

San Miguel Brewery Hong Kong Limited

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**SAN MIGUEL BREWERY
HONG KONG LTD.**

香港生力啤酒廠有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 236)

**CONTINUING CONNECTED TRANSACTIONS
FURTHER EXTENSION OF THE NEPTUNIA SUB-LICENCE AGREEMENT**

The Company has been granted a sub-licence by Neptunia to use certain trademarks pursuant to the Neptunia Sub-licence Agreement. The Neptunia Sub-licence Agreement was entered into by the Company and Neptunia on 1 January 1979 and will expire after 31 December 2011.

The Extension Letter was entered into between Neptunia and the Company to extend the term of the Neptunia Sub-licence Agreement for a further one year from 1 January 2012 to 31 December 2012. The Extension Letter was entered into at nil consideration.

It is expected that the annual royalties payable by the Group under the Neptunia Sub-licence Agreement (as extended by the Extension Letter), when aggregated with other trademark licensing and sub-licensing arrangements with various members of the San Miguel Group, including the Trademark Licensing Agreement and the SMBIL Sub-licence Agreement, shall be less than HK\$10 million for the year ending 31 December 2012, the transactions under the Neptunia Sub-licence Agreement (as extended by the Extension Letter) are subject to the reporting and announcement requirements and exempt from the independent shareholders' approval requirement under the Listing Rules.

FURTHER EXTENSION OF THE NEPTUNIA SUB-LICENCE AGREEMENT

Reference is made to the Company's announcement dated 24 December 2010 in respect of the extension of the term of the Neptunia Sub-licence Agreement for one year from January 1, 2011 to 31 December 2011. The Extension Letter was signed by Neptunia and by the Company on 4 November 2011 to extend the term of the Neptunia Sub-licence Agreement for a further one year from 1 January 2012 to 31 December 2012. Save for the royalties which may be payable by the Company to Neptunia at the terms of the Neptunia Sub-licence Agreement, no consideration was paid/payable under the Extension Letter. Save for the extension of the term, all other terms of the Neptunia Sub-licence Agreement remain unchanged as summarised below.

MAJOR TERMS OF THE NEPTUNIA SUB-LICENCE AGREEMENT (AS FURTHER EXTENDED BY THE EXTENSION LETTER)

Term:	Up to 31 December 2012, which may be renewed subject to the terms of the Neptunia Sub-licence Agreement and the Company complying with the relevant requirements of the Listing Rules
Sub-licensor:	Neptunia, an investment holding company and is engaged in the provision of management and agency services
Licensee:	The Company
Trademarks and territory:	(i) exclusive for the production, sale and distribution of “San Miguel” beer in Hong Kong (ii) exclusive for the sale and distribution of “San Miguel” beer in Macau (iii) non-exclusive only for the importation, sale and distribution in China, Guam and Vietnam of “San Miguel” pilsener beer produced in Hong Kong by the Licensee (iv) exclusive for the production, sale and distribution of “SUN LIK” beer in Hong Kong; exclusive for the importation, sale and distribution of “SUN LIK” beer in Macau and the continental United States, such beer to be produced in Hong Kong by the Licensee
Royalty rates:	Royalties payable under the Neptunia Sub-licence Agreement is calculated based on the amount of beer produced by the Company (but not its subsidiaries) in the following scale: From 0 HL up to 1,000,000 HL per annum — US\$0.10 per HL; From 1,000,001 HL up to 2,000,000 HL per annum — US\$0.075 per HL; From 2,000,001 HL up to 5,000,000 HL per annum — US\$0.05 per HL; From 5,000,001 HL and above per annum — US\$0.025 per HL; to be paid by the Licensee to the Sub-licensor, net of any and all taxes or assessments which are borne by the Licensee, on an annual basis
Payment terms:	Calculated annually and payable in US dollars within 30 days after the last day of each calendar year (with no late payment charges)

As stated above, any royalty payable under the Neptunia Sub-licence Agreement is calculated based on the amount of beer produced by the Company using the relevant licensed trademarks in the relevant territories. For the years ended 31 December 2009, 2010 and the 10-month period from 1 January 2011 to 31 October 2011, the royalties payable to Neptunia under the Neptunia Sub-licence Agreement amounted to approximately HK\$75,000, HK\$140,000 and HK\$122,000 respectively.

The terms of the Neptunia Sub-licence Agreement and the Extension Letter were agreed after arm’s length negotiations between Neptunia and the Company and are on normal commercial terms.

REASONS FOR THE TRANSACTIONS

The Group is the business arm of the San Miguel Group responsible for the production and/or distribution of bottled, canned and draught beers and other beverage products mainly in Hong Kong, Macau and China. Most of the products of the Group are marketed under various brand names owned by various members of the San Miguel Group, including those under the Neptunia Sub-licence Agreement. The “San Miguel” and “Sun Lik” brand names are essential to the Group’s sales. Members of the San Miguel Group are also selling their products in other parts of the world using, among others, the “San Miguel” brand name. The Group has been obtaining the right to use these brand names owned by the San Miguel Group through various licensing arrangements, including but not limited to, the Neptunia Sub-licence Agreement since 1979 as extended from time to time at substantiality the same terms.

As disclosed above, the Extension Letter was entered into by the Company and Neptunia for the purpose of extending the term of the Neptunia Sub-licence Agreement and allowing the Group continue to use the relevant trademarks to distribute and sell its beer products in the relevant territories as specified in the Neptunia Sub-licence Agreement.

The Directors (including the independent non-executive Directors) consider the terms of the Neptunia Sub-licence Agreement (as extended by the Extension Letter) are fair and reasonable and on normal commercial terms and that the transactions thereunder are in the interests of the Company and the shareholders of the Company as a whole.

CONTINUING CONNECTED TRANSACTIONS

SMC is the ultimate controlling shareholder of the Company and through Neptunia, it holds 245,720,800 Shares representing approximately 65.78% of the issued share capital of the Company and thus Neptunia is a connected person of the Company. Accordingly, the licensing arrangement under the Neptunia Sub-licence Agreement constitutes a continuing connected transaction for the Company.

The Group has also entered into other licence/sub-licence agreements with certain other members of the San Miguel Group, including the Neptunia Sub-licence Agreement as well as the Trademark Licensing Agreement and the SMBIL Sub-licence Agreement as detailed in the 2007 Announcement. For the purpose of complying with the continuing connected transactions requirements under Chapter 14A of the Listing Rules, transactions with the San Miguel Group under the SMC Group Licensing Arrangements (including the Trademark Licensing Agreement, the Neptunia Sub-licence Agreement and the SMBIL Sub-licence Agreement) are aggregated as a series of transactions. The terms of all other trademark licensing and sub-licensing arrangements (including the Trademark Licensing Agreement and the SMBIL Sub-licence Agreement) and the aggregate annual cap of less than HK\$10 million for the SMC Group Licensing Arrangements during the remaining term of the agreements under the SMC Group Licensing Arrangements remain unchanged, save for the licensor under the Trademark Licensing Agreement has changed from SMIL to SBMIL after certain internal reorganisation the San Miguel Group as disclosed in the Company’s announcement dated 1 April 2010. For the year ended 31 December 2010 and the 10-month period ended 31 October 2011, the aggregate royalties payable by the Group under the SMC Group Licensing Arrangements amounted to HK\$1,830,000 and HK\$1,496,000 respectively.

It is expected that the annual royalties payable by the Group under the Neptunia Sub-licence Agreement (as extended by the Extension Letter), when aggregated with other trademark licensing and sub-licensing arrangements with the San Miguel Group, including the Trademark Licensing Agreement and the SMBIL Sub-licence Agreement, shall be less than HK\$10 million for the year ending 31 December 2012. Accordingly, the transactions under the Neptunia Sub-licence Agreement (as extended by the Extension Letter) are only subject to the reporting and announcement requirements and exempt from the independent shareholders' approval requirement under the Listing Rules.

Mr. Carlos Antonio M. Berba is a director of both the Company and Neptunia. As mentioned above, for the years ended 31 December 2009, 2010 and the 10-month period from 1 January 2011 to 31 October 2011, the royalties payable to Neptunia under the Neptunia Sub-licence Agreement amounted to only approximately HK\$75,000, HK\$140,000 and HK\$122,000 respectively. As the transaction amount under the Neptunia Sub-licence Agreement is not material to the operations of the Group, Neptunia and SMC and no Director has a material shareholding in Neptunia or its holding companies, the Company does not consider any Directors to have a material interest in the subject transaction under the Neptunia Sub-licence Agreement. None of the Directors abstained from voting on the Board resolution to approve the entering into of the Extension Letter and the transactions contemplated under the Neptunia Sub-licence Agreement. The entering into of the Extension Letter was unanimously approved by the Board.

DEFINITIONS

Unless the context requires otherwise, the use of capitalised terms in this announcement shall have the following meanings:

“2007 Announcement”	announcement of the Company dated 19 September 2007 regarding, among other things, the Neptunia Sub-licence Agreement entered into between the Company and Neptunia, the Trademark Licensing Agreement and the SMBIL Sub-licence Agreement, all being agreements entered into with members of the San Miguel Group
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Company”	San Miguel Brewery Hong Kong Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Extension Letter”	a letter agreement dated 4 November 2011 entered into between Neptunia and the Company to further extend the term of the Neptunia Sub-licence Agreement to 31 December 2012
“Group”	the Company and its subsidiaries

“GSMB”	Guangzhou San Miguel Brewery Company Limited, a sino-foreign joint venture entity established in the PRC with limited liability, which is an indirectly owned subsidiary of the Company held as to 70% by San Miguel (Guangdong) Limited (a non wholly-owned subsidiary of the Company) and as to 30% by Guangzhou Brewery (a state-owned enterprise established in the PRC)
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HL”	hectoliter
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Macau”	the Macau Special Administrative Region of the People’s Republic of China
“Neptunia”	Neptunia Corporation Limited, an indirect non-wholly owned subsidiary of SMC
“Neptunia Sub-licence Agreement”	the sub-licence agreement between Neptunia, as sub-licensor, and the Company (formerly known as San Miguel Brewery Limited), as licensee, dated 1 January 1979, where Neptunia has been granted the rights to use and sub-licence the use of certain trademarks owned by SMBIL
“PRC”	the People’s Republic of China
“San Miguel Group”	SMC and its associates (excluding the Group)
“Shares”	shares of HK\$0.50 each in the Company
“SMBIL”	San Miguel Brewing International Limited, a wholly owned subsidiary of San Miguel Brewery Inc. which is a subsidiary of SMC
“SMBIL Sub-licence Agreement”	the sub-licence agreement between SMGB (formerly known as San Miguel Shunde Brewery Co., Limited), as licensee, and SMBIL, as licensor dated 25 January 1999, as amended and supplemented by (i) the addendum dated 25 January 1999 and (ii) the amendment to the addendum to the sub-licence agreement dated 8 October 1999
“SMC”	San Miguel Corporation, the ultimate controlling shareholder of the Company
“SMC Group Licensing Arrangements”	the Trademark Licensing Agreement, the Neptunia Sub-licence Agreement and the SMBIL Sub-licence Agreement

“SMGB”	San Miguel (Guangdong) Brewery Company Limited, a company incorporated in the PRC with limited liability and a 92% indirectly owned subsidiary of the Company
“SMIL”	San Miguel International Limited, a wholly-owned subsidiary of SMC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Trademark Licensing Agreement”	the trademark licensing agreement dated 3 November 1990 (as amended by a supplemental agreement dated 29 September 2006 and as supplemented by a deed of assignment dated 1 April 2010), where SMBIL grants GSMB rights to use certain “San Miguel” related trademarks subject to the terms and conditions of the agreement
“US\$”	United States dollars

By Order of the Board
John K.L. Cheung
Company Secretary

Hong Kong, 4 November 2011

As at the date of this announcement, the Board of the Company comprises the executive director, Mr. Peter K. Y. Tam, the non-executive directors, Mr. Ramon S. Ang (Chairman), Mr. Carlos Antonio M. Berba (Deputy Chairman), Ms. Chan Wen Mee, May (Michelle), Mr. Thelmo Luis O. Cunanan Jr., General Benjamin P. Defensor, Jr., Mr. Taro Matsunaga and Mr. Shobu Nishitani; and the independent non-executive directors, Dr. The Hon. Sir. David K. P. Li, Mr. Ng Wai Sun and Mr. Carmelo L. Santiago.

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SAN MIGUEL BREWERY HONG KONG LTD.

香港生力啤酒廠有限公司

(Incorporated in Hong Kong with limited liability)
(Stock Code: 236)

CHANGE IN DIRECTORS

The Board is pleased to announce the appointment of Mr. Shobu Nishitani as non-executive director of the Company effective from 4 November 2011. The Board also announces that Mr. Keisuke Nishimura has tendered his resignation as non-executive director of the Company with effect from 4 November 2011.

APPOINTMENT OF NON-EXECUTIVE DIRECTOR

The board of directors (the “Board”) of San Miguel Brewery Hong Kong Limited (the “Company”) is pleased to announce that Mr. Shobu Nishitani (“Mr. Nishitani”) has been appointed as non-executive director of the Company with effect from 4 November 2011.

Mr. Nishitani, aged 47, is Executive Financial Advisor and Director of San Miguel Brewery Inc. He is also a director of San Miguel Brewing International Limited. He served as Deputy General Manager of Finance and Accounting Department of Kirin Group Office Company, Limited. He was also the Deputy General Manager of Finance and Accounting Department of Kirin Business Expert Company, Limited (2008-2010) and Manager of Finance Group (2006-2007) and Manager of General Accounting Group (2003), Finance and Accounting Department of Kirin Brewery Company, Limited and Executive Assistant to the Chairman of Secretary Department, Kirin Brewery Company, Limited. Mr. Nishitani graduated from Waseda University in 1987 with a bachelor’s degree in Commerce and attended the Harvard Business School Program for Management Development.. He is a Chartered Member of The Securities Analysts Association of Japan.

Save for his directorships as disclosed above, Mr. Nishitani has not held any directorships in any public listed companies or other major appointment in the past three years. Apart from being non-executive director, Mr. Nishitani does not hold any other position in the Company or its subsidiaries.

Mr. Nishitani has not entered into any service agreement with the Company in relation to his appointment but he is entitled to receive an annual director’s fee of HK\$50,000 which is determined by reference to his duties and responsibilities in the Company and is subject to revision by the Remuneration Committee and the Board under the authority granted by shareholders at annual general meetings. Mr. Nishitani’s appointment as non-executive director is not for a specific term as he is subject to retirement by rotation and re-election at annual general meetings in accordance with the Articles of Association of the Company.

Mr. Nishitani does not have any relationships with any of the Company's directors, senior management, substantial shareholders or controlling shareholders (as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules")).

As at the date hereof, Mr. Nishitani has the following interests in the issued share capital of the Company's associated corporation:

	Number of common shares in San Miguel Brewery Inc.	
	Number of shares held	% of total issued shares
Common (par value of 1 Philippine peso each):	5,000*	0.000032%

**Corporate interest*

As at the date of this announcement, save as disclosed above, Mr. Nishitani does not have any other interests in any shares or underlying shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

Save for the information disclosed above, Mr. Nishitani has confirmed that there is no other information which is required to be disclosed pursuant to paragraphs (h) to (v) of Rule 13.51(2) of the Listing Rules nor any other matters relating to his appointment that need to be brought to the attention of the Company's shareholders.

The Board would like to express its warm welcome to Mr. Nishitani on his appointment.

RESIGNATION OF NON-EXECUTIVE DIRECTOR

The Board also announces that Mr. Keisuke Nishimura ("Mr. Nishimura") has resigned as non-executive director of the Company with effect from 4 November 2011 due to other business engagements which require more of his dedication. Mr. Nishimura has confirmed that there is no disagreement with the Board and there is no other matter relating to his resignation that needs to be brought to the attention of The Stock Exchange of Hong Kong Limited and the shareholders of the Company.

The Board would like to express its gratitude to Mr. Nishimura for his valuable efforts and contribution to the Company during his tenure of appointment.

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

Hong Kong, 4 November 2011

As at the date of this announcement, the Board of the Company comprises the executive director, Mr. Peter K. Y. Tam, the non-executive directors, Mr. Ramon S. Ang (Chairman), Mr. Carlos Antonio M. Berba (Deputy Chairman), Ms. Chan Wen Mee, May (Michelle), Mr. Thelmo Luis O. Cunanan Jr., Mr. Teruyuki Daino, General Benjamin P. Defensor, Jr., Mr. Taro Matsunaga and Mr. Shobu Nishitani; and the independent non-executive directors, Dr. The Hon. Sir. David K. P. Li, Mr. Ng Wai Sun and Mr. Carmelo L. Santiago.



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

Stock Code 股份代號 : 0236

INTERIM REPORT
January to June 2011

中期報告
二零一一年一月至六月

BOARD OF DIRECTORS

Chairman

Ramon S. Ang (*Non-executive Director*)

Deputy Chairman

Carlos Antonio M. Berba (*Non-executive Director*)

Executive Director

Peter K. Y. Tam

Non-Executive Director

Chan Wen Mee, May (Michelle)

Thelmo Luis O. Cunanan Jr.

Teruyuki Daino

Benjamin P. Defensor, Jr.

Taro Matsunaga

Keisuke Nishimura

Independent Non-Executive Director

David K.P. Li, GBM, JP

Ng Wai Sun

Carmelo L. Santiago

Adrian M. K. Li, Alternate to David K. P. Li GBM, JP

AUDIT COMMITTEE

David K.P. Li, GBM, JP, *Chairman*

Ng Wai Sun

Carmelo L. Santiago

REMUNERATION COMMITTEE

Ng Wai Sun, *Chairman*

Carlos Antonio M. Berba

Benjamin P. Defensor, Jr.

David K.P. Li, GBM, JP

Carmelo L. Santiago

COMPANY SECRETARY

John K.L. Cheung

董事會

主席

蔡啓文 (非執行董事)

副主席

凱顧思 (非執行董事)

執行董事

譚嘉源

非執行董事

陳雲美

Thelmo Luis O. Cunanan Jr.

代野照幸

戴豐盛

松永太郎

西村慶介

獨立非執行董事

李國寶^{*}, GBM, JP

吳維新

施雅高

李氏橋^{*}, 李國寶GBM, JP之替任董事

審核委員會

李國寶^{*}, GBM, JP 主席

吳維新

施雅高

薪酬委員會

吳維新 主席

凱顧思

戴豐盛

李國寶^{*}, GBM, JP

施雅高

公司秘書

張嘉麟

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KPMG
Certified Public Accountants
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股份過戶登記處

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香港灣仔
皇后大道東183號
合和中心
17樓1712至1716號室

PRINCIPAL BANKERS

Banco De Oro Unibank, Inc. Hong Kong Branch
DBS Bank Limited, Hong Kong Branch
Hang Seng Bank Limited
ING Bank N. V.
The Bank of East Asia, Limited
The Bank of East Asia (China) Limited
The Hongkong and Shanghai Banking Corporation Limited
The Royal Bank of Scotland
Wing Lung Bank Limited

主要往來銀行

金融銀行有限公司香港分行
星展銀行香港分行
恒生銀行有限公司
ING Bank N. V.
東亞銀行有限公司
東亞銀行(中國)有限公司
香港上海滙豐銀行有限公司
蘇格蘭皇家銀行
永隆銀行有限公司

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

本報告內所有幣值，除另有註明外，均以港幣計算。

To Our Shareholders,

致各股東：

Interim Results

San Miguel Brewery Hong Kong Limited (the "Company") and its subsidiaries' (the "Group's") Hong Kong operations significantly turned around its profitability, reversing its loss before taxation last year to a profit before taxation for the six months ended 30 June 2011. Riding on the momentum of the last quarter of 2010, the Company sustained its expansion in the first semester of 2011. However, the positive results in our Hong Kong operation were not yet sufficient to offset the first semester losses in the Group's South China operations, which continued to face challenges. Nevertheless, Guangzhou San Miguel Brewery Company Limited ("GSMB") showed some improvement in its sales performance and profitability in the recent months.

Consolidated turnover grew by 5.9% to HK\$305.2 million over the same period in 2010. As a result, consolidated loss attributable to equity shareholders for the first semester of 2011 improved to HK\$24.6 million, from the HK\$33.1 million posted last year.

Cash and deposits at 30 June 2011 were HK\$281.5 million, a decline of HK\$4.9 million from the ending balance of HK\$286.4 million as of 31 December 2010.

Total debt at 30 June 2011 was HK\$313.3 million compared with HK\$249.2 million as of 31 December 2010.

Dividends

The Board has resolved that no dividends will be declared for the first six months of 2011.

中期業績

香港生力啤酒廠有限公司(「本公司」)及其附屬公司(「本集團」)的香港業務顯著轉虧為盈，由去年除稅前虧損扭轉為截至二零一一年六月三十日止錄得除稅前盈利。基於二零一零年第四季的增長動力，本公司在二零一一年的上半年持續擴展。但是，香港業務的表現並不足以抵銷本集團華南業務上半年的虧損。華南業務繼續面對挑戰。儘管如此，廣州生力啤酒有限公司(「廣州生力」)在近數月的銷售及盈利表現皆有所改善。

綜合營業額較二零一零年同期增長5.9%至3.052億港元。所以，二零一一年上半年本公司權益持有人應佔之綜合虧損由去年錄得的3,310萬港元減少至2,460萬港元。

於二零一一年六月三十日之現金及存款為2.815億港元，較二零一零年十二月三十一日之2.864億港元減少490萬港元。

於二零一一年六月三十日之總負債為3.133億港元，對比於二零一零年十二月三十一日為2.492億港元。

股息

董事會議決不派發二零一一年度中期股息。

Business Review

Hong Kong Operations

The Hong Kong operations was able to achieve an 18.9% growth in sales volume over the same period in 2010. The growth of the export business and the domestic sales contributed to the volume improvement.

With its wide portfolio of brands, the Company continued to be the No. 1 beer company in Hong Kong in terms of sales volume. Last year, the Company launched a lower calorie San Mig Light in small bottles in high-end outlets to strengthen brand presence and boost the San Miguel image overall. This year, the focus was to continue building its growing presence in the market, as such San Mig Light grew by more than two-fold in the first semester of 2011 over the same period in 2010. The success of the small bottle paved the way for the launch of its new large bottles in June, which allows us to further aggressively grow San Mig Light volumes in Chinese restaurants and Daipaidongs. To ensure the success of this initiative, a new marketing campaign was launched, together with a new television ad.

To promote our flagship, San Miguel Pale Pilsen, we continued to build our brand's association with soccer through a newly developed "Super Fans" ad. Complementing it is our "San Miguel Soccer Union", a series of viewing parties, designed to provide an exhilarating environment for consumers to view Premier League soccer matches in bars and to participate in live feeds from these viewing venues. On the music front, a new initiative called "Music Battle" was organized with TVB.com as the major media partner. The "Music Battle" captures live performances in bars and makes them available to viewers via the internet; and so far, this new marketing initiative has generated high interest levels among young consumers.

The Company also continued its exclusive presence in the Hong Kong Dragon Boat Carnival 2011 organized by the Hong Kong Tourism Board. This year, the San Miguel Beer Garden also featured a 30-meter long San Miguel Dragon Boat that proved popular with the crowd. For the remainder of 2011, the Company will continue to hold "San Miguel Soccer Union" parties with new and exciting Premier League matches; and we look forward to the second season of the "Music Battle".

The Company is poised to further dominate the market after clinching a distributorship for two major brands, Budweiser and Harbin in Hong Kong beginning May. As we further strengthen our brand portfolio, we hope to win new consumers, as well as meet the evolving needs of the modern Hong Kong beer drinkers.

業務回顧

香港業務

香港業務在銷量上較二零一零年同期錄得18.9%之增長。銷量增長是由出口業務和本地銷售增長所致。

本公司受惠於旗下多元化品牌組合，在銷量上繼續成為香港首屈一指的啤酒公司。去年，本公司在高級商戶推出較低卡路里的細樽裝生力清啤以加強品牌覆蓋和推動生力整體形象。今年，我們繼續集中在市場上鞏固增長覆蓋，故此生力清啤在二零一一年上半年比二零一零年同期有超越兩倍的增長。細樽裝的成功造就了全新大樽裝於六月推出，使我們可在中式酒樓和大排檔進取地增長生力清啤的銷量。為了確保成功，我們推出了新的市場活動以及新的電視廣告。

為推廣我們的旗艦品牌，生力啤酒，我們推出新的廣告「Super Fans」來繼續建立品牌與足球之間的聯繫。加上我們「生力睇波團」的一系列睇波派對，提供了一個理想的環境讓消費者在酒吧觀看英格蘭超級足球聯賽賽事和從中參與現場直播。音樂方面，我們與主要傳媒伙伴TVB.com籌劃名為「Music Battle」的計劃。「Music Battle」把酒吧的現場表演經互聯網傳送給觀眾。這個新的市場計劃已令年輕消費者大表興趣，造成迴響。

本公司也繼續成為香港旅遊發展局主辦二零一一年香港龍舟嘉年華之生力暢飲樂園的獨家贊助。今年，生力暢飲樂園亦展覽了一條30米長的生力龍舟並受到群眾歡迎。在二零一一年餘下的日子，本公司會繼續舉行觀賞全新刺激的英格蘭超級足球聯賽賽事的「生力睇波團」派對；我們也期待第二季的「Music Battle」。

本公司在五月開始於香港分銷兩個主要品牌百威和哈爾濱，預備進一步佔據市場。當我們進一步加強了品牌組合，我們希望在得到新的消費者的同時，達到現今香港啤酒飲家不斷改變的需要。

South China Operations

Market conditions in our South China operations continue to be difficult. Aggressive trade offers from competitors, especially in the wholesaler channel, have not let up. GSMB has taken a more measured position in balancing the need to protect our position in the market and our bottom line.

GSMB launched the new San Mig Light with an enhanced formula, new packaging design and new positioning in the market in April, with a new marketing campaign "Fun Drinking Moment". The new campaign was launched via a refreshing and exciting television commercial, "Release"; and so far, initial research shows a favorable response to the ad. The centerpiece of a wider marketing program aimed at brand activation and product availability, the "Fun Drinking Moment" campaign included outdoor advertising, point-of-sales visibility blitz and continuous consumer promotions. The new SML is showing encouraging trade acceptance particularly in the wholesaler channel and night outlets.

Another area of success for GSMB is in the retail chains where it continues to enjoy double-digit growth. However, GSMB's total sales volume still registered a decline over the same period last year. The areas of improvements, together with more prudent spending, has significantly trimmed down GSMB's operating losses versus the previous year, reducing losses by 22%. In the second semester, GSMB is expected to reap the full benefits from the programs implemented for SML in the second quarter of this year.

To further take advantage of the growing acceptance for the new SML, GSMB will have a series of volume generating and brand-building activities in the second half of the year. GSMB will also implement consumer promotions for San Mig Light and outlet coverage expansion for the promising San Miguel draught beer.

San Miguel (Guangdong) Brewery Company Limited ("SMGB") recorded a double-digit volume decline during the first six months of 2011 compared to the same period last year. Intense competition in the wholesaler segment due to aggressive trade offers adversely affected SMGB. To improve brand image, SMGB launched the new Dragon Regular with a new formulation and new packaging design in April. This was supported with advertising and a market-wide promotion. To build SMGB's wholesaler channel, we implemented several strategic wholesaler management initiatives and likewise rationalized the selling organization in the effort to improve efficiency of the whole selling system.

華南業務

華南業務的市場境況仍然嚴峻。競爭對手侵略性的貿易條件，尤其在批發銷售渠道方面，並未放鬆。廣州生力採取了更審慎的態度來平衡捍衛我們市場地位的需要和我們的底線。

廣州生力於四月在市場推出加強配方、新包裝和新定位的生力清啤，配合新市場活動「Fun Drinking Moment」。活動透過一個清新而刺激的電視廣告「Release」推出。到目前為止，初步研究顯示廣告受到歡迎。我們有更廣闊覆蓋的市場項目主力品牌活化和產品供應、「Fun Drinking Moment」活動包括戶外廣告、銷售點加強曝光和持續的消費者推廣活動。全新的生力清啤在商戶間，尤其批發銷售渠道和夜場所顯示的接受程度令人鼓舞。

廣州生力的另一項成功是在連鎖銷售渠道繼續有雙位數字增長。但是，廣州生力的總銷售量仍然較去年同期下挫。各項的改善，加上更審慎支出，已顯著減少廣州生力的經營虧損，較去年減少22%。在下半年，廣州生力預期可受惠於生力清啤在今年第二季所實施的項目。

為著從日益受歡迎的全新生力清啤中進一步獲利，廣州生力在今年下半年會有一系列增長銷量和建立品牌的活動。廣州生力亦會舉行生力清啤的消費者推廣活動和擴展生力桶啤的商戶覆蓋。

生力（廣東）啤酒有限公司（「生力廣東」）銷量對比去年同期，於二零一一年首六個月錄得雙位數字下跌。批發銷售渠道由於侵略性的貿易條件造成競爭劇烈，嚴重影響生力廣東。為著改善品牌形象，生力廣東於四月推出全新配方和包裝的龍啤，並以廣告和市場推廣活動支援。我們實施數項策略批發管理項目來建立生力廣東的批發銷售渠道，並同時整頓銷售架構來改善整個銷售系統的效率。

Outlook

The Group maintains a positive outlook for the second half of the year despite with the turnaround of its Hong Kong operations despite the many challenges confronting the Group in China. Various new product launches, as well as an expanded product portfolio should help profitability and volumes moving forward. We are also addressing improvements that need to be made in both people and systems in order to drive the Group toward profitability.

In closing, I would like to take this opportunity to thank all our directors for their guidance and our employees for their dedication and hard work. Also, our thanks to our customers and business associates for their continued patronage and trust.

Above all, I would like to take this opportunity to reiterate our commitment to our shareholders and to work toward a more rewarding future for your Company.



Ramon S. Ang
Chairman

16 August 2011

展望

儘管香港業務扭轉和國內面對的種種挑戰，本集團對下半年保持觀望。各種新產品的推出，以及擴大了的產品組合應可有助盈利和銷量。我們亦會就人才和系統所需加以改善，藉此把本集團導向盈利。

最後，我謹此對董事會的領導和員工一直以來的努力和貢獻表示謝意。我亦感激消費者和業務伙伴長期的支持和信任。

我亦謹此重申對股東的承諾和致力令本公司邁向更美好的將來。



主席
蔡啓文

二零一一年八月十六日

Interim Dividend

The Board has resolved that no interim dividends be declared for 2011.

中期股息

董事會議決不派發二零一一年之中期股息。

Interim Results

The interim results for the six months ended 30 June 2011 have not been audited, but were reviewed by the Company's Audit Committee on 16 August 2011.

中期業績

截至二零一一年六月三十日止六個月之中期業績並未經審核，惟已於二零一一年八月十六日獲本公司之審核委員會審閱。

Directors' Interests

The directors of the Company as of 30 June 2011 had the following interests in the shares of the Company, its holding companies, subsidiaries and other associated corporations (within the meaning of the Securities and Futures Ordinance ("SFO")) at that date as recorded in the register of directors' interests required to be kept under Section 352 of the SFO:

董事之權益

按《證券及期貨條例》第352條規定備存之董事權益登記冊記錄所載，於二零一一年六月三十日之本公司董事於當日持有本公司、其控股公司、附屬公司及其他聯繫公司(定義見《證券及期貨條例》)已發行股本之實際權益如下：

(1) Interests in issued shares

(1) 已發行股本之權益

		Number of ordinary shares of HK\$0.50 each in the Company 本公司每股面值港幣0.50元 之普通股之股份數目	
Name	姓名	Number of shares held 持股數目	% of total issued shares 佔已發行股份 總數之百分比
David K. P. Li	李國寶	500,000	0.13%

Directors' Interests (Continued)

董事之權益 (續)

(1) Interests in issued shares (Continued)

(1) 已發行股本之權益 (續)

		Number of common shares in 5 Philippine pesos each in San Miguel Corporation 生力總公司每股面值 5菲律賓披索之普通股之股份數目	
		Number of shares held	% of total issued shares
Name	姓名	持股數目	佔已發行股份 總數之百分比
Ramon S. Ang	蔡啓文	376,653	0.015954%
Carlos Antonio M. Berba	凱顧思	3,645	0.000154%
Carmelo L. Santiago	施雅高	5,000	0.000211%

		Number of common shares in 1 Philippine peso each in San Miguel Brewery Inc. 生力啤酒廠公司每股面值 1菲律賓披索之普通股之股份數目	
		Number of shares held*	% of total issued shares
Name	姓名	持股數目*	佔已發行股份 總數之百分比
Ramon S. Ang	蔡啓文	5,000	0.000032%
Carlos Antonio M. Berba	凱顧思	18,000	0.000116%
Teruyuki Daino	代野照幸	5,000	0.000032%
Keisuke Nishimura	西村慶介	5,000	0.000032%
Carmelo L. Santiago	施雅高	5,000	0.000032%

* includes corporate interest
* 包括公司權益

Directors' Interests (Continued)

(2) Interests in underlying shares

Certain directors of the Company have been granted stock options to subscribe for common shares in San Miguel Corporation ("SMC") under SMC's stock option scheme. Particulars of stock options in SMC held by directors as at 30 June 2011 are as follows:

		Stock options in San Miguel Corporation 生力總公司之購股權			
Name	姓名	Date granted 授出日期	Exercise period up to 截止行使限期	Exercise price per option 每股行使價 (Philippine pesos) (菲律賓披索)	Number of options outstanding as at 30 June 2011 於二零一一年 六月三十日 尚未行使之 購股權數目
Common (par value of 5 pesos each): 普通 (每股面值五披索) :					
Ramon S. Ang	蔡啓文	01/10/2004	01/10/2012	57.50	266,854
		01/10/2004	01/10/2012	70.50	114,366
		10/11/2005	10/11/2013	65.00	204,654
		10/11/2005	10/11/2013	89.50	136,436
		01/03/2007	01/03/2015	63.50	993,386
		01/03/2007	01/03/2015	75.50	662,258
		26/06/2008	26/06/2016	40.50	765,603
Carlos Antonio M. Berba	凱顧思	25/06/2009	25/06/2017	58.05	587,556
		25/06/2009	25/06/2017	58.05	28,426
		16/12/2010	16/12/2018	120.33	41,556

All interests in the shares and underlying shares of the Company, its holding companies, subsidiaries and other associated corporations are long positions.

Apart from the foregoing, none of the directors of the Company or any of their spouses or children under eighteen years of age has interests or short positions in the shares, underlying shares or debentures of the Company, or any of its holding companies, subsidiaries or other associated corporations, as recorded in the register required to be kept under section 352 of the SFO or as otherwise notified to the Company pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as adopted by the Company.

董事之權益 (續)

(2) 於相關股份之權益

本公司若干董事根據生力總公司之購股權計劃獲授購股權以認購生力總公司之普通股股份。於二零一一年六月三十日各董事擁有生力總公司之購股權詳情如下：

本公司、其控股公司、附屬公司及其他聯繫公司之所有股份及相關股份權益均屬好倉。

根據本公司按《證券及期貨條例》第352條而保存之登記冊，或根據上市公司董事進行證券交易的標準守則所知會本公司之記錄，除上文所提及外，各董事，其配偶或其18歲以下之子女均無擁有本公司、或其任何控股公司、附屬公司或其他聯繫公司之股份、相關股份及債權證之權益及淡倉。

Substantial shareholders' interests in shares and underlying shares

The Company has been notified of the following interests in the Company's issued shares at 30 June 2011 amounting to 5% or more of the ordinary shares in issue.

主要股東於股份及相關股份之權益

於二零一一年六月三十日，本公司獲悉下列佔本公司已發行普通股之5%或以上的本公司已發行股份權益：

Substantial shareholders	主要股東	Ordinary shares of HK\$0.50 each 每股面值港幣0.50元 之普通股股份	
		Number of ordinary shares held 所持普通股數目	% of total issued shares 佔已發行股份 總數之百分比
San Miguel Corporation (note 1)	生力總公司(附註1)	245,720,800	65.78%
Kirin Holdings Company, Limited (note 1)	麒麟控股株式會社(附註1)	245,720,800	65.78%
San Miguel Brewery Inc. (note 1)	生力啤酒廠公司(附註1)	245,720,800	65.78%
San Miguel Brewing International Limited (note 1)	生力啤酒國際有限公司 (附註1)	245,720,800	65.78%
Neptunia Corporation Limited (note 1)	立端利有限公司(附註1)	245,720,800	65.78%
Cheung Kong (Holdings) Limited (note 2)	長江實業(集團)有限公司(附註2)	23,703,000	6.34%
Li Ka-Shing Unity Trustee Company Limited (note 2) (as trustee of The Li Ka-Shing Unity Trust)	Li Ka-Shing Unity Trustee Company Limited(附註2) (作為The Li Ka-Shing Unity Trust 之信託人)	23,703,000	6.34%
Li Ka-Shing Unity Trustcorp Limited (note 2) (as trustee of another discretionary trust)	Li Ka-Shing Unity Trustcorp Limited (附註2)(作為另一全權信託 之信託人)	23,703,000	6.34%
Li Ka-Shing Unity Trustee Corporation Limited (note 2) (as trustee of The Li Ka-Shing Unity Discretionary Trust)	Li Ka-Shing Unity Trustee Corporation Limited(附註2) (作為The Li Ka-Shing Unity Discretionary Trust之信託人)	23,703,000	6.34%
Li Ka-Shing (note 2)	李嘉誠(附註2)	23,703,000	6.34%

Notes:

(1) SMC, Kirin Holdings Company, Limited ("Kirin"), San Miguel Brewery Inc. ("SMB") and San Miguel Brewing International Limited ("SMBIL") are all deemed to hold the above disclosed interest indirectly through Neptunia Corporation Limited ("Neptunia") in the Company because each of SMC and Kirin holds more than one third of the voting power of SMB, SMB has a controlling interest in SMBIL and SMBIL has a controlling interest in Neptunia.

附註：

(1) 由於生力總公司及麒麟控股株式會社(「麒麟」)各自持有生力啤酒廠公司(「生力啤酒廠」)三分之一以上之投票權，生力啤酒廠持有生力啤酒國際有限公司(「生力啤酒國際」)之控股權益及生力啤酒國際持有立端利有限公司(「立端利」)之控股權益，故此生力總公司、麒麟、生力啤酒廠及生力啤酒國際均被視為間接透過立端利於本公司之權益而持有上述所披露之權益。

Substantial shareholders' interests in shares and underlying shares (Continued)

Notes: (Continued)

- (2) Mr. Li Ka-Shing is the settlor of each of The Li Ka-Shing Unity Discretionary Trust ("DT1") and another discretionary trust ("DT2"). Each of Li Ka-Shing Unity Trustee Corporation Limited ("TDT1", which is the trustee of DT1) and Li Ka-Shing Unity Trustcorp Limited ("TDT2", which is the trustee of DT2) holds units in The Li Ka-Shing Unity Trust ("UT1") but is not entitled to any interest or share in any particular property comprising the trust assets of the said unit trust. The discretionary beneficiaries of each of DT1 and DT2 are, inter alia, Mr. Li Tzar Kuoi, Victor, his wife and children, and Mr. Li Tzar Kai, Richard. Li Ka-Shing Unity Trustee Company Limited ("TUT1") as trustee of UT1, together with certain companies which TUT1 as trustee of UT1 is entitled to exercise or control the exercise of one-third or more of the voting power at their general meetings, hold more than one-third of the issued share capital of Cheung Kong (Holdings) Limited ("CKH"). CKH is entitled to exercise or control the exercise of one-third or more of the voting power at the general meetings of Conroy Assets Limited and Hamstar Profits Limited.

The entire issued share capital of each of TUT1, TDT1 and TDT2 are owned by Li Ka-Shing Unity Holdings Limited ("Unity Holdco"). Each of Mr. Li Ka-Shing, Mr. Li Tzar Kuoi, Victor and Mr. Li Tzar Kai, Richard is only interested in one-third of the entire issued share capital of Unity Holdco. TUT1 is interested in the shares of CKH by reason only of its obligation and power to hold interests in those shares in its ordinary course of business as trustee and, when performing its function as trustee, exercises its power to hold interests in the shares of CKH independently without any reference to Unity Holdco or any of Mr. Li Ka-Shing, Mr. Li Tzar Kuoi, Victor and Mr. Li Tzar Kai, Richard as a holder of the shares of Unity Holdco as aforesaid.

By virtue of the SFO, each of Mr. Li Ka-Shing (being the settlor and may being regarded as a founder of each of DT1 and DT2 for the purpose of the SFO), TUT1, TDT1, TDT2 and CKH is deemed to be interested in the 23,703,000 shares of the Company of which 13,624,600 shares are held by Conroy Assets Limited and 10,078,400 shares are held by Hamstar Profits Limited.

All the above interests in the shares and underlying shares of the Company are long positions.

Apart from the foregoing, no other interests required to be recorded in the register kept under Section 336 of the SFO have been notified to the Company.

主要股東於股份及相關股份之權益 (續)

附註：(續)

- (2) 李嘉誠先生為The Li Ka-Shing Unity Discretionary Trust ("DT1")及另一全權信託("DT2")之財產授予人。Li Ka-Shing Unity Trustee Corporation Limited ("TDT1"，為DT1之信託人)及Li Ka-Shing Unity Trustcorp Limited ("TDT2"，為DT2之信託人)各自持有若干The Li Ka-Shing Unity Trust ("UT1")單位，但此等全權信託並無於該單位信託之任何信託資產物業中具有任何利益或股份。DT1及DT2之可能受益人包括李澤鉅先生、其妻子與子女，及李澤楷先生。Li Ka-Shing Unity Trustee Company Limited ("TUT1")以UT1信託人身份與若干同為TUT1以UT1信託人之身份擁有在其股東大會上行使或控制行使三分之一以上投票權之公司共同持有長江實業(集團)有限公司("長實")已發行股本三分之一或以上權益。長實於Conroy Assets Limited及Hamstar Profits Limited擁有在其股東大會上行使或控制行使三分之一或以上投票權。

TUT1、TDT1及TDT2之全部已發行股本由Li Ka-Shing Unity Holdings Limited ("Unity Holdco")擁有。李嘉誠先生、李澤鉅先生及李澤楷先生各自擁有Unity Holdco三分之一全部已發行股本。TUT1擁有長實之股份權益只為履行其作為信託人之責任及權力而從事一般正常業務；並可以信託人身份獨立行使其持有長實股份權益之權力而毋須向Unity Holdco或上文所述之Unity Holdco股份持有人李嘉誠先生、李澤鉅先生及李澤楷先生徵詢任何意見。

根據《證券及期貨條例》，李嘉誠先生(彼為DT1及DT2之財產授予人及就證券及期貨條例而言，被視為該兩項信託之成立人)、TUT1、TDT1、TDT2及長實均各自被視為擁有本公司23,703,000股之股份權益，其中包括由Conroy Assets Limited持有之13,624,600股股份及由Hamstar Profits Limited持有之10,078,400股股份。

上述所有本公司之股份權益均為好倉。

除上述外，並無其他權益須按《證券及期貨條例》第336條規定備存之登記冊通知本公司。

Purchase, Sale or Redemption of the Company's Listed Securities

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 June 2011.

Corporate Governance

The Company has applied the principles of the Code Provisions under the Code on Corporate Governance Practices (the "Code") contained in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") during the six months ended 30 June 2011, save for the deviations discussed below:

- All of the non-executive directors are not appointed for a specific term (Code provision A.4.1) but are subject to retirement by rotation once every three years and re-election at the annual general meeting under the Company's Articles of Association.

The Company has adopted a code of conduct for securities transactions and dealings (the "Code of Conduct") based on the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 of the Listing Rules (the "Model Code"). The terms of the Code of Conduct are no less exacting than the standards in the Model Code, and the Code of Conduct applies to all the relevant persons as defined in the Code, including the directors of the Company, any employee of the Company, or a director or employee of a subsidiary or holding company of the Company who, because of such office or employment, are likely to be in possession of unpublished price sensitive information in relation to the Company or its securities.

Specific enquiry has been made of all the directors of the Company who have confirmed in writing their compliance with the required standards set out in the Code of Conduct during the six months ended 30 June 2011.

買賣或購回本公司之上市證券

截至二零一一年六月三十日止之六個月內，本公司或其任何附屬公司概無購回、出售及贖回任何上市證券。

企業管治

截至二零一一年六月三十日止六個月內，惟下文所述的偏離行為除外，本公司一直應用香港聯合交易所有限公司證券上市規則（「上市規則」）附錄十四所載《企業管治（常規）守則》（「該守則」）條文的原則：

- 根據本公司章程，所有非執行董事每三年須在股東週年大會輪值退任及接受重新選舉，故並無特定任期（守則條文A.4.1項）。

本公司已根據上市規則附錄十所載的《上市公司董事進行證券交易的標準守則》（「標準守則」）採納有關證券交易及買賣的守則（「操守守則」）。操守守則條款比標準守則所訂標準更高，而操守守則亦適用於該守則所界定的所有有關人士，包括本公司董事，本公司任何僱員，或本公司的附屬公司或控股公司的董事或僱員，而彼等因有關職位或受僱工作而可能擁有關於本公司或其證券的未公佈股價敏感資料。

在向本公司所有董事作出特定查詢後，彼等已書面確認於截至二零一一年六月三十日止六個月內有遵守操守守則所訂的標準。

Audit Committee

The audit committee was composed of three independent non-executive directors: Mr. Ng Wai Sun, Mr. Carmelo L. Santiago and Dr. The Hon. Sir David K. P. Li, who acts as chairman of the committee. Under its terms of reference, the audit committee shall assist the board in fulfilling its corporate governance and oversight responsibilities in relation to financial reporting, internal control structure, risk management systems and internal and external audit functions.

The audit committee's specific terms of reference are available on request to any shareholders of the Company and are posted on the Company's website, info.sanmiguel.com.hk.

Remuneration Committee

As of the date of this report, the remuneration committee was composed of three independent non-executive directors, namely, Dr. The Hon. Sir David K. P. Li, Mr. Ng Wai Sun and Mr. Carmelo L. Santiago, and two non-executive directors, namely, Mr. Carlos Antonio M. Berba and General Benjamin P. Defensor Jr. The remuneration committee is chaired by an independent non-executive director, Mr. Ng Wai Sun.

The primary role of the remuneration committee under its terms of reference is to support and advise the board in fulfilling the board's responsibility to the shareholders of the Company to:

- (1) establish coherent remuneration policies and practices that will be observed and enable the Company to attract and retain top calibre executives and directors;
- (2) fairly and responsibly reward executives based on their performance and the performance of the Company, and the general pay environment; and
- (3) comply with the Code Provisions on remuneration of directors.

The remuneration committee's specific terms of reference are available on request to any shareholders of the Company and are posted on the Company's website, info.sanmiguel.com.hk.

審核委員會

審核委員會成員包括三位獨立非執行董事吳維新先生、施雅高先生及審核委員會主席李國寶爵士。根據其職權範圍，審核委員會協助董事會履行其有關財務匯報、內部監控架構、風險管理制度，以及內部及外聘審核功能的企業管治及監察責任。

本公司任何股東均可要求查閱審核委員會的職權範圍，而職權範圍亦已載於本公司的網站上，網址為 info.sanmiguel.com.hk。

薪酬委員會

截至此報告日期，薪酬委員會成員包括三位獨立非執行董事，（即：李國寶爵士、吳維新先生及施雅高先生）及兩位非執行董事，（即：凱顯思先生及戴豐盛將軍）。薪酬委員會由一位獨立非執行董事吳維新先生擔任主席。

薪酬委員會根據其職權範圍主要為支援及建議董事會履行對本公司股東有關如下責任：

- (1) 制訂使本公司能吸引及挽留優秀行政人員及董事一致的薪酬政策及常規；
- (2) 根據行政人員的表現及本公司的業績，以及宏觀支薪環境，公平及盡責地酬賞行政人員；及
- (3) 符合有關董事酬金的守則條文的責任。

本公司任何股東均可要求查閱薪酬委員會的職權範圍，而職權範圍亦登載於本公司的網站上，網址為 info.sanmiguel.com.hk。

CONSOLIDATED INCOME STATEMENT — UNAUDITED

綜合收益表 — 未經審核

For the six months ended 30 June 2011 (Expressed in Hong Kong dollars)

截止二零一一年六月三十日止六個月(以港幣計算)

			Six months ended 30 June	
			截至六月三十日止六個月	
			2011	2010
			二零一一年	二零一零年
			\$'000	\$'000
			千元	千元
		Note		
		附註		
Turnover	營業額	3,4	305,181	288,145
Cost of sales	銷售成本		(167,776)	(160,040)
Gross profit	毛利		137,405	128,105
Other revenue	其他收入		6,520	4,567
Other net income/(expenses)	其他收益/(開支)淨額		1,062	(40)
Selling and distribution expenses	銷售及分銷開支		(124,131)	(124,754)
Administrative expenses	行政開支		(37,372)	(35,360)
Other operating expenses	其他經營開支		(4,042)	(4,812)
Loss from operations	經營虧損		(20,558)	(32,294)
Finance costs	財務費用	5(a)	(9,392)	(5,480)
Loss before taxation	除稅前虧損	5	(29,950)	(37,774)
Income tax charge	所得稅支出	6	(96)	—
Loss for the period	期內虧損		(30,046)	(37,774)
Attributable to:	應佔如下			
Equity shareholders of the Company	本公司權益持有人		(24,576)	(33,149)
Non-controlling interests	非控股權益		(5,470)	(4,625)
Loss for the period	期內虧損		(30,046)	(37,774)
Loss per share	每股虧損			
— Basic (cents)	— 基本(仙)	8(a)	(7)	(9)
— Diluted (cents)	— 攤薄(仙)	8(b)	N/A 不適用	N/A 不適用

The notes on pages 20 to 27 form part of this interim financial report.

第20至27頁之附註乃本中期財務報表之一部份。

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME — UNAUDITED

綜合全面收益表 — 未經審核

For the six months ended 30 June 2011 (Expressed in Hong Kong dollars)

截止二零一一年六月三十日止六個月(以港幣計算)

		Six months ended 30 June 截至六月三十日止六個月	
		2011 二零一一年 \$'000 千元	2010 二零一零年 \$'000 千元
	Note 附註		
Loss for the period	期內虧損	(30,046)	(37,774)
Other comprehensive income for the period (after tax):	期內其他全面收益 (除稅後):		
Exchange differences on translation of:	匯兌差額:		
— financial statements of subsidiaries outside Hong Kong	— 換算海外附屬公司 財務報表所產生 之匯兌差額	(14,440)	(2,686)
— monetary items that form part of the net investment in subsidiaries outside Hong Kong	— 換算組成集團 於附屬公司之投資 的貨幣項目所產生 之匯兌差額	8,506	3,454
		(5,934)	768
Total comprehensive income for the period	期內全面收益總額	(35,980)	(37,006)
Attributable to:	應佔如下:		
Equity shareholders of the Company	本公司權益持有人	(29,704)	(32,690)
Non-controlling interests	非控股權益	(6,276)	(4,316)
Total comprehensive income for the period	期內全面收益總額	(35,980)	(37,006)

The notes on pages 20 to 27 form part of this interim financial report.

第20至27頁之附註乃本中期財務報表之一部份。

CONSOLIDATED STATEMENT OF FINANCIAL POSITION — UNAUDITED

綜合財務狀況表 — 未經審核

At 30 June 2011 (Expressed in Hong Kong dollars)

於二零一一年六月三十日 (以港幣計算)

			At 30 June 2011 於二零一一年 六月三十日 \$'000 千元	At 31 December 2010 於二零一零年 十二月三十一日 \$'000 千元
	Note 附註			
Non-current assets		非流動資產		
Fixed assets		固定資產		
— Property, plant and equipment	9	— 物業、機器及設備	216,075	218,426
— Investment properties		— 投資物業	81,623	82,884
— Interests in leasehold land held for own use under operating leases		— 在經營租賃下自用而 持有的租賃土地權益	95,877	96,701
			393,575	398,011
Intangible assets		無形資產	5,693	5,678
Other tangible assets		其他有形資產	6,700	—
			405,968	403,689
Current assets		流動資產		
Inventories	10	存貨	60,402	49,772
Trade and other receivables	11	應收貿易及其他賬項	96,164	70,656
Amounts due from holding companies and fellow subsidiaries		應收控股公司及 同系附屬公司賬項	11,485	15,928
Pledged deposits		抵押存款	128,000	60,000
Bank deposits	12	銀行存款	—	5,876
Cash and cash equivalents	12	現金及等同現金項目	153,465	220,556
			449,516	422,788
Current liabilities		流動負債		
Bank loans		銀行貸款	(313,326)	(249,206)
Trade and other payables	13	應付貿易及其他賬項	(155,929)	(150,203)
Amounts due to holding companies and fellow subsidiaries		應付控股公司及 同系附屬公司賬項	(14,688)	(10,995)
Amounts due to related companies		應付關連公司賬項	(1,272)	(2,396)
			(485,215)	(412,800)
Net current (liabilities)/assets		流動(負債)/資產淨值	(35,699)	9,988
Total assets less current liabilities		總資產減流動負債	370,269	413,677
Non-current liabilities		非流動負債		
Retirement benefit liabilities		退休福利負債	(10,715)	(18,143)
Deferred tax liabilities		遞延稅項負債	(4,060)	(4,060)
			(14,775)	(22,203)
NET ASSETS		資產淨值	355,494	391,474
CAPITAL AND RESERVES		股本及儲備		
Share capital		股本	186,785	186,785
Reserves		儲備	175,781	205,485
Total equity attributable to equity shareholders of the Company		本公司權益持有人 應佔權益	362,566	392,270
Non-controlling interests		非控股權益	(7,072)	(796)
TOTAL EQUITY		權益總值	355,494	391,474

The notes on pages 20 to 27 form part of this interim financial report.

第20至27頁之附註乃本中期財務報表之一部份。

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY — UNAUDITED

綜合權益變動表 — 未經審核

For the six months ended 30 June 2011 (Expressed in Hong Kong dollars)

截止二零一一年六月三十日止六個月（以港幣計算）

		Attributable to equity shareholders of the Company 本公司權益持有人應佔部份						Non- controlling interests 非控股 權益	Total equity 權益總額
		Share capital 股本 \$'000 千元	Share premium 股份溢價 \$'000 千元	Capital reserve 資本儲備 \$'000 千元	Exchange fluctuation reserve 匯兌波動 儲備 \$'000 千元	Retained profits/ (accumulated losses) 收益儲備/ (累計虧損) \$'000 千元	Sub-total 合計 \$'000 千元		
Balance at 1 January 2010	於二零一零年一月一日結餘	186,785	65,739	112,970	95,893	671,203	1,132,590	36,894	1,169,484
Changes in equity for the six months ended 30 June 2010:	截止二零一零年六月三十日止六個月之權益變動								
Loss for the period	期內虧損	—	—	—	—	(33,149)	(33,149)	(4,625)	(37,774)
Other comprehensive income	其他全面收益	—	—	—	459	—	459	309	768
Balance at 30 June 2010 and 1 July 2010	於二零一零年六月三十日及二零一零年七月一日結餘	186,785	65,739	112,970	96,352	638,054	1,099,900	32,578	1,132,478
Changes in equity for the six months ended 31 December 2010:	截止二零一零年十二月三十一日止六個月之權益變動								
Loss for the period	期內虧損	—	—	—	—	(703,835)	(703,835)	(32,378)	(736,213)
Other comprehensive income	其他全面收益	—	—	—	(4,283)	488	(3,795)	(996)	(4,791)
Balance at 31 December 2010 and 1 January 2011	於二零一零年十二月三十一日及二零一一年一月一日結餘	186,785	65,739	112,970	92,069	(65,293)	392,270	(796)	391,474
Changes in equity for the six months ended 30 June 2011:	截止二零一一年六月三十日止六個月之權益變動								
Loss for the period	期內虧損	—	—	—	—	(24,576)	(24,576)	(5,470)	(30,046)
Other comprehensive income	其他全面收益	—	—	—	(5,128)	—	(5,128)	(806)	(5,934)
Balance at 30 June 2011	於二零一一年六月三十日結餘	186,785	65,739	112,970	86,941	(89,869)	362,566	(7,072)	355,494

The notes on pages 20 to 27 form part of this interim financial report.

第20至27頁之附註乃本中期財務報表之一部份。

CONDENSED CONSOLIDATED CASH FLOW STATEMENT — UNAUDITED

簡明綜合現金流量表 — 未經審核

For the six months ended 30 June 2011 (Expressed in Hong Kong dollars)

截止二零一一年六月三十日止六個月(以港幣計算)

		Six months ended 30 June	
		截至六月三十日止六個月	
		2011	2010
		二零一一年	二零一零年
		\$'000	\$'000
		千元	千元
	Note		
	附註		
Net cash used in operating activities	經營業務之現金流出淨額	(41,863)	(31,873)
Net cash used in investing activities	投資業務之現金流出淨額	(15,607)	(8,111)
Net cash (used in)/generated from financing activities	融資活動之現金(流出)／流入淨額	(10,747)	55,187
Net (decrease)/increase in cash and cash equivalents	現金及等同現金項目之淨額(減少)／增加	(68,217)	15,203
Cash and cash equivalents at 1 January	於一月一日之現金及等同現金項目結存	220,556	285,902
Effect of foreign exchange rates changes	匯率變動之影響	1,126	1,266
Cash and cash equivalents at 30 June	於六月三十日之現金及等同現金項目結存	153,465	302,371

The notes on pages 20 to 27 form part of this interim financial report.

第20至27頁之附註乃本中期財務報表之一部份。

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Hong Kong dollars unless otherwise indicated)

未經審核中期財務報表附註

(除另有指示外，均按港幣計算)

1 Basis of Preparation

The interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), including compliance with Hong Kong Accounting Standard ("HKAS") 34, *Interim financial reporting*, issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). It was authorised for issue on 16 August 2011.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2010 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2011 annual financial statements. Details of these changes in accounting policies are set out in note 2.

Notwithstanding the net current liabilities and negative net cash balances position of the Group, its holding company, San Miguel Brewery Inc., has confirmed that it will provide such financial assistance as is necessary to maintain the Group as a going concern. On the strength of this assurance, the financial statements have been prepared on a going concern basis.

The preparation of an interim financial report in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

This interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2010 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for full set of financial statements prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs").

The interim financial report is unaudited but has been reviewed by the Company's Audit Committee.

The financial information relating to the financial year ended 31 December 2010 that is included in the interim financial report as being previously reported information does not constitute the Company's statutory financial statements for the financial year but is derived from those financial statements. Statutory audited financial statements for the year ended 31 December 2010 are available from the Company's registered office. The auditors have expressed an unqualified opinion on those financial statements in their report dated 11 March 2011.

2 Changes in Accounting Policies

The HKICPA has issued a number of amendments of HKFRSs that are first effective for the current accounting period of the Group and the Company. Of these, the following developments are relevant to the Group's financial statements:

- Revised HKAS 24, *Related party disclosures*
- Amendments to HK(IFRIC) 14, *HKAS 19 — The limit on a defined benefit asset, minimum funding requirements and their interaction*
- Improvements to HKFRSs 2010

The adoption of these amendments to standards has no material financial effect on the Group's results and financial position for the current or prior periods.

1 編製的基準

本中期財務報告乃根據香港聯合交易所有限公司證券上市規則(「上市規則」)及香港會計師公會所頒佈之香港會計準則第34號「中期財務報告」之適用的規定所編製而成。本中期財務報告於二零一一年八月十六日獲授權刊發。

編製本中期財務報告所採用之會計政策，與編製二零一零年度經審核財務報表所採用者一致，惟採納必需於二零一一年度財務報表內反映之會計政策變動則除外。會計政策變動詳情載於附註2。

儘管本集團出現流動負債淨值及負現金淨額結餘，其控股公司，生力啤酒廠公司，已保證會提供足夠維持本集團持續經營的財政援助，因此財務報表已按持續經營基準編制。

按香港會計準則第34號編製的中期報告，管理層須於應用集團會計政策的過程及報告資產及負債、收入及支出之金額時作出判斷、估計及假設，因此實際數字或有不同於有關估計。

本中期財務報告包括簡明綜合財務報表，並以附註就重要的事件及交易作出解釋，以闡明二零一零年年度經審核財務報表以來財務狀況之變動和表現。本簡明綜合中期未經審核財務報表及有關附註並不包括所有須於一份按香港財務報告準則編製的財務報表所要披露的資料。

本中期財務報告未經審核，惟已經本公司之審核委員會審閱。

於本未經審核中期財務報告顯示有關截至二零一零年十二月三十一日止年度之財務資料是節錄自有關年度之財務報表，並不構成公司有關於年度之法定財務報表。截至二零一零年十二月三十一日止年度之法定經審核財務報表於本公司註冊地址內供查閱。核數師於二零一一年三月十一日就該財務報表發表沒有保留的審計意見。

2 會計政策變動

香港會計師公會已頒佈多項對香港財務報告準則的修定，並於本集團及本公司的今個會計期間首次生效。其中下列會計準則之發展與本集團之財務報表有關：

- 香港會計準則第24號(經修訂)「關聯方披露」
- 香港(國際財務報告詮釋委員會)第14號(修訂)，香港會計準則第19號——定期福利資產限額、最少供款要求及其相互作用
- 香港財務報告準則之改進(二零一零年)

採納該等修訂未有對本集團在本期及過往的業績及財務狀況構成重大財務影響。

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(除另有指示外，均按港幣計算)

3 Turnover

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

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

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

3 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。

由於本集團全部營業額均來自該業務，故並無提供有關業務類別的分析。

營業額指所出售產品之發票總值扣除折扣，退回，增值稅及商品稅。

4 Segment Reporting

(a) Segment results, assets and liabilities

Information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance for the periods ended 30 June 2011 and 2010 is set out below:

4 分部資料呈報

(a) 分部業績、資產及負債

截至二零一一年及二零一零年六月三十日止，有關提供予本集團最高層行政管理人員以分配資源及評價分部表現之資料載列如下：

		Six months ended 30 June 截至六月三十日止六個月					
		Hong Kong 香港		Mainland China 中國內地		Total 總數	
		2011 二零一一年 \$'000 千元	2010 二零一零年 \$'000 千元	2011 二零一一年 \$'000 千元	2010 二零一零年 \$'000 千元	2011 二零一一年 \$'000 千元	2010 二零一零年 \$'000 千元
Revenue from external customers	外界客戶收入	230,413	197,133	74,768	91,012	305,181	288,145
Inter-segment revenue	分部間收入	—	—	92	367	92	367
Reportable segment revenue	須予呈報分部收入	230,413	197,133	74,860	91,379	305,273	288,512
Reportable segment profit/(loss) from operations	須予呈報分部經營盈利／(虧損)	5,968	(2,795)	(35,918)	(34,979)	(29,950)	(37,774)

		Hong Kong 香港		Mainland China 中國內地		Total 總數	
		At 30 June 2011 於二零一一年 六月三十日 \$'000 千元	At 31 December 2010 於二零一零年 十二月三十一日 \$'000 千元	At 30 June 2011 於二零一一年 六月三十日 \$'000 千元	At 31 December 2010 於二零一零年 十二月三十一日 \$'000 千元	At 30 June 2011 於二零一一年 六月三十日 \$'000 千元	At 31 December 2010 於二零一零年 十二月三十一日 \$'000 千元
Reportable segment assets	須予呈報分部資產	1,104,124	1,098,617	139,077	113,196	1,243,201	1,211,813
Reportable segment liabilities	須予呈報分部負債	91,324	90,280	792,323	725,999	883,647	816,279

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4 Segment Reporting (Continued)

(b) Reconciliation of reportable segment revenue, profit or loss, assets and liabilities

4 分部資料呈報 (續)

(b) 須予呈報分部收入、損益、資產及負債之對帳

		Six months ended 30 June 截至六月三十日止六個月	
		2011 二零一一年 \$'000 千元	2010 二零一零年 \$'000 千元
Revenue	收入		
Reportable segment revenue	須予呈報分部收入	305,273	288,512
Elimination of inter-segment revenue	分部之間收入撤銷	(92)	(367)
Consolidated turnover	綜合營業額	305,181	288,145
Loss	虧損		
Reportable segment loss from operations	須予呈報分部經營虧損	(29,950)	(37,774)
Elimination of inter-segment loss	分部之間虧損撤銷	—	—
Reportable segment loss delivered from Group's external customers and consolidated loss before taxation	來自外界客戶之須予呈報分部虧損及綜合除稅前虧損	(29,950)	(37,774)
		At 30 June 2011 於二零一一年 六月三十日 \$'000 千元	At 31 December 2010 於二零一零年 十二月三十一日 \$'000 千元
Assets	資產		
Reportable segment assets	須予呈報分部資產	1,243,201	1,211,813
Elimination of inter-segment receivables	分部之間應收賬項撤銷	(387,717)	(385,336)
Consolidated total assets	綜合總資產	855,484	826,477
Liabilities	負債		
Reportable segment liabilities	須予呈報分部負債	883,647	816,279
Elimination of inter-segment payables	分部之間應付賬項撤銷	(387,717)	(385,336)
		495,930	430,943
Deferred tax liabilities	遞延稅項負債	4,060	4,060
Consolidated total liabilities	綜合總負債	499,990	435,003

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(除另有指示外，均按港幣計算)

5 Loss before taxation

5 除稅前虧損

		Six months ended 30 June 截止六月三十日止六個月	
		2011 二零一一年 \$'000 千元	2010 二零一零年 \$'000 千元
Loss before taxation is arrived at after charging/(crediting):	除稅前虧損已扣除／(計入)下列項目：		
(a) Finance costs	(a) 財務費用		
Interest expense on bank loans wholly repayable within five years	須於五年內全數償還之銀行貸款利息支出	7,907	4,832
Bank charges	銀行費用	1,485	648
		9,392	5,480
(b) Staff costs	(b) 員工薪酬		
Retirement costs	退休金成本	5,349	4,658
Salaries, wages and other benefits	薪金、工資及其他福利	51,779	49,323
		57,128	53,981
(c) Other items	(c) 其他項目		
Amortisation	攤銷		
— Land lease premium	— 租賃土地款項	1,629	964
— Other tangible assets	— 其他有形資產	2,560	2,438
Depreciation	折舊		
— Property, plant and equipment	— 物業、機器及設備	4,646	21,245
— Investment properties	— 投資物業	1,351	1,358
Costs of inventories	存貨成本	165,943	158,032
Provision for impairment losses on trade and other receivables	應收貿易及其他賬項之減值撥備	95	238

6 Income tax

6 所得稅

Taxation in the Consolidated Income Statement represents:

綜合收益表之所得稅指：

		Six months ended 30 June 截止六月三十日止六個月	
		2011 二零一一年 \$'000 千元	2010 二零一零年 \$'000 千元
Current tax — Outside Hong Kong	本期稅項 — 香港以外		
— Provision for the period	— 期內撥備	(96)	—
Deferred tax	遞延稅項		
— Origination and reversal of temporary differences	— 暫時差額之出現及回撥	—	—
Income tax charge	所得稅支出	(96)	—

The statutory tax rate applicable to the Company and other Hong Kong subsidiaries was 16.5% (2010: 16.5%). No provision for Hong Kong Profits Tax for the six months ended 30 June 2011 has been made for the Company and other Hong Kong subsidiaries either because the accumulated tax losses brought forward exceed the estimated assessable profits for the period or the entities sustained losses for taxation purposes.

