SAN MIGUEL BREWERY HONG KONG LTD.

香港生力啤酒廠有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 236)

ANNOUNCEMENT OF RESULTS FOR THE YEAR ENDED 31 DECEMBER 2008

The Board of Directors of San Miguel Brewery Hong Kong Limited (the "Company") hereby announces the consolidated results of the Company and its subsidiaries (the "Group") for the year ended 31 December 2008, together with the comparative figures for the previous financial year. The annual results have been reviewed by the Audit Committee of the Company.

CONSOLIDATED INCOME STATEMENT

for the year ended 31 December 2008

(Expressed in Hong Kong dollars)

	Note	**2008** *$'000*	2007 *$'000*
Turnover	*3, 4*	**753,375**	754,833
Cost of sales		**(326,085)**	(353,959)
Gross profit		**427,290**	400,874
Other revenue	*5*	**14,966**	19,636
Other net (expenses)/income	*5*	**(1,193)**	472
Selling and distribution expenses		**(324,337)**	(307,642)
Administrative expenses		**(79,195)**	(75,011)
Other operating expenses		**(44,098)**	(14,342)
Impairment losses of non-current assets	*6*	**(291,959)**	(19,661)
(Loss)/profit from operations		**(298,526)**	4,326
Finance costs	*7(a)*	**(15,659)**	(9,920)
Restructuring costs	*8*	**—**	(310,220)
Loss before taxation	*7*	**(314,185)**	(315,814)
Income tax credit	*9*	**58,159**	55,520
Loss for the year	*4*	**(256,026)**	(260,294)
Attributable to:			
Equity shareholders of the Company		**(257,769)**	(262,376)
Minority interests		**1,743**	2,082
Loss for the year		**(256,026)**	(260,294)
Loss per share			
— Basic	*10(a)*	**$(0.69)**	$(0.70)
— Diluted	*10(b)*	**N/A**	N/A

CONSOLIDATED BALANCE SHEET

at 31 December 2008

(Expressed in Hong Kong dollars)

	Note	2008		2007	
		$'000	*$'000*	*$'000*	*$'000*
Non-current assets					
Fixed assets					
— Property, plant and equipment			**1,224,950**		1,328,148
— Investment properties			**85,439**		87,534
— Interests in leasehold land held for own use under operating leases			**69,172**		81,228
			1,379,561		1,496,910
Intangible assets			**28,722**		39,643
Goodwill			**—**		5,044
Other tangible assets			**41,192**		53,164
			1,449,475		1,594,761
Current assets					
Inventories		**64,974**		40,027	
Trade and other receivables	*11*	**103,586**		126,695	
Amounts due from holding companies and fellow subsidiaries		**9,132**		6,893	
Current tax recoverable		**101**		71	
Pledged deposits		**—**		18,696	
Cash and cash equivalents		**346,437**		446,168	
		524,230		638,550	
Current liabilities					
Bank loans (unsecured)		**(186,146)**		(193,780)	
Trade and other payables	*12*	**(231,385)**		(193,373)	
Amounts due to holding companies and fellow subsidiaries		**(6,457)**		(19,110)	
		(423,988)		(406,263)	
Net current assets			**100,242**		232,287

CONSOLIDATED BALANCE SHEET *(Continued)*
at 31 December 2008
(Expressed in Hong Kong dollars)

	Note	**2008**		2007	
		$'000	***$'000***	*$'000*	*$'000*
Total assets less current liabilities			**1,549,717**		1,827,048
Non-current liabilities					
Retirement benefit liabilities		**(37,845)**		(8,625)	
Deferred tax liabilities		**(15,920)**		(63,960)	
			(53,765)		(72,585)
NET ASSETS			**1,495,952**		1,754,463
CAPITAL AND RESERVES					
Share capital			**186,785**		186,785
Reserves			**1,263,946**		1,526,691
Total equity attributable to equity shareholders of the Company			**1,450,731**		1,713,476
Minority interests			**45,221**		40,987
TOTAL EQUITY			**1,495,952**		1,754,463

NOTES TO THE ANNUAL RESULTS

(Expressed in Hong Kong dollars)

1 BASIS OF PREPARATION

The annual results set out in this announcement do not constitute the Group's statutory financial statements for the year ended 31 December 2008 but are extracted from those financial statements.

