



SAN MIGUEL BREWERY
HONG KONG LTD.
香港生力啤酒廠有限公司



ANNUAL 年
REPORT 報
REPORT 報
2004



| | PAGE |
|-------------------------------------|------|
| CORPORATE INFORMATION | 2 |
| THE YEAR'S HIGHLIGHTS | 3 |
| CHAIRMAN'S STATEMENT | 5 |
| REPORT OF THE DIRECTORS | 11 |
| DIRECTORS AND MANAGEMENT EXECUTIVES | 20 |
| NOTICE OF ANNUAL GENERAL MEETING | 23 |
| STATISTICAL ANALYSIS OF OPERATIONS | 24 |
| FINANCIAL STATEMENTS SECTION | 27 |
| REPORT OF THE AUDITORS | 52 |
| FIVE YEAR SUMMARY | 53 |

*In this report, all monetary values are expressed
in Hong Kong Dollars unless stated otherwise.*

CORPORATE INFORMATION

DIRECTORS

Francisco C. Eizmendi, Jr. *Chairman*
 Ramon A. de la Llana *Managing Director*
 Ramon S. Ang
 Ferdinand K. Constantino
 Faustino F. Galang
 Francis H. Jardeleza
 Adrian M.K. Li
Alternate to David K.P. Li
 David K.P. Li, GBS, JP*
 Thomas R. Mainwaring
 Estelito P. Mendoza
 Wai Sun Ng*
 Gabriel L. Villareal
 Ian F. Wade*

* *Independent Non-Executive Directors*

AUDIT COMMITTEE

David K.P. Li, GBS, JP
 Wai Sun Ng
 Ian F. Wade

COMPANY SECRETARY

Thomas R. Mainwaring

AUDITORS

KPMG
 Certified Public Accountants
 8th Floor
 Prince's Building
 Hong Kong

SOLICITORS

Johnson Stokes & Master
 18th Floor
 Prince's Building
 Hong Kong

REGISTERED OFFICE

9th Floor
 Citimark Building
 28 Yuen Shun Circuit
 Siu Lek Yuen
 Shatin, New Territories
 Hong Kong

SHARE REGISTRARS

Computershare Hong Kong Investor Services Limited
 Shops 1712-1716, 17th Floor
 Hopewell Centre
 183 Queen's Road East
 Hong Kong

PRINCIPAL BANKERS

ABN-AMRO Bank
 Bank of America
 BNP Paribas
 DBS Bank Limited, Hong Kong Branch
 Hang Seng Bank Limited
 Standard Chartered Bank
 The Bank of East Asia, Limited
 The Hongkong and Shanghai
 Banking Corporation Limited
 UBS AG

THE YEAR'S HIGHLIGHTS

in Hong Kong dollar thousands except per share data and number of shares issued, shareholders and personnel

| | 2004 | 2003 |
|--|--------------------|-------------|
| Gross turnover | 1,261,232 | 1,158,649 |
| Profit/(loss) attributable to shareholders | 11,578 | (32,771) |
| Earnings/(loss) per share – Basic | 0.03 | (0.09) |
| Taxes paid, including beer tax | 135,185 | 134,986 |
| Taxes paid per share | 0.36 | 0.36 |
| Cash dividends attributable to the year | 3,736 | – |
| Cash dividends per share | 0.01 | – |
| Fixed assets | 1,939,135 | 2,016,646 |
| Net worth | 2,036,549 | 2,024,059 |
| Payroll | 122,149 | 124,480 |
| Number of shares issued | 373,570,560 | 373,570,560 |
| Number of shareholders | 2,546 | 2,655 |
| Number of personnel | 1,145 | 1,168 |

Our Products 我們的產品





Francisco C. Eizmendi, Jr.

Chairman

To Our Shareholders,

FINANCIAL RESULTS

We are pleased to report that your Company has returned to profitability in 2004.

Profit attributable to shareholders for the year ended 31st December 2004 was \$11.578 million compared with a loss of \$32.771 million for 2003.

The challenge for the Company in 2005 and beyond is to build upon the 2004 performance and achieve continuous improvements in profitability. As beer consumers continued to favour low priced brands, the 2004 result was still below the levels of previous years.

Sales volume in local markets in Hong Kong and South China was up 8.6% over the previous year, while export volume was 7.5% lower.

Total sales revenue rose by 8.9%.

In the continuing drive to contain and reduce costs, substantial reductions were achieved in discounts, distribution costs and administrative and selling expenses, \$16.46 million in total, despite the higher sales volume.

Cost of sales as a percentage of gross turnover rose from 30.3% to 32.7%. This was mainly the result of the inclusion, for a whole year, of the full production costs of the Dragon beer brand at San Miguel (Guangdong) Brewery Company Limited, formerly known as San Miguel Shunde Brewery Company Limited.

The Dragon beer brand was acquired by the Company in August 2003 from our former partner in the Shunde brewery. Until that date, Dragon beer had been produced on a contract basis and the costs of bottles and crates were borne by our partner. In 2004 these costs were included in cost of sales for a full year.

Other operating expenses increased by \$4.13 million principally as a result of a provision for write-off of fixed assets of \$5.18 million at Guangzhou San Miguel Brewery Company Limited.

Finance costs fell by \$1.73 million reflecting the very low interest rates in Hong Kong for 2004.

Other net expense was higher by \$1.96 million as a result of loss on disposal of fixed assets at San Miguel (Guangdong) Brewery Company Limited.

CHAIRMAN'S STATEMENT

Cash and investments held by the Company increased by \$85.1 million to \$468.61 million at 2004 year end.

Total debt at the end of 2004 was \$245.55 million, a reduction of \$15.45 million from December 2003.

The Company's cash and investments less total debt was \$223.06 million, the equivalent of 35.1% of the Company's market capitalisation at the end of 2004 as reflected in the closing share price of \$1.70.

DIVIDEND

Directors have recommended payment of a final dividend of one cent per share.

BUSINESS REVIEW

The world economy experienced high growth in 2004, spurred by the growth in the economy of the United States. The continued rapid expansion of China stimulated world trade, particularly in commodities required to satisfy energy requirements and construction.

Mainland China's economy grew 9.5% in 2004 and is forecast to grow at a similar rate in 2005.

Hong Kong's economy grew an estimated 7.5% in 2004. Growth for 2005 is forecast to be 5% with inflation at 0.4%. It is anticipated that the Hong Kong economy will continue to benefit from the rapidly increasing numbers of tourists from mainland China.

HONG KONG OPERATIONS

In 2003 the Company's performance in Hong Kong was responsible for the consolidated loss. Similarly, in 2004, the turnaround to profitability in Hong Kong accounts for the increase in profit attributable to shareholders.

Shareholders will recall that 2003 was severely affected by the SARS epidemic and the drive to reduce exposure to outstanding accounts receivable.

The Company's sales volume in the Hong Kong market rose by more than 10% in 2004. However, the growth was mostly in the low priced segment of the market where profit margins are thin. This restricted the growth in total profit.

The share of low priced beer brands in the Hong Kong beer market increased to 37.3% in 2004 compared with 33.6% in 2003. This growth was partly due to the current "ad valorem" beer duty system, which favours low priced beers and encourages consumers to down trade. In a recent submission to the Financial Secretary of the Hong Kong Special Administrative Region Government, the majority of the participants in the Hong Kong beer industry, including your Company, requested for a return to a specific duty system, that is a fixed duty regardless of value.

In May 2004, the Company raised its prices for San Miguel branded beers. The price increase, the first in five years, was implemented with the objective of properly positioning the San Miguel brand in the higher priced segment of the market.

Total beer industry volume in Hong Kong for the year was 153 million litres, an increase of 2.5% compared with 2003.

The Company's market share in 2004 increased by 1.5 market share points.

A highlight of the year was the very successful San Miguel WildDayOut programme, a platform for brand San Miguel to build connections with young consumers. This programme was a series of twenty bar shows, culminating in a grand outdoor concert allowing young consumers close contact with local and international artists.

In recognition of the premium quality of brand San Miguel, the Company has received a number of awards during the year, including the Readers' Digest SuperBrands Golden Award and the Chinese Manufacturers' Association Hong Kong Top Brand Award.

SOUTH CHINA OPERATIONS

In South China, both of the Company's operations in Guangzhou and Shunde achieved the financial objectives set for them at the commencement of the year. As in Hong Kong, Guangzhou San Miguel Brewery Company Limited achieved a turnaround in profitability in 2004 against the previous year.

For Guangzhou San Miguel Brewery Company Limited, total sales volume increased 11.2% over the previous year with strong growth in San Miguel and Guang's Pineapple beer brands.

Sales volume in Guangzhou City, an important market, rose by 17.2% in 2004.

Substantial cost reductions were achieved in overhead costs. Expenditures associated with discounts and promotion costs were more effective pursuant to a continuing programme to ensure that discretionary promotional expenditures achieve the maximum results in terms of generated sales volume.

The quality of distribution and of sales teams is critical for success in the highly competitive Chinese market. Refinements of the dealer/wholesaler network were implemented in 2004 and the skills, performance and incentives of the sales teams continued to be upgraded.

Two new product variants were introduced in the latter half of 2004. Red Label Double Happiness, a new Double Happiness variant targeting the popular price segment, was launched in Guangzhou in August 2004. San Miguel Bittersweet, a new San Miguel variant positioned in the growing local premium segment, was also launched in Guangdong province late in 2004.

Guangzhou San Miguel Brewery Company Limited was awarded three gold medals, one silver medal and an International High Quality Prize for its beers at the 43rd Monde Selection in 2004.

At San Miguel (Guangdong) Brewery Company Limited, total sales volume increased by 17.7%. This was due to a 28% increase in the volume of Dragon brand beer. The success of the Dragon brand beer in 2004 reflects the Company's full ownership and control of the marketing and sales of the brand since August 2003.

Sales volume of Valor remained stable.

Valor Light, a premium variant to build Valor brand image and profitability, was introduced in Dongguan in October 2004. It is positioned in the local premium segment.

San Miguel (Guangdong) Brewery Company Limited was awarded one gold medal and one silver medal for its beers at the 43rd Monde Selection in 2004.

CHAIRMAN'S STATEMENT

COMMUNITY RELATIONS AND SOCIAL RESPONSIBILITY

The Company is a responsible corporate citizen and is proud of its record in contributing to the people and the economy of Hong Kong and South China for so many years.

The Company is committed to the support of the local communities where its operations are located via both charitable contributions and community activities.

The Company is also dedicated to protecting the environment where it operates by meeting and exceeding environmental standards set by governments and other agencies.

HUMAN RESOURCES

People are our most important asset and are critical to the long term performance of the Company in achieving its objectives in a highly competitive marketplace.

Our aim, as stated in previous reports, is to ensure that all employees continue to receive appropriate training and competent support from their colleagues, with emphasis on a strong team spirit to achieve targetted results.

The Company offers competitive remuneration packages commensurate with market levels in the beverage industry and provides appropriate fringe benefits, including medical and insurance coverage and retirement benefits to all employees.

CORPORATE GOVERNANCE

The board of directors and management of the Company are firmly committed to fostering and maintaining a high standard of corporate governance by fair disclosure and transparent reporting. We strive to ensure long-term and sustainable growth in order to maximise shareholders' value in a socially responsible manner, whilst recognising the interests of other stakeholders including our employees, trading partners, customers and the community.

The Board currently comprises 12 directors, including three Independent Non-executive Directors and two Executive Directors, and meets at least five times a year to review the financial and operating performance of the Company and to consider and approve future strategic developments and annual budgets. The biographies of the directors are set out in the "Directors and Management Executives" section in pages 20-22 of this report.

The Board established the Audit Committee, in accordance with Appendix 14 of the Listing Rules, in 1998. The Audit Committee currently comprises Dr. The Hon. David K.P. Li, as Chairman, Mr. Wai Sun Ng and Mr. Ian F. Wade, who are all Independent Non-executive Directors of the Company. The functions of the Audit Committee are to review the financial results of the Company prior to their publication and to review connected transactions with Company executives and external auditors; to review internal control procedures of the Company; and to ensure that the Company complies with the Listing Rules and Codes of Corporate Governance of The Stock Exchange of Hong Kong Limited.

The Audit Committee has reviewed the audited financial results of the Company for 2004 with the Company executives and the external auditors and recommended their adoption by the Board.

DIRECTORS' COMPLIANCE WITH THE MODEL CODE

All directors who held office during 2004 have confirmed to the Company their compliance during 2004 with Appendix 10 of the Listing Rules of The Stock Exchange of Hong Kong Limited, the Model Code for Securities Transaction by Directors of Listed Issuers.

INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company received, during 2004, confirmation from Dr. The Hon. David K.P. Li, Mr. Wai Sun Ng and Mr. Ian F. Wade of their independence.

The Company considers the above-named directors to have remained independent.

YEAR 2005 DIRECTIONS AND CHALLENGES

The objectives for 2005 are:

In Hong Kong:

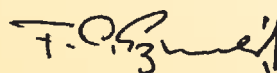
- To continue the improvement in profitability;
- To strengthen the positioning of brand San Miguel in the premium segment of the market and reinforce its market leadership; and

- To further expand the growth of brand San Miguel in the youth segment of the market, building upon the success of the San Miguel WildDayOut programme.

In South China:

- To continue the focus on the Pearl River Delta region taking advantage of opportunities in specific markets;
- To reinforce the premium image of brand San Miguel through activity based promotions and to build volume commensurate with the brand's favourable disposition amongst consumers; and
- To continue building local beer brands, including Dragon and Valor, in target markets.

In closing, I thank all those who have contributed to the turnaround in performance for the year including our employees, our directors and our customers. I also thank our shareholders for their continuing trust and confidence.



Francisco C. Eizmendi, Jr.

Chairman

24th February 2005

Our Consumers 我們的顧客



To be presented at the Forty-Second Annual General Meeting of shareholders to be held at the Langham Hotel, 8 Peking Road, Tsimshatsui, Kowloon, Hong Kong on Thursday, 7th April 2005 at 2:00pm.

The directors submit herewith their annual report together with the audited financial statements for the year ended 31st December 2004.

PRINCIPAL ACTIVITIES

The principal activities of the Company and its subsidiaries ("the Group") continue to be the manufacture and distribution of bottled, canned and draught beers.

The analysis of geographical locations of the operations of the Group during the financial year are set out in Note 12 on the financial statements.

As the Group's turnover, profit and loss are almost entirely attributable to these activities, no analysis by activity is provided.

MAJOR CUSTOMERS AND SUPPLIERS

For the year ended 31st December 2004, the percentages of the Group's gross turnover and purchases attributable to major customers and suppliers were as follows:

Gross turnover attributable to:

| | |
|------------------------|-------|
| Largest customer | 8.6% |
| Five largest customers | 36.5% |

Purchases attributable to:

| | |
|------------------------|-------|
| Largest supplier | 4.4% |
| Five largest suppliers | 19.0% |

As at 31st December 2004, none of the directors, their associates, or any shareholder (which to the knowledge of the directors owned more than 5% of the Company's share capital) had any interest in the above major customers or suppliers.

FINANCIAL STATEMENTS

The profit of the Group for the year ended 31st December 2004 and the state of affairs of the Company and the Group at that date are set out in the financial statements on pages 28 to 51 of this Annual Report.

DIVIDENDS

No interim dividends were paid to shareholders during the year. The directors recommend the payment of a final dividend of 1 cent per share on 13th April 2005 to shareholders of record on 7th April 2005.

REPORT OF THE DIRECTORS

RESERVES

Movements in the reserves of the Company and the Group during the year are set out in Note 27 on the financial statements.

CHARITABLE AND OTHER DONATIONS

The Group made donations for charitable and other purposes totalling \$31,000 (2003: \$28,000) during the financial year.

FIXED ASSETS

The Group spent \$12.4 million (2003: \$16.7 million) on fixed assets during the year. Particulars of the movements of fixed assets during the year are set out in Note 13 on the financial statements.

SUBSIDIARIES

Particulars of the Company's subsidiaries are set out in Note 16 on the financial statements.

LIQUIDITY AND FINANCIAL RESOURCES

Working capital at the end of the year was \$485 million compared with \$380 million in 2003.

Cash and bank deposits at year end were \$455 million (2003: \$353 million) and are sufficient to fund working capital requirements and capital expenditure in 2005.

BANK LOANS

The Group has short term credit facilities of \$168 million (2003: \$183 million) of which \$51 million (2003: \$66 million) had been utilised as at 31st December 2004.

Long term loans at year end amounted to \$195 million (2003: \$195 million).

Total borrowings at the year end for the Company were \$195 million (2003: \$195 million) and for the Group \$246 million (2003: \$261 million).

Particulars of bank loans of the Company and the Group are set out in Note 21 on the financial statements.

DIRECTORS

With the exception of Messrs. Ferdinand K. Constantino and Francis H. Jardeleza, the directors of the Company, whose names appear on page 2 of the Annual Report, were directors for the whole year of 2004.

Messrs. Benjamin P. Defensor, Jr. and Carmelo L. Santiago, directors for the whole year of 2004, resigned from the office of director on 23rd February 2005.

DIRECTORS (Continued)

Messrs. Francisco C. Eizmendi, Jr., Ramon S. Ang, Faustino F. Galang and David K.P. Li retire by rotation in accordance with Article 105 of the Company's Articles of Association at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-election.

Messrs. Ferdinand K. Constantino and Francis H. Jardeleza, appointed to the board since the last Annual General Meeting, retire from the office of Director in accordance with Article 96 of the Company's Articles of Association, and offer themselves for re-election at the forthcoming Annual General Meeting.

None of the directors proposed for re-election has a service agreement with the Company or any of its subsidiaries which is not determinable within one year without payment of compensation, other than normal statutory compensation.

DIRECTORS' INTERESTS

As at 31st December 2004, the directors and their associates had the following beneficial interests in the issued share capital and the underlying shares of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) as recorded in the register required under Section 352 of the SFO:

(1) INTERESTS IN ISSUED SHARE CAPITAL

| Name of Director | Number of ordinary shares of \$0.50 each in the Company | | | Approximate % of shareholding |
|----------------------------|---|------------------|---------|-------------------------------|
| | Personal interests | Family interests | Total | |
| Francisco C. Eizmendi, Jr. | 2,816 | – | 2,816 | – |
| David K.P. Li | 300,000 | – | 300,000 | 0.08% |

| Name of Director | Number of shares in San Miguel Corporation | | | Approximate % of shareholding |
|---|--|------------------|---------|-------------------------------|
| | Personal interests | Family interests | Total | |
| Class A (par value of 5 pesos each): | | | | |
| Francisco C. Eizmendi, Jr. | 298,768 | – | 298,768 | 0.01% |
| Ramon S. Ang | 6,050 | – | 6,050 | – |
| Ramon A. de la Llana | 12,539 | – | 12,539 | – |
| Faustino F. Galang | 165,042 | – | 165,042 | 0.01% |
| Estelito P. Mendoza | 31,972 | – | 31,972 | – |
| Gabriel L. Villareal | 24,572 | 10,500 | 35,072 | – |
| Class B (par value of 5 pesos each): | | | | |
| Ramon A. de la Llana | 5,600 | – | 5,600 | – |
| Faustino F. Galang | 5,270 | – | 5,270 | – |
| Gabriel L. Villareal | – | 29,000 | 29,000 | – |

REPORT OF THE DIRECTORS

DIRECTORS' INTERESTS *(Continued)*

(2) INTERESTS IN UNDERLYING SHARES

Certain directors of the Company have been granted share options to subscribe for shares in San Miguel Corporation. Particulars of share options in San Miguel Corporation held by directors during the year and as at 31st December 2004 are as follows:

| Name of Director | Date granted | Share options in San Miguel Corporation | | | | | |
|--|-----------------------------|---|----------------------------------|--------------------------------|-------------------------|---------------------------|----------------------------------|
| | | Exercise period up to | Exercise price per share (pesos) | Balance as at 1st January 2004 | Granted during the year | Exercised during the year | Balance as at 31st December 2004 |
| <i>Class A (par value of 5 pesos each):</i> | | | | | | | |
| Ramon S. Ang | 26/06/03 <i>(Note 1)</i> | 26/06/11 | 54.50 | – | 259,422 | – | 259,422 |
| | 01/10/04 | 01/10/12 | 57.50 | – | 266,854 | – | 266,854 |
| Ramon A. de la Llana | 26/06/03 <i>(Note 1)</i> | 26/06/11 | 54.50 | – | 13,876 | – | 13,876 |
| | 01/10/04 | 01/10/12 | 57.50 | – | 31,422 | – | 31,422 |
| Faustino F. Galang | 01/04/97 | 01/04/05 | 40.57 | 51,860 | – | 51,860 | – |
| | 26/03/98 | 26/03/06 | 34.71 | 49,703 | – | 49,703 | – |
| | 26/06/03 <i>(Note 1)</i> | 26/06/11 | 54.50 | – | 85,306 | – | 85,306 |
| | 01/10/04 | 01/10/12 | 57.50 | – | 87,751 | – | 87,751 |
| Thomas R. Mainwaring | 26/03/98 | 26/03/06 | 34.71 | 15,524 | – | 15,524 | – |
| | 26/06/03 <i>(Note 1)</i> | 26/06/11 | 54.50 | – | 16,419 | – | 16,419 |
| | 01/10/04 | 01/10/12 | 57.50 | – | 10,687 | – | 10,687 |

DIRECTORS' INTERESTS (Continued)

| Name of Director | Date granted | Exercise period | Share options in San Miguel Corporation | | | | Balance as at 31st December 2004 |
|---|----------------------|-----------------|---|--------------------------------|-------------------------|---------------------------|----------------------------------|
| | | | Exercise price per share (pesos) | Balance as at 1st January 2004 | Granted during the year | Exercised during the year | |
| Class B (par value of 5 pesos each): | | | | | | | |
| Ramon S. Ang | 26/06/03 (Note 1) | 26/06/11 | 62.50 | – | 111,181 | – | 111,181 |
| | 01/10/04 | 01/10/12 | 70.50 | – | 114,366 | – | 114,366 |
| Ramon A. de la Llana | 01/04/97 | 01/04/05 | 70.25 | 2,456 | – | – | 2,456 |
| | 26/06/03 (Note 1) | 26/06/11 | 62.50 | – | 5,947 | – | 5,947 |
| | 01/10/04 | 01/10/12 | 70.50 | – | 13,466 | – | 13,466 |
| Faustino F. Galang | 01/04/97 | 01/04/05 | 70.25 | 22,226 | – | – | 22,226 |
| | 26/03/98 | 26/03/06 | 49.83 | 21,302 | – | 21,302 | – |
| | 26/06/03 (Note 1) | 26/06/11 | 62.50 | – | 36,560 | – | 36,560 |
| | 01/10/04 | 01/10/12 | 70.50 | – | 37,607 | – | 37,607 |
| Thomas R. Mainwaring | 26/03/98 | 26/03/06 | 49.83 | 6,653 | – | 6,653 | – |
| | 26/06/03 (Note 1) | 26/06/11 | 62.50 | – | 7,036 | – | 7,036 |
| | 01/10/04 | 01/10/12 | 70.50 | – | 4,580 | – | 4,580 |

Note 1:

These share options were approved and granted by the board of San Miguel Corporation on 29th January 2004, and were retroactive to 26th June 2003.

The only share options exercised by directors during the year were those disclosed above.

All interests in the shares and underlying shares of the Company and its associated corporations are long positions.

None of the directors or their associates had any interests in the issued share capital or in share options of the Company or any of its associated corporations other than those disclosed above.

REPORT OF THE DIRECTORS

SUBSTANTIAL INTERESTS IN THE SHARE CAPITAL OF THE COMPANY

As at 31st December 2004 according to the register required under Section 336 of the SFO, the Company was notified that the following shareholders had an interest of 5% or more of its issued share capital:

| Name | Number of shares of \$0.50 each | |
|---------------------------------------|---------------------------------|--------------------------|
| | Ordinary shares held | % of total issued shares |
| Neptunia Corporation Limited (note 1) | 245,720,800 | 65.78% |
| HKSCC Nominees Limited | 66,105,802 | 17.70% |
| Conroy Assets Limited (note 2) | 13,624,600 | 3.65% |
| Hamstar Profits Limited (note 2) | 10,078,400 | 2.70% |

Notes:

1. *San Miguel Corporation ("SMC"), San Miguel International Limited ("SMIL"), San Miguel Holdings Limited ("SMHL") and San Miguel Brewing International Limited ("SMBIL") are all deemed to hold the above disclosed interest of Neptunia Corporation Limited in the Company because SMC has a controlling interest in SMIL, SMIL has a controlling interest in SMHL, SMHL has a controlling interest in SMBIL and SMBIL has a controlling interest in Neptunia Corporation Limited.*
2. *Mr. Li Ka-Shing, Cheung Kong (Holdings) Limited, Li Ka-Shing Unity Trustee Company Limited, Li Ka-Shing Unity Trustee Corporation Limited and Li Ka-Shing Unity Trustcorp Limited are all deemed to hold the above disclosed interest of Conroy Assets Limited ("Conroy") and Hamstar Profits Limited ("Hamstar") in the Company. The aggregate interest of Conroy and Hamstar exceeding 5% of the issued share capital of the Company constitutes a duty of disclosure under the SFO.*

DIRECTORS' INTERESTS IN CONTRACTS

Pursuant to an Agreement dated 12th June 1963, Neptunia Corporation Limited provides technical and advisory services to the Company and may be paid a General Managers' Commission. Messrs. Francisco C. Eizmendi, Jr., Ramon S. Ang, Ramon A. de la Llana, Faustino F. Galang, Thomas R. Mainwaring, Estelito P. Mendoza and Gabriel L. Villareal are interested parties to this contract to the extent that they either have equity interests in or are directors of San Miguel Corporation, the ultimate holding company of Neptunia Corporation Limited. General Managers' Commission has not been paid by the Company or charged by Neptunia Corporation Limited since the 1995 financial year.

Save as disclosed above, during the financial year and at the end of the year, no director of the Company has had a material interest in any significant contract to which the Company or any related company (the holding company, subsidiaries or fellow subsidiaries) was also a party.

CONNECTED TRANSACTIONS

The directors, including the independent non-executive directors, of the Company have reviewed the above-mentioned connected transactions and have confirmed that the connected transactions were:

- (i) entered into in the ordinary and usual course of business;
- (ii) conducted on normal commercial terms; which were no less favourable than those available to or from independent third parties; and
- (iii) fair and reasonable so far as the shareholders are concerned.

The Company had obtained a conditional waiver from the Stock Exchange from strict compliance with the disclosure requirements under the Listing Rules which were in effect prior to 31st March 2004 (the "Old Listing Rules") in respect of the Group's purchases of cans, bottles, crates and packaged beer from the SMC Group and the Group's sales of packaged beer to the SMC Group. Due to an inadvertent oversight, the Directors did not appreciate that following the coming into effect of the revisions to the Listing Rules (the "Revised Listing Rules") on 31st March 2004, the Company could no longer rely on the waiver previously granted to it by the Stock Exchange. The value of such transactions carried out between the Group and the SMC Group for the period from 1st April 2004 to 31st December 2004 is set out below:–

| | For the 9 months from 1st April 2004 to 31st December 2004 <i>HK\$'000</i> |
|---|--|
| Purchase of cans by the Group from the SMC Group | 15,637 |
| Purchase of bottles by the Group from the SMC Group | 21,112 |
| Purchase of crates by the Group from the SMC Group | 2,951 |
| Purchase of packaged beer by the Group from the SMC Group | 2,132 |
| Sales of packaged beer by the Group to the SMC Group | 23,461 |

The purchase of crown seals by the Group from the SMC Group was not covered by the previous waiver granted by the Stock Exchange. Due to an oversight, the level of purchases of crown seals by the Group in 2001, 2002, 2003 and 2004 of approximately HK\$1,074,000, HK\$2,827,000, HK\$1,382,000 and HK\$2,233,000 respectively exceeded the relative de minimis thresholds for disclosure under the Old Listing Rules for 2001, 2002 and 2003 and the Revised Listing Rules for 2004, but were not disclosed.