本公司及其他香港附屬公司的法定稅率為16.5% (二零一零年：16.5%)。本公司及其他香港附屬公司由於承前累計稅項虧損超過本期估計應課稅盈利或錄得稅項虧損，故截至二零一一年六月三十日止六個月內並無就香港利得稅作出撥備。

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6 Income tax (Continued)

The statutory tax rate applicable to the subsidiaries established in the PRC was 25% (2010: 25%). No provision for current taxation has been made for the subsidiaries established in the PRC because the entities sustained losses for taxation purposes.

Provision for current tax outside Hong Kong for the six months ended 30 June 2011 represented a withholding tax levied at 10% on interest income earned in the PRC by a subsidiary who is a non-PRC resident according to the relevant rules and regulations of the PRC.

7 Dividends

Directors have resolved that no interim dividends will be declared for 2011. No dividends have been declared or paid during 2010.

8 Loss per share

(a) Basic loss per share

The calculation of basic loss per share is based on the loss attributable to equity shareholders of the Company for the six months ended 30 June 2011 of \$24,576,000 (six months ended 30 June 2010: \$33,149,000) and on 373,570,560 ordinary shares (at 30 June 2010: 373,570,560 ordinary shares), being the number of ordinary shares in issue throughout the period.

(b) Diluted loss per share

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

6 所得稅 (續)

於中國成立的附屬公司的法定稅率為25%(二零一零年：25%)。各家於中國成立的附屬公司均由於錄得稅項虧損，故並無就本期內稅項作出撥備。

截至二零一一年六月三十日止六個月內香港以外本期稅項撥備指一間非中國企業居民的附屬公司，根據中國有關規則和法例為其於中國所賺得的利息收入預提的10%預提所得稅。

7 股息

董事已議決宣派二零一一年之中期股息為每股零元。二零一零年並無宣派或派付股息。

8 每股虧損

(a) 每股基本虧損

每股基本虧損乃根據本公司權益持有人截止二零一一年六月三十日止六個月應佔虧損共24,576,000元(截止二零一零年六月三十日止六個月：33,149,000元)及本期間內已發行之373,570,560股普通股(於二零一零年六月三十日：373,570,560股普通股)計算。

(b) 攤薄之每股虧損

攤薄之每股虧損並未予列出，因本公司並沒有具攤薄性的潛在普通股存在。

9 Fixed assets

9 固定資產

		Property, plant and equipment	Investment properties	Interests in leasehold land held for own use under operating leases	Total
		物業，機器及設備 \$'000 千元	投資物業 \$'000 千元	在經營租賃下 自用而持有的 租賃土地權益 \$'000 千元	總計 \$'000 千元
Net book value:	賬面淨值：				
At 1 January 2011	於二零一一年一月一日	218,426	82,884	96,701	398,011
Exchange adjustments	匯兌調整	3	—	805	808
Additions	添置	2,471	90	—	2,561
Disposals	出售	(179)	—	—	(179)
Depreciation for the period	期內折舊	(4,646)	(1,351)	(1,629)	(7,626)
At 30 June 2011	於二零一一年六月三十日	216,075	81,623	95,877	393,575

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10 Inventories

10 存貨

		At 30 June 2011 於二零一一年 六月三十日 \$'000 千元	At 31 December 2010 於二零一零年 十二月三十一日 \$'000 千元
Products in hand and in process	現有產品及在製品	37,209	27,565
Materials and supplies	物料及供應	23,193	22,207
		60,402	49,772

11 Trade and other receivables

11 應收貿易及其他賬項

		At 30 June 2011 於二零一一年 六月三十日 \$'000 千元	At 31 December 2010 於二零一零年 十二月三十一日 \$'000 千元
Trade receivables (net of allowance for doubtful debts)	應收貿易賬項 (已扣除呆壞賬撥備)	80,952	58,564
Other debtors, deposits and prepayments	其他應收賬、按金及預付款項	15,212	12,092
		96,164	70,656

The ageing of trade receivables (net of allowance for doubtful debts) as at the end of the reporting period is as follows:

應收貿易賬項(扣除呆壞賬撥備)於結算日之賬齡如下：

		At 30 June 2011 於二零一一年 六月三十日 \$'000 千元	At 31 December 2010 於二零一零年 十二月三十一日 \$'000 千元
Current	未到期	67,861	46,701
Less than 1 month past due	過期日少於一個月	8,550	8,047
1 to 3 months past due	過期日為一至三個月	1,609	1,149
More than 3 months but less than 12 months past due	過期日為三個月至一年內	864	536
More than 12 months past due	過期日多於一年	2,068	2,131
		80,952	58,564

Management has a credit policy in place and the exposure to those credit risks are monitored on an ongoing basis.

管理層備有信貸政策，並會持續監察該等信貸風險。

The credit terms given to the customers vary and are generally based on the financial strength of the individual customers. In order to effectively manage the credit risks associated with trade debtors, credit evaluation of customers are performed periodically.

信貸乃因應個別客戶之財務狀況而釐定。為有效地管控有關應收貿易賬項之信貸風險，本集團會定期評估顧客之信用狀況。

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12 Bank deposits and cash and cash equivalents

12 銀行存款，現金及等同現金項目

		At 30 June 2011 於二零一一年 六月三十日 \$'000 千元	At 31 December 2010 於二零一零年 十二月三十一日 \$'000 千元
Bank deposits within three months of maturity when placed	存放時到期日為三個月內的銀行存款	102,239	163,274
Cash at bank and in hand	銀行結存及現金	51,226	57,282
Cash and cash equivalents in the consolidated statement of financial position and condensed consolidated cash flow statement	綜合財務狀況表及簡明綜合現金流量表中的現金及等同現金項目	153,465	220,556
Bank deposits with more than three months of maturity when placed	存放時到期日超過三個月的銀行存款	—	5,786
		153,465	226,342

13 Trade and other payables

13 應付貿易及其他賬項

		At 30 June 2011 於二零一一年 六月三十日 \$'000 千元	At 31 December 2010 於二零一零年 十二月三十一日 \$'000 千元
Trade payables	應付貿易賬項	56,535	53,885
Other creditors and accrued charges	其他應付賬項	99,394	96,318
		155,929	150,203

The ageing of trade payables as at the end of the reporting date is as follows:

應付貿易賬項於結算日之賬齡如下：

		At 30 June 2011 於二零一一年 六月三十日 \$'000 千元	At 31 December 2010 於二零一零年 十二月三十一日 \$'000 千元
Due within 1 month or on demand	到期日少於一個月或於要求時償還	53,841	51,410
Due after 1 month but within 3 months	到期日為一個月後但三個月內	2,064	2,456
Due after 3 months but within 6 months	到期日為三個月後但六個月內	630	—
Due over 6 months	到期日為六個月後	—	19
		56,535	53,885

14 Capital commitments

14 資本承擔

Capital commitments outstanding at 30 June 2011 not provided for in the interim financial report were as follows:

於二零一一年六月三十日，未在中期財務報表中撥備之未付資本承擔詳情如下：

		At 30 June 2011 於二零一一年 六月三十日 \$'000 千元	At 31 December 2010 於二零一零年 十二月三十一日 \$'000 千元
Contracted for	已訂約	—	325
Authorised but not contracted for	已批准但未訂約	2,919	2,182
		2,919	2,507

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(除另有指示外，均按港幣計算)

15 Material related party transactions

In addition to the transactions and balances disclosed elsewhere in this interim financial report, the Group entered into the following material related party transactions:

Transactions with group companies

	Note 附註	Amounts 金額		Due from/(to) balances 應收/(付)結存	
		Six months ended 30 June 截至六月三十日止六個月		At 30 June 2011 二零一一年 六月三十日	At 31 December 2010 二零一零年 十二月三十一日
		2011 二零一一年 \$'000 千元	2010 二零一零年 \$'000 千元	\$'000 千元	\$'000 千元
Purchases from:	購自：				
— ultimate holding company	— 最終控股公司	—	—	—	(7)
— intermediate holding company	— 中介控股公司	2,906	2,344	(681)	(517)
— fellow subsidiaries	— 同系附屬公司	24,557	18,930	(12,886)	(7,842)
— related companies	— 關連公司	1,643	1,879	(250)	(466)
Sales to:	售予：				
— intermediate holding company	— 中介控股公司	44,998	24,971	5,788	9,116
— fellow subsidiaries	— 同系附屬公司	8	26	—	20
Royalty payments to:	支付專利權費用：				
— intermediate holding company	— 中介控股公司	822	1,040	(640)	(1,311)
— a fellow subsidiary	— 同系附屬公司	—	—	—	(383)
— a related company	— 關連公司	1,011	968	(1,022)	(1,930)

(i) Sales to and purchases from group companies were carried out at terms mutually agreed by both parties.

Related companies are related to the Group as their ultimate holding company has a significant influence over the Group.

(ii) Royalty is payable to an intermediate holding company, a fellow subsidiary and a related company for the use of certain trademarks pursuant to relevant licensing agreements.

15 重大關連人士交易

除本中期財務報表另有披露之交易及結餘外，本集團已訂立以下重大關連人士交易：

集團內主要關連交易

(i) 此等交易按雙方同意之條款進行。

關連公司與本集團有關連因其最終控股公司對本集團有重大影響。

(ii) 專利權是指就有關特許合同所訂，因使用個別商標支付予中介控股公司，同系附屬公司及一關連公司的費用。

16 Contingent liabilities

As at 30 June 2011, there were contingent liabilities in respect of a guarantees given to banks by the Company to secure banking facilities made available to a subsidiary which expire on 2 September 2011, 12 October 2011, 14 February 2012, 22 March 2012, 9 April 2012 and 30 May 2012.

As at the end of the reporting period, the directors do not consider it probable that a claim will be made against the Company under any of the guarantees. The maximum liability of the Company at the end of the reporting period under the guarantees issued is the facilities drawn down by the subsidiary of \$313,326,000 (at 31 December 2010: \$249,206,000).

The Company has not recognised any deferred income in respect of the guarantees as the fair values cannot be reliably measured and its transaction price was \$nil (six months ended 30 June 2010: \$Nil).

16 或然負債

於二零一一年六月三十日，本公司存在因向銀行作出擔保以為一間附屬公司取得銀行信貸而產生的或然負債，該等擔保將於二零一一年九月二日、二零一一年十月十二日、二零一二年二月十四日、二零一二年三月二十二日、二零一二年四月九日及二零一二年五月三十日到期。

於結算日，董事認為就該等擔保而對本公司構成賠償的機會不大。於結算日本公司已作出擔保下的最高負債為該附屬公司動用之備用信貸313,326,000元（於二零一零年十二月三十一日：249,206,000元）。

因該等擔保的公允值無法準確計算，且其交易價格為零元（截至二零一零年六月三十日止六個月：零元），本公司尚未確認有關該等擔保的任何遞延收入。



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SAN MIGUEL BREWERY HONG KONG LTD.

香港生力啤酒廠有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 236)

ANNOUNCEMENT OF THE 2011 INTERIM RESULTS

INTERIM RESULTS

The Board of Directors of San Miguel Brewery Hong Kong Limited (the “Company”) submit herewith the unaudited consolidated interim results of the Company and its subsidiaries (the “Group”) for the six months ended 30 June 2011. The interim results are unaudited, but have been reviewed by the Company’s Audit Committee.

CONSOLIDATED INCOME STATEMENT — UNAUDITED

(Expressed in Hong Kong dollars)

		Six months ended 30 June	
		2011	2010
	Note	\$'000	\$'000
Turnover	3, 4	305,181	288,145
Cost of sales		(167,776)	(160,040)
Gross profit		137,405	128,105
Other revenue		6,520	4,567
Other net income/(expenses)		1,062	(40)
Selling and distribution expenses		(124,131)	(124,754)
Administrative expenses		(37,372)	(35,360)
Other operating expenses		(4,042)	(4,812)
Loss from operations		(20,558)	(32,294)
Finance costs	5(a)	(9,392)	(5,480)
Loss before taxation	5	(29,950)	(37,774)
Income tax charge	6	(96)	—
Loss for the period		(30,046)	(37,774)
Attributable to:			
Equity shareholders of the Company		(24,576)	(33,149)
Non-controlling interests		(5,470)	(4,625)
Loss for the period		(30,046)	(37,774)
Loss per share			
— Basic (cents)	8(a)	(7)	(9)
— Diluted (cents)	8(b)	N/A	N/A

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME — UNAUDITED*(Expressed in Hong Kong dollars)*

	Six months ended 30 June	
	2011	2010
	\$'000	\$'000
Loss for the period	(30,046)	(37,774)
Other comprehensive income for the period (after tax):		
Exchange differences on translation of:		
— financial statements of subsidiaries outside Hong Kong	(14,440)	(2,686)
— monetary items that form part of the net investment in subsidiaries outside Hong Kong	8,506	3,454
	(5,934)	768
Total comprehensive income for the period	(35,980)	(37,006)
Attributable to:		
Equity shareholders of the Company	(29,704)	(32,690)
Non-controlling interests	(6,276)	(4,316)
Total comprehensive income for the period	(35,980)	(37,006)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION — UNAUDITED

(Expressed in Hong Kong dollars)

		At 30 June 2011 \$'000	At 31 December 2010 \$'000
	Note		
Non-current assets			
Fixed assets			
— Property, plant and equipment		216,075	218,426
— Investment properties		81,623	82,884
— Interests in leasehold land held for own use under operating leases		95,877	96,701
		393,575	398,011
Intangible assets		5,693	5,678
Other tangible assets		6,700	—
		405,968	403,689
Current assets			
Inventories		60,402	49,772
Trade and other receivables	9	96,164	70,656
Amounts due from holding companies and fellow subsidiaries		11,485	15,928
Pledged deposits		128,000	60,000
Bank deposits		—	5,876
Cash and cash equivalents		153,465	220,556
		449,516	422,788
Current liabilities			
Bank loans		(313,326)	(249,206)
Trade and other payables	10	(155,929)	(150,203)
Amounts due to holding companies and fellow subsidiaries		(14,688)	(10,995)
Amounts due to related companies		(1,272)	(2,396)
		(485,215)	(412,800)
Net current (liabilities)/assets		(35,699)	9,988
Total assets less current liabilities		370,269	413,677
Non-current liabilities			
Retirement benefit liabilities		(10,715)	(18,143)
Deferred tax liabilities		(4,060)	(4,060)
		(14,775)	(22,203)
NET ASSETS		355,494	391,474
CAPITAL AND RESERVES			
Share capital		186,785	186,785
Reserves		175,781	205,485
Total equity attributable to equity shareholders of the Company		362,566	392,270
Non-controlling interests		(7,072)	(796)
TOTAL EQUITY		355,494	391,474

NOTES:

(Expressed in Hong Kong dollars)

1 BASIS OF PREPARATION

The interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”), including compliance with Hong Kong Accounting Standard (“HKAS”) 34, *Interim financial reporting*, issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). It was authorised for issue on 16 August 2011.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2010 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2011 annual financial statements. Details of these changes in accounting policies are set out in note 2.

Notwithstanding the net current liabilities and negative net cash balances position of the Group, its holding company, San Miguel Brewery Inc., has confirmed that it will provide such financial assistance as is necessary to maintain the Group as a going concern. On the strength of this assurance, the financial statements have been prepared on a going concern basis.

The preparation of an interim financial report in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

This interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2010 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for full set of financial statements prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”).

The interim financial report is unaudited but has been reviewed by the Company’s Audit Committee.

The financial information relating to the financial year ended 31 December 2010 that is included in the interim financial report as being previously reported information does not constitute the Company’s statutory financial statements for the financial year but is derived from those financial statements. Statutory audited financial statements for the year ended 31 December 2010 are available from the Company’s registered office. The auditors have expressed an unqualified opinion on those financial statements in their report dated 11 March 2011.

2 CHANGES IN ACCOUNTING POLICIES

The HKICPA has issued a number of amendments of HKFRSs that are first effective for the current accounting period of the Group and the Company. Of these, the following developments are relevant to the Group’s financial statements:

- Revised HKAS 24, *Related party disclosures*
- Amendments to HK(IFRIC) 14, *HKAS 19 — The limit on a defined benefit asset, minimum funding requirements and their interaction*
- Improvements to HKFRSs 2010

The adoption of these amendments to standards has no material financial effect on the Group’s results and financial position for the current or prior periods.

3 TURNOVER

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

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

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

4 SEGMENT REPORTING

(a) Segment results, assets and liabilities

Information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance for the periods ended 30 June 2011 and 2010 is set out below:

	Six months ended 30 June					
	Hong Kong		Mainland China		Total	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Revenue from external customers	230,413	197,133	74,768	91,012	305,181	288,145
Inter-segment revenue	—	—	92	367	92	367
Reportable segment revenue	230,413	197,133	74,860	91,379	305,273	288,512
Reportable segment profit/(loss) from operations	5,968	(2,795)	(35,918)	(34,979)	(29,950)	(37,774)
	Hong Kong		Mainland China		Total	
	At 30 June 2011 \$'000	At 31 December 2010 \$'000	At 30 June 2011 \$'000	At 31 December 2010 \$'000	At 30 June 2011 \$'000	At 31 December 2010 \$'000
Reportable segment assets	1,104,124	1,098,617	139,077	113,196	1,243,201	1,211,813
Reportable segment liabilities	91,324	90,280	792,323	725,999	883,647	816,279

4 SEGMENT REPORTING (Continued)

(b) Reconciliation of reportable segment revenue, profit or loss, assets and liabilities

	Six months ended 30 June	
	2011	2010
	\$'000	\$'000
Revenue		
Reportable segment revenue	305,273	288,512
Elimination of inter-segment revenue	(92)	(367)
	<u>305,181</u>	<u>288,145</u>
Consolidated turnover	<u>305,181</u>	<u>288,145</u>
Loss		
Reportable segment loss from operations	(29,950)	(37,774)
Elimination of inter-segment loss	—	—
	<u>—</u>	<u>—</u>
Reportable segment loss delivered from Group's external customer and consolidated loss before taxation	<u>(29,950)</u>	<u>(37,774)</u>
	<u>(29,950)</u>	<u>(37,774)</u>
	At 30 June	At 31 December
	2011	2010
	\$'000	\$'000
Assets		
Reportable segment assets	1,243,201	1,211,813
Elimination of inter-segment receivables	(387,717)	(385,336)
	<u>855,484</u>	<u>826,477</u>
Consolidated total assets	<u>855,484</u>	<u>826,477</u>
Liabilities		
Reportable segment liabilities	883,647	816,279
Elimination of inter-segment payables	(387,717)	(385,336)
	<u>495,930</u>	<u>430,943</u>
Deferred tax liabilities	4,060	4,060
	<u>4,060</u>	<u>4,060</u>
Consolidated total liabilities	<u>499,990</u>	<u>435,003</u>

5 LOSS BEFORE TAXATION

		Six months ended 30 June	
		2011	2010
		\$'000	\$'000
Loss before taxation is arrived at after charging/(crediting):			
(a)	Finance costs		
	Interest expense on bank loans wholly repayable within five years	7,907	4,832
	Bank charges	1,485	648
		<u>9,392</u>	<u>5,480</u>
(b)	Staff costs		
	Retirement costs	5,349	4,658
	Salaries, wages and other benefits	51,779	49,323
		<u>57,128</u>	<u>53,981</u>
(c)	Other items:		
	Amortisation		
	— Land lease premium	1,629	964
	— Other tangible assets	2,560	2,438
	Depreciation		
	— Property, plant and equipment	4,646	21,245
	— Investment properties	1,351	1,358
	Cost of inventories	165,943	158,032
	Provision for impairment losses on trade and other receivables	95	238

6 INCOME TAX

Taxation in the consolidated income statement represents:

	Six months ended 30 June	
	2011	2010
	\$'000	\$'000
Current tax — Outside Hong Kong		
— Provision for the period	(96)	—
Deferred tax		
— Origination and reversal of temporary differences	—	—
Income tax charge	(96)	—

6 INCOME TAX (Continued)

The statutory tax rate applicable to the Company and other Hong Kong subsidiaries was 16.5% (2010: 16.5%). No provision for Hong Kong Profits Tax for the six months ended 30 June 2011 has been made for the Company and other Hong Kong subsidiaries either because the accumulated tax losses brought forward exceed the estimated assessable profits for the period or the entities sustained losses for taxation purposes.

The statutory tax rate applicable to the subsidiaries established in the PRC was 25% (2010: 25%). No provision for current taxation has been made for the subsidiaries established in the PRC because the entities sustained losses for taxation purposes.

Provision for current tax outside Hong Kong for the six months ended 30 June 2011 represented a withholding tax levied at 10% on interest income earned in the PRC by a subsidiary who is a non-PRC resident according to the relevant rules and regulations of the PRC.

7 DIVIDENDS

Directors have resolved that no interim dividends will be declared for 2011. No dividends have been declared or paid during 2010.

8 LOSS PER SHARE

(a) Basic loss per share

The calculation of basic loss per share is based on the loss attributable to equity shareholders of the Company for the six months ended 30 June 2011 of \$24,576,000 (six months ended 30 June 2010: \$33,149,000) and on 373,570,560 ordinary shares (at 30 June 2010: 373,570,560 ordinary shares), being the number of ordinary shares in issue throughout the period.

(b) Diluted loss per share

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

9 TRADE AND OTHER RECEIVABLES

The ageing of trade receivables (net of allowance for doubtful debts) as at the end of the reporting period is as follows:

	At 30 June 2011 \$'000	At 31 December 2010 \$'000
Current	67,861	46,701
Less than 1 month past due	8,550	8,047
1 to 3 months past due	1,609	1,149
More than 3 months but less than 12 months past due	864	536
More than 12 months past due	2,068	2,131
	<u>80,952</u>	<u>58,564</u>

9 TRADE AND OTHER RECEIVABLES *(Continued)*

Management has a credit policy in place and the exposures to those credit risks are monitored on an ongoing basis.

The credit terms given to the customers vary and are generally based on the financial strength of the individual customer. In order to effectively manage the credit risks associated with trade debtors, credit evaluations of customers are performed periodically.

10 TRADE AND OTHER PAYABLES

The ageing of trade payables as at the end of the reporting period is as follows:

	At 30 June 2011 \$'000	At 31 December 2010 \$'000
Due within 1 month or on demand	53,841	51,410
Due after 1 month but within 3 months	2,064	2,456
Due after 3 months but within 6 months	630	—
Due over 6 months	—	19
	<u>56,535</u>	<u>53,885</u>

INTERIM RESULTS

The Group's Hong Kong operations significantly turned around its profitability, reversing its loss before taxation last year to a profit before taxation for the six months ended 30 June 2011. Riding on the momentum of the last quarter of 2010, the Company sustained its expansion in the first semester of 2011. However, the positive results in our Hong Kong operation were not yet sufficient to offset the first semester losses in the Group's South China operations, which continued to face challenges. Nevertheless, Guangzhou San Miguel Brewery Company Limited ("GSMB") showed some improvement in its sales performance and profitability in the recent months.

Consolidated turnover grew by 5.9% to HK\$305.2 million over the same period in 2010. As a result, consolidated loss attributable to equity shareholders for the first semester of 2011 improved to HK\$24.6 million, from the HK\$33.1 million posted last year.

Cash and deposits at 30 June 2011 were HK\$281.5 million, a decline of HK\$4.9 million from the ending balance of HK\$286.4 million as of 31 December 2010.

Total debt at 30 June 2011 was HK\$313.3 million compared with HK\$249.2 million as of 31 December 2010.

DIVIDENDS

The Board has resolved that no dividends will be declared for the first six months of 2011.

BUSINESS REVIEW

Hong Kong Operations

The Hong Kong operations was able to achieve an 18.9% growth in sales volume over the same period in 2010. The growth of the export business and the domestic sales contributed to the volume improvement.

With its wide portfolio of brands, the Company continued to be the No. 1 beer company in Hong Kong in terms of sales volume. Last year, the Company launched a lower calorie San Mig Light in small bottles in high-end outlets to strengthen brand presence and boost the San Miguel image overall. This year, the focus was to continue building its growing presence in the market, as such San Mig Light grew by more than two-fold in the first semester of 2011 over the same period in 2010. The success of the small bottle paved the way for the launch of its new large bottles in June, which allows us to further aggressively grow San Mig Light volumes in Chinese restaurants and Daipaidongs. To ensure the success of this initiative, a new marketing campaign was launched, together with a new television ad.

To promote our flagship, San Miguel Pale Pilsen, we continued to build our brand's association with soccer through a newly developed "Super Fans" ad. Complementing it is our "San Miguel Soccer Union", a series of viewing parties, designed to provide an exhilarating environment for consumers to view Premier League soccer matches in bars and to participate in live feeds from these viewing venues. On the music front, a new initiative called "Music Battle" was organized with TVB.com as the major media partner. The "Music Battle" captures live performances in bars and makes them available to viewers via the internet; and so far, this new marketing initiative has generated high interest levels among young consumers.

The Company also continued its exclusive presence in the Hong Kong Dragon Boat Carnival 2011 organized by the Hong Kong Tourism Board. This year, the San Miguel Beer Garden also featured a 30-meter long San Miguel Dragon Boat that proved popular with the crowd. For the remainder of 2011, the Company will continue to hold “San Miguel Soccer Union” parties with new and exciting Premier League matches; and we look forward to the second season of the “Music Battle”.

The Company is poised to further dominate the market after clinching a distributorship for two major brands, Budweiser and Harbin in Hong Kong beginning May. As we further strengthen our brand portfolio, we hope to win new consumers, as well as meet the evolving needs of the modern Hong Kong beer drinkers.

South China Operations

Market conditions in our South China operations continue to be difficult. Aggressive trade offers from competitors, especially in the wholesaler channel, have not let up. GSMB has taken a more measured position in balancing the need to protect our position in the market and our bottom line.

GSMB launched the new San Mig Light with an enhanced formula, new packaging design and new positioning in the market in April, with a new marketing campaign “Fun Drinking Moment”. The new campaign was launched via a refreshing and exciting television commercial, “Release”; and so far, initial research shows a favorable response to the ad. The centerpiece of a wider marketing program aimed at brand activation and product availability, the “Fun Drinking Moment” campaign included outdoor advertising, point-of-sales visibility blitz and continuous consumer promotions. The new SML is showing encouraging trade acceptance particularly in the wholesaler channel and night outlets.

Another area of success for GSMB is in the retail chains where it continues to enjoy double-digit growth. However, GSMB’s total sales volume still registered a decline over the same period last year. The areas of improvements, together with more prudent spending, has significantly trimmed down GSMB’s operating losses versus the previous year, reducing losses by 22%. In the second semester, GSMB is expected to reap the full benefits from the programs implemented for SML in the second quarter of this year.

To further take advantage of the growing acceptance for the new SML, GSMB will have a series of volume generating and brand-building activities in the second half of the year. GSMB will also implement consumer promotions for San Mig Light and outlet coverage expansion for the promising San Miguel draught beer.

San Miguel (Guangdong) Brewery Company Limited (“SMGB”) recorded a double-digit volume decline during the first six months of 2011 compared to the same period last year. Intense competition in the wholesaler segment due to aggressive trade offers adversely affected SMGB. To improve brand image, SMGB launched the new Dragon Regular with a new formulation and new packaging design in April. This was supported with advertising and a market-wide promotion. To build SMGB’s wholesaler channel, we implemented several strategic wholesaler management initiatives and likewise rationalized the selling organization in the effort to improve efficiency of the whole selling system.

OUTLOOK

The Group maintains a positive outlook for the second half of the year despite with the turnaround of its Hong Kong operations despite the many challenges confronting the Group in China. Various new product launches, as well as an expanded product portfolio should help profitability and volumes moving forward. We are also addressing improvements that need to be made in both people and systems in order to drive the Group toward profitability.

In closing, I would like to take this opportunity to thank all our directors for their guidance and our employees for their dedication and hard work. Also, our thanks to our customers and business associates for their continued patronage and trust.

Above all, I would like to take this opportunity to reiterate our commitment to our shareholders and to work toward a more rewarding future for your Company.

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

There was no purchase, sale or redemption by the Company or any of its subsidiaries of its listed shares during the six months ended 30 June 2011.

CORPORATE GOVERNANCE

The Company has applied the principles of the Code Provisions under the Code on Corporate Governance Practices contained in Appendix 14 of the Listing Rules during the six months ended 30 June 2011, save for the deviation discussed below:

- All of the non-executive directors are not appointed for a specific term (Code Provision A.4.1) but are subject to retirement by rotation once every three years and re-election at the annual general meeting under the Company's Articles of Association.

PUBLICATION OF DETAILED INTERIM RESULTS

A detailed results announcement containing all the information required by the Listing Rules will be published on the website of The Stock Exchange of Hong Kong Limited and the Company's website (<http://info.sanmiguel.com.hk>) in due course.

By order of the Board

Ramon S. Ang

Chairman

Hong Kong, 16 August 2011

As at the date of this announcement, the Board of the Company comprises the executive director, Mr. Peter K. Y. Tam, the non-executive directors, Mr. Ramon S. Ang (Chairman), Mr. Carlos Antonio M. Berba (Deputy Chairman), Ms. Chan Wen Mee, May (Michelle), Mr. Thelmo Luis O. Cunanan Jr., Mr. Teruyuki Daino, General Benjamin P. Defensor, Jr., Mr. Taro Matsunaga and Mr. Keisuke Nishimura; and the independent non-executive directors, Dr. The Hon. Sir. David K. P. Li, Mr. Ng Wai Sun and Mr. Carmelo L. Santiago.

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**SAN MIGUEL BREWERY
HONG KONG LTD.**

香港生力啤酒廠有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 236)

DATE OF BOARD MEETING

The board of directors (the “Board”) of San Miguel Brewery Hong Kong Limited (the “Company”) announces that a Board meeting of the Company will be held at Summer Palace, Island Shangri-La, Hong Kong, 5/F., Pacific Place, Supreme Court Road, Central, Hong Kong on Tuesday, 16 August 2011 at 2:00 p.m. for the purpose of, among other matters, approving the interim results and announcement of the Company and its subsidiaries for the six months ended 30 June 2011, and considering the payment of an interim dividend, if any.

By Order of the Board

San Miguel Brewery Hong Kong Limited

John K.L. Cheung

Company Secretary

Hong Kong, 5 August 2011

As at the date of this announcement, the Board of the Company comprises the executive director, Mr. Peter K. Y. Tam, the non-executive directors, Mr. Ramon S. Ang (Chairman), Mr. Carlos Antonio M. Berba (Deputy Chairman), Ms. Chan Wen Mee, May (Michelle), Mr. Thelmo Luis O. Cunanan Jr., Mr. Teruyuki Daino, General Benjamin P. Defensor, Jr., Taro Matsunaga and Mr. Keisuke Nishimura; and the independent non-executive directors, Dr. The Hon. Sir. David K. P. Li, Mr. Ng Wai Sun and Mr. Carmelo L. Santiago.

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SAN MIGUEL BREWERY HONG KONG LTD.

香港生力啤酒廠有限公司

(Incorporated in Hong Kong with limited liability)
(Stock Code: 236)

CHANGE IN DIRECTORS

The Board is pleased to announce the appointment of Mr. Teruyuki Daino as non-executive director of the Company effective from 20 May 2011. The Board also announces that Mr. Motoyasu Ishihara has tendered his resignation as non-executive director of the Company with effect from 20 May 2011.

APPOINTMENT OF NON-EXECUTIVE DIRECTOR

The board of directors (the “Board”) of San Miguel Brewery Hong Kong Limited (the “Company”) is pleased to announce that Mr. Teruyuki Daino (“Mr. Daino”) has been appointed as non-executive director of the Company with effect from 20 May 2011.

Mr. Teruyuki DAINO, BS, MBA, aged 50, is the Executive Financial Advisor and Director of San Miguel Brewery Inc. (the shares of which are listed on the Philippine Stock Exchange). He is a Director of San Miguel Brewing International Limited and San Miguel Beer (Thailand) Limited. He was the General Sales Manager of Gifu Branch of Kirin Brewery Company Limited (2009- March 2011), President and Chief Executive Officer of Four Roses Distillery, LLC (2002-2009), Planning Manager of Corporate Planning Department of Kirin Brewery Company Limited (1998-2002), Business Planning Manager of Budweiser Japan Company (1993-1997) and Brand Manager of Marketing Department of Kirin Brewery Company Limited (1988-1993). Mr. Daino graduated from Hitotsubashi University in 1983 with a bachelor’s degree in Economics and later obtained a master’s degree in Business Administration from the Massachusetts Institute of Technology in 1998.

Save for his directorships as disclosed above, Mr. Daino had not held any directorships in any public listed companies or other major appointment in the past three years. Apart from being non-executive director, Mr. Daino does not hold any other position in the Company or its subsidiaries.

Mr. Daino has not entered into any service agreement with the Company in relation to his appointment but he is entitled to receive an annual director’s fee of HK\$50,000 which is determined by reference to his duties and responsibilities in the Company and is subject to revision by the Remuneration Committee and the Board under the authority granted by shareholders at annual general meetings. Mr. Daino’s appointment as non-executive director is not for a specific term as he is subject to retirement by rotation and re-election at annual general meetings in accordance with the Articles of Association of the Company.

Mr. Daino does not have any relationships with any of the Company’s directors, senior management, substantial shareholders or controlling shareholders (as defined in the

Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“Listing Rules”).

As at the date hereof, Mr. Daino has the following interests in the issued share capital of the Company’s associated corporation:

	Number of common shares in San Miguel Brewery Inc.	
	Number of shares held	% of total issued shares
Common (par value of 1 Philippine peso each):	5,000*	0.000032%

Kirin Holdings Company, Limited**Corporate interest*

As at the date of this announcement, save as disclosed above, Mr. Daino does not have any other interests in any shares or underlying shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

Save for the information disclosed above, Mr. Daino has confirmed that there is no other information which is required to be disclosed pursuant to paragraphs (h) to (v) of Rule 13.51(2) of the Listing Rules nor any other matters relating to his appointment that need to be brought to the attention of the Company’s shareholders.

The Board would like to express its warm welcome to Mr. Daino on his appointment.

RESIGNATION OF NON-EXECUTIVE DIRECTOR

The Board also announces that Mr. Motoyasu Ishihara (“Mr. Ishihara”) has resigned as non-executive director of the Company with effect from 20 May 2011 due to other business engagements which require more of his dedication. Mr. Ishihara has confirmed that there is no disagreement with the Board and there is no other matter relating to his resignation that needs to be brought to the attention of The Stock Exchange of Hong Kong Limited and the shareholders of the Company.

The Board would like to express its gratitude to Mr. Ishihara for his valuable efforts and contribution to the Company during his tenure of appointment.

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

Hong Kong, 20 May 2011

As at the date of this announcement, the Board of the Company comprises the executive director, Mr. Peter K. Y. Tam, the non-executive directors, Mr. Ramon S. Ang (Chairman), Mr. Carlos Antonio M. Berba (Deputy Chairman), Ms. Chan Wen Mee, May (Michelle), Mr. Thelmo Luis O. Cunanan Jr., Mr. Teruyuki Daino, General Benjamin P. Defensor, Jr., Mr. Taro Matsunaga and Mr. Keisuke Nishimura; and the independent non-executive directors, Dr. The Hon. Sir. David K. P. Li, Mr. Ng Wai Sun and Mr. Carmelo L. Santiago.

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香港生力啤酒廠有限公司

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POLL RESULTS OF ANNUAL GENERAL MEETING

The Board is pleased to announce that the resolutions set out in the notice of the AGM dated 26 April 2011 were duly passed by way of poll at the AGM held on 20 May 2011.

Reference is made to the notice of annual general meeting of the Company (the “AGM”) dated 26 April 2011 in relation to, inter alia, the re-election of directors of the Company.

Computershare Hong Kong Investor Services Limited, the share registrar of the Company, acted as the scrutineer at the AGM for the purpose of vote-taking.

RESULTS OF THE ANNUAL GENERAL MEETING

The AGM was held on 20 May 2011. The number of issued Shares as at the date of the AGM was 373,570,560 Shares, which was the total number of Shares entitling the Shareholders to attend and vote for or against the resolutions proposed at the AGM. There were no restrictions on any Shareholders to cast votes on any of the resolutions proposed at the AGM and there were no Shares entitling the Shareholders to attend and vote only against all the resolutions at the AGM. No Shareholder was required to abstain from voting at the AGM for approving the resolutions proposed at the AGM.

Set out below are the results of voting at the AGM, which was conducted by way of poll:

Ordinary Resolution		No. of Shares Voted (%)		Total No. of Shares Voted
		For	Against	
1.	To receive and adopt the audited consolidated financial statements of the Company and its subsidiaries for the year ended 31 December 2010 together with the reports of the directors and the independent auditors thereon.	250,001,205 (99.9984%)	4,000 (0.0016%)	250,005,205 (100%)
2.(a)	(i) To re-elect Mr. Ramon S. Ang as director;	250,059,701 (99.9864%)	34,000 (0.0136%)	250,093,701 (100%)

	(ii) To re-elect Mr. Carlos Antonio M. Berba as director;	250,026,377 (99.9731%)	67,324 (0.0269%)	250,093,701 (100%)
	(iii) To re-elect Mr. Tam Ka Yuen, Peter as director;	250,027,477 (99.9735%)	66,224 (0.0265%)	250,093,701 (100%)
	(iv) To re-elect Ms. Chan Wen Mee, May (Michelle) as director;	250,059,701 (99.9864%)	34,000 (0.0136%)	250,093,701 (100%)
	(v) To re-elect Mr. Thelmo Luis O. Cunanan Jr. as director;	250,027,477 (99.9735%)	66,224 (0.0265%)	250,093,701 (100%)
	(vi) To re-elect Mr. Taro Matsunaga as director;	250,089,701 (99.9984%)	4,000 (0.0016%)	250,093,701 (100%)
	(vii) To elect Mr. Teruyuki Daino as director; and	248,346,501 (99.3014%)	1,747,200 (0.6986%)	250,093,701 (100%)
2.(b)	To authorise the board of directors of the Company to fix the directors' remuneration.	250,022,277 (99.9703%)	74,224 (0.0297%)	250,096,501 (100%)
3.	To re-appoint KPMG as the auditors of the Company and authorise the board of directors of the Company to fix their remuneration.	250,062,501 (99.9864%)	34,000 (0.0136%)	250,096,501 (100%)

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

Hong Kong, 20 May 2011

As at the date of this announcement, the Board of the Company comprises the executive director, Mr. Peter K. Y. Tam, the non-executive directors, Mr. Ramon S. Ang (Chairman), Mr. Carlos Antonio M. Berba (Deputy Chairman), Ms. Chan Wen Mee, May (Michelle), Mr. Thelmo Luis O. Cunanan Jr., Mr. Teruyuki Daino, General Benjamin P. Defensor, Jr., Mr. Taro Matsunaga and Mr. Keisuke Nishimura; and the independent non-executive directors, Dr. The Hon. Sir. David K. P. Li, Mr. Ng Wai Sun and Mr. Carmelo L. Santiago.



SAN MIGUEL BREWERY HONG KONG LTD.

香港生力啤酒廠有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 236)

PROXY FORM

I/We (note 1) _____
of _____
being the registered holder(s) of (note 2) _____ shares of HK\$0.50 each of San Miguel Brewery Hong Kong Limited (the "Company") hereby appoint the Chairman of the meeting (note 3) or _____
of _____
or failing him _____
of _____
as my/our proxy to attend, act and vote for me/us and on my/our behalf at the Forty-eighth Annual General Meeting of the Company to be held at Island Ballroom, Level 5, Island Shangri-La Hong Kong, Two Pacific Place, Supreme Court Road, Central, Hong Kong on **20 May 2011, Friday, at 3:00 p.m.** (Shareholders registration will start at 2:30 p.m.) and at any adjournment(s) thereof on the undermentioned ordinary resolutions as indicated:

ORDINARY RESOLUTIONS		See (note 4)	
		FOR	AGAINST
1.	To receive and adopt the audited consolidated financial statements of the Company and its subsidiaries for the year ended 31 December 2010 together with the reports of the directors and the independent auditors thereon.		
2.	(a) (i) To re-elect Mr. Ramon S. Ang as director;		
	(ii) To re-elect Mr. Carlos Antonio M. Berba as director;		
	(iii) To re-elect Mr. Tam Ka Yuen, Peter as director;		
	(iv) To re-elect Ms. Chan Wen Mee, May (Michelle) as director;		
	(v) To re-elect Mr. Thelmo Luis O. Cunanan Jr. as director;		
	(vi) To re-elect Mr. Taro Matsunaga as director;		
	(vii) To elect Mr. Teruyuki Daino as director; and		
	(b) To authorise the board of directors of the Company to fix the directors' remuneration.		
3.	To re-appoint KPMG as the auditors of the Company and authorise the board of directors of the Company to fix their remuneration.		

As witness my/our hand this _____ day of _____ 2011.

Signature(s) _____

Notes:

1. Please insert full name(s) and address(es) in **BLOCK LETTERS**.
2. Please insert the number of shares registered in your name(s). If no such indication is given, this proxy form will be deemed to relate to all the shares of the Company registered in your name(s).
3. If any proxy other than the Chairman of the meeting is preferred, please cross out the words "the Chairman of the meeting" herein and insert the name and address of the proxy desired in the space provided. **ANY ALTERATION MADE IN THIS PROXY FORM MUST BE INITIALLED BY THE PERSON(S) WHO SIGN(S) IT.**
4. Please indicate with an "X" in the appropriate space beside each of the resolution how you wish the proxy to vote on your behalf. In the absence of any such indication, the proxy will be entitled to vote for or against the resolution or will abstain at his discretion.
5. This proxy form must be signed by you or your attorney duly authorised in writing or, in the case of a corporation, must be either signed under its seal or under the hand of an officer or attorney duly authorised.
6. In the case of joint holders, any one of such persons may attend and vote at the meeting either personally or by proxy. If more than one of such joint holders is present at the meeting personally or by proxy, the person whose name stands first on the Register of Members in respect of the joint holding shall alone be entitled to vote.
7. To be valid, this proxy form must be completed, signed and deposited at the share registrar of the Company, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not less than 48 hours before the time of the meeting.
8. A proxy needs not be a shareholder of the Company.



SAN MIGUEL BREWERY HONG KONG LTD.

香港生力啤酒廠有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 236)

26 April 2011

TO OUR SHAREHOLDERS

Dear Sir/Madam,

We have pleasure in enclosing the 2010 Annual Report of San Miguel Brewery Hong Kong Limited (the "Company"), the notice of the Forty-eighth Annual General Meeting and the proxy form.

This year's Annual General Meeting will be held at Island Ballroom, Level 5, Island Shangri-La Hong Kong, Two Pacific Place, Supreme Court Road, Central, Hong Kong on **20 May 2011, Friday at 3:00 p.m.**. Shareholders registration will start at 2:30 p.m.

This letter is being sent to all persons currently registered as shareholders. If you have sold your San Miguel shares, please disregard this notice.

In order to supply you with adequate facilities, we would appreciate notification of your intention to attend the meeting before 16 May 2011, Monday via completion and return of the appended slip.

Enclosed is a proxy form for shareholders who are unable to attend the Annual General Meeting and who wish to instruct how voting on resolutions should be registered on their behalf. Please return your proxy form to the share registrar of the Company, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time of the meeting. (Please refer to note 7 of the proxy form for details.)

Yours faithfully,

SAN MIGUEL BREWERY HONG KONG LIMITED

Peter K.Y. Tam
Managing Director

REPLY SLIP

The Company Secretary
San Miguel Brewery Hong Kong Limited
9/F., Citimark Building, 28 Yuen Shun Circuit
Siu Lek Yuen, Shatin
New Territories
Hong Kong

I shall attend the Forty-eighth Annual General Meeting.

NAME: _____

ADDRESS: _____

(Please print name and address clearly in block letters.)

TEL. NO: _____

SIGNATURE: _____

DATE: _____

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**SAN MIGUEL BREWERY
HONG KONG LTD.**

香港生力啤酒廠有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 236)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the FORTY-EIGHTH ANNUAL GENERAL MEETING of SAN MIGUEL BREWERY HONG KONG LIMITED (the “**Company**”) will be held at Island Ballroom, Level 5, Island Shangri-La Hong Kong, Two Pacific Place, Supreme Court Road, Central, Hong Kong on 20 May 2011, Friday, at 3:00 pm for the purpose of transacting the following business:

Ordinary Resolutions

- (1) To receive and adopt the audited consolidated financial statements of the Company and its subsidiaries for the year ended 31 December 2010 together with the reports of the directors and the independent auditors thereon.
- (2) (a) (i) To re-elect Mr. Ramon S. Ang as director;
(ii) To re-elect Mr. Carlos Antonio M. Berba as director;
(iii) To re-elect Mr. Tam Ka Yuen, Peter as director;
(iv) To re-elect Ms. Chan Wen Mee, May (Michelle) as director;
(v) To re-elect Mr. Thelmo Luis O. Cunanan Jr. as director;
(vi) To re-elect Mr. Taro Matsunaga as director;
(vii) to elect Mr. Teruyuki Daino as a director; and
(b) To authorise the board of directors of the Company to fix the directors’ remuneration.
- (3) To re-appoint KPMG as the auditors of the Company and authorise the board of directors of the Company to fix their remuneration.

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

Hong Kong, 26 April 2011

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

As at the date hereof, the Board of the Company comprises the executive director, Mr. Peter K. Y. Tam, the non-executive directors, Mr. Ramon S. Ang (Chairman), Mr. Carlos Antonio M. Berba (Deputy Chairman), Ms. Chan Wen Mee, May (Michelle), Mr. Thelmo Luis O. Cunanan Jr., General Benjamin P. Defensor, Jr., Mr. Motoyasu Ishihara, Mr. Taro Matsunaga and Mr. Keisuke Nishimura; and the independent non-executive directors, Dr. The Hon. Sir. David K. P. Li, Mr. Ng Wai Sun and Mr. Carmelo L. Santiago.

Notes:

1. *Shareholders are entitled to appoint one or more proxies to attend and vote in their stead at the meeting. A proxy needs not be a shareholder of the Company.*
2. *To be valid, forms of proxy must be deposited at the share registrar of the Company, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the meeting.*
3. *The register of members of the Company will be closed from 18 May 2011, Wednesday to 20 May 2011, Friday (both days inclusive), during which period no transfer of shares will be registered. In order to be eligible to attend the Annual General Meeting, all transfer forms accompanied by the relevant share certificates must be lodged with the Company's share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration no later than 4:30 p.m. on 17 May 2011, Tuesday.*
4. *Please refer to the appendix to this notice for the particulars of directors of the Company proposed to be re-elected at the Annual General Meeting.*

APPENDIX:

The following are the particulars of directors of the Company (the “Directors”) proposed to be re-elected at the Annual General Meeting:

1. Mr. Ramon S. ANG, *BSME*, aged 57, is the Chairman and a non-executive Director of the Company. He has been appointed as the Chairman since 10 June 2005 and a non-executive Director of the Company since 27 November 1998. He is the Vice Chairman, President and Chief Operating Officer of San Miguel Corporation (“SMC”), the ultimate holding company of the Company (the shares of which are listed on the Philippine Stock Exchange). He is also the Chairman of San Miguel Brewery Inc. (the shares of which are listed on the Philippine Stock Exchange), the Chairman of San Miguel Properties Inc. (the shares of which are listed on the Philippine Stock Exchange), the Vice Chairman of Ginebra San Miguel, Inc. (the shares of which are listed on the Philippine Stock Exchange) and San Miguel Pure Foods Company, Inc. (the shares of which are listed on the Philippine Stock Exchange) and the Chairman and director of various subsidiaries of SMC. Mr. Ang is also the Chairman and CEO of Petron Corporation (the shares of which are listed on the Philippine Stock Exchange), the Vice Chairman of Manila Electric Company (the shares of which are listed on the Philippine Stock Exchange), the Chairman of Liberty Telecoms Holdings, Inc. (the shares of which are listed on the Philippine Stock Exchange) and an independent director of PhilWeb Corporation (the shares of which are listed on the Philippine Stock Exchange).

Save for his directorships and appointments as disclosed in this appendix, Mr. Ang has not held any directorships in any publicly listed companies nor other major appointment in the past three years. Apart from being the Chairman and a non-executive Director of the Company, Mr. Ang does not hold any other position in the Company or its subsidiaries.

Mr. Ang has not entered into any service agreement with the Company in relation to his appointment but he is entitled to receive an annual director’s fee of HK\$50,000 which is determined by reference to his duties and responsibilities in the Company and is subject to revision by the remuneration committee and the board of Directors (the “Board”) of the Company under the authority granted by shareholders at annual general meetings. Mr. Ang’s appointment as a non-executive Director is not for a specific term as he is subject to retirement by rotation and re-election at annual general meetings in accordance with the Articles of Association of the Company. For the financial year ended 31 December 2010, Mr. Ang has agreed not to receive any director’s remuneration.

Save as disclosed in this appendix, Mr. Ang does not have any relationships with any of the Company’s directors, senior management, substantial shareholders or controlling shareholders of the Company (as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, the “Listing Rules”).

As at the date hereof, Mr. Ang had the following beneficial interests in the issued share capital and underlying shares of the Company’s associated corporation:

(i) Interests in issued shares

	Number of common shares in San Miguel Corporation	
	<i>Number of shares held</i>	<i>% of total issued shares</i>
Common (par value of 5 Philippine peso each):	6,050	0.000260%

	Number of common shares in San Miguel Brewery Inc.	
	<i>Number of shares held</i>	<i>% of total issued shares</i>
Common (par value of 1 Philippine peso each):	5,000*	0.000032%

* includes corporate interest

(ii) Interests in underlying shares

	Stock Options in San Miguel Corporation		
	<i>Share options granted</i>	<i>Exercise price per option (philippine pesos)</i>	<i>Exercise period up to</i>
Common			
(par value of 5 philippine pesos each):	259,422	54.50	26 June 2011
	111,181	62.50	26 June 2011
	266,854	57.50	1 October 2012
	114,366	70.50	1 October 2012
	204,654	65.00	10 November 2013
	136,436	89.50	10 November 2013
	993,386	63.50	1 March 2015
	662,258	75.50	1 March 2015
	765,603	40.50	26 June 2016
	587,556	58.05	25 June 2017

All the interests held by Mr. Ang represent long positions.

As at the date hereof, save as disclosed in this appendix, Mr. Ang does not have any other interests in any shares or underlying shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

In relation to the re-election of Mr. Ang as Director, save as disclosed in this appendix, there is no other information which is required to be disclosed pursuant to paragraphs 13.51(2)(h) to 13.51(2)(v) of the Listing Rules nor any other matter which needs to be brought to the attention of the shareholders of the Company.

2. Mr. Carlos Antonio M. BERBA, *MBA, MSc, BSc*, aged 46, was appointed as Deputy Chairman and Remuneration Committee member of the Company on 27 August 2010. Mr. Berba has been a director of the Company since 16 April 2007. He is the Managing Director of San Miguel Brewing International Limited, a controlling shareholder of the Company and a director of San Miguel Brewery Inc. (the shares of which are listed on the Philippine Stock Exchange). He is also a Commissioner of PT Delta Djakarta Tbk, a director of San Miguel (Guangdong) Brewery Company Limited, Guangzhou San Miguel Brewery Limited and various other subsidiaries of the Company. Mr. Berba has 25 years of experience in general management, finance, strategic planning, and corporate structuring initiatives. Mr. Berba was the Chief Finance Officer of the San Miguel Beer Division and was concurrently in charge of San Miguel Brewing International Ltd.. He was also the Chief Finance Officer of San Miguel Brewing International Ltd. And was also concurrently the Business Planning and Business Development Head. Mr. Berba graduated from the University of the Philippines with a bachelor's degree in BS Electrical Engineering. He later obtained a master's degree in Business Administration (with distinction) from the Wharton School of Business, University of Pennsylvania and a master's degree in Japanese Business Studies from Japan America Institute of Management Science & Chaminade University of Honolulu.

Save for his directorships and appointments as disclosed in this appendix, Mr. Berba has not held any directorships in any publicly listed companies nor other major appointment in the past three years. Apart from being a non-executive Director, the Deputy Chairman, a member of remuneration committee of the Company and director of various subsidiaries, Mr. Berba does not hold any other position in the Company or its subsidiaries.

Mr. Berba has not entered into any service agreement with the Company in relation to his appointment but he is entitled to receive an annual director's fee of HK\$50,000 which is determined by reference to his duties and responsibilities in the Company and is subject to revision by the remuneration committee and the Board of the Company under the authority granted by shareholders at annual general meetings. Mr. Berba's appointment as a non-executive Director is not for a specific term as he is subject to retirement by rotation and re-election at annual general meetings in accordance with the Articles of Association of the Company. For the financial year ended 31 December 2010, Mr. Berba has agreed not to receive any director's remuneration.

Save as disclosed in this appendix, Mr. Berba does not have any relationships with any of the Company's directors, senior management, substantial shareholders or controlling shareholders of the Company (as defined in the Listing Rules).

As at the date hereof, Mr. Berba had the following beneficial interests in the issued share capital and underlying shares of the Company's associated corporation:

(i) Interests in issued shares

	Number of common shares in San Miguel Corporation	
	<i>Number of shares held</i>	<i>% of total issued shares</i>
Common (par value of 5 Philippine peso each):	3,645	0.000156%

	Number of common shares in San Miguel Brewery Inc.	
	<i>Number of shares held</i>	<i>% of total issued shares</i>
Common (par value of 1 Philippine peso each):	18,000*	0.000117%

* *includes corporate interest*

(ii) Interests in underlying shares

Stock Options in San Miguel Corporation			
	<i>Share options granted</i>	<i>Exercise price per option (philippine pesos)</i>	<i>Exercise period up to</i>
Common			
(par value of 5 Philippine pesos each):	36,368	40.50	26 June 2016
	56,852	58.05	25 June 2017

All the interests held by Mr. Berba represent long positions.

As at the date hereof, save as disclosed in this appendix, Mr. Berba does not have any other interests in any shares or underlying shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

In relation to the re-election of Mr. Berba as Director, save as disclosed in this appendix, there is no other information which is required to be disclosed pursuant to paragraphs 13.51(2)(h) to 13.51(2)(v) of the Listing Rules nor any other matter which needs to be brought to the attention of the shareholders of the Company.

3. Mr. TAM Ka Yuen, Peter, *MBA, BBA*, aged 52, is an executive Director and the Managing Director of the Company. Mr. Tam joined the Company in 1993 and he was appointed as an executive Director and the Managing Director on 31 December 2007. He is also a director of the Company's various subsidiaries. He has more than 24 years of experience in the selling and marketing of consumer products in Hong Kong and Mainland China. Mr. Tam graduated from the University of Hawaii in 1985 with a bachelor's degree in Business Administration and later obtained a master's degree also in Business Administration from the California State University in 1987.

Save for his directorship and appointment as disclosed in this appendix, Mr. Tam has not held any directorships in any publicly listed companies nor other major appointment in the past three years. Apart from being the Managing Director, an executive Director and director of various subsidiaries of the Company, Mr. Tam does not hold any other position in the Company or its subsidiaries.

Mr. Tam has entered into a service agreement with the Company for a monthly remuneration of HK\$144,000 by reference to his duties and responsibilities in the Company and is eligible for an annual bonus and other compensation at the sole and absolute discretion of the remuneration committee of the Company. His remuneration for the year ended 31 December 2010 was HK\$2,084,000. There is no designated length of service for Mr. Tam with the Company and he will be subject to retirement by rotation and re-election in accordance with the Company's Articles of Association.

Save as disclosed in this appendix, Mr. Tam does not have any relationships with any of the Company's directors, senior management, substantial shareholders or controlling shareholders of the Company (as defined in the Listing Rules).

As at the date hereof, Mr. Tam does not have any interests in any shares or underlying shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

In relation to the re-election of Mr. Tam as Director, save as disclosed in this appendix, there is no other information which is required to be disclosed pursuant to paragraphs 13.51(2)(h) to 13.51(2)(v) of the Listing Rules nor any other matter which needs to be brought to the attention of the shareholders of the Company.

4. Ms. Chan Wen Mee, May (Michelle), aged 46, was appointed as a non-executive Director on 11 March 2011. Ms. Chan served as Managing Director of A.S. Watson Industries Limited. She served as Managing Director of Hutchison Harbour Ring Limited from 1 February 2006 to 31 October 2010 and served as Executive Deputy Managing Director of Hutchison Harbour Ring Limited from 18 May 2005 to 31 January 2006. Ms. Chan has extensive experience in managing property development and investment businesses in mainland China. She also holds directorships in certain companies controlled by Hutchison Whampoa Limited. Ms. Chan holds a Bachelor's degree in Business Administration.

Save for her directorships as disclosed above, Ms. Chan has not held any directorships in any publicly listed companies or other major appointment in the past three years. Apart from being a non-executive director, Ms. Chan does not hold any other position in the Company or its subsidiaries.

Ms. Chan has not entered into any service agreement with the Company in relation to her appointment but she is entitled to receive an annual director's fee of HK\$50,000 which is determined by reference to her duties and responsibilities in the Company and is subject to revision by the remuneration committee and the Board of the Company under the authority granted by shareholders at annual general meetings. Ms. Chan's appointment as a non-executive Director is not for a specific term as she is subject to retirement by rotation and re-election at annual general meetings in accordance with the Articles of Association of the Company. For the financial year ended 31 December 2010, Ms. Chan has agreed not to receive any director's remuneration.

Save as disclosed in this appendix, Ms. Chan does not have any relationships with any of the Company's directors, senior management, substantial shareholders or controlling shareholders of the Company (as defined in the Listing Rules).

As at the date hereof, Ms. Chan does not have any interests in any shares or underlying shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

In relation to the re-election of Ms. Chan as Director, save as disclosed in this appendix, there is no other information which is required to be disclosed pursuant to paragraphs 13.51(2)(h) to 13.51(2)(v) of the Listing Rules nor any other matter which needs to be brought to the attention of the shareholders of the Company.

5. Mr. Thelmo Luis O. CUNANAN JR., *MBA, BA*, aged 40, was appointed as a non-executive Director on 28 November 2008. He is a political columnist for The Manila Times newspaper, Contributing Editor of Travelife Magazine, and a TV host/presenter for IBC Channel 13 and the Global News Network. He is also the founding member and executive director of Philippine-Somali Business and Friendship Association and the Honorary Consul of the Republic of Georgia in the Philippines. Mr. Cunanan also serves as management, marketing and political consultant of various companies, non-government organizations and government agencies. Mr. Cunanan graduated from Ateneo de Manila University in 1994 with a bachelor's degree in AB Interdisciplinary Studies and later obtained a master's degree in Business Administration from Ateneo de Manila Graduate School of Business.

Save for his directorships and appointments as disclosed in this appendix, Mr. Cunanan Jr. has not held any directorships in any publicly listed companies nor other major appointment in the past three years. Apart from being a non-executive Director of the Company, Mr. Cunanan Jr. does not hold any other position in the Company or its subsidiaries.

Mr. Cunanan Jr. has not entered into any service agreement with the Company in relation to his appointment but he is entitled to receive an annual director's fee of HK\$50,000 which is determined by reference to his duties and responsibilities in the Company and is subject to revision by the remuneration committee and the Board of the Company under the authority granted by shareholders at annual general meetings. Mr. Cunanan Jr.'s appointment as a non-executive Director is not for a specific term as he is subject to retirement by rotation and re-election at annual general meetings in accordance with the Articles of Association of the Company. For the financial year ended 31 December 2010, Mr. Cunanan Jr. has agreed not to receive any director's remuneration.

Save as disclosed in this appendix, Mr. Cunanan Jr. does not have any relationships with any of the Company's directors, senior management, substantial shareholders or controlling shareholders of the Company (as defined in the Listing Rules).

As at the date hereof, Mr. Cunanan Jr. does not have any interests in any shares or underlying shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

In relation to the re-election of Mr. Cunanan Jr. as Director, save as disclosed in this appendix, there is no other information which is required to be disclosed pursuant to paragraphs 13.51(2)(h) to 13.51(2)(v) of the Listing Rules nor any other matter which needs to be brought to the attention of the shareholders of the Company.

6. Mr. Taro MATSUNAGA, BA, aged 46, was appointed as a non-executive Director of the Company on 27 August 2010. Mr. Matsunaga is a Director and Executive Vice President of San Miguel Brewing International Limited. He is also a Commissioner of PT Delta Djakarta Tbk., a Director of San Miguel Beer (Thailand) Limited and San Miguel Holdings (Thailand) Limited. He was Deputy Marketing Director of Kirin Brewery Company, Limited (2009-2010) and he was Brand Manager/Senior Brand Manager of Kirin Brewery Company, Limited (2002-2009). Mr. Matsunaga graduated from Keio University in 1987 with a bachelor's degree in Political Science.

Save for his directorships and appointments as disclosed in this appendix, Mr. Matsunaga has not held any directorships in any publicly listed companies nor other major appointment in the past three years. Apart from being a non-executive Director of the Company, Mr. Matsunaga does not hold any other position in the Company or its subsidiaries.

Mr. Matsunaga has not entered into any service agreement with the Company in relation to his appointment but he is entitled to receive an annual director's fee of HK\$50,000 which is determined by reference to his duties and responsibilities in the Company and is subject to revision by the remuneration committee and the Board of the Company under the authority granted by shareholders at annual general meetings. Mr. Matsunaga's appointment as a non-executive Director is not for a specific term as he is subject to retirement by rotation and re-election at annual general meetings in accordance with the Articles of Association of the Company. For the financial year ended 31 December 2010, Mr. Matsunaga has agreed not to receive any director's remuneration.

Save as disclosed in this appendix, Mr. Matsunaga does not have any relationships with any of the Company's directors, senior management, substantial shareholders or controlling shareholders of the Company (as defined in the Listing Rules).

As at the date hereof, Mr. Matsunaga does not have any interests in any shares or underlying shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

In relation to the re-election of Mr. Matsunaga as Director, save as disclosed in this appendix, there is no other information which is required to be disclosed pursuant to paragraphs 13.51(2)(h) to 13.51(2)(v) of the Listing Rules nor any other matter which needs to be brought to the attention of the shareholders of the Company.

7. Mr. Teruyuki DAINO, *BS, MBA*, aged 50, is the Executive Financial Advisor and Director of San Miguel Brewery Inc. (the shares of which are listed on the Philippine Stock Exchange). He is a Director of San Miguel Brewing International Limited and San Miguel Beer (Thailand) Limited. He was the General Sales Manager of Gifu Branch of Kirin Brewery Company Limited (2009-March 2011), President and Chief Executive Officer of Four Roses Distillery, LLC (2002-2009), Planning Manager of Corporate Planning Department of Kirin Brewery Company Limited (1998-2002), Business Planning Manager of Budweiser Japan Company (1993-1997) and Brand Manager of Marketing Department of Kirin Brewery Company Limited (1988-1993). Mr. Daino graduated from Hitotsubashi University in 1983 with a bachelor's degree in Economics and later obtained a master's degree in Business Administration from the Massachusetts Institute of Technology in 1998.

Save for his directorships and appointments as disclosed in this appendix, Mr. Daino has not held any directorships in any publicly listed companies nor other major appointment in the past three years. Apart from being a non-executive Director of the Company, Mr. Daino does not hold any other position in the Company or its subsidiaries.

Mr. Daino has not entered into any service agreement with the Company in relation to his appointment but he is entitled to receive an annual director's fee of HK\$50,000 which is determined by reference to his duties and responsibilities in the Company and is subject to revision by the remuneration committee and the Board of the Company under the authority granted by shareholders at annual general meetings. Mr. Daino's appointment as a non-executive Director is not for a specific term as he is subject to retirement by rotation and re-election at annual general meetings in accordance with the Articles of Association of the Company.

Save as disclosed in this appendix, Mr. Daino does not have any relationships with any of the Company's directors, senior management, substantial shareholders or controlling shareholders of the Company (as defined in the Listing Rules).

As at the date hereof, Mr. Daino has the following interests in the issued share capital of the Company's associated corporation:

	Number of common shares in San Miguel Corporation	
	<i>Number of shares held</i>	<i>% of total issued shares</i>
Common (par value of 1 Philippine peso each):	5,000*	0.000032%

Kirin Holdings Company, Limited * *Corporate interest*

As at the date hereof, save as disclosed in this appendix, Mr. Daino does not have any interests in any shares or underlying shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

In relation to the election of Mr. Daino as Director, save as disclosed in this appendix, there is no other information which is required to be disclosed pursuant to paragraphs 13.51(2)(h) to 13.51(2)(v) of the Listing Rules nor any other matter which needs to be brought to the attention of the shareholders of the Company.



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

Stock Code 股份代號 : 00236

Annual Report



年報

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

本年報內所有幣值，除另有註明外，均以港幣計算。

CORPORATE INFORMATION | 公司資料

BOARD OF DIRECTORS

CHAIRMAN

Ramon S. Ang (*Non-executive Director*)

DEPUTY CHAIRMAN

Carlos Antonio M. Berba (*Non-executive Director*)

Faustino F. Galang (*Non-executive Director*)

(resigned on 27 August 2010)

EXECUTIVE DIRECTOR

Peter K. Y. Tam

NON-EXECUTIVE DIRECTOR

Chan Wen Mee, May (Michelle) (appointed on 11 March 2011)

Cheung Yuen Tak (resigned on 11 March 2011)

Thelmo Luis O. Cunanan Jr.

Benjamin P. Defensor, Jr.

Motoyasu Ishihara

Taro Matsunaga (appointed on 27 August 2010)

Keisuke Nishimura

INDEPENDENT NON-EXECUTIVE DIRECTOR

David K.P. Li, GBM, JP

Ng Wai Sun

Carmelo L. Santiago

Adrian M.K. Li, Alternate to David K.P. Li, GBM, JP

AUDIT COMMITTEE

David K.P. Li, GBM, JP, *Chairman*

Ng Wai Sun

Carmelo L. Santiago

REMUNERATION COMMITTEE

Ng Wai Sun, *Chairman*

Carlos Antonio M. Berba (appointed on 27 August 2010)

Benjamin P. Defensor, Jr.