The statutory financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs"), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), accounting principles generally accepted in Hong Kong and the requirements of the Hong Kong Companies Ordinance. The statutory financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

The measurement basis used in the preparation of the financial statements is the historical cost basis.

2 CHANGES IN ACCOUNTING POLICIES

The HKICPA has issued the following new interpretations and an amendment to HKFRSs that are first effective for the current accounting period of the Group and the Company:

— HK(IFRIC) 11, *HKFRS 2 — Group and treasury share transactions*
— HK(IFRIC) 12, *Service concession arrangements*
— HK(IFRIC) 14, *HKAS 19 — The limit on a defined benefit asset, minimum funding requirements and their interaction*
— Amendment to HKAS 39, *Financial instruments: Recognition and measurement*, and HKFRS 7, *Financial instruments: Disclosures — Reclassification of financial assets*

These HKFRS developments have had no material impact on the Group's financial statements as either they were consistent with accounting policies already adopted by the Group or they were not relevant to the Group's operations.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

3 TURNOVER

The principal activities of the Group are the manufacture and distribution of bottled, canned and draught beers.

As the Group's turnover is entirely attributable to these activities, no analysis by activity is provided.

Turnover represents the invoiced value of products sold, net of discounts, returns, beer duty and consumption tax.

4 SEGMENT REPORTING

Segment information is presented in respect of the Group's geographical segments. Information relating to geographical segments based on the location of customers is chosen.

No business segments analysis of the Group is presented as all the Group's turnover and trading result are generated from the manufacture and distribution of bottled, canned, and draught beers.

	Hong Kong		**PRC (excluding Hong Kong)**		**Others**		**Consolidated**	
	2008	2007	**2008**	2007	**2008**	2007	**2008**	2007
	$'000	*$'000*	***$'000***	*$'000*	***$'000***	*$'000*	***$'000***	*$'000*
Revenue from external customers	**371,154**	334,367	**374,093**	401,880	**8,128**	18,586	**753,375**	754,833
Other revenue from external customers	**5,506**	5,388	**—**	—	**—**	—	**5,506**	5,388
Total revenue	**376,660**	339,755	**374,093**	401,880	**8,128**	18,586	**758,881**	760,221
Segment results	**(10,718)**	(27,090)	**(301,062)**	16,404	**929**	764	**(310,851)**	(9,922)
Unallocated operating income and expenses							**12,325**	14,248
Finance costs							**(15,659)**	(9,920)
Restructuring costs	—	(300,913)	**—**	—	**—**	(9,307)	**—**	(310,220)
Income tax credit							**58,159**	55,520
Loss for the year							**(256,026)**	(260,294)
Depreciation and amortisation for the year	**44,297**	50,826	**30,643**	30,382	**447**	1,391	**75,387**	82,599
Impairment losses of/(recovery of impairment losses)								
— non-current assets	**—**	281,360	**291,959**	14,751	**—**	8,550	**291,959**	304,661
— trade receivables	**3,414**	6,304	**(425)**	(1,378)	**—**	—	**2,989**	4,926
Segment assets	**1,324,472**	1,111,134	**281,965**	622,832	**18,806**	33,423	**1,625,243**	1,767,389
Unallocated assets							**348,462**	465,922
Total assets							**1,973,705**	2,233,311
Segment liabilities	**131,675**	106,733	**142,529**	110,529	**1,870**	2,359	**276,074**	219,621
Unallocated liabilities							**201,679**	259,227
Total liabilities							**477,753**	478,848
Capital expenditure incurred during the year	**84,989**	17,032	**103,000**	64,242	**850**	32	**188,839**	81,306
Additional information concerning geographical segments:								
Segment assets by the location of assets	**973,718**	969,861	**651,525**	797,528	**—**	—	**1,625,243**	1,767,389
Capital expenditure incurred during the year by the location of assets	**1,861**	1,056	**186,978**	80,250	**—**	—	**188,839**	81,306

