China and in working with local authorities, management teams, employees, the local community and our consumers.

China Resources Enterprise fully supports our Offer.

An independent Harbin Brewery is unlikely to deliver more value for Shareholders

Unless Harbin Brewery becomes a member of the SABMiller Group, I believe that it will be denied a combined strategy for dealing with the existing competitive pressures which have affected its margins and profit growth in the past, and that an independent Harbin Brewery will have fewer resources to invest in future growth. These factors, taken together with the price at which the Shares in Harbin Brewery traded before the announcement of our Offer, suggest that the value of your Shares may fall below our Offer price if this Offer is not accepted.

Conclusion

I believe Harbin Brewery will benefit greatly from a closer association with SABMiller and its partner in China, given the unique strategic fit between the two businesses.

We are offering an excellent price for your Shares and if the Offer is not accepted, the value of your Shares may fall below the Offer price.

Acceptance of our Offer is greatly in your interest and I strongly urge you to accept our Offer without delay.

Yours very truly,



E.A.G. Mackay
Chief Executive

This announcement does not constitute the Offer. The attention of Harbin Brewery Shareholders is drawn to the offer document despatched to shareholders on 24th May, 2004 which contains the Offer and sets out the detailed terms of the Offer.

This announcement is being made by Anglo Chinese Corporate Finance, Limited, a deemed licensed corporation under the Securities and Futures Ordinance (Cap. 571 of the laws of Hong Kong).

24th May, 2004

The directors of SABMiller and the Offeror 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, 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.

In accordance with normal Hong Kong market practice and subject to applicable regulatory requirements, SABMiller or the Offeror or their affiliates or nominees or brokers (acting as agents) may from time to time make certain purchases of, or arrangements to purchase, shares of Harbin Brewery outside the United States of America, other than pursuant to the Offer, before or during the period in which the Offer remains open for acceptance. These purchases may occur either in the open market at prevailing prices or in private transactions at negotiated prices. These purchases, or arrangements to purchase, shall comply with applicable rules in Hong Kong, including the Takeovers Code and the rules of The Stock Exchange of Hong Kong Limited and applicable United States securities laws (except to the extent of any exemptive relief granted by the United States Securities and Exchange Commission). Any information about such purchases will be disclosed as required in Hong Kong (in accordance with applicable requirements, including the Takeovers Code) and communicated in the United States of America in accordance with and under applicable regulatory requirements (including applicable United States securities laws).

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