Faustino F. Galang (resigned on 27 August 2010)

David K.P. Li, GBM, JP

Carmelo L. Santiago

COMPANY SECRETARY

John K.L. Cheung

董事會

主席

蔡啓文 (*非執行董事*)

副主席

凱顧思 (*非執行董事*)

郭嘉寧 (*非執行董事*)

(於二零一零年八月二十七日辭任)

執行董事

譚嘉源

非執行董事

陳雲美 (於二零一一年三月十一日獲委任)

張元德 (於二零一一年三月十一日辭任)

Thelmo Luis O. Cunanan Jr.

戴豐盛

石原基康

松永太郎 (於二零一零年八月二十七日獲委任)

西村慶介

獨立非執行董事

李國寶, GBM, JP

吳維新

施雅高

李民橋, 李國寶GBM, JP之替任董事

審核委員會

李國寶, GBM, JP 主席

吳維新

施雅高

薪酬委員會

吳維新 主席

凱顧思 (於二零一零年八月二十七日獲委任)

戴豐盛

郭嘉寧 (於二零一零年八月二十七日辭任)

李國寶, GBM, JP

施雅高

公司秘書

張嘉麟



4.5m

22

宏利街
Wang Lee Street
22

Private Road
私家路

2

The Company continued to be the No. 1 beer company in Hong Kong with our flagship brand San Miguel at the forefront.

AUDITORS

KPMG
Certified Public Accountants
8th Floor, Prince's Building
10 Chater Road
Central
Hong Kong

SOLICITORS

Mayor Brown JSM
16-19th Floor, Prince's Building
10 Chater Road
Central
Hong Kong

REGISTERED OFFICE

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

SHARE REGISTRAR

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

PRINCIPAL BANKERS

Banco De Oro Unibank, Inc. Hong Kong Branch
DBS Bank Limited, Hong Kong Branch
Hang Seng Bank Limited
ING Bank N. V.
The Bank of East Asia, Limited
The Bank of East Asia (China) Limited
The Hongkong and Shanghai Banking Corporation Limited
The Royal Bank of Scotland
Wing Lung Bank Limited

核數師

畢馬威會計師事務所
執業會計師
香港
中環
遮打道十號
太子大廈八樓

律師

孖士打律師行
香港
中環
遮打道十號
太子大廈十六至十九樓

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

股份過戶登記處

香港中央證券登記有限公司
香港灣仔
皇后大道東一八三號
合和中心
十七樓一七一二至一七一六號舖

主要往來銀行

金融銀行有限公司香港分行
星展銀行香港分行
恒生銀行有限公司
ING Bank N. V.
東亞銀行有限公司
東亞銀行(中國)有限公司
香港上海滙豐銀行有限公司
蘇格蘭皇家銀行
永隆銀行有限公司

DWN 90



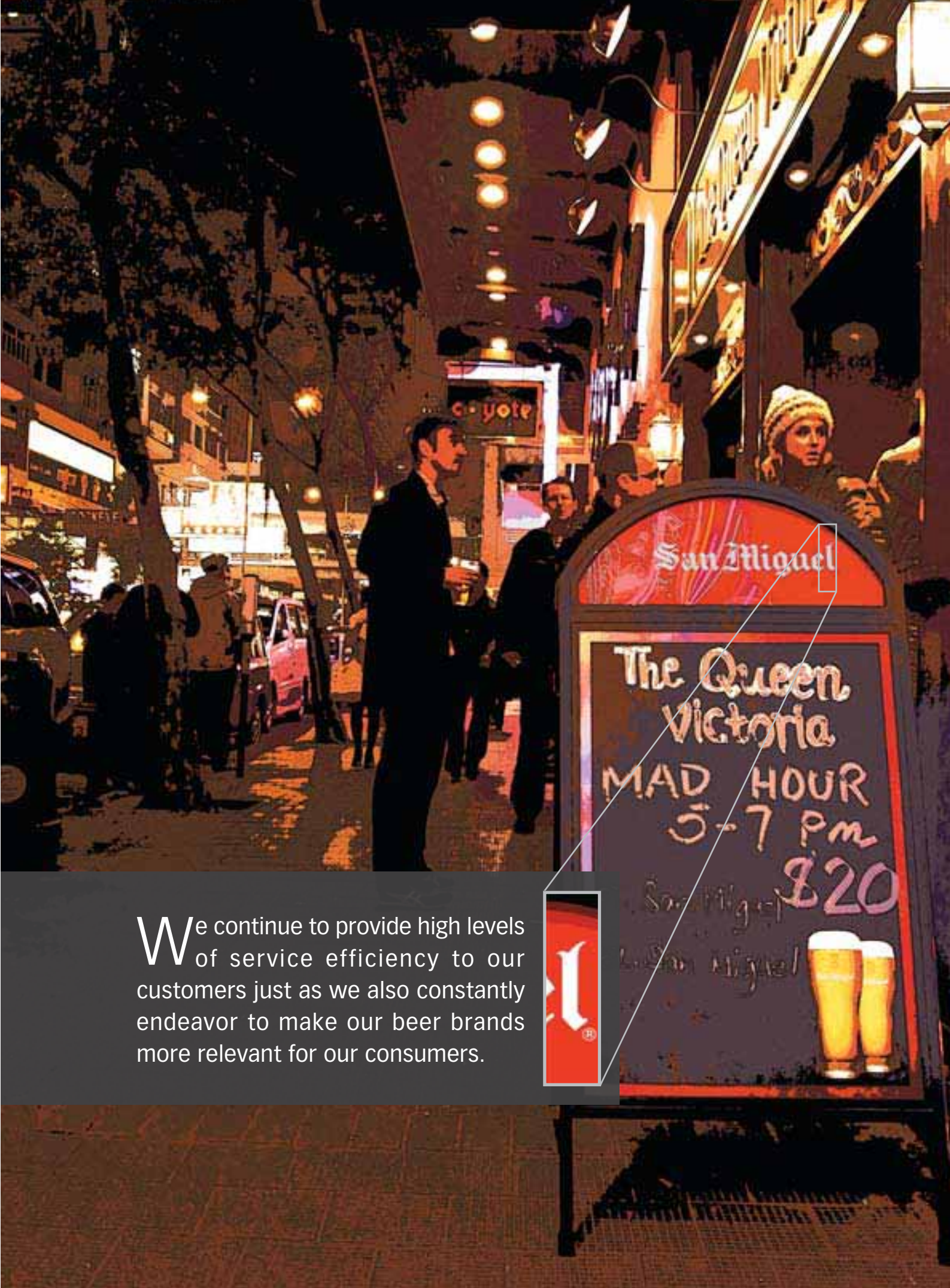
我們繼續為客戶提供高效率的服務，同時我們會致力令旗下啤酒品牌更能照顧消費者的需要。

THE YEAR'S HIGHLIGHTS | 本年度摘要

(Expressed in Hong Kong dollars except number of shares issued, shareholders and personnel)

(除發行股數、股東數目及員工人數外均以港幣列示)

		2010 二零一零年	2009 二零零九年
Turnover (\$'000)	營業額(千元)	589,322	696,824
Loss for the year (\$'000)	年度虧損(千元)	(773,987)	(343,052)
Loss per share - Basic (cents)	每股虧損 — 基本(仙)	(197)	(90)
Taxes paid, including beer tax (\$'000)	稅項連啤酒稅(千元)	42,020	68,877
Taxes paid per share (cents)	每股稅項(仙)	11	18
Fixed assets (\$'000)	固定資產(千元)	398,011	1,087,198
Net worth (\$'000)	淨值(千元)	391,474	1,169,484
Salaries, wages and other benefits (\$'000)	薪金、工資及其他福利(千元)	96,719	99,341
Number of shares issued	發行股數	373,570,560	373,570,560
Number of shareholders	股東數目	2,172	2,223
Number of personnel	員工人數	732	766



We continue to provide high levels of service efficiency to our customers just as we also constantly endeavor to make our beer brands more relevant for our consumers.





To Our Shareholders,

Ramon S. Ang 蔡啓文
Chairman 主席

致各股東：

FINANCIAL RESULTS

2010 was another difficult year for the Group as tough market conditions in our South China market continued to weigh down our operating and financial results. Consolidated turnover of the Group was at HK\$589.3 million, retreating 15.4% from 2009. (2009: HK\$696.8 million) while gross profit stood at HK\$255.6 million (2009: HK\$361.8 million). The Group's gross profit margin shrank to 43.4% (2009: 51.9%).

Excluding the impairment losses of the Group's Hong Kong and South China operations, net of tax effect, of HK\$677.3 million and HK\$300.0 million in 2010 and 2009 respectively, the consolidated loss of 2010 would have been HK\$96.7 million compared to HK\$43.1 million in 2009, mainly stemming from our South China operations. Including the impairment loss, the consolidated loss for 2010 was HK\$774.0 million (2009: HK\$343.1 million).

Net cash balances as of 31 December 2010 amounted to HK\$37.2 million (2009: HK\$103.6 million). Total net assets was at HK\$391.5 million (2009: HK\$1,169.5 million), with a debt-to-equity ratio of 0.64 (2009: 0.21) and current ratio of 1.0 times (2009: 1.2 times).

財務業績

二零一零年對本集團來說是另一困難重重的一年，華南市場所面對的艱巨市場環境繼續令我們的經營和財務業績受挫。本集團的綜合營業額為5.89億港元，較二零零九年減少15.4%（二零零九年：6.97億港元），而毛利為2.56億港元（二零零九年：3.62億港元）。本集團的毛利率縮減至43.4%（二零零九年：51.9%）。

撇除本集團香港及華南業務的減值虧損，二零一零年及二零零九年分別為6.77億港元及3.00億港元（除稅後），二零一零年綜合虧損為9,670萬港元，對比二零零九年的4,305萬港元，虧損主要來自華南業務。包括減值虧損，二零一零年綜合虧損為7.74億港元（二零零九年：3.43億港元）。

於二零一零年十二月三十一日之現金淨額結餘為3,720萬港元（二零零九年：1.04億港元）。總資產淨值為3.92億港元（二零零九年：11.70億港元），以及0.64之負債比率（二零零九年：0.21）與1.0倍之流動比率（二零零九年：1.2倍）。

CHAIRMAN'S STATEMENT | 主席報告

DIVIDENDS

No dividends will be declared for 2010.

BUSINESS REVIEW

HONG KONG OPERATIONS

2010 saw Hong Kong's economy emerging from the global recession with a GDP growth of 7.8%. Buoyed by the recovery in consumer spending, the territory's total beer industry also grew but at a slower pace of 4%, after posting a 3% decline the previous year. On-premise outlets that suffered the brunt of the global recession have since bounced back and performed better than the off-premise outlets.

Our Company's total volume grew by 11% and revenues by 5% over the prior year, owing to a significant increase in exports, made possible by the re-opening of the brewery in 2009.

The Company continued to be the No. 1 beer company in Hong Kong with our flagship brand San Miguel at the forefront. This is a result of our continuous commitment to offer our customers and consumers a portfolio of brands that correspond to their needs. We continue to provide high levels of service efficiency to our customers just as we also constantly endeavor to make our beer brands more relevant for our consumers.

In June 2010, the Company successfully launched a new line extension of the San Miguel brand, San Mig Light. This new addition offers our consumers a light and refreshing beer that has lower calories. It is also expected to capture a new market segment and expand the brewery's aggregate market share.

Throughout 2010, we defended our leadership position with a broad variety of strategic programs aimed at strengthening and building San Miguel's brand equity and underpinning its bond with customers and consumers. A range of local promotions, events and sponsorship programs were carefully designed and implemented to ensure our brand's broad presence in the market.

The San Miguel Soccer Union, our experiential program that combined the excitement of soccer and joy of drinking San Miguel Beer, reached new levels of success with the excitement created by the 2010 World Cup on top of the usual Premier League matches. In April 2010, San Miguel launched the "Soccer Fans" television commercial designed to further associate San Miguel with soccer. The program included point-of-sales visibility blitz, national fans club formation, market-wide promotions, 70 soccer parties in selected pubs and bars and a grand soccer party at the Hong Kong Jockey Club Shatin Racecourse.

To sustain San Miguel's popularity outside the soccer season, our Company continued to invest in its 'Cheers' television commercial and in major events such as the San Miguel Beer Garden during the Hong Kong Dragon Boat Carnival 2010 organized by the Hong Kong Tourism Board.

All these programs and activities, in addition to our firm commitment to excellence in business development and cost management, will provide our Company the impetus to maintain market leadership in Hong Kong.

股息

董事會議決不派發二零一零年度末期股息。

業務回顧

香港業務

二零一零年的香港經濟由全球衰退中復蘇，國內生產總值(GDP)有7.8%增長。加上消費者恢復消費，地區上整體啤酒業在去年錄得3%跌幅後，本年有4%較溫和的增長。現飲場所已從全球衰退所帶來的衝擊中反彈，較非現飲場所有更佳表現。

本公司的總銷量和收入較去年分別增長11%和5%，主要來自二零零九年酒廠重開後出口業務的顯著增長。

本公司仍然是香港首屈一指的啤酒公司，而主要品牌生力在業界名列前茅。這全賴我們一向致力給予客戶及消費者切合需要的品牌組合。我們繼續為客戶提供高效率的服務，同時我們會致力令旗下啤酒品牌更能照顧消費者的需要。

在二零一零年六月，本公司成功推出生力品牌的全新產品線延伸 — San Mig Light。新產品為我們的消費者提供一款口味清爽怡神並含較低卡路里的啤酒。我們預期這新產品可開拓新市場及擴大本公司的整體市場佔有率。

二零一零年，我們利用各類型旨在加強及建立生力品牌價值，鞏固與客戶和消費者之間聯繫的策略項目，來捍衛我們的領導地位。我們悉心設計及實行一系列的本地推廣活動、大型活動及贊助項目以確保品牌在市場上有廣泛的曝光。

生力睇波團是一項結合足球狂熱及暢飲生力啤酒的樂趣的實驗性項目。除了一直以來眾多英格蘭超級足球聯賽賽事，這項目在二零一零年世界杯狂熱的帶動下更見成功。在二零一零年四月，生力推出旨在進一步連繫起生力及足球的電視廣告「Soccer Fans」。計劃亦包括全面覆蓋銷售點、組成各隊國家隊球迷會、推出市場推廣計劃、在指定酒吧舉行70個睇波派對及於香港賽馬會沙田馬場舉行睇波大派對。

要維持生力在球季以外的受歡迎程度，本公司繼續投放資源在電視廣告「Cheers」及其他主要活動如香港旅遊發展局舉辦的二零一零年香港龍舟嘉年華內的生力暢飲樂園。

所有這些項目和活動，再加上我們對業務發展及成本管理的決心，為本公司注入動力以保持香港市場領導地位。

CHAIRMAN'S STATEMENT | 主席報告

BUSINESS REVIEW (Continued)

SOUTH CHINA OPERATIONS

Our South China operations were hard hit by difficult market conditions in 2010 as volumes were hampered by aggressive trade offers from competitors in the wholesaler channel as well as the lingering effect of the reduced consumption in factory areas brought on by the global financial crisis, particularly in Guangzhou San Miguel Brewery Company Limited's ("GSMB's") core market of Dongguan (DG) and San Miguel (Guangdong) Brewery Company Limited's ("SMGB's") core market of Foshan. While we were able to protect the directly-served channels, competitors were able to grab market share in the wholesaler segment through their aggressive trade offers. Thus, the Group took a more measured stance in creating a balance between protecting our position in the market and our bottom-line.

GSMB's total sales registered a double-digit decline versus the previous year. Nevertheless, our lower priced agency brands posted a growth amidst a strong market for economy brands. GSMB also sustained the growth momentum in retail chains with a double-digit volume increase over last year.

To sustain San Miguel brand equity in the market, GSMB launched the "San Miguel x Enjoy Freedom" market-wide consumer campaign; and also extended its reach through a series of themed consumer promotions and event sponsorships.

SMGB registered a double-digit decline in total sales versus the previous year, as its core market of Foshan is still recovering from the adverse effects of the global crisis, compounded by the intense competitive pressure in the trade. In response, SMGB has gone through a major strategy modification that involved improvement of trade margins and product offering. In July, SMGB launched Dragon Ice to directly compete in the lighter-tasting beer segment.

COMMUNITY RELATIONS AND SOCIAL RESPONSIBILITY

The Company continues to be committed to both its commercial and social responsibility to foster goodwill in our local communities with our sponsorship and participation in various local events and regular contributions to charitable and non-profit organizations.

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

業務回顧 (續)

華南業務

我們的華南業務在二零一零年艱巨的市場環境下受到重創，受代理銷售渠道競爭者侵略性的貿易條件，以及全球金融危機導致工廠區消費下降的持續效應影響下，我們的銷量受到影響。尤其在廣州生力啤酒有限公司（「廣州生力」）的主要市場——東莞和生力（廣東）啤酒有限公司（「生力廣東」）的主要市場——佛山所受的影響最為顯著。當我們全力保護了直銷渠道，競爭者就以侵略性的貿易條件從代理銷售渠道奪取了市場佔有率。因此，本集團採取更審慎的姿態來平衡保護市場地位和我們的底線。

廣州生力的總銷量比去年錄得雙位數字跌幅。儘管如此，我們的低價代理品牌在強大的經濟品牌市場上錄得增長。而廣州生力在零售連鎖方面維持著增長動力，較去年有雙位數字的銷量增長。

要維持市場上的生力品牌價值，廣州生力推出「生力自游自在」消費者活動；並透過一系列主題消費者推廣活動及贊助項目來延伸覆蓋範圍。

生力廣東的整體銷量較去年錄得雙位數下跌。這是由於其主要市場佛山仍未自環球危機的不良效應下徹底復蘇，兼且受到行業的龐大競爭壓力影響。生力廣東正進行一項有關交易利潤及產品提供的主要策略修正。在七月，生力廣東推出冰純龍啤以在口味較清淡的啤酒市場上來直接競爭。

社區關係及社會責任

本公司繼續致力於商業及社會責任，以贊助及參與各項社區活動及定期給予慈善團體和非牟利機構捐助來培養良好商譽。

本公司亦致力支持環保，確保業務符合甚至超越政府及其他機關所制定的環保標準。

CHAIRMAN'S STATEMENT | 主席報告

BUSINESS REVIEW (Continued)

HUMAN RESOURCES

We continue to invest in our people by equipping and developing them with needed knowledge and competencies from within the Company and from external training and development organizations.

In a people-intensive business, SMBHK puts great emphasis on team spirit and activities associated with it such as mentorship, direction briefings, team-building workshops and conferences.

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

CORPORATE GOVERNANCE

The Company continued to apply the principles of the Code Provisions under the Code on Corporate Governance Practices contained in Appendix 14 of the Listing Rules throughout the year ended 31 December 2010 except for the Code Provision A.4.1. Code Provision A.4.1 sets out that non-executive directors should be appointed for a specific term, subject to re-election. At present, all of the non-executive directors of the Company are not appointed for a specific term but are subject to retirement by rotation at least once every three years and re-election at the Annual General Meeting under the Company's Articles of Association.

FUTURE DIRECTION AND CHALLENGES

The objectives of the Company for the year 2011 are:

- In Hong Kong, to turn around the business through new product expansion, channel rationalization and growth, margin improvement and cost rationalization.
- In South China, to significantly turn around the business through re-launch of San Mig Light, the rejuvenation of Dragon brand, channel expansion, margin improvement and cost rationalization.

Looking ahead, the Company wishes to reiterate our commitment to maximize shareholder value and continue to strengthen our brands. We have a number of dynamic growth strategies that should provide the Company growth opportunities. We will also maintain the discipline of cost management by achieving higher efficiencies, particularly in the areas of production and logistics.

業務回顧 (續)

人力資源

我們繼續投放資源在培訓及發展上，包括公司內部及外界培訓及發展的組織，務求為員工裝備應有的知識及技能。

在以人為本的商業上，香港生力透過良師指導、動向簡介會及建立團隊精神的工作坊和會議來強調及促進團隊精神。

本公司為所有員工制定符合市場標準的薪酬及提供具吸引力的額外福利，包括醫療和保險，以及退休福利。

企業管治

本公司於截至二零一零年十二月三十一日止年度一直遵守上市規則附錄14所載之《企業管治（常規）守則》中之守則條文，惟守則條文第A.4.1條除外。守則條文第A.4.1條規定，非執行董事均須按可重選的基礎上，按特定年期被委任。現時，根據本公司章程，所有非執行董事均非按特定年期委任，並須每三年在股東周年大會上輪值退任及接受重選。

未來方向及挑戰

本公司二零一一年之目標包括：

- 在香港，以擴展新產品、合理化和增長銷售渠道、改善邊際利潤和合理化成本來扭轉業務。
- 在華南，以重新推出San Mig Light、重整龍啤品牌、擴大銷售渠道、改善邊際利潤和合理化成本來顯著扭轉業務。

展望將來，我們重申我們的承諾要致力增加股東價值及加強品牌實力。我們已備有一些為本公司業務帶來強力增長的策略提供增長機會。我們亦會嚴格管理成本及在各方面，尤其生產及分銷上，以達致最佳的效益。

CHAIRMAN'S STATEMENT | 主席報告

BUSINESS REVIEW (Continued)

FUTURE DIRECTION AND CHALLENGES (Continued)

In closing, we wish to convey our heartfelt gratitude to our Board of Directors for their unwavering guidance and support. Thanks also go to our shareholders, customers and consumers for their continued loyalty; and the employees for their dedication and hard work.



Ramon S. Ang
Chairman

11 March 2011

業務回顧 (續)

未來方向及挑戰 (續)

最後，我們謹此對董事會的領導及支持表示衷心謝意。我們亦感激各股東、客戶及消費者的支持，以及所有員工一直以來的努力及貢獻。



主席
蔡啓文

二零一一年三月十一日



生

我們對業務發展及成本管理的決心，為本公司注入動力以保持香港市場領導地位。

REPORT OF DIRECTORS | 董事會報告

To be presented at the Forty-eighth Annual General Meeting of shareholders to be held at Island Ballroom, Level 5, Island Shangri-La Hong Kong, Two Pacific Place, Supreme Court Road, Central, Hong Kong on Friday, 20 May 2011 at 3:00 p.m.

The directors submit herewith their Annual Report together with the audited financial statements for the year ended 31 December 2010.

PRINCIPAL PLACE OF BUSINESS

San Miguel Brewery Hong Kong Limited (the "Company") is a company incorporated and domiciled in Hong Kong and has its registered office and principal place of business at 9/F, Citimark Building, 28 Yuen Shun Circuit, Siu Lek Yuen, Shatin, New Territories, Hong Kong.

PRINCIPAL ACTIVITIES

The principal activities of the Company are the manufacture and distribution of bottled, canned and draught beers. The principal activities and other particulars of the Company's subsidiaries are set out in note 16 to the financial statements.

The segment analysis of the Company and its subsidiaries (the "Group") for the financial year is set out in note 13 to the financial statements.

MAJOR CUSTOMERS AND SUPPLIERS

The information in respect of the Group's sales and purchases attributable to the major customers and suppliers, respectively, during the year is as follows:

The largest customer	最大客戶
Five largest customers in aggregate	首五大客戶合計
The largest supplier	最大供應商
Five largest suppliers in aggregate	首五大供應商合計

One of the five largest suppliers was San Miguel Corporation ("SMC"), the ultimate holding company of the Company, and its associates (collectively the "San Miguel Group") in which Mr. Ramon S. Ang, Mr. Carlos Antonio M. Berba, Mr. Motoyasu Ishihara, Mr. Taro Matsunaga, Mr. Keisuke Nishimura, Mr. Carmelo L. Santiago and Mr. Peter K. Y. Tam have beneficial interests to the extent that they either have equity interests in or are directors and/or officers of the San Miguel Group.

此報告將於二零一一年五月二十日星期五下午三時正假座香港中區法院道太古廣場二期港島香格里拉大酒店五樓香島殿舉行之第四十八屆股東周年大會上提交。

董事會全人謹此向各股東提呈截至二零一零年十二月三十一日止年度之年報及經審核財務報表。

主要營業地點

香港生力啤酒廠有限公司(「本公司」)是一間於香港註冊成立的公司，註冊辦事處及主要營業地點為香港新界沙田小瀝源源順圍二十八號都會廣場九樓。

主要業務

本公司之主要業務為製造及分銷樽裝、罐裝及桶裝啤酒。各附屬公司之主要業務及其他細節載於財務報表附註16。

有關本財政年度本公司及各附屬公司(「本集團」)之類別分析，載於財務報表附註13。

主要客戶及供應商

以下所載為本年度主要客戶及供應商分別佔本集團銷售及採購數額之資料：

Percentage of the Group's total 佔本集團

Sales 銷售總額百分比	Purchases 採購總額百分比
------------------	----------------------

The largest customer	最大客戶	10.11%	
Five largest customers in aggregate	首五大客戶合計	39.06%	
The largest supplier	最大供應商		8.48%
Five largest suppliers in aggregate	首五大供應商合計		23.99%

本公司之最終控股公司，生力總公司(「生力總公司」)及其關聯公司(統稱「生力集團」)為首五大供應商其中之一。其中，蔡啓文先生、凱顧思先生、石原基康先生、松永太郎先生、西村慶介先生、施雅高先生及譚嘉源先生因擁有生力集團之股權或為其董事及／或高級人員而獲得利益。

REPORT OF DIRECTORS | 董事會報告

MAJOR CUSTOMERS AND SUPPLIERS (Continued)

Save as disclosed above, none of the directors, their associates, or any shareholder of the Company (which to the knowledge of the directors owns more than 5% of the Company's share capital) had any interest in these major customers or suppliers.

FINANCIAL STATEMENTS

The loss of the Group for the year ended 31 December 2010 and the state of the Company's and the Group's affairs as at that date are set out on pages 60 to 136 of the financial statements.

TRANSFER TO RESERVES

Loss attributable to shareholders of HK\$773,987,000 (2009: HK\$343,052,000) has been transferred to reserves. Other movements in reserves are set out in the consolidated statement of changes in equity.

DIVIDENDS

The directors have resolved that no final dividend be declared for the year 2010.

CHARITABLE AND OTHER DONATIONS

Charitable and other donations made by the Group during the year amounted to HK\$Nil (2009: HK\$Nil).

FIXED ASSETS

The Group acquired fixed assets in the amount of HK\$8,155,000 (2009: HK\$43,501,000) during the year. Details of these acquisitions and other movements in fixed assets are set out in note 14 to the financial statements.

SHARE CAPITAL

Details of the share capital of the Company are set out in note 28(b) to the financial statements. There were no movements during the year.

DIRECTORS

The directors of the Company as at the date of this Annual Report are set out on page 2 of the Annual Report.

With the exception of Mr. Motoyasu Ishihara, Mr Taro Matsunaga and Mr. Keisuke Nishimura who were appointed as directors during the year, all of the directors served as such for the full year.

Ms. Jesusa Victoria H. Bautista, Ms. Minerva Lourdes B. Bibonia and Mr. Faustino F. Galang resigned as directors during 2010.

主要客戶及供應商 (續)

除上文所披露者外，各董事、彼等之聯繫人士或任何據董事所知擁有本公司股本超過百份之五之本公司股東於本年度內概無擁有該等主要客戶或供應商之任何權益。

財務報表

本集團截至二零一零年十二月三十一日止年度之虧損及本公司與本集團於該日之財政狀況，載列於第60至136頁之財務報表。

轉撥入儲備

本年度虧損773,987,000港元(二零零九：343,052,000港元)已轉撥入儲備。儲備之其他變動載於綜合權益變動表。

股息

董事會通過不派發二零一零年末期股息。

慈善及其他捐款

本集團於本年度內之慈善及其他捐款合共零港元(二零零九：零港元)。

固定資產

本集團於本年度內購置8,155,000港元的固定資產(二零零九：43,501,000港元)。固定資產之變動詳情載於財務報表附註14。

股本

有關本公司股本之詳情載列於財務報表附註28(b)。本年度之股本並無任何變動。

董事

於本年報之日期各董事之名單載於第2頁。

除石原基康先生、松永太郎先生及西村慶介先生於本年度被委任為董事外，全部董事均於全年擔任董事職務。

Jesusa Victoria H. Bautista女士、Minerva Lourdes B. Bibonia女士及郭嘉寧先生於二零一零年內辭去董事職務。

REPORT OF DIRECTORS | 董事會報告

DIRECTORS (Continued)

Mr. Ramon S. Ang, Mr. Carlos Antonio M. Berba, Mr. Thelmo Luis O. Cunanan Jr. and Mr. Peter K.Y. Tam 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.

Subsequent to 31 December 2010, Mr. Cheung Yuen Tak resigned as director and Ms. Chan Wen Mee, May (Michelle) was appointed as director.

Mr. Taro Matsunaga and Ms. Chan Wen Mee, May (Michelle) who were appointed as directors since the last Annual General Meeting, retire from the offices 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.

Mr. Motoyasu Ishihara has tendered his resignation as director of the Company effective upon acceptance by the Board. Mr. Teruyuki Daino has been nominated to fill in the vacated office of Mr. Motoyasu Ishihara at the forthcoming Annual General Meeting.

None of the directors proposed for re-election at the forthcoming Annual General Meeting has an unexpired service contract which is not determinable by the Company or any of its subsidiaries within one year without payment of compensation, other than normal statutory obligations.

DIRECTORS' INTERESTS

The directors of the Company as of 31 December 2010 had the following interests in the shares of the Company, its holding companies, subsidiaries and other associated corporations (within the meaning of the Securities and Futures Ordinance ("SFO")) at that date as recorded in the register of directors' interests required to be kept under Section 352 of the SFO:

(1) INTERESTS IN ISSUED SHARES

Name

姓名

David K. P. Li

李國寶

董事 (續)

蔡啓文先生、凱顧思先生、Thelmo Luis O. Cunanan Jr.先生及譚嘉源先生均依據本公司組織章程第105條規定，於即將舉行之股東周年大會上輪流告退及重選連任。

於二零一零年十二月三十一日後，張元德先生辭去董事職務及陳雲美女士被委任為董事。

松永太郎先生及陳雲美女士於上一次股東周年大會後被委任為董事。依據本公司組織章程第96條規定，於即將舉行之股東周年大會上重選連任。

石原基康先生已就辭去本公司董事一職提交辭呈並待董事會接納後正式生效。代野照幸先生被提名以填補石原基康先生空缺，並在即將舉行之股東周年大會中提出。

擬於應屆股東周年大會上膺選連任之董事並無與本公司或其任何附屬公司簽訂本公司或其任何附屬公司不得於一年內終止而不作出賠償（一般法定賠償除外）之服務合約。

董事之權益

按《證券及期貨條例》第352條規定備存之董事權益登記冊記錄所載，於二零一零年十二月三十一日之本公司董事於當日持有本公司、其控股公司、附屬公司及其他聯繫公司（定義見《證券及期貨條例》）已發行股本之權益如下：

(1) 已發行股本之權益

Number of ordinary shares of
HK\$0.50 each in the Company

本公司每股面值

港幣0.50元之普通股之股份數目

Number of
shares held

持股數目

% of total
issued shares

佔已發行股份
總數之百分比

500,000

0.13%

REPORT OF DIRECTORS | 董事會報告

DIRECTORS' INTERESTS (Continued)

(1) INTERESTS IN ISSUED SHARES (Continued)

Name

姓名

Ramon S. Ang
Carlos Antonio M. Berba
Carmelo L. Santiago

蔡啓文
凱顧思
施雅高

董事之權益 (續)

(1) 已發行股本之權益 (續)

**Number of common shares in
5 Philippine pesos each in
San Miguel Corporation**
生力總公司每股面值5菲律賓披索
之普通股之股份數目

Number of shares held	% of total issued shares
持股數目	佔已發行股份 總數之百分比

6,050	0.000260%
1,045	0.000045%
5,000	0.000215%

**Number of common shares in
1 Philippine peso each in
San Miguel Brewery Inc.**
生力啤酒廠公司每股面值1菲律賓披索
之普通股之股份數目

Number of shares held*	% of total issued shares
持股數目*	佔已發行股份 總數之百分比

Ramon S. Ang
Carlos Antonio M. Berba
Motoyasu Ishihara
Keisuke Nishimura
Carmelo L. Santiago

蔡啓文
凱顧思
石原基康
西村慶介
施雅高

5,000	0.000032%
18,000	0.000117%
5,000	0.000032%
5,000	0.000032%
5,000	0.000032%

* includes corporate interest
* 包括公司權益

REPORT OF DIRECTORS | 董事會報告

DIRECTORS' INTERESTS (Continued)

(2) INTERESTS IN UNDERLYING SHARES

Certain directors of the Company have been granted stock options to subscribe for common shares in SMC under SMC's stock option scheme. Particulars of stock options in SMC held by directors during the year and as at 31 December 2010 are as follows:

董事之權益 (續)

(2) 於相關股份之權益

本公司若干董事根據生力總公司之購股權計劃獲授購股權以認購生力總公司之普通股股份。於年內及於二零一零年十二月三十一日各董事擁有生力總公司之購股權詳情如下：

		Stock options in San Miguel Corporation 生力總公司之購股權					
Name		Date granted	Exercise period up to	Exercise price per option (Philippine pesos)	Number of options outstanding at the beginning of the year	Number of options exercised during the year	Number of options outstanding at the end of the year
姓名		授出日期	截止行限期	每股行使價 (菲律賓披索)	年初時尚未行使之購股權數目	年內授出／ (已行使)之購股權數目	年結時尚未行使之購股權數目
Common (par value of 5 Philippine pesos each): 普通 (每股面值5菲律賓披索) :	Ramon S. Ang 蔡啟文	26/06/2003	26/06/2011	54.50	259,422	—	259,422
		26/06/2003	26/06/2011	62.50	111,181	—	111,181
		01/10/2004	01/10/2012	57.50	266,854	—	266,854
		01/10/2004	01/10/2012	70.50	114,366	—	114,366
		10/11/2005	10/11/2013	65.00	204,654	—	204,654
		10/11/2005	10/11/2013	89.50	136,436	—	136,436
		01/03/2007	01/03/2015	63.50	993,386	—	993,386
		01/03/2007	01/03/2015	75.50	662,258	—	662,258
		26/06/2008	26/06/2016	40.50	765,603	—	765,603
		25/06/2009	25/06/2017	58.05	587,556	—	587,556
Carlos Antonio M. Berba	凱顯思	01/10/2004	01/10/2012	70.50	3,508	(3,508)	—
		10/11/2005	10/11/2013	65.00	20,566	(20,566)	—
		10/11/2005	10/11/2013	89.50	13,710	(13,710)	—
		01/03/2007	01/03/2015	63.50	42,352	(42,352)	—
		01/03/2007	01/03/2015	75.50	84,706	(84,706)	—
		26/06/2008	26/06/2016	40.50	72,736	(36,368)	36,368
		25/06/2009	25/06/2017	58.05	85,278	(28,426)	56,852
Peter K. Y. Tam	譚嘉源	26/06/2003	26/06/2011	54.50	17,452	(17,452)	—
		26/06/2003	26/06/2011	62.50	7,480	(7,480)	—
		01/10/2004	01/10/2012	57.50	17,039	(17,039)	—
		01/10/2004	01/10/2012	70.50	7,303	(7,303)	—
		10/11/2005	10/11/2013	65.00	909	(909)	—
		10/11/2005	10/11/2013	89.50	606	(606)	—

DIRECTORS' INTERESTS (Continued)

(2) INTERESTS IN UNDERLYING SHARES (Continued)

All interests in the share and underlying shares of the Company, its holding companies, subsidiaries and other associated corporations are long positions.

Apart from the foregoing, at no time during the year was the Company, any of its holding companies, subsidiaries or associated corporations a party to any arrangement to enable the directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Apart from the foregoing, none of the directors of the Company or any of their spouses or children under eighteen years of age has interests or short positions in the shares, underlying shares or debentures of the Company, or any of its holding companies, subsidiaries or other associated corporations, as recorded in the register required to be kept under section 352 of the SFO or as otherwise notified to the Company pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as adopted by the Company.

董事之權益 (續)

(2) 於相關股份之權益 (續)

本公司、其控股公司、附屬公司及其他聯繫公司之所有股份及相關股份權益均屬好倉。

除上文所述外，本公司、其控股公司、附屬公司或其他聯繫公司在本年度任何時間內並無安排本公司董事購買本公司或其他公司之股份權益或債權證。

根據本公司按《證券及期貨條例》第352條而保存之登記冊，或根據上市公司董事進行證券交易的標準守則所知會本公司之記錄，除上文所提及外，各董事，其配偶或其18歲以下之子女均無擁有本公司、或其任何控股公司、附屬公司或其他聯繫公司之股份、相關股份及債權證之權益及淡倉。

The new line extension of the San Miguel brand, San Mig Light, offers our consumers a light and refreshing beer that has lower calories.



REPORT OF DIRECTORS | 董事會報告

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES AND UNDERLYING SHARES

主要股東於股份及相關股份之權益

The Company has been notified of the following interests in the Company's issued shares at 31 December 2010 amounting to 5% or more of the ordinary shares in issue:

於二零一零年十二月三十一日，本公司獲悉下列佔本公司已發行普通股之5%或以上的本公司已發行股份權益：

		Ordinary shares of HK\$0.50 each 每股面值港幣0.50元之普通股股份	
Substantial shareholders		Number of ordinary shares held	% of total issued shares
主要股東		所持普通股數目	佔已發行股份 總數之百分比
San Miguel Corporation (note 1)	生力總公司(附註1)	245,720,800	65.78%
Kirin Holdings Company, Limited (note 1)	麒麟控股株式會社(附註1)	245,720,800	65.78%
San Miguel Brewery Inc. (note 1)	生力啤酒廠公司(附註1)	245,720,800	65.78%
San Miguel Brewing International Limited (note 1)	生力啤酒國際有限公司(附註1)	245,720,800	65.78%
Neptunia Corporation Limited (note 1)	立端利有限公司(附註1)	245,720,800	65.78%
Cheung Kong (Holdings) Limited (note 2)	長江實業(集團)有限公司 (附註2)	23,703,000	6.34%
Li Ka-Shing Unity Trustee Company Limited (note 2) (as trustee of The Li Ka-Shing Unity Trust)	Li Ka-Shing Unity Trustee Company Limited(附註2) (作為The Li Ka-Shing Unity Trust之信託人)	23,703,000	6.34%
Li Ka-Shing Unity Trustcorp Limited (note 2) (as trustee of another discretionary trust)	Li Ka-Shing Unity Trustcorp Limited (附註2) (作為另一全權信託之信託人)	23,703,000	6.34%
Li Ka-Shing Unity Trustee Corporation Limited (note 2) (as trustee of The Li Ka-Shing Unity Discretionary Trust)	Li Ka-Shing Unity Trustee Corporation Limited(附註2) (作為The Li Ka-Shing Unity Discretionary Trust之信託人)	23,703,000	6.34%
Li Ka-Shing (note 2)	李嘉誠(附註2)	23,703,000	6.34%

REPORT OF DIRECTORS | 董事會報告

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES AND UNDERLYING SHARES (Continued)

Notes:

(1) SMC, Kirin Holdings Company, Limited ("Kirin"), San Miguel Brewery Inc. ("SMB") and San Miguel Brewing International Limited ("SMBIL") are all deemed to hold the above disclosed interest indirectly through Neptunia Corporation Limited ("Neptunia") in the Company because each of SMC and Kirin holds more than one third of the voting power of SMB, SMB has a controlling interest in SMBIL and SMBIL has a controlling interest in Neptunia.

(2) Mr. Li Ka-Shing is the settlor of each of The Li Ka-Shing Unity Discretionary Trust ("DT1") and another discretionary trust ("DT2"). Each of Li Ka-Shing Unity Trustee Corporation Limited ("TDT1", which is the trustee of DT1) and Li Ka-Shing Unity Trustcorp Limited ("TDT2", which is the trustee of DT2) holds units in The Li Ka-Shing Unity Trust ("UT1") but is not entitled to any interest or share in any particular property comprising the trust assets of the said unit trusts. The discretionary beneficiaries of each of DT1 and DT2 are, inter alia, Mr. Li Tzar Kuoi, Victor, his wife and children, and Mr. Li Tzar Kai, Richard. Li Ka-Shing Unity Trustee Company Limited ("TUT1") as trustee of UT1, together with certain companies which TUT1 as trustee of UT1 is entitled to exercise or control the exercise of one-third or more of the voting power at their general meetings, hold more than one-third of the issued share capital of Cheung Kong (Holdings) Limited ("CKH"). CKH is entitled to exercise or control the exercise of one-third or more of the voting power at the general meetings of Conroy Assets Limited and Hamstar Profits Limited.

The entire issued share capital of each of TUT1, TDT1 and TDT2 are owned by Li Ka-Shing Unity Holdings Limited ("Unity Holdco"). Each of Mr. Li Ka-Shing, Mr. Li Tzar Kuoi, Victor and Mr. Li Tzar Kai, Richard is only interested in one-third of the entire issued share capital of Unity Holdco. TUT1 is interested in the shares of CKH by reason only of its obligation and power to hold interests in those shares in its ordinary course of business as trustee and, when performing its function as trustee, exercises its power to hold interests in the shares of CKH independently without any reference to Unity Holdco or any of Mr. Li Ka-Shing, Mr. Li Tzar Kuoi, Victor and Mr. Li Tzar Kai, Richard as a holder of the shares of Unity Holdco as aforesaid.

By virtue of the SFO, each of Mr. Li Ka-Shing (being the settlor and may be regarded as a founder of each of DT1 and DT2 for the purpose of the SFO), TUT1, TDT1, TDT2, and CKH is deemed to be interested in the 23,703,000 shares of the Company of which 13,624,600 shares are held by Conroy Assets Limited and 10,078,400 shares are held by Hamstar Profits Limited.

All the above interests in the shares and underlying shares of the Company are long positions.

Apart from the foregoing, no other interests required to be recorded in the register kept under Section 336 of the SFO have been notified to the Company.

主要股東於股份及相關股份之權益(續)

附註：

(1) 由於生力總公司及麒麟控股株式會社(「麒麟」)各自持有生力啤酒廠公司(「生力啤酒廠」)三分之一以上之投票權，生力啤酒廠持有生力啤酒國際有限公司(「生力啤酒國際」)之控股權益及生力啤酒國際持有立端利有限公司(「立端利」)之控股權益，故此生力總公司、麒麟、生力啤酒廠及生力啤酒國際均被視為間接透過立端利於本公司之權益而持有上述所披露之權益。

(2) 李嘉誠先生為The Li Ka-Shing Unity Discretionary Trust(「DT1」)及另一全權信託(「DT2」)之財產授予人。Li Ka-Shing Unity Trustee Corporation Limited(「TDT1」，為DT1之信託人)及Li Ka-Shing Unity Trustcorp Limited(「TDT2」，為DT2之信託人)各自持有若干The Li Ka-Shing Unity Trust(「UT1」)單位，但此等全權信託並無於該單位信託之任何信託資產物業中具有任何利益或股份。DT1及DT2之可能受益人包括李澤鉅先生、其妻子與子女，及李澤楷先生。Li Ka-Shing Unity Trustee Company Limited(「TUT1」)以UT1信託人身份與若干同為TUT1以UT1信託人之身份擁有在其股東大會上行使或控制行使三分之一以上投票權之公司共同持有長江實業(集團)有限公司(「長實」)已發行股本三分之一或以上權益。長實於Conroy Assets Limited及Hamstar Profits Limited擁有在其股東大會上行使或控制行使三分之一或以上投票權。

TUT1、TDT1、及TDT2之全部已發行股本由Li Ka-Shing Unity Holdings Limited(「Unity Holdco」)擁有。李嘉誠先生、李澤鉅先生及李澤楷先生各自擁有Unity Holdco三分之一全部已發行股本。TUT1擁有長實之股份權益只為履行其作為信託人之責任及權力而從事一般正常業務，並可以信託人身份獨立行使其持有長實股份權益之權力而毋須向Unity Holdco或上文所述之Unity Holdco股份持有人李嘉誠先生、李澤鉅先生及李澤楷先生徵詢任何意見。

根據《證券及期貨條例》，李嘉誠先生(彼為DT1及DT2之財產授予人及就證券及期貨條例而言，被視為該兩項信託之成立人)、TUT1、TDT1、TDT2及長實均各自被視為擁有本公司23,703,000股之股份權益，其中包括由Conroy Assets Limited持有之13,624,600股股份及由Hamstar Profits Limited持有之10,078,400股股份。

上述所有本公司之股份權益均為好倉。

除上述外，並無其他權益須按《證券及期貨條例》第336條規定備存之登記冊通知本公司。

REPORT OF DIRECTORS | 董事會報告

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the directors of the Company as at the date of this Annual Report, the Company has maintained the prescribed public float under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

DIRECTORS' INTERESTS IN CONTRACTS

Pursuant to an agreement dated 12 June 1963, Neptunia Corporation Limited provides technical and advisory services to the Company and may be paid a General Managers' commission. Mr. Ramon S. Ang, Mr. Carlos Antonio M. Berba, Mr. Motoyasu Ishihara, Mr. Taro Matsunaga, Mr. Keisuke Nishimura, Mr. Carmelo L. Santiago and Mr. Peter K.Y. Tam are interested parties to this contract to the extent that they either have equity interests in or are directors and/or officers of SMC, 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, no contract of significance to which the Company, or any of its holding companies, subsidiaries or associated corporations was a party, and in which a Director of the Company had a material interest, subsisted at the end of the year or at any time during the year.

CONNECTED TRANSACTIONS

(1) TRADE-RELATED CONTINUING CONNECTED TRANSACTIONS MADE WITH THE SAN MIGUEL GROUP

(a) Purchase from the San Miguel Group

In order to comply with the Listing Rules, the Company entered into an agreement with SMC, the ultimate holding company of the Company, on 6 December 2007 (the "2007 Agreement") with a view to renewing the agreement to carry out the trade-related continuing connected transactions which consist of, among others, purchase of packaging materials, alcoholic and non-alcoholic beverages products by the members of the Group from members of the San Miguel Group, for a further term of 3 years from 1 January 2008 to 31 December 2010 under the same terms and conditions as those under the agreement entered into by SMC and the Company dated 11 March 2005 in respect of such trade-related continuing connected transactions.

The 2007 Agreement, including the trade-related continuing connected transactions and the caps set for such transactions, was approved by independent shareholders at the Extraordinary General Meeting of the Company held on 4 January 2008.

公眾持股量

本公司所掌握之公開資料以及就本公司董事所知，於本年報日期，本公司一直保持香港聯合交易所有限公司證券上市規則（「上市規則」）指定之公眾持股量。

董事於合約之權益

根據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，並可收取總經理酬金。其中，蔡啓文先生、凱爾思先生、石原基康先生、松永太郎先生、西村慶介先生、施雅高先生及譚嘉源先生因擁有立端利有限公司之最終控股公司生力總公司之股權，或為生力總公司之董事及／或高級人員，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酬金，而立端利有限公司亦無向本公司收取總經理酬金。

除上文所披露者外，本公司、或其任何控股公司、附屬公司或關連公司概無於本年度終結時或年內任何時間訂立與本公司董事擁有重大權益之重要合約。

關連交易

(1) 與生力集團貿易有關的持續關連交易

(a) 向生力集團的採購

為符合上市規則，本公司與本公司之最終控股公司，生力總公司，於二零零七年十二月六日訂立一份協議書（「二零零七年協議書」）從而更新協議以進行與貿易有關的持續關連交易，包括向生力集團購買包裝材料及酒精類及非酒精類飲品產品，由二零零八年一月一日至二零一零年十二月三十一日止為期三年。該協議之條款及條件與於二零零五年三月十一日由本公司與生力總公司訂立之與貿易有關的持續關連交易的協議相同。

二零零七年協議書（包括與貿易有關的持續關連交易及此等交易上限）已於二零零八年一月四日於本公司的股東特別大會內經獨立股東批准。

CONNECTED TRANSACTIONS (Continued)

(1) TRADE-RELATED CONTINUING CONNECTED TRANSACTIONS MADE WITH THE SAN MIGUEL GROUP (Continued)

(a) Purchase from the San Miguel Group (Continued)

Pursuant to the 2007 Agreement, the Group entered into the following trade-related continuing connected transactions during the year.

Continuing connected transactions	持續關連交易	2010 二零一零年 Actual 實額 HK\$'000 港幣千元	2010 二零一零年 Cap 上限 HK\$'000 港幣千元
Purchase of packaging materials by the Group from the San Miguel Group	本集團向生力集團購買包裝材料	36,958	60,000
Purchase of alcoholic and non-alcoholic beverage products by the Group from the San Miguel Group	本集團向生力集團購買酒精類及非酒精類飲品產品	4,472	9,200

The independent non-executive directors of the Company have reviewed these connected transactions and confirmed that such transactions were:

- entered into in the ordinary and usual course of business of the Group;
- conducted either on normal commercial terms or, if there are not sufficient comparable transactions to judge whether they are on normal commercial terms, on terms no less favourable to the Group than terms available to or from independent third parties; and
- in accordance with the relevant agreement governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

The directors have received a letter from the auditors as required under Rule 14A.38 of the Listing Rules.

關連交易 (續)

(1) 與生力集團貿易有關的持續關連交易 (續)

(a) 向生力集團的採購 (續)

於本年度內，本集團根據二零零七年此協議書進行以下與貿易有關的持續關連交易。

	2010 二零一零年 Actual 實額 HK\$'000 港幣千元	2010 二零一零年 Cap 上限 HK\$'000 港幣千元
Purchase of packaging materials by the Group from the San Miguel Group	36,958	60,000
Purchase of alcoholic and non-alcoholic beverage products by the Group from the San Miguel Group	4,472	9,200

本公司獨立非執行董事審閱並確認該等交易乃：

- 於一般日常業務過程中進行；
- 按正常商業條款或，如果沒有足夠的交易比較判斷他們是否按正常商業條款，按不遜於本集團給予獨立第三方或從獨立第三方接受的條款訂立；及
- 按照有關協議的條款規管該等交易是公平和合理，並符合本公司股東之整體利益。

根據上市規則14A.38規定，董事接獲核數師書面確認報告。

CONNECTED TRANSACTIONS (Continued)

(1) TRADE-RELATED CONTINUING CONNECTED TRANSACTIONS MADE WITH THE SAN MIGUEL GROUP (Continued)

(b) Sale to the San Miguel Group

The Group used to sell packaged beer to the San Miguel Group in the ordinary and usual course of business of the Group. As set out in the announcement and the circular of the Company dated 11 March 2005 and 21 March 2005, respectively, the Company and SMC entered into an agreement on 11 March 2005 (the "2005 Agreement") to record, among other things, the terms of the sales of packaged beer to the San Miguel Group ("Packaged Beer Sales") for a term up to 31 December 2007. The Independent Shareholders approved at an Extraordinary General Meeting held on 7 April 2005 the entering into by the Company and SMC of the 2005 Agreement. The packaged beer sold by the Group to the San Miguel Group under the 2005 Agreement was produced at the Company's Hong Kong plant. The brewing operations of the Company's Hong Kong plant ceased in 2007. After the cessation in 2007, the Packaged Beer Sales have also discontinued.

As a result of the resumption of the brewing operations of the Company's Hong Kong plant in 2009, the Company expected to resume the Packaged Beer Sales as well as to sell some other non-alcoholic beverage products to be produced by the Group at its Hong Kong plant to the San Miguel Group. On 11 May 2009, the Company and SMC entered into an agreement (the "2009 Agreement") to record the terms under which the sales of packaged beer and non-alcoholic beverage products by members of the Group to members of the San Miguel Group will be resumed and to set out annual caps for the continuing connected transactions for the two years ending 31 December 2010. An announcement was made by the Company on 11 May 2009 in this respect.

關連交易 (續)

(1) 與生力集團貿易有關的持續關連交易 (續)

(b) 對生力集團的銷售

本集團過往於日常及慣常業務過程中向生力集團銷售已包裝啤酒。如本公司日期分別為二零零五年三月十一日及二零零五年三月三十一日之公告及通函所述，本公司與生力總公司於二零零五年三月十一日訂立協議（「二零零五年協議」），以記錄（其中包括）已包裝啤酒銷售（「已包裝啤酒銷售」）之條款，年期直至二零零七年十二月三十一日止。於二零零五年四月七日舉行之股東特別大會上，獨立股東批准本公司與生力總公司訂立二零零五年協議。本集團根據二零零五年協議向生力集團銷售之已包裝啤酒由本公司之香港酒廠生產。本公司之香港酒廠於二零零七年終止釀酒運作，而於二零零七年終止運作後，已包裝啤酒銷售亦告終止。

由於本公司已於二零零九年恢復香港酒廠之釀酒運作，故預期亦會恢復已包裝啤酒銷售以及向生力集團銷售其他由本集團於香港酒廠生產之非酒精類飲品產品。於二零零九年五月十一日，本公司與生力總公司訂立協議（「二零零九年協議」），以記錄本集團成員公司向生力集團成員公司銷售已包裝啤酒及非酒精類飲品產品持續關連交易之條款，以及列明截至二零一零年十二月三十一日止兩個年度之持續關連交易年度上限。於二零零九年五月十一日本公司已就此作出披露。

CONNECTED TRANSACTIONS (Continued)

(1) TRADE-RELATED CONTINUING CONNECTED TRANSACTIONS MADE WITH THE SAN MIGUEL GROUP (Continued)

(b) Sale to the San Miguel Group (Continued)

The 2009 Agreement, including the trade-related continuing connected transactions and the caps set for such transactions, was approved by independent shareholders at the Extraordinary General Meeting of the Company on 16 June 2009.

Pursuant to the 2009 Agreement, the Group entered into the following trade-related continuing connected transactions during the year.

Continuing connected transactions 持續關連交易

Sales of packaged beer and/or non-alcoholic beverage products by the Group to the San Miguel Group	本集團對生力集團銷售已包裝啤酒及／或非酒精類飲品產品
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The independent non-executive directors of the Company have reviewed these connected transactions and confirmed that such transactions were:

- entered into in the ordinary and usual course of business of the Group;
- conducted either on normal commercial terms or, if there are not sufficient comparable transactions to judge whether they are on normal commercial terms, on terms no less favourable to the Group than terms available to or from independent third parties; and
- in accordance with the relevant agreement governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

The directors have received a letter from the auditors as required under Rule 14A.38 of the Listing Rules.

關連交易 (續)

(1) 與生力集團貿易有關的持續關連交易 (續)

(b) 對生力集團的銷售 (續)

二零零九年協議(包括與貿易有關的持續關連交易及此等交易上限)已於二零零九年六月十六日於本公司的股東特別大會內經獨立股東批准。

於本年度內，本集團根據二零零九年協議進行以下與貿易有關的持續關連交易。

2010 二零一零年 Actual 實額 HK\$'000 港幣千元	2010 二零一零年 Cap 上限 HK\$'000 港幣千元
55,937	183,583

本公司獨立非執行董事審閱並確認該等交易乃：

- 於一般日常業務過程中進行；
- 按正常商業條款或，如果沒有足夠的交易比較判斷他們是否按正常商業條款，按不遜於本集團給予獨立第三方或從獨立第三方接受的條款訂立；及
- 按照有關協議的條款規管該等交易是公平和合理，並符合本公司股東之整體利益。

根據上市規則14A.38規定，董事接獲核數師書面確認報告。

CONNECTED TRANSACTIONS (Continued)

(1) TRADE-RELATED CONTINUING CONNECTED TRANSACTIONS MADE WITH THE SAN MIGUEL GROUP (Continued)

(c) Purchase from/Sale to the San Miguel Group

In anticipation of the expiration of the 2007 Agreement and the 2009 Agreement on 31 December 2010, the Company and SMC entered into a new agreement ("New Agreement") on 15 October 2010 with a view to renewing the 2007 Agreement and the 2009 Agreement to continue to carry out the trade-related continuing connected transactions from 1 January 2011 to 31 December 2013 on substantially the same terms as those under the 2007 Agreement and the 2009 Agreement.

The board of directors, the independent financial advisor and independent board committee reviewed the terms of the New Agreement (including the caps) and the transactions contemplated therein and considered that they:

- (a) are entered into in the ordinary and usual course of business of the group;
- (b) are on normal commercial terms and are fair and reasonable; and
- (c) are in the interests of the Company and the shareholders as a whole.

關連交易 (續)

(1) 與生力集團貿易有關的持續關連交易 (續)

(c) 對生力集團的採購/銷售

鑒於二零零七年協議及二零零九年協議將於二零一零年十二月三十一日失效，本公司與生力總公司於二零一零年十月十五日訂立新協議（「新協議」），從而將二零零七年協議及二零零九年協議續期，以於二零一一年一月一日至二零一三年十二月三十一日期間進行持續關連交易。新協議的條款大致與二零零七年協議及二零零九年協議相同。

董事會，獨立財務顧問及獨立董事委員會已審閱新協議之條款（包括上限）及預計的交易，並認為此等交易乃：

- (a) 於本集團之日常及慣常業務過程中進行；
- (b) 按一般商業條款，公平及合理地進行；及
- (c) 符合股東之整體利益。

CONNECTED TRANSACTIONS (Continued)

(1) TRADE-RELATED CONTINUING CONNECTED TRANSACTIONS MADE WITH THE SAN MIGUEL GROUP (Continued)

(c) Purchase from/Sale to the San Miguel Group (Continued)

The New Agreement, including the trade-related continuing connected transactions and the caps set for such transactions as set out below, was approved by independent shareholders at the Extraordinary General Meeting of the Company on 26 November 2010.

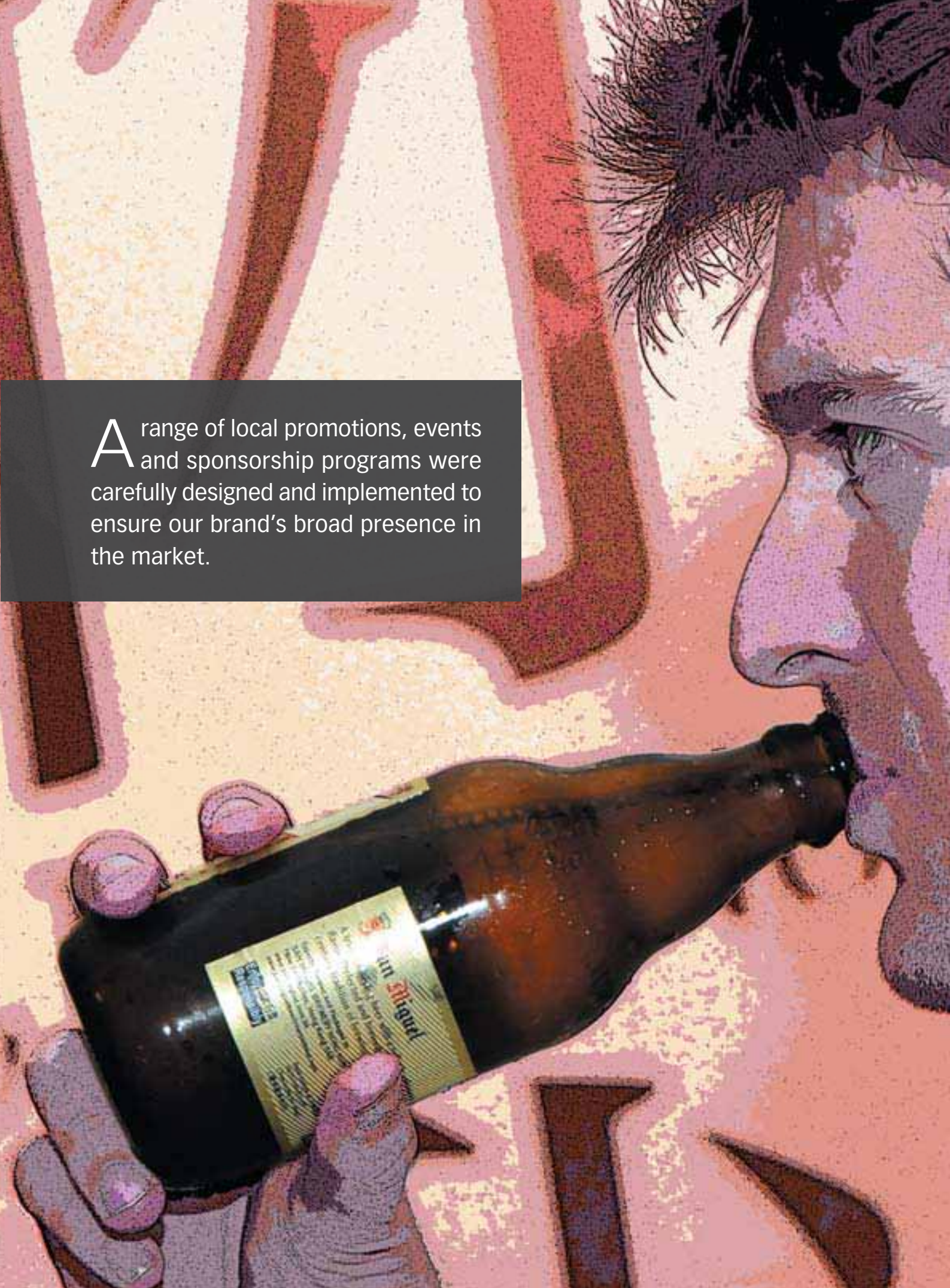
關連交易 (續)

(1) 與生力集團貿易有關的持續關連交易 (續)

(c) 對生力集團的採購/銷售 (續)

新協議(包括與貿易有關的持續關連交易及以下有關此等交易上限)已於二零一零年十一月二十六日於股東特別大會內經獨立股東批准。

		2011 二零一一年	2012 二零一二年	2013 二零一三年
		Cap 上限	Cap 上限	Cap 上限
		HK\$	HK\$	HK\$
		港元	港元	港元
Continuing connected transactions	持續關連交易			
Purchase of packaging materials by the Group from the San Miguel Group	本集團向生力集團購買包裝材料	47,000,000	54,000,000	61,000,000
Purchase of packaged beer by the Group from the San Miguel Group	本集團向生力集團購買已包裝啤酒	4,900,000	5,300,000	5,700,000
Sales of packaged beer and non-alcoholic beverage products by the Group to the San Miguel Group, provided that such sales or distribution of packaged beer shall not be carried out in the Philippines, unless through San Miguel Brewery Inc.	本集團向生力集團銷售已包裝啤酒及非酒精類飲品產品，該產品不能於菲律賓銷售(經生力啤酒廠公司銷售除外)	97,000,000	103,000,000	108,000,000



A range of local promotions, events and sponsorship programs were carefully designed and implemented to ensure our brand's broad presence in the market.

CONNECTED TRANSACTIONS (Continued)

(2) CONNECTED TRANSACTION MADE WITH A SUBSIDIARY OF SMC

On 25 July 2007, San Miguel (Guangdong) Brewery Company Limited ("SMGB"), a 92% indirectly-owned subsidiary of the Company, and ArchEn Technologies, Inc. ("ArchEn"), entered into the Engineering Design Services Agreement, pursuant to which ArchEn provided process and engineering design services to SMGB in respect of SMGB's expansion of its brewery facilities in Shunde District, Foshan City, Guangdong Province, the People's Republic of China. ArchEn is a wholly-owned subsidiary of SMC and is thus a connected person of the Company. As such, the Engineering Design Services Agreement constituted a connected transaction for the Company.

The total fees payable by SMGB to ArchEn was US\$220,000 (equivalent to approximately HK\$1,705,000). Based on the transaction amounts of the Engineering Design Services Agreement and the technical support services provided by SMC in respect of the brewery expansion project of SMGB, which transactions were aggregated as a single transaction as they are similar in nature and relate to the SMGB brewery expansion, the connected transactions are only subject to the reporting and announcement requirements under Chapter 14A of the Listing Rules but are exempted from the independent shareholders' approval requirement. The actual fee amounted to HK\$Nil for the year (2009: HK\$512,000).

The directors (including the independent non-executive directors) considered that the terms of the Engineering Design Services Agreement were fair and reasonable and in the best interests of the Company and the shareholders of the Company as a whole and the Engineering Design Services Agreement was entered into on normal commercial terms.

An announcement was made by the Company on 26 July 2007 in this respect.

關連交易 (續)

(2) 與生力總公司其中一間附屬公司之關連交易

二零零七年七月二十五日，本公司擁有92%權益之間接附屬公司生力(廣東)啤酒有限公司(「生力廣東」)與ArchEn Technologies, Inc. (「ArchEn」)訂立工程設計服務協議，據此，ArchEn將就生力廣東建議擴充其位於中國廣東省佛山市順德區之釀酒設施而向生力廣東提供工程設計及項目監督服務。由於ArchEn是生力總公司之全資附屬公司，ArchEn是本公司之關連人士。因此，該工程設計服務協議構成本公司之關連交易。

生力廣東應付ArchEn之費用總額為220,000美元(相等於約1,705,000港元)。由於所提供之服務性質類似，並與生力廣東之釀酒廠擴充計劃相關，工程設計服務協議及生力總公司就生力廣東之釀酒廠擴充項目第一期而提供之技術支援服務之交易金額應匯集為一項交易。該等交易僅須遵守上市規則第14A章項下之申報及公佈規定，但獲豁免取得獨立股東批准之規定。本年度實際費用為零港元(二零零九年：512,000港元)。

董事(包括獨立非執行董事)認為工程設計服務協議之條款屬公平合理，並符合本公司股東之整體最佳利益，而工程設計服務協議符合一般商業條款。

於二零零七年七月二十六日本公司已就此作出披露。

CONNECTED TRANSACTIONS (Continued)

(3) CONTINUING CONNECTED TRANSACTIONS MADE WITH GUANGZHOU BREWERY AND THE SAN MIGUEL GROUP RELATING TO LICENSING AGREEMENTS

Guangzhou San Miguel Brewery Company Limited ("GSMB") is an equity joint venture formed between San Miguel (Guangdong) Limited ("SMG") and Guangzhou Brewery ("GB") and is held as to 70% by SMG and as to 30% by GB. SMG is a 92.989%-owned subsidiary of the Company and GB is a connected person of the Company by virtue of its substantial shareholding in GSMB. To facilitate the business operations of GSMB, San Miguel International Limited ("SMIL") (a member of the San Miguel Group) and GB have each granted GSMB a licence to use their respective trademarks upon establishment of GSMB pursuant to the SMIL Trademark Licensing Agreement and the GB Trademark Licensing Agreement, respectively.

Apart from the SMIL Trademark Licensing Agreement, the Group has also entered into other licence agreements with certain other members of the San Miguel Group: (i) the Neptunia Sub-licence Agreement entered into between the Company and Neptunia (an indirect subsidiary of SMC) and (ii) the San Miguel Brewing International Limited ("SMBIL") Sub-licence Agreement entered into between SMGB and SMBIL (an indirect subsidiary of SMC).

The directors (including the non-executive directors) considered that the terms of the SMIL Trademark Licensing Agreement, the Neptunia Sub-licence Agreement, the SMBIL Sub-licence Agreement (collectively, the "San Miguel Group Licensing Agreements") and the GB Trademark Licensing Agreement, including their respective tenures which are for more than three years, are on normal commercial terms, fair and reasonable, and that the transactions contemplated under such agreements are in the interests of the Company and the shareholders as a whole.

