

# San Miguel Brewery Hong Kong Limited

## Public Announcements - 2012 | Table of Contents

#	Document Title	Date	Page
1	Change in Executive Director and Managing Director	24-12-2012	2
2	Continuing Connected Transactions - Further Extension of the Neptunia Su...	08-11-2012	5
3	Change of Directors	08-11-2012	11
4	Interim Report January to June 2012	24-08-2012	14
5	Announcement of the 2012 Interim Results	07-08-2012	49
6	Clarification Announcement Annual Report 2011	03-08-2012	62
7	Date of Board Meeting	16-07-2012	64
8	Procedure for Shareholders to Propose Candidate(s) for Election as Directo...	27-04-2012	65
9	Terms of Reference of the Nomination Committee	27-04-2012	69
10	Poll Results of Annual General Meeting	27-04-2012	72
11	Terms of Reference of the Remuneration Committee	30-03-2012	74
12	Terms of Reference of the Audit Committee	30-03-2012	78
13	List of Directors and their role and function	30-03-2012	83
14	Memorandum and New Articles of Association	30-03-2012	85
15	Proxy Form	20-03-2012	142
16	Letter to Shareholders	20-03-2012	143
17	Notice of Annual General Meeting	20-03-2012	144
18	Annual Report 2011	20-03-2012	152
19	Announcement of Results for the year ended 31 December 2011	02-02-2012	294
20	Date of Board Meeting	17-01-2012	315

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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 EXECUTIVE DIRECTOR AND MANAGING DIRECTOR**

The Board is pleased to announce the appointment of Mr. Ramon G. Torralba as Executive Director and Managing Director of the Company effective from 15 January 2013. The Board also announces that Mr. Tam Ka Yuen, Peter has tendered his resignation as Executive Director and Managing Director of the Company with effect from 15 January 2013.

### **APPOINTMENT OF EXECUTIVE DIRECTOR AND MANAGING DIRECTOR**

The board of directors (the “Board”) of San Miguel Brewery Hong Kong Limited (the “Company”) is pleased to announce that Mr. Ramon G. Torralba has been appointed as Executive Director and Managing Director of the Company with effect from 15 January 2013.

Mr. Ramon G. Torralba, 52, Filipino, is the Vice President and Manager for Export Development of San Miguel Brewing International Limited (a subsidiary of San Miguel Brewery Inc.) since 2007. He was also a Director of San Miguel (Thailand) Company, Ltd. from 2006 and 2007 and Vice President and Commercial Director of San Miguel Marketing Thailand Ltd. from 2004 to 2007. He was also Assistant Vice President-Consultant for Guangzhou San Miguel Brewery, San Miguel Guangdong Brewery and San Miguel Baoding Brewery of the Beer Division of San Miguel Corporation from 2002-2004.

Mr. Torralba graduated from Zamboanga A.E. Colleges with a bachelor’s degree in Science (Commerce). He also attended the Management Development Program at the Asian Institute of Management (International School of Business and Management) in the Philippines in 1991.

Mr. Torralba has entered into a service agreement with the Company for a monthly remuneration of HK\$118,963 and is eligible for an annual bonus and other allowances at the sole and absolute discretion of the Remuneration Committee. There is no designated length of service for Mr. Torralba with the Company and will be subject to rotation and re-election at annual general meetings of the Company in accordance with the Articles of Association of the Company.

In relation to his appointment as director, Mr. Torralba is entitled to receive an annual director’s fee of HK\$50,000 which is determined by reference to their 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. Torralba’s appointment as 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 above, Mr. Torralba 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. Torralba has the following interests in the issued share capital and underlying shares of the Company’s associated corporations:

**i) Interests in issued shares**

<b>Name</b>	<b>Number of common shares (par value of 5 Philippine pesos each) in San Miguel Corporation</b>	
	<b>Number of shares held</b>	<b>% of total issued shares</b>
Mr. Ramon G. Torralba	22,600	0.00%

<b>Name</b>	<b>Number of common shares (par value of 1 Philippine peso each) in San Miguel Brewery Inc.</b>	
	<b>Number of shares held</b>	<b>% of total issued shares</b>
Mr. Ramon G. Torralba	—	—

**(ii) Interests in underlying shares**

Stock options in San Miguel Corporation

<b>Name</b>	<b>Granted Date</b>	<b>Exercise period up to</b>	<b>Exercise price per option (Philippine pesos)</b>	<b>Number of options outstanding</b>
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Common (par value of 5 Philippine pesos each):

Mr. Ramon G. Torralba	12/16/2011	12/16/2019	Php120.33	8,991
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All the interest held by Mr. Torralba represents long positions. As at the date of this announcement, Mr. Torralba do 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, Mr. Torralba 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. Torralba on his appointment.

## **RESIGNATION OF EXECUTIVE DIRECTOR AND MANAGING DIRECTOR**

The Board also announces that Mr. Peter Ka Yuen Tam has resigned as Executive Director and Managing Director of the Company with effect from 15 January 2013. He will continue to be a Consultant to the Managing Director until 26 February 2013. Mr. Tam 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. Peter Ka Yuen Tam for his valuable efforts and contribution to the Company during his tenure of appointment as Executive Director and Managing Director of the Company.

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

Hong Kong, 24 December 2012

*As at the date of this announcement, the Board of the Company comprises the executive director, Mr. Ramon G. Torralba, the non-executive directors, Mr. Ramon S. Ang (Chairman), Mr. Carlos Antonio M. Berba (Deputy Chairman), Ms. Chan Wen Mee, May (Michelle), Mr. Teruyuki Daino, Mr. Roberto N. Huang, 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, Mr. Reynato S. Puno 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)

**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 2012.

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 2013 to 31 December 2013. 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 2013, 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 4 November 2011 in respect of the extension of the term of the Neptunia Sub-licence Agreement for one year from January 1, 2012 to 31 December 2012. The Extension Letter was signed by Neptunia and by the Company on 8 November 2012 to extend the term of the Neptunia Sub-licence Agreement for a further one year from 1 January 2013 to 31 December 2013. 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 2013, 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 2010, 2011 and the 10-month period from 1 January 2012 to 31 October 2012, the royalties payable to Neptunia under the Neptunia Sub-licence Agreement amounted to approximately HK\$140,000, HK\$112,000 and HK\$123,000 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 ordinary and usual course of business of the Company and 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 SMBIL after certain internal reorganization the San Miguel Group as disclosed in the Company’s announcement dated 1 April 2010. For the year ended 31 December 2011 and the 10-month period ended 31 October 2012, the aggregate royalties payable by the Group under the SMC Group Licensing Arrangements amounted to HK\$1,377,000 and HK\$919,000 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 2013. 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 2010, 2011 and the 10-month period from 1 January 2012 to 31 October 2012, the royalties payable to Neptunia under the Neptunia Sub-licence Agreement amounted to only approximately HK\$140,000, HK\$112,000 and HK\$123,000 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 8 November 2012 entered into between Neptunia and the Company to further extend the term of the Neptunia Sub-licence Agreement to 31 December 2013
“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, 8 November 2012

*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. Teruyuki Daino, Mr. Roberto N. Huang, 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, Mr. Reynato S. Puno 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 (i) Mr. Roberto N. Huang as non-executive director and remuneration committee member of the Company; and (ii) Mr. Reynato S. Puno as independent non-executive director and nomination committee member of the Company effective from 8 November 2012. The Board also announces that Mr. Thelmo Luis O. Cunanan Jr. has tendered his resignation as non-executive director and nomination committee member of the Company and General Benjamin P. Defensor, Jr. has tendered his resignation as non-executive director and remuneration committee member of the Company with effect from 8 November 2012.

### **APPOINTMENT OF NON-EXECUTIVE DIRECTOR AND INDEPENDENT NON-EXECUTIVE DIRECTOR**

The board of directors (the “Board”) of San Miguel Brewery Hong Kong Limited (the “Company”) is pleased to announce that Mr. Roberto N. Huang (“Mr. Huang”) has been appointed as non-executive director and remuneration committee member of the Company and Mr. Reynato S. Puno (“Mr. Puno”) has been appointed as independent non-executive director and nomination committee member of the Company with effect from 8 November 2012.

Mr. Roberto N. Huang, 64, Filipino, has served as Director since 8 October 2007 and President of San Miguel Brewery Inc. (“SMB”), a publicly listed company in the Philippines since 30 April 2009. He is also a Director of San Miguel Brewing International Limited, and Chairman and President of Iconic Beverages, Inc., Brewery Properties Inc. and Brewery Landholdings, Inc.. He also served as General Manager of SMB (2007-2009), Director of Ginebra San Miguel Inc. (2004-2008), San Miguel Pure Foods Company, Inc. (2004-2008); President of San Miguel Beverages, Inc. (2007-2008); and President of Coca-Cola Bottlers Philippines, Inc., Cosmos Bottling Corporation and Philippine Beverage Partners, Inc. (2003-2007).

Mr. Huang graduated from Mapua Institute of Technology with a bachelor’s degree in Science (Mechanical Engineering) and later obtained a master’s degree in Business Administration from De La Salle University. He also attended the Nagoya International Training Center, Japan International Cooperation Agency Grant for Metal Works Engineering and Numerical Control Machines course.

Mr. Puno, Filipino, 71, is an independent director since 2011 of San Miguel Corporation, a publicly listed company in the Philippines. Former Chief Justice Reynato S. Puno served as the Chief Justice of the Philippine Supreme Court from 6 December 2006 until his retirement on 17 May 2010. He joined the Court as an Associate Justice in June 1993 and was previously Associate Justice of the Court of Appeals (1986 to 1993), Appellate Justice of the Intermediate Appellate Court (1983), Assistant Solicitor General (1974-1982) and City Judge of Quezon City (1972-1974). He also served as Deputy Minister of Justice from 1984-1986. He completed his Bachelor of Laws from the University of the Philippines in 1962, and

has a Master of Laws degree from the University of California in Berkeley (1968) and a Master in Comparative Law degree from the Southern Methodist University, Dallas, Texas (1967).

Save for their directorships as disclosed above, Mr. Huang and Mr. Puno have not held any directorships in any public listed companies or other major appointment in the past three years. Apart from being a non-executive director and a member of remuneration committee, Mr. Huang does not hold any other position in the Company or its subsidiaries and apart from being an independent non-executive director and a member of nomination committee, Mr. Puno does not hold any other position in the Company or its subsidiaries.

Mr. Huang and Mr. Puno have not entered into any service agreement with the Company in relation to their appointment but they are entitled to receive an annual director's fee of HK\$50,000 which is determined by reference to their 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. Huang's appointment as non-executive director and Mr. Puno's appointment as independent non-executive director are not for a specific term as they are subject to retirement by rotation and re-election at annual general meetings in accordance with the Articles of Association of the Company.

Mr. Huang and Mr. Puno do 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. Huang and Mr. Puno have the following interests in the issued share capital and underlying shares of the Company's associated corporations:

(i) Interests in issued shares

Number of common shares  
(par value of 5 Philippine pesos each)  
in San Miguel Corporation

Name	Number of shares held	% of total issued shares
Mr. Roberto N. Huang	22,600	0.000%
Mr. Reynato S. Puno	5,000	0.000%

Number of common shares  
(par value of 1 Philippine peso each)  
in San Miguel Brewery Inc.

Name	Number of shares held	% of total issued shares
Mr. Roberto N. Huang	5,000*	0.000%

\* corporate interest

(ii) Interests in underlying shares

Stock options in San Miguel Corporation

Name	Date granted	Exercise period up to	Exercise price per option ( <i>Philippine pesos</i> )	Number of options outstanding
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Common (par value of 5 Philippine pesos each):

Mr. Roberto N. Huang	16/12/2010	16/12/2018	120.33	50,793
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All the interests held by Mr. Huang and Mr Puno represent long positions.

As at the date of this announcement, save as disclosed above, Mr. Huang and Mr. Puno do 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. Huang and Mr. Puno have 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. Huang and Mr. Puno on their appointment.

#### **RESIGNATION OF NON-EXECUTIVE DIRECTOR**

The Board also announces that Mr. Thelmo Luis O. Cunanan Jr. ("Mr. Cunanan") has resigned as non-executive director and nomination committee member of the Company and General Benjamin P. Defensor, Jr. ("General Defensor") has resigned as non-executive director and remuneration committee member of the Company with effect from 8 November 2012 due to other business engagements which require more of their dedication. Mr. Cunanan and General Defensor have confirmed that there is no disagreement with the Board and there is no other matter relating to their 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. Cunanan and General Defensor for their valuable efforts and contribution to the Company during their tenure of appointment.

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

Hong Kong, 8 November 2012

*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. Teruyuki Daino, Mr. Roberto N. Huang, 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, Mr. Reynato S. Puno 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 2012**  
中期報告  
二零一二年一月至六月

## 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

Shobu Nishitani

### 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

## NOMINATION COMMITTEE

Carmelo L. Santiago, *Chairman*

Thelmo Luis O. Cunanan Jr.

Teruyuki Daino

David K.P. Li, GBM, JP

Ng Wai Sun

## 董事

### 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

西谷尚武

### 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

戴豐盛

李國寶 · GBM, JP

施雅高

## 提名委員會

施雅高 *主席*

Thelmo Luis O. Cunanan Jr.

代野照幸

李國寶 · GBM, JP

吳維新

## COMPANY SECRETARY

John K.L. Cheung

## 公司秘書

張嘉麟

## AUDITORS

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

## 核數師

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

## SOLICITORS

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

## 律師

孖士打律師行  
香港  
中環  
遮打道10號  
太子大廈16-19樓

## REGISTERED OFFICE

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

## 註冊辦事處

香港  
新界  
沙田  
小瀝源  
源順圍28號  
都會廣場9樓

## SHARE REGISTRAR

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

## 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183號  
合和中心  
17樓1712至1716號室

## PRINCIPAL BANKERS

Bank of Commerce  
The Bank of East Asia, Limited  
The Bank of East Asia (China) Limited  
The Hongkong and Shanghai Banking Corporation Limited  
Wing Lung Bank Limited

## 主要往來銀行

Bank of Commerce  
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  
永隆銀行有限公司

		PAGE 頁次
Chairman's Statement	主席報告	4
Additional Information provided in accordance with the Main Board Listing Rules	根據主版上市規則所提供 之額外資料	8
Consolidated Income Statement — Unaudited	綜合收益表 — 未經審核	16
Consolidated Statement of Comprehensive Income — Unaudited	綜合全面收益表 — 未經審核	17
Consolidated Statement of Financial Position — Unaudited	綜合財務狀況表 — 未經審核	18
Consolidated Statement of Changes in Equity — Unaudited	綜合權益變動表 — 未經審核	19
Condensed Consolidated Cash Flow Statement — Unaudited	簡明綜合現金流量表 — 未經審核	20
Notes to the Unaudited Interim Financial Report	未經審核中期財務報告附註	21

*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,

## Interim Results

San Miguel Brewery Hong Kong Limited (the "Company") posted strong results in the first half of the year buoyed by higher domestic sales and growing demand for premium products.

San Miguel Brewery Hong Kong Limited and its subsidiaries' (the "Group's") consolidated turnover reached HK\$331.1 million, a 9% increase over the same period in 2011. As a result, consolidated loss attributable to equity shareholders for the first semester posted a 56% improvement, to settle at HK\$10.8 million from HK\$24.6 million last year.

As of 30 June 2012, cash and cash equivalents, as well as bank deposits (excluding bank loans) totaled HK\$121.8 million (at 31 December 2011: HK\$243.6 million). Total debt at the end of the period now stand at HK\$231.7 million, 26% lower than the HK\$313.7 million debt reported at the end of last year.

Our Hong Kong operations posted a 214% profit growth in the first semester, and both Guangzhou San Miguel Brewery Company Limited ("GSMB") and San Miguel (Guangdong) Brewery Company Limited ("SMGB") chalked up better results in the first six months of 2012, compared to the same period in 2011. However, the improvements in South China were not yet sufficient to bring consolidated total to a positive profit position.

## Dividends

The Board has resolved that no dividends will be declared for the first six months of 2012.

致各股東：

## 中期業績

由於本地銷量增長及高價產品的需求增加，香港生力啤酒廠有限公司（「本公司」）於今年上半年錄得良好業績。

香港生力啤酒廠有限公司及其附屬公司（「本集團」）之綜合營業額達到3.31億港元，較二零一一年同期增長9%。因此，二零一二年上半年本公司權益持有人應佔之綜合虧損錄得56%的大幅改善，由去年錄得的2,460萬港元減少至1,080萬港元。

於二零一二年六月三十日之現金、等同現金項目及銀行存款（撇除銀行貸款）為1.22億港元（二零一一年十二月三十一日：2.44億港元）。上半年之總負債為2.32億港元，較去年止錄得之3.14億港元減少26%。

香港業務於上半年錄得214%之盈利增長，而廣州生力啤酒有限公司（「廣州生力」）和生力（廣東）啤酒有限公司（「生力廣東」）在二零一二年首六個月所錄得的業績亦較二零一一年同期為佳。然而，華南業績的改善仍不足以把本集團之綜合業績扭轉為有盈利。

## 股息

董事會議決不派發二零一二年中期股息。

## Business Review

### Hong Kong Operations

Our Hong Kong operations was able to strengthen its position as the No. 1 beer company in the territory, posting 9.1% and 20.8% increases in volume and revenue, respectively — easily outperforming industry growth of 3.8%.

This success was driven largely by the three-digit volume and revenue growth rates registered by San Mig Light versus the same period last year. Strong on-premise demand paved the way for the release of 330ml and 500ml canned variants intended for off-premise outlets, expanding the reach of the brand. To build up awareness for this initiative, a new marketing campaign top billed by a television ad was also launched.

Meanwhile, our flagship San Miguel Pale Pilsen continues to enhance its presence in the market through strategic partnerships with Hong Kong's biggest names in sports and music — including a high-profile alliance with the Lan Kwai Fong Association as the latter's official beer partner. This partnership was launched through the San Miguel x Lan Kwai Fong Rugby Festival, one of the biggest post-rugby parties to be held in one of the city's most prominent hot spots.

The Company also continues to support the Hong Kong Tourism Board through exclusively sponsoring the San Miguel Beer Garden at the Hong Kong Dragon Boat Carnival 2012.

The Company's portfolio of premium brands recorded a significant growth in volume and revenue over the same period in 2011. The Company also made available a new line extension of the San Miguel brand, the San Miguel Premium All-Malt, which further enhanced the image of San Miguel as the premier beer-maker in Hong Kong.

To further establish our dominance in the premium market, in June the brewery signed an exclusive distributorship for all Kirin beer brands within the territory — with Kirin Ichiban and Kirin Lager comprising our first salvo.

As a result, we now have a stronger and more diversified portfolio of brands that can more sufficiently meet the evolving needs of the modern Hong Kong beer drinker.

## 業務回顧

### 香港業務

香港業務的表現鞏固了作為香港首屈一指啤酒公司的地位，銷量及收入分別錄得9.1%以及20.8%增長，遠較整體行業銷量增長之3.8%優勝。

香港業績良好大部份是由生力清啤的銷量和收入比去年同期有三位數字之增長率所帶動。現飲場所的強勁需求促成了330毫升及500毫升罐裝生力清啤於非現飲場所推出，從而擴大了品牌覆蓋。為著在這銷售渠道建立品牌認知，我們推出了全新的市務活動並配合推出電視廣告。

與此同時，我們的旗艦品牌生力繼續與香港最知名的運動和音樂機構成為策略性合作伙伴，在市場上加強曝光。當中包括與蘭桂坊協會高調合作，成為其官方啤酒供應商。雙方合作已然展開，第一擊是在這城中最著名的夜遊熱點推出了一個大型的欖球賽後派對〈生力x蘭桂坊 欖球節〉。

本公司亦繼續支持香港旅遊發展局，獨家贊助二零一二年香港龍舟嘉年華之生力啤酒節。

本公司的高價格品牌組合的銷量和收入較二零一一年同期錄得顯著增長。本公司推出的生力品牌之全新延伸線，San Miguel Premium All-Malt，進一步加深了生力在香港作為高級啤酒生產商的形象。

為著進一步建立起我們在高價格市場的優勢，在六月我們簽署了成為麒麟啤酒品牌在區內的獨家分銷商，而麒麟一番搾啤酒和麒麟啤酒成為我們推出市場的頭炮。

總括而言，我們現在擁有更強和更多元化的品牌組合，可更能滿足現今香港啤酒飲家不斷演變的需要。

## South China Operations

Our two subsidiaries in South China posted significant improvements in their operations; but were unable to turn in profits by the first half of 2012 as we are currently in the process of restructuring our going-to-market and distribution strategy. This is expected to generate long term benefits and growth for the Group. As a result, we have taken a more calculated approach toward balancing sales and profitability.

Last year, the Group began its restructuring mode with the integration of the sales and distribution of the SMGB-managed Dragon brand into the operations of GSMB. As a result, the Group is now able to maximize synergies between the two; and together with other strategic initiatives, GSMB and SMGB have been able to reduce their operating losses by 3% and 43%, respectively.

GSMB posted an 11% increase in revenue over the same period last year while approximately maintaining the same total volume. We believe our efforts towards modernizing the brand, in part through the launch of the "Release" television commercial, and roll out of a new design for the 330ml San Mig Light can, has helped our profit initiatives and visibility in the market. We have also expanded our reach by promoting our brands more heavily online.

In an effort to enhance brand awareness for Dragon beer in Shunde, GSMB introduced the thematic "Dragon Beer Food Street" promotion in June — a month-long event with specially designed merchandising displays targeting both the trade and consumers. We also launched a 640ml variant of Guang's Pineapple beer in March, and redesigned the 330ml can as part of our efforts to revitalize the brand.

Following the restructuring, SMGB is now more focused on manufacturing and tolling products for GSMB, and has begun producing beer products for export.

While our South China operations is still a work in progress, we expect that the Group will begin to reap the benefits of our restructuring initiatives by the end of the year, and will also provide the Group with a platform to recover volumes and further improve profitability in the coming years.

## 華南業務

我們位於華南之兩間附屬公司的業務皆錄得明顯改善；但華南業務未能在二零一二年上半年扭虧為盈，而我們正進行重整進軍市場和分銷的策略。這預期可為本集團帶來長遠利益和增長。總而言之，我們已採取更審慎的方法來平衡我們的銷售和盈利。

去年，本集團重整業務把生力廣東管理的龍啤品牌之銷售和分銷整合到廣州生力來營運。因此，雙方可達到最大的協同效應；再加上其他的策略性措施，廣州生力和生力廣東的經營虧損分別減少3%和43%。

廣州生力較去年同期的收入錄得11%增長而總銷量大致維持相同。我們相信我們為著更新品牌形象所付出的努力，包括推出電視廣告「Release」，以及換上生力清啤330毫升罐裝新包裝，已協助我們提升盈利動力和市場能見度。我們亦在互聯網上加大力度推廣品牌以擴大覆蓋。

為加強龍啤在順德的品牌認知度，廣州生力在六月推出了一個為期一個月，並特別設計商品陳列展示以針對客戶和消費者，名為「龍啤美食街」的推廣活動。我們亦於三月推出廣氏菠蘿味啤酒的640毫升樽裝和重新設計其330毫升罐裝包裝來為品牌重新注入生氣。

生力廣東在重組後更專注為廣州生力生產及加工產品，並已開始為出口業務生產啤酒產品。

我們華南業務的重組工作仍在進行中，我們預期本集團將在年底前開始見到重組所帶來的利益，同時也提供予本集團一個平台在將來回復銷量及進一步改善盈利。

## Outlook

Overall, we remain very optimistic of our growth prospects for the rest of 2012, and are confident that the programs we have put in place will rebound to better results, and sharper execution in the way in which we bring and market our products to our consumers. I would like to take this opportunity to thank the members of the board for their guidance, and our employees for their dedication and hard work. I would also like to thank all our customers and business associates for their continued support and trust.



**Ramon S. Ang**  
Chairman

7 August 2012

## 展望

整體而言，我們對二零一二年下半年的增長前景保持樂觀，並有信心所採取的各種措施可令業績反彈，亦更有利於我們清楚執行來提供和推廣產品予消費者。我們謹此對董事會的領導，以及所有員工一直以來的努力和貢獻表示衷心謝意。我們亦感激所有客戶及業務伙伴一直以來的支持和信任。



主席  
蔡啟文

二零一二年八月七日

## Interim Dividend

The Board has resolved that no interim dividends be declared for 2012.

## Interim Results

The interim results for the six months ended 30 June 2012 have not been audited, but were reviewed by the Company's Audit Committee on 7 August 2012.

## Directors' Interests

The directors of the Company as of 30 June 2012 had the following personal 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

## 中期股息

董事會議決不派發二零一二年之中期股息。

## 中期業績

截至二零一二年六月三十日止六個月之中期業績並未經審核，惟已於二零一二年八月七日獲本公司之審核委員會審閱。

## 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，於二零一二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) 已發行股本之權益

Name	姓名	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
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)

Name	姓名	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 持股數目	% of total issued shares 佔已發行股份 總數之百分比
Ramon S. Ang	蔡啓文	376,653	0.011276%
Carlos Antonio M. Berba	凱顧思	23,645	0.000708%
Carmelo L. Santiago	施雅高	5,000	0.000150%

Name	姓名	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* 持股數目*	% of total issued shares 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	5,000	0.000032%
Teruyuki Daino	代野照幸	5,000	0.000032%
Shobu Nishitani	西谷尚武	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 2012 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 2012 於二零一二年六月三十日尚未行使之購股權數目
<b>Common (par value of 5 pesos each):</b>		<b>普通 (每股面值五披索) :</b>			
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
		25/06/2009	25/06/2017	58.05	587,556
Carlos Antonio M. Berba	凱顯思	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。於二零一二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 2012 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

於二零一二年六月三十日，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 functions 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：(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 2012.

## **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 2012, 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.
- Terms of reference of the nomination committee (Code provision A.5.1) were uploaded to the Company's and The Stock Exchange of Hong Kong Limited's websites on 27 April 2012 after the formation of the nomination committee.

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 their compliance with the required standard set out in the Model Code and its Code of Conduct regarding directors' securities transactions during the six months ended 30 June 2012.

## **買賣或購回本公司之上市證券**

截至二零一二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**

截至二零一二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）。
- 提名委員會成立後，提名委員會的職權範圍已於二零一二年四月二十七日上載於本公司網站及聯交所網站（守則條文A.5.1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，彼等已確認於截至二零一二年六月三十日止六個月內有遵守標準守則及其操守守則關於董事證券交易所訂的標準。

## 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](http://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 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](http://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](http://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](http://info.sanmiguel.com.hk)。

## Nomination Committee

On 27 April 2012, the Company has established a nomination committee which consists of three independent non-executive directors, namely, Dr. the Hon. Sir K. P. Li, Mr. Ng Wai Sun and Mr. Carmelo L. Santiago, and two non-executive directors, namely, Mr. Thelmo Luis O. Cunanan Jr., and Mr. Teruyuki Daino. The nomination committee is chaired by an independent non-executive director, Mr. Carmelo L. Santiago.

The primary purpose of the Committee is to support and advise the board in fulfilling their responsibilities to shareholders in ensuring that the board is comprised of individuals who are best able to discharge the responsibilities of directors having regard to the law and the highest standards of governance by:

- (1) assessing the skills required on the board;
- (2) from time to time assessing the extent to which the required skills are represented on the board;
- (3) establishing process for the review of the performance of individual directors and the board as a whole;
- (4) establishing process for the identification of suitable candidates for appointment to the board; and
- (5) having oversight of matters relating to corporate governance bringing any issues to the attention of the Board.

The nomination 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](http://info.sanmiguel.com.hk).

## 提名委員會

本公司於二零一二年四月二十七日成立提名委員會，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：Mr. Thelmo Luis O. Cunanan Jr.及代野照幸先生)。提名委員會由一位獨立非執行董事施雅高先生擔任主席。

委員會之主要目的乃支持董事會履行彼等對股東之責任並就此向董事會提供意見，通過下列方式確保組成董事會之人士在法例及管治之最高標準之規限下最能夠履行董事之責任：

- (1) 評估董事會要求之技能；
- (2) 不時評估董事會所需技能所代表之程度；
- (3) 就檢討個別董事及董事會整體表現制定程序；
- (4) 就物色適合候選人以委任為董事會成員而制定程序；及
- (5) 監督有關企業管治之任何事宜產生任何問題引起董事會注意。

本公司任何股東均可要求查閱提名委員會的職權範圍，而職權範圍亦登載於本公司的網站上，網址為 [info.sanmiguel.com.hk](http://info.sanmiguel.com.hk)。

# CONSOLIDATED INCOME STATEMENT — UNAUDITED

# 綜合收益表 — 未經審核

For the six months ended 30 June 2012 (Expressed in Hong Kong dollars)

截止二零一二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	
		2012 二零一二年 \$'000 千元	2011 二零一一年 \$'000 千元
	Note 附註		
<b>Turnover</b>	<b>營業額</b>	<b>331,121</b>	305,181
Cost of sales	銷售成本	<b>(184,850)</b>	(167,776)
<b>Gross profit</b>	<b>毛利</b>	<b>146,271</b>	137,405
Other revenue	其他收入	<b>5,440</b>	6,520
Other net income	其他收益淨額	<b>993</b>	1,062
Selling and distribution expenses	銷售及分銷開支	<b>(117,444)</b>	(124,131)
Administrative expenses	行政開支	<b>(38,135)</b>	(37,372)
Other operating expenses	其他經營開支	<b>(4,127)</b>	(4,042)
<b>Loss from operations</b>	<b>經營虧損</b>	<b>(7,002)</b>	(20,558)
Finance costs	財務費用	<b>(9,649)</b>	(9,392)
<b>Loss before taxation</b>	<b>除稅前虧損</b>	<b>(16,651)</b>	(29,950)
Income tax charge	所得稅支出	<b>(6)</b>	(96)
<b>Loss for the period</b>	<b>期內虧損</b>	<b>(16,657)</b>	(30,046)
<b>Attributable to:</b>	<b>應佔如下：</b>		
Equity shareholders of the Company	本公司權益持有人	<b>(10,814)</b>	(24,576)
Non-controlling interests	非控股權益	<b>(5,843)</b>	(5,470)
<b>Loss for the period</b>	<b>期內虧損</b>	<b>(16,657)</b>	(30,046)
<b>Loss per share</b>	<b>每股虧損</b>		
— Basic (cents)	— 基本(仙)	<b>(3)</b>	(7)
— Diluted (cents)	— 攤薄(仙)	<b>N/A 不適用</b>	N/A 不適用

The notes on pages 21 to 31 form part of this interim financial report.

第21至31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 2012 (Expressed in Hong Kong dollars)

截止二零一二年六月三十日止六個月(以港幣計算)

	Note 附註	Six months ended 30 June 截至六月三十日止六個月	
		2012 二零一二年 \$'000 千元	2011 二零一一年 \$'000 千元
<b>Loss for the period</b>	期內虧損	<b>(16,657)</b>	(30,046)
<b>Other comprehensive income for the period (after tax):</b>	期內其他全面收益 (除稅後):		
<b>Exchange differences on translation of:</b>	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	<b>2,238</b>	(14,440)
— 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	<b>(2,061)</b>	8,506
		<b>177</b>	(5,934)
<b>Total comprehensive income for the period</b>	期內全面收益總額	<b>(16,480)</b>	(35,980)
<b>Attributable to:</b>	應佔如下:		
Equity shareholders of the Company	本公司權益持有人	<b>(10,789)</b>	(29,704)
Non-controlling interests	非控股權益	<b>(5,691)</b>	(6,276)
<b>Total comprehensive income for the period</b>	期內全面收益總額	<b>(16,480)</b>	(35,980)

The notes on pages 21 to 31 form part of this interim financial report.

第21至31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 2012 (Expressed in Hong Kong dollars)

於二零一二年六月三十日 (以港幣計算)

			At 30 June 2012 於二零一二年 六月三十日 \$'000 千元	At 31 December 2011 於二零一一年 十二月三十一日 \$'000 千元
<b>Non-current assets</b>	<b>非流動資產</b>			
Fixed assets	固定資產	8		
— Property, plant and equipment	— 物業、機器及設備		215,535	216,440
— Investment properties	— 投資物業		78,841	80,138
— 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		91,262	93,093
			<b>385,638</b>	389,671
Intangible assets	無形資產		5,706	5,709
Other tangible assets	其他有形資產		1,885	—
			<b>393,229</b>	395,380
<b>Current assets</b>	<b>流動資產</b>			
Inventories	存貨	9	50,919	65,166
Trade and other receivables	應收貿易及其他賬項	10	118,354	88,603
Amounts due from holding companies and fellow subsidiaries	應收控股公司及 同系附屬公司賬項		3,857	12,331
Pledged deposits	抵押存款		—	198,000
Cash and cash equivalents	現金及等同現金項目	11	121,784	45,586
			<b>294,914</b>	409,686
<b>Current liabilities</b>	<b>流動負債</b>			
Bank loans	銀行貸款		—	(313,734)
Trade and other payables	應付貿易及其他賬項	12	(135,407)	(148,917)
Amounts due to holding companies and fellow subsidiaries	應付控股公司及 同系附屬公司賬項		(13,789)	(18,440)
Amounts due to related companies	應付關連公司賬項		(4,320)	(2,324)
			<b>(153,516)</b>	(483,415)
<b>Net current assets/(liabilities)</b>	<b>流動資產/(負債)淨值</b>		<b>141,398</b>	(73,729)
<b>Total assets less current liabilities</b>	<b>總資產減流動負債</b>		<b>534,627</b>	321,651
<b>Non-current liabilities</b>	<b>非流動負債</b>			
Bank loans	銀行貸款		(231,702)	—
Retirement benefit liabilities	退休福利負債		(18,729)	(20,975)
Deferred tax liabilities	遞延稅項負債		(3,453)	(3,453)
			<b>(253,884)</b>	(24,428)
<b>NET ASSETS</b>	<b>資產淨值</b>		<b>280,743</b>	297,223
<b>CAPITAL AND RESERVES</b>	<b>股本及儲備</b>			
Share capital	股本		186,785	186,785
Reserves	儲備		117,577	128,366
<b>Total equity attributable to equity shareholders of the Company</b>	<b>本公司權益持有人 應佔權益</b>		<b>304,362</b>	315,151
<b>Non-controlling interests</b>	<b>非控股權益</b>		<b>(23,619)</b>	(17,928)
<b>TOTAL EQUITY</b>	<b>權益總值</b>		<b>280,743</b>	297,223

The notes on pages 21 to 31 form part of this interim financial report.

第21至31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 2012 (Expressed in Hong Kong dollars)

截止二零一二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	Accumulated losses 累計虧損 \$'000 千元	Sub-total 合計 \$'000 千元		
<b>Balance at 1 January 2011</b>	於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
<b>Changes in equity for the six months ended 30 June 2011:</b>	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)
<b>Balance at 30 June 2011 and 1 July 2011</b>	於二零一一年六月三十日及二零一一年七月一日結餘	186,785	65,739	112,970	86,941	(89,869)	362,566	(7,072)	355,494
<b>Changes in equity for the six months ended 31 December 2011:</b>	截止二零一一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	—	—	—	—	(28,888)	(28,888)	(9,704)	(38,592)
Other comprehensive income	其他全面收益	—	—	—	(6,804)	(11,723)	(18,527)	(1,152)	(19,679)
<b>Balance at 31 December 2011 and 1 January 2012</b>	於二零一一年十二月三十一日及二零一二年一月一日結餘	186,785	65,739	112,970	80,137	(130,480)	315,151	(17,928)	297,223
<b>Changes in equity for the six months ended 30 June 2012:</b>	截止二零一二年六月三十日止六個月之權益變動								
Loss for the period	期內虧損	—	—	—	—	(10,814)	(10,814)	(5,843)	(16,657)
Other comprehensive income	其他全面收益	—	—	—	25	—	25	152	177
<b>Balance at 30 June 2012</b>	於二零一二年六月三十日結餘	186,785	65,739	112,970	80,162	(141,294)	304,362	(23,619)	280,743

The notes on pages 21 to 31 form part of this interim financial report.

第21至31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 2012 (Expressed in Hong Kong dollars)

截止二零一二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	
		2012 二零一二年	2011 二零一一年
		\$'000 千元	\$'000 千元
	Note 附註		
<b>Net cash used in operating activities</b>	經營業務之現金流出淨額	<b>(25,504)</b>	(41,863)
<b>Net cash used in investing activities</b>	投資業務之現金流出淨額	<b>(5,589)</b>	(15,607)
<b>Net cash generated from/(used in) financing activities</b>	融資活動之現金流入/(流出)淨額	<b>107,387</b>	(10,747)
<b>Net increase/(decrease) in cash and cash equivalents</b>	現金及等同現金項目之淨額增加/(減少)	<b>76,294</b>	(68,217)
<b>Cash and cash equivalents at 1 January</b>	於一月一日之現金及等同現金項目結存	<b>45,586</b>	220,556
<b>Effect of foreign exchange rates changes</b>	匯率變動之影響	<b>(96)</b>	1,126
<b>Cash and cash equivalents at 30 June</b>	於六月三十日之現金及等同現金項目結存	<b>121,784</b>	153,465
	11		

The notes on pages 21 to 31 form part of this interim financial report.

第21至31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 7 August 2012.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2011 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2012 annual financial statements. Details of these changes in accounting policies are set out in note 2.

Notwithstanding the negative net cash balances position of the Group, the Company's intermediate holding company, namely San Miguel Brewery Inc., a listed company in the Republic of the Philippines, has committed to provide continuing support to enable the Group to operate as a going concern and meet its liabilities as they fall due for the foreseeable future. Accordingly, 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 2011 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 2011 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 2011 are available from the Company's registered office. The auditors have expressed an unqualified opinion on those financial statements in their report dated 2 February 2012.

## 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。本中期財務報告於二零一二年八月七日獲授權刊發。

編製本中期財務報告所採用之會計政策，與編製二零一一年度經審核財務報表所採用者一致，惟採納必需於二零一二年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。

儘管本集團出現負現金淨額結餘，本公司之中介控股公司，即菲律賓共和國上市公司生力啤酒廠有限公司，已承諾為本集團於可見將來之持續經營及償還其到期負債持續提供資助。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，以闡明二零一一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二零一一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，並不構成公司有關年度之法定財務報表。截至二零一一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。核數師於二零一二年二月二日就該財務報表發表沒有保留的審計意見。

# 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)

## 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:

- Amendments to HKFRS 7, *Financial instruments: Disclosures — Transfers of financial assets*
- Amendments to HKAS 12, *Income taxes — Deferred tax: Recovery of underlying assets*
- Amendments to HKAS 1, *Presentation of financial statements — Presentation of items of other comprehensive income*

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 and Segment Reporting

### (a) 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.

### (b) Segment Reporting

#### (i) 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 2012 and 2011 is set out below:

## 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訂，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：

- 香港財務報告準則第7號(修訂)「金融工具：披露—金融資產轉讓」
- 香港會計準則第12條(修訂)「所得稅—遞延稅項：相關資產恢復」
- 香港會計準則第1條(修訂)「財務報表之呈列—其他全面收益項目呈列」

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。

## 3 營業額及分部資料呈報

### (a) 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。

### (b) 分部資料呈報

#### (i) 分部業績、資產及負債

截至二零一二年及二零一一年六月三十日止，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	
		2012 二零一二年	2011 二零一一年	2012 二零一二年	2011 二零一一年	2012 二零一二年	2011 二零一一年
		\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元
Revenue from external customers	外界客戶收入	250,626	230,413	80,495	74,768	331,121	305,181
Inter-segment revenue	分部間收入	—	—	1,991	92	1,991	92
<b>Reportable segment revenue</b>	<b>須予呈報分部收入</b>	<b>250,626</b>	<b>230,413</b>	<b>82,486</b>	<b>74,860</b>	<b>333,112</b>	<b>305,273</b>
<b>Reportable segment profit/(loss) from operations</b>	<b>須予呈報分部經營盈利/(虧損)</b>	<b>12,745</b>	<b>5,968</b>	<b>(29,396)</b>	<b>(35,918)</b>	<b>(16,651)</b>	<b>(29,950)</b>

# NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

# 未經審核中期財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated)

(除另有指示外，均按港幣計算)

## 3 Turnover and Segment Reporting (Continued)

## 3 營業額及分部資料呈報 (續)

### (b) Segment Reporting (Continued)

### (b) 分部資料呈報 (續)

#### (i) Segment results, assets and liabilities (Continued)

#### (i) 分部業績、資產及負債 (續)

		Hong Kong 香港		Mainland China 中國內地		Total 總數	
		At 30 June 2012 於二零一二年 六月三十日 \$'000 千元	At 31 December 2011 於二零一一年 十二月三十一日 \$'000 千元	At 30 June 2012 於二零一二年 六月三十日 \$'000 千元	At 31 December 2011 於二零一一年 十二月三十一日 \$'000 千元	At 30 June 2012 於二零一二年 六月三十日 \$'000 千元	At 31 December 2011 於二零一一年 十二月三十一日 \$'000 千元
Reportable segment assets	須予呈報分部資產	948,049	1,102,230	122,824	82,906	1,070,873	1,185,136
Reportable segment liabilities	須予呈報分部負債	304,592	96,631	482,085	787,829	786,677	884,460

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

#### (ii) 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	
		2012 二零一二年 \$'000 千元	2011 二零一一年 \$'000 千元
<b>Revenue</b>	<b>收入</b>		
Reportable segment revenue	須予呈報分部收入	333,112	305,273
Elimination of inter-segment revenue	分部之間收入撤銷	(1,991)	(92)
Consolidated turnover	綜合營業額	331,121	305,181
<b>Loss</b>	<b>虧損</b>		
Reportable segment loss from operations	須予呈報分部經營虧損	(16,651)	(29,950)
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	(16,651)	(29,950)

# NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

# 未經審核中期財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated)

(除另有指示外，均按港幣計算)

## 3 Turnover and Segment Reporting (Continued)

### (b) Segment Reporting (Continued)

#### (ii) Reconciliation of reportable segment revenue, profit or loss, assets and liabilities (Continued)

## 3 營業額及分部資料呈報 (續)

### (b) 分部資料呈報 (續)

#### (ii) 須予呈報分部收入、損益、資產及負債之對帳 (續)

		At 30 June 2012 於二零一二年 六月三十日 \$'000 千元	At 31 December 2011 於二零一一年 十二月三十一日 \$'000 千元
<b>Assets</b>	<b>資產</b>		
Reportable segment assets	須予呈報分部資產	<b>1,070,873</b>	1,185,136
Elimination of inter-segment receivables	分部之間應收賬項撤銷	<b>(382,730)</b>	(380,070)
Consolidated total assets	綜合總資產	<b>688,143</b>	805,066
<b>Liabilities</b>	<b>負債</b>		
Reportable segment liabilities	須予呈報分部負債	<b>786,677</b>	884,460
Elimination of inter-segment payables	分部之間應付賬項撤銷	<b>(382,730)</b>	(380,070)
		<b>403,947</b>	504,390
Deferred tax liabilities	遞延稅項負債	<b>3,453</b>	3,453
Consolidated total liabilities	綜合總負債	<b>407,400</b>	507,843

# 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)

## 3 Turnover and Segment Reporting (Continued)

### (b) Segment Reporting (Continued)

#### (iii) Geographic information

The following table sets out information about the geographic location of (i) the Group's revenue from external customers and (ii) the Group's fixed assets, intangible assets and other tangible assets ("specified non-current assets"). The geographic location of customers is based on the country of establishment of each customer. 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.

		Revenue from external customers 外界客戶收入		Specified non-current assets 指定非流動資產	
		Six months ended 30 June 截至六月三十日止六個月 2012 二零一二年 \$'000 千元	2011 二零一一年 \$'000 千元	At 30 June 2012 二零一二年 六月三十日 \$'000 千元	At 31 December 2011 二零一一年 十二月三十一日 \$'000 千元
Hong Kong (place of domicile)	香港(成立地點)	220,241	181,830	357,783	363,030
Mainland China	中國內地	69,506	74,329	35,446	32,350
Philippines	菲律賓	36,535	44,988	—	—
Others	其他國家	4,839	4,034	—	—
		110,880	123,351	35,446	32,350
		331,121	305,181	393,229	395,380

## 3 營業額及分部資料呈報 (續)

### (b) 分部資料呈報 (續)

#### (iii) 地區資料

下表載列有關(i)本集團外界客戶收入及(ii)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。客戶之地理位置是根據每名客戶成立地點所在國家而定。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。

# NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

# 未經審核中期財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated)

(除另有指示外，均按港幣計算)

## 4 Loss before taxation

## 4 除稅前虧損

		Six months ended 30 June 截止六月三十日止六個月	
		2012 二零一二年 \$'000 千元	2011 二零一一年 \$'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：		
<b>(a) Finance costs</b>	<b>(a) 財務費用</b>		
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	9,450	7,907
Bank charges	銀行費用	199	1,485
		<b>9,649</b>	<b>9,392</b>
<b>(b) Staff costs</b>	<b>(b) 員工薪酬</b>		
Retirement costs	退休金成本	4,944	5,349
Salaries, wages and other benefits	薪金、工資及其他福利	52,151	51,779
		<b>57,095</b>	<b>57,128</b>
<b>(c) Other items</b>	<b>(c) 其他項目</b>		
Amortisation	攤銷		
— Land lease premium	— 租賃土地款項	1,646	1,629
— Other tangible assets	— 其他有形資產	468	2,560
Depreciation	折舊		
— Property, plant and equipment	— 物業、機器及設備	5,468	4,646
— Investment properties	— 投資物業	1,357	1,351
Costs of inventories	存貨成本	183,213	165,943
Provision for impairment losses on trade and other receivables	應收貿易及其他賬項之減值撥備	135	95

## 5 Income tax

## 5 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	
		2012 二零一二年 \$'000 千元	2011 二零一一年 \$'000 千元
<b>Current tax — Outside Hong Kong</b>	<b>本期稅項 — 香港以外</b>		
— Provision for the period	— 期內撥備	(6)	(96)
<b>Deferred tax</b>	<b>遞延稅項</b>		
— Origination and reversal of temporary differences	— 暫時差額之出現及回撥	—	—
Income tax charge	所得稅支出	<b>(6)</b>	<b>(96)</b>

# 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)

## 5 Income tax (Continued)

The statutory tax rate applicable to the Company and other Hong Kong subsidiaries was 16.5% (2011: 16.5%). No provision for Hong Kong Profits Tax for the six months ended 30 June 2012 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 People's Republic of China ("PRC") was 25% (2011: 25%). No provision for current taxation has been made for the subsidiaries established in the PRC because the entities sustained losses for taxation purposes. During the year, the Group received a tax refund from the PRC tax authority in relation to the re-investment of retained profits

Provision for current tax outside Hong Kong for the six months ended 30 June 2012 and 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. During the year, the Group received a tax refund from the PRC tax authority in relation to the re-investment of retained profits

## 6 Dividends

Directors have resolved that no interim dividends will be declared for 2012. No dividends have been declared or paid during 2011.

## 7 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 2012 of \$10,814,000 (six months ended 30 June 2011: \$24,576,000) and on 373,570,560 ordinary shares (at 30 June 2011: 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 presented.

## 5 所得稅 (續)

本公司及其他香港附屬公司的法定稅率為16.5% (二零一一年：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逾本期估計應課稅盈利或錄得稅項虧損，故截至二零一二年六月三十日止六個月內並無就香港利得稅作出撥備。

於中國成立的附屬公司的法定稅率為25% (二零一一年：25%)。各家於各家於中華人民共和國 (「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。

截至二零一二年及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。

## 6 股息

董事已議決宣派二零一二年之中期股息為每股零元。二零一一年並無宣派或派付股息。

## 7 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二零一二年六月三十日止六個月應佔虧損共10,814,000元 (截止二零一一年六月三十日止六個月：24,576,000元) 及本期間內已發行之373,570,560股普通股 (於二零一一年六月三十日：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。

# NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

# 未經審核中期財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated)

(除另有指示外，均按港幣計算)

## 8 Fixed assets

## 8 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	投資物業	在經營租賃下自用而持有的租賃土地權益	總計
		\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元
<b>Net book value:</b>	<b>賬面淨值：</b>				
At 1 January 2012	於二零一二年一月一日	216,440	80,138	93,093	389,671
Exchange adjustments	匯兌調整	(8)	—	(185)	(193)
Additions	添置	4,635	60	—	4,695
Disposals	出售	(64)	—	—	(64)
Depreciation for the period	期內折舊	(5,468)	(1,357)	(1,646)	(8,471)
<b>At 30 June 2012</b>	<b>於二零一二年六月三十日</b>	<b>215,535</b>	<b>78,841</b>	<b>91,262</b>	<b>385,638</b>

## 9 Inventories

## 9 存貨

		At 30 June 2012	At 31 December 2011
		於二零一二年六月三十日	於二零一一年十二月三十一日
		\$'000 千元	\$'000 千元
Products in hand and in process	現有產品及在製品	33,438	40,027
Materials and supplies	物料及供應	17,481	25,139
		<b>50,919</b>	<b>65,166</b>

## 10 Trade and other receivables

## 10 應收貿易及其他賬項

		At 30 June 2012	At 31 December 2011
		於二零一二年六月三十日	於二零一一年十二月三十一日
		\$'000 千元	\$'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)	86,668	74,337
Other debtors, deposits and prepayments	其他應收賬、按金及預付款項	31,686	14,266
		<b>118,354</b>	<b>88,603</b>

# NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

# 未經審核中期財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated)

(除另有指示外，均按港幣計算)

## 10 Trade and other receivables (Continued)

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 2012 於二零一二年 六月三十日 \$'000 千元	At 31 December 2011 於二零一一年 十二月三十一日 \$'000 千元
Current	未到期	67,545	56,054
Less than 1 month past due	過期日少於一個月	11,977	11,128
1 to 3 months past due	過期日為一至三個月	1,306	4,147
More than 3 months but less than 12 months past due	過期日為三個月至一年內	3,605	849
More than 12 months past due	過期日多於一年	2,235	2,159
		<b>86,668</b>	<b>74,337</b>

Management has a credit policy in place and the exposure 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 customers. In order to effectively manage the credit risks associated with trade debtors, credit evaluations of customers are performed periodically.

## 10 應收貿易及其他賬項(續)

應收貿易賬項(扣除呆壞賬撥備)於結算日之賬齡如下:

管理層備有信貸政策，並會持續監察該等信貸風險。

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。

## 11 Bank deposits and cash and cash equivalents

		At 30 June 2012 於二零一二年 六月三十日 \$'000 千元	At 31 December 2011 於二零一一年 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	63,631	12,371
Cash at bank and in hand	銀行結存及現金	58,153	33,215
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	<b>121,784</b>	<b>45,586</b>

## 11 銀行存款，現金及等同現金項目

# NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

# 未經審核中期財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated)

(除另有指示外，均按港幣計算)

## 12 Trade and other payables

## 12 應付貿易及其他賬項

		At 30 June 2012 於二零一二年 六月三十日 \$'000 千元	At 31 December 2011 於二零一一年 十二月三十一日 \$'000 千元
Trade payables	應付貿易賬項	53,784	69,015
Other creditors and accrued charges	其他應付賬項	81,623	79,902
		<b>135,407</b>	<b>148,917</b>

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

應付貿易賬項於結算日之賬齡如下：

		At 30 June 2012 於二零一二年 六月三十日 \$'000 千元	At 31 December 2011 於二零一一年 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	62,142
Due after 1 month but within 3 months	到期日為一個月後但三個月內	2,064	6,405
Due after 3 months but within 6 months	到期日為三個月後但六個月內	630	468
		<b>56,535</b>	<b>69,015</b>

## 13 Capital commitments

## 13 資本承擔

Capital commitments outstanding at 30 June 2012 not provided for in the interim financial report were as follows:

於二零一二年六月三十日，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 2012 於二零一二年 六月三十日 \$'000 千元	At 31 December 2011 於二零一一年 十二月三十一日 \$'000 千元
Authorised but not contracted for	已批准但未訂約	4,013	2,992
		<b>4,013</b>	<b>2,992</b>

# 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)

## 14 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 2012	At 31 December 2011
		2012 二零一二年	2011 於二零一一年	二零一二年 六月三十日	二零一一年 十二月三十一日
		\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元
Purchases from:	購自：				
— intermediate holding company	— 中介控股公司	1,976	2,906	(240)	(912)
— fellow subsidiaries	— 同系附屬公司	12,400	24,557	(4,625)	(9,317)
— related companies	— 關連公司	1,632	1,643	(1,192)	(227)
Sales to:	售予：				
— intermediate holding company	— 中介控股公司	39,069	44,998	3,789	12,071
— fellow subsidiaries	— 同系附屬公司	135	8	—	—
Royalty payments to:	支付專利權費用：				
— intermediate holding company	— 中介控股公司	591	822	(1,652)	(1,199)
— a related company	— 關連公司	1,046	1,011	(3,128)	(2,097)
Engineering design fee payable to a fellow subsidiary	支付同系附屬公司 工程設計費用	—	—	(1)	(234)
Pipeline leasing fee from a fellow subsidiary	收同系附屬公司 租賃費用	1,552	1,547	—	—
Rental expense payable to a fellow subsidiary	支付同系附屬公司 租金費用	103	—	(329)	(266)

(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 are payable to an intermediate holding company and a minority shareholder for the use of certain trademarks pursuant to relevant licensing agreements.

(iii) Engineering design services were provided by a fellow subsidiary in respect of a subsidiary's brewery expansion plan according to an Engineering Design Services Agreement.

(iv) Leasing fee from a fellow subsidiary represented rental income earned by leasing out the Group's waste water discharge pipeline located in the PRC to a fellow subsidiary.

(v) Rental expense was paid to a fellow subsidiary for a temporary warehouse for inventory storage.

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.

## 14 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及一非控股股東的費用。

(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。

(v) 租金費用支付予同系附屬公司為儲存存貨之臨時倉庫倉租。

根據上市規則，此等交易(購自關連公司之交易除外)構成關連交易。因應有關條例本公司董事對購自關連公司之交易不考慮為關連交易。







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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 2012 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 2012. The interim results are unaudited, but have been reviewed by the Company’s Audit Committee.