The Group's purchases of cans, crates, crown seals and packaged beer each is subject to the reporting and announcement requirements under Rules 14A.45 to 14A.47 and the purchase of bottles by the Group from the SMC Group and the sales of packaged beer by the Group to the SMC Group is each subject also to the requirement for approval by Independent Shareholders under Rule 14A.35 of the Revised Listing Rules. The Company is now taking appropriate steps to ensure compliance with the Revised Listing Rules as soon as practicable and intends to seek a new waiver in respect of such continuing connected transactions.

REPORT OF THE DIRECTORS

RETIREMENT AND PENSION PLANS, PERSONNEL AND PAYROLL

The Company and its subsidiaries in Hong Kong have sponsored a non-contributory defined benefit scheme, The San Miguel Brewery Hong Kong Limited Retirement Fund ("the Fund"), covering local permanent employees, which was registered in September 1995 under the Occupational Retirement Schemes Ordinance. The Fund is formally established under trust and the assets are separately held in an independently administered fund. The members' benefits are determined based on the employees' final remuneration and length of service. Contributions to the Fund are made in accordance with the recommendations of independent actuaries who value the retirement scheme at regular intervals, usually triennially.

The Fund was granted exemption from Mandatory Provident Fund regulations by the Mandatory Provident Fund Scheme Authority on 24th July 2000, following modifications to the Fund benefits which comply with Mandatory Provident Fund regulations.

Pursuant to Government legislation, Dresdner RCM was selected by the Company as an alternative Mandatory Provident Fund ("MPF") service provider for employees of the Company who do not wish to remain in or join the Company Fund. The MPF scheme is a defined contribution retirement scheme administered by independent trustees. Under the MPF scheme, the employer and its employees are each required to make contributions to the scheme at 5% of the employees' relevant income, subject to a cap of monthly relevant income of \$20,000. Contributions to the MPF scheme vest in employee members immediately.

Employees in the subsidiaries in the People's Republic of China are members of the Central Pension Scheme operated by the Chinese government. The subsidiaries are required to contribute a certain percentage of their covered payroll to the Central Pension Scheme to fund the benefits. Contributions to the Central Pension Scheme vest in employee members immediately. The only obligation for the subsidiaries with respect to the Central Pension Scheme is the associated required contribution under the Central Pension Scheme.

A formal actuarial assessment of the San Miguel Brewery Hong Kong Limited Retirement Fund was carried out as at 31st December 2004 and the results were as follows:

- (a) The actuary of the Fund is Mr. A. Wong, Fellow of the Canadian Institute of Actuaries and Fellow of the Society of Actuaries. In the actuarial valuation, the attained age method was used. Other major assumptions used in the valuation were: Investment return 7.5% per annum; Salary increases over the 3-year projection period: 0% per annum for 2005 and 3% per annum for 2006 and 2007; Mortality Rates 2001 Hong Kong Life Tables; Normal retirement age 60; Early retirement rates allowed between ages 55 to 60.
- (b) The unaudited market value of the Fund assets was \$92,705,000 as at 31st December 2004.
- (c) The minimum level of funding as recommended by the Fund actuary was 12% of salary for 2005 and 16% for 2006 and 2007.
- (d) The solvency deficit was \$23,860,000, i.e. the obligation under this Fund was 80% covered by the Fund's assets, at 31st December 2004.

Particulars of the number of personnel and payroll expenses of the Group are set out on page 3 of this Annual Report.

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

During the year ended 31st December 2004, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of its listed shares.

FIVE YEAR SUMMARY

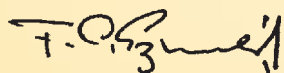
A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out on page 53 of this Annual Report.

CODE OF BEST PRACTICE

Throughout 2004 the Company has complied with the Code of Best Practice as set out by The Stock Exchange of Hong Kong Limited in Appendix 14 to the Listing Rules.

AUDITORS

A resolution for the re-appointment of KPMG as auditors of the Company is to be proposed at the forthcoming Annual General Meeting.



Francisco C. Eizmendi, Jr.
Chairman

Hong Kong, 24th February 2005

DIRECTORS AND MANAGEMENT EXECUTIVES

DIRECTORS

Francisco C. Eizmendi, Jr.

Chairman

Ramon A. de la Llana

Managing Director

Ramon S. Ang

Ferdinand K. Constantino

Faustino F. Galang

Francis H. Jardeleza

Adrian M.K. Li

Alternate to David K.P. Li

David K.P. Li, GBS, JP

Independent Non-Executive Director

Thomas R. Mainwaring

Estelito P. Mendoza

Wai Sun Ng

Independent Non-Executive Director

Gabriel L. Villareal

Ian F. Wade

Independent Non-Executive Director

The details of the directors as at the date of this report are as follows:

Mr. Francisco C. EIZMENDI, Jr., *BScE, PhD (Hon)*, aged 69, appointed Director on 20th September 1984, is Chairman of the Company. He also holds directorships in other companies in the Philippines.

Mr. Ramon A. DE LA LLANA, *BEcon (Hon), MBA*, aged 51, was appointed Managing Director of San Miguel Brewery Hong Kong Limited on 16th September 2003 and Managing Director of San Miguel (Guangdong) Brewery Company Limited on 16th February 2004. He is also a director of various subsidiaries of the Company. Mr. de la Llana was also Vice President, International Sales and Business Development, San Miguel Beer Division, San Miguel Corporation. He has 29 years of working experience, including 22 years with the San Miguel Group. Mr. de la Llana has 6 years of senior managerial experience in China.

Mr. Ramon S. ANG, *BSME*, aged 51, was appointed on 27th November 1998. Mr. Ang is Vice Chairman, President and Chief Operating Officer of San Miguel Corporation.

Mr. Ferdinand K. CONSTANTINO, *BA Econ (UP)*, aged 53, appointed on 24th February 2005, is Senior Vice President & Chief Finance Officer & Treasurer of San Miguel Corporation. Mr. Constantino is also a Director of San Miguel Holdings Limited and San Miguel Brewing International Limited, controlling shareholders of the Company.

Mr. Faustino F. GALANG, *BSc (Com), BA (SoSc), MBE*, aged 58, appointed on 22nd March 1991, is President of San Miguel Beer Division. He is also a Director of Neptunia Corporation Limited, a controlling shareholder of the Company.

Mr. Francis H. JARDELEZA, *BA (UP), LLB (UP), LLM (Harvard)*, aged 55, appointed on 24th February 2005, is Senior Vice President & Corporate Secretary & General Counsel of San Miguel Corporation. He is also a Director of San Miguel International Limited and San Miguel Holdings Limited, controlling shareholders of the Company.

Mr. Adrian M.K. LI, *MA (Cantab), MBA, LPC*, aged 31, appointed Alternate Director to Dr. The Hon. David K.P. Li on 1st August 2002, is the General Manager and Head of Corporate Banking Division of The Bank of East Asia, Limited. He is a member of the Ninth & Tenth Guangzhou Committee of the Chinese People's Political Consultative Conference, P.R.C. and a member of the All China Youth Federation. Mr. Li is also Director of various companies and organisations eg. Ocean Park Corporation in Hong Kong. He holds memberships with various banking and advisory committees in Hong Kong, such as the Export Credit Insurance Corporation, Vocational Training Council, and the Small & Medium Enterprises Committee. He is the eldest son of Dr. The Hon. David K.P. Li.

Dr. The Hon. David K.P. LI, *GBS, Officier de la Legion d'Honneur, OBE, MA, Hon LLD (Cantab), Hon DSocSc, FCA, FCPA, FCPA (Aust.), FCIB, FHKIB, FBCS, CITP, FCI Arb, JP*, aged 65, appointed on 22nd March 1991, is an Independent Non-Executive Director and a member of the Audit Committee of the Company. Dr. Li is also the Chairman and Chief Executive of The Bank of East Asia, Limited and an elected member of the Legislative Council. Other directorships include China Overseas Land & Investment Limited, Dow Jones & Company, Inc., The Hong Kong & China Gas Co. Limited and a number of other publicly listed and private companies in Hong Kong and overseas. Dr. Li holds memberships with various banking and advisory committees in Hong Kong. He served as a Hong Kong Affairs Advisor to The People's Republic of China and was a Member of the Preparatory Committee for The Hong Kong Special Administrative Region.

Mr. Thomas R. MAINWARING, *BCom, MBA (Columbia)*, aged 60, Director, Company Secretary and Chief Financial Officer, joined the Company on 1st January 1995 and was appointed Director on 8th November 2000. He is also a Director of various subsidiaries of the Company. Mr. Mainwaring has more than 38 years experience, including 10 years with the Company and 28 years in senior managerial and financial positions with a number of Australian companies including BHP Billiton, Fosters Group Limited and Cascade Group.

Mr. Estelito P. MENDOZA, *AA, LLB (UP), LLM (Harvard)*, aged 75, appointed on 27th November 1998, is also a member of the Board of Directors of San Miguel Corporation. He has held various positions in the Government of the Philippines including Solicitor General and Minister of Justice. Mr. Mendoza has also been a Professorial Lecturer of the College of Law, University of the Philippines and taught public and private law. He is presently engaged in the private practice of law.

Mr. Wai Sun NG, aged 61, appointed on 1st April 2001, is an Independent Non-Executive Director and a member of the Audit Committee of the Company. Mr. Ng is Chairman of Jibsen Capital (Holdings) Limited.

Mr. Gabriel L. VILLAREAL, *LLB (UP), BA (UP)*, aged 51, appointed on 27th February 2003, is the Managing Partner of Villareal Law Offices.

Mr. Ian F. WADE, aged 64, appointed on 25th March 1994, is an Independent Non-Executive Director and a member of the Audit Committee of the Company. Mr. Wade is the Group Managing Director of A.S. Watson & Co., Ltd., a wholly owned subsidiary of Hutchison Whampoa Ltd. Prior to joining the Hutchison Group, Mr. Wade was a member of the ASDA Board of Directors in the United Kingdom. Mr. Wade is a board member of the Connecticut-based U.S. internet travel company priceline.com. Mr. Wade has over 40 years of experience in the retail industry, and is a founding member and Honorary Advisor of the Hong Kong Retail Management Association. He is a member of the Sponsorship and Fund Raising Sub-Committee of the Hong Kong Tourism Board, and the Selection and Evaluation of Elite Sports Sub-Committee. He also sits on the Board of the Hong Kong Red Cross and the Community Chest of Hong Kong, and is the Honorary President of the Hong Kong Amateur Athletics Association.

DIRECTORS AND MANAGEMENT EXECUTIVES

MANAGEMENT EXECUTIVES

Ramon A. de la Llana

Managing Director

Thomas R. Mainwaring

Director, Company Secretary & Chief Financial Officer

Herbert W.M. Chu

General Manager – Operations & Exports

Bayani B. Gonzales

Managing Director,

Guangzhou San Miguel Brewery Company Limited

Peter K.Y. Tam

General Manager – Sales

Terence T.A. Tan

General Manager – Logistics

Ben M.B. Wong

General Manager – Corporate Development

The details of the management executives as at the date of this report are as follows:

Mr. Ramon A. DE LA LLANA, Managing Director. Please refer to the Directors section on page 20 for details.

Mr. Thomas R. MAINWARING, Director, Company Secretary and Chief Financial Officer. Please refer to the Directors section on page 21 for details.

Mr. Herbert W.M. CHU, *BBA, MBA*, aged 51, General Manager – Operations & Exports, joined the Company in 1977. During his 27 years of service with the Company, Mr. Chu has gained extensive experience in brewery operations, logistics, sales and marketing as well as public relations. Mr. Chu had been concurrently appointed Plant Manager, San Miguel (Guangdong) Brewery Company Limited, effective 16th February 2004.

Mr. Bayani B. GONZALES, *BScE, MDP (AIM)*, aged 54, Managing Director of Guangzhou San Miguel Brewery Company Limited, joined the San Miguel Group in 1974. During his 30 years of service, Mr. Gonzales has gained extensive experience in brewing and operations and held various senior positions within the Group.

Mr. Peter K.Y. TAM, *BBA, MBA*, aged 46, General Manager – Sales, joined the Company in 1993. Mr. Tam has 20 years of experience in the selling and marketing of consumer products in Hong Kong and Mainland China.

Mr. Terence T.A. TAN, *BBBA*, aged 47, General Manager – Logistics, joined the Company in 1998. Mr. Tan has more than 20 years of experience in the logistics industry in Singapore, Hong Kong and Mainland China.

Mr. Ben M.B. WONG, *MBA, FCPA, FHKIoD, FCCA*, aged 42, General Manager – Corporate Development, joined the Company in 1997. Mr. Wong has 20 years of business experience in various industries in senior managerial and financial positions in Hong Kong and Mainland China.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the FORTY-SECOND ANNUAL GENERAL MEETING of SAN MIGUEL BREWERY HONG KONG LIMITED will be held at the Langham Hotel, 8 Peking Road, Tsimshatsui, Kowloon, Hong Kong on Thursday, 7th April 2005 at 2:00pm for the purpose of transacting the following ordinary business:

1. To receive and consider the audited Financial Statements and the Reports of the Directors and Auditors for the year ended 31st December 2004;
2. To approve a final dividend for the year ended 31st December 2004;
3. To re-elect directors and approve directors' fees; and
4. To appoint auditors and authorise the directors to fix their remuneration.

By Order of the Board

Thomas R. Mainwaring

Company Secretary

Hong Kong, 24th February 2005

Notes:

1. Shareholders are entitled to appoint one or more proxies to attend and vote in their stead at the meeting. A proxy need not be a shareholder of the Company.
2. To be valid, forms of proxy must be deposited at the registered office of the Company at 9/F, Citimark Building, 28 Yuen Shun Circuit, Siu Lek Yuen, Shatin, New Territories, Hong Kong not less than 48 hours before the meeting.

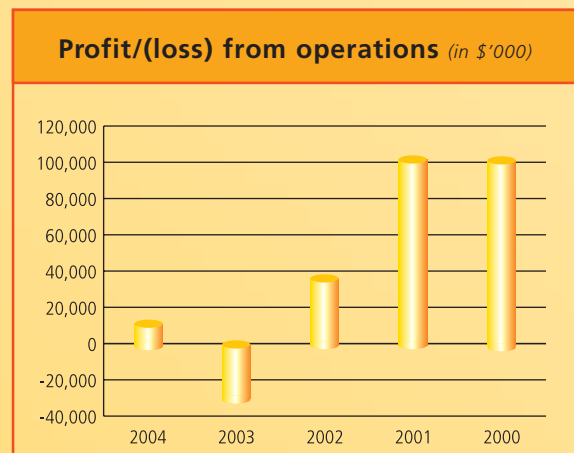
STATISTICAL ANALYSIS OF OPERATIONS

Years ended 31st December, in Hong Kong dollar thousands except per share data and number of personnel

TEN YEAR REVIEW

| | 2004 | 2003 | 2002 |
|--|------------------|-----------|-----------|
| Gross turnover | 1,261,232 | 1,158,649 | 1,326,642 |
| Profit/(loss) from operations | 12,325 | (30,641) | 38,942 |
| Profit/(loss) attributable to shareholders before extraordinary items | 11,578 | (32,771) | 31,721 |
| Extraordinary items (1) | – | – | – |
| Profit/(loss) attributable to shareholders | 11,578 | (32,771) | 31,721 |
| Taxes paid, including beer tax | 135,185 | 134,986 | 164,268 |
| Cash dividends attributable to the year | 3,736 | – | 37,356 |
| Cash dividends per share | 0.01 | – | 0.10 |
| Fixed assets and projects under development | 1,939,135 | 2,016,646 | 2,083,863 |
| Net worth (2) | 2,036,549 | 2,024,059 | 2,065,103 |
| Payroll (3) | 122,149 | 124,480 | 131,168 |
| Number of personnel (4) | 1,145 | 1,168 | 1,214 |

- (1) The extraordinary item in 1996 represented profit made on the sale of the Sham Tseng Brewery.
- (2) Net worth for the years 1995 to 2000 have been adjusted for change in accounting policy of dividend recognition.
- (3) Payroll has been corrected for inconsistent reporting in prior years for the years 1996 to 1998.
- (4) Number of personnel represents actual headcount as of the last working day of the year.

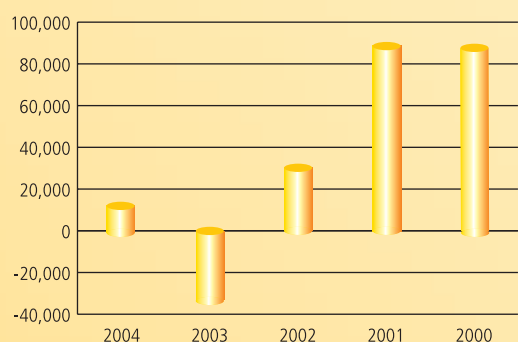


STATISTICAL ANALYSIS OF OPERATIONS

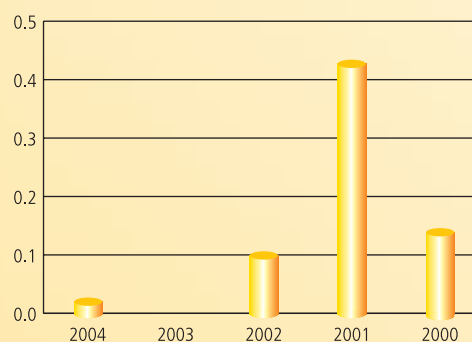
Years ended 31st December, in Hong Kong dollar thousands except per share data and number of personnel

| 2001 | 2000 | 1999 | 1998 | 1997 | 1996 | 1995 |
|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| 1,376,423 | 1,433,150 | 1,342,902 | 1,378,562 | 1,317,302 | 1,410,867 | 1,302,677 |
| 101,787 | 100,723 | 83,737 | 39,409 | 10,132 | 72,784 | 115,307 |
| 88,734 | 87,657 | 60,100 | 17,051 | 5,492 | 68,321 | 165,908 |
| - | - | - | - | - | 115,803 | - |
| 88,734 | 87,657 | 60,100 | 17,051 | 5,492 | 184,124 | 165,908 |
| 170,830 | 160,745 | 156,038 | 170,576 | 144,620 | 152,073 | 132,899 |
| 160,636 | 52,300 | 41,093 | 11,207 | 29,886 | 59,771 | 59,771 |
| 0.43 | 0.14 | 0.11 | 0.03 | 0.08 | 0.16 | 0.16 |
| 2,156,190 | 2,214,254 | 2,276,150 | 2,347,937 | 2,396,195 | 2,462,394 | 2,062,862 |
| 2,161,839 | 2,233,837 | 2,193,847 | 2,170,495 | 2,157,247 | 2,227,953 | 2,102,156 |
| 126,053 | 127,094 | 144,121 | 155,400 | 147,443 | 133,838 | 142,404 |
| 1,268 | 1,276 | 1,345 | 1,601 | 1,655 | 1,527 | 1,327 |

Profit/(loss) attributable to shareholders before extraordinary items (in \$'000)



Cash dividends per share (in \$ per share)



Our Marketing Initiatives - San Miguel WildDayOut

我們的市務推廣活動 - San Miguel WildDayOut



FINANCIAL STATEMENTS SECTION

| | PAGE |
|---|------|
| CONSOLIDATED INCOME STATEMENT | 28 |
| CONSOLIDATED BALANCE SHEET | 29 |
| COMPANY BALANCE SHEET | 30 |
| CONSOLIDATED STATEMENT OF CHANGES IN EQUITY | 31 |
| CONSOLIDATED CASH FLOW STATEMENT | 32 |
| NOTES TO THE FINANCIAL STATEMENTS | 33 |

In this section, all monetary values are expressed in Hong Kong Dollars unless stated otherwise.

CONSOLIDATED INCOME STATEMENT

for the years ended 31st December, in Hong Kong dollar thousands except per share data

| | Note | 2004 | 2003 |
|---|-------|------------------|-----------|
| Gross turnover | 2 | 1,261,232 | 1,158,649 |
| Discounts | | (322,948) | (324,761) |
| Cost of sales | | (412,141) | (351,624) |
| Beer duty and taxes | | (160,454) | (149,022) |
| Gross profit | | 365,689 | 333,242 |
| Distribution costs | | (39,839) | (42,529) |
| Administrative and selling expenses | | (293,016) | (304,973) |
| Other operating expenses | | (20,509) | (16,381) |
| Profit/(loss) from operations | 3 | 12,325 | (30,641) |
| Finance costs | 4 | (2,832) | (4,558) |
| Other revenue | 5 | 9,615 | 9,417 |
| Other net expenses | 5 | (3,264) | (1,301) |
| Profit/(loss) from ordinary activities before taxation | | 15,844 | (27,083) |
| Income tax | 6 | (3,032) | (9,456) |
| Profit/(loss) from ordinary activities after taxation | | 12,812 | (36,539) |
| Minority interests | | (1,234) | 3,768 |
| Profit/(loss) attributable to shareholders | 9, 27 | 11,578 | (32,771) |
| Dividend attributable to the year | 10 | | |
| Final dividend proposed after the balance sheet date | | (3,736) | – |
| Earnings/(loss) per share – Basic | 11 | \$0.03 | (\$0.09) |

The Notes on pages 33 to 51 form part of these financial statements.

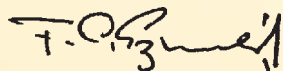
CONSOLIDATED BALANCE SHEET

as at 31st December, in Hong Kong dollar thousands

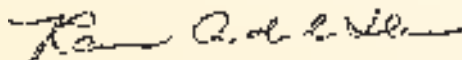
| | Note | 2004 | 2003 |
|--|------|------------------|------------------|
| Non-current assets | | | |
| Fixed assets | 13 | 1,939,135 | 2,016,646 |
| Held to maturity securities – unlisted | | 13,797 | 13,391 |
| Trademarks | 14 | 33,435 | 37,413 |
| Goodwill | 15 | 5,044 | 5,318 |
| Retirement benefit asset | 23 | 1,888 | – |
| Other assets | 17 | 8,490 | 8,436 |
| | | <u>2,001,789</u> | <u>2,081,204</u> |
| Current assets | | | |
| Inventories | 18 | 93,408 | 75,503 |
| Trade and other receivables | 19 | 104,350 | 114,731 |
| Current tax recoverable | 25 | 66 | – |
| Amounts due from holding companies and fellow subsidiaries | | 29,495 | 25,582 |
| Held to maturity securities – unlisted | | – | 17,163 |
| Cash and cash equivalents | 20 | 454,817 | 352,964 |
| | | <u>682,136</u> | <u>585,943</u> |
| Current liabilities | | | |
| Bank loans (unsecured) | 21 | (50,552) | (65,998) |
| Trade and other payables | 19 | (120,134) | (121,943) |
| Amounts due to holding companies and fellow subsidiaries | | (26,907) | (17,909) |
| | | <u>(197,593)</u> | <u>(205,850)</u> |
| Net current assets | | 484,543 | 380,093 |
| Total assets less current liabilities | | 2,486,332 | 2,461,297 |
| Non-current liabilities | | | |
| Bank loans (unsecured) | 21 | (195,000) | (195,000) |
| Leased factory maintenance provision | 22 | (47,968) | (43,829) |
| Retirement benefit liability | 23 | – | (2,211) |
| Deferred tax liabilities | 25 | (108,264) | (99,044) |
| | | <u>(351,232)</u> | <u>(340,084)</u> |
| Minority interests | | (98,551) | (97,154) |
| NET ASSETS | | 2,036,549 | 2,024,059 |
| CAPITAL AND RESERVES | | | |
| Share capital | 26 | 186,785 | 186,785 |
| Reserves | 27 | 1,849,764 | 1,837,274 |
| | | <u>2,036,549</u> | <u>2,024,059</u> |

Approved and authorised for issue by the Board of Directors on 24th February 2005.

Directors:



FRANCISCO C. EIZMENDI, JR.



RAMON A. DE LA LLANA

The Notes on pages 33 to 51 form part of these financial statements.

COMPANY BALANCE SHEET

as at 31st December, in Hong Kong dollar thousands

| | Note | 2004 | 2003 |
|---|------|------------------|-----------|
| Non-current assets | | | |
| Fixed assets | 13 | 1,125,171 | 1,170,444 |
| Trademarks | 14 | 33,435 | 37,413 |
| Retirement benefit asset | 23 | 1,888 | – |
| Interests in subsidiaries | 16 | 1,216,101 | 855,912 |
| | | 2,376,595 | 2,063,769 |
| Current assets | | | |
| Inventories | 18 | 32,492 | 30,952 |
| Trade and other receivables | 19 | 73,271 | 84,997 |
| Amounts due from holding companies and fellow subsidiaries | | 9,309 | 9,392 |
| Cash and cash equivalents | 20 | 22,502 | 14,996 |
| | | 137,574 | 140,337 |
| Current liabilities | | | |
| Trade and other payables | 19 | (43,605) | (52,302) |
| Amounts due to holding companies and fellow subsidiaries | | (15,017) | (10,665) |
| | | (58,622) | (62,967) |
| Net current assets | | 78,952 | 77,370 |
| Total assets less current liabilities | | 2,455,547 | 2,141,139 |
| Non-current liabilities | | | |
| Bank loans (unsecured) | 21 | (195,000) | (195,000) |
| Amounts due to subsidiaries | | (306,300) | – |
| Retirement benefit liability | 23 | – | (2,211) |
| Deferred tax liabilities | 25 | (50,629) | (47,821) |
| | | (551,929) | (245,032) |
| NET ASSETS | | 1,903,618 | 1,896,107 |
| CAPITAL AND RESERVES | | | |
| Share capital | 26 | 186,785 | 186,785 |
| Reserves | 27 | 1,716,833 | 1,709,322 |
| | | 1,903,618 | 1,896,107 |

Approved and authorised for issue by the Board of Directors on 24th February 2005.

Directors:

FRANCISCO C. EIZMENDI, JR.

RAMON A. DE LA LLANA

The Notes on pages 33 to 51 form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the years ended 31st December, in Hong Kong dollar thousands

| | Note | 2004 | 2003 |
|--|------|-------------------------|------------------|
| Shareholders' equity at 1st January | | <u>2,024,059</u> | <u>2,065,103</u> |
| Exchange difference arising on translation of the financial statements of foreign entities | 27 | <u>912</u> | <u>(802)</u> |
| Net gain/(loss) not recognised in the Consolidated Income Statement | | <u>912</u> | <u>(802)</u> |
| Net profit/(loss) for the year | | 11,578 | (32,771) |
| Dividend declared or approved during the year | 10 | <u>–</u> | <u>(7,471)</u> |
| Shareholders' equity at 31st December | | <u>2,036,549</u> | <u>2,024,059</u> |

The Notes on pages 33 to 51 form part of these financial statements.