The transactions under the San Miguel Group Licensing Agreements (which have been aggregated as a single transaction for purposes of the Listing Rules) and the GB Trademark Licensing Agreement constituted continuing connected transactions under Rule 14A.34(1) of the Listing Rules. The annual royalties payable by the Group under each of (i) the San Miguel Group Licensing Agreements and (ii) the GB Trademark Licensing Agreement shall be less than HK\$10 million for the year ended 31 December 2007 and each of the financial years during the remaining term of the relevant licence/sub-licence agreements. Based on this proposed cap, the transactions under each of the (i) San Miguel Group Licensing Agreements and (ii) the GB Trademark Licensing Agreement are only subject to the reporting and announcement requirements and are exempt from the independent shareholders' approval requirement.

關連交易(續)

(3) 與廣州啤酒廠及生力集團有關特許協議之持續關連交易

廣東生力啤酒有限公司(「廣州生力」)為生力啤(廣東)有限公司(「生力啤廣東」)與廣州啤酒廠(「廣州啤酒廠」)成立之合資合營公司，並由生力啤廣東及廣州啤酒廠分別持有70%及30%。生力啤廣東為本公司擁有92.989%權益之附屬公司，而廣州啤酒廠則由於其於廣州生力之重大股權而為本公司之關連人士。為方便進行廣州生力之業務，生力國際有限公司(「生力國際」)(生力集團之成員公司)與廣州啤酒廠分別根據生力國際商標特許協議及廣州啤酒廠商標特許協議授予廣州生力一項特許權，於廣州生力成立後讓廣州生力使用其各自之商標。

除生力國際商標特許協議外，本集團亦與生力集團之若干其他成員公司訂立其他特許協議：(i)本公司與立端利(生力總公司之間接全資附屬公司)訂立之立端利再特許協議及(ii)生力廣東與生力啤酒國際有限公司(「生力啤酒國際」)(生力總公司之間接全資附屬公司)訂立之生力啤酒國際再特許協議。

董事(包括非執行董事)認為生力國際商標特許協議、立端利再特許協議、生力啤酒國際再特許協議(統稱「生力集團特許協議」)及廣州啤酒廠商標特許協議(包括個別多於三年之保用權)之條款屬一般商業條款，屬公平合理，而據此進行之特許交易符合本公司及股東整體利益。

就上市規則第14A.34(1)章而言，生力集團特許協議(累計為一項單一交易)及廣州啤酒廠商標特許協議項下之交易構成本公司之持續關連交易。本集團根據各(i)生力集團特許協議及(ii)廣州啤酒廠商標特許協議，於截至二零零七年十二月三十一日止年度及相關特許/再特許協議餘下年期各財政年度各自應付之全年專利權費將少於一千萬港元。根據建議上限，各(i)生力集團特許協議以及(ii)廣州啤酒廠商標特許協議與生力集團進行之交易將僅須申報及公佈規定，並獲豁免有關獨立股東批准之規定。

CONNECTED TRANSACTIONS (Continued)

(3) CONTINUING CONNECTED TRANSACTIONS MADE WITH GUANGZHOU BREWERY AND THE SAN MIGUEL GROUP RELATING TO LICENSING AGREEMENTS (Continued)

An announcement was made by the Company on 19 September 2007 in this respect.

In anticipation of the expiration of the Neptunia Sub-licence Agreement on 1 January 2010, an Extension Letter was signed by Neptunia on 13 November 2009 and by the Company on 4 December 2009 to extend the term of the Neptunia Sub-licence Agreement for one year from 1 January 2010 to 31 December 2010 at nil consideration. Save for such extension, all other terms remain unchanged. An announcement was made by the Company on 8 December 2009 in this respect.

In relation to the SMIL Trademark Licensing Agreement and the Neptunia Sub-Licence Agreement, as per the payment instructions of SMC dated 18 December 2000, all royalties receivable from GSMB and the Company have been assigned and transferred to SMBIL effective 1 January 2000 until further notice.

On 1 April 2010, a Deed of Assignment was entered into between SMIL, SMBIL and GSMB pursuant to which SMIL agreed to assign, transfer and convey in favour of SMBIL all of SMIL's rights, title and interest over the SMIL Trademark Licensing Agreement. Both SMBIL and GSMB consented to such assignment pursuant to the Deed of Assignment.

After the Assignment, SMBIL shall be the licensor of the trademarks licensed to GSMB under the SMIL Trademark Licensing Agreement. All other terms of the SMIL Trademark Licensing Agreement as assigned to SMBIL remain unchanged. The transaction contemplated under the SMIL Trademark Licensing Agreement as assigned to SMBIL continues to constitute a continuing connected transaction for the Company under the Listing Rules.

An announcement was made by the Company on 1 April 2010 in this respect.

The amount of royalties paid to Guangzhou Brewery and the San Miguel Group for the year ended 31 December 2010 were HK\$1,951,000 and HK\$1,969,000 respectively (2009: HK\$1,929,000 and HK\$2,412,000).

關連交易 (續)

(3) 與廣州啤酒廠及生力集團有關特許協議之持續關連交易 (續)

於二零零七年九月十九日，本公司已就此作出披露。

鑒於立端利再特許協議將於二零一零年一月一日失效，立端利與本公司分別於二零零九年十一月十三日及二零零九年十二月四日簽署延長函件，以將立端利再特許協議之年期無償進一步延長一年，由二零一零年一月一日起至二零一零年十二月三十一日止。除該延長外，立端利再特許協議之所有其他條款均維持不變。於二零零九年十二月八日本公司已就此作出披露。

根據於二零零九年十二月十八日生力總公司之付款指示，就有關生力國際商標特許協議及立端利再特許協議，由二零零九年一月一日起，所有由廣州生力及本公司之專利權費將授予及轉予生力啤酒國際，直至另行通告為止。

於二零一零年四月一日，生力國際、生力啤酒國際及廣州生力訂立轉讓契據，據此，生力國際同意將生力國際擁有之商標特許協議之所有權利、所有權及權益轉讓、轉移及轉易予生力啤酒國際。生力啤酒國際及廣州生力同意根據轉讓契據進行該項轉讓。

於轉讓後，根據商標特許協議，生力啤酒國際為授予廣州生力商標特許權之特許持有人。商標特許協議之所有其他條款均維持不變。按照上市規則，根據商標特許協議擬進行之交易繼續構成本公司之持續關連交易。

於二零一零年四月一日，本公司已就此作出披露。

於截至二零一零年十二月三十一日止年度，支付予廣州啤酒廠及生力集團之專利權費分別為1,951,000港元及1,969,000港元(二零零九年：1,929,000港元及2,412,000港元)。

CONNECTED TRANSACTIONS (Continued)

(3) CONTINUING CONNECTED TRANSACTIONS MADE WITH GUANGZHOU BREWERY AND THE SAN MIGUEL GROUP RELATING TO LICENSING AGREEMENTS (Continued)

The independent non-executive directors of the Company have reviewed these connected transactions and confirmed that such transactions were:

- entered into in the ordinary and usual course of business of the Group;
- conducted either on normal commercial terms or, if there are not sufficient comparable transactions to judge whether they are on normal commercial terms, on terms no less favourable to the Group than terms available to or from independent third parties; and
- in accordance with the relevant agreement governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

The directors have received a letter from the auditors as required under Rule 14A.38 of the Listing Rules.

In anticipation of the expiration of the Neptunia Sub-licence Agreement on 1 January 2011, an Extension Letter was signed by Neptunia on 23 December 2010 and by the Company on 24 December 2010 to extend the term of the Neptunia Sub-licence Agreement for one year from 1 January 2011 to 31 December 2011 at nil consideration. Save for such extension, all other terms remain unchanged. An announcement was made by the Company on 24 December 2010 in this respect.

關連交易 (續)

(3) 與廣州啤酒廠及生力集團有關特許協議之持續關連交易 (續)

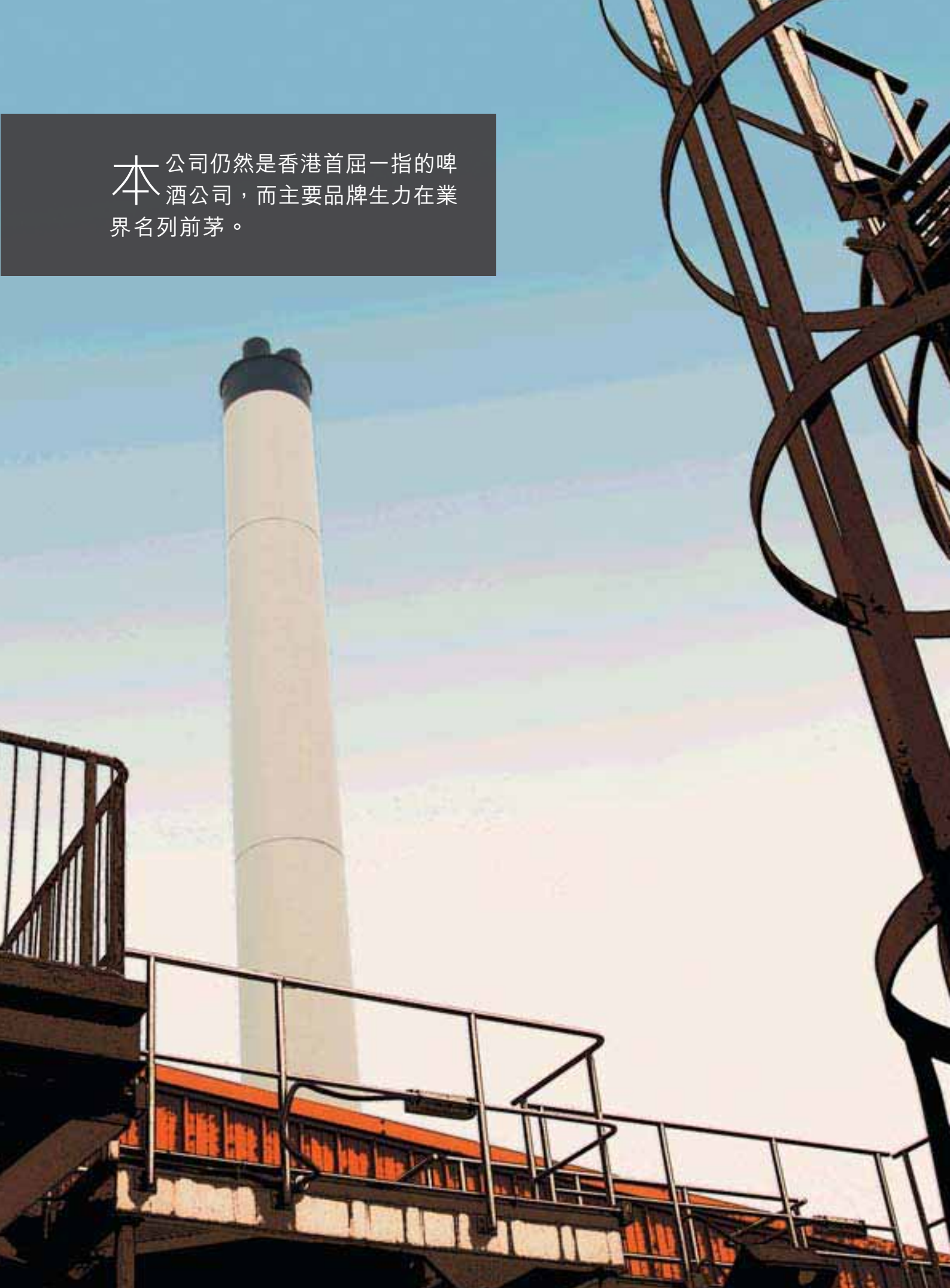
本公司獨立非執行董事審閱並確認該等交易乃：

- 於一般日常業務過程中進行；
- 按正常商業條款或，如果沒有足夠的交易比較判斷他們是否按正常商業條款，按不遜於本集團給予獨立第三方或從獨立第三方接受的條款訂立；及
- 按照有關協議的條款規管該等交易是公平和合理，並符合本公司股東之整體利益。

根據上市規則14A.38規定，董事接獲核數師書面確認報告。

鑒於立端利再特許協議將於二零一一年一月一日失效，立端利與本公司分別於二零一零年十二月十三日及二零一零年十二月四日簽署延長函件，以將立端利再特許協議之年期無償進一步延長一年，由二零一一年一月一日起至二零一一年十二月三十一日止。除該延長外，立端利再特許協議之所有其他條款均維持不變。於二零一零年十二月二十四日本公司已就此作出披露。

本公司仍然是香港首屈一指的啤酒公司，而主要品牌生力在業界名列前茅。



CONNECTED TRANSACTIONS (Continued)

(4) CONTINUING CONNECTED TRANSACTIONS MADE WITH THE SAN MIGUEL GROUP RELATING TO THE USE OF PIPELINE

SMGB is principally engaged in the production and sale of beer products in the PRC and has its brewery facilities located at Shunde District, Foshan City, Guangdong Province, the PRC. San Miguel (Guangdong) Foods and Beverages Co., Ltd. ("SMGFB"), an indirect wholly owned subsidiary of SMC, is principally engaged in the production and marketing of non-alcoholic beverages and has its production facilities located at Shunde District, Foshan City, Guangdong Province, the PRC, near the brewing facilities of SMGB.

SMGB uses its waste water discharge pipeline (the "Pipeline") from its production facilities to discharge waste water and has connected the Pipeline to the waste water pipeline system of the Longjiang waste water treatment plant for waste water treatment. As the production facilities of SMGFB are also close to the SMGB's facilities, SMGB has agreed to allow SMGFB to use the Pipeline for the discharge of SMGFB's production waste water to the Longjiang waste water treatment plant for waste water treatment.

On 26 November 2009, SMGB and SMGFB entered into an agreement (the "Agreement to Use Pipeline") pursuant to which SMGB agreed to grant SMGFB a non-exclusive right to use the Pipeline for the discharge of waste water from SMGFB's production facilities to Longjiang waste water treatment plant for waste water treatment, for a term of 3 years from 1 January 2010 to 31 December 2012.

During the term of the Agreement to Use Pipeline, SMGFB shall pay SMGB a fee in an aggregate sum of RMB7,800,000 (approximately HK\$8,853,000), the amount of which is payable quarterly for three years (i.e. RMB650,000 (approximately HK\$737,750) per quarter x 12 installments).

The fees under the Agreement to Use Pipeline are agreed between SMGB and SMGFB after arm's length negotiation mainly with reference to (i) the construction and maintenance costs of the Pipeline and the estimated volume of waste water to be discharged by the production facilities of SMGFB to the Pipeline (the volume of which are estimated based on the production volume of SMGFB) which shall not have any material impact on the repair and maintenance costs of the Pipeline that may be incurred by SMGB and (ii) the term of the Agreement to Use Pipeline of three years.

關連交易(續)

(4) 與生力集團有關使用管道之持續關連交易

生力廣東主要於中國從事生產及銷售啤酒產品，並於中國廣東省佛山市順德區擁有釀酒設施。生力總公司之間接全資附屬公司生力(廣東)食品飲料有限公司(「生力廣東食品」)主要從事生產及推銷非酒精類飲品，亦於中國廣東省佛山市順德區擁有生產設施，位置鄰近生力廣東之釀酒設施。

生力廣東使用管道(「管道」)排放其生產設施之廢水，並已將管道連接至龍江鎮污水處理廠之廢水管道系統進行廢水處理。由於生力廣東食品之生產設施亦鄰近生力廣東之設施，生力廣東同意准許生力廣東食品，使用管道將生力廣東食品之生產廢水排放至龍江鎮污水處理廠進行廢水處理。

於二零零九年十一月二十六日，生力廣東與生力廣東食品訂立協議(「使用管道協議」)，據此，生力廣東同意准許生力廣東食品非獨佔使用其管道，以將生力廣東食品之生產廢水排放至龍江鎮污水處理廠進行廢水處理，協議期限由二零一零年一月一日至二零一二年十二月三十一日止為期三年。

於該使用管道協議期限內，生力廣東食品須向生力廣東支付合共人民幣7,800,000(約8,853,000港元)之款項，該款項須於三年期間按季支付(即每季人民幣650,000(約737,750港元) x 12次分期支付)。

使用管道協議規定之費用乃由生力廣東與生力廣東食品主要參考(i)管道之興建及保養成本及生力廣東食品之生產設施向管道排放之估計廢水量(所排放之廢水量根據生力廣東食品之產量釐定)，並不會對生力廣東可能產生之管道維修及保養費用構成任何重大影響及(ii)該使用管道協議之三年期限後，經公平磋商協定。

CONNECTED TRANSACTIONS (Continued)

(4) CONTINUING CONNECTED TRANSACTIONS MADE WITH THE SAN MIGUEL GROUP RELATING TO THE USE OF PIPELINE (Continued)

The directors have taken into account the capacity that the Pipeline can accommodate and the estimated volume of waste water to be discharged by SMGFB through the Pipeline (with reference to the production volume of SMGFB) and consider that SMGFB's use of the Pipeline to discharge SMGFB's production waste water is not expected to result in any significant increase in the costs of the Group (i.e. the repair and maintenance costs of the Pipeline which may be incurred by SMGB) and is not expected to adversely affect the discharge of SMGB's own waste water from its facilities through the Pipeline. On the other hand the transactions under the Agreement to Use Pipeline shall generate additional income and cash flow to the Group.

Transactions contemplated under the Agreement to Use Pipeline constitute Continuing Connected Transactions for the Company under Chapter 14A of the Listing Rules. Based on the consideration, as the applicable percentage ratios for the Continuing Connected Transactions on an annual basis are more than 0.1% but are less than 2.5% and the annual consideration shall be less than HK\$10 million for each of the three years ending 31 December 2012, the Continuing Connected Transactions shall only be subject to the reporting and announcement requirements as set out in Chapter 14A of the Listing Rules but shall be exempt from the independent shareholders' approval requirement pursuant to Rule 14A.34 of the Listing Rules.

An announcement was made by the Company on 9 December 2009 in this respect.

The amount of fee received from SMGFB for the year ended 31 December 2010 was HK\$2,984,000 (2009:HK\$Nil).

關連交易 (續)

(4) 與生力集團有關使用管道之持續關連交易 (續)

董事已計及可經管道排放之廢水量及生力廣東食品經管道排放之估計廢水量 (參考生力廣東食品之產量釐定)，並認為，生力廣東食品使用管道排放生力廣東食品之生產廢水預期不會導致本集團之任何成本 (即生力廣東可能產生之管道維修及保養成本) 大幅增加，且預期不會對生力廣東自其設施經管道排放廢水造成不利影響。另一方面，根據該使用管道協議進行之交易將為本集團帶來額外收入及現金流量。

按照上市規則第14A章，根據該使用管道協議擬進行之交易構成本公司之持續關連交易。基於該代價，由於持續關連交易按年度基準計算之適用百分比率超過0.1%但低於2.5%，而於截至二零一二年十二月三十一日止三個年度各年之年度代價少於一千萬港元，故持續關連交易僅須遵守上市規則第14A章所述之申報及公告規定，而根據上市規則第14A.34條獲豁免遵守取得獨立股東批准之規定。

於二零零九年十二月九日本公司已就此作出披露。

於截至二零一零年十二月三十一日止年度，生力廣東食品向生力廣東支付之款項為2,984,000港元 (二零零九年：零港元)。

REPORT OF DIRECTORS | 董事會報告

CONNECTED TRANSACTIONS (Continued)

(4) CONTINUING CONNECTED TRANSACTIONS MADE WITH THE SAN MIGUEL GROUP RELATING TO THE USE OF PIPELINE (Continued)

The independent non-executive directors of the Company have reviewed these connected transactions and confirmed that such transactions were:

- entered into in the ordinary and usual course of business of the Group;
- conducted either on normal commercial terms or, if there are not sufficient comparable transactions to judge whether they are on normal commercial terms, on terms no less favourable to the Group than terms available to or from independent third parties; and
- in accordance with the relevant agreement governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

The directors have received a letter from the auditors as required under Rule 14A.38 of the Listing Rules.

(5) OTHER CONNECTED TRANSACTIONS MADE WITH THE SAN MIGUEL GROUP

The Group purchased brewing materials from the San Miguel Group during the year, which amounted to HK\$130,000 (2009: HK\$860,000). These transactions are exempt from all the reporting, announcement and independent shareholders' approval requirements according to the Listing Rules Chapter 14A.31(2), De minimis transactions.

EMPLOYEE RETIREMENT PLANS

The Company and its subsidiaries in Hong Kong have sponsored a noncontributory defined benefit scheme, The San Miguel Brewery Hong Kong Limited Retirement Fund (the "Fund"), which covers local permanent employees, and was registered in September 1995 under the Occupational Retirement Schemes Ordinance. The Fund's assets are held in trust and administered by a trustee. 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 the Mandatory Provident Fund ("MPF") regulations by the MPF Scheme Authority on 24 July 2000, following modifications to the Fund benefits which comply with MPF regulations.

關連交易(續)

(4) 與生力集團有關使用管道之持續關連交易(續)

本公司獨立非執行董事審閱並確認該等交易乃：

- 於一般日常業務過程中進行；
- 按正常商業條款或，如果沒有足夠的交易比較判斷他們是否按正常商業條款，按不遜於本集團給予獨立第三方或從獨立第三方接受的條款訂立；及
- 按照有關協議的條款規管該等交易是公平和合理，並符合本公司股東之整體利益。

根據上市規則14A.38規定，董事接獲核數師書面確認報告。

(5) 與生力集團之關連交易

於本年度內，本集團向生力集團採購釀製材料130,000港元（二零零九年：860,000港元）。根據上市規則第14A.31(2)章「最低豁免水平交易」，該等交易獲豁免遵守有關申報、公告及獨立股東批准的規定。

僱員退休金計劃

本公司及其附屬公司均有為本地全職僱員提供非供款定額福利退休金計劃，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。基金之資產被託管及由受託管理人管理。退休福利乃根據僱員之最後薪金及其服務年期計算，基金之供款乃根據獨立精算師之建議而釐定。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，並已於二零零九年七月二十四日獲得強制公積金計劃管理局豁免。

REPORT OF DIRECTORS | 董事會報告

EMPLOYEE RETIREMENT PLANS (Continued)

The latest actuarial assessment of the Fund was carried out as at 1 January 2011 and the results were as follows:

- (1) The actuary of the Fund is Mr. J. Yip, 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 of 5% per annum; long-term salary escalation of 2.5% per annum; mortality rates under the 2001 Hong Kong Life Tables; normal retirement age of 60 years; and early retirement rates allowed between the ages 55 to 60 years.
- (2) The unaudited market value of the Fund assets was HK\$58,237,000 as at 1 January 2011.
- (3) The minimum level of funding as recommended by the Fund actuary was 17.4% of salary for 2011, 2012 and 2013.
- (4) The solvency deficit was HK\$11,161,000, i.e. the obligation under the Fund was 84% covered by the Fund's assets, at 1 January 2011.

Particulars of the employee retirement plans of the Company and the Group are set out in note 26 to the financial statements.

LIQUIDITY AND FINANCIAL RESOURCES

The Group's working capital at 31 December 2010 was HK\$9,988,000 compared with HK\$77,370,000 as at 31 December 2009.

The Group's cash and bank deposits (excluding pledged deposits) as at 31 December 2010 were HK\$226,432,000 (2009: HK\$285,902,000) and are sufficient to fund working capital requirements and capital expenditure in 2011.

BANK LOANS

The Group has short term credit facilities of HK\$260,959,000 (2009: HK\$257,500,000) of which HK\$249,206,000 (2009: HK\$242,343,000) had been utilised as at 31 December 2010.

Total borrowings at 31 December 2010 for the Company and for the Group were HK\$Nil (2009: HK\$Nil) and HK\$249,206,000 (2009: HK\$242,343,000), respectively.

Particulars of bank loans of the Company and the Group as at 31 December 2010 are set out in note 23 to the financial statements.

僱員退休金計劃 (續)

最近一次基金精算評估於二零一一年一月一日進行，結果如下：

- (1) 基金之精算師為葉廣霖先生，他是美國精算師學會會員。精算評估乃採用已達到年齡方法。估值時所採用之其他主要假設為：投資回報率每年5%；長期薪金相繼每年增長2.5%；二零零一年香港人之死亡率；正常退休年齡為60歲；提前退休比率由55至60歲。
- (2) 基金之資產於二零一一年一月一日之未審核市值為58,237,000港元。
- (3) 基金精算師建議之最低供款比率：二零一一年、二零一二年及二零一三年為薪金之17.4%。
- (4) 於二零一一年一月一日之即時遣散基金虧蝕為11,161,000港元，即此基金之責任獲基金資產保障達84%。

本公司及本集團之僱員退休金計劃詳情載於財務報表附註26。

流動資金及財務資源

於二零一零年十二月三十一日本集團之營運資金為9,988,000港元，而於二零零九年十二月三十一日則為77,370,000港元。

於二零一零年十二月三十一日本集團之現金及銀行存款(不包括抵押存款)為226,432,000港元(二零零九年：285,902,000港元)，足以為二零一一年提供營運資金及資本開支。

銀行貸款

於二零一零年十二月三十一日，本集團之短期銀行信貸為260,959,000港元(二零零九年：257,500,000港元)，其中249,206,000港元(二零零九年：242,343,000港元)已於該日動用。

於二零一零年十二月三十一日本公司及本集團之借款總額分別為零港元(二零零九年：零港元)及249,206,000港元(二零零九年：242,343,000港元)。

有關本公司及本集團於年終日之銀行貸款詳情載於財務報表附註23。

REPORT OF DIRECTORS | 董事會報告

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 pages 140 and 141 of the Annual Report.

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

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

CODE OF BEST PRACTICE

Principal corporate governance practices adopted by the Company are set out in the Corporate Governance section on pages 41 to 51 of the Annual Report.

CONFIRMATION OF INDEPENDENCE

The Company has received from each of the independent non-executive directors an annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules and considers all the independent non-executive directors to be independent.

AUDITORS

KPMG retire and, being eligible, offer themselves for re-appointment. A resolution for the re-appointment of KPMG as auditors of the Company is to be proposed at the forthcoming Annual General Meeting.

By order of the board



Ramon S. Ang
Chairman

Hong Kong, 11 March 2011

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140至141頁。

買賣或贖回本公司之上市證券

年內本公司或其任何附屬公司概無購回、出售或贖回任何上市證券。

最佳應用守則

有關本公司遵守公司管治常規的重點載於本年報第41至51頁中之企業管治部分。

確認獨立性

根據上市規則第3.13條所載的指引，每名獨立非執行董事已向本公司確認於本年度之獨立性，本公司認為所有獨立非執行董事確屬獨立人士。

核數師

畢馬威會計師事務所任滿告退並願受聘連任。有關續聘畢馬威會計師事務所擔任本公司核數師之決議案將於應屆股東周年大會上提呈。

承董事會命



主席
蔡啟文

香港，二零一一年三月十一日

我們悉心設計及實行一系列的本地推廣活動、大型活動及贊助項目以確保品牌在市場上有廣泛的曝光。



COMMITMENT TO CORPORATE GOVERNANCE

San Miguel Brewery Hong Kong Limited (the “Company”) is committed to maintaining statutory and regulatory standards and adherence to the principles of corporate governance emphasising transparency, independence, accountability, responsibility and fairness. The board and the senior management of the Company ensure that effective self-regulatory practices exist to protect the interests of the shareholders of the Company. These include a board comprising high calibre members, board committees and effective internal systems and controls.

The Company has applied the principles of the Code Provisions under the Code on Corporate Governance Practices (the “Code”) contained in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) throughout the year ended 31 December 2010 (the “year under review”), save for the deviation discussed below:

- All of the non-executive directors are not appointed for a specific term (Code Provision A.4.1) but are subject to retirement by rotation once every three years and re-election at the annual general meeting under the Company’s Articles of Association.

The following sections set out the principles in the Code as they have been applied by the Company, including any deviation therefrom, for the year under review.

THE BOARD

The management and control of the business of the Company is vested in its board. It is the duty of the board to create value to the shareholders of the Company, establish the Company’s strategic direction, set the Company’s objectives and plan in accordance therewith, and provide leadership and ensure availability of resources in the attainment of such objectives. The board is bound to manage the Company in a responsible and effective manner, and therefore every director ensures that he carries out his duty in good faith and in compliance with the standards of applicable laws and regulations, and acts in the best interests of the Company and its shareholders at all times.

The board and the executive management have clearly defined responsibilities under various internal control and checks-and-balance mechanisms. The board has delegated a schedule of responsibilities to the executive management of the Company. These responsibilities include: implementation of the decisions of the board and organisation and direction of the day-to-day operation and management of the Company in accordance with the management strategies and plans approved by the board; preparation and monitoring of annual production plans and operating budget; and control, supervision and monitoring of capital, technical and human resources.

致力維持企業管治水平

香港生力啤酒廠有限公司(「本公司」)致力維持有關法定及監管標準，並緊守企業管治之原則，強調透明度、獨立、問責、責任及公平。本公司的董事會及高級管理人員確保訂有有效的自我監管常規，以保障本公司股東的利益，當中包括由極出色之成員組成的董事會、董事委員會及有效的內部制度及監控。

截至二零一零年十二月三十一日止年度(「回顧年度」)，惟下文所述的偏離行為除外，本公司一直應用香港聯合交易所有限公司證券上市規則(「上市規則」)附錄十四所載《企業管治(常規)守則》(「該守則」)條文的原則：

- 根據本公司章程，所有非執行董事每三年須在股東周年大會輪值退任及接受重新選舉，故並無特定任期(守則條文A.4.1項)。

以下各節載述本公司於回顧年度內應用該守則的標準，包括任何偏離行為。

董事會

本公司業務的管理及監控歸屬於董事會。董事會的職責在於為本公司股東創造價值，訂下本公司的策略方向，以此設定本公司的目標及計劃，領導員工並確保本公司具備所需資源以達成該等目標。董事會須盡責兼有效地管理本公司，因此，每位董事均須確保其本著真誠履行職責，符合適用法律及規例的標準，並時刻為本公司及其股東的最佳利益行事。

在各項內部監控及權力制衡機制下，董事會與執行管理層的職責均有清晰的界定。董事會已將一部分責任轉授予本公司執行管理層。該等責任包括：執行董事會的決定，根據董事會所批准的管理策略及計劃，組織及指示本公司的日常運作和管理；編撰及監察每年生產計劃及營運預算；以及控制、督導及監察資本、技術及人力資源。

THE BOARD (Continued)

The board held four meetings during the year under review. The chief finance officer and company secretary attended all the scheduled board meetings to report matters arising from corporate governance, risk management, statutory compliance, accounting and finance, and kept detailed minutes of each meeting, which are available for all directors. At the meeting, the directors discussed and formulated overall strategies for the Company, monitored financial performance and discussed the annual and interim results, as well as other significant matters. Daily operational matters are delegated to management.

At least 14 days of notice of all board meetings was given to all directors, and all directors were given the opportunity to include matters for discussion in the agenda. An agenda and accompanying board papers are sent in full to all directors at least 3 days before every board meeting.

The number of board meetings and committee meetings attended by each director during the year under review is set out in the following table. Figure in brackets indicates maximum number of meetings in the period in which the individual was a board member or board committee member (as the case may be).

董事會 (續)

於回顧年度內，董事會曾舉行四次會議。財務總裁兼公司秘書出席了所有預定董事會會議，以報告有關企業管治、風險管理、法例遵守、會計及財務方面的事宜，並保存每個會議的詳細記錄以供所有董事參閱。會議中，董事為本公司研究及制定一切策略，監督財政表現，討論中期及年度業績，以至其他重要事項。日常營運業務則委託管理階層。

所有董事會會議通告皆不少於14天前送達全體董事，而董事們均可提出商討事項並列入會議議程。每個董事會會議前，全部議程及相關文件不少於3天前送交全體董事。

於回顧年度內，各董事出席董事會會議及委員會會議的次數載於下表。括號內的數字指有關人士為董事會成員或董事委員會成員（視屬何情況而定）期間內的最多會議次數。

		Note	Scheduled board meetings 預定董事會 會議	Audit committee meetings 審核委員會 會議	Remuneration committee meetings 薪酬委員會 會議	Nomination meetings 提名會議
Independent non-executive directors	獨立非執行董事					
David K.P. Li/Alternate, Adrian M.K. Li	李國寶／替任董事李民橋		4/(4)	2/(2)	2/(2)	2/(2)
Ng Wai Sun	吳維新		4/(4)	2/(2)	2/(2)	2/(2)
Carmelo L. Santiago	施雅高		4/(4)	2/(2)	2/(2)	2/(2)
Executive director	執行董事					
Peter K.Y. Tam (<i>Managing Director</i>)	譚嘉源 (執行董事)		4/(4)	N/A 不適用	N/A 不適用	2/(2)
Non-executive directors	非執行董事					
Ramon S. Ang (<i>Chairman</i>)	蔡啟文 (主席)		3/(4)	N/A 不適用	N/A 不適用	2/(2)
Carlos Antonio M. Berba (<i>Deputy Chairman</i>)	凱顯思 (副主席)		4/(4)	N/A 不適用	N/A 不適用	2/(2)
Faustino F. Galang	郭嘉寧	(1)	2/(2)	N/A 不適用	2/(2)	N/A 不適用
Cheung Yuen Tak	張元德		3/(4)	N/A 不適用	N/A 不適用	2/(2)
Thelmo Luis O. Cunanan Jr.	Thelmo Luis O. Cunanan Jr.		4/(4)	N/A 不適用	N/A 不適用	2/(2)
Benjamin P. Defensor, Jr.	戴豐盛		4/(4)	N/A 不適用	1/(2)	2/(2)
Motoyasu Ishihara	石原基康		4/(4)	N/A 不適用	N/A 不適用	2/(2)
Taro Matsunaga	松永太郎	(2)	2/(2)	N/A 不適用	N/A 不適用	2/(2)
Keisuke Nishimura	西村慶介		3/(4)	N/A 不適用	N/A 不適用	2/(2)

Notes:

附註：

(1) Resigned as non-executive director on 27 August 2010.

(1) 於二零一零年八月二十七日辭去非執行董事職務。

(2) Appointed as non-executive director on 27 August 2010.

(2) 於二零一零年八月二十七日獲委任為非執行董事。

THE CHAIRMAN AND THE CHIEF EXECUTIVE OFFICER

The chairman of the board is Mr. Ramon S. Ang, and the chief executive officer (or managing director, in the case of the Company) is Mr. Peter K. Y. Tam. The chairman's and the managing director's roles are clearly defined to ensure their independence, accountability and responsibility.

The chairman takes the lead in formulating overall strategies and policies of the Company; ensures the effective performance by the board of its functions, including compliance with good corporate governance practices; and encourages and facilitates active contribution of directors in board activities and constructive relations between executive and non-executive directors. The chairman also ensures effective communication with shareholders of the Company and receipt by the directors of adequate and complete information. The role of deputy chairman is carried out by Mr. Carlos Antonio M. Berba.

The managing director, supported by other board members and the senior management, is responsible for managing the day-to-day business of the Company. He is also accountable to the board for the implementation of the Company's overall strategies, and coordination of overall business operations.

DIRECTORS AND DIRECTORS' INDEPENDENCE

As at the date of this report, the board consists of eleven non-executive directors and one executive director. Three of the non-executive directors are independent. Further details of the composition of the board can be found in the section entitled "The Board" of this report.

All of the non-executive directors are not appointed for a specific term, but are subject to retirement by rotation and re-election at the annual general meetings. Under the Company's Articles of Association, one-third of the directors, including the non-executive directors, are subject to retirement, rotation and re-election at each annual general meeting.

NON-EXECUTIVE DIRECTORS

Non-executive directors are expected to participate in the activities of the board, particularly in the establishment of a selection process to ensure a mix of competent directors and officers; adoption of a system of internal checks and balances; scrutiny of the Company's performance in achieving agreed corporate goals and objectives; and ensuring that the exercise of board authority is within the powers conferred to the board under its Articles of Association, by-laws and applicable laws, rules and regulations.

主席與行政總裁

董事會主席為蔡啓文先生，而行政總裁（在本公司為執行董事）為譚嘉源先生。主席與執行董事的角色均有清晰界定，以確保其獨立、問責及責任性。

主席帶領制訂本公司的整體策略及政策；確保董事會有效發揮其功能，包括遵守良好企業管治常規；以及鼓勵董事積極參與董事會活動及建立執行董事與非執行董事之間的良好關係。主席亦確保與本公司股東有效溝通，而董事亦收到足夠及齊備的資料。副主席的角色由凱顧思先生擔任。

執行董事在其他董事會成員及高級管理人員的支持下負責管理本公司的日常業務。彼亦須向董事會承擔本公司的整體策略的實行以及在整體業務運作上的協調工作。

董事及董事的獨立性

截至此報告日期，董事會包括十一位非執行董事及一位執行董事。其中三位非執行董事為獨立非執行董事。詳細的董事會組織可以參閱上文「董事會」部份。

所有非執行董事的委任並無指定任期，但須在股東周年大會上輪值退任及接受重新選舉。根據本公司的組織章程細則，在每年的股東周年大會上，董事中的三分之一（包括非執行董事）須卸任、輪換及接受重新選舉。

非執行董事

非執行董事須參與董事會活動，尤其是在設立遴選程序以確保董事及高級人員由能幹的人士組成；採納內部權力制衡制度；檢查本公司在達到協定的企業指標及目標方面的表現；以及確保董事會在根據其組織章程細則、附例及適用法律、規則及規例賦予董事會的權力範圍內行使其權力。

DIRECTORS AND DIRECTORS' INDEPENDENCE (Continued)**INDEPENDENT NON-EXECUTIVE DIRECTORS**

The independent non-executive directors of the Company are highly skilled professionals with a broad range of expertise and experience in the fields of accounting, finance and business. Their skills, expertise and number in the board ensure that strong independent views and judgement are brought in the board's deliberations and that such views and judgement carry weight in the board's decision-making process. Their presence and participation also enable the board to maintain high standards of compliance in financial and other mandatory reporting requirements, and provide adequate checks and balances to safeguard the interests of shareholders of the Company and the Company.

Each independent non-executive director gives the Company an annual confirmation of his independence. The Company considers such directors to be independent under the guidelines set out in Rule 3.13 of the Listing Rules.

Each director, upon reasonable request, is given access to independent professional advice in circumstances he may deem appropriate and necessary for the discharge of his duties to the Company, at the expense of the Company.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The directors acknowledge their responsibility for preparing all information and representations contained in the financial statements of the Company for the year under review. The directors consider that the financial statements have been prepared in conformity with the generally accepted accounting standards in Hong Kong, and reflect amounts that are based on the best estimates and reasonable, informed and prudent judgment of the board and management with an appropriate consideration to materiality. As at 31 December 2010, the directors, having made appropriate enquiries, are not aware of any material uncertainties relating to events or conditions which may cast significant doubt upon the Company's ability to continue as a going concern. Accordingly, the directors have prepared the financial statements of the Company on a going concern basis.

The responsibilities of the external auditors with respect to financial reporting are set out in the section of "Independent Auditor's Report" on pages 137 to 138.

董事及董事的獨立性 (續)**獨立非執行董事**

本公司獨立非執行董事均為在會計、財務及商界等廣具專業知識及經驗的高技巧專業人員。彼等的技能、專業知識及在董事會的數目，確保具高獨立性的意見及判斷以供董事會商討，而有關意見及判斷在董事會的決策過程中亦具有影響力。彼等的出席及參與亦使董事會能嚴格遵守財務及其他強制報告規定，並提供足夠權力制衡，保障本公司股東及本公司的利益。

每名獨立非執行董事，每年均向本公司確認其獨立性。根據上市規則第3.13條所載的指引，本公司認為有關董事確屬獨立人士。

每位董事按合理要求，可在其可能認為適當或有需要的情況下尋求獨立專業意見，以履行其對本公司的責任，費用由本公司支付。

董事對財務報表的責任

董事承認彼等有編製本公司回顧年度內的財務報表所載的一切資料及陳述的責任。董事認為，財務報表已遵照香港公認會計守則編製，並反映根據董事會及管理層的最佳估計，合理、知情及審慎地判斷，已適當考慮到重要事項後所得的數額。於二零一零年十二月三十一日，據董事經適當查詢後所知，並無任何重要事件或情況可能質疑本公司持續經營的能力。因此，董事已按持續經營基準編製本公司的財務報表。

外聘核數師就有關財務報告的責任載於第137頁至第138頁的「獨立核數師報告」部分。

INTERNAL CONTROL

The board has overall responsibility for maintaining sound and effective internal control systems to safeguard the Company's assets and shareholders' interests, as well as for reviewing the effectiveness of these systems.

The board has conducted a review of the Company's internal control systems for the year ended 31 December 2010, including financial, operational and compliance control and risk management functions and assessed the effectiveness of internal control by considering reviews performed by the audit committee, executive management, external advisor and internal auditors.

SUPPORT FOR DIRECTORS

To assist the directors in the discharge of their duties, the Company provides every newly appointed director with a comprehensive induction program on the first occasion of his appointment, where such directors are provided with information on the Company's organization and business; the membership, duties and responsibilities of the board, board committees and senior management; corporate governance practices and procedures; and latest financial information on the operations of the Company. Such information shall be supplemented with visits to the Company's key plant sites and meetings with key senior executives.

Throughout their tenure, the directors shall be provided with updates on the business of the Company, latest developments of the Listing Rules and other applicable legal and regulatory requirements, corporate social responsibility matters and other changes affecting the Company.

內部監控

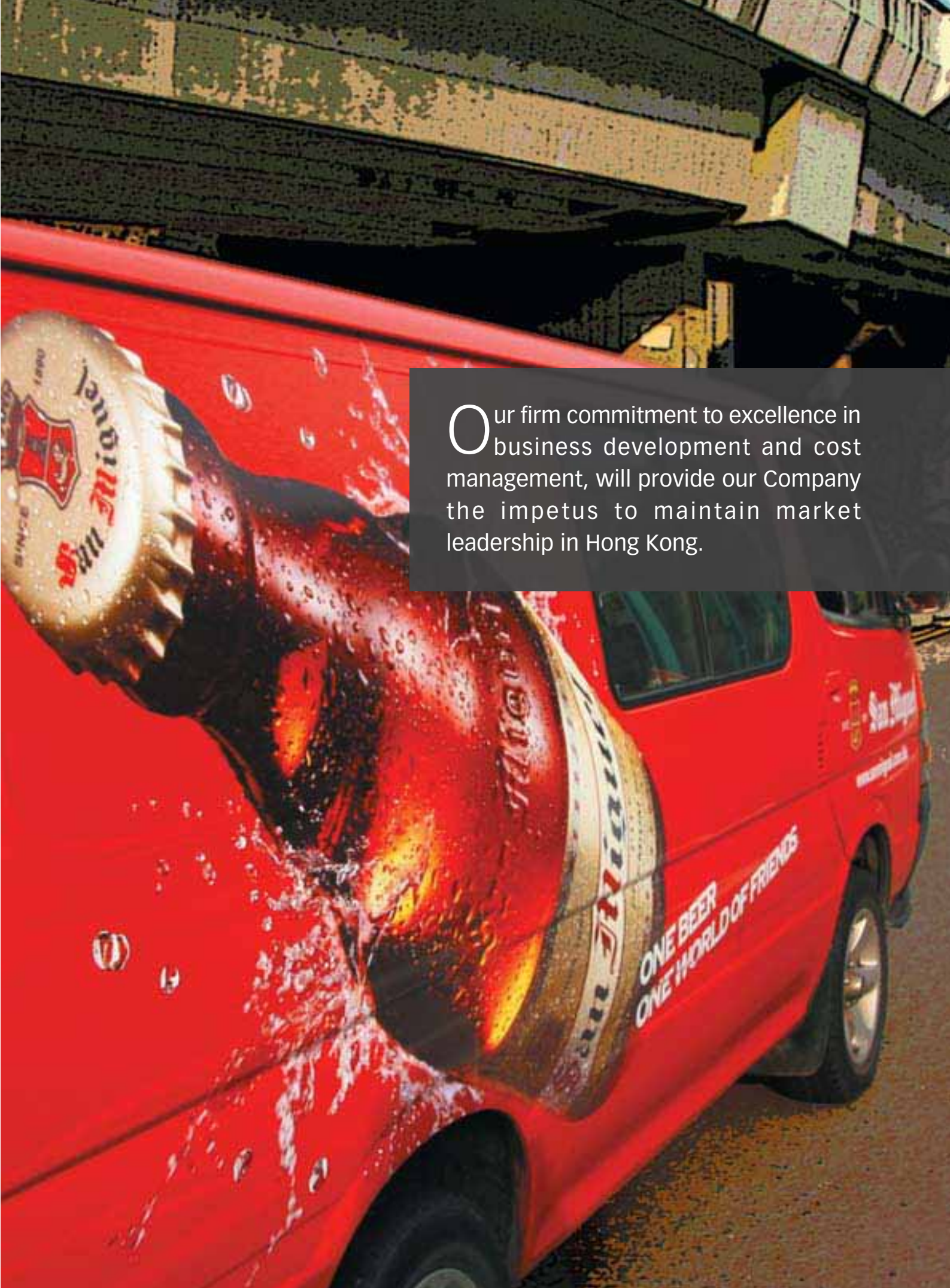
董事會有責任維持穩健而有效的內部監控制度以保障本公司的資產及股東的權益，並定期檢討有關制度是否有效。

董事會已經執行對本公司截至二零一零年十二月三十一日年度內有關財務、營運、合規及風險管理的內部監控制度評審。亦已檢討了由審核委員會、管理層和內部及外聘核數師執行有關內部監控效能的評審。

董事的支援

為協助董事履行其職責，本公司為每位新委任的董事在其首次獲委任時提供全面的公司介紹計劃，有關董事在計劃內獲提供有關本公司組織及業務的資料；董事會、董事委員會及高級管理層的成員、職責及責任；企業管治（常規）守則及程序；以及本公司業務的最新財務資料。除有關資料外，彼等亦會參觀本公司的主要廠房，並與主要高級行政人員會面。

在彼等的任期內，董事將獲提供本公司業務資料的更新、上市規則及其他適用法律及監管規定的最新發展、企業社會責任事宜，以及影響本公司的其他變動。

A red car is shown from a side profile, featuring a large graphic of a beer bottle on its side. The bottle is splashing water, and the car has the slogan "ONE BEER ONE WORLD OF FRIENDS" written on its side. The background shows a city street with buildings.

Our firm commitment to excellence in business development and cost management, will provide our Company the impetus to maintain market leadership in Hong Kong.

THE BOARD COMMITTEES

AUDIT COMMITTEE

For the year under review, the audit committee is composed of three independent non-executive directors: Mr. Ng Wai Sun, Mr. Carmelo L. Santiago and Dr. The Hon. Sir David K. P. Li, who acts as chairman of the committee. The audit committee met two times in 2010 with full minutes kept by the company secretary. Individual attendance of each committee member at these meetings is shown in the table presented above.

Under its terms of reference, the audit committee shall assist the board in fulfilling its corporate governance and oversight responsibilities in relation to financial reporting, internal control structure, risk management systems and internal and external audit functions. The audit committee is further authorised by the board to investigate any activity within its terms of reference, and is tasked with recommending to the board appropriate actions emanating from such investigations. The audit committee has unrestricted access to personnel, records, internal and external auditors, risk assessment and assurance and senior management, as may be appropriate in the discharge of its functions.

In 2010, the audit committee discharged its responsibilities by:

- (1) making recommendations to the board on the reappointment of the external auditor and approval of the remuneration and terms of engagement of the external auditor;
- (2) monitoring the external auditor's independence and objectivity and the effectiveness of the audit process in accordance with applicable standard, and discussing with the external auditor the nature and scope of the audit and reporting obligations;
- (3) implementing the Company's policy on the engagement of an external auditor to supply non-audit services;
- (4) reviewing, and monitoring the integrity of, the financial statements of the Company and the Company's annual and interim reports and the auditors' report to ensure that the information presents a true and balanced assessment of the Company's financial position;
- (5) reviewing the Company's financial controls, internal control and risk management systems to ensure that management has discharged its duty to have an effective internal control system;
- (6) coordinating with the internal auditors from San Miguel Corporation to ensure that the internal audit function is adequately resourced and has appropriate standing within the Company;
- (7) reviewing the Company's financial and accounting policies and practices;

董事委員會

審核委員會

於回顧年度內，審核委員會由三位獨立非執行董事組成：吳維新先生、施雅高先生及審核委員會主席李國寶爵士。於二零一零年，審核委員會曾開會兩次，整套會議紀錄由公司秘書保存。個別委員會成員出席該等會議的情況載於上文的列表。

根據其職權範圍，審核委員會協助董事會履行其有關財務匯報、內部監控架構、風險管理制度，以及內部及外聘審核功能的企業管治及監察責任。審核委員會亦獲董事會授權調查其職權範圍內的任何活動，並須根據有關調查向董事會建議合適的行動。審核委員會在履行其職能時可無限制地接觸合適人士、紀錄、內部及外聘核數師、風險評估和承諾及高級管理人員。

於二零一零年，審核委員會履行其責任如下：

- (1) 就外聘核數師的重新委任向董事會提供建議，以及批准外聘核數師的薪酬及聘用條款；
- (2) 按適用的標準監察外聘核數師是否獨立客觀及核數程序是否有效；與外聘核數師討論核數性質、範疇及有關申報責任；
- (3) 執行本公司有關外聘核數師提供非核數服務的政策；
- (4) 審閱本公司的財務報表、年度及中期報告及獨立核數師報告，並監察其完整性，以確保有關資料真實而平衡地評估本公司的財務狀況；
- (5) 檢討本公司的財務監控、內部監控及風險管理制度，以確保管理層已履行職責建立有效的內部監控系統；
- (6) 協調生力總公司內部核數師的工作，確保內部核數功能在本公司內部有足夠資源運作，並且有適當的地位；
- (7) 檢討本公司的財務、會計政策及實務；

THE BOARD COMMITTEES (Continued)**AUDIT COMMITTEE** (Continued)

- (8) reviewing the external auditor's management letter, material queries raised by the external auditor to the management in respect of the accounting records, financial accounts or systems of control and the management's response to such queries; and
- (9) reporting to the board on the matters set out in the Code on Corporate Governance Practices on the audit committee.

The audit committee is authorised by the board to obtain external legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise if it considers necessary in the performance of its functions. The audit committee is provided with sufficient resources by the Company to discharge its duties. The audit committee's specific terms of reference are available on request to any shareholders of the Company and are posted on the Company's website, info.sanmiguel.com.hk.

During the year under review, the total fee in respect of audit and non-audit services (mainly tax review and corporate governance review) provided to the Company and its subsidiaries by external auditors amounted to HK\$2,956,000 (2009: HK\$3,737,000) and HK\$Nil (2009: HK\$ Nil), respectively.

REMUNERATION COMMITTEE

Prior to the resignation of Mr. Faustino F. Galang on 27 August 2010, the remuneration committee was composed of three independent non-executive directors, namely, Dr. The Hon. Sir David K.P. Li, Mr. Ng Wai Sun and Mr. Carmelo L. Santiago and two non-executive directors, namely, General Benjamin P. Defensor, Jr. and Mr. Faustino F. Galang. Mr. Carlos Antonio M. Berla a non-executive director was then appointed as a member of the remuneration committee vice Mr. Faustino F. Galang on 27 August 2010. The remuneration committee is chaired by an independent non-executive director, Mr. Ng Wai Sun. The remuneration committee met twice in 2010 with full minutes kept by the company secretary. Individual attendance of each committee member at these meetings is shown in the table presented above.

The primary role of the remuneration committee under its terms of reference is to support and advise the board in fulfilling the board's responsibility to the shareholders of the Company to:

董事委員會 (續)**審核委員會** (續)

- (8) 檢查外聘核數師給予管理層的函件、外聘核數師就會計紀錄、財務賬目或監控系統向管理層提出的任何重大疑問及管理層作出的回應；及
- (9) 就《企業管治(常規)守則》所載有關審核委員會的事宜向董事會匯報。

審核委員會獲董事會授權，若其認為在履行其職能時有需要，可徵詢外部法律或其他獨立專業意見，及邀請具有相關經驗及專業知識的外部人士出席。審核委員會獲本公司供給充足資源以履行其職責。本公司任何股東均可要求查閱審核委員會的職權範圍，而職權範圍已載於本公司的網站上，網址為info.sanmiguel.com.hk。

於回顧年度內，由外聘核數師對本公司和附屬公司所提供有關核數或非核數(主要稅務複查和企業管治報告)的服務費用總計，分別為2,956,000港元(二零零九年：3,737,000港元)及零港元(二零零九年：零港元)。

薪酬委員會

在郭嘉寧先生於二零一零年八月二十七日辭任之前，薪酬委員會成員包括三位獨立非執行董事，(即：李國寶爵士、吳維新先生及施雅高先生)及兩位非執行董事，(即：戴豐盛將軍及郭嘉寧先生)。非執行董事凱顧思先生於二零一零年八月二十七日取代郭嘉寧先生獲委任為薪酬委員會成員。薪酬委員會由一位獨立非執行董事吳維新先生擔任主席。於二零一零年，薪酬委員會曾開會兩次，整套會議紀錄由公司秘書保存。個別委員會成員出席該等會議的情況載於上文的列表。

薪酬委員會根據其職權範圍主要為支援及建議董事會履行對本公司股東有關如下責任：

THE BOARD COMMITTEES (Continued)

REMUNERATION COMMITTEE (Continued)

- (1) establish coherent remuneration policies and practices that will be observed and enable the Company to attract and retain top caliber executives and directors;
- (2) fairly and responsibly reward executives based on their performance and the performance of the Company, and the general pay environment; and
- (3) comply with the Code Provisions on remuneration of directors, mainly by:
 - determining executive and director remuneration policy;
 - determining the remuneration of executive directors upon consultation with the chairman or managing director regarding their proposals for such remuneration;
 - reviewing and approving the remuneration of the executives who directly report to the managing director, and as appropriate, other senior management; and
 - reviewing and approving all equity based plans.

The remuneration committee has the right to seek any information it considers necessary to fulfil its duties, which includes the right to obtain appropriate external advice at the Company's expense, and is provided with sufficient resources by the Company to discharge its duties. The remuneration committee's specific terms of reference are available on request to any shareholders of the Company and are posted on the Company's website, info.sanmiguel.com.hk.

During the year under review, the committee discussed the remuneration related matters in the scheduled meetings, and set the policy on the remuneration of its members and key senior executives in accordance with the Company's Articles of Association. As recommended, no director fee would be paid for the year 2010.

The committee also determined the policy for the reimbursement of expenses which were properly incurred by the directors in the performance of their duties in accordance with the Company's Articles of Association. Details of the remuneration of directors and senior management for the year ended 31 December 2010 are set out in notes 8 and 31(c) to the financial statements.

董事委員會 (續)

薪酬委員會 (續)

- (1) 制定使本公司能吸引及挽留優秀行政人員及董事一致的薪酬政策及常規；
- (2) 根據行政人員的表現及本公司的業績，以及宏觀支薪環境，公平及盡責地酬賞行政人員；及
- (3) 符合有關董事酬金守則條文的責任，方式如下：
 - 釐定行政人員及董事的薪酬政策；
 - 在與主席或執行董事就彼等有關酬金的建議進行諮詢後，釐定執行董事的酬金；
 - 檢討及批准直接向執行董事匯報的行政人員及(倘適用)其他高級管理人員的酬金；及
 - 檢討及批准所有權益為本的計劃。

薪酬委員會有權索取認為在履行其職責時有需要的任何資料，包括取得合適的外部意見而費用由本公司支付的權利。薪酬委員會獲本公司供給充足資源以履行其職責。本公司任何股東均可要求查閱薪酬委員會的職權範圍，而職權範圍亦登載於本公司網站上，網址為 info.sanmiguel.com.hk。

於回顧年度內，委員會於預定會議內討論酬金相關事宜，並根據本公司的組織章程細則制訂其成員及主要高級行政人員酬金的政策。全體委員均出席預定會議。建議不支付二零一零年各董事袍金。

根據本公司的組織章程細則，委員會釐定有關補還董事因履行其職責時所引致之開支的政策。董事及高級管理人員截至二零一零年十二月三十一日止年度的酬金詳情載於財務報表附註8及31(c)。

NOMINATION OF DIRECTORS

The Company has not established a nomination committee. Directors of the Company are responsible for making recommendations to the board for consideration and approval on nominations, appointment of directors and board succession, with a view to appoint to the board individuals with the relevant experience and capabilities to maintain and improve the competitiveness of the Company. The board formulates the policy, reviews the size, structure and composition of the board, and assesses the independence of its independent non-executive directors in accordance with the criteria prescribed under the Listing Rules and the Code.

CODE OF CONDUCT ON DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code of conduct for securities transactions and dealings (the "Code of Conduct") based on the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 of the Listing Rules. The terms of the Code of Conduct are no less exacting than the standards in the Model Code, and the Code of Conduct applies to all the relevant persons as defined in the Code, including the directors of the Company, any employee of the Company, or a director or employee of a subsidiary or holding company of the Company who, because of such office or employment, are likely to be in possession of unpublished price sensitive information in relation to the Company or its securities.

Specific enquiry has been made of all the directors of the Company who have confirmed in writing their compliance with the required standards set out in the Code of Conduct during the year under review.

COMMUNICATION WITH SHAREHOLDERS

The Company attaches great priority to establishing effective communications with its shareholders and investors. In an effort to enhance such communications, the Company provides information relating to the Company and its business in its annual report and also disseminates such information electronically through its website, info.sanmiguel.com.hk.

The Company regards the annual general meeting as an important event as it provides an opportunity for direct communications between the board and its shareholders. All directors and senior management make an effort to attend the annual general meeting of the Company to address shareholders' queries. All the shareholders of the Company are given a minimum of 20 business days' notice of the date and venue of the annual general meeting of the Company. The Company supports the Code's principle to encourage shareholders' participation.

董事提名

本公司並無設立提名委員會。本公司董事負責就董事提名及委任以及董事會延續而向董事會提供建議，以供考慮及批准，目的是委任具有相關經驗及能力的人士加入董事會，以維持及改善本公司的競爭力。董事會制訂政策，檢討董事會規模、結構及組成，並根據上市規則及該守則所指明的準則評估其獨立非執行董事的獨立性。

董事進行證券交易的守則

本公司已根據上市規則附錄10所載的《上市公司董事進行證券交易的標準守則》（「標準守則」）採納有關證券交易及買賣的守則（「操守守則」）。操守守則條款比標準守則所訂標準更高，而操守守則亦適用於該守則所界定的所有有關人士，包括本公司董事、本公司任何僱員、或本公司的附屬公司或控股公司的董事或僱員，而彼等因有關職位或受僱工作而可能擁有關於本公司或其證券的未公佈股價敏感資料。

在向本公司所有董事作出特定查詢後，彼等已書面確認於回顧年度內有遵守操守守則所訂的標準。

與股東的溝通

本公司相當重視與其股東及投資者建立有效溝通。為達到有效溝通，本公司在其年報內提供有關本公司及其業務的資料，亦以電子方式透過其網站info.sanmiguel.com.hk發佈有關資料。

本公司視股東周年大會為重要事項，因其提供董事會與股東直接溝通的機會。全體董事及高級管理人員務必出席本公司股東周年大會，以回應股東提問。本公司各股東均獲有關本公司股東周年大會舉行時間及地點最少20個工作天的通知。本公司支持該守則以鼓勵股東參與。

DIRECTORS AND MANAGEMENT EXECUTIVES | 董事及行政管理人員

DIRECTORS

Ramon S. Ang, *Chairman*
Carlos Antonio M. Berba, *Deputy Chairman*
Peter K.Y. Tam, *Managing Director*

NON-EXECUTIVE DIRECTOR

Chan Wen Mee, May (Michelle)
Thelmo Luis O. Cunanan Jr.
Benjamin P. Defensor Jr.
Motoyasu Ishihara
Taro Matsunaga
Keisuke Nishimura

INDEPENDENT NON-EXECUTIVE DIRECTOR

David K.P. Li, *GBM, JP*
Ng Wai Sun
Carmelo L. Santiago
Adrian M.K. Li, Alternate to David K.P. Li, *GBM, JP*

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

Mr. Ramon S. ANG, *BSME*, aged 57, is the Chairman and a non-executive Director of the Company. He has been appointed as the Chairman since 10 June 2005 and a non-executive Director of the Company since 27 November 1998. He is the Vice Chairman, President and Chief Operating Officer of San Miguel Corporation ("SMC"), the ultimate holding company of the Company (the shares of which are listed on the Philippine Stock Exchange). He is also the Chairman of San Miguel Brewery Inc. (the shares of which are listed on the Philippine Stock Exchange), the Chairman of San Miguel Properties Inc. (the shares of which are listed on the Philippine Stock Exchange), the Vice Chairman of Ginebra San Miguel, Inc. (the shares of which are listed on the Philippine Stock Exchange) and San Miguel Pure Foods Company, Inc. (the shares of which are listed on the Philippine Stock Exchange) and the Chairman and director of various subsidiaries of SMC. Mr. Ang is also the Chairman and CEO of Petron Corporation (the shares of which are listed on the Philippine Stock Exchange), the Vice Chairman of Manila Electric Company (the shares of which are listed on the Philippine Stock Exchange), the Chairman of Liberty Telecoms Holdings, Inc. (the shares of which are listed on the Philippine Stock Exchange) and an independent director of PhilWeb Corporation (the shares of which are listed on the Philippine Stock Exchange).

Mr. Carlos Antonio M. BERBA, *MBA, MSC, BSC*, aged 46, was appointed as Deputy Chairman and Remuneration Committee member of the Company on 27 August 2010. Mr. Berba has been a director of the Company since 16 April 2007. He is the Managing Director of San Miguel Brewing International Limited, a controlling shareholder of the Company and a director of San Miguel Brewery Inc. (the shares of which are listed on the Philippine Stock Exchange). He is also a Commissioner of PT Delta Jakarta Tbk, a director of San Miguel (Guangdong) Brewery Company Limited, Guangzhou San Miguel Brewery Limited and various other subsidiaries of the Company. Mr. Berba has 25 years of experience in general management, finance, strategic planning, and corporate structuring initiatives. Mr. Berba was the Chief Finance Officer of the San Miguel Beer Division and was concurrently in charge of San Miguel Brewing International Ltd. And was also the Chief Finance Officer of San Miguel Brewing International Ltd. And was also concurrently the Business Planning and Business Development Head. Mr. Berba graduated from the University of the Philippines with a bachelor's degree in BS Electrical Engineering. He later obtained a master's degree in Business Administration (with distinction) from the Wharton School of Business, University of Pennsylvania and a master's degree in Japanese Business Studies from Japan America Institute of Management Science & Chaminade University of Honolulu.

董事

蔡啓文 *主席*
凱顧思 *副主席*
譚嘉源 *執行董事*

非執行董事

陳雲美
Thelmo Luis O. Cunanan Jr.
戴豐盛
石原基康
松永太郎
西村慶介

獨立非執行董事

李國寶, *GBM, JP*
吳維新
施雅高
李民橋, 李國寶 *GBM, JP* 之替任董事

截至此報告日期, 董事資料如下:

蔡啓文先生, *BSME*, 五十七歲, 為本公司主席及非執行董事。彼自二零零五年六月十日起被委任為本公司主席及自一九九八年十一月二十七日起被委任為非執行董事。彼為生力總公司(「生力總公司」), 本公司之最終控股公司(其股份於菲律賓證券交易所上市)之副主席、總裁及營運總裁。彼亦為生力啤酒廠公司(其股份於菲律賓證券交易所上市)主席、San Miguel Properties Inc. (其股份於菲律賓證券交易所上市)主席、Ginebra San Miguel, Inc. (其股份於菲律賓證券交易所上市)及San Miguel Pure Foods Company, Inc. (其股份於菲律賓證券交易所上市)之副主席及生力總公司多間附屬公司之主席及董事。蔡先生亦為Petron Corporation (其股份於菲律賓證券交易所上市)主席兼行政總裁、Manila Electric Company (其股份於菲律賓證券交易所上市)副主席、Liberty Telecoms Holdings, Inc. (其股份於菲律賓證券交易所上市)主席及PhilWeb Corporation (其股份於菲律賓證券交易所上市)之獨立董事。

凱顧思先生, *MBA, MSC, BSC*, 四十六歲, 於二零一零年八月二十七日被委任為本公司副主席及薪酬委員會成員。凱先生自二零零七年四月十六日起被委任為本公司之董事。彼為生力啤酒國際有限公司, 本公司之控股股東之董事總經理及生力啤酒廠公司(其股份於菲律賓證券交易所上市)之董事。彼亦為PT Delta Jakarta Tbk 公司之專員、生力(廣東)啤酒有限公司、廣州生力啤酒有限公司及本公司多間其他附屬公司之董事。凱先生擁有二十五年通用管理、財務、策略規劃及企業架構主導之經驗。凱先生曾任生力啤酒部之財務總裁並於其時同時負責管理生力啤酒國際有限公司。彼亦為生力啤酒國際有限公司之財務總裁。彼亦同為業務策劃及業務發展主管。凱先生畢業於菲律賓大學, 取得電機工程學士學位。其後彼亦取得美國賓夕法尼亞州大學Wharton School工商管理學碩士(榮譽)學位及Japan America Institute of Management Science & Chaminade University of Honolulu日本商業研究碩士學位。

DIRECTORS AND MANAGEMENT EXECUTIVES | 董事及行政管理人員

Mr. TAM Ka Yuen, Peter, *MBA, BBA*, aged 52, is an executive Director and the Managing Director of the Company. Mr. Tam joined the Company in 1993 and he was appointed as an executive Director and the Managing Director on 31 December 2007. He is also a director of the Company's various subsidiaries. He has more than 24 years of experience in the selling and marketing of consumer products in Hong Kong and Mainland China. Mr. Tam graduated from the University of Hawaii in 1985 with a bachelor's degree in Business Administration and later obtained a master's degree also in Business Administration from the California State University in 1987.

CHAN Wen Mee, May (Michelle), aged 46, was appointed as a non-executive Director on 11 March 2011. Ms. Chan served as Managing Director of A.S. Watson Industries Limited. She served as Managing Director of Hutchison Harbour Ring Limited from 1 February 2006 to 31 October 2010 and served as Executive Deputy Managing Director of Hutchison Harbour Ring Limited from 18 May 2005 to 31 January 2006. Ms. Chan has extensive experience in managing property development and investment businesses in mainland China. She also holds directorships in certain companies controlled by Hutchison Whampoa Limited. Ms. Chan holds a Bachelor's degree in Business Administration.