### CONSOLIDATED INCOME STATEMENT — UNAUDITED

(Expressed in Hong Kong dollars)

		<b>Six months ended 30 June</b>	
		<b>2012</b>	2011
	<i>Note</i>	<b>\$'000</b>	<b>\$'000</b>
<b>Turnover</b>	3	<b>331,121</b>	305,181
Cost of sales		<b>(184,850)</b>	(167,776)
<b>Gross profit</b>		<b>146,271</b>	137,405
Other revenue		<b>5,440</b>	6,520
Other net income		<b>993</b>	1,062
Selling and distribution expenses		<b>(117,444)</b>	(124,131)
Administrative expenses		<b>(38,135)</b>	(37,372)
Other operating expenses		<b>(4,127)</b>	(4,042)
<b>Loss from operations</b>		<b>(7,002)</b>	(20,558)
Finance costs	4(a)	<b>(9,649)</b>	(9,392)
<b>Loss before taxation</b>	4	<b>(16,651)</b>	(29,950)
Income tax charge	5	<b>(6)</b>	(96)
<b>Loss for the period</b>		<b>(16,657)</b>	(30,046)
<b>Attributable to:</b>			
Equity shareholders of the Company		<b>(10,814)</b>	(24,576)
Non-controlling interests		<b>(5,843)</b>	(5,470)
<b>Loss for the period</b>		<b>(16,657)</b>	(30,046)
<b>Loss per share</b>			
— Basic (cents)	7(a)	<b>(3)</b>	(7)
— Diluted (cents)	7(b)	<b>N/A</b>	N/A

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

	<b>Six months ended 30 June</b>	
	<b>2012</b>	<b>2011</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Loss for the period</b>	<b>(16,657)</b>	<b>(30,046)</b>
<b>Other comprehensive income for the period (after tax):</b>		
Exchange differences on translation of:		
— financial statements of subsidiaries outside Hong Kong	<b>2,238</b>	(14,440)
— monetary items that form part of the net investment in subsidiaries outside Hong Kong	<b>(2,061)</b>	8,506
	<b>177</b>	(5,934)
<b>Total comprehensive income for the period</b>	<b>(16,480)</b>	<b>(35,980)</b>
<b>Attributable to:</b>		
Equity shareholders of the Company	<b>(10,789)</b>	(29,704)
Non-controlling interests	<b>(5,691)</b>	(6,276)
<b>Total comprehensive income for the period</b>	<b>(16,480)</b>	<b>(35,980)</b>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION — UNAUDITED

(Expressed in Hong Kong dollars)

	<i>Note</i>	At 30 June 2012 \$'000	At 31 December 2011 \$'000
<b>Non-current assets</b>			
Fixed assets			
— Property, plant and equipment		215,535	216,440
— Investment properties		78,841	80,138
— Interests in leasehold land held for own use under operating leases		91,262	93,093
		385,638	389,671
Intangible assets		5,706	5,709
Other tangible assets		1,885	—
		393,229	395,380
<b>Current assets</b>			
Inventories		50,919	65,166
Trade and other receivables	8	118,354	88,603
Amounts due from holding companies and fellow subsidiaries		3,857	12,331
Pledged deposits		—	198,000
Cash and cash equivalents		121,784	45,586
		294,914	409,686
<b>Current liabilities</b>			
Bank loans		—	(313,734)
Trade and other payables	9	(135,407)	(148,917)
Amounts due to holding companies and fellow subsidiaries		(13,789)	(18,440)
Amounts due to related companies		(4,320)	(2,324)
		(153,516)	(483,415)
<b>Net current assets/(liabilities)</b>		141,398	(73,729)
<b>Total assets less current liabilities</b>		534,627	321,651
<b>Non-current liabilities</b>			
Bank loans		(231,702)	—
Retirement benefit liabilities		(18,729)	(20,975)
Deferred tax liabilities		(3,453)	(3,453)
		(253,884)	(24,428)
<b>NET ASSETS</b>		280,743	297,223
<b>CAPITAL AND RESERVES</b>			
Share capital		186,785	186,785
Reserves		117,577	128,366
<b>Total equity attributable to equity shareholders of the Company</b>		304,362	315,151
<b>Non-controlling interests</b>		(23,619)	(17,928)
<b>TOTAL EQUITY</b>		280,743	297,223

## 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 7 August 2012.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2011 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2012 annual financial statements. Details of these changes in accounting policies are set out in note 2.

Notwithstanding the negative net cash balances position of the Group, the Company’s intermediate holding company, namely San Miguel Brewery Inc., a listed company in the Republic of the Philippines, has committed to provide continuing support to enable the Group to operate as a going concern and meet its liabilities as they fall due for the foreseeable future. Accordingly, 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 2011 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 2011 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 2011 are available from the Company’s registered office. The auditors have expressed an unqualified opinion on those financial statements in their report dated 2 February 2012.

### 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:

- Amendments to HKFRS 7, *Financial instruments: Disclosures — Transfers of financial assets*
- Amendments to HKAS 12, *Income taxes — Deferred tax: Recovery of underlying assets*
- Amendments to HKAS 1, *Presentation of financial statements — Presentation of items of other comprehensive income*

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 AND SEGMENT REPORTING

#### (a) 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.

#### (b) Segment Reporting

##### (i) 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 2012 and 2011 is set out below:

	Six months ended 30 June																																						
	Hong Kong		Mainland China		Total																																		
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000																																	
Revenue from external customers	250,626	230,413	80,495	74,768	331,121	305,181																																	
Inter-segment revenue	—	—	1,991	92	1,991	92																																	
<b>Reportable segment revenue</b>	<b>250,626</b>	<b>230,413</b>	<b>82,486</b>	<b>74,860</b>	<b>333,112</b>	<b>305,273</b>																																	
<b>Reportable segment profit/(loss) from operations</b>	<b>12,745</b>	<b>5,968</b>	<b>(29,396)</b>	<b>(35,918)</b>	<b>(16,651)</b>	<b>(29,950)</b>																																	
	<table border="1"> <thead> <tr> <th rowspan="3"></th> <th colspan="2">Hong Kong</th> <th colspan="2">Mainland China</th> <th colspan="2">Total</th> </tr> <tr> <th>At 30 June</th> <th>At 31 December</th> <th>At 30 June</th> <th>At 31 December</th> <th>At 30 June</th> <th>At 31 December</th> </tr> <tr> <th>2012 \$'000</th> <th>2011 \$'000</th> <th>2012 \$'000</th> <th>2011 \$'000</th> <th>2012 \$'000</th> <th>2011 \$'000</th> </tr> </thead> <tbody> <tr> <td><b>Reportable segment assets</b></td> <td><b>948,049</b></td> <td><b>1,102,230</b></td> <td><b>122,824</b></td> <td><b>82,906</b></td> <td><b>1,070,873</b></td> <td><b>1,185,136</b></td> </tr> <tr> <td><b>Reportable segment liabilities</b></td> <td><b>304,592</b></td> <td><b>96,631</b></td> <td><b>482,085</b></td> <td><b>787,829</b></td> <td><b>786,677</b></td> <td><b>884,460</b></td> </tr> </tbody> </table>							Hong Kong		Mainland China		Total		At 30 June	At 31 December	At 30 June	At 31 December	At 30 June	At 31 December	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000	<b>Reportable segment assets</b>	<b>948,049</b>	<b>1,102,230</b>	<b>122,824</b>	<b>82,906</b>	<b>1,070,873</b>	<b>1,185,136</b>	<b>Reportable segment liabilities</b>	<b>304,592</b>	<b>96,631</b>	<b>482,085</b>	<b>787,829</b>	<b>786,677</b>	<b>884,460</b>
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### 3 TURNOVER AND SEGMENT REPORTING (Continued)

#### (b) Segment Reporting (Continued)

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

	Six months ended 30 June	
	2012	2011
	\$'000	\$'000
<b>Revenue</b>		
Reportable segment revenue	333,112	305,273
Elimination of inter-segment revenue	<u>(1,991)</u>	<u>(92)</u>
Consolidated turnover	<u><b>331,121</b></u>	<u><b>305,181</b></u>
<b>Loss</b>		
Reportable segment loss from operations	(16,651)	(29,950)
Elimination of inter-segment profits	<u>—</u>	<u>—</u>
Reportable segment loss derived from Group's external customers and consolidated loss before taxation	<u><b>(16,651)</b></u>	<u><b>(29,950)</b></u>
	<b>At 30 June</b>	<b>At 31 December</b>
	2012	2011
	\$'000	\$'000
<b>Assets</b>		
Reportable segment assets	1,070,873	1,185,136
Elimination of inter-segment receivables	<u>(382,730)</u>	<u>(380,070)</u>
Consolidated total assets	<u><b>688,143</b></u>	<u><b>805,066</b></u>
<b>Liabilities</b>		
Reportable segment liabilities	786,677	884,460
Elimination of inter-segment payables	<u>(382,730)</u>	<u>(380,070)</u>
	<b>403,947</b>	504,390
Deferred tax liabilities	<u>3,453</u>	<u>3,453</u>
Consolidated total liabilities	<u><b>407,400</b></u>	<u><b>507,843</b></u>

### 3 TURNOVER AND SEGMENT REPORTING (Continued)

#### (b) Segment Reporting (Continued)

##### (iii) Geographic information

The following table sets out information about the geographic location of (i) the Group's revenue from external customers and (ii) the Group's fixed assets, intangible assets and other tangible assets ("specified non-current assets"). The geographic location of customers is based on the country of establishment of each customer. 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.

	Revenue from external customers		Specified non-current assets	
	Six months ended 30 June		At 30 June	At 31 December
	2012	2011	2012	2011
	\$'000	\$'000	\$'000	\$'000
Hong Kong (place of domicile)	<u>220,241</u>	<u>181,830</u>	<u>357,783</u>	<u>363,030</u>
Mainland China	69,506	74,329	35,446	32,350
Philippines	36,535	44,988	—	—
Others	4,839	4,034	—	—
	<u>110,880</u>	<u>123,351</u>	<u>35,446</u>	<u>32,350</u>
	<u>331,121</u>	<u>305,181</u>	<u>393,229</u>	<u>395,380</u>

#### 4 LOSS BEFORE TAXATION

	Six months ended 30 June	
	2012	2011
	\$'000	\$'000
Loss before taxation is arrived at after charging/(crediting):		
<b>(a) Finance costs</b>		
Interest expense on bank loans wholly repayable within five years	9,450	7,907
Bank charges	199	1,485
	<u>9,649</u>	<u>9,392</u>
<b>(b) Staff costs</b>		
Retirement costs	4,944	5,349
Salaries, wages and other benefits	52,151	51,779
	<u>57,095</u>	<u>57,128</u>
<b>(c) Other items:</b>		
Amortisation		
— Land lease premium	1,646	1,629
— Other tangible assets	468	2,560
Depreciation		
— Property, plant and equipment	5,468	4,646
— Investment properties	1,357	1,351
Cost of inventories	183,213	165,943
Provision for impairment losses on trade and other receivables	135	95
	<u>183,213</u>	<u>165,943</u>

#### 5 INCOME TAX

Taxation in the consolidated income statement represents:

	Six months ended 30 June	
	2012	2011
	\$'000	\$'000
<b>Current tax — Outside Hong Kong</b>		
— Provision for the period	(6)	(96)
<b>Deferred tax</b>		
— Origination and reversal of temporary differences	—	—
Income tax charge	<u>(6)</u>	<u>(96)</u>

## 5 INCOME TAX (Continued)

The statutory tax rate applicable to the Company and other Hong Kong subsidiaries was 16.5% (2011: 16.5%). No provision for Hong Kong Profits Tax for the six months ended 30 June 2012 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 People's Republic of China ("PRC") was 25% (2011: 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 2012 and 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.

## 6 DIVIDENDS

Directors have resolved that no interim dividends will be declared for 2012. No dividends have been declared or paid during 2011.

## 7 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 2012 of \$10,814,000 (six months ended 30 June 2011: \$24,576,000) and on 373,570,560 ordinary shares (at 30 June 2011: 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 shares for both periods presented.

## 8 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 2012 \$'000	At 31 December 2011 \$'000
Current	67,545	56,054
Less than 1 month past due	11,977	11,128
1 to 3 months past due	1,306	4,147
More than 3 months but less than 12 months past due	3,605	849
More than 12 months past due	2,235	2,159
	<u>86,668</u>	<u>74,337</u>

## 8 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.

## 9 TRADE AND OTHER PAYABLES

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

	<b>At 30 June</b>	At 31 December
	<b>2012</b>	2011
	<b>\$'000</b>	<b>\$'000</b>
Due within 1 month or on demand	<b>50,446</b>	62,142
Due after 1 month but within 3 months	<b>2,558</b>	6,405
Due after 3 months but within 6 months	<b>780</b>	468
	<hr/> <b>53,784</b> <hr/>	<hr/> 69,015 <hr/>

## **INTERIM RESULTS**

The Company posted strong results in the first half of the year buoyed by higher domestic sales and growing demand for premium products.

Consolidated turnover reached HK\$331.1 million, a 9% increase over the same period in 2011. As a result, consolidated loss attributable to equity shareholders for the first semester posted a 56% improvement, to settle at HK\$10.8 million from HK\$24.6 million last year.

As of 30 June 2012, cash and cash equivalents, as well as bank deposits (excluding bank loans) totaled HK\$121.8 million (at 31 December 2011: HK\$243.6 million). Total debt at the end of the period now stand at HK\$231.7 million, 26% lower than the HK\$313.7 million debt reported at the end of last year.

Our Hong Kong operations posted a 214% profit growth in the first semester, and both Guangzhou San Miguel Brewery Company Limited (“GSMB”) and San Miguel (Guangdong) Brewery Company Limited (“SMGB”) chalked up better results in the first six months of 2012, compared to the same period in 2011. However, the improvements in South China were not yet sufficient to bring consolidated total to a positive profit position.

## **DIVIDENDS**

The Board has resolved that no dividends will be declared for the first six months of 2012.

## **BUSINESS REVIEW**

### **Hong Kong Operations**

Our Hong Kong operations was able to strengthen its position as the No. 1 beer company in the territory, posting 9.1% and 20.8% increases in volume and revenue, respectively — easily outperforming industry growth of 3.8%.

This success was driven largely by the three-digit volume and revenue growth rates registered by San Mig Light versus the same period last year. Strong on-premise demand paved the way for the release of 330ml and 500ml canned variants intended for off-premise outlets, expanding the reach of the brand. To build up awareness for this initiative, a new marketing campaign top billed by a television ad was also launched.

Meanwhile, our flagship San Miguel Pale Pilsen continues to enhance its presence in the market through strategic partnerships with Hong Kong’s biggest names in sports and music — including a high-profile alliance with the Lan Kwai Fong Association as the latter’s official beer partner. This partnership was launched through the San Miguel x Lan Kwai Fong Rugby Festival, one of the biggest post-rugby parties to be held in one of the city’s most prominent hot spots.

The Company also continues to support the Hong Kong Tourism Board through exclusively sponsoring the San Miguel Beer Garden at the Hong Kong Dragon Boat Carnival 2012.

The Company’s portfolio of premium brands recorded a significant growth in volume and revenue over the same period in 2011. The Company also made available a new line extension of the San Miguel brand, the San Miguel Premium All-Malt, which further enhanced the image of San Miguel as the premier beer-maker in Hong Kong.

To further establish our dominance in the premium market, in June the brewery signed an exclusive distributorship for all Kirin beer brands within the territory — with Kirin Ichiban and Kirin Lager comprising our first salvo.

As a result, we now have a stronger and more diversified portfolio of brands that can more sufficiently meet the evolving needs of the modern Hong Kong beer drinker.

## **South China Operations**

Our two subsidiaries in South China posted significant improvements in their operations; but were unable to turn in profits by the first half of 2012 as we are currently in the process of restructuring our going-to-market and distribution strategy. This is expected to generate long term benefits and growth for the Group. As a result, we have taken a more calculated approach toward balancing sales and profitability.

Last year, the Group began its restructuring mode with the integration of the sales and distribution of the SMGB-managed Dragon brand into the operations of GSMB. As a result, the Group is now able to maximize synergies between the two; and together with other strategic initiatives, GSMB and SMGB have been able to reduce their operating losses by 3% and 43%, respectively.

GSMB posted an 11% increase in revenue over the same period last year while approximately maintaining the same total volume. We believe our efforts towards modernizing the brand, in part through the launch of the “Release” television commercial, and roll out of a new design for the 330ml San Mig Light can, has helped our profit initiatives and visibility in the market. We have also expanded our reach by promoting our brands more heavily online.

In an effort to enhance brand awareness for Dragon beer in Shunde, GSMB introduced the thematic “Dragon Beer Food Street” promotion in June — a month-long event with specially designed merchandising displays targeting both the trade and consumers. We also launched a 640ml variant of Guang’s Pineapple beer in March, and redesigned the 330ml can as part of our efforts to revitalize the brand.

Following the restructuring, SMGB is now more focused on manufacturing and tolling products for GSMB, and has begun producing beer products for export.

While our South China operations is still a work in progress, we expect that the Group will begin to reap the benefits of our restructuring initiatives by the end of the year, and will also provide the Group with a platform to recover volumes and further improve profitability in the coming years.

## **OUTLOOK**

Overall, we remain very optimistic of our growth prospects for the rest of 2012, and are confident that the programs we have put in place will rebound to better results, and sharper execution in the way in which we bring and market our products to our consumers. I would like to take this opportunity to thank the members of the board for their guidance, and our employees for their dedication and hard work. I would also like to thank all our customers and business associates for their continued support and trust.

## **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 2012.

## 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 2012, 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.
- Terms of reference of the nomination committee (Code provision A.5.1) were uploaded to the Company's and The Stock Exchange of Hong Kong Limited's websites on 27 April 2012 after the formation of the nomination committee.

## 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, 7 August 2012

*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.*

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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)

**CLARIFICATION ANNOUNCEMENT  
ANNUAL REPORT 2011**

Reference is made to the annual report (the “Annual Report”) of San Miguel Brewery Hong Kong Limited (the “Company”) for the year ended 31 December 2011. Unless defined otherwise, capitalised terms used herein shall have the same meanings as defined in the Annual Report.

The Company has engaged its auditors to report on the Group’s continuing connected transactions entered into during the year ended 31 December 2011 in accordance with Hong Kong Standard on Assurance Engagements 3000 “Assurance Engagements Other Than Audits or Reviews of Historical Financial Information” and with reference to Practice Note 740 “Auditor’s Letter on Continuing Connected Transactions under the Hong Kong Listing Rules” issued by the Hong Kong Institute of Certified Public Accountants.

Page 24 of the Annual Report states that the auditors of the Company, KPMG, have confirmed in a letter to the Board (the “Letter”), which was issued pursuant to the aforesaid engagement, that nothing has come to their attention which caused them to believe that the Continuing Connected Transactions (i.e. the trade-related continuing connected transactions made with the San Miguel Group as set out on pages 23 to 24 of the Annual Report (the “Continuing Connected Transactions”)) in the 2011 financial year (i) had not been approved by the Board of the Company, (ii) were not entered into in all material respects in accordance with the relevant agreement governing such transactions, and (iii) had exceeded the cap disclosed in the announcement of the Company dated 18 October 2010 and in the circular to shareholders dated 8 November 2010.

The board of directors of the Company wishes to clarify that in addition to items (i), (ii) and (iii) above, the Letter also states that nothing has come to KPMG's attention which caused them to believe that those Continuing Connected Transactions in the 2011 financial year which involve the provision of goods or services by the Group were not, in all material respects, in accordance with the pricing policies of the Group. The Company has complied in full with the requirements under Rule 14A.38 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

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

Hong Kong, 3 August 2012

*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.*

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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 Tuesday, 7 August 2012 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 2012, 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, 16 July 2012

*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.*



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**PROCEDURE FOR SHAREHOLDERS TO PROPOSE CANDIDATE(S)  
FOR ELECTION AS DIRECTOR(S)**

Pursuant to Rule 13.51D of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”), **SAN MIGUEL BREWERY HONG KONG LIMITED** (the “Company”) sets out the following procedures for shareholders to propose a candidate for election as a director of the Company (a “Director”)

**Memorandum and New Articles of Association (the “Memorandum”) Provision**

Memorandum 109 of San Miguel Brewery Hong Kong Limited (the “Company”) provides that no person, other than a retiring Director, shall be eligible for election to the office of Director at any general meeting, unless:

- (a) he/she is recommended by the Board for election,
- (b) he/she is nominated by a shareholder by a notice in writing to the Company and the Company has received such notice at its registered office in the period commencing no earlier than the day after the despatch of the notice of the meeting appointed for such election and ending no later than seven days provided that such period shall be at least seven days. The nomination notice should be accompanied by a notice in writing by the nominated candidate of his/her willingness to be elected.

**Nomination procedure:**

If a shareholder wishes to propose a person other than a director of the Company for election as a director at a general meeting at which elections to the office of directors are to be considered, the following documents must be submitted to the Company no later than **seven days before the date of the general meeting**: at the principal office of the Company at 9/F, Citimark Building, 28 Yuen Shun Circuit, Siu Lek Yuen, Shatin, New Territories, Hong Kong, for the attention of the Company Secretary:

- (a) The Director Nomination Form with the required supporting documents as follows:
  - The name of the nominating shareholder, and the address and phone number at which the nominating shareholder can be contacted.
  - The candidate’s full name, together with address and phone number where the candidate can be contacted.

- A statement of the candidate's qualifications and experiences, and any other qualities that the nominating shareholder believes that the candidate would bring to the board.
- (b) The candidate's resume, which must include at the minimum a detailed description of the candidate's business, professional or other appropriate experience for the last five years, a list of other boards of directors of public companies (if any) on which the candidate currently serves or on which he or she served in the last five years, undergraduate and post-graduate educational information (if applicable) and at least three years business, professional or personal references for the candidate (in addition to the nominating shareholder).
- (c) A written statement signed by the candidate of his/her willingness to be elected together with (A) that candidate's information as required to be disclosed under Rule 13.51(2) of the Listing Rules; and (B) the candidate's written consent to the publication of his/her personal data and (C) confirmation that there are no grounds for his/her ineligibility and incompatibility to act as a director and that he/she satisfies the integrity and, if applicable, independence requirements under the applicable Listing Rules.

The nominating shareholder may also include any additional information that the shareholder believes is relevant to the nomination committee's consideration of the candidate. If a shareholder proposes a candidate without submitting all of the foregoing items, the nomination committee may, in its discretion, reject the proposed candidate, request more information from the nominating shareholder, or consider the proposed candidate while reserving the right to request more information. In addition, the nomination committee further reserves the right to limit each shareholder to one proposed candidate in any calendar year and not to consider any additional candidate(s) proposed by such shareholder or affiliates of such shareholder.

This procedure will be subject to review by the board at any time and shall be made available on request to any shareholders of the Company and are posted on the Company's website, *info.sanmiguel.com.hk*.

**SAN MIGUEL BREWERY HONG KONG LIMITED**  
**Director Nomination Form**

I am (Mr./Mrs./Miss) \_\_\_\_\_, being the ordinary shareholder of the Company, holding \_\_\_\_\_ shares, residing at \_\_\_\_\_

mobile phone number \_\_\_\_\_ home/office phone number \_\_\_\_\_ e-mail address (if any) \_\_\_\_\_ .

I would like to nominate (Mr./Mrs./Miss) \_\_\_\_\_, age \_\_\_\_ who is duly qualified in accordance with the provision of the Company to be the director. The candidate's written consent to the nomination, resume and other supporting documents (if any) of the candidate have been enclosed and duly certified at every page, \_\_\_\_ pages in total.

I hereby certify that the information provided in this forms, candidate's written consent to the nomination and other supporting documents are true and correct.

\_\_\_\_\_ Shareholder's Signature

( \_\_\_\_\_ )

Date \_\_\_\_\_

**WRITTEN STATEMENT OF CANDIDATE FOR ELECTION AS DIRECTOR**

I am (Mr./Mrs./Miss) \_\_\_\_\_, a candidate proposed to be nominated for election as a director, hereby consent to my nomination for election as a director and certify that:

1. I am fully qualified in accordance with the applicable Listing Rules, Companies Ordinance, the Companies Ordinance and the Memorandum and New Articles of Association of the Company.
2. I am giving my consent to the publication of my personal data.
3. I confirm that there are no grounds for my ineligibility and incompatibility to act as a director and that that I satisfy the integrity and, if applicable, independence requirements under the applicable Listing Rules
4. I agree to adhere to the good corporate governance practice of the Company by my signature below.

\_\_\_\_\_ Candidate's Signature

( \_\_\_\_\_ )

Date \_\_\_\_\_



# SAN MIGUEL BREWERY HONG KONG LTD.

香港生力啤酒廠有限公司

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## TERMS OF REFERENCE – NOMINATION COMMITTEE

### 1. GENERAL SCOPE AND AUTHORITY

- 1.1 San Miguel Brewery Hong Kong Limited (“the Company”) Nomination Committee (“the Committee”) is a Committee of the board of the Company established under Article 131 of the Articles of Association of the Company (“the Articles”).
- 1.2 Proceedings and meetings of the Committee will be governed by the provisions of the Articles for regulating the proceedings and meetings and of the board of the Company in so far as they are applicable and not inconsistent with these Terms of Reference.
- 1.3 The primary purpose of the Committee is to support and advise the board in fulfilling their responsibilities to shareholders in ensuring that the board is comprised of individuals who are best able to discharge the responsibilities of directors having regard to the law and the highest standards of governance by:
  - assessing the skills required on the board;
  - from time to time assessing the extent to which the required skills are represented on the board;
  - establishing process for the review of the performance of individual directors and the board as a whole;
  - establishing process for the identification of suitable candidates for appointment to the board; and
  - having oversight of matters relating to corporate governance bringing any issues to the attention of the Board.
- 1.4 The Committee shall have the right to seek any information it considers necessary to fulfill its duties, which includes the right to obtain appropriate external advice at the Company’s expense.

### 2. COMPOSITION

- 2.1 The Committee shall comprise at least three members. A majority of the members should be independent non-executive directors, one of whom will be appointed the Committee chairman by the board.

2.2 The initial members shall be:

Mr. Carmelo L. SANTIAGO: Chairman  
Mr. Thelmo Luis O. CUNANAN Jr.  
Mr. Teruyuki DAINO  
Dr. the Hon. Sir David K.P. LI  
Mr. NG Wai Sun

2.3 In appointing the members, the Committee will have due regard to the provisions of the best practices of the Code appended to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

2.4 A quorum will comprise any two independent non-executive director committee members. In the absence of the Committee chairman or appointed delegate, the members shall elect one of their members as chairman for the meeting.

2.5 The Committee may invite any executive management team members or other individuals to attend meetings of the Committee, as they consider appropriate.

2.6 The Company secretary shall be the secretary of the Committee.

### **3. MEETINGS**

3.1 The Committee shall meet as frequently as required but not less than once a year.

3.2 Any Committee member or the secretary may call a meeting of the Committee.

3.3 A notice of each meeting confirming the date, time, venue and agenda shall be forwarded to each member of the Committee (with a copy to all board members) seven working days prior to the date of the meeting. The relevant supporting papers are sent in full to all committee members at least 3 days before each meeting.

3.4 The Committee shall have access to professional advice from employees within the Company and from appropriate external advisers. The Committee may meet with these external advisers without management being present.

3.5 The chairman of the Committee, or delegate, shall report to the board following each meeting.

3.6 Minutes of proceedings and resolutions of Committee meetings shall be kept by the secretary. Minutes shall be distributed to all Committee members and the chairman of the board, after the preliminary approval has been given by the Committee chairman. Minutes, agenda and supporting papers will be made available to any director upon request to the secretary, providing no conflict of interest exists.

### **4. DUTIES AND RESPONSIBILITIES**

In order to fulfill its responsibilities to the board, the Committee shall:

- review the structure, size and composition (including the skills, knowledge and experience) of the board on a regular basis and make recommendations to the board regarding any proposed changes;
- identify individuals suitably qualified to become board members and select or make recommendations to the board on the selection of, individuals nominated for directorships;
- assess the independence of independent non-executive directors;
- make recommendations to the board on relevant matters relating to the appointment or re-appointment of directors and succession planning for directors in particular the chairman and the chief executive officer;
- have oversight of all matters relating to corporate governance; and
- be entitled to employ, at the Company's expense, the services of such advisers as it deems necessary to fulfill its responsibilities.

These terms of reference will be subject to review by the board at any time and shall be made available on request to any shareholders of the Company and are posted on the Company's website, *info.sanmiguel.com.hk*.

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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)

**POLL RESULTS OF ANNUAL GENERAL MEETING**

The Board is pleased to announce that the resolutions set out in the notice of the AGM dated 20 March 2012 were duly passed by way of poll at the AGM held on 27 April 2012.

Reference is made to the notice of annual general meeting of the Company (the “AGM”) dated 20 March 2012 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 27 April 2012. 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 2011 together with the reports of the directors and the independent auditors thereon.	250,182,419 (99.996556%)	8,616 (0.003444%)	250,191,035 (100%)

Ordinary Resolution		No. of Shares Voted (%)		Total No. of Shares Voted
		For	Against	
2.	To re-elect non-executive directors:			
	(i) To re-elect General Benjamin P. Defensor Jr. as director;	250,205,679 (99.983506%)	41,276 (0.016494%)	250,246,955 (100%)
	(ii) To re-elect Mr. Shobu Nishitani as director;	248,528,879 (99.314877%)	1,714,476 (0.685123%)	250,243,355 (100%)
	To re-elect independent non-executive directors:			
	(iii) To re-elect Dr. the Hon. Sir David K.P.Li as director;	250,238,931 (99.994556%)	13,624 (0.005444%)	250,252,555 (100%)
	(iv) To re-elect Mr. Ng Wai Sun as director;	250,204,339 (99.983770%)	40,616 (0.016230%)	250,244,955 (100%)
	(v) To re-elect Mr. Carmelo L. Santiago as director; and	250,211,279 (99.983506%)	41,276 (0.016494%)	250,252,555 (100%)
	To authorise the board of directors of the Company to fix the directors' remuneration.	250,205,379 (99.983610%)	41,016 (0.016390%)	250,246,395 (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.	250,241,379 (99.996557%)	8,616 (0.003443%)	250,249,995 (100%)

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

Hong Kong, 27 April 2012

*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

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

## **TERMS OF REFERENCE OF THE REMUNERATION COMMITTEE**

### **1. GENERAL SCOPE AND AUTHORITY**

- 1.1 San Miguel Brewery Hong Kong Limited (the “Company”) Remuneration Committee (the “Committee”) is a committee of the board of the Company established under Article 131 of the Articles of Association of the Company (the “Articles”).
- 1.2 Proceedings and meetings of the Committee will be governed by the provisions of the Articles on the regulation of the proceedings and meetings of the board of the Company in so far as they are applicable and not inconsistent with these terms of reference.
- 1.3 The board is responsible to the shareholders for ensuring that the Company:
  - has coherent remuneration policies and practices which are observed and which enable it to attract and retain executives and directors who will create value for shareholders and support the Company;
  - fairly and responsibly rewards executives taking into consideration the performance of the Company, the performance of such executives and the general pay environment; and
  - complies with the provisions of the Code on Corporate Governance Practices (the “Code”) appended to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited.
- 1.4 The primary purpose of the Committee is to support and advise the board in fulfilling the foregoing responsibilities to the shareholders 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 direct report to the managing director, and as appropriate, other senior management; and
  - reviewing and approving all equity based plans.

- 1.5 The Committee shall have the right to seek any information it considers necessary to fulfill its duties, which includes the right to obtain appropriate external advice at the Company's expense.
- 1.6 The Committee shall be provided with sufficient resources by the Company to discharge its duties under these terms of reference.

## **2. COMPOSITION**

- 2.1 The Committee shall be comprised of at least three members. A majority of the members should be independent non-executive directors, one of whom will be appointed the Committee chairman by the board.
- 2.2 The Committee is comprised of the following members:
  - Mr. Ng Wai Sun (Chairman)
  - Mr. Carlos Antonio M. Berba
  - General Benjamin P. Defensor Jr.
  - Dr the Hon. Sir David K. P. Li
  - Mr. Carmelo L. Santiago
- 2.3 In appointing its members, the Committee will have due regard to the provisions of the Code.
- 2.4 A quorum will comprise any two independent non-executive director Committee members. In the absence of the Committee chairman or appointed delegate, the Committee members present shall elect one of their members as chairman for the meeting.
- 2.5 The Committee may invite any executive management team members or other individuals to attend meetings of the Committee, as they consider appropriate.
- 2.6 The Company secretary shall be the secretary of the Committee.
- 2.7 The senior manager of the human resources department of the Company shall be the principal liaison between executive management and the Committee on remuneration matters and will normally be invited to attend meetings.

## **3. MEETINGS**

- 3.1 The Committee shall meet as frequently as required but not less than two times a year. Any Committee member or the secretary may call a meeting of the Committee.
- 3.2 A notice of each meeting confirming the date, time, venue and agenda shall be forwarded to each member of the Committee (with a copy to all board members) at least seven working days prior to the date of the meeting. The relevant supporting papers are sent in full to all committee members at least 3 days before each meeting.

- 3.3 The Committee shall have access to professional advice from employees within the Company and from appropriate external advisers. The Committee may meet with these external advisers without management being present.
- 3.4 The chairman of the Committee, or delegate, shall report to the board on the decisions and recommendations made by the Committee following each meeting, except where there are legal or regulatory restrictions on such reporting by the Committee to the board.
- 3.5 Minutes of the proceedings of, and resolutions made during, Committee meetings shall be kept by the secretary. Minutes shall be distributed to all Committee members and the chairman of the board after the preliminary draft thereof has been approved by the Committee chairman. Minutes, agenda and supporting papers will be made available to any director upon request to the secretary, provided no conflict of interest exists.

#### **4. DUTIES AND RESPONSIBILITIES**

In order to fulfill its responsibilities to the board, the Committee shall:

- make recommendations to the board on the Company's policy and structure for all directors and senior management remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy;
- review and approve the management's remuneration proposals with reference to the board's corporate goals and objectives;
- either:
  - (i) determine, with delegated responsibility, the remuneration packages of individual executive directors and senior management; or
  - (ii) make recommendations to the board on the remuneration packages of individual executive directors and senior management.

This should, includes benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment,;

- make recommendations to the board on remuneration of non-executive directors.;
- consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the group;
- review and approve compensation payable to executive directors and senior management for any loss or termination of office or appointment to ensure that it is consistent with contractual terms and is otherwise fair and not excessive;
- review and approve compensation arrangements relating to dismissal or removal of directors for misconduct to ensure that they consistent with contractual terms and are otherwise reasonable and appropriate;

- ensure that no director or any of his associates is involved in deciding his own remuneration.; and
- perform other duties and activities that the Committee or the board considers appropriate in the context of these terms of reference. These may include, but are not limited to, the following:
  - reviewing the Company's retirement plans; and
  - reviewing the operations of other executive benefit programs.

## **5. APPROVALS**

The Committee must approve the following prior to implementation:

- changes to the remuneration or contract terms of executive directors and direct reports to the managing director;
- the design of new, or amendments to current, equity plans or executive cash-based incentive plans;
- total level of award proposed from equity plans or executive cash-based incentive plans; and
- termination payments to executive directors or direct reports to the managing director. Termination payments to other departing executives should be reported to the Committee at its meetings.

These terms of reference will be subject to review by the board at any time and shall be made available to requesting parties upon written request to the Company secretary.

30 March 2012



# 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)

## **TERMS OF REFERENCE OF THE AUDIT COMMITTEE**

### **1. GENERAL SCOPE AND AUTHORITY**

- 1.1 San Miguel Brewery Hong Kong Limited (the “Company”) Audit Committee (the “Committee”) is a committee of the board of the Company established under Article 131 of the Articles of Association of the Company (the “Articles”).
- 1.2 Proceedings and meetings of the Committee will be governed by the provisions of the Articles on regulation of the proceedings and meetings of the board of the Company in so far as they are applicable and not inconsistent with these terms of reference.
- 1.3 The purpose of the Committee is to assist the board of the Company 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.
- 1.4 The Committee is authorised by the board to investigate any activity within its functions and responsibilities outlined its terms of reference. The Committee is a non-executive committee tasked with recommending to the board appropriate actions emanating from these investigations. The Committee shall have unrestricted access to personnel, records, internal and external auditors, risk assessment and assurance and senior management, as appropriate. The 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.
- 1.5 The Committee shall be provided with sufficient resources by the Company to discharge its duties.

### **2. COMPOSITION**

- 2.1 The Committee shall be comprised of at least three independent non-executive directors, each of whom is financially literate. At least one member should have a background in financial reporting, accounting or auditing. The chairman of the Company may not be the chairman of the Committee.

2.2 The Committee comprises of the following members:

Dr. the Hon. Sir David K. P. Li (chairman)  
Mr. Wai Sun Ng  
Mr. Carmelo L. Santiago

2.3 Members will be proposed by the chairman of the Company and approved by the directors. Members shall be appointed for an initial term of three years. Membership shall be reviewed every three years, or earlier if the board deems necessary.

2.4 Periodic rotation of the members' appointments is encouraged.

2.5 A quorum will comprise any two Committee members. In the absence of the Committee chairman or appointed delegate, the Committee members present shall elect one of their members as chairman of the meeting.

2.6 The chairman of the Committee shall not have a second or casting vote.

2.7 The Company secretary shall be the secretary of the Committee.

### **3. MEETINGS**

3.1 The Committee shall meet as frequently as required but not less than twice a year. Any Committee member or the secretary may call a meeting of the Committee, or the external auditors may request a Committee member to call a meeting.

3.2 A notice of each meeting confirming the date, time, venue and agenda shall be forwarded to each member of the Committee (with a copy to all board members) at least seven working days prior to the date of the meeting. The relevant supporting papers are sent in full to all committee members at least 3 days before each meeting.

3.3 The Committee shall have access to professional advice from employees within the Company and from appropriate external advisers. The Committee may meet with these external advisers without management being present.

3.4 The chairman of the Committee, or delegate, shall report to the board on the decisions and recommendations made by the Committee following each meeting, except where there are legal or regulatory restrictions on such reporting by the Committee to the board.

3.5 Full minutes of the proceedings of, and resolutions made during, Committee meetings shall be kept by the secretary of the Committee. Draft minutes shall be sent to the Committee members for their comment, and final versions of the minutes shall be distributed to all Committee members and other directors after the same has been approved by the Committee chairman. Notices, minutes, agenda and supporting papers will be made available to any director upon request to the secretary of the Committee.

3.6 The Committee may invite any person to attend the meetings of the Committee, but not necessarily for the full duration of the meeting. A standing invitation shall be issued to:

- Chairman of the board;
- Managing director;

- Chief finance officer;
- Internal auditor; and
- Engagement partners of the Company's external auditing firm.

3.7 The Committee will meet with the Company's external auditors without members of management being present, whenever it is deemed appropriate by the chairman of the Committee.

3.8 At the discretion of the chairman of the Committee, separate meetings may also be held with any member of Company's management.

#### **4. DUTIES AND RESPONSIBILITIES**

The duties of the Committee are:

##### **4.1 Relationship with the Company's external auditors**

- (a) to be primarily responsible for making recommendation to the board on the appointment, reappointment and removal of the external auditor, and to approve the remuneration and terms of engagement of the external auditor, and any questions of resignation or dismissal;
- (b) to review and monitor the external auditor's independence and objectivity and the effectiveness of the audit process in accordance with applicable standard. The Committee shall discuss with the auditor the nature and scope of the audit and reporting obligations before the audit commences;
- (c) to develop and implement policy on engaging an external auditor to supply non-audit services. For this purpose, external auditor includes any entity that is under common control, ownership or management with the audit firm or any entity that a reasonable and informed third party knowing all relevant information would reasonably conclude to be part of the audit firm nationally or internationally. The Committee shall report to the board, identifying and making recommendations on any matters where action or improvement is needed;

##### **4.2 Review of the Company's financial information**

- (a) to monitor integrity of the Company's financial statements and annual report and accounts, half-year report and, if prepared for publication, quarterly reports, and to review significant financial reporting judgments contained in them. In reviewing these reports before submission to the board, the Committee should focus particularly on:
  - (i) any changes in accounting policies and practices;
  - (ii) major judgmental areas;
  - (iii) significant adjustments resulting from audit;
  - (iv) the going concern assumptions and any qualifications;

- (v) compliance with accounting standards; and
  - (vi) compliance with the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited and other legal requirements in relation to financial reporting;
- (b) Regarding (a) above:
- (i) members of the Committee shall liaise with the board and senior management and the Committee must meet, at least twice a year, with the Company's auditors; and
  - (ii) the Committee shall consider any significant or unusual items that are, or may need to be, reflected in the report and account, it shall give due consideration to any matters that have been raised by the Company's qualified accountant, compliance officer or auditors;

#### 4.3 Oversight of the Company's financial reporting system and internal control procedures

- (a) to review the Company's financial controls, internal control and risk management systems;
- (b) to discuss the internal control system with management to ensure that management has performed its duty to have an effective internal control system. This discussion shall include the adequacy of resources, staff qualifications and experience, training programmes and budget of the Company's accounting and financial reporting function;
- (c) to consider major investigation findings on internal control matters as delegated by the board or on its own initiative and management's response to these findings;
- (d) where an internal audit function exists, to ensure co-ordination between the internal and external auditors, and to ensure that the internal audit function is adequately resourced and has appropriate standing within the Company, and to review and monitor its effectiveness;
- (e) to review the financial and accounting policies and practices of the Company and its subsidiaries;
- (f) to review the external auditor's management letter, any material queries raised by the auditor to management about accounting records, financial accounts or systems of control and management's response;
- (g) to ensure that the board will provide a timely response to the issues raised in the external auditor's management letter;
- (h) to report to the board on the matters set out in the Code on Corporate Governance Practices; and
- (i) to consider other topics, as defined by the board;

4.4 To review arrangements employees of the Company can use, in confidence, to raise concerns about possible improprieties in financial reporting, internal control or other matters. The Committee should ensure that proper arrangements are in place for fair and independent investigation of these matters and for appropriate follow-up action; and

4.5 To act as the key representative body for overseeing the Company's relations with external auditor.

## **5. SELF ASSESSMENT**

5.1 The Committee shall assess its effectiveness periodically, with a view to ensuring that its performance accords with best practice. The Committee's terms of reference shall be reviewed annually, updated as required, and shall be made available to any requesting party upon written request to the Company secretary.

30 March 2012



**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)

## **List of Directors and their Role and Function**

The members of the board of Directors (the “Board”) of San Miguel Brewery Hong Kong Limited (the “Company”) are:

### **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

Shobu Nishitani

### **Independent Non-executive Director**

David K. P. Li, GMB, JP

Ng Wai Sun

Carmelo L. Santiago

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

### **Board Committees**

#### **Audit Committee**

David K. P. Li, GMB, JP – Chairman

Ng Wai Sun – Member

Carmelo L. Santiago – Member

**Remuneration Committee**

Ng Wai Sun – Chairman

Carlos Antonio M. Berba – Member

Benjamin Defensor Jr. – Member

David K. P. Li, GMB, JP – Member

Carmelo L. Santiago – Member

Hong Kong, 30 March 2012

**MEMORANDUM**

**AND**

**NEW ARTICLES OF ASSOCIATION**

*(Adopted by Special Resolution passed on 7th April 2005)*

**OF**

**SAN MIGUEL BREWERY HONG KONG LTD.**

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**Incorporated the 30th day of April, 1963.**

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**JOHNSON STOKES & MASTER**

*Solicitors, &c.*

**HONG KONG**

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# **SAN MIGUEL BREWERY HONG KONG LTD.**

## **SPECIAL RESOLUTION**

At an Extraordinary General Meeting of the Company held at the Langham Hotel, 8 Peking Road, Tsimshatsui, Kowloon, Hong Kong on Thursday, 7th April 2005 at 3:00 pm, the following Special Resolution was duly passed and approved:

“THAT the proposed amendments to the Articles of Association as set out in the Company’s circular dated 11th March 2005 be approved.”

*(Sd.)* Francisco C. Eizmendi, Jr.  
*Chairman*

No. 8779  
編號



CERTIFICATE OF INCORPORATION  
公司更改名稱  
ON CHANGE OF NAME  
註冊證書

I hereby certify that  
本人茲證明

SAN MIGUEL BREWERY LIMITED

having by special resolution changed its name, is now incorporated under the name of  
經通過特別決議案，已將其名稱更改，該公司現在之註冊名稱為

SAN MIGUEL BREWERY HONG KONG LIMITED

香港生力啤酒廠有限公司

Given under my hand this Fifth day of May  
簽署於一九九四年五月五日。

One Thousand Nine Hundred and Ninety Four.

MRS. M. LEE

P. Registrar of Companies  
Hong Kong

香港公司註冊處處長  
(公司註冊主任 李余潔清 代行)

# **San Miguel Brewery Limited**

## **SPECIAL RESOLUTION**

At an Extraordinary General Meeting of the Company held at the Brewery, Sham Tseng, New Territories in Hong Kong on Friday, 25th March, 1994, the following Special Resolution was duly passed and approved:

“THAT the name of the Company be changed to  
SAN MIGUEL BREWERY HONG KONG LIMITED  
香港生力啤酒廠有限公司”

(*Sd.*) A. SORIANO III  
*Chairman*

ORDINARY RESOLUTION

*San Miguel Brewery Limited*

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*Passed on 23rd March 1990*

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At the Twenty-Seventh Annual General Meeting of the Members of the Company held at the Hong Kong Convention and Exhibition Centre, 1 Harbour Road, Wanchai, Hong Kong on 23rd March 1990 the following Ordinary Resolution was passed:—

“That it is desirable to capitalise the sum of HK\$93,392,640 being part of the sum standing to the credit of the Capital Reserve of the Company and that such sum be applied in making payment in full at par of 186,785,280 of the unissued shares of HK\$0.50 each in the Capital of the Company and that such shares be allotted and distributed, credited as fully paid-up to and amongst the shareholders of the Company who on 12th March 1990 were registered as the holders of shares of the Company in the proportion of one new share for every one share then held and that such shares shall in all respects rank pari passu with the existing issued shares of the Company except that they shall not be entitled to Dividends or the Cash Bonus for the financial year ended 31st December 1989.”

(*Sd.*) A. SORIANO III  
*Chairman of the Meeting*

## San Miguel Brewery Ltd.

At an Extraordinary General Meeting of the above named Company held at the Brewery, Sham Tseng, New Territories in Hong Kong on Tuesday, 22nd March, 1988, the following Ordinary Resolution was duly passed:

“That the Authorised Share Capital of the Company be increased to HK\$200,000,000 by the creation of 200,000,000 shares of HK\$0.50 each.”

(*Sd.*) A. SORIANO III  
Chairman

## San Miguel Brewery Ltd.

At an Extraordinary General Meeting of the above named Company held at the Brewery, Sham Tseng, New Territories in Hong Kong on Monday, 23rd March, 1987, the following Ordinary Resolution was passed:

“That as at 23rd March 1987, each of the issued and unissued shares of HK\$1.00 each in the Company, including any bonus shares issued on the same date, be subdivided into two shares of HK\$0.50 each.”

(*Sd.*) A. SORIANO III  
*Chairman*

## San Miguel Brewery Ltd.

At an Extraordinary General Meeting of the above named Company held at the Brewery, Sham Tseng, New Territories in Hong Kong on Thursday, 6th April, 1978, the following Ordinary Resolution was duly passed:

“That the Authorised Share Capital of the Company be increased to HK\$100,000,000 by the creation of 70,000,000 shares of HK\$1.00 each.”

(*Sd.*) A. SORIANO, JR.  
*Chairman*

## San Miguel Brewery Ltd.

At an Extraordinary General Meeting of the above named Company held at the Brewery, Sham Tseng, New Territories in Hong Kong on Thursday, 22nd March, 1973, the following Resolutions were duly passed:

(i) As an Ordinary Resolution:

“That each of the existing three million shares of HK\$10.00 each in the capital of the Company be subdivided into ten shares of HK\$1.00 each.”

(ii) As a Special Resolution:

“That in Article 89 the words “San Miguel Brewery Hongkong Limited” be deleted and the words “Neptunia Corporation Limited formerly named San Miguel Brewery Hongkong Limited” be substituted.”

(*Sd.*) A. SORIANO, JR.  
*Chairman*



No. 8779

**CERTIFICATE OF INCORPORATION**

**ON CHANGE OF NAME**

---

**WHEREAS**

**THE HONGKONG BREWERIES LIMITED**

was incorporated as a limited company under the Companies Ordinance (Chapter 32 of the Laws of Hong Kong, Revised Edition, 1950) on the Thirtieth day of April, 1963;

**AND WHEREAS** by special resolution of the Company and with the approval of His Excellency the Governor now given by me on his behalf under delegated powers, it has changed its name;

**NOW THEREFORE** I hereby certify that the Company is a limited company incorporated under the name of **SAN MIGUEL BREWERY LIMITED**.

**GIVEN** under my hand at Victoria in the Colony of Hong Kong this Thirtieth day of April One Thousand Nine Hundred and Sixty-nine.

(*Sd.*) NOEL M. GLEESON  
*Acting Assistant Registrar General*  
*Registrar of Companies,*  
*Hong Kong.*

[COPY]

**CERTIFICATE OF INCORPORATION**

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**I HEREBY CERTIFY** that

**THE HONGKONG BREWERIES LIMITED**

is this day incorporated in Hong Kong under the Companies Ordinance (Chapter 32 of the Revised Edition, 1950, of the Laws of Hong Kong), and that this Company is limited.

**GIVEN** under my hand this Thirtieth day of April,  
One Thousand Nine Hundred and Sixty-three.

*(Sd.)* W. K. THOMSON  
*Registrar of Companies,*  
Hong Kong.

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**Company Limited by Shares**

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**MEMORANDUM OF ASSOCIATION**

OF

**SAN MIGUEL BREWERY HONG KONG LTD.**

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1. The name of the Company is "SAN MIGUEL BREWERY HONG KONG LIMITED".
2. The registered office of the Company will be situated in the Colony of Hong Kong.
3. The objects for which the Company is established are:-
  - (1) To carry on the business of brewers and maltsters in all its branches.
  - (2) To carry on all or any of the business of hop merchants and growers, malt factors, corn merchants, wine and spirit merchants and importers, and distillers, coopers and bottlers, bottle makers, can makers, bottle stopper makers, potters, licensed victuallers, hotel keepers, beerhouse keepers, restaurant keepers, lodging-house keepers, ice manufacturers and merchants, tobacconists, fanners, dairymen, yeast dealers, grain sellers and driers, timber merchants, brick makers, finings manufacturers, isinglass merchants and cold storage and bonded and general warehouse proprietors.
  - (3) To trade and carry on business as hop growers and merchants; beer, lager, ale, stout and porter merchants, bottlers, canners, agents and distributors; barley and general grain raisers, importers, driers and merchants; manufacturers of and dealers in yeast, finings, isinglass and other brewer's requisites; manufacturers of and dealers in all kinds of aerated, mineral and medicated waters and general temperance and other drinks, beverages, cordials and the like; bottle makers, bottle stopper makers, bottle labellers, manufacturers of boxes, cartons, paper and other bags and packing receptacles generally, bottlers, canners, packers and providers of all kinds of goods, products or wares necessary or desirable for use in connection with the business of the Company.
  - (4) To conduct, carry on and manage the businesses or trades of whisky, gin, rum, brandy and general distillers, compounders, and rectifiers; merchants, exporters, importers, brokers, bottlers, sales' agents and general traders in relation to the marketing and distribution, in the Colony of Hong Kong and abroad, of spirits, wines, liqueurs and all other products derived from the cultivation of the grape, and generally to undertake, perform and carry out all or any of the operations ordinarily undertaken by distillery proprietors, wine growers, contractors and shippers, or by persons or companies engaged in such business.
  - (5) To carry on the business of millers, cake and corn merchants, meal manufacturers, buyers, sellers, importers, exporters and dealers in grain and seed of all kinds, flour merchants, bakers, biscuit makers, oil merchants, manufacturers of animal food and feeding and fattening preparations of every description, makers and manufacturers of artificial manures and fertilisers of every description, seed crushers and manufacturers of linseed cotton and other cakes, oil extractors by crushing, chemical or other processes, and hay, straw and fodder merchants.

- (6) To manufacture, prepare, produce, import, export, purchase, sell (wholesale or retail) distribute and deal in goods, wares, merchandise, materials and personal property of every kind, nature and description, including without prejudice to the generality of the foregoing fermented beverages of all kinds, beer yeast, malt extract, wines, spirits, liquors, carbonated or mineral waters, syrups of all kinds, and flavouring extracts; paper of all kinds, size or shape, of articles made from paper, paper pulp, wood pulp, or any other kind of pulp, and paper products like kraft paper, wrapping paper, wall paper, paper bags, envelopes, cigarette paper, paper napkins, paper containers, cardboard, cardboard containers, school supplies and stationeries; plastics, plastic containers and other articles made of plastic; metal and non-metal containers or receptacles, and any other containers of whatsoever kind or shape; glass, glass bottles, glass jars and other containers or receptacles and articles made of glass; explosives, whether sporting, military, commercial or industrial, gunpowder of every description, dynamite, gun cotton, blasting powder, ammunition of all kinds; milk, butter, vegetable butter, margarine, cheese, fats, and similar or analogous substances; all kinds of candies, sweets, pastries, ice cream, fruit juices, confectionery, and other similar products; chemicals of every description, dyes and dye-stuffs, inks, acids, salts, paints, oils, varnishes, colours, pigments; drugs, medicines, ointments, liniments, toilet articles, perfumeries, surgical apparatus, physicians' and hospital supplies; yarns and fabrics of all kinds; compressed gases such as oxygen, acetylene, hydrogen, nitrogen, helium, compressed air, carbon dioxide, and other seniform fluids and chemicals; soaps and detergents and solvents and similar products; cement, lime, plasters and all kinds of concrete products; electrical and mechanical products, equipment, parts, devices, instruments, insulators, conductors, motors, generators, meters, transformers, dynamos, batteries, lighting equipment, and all articles of every kind pertaining to or in anywise connected with the production, use, distribution, regulation, control, or application of electricity or electrical apparatus for light, heat, power, manufacturing, and any and all other purposes; electronic transmitting and receiving sets, radios, television, electronic devices and apparatus used or useful in connection with the transmission or reception of images, animate or inanimate, by electrical and mechanical means; poultry and livestock feeds of every kind and type, flour, cereal products, food products and similar or analogous articles; fertilizer of all kinds; iron, steel, manganese, nickel, copper, coal, coke and lumber products or articles consisting or partly consisting of iron, steel, manganese, nickel, copper, coal, coke, lumber, or other metals, minerals or materials.
- (7) To engage in the business of lithography in general; to print displays on aluminium, carton, wood, glass or any other materials or derivatives thereof, whether by silk screen process, offset process, or any other kind of process; to label and decorate beer and beverage bottles and any other containers made of glass, metal, carton, or any other materials by the use of ceramic applied colour or by silk screened processing methods, or by any other process or method; to buy, sell, lease or in any other way acquire or dispose of all the equipment and materials necessary or incidental thereto.
- (8) To act as agents or representatives of persons, partnerships and corporations, and to engage in the business of commission agents or representatives in connection with the import, export, sale and distribution of goods, wares, merchandise, materials and personal property of every kind nature and description (either wholesale or retail) and for this purpose to enter into contracts, agreements and commitments, in its own name or in the name of the person, partnership or corporation it represents, in connection with the said products or with any other kind of personal or real properties.
- (9) To deal in (either as manufacturers, agents, factors or merchants) by sale, purchase, or by letting or hiring, or otherwise, and to repair and alter any apparatus, machinery, material and articles which shall be capable of being used in the course of any such business as aforesaid, or which are likely to be required by customers of any such business.
- (10) To carry on any other business whether manufacturing or otherwise which may seem to the Company capable of being conveniently carried on in connection with the above or calculated directly or indirectly to enhance the value of or render profitable any of the Company's property or rights.

- (11) To acquire, and undertake the whole or any part of the business, property and liabilities of any person or company carrying on any business which the Company is authorised to carry on or possessed of property suitable for the purposes of this Company.
- (12) To amalgamate, enter into partnership or into any arrangement for sharing profits, union of interest, co-operation, joint venture or reciprocal concession, or for limiting competition with any person or company carrying on or engaged in, or about to carry on or engage in, any business or transaction which the Company is authorised to carry on or engage in, or which can be carried on in conjunction therewith or which is capable of being conducted so as directly or indirectly to benefit the Company.
- (13) To subscribe for, take, or otherwise acquire, and hold shares, stock, debentures, or other securities of any other company having objects altogether or in part similar to those of the Company, or carrying on any business capable of being conducted so as directly or indirectly to benefit the Company.
- (14) To lend and advance money or give credit to such persons or companies and on such terms as may seem expedient, and in particular to customers and others having dealings with the Company, and to guarantee the performance of any contract or obligation and the payment of money of or by any such persons or companies, and generally to give guarantees and indemnities.
- (15) To subscribe for, purchase, or otherwise acquire and hold, sell, dispose of, and deal in shares, stocks, debentures, debenture stock, or other securities of any authority, supreme, municipal, local or otherwise and of any corporation whatsoever and wheresoever.
- (16) To guarantee the payment of money secured by or payable under or in respect of bonds, debentures, debenture stock, contracts, mortgages, charges, obligations and other securities of any company or of any authority, supreme, municipal, local or otherwise, or of any persons whomsoever, whether incorporated or not incorporated.
- (17) To carry on all kinds of promotion business, and in particular to form, constitute, float, lend money to, assist, and control any companies, associations, or undertakings whatsoever.
- (18) To purchase or otherwise acquire, sell, dispose of, and deal in real and personal property of all kinds, and in particular lands, buildings, hereditaments, business concerns and undertakings, mortgages, charges, annuities, patents, licences, shares, stocks, debentures, debenture stock, securities, concessions, options, produce, policies, book debts and claims, and any interest in real or personal property, and any claims against such property, or against any persons or company, and to carry on any business concern or undertaking so acquired.
- (19) To transact and carry on all kinds of agency business, and in particular to collect rents and debts, and to negotiate loans, to find investments, and to issue and place shares, stocks, debentures, debenture stock or other securities.
- (20) To furnish and provide deposits and guarantee funds required in relation to any tender or application for any contract, concession, decree, enactment, property, or privilege, or in relation to the carrying out of any contract, concession, decree, or enactment.
- (21) To seek for and secure openings for the employment of capital in Hong Kong and elsewhere and to acquire from any sovereign state or authority, supreme, local, or otherwise, any concessions, grants, decrees, rights or privileges whatsoever, which may seem to the Company capable of being turned to account and to work, develop, carry out, exercise, and turn to account the same.
- (22) To carry on and undertake any business or operation commonly carried on or undertaken by promoters of companies, financiers, concessionaires, contractors of public and other works, capitalists, merchants or traders.