CONSOLIDATED CASH FLOW STATEMENT

for the years ended 31st December, in Hong Kong dollar thousands

| Note | 2004 | 2003 |
|--|-----------------|-----------------|
| Operating activities | | |
| Profit/(loss) from ordinary activities before taxation | 15,844 | (27,083) |
| Adjustments for: | | |
| Depreciation of fixed assets | 80,630 | 80,255 |
| Impairment loss of fixed assets | 5,183 | – |
| Interest expenses | 2,683 | 4,416 |
| Interest income | (4,930) | (4,461) |
| Loss on disposal of fixed assets | 4,040 | 369 |
| Amortisation of trademarks | 4,031 | 1,627 |
| Amortisation of goodwill | 274 | 160 |
| Foreign exchange (gains)/losses | (133) | 1,831 |
| Operating profit before changes in working capital | 107,622 | 57,114 |
| (Increase)/decrease in inventories | (17,905) | 11,760 |
| Decrease in trade and other receivables | 10,776 | 74,727 |
| Decrease in net amounts due from holding companies and fellow subsidiaries | 5,085 | 416 |
| (Decrease)/increase in trade and other payables | (1,857) | 11,622 |
| Decrease/increase in retirement benefit liability/asset | (4,099) | (9,946) |
| Increase in leased factory maintenance provision | 4,066 | 4,059 |
| Cash generated from operations | 103,688 | 149,752 |
| Income tax | | |
| Hong Kong Profits Tax paid | (66) | – |
| Overseas tax refunded | 6,101 | – |
| Net cash generated from operating activities | 109,723 | 149,752 |
| Investing activities | | |
| Payment for purchase of fixed assets | (12,403) | (16,650) |
| Payment for purchase of trademarks | (53) | (39,040) |
| Proceeds from disposal of fixed assets | 1,199 | 104 |
| Proceeds from redemption of held to maturity securities | 15,975 | 18,764 |
| Payment for purchase of additional interest in a subsidiary | – | (5,478) |
| Interest received | 5,325 | 4,579 |
| Net cash generated from/(used in) investing activities | 10,043 | (37,721) |
| Financing activities | | |
| Proceeds from new bank loans | – | 66,004 |
| Repayment of bank loans | (15,555) | (77,651) |
| Interest paid | (2,635) | (4,390) |
| Dividend paid | – | (7,471) |
| Net cash used in financing activities | (18,190) | (23,508) |
| Net increase in cash and cash equivalents | 101,576 | 88,523 |
| Cash and cash equivalents at beginning of year | 352,964 | 264,849 |
| Effect of foreign exchange rates changes | 277 | (408) |
| Cash and cash equivalents at end of year | 454,817 | 352,964 |

20

The Notes on pages 33 to 51 form part of these financial statements.

1. Significant accounting policies

A. STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (which includes all applicable Statements of Standard Accounting Practice and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants, accounting principles generally accepted in Hong Kong and the requirements of the Hong Kong Companies Ordinance. These 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. A summary of the significant accounting policies adopted by the Group is set out below.

The Hong Kong Institute of Certified Public Accountants has issued a number of new and revised Hong Kong Financial Reporting Standards and Hong Kong Accounting Standards ("new HKFRSs") which are effective for accounting periods beginning on or after 1st January 2005.

The Group has not early adopted these new HKFRSs in the financial statements for the year ended 31st December 2004. The Group has already commenced an assessment of the impact of these new HKFRSs but is not yet in a position to state whether these new HKFRSs would have a significant impact on its results of operations and financial position.

B. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

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

C. SUBSIDIARIES

A subsidiary, in accordance with the Hong Kong Companies Ordinance, is a company in which the Company, directly or indirectly, holds more than half of the issued share capital, or controls more than half the voting power, or controls the composition of the board of directors.

An investment in a subsidiary is consolidated into the consolidated financial statements. Intra-group balances and transactions, and any unrealised profits arising from intra-group transactions, are eliminated in full in preparing the consolidated financial statements. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised profits, but only to the extent that there is no evidence of impairment.

Minority interests at the balance sheet date, being the portion of the net assets of subsidiaries attributable to equity interests that are not owned by the Company, whether directly or indirectly through subsidiaries, are presented in the Consolidated Balance Sheet separately from liabilities and the shareholders' equity. Minority interests in the results of the Group for the year are also separately presented in the Consolidated Income Statement.

Where losses attributable to the minority exceed the minority interest in the net assets of a subsidiary, the excess, and any further losses attributable to the minority, are charged against the Group's interest except to the extent that the minority has a binding obligation to, and is able to, make good the losses. All subsequent profits of the subsidiary are allocated to the Group until the minority's share of losses previously absorbed by the Group has been recovered.

In the Company's Balance Sheet, an investment in a subsidiary is stated at cost less any impairment losses (see Note 1(J)).

D. GOODWILL

Positive goodwill arising on consolidation represents the excess of the cost of the acquisition over the Group's share of the fair value of the identifiable assets and liabilities acquired. In respect of subsidiaries:

- (i) for acquisitions before 1st January 2001, positive goodwill, less any impairment losses (see Note 1(J)), is eliminated against reserves.
- (ii) for acquisitions on or after 1st January 2001, positive goodwill is amortised to the Consolidated Income Statement on a straight-line basis over its estimated useful life of 20 years. Positive goodwill is stated in the Consolidated Balance Sheet at cost less accumulated amortisation and any impairment losses (see Note 1(J)).

On disposal of a subsidiary, any attributable amount of goodwill not previously amortised through the Consolidated Income Statement or which has previously been dealt with as a movement on reserves is included in the calculation of the profit or loss on disposal.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

1. Significant accounting policies (Continued)

E. HELD TO MATURITY SECURITIES

Dated debt securities that the Group has the ability and intention to hold to maturity are classified as held to maturity securities. Held to maturity securities are stated in the Consolidated Balance Sheet at amortised cost less any provisions for diminution in value. Provisions are made when carrying amounts are not expected to be fully recovered and are recognised as an expense in the Consolidated Income Statement, such provisions being determined for each investment individually.

F. FIXED ASSETS

- (i) Fixed assets are stated in the balance sheets at cost less accumulated depreciation (see Note 1(I)) and any impairment losses (see Note 1(J)), with the exception of construction in progress which is stated at cost less any impairment losses (see Note 1(J)).
- (ii) Gains or losses arising from the retirement or disposal of a fixed asset are determined as the difference between the estimated net disposal proceeds and the carrying amount of the asset and are recognised in the Consolidated Income Statement on the date of retirement or disposal.

G. TRADEMARKS

Trademarks are stated in the balance sheets at cost less accumulated amortisation (see Note 1(I)) and any impairment losses (see Note 1(J)).

H. LEASED ASSETS

Leases of assets under which the lessor has not transferred all the risks and benefits of ownership are classified as operating leases.

(i) *Assets held for use in operating leases*

Where the Group leases out assets under operating leases, the assets are included in the Consolidated Balance Sheet according to their nature and, where applicable, are depreciated in accordance with the Group's depreciation policies, as set out in Note 1(I). Impairment losses are accounted for in accordance with the accounting policy as set out in Note 1(J). Revenue arising from operating leases is recognised in accordance with the Group's revenue recognition policies, as set out in Note 1(M).

(ii) *Operating lease charges*

Where the Group has the use of assets under operating leases, payments made under the leases are charged to the Consolidated Income Statement in equal instalments over the accounting periods covered by the lease term.

I. DEPRECIATION OF FIXED ASSETS AND AMORTISATION OF TRADEMARKS

- (i) Depreciation is calculated to write off the cost of fixed assets on a straight-line basis over their estimated useful lives as follows:

| Asset category | Useful life |
|--|--------------------|
| Buildings | 25 to 50 years |
| Machinery, equipment, furniture and fixtures | 4 to 50 years |
| Motor vehicles | 4 to 7 years |
| Leasehold land is depreciated over the remaining lease periods to the extent that such depreciation is material. | |

- (ii) Amortisation is calculated to write off the cost of trademarks on a straight-line basis over an estimated useful life of 10 years.

1. Significant accounting policies (Continued)**J. IMPAIRMENT OF ASSETS**

Internal and external sources of information are reviewed at each balance sheet date to identify indications that the following assets may be impaired or an impairment loss previously recognised no longer exists or may have decreased:

- Fixed assets;
- Interests in subsidiaries;
- Positive goodwill; and
- Trademarks.

If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount.

(i) Calculation of recoverable amount

The recoverable amount of an asset is the greater of its net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (i.e. a cash-generating unit).

(ii) Reversals of impairment losses

In respect of assets other than goodwill, an impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss in respect of goodwill is reversed only if the loss was caused by a specific external event of an exceptional nature that is not expected to recur, and the increase in recoverable amount relates clearly to the reversal of the effect of that specific event.

A reversal of impairment losses is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years. Reversals of impairment losses are credited to the Consolidated Income Statement in the year in which the reversals are recognised.

K. PRODUCTS, MATERIALS AND SUPPLIES

Both materials and supplies and products in hand and in progress are valued at the lower of cost and net realisable value. Cost is calculated using the moving average cost formula and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

L. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash at bank and in hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

1. Significant accounting policies (Continued)

M. REVENUE RECOGNITION

Provided it is probable that the economic benefits will flow to the Group and the revenue and costs, if applicable, can be measured reliably, revenue is recognised in the Consolidated Income Statement as follows:

- (i) Revenue arising from sales of goods is recognised when the customer has accepted the goods and the related risks and rewards of ownership.
- (ii) Interest income from bank deposits and held to maturity securities is accrued on a time-apportioned basis by reference to the principal outstanding and the rate applicable.
- (iii) Rental income receivable under operating leases is recognised in equal instalments over the accounting periods covered by the lease term.

N. EMPLOYEE BENEFITS

- (i) Salaries, annual bonuses, paid annual leave, leave passage and the cost to the Group of non-monetary benefits are accrued in the year in which the associated services are rendered by employees of the Group.
- (ii) Contributions to Mandatory Provident Fund as required under the Hong Kong Mandatory Provident Fund Schemes Ordinance, are recognised as an expense in the Consolidated Income Statement as incurred, except to the extent that they are included in the inventories not yet recognised as an expense.

Staff employed by the Group outside Hong Kong are covered by local retirement arrangements. The overseas arrangements are defined contribution retirement schemes. Contributions to the schemes are recognised as an expense in the Consolidated Income Statement at rates specified in the rules of the schemes as incurred, except to the extent that they are included in the inventories not yet recognised as an expense.

- (iii) The Group's net obligation in respect of the defined benefit retirement plan is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine the present value, and the fair value of any plan assets is deducted. The discount rate is the yield at balance sheet date on high quality corporate bonds that have maturity dates approximating the terms of the Group's obligations. The calculation is performed by a qualified actuary using the projected unit credit method.

In calculating the Group's obligation in respect of a plan, to the extent that any cumulative unrecognised actuarial gain or loss exceeds ten percent of the greater of the present value of the defined benefit obligation and the fair value of plan assets, that portion is recognised in the Consolidated Income Statement over the expected average remaining working lives of the employees participating in the plan. Otherwise, the actuarial gain or loss is not recognised.

Where the calculation of the Group's net obligation results in a negative amount, the asset recognised is limited to the net total of any cumulative unrecognised net actuarial losses and past service costs and the present value of any future refunds from the plan or reductions in future contributions to the plan.

- (iv) In relation to stock options granted by the Company's ultimate holding company, no employee benefit cost or obligation is recognised at the date of grant and the date of exercise.

O. BORROWING COSTS

Borrowing costs are expensed in the Consolidated Income Statement in the period in which they are incurred.

P. INCOME TAX

- (i) Income tax for the year comprises current tax and movements in deferred tax assets and liabilities.
- (ii) Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

1. Significant accounting policies (Continued)

P. INCOME TAX (Continued)

- (iii) Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax assets also arise from unused tax losses and unused tax credits.

Apart from certain limited exceptions, all deferred tax liabilities, and all deferred tax assets to the extent that it is probable that future taxable profits will be available against which the asset can be utilised, are recognised.

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax assets and liabilities are not discounted.

The carrying amount of a deferred tax asset is reviewed at each balance sheet date and is reduced to the extent that is no longer probable that sufficient taxable profit will be available to allow the related tax benefit to be utilised. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profit will be available.

- (iv) Current tax balances and deferred tax balances are presented separately from each other and are not offset.

Q. TRANSLATION OF FOREIGN CURRENCIES

Foreign currency transactions during the year are translated into Hong Kong dollars at the exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated into Hong Kong dollars at the exchange rates ruling at the balance sheet date. Exchange gains and losses are dealt with in the Consolidated Income Statement.

The results of foreign enterprises are translated into Hong Kong dollars at the average exchange rates for the year; balance sheet items are translated into Hong Kong dollars at the rates of exchange ruling at the balance sheet date. The resulting exchange differences are dealt with as a movement in reserves.

On disposal of a foreign enterprise, the cumulative amount of the exchange differences which relate to that foreign enterprise is included in the calculation of the profit or loss on disposal.

R. RELATED PARTIES

For the purposes of these consolidated financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

S. SEGMENT REPORTING

A segment is a distinguishable component of the Group that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

In accordance with the Group's internal financial reporting system, the Group has chosen geographical segment information as the primary reporting format.

Segment revenue, expenses, results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis to that segment. For example, segment assets may include inventories, trade receivables and fixed assets. Segment revenue, expenses, assets and liabilities are determined before intra-group balances and intra-group transactions are eliminated as part of the consolidation process, except to the extent that such intra-group balances and transactions are between group enterprises within a single segment.

Segment capital expenditure is the total cost incurred during the year to acquire segment assets (both tangible and intangible) that are expected to be used for more than one period.

Unallocated items mainly comprise financial and corporate assets, interest-bearing loans, borrowings, corporate and financing expenses.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

2. Gross turnover

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

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

Gross turnover represents the gross invoiced value of products sold.

3. Profit/(loss) from operations

in Hong Kong dollar thousands

| | Group | |
|---|----------------|----------------|
| | 2004 | 2003 |
| The profit/(loss) from operations is arrived at after charging: | | |
| (a) Staff costs | | |
| Retirement costs | | |
| – Defined contribution retirement plans | 8,396 | 8,339 |
| – Defined benefit retirement plan (Notes 23(b) and (c)) | 5,556 | 9,462 |
| | <u>13,952</u> | <u>17,801</u> |
| Salaries, wages and other benefits | 122,149 | 124,480 |
| | <u>136,101</u> | <u>142,281</u> |
| (b) Other items | | |
| Depreciation | | |
| – Assets held for use under operating leases | 1,272 | 1,199 |
| – Other assets | 79,358 | 79,056 |
| Amortisation | | |
| – Trademarks | 4,031 | 1,627 |
| – Goodwill | 274 | 160 |
| Inventory costs | 405,129 | 350,896 |
| Operating lease charges | | |
| – Plant and machinery | 13,936 | 14,778 |
| – Land and buildings | 9,578 | 10,407 |
| Impairment loss on fixed assets | 5,183 | – |
| Auditors' remuneration | 2,111 | 2,545 |

4. Finance costs

in Hong Kong dollar thousands

| | Group | |
|------------------------|--------------|--------------|
| | 2004 | 2003 |
| Interest on bank loans | 2,683 | 4,416 |
| Bank charges | 149 | 142 |
| | <u>2,832</u> | <u>4,558</u> |

5. Other revenue and other net expenses

in Hong Kong dollar thousands

| | Group | |
|----------------------------------|----------------|----------------|
| | 2004 | 2003 |
| Other revenue | | |
| Interest income | 4,930 | 4,461 |
| Rental income | 4,685 | 4,956 |
| | <u>9,615</u> | <u>9,417</u> |
| Other net expenses | | |
| Loss on disposal of fixed assets | (4,040) | (369) |
| Other income/(expenses) | 776 | (932) |
| | <u>(3,264)</u> | <u>(1,301)</u> |

6. Income tax in the Consolidated Income Statement

in Hong Kong dollar thousands

(a) Taxation in the Consolidated Income Statement represents:

| | Group | |
|---|----------------|-------|
| | 2004 | 2003 |
| Current tax – Overseas | | |
| Tax refund in respect of previous years (Note (i)) | (6,101) | – |
| Deferred tax | | |
| Origination and reversal of temporary differences | 9,133 | 4,434 |
| Effect of increase in tax rate on deferred tax balance at 1st January (Note (ii)) | – | 5,022 |
| | 9,133 | 9,456 |
| | 3,032 | 9,456 |

No provision for Hong Kong Profits Tax has been made in the financial statements as accumulated tax losses brought forward exceed the estimated assessable profits for the year.

No provision for overseas taxation has been made in the financial statements as the overseas subsidiaries sustained losses for taxation purposes.

Notes:

- (i) During the year, the Group received a tax refund from the PRC tax authority in relation to the re-investment of retained profits of a PRC subsidiary into registered capital of that subsidiary.
- (ii) In March 2003, the Hong Kong Government announced an increase in the Profits Tax rate in Hong Kong from 16% to 17.5%.

(b) Reconciliation between tax expense and accounting profit/(loss):

| | Group | |
|--|----------------|----------|
| | 2004 | 2003 |
| Profit/(loss) from ordinary activities before taxation | 15,844 | (27,083) |
| Notional tax on profit/(loss) from ordinary activities before taxation calculated at the rates applicable to the tax jurisdictions concerned | 2,856 | (4,121) |
| Tax effect of non-deductible expenses | 1,426 | 816 |
| Tax effect of non-taxable revenue | (686) | (5,000) |
| Tax effect of tax losses not recognised for deferred tax purposes | 5,537 | 12,739 |
| Increase in opening deferred tax liabilities resulting from an increase in the Hong Kong Profits Tax rate | – | 5,022 |
| Tax refund in respect of previous years | (6,101) | – |
| Actual tax expense | 3,032 | 9,456 |

NOTES TO THE FINANCIAL STATEMENTS (Continued)

7. Directors' remuneration

in Hong Kong dollar thousands

Directors' remuneration disclosed pursuant to section 161 of the Hong Kong Companies Ordinance is as follows:

| | Group | |
|-------------------------------|--------------|--------------|
| | 2004 | 2003 |
| Fees | 315 | – |
| Salaries and allowances | 3,561 | 5,247 |
| Discretionary bonus | – | 204 |
| Retirement fund contributions | 144 | 278 |
| | <u>4,020</u> | <u>5,729</u> |

Included in the directors' remuneration were fees of \$75,000 (2003: \$Nil) paid to independent non-executive directors during the year.

In addition to the above emoluments, certain directors were granted share options of San Miguel Corporation, the ultimate holding company. In the absence of a ready market for the options granted, the directors are unable to arrive at a reliable assessment of the value of the options granted.

Details of the share options granted to the directors are disclosed in note 24.

The directors' remuneration is within the following bands:

| | Number of directors | |
|----------------------------|---------------------|------|
| | 2004 | 2003 |
| \$Nil to \$1,000,000 | 10 | 11 |
| \$1,500,001 to \$2,000,000 | 1 | – |
| \$2,000,001 to \$2,500,000 | 1 | 1 |
| \$3,000,001 to \$3,500,000 | – | 1 |

8. Individuals with highest emoluments

in Hong Kong dollar thousands

Of the five individuals with the highest emoluments, two are directors (2003: two) whose emoluments are disclosed in Note 7. The aggregate of the emoluments in respect of the other three (2003: three) individuals are as follows:

| | Group | |
|-------------------------------|--------------|--------------|
| | 2004 | 2003 |
| Salaries and allowances | 3,978 | 3,928 |
| Discretionary bonus | 235 | 317 |
| Retirement fund contributions | 389 | 344 |
| | <u>4,602</u> | <u>4,589</u> |

The above emoluments are within the following bands:

| | Number of individuals | |
|----------------------------|-----------------------|------|
| | 2004 | 2003 |
| \$1,000,001 to \$1,500,000 | 2 | 1 |
| \$1,500,001 to \$2,000,000 | 1 | 2 |

9. Profit/(loss) attributable to shareholders

The consolidated profit/(loss) attributable to shareholders includes a profit of \$7,511,000 (2003 loss: \$38,690,000) which has been dealt with in the financial statements of the Company (Note 27).

10. Dividend

in Hong Kong dollar thousands

(a) Dividend attributable to the year

| | Group | |
|--|--------------|------|
| | 2004 | 2003 |
| Final dividend proposed after the balance sheet date of \$0.01 (2003: \$Nil) per share | <u>3,736</u> | – |

The final dividend proposed after the balance sheet date has not been recognised as a liability at the balance sheet date.

10. Dividend (Continued)

in Hong Kong dollar thousands

(b) Dividend attributable to the previous year, approved and paid during the year

| | Group | |
|--|-------|-------|
| | 2004 | 2003 |
| Final dividend in respect of the previous year, approved and paid during the year, of \$nil per share (2003: \$0.02 per share) (Note 27) | - | 7,471 |

11. Earnings/(loss) per share

The calculation of basic earnings/(loss) per share is based on the profit/(loss) attributable to shareholders of \$11,578,000 (2003 loss: \$32,771,000) and on 373,570,560 ordinary shares (2003: 373,570,560 ordinary shares), being the number of ordinary shares in issue throughout the year.

The amount of diluted earnings/(loss) per share is not presented as there were no dilutive potential ordinary shares in existence for both years.

12. Segment Reporting

in Hong Kong dollar thousands

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. The segment presentation has been changed from location of assets to location of customers in 2004 because location of customers can better reflect the financial performance of the Group.

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 | | Inter-segment elimination | | Consolidated | |
|--|----------------|----------------|----------------|----------------|---------------------------|-----------------|------------------|------------------|
| | 2004 | 2003 | 2004 | 2003 | 2004 | 2003 | 2004 | 2003 |
| Revenue from external customers | 696,997 | 661,054 | 564,235 | 497,595 | - | - | 1,261,232 | 1,158,649 |
| Inter-segment revenue | 29,815 | 11,532 | - | - | (29,815) | (11,532) | - | - |
| Other revenue | 4,685 | 4,956 | - | - | - | - | 4,685 | 4,956 |
| Total revenue | <u>731,497</u> | <u>677,542</u> | <u>564,235</u> | <u>497,595</u> | <u>(29,815)</u> | <u>(11,532)</u> | <u>1,265,917</u> | <u>1,163,605</u> |
| Segment result | 19,112 | (30,125) | (5,366) | 3,139 | | | 13,746 | (26,986) |
| Unallocated operating income and expenses | | | | | | | 4,930 | 4,461 |
| Finance costs | | | | | | | (2,832) | (4,558) |
| Taxation | | | | | | | (3,032) | (9,456) |
| Minority interests | | | | | | | (1,234) | 3,768 |
| Profit/(loss) attributable to shareholders | | | | | | | <u>11,578</u> | <u>(32,771)</u> |
| Depreciation and amortisation for the year | 55,936 | 54,257 | 28,999 | 27,785 | | | 84,935 | 82,042 |
| Segment assets | 1,847,192 | 1,761,612 | 823,882 | 880,717 | (7,717) | (7,304) | 2,663,357 | 2,635,025 |
| Unallocated assets | | | | | | | 20,568 | 32,122 |
| Total assets | | | | | | | <u>2,683,925</u> | <u>2,667,147</u> |
| Segment liabilities | 59,002 | 72,400 | 143,262 | 120,381 | (7,717) | (7,304) | 194,547 | 185,477 |
| Unallocated liabilities | | | | | | | 354,278 | 360,457 |
| Total liabilities | | | | | | | <u>548,825</u> | <u>545,934</u> |
| Capital expenditure incurred during the year | 4,536 | 5,310 | 7,920 | 50,380 | | | 12,456 | 55,690 |
| Additional information concerning geographical segments: | | | | | | | | |
| Segment assets by the location of assets | 1,720,557 | 1,712,812 | 950,517 | 929,517 | | | | |
| Capital expenditure incurred during the year by the location of assets | 3,044 | 43,781 | 9,412 | 11,909 | | | | |

NOTES TO THE FINANCIAL STATEMENTS (Continued)

13. Fixed assets

in Hong Kong dollar thousands

| | Total | Land | Buildings | Machinery, equipment, furniture & fixtures | Motor vehicles | Construction in progress |
|--|-------------------------|-----------------------|-----------------------|---|---------------------|-----------------------------|
| (a) Group | | | | | | |
| Cost | | | | | | |
| At 1st January 2004 | 2,669,021 | 246,125 | 865,659 | 1,524,257 | 31,637 | 1,343 |
| Exchange adjustments | 1,591 | 67 | 530 | 954 | 39 | 1 |
| Additions | 12,403 | – | 673 | 9,207 | 1,367 | 1,156 |
| Disposals | (31,547) | – | (3,809) | (23,843) | (3,874) | (21) |
| Transfer from construction in progress | – | – | 9 | 1,627 | – | (1,636) |
| At 31st December 2004 | <u>2,651,468</u> | <u>246,192</u> | <u>863,062</u> | <u>1,512,202</u> | <u>29,169</u> | <u>843</u> |
| Accumulated depreciation | | | | | | |
| At 1st January 2004 | 652,375 | 5,937 | 139,081 | 481,707 | 25,650 | – |
| Exchange adjustments | 453 | 11 | 94 | 314 | 34 | – |
| Charge for the year | 80,630 | 744 | 18,111 | 60,183 | 1,592 | – |
| Impairment loss | 5,183 | – | 4,582 | 601 | – | – |
| Written back on disposals | (26,308) | – | (658) | (22,142) | (3,508) | – |
| At 31st December 2004 | <u>712,333</u> | <u>6,692</u> | <u>161,210</u> | <u>520,663</u> | <u>23,768</u> | <u>–</u> |
| Net book value at 31st December 2004 | <u>1,939,135</u> | <u>239,500</u> | <u>701,852</u> | <u>991,539</u> | <u>5,401</u> | <u>843</u> |
| Net book value at 31st December 2003 | <u>2,016,646</u> | <u>240,188</u> | <u>726,578</u> | <u>1,042,550</u> | <u>5,987</u> | <u>1,343</u> |
| Impairment loss | | | | | | |
| During the year, the directors carried out an assessment of the recoverable amount of the Group's fixed assets. Based on their assessment, the carrying value of fixed assets was written down by \$5,183,000 (2003: \$Nil). The recoverable amount of buildings subject to an impairment loss was based on the estimated net selling price determined by reference to recent market prices. | | | | | | |
| (b) Company | | | | | | |
| Cost | | | | | | |
| At 1st January 2004 | 1,537,855 | 107,292 | 458,928 | 962,353 | 8,413 | 869 |
| Additions | 2,868 | – | 290 | 1,508 | 771 | 299 |
| Disposals | (17,061) | – | – | (15,602) | (1,459) | – |
| Transfer from construction in progress | – | – | – | 939 | – | (939) |
| At 31st December 2004 | <u>1,523,662</u> | <u>107,292</u> | <u>459,218</u> | <u>949,198</u> | <u>7,725</u> | <u>229</u> |
| Accumulated depreciation | | | | | | |
| At 1st January 2004 | 367,411 | – | 66,739 | 295,107 | 5,565 | – |
| Charge for the year | 47,970 | – | 9,200 | 37,505 | 1,265 | – |
| Written back on disposals | (16,890) | – | – | (15,556) | (1,334) | – |
| At 31st December 2004 | <u>398,491</u> | <u>–</u> | <u>75,939</u> | <u>317,056</u> | <u>5,496</u> | <u>–</u> |
| Net book value at 31st December 2004 | <u>1,125,171</u> | <u>107,292</u> | <u>383,279</u> | <u>632,142</u> | <u>2,229</u> | <u>229</u> |
| Net book value at 31st December 2003 | <u>1,170,444</u> | <u>107,292</u> | <u>392,189</u> | <u>667,246</u> | <u>2,848</u> | <u>869</u> |

13. Fixed assets (Continued)

in Hong Kong dollar thousands

(c) The analysis of net book value of land is as follows:

| | Group | | Company | |
|----------------------------|----------------|----------------|----------------|----------------|
| | 2004 | 2003 | 2004 | 2003 |
| Medium term leasehold land | | | | |
| – in Hong Kong | 209,014 | 209,014 | 107,292 | 107,292 |
| – outside Hong Kong | 30,486 | 31,174 | – | – |
| | 239,500 | 240,188 | 107,292 | 107,292 |

(d) The Group leases as lessor certain fixed assets to third parties. The gross amounts of fixed assets of the Group held for use under these short term operating leases amounted to \$121,672,000 (2003: \$115,850,000) and the related accumulated depreciation charges amounted to \$12,267,000 (2003: \$10,469,000).

