

San Miguel Brewery Hong Kong Limited

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**SAN MIGUEL BREWERY
HONG KONG LTD.**

香港生力啤酒廠有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 236)

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

The Company has been granted a sub-licence by Neptunia to use certain trademarks pursuant to the Neptunia Sub-licence Agreement. The Neptunia Sub-licence Agreement was entered into by the Company and Neptunia on 1 January 1979 and will expire after 31 December 2013.

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 2014 to 31 December 2014. 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 2014. Accordingly, 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 8 November 2012 in respect of the extension of the term of the Neptunia Sub-licence Agreement for one year from January 1, 2013 to 31 December 2013. The Extension Letter was signed by Neptunia and by the Company on 5 November 2013 to extend the term of the Neptunia Sub-licence Agreement for a further one year from 1 January 2014 to 31 December 2014. 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 2014, 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 2011, 2012 and the 10-month period from 1 January 2013 to 31 October 2013, the royalties payable to Neptunia under the Neptunia Sub-licence Agreement amounted to approximately HK\$112,000, HK\$147,000 and HK\$107,000 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 obtained 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 to continue the use of 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 San Miguel 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 San Miguel Group Licensing Arrangements during the remaining term of the agreements under the San Miguel Group Licensing Arrangements remain unchanged, save for the licensor under the Trademark Licensing Agreement which has changed from SMIL to SMBIL after certain internal reorganizations within the San Miguel Group as disclosed in the Company’s announcement dated 1 April 2010. For the year ended 31 December 2012 and the 10-month period ended 31 October 2013, the aggregate royalties payable by the Group under the San Miguel Group Licensing Arrangements amounted to HK\$147,000 and HK\$996,000 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 2014. 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 2011, 2012 and the 10-month period from 1 January 2013 to 31 October 2013, the royalties payable to Neptunia under the Neptunia Sub-licence Agreement amounted to only approximately HK\$112,000, HK\$147,000 and HK\$107,000 respectively. As the transaction amount under the Neptunia Sub-licence Agreement is not material to the operations of the Group, Neptunia and SMC, the Company does not consider any Directors to have a material interest in the subject transaction under the Neptunia Sub-licence Agreement. Mr. Ramon S. Ang (who has a substantial interest in the shares of SMC) did not attend the meeting during which the vote on the Board resolution to approve the entering into of the Extension Letter and the transactions contemplated under the Neptunia Sub-licence Agreement was taken. None of the Directors who were present in the said meeting abstained from voting on the Board resolution in compliance with Rule 14A.59 (18) of the Listing Rules. The Board resolution was unanimously passed in the said Board meeting.

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 5 November 2013 entered into between Neptunia and the Company to further extend the term of the Neptunia Sub-licence Agreement to 31 December 2014
“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
“San Miguel 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, 5 November 2013

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. Shobu Nishitani and Mr. Takeshi Wada; 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 2013**

**中期報告
二零一三年一月至六月**

BOARD OF DIRECTORS

Chairman

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

Deputy Chairman

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

Executive Director

Ramon G. Torralba*

Non-Executive Director

Chan Wen Mee, May (Michelle)

Teruyuki Daino

Roberto N. Huang

Shobu Nishitani

Takeshi Wada**

Independent Non-Executive Director

David K.P. Li, GBM, JP

Ng Wai Sun

Reynato S. Puno

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

Roberto N. Huang

David K.P. Li, GBM, JP

Carmelo L. Santiago

NOMINATION COMMITTEE

Carmelo L. Santiago, *Chairman*

Teruyuki Daino

David K.P. Li, GBM, JP

Ng Wai Sun

Reynato S. Puno

Note:

* Replaced Mr. Peter K.Y. Tam as Executive Director and Managing Director with effect from 15 January 2013.