- (23) To improve, manage, develop, grant rights or privileges in respect of, or otherwise deal with, all or any part of the property and rights of the Company.
- (24) To vest any real or personal property, rights or interest acquired by or belonging to the Company in any person or company on behalf of or for the benefit of the Company, and with or without any declared trust in favour of the Company.
- (25) To invest and deal with the moneys of the Company not immediately required in any manner.
- (26) To guarantee the performance of any contract or obligation and the payment of money of or by any person or company and generally to give guarantees and indemnities.
- (27) To pay for any rights or property acquired by the Company, and to remunerate any person or company whether by cash payment or by the allotment of shares, debentures or other securities of the Company credited as paid up in full or in part or otherwise.
- (28) To apply for, purchase, obtain licences in respect of or otherwise acquire, and protect and renew in any part of the world any patents, patent rights, *brevets d'invention*, trade marks, designs, licences, concessions, and the like, conferring any exclusive or non-exclusive or limited right to their use, or any secret or other information as to any invention which may seem capable of being used for any of the purposes of the Company, or the acquisition of which may seem calculated directly or indirectly to benefit the Company, and to use, exercise, develop, or grant licences in respect of, or otherwise turn to account the property, rights or information so acquired, and to expend money in experimenting upon, testing or improving any such patents, inventions or rights.
- (29) To acquire by purchase, lease, exchange or otherwise, land, buildings, and hereditaments of any tenure or description and any estate or interest therein, and any rights over or connected with land and to turn the same to account as may seem expedient, and in particular by preparing building sites, and by constructing, reconstructing, altering, improving, decorating, furnishing, and maintaining hotels, offices, flats, houses, factories, warehouses, shops, baths, wharves, buildings, works and conveniences of all kinds, and by consolidating, or connecting, or sub-dividing properties, and by leasing and disposing of the same.
- (30) To insure with any company or person against losses, damages, risks and liabilities of all kinds which may affect this Company and to act as agents and brokers for placing insurance risks of all kinds in all its branches.
- (31) To appoint sales agents to sell any of the products of the Company and any goods, foods, stores, chattels and things for which the Company are agents in any part of the world.
- (32) To make, give, undertake, arrange, carry out and do (either gratuitously or for reward) market surveys, advertising, sales promotion, management advice, investment advice, credit investigations and reporting, translation and secretarial service, copying, public relations, and generally advice on all business, trade and financial matters.
- (33) To carry on business and maintain branches abroad in any part of the world for all or any of the purposes aforesaid.
- (34) To enter into any arrangements with any governments or authorities, supreme, municipal, local, or otherwise, that may seem conducive to the Company's objects, or any of them, and to obtain from any such government or authority, any rights, privileges, and concessions which the Company may think it desirable to obtain, and to carry out, exercise and comply with any such arrangements, rights, privileges and concessions.

- (35) To establish and support or aid in the establishment and support of associations, institutions, funds, trusts, and conveniences calculated to benefit employees or ex-employees of the Company or its predecessors in business or the dependants or connections of such persons, and to grant pensions and allowances, and to make payments towards insurance, and to subscribe or guarantee money for charitable or benevolent objects, or for any exhibition, or for any public, general or useful object.
- (36) To promote any company or companies for the purpose of acquiring all or any of the property, rights and liabilities of this Company, or for any other purpose which may seem directly or indirectly calculated to benefit this Company.
- (37) To invest and deal with the moneys of the Company not immediately required in such manner as may from time to time be determined.
- (38) To borrow or raise or secure the payment of money in such manner as the Company shall think fit, and in particular by the issue of debentures, or debenture stock, perpetual or otherwise, charged upon all or any of the Company's property (both present and future), including its uncalled capital and to purchase, redeem, or pay off any such securities.
- (39) To remunerate any person or company for services rendered, or to be rendered, in placing or assisting to place or guaranteeing the placing of any of the shares in the Company's capital or any debentures, debenture stock or other securities of the Company or in or about the formation or promotion of the Company or the conduct of its business.
- (40) To draw, make, accept, endorse, discount, execute and issue promissory notes, bills of exchange, bills of lading, warrants, debentures and other negotiable or transferable instruments.
- (41) To sell or dispose of the undertaking of the Company or any part thereof for such consideration as the Company may think fit, and in particular for shares, debentures, or securities of any other company having objects altogether or in part similar to those of this Company.
- (42) To procure the Company to be registered or recognised in any foreign country or place.
- (43) To sell, improve, manage, develop, exchange, lease, mortgage, enfranchise, dispose of, turn to account, or otherwise deal with, all or any part of the property and rights of the Company.
- (44) To do all or any of the above things in any part of the world and as principals, agents, contractors, trustees, or otherwise, and by or through agents, trustees, or otherwise, and either alone or in conjunction with others.
- (45) To do all such other things as are incidental or the Company may think conducive to the attainment of the above objects.

And it is hereby declared that the intention is that the objects specified in each paragraph of this clause shall except where otherwise expressed in such paragraph, be independent main objects and shall be in nowise limited or restricted by reference to or inference from the terms of any other paragraph.

4. The liability of the Members is limited.
- \*5. The capital of the Company is HK\$200,000,000 divided into 400,000,000 shares of HK\$0.50 each.

*\* The share capital of the Company has been reorganised and increased on 6th April, 1978 and 22nd March, 1988.*

WE, the several persons whose names, addresses and descriptions are hereto subscribed, are desirous of being formed into a Company in pursuance of this Memorandum of Association, and we respectively agree to take the number of shares in the capital of the Company set opposite to our respective names:

Names, Addresses and Descriptions of Subscribers	Number of Shares taken by each Subscriber
<b>F. LEYSHON</b> <b>11 Vivian Court, Mt. Kellet Road,</b> <b>Hong Kong,</b> <b>Brewery Executive.</b>	<b>One</b>
<b>P. J. DALY</b> <b>46 Plantation Road,</b> <b>Hong Kong,</b> <b>Chartered Accountant.</b>	<b>One</b>
<b>W. H. NOLLOTH</b> <b>8 St. George's Court, Kadoorie Avenue,</b> <b>Kowloon,</b> <b>Brewery Executive.</b>	<b>One</b>
<b>F. G. NIGEL</b> <b>35 Deepwater Bay Road,</b> <b>Hong Kong,</b> <b>Solicitor.</b>	<b>One</b>
<b>GARETH H. H. GOLBY</b> <b>6D Far East Mansions, Middle Road,</b> <b>Kowloon,</b> <b>Solicitor.</b>	<b>One</b>
<b>HAROLD CAINE</b> <b>33 Dina House, Duddell Street,</b> <b>Hong Kong,</b> <b>Solicitor.</b>	<b>One</b>
<b>F. D. HAMMOND</b> <b>15 Conduit Road,</b> <b>Hong Kong,</b> <b>Solicitor.</b>	<b>One</b>
Total Number of Shares Taken .....	<b>Seven</b>

Dated the 30th day of April, 1963.

WITNESS to the above signatures:-

(Sd.) **F. H. Kwok**  
**Solicitor,**  
**HONG KONG.**

THE COMPANIES ORDINANCE (CHAPTER 32)

**Company Limited by Shares**

**NEW ARTICLES OF ASSOCIATION**

*(adopted by Ordinary Resolution passed on 7th April 2005)*

OF

**SAN MIGUEL BREWERY HONG KONG LTD.**

**Table A**

1. The regulations contained in Table A in the First Schedule to the Companies Ordinance shall not apply to the Company. Exclusion of Table A

**Interpretation**

2. The marginal notes to these Articles shall not be deemed to be part of these Articles and shall not affect their interpretation and in the interpretation of these Articles, unless there be something in the subject or context inconsistent therewith:-- Interpretation

“Hong Kong”	shall mean the Hong Kong Special Administrative Region of the People’s Republic of China;
“the Company” or “this Company”	shall mean SAN MIGUEL BREWERY HONG KONG LIMITED;
“the Companies Ordinance” or “the Ordinance”	shall mean the Companies Ordinance (Chapter 32 of the Laws of Hong Kong) and any amendments thereto or re-enactment thereof for the time being in force and includes every other ordinance incorporated therewith or substituted therefor and in the case of any such substitution the references in these Articles to the provisions of the Ordinance shall be read as references to the provisions substituted therefor in the new Ordinance;
“these Articles” or “these presents”	shall mean these Articles of Association in their present form and all supplementary, amended or substituted articles for the time being in force;
“capital”	shall mean the share capital from time to time of the Company;
“share”	shall mean share in the capital of the Company and includes stock except where a distinction between stock and shares is expressed or implied;
“shareholders” or “members”	shall mean the duly registered holders from time to time of the shares in the capital of the Company;

“the register”	shall mean the register of members and includes any branch register to be kept pursuant to the provisions of the Companies Ordinance;
“the Board”	shall mean the Directors from time to time of the Company or (as the context may require) the majority of Directors present and voting at a meeting of the Directors;
“Secretary”	shall mean the person or corporation for the time being performing the duties of that office;
“Auditors”	shall mean the persons for the time being performing the duties of that office;
“the Chairman”	shall mean the Chairman presiding at any meeting of members or of the Board;
“call”	shall include any instalment of a call;
“seal”	shall mean the common seal from time to time of the Company and includes, unless the context otherwise requires, any official seal that the Company may have as permitted by these Articles and the Ordinance;
“dividend”	shall include scrip dividends, distributions in specie or in kind, capital distributions and capitalisation issues, if not inconsistent with the subject or context;
“dollars”	shall mean dollars in the lawful currency of Hong Kong;
“month”	shall mean a calendar month;
“writing” or “printing”	shall include writing, printing, lithography, photography, type-writing and every other mode of representing words or figures in a legible and non-transitory form (including an electronic communication);
“associate”	in relation to any Director, shall have the meaning ascribed to it under the Listing Rules as amended from time to time;
“corporate representative”	shall mean any person appointed to act in that capacity pursuant to Article 93(A) or 93(B);
“electronic communication”	shall mean a communication sent by electronic transmission in any form through any medium;
“Listing Rules”	shall mean the Rules Governing the Listing of Securities on the Stock Exchange (as amended from time to time);
“Stock Exchange”	shall mean The Stock Exchange of Hong Kong Limited (or its successor);

words denoting the singular shall include the plural and words denoting the plural shall include the singular;

words importing any gender shall include every gender; and

words importing persons shall include partnerships, firms, companies and corporations.

Subject as aforesaid, any words or expressions defined in the Ordinance (except any statutory modification thereof not in force when these Articles become binding on the Company) shall, if not inconsistent with the subject and/or context, bear the same meaning in these Articles, save that “company” shall where the context permits include any company incorporated in Hong Kong or elsewhere.

References to any Articles by number are to the particular Article of these Articles.

References to a document being executed include references to it being executed under hand or under seal or by electronic signature or by any other method and references to a notice or document include a notice or document recorded or stored in any digital, electronic, electrical, magnetic or other retrievable form or medium and information in visible form whether having physical substance or not.

### Share Capital and Modification of Rights

3. The authorised share capital of the Company as at the date of adoption of these Articles is HK\$200,000,000 divided into 400,000,000 shares of HK\$0.50 each. Share capital

4. Without prejudice to any special rights or restrictions for the time being attaching to any shares or any class of shares, any share may be issued upon such terms and conditions and with such preferred, deferred or other special rights, or such restrictions, whether in regard to dividend, voting, return of capital or otherwise, as the Company may from time to time by ordinary resolution determine (or, in the absence of any such determination or so far as the same may not make specific provision, as the Board may determine) provided always that where the Company issues shares which do not carry voting rights, the words “non-voting” shall appear in the designation of such shares and where the equity capital includes shares with different voting rights, the designation of each class of shares, other than those with the most favourable voting rights, must include the words “restricted voting” or “limited voting” and any preference share may, with the sanction of a special resolution, be issued on the terms that it is, or at the option of the Company or the holder thereof is liable, to be redeemed. Rights of shares

5. The Board may issue warrants to subscribe for any class of shares or securities of the Company on such terms as it may from time to time determine. Where warrants are issued to bearer, no new warrant shall be issued to replace one that has been lost unless the Board is satisfied beyond reasonable doubt that the original has been destroyed and the Company has received an indemnity in such form as the Board shall think fit with regard to the issue of any such new warrant. Warrants

6. (A) If at any time the capital is divided into different classes of shares, all or any of the special rights attached to any class (unless otherwise provided for by the terms of issue of the shares of that class) may, subject to the provisions of the Companies Ordinance, be varied or abrogated either with the consent in writing of the holders of not less than three-fourths in nominal value of the issued shares of that class or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of that class. To every such separate general meeting the provisions of these Articles relating to general meetings shall *mutatis mutandis* apply, but so that the necessary quorum shall be not less than two persons holding or representing by proxy one-third in nominal value of the issued shares of that class, and at an adjourned meeting one person holding shares of that class or his proxy, and that any holder of shares of the class present in person or by proxy may demand a poll. How rights of shares may be modified

(B) The provisions of this Article shall apply to the variation or abrogation of the special rights attached to some of the shares of any class as if each group of shares of the class differently treated formed a separate class the rights whereof are to be varied.

(C) The special rights conferred upon the holders of any shares or class of shares shall not, unless otherwise expressly provided in the rights attaching to or the terms of issue of such shares, be deemed to be altered by the creation or issue of further shares ranking *pari passu* therewith.

Freezing or impairing of rights attaching to shares

(D) Subject to all the impairments, restrictions and conditions imposed by the laws and the courts of Hong Kong, no power shall be taken by the Company to freeze or otherwise impair any of the rights attaching to any shares by reason only that the person or persons who are interested directly or indirectly in those shares have failed to disclose their interests to the Company.

## Shares and Increase of Capital

Company not to finance purchase of own shares

7. The Company may exercise any powers conferred or permitted by the Companies Ordinance or any other ordinance from time to time to purchase or otherwise acquire its own shares or warrants (including redeemable shares) at any price or to give, directly or indirectly, by means of a loan, guarantee, the provision of security or otherwise, financial assistance for the purpose of or in connection with a purchase or other acquisition made or to be made by any person of any shares or warrants in the Company and should the Company purchase or otherwise acquire its own shares or warrants neither the Company nor the Board shall be required to select the shares or warrants to be purchased or otherwise acquired rateably or in any other particular manner as between the holders of shares or warrants of the same class or as between them and the holders of shares or warrants of any other class or in accordance with the rights as to dividends or capital conferred by any class of shares, provided always that any such purchase or other acquisition or financial assistance shall only be made or given in accordance with any relevant rules or regulations issued by the Stock Exchange or the Securities and Futures Commission of Hong Kong from time to time in force, and provided further that in the case of purchases of redeemable shares, (i) purchases not made through the stock market or by tender shall be limited to a maximum price as may from time to time be determined by the Company in general meeting, either generally or with regard to specific purchases, and (ii) if purchases are by tender, tenders shall be available to all members alike.

Power to increase capital

8. The Company in general meeting may from time to time, whether or not all the shares for the time being authorised shall have been issued and whether or not all the shares for the time being issued shall have been fully paid up, by ordinary resolution increase its share capital by the creation of new shares, such new capital to be of such amount and to be divided into shares of such respective amounts as the resolution shall prescribe.

Conditions of issue of new shares

9. Any new shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto as the general meeting resolving upon the creation thereof shall direct, and if no direction be given, subject to the provisions of the Companies Ordinance and of these Articles, as the Board shall determine; and in particular such shares may be issued with a preferential or qualified right to dividends and in the distribution of assets of the Company and with a special or without any right of voting.

Provisions as to issue and allotment of new shares

10. The Company may by ordinary resolution, before the issue of any new shares, make any provisions as to the issue and allotment of such shares, but in default of any such determination or so far as the same shall not extend, such shares may be dealt with as if they formed part of the capital of the Company existing prior to the issue of the same.

New shares to form part of original capital

11. Except so far as otherwise provided by the conditions of issue or by these Articles, any capital raised by the creation of new shares shall be treated as if it formed part of the original capital of the Company and such shares shall be subject to the provisions contained in these Articles with reference to the payment of calls and instalments, transfer and transmission, forfeiture, lien, cancellation, surrender, voting and otherwise.

Shares at disposal of the Board

12. Subject to the provisions of the Companies Ordinance (and in particular Section 57B thereof) and of these Articles relating to new shares, all unissued shares in the Company shall be at the disposal of the Board, which may offer, allot, grant options over or otherwise dispose of them to such persons, at such times, for such consideration and generally on such terms as the Board shall in its absolute discretion think fit, but so that

no shares shall be issued at a discount, except in accordance with the provisions of the Companies Ordinance. Neither the Company nor the Board shall be obliged, when making or granting any allotment of, offer of, option over or disposal of shares, to make, or make available, any such offer, option or shares to shareholders or others with registered addresses in any particular territory or territories being a territory or territories where, in the absence of a registration statement or other special formalities, this would or might, in the opinion of the Board, be unlawful or impracticable. Shareholders affected as a result of the foregoing sentence shall not be, or be deemed to be, a separate class of shareholders for any purpose whatsoever.

13. The Company may at any time pay a commission to any person for subscribing or agreeing to subscribe (whether absolutely or conditionally) for any shares in the Company or procuring or agreeing to procure subscriptions (whether absolute or conditional) for any shares in the Company, but so that the conditions and requirements of the Companies Ordinance shall be observed and complied with, and in each case the commission shall not exceed ten per cent of the price at which the shares are issued.

Company  
may pay  
commission

14. If any shares of the Company are issued for the purpose of raising money to defray the expenses of the construction of any works or buildings or the provision of any plant which cannot be made profitable for a lengthened period, the Company may pay interest on so much of that share capital as is for the time being paid up for the period and subject to the conditions and restrictions mentioned in the Companies Ordinance, and may charge the sum so paid by way of interest to capital as part of the cost of construction of the works or buildings or the provision of plant.

Power to  
charge interest  
to capital

15. Except as otherwise expressly provided by these Articles or as required by law or as ordered by a court of competent jurisdiction, no person shall be recognised by the Company as holding any share upon any trust and, except as aforesaid, the Company shall not be bound by or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share or any interest in any fractional part of a share or any other right or claim to or in respect of any share except an absolute right to the entirety thereof of the registered holder.

Trusts not  
recognised

### **Register of Members and Share Certificates**

16. (A) The Board shall cause to be kept a register of the members and there shall be entered therein the particulars required under the Companies Ordinance.

Share register

(B) Subject to the provisions of the Companies Ordinance, if the Board considers it necessary or appropriate, the Company may establish and maintain a branch register of members at such location outside Hong Kong as the Board thinks fit.

17. Every person whose name is entered as a member in the register shall be entitled without payment to receive within ten business days after allotment or lodgment of a transfer (or within such other period as the Stock Exchange may from time to time prescribe in the Listing Rules) one certificate for all his shares or, if he shall so request, in a case where the allotment or transfer is of a number of shares in excess of the number for the time being forming a stock exchange board lot, upon payment, in the case of a transfer, of a fee as the Board may from time to time determine which shall not exceed the maximum fee prescribed from time to time by the Stock Exchange for every certificate after the first, such number of certificates for shares in stock exchange board lots or multiples thereof as he shall request and one for the balance (if any) of the shares in question, provided that in respect of a share or shares held jointly by several persons the Company shall not be bound to issue a certificate or certificates to each such person, and the issue and delivery of a certificate or certificates to one of several joint holders shall be sufficient delivery to all such holders. In this Article, "business day" means any day on which a recognised stock market (as defined in the Companies Ordinance) is open for the business of dealing in securities.

Share  
certificates

Certificates to be sealed 18. Every certificate for shares, warrants or debentures or representing any other form of security of the Company shall be issued under the seal of the Company, which for this purpose may be any official seal as permitted by Section 73A of the Ordinance. The seal of the Company shall only be affixed with the authority of the Board.

Every certificate to specify number and class of shares 19. Every share certificate hereafter issued shall specify the number and class of shares in respect of which it is issued and the amount paid thereon and may otherwise be in such form as the Board may from time to time prescribe. If at any time the share capital of the Company is divided into different classes of shares, every share certificate shall comply with Section 57A of the Ordinance. A share certificate shall relate to only one class of shares.

Joint holders 20. (A) The Company shall not be bound to register more than four persons as joint holders of any share.

(B) If any share shall stand in the names of two or more persons, the person first named in the register shall be deemed the sole holder thereof as regards service of notices and, subject to the provisions of these Articles, all or any other matters connected with the Company, except the transfer of the share.

Replacement of share certificates 21. If a share certificate is defaced, lost or destroyed, it may be replaced on payment of such fee, if any, not exceeding the maximum fee prescribed from time to time by the Companies Ordinance or by the Stock Exchange or other applicable regulatory authority and on such terms and conditions, if any, as to publication of notice, evidence and indemnity, as the Board thinks fit and in the case of wearing out or defacement, after delivery up of the old certificate. In the case of destruction or loss, the person to whom such replacement certificate is given shall also bear and pay to the Company any exceptional costs and the reasonable out-of-pocket expenses incidental to the investigation by the Company of the evidence of such destruction or loss and of such indemnity.

## Lien

Company's lien 22. The Company shall have a first and paramount lien on every share (not being a fully paid up share) for all moneys, whether presently payable or not, called or payable at a fixed time in respect of such share; and the Company shall also have a first and paramount lien and charge on all shares (other than fully paid up shares) standing registered in the name of a member, whether singly or jointly with any other person or persons, for all the debts and liabilities of such member or his estate to the Company and whether the same shall have been incurred before or after notice to the Company of any equitable or other interest of any person other than such member, and whether the period for the payment or discharge of the same shall have actually arrived or not, and notwithstanding that the same are joint debts or liabilities of such member or his estate and any other person, whether a member of the Company or not. The Company's lien (if any) on a share shall extend to all dividends and bonuses declared in respect thereof. The Board may at any time either generally or in any particular case waive any lien that has arisen, or declare any share to be exempt wholly or partially from the provisions of this Article.

Sale of shares subject to lien 23. The Company may sell, in such manner as the Board thinks fit, any shares on which the Company has a lien, but no sale shall be made unless some sum in respect of which the lien exists is presently payable or the liability or engagement in respect of which such lien exists is liable to be presently fulfilled or discharged, nor until the expiration of fourteen days after a notice in writing, stating and demanding payment of the sum presently payable or specifying the liability or engagement and demanding fulfilment or discharge thereof and giving notice of intention to sell in default, shall have been given to the registered holder for the time being of the shares or the person entitled by reason of such holder's death, bankruptcy or winding-up to the shares.

24. The net proceeds of such sale after the payment of the costs of such sale shall be applied in or towards payment or satisfaction of the debt or liability or engagement in respect whereof the lien exists, so far as the same is presently payable, and any residue shall (subject to a like lien for debts or liabilities not presently payable as existed upon the shares prior to the sale) be paid to the person entitled to the shares at the time of the sale. For giving effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof and may enter the purchaser's name in the register as holder of the shares, and the purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

Application of proceeds of such sale

### Calls on Shares

25. The Board may from time to time make such calls as it may think fit upon the members in respect of any monies unpaid on the shares held by them respectively (whether on account of the nominal value of the shares or by way of premiums) and not by the conditions of allotment thereof made payable at fixed times. A call may be made payable either in one sum or by instalments.

Making of calls

26. Fourteen days' notice at least of any call shall be given specifying the time and place of payment and to whom such call shall be paid.

Notice of calls

27. A copy of the notice referred to in Article 26 shall be sent to members in the manner in which notices may be sent to members by the Company as herein provided.

Copy of notice to be sent to members

28. In addition to the giving of notice in accordance with Article 27, notice of the person appointed to receive payment of every call and of the times and places appointed for payment may be given to the members by notice to be inserted once in The Hong Kong Government Gazette and once at least in both an English language newspaper in English and a Chinese language newspaper in Chinese circulating in Hong Kong.

Notice of call may be advertised

29. Every member upon whom a call is made shall pay the amount of every call so made on him to the person and at the time or times and place or places as the Board shall appoint.

Every member liable to pay call at appointed time and place

30. A call shall be deemed to have been made at the time when the resolution of the Board authorising such call was passed.

When call deemed to be made

31. The joint holders of a share shall be severally as well as jointly liable for the payment of all calls and instalments due in respect of such share or other moneys due in respect thereof.

Liability of joint holders

32. The Board may from time to time at their discretion extend the time fixed for any call, and may extend such time as regards all or any of the members, whom from residence outside Hong Kong or other cause the Board may deem entitled to any such extension but no member shall be entitled to any such extension except as a matter of grace and favour.

Board may extend time fixed for call

33. If the sum payable in respect of any call or instalment be not paid on or before the day appointed for payment thereof, the person or persons from whom the sum is due shall pay interest for the same at such rate not exceeding twenty per cent per annum as the Board shall fix from the day appointed for the payment thereof to the time of the actual payment, but the Board may waive payment of such interest wholly or in part.

Interest on unpaid calls

34. No member shall be entitled to receive any dividend or bonus or to be present and vote (save as proxy for another member) at any general meeting, either personally or (save as proxy for another member) by proxy, or be reckoned in a quorum, or to exercise any other privilege as a member until all calls or instalments due from him to the Company, whether alone or jointly with any other person, together with interest and expenses (if any) shall have been paid.

Suspension of privileges while call unpaid

Evidence In 35. On the trial or hearing of any action or other proceedings for the recovery of any action for call money due for any call, it shall be sufficient to prove that the name of the member sued is entered in the register as the holder, or one of the holders, of the shares in respect of which such debt accrued; that the resolution making the call is duly recorded in the minute book; and that notice of such call was duly given to the member sued, in pursuance of these Articles; and it shall not be necessary to prove the appointment of the Board who made such call, nor any other matters whatsoever, but the proof of the matters aforesaid shall be conclusive evidence of the debt.

Sums payable 36. Any sum which by the terms of allotment of a share is made payable upon allotment an allotment or at any fixed date, whether on account or the nominal value of the share and/or by way of premium, shall for all purposes of these Articles be deemed to be a call duly made, notified, and payable on the date fixed for payment, and in case of non-payment all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture and the like, shall apply as if such sums had become payable by virtue of a call duly made and notified. The Directors may on the issue of shares differentiate between the allottees or holders as to the amount of calls to be paid and the time of payment.

Payment 37. The Board may, if it thinks fit, receive from any member willing to advance the same, and either in money or money's worth, all or tiny part of the money uncalled and or calls in unpaid or instalments payable upon any shares held by him, and upon all or any of the advance moneys so advanced the Company may pay interest at such rate (if any) not exceeding twenty per cent per annum as the Board may decide, provided that not until a call is made, any payment in advance of a call shall not entitle the member to receive any dividend or to exercise any other rights or privileges as a member in respect of the shares or the due portion of the shares upon which payment has been advanced by such member before it is called up. The Board may at any time repay the amount so advanced upon giving to such member not less than one month's notice in writing of its intention in that behalf, unless before the expiration of such notice the amount so advanced shall have been called up on the shares in respect of which it was advanced.

## Transfer of Shares

Form of 38. All transfers of shares may be effected by transfer in writing in the usual common transfer form or in such other form as the Board may accept and may be under hand only. All instruments of transfer must be left at the registered office of the Company or at such other place as the Board may appoint.

Execution of 39. The instrument of transfer of any share shall be executed by or on behalf of the transfers transferor and transferee, and the transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the register in respect thereof. Nothing in these Articles shall preclude the Board from recognising a renunciation of the allotment or provisional allotment of any share by the allottee in favour of some other person.

Directors may 40. The Board may, in its absolute discretion and without assigning any reason, refuse to register a transfer of any share (not being a fully paid up share) to a person of whom refuse to register a transfer it does not approve, and it may also refuse to register any transfer of any share to more than four joint holders or any transfer of any share (not being a fully paid up share) on which the Company has a lien.

Requirements 41. The Board may also decline to recognise any instrument of transfer unless:- as to transfers

- (i) a fee as the Board may from time to time required (which shall not exceed the maximum fee prescribed from time to time by the Stock Exchange) is paid to the Company in respect thereof;
- (ii) the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer;

- (iii) the instrument of transfer is in respect of only one class of share;
- (iv) the shares concerned are free of any lien in favour of the Company; and
- (v) the instrument of transfer is properly stamped.

42. No transfer shall be made to a minor or to a person of unsound mind or under other legal disability. No transfer to an infant etc.
43. If the Board shall refuse to register a transfer of any share, it shall, within two months after the date on which the transfer was lodged with the Company, send to each of the transferor and the transferee notice of such refusal. Notice of refusal to register
44. Upon every transfer of shares the certificate held by the transferor shall be given up to be cancelled, and shall forthwith be cancelled accordingly, and a new certificate shall be issued without charge to the transferee in respect of the shares transferred to him, and if any of the shares included in the certificate so given up shall be retained by the transferor a new certificate in respect thereof shall be issued to him without charge. The Company shall also retain the transfer. Certificate to be given up on transfer
45. The registration of transfers may be suspended and the register closed at such times and for such periods as the Board may from time to time determine, provided always that such registration shall not be suspended or the register closed for more than thirty days in any year or, with the approval of the Company in general meeting, sixty days in any year. Closure of register

### Transmission of Shares

46. In the case of the death of a member, the survivor or survivors where the deceased was a joint holder, and the legal personal representatives of the deceased where he was a sole or only surviving holder, shall be the only persons recognised by the Company as having any title to his interest in the shares; but nothing herein contained shall release the estate of a deceased holder (whether sole or joint) from any liability in respect of any share solely or jointly held by him. Death of registered holder or of joint holder of shares
47. Any person becoming entitled to a share in consequence of the death or bankruptcy or winding-up of a member may, upon such evidence as to his title being produced as may from time to time be required by the Board, and subject as hereinafter provided, elect either to be registered himself as holder of the share or to have some person nominated by him registered as the transferee thereof. Transmission article
48. If the person so becoming entitled shall elect to be registered himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects. If he shall elect to have his nominee registered, he shall testify his election by executing a transfer of such share to his nominee. All the limitations, restrictions and provisions of these presents relating to the right of transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death, bankruptcy or winding-up of the member had not occurred and the notice or transfer were a transfer executed by such member. Notice of election to be registered and registration of nominee
49. A person becoming entitled to a share by reason of the death, bankruptcy or winding-up of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share. However, the Board may, if it thinks fit, withhold the payment of any dividend payable or other advantages in respect of such share until such person shall become the registered holder of the share or shall have effectually transferred such share, but, subject to the requirements of Article 83 being met, such a person may vote at meetings. Entitlement to advantages in respect of shares before becoming registered holder

## Forfeiture of Shares

- Notice requiring payment of call or instalment
50. If a member fails to pay any call or instalment of a call on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or instalment remains unpaid, without prejudice to the provisions of Article 34, serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued and which may still accrue up to the date of actual payment.
- Form of notice
51. The notice shall name a further day (not earlier than the expiration of fourteen days from the date of the notice) on or before which the payment required by the notice is to be made, and it shall also name the place where payment is to be made, such place being either the registered office of the Company, or some other place at which calls of the Company are usually made payable. The notice shall also state that, in the event of non payment at or before the time appointed, the shares in respect of which the call was made will be liable to be forfeited.
- If notice not complied with shares may be forfeited
52. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends and bonuses declared in respect of the forfeited share and not actually paid before the forfeiture. The Directors may accept the surrender of any shares liable to be forfeited hereunder and in such cases references in these Articles to forfeiture shall include surrender.
- Forfeited shares the property of the Company
53. Any share so forfeited shall be deemed to be the property of the Company, and may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit and at any time before a sale or disposition the forfeiture may be cancelled on such terms as the Board thinks fit.
- Liability after forfeiture
54. A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding, remain liable to pay to the Company all moneys which, at the date of forfeiture, were payable by him to the Company in respect of the shares, together with (if the Board shall in its discretion so require) interest thereon from the date of forfeiture until payment at such rate not exceeding twenty per cent per annum as the Board may prescribe, and the Board may enforce the payment thereof if it thinks fit, and without any deduction or allowance for the value of the shares, at the date of forfeiture, but his liability shall cease if and when the Company shall have received payment in full of all such moneys in respect of the shares. For the purposes of this Article any sum which, by the terms of issue of a share, is payable thereon at a fixed time which is subsequent to the date of forfeiture, whether on account of the nominal value or the share or by way of premium, shall notwithstanding that time has not yet arrived be deemed to be payable at the date of forfeiture, and the same shall become due and payable immediately upon the forfeiture, but interest thereon shall only be payable in respect of any period between the said fixed time and the date of actual payment.
- Evidence of forfeiture
55. A statutory declaration in writing that the declarant is a Director or the Secretary of the Company, and that a share in the Company has been duly forfeited or surrendered on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share. The Company may receive the consideration, if any, given for the share on any sale or disposition thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of and he shall thereupon be registered as the holder of the share, and shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.
- Notice after forfeiture
56. When any share shall have been forfeited, notice of the resolution shall be given to the member in whose name it stood immediately prior to the forfeiture, and an entry of the for, forfeiture, with the date thereof, shall forthwith be made In the register, but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or make any such entry.

57. Notwithstanding any such forfeiture as aforesaid the Board may at any time, before any shares so forfeited shall have been sold, re-allotted or otherwise disposed of, cancel the forfeiture on such terms as the Board thinks fit or permit the share forfeited to be redeemed upon the terms of payment of all calls and interest due upon the expenses incurred in respect of the share, and upon such further terms (if any) as it thinks fit. Power to cancel forfeiture or permit redemption
58. The forfeiture of a share shall not prejudice the right of the Company to any call already made or instalment payable thereon. Forfeiture not to prejudice Company's right to call or instalment
59. The provisions of these Articles as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified. Forfeiture for non-payment of any sum due on shares
60. In the event of a forfeiture of shares the member shall be bound to deliver and shall forthwith deliver to the Company the certificate or certificates held by him for the shares so forfeited and in any event the certificates representing shares so forfeited shall be void and of no further effect. Certificates to be given up on forfeiture

### Stock

61. The Company may by ordinary resolution convert any fully paid up shares into stock, and may from time to time by like resolution reconvert any stock into fully paid up shares of any denomination. After the passing of any resolution converting all the fully paid up shares of any class into stock any shares of that class which subsequently become fully paid up and rank *pari passu* in all other respects with such shares shall, by virtue of this Article and such resolution, be converted into stock transferable in the same units as the shares already converted. Power to convert fully paid shares into stock
62. The holders of stock may transfer the same or any part thereof in the same manner, and subject to the same regulations as and subject to which the shares from which the stock arose might prior to conversion have been transferred or as near thereto as circumstances admit, but the Board may from time to time, if it thinks fit, fix the minimum amount of stock transferable and restrict or forbid the transfer of fractions of that minimum, but so that such minimum shall not exceed the nominal amount of the shares from which the stock arose. No warrants to bearer shall be issued in respect of any stock. Transfer of stock
63. The holders of stock shall, according to the amount of the stock held by them, have the same rights, privileges and advantages as regards dividends, participation in assets on a winding up, voting at meetings, and other matters, as if they held the shares from which the stock arose, but no such privilege or advantage (except participation in the dividends and profits of the Company) shall be conferred by an amount of stock which would not, if existing in shares, have conferred such privilege or advantage. Rights of stockholders
64. Such of the provisions of these presents as are applicable to paid up shares shall apply to stock, and the words "share" and "shareholder" therein shall include "stock" and "stockholder". Interpretation

### Alteration of Capital

65. (A) The Company may from time to time by ordinary resolution:- Consolidation and division of capital and sub-division and cancellation of shares
- (i) consolidate or divide all or any of its share capital into shares of larger or smaller amount than its existing shares; on any consolidation of fully paid shares into shares of larger amount, the Board may settle any difficulty which may arise as it thinks expedient and in particular (but without prejudice to the generality of the foregoing) may as between the holders of the shares to be consolidated determine which particular shares are to be consolidated into each consolidated share, and if it shall happen

that any person shall become entitled to fractions of a consolidated share or shares, such fractions may be sold by some person appointed by the Board for that purpose and the person so appointed may transfer the shares so sold to the purchaser thereof and the validity of such transfer shall not be questioned, and so that the net proceeds of such sale (after deduction of the expenses of such sale) may either be distributed among the persons who would otherwise be entitled to a fraction or fractions of a consolidated share or shares rateably in accordance with their rights and interests or may be paid to the Company for the Company's benefit;

- (ii) divide its shares into several classes and attach thereto respectively any preferential, deferred, qualified or special rights, privileges or conditions;
- (iii) cancel any shares which at the date of the passing of the resolution have not been taken or agreed to be taken by any person, and diminish the amount of its share capital by the amount of the shares so cancelled;
- (iv) sub-divide its shares or any of them into shares of smaller amount than is fixed by the Memorandum of Association, subject nevertheless to the provisions of the Companies Ordinance, and so that the resolution whereby any share is sub-divided may determine that, as between the holders of the shares resulting from such sub-division, one or more of the shares may have any such preferred or other special rights over, or may have such deferred rights or be subject to any such restrictions as compared with the others its the Company has power to attach to unissued or new shares; and
- (v) make provision for the issue and allotment of shares which do not carry any voting rights.

Reduction of capital

(B) The Company may by special resolution reduce its share capital, any capital redemption reserve fund or any share premium account in any manner authorised and subject to any conditions prescribed by law.

## General Meetings

Annual general meetings

66. The Company shall in each year hold a general meeting as its annual general meeting in addition to any other meeting in that year and shall specify the meeting as such in the notice calling it; and not more than fifteen months shall elapse between the date of one annual general meeting of the Company and that of the next. The annual general meeting shall be held at such time and place as the Board shall appoint.

Extraordinary general meetings

67. All general meetings other than annual general meetings shall be called extraordinary general meetings.

Convening of extraordinary general meetings

68. The Board may, whenever it thinks fit, convene an extraordinary general meeting, and extraordinary general meetings shall also be convened on requisition, as provided by the Companies Ordinance, or, in default, may be convened by the requisitionists.

Notice of meetings

69. An annual general meeting and a meeting called for the passing of a special resolution shall be called by twenty-one days' notice in writing at the least, and a meeting of the Company other than an annual general meeting or a meeting for the passing of a special resolution shall be called by at least fourteen days' notice in writing. The notice shall be exclusive of the day on which it is served or deemed to be served and of the day for which it is given, and shall specify the place, the day and the hour of meeting and, in case of special business, the general nature of that business, and shall be given, in manner hereinafter mentioned or in such other manner, if any, as may be prescribed by the Company in general meeting, to such persons as are, under these Articles, entitled to receive such notices from the Company, provided that subject to the provisions of the Companies Ordinance, a meeting of the Company shall notwithstanding that it is called by shorter

notice than that specified in this Article be deemed to have been duly called if it is so agreed: -

- (i) in the case of a meeting called as the annual general meeting, by all the members entitled to attend and vote thereat; and
- (ii) in the case of any other meeting, by a majority in number of the members having a right to attend and vote at the meeting, being a majority together holding not less than ninety-five per cent in nominal value of the shares giving that right.

70. (A) The accidental omission to give any notice to, or the non-receipt of any notice by, any person entitled to receive notice shall not invalidate any resolution passed or any proceeding at any such meeting. Omission to give notice

(B) In cases where instruments of proxy are sent out with notices, the accidental omission to send such instrument of proxy to, or the non-receipt of such instrument of proxy by, any person entitled to receive notice shall not invalidate any resolution passed or any proceeding at any such meeting.

### **Proceedings at General Meetings**

71. All business shall be deemed special that is transacted at an extraordinary general meeting, and also all business that is transacted at an annual general meeting with the exception of sanctioning dividends, the reading, considering and adopting of the accounts and balance sheet and the reports of the Directors and Auditors and other documents required to be annexed to the balance sheet, the election of Directors and appointment of Auditors and other officers in the place of those retiring, the fixing of the remuneration of the Auditors, and the voting of remuneration or extra remuneration to the Directors. Special business

72. For all purposes the quorum for a general meeting shall be two members present in person or by a duly authorised corporate representative or by proxy and entitled to vote. Quorum

73. If within fifteen minutes from the time appointed for the meeting a quorum is not present, the meeting, if convened upon the requisition of members, shall be dissolved, but in any other case it shall stand adjourned to the same day in the next week and at such time and place as shall be decided by the Chairman, and if at such adjourned meeting a quorum is not present within fifteen minutes from the time appointed for holding the meeting, the member or members present in person shall be a quorum and may transact the business for which the meeting was called. Want of quorum

74. The Chairman (if any) of the Directors or, if he is absent or declines to take the chair at such meeting, the Deputy Chairman (if any) shall take the chair at every general meeting, or, if there be no such Chairman or Deputy Chairman, or, if at any general meeting neither of such Chairman or Deputy Chairman is present within fifteen minutes after the time appointed for holding such meeting, or both such persons decline to take the chair at such meeting, the Directors present shall choose one of their number as Chairman, and if no Director be present or if all the Directors present decline to take the chair or if the Chairman chosen shall retire from the chair, then the members present shall choose one of their own number to be Chairman. Chairman

75. The Chairman may, with the consent of any general meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn any meeting from time to time and from place to place as the meeting shall determine. Whenever a meeting is adjourned for fourteen days or more, at least seven clear days' notice, specifying the place, the day and the hour of the adjourned meeting shall be given in the same manner as in the case of any original meeting but it shall not be necessary to specify in such notice the nature of the business to be transacted at the adjourned meeting. Same as aforesaid, no member shall be entitled to any notice of an adjournment or of the business to be transacted at any adjourned meeting. No business shall be transacted at any adjourned meeting other than the business which might have been transacted at the meeting from which the adjournment took place. Adjournment

Voting and evidence of the passing of a resolution

76. At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) demanded:—

- (i) by the Chairman of the meeting; or
- (ii) by at least three members present in person or by a duly authorised corporate representative or by proxy for the time being entitled to vote at the meeting; or
- (iii) by any member or members present in person or by a duly authorised corporate representative or by proxy and representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting; or
- (iv) by a member or members present in person or by a duly authorised corporate representative or by proxy and holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right.

Unless a poll be so demanded and not withdrawn, a declaration by the Chairman that a resolution has on a show of hands been carried or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the book containing the minutes of the proceedings of the Company shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour or against such resolution.

Poll

77. If a poll is demanded as aforesaid, it shall (subject as provided in Article 78) be taken in such manner (including the use of ballot or voting papers or tickets) and at such time and place, not being more than thirty days from the date of the meeting or adjourned meeting at which the poll was demanded, as the Chairman directs. No notice need be given of a poll not taken immediately. The result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The demand for a poll may be withdrawn, with the consent of the Chairman, at any time before the close of the meeting or the taking of the poll, whichever is the earlier.

Poll without adjournment

78. Any poll duly demanded on the election of a Chairman of a meeting or on any question of adjournment shall be taken at the meeting and without adjournment.

casting vote

79. In the case of an equality of votes, whether on a show of hands or on a poll, the Chairman of the meeting at which the show of hands takes place or at which the poll is demanded, shall not be entitled to a second or casting vote. In the case of any dispute as to the admission or rejection of any vote the Chairman shall determine the same, and such determination shall be final and conclusive.

Meeting to continue notwithstanding demand for poll

80. The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which a poll has been demanded.

Written resolution

81. A resolution in writing signed by all the members for the time being entitled to receive notice of and to attend and vote at general meetings shall be as valid and effective as if the same had been passed at a general meeting of the Company duly convened and held. A written notice of confirmation of such resolution in writing signed by or on behalf of a member shall be deemed to be his signature to such resolution in writing for the purposes of this Article. Such resolution in writing may consist of several documents each signed by or on behalf of one or more members.

## Votes of Members

82. Subject to any special rights, privileges or restrictions as to voting for the time being attached to any class or classes of shares, at any general meeting on a show of hands every member who is present in person or by a duly authorised corporate representative or by proxy shall have one vote, and on a poll every member present in person, or by a duly authorised corporate representative or by proxy shall have one vote for every share of which he is the holder which is fully paid up or credited as fully paid (but so that no amount paid up or credited as paid up on a share in advance of calls or instalments shall be treated for the purposes of this Article as paid up on the share). On a poll a member entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way. Where any member is, under the Listing Rules as amended from time to time, required to abstain from voting on any particular resolution or restricted to voting only for or only against any particular resolution, any votes cast by or on behalf of such member in contravention of such requirement or restriction shall not be counted.

Votes of members

83. Any person entitled under Article 47 to be registered as the holder of any shares may vote at any general meeting in respect thereof in the same manner as if he were the registered holder of such shares, provided that at least 48 hours before the time of the holding of the meeting or adjourned meeting (as the case may be) at which he proposes to vote, he shall satisfy the Board of his right to be registered as the holder of such shares or the Board shall have previously admitted his right to vote at such meeting in respect thereof.

Votes of persons entitled by transmission

84. Where there are joint registered holders of any share, any one of such persons may vote at any meeting, either personally or by proxy, in respect of such share as if he were solely entitled thereto; but if more than one of such joint holders be present at any meeting personally or by proxy, that one of the said persons so present whose name stands first on the register in respect of such share shall alone be entitled to vote in respect thereof. Several executors or administrators of a deceased member in whose name any share stands shall for the purposes of this Article be deemed joint holders thereof.

Joint holders

85. A member of unsound mind or in respect of whom an order has been made by any court having jurisdiction in lunacy may vote, whether on a show of hands or on a poll, by his committee, receiver, *curator bonis* or other person in the nature of a committee, receiver or *curator bonis* appointed by that court, and any such committee, receiver, *curator bonis* or other person may on a poll vote by proxy. Evidence to the satisfaction of the Board of the authority of the person claiming to exercise the right to vote shall be delivered to the registered office of the Company, or to such other place as is specified in accordance with these Articles for the deposit of instruments of proxy, before the last time at which a valid instrument of proxy could be so delivered.

Vote of member of unsound mind

86. (A) Save as expressly provided in these Articles, no person other than a member duly registered and who shall have paid everything for the time being due from him payable to the Company in respect of his shares shall be entitled to be present or to vote (save as proxy for another member) either personally or by proxy, or to be reckoned in a quorum, at any general meeting.

Qualification for voting

(B) No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection made in due time shall be referred to the Chairman, whose decision shall be final and conclusive.

87. Any member of the Company entitled to attend and vote at a meeting of the Company shall be entitled to appoint another person as his proxy to attend and vote instead of him. Votes may be given either personally or by a duly authorised corporate representative or by proxy. A member who is the holder of two or more shares may appoint more than one proxy to attend on the same occasion. A proxy need not be a member. In addition, a proxy or proxies representing either an individual member or a member which is a corporation,

Proxy

shall be entitled to exercise the same powers on behalf of the member which he or they represent as such member could exercise, including the right to vote individually on a show of hands.

Proxy to be in writing

88. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing, or if the appointor is a corporation, either under seal or under the hand of an officer or attorney duly authorised.

Deposit of proxy

89. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the registered office of the Company or at such other place as is specified in the notice of meeting or in the instrument of proxy issued by the Company not less than forty-eight hours before the time for holding the meeting or adjourned meeting or poll (as the case may be) at which the person named in such instrument proposes to vote, and in default the instrument of proxy shall not be treated as valid. No instrument appointing a proxy shall be valid after the expiration of twelve months from the date of its execution, except at an adjourned meeting or on a poll demanded at a meeting or an adjourned meeting in cases where the meeting was originally held within twelve months from such date. Delivery of an instrument appointing a proxy shall not preclude a member from attending and voting in person at the meeting or poll concerned and, in such event, the instrument appointing a proxy shall be deemed to be revoked.

Form of proxy

90. Every instrument of proxy, whether for a specified meeting or otherwise, shall be in such form as the Board may from time to time approve.

Authority under instrument of proxy

91. The instrument appointing a proxy to vote at a general meeting shall: (i) be deemed to confer authority upon the proxy to vote on any resolution (or amendment thereto) put to the meeting for which it is given as the proxy thinks fit provided that any form issued to a member for use by him for appointing a proxy to attend and vote at an extraordinary general meeting or at an annual general meeting at which special business (determined as provided in Article 71) is to be transacted shall be such as to enable the member, according to his intention, to instruct the proxy to vote in favour of or against (or, in default of instructions, to exercise his discretion in respect of) each resolution dealing with any such special business; and (ii) unless the contrary is stated therein, be valid as well for any adjournment of the meeting as for the meeting to which it relates.

When proxy vote valid though authority revoked

92. A vote given in accordance with the terms of an instrument of proxy or power of attorney or by the duly authorised corporate representative shall be valid notwithstanding the previous death or insanity of the principal or revocation of the proxy or power of attorney or other authority under which the proxy was executed or the transfer of the share in respect of which the proxy is given, provided that no notice in writing of such death, insanity, revocation or transfer as aforesaid shall have been received by the Company at its registered office, or at such other place as is referred to in Article 89, at least two hours before the commencement of the meeting or adjourned meeting at which the proxy is used.

Corporation acting by representatives

93. (A) Any corporation which is a member of the Company may, by resolution of its directors or other governing body or by power of attorney, authorise such persons as it thinks fit to act as its representative at any meeting of the Company or of any class of members of the Company, and the person so authorised shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could exercise if it were an individual member of the Company. References in these Articles to a member present in person at a meeting shall, unless the context otherwise requires, include a corporation which is a member represented at the meeting by such duly authorised representative or by one or more proxies. Nothing in this Article shall prevent a corporation which is a member of the Company from appointing one or more proxies to represent it pursuant to Article 87.

(B) Where a member is a recognised clearing house within the meaning of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), it may authorise such person or persons as it thinks fit to act as its representative or representatives at any meeting of the Company or at any meeting of any class of members of the Company provided that, if more than one person is so authorised, the authorisation shall specify the number and class of shares in respect of which each such person is so authorised. The person so authorised under the provision of this Article shall be entitled to exercise the same powers on behalf of such clearing house which he represents as such clearing house (or its nominee) could exercise if it were an individual member of the Company.

Clearing house acting by representatives

### Registered Office

94. The registered office of the Company shall be at such place in Hong Kong as the Board shall from time to time appoint.

Registered office

### Board of Directors

95. The number of Directors shall not be less than three and not more than twelve. The Board shall cause to be kept a register of the Directors and Secretaries, and there shall be entered therein the particulars required by the Companies Ordinance.

Number of Directors

96. The Board shall have power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy or as an addition to the Board. Any Director so appointed shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election, but shall not be taken into account in determining the Directors who are to retire by rotation at such meeting.

Power to fill vacancies

97. (A) A Director may at any time, by notice in writing signed by him delivered to the registered office of the Company or at a meeting of the Board, appoint any person (including another Director) to act as alternate Director in his place during his absence and may in like manner at any time determine such appointment. If such person is not another Director, such appointment, unless previously approved by the Board, shall have effect only upon and subject to being so approved.

Alternate Directors

(B) The appointment of an alternate Director shall determine on the happening of any event which, were he a Director, would cause him to vacate such office or if his appointor ceases to be a Director.

(C) An alternate Director shall (except when absent from Hong Kong) be entitled to receive notices of meetings of the Board and shall be entitled to attend and vote as a Director at any such meeting at which the Director appointing him is not personally present and generally at such meeting to perform all the functions of his appointor as a Director and for the purposes of the proceedings at such meeting the provisions of these presents shall apply as if he (instead of his appointor) were a Director. If he shall be himself a Director or shall attend any such meeting as an alternate for more than one Director his voting rights shall be cumulative. If his appointor is for the time being absent from Hong Kong or otherwise not available or unable to act, his signature to any resolution in writing of the Directors shall be as effective as the signature of his appointor. To such extent as the Board may from time to time determine in relation to any committee of the Board, the foregoing provisions of this paragraph shall also apply *mutatis mutandis* to any meeting of any committee of which his appointor is a member. An alternate Director shall not, save as aforesaid, have power to act as a Director nor shall he be deemed to be a Director for the purposes of these Articles.

(D) An alternate Director shall be entitled to contract and be interested in and benefit from contracts or arrangements or transactions and to be repaid expenses and to be indemnified to the same extent *mutatis mutandis* as if he were a Director, but he shall not be entitled to receive from the Company in respect of his appointment as alternate Director any remuneration except only such part (if any) of the remuneration otherwise payable to his appointor as such appointor may by notice in writing to the Company from time to time direct.

No qualification shares	98. A Director shall not be required to hold any qualification shares but shall nevertheless be entitled to attend and speak at all general meetings of the Company and of any class of members of the Company.
Remuneration	99. The Directors shall be entitled to receive by way of remuneration for their services such sum as shall from time to time be determined by the Company in general meeting, such sum (unless otherwise directed by the resolution by which it is voted) to be divided amongst the Directors in such proportions and in such manner as the Board may agree, or failing agreement, equally, except that in such event any Director holding office for less than the whole of the relevant period in respect of which the remuneration is paid shall only rank in such division in proportion to the time during such period for which he has held office. The foregoing provisions shall not apply to a Director who holds any salaried employment or office in the Company except in the case of sums paid in respect of Directors' fees.
Expenses	100. The Directors shall also be entitled to be repaid all travelling, hotel and other expenses reasonably incurred by them respectively in or about the performance of their duties as Directors, including their expenses of travelling to and from board meetings, committee meetings or general meetings or otherwise incurred whilst engaged on the business of the Company or in the discharge of their duties as Directors.
Special remuneration	101. The Board may grant special remuneration to any Director who, being called upon, shall perform any special or extra services to or at the request of the Company. Such special remuneration may be made payable to such Director in addition to or in substitution for his ordinary remuneration as a Director, and may be made payable by way of salary, commission or participation in profits or otherwise as may be arranged.
Fixing of remuneration	102. Notwithstanding Articles 99, 100 and 101, the remuneration of a Managing Director, Joint Managing Director, Deputy Managing Director or other Executive Director or a Director appointed to any other office in the management of the Company shall from time to time be fixed by the Board and may be by way of salary, commission, or participation in profits or otherwise or by all or any of those modes and with such other benefits (including pension and/or gratuity and/or other benefits on retirement) and allowances as the Board may from time to time decide. Such remuneration shall be in addition to his remuneration as a Director.
When Director to vacate office	103. (A) A Director shall vacate his office:-- <ul style="list-style-type: none"> <li>(i) if he becomes bankrupt or has a receiving order made against him or suspends payment or compounds with his creditors generally;</li> <li>(ii) if he becomes a lunatic or of unsound mind;</li> <li>(iii) if he absents himself from the meetings of the Board during a continuous period of six months, without special leave of absence from the Board, and his alternate Director (if any) shall not during such period have attended in his stead, and the Board passes a resolution that he has by reason of such absence vacated his office;</li> <li>(iv) if he becomes prohibited from being a Director by reason of any order made under any provision of the Companies Ordinance;</li> <li>(v) if by notice in writing delivered to the Company at its registered office he resigns his office;</li> <li>(vi) if he shall be removed from office by notice in writing served upon him signed by all his co-Directors; or</li> <li>(vii) if he shall be removed from office by an ordinary resolution of the Company under Article 111.</li> </ul>

(B) No Director shall be required to vacate office or be ineligible for re-election or re-appointment as a Director, and no person shall be ineligible for appointment as a Director, by reason only of his having attained any particular age.

