

DISCLOSURE OF ADDITIONAL INFORMATION

Directors' interests in shares

At 30 June 2002, save as disclosed, none of the Directors or their associates had any personal, family, corporate or other interests in the equity or debt securities of the Company or any of its associated corporations as defined in the Securities (Disclosure of Interests) Ordinance (Chapter 396 of the Laws of Hong Kong) (the "SDI Ordinance") or, as recorded in the register maintained by the Company pursuant to Section 29 of the SDI Ordinance or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies.

Directors' right to acquire shares or debentures

Save as disclosed under the section headed "Share option schemes" below, at no time during the period was the Company or any of its subsidiaries a party to any arrangement to enable the Directors, their respective spouses or children under 18 years of age to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Share option schemes

The Company has adopted a pre-IPO share option scheme (the "Pre-IPO Share Option Scheme") and a share option scheme (the "Share Option Scheme") as approved by written resolutions of the shareholders of the Company on 3 June 2002 (as amended on 17 June 2002).

The purpose of the Share Option Schemes is to give the participants an opportunity to have a personal stake in the Company and help motivate the participants to optimise their performance and efficiency and attract and retain the participants whose contributions are important to the long-term growth and profitability of the Group.

(a) Pre-IPO Share Option Scheme

On 3 June 2002, the Company granted options to certain Directors and employees of the Company under the Pre-IPO Share Option Scheme.

Details of these options are as follows:

Name or category of participant	Number of shares subject to the options granted during the six months ended 30 June 2002	Date of grant of share options	Exercise period of share options	Exercise price of share options HK\$
Directors				
Li Wentao	4,400,000	3 June 2002	27 June 2003 to 26 June 2007	1.56
	4,400,000	3 June 2002	27 June 2004 to 26 June 2007	1.56
Lo Peter (Note)	4,400,000	3 June 2002	27 June 2003 to 26 June 2007	1.56
	4,400,000	3 June 2002	27 June 2004 to 26 June 2007	1.56
Fu Hui	3,300,000	3 June 2002	27 June 2003 to 26 June 2007	1.56
	3,300,000	3 June 2002	27 June 2004 to 26 June 2007	1.56
Au Peter Jeva	2,200,000	3 June 2002	27 September 2003 to 26 June 2007	1.56
	2,200,000	3 June 2002	27 June 2004 to 26 June 2007	1.56
	2,200,000	3 June 2002	27 June 2005 to 26 June 2007	1.56

Name or category of participant	Number of shares subject to the options granted during the six months ended 30 June 2002	Date of grant of share options	Exercise period of share options	Exercise price of share options HK\$
Directors (cont'd)				
Lee Kong Leong	2,200,000	3 June 2002	27 September 2003 to 26 June 2007	1.56
	2,200,000	3 June 2002	27 June 2004 to 26 June 2007	1.56
	2,200,000	3 June 2002	27 June 2005 to 26 June 2007	1.56
Tong Kay Tak Tom	1,760,000	3 June 2002	27 June 2003 to 26 June 2007	1.56
	1,760,000	3 June 2002	27 June 2004 to 26 June 2007	1.56
	1,760,000	3 June 2002	27 June 2005 to 26 June 2007	1.56
Tse Kwok Lam	1,760,000	3 June 2002	27 September 2003 to 26 June 2007	1.56
	1,760,000	3 June 2002	27 June 2004 to 26 June 2007	1.56
	1,760,000	3 June 2002	27 June 2005 to 26 June 2007	1.56
Bao Liusuo	2,250,000	3 June 2002	27 June 2003 to 26 June 2007	1.56
	2,250,000	3 June 2002	27 June 2004 to 26 June 2007	1.56

Name or category of participant	Number of shares subject to the options granted during the six months ended 30 June 2002	Date of grant of share options	Exercise period of share options	Exercise price of share options HK\$
Directors (cont'd)				
Chen Zhixiong	800,000	3 June 2002	27 June 2003 to 26 June 2007	1.56
	800,000	3 June 2002	27 June 2004 to 26 June 2007	1.56
	800,000	3 June 2002	27 June 2005 to 26 June 2007	1.56
	54,860,000			
Other employees				
In aggregate	4,160,000	3 June 2002	27 June 2003 to 26 June 2007	1.56
	4,160,000	3 June 2002	27 June 2004 to 26 June 2007	1.56
	4,160,000	3 June 2002	27 June 2005 to 26 June 2007	1.56
	12,480,000			
	67,340,000			

As at 30 June 2002, the number of shares issuable under share options granted was 67,340,000, which represented approximately 7.65% of the Company's shares in issue as at that date. Up to 30 June 2002, none of such options granted was exercised, cancelled or lapsed.