** Replaced Mr. Taro Matsunaga as Non-executive Director with effect from 19 April 2013.

董事

主席

蔡啟文 (非執行董事)

副主席

凱顧思 (非執行董事)

執行董事

杜華博*

非執行董事

陳雲美

代野照幸

黃思民

西谷尚武

Takeshi Wada**

獨立非執行董事

李國寶，GBM, JP

吳維新

Reynato S. Puno

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

黃思民

李國寶，GBM, JP

施雅高

提名委員會

施雅高 主席

代野照幸

李國寶，GBM, JP

吳維新

Reynato S. Puno

附註：

* 取代譚嘉源先生為執行董事，由二零一三年一月十五日起生效。

** 取代松永太郎先生為非執行董事，由二零一三年四月十九日起生效。

COMPANY SECRETARY

John K.L. Cheung

公司秘書

張嘉麟

AUDITORS

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Certified Public Accountants
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核數師

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SHARE REGISTRAR

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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
十七樓十七一二至一七一六號舖

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

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

本報告內所有幣值，除另有註明外，均以港幣計算。

To Our Shareholders,

San Miguel Brewery Hong Kong Limited and its subsidiaries' (the "Group's") consolidated turnover was at HK\$325.1 million, a 1.8% decrease over the same period in 2012. Gross profit reached HK\$135.1 million, with gross profit margin at 41.6%.

Consolidated loss for the first six months ended 30 June 2013 was HK\$0.7 million, a significant improvement from the HK\$17.7 million loss registered for the same period in 2012. As a result, consolidated net profit attributable to equity shareholders for the first semester was HK\$1.7 million, a significant improvement from the HK\$11.9 million loss for the same period in 2012.

As of 30 June 2013, cash and cash equivalents, as well as bank deposits (excluding bank loan) totaled HK\$97.3 million (at 31 December 2012: HK\$100.9 million). Total debt by the end of the period now stands at HK\$203.1 million, 12.4% lower than the HK\$231.8 million debt reported at the end of last year. Total net assets reached HK\$511.0 million (at 31 December 2012: HK\$511.8 million), with a debt-to-equity ratio of 0.40 (at 31 December 2012: 0.45).

Dividends

The Board has resolved that no dividends will be declared for the first six months of 2013.

致各股東：

香港生力啤酒廠有限公司及其附屬公司（「本集團」）的綜合營業額為3.25億港元，較二零一二年同期下跌1.8%。毛利達到1.35億港元，而毛利率為41.6%。

截至二零一三年六月三十日止之上半年綜合虧損為70萬港元，較二零一二年同期錄得的1,770萬港元虧損有明顯改善。所以，上半年本公司權益持有人應佔之綜合淨盈利為170萬港元，較二零一二年同期之1,190萬港元虧損大幅改善。

於二零一三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）共計9,730萬港元（二零一二年十二月三十一日：1.01億港元）。上半年止之總負債為2.03億港元，較去年止錄得之2.32億港元減少12.4%。總資產淨值達5.11億港元（二零一二年十二月三十一日：5.12億港元），負債比率為0.40（二零一二年十二月三十一日：0.45）。

股息

董事會議決不派發二零一三年度中期股息。

Business Review

Hong Kong Operations

Our Hong Kong operations achieved a 16% improvement in operating profit over the same period in 2012 despite a 1% decline in sales volume. The improvement in profit was a result of several initiatives that included the rationalization of unprofitable business arrangements and the containment of costs in the first six months of 2013, as well as the implementation of a price increase, in line with industry trend.

In the local market, the Company continued to be the No. 1 beer company in Hong Kong in terms of volume as it maximized all brands in its wide portfolio and ensured that the different market niches were served. The Company has built a strong portfolio that fulfills the needs of different segments of the market and continues to expand our consumer base.

To promote our flagship San Miguel Pale Pilsen, we maintained our strong association with some of Hong Kong's most iconic events. Through the Company's high-profile alliance with the Lan Kwai Fong Association as official beer partner, the San Miguel-Lan Kwai Fong Rugby Festival continued to be one of the biggest post-rugby parties. The brand also continued its exclusive presence in the Hong Kong Dragon Boat Carnival 2013, organized by the Hong Kong Tourism Board. To sustain the brand's popularity and image, the Company invested on television and point-of-sales marketing campaigns. A product-driven TVC was aired in the first half of the year, while a new, exciting thematic campaign revolving around the concept of "Real Friends" will be launched in the second half of the year. A point-of-sale visibility blitz, online communications and public relations programs, are set to complement the TVC.

San Mig Light continued to maintain its popularity in on-premise outlets. To further improve the brand's visibility in the market, a celebrity cross-over campaign with actress-model Chrissie Chau was launched in April, reinforcing the brand's "Light & Free" positioning. Targeting on-premise consumers, the Company initiated programs such as food pairing with San Mig Light in Chinese restaurants and darts competitions for bars.