104. (A) (i) A Director may hold any other office or place of profit with the Company (except that of Auditor) in conjunction with his office of Director for such period and upon such terms as the Board may determine and may be paid such extra remuneration therefor (whether by way of salary, commission, participation in profits or otherwise) as the Board may determine and such extra remuneration shall be in addition to any remuneration provided for by or pursuant to any other Article. Directors interests in contracts or arrangements, etc.
- (ii) A Director, notwithstanding his interest, may be counted in the quorum present at any meeting at which he or any other director is appointed to hold any office or place of profit with the Company or at which the terms of any such appointment are arranged, and he may vote on any such appointment or arrangement except that he shall not vote regarding his own appointment or the arrangement of the terms thereof.
- (B) (i) No Director or intended Director shall be disqualified by his office from contracting with the Company either as vendor, purchaser or otherwise nor shall any such contract or any contract or arrangement entered into by or on behalf of the Company with any person, company or partnership of or in which any Director shall be a member or otherwise interested be capable on that account of being avoided, nor shall any Director so contracting or being such member or so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason only of such Director holding that office or the fiduciary relationship thereby established.
- (ii) A Director who is in any way, whether directly or indirectly, interested in a contract or proposed contract (being a contract of significance in relation to the Company's business) with the Company shall, if his interest in the contract or proposed contract is material, declare the nature of his interest in any such contract or arrangement in which he is so interested at the meeting of the Board at which the question of entering into the contract or arrangement is first taken into consideration, if he knows his interest then exists, or in any other case at the first meeting of the Board after he knows that he is or has become so interested.
- (iii) A Director shall not vote or be counted in the quorum in respect of any contract, arrangement or other proposal in which he or his associate(s) is/are materially interested, and if he shall do so his vote shall not be counted, but this prohibition shall not apply to any contract, arrangement or other proposal for or concerning:-
- (a) the giving of any security or indemnity either:-
- (I) to the Director or his associate(s) in respect of money lent or obligations incurred or undertaken by him or any of them at the request of or for the benefit of the Company or any of its subsidiaries; or
- (II) to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which the Director or his associate(s) has himself/ themselves assumed responsibility in whole or in part and whether alone or jointly under a guarantee or indemnity or by the giving of security; and/or
- (b) an offer of shares or debentures or other securities of or by the Company or any other company which the Company may promote or be interested in for subscription or purchase where the Director or his associate(s) is/are or is/are to be interested as a participant in the underwriting or subunderwriting of the offer; and/or

- (c) any other company in which the Director or his associate(s) is/are interested only, whether directly or indirectly, as an officer or executive or shareholder or in which the Director or his associate(s) is/are beneficially interested in shares or securities of that company, provided that the Director and any of his associates are not in aggregate beneficially interested in 5% or more of the issued shares or securities of any class of such company (or of any third company through which his interest or that of his associates is derived) or of the voting rights attached to such issued shares or securities; and/or
  - (d) the benefit of employees of the Company or any of its subsidiaries including:-
    - (I) the adoption, modification or operation of any employees' share scheme or any share incentive or share option scheme under which the Director or his associate(s) may benefit; or
    - (II) the adoption, modification or operation of a pension fund or retirement, death or disability benefits scheme which relates both to Directors, his associates and employees of the Company or any of its subsidiaries and does not provide in respect of any Director, or his associate(s), as such any privilege or advantage not generally accorded to the class of persons to which such scheme or fund relates; and/or
  - (e) any contract or arrangement in which the Director or his associate(s) is/are interested in the same manner as other holders of shares or debentures or other securities of the Company by virtue only of his/their interest in shares or debentures or other securities of the Company.
- (iv) (a) A company shall be deemed to be a company in which a Director and/or his associate(s) owns 5% or more if and so long as (but only if and so long as) he and/or his associate(s) (either directly or indirectly) is/are the holders of or beneficially interested in 5% or more of any class of the equity share capital of such company or of the voting rights available to members of such company (or any third company through which his/their interest or that of any of his associates is derived) or of the voting rights of any class of shares available to shareholders of the Company. For the purpose of this paragraph there shall be disregarded any shares held by a Director or his associate(s) as bare or custodian trustee and in which he or any of them has no beneficial interest, any shares comprised in a trust in which the interest of the Director or his associate(s) is/are in reversion or remainder if and so long as some other person is entitled to receive the income thereof, and any shares comprised in an authorised unit trust scheme in which the Director or his associate(s) is interested only as a unit holder and any shares which carry no voting right at general meetings and very restrictive dividend and return of capital right.
- (b) Where a company in which a Director and/or his associate(s) holds 5% or more of any class of the equity share capital of such company or of the voting rights of any class of shares available to shareholders of the Company is/are materially interested in a transaction, then that Director shall also be deemed materially interested in such transaction.

- (c) If any question shall arise at any meeting of the Board as to the materiality of the interest of a Director (other than the chairman of the meeting) or his associate(s) or as to the entitlement of any Director (other than such chairman) to vote or be counted in the quorum and such question is not resolved by his voluntarily agreeing to abstain from voting or not to be counted in the quorum, such question shall be referred to the chairman of the meeting and his ruling in relation to such other Director or his associate(s) shall be final and conclusive except in a case where the nature or extent of the interest of the Director or his associate(s) concerned as known to such Director has not been fairly disclosed to the Board. If any question as aforesaid shall arise in respect of the chairman of the meeting or his associate(s) such question shall be decided by a resolution of the Board (for which purpose such chairman and any of the other directors present who are materially interested in the contract or arrangement in question shall be counted in the quorum but shall not vote thereon) and such resolution shall be final and conclusive except in a case where the nature or extent of the interest of such chairman or his associate(s) as known to such chairman has not been fairly disclosed to the Board.
- (v) Any Director may continue to be or become a director, managing director, joint managing director, deputy managing director, executive director, manager or other officer or member of any other company in which the Company may be interested and (unless otherwise agreed) no such Director shall be accountable for any remuneration or other benefits received by him as a director, managing director, joint managing director, deputy managing director, executive director, manager or other officer or member of any such other company. The Board may exercise the voting powers conferred by the shares in any other company held or owned by the Company, or exercisable by it as directors of such other company in such manner as in all respects it thinks fit (including the exercise thereof in favour of any resolution appointing themselves or any of them directors, managing directors, joint managing directors, deputy managing directors, executive directors, managers or other officers of such company) and any Director may vote in favour of the exercise of such voting rights in the manner aforesaid notwithstanding that he may be, or be about to be, appointed a director, managing director, joint managing director, deputy managing director, executive director, manager or other officer of such a company, and that as such he is or may become interested in the exercise of such voting rights in manner aforesaid.
- (vi) A general notice to the Board by a Director that he is a member of a specified firm or corporation and is to be regarded as interested in any contract or arrangement which may be made with that firm or corporation after the date of such notice or that he is to be regarded as interested in any contract or arrangement which may be made with a specified person who is connected with him after the date of such notice shall be deemed to be a sufficient declaration of interest in relation to any contract or arrangement so made, provided that no such notice shall be of effect unless either it is given at a meeting of the Board or the Director takes reasonable steps to ensure that it is brought up and read at the next meeting of the Board after it is given.

(C) A Director of the Company may be or become a Director of any company promoted by the Company or in which it may be interested as a vendor, shareholder or otherwise and no such Director shall be accountable for any benefits received as a director or member of such company.

(D) Any Director may act by himself or by his firm in a professional capacity for the Company and he or his firm shall be entitled to remuneration for professional services as if he were not a Director, provided that nothing herein contained shall authorise a Director or his firm to act as Auditor to the Company.

## Rotation of Directors

Retirement  
by rotation

105. (A) At each annual general meeting one-third of the Directors for the time being or, if their number is not three or a multiple of three, then the number nearest one-third, shall retire from office. In addition, there shall also be required to retire by rotation any Director who at an annual general meeting of the Company shall have been a Director at each of the preceding two annual general meetings of the Company and who was not elected or re-elected at either such annual general meeting and who has not otherwise ceased to be a Director (either by resignation, retirement, removal or otherwise) and been re-elected by general meeting of the Company at or since either such annual general meeting. The Directors to retire in every year shall be those who have been longest in office since their last election but as between persons who became Directors on the same day those to retire shall (unless they otherwise agree between themselves) be determined by lot. The retiring Directors shall be eligible for re-election.

(B) The Company at any general meeting at which any Directors retire in manner aforesaid may fill the vacated office by electing a like number of persons to be Directors.

Places of  
retiring  
Directors  
not filled

106. If at any general meeting at which an election of Directors ought to take place, the places of the retiring Directors are not filled, the retiring Directors or such of them as have not had their places filled shall be deemed to have been re-elected and shall, if willing, continue in office until the next annual general meeting and so on from year to year until their places are filled, unless:—

- (i) it shall be determined at such meeting to reduce the number of Directors; or
- (ii) it is expressly resolved at such meeting not to fill up such vacated offices; or
- (iii) in any such case the resolution for re-election of a Director is put to the Meeting and lost.

Variation of  
number of  
Directors

107. The Company may from time to time in general meeting by ordinary resolution fix, increase or reduce the maximum and minimum number of Directors but so that the number of Directors shall never be less than two.

Casual  
vacancy

108. The Company may from time to time in general meeting by ordinary resolution elect any person to be a Director either to fill a casual vacancy or as an addition to the Board.

Notice of  
proposal for  
election as  
Director

109. No person, other than a retiring Director, shall, unless recommended by the Board for election, be eligible for election to the office of Director at any general meeting, unless notice in writing of the intention to propose that person for election as a Director and notice in writing by that person of his willingness to be elected shall have been given to the Company at its registered office in the period commencing no earlier than the day after the despatch of the notice of the meeting appointed for such election and ending no later than seven days prior to the date of such meeting, provided that such period shall be at least seven days.

Register of  
Directors

110. The Company shall keep in accordance with the Ordinance a register containing the names and addresses and occupations of its Directors and shall from time to time notify to the Registrar of Companies any change that takes place in such Directors as required by the Companies Ordinance.

Removal of  
Directors  
by special  
resolution

111. The Company may by ordinary resolution remove any Director (including a Managing, Joint Managing, Deputy Managing or other Executive Director) before the expiration of his period of office notwithstanding anything in these Articles or in any agreement between the Company and such Director (but without prejudice to any claim which such Director may have for damages for any breach of any contract of service between him and the Company) and may elect another person in his stead. Any person so elected shall hold office for such time only as the Director in whose place he is elected would have held the same if he had not been removed.

## Borrowing Powers

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| 112. The Board may from time to time in its discretion exercise all the powers of the Company to raise or borrow or to secure the payment of any sum or sums of money for the purposes of the Company and to mortgage or charge its undertaking, property and uncalled capital or any part thereof.   | Power to borrow                               |
| 113. The Board may raise or secure the payment or repayment of such sum or sums in such manner and upon such terms and conditions in all respects as it thinks fit and, in particular by the issue of debentures, debenture stock, bonds or other securities of the Company, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party. | Conditions on which borrowing permitted       |
| 114. Debentures, debenture stock, bonds and other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued.   | Assignment                                    |
| 115. Any debentures, debenture stock, bonds or other securities may be issued at a discount, premium or otherwise and with any special privileges as to redemption, surrender, drawings, allotment of shares, attending and voting at general meetings of the Company, appointment of Directors and otherwise.  | Special privileges                            |
| 116. (A) The Board shall cause a proper register to be kept, in accordance with the provisions of the Companies Ordinance, of all mortgages and charges specifically affecting the property of the Company and shall duly comply with the requirements of the Companies Ordinance in regard to the registration of mortgages and charges therein specified and otherwise.                           | Register of charges and debentures to be kept |
| (B) If the Company issues a series of debentures or debenture stock not transferable by delivery, the Board shall cause a proper register to be kept of the holders of such debentures in accordance with the provisions of the Companies Ordinance.  |   |
| 117. Where any uncalled capital of the Company is charged, all persons taking any subsequent charge thereon shall take the same subject to such prior charge, and shall not be entitled, by notice to the members or otherwise, to obtain priority over such prior charge.  | Priority of charges over uncalled capital     |

## Managing Directors, etc.

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| 118. The Board may from time to time appoint any one or more of its body to the office of Managing Director, Joint Managing Director, Deputy Managing Director or other Executive Director and/or such other office in the management of the business of the Company as it may decide for such period and upon such terms as it thinks fit and upon such terms as to remuneration as it may decide in accordance with Article 102.  | Power to appoint Managing Directors etc. |
| 119. Every Director appointed to an office under Article 118 hereof shall, but without prejudice to any claim for damages for breach of any contract of service between himself and the Company be liable to be dismissed or removed therefrom by the Board.  | Removal by Board                         |
| 120. A Director appointed to an office under Article 118 shall be subject to the same provisions as to rotation, resignation and removal as the other Directors of the Company, and he shall <i>ipso facto</i> and immediately cease to hold such office if he shall cease to hold the office of Director for any cause.  | Cessation of appointment                 |
| 121. The Board may from time to time entrust to and confer upon a Managing Director, Joint Managing Director, Deputy Managing Director or Executive Director all or any of the powers of the Board that it may think fit provided that the exercise of all powers by such Director shall be subject to such regulations and restrictions as the Board may from time to time make and impose, and the said powers may at any time be withdrawn, revoked or varied, but no person dealing in good faith and without notice of such withdrawal, revocation or variation shall be affected thereby. | Powers may be delegated                  |

## Management

Power of  
management  
vested in  
Board

122. (A) Subject to any exercise by the Board of the powers conferred by Articles 123 to 125, the management of the business of the Company shall be vested in the Board who, in addition to the powers and authorities by these Articles expressly conferred upon it, may exercise all such powers and do all such acts and things as may be exercised or done or approved by the Company and are not hereby or by the Companies Ordinance expressly directed or required to be exercised or done by the Company in general meeting, but subject nevertheless to the provisions of the Companies Ordinance and of these Articles and to any regulations from time to time made by the Company in general meeting not being inconsistent with such provisions of these Articles, provided that no regulation so made shall invalidate any prior act of the Board which would have been valid if such regulation had not been made.

(B) Without prejudice to the general powers conferred by these Articles, it is hereby expressly declared that the Board shall have the following powers:-

- (i) to give to any person the right or option of requiring at a future date that an allotment shall be made to him of any share at par or at such premium as may be agreed; and
- (ii) to give to any Directors, officers or servants of the Company an interest in any particular business or transaction or participation in the profits thereof or in the general profits of the Company either in addition to or in substitution for a salary or other remuneration.

## Managers

Appointment  
and  
remuneration  
of managers

123. Neptunia Corporation Limited formerly named San Miguel Brewery Hongkong Limited (in this Article and in Articles 124 and 125 called "the said Managers") shall be, the first General Managers and Brewery Managers of the Company and shall not be removable from office otherwise than by their own resignation or by special resolution of the Company or *ipso facto* if at any time the said Managers cease to hold ten per cent of the share capital of the Company for the time being issued provided that within ten years from 12th June, 1963 the said Managers shall not resign nor vote in favour of a special resolution removing them from office nor voluntarily sell or dispose of shares in the Company so as to reduce their holding to less than ten per cent of the share capital of the Company for the time being issued. The said Managers shall at their own expense employ and in the first instance pay the salaries and emoluments of such executives and/or such other officers as the said Managers shall from time to time think fit, for the purpose of providing an efficient management and a technical and advisory service in all matters concerning the brewery business and any other business of the Company but the Company shall reimburse to the said Managers the cost of all emoluments paid or provided to such officers in respect of services rendered by them to the Company. The said Managers shall also undertake the management of the business of the Company and all planning in connection therewith and shall arrange for the purchase of all raw materials machinery and equipment required in connection with such business.

Commission

124. The said Managers shall while holding the office of General Managers and Brewery Managers be entitled to a commission equal to seven and one-half per cent on the net profits of the Company for each financial year. Net profits shall mean the operating profits of the Company after all necessary provisions but before any charges for Corporation Profits Tax, Property Tax or any other form of Income Tax for the time being in force before any appropriation out of profits and before charging the commission payable to the said Managers. The certificate of the Company's auditors for the time being of the amount of the net profits upon which the said commission shall be paid shall be conclusive and binding upon all parties.

125. For the purposes of Articles 123 and 124 hereof the Directors may enter into such Agreement or Agreements with the said Managers as the Directors may in their absolute discretion think fit and may confer upon the said Managers such of the powers of the Directors as they may think fit.

Delegation of powers to managers

### Chairman

126. The Board may from time to time elect or otherwise appoint a Director to be Chairman or Deputy Chairman and determine the period for which each of them is to hold office. The Chairman or, in his absence, the Deputy Chairman shall preside at meetings of the Board, but if no such Chairman or Deputy Chairman be elected or appointed, or if at any meeting the Chairman or Deputy Chairman is not present within five minutes after the time appointed for holding the same, the Directors present shall choose one of their number to be Chairman of such meeting.

Chairman of Board

### Proceedings of the Directors

127. The Board may meet together for the despatch of business, adjourn and otherwise regulate its meetings and proceedings as it thinks fit and may determine the quorum necessary for the transaction of business. Unless otherwise determined three Directors shall be a quorum. For the purpose of this Article an alternate Director shall be counted in a quorum but, notwithstanding that an alternate Director is also a Director or is an alternate for more than one Director, he shall for quorum purposes count as only one Director. The Board or any committee of the Board may participate in a meeting of the Board or such committee by means of a conference telephone or similar communications equipment by means of which all persons participating in the meeting are capable of hearing each other.

Board meeting and quorum

128. A Director may, and on request of a Director the Secretary shall, at any time summon a meeting of the Board. Notice thereof shall be given to each Director and alternate Director either in writing or by telephone or by telex or telegram at the address from time to time notified to the Company by such Director or in such other manner as the Board may from time to time determine, provided that notice need not be given to any Director or alternate Director for the time being absent from Hong Kong. A Director may waive notice of any meeting and any such waiver may be prospective or retrospective.

Convening Board meetings

129. Questions arising at any meeting of the Board shall be decided by a majority of votes, and in case of an equality of votes the Chairman shall have a second or casting vote.

Casting vote

129A. Any Director or his alternate may validly participate in a meeting of the Board or a committee of the Board through the medium of conference telephone or similar form of communication equipment, provided that all persons participating in the meeting are able to hear and speak to each other throughout such meeting. A person so participating shall be deemed to be present in person at the meeting and shall accordingly be counted in a quorum and be entitled to vote. Such a meeting shall be deemed to take place where the largest group of those participating is assembled or, if there is no group which is larger than any other group, where the Chairman of the meeting then is.

Medium of meeting

130. A meeting of the Board for the time being at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions by or under these Articles for the time being vested in or exercisable by the Board generally.

Powers of Board meetings

131. The Board may delegate any of its powers to committees consisting of such member or members of its body and such other persons, as the Directors think fit, and may from time to time revoke such delegation or revoke the appointment of and discharge any such committees either wholly or in part, and either as to persons or purposes, but every committee so formed shall in the exercise of the powers so delegated conform to any regulations that may from time to time be imposed upon it by the Board.

Power to delegate to a committee

Effect of acts of committee	132. All acts done by any such committee in conformity with such regulations and in fulfilment of the purposes for which it is appointed, but not otherwise, shall have the like force and effect as if done by the Board, and the Board shall have power, with the consent of the Company in general meeting, to remunerate the members of any special committee, and charge such remuneration to the current expenses of the Company.
Committee meetings	133. The meetings and proceedings of any such committee consisting of three or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Board so far as the same are applicable thereto and are not replaced by any regulations imposed by the Board pursuant to Article 131.
Acts of Board or committee to be valid notwithstanding defects	134. All acts bona fide done by any meeting of the Board or by any such committee or by any person acting as a Director shall, notwithstanding that it shall be afterwards discovered that there was some defect in the appointment of such Director or persons acting as aforesaid or that they or any of them were disqualified, be as valid as if every such person had been duly appointed and was qualified to be a Director or member of such committee.
Directors' powers when vacancies exist	135. The continuing Directors may act notwithstanding any vacancy in their body, but, if and so long as their number is reduced below the number fixed by or pursuant to these Articles as the necessary quorum of Directors, the continuing Director or Directors may act for the purpose of increasing the number of Directors to that number or of summoning a general meeting of the Company but for no other purpose.
Written resolutions of Directors	136. A resolution in writing signed by all the Directors except such as are absent from Hong Kong or temporarily unable to act through ill-health or disability (or their alternate Directors) shall (so long as they constitute a quorum as provided in Article 127) be as valid and effectual as if it had been passed at a meeting of the Board duly convened and held. Any such resolution in writing may consist of several documents in like form each signed by one or more of the Directors or alternate Directors.

### **Minutes**

Board Minutes	137. (A) The Board shall cause minutes to be made of:– <ul style="list-style-type: none"> <li>(i) all appointments of officers made by the Board;</li> <li>(ii) the names of the Directors present at each meeting of the Board and of committees appointed pursuant to Article 131; and</li> <li>(iii) all resolutions and proceedings at all meetings of the Company and of the Board and of such committees.</li> </ul> <p>(B) Any such minutes shall be conclusive evidence of any such proceedings if they purport to be signed by the Chairman of the meeting at which the proceedings were held or by the Chairman of the next succeeding meeting.</p>
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### **Secretary**

Appointment of Secretary	138. The Secretary shall be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit, and any Secretary so appointed may be removed by the Board. Anything by the Companies Ordinance or these Articles required or authorised to be done by or to the Secretary, if the office is vacant or there is for any other reason no Secretary capable of acting, may be done by or to any assistant or deputy Secretary, or if there is no assistant or deputy Secretary capable of acting, by or to any officer of the Company authorised generally or specially in that behalf by the Board. If the Secretary appointed is a corporation or other body, it may act and sign by the hand of any one or more of its directors or officers duly authorised.
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139. The Secretary shall, if an individual, ordinarily reside in Hong Kong and, if a body corporate, have its registered office or a place of business in Hong Kong. Residence

140. A provision of the Companies Ordinance or of these Articles requiring or authorising a thing to be done by or to a Director and the Secretary shall not be satisfied by its being done by or to the same person acting both as Director and as or in place of the Secretary. Same person not to act in two capacities at once

### **General Management and Use of the Seal**

141. (A) The Board shall provide for the safe custody of the seal which shall only be used by the authority of the Board or of a committee of the Board authorised by the Board in that behalf, and every instrument to which the seal shall be affixed shall be signed by a Director and shall be countersigned by the Secretary or by a second Director or, by some other person appointed by the Board for the purpose, provided that the Board may either generally or in any particular case or cases resolve (subject to such restrictions as to the manner in which the seal may be affixed as the Board may determine) that such signatures or any of them may be affixed to certificates for shares or debentures or representing any other form of security by some mechanical means other than autographic to be specified in such resolution or that such certificates need not be signed by any person. Every instrument executed in manner provided by this Article shall be deemed to be sealed and executed with the authority of the Directors previously given. Custody of seal and seal for use abroad

(B) The Company may have an official seal for use for sealing certificates for shares or other securities issued by the Company as permitted by Section 73A of the Ordinance (and no signature of any Director, officer or other person and no mechanical reproduction thereof shall be required on any such certificates or other document to which such official seal is affixed and such certificates or other document shall be valid and deemed to have been sealed and executed with the authority of the Board notwithstanding the absence of any such signature or mechanical reproduction as aforesaid) and an official seal for use abroad under the provisions of the Companies Ordinance where and as the Board shall determine, and the Company may by writing under the seal appoint any agents or agent, committees or committee abroad to be the duly authorised agents of the Company for the purpose of affixing and using such official seal and may impose such restrictions on the use thereof as may be thought fit. Wherever in these Articles reference is made to the seal, the reference shall, when and so far as may be applicable, be deemed to include any such official seal as aforesaid.

142. All cheques, promissory notes, drafts, bills of exchange and other negotiable instruments, and all receipts for moneys paid to the Company shall be signed, drawn, accepted, endorsed or otherwise executed, as the case may be, in such manner as the Board shall from time to time by resolution determine. The Company's banking accounts shall be kept with such banker or bankers as the Board shall from time to time determine. Cheques

143. (A) The Board may from time to time and at any time, by power of attorney under the seal, appoint any company, firm or person or any fluctuating body of persons, whether nominated directly or indirectly by the Board, to be the attorney or attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board under these Articles) and for such period and subject to such conditions as it may think fit, and any such power of attorney may contain such provisions for the protection and convenience of persons dealing with any such attorney as the Board may think fit, and may also authorise any such attorney to sub-delegate all or any of the powers, authorities and discretions vested in him. Power to appoint attorney

(B) The Company may, by writing under its seal, empower any person, either generally or in respect of any specified matter, as its attorney to execute deeds and instruments on its behalf and to enter into contracts and sign the same on its behalf and every deed signed by such attorney on behalf of the Company and under his seal shall bind the Company and have the same effect as if it were under the seal of the Company.

Local Boards 144. The Board may establish any committees, local boards or agencies for managing any of the affairs of the Company, either in Hong Kong or elsewhere, and may appoint any persons to be members of such committees, local boards or agencies and may fix their remuneration, and may delegate to any committee, local board or agent any of the powers, authorities and discretions vested in the Board (other than its powers to make calls and forfeit shares), with power to sub-delegate, and may authorise the members of any local board or any of them to fill any vacancies therein and to act notwithstanding vacancies, and any such appointment or delegation may be upon such terms and subject to such conditions as the Board may think fit, and the Board may remove any person so appointed and may annul or vary any such delegation, but no person dealing in good faith and without notice of any such annulment or variation shall be affected thereby.

Pension funds 145. The Board may establish and maintain or procure the establishment and maintenance of any contributory or non-contributory pension or superannuation funds for the benefit of, or give or procure the giving of donations, gratuities, pensions, allowances or emoluments to any persons who are or were at any time in the employment or service of the Company, or of any company which is a subsidiary of the Company, or is allied or associated with the Company or with any such subsidiary company, or who are or were at any time directors or officers of the Company or of any such other company as aforesaid, and holding or who have held any salaried employment or office in the Company or such other company, and the wives, widows, families and dependants of any such persons. The Board may also establish and subsidise or subscribe to any institutions, associations, clubs or funds calculated to be for the benefit of or to advance the interests and well-being of the Company or of any such other company as aforesaid or of any such persons as aforesaid, and may make payments for or towards the insurance of any such persons as aforesaid, and subscribe or guarantee money for charitable or benevolent objects or for any exhibition or for any public, general or useful object. The Board may do any of the matters aforesaid, either alone or in conjunction with any such other company as aforesaid. Any Director holding any such employment or office shall be entitled to participate in and retain for his own benefit any such donation, gratuity, pension, allowance or emolument.

### Capitalisation of Reserves

Power to capitalise reserves and undivided profits

146. (A) The Company in general meeting may, upon the recommendation of the Board, resolve to capitalise any part of the Company's reserves or undivided profits not required for the payment or provision of the dividend on any shares with a preferential right to dividend, and accordingly that such part be sub-divided amongst the members who would have been entitled thereto if distributed by way of dividend and in the same proportions, on condition that the same be not paid in cash but be applied either in or towards paying up any amounts for the time being unpaid on any shares held by such members respectively or paying up in full unissued shares or debentures or other securities of the Company to be allotted and distributed credited as fully paid to and amongst such members in the proportion aforesaid, or partly in one way and partly in the other; provided that for the purpose of this Article, any amount standing to the credit of share premium account may only be applied in the paying up of unissued shares to be issued to members of the Company as fully paid up shares.

(B) Whenever such a resolution as aforesaid shall have been passed the Board shall make all appropriations and applications of the reserves or profits and undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid shares, debentures, or other securities and generally shall do all acts and things required to give effect thereto. For the purpose of giving effect to any resolution under this Article, the Board may settle any difficulty which may arise in regard to a capitalisation issue as it thinks fit, and to particular may issue fractional certificates, and may determine that cash payments shall be made to any members in lieu of fractional certificates or that fractions of such value as the Board may determine may be disregarded in order to adjust the rights of all parties. The provisions of the Ordinance in relation to the filing of contracts for allotment shall be observed and, the Board may appoint any person to sign on behalf of the persons entitled to share in a capitalisation issue and such appointment shall be effective and binding upon all concerned, and the contract may provide for the acceptance by such persons of the shares, debentures or other securities to be allotted and distributed to them respectively in satisfaction of their claims in respect of the sum so capitalised.

147. (A) If, so long as any of the rights attached to any warrants issued by the Company to subscribe for shares of the Company shall remain exercisable, the Company does any act or engages in any transaction which, as a result of any adjustments to the subscription price in accordance with the terms and conditions of the warrants, would reduce the subscription price to below the par value of a share, then the following provisions shall apply:-

Subscription  
right reserve

- (i) as from the date of such act or transaction the Company shall establish and thereafter (subject as provided in this Article) maintain in accordance with the provisions of this Article a reserve (the "Subscription Right Reserve") the amount of which shall at no time be less than the sum which for the time being would be required to be capitalised and applied in paying up in full the nominal amount of the additional shares required to be issued and allotted credited as fully paid pursuant to sub-paragraph (iii) below on the exercise in full of all the subscription rights outstanding and shall apply the Subscription Right Reserve in paying up in full such additional shares as and when the same are allotted;
- (ii) the Subscription Right Reserve shall not be used for any purpose other than that specified above until all other reserves of the Company (other than share premium account and capital redemption reserve fund) have been extinguished and will then only be used to make good losses of the Company if and so far as is required by law;
- (iii) upon the exercise of all or any of the subscription rights represented by any warrant, the relevant subscription rights shall be exercisable in respect of a nominal amount of shares equal to the amount in cash which the holder of such warrant is required to pay on exercise of the subscription rights represented thereby (or, as the case may be, the relevant portion thereof in the event of a partial exercise of the subscription rights) and, in addition, there shall be allotted in respect of such subscription rights to the exercising warrant holder, credited as fully paid, such additional nominal amount of shares as is equal to the difference between:-
  - (a) the said amount in cash which the holder of such warrant is required to pay on exercise of the subscription rights represented thereby (or, as the case may be, the relevant portion thereof in the event of a partial exercise of the subscription rights); and
  - (b) the nominal amount of shares in respect of which such subscription rights would have been exercisable having regard to the provisions of the conditions of the warrants, had it been possible for such subscription rights to represent the right to subscribe for shares at less than par,

and immediately upon such exercise so much of the sum standing to the credit of the Subscription Right Reserve as is required to pay up in full such additional nominal amount of shares shall be capitalised and applied in paying up in full such additional nominal amount of shares which shall forthwith be allotted and credited as fully paid to the exercising warrant holder; and

- (iv) if upon the exercise of the subscription rights represented by any warrant the amount standing to the credit of the Subscription Right Reserve is not sufficient to pay up in full such additional nominal amount of shares equal to such difference as aforesaid to which the exercising warrant holder is entitled, the Board shall apply any profits or reserves then or thereafter becoming available (including, to the extent permitted by law, share premium account and capital redemption reserve fund) for such purpose until such additional nominal amount of shares is paid up and allotted as

aforesaid and until then no dividend or other distribution shall be paid or made on the fully paid shares of the Company then in issue. Pending such payment up and allotment, the exercising warrant holder shall be issued by the Company with a certificate evidencing his right to the allotment of such additional nominal amount of shares. The rights represented by any such certificate shall be in registered form and shall be transferable in whole or in part in units of one share in the like manner as the shares for the time being are transferable, and the Company shall make such arrangements in relation to the maintenance of a register therefor and other matters in relation thereto as the Board may think fit and adequate particulars thereof shall be made known to each relevant exercising warrant holder upon the issue of such certificate.

(B) Shares allotted pursuant to the provisions of this Article shall rank *pari passu* in all respects with the other shares allotted on the relevant exercise of the subscription rights represented by the warrant concerned.

(C) Notwithstanding anything contained in this Article no fraction of any share shall be allotted on exercise of the subscription rights and so that whether any (and if so what) fraction of a share arises shall be determined according to the terms and conditions of the warrants.

(D) The provisions of this Article as to the establishment and maintenance of the Subscription Right Reserve shall not be altered or added to in any way which would vary or abrogate, or which would have the effect of varying or abrogating, the provisions for the benefit of any warrant holder or class of warrant holders under this Article without the sanction of a special resolution of such warrant holders or class of warrant holders.

(E) A certificate or report by the Auditors of the Company as to whether or not the Subscription Right Reserve is required to be established and maintained and if so the amount thereof so required to be established and maintained, as to the purposes for which the Subscription Right Reserve has been used, as to the extent to which it has been used to make good losses of the Company, as to the additional nominal amount of shares required to be allotted to exercising warrant holders credited as fully paid, and as to any other matter concerning the Subscription Right Reserve shall (in the absence of manifest error) be conclusive and binding upon the Company and all warrant holders and shareholders.

## **Dividends and Reserves**

Dividends 148. The Company in general meeting may declare dividends in any currency but no dividends shall exceed the amount recommended by the Board.

Interim dividends 149. (A) The Board may from time to time pay to the members such interim dividends as appear to the Board to be justified by the position of the Company and, in particular (but without prejudice to the generality of the foregoing), if at any time the share capital of the Company is divided into different classes, the Board may pay such interim dividends in respect of those shares in the capital of the Company which confer on the holders thereof deferred or non-preferential rights as well as in respect of those shares which confer on the holders thereof preferential rights with regard to dividend and provided that the Board acts bona fide the Board shall not incur any responsibility to the holders of shares conferring any preference for any damage that they may suffer by reason of the payment of an interim dividend on any shares having deferred or non-preferential rights.

(B) The Board may also pay half-yearly or at other suitable intervals to be settled by them any dividend which may be payable at a fixed rate if the Board is of the opinion that the profits justify the payment.

Dividends not to be paid out of capital 150. No dividend shall be payable except out of the profits of the Company. No dividend shall carry interest.

151. Whenever the Board or the Company in general meeting have resolved that a dividend be paid or declared, the Board may further resolve that such dividend be satisfied wholly or in part by the distribution of specific assets of any kind and in particular of paid up shares, debentures or warrants subscribe securities of the Company or any other company, or in any one or more of such ways, and where any difficulty arises in regard to the distribution the Board may settle the same as it thinks expedient, and in particular may issue fractional certificates, disregard fractional entitlements or round the same up or down, and may fix the value for distribution of such specific assets, or any part thereof, and may determine that cash payments shall be made to any members upon the footing of the value so fixed in order to adjust the rights of all parties, and may vest any such specific assets in trustees as may seem expedient to the Board and may appoint any person to sign any requisite instruments of transfer and other documents on behalf of the persons entitled to the dividend and such appointment shall be effective. Where requisite, a contract shall be filed in accordance with the provision of the Companies Ordinance and the Board may appoint any person to sign such contract on behalf of the persons entitled to the dividend and such appointment shall be effective.

Dividend  
in specie

152. (A) Whenever the Board or the Company in general meeting have resolved that a dividend be paid or declared on the share capital of the Company, the Board may further resolve:-

Scip  
dividends

either (i) that such dividend be satisfied wholly or in part in the form of an allotment of shares credited as fully paid up on the basis that the shares so allotted shall be of the same class or classes as the class or classes already held by the allottee, provided that shareholders entitled thereto will be entitled to elect to receive such dividend (or part thereof) in cash in lieu of such allotment. In such case, the following provisions shall apply:-

- (a) the basis of any such allotment shall be determined by the Board;
- (b) the Board, after determining the basis of allotment, shall give not less than two weeks' notice in writing to the shareholders of the right of election accorded to them and shall send with such notice forms of election and specify the procedure to be followed and the place at which and the latest date and time by which duly completed forms of election must be lodged in order to be effective;
- (c) the right of election may be exercised in respect of the whole or part of that portion of the dividend in respect of which the right of election has been accorded; and
- (d) the dividend (or that part of the dividend to be satisfied by the allotment of shares as aforesaid) shall not be payable in cash on shares in respect whereof the cash election has not been duly exercised ("the non-elected shares") and in lieu and in satisfaction thereof shares shall be allotted credited as fully paid up to the holders of the non-elected shares on the basis of allotment determined as, aforesaid and for such purpose the Board shall capitalise and apply out of any part of the undivided profits of the Company or any part of any of the Company's reserve accounts (including any special account, share premium account and capital redemption reserve fund (if there be any such reserve)) as the Board may determine, a sum equal to the aggregate nominal amount of the shares to be allotted on such basis and apply the same in paying up in full the appropriate number of shares for allotment and distribution to and amongst the holders of the non-elected shares on such basis.

or (ii) the shareholders entitled to such dividend shall be entitled to elect to receive an allotment of shares credited as fully paid up in lieu of the whole or such part of the dividend as the Directors may think fit on the basis that the shares so allotted shall be of the same class or classes as the class or classes of

shares already held by the allottee. In such case, the following provisions shall apply:-

- (a) the basis of any such allotment shall be determined by the Board;
- (b) the Board, after determining the basis of allotment, shall give no less than two weeks' notice in writing to the shareholders of the right of election accorded to them and shall send with such notice forms of election and specify the procedure to be followed and the place at which and the latest date and time by which duly completed forms of election must be lodged in order to be effective;
- (c) the right of election may be exercised in respect of the whole or part of that portion of the dividend in respect of which the right of election has been accorded; and
- (d) the dividend (or that part of the dividend in respect of which a right of election has been accorded) shall not be payable on shares in respect whereof the share election has been duly exercised ("the elected shares") and in lieu thereof shares shall be allotted credited as fully paid up to the holders of the elected shares on the basis of allotment determined as aforesaid and for such purpose the Board shall capitalise and apply out of any part of the undivided profits of the Company or any part of any of the Company's reserve accounts (including any special account, share premium account and capital redemption reserve fund (if there be any such reserve)) as the Board may determine, a sum equal to the aggregate nominal amount of the shares to be allotted on such basis and apply the same in paying up in full the appropriate number of shares for allotment and distribution to and amongst the holders of the elected shares on such basis.

(B) The shares allotted pursuant to the provisions of paragraph (A) of this Article shall rank *pari passu* in all respects with the shares then in issue save only as regards participation:-

- (i) in the relevant dividend (or the right to receive or to elect to receive an allotment of shares in lieu thereof as aforesaid); or
- (ii) in any other distributions, bonuses or rights paid, made, declared or announced prior to or contemporaneously with the payment or declaration of the relevant dividend

unless, contemporaneously with the announcement by the Board of their proposal to apply the provisions of sub-paragraph (i) or (ii) of paragraph (A) of this Article in relation to the relevant dividend or contemporaneously with their announcement of the distribution, bonus or rights in question, the Board shall specify that the shares to be allotted pursuant to the provisions of paragraph (A) of this Article shall rank for participation in such distribution, bonus or rights.

(C) The Board may do all acts and things considered necessary or expedient to give effect to any capitalisation pursuant to the provisions of paragraph (A) of this Article with full power to the Board to make such provisions as they think fit in the case of shares becoming distributable in fractions (including provisions whereby, in whole or in part, fractional entitlements are aggregated and sold and the net proceeds distributed to those entitled, or are disregarded or rounded up or down or whereby the benefit of fractional entitlements accrues to the Company rather than to the members concerned). The Board may authorise any person to enter into on behalf of all members interested, an agreement with the Company providing for such capitalisation and matters incidental thereto and any agreement made pursuant to such authority shall be effective and binding on all concerned.

(D) The Company may upon the recommendation of the Board by special resolution resolve in respect of any one particular dividend of the Company that notwithstanding the provisions of paragraph (A) of this Article a dividend may be satisfied wholly in the form of an allotment of shares credited as fully paid up without offering any right to shareholders to elect to receive such dividend in cash in lieu of such allotment.

(E) The Board may on any occasion determine that rights of election and the allotment of shares under paragraph (A) of this Article shall not be made available or made to any shareholders with registered addresses in any territory where in the absence of a registration statement or other special formalities the circulation of an offer of such rights of election or the allotment of shares would or might be unlawful, and in such event the provisions aforesaid shall be read and construed subject to such determination.

(F) The Board may on any occasion determine that rights of election under paragraph (A) of this Article shall not be made available to shareholders who are registered in the register of shareholders, or in respect of shares the transfer of which is registered, after a date fixed by the Board and in such event the provisions aforesaid shall be read and construed subject to such determination.

153. The Board may, before recommending any dividend, set aside out of the profits of the Company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for meeting claims on or liabilities of the Company or contingencies or for paying off any loan capital or for equalising dividends or for any other purpose to which the profits of the Company may be properly applied, and pending such application may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Board may from time to time think fit, and so that it shall not be necessary to keep any investments constituting the reserve or reserves separate or distinct from any other investments of the Company. The Board may also without placing the same to reserve carry forward any profits which it may think prudent not to distribute by way of dividend. Reserves

154. Subject to the rights of persons, if any, entitled to shares with special rights as to dividend, all dividends shall be declared and paid according to the amounts paid or credited as paid up on the shares in respect whereof the dividend is paid, but no amount paid up or credited as paid up on a share in advance of calls shall be treated for the purposes of this Article as paid up on the share. Dividends to be paid in proportion to paid up capital

155. (A) The Board may retain any dividends or other moneys payable on or in respect of a share upon which the Company has a lien, and may apply the same in or towards satisfaction of the debts, liabilities or engagements in respect of which the lien exists. Retention of dividends etc.

(B) The Board may deduct from any dividend or bonus payable to any member all sums of money (if any) presently payable by him to the Company on account of calls, instalments or otherwise.

156. Any general meeting sanctioning a dividend may make a call on the members of such amount as the meeting fixes, but so that the call on each member shall not exceed the dividend payable to him, and so that the call shall be made payable at the same time as the dividend, and the dividend may, if so arranged between the Company and the member, be set off against the call. Dividend and call together

157. A transfer of shares shall not pass the right to any dividend or bonus declared thereon before the registration of the transfer. Effect of transfer

158. If two or more persons are registered as joint holders of any share, any one of such persons may give effectual receipts for any dividends, interim dividends or bonuses and other moneys payable in respect of such shares. Joint holders

159. Unless otherwise directed by the Board, any dividend or bonus may be paid by cheque or warrant sent through the post to the registered address of the member entitled, or, in case of joint holders, to the registered address of that one whose name stands first Payment by post

in the register in respect of the joint holding or to such person and to such address as the holder or joint holders may in writing direct. Every cheque or warrant so sent shall be made payable to the order of the person to whom it is sent, and the payment of any such cheque or warrant shall operate as a good discharge to the Company in respect of the dividend and/or bonus represented thereby, notwithstanding that it may subsequently appear that the same has been stolen or that any endorsement thereon has been forged.

Unclaimed dividends

160. All dividends or bonuses unclaimed for one year after having been declared may be invested or otherwise made use of by the Board for the benefit of the Company until claimed and the Company shall not be constituted a trustee in respect thereof. All dividends or bonuses unclaimed for six years after having been declared may be forfeited by the Board and shall revert to the Company.

Date distributable

161. Any resolution declaring a dividend on shares of any class, whether a resolution of the Company in general meeting or a resolution of the Board, may specify that the same shall be payable or distributable to the persons registered as the holders of such shares at the close of business on a particular date, notwithstanding that it may be a date prior to that on which the resolution is passed, and thereupon the dividend shall be payable or distributable to them in accordance with their respective holdings so registered, but without prejudice to the rights inter se in respect of such dividend of transferors and transferees of any such shares. The provisions of this Article shall *mutatis mutandis* apply to bonuses, capitalisation issues, distributions of realised capital profits or offers or grants made by the Company to the members.

Untraceable members

161A. (i) Without prejudice to the rights of the Company under Article 160, the Company may cease sending such cheques for dividend entitlements or dividend warrants by post if such cheques or warrants have been left uncashed on two consecutive occasions. However, the Company may exercise the power to cease sending cheques for dividend entitlements or dividend warrants after the first occasion on which such a cheque or warrant is returned undelivered.

(ii) The Company shall have the power to sell, in such manner as the Board thinks fit, any shares of a member who is untraceable, but no such sale shall be made unless:-

- (a) all cheques or warrants, being not less than three in total number, for any sum payable in cash to the holder of such shares in respect of them sent during the relevant period in the manner authorised by these Articles have remained uncashed;
- (b) so far as it is aware at the end of the relevant period, the Company has not at any time during the relevant period received any indication of the existence of the member who is the holder of such shares or of a person entitled to such shares by death, bankruptcy or operation of law; and
- (c) the Company has caused an advertisement to be published in English in an English language daily newspaper and in Chinese in a Chinese language daily newspaper (provided that the aforesaid daily newspapers shall be included in the list of newspapers issued and published in the Hong Kong Government Gazette for the purpose of section 71A of the Companies Ordinance) giving notice of its intention to sell such shares and has notified the Stock Exchange of such intention and a period of three months has elapsed since the date of such advertisement.

For the purpose of this Article, "relevant period" means the period commencing twelve years before the date of publication of the advertisement referred to in paragraph (c) of this Article and ending at the expiry of the period referred to in that paragraph.

To give effect to any such sale the Board may authorise any person to transfer the said shares and instrument of transfer signed or otherwise executed by or on behalf of such person shall be as effective as if it had been executed by the registered holder or the person entitled by transmission to such shares, and the purchaser shall not be bound to see to the application of the purchase money nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings relating to the sale. The net proceeds of the sale will belong to the Company and upon receipt by the Company of such net proceeds, it shall become indebted to the former member for an amount equal to such net proceeds. No trust shall be created in respect of such debt and no interest shall be payable in respect of it and the Company shall not be required to account for any money earned from the net proceeds which may be employed in the business of the Company or as it thinks fit. Any sale under this Article shall be valid and effective notwithstanding that the member holding the shares sold is dead, bankrupt or otherwise under any legal disability or incapacity.

### **Distribution of Realised Capital Profits**

162. The Company in general meeting may at any time and from time to time resolve that any surplus moneys in the hands of the Company representing capital profits arising from moneys received or recovered in respect of or arising from the realisation of any capital assets of the Company or any investments representing the same and not required for the payment or provision of any fixed preferential dividend instead of being applied in the purchase of any other capital assets or for other capital purposes be distributed amongst the ordinary shareholders on the footing that they receive the same as capital and in the shares and proportions in which they would have been entitled to receive the same if it had been distributed by way of dividend, provided that no such profits as aforesaid shall be so distributed unless there shall remain in the hands of the Company a sufficiency of other assets to answer in full the whole of the liabilities and paid-up share capital of the Company for the time being.

Distribution  
of realised  
capital profits

### **Annual Returns**

163. The Board shall make the requisite annual returns in accordance with the Companies Ordinance.

Annual returns

### **Accounts**

164. The Board shall cause true accounts to be kept of the sums of money received and expended by the Company, and the matters in respect of which such receipts and expenditure take place, and of the property, assets, credits and liabilities of the Company and of all other matters required by the Companies Ordinance or necessary to give a true and fair view of the state of the Company's affairs and to show and explain its transactions.

Accounts  
to be kept

165. The books of account shall be kept at the registered office or at such other place or places as the Board thinks fit and shall always be open to the inspection of the Directors.

Place to  
be kept

166. The Board shall from time to time determine whether and to what extent, at what times and places and under what conditions or regulations, the accounts and books of the Company, or any of them shall be open to the inspection of the members not being Directors, and no member (not being a Director) shall have any right of inspecting any account or book or document of the Company except as conferred by the Companies Ordinance or authorised by the Board or by the Company in general meeting.

Inspection  
by members

167. (A) The Board shall from time to time in accordance with the provisions of the Companies Ordinance cause to be prepared and laid before the Company in general meeting such profit and loss accounts, balance sheets, group accounts (if any) and reports as are required by the Companies Ordinance.

Annual  
accounts and  
report of  
Directors

(B) Every balance sheet of the Company shall be signed pursuant to the provisions of the Companies Ordinance, and a copy of every balance sheet (including every document required by law to be annexed thereto) and profit and loss account which is to be laid before the Company in general meeting, together with a copy of the Directors' report and a copy of the Auditors' report (collectively the "Relevant Financial Documents"), shall not less than twenty-one days before the date of the meeting, be sent to every member of, and every holder of debentures of, the Company and every person registered under Article 47 and every other person entitled to receive notices of general meetings of the Company, provided that this Article shall not require a copy of those documents to be sent to any person of whose address the Company is not aware or to more than one of the joint holders of any shares or debentures.

(C) To the extent permitted by and subject to due compliance with all applicable laws, rules and regulations and to obtaining all necessary consents, if any, required thereunder, the requirements in paragraph (B) of this Article shall be deemed satisfied in relation to any person by sending to the person in any manner not prohibited by the Ordinance and instead of a copy of the Relevant Financial Documents, a summary financial report derived from the Relevant Financial Documents which shall be in the form and containing the information required by applicable laws, rules and regulations, provided that any person who is otherwise entitled to the Relevant Financial Documents may, if he so requires and in accordance with the Ordinance and all other applicable laws, rules and regulations, by notice in writing served on the Company, demand that the Company sends to him, in addition to a summary financial report, a complete printed copy of the Relevant Financial Documents.

(D) The requirement to send to a person referred to in paragraph (B) of this Article the Relevant Financial Documents or a summary financial report in accordance with paragraph (C) of this Article shall be deemed satisfied where, in accordance with the Ordinance and other applicable laws, rules and regulations, the Company publishes copies of the Relevant Financial Documents and, if applicable, a summary financial report complying with paragraph (C) of this Article, on the Company's computer network or its website (if any) or in any other permitted manner (including by sending any form of electronic communication), and that person has agreed or is deemed to have agreed to treat the publication or receipt of such documents in such manner as discharging the Company's obligation to send to him a copy of the Relevant Financial Documents or summary financial report.

## **Audit**

Appointment of auditors 168. Auditors shall be appointed and their duties regulated in accordance with the provisions of the Companies Ordinance.

Auditors' remuneration 169. Subject as otherwise provided by the Companies Ordinance the remuneration of the Auditors shall be fixed by the Company in general meeting provided always that in respect of any particular year the Company in general meeting may delegate the fixing of such remuneration to the Board.

## **Notices**

Service of notices 170. (A) Any notice or document (including any "corporate communication" within the meaning ascribed thereto under the Listing Rules from time to time in force), to be given or issued by the Company to a member, whether or not under the Ordinance, other applicable laws, rules and regulations or these Articles, shall be given in writing or by cable, telex or facsimile transmission message or other form of electronic communication or transmission and any such notice and document may be served or delivered by the Company on or to any member (1) personally or (2) by sending it through the post in a prepaid letter, envelope or wrapper addressed to such member at his registered address as appearing in the register of members, whether in or outside Hong Kong, or by delivering or leaving it at such registered address as aforesaid or (3) as the case may be, by

transmitting it to any such address or transmitting it to any telex or facsimile transmission number or electronic number or address or website (if any) supplied by him to the Company for the giving of notice or document to him or (4) (in the case of a notice) by advertisement in an English language daily newspaper and a Chinese language daily newspaper circulating in Hong Kong or (5) subject to due compliance with the Ordinance and other applicable laws, rules and regulations, by publishing it on the Company's computer network or its website (if any), giving access to such network or website (if any) to the member and giving to the member a notice stating that the notice or other document is available there (a "notice of availability") or (6) in any other permitted manner from time to time.

(B) In the case of joint holders of a share, all notices or documents shall be given to that one of the joint holders whose name stands first in the register and notice or documents so given shall be deemed a sufficient service to all the joint holders.

Notice to  
joint holders

171. A member shall be entitled to have notices served on him at any address within Hong Kong. Any member whose registered address is outside Hong Kong may notify the Company in writing of an address in Hong Kong which for the purpose of service of notice shall be deemed to be his registered address. A member who has no registered address in Hong Kong shall be deemed to have received any notice which shall have been displayed at the registered office of the Company and shall have remained there for the space of twenty-four hours and such notice shall be deemed to have been received by such member on the day following that on which it shall have been first so displayed.

Members  
outside  
Hong Kong

172. Any notice or other document (including any "corporate communication" within the meaning ascribed thereto under the Listing Rules from time to time in force) given or issued by the Company:-

Communication  
of notice

- (i) if served by post, shall be deemed to have been served on the day following that on which the envelope or wrapper containing the same is posted and in proving such service it shall be sufficient to prove that the envelope or wrapper containing the notice was properly prepaid, addressed and posted (in the case of an address outside Hong Kong by air-mail postage prepaid where air-mail posting from Hong Kong to such place is available) and a certificate in writing signed by the Secretary or other person appointed by the Board that the envelope or wrapper containing the notice or other document was so addressed and put into the post shall be conclusive evidence thereof;
- (ii) if sent by electronic communication, shall be deemed to be given on the day on which it is transmitted from the server of the Company or its agent. A notice or document placed on the Company's computer network or website (if any) is deemed given by the Company to a member on the day on which a notice of availability is deemed served on the member;
- (iii) if served or delivered in any other manner contemplated by these Articles other than by advertisement in newspapers in accordance with Article 170, shall be deemed to have been served or delivered at the time of personal service or delivery or, as the case may be, at the time of the relevant despatch or transmission; and in proving such service or delivery a certificate in writing signed by the Secretary or other person appointed by the Board as to the fact and time of such service, delivery, despatch or transmission shall be conclusive evidence thereof;
- (iv) if served by advertisement in newspapers in accordance with Article 170, shall be deemed to have been served on the day on which the notice is first published; and
- (v) may be given to a member either in the English language or the Chinese language only or in both the English language and Chinese language, subject to due compliance with the Ordinance and other applicable laws, rules and regulations.

Notice to person entitled by transmission 173. A notice or document may be given by or on behalf of the Company to the person entitled to a share in consequence of the death, mental disorder or bankruptcy of a member in such manner as provided in Article 170 in which the same might have been given if the death, mental disorder or bankruptcy had not occurred.

Transferee to be bound by notice 174. Any person who by operation of law, transfer or other means whatsoever shall become entitled to any share shall be bound by every notice in respect of such share which prior to his name and address being entered on the register shall have been duly given to the person from whom he derives his title to such share.

Notice valid though member deceased etc. 175. Any notice or document delivered or sent to any member in such manner as provided in Article 170 in pursuance of these presents, shall notwithstanding that such member be then deceased or bankrupt and whether or not the Company has notice of his death or bankruptcy, be deemed to have been duly served in respect of any registered shares whether held solely or jointly with other persons by such member until some other person be registered in his stead as the holder or joint holder thereof, and such service shall for all purposes of these presents be deemed a sufficient service of such notice or document on his personal representatives and all persons (if any) jointly interested with him in any such shares.

Signature on notice 176. The signature to any notice or document to be given by the Company may be written, printed or made electronically.

### **Information**

Member not entitled to information 177. No member (not being a Director) shall be entitled to require discovery of or any information respecting any detail of the Company's trading or any matter which is or may be in the nature of a trade secret process which may relate to the conduct of the business of the Company and which in the opinion of the Board it will be inexpedient in the interests of the members of the Company to communicate to the public.

### **Winding Up**

Surplus after winding up 178. If the Company shall be wound up, the surplus assets remaining after payment to all creditors shall be divided among the members in proportion to the capital paid up on the shares held by them respectively, and if such surplus assets shall be insufficient to repay the whole of the paid up capital, they shall be distributed so that, as nearly as may be, the losses shall be borne by the members in proportion to the capital paid up on the shares held by them respectively, but all subject to the rights of any shares which may be issued on special terms or conditions.

Liquidator's division of assets 179. If the Company shall be wound up (whether the liquidation is voluntary, under supervision or by the court) the liquidator may, with the sanction of a special resolution and any other sanction required by the Companies Ordinance, divide among the members in specie or kind the whole or any part of the assets of the Company and whether the assets shall consist of property of one kind or shall consist of properties of different kinds and the liquidator may, for such purpose, set such value as he deems fair upon any one or more class or classes of property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members and the members within each class. The liquidator may, with the like sanction, vest any part of the assets in trustees upon such trusts for the benefit of members as the liquidator, with the like sanction, shall think fit, but so that no member shall be compelled to accept any shares or other assets upon which there is a liability.

180. In the event of a winding-up of the Company in Hong Kong, every member of the Company who is not for the time being in Hong Kong shall be bound, within fourteen days after the passing of an effective resolution to wind up the Company voluntarily, or the making of an order for the winding-up of the Company, to serve notice in writing on the Company appointing some person resident in Hong Kong and stating that person's full name, address and occupation upon whom all summonses, notices, processes, orders and judgments in relation to or under the winding-up of the Company may be served, and in default of such nomination the liquidator of the Company shall be at liberty on behalf of such member to appoint some such person, and service upon any such appointee, whether appointed by the member or the liquidator, shall be deemed to be good personal service on such member for all purposes, and, where the liquidator makes any such appointment, he shall with all convenient speed give notice thereof to such member by advertisement in such English language daily newspaper circulating in Hong Kong as he shall deem appropriate or by a registered letter sent through the post and addressed to such member at his address as mentioned in the register, and such notice shall be deemed to be served on the day following that on which the advertisement appears or the letter is posted.