The operating leases typically run for an initial period of two to three years, with an option to renew the lease after that date at which time all terms are renegotiated. None of the leases includes contingent rentals.

The Group's total future lease payments receivable under non-cancellable operating leases are as follows:

| | Group | |
|---------------------------------|--------------|--------------|
| | 2004 | 2003 |
| Within 1 year | 4,005 | 3,525 |
| After 1 year but within 5 years | 1,395 | 1,635 |
| | 5,400 | 5,160 |

14. Trademarks

in Hong Kong dollar thousands

| | Group and Company | |
|--|-------------------|---------------|
| | 2004 | 2003 |
| Cost | | |
| At 1st January | 39,040 | – |
| Addition | 53 | 39,040 |
| At 31st December | 39,093 | 39,040 |
| Accumulated amortisation | | |
| At 1st January | 1,627 | – |
| Charge for the year | 4,031 | 1,627 |
| At 31st December | 5,658 | 1,627 |
| Net book value at 31st December | 33,435 | 37,413 |

The amortisation charge for the year is included in "Other operating expenses" in the Consolidated Income Statement.

15. Goodwill

in Hong Kong dollar thousands

| | Group | |
|--|--------------|--------------|
| | 2004 | 2003 |
| Cost | | |
| At 1st January | 5,478 | – |
| Addition | – | 5,478 |
| At 31st December | 5,478 | 5,478 |
| Accumulated amortisation | | |
| At 1st January | 160 | – |
| Charge for the year | 274 | 160 |
| At 31st December | 434 | 160 |
| Net book value at 31st December | 5,044 | 5,318 |

Goodwill arose from the acquisition of an additional interest in San Miguel (Guangdong) Brewery Company Limited (formerly San Miguel Shunde Brewery Company Limited) during the year ended 31st December 2003.

The amortisation charge for the year is included in "Other operating expenses" in the Consolidated Income Statement.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

16. Interests in subsidiaries

in Hong Kong dollar thousands except share capital of subsidiaries

| | Company | |
|-------------------------------|------------------|-----------|
| | 2004 | 2003 |
| Unlisted shares, at cost | 603,249 | 603,249 |
| Amounts due from subsidiaries | 779,830 | 421,088 |
| Amounts due to subsidiaries | – | (1,447) |
| | 1,383,079 | 1,022,890 |
| Less: impairment losses | (166,978) | (166,978) |
| | 1,216,101 | 855,912 |

The following list is the subsidiaries of the Company:

| Company | Place of incorporation/operation | Issued and paid-up share capital/registered capital | Proportion of ownership interest held by | | Principal activities |
|--|----------------------------------|---|--|--------------|------------------------------|
| | | | Company | Subsidiaries | |
| Best Investments International Inc. | British Virgin Islands | US\$50,000 Preference: US\$60,000,000 | 100% | – | Investment |
| Guangzhou San Miguel Brewery Company Limited (Note (i)) | PRC | Registered capital: US\$36,507,000 | – | 70% | Manufacture and sale of beer |
| Hongkong Brewery Limited | Hong Kong | \$100 | 100% | – | Dormant |
| Ravelin Limited | Hong Kong | \$10,000,000 | 100% | – | Property holding |
| San Miguel (Guangdong) Limited | Hong Kong | A: US\$9,000,000 B: \$1,000 | 92.989% 100% | – – | Investment holding |
| San Miguel (Guangdong) Brewery Company Limited (Note (ii)) | PRC | Registered capital: US\$39,933,000 | – | 100% | Manufacture and sale of beer |
| San Miguel Shunde Holdings Limited | Hong Kong | \$2,000,000 | 92% | – | Investment holding |

Notes:

- (i) Guangzhou San Miguel Brewery Company Limited is an equity joint venture formed between the Company's subsidiary, San Miguel (Guangdong) Limited, and Guangzhou Brewery. According to the shareholders' agreement, the company has an operating period of 30 years expiring on 28th November 2020.
- (ii) During the year, San Miguel Shunde Brewery Company Limited changed its name to San Miguel (Guangdong) Brewery Company Limited. The company is a wholly-foreign owned enterprise and is to be operated up to 4th August 2042.

17. Other assets

Other assets represent deposits and the related interest receivables for the land and factory used by a PRC subsidiary.

18. Inventories

in Hong Kong dollar thousands

| | Group | | Company | |
|---------------------------------|---------------|--------|---------------|--------|
| | 2004 | 2003 | 2004 | 2003 |
| Products in hand and in process | 29,763 | 22,707 | 12,325 | 11,540 |
| Materials and supplies | 63,645 | 52,796 | 20,167 | 19,412 |
| | 93,408 | 75,503 | 32,492 | 30,952 |

The amount of inventories held by the Group carried at net realisable value is \$18,902,000 (2003: \$11,061,000).

19. Trade receivables and payables – ageing analysis

in Hong Kong dollar thousands

Credit is offered to customers following financial assessment and an established payment record. Security in the form of mortgages or bank guarantees is obtained from major customers. Credit limits are set for all customers and these are exceeded only with the approval of senior company officers. Customers considered to be a credit risk trade on a cash basis. Professional staff monitor trade receivables and follow up collections. General credit terms are payment by the end of the month following the month in which sales took place.

The ageing of trade receivables (net of provision for bad and doubtful debts) is as follows:

| From invoice date | Group | | Company | |
|-------------------|---------------|---------------|---------------|---------------|
| | 2004 | 2003 | 2004 | 2003 |
| Less than 30 days | 25,800 | 34,531 | 21,495 | 24,943 |
| 31 to 60 days | 21,572 | 20,026 | 19,851 | 19,184 |
| 61 to 90 days | 7,716 | 7,558 | 7,060 | 7,101 |
| over 90 days | 9,564 | 9,123 | 6,359 | 4,240 |
| | 64,652 | 71,238 | 54,765 | 55,468 |

The ageing of trade payables is as follows:

| From invoice date | Group | | Company | |
|-------------------|---------------|---------------|---------------|---------------|
| | 2004 | 2003 | 2004 | 2003 |
| Less than 30 days | 41,172 | 38,557 | 13,599 | 22,409 |
| 31 to 60 days | 1,709 | 1,161 | 1,103 | 49 |
| 61 to 90 days | 285 | 1,382 | 190 | 4 |
| over 90 days | 1,546 | 519 | 1,075 | 67 |
| | 44,712 | 41,619 | 15,967 | 22,529 |

20. Cash and cash equivalents

in Hong Kong dollar thousands

Cash and cash equivalents comprise:

| | Group | | Company | |
|--------------------------|----------------|----------------|---------------|---------------|
| | 2004 | 2003 | 2004 | 2003 |
| Deposits with banks | 386,284 | 294,801 | – | – |
| Cash at bank and in hand | 68,533 | 58,163 | 22,502 | 14,996 |
| | 454,817 | 352,964 | 22,502 | 14,996 |

21. Bank loans (unsecured)

in Hong Kong dollar thousands

Bank loans are repayable as follows:

| | Group | | Company | |
|---|----------------|----------------|----------------|----------------|
| | 2004 | 2003 | 2004 | 2003 |
| Within 1 year or on demand | 50,552 | 65,998 | – | – |
| More than 1 year but less than 2 years | – | 195,000 | – | 195,000 |
| More than 2 years but less than 5 years | 195,000 | – | 195,000 | – |
| | 195,000 | 195,000 | 195,000 | 195,000 |
| | 245,552 | 260,998 | 195,000 | 195,000 |

On 18th February 2005, the Group renewed a bank loan of HK\$195,000,000, which will mature on 25th February 2005, for further three years. As a result the bank loan has been classified as a non-current liability in the balance sheets.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

22. Leased factory maintenance provision

in Hong Kong dollar thousands

Pursuant to a subsidiary's factory lease agreement which expires on 28th February 2021, the subsidiary is required to pay to the lessor an annual fee of RMB4.3 million (approximately \$4.07 million) for maintaining the leased factory, for which provision is made each year. The fee is payable upon expiration or early termination of the lease agreement and may be settled by any qualifying capital expenditure incurred by the subsidiary on the purchase or construction of any separate and identifiable equipment or building during the term of the lease.

As this factory lease is not expected to be terminated within the next twelve months, the accumulated provision is included in non-current liabilities.

| | Group | |
|---------------------------------------|---------------|--------|
| | 2004 | 2003 |
| Balance at 1st January | 43,829 | 39,948 |
| Provision made during the year | 4,066 | 4,059 |
| Exchange adjustments | 73 | (178) |
| Balance at 31st December (Note 28(b)) | 47,968 | 43,829 |

23. Retirement benefit (asset)/liability

in Hong Kong dollar thousands

The Group operates a defined benefit retirement plan which covers 26% of the Group's employees. The plan is administered by an independent trustee, with the assets held separately from those of the Group. The members' benefits are determined based on the employees' final remuneration and length of service. Contributions to the plan are made in accordance with the recommendations of an independent actuary who values the retirement plan at regular intervals. The latest actuarial valuation in this respect was carried out at 31st December 2004.

For the purposes of preparing these financial statements, an independent actuarial valuation was also carried out for 31st December 2004 following the methodology set out in Statement of Standard Accounting Practice 34.

(a) The amounts recognised in the balance sheets are as follows:

| | Group and Company | |
|--------------------------------------|-------------------|----------|
| | 2004 | 2003 |
| Present value of funded obligations | 111,997 | 95,630 |
| Fair value of plan assets | (92,736) | (92,772) |
| Net unrecognised actuarial losses | (21,149) | (647) |
| Retirement benefit (asset)/liability | (1,888) | 2,211 |

A portion of the above (asset)/liability is expected to be recovered/settled after more than one year. However, it is not practicable to segregate this amount from the amounts receivable/payable in the next twelve months, as future contributions will also relate to future services rendered and future changes in actuarial assumptions and market conditions.

(b) Movements in the net (asset)/liability recognised in the balance sheets are as follows:

| | Group and Company | |
|--|-------------------|----------|
| | 2004 | 2003 |
| At 1st January | 2,211 | 12,157 |
| Normal contributions paid to the plan | (9,655) | (7,251) |
| Special contributions paid to the plan | - | (12,157) |
| Expense recognised in the income statement (Note 3(a)) | 5,556 | 9,462 |
| At 31st December | (1,888) | 2,211 |

23. Retirement benefit (asset)/liability (Continued)

in Hong Kong dollar thousands

(c) Expense recognised in the Consolidated Income Statement is as follows:

| | Group and Company | |
|---|-------------------|--------------|
| | 2004 | 2003 |
| Current service cost | 6,802 | 8,071 |
| Interest cost | 4,767 | 5,606 |
| Actuarial expected return on plan assets | (6,013) | (5,200) |
| Net actuarial losses recognised | – | 985 |
| | 5,556 | 9,462 |
| The expense is recognised in the following line items in the Consolidated Income Statement: | | |
| Cost of sales | 1,829 | 3,243 |
| Administrative and selling expenses | 3,727 | 6,219 |
| | 5,556 | 9,462 |
| Actual return on plan assets – gain | 1,060 | 9,000 |

(d) The principal actuarial assumptions used as at 31st December 2004 are as follows:

| | Group and Company | |
|--|-------------------|-------|
| | 2004 | 2003 |
| Discount rate | 3.75% | 5.25% |
| Expected rate of return on plan assets | 6.50% | 6.50% |
| Future salary increases | 3.00% | 3.00% |

24 Equity compensation benefits

Pursuant to a share option plan adopted by the Company's ultimate holding company, San Miguel Corporation, share options were granted to certain directors of the Company at nil consideration. The options are exercisable at the fair market value determined at the date of grant, with adjustments depending on the average stock prices (expressed in Philippines pesos) of the prior three months. The vesting periods are determined at the time the options are granted.

Particulars of share options granted to the Company's directors at balance sheet date

| Date of grant | Exercise period up to | Exercise price (pesos) | 2004 Number | 2003 Number |
|---|-----------------------|------------------------|----------------|----------------|
| <i>Class A (par value of 5 pesos each):</i> | | | | |
| 01/04/97 | 01/04/05 | 40.57 | – | 51,860 |
| 26/03/98 | 26/03/06 | 34.71 | – | 65,227 |
| 26/06/03 | 26/06/11 | 54.50 (Note a) | 375,023 | – |
| 01/10/04 | 01/10/12 | 57.50 | 396,714 | – |
| | | | 771,737 | 117,087 |
| <i>Class B (par value of 5 pesos each):</i> | | | | |
| 01/04/97 | 01/04/05 | 70.25 | 24,682 | 24,682 |
| 26/03/98 | 26/03/06 | 49.83 | – | 27,955 |
| 26/06/03 | 26/06/11 | 62.50 (Note a) | 160,724 | – |
| 01/10/04 | 01/10/12 | 70.50 | 170,019 | – |
| | | | 355,425 | 52,637 |

Note a: These share options were approved and granted by the board of San Miguel Corporation on 29th January 2004, and were retroactive to 26th June 2003.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

24. Equity compensation benefits (Continued)

Details of share options exercised by the Company's directors during the year

| Exercise date | Exercise price (pesos) | 2004 Number |
|--|---------------------------|----------------|
| <i>Class A (par value of 5 pesos each)</i> | | |
| 01/03/04 | 40.57 | 51,860 |
| 01/03/04 – 23/03/04 | 34.71 | 65,227 |
| | | 117,087 |
| <i>Class B (par value of 5 pesos each)</i> | | |
| 01/03/04 – 23/03/04 | 49.83 | 27,955 |

25. Income tax in the balance sheets

in Hong Kong dollar thousands

(a) Current tax recoverable in the Consolidated Balance Sheet represents:

| | Group | |
|--|-------|------|
| | 2004 | 2003 |
| Provisional Hong Kong Profits Tax paid | 66 | – |

(b) Deferred tax liabilities recognised:

(i) The Group

The components of deferred tax liabilities recognised in the Consolidated Balance Sheet and the movements during the year are as follows:

| Deferred tax arising from: | Depreciation allowances in excess of related depreciation | Provision for bad debts and inventories | Retirement benefit liability | Tax losses | Others | Total |
|---|---|--|------------------------------------|-----------------|----------------|----------------|
| At 1st January 2003 | 184,787 | (4,530) | (1,948) | (82,508) | (6,019) | 89,782 |
| Exchange adjustments | (236) | 16 | – | – | 26 | (194) |
| Charged/(credited) to Consolidated Income Statement | 18,398 | (436) | (141) | (9,706) | 1,341 | 9,456 |
| At 31st December 2003 | 202,949 | (4,950) | (2,089) | (92,214) | (4,652) | 99,044 |
| At 1st January 2004 | 202,949 | (4,950) | (2,089) | (92,214) | (4,652) | 99,044 |
| Exchange adjustments | 102 | (7) | – | – | (8) | 87 |
| Charged/(credited) to Consolidated Income Statement | 3,887 | (948) | 1,143 | 6,994 | (1,943) | 9,133 |
| At 31st December 2004 | 206,938 | (5,905) | (946) | (85,220) | (6,603) | 108,264 |

The Group has not recognised deferred tax assets of \$39,886,000 (2003: \$43,423,000) in respect of tax losses of \$147,727,000 (2003: \$160,826,000) which will expire in five years.

25. Income tax in the balance sheets (Continued)

in Hong Kong dollar thousands

(b) Deferred tax liabilities recognised: (Continued)

(ii) The Company

The components of deferred tax liabilities recognised in the Balance Sheet and the movements during the year are as follows:

| Deferred tax arising from: | Depreciation allowances in excess of related depreciation | Provision for bad debts | Retirement benefit liability | Tax losses | Total |
|--|---|-------------------------|------------------------------|-----------------|---------------|
| At 1st January 2003 | 133,476 | (969) | (1,948) | (80,678) | 49,881 |
| Charged/(credited) to income statement | 8,694 | (12) | (141) | (10,601) | (2,060) |
| At 31st December 2003 | 142,170 | (981) | (2,089) | (91,279) | 47,821 |
| At 1st January 2004 | 142,170 | (981) | (2,089) | (91,279) | 47,821 |
| (Credited)/charged to income statement | (4,390) | (31) | 1,143 | 6,086 | 2,808 |
| At 31st December 2004 | 137,780 | (1,012) | (946) | (85,193) | 50,629 |

26. Share capital

in Hong Kong dollar thousands

| | Company | |
|--|----------------|---------|
| | 2004 | 2003 |
| Authorised: 400,000,000 ordinary shares of \$0.50 each | 200,000 | 200,000 |
| Issued and fully paid: 373,570,560 ordinary shares of \$0.50 each | 186,785 | 186,785 |

NOTES TO THE FINANCIAL STATEMENTS (Continued)

27. Reserves

in Hong Kong dollar thousands

(a) The Group

| | Total | Share premium | Capital reserve | Exchange fluctuation reserve | Retained profits |
|--|------------------|---------------|-----------------|------------------------------|------------------|
| Balance at 1st January 2003 | 1,878,318 | 65,739 | 57,312 | (4,935) | 1,760,202 |
| Dividend approved in respect of the previous year (Note 10(b)) | (7,471) | – | – | – | (7,471) |
| Transfer to capital reserve | – | – | 55,658 | – | (55,658) |
| Exchange differences on translation of financial statements of overseas subsidiaries | (802) | – | – | (802) | – |
| Loss for the year | (32,771) | – | – | – | (32,771) |
| Balance at 31st December 2003 | 1,837,274 | 65,739 | 112,970 | (5,737) | 1,664,302 |
| Balance at 1st January 2004 | 1,837,274 | 65,739 | 112,970 | (5,737) | 1,664,302 |
| Exchange differences on translation of financial statements of overseas subsidiaries | 912 | – | – | 912 | – |
| Profit for the year | 11,578 | – | – | – | 11,578 |
| Balance at 31st December 2004 | 1,849,764 | 65,739 | 112,970 | (4,825) | 1,675,880 |

The application of the share premium account is governed by Section 48B of the Hong Kong Companies Ordinance.

The exchange fluctuation reserve has been set up and will be dealt with in accordance with the accounting policy adopted for translation of foreign currencies (Note 1(Q)).

The capital reserve of the Group represents the reserve arising from the capitalisation of retained profits of a PRC subsidiary.

There is positive goodwill of \$31,879,000 (2003: \$31,879,000) directly eliminated against retained profits in a prior year.

(b) The Company

| | Total | Share premium | Retained profits |
|--|------------------|---------------|------------------|
| Balance at 1st January 2003 | 1,755,483 | 65,739 | 1,689,744 |
| Dividend approved in respect of the previous year (Note 10(b)) | (7,471) | – | (7,471) |
| Loss for the year (Note 9) | (38,690) | – | (38,690) |
| Balance at 31st December 2003 | 1,709,322 | 65,739 | 1,643,583 |
| Balance at 1st January 2004 | 1,709,322 | 65,739 | 1,643,583 |
| Profit for the year (Note 9) | 7,511 | – | 7,511 |
| Balance at 31st December 2004 | 1,716,833 | 65,739 | 1,651,094 |

The application of the share premium account is governed by Section 48B of the Hong Kong Companies Ordinance.

The distributable reserves of the Company as at 31st December 2004 were \$1,651,094,000 (2003: \$1,643,583,000).

28. Commitments

in Hong Kong dollar thousands

- (a) Capital commitments outstanding at 31st December 2004 not provided for in the financial statements were as follows:

| | Group | | Company | |
|-----------------------------------|--------------|---------------|--------------|--------------|
| | 2004 | 2003 | 2004 | 2003 |
| Contracted for | 1,120 | 2,383 | 1,120 | 1,993 |
| Authorised but not contracted for | 3,516 | 7,684 | 215 | 1,602 |
| | 4,636 | 10,067 | 1,335 | 3,595 |

- (b) At 31st December 2004, the total future minimum lease payments under non-cancellable operating leases were payable as follows:

| | Group | | Company | |
|---------------------------------|----------------|----------------|------------|--------------|
| | 2004 | 2003 | 2004 | 2003 |
| Land and buildings | | | | |
| Within 1 year | 8,590 | 8,613 | 864 | 936 |
| After 1 year but within 5 years | 23,534 | 22,529 | – | 504 |
| After 5 years | 64,280 | 62,726 | – | – |
| | 96,404 | 93,868 | 864 | 1,440 |
| Plant and machinery | | | | |
| Within 1 year | 13,670 | 14,465 | – | 212 |
| After 1 year but within 5 years | 54,679 | 57,014 | – | – |
| After 5 years | 263,395 | 283,882 | – | – |
| | 331,744 | 355,361 | – | 212 |
| | 428,148 | 449,229 | 864 | 1,652 |

The Group, as lessee, leases a number of properties and items of plant and machinery under operating leases. The leases typically run for an initial period of two years with an option to renew the lease when all terms are renegotiated, with the exception of assets leased in one of the Group's PRC factories which run for thirty years. None of the leases includes contingent rentals.

Included in the amounts of future lease payments in respect of plant and machinery presented above is an amount of \$47,968,000 (2003: \$43,829,000) which has been accrued and disclosed as "leased factory maintenance provision" in the Consolidated Balance Sheet and Note 22.

29. Material related party transactions

The Group purchased and sold materials and products from and to companies that either had a controlling interest in the Group or were also subsidiaries of the ultimate holding company. These transactions were carried out under the same terms as the related parties trade with other customers. During 2004, purchases from and sales to these related parties totalled \$56,733,000 (2003: \$33,258,000) and \$29,551,000 (2003: \$39,738,000) respectively. The net amount due from these related parties amounted to \$2,588,000 on 31st December 2004 (2003: \$7,673,000).

30. Contingent liabilities

in Hong Kong dollar thousands

- (a) In accordance with a subsidiary company's factory lease agreement, except for certain specified reasons, the subsidiary company is required to pay the lessor a penalty of \$10.58 million (adjusted for exchange differences) if the agreement is terminated before 28th February 2021, the expiry date of the lease.
- (b) As at 31st December 2004, there were contingent liabilities in respect of guarantees given to banks by the Company to secure banking facilities made available to a subsidiary.

| | Company | |
|---------------------|---------|--------|
| | 2004 | 2003 |
| Guarantees to banks | 50,552 | 65,998 |

31. Post balance sheet event

After the balance sheet date the directors proposed a final dividend. Further details are disclosed in note 10.

32. Ultimate holding company

San Miguel Corporation, incorporated in the Republic of the Philippines, is regarded by the directors as being the Company's ultimate holding company at 31st December 2004.

REPORT OF THE AUDITORS

To the shareholders of San Miguel Brewery Hong Kong Limited

(Incorporated in Hong Kong with limited liability)

We have audited the financial statements on pages 28 to 51 which have been prepared in accordance with accounting principles generally accepted in Hong Kong.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The Hong Kong Companies Ordinance requires the directors to prepare financial statements which give a true and fair view. In preparing financial statements which give a true and fair view it is fundamental that appropriate accounting policies are selected and applied consistently, that judgements and estimates are made which are prudent and reasonable and that the reasons for any significant departure from applicable accounting standards are stated.

It is our responsibility to form an independent opinion, based on our audit, on those financial statements and to report our opinion solely to you, as a body, in accordance with section 141 of the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.


BASIS OF OPINION

We conducted our audit in accordance with Statements of Auditing Standards issued by the Hong Kong Institute of Certified Public Accountants. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's and the Group's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance as to whether the financial statements are free from material misstatement. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements. We believe that our audit provides a reasonable basis for our opinion.

OPINION

In our opinion, the financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31st December 2004 and of the Group's profit and cash flows for the year then ended and have been properly prepared in accordance with the Hong Kong Companies Ordinance.



KPMG

Certified Public Accountants

Hong Kong, 24th February 2005

FIVE YEAR SUMMARY

in Hong Kong dollar thousands except per share data

| | 2004 | 2003 | 2002 | 2001 | 2000 |
|--|------------------|-----------|-----------|-----------|-----------|
| Results | | | | | |
| Gross turnover | 1,261,232 | 1,158,649 | 1,326,642 | 1,376,423 | 1,433,150 |
| Profit/(loss) from ordinary activities before taxation | 15,844 | (27,083) | 43,580 | 95,534 | 93,608 |
| Income Tax | (3,032) | (9,456) | (16,225) | (5,131) | (6,631) |
| Minority interests | (1,234) | 3,768 | 4,366 | (1,669) | 680 |
| Profit/(loss) attributable to shareholders | 11,578 | (32,771) | 31,721 | 88,734 | 87,657 |
| Cash dividends attributable to the year | 3,736 | – | 37,356 | 160,636 | 52,300 |
| Earnings/(loss) per share | 0.03 | (0.09) | 0.08 | 0.24 | 0.23 |
| Cash dividends per share | 0.01 | – | 0.10 | 0.43 | 0.14 |
| Employment of assets | | | | | |
| Fixed assets | 1,939,135 | 2,016,646 | 2,083,863 | 2,156,190 | 2,214,254 |
| Held to maturity securities | 13,797 | 13,391 | 29,844 | 48,584 | 19,001 |
| Trademarks | 33,435 | 37,413 | – | – | – |
| Goodwill | 5,044 | 5,318 | – | – | – |
| Other assets, including retirement benefit asset | 10,378 | 8,436 | 7,539 | 7,540 | 7,543 |
| Inventories | 93,408 | 75,503 | 87,263 | 95,503 | 93,244 |
| Other current assets | 133,911 | 157,476 | 236,222 | 188,496 | 249,235 |
| Cash and cash equivalents | 454,817 | 352,964 | 264,849 | 241,444 | 418,836 |
| | 2,683,925 | 2,667,147 | 2,709,580 | 2,737,757 | 3,002,113 |
| Capital employed and liabilities | | | | | |
| Share capital | 186,785 | 186,785 | 186,785 | 186,785 | 186,785 |
| Reserves | 1,849,764 | 1,837,274 | 1,878,318 | 1,975,054 | 2,047,052 |
| Minority interests | 98,551 | 97,154 | 101,375 | 106,351 | 105,504 |
| Non-current liabilities | 351,232 | 340,084 | 336,887 | 236,905 | 425,171 |
| Short term bank loans | 50,552 | 65,998 | 77,998 | 78,002 | 78,051 |
| Other current liabilities | 147,041 | 139,852 | 128,217 | 154,660 | 159,550 |
| | 2,683,925 | 2,667,147 | 2,709,580 | 2,737,757 | 3,002,113 |

Notes:

- In order to comply with SSAP 34 "Employee benefits", the Group adopted a new accounting policy for defined benefit retirement plans in 2002. Figures for the years from 2000 to 2001 have not been adjusted for comparison purposes as it is not practicable to restate earlier years.
- Pursuant to the revised (December 2001) SSAP 11 "Foreign currency translation", the Group changed its accounting policy for translation of the results of foreign subsidiaries in 2002. Figures for the years from 2000 to 2001 have not been adjusted for comparison purposes as the effect of this change in accounting policy is not material.
- SSAP 12 (revised) "Income taxes" was first effective for accounting periods beginning on or after 1st January 2003. In order to comply with this revised standard, the Group adopted a new accounting policy for deferred tax in 2003. Figures for the year 2002 have been adjusted. However, it is not practicable to restate earlier years for comparison purposes.