Premium brands in our portfolio continued to be among our top performers, posting double-digit growth in volume and revenue over the same period in 2012. The Company's exclusive distributorship of all Kirin beer brands within the territory, including Kirin Ichiban Frozen Beer, which was launched in June, also helped us meet our sales targets. Overall, we now have a stronger and more varied portfolio that can more suitably satisfy the needs of the higher-end segment of the Hong Kong market.

The Company also saw double-digit sales revenue growth in Macau.

業務回顧

香港業務

香港業務的經營盈利對比二零一二年同期改善了16%，儘管銷量下跌了1%。盈利改善是二零一三年上半年的幾項措施包括調整無利潤的商務安排及遏制成本，以及附合行業趨勢，實行價格調整的結果。

在本地市場，由於本公司把多元化組合的各品牌皆大力發展和確保照顧到不同的市場，在銷量上繼續成為香港首屈一指的啤酒公司。本公司已建立了強大的品牌組合來滿足不同市場分部的需要並繼續擴充消費群。

為推廣我們的旗艦品牌生力啤酒，我們保持與一些香港最具代表性的活動的緊密連繫。透過本公司與蘭桂坊協會高調合作，成為其官方啤酒合作伙伴，<生力x蘭桂坊 欖球節>繼續成為其中數一數二的大型欖球賽後派對。品牌亦繼續獨家贊助由香港旅遊發展局主辦的二零一三年香港龍舟嘉年華。為維持品牌的受歡迎程度和形象，本公司投放資源於電視及銷售點的市務活動。上半年播放了一個以產品主導的電視廣告，而一個全新、圍繞「真正朋友」的主題廣告將於下半年推出。我們會推出一個結合銷售點的曝光宣傳、網上交流和公共關係的項目來配合電視廣告。

生力清啤繼續在現飲場所受到歡迎。為進一步改善品牌在市場上的曝光率，於四月推出了一個與知名人士、模特兒演員周秀娜合作的活動，鞏固了品牌「Light & Free」的定位。而以現飲場所的消費者為目標，本公司推出了一些項目如在中式食肆以生力清啤搭配美食及在酒吧舉辦飛鏢比賽。

品牌組合中的高價格品牌仍屬表現最好之一，銷量和收入較二零一二年同期錄得雙位數字增長。本公司是所有麒麟啤酒品牌在區內的獨家分銷商，包括於六月推出的麒麟一番搾Frozen Beer，亦協助我們達到銷售目標。總括而言，我們現在擁有更強大和更多元化的品牌組合，可更能滿足現今香港高檔啤酒市場分部的需要。

本公司在澳門的銷售收入亦有雙位數字增長。

South China Operations

Our two subsidiaries in South China posted significant improvements in their operations and were able to end the first half of the year with a higher gross contribution rate, at the same time trimming losses over the same period in 2012 by almost half. The improvement was a result of the restructuring of our going-to-market and distribution strategy. We are confident that this will also help bring about continued long term development, benefit and growth.

The new going-to-market and distribution strategy entailed both rationalization and expansion of the dealer network. The Group screened and recruited an additional 19 dealers to ensure wide distribution of our products.

A new packaging design was introduced for San Miguel Pale Pilsen's canned variant to update the overall image of the brand. At the same time, the Group launched the 500ml can to increase both penetration and consumption. For San Mig Light, emphasis was on Chinese restaurants where a series of channel-based initiatives such as merchandising blitz and consumer promotion were implemented.

Over the remainder of 2013, the Group will launch a series of volume-generating and brand-building activities that includes above-the-line advertising, online marketing and channel-based consumer promotion for San Miguel Pale Pilsen and San Mig Light.

The Group also initiated a total revamp of the packaging of all Dragon beer variants to create a cohesive look that caters to the different segments of the market. To expand the brand portfolio and strengthen the Group's position in the premium segment in South China, a made-in-Hong Kong Red Horse beer was launched in June in time for the summer season.

Following the restructuring in 2011, San Miguel (Guangdong) Brewery Company Limited's ("SMGB's") focus on tolling products for Guangzhou San Miguel Brewery Company Limited ("GSMB") and producing beer products for export, has started to pay off. SMGB's export volume has increased by 51%.

There is still a lot to be done in our South China operations while we gradually reap the benefits of the restructuring initiatives that have been implemented. A calculated approach of balancing sales and profitability will continue to guide our operations as we move forward.