Members  
outside  
Hong Kong  
in event of  
winding up

### Indemnity

181. (A) Every Director, manager or other officer of the Company shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities which he may sustain or incur in or about the execution of the duties of his office or otherwise in relation thereto, and no Director, manager or other officer shall be liable for any loss, damages or misfortune which may happen to or be incurred by the Company in the execution of the duties of his office or in relation thereto, provided that this Article shall only have effect in so far as its provisions are not avoided by the Companies Ordinance.

Indemnity

(B) The Company may indemnify any Director, manager, Secretary or other officer of the Company, or any person employed by the Company as Auditor, against any liability incurred by him:-

Relieving  
officers from  
liability

- (i) in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted; or
- (ii) in connection with any application under section 358 of the Companies Ordinance in which relief is granted to him by the court.

(C) The Company may purchase and maintain for any Director, manager, Secretary or other officer of the Company, or any person employed by the Company as Auditor:-

Purchase of  
insurance

- (i) insurance against any liability to the Company, a related company or any other party in respect of any negligence, default, breach of duty or breach of trust (save for fraud) of which he may be guilty in relation to the Company or a related company; and
- (ii) insurance against any liability incurred by him in defending any proceedings, whether civil or criminal, taken against him for any negligence, default, breach of duty or breach of trust (including fraud) of which he may be guilty in relation to the Company or a related company.

(D) In this Article, "related company", in relation to the Company, means any company that is the Company's subsidiary or holding company or a subsidiary of that company's holding company.

Names, Addresses and Descriptions of Subscribers

F. LEYSHON  
11 Vivian Court, Mt. Keller Road,  
Hong Kong,  
Brewery Executive.

P. J. DALY  
46 Plantation Road,  
Hong Kong,  
Chartered Accountant.

W. H. NOLLOTH  
8 St. George's Court, Kadoorie Avenue,  
Kowloon,  
Brewery Executive.

F. G. NIGEL  
35 Deepwater Day Road,  
Hong Kong,  
Solicitor.

GARETH H. H. GOLBY  
6D Far East Mansions, Middle Road,  
Kowloon,  
Solicitor.

HAROLD CAINE  
33 Dina House, Duddell Street,  
Hong Kong,  
Solicitor.

F. D. HAMMOND  
15 Conduit Road,  
Hong Kong,  
Solicitor.

**Dated the 30th day of April, 1963.**

WITNESS to the above signatures:-

(*Sd.*) **F. H. Kwok**  
**Solicitor,**  
**HONG KONG.**



**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-ninth 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 **27 April 2012, 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 2011 together with the reports of the directors and the independent auditors thereon.		
2.	To re-elect non-executive directors:		
	(i) To re-elect General Benjamin P. Defensor Jr. as director;		
	(ii) To re-elect Mr. Shobu Nishitani as director;		
	To re-elect independent non-executive directors:		
	(iii) To re-elect Dr. the Hon. Sir David K. P. Li as director;		
	(iv) To re-elect Mr. Ng Wai Sun as director;		
	(v) To re-elect Mr. Carmelo L. Santiago as director;		
	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 \_\_\_\_\_ 2012.

Signature(s) \_\_\_\_\_

*Notes:*

- Please insert full name(s) and address(es) in **BLOCK LETTERS**.
- 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).
- 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.**
- 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.
- 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.
- 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.
- 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.
- 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)

20 March 2012

**TO OUR SHAREHOLDERS**

Dear Sir/Madam,

We have pleasure in enclosing the 2011 Annual Report of San Miguel Brewery Hong Kong Limited (the "Company"), the notice of the Forty-ninth 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 **27 April 2012, 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 23 April 2012, 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-ninth 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-NINTH 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 27 April 2012, 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 2011 together with the reports of the directors and the independent auditors thereon.
- (2) To re-elect non-executive directors:
  - (i) To re-elect General Benjamin P. Defensor Jr. as director;
  - (ii) To re-elect Mr. Shobu Nishitani as director;To re-elect independent non-executive directors:
  - (iii) To re-elect Dr. the Hon. Sir David K.P. Li as director;
  - (iv) To re-elect Mr. Ng Wai Sun as director;
  - (v) To re-elect Mr. Carmelo L. Santiago as director; andTo 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, 20 March 2012

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

*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.*

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 25 April 2012, Wednesday to 27 April 2012, 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 24 April 2012, Tuesday.*
4. *If Typhoon Signal No.8 or above is expected to be hoisted or a Black Rainstorm Warning Signal is expected to be in force any time between 11:00 am and 5:00 pm on the date of the Annual General Meeting, then the Annual General Meeting will be postponed and the Shareholders will be informed of the date, time and venue of the postponed meeting by a supplementary notice, posted on the Company's website at [www.sanmiguel.com.hk](http://www.sanmiguel.com.hk) and the website of Hong Kong Exchanges and Clearing Limited at [www.hkexnews.hk](http://www.hkexnews.hk).*

*If Typhoon Signal No.8 or above or a Black Rainstorm Warning Signal is cancelled at or before 11:00 am on the date of the Annual General Meeting, and where conditions permit, the Annual General Meeting will be held as scheduled.*

*The Annual General Meeting will be held as scheduled when an Amber or Red Rainstorm Warning Signal is in force.*

*Shareholders should decide on their own whether they would attend the Annual General Meeting under bad weather condition bearing in mind their own situations and if they do so, they are advised to exercise care and caution.*

5. *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. **General Benjamin P. DEFENSOR JR.**, aged 64, 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 Force. 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 United States Air Force, Air University. His aviation training courses were in the United States and Europe. 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 PhD studies in Management. General Defensor has also been the Chairman of the Board of established corporations in banking, real estate, insurance, and was a top executive in mass media, agri-business and other industries. He was a former member of the board of Directors (the “Board”) of the Company from 27 February 2003 to 23 February 2005.

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

General Defensor 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. General Defensor’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 2011, General Defensor has agreed not to receive any director’s remuneration.

Save as disclosed in this appendix, General Defensor 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, General Defensor 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 General Defensor as Director, save as disclosed in this appendix, there is no 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. Shobu NISHITANI**, aged 48, 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 as his directorships and appointments as disclosed in this appendix, Mr. Nishitani has not held any directorships in any public listed companies nor other major appointment in the past three years. Apart from being a non-executive Director of the Company, 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 of the Company under the authority granted by shareholders at annual general meetings. Mr. Nishitani'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 2011, Mr. Nishitani has agreed not to receive any director's remuneration.

Save as disclosed in this appendix, Mr. Nishitani 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. Nishitani has the following beneficial interests in the issued share capital of the Company's associated corporation:

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

\* *corporate interest*

As at the date hereof, save as disclosed in this appendix, 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.

In relation to the re-election of Mr. Nishitani as Director, save as disclosed in this appendix, there is no 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. **Dr. the Hon. Sir David LI Kwok-po**, *GBM, GBS, OBE, MA Cantab. (Economics & Law), Hon. DSc. (Imperial), Hon. DBA (Edinburgh Napier), Hon. D.Hum.Litt. (Trinity, USA), Hon. DSocSc (Lingnan), Hon. LLD (Hong Kong), Hon. LLD (Warwick), Hon. LLD (Cantab), Hon. DLitt (Macquarie), 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, Commandeur dans l'Ordre National de la Légion d'Honneur*, aged 73, 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, The Hong Kong and Shanghai Hotels, Limited, PCCW Limited, Vitasoy International Holdings Limited, SCMP Group Limited, AFFIN Holdings Berhad and CaixaBank, S.A. (formerly known as Criteria CaixaCorp, S.A.), all being companies listed either in Hong Kong or overseas.

Save his directorships and appointments as disclosed in this appendix, Sir David has not held any directorships in any public listed companies nor other major appointments in the past three years. Apart from being an independent non-executive Director, the Chairman of audit committee and remuneration committee of the Company, Sir David does not hold any other position in the Company or its subsidiaries.

Sir David 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. Sir David'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 2011, Sir David has agreed not to receive any director's remuneration.

Save as disclosed in this appendix, Sir David 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, Sir David holds 500,000 ordinary shares of the Company which represents 0.13% of the total issued shares. All the interests held by Sir David represent long positions. Save the aforesaid, he 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 Sir David as Director, save as disclosed in this appendix, there is no 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.

Sir David has been serving the Company as an Independent Non-executive Director for more than 9 years. In the process of assessing his independence, each of the factors referred to in Listing Rule 3.13(1) to (8) has been confirmed. In line with this, the Company recognizes the continued independence of Sir David under Rule 3.13 of the Listing Rules. Serving as an Independent Non-executive Director, Sir David has always brought high standards of corporate governance to the Company and contributed objectively in advising, as well as constructively monitoring and mentoring the management team. Being familiar with the corporate values of the Company, the presence of Sir David has enhanced these values by his sustained development of a strong advisory relationship with the management. The Board therefore believes that Sir David should be re-elected to enable the company to maintain a high level of compliance in financial and mandatory reporting regulations and to secure the interests of all shareholders.

4. **Mr. NG Wai Sun**, aged 68, 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 2011-2013) and Member of the Standing Committee of the Chinese People's Political Consultative Conference of Guangxi Zhuang Autonomous Region. Mr Ng was awarded as Ambassador of Friendship of Shandong Province in China in 2011.

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

Mr. Ng 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. Ng'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 2011, Mr. Ng has agreed not to receive any director's remuneration.

Save as disclosed in this appendix, Mr. Ng 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. Ng 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. Ng as Director, save as disclosed in this appendix, there is no 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.

Mr. Ng has been serving the Company as an Independent Non-executive Director for more than 9 years. In the process of assessing his independence, each of the factors referred to in Listing Rules 3.13(1) to (8) has been confirmed. In line with this, the Company recognizes the continued independence of Mr. Ng under Rule 3.13 of the Listing Rules. Serving as an Independent Non-executive Director, Mr. Ng has been participating in different committees. Mr. Ng has provided high standard of recommendation in relation to internal control structure and risk management systems. Being as a member of these committees, Mr. Ng always reviews and monitors the progress of the management team towards the suggestions given from external auditors in respect of the financial reporting and system of control. The presence of Mr. Ng is able to enhance the objective of independent communication with external auditors in the matter of internal audit function and the integrity of the Company's interim and annual report. The Board, therefore, believes that Mr. Ng should be re-elected to continue his role to achieve an independent true and balanced assessment and maintain a high level of compliance in financial and mandatory reporting regulations and also to secure the interests of all shareholders.

5. **Mr. Carmelo L. SANTIAGO**, *BBA*, aged 69, 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 36 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.

Save as his directorships and appointments as disclosed in this appendix, Mr. Santiago has not held any directorships in any public listed companies nor other major appointment in the past three years. Apart from being an independent non-executive Director, a member of audit committee and remuneration committee of the Company, Mr. Santiago does not hold any other position in the Company or its subsidiaries.

Mr. Santiago 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. Santiago'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 2011, Mr. Santiago has agreed not to receive any director's remuneration.

Save as disclosed in this appendix, Mr. Santiago 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. Santiago has the following beneficial interests in the issued share capital of the Company's associated corporation:

	<b>Number of common shares in San Miguel Corporation</b>	
	<i>Number of shares held</i>	<i>% of total issued shares</i>
Common (par value of 5 peso each):	5,000	0.000149%

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

As at the date hereof, save as disclosed in this appendix, Mr. Santiago 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. Santiago as Director, save as disclosed in this appendix, there is no 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

SINCE 1890

## Annual Report



年報

# CONTENTS | 目錄

		<i>Page</i> 頁次
Corporate Information	公司資料	2
The Year's Highlights	本年度摘要	6
Chairman's Statement	主席報告	7
Report of the Directors	董事會報告	12
Corporate Governance Report	企業管治報告	37
Directors and Management Executives	董事及行政管理人員	48
Statistical Analysis of Operations	經營統計分析	56
Financial Statements Section	財務報表部份	
Consolidated Income Statement	綜合收益表	58
Consolidated Statement of Comprehensive Income	綜合全面收益表	59
Consolidated Statement of Financial Position	綜合財務狀況表	60
Statement of Financial Position	財務狀況表	62
Consolidated Statement of Changes in Equity	綜合權益變動表	64
Consolidated Cash Flow Statement	綜合現金流量表	65
Notes to the Financial Statements	財務報表附註	66
Independent Auditor's Report	獨立核數師報告	133
Five Year Summary	五年賬目摘要	136

*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。

## 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) (appointed on 11 March 2011)

Cheung Yuen Tak (resigned on 11 March 2011)

Thelmo Luis O. Cunanan Jr.

Teruyuki Daino (appointed on 20 May 2011)

Benjamin P. Defensor Jr.

Motoyasu Ishihara (resigned on 20 May 2011)

Taro Matsunaga

Keisuke Nishimura (resigned on 4 November 2011)

Shobu Nishitani (appointed on 4 November 2011)

### 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 (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.

代野照幸 (於二零一一年五月二十日獲委任)

戴豐盛

石原基康 (於二零一一年五月二十日辭任)

松永太郎

西村慶介 (於二零一一年十一月四日辭任)

西谷尚武 (於二零一一年十一月四日獲委任)

### 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

戴豐盛

李國寶, GBM, JP

施雅高

## 公司秘書

張嘉麟

## 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

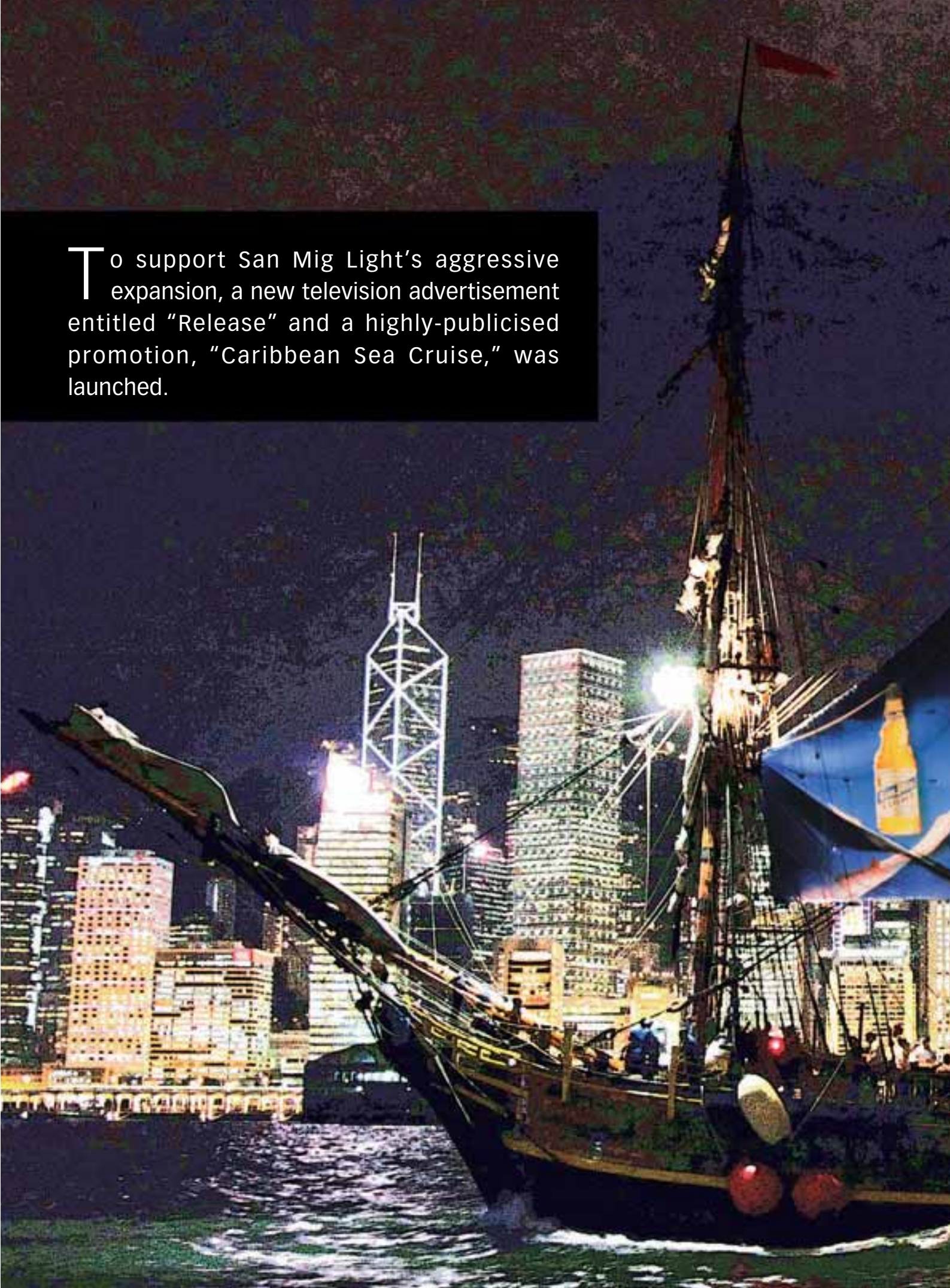
## 股份過戶登記處

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

To support San Mig Light's aggressive expansion, a new television advertisement entitled "Release" and a highly-publicised promotion, "Caribbean Sea Cruise," was launched.





# 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)

		<b>2011</b> 二零一一年	2010 二零一零年
Turnover (\$'000)	營業額(千元)	<b>683,879</b>	589,322
Loss for the year (\$'000)	年度虧損(千元)	<b>(68,638)</b>	(773,987)
Loss per share - Basic (cents)	每股虧損 — 基本(仙)	<b>(14)</b>	(197)
Taxes paid, including beer tax (\$'000)	稅項連啤酒稅(千元)	<b>36,009</b>	42,020
Taxes paid per share (cents)	每股稅項(仙)	<b>10</b>	11
Fixed assets (\$'000)	固定資產(千元)	<b>389,671</b>	398,011
Net worth (\$'000)	淨值(千元)	<b>297,223</b>	391,474
Salaries, wages and other benefits (\$'000)	薪金、工資及其他福利(千元)	<b>101,023</b>	96,719
Number of shares issued	發行股數	<b>373,570,560</b>	373,570,560
Number of shareholders	股東數目	<b>2,146</b>	2,172
Number of personnel	員工人數	<b>635</b>	732



**Ramon S. Ang 蔡啓文**  
Chairman 主席

To Our Shareholders,

致各股東：

## FINANCIAL RESULTS

In 2011, San Miguel Brewery Hong Kong Limited (the "Company") managed to turnaround and significantly improve the profitability of its Hong Kong operations, driven by higher domestic sales and the growth of its exports business. While San Miguel Brewery Hong Kong Limited and its subsidiaries' (the "Group's") South China operations continued to face challenges, thus weighing down the Group's consolidated results, 2011 was still an improvement for our operations in South China. Consolidated turnover of the Group was at HK\$683.9 million, an increase of 16.0% from 2010 (2010: HK\$589.3 million) and gross profit for 2011 was at HK\$296.8 million (2010: HK\$255.6 million). The Group's gross profit margin was maintained at 43.4% (2010: 43.4%).

Consolidated loss for 2011 was HK\$68.6 million mainly due to losses from our South China operations, but this was a considerable improvement from the HK\$774.0 million loss in 2010 (2010 included an impairment loss of HK\$677.3 million (net of tax effect) and 2011 included an impairment loss of HK\$5.5 million (net of tax effect)).

Cash and cash equivalents and bank deposits (excluding bank loans) as of 31 December 2011 amounted to HK\$243.6 million (2010: HK\$286.4 million) of which HK\$198.0 million (2010: HK\$60.0 million) was pledged to secure the Group's banking facilities. Total net assets were at HK\$297.2 million (2010: HK\$391.5 million), with a debt-to-equity ratio of 1.06 (2010: 0.64).

## 財務業績

二零一一年，基於本地銷售增加以及出口業務增長，促使香港生力啤酒廠有限公司（「本公司」）之業績好轉及香港業務之盈利明顯改善。香港生力啤酒廠有限公司及其附屬公司（「本集團」）之華南業務於二零一一年已有改善，但由於華南業務繼續面對挑戰，本集團之綜合業績仍因此受損。本集團之綜合營業額為6.84億港元，較二零一零年增加16.0%（二零一零年：5.89億港元）以及二零一一年之毛利為2.97億港元（二零一零年：2.56億港元）。本集團之毛利率維持於43.4%（二零一零年：43.4%）。

二零一一年之綜合虧損 6,860萬港元主要來自華南業務之虧損，但這較二零一零年之7.74億港元虧損有相當大之改善（二零一零年包括了減值虧損6.77億港元（除稅後）及二零一一年包括了減值虧損550萬港元（除稅後））。

於二零一一年十二月三十一日之現金、等同現金項目及銀行存款（撇除銀行貸款）為2.44億港元（二零一零年：2.86億港元），當中1.98億港元（二零一零年：6,000萬港元）為擔保銀行信貸而抵押予銀行。總資產淨值為2.97億港元（二零一零年：3.92億港元），以及1.06之負債比率（二零一零年：0.64）。

# CHAIRMAN'S STATEMENT | 主席報告

## DIVIDENDS

No dividends will be declared for 2011.

## BUSINESS REVIEW

### HONG KONG OPERATIONS

2011 was a very good year for our Hong Kong operations. Our Company's total volume and revenue grew by 16% and 24%, respectively over the previous year, owing to higher domestic volumes, further supported by higher exports sales.

After a strong start, Hong Kong's economy slowed down toward the end of the year, with the government projecting 5% full year growth. The territory's total beer industry took its cue from the overall economy and posted a moderate 2% growth for 2011. Yet while this was the case for the beer industry, the Company's sales volume in domestic market finished the year with a 9% growth, further strengthening the Company's position as the No. 1 beer company in Hong Kong with our flagship brand San Miguel at the forefront.

This marked improvement stems from our commitment to maximise shareholder value through continuously strengthening our portfolio of brands, and providing a high level of service to our customers and maintaining strict cost management measures.

In 2010, the Company launched the lower calorie San Mig Light small bottle in high-end outlets to strengthen the overall San Miguel image and presence. For 2011, the Company is pleased to report that sales volume of San Mig Light grew by 356% over the previous year, with the launch of the big bottles in Chinese restaurants and Daipaidongs in June 2011. To support San Mig Light's aggressive expansion, a new television advertisement entitled "Release" and a highly-publicised promotion, "Caribbean Sea Cruise", was launched. This new advertisement campaign received a high approval rating and further ensured the success of the new San Mig Light.

The second half of 2011 saw the introduction of a new line extension of San Miguel brand, San Miguel Premium All Malt, providing the consumers a fresh alternative among the portfolio of brands competing in the premium segment. While distribution is limited and exclusive to the higher-end market, it aims to enhance the overall San Miguel brand image.

For our flagship San Miguel Pale Pilsen, we continue to build our brand's association with sports and music. On the sports front, the brand sustained its association with soccer through the "San Miguel Soccer Union", a series of enhanced 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. The brand also continued to be the exclusive sponsor of San Miguel Beer Garden of the Hong Kong Dragon Boat Carnival 2011 organised by the Hong Kong Tourism Board. On the music front, San Miguel Pale Pilsen, with TVB.com as the major media partner, organised the "Music Battle". It was also the exclusive beer sponsor of the much talked-about music and arts festival, Clockenflap 2011.

## 股息

董事會議決不派發二零一一年度末期股息。

## 業務回顧

### 香港業務

二零一一年之香港業務成績理想。由於本地銷量增加，再加上較高之出口銷量，本公司之總銷量和收入較去年分別增長16%和24%。

年初香港經濟強勁，但至年底已逐步放緩，政府預期全年整體增長為5%。地區內之整體啤酒業按照整體經濟於二零一一年錄得2%溫和升幅。然而這是整體啤酒業之升幅，本公司之本地市場銷量升幅達9%，進一步鞏固了本公司於香港作為首屈一指啤酒公司之地位，而生力為本公司之旗艦品牌。

這顯著改善來自我們承諾致力一直加強品牌組合，提供優質服務予我們之顧客及維持嚴格之成本管理措施來增加股東價值。

在二零一零年，本公司在高級餐飲場所推出了較低卡路里之細樽裝生力清啤以加強生力整體形象和曝光。在二零一一年，本公司欣然報告生力清啤之銷量較去年增長356%，並於二零一一年六月於中式食肆和大排檔推出了大樽裝。為配合支持生力清啤之進取擴展，我們推出了全新之電視廣告「Release」和廣泛宣傳之推廣活動「暢快遊加勒比海」。這新廣告活動之支持度很高並進一步肯定了生力清啤的成功。

二零一一年下半年推出了生力品牌之全新延伸線，San Miguel Premium All Malt，在高價格市場部分競爭的一眾品牌組合中，為消費者提供另一新鮮選擇。其分銷只限定於高檔市場，旨在加深生力整體品牌形象。

至於我們的旗艦品牌生力，我們繼續為品牌建立與運動和音樂之聯繫。在運動方面，品牌繼續以「生力睇波團」來維持與足球之聯繫，一系列的睇波派對旨在提供一個令人振奮之環境讓消費者在酒吧觀賞英格蘭超級足球聯賽賽事和從中參與現場直播。生力品牌亦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之獨家贊助。音樂方面，生力與主要傳媒伙伴TVB.com舉行了「Music Battle」。我們亦成為備受注目之音樂暨藝術節Clockenflap 2011之獨家啤酒贊助。

## BUSINESS REVIEW (Continued)

### HONG KONG OPERATIONS (Continued)

After securing the exclusive distributorship of Budweiser and Harbin in Hong Kong and Macau beginning May 2011, the Company was able to further strengthen its portfolio of brands, and is poised to further dominate the market.

### SOUTH CHINA OPERATIONS

While our two companies in South China posted losses in 2011, there were nevertheless improvements in their operations.

The market conditions in South China continued to be challenging as competitors utilised aggressive trade offers, especially in the wholesaler channel, to grab market share. Given this situation, both companies have been more conscientious in balancing the need to protect our position in the market and our bottom-line.

Total revenues of Guangzhou San Miguel Brewery Company Limited ("GSMB") registered an improvement, despite the decline in total volume versus last year, due to a favorable product mix. Meanwhile, growth momentum in the retail chains was sustained, with the channel posting a double-digit volume increase over last year. GSMB also grew volume in West and North Guangdong, stemming from its efforts to strengthen distribution coverage in areas outside the core markets of Dongguan.

In April, GSMB launched the new San Mig Light with an enhanced formula, new packaging design and new positioning in the market. The launch was supported with a new marketing campaign, "Fun Drinking Moment", highlighted by the popular "Release" television commercial from Hong Kong.

San Miguel (Guangdong) Brewery Company Limited ("SMGB") recorded a decline in total sales of its local Dragon brand versus the previous year. In response to the intense market competition and to maximise the organisational effectiveness and efficiency of the whole South China Operations, a major business re-structuring was implemented which involved the integration of the sales and distribution function of Dragon into GSMB's operations. Meanwhile, SMGB will concentrate on manufacturing/tolling with focus on improving utilisation, productivity and efficiency. This new strategy hopes to provide GSMB improved leverage to the trade as well as optimised promotion spending both in the trade and outlets, accelerating the turnaround of GSMB and ensuring the long-term viability of SMGB. The Dragon brand will continue to be of great importance to our growth strategy and will truly benefit from this new development.

## 業務回顧 (續)

### 香港業務 (續)

本公司自二零一一年五月開始獲得百威和哈爾濱啤酒於香港和澳門之獨家分銷權後，進一步加強了品牌組合，也準備好進一步佔據市場份額。

### 華南業務

儘管我們位於華南之兩間公司於二零一一年錄得虧損，然而其業務皆已有所改善。

由於競爭者利用侵略性的貿易條件，尤其是代理銷售渠道，來爭奪市場份額，華南之經濟環境繼續嚴峻。在這環境下，兩間公司採取更審慎之態度來平衡保護市場地位之需要和我們的底線。

儘管總銷量對比去年下跌，但由於良好的產品結構，廣州生力啤酒有限公司（「廣州生力」）之總收入錄得改善。同時，增長動力於連鎖銷售渠道得以維持，該銷售渠道之銷量對比去年錄得雙位數字增長。廣州生力亦因為致力加強主要市場東莞外之地區分銷覆蓋，所以在廣東之西及北區之銷量增加。

在四月，廣州生力推出了加強配方、新包裝和新市場定位之全新生力清啤，並以在香港大受歡迎之電視廣告「Release」為重點之新市務活動「Fun Drinking Moment」來配合支持。

生力（廣東）啤酒有限公司（「生力廣東」）對比去年錄得本地龍啤品牌之總銷量下跌。為著應付激烈之市場競爭以及加大整體華南業務之組織效能和效率，我們實施了一個主要之業務重組，把龍啤品牌之銷售和分銷整合到廣州生力來營運，同時，生力廣東將專注生產／加工以集中改善使用率、生產和效率。這新策略期望可為廣州生力帶來更具影響力之優勢來面對客戶，同時更有效應用在客戶和營業場所之推廣費用，加速廣州生力扭轉業績和確保生力廣東之長遠發展。龍啤品牌會在我們之增長策略中繼續具有重要性並在這新發展中真正獲益。

## BUSINESS REVIEW (Continued)

### COMMUNITY RELATIONS AND SOCIAL RESPONSIBILITY

The Company strives to be commercially successful and at the same time socially responsible in the way we do business. We are committed to foster goodwill and work closely with our local communities to ensure mutual benefits are achieved.

We continue to promote responsible drinking and to sponsor and participate in various local events and contribute regularly to charitable and non-profit organisations.

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

In a people-intensive business, the Company believes in ensuring that our people are equipped with the right and time-relevant knowledge, skills and experiences. We continue to develop our employees' growth and foster unity in the organisation by investing resources on training, seminars, mentorship, team-building workshops and direction briefings.

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

### CORPORATE GOVERNANCE

The Company continues to apply the principles of the Code Provisions under the Code on Corporate Governance Practices contained in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited throughout the year ended 31 December 2011, 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.

## 業務回顧 (續)

### 社區關係及社會責任

本公司繼續致力於商業及社會責任。我們承諾培養良好商譽並致力與所在社區緊密合作以確保雙方皆受惠。

我們繼續推廣暢飲有責和贊助及參與各項社區活動並定期給予慈善團體和非牟利機構捐助。

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。

### 人力資源

在以人為本的商業上，本公司相信要為員工裝備應有的和與時並進之知識、技能和經驗。我們繼續投放資源在培訓、研討會、良師指導、建立團隊精神之工作坊和動向簡介會來培育員工成長和促進組織的團隊精神。

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

本公司於截至二零一一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，並須每三年在股東週年大會上輪值退任及接受重選。

## BUSINESS REVIEW (Continued)

### FUTURE DIRECTION AND CHALLENGES

The following are the objectives of the Company for the year 2012:

- In Hong Kong, we will continue to improve profitability and increase our market share through the strengthening of our brand portfolio, channel rationalisation and growth, margin improvement and cost rationalisation.
- In South China, we intend to turnaround the business through the continued channel and geographic expansion of our San Miguel brands, and take full advantage of the positive consumer and trade acceptance of San Mig Light since its relaunch. We will also continue to give focus on the strengthening of dealer and wholesaler network, as well as on margin improvement and cost rationalisation.

Looking ahead, the Company is confident that we have established a solid foundation for growth that will enable us to continue the turnaround momentum that we have started in 2011. We are committed to maximising shareholder value and making our beer brands ever more relevant to our customers and consumers. We have well-mapped out growth strategies that should facilitate the achievement of the Company's goals. We also have the right company culture and discipline for cost management in all aspects of the operations, but especially in areas of production and logistics.

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



**Ramon S. Ang**  
Chairman

2 February 2012

## 業務回顧 (續)

### 未來方向及挑戰

本公司二零一二年之目標包括：

- 在香港，我們繼續以加強品牌組合、整合和增長銷售渠道、改善邊際利潤和合理化成本來改善盈利和增加我們之市場佔有率。
- 在華南，我們會繼續擴展生力品牌之銷售渠道和銷售地區，利用生力清啤重新推出所得的消費者和客戶正面評價之優勢來扭轉業績。我們會繼續專注加強經銷商和代理銷售網絡，以及改善邊際利潤和合理化成本。

展望將來，本公司有信心我們已建立了成長之穩固基礎來確保我們在二零一一年已有之扭轉業績的動力得以持續。我們承諾要致力增加股東價值及促使我們的啤酒品牌更適合我們的顧客和消費者。我們已備有增長策略應可促使本公司完成目標。我們亦有正確的公司文化和紀律來管理經營各方面之成本，尤其是生產及物流方面。

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、客戶及消費者的忠心支持，以及所有員工一直以來的努力及貢獻。



主席  
蔡啟文

二零一二年二月二日

# REPORT OF DIRECTORS | 董事會報告

To be presented at the Forty-ninth 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 27 April 2012 at 3:00 p.m.

The directors submit herewith their Annual Report together with the audited financial statements for the year ended 31 December 2011.

## 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 15 to the financial statements.

The segment analysis of the Company and its subsidiaries (the "Group") for the financial year is set out in note 3 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 and one of the five largest customers 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. Teruyuki Daino, Mr. Motoyasu Ishihara, Mr. Keisuke Nishimura, Mr. Shobu Nishitani and Mr. Carmelo L. Santiago have beneficial interests to the extent that they either have equity interests in or are/were directors and/or officers of the San Miguel Group.

此報告將於二零一二年四月二十七日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四十九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二零一一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15。

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3。

## 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	13.70%	
Five largest customers in aggregate	首五大客戶合計	39.29%	
The largest supplier	最大供應商		9.40%
Five largest suppliers in aggregate	首五大供應商合計		30.90%

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」)為首五大供應商及首五大客戶其中之一。其中，蔡啓文先生、凱顧思先生、代野照幸先生、石原基康先生、西村慶介先生、西谷尚武先生及施雅高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。



20  
km/h



  
2  
km

本公司之本地市場銷量升幅  
達9%，進一步鞏固了本公司於  
香港作為首屈一指啤酒公司之地位。

## 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 2011 and the state of the Company's and the Group's affairs as at that date are set out on pages 58 to 132 of the financial statements.

## TRANSFER TO RESERVES

Loss attributable to shareholders of HK\$53,464,000 (2010: HK\$736,984,000) 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 ended 31 December 2011.

## CHARITABLE AND OTHER DONATIONS

Charitable and other donations made by the Group during the year amounted to HK\$Nil (2010: HK\$Nil).

## FIXED ASSETS

The Group acquired fixed assets in the amount of HK\$9,982,000 (2010: HK\$8,155,000) during the year. Details of these acquisitions and other movements in fixed assets are set out in note 13 to the financial statements.

## SHARE CAPITAL

Details of the share capital of the Company are set out in note 26(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 Ms. Chan Wen Mee, May (Michelle), Mr. Teruyuki Daino and Mr. Shobu Nishitani who were appointed as directors during the year, all of the directors served as such for the full year.

Mr. Cheung Yuen Tak, Mr. Motoyasu Ishihara and Mr. Keisuke Nishimura resigned as directors during 2011.

## 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分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

本集團截至二零一一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，載列於財務報表第58至132頁。

## 轉撥入儲備

本年度股東應佔虧損53,464,000港元(二零一零：736,984,000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

董事會通過不派發截至二零一一年十二月三十一日止年度之末期股息。

## 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(二零一零：零港元)。

## 固定資產

本集團於本年度內購置9,982,000港元的固定資產(二零一零：8,155,000港元)。固定資產之變動詳情載於財務報表附註13。

## 股本

有關本公司股本之詳情載列於財務報表附註26(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。

除陳雲美女士、代野照幸先生及西谷尚武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。

張元德先生、石原基康先生及西村慶介先生於二零一一年內辭去董事職務。

# REPORT OF DIRECTORS | 董事會報告

## DIRECTORS (Continued)

General Benjamin P. Defensor, Dr. The Hon. Sir David K. P. Li, Mr. Ng Wai Sun and Mr. Carmelo L. Santiago 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.

Mr. Shobu Nishitani who was appointed as director after the last Annual General Meeting, retires from the office of director in accordance with Article 96 of the Company's Articles of Association, and offer himself for re-election 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 2011 had the following personal 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		Number of shares held	% of total issued shares
姓名		持股數目	佔已發行股份總數之百分比
David K. P. Li	李國寶	500,000	0.13%

## 董事 (續)

戴豐盛將軍、李國寶爵士、吳維新先生及施雅高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。

西谷尚武先生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。

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，於二零一一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》）已發行股本之實際權益如下：

### (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	% of total issued shares
持股數目	佔已發行股份總數之百分比

500,000

0.13%

## DIRECTORS' INTERESTS (Continued)

### (1) INTERESTS IN ISSUED SHARES (Continued)

Name 姓名		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 持股數目	% of total issued shares 佔已發行股份 總數之百分比
Ramon S. Ang	蔡啓文	376,653	0.011278%
Carlos Antonio M. Berba	凱願思	23,645	0.000708%
Carmelo L. Santiago	施雅高	5,000	0.000149%

Name 姓名		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* 持股數目*	% of total issued shares 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	凱願思	18,000	0.000116%
Teruyuki Daino	代野照幸	5,000	0.000032%
Shobu Nishitani	西谷尚武	5,000	0.000032%
Carmelo L. Santiago	施雅高	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 2011 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。於年內及於二零一一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 granted/ (exercised) during the year	Number of options outstanding at the end of the year	
姓名	授出日期	截止行使限期	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	
<b>Common (par value of 5 Philippine pesos each):</b>	<b>普通 (每股面值5 菲律賓披索) :</b>						
Ramon S. Ang	蔡啓文	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	凱顧思	26/06/2008	26/06/2016	40.50	36,368	(36,368)	—
		25/06/2009	25/06/2017	58.05	56,852	(28,426)	28,426
		16/12/2010	16/12/2018	120.33	41,556	—	41,556

## 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 Company's sales volume in the domestic market finished the year with a 9% growth, further strengthening the Company's position as the No. 1 beer company in Hong Kong.

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## SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES AND UNDERLYING SHARES

The Company has been notified of the following interests in the Company's issued shares at 31 December 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：

Substantial shareholders		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	% 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%

## 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：

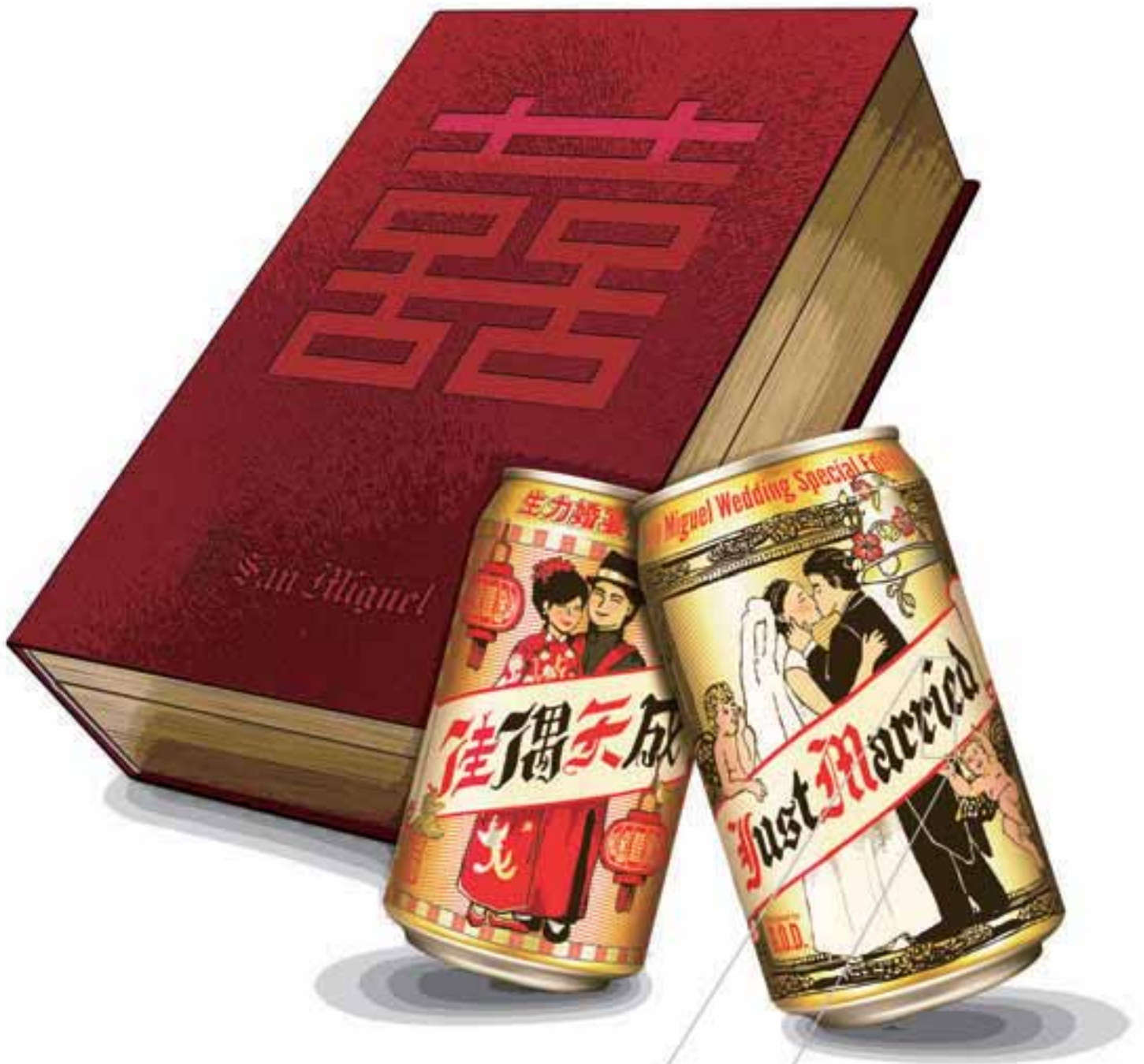
- (1) 由於生力總公司及麒麟控股株式會社(「麒麟」)各自持有生力啤酒廠公司(「生力啤酒廠」)三分之一以上之投票權，生力啤酒廠持有生力啤酒國際有限公司(「生力啤酒國際」)之控股權益及生力啤酒國際持有立端利有限公司(「立端利」)之控股權益，故此生力總公司、麒麟、生力啤酒廠及生力啤酒國際均被視為間接透過立端利於本公司之權益而持有上述所披露之權益。
- (2) 李嘉誠先生為The Li Ka-Shing Unity Discretionary Trust(「DT1」)及另一全權信託(「DT2」)之財產授予人。Li Ka-Shing Unity Trustee Corporation Limited(「TDT1」，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。



我們承諾致力一直加強品牌組合，  
提供優質服務予我們之顧客。



## 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. Teruyuki Daino, Mr. Motoyasu Ishihara, Mr. Taro Matsunaga, Mr. Shobu Nishitani, Mr. Keisuke Nishimura and Mr. Carmelo L. Santiago are interested parties to this contract to the extent that they either have equity interests in or are directors and/or officers of San Miguel Brewery Inc., and San Miguel Brewery International, Ltd. and 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

#### Purchase from/sale to 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 15 October 2010 (the Agreement) with a view to renewing the agreement to carry out the trade-related continuing connected transactions from 1 January 2011 to 31 December 2013 under the same terms and conditions as those under the agreement entered into by SMC and the Company dated 6 December 2007 and 11 May 2009 in respect of such trade-related continuing connected transactions.

The 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 26 November 2010.

## 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，蔡啟文先生、凱顧思先生、代野照幸先生、石原基康先生、松永太郎先生、西谷尚武先生、西村慶介先生及施雅高先生因擁有生力啤酒廠公司及立端利有限公司之最終控股公司生力總公司之股權，或為生力啤酒廠公司及生力啤酒國際有限公司及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

#### 採購自／銷售予生力集團

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，於二零一零年十月十五日訂立一份協議書（「協議書」）從而更新協議於二零一一年一月一日至二零一三年十二月三十一日進行與貿易有關的持續關連交易，該協議之條款及條件與於二零零七年十二月六日及二零零九年五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。

協議書（包括與貿易有關的持續關連交易及此等交易上限）已於二零一零年十一月二十六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)

#### Purchase from/sale to the San Miguel Group (Continued)

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

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
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
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，該產品不能於菲律賓銷售（經生力啤酒廠公司銷售除外）

2011 二零一一年 Actual 實額 HK\$'000 港幣千元
46,784
4,455
93,520

2011 二零一一年 Cap 上限 HK\$'000 港幣千元
47,000
4,900
97,000

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 auditors of the Company, KPMG, have confirmed in a letter to the Board that nothing has come to their attention that caused them to believe that the Continuing Connected Transactions in the 2011 financial year (i) had not been approved by the Board of the Company, (ii) were not entered into in all material respects in accordance with the relevant agreement governing such transactions, and (iii) had exceeded the cap disclosed in the announcement of the Company dated 18 October 2010 and in the circular to shareholders dated 8 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)

#### 採購自／銷售予生力集團 (續)

於本年度內，本集團根據協議書進行以下與貿易有關的持續關連交易。

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。

本公司之核數師畢馬威會計師事務所已致函董事會確認，彼等並無發現任何事項致使彼等認為二零一一年財政年度之該等持續關連交易 (i) 尚未經本公司董事會批准、(ii) 在所有重大方面並未根據有關協議進行、以及 (iii) 已超逾本公司日期為二零一零年十月十八日之公告及日期為二零一零年十一月八日之致股東通函所披露之上限。

## CONNECTED TRANSACTIONS (Continued)

### (2) 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)

### (2) 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)

### (2) 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 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.

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 2011 were HK\$2,049,000 and HK\$1,490,000 respectively (2010: HK\$1,951,000 and HK\$1,969,000).

## 關連交易 (續)

### (2) 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二十三日及二零一零年十二月二十四日簽署延長函件，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。

根據於二零零零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，由二零零零年一月一日起，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。

於截至二零一一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2,049,000港元及1,490,000港元(二零一零年：1,951,000港元及1,969,000港元)。

## CONNECTED TRANSACTIONS (Continued)

### (2) 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 auditors of the Company, KPMG, have confirmed in a letter to the Board that nothing has come to their attention that caused them to believe that the Continuing Connected Transactions in the 2011 financial year (i) had not been approved by the Board of the Company, (ii) were not entered into in all material respects in accordance with the relevant agreement governing such transactions, and (iii) had exceeded the cap disclosed in the announcement of the Company dated 19 September 2007.

In anticipation of the expiration of the Neptunia Sub-licence Agreement on 1 January 2012, an 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 one year from 1 January 2012 to 31 December 2012 at nil consideration. Save for such extension, all other terms remain unchanged. An announcement was made by the Company on 4 November 2011 in this respect.

## 關連交易 (續)

### (2) 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。

本公司之核數師畢馬威會計師事務所已致函董事會確認，彼等並無發現任何事項致使彼等認為二零一一年財政年度之該等持續關連交易(i)尚未經本公司董事會批准、(ii)在所有重大方面並未有根據規管該等交易之有關協議進行、以及(iii)已超逾本公司日期為二零零七年九月十九日之公告所披露之上限。

鑒於立端利再特許協議將於二零一二年一月一日失效，立端利與本公司分別於二零一一年十一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，由二零一二年一月一日起至二零一二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。於二零一一年十一月四日本公司已就此作出披露。



We are committed to maximising shareholder value and making our beer brands ever more relevant to our customers and consumers.

## CONNECTED TRANSACTIONS (Continued)

### (3) 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, the amount of which is payable quarterly for three years (i.e. RMB650,000 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)

### (3) 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之款項，該款項須於三年期間按季支付(即每季人民幣650,000 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)

### (3) 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 2011 was HK\$3,134,000 (2010:HK\$2,984,000).

## 關連交易(續)

### (3) 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。

於截至二零一一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3,134,000港元(二零一零年:2,984,000港元)。

## CONNECTED TRANSACTIONS (Continued)

### (3) 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 auditors of the Company, KPMG, have confirmed in a letter to the Board that nothing has come to their attention that caused them to believe that the Continuing Connected Transactions in the 2011 financial year (i) had not been approved by the Board of the Company, and (ii) were not entered into in all material respects in accordance with the relevant agreement governing such transactions.

### (4) 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\$24,000 (2010: HK\$130,000). 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.

## 關連交易 (續)

### (3) 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。

本公司之核數師畢馬威會計師事務所已致函董事會確認，彼等並無發現任何事項致使彼等認為二零一一年財政年度之該等持續關連交易(i)尚未經本公司董事會批准、及(ii)在所有重大方面並未有根據規管該等交易之有關協議進行。

### (4) 與生力集團之其他關連交易

於本年度內，本集團向生力集團採購釀製材料24,000港元(二零一零年：130,000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。



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為配合支持生力清啤之進取擴展，我們推出了全新之電視廣告「Release」和廣泛宣傳之推廣活動「暢快遊加勒比海」。



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## 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.

The latest actuarial assessment of the Fund was carried out as at 1 January 2012 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\$60,349,000 as at 1 January 2012.
- (3) The minimum level of funding as recommended by the actuary of the Fund was 19.2% of salary for 2012, 2013 and 2014.
- (4) The solvency deficit was HK\$12,650,000, i.e. the obligation under the Fund was 83% covered by the Fund's assets, at 1 January 2012.

Particulars of the employee retirement plans of the Company and the Group are set out in note 24 to the financial statements.

## LIQUIDITY AND FINANCIAL RESOURCES

The Group's working capital at 31 December 2011 was net current liabilities of HK\$73,729,000 compared with net current assets of HK\$9,988,000 as at 31 December 2010.

The Group's cash and bank deposits (excluding pledged deposits) as at 31 December 2011 were HK\$45,586,000 (2010: HK\$226,432,000) and are sufficient to fund working capital requirements and capital expenditure in 2012.

## 僱員退休金計劃

本公司及其香港附屬公司均為僱員提供非供款的界定福利退休金計劃，名為香港生力啤酒廠有限公司退休基金（「基金」）。本基金包含本地全職僱員，並於一九九五年九月根據職業退休計劃條例註冊。基金資產被託管及由信託人管理。基金的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。

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

最近一次基金精算評估於二零一二年一月一日進行，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。精算評估採用到達年齡正常成本法。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；由55至60歲的提前退休比率。
- (2) 基金之資產於二零一二年一月一日之未審核市值為60,349,000港元。
- (3) 基金之精算師建議在二零一二年、二零一三年和二零一四年之最低供款比率為薪金之19.2%。
- (4) 基金之償債赤字為12,650,000港元。即此基金於二零一二年一月一日之償債責任的83%獲其資產保障。

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24。

## 流動資金及財務資源

於二零一一年十二月三十一日本集團之營運資金為流動負債淨值73,729,000港元，而於二零一零年十二月三十一日則為流動資產淨值9,988,000港元。

於二零一一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45,586,000港元（二零一零年：226,432,000港元），足以為二零一二年提供營運資金及資本開支。

## BANK LOANS

The Group has short term credit facilities of HK\$338,000,000 (2010: HK\$260,959,000) of which HK\$313,734,000 (2010: HK\$249,206,000) had been utilised as at 31 December 2011.

Total borrowings at 31 December 2011 for the Company and for the Group were HK\$Nil (2010: HK\$Nil) and HK\$313,734,000 (2010: HK\$249,206,000), respectively.

Particulars of bank loans of the Company and the Group as at 31 December 2011 are set out in note 21 to the financial statements.

## 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 136 and 137 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 37 to 46 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.

## 銀行貸款

於二零一一年十二月三十一日，本集團之短期銀行信貸為338,000,000港元（二零一零年：260,959,000港元），其中313,734,000港元（二零一零年：249,206,000港元）已於該日動用。

於二零一一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（二零一零年：零港元）及313,734,000港元（二零一零年：249,206,000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21。

## 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136至137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37至46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。

# REPORT OF DIRECTORS | 董事會報告

## 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, 2 February 2012

## 核數師

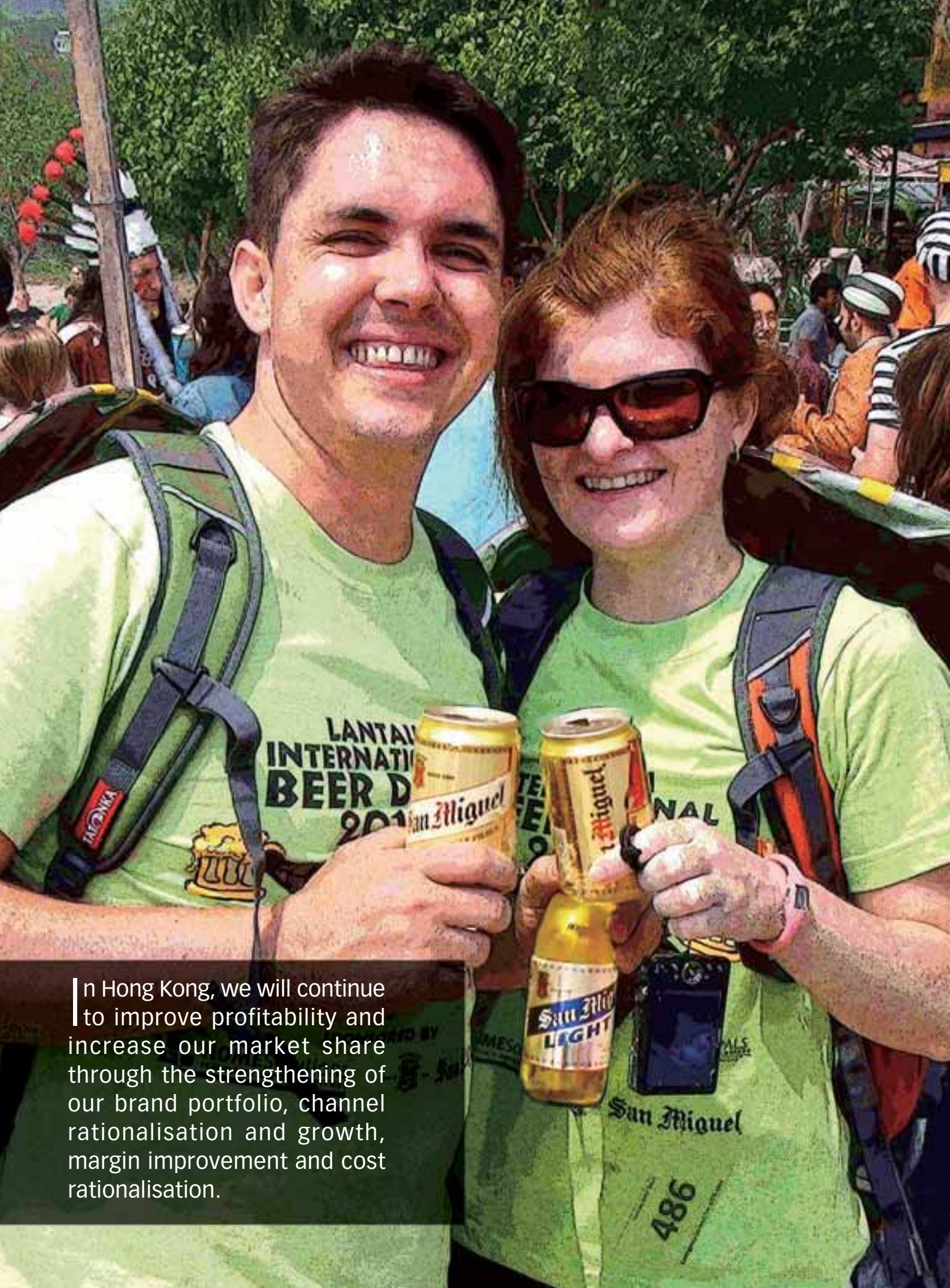
畢馬威會計師事務所任滿告退並願受聘連任。有關續聘畢馬威會計師事務所擔任本公司核數師之決議案將於應屆股東週年大會上提呈。

承董事會命



主席  
蔡啟文

香港，二零一二年二月二日



In Hong Kong, we will continue to improve profitability and increase our market share through the strengthening of our brand portfolio, channel rationalisation and growth, margin improvement and cost rationalisation.

