

For Immediate Release



華潤雪花啤酒有限公司
China Resources Snow Breweries Limited

GDH 金威啤酒集團有限公司
KINGWAY BREWERY HOLDINGS LIMITED

A Strategic Win-Win

CR Snow & Kingway Brewery Sign Transaction Agreement

**CRE Further Enhances its Leading Position in China's Beer Market
Kingway Brewery Shifts Corporate Strategy to Foray into
China's Property Market**

- **CR Snow, a subsidiary of CRE, will acquire from Kingway Brewery its beer production, distribution and sales businesses, including its seven breweries in China, for a total consideration of RMB5.38 billion, further enhancing its leading position in China's beer market.**
- **Kingway Brewery will retain its site at Shenzhen Plant 1 and leverage on the urban redevelopment plan to develop landmark commercial properties meeting international standards. Kingway Brewery will undergo strategic transformation to focus its business on property development and investment. It is set to change its name to "Guangdong Land Holdings Limited".**
- **Kingway Brewery will recognise a gain of approximately HK\$3.46 billion, and intends to propose a special dividend of approximately HK\$1.7 billion, or HK\$1.0 per share.**

[Hong Kong, 5 February 2013] China Resources Snow Breweries Limited ("CR Snow"), a 51% owned subsidiary of China Resources Enterprise, Limited (HKEx: 00291) ("CRE"), and Kingway Brewery Holdings Limited (HKEx: 00124) ("Kingway Brewery") today jointly announce that they have entered into a transaction agreement involving Kingway beer business.

CR Snow will acquire Kingway Brewery's business in relation to beer production, distribution and sales, and including the related shareholder's loans and debts, for a total consideration of RMB\$5.38 billion. The assets involved include seven breweries in Chengdu, Dongguan, Foshan, Shantou, Tianjin, Xian, and Shenzhen Plant 2 with a combined production capacity of 1.45 million tonnes.

Kingway Brewery will retain the plot of land held by Shenzhen Plant 1 situated at Buxin Area, Luohu District, Shenzhen to develop commercial properties (please refer to the "Buxin Project" for further details). Upon completion of the transaction, Kingway Brewery will cease its beer business as soon as possible and will undergo a strategic transformation to focus its business on property development and investment, and is set to change its name to "Guangdong Land Holdings Limited".

Among the sale proceeds, approximately HK\$2.1 billion will be used to finance the Buxin Project, approximately HK\$1.2 billion will be applied for the future acquisition of land and other property development projects in China, and approximately HK\$1.9 billion will be used to pay for the taxation, costs, expenses in relation to the transaction and for general working capital purpose. The Board of Kingway Brewery has proposed allocating approximately HK\$1.7 billion from the sale proceeds as a special dividend to be distributed to its shareholders, representing HK\$1.0 per share. The said proposal is subject to shareholder's approval at the special general meeting.

In 2011, the sales volume of Kingway Brewery amounted to approximately 934,000 tonnes, generating total revenue of HK\$1.7 billion, and a combined production capacity of 1,450,000 tonnes with the application of relevant assets in the transaction. During the same period, CRE's beer division recorded sales volume of 10,235,000 tonnes, generating revenue of approximately HK\$26.689 billion. Upon completion of the transaction, the aggregate annual production capacity of CRE's beer division will increase from over 17,000,000 tonnes as at the end of 2012 to over 18,450,000 tonnes .

Mr. Chen Lang, Chairman of CRE, said, “Kingway Beer owns quality asset and is a widely recognised brand enjoying a strong market share with an extensive sales network and established manufacturing facilities in China, especially in Guangdong Province. We are delighted to have Kingway Beer join the CRE family. The transaction not only strengthens our production capacity and economies of scale, but also further optimizes the sales network of CR Snow in China. This continues to enhance our leading position in China’s beer industry.”

Mr. Huang Xiaofeng, Chairman of Kingway Brewery said, “We are delighted to reach a win-win agreement with CRE. Handing Kingway Brewery’s beer business and brands to an organization as strong and reputable as CRE will ensure that Kingway Brewery will have more room to grow and achieve good results once more. The sale of the brewery business is a good opportunity for us to monetize our assets at an attractive price, which has enhanced our financial position to support our strategic transformation towards a focus on property development and investment in China, which is in the interests of all shareholders. Urbanization is being used to promote modernization as a historic mission, while Guangdong province is also actively advocating the sector redevelopment and urban transformation strategy. This will lead to positive and strategic development opportunities in China’s property sector. The Buxin Project has its unique economic and geographical advantages. Coupled with the strong support from the government policies on business transformation and redevelopment as well as our professional team with extensive experience in the property sector, we are confident of our strategic transformation.”