5 OTHER REVENUE AND OTHER NET (EXPENSES)/INCOME

	2008	2007
	$'000	*$'000*
Other revenue		
Interest income on bank deposits	**9,460**	14,248
Rental income	**5,506**	5,388
	14,966	19,636
Other net (expenses)/income		
Net (loss) /gain on disposal of property, plant and equipment	**(375)**	147
Net loss on disposal of other tangible assets	**(4,182)**	(3,897)
Net foreign exchange gain	**1,655**	3,063
Others	**1,709**	1,159
	(1,193)	472

6 IMPAIRMENT LOSSES OF NON-CURRENT ASSETS

Impairment losses of non-current assets represent:

	2008	2007
	$'000	*$'000*
Non-current assets relating to San Miguel (Guangdong) Brewery Company Limited ("SMGB") operations *(notes (a) and (b))*	**290,000**	17,750
Other tangible assets	**1,959**	1,911
	291,959	19,661

(a) During the year, the Directors noted that the decline in demand for the products of one of the Company's subsidiaries, SMGB, compared to previous forecasts of expected growth in sales and the operating losses that consequently arose were indications that non-current assets relating to SMGB operations comprising fixed assets, intangible assets, other tangible assets and goodwill that arose from the acquisition of an additional interest in SMGB may be impaired. In view of this, the Directors prepared a cash flow projection to estimate the recoverable amount of these assets. The Directors concluded that it is appropriate to recognise an impairment loss of $290,000,000 against these assets, with details as follows:

	2008
	$'000
Fixed assets	**264,284**
Intangible assets	**10,992**
Goodwill	**5,044**
Other tangible assets	**9,680**
	290,000

The recoverable amount of SMGB operations has been determined based on a value-in-use calculation. That calculation uses cash flow projections based on business plans approved by the Directors covering a period of seven years. SMGB's performance in 2008 was adversely affected by external factors including counterfeit products, economic downturn and poor weather conditions and it is expected that certain of these unfavourable factors would continue to affect SMGB after 2008. The Directors believe that a longer time is required for SMGB to return its operations to a stable level and therefore, it is appropriate to use a seven-year business plan for estimating the recoverable amount. Cash flows beyond the seven-year plan period and up to the end of the remaining useful life of SMGB's plant are extrapolated using a steady growth rate of 3%. This growth rate does not exceed the long-term average growth rate for the Peoples' Republic of China ("the PRC").

Key assumptions used for value-in-use calculation:

Sales volume growth rate	0-6%
Gross contribution rate	36-46%
Pre-tax discount rate	11.45%

Management determined the growth rate and gross contribution rate based on past experience as well as future expected market trends.

(b) During the year ended 31 December 2007, the Group identified certain machinery, equipment, furniture and fixtures of SMGB with an aggregate net book value of $17,750,000 that had become obsolete. As a result, a full provision for impairment loss had been recognised. In addition to this impairment loss, in 2007, the Group also recognised impairment loss for fixed assets of its brewery in Hong Kong, further details are disclosed in note 8.