## 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 2011 (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。

截至二零一一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。

		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
	Note 附註				
<b>Independent non-executive directors</b>	<b>獨立非執行董事</b>				
David K.P. Li	李國寶	3/(4)	2/(2)	2/(2)	2/(3)
Ng Wai Sun	吳維新	3/(4)	1/(2)	1/(2)	3/(3)
Carmelo L. Santiago	施雅高	4/(4)	2/(2)	2/(2)	3/(3)
Adrian M.K. Li ( <i>Alternate to David K.P. Li</i> )	李民橋 (李國寶之替任董事)	1/(4)	0/(2)	0/(2)	1/(3)
<b>Executive director</b>	<b>執行董事</b>				
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	3/(3)
<b>Non-executive directors</b>	<b>非執行董事</b>				
Ramon S. Ang ( <i>Chairman</i> )	蔡啓文 (主席)	3/(4)	N/A 不適用	N/A 不適用	3/(3)
Carlos Antonio M. Berba ( <i>Deputy Chairman</i> )	凱顯思 (副主席)	4/(4)	N/A 不適用	2/(2)	3/(3)
Chan Wen Mee, May (Michelle)	陳雲美	(1)	4/(4)	N/A 不適用	3/(3)
Thelmo Luis O Cunanan Jr.	Thelmo Luis O. Cunanan Jr.		4/(4)	N/A 不適用	3/(3)
Teruyuki Daino	代野照幸	(2)	3/(3)	N/A 不適用	2/(2)
Benjamin P. Defensor, Jr.	戴豐盛		4/(4)	N/A 不適用	3/(3)
Motoyasu Ishihara	石原基康	(3)	1/(1)	N/A 不適用	1/(1)
Keisuke Nishimura	西村慶介	(4)	3/(3)	N/A 不適用	2/(2)
Shobu Nishitani	西谷尚武	(5)	1/(1)	N/A 不適用	1/(1)
Taro Matsunaga	松永太郎		4/(4)	N/A 不適用	3/(3)

## Notes:

- (1) Appointed as non-executive director on 11 March 2011.
- (2) Appointed as non-executive director on 20 May 2011.
- (3) Resigned as non-executive director on 20 May 2011.
- (4) Resigned as non-executive director on 4 November 2011.
- (5) Appointed as non-executive director on 4 November 2011.

## 附註：

- (1) 於二零一一年三月十一日獲委任為非執行董事。
- (2) 於二零一一年五月二十日獲委任為非執行董事。
- (3) 於二零一一年五月二十日辭去非執行董事職務。
- (4) 於二零一一年十一月四日辭去非執行董事職務。
- (5) 於二零一一年十一月四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 2011, 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 133 to 134.

**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。於二零一一年十二月三十一日，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133頁至第134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 2011, 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二零一一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。

## 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 2011 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 2011, 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。於二零一一年，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。

於二零一一年，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](http://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\$3,438,000 (2010: HK\$: 2,956,000) and HK\$Nil (2010: HK\$ Nil), respectively.

**REMUNERATION COMMITTEE**

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. Carlos Antonio M. Berba. The remuneration committee is chaired by an independent non-executive director, Mr. Ng Wai Sun. The remuneration committee met twice in 2011 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](http://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3,438,000港元(二零一零年：2,956,000港元)及零港元(二零一零年：零港元)。

**薪酬委員會**

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：戴豐盛將軍及凱願思先生)。薪酬委員會由一位獨立非執行董事吳維新先生擔任主席。於二零一一年，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](http://info.sanmiguel.com.hk).

During the year under review, the committee reviewed the remuneration package of Managing Director and key senior executives. As recommended, no director fee would be paid for the year 2011.

Details of the remuneration of directors and senior management for the year ended 31 December 2011 are set out in notes 8 and 29(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](http://info.sanmiguel.com.hk)。

於回顧年度內，委員會於預定會議內檢討執行董事及主要高級行政人員之薪酬。建議不支付二零一一年各董事袍金。

董事及高級管理人員截至二零一一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29(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](http://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](http://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。



我們承諾要致力增加股東價值及促使我們的啤酒品牌更適合我們的顧客和消費者。

## 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.  
 Teruyuki Daino  
 Benjamin P. Defensor Jr.  
 Taro Matsunaga  
 Shobu Nishitani

## 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*

**Mr. Ramon S. ANG**, *BSME*, aged 58, 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 Director of 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).

## 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.  
 代野照幸  
 戴豐盛  
 松永太郎  
 西谷尚武

## 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

**蔡啓文先生**, *BSME*, 五十八歲, 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)副主席及San Miguel Pure Foods Company, Inc. (其股份於菲律賓證券交易所上市)之董事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。

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

**Mr. Carlos Antonio M. BERBA**, *MBA, MSc, BSc*, aged 47, 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 Company Limited and various other subsidiaries of the Company. Mr. Berba has 26 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 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.

**Mr. TAM Ka Yuen, Peter**, *MBA, BBA*, aged 53, is an executive Director and the Managing Director of the Company. Mr. Tam joined the Company in 1993 and 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 25 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 47, 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.

**凱顧思先生**，*MBA, MSc, BSc*，四十七歲，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 Djakarta 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。凱先生擁有二十六年綜合管理、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及同時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。

**譚嘉源先生**，*MBA, BBA*，五十三歲，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二十五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**，四十七歲，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。

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

**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 and a TV host/presenter for the Global News Network. He is also the founding member and executive director of the Philippine-Somali Business and Friendship Association, the Honorary Consul of the Republic of Georgia in the Philippines, and the President of the Philippine Austrian Cultural Society, Inc. Mr. Cunanan also serves as management, marketing and political consultant of various companies, non-government organizations and government agencies. He also serves on the Executive and Advisory Boards of the Centrist Asia Pacific Democrats International and the Asian Peace and Reconciliation Council. 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 64, 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 Force. 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 United States Air Force, Air University. His aviation training courses were in the United States and Europe. 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 PhD studies in Management. General Defensor has also been the Chairman of the Board of established corporations in banking, real estate, insurance, and was a top executive in mass media, agri-business and other industries. He was a former Board member of the Company from 27 February 2003 to 23 February 2005.

**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The Manila Times newspaper之政治專欄作家及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，格魯吉亞駐菲律賓之名譽領事及the Philippine Austrian Cultural Society, Inc.之總裁。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。彼亦服務於the Centrist Asia Pacific Democrats International and the Asian Peace and Reconciliation Council之執行諮詢委員會。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**，六十四歲，於二零零九年八月二十八日被委任為非執行董事。彼為前菲律賓空軍指揮軍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)反恐部隊主席。彼畢業於Philippine Military Academy，並取得Master of the Sword, Journalism Awardee, Editor-in-Chief 及 Class President 榮譽。彼亦於美國空軍空軍大學以榮譽成績完成其司令及參謀課程。彼於美國及歐洲接受飛行訓練。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航空運輸課程及管理之博士課程。戴將軍亦擔任業務包括銀行、地產、保險之多間公司之董事會主席，並曾任大眾媒體、農商業及其他行業之高層行政人員。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。

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

**Mr. Teruyuki DAINO**, *BS, MBA*, aged 51, appointed as a non-executive Director of the Company on 20 May 2011. Mr. Daino 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 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.

**Mr. Taro MATSUNAGA**, *BA*, aged 47, 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. Shobu NISHITANI**, aged 48, 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.

代野照幸先生，*BS, MBA*，五十一歲，於二零一一年五月二十日被委任為本公司非執行董事。代野先生為生力啤酒廠公司（其股份於菲律賓證券交易所上市）之行政副總裁和董事。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。彼曾任麒麟麥酒株式會社岐阜分部之營業總經理（二零零九年至二零一一年三月），Four Roses Distillery, LLC之總裁及行政總裁（二零零二年至二零零九年），麒麟麥酒株式會社企業策劃部之策劃經理（一九九八年至二零零二年），百威日本公司之業務策劃經理（一九九三年至一九九七年）及麒麟麥酒株式會社市務部之品牌經理（一九八八年至一九九三年）。代野先生於一九八三年畢業於一橋大學取得經濟學士學位，其後於一九九八年在麻省理工學院取得工商管理碩士學位。

松永太郎先生，*BA*，四十七歲，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。

西谷尚武先生，四十八歲，為生力啤酒廠公司之行政財務顧問及董事。彼亦為生力啤酒國際有限公司之董事。彼曾任 Kirin Group Office Company, Limited 財務及會計部之副總經理。彼亦曾任 Kirin Business Expert Company, Limited 財務及會計部之副總經理（二零零八年至二零一零年）和麒麟麥酒株式會社財務及會計部之財務組經理（二零零六年至二零零七年）及會計組經理（二零零三年），以及麒麟麥酒株式會社秘書部之主席行政助理。西谷先生於一九八七年畢業於早稻田大學取得商務學士學位及曾參加哈佛商學院之管理發展課程。彼為日本證券分析師協會之檢定會員。

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

**Dr. the Hon. Sir David LI Kwok-po**, *GBM, GBS, OBE, MA Cantab. (Economics & Law), Hon. DSc. (Imperial), Hon. DBA (Edinburgh Napier), Hon. D.Hum.Litt. (Trinity, USA), Hon. DSocSc (Lingnan), Hon. LLD (Hong Kong), Hon. LLD (Warwick), Hon. LLD (Cantab), Hon. DLitt (Macquarie), FCA, FCPA, FCPA (Aust.), FCIB, FHKIB, FBCS, CITP, FCIArb, 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, Commandeur dans l'Ordre National de la Légion d'Honneur*, aged 73, 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, The Hong Kong and Shanghai Hotels, Limited, PCCW Limited, Vitasoy International Holdings Limited, SCMP Group Limited, AFFIN Holdings Berhad and CaixaBank, S.A. (formerly known as Criteria CaixaCorp, S.A.), all being companies listed either in Hong Kong or overseas.

**Mr. NG Wai Sun**, aged 68, 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 2011-2013) and Member of the Standing Committee of the Chinese People's Political Consultative Conference of Guangxi Zhuang Autonomous Region. Mr. Ng was awarded as Ambassador of Friendship of Shandong Province in China in 2011.

**李國寶爵士**，*GBM, GBS, OBE, MA Cantab (Economics & Law), Hon DSc. (Imperial), Hon. DBA (Edinburgh Napier), Hon. D.Hum.Litt. (Trinity, USA), Hon. DSocSc (Lingnan), Hon. LLD (Hong Kong), Hon. LLD (Warwick), Hon. LLD (Cantab), Hon. DLitt (Macquarie), FCA, FCPA, FCPA (Aust.), FCIB, FHKIB, FBCS, CITP, FCIArb, 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, Commandeur dans l'Ordre National de la Légion d'Honneur*，七十三歲，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的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的主席。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CaixaBank, S.A.（前稱Criteria CaixaCorp, S.A.）。

**吳維新先生**，六十八歲，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至二零一三年）總理及中國人民政治協商會議廣西藏族自治州委員會常務委員。吳先生二零一一年獲頒授「山東省人民友好使者」榮譽。

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

**Mr. Carmelo L. SANTIAGO**, *BBA*, aged 69, 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 36 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.

**Mr. Adrian M. K. LI**, *MA(Cantab), MBA, LPC, JP*, aged 38, 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, Deputy Chairman of the Beijing Youth Federation and a Counsellor of the Hong Kong United Youth Association. Mr. Li is a Board Member of The Community Chest of Hong Kong, Chairman of the Vocational Training Council's Banking and Finance Industry Training Board, and a member of the MPF Industry Schemes Committee of the Mandatory Provident Fund Schemes Authority. Furthermore, Mr. Li is a member of the Election Committee responsible for electing the Chief Executive of the Hong Kong Special Administrative Region. 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's Degree in Management from Kellogg School of Management, Northwestern University, 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.

**施雅高先生**，*BBA*，六十九歲，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，超過三十六年。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。

**李民橋先生**，*MA(Cantab), MBA, LPC, JP*，三十八歲，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。李先生現時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。彼亦是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。李先生為香港公益金董事、香港職業訓練局銀行及金融業訓練委員會主席，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。此外，李先生亦為負責推選香港特別行政區行政長官之選舉委員會委員。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。彼亦是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。

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

## MANAGEMENT EXECUTIVES

Peter K.Y. Tam  
Managing Director

John K.L. Cheung  
Chief Finance Officer & Company Secretary

Andes P.H. Leung  
General Sales Manager

Eric P.K. Lam  
Marketing Manager

Ric W.T. Yeung  
Senior Manager — Logistics

C.K. Ho  
Senior Manager — Operations

Steven Co  
Senior Manager — Corporate Development

Edith Y.M. Ng  
Senior Manager — Human Resources & Administration

Vincent K.M. Kwok  
Managing Director, Guangzhou San Miguel Brewery Company Limited

Benjamin Y. Aton Jr.  
General Manager, San Miguel (Guangdong) Brewery Company Limited  
(until 31 October 2011)

Rodrigo O. Guiang  
Plant Manager, San Miguel (Guangdong) Brewery Company Limited  
(until 15 February 2012)

William B. Montalbo  
Plant Manager, San Miguel (Guangdong) Brewery Company Limited

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 49 for details.

**Mr. John K.L. CHEUNG**, *MBA, BBA*, aged 48, Chief Finance Officer & Company Secretary, joined the Company in 1997. Mr. Cheung is a member of the Institute of Management Accountants. He has over 26-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.

## 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

郭敬文  
廣州生力啤酒有限公司董事總經理

安毅俊  
生力(廣東)啤酒有限公司總經理  
(截至二零一一年十月三十一日)

羅繼揚  
生力(廣東)啤酒有限公司酒廠經理  
(截至二零一二年二月十五日)

莫偉利  
生力(廣東)啤酒有限公司酒廠經理

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49頁之董事部份。

**張嘉麟先生**，*MBA, BBA*，四十八歲，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二十六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。

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

**Mr. Andes P.H. LEUNG**, *MBA, BBA*, aged 40, General Sales Manager, joined the Company in 2001. Mr. Leung has over 17-year solid experience in advertising, international marketing and sales management in various industries.

**Mr. Eric P.K. LAM**, *MBA, BA*, aged 47, Marketing Manager, joined the Company in 2008. Mr. Lam has over 18 years of solid experience in marketing in various industries.

**Mr. Ric W.T. YEUNG**, *BBA*, aged 48, Senior Manager — Logistics, joined the Company in 1983. Mr. Yeung has more than 28 years of extensive experience in supply planning, procurement and physical distribution.

**Mr. C.K. HO**, *MSc, DIP*, aged 53, Senior Manager — Operations, joined the Company in 1988. Mr. Ho has over 23 years of service with the Company. He has extensive experience in the operations of beer production.

**Mr. Steven CO**, *BA*, aged 42, Senior Manager — Corporate Development, joined the Company in 1994. Mr. Co has more than 17 years of experience in business planning, business research, corporate affairs and quality management in the Company.

**Ms. Edith Y.M. NG**, *MBA, DIP*, aged 49, Senior Manager — Human Resources & Administration, joined the Company in 1989. Ms. Ng has gained over 22 years of experience in the fields of marketing, sales and human resources.

**Mr. Vincent K.M. KWOK**, *MBA, BBA*, aged 43, 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 20 years of solid experience in marketing in various industries.

**Mr. Benjamin Y. ATON Jr.**, *BSBA*, aged 60, joined the Company in 1986. He has more than 25 years of solid experience in the Philippines and International assignments where the last 5 years were spent in China in various managerial capacities. Mr. Aton was General Manager, San Miguel (Guangdong) Brewery Company Limited until 31 October 2011.

**Mr. Rodrigo O. GUIANG**, *BSCHE*, aged 60, joined the Company in 1975. With over 36 years in service, Mr. Guiang has extensive working experience in both technical and managerial positions in the Philippines and international assignments. Mr. Guiang was Plant Manager — San Miguel (Guangdong) Brewery Company Limited until 15 February 2012.

**Mr. William B. MONTALBO**, aged 48, joined San Miguel Brewery Inc. in 1988. Mr. Montalbo succeeded Mr. Rodrigo O. Guiang as Plant Manager — San Miguel (Guangdong) Brewery Company Limited on 16 February 2012. Mr. Montalbo has extensive working experience in both Domestic and International Operations.

梁百行先生，*MBA, BBA*，四十歲，營業總經理，於二零零一年加入本公司。梁先生擁有超過十七年不同行業之廣告、國際市務及銷售管理經驗。

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十八年之市務經驗。

楊偉東先生，*BBA*，四十八歲，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*，五十三歲，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二十三年。彼於啤酒生產業務擁有豐富經驗。

許敏志先生，*BA*，四十二歲，企業發展高級經理，於一九九四年加入本公司。許先生擁有超過十七年業務策劃、業務研究、企業事務及品質管理之經驗。

伍月薇女士，*MBA, DIP*，四十九歲，人力資源及行政高級經理，於一九八九年加入本公司。伍女士擁有超過二十二年市務、銷售及人力資源之經驗。

郭敬文先生，*MBA, BBA*，四十三歲，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二十年之市務經驗。

安毅俊先生，*BSBA*，六十歲，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二十五年經驗，其中最近五年是在中國擔任不同管理崗位。安先生截至二零一一年十月三十一日止為生力(廣東)啤酒有限公司總經理。

羅繼揚先生，*BSCHE*，六十歲，於一九七五年加入本公司。在本公司任職逾三十六年，羅先生在菲律賓及國際任命中出任技術及管理職位，兩方面皆累積了豐富經驗。羅先生截至二零一二年二月十五日止為生力(廣東)啤酒有限公司酒廠經理。

莫偉利先生，四十八歲，於一九八八年加入生力啤酒廠公司。莫先生於二零一二年二月十六日接任羅繼揚先生為生力(廣東)啤酒有限公司酒廠經理。莫先生曾擔任國內及海外運作之不同職位，累積了豐富經驗。

# 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

		2011 二零一一年	2010 二零一零年	2009 二零零九年
Turnover (1)	營業額 (1)	<b>683,879</b>	589,322	696,824
(Loss)/profit from operations	經營(虧損)/盈利	<b>(48,365)</b>	(770,605)	(331,879)
(Loss)/profit for the year before restructuring costs	未計重組開支之(虧損)/盈利	<b>(68,638)</b>	(773,987)	(343,052)
Restructuring costs (2)	重組開支 (2)	—	—	—
(Loss)/Profit for the year	年度(虧損)/盈利	<b>(68,638)</b>	(773,987)	(343,052)
Taxes paid, including beer tax	稅項連啤酒稅	<b>36,009</b>	42,020	68,877
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	<b>389,671</b>	398,011	1,087,198
Net worth (3), (4), (5)	淨值 (3), (4), (5)	<b>297,223</b>	391,474	1,169,484
Salaries, wages and other benefits	薪金、工資及其他福利	<b>101,023</b>	96,719	99,341
Number of personnel (6)	員工人數 (6)	<b>635</b>	732	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 2002 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 2002 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

2008 二零零八年 (restated) (已重列)	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)
753,375	754,833	826,817	806,909	777,830	684,866	804,749
(301,033)	4,962	(10,625)	10,519	20,025	(30,321)	39,484
(258,155)	50,397	(12,216)	(2,692)	12,723	(36,156)	27,864
—	(310,220)	(93,159)	(63,295)	—	—	—
(258,155)	(259,823)	(105,375)	(65,987)	12,723	(36,156)	27,864
102,485	140,831	127,007	141,219	135,185	134,986	164,268
—	—	—	3,736	3,736	—	37,356
—	—	—	1	1	—	1
1,379,561	1,496,910	1,769,377	1,838,164	1,939,135	2,016,646	2,083,863
1,490,925	1,751,565	1,975,617	2,062,000	2,118,432	2,120,869	2,148,355
91,656	105,510	118,836	128,539	122,149	124,480	131,168
766	838	768	1,151	1,145	1,168	1,214

- (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) 二零零二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) 二零零二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 2011  
(Expressed in Hong Kong dollars)

截至二零一一年十二月三十一日止年度  
(以港幣計算)

		Note 附註	2011 二零一一年 \$'000 千元	2010 二零一零年 \$'000 千元
<b>Turnover</b>	<b>營業額</b>	3	<b>683,879</b>	589,322
Cost of sales	銷售成本		<b>(387,062)</b>	(333,715)
<b>Gross profit</b>	<b>毛利</b>		<b>296,817</b>	255,607
Other revenue	其他收入	4	<b>14,939</b>	13,841
Other net income	其他收益淨額	4	<b>3,319</b>	1,975
Selling and distribution expenses	銷售及分銷開支		<b>(270,251)</b>	(270,487)
Administrative expenses	行政開支		<b>(80,586)</b>	(78,162)
Other operating expenses	其他經營開支		<b>(7,106)</b>	(9,096)
Impairment losses of non-current assets	非流動資產之減值虧損	5	<b>(5,497)</b>	(684,283)
<b>Loss from operations</b>	<b>經營虧損</b>		<b>(48,365)</b>	(770,605)
Finance costs	財務費用	6(a)	<b>(20,662)</b>	(11,904)
<b>Loss before taxation</b>	<b>除稅前虧損</b>	6	<b>(69,027)</b>	(782,509)
Income tax credit	所得稅計入	7	<b>389</b>	8,522
<b>Loss for the year</b>	<b>年度虧損</b>		<b>(68,638)</b>	(773,987)
<b>Attributable to:</b>	<b>應佔如下：</b>			
Equity shareholders of the Company	本公司權益持有人	10	<b>(53,464)</b>	(736,984)
Non-controlling interests	非控股權益		<b>(15,174)</b>	(37,003)
<b>Loss for the year</b>	<b>年度虧損</b>		<b>(68,638)</b>	(773,987)
<b>Loss per share</b>	<b>每股虧損</b>			
Basic (cents)	基本(仙)	12(a)	<b>(14)</b>	(197)
Diluted (cents)	攤薄(仙)	12(b)	<b>N/A 不適用</b>	N/A 不適用

The notes on pages 66 to 132 form part of these financial statements.

列於第66至132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 2011  
(Expressed in Hong Kong dollars)

# 綜合全面收益表

截至二零一一年十二月三十一日止年度  
(以港幣計算)

	Note 附註	2011 二零一一年 \$'000 千元	2010 二零一零年 \$'000 千元
<b>Loss for the year</b>		<b>(68,638)</b>	(773,987)
<b>Other comprehensive income for the year (after tax)</b>			
Exchange differences on translation of:			
— financial statements of subsidiaries outside Hong Kong	11	(31,863)	(17,088)
— monetary items that form part of the net investment in subsidiaries outside Hong Kong		17,973	12,577
		(13,890)	(4,511)
Actuarial gains and losses of defined benefit retirement plan		(11,723)	488
		(25,613)	(4,023)
<b>Total comprehensive income for the year</b>		<b>(94,251)</b>	(778,010)
<b>Attributable to:</b>			
Equity shareholders of the Company		(77,119)	(740,320)
Non-controlling interests		(17,132)	(37,690)
<b>Total comprehensive income for the year</b>		<b>(94,251)</b>	(778,010)

The notes on pages 66 to 132 form part of these financial statements.

列於第66至132頁之各項附註為本財務報表之一部份。

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2011  
(Expressed in Hong Kong dollars)

# 綜合財務狀況表

於二零一一年十二月三十一日  
(以港幣計算)

	Note 附註	2011 二零一一年 \$'000 千元	2010 二零一零年 \$'000 千元
<b>Non-current assets</b>			
<b>非流動資產</b>			
Fixed assets	13(a)		
固定資產			
— Property, plant and equipment		216,440	218,426
— 物業、機器及設備			
— Investment properties		80,138	82,884
— 投資物業			
— Interests in leasehold land held for own use under operating leases		93,093	96,701
— 在經營租賃下自用而持有 的租賃土地權益			
		<b>389,671</b>	398,011
Intangible assets	14	5,709	5,678
無形資產			
Other tangible assets	16	—	—
其他有形資產			
		<b>395,380</b>	403,689
<b>Current assets</b>			
<b>流動資產</b>			
Inventories	17	65,166	49,772
存貨			
Trade and other receivables	18	88,603	70,656
應收貿易及其他賬項			
Amounts due from holding companies and fellow subsidiaries	19	12,331	15,928
應收控股公司 及同系附屬公司賬項			
Pledged deposits	20(a)	198,000	60,000
抵押存款			
Bank deposits	20(b)	—	5,876
銀行存款			
Cash and cash equivalents	20(b)	45,586	220,556
現金及等同現金項目			
		<b>409,686</b>	422,788
<b>Current liabilities</b>			
<b>流動負債</b>			
Bank loans	21	(313,734)	(249,206)
銀行貸款			
Trade and other payables	22	(148,917)	(150,203)
應付貿易及其他賬項			
Amounts due to holding companies and fellow subsidiaries	19	(18,440)	(10,995)
應付控股公司 及同系附屬公司賬項			
Amounts due to related companies	19	(2,324)	(2,396)
應付關連公司賬項			
		<b>(483,415)</b>	(412,800)
<b>Net current (liabilities)/assets</b>		<b>(73,729)</b>	9,988
<b>流動(負債)/資產淨值</b>			
<b>Total assets less current liabilities</b>		<b>321,651</b>	413,677
<b>總資產減流動負債</b>			

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2011  
(Expressed in Hong Kong dollars)

# 綜合財務狀況表

於二零一一年十二月三十一日  
(以港幣計算)

	Note 附註	2011 二零一一年 \$'000 千元	2010 二零一零年 \$'000 千元
<b>Non-current liabilities</b>			
Retirement benefit liabilities	24(a)	(20,975)	(18,143)
Deferred tax liabilities	25(a)	(3,453)	(4,060)
		(24,428)	(22,203)
<b>NET ASSETS</b>		<b>297,223</b>	391,474
<b>CAPITAL AND RESERVES</b>			
Share capital	26(b)	186,785	186,785
Reserves		128,366	205,485
<b>Total equity attributable to equity shareholders of the Company</b>		<b>315,151</b>	392,270
<b>Non-controlling interests</b>		<b>(17,928)</b>	(796)
<b>TOTAL EQUITY</b>		<b>297,223</b>	391,474

Approved and authorised for issue by the board of directors on 2 February 2012.

經由董事會於二零一二年二月二日批准及授權刊發。



**Ramon S. Ang**  
Director

蔡啓文  
董事



**Peter K. Y. Tam**  
Director

譚嘉源  
董事

The notes on pages 66 to 132 form part of these financial statements.

列於第66至132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 2011  
(Expressed in Hong Kong dollars)

於二零一一年十二月三十一日  
(以港幣計算)

		Note 附註	2011 二零一一年 \$'000 千元	2010 二零一零年 \$'000 千元
<b>Non-current assets</b>	<b>非流動資產</b>			
Fixed assets	固定資產	13(b)		
— Property, plant and equipment	— 物業、機器及設備		<b>162,399</b>	162,857
— 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		<b>61,421</b>	63,668
			<b>223,820</b>	226,525
Intangible assets	無形資產	14	<b>5,031</b>	5,031
Investments in subsidiaries	附屬公司權益	15	<b>616,537</b>	620,512
			<b>845,388</b>	852,068
<b>Current assets</b>	<b>流動資產</b>			
Inventories	存貨	17	<b>44,334</b>	34,183
Trade and other receivables	應收貿易及其他賬項	18	<b>75,562</b>	59,552
Amounts due from holding companies and fellow subsidiaries	應收控股公司及同系附屬公司賬項	19	<b>12,314</b>	10,796
Pledged deposits	抵押存款	20(a)	<b>198,000</b>	11,000
Cash and cash equivalents	現金及等同現金項目	20(b)	<b>16,343</b>	33,978
			<b>346,553</b>	149,509
<b>Current liabilities</b>	<b>流動負債</b>			
Trade and other payables	應付貿易及其他賬項	22	<b>(61,663)</b>	(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	19	<b>(10,978)</b>	(9,054)
Amount due to a related company	應付關連公司賬項	19	<b>(172)</b>	(268)
Amounts due to subsidiaries	應付附屬公司賬項	23	<b>—</b>	(3,127)
			<b>(72,813)</b>	(72,015)
<b>Net current assets</b>	<b>流動資產淨值</b>		<b>273,740</b>	77,494
<b>Total assets less current liabilities</b>	<b>總資產減流動負債</b>		<b>1,119,128</b>	929,562

# STATEMENT OF FINANCIAL POSITION | 財務狀況表

At 31 December 2011  
(Expressed in Hong Kong dollars)

於二零一一年十二月三十一日  
(以港幣計算)

	Note 附註	2011 二零一一年 \$'000 千元	2010 二零一零年 \$'000 千元
<b>Non-current liabilities</b>			
<b>非流動負債</b>			
Amounts due to subsidiaries	23	(558,135)	(373,150)
Retirement benefit liabilities	24(a)	(20,975)	(18,143)
Deferred tax liabilities	25(b)	—	—
		(579,110)	(391,293)
<b>NET ASSETS</b>		<b>540,018</b>	<b>538,269</b>
<b>CAPITAL AND RESERVES</b>			
<b>資產淨值</b>			
Share capital	26(a)	186,785	186,785
Reserves		353,233	351,484
<b>TOTAL EQUITY</b>		<b>540,018</b>	<b>538,269</b>
<b>權益總額</b>			

Approved and authorised for issue by the board of directors on 2 February 2012.

經由董事會於二零一二年二月二日批准及授權刊發。



**Ramon S. Ang**  
Director

**蔡啓文**  
董事



**Peter K. Y. Tam**  
Director

**譚嘉源**  
董事

The notes on pages 66 to 132 form part of these financial statements.

列於第66至132頁之各項附註為本財務報表之一部份。

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

# 綜合權益變動表

For the year ended 31 December 2011  
(Expressed in Hong Kong dollars)

截至二零一一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/ 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 26(b))	(note 26(c)(i))	(note 26(c)(ii))	(note 26(c)(iii))				
		(附註26(b))	(附註26(c)(i))	(附註26(c)(ii))	(附註26(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
<b>Balance at 1 January 2010</b>	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
<b>Changes in equity for 2010:</b>	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)
<b>Balance at 31 December 2010 and 1 January 2011</b>	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	<b>186,785</b>	<b>65,739</b>	<b>112,970</b>	<b>92,069</b>	<b>(65,293)</b>	<b>392,270</b>	<b>(796)</b>	<b>391,474</b>
<b>Changes in equity for 2011:</b>	二零一一年權益變動:								
Loss for the year	年度虧損	—	—	—	—	(53,464)	(53,464)	(15,174)	(68,638)
Other comprehensive income	其他全面收益	11	—	—	(11,932)	(11,723)	(23,655)	(1,958)	(25,613)
Total comprehensive income for the year	年度全面收益總額	—	—	—	(11,932)	(65,187)	(77,119)	(17,132)	(94,251)
<b>Balance at 31 December 2011</b>	於二零一一年十二月三十一日結餘	<b>186,785</b>	<b>65,739</b>	<b>112,970</b>	<b>80,137</b>	<b>(130,480)</b>	<b>315,151</b>	<b>(17,928)</b>	<b>297,223</b>

The notes on pages 66 to 132 form part of these financial statements.

列於第66至132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 2011  
(Expressed in Hong Kong dollars)

# 綜合現金流量表

截至二零一一年十二月三十一日止年度  
(以港幣計算)

	Note	2011 二零一一年 \$'000 千元	2010 二零一零年 \$'000 千元
<b>Operating activities</b>	<b>經營業務</b>		
Cash used in operations	經營業務之現金流出 20(c)	(78,382)	(20,283)
Income tax	所得稅		
— Tax paid outside Hong Kong	— 香港以外稅金支出	(123)	(57)
<b>Net cash used in operating activities</b>	<b>經營業務之現金流出淨額</b>	<b>(78,505)</b>	<b>(20,340)</b>
<b>Investing activities</b>	<b>投資業務</b>		
Payment for the purchase of fixed assets	購入固定資產	(15,409)	(29,941)
Payment for the purchase of other tangible assets	購入其他有形資產	(5,839)	(6,935)
Proceeds from disposal of fixed assets	出售固定資產所得款項	2,037	104
Proceeds from disposal of other tangible assets	出售其他有形資產所得款項	703	154
Interest received	已收利息	3,653	2,450
<b>Net cash used in investing activities</b>	<b>投資業務之現金流出淨額</b>	<b>(14,855)</b>	<b>(34,168)</b>
<b>Financing activities</b>	<b>融資活動</b>		
Proceeds from new bank loans	新增銀行貸款	419,287	79,187
Repayment of bank loans	償還銀行貸款	(365,494)	(79,187)
Increase in pledged deposits	抵押存款之增加	(138,000)	—
Decrease/(increase) in bank deposits	銀行存款之減少/(增加)	5,876	(5,876)
Interest paid	已付利息	(19,993)	(9,572)
<b>Net cash used in financing activities</b>	<b>融資活動之現金流出淨額</b>	<b>(98,324)</b>	<b>(15,448)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>現金及等同現金項目之淨額減少</b>	<b>(191,684)</b>	<b>(69,956)</b>
<b>Cash and cash equivalents at 1 January</b>	<b>於一月一日之現金及等同現金項目結存</b>	<b>220,556</b>	<b>285,902</b>
<b>Effect of foreign exchange rates changes</b>	<b>匯率變動之影響</b>	<b>16,714</b>	<b>4,610</b>
<b>Cash and cash equivalents at 31 December</b>	<b>於十二月三十一日之現金及等同現金項目結存</b>	<b>45,586</b>	<b>220,556</b>

The notes on pages 66 to 132 form part of these financial statements.

列於第66至132頁之各項附註為本財務報表之一部份。

## 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 1(c) 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 2011 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.

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 2.

The Group sustained a consolidated net loss from continuing operations attributable to equity shareholders of the Company of \$53,464,000 for the year ended 31 December 2011 and, as of that date, the Group’s current liabilities exceeded its current assets by \$73,729,000. The directors consider that these conditions were caused mainly by the Group’s deteriorating performance in mainland China over the last few years.

## 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1(c)。

### (b) 編撰財務報表之準則

截至二零一一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。

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之其他因素而作出，其結果成為對在其他來源並不顯而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2。

截至二零一一年十二月三十一日止年度，本集團錄得應佔本公司權益持有人來自持續經營業務之綜合淨虧損\$53,464,000元，而於該日，本集團之流動負債超出其流動資產\$73,729,000元。董事認為，出現該等狀況主要是由於本集團最近幾年來於中國內地之業務表現不斷轉差所致。

# 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)

### (b) Basis of preparation of the financial statements

(Continued)

These conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern and therefore it may be unable to realise its assets and discharge its liabilities in the normal course of business. Nevertheless, the directors are of the opinion that the Group will be able to finance its future working capital and financial requirements given that:

- (i) the Group restructured its mainland China operations comprising two subsidiaries, San Miguel (Guangdong) Brewery Company Limited ("SMGB") and Guangzhou San Miguel Brewery Company Limited ("GSMB") in October 2011 with a view to streamlining its operations and improving financial performance. Under this restructuring, the Group integrated the sales and distribution function of SMGB into GSMB so that SMGB now concentrates on brewing operations;
- (ii) the directors are reviewing the Group's longer term business strategy and have identified various initiatives which could turn around the Group's business performance. As a result, SMGB started export production for its holding company in the last quarter of 2011 and the Company obtained the distribution rights for certain beer brands in Hong Kong in mid 2011. The directors will continue to review and implement other initiatives;
- (iii) as at 31 December 2011, all of the Group's short term bank loans were borrowed by SMGB mostly in Renminbi in mainland China. The Company is negotiating with certain banks in Hong Kong for long term loans totalling \$250,000,000 as at the date of the financial statements. The Company plans to inject the proceeds from these long term loans and its surplus cash into SMGB in the form of registered capital in two batches subject to the approval of the relevant Chinese government authority, so that SMGB can repay all its current bank loans in mainland China by the end of the first half of 2012. As SMGB repays its current bank loans, the Company's pledged deposits which amounted to \$198,000,000 as at 31 December 2011 will be gradually released and become available for the Company's use, including to finance a further injection into SMGB.

SMGB submitted an application for an increase of its registered capital by US\$46,000,000, from US\$39,933,000 to US\$85,933,000, to the local government authority on 18 January 2012 for its approval.

## 1 主要會計政策 (續)

### (b) 編撰財務報表之準則 (續)

這些數據顯示本集團存在重大不明朗因素，令本集團持續經營的能力嚴重成疑，從而或會導致本集團不能於正常業務過程中變現其資產及清償其負債。然而，董事認為，鑒於以下情況，本集團將能夠籌集資金用作其未來營運資金及滿足其財務需要：

- (i) 本集團已於二零一一年十月重組其於中國內地兩間附屬公司生力(廣東)啤酒有限公司(「生力廣東」)及廣州生力啤酒有限公司(「廣州生力」)之業務，旨在簡化其業務及提升財務表現。於此次重組中，本集團將生力廣東之銷售及分銷業務併入廣州生力，使生力廣東現在專注於生產啤酒業務；
- (ii) 董事正在檢討本集團之較長期業務策略，並已制定出可扭轉本集團業務表現之各種計劃。因此，生力廣東已於二零一一年第四季度開始為其控股公司進行出口生產，而本公司亦已於二零一一年中期於香港取得若干啤酒品牌之分銷權。董事將繼續檢討並執行其他計劃；
- (iii) 於二零一一年十二月三十一日，本集團之所有短期銀行貸款由生力廣東於中國內地大部分以人民幣借入。於本財務報表日期，本公司正與若干香港銀行就總額為250,000,000元之若干長期貸款進行磋商。本公司計劃於取得中國有關政府機構批准後，分兩批以註冊資本形式向生力廣東注入來自該等長期貸款之所得款項及其盈餘現金，使生力廣東可於二零一二年上半年結束前償還其於中國內地之所有即期銀行貸款。生力廣東償還其即期銀行貸款後，本公司於二零一一年十二月三十一日為數198,000,000元之抵押存款將逐漸解凍並可供本公司使用，包括用於進一步向生力廣東注資。

生力廣東已於二零一二年一月十八日就將其註冊資本增加46,000,000美元(由39,933,000美元增加至85,933,000美元)向當地政府機構提交申請供其審批。

## 1 Significant accounting policies (Continued)

### (b) Basis of preparation of the financial statements

(Continued)

(iii) (Continued)

The directors believe that this refinancing will turn around the Group's net current liabilities into net current assets as the long term loans would be classified as non-current liabilities. Also, the directors expect that this initiative can reduce the Group's finance costs as the loans to be borrowed by the Company in Hong Kong are expected to bear lower interest rates than the current loans as the Hong Kong dollar interest rate is generally lower than Renminbi interest rate.

Until the completion of the above refinancing plan, the Group will continue to roll-over the existing short term bank loans. In January 2012, the Group has successfully rolled-over a loan of \$12,336,000 to 18 May 2012 upon maturity on 18 January 2012. There are two loans totalling \$104,023,000 which mature in February 2012 and management is negotiating with the relevant bank for a roll-over of these loans for another three to six months as at the date of the financial statements. Further, there are three loans totalling \$74,016,000 which mature in March 2012 and management will start negotiating with the relevant banks for a roll-over for another three to six months in February 2012; and

(iv) the Company's intermediate holding company, namely San Miguel Brewery Inc., a listed company in the Republic of the Philippines, has committed to provide continuing support to enable the Group to operate as a going concern and meet its liabilities as they fall due for the foreseeable future.

Accordingly, the directors are of the opinion that it is appropriate to prepare the Group's financial statements for the year ended 31 December 2011 on a going concern basis. Should the Group be unable to continue to operate as a going concern, adjustments would have to be made to write down the value of assets to their recoverable amounts, to provide for further liabilities which might arise and to reclassify non-current assets and non-current liabilities as current assets and current liabilities respectively. The effect of these adjustments has not been reflected in the financial statements.

## 1 主要會計政策 (續)

### (b) 編撰財務報表之準則 (續)

(iii) (續)

董事認為，由於長期貸款將被分類為非流動負債，故本次再融資可將本集團之流動負債淨值扭轉為流動資產淨值。同時，由於港元利率一般低於人民幣利率，預期本公司將予借入之港元計值貸款之利率將低於現有的即期貸款，故董事預期，是項計劃可削減本集團之融資成本。

在完成上述再融資計劃之前，本集團會繼續將現有短期銀行貸款展期。於二零一二年一月，本集團已成功將一筆於二零一二年一月十八日到期之貸款12,336,000元展期至二零一二年五月十八日。於本財務報表日期，有合共104,023,000元之兩筆貸款將於二零一二年二月到期，管理層正與有關銀行就該等貸款再次展期三至六個月進行磋商。此外，有合共74,016,000元之三筆貸款將於二零一二年三月到期，管理層將於二月就該等貸款再次展期三至六個月與有關銀行展開磋商；及

(iv) 本公司之中介控股公司，即菲律賓共和國上市公司生力啤酒廠公司，已承諾為本集團於可見將來之持續經營及償還其到期負債持續提供資助。

因此，董事認為，按持續經營基準編製本集團截至二零一一年十二月三十一日止年度之財務報表屬恰當。倘本集團無法維持持續經營，則會進行調整以撇減資產價值至其可收回金額，以為可能產生之其他負債計提撥備及將非流動資產及非流動負債分別重新分類為流動資產及流動負債。該等調整之影響並無於財務報表內體現。

# 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) Changes in accounting policies

The HKICPA has issued a number of amendments to HKFRSs and one new Interpretation 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:

- HKAS 24 (revised 2009), *Related party disclosures*
- Improvements to HKFRSs (2010)
- HK(IFRIC) 19, *Extinguishing financial liabilities with equity instruments*
- Amendments to HK(IFRIC) 14, HKAS 19 — *The limit on a defined benefit asset, minimum funding requirements and their interaction — Prepayments of a minimum funding equipment*

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

The amendments to HK(IFRIC) 14 have had no material impact on the Group's financial statements as they were consistent with policies already adopted by the Group. HK(IFRIC) 19 has not yet had a material impact on the Group's financial statements as these changes will first be effective as and when the Group enters a relevant transaction (for example, a debt for equity swap).

The impacts of other developments are discussed below:

- HKAS 24 (revised 2009) revises the definition of a related party. As a result, the Group has re-assessed the identification of related parties and concluded that the revised definition does not have any material impact on the Group's related party disclosures for the current and previous periods. HKAS 24 (revised 2009) also introduces modified disclosure requirements for government-related entities. This does not impact the Group because the Group is not a government-related entity.
- Improvements to HKFRSs (2010) omnibus standard introduces a number of amendments to the disclosure requirements in HKFRS 7, *Financial instruments: Disclosures*. The disclosures about the Group's financial instruments in note 27 are consistent with the amended disclosure requirements. These amendments do not have any material impact on the classification, recognition and measurement of the amounts recognised in the financial statements in the current and previous periods.

## 1 主要會計政策 (續)

### (c) 會計政策的變動

香港會計師公會已頒布多項香港財務報告準則的修訂及一項新詮釋。這些新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：

- 香港會計準則第24號(二零零九年經修訂)「關聯方披露」
- 香港財務報告準則之改進(二零一零年)
- 香港(國際財務報告詮釋委員會)第19號「以權益工具抵銷金融負債」
- 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號一定額福利資產限額、最少供款要求及其相互作用—最低資金要求之預付款項」

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(國際財務報告詮釋委員會)第14號(修訂)對本集團之財務報表並無重大影響，因該等修訂與本集團已採納之政策一致。由於有關變動將於本集團進行有關交易(如債務換股權交易)時首次生效，因此香港(國際財務報告詮釋委員會)第19號尚未對本集團之財務報表產生重大影響。

其他發展之影響討論如下：

- 香港會計準則第24號(二零零九年經修訂)修改關聯方之釋義。因此，本集團已重新評估關聯方之判定，並確定經修訂釋義對本集團本期及以往期間之關聯方披露並無任何重大影響。香港會計準則第24號(二零零九年經修訂)亦發佈有關政府相關實體之經修改披露規定。由於本集團並非政府相關實體，故對本集團並無影響。
- 香港財務報告準則之改進(二零一零年)中多項準則引入對香港財務報告準則第7號「金融工具：披露」之披露規定之若干修訂。有關本集團於附註27金融工具之披露規定與經修訂披露規定一致。該等修訂對已於本期或以往期間之財務報表確認之款額之分類、確認及計量並無任何重大影響。

**1 Significant accounting policies** (Continued)**(d) 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 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(m) or (n) 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 regarded 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(j)).

**1 主要會計政策** (續)**(d) 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以其在附屬公司可辨認資產淨值的所佔比例確認非控股權益。

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(m)或(n) (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(j))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)

### (e) Property, plant and equipment

The following items of property, plant and equipment are stated at cost less accumulated depreciation and impairment losses (see note 1(j)), with the exception of construction in progress which is stated at cost less any impairment losses (see note 1(j)).

- land classified as being held under finance leases and buildings thereon (see note 1(g));
- buildings held for own use which are situated on leasehold land classified as held under operating leases (see note 1(g)); 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.
- 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.

### (f) Investment properties

Investment properties are land and buildings which are owned or held under a leasehold interest (see note 1(g)) to earn rental income and/or for capital appreciation.

Investment properties are stated at cost less accumulated depreciation and impairment losses (see note 1(j)). 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.

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(s)(iii).

## 1 主要會計政策 (續)

### (e) 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(j))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(j))。

- 分類為融資租賃下的土地及物業(見附註1(g))；
- 在分類為經營租賃下的土地上的自用物業(見附註1(g))；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(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)。

### (f) 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(g))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(j))。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。

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(s)(iii)所述方式計算。

# 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)

### (g) 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(j).

### (h) Intangible assets

Intangible assets are trademarks and club debentures acquired by the Group and stated at cost less impairment losses (see note 1(j)).

These intangible assets are not amortised as their useful lives are assessed to be indefinite and are tested annually for impairment (see note 1(j)).

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.

## 1 主要會計政策 (續)

### (g) 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賃持有，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(j)的會計政策來確認。

### (h) 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(j))。

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(j))。

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。

# 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)

### (i) Other tangible assets

Other tangible assets represent 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(j)). 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 to three years and seven years respectively.

Both the useful lives of bottles and crates and their residual values are reviewed annually.

### (j) 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 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;
- significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor; and
- a significant or prolonged decline in the fair value of an investment in an equity instrument below its cost.

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(j)(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(j)(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 (i.e. the effective interest rate computed at initial recognition of these assets), where the effect of discounting is material. This assessment is made collectively where these financial assets 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.

## 1 主要會計政策 (續)

### (i) 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(j))。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。

### (j) 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；
- 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；及
- 權益工具投資的公允價值大幅或持續下跌至低於其成本。

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(j)(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(j)(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(即這些資產初始確認時計算的實際利率)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。

# 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)

### (j) Impairment of assets (Continued)

#### (i) Impairment of investments in subsidiaries and receivables (Continued)

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.

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).

## 1 主要會計政策 (續)

### (j) 資產減值 (續)

#### (i) 附屬公司權益及應收款項的減值 (續)

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。

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。

# 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)

### (j) Impairment of assets (Continued)

#### (ii) Impairment of other assets (Continued)

- 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.

### (k) 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.

### (l) Receivables

Receivables are initially recognised at fair value and thereafter stated at amortised cost using the effective interest method, less allowance for impairment of doubtful debts (see note 1(j)), 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.

## 1 主要會計政策 (續)

### (j) 資產減值 (續)

#### (ii) 其他資產減值 (續)

- 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。

### (k) 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。

### (l) 應收款項

應收款項最初按公允價值確認，其後則以實際利率法按攤銷成本減有關呆壞賬的減值虧損列值 (見附註 1(j))，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。

## 1 Significant accounting policies (Continued)

### (m) 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.

### (n) 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.

### (o) 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.

### (p) 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.

## 1 主要會計政策 (續)

### (m) 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。

### (n) 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。

### (o) 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。

### (p) 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。

# 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)

### (q) 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.

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)

### (q) 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。

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。

## 1 Significant accounting policies (Continued)

### (q) 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.

### (r) 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.

### (s) 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 is 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)

### (q) 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。

### (r) 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。

### (s) 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。

# 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)

### (s) 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.

### (t) 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 an 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)

### (s) 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。

### (t) 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之外幣匯率進行折算。

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。

## 1 Significant accounting policies (Continued)

### (u) 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.

### (v) Related parties

(i) A person, or a close member of that person's family, is related to the Group if that person:

- (1) has control or joint control over the Group;
- (2) has significant influence over the Group; or
- (3) is a member of the key management personnel of the Group or the Group's parent.

(ii) An entity is related to the Group if any of the following conditions applies:

- (1) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- (2) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- (3) Both entities are joint ventures of the same third party.
- (4) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- (5) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.

## 1 主要會計政策 (續)

### (u) 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。

### (v) 關連人士

(i) 個別人士，或其直系親屬的成員被認為是本集團關連人士，倘若該個別人士：

- (1) 控制或共同控制本集團；
- (2) 對本集團有重大影響力；或
- (3) 為本集團或本集團母公司主要管理人員成員之一。

(ii) 一個實體如符合任何下列條件，則被認為是本集團關連人士：

- (1) 該實體和本集團是同一集團的成員(這意味著每間母公司，附屬公司及同系附屬公司是關連的)。
- (2) 一個實體是另一實體的聯營公司或合資企業(或一個實體為某一集團成員的聯營公司或合資企業，而另一實體為同一集團之成員)。
- (3) 兩個實體同為第三方的合資企業。
- (4) 一個實體是第三個實體的合資企業，而另一個實體為第三個實體的聯營公司。
- (5) 該實體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。

# 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)

### (v) Related parties (Continued)

- (6) The entity is controlled or jointly controlled by a person identified in (i).
- (7) A person identified in (i)(1) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person 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.

## 2 Accounting judgements and estimates

Notes 5 and 24 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 sales 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. However, actual sales 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. Details of the nature and carrying amounts of fixed assets, intangible assets and other tangible assets are disclosed in notes 13, 14 and 16, respectively.

## 1 主要會計政策 (續)

### (v) 關連人士 (續)

- (6) 該實體受上文(i)所指的人士控制或共同控制。
- (7) 上文(i)(1)所指的個別人士對該實體有重大影響力或為該實體(或該實體母公司)主要管理人員成員之一。

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。

## 2 會計估計及判斷

除於附註5及24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。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。固定資產、無形資產及其他有形資產的性質和賬面值詳情分別於附註13、14及16中披露。

**2 Accounting judgements and estimates** (Continued)**(b) Depreciation or amortisation of fixed assets**

Fixed assets (see note 13) 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.

**(c) Impairment loss for doubtful debts**

The Group maintains an allowance for doubtful debts for estimated losses resulting from the inability of debtors to make required payments. The Group bases the estimates of future cash flows on the ageing of the trade receivable balance as disclosed in note 18, debtors' credit-worthiness and historical write-off experience. If the financial condition of debtors were to deteriorate, actual write-offs would be higher than estimated.

**(d) Write down of inventories**

The Group performs a regular review of the carrying amounts of inventories as disclosed in note 17 with reference to aged inventories analyses, 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.

**(e) Useful lives of intangible assets**

Intangible assets (see note 14) 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.

**(f) 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 profits 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. Details of the nature and carrying amounts of deferred tax assets are disclosed in note 25.

**2 會計估計及判斷** (續)**(b) 固定資產之折舊或攤銷** (續)

固定資產(見附註13)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。

**(c) 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。本集團按照披露於附註18中的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。

**(d) 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，定期檢討披露於附註17中的存貨之賬面值。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。

**(e) 無形資產之可使用年期**

無形資產(見附註14)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。

**(f) 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。遞延稅項資產的性質和賬面值詳情於附註25中披露。

# 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)

## 3 Turnover and segment reporting

### (a) 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.

### (b) 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 beer products and distribution of imported beer products in Hong Kong and overseas.
- The mainland China operation mainly represents the manufacture and distribution of own brewed beer products in the southern part of the PRC and overseas.

All of the Group's turnover is generated from the manufacture and distribution of bottled, canned and draught beers.

### (i) 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 other 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 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.

## 3 營業額及分部資料呈報

### (a) 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。

### (b) 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分銷自身釀製之啤酒產品和於香港分銷進口之啤酒產品。
- 中國內地業務主要指在中國南部及海外分銷自身釀製之啤酒產品。

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。

### (i) 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。

計算須予呈報分部盈利或虧損所採用之方法為稅前盈利或虧損。所得稅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。

# 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)

## 3 Turnover and segment reporting (Continued)

### (b) Segment reporting (Continued)

#### (i) 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 2011 and 2010 is set out below:

	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 Inter-segment revenue	515,726 —	410,673 —	168,153 93	178,649 751	683,879 93	589,322 751
<b>Reportable segment revenue</b>	<b>515,726</b>	<b>410,673</b>	<b>168,246</b>	<b>179,400</b>	<b>683,972</b>	<b>590,073</b>
<b>Reportable segment profit/(loss) from operations</b>	<b>9,298</b>	<b>(444,181)</b>	<b>(78,325)</b>	<b>(338,328)</b>	<b>(69,027)</b>	<b>(782,509)</b>
Interest income from bank deposits	2,884	1,268	887	1,316	3,771	2,584
Interest expense on bank loans	—	—	(18,551)	(10,532)	(18,551)	(10,532)
Depreciation and amortisation for the year	(14,808)	(34,402)	(3,114)	(18,463)	(17,922)	(52,865)
Reversal of/(provision for) impairment losses recognised in profit or loss in respect of						
— non-current assets	—	(442,633)	(5,497)	(241,650)	(5,497)	(684,283)
— trade and other receivables	351	(1,511)	10	(7)	361	(1,518)
<b>Reportable segment assets</b>	<b>1,102,230</b>	<b>1,098,617</b>	<b>82,906</b>	<b>113,196</b>	<b>1,185,136</b>	<b>1,211,813</b>
Additions to non-current segment assets during the year	7,927	5,784	7,894	9,306	15,821	15,090
<b>Reportable segment liabilities</b>	<b>96,631</b>	<b>90,280</b>	<b>787,829</b>	<b>725,999</b>	<b>884,460</b>	<b>816,279</b>

## 3 營業額及分部資料呈報 (續)

### (b) 分部資料呈報 (續)

#### (i) 分部業績、資產及負債 (續)

截至二零一一年及二零一零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：

# 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)

## 3 Turnover and segment reporting (Continued)

### (b) Segment reporting (Continued)

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

## 3 營業額及分部資料呈報 (續)

### (b) 分部資料呈報 (續)

#### (ii) 須予呈報分部收入、損益、資產及負債之對帳

		2011 二零一一年 \$'000 千元	2010 二零一零年 \$'000 千元
<b>Revenue</b>	<b>收入</b>		
Reportable segment revenue	須予呈報分部收入	<b>683,972</b>	590,073
Elimination of inter-segment revenue	分部之間收入撤銷	<b>(93)</b>	(751)
Consolidated turnover	綜合營業額	<b>683,879</b>	589,322
<b>Loss</b>	<b>虧損</b>		
Reportable segment loss from operations	須予呈報分部經營虧損	<b>(69,027)</b>	(782,509)
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	<b>(69,027)</b>	(782,509)
<b>Assets</b>	<b>資產</b>		
Reportable segment assets	須予呈報分部資產	<b>1,185,136</b>	1,211,813
Elimination of inter-segment receivables	分部之間應收賬項撤銷	<b>(380,070)</b>	(385,336)
Consolidated total assets	綜合總資產	<b>805,066</b>	826,477
<b>Liabilities</b>	<b>負債</b>		
Reportable segment liabilities	須予呈報分部負債	<b>884,460</b>	816,279
Elimination of inter-segment payables	分部之間應付賬項撤銷	<b>(380,070)</b>	(385,336)
Deferred tax liabilities	遞延稅項負債	<b>504,390</b> <b>3,453</b>	430,943 4,060
Consolidated total liabilities	綜合總負債	<b>507,843</b>	435,003

# 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)

## 3 Turnover and segment reporting (Continued)

### (b) Segment reporting (Continued)

#### (iii) Geographic information

The following table sets out information about the geographic location of (i) the Group's revenue from external customers and (ii) the Group's fixed assets, intangible assets and other tangible assets ("specified non-current assets"). The geographic location of customers is based on the country of establishment of each customer. 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.