Mr. Thelmo Luis O. CUNANAN JR., *MBA, BA*, aged 40, was appointed as a non-executive Director on 28 November 2008. He is a political columnist for The Manila Times newspaper, Contributing Editor of Travelife Magazine, and a TV host/presenter for IBC Channel 13 and the Global News Network. He is also the founding member and executive director of Philippine-Somali Business and Friendship Association and the Honorary Consul of the Republic of Georgia in the Philippines. Mr. Cunanan also serves as management, marketing and political consultant of various companies, non-government organizations and government agencies. Mr. Cunanan graduated from Ateneo de Manila University in 1994 with a bachelor's degree in AB Interdisciplinary Studies and later obtained a master's degree in Business Administration from Ateneo de Manila Graduate School of Business.

General Benjamin P. DEFENSOR, JR., aged 63, appointed as a non-executive Director on 28 August 2009, is a former Commanding General of the Philippine Air Force and Chief of Staff of the Armed Forces of the Philippines. After his military service, he was designated Philippine Ambassador and was Chairman of the Asia-Pacific Economic Cooperation (APEC) Counter Terrorism Group. He graduated from the Philippine Military Academy, with the distinctions of Master of the Sword, Journalism Awardee, Editor-in-Chief and Class President. He completed his Command and General Staff Course with high honors at the Air Command and Staff College of the United States Air Force, Air University. In 2001, the University inducted him into its International Hall of Fame for his career-long achievements. His postgraduate studies include Master in Mass Communication at the University of the Philippines, Master in Public and Business Management at De La Salle University, Philippines and Air Transport Course at the Asian Institute of Management, Philippines and other PhD studies. General Defensor has also been the Chairman of the Board of 5 established corporations in banking, real estate, insurance, mass media, agri-business and other industries. He was a former Board member of the Company from 27 February 2003 to 23 February 2005.

譚嘉源先生，*MBA, BBA*，五十二歲，為本公司執行董事。譚先生於一九九三年加入本公司並於二零零七年十二月三十一日獲委任為執行董事。彼亦為本公司多間附屬公司之董事。彼在香港及中國內地擁有超過二十四年銷售及推廣消費品之經驗。譚先生於一九八五年畢業於University of Hawaii，取得工商管理學士學位。其後於一九八七年在California State University取得工商管理碩士學位。

陳雲美女士，四十六歲，於二零一一年三月十一日被委任為非執行董事。陳女士現任A.S. Watson Industries Limited之董事總經理。彼於二零零六年二月一日至二零一零年十月三十一日出任和記港陸有限公司董事總經理及於二零零五年五月十八日至二零零六年一月三十一日出任和記港陸有限公司常務副董事總經理。陳女士擁有管理中國內地地產發展及投資項目的豐富經驗。彼亦為和記黃埔有限公司所控制之若干公司之董事。陳女士持有商業管理學士學位。

Thelmo Luis O. CUNANAN JR.先生，*MBA, BA*，四十歲，於二零零八年十一月二十八日被委任為非執行董事。彼為Manila Times newspaper之政治專欄作家、Travelife雜誌之特約編輯、IBC Channel 13及Global News Network之電視節目主持。彼亦為Philippine-Somali Business and Friendship Association之創會會員和執行董事，及格魯吉亞駐菲律賓之名譽領事。Cunanan先生亦在菲律賓多間公司、非政府組織和政府機關擔任管理、市務及政治顧問。Cunanan先生一九九四年畢業於Ateneo de Manila University，取得AB Interdisciplinary Studies學士學位，及其後於Ateneo de Manila Graduate School of Business取得工商管理碩士學位。

戴豐盛將軍，六十三歲，於二零零九年八月二十八日被委任為本公司非執行董事。彼為前菲律賓空軍指揮官及前菲律賓三軍參謀長。彼退役後，被委任為菲律賓大使及亞洲太平洋經濟合作組織(APEC)反恐小組主席。彼畢業於Philippine Military Academy，並取得Master of the Sword, Journalism Awardee, Editor-in-Chief and Class President榮譽。彼亦於美國空軍空軍大學Air Command and Staff College，以榮譽成績完成其司令及參謀課程。於二零零一年，大學正式公告彼登上其國際名人堂，以表揚其事業之成就。彼所修讀之研究院課程包括the University of the Philippines傳播學碩士、菲律賓De La Salle University公共及商業管理碩士、菲律賓Asian Institute of Management航空運輸課程及其他博士課程。戴將軍亦於五間公司擔任董事會主席，公司業務包括銀行、地產、保險、大眾媒體、農商業及其他行業。彼曾於二零零三年二月二十七日至二零零五年二月二十三日出任本公司之董事會成員。

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Mr. Motoyasu ISHIHARA, BA, aged 52, was appointed as a non-executive Director of the Company on 12 March 2010. Mr. Ishihara is the Executive Financial Advisor and Director of San Miguel Brewery Inc. (the shares of which are listed on the Philippine Stock Exchange). He is a Director of San Miguel Brewing International Limited and San Miguel Beer (Thailand) Limited. He was the Deputy Chief Finance Officer of San Miguel Brewery Inc. (April to December 2009). He was also the Deputy General Manager of Corporate Planning Department in Kirin Holdings Company, Limited, Deputy General Manager of Group Strategic Department in Kirin Holdings Company, Limited (2006 - 2007) and Executive Vice President & Chief Finance Officer of Four Roses Distillery, LLC (2002 - 2006). Mr. Ishihara graduated from Yokohama National University in 1981 with a bachelor's degree in Business.

Mr. Taro MATSUNAGA, BA, aged 46, was appointed as a non-executive Director of the Company on 27 August 2010. Mr. Matsunaga is a Director and Executive Vice President of San Miguel Brewing International Limited. He is also a Commissioner of PT Delta Djakarta Tbk., a Director of San Miguel Beer (Thailand) Limited and San Miguel Holdings (Thailand) Limited. He was Deputy Marketing Director of Kirin Brewery Company, Limited (2009-2010) and he was Brand Manager/Senior Brand Manager of Kirin Brewery Company, Limited (2002-2009). Mr. Matsunaga graduated from Keio University in 1987 with a bachelor's degree in Political Science.

Mr. Keisuke NISHIMURA, MBA, BA, aged 54, was appointed as a non-executive Director of the Company on 12 March 2010. Mr. Nishimura is the Executive Vice President and Director of San Miguel Brewery Inc. (the shares of which are listed on the Philippine Stock Exchange). He is also a Director of San Miguel Brewing International Limited, San Miguel Beer (Thailand) Limited, San Miguel Holdings (Thailand) Limited and Iconic Beverages, Inc. He was a Director of San Miguel Corporation (the shares of which are listed on the Philippine Stock Exchange) from March 2009 to July 2009. He was the Chairman and Chief Executive Officer of Kirin (China) Investment Company, Limited (2005 - 2009) and Manager of Corporate Planning Department of Kirin Brewery Company, Limited (2002 - 2005). He was also the Chief Executive Assistant to the Board of Kirin Brewery Company, Limited (2001 - 2002), Executive Assistant to the President of Kirin Brewery Company Limited (1997 - 2001) and Manager of Personnel Department in Kirin Brewery Company, Limited. Mr. Nishimura graduated from Yokohama National University in 1980 with a bachelor's degree in Business and later obtained a master's degree in Business Administration from University of Washington in 1987.

石原基康先生，BA，五十二歲，於二零一零年三月十二日被委任為本公司之非執行董事。石原先生為生力啤酒廠公司（其股份於菲律賓證券交易所上市）之行政財務顧問及董事。彼為生力啤酒國際有限公司和生力啤酒（泰國）有限公司之董事。彼曾出任生力啤酒廠公司之副財務總裁（二零零九年四月至十二月）。彼亦曾任麒麟控股株式會社之企業策劃部副總經理、麒麟控股株式會社之集團戰略部副總經理（二零零六年至二零零七年）及Four Roses Distillery, LLC之副總裁及財務總裁（二零零二年至二零零六年）。石原先生於一九八一年畢業於橫濱國立大學，取得商學士學位。

松永太郎先生，BA，四十六歲，於二零一零年八月二十七日被委任為本公司之非執行董事。松永先生為生力啤酒國際有限公司之董事及行政副總裁。彼亦為PT Delta Djakarta Tbk 之專員、生力啤酒（泰國）有限公司和生力控股（泰國）有限公司之董事。彼曾任麒麟麥酒株式會社之副市務董事（二零零九年至二零一零年）及麒麟麥酒株式會社之品牌經理／品牌高級經理（二零零二年至二零零九年）。松永先生於一九八七年畢業於慶應義塾大學，取得政治學學士學位。

西村慶介先生，MBA，BA，五十四歲，於二零一零年三月十二日被委任為本公司之非執行董事。西村先生為生力啤酒廠公司（其股份於菲律賓證券交易所上市）之行政副總裁及董事。彼亦為生力啤酒國際有限公司、生力啤酒（泰國）有限公司、生力控股（泰國）有限公司及Iconic Beverages, Inc.之董事。彼於二零零九年三月至二零零九年七月曾任生力總公司（其股份於菲律賓證券交易所上市）之董事。彼曾任麒麟（中國）投資有限公司之主席及行政總裁（二零零五年至二零零九年）及麒麟麥酒株式會社之企業策劃部經理（二零零二年至二零零五年）。彼亦曾任麒麟麥酒株式會社董事會之首席行政助理（二零零一年至二零零二年）、麒麟麥酒株式會社總裁之行政助理（一九九七年至二零零一年）及麒麟麥酒株式會社人力資源部經理。西村先生於一九八零年畢業於橫濱國立大學，取得商學士學位，並在一九八七年於University of Washington取得工商管理碩士學位。

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Dr. The Hon. Sir David LI Kwok-po, GBM, GBS, OBE, MA Cantab. (Economics & Law), Hon. DSc. (Imperial), Hon. DBA (Napier), Hon. D.Hum.Litt. (Trinity, USA), Hon. DSocSc (Lingnan), Hon. LLD (Hong Kong), Hon. LLD (Warwick), Hon. LLD (Cantab), FCA, FCPA, FCPA (Aust.), FCIB, FHKIB, FBCS, CITP, FCI Arb, JP, Officier de L'Ordre de la Couronne, Grand Officer of the Order of the Star of Italian Solidarity, The Order of the Rising Sun, Gold Rays with Neck Ribbon, Officier de la Légion d'Honneur, aged 72, appointed on 22 March 1991, is an independent non-executive Director, Chairman of the audit committee and a member of the remuneration committee of the Company. Sir David is Chairman and Chief Executive of The Bank of East Asia, Limited (the shares of which are listed on the Hong Kong Stock Exchange) and a director of numerous other companies in Hong Kong and overseas. Sir David is a member of the Legislative Council of Hong Kong, a member of the Banking Advisory Committee and a member of the Council of the Treasury Markets Association. Sir David is the Chairman of The Chinese Banks' Association, Limited and the Hong Kong Management Association. Sir David is a director of Hong Kong Interbank Clearing Limited and The Hong Kong Mortgage Corporation Limited. He is also a director of China Overseas Land & Investment Limited, COSCO Pacific Limited, Guangdong Investment Limited, The Hong Kong and China Gas Company Limited, Guangdong Investment Limited, The Hong Kong and China Gas Company Limited, The Hong Kong and Shanghai Hotels, Limited, PCCW Limited, Vitasoy International Holdings Limited, SCMP Group Limited, AFFIN Holdings Berhad and Criteria CaixaCorp, S.A., all being companies listed either in Hong Kong or overseas. He was a director of China Merchants China Direct Investments Limited, being a company listed in Hong Kong.

Mr. NG Wai Sun, aged 67, appointed on 1 April 2001, is an independent non-executive Director, Chairman of the remuneration committee and a member of the audit committee of the Company. Mr. Ng is Chairman of Jibsen Capital (Holdings) Limited, a director of the Tung Wah Group of Hospitals (2004 - 2006 and 2011-2012) and Member of the Standing Committee of the Chinese People's Political Consultative Conference of Guangxi Zhuang Autonomous Region.

Mr. Carmelo L. SANTIAGO, BBA, aged 68, is an independent non-executive Director of the Company. He has been an independent Director of SMC (the shares of which are listed on the Philippine Stock Exchange) since 24 July 2008. He is also an independent Director of the following companies whose shares are listed on the Philippine Stock Exchange: San Miguel Brewery Inc., Ginebra San Miguel, Inc., San Miguel Pure Foods Company, Inc., San Miguel Properties Inc. and Liberty Telecoms Holdings Inc.; He is also an Independent Director of Anchor Insurance Brokerage Corporation. Mr. Santiago is the founder and owner of several branches of Melo's restaurant in the Philippines and a director of Terbo Concept, Inc., a Philippine company engaged in retail and food business. He was a director of the Company from 27 February 2003 to 23 February 2005. Having over 35 years of directorate positions in various companies in the Philippines and Hong Kong, Mr. Santiago has extensive experience in foods, beverages, publication, properties, power and banking industries.

李國寶爵士，GBM, GBS, OBE, MA Cantab (Economics & Law), Hon. DSc. (Imperial), Hon. DBA (Napier), Hon. D.Hum.Litt. (Trinity, USA), Hon. DSocSc (Lingnan), Hon. LLD (Hong Kong), Hon. LLD (Warwick), Hon. LLD (Cantab), FCA, FCPA, FCPA (Aust.), FCIB, FHKIB, FBCS, CITP, FCI Arb, JP, Officier de L'Ordre de la Couronne, Grand Officer of the Order of the Star of Italian Solidarity, The Order of the Rising Sun, Gold Rays with Neck Ribbon, Officier de la Légion d'Honneur，七十二歲，於一九九一年三月二十二日被委任，為本公司之獨立非執行董事、審核委員會主席及薪酬委員會成員。李爵士為東亞銀行有限公司（其股份於香港證券交易所上市）主席兼行政總裁，並出任多間香港及海外公司之董事。李爵士現為香港立法會議員、銀行業務諮詢委員會委員及財資市場公會之議會成員。李爵士亦為香港華商銀行公會有限公司及香港管理專業協會主席。彼亦為香港銀行同業結算有限公司和香港按揭證券有限公司之董事。彼亦出任以下於香港或海外上市之公司董事，包括中國海外發展有限公司、中遠太平洋有限公司、粵海投資有限公司、香港中華煤氣有限公司、香港上海大酒店有限公司、電訊盈科有限公司、維他奶國際集團有限公司、南華早報集團有限公司、AFFIN Holdings Berhad及Criteria CaixaCorp, S.A.。李爵士曾出任香港上市公司招商局中國基金有限公司之董事。

吳維新先生，六十七歲，二零零一年四月一日被委任為本公司之獨立非執行董事、薪酬委員會主席及審核委員會成員。吳先生為集成匯財（集團）有限公司主席，亦為東華三院（二零零四至二零零六年及二零一一年至二零一二年）總理及中國人民政治協商會議廣西壯族自治區委員會常務委員。

施雅高先生，BBA，六十八歲，為本公司之獨立非執行董事。彼自二零零八年七月二十四日起被委任為生力總公司（其股份於菲律賓證券交易所上市）之獨立董事。彼亦出任以下於菲律賓證券交易所上市之公司之獨立董事：生力啤酒廠公司、Ginebra San Miguel, Inc.、San Miguel Pure Foods Company, Inc.、San Miguel Properties Inc.及Liberty Telecoms Holdings Inc.。彼亦為Anchor Insurance Brokerage Corporation之獨立董事。施先生為菲律賓Melo's餐廳之創辦人並擁有多間分店，和菲律賓一家零售及食品業務公司，Terbo Concept, Inc.之董事。施先生於二零零三年二月二十七日至二零零五年二月二十三日曾被委任為本公司董事。施先生在菲律賓及香港兩地之多間公司擔任董事，超過三十五年。施先生於食品、飲料、出版、物業、能源及銀行業務皆擁有豐富經驗。

DIRECTORS AND MANAGEMENT EXECUTIVES | 董事及行政管理人員

Mr. Adrian M. K. Li, MA(Cantab), MBA, LPC, JP, aged 37, was appointed as Alternate Director to Dr The Hon. Sir David K.P. Li on 1 August 2002. Mr. Li is the Deputy Chief Executive of The Bank of East Asia, Limited and is in charge of the overall management of the Bank's business activities in Hong Kong. Mr. Li is a member of the Guangdong Provincial Committee of the Chinese People's Political Consultative Conference ("CPPCC") and was formerly a member of the Ninth & Tenth Guangzhou Committees of the CPPCC. He is also a member of the All-China Youth Federation, the Deputy Chairman of the Beijing Youth Federation and a Counsellor of the Hong Kong United Youth Association. In addition, Mr. Li is a Council Member of the Vocational Training Council and the Chairman of its Banking and Finance Industry Training Board, a Board Member of The Community Chest of Hong Kong, and a member of the Mandatory Provident Fund Industry Schemes Committee of the Mandatory Provident Fund Schemes Authority. Mr. Li is currently an Independent Non-executive Director of Sino Land Company Limited, Tsim Sha Tsui Properties Limited, Sino Hotels (Holdings) Limited and China State Construction International Holdings Limited, all being companies listed in Hong Kong. He is also an Alternate Director of AFFIN Holdings Berhad, a company listed on the main board of the Malaysia Stock Exchange. Mr. Li holds a Master Degree in Management from Kellogg Graduate School of Management, Northwestern University, Evanston, Illinois, US, and a Bachelor of Arts Degree and a Master of Arts Degree in Law from the University of Cambridge, UK. He is a member of The Law Society of England and Wales, and The Law Society of Hong Kong. He is the elder son of Dr. The Hon. Sir David K.P. Li.

李民橋先生，MA(Cantab)，MBA，LPC，JP，三十七歲，二零零二年八月一日被委任為李國寶爵士之替任董事。彼現任東亞銀行有限公司副行政總裁，負責處理該銀行香港業務之整體運作、管理及監督。李先生為中國人民政治協商會議廣東省委員會委員及曾任中國人民政治協商會議第九屆及第十屆廣州市委員會委員。彼亦為中華全國青年聯合會港區特邀委員、北京市青年聯合會副主席及香港青年聯會參事。此外，彼為香港職業訓練局理事會委員及其銀行及金融業訓練委員會主席、香港公益金董事，以及香港強制性公積金計劃管理局強制性公積金行業計劃委員會委員。李先生現任以下香港上市公司之獨立非執行董事，包括信和置業有限公司、尖沙咀置業集團有限公司、信和酒店(集團)有限公司及中國建築國際集團有限公司。彼亦為馬來西亞證券交易所主板上市公司AFFIN Holdings Berhad之替任董事。李先生持有美國西北大學凱洛格管理學院工商管理碩士學位、英國劍橋大學法學院學士及碩士學位。彼為英國律師會及香港律師會之會員。李先生乃李國寶爵士之長子。

MANAGEMENT EXECUTIVES

Peter K.Y. Tam	<i>Managing Director</i>
John K.L. Cheung	<i>Chief Finance Officer & Company Secretary</i>
Andes P.H. Leung	<i>General Sales Manager</i>
Eric P.K. Lam	<i>Marketing Manager</i>
Ric W.T. Yeung	<i>Senior Manager — Logistics</i>
C.K. Ho	<i>Senior Manager — Operations</i>
Steven Co	<i>Senior Manager — Corporate Development</i>
Edith Y.M. Ng	<i>Senior Manager — Human Resources & Administration</i>
Benjamin Y. Aton Jr.	<i>General Manager, San Miguel (Guangdong) Brewery Company Limited</i>
Vincent K.M. Kwok	<i>Managing Director, Guangzhou San Miguel Brewery Company Limited</i>

行政管理人員

譚嘉源	執行董事
張嘉麟	財務總裁及公司秘書
梁百行	營業總經理
林培光	市務經理
楊偉東	物流高級經理
何自強	生產高級經理
許敏志	企業發展高級經理
伍月薇	人力資源及行政高級經理
安毅俊	生力(廣東)啤酒有限公司總經理
郭敬文	廣州生力啤酒有限公司董事總經理

DIRECTORS AND MANAGEMENT EXECUTIVES | 董事及行政管理人員

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

Mr. Peter K.Y. TAM, Managing Director. Please refer to the Directors section on page 53 for details.

Mr. John K.L. CHEUNG, *MBA, BBA*, aged 47, Chief Finance Officer & Company Secretary, joined the Company in 1997. Mr. Cheung is a member of the Institute of Management Accountants. He has over 25-year solid experience in finance and accounting in various industries. Mr. Cheung received a master's degree and a bachelor's degree, both in Business Administration, from Georgia State University, USA.

Mr. Andes P.H. LEUNG, *MBA, BBA*, aged 39, General Sales Manager, joined the Company in 2001. Mr. Leung has over 16-year solid experience in advertising, international marketing and sales in various industries.

Mr. Eric P.K. LAM, *MBA, BA*, aged 47, Marketing Manager, joined the Company in 2008. Mr. Lam has over 17 years of solid experience in marketing in various industries.

Mr. Ric W.T. YEUNG, *BBA*, aged 47, Senior Manager — Logistics, joined the Company in 1983. Mr. Yeung has more than 27 years of extensive experience in supply planning, procurement and physical distribution.

Mr. C.K. HO, *MSC, DIP*, aged 52, Senior Manager — Operations, joined the Company in 1988. Mr. Ho has over 22 years of service with the Company. He has extensive experience in the operations of beer production.

Mr. Steven CO, *BA*, aged 41, Senior Manager — Corporate Development, joined the Company in 1994. Mr. Co has more than 16 years of experience in business planning, business research, corporate affairs and quality management in the Company.

Ms. Edith Y.M. NG, *MBA, DIP*, aged 48, Senior Manager — Human Resources & Administration, joined the Company in 1989. Ms. Ng has gained over 21 years of experience in the fields of marketing, sales and human resources.

Mr. Benjamin Y. ATON Jr., *BSBA*, aged 59, was appointed as the General Manager of San Miguel (Guangdong) Brewery Company Limited on 1 January 2011. Mr. Aton joined the Company in 1986. He has more than 24 years of solid experience in the Philippines and International assignments where the last 4 years were spent in China in various managerial capacities.

Mr. Vincent K.M. KWOK, *MBA, BBA*, aged 42, was appointed as the Managing Director of Guangzhou San Miguel Brewery Company Limited on 1 January 2011. Mr. Kwok joined the Company in 2003. He has more than 19 years of solid experience in marketing in various industries.

截至此報告日期，各行政管理人員之資料如下：

譚嘉源先生，執行董事；詳情請參閱第53頁之董事部份。

張嘉麟先生，*MBA, BBA*，四十七歲，財務總裁及公司秘書，於一九九七年加入本公司。彼為管理會計師公會會員，並於不同行業累積了超過二十五年之財務及會計經驗。張先生畢業於美國Georgia State University，並取得工商管理碩士及學士學位。

梁百行先生，*MBA, BBA*，三十九歲，營業總經理，於二零零一年加入本公司。梁先生擁有超過十六年不同行業之廣告、國際市務及銷售經驗。

林培光先生，*MBA, BA*，四十七歲，市務經理，於二零零八年加入本公司。林先生於不同行業累積了超過十七年之市務經驗。

楊偉東先生，*BBA*，四十七歲，物流高級經理，於一九八三年加入本公司。楊先生擁有超過二十七年之供應策劃、採購及儲運之豐富經驗。

何自強先生，*MSC, DIP*，五十二歲，生產高級經理，於一九八八年加入本公司。何先生於本公司服務超過二十二年。彼於啤酒生產業務擁有豐富經驗。

許敏志先生，*BA*，四十一歲，企業發展高級經理，於一九九四年加入本公司。許先生擁有超過十六年業務策劃、業務研究、企業事務及品質管理之經驗。

伍月薇女士，*MBA, DIP*，四十八歲，人力資源及行政高級經理，於一九八九年加入本公司。伍女士擁有超過二十一年市務、銷售及人力資源之經驗。

安毅俊先生，*BSBA*，五十九歲，於二零一一年一月一日被委任為生力(廣東)啤酒有限公司總經理。安先生於一九八六年加入本公司。彼於菲律賓和國際任命上擁有超過二十四年經驗，其中最近四年是在中國擔任不同管理崗位。

郭敬文先生，*MBA, BBA*，四十二歲，於二零一一年一月一日被委任為廣州生力啤酒有限公司董事總經理。郭先生於二零零三年加入本公司。彼於不同行業累積了超過十九年之市務經驗。

STATISTICAL ANALYSIS OF OPERATIONS | 經營統計分析

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

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

TEN YEAR REVIEW

十年回顧

		2010 二零一零年	2009 二零零九年	2008 二零零八年 (restated) (已重列)
Turnover (1)	營業額 (1)	589,322	696,824	753,375
(Loss)/profit from operations	經營(虧損)/盈利	(770,605)	(331,879)	(301,033)
(Loss)/profit for the year before restructuring costs	未計重組開支之 (虧損)/盈利	(773,987)	(343,052)	(258,155)
Restructuring costs (2)	重組開支 (2)	—	—	—
(Loss)/Profit for the year	年度(虧損)/盈利	(773,987)	(343,052)	(258,155)
Taxes paid, including beer tax	稅項連啤酒稅	42,020	68,877	102,485
Cash dividends attributable to the year	年度應佔現金股息	—	—	—
Cash dividends per share (cents)	每股現金股息(仙)	—	—	—
Fixed assets and projects under development	固定資產及發展中項目	398,011	1,087,198	1,379,561
Net worth (3), (4), (5)	淨值 (3), (4), (5)	391,474	1,169,484	1,490,925
Salaries, wages and other benefits	薪金、工資及其他福利	96,719	99,341	91,656
Number of personnel (6)	員工人數 (6)	732	766	766

- (1) Turnover has been adjusted where discounts, beer duty and consumption tax have been set-off with the gross turnover.
 (2) Restructuring cost in 2007 represented restructuring activities on the Company, while restructuring costs in 2005 and 2006 represented restructuring activities on Guangzhou San Miguel Brewery Company Limited.
 (3) Net worth for the 2001 to 2004 have been adjusted for change in accounting policy of non-controlling interests.
 (4) Net worth for the 2002 to 2005 have been adjusted for change in accounting policy of defined benefit retirement plan.
 (5) Net worth for the 2001 to 2008 have been restated for change in accounting policy of intangible assets.
 (6) Number of personnel represents actual headcount as of the last working day of the year.

STATISTICAL ANALYSIS OF OPERATIONS | 經營統計分析

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

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

2007 二零零七年 (restated) (已重列)	2006 二零零六年 (restated) (已重列)	2005 二零零五年 (restated) (已重列)	2004 二零零四年 (restated) (已重列)	2003 二零零三年 (restated) (已重列)	2002 二零零二年 (restated) (已重列)	2001 二零零一年 (restated) (已重列)
754,833	826,817	806,909	777,830	684,866	804,749	939,702
4,962	(10,625)	10,519	20,025	(30,321)	39,484	101,599
50,397	(12,216)	(2,692)	12,723	(36,156)	27,864	90,241
(310,220)	(93,159)	(63,295)	—	—	—	—
(259,823)	(105,375)	(65,987)	12,723	(36,156)	27,864	90,241
140,831	127,007	141,219	135,185	134,986	164,268	170,830
—	—	3,736	3,736	—	37,356	160,636
—	—	1	1	—	1	43
1,496,910	1,769,377	1,838,164	1,939,135	2,016,646	2,083,863	2,156,190
1,751,565	1,975,617	2,062,000	2,118,432	2,120,869	2,148,355	2,268,533
105,510	118,836	128,539	122,149	124,480	131,168	126,053
838	768	1,151	1,145	1,168	1,214	1,268

- (1) 營業額已就折扣折扣，啤酒稅與商品稅作出調整。
- (2) 二零零七年之重組開支乃指本公司之重組活動，而二零零五年及二零零六年之重組開支乃指廣州生力啤酒有限公司之重組活動。
- (3) 二零零一年至二零零四年之淨值已就非控股權益之會計政策改變作出調整。
- (4) 二零零二年至二零零五年之淨值已就定額福利退休計劃之會計政策改變作出調整。
- (5) 二零零一年至二零零八年之淨值已就無形資產之會計政策改變重列。
- (6) 員工人數指於年度最後一個工作日之實際員工數目。

CONSOLIDATED INCOME STATEMENT | 綜合收益表

For the year ended 31 December 2010
(Expressed in Hong Kong dollars)

截至二零一零年十二月三十一日止年度
(以港幣計算)

		Note 附註	2010 二零一零年 \$'000 千元	2009 二零零九年 \$'000 千元
Turnover	營業額	3, 13	589,322	696,824
Cost of sales	銷售成本		(333,715)	(335,051)
Gross profit	毛利		255,607	361,773
Other revenue	其他收入	4	13,841	10,372
Other net income/(expenses)	其他收益／(開支)淨額	4	1,975	(8,933)
Selling and distribution expenses	銷售及分銷開支		(270,487)	(302,960)
Administrative expenses	行政開支		(78,162)	(70,077)
Other operating expenses	其他經營開支		(9,096)	(19,761)
Impairment losses of non-current assets	非流動資產之減值虧損	5	(684,283)	(302,293)
Loss from operations	經營虧損		(770,605)	(331,879)
Finance costs	財務費用	6(a)	(11,904)	(13,445)
Loss before taxation	除稅前虧損	6	(782,509)	(345,324)
Income tax credit	所得稅計入	7	8,522	2,272
Loss for the year	年度虧損		(773,987)	(343,052)
Attributable to:	應佔如下：			
Equity shareholders of the Company	本公司權益持有人	10	(736,984)	(334,856)
Non-controlling interests	非控股權益		(37,003)	(8,196)
Loss for the year	年度虧損		(773,987)	(343,052)
Loss per share	每股虧損			
Basic (cents)	基本(仙)	12(a)	(197)	(90)
Diluted (cents)	攤薄(仙)	12(b)	N/A 不適用	N/A 不適用

The notes on pages 68 to 136 form part of these financial statements.

列於第68至136頁之各項附註為本財務報表之一部份。

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2010
(Expressed in Hong Kong dollars)

綜合全面收益表

截至二零一零年十二月三十一日止年度
(以港幣計算)

	Note 附註	2010 二零一零年 \$'000 千元	2009 二零零九年 \$'000 千元
Loss for the year		(773,987)	(343,052)
Other comprehensive income for the year (after tax)			
	11		
Exchange differences on translation of:	匯兌差額：		
— financial statements of subsidiaries outside Hong Kong	— 換算海外附屬公司財務報表所產生之匯兌差額	(17,088)	76
— monetary items that form part of the net investment in subsidiaries outside Hong Kong	— 換算組成集團於附屬公司之投資的貨幣項目所產生之匯兌差額	12,577	336
		(4,511)	412
Actuarial gains and losses of defined benefit retirement plan	定額福利退休計劃之精算盈利及虧損	488	21,199
		(4,023)	21,611
Total comprehensive income for the year	年度全面收益總額	(778,010)	(321,441)
Attributable to:	應佔如下：		
Equity shareholders of the Company	本公司權益持有人	(740,320)	(313,315)
Non-controlling interests	非控股權益	(37,690)	(8,126)
Total comprehensive income for the year	年度全面收益總額	(778,010)	(321,441)

The notes on pages 68 to 136 form part of these financial statements.

列於第68至136頁之各項附註為本財務報表之一部份。

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2010
(Expressed in Hong Kong dollars)

綜合財務狀況表

於二零一零年十二月三十一日
(以港幣計算)

		Note 附註	2010 二零一零年 \$'000 千元	2009 二零零九年 \$'000 千元
Non-current assets	非流動資產			
Fixed assets	固定資產	14(a)		
— Property, plant and equipment	— 物業、機器及設備		218,426	946,321
— Investment properties	— 投資物業		82,884	85,085
— Interests in leasehold land held for own use under operating leases	— 在經營租賃下自用而持有的 租賃土地權益		96,701	55,792
			398,011	1,087,198
Intangible assets	無形資產	15	5,678	17,122
Other tangible assets	其他有形資產	17	—	18,565
			403,689	1,122,885
Current assets	流動資產			
Non-current assets held for sale	持作出售的非流動資產	18	—	6,997
Inventories	存貨	19	49,772	60,673
Trade and other receivables	應收貿易及其他賬項	20	70,656	73,941
Amounts due from holding companies and fellow subsidiaries	應收控股公司 及同系附屬公司賬項	21	15,928	12,460
Pledged deposits	抵押存款	22(a)	60,000	60,000
Bank deposits	銀行存款	22(b)	5,876	—
Cash and cash equivalents	現金及等同現金項目	22(b)	220,556	285,902
			422,788	499,973
Current liabilities	流動負債			
Bank loans	銀行貸款	23	(249,206)	(242,343)
Trade and other payables	應付貿易及其他賬項	24	(150,203)	(166,536)
Amounts due to holding companies and fellow subsidiaries	應付控股公司 及同系附屬公司賬項	21	(10,995)	(11,793)
Amounts due to related companies	應付關連公司賬項	21	(2,396)	(1,931)
			(412,800)	(422,603)
Net current assets	流動資產淨值		9,988	77,370
Total assets less current liabilities	總資產減流動負債		413,677	1,200,255

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2010
(Expressed in Hong Kong dollars)

綜合財務狀況表

於二零一零年十二月三十一日
(以港幣計算)

	Note 附註	2010 二零一零年 \$'000 千元	2009 二零零九年 \$'000 千元
Non-current liabilities	非流動負債		
Retirement benefit liabilities	退休福利負債	26(a) (18,143)	(18,089)
Deferred tax liabilities	遞延稅項負債	27(a) (4,060)	(12,682)
		(22,203)	(30,771)
NET ASSETS	資產淨值	391,474	1,169,484
CAPITAL AND RESERVES	股本及儲備		
Share capital	股本	28(b) 186,785	186,785
Reserves	儲備	205,485	945,805
Total equity attributable to equity shareholders of the Company	本公司權益持有人應佔權益	392,270	1,132,590
Non-controlling interests	非控股權益	(796)	36,894
TOTAL EQUITY	權益總值	391,474	1,169,484

Approved and authorised for issue by the board of directors on 11 March 2011.

經由董事會於二零一一年三月十一日批准及授權刊發。



Ramon S. Ang
Director

蔡啓文
董事



Peter K. Y. Tam
Director

譚嘉源
董事

The notes on pages 68 to 136 form part of these financial statements.

列於第68至136頁之各項附註為本財務報表之一部份。

STATEMENT OF FINANCIAL POSITION | 財務狀況表

At 31 December 2010
(Expressed in Hong Kong dollars)

於二零一零年十二月三十一日
(以港幣計算)

		Note 附註	2010 二零一零年 \$'000 千元	2009 二零零九年 \$'000 千元
Non-current assets	非流動資產			
Fixed assets	固定資產	14(b)		
— Property, plant and equipment	— 物業、機器及設備		162,857	622,427
— Interests in leasehold land held for own use under operating leases	— 在經營租賃下自用而持有的租賃土地權益		63,668	45,708
			226,525	668,135
Intangible assets	無形資產	15	5,031	16,497
Investments in subsidiaries	附屬公司權益	16	620,512	740,471
			852,068	1,425,103
Current assets	流動資產			
Non-current assets held for sale	持作出售的非流動資產	18	—	6,997
Inventories	存貨	19	34,183	39,426
Trade and other receivables	應收貿易及其他賬項	20	59,552	60,594
Amounts due from holding companies and fellow subsidiaries	應收控股公司及同系附屬公司賬項	21	10,796	6,753
Pledged deposits	抵押存款	22(a)	11,000	60,000
Cash and cash equivalents	現金及等同現金項目	22(b)	33,978	22,663
			149,509	196,433
Current liabilities	流動負債			
Trade and other payables	應付貿易及其他賬項	24	(59,566)	(50,533)
Amounts due to holding companies and fellow subsidiaries	應付控股公司及同系附屬公司賬項	21	(9,054)	(9,237)
Amount due to a related company	應付關連公司賬項	21	(268)	—
Amounts due to subsidiaries	應付附屬公司賬項	25	(3,127)	(287)
			(72,015)	(60,057)
Net current assets	流動資產淨值		77,494	136,376
Total assets less current liabilities	總資產減流動負債		929,562	1,561,479

STATEMENT OF FINANCIAL POSITION | 財務狀況表

At 31 December 2010
(Expressed in Hong Kong dollars)

於二零一零年十二月三十一日
(以港幣計算)

	Note 附註	2010 二零一零年 \$'000 千元	2009 二零零九年 \$'000 千元
Non-current liabilities			
Amounts due to subsidiaries	25	(373,150)	(443,334)
Retirement benefit liabilities	26(a)	(18,143)	(18,089)
Deferred tax liabilities	27(b)	—	(7,877)
		(391,293)	(469,300)
NET ASSETS		538,269	1,092,179
CAPITAL AND RESERVES			
Share capital	28(a)	186,785	186,785
Reserves		351,484	905,394
TOTAL EQUITY		538,269	1,092,179

Approved and authorised for issue by the board of directors on 11 March 2011.

經由董事會於二零一一年三月十一日批准及授權刊發。



Ramon S. Ang
Director



Peter K. Y. Tam
Director

蔡啓文
董事

譚嘉源
董事

The notes on pages 68 to 136 form part of these financial statements.

列於第68至136頁之各項附註為本財務報表之一部份。

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2010
(Expressed in Hong Kong dollars)

綜合權益變動表

截至二零一零年十二月三十一日止年度
(以港幣計算)

Attributable to equity shareholders of the Company
本公司權益持有人應佔部份

			Share capital	Share premium	Capital reserve	Exchange fluctuation reserve	Retained profits/ (accumulated losses)	Sub-total	Non-controlling interests	Total equity
			股本	股份溢價	資本儲備	匯兌波動儲備	收益儲備 / (累計虧損)	合計	非控股權益	權益總額
			(note 28(b))	(note 28(c)(i))	(note 28(c)(ii))	(note 28(c)(iii))				
		Note	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
		附註	千元	千元	千元	千元	千元	千元	千元	千元
Balance at 1 January 2009	於二零零九年一月一日結餘		186,785	65,739	112,970	95,551	984,860	1,445,905	45,020	1,490,925
Changes in equity for 2009:	二零零九年權益變動：									
Loss for the year	年度虧損		—	—	—	—	(334,856)	(334,856)	(8,196)	(343,052)
Other comprehensive income	其他全面收益	11	—	—	—	342	21,199	21,541	70	21,611
Total comprehensive income for the year	年度全面收益總額		—	—	—	342	(313,657)	(313,315)	(8,126)	(321,441)
Balance at 31 December 2009 and 1 January 2010	於二零零九年十二月三十一日及二零一零年一月一日結餘		186,785	65,739	112,970	95,893	671,203	1,132,590	36,894	1,169,484
Changes in equity for 2010:	二零一零年權益變動：									
Loss for the year	年度虧損		—	—	—	—	(736,984)	(736,984)	(37,003)	(773,987)
Other comprehensive income	其他全面收益	11	—	—	—	(3,824)	488	(3,336)	(687)	(4,023)
Total comprehensive income for the year	年度全面收益總額		—	—	—	(3,824)	(736,496)	(740,320)	(37,690)	(778,010)
Balance at 31 December 2010	於二零一零年十二月三十一日結餘		186,785	65,739	112,970	92,069	(65,293)	392,270	(796)	391,474

The notes on pages 68 to 136 form part of these financial statements.

列於第68至136頁之各項附註為本財務報表之一部份。

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December 2010
(Expressed in Hong Kong dollars)

綜合現金流量表

截至二零一零年十二月三十一日止年度
(以港幣計算)

	Note	2010 二零一零年 \$'000 千元	2009 二零零九年 \$'000 千元
Operating activities	經營業務		
Cash (used in)/generated from operations	經營業務之現金(流出)／流入 22(c)	(20,283)	1,427
Income tax	所得稅		
— Hong Kong Profits Tax refunded	— 退回香港利得稅	—	101
— Tax paid outside Hong Kong	— 香港以外稅金支出	(57)	—
Net cash (used in)/generated from operating activities	經營業務之現金(流出)／流入淨額	(20,340)	1,528
Investing activities	投資業務		
Payment for purchase of fixed assets	購入固定資產	(29,941)	(48,352)
Payment for purchase of other tangible assets	購入其他有形資產	(6,935)	(9,957)
Proceeds from disposal of property, plant and equipment	出售物業、機器及設備所得款項	104	3,739
Proceeds from disposal of other tangible assets	出售其他有形資產所得款項	154	542
Interest received	已收利息	2,450	3,639
Net cash used in investing activities	投資業務之現金流出淨額	(34,168)	(50,389)
Financing activities	融資活動		
Proceeds from new bank loans	新增銀行貸款	79,187	276,225
Repayment of bank loans	償還銀行貸款	(79,187)	(220,321)
Increase in pledged deposits	抵押存款之增加	—	(60,000)
Increase in bank deposits	銀行存款之增加	(5,876)	—
Interest paid	已付利息	(9,572)	(10,352)
Net cash used in financing activities	融資活動之現金流出淨額	(15,448)	(14,448)
Net decrease in cash and cash equivalents	現金及等同現金項目之淨額減少	(69,956)	(63,309)
Cash and cash equivalents at 1 January	於一月一日之現金及等同現金項目結存	225,902	346,437
Effect of foreign exchange rates changes	匯率變動之影響	4,610	2,774
Cash and cash equivalents at 31 December	於十二月三十一日之現金及等同現金項目結存	220,556	285,902

The notes on pages 68 to 136 form part of these financial statements.

列於第68至136頁之各項附註為本財務報表之一部份。

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

財務報表附註

(除另有指示外，均按港幣計算)

1 Significant accounting policies

(a) Statement of compliance

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

The HKICPA has issued certain new and revised HKFRSs that are first effective or available for early adoption for the current accounting period of the Group and the Company. Note 2 provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these financial statements.

(b) Basis of preparation of the financial statements

The consolidated financial statements for the year ended 31 December 2010 comprise the Company and its subsidiaries (together referred to as the "Group").

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

Non-current assets held for sale are stated at the lower of carrying amount and fair value less costs to sell (see note 1(u)).

The preparation of financial statements in conformity with HKFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of HKFRSs that have significant effect on the financial statements and major sources of estimation uncertainty are discussed in note 34.

1 主要會計政策

(a) 遵守聲明

本財務報表乃根據所有適用之香港財務報告準則（「香港財務報告準則」）（香港財務報告準則一詞包括香港會計師公會頒布之所有適用的個別香港財務報告準則、香港會計準則（「香港會計準則」）及詮釋、香港公認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（「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布若干全新及經修訂之香港財務報告準則，並於本集團及本公司之本期會計期間首次生效或可供提早採納。首次應用此等適用於本集團之新訂準則所引致於當期及以往會計期間之任何會計政策變動已於本財務報表內反映，有關資料載於附註2。

(b) 編撰財務報表之準則

截至二零一零年十二月三十一日止年度之綜合財務報表包括本公司及其附屬公司（統稱為「本集團」）。

財務報表乃以歷史成本為編撰基準。

持作出售的非流動資產乃按賬面值或公允值減去銷售成本兩者之較低者入賬（見附註1(u)）。

編撰符合香港財務報告準則的財務報表要求管理層作出會影響政策應用及資產、負債、收入與開支的報告數額的判斷、估計及假設的規定。估計及有關假設乃根據過往經驗及多個相信有關情況下屬合理的其他因素而作出，其結果成為對在其他來源並不顯然易見的資產與負債賬面值作出判決的基礎。實際結果可能有異於該等估計。

估計及相關假設會持續檢討。對會計估計進行修訂時，若修訂只影響該期間，則修訂會在修訂估計的期間內確認；若修訂影響到當期及未來期間，則在修訂及未來期間確認。

就採用香港財務報告準則時所作出的判斷，以及作出對下一年度之財務報表構成重大調整風險之估計的討論內容載列於附註34。

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

財務報表附註

(除另有指示外，均按港幣計算)

1 Significant accounting policies (Continued)

(c) Subsidiaries and non-controlling interests

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account.

An investment in a subsidiary is consolidated into the consolidated financial statements from the date that control commences until the date that control ceases. 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.

Non-controlling interests (previously known as “minority interests”) represent the equity in a subsidiary not attributable directly or indirectly to the Company, and in respect of which the Group has not agreed any additional terms with the holders of those interests which would result in the Group as a whole having a contractual obligation in respect of those interests that meets the definition of a financial liability. For each business combination, the Group can elect to measure any non-controlling interests either at fair value or at their proportionate share of the subsidiary’s net identifiable assets.

Non-controlling interests are presented in the consolidated statement of financial position within equity, separately from equity attributable to the equity shareholders of the Company. Non-controlling interests in the results of the Group are presented on the face of the consolidated income statement and the consolidated statement of comprehensive income as an allocation of the total profit or loss and total comprehensive income for the year between non-controlling interests and the equity shareholders of the Company. Loans from holders of non-controlling interests and other contractual obligations towards these holders are presented as financial liabilities in the consolidated statement of financial position in accordance with notes 1(l) or (m) depending on the nature of the liability.

Changes in the Group’s interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions, whereby adjustments are made to the amounts of controlling and non-controlling interests within consolidated equity to reflect the change in relative interests, but no adjustments are made to goodwill and no gain or loss is recognised.

When the Group loses control of a subsidiary, it is accounted for as a disposal of the entire interest in that subsidiary, with a resulting gain or loss being recognised in profit or loss. Any interest retained in that former subsidiary at the date when control is lost is recognised at fair value and this amount is required as the fair value on initial recognition of a financial asset or, when appropriate, the cost on initial recognition of an investment in an associate or jointly controlled entity.

In the Company’s statement of financial position, an investment in a subsidiary is stated at cost less impairment losses (see note 1(ii)).

1 主要會計政策 (續)

(c) 附屬公司及非控股權益

附屬公司為本集團所控制之實體。倘若本集團有權決定該實體的財務及經營業務從而獲取利益，該實體將被視為受到本集團控制。在評估控制權時，現存並可行使的潛在投票權已計算在內。

於附屬公司之投資由持有控制權開始併入綜合財務報表內，直至控制權終止為止。本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抵銷。如無減值證據，本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抵銷。

非控股權益（前稱「少數股東權益」）是指非直接或間接歸屬於本公司的附屬公司權益，而本集團未與該權益持有者達成任何附加協議，致令集團整體上對該等權益產生符合財務負債定義的法定義務。對於每項企業合併，集團可選擇以公允價值或其在附屬公司可辨認資產淨值的所佔比例確認為非控股權益。

非控股權益在綜合財務狀況表內的股東權益列示，但與可歸屬於集團股東權益分開。非控股權益佔本集團年度內總盈利或虧損在綜合收益表以分配為非控股權益及可歸屬於本公司股東權益形式呈報。由非控股權益持有人借出的貸款以及其他合約責任將根據附註1(l)或(m)（視負債的性質而定）於綜合財務狀況表呈列為財務負債。

本集團於附屬公司權益之變化但未引起控制權喪失的交易，按權益內部交易入賬，於合併權益項下之控股及非控股權益作出調整以反映相關權益變動，但不調整商譽也不確認損益。

如果本集團失去附屬公司之控制權，該項交易將按處置該附屬公司全部權益記錄，相關交易確認損益。任何本集團所保留之前附屬公司剩餘權益按喪失控制權日公允價值確認，該值為金融資產初始確認之公允價值，或為於聯營公司或共同控制實體之初始投資成本（如適用）。

在本公司之財務狀況表內，附屬公司權益以成本減減值虧損（見附註1(ii)）列帳。

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

財務報表附註

(除另有指示外，均按港幣計算)

1 Significant accounting policies (Continued)

(d) Property, plant and equipment

The following property, plant and equipment are stated at cost less accumulated depreciation and impairment losses (see note 1(ii)), with the exception of construction in progress which is stated at cost less any impairment losses (see note 1(ii)).

- land classified as being held under finance leases and buildings thereon (see note 1(f));
- buildings held for own use which are situated on leasehold land classified as held under operating leases (see note 1(f)); and
- other items of plant and equipment.

Gains or losses arising from the retirement or disposal of an item of property, plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the item and are recognised in profit or loss on the date of retirement or disposal.

Depreciation is calculated to write off the cost of items of property, plant and equipment, less their estimated residual values, if any, using the straight-line method over their estimated useful lives as follows:

- Leasehold land classified as held under finance leases is depreciated over the unexpired term of lease.
- Buildings situated on leasehold land are depreciated over the shorter of the unexpired term of lease and their estimated useful lives, being no more than 50 years after the date of purchase.
- Machinery, equipment, furniture and fixtures 4 to 50 years
- Motor vehicles 4 to 7 years

No provision for depreciation is made on construction in progress until such time when the assets are substantially completed and ready for use.

Where parts of an item of property, plant and equipment have different useful lives, the cost of the item is allocated on a reasonable basis between the parts and each part is depreciated separately.

Both the useful life of an asset and its residual value, if any, are reviewed annually.

(e) Investment properties

Investment properties are land and buildings which are owned or held under a leasehold interest (see note 1(f)) to earn rental income and/or for capital appreciation.

Investment properties are stated at cost less accumulated depreciation and impairment losses (see note 1(ii)). Depreciation is calculated to write off the cost of investment properties, less their estimated residual values, if any, using the straight-line method over the shorter of the unexpired term of lease and their estimated useful lives, being no more than 50 years.

1 主要會計政策 (續)

(d) 物業、機器及設備

除在建工程以成本減去減值虧損(見附註1(ii))列賬外，以下的物業、機器及設備按成本減累計折舊及減值虧損列賬(見附註1(ii))。

- 分類為融資租賃下的土地及物業(見附註1(f))；
- 在分類為經營租賃下的土地上的自用物業(見附註1(f))；及
- 其他機器及設備。

報廢或出售物業、機器及設備項目之盈虧，乃出售所得款項淨額以及有關項目賬面值之差額，並於報廢或出售日在損益中確認。

折舊乃將物業、機器及設備成本減其估計剩餘價值(如有)，在其下述估計可使用年期期間以直線法計算而撇銷：

- 分類為融資租賃下的土地於未屆滿租賃期間折舊。
- 在租賃土地上的物業於未屆滿租賃期及其估計可使用年期(購入日期起不超過五十年)兩者中較短期間折舊。
- 機器、設備、傢俬及裝置 四年至五十年
- 車輛 四年至七年

在建工程於資產完成及可投入使用前不會計提折舊。

當一項物業、機器及設備之各部份有不同的可使用年期，此項目各部份之成本將按合理基礎分配，而每部份將作個別折舊。

本集團每年檢討資產之可使用年期及其剩餘價值(如有)。

(e) 投資物業

投資物業為賺取租金收入及／或為資本增值而擁有或根據租賃權益(見附註1(f))持有的土地及房產。

投資物業按成本減累計折舊及減值虧損列賬(見附註1(ii))。折舊乃將投資物業成本減其剩餘價值(如有)，在未屆滿租賃期及其估計可使用年期(不超過五十年)兩者中較短期間以直線法計算而撇銷。

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

財務報表附註

(除另有指示外，均按港幣計算)

1 Significant accounting policies (Continued)

(e) Investment properties (Continued)

Both the useful lives of the investment properties and their residual values, if any, are reviewed annually.

Rental income from investment properties is accounted for as described in note 1(r)(iii).

(f) Leased assets

An arrangement, comprising a transaction or a series of transactions, is or contains a lease if the Group determines that the arrangement conveys a right to use a specific asset or assets for an agreed period of time in return for a payment or a series of payments. Such a determination is made based on an evaluation of the substance of the arrangement and is regardless of whether the arrangement takes the legal form of a lease.

(i) Classification of assets leased to the Group

Assets that are held by the Group under leases which transfer to the Group substantially all the risks and rewards of ownership are classified as being held under finance leases.

Leases which do not transfer substantially all the risks and rewards of ownership to the Group are classified as operating leases, with the following exceptions:

- property held under operating leases that would otherwise meet the definition of an investment property is classified as investment property on a property-by-property basis and, if classified as investment property, is accounted for as if held under a finance lease; and
- land held for own use under an operating lease, where the fair value cannot be measured separately from the fair value of a building situated thereon at the inception of the lease, is accounted for as being held under a finance lease, unless the building is also clearly held under an operating lease. For these purposes, the inception of the lease is the time that the lease was first entered into by the Group, or taken over from the previous lessee.

(ii) Operating lease charges

Where the Group has the use of assets held under operating leases, payments made under the leases are charged to profit or loss in equal instalments over the accounting periods covered by the lease term. Lease incentives received are recognised in profit or loss as an integral part of the aggregate net lease payments made.

The cost of acquiring land held under an operating lease is amortised on a straight-line basis over the period of the lease term. Impairment losses are recognised in accordance with the accounting policy set out in note 1(i).

1 主要會計政策 (續)

(e) 投資物業 (續)

投資物業的可使用年期及其剩餘價值 (如有) 均按年作出檢討。

投資物業的租金收入根據附註1(r)(iii)所述方式計算。

(f) 租賃資產

倘本集團確定安排具有在商定期限內通過支付一筆或一系列款項而使用某一特定資產或多項資產之權利，則該安排 (由一宗交易或一系列交易組成) 為租賃或包括租賃。該釐定乃根據安排之內容評估而作出，而無論安排是否具備租賃之法律形式。

(i) 租賃予本集團之資產的分類

對於本集團以租賃持有的資產，如有關租賃將擁有資產的絕大部分風險和回報轉移至本集團，有關資產便會劃歸為以融資租賃持有。

並未將擁有資產之所有風險和利益轉讓之租賃資產，乃列為經營租賃，以下除外：

- 符合投資物業定義的經營租賃物業會被分類至投資物業。如果被分類至投資物業，該租賃會以融資租賃入賬；及
- 根據經營租賃為自用而持有的土地，若公允價值在租賃開始時不能與位於有關土地上的房產的公允價值分開計量，會作為根據融資租賃持有入賬，除非有關房產亦顯然根據經營租約持有，則作別論。就此而言，租賃的開始時間為本集團首次訂立租約時，或從前承租人接手時。

(ii) 經營租賃

倘本集團根據經營租賃使用資產，根據租約所付之款項乃於損益中以等額在租賃期所涵蓋之會計期間支銷。所得的租賃激勵措施乃作為所作的整體淨租賃付款額的一部分在損益中確認。

以經營租賃持有土地的收購成本是按直線法在租賃期內攤銷。減值虧損會按照附註1(i)的會計政策來確認。

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(除另有指示外，均按港幣計算)

1 Significant accounting policies (Continued)

(g) Intangible assets

Intangible assets are trademarks and club debentures acquired by the Group and stated at cost less impairment losses (see note 1(ii)).

These intangible assets are not amortised as their useful lives are assessed to be indefinite, and are tested annually for impairment (see note 1(ii)).

The conclusion that the useful life of an intangible asset is indefinite is reviewed annually to determine whether events and circumstances continue to support the indefinite useful life assessment for that asset.

(h) Other tangible assets

Other tangible assets are returnable bottles and crates used by subsidiaries in the People's Republic of China ("PRC").

Returnable bottles and crates are stated at cost less accumulated amortisation and impairment losses (see note 1(ii)). Amortisation is calculated to write off the cost of bottles and crates, less their estimated residual values, using the straight-line method over their estimated useful lives of two and seven years respectively.

Both the useful lives of bottles and crates and their residual values are reviewed annually.

(i) Impairment of assets

(i) Impairment of investments in subsidiaries and receivables

Investments in subsidiaries that are stated at cost in the Company's statement of financial position and receivables that are stated at cost or amortised cost are reviewed at the end of each reporting period to determine whether there is objective evidence of impairment. Objective evidence of impairment includes observable data that comes to the attention of the Group about one or more of the following loss events:

- significant financial difficulty of the debtor;
- a breach of contract, such as a default or delinquency in interest or principal payments;
- it becoming probable that the debtor will enter bankruptcy or other financial reorganisation; and
- significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor.

1 主要會計政策 (續)

(g) 無形資產

商標及會所債權證以成本減去減值虧損列賬(見附註1(ii))。

該等無形資產並無攤銷，因為其可使用年期被評估為不確定及每年須作減值測試(見附註1(ii))。

無形資產之可使用年期不確定的結論須每年檢討以確定情況是否繼續支持該資產之不確定使用年期之評估結果。

(h) 其他有形資產

其他有形資產為位於中華人民共和國(「中國」)的附屬公司所用的須退還之啤酒樽及膠箱。

須退還之啤酒樽及膠箱按成本減累計攤銷及減值虧損列賬(見附註1(ii))。攤銷乃將啤酒樽及膠箱成本減其剩餘價值，在分別為兩年及七年期間以直線法計算而撇銷。

本集團會就啤酒樽及膠箱之可使用年期及其剩餘價值每年進行檢討。

(i) 資產減值

(i) 附屬公司權益及應收款項的減值

按成本列賬於公司財務狀況表的附屬公司權益及按成本或攤銷成本列賬之應收賬項於各結算日進行檢討，以確定是否有客觀憑證顯示其出現減值。減值的客觀憑證包括以下本集團關注的一項或多項損失事項的可觀察數據：

- 債務人重大的財務困難；
- 違反合約，例如拖欠或逾期償還利息或本金款項；
- 債務人進行破產或其他財務重組將有可能出現；及
- 工業技術、市場、經濟或法律環境的重大改變對債務人有不利影響。

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(除另有指示外，均按港幣計算)

1 Significant accounting policies (Continued)

(i) Impairment of assets (Continued)

(i) Impairment of receivables (Continued)

If any such evidence exists, any impairment loss is determined and recognised as follows:

- For investments in subsidiaries, the impairment loss is measured by comparing the recoverable amount of the investment with its carrying amount in accordance with note 1 (i) (ii). The impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount in accordance with note 1 (i) (ii).
- For receivables carried at amortised cost, the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate, where the effect of discounting is material. This assessment is made collectively where financial assets carried at amortised cost share similar risk characteristics, such as similar past due status, and have not been individually assessed as impaired. Future cash flows for financial assets which are assessed for impairment collectively are based on historical loss experience for assets with credit risk characteristics similar to the collective group.

If in a subsequent period the amount of an impairment loss decreases and the decrease can be linked objectively to an event occurring after the impairment loss was recognised, the impairment loss is reversed through profit or loss. A reversal of an impairment loss shall not result in the asset's carrying amount exceeding that which would have been determined had no impairment loss been recognised in prior years.

Impairment losses are written off against the corresponding assets directly, except for impairment losses recognised in respect of trade receivables included within trade and other receivables, whose recovery is considered doubtful but not remote. In this case, the impairment losses for doubtful debts are recorded using an allowance account. When the Group is satisfied that recovery is remote, the amount considered irrecoverable is written off against trade receivables directly and any amounts held in the allowance account relating to that debt are reversed. Subsequent recoveries of amounts previously charged to the allowance account are reversed against the allowance account. Other changes in the allowance account and subsequent recoveries of amounts previously written off directly are recognised in profit or loss.

(ii) Impairment of other assets

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

- Property, plant and equipment;
- Investment properties;
- Interests in leasehold land held for own use under operating leases;
- Intangible assets; and
- Other tangible assets.

1 主要會計政策 (續)

(i) 資產減值 (續)

(i) 應收款項的減值 (續)

倘有客觀憑證顯示其出現減值，任何減值虧損按下列釐定及確認：

- 附屬公司權益之減值虧損乃根據附註1(i)(ii)比較權益之可收回金額及其賬面值來計算。如根據附註1(i)(ii)用以釐定可收回金額之估值出現好轉，該減值虧損會予以撥回。
- 按攤銷成本列賬之應收款項，其減值虧損乃按該資產賬面值與估計未來現金流量現值之差額計算，再按有關金融資產之原先的實際利率進行貼現(倘貼現影響屬重大)。所有按攤銷成本列賬之金融資產若擁有類似風險性質(如相近的過期未付情況)和沒有被獨立評估減值，均按整體評估。而被評估減值之金融資產的未來現金流量乃根據該等信貸風險性質相似的資產的過往虧損經驗。

倘減值虧損金額於往後期間減少，而有關減少可客觀地與確認減值虧損後發生之事件有聯繫，則減值虧損於損益轉回。轉回不得導致資產之賬面值超過倘於過往年度並無確認該減值虧損時原應釐定之金額。

減值虧損直接與相應資產撇銷，惟就列於應收貿易及其他賬款的應收貿易賬款所確認的減值虧損，其收回情況屬存疑而不渺茫者，則作別論。在此情況下，呆壞賬的減值虧損透過撥備賬記錄。當本集團信納收回機會渺茫，則被視為無法收回的金額會直接在應收貿易賬款中撇銷，而任何列入撥備賬與此債項有關的金額會被撥回。其後若收回之前已在撥備賬中扣除的金額，則會在撥備賬中撥回。撥備賬內的其他變動及其後收回之前已直接撇銷的金額在損益中確認。

(ii) 其他資產減值

於每個結算日會檢討內部及外間資料，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：

- 物業、機器及設備；
- 投資物業；
- 在經營租賃下自用而持有的租賃土地權益；
- 無形資產；及
- 其他有形資產。

1 Significant accounting policies (Continued)

(i) Impairment of assets (Continued)

(ii) Impairment of other assets (Continued)

If any such indication exists, the asset's recoverable amount is estimated. In addition, for intangible assets that have indefinite useful lives, the recoverable amount is estimated annually whether or not there is any indication of impairment.

— Calculation of recoverable amount

The recoverable amount of an asset is the greater of its fair value less costs to sell 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).

— Recognition of impairment losses

An impairment loss is recognised in profit or loss if the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. Impairment losses recognised in respect of cash-generating units are allocated to reduce the carrying amount of the assets in the unit (or group of units) on a pro rata basis, except that the carrying value of an asset will not be reduced below its individual fair value less costs to sell, or value in use, if determinable.

— Reversals of impairment losses

An impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount.

A reversal of an impairment loss 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 profit or loss in the year in which the reversals are recognised.

1 主要會計政策 (續)

(i) 資產減值 (續)

(ii) 其他資產減值 (續)

倘若存在任何有關跡象，則會估計資產的可收回金額。此外，就沒有確實可使用年期的無形資產而言，本集團會每年估計其可收回金額，以確定是否有任何減值跡象。

— 計算可收回金額

資產之可收回金額為其售價淨額及使用價值兩者中之較高者。於評估使用價值時，會使用除稅前貼現率將估計的未來現金流量貼現至現值。該貼現率應是反映市場當時所評估之貨幣時間價值和該資產之獨有風險。倘資產並未能在大致獨立於其他資產下賺取現金流量，則就獨立賺取現金流量之最小組別資產（即賺取現金單位）來釐定可收回金額。

— 確認減值虧損

每當資產（或其所屬的現金產生單位）的賬面值超過其可收回金額，即會在收益表確認減值虧損。就賺取現金單位確認的減值虧損，會以減少單位（或該組單位）資產的賬面值按比例分配，惟資產賬面值不會減少至低於其本身的公允價值減銷售成本或使用價值（若能釐定）。

— 撥回減值虧損

倘用以釐訂可收回金額之估計出現好轉，則撥回減值虧損。

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損益中。

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1 Significant accounting policies (Continued)

(j) Inventories

Inventories are carried at the lower of cost and net realisable value.

Cost is calculated using the weighted 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 is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

(k) Receivables

Receivables are initially recognised at fair value and thereafter stated at amortised cost less allowance for impairment of doubtful debts (see note 1(ii)), except where the receivables are interest-free loans made to related parties without any fixed repayment terms or the effect of discounting would be immaterial. In such cases, the receivables are stated at cost less allowance for impairment of doubtful debts.

(l) Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between the amount initially recognised and redemption value being recognised in profit or loss over the period of the borrowings, together with any interest and fees payable, using the effective interest method.

(m) Payables

Payables are initially recognised at fair value and thereafter stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at cost.

(n) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on 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.

1 主要會計政策 (續)

(j) 存貨

存貨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、加工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，該等存貨之賬面值會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。因可變現淨值增加而需轉回的任何存貨減值會扣減轉回發生期間所確認的支出。

(k) 應收款項

應收款項最初按公允價值確認，其後則按攤銷成本減有關呆壞賬的減值虧損列值（見附註1(ii)），惟倘若有關應收款項為借予關連人士且並無任何固定還款期的免息貸款，或屬貼現影響不大者，則作別論。在該等情況下，應收款項按成本減呆壞賬的減值撥備列賬。

(l) 附息借款

附息借款最初按公允價值減應佔交易費用確認。於確認後，附息借款按攤銷成本列值，成本與贖回價值的任何差異會在借款期間以實際利率法在損益中確認。

(m) 應付款項

應付款項最初按公允價值確認，其後則按攤銷成本列值，惟倘貼現影響不大，則按成本列值。

(n) 現金及等同現金項目

現金及等同現金項目指銀行結存、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已知的現金金額且無重大變值風險，並為購入後三個月內到期之投資項目。

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1 Significant accounting policies (Continued)

(o) Employee benefits

(i) Short term employee benefits and contributions to defined contribution retirement plans

Salaries, annual bonuses, paid annual leave, contributions to defined contribution retirement plans and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees.

(ii) Defined benefit retirement plan obligations

The Group's net obligation in respect of 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 the end of the reporting period 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.

Actuarial gains and losses in respect of the defined benefit retirement plan are recognised in full in the period in which they occur, outside profit or loss, in equity. They shall not be recognised in profit or loss in a subsequent period.

(iii) Termination benefits

Termination benefits are recognised when, and only when, the Group demonstrably commits itself to terminate employment or to provide benefits as a result of voluntary redundancy by having a detailed formal plan which is without realistic possibility of withdrawal.

(p) Income tax

Income tax for the year comprises current tax and movements in deferred tax assets and liabilities. Current tax and movements in deferred tax assets and liabilities are recognised in profit or loss except to the extent that they relate to items recognised in other comprehensive income or directly in equity, in which case the relevant amount of tax are recognised in other comprehensive income or directly in equity, respectively.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

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.

1 主要會計政策 (續)

(o) 僱員福利

(i) 短期僱員福利及定額供款

退休計劃之供款薪金、年終花紅、有薪年假、定額供款退休計劃之供款及本集團所提供之非幣值福利均於本集團僱員提供有關服務之年度累計。

(ii) 定額福利退休計劃之承擔

本集團就定額福利退休計劃承擔之責任淨額，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貼現，並扣除任何計劃資產之公允價值。貼現率為優質公司債券(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。

所有定額福利退休計劃的精算損益於發生期內在損益外之權益項下全部確認，而不應在期後的損益內確認。

(iii) 終止僱傭福利

終止補償只會在本集團根據正式、具體，且不大可能撤回的計劃終止僱員合約或根據該計劃自願遣散僱員而終止合約並作出補償時確認。

(p) 所得稅

本年度之所得稅包括本期稅項及遞延稅項資產及負債之變動。本期稅項及遞延稅項資產及負債之變動均在損益中確認，惟若涉及於其他全面收益或直接於權益中確認的項目，則分別在其他全面收益或權益中確認。

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。

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。

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(Expressed in Hong Kong dollars unless otherwise indicated)

財務報表附註

(除另有指示外，均按港幣計算)

1 Significant accounting policies (Continued)

(p) Income tax (Continued)

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. Future taxable profits that may support the recognition of deferred tax assets arising from deductible temporary differences include those that will arise from the reversal of existing taxable temporary differences, provided those differences relate to the same taxation authority and the same taxable entity, and are expected to reverse either in the same period as the expected reversal of the deductible temporary difference or in periods into which a tax loss arising from the deferred tax asset can be carried back or forward. The same criteria are adopted when determining whether existing taxable temporary differences support the recognition of deferred tax assets arising from unused tax losses and credits, that is, those differences are taken into account if they relate to the same taxation authority and the same taxable entity, and are expected to reverse in a period, or periods, in which the tax loss or credit can be utilised.

