

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this announcement, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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)

**ANNOUNCEMENT ON RESIGNATION OF DIRECTORS AND DESPATCH OF
RESPONSE DOCUMENT TO ANHEUSER-BUSCH OFFER**

The Board announces that Mr Roy Bagattini and Mr Jonathan Solesbury resigned as directors of the Company on 16 June 2004.

The Board announces that it intends to despatch the Response Document in relation to the Anheuser-Busch Offer on 18 June 2004.

The SABMiller Offer will be formally withdrawn and will no longer be capable of being accepted by Shareholders.

The Board fully supports the Anheuser-Busch Offer and warmly welcomes Anheuser-Busch becoming part of the Group.

Having taken into account the terms of the Anheuser-Busch Offer and the advice of Somerley Limited, the independent financial adviser to the Independent Board Committee, the Independent Board Committee considers that the terms of the Anheuser-Busch Offer are fair and reasonable so far as the Independent Shareholders are concerned and advises the Independent Shareholders to accept the Anheuser-Busch Offer as soon as practicable.

Resignation of directors

The Board announces that Mr Roy Bagattini and Mr Jonathan Solesbury resigned as directors of the Company on 16 June 2004. There are no other matters relating to the resignations that need to be brought to the attention of the Shareholders.

Mr Roy Bagattini and Mr Jonathan Solesbury were both originally designated for appointment as directors of the Company by SABMiller Asia BV, a wholly owned subsidiary of SABMiller plc, pursuant to the terms of the Strategic Investor Agreement.

The Board notes that as the Company is currently in an offer period, pursuant to Rule 7 of the Code, the consent of the Executive to such resignations is required. The Executive gave its formal consent to this on 16 June 2004.

Despatch of the Anheuser-Busch Offer Document and Response Document

Reference is made to the Company's announcement dated 1 June 2004 in respect of the announcement by Anheuser-Busch of the Anheuser-Busch Offer.

The Board notes the announcement by Anheuser-Busch that it intends to despatch the Anheuser-Busch Offer Document to Shareholders and Optionholders on 18 June 2004 and announces that it intends to despatch the Response Document on 18 June 2004. The Response Document contains, among other things, the recommendations of the Independent Board Committee and the advice of Somerley Limited, the independent financial adviser to the Independent Board Committee, in respect of the Anheuser-Busch Offer.

The first permitted closing date of the Anheuser-Busch Offer is 9 July 2004. The Anheuser-Busch Offer will close for acceptances at 4.00 p.m. (Hong Kong time) on 9 July 2004 if not extended.

Withdrawal of SABMiller Offer

The Board refers to the announcement of SABMiller plc dated 3 June 2004 in which SABMiller plc stated that the SABMiller Offer would not be extended beyond its first closing date (being 21 June 2004) and that if Anheuser-Busch posted its offer document before that date, the SABMiller Offer would be formally withdrawn. Accordingly, as the Anheuser-Busch Offer Document is being despatched on 18 June 2004, the SABMiller Offer will be formally withdrawn and will no longer be capable of being accepted by Shareholders.

Highlights of the Response Document

The Board fully supports the Anheuser-Busch Offer and warmly welcomes Anheuser-Busch becoming part of the Group.

The Board believes that Anheuser-Busch Companies, Inc. can provide strategic benefits to the Company and in particular that Anheuser-Busch Companies, Inc.'s expertise and recent success in China in promoting its Budweiser brand across the country will benefit the Company in establishing a nationwide brand for Harbin beer.

For details of the reasons supporting the Board's view, Shareholders should carefully consider all of the information set out in the Response Document.

Property Valuations

The Company has appointed independent valuers to value its property interests in the People's Republic of China and Hong Kong as at 30 April 2004. A summary of the property valuations is set out in the Response Document. The property revaluation movement as at 30 April 2004 is disclosed in the notes to the statement of pro forma adjusted net tangible assets of the Group below.