Our Marketing Initiatives - Others

我們的市務推廣活動 - 其他活動

生力清啤 好戲連場

為你進入《龍鳳門》世界

2重獎賞：
凡購買生力清啤大樽裝 2件或細裝 4件

特別版《龍鳳門》
1內附送 Cool 啤酒樽

生力清啤 LIGHT

生力 San Miguel

生力 Hi-Fi 電話
集電話、CD/收音機及時計

兩種換購方法！

生力清啤 拉低價 \$50

30x

生力清啤 拉低價 / 樽裝 \$50

換 50 款超市貨券

生力清啤 LIGHT

Noway 生力MIGU 戀物狂賞

4月限 **Noway 唱飲**

1 set 送MIGU 電話繩一條

2 sets 送MIGU 掛飾一套

3 sets 送MIGU 掛飾一套

4 sets 送CI Boys Music Figure 一個

5 sets 送MIGU 掛飾一套

6 sets 送MIGU 掛飾一套

7 sets 送MIGU 掛飾一套

8 sets 送MIGU Tee 一件

全日買3送1

MIGU BEER
SAN MIGUEL & C. BOYS

| | 頁次 |
|-----------|----|
| 公司資料 | 2 |
| 本年度摘要 | 3 |
| 主席報告 | 5 |
| 董事會報告 | 11 |
| 董事及行政管理人員 | 20 |
| 股東週年大會通告 | 23 |
| 經營統計分析 | 24 |
| 財務報表部份 | 27 |
| 核數師報告 | 52 |
| 五年賬目摘要 | 53 |

本年報內所有幣值，除另有註明外，均以港幣計算。

公司資料

董事

魏文迪 主席
鄧利民 執行董事
蔡啟文
康定豪
郭嘉寧
夏德立
李民橋，李國寶之替任董事
李國寶，GBS, JP*
文華寧
文達紳
吳維新*
韋樂和
韋以安*

* 獨立非執行董事

審核委員會

李國寶，GBS, JP
吳維新
韋以安

公司秘書

文華寧

核數師

畢馬威會計師事務所
執業會計師
香港太子大廈八樓

律師

孖士打律師行
香港太子大廈十八樓

註冊辦事處

香港新界沙田小瀝源
源順圍二十八號
都會廣場九樓

股份過戶處

香港中央證券登記有限公司
香港皇后大道東一八三號
合和中心十七樓 1712至1716號舖

主要往來銀行

荷蘭銀行
美國銀行
法國國家巴黎銀行
星辰銀行香港分行
恒生銀行有限公司
渣打銀行
東亞銀行有限公司
香港上海滙豐銀行有限公司
瑞士銀行

本年度摘要

除每股股份數據、發行股數、股東及員工人數外均以港幣千元計算

| | 2004 | 2003 |
|--------------|--------------------|-------------|
| 總營業額 | 1,261,232 | 1,158,649 |
| 股東應佔盈利／(虧損) | 11,578 | (32,771) |
| 每股盈利／(虧損)－基本 | 0.03 | (0.09) |
| 稅項連啤酒稅 | 135,185 | 134,986 |
| 每股稅項 | 0.36 | 0.36 |
| 年度應佔現金股息 | 3,736 | — |
| 每股現金股息 | 0.01 | — |
| 固定資產 | 1,939,135 | 2,016,646 |
| 淨值 | 2,036,549 | 2,024,059 |
| 員工薪酬 | 122,149 | 124,480 |
| 發行股數 | 373,570,560 | 373,570,560 |
| 股東數目 | 2,546 | 2,655 |
| 員工人數 | 1,145 | 1,168 |

Our Website 我們的網址



www.sanmiguel.com.hk



主席
魏文迪

致各股東：

財務業績

本公司欣然宣佈二零零四年業績有所改善，並重獲盈利。

截至二零零四年十二月三十一日止年度之股東應佔盈利為11,578,000元，而二零零三年同期虧損為32,771,000元。

本公司二零零五年及以後的挑戰將是於二零零四年的表現基礎上，持續改善盈利水平。鑑於消費者仍然偏向選擇低價啤酒，二零零四年業績表現仍然低於往年水平。

香港及華南地區之內銷市場銷售量較去年上升8.6%，出口量則較去年下降7.5%。

本公司總銷售額較去年上升8.9%。

儘管二零零四年銷售量錄得增長，但在本公司致力控制及減低成本的努力下，在折扣、分銷成本，以及行政及銷售開支方面，合共大幅減省達16,460,000元。

銷售成本佔總營業額由二零零三年之30.3%上升至二零零四年之32.7%，增幅主要由於計入生力（廣東）啤酒有限公司龍啤品牌全年之所有生產成本開支。生力（廣東）啤酒有限公司前為生力順德啤酒有限公司。

本公司於二零零三年八月由前順德合作夥伴收購龍啤品牌。龍啤於收購前一直以合約形式生產，故酒樽及膠箱之成本均由前順德合作夥伴承擔。有關的全年開支已計入本公司二零零四年之銷售成本。

其他營運開支增加4,130,000元，主要為廣州生力啤酒有限公司撤銷固定資產5,180,000元作出撥備。

香港在二零零四年處於極低息環境，財務費用下降1,730,000元。

生力（廣東）啤酒有限公司出售固定資產錄得虧損，導致其他淨開支增加1,960,000元。

主席報告

二零零四年年底本公司之現金及投資為468,610,000元，較二零零三年年底增長85,100,000元。

二零零四年年終之債項總額為245,550,000元，較二零零三年十二月減少15,450,000元。

本公司之現金及投資扣除債項總額為223,060,000元，相等於二零零四年年底本公司市值之35.1%。本公司股份同期收市價每股1.70元。

股息

董事會建議派發末期股息每股一仙。

業務回顧

受到美國經濟增長所帶動，二零零四年全球經濟增長強勁。中國持續急速發展刺激全球貿易增長，尤其對能源需求及建設方面的配套商品需求甚殷。

中國經濟於二零零四年之增長達9.5%，預期二零零五年之增長大致相若。

香港經濟於二零零四年之增長估計為7.5%。預期二零零五年之增長為5%，而通脹則為0.4%。預計香港經濟將持續受惠於急速增長的訪港內地旅客人數。

香港業務

本公司之香港業務於二零零三年表現未如理想，導致產生綜合虧損。然而，香港業務在二零零四年重獲盈利，促使股東應佔盈利有所增長。

各股東猶記得本公司業績於二零零三年因非典型肺炎疫症及減低應收賬款結餘措施而嚴重受挫。

本公司二零零四年之香港銷售量增長逾10%。然而，增長主要見於邊際利潤甚低之低價啤酒品牌，導致本公司之整體盈利增長受到局限。

低價啤酒品牌於香港啤酒市場之佔有率由二零零三年的33.6%，增長至二零零四年的37.3%。此增長之部份原因是由於現時「從價」啤酒稅制有利於低價啤酒品牌，促使消費者選購低價啤酒。本公司聯同大部份香港啤酒業之同業最近向香港特別行政區政府財政司司長提交一份建議書，促請政府重新採用從量稅制，意即啤酒不論價格高低均沿用劃一啤酒稅額。

本公司於二零零四年五月調高生力品牌產品之售價，為過往五年來首次。調高售價旨在將生力品牌適當地定位為市場上的高價產品。

本年度之香港整體啤酒市場總銷量為153,000,000公升，較二零零三年上升2.5%。

本公司於二零零四年之市場佔有率增長1.5點子。

「生力WildDayOut」是本年度非常成功的重點推廣活動，作為生力品牌與年輕消費者建立聯繫的一個平台，一系列活動包括二十場酒吧表演，及大型壓軸戶外演唱會讓年輕消費者近距離接觸本地及國際歌手。

公司在本年度屢獲殊榮，表揚生力品牌之優良品質，其中包括讀者文摘「超級品牌」金獎及中華廠商聯合會之「香港名牌」獎。

華南業務

在華南地區，本公司之廣州及順德業務均達致年初所擬定之財務目標。一如香港，廣州生力啤酒有限公司於二零零四年業績較去年有所改善並重獲盈利。

廣州生力啤酒有限公司之總銷售量較去年增長11.2%，主要是由於生力及廣氏菠蘿啤酒品牌銷量增長強勁所致。

廣州市作為一個重點市場，二零零四年之銷售量上升17.2%。

固定成本於年內大幅減省。按照一個持續推行之計劃，廣州生力啤酒有限公司得以有效地控制折扣及推廣方面之開支，並確保彈性分配的宣傳開支能夠達致最佳成效，提升產品銷量。

在競爭激烈的中國市場，成功要訣在於優秀的分銷及營銷隊伍。二零零四年經已完成加強代理商／批發商網絡，而營銷隊伍的技能、表現及銷售獎勵亦持續提升。

二零零四年下半年推出兩款新產品，分別為二零零四年八月在廣州推出專攻大眾市場的紅標雙喜啤酒，紅標雙喜啤酒為雙喜啤酒品牌的新產品；以及二零零四年年底於廣東省推出的生力品牌最新產品生力甘爽，生力甘爽定位為高增長之本地優質檔次啤酒。

廣州生力啤酒有限公司之啤酒產品於二零零四年之「第43屆國際品質評選會大獎」分別奪得三金一銀的獎項，以及一項國際優質大獎。

生力（廣東）啤酒有限公司之總銷售量上升17.7%，主要由於龍啤品牌啤酒銷售量增長28%。龍啤品牌啤酒於二零零四年創出佳績，彰顯本公司自二零零三年八月全面擁有及控制該品牌以來於市場推廣及銷售方面之成效。

威樂啤酒之銷售量維持穩定。

二零零四年十月在東莞推出的威樂清啤，為建立威樂品牌形象及提升盈利的優質新產品。威樂清啤定位為本地優質檔次啤酒。

生力（廣東）啤酒有限公司之啤酒產品於二零零四年之「第43屆國際品質評選會大獎」分別奪得一金一銀的獎項。

主席報告

社區關係及社會責任

本公司以作為良好企業公民為己任，多年來在香港及華南地區對經濟作出貢獻及回饋社會。

藉著參與業務所在地的慈善項目及社區活動，本公司致力支持社區事務。

本公司亦鼎力保護環境，致力達到甚至超逾政府及其他機構所指定的環保標準。

人力資源

員工乃本公司最重要之資產。在競爭激烈的市場中，員工對公司之長遠業績表現及達成其目標至為重要。

一如以往年報所述，本公司的目標乃確保所有員工持續得到合適之培訓及同事之間互相給予充足的支持，尤其強調團隊精神以達致既定目標。

本公司因應飲品業之市場水平，為所有員工制訂合適之薪酬福利，包括醫療及保險保障，以及退休福利。

企業管治

本公司董事會及管理層嚴格遵守企業管治之原則，對各項與業務有關的資料作出正確披露及高透明度的匯報。本公司致力確保長遠及可持續增長，在履行社會責任的前提下提升股東回報，同時重視員工、業務夥伴、客戶及整體社會的利益。

董事會現由十二位董事組成，其中包括三位獨立非執行董事及兩位執行董事，每年最少舉行五次會議，以檢討本公司之財務及營運表現，及考慮與批准本公司未來策略發展及財政預算。本公司董事之履歷詳情載於本年報第20至22頁「董事及行政管理人員」一節。

董事會於一九九八年根據上市規則附錄14成立審核委員會，現時由李國寶博士出任主席，連同吳維新先生及韋以安先生組成，彼等皆為獨立非執行董事。審核委員會之職權範圍包括在業績報告公佈前審閱本公司之財務業績，並與管理層及獨立核數師審閱公司關連交易事項；審閱公司內部監控程序；以及確保本公司遵守香港聯合交易所有限公司上市規則及企業管治守則。

審核委員會已連同管理層及獨立核數師審閱本公司二零零四年度之經審核財務業績，並建議董事會予以採納。

董事遵守標準守則

二零零四年年度之全體董事均已向本公司確認，彼等於年度內一直遵守香港聯合交易所有限公司上市規則附錄10所載之上市發行人董事進行證券交易之標準守則。

獨立非執行董事

本公司於二零零四年分別獲李國寶博士、吳維新先生及韋以安先生確認彼等之獨立身份。

本公司認為上述董事均屬獨立人士。

二零零五年之方針及挑戰

二零零五年之目標包括：

在香港：

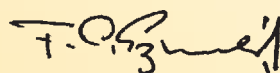
- 持續改善盈利表現；
- 加強生力品牌之優質啤酒市場定位，並鞏固其市場領導地位；及

- 藉著「生力WildDayOut」推廣活動的成功，繼續擴大生力品牌於年輕消費群的市場。

華南地區：

- 繼續專注於珠江三角洲地區市場，抓緊個別市場之有利機遇；
- 透過活動推廣宣傳以鞏固生力品牌之優質啤酒市場定位，建基於生力品牌廣受消費者歡迎程度而相應地提升銷量；及
- 繼續在目標市場建立本地啤酒品牌，包括龍啤及威樂啤酒。

最後，本人謹此對各員工及各董事表示衷心謝意，本年度業績得以扭轉獲利，實有賴彼等所作出的努力及貢獻，並感激股東及顧客一直對本公司之信任及支持。



主席
魏文迪

二零零五年二月二十四日

Our People 我們的員工



此報告將於二零零五年四月七日星期四下午二時正假座香港九龍尖沙咀北京道8號朗廷酒店舉行之第四十二屆股東週年大會上提交。

董事會全人謹此向各位股東提呈截至二零零四年十二月三十一日止年度之董事會報告及經審核財務報表。

主要業務

本公司及各附屬公司(「本集團」)之主要業務仍為製造及分銷樽裝、罐裝及桶裝啤酒。

有關本財政年度本集團按地區劃分之營業狀況分析，載於財務報表附註12。

由於本集團營業額、盈利及虧損幾乎完全來自此等業務，故並無按業務類別另作分析。

主要客戶及供應商

截至二零零四年十二月三十一日止財政年度，本集團主要客戶及供應商佔本集團總營業額及採購額之百分比如下：

所佔總營業額：

| | |
|------|-------|
| 最大客戶 | 8.6% |
| 五大客戶 | 36.5% |

所佔採購額：

| | |
|-------|-------|
| 最大供應商 | 4.4% |
| 五大供應商 | 19.0% |

於二零零四年十二月三十一日，各董事、彼等之聯繫人士或就董事會所知擁有本公司股本5%或以上任何股東，概無擁有上述各主要客戶或供應商之實際權益。

財務報表

本集團截至二零零四年十二月三十一日止年度之盈利及本公司與本集團於該日之財政狀況，載列於本年報第28至51頁之財務報表。

股息

本公司於年內並無向股東派發中期股息。董事會建議於二零零五年四月十三日向二零零五年四月七日名列股東名冊之股東派發末期股息每股一仙。

董事會報告

儲備

本公司及本集團於本財政年度之儲備變動載於財務報表附註27。

慈善及其他捐款

於本財政年度，本集團撥出慈善及其他性質捐款合共31,000元（二零零三年：28,000元）。

固定資產

本集團於年內共用12,400,000元（二零零三年：16,700,000元）購置固定資產。有關本財政年度內固定資產之變動詳情載於財務報表附註13。

附屬公司

有關本公司附屬公司之詳情載於財務報表附註16。

流動資金及財務資源

本集團年終之營運資金為485,000,000元，而二零零三年則為380,000,000元。

本集團年終之現金及銀行存款合共455,000,000元（二零零三年：353,000,000元），足以為二零零五年提供營運資金及資本開支。

銀行貸款

本集團有短期銀行信貸168,000,000元（二零零三年：183,000,000元），其中51,000,000元（二零零三年：66,000,000元）已於二零零四年十二月三十一日動用。

本集團年終之長期貸款為195,000,000元（二零零三年：195,000,000元）。

本公司及本集團年終之借款總額分別為195,000,000元（二零零三年：195,000,000元）及246,000,000元（二零零三年：261,000,000元）。

有關本公司及本集團之銀行貸款詳情載於財務報表附註21。

董事

除康定豪先生及夏德立先生外，本年報第2頁所載之本公司董事均於二零零四年全年擔任董事職務。

戴豐盛先生及施雅高先生於二零零五年二月二十三日辭去董事職務，惟彼等於二零零四年全年皆曾擔任董事一職。

董事 (續)

魏文迪先生、蔡啟文先生、郭嘉寧先生及李國寶先生均依據本公司組織章程第105條規定，於即將舉行之股東週年大會上輪流告退及重選連任。

康定豪先生及夏德立先生為上屆股東週年大會後獲委任之董事，彼等將依照本公司組織章程第96條規定退任，並在即將舉行之股東週年大會重選連任。

擬重選連任之董事概無與本公司或各附屬公司訂立如無作出賠償(法定賠償除外)則不能於一年內終止之服務協議。

董事權益

於二零零四年十二月三十一日，按證券及期貨條例(「證券及期貨條例」)第352條規定備存之登記冊記錄所載，各董事及彼等之聯繫人士持有本公司及各聯繫公司(定義見證券及期貨條例第XV部)已發行股本及相關股份之實際權益如下：

(1) 已發行股本之權益

| 本公司每股面值0.50元之普通股數目 | | | | |
|---------------------|---------|--------|---------|---------|
| 董事姓名 | 個人權益 | 家族權益 | 總數 | 概約持股百分比 |
| 魏文迪 | 2,816 | — | 2,816 | — |
| 李國寶 | 300,000 | — | 300,000 | 0.08% |
| 生力公司之股份數目 | | | | |
| 董事姓名 | 個人權益 | 家族權益 | 總數 | 概約持股百分比 |
| 甲類(每股面值5披索)： | | | | |
| 魏文迪 | 298,768 | — | 298,768 | 0.01% |
| 蔡啟文 | 6,050 | — | 6,050 | — |
| 鄧利民 | 12,539 | — | 12,539 | — |
| 郭嘉寧 | 165,042 | — | 165,042 | 0.01% |
| 文達紳 | 31,972 | — | 31,972 | — |
| 韋樂和 | 24,572 | 10,500 | 35,072 | — |
| 乙類(每股面值5披索)： | | | | |
| 鄧利民 | 5,600 | — | 5,600 | — |
| 郭嘉寧 | 5,270 | — | 5,270 | — |
| 韋樂和 | — | 29,000 | 29,000 | — |

董事會報告

董事權益 (續)

(2) 相關股份之權益

本公司之若干董事獲授購股權以認購生力公司股份。於年內及於二零零四年十二月三十一日，各董事擁有生力公司之購股權詳情如下：

| 董事姓名 | 授出日期 | 截止行使限期 | 生力公司之購股權 | | 於年內授出 | 於年內行使 | 於二零零四年十二月三十一日結餘 |
|--------------|-------------------|----------|-----------|--------------|---------|--------|-----------------|
| | | | 每股行使價(披索) | 於二零零四年一月一日結餘 | | | |
| 甲類(每股面值5披索)： | | | | | | | |
| 蔡啟文 | 26/06/03 (附註一) | 26/06/11 | 54.50 | — | 259,422 | — | 259,422 |
| | 01/10/04 | 01/10/12 | 57.50 | — | 266,854 | — | 266,854 |
| 鄧利民 | 26/06/03 (附註一) | 26/06/11 | 54.50 | — | 13,876 | — | 13,876 |
| | 01/10/04 | 01/10/12 | 57.50 | — | 31,422 | — | 31,422 |
| 郭嘉寧 | 01/04/97 | 01/04/05 | 40.57 | 51,860 | — | 51,860 | — |
| | 26/03/98 | 26/03/06 | 34.71 | 49,703 | — | 49,703 | — |
| 文華寧 | 26/06/03 (附註一) | 26/06/11 | 54.50 | — | 85,306 | — | 85,306 |
| | 01/10/04 | 01/10/12 | 57.50 | — | 87,751 | — | 87,751 |
| 文華寧 | 26/03/98 | 26/03/06 | 34.71 | 15,524 | — | 15,524 | — |
| | 26/06/03 (附註一) | 26/06/11 | 54.50 | — | 16,419 | — | 16,419 |
| | 01/10/04 | 01/10/12 | 57.50 | — | 10,687 | — | 10,687 |

董事權益 (續)

| 董事姓名 | 授出日期 | 行使限期 | 生力公司之購股權 | | 於年內授出 | 於年內行使 | 於二零零四年 |
|--------------|-------------------|----------|---------------|------------------|---------|--------|---------------|
| | | | 每股行使價 (披索) | 於二零零四年 一月一日結餘 | | | 十二月三十一日 結餘 |
| 乙類(每股面值5披索)： | | | | | | | |
| 蔡啟文 | 26/06/03 (附註一) | 26/06/11 | 62.50 | — | 111,181 | — | 111,181 |
| | 01/10/04 | 01/10/12 | 70.50 | — | 114,366 | — | 114,366 |
| 鄧利民 | 01/04/97 | 01/04/05 | 70.25 | 2,456 | — | — | 2,456 |
| | 26/06/03 (附註一) | 26/06/11 | 62.50 | — | 5,947 | — | 5,947 |
| 郭嘉寧 | 01/10/04 | 01/10/12 | 70.50 | — | 13,466 | — | 13,466 |
| | 01/04/97 | 01/04/05 | 70.25 | 22,226 | — | — | 22,226 |
| | 26/03/98 | 26/03/06 | 49.83 | 21,302 | — | 21,302 | — |
| | 26/06/03 (附註一) | 26/06/11 | 62.50 | — | 36,560 | — | 36,560 |
| 文華寧 | 01/10/04 | 01/10/12 | 70.50 | — | 37,607 | — | 37,607 |
| | 26/03/98 | 26/03/06 | 49.83 | 6,653 | — | 6,653 | — |
| | 26/06/03 (附註一) | 26/06/11 | 62.50 | — | 7,036 | — | 7,036 |
| | 01/10/04 | 01/10/12 | 70.50 | — | 4,580 | — | 4,580 |

附註一：

此等購股權獲得生力公司之董事會於二零零四年一月二十九日批准及授出，並追溯至二零零三年六月二十六日。

各董事於年內行使之購股權已於上文披露。

本公司及各聯繫公司之所有股份及相關股份權益均屬好倉。

除上文所披露者外，各董事或彼等之聯繫人士概無擁有本公司或聯繫公司已發行股本或購股權之權益。

董事會報告

本公司股本之主要權益

於二零零四年十二月三十一日，按證券及期貨條例第336條規定備存之登記冊，本公司獲悉下列股東擁有本公司已發行股本5%以上之權益：

| 名稱 | 每股面值0.50元 之股份數目 | |
|------------------------------|--------------------|----------------------|
| | 所持 普通股 | 佔已發行 股份總數 之百分比 |
| 立端利有限公司(附註一) | 245,720,800 | 65.78% |
| 香港中央結算(代理人)有限公司 | 66,105,802 | 17.70% |
| Conroy Assets Limited(附註二) | 13,624,600 | 3.65% |
| Hamstar Profits Limited(附註二) | 10,078,400 | 2.70% |

附註一：由於生力公司持有生力國際有限公司(「國際生力」)之控股權益、國際生力持有生力集團有限公司(「生力集團」)之控股權益、生力集團持有生力啤酒國際有限公司(「生力國際」)之控股權益，而生力國際則持有立端利有限公司之控股權益，故此生力公司、國際生力、生力集團與生力國際均被視為持有上述所披露之立端利有限公司持有本公司之權益。

附註二：李嘉誠先生、長江實業(集團)有限公司、Li Ka-Shing Unity Trustee Company Limited、Li Ka-Shing Unity Trustee Corporation Limited及Li Ka-Shing Unity Trustcorp Limited均被視為持有上述所披露之Conroy Assets Limited(「Conroy」)及Hamstar Profits Limited(「Hamstar」)持有本公司之權益。Conroy及Hamstar持有之總權益超過本公司已發行股本5%，須根據證券及期貨條例作出披露。

董事之合約權益

根據於一九六三年六月十二日訂立之協議，立端利有限公司向本公司提供技術及顧問服務，並可收取總經理機構酬金。其中，魏文迪先生、蔡啟文先生、鄧利民先生、郭嘉寧先生、文華寧先生、文達紳先生及韋樂和先生因擁有立端利有限公司之最終控股公司生力公司之股權，或為生力公司之董事，均可從此合約中獲取利益。自一九九五年財政年度起，本公司並無支付總經理機構酬金，而立端利有限公司亦無向本公司收取總經理機構酬金。

除上文所披露者外，於本財政年度間及年終，本公司董事於本公司或任何關連公司(控股公司、附屬公司或同系附屬公司)所訂立之任何重大合約中，概無擁有重大權益。

關連交易

本公司各董事包括獨立非執行董事已審閱上述關連交易並確認該等關連交易均：

- (i) 在日常業務中進行；
- (ii) 按照一般商業條款所達成，條款並不較授予獨立第三者或從獨立第三者中獲得優厚；及
- (iii) 對股東而言屬公平及合理。

本公司已獲聯交所授予附帶條件之豁免，無須完全符合於二零零四年三月三十一日前有效之上市規則（「舊上市規則」）中對本集團向生力公司集團購買啤酒罐、啤酒樽、膠箱及已包裝啤酒與本集團向生力公司集團銷售已包裝啤酒之披露規定。董事會未有察覺隨著上市規則之修訂（「經修訂上市規則」）於二零零四年三月三十一日生效後，本公司不可再享有過往由聯交所授予之有關豁免。二零零四年四月一日至二零零四年十二月三十一日期間，本集團及生力公司集團所進行之交易之價值載列如下：—

二零零四年四月一日至
二零零四年十二月三十一日
止九個月
港幣千元

| | |
|-------------------|--------|
| 本集團向生力公司集團購買啤酒罐 | 15,637 |
| 本集團向生力公司集團購買啤酒樽 | 21,112 |
| 本集團向生力公司集團購買膠箱 | 2,951 |
| 本集團向生力公司集團購買已包裝啤酒 | 2,132 |
| 本集團向生力公司集團銷售已包裝啤酒 | 23,461 |

本集團向生力公司集團購買樽蓋並不受聯交所過往授予之豁免所涵蓋。因一時疏忽，本集團於二零零一年、二零零二年、二零零三年及二零零四年購買樽蓋之總額分別約為1,074,000港元、2,827,000港元、1,382,000港元及2,233,000港元，其中二零零一年、二零零二年及二零零三年之有關總額超越舊上市規則所規定有關披露之最低豁免額，而二零零四年之總額則超越經修訂上市規則所規定有關披露之最低豁免額，但本集團並未就此作出披露。