J.P. Morgan Securities (Asia Pacific) Limited and HSBC are financial advisors to CR Snow and Kingway respectively.

About the Buxin Project

The Buxin Project is located in Buxin Area, Luohu District, at the centre of Shenzhen. It comprises a total area of approximately 87,000 square metres, and is within walking distance to the Buxin and Shuibei Metro stations of the Shenzhen Metro. The Shenzhen Plant 1 Land is a rare resource as it is the largest plot of industrial land situated in a prime location in Shenzhen. In December 2012, the site of the Project was included in the “Shenzhen Urban Renewal Unit Programme”,

which will cater to demand for office space and ancillary apartments brought by the prosperity of jewelry design, exhibition and sales industry in nearby area,.

In view of the geographical advantages of Shenzhen Plant 1 Land, the site will be developed in three phases. Kingway Brewery is currently preparing the project development proposal and will submit an urban renewal planning proposal to the relevant government authorities pursuant to the “Measures on Urban Renewal of Shenzhen City”. Demolition work is expected to commence in [autumn this year], and this three-phases Project is slated for full completion by the end of 2019.

The Buxin Project, comprising three phases, has a planned total gross floor area of approximately 560,000 square metres, and the total investment cost is estimated to be RMB 3.6 billion, of which RMB1.2 billion will be used for the payment of land premiums, professional fees for market research, preparation of submission to the relevant authorities, project design fees, construction management fees and other expenses.

Phase one of the Buxin Project is estimated to incur a construction cost of approximately RMB500million, and will feature a landmark integrated commercial complex meeting international standard and comprising a commercial building, an ancillary apartment building and retail stores with a planned total gross floor area of approximately 100,000 square metres. Construction of phase one will commence at the beginning of 2015 and will be completed in mid-2016. Sales and leasing will begin thereafter.

Phase two of the Buxin Project, which will be developed into a corporate research and development centre, headquarters and ancillary facilities with commercial properties offered for sale to gold and jewelry and other businesses in the surrounding areas, will have a planned total gross floor area of approximately 310,000 square meters. Kingway Brewery expects to put up tenders for surveying, design, construction and supervision for phase two of the Buxin Project as construction of phase one of the Buxin Project comes to a close. Construction for phase two of the Buxin Project is expected commence around the end of 2016 and to be completed around the end of 2018.

Regarding phase three of the Buxin Project, there are plans for the remaining part of the Industrial Land to be developed into a research and development centre, which will comprise commercial properties to be retained by Kingway Brewery for leasing to jewellery and other businesses in the surrounding area, and which will have a planned total gross floor area of approximately 190,000 square metres. Kingway Brewery expects to put up tenders for surveying, design, construction and supervision for phase three of the Buxin Project as construction for phase two of the Buxin Project comes to a close. Construction of phase three of the Project is expected to commence around the end of 2017 and to be completed around the end of 2019. Kingway Brewery intends to retain the R&D Centre for leasing purposes.

The Buxin Project will be managed by a team of experienced professionals and supervised by Kingway Brewery's executive directors Mr. Liang Jiang, Mr. Li Wai Keung and deputy general manager of the Group and Chairman of Guangdong Real Estate Mr. Xiao Zeguang, all of whom have extensive experience in property development and investment management through the GDH Group.

About China Resources Enterprise, Limited

China Resources Enterprise, Limited is listed on the Hong Kong Stock Exchange and is one of the constituent stocks of the Hang Seng Index in Hong Kong. The company focuses on the consumer businesses, including retail, beer, food and beverage in China.

About Kingway Brewery Holdings Limited (Intend to change its name to "Guangdong Land Holdings Limited")

Kingway Brewery Holdings Limited is currently engaged in "Kingway Beer"'s business in relation to beer production, distribution and sales. The Group owns seven breweries in China with a leading market share in China, particularly in Guangdong Province. In February 2013, the Group disposes its entire beer business and will undergo a strategic transformation to focus on property development and investment business in China, and intends to change its name to "Guangdong Land Holdings Limited".

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