



ASIA PACIFIC BREWERIES LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No.: 193100007K)
(the “Company” or “APB”)

PROPOSED SALE OF INTEREST IN HEINEKEN-APB (CHINA) PTE LTD

All capitalised terms used in this Announcement shall, unless otherwise defined herein, have the meaning ascribed to them in the announcements of the Company on 13 July 2011, 23 August 2011, 21 February 2012 and 28 February 2012 (the “Announcements”) in relation to the sale by each of the Company and Asia Pacific Investment Pte Ltd of all the issued shares in the capital of Heineken-APB (China) Pte. Ltd. (“HAPBC”) to China Resources Snow Breweries Limited (the “Purchaser”).

Update on Proposed Transaction

Further to the Announcements, the Board of Directors of the Company wishes to announce that the Company has been in discussions with the Purchaser on the Proposed Transaction in relation to the issues raised in the Announcements but the Company has not been able to reach an agreement with the Purchaser and completion of the Proposed Transaction will not take place as originally envisaged.

The Company maintains its position that it does not agree with the Purchaser’s view and the Company reserves all its rights to take legal action against the Purchaser in respect of the Agreement.

In view of the non-completion of the Proposed Transaction as originally envisaged, as at the date of this Announcement, the Company expects the negative impact on the APB Group’s profit to be approximately S\$8.5 million, taking into account transaction costs and operational losses from the Sale Interests for the period from October 2011 to March 2012. The foregoing is subject to any legal action which the Company may take against the Purchaser

Contesting the Summons served by Jiangsu Dafuhao Breweries Co, Ltd

The Board of Directors of the Company also wishes to update shareholders that HAPBC is contesting the Summons served on HAPBC by Jiangsu Dafuhao Breweries Co, Ltd (江苏大富豪酿酒有限公司) (“DFH”) (including challenging the jurisdictional basis of DFH commencing legal proceedings in the Nantong Intermediate People’s Court).

Arbitration Proceedings against Nantong Fuhao Alcohol Industry Co., Ltd

In addition, the Board of Directors of the Company wishes to announce that HAPBC has initiated arbitration proceedings against Nantong Fuhao Alcohol Industry Co., Ltd (南通富豪酒业有限公司) (“NAC”) at the China International Economic and Trade Arbitration Commission in Beijing, the People’s Republic of China. HAPBC is claiming against NAC for various breaches of the the Joint Venture Agreement between HAPBC and NAC dated 18 April 2005 in relation to DFH, including but not limited to:

- Refusal to provide HAPBC with financial information of DFH;
- Refusal to cooperate with HAPBC for HAPBC to conduct an audit on DFH;
- Acting in furtherance of NAC's interests to the detriment of DFH in relation to the relocation of DFH's main factory in Tongzhou; and
- Acting unilaterally without HAPBC's approval in relation to material DFH matters.

In light of the foregoing, as the Company is unable to determine either the financial position or valuation of DFH, the Company considers it prudent to make a provision for the impairment of the carrying value of DFH in the books of HAPBC, the quantum of such impairment to be up to the current carrying value of DFH. The Company's 50% share of the current carrying value of DFH in the books of HAPBC is approximately S\$30 million.

The Company is reviewing its options in relation to HAPBC's 49% stake in DFH and 100% stake in Shanghai Asia Pacific Brewery Co. Ltd.

A copy of the press release issued by the Company today is attached for information.

The Company will make further announcements as appropriate to keep shareholders informed of material developments in the above matters.

BY ORDER OF THE BOARD

Anthony Cheong Fook Seng
Company Secretary
30 March 2012