The limited exceptions to recognition of deferred tax assets and liabilities are those temporary differences arising from goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit (provided they are not part of a business combination), and temporary differences relating to investments in subsidiaries to the extent that, in the case of taxable differences, the Group controls the timing of the reversal and it is probable that the differences will not reverse in the foreseeable future, or in the case of deductible differences, unless it is probable that they will reverse in the future.

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 end of the reporting period. Deferred tax assets and liabilities are not discounted.

The carrying amount of a deferred tax asset is reviewed at the end of each reporting period and is reduced to the extent that it is no longer probable that sufficient taxable profits 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 profits will be available.

1 主要會計政策 (續)

(p) 所得稅 (續)

除若干有限之例外情況，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溢利者為限）均會予以確認。能支持可確認由可扣稅暫時差額產生之遞延稅項資產之未來應課稅溢利，包括因撥回現有應課稅暫時差額而產生之可扣稅暫時差額，惟該等差額須與同一稅務機關及相同應課稅實體有關，並預期於預期撥回可扣稅暫時差額，或可轉回或結轉遞延稅項資產所產生之稅項虧損之同一期間內撥回。於釐定現時應課稅暫時差額可否支持確認未動用稅項虧損及抵免所產生之遞延稅項資產時亦採用相同準則，即該等差額與同一稅務機關及相同應課稅實體有關，並預期可於動用稅項虧損或抵免之某段期間（一段或多段）內撥回，則會予以計入。

確認遞延稅項資產及負債之少數例外情況，為與從商譽產生不可扣減稅項，及最初確認並無影響會計及應課稅溢利之資產或負債（惟並非業務合併之一部份）產生之暫時差額有關，而就於附屬公司之投資有關之暫時差額，就應課稅差額而言為本集團可控制撥回時間，及於可見將來將不可能撥回差額為限，或就可扣除差額而言則須以可能於未來撥回者為限。

遞延稅項之確認金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不用貼現。

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溢利以供扣減有關稅項得益，則遞延稅項資產會予以減少。該削減金額可在有足夠應課稅溢利有可能出現時撥回。

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

財務報表附註

(除另有指示外，均按港幣計算)

1 Significant accounting policies (Continued)

(p) Income tax (Continued)

Current tax balances and deferred tax balances, and movements therein, are presented separately from each other and are not offset. Current tax assets are offset against current tax liabilities, and deferred tax assets against deferred tax liabilities, if the Company or the Group has the legally enforceable right to set off current tax assets against current tax liabilities and the following additional conditions are met:

- in the case of current tax assets and liabilities, the Company or the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously; or
- in the case of deferred tax assets and liabilities, if they relate to income taxes levied by the same taxation authority on either:
 - the same taxable entity; or
 - different taxable entities, which, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered, intend to realise the current tax assets and settle the current tax liabilities on a net basis or realise and settle simultaneously.

(q) Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Group or the Company has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

(r) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. 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 profit or loss as follows:

(i) Sale of goods

Revenue is recognised when goods are delivered at the customers' premises or picked up by customers for domestic sales and when goods are shipped on board for export sales which are taken to be the point in time when the customer has accepted the goods and the related risks and rewards of ownership. Revenue excludes value added tax and consumption tax and is after deduction of any trade discounts and returns.

1 主要會計政策 (續)

(p) 所得稅 (續)

本期及遞延所得稅結餘和其變動額會分開列示，並且不予抵銷。本期和遞延所得稅資產只會在本公司或本集團有法定行使權以本期所得稅資產抵銷本期所得稅負債，並且符合以下附帶條件的情況下，才可以分別抵銷本期和遞延所得稅負債：

- 本期所得稅資產和負債：本公司或本集團計劃按淨額基準結算，或同時變現該資產和清償該負債；或
- 遞延所得稅資產和負債：這些資產和負債必須與同一稅務機關就以下其中一項徵收的所得稅有關：
 - 同一應課稅機構；或
 - 不同的應課稅機構。這些實體計劃在預期有大額遞延所得稅負債需要清償或遞延所得稅資產可以收回的每個未來期間，按淨額基準實現本期所得稅資產和清償本期所得稅負債，或同時變現該資產和清償該負債。

(q) 準備及或然負債

如果本公司或本集團須就已發生的事件承擔法律或推定義務，因而預期會導致含有經濟效益的資源外流，在可以作出可靠的估計時，本公司或本集團便會就該時間或數額不定的負債計提準備。如果貨幣時間值重大，則按預計所需支出的現值計列準備。

如果含有經濟效益的資源外流的可能性較低，或是無法對有關數額作出可靠的估計，便會將該義務披露為或然負債，但資源外流的可能性極低則除外。如果本集團的義務須視乎某宗或多宗未來事件是否發生才能確定是否存在，亦會披露為或有負債，但資源外流的可能性極低則除外。

(r) 收入確認

收入是以已收取或可收取報酬的公允價值計算。倘若含有經濟效益的資源可能流入本集團，而收入及成本（如適用）能夠作出可靠的計量時，有關收入將按以下方式在收益表內確認：

(i) 銷貨收入

銷貨收入在本地銷售而言乃於貨品被送到顧客的經營場所或被提取，在出口銷售而言乃於貨品已被裝船，即顧客接受貨品及有關風險後予以入賬。銷貨收入不包括增值稅及商品稅，並且扣除所有貿易折扣及退回。

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(Expressed in Hong Kong dollars unless otherwise indicated)

財務報表附註

(除另有指示外，均按港幣計算)

1 Significant accounting policies (Continued)

(r) Revenue recognition (Continued)

(ii) Interest income

Interest income is recognised as it accrues using the effective interest method.

(iii) Rental income from operating leases

Rental income receivable under operating leases is recognised in profit or loss in equal instalments over the periods covered by the lease term. Lease incentives granted are recognised in profit or loss as an integral part of the aggregate net lease payments receivable.

(s) Translation of foreign currencies

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's subsidiaries are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Hong Kong dollars, which is the Company's functional and presentation currency.

(ii) Foreign currency transactions during the year are translated at the foreign exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at the end of the reporting period. Exchange gains and losses are recognised in profit or loss.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the foreign exchange rates ruling at the transaction dates.

The results of operations outside Hong Kong are translated into Hong Kong dollars at the foreign exchange rates approximating the foreign exchange rates ruling at the dates of the transactions. Statement of financial position items are translated into Hong Kong dollars at the closing foreign exchange rates at the end of the reporting period. The resulting exchange differences are recognised in other comprehensive income and accumulated separately in equity in the exchange reserve.

On disposal of a operation outside Hong Kong, the cumulative amount of the exchange differences relating to that operation is reclassified from equity to profit or loss when the profit or loss on disposal is recognised.

Foreign exchange gains and losses arising from monetary items that in substance form part of the net investment in an operation outside Hong Kong, together with any related tax, are reclassified to equity on consolidation.

1 主要會計政策 (續)

(r) 收入確認 (續)

(ii) 利息收入

利息收入乃按實際利率法計算。

(iii) 經營租賃而應收之租金收入

根據經營租賃而應收之租金收入，乃以等額於租約所涵蓋之會計期間確認。授出租賃激勵措施乃作為所收的整體淨租賃款額的一部分在損益中確認。

(s) 外幣兌換

(i) 功能貨幣及呈報貨幣

本集團各附屬公司之財務報表所包括之項目，乃按該附屬公司經營所在之主要經濟環境之貨幣（「功能貨幣」）計量。綜合財務報表以港元呈列，而港元為本公司之功能及呈報貨幣。

(ii) 年內以外幣進行之交易，均以交易日之外幣匯率換算。以外幣結算之貨幣資產及負債，則以結算日之外幣匯率換算。匯兌損益乃計入損益中。

以外幣按歷史成本計價的非貨幣資產及負債用交易日的外幣匯兌率進行折算。

香港以外業務的業績乃按與交易日的匯率相若的匯率換算為港幣。財務狀況表的項目按結算日的匯率換算為港幣。所產生的匯兌差額直接在權益個別部份內確認。

當出售香港以外業務時，與該業務有關而確認於盈利或虧損時的累計匯兌差額會從權益改列為盈利或虧損。

貨幣項目產生的外幣匯兌損益（實則屬於香港以外投資的一部份）與相關之稅項應於合併時重新分類並由損益撥入股東權益。

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財務報表附註

(除另有指示外，均按港幣計算)

1 Significant accounting policies (Continued)

(t) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of that asset. Other borrowing costs are expensed in the period in which they are incurred.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or complete.

(u) Non-current assets held for sale

A non-current asset is classified as held for sale if it is highly probable that its carrying amount will be recovered through a sale transaction rather than through continuing use and the asset is available for sale in its present condition.

When the Group is committed to a sale plan involving loss of control of a subsidiary, all the assets and liabilities of that subsidiary are classified as held for sale when the above criteria for classification as held for sale are met, regardless of whether the Group will retain a non-controlling interest in the subsidiary after the sale.

Immediately before classification as held for sale, the measurement of the non-current assets is brought up-to-date in accordance with the accounting policies before the classification. Then, on initial classification as held for sale and until disposal, the non-current assets (except for certain assets as explained below), are recognised at the lower of their carrying amount and fair value less costs to sell. The principal exceptions to this measurement policy so far as the financial statements of the Group and the Company are concerned are deferred tax assets, assets arising from employee benefits and financial assets (other than investments in subsidiaries). These assets, even if held for sale, would continue to be measured in accordance with the policies set out elsewhere in note 1.

Impairment losses on initial classification as held for sale, and on subsequent remeasurement while held for sale, are recognised in profit or loss. As long as a non-current asset is classified as held for sale, the non-current asset is not depreciated or amortised.

1 主要會計政策 (續)

(t) 借貸成本

因收購、建造或生產合資格資產(即必須耗用一段頗長時間方可作擬定用途或銷售之資產)而直接應佔之借貸成本均撥作該等資產之部份成本。其他借貸成本均在產生的期間列作開支。

屬於合資格資產成本一部分的借貸成本在資產產生開支、借貸成本產生及使資產投入原定用途或銷售所必須的準備工作進行期間開始資本化。在使合資格資產投入原定用途或銷售所必須的絕大部分準備工作終止或完成時，借貸成本便會暫停或停止資本化。

(u) 持作出售的非流動資產

若非流動資產的賬面值很有可能將透過出售收回而並非透過繼續使用收回，及該資產可在現況下出售的話，則分類為持作出售類別。

倘本集團承諾一項會導致失去附屬公司控制權的銷售計劃，該附屬公司的所有資產及負債如符合以上分類為持作出售類別的條件，則被分類為持作出售類別，不論於銷售後本集團仍於附屬公司保留非控股權益。

在分類為持作出售類別前，非流動資產按分類前適用的會計政策重新計量。資產初始分類為持作出售類別及至售出時，非流動資產(以下所述之若干資產除外)或出售組合會以賬面值或公平值扣除出售成本兩者中之較低者入賬。在本集團財務報表中沒有使用此計量政策的主要項目包括遞延稅項資產、僱員福利及金融資產(於附屬公司的投資除外)。這些資產即使持作出售，亦會繼續按附註1之其他政策處理。

初始分類為持作出售之減值虧損以及其後當持作出售之重新計量於收益表內確認。只要該非流動資產被分類為持作出售，該非流動資產不會被折舊或攤銷。

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財務報表附註

(除另有指示外，均按港幣計算)

1 Significant accounting policies (Continued)

(v) Related parties

For the purposes of these financial statements, a party is considered to be related to the Group if:

- (i) the party has the ability, directly or indirectly through one or more intermediaries, to control the Group or exercise significant influence over the Group in making financial and operating policy decisions, or has joint control over the Group;
- (ii) the Group and the party are subject to common control;
- (iii) the party is an associate of the Group or a joint venture in which the Group is a venturer;
- (iv) the party is a member of key management personnel of the Group or the Group's parent, or a close family member of such an individual, or is an entity under the control, joint control or significant influence of such individuals;
- (v) the party is a close family member of a party referred to in (i) or is an entity under the control, joint control or significant influence of such individuals; or
- (vi) the party is a post-employment benefit plan which is for the benefit of employees of the Group or of any entity that is a related party of the Group.

Close family members of an individual are those family members who may be expected to influence, or be influenced by, that individual in their dealings with the entity.

(w) Segment reporting

Operating segments, and the amounts of each segment item reported in the financial statements, are identified from the financial information provided regularly to the Group's most senior executive management for the purposes of allocating resources to, and assessing the performance of, the Group's various geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

1 主要會計政策 (續)

(v) 關連人士

就財務報表而言，以下的人士被認為是本集團關連人士：

- (i) 該人士能夠直接或間接透過一個或多個中間人控制本集團，對本集團的財務及經營決策作出重大影響，或共同控制本集團；
- (ii) 本集團及該人士均受共同控制；
- (iii) 該人士乃指本集團的聯營公司或本集團為其中一個合營者的合營企業；
- (iv) 該人士乃指士本集團或本集團母公司主要管理人員成員之一、或該個別人士的直系親屬的成員、或受該個別人士控制、或共同控制或重大影響的實體；
- (v) 在上文(i)所指的該人士的直系親屬成員或受該個別人士控制、共同控制或重大影響的實體；或
- (vi) 該人士乃指提供予本集團或與本集團有關連人士的實體的僱員離職後福利計劃。

個別人士的直系親屬成員乃指該親屬成員在與整體交易時可能影響或被影響的親屬成員。

(w) 分部資料呈報

經營分部及於財務報表內呈報的各分部項目金額自定期提供予本集團最高行政管理人員就資源分配及評估本集團的業務及按資產所在地分類之地理位置的表現的財務資料中識別出來。

就財務呈報而言，除非分部具備相似的經濟特徵及在產品及服務性質、生產工序性質、客戶類型或類別、用作分配產品或提供服務的方法及監管環境的性質方面相似，否則各個重大經營分部不會進行合算。個別非重大的經營分部，如果符合上述大部分標準，則可進行合算。

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(除另有指示外，均按港幣計算)

2 Changes in accounting policies

The HKICPA has issued two revised HKFRSs, a number of amendments to HKFRSs and two new interpretations that are first effective for the current accounting period of the Group and the Company. Of these, the following developments are relevant to the Group's financial statements:

- HKFRS 3 (revised 2008), *Business combinations*
- Amendments to HKAS 27, *Consolidated and separate financial statements*
- Amendments to HKFRS 5, *Non-current assets held for sale and discontinued operations — plan to sell the controlling interest in a subsidiary*
- Improvements to HKFRSs (2009)
- HK(IFRIC) 17, *Distributions of non-cash assets to owners*
- HK(Int) 5, *Presentation of financial statements — classification by the borrower of a term loan that contains a repayment on demand clause.*

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

As a result of the amendments to HKAS 27, as from 1 January 2010 any losses incurred by a non-wholly owned subsidiary will be allocated between the controlling and non-controlling interests in proportion to their interests in that entity, even if this results in a deficit balance within consolidated equity being attributed to the non-controlling interests.

Previously, if the allocation of losses to the non-controlling interests would have resulted in a deficit balance, the losses were only allocated to the non-controlling interests if the non-controlling interests were under a binding obligation to make good the losses.

In accordance with the transitional provisions in HKAS 27, this new accounting policy is being applied prospectively and therefore previous periods have not been restated.

2 會計政策的變動

香港會計師公會已頒布兩項新修訂的香港財務報告準則、多項香港財務報告準則的修訂及兩項新詮釋。這些新準則、修訂及新詮釋在本集團及本公司當前的會計期間首次生效。其中，以下準則變化與本集團的財務報表有關：

- 香港財務報告準則第3號(二零零八年修訂)「業務合併」
- 香港會計準則第27號(修訂)「綜合及獨立財務報表」
- 香港財務報告準則第5號(修訂)「持作出售的非流動資產及已終止業務 — 計劃出售附屬公司的控制權益」
- 香港財務報告準則之改進(二零零九年)
- 香港(國際財務報告詮釋委員會)第17號「將非現金資產分派予擁有人」
- 香港詮釋第5號「財務報表的列報 — 借款方對包含可要求償還條款的定期貸款分類」

本集團於本會計期間並無應用任何尚未生效之新準則或詮釋。

香港會計準則第27號的修訂導致由二零一零年一月一日起非全資擁有附屬公司的任何虧損將按權益比例分配予控股股東權益及非控股權益，即使導致分配予非控股權益的綜合權益出現負值。

以前，如分配虧損予非控股權益引致出現負值，只有在非控股權益有約定義務彌補該虧損的情況下繼續分配虧損予非控股權益。

根據香港會計準則第27號的過渡條款，該新會計政策會於往後應用，因此以前年度未有被重列。

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(除另有指示外，均按港幣計算)

2 Changes in accounting policies (Continued)

The adjustments for each financial statement line items affected for the year ended 31 December 2010 were as follows:

((Increase)/Decrease)

		\$'000 千元
Consolidated income statement	綜合收益表	
Attributable to:	應佔如下：	
Equity shareholders of the Company	本公司權益持有人	21,490
Non-controlling interests	非控股權益	(21,490)
Loss per share:	每股虧損：	
Basic (cents)	基本(仙)	6
Consolidated statement of comprehensive income	綜合全面收益表	
Attributable to:	應佔如下：	
Equity shareholders of the Company	本公司權益持有人	23,060
Non-controlling interests	非控股權益	(23,060)
Consolidated statement of financial position	綜合財務狀況表	
Non-controlling interests	非控股權益	23,060

The amendment introduced by the Improvements to HKFRSs (2009) omnibus standard in respect of HKAS 17, *Leases*, and the issuance of HK(Int) 5 have had no material impact on the Group's financial statements as the amendment and the interpretation's conclusions were consistent with the policies already adopted by the Group. The other developments resulted in changes in accounting policy but none of these changes in policy have a material impact on the current or comparative periods, for the following reasons:

- The impact of the majority of the revisions to HKFRS 3, HKAS 27, HKFRS 5 and HK(IFRIC) 17 have not yet had a material effect on the Group's financial statements as these changes will first be effective as and when the Group enters into a relevant transaction (for example, a business combination, a disposal of a subsidiary or a non-cash distribution) and there is no requirement to restate the amounts recorded in respect of previous such transactions.
- The impact of the amendments to HKFRS 3 (in respect of recognition of acquiree's deferred tax assets) has had no material impact as there is no requirement to restate amounts recorded in previous periods and no such deferred tax assets arose in the current period.

香港財務報告準則之改進(二零零九年)中對香港會計準則第17號「租賃」及香港詮釋第5號的發佈對本集團財務報告並無重大影響，因修訂及詮釋結論與本集團目前已採用之會計政策一致。其他發展亦導致會計政策的修訂，但是這些變動在當前和比較會計期間並無重大影響，原因如下：

- 香港財務報告準則第3號、香港會計準則第27號、香港財務報告準則第5號及香港(國際財務報告詮釋委員會)第17號的大部份修訂對本集團財務報告並無重大影響。因為此等修訂在本集團發生相關交易(如業務合併、出售附屬公司或非現金資產分派)之時方會首次生效，並且無需對以往期間此類交易之報告數據作追溯調整。
- 香港財務報告準則第3號(有關遞延稅項資產的確認)之修訂並無重大影響，因無需對以往期間數據作追溯調整，本期也並未有此類遞延稅項資產。

2 Changes in accounting policies (Continued)

Further details of these changes in accounting policy are as follows:

- As a result of the adoption of HKFRS 3 (revised 2008), any business combination acquired on or after 1 January 2010 will be recognised in accordance with the new requirements and detailed guidance contained in HKFRS 3 (revised 2008). These include the following changes in accounting policies:
- Transaction costs that the Group incurs in connection with a business combination, such as finder's fees, legal fees, due diligence fees, and other professional and consulting fees, will be expensed as incurred, whereas previously they were accounted for as part of the cost of the business combination and therefore impacted the amount of goodwill recognised.
- If the Group holds interests in the acquiree immediately prior to obtaining control, these interests will be treated as if disposed of and re-acquired at fair value on the date of obtaining control. Previously, the step-up approach would have been applied, whereby goodwill was computed as if accumulated at each stage of the acquisition.
- Contingent consideration will be measured at fair value at the acquisition date. Subsequent changes in the measurement of that contingent consideration unrelated to facts and circumstances that existed at the acquisition date will be recognised in profit or loss, whereas previously these changes were recognised as an adjustment to the cost of the business combination and therefore impacted the amount of goodwill recognised.
- If the acquiree has accumulated tax losses or other temporary deductible differences and these fail to meet the recognition criteria for deferred tax assets at the date of acquisition, then any subsequent recognition of these assets will be recognised in profit or loss, rather than as an adjustment to goodwill as was previously the policy.
- In addition to the Group's existing policy of measuring the non-controlling interests in the acquiree at the non-controlling interest's proportionate share of the acquiree's net identifiable assets, in future the group may elect, on a transaction by transaction basis, to measure the non-controlling interest at fair value.

In accordance with the transitional provisions in HKFRS 3 (revised 2008), these new accounting policies will be applied prospectively to any business combinations in the current or future periods. The new policy in respect of recognition in the movement of deferred tax assets will also be applied prospectively to accumulated tax losses and other temporary deductible differences acquired in previous business combinations. No adjustments have been made to the carrying values of assets and liabilities that arose from business combinations whose acquisition dates preceded the application of this revised standard.

2 會計政策的變動(續)

會計政策修訂的具體分析如下：

- 香港財務報告準則第3號(二零零八年修訂)的實施，導致由二零一零年一月一日起所有業務合併的確認須根據香港財務報告準則第3號(二零零八年修訂)的新要求及詳細指引執行。這些包括下列會計政策的更改：
- 本集團於業務合併所產生的交易成本，如創辦人費用、法律費用、盡職調查費用及其他專業及諮詢費用，將確認為費用。由於以前上述交易成本被視為業務合併成本的一部份，因此相關商譽數值將受影響。
- 本集團如在獲得控制權前已持有被收購方的權益，這些權益將被視為於獲得控制權當日以公允值被出售及回購。以前，採用分段收購方法下商譽是由每階段收購累計而成。
- 或然代價將會以收購日的公允值作計量，與於收購日已經存在的事實和情況無關的或然代價計量後續變更將會確認於損益。以前，這些變更被視為業務合併成本的調整，因此相關商譽數值將受影響。
- 如被收購方於收購日擁有累計稅務虧損或其他可扣減暫時差額，而這些皆不能符合確認遞延稅項資產的條件，這些資產的後續確認將會計入損益，不像以前政策下被視為商譽的調整。
- 除根據本集團現行政策以非控股權益所佔的被收購方之可予識別資產淨額去計量非控股權益於被收購方的權益外，未來本集團可按個別交易情況選擇以公允值計量非控股權益。

根據香港財務報告準則第3號(二零零八年修訂)的過渡條款，這些新會計政策將適用於任何本期及未來期間的業務合併。有關確認遞延稅項資產變動的新政策亦將適用於以前業務合併所收購的累計稅務虧損及其他可扣減暫時差額。如收購日是早於該修訂準則開始應用，該業務合併所產生的資產及負債的賬面值不會作任何調整。

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(除另有指示外，均按港幣計算)

2 Changes in accounting policies (Continued)

- As a result of the adoption of HKAS 27 (amended 2008), the following changes in policies will be applied as from 1 January 2010:
 - If the Group acquires an additional interest in a non-wholly owned subsidiary, the transaction will be accounted for as a transaction with equity shareholders (the non-controlling interests) in their capacity as owners and therefore no goodwill will be recognised as a result of such transactions. Similarly, if the Group disposes of part of its interest in a subsidiary but still retains control, this transaction will also be accounted for as a transaction with equity shareholders (the non-controlling interests) in their capacity as owners and therefore no profit or loss will be recognised as a result of such transactions. Previously the Group treated such acquisition of additional interests as step-up transactions. The Group did not have partial disposals in the past.
 - If the Group loses control of a subsidiary, the transaction will be accounted for as a disposal of the entire interest in that subsidiary, with any remaining interest retained by the Group being recognised at fair value as if reacquired. In addition, as a result of the adoption of the amendment to HKFRS 5, if at the end of reporting period the Group has the intention to dispose of a controlling interest in a subsidiary, the entire interest in that subsidiary will be classified as held for sale (assuming that the held for sale criteria in HKFRS 5 are met) irrespective of the extent to which the Group will retain an interest. Previously such transactions were treated as partial disposals.

In accordance with the transitional provisions in HKAS 27, these new accounting policies will be applied prospectively to transactions in current or future periods and therefore previous periods have not been restated.

3 Turnover

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

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

2 會計政策的變動 (續)

- 香港會計準則第27號(二零零八年修訂)的實施導致於二零一零年一月一日起有下列的政策更改：
 - 如本集團收購非全資擁有附屬公司的額外權益，該交易會被視為其以擁有者身份與公司股東(非控股權益)進行的交易，因此該交易將不會產生商譽。同樣地，如本集團出售附屬公司的部份權益，而仍擁有控制權，該交易會被視為其以擁有者身份與公司股東(非控股權益)進行的交易，因此交易將不會產生損益。以前，本集團視該類交易為分段額外權益收購交易。本集團過往沒有部份出售交易。
 - 如本集團失去附屬公司控制權，該交易會被視為出售該附屬公司的全部權益，而本集團之剩餘權益會被視為以公允值購回。此外，基於香港財務報告準則第5號的修訂實施，如於報告期末本集團有意向出售附屬公司的控制權益，該附屬公司的全部權益將會全被分類為持作出售(假設符合香港財務報告準則第5號中的持作待售條件)，而不論本集團於出售後仍然持有多少該附屬公司權益。以前，該類交易被視為部份出售交易。

根據香港會計準則第27號的過渡條款，這些新會計政策將適用於任何本期及未來期間的交易，因此過往交易未作重列。

3 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。

營業額指所出售產品之發票總值扣除折扣，退回，增值稅及商品稅。

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(除另有指示外，均按港幣計算)

4 Other revenue and other net income/(expenses)

4 其他收入及其他收益／(開支)淨額

		2010 二零一零年 \$'000 千元	2009 二零零九年 \$'000 千元
Other revenue	其他收入		
Interest income from bank deposits	銀行存款之利息收入	2,584	2,949
Rental income from investment properties	來自投資物業的租金收入	8,273	7,423
Rental income from property, plant and equipment	來自物業、機器及設備的租金收入	2,984	—
		13,841	10,372
Other net income/(expenses)	其他收益／(開支)淨額		
Net gain/(loss) on disposal of property, plant and equipment	出售物業、機器及設備之淨盈利／(虧損)	87	(6,570)
Net loss on disposal of other tangible assets	出售其他有形資產之淨虧損	(923)	(2,842)
Net foreign exchange gains/(losses)	匯兌淨盈利／(虧損)	1,623	(75)
Gain on disposal of non-current assets held for sale	出售持作出售的非流動資產之淨盈利	1,180	—
Others	其他	8	554
		1,975	(8,933)

5 Impairment losses of non-current assets

Impairment losses/(reversal of impairment losses) of non-current assets represent:

5 非流動資產之減值虧損

非流動資產之減值虧損／(減值虧損撥回)指：

		2010 二零一零年 \$'000 千元	2009 二零零九年 \$'000 千元
Non-current assets relating to mainland China operation (note 5(a))	有關中國內地業務的非流動資產(附註 5(a))	254,621	300,000
Non-current assets relating to Hong Kong manufacturing operation (note 5(b))	有關香港生產業務的非流動資產(附註 5(b))	431,167	—
Other tangible assets	其他有形資產	(1,505)	1,691
Intangible assets — club debentures	無形資產 — 會所債券	—	602
		684,283	302,293

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(除另有指示外，均按港幣計算)

5 Impairment losses of non-current assets

(Continued)

The above impairment losses are further analysed as follows:

5 非流動資產之減值虧損 (續)

以上減值虧損的詳細分析如下：

			2010 二零一零年 \$'000 千元	2009 二零零九年 \$'000 千元
Provision for impairment losses: 減值虧損撥備：				
Fixed assets	固定資產	14(a)	695,942	271,200
Intangible assets — trademarks	無形資產 — 商標	15	11,466	11,000
Intangible assets — club debentures	無形資產 — 會所債券	15	—	602
Other tangible assets	其他有形資產	17	20,218	19,491
			727,626	302,293
Reversal of impairment losses: 減值虧損撥回：				
Fixed assets	固定資產	14(a)	(41,838)	—
Other tangible assets	其他有形資產	17	(1,505)	—
			(43,343)	—
			684,283	302,293

(a) Mainland China operation

During 2010 and 2009, the Group noted that the decline in demand for its products in mainland China, compared to previous forecasts in sales, as a result of fierce market competition and the operating losses that consequently arose were indications that non-current assets of operations in mainland China, comprising mainly the production plant located in Shunde, Guangdong Province, trademarks and other tangible assets may be impaired. The Group assessed the recoverable amounts of the cash-generating unit to which these assets belong ("China cash-generating unit") and as a result the carrying amount of the assets in the China cash-generating unit was written down by \$254,621,000 (2009: \$300,000,000), with details as follows:

(a) 中國內地業務

在二零一零年及二零零九年，本集團注意到相比早前的銷售預測，由於市場競爭激烈使中國內地對本集團產品的需求減少，引致到經營虧損，表示國內生產業務的非流動資產可能有減值虧損。這些非流動資產主要包括位於廣東省順德的生產廠房、商標及其他有形資產。本集團評估該等資產所屬的現金生產單位（「中國現金生產單位」）的可收回金額並因此減低中國現金生產單位的資產賬面值254,621,000元（二零零九年：300,000,000元）詳情如下：

		2010 二零一零年 \$'000 千元	2009 二零零九年 \$'000 千元
Provision for impairment losses:	減值虧損撥備：		
Fixed assets	固定資產	245,257	271,200
Intangible assets — trademarks	無形資產 — 商標	11,466	11,000
Other tangible assets	其他有形資產	20,218	17,800
		276,941	300,000
Reversal of impairment losses:	減值虧損撥回：		
Fixed assets	固定資產	(22,320)	—
Total	總數	254,621	300,000

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(除另有指示外，均按港幣計算)

5 Impairment losses of non-current assets

(Continued)

(a) Mainland China operation (Continued)

In 2010, the estimates of recoverable amount were based on the assets' fair values less costs to sell, determined by reference to the observable market prices for similar assets. In estimating this amount, the Group engaged an independent firm of surveyors, LCH (Asia-Pacific) Surveyors Limited, who have among their staff Members of the Hong Kong Institute of Surveyors. A reversal of an impairment loss was made in respect of interests in leasehold land held for own use under operating leases to the carrying amount that would have been determined had no impairment loss been recognised in prior years, as there has been a favorable change in the estimates used to determine the recoverable amount.

In 2009, the recoverable amount of China cash-generating unit was determined based on a value-in-use calculation. That calculation used cash flow projections based on business forecasts approved by the management covering a period of six years as management expected that a longer time is required for the Group to cope with the adverse business environment. Cash flows beyond the six-year period were extrapolated using a steady growth rate of 4%. This growth rate did not exceed the long-term average growth rate for the PRC.

Key assumptions used for value-in-use calculation:

Sales volume growth rate	銷售量增長率
Gross contribution rate	毛利率
Pre-tax discount rate	除稅前貼現率

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

As the cash-generating unit has been reduced to its recoverable amount, any adverse change in the assumptions used in the calculation of recoverable amount would result in further impairment losses.

5 非流動資產之減值虧損 (續)

(a) 中國內地業務 (續)

於二零一零年，可收回金額的估計乃根據資產的公允價值減去銷售成本，以類似資產的可觀察市場價格作參考而釐定。本集團聘用了一獨立測量師公司，利駿行測量師有限公司，其員工之中有香港測量師學會的專業會員來估計此金額。減值虧損之撥回是在經營租賃下自用而持有的租賃土地權益撥回於過往年度並未確認減值虧損而釐訂之賬面值，這是由於用以釐定可收回金額之估計出現好轉。

於二零零九年，中國現金生產單位的可收回金額乃根據使用價值計算而釐定。由於管理層預計本集團尚需一段較長時間方可妥善處理不利營商環境，因此根據由管理層已認可的六年業務計劃所得的現金流量預測來計算。該六年後的現金流量，乃使用平穩的增長率4%推算。這個增長率並不高於中國的長期平均增長率。

計算使用價值時所用的主要假設：

2009
二零零九年

5.5 — 7.3%
39 — 40%
13.17%

管理層根據過往經驗及其對市場趨勢的預期釐定增長率及毛利率。

由於現金生產單位已變成可收回金額，任何用以計算可收回金額而訂立的假設上有不利的改變會導致進一步減值虧損。

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(除另有指示外，均按港幣計算)

5 Impairment losses of non-current assets

(Continued)

(b) Hong Kong manufacturing operation

During 2010, the Group noted that the decline in demand for its own brewed products and shrinking profitability in Hong Kong, compared to previous forecasts, as a result of fierce market competition and the operating losses that consequently arose were indications that non-current assets of manufacturing operations in Hong Kong, comprising mainly the production plant, an office building and a warehouse may be impaired. The Group assessed the recoverable amounts of the cash-generating unit to which these assets belong ("Hong Kong cash-generating unit") and as a result the carrying amount of the assets in the Hong Kong cash-generating unit was written down by \$431,167,000, with details as follows:

		2010 二零一零年
Provision for impairment losses:	減值虧損撥備：	
Fixed assets	固定資產	450,685
Reversal of impairment losses:	減值虧損撥回：	
Fixed assets	固定資產	(19,518)
Total	總數	431,167

The recoverable amount of Hong Kong cash-generating unit has been determined based on a value-in-use calculation. That calculation uses cash flow projections based on the business forecasts approved by the management covering a period of five years. Cash flows beyond the five-year period are extrapolated using a steady growth rate of 2%. This growth rate does not exceed the long-term average growth rate for Hong Kong.

A reversal of an impairment loss was made in respect of interests in leasehold land held for own use under operating leases to the carrying amount that would have been determined had no impairment loss been recognised in prior years, as there has been a favorable change in the estimates used to determine the recoverable amount.

Key assumptions used for value-in-use calculation:

		2010 二零一零年
Sales volume growth rate	銷售量增長率	1.7 — 12.6%
Gross contribution rate	毛利率	40 — 43%
Pre-tax discount rate	除稅前貼現率	9.85%

Management determined the growth rate and gross contribution rate based on past experience, future expected market trends and an intermediate holding company's import plan of beer brewed by the Group.

As the cash-generating unit has been reduced to its recoverable amount, any adverse change in the assumptions used in the calculation of recoverable amount would result in further impairment losses.

5 非流動資產之減值虧損 (續)

(b) 香港生產業務

在二零一零年，本集團注意到相比於早前的銷售預測，由於市場競爭激烈使香港對本地釀造產品的需求減少及利潤收窄，引致到經營虧損，這表示香港製造生產業務的非流動資產可能會有減值虧損。這些非流動資產主要包括生產廠房、辦公大樓及倉庫。本集團評估該等資產所屬的現金生產單位（「香港現金生產單位」）的可收回金額並因此減低香港現金生產單位的資產賬面值431,167,000元，詳情如下：

香港現金生產單位的可收回金額乃根據使用價值計算而釐定。該金額乃根據由管理層已認可的五年業務計劃所得的現金流量預測來計算。該五年後的現金流量，乃使用平穩的增長率2%推算。這個增長率並不高於香港的長期平均增長率。

減值虧損之撥回是在經營租賃下自用而持有的租賃土地權益撥回於過往年度並未確認減值虧損而釐訂之賬面值，這是由於用以釐定可收回金額之估計出現好轉。

計算使用價值時所用的主要假設：

		2010 二零一零年
Management determined the growth rate and gross contribution rate based on past experience, future expected market trends and an intermediate holding company's import plan of beer brewed by the Group.		
Sales volume growth rate	銷售量增長率	1.7 — 12.6%
Gross contribution rate	毛利率	40 — 43%
Pre-tax discount rate	除稅前貼現率	9.85%

管理層根據過往經驗、其對市場趨勢的預期及一中介控股公司進口本集團所釀造啤酒之計劃來釐定增長率及毛利率。

由於現金生產單位已變成可收回金額，任何用以計算可收回金額而訂立的假設上有不利的改變會導致進一步減值虧損。

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(除另有指示外，均按港幣計算)

6 Loss before taxation

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

6 除稅前虧損

除稅前虧損已扣除／(計入)下列項目：

		2010 二零一零年 \$'000 千元	2009 二零零九年 \$'000 千元
(a) Finance costs	(a) 財務費用		
Interest expense on bank loans wholly repayable within five years	須於五年內全數償還之銀行貸款利息支出	10,532	10,915
Bank charges	銀行費用	1,372	2,530
		11,904	13,445
(b) Staff costs	(b) 員工薪酬		
Retirement costs	退休金成本		
— Defined contribution retirement plans	— 定額供款退休計劃	6,090	6,631
— Defined benefit retirement plan (note 26(a)(v))	— 定額福利退休計劃 (附註 26(a)(v))	4,058	4,875
		10,148	11,506
Salaries, wages and other benefits	薪金、工資及其他福利	96,719	99,341
		106,867	110,847
(c) Other items	(c) 其他項目		
Amortisation	攤銷		
— Land lease premium (note 14(a))	— 租賃土地款項 (附註14(a))	1,877	2,217
— Other tangible assets (note 17)	— 其他有形資產 (附註17)	5,905	9,771
Depreciation (note 14(a))	折舊 (附註14(a))		
— Property, plant and equipment	— 物業、機器及設備	42,804	50,717
— Investment properties	— 投資物業	2,279	2,270
Cost of inventories (note 19)	存貨成本 (附註19)	329,795	330,710
Operating lease charges: minimum lease payments	經營租賃費用：		
— Land and buildings	— 最低租賃付款		
— Plant and machinery	— 土地及房產	2,971	2,891
	— 廠房及機器	15	232
Rental receivable from investment properties less direct outgoings of \$2,420,000 (2009: \$2,393,000)	投資物業之租金收入扣除直接費用2,420,000元 (二零零九年：2,393,000)	(5,853)	(5,030)
Auditors' remuneration	核數師酬金	2,956	3,737
Provision for/(reversal of) impairment losses on trade and other receivables (note 20(b))	應收貿易及其他賬款之減值撥備／(撥回) (附註20(b))	1,518	(795)

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(除另有指示外，均按港幣計算)

7 Income tax in the consolidated income statement

7 綜合收益表之所得稅

(a) Taxation in the consolidated income statement represents:

(a) 綜合收益表之所得稅指：

		2010 二零一零年 \$'000 千元	2009 二零零九年 \$'000 千元
Current tax — Outside Hong Kong	本期稅項 — 香港以外		
Provision for the year	本年度撥備	(57)	—
Deferred tax (note 27(a))	遞延稅項 (附註27(a))		
Origination and reversal of temporary differences	暫時差額之出現及回撥	8,579	2,272
Income tax credit	所得稅計入	8,522	2,272

The statutory tax rate applicable to the Company and other Hong Kong subsidiaries was 16.5% (2009: 16.5%). No provision for Hong Kong Profits Tax has been made for the Company and other Hong Kong subsidiaries either because the accumulated tax losses brought forward exceed the estimated assessable profits for the year or the entities sustained losses for taxation purposes.

本公司及其他香港附屬公司的法定稅率為16.5% (二零零九年：16.5%)。本公司及其他香港附屬公司由於承前累計稅項虧損超過本年度估計應課稅盈利或錄得稅項虧損，故無就香港利得稅作出撥備。

The statutory tax rate applicable to the subsidiaries established in the PRC was 25% (2009: 25%). No provision for current taxation has been made for the subsidiaries established in the PRC because the entities sustained losses for taxation purposes.

於中國成立的附屬公司的法定稅率為25% (二零零九年：25%)。各家於中國成立的附屬公司由於錄得稅項虧損，故並無就本年度稅項作出撥備。

Provision for current tax outside Hong Kong for 2010 represented a withholding tax levied at 10% on interest income earned in the PRC by a subsidiary who is a non-PRC resident according to the relevant rules and regulations of the PRC.

二零一零年度香港以外本期稅項撥備指一間非中國企業居民的附屬公司，根據中國有關規則和法例為其於中國所賺得的利息收入預提的10%預提所得稅。

(b) Reconciliation between income tax credit and accounting loss at applicable tax rates:

(b) 所得稅計入與會計虧損之調節：

		2010 二零一零年 \$'000 千元	2009 二零零九年 \$'000 千元
Loss before taxation	除稅前虧損	782,509	345,324
Notional tax on loss before taxation calculated at the rates applicable to the tax jurisdictions concerned	按有關稅項司法權區之適用稅率就除稅前虧損計算之估計稅項	156,766	85,444
Tax effect of non-deductible expenses	不可扣除開支之稅項影響	(9,863)	(3,717)
Tax effect of non-taxable revenue	非課稅收入之稅項影響	4,321	1,843
Tax effect of tax losses and temporary differences not recognised for deferred tax purposes	未就遞延稅項確認之稅項虧損及暫時性差異之稅項影響	(141,950)	(78,137)
Others	其他	(752)	(3,161)
Actual tax credit	所得稅計入	8,522	2,272

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

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(除另有指示外，均按港幣計算)

8 Directors' remuneration

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

8 董事酬金

根據香港公司條例第161條及上市規則之規定披露之董事酬金如下：

		2010 二零一零年				
		Directors' fees 袍金 \$'000 千元	Salaries, allowances and benefits in kind 薪金及津貼 \$'000 千元	Discretionary bonuses 酌情花紅 \$'000 千元	Retirement scheme contributions 退休金供款 \$'000 千元	Total 合計 \$'000 千元
Executive director	執行董事					
Peter K.Y. Tam	譚嘉源	—	1,969	—	115	2,084
Non-executive directors	非執行董事					
Ramon S. Ang	蔡啟文	—	—	—	—	—
Faustino F. Galang	郭嘉寧	—	—	—	—	—
Carlos Antonio M. Berba	凱顯思	—	—	—	—	—
Minerva Lourdes B. Bibonia	Minerva Lourdes B. Bibonia	—	—	—	—	—
Cheung Yuen Tak	張元德	—	—	—	—	—
Jesusa Victoria	Jesusa Victoria					
Hernandez-Bautistia	Hernandez-Bautistia	—	—	—	—	—
Thelmo Luis O. Cunanan Jr.	Thelmo Luis O. Cunanan Jr.	—	—	—	—	—
Keisuke Nishimura	西村慶介	—	—	—	—	—
Motoyasu Ishihara	石原基康	—	—	—	—	—
Taro Matsunaga	松永太郎	—	—	—	—	—
Independent non-executive directors	獨立非執行董事					
David K.P. Li	李國寶	—	—	—	—	—
Ng Wai Sun	吳維新	—	—	—	—	—
Carmelo L. Santiago	施雅高	—	—	—	—	—
Benjamin P. Defensor, Jr.	戴豐盛	—	—	—	—	—
Chan Wen Mee, May (Michelle)	陳雲美	—	—	—	—	—
		—	1,969	—	115	2,084

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

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(除另有指示外，均按港幣計算)

8 Directors' remuneration (Continued)

8 董事酬金 (續)

2009
二零零九年

		Directors' fees 袍金 \$'000 千元	Salaries, allowances and benefits in kind 薪金及津貼 \$'000 千元	Discretionary bonuses 酌情花紅 \$'000 千元	Retirement scheme contributions 退休金供款 \$'000 千元	Total 合計 \$'000 千元
Executive director	執行董事					
Peter K.Y. Tam	譚嘉源	—	2,331	—	109	2,440
Non-executive directors	非執行董事					
Ramon S. Ang	蔡啓文	—	—	—	—	—
Faustino F. Galang	郭嘉寧	—	—	—	—	—
Carlos Antonio M. Berba	凱顧思	—	—	—	—	—
Minerva Lourdes B. Bibonia	Minerva Lourdes B. Bibonia	—	—	—	—	—
Ferdinand K. Constantino	康定豪	—	—	—	—	—
Cheung Yuen Tak	張元德	—	—	—	—	—
Jesusa Victoria Hernandez-Bautistia	Jesusa Victoria Hernandez-Bautistia	—	—	—	—	—
Thelmo Luis O. Cunanan Jr.	Thelmo Luis O. Cunanan Jr.	—	—	—	—	—
Independent non-executive directors	獨立非執行董事					
David K.P. Li	李國寶	—	—	—	—	—
Ng Wai Sun	吳維新	—	—	—	—	—
Carmelo L. Santiago	施雅高	—	—	—	—	—
Romulo L. Neri	Romulo L. Neri	—	—	—	—	—
Benjamin P. Defensor, Jr.	戴豐盛	—	—	—	—	—
		—	2,331	—	109	2,440

NOTES TO THE FINANCIAL STATEMENTS

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財務報表附註

(除另有指示外，均按港幣計算)

9 Individuals with highest emoluments

Of the five individuals with the highest emoluments, one (2009: one) is director whose emoluments are included in note 8. The aggregate of the emoluments in respect of the remaining four (2009: four) individuals are as follows:

		2010 二零一零年 \$'000 千元	2009 二零零九年 \$'000 千元
Salaries and other emoluments	薪金及津貼	6,260	6,559
Retirement scheme contributions	退休金供款	338	321
		6,598	6,880

The emoluments of the four (2009: four) individuals with the highest emoluments are within the following bands:

		2010 二零一零年 Number of individuals 人員數目	2009 二零零九年 Number of individuals 人員數目
\$1,000,001 to \$1,500,000	1,000,001元至1,500,000元	1	2
\$1,500,001 to \$2,000,000	1,500,001元至2,000,000元	2	1
\$2,000,001 to \$2,500,000	2,000,001元至2,500,000元	1	1

最高薪五名人員中，一名(二零零九年：一名)為董事(其酬金已於附註8披露)。其餘四名(二零零九年：四名)酬金最高之人員之酬金總額如下：

四名(二零零九年：四名)酬金最高之人員之酬金分析如下：

10 Loss attributable to equity shareholders of the Company

The consolidated loss attributable to equity shareholders of the Company includes a loss of \$554,398,000 (2009: \$265,411,000) which has been dealt with in the financial statements of the Company (note 28(a)).

10 本公司權益持有人應佔虧損

本公司權益持有人應佔綜合虧損包括虧損554,398,000元(二零零九年：265,411,000元)已計入本公司財務報表(附註28(a))。

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(除另有指示外，均按港幣計算)

11 Other comprehensive income

Tax effects relating to each component of other comprehensive income

		2010 二零一零年			2009 二零零九年		
		Before-tax amount 除稅前金額 \$'000 千元	Tax effect 稅項影響 \$'000 千元 (note 27(a)) (附註27(a))	Net-of-tax amount 除稅後金額 \$'000 千元	Before-tax amount 除稅前金額 \$'000 千元	Tax effect 稅項影響 \$'000 千元 (note 27(a)) (附註27(a))	Net-of-tax amount 除稅後金額 \$'000 千元
Exchange differences on translation of:	匯兌差額：						
— financial statements of subsidiaries outside Hong Kong	— 換算海外附屬公司財務報表所產生之匯兌差額	(17,088)	—	(17,088)	76	—	76
— monetary items that form part of the net investment in subsidiaries outside Hong Kong	— 換算組成集團於附屬公司之投資的貨幣項目所產生之匯兌差額	12,577	—	12,577	373	(37)	336
		(4,511)	—	(4,511)	449	(37)	412
Actuarial gains and losses of defined benefit retirement plan	定額福利退休計劃之精算盈利及虧損	445	43	488	20,936	263	21,199
Other comprehensive income	其他全面收益	(4,066)	43	(4,023)	21,385	226	21,611

12 Loss per share

(a) Basic loss per share

The calculation of basic loss per share is based on the loss attributable to equity shareholders of the Company of \$736,984,000 (2009: \$334,856,000) and on 373,570,560 ordinary shares (2009: 373,570,560 ordinary shares), being the number of ordinary shares in issue throughout the year.

(b) Diluted loss per share

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

12 每股虧損

(a) 每股基本虧損

每股基本虧損乃根據本公司權益持有人應佔虧損共736,984,000元(二零零九年：334,856,000元)及本年度內已發行之373,570,560股普通股(二零零九年：373,570,560股普通股)計算。

(b) 攤薄之每股虧損

攤薄之每股虧損並未予列出，因本公司並沒有具攤薄性的潛在普通股存在。

13 Segment reporting

The Group manages its businesses by geography. In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment, the Group has presented the following two reportable segments:

- The Hong Kong operation mainly represents the manufacture and distribution of own brewed and imported beer products in Hong Kong and overseas. In the first quarter of 2009, the Hong Kong operation solely distributed imported beer products in Hong Kong as its production plant suspended production until April 2009.
- The mainland China operation mainly represents the manufacture and distribution of own brewed beer products in the Southern part of the PRC. The mainland China operation also supplied beer products to the Hong Kong business until late 2009.

All of the Group's turnover is generated from the manufacture and distribution of bottled, canned and draught beers.

(a) Segment results, assets and liabilities

For the purposes of assessing segment performance and allocating resources between segments, the Group's senior executive management monitors the results, assets and liabilities attributable to each reportable segment on the following bases:

Segment assets include all tangible assets, intangible assets and current assets. Segment liabilities include trade creditors and accruals attributable to the manufacture and distribution activities of the individual segments, bank loans and retirement benefit liabilities managed directly by the segment and current liabilities with the exception of deferred tax liabilities.

The measure used for reportable segment profit or loss is profit or loss before taxation. Taxation credit is not allocated to reportable segments. Inter-segment sales are priced at cost plus profit margin.

The accounting policies of the reportable segments are the same as the Group's accounting policies described in note 1.

13 分部資料呈報

本集團按地區管理其業務。為與內部呈報資料給本集團最高層行政管理人員以便分配資源及評估表現貫徹一致，本集團已呈報下列兩個須予呈報分部：

- 香港業務主要指在香港及海外製造及分銷自身釀製和進口之啤酒產品。由於香港生產廠房停產至二零零九年四月，故於二零零九年首季期間，在香港分銷進口啤酒產品是僅有的香港業務。
- 中國內地業務主要指在中國南部製造及分銷自身釀製之啤酒產品。直至二零零九年後期，中國內地業務亦將啤酒產品供應給香港業務。

本集團之營業額全部來自製造及分銷樽裝、罐裝及桶裝啤酒。

(a) 分部業績、資產及負債

就評價分部表現及分配分部資源，本集團之高層行政管理人員乃按以下基礎監察各須予呈報分部應佔之業績、資產及負債：

分部資產包括所有有形資產、無形資產及流動資產。分部負債包括各分部製造及分銷活動應佔的應付貿易賬項及計提費用、分部直接管理的銀行貸款及退休福利負債以及流動負債，惟遞延稅項負債除外。

計算須予呈報盈利或虧損所採用之方法為稅前盈利或虧損。所得稅計入並沒有被分配至須予呈報分部。分部之間的銷售是以成本加邊際利潤作定價。

分部資料呈報之會計政策與本集團之會計政策（於附註1所述）一致。

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(除另有指示外，均按港幣計算)

13 Segment reporting (Continued)

(a) Segment results, assets and liabilities (Continued)

Information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance for the years ended 31 December 2010 and 2009 is set out below:

13 分部資料呈報 (續)

(a) 分部業績、資產及負債 (續)

截至二零一零年及二零零九年十二月三十一日止，有關提供予本集團最高層行政管理人員以分配資源及評價分部表現之資料載列如下：

		Hong Kong 香港		Mainland China 中國內地		Total 總數	
		2010 二零一零年 \$'000 千元	2009 二零零九年 \$'000 千元	2010 二零一零年 \$'000 千元	2009 二零零九年 \$'000 千元	2010 二零一零年 \$'000 千元	2009 二零零九年 \$'000 千元
Revenue from external customers	外界客戶收入	410,673	416,478	178,649	280,346	589,322	696,824
Inter-segment revenue	分部間收入	—	—	751	84,581	751	84,581
Reportable segment revenue	須予呈報分部收入	410,673	416,478	179,400	364,927	590,073	781,405
Reportable segment (loss)/ profit from operations	須予呈報分部經營 (虧損)/盈利	(444,181)	69,777	(338,328)	(415,101)	(782,509)	(345,324)
Interest income from bank deposits	銀行存款利息收入	1,268	1,227	1,316	1,722	2,584	2,949
Interest expense on bank loans	銀行貸款利息開支	—	—	(10,532)	(10,915)	(10,532)	(10,915)
Depreciation and amortisation for the year	年內折舊及攤銷	(34,402)	(34,475)	(18,463)	(30,500)	(52,865)	(64,975)
(Provision for)/reversal of impairment losses of	減值虧損(撥備)/ 減值虧損撥回						
— non-current assets	— 非流動資產	(442,633)	(11,000)	(241,650)	(291,293)	(684,283)	(302,293)
— trade and other receivables	— 應收貿易及其他賬項	(1,511)	664	(7)	131	(1,518)	795
Reportable segment assets	須予呈報分部資產	1,098,617	1,520,583	113,196	482,199	1,211,813	2,002,782
Additions to non-current segment assets during the year	年內非流動分部 資產增加	5,784	3,239	9,306	50,219	15,090	53,458
Non-current assets held for sale	持作出售的非流動資產	—	6,997	—	—	—	6,997
Reportable segment liabilities	須予呈報分部負債	90,280	82,656	725,999	737,960	816,279	820,616

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(除另有指示外，均按港幣計算)

13 Segment reporting (Continued)

(b) Reconciliation of reportable segment revenue, profit or loss, assets and liabilities

13 分部資料呈報 (續)

(b) 須予呈報分部收入、損益、資產及負債之對帳

		2010 二零一零年 \$'000 千元	2009 二零零九年 \$'000 千元
Revenue	收入		
Reportable segment revenue	須予呈報分部收入	590,073	781,405
Elimination of inter-segment revenue	分部之間收入撤銷	(751)	(84,581)
Consolidated turnover	綜合營業額	589,322	696,824
Loss	虧損		
Reportable segment loss from operations	須予呈報分部經營虧損	(782,509)	(345,324)
Elimination of inter-segment profits	分部之間盈利撤銷	—	—
Reportable segment loss derived from Group's external customers and consolidated loss before taxation	來自外界客戶之須予呈報分部虧損及綜合除稅前虧損	(782,509)	(345,324)
Assets	資產		
Reportable segment assets	須予呈報分部資產	1,211,813	2,002,782
Elimination of inter-segment receivables	分部之間應收賬項撤銷	(385,336)	(379,924)
Consolidated total assets	綜合總資產	826,477	1,622,858
Liabilities	負債		
Reportable segment liabilities	須予呈報分部負債	816,279	820,616
Elimination of inter-segment payables	分部之間應付賬項撤銷	(385,336)	(379,924)
Deferred tax liabilities	遞延稅項負債	430,943 4,060	440,692 12,682
Consolidated total liabilities	綜合總負債	435,003	453,374

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(除另有指示外，均按港幣計算)

13 Segment reporting (Continued)

(c) Geographic information

The following table sets out information about the geographic location of the Group's fixed assets, intangible assets and other tangible assets ("specified non-current assets"). The geographic location of the specified non-current assets is based on the physical location of the assets, in the case of fixed assets and other tangible assets and, the location of the operation to which they are allocated, in the case of intangible assets.

		Specified non-current assets 指定非流動資產	
		2010 二零一零年 \$'000 千元	2009 二零零九年 \$'000 千元
Hong Kong	香港	370,009	829,633
Mainland China	中國內地	33,680	293,252
		403,689	1,122,885

(d) Major customers

In 2010, the revenue from the Group's largest customer and five largest customers amounted to 10% (2009: 17%) and 39% (2009: 52%) of the Group's total revenue respectively.

Details of concentration of credit risk arising from these customers are set out in note 29(a).

13 分部資料呈報 (續)

(c) 地區資料

下表載列有關本集團固定資產、無形資產及其他有形資產(「指定非流動資產」)之地理位置資料。指定非流動資產之地理位置是根據資產之實際位置(倘屬固定資產及其他有形資產)及獲劃撥有關資產之營運地點(倘屬無形資產)而定。

(d) 主要客戶

於二零一零年，來自本集團最大客戶及首五大客戶的收入分別佔本集團總收入的10%(二零零九年：17%)及39%(二零零九年：52%)。

來自該等客戶之詳細信貸風險載於附註29(a)。

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(除另有指示外，均按港幣計算)

14 Fixed assets

(a) The Group

14 固定資產

(a) 本集團

		Property, plant and equipment 物業、機器及設備					Interests in leasehold land held for own use under operating leases 在經營租賃下 自用而持有的 租賃土地權益		Total fixed assets
		Land and buildings held for own use	Machinery, equipment, furniture and fixtures	Motor vehicles	Construction in progress	Sub-total	Investment properties		
		自用土地 及房產 \$'000 千元	機器、設備、 傢俬及裝置 \$'000 千元	車輛 \$'000 千元	在建工程 \$'000 千元	合計 \$'000 千元	投資物業 \$'000 千元		總計固定資產 \$'000 千元
Cost:	成本：								
At 1 January 2009	於二零零九年一月一日	941,450	1,481,315	17,086	173,453	2,613,304	119,070	119,567	2,851,941
Exchange adjustments	匯兌調整	595	846	20	276	1,737	—	75	1,812
Additions	添置	334	4,445	111	38,357	43,247	254	—	43,501
Transfer from construction in progress	轉撥自在建工程	40,130	171,811	—	(211,941)	—	—	—	—
Disposals	出售	(8,435)	(21,188)	(899)	—	(30,522)	—	—	(30,522)
Reallocation of land and buildings	土地及房產重配	(2,020)	—	—	—	(2,020)	2,020	—	—
At 31 December 2009	於二零零九年十二月三十一日	972,054	1,637,229	16,318	145	2,625,746	121,344	119,642	2,866,732
Accumulated amortisation, depreciation and impairment losses:	累計攤銷、折舊及減值虧損：								
At 1 January 2009	於二零零九年一月一日	409,972	906,254	15,141	56,987	1,388,354	33,631	50,395	1,472,380
Exchange adjustments	匯兌調整	301	515	18	91	925	—	38	963
Charge for the year (note 6(c))	年內開支 (附註6(c))	15,472	34,596	649	—	50,717	2,270	2,217	55,204
Impairment losses (note 5)	減值虧損 (附註5)	102,231	157,305	416	48	260,000	—	11,200	271,200
Transfer from construction in progress	轉撥自在建工程	10,609	46,421	—	(57,030)	—	—	—	—
Written back on disposals	出售撥回	(6,600)	(12,714)	(899)	—	(20,213)	—	—	(20,213)
Reallocation of land and buildings	土地及房產重配	(358)	—	—	—	(358)	358	—	—
At 31 December 2009	於二零零九年十二月三十一日	531,627	1,132,377	15,325	96	1,679,425	36,259	63,850	1,779,534
Net book value:	賬面淨值：								
At 31 December 2009	於二零零九年十二月三十一日	440,427	504,852	993	49	946,321	85,085	55,792	1,087,198
Cost:	成本：								
At 1 January 2010	於二零一零年一月一日	972,054	1,637,229	16,318	145	2,625,746	121,344	119,642	2,866,732
Exchange adjustments	匯兌調整	14,140	23,913	408	5	38,466	—	1,679	40,145
Additions	添置	1,957	3,618	469	2,033	8,077	78	—	8,155
Transfer from construction in progress	轉撥自在建工程	650	1,185	—	(1,835)	—	—	—	—
Disposals	出售	—	(4,514)	(612)	—	(5,126)	—	—	(5,126)
At 31 December 2010	於二零一零年十二月三十一日	988,801	1,661,431	16,583	348	2,667,163	121,422	121,321	2,909,906
Accumulated amortisation, depreciation and impairment losses:	累計攤銷、折舊及減值虧損：								
At 1 January 2010	於二零一零年一月一日	531,627	1,132,377	15,325	96	1,679,425	36,259	63,850	1,779,534
Exchange adjustments	匯兌調整	12,950	22,308	408	9	35,675	—	731	36,406
Charge for the year (note 6(c))	年內開支 (附註6(c))	12,646	29,772	386	—	42,804	2,279	1,877	46,960
Impairment losses (note 5)	減值虧損 (附註5)	280,085	414,565	1,049	243	695,942	—	—	695,942
Reversal of impairment losses (note 5)	減值虧損撥回 (附註5)	—	—	—	—	—	—	(41,838)	(41,838)
Written back on disposals	出售撥回	—	(4,497)	(612)	—	(5,109)	—	—	(5,109)
At 31 December 2010	於二零一零年十二月三十一日	837,308	1,594,525	16,556	348	2,448,737	38,538	24,620	2,511,895
Net book value:	賬面淨值：								
At 31 December 2010	於二零一零年十二月三十一日	151,493	66,906	27	—	218,426	82,884	96,701	398,011

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(除另有指示外，均按港幣計算)

14 Fixed assets (Continued)

14 固定資產 (續)

(b) The Company

(b) 本公司

		Property, plant and equipment 物業、機器及設備				Interests in leasehold land held for own use under operating leases 在經營租賃下 自用而持有的 租賃土地權益	Total fixed assets 總計固定資產
		Land and buildings held for own use 自用土地 及房產 \$'000 千元	Machinery, equipment, furniture and fixtures 機器、設備、 傢俬及裝備 \$'000 千元	Motor vehicles 車輛 \$'000 千元	Sub-total 合計 \$'000 千元		
Cost:	成本：						
At 1 January 2009	於二零零九年一月一日	493,748	957,394	4,670	1,455,812	74,134	1,529,946
Additions	添置	145	2,540	111	2,796	—	2,796
Disposals	出售	—	(1,938)	(64)	(2,002)	—	(2,002)
At 31 December 2009	於二零零九年十二月三十一日	493,893	957,996	4,717	1,456,606	74,134	1,530,740
Accumulated amortisation, depreciation and impairment losses:	累計攤銷、折舊及減值虧損：						
At 1 January 2009	於二零零九年一月一日	210,319	592,635	4,608	807,562	26,868	834,430
Charge for the year	年內開支	7,713	20,798	100	28,611	1,558	30,169
Written back on disposals	出售撥回	—	(1,930)	(64)	(1,994)	—	(1,994)
At 31 December 2009	於二零零九年十二月三十一日	218,032	611,503	4,644	834,179	28,426	862,605
Net book value:	賬面淨值：						
At 31 December 2009	於二零零九年十二月三十一日	275,861	346,493	73	622,427	45,708	668,135
Cost:	成本：						
At 1 January 2010	於二零一零年一月一日	493,893	957,996	4,717	1,456,606	74,134	1,530,740
Additions	添置	1,900	3,644	105	5,649	—	5,649
Disposals	出售	—	(3,238)	—	(3,238)	—	(3,238)
At 31 December 2010	於二零一零年十二月三十一日	495,793	958,402	4,822	1,459,017	74,134	1,533,151
Accumulated amortisation, depreciation and impairment losses:	累計攤銷、折舊及減值虧損：						
At 1 January 2010	於二零一零年一月一日	218,032	611,503	4,644	834,179	28,426	862,605
Charge for the year	年內開支	7,688	20,791	45	28,524	1,558	30,082
Impairment losses for the year	年內減值虧損	174,000	262,579	106	436,685	—	436,685
Reversal of impairment losses	減值虧損撥回	—	—	—	—	(19,518)	(19,518)
Written back on disposals	出售撥回	—	(3,228)	—	(3,228)	—	(3,228)
At 31 December 2010	於二零一零年十二月三十一日	399,720	891,645	4,795	1,296,160	10,466	1,306,626
Net book value:	賬面淨值：						
At 31 December 2010	於二零一零年十二月三十一日	96,073	66,757	27	162,857	63,668	226,525

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(除另有指示外，均按港幣計算)

14 Fixed assets (Continued)

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

14 固定資產 (續)

(c) 土地賬面淨值之分析如下：

		The Group 本集團		The Company 本公司	
		2010 二零一零年 \$'000 千元	2009 二零零九年 \$'000 千元	2010 二零一零年 \$'000 千元	2009 二零零九年 \$'000 千元
Medium term leases	中期租賃土地				
— in Hong Kong	— 香港	298,045	478,036	159,741	321,569
— outside Hong Kong	— 香港以外	33,033	103,268	—	—
		331,078	581,304	159,741	321,569
Representing:	分析如下：				
Land and buildings held for own use	自用土地及房產	151,493	440,427	96,073	275,861
Investment properties	投資物業	82,884	85,085	—	—
Interests in leasehold land held for own use under operating leases	在經營租賃下自用而持有的租賃土地權益	96,701	55,792	63,668	45,708
		331,078	581,304	159,741	321,569

(d) Fixed assets leased out under operating leases

The Group leases out investment properties and certain items of property, plant and equipment under operating leases. The 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 minimum lease payments under non-cancellable operating leases are receivable as follows:

(d) 經營租賃下之固定資產

本集團根據經營租賃將投資物業及某些物業、機器及設備出租。租約年期一般為二至三年，可選擇於到期日後續訂租約，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賃而應收之未來租賃款項如下：

		2010 二零一零年 \$'000 千元	2009 二零零九年 \$'000 千元
Investment properties	投資物業		
Within 1 year	一年內	5,210	6,234
After 1 year but within 5 years	一年後及五年內	1,979	4,404
		7,189	10,638
Property, plant and equipment	物業、機器及設備		
Within 1 year	一年內	2,984	—
After 1 year but within 5 years	一年後及五年內	2,984	—
		5,968	—

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(除另有指示外，均按港幣計算)

14 Fixed assets (Continued)

- (e) In 2009, certain land and buildings held for own use were leased out to third parties for rental income. In accordance with HKAS 16, *Property, plant and equipment* and HKAS 40, *Investment property*, the related portion of property was transferred from land and buildings held for own use to investment properties at the carrying amount on the date of transfer.
- (f) The fair value of the investment properties at 31 December 2010 is \$120,420,000 (2009: \$115,220,000), which are valued on an open market basis assuming sale with existing tenancies by using the investment method and otherwise with vacant possession by using the sales comparison approach. The valuation was carried out by an independent firm of surveyors, LCH (Asia-Pacific) Surveyors Limited, who have among their staff Members of the Hong Kong Institute of Surveyors with recent experience in the location and category of property being valued.