就本集團購買啤酒罐、膠箱、樽蓋及已包裝啤酒，此等交易每項均須遵守上市規則第14A.45條至第14A.47條之申報及公佈規定，而就本集團向生力公司集團購買啤酒樽及本集團向生力公司集團銷售已包裝啤酒，此等交易每項亦須根據經修訂上市規則第14A.35條之規定獲得獨立股東之批准。本公司現正採取適當步驟，以確保在實際可行之情況下符合經修訂上市規則之規定，並計劃就上述持續關連交易尋求新的豁免。

董事會報告

退休金計劃、員工及薪酬

本公司及各香港附屬公司均有為其本地全職僱員提供非供款定額退休金計劃，香港生力啤酒廠有限公司退休基金（「基金」），並於一九九五年九月根據職業退休計劃條例註冊。基金乃以信託形式正式成立，資產乃由一獨立管理之基金持有。退休福利乃根據僱員之最後薪金及其服務年期計算，定額退休福利之供款乃根據獨立精算師之專業意見而釐定。精算師定期為此計劃作出評估，一般為每三年評估一次。

基金福利經修訂後符合強積金條例，並已於二零零零年七月二十四日獲得強制公積金計劃管理局豁免。

本公司已按法例選出德盛環球為強積金另一服務供應商，為不欲參加或保留於本公司現有基金之僱員提供強積金服務。強積金計劃乃一項經由獨立信託人管理之定額供款計劃。在強積金計劃中，僱主及其僱員須各自根據僱員之有關收益，上限為每月20,000元，向計劃供款5%。強積金供款即時歸屬僱員。

中國附屬公司之僱員乃中國政府所推行之中央退休計劃成員。附屬公司須為此計劃供款，款額為僱員薪金若干百分比。中央退休計劃供款即時歸屬僱員。附屬公司於有關該中央退休金計劃之唯一財務承擔乃按月定期供款。

最近一次精算評估香港生力啤酒廠有限公司退休基金於二零零四年十二月三十一日進行，評估如下：

- (甲) 基金之精算師為黃偉雄先生，加拿大及美國精算師公會會員。精算評估乃採用已達到年齡法。估值時所採用之其他主要假設為：投資回報率每年7.5%；三年預測期之薪金增長：二零零五年為每年0%，二零零六年及二零零七年每年均為3%；二零零一年香港人之死亡比率；正常退休年齡為60歲；提前退休比率由55至60歲。
- (乙) 基金之資產於二零零四年十二月三十一日之未審核市值為92,705,000元。
- (丙) 基金精算師建議之最低供款比率：二零零五年為薪金之12%，二零零六年及二零零七年均為薪金之16%。
- (丁) 於二零零四年十二月三十一日之即時遣散基金虧蝕為23,860,000元，即此基金之責任獲基金資產保障達80%。

本集團之員工人數及員工薪酬之詳情載於本年報第3頁。

買賣或贖回本公司之上市股份

截至二零零四年十二月三十一日止年度內，本公司或其附屬公司概無買賣或贖回任何上市股份。

五年賬目摘要

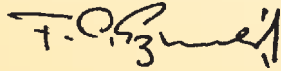
本集團過去五年之業績、資產及負債摘要，載於本年報第53頁。

最佳應用守則

於二零零四年全年，本公司均遵守香港聯合交易所有限公司證券上市規則附錄14所載之最佳應用守則。

核數師

本公司在即將舉行之股東週年大會上將提呈決議案續聘畢馬威會計師事務所為本公司核數師。



主席
魏文迪

香港，二零零五年二月二十四日

董事及行政管理人員

董事

魏文迪 主席

鄧利民 執行董事

蔡啟文

康定豪

郭嘉寧

夏德立

李民橋，李國寶之替任董事

李國寶，GBS, JP 獨立非執行董事

文華寧

文達紳

吳維新 獨立非執行董事

韋樂和

韋以安 獨立非執行董事

截至此報告日期，董事資料如下：

魏文迪先生，*BScHE, PhD (Hon)*，六十九歲，於一九八四年九月二十日獲委任為董事，現任本公司主席。魏文迪先生同為多間菲律賓公司之董事。

鄧利民先生，*BEcon (Hon), MBA*，五十一歲，分別於二零零三年九月十六日及二零零四年二月十六日獲委任為香港生力啤酒廠有限公司及生力(廣東)啤酒有限公司之執行董事。鄧利民先生亦為本公司多間附屬公司之董事。鄧利民先生曾任菲律賓生力公司屬下生力集團啤酒企業國際銷售及業務發展副總裁。鄧利民先生具有逾二十九年之業務經驗，其中二十二年於生力集團。鄧利民先生擁有六年在中國之資深管理經驗。

蔡啟文先生，*BSME*，五十一歲，於一九九八年十一月二十七日獲委任。蔡啟文先生為菲律賓生力公司副主席、總裁及營運總裁。

康定豪先生，*BA Econ (UP)*，五十三歲，於二零零五年二月二十四日獲委任，現任菲律賓生力公司高級副總裁及財務總監兼司庫。康定豪先生亦為本公司之控股股東生力集團有限公司及生力啤酒國際有限公司之董事。

郭嘉寧先生，*BSc (Com), BA (SoSc), MBE*，五十八歲，於一九九一年三月二十二日獲委任，現任生力集團啤酒企業總裁。郭嘉寧先生同時為本公司控股股東立端利有限公司之董事。

夏德立先生，*BA (UP), LLB (UP), LLM (Harvard)*，五十五歲，於二零零五年二月二十四日獲委任，現任菲律賓生力公司高級副總裁及公司秘書兼總法律顧問。夏德立先生亦為本公司之控股股東生力啤酒國際有限公司及生力集團有限公司之董事。

李民橋先生，*MA (Cantab), MBA, LPC*，三十一歲，於二零零二年八月一日獲委任為李國寶博士之替任董事。李先生為東亞銀行總經理兼企業銀行處主管、中國人民政治協商會議第九屆及第十屆廣州委員會成員及中華全國青年聯合會會員。李先生亦擔任香港多間公司及機構之董事，例如香港海洋公園公司，及多個金融及顧問委員會委員，例如香港出口信用保險局、職業訓練局及中小型企業委員會。李先生為李國寶博士之長子。

李國寶博士，*GBS, Officier de la Legion d' Honneur, OBE, MA, Hon LLD (Cantab), Hon DSocSc, FCA, FCPA, FCPA (Aust.), FCIB, FHKIB, FBCS, CITP, FCI Arb, JP*，六十五歲，於一九九一年三月二十二日獲委任，為本公司之獨立非執行董事兼審核委員會成員。李博士亦為東亞銀行有限公司之主席兼行政總裁及立法會議員。李博士亦於其他公司，包括中國海外發展有限公司、Dow Jones & Company, Inc.、香港中華煤氣有限公司、多間香港及海外上市及私人公司任職董事，同時為多個香港銀行及顧問委員會會員，亦曾為中華人民共和國委任之港事顧問及香港特別行政區籌委會成員。

文華寧先生，*BCom, MBA (Columbia)*，六十歲，董事、公司秘書及財務總裁，於一九九五年一月一日加入本公司，並於二零零零年十一月八日獲委任為董事，同時出任本公司多間附屬公司之董事。文華寧先生具有逾三十八年之業務經驗，其中十年服務於本公司，另外二十八年於多間澳洲公司擔任高級管理及財務職位，包括BHP Billiton、Fosters Group Limited及Cascade Group。

文達紳先生，*AA, LLB (UP), LLM (Harvard)*，七十五歲，於一九九八年十一月二十七日獲委任。文達紳先生同時為菲律賓生力公司董事會成員，曾出任多個菲律賓政府職位，包括檢察長及司法部長，亦曾為菲律賓大學法律學院之教授講師，任教公眾及私人法例，現職為執業律師。

吳維新先生，六十一歲，於二零零一年四月一日獲委任，為本公司獨立非執行董事兼審核委員會成員。吳先生為集成匯財(集團)有限公司主席。

韋樂和先生，*LLB (UP), BA (UP)*，五十一歲，於二零零三年二月二十七日獲委任為董事，為韋樂和律師事務所執行合夥人。

韋以安先生，六十四歲，於一九九四年三月二十五日獲委任，為本公司獨立非執行董事兼審核委員會成員。韋以安先生亦為和記黃埔有限公司全資附屬公司屈臣氏集團之集團董事總經理。在加入和記集團前，曾為英國ASDA董事會之成員。韋以安先生為美國康乃狄克州互聯網旅遊公司priceline.com之董事。韋以安先生於零售界具有四十多年經驗，並為香港零售管理協會之創會會員及名譽顧問、香港旅遊發展局籌款委員會委員、甄選及評審精英體育項目小組委員會成員、香港紅十字會董事會成員、香港公益金董事會成員、以及香港業餘田徑總會名譽會長。

董事及行政管理人員

行政管理人員

鄧利民

執行董事

文華寧

董事、公司秘書及財務總裁

朱活明

生產及出口總經理

江百義

廣州生力啤酒有限公司執行董事

譚嘉源

營業總經理

陳兆益

物流總經理

王文彬

企業發展總經理

截至此報告日期，各行政管理人員之資料如下：

鄧利民先生，執行董事。詳情請參閱第20頁之董事部份。

文華寧先生，董事、公司秘書及財務總裁。詳情請參閱第21頁之董事部份。

朱活明先生，*BBA, MBA*，五十一歲，生產及出口總經理，一九七七年加入本公司。於本公司任職二十七年間，朱先生於啤酒業務、物流、銷售、市務及公關方面均取得豐富經驗。朱先生於二零零四年二月十六日起兼任為生力（廣東）啤酒有限公司廠長。

江百義先生，*BScE, MDP (AIM)*，五十四歲，廣州生力啤酒有限公司之執行董事，於一九七四年加入生力集團。在任三十年間，江百義先生已累積豐富之釀酒及業務經驗，並於本集團內出任多個高級職位。

譚嘉源先生，*BBA, MBA*，四十六歲，營業總經理，於一九九三年加入本公司。譚先生在香港及中國擁有二十年銷售及推廣消費品之經驗。

陳兆益先生，*BBBA*，四十七歲，物流總經理，於一九九八年加入本公司。陳先生於新加坡、香港及中國之物流業務方面具有逾二十年經驗。

王文彬先生，*MBA, FCPA, FHKIoD, FCCA*，四十二歲，企業發展總經理，於一九九七年加入本公司。王先生於香港及中國擁有二十年業務經驗，在不同行業出任高級管理及財務職位。

茲定於二零零五年四月七日(星期四)下午二時正假座香港九龍尖沙咀北京道8號朗廷酒店召開香港生力啤酒廠有限公司第四十二屆股東週年大會，處理下列普通事項：

1. 省覽及接納截至二零零四年十二月三十一日止年度之經審核財務報表與董事會及核數師報告書；
2. 批核截至二零零四年十二月三十一日止年度之末期股息；
3. 重選董事以及批核董事袍金；及
4. 委任來年核數師及授權董事會釐定其酬金。

承董事會命
公司秘書
文華寧

香港，二零零五年二月二十四日

附註：

1. 凡有權出席上述大會投票之股東，均有權委任一位或以上之代表出席及代其投票，受委代表無須為本公司股東。
2. 代表委任書須於會議召開前四十八小時送抵本公司於香港新界沙田小瀝源源順圍二十八號都會廣場九樓之註冊辦事處，方為有效。

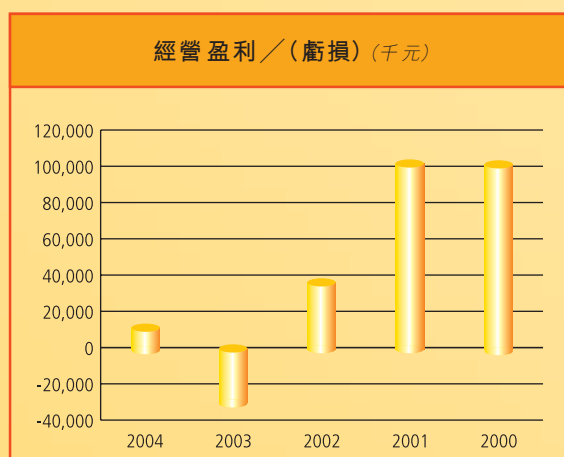
經營統計分析

截至十二月三十一日止年度，除每股股份數據及員工人數外均以港幣千元計算

十年回顧

| | 2004 | 2003 | 2002 |
|--------------------|------------------|-----------|-----------|
| 總營業額 | 1,261,232 | 1,158,649 | 1,326,642 |
| 經營盈利／(虧損) | 12,325 | (30,641) | 38,942 |
| 未計特殊項目之股東應佔盈利／(虧損) | 11,578 | (32,771) | 31,721 |
| 特殊項目(1) | — | — | — |
| 股東應佔盈利／(虧損) | 11,578 | (32,771) | 31,721 |
| 稅項連啤酒稅 | 135,185 | 134,986 | 164,268 |
| 年度應佔現金股息 | 3,736 | — | 37,356 |
| 每股現金股息 | 0.01 | — | 0.10 |
| 固定資產及發展中項目 | 1,939,135 | 2,016,646 | 2,083,863 |
| 淨值(2) | 2,036,549 | 2,024,059 | 2,065,103 |
| 員工薪酬(3) | 122,149 | 124,480 | 131,168 |
| 員工人數(4) | 1,145 | 1,168 | 1,214 |

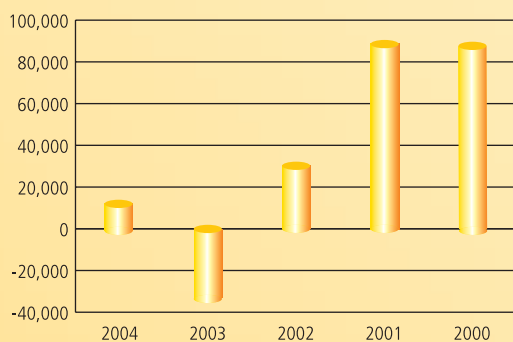
- (1) 一九九六年之特殊項目指出售深井酒廠之盈利。
- (2) 一九九五年至二零零零年之淨值已就股息確認之會計政策改變作出調整。
- (3) 員工薪酬已就一九九六年至一九九八年出現之呈報不貫徹而作出更正。
- (4) 員工人數指於年度最後一個工作日之實際員工數目。



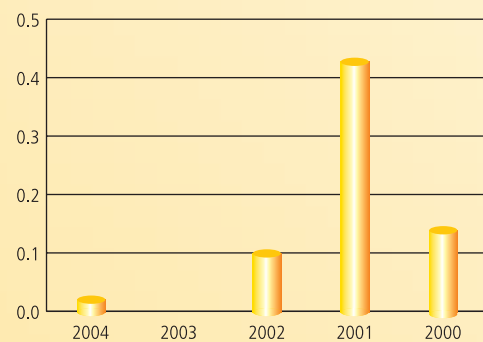
截至十二月三十一日止年度，除每股股份數據及員工人數外均以港幣千元計算

| 2001 | 2000 | 1999 | 1998 | 1997 | 1996 | 1995 |
|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| 1,376,423 | 1,433,150 | 1,342,902 | 1,378,562 | 1,317,302 | 1,410,867 | 1,302,677 |
| 101,787 | 100,723 | 83,737 | 39,409 | 10,132 | 72,784 | 115,307 |
| 88,734 | 87,657 | 60,100 | 17,051 | 5,492 | 68,321 | 165,908 |
| — | — | — | — | — | 115,803 | — |
| 88,734 | 87,657 | 60,100 | 17,051 | 5,492 | 184,124 | 165,908 |
| 170,830 | 160,745 | 156,038 | 170,576 | 144,620 | 152,073 | 132,899 |
| 160,636 | 52,300 | 41,093 | 11,207 | 29,886 | 59,771 | 59,771 |
| 0.43 | 0.14 | 0.11 | 0.03 | 0.08 | 0.16 | 0.16 |
| 2,156,190 | 2,214,254 | 2,276,150 | 2,347,937 | 2,396,195 | 2,462,394 | 2,062,862 |
| 2,161,839 | 2,233,837 | 2,193,847 | 2,170,495 | 2,157,247 | 2,227,953 | 2,102,156 |
| 126,053 | 127,094 | 144,121 | 155,400 | 147,443 | 133,838 | 142,404 |
| 1,268 | 1,276 | 1,345 | 1,601 | 1,655 | 1,527 | 1,327 |

未計特殊項目之股東應佔盈利／(虧損) (千元)



每股現金股息 (元)



Our South China Operations

我們的華南業務



| | 頁次 |
|---------|----|
| 綜合收益表 | 28 |
| 綜合資產負債表 | 29 |
| 公司資產負債表 | 30 |
| 綜合權益變動表 | 31 |
| 綜合現金流量表 | 32 |
| 財務報表附註 | 33 |

於本報表內所有幣值，除另有註明外，均以港幣計算。

綜合收益表

截至十二月三十一日止年度，除每股股份數據外均以港幣千元計算

| | 附註 | 2004 | 2003 |
|-------------------|-------|------------------|-----------|
| 總營業額 | 2 | 1,261,232 | 1,158,649 |
| 折扣 | | (322,948) | (324,761) |
| 銷售成本 | | (412,141) | (351,624) |
| 啤酒稅及稅項 | | (160,454) | (149,022) |
| 毛利 | | 365,689 | 333,242 |
| 分銷成本 | | (39,839) | (42,529) |
| 行政及銷售開支 | | (293,016) | (304,973) |
| 其他經營開支 | | (20,509) | (16,381) |
| 經營盈利／(虧損) | 3 | 12,325 | (30,641) |
| 財務費用 | 4 | (2,832) | (4,558) |
| 其他收入 | 5 | 9,615 | 9,417 |
| 其他開支淨額 | 5 | (3,264) | (1,301) |
| 來自日常業務之除稅前盈利／(虧損) | | 15,844 | (27,083) |
| 所得稅 | 6 | (3,032) | (9,456) |
| 來自日常業務之除稅後盈利／(虧損) | | 12,812 | (36,539) |
| 少數股東權益 | | (1,234) | 3,768 |
| 股東應佔盈利／(虧損) | 9, 27 | 11,578 | (32,771) |
| 年度應佔股息 | 10 | | |
| 於結算日後擬派之末期股息 | | (3,736) | — |
| 每股盈利／(虧損) — 基本 | 11 | \$0.03 | (\$0.09) |

列於第33至51頁之各項附註為本財務報表之一部份。

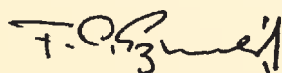
綜合資產負債表

於十二月三十一日結算，以港幣千元計算

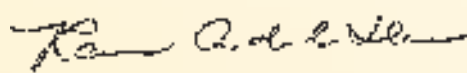
| | 附註 | 2004 | 2003 |
|-----------------|----|------------------|-----------|
| 非流動資產 | | | |
| 固定資產 | 13 | 1,939,135 | 2,016,646 |
| 持至到期證券－非上市 | | 13,797 | 13,391 |
| 商標 | 14 | 33,435 | 37,413 |
| 商譽 | 15 | 5,044 | 5,318 |
| 退休福利資產 | 23 | 1,888 | — |
| 其他資產 | 17 | 8,490 | 8,436 |
| | | 2,001,789 | 2,081,204 |
| 流動資產 | | | |
| 存貨 | 18 | 93,408 | 75,503 |
| 應收貿易及其他賬項 | 19 | 104,350 | 114,731 |
| 可收回本期稅項 | 25 | 66 | — |
| 應收控股公司及同系附屬公司賬項 | | 29,495 | 25,582 |
| 持至到期證券－非上市 | | — | 17,163 |
| 現金及等同現金項目 | 20 | 454,817 | 352,964 |
| | | 682,136 | 585,943 |
| 流動負債 | | | |
| 銀行貸款(無抵押) | 21 | (50,552) | (65,998) |
| 應付貿易及其他賬項 | 19 | (120,134) | (121,943) |
| 應付控股公司及同系附屬公司賬項 | | (26,907) | (17,909) |
| | | (197,593) | (205,850) |
| 流動資產淨值 | | 484,543 | 380,093 |
| 總資產減流動負債 | | 2,486,332 | 2,461,297 |
| 非流動負債 | | | |
| 銀行貸款(無抵押) | 21 | (195,000) | (195,000) |
| 租賃廠房維修撥備 | 22 | (47,968) | (43,829) |
| 退休福利負債 | 23 | — | (2,211) |
| 遞延稅項 | 25 | (108,264) | (99,044) |
| | | (351,232) | (340,084) |
| 少數股東權益 | | (98,551) | (97,154) |
| 資產淨值 | | 2,036,549 | 2,024,059 |
| 資本及儲備 | | | |
| 股本 | 26 | 186,785 | 186,785 |
| 儲備 | 27 | 1,849,764 | 1,837,274 |
| | | 2,036,549 | 2,024,059 |

經由董事會於二零零五年二月二十四日批准及授權刊發。

董事：



魏文迪



鄧利民

列於第33至51頁之各項附註為本財務報表之一部份。

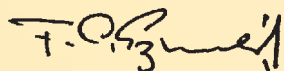
公司資產負債表

於十二月三十一日結算，以港幣千元計算

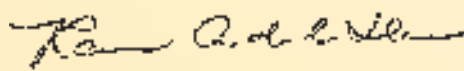
| | 附註 | 2004 | 2003 |
|-----------------|----|------------------|-----------|
| 非流動資產 | | | |
| 固定資產 | 13 | 1,125,171 | 1,170,444 |
| 商標 | 14 | 33,435 | 37,413 |
| 退休福利資產 | 23 | 1,888 | — |
| 附屬公司權益 | 16 | 1,216,101 | 855,912 |
| | | 2,376,595 | 2,063,769 |
| 流動資產 | | | |
| 存貨 | 18 | 32,492 | 30,952 |
| 應收貿易及其他賬項 | 19 | 73,271 | 84,997 |
| 應收控股公司及同系附屬公司賬項 | | 9,309 | 9,392 |
| 現金及等同現金項目 | 20 | 22,502 | 14,996 |
| | | 137,574 | 140,337 |
| 流動負債 | | | |
| 應付貿易及其他賬項 | 19 | (43,605) | (52,302) |
| 應付控股公司及同系附屬公司賬項 | | (15,017) | (10,665) |
| | | (58,622) | (62,967) |
| 流動資產淨值 | | 78,952 | 77,370 |
| 總資產減流動負債 | | 2,455,547 | 2,141,139 |
| 非流動負債 | | | |
| 銀行貸款(無抵押) | 21 | (195,000) | (195,000) |
| 應付附屬公司賬項 | | (306,300) | — |
| 退休福利負債 | 23 | — | (2,211) |
| 遞延稅項 | 25 | (50,629) | (47,821) |
| | | (551,929) | (245,032) |
| 資產淨值 | | 1,903,618 | 1,896,107 |
| 資本及儲備 | | | |
| 股本 | 26 | 186,785 | 186,785 |
| 儲備 | 27 | 1,716,833 | 1,709,322 |
| | | 1,903,618 | 1,896,107 |

經由董事會於二零零五年二月二十四日批准及授權刊發。

董事：



魏文迪



鄧利民

列於第33至51頁之各項附註為本財務報表之一部份。

綜合權益變動表

截至十二月三十一日止年度，以港幣千元計算

| | 附註 | 2004 | 2003 |
|---------------------|----|------------------|------------------|
| 一月一日之股東權益 | | <u>2,024,059</u> | <u>2,065,103</u> |
| 換算外國機構財務報表所產生之滙兌差額 | 27 | <u>912</u> | <u>(802)</u> |
| 未於綜合收益表確認之盈利／(虧損)淨額 | | <u>912</u> | <u>(802)</u> |
| 本年度盈利／(虧損)淨額 | | <u>11,578</u> | <u>(32,771)</u> |
| 年內已宣派或批准股息 | 10 | <u>—</u> | <u>(7,471)</u> |
| 十二月三十一日之股東權益 | | <u>2,036,549</u> | <u>2,024,059</u> |

列於第33至51頁之各項附註為本財務報表之一部份。

綜合現金流量表

截至十二月三十一日止年度，以港幣千元計算

| | 附註 | 2004 | 2003 |
|-------------------------|----|-----------------|----------|
| 業務經營 | | | |
| 來自日常業務之除稅前盈利／(虧損) | | 15,844 | (27,083) |
| 就下列事項作出調整： | | | |
| 固定資產之折舊 | | 80,630 | 80,255 |
| 固定資產之減值虧損 | | 5,183 | — |
| 利息支出 | | 2,683 | 4,416 |
| 利息收入 | | (4,930) | (4,461) |
| 出售固定資產之虧損 | | 4,040 | 369 |
| 商標之攤銷 | | 4,031 | 1,627 |
| 商譽之攤銷 | | 274 | 160 |
| 外幣兌換之(盈利)／虧損 | | (133) | 1,831 |
| 營運資本變動前之經營盈利 | | 107,622 | 57,114 |
| 存貨之(增加)／減少 | | (17,905) | 11,760 |
| 應收貿易及其他賬項之減少 | | 10,776 | 74,727 |
| 應收控股公司及同系附屬公司賬項淨額之減少 | | 5,085 | 416 |
| 應付貿易及其他賬項之(減少)／增加 | | (1,857) | 11,622 |
| 退休福利負債／資產之減少／增加 | | (4,099) | (9,946) |
| 租賃廠房維修撥備之增加 | | 4,066 | 4,059 |
| 經營業務之現金流入 | | 103,688 | 149,752 |
| 所得稅 | | | |
| 已付香港利得稅 | | (66) | — |
| 退回海外稅項 | | 6,101 | — |
| 經營業務之現金流入淨額 | | 109,723 | 149,752 |
| 投資業務 | | | |
| 添置固定資產 | | (12,403) | (16,650) |
| 購入商標 | | (53) | (39,040) |
| 出售固定資產所得款項 | | 1,199 | 104 |
| 贖回持至到期證券所得款項 | | 15,975 | 18,764 |
| 購入附屬公司權益 | | — | (5,478) |
| 已收利息 | | 5,325 | 4,579 |
| 投資業務之現金流入／(流出)淨額 | | 10,043 | (37,721) |
| 融資活動 | | | |
| 新增銀行貸款 | | — | 66,004 |
| 償還銀行貸款 | | (15,555) | (77,651) |
| 已付利息 | | (2,635) | (4,390) |
| 已付股息 | | — | (7,471) |
| 融資活動之現金流出淨額 | | (18,190) | (23,508) |
| 現金及等同現金項目之淨額增加 | | 101,576 | 88,523 |
| 年初現金及等同現金項目結存 | | 352,964 | 264,849 |
| 滙率變動之影響 | | 277 | (408) |
| 年終現金及等同現金項目結存 | 20 | 454,817 | 352,964 |

列於第33至51頁之各項附註為本財務報表之一部份。

1. 主要會計政策

A. 遵守聲明

財務報表乃根據香港會計師公會頒佈之所有適用之香港財務報告準則(包括所有適用之會計準則及釋義)、香港公認之會計原則及香港公司條例之規定而編撰。該等財務報表亦遵守香港聯合交易所有限公司證券上市規則之適用披露規定。本集團採用之主要會計政策概要如下。