7 LOSS BEFORE TAXATION

Loss before taxation is arrived at after charging/(crediting):

	2008	2007
	$'000	*$'000*
(a) Finance costs		
Interest expenses on bank loans	**14,739**	9,702
Bank charges	**920**	218
	15,659	9,920
(b) Staff costs		
Retirement costs		
— Defined contribution retirement plans	**6,027**	6,055
— Defined benefit retirement plan	**3,558**	7,959
	9,585	14,014
Equity-settled share-based payment expenses	**—**	162
Salaries, wages and other benefits	**91,656**	105,510
Severance payments *(note 8)*	**—**	18,860
	101,241	138,546

	2008	2007
	$'000	*$'000*
(c) Other items		
Amortisation		
— Land lease premium	**2,459**	2,563
— Other tangible assets	**14,945**	13,076
Depreciation		
— Property, plant and equipment	**55,764**	64,744
— Investment properties	**2,219**	2,216
Cost of inventories	**320,320**	347,382
Operating lease charges: minimum lease payments		
— Land and buildings	**3,044**	3,341
— Plant and machinery	**432**	419
Rental receivable from investment properties less direct outgoings of $2,327,000 (2007: $2,355,000)	**(3,179)**	(3,033)
Auditors' remuneration		
— Provision for the year	**2,900**	2,725
— Under-provision in respect of prior year	**740**	181
Impairment losses of trade receivables, net of reversal (included in "other operating expenses")	**2,989**	4,926

8 RESTRUCTURING COSTS

On 30 September 2007, the brewing operations of the Company's brewery in Yuen Long, Hong Kong ("Yuen Long plant") ceased due to its relatively high production and operating costs as compared to the brewery of SMGB, another brewery of the Group, in the PRC. Beer products previously produced by the Yuen Long plant are supplied by SMGB's brewery. The related fixed assets of the Yuen Long plant had become idle since the cessation of the brewing operations.

Based on the business forecasts of the Group prepared in 2007, the management planned to restart the brewing operations of the Yuen Long plant in April 2009 after taking into account the forecasted business growth and the gradual alignment of the production and operating costs between the Yuen Long plant and SMGB's plant as a result of the continued inflation experienced in the PRC, the appreciation of the Renminbi and the removal of excise duty on beer products in Hong Kong.

As a result of the above restructuring exercise, the management reviewed the recoverable amount of the fixed assets of the Yuen Long plant and the carrying amount of such assets was written down by $285,000,000 to the value in use as at 31 December 2007. Value in use of the assets was calculated using the discounted value of the projected future cash flows to be generated over the remaining useful life of the plant. The pre-tax discount rate applied to the projected future cash flows of the plant was 9.91%.

In addition to the above impairment loss, the Group incurred other expenses in relation to the restructuring amounting to $25,220,000 in 2007. A summary of the restructuring costs is set out below:

	2007
	$'000
Impairment loss on fixed assets	285,000
Severance payments *(note 7(b))*	18,860
Additional rental charge for warehouse	3,205
Loss on disposal of raw materials	961
Legal and professional fees	557
Others	1,637
	25,220
	310,220

As at 31 December 2008, there was no restructuring costs remained unpaid (2007: $2,794,000 remained unpaid and was included in "Other creditors and accrued charges").

Yuen Long plant restarted brewing operations in April 2009.

9 INCOME TAX IN THE CONSOLIDATED INCOME STATEMENT

Taxation in the consolidated income statement represents:

	2008	2007
	$'000	*$'000*
Current tax — Hong Kong Profits Tax		
Provision for the year	**—**	(107)
Over-provision in respect of prior years	**25**	16
	25	(91)
Deferred tax		
Origination and reversal of temporary differences	**57,695**	52,827
Effect of decrease in tax rate on deferred tax balance	**439**	2,784
	58,134	55,611
Income tax credit	**58,159**	55,520

No provision for Hong Kong Profits Tax for 2008 has been made for the Company and other Hong Kong subsidiaries either because the accumulated tax losses brought forward exceed the estimated assessable profits for the year or the entities sustained losses for taxation purposes. The provision for Hong Kong Profits Tax for 2007 was calculated at 17.5% of the estimated assessable profits of one of the Hong Kong subsidiaries for that year.