Note: Lo Peter also has family interests in respect of the option granted by the Company to Ho Kar Yin (employee of the Company), the spouse of Lo Peter. Upon a full exercise of the option, 1,800,000 shares will be allotted and issued to Ho Kar Yin.

(b) Share Option Scheme

Subsequent to the balance sheet date, on 16 July 2002, 18,120,000 share options, representing approximately 1.98% of the Company's shares in issue as at that date were granted to certain employees of the Company's subsidiaries to subscribe for shares in the Company pursuant to the Share Option Scheme. The subscription price of the options granted under the scheme is HK\$1.85 (being the average of the closing prices of the Company's shares on the Stock Exchange as stated in the Stock Exchange's daily quotation sheets for the five trading days from 10 July 2002 to 16 July 2002) and the exercise period is from 27 June 2003 to 26 June 2007.

Substantial shareholders

At 30 June 2002, so far as the Company is aware, the following interests of 10% or more in the issued share capital of the Company were recorded in the register of interests required to be kept by the Company pursuant to Section 16(1) of the SDI Ordinance:

Name	Number of shares held	Percentage of the Company's issued share capital
CEDF (Brewery) Holdings Limited (<i>Note 1</i>)	343,200,000	39.00%
Harbin Brewery Factory (BVI) Limited (<i>Note 2</i>)	294,800,000	33.50%

Notes:

- (1) CEDF (Brewery) Holdings Limited is owned as to 86.84% by China Enterprise Development Fund Limited and as to 13.16% by Brewery Investors Limited.
- (2) Harbin Brewery Factory (BVI) Limited is a wholly owned subsidiary of Kwok Nea Development Limited.

- (3) Save as disclosed above, no person, other than the Directors, whose interests are set out in the section “Directors’ interests in shares” above, had registered an interest in the issued share capital of the Company that was required to be recorded pursuant to Section 16(1) of the SDI Ordinance and the Company had not been notified of any interests representing 10% or more of the listed share capital of the Company.

Practice Note 19 of the Listing Rules

The loan agreement dated 27 June 2001 (“Loan Agreement”) in relation to a US\$22 million syndicated loan includes performance covenants requiring China Enterprise Development Fund Limited and Brewery Investors Limited to maintain at all times their controlling shareholder position of the Company after the listing of the Company on Stock Exchange. A breach of such specific performance covenants constitute an event of default under the Loan Agreement, upon (1) the occurrence of such event and (2) the written request by the lenders whose aggregate advance made to the Company exceeds 66²/₃%, all amounts outstanding and owing under the Loan Agreement will become immediately due and payable.

Save as aforesaid, the Directors have confirmed that as at the date of this announcement, they were not aware of any other circumstances which would give rise to a disclosure requirement under Practice Note 19 of the Listing Rules.

Purchase, redemption or sale of the Company’s listed securities

Other than in connection with the Company’s initial public offerings and the listing of the Company’s shares on 27 June 2002, neither the Company, nor any of its subsidiaries purchased, redeemed or sold any of the Company’s listed securities during the six months ended 30 June 2002.

Compliance with the Code of Best Practice

In the opinion of the Directors, the Company complied with the Code of Best Practice (the "Code") as set out in Appendix 14 of the Listing Rules since the date of the listing of the Company's shares, except that the non-executive directors of the Company are not appointed for specific terms as required by paragraph 7 of the Code, but are subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Company's articles of association.

Audit committee

The Company established its audit committee on 3 June 2002 in accordance with paragraph 14 of the Code. The audit committee comprises two independent non-executive directors, Mr. Chong Tao Boon and Dr. Sit Fung Shuen, Victor. The unaudited interim condensed consolidated financial statements have been reviewed by the audit committee.

On behalf of the Board

Li Wentao

Chairman

Hong Kong, 29 August 2002