香港會計師公會已頒佈多項全新及經修訂之香港財務報告準則及香港會計準則(「新香港財務報告準則」)，並於二零零五年一月一日或其後開始之會計年度生效。

本集團於編製截至二零零四年十二月三十一日止年度之財務報表時，並無提早採納該等新香港財務報告準則。本集團已就該等新香港財務報告準則之影響進行評估，惟尚未能確定該等新香港財務報告準則會否對其經營業績及財務狀況造成重大影響。

B. 編撰財務報表之準則

財務報表乃以過往成本為編撰基準。

C. 附屬公司

根據香港公司條例，附屬公司為一間本集團直接或間接持有一半以上已發行股本，或控制一半以上投票權，或控制董事會組成之公司。

於附屬公司之投資已於綜合財務報表中綜合入賬，集團內公司之間之結餘及交易，以及交易所產生之任何未變現盈利，乃於編製綜合財務報表時悉數撇銷。集團內公司之間之交易而產生之未變現虧損，乃以未變現盈利相同之形式撇銷，惟僅限於並無顯示出現減值者。

於結算日之少數股東權益，即並非由公司(不論直接或間接)透過附屬公司擁有之股份權益應佔之附屬公司資產淨值部份，均於綜合資產負債表內與負債及股東權益分開呈列。本年度集團業績內之少數股東權益亦於綜合收益表內分開呈列。

倘少數股東應佔虧損超過附屬公司資產淨值之少數股東權益，則超出之款額及少數股東應佔之任何其他進一步虧損乃於本集團之權益中扣除，惟倘少數股東須承擔具約束力之責任及能夠彌補虧損則作別論。該附屬公司日後之所有盈利均分配予本集團，直至先前由本集團承擔原應由少數股東攤佔之虧損得到彌補為止。

於本公司之資產負債表內，於附屬公司之投資乃按成本減除任何減值虧損(見附註1(J))列賬。

D. 商譽

綜合賬項所產生之正額商譽，乃指收購成本超逾所購入可資區別資產及負債之公平值之差額。就附屬公司而言：

- (i) 於二零零一年一月一日前進行之收購，扣除任何減值虧損(見附註1(J))後之正額商譽乃於儲備中撇銷。
- (ii) 於二零零一年一月一日或之後進行之收購，正額商譽乃以直線法按二十年之估計可使用年期於綜合收益表中攤銷。正額商譽乃於綜合資產負債表中以成本減除任何累計攤銷及任何減值虧損(見附註1(J))列賬。

出售附屬公司時，過去並無於綜合收益表中攤銷或過去於本集團儲備列作變動之任何應佔商譽數額將撥入出售盈虧中計算。

1. 主要會計政策 (續)

E. 持至到期證券

本集團有能力及有意持至到期之有期債務證券列作持至到期證券。綜合資產負債表所列之持至到期證券按攤銷成本減任何減值撥備列賬。在預期未能全數取回有關證券之賬面值時會作出撥備，並會於綜合收益表列作開支，而該等撥備按每項投資個別計算。

F. 固定資產

- (i) 除在建中工程以成本減去減值虧損(見附註1(J))入賬外，固定資產均按成本減折舊總額(見附註1(I))及減值虧損(見附註1(J))在資產負債表中列賬。
- (ii) 報廢或出售固定資產之盈虧，乃估計出售所得款項淨額以及資產賬面值之差額，並於報廢或出售日期在綜合收益表中確認。

G. 商標

商標以成本減去攤銷總額(見附註1(I))及任何減值虧損(見附註1(J))於資產負債表列賬。

H. 經營租約

出租人並未將擁有權之所有風險及利益轉讓之租賃資產，乃列為經營租約。

(i) 持作經營租約使用之資產

倘本集團根據經營租約將資產出租，資產乃按其性質計入綜合資產負債表內，及(倘適用)按附註1(I)所載本集團之折舊政策予以折舊，減值虧損乃根據附註1(J)所載之會計政策計算。經營租約所產生之收入，乃根據附註1(M)所載之本集團收入確認政策而確認。

(ii) 經營租約開支

倘本集團根據經營租約使用資產，根據租約所付之款項乃於綜合收益表中以等額在租約所涵蓋之會計期間支銷。

I. 固定資產之折舊及商標之攤銷

- (i) 折舊乃以直線法按下列估計可使用年期撇銷固定資產之成本計算：

| 資產類別 | 可使用年期 |
|-------------|---------|
| 房產 | 二十五至五十年 |
| 機器、設備、傢俬及裝置 | 四至五十年 |
| 車輛 | 四至七年 |

租賃土地乃根據其折舊之重要性，按餘下之租期計算折舊。

- (ii) 商標攤銷乃以直線法按十年之估計可使用年期撇銷成本計算。

1. 主要會計政策 (續)

J. 資產減值

於每個結算日會審核內部及外間資料，以識別下列資產是否已出現減值或之前已確認之減值是否已不存在或減少：

- 固定資產；
- 於附屬公司之投資；
- 正額商譽；及
- 商標。

倘出現任何減值迹象，則估計資產之可收回價值。倘資產之賬面值超逾其可收回價值，則確認減值虧損。

(i) 計算可收回價值

資產之可收回價值為其售價淨額及使用價值之較高者。於評估使用價值時，估計的未來現金流量乃利用能反映現時市場評估資金時值及資產之特定風險之稅前貼現率，貼現至其現值。倘資產並未能在大致獨立於其他資產下賺取現金流量，則釐訂可獨立賺取現金流量之最小組別資產(即賺取現金單位)之可收回價值。

(ii) 撥回減值虧損

就商譽以外之資產而言，倘用以釐訂可收回數額之估計出現轉變，則撥回減值虧損。有關商譽之減值虧損乃因預期不會再發生屬非經常性質之特定外界事項所導致，而可收回數額之上升明顯因該特定事件之影響逆轉所致，始可撥回商譽減值虧損。

撥回之減值虧損僅限於倘過往年度並未確認減值虧損而釐訂之資產之賬面值。撥回之減值虧損乃於確認撥回之年度計入綜合收益表。

K. 產品、物料及供應

物料、供應、現有產品與在製品乃按成本或可變現淨值兩者之較低者估值。成本以加權平均成本法計算，並包括所有購買成本、兌換成本及將存貨達致現時地點與狀況所產生之其他成本。

可變現淨值為日常業務之估計售價減估計完成成本及估計銷售成本。

於出售存貨時，該等存貨之賬面值於確認有關收益期間列作開支。存貨撇減至可變現淨值之數額及所有存貨虧損均於撇減或虧損期間列作開支。因可變現淨值增加所導致之存貨撇減撥回，均於撥回期間列作開支存貨數額之減少。

L. 現金及等同現金項目

現金及等同現金項目指銀行結存及現金、銀行及其他財務機構之活期存款及短期流通性高之投資，而該等投資隨時可兌換成可知數額之現金且無重大變值風險，並為購入後三個月內到期之投資項目。

1. 主要會計政策 (續)

M. 收入確認

倘本集團取得經濟效益，而收益及成本能可靠計算(如適用)，則收益將以下列方式在綜合收益表入賬：

- (i) 銷貨收入乃於顧客接受貨品及有關風險後予以入賬。
- (ii) 銀行存款及持至到期證券之利息收入乃參考本金及適合之利率按時間比例計算。
- (iii) 根據經營租約而應收之租金收入，乃以等額於租約所涵蓋之會計期間確認。

N. 僱員福利

- (i) 為本集團服務之僱員均可享有薪金、年終花紅、有薪年假、旅遊費用及本集團所提供之非幣值福利。
- (ii) 根據香港強制性公積金計劃條例所規定之強制性公積金供款，乃於產生時在綜合收益表中確認為開支，惟該等已計入存貨之款項則未確認為開支。

本集團在香港以外地區聘用之員工，乃受當地退休安排所保障。海外安排為定額供款計劃。有關計劃之供款乃按有關計劃之規則所釐訂之比率計算，並於綜合收益表中支銷，惟該等已計入存貨之款項則未確認為開支。

- (iii) 本集團就定額福利退休計劃所承擔之責任淨額，乃透過估計僱員於本期間及以往期間以提供服務所賺取之未來利益金額而計算，在釐定現值時該項利益須予以折讓，並扣除任何計劃資產之公平價值。折讓率為優質公司債券(到期日與本集團履行責任之期限相近)於結算日之收益率。計算工作由合資格精算師採用預計單位信貸法進行。

在計算本集團就一項計劃所承擔之責任時，倘任何累積之未確認精算損益超出定額福利責任現值或計劃資產公平價值(以兩者中之較高價值為準)之百分之十，超額部份須於參加計劃之僱員之預計平均剩餘任職年期在綜合收益表確認。除此之外，精算損益概不予以確認。

倘在計算本集團所承擔之責任淨額時出現負數，予以確認之資產僅限於任何累積之未確認精算虧損淨額加以往服務成本及日後來自計劃之退款或日後削減之計劃供款等各項目之總和。

- (iv) 就本公司之最終控股公司授出之購股權而言，僱員福利費用或承擔均不會於授出日期或行使日期確認。

O. 借貸成本

借貸成本均在產生的期間內在綜合收益表支銷。

P. 所得稅

- (i) 本年度之所得稅包括本期稅項及遞延稅項資產負債之變動。
- (ii) 本期稅項乃根據本年度應課稅收入，採用於結算日所訂定或大致訂定之稅率計算之預期應付稅項，並就過往年度之應付稅項作出任何調整。

1. 主要會計政策 (續)

P. 所得稅 (續)

(iii) 遞延稅項資產及負債乃分別來自資產及負債項目於財務報表內之賬面值及其稅基所產生之可扣減或應課稅之暫時差異。遞延稅項資產亦可由尚未動用之稅務虧損及尚未動用之稅收抵免所產生。

除若干有限之例外情況外，所有遞延稅項負債及遞延稅項資產(以資產有可能用於抵銷未來應課稅盈利者為限)均會予以確認。

遞延稅項之確認數額乃按資產及負債之賬面值之預期變現或支付形式，採用於結算日所訂定或大致上訂定之稅率計算。遞延稅項資產及負債並無折減。

遞延稅項資產之賬面值乃於各結算日進行審閱，而倘若不再可能有足夠之應課稅盈利以供扣減有關稅項得益，則遞延稅項資產會予以減少。倘若有可能獲得足夠之應課稅盈利，則任何該等減幅均會撥回。

(iv) 本期稅項結餘及遞延稅項結餘乃分開呈列且不予以抵銷。

Q. 外幣兌換

年內以外幣進行之交易，均以交易日之匯率換算為港幣。以外幣結算之貨幣資產及負債，則以結算日之匯率換算為港幣。滙兌損益乃計入綜合收益表中。

外國企業之業績乃按年內平均匯率換算為港幣；資產負債表項目則按結算日之匯率換算為港幣。滙兌差額之變動乃計入儲備內。

出售外國企業而言，有關該外國企業之滙兌差額之累計數額，乃計入出售之損益中。

R. 關連人士

就綜合財務報表而言，凡本集團可直接或間接控制，或於作出財務及營運決策時可行使重大影響力(反之亦然)，或本集團與該人士均受制於共同之監控或共同之重要影響下，均屬本集團之關連人士。關連人士可為個人或其他機構。

S. 分類資料呈報

分類項目為按本集團所從事提供產品或服務(業務分類)或在某一特定經濟環境內提供產品或服務(地區分類)之可區別項目，而每個分類項目所承擔之風險及回報均有所不同。

根據本集團之內部財務報告，本集團已選擇地區分類作為主要呈報方式。

分類收入、開支、業績、資產及負債包括直接撥歸該類別之項目以及可按合理比例分配至該類別之項目。舉例而言，分類資產可包括存貨、應收貿易賬項以及固定資產。分類收入、開支、資產及負債乃於綜合賬目過程中，撇除集團間之結餘及交易前釐訂，屬同一類別內集團間之結餘及交易則除外。

分類資本開支為於期內購買預期可使用超過一個期間之分類資產(包括有形及無形)而產生之總成本。

未分配項目主要包括財務及企業資產、計息貸款、借貸、企業及融資開支。

財務報表附註 (續)

2. 總營業額

本集團之主要業務為製造及分銷樽裝、罐裝及桶裝啤酒。

由於本集團近乎全部營業額均來自該等業務，故並無提供有關業務之分析。

總營業額指所出售產品之發票總值。

3. 經營盈利／(虧損)

以港幣千元計算

| | 集團 | |
|--------------------------|----------------|---------|
| | 2004 | 2003 |
| 經營盈利／(虧損)已扣除下列項目： | | |
| (a) 員工薪酬 | | |
| 退休金成本 | | |
| — 定額供款退休計劃 | 8,396 | 8,339 |
| — 定額福利退休計劃 (附註23(b)及(c)) | 5,556 | 9,462 |
| | 13,952 | 17,801 |
| 薪金、工資及其他福利 | 122,149 | 124,480 |
| | 136,101 | 142,281 |
| (b) 其他項目 | | |
| 折舊 | | |
| — 持作經營租約使用之資產 | 1,272 | 1,199 |
| — 其他資產 | 79,358 | 79,056 |
| 攤銷 | | |
| — 商標 | 4,031 | 1,627 |
| — 商譽 | 274 | 160 |
| 存貨成本 | 405,129 | 350,896 |
| 經營租約費用 | | |
| — 廠房及機器 | 13,936 | 14,778 |
| — 土地及房產 | 9,578 | 10,407 |
| 固定資產之減值虧損 | 5,183 | — |
| 核數師酬金 | 2,111 | 2,545 |

4. 財務費用

以港幣千元計算

| | 集團 | |
|----------|--------------|-------|
| | 2004 | 2003 |
| 銀行貸款利息開支 | 2,683 | 4,416 |
| 銀行費用 | 149 | 142 |
| | 2,832 | 4,558 |

5. 其他收入及其他開支淨額

以港幣千元計算

| | 集團 | |
|-----------|----------------|---------|
| | 2004 | 2003 |
| 其他收入 | | |
| 利息收入 | 4,930 | 4,461 |
| 租金收入 | 4,685 | 4,956 |
| | 9,615 | 9,417 |
| 其他開支淨額 | | |
| 出售固定資產之虧損 | (4,040) | (369) |
| 其他收入／(開支) | 776 | (932) |
| | (3,264) | (1,301) |

6. 綜合收益表之所得稅

以港幣千元計算

(a) 綜合收益表之所得稅如下：

| | 集團 | |
|------------------------------|----------------|-------|
| | 2004 | 2003 |
| 本期稅項 - 海外 | | |
| 過往年度之退稅(附註(i)) | (6,101) | — |
| 遞延稅項 | | |
| 暫時差額之出現及回撥 | 9,133 | 4,434 |
| 因調高稅率對遞延稅項於一月一日結餘之影響(附註(ii)) | — | 5,022 |
| | 9,133 | 9,456 |
| | 3,032 | 9,456 |

由於承前累計稅項虧損超逾本年度估計應課稅盈利，故並無在財務報表中就香港利得稅作出撥備。

就課稅而言，由於海外附屬公司錄得稅務虧損，故並無於財務報表內就海外稅項作出撥備。

附註：

- (i) 年內，本集團獲中國稅務機關退回一筆稅項，有關退稅乃源於本集團將一家中國附屬公司之保留盈利再投資至該附屬公司之註冊資本上。
- (ii) 於二零零三年三月，香港政府宣佈將利得稅稅率由16%調高至17.5%。

(b) 稅項開支與會計盈利／(虧損)之調節：

| | 集團 | |
|---|----------------|----------|
| | 2004 | 2003 |
| 來自日常業務之除稅前盈利／(虧損) | 15,844 | (27,083) |
| 按有關稅項司法權區之適用稅率就來自日常業務之除稅前盈利／(虧損)計算之估計稅項 | 2,856 | (4,121) |
| 不可扣除開支之稅項影響 | 1,426 | 816 |
| 非課稅收入之稅項影響 | (686) | (5,000) |
| 未就遞延稅項確認之稅項虧損之稅項影響 | 5,537 | 12,739 |
| 因調高香港利得稅稅率導致期初遞延稅項負債增加 | — | 5,022 |
| 過往年度之退稅 | (6,101) | — |
| 實際稅項開支 | 3,032 | 9,456 |

財務報表附註 (續)

7. 董事酬金

以港幣千元計算

根據香港公司條例第161條披露之董事酬金如下：

| | 集團 | |
|-------|--------------|--------------|
| | 2004 | 2003 |
| 袍金 | 315 | — |
| 薪金及津貼 | 3,561 | 5,247 |
| 酌情花紅 | — | 204 |
| 退休金供款 | 144 | 278 |
| | <u>4,020</u> | <u>5,729</u> |

董事酬金包括於年內付予獨立非執行董事之袍金：75,000元(二零零三年：無)。

除上述酬金外，若干董事獲授最終公司生力控股之購股權。鑑於上述購股權並無現有市場，因此董事未能精確評估獲授予之購股權價值。

有關董事獲授予之購股權詳情已於附註24披露。

董事酬金界乎下列組別：

| | 董事數目 | |
|------------------------|------|------|
| | 2004 | 2003 |
| 無 至 1,000,000元 | 10 | 11 |
| 1,500,001元至 2,000,000元 | 1 | — |
| 2,000,001元至 2,500,000元 | 1 | 1 |
| 3,000,001元至 3,500,000元 | — | 1 |

8. 薪津最高之人員

以港幣千元計算

最高薪五名人員中，兩名(二零零三年：兩名)為董事，其酬金已於附註7披露。其餘三名(二零零三年：三名)最高薪人員之酬金總額如下：

| | 集團 | |
|-------|--------------|--------------|
| | 2004 | 2003 |
| 薪金及津貼 | 3,978 | 3,928 |
| 酌情花紅 | 235 | 317 |
| 退休金供款 | 389 | 344 |
| | <u>4,602</u> | <u>4,589</u> |

上述酬金界乎下列組別：

| | 人員數目 | |
|------------------------|------|------|
| | 2004 | 2003 |
| 1,000,001元至 1,500,000元 | 2 | 1 |
| 1,500,001元至 2,000,000元 | 1 | 2 |

9. 股東應佔盈利／(虧損)

股東應佔綜合盈利／(虧損)包括盈利7,511,000元(二零零三年虧損：38,690,000元)，已計入本公司財務報表(附註27)。

10. 股息

以港幣千元計算

(a) 年度應佔股息

| | 集團 | |
|-----------------------------------|--------------|----------|
| | 2004 | 2003 |
| 結算日後擬派末期股息每股0.01元 (二零零三年：每股零元) | <u>3,736</u> | <u>—</u> |

於結算日後宣派之末期股息於結算日尚未確認為負債。

10. 股息 (續)

以港幣千元計算

(b) 於年內批准及支付之過往年度應佔股息

| | 集團 | |
|---|------|-------|
| | 2004 | 2003 |
| 於年內批准及支付之有關過往年度末期股息每股零元 (二零零三年：每股0.02元) (附註27) | — | 7,471 |

11. 每股盈利 / (虧損)

每股基本盈利 / (虧損) 乃根據股東應佔盈利 / (虧損) 共 11,578,000 元 (二零零三年虧損：32,771,000 元) 及本年度內已發行之普通股份 373,570,560 股 (二零零三年：373,570,560 股普通股) 計算。

攤薄之每股盈利 / (虧損) 並未列出，因並沒有具攤薄性的潛在普通股存在。

12. 分類資料呈報

以港幣千元計算

本集團按地區分類呈列分類資料。選擇根據客戶所在位置而提供有關地區之分類資料。分類資料呈列已於二零零四年由根據資產所在位置分類更改為客戶所在位置分類，乃因根據客戶所在位置分類能更準確反映本集團之財務表現。

由於本集團之營業額及經營業績均來自製造及分銷樽裝、罐裝及桶裝啤酒，故並無提供有關本集團之業務類別分析。

| | 香港 | | 中國 | | 類別之間撇銷 | | 綜合 | |
|--------------------------|-----------|-----------|---------|---------|----------|----------|-----------|-----------|
| | 2004 | 2003 | 2004 | 2003 | 2004 | 2003 | 2004 | 2003 |
| 外界客戶收入 | 696,997 | 661,054 | 564,235 | 497,595 | — | — | 1,261,232 | 1,158,649 |
| 類別之間收入 | 29,815 | 11,532 | — | — | (29,815) | (11,532) | — | — |
| 其他收入 | 4,685 | 4,956 | — | — | — | — | 4,685 | 4,956 |
| 總收入 | 731,497 | 677,542 | 564,235 | 497,595 | (29,815) | (11,532) | 1,265,917 | 1,163,605 |
| 分類業績 | 19,112 | (30,125) | (5,366) | 3,139 | — | — | 13,746 | (26,986) |
| 未分配經營收入及開支 | — | — | — | — | — | — | 4,930 | 4,461 |
| 財務成本 | — | — | — | — | — | — | (2,832) | (4,558) |
| 所得稅 | — | — | — | — | — | — | (3,032) | (9,456) |
| 少數股東權益 | — | — | — | — | — | — | (1,234) | 3,768 |
| 股東應佔盈利 / (虧損) | — | — | — | — | — | — | 11,578 | (32,771) |
| 年內折舊及攤銷 | 55,936 | 54,257 | 28,999 | 27,785 | — | — | 84,935 | 82,042 |
| 分類資產 | 1,847,192 | 1,761,612 | 823,882 | 880,717 | (7,717) | (7,304) | 2,663,357 | 2,635,025 |
| 未分配資產 | — | — | — | — | — | — | 20,568 | 32,122 |
| 總資產 | — | — | — | — | — | — | 2,683,925 | 2,667,147 |
| 分類負債 | 59,002 | 72,400 | 143,262 | 120,381 | (7,717) | (7,304) | 194,547 | 185,477 |
| 未分配負債 | — | — | — | — | — | — | 354,278 | 360,457 |
| 總負債 | — | — | — | — | — | — | 548,825 | 545,934 |
| 年內資本開支 | 4,536 | 5,310 | 7,920 | 50,380 | — | — | 12,456 | 55,690 |
| 有關地區分類之其他資料： | | | | | | | | |
| 根據資產所在位置之 資產分類 | 1,720,557 | 1,712,812 | 950,517 | 929,517 | — | — | — | — |
| 根據資產所在位置分類 於年內產生之資本開支 | 3,044 | 43,781 | 9,412 | 11,909 | — | — | — | — |

13. 固定資產

以港幣千元計算

| | 總額 | 土地 | 房產 | 機器、 設備、 傢俬及裝置 | 車輛 | 在建工程 |
|--|------------------|----------------|----------------|---------------------|---------------|--------------|
| (a) 集團 | | | | | | |
| 成本 | | | | | | |
| 二零零四年一月一日 | 2,669,021 | 246,125 | 865,659 | 1,524,257 | 31,637 | 1,343 |
| 滙兌調整 | 1,591 | 67 | 530 | 954 | 39 | 1 |
| 添置 | 12,403 | — | 673 | 9,207 | 1,367 | 1,156 |
| 出售 | (31,547) | — | (3,809) | (23,843) | (3,874) | (21) |
| 轉撥自在建工程 | — | — | 9 | 1,627 | — | (1,636) |
| 二零零四年十二月三十一日 | <u>2,651,468</u> | <u>246,192</u> | <u>863,062</u> | <u>1,512,202</u> | <u>29,169</u> | <u>843</u> |
| 折舊總額 | | | | | | |
| 二零零四年一月一日 | 652,375 | 5,937 | 139,081 | 481,707 | 25,650 | — |
| 滙兌調整 | 453 | 11 | 94 | 314 | 34 | — |
| 年內開支 | 80,630 | 744 | 18,111 | 60,183 | 1,592 | — |
| 減值虧損 | 5,183 | — | 4,582 | 601 | — | — |
| 出售撥回 | (26,308) | — | (658) | (22,142) | (3,508) | — |
| 二零零四年十二月三十一日 | <u>712,333</u> | <u>6,692</u> | <u>161,210</u> | <u>520,663</u> | <u>23,768</u> | <u>—</u> |
| 二零零四年十二月三十一日 賬面淨值 | <u>1,939,135</u> | <u>239,500</u> | <u>701,852</u> | <u>991,539</u> | <u>5,401</u> | <u>843</u> |
| 二零零三年十二月三十一日 賬面淨值 | <u>2,016,646</u> | <u>240,188</u> | <u>726,578</u> | <u>1,042,550</u> | <u>5,987</u> | <u>1,343</u> |
| 減值虧損 | | | | | | |
| 年內，董事就本集團固定資產之可收回金額進行評估。根據彼等之評估，固定資產賬面值撇減5,183,000元（二零零三年：無）。出現減值虧損之樓宇可收回金額乃按參照近期之市場價格水平而釐定之估計淨售價計算。 | | | | | | |
| (b) 公司 | | | | | | |
| 成本 | | | | | | |
| 二零零四年一月一日 | 1,537,855 | 107,292 | 458,928 | 962,353 | 8,413 | 869 |
| 添置 | 2,868 | — | 290 | 1,508 | 771 | 299 |
| 出售 | (17,061) | — | — | (15,602) | (1,459) | — |
| 轉撥自在建工程 | — | — | — | 939 | — | (939) |
| 二零零四年十二月三十一日 | <u>1,523,662</u> | <u>107,292</u> | <u>459,218</u> | <u>949,198</u> | <u>7,725</u> | <u>229</u> |
| 折舊總額 | | | | | | |
| 二零零四年一月一日 | 367,411 | — | 66,739 | 295,107 | 5,565 | — |
| 年內開支 | 47,970 | — | 9,200 | 37,505 | 1,265 | — |
| 出售撥回 | (16,890) | — | — | (15,556) | (1,334) | — |
| 二零零四年十二月三十一日 | <u>389,491</u> | <u>—</u> | <u>75,939</u> | <u>317,056</u> | <u>5,496</u> | <u>—</u> |
| 二零零四年十二月三十一日 賬面淨值 | <u>1,125,171</u> | <u>107,292</u> | <u>383,279</u> | <u>632,142</u> | <u>2,229</u> | <u>229</u> |
| 二零零三年十二月三十一日 賬面淨值 | <u>1,170,444</u> | <u>107,292</u> | <u>392,189</u> | <u>667,246</u> | <u>2,848</u> | <u>869</u> |

13. 固定資產 (續)

以港幣千元計算

(c) 土地賬面淨值之分析如下：

| | 集團 | | 公司 | |
|--------|----------------|----------------|----------------|----------------|
| | 2004 | 2003 | 2004 | 2003 |
| 中期租賃土地 | | | | |
| — 香港 | 209,014 | 209,014 | 107,292 | 107,292 |
| — 香港以外 | 30,486 | 31,174 | — | — |
| | <u>239,500</u> | <u>240,188</u> | <u>107,292</u> | <u>107,292</u> |

(d) 本集團作為出租人向第三方出租若干固定資產。此等持作短期經營租約之固定資產總額為121,672,000元(二零零三年：115,850,000元)，而有關之累計折舊支出為12,267,000元(二零零三年：10,469,000元)。

經營租約一般初步為期二至三年，可選擇於該日後續訂租約，屆時將重新商討所有條款。有關租約概不包括或然租金。

本集團根據不可撤銷經營租約而應收之未來租賃款項如下：

| | 集團 | |
|---------|--------------|--------------|
| | 2004 | 2003 |
| 一年內 | 4,005 | 3,525 |
| 一年後及五年內 | 1,395 | 1,635 |
| | <u>5,400</u> | <u>5,160</u> |