No provision for the PRC taxation has been made for the subsidiaries established in the PRC either because the entities sustained losses for taxation purposes or the entities were under tax holidays granted in the relevant tax jurisdictions.

10 LOSS PER SHARE

(a) Basic loss per share

The calculation of basic loss per share is based on the loss attributable to equity shareholders of the Company of $257,769,000 (2007: $262,376,000) and on 373,570,560 ordinary shares (2007: 373,570,560 ordinary shares), being the number of ordinary shares in issue throughout the year.

(b) Diluted loss per share

The diluted loss per share is not presented as the Company does not have dilutive potential ordinary shares for both years.

11 TRADE AND OTHER RECEIVABLES

Credit limit is offered to customers following financial assessment and an established payment record. General credit period is payment by the end of the month following the month in which sales took place. Security in the form of mortgages, cash deposits or bank guarantees is obtained from certain customers. Customers who are considered to have higher credit risk trade on a cash basis. Credit control staff monitor trade receivables and follow up collections.

The ageing of trade receivables (net of allowance for doubtful debts) as of the balance sheet date is as follows:

	2008	2007
	$'000	*$'000*
Current	**58,968**	67,840
Less than 1 month past due	**11,302**	722
1 to 3 months past due	**1,279**	926
More than 3 months but less than 12 months past due	**1,034**	521
More than 12 months past due	**8,220**	12,237
	80,803	82,246

12 TRADE AND OTHER PAYABLES

The ageing of trade payables as of the balance sheet date is as follows:

	2008	2007
	$'000	*$'000*
Due within 1 month or on demand	**96,594**	81,767
Due after 1 month but within 3 months	**459**	535
Due after 3 months but within 6 months	**199**	653
Due over 6 months	**83**	392
	97,335	83,347

CLOSURE OF REGISTER OF MEMBERS

The transfer of books and register of members of the Company will be closed from Wednesday, 3 June 2009 to Tuesday, 9 June 2009, both days inclusive. To qualify for attending the forthcoming Annual General Meeting of the Company to be held on 16 June 2009, shareholders should ensure that transfers are lodged at the Company's share registrar, Computershare Hong Kong Investor Services Limited at 18th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 5:00 pm on Tuesday, 2 June 2009.

FINANCIAL RESULTS

The year 2008 proved to be a challenging year for the Group. The severe weather conditions in South China, higher raw material costs and the escalation of the global financial crisis in the last quarter of 2008 were all factors that affected the Group's financial results.

Amid these difficult conditions, the Company managed to turn in relatively steady results. Consolidated turnover of the Group remained stable at HK$753 million (2007: HK$755 million). Gross profit increased from HK$401 million in 2007 to HK$427 million in 2008. Gross profit margin also increased from 53.1% in 2007 to 56.7% in 2008.

The Company's consolidated loss attributable to equity shareholders decreased from HK$262.4 million to HK$257.8 million. In 2007, this included impairment loss and one-time restructuring costs of our Hong Kong operations, net of tax effect, of HK$238.8 million and HK$20.8 million respectively while this year included impairment loss of South China operations, net of tax effect, of HK$230.0 million. Without the impairment loss and restructuring costs, the Company's consolidated loss attributable to equity shareholders for 2008 would have been HK$27.8 million compared to HK$2.8 million in 2007.

The Group continued to be cash positive in 2008. Net cash balances at 31 December 2008 amounted to HK$160.3 million (2007: HK$271.1 million). Total net assets maintained at HK$1,496.0 million (2007: HK$1,754.5 million) together with a low debt-to-equity ratio of 0.12 (2007: 0.11) and current ratio of 1.2 times (2007: 1.6 times).

DIVIDENDS

No dividends will be declared for 2008.

BUSINESS REVIEW

HONG KONG OPERATIONS

February 2008 saw the abolition of the excise duty on beer and wine by the Hong Kong Government. As savings were passed on in full to wholesalers and retailers, the Company did not benefit from this exemption directly. The Company welcomed the government's move to eliminate beer duty, seeing it as positive for the total industry in the long run.