		Revenue from external customers 外界客戶收入		Specified non-current assets 指定非流動資產	
		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
Hong Kong (place of domicile)	香港(成立地點)	425,577	349,625	363,030	370,009
Mainland China	中國內地	156,290	177,532	32,350	33,680
Philippines	菲律賓	93,253	55,893	—	—
Others	其他國家	8,759	6,272	—	—
		258,302	239,697	32,350	33,680
		683,879	589,322	395,380	403,689

### (c) Major customers

In 2011, the revenue from the Group's largest customer which was served both by Hong Kong segment and mainland China segment amounted to \$93,706,000 or 14% of the Group's total revenue (2010: \$59,575,000 or 10%). The revenue from the Group's five largest customers amounted to 39% (2010: 39%) of the Group's total revenue.

Details of concentration of credit risk arising from these customers are set out in note 27(a).

## 3 營業額及分部資料呈報 (續)

### (b) 分部資料呈報 (續)

#### (iii) 地區資料

下表載列有關(i)本集團外界客戶收入及(ii)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。客戶之地理位置是根據每名客戶成立地點所在國家而定。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。

### (c) 主要客戶

於二零一一年，來自本集團香港及中國內地業務之最大客戶的收入為93,706,000元或佔本集團總收入14%(二零一零年：59,575,000元或10%)。來自本集團首五大客戶的收入佔本集團的總收入的39%(二零一零年：39%)。

來自該等客戶之詳細信貸風險載於附註27(a)。

# 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)

## 4 Other revenue and other net income

## 4 其他收入及其他收益淨額

		2011 二零一一年 \$'000 千元	2010 二零一零年 \$'000 千元
<b>Other revenue</b>	<b>其他收入</b>		
Interest income from bank deposits	銀行存款之利息收入	3,771	2,584
Rental income from investment properties	來自投資物業的租金收入	5,808	8,273
Rental income from property, plant and equipment	來自物業、機器及設備的租金收入	3,134	2,984
Others	其他	2,226	—
		<b>14,939</b>	<b>13,841</b>
<b>Other net income</b>	<b>其他收益淨額</b>		
Net gain on disposal of fixed assets	出售固定資產之淨盈利	761	87
Net loss on disposal of other tangible assets	出售其他有形資產之淨虧損	(447)	(923)
Net foreign exchange gains	匯兌淨盈利	2,979	1,623
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	26	8
		<b>3,319</b>	<b>1,975</b>

## 5 Impairment losses of non-current assets

## 5 非流動資產之減值虧損

Impairment losses/(reversal of impairment losses) of non-current assets represent:

非流動資產之減值虧損/(減值虧損撥回)指：

		2011 二零一一年 \$'000 千元	2010 二零一零年 \$'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))	5,497	254,621
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)
		<b>5,497</b>	<b>684,283</b>

# 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)

## 5 Impairment losses of non-current assets

(Continued)

The above impairment losses are further analysed as follows:

	Note 附註	2011 二零一一年 \$'000 千元	2010 二零一零年 \$'000 千元
<b>Provision for impairment losses:</b>			
Fixed assets	13(a)	1,631	695,942
Intangible assets — trademarks	14	—	11,466
Other tangible assets	16	3,866	20,218
		<b>5,497</b>	727,626
<b>Reversal of impairment losses:</b>			
Fixed assets	13(a)	—	(41,838)
Other tangible assets	16	—	(1,505)
		<b>—</b>	(43,343)
		<b>5,497</b>	684,283

以上減值虧損的詳細分析如下：

### (a) Mainland China operation

During 2011 and 2010, 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 the 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 ("the China cash-generating unit") and as a result the carrying amount of the assets in the China cash-generating unit was written down by \$5,497,000 (2010: \$254,621,000), details of which are as follows:

### (a) 中國內地業務

在二零一一年及二零一零年，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，這表示國內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5,497,000元（二零一零年：254,621,000元），詳情如下：

		2011 二零一一年 \$'000 千元	2010 二零一零年 \$'000 千元
<b>Provisions for impairment losses:</b>	<b>減值虧損撥備：</b>		
Fixed assets	固定資產	1,631	245,257
Intangible assets — trademarks	無形資產 — 商標	—	11,466
Other tangible assets	其他有形資產	3,866	20,218
		<b>5,497</b>	276,941
<b>Reversal of impairment losses:</b>	<b>減值虧損撥回：</b>		
Fixed assets	固定資產	—	(22,320)
<b>Total</b>	<b>總數</b>	<b>5,497</b>	254,621

## 5 Impairment losses of non-current assets

(Continued)

### (a) Mainland China operation (Continued)

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 in 2010 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 had been a favourable change in the estimates used to determine the recoverable amount.

### (b) Hong Kong manufacturing operation

In 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 the manufacturing operations in Hong Kong, comprising mainly the production plant, an office building and a warehouse might be impaired. The Group assessed the recoverable amounts of the cash-generating unit to which these assets belong ("the 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, details of which are as follows:

		2010 二零一零年 \$'000 千元
<b>Provision for impairment losses:</b>	<b>減值虧損撥備：</b>	
Fixed assets	固定資產	450,685
<b>Reversal of impairment losses:</b>	<b>減值虧損撥回：</b>	
Fixed assets	固定資產	(19,518)
<b>Total</b>	<b>總數</b>	<b>431,167</b>

The recoverable amount of Hong Kong cash-generating unit had been determined based on a value-in-use calculation. That calculation used 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 were extrapolated using a steady growth rate of 2%. This growth rate did not exceed the long-term average growth rate for Hong Kong.

## 5 非流動資產之減值虧損 (續)

### (a) 中國內地業務 (續)

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。

於二零一零年之減值虧損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。

### (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縮，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。

# 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)

## 5 Impairment losses of non-current assets

(Continued)

### (b) Hong Kong manufacturing operation (Continued)

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 had been a favourable change in the estimates used to determine the recoverable amount.

Key assumptions used for the 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 plans for beer brewed by the Group.

In 2011, the Group's results in Hong Kong were fairly consistent with the forecasts made in 2010. The Group assessed the recoverable amounts of the Hong Kong cash-generating unit as at 31 December 2011 and determined that neither further impairment losses nor a reversal of previous impairment losses is necessary.

## 6 Loss before taxation

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

## 5 非流動資產之減值虧損 (續)

### (b) 香港生產業務 (續)

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
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。

於二零一一年，本集團香港業務的業績與二零一零年作出的預測相當一致。截至二零一一年十二月三十一日止年度，本集團評估香港現金生產單位及決定無需進一步減值虧損撥備或減值虧損撥回。

## 6 除稅前虧損

除稅前虧損已扣除/(計入)下列項目：

		2011 二零一一年 \$'000 千元	2010 二零一零年 \$'000 千元
<b>(a) Finance costs</b>	<b>(a) 財務費用</b>		
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	18,551	10,532
Bank charges	銀行費用	2,111	1,372
		<b>20,662</b>	11,904
<b>(b) Staff costs</b>	<b>(b) 員工薪酬</b>		
Retirement costs — Defined contribution retirement plans	退休金成本 — 定額供款退休計劃	6,723	6,090
— Defined benefit retirement plan (note 24(a)(v))	— 定額福利退休計劃 (附註24(a)(v))	4,340	4,058
Salaries, wages and other benefits	薪金、工資及其他福利	11,063 <b>101,023</b>	10,148 96,719
		<b>112,086</b>	106,867

# 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)

## 6 Loss before taxation (Continued)

## 6 除稅前虧損 (續)

		2011 二零一一年 \$'000 千元	2010 二零一零年 \$'000 千元
<b>(c) Other items</b>	<b>(c) 其他項目</b>		
Amortisation	攤銷		
— Land lease premium (note 13(a))	— 租賃土地款項 (附註13(a))	4,473	1,877
— Other tangible assets (note 16)	— 其他有形資產 (附註16)	823	5,905
Depreciation (note 13(a))	折舊 (附註13(a))		
— Property, plant and equipment	— 物業、機器及設備	9,747	42,804
— Investment properties	— 投資物業	2,879	2,279
Cost of inventories (note 17)	存貨成本 (附註17)	383,523	329,795
Operating lease charges:	經營租賃費用：		
— minimum lease payments	— 最低租賃付款		
— Land and buildings	— 土地及房產	2,812	2,971
— Plant and machinery	— 廠房及機器	—	15
Rental receivable from investment properties less direct outgoings of \$2,932,000 (2010: \$2,420,000)	投資物業之租金收入扣除直接費用2,932,000元 (二零一零年：2,420,000)	(2,876)	(5,853)
Auditors' remuneration	核數師酬金		
— Provision for the year	— 本年度撥備	3,156	2,801
— Under-provision in respect of prior year	— 上年度撥備不足	282	155
(Reversal of)/provision for impairment losses on trade and other receivables (note 18(b))	應收貿易賬款之減值 (撥回)/撥備 (附註18(b))	(361)	1,518

## 7 Taxation 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：

		2011 二零一一年 \$'000 千元	2010 二零一零年 \$'000 千元
<b>Current tax — Outside Hong Kong</b>	<b>本期稅項 — 香港以外</b>		
Provision for the year	本年度撥備	(123)	(57)
<b>Deferred tax (note 25(a))</b>	<b>遞延稅項 (附註25(a))</b>		
Origination and reversal of temporary differences	暫時差額之出現及回撥	512	8,579
Income tax credit	所得稅計入	389	8,522

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 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年度估計應課稅盈利或錄得稅務虧損，故無就香港利得稅作出撥備。

## 7 Taxation in the consolidated income statement

(Continued)

### (a) Taxation in the consolidated income statement represents: (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 2011 and 2010 represented a withholding tax levied at 10% on interest income earned in the PRC by a subsidiary which is a non-PRC resident according to the relevant rules and regulations of the PRC.

### (b) Reconciliation between income tax credit and accounting loss at applicable tax rates:

## 7 綜合收益表之所得稅 (續)

### (a) 綜合收益表之所得稅指：(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由於錄得稅務虧損，故並無就本年度稅項作出撥備。

二零一一年及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) 所得稅計入與會計虧損之調節：

		2011 二零一一年 \$'000 千元	2010 二零一零年 \$'000 千元
Loss before taxation	除稅前虧損	69,027	782,509
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	18,159	156,766
Tax effect of non-deductible expenses	不可扣除開支之稅項影響	(4,865)	(9,863)
Tax effect of non-taxable revenue	非課稅收入之稅項影響	291	4,321
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	(16,095)	(141,950)
Tax effect of utilisation of tax losses previously unrecognised	應用先前未確認的稅務虧損之稅項影響	1,261	—
Others	其他	1,638	(752)
Actual tax credit	所得稅計入	389	8,522

# 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)

## 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：

		2011 二零一一年				
		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
<b>Executive director</b>	<b>執行董事</b>					
Peter K.Y. Tam	譚嘉源	—	1,919	—	275	2,194
<b>Non-executive directors</b>	<b>非執行董事</b>					
Ramon S. Ang	蔡啟文	—	—	—	—	—
Carlos Antonio M. Berba	凱顯思	—	—	—	—	—
Thelmo Luis O. Cunanan Jr.	Thelmo Luis O. Cunanan Jr.	—	—	—	—	—
Taro Matsunaga	松永太郎	—	—	—	—	—
Benjamin P. Defensor Jr.	戴豐盛	—	—	—	—	—
Chan Wen Mee, May (Michelle)	陳雲美	—	—	—	—	—
Teruyuki Daino	代野照幸	—	—	—	—	—
Shobu Nishitani	西谷尚武	—	—	—	—	—
Ricky Y. T. Cheung	張元德	—	—	—	—	—
Motoyasu Ishihara	石原基康	—	—	—	—	—
Keisuke Nishimura	西村慶介	—	—	—	—	—
<b>Independent non-executive directors</b>	<b>獨立非執行董事</b>					
David K.P. Li	李國寶	—	—	—	—	—
W.S. Ng	吳維新	—	—	—	—	—
Carmelo L. Santiago	施雅高	—	—	—	—	—
Adrian M. K. Li	李民橋	—	—	—	—	—
		—	1,919	—	275	2,194

# 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)

## 8 Directors' remuneration (Continued)

## 8 董事酬金 (續)

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
<b>Executive director</b> 執行董事						
Peter K.Y. Tam	譚嘉源	—	1,969	—	115	2,084
<b>Non-executive directors</b> 非執行董事						
Ramon S. Ang	蔡啟文	—	—	—	—	—
Carlos Antonio M. Berba	凱顯思	—	—	—	—	—
Thelmo Luis O. Cunanan Jr.	Thelmo Luis O. Cunanan Jr.	—	—	—	—	—
Taro Matsunaga	松永太郎	—	—	—	—	—
Benjamin P. Defensor Jr.	戴豐盛	—	—	—	—	—
Chan Wen Mee, May (Michelle)	陳雲美	—	—	—	—	—
Teruyuki Daino	代野照幸	—	—	—	—	—
Shobu Nishitani	西谷尚武	—	—	—	—	—
Ricky Y. T. Cheung	張元德	—	—	—	—	—
Motoyasu Ishihara	石原基康	—	—	—	—	—
Keisuke Nishimura	西村慶介	—	—	—	—	—
<b>Independent non-executive directors</b> 獨立非執行董事						
David K.P. Li	李國寶	—	—	—	—	—
W.S. Ng	吳維新	—	—	—	—	—
Carmelo L. Santiago	施雅高	—	—	—	—	—
Adrian M. K. Li	李民橋	—	—	—	—	—
		—	1,969	—	115	2,084

# 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)

## 9 Individuals with highest emoluments

Of the five individuals with the highest emoluments, one (2010: one) is director whose emoluments are included in note 8. The aggregate of the emoluments in respect of the remaining four (2010: four) individuals are as follows:

		2011 二零一一年 \$'000 千元	2010 二零一零年 \$'000 千元
Salaries and other emoluments	薪金及津貼	5,607	6,260
Retirement scheme contributions	退休金供款	757	338
		<b>6,364</b>	<b>6,598</b>

The emoluments of the four (2010: four) individuals with the highest emoluments are within the following bands:

		2011 二零一一年 Number of individuals 人員數目	2010 二零一零年 Number of individuals 人員數目
\$1,000,001 to \$1,500,000	1,000,001元至1,500,000元	2	1
\$1,500,001 to \$2,000,000	1,500,001元至2,000,000元	2	2
\$2,000,001 to \$2,500,000	2,000,001元至2,500,000元	—	1

最高薪五名人員中，一名(二零一零年：一名)為董事(其酬金已於附註8披露)。其餘四名(二零一零年：四名)酬金最高之人員之酬金總額如下：

四名(二零一零年：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 profit of \$13,472,000 (2010: loss of \$554,398,000) which has been dealt with in the financial statements of the Company (note 26(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盈利13,472,000元(二零一零年：虧損554,398,000元)已計入本公司財務報表(附註26(a))。

**11 OTHER COMPREHENSIVE INCOME**

**Tax effects relating to each component of other comprehensive income**

		2011 二零一一年			2010 二零一零年		
		Before-tax amount	Tax effect	Net-of-tax amount	Before-tax amount	Tax effect	Net-of-tax amount
		除稅前金額	稅項影響	除稅後金額	除稅前金額	稅項影響	除稅後金額
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
		千元	千元	千元	千元	千元	千元
			(note 25(a))			(note 25(a))	
			(附註25(a))			(附註25(a))	
Exchange differences on translation of:	匯稅差額：						
— 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	(31,863)	—	(31,863)	(17,088)	—	(17,088)
— 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	17,973	—	17,973	12,577	—	12,577
		(13,890)	—	(13,890)	(4,511)	—	(4,511)
Actuarial gains and losses of defined benefit retirement plan (note 24(a)(vi))	定額福利退休計劃之精算盈利及虧損 (附註24(a)(vi))	(11,818)	95	(11,723)	445	43	488
Other comprehensive income	其他全面收益	(25,708)	95	(25,613)	(4,066)	43	(4,023)

**11 其他全面收益**

**其他全面收益各部分的稅項影響**

**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 \$53,464,000 (2010: \$736,984,000) and on 373,570,560 (2010: 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 presented.

**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53,464,000元(二零一零年：736,984,000元)及本年度內已發行之373,570,560股普通股(二零一零年：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。

# 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)

## 13 Fixed assets

### (a) The Group

## 13 固定資產

### (a) 本集團

		Property, plant and equipment 物業、機器及設備					Investment properties	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			
		自用土地 及房產 \$'000 千元	機器、設備、 傢俬及裝備 \$'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	租賃土地權益 \$'000 千元	總計固定資產 \$'000 千元
<b>Cost:</b>	<b>成本：</b>								
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
<b>Accumulated amortisation, depreciation and impairment losses:</b>	<b>累計攤銷、折舊及減值虧損：</b>								
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
<b>Net book value:</b>	<b>賬面淨值：</b>								
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
<b>Cost:</b>	<b>成本：</b>								
At 1 January 2011	於二零一一年一月一日	988,801	1,661,431	16,583	348	2,667,163	121,422	121,321	2,909,906
Exchange adjustments	匯兌調整	20,893	35,264	581	17	56,755	—	2,480	59,235
Additions	添置	635	8,320	85	809	9,849	133	—	9,982
Transfer from construction in progress	轉撥自在建工程	—	803	—	(803)	—	—	—	—
Disposals	出售	(775)	(10,995)	(403)	—	(12,173)	—	(1,247)	(13,420)
At 31 December 2011	於二零一一年十二月三十一日	1,009,554	1,694,823	16,846	371	2,721,594	121,555	122,554	2,965,703
<b>Accumulated amortisation, depreciation and impairment losses:</b>	<b>累計攤銷、折舊及減值虧損：</b>								
At 1 January 2011	於二零一一年一月一日	837,308	1,594,525	16,556	348	2,448,737	38,538	24,620	2,511,895
Exchange adjustments	匯兌調整	20,893	35,264	581	17	56,755	—	796	57,551
Charge for the year (note 6(c))	年內開支(附註6(c))	4,585	5,130	32	—	9,747	2,879	4,473	17,099
Impairment losses (note 5)	減值虧損(附註5)	—	1,625	—	6	1,631	—	—	1,631
Written back on disposals	出售撥回	(775)	(10,538)	(403)	—	(11,716)	—	(428)	(12,144)
At 31 December 2011	於二零一一年十二月三十一日	862,011	1,626,006	16,766	371	2,505,154	41,417	29,461	2,576,032
<b>Net book value:</b>	<b>賬面淨值：</b>								
At 31 December 2011	於二零一一年十二月三十一日	147,543	68,817	80	—	216,440	80,138	93,093	389,671

# 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)

## 13 Fixed assets (Continued)

### (b) The Company

## 13 固定資產 (續)

### (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	Machinery, equipment, furniture and fixtures 機器、設備、 傢俬及裝備	Motor vehicles 車輛	Sub-total 合計		
		\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元
<b>Cost:</b>	<b>成本:</b>						
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
<b>Accumulated amortisation, depreciation and impairment losses:</b>	<b>累計攤銷、折舊及減值虧損:</b>						
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
<b>Net book value:</b>	<b>賬面淨值:</b>						
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
<b>Cost:</b>	<b>成本:</b>						
At 1 January 2011	於二零一一年一月一日	495,793	958,402	4,822	1,459,017	74,134	1,533,151
Additions	添置	535	7,073	85	7,693	—	7,693
Disposals	出售	—	(7,289)	—	(7,289)	—	(7,289)
At 31 December 2011	於二零一一年十二月三十一日	496,328	958,186	4,907	1,459,421	74,134	1,533,555
<b>Accumulated amortisation, depreciation and impairment losses:</b>	<b>累計攤銷、折舊及減值虧損:</b>						
At 1 January 2011	於二零一一年一月一日	399,720	891,645	4,795	1,296,160	10,466	1,306,626
Charge for the year	年內開支	2,974	5,049	32	8,055	2,247	10,302
Written back on disposals	出售撥回	—	(7,193)	—	(7,193)	—	(7,193)
At 31 December 2011	於二零一一年十二月三十一日	402,694	889,501	4,827	1,297,022	12,713	1,309,735
<b>Net book value:</b>	<b>賬面淨值:</b>						
At 31 December 2011	於二零一一年十二月三十一日	93,634	68,685	80	162,399	61,421	223,820

# 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)

## 13 Fixed assets (Continued)

## 13 固定資產 (續)

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

(c) 土地賬面淨值之分析如下：

		The Group 本集團		The Company 本公司	
		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
Medium term leases	中期租賃土地				
— in Hong Kong	— 香港	289,102	298,045	155,055	159,741
— outside Hong Kong	— 香港以外	31,672	33,033	—	—
		<b>320,774</b>	331,078	<b>155,055</b>	159,741
Representing:	分析如下：				
Land and buildings held for own use	自用土地及房產	147,543	151,493	93,634	96,073
Investment properties	投資物業	80,138	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	93,093	96,701	61,421	63,668
		<b>320,774</b>	331,078	<b>155,055</b>	159,741

## (d) Fixed assets leased out under operating leases

## (d) 經營租賃下之固定資產

The Group leases out investment properties which are located at Nos. 9-11 Shing Wan Road, Tai Wai, Shatin, Hong Kong, and certain items of property, plant and equipment in the PRC (see note 29(a)(iv)) under operating leases. The leases typically run for an initial period of two to three years, with an option to renew each lease upon expiry at which time all terms are renegotiated. None of the leases includes contingent rentals.

本集團根據經營租賃將位於香港沙田大圍成運路9-11號之投資物業及某些在中國的物業、機器及設備(見附註29(a)(iv))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。

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

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：

		2011 二零一一年 \$'000 千元	2010 二零一零年 \$'000 千元
<b>Investment properties</b>	<b>投資物業</b>		
Within 1 year	一年內	2,477	5,210
After 1 year but within 5 years	一年後及五年內	676	1,979
		<b>3,153</b>	7,189
<b>Property, plant and equipment</b>	<b>物業、機器及設備</b>		
Within 1 year	一年內	3,207	2,984
After 1 year but within 5 years	一年後及五年內	—	2,984
		<b>3,207</b>	5,968

# 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)

## 13 Fixed assets (Continued)

(e) The fair value of the investment properties at 31 December 2011 is \$147,940,000 (2010: \$120,420,000), which is valued on market value 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.

## 13 固定資產 (續)

(e) 投資物業於二零一一年十二月三十一日之市場價值為147,940,000元(二零一零年：120,420,000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。

## 14 Intangible assets

		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
<b>Cost:</b>	<b>成本：</b>						
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
<b>Accumulated amortisation and impairment losses:</b>	<b>累計攤銷及減值虧損：</b>						
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
<b>Net book value:</b>	<b>賬面淨值：</b>						
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
<b>Cost:</b>	<b>成本：</b>						
At 1 January 2011	於二零一一年一月一日	39,116	6,301	45,417	39,116	5,031	44,147
Exchange adjustments	匯兌調整	—	62	62	—	—	—
At 31 December 2011	於二零一一年十二月三十一日	39,116	6,363	45,479	39,116	5,031	44,147
<b>Accumulated amortisation and impairment losses:</b>	<b>累計攤銷及減值虧損：</b>						
At 1 January 2011	於二零一一年一月一日	39,116	623	39,739	39,116	—	39,116
Exchange adjustments	匯兌調整	—	31	31	—	—	—
At 31 December 2011	於二零一一年十二月三十一日	39,116	654	39,770	39,116	—	39,116
<b>Net book value:</b>	<b>賬面淨值：</b>						
At 31 December 2011	於二零一一年十二月三十一日	—	5,709	5,709	—	5,031	5,031

Trademarks related to products sold in the mainland China. In 2010, an impairment loss of \$11,466,000 was made for trademarks by both the Company and the Group, further details are set out in note 5.

商標乃有關於中國大陸出售的產品。於二零一零年，本公司及本集團作出11,466,000元的商標減值虧損，詳情刊載於附註5。

# 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)

## 15 Investments in subsidiaries

## 15 附屬公司權益

		The Company 本公司	
		2011 二零一一年 \$'000 千元	2010 二零一零年 \$'000 千元
Unlisted investments, at cost	非上市股份(按成本)	603,249	603,249
Amounts due from subsidiaries	應收附屬公司賬項	789,855	790,781
		<b>1,393,104</b>	1,394,030
Less: Impairment losses	減：減值虧損	(776,567)	(773,518)
		<b>616,537</b>	620,512

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.

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。

As detailed in note 5, impairment losses were 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 was further impairment of the Company's investment in the subsidiaries established in the PRC and an additional impairment loss of \$3,049,000 (2010: \$122,195,000) was recognised during the year.

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3,049,000元(二零一零年：122,195,000元)於本年度確認。

The following list contains the particulars of all the subsidiaries of the Company:

下表載列本公司所有附屬公司項目：

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 投資控股
		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%	—
Hongkong Brewery Limited (i)	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

# 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)

## 15 Investments in subsidiaries (Continued)

## 15 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 所持股權百分比		Principal activity 主要業務
			本公司	附屬公司	
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	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%	—	
Guangzhou San Miguel Brewery Company Limited (note (ii)) 廣州生力啤酒有限公司 (附註(ii))	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
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
San Miguel (Guangdong) Brewery Company Limited (note (iii)) 生力(廣東)啤酒有限公司 (附註(iii))	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

Notes:

附註：

- (i) Hongkong Brewery Limited ("HKBL") was remained dormant since incorporation except that it established a jointly controlled entity, namely Global Brews Hong Kong Limited in Hong Kong on 18 March 2011 with an authorised share capital of \$10,000 divided into 1,000 shares at \$10 each. HKBL is committed to hold a 50% equity interest in this entity. As at the date of the approval of these financial statements, the jointly controlled entity has not commenced its operations yet.
- (ii) 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.
- (iii) SMGB is a wholly-foreign owned enterprise with an operating period of 50 years expiring on 4 August 2042.

- (i) 除於二零一一年三月十八日於香港成立了一間名為Global Brews Hong Kong Limited的共同控制實體(其法定股本為10,000元，由1,000股每股面值10元股分組成)外，Hongkong Brewery Limited (「HKBL」)自註冊成立以來，一直處於休眠狀態。HKBL持有該實體百分之五十股權。截至本財務報表批准之日，該共同控制實體尚未開始其業務。
- (ii) 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。
- (iii) 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。

**16 Other tangible assets**

Other tangible assets represent returnable bottles and crates used by the Group's operations in the mainland China.

**16 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。

		<b>The Group</b> 本集團	
		<b>2011</b> 二零一一年 \$'000 千元	2010 二零一零年 \$'000 千元
<b>Cost:</b>	<b>成本：</b>		
At 1 January	於一月一日	<b>97,277</b>	94,879
Exchange adjustments	匯兌調整	<b>4,777</b>	3,281
Additions	添置	<b>5,839</b>	6,935
Disposals	出售	<b>(8,078)</b>	(7,818)
At 31 December	於十二月三十一日	<b>99,815</b>	97,277
<b>Accumulated amortisation and impairment losses:</b>	<b>累計攤銷及減值虧損：</b>		
At 1 January	於一月一日	<b>97,277</b>	76,314
Exchange adjustments	匯兌調整	<b>4,777</b>	3,086
Charge for the year (note 6(c))	年內開支(附註6(c))	<b>823</b>	5,905
Impairment losses (note 5)	減值虧損(附註5)	<b>3,866</b>	20,218
Reversal of impairment losses (note 5)	減值虧損撥回(附註5)	<b>—</b>	(1,505)
Written back on disposals	出售撥回	<b>(6,928)</b>	(6,741)
At 31 December	於十二月三十一日	<b>99,815</b>	97,277
<b>Net book value:</b>	<b>賬面淨值：</b>		
At 31 December	於十二月三十一日	—	—

The majority of bottled beer sold in the mainland China is under a returnable bottles arrangement. The bottles and crates are expected to have useful lives of two to three years and seven years respectively.

大部份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兩至三年及七年。

# NOTES TO THE FINANCIAL STATEMENTS

# 財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated)

(除另有指示外，均按港幣計算)

## 17 Inventories

## 17 存貨

		The Group 本集團		The Company 本公司	
		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
Products in hand and in process	現有產品及在製品	<b>40,027</b>	27,565	<b>28,493</b>	22,058
Materials and supplies	物料及供應	<b>25,139</b>	22,207	<b>15,841</b>	12,125
		<b>65,166</b>	49,772	<b>44,334</b>	34,183

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	
		2011 二零一一年 \$'000 千元	2010 二零一零年 \$'000 千元
Carrying amount of inventories sold	出售存貨賬面值	<b>382,389</b>	328,677
Write down of inventories	存貨撇減	<b>1,134</b>	1,118
Total (note 6(c))	總額(附註6(c))	<b>383,523</b>	329,795

## 18 Trade and other receivables

## 18 應收貿易及其他賬項

		The Group 本集團	
		2011 二零一一年 \$'000 千元	2010 二零一零年 \$'000 千元
Trade receivables	應收貿易賬項	<b>85,553</b>	69,929
Less: Allowance for doubtful debts (note 18(b))	減：呆壞賬撥備(附註18(b))	<b>(11,216)</b>	(11,365)
		<b>74,337</b>	58,564
Other debtors, deposits and prepayments	其他應收賬、按金及預付款項	<b>14,266</b>	12,092
		<b>88,603</b>	70,656

# 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)

## 18 Trade and other receivables (Continued)

## 18 應收貿易及其他賬項 (續)

		The Company 本公司	
		2011 二零一一年 \$'000 千元	2010 二零一零年 \$'000 千元
Trade receivables	應收貿易賬項	67,433	55,081
Less: Allowance for doubtful debts (note 18(b))	減：呆壞賬撥備(附註18(b))	(1,057)	(1,677)
Other debtors, deposits and prepayments	其他應收賬、按金及預付款項	66,376 9,186	53,404 6,148
		<b>75,562</b>	59,552

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 \$1,421,000 (2010: \$1,106,000) and \$681,000 (2010: \$642,000) respectively. All of the other trade receivables, other debtors, deposits and prepayments are expected to be recovered or recognised as expenses within one year.

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1,421,000元(二零一零年：1,106,000元)及681,000元(二零一零年：642,000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。

The Group and the Company hold the following collateral over trade receivables at the end of the reporting period.

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	
		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
Buildings	物業	22,425	13,438	11,730	10,030
Cash deposits	現金存款	11,651	10,607	1,050	872
Bank guarantees	銀行擔保	500	900	500	900

Cash deposits disclosed above and note 18(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 22.

以上及附註18(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22披露。

The Group considers that the credit risk arising from the trade receivables is mitigated by the collateral in the amounts indicated above. The value of the building collateral represents the estimated market value of the buildings as at 31 December 2011.

本集團認為上述抵押品減輕了應收貿易賬項的信貸風險。抵押物業價值代表物業於二零一一年十二月三十一日的市值。

# 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)

## 18 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	
		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
Current	未到期	56,054	46,701	53,197	44,109
Less than 1 month past due	過期日少於一個月	11,128	8,047	10,936	7,820
1 to 3 months past due	過期日為一至三個月	4,147	1,149	1,732	1,013
More than 3 months but less than 12 months past due	過期日為三個月 至一年內	849	536	511	462
More than 12 months past due	過期日多於一年	2,159	2,131	—	—
		<b>74,337</b>	58,564	<b>66,376</b>	53,404

The Group's credit policy is set out in note 27(a).

本集團之信貸政策載於附註27(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(j)(i)).

The movement in the allowance for doubtful debts during the year is as follows:

		The Group 本集團		The Company 本公司	
		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
At 1 January	於一月一日	11,365	9,936	1,677	486
Exchange adjustments	匯兌調整	481	328	—	—
Impairment loss recognised	減值虧損確認	966	1,774	864	1,767
Impairment loss written back	減值虧損撥回	(1,327)	(256)	(1,215)	(256)
Uncollectible amounts written off	沖銷不可收回金額	(269)	(417)	(269)	(320)
At 31 December	於十二月三十一日	<b>11,216</b>	11,365	<b>1,057</b>	1,677

## 18 應收貿易及其他賬項 (續)

### (a) 賬齡分析

應收貿易賬項(扣除呆壞賬撥備)於結算日之賬齡如下：

### (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(j)(i))。

年內呆壞賬撥備的變動如下：

# 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)

## 18 Trade and other receivables (Continued)

### (b) Impairment of trade receivables (Continued)

At 31 December 2011, the Group's and the Company's trade receivables of \$17,233,000 (2010: \$15,328,000) and \$2,694,000 (2010: \$2,749,000) 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 \$11,216,000 (2010: \$11,365,000) and \$1,057,000 (2010: \$1,677,000) were recognised by the Group and the Company respectively. The Group and the Company hold the following collateral over these balances:

		The Group 本集團		The Company 本公司	
		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
Buildings	物業	10,695	—	—	—
Cash deposits	現金存款	1,593	1,760	—	—

### (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	
		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
Neither past due nor impaired	未到期及不作撥備	52,761	45,770	52,204	43,806
Less than 1 month past due	過期日少於一個月	11,109	7,785	10,915	7,742
1 to 3 months past due	過期日為一至三個月	4,033	832	1,620	767
More than 3 months but less than 12 months past due	過期日為三個月 至一年內	338	91	—	17
More than 12 months past due	過期日為多於十二個月	79	123	—	—
		15,559	8,831	12,535	8,526
		68,320	54,601	64,739	52,332

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 collateral over these balances.

## 18 應收貿易及其他賬項 (續)

### (b) 應收貿易賬項之減值虧損 (續)

於二零一一年十二月三十一日，本集團及本公司將應收貿易賬項其中17,233,000元(二零一零年：15,328,000元)及2,694,000元(二零一零年：2,749,000元)按個別確定減值。個別的減值虧損是由於結餘與客戶有分歧或該客戶財政上有困難，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11,216,000元(二零一零年：11,365,000元)及1,057,000元(二零一零年：1,677,000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。

# 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)

## 19 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:

## 19 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	
		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
Amounts due from holding companies and fellow subsidiaries	應收控股公司及同系附屬公司賬項	12,071	9,136	12,071	8,910
Amounts due to holding companies and fellow subsidiaries	應付控股公司及同系附屬公司賬項	(10,229)	(8,366)	(9,419)	(8,341)
Amount due to related companies	應付關連公司賬項	(2,324)	(2,396)	(172)	(268)

The trade-related balances are not past due as at 31 December 2011 and 2010.

Related companies included a non-controlling shareholder and companies whose ultimate holding company has a significant influence over the Group and the Company.

與貿易相關之結存於二零一一年及二零一零年十二月三十一日並未到期。

關連公司包括非控股股東及其最終控股公司對本集團及本公司有重大影響的公司。

## 20 Pledged deposits, bank deposits and cash and cash equivalents

### (a) Pledged deposits

At 31 December 2011, the Group had deposits of \$198,000,000 (2010: \$60,000,000) pledged to secure the Group's banking facilities, the details of which are set out in note 21. Out of these, \$198,000,000 (2010: \$11,000,000) was held by the Company.

## 20 抵押存款、銀行存款、現金及等同現金項目

### (a) 抵押存款

於二零一一年十二月三十一日，本集團存有198,000,000元（二零一零年：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21。其中198,000,000元（二零一零年：11,000,000元）是由本公司持有。

# 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)

## 20 Pledged deposits, bank deposits and cash and cash equivalents (Continued)

(b) Bank deposits and cash and cash equivalents comprise:

## 20 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	
		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
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	<b>12,371</b>	163,274	<b>895</b>	22
Cash at bank and in hand	銀行結存及現金	<b>33,215</b>	57,282	<b>15,448</b>	33,956
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	<b>45,586</b>	220,556	<b>16,343</b>	33,978
Bank deposits with more than three months of maturity when placed	存放時到期日超過三個月期的銀行存款	—	5,876	—	—
		<b>45,586</b>	226,432	<b>16,343</b>	33,978

# 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)

## 20 Pledged deposits, bank deposits and cash and cash equivalents (Continued)

### (c) Reconciliation of loss before taxation to cash used in operations:

## 20 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調節表：

	Note 附註	2011 二零一一年 \$'000 千元	2010 二零一零年 \$'000 千元
Loss before taxation	除稅前虧損	<b>(69,027)</b>	(782,509)
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) <b>4,473</b>	1,877
Amortisation of other tangible assets	其他有形資產之攤銷	6(c) <b>823</b>	5,905
Depreciation of property, plant and equipment	物業、機器及設備之折舊	6(c) <b>9,747</b>	42,804
Depreciation of investment properties	投資物業之折舊	6(c) <b>2,879</b>	2,279
Impairment losses of non-current assets	非流動資產之減值虧損	5 <b>5,497</b>	684,283
(Reversal of)/provision for impairment losses on trade and other receivables	應收貿易及其他賬項之減值虧損(撥回)/撥備	6(c) <b>(361)</b>	1,518
Interest expense	利息支出	6(a) <b>18,551</b>	10,532
Interest income	利息收入	4 <b>(3,771)</b>	(2,584)
Net gain on disposal of fixed assets	出售固定資產之淨盈利	4 <b>(761)</b>	(87)
Net loss on disposal of other tangible assets	出售其他有形資產之淨虧損	4 <b>447</b>	923
Foreign exchange gains	外幣兌換之盈利	<b>(21,460)</b>	(6,182)
Changes in working capital:	營運資本之變動：		
(Increase)/decrease in inventories	存貨之(增加)/減少	<b>(15,394)</b>	10,901
(Increase)/decrease in trade and other receivables	應收貿易及其他賬項之(增加)/減少	<b>(17,480)</b>	1,907
Decrease/(increase) 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減少/(增加)	<b>11,042</b>	(4,266)
(Decrease)/increase in amounts due to related companies	應付關連公司賬項之(減少)/增加	<b>(72)</b>	465
Decrease in non-current assets held for sale	持作出售的非流動資產之減少	—	6,997
Increase in trade and other payables	應付貿易及其他賬項之增加	<b>5,471</b>	4,455
(Decrease)/increase in retirement benefit liabilities	退休福利負債之(減少)/增加	<b>(8,986)</b>	499
Cash used in operations	經營業務之現金流出	<b>(78,382)</b>	(20,283)

# 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)

## 21 Bank loans

At 31 December 2011, the bank loans were repayable as follows:

		The Group 本集團	
		2011 二零一一年 \$'000 千元	2010 二零一零年 \$'000 千元
Within 1 year	一年內	313,734	249,206

At 31 December 2011, the bank loans were secured as follows:

		The Group 本集團	
		2011 二零一一年 \$'000 千元	2010 二零一零年 \$'000 千元
Bank loans	銀行貸款		
— secured	— 有抵押	313,734	117,524
— unsecured	— 無抵押	—	131,682
		313,734	249,206

At 31 December 2011, all the bank loans were secured by stand-by letters of credit amounting to \$338,000,000 (2010: \$120,000,000) issued by banks and the Group's fixed deposits of \$198,000,000 (2010: \$60,000,000) were pledged against those stand-by letters of credit (note 20(a)). At 31 December 2011, the Group had bank facilities amounting to \$338,000,000 (2010: \$120,000,000) which were utilised to the extent of \$313,734,000 (2010: \$117,524,000).

All the bank loans are rolled-over every six months to one year (2010: six months to one year) and bear interest at rates applicable to the roll-over period, which ranged from 3.65% to 7.87% during 2011 (2010: 4.32% to 5.23%).

As at 31 December 2011, one of the banking facilities amounting to \$61,680,000 was subject to the fulfilment of covenants relating to certain of SMGB's statement of financial position ratios, as are commonly found in lending arrangements with financial institutions. If the Group were to breach the covenants the drawn down facility would become payable on demand. The Group regularly monitors its compliance with these covenants. Further details of the Group's management of liquidity risk are set out in note 27(b). As at 31 December 2011, none of the covenants relating to drawn down facility had been breached. The Group's banking facilities were not subject to any covenants in 2010.

## 21 銀行貸款

於二零一一年十二月三十一日，銀行貸款須於下列期限償還：

		The Group 本集團	
		2011 二零一一年 \$'000 千元	2010 二零一零年 \$'000 千元
Within 1 year	一年內	313,734	249,206

於二零一一年十二月三十一日有抵押的銀行貸款如下：

		The Group 本集團	
		2011 二零一一年 \$'000 千元	2010 二零一零年 \$'000 千元
Bank loans	銀行貸款		
— secured	— 有抵押	313,734	117,524
— unsecured	— 無抵押	—	131,682
		313,734	249,206

於二零一一年十二月三十一日，所有銀行貸款由銀行發行達338,000,000元（二零一零年：120,000,000元）的備用信用證抵押，而備用信用證由本集團定期存款198,000,000元（二零一零年：60,000,000元）抵押（附註20(a)）。於二零一一年十二月三十一日，本集團之銀行信貸額為338,000,000元（二零一零年：120,000,000元），並已動用其中的313,734,000元（二零一零年：117,524,000元）。

所有銀行貸款以每六個月至一年循環為基礎（二零一零年：六個月至一年），於二零一一年，在循環貸款期內承擔的利率為3.65%至7.87%（二零一零年：4.32%至5.23%）。

於二零一一年十二月三十一日，其中61,680,000元銀行信貸額須履行一些有關於生力（廣東）啤酒有限公司財務狀況比率之契約約束，該等約束通常存在於金融機構的借貸安排。倘本集團違反契約，已動用之信貸額須於要求時償還。本集團定期監察以確保遵守契約。本集團的流動資金風險管理的進一步詳情載於附註27(b)。於二零一一年十二月三十一日，本集團並無違反銀行信貸契約。於二零一零年，本集團的銀行信貸並無契約監管。

**22 Trade and other payables****22 應付貿易及其他賬項**

		The Group 本集團		The Company 本公司	
		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
Trade payables	應付貿易賬項	69,015	53,885	49,984	46,722
Other creditors and accrued charges	其他應付賬項	79,902	96,318	11,679	12,844
		<b>148,917</b>	150,203	<b>61,663</b>	59,566

The Group's and the Company's other creditors and accrued charges included provision for advertising and promotion of \$31,176,000 (2010: \$44,376,000) and \$4,445,000 (2010: \$8,562,000) respectively, and payables for the purchase of fixed assets of \$3,329,000 (2010: \$8,756,000) and \$Nil (2010: \$Nil) respectively.

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31,176,000元(二零一零年：44,376,000元)及4,445,000元(二零一零年：8,562,000元)，購買固定資產之應付款項為3,329,000元(二零一零年：8,756,000元)及零元(二零一零年：零元)。

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 \$11,780,000 (2010: \$10,652,000) and \$1,093,000 (2010: \$916,000) respectively. All of the other trade and other payables are expected to be settled within one year.

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11,780,000元(二零一零年：10,652,000元)及1,093,000元(二零一零年：916,000元)。所有其他應付貿易賬項及其他應付賬項預計在一年內支付。

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

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	
		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
Due within 1 month or on demand	到期日少於一個月 或於要求時償還	62,142	51,410	45,747	44,582
Due after 1 month but within 3 months	到期日為一個月後 但三個月內	6,405	2,456	4,237	2,140
Due after 3 months but within 6 months	到期日為三個月後 但六個月內	468	—	—	—
Due over 6 months	到期日為六個月後	—	19	—	—
		<b>69,015</b>	53,885	<b>49,984</b>	46,722

**23 Amounts due to subsidiaries****23 應付附屬公司賬項**

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.

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。

## 24 Employee retirement benefits

### (a) Defined benefit retirement plan

The Group operates a defined benefit retirement plan which covers 20% (2010: 22%) 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 2011 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	<b>81,324</b>	76,356
Fair value of plan assets	計劃資產之公允值	<b>(60,349)</b>	(58,213)
Retirement benefit liabilities	退休福利負債	<b>20,975</b>	18,143

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	<b>57,814</b>	56,699
Cash	現金	<b>2,535</b>	1,514
		<b>60,349</b>	58,213

## 24 僱員退休金福利

### (a) 定額福利退休計劃

本集團為其20%(二零一零年: 22%)之僱員提供定額福利退休計劃。該計劃乃由一名獨立信託人管理，並與本集團之資產分開獨立處理。成員福利乃按僱員之最後薪金及服務年期計算。計劃之供款乃根據一名獨立精算師之建議釐訂，該精算師定期為退休計劃作出評估。

此外，精算師根據載於香港會計準則第19號「僱員福利」之方法於二零一一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

	2011 二零一一年 \$'000 千元	2010 二零一零年 \$'000 千元
Present value of funded obligations	<b>81,324</b>	76,356
Fair value of plan assets	<b>(60,349)</b>	(58,213)
Retirement benefit liabilities	<b>20,975</b>	18,143

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，因此不適當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

	2011 二零一一年 \$'000 千元	2010 二零一零年 \$'000 千元
Mutual fund	<b>57,814</b>	56,699
Cash	<b>2,535</b>	1,514
	<b>60,349</b>	58,213

# 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 Employee retirement benefits (Continued)

### (a) Defined benefit retirement plan (Continued)

(iii) Movements in the present value of the defined benefit obligations:

		The Group and the Company 本集團及本公司	
		2011 二零一一年 \$'000 千元	2010 二零一零年 \$'000 千元
At 1 January	於一月一日	76,356	76,375
Benefits paid by the plan	計劃支付之福利	(10,014)	(6,726)
Current service cost	現時服務成本	5,174	5,394
Interest cost	利息成本	2,122	1,897
Actuarial losses/(gains)	精算虧損/(盈利)	7,686	(584)
At 31 December	於十二月三十一日	81,324	76,356

(iv) Movements in plan assets:

## 24 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	
		2011 二零一一年 \$'000 千元	2010 二零一零年 \$'000 千元
At 1 January	於一月一日	58,213	58,286
Contributions paid to the plan by the employer	計劃支付之供款	13,326	3,559
Benefits paid by the plan	計劃支付之福利	(10,014)	(6,726)
Actuarial expected return on plan assets	計劃資產之精算預期回報	2,956	3,233
Actuarial losses	精算虧損	(4,132)	(139)
At 31 December	於十二月三十一日	60,349	58,213

(iv) 計劃資產之變動：

		The Group and the Company 本集團及本公司	
		2011 二零一一年 \$'000 千元	2010 二零一零年 \$'000 千元
At 1 January	於一月一日	58,213	58,286
Contributions paid to the plan by the employer	計劃支付之供款	13,326	3,559
Benefits paid by the plan	計劃支付之福利	(10,014)	(6,726)
Actuarial expected return on plan assets	計劃資產之精算預期回報	2,956	3,233
Actuarial losses	精算虧損	(4,132)	(139)
At 31 December	於十二月三十一日	60,349	58,213

The Group and the Company had a contribution payable of \$586,000 (2010: \$287,000) as at 31 December 2011.

於二零一一年十二月三十一日，本集團及本公司應付供款為586,000元(二零一零年：287,000元)。

The Group expects to pay \$7,201,000 (2010: \$8,352,000) 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7,201,000元(二零一零年：8,352,000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)

## 24 Employee retirement benefits (Continued)

### (a) Defined benefit retirement plan (Continued)

(v) Expense recognised in the consolidated income statement is as follows:

		2011 二零一一年 \$'000 千元	2010 二零一零年 \$'000 千元
Current service cost	現時服務成本	5,174	5,394
Interest cost	利息成本	2,122	1,897
Actuarial expected return on plan assets	計劃資產之精算預期回報	(2,956)	(3,233)
Expense charged to consolidated income statement (note 6(b))	於綜合收益表確認之開支 (附註6(b))	4,340	4,058
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	420	385
— Selling and distribution expenses	— 銷售及分銷開支	2,376	2,114
— Administrative expenses	— 行政開支	1,544	1,559
		4,340	4,058
Actual return on plan assets — (loss)/gains	計劃資產之實際回報 — (虧損)/盈利	(1,176)	3,094

(vi) The cumulative amount of actuarial gains and losses recognised directly in equity:

## 24 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：

		2011 二零一一年 \$'000 千元	2010 二零一零年 \$'000 千元
Current service cost	現時服務成本	5,174	5,394
Interest cost	利息成本	2,122	1,897
Actuarial expected return on plan assets	計劃資產之精算預期回報	(2,956)	(3,233)
Expense charged to consolidated income statement (note 6(b))	於綜合收益表確認之開支 (附註6(b))	4,340	4,058
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	420	385
— Selling and distribution expenses	— 銷售及分銷開支	2,376	2,114
— Administrative expenses	— 行政開支	1,544	1,559
		4,340	4,058
Actual return on plan assets — (loss)/gains	計劃資產之實際回報 — (虧損)/盈利	(1,176)	3,094

(vi) 直接於權益確認之定額福利退休計劃精算損益總額：

		2011 二零一一年 \$'000 千元	2010 二零一零年 \$'000 千元
At 1 January	於一月一日	(36,090)	(36,535)
Amount recognised during the year (note 11)	年內確認金額 (附註11)	(11,818)	445
At 31 December	於十二月三十一日	(47,908)	(36,090)

(vii) The principal actuarial assumptions used as at 31 December 2011 are as follows:

(vii) 於二零一一年十二月三十一日，所採用之主要精算假設如下：

		<b>The Group and the Company</b> 本集團及本公司	
		2011 二零一一年	2010 二零一零年
Discount rate	貼現率	1.50%	2.90%
Expected rate of return on plan assets	計劃資產之預期回報率	5.00%	5.00%
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。

# 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 Employee retirement benefits (Continued)

### (a) Defined benefit retirement plan (Continued)

(vii) The principal actuarial assumptions used as at 31 December 2011 are as follows: (Continued)

#### Historical information

		The Group and the Company 本集團及本公司				
		2011 二零一一年 \$'000 千元	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
Present value of the defined benefit obligations	定額福利負債之現值	81,324	76,356	76,375	82,678	62,731
Fair value of plan assets	計劃資產之公允值	(60,349)	(58,213)	(58,286)	(44,833)	(54,106)
Deficit	赤字	20,975	18,143	18,089	37,845	8,625
Experience adjustments on:	就下列各項之經驗調整：					
— Plan liabilities	— 計劃負債	(623)	1,135	1,408	3,291	(3,475)
— Plan assets	— 計劃資產	4,132	139	(9,506)	17,771	(3,728)

### (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 19.00% to 31.35% (2010: 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.

## 24 僱員退休金福利 (續)

### (a) 定額福利退休計劃 (續)

(vii) 於二零一一年十二月三十一日，所採用之主要精算假設如下：(續)

#### 歷史資料

#### The Group and the Company 本集團及本公司

		2011 二零一一年 \$'000 千元	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
Present value of the defined benefit obligations	定額福利負債之現值	81,324	76,356	76,375	82,678	62,731
Fair value of plan assets	計劃資產之公允值	(60,349)	(58,213)	(58,286)	(44,833)	(54,106)
Deficit	赤字	20,975	18,143	18,089	37,845	8,625
Experience adjustments on:	就下列各項之經驗調整：					
— Plan liabilities	— 計劃負債	(623)	1,135	1,408	3,291	(3,475)
— Plan assets	— 計劃資產	4,132	139	(9,506)	17,771	(3,728)

### (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19.00%至31.35% (二零一零年：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。

# 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)

## 25 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 the 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
<b>Deferred tax arising from:</b>	<b>遞延稅項來自：</b>						
At 1 January 2010 (Credited)/charged to consolidated income statement (note 7(a)) Credited to equity (note 11)	於二零一零年一月一日 於綜合收益表中(計入)/扣除(附註7(a)) 於權益中計入(附註11)	78,614 (72,307) —	(82) (3) —	(1,703) — (43)	(64,147) 63,731 —	— — —	12,682 (8,579) (43)
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	<b>6,307</b>	<b>(85)</b>	<b>(1,746)</b>	<b>(416)</b>	—	<b>4,060</b>
Charged/(credited) to consolidated income statement (note 7(a)) Credited to equity (note 11)	於綜合收益表中扣除/(計入)(附註7(a)) 於權益中計入(附註11)	2,356 —	(91) —	— (95)	(2,777) —	— —	(512) (95)
At 31 December 2011	於二零一一年十二月三十一日	<b>8,663</b>	<b>(176)</b>	<b>(1,841)</b>	<b>(3,193)</b>	—	<b>3,453</b>

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：

		2011 二零一一年 \$'000 千元	2010 二零一零年 \$'000 千元
Tax losses	稅項虧損	<b>746,339</b>	672,697
Deductible temporary differences	可抵扣暫時性差異	<b>500,993</b>	550,451
		<b>1,247,332</b>	1,223,148

In accordance with the accounting policy set out in note 1(q), 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(q)會計政策，由於未能確定相關公司未來能夠獲得足夠應課稅盈利以抵消其利益，故本集團並未確認上列項目所引致之遞延稅項資產。

# 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)

## 25 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:

		2011 二零一一年 \$'000 千元	2010 二零一零年 \$'000 千元
2011	二零一一年	—	84,092
2012	二零一二年	16,615	15,829
2013	二零一三年	7,143	6,805
2014	二零一四年	63,243	60,251
2015	二零一五年	134,269	120,703
2016	二零一六年	134,032	—
		<b>355,302</b>	<b>287,680</b>

The unrecognised tax losses relating to the Company were \$391,037,000 (2010: \$385,017,000) and do not expire under current tax legislation.

本公司未確認的稅項虧損為391,037,000元(二零一零年：385,017,000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 the related depreciation 折舊免稅額超逾有關折舊之數額 \$'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
<b>Deferred tax arising from:</b>	<b>遞延稅項來自：</b>					
At 1 January 2010	於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 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	<b>1,839</b>	<b>(85)</b>	<b>(1,746)</b>	<b>(8)</b>	<b>—</b>
Charged/(credited) to profit or loss	於損益中扣除/(計入)	<b>2,430</b>	<b>(91)</b>	<b>—</b>	<b>(2,244)</b>	<b>95</b>
Credited to equity	於權益中計入	<b>—</b>	<b>—</b>	<b>(95)</b>	<b>—</b>	<b>(95)</b>
At 31 December 2011	於二零一一年十二月三十一日	<b>4,269</b>	<b>(176)</b>	<b>(1,841)</b>	<b>(2,252)</b>	<b>—</b>

# 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 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
<b>Balance at 1 January 2010</b>	於二零一零年一月一日結餘	186,785	65,739	839,655	1,092,179
<b>Changes in equity for 2010:</b>	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)
<b>Balance at 31 December 2010 and 1 January 2011</b>	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	<b>186,785</b>	<b>65,739</b>	<b>285,745</b>	<b>538,269</b>
<b>Changes in equity for 2011:</b>	二零一一年權益變動：				
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)	—	—	(11,723)	(11,723)
Profit for the year (note 10)	年度盈利(附註10)	—	—	13,472	13,472
<b>Balance at 31 December 2011</b>	於二零一一年十二月三十一日結餘	<b>186,785</b>	<b>65,739</b>	<b>287,494</b>	<b>540,018</b>

### (b) Share capital

### (b) 股本

		The Company 本公司	
		2011 二零一一年 \$'000 千元	2010 二零一零年 \$'000 千元
<b>Authorised:</b>	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	<b>200,000</b>	200,000
<b>Issued and fully paid:</b>	已發行及繳足股本：		
373,570,560 ordinary shares of \$0.50 each as at beginning and end of the year	於年初及年末373,570,560股每股面值0.50元之普通股	<b>186,785</b>	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。

# 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 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(t).

### (d) Distributability of reserves

The distributable reserves of the Company as at 31 December 2011 were \$287,494,000 (2010: \$285,745,000).

### (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 net-debt to equity ratio. For this purpose the Group defines net-debt as total bank loans less bank deposits and cash and cash equivalents. Management used debt to equity ratio in prior years whereby debt was defined as total bank loans. Management changed this to net-debt to equity ratio in 2011 as they considered net-debt is more relevant to the Group's financing and capital management.

During 2011, the Group's strategy was to maintain the net-debt to equity ratio at a reasonable level, not exceeding 100%. In order to maintain or adjust the ratio, the Group may issue new shares or sell assets to reduce debt.