華南業務

我們位於華南之兩間附屬公司在業務上皆錄得明顯改善，亦在上半年達到較高的毛利率，同時對比二零一二年同期虧損縮減近半。改善來自我們重整進軍市場和分銷的策略。我們有信心這樣可以帶來持續長遠的發展、利益和增長。

全新進軍市場和分銷的策略牽涉經銷商網絡的整合和擴張。本集團挑選及任用了額外19位經銷商來確保我們產品的廣泛分銷。

生力啤酒罐裝產品推出新包裝設計以增添品牌整體形象的時代感。同時，本集團推出500毫升罐裝來增加滲透和消費。至於生力清啤，重點放於中式食肆，實行了一系列以銷售渠道為本的項目如促銷品宣傳和消費者推廣活動。

在二零一三年餘下的時間，本集團會推出一系列帶來銷量及建立品牌的活動包括生力啤酒和生力清啤的線上廣告、網上市場推廣和消費者推廣活動。

本集團亦為所有龍啤品牌產品換上新包裝，塑造出同系感的外觀迎合市場的不同分部。而為着在華南高檔啤酒市場分部擴展品牌組合和加強本集團的定位，一款於香港製造的紅馬啤酒已於六月推出以迎接夏日。

於二零一一年重組後，生力廣東啤酒有限公司（「生力廣東」）專注為廣州生力啤酒有限公司（「廣州生力」）加工產品和為出口業務生產啤酒已見成效。生力廣東的出口量上升51%。

我們華南業務尚有很多工作要做而我們逐步受惠於已實行的重組措施。平衡銷售和盈利的審慎做法將繼續引領我們的業務向前。

Outlook

Overall, the Company maintains an optimistic outlook for the rest of the year and we are confident that the programs we have put and will put in place will result in better ways of bringing our products to our market and generate better results. Management 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. We would also like to thank all our customers and business associates for their continued patronage and trust.



Ramon S. Ang
Chairman

2 August 2013

展望

整體而言，本公司對二零一三年下半年的前景保持樂觀，並有信心所採取和將採取的各種措施可更有利於我們將產品帶入我們的市場並達到更佳成果。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
蔡啓文

二零一三年八月二日

Interim Dividend

The Board has resolved that no interim dividends be declared for 2013.

中期股息

董事會議決不派發二零一三年之中期股息。

Interim Results

The interim results for the six months ended 30 June 2013 have not been audited, but were reviewed by the Company's Audit Committee on 2 August 2013.

中期業績

截至二零一三年六月三十日止六個月之中期業績並未經審核，惟已於二零一三年八月二日獲本公司之審核委員會審閱。

Directors' Interests

The directors of the Company as of 30 June 2013 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:

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，於二零一三年六月三十日之本公司董事於當日持有本公司、其控股公司、附屬公司及其他聯繫公司(定義見《證券及期貨條例》)已發行股本之實際權益如下：

(1) Interests in issued shares

(1) 已發行股本之權益

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

Directors' Interests (Continued)

董事之權益 (續)

(1) Interests in issued shares (Continued)

(1) 已發行股本之權益 (續)

		Number of common shares in 5 Philippine pesos each in San Miguel Corporation 生力總公司每股面值 5菲律賓披索之普通股之股份數目	
		Number of shares held	% of total issued shares
Name	姓名	持股數目	佔已發行股份 總數之百分比
Ramon S. Ang	蔡啓文	368,898,389	10.702830%
Carlos Antonio M. Berba	凱顧思	23,645	0.000686%
Roberto N. Huang	黃思民	22,600	0.000656%
Reynato S. Puno	Reynato S. Puno	5,000	0.000145%
Carmelo L. Santiago	施雅高	5,000	0.000145%
Ramon G. Torralba	Ramon G. Torralba	22,600	0.000656%

		Number of common shares in 1 Philippine peso each in San Miguel Brewery Inc. 生力啤酒廠公司每股面值 1菲律賓披索之普通股之股份數目	
		Number of shares held*	% of total issued shares
Name	姓名	持股數目*	佔已發行股份 總數之百分比
Ramon S. Ang	蔡啓文	5,000	0.000033%
Carlos Antonio M. Berba	凱顧思	5,000	0.000033%
Teruyuki Daino	代野照幸	5,000	0.000033%
Roberto N. Huang	黃思民	5,000	0.000033%
Shobu Nishitani	西谷尚武	5,000	0.000033%
Carmelo L. Santiago	施雅高	5,000	0.000033%