Duties exemption on wine, however, resulted to the growth in wine consumption. Despite the challenges posed by the wine sector to the alcohol beverage market, beer import volume in 2008 grew by 3.9% over the previous year, reversing the declining trend in industry volumes. Volumes are now back to 2002 levels.

Aligned with industry performance, the Company's Hong Kong sales volume increased by 4.2% year on year. The growth was seen across all brands with our higher-priced brands registering the highest growth rate.

The Company continued to be the No. 1 beer company in Hong Kong with our flagship brand San Miguel at the forefront. This is a result of our commitment to deliver to our customers a portfolio of brands corresponding to their business needs and to provide high levels of service efficiency. We were also focused on making all our beer brands more attractive, available and relevant to our consumers.

We successfully defended our position amid challenges from our competitors with a wide range of strategic programs aimed at strengthening and building San Miguel's brand equity and reinforcing its bond with customers and consumers. A variety of local promotions, events and sponsorship programs were implemented to strengthen and nurture our brand in a lasting and meaningful way.

The Company started the year with the successful staging of the San Miguel WildDayOut Grand Show at POP TV Arena in West Kowloon. The 9-hour music marathon concert also paved the way for a series of bar shows and promotion programs aimed at strengthening San Miguel's connection to young adults.

The Company continued to air the successful television commercial "Hero" showcasing San Miguel endorser Jet Li. Complementing the ad was the Company's "I Like" Taste Test Challenge launched in November 2008 in pubs and restaurants. The campaign results validated consumer preference for the award-winning taste of San Miguel.

The launch of the new San Miguel Draught Beer imported from the Philippines in December 2007 proved to be a valuable addition to the brand's portfolio as it continued to fortify our presence in higher-end bars, pubs and restaurants. By the end of 2008, there were already some 200 outlets in the market serving this new product.

All these programs and activities, combined with an emphasis on improved execution and cost management will provide our Company the foundation to maintain market leadership in Hong Kong.

SOUTH CHINA OPERATIONS

The Group's South China operations had to contend with a number of external factors which weighed down on its 2008 results.

Our sales in the region experienced immediate setback at the start of the year as China faced the worst snowstorm to hit the mainland in the last fifty years. Food prices soared to double digit levels, constraining the disposable incomes of most households. While the financial crisis may have been most apparent in the last quarter of 2008, the slowdown in exports and increased operating costs in the region forced a number of factories to close down during the year.

In view of the difficult market conditions, competition has intensified as beer companies scrambled to grab a bigger share in a contracting market. In light of this, the Group invested a lot of effort to protect our position in the market.

Guangzhou San Miguel Brewery Company Limited's ("GSMB's") total San Miguel sales declined versus the previous year despite valiant efforts from the people in the organization to increase sales and grab volume from competitors. Nevertheless, our efforts were not in vain as these contributed valuable gains to San Miguel's brand equity as evidenced by various researches conducted. The aggressive penetration and promotion activities also allowed San Miguel to gain significant in-roads in the retail chains.

Dragon brand, the main volume generating brand of SMGB, turned in volumes that were lower than the previous year. Dragon Beer was most affected by the economic downturn as its consumer base was mainly employees in the factory areas of Foshan. The brand also had to contend with counterfeit products taking advantage of its popularity, reputation and distribution reach. The Group has invested a significant amount of resources to manage this threat to the brand, and has been fairly successful in controlling the influx of these counterfeit products into our markets.

To further complement our efforts to safeguard the Dragon Brand, efforts were also made to enhance Dragon brand's competitive edge. Dragon Draft, a new and premium variant, was launched to improve brand image and enhance total portfolio mix. A new campaign composed of two fifteen-second television commercials entitled "Bar" and "Pool" was launched in August to sustain the brand's popularity.