14 固定資產 (續)

- (e) 於二零零九年，若干自用土地及房產被租予第三方以換取租金收入。根據香港會計準則第16號「物業、機器及設備」及香港會計準則第40號「投資物業」，相關物業部分會於轉移當日按賬面值由自用土地及房產轉移到投資物業。
- (f) 投資物業於二零一零年十二月三十一日之市場價值為120,420,000元(二零零九年：115,220,000元)，以公開市值為準則作出評估。並受現有租約出售所規限而採用投資法進行估值，或受交吉情況出售所規限而採用銷售比較法進行估值。估值乃由獨立測量師行利駿行測量師有限公司進行，其職員包括香港測量師學會的專業會員，在所估值房產的地區及類別具有新近經驗。

15 Intangible assets

15 無形資產

		The Group 本集團			The Company 本公司		
		Trademarks 商標 \$'000 千元	Club debentures 會所債權證 \$'000 千元	Total 合計 \$'000 千元	Trademarks 商標 \$'000 千元	Club debentures 會所債權證 \$'000 千元	Total 合計 \$'000 千元
Cost:	成本：						
At 1 January 2009	於二零零九年一月一日	39,116	6,256	45,372	39,116	5,031	44,147
Exchange adjustments	匯兌調整	—	2	2	—	—	—
At 31 December 2009	於二零零九年十二月三十一日	39,116	6,258	45,374	39,116	5,031	44,147
Accumulated amortisation and impairment losses:	累計攤銷及減值虧損：						
At 1 January 2009	於二零零九年一月一日	16,650	—	16,650	16,650	—	16,650
Impairment losses (note 5)	減值虧損(附註5)	11,000	602	11,602	11,000	—	11,000
At 31 December 2009	於二零零九年十二月三十一日	27,650	602	28,252	27,650	—	27,650
Net book value:	賬面淨值：						
At 31 December 2009	於二零零九年十二月三十一日	11,466	5,656	17,122	11,466	5,031	16,497
Cost:	成本：						
At 1 January 2010	於二零一零年一月一日	39,116	6,258	45,374	39,116	5,031	44,147
Exchange adjustments	匯兌調整	—	43	43	—	—	—
At 31 December 2010	於二零一零年十二月三十一日	39,116	6,301	45,417	39,116	5,031	44,147
Accumulated amortisation and impairment losses:	累計攤銷及減值虧損：						
At 1 January 2010	於二零一零年一月一日	27,650	602	28,252	27,650	—	27,650
Exchange adjustments	匯兌調整	—	21	21	—	—	—
Impairment losses (note 5)	減值虧損(附註5)	11,466	—	11,466	11,466	—	11,466
At 31 December 2010	於二零一零年十二月三十一日	39,116	623	39,739	39,116	—	39,116
Net book value:	賬面淨值：						
At 31 December 2010	於二零一零年十二月三十一日	—	5,678	5,678	—	5,031	5,031

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15 Intangible assets (Continued)

Trademarks related to products sold in the mainland China. During the year, an impairment loss of \$11,466,000 (2009: \$11,000,000) has been made for trademarks by both the Company and the Group. Further details are set out in note 5.

16 Investments in subsidiaries

Unlisted investments, at cost
Amounts due from subsidiaries

非上市股份(按成本)
應收附屬公司賬項

Less: Impairment losses

減：減值虧損

Amounts due from subsidiaries are unsecured, interest-free and have no fixed repayment terms. The entire balance is expected to be recovered after more than one year.

As detailed in note 5, impairment losses have been recognised during the year in respect of the non-current assets associated with the Group's mainland China operations as a result of a decline in the recoverable amount of these assets below their carrying amount. Consequently, the directors concluded that there is further impairment of the Company's investment in the subsidiaries established in the PRC and an additional impairment loss of \$122,195,000 (2009: \$258,345,000) has been recognised during the year.

The following list contains the particulars of all the subsidiaries of the Company:

Name of company 公司名稱	Place of incorporation/ operation 註冊成立/ 經營地點	Issued share capital/registered capital 已發行股本/ 註冊資本	Proportion of ownership interest held by Company Subsidiary 所持股權百分比 本公司 附屬公司		Principal activity 主要業務
Best Investments International Inc.	British Virgin Islands 英屬處女群島	50,000 ordinary shares of US\$1 each 50,000股每股面值1美元之普通股	100%	—	Investment holding 投資
		60,000,000 preference shares of US\$1 each 60,000,000股每股面值1美元之優先股	100%	—	

15 無形資產(續)

商標乃有關於中國大陸出售的產品。於本年度，本公司及本集團作出11,466,000元(二零零九年：11,000,000元)的商標減值虧損，詳情刊載於附註5。

16 附屬公司權益

The Company 本公司	
2010 二零一零年 \$'000 千元	2009 二零零九年 \$'000 千元
603,249	603,249
790,781	788,545
1,394,030 (773,518)	1,391,794 (651,323)
620,512	740,471

應收附屬公司賬項均為無抵押、免息及沒有固定還款期。預期全部結餘於超過一年後收回。

根據附註5所說明，由於與本集團的中國大陸業務相關的非流動資產之可收回金額下跌而低於該等資產的賬面值，減值虧損於本年度確認。因此，董事決定本公司於中國成立的附屬公司的投資進一步減值，而減值虧損122,195,000元(二零零九年：258,345,000元)於本年度確認。

下表載列本公司所有附屬公司項目：

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

財務報表附註

(除另有指示外，均按港幣計算)

16 Investments in subsidiaries (Continued)

16 附屬公司權益 (續)

Name of company 公司名稱	Place of incorporation/ operation 註冊成立/ 經營地點	Issued share capital/registered capital 已發行股本/ 註冊資本	Proportion of ownership interest held by Company 本公司	Subsidiary 所持股權百分比 附屬公司	Principal activity 主要業務
Guangzhou San Miguel Brewery Company Limited (note (i)) 廣州生力啤酒有限公司 (附註(i))	PRC 中國	Registered capital: US\$36,507,000 註冊資本： 36,507,000美元	—	70%	Distribution of beer 銷售啤酒
Hongkong Brewery Limited	Hong Kong 香港	100 ordinary shares of \$1 each 100股 每股面值1元 之普通股	100%	—	Dormant 暫無營業
Ravelin Limited	Hong Kong 香港	10,000,000 ordinary shares of \$1 each 10,000,000股 每股面值1元 之普通股	100%	—	Property holding 持有物業
San Miguel (Guangdong) Limited 生力啤(廣東)有限公司	Hong Kong 香港	18,000 class "A" shares of US\$500 each 18,000股 每股面值500美元 之(A)股	92.989%	—	Investment holding 投資控股
		1,000 class "B" shares of \$1 each 1,000股 每股面值1元之(B)股	100%	—	
San Miguel (Guangdong) Brewery Company Limited (note (ii)) 生力(廣東)啤酒有限公司 (附註(ii))	PRC 中國	Registered capital: US\$39,933,000 註冊資本： 39,933,000美元	—	100%	Manufacture and sale of beer 釀製 及銷售啤酒
San Miguel Shunde Holdings Limited	Hong Kong 香港	200,000 ordinary shares of \$10 each 200,000股 每股面值10元 之普通股	92%	—	Investment holding 投資控股

Notes:

- (i) Guangzhou San Miguel Brewery Company Limited ("GSMB") is an equity joint venture formed between the Company's subsidiary, San Miguel (Guangdong) Limited, and Guangzhou Brewery. According to the joint venture agreement, GSMB has an operating period of 30 years expiring on 29 November 2020.
- (ii) San Miguel (Guangdong) Brewery Company Limited is a wholly-foreign owned enterprise with an operating period of 50 years expiring on 4 August 2042.

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。根據合資合營協議，該公司之經營期為三十年，於二零二零年十一月二十九日屆滿。
- (ii) 生力(廣東)啤酒有限公司為全外資擁有企業，擁有經營期五十年，於二零四二年八月四日屆滿。

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(除另有指示外，均按港幣計算)

17 Other tangible assets

Other tangible assets represent returnable bottles and crates used by the Group's operations in the mainland China.

17 其他有形資產

其他有形資產均為本集團的中國業務所使用之須退還之啤酒樽及膠箱的價值。

		The Group 本集團	
		2010 二零一零年 \$'000 千元	2009 二零零九年 \$'000 千元
Cost:	成本：		
At 1 January	於一月一日	94,879	95,770
Exchange adjustments	匯兌調整	3,281	154
Additions	添置	6,935	9,957
Disposals	出售	(7,818)	(11,002)
At 31 December	於十二月三十一日	97,277	94,879
Accumulated amortisation and impairment losses:	累計攤銷及減值虧損：		
At 1 January	於一月一日	76,314	54,578
Exchange adjustments	匯兌調整	3,086	92
Charge for the year (note 6(c))	年內開支 (附註6(c))	5,905	9,771
Impairment losses (note 5)	減值虧損 (附註5)	20,218	19,491
Reversal of impairment losses (note 5)	減值虧損撥回 (附註5)	(1,505)	—
Written back on disposals	出售撥回	(6,741)	(7,618)
At 31 December	於十二月三十一日	97,277	76,314
Net book value:	賬面淨值：		
At 31 December	於十二月三十一日	—	18,565

Almost all bottled beer sold in the mainland China are under a returnable bottles arrangement. The bottles and crates are expected to have useful lives of two years and seven years respectively.

於中國所出售之樽裝啤酒會作回樽安排。樽及膠箱之可使用年期分別為二年及七年。

18 Non-current assets held for sale

Non-current assets held for sale represented two properties located in Hong Kong, which had been transferred from a former debtor to the Company for debt settlement during 2009. As the Company acquired these properties exclusively with a view to their subsequent disposal, the Company classified these properties as held for sale upon acquisition, at fair value less costs to sell which amounted to \$6,997,000, at 31 December 2009.

During the year, the Company sold these properties to independent third parties at a consideration higher than the carrying amount.

18 持作出售的非流動資產

持作出售之非流動資產為兩項位於香港之物業，有關物業乃於二零零九年獲轉讓自本公司一名前債務人，以用作償還債項。由於本公司獲取該等物業之唯一目的是隨後將有關物業出售，故本公司於獲得該等物業後將該等物業按公允價值減去出售成本6,997,000元，於二零零九年十二月三十一日列為持作出售物業。

於本年內，本集團按高於賬面值之代價，將該等物業出售給獨立第三方。

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(Expressed in Hong Kong dollars unless otherwise indicated)

(除另有指示外，均按港幣計算)

19 Inventories

19 存貨

		The Group 本集團		The Company 本公司	
		2010 二零一零年 \$'000 千元	2009 二零零九年 \$'000 千元	2010 二零一零年 \$'000 千元	2009 二零零九年 \$'000 千元
Products in hand and in process	現有產品及在製品	27,565	30,231	22,058	25,604
Materials and supplies	物料及供應	22,207	30,442	12,125	13,822
		49,772	60,673	34,183	39,426

The analysis of the amount of inventories recognised as an expense is as follows:

已確認為開支之存貨金額分析如下：

		The Group 本集團	
		2010 二零一零年 \$'000 千元	2009 二零零九年 \$'000 千元
Carrying amount of inventories sold	出售存貨賬面值	328,677	330,210
Write down of inventories	存貨撇減	1,118	500
Total (note 6(c))	總額(附註6(c))	329,795	330,710

20 Trade and other receivables

20 應收貿易及其他賬項

		The Group 本集團	
		2010 二零一零年 \$'000 千元	2009 二零零九年 \$'000 千元
Trade receivables	應收貿易賬項	69,929	75,493
Less: Allowance for doubtful debts (note 20(b))	減：呆壞賬撥備(附註20(b))	(11,365)	(9,936)
Other debtors, deposits and prepayments	其他應收賬、按金及預付款項	58,564 12,092	65,557 8,384
		70,656	73,941

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

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(除另有指示外，均按港幣計算)

20 Trade and other receivables (Continued)

		The Company 本公司	
		2010 二零一零年 \$'000 千元	2009 二零零九年 \$'000 千元
Trade receivables	應收貿易賬項	55,081	56,999
Less: Allowance for doubtful debts (note 20(b))	減：呆壞賬撥備(附註20(b))	(1,677)	(486)
Other debtors, deposits and prepayments	其他應收賬、按金及預付款項	53,404 6,148	56,513 4,081
		59,552	60,594

The amount of the Group's and the Company's deposits and prepayments expected to be recovered or recognised as expenses after more than one year is \$1,106,000 (2009: \$988,000) and \$642,000 (2009: \$553,000) respectively. All of the other trade receivables, other debtors, deposits and prepayments are expected to be recovered or recognised as expenses within one year.

The Group and the Company hold the following collaterals over trade receivables at the end of the reporting period.

本集團及本公司預計多於一年後可收回或確認為支出的按金及預付款項金額分別為1,106,000元(二零零九年：988,000元)及642,000元(二零零九年：553,000元)。所有其他應收貿易賬項及其他應收賬、按金及預付款項預計在一年內可收回或列作費用。

本集團及本公司在結算日就應收貿易賬項持有以下抵押品：

		The Group 本集團		The Company 本公司	
		2010 二零一零年 \$'000 千元	2009 二零零九年 \$'000 千元	2010 二零一零年 \$'000 千元	2009 二零零九年 \$'000 千元
Buildings	物業	13,438	14,164	10,300	10,870
Cash deposits	現金存款	10,607	11,788	872	727
Bank guarantees	銀行擔保	900	900	900	900

Cash deposits disclosed above and note 20(b) are included in the Group's and the Company's other creditors and accrued charges expected to be settled after more than one year, as disclosed in note 24.

以上及附註20(b)列示的現金存款被列入本集團及本公司預計多於一年後支付的其他應付賬項，於附註24披露。

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財務報表附註

(除另有指示外，均按港幣計算)

20 Trade and other receivables (Continued)

(a) Ageing analysis

The ageing of trade receivables (net of allowance for doubtful debts) at the end of the reporting period is as follows:

		The Group 本集團		The Company 本公司	
		2010 二零一零年 \$'000 千元	2009 二零零九年 \$'000 千元	2010 二零一零年 \$'000 千元	2009 二零零九年 \$'000 千元
Current	未到期	46,701	53,645	44,109	46,856
Less than 1 month past due	過期日少於一個月	8,047	8,603	7,820	8,511
1 to 3 months past due	過期日為一至三個月	1,149	1,205	1,013	1,146
More than 3 months but less than 12 months past due	過期日為三個月至一年內	536	190	462	—
More than 12 months past due	過期日多於一年	2,131	1,914	—	—
		58,564	65,557	53,404	56,513

The Group's credit policy is set out in note 29(a).

本集團之信貸政策載於附註29(a)。

(b) Impairment of trade receivables

Impairment losses in respect of trade receivables are recorded using an allowance account unless the Group is satisfied that recovery of the amount is remote, in which case the impairment loss is written off against trade receivables directly (see note 1(i)(i)).

The movement in the allowance for doubtful debts during the year is as follows:

(b) 應收貿易賬項之減值虧損

有關應收貿易賬項的減值虧損透過撥備賬記錄，除非本集團信納應收款是無法收回的。在此情況下，減值虧損會直接在應收貿易賬項中撇銷(附註1(i)(i))。

年內呆壞賬撥備的變動如下：

		The Group 本集團		The Company 本公司	
		2010 二零一零年 \$'000 千元	2009 二零零九年 \$'000 千元	2010 二零一零年 \$'000 千元	2009 二零零九年 \$'000 千元
At 1 January	於一月一日	9,936	35,289	486	25,616
Exchange adjustments	匯兌調整	328	16	—	—
Impairment loss recognised	減值虧損確認	1,774	522	1,767	500
Impairment loss written back	減值虧損撥回	(256)	(1,317)	(256)	(1,164)
Uncollectible amounts written off	沖銷不可收回金額	(417)	(24,574)	(320)	(24,466)
At 31 December	於十二月三十一日	11,365	9,936	1,677	486

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(除另有指示外，均按港幣計算)

20 Trade and other receivables (Continued)

(b) Impairment of trade receivables (Continued)

At 31 December 2010, the Group's and the Company's trade receivables of \$15,328,000 (2009: \$13,193,000) and \$2,749,000 (2009: \$1,709,000) respectively were individually determined to be impaired. The individually impaired receivables were balances in disputes with customers or related to customers that were in financial difficulties and management assessed that only a portion of the receivables is expected to be recovered. Consequently, specific allowances for doubtful debts of \$11,365,000 (2009: \$9,936,000) and \$1,677,000 (2009: \$486,000) were recognised by the Group and the Company respectively. The Group and the Company hold the following collaterals over these balances:

		The Group 本集團		The Company 本公司	
		2010 二零一零年 \$'000 千元	2009 二零零九年 \$'000 千元	2010 二零一零年 \$'000 千元	2009 二零零九年 \$'000 千元
Buildings	物業	—	568	—	—
Cash deposits	現金存款	1,760	1,757	—	—

(c) Trade receivables that are not impaired

The ageing analysis of trade receivables that are neither individually nor collectively considered to be impaired is as follows:

		The Group 本集團		The Company 本公司	
		2010 二零一零年 \$'000 千元	2009 二零零九年 \$'000 千元	2010 二零一零年 \$'000 千元	2009 二零零九年 \$'000 千元
Neither past due nor impaired	未到期及不作撥備	45,770	52,674	43,806	46,401
Less than 1 month past due	過期日少於一個月	7,785	8,354	7,742	8,262
1 to 3 months past due	過期日為一至三個月	832	686	767	627
More than 3 months but less than 12 months past due	過期日為三個月至一年內	91	190	17	—
More than 12 months past due	過期日為多於十二個月	123	396	—	—
		8,831	9,626	8,526	8,889
		54,601	62,300	52,332	55,290

Receivables that were neither past due nor impaired relate to a wide range of customers for whom there was no recent history of default.

Receivables that were past due but not impaired relate to a number of independent customers that have a good track record with the Group. Based on past experience, management believes that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable. The Group and the Company do not hold collaterals over these balances.

20 應收貿易及其他賬項 (續)

(b) 應收貿易賬項之減值虧損 (續)

於二零一零年十二月三十一日，本集團及本公司將應收貿易賬項其中15,328,000元（二零零九年：13,193,000元）及2,749,000元（二零零九年：1,709,000元）按個別確定減值。個別的減值虧損是由於該公司財政上有困難，而據管理層評估，只有部份款項可以收回，故本集團和本公司分別作11,365,000元（二零零九年：9,936,000元）及1,677,000元（二零零九年：486,000元）的呆壞賬撥備。本集團及本公司就以上應收款結欠持有抵押品如下：

(c) 沒有作減值虧損之應收貿易賬項

沒有作減值虧損之應收貿易賬項賬齡如下：

未到期及不作撥備之應收貿易賬項，均為近期沒有拖欠還款記錄的客戶，所以不作撥備。

過期但不作撥備之應收貿易賬項與多名有良好還款記錄的個別客戶有關。據以往經驗，由於其信譽並無重大的改變，管理層相信無須就這些款項作出撥備，同時仍認為這些結欠款項可全部收回。本集團及本公司並無就以上應收款結欠持有抵押品。

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(除另有指示外，均按港幣計算)

21 Amounts due from/(to) holding companies, fellow subsidiaries and related companies

Amounts due from/(to) holding companies, fellow subsidiaries and related companies are unsecured, interest-free and do not have fixed repayment terms except for the following trade-related amounts which are repayable under normal trade terms:

21 應收或應付控股公司、同系附屬公司及關連公司賬項

除下列貿易款項須按貿易條款支付外，應收或應付控股公司、同系附屬公司及關連公司賬項均無抵押，免息及無指定償還期：

		The Group 本集團		The Company 本公司	
		2010 二零一零年 \$'000 千元	2009 二零零九年 \$'000 千元	2010 二零一零年 \$'000 千元	2009 二零零九年 \$'000 千元
Amounts due from holding companies and fellow subsidiaries	應收控股公司及同系附屬公司賬項	9,136	6,211	8,910	6,211
Amounts due to holding companies and fellow subsidiaries	應付控股公司及同系附屬公司賬項	(8,366)	(9,287)	(8,341)	(9,121)
Amount due to related companies	應付關連公司賬項	(2,396)	(1,931)	(268)	—

The trade-related balances are not past due as at 31 December 2009 and 2010.

Related companies included companies whose ultimate holding company has a significant influence over the Group and the Company and a non-controlling shareholder.

與貿易相關之結存於二零一零年及二零零九年十二月三十一日並未到期。

關連公司包括其最終控股公司對本集團及本公司有重大影響的公司及非控股股東。

22 Pledged deposits, bank deposits and cash and cash equivalents

(a) Pledged deposits

At 31 December 2010, the Group had deposits of \$60,000,000 (2009: \$60,000,000) pledged to secure a banking facility, the details of which are set out in note 23. Out of these, \$11,000,000 (2009: \$60,000,000) was held by the Company.

22 抵押存款、銀行存款，現金及等同現金項目

(a) 抵押存款

於二零一零年十二月三十一日，本集團存有60,000,000元(二零零九年：60,000,000元)銀行存款為擔保銀行信貸而抵押予銀行，詳情列於附註23。其中11,000,000元(二零零九年：60,000,000元)是由本公司持有。

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(除另有指示外，均按港幣計算)

22 Pledged deposits, bank deposits and cash and cash equivalents (Continued)

(b) Bank deposits and cash and cash equivalents comprise:

22 抵押存款、銀行存款，現金及等同現金項目 (續)

(b) 銀行存款，現金及等同現金項目包括：

		The Group 本集團		The Company 本公司	
		2010 二零一零年 \$'000 千元	2009 二零零九年 \$'000 千元	2010 二零一零年 \$'000 千元	2009 二零零九年 \$'000 千元
Bank deposits within three months of maturity when placed	存放時到期日為三個月內的銀行存款	163,274	179,668	22	118
Cash at bank and in hand	銀行結存及現金	57,282	106,234	33,956	22,545
Cash and cash equivalents in the consolidated statement of financial position and consolidated cash flow statement	綜合財務狀況表及綜合現金流量表中的現金及等同現金項目	220,556	285,902	33,978	22,663
Bank deposits with more than three months of maturity when placed	存放時到期日超過三個月的銀行存款	5,876	—	—	—
		226,432	285,902	33,978	22,663

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

財務報表附註

(除另有指示外，均按港幣計算)

22 Pledged deposits, bank deposits and cash and cash equivalents (Continued)

(c) Reconciliation of loss before taxation to cash (used in)/generated from operations:

22 抵押存款、銀行存款，現金及等同現金項目 (續)

(c) 除稅前虧損與經營業務之現金(流出)／流入調節表：

	Note 附註	2010 二零一零年 \$'000 千元	2009 二零零九年 \$'000 千元
Loss before taxation	除稅前虧損	(782,509)	(345,324)
Adjustments for:	就下列事項作出調整：		
Amortisation of land lease premium	租賃土地款項之攤銷	6(c) 1,877	2,217
Amortisation of other tangible assets	其他有形資產之攤銷	6(c) 5,905	9,771
Depreciation of property, plant and equipment	物業、機器及設備之折舊	6(c) 42,804	50,717
Depreciation of investment properties	投資物業之折舊	6(c) 2,279	2,270
Impairment losses on non-current assets	非流動資產之減值虧損	5 684,283	302,293
Provision for/(reversal of) impairment losses on trade and other receivables	應收貿易及其他賬項之減值虧損撥備／(撥回)	6(c) 1,518	(795)
Interest expense	利息支出	6(a) 10,532	10,915
Interest income	利息收入	4 (2,584)	(2,949)
Net (gain)/loss on disposal of property, plant and equipment	出售物業、機器及設備之淨(盈利)／虧損	4 (87)	6,570
Net loss on disposal of other tangible assets	出售其他有形資產之淨虧損	4 923	2,842
Foreign exchange gains	外幣兌換之盈利	(6,182)	(2,933)
Changes in working capital:	營運資本之變動：		
Decrease in inventories	存貨之減少	10,901	4,301
Decrease in trade and other receivables	應收貿易及其他賬項之減少	1,907	23,971
(Increase)/decrease in net amounts due from holding companies and fellow subsidiaries	應收控股公司及同系附屬公司賬項之淨額(增加)／減少	(4,266)	2,008
Increase in amounts due to related companies	應付關連公司賬項之增加	465	3
Decrease/(increase) in non-current assets held for sale	持作出售的非流動資產之減少／(增加)	6,997	(6,997)
Increase/(decrease) in trade and other payables	應付貿易及其他賬項之增加／(減少)	4,455	(58,633)
Increase in retirement benefit liabilities	退休福利負債之增加	499	1,180
Cash (used in)/generated from operations	經營業務之現金(流出)／流入	(20,283)	1,427

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(Expressed in Hong Kong dollars unless otherwise indicated)

財務報表附註

(除另有指示外，均按港幣計算)

23 Bank loans

At 31 December 2010, the bank loans were repayable as follows:

Within 1 year	一年內
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At 31 December 2010, the bank loans were secured as follows:

Bank loans	銀行貸款
— secured	— 有抵押
— unsecured	— 無抵押

At 31 December 2010, one of the banking facilities of the Group was secured by fixed deposits of \$60,000,000 (2009: \$60,000,000) (note 22(a)). Such banking facility amounted to \$120,000,000 (2009: \$120,000,000) and was utilised to the extent of \$117,524,000 (2009: \$113,572,000).

All the bank loans are rolled-over every six months to one year (2009: six months to one year) and bear interest at rates applicable to the roll-over period, which ranged from 4.32% to 5.23% during 2010 (2009: 1.69% to 6.08%).

The Group's banking facilities are not subject to any covenants.

23 銀行貸款

於二零一零年十二月三十一日，銀行貸款須於下列期限償還：

The Group 本集團	
2010 二零一零年 \$'000 千元	2009 二零零九年 \$'000 千元
249,206	242,343

於二零一零年十二月三十一日有抵押的銀行貸款如下：

The Group 本集團	
2010 二零一零年 \$'000 千元	2009 二零零九年 \$'000 千元
117,524	113,572
131,682	128,771
249,206	242,343

於二零一零年十二月三十一日，本集團的其中一項銀行信貸擔保為定期存款60,000,000元(二零零九年：60,000,000元)(附註22(a))。該銀行信貸額為120,000,000元(二零零九年：120,000,000元)，並已動用其中的117,524,000元(二零零九年：113,572,000元)。

所有銀行貸款以每六個月至一年循環為基礎(二零零九年：六個月至一年)，於二零一零年，在循環貸款期內承擔的利率為4.32%至5.23%(二零零九年：1.69%至6.08%)。

本集團的銀行信貸並無契約監管。

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

財務報表附註

(除另有指示外，均按港幣計算)

24 Trade and other payables

		The Group 本集團		The Company 本公司	
		2010 二零一零年 \$'000 千元	2009 二零零九年 \$'000 千元	2010 二零一零年 \$'000 千元	2009 二零零九年 \$'000 千元
Trade payables	應付貿易賬項	53,885	48,508	46,722	38,572
Other creditors and accrued charges	其他應付賬項	96,318	118,028	12,844	11,961
		150,203	166,536	59,566	50,533

The Group's and the Company's other creditors and accrued charges included provision for advertising and promotion of \$44,376,000 (2009: \$32,013,000) and \$8,562,000 (2009: \$4,361,000) respectively, and payables for purchase of fixed assets of \$8,756,000 (2009: \$30,542,000) and \$Nil (2009: \$Nil) respectively.

The amounts of the Group's and the Company's other creditors and accrued charges expected to be settled after more than one year are \$10,652,000 (2009: \$12,702,000) and \$916,000 (2009: \$727,000) respectively. All of the other trade and other payables are expected to be settled within one year.

The ageing of trade payables as at the end of the reporting period is as follows:

24 應付貿易及其他賬項

本集團及本公司的其他應付賬項包括廣告及宣傳撥備分別為\$44,376,000元(二零零九年：\$32,013,000元)及\$8,562,000元(二零零九年：\$4,361,000元)，購買固定資產之應付款項為\$8,756,000元(二零零九年：\$30,542,000元)及零元(二零零九年：零元)。

本集團及本公司預計於多於一年後支付的其他應付賬項分別為\$10,652,000元(二零零九年：\$12,702,000元)及\$916,000元(二零零九年：\$727,000元)。所有其他應付貿易及其他賬項預計在一年內支付。

應付貿易賬項於結算日之賬齡如下：

		The Group 本集團		The Company 本公司	
		2010 二零一零年 \$'000 千元	2009 二零零九年 \$'000 千元	2010 二零一零年 \$'000 千元	2009 二零零九年 \$'000 千元
Due within 1 month or on demand	到期日少於一個月或於要求時償還	51,410	46,559	44,582	36,709
Due after 1 month but within 3 months	到期日為一個月後但三個月內	2,456	1,863	2,140	1,863
Due after 3 months but within 6 months	到期日為三個月後但六個月內	—	86	—	—
Due over 6 months	到期日為六個月後	19	—	—	—
		53,885	48,508	46,722	38,572

25 Amounts due to subsidiaries

Amounts due to subsidiaries are unsecured and interest-free. The balances included in current liabilities are trade-related, repayable under normal trade terms and due within one month at the end of the reporting period. The balances included in non-current liabilities do not have fixed repayment terms but are not expected to be settled within one year.

25 應付附屬公司賬項

應付附屬公司賬項為無抵押及免息。於流動負債內的款項為貿易款項，須於結算日後一個月內按貿易條款支付。其餘於非流動負債內的款項不設有固定還款期，亦並不需要於一年內支付。

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

財務報表附註

(除另有指示外，均按港幣計算)

26 Employee retirement benefits

(a) Defined benefit retirement plan

The Group operates a defined benefit retirement plan which covers 22% (2009: 23%) 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.

For the purposes of preparing these financial statements, an independent actuarial valuation was carried out at 31 December 2010 by the above independent actuary following the methodology set out in HKAS 19, *Employee benefits*.

- (i) The amounts recognised in the statement of financial position are as follows:

Present value of funded obligations	資助責任的現值
Fair value of plan assets	計劃資產之公允值
Retirement benefit liabilities	退休福利負債

A portion of the above liabilities is expected to be settled after more than one year. However, it is not practicable to segregate this amount from the amounts payable in the next twelve months, as the retirement benefit payable to scheme members and future contributions to plan assets will also depend on staff turnover and future changes in actuarial assumptions.

- (ii) Plan assets consist of the following:

Mutual fund	共同基金
Cash	現金

26 僱員退休金福利

(a) 定額福利退休計劃

本集團為其22% (二零零九年：23%) 之僱員提供界定福利退休計劃。該計劃乃由一名獨立信託人管理，並與本集團之資產分開獨立處理。成員的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。

此外，精算師根據載於香港會計準則第19號「僱員福利」之方法於二零一零年十二月三十一日進行另一評估，以用作編製財務報表。

- (i) 於財務狀況表確認之款額如下：

The Group and the Company 本集團及本公司

2010 二零一零年 \$'000 千元	2009 二零零九年 \$'000 千元
76,356 (58,213)	76,375 (58,286)
18,143	18,089

上述部份負債預期將於超過一年後支付。然而，由於退休福利對計劃成員之應付款及對計劃資產之未來供款須視乎精算假設之未來變動，因此不適宜將該筆款額與未來十二個月之應付款項分開處理。

- (ii) 計劃資產包括：

The Group and the Company 本集團及本公司

2010 二零一零年 \$'000 千元	2009 二零零九年 \$'000 千元
56,699 1,514	57,937 349
58,213	58,286

NOTES TO THE FINANCIAL STATEMENTS

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財務報表附註

(除另有指示外，均按港幣計算)

26 Employee retirement benefits (Continued)

(a) Defined benefit retirement plan (Continued)

(iii) Movements in the present value of the defined benefit obligations:

26 僱員退休金福利 (續)

(a) 定額福利退休計劃 (續)

(iii) 定額福利負債的現值變動：

		The Group and the Company 本集團及本公司	
		2010 二零一零年 \$'000 千元	2009 二零零九年 \$'000 千元
At 1 January	於一月一日	76,375	82,678
Benefits paid by the plan	計劃支付之福利	(6,726)	(2,238)
Current service cost	現時服務成本	5,394	6,410
Interest cost	利息成本	1,897	955
Actuarial gains	精算盈利	(584)	(11,430)
At 31 December	於十二月三十一日	76,356	76,375

(iv) Movements in plan assets:

(iv) 計劃資產之變動：

		The Group and the Company 本集團及本公司	
		2010 二零一零年 \$'000 千元	2009 二零零九年 \$'000 千元
At 1 January	於一月一日	58,286	44,833
Contributions paid to the plan by the employer	計劃支付之供款	3,559	3,695
Benefits paid by the plan	計劃支付之福利	(6,726)	(2,238)
Actuarial expected return on plan assets	計劃資產之精算預期回報	3,233	2,490
Actuarial (losses)/gains	精算(虧損)/盈利	(139)	9,506
At 31 December	於十二月三十一日	58,213	58,286

The Group expects to pay \$8,352,000 (2009: \$3,730,000) in contributions to the defined benefit retirement plan in the following year.

集團估計在未來一年需為定額福利退休計劃支付8,352,000元(二零零九年：3,730,000元)作為一般供款。

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

財務報表附註

(除另有指示外，均按港幣計算)

26 Employee retirement benefits (Continued)

(a) Defined benefit retirement plan (Continued)

(v) Expense recognised in the consolidated income statement is as follows:

		2010 二零一零年 \$'000 千元	2009 二零零九年 \$'000 千元
Current service cost	現時服務成本	5,394	6,410
Interest cost	利息成本	1,897	955
Actuarial expected return on plan assets	計劃資產之精算預期回報	(3,233)	(2,490)
Expense charged to consolidated income statement (note 6(b))	於綜合收益表確認之開支 (附註6(b))	4,058	4,875
The expense is recognised in the following line items in the consolidated income statement:	有關開支乃於下列綜合收益表內之項目中確認：		
— Cost of sales	— 銷售成本	385	386
— Selling and distribution expenses	— 銷售及分銷開支	2,114	2,736
— Administrative expenses	— 行政開支	1,559	1,753
		4,058	4,875
Actual return on plan assets — gains	計劃資產之實際回報 — 盈利	3,094	11,996

(vi) The cumulative amount of actuarial gains and losses recognised directly in equity:

26 僱員退休金福利 (續)

(a) 定額福利退休計劃 (續)

(v) 於綜合收益表確認之開支如下：

		2010 二零一零年 \$'000 千元	2009 二零零九年 \$'000 千元
Current service cost	現時服務成本	5,394	6,410
Interest cost	利息成本	1,897	955
Actuarial expected return on plan assets	計劃資產之精算預期回報	(3,233)	(2,490)
Expense charged to consolidated income statement (note 6(b))	於綜合收益表確認之開支 (附註6(b))	4,058	4,875
The expense is recognised in the following line items in the consolidated income statement:	有關開支乃於下列綜合收益表內之項目中確認：		
— Cost of sales	— 銷售成本	385	386
— Selling and distribution expenses	— 銷售及分銷開支	2,114	2,736
— Administrative expenses	— 行政開支	1,559	1,753
		4,058	4,875
Actual return on plan assets — gains	計劃資產之實際回報 — 盈利	3,094	11,996

(vi) 直接於權益確認之定額福利退休計劃精算損益總額：

		2010 二零一零年 \$'000 千元	2009 二零零九年 \$'000 千元
At 1 January	於一月一日	(36,535)	(57,471)
Amount recognised during the year	年內確認金額	445	20,936
At 31 December	於十二月三十一日	(36,090)	(36,535)

(vii) The principal actuarial assumptions used as at 31 December 2010 are as follows:

(vii) 於二零一零年十二月三十一日，所採用之主要精算假設如下：

The Group and the Company 本集團及本公司

		2010 二零一零年	2009 二零零九年
Discount rate	貼現率	2.90%	2.60%
Expected rate of return on plan assets	計劃資產之預期回報率	5.00%	5.70%
Future salary increases	未來薪金之增加	2.50%	2.50%

The expected rate of return on plan assets is based on the portfolio as a whole and not on the sum of the returns on individual asset categories. The return is based exclusively on historical returns, without adjustments.

計劃資產之預期回報率乃按照整體組合及僅按照歷史回報計算，並無進行調整。

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財務報表附註

(除另有指示外，均按港幣計算)

26 Employee retirement benefits (Continued)

(a) Defined benefit retirement plan (Continued)

- (vii) The principal actuarial assumptions used as at 31 December 2010 are as follows: (Continued)

Historical information

		The Group and the Company 本集團及本公司				
		2010 二零一零年 \$'000 千元	2009 二零零九年 \$'000 千元	2008 二零零八年 \$'000 千元	2007 二零零七年 \$'000 千元	2006 二零零六年 \$'000 千元
Present value of the defined benefit obligations	定額福利負債之現值	76,356	76,375	82,678	62,731	103,566
Fair value of plan assets	計劃資產之公允值	(58,213)	(58,286)	(44,833)	(54,106)	(88,696)
Deficit	赤字	18,143	18,089	37,845	8,625	14,870
Experience adjustments on:	就下列各項之經驗調整：					
— Plan liabilities	— 計劃負債	1,135	1,408	3,291	(3,475)	(900)
— Plan assets	— 計劃資產	139	(9,506)	17,771	(3,728)	(1,156)

(b) Defined contribution retirement plans

- (i) Staff employed by the Group in Hong Kong not joining the above defined benefit retirement plan are required to join the Group's mandatory provident fund plan under the Hong Kong Mandatory Provident Fund Schemes Ordinance. The mandatory provident fund plan is a defined contribution retirement plan administered by an independent corporate trustee. Under the plan, the Group and its employees are each required to make contributions to the plan at 5% of the employees' relevant income, subject to a cap of monthly relevant income of \$20,000. Contributions to the plan vest immediately.
- (ii) Employees of the subsidiaries in the PRC are members of pension schemes operated by the PRC government. The Group is required to contribute 17.75% to 28.45% (2009: 17.75% to 28.45%) of employees' remuneration to these pension schemes to fund the benefits. The only obligation for the Group with respect to these pension schemes is the required contribution under the central pension scheme. Contributions to these schemes vest immediately.

26 僱員退休金福利 (續)

(a) 定額福利退休計劃 (續)

- (vii) 於二零一零年十二月三十一日，所採用之主要精算假設如下：(續)

歷史資料

(b) 定額供款退休計劃

- (i) 根據香港《強制性公積金計劃條例》，本集團在香港僱用而並無加入上述定額福利退休計劃的僱員，須加入本集團的強制性公積金計劃。強制性公積金計劃乃一個由獨立法團受託人管理的定額供款退休計劃。根據有關計劃，本集團及其僱員各自須向計劃作出供款，數額為僱員有關入息的5%，惟每月有關入息的最高水平為20,000元。對計劃作出的供款即時歸屬。
- (ii) 中國附屬公司僱員為中國政府營運的中央退休金計劃的成員。本集團須對中央退休金計劃供款作為有關福利提供資金，數額為僱員酬金的17.75%至28.45% (二零零九年：17.75%至28.45%)。本集團有關中央退休金計劃的唯一義務為根據中央退休金計劃須作出的有關供款。對計劃作出的供款即時歸屬。

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(Expressed in Hong Kong dollars unless otherwise indicated)

財務報表附註

(除另有指示外，均按港幣計算)

27 Deferred taxation in the statement of financial position

(a) The Group

The components of deferred tax (assets) and liabilities recognised in the consolidated statement of financial position and the movements during the year are as follows:

		Depreciation allowances in excess of related depreciation 折舊免稅額超過有關折舊之數額 \$'000 千元	Impairment losses of receivables and inventories 應收賬項及存貨之減值虧損 \$'000 千元	Retirement benefit liabilities 退休福利負債 \$'000 千元	Tax losses 稅項虧損 \$'000 千元	Others 其他 \$'000 千元	Total 總計 \$'000 千元
Deferred tax arising from:	遞延稅項來自：						
At 1 January 2009	於二零零九年一月一日	86,501	(3,613)	(1,440)	(63,668)	(2,612)	15,168
Exchange adjustments	匯兌調整	18	(2)	—	—	(4)	12
(Credited)/charged to consolidated income statement (note 7(a))	於綜合收益表中 (計入)/扣除 (附註7(a))	(7,905)	3,533	—	(516)	2,616	(2,272)
(Credited)/charged to equity (note 11)	於權益中 (計入)/扣除 (附註11)	—	—	(263)	37	—	(226)
At 31 December 2009 and 1 January 2010	於二零零九年十二月三十一日及二零一零年一月一日	78,614	(82)	(1,703)	(64,147)	—	12,682
(Credited)/charged to consolidated income statement (note 7(a))	於綜合收益表中 (計入)/扣除 (附註7(a))	(72,307)	(3)	—	63,731	—	(8,579)
Credited to equity (note 11)	於權益中 (計入)/扣除 (附註11)	—	—	(43)	—	—	(43)
At 31 December 2010	於二零一零年十二月三十一日	6,307	(85)	(1,746)	(416)	—	4,060

Deferred tax assets have not been recognised in respect of the following items, which pertain to the subsidiaries in the PRC and the Company:

本集團於中國的附屬公司及本公司並未就下列各項目所引致之遞延稅項資產做出確認：

		2010 二零一零年 \$'000 千元	2009 二零零九年 \$'000 千元
Tax losses	稅項虧損	672,697	194,486
Deductible temporary differences	可抵扣暫時性差異	550,451	350,397
		1,223,148	544,883

In accordance with the accounting policy set out in note 1(p), deferred tax assets have not been recognised in respect of the above items as it is not probable that the relevant entities would generate future taxable profits against which the above items can be utilised.

根據列示於附註1(p)的會計政策，由於未能確定相關附屬公司未來能夠獲得足夠應課稅盈利以抵扣其利益，故本集團並未確認上列項目所引致之遞延稅項資產。

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(除另有指示外，均按港幣計算)

27 Deferred taxation in the statement of financial position (Continued)

(a) The Group (Continued)

The unrecognised tax losses relating to the PRC subsidiaries can be carried forward up to five years from the year in which the loss originated, and will expire in the following years:

		2010 二零一零年 \$'000 千元	2009 二零零九年 \$'000 千元
2011	二零一一年	84,092	81,264
2012	二零一二年	15,829	15,297
2013	二零一三年	6,805	6,576
2014	二零一四年	60,251	60,726
2015	二零一五年	120,703	—
		287,680	163,863

The unrecognised tax losses relating to the Company were \$385,017,000 (2009: \$Nil) and do not expire under current tax legislation.

27 財務狀況表所列之遞延稅項 (續)

(a) 本集團 (續)

有關中國附屬公司未確認的稅項虧損自產生日起五年屆滿，有關到期年份如下：

本公司未確認的稅項虧損為385,017,000元(二零零九年：零元)，並於現行稅務規例下不會到期。

(b) The Company

The components of deferred tax (assets) and liabilities recognised in the statement of financial position and the movements during the year are as follows:

(b) 本公司

於財務狀況表確認之遞延稅項(資產)及負債之組成部分及年內之變動如下：

		Depreciation allowances in excess of related depreciation 折舊免稅額超過有關折舊之數額 \$'000 千元	Impairment losses of receivables 應收賬項之減值虧損 \$'000 千元	Retirement benefit liabilities 退休福利負債 \$'000 千元	Tax losses 稅項虧損 \$'000 千元	Total 總計 \$'000 千元
Deferred tax arising from:	遞延稅項來自：					
At 1 January 2009	於二零零九年一月一日	72,313	(1,858)	(1,440)	(63,625)	5,390
Charged/(credited) to profit or loss	於損益中扣除/(計入)	1,207	1,776	—	(233)	2,750
Credited to equity	於權益中計入	—	—	(263)	—	(263)
At 31 December 2009 and 1 January 2010	於二零零九年十二月三十一日及二零一零年一月一日	73,520	(82)	(1,703)	(63,858)	7,877
(Credited)/charged to profit or loss	於損益中(計入)/扣除	(71,681)	(3)	—	63,850	(7,834)
Credited to equity	於權益中計入	—	—	(43)	—	(43)
At 31 December 2010	於二零一零年十二月三十一日	1,839	(85)	(1,746)	(8)	—

In accordance with the accounting policy set out in note 1(p), deferred tax assets have not been recognised in respect of tax losses of \$385,017,000 (2009: \$Nil) as it is not probable that the Company would generate future taxable profits against which the tax losses can be utilised. These tax losses do not expire under current tax legislation.

根據列示於附註1(p)的會計政策，由於未能確定本公司未來能夠獲得足夠應課稅盈利以抵扣其稅項虧損，故本公司並未確認稅項虧損385,017,000元(二零零九年：零元)所引致之遞延稅項資產。該等稅項虧損在現行稅務規例下不會到期。

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28 Capital and reserves

(a) Movements in components of equity

The reconciliation between the opening and closing balances of each component of the Group's consolidated equity is set out in the consolidated statement of changes in equity. Details of the changes in the Company's individual components of equity between the beginning and the end of the year are set out below:

		Share capital 股本 \$'000 千元	Share premium 股份溢價 \$'000 千元	Retained profits 收益儲備 \$'000 千元	Total 總額 \$'000 千元
Balance at 1 January 2009	於二零零九年一月一日結餘	186,785	65,739	1,083,867	1,336,391
Changes in equity for 2009:	二零零九年權益變動：				
Actuarial gains and losses of defined benefit retirement plan, net of tax	定額福利退休計劃之精算盈利及虧損(除稅後)	—	—	21,199	21,199
Loss for the year (note 10)	年度虧損(附註10)	—	—	(265,411)	(265,411)
Balance at 31 December 2009 and 1 January 2010	於二零零九年十二月三十一日及二零一零年一月一日結餘	186,785	65,739	839,655	1,092,179
Changes in equity for 2010:	二零一零年權益變動：				
Actuarial gains and losses of defined benefit retirement plan, net of tax	定額福利退休計劃之精算盈利及虧損(除稅後)	—	—	488	488
Loss for the year (note 10)	年度虧損(附註10)	—	—	(554,398)	(554,398)
Balance at 31 December 2010	於二零一零年十二月三十一日結餘	186,785	65,739	285,745	538,269

(b) Share capital

(b) 股本

		The Company 本公司	
		2010 二零一零年 \$'000 千元	2009 二零零九年 \$'000 千元
Authorised:	法定股本：		
400,000,000 ordinary shares of \$0.50 each	400,000,000股 每股面值0.50元之普通股	200,000	200,000
Issued and fully paid:	已發行及繳足股本：		
373,570,560 ordinary shares of \$0.50 each	373,570,560股 每股面值0.50元之普通股	186,785	186,785

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

普通股持有人有權收取不時宣派的股息，並可在本公司大會上每持有一股股份投一票。對於本公司的剩餘資產，所有普通股均享有同等權益。

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(除另有指示外，均按港幣計算)

28 Capital and reserves (Continued)

(c) Nature and purpose of reserves

(i) Share premium

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

(ii) Capital reserve

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

(iii) Exchange fluctuation reserve

The exchange fluctuation reserve comprises all foreign exchange differences arising from the translation of the financial statements of subsidiaries outside Hong Kong and the foreign exchange differences arising from translation of monetary items that in substance form part of the net investment in subsidiaries outside Hong Kong. The reserve is dealt with in accordance with the accounting policy set out in note 1(s).

(d) Distributability of reserves

The distributable reserves of the Company as at 31 December 2010 were \$285,745,000 (2009: \$839,655,000).

(e) Capital management

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, by pricing products commensurately with the level of risk and by securing access to finance at a reasonable cost.

The Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher shareholder returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions.

Consistent with industry practice, the Group monitors its capital structure on the basis of a debt-to-equity ratio. For this purpose the Group defines debt as total bank loans.

During 2010, the Group's strategy was to maintain the debt-to-equity ratio at a reasonable level, not exceeding 70% (2009: 30%). Management increased the threshold for the debt-to-equity ratio with a view to allowing more flexibility on the Group's financing and capital management. In order to maintain or adjust the ratio, the Group may issue new shares, obtain loans from shareholders or sell assets to reduce debt.

28 股本及儲備 (續)

(c) 儲備性質及用途

(i) 股份溢價

應用股份溢價賬乃受香港《公司條例》第48B條所監管。

(ii) 資本儲備

資本儲備乃指一間中國附屬公司之保留盈利資本化而產生之儲備。

(iii) 匯兌波動儲備

匯兌波動儲備包括因換算香港以外之附屬公司財務報表產生之所有匯兌差額及因換算貨幣項目(實則部份屬於外地附屬公司之淨投資)之匯兌差額。該儲備根據附註1(s)所載之會計政策而處理。

(d) 分派儲備

本公司於二零一零年十二月三十一日之可供分派儲備為285,745,000元(二零零九年: 839,655,000元)。

(e) 資本管理

本集團管理資本的主要目標是要保障集團能夠持續經營，從而繼續為股東提供回報及為其他持股份者帶來好處；以風險水平相稱為產品定價，以及確保獲得合理的融資成本。

本集團積極及定期對資本架構展開檢討及管理，以在較高股東回報情況下可能伴隨之較高借貸水平與良好的資本狀況帶來的優勢及保障之間取得平衡，並因應經濟環境的變化對資本架構作出調整。

本集團以資本淨負債比率為基礎監控其資本架構，與本行業所應用一致。因為這個目的，本集團定明淨負債為總銀行貸款。

於二零一零年，本集團之策略是控制資本淨負債比率於70%範圍內(二零零九年: 30%)。管理層增加了債務權益比率門檻，因為管理層認為這有助於增加本集團融資及資本管理的靈活性。為了維持或調整該比率，集團或會發行新股，向股東新舉債或出售資產以減低債項。

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28 Capital and reserves (Continued)

(e) Capital management (Continued)

The debt-to-equity ratio at 31 December 2010 and 2009 was as follows:

		The Group 本集團		The Company 本公司	
		2010 二零一零年 \$'000 千元	2009 二零零九年 \$'000 千元	2010 二零一零年 \$'000 千元	2009 二零零九年 \$'000 千元
Bank loans	銀行貸款	249,206	242,343	—	—
Equity	權益	391,474	1,169,484	538,269	1,092,179
Debt-to-equity ratio	資本淨負債比率	64%	21%	N/A 不適用	N/A 不適用

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

28 股本及儲備 (續)

(e) 資本管理 (續)

於二零一零年及二零零九年十二月三十一日之資本淨負債比率如下：

本公司或任何附屬公司並無受制外在資本需求。

29 Financial risk management and fair values

Exposure to credit, liquidity, interest rate and currency risks arises in the normal course of the Group's business. The Group's exposure to these risks and the financial risk management policies and practices used by the Group to manage these risks are described below.

(a) Credit risk

The Group's credit risk is primarily attributable to trade and other receivables. Management has a credit policy in place and the exposure to this credit risk is monitored on an ongoing basis.

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

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. At the end of the reporting period, 17% (2009: 19%) and 47% (2009: 63%) of the total trade and other receivables was due from the Group's largest customer and the five largest customers respectively.

The maximum exposure to credit risk without taking account of any collateral held is represented by the carrying amount of each financial asset in the statement of financial position after deducting any impairment allowance. The Group does not provide any guarantees which would expose the Group to credit risk. Except for the financial guarantees given by the Company as set out in note 32, the Company does not provide any other guarantees which would expose the Company to credit risk.

The Group's cash and cash equivalents are placed with financial institutions with sound credit ratings, and the management consider the Group's exposure to credit risk is low.

The Group's exposure to the credit risk and its policies for managing such risk were unchanged from 2009.

29 金融風險管理及公允價值

本集團在一般業務過程中存在信貸、流動資金、利率及外匯風險。本集團面對該等風險程度及本集團所採用管理該等風險之財務管理政策及慣例，載述如下。

(a) 信貸風險

本集團的信貸風險主要來自應收貿易及其他賬項。管理層訂有信貸政策，而且會持續監察該等信貸風險。

信貸限額乃於進行財務評估後及基於已建立的付款記錄而釐定。一般信貸於銷售月份後的月份完結時到期。本集團會從某些客戶取得按揭、銀行存款或銀行擔保作為抵押。若認為客戶有較高信用風險，則以現金進行交易。信貸監控人員會監察應收貿易款項及跟進收款。

本集團之信貸風險主要受個別客戶的性質影響。於結算日，17% (二零零九年：19%) 及47% (二零零九年：63%) 的應收貿易及其他賬項分別來自本集團最大客戶及五大客戶。

最大信貸風險已透過財務狀況表內各金融資產的賬面值 (扣除減值撥備及不考慮擔保物) 列報。本集團並無因作出其他擔保而面對信貸風險。除了於附註32所列明本公司的財務擔保外，本公司並無因作出其他擔保而面對信貸風險。

本集團的現金及等同現金項目是存放於信用評級良好的金融機構。因此，管理層認為本集團面對的信用風險為低。

本集團承受的信貸風險及其管理政策與二零零九年相同。

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29 Financial risk management and fair values

(Continued)

(b) Liquidity risk

Individual operating entities within the Group are responsible for their own cash management, including the short term investment of cash surpluses and the raising of loans to cover expected cash demands. The Group's policy is to regularly monitor its liquidity requirements to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term. The Group's exposure to the liquidity risk and its policies for managing such risk were unchanged from 2009.

The following table shows the remaining contractual maturities at the end of the reporting period of the Group's and the Company's financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the end of the reporting period) and the earliest date the Group and the Company can be required to pay:

The Group

		2010 二零一零年		2009 二零零九年	
		Contractual undiscounted cash outflow 合約上未貼現 的現金流量		Contractual undiscounted cash outflow 合約上未貼現 的現金流量	
		Total - Within 1 year or on demand 一年內或 於要求時 到期總額 \$'000 千元	Carrying amount 賬面額 \$'000 千元	Total - Within 1 year or on demand 一年內或 於要求時 到期總額 \$'000 千元	Carrying amount 賬面額 \$'000 千元
Bank loans	銀行貸款	261,207	249,206	251,770	242,343
Trade and other payables	應付貿易及其他賬項	150,203	150,203	166,536	166,536
Amounts due to holding companies and fellow subsidiaries	應付控股公司 及同系附屬公司賬項	10,995	10,995	11,793	11,793
Amount due to related companies	應付關連公司賬項	2,396	2,396	1,931	1,931
		424,801	412,800	432,030	422,603

29 金融風險管理及公允價值 (續)

(b) 流動資金風險

本集團內個別經營實體須負責其本身的現金管理，包括將現金盈餘作短期投資，以及借入貸款以滿足預期現金需求。本集團之政策為定期監察其流動資金需要，以確保其維持充裕之現金儲備及獲主要財務機構承諾提供足夠資金額度，以滿足其短期及長期之流動資金需求。本集團之流動資金風險及政策與二零零九年相同。

下表就本集團及本公司於結算日財務負債之尚餘合約期限作詳細分析，並以訂約未貼現現金流量(即包括按訂約息率計算之利息支出，或如屬浮息類別，按結算日當日之息率計算之利息支出)及本集團與本公司可被追索之最早還款日期作出分析基準。

本集團

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(除另有指示外，均按港幣計算)

29 Financial risk management and fair values

(Continued)

(b) Liquidity risk (Continued)

The Company

		2010 二零一零年			
		Contractual undiscounted cash outflow 合約上未貼現的現金流量			Carrying amount 賬面額 \$'000 千元
		Within 1 year or on demand 一年內或 於要求時 到期 \$'000 千元	More than 1 year but less than 2 years 超過 一年但少 於二年 \$'000 千元	Total 總額 \$'000 千元	
Trade and other payables	應付貿易及其他賬項	59,566	—	59,566	59,566
Amounts due to holding companies and fellow subsidiaries	應付控股公司 及同系附屬公司賬項	9,054	—	9,054	9,054
Amount due to a related company	應付一間關連公司賬項	268	—	268	268
Amounts due to subsidiaries	應付附屬公司賬項	3,127	373,150	376,277	376,277
		72,015	373,150	445,165	445,165

		2009 二零零九年			
		Contractual undiscounted cash outflow 合約上未貼現的現金流量			Carrying amount 賬面額 \$'000 千元
		Within 1 year or on demand 一年內或 於要求時 到期 \$'000 千元	More than 1 year but less than 2 years 超過 一年但少 於二年 \$'000 千元	Total 總額 \$'000 千元	
Trade and other payables	應付貿易及其他賬項	50,533	—	50,533	50,533
Amounts due to holding companies and fellow subsidiaries	應付控股公司 及同系附屬公司賬項	9,237	—	9,237	9,237
Amounts due to subsidiaries	應付附屬公司賬項	287	443,334	443,621	443,621
		60,057	443,334	503,391	503,391

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29 Financial risk management and fair values

(Continued)

(c) Interest rate risk

The Group's interest rate risk arises primarily from interest-bearing borrowings. The Group monitors the level of its fixed rate and variable rate borrowings. The Group's interest rate profile as monitored by management is set out in (i) below.

(i) Interest rate profile

The following table details the interest rate profile of the Group's bank loans at the end of the reporting period:

		2010 二零一零年		2009 二零零九年	
		Effective interest rate 實際利率 %	Amount 金額 \$'000 千元	Effective interest rate 實際利率 %	Amount 金額 \$'000 千元
Fixed rate borrowings:	固定利率貸款：				
— Bank loans	— 銀行貸款	4.45	131,682	3.89	242,343
Variable rate borrowings:	浮動利率貸款：				
— Bank loans	— 銀行貸款	5.23	117,524	—	—

(ii) Sensitivity analysis

At 31 December 2010, it is estimated that a general increase/decrease of 100 basis points in interest rates, with all other variables held constant, would have increased/decreased the Group's loss after tax and accumulated losses by approximately \$1,175,000. Tax effect was assumed to be nil as the entity having these loans had unrecognised tax losses for deferred tax purpose since it is not probable that it would generate future taxable profits against which tax losses can be utilised.

The sensitivity analysis above indicates the instantaneous change in the Group's loss after tax and accumulated losses in respect of the exposure to cash flow interest rate risk arising from floating rate instruments held by the Group at the end of the reporting period. The impact on the Group's loss after tax and accumulated losses is estimated as an annualised impact on interest expense of such a change in interest rates. Management assumed that certain interest-bearing borrowings maturing during the next reporting period will be rolled over upon the maturing for daily operation purposes.

The Group does not account for any fixed rate borrowings at fair value through profit or loss, and the Group does not use derivative financial instruments to hedge its debt obligation. The fixed rate instruments of the Group are insensitive to any change in market interest rate. A change in interest rate at end of the reporting period would not affect profit or loss.

For 2009, all the borrowings are at fixed rates and a change in interest rate at end of the reporting period would not affect profit or loss. Therefore, sensitivity analysis was not prepared for 2009.

29 金融風險管理及公允價值 (續)

(c) 利率風險

本集團之利率風險主要由計息貸款產生。本集團會監控浮動利率及固定利率的銀行貸款水平。本集團由管理層監控的利率結構載於下文(i)。

(i) 利率結構

下表為本集團於結算日之銀行貸款之利率結構：

(ii) 敏感性分析

於二零一零年十二月三十一日，估計利率上升／下跌一百點子，在其他可變動因素保持不變的情況下，本集團本年度除稅後虧損及累計虧損將增加／減少約1,175,000元。由於未能確定未來能夠獲得足夠應課稅盈利以抵扣稅項虧損，舉債公司並未確認稅項虧損所致之遞延稅項，因此假設並無稅務影響。

以上敏感性分析顯示本集團的除稅後虧損及累計虧損的即時變化，乃由於本集團於結算日所持有的浮動利率工具，引致本集團面臨現金流利率風險所產生。本集團除稅後虧損及累計虧損的影響是以該等利率變化對利息費用的年度影響作估計。本集團假設部份於下一報告期間到期之計息貸款會於到期時續期以維持日常業務運作。

本集團未有將任何固定利率貸款以公允值計量並計入損益，亦沒有使用衍生金融工具以對沖其債務。本集團之固定利率工具對市場利率變化並不敏感。於結算日之利率變動對損益並無影響。

於二零零九年，所有貸款利率均為固定利率，於結算日的利率變動不會影響損益，故於二零零九年並無提供敏感性分析。

29 Financial risk management and fair values

(Continued)

(d) Currency risk

The Group is exposed to currency risk primarily through sales, purchases, borrowings, expenses and recharges amongst group entities which give rise to receivables, payables, bank loans and cash balances that are denominated in a foreign currency, i.e. a currency other than the functional currency of the operations to which the transactions relate. The currencies giving rise to this risk are primarily United States dollars, Euros and Australian dollars.

For group entities whose functional currency is Hong Kong dollars, all sales and purchases are denominated in either Hong Kong dollars or United States dollars, except for certain purchases from Europe or Australia. Given that Hong Kong dollar is pegged to the United States dollar, management do not expect that there will be any significant currency risk associated with such United States dollars denominated transactions. For transactions denominated in Euros and Australian dollars, since the volume of such transactions is not significant, management consider the exposure to currency risk to be low.

For group entities whose functional currency is Renminbi, except for certain borrowings (from group entities and banks) and transactions amongst group entities that are denominated in either Hong Kong dollars or United States dollars, most of other transactions are denominated in Renminbi. For borrowings denominated in United States dollars, the management review the exposure regularly and may consider replacing them with Renminbi borrowings if the movement in exchange rate of Renminbi against the United States dollar becomes unfavourable to the Group. For transactions amongst group entities denominated in United States dollars or Hong Kong dollars, the management consider the transaction amounts are not significant and the exposure to currency risk is low.

The Group's exposure to currency risk and its policies for managing such risk were unchanged from 2009.

(i) Exposure to currency risk

The following table details the Group's and the Company's significant exposure at the end of the reporting period to currency risk arising from recognised assets or liabilities denominated in a currency other than the functional currency of the entity to which they relate. The exposure arising from the borrowings from group entities that in substance form part of the net investment in subsidiaries is excluded. For presentation purposes, the amounts of the exposure are shown in Hong Kong dollars, translated using the spot rates at the year end date. Differences resulting from the translation of the financial statements of subsidiaries outside Hong Kong into the Group's presentation currency are excluded.

29 金融風險管理及公允價值 (續)

(d) 外匯風險

本集團主要因買賣交易及銀行借款產生以外幣(即就該交易而言並非相關業務之功能貨幣)為單位之應收賬款、應付賬款、銀行借款及現金結存，因而面對外匯風險。引致外幣風險之貨幣主要包括美元、歐羅及澳元。

對於集團內以港元作功能貨幣的各個實體，除某些貨品由歐洲或澳洲進行採購外，所有銷貨及購貨均以港元或美元作交易貨幣。由於港元與美元掛鈎，故本集團預期美元／港元匯率不會有大幅變動。至於以澳元及歐羅計價之交易，由於以該等貨幣計價的交易量不多，故本集團認為須面對的有關外匯風險不大。

對於集團內以人民幣作功能貨幣的各個實體，除了對集團內銷售及部份借款(從集團或銀行借得)是以港元或美元作單位，其他交易是以人民幣作單位。對於美元或港元借款，管理層會定期作出檢討，當美元或港元／人民幣匯率不利於本集團時，考慮以人民幣借款作替代。有關集團內以美元或港元作單位的交易，管理層認為交易金額不重大，須面對的有關外匯風險不大。

本集團承受外匯風險及其管理政策與二零零九年相同。

(i) 承受之外匯風險

下表就本集團及本公司於結算日並非以相關實體功能貨幣計值的已確認資產或負債所承受之外匯風險作出詳細分析。下表不包括集團內因對附屬公司作出借款(該借款實際為組成對附屬公司的淨投資的一部份)而產生的風險。下表的金額乃按結算日之匯率兌換為港幣作呈列之用。因匯兌香港以外附屬公司之財務報表為本集團的呈列貨幣而產生的差額並不包括在內。

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

財務報表附註

(除另有指示外，均按港幣計算)

29 Financial risk management and fair values

(Continued)

(d) Currency risk (Continued)

(i) Exposure to currency risk (Continued)

The Group

29 金融風險管理及公允價值 (續)

(d) 外匯風險 (續)

(i) 承受之外匯風險 (續)

本集團

Exposure to foreign currencies (expressed in Hong Kong dollars) 外幣風險 (按港元計算)

		2010 二零一零年		2009 二零零九年	
		United States dollars 美元 \$'000 千元	Hong Kong dollars 港元 \$'000 千元	United States dollars 美元 \$'000 千元	Hong Kong dollars 港元 \$'000 千元
Amounts due from holding companies and fellow subsidiaries	應收控股公司及同系附屬公司賬項	15,876	—	12,399	287
Cash and cash equivalents	現金及等同現金項目	64,259	296	78,210	570
Bank loans	銀行貸款	(50,591)	—	(50,408)	—
Trade and other payables	應付貿易及其他賬項	(7,214)	—	(6,364)	—
Amounts due to holding companies and fellow subsidiaries	應付控股公司及同系附屬公司賬項	(8,677)	(14,692)	(11,464)	(10,012)
Net exposure	風險承擔淨額	13,653	(14,396)	22,373	(9,155)

The Company

本公司

Exposure to foreign currencies (expressed in Hong Kong dollars) 外幣風險 (按港元計算)

		2010 二零一零年 United States dollars 美元 \$'000 千元	2009 二零零九年 United States dollars 美元 \$'000 千元
Amounts due from holding companies and fellow subsidiaries	應收控股公司及同系附屬公司賬項	10,818	6,753
Cash and cash equivalents	現金及等同現金項目	6,659	32,627
Trade and other payables	應付貿易及其他賬項	(7,214)	(6,364)
Amounts due to holding companies and fellow subsidiaries	應付控股公司及同系附屬公司賬項	(6,776)	(9,076)
Net exposure	風險承擔淨額	3,487	23,940

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

財務報表附註

(除另有指示外，均按港幣計算)

29 Financial risk management and fair values

(Continued)

(d) Currency risk (Continued)

(ii) Sensitivity analysis

The following table indicates the instantaneous change in the Group's loss after tax and accumulated losses/retained profits that would arise if foreign exchange rates to which the group entities have significant exposure at the end of the reporting period had changed at that date, assuming all other risk variables remained constant. In this respect, it is assumed that the pegged rate between the Hong Kong dollar and the United States dollar would be materially unaffected by any changes in movement in value of the United States dollar against other currencies. Also, tax effect was assumed nil for the entities which had unrecognised tax losses for deferred tax purpose since it is not probable that they would generate future taxable profits against which tax losses can be utilised.

		2010 二零一零年			2009 二零零九年		
		Increase/ (decrease) in foreign exchange rates 外匯匯率 上升/ (下跌)	Increase/ (decrease) in loss after tax 除稅後虧損 增加/ (減少) \$'000 千元	Increase/ (decrease) in accumulated losses 累計虧損 增加/ (減少) \$'000 千元	Increase/ (decrease) in foreign exchange rates 外匯匯率 上升/ (下跌)	Increase/ (decrease) in loss after tax 除稅後虧損 增加/ (減少) \$'000 千元	Increase/ (decrease) in retained profits 收益儲備 增加/ (減少) \$'000 千元
United States dollars	美元	5% (5)%	(2,346) 2,346	(2,346) 2,346	5% (5)%	1,721 (1,721)	(1,721) 1,721
Hong Kong dollars	港元	5% (5)%	(720) 720	(720) 720	5% (5)%	317 (317)	(317) 317

Results of the analysis as presented in the above table represent an aggregation of the instantaneous effects on each of the group entities' profit or loss measured in the respective functional currencies, translated into Hong Kong dollars at the exchange rate ruling at the end of the reporting period for presentation purposes.

