

**For Immediate Release**

**Press Release**

**CRB Announces Greenfield Brewery Investment in Dongguan**

[Hong Kong, August 26, 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 will invest about RMB680 million in the construction of a new brewery at Dongguan, Guangdong Province. Construction of the brewery is expected to commence in November and it will be operational in early 2006 with an ultimate capacity of approximately 300,000 kilolitres. The brewery will be built to international specifications enabling it to produce both premium and draught beer. It will be used mainly to produce CRB’s national brand, Snow. Upon completion of the new brewery, the annual production capacity of CRB will be increased to about 5.3 million kilolitres with breweries covering the North Eastern, Northern, South Western, Central, Eastern and Southern region of the Chinese Mainland.

The Guangdong Province, which incorporates the Pearl River Delta, is the most prosperous and economically developed province of the Chinese Mainland. It accounts for approximately 8% of China’s total beer volume, beer volume in the region has risen from 660,000 kilolitres in 1992 to an estimated 1.95 million kilolitres in 2003. Dongguan, together with Guangzhou and Shenzhen, is the largest beer consuming area in the province.

Frank Ning, CRE’s Chairman, said, “After a long period of careful study and analysis of the local market, we believe it is the right time for CRB to enter the affluent Southern China region. Construction of a new brewery rather than acquisition is the most efficient and effective way to gain access to this market. It is part of Snow’s national branding strategy. Moreover, the strong presence of CRE’s supermarket operation in Guangdong Province will complement the brewery’s distribution system and enhance marketing effectiveness. Coverage of Southern China will further strengthen CRB’s leading position in the mainland brewery market and create an integrated national distribution network for Snow.”

André Parker, SABMiller’s Africa & Asia Managing Director, commented “This is CRB’s first greenfield investment in China and will be achieved at a competitive entry cost of US\$27 per hectolitre, comparing favourably with recent acquisition multiples. The cities of Dongguan, Shenzhen and Guangzhou will be important future markets for CRB’s Snow brand as well as, potentially, our international premium brands such as Miller Genuine Draft. Additionally, CRE’s extensive supermarket chain will also provide good

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regional distribution synergies. This investment is a continuation of CRB's successful 10 year strategy of increasing its national coverage."

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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 51% interests in China Resources Breweries Limited while SABMiller plc holds 49% interests. 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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