The completion of SMGB's Phase 1 expansion project has also allowed the Group to toll-manufacture Guang's Pineapple Beer ("GPA"), paving the way for GSMB to re-launch GPA last July.

COMMUNITY RELATIONS AND SOCIAL RESPONSIBILITY

Similar to past years, the Company continues to sponsor and participate in various local community events and make regular donations to charities and non-profit organizations.

The Company is also committed to protecting the environment where it operates and ensuring that various environmental standards set by government are met or exceeded.

HUMAN RESOURCES

People are our most important asset and are critical to the long term performance of the Company in achieving its objective in a highly competitive marketplace. As such, we continue to invest in our people and ensure that they receive appropriate training and support from the Company and from external training and development organizations.

The Company continues to offer competitive remuneration packages commensurate with market standards and provides attractive fringe benefits, including medical and insurance coverage and retirement packages to all employees.

CORPORATE GOVERNANCE

The Company continued to apply the principles of the Code Provisions under the Code on Corporate Governance Practices contained in Appendix 14 of the Listing Rules throughout the year ended 31 December 2008 except for the Code Provision A.4.1. Code Provision A.4.1 sets out that non-executive directors should be appointed for a specific term, subject to re-election. At present, all of the non-executive directors of the Company are not appointed for a specific term but are subject to retirement by rotation at least once every three years and re-election at the Annual General Meeting under the Company's Articles of Association.

DIRECTORS

Mr. Francis H. Jardeleza and Mr. Ferdinand K. Constantino resigned from the Board since we published our interim report on 12 September 2008. We thank Mr. Jardeleza and Mr. Constantino for their contributions to the Group over the past years.

With the departure of Mr. Francis H. Jardeleza and Mr. Ferdinand K. Constantino, Mr. Thelmo Luis O. Cunanan and Mr. Romulo L. Neri were appointed on 28 November 2008 and 24 April 2009 respectively.

FUTURE DIRECTION AND CHALLENGES

The objectives of the Company for the year 2009 are:

- In Hong Kong, to continue to improve profitability, increase our market share and reinforce the market leadership of San Miguel.
- In South China, to continue to strengthen San Miguel brand equity and consolidate the growth of Dragon brand.

Looking ahead, we are cautious, but nevertheless optimistic that the operating environment in Hong Kong and South China will be positive in the coming year. We will remain committed to maximising shareholder value and to strengthening our brands. We will also maintain disciplined cost control by achieving higher cost-efficiencies across the board, particularly in the areas of production and distribution.

In conclusion, we wish to thank the Board of Directors for their wise counsel and guidance. We also wish to thank our shareholders, customers and business partners for their continued support. Lastly thank you to all our employees for their loyalty, dedication and hard work.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year.

PUBLICATION OF THE 2008 ANNUAL REPORT ON THE WEBSITE OF THE STOCK EXCHANGE

The Company's annual report for 2008 will be published on the website of The Stock Exchange of Hong Kong Limited at *www.hkex.com.hk* and the Company's website at *info.sanmiguel.com.hk* in due course.

By Order of the Board
Ramon S. Ang
Chairman

Hong Kong, 29 April 2009

(All monetary values in this announcement are expressed in Hong Kong Dollars unless stated otherwise)

As at the date of this announcement, the Board of the Company comprises the executive director, Mr. Peter K. Y. Tam, the non-executive directors, Mr. Ramon S. Ang (Chairman), Mr. Faustino F. Galang (Deputy Chairman), Mr. Carlos Antonio M. Berba, Ms. Minerva Lourdes B. Bibonia, Mr. Cheung Yuen Tak, Mr. Thelmo Luis O. Cunanan Jr. and Ms. Jesusa Victoria Hernandez-Bautista; and the independent non-executive directors, Dr. The Hon. Sir. David K.P. Li, Mr. Romulo L. Neri, Mr. Ng Wai Sun and Mr. Carmelo L. Santiago.