The sensitivity analysis assumes that the change in foreign exchange rates had been applied to re-measure those financial instruments held by the Group which expose the Group to currency risk at the end of the reporting period, including inter-company payables and receivables within the Group which are denominated in a currency other than the functional currency of the lender or the borrower. The analysis excludes differences that would result from the translation of the financial statements of subsidiaries outside Hong Kong into the Group's presentation currency. The analysis is performed on the same basis for 2009.

(e) Fair value

The non-trade balances with holding companies and fellow subsidiaries are unsecured, interest-free and have no fixed repayment terms. Given these terms, it is not meaningful to disclose their fair values.

All other significant financial assets and liabilities are carried at amounts not materially different from their fair values as at 31 December 2010 and 2009.

29 金融風險管理及公允價值 (續)

(d) 外匯風險 (續)

(ii) 敏感性分析

下表顯示本集團於結算日時具重大風險之外幣匯率於當日變動對本集團之除稅後虧損及累計虧損／收益儲備之即時影響，已假設其他風險變數不變。就此而言，已假設港元及美元之間的聯繫匯率大致上不受美元兌其他貨幣之價值變動所影響。並且，由於未能確定未來能夠獲得足夠應課稅盈利以抵扣稅項虧損，實體有未確認稅項虧損所致之遞延稅項，因此假設並無稅務影響。

上表所呈列之分析結果指本集團各個實體以個別功能貨幣計量(為呈報目的，已按結算日之匯率兌換為港元)之本年度損益之即時合併影響。

敏感性分析已假設外幣匯率之變動已用於重新計量本集團所持有並於結算日使本集團面臨外匯風險之金融工具，包括集團間以並非借方或貸方之功能貨幣作單位的應收及應付賬項。此變動代表管理層對截至下一年度結算日的匯率可能變動的合理評估。此分析不包括將香港以外附屬公司之財務報表換算成本集團之呈列貨幣所產生之差額。該項分析按與二零零九年相同之基準進行。

(e) 公允價值

與控股公司及同系附屬公司的非貿易賬項結餘均為無抵押及免息且無固定還款期。鑑於該等條款，披露其公允價值之意義不大。

所有其他重大金融資產及負債的賬面價值均與其於二零一零年及二零零九年十二月三十一日的公允價值並無重大差異。

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

財務報表附註

(除另有指示外，均按港幣計算)

30 Commitments

- (a) Capital commitments outstanding at 31 December 2010 not provided for in the financial statements were as follows:

		The Group 本集團		The Company 本公司	
		2010 二零一零年 \$'000 千元	2009 二零零九年 \$'000 千元	2010 二零一零年 \$'000 千元	2009 二零零九年 \$'000 千元
Contracted for	已訂約	325	—	325	—
Authorised but not contracted for	已批准但未訂約	2,182	2,396	1,300	214
		2,507	2,396	1,625	214

- (b) At 31 December 2010, the total future minimum lease payments under non-cancellable operating leases were payable as follows:

		The Group 本集團		The Company 本公司	
		2010 二零一零年 \$'000 千元	2009 二零零九年 \$'000 千元	2010 二零一零年 \$'000 千元	2009 二零零九年 \$'000 千元
Land and buildings	土地及房產				
Within 1 year	一年內	1,824	205	—	—
After 1 year but within 5 years	一年後但五年內	1,065	108	—	—
		2,889	313	—	—
Plant and machinery	廠房及機器				
Within 1 year	一年內	5	159	—	—
After 1 year but within 5 years	一年後但五年內	—	292	—	—
		5	451	—	—
		2,894	764	—	—

The Group, as a lessee, leases a number of properties and items of machinery and equipment 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. None of the leases includes contingent rentals.

30 承擔

- (a) 於二零一零年十二月三十一日，未在財務報表中撥備之未付資本承擔詳情如下：

- (b) 於二零一零年十二月三十一日，根據不可撤銷經營租賃而應付之未來最低租賃款項如下：

本集團作為承租人根據經營租賃而租賃多項房產以及廠房及機器項目。該等租賃一般初步為期兩年，並且有權選擇在到期日後續期，屆時所有條款均可重新商定。各項經營租賃並不包括或有租金。

NOTES TO THE FINANCIAL STATEMENTS

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財務報表附註

(除另有指示外，均按港幣計算)

31 Material related party transactions

In addition to the transactions and balances disclosed elsewhere in these financial statements, the Group entered into the following material related party transactions:

(a) Transactions with group companies

			Amounts	Due from/(to)		
			金額	balances at year end		
				應收／(付) 年底結存		
		Note	2010	2009	2010	2009
		附註	二零一零年	二零零九年	二零一零年	二零零九年
			\$'000	\$'000	\$'000	\$'000
			千元	千元	千元	千元
Purchases from	購自	(i)				
— ultimate holding company	— 最終控股公司		7	—	(7)	—
— intermediate holding company	— 中介控股公司		4,484	3,936	(517)	—
— fellow subsidiaries	— 同系附屬公司		37,069	28,771	(7,842)	(9,287)
— related companies	— 關連公司		5,453	—	(466)	—
Sales to	售予	(i)				
— intermediate holding company	— 中介控股公司		55,891	27,321	9,116	6,211
— fellow subsidiaries	— 同系附屬公司		46	51	20	—
Royalty payments to	支付專利權費用	(ii)				
— intermediate holding companies	— 中介控股公司		1,554	2,412	(1,311)	(69)
— a fellow subsidiary	— 同系附屬公司		415	—	(383)	(2,124)
— a related company	— 關連公司		1,951	1,929	(1,930)	(1,931)
Engineering design fee payable to a fellow subsidiary	支付同系附屬公司工程設計費用	(iii)	—	512	(234)	(256)
Leasing fee from a fellow subsidiary	收同系附屬公司租賃費用	(iv)	2,984	—	—	—

Notes:

(i) Sales to and purchases from group companies were carried out at terms mutually agreed by both parties. The terms of the outstanding balances are set out in note 21.

Related companies are related to the Group as their ultimate holding company has a significant influence over the Group.

(ii) Royalty is payable to an intermediate holding companies, a fellow subsidiary and a non-controlling shareholder for the use of certain trademarks pursuant to relevant licensing agreements.

During the year, an intermediate holding company waived the Group's royalty amounting to \$603,000, which is not included in the amounts disclosed above.

(iii) Engineering design service was provided by a fellow subsidiary in respect of a subsidiary's brewery expansion plan according to the Engineering Design Services Agreement.

(iv) Leasing fee from a fellow subsidiary represented a rental income earned by renting the Group's waste water discharge pipeline located in the PRC to a fellow subsidiary.

These transactions also constitute connected transactions under the Listing Rules, except for the purchases from related companies which the directors do not consider as connected transactions under the Listing Rules.

31 重大關連人士交易

除本財務報表另有披露之交易及結餘外，本集團已訂立以下重大關連人士交易：

(a) 集團內主要關連交易

Accounts		Due from/(to) balances at year end	
金額		應收／(付) 年底結存	
2009 二零零九年 \$'000 千元	2010 二零一零年 \$'000 千元	2009 二零零九年 \$'000 千元	2009 二零零九年 \$'000 千元
—	(7)	—	—
3,936	(517)	—	—
28,771	(7,842)	(9,287)	(9,287)
—	(466)	—	—
27,321	9,116	6,211	6,211
51	20	—	—
2,412	(1,311)	(69)	(69)
—	(383)	(2,124)	(2,124)
1,929	(1,930)	(1,931)	(1,931)
512	(234)	(256)	(256)
—	—	—	—

附註：

(i) 此等交易按雙方同意之條款進行。有關其結餘之條款於附註21內列明。

關連公司與本集團有關連因其最終控股公司對本集團有重大影響。

(ii) 專利權是指就有關特許合同所訂，因使用個別商標支付予中介控股公司，同系附屬公司及一非控股股東的費用。

於本年度，一中介控股公司撤回本集團的專利權費用共603,000元，此金額並沒有包括在以上所披露的金額中。

(iii) 工程設計費用乃根據工程設計合同就附屬公司之釀酒擴展計劃由一同系附屬公司提供。

(iv) 收同系附屬公司租賃費用是指一同系附屬公司租用集團於中國的污水排放管道所賺得的租金收入。

根據上市規則，此等交易構成關連交易。本公司董事考慮採購自關連公司交易除外。

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(Expressed in Hong Kong dollars unless otherwise indicated)

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(除另有指示外，均按港幣計算)

31 Material related party transactions (Continued)

(b) Other transactions with group companies

		Amounts 金額		Due from/(to) balances at year end 應收／(付) 年底結存	
		2010 二零一零年 \$'000 千元	2009 二零零九年 \$'000 千元	2010 二零一零年 \$'000 千元	2009 二零零九年 \$'000 千元
Expenses paid by the Group on behalf of group companies	由本集團代關連公司代支費用				
— ultimate holding company	— 最終控股公司	3,321	3,349	1,630	540
— intermediate holding companies	— 中介控股公司	232	15	4,942	5,644
— immediate holding company	— 直接控股公司	—	2	—	2
— fellow subsidiaries	— 同系附屬公司	386	150	220	63
Expenses paid by group companies on the Group's behalf	由關連公司代本集團代支費用				
— ultimate holding company	— 最終控股公司	126	4,267	—	—
— intermediate holding companies	— 中介控股公司	1,757	557	—	—
— fellow subsidiaries	— 同系附屬公司	31	88	(701)	(57)

(c) Key management personnel remuneration

Remuneration for key management personnel of the Group, including amounts paid to the Company's directors as disclosed in note 8 and the highest paid employees as disclosed in note 9, is as follows:

		2010 二零一零年 \$'000 千元	2009 二零零九年 \$'000 千元
Short-term employee benefits	短期僱員福利	14,782	16,141
Post-employment benefits	離職後福利	779	742
		15,561	16,883

Total remuneration is included in "staff costs" (see note 6(b)).

31 重大關連人士交易 (續)

(b) 集團內其他關連交易

(c) 主要管理人員酬金

本集團主要管理人員之酬金(包括附註8所披露向本公司董事支付之款項及附註9所披露向若干最高薪僱員支付之款項)如下：

		2010 二零一零年 \$'000 千元	2009 二零零九年 \$'000 千元
Short-term employee benefits	短期僱員福利	14,782	16,141
Post-employment benefits	離職後福利	779	742
		15,561	16,883

總酬金已計入「員工薪酬」內(見附註6(b))。

32 Contingent liabilities

As at 31 December 2010, there were contingent liabilities in respect of guarantees given to banks by the Company to secure banking facilities made available to a subsidiary which expire on 21 June 2011, 2 September 2011 and 12 October 2011.

As at the end of the reporting period, the directors do not consider it probable that a claim will be made against the Company under any of the guarantees. The maximum liability of the Company at the end of the reporting period under the guarantees issued is the facilities drawn down by the subsidiary of \$249,206,000 (2009: \$242,343,000).

The Company has not recognised any deferred income in respect of the guarantees as the fair values cannot be reliably measured and its transaction price was \$Nil (2009: \$Nil).

32 或然負債

於二零一零年十二月三十一日，本公司存在因向一間銀行作出擔保以為一間附屬公司取得銀行信貸而產生的或然負債，該擔保將於二零一一年六月二十一日，二零一一年九月二日及二零一一年十月十二日到期。

於結算日，董事認為就該擔保而對本公司構成賠償的機會不大。於結算日本公司已作出擔保下的最高負債為該附屬公司動用之備用信貸249,206,000元(二零零九年：242,343,000元)。

因該擔保的公允值無法準確計算，且其交易價格為零元(二零零九年：零元)，本公司尚未確認有關該擔保的任何遞延收入。

33 Immediate and ultimate controlling party

At 31 December 2010, the Directors consider the immediate parent and ultimate controlling party of the Group to be Neptunia Corporation Limited and San Miguel Corporation respectively. Neptunia Corporation Limited is incorporated in Hong Kong while San Miguel Corporation is incorporated in the Republic of the Philippines. San Miguel Corporation produces financial statements available for public use.

34 Accounting judgements and estimates

Notes 5 and 26 contain information about the assumptions and their risk factors relating to the non-current assets impairment and retirement benefit liabilities. Other key sources of estimation uncertainty are as follows:

(a) Impairment of fixed assets, intangible assets and other tangible assets

If the circumstances indicate that the carrying values of these assets may not be recoverable, the assets may be considered "impaired" and an impairment loss may be recognised in accordance with HKAS 36, *Impairment of assets*. Under HKAS 36, these assets are tested for impairment whenever events or changes in circumstances indicate that their recorded carrying amounts may not be recoverable. When such a decline has occurred, the carrying amount is reduced to recoverable amount. The recoverable amount is the greater of its fair value less costs to sell and value in use. In determining the value in use, expected cash flows generated by the asset are discounted to their present value, which requires significant judgement relating to level of sale volume, selling prices and amount of operating costs. The Group uses all readily available information in determining an amount that is a reasonable approximation of the recoverable amount, including estimates based on reasonable and supportable assumptions and projections of sale volume, selling prices and amount of operating costs. However, actual sale volume, selling prices and operating costs may be different from assumptions which may result in a material adjustment to the carrying amount of the assets affected.

(b) Depreciation or amortisation of fixed assets

Fixed assets are depreciated or amortised on a straight-line basis over their estimated useful lives, after taking into account the estimated residual values, if any. The Group reviews the estimated useful lives and the estimated residual values, if any, of the assets regularly in order to determine the amount of depreciation or amortisation expense to be recorded during any reporting period. The useful lives and residual values are based on the Group's historical experience with similar assets and taking into account anticipated technological changes. The depreciation or amortisation expense for future periods is adjusted if there are significant changes from previous estimates.

33 直接及最終控股公司

於二零一零年十二月三十一日，董事認為本集團的直接母公司及最終控股公司分別為立端利有限公司及生力總公司。立端利有限公司於香港註冊成立而生力總公司則於菲律賓共和國註冊成立。生力總公司編製財務報表予公眾使用。

34 會計估計及判斷

除於附註5及26載有有關非流動資產減值及退休福利負債之假設外，以下關鍵會計政策亦涉及重大判斷及估計：

(a) 固定資產、無形資產及其他有形資產之減值

倘有情況顯示該等資產可能無法收回，資產可被視為「已減值」，並可按照香港會計準則第36號「資產減值」確認減值虧損。根據香港會計準則第36號，該等資產於事件或情況變化顯示其記錄之賬面值可能無法收回時，即須進行減值測試。於出現有關減幅時，賬面值須削減至可收回金額。可收回金額為淨出售價與使用價值兩者的較高者。於釐定使用價值時資產所產生之預期現金流量乃貼現至其現值，此舉須對有關銷量、售價及經營成本金額作出重大判斷。本集團運用所有可用資料以確定可收回金額的合理概算，包括根據銷量、售價及經營成本金額之合理及具支持力假設和預測。然而，實際銷量、售價及經營成本可能有別於假設，並可能須對受影響資產的賬面值作出重大調整。

(b) 固定資產之折舊或攤銷

固定資產於計及其估值剩餘價值（如有）後，在其估計可使用年限按直線法折舊或攤銷。本集團定期對資產的估計可使用年限及估計剩餘價值（如有）作出檢討，以釐定於報告期內所須記錄的折舊或攤銷開支。可使用年限及剩餘價值乃根據本集團對類似資產的過往經驗及考慮到技術的預期變動而作出。倘與過往估計有重大改變，未來期間的折舊或攤銷開支須予調整。

34 Accounting judgements and estimates (Continued)

(c) Amortisation of other tangible assets

Other tangible assets are amortised on a straight-line basis over their estimated useful lives, after taking into account the estimated residual values. The Group reviews the estimated useful lives and estimated residual values of the assets regularly in order to determine the amount of amortisation charge to be recorded during any reporting period. The useful lives and residual values are based on the Group's historical experience with similar assets. The amortisation charge for future periods is adjusted if there are significant changes from previous estimates.

(d) Impairment loss for doubtful debts

The Group maintains an allowance for doubtful debts for estimated losses resulting from the inability of the debtors to make required payments. The Group bases the estimates of future cash flows on the ageing of the trade receivable balance, debtors' credit-worthiness, and historical write-off experience. If the financial condition of the debtors were to deteriorate, actual write-offs would be higher than estimated.

(e) Write down of inventories

The Group performs regular review of the carrying amounts of inventories with reference to aged inventories analysis, expected future consumption and management judgement. Based on this review, write down of inventories will be made when the estimated net realisable value of inventories declines below the carrying amount. However, actual consumption may be different from estimation and profit or loss could be affected by differences in this estimation.

(f) Useful lives of intangible assets

Intangible assets are not amortised as their useful lives are assessed to be indefinite. The conclusion that the useful life of an intangible asset is indefinite is reviewed annually to determine whether events and circumstances continue to support the indefinite useful life assessment. The Group may need to amortise intangible assets in future periods or recognise impairment losses on intangible assets if events and circumstances indicate that the useful life is not indefinite.

(g) Deferred tax assets

Deferred tax assets are recognised for tax losses not yet used and temporary deductible differences. As those deferred tax assets can only be recognised to the extent that it is probable that future taxable profit will be available against which the unused tax credits can be utilised, management's judgement is required to assess the probability of future taxable profits. Management's assessment is constantly reviewed and additional deferred tax assets are recognised if it becomes probable that future taxable profits will allow the deferred tax assets to be recovered.

34 會計估計及判斷 (續)

(c) 其他有形資產的攤銷

其他有形資產於計及估計剩餘價值後，在其估計可使用年限按直線法攤銷。本集團定期對資產的估計可使用年限及估計剩餘價值作出檢討，以釐定於報告期內所須記錄的攤銷開支。可使用年限及剩餘價值乃根據本集團對類似資產的過往經驗而作出。倘與過往估計有重大改變，未來期間的攤銷開支須予調整。

(d) 呆壞賬減值虧損

本集團就債務人由於無法作出所須付款而導致的估計虧損計提呆壞賬的減值虧損。本集團按照應收貿易賬款結餘之賬齡、債務人的信譽及過往撇賬經驗對未來現金流量作出估計。倘債務人的財政狀況惡化，實際撇賬額可能高於估計數字。

(e) 撇減存貨

本集團以存貨之賬齡分析，預計未來消耗量及管理層之判斷作參考，定期檢討存貨之賬面值。根據此等檢討，倘若存貨之可變現淨值下跌至低於其賬面值，存貨就作出減值。然而，實際消耗量跟估計可能不同，而估計之差異對損益會造成影響。

(f) 無形資產之可使用年期

無形資產並不會作攤銷，這是因為無形資產之可使用年期是定為不確定。基於以上原因，無形資產的可使用年期會於每年審閱以確定這些環境是否能繼續支持無形資產的使用年期為不確定。如果在未來期間環境表明可使用年期為確定，本集團可能會對無形資產作出攤銷或確認減值虧損。

(g) 遞延稅項資產

遞延稅項資產乃就未動用之稅項虧損及暫時扣減差額確認。由於該等遞延稅項資產的確認僅限於未來應課稅盈利將可用作抵銷未動用而可動用的稅收抵免，管理層須評估未來應課稅盈利之可能性。管理層對相關評估作出定期審閱，倘未來應課稅盈利將允許收回遞延稅項資產，則會確認額外遞延稅項資產。

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

財務報表附註

(除另有指示外，均按港幣計算)

35 Possible impact of amendments, new standards and interpretations issued but not yet effective for the year ended 31 December 2010

Up to the date of issue of these financial statements, the HKICPA has issued a number of amendments and interpretations and one new standard which are not yet effective for the year ended 31 December 2010 and which have not been adopted in these financial statements. These include the following which may be relevant to the Group:

	Effective for accounting periods beginning on or after
Revised HKAS 24, <i>Related party disclosures</i>	1 January 2011
HKFRS 9, <i>Financial instruments</i>	1 January 2013
Improvements to HKFRSs 2010	1 July 2010 or 1 January 2011
Amendments to HKAS 12, <i>Income taxes</i>	1 January 2012

The Group is in the process of making an assessment of what the impact of these amendments is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the Group's or the Company's results of operations and financial position.

35 已頒布但未於截至二零一零年十二月三十一日止年度生效的準則修訂、新準則及詮釋可能造成的影響

截至本財務報表刊發日，香港會計師公會已頒布多項於截至二零一零年十二月三十一日止年度仍未生效的準則修訂、詮釋及一項新準則，而本財務報表並無採納該等修訂、新準則及詮釋。其中，以下與本集團有關：

	於下列日期 或之後開始 之會計期間生效
香港會計準則第24號 (經修訂) 「關聯方披露」	二零一一年 一月一日
香港財務報告準則 第9號「金融工具」	二零一三年 一月一日
香港財務報告準則 之改進二零一零	二零一零年 七月一日 或二零一一年 一月一日
香港會計準則第12號 (修訂)「所得稅」	二零一二年 一月一日

本集團正評估該等準則修訂於首次應用時的影響，到目前為止，本集團認為採納該等準則修訂對本集團或本公司的經營業績及財務狀況構成重大影響的可能性不大。

INDEPENDENT AUDITOR'S REPORT | 獨立核數師報告

Independent auditor's report to the shareholders of San Miguel Brewery Hong Kong Limited *(Incorporated in Hong Kong with limited liability)*

We have audited the consolidated financial statements of San Miguel Brewery Hong Kong Limited (the "Company") and its subsidiaries (together "the Group") set out on pages 60 to 136 which comprise the consolidated and company statements of financial position as at 31 December 2010, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory information.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the Hong Kong Companies Ordinance and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. This report is made 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.

We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the consolidated financial statements.

致香港生力啤酒廠有限公司股東

(於香港註冊成立的有限公司)

本核數師(以下簡稱「我們」)已審核列載於第60頁至第136頁香港生力啤酒廠有限公司(「貴公司」)及其附屬公司(全體稱為「貴集團」)的綜合財務報表，此綜合財務報表包括於二零一零年十二月三十一日的綜合和公司財務狀況表與截至該日止年度的綜合收益表、綜合全面收益表、綜合權益變動表和綜合現金流量表，以及主要會計政策概要及其他附註解釋資料。

董事就綜合財務報表須承擔的責任

董事須負責根據香港會計師公會頒佈的香港財務報告準則及香港《公司條例》編製財務報表，以令財務報表作出真實而公允反映及落實其認為編製財務報表所必要的內部控制，以使財務報表不存在由於欺詐或錯誤而導致的重大錯誤陳述。

核數師的責任

我們的責任是根據我們的審核對該等財務報表作出意見。我們按照香港《公司條例》第141條的規定，僅向整體股東報告。除此以外，我們的報告書不可用作其他用途。我們概不就本報告書的內容，對任何其他人士負責或承擔法律責任。

我們已根據香港會計師公會頒佈的香港審計準則進行審核。這些準則要求我們遵守道德規範，並規劃及執行審核，以合理確定此等財務報表是否不存有任何重大錯誤陳述。

審核涉及執执行程序以獲取有關財務報表所載金額及披露資料的審核憑證。所選定的程序取決於核數師的判斷，包括評估由於欺詐或錯誤而導致財務報表存有重大錯誤陳述的風險。在評估該等風險時，核數師考慮與該公司編製及真實而公允地列報財務報表相關的內部控制，以設計適當的審核程序，但並非為對公司的內部控制的效能發表意見。審核亦包括評價董事所採用的會計政策的合適性及所作出的會計估計的合理性，以及評價財務報表的整體列報方式。

INDEPENDENT AUDITOR'S REPORT | 獨立核數師報告

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31 December 2010 and of the Group's loss and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the Hong Kong Companies Ordinance.



KPMG
Certified Public Accountants

8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

11 March 2011

我們相信，我們所獲得的審核憑證是充足和適當地為我們的審核意見提供基礎。

意見

我們認為，該等綜合財務報表已根據香港財務報告準則真實而公允地反映 貴公司及 貴集團於二零一零年十二月三十一日的事務狀況及截至該日止年度 貴集團的虧損和現金流量，並已按照香港《公司條例》妥為編製。



畢馬威會計師事務所
執業會計師

香港中環
遮打道10號
太子大廈8樓

二零一一年三月十一日



Throughout 2010, we defended our leadership position with a broad variety of strategic programs aimed at strengthening and building San Miguel's brand equity and underpinning its bond with customers and consumers.

FIVE YEAR SUMMARY | 五年賬目摘要

(Expressed in Hong Kong dollars)

(以港幣計算)

The Group 本集團

		2010 二零一零年 \$'000 千元	2009 二零零九年 \$'000 千元	2008 二零零八年 \$'000 千元	2007 二零零七年 \$'000 千元	2006 二零零六年 \$'000 千元
Results	業績					
Turnover	營業額	589,322	696,824	753,375	754,833	826,817
Loss before taxation	除稅前虧損	(782,509)	(345,324)	(316,692)	(315,178)	(111,889)
Income tax credit	所得稅計入	8,522	2,272	58,537	55,355	6,514
Loss for the year	年度虧損	(773,987)	(343,052)	(258,155)	(259,823)	(105,375)
Attributable to:	應佔如下：					
— Equity shareholders of the Company	— 本公司權益持有人	(736,984)	(334,856)	(259,907)	(262,127)	(69,540)
— Non-controlling interests	— 非控股權益	(37,003)	(8,196)	1,752	2,304	(35,835)
Loss for the year	年度虧損	(773,987)	(343,052)	(258,155)	(259,823)	(105,375)
Loss per share	每股虧損					
— Basic (cents)	— 基本(仙)	(197)	(90)	(70)	(70)	(19)
Cash dividends per share (cents)	每股現金股息(仙)	—	—	—	—	—
Assets and liabilities	資產與負債					
Fixed assets	固定資產	398,011	1,087,198	1,379,561	1,496,910	1,769,377
Intangible assets	無形資產	5,678	17,122	28,722	39,643	39,564
Goodwill	商譽	—	—	—	5,044	5,044
Other tangible assets	其他有形資產	—	18,565	41,192	53,164	49,000
Net current assets	流動資產淨值	9,988	77,370	94,463	229,015	329,619
Total assets less current liabilities	總資產減流動負債	413,677	1,200,255	1,543,938	1,823,776	2,192,604
Long term bank loans (unsecured)	長期銀行貸款 (無抵押)	—	—	—	—	(95,000)
Retirement benefit liabilities	退休福利負債	(18,143)	(18,089)	(37,845)	(8,625)	(14,870)
Deferred tax liabilities	遞延稅項負債	(4,060)	(12,682)	(15,168)	(63,586)	(107,117)
Net assets	資產淨值	391,474	1,169,484	1,490,925	1,751,565	1,975,617

FIVE YEAR SUMMARY | 五年賬目摘要

(Expressed in Hong Kong dollars)

(以港幣計算)

		The Group 本集團				
		2010 二零一零年 \$'000 千元	2009 二零零九年 \$'000 千元	2008 二零零八年 \$'000 千元	2007 二零零七年 \$'000 千元	2006 二零零六年 \$'000 千元
Capital and reserves	股本及儲備					
Share capital	股本	186,785	186,785	186,785	186,785	186,785
Reserves	儲備	205,485	945,805	1,259,120	1,524,003	1,752,617
Total equity attributable to equity shareholders of the Company	本公司權益持有人應佔權益	392,270	1,132,590	1,445,905	1,710,788	1,939,402
Non-controlling interests	非控股權益	(796)	36,894	45,020	40,777	36,215
Total equity	權益總值	391,474	1,169,484	1,490,925	1,751,565	1,975,617

Notes to the five year summary:

五年賬目摘要附註：

In order to comply with the amendments to HKAS 27, *Consolidated and separate financial statements*, in 2010, the Group changed its accounting policy for the allocation of losses to non-controlling interests. This change has been applied prospectively as from the year ended 31 December 2010 and net assets and losses for earlier periods have not been restated.

為了符合香港會計準則第27號(修訂)「綜合及獨立財務報表」，於二零一零年，本集團改變其分配虧損予非控股權益之會計政策。此改變由截至二零一零年十二月三十一日止年度開始已被追溯性地應用，較早期間資產淨值及虧損則未被重列。

在七月，生力廣東推出冰純龍啤
以在口味較清淡的啤酒市場上
來直接競爭。





**SAN MIGUEL BREWERY
HONG KONG LTD.**

香港生力啤酒廠有限公司

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SAN MIGUEL BREWERY HONG KONG LTD.

香港生力啤酒廠有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 236)

ANNOUNCEMENT OF RESULTS FOR THE YEAR ENDED 31 DECEMBER 2010

The Board of Directors of San Miguel Brewery Hong Kong Limited (the “Company”) hereby announces the consolidated results of the Company and its subsidiaries (the “Group”) for the year ended 31 December 2010, together with the comparative figures for the previous financial year. The annual results have been reviewed by the Audit Committee of the Company.

CONSOLIDATED INCOME STATEMENT

for the year ended 31 December 2010

(Expressed in Hong Kong dollars)

		2010	2009
	Note	\$'000	\$'000
Turnover	3, 4	589,322	696,824
Cost of sales		(333,715)	(335,051)
Gross profit		255,607	361,773
Other revenue	5	13,841	10,372
Other net income/(expenses)	5	1,975	(8,933)
Selling and distribution expenses		(270,487)	(302,960)
Administrative expenses		(78,162)	(70,077)
Other operating expenses		(9,096)	(19,761)
Impairment losses of non-current assets	6	(684,283)	(302,293)
Loss from operations		(770,605)	(331,879)
Finance costs	7(a)	(11,904)	(13,445)
Loss before taxation	4, 7	(782,509)	(345,324)
Income tax credit	8	8,522	2,272
Loss for the year		(773,987)	(343,052)
Attributable to:			
Equity shareholders of the Company		(736,984)	(334,856)
Non-controlling interests		(37,003)	(8,196)
Loss for the year		(773,987)	(343,052)
Loss per share			
— Basic (cents)	9(a)	(197)	(90)
— Diluted (cents)	9(b)	N/A	N/A

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME*for the year ended 31 December 2010**(Expressed in Hong Kong dollars)*

	2010 \$'000	2009 \$'000
Loss for the year	(773,987)	(343,052)
Other comprehensive income for the year (after tax)		
Exchange differences on translation of:		
— financial statements of subsidiaries outside Hong Kong	(17,088)	76
— monetary items that form part of the net investment in subsidiaries outside Hong Kong	12,577	336
	(4,511)	412
Actuarial gains and losses of defined benefit retirement plan	488	21,199
	(4,023)	21,611
Total comprehensive income for the year	(778,010)	(321,441)
Attributable to:		
Equity shareholders of the Company	(740,320)	(313,315)
Non-controlling interests	(37,690)	(8,126)
Total comprehensive income for the year	(778,010)	(321,441)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

at 31 December 2010

(Expressed in Hong Kong dollars)

		2010	2009
	Note	\$'000	\$'000
Non-current assets			
Fixed assets			
— Property, plant and equipment		218,426	946,321
— Investment properties		82,884	85,085
— Interests in leasehold land held for own use under operating leases		96,701	55,792
		<u>398,011</u>	<u>1,087,198</u>
Intangible assets		5,678	17,122
Other tangible assets		<u>—</u>	<u>18,565</u>
		<u>403,689</u>	<u>1,122,885</u>
Current assets			
Non-current assets held for sale		—	6,997
Inventories		49,772	60,673
Trade and other receivables	10	70,656	73,941
Amounts due from holding companies and fellow subsidiaries		15,928	12,460
Pledged deposits		60,000	60,000
Bank deposits		5,876	—
Cash and cash equivalents		220,556	285,902
		<u>422,788</u>	<u>499,973</u>
Current liabilities			
Bank loans		(249,206)	(242,343)
Trade and other payables	11	(150,203)	(166,536)
Amounts due to holding companies and fellow subsidiaries		(10,995)	(11,793)
Amounts due to related companies		<u>(2,396)</u>	<u>(1,931)</u>
		<u>(412,800)</u>	<u>(422,603)</u>
Net current assets		<u>9,988</u>	<u>77,370</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(continued)**at 31 December 2010**(Expressed in Hong Kong dollars)*

	2010	2009
<i>Note</i>	\$'000	\$'000
Total assets less current liabilities	413,677	1,200,255
Non-current liabilities		
Retirement benefit liabilities	(18,143)	(18,089)
Deferred tax liabilities	(4,060)	(12,682)
	(22,203)	(30,771)
NET ASSETS	391,474	1,169,484
CAPITAL AND RESERVES		
Share capital	186,785	186,785
Reserves	205,485	945,805
Total equity attributable to equity shareholders of the Company	392,270	1,132,590
Non-controlling interests	(796)	36,894
TOTAL EQUITY	391,474	1,169,484

NOTES TO THE ANNUAL RESULTS

(Expressed in Hong Kong dollars)

1. BASIS OF PREPARATION

The annual results set out in this announcement do not constitute the Group's statutory financial statements for the year ended 31 December 2010 but are extracted from those financial statements.

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

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

2. CHANGES IN ACCOUNTING POLICIES

The HKICPA has issued two revised HKFRSs, a number of amendments to HKFRSs and two new interpretations that are first effective for the current accounting period of the Group. Of these, the following developments are relevant to the Group's financial statements:

- HKFRS 3 (revised 2008), *Business combinations*
- Amendments to HKAS 27, *Consolidated and separate financial statements*
- Amendments to HKFRS 5, *Non-current assets held for sale and discontinued operations - plan to sell the controlling interest in a subsidiary*
- Improvements to HKFRSs (2009)
- HK(IFRIC) 17, *Distributions of non-cash assets to owners*
- HK(Int) 5, *Presentation of financial statements - classification by the borrower of a term loan that contains a repayment on demand clause*

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

As a result of the amendments to HKAS 27, as from 1 January 2010 any losses incurred by a non-wholly owned subsidiary will be allocated between the controlling and non-controlling interests (previously known as the "minority interests") in proportion to their interests in that entity, even if this results in a deficit balance within consolidated equity being attributed to the non-controlling interests.

Previously, if the allocation of losses to the non-controlling interests would have resulted in a deficit balance, the losses were only allocated to the non-controlling interests if the non-controlling interests were under a binding obligation to make good the losses.

In accordance with the transitional provisions in HKAS 27, this new accounting policy is being applied prospectively and therefore previous periods have not been restated.

2. CHANGES IN ACCOUNTING POLICIES (continued)

The adjustments for each financial statement line items affected for the year ended 31 December 2010 were as follows:

((Increase)/Decrease)

	\$'000
Consolidated income statement	
Attributable to:	
Equity shareholders of the Company	21,490
Non-controlling interests	<u>(21,490)</u>
Loss per share:	
Basic (cents)	<u>6</u>
Consolidated statement of comprehensive income	
Attributable to:	
Equity shareholders of the Company	23,060
Non-controlling interests	<u>(23,060)</u>
Consolidated statement of financial position	
Non-controlling interests	<u>23,060</u>

The amendment introduced by the *Improvements to HKFRSs (2009)* omnibus standard in respect of HKAS 17, *Leases*, and the issuance of HK(Int) 5 have had no material impact on the Group's financial statements as the amendment and the interpretation's conclusions were consistent with the policies already adopted by the Group. The other developments resulted in changes in accounting policy but none of these changes in policy have a material impact on the current or comparative periods, for the following reasons:

- The impact of the majority of the revisions to HKFRS 3, HKAS 27, HKFRS 5 and HK(IFRIC) 17 have not yet had a material effect on the Group's financial statements as these changes will first be effective as and when the Group enters into a relevant transaction (for example, a business combination, a disposal of a subsidiary or a non-cash distribution) and there is no requirement to restate the amounts recorded in respect of previous such transactions.
- The impact of the amendments to HKFRS 3 (in respect of recognition of acquiree's deferred tax assets) has had no material impact as there is no requirement to restate amounts recorded in previous periods and no such deferred tax assets arose in the current period.

2. CHANGES IN ACCOUNTING POLICIES *(continued)*

Further details of these changes in accounting policy are as follows:

- As a result of the adoption of HKFRS 3 (revised 2008), any business combination acquired on or after 1 January 2010 will be recognised in accordance with the new requirements and detailed guidance contained in HKFRS 3 (revised 2008). These include the following changes in accounting policies:
 - Transaction costs that the Group incurs in connection with a business combination, such as finder's fees, legal fees, due diligence fees, and other professional and consulting fees, will be expensed as incurred, whereas previously they were accounted for as part of the cost of the business combination and therefore impacted the amount of goodwill recognized.
 - If the Group holds interests in the acquiree immediately prior to obtaining control, these interests will be treated as if disposed of and re-acquired at fair value on the date of obtaining control. Previously, the step-up approach would have been applied, whereby goodwill was computed as if accumulated at each stage of the acquisition.
 - Contingent consideration will be measured at fair value at the acquisition date. Subsequent changes in the measurement of that contingent consideration unrelated to facts and circumstances that existed at the acquisition date will be recognised in profit or loss, whereas previously these changes were recognised as an adjustment to the cost of the business combination and therefore impacted the amount of goodwill recognized.
 - If the acquiree has accumulated tax losses or other temporary deductible differences and these fail to meet the recognition criteria for deferred tax assets at the date of acquisition, then any subsequent recognition of these assets will be recognised in profit or loss, rather than as an adjustment to goodwill as was previously the policy.
 - In addition to the Group's existing policy of measuring the non-controlling interests in the acquiree at the non-controlling interest's proportionate share of the acquiree's net identifiable assets, in future the group may elect, on a transaction by transaction basis, to measure the non-controlling interest at fair value.

In accordance with the transitional provisions in HKFRS 3 (revised 2008), these new accounting policies will be applied prospectively to any business combinations in the current or future periods. The new policy in respect of recognition in the movement of deferred tax assets will also be applied prospectively to accumulated tax losses and other temporary deductible differences acquired in previous business combinations. No adjustments have been made to the carrying values of assets and liabilities that arose from business combinations whose acquisition dates preceded the application of this revised standard.

- As a result of the adoption of HKAS 27 (amended 2008), the following changes in policies will be applied as from 1 January 2010:
 - If the Group acquires an additional interest in a non-wholly owned subsidiary, the transaction will be accounted for as a transaction with equity shareholders (the non-controlling interests) in their capacity as owners and therefore no goodwill will be recognised as a result of such transactions. Similarly, if the Group disposes of part of its interest in a subsidiary but still retains control, this transaction will also be accounted for as a transaction with equity shareholders (the non-controlling interests) in their capacity as owners and therefore no profit or loss will be recognised as a result of such transactions. Previously the Group treated such acquisition of additional interests as step-up transactions. The Group did not have partial disposals in the past.

2. CHANGES IN ACCOUNTING POLICIES *(continued)*

Further details of these changes in accounting policy are as follows: *(continued)*

- If the Group loses control of a subsidiary, the transaction will be accounted for as a disposal of the entire interest in that subsidiary, with any remaining interest retained by the Group being recognised at fair value as if reacquired. In addition, as a result of the adoption of the amendment to HKFRS 5, if at the end of reporting period the Group has the intention to dispose of a controlling interest in a subsidiary, the entire interest in that subsidiary will be classified as held for sale (assuming that the held for sale criteria in HKFRS 5 are met) irrespective of the extent to which the Group will retain an interest. Previously such transactions were treated as partial disposals.

In accordance with the transitional provisions in HKAS 27, these new accounting policies will be applied prospectively to transactions in current or future periods and therefore previous periods have not been restated.

3. TURNOVER

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

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

4. SEGMENT REPORTING

The Group manages its businesses by geography. In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment, the Group has presented the following two reportable segments:

- The Hong Kong operation mainly represents the manufacture and distribution of own brewed and imported beer products in Hong Kong and overseas. In the first quarter of 2009, the Hong Kong operation solely distributed imported beer products in Hong Kong as its production plant suspended production until April 2009.
- The mainland China operation mainly represents the manufacture and distribution of own brewed beer products in the Southern part of the People's Republic of China ("PRC"). The mainland China operation also supplied beer products to the Hong Kong business until late 2009.

All of the Group's turnover is generated from the manufacture and distribution of bottled, canned and draught beers.

(a) Segment results, assets and liabilities

For the purposes of assessing segment performance and allocating resources between segments, the Group's senior executive management monitors the results, assets and liabilities attributable to each reportable segment on the following bases:

Segment assets include all tangible assets, intangible assets and current assets. Segment liabilities include trade creditors and accruals attributable to the manufacture and distribution activities of the individual segments, bank loans and retirement benefit liabilities managed directly by the segment and current liabilities with the exception of deferred tax liabilities.

The measure used for reportable segment profit or loss is profit or loss before taxation. Taxation credit is not allocated to reportable segments. Inter-segment sales are priced at cost plus profit margin.

4. SEGMENT REPORTING (continued)

(a) Segment results, assets and liabilities (continued)

Information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance for the years ended 31 December 2010 and 2009 is set out below:

	Hong Kong		Mainland China		Total	
	2010	2009	2010	2009	2010	2009
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue from external customers	410,673	416,478	178,649	280,346	589,322	696,824
Inter-segment revenue	—	—	751	84,581	751	84,581
Reportable segment revenue	410,673	416,478	179,400	364,927	590,073	781,405
Reportable segment (loss)/profit from operations	(444,181)	69,777	(338,328)	(415,101)	(782,509)	(345,324)
Interest income from bank deposits	1,268	1,227	1,316	1,722	2,584	2,949
Interest expense on bank loans	—	—	(10,532)	(10,915)	(10,532)	(10,915)
Depreciation and amortisation for the year	(34,402)	(34,475)	(18,463)	(30,500)	(52,865)	(64,975)
(Provision for)/reversal of impairment losses of						
— non-current assets	(442,633)	(11,000)	(241,650)	(291,293)	(684,283)	(302,293)
— trade and other receivables	(1,511)	664	(7)	131	(1,518)	795
Reportable segment assets	1,098,617	1,520,583	113,196	482,199	1,211,813	2,002,782
Additions to non-current segment assets during the year	5,784	3,239	9,306	50,219	15,090	53,458
Non-current assets held for sale	—	6,997	—	—	—	6,997
Reportable segment liabilities	90,280	82,656	725,999	737,960	816,279	820,616

4. SEGMENT REPORTING (continued)

(b) Reconciliation of reportable segment revenue, profit or loss, assets and liabilities

	2010 \$'000	2009 \$'000
Revenue		
Reportable segment revenue	590,073	781,405
Elimination of inter-segment revenue	(751)	(84,581)
Consolidated turnover	<u>589,322</u>	<u>696,824</u>
Loss		
Reportable segment loss from operations	(782,509)	(345,324)
Elimination of inter-segment profits	—	—
Reportable segment loss derived from Group's external customers and consolidated loss before taxation	<u>(782,509)</u>	<u>(345,324)</u>
Assets		
Reportable segment assets	1,211,813	2,002,782
Elimination of inter-segment receivables	(385,336)	(379,924)
Consolidated total assets	<u>826,477</u>	<u>1,622,858</u>
Liabilities		
Reportable segment liabilities	816,279	820,616
Elimination of inter-segment payables	(385,336)	(379,924)
	430,943	440,692
Deferred tax liabilities	4,060	12,682
Consolidated total liabilities	<u>435,003</u>	<u>453,374</u>

(c) Geographic information

The following table sets out information about the geographic location of the Group's fixed assets, intangible assets and other tangible assets ("specified non-current assets"). The geographic location of the specified non-current assets is based on the physical location of the assets, in the case of fixed assets and other tangible assets and, the location of the operation to which they are allocated, in the case of intangible assets.

	Specified non-current assets	
	2010 \$'000	2009 \$'000
Hong Kong	370,009	829,633
Mainland China	33,680	293,252
	<u>403,689</u>	<u>1,122,885</u>

(d) Major customers

In 2010, the revenue from the Group's largest customer and five largest customers amounted to 10% (2009: 17%) and 39% (2009: 52%) of the Group's total revenue respectively.

5. OTHER REVENUE AND OTHER NET INCOME/(EXPENSES)

	2010 \$'000	2009 \$'000
Other revenue		
Interest income from bank deposits	2,584	2,949
Rental income from investment properties	8,273	7,423
Rental income from property, plant and equipment	2,984	—
	<u>13,841</u>	<u>10,372</u>
Other net income/(expenses)		
Net gain/(loss) on disposal of property, plant and equipment	87	(6,570)
Net loss on disposal of other tangible assets	(923)	(2,842)
Net foreign exchange gains/(losses)	1,623	(75)
Gain on disposal of non-current assets held for sale	1,180	—
Others	8	554
	<u>1,975</u>	<u>(8,933)</u>

6. IMPAIRMENT LOSSES OF NON-CURRENT ASSETS

Impairment losses/(reversal of impairment losses) of non-current assets represent:

	2010 \$'000	2009 \$'000
Non-current assets relating to mainland China operations (<i>note</i>)	254,621	300,000
Non-current assets relating to Hong Kong manufacturing operations (<i>note</i>)	431,167	—
Other tangible assets	(1,505)	1,691
Intangible assets — club debentures	—	602
	<u>684,283</u>	<u>302,293</u>

The above impairment losses are further analysed as follows:

	2010 \$'000	2009 \$'000
Provision for impairment losses:		
Fixed assets	695,942	271,200
Intangible assets — trademarks	11,466	11,000
Intangible assets — club debentures	—	602
Other tangible assets	20,218	19,491
	<u>727,626</u>	<u>302,293</u>
Reversal of impairment losses:		
Fixed assets	(41,838)	—
Other tangible assets	(1,505)	—
	<u>(43,343)</u>	<u>—</u>
	<u>684,283</u>	<u>302,293</u>

6. IMPAIRMENT LOSSES OF NON-CURRENT ASSETS *(continued)*

(a) Mainland China operation

During 2010 and 2009, the Group noted that the decline in demand for its products in mainland China, compared to previous forecasts in sales, as a result of fierce market competition and the operating losses that consequently arose were indications that non-current assets of operations in mainland China, comprising mainly the production plant located in Shunde, Guangdong Province, trademarks and other tangible assets may be impaired. The Group assessed the recoverable amounts of the cash-generating unit to which these assets belong (“China cash-generating unit”) and as a result the carrying amount of the assets in the China cash-generating unit was written down by \$254,621,000 (2009: \$300,000,000), with details as follows:

	2010 \$'000	2009 \$'000
Provision for impairment losses:		
Fixed assets	245,257	271,200
Intangible assets — trademarks	11,466	11,000
Other tangible assets	20,218	17,800
	<u>276,941</u>	<u>300,000</u>
Reversal of impairment losses:		
Fixed assets	<u>(22,320)</u>	<u>—</u>
Total	<u><u>254,621</u></u>	<u><u>300,000</u></u>

In 2010, the estimates of recoverable amount were based on the assets’ fair values less costs to sell, determined by reference to the observable market prices for similar assets. In estimating this amount, the Group engaged an independent firm of surveyors, LCH (Asia-Pacific) Surveyors Limited, who have among their staff Members of the Hong Kong Institute of Surveyors. A reversal of an impairment loss was made in respect of interests in leasehold land held for own use under operating leases to the carrying amount that would have been determined had no impairment loss been recognised in prior years, as there has been a favorable change in the estimates used to determine the recoverable amount.

In 2009, the recoverable amount of China cash-generating unit was determined based on a value-in-use calculation. That calculation used cash flow projections based on business forecasts approved by the management covering a period of six years as management expected that a longer time is required for the Group to cope with the adverse business environment. Cash flows beyond the six-year period were extrapolated using a steady growth rate of 4%. This growth rate did not exceed the long-term average growth rate for the PRC.

Key assumptions used for value-in-use calculation:

	2009
Sales volume growth rate	5.5 - 7.3%
Gross contribution rate	39 - 40%
Pre-tax discount rate	3.17%

6. IMPAIRMENT LOSSES OF NON-CURRENT ASSETS *(continued)*

(a) Mainland China operation *(continued)*

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

As the cash-generating unit has been reduced to its recoverable amount, any adverse change in the assumptions used in the calculation of recoverable amount would result in further impairment losses.

(b) Hong Kong manufacturing operation

During 2010, the Group noted that the decline in demand for its own brewed products and shrinking profitability in Hong Kong, compared to previous forecasts, as a result of fierce market competition and the operating losses that consequently arose were indications that non-current assets of manufacturing operations in Hong Kong, comprising mainly the production plant, an office building and a warehouse may be impaired. The Group assessed the recoverable amounts of the cash-generating unit to which these assets belong (“Hong Kong cash-generating unit”) and as a result the carrying amount of the assets in the Hong Kong cash-generating unit was written down by \$431,167,000, with details as follows:

	2010 \$'000
Provision for impairment losses:	
Fixed assets	450,685
Reversal of impairment losses:	
Fixed assets	<u>(19,518)</u>
Total	<u>431,167</u>

The recoverable amount of Hong Kong cash-generating unit has been determined based on a value-in-use calculation. That calculation uses cash flow projections based on the business forecasts approved by the management covering a period of five years. Cash flows beyond the five-year period are extrapolated using a steady growth rate of 2%. This growth rate does not exceed the long-term average growth rate for Hong Kong.

A reversal of an impairment loss was made in respect of interests in leasehold land held for own use under operating leases to the carrying amount that would have been determined had no impairment loss been recognised in prior years, as there has been a favorable change in the estimates used to determine the recoverable amount.

Key assumptions used for value-in-use calculation:

	2010
Sales volume growth rate	1.7-12.6%
Gross contribution rate	40-43%
Pre-tax discount rate	9.85%

6. IMPAIRMENT LOSSES OF NON-CURRENT ASSETS *(continued)*

(b) Hong Kong manufacturing operation *(continued)*

Management determined the growth rate and gross contribution rate based on past experience, future expected market trends and an intermediate holding company's import plan of beer brewed by the Group.

As the cash-generating unit has been reduced to its recoverable amount, any adverse change in the assumptions used in the calculation of recoverable amount would result in further impairment losses.

7. LOSS BEFORE TAXATION

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

	2010 \$'000	2009 \$'000
(a) Finance costs		
Interest expense on bank loans wholly repayable within five years	10,532	10,915
Bank charges	1,372	2,530
	<u>11,904</u>	<u>13,445</u>
(b) Staff costs		
Retirement costs		
— Defined contribution retirement plans	6,090	6,631
— Defined benefit retirement plan	4,058	4,875
	<u>10,148</u>	<u>11,506</u>
Salaries, wages and other benefits	96,719	99,341
	<u>106,867</u>	<u>110,847</u>
(c) Other items		
Amortisation	1,877	2,217
— Land lease premium	5,905	9,771
— Other tangible assets		
Depreciation		
— Property, plant and equipment	42,804	50,717
— Investment properties	2,279	2,270
Cost of inventories	329,795	330,710
Operating lease charges: minimum lease payments		
— Land and buildings	2,971	2,891
— Plant and machinery	15	232
Rental receivable from investment properties		
less direct outgoings of \$2,420,000 (2009: \$2,393,000)	(5,853)	(5,030)
Auditors' remuneration	2,956	3,737
Provision for/(reversal of) impairment losses on trade and other receivables	<u>1,518</u>	<u>(795)</u>

8. INCOME TAX IN THE CONSOLIDATED INCOME STATEMENT

Taxation in the consolidated income statement represents:

	2010 \$'000	2009 \$'000
Current tax — Outside Hong Kong		
Provision for the year	(57)	—
Deferred tax		
Origination and reversal of temporary differences	8,579	2,272
Income tax credit	<u>8,522</u>	<u>2,272</u>

The statutory tax rate applicable to the Company and other Hong Kong subsidiaries was 16.5% (2009: 16.5%). No provision for Hong Kong Profits Tax has been made for the Company and other Hong Kong subsidiaries either because the accumulated tax losses brought forward exceed the estimated assessable profits for the year or the entities sustained losses for taxation purposes.

The statutory tax rate applicable to the subsidiaries established in the PRC was 25% (2009: 25%). No provision for current taxation has been made for the subsidiaries established in the PRC because the entities sustained losses for taxation purposes.

Provision for current tax outside Hong Kong for 2010 represented a withholding tax levied at 10% on interest income earned in the PRC by a subsidiary who is a non-PRC resident according to the relevant rules and regulations of the PRC.

9. LOSS PER SHARE

(a) Basic loss per share

The calculation of basic loss per share is based on the loss attributable to equity shareholders of the Company of \$736,984,000 (2009: \$334,856,000) and on 373,570,560 ordinary shares (2009: 373,570,560 ordinary shares), being the number of ordinary shares in issue throughout the year.

(b) Diluted loss per share

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

10. TRADE AND OTHER RECEIVABLES

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

10. TRADE AND OTHER RECEIVABLES *(continued)*

The ageing of trade receivables (net of allowance for doubtful debts) at the end of the reporting period is as follows:

	31 December 2010 \$'000	31 December 2009 \$'000
Current	46,701	53,645
Less than 1 month past due	8,047	8,603
1 to 3 months past due	1,149	1,205
More than 3 months but less than 12 months past due	536	190
More than 12 months past due	2,131	1,914
	<u>58,564</u>	<u>65,557</u>

11. TRADE AND OTHER PAYABLES

The ageing of trade payables as at the end of the reporting period is as follows:

	2010 \$'000	2009 \$'000
Due within 1 month or on demand	51,410	46,559
Due after 1 month but within 3 months	2,456	1,863
Due after 3 months but within 6 months	—	86
Due over 6 months	19	—
	<u>53,885</u>	<u>48,508</u>

CLOSURE OF REGISTER OF MEMBERS

The transfer of books and register of members of the Company will be closed from Wednesday, 18 May 2011 to Friday, 20 May 2011, both days inclusive. To qualify for attending the forthcoming Annual General Meeting of the Company to be held on Friday, 20 May 2011, shareholders should ensure that transfers are lodged at the Company's share registrar, Computershare Hong Kong Investor Services Limited at 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 pm on Tuesday, 17 May 2011.

FINANCIAL RESULTS

2010 was another difficult year for the Group as tough market conditions in our South China market continued to weigh down our operating and financial results. Consolidated turnover of the Group was at HK\$589.3 million, retreating 15.4% from 2009. (2009: HK\$696.8 million) while gross profit stood at HK\$255.6 million (2009: HK\$361.8 million). The Group's gross profit margin shrank to 43.3% (2009: 51.9%).

Excluding the impairment losses of the Group's Hong Kong and South China operations, net of tax effect, of HK\$677.3 million and HK\$300.0 million in 2010 and 2009 respectively, the consolidated loss of 2010 would have been HK\$96.7 million compared to HK\$43.1 million in 2009, mainly stemming from our South China operations. Including the impairment loss, the consolidated loss for 2010 was HK\$774.0 million (2009: HK\$343.1 million).

Net cash balances as of 31 December 2010 amounted to HK\$37.2 million (2009: HK\$103.6 million). Total net assets was at HK\$391.5 million (2009: HK\$1,169.5 million), with a debt-to-equity ratio of 0.64 (2009: 0.21) and current ratio of 1.0 times (2009: 1.2 times).

DIVIDENDS

No dividends will be declared for 2010.

BUSINESS REVIEW

HONG KONG OPERATIONS

2010 saw Hong Kong's economy emerging from the global recession with a GDP growth of 7.8%. Buoyed by the recovery in consumer spending, the territory's total beer industry also grew but at a slower pace of 4%, after posting a 3% decline the previous year. On-premise outlets that suffered the brunt of the global recession have since bounced back and performed better than the off-premise outlets.

Our Company's total volume grew by 11% and revenues by 5% over the prior year, owing to a significant increase in exports, made possible by the re-opening of the brewery in 2009.

The Company continued to be the No. 1 beer company in Hong Kong with our flagship brand San Miguel at the forefront. This is a result of our continuous commitment to offer our customers and consumers a portfolio of brands that correspond to their needs. We continue to provide high levels of service efficiency to our customers just as we also constantly endeavor to make our beer brands more relevant for our consumers.

In June 2010, the Company successfully launched a new line extension of the San Miguel brand, San Mig Light. This new addition offers our consumers a light and refreshing beer that has lower calories. It is also expected to capture a new market segment and expand the brewery's aggregate market share.

Throughout 2010, we defended our leadership position with a broad variety of strategic programs aimed at strengthening and building San Miguel's brand equity and underpinning its bond with customers and consumers. A range of local promotions, events and sponsorship programs were carefully designed and implemented to ensure our brand's broad presence in the market.

The San Miguel Soccer Union, our experiential program that combined the excitement of soccer and joy of drinking San Miguel Beer, reached new levels of success with the excitement created by the 2010 World Cup on top of the usual Premier League matches. In April 2010, San Miguel launched the "Soccer Fans" television commercial designed to further associate San Miguel with soccer. The program included point-of-sales visibility blitz, national fans club formation, market-wide promotions, 70 soccer parties in selected pubs and bars and a grand soccer party at the Hong Kong Jockey Club Shatin Racecourse.

To sustain San Miguel's popularity outside the soccer season, our Company continued to invest in its 'Cheers' television commercial and in major events such as the San Miguel Beer Garden during the Hong Kong Dragon Boat Carnival 2010 organized by the Hong Kong Tourism Board.

All these programs and activities, in addition to our firm commitment to excellence in business development and cost management, will provide our Company the impetus to maintain market leadership in Hong Kong.

SOUTH CHINA OPERATIONS

Our South China operations were hard hit by difficult market conditions in 2010 as volumes were hampered by aggressive trade offers from competitors in the wholesaler channel as well as the lingering effect of the reduced consumption in factory areas brought on by the global financial crisis, particularly in Guangzhou San Miguel Brewery Company Limited's ("GSMB's") core market of Dongguan (DG) and San Miguel (Guangdong) Brewery Company Limited's ("SMGB's") core market of Foshan. While we were able to protect the directly-served channels, competitors were able to grab market share in the wholesaler segment through their aggressive trade offers. Thus, the Group took a more measured stance in creating a balance between protecting our position in the market and our bottom-line.

GSMB's total sales registered a double-digit decline versus the previous year. Nevertheless, our lower priced agency brands posted a growth amidst a strong market for economy brands. GSMB also sustained the growth momentum in retail chains with a double-digit volume increase over last year.

To sustain San Miguel brand equity in the market, GSMB launched the "San Miguel x Enjoy Freedom" market-wide consumer campaign; and also extended its reach through a series of themed consumer promotions and event sponsorships.

SMGB registered a double-digit decline in total sales versus the previous year, as its core market of Foshan is still recovering from the adverse effects of the global crisis, compounded by the intense competitive pressure in the trade. In response, SMGB has gone through a major strategy modification that involved improvement of trade margins and product offering. In July, SMGB launched Dragon Ice to directly compete in the lighter-tasting beer segment.

COMMUNITY RELATIONS AND SOCIAL RESPONSIBILITY

The Company continues to be committed to both its commercial and social responsibility to foster goodwill in our local communities with our sponsorship and participation in various local events and regular contributions to charitable and non-profit organizations.

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

HUMAN RESOURCES

We continue to invest in our people by equipping and developing them with needed knowledge and competencies from within the Company and from external training and development organizations.

In a people-intensive business, SMBHK puts great emphasis on team spirit and activities associated with it such as mentorship, direction briefings, team-building workshops and conferences.

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

CORPORATE GOVERNANCE

The Company continued to apply the principles of the Code Provisions under the Code on Corporate Governance Practices contained in Appendix 14 of the Listing Rules throughout the year ended 31 December 2010 except for the Code Provision A.4.1. Code Provision A.4.1 sets out that non-executive directors should be appointed for a specific term, subject to re-election. At present, all of the non-executive directors of the Company are not appointed for a specific term but are subject to retirement by rotation at least once every three years and re-election at the Annual General Meeting under the Company's Articles of Association.

DIRECTORS

Mr. Cheung Yuen Tak resigned from the Board since we published our interim report on 27 August 2010. We thank Mr. Cheung Yuen Tak for his contribution to the Group over the past years.

With the departure of Mr. Cheung Yuen Tak, Ms. Chan Wen Mee, May (Michelle) was appointed on 11 March 2011.

FUTURE DIRECTION AND CHALLENGES

The objectives of the Company for the year 2011 are:

- In Hong Kong, to turn around the business through new product expansion, channel rationalization and growth, margin improvement and cost rationalization.
- In South China, to significantly turnaround the business through re-launch of San Mig Light, the rejuvenation of Dragon brand, channel expansion, margin improvement and cost rationalization.

Looking ahead, the Company wishes to reiterate our commitment to maximize shareholder value and continue to strengthen our brands. We have a number of dynamic growth strategies that should provide the Company growth opportunities. We will also maintain the discipline of cost management by achieving higher efficiencies, particularly in the areas of production and logistics.

In closing, we wish to convey our heartfelt gratitude to our Board of Directors for their unwavering guidance and support. Thanks also go to our shareholders, customers and consumers for their continued loyalty; and the employees for their dedication and hard work.

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

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

PUBLICATION OF THE 2010 ANNUAL REPORT ON THE WEBSITE OF THE STOCK EXCHANGE

The Company's annual report for 2010 will be published on the website of The Stock Exchange at www.hkex.com.hk and the Company's website at info.sanmiguel.com.hk in due course.

By Order of the Board
Ramon S. Ang
Chairman

Hong Kong, 11 March 2011

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

As at the date of this announcement, the Board of the Company comprises the executive director, Mr. Peter K. Y. Tam, the non-executive directors, Mr. Ramon S. Ang (Chairman), Mr. Carlos Antonio M. Berba (Deputy Chairman), Ms. Chan Wen Mee, May (Michelle), Mr. Thelmo Luis O. Cunanan Jr., General Benjamin P. Defensor, Jr., Mr. Motoyasu Ishihara, Mr Taro Matsunaga and Mr. Keisuke Nishimura; and the independent non-executive directors, Dr. The Hon. Sir. David K.P. Li, Mr. Ng Wai Sun and Mr. Carmelo L. Santiago.

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**SAN MIGUEL BREWERY
HONG KONG LTD.**

香港生力啤酒廠有限公司

(Incorporated in Hong Kong with limited liability)
(Stock Code: 236)

CHANGE IN DIRECTORS

The Board is pleased to announce the appointment of Ms. Chan Wen Mee, May (Michelle) as non-executive director of the Company effective from 11 March 2011. The Board also announces that Mr. Cheung Yuen Tak has tendered his resignation as non-executive director of the Company with effect from 11 March 2011.

APPOINTMENT OF NON-EXECUTIVE DIRECTOR

The board of directors (the “Board”) of San Miguel Brewery Hong Kong Limited (the “Company”) is pleased to announce that Ms. Chan Wen Mee, May (Michelle) (“Ms. Chan”) has been appointed as non-executive director of the Company with effect from 11 March 2011.

Ms. Chan, aged 46, served as Managing Director of A.S. Watson Industries Limited. She served as Managing Director of Hutchison Harbour Ring Limited from 1 February 2006 to 31 October 2010 and served as Executive Deputy Managing Director of Hutchison Harbour Ring Limited from 18 May 2005 to 31 January 2006. Ms. Chan has extensive experience in managing property development and investment businesses in Mainland China. She also holds directorships in certain companies controlled by Hutchison Whampoa Limited. Ms. Chan holds a Bachelor’s degree in Business Administration.

Save for her directorships as disclosed above, Ms. Chan had not held any directorships in any public listed companies or other major appointment in the past three years. Apart from being non-executive director, Ms. Chan does not hold any other position in the Company or its subsidiaries.

Ms. Chan has not entered into any service agreement with the Company in relation to her appointment but she is entitled to receive an annual director’s fee of HK\$50,000 which is determined by reference to her duties and responsibilities in the Company and is subject to revision by the Remuneration Committee and the Board under the authority granted by shareholders at annual general meetings. Ms. Chan’s appointment as non-executive director is not for a specific term as she is subject to retirement by rotation and re-election at annual general meetings in accordance with the Articles of Association of the Company.

Ms. Chan does not have any relationships with any of the Company's directors, senior management, substantial shareholders or controlling shareholders (as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules")).

As at the date of this announcement, Ms. Chan does not have any interests in any shares or underlying shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

Save for the information disclosed above, Ms. Chan has confirmed that there is no other information which is required to be disclosed pursuant to paragraphs (h) to (v) of Rule 13.51(2) of the Listing Rules nor any other matters relating to her appointment that need to be brought to the attention of the Company's shareholders.

The Board would like to express its warm welcome to Ms. Chan on her appointment.

RESIGNATION OF NON-EXECUTIVE DIRECTOR

The Board also announces that Mr. Cheung Yuen Tak ("Mr. Cheung") has resigned as non-executive director of the Company with effect from 11 March 2011 due to other business engagements which require more of his dedication. Mr. Cheung has confirmed that there is no disagreement with the Board and there is no other matter relating to his resignation that needs to be brought to the attention of The Stock Exchange of Hong Kong Limited and the shareholders of the Company.

The Board would like to express its gratitude to Mr. Cheung for his valuable efforts and contribution to the Company during his tenure of appointment.

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

Hong Kong, 11 March 2011

As at the date of this announcement, the Board of the Company comprises the executive director, Mr. Peter K. Y. Tam, the non-executive directors, Mr. Ramon S. Ang (Chairman), Mr. Carlos Antonio M. Berba (Deputy Chairman), Ms. Chan Wen Mee, May (Michelle), Mr. Thelmo Luis O. Cunanan Jr., General Benjamin P. Defensor, Jr., Mr. Motoyasu Ishihara, Mr. Taro Matsunaga and Mr. Keisuke Nishimura; and the independent non-executive directors, Dr. The Hon. Sir. David K. P. Li, Mr. Ng Wai Sun and Mr. Carmelo L. Santiago.

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DATE OF BOARD MEETING

The board of directors (the “Board”) of San Miguel Brewery Hong Kong Limited (the “Company”) announces that a Board meeting of the Company will be held at Summer Palace, Island Shangri-La, Hong Kong, 5/F., Pacific Place, Supreme Court Road, Central, Hong Kong on Friday, 11 March 2011 at 2:00 p.m. for the purpose of, among other matters, approving the annual results and announcement of the Company and its subsidiaries for the year ended 31 December 2010, and considering the payment of a final dividend, if any.

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

Hong Kong, 23 February 2011

As at the date of this announcement, the Board of the Company comprises the executive director, Mr. Peter K. Y. Tam, the non-executive directors, Mr. Ramon S. Ang (Chairman), Mr. Carlos Antonio M. Berba (Deputy Chairman), Mr. Cheung Yuen Tak, Mr. Thelmo Luis O. Cunanan Jr., General Benjamin P. Defensor, Jr., Mr. Motoyasu Ishihara, Mr. Taro Matsunaga and Mr. Keisuke Nishimura; and the independent non-executive directors, Dr. The Hon. Sir. David K. P. Li, Mr. Ng Wai Sun and Mr. Carmelo L. Santiago.