



ASIA PACIFIC BREWERIES LIMITED

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Company Registration No.: 193100007K (Incorporated in the Republic of Singapore)

PRESS RELEASE

9 March 2011

Heineken-APB China (HAPBC) Divests Stake in Kingway Brewery Holdings

- ***HAPBC expects to gain approximately S\$76 million from divestment***
- ***Offer price at a premium of 63% over Kingway Brewery's closing price on 8 March 2011***

Heineken-APB (China) Pte Ltd¹¹ ("**HAPBC**") has entered into an agreement to sell its stake of 365,767,453 ordinary shares in Kingway Brewery Holdings Limited ("**Kingway Brewery**"). HAPBC is an associate company of Asia Pacific Breweries Limited ("**APB**").

The offer for the shares, which represent approximately 21.37% of the issued share capital of Kingway Brewery, is worth RMB1.08 billion (equivalent to approximately S\$205 million based on an agreed exchange rate mechanism). The value is subject to further adjustments in share capital or securities held by HAPBC in Kingway Brewery and any other factors that may impact Kingway Brewery shares before completion of the proposed transaction.

Based on the latest audited consolidated accounts of HAPBC group as at 30 September 2010, the book value of the shares amounted to approximately S\$119.0 million.

^{1 1} HAPBC is a 50-50 joint venture company of APB and Asia Pacific Investment Pte Ltd (which is, in turn, equally owned by Heineken and Fraser and Neave, Limited)

“The offer represents an estimated premium of 72% over the book value of our investment resulting in a gain of approximately S\$76 million after deducting foreign exchange and transaction related expenses. By virtue of its 50% stake in HAPBC, APBL’s share of the gain from disposal will be approximately S\$38 million. We believe that this is the best possible option for this asset, given the commissioning of our new brewery in Guangzhou and our current strategy to focus on the premium segment in China” commented Mr Roland Pirmez, Chief Executive Officer, APB. In this context, Mr Pirmez expressed satisfaction with the performance of the group’s operations in China.

The completion of the proposed transaction is dependent on whether GDH Limited (“**GDH**”), the controlling shareholder of Kingway Brewery, will acquire the shares on the same or equivalent terms that have been offered to HAPBC. Should GDH decide to do so, the agreement will lapse.

A further announcement on the decision of GDH and the development of the proposed transaction will be issued.

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