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**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)

**VOLUNTARY ANNOUNCEMENT**

Cessation of business operation of a subsidiary

This is a voluntary announcement made by San Miguel Brewery Hong Kong Limited (the “Company”).

The board of directors (the “Directors”) of the Company (the “Board”) wishes to inform the shareholders that the business term of the Company’s indirect majority-owned subsidiary in the People’s Republic of China (“PRC”), Guangzhou San Miguel Brewery Co., Ltd. (“GSMB”), will expire on 29 November 2020 in accordance with GSMB’s Articles of Association and the Joint Venture Contract (the “JV Contract”) between San Miguel (Guangdong) Limited (“SMG”) and Guangzhou Brewery (“GB”). As a result of the expiry of its business term, GSMB will cease operations on 30 November 2020.

GSMB is an equity JV formed in 1990 between SMG and GB and is held as to 70% by SMG and as to 30% by GB. SMG is a 92.989%-owned subsidiary of the Company. The principal activity of GSMB is the distribution of bottled, canned and draught beers in the South China market. The business term of GSMB is thirty (30) years as stated in its Articles of Association and in the JV Contract.

As at the date of this announcement and based on the information currently available to the Board, the Board believes that the cessation of GSMB’s operations as a result of the expiry of its business term will not have any material effect on the operations of the Company and its subsidiaries (the “Group”). San Miguel (Guangdong) Brewery Co., Ltd. (“SMGB”), another PRC subsidiary of the Company that currently serves as the production source of all beer products being sold by GSMB under the “San Miguel” related trademarks, will begin the selling and distribution of the said beer products in the South China market commencing on 30 November 2020. While GSMB’s and SMGB’s operating results have been consolidated into the consolidated statements of the Group, the said business cessation will not have a substantial impact on the profit or loss shown in the consolidated statements of the Group for the current period, and will not have a significant effect on the assets and liabilities shown in the consolidated statements of the Group.

The Company will keep the Shareholders and potential investors of the Company informed of any material developments in connection with the above. Further announcements will be made by the Company as and when appropriate.

**Shareholders and potential investors of the Company are reminded to exercise caution when dealing in the securities of the Company.**

By Order of the Board  
**San Miguel Brewery Hong Kong Ltd.**  
**John K.L. Cheung**  
*Company Secretary*

Hong Kong, 28 October 2020

*As at the date of this announcement, the Board of the Company comprises the executive director, Mr. Ramon G. Torralba, the non-executive directors, Mr. Ramon S. Ang (Chairman), Mr. Carlos Antonio M. Berba (Deputy Chairman), Ms. May (Michelle) W. M. Chan, Mr. Roberto N. Huang, Mr. Fumiaki Ozawa, Mr. Kenji Uchiyama and Mr. Tomoki Yamauchi; and the independent non-executive directors, Mr. Alonzo Q. Ancheta, Dr. the Hon. Sir David K. P. Li, Mr. Reynato S. Puno and Mr. Carmelo L. Santiago.*