

**For Immediate Release**

**Press Release**

**CRB Acquires Lion Nathan's Breweries in China**

[Hong Kong, September 15, 2004] China Resources Breweries Limited ("CRB"), a subsidiary of China Resources Enterprise, Limited (the "Company" or "CRE") (Stock Code: 0291) and a joint venture with SABMiller plc, announces that it has acquired the Chinese brewing interests of Lion Nathan Limited ("Lion Nathan") for a purchase consideration of US\$71 million plus an assumption of debt to be finalised on completion. The Lion Nathan business consists of three breweries with a combined installed capacity of about 516,000 kilolitres and total sales volume of around 219,000 kilolitres forecast for the year ending September 2004. The breweries are located in the affluent southern Jiangsu province close to Shanghai. Neighbouring CRB's breweries in Zhejiang, Anhui and Hubei provinces, they will strengthen CRB's presence in Eastern and Central China and offer potential synergies in marketing, procurement and logistics. The acquisition confirms CRB as the second largest brewer in China, with a market share of approximately 12% and production capacity of 5.6 million kilolitres across 36 breweries, excluding the recently announced greenfield brewery investment in Dongguan.

Lion Nathan's brands include the mainstream beers Taihushui, Linkman and Rheineck which are distributed in the Yangtze River Delta where they have an estimated market share of 20% in and around the cities of Wuxi, Suzhou, Changzhou and Nanjing. In the six months to March 2004, which covered the low seasons mainly, Lion Nathan's Chinese businesses reported an operating loss of around A\$7.0 million but sales volume increased 63% to about 50,000 kilolitres while organic growth increased by 54%.

Frank Ning, Chairman of the Company said, "Since the beginning of this year, our production capacity has already expanded by about 30% through acquisitions at reasonable cost. This acquisition, being the third this year, is another major step for us to consolidate our leading position in the mainland brewery market and develop a complete national distribution network for Snow. It has provided us not just a portfolio of strong brands in Jiangsu, where we do not have operations before, but also a platform for our business to grow further in the Yangtze River Delta region."

André Parker, Managing Director of SABMiller Africa & Asia commented, "This acquisition extends CRB's footprint in the strategically important Jiangsu and Shanghai area with combined market volumes of 16 million hectolitres and above average market pricing. The business is expected to benefit from improving

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sales mix within the existing brand portfolio and by the accelerated introduction of Snow. As a result we are confident in CRB's ability to significantly enhance profitability in the short to medium term."

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### **About China Resources Breweries Limited**

China Resources Breweries Limited was established in 1994 and is engaged in the production, sales and marketing of beer and beverages in China. Its shareholders are China Resources Enterprise, Limited and SABMiller plc. China Resources Enterprise, Limited has a 51% interest in China Resources Breweries Limited while SABMiller plc holds a 49% interest. It operates more than 30 breweries in the Chinese Mainland with total sales volume of 2.53 million kilolitres in 2003.

### **About China Resources Enterprise, Limited**

China Resources Enterprise, Limited is listed on the Hong Kong Stock Exchange and is also traded on SEAQ International of the London Stock Exchange. It is also one of the constituent stocks of the Hang Seng Index in Hong Kong and Hang Seng London Reference Index. The Group has a well-diversified portfolio of businesses in both Hong Kong and the Chinese Mainland, with principal activities being retail, beverage, food processing and distribution, textile and petroleum distribution.

### **About SABMiller plc**

SABMiller plc is one of the world's largest brewers, with 2003/04 lager sales volumes in excess of 137 million hectolitres. It has 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. In the year ended 31 March 2004, the group generated US\$1,391 million pre-tax profit from a turnover of US\$12,645 million. SABMiller plc is listed on the London and Johannesburg stock exchanges.

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