Statement of pro forma adjusted net tangible assets of the Group

The following is an illustrative statement (contained in the Response Document) of pro forma adjusted net tangible assets of the Group as at 31 December 2003 which has been prepared for the purpose of illustrating the effect of the SABMiller Offer and the Anheuser-Busch Offer as at 31 December 2003 and is based on the audited consolidated net assets of the Group as at 31 December 2003 as shown in the audited financial statements of the Group for the year ended 31 December 2003, and adjusted as follows:

	Audited net tangible assets of the Group as at 31 December 2003	Costs in connection with the SABMiller Offer and the Anheuser- Busch Offer	Pro forma adjusted net tangible assets	Pro forma adjusted net tangible assets per share
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>(Note 2)</i>
	<i>(Note 1)</i>			<i>(Note 2)</i>
Net tangible assets as at 31 December 2003	892,249	(36,150)	856,099	HK\$0.85

Notes:

(1) The audited net tangible assets of the Group as at 31 December 2003 is calculated as follows:

	<i>HK\$'000</i>
Audited published consolidated net assets of the Group as at 31 December 2003	1,069,608
Less: Group's share of intangible assets, goodwill, negative goodwill and deferred expenditure	(177,359)
Audited net tangible assets of the Group as at 31 December 2003	892,249

(2) The pro forma adjusted net tangible assets per Share is calculated based on 1,002,864,358 Shares in issue as at 31 December 2003.

NB: The excess of the fair value of the Group's land and buildings of HK\$39,254,000 as at 30 April 2004 (arising as a result of an independent valuation conducted pursuant to the requirements of Rule 11 of the Code) over their net book value has not been taken into account in the above statement for the fair value adjustment.

A proposed dividend of HK\$0.021 per Share was announced by the Company on 22 April 2004. Subject to approval by the Shareholders at the Company's annual general meeting (to be held on 25 June 2004), this will be paid on 16 July 2004 to those Shareholders on the register of members of the Company as at the close of business on 25 June 2004.

Listing Rules requirements

Shareholders should be aware that if the number of Shares held by the public, as defined in the Rules Governing the Listing of Securities on the Stock Exchange, comprises less than 25% of the Shares, trading in the Shares may be suspended. If the percentage of Shares remaining in public hands falls below the minimum percentage, the Stock Exchange has the right to suspend trading until appropriate steps have been taken to restore the minimum percentage in public hands.

Recommendation

Having taken into account the terms of the Anheuser-Busch Offer and the advice of Somerley Limited, the independent financial adviser to the Independent Board Committee, the Independent Board Committee considers that the terms of the Anheuser-Busch Offer are fair and reasonable so far as the Independent Shareholders are concerned and advises the Independent Shareholders to accept the Anheuser-Busch Offer as soon as practicable.

Definitions

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“Anheuser-Busch”	Anheuser-Busch Hong Kong Investment Company, Limited, an indirect wholly owned subsidiary of Anheuser-Busch Companies, Inc.
“Anheuser-Busch Offer”	the mandatory cash offer made by Morgan Stanley Dean Witter Asia Limited on behalf of Anheuser-Busch for all the Shares not already owned by Anheuser-Busch and parties acting in concert with it
“Anheuser-Busch Offer Document”	the document issued by Anheuser-Busch containing the Anheuser-Busch Offer
“Board”	the board of directors of the Company
“Code”	the Hong Kong Code on Takeovers and Mergers
“Company”	Harbin Brewery Group Limited
“Executive”	the Executive Director of the Corporate Finance Division of the Securities and Futures Commission
“Group”	the Company and its subsidiaries
“Independent Board Committee”	a committee of the Board, comprising Dr. Tong Kay Tak Tom, Dr. Sit Fung Shuen Victor, Mr Zhu Wenwei and Mr Sam Zuchowski

“Independent Shareholders”	the Shareholders other than Anheuser-Busch and parties acting in concert with it
“Optionholders”	holders of options granted under the Company’s share option schemes
“Response Document”	the document issued by the Company in response to the Anheuser-Busch Offer
“SABMiller Offer”	the conditional voluntary cash offer made on behalf of an indirect wholly owned subsidiary of SABMiller plc pursuant to an offer document dated 24 May 2004 (which offer will be formally withdrawn)
“Shareholders”	holders of Shares
“Shares”	the ordinary shares of HK\$0.10 each in the capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Strategic Investor Agreement”	the strategic investor agreement dated 28 July 2003, entered into between the Company and SABMiller Asia BV

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

Hong Kong, 17 June 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 and Mr Zhu Wenwei; the independent non-executive directors are: Dr Sit Fung Shuen Victor and Mr Sam Zuchowski.

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.