



ASIA PACIFIC BREWERIES LIMITED

(Incorporated in the Republic of Singapore)

(Company Registration No.: 193100007K)

JOINT VENTURE IN MONGOLIA

Pursuant to Rule 704(17)(c) of the Listing Manual, the Board of Directors of Asia Pacific Breweries Limited ("**APBL**") wishes to announce that APBL has entered into a conditional share acquisition agreement (the "**Acquisition Agreement**") with Grandkhaan Holdings Limited ("**GKHL**") and its controlling shareholder to acquire from GKHL 27,516,387 fully paid ordinary shares (the "**Sale Shares**") of Mongolian Beverages Company Pte. Ltd. (the "**Joint Venture Company**"), which is an investment holding company with an initial share capital of S\$100 as at the date of this announcement. GKHL will hold the remaining 26,437,313 fully paid ordinary shares of the Joint Venture Company upon completion of the Acquisition Agreement and APBL will be responsible for managing the Joint Venture Company. Simultaneously, the parties have also entered into a shareholders agreement.

Before completion of the Acquisition Agreement, GKHL will inject its interests in the following entities into the Joint Venture Company in return for issuance of fully paid ordinary shares in the Joint Venture Company, out of which 27,516,387 fully paid ordinary shares will be acquired by APBL on completion of the Acquisition Agreement as stated above:

- (a) approximately 94.196 per cent. of Spirit Bal Buram LLC ("**SBB**");
- (b) 100 per cent. of SBB Trade LLC; and
- (c) 100 per cent. of MCSD Distribution LLC,

(collectively, the "**Sale Companies**"). SBB in turn wholly owns Goyoselenge LLC and Khosturuu LLC (collectively, "**SBB Subsidiaries**").

The Joint Venture Company, through the Sale Companies and the SBB Subsidiaries, will be involved in the production, marketing, sales and distribution of vodka and spirits in Mongolia and in overseas markets.

The aggregate consideration payable by APBL to GKHL in respect of the Sale Shares (the "**Consideration**") is MNT 29,139,876,845 (equivalent to approximately SGD 27.7 million), subject to an adjustment for the difference in the value of the total equity attributable to the Joint Venture Company as shown in the audited consolidated accounts for the Sale Companies and the SBB Subsidiaries for the period commencing 1 October 2011 and ending on the last day of the calendar month prior to the completion of the acquisition of the Sale Shares or such other date as the parties may agree in writing ("**Completion Date**").

The Consideration was arrived at on an arm's length and a willing buyer-willing seller basis, taking into account the profitability, the business prospects, synergies and book value of the Sale Companies. The acquisition will be funded from internal resources. On Completion Date, the Consideration will be paid in cash in USD based on an agreed exchange rate mechanism.

The net asset value of the Sale Shares is MNT 21,900,813,000 (equivalent to approximately SGD 20.9 million) as at 30 September 2011.

The acquisition of the Sale Shares is not expected to have any material impact on the net tangible assets per share or earnings per share of APBL for the current financial year.

None of the directors or controlling shareholders of APBL has any interest, direct or indirect, in the acquisition of the Sale Shares.

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

Anthony Cheong Fook Seng
Company Secretary
11 July 2012