## 26 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(t)所載之會計政策而處理。

### (d) 分派儲備

本公司於二零一一年十二月三十一日之可供分派儲備為287,494,000元(二零一零年: 285,745,000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減銀行存款及現金及等同現金項目。在往年，管理層一直使用資本負債比率，而負債則定明為總銀行貸款。由於管理層認為淨負債較適用於本集團的融資及資本管理，管理層於二零一一年轉用資本淨負債比率。

於二零一一年，本集團之策略是控制資本淨負債比率於100%範圍內。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。

# 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 Capital and reserves (Continued)

### (e) Capital management (Continued)

The net-debt to equity ratio at 31 December 2011 and 2010 was as follows:

	The Group 本集團		The Company 本公司	
	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
Bank loans less bank deposits and cash and cash equivalents 銀行貸款減銀行存款及現金及等同現金項目	268,148	22,774	—	—
Equity 權益	297,223	391,474	540,018	538,269
Net-debt to equity ratio 資本淨負債比率	90%	6%	N/A	N/A

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

## 26 股本及儲備 (續)

### (e) 資本管理 (續)

於二零一一年及二零一零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。

## 27 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 limits are offered to customers following a financial assessment and an established payment record. The 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, 20% (2010: 17%) and 45% (2010: 47%) of the total trade and other receivables was due from the Group's largest customer and the five largest customers respectively.

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 30, the Company does not provide any other guarantees which would expose the Company to credit risk.

The Group's bank deposits and cash and cash equivalents are placed with financial institutions with sound credit ratings, and the management considers 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 2010.

## 27 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、利率風險及外匯風險。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，20% (二零一零年：17%) 及45% (二零一零年：47%) 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。

本集團並無因作出其他擔保而面對信貸風險。除了於附註30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。

本集團的銀行存款及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。

本集團承受的信貨風險及其管理政策與二零一零年相同。

## 27 Financial risk management and fair values

(Continued)

### (b) Liquidity risk

As detailed in note 1(b), the Group's current liabilities exceeded its current assets by \$73,729,000 as at 31 December 2011, which indicates that the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. The directors are taking certain actions to address these conditions in accordance with the Group's basic principle that individual operating entities within the Group are responsible for their own cash management and in accordance with the Group's policy of regularly monitoring 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. These actions include negotiating with the banks to replace the Group's short term bank loans with longer term funding. Until completion of this refinancing, the directors are taking action to negotiate roll-overs of the short term bank loans on a three to six month basis. Further details of these actions and the bank loans concerned are set out in note 1(b).

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

		2011 二零一一年		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	Contractual undiscounted cash outflow 合約上未貼現 的現金流量	Carrying amount 賬面額
		Total - Within 1 year or on demand 一年內或 於要求時 到期總額 \$'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	
Bank loans	銀行貸款	334,934	313,734	261,207	249,206
Trade and other payables	應付貿易及其他賬項	148,917	148,917	150,203	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	18,440	18,440	10,995	10,995
Amount due to related companies	應付關連公司賬項	2,324	2,324	2,396	2,396
		<b>504,615</b>	<b>483,415</b>	424,801	412,800

## 27 金融風險管理及公允價值 (續)

### (b) 流動資金風險

如附註1(b)所述，本集團於二零一一年十二月三十一日之流動負債超出其流動資產73,729,000元，這顯示本集團或會不能於正常業務過程中變現其資產及清償其負債。董事現正根據本集團之基本原則(即個別經營實體須負責其本身的現金管理及按照本集團政策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)採取一些措施以改善這狀況。這些措施包括與銀行商討以長期融資取替本集團之短期銀行貸款。在完成再融資之前，董事正與銀行就銀行貸款以三至六個月展期基礎磋商。相關措施及銀行貸款的進一步詳情載於附註1(b)。

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

# 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)

## 27 Financial risk management and fair values 27 金融風險管理及公允價值 (續)

(Continued)

### (b) Liquidity risk (Continued)

#### The Company

### (b) 流動資金風險 (續)

#### 本公司

		2011 二零一一年			
		Contractual undiscounted cash outflow 合約上未貼現的現金流量			
		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	Carrying amount 賬面額 \$'000 千元
Trade and other payables	應付貿易及其他賬項	61,663	—	61,663	61,663
Amounts due to holding companies and fellow subsidiaries	應付控股公司 及同系附屬公司賬項	10,978	—	10,978	10,978
Amount due to a related company	應付一間關連公司賬項	172	—	172	172
Amounts due to subsidiaries	應付附屬公司賬項	—	558,135	558,135	558,135
		<b>72,813</b>	<b>558,135</b>	<b>630,948</b>	<b>630,948</b>

		2010 二零一零年			
		Contractual undiscounted cash outflow 合約上未貼現的現金流量			
		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	Carrying amount 賬面額 \$'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
		<b>72,015</b>	<b>373,150</b>	<b>445,165</b>	<b>445,165</b>

## 27 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:

		2011 二零一一年		2010 二零一零年	
		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	6.26	128,695	4.45	131,682
Variable rate borrowings:	浮動利率貸款：				
— Bank loans	— 銀行貸款	7.11	185,039	5.23	117,524

#### (ii) Sensitivity analysis

At 31 December 2011, 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 taxation and accumulated losses by approximately \$1,850,000 (2010: \$1,175,000). The tax effect was assumed to be nil as the entity having these loans had unrecognised tax losses for deferred tax purposes 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 taxation 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 obligations. The fixed rate instruments of the Group are insensitive to any change in market interest rates. A change in interest rates at end of the reporting period would not affect profit or loss.

## 27 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

於二零一一年十二月三十一日，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1,850,000元(二零一零年：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務虧損，舉債公司並未確認稅務虧損所致之遞延稅項，因此假設上述變動並無稅務影響。

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價值計量並計入損益，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。

**27 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 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 borrowings in other currencies, depending on the movement in exchange rate of Renminbi against other currencies, including the United States dollar. For other 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 2010.

**(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.

**27 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、借款、集團之間的費用及回付產生以外幣(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，除了對集團之間的交易及部份借款(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，取決於人民幣對其他貨幣，包括美元之匯率變動，有可能考慮以其他貨幣借款作替代。有關集團內以美元或港元作單位的其他交易，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二零一零年相同。

**(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)

## 27 Financial risk management and fair values

(Continued)

### (d) Currency risk (Continued)

#### (i) Exposure to currency risk (Continued)

#### The Group

### Exposure to foreign currencies (expressed in Hong Kong dollars) 外幣風險 (按港元計算)

		2011 二零一一年			2010 二零一零年		
		United States dollars 美元 \$'000 千元	Hong Kong dollars 港元 \$'000 千元	Euro 歐羅 \$'000 千元	United States dollars 美元 \$'000 千元	Hong Kong dollars 港元 \$'000 千元	Euro 歐羅 \$'000 千元
Trade and other receivables	應收貿易及其他賬項	27	—	1,992	—	—	—
Amounts due from holding companies and fellow subsidiaries	應收控股公司及同系附屬公司賬項	12,308	—	—	15,876	—	—
Pledged deposits	抵押存款	64,794	—	—	—	—	—
Cash and cash equivalents	現金及等同現金項目	3,952	19	69	64,259	296	72
Bank loans	銀行貸款	(50,523)	—	—	(50,591)	—	—
Trade and other payables	應付貿易及其他賬項	(12,771)	—	(4,803)	(7,214)	—	(2,281)
Amounts due to holding companies and fellow subsidiaries	應付控股公司及同系附屬公司賬項	(17,329)	(9,773)	—	(8,677)	(14,692)	—
Net exposure	風險承擔淨額	458	(9,754)	(2,742)	13,653	(14,396)	(2,209)

#### The Company

#### 本公司

### Exposure to foreign currencies (expressed in Hong Kong dollars) 外幣風險 (按港元計算)

		2011 二零一一年		2010 二零一零年	
		United States dollars 美元 \$'000 千元	Euro 歐羅 \$'000 千元	United States dollars 美元 \$'000 千元	Euro 歐羅 \$'000 千元
Trade and other receivables	應收貿易及其他賬項	27	1,992	—	—
Amounts due from holding companies and fellow subsidiaries	應收控股公司及同系附屬公司賬項	12,308	—	10,818	—
Pledged deposits	抵押存款	64,794	—	—	—
Cash and cash equivalents	現金及等同現金項目	3,945	69	6,659	72
Trade and other payables	應付貿易及其他賬項	(12,248)	(4,803)	(7,214)	(2,281)
Amounts due to holding companies and fellow subsidiaries	應付控股公司及同系附屬公司賬項	(10,964)	—	(6,776)	—
Net exposure	風險承擔淨額	57,862	(2,742)	3,487	(2,209)

# 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)

## 27 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 taxation and accumulated losses 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 to be nil for the entities which had unrecognised tax losses for deferred tax purposes since it is not probable that they would generate future taxable profits against which tax losses can be utilised.

		2011 二零一一年			2010 二零一零年		
		Increase/ (decrease) in foreign exchange rates 外匯匯率 上升/ (下跌)	Increase/ (decrease) in loss after taxation 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 taxation 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
United States dollars	美元	5% (5)%	2,870 (2,870)	2,870 (2,870)	5% (5)%	2,346 (2,346)	2,346 (2,346)
Hong Kong dollars	港元	5% (5)%	488 (488)	488 (488)	5% (5)%	720 (720)	720 (720)
Euro	歐羅	5% (5)%	137 (137)	137 (137)	5% (5)%	110 (110)	110 (110)

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 has been performed on the same basis as for 2010.

## 27 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稅後虧損及累計虧損之即時影響，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務虧損，實體有未確認稅務虧損所致之遞延稅項，因此上述變動假設並無稅務影響。

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。該項分析按與二零一零年相同之基準進行。

# 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)

## 27 Financial risk management and fair values

(Continued)

### (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 2011 and 2010.

## 28 Commitments

### (a) Capital commitments outstanding at 31 December 2011 not provided for in the financial statements were as follows:

		The Group 本集團		The Company 本公司	
		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
Contracted for	已訂約	—	325	—	325
Authorised but not contracted for	已批准但未訂約	2,992	2,182	2,753	1,300
		2,992	2,507	2,753	1,625

### (b) At 31 December 2011, 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	
		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
<b>Land and buildings</b>	<b>土地及房產</b>				
Within 1 year	一年內	1,273	1,824	—	—
After 1 year but within 5 years	一年後但五年內	77	1,065	—	—
		1,350	2,889	—	—
<b>Plant and machinery</b>	<b>廠房及機器</b>				
Within 1 year	一年內	—	5	—	—
		1,350	2,894	—	—

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 each lease upon expiry when all terms are renegotiated. None of the leases includes contingent rentals.

## 27 金融風險管理及公允價值 (續)

### (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二零一一年及二零一零年十二月三十一日的公允價值並無重大差異。

## 28 承擔

### (a) 於二零一一年十二月三十一日，未在財務報表中撥備之未付資本承擔詳情如下：

### (b) 於二零一一年十二月三十一日，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

(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 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

	Note 附註	Amounts 金額		Due from/(to) balances at year end 應收/(付)年底結存	
		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
Purchases from	購自				
— ultimate holding company	— 最終控股公司	—	7	—	(7)
— intermediate holding company	— 中介控股公司	4,498	4,484	(912)	(517)
— fellow subsidiaries	— 同系附屬公司	46,765	37,069	(9,317)	(7,842)
— related companies	— 關連公司	2,807	5,453	(227)	(466)
Sales to	售予				
— intermediate holding company	— 中介控股公司	93,492	55,891	12,071	9,116
— fellow subsidiaries	— 同系附屬公司	28	46	—	20
Rental expense payable to a fellow subsidiary	支付同系附屬公司租金費用	259	—	(266)	—
Royalty payments to	支付專利權費用				
— intermediate holding companies	— 中介控股公司	1,490	1,554	(1,199)	(1,311)
— a fellow subsidiary	— 同系附屬公司	—	415	—	(383)
— a related company	— 關連公司	2,049	1,951	(2,097)	(1,930)
Engineering design fee payable to a fellow subsidiary	支付同系附屬公司工程設計費用	—	—	(234)	(234)
Leasing fee from a fellow subsidiary	收同系附屬公司租賃費用	3,134	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 19.

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

(ii) Royalties are payable to intermediate holding companies, a fellow subsidiary and a minority shareholder for the use of certain trademarks pursuant to relevant licensing agreements.

During the year, the intermediate holding company waived the Group's royalty amounting to \$1,430,000 (2010: \$603,000), which is not included in the amounts disclosed above.

(iii) Engineering design services were provided by a fellow subsidiary in respect of a subsidiary's brewery expansion plan according to an Engineering Design Services Agreement.

(iv) Leasing fee from a fellow subsidiary represented rental income earned by leasing out the Group's waste water discharge pipeline located in the PRC to a fellow subsidiary.

(v) Rental expense was paid to a fellow subsidiary for a temporary warehouse for inventory storage.

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.

## 29 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

	Note 附註	Amounts 金額		Due from/(to) balances at year end 應收/(付)年底結存	
		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
Purchases from	購自				
— ultimate holding company	— 最終控股公司	—	7	—	(7)
— intermediate holding company	— 中介控股公司	4,498	4,484	(912)	(517)
— fellow subsidiaries	— 同系附屬公司	46,765	37,069	(9,317)	(7,842)
— related companies	— 關連公司	2,807	5,453	(227)	(466)
Sales to	售予				
— intermediate holding company	— 中介控股公司	93,492	55,891	12,071	9,116
— fellow subsidiaries	— 同系附屬公司	28	46	—	20
Rental expense payable to a fellow subsidiary	支付同系附屬公司租金費用	259	—	(266)	—
Royalty payments to	支付專利權費用				
— intermediate holding companies	— 中介控股公司	1,490	1,554	(1,199)	(1,311)
— a fellow subsidiary	— 同系附屬公司	—	415	—	(383)
— a related company	— 關連公司	2,049	1,951	(2,097)	(1,930)
Engineering design fee payable to a fellow subsidiary	支付同系附屬公司工程設計費用	—	—	(234)	(234)
Leasing fee from a fellow subsidiary	收同系附屬公司租賃費用	3,134	2,984	—	—

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19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1,430,000元(二零一零年：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。

(v) 租金費用支付予同系附屬公司為儲存存貨之臨時倉庫倉租。

根據上市規則，此等交易(購自關連公司之交易除外)構成關連交易。因應有關條例本公司董事對購自關連公司之交易不考慮為關連交易。

# 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 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	
		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
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	2,808	3,321	236	1,630
— intermediate holding companies	中介控股公司	926	232	—	4,942
— fellow subsidiaries	同系附屬公司	72	386	8	220
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	83	126	—	—
— intermediate holding companies	中介控股公司	7,607	1,757	(6,493)	—
— fellow subsidiaries	同系附屬公司	35	31	(3)	(701)

### (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:

		2011 二零一一年 \$'000 千元	2010 二零一零年 \$'000 千元
Short-term employee benefits	短期僱員福利	13,883	14,782
Post-employment benefits	離職後福利	1,653	779
		15,536	15,561

Total remuneration is included in "staff costs" (see note 6(b)).

## 29 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:

總酬金已計入「員工薪酬」內(見附註6(b))。

**30 Contingent liabilities**

As at 31 December 2011, 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 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 \$123,359,000 (2010: \$117,524,000).

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 (2010: \$Nil). Also, the Company does not expect any reimbursement from other parties with respect to these contingent liabilities.

**31 Immediate and ultimate controlling party**

At 31 December 2011, 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.

**30 或然負債**

於二零一一年十二月三十一日，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，該擔保將於二零一二年五月三十日期滿。

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123,359,000元（二零一零年：117,524,000元）。

因該擔保的公允值無法準確計算，且其交易價格為零元（二零一零年：零元），本公司尚未確認有關該擔保的任何遞延收入。此外，本公司並不預期他方就該等或然負責作出償還。

**31 直接及最終控股公司**

於二零一一年十二月三十一日，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。

## 32 Possible impact of amendments, new standards and interpretations issued but not yet effective for the year ended 31 December 2011

Up to the date of issue of these financial statements, the HKICPA has issued a number of amendments and five new standards which are not yet effective for the year ended 31 December 2011 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
Amendments to HKFRS 7, <i>Financial instruments: Disclosures</i> — <i>Transfers of financial assets</i>	1 July 2011
Amendments to HKAS 12, <i>Income taxes</i> — <i>Deferred tax: Recovery of underlying assets</i>	1 January 2012
Amendments to HKAS 1, <i>Presentation of financial statements</i> — <i>Presentation of items of other comprehensive income</i>	1 July 2012
HKFRS 9, <i>Financial instruments</i>	1 January 2015
HKFRS 10, <i>Consolidated financial statements</i>	1 January 2013
HKFRS 11, <i>Joint arrangements</i>	1 January 2013
HKFRS 12, <i>Disclosure of interests in other entities</i>	1 January 2013
HKFRS 13, <i>Fair value measurement</i>	1 January 2013
HKAS 27, <i>Separate financial statements</i> (2011)	1 January 2013
HKAS 28, <i>Investments in associates and joint ventures</i>	1 January 2013
Revised HKAS 19, <i>Employee benefits</i>	1 January 2013

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.

## 32 已頒布但未於截至二零一一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二零一一年十二月三十一日止年度仍未生效的準則修訂及五項新準則，而本財務報表並無採納該等修訂及新準則。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
香港財務報告準則第7號 (修訂)「金融工具： 披露—金融資產 轉讓」	二零一一年 七月一日
香港會計準則第12號 (修訂)「所得稅 — 遞延稅項： 相關資產恢復」	二零一二年 一月一日
香港會計準則第1號 (修訂)「財務報表 之呈列—其他全面 收益項目呈列」	二零一二年 七月一日
香港財務報告準則第9號 「金融工具」	二零一五年 一月一日
香港財務報告準則第10號 「綜合財務報表」	二零一三年 一月一日
香港財務報告準則第11號 「合營安排」	二零一三年 一月一日
香港財務報告準則第12號 「其他實體權益之披露」	二零一三年 一月一日
香港財務報告準則第13號 「公允價值計量」	二零一三年 一月一日
香港會計準則第27號 「獨立財務報表 (二零一一)」	二零一三年 一月一日
香港會計準則第28號 「在聯營企業及合營企業 之投資」	二零一三年 一月一日
香港會計準則第19號 (經修訂)「僱員福利」	二零一三年 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 58 to 132, which comprise the consolidated and company statements of financial position as at 31 December 2011, 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.

## 獨立核數師報告 致香港生力啤酒廠有限公司股東 (於香港註冊成立的有限公司)

本核數師(以下簡稱「我們」)已審計列載於第58頁至第132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二零一一年十二月三十一日的綜合和公司財務狀況表，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

貴公司的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》編製綜合財務報表，以令綜合財務報表作出真實而公平的反映及落實其認為編製綜合財務報表所必要的內部控制，以使綜合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計對該等綜合財務報表作出意見。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》進行審計。該等準則要求我們遵守道德規範，並規劃及執行審計，以合理確定綜合財務報表是否不存在任何重大錯誤陳述。

審計涉及執执行程序以獲取有關綜合財務報表所載金額及披露資料的審計憑證。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綜合財務報表存在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綜合財務報表以作出真實而公平的反映相關的內部控制，以設計適當的審計程序，但目的並非對公司內部控制的有效性發表意見。審計亦包括評價董事所採用會計政策的合適性及作出會計估計的合理性，以及評價綜合財務報表的整體列報方式。

# INDEPENDENT AUDITOR'S REPORT | 獨立核數師報告

## AUDITOR'S RESPONSIBILITY (Continued)

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 2011 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.

## EMPHASIS OF MATTER

Without qualifying our opinion, we draw attention to note 1(b) to the consolidated financial statements which indicates that the Group sustained a consolidated net loss from continuing operations attributable to the equity shareholders of the Company of HK\$53,464,000 for the year ended 31 December 2011 and, as of that date, the Group's current liabilities exceeded its current assets by HK\$73,729,000. These conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern. As further detailed in note 1(b) to the consolidated financial statements, the Group has identified measures to improve its performance and financial position and is in the process of implementing them as at the date of this report. The consolidated financial statements have been prepared on a going concern basis, the validity of which is dependent on the successful implementation of these measures and the commitment of the Group's holding company to provide continuing support to enable the Group to operate as a going concern and meet its liabilities as they fall due for the foreseeable future. The consolidated financial statements do not include any adjustments that would result should the Group be unable to continue to operate as a going concern.

**KPMG**

*Certified Public Accountants*

8th Floor, Prince's Building  
10 Chater Road  
Central, Hong Kong

2 February 2012

## 核數師的責任 (續)

我們相信，我們所獲得的審計憑證能充足和適當地為我們的審計意見提供基礎。

## 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》真實而公平地反映 貴公司及貴集團於二零一一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。

## 強調事項

我們不發表保留意見，但請注意綜合財務報表附註1(b)所載，截至二零一一年十二月三十一日止年度，貴集團因持續經營而招致 貴公司權益持有人應佔綜合淨虧損 53,464,000港元，及 貴集團於該日的流動負債超過流動資產73,729,000港元。這些數據顯示 貴集團存在重大不明朗因素，令 貴集團持續經營的能力嚴重成疑。誠如綜合財務報表附註1(b)進一步指出，貴集團已找出改善績效和財務狀況的措施，並於本報告刊發日正在落實有關措施。綜合財務報表是以持續經營基準編製，此基準的有效性視乎 貴集團能否成功落實有關措施，以及 貴集團的控股公司讓 貴集團可持續經營，並償還到期負債的承擔。綜合財務報表並不包含一旦 貴集團不能持續經營而須予作出的調整。

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

二零一二年二月二日

In April, GSMB launched the new San Mig Light with an enhanced formula, new packaging design and new positioning in the market.



# FIVE YEAR SUMMARY | 五年賬目摘要

(Expressed in Hong Kong dollars)

(以港幣計算)

## The Group 本集團

		2011 二零一一年 \$'000 千元	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
<b>Results</b>	<b>業績</b>					
Turnover	營業額	<b>683,879</b>	589,322	696,824	753,375	754,833
Loss before taxation	除稅前虧損	<b>(69,027)</b>	(782,509)	(345,324)	(316,692)	(315,178)
Income tax credit	所得稅計入	<b>389</b>	8,522	2,272	58,537	55,355
Loss for the year	年度虧損	<b>(68,638)</b>	(773,987)	(343,052)	(258,155)	(259,823)
Attributable to:	應佔如下：					
— Equity shareholders of the Company	— 本公司權益持有人	<b>(53,464)</b>	(736,984)	(334,856)	(259,907)	(262,127)
— Non-controlling interests	— 非控股權益	<b>(15,174)</b>	(37,003)	(8,196)	1,752	2,304
Loss for the year	年度虧損	<b>(68,638)</b>	(773,987)	(343,052)	(258,155)	(259,823)
Loss per share	每股虧損					
— Basic (cents)	— 基本(仙)	<b>(14)</b>	(197)	(90)	(70)	(70)
Cash dividends per share (cents)	每股現金股息(仙)	—	—	—	—	—
<b>Assets and liabilities</b>	<b>資產與負債</b>					
Fixed assets	固定資產	<b>389,671</b>	398,011	1,087,198	1,379,561	1,496,910
Intangible assets	無形資產	<b>5,709</b>	5,678	17,122	28,722	39,643
Goodwill	商譽	—	—	—	—	5,044
Other tangible assets	其他有形資產	—	—	18,565	41,192	53,164
Net current (liabilities)/assets	流動(負責)/資產淨值	<b>(73,729)</b>	9,988	77,370	94,463	229,015
Total assets less current liabilities	總資產減流動負債	<b>321,651</b>	413,677	1,200,255	1,543,938	1,823,776
Retirement benefit liabilities	退休福利負債	<b>(20,975)</b>	(18,143)	(18,089)	(37,845)	(8,625)
Deferred tax liabilities	遞延稅項負債	<b>(3,453)</b>	(4,060)	(12,682)	(15,168)	(63,586)
Net assets	資產淨值	<b>297,223</b>	391,474	1,169,484	1,490,925	1,751,565

# FIVE YEAR SUMMARY | 五年賬目摘要

(Expressed in Hong Kong dollars)

(以港幣計算)

		The Group 本集團				
		2011 二零一一年 \$'000 千元	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
<b>Capital and reserves</b>	<b>股本及儲備</b>					
Share capital	股本	<b>186,785</b>	186,785	186,785	186,785	186,785
Reserves	儲備	<b>128,366</b>	205,485	945,805	1,259,120	1,524,003
Total equity attributable to equity shareholders of the Company	本公司權益持有人應佔權益	<b>315,151</b>	392,270	1,132,590	1,445,905	1,710,788
Non-controlling interests	非控股權益	<b>(17,928)</b>	(796)	36,894	45,020	40,777
<b>Total equity</b>	<b>權益總值</b>	<b>297,223</b>	391,474	1,169,484	1,490,925	1,751,565

Notes to the five year summary:

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.

五年賬目摘要附註：

為了符合香港會計準則第27號「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。

龍啤品牌會在我們之增長策略中繼續具有重要性並在這新發展中真正獲益。



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**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 2011

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 2011, 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 2011

(Expressed in Hong Kong dollars)

	Note	2011 \$'000	2010 \$'000
<b>Turnover</b>	3	<b>683,879</b>	589,322
Cost of sales		<b>(387,062)</b>	(333,715)
<b>Gross profit</b>		<b>296,817</b>	255,607
Other revenue	4	<b>14,939</b>	13,841
Other net income	4	<b>3,319</b>	1,975
Selling and distribution expenses		<b>(270,251)</b>	(270,487)
Administrative expenses		<b>(80,586)</b>	(78,162)
Other operating expenses		<b>(7,106)</b>	(9,096)
Impairment losses of non-current assets	5	<b>(5,497)</b>	(684,283)
<b>Loss from operations</b>		<b>(48,365)</b>	(770,605)
Finance costs	6(a)	<b>(20,662)</b>	(11,904)
<b>Loss before taxation</b>	3,6	<b>(69,027)</b>	(782,509)
Income tax credit	7	<b>389</b>	8,522
<b>Loss for the year</b>		<b><u>(68,638)</u></b>	<b><u>(773,987)</u></b>
<b>Attributable to:</b>			
Equity shareholders of the Company		<b>(53,464)</b>	(736,984)
Non-controlling interests		<b>(15,174)</b>	(37,003)
<b>Loss for the year</b>		<b><u>(68,638)</u></b>	<b><u>(773,987)</u></b>
<b>Loss per share</b>			
— Basic (cents)	8(a)	<b><u>(14)</u></b>	<b><u>(197)</u></b>
— Diluted (cents)	8(b)	<b><u>N/A</u></b>	<b><u>N/A</u></b>

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME***for the year ended 31 December 2011**(Expressed in Hong Kong dollars)*

	<b>2011</b>	2010
	<b>\$'000</b>	\$'000
<b>Loss for the year</b>	<b><u>(68,638)</u></b>	<b><u>(773,987)</u></b>
<b>Other comprehensive income for the year (after tax)</b>		
Exchange differences on translation of:		
— financial statements of subsidiaries outside Hong Kong	<b>(31,863)</b>	(17,088)
— monetary items that form part of the net investment in subsidiaries outside Hong Kong	<b><u>17,973</u></b>	<u>12,577</u>
	<b>(13,890)</b>	(4,511)
Actuarial gains and losses of defined benefit retirement plan	<b><u>(11,723)</u></b>	<u>488</u>
	<b><u>(25,613)</u></b>	<u>(4,023)</u>
<b>Total comprehensive income for the year</b>	<b><u>(94,251)</u></b>	<b><u>(778,010)</u></b>
<b>Attributable to:</b>		
Equity shareholders of the Company	<b>(77,119)</b>	(740,320)
Non-controlling interests	<b><u>(17,132)</u></b>	<u>(37,690)</u>
<b>Total comprehensive income for the year</b>	<b><u>(94,251)</u></b>	<b><u>(778,010)</u></b>

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION***at 31 December 2011**(Expressed in Hong Kong dollars)*

	<i>Note</i>	<b>2011</b> <b>\$'000</b>	2010 \$'000
<b>Non-current assets</b>			
Fixed assets			
— Property, plant and equipment		<b>216,440</b>	218,426
— Investment properties		<b>80,138</b>	82,884
— Interests in leasehold land held for own use under operating leases		<b>93,093</b>	96,701
		<b>389,671</b>	398,011
Intangible assets		<b>5,709</b>	5,678
Other tangible assets		<b>—</b>	—
		<b>395,380</b>	403,689
<b>Current assets</b>			
Inventories		<b>65,166</b>	49,772
Trade and other receivables	9	<b>88,603</b>	70,656
Amounts due from holding companies and fellow subsidiaries		<b>12,331</b>	15,928
Pledged deposits		<b>198,000</b>	60,000
Bank deposits		<b>—</b>	5,876
Cash and cash equivalents		<b>45,586</b>	220,556
		<b>409,686</b>	422,788
<b>Current liabilities</b>			
Bank loans		<b>(313,734)</b>	(249,206)
Trade and other payables	10	<b>(148,917)</b>	(150,203)
Amounts due to holding companies and fellow subsidiaries		<b>(18,440)</b>	(10,995)
Amounts due to related companies		<b>(2,324)</b>	(2,396)
		<b>(483,415)</b>	(412,800)
<b>Net current (liabilities)/assets</b>		<b>(73,729)</b>	9,988

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION** *(Continued)**at 31 December 2011**(Expressed in Hong Kong dollars)*

	<b>2011</b>	2010
	<b>\$'000</b>	\$'000
<b>Total assets less current liabilities</b>	<b><u>321,651</u></b>	<u>413,677</u>
<b>Non-current liabilities</b>		
Retirement benefit liabilities	<b>(20,975)</b>	(18,143)
Deferred tax liabilities	<b>(3,453)</b>	(4,060)
	<b><u>(24,428)</u></b>	<u>(22,203)</u>
<b>NET ASSETS</b>	<b><u>297,223</u></b>	<u>391,474</u>
<b>CAPITAL AND RESERVES</b>		
Share capital	<b>186,785</b>	186,785
Reserves	<b>128,366</b>	205,485
<b>Total equity attributable to equity shareholders of the Company</b>	<b>315,151</b>	392,270
<b>Non-controlling interests</b>	<b>(17,928)</b>	(796)
<b>TOTAL EQUITY</b>	<b><u>297,223</u></b>	<u>391,474</u>

## 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 2011 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.

The Group sustained a consolidated net loss from continuing operations attributable to equity shareholders of the Company of \$53,464,000 for the year ended 31 December 2011 and, as of that date, the Group's current liabilities exceeded its current assets by \$73,729,000. The directors consider that these conditions were caused mainly by the Group's deteriorating performance in mainland China over the last few years.

These conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern and therefore it may be unable to realise its assets and discharge its liabilities in the normal course of business. Nevertheless, the directors are of the opinion that the Group will be able to finance its future working capital and financial requirements given that:

- (i) the Group restructured its mainland China operations comprising two subsidiaries, San Miguel (Guangdong) Brewery Company Limited ("SMGB") and Guangzhou San Miguel Brewery Company Limited ("GSMB") in October 2011 with a view to streamlining its operations and improving financial performance. Under this restructuring, the Group integrated the sales and distribution function of SMGB into GSMB so that SMGB now concentrates on brewing operations;
- (ii) the directors are reviewing the Group's longer term business strategy and have identified various initiatives which could turn around the Group's business performance. As a result, SMGB started export production for its holding company in the last quarter of 2011 and the Company obtained the distribution rights for certain beer brands in Hong Kong in mid 2011. The directors will continue to review and implement other initiatives;
- (iii) as at 31 December 2011, all of the Group's short term bank loans were borrowed by SMGB mostly in Renminbi in mainland China. The Company is negotiating with certain banks in Hong Kong for long term loans totalling \$250,000,000 as at the date of the financial statements. The Company plans to inject the proceeds from these long term loans and its surplus cash into SMGB in the form of registered capital in two batches subject to the approval of the relevant Chinese government authority, so that SMGB can repay all its current bank loans in mainland China by the end of the first half of 2012. As SMGB repays its current bank loans, the Company's pledged deposits which amounted to \$198,000,000 as at 31 December 2011 will be gradually released and become available for the Company's use, including to finance a further injection into SMGB;

SMGB submitted an application for an increase of its registered capital by US\$46,000,000, from US\$39,933,000 to US\$85,933,000, to the local government authority on 18 January 2012 for its approval.

## 1. BASIS OF PREPARATION *(Continued)*

### (iii) *(Continued)*

The directors believe that this refinancing will turn around the Group's net current liabilities into net current assets as the long term loans would be classified as non-current liabilities. Also, the directors expect that this initiative can reduce the Group's finance costs as the loans to be borrowed by the Company in Hong Kong are expected to bear lower interest rates than the current loans as the Hong Kong dollar interest rate is generally lower than Renminbi interest rate.

Until the completion of the above refinancing plan, the Group will continue to roll-over the existing short term bank loans. In January 2012, the Group has successfully rolled-over a loan of \$12,336,000 to 18 May 2012 upon maturity on 18 January 2012. There are two loans totalling \$104,023,000 which mature in February 2012 and management is negotiating with the relevant bank for a roll-over of these loans for another three to six months as at the date of the financial statements. Further, there are three loans totalling \$74,016,000 which mature in March 2012 and management will start negotiating with the relevant banks for a roll-over for another three to six months in February 2012; and

- (iv) the Company's intermediate holding company, namely San Miguel Brewery Inc., a listed company in the Republic of the Philippines, has committed to provide continuing support to enable the Group to operate as a going concern and meet its liabilities as they fall due for the foreseeable future.

Accordingly, the directors are of the opinion that it is appropriate to prepare the Group's financial statements for the year ended 31 December 2011 on a going concern basis. Should the Group be unable to continue to operate as a going concern, adjustments would have to be made to write down the value of assets to their recoverable amounts, to provide for further liabilities which might arise and to reclassify non-current assets and non-current liabilities as current assets and current liabilities respectively. The effect of these adjustments has not been reflected in the financial statements.

## 2. CHANGES IN ACCOUNTING POLICIES

The HKICPA has issued a number of amendments to HKFRSs and one new Interpretation 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:

- HKAS 24 (revised 2009), *Related party disclosures*
- Improvements to HKFRSs (2010)
- HK(IFRIC) 19, *Extinguishing financial liabilities with equity instruments*
- Amendments to HK(IFRIC) 14, *HKAS 19 — The limit on a defined benefit asset, minimum funding requirements and their interaction — Prepayments of a minimum funding equipment*

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

## 2. CHANGES IN ACCOUNTING POLICIES (Continued)

The amendments to HK(IFRIC) 14 have had no material impact on the Group's financial statements as they were consistent with policies already adopted by the Group. HK(IFRIC) 19 has not yet had a material impact on the Group's financial statements as these changes will first be effective as and when the Group enters a relevant transaction (for example, a debt for equity swap).

The impacts of other developments are discussed below:

- HKAS 24 (revised 2009) revises the definition of a related party. As a result, the Group has re-assessed the identification of related parties and concluded that the revised definition does not have any material impact on the Group's related party disclosures for the current and previous period. HKAS 24 (revised 2009) also introduces modified disclosure requirements for government-related entities. This does not impact the Group because the Group is not a government-related entity.
- Improvements to HKFRSs (2010) omnibus standard introduces a number of amendments to the disclosure requirements in HKFRS 7, *Financial instruments: Disclosures*. The disclosures about the Group's financial instruments are consistent with the amended disclosure requirements. These amendments do not have any material impact on the classification, recognition and measurement of the amounts recognised in the financial statements in the current and previous periods.

## 3. TURNOVER AND SEGMENT REPORTING

### (a) 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.

### (b) 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 beer products and distribution of imported beer products in Hong Kong and overseas.
- 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") and overseas.

All of the Group's turnover is generated from the manufacture and distribution of bottled, canned and draught beers.

### 3. TURNOVER AND SEGMENT REPORTING (Continued)

#### (b) Segment reporting (Continued)

##### (i) 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 other 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 is not allocated to reportable segments. Inter-segment sales are priced at cost plus profit margin.

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 2011 and 2010 is set out below:

	Hong Kong		Mainland China		Total	
	2011	2010	2011	2010	2011	2010
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue from external customers	515,726	410,673	168,153	178,649	683,879	589,322
Inter-segment revenue	—	—	93	751	93	751
<b>Reportable segment revenue</b>	<b>515,726</b>	<b>410,673</b>	<b>168,246</b>	<b>179,400</b>	<b>683,972</b>	<b>590,073</b>
<b>Reportable segment profit/(loss) from operations</b>	<b>9,298</b>	<b>(444,181)</b>	<b>(78,325)</b>	<b>(338,328)</b>	<b>(69,027)</b>	<b>(782,509)</b>
Interest income from bank deposits	2,884	1,268	887	1,316	3,771	2,584
Interest expense on bank loans	—	—	(18,551)	(10,532)	(18,551)	(10,532)
Depreciation and amortisation for the year	(14,808)	(34,402)	(3,114)	(18,463)	(17,922)	(52,865)
Reversal of/(provision for) impairment losses recognised in profit or loss in respect of						
— non-current assets	—	(442,633)	(5,497)	(241,650)	(5,497)	(684,283)
— trade and other receivables	351	(1,511)	10	(7)	361	(1,518)
<b>Reportable segment assets</b>	<b>1,102,230</b>	<b>1,098,617</b>	<b>82,906</b>	<b>113,196</b>	<b>1,185,136</b>	<b>1,211,813</b>
Additions to non-current segment assets during the year	7,927	5,784	7,894	9,306	15,821	15,090
<b>Reportable segment liabilities</b>	<b>96,631</b>	<b>90,280</b>	<b>787,829</b>	<b>725,999</b>	<b>884,460</b>	<b>816,279</b>

### 3. TURNOVER AND SEGMENT REPORTING *(Continued)*

#### (b) Segment reporting *(Continued)*

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

	2011 \$'000	2010 \$'000
<b>Revenue</b>		
Reportable segment revenue	683,972	590,073
Elimination of inter-segment revenue	(93)	(751)
	<u>683,879</u>	<u>589,322</u>
Consolidated turnover	<u><u>683,879</u></u>	<u><u>589,322</u></u>
<b>Loss</b>		
Reportable segment loss from operations	(69,027)	(782,509)
Elimination of inter-segment profits	—	—
	<u>—</u>	<u>—</u>
Reportable segment loss derived from Group's external customers and consolidated loss before taxation	<u>(69,027)</u>	<u>(782,509)</u>
<b>Assets</b>		
Reportable segment assets	1,185,136	1,211,813
Elimination of inter-segment receivables	(380,070)	(385,336)
	<u>805,066</u>	<u>826,477</u>
Consolidated total assets	<u><u>805,066</u></u>	<u><u>826,477</u></u>
<b>Liabilities</b>		
Reportable segment liabilities	884,460	816,279
Elimination of inter-segment payables	(380,070)	(385,336)
	<u>504,390</u>	<u>430,943</u>
Deferred tax liabilities	3,453	4,060
	<u>507,843</u>	<u>435,003</u>
Consolidated total liabilities	<u><u>507,843</u></u>	<u><u>435,003</u></u>

### 3. TURNOVER AND SEGMENT REPORTING (Continued)

#### (b) Segment reporting (Continued)

##### (iii) Geographic information

The following table sets out information about the geographic location of (i) the Group's revenue from external customers and (ii) the Group's fixed assets, intangible assets and other tangible assets ("specified non-current assets"). The geographic location of customers is based on the country of establishment of each customer. 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.

	Revenue from external customers		Specified non-current assets	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Hong Kong (place of domicile)	<u>425,577</u>	<u>349,625</u>	<u>363,030</u>	<u>370,009</u>
Mainland China	156,290	177,532	32,350	33,680
Philippines	93,253	55,893	—	—
Others	<u>8,759</u>	<u>6,272</u>	<u>—</u>	<u>—</u>
	<u>258,302</u>	<u>239,697</u>	<u>32,350</u>	<u>33,680</u>
	<u>683,879</u>	<u>589,322</u>	<u>395,380</u>	<u>403,689</u>

#### (c) Major customers

In 2011, the revenue from the Group's largest customer which was served both by Hong Kong segment and mainland China segment amounted to \$93,706,000 or 14% of the Group's total revenue (2010: \$59,575,000 or 10%). The revenue from the Group's five largest customers amounted to 39% (2010: 39%) of the Group's total revenue.

### 4 OTHER REVENUE AND OTHER NET INCOME

	2011 \$'000	2010 \$'000
<b>Other revenue</b>		
Interest income from bank deposits	3,771	2,584
Rental income from investment properties	5,808	8,273
Rental income from property, plant and equipment	3,134	2,984
Others	<u>2,226</u>	<u>—</u>
	<u>14,939</u>	<u>13,841</u>
<b>Other net income</b>		
Net gain on disposal of fixed assets	761	87
Net loss on disposal of other tangible assets	(447)	(923)
Net foreign exchange gains	2,979	1,623
Gain on disposal of non-current assets held for sale	—	1,180
Others	<u>26</u>	<u>8</u>
	<u>3,319</u>	<u>1,975</u>

## 5 IMPAIRMENT LOSSES OF NON-CURRENT ASSETS

*Impairment losses/(reversal of impairment losses) of non-current assets represent:*

	<b>2011</b>	2010
	<b>\$'000</b>	\$'000
Non-current assets relating to mainland China operation ( <i>note 5(a)</i> )	<b>5,497</b>	254,621
Non-current assets relating to Hong Kong manufacturing operation ( <i>note 5(b)</i> )	—	431,167
Other tangible assets	—	(1,505)
	<u>5,497</u>	<u>684,283</u>

The above impairment losses are further analysed as follows:

	<b>2011</b>	2010
	<b>\$'000</b>	\$'000
<b>Provision for impairment losses:</b>		
Fixed assets	<b>1,631</b>	695,942
Intangible assets — trademarks	—	11,466
Other tangible assets	<b>3,866</b>	20,218
	<u>5,497</u>	<u>727,626</u>

**Reversal of impairment losses:**

Fixed assets	—	(41,838)
Other tangible assets	—	(1,505)
	<u>—</u>	<u>(43,343)</u>
	<u>5,497</u>	<u>684,283</u>

### (a) Mainland China operation

During 2011 and 2010, 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 the 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 (“the China cash-generating unit”) and as a result the carrying amount of the assets in the China cash-generating unit was written down by \$5,497,000 (2010: \$254,621,000), details of which are as follows:

5 IMPAIRMENT LOSSES OF NON-CURRENT ASSETS (Continued)

(a) Mainland China operation (Continued)

	2011 \$'000	2010 \$'000
<b>Provision for impairment losses:</b>		
Fixed assets	1,631	245,257
Intangible assets — trademarks	—	11,466
Other tangible assets	<u>3,866</u>	<u>20,218</u>
	<u>5,497</u>	<u>276,941</u>
<b>Reversal of impairment losses:</b>		
Fixed assets	<u>—</u>	<u>(22,320)</u>
<b>Total</b>	<b><u>5,497</u></b>	<b><u>254,621</u></b>

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 in 2010 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 had been a favourable change in the estimates used to determine the recoverable amount.

## 5 IMPAIRMENT LOSSES OF NON-CURRENT ASSETS (Continued)

### (b) Hong Kong manufacturing operation

In 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 might be impaired. The Group assessed the recoverable amounts of the cash-generating unit to which these assets belong (“the 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, details of which are as follows:

	2010 \$'000
<b>Provision for impairment losses:</b>	
Fixed assets	450,685
<b>Reversal of impairment losses:</b>	
Fixed assets	<u>(19,518)</u>
<b>Total</b>	<u><u>431,167</u></u>

The recoverable amount of Hong Kong cash-generating unit had been determined based on a value-in-use calculation. That calculation used 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 were extrapolated using a steady growth rate of 2%. This growth rate did 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 had been a favourable 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%

Management determined the growth rate and gross contribution rate based on past experience, future expected market trends and an intermediate holding company’s import plans for beer brewed by the Group.

In 2011, the Group’s results in Hong Kong were fairly consistent with the forecasts made in 2010. The Group assessed the recoverable amounts of Hong Kong cash-generating unit as at 31 December 2011 and determined that neither further impairment losses nor a reversal of previous impairment losses is necessary.

## 6 LOSS BEFORE TAXATION

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

	2011 \$'000	2010 \$'000
<b>(a) Finance costs</b>		
Interest expense on bank loans wholly repayable within five years	18,551	10,532
Bank charges	2,111	1,372
	<u>20,662</u>	<u>11,904</u>
<b>(b) Staff costs</b>		
Retirement costs		
— Defined contribution retirement plans	6,723	6,090
— Defined benefit retirement plan	4,340	4,058
	<u>11,063</u>	<u>10,148</u>
Salaries, wages and other benefits	101,023	96,719
	<u>112,086</u>	<u>106,867</u>
<b>(c) Other items</b>		
Amortisation		
— Land lease premium	4,473	1,877
— Other tangible assets	823	5,905
Depreciation		
— Property, plant and equipment	9,747	42,804
— Investment properties	2,879	2,279
Cost of inventories	383,523	329,795
Operating lease charges: minimum lease payments		
— Land and buildings	2,812	2,971
— Plant and machinery	—	15
Rental receivable from investment properties less direct outgoings of \$2,932,000 (2010: \$2,420,000)	(2,876)	(5,853)
Auditors' remuneration		
— Provision for the year	3,156	2,801
— Under-provision in respect of prior year	282	155
(Reversal of)/provision for impairment losses on trade and other receivables	<u>(361)</u>	<u>1,518</u>

## 7 TAXATION IN THE CONSOLIDATED INCOME STATEMENT

*Taxation in the consolidated income statement represents:*

	2011 \$'000	2010 \$'000
<b>Current tax — Outside Hong Kong</b>		
Provision for the year	(123)	(57)
<b>Deferred tax</b>		
Origination and reversal of temporary differences	<u>512</u>	<u>8,579</u>
Income tax credit	<u><u>389</u></u>	<u><u>8,522</u></u>

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 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% (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 2011 and 2010 represented a withholding tax levied at 10% on interest income earned in the PRC by a subsidiary which is a non-PRC resident according to the relevant rules and regulations of the PRC.

## 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 of \$53,464,000 (2010: \$736,984,000) and on 373,570,560 (2010: 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 presented.

## 9 TRADE AND OTHER RECEIVABLES

Credit limits are offered to customers following a financial assessment and an established payment record. The 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.

## 9 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:

	<b>2011</b>	2010
	<b><i>\$'000</i></b>	<i>\$'000</i>
Current	<b>56,054</b>	46,701
Less than 1 month past due	<b>11,128</b>	8,047
1 to 3 months past due	<b>4,147</b>	1,149
More than 3 months but less than 12 months past due	<b>849</b>	536
More than 12 months past due	<b>2,159</b>	2,131
	<u><b>74,337</b></u>	<u>58,564</u>

## 10 TRADE AND OTHER PAYABLES

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

	<b>2011</b>	2010
	<b><i>\$'000</i></b>	<i>\$'000</i>
Due within 1 month or on demand	<b>62,142</b>	51,410
Due after 1 month but within 3 months	<b>6,405</b>	2,456
Due after 3 months but within 6 months	<b>468</b>	—
Due over 6 months	<b>—</b>	19
	<u><b>69,015</b></u>	<u>53,885</u>

## **EXTRACT OF THE INDEPENDENT AUDITOR'S REPORT**

The auditor expresses an unqualified opinion in the auditor's report, but wishes to draw attention to the readers of the financial statements by adding an emphasis of matter paragraph as follows:

### ***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 2011 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.

### ***Emphasis of matter***

Without qualifying our opinion, we draw attention to note 1(b) to the consolidated financial statements which indicates that the Group sustained a consolidated net loss from continuing operations attributable to the equity shareholders of the Company of HK\$53,464,000 for the year ended 31 December 2011 and, as of that date, the Group's current liabilities exceeded its current assets by HK\$73,729,000. These conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern. As further detailed in note 1(b) to the consolidated financial statements, the Group has identified measures to improve its performance and financial position and is in the process of implementing them as at the date of this report. The consolidated financial statements have been prepared on a going concern basis, the validity of which is dependent on the successful implementation of these measures and the commitment of the Group's holding company to provide continuing support to enable the Group to operate as a going concern and meet its liabilities as they fall due for the foreseeable future. The consolidated financial statements do not include any adjustments that would result should the Group be unable to continue to operate as a going concern.

## **CLOSURE OF REGISTER OF MEMBERS**

The transfer of books and register of members of the Company will be closed from Wednesday, 25 April 2012 to Friday, 27 April 2012, both days inclusive. To qualify for attending the forthcoming Annual General Meeting of the Company to be held on Friday, 27 April 2012, 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, 24 April 2012.

## **FINANCIAL RESULTS**

In 2011, the Company managed to turnaround and significantly improve the profitability of its Hong Kong operations, driven by higher domestic sales and the growth of its exports business. While the Group's South China operations continued to face challenges, thus weighing down the Group's consolidated results, 2011 was still an improvement for our operations in South China. Consolidated turnover of the Group was at HK\$683.9 million, an increase of 16.0% from 2010 (2010: HK\$589.3 million) and gross profit for 2011 was at HK\$296.8 million (2010: HK\$255.6 million). The Group's gross profit margin was maintained at 43.4% (2010: 43.4%).

Consolidated loss for 2011 was HK\$68.6 million mainly due to losses from our South China operations, but this was a considerable improvement from the HK\$774.0 million loss in 2010 (2010 included an impairment loss of HK\$677.3 million (net of tax effect) and 2011 included an impairment loss of HK\$5.5 million (net of tax effect)).

Cash and cash equivalents and bank deposits (excluding bank loans) as of 31 December 2011 amounted to HK\$243.6 million (2010: HK\$286.4 million) of which HK\$198.0 million (2010: HK\$60.0 million) was pledged to secure the Group's banking facilities. Total net assets were at HK\$297.2 million (2010: HK\$391.5 million), with a debt-to-equity ratio of 1.06 (2010: 0.64).

## **DIVIDENDS**

No dividends will be declared for 2011.

## **BUSINESS REVIEW**

### **HONG KONG OPERATIONS**

2011 was a very good year for our Hong Kong operations. Our Company's total volume and revenue grew by 16% and 24%, respectively over the previous year, owing to higher domestic volumes, further supported by higher exports sales.

After a strong start, Hong Kong's economy slowed down toward the end of the year, with the government projecting 5% full year growth. The territory's total beer industry took its cue from the overall economy and posted a moderate 2% growth for 2011. Yet while this was the case for the beer industry, the Company's sales volume in the domestic market finished the year with a 9% growth, further strengthening the Company's position as the No. 1 beer company in Hong Kong with our flagship brand San Miguel at the forefront.

This marked improvement stems from our commitment to maximise shareholder value through continuously strengthening our portfolio of brands, and providing a high level of service to our customers and maintaining strict cost management measures.

In 2010, the Company launched the lower calorie San Mig Light small bottle in high-end outlets to strengthen the overall San Miguel image and presence. For 2011, the Company is pleased to report that sales volume of San Mig Light grew by 356% over the previous year, with the launch of the big bottles in Chinese restaurants and Daipaidongs in June 2011. To support San Mig Light's aggressive expansion, a new television advertisement entitled "Release" and a highly-publicised promotion, "Caribbean Sea Cruise," was launched. This new advertisement campaign received a high approval rating and further ensured the success of the new San Mig Light.

The second half of 2011 saw the introduction of a new line extension of the San Miguel brand, San Miguel Premium All Malt, providing the consumers a fresh alternative among the portfolio of brands competing in the premium segment. While distribution is limited and exclusive to the higher-end market, it aims to enhance the overall San Miguel brand image.

For our flagship San Miguel Pale Pilsen, we continue to build our brand's association with sports and music. On the sports front, the brand sustained its association with soccer through the "San Miguel Soccer Union", a series of enhanced 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. The brand also continued to be the exclusive sponsor of San Miguel Beer Garden of the Hong Kong Dragon Boat Carnival 2011 organised by the Hong Kong Tourism Board. On the music front, San Miguel Pale Pilsen, with TVB.com as the major media partner, organised the "Music Battle". It was also the exclusive beer sponsor of the much talked-about music and arts festival, Clockenflap 2011.

After securing the exclusive distributorship of Budweiser and Harbin in Hong Kong and Macau beginning May 2011, the Company was able to further strengthen its portfolio of brands, and is poised to further dominate the market.

## **SOUTH CHINA OPERATIONS**

While our two companies in South China posted losses in 2011, there were nevertheless improvements in their operations.

The market conditions in South China continued to be challenging as competitors utilised aggressive trade offers, especially in the wholesaler channel, to grab market share. Given this situation, both companies have been more conscientious in balancing the need to protect our position in the market and our bottom-line.

Total revenues of GSMB registered an improvement, despite the decline in total volume versus last year, due to a favourable product mix. Meanwhile, growth momentum in the retail chains was sustained, with the channel posting a double-digit volume increase over last year. GSMB also grew volume in West and North Guangdong, stemming from its efforts to strengthen distribution coverage in areas outside the core markets of Dongguan.

In April, GSMB launched the new San Mig Light with an enhanced formula, new packaging design and new positioning in the market. The launch was supported with a new marketing campaign, "Fun Drinking Moment", highlighted by the popular "Release" television commercial from Hong Kong.

SMGB recorded a decline in total sales of its local Dragon brand versus the previous year. In response to the intense market competition and to maximise the organisational effectiveness and efficiency of the whole South China Operations, a major business re-structuring was implemented which involved the integration of the sales and distribution function of Dragon into GSMB's operations. Meanwhile, SMGB will concentrate on manufacturing/tolling with focus on improving utilisation, productivity and efficiency. This new strategy hopes to provide GSMB improved leverage to the trade as well as optimised promotion spending both in the trade and outlets, accelerating the turnaround of GSMB and ensuring the long-term viability of SMGB. The Dragon brand will continue to be of great importance to our growth strategy and will truly benefit from this new development.

## **COMMUNITY RELATIONS AND SOCIAL RESPONSIBILITY**

The Company strives to be commercially successful and at the same time socially responsible in the way we do business. We are committed to foster goodwill and work closely with our local communities to ensure mutual benefits are achieved.

We continue to promote responsible drinking and to sponsor and participate in various local events and contribute regularly to charitable and non-profit organisations.

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**

In a people-intensive business, the Company believes in ensuring that our people are equipped with the right and time-relevant knowledge, skills and experiences. We continue to develop our employees' growth and foster unity in the organisation by investing resources on training, seminars, mentorship, team-building workshops and direction briefings.

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

## **CORPORATE GOVERNANCE**

The Company continues 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 2011 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. Keisuke Nishimura resigned from the Board since we published our interim report on 16 August 2011. We thank Mr. Keisuke Nishimura for his contribution to the Group over the past years.

With the departure of Mr. Keisuke Nishimura, Mr. Shobu Nishitani was appointed on 4 November 2011.

## **FUTURE DIRECTION AND CHALLENGES**

The following are the objectives of the Company for the year 2012:

- In Hong Kong, we will continue to improve profitability and increase our market share through the strengthening of our brand portfolio, channel rationalisation and growth, margin improvement and cost rationalisation.
- In South China, we intend to turnaround the business through the continued channel and geographic expansion of our San Miguel brands, and take full advantage of the positive consumer and trade acceptance of San Mig Light since its relaunch. We will also continue to give focus on the strengthening of dealer and wholesaler network, as well as on margin improvement and cost rationalisation.

Looking ahead, the Company is confident that we have established a solid foundation for growth that will enable us to continue the turnaround momentum that we have started in 2011. We are committed to maximising shareholder value and making our beer brands ever more relevant to our customers and consumers. We have well-mapped out growth strategies that should facilitate the achievement of the Company's goals. We also have the right company culture and discipline for cost management in all aspects of the operations, but especially in areas of production and logistics.

In closing, we wish to convey our gratitude to our Board of Directors for their unwavering guidance and support. We also wish to thank 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 2011 ANNUAL REPORT ON THE WEBSITE OF THE STOCK EXCHANGE**

The Company's annual report for 2011 will be published on the website of The Stock Exchange at [www.hkex.com.hk](http://www.hkex.com.hk) and the Company's website at [info.sanmiguel.com.hk](http://info.sanmiguel.com.hk) in due course.

By Order of the Board  
**Ramon S. Ang**  
Chairman

Hong Kong, 2 February 2012

*(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., 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.*

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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 Thursday, 2 February 2012 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 2011, 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, 17 January 2012

*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.*