14. 商標

以港幣千元計算

| | 本集團及本公司 | |
|-------------|---------------|---------------|
| | 2004 | 2003 |
| 成本 | | |
| 一月一日 | 39,040 | — |
| 增添 | 53 | 39,040 |
| 十二月三十一日 | <u>39,093</u> | <u>39,040</u> |
| 攤銷總額 | | |
| 一月一日 | 1,627 | — |
| 年內支出 | 4,031 | 1,627 |
| 十二月三十一日 | <u>5,658</u> | <u>1,627</u> |
| 十二月三十一日賬面淨值 | <u>33,435</u> | <u>37,413</u> |

年內之攤銷支出已計入綜合收益表之「其他經營開支」內。

15. 商譽

以港幣千元計算

| | 集團 | |
|-------------|--------------|--------------|
| | 2004 | 2003 |
| 成本 | | |
| 一月一日 | 5,478 | — |
| 增添 | — | 5,478 |
| 十二月三十一日 | <u>5,478</u> | <u>5,478</u> |
| 攤銷總額 | | |
| 一月一日 | 160 | — |
| 年內支出 | 274 | 160 |
| 十二月三十一日 | <u>434</u> | <u>160</u> |
| 十二月三十一日賬面淨值 | <u>5,044</u> | <u>5,318</u> |

商譽乃由於在截至二零零三年十二月三十一日止年度內收購生力(廣東)啤酒有限公司(前稱生力順德啤酒有限公司)之額外權益而產生。

年內之攤銷支出已計入綜合收益表之「其他經營開支」內。

16. 附屬公司權益

以港幣千元計算，附屬公司股本除外

| | 公司 | |
|-----------|------------------|-----------|
| | 2004 | 2003 |
| 非上市股份，按成本 | 603,249 | 603,249 |
| 應收附屬公司賬項 | 779,830 | 421,088 |
| 應付附屬公司賬項 | — | (1,447) |
| | 1,383,079 | 1,022,890 |
| 減：減值虧損 | (166,978) | (166,978) |
| | 1,216,101 | 855,912 |

下表載列本公司之附屬公司：

| 公司 | 註冊成立/ 經營地點 | 已發行及繳足 股本/註冊資本 | 所持股權百分比 | | 主要業務 |
|--|---------------|-----------------------|---------|------|---------|
| | | | 本公司 | 附屬公司 | |
| Best Investments International Inc. | 英屬處女群島 | 50,000美元 | 100% | — | 投資 |
| | | 優先股本： 60,000,000美元 | 100% | — | |
| 廣州生力啤酒有限公司(附註(i)) | 中國 | 註冊資本： 36,507,000美元 | — | 70% | 釀製及銷售啤酒 |
| Hongkong Brewery Limited | 香港 | 100元 | 100% | — | 暫無營業 |
| Ravelin Limited | 香港 | 10,000,000元 | 100% | — | 持有物業 |
| 生力啤(廣東)有限公司 | 香港 | A: 9,000,000美元 | 92.989% | — | 投資控股 |
| | | B: 1,000元 | 100% | — | |
| 生力(廣東)啤酒有限公司(附註(ii)) | 中國 | 註冊資本： 39,933,000美元 | — | 100% | 釀製及銷售啤酒 |
| San Miguel Shunde Holdings Limited | 香港 | 2,000,000元 | 92% | — | 投資控股 |

附註：

- (i) 廣州生力啤酒有限公司乃本公司之附屬公司生力啤(廣東)有限公司與廣州啤酒廠成立之合資合營公司。根據股東協議，該公司之經營期為三十年，於二零二零年十一月二十八日屆滿。
- (ii) 年內，生力順德啤酒有限公司更改名稱為生力(廣東)啤酒有限公司。該公司為全外資擁有企業，經營期至二零四二年八月四日屆滿。

17. 其他資產

其他資產為一間中國附屬公司之土地及廠房按金及有關之應收利息。

18. 存貨

以港幣千元計算

| | 集團 | | 公司 | |
|----------|---------------|--------|---------------|--------|
| | 2004 | 2003 | 2004 | 2003 |
| 現有產品及在製品 | 29,763 | 22,707 | 12,325 | 11,540 |
| 物料及供應 | 63,645 | 52,796 | 20,167 | 19,412 |
| | 93,408 | 75,503 | 32,492 | 30,952 |

本集團持有可變現淨值之存貨額為18,902,000元(二零零三年：11,061,000元)。

19. 應收貿易賬項及應付貿易賬項－賬齡分析

以港幣千元計算

在評估財政狀況及有良好付款紀錄之情況下，會給客戶信貸。本集團向主要客戶取得按揭或銀行擔保作為抵押。所有客戶均設有信貸限額，而有關信貸額僅會在本公司高級人員批准後方會提高。本集團會以現金方式與認為有信貸風險之客戶交易，而本集團有專人監察應收貿易賬項及跟進收款事宜。信貸期一般為進行銷售之月份後一個月內。

應收貿易賬項(扣除呆壞賬撥備)之賬齡如下：

| 由發票日期起計 | 集團 | | 公司 | |
|---------|---------------|---------------|---------------|---------------|
| | 2004 | 2003 | 2004 | 2003 |
| 少於30日 | 25,800 | 34,531 | 21,495 | 24,943 |
| 31至60日 | 21,572 | 20,026 | 19,851 | 19,184 |
| 61至90日 | 7,716 | 7,558 | 7,060 | 7,101 |
| 超過90日 | 9,564 | 9,123 | 6,359 | 4,240 |
| | 64,652 | 71,238 | 54,765 | 55,468 |

應付貿易賬項之賬齡如下：

| 由發票日期起計 | 集團 | | 公司 | |
|---------|---------------|---------------|---------------|---------------|
| | 2004 | 2003 | 2004 | 2003 |
| 少於30日 | 41,172 | 38,557 | 13,599 | 22,409 |
| 31至60日 | 1,709 | 1,161 | 1,103 | 49 |
| 61至90日 | 285 | 1,382 | 190 | 4 |
| 超過90日 | 1,546 | 519 | 1,075 | 67 |
| | 44,712 | 41,619 | 15,967 | 22,529 |

20. 現金及等同現金項目

以港幣千元計算

現金及等同現金項目包括：

| | 集團 | | 公司 | |
|---------|----------------|----------------|---------------|---------------|
| | 2004 | 2003 | 2004 | 2003 |
| 銀行存款 | 386,284 | 294,801 | — | — |
| 銀行結存及現金 | 68,533 | 58,163 | 22,502 | 14,996 |
| | 454,817 | 352,964 | 22,502 | 14,996 |

21. 銀行貸款(無抵押)

以港幣千元計算

須於下列期間償還之銀行貸款：

| | 集團 | | 公司 | |
|---------|----------------|----------------|----------------|----------------|
| | 2004 | 2003 | 2004 | 2003 |
| 一年內或要求時 | 50,552 | 65,998 | — | — |
| 一年後及兩年內 | — | 195,000 | — | 195,000 |
| 兩年後及五年內 | 195,000 | — | 195,000 | — |
| | 195,000 | 195,000 | 195,000 | 195,000 |
| | 245,552 | 260,998 | 195,000 | 195,000 |

於二零零五年二月十八日，本集團為一筆為數港幣195,000,000元將於二零零五年二月二十五日到期之銀行貸款續期三年。因此，該筆銀行貸款已於資產負債表列作非流動負債。

22. 租賃廠房維修撥備

以港幣千元計算

根據於二零二一年二月二十八日到期之附屬公司廠房租約，該附屬公司須向出租人每年支付人民幣4,300,000元(約4,070,000元)作為租賃廠房之維修費用，並每年作出撥備。該費用須於租約到期或提早終止時支付，附屬公司並可於租約期間就收購或興建任何獨立設備或房產時所承擔之任何相關資本開支予以抵銷。

由於廠房租約預期不會於未來十二個月終止，故有關累計撥備計入非流動負債。

| | 集團 | |
|---------------------|--------|--------|
| | 2004 | 2003 |
| 一月一日之結餘 | 43,829 | 39,948 |
| 年內撥備 | 4,066 | 4,059 |
| 滙兌調整 | 73 | (178) |
| 十二月三十一日之結餘(附註28(b)) | 47,968 | 43,829 |

23. 退休福利(資產)/負債

以港幣千元計算

本集團為其26%之僱員提供定額福利退休計劃。該計劃乃由一名獨立信託人管理，與本集團之資產獨立處理。成員福利乃按僱員之最後薪金及服務年期計算。計劃之供款乃根據一名獨立精算師之建議釐訂，該精算師定期為退休計劃作出評估。而最近期就此作出之精算評估乃於二零零四年十二月三十一日進行。

就編製財務報表而言，精算師亦已根據載於會計實務準則之方法於二零零四年十二月三十一日進行評估。

(a) 於資產負債表確認之款額如下：

| | 本集團及本公司 | |
|-------------|----------|----------|
| | 2004 | 2003 |
| 資助責任的現值 | 111,997 | 95,630 |
| 計劃資產之公平值 | (92,736) | (92,772) |
| 未確認精算虧損淨額 | (21,149) | (647) |
| 退休福利(資產)/負債 | (1,888) | 2,211 |

上述部份(資產)/負債預期將於超過一年後收回/償還。然而，由於未來供款須視乎未來所提供之服務及精算假設及市場狀況之未來變動，因此不適宜將該筆款額與未來十二個月之應收款項/應付款項分開處理。

(b) 於資產負債表確認之(資產)/負債淨額之變動如下：

| | 本集團及本公司 | |
|-------------------|---------|----------|
| | 2004 | 2003 |
| 於一月一日 | 2,211 | 12,157 |
| 已繳付計劃一般供款 | (9,655) | (7,251) |
| 已繳付計劃特別供款 | - | (12,157) |
| 於收益表確認之開支(附註3(a)) | 5,556 | 9,462 |
| 於十二月三十一日 | (1,888) | 2,211 |

23. 退休福利(資產)/負債(續)

以港幣千元計算

(c) 於綜合收益表確認之開支如下：

| | 本集團及本公司 | |
|-----------------------|--------------|--------------|
| | 2004 | 2003 |
| 現時服務成本 | 6,802 | 8,071 |
| 利息費用 | 4,767 | 5,606 |
| 計劃資產之精算預期回報 | (6,013) | (5,200) |
| 已確認精算虧損淨額 | — | 985 |
| | 5,556 | 9,462 |
| 有關開支乃於下列綜合收益表內之項目中確認： | | |
| 銷售成本 | 1,829 | 3,243 |
| 行政及銷售開支 | 3,727 | 6,219 |
| | 5,556 | 9,462 |
| 計劃資產之實際回報－盈利 | 1,060 | 9,000 |

(d) 於二零零四年十二月三十一日所採用之主要精算假設如下：

| | 本集團及本公司 | |
|------------|---------|-------|
| | 2004 | 2003 |
| 折讓率 | 3.75% | 5.25% |
| 計劃資產之預期回報率 | 6.50% | 6.50% |
| 未來薪金之增加 | 3.00% | 3.00% |

24. 股本補償福利

根據本公司之最終控股公司生力公司採納之購股權計劃，購股權以零代價授予本公司之若干董事。購股權可按於授出日期設定之公平市值行使(公平市值的設定視乎前三個月之平均股價(以菲律賓披索列示)作調整)。歸屬期於授出購股權時設定。

於結算日授予本公司董事之購股權詳情

| 授出日期 | 行使期 直至 | 行使價 (披索) | 2004 數目 | 2003 數目 |
|--------------|-----------|-------------|----------------|----------------|
| A類(每股面值5披索)： | | | | |
| 01/04/97 | 01/04/05 | 40.57 | — | 51,860 |
| 26/03/98 | 26/03/06 | 34.71 | — | 65,227 |
| 26/06/03 | 26/06/11 | 54.50 (附註a) | 375,023 | — |
| 01/10/04 | 01/10/12 | 57.50 | 396,714 | — |
| | | | 771,737 | 117,087 |
| B類(每股面值5披索)： | | | | |
| 01/04/97 | 01/04/05 | 70.25 | 24,682 | 24,682 |
| 26/03/98 | 26/03/06 | 49.83 | — | 27,955 |
| 26/06/03 | 26/06/11 | 62.50 (附註a) | 160,724 | — |
| 01/10/04 | 01/10/12 | 70.50 | 170,019 | — |
| | | | 355,425 | 52,637 |

附註a：此等購股權獲得生力公司之董事會於二零零四年一月二十九日批准及授出，並追溯至二零零三年六月二十六日。

24. 股本補償福利 (續)

本公司董事於年內行使購股權詳情

| 行使日期 | 行使價 (披索) | 2004 數目 |
|---------------------|-------------|----------------|
| A類(每股面值5披索)： | | |
| 01/03/04 | 40.57 | 51,860 |
| 01/03/04 – 23/03/04 | 34.71 | 65,227 |
| | | 117,087 |
| B類(每股面值5披索)： | | |
| 01/03/04 – 23/03/04 | 49.83 | 27,955 |

25. 資產負債表所列之所得稅

以港幣千元計算

(a) 綜合資產負債表所列之可收回本期稅項指：

| | 集團 | |
|-----------|------|------|
| | 2004 | 2003 |
| 已付暫繳香港利得稅 | 66 | — |

(b) 已確認遞延稅項負債：

(i) 本集團

於綜合資產負債表確認之遞延稅項負債部分及年內之變動如下：

| 遞延稅項來自： | 折舊免稅額 超逾有關折舊 之數額 | 壞賬及 存貨撥備 | 退休福利 負債 | 稅項虧損 | 其他 | 總計 |
|-------------------|------------------------|----------------|----------------|-----------------|----------------|----------------|
| 二零零三年一月一日 | 184,787 | (4,530) | (1,948) | (82,508) | (6,019) | 89,782 |
| 滙兌調整 | (236) | 16 | — | — | 26 | (194) |
| 於綜合收益表 列支/(計入) | 18,398 | (436) | (141) | (9,706) | 1,341 | 9,456 |
| 二零零三年十二月 三十一日 | 202,949 | (4,950) | (2,089) | (92,214) | (4,652) | 99,044 |
| 二零零四年一月一日 | 202,949 | (4,950) | (2,089) | (92,214) | (4,652) | 99,044 |
| 滙兌調整 | 102 | (7) | — | — | (8) | 87 |
| 於綜合收益表 列支/(計入) | 3,887 | (948) | 1,143 | 6,994 | (1,943) | 9,133 |
| 二零零四年 十二月三十一日 | 206,938 | (5,905) | (946) | (85,220) | (6,603) | 108,264 |

本集團並未就將於五年內到期之稅項虧損147,727,000元(二零零三年：160,826,000元)確認遞延稅項資產39,886,000元(二零零三年：43,423,000元)。

25. 資產負債表所列之所得稅 (續)

以港幣千元計算

(b) 已確認遞延稅項負債：(續)

(ii) 本公司

於資產負債表確認之遞延稅項負債部分及年內之變動如下：

| 遞延稅項來自： | 折舊免稅額 超逾有關折舊 之數額 | 壞賬撥備 | 退休福利 負債 | 稅項虧損 | 總計 |
|------------------|------------------------|-----------------------|-----------------------|------------------------|----------------------|
| 二零零三年一月一日 | 133,476 | (969) | (1,948) | (80,678) | 49,881 |
| 於收益表列支／(計入) | <u>8,694</u> | <u>(12)</u> | <u>(141)</u> | <u>(10,601)</u> | <u>(2,060)</u> |
| 二零零三年十二月 三十一日 | <u>142,170</u> | <u>(981)</u> | <u>(2,089)</u> | <u>(91,279)</u> | <u>47,821</u> |
| 二零零四年一月一日 | 142,170 | (981) | (2,089) | (91,279) | 47,821 |
| 於收益表列支／(計入) | <u>(4,390)</u> | <u>(31)</u> | <u>1,143</u> | <u>6,086</u> | <u>2,808</u> |
| 二零零四年 十二月三十一日 | <u>137,780</u> | <u>(1,012)</u> | <u>(946)</u> | <u>(85,193)</u> | <u>50,629</u> |

26. 股本

以港幣千元計算

| | 公司 | |
|---------------------------|-----------------------|----------------|
| | 2004 | 2003 |
| 法定股本： | | |
| 400,000,000股每股面值0.50元之普通股 | <u>200,000</u> | <u>200,000</u> |
| 已發行及繳足股本： | | |
| 373,570,560股每股面值0.50元之普通股 | <u>186,785</u> | <u>186,785</u> |

財務報表附註 (續)

27. 儲備

以港幣千元計算

(a) 本集團

| | 總額 | 股份溢價 | 資本儲備 | 滙兌 波動儲備 | 保留盈利 |
|--------------------------|------------------|---------------|----------------|----------------|------------------|
| 二零零三年一月一日之結餘 | 1,878,318 | 65,739 | 57,312 | (4,935) | 1,760,202 |
| 有關去年之已批准股息(附註10(b)) | (7,471) | — | — | — | (7,471) |
| 轉撥至資本儲備 | — | — | 55,658 | — | (55,658) |
| 換算海外附屬公司財務報表所產生 之滙兌差額 | (802) | — | — | (802) | — |
| 本年度虧損 | (32,771) | — | — | — | (32,771) |
| 二零零三年十二月三十一日之結餘 | 1,837,274 | 65,739 | 112,970 | (5,737) | 1,664,302 |
| 二零零四年一月一日之結餘 | 1,837,274 | 65,739 | 112,970 | (5,737) | 1,664,302 |
| 換算海外附屬公司財務報表所產生之滙兌差額 | 912 | — | — | 912 | — |
| 本年度盈利 | 11,578 | — | — | — | 11,578 |
| 二零零四年十二月三十一日之結餘 | 1,849,764 | 65,739 | 112,970 | (4,825) | 1,675,880 |

股份溢價賬之應用受香港公司條例第48B條監管。

滙兌波動儲備經已設立，並根據換算外幣之會計政策而處理(附註1(Q))。

本集團之資本儲備乃指將一間中國附屬公司之保留盈利資本化而產生之儲備。

去年，正額商譽31,879,000元(二零零三年：31,879,000元)乃直接於保留盈利撇銷。

(b) 本公司

| | 總額 | 股份溢價 | 保留盈利 |
|------------------------|------------------|---------------|------------------|
| 二零零三年一月一日之結餘 | 1,755,483 | 65,739 | 1,689,744 |
| 有關去年之已批准股息(附註10(b)) | (7,471) | — | (7,471) |
| 本年度虧損(附註9) | (38,690) | — | (38,690) |
| 二零零三年十二月三十一日之結餘 | 1,709,322 | 65,739 | 1,643,583 |
| 二零零四年一月一日之結餘 | 1,709,322 | 65,739 | 1,643,583 |
| 本年度盈利(附註9) | 7,511 | — | 7,511 |
| 二零零四年十二月三十一日之結餘 | 1,716,833 | 65,739 | 1,651,094 |

股份溢價賬之應用受香港公司條例第48B條監管。

本公司於二零零四年十二月三十一日之可供分派儲備為1,651,094,000元(二零零三年：1,643,583,000元)。

28. 承擔

以港幣千元計算

(a) 尚未於二零零四年十二月三十一日之財務報表作撥備之資本開支承擔總額如下：

| | 集團 | | 公司 | |
|------------|--------------|---------------|--------------|--------------|
| | 2004 | 2003 | 2004 | 2003 |
| 已訂約 | 1,120 | 2,383 | 1,120 | 1,993 |
| 董事已授權惟尚未訂約 | 3,516 | 7,684 | 215 | 1,602 |
| | 4,636 | 10,067 | 1,335 | 3,595 |

(b) 於二零零四年十二月三十一日，根據不可撤銷經營租約而應付之未來最低租賃款項如下：

| | 集團 | | 公司 | |
|--------------|----------------|----------------|------------|--------------|
| | 2004 | 2003 | 2004 | 2003 |
| 土地及房產 | | | | |
| 一年內 | 8,590 | 8,613 | 864 | 936 |
| 一年後及五年內 | 23,534 | 22,529 | — | 504 |
| 五年後 | 64,280 | 62,726 | — | — |
| | 96,404 | 93,868 | 864 | 1,440 |
| 廠房及機器 | | | | |
| 一年內 | 13,670 | 14,465 | — | 212 |
| 一年後及五年內 | 54,679 | 57,014 | — | — |
| 五年後 | 263,395 | 283,882 | — | — |
| | 331,744 | 355,361 | — | 212 |
| | 428,148 | 449,229 | 864 | 1,652 |

本集團作為承租人根據經營租約而租賃多項房產以及廠房及機器項目。租約期初步一般為期兩年，可選擇續訂租約。屆時，所有款項將重新釐訂，惟於本集團其中一間中國廠房所租賃之資產則為期三十年。有關租約概不包括或然租金。

有關廠房及機器項目之未來應計租金為47,968,000元(二零零三年：43,829,000元)，並已於綜合資產負債表之「租賃廠房維修撥備」及附註22作出披露。

29. 主要關連交易

本集團與擁有本集團控股權益或屬最終控股公司之附屬公司之公司買賣物料及產品。該等交易按有關各方與其他客戶進行交易之相同條款進行。二零零四年，向有關各方所作出之買賣分別為56,733,000元(二零零三年：33,258,000元)及29,551,000元(二零零三年：39,738,000元)。於二零零四年十二月三十一日，應收各有關連人士之淨額為2,588,000元(二零零三年：7,673,000元)。

30. 或然負債

以港幣千元計算

- (a) 根據一間附屬公司簽訂之廠房租約，除若干指定理由外，倘該附屬公司於二零二一年二月二十八日合約期滿前終止租約，則須向出租人支付10,580,000元(已就滙兌差額而調整)作為賠償。
- (b) 於二零零四年十二月三十一日，本公司有就其附屬公司所取得之銀行信貸而向銀行提供擔保之或然負債。

| | 公司 | |
|------|--------|--------|
| | 2004 | 2003 |
| 銀行擔保 | 50,552 | 65,998 |

31. 結算日後事項

董事於結算日後建議派發末期股息。進一步詳情已於附註10作出披露。

32. 最終控股公司

各董事認為，於二零零四年十二月三十一日，本公司之最終控股公司乃於菲律賓共和國註冊成立之生力公司。

核數師報告

致香港生力啤酒廠有限公司股東：

(於香港註冊成立之有限公司)

本核數師(以下簡稱「我們」)，已審核刊於第28至51頁按照香港公認會計原則編撰的財務報表。

董事及核數師的責任

《香港公司條例》規定董事須編撰真實與公允的財務報表。在編撰這些財務報表時，董事必須貫徹採用合適的會計政策，作出審慎及合理的判斷和估計，並說明任何重大背離適用會計準則的原因。

我們的責任是根據我們審核工作的結果，對這些財務報表作出獨立意見，並按照《香港公司條例》第141條的規定，僅向作為法人團體的股東報告。除此之外，我們的報告書不可用作其他用途。我們概不會就本報告書的內容，對任何其他人士負責或承擔法律責任。

意見的基礎

我們是按照香港會計師公會頒佈的《核數準則》進行審核工作。審核範圍包括以抽查方式查核與財務報表所載數額及披露事項有關的憑證，亦包括評估董事於編撰財務報表時所作的主要估計和判斷，所釐定的會計政策是否適合 貴公司及 貴集團的具體情況，以及有否貫徹運用並足夠披露這些會計政策。

我們在策劃和進行審核工作時，均以取得一切我們認為必需的資料及解釋為目標，使我們能獲得充份的憑證，就財務報表是否存有重要錯誤陳述，作合理的確定。在作出意見時，我們亦已衡量財務報表所載資料在整體上是否足夠。我們相信，我們的審核工作已為下列意見建立合理的基礎。

意見

我們認為，上述的財務報表均真實與公允地反映 貴公司及 貴集團於二零零四年十二月三十一日的財政狀況及 貴集團截至該日止年度的盈利和現金流量，並已按照《香港公司條例》適當編撰。



畢馬威會計師事務所

執業會計師

香港，二零零五年二月二十四日

| | 2004 | 2003 | 2002 | 2001 | 2000 |
|-----------------------|------------------|-----------|-----------|-----------|-----------|
| 業績 | | | | | |
| 總營業額 | 1,261,232 | 1,158,649 | 1,326,642 | 1,376,423 | 1,433,150 |
| 來自日常業務之除稅前 盈利／(虧損) | 15,844 | (27,083) | 43,580 | 95,534 | 93,608 |
| 所得稅 | (3,032) | (9,456) | (16,225) | (5,131) | (6,631) |
| 少數股東權益 | (1,234) | 3,768 | 4,366 | (1,669) | 680 |
| 股東應佔盈利／(虧損) | 11,578 | (32,771) | 31,721 | 88,734 | 87,657 |
| 年內應佔現金股息 | 3,736 | — | 37,356 | 160,636 | 52,300 |
| 每股盈利／(虧損) | 0.03 | (0.09) | 0.08 | 0.24 | 0.23 |
| 每股現金股息 | 0.01 | — | 0.10 | 0.43 | 0.14 |
| 資產運用 | | | | | |
| 固定資產 | 1,939,135 | 2,016,646 | 2,083,863 | 2,156,190 | 2,214,254 |
| 持至到期證券 | 13,797 | 13,391 | 29,844 | 48,584 | 19,001 |
| 商標 | 33,435 | 37,413 | — | — | — |
| 商譽 | 5,044 | 5,318 | — | — | — |
| 其他資產(包括退休福利資產) | 10,378 | 8,436 | 7,539 | 7,540 | 7,543 |
| 存貨 | 93,408 | 75,503 | 87,263 | 95,503 | 93,244 |
| 其他流動資產 | 133,911 | 157,476 | 236,222 | 188,496 | 249,235 |
| 現金及等同現金項目 | 454,817 | 352,964 | 264,849 | 241,444 | 418,836 |
| | 2,683,925 | 2,667,147 | 2,709,580 | 2,737,757 | 3,002,113 |
| 所用資本及負債 | | | | | |
| 股本 | 186,785 | 186,785 | 186,785 | 186,785 | 186,785 |
| 儲備 | 1,849,764 | 1,837,274 | 1,878,318 | 1,975,054 | 2,047,052 |
| 少數股東權益 | 98,551 | 97,154 | 101,375 | 106,351 | 105,504 |
| 非流動負債 | 351,232 | 340,084 | 336,887 | 236,905 | 425,171 |
| 短期銀行貸款 | 50,552 | 65,998 | 77,998 | 78,002 | 78,051 |
| 其他流動負債 | 147,041 | 139,852 | 128,217 | 154,660 | 159,550 |
| | 2,683,925 | 2,667,147 | 2,709,580 | 2,737,757 | 3,002,113 |

附註：

- 為符合會計實務準則第34號「員工福利」之規定，本集團於二零零二年就定額福利退休計劃採納一項新會計政策。由於重列過往年度之數據並不實際，故並未調整由二零零零年至二零零一年之數據以作比較。
- 根據經修訂(二零零一年十二月)之會計實務準則第11號「外幣換算」之規定，本集團於二零零二年更改換算海外附屬公司業務所採用之會計政策。由於此項會計政策之影響並不重大，因此並未調整由二零零零年至二零零一年之數據以作比較。
- 會計實務準則第12號(經修訂)「所得稅」於二零零三年一月一日或以後開始之會計期間首次生效。為符合經修訂之準則，本集團於二零零三年就遞延稅項採納一項新會計政策。二零零二年之數據已作出調整。然而，重列過往年度之數據以作比較並不實際。

This page is intentionally left blank 此乃白頁