* 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 2013 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 2013 於二零一三年 六月三十日 尚未行使之 購股權數目
Common (par value of 5 pesos each): 普通(每股面值五披索):					
Ramon S. Ang	蔡啓文	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	凱顧思	16/12/2010	16/12/2018	120.33	41,556
Roberto N. Huang	黃思民	16/12/2010	16/12/2018	120.33	50,793
Ramon G. Torralba	杜華博	16/12/2010	16/12/2018	120.33	8,991

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。於二零一三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 2013 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

於二零一三年六月三十日，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持有於本公司之權益而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 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"). Mr. Li Ka-Shing and Mr. Li Tzar Kuoi, Victor are respectively interested in one-third and two-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 and Mr. Li Tzar Kuoi, Victor as a holder of the shares of Unity Holdco as aforesaid.

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

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

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

主要股東於股份及相關股份之權益 (續)

附註：(續)

- (2) 李嘉誠先生為The Li Ka-Shing Unity Discretionary Trust ("DT1")及另一全權信託("DT2")之財產授予人。Li Ka-Shing Unity Trustee Corporation Limited ("TDT1"，為DT1之信託人)及Li Ka-Shing Unity Trustcorp Limited ("TDT2"，為DT2之信託人)各自持有若干The Li Ka-Shing Unity Trust ("UT1")單位，但此等全權信託並無於該單位信託之任何信託資產物業中具有任何利益或股份。DT1及DT2之可能受益人包括李澤鉅先生、其妻子與子女，及李澤楷先生。Li Ka-Shing Unity Trustee Company Limited ("TUT1")以UT1信託人身份與若干同為TUT1以UT1信託人之身份擁有在其股東大會上行使或控制行使三分之一以上投票權之公司共同持有長江實業(集團)有限公司("長實")已發行股本三分之一或上權益。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。李嘉誠先生及李澤鉅先生各自擁有Unity Holdco三分之一及三分之二全部已發行股本。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及李澤鉅先生徵詢任何意見。

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 2013.

Corporate Governance

The Company has applied the principles of the Code Provisions under the Corporate Governance Code (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 2013, save for the deviations discussed below:

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

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

Specific enquiry has been made of all the directors of the Company who have confirmed 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 2013.

買賣或購回本公司之上市證券

截至二零一三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

截至二零一三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）。

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，彼等已確認於截至二零一三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.

Remuneration Committee

As of the date of this report, the remuneration committee was composed of three independent non-executive directors, namely, Dr. the Hon. Sir David K. P. Li, Mr. Ng Wai Sun and Mr. Carmelo L. Santiago, and two non-executive directors, namely, Mr. Carlos Antonio M. Berba and Roberto N. Huang. 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 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.

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

審核委員會

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

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

薪酬委員會

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

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。

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。

Nomination Committee

As of the date of this report, the nomination committee was composed of four independent non-executive directors, namely, Dr. the Hon. Sir David K. P. Li, Mr. Ng Wai Sun, Mr. Reynato S. Puno and Mr. Carmelo L. Santiago, and one non-executive director, namely, 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 by 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*.

提名委員會

截至此報告日期，提名委員會成員包括四位獨立非執行董事，（即：李國寶爵士、吳維新先生、Reynato S. Puno先生及施雅高先生）及一位非執行董事，（即：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*。

CONSOLIDATED INCOME STATEMENT — UNAUDITED

綜合收益表 — 未經審核

For the six months ended 30 June 2013 (Expressed in Hong Kong dollars)

截止二零一三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	
			2013 二零一三年 \$'000 千元	2012 二零一二年 \$'000 千元 Restated 重列
	Note 附註			
Turnover		營業額		
Cost of sales	3	銷售成本	325,092 (189,998)	331,121 (184,855)
Gross profit		毛利	135,094	146,266
Other revenue		其他收入	11,121	5,440
Other net income		其他收益淨額	315	993
Selling and distribution expenses		銷售及分銷開支	(99,614)	(117,950)
Administrative expenses		行政開支	(39,039)	(38,698)
Other operating expenses		其他經營開支	(5,121)	(4,127)
Profit/(loss) from operations		經營盈利／(虧損)	2,756	(8,076)
Finance costs		財務費用	(3,405)	(9,649)
Loss before taxation		除稅前虧損	(649)	(17,725)
Income tax charge	5	所得稅支出	(13)	(6)
Loss for the period		期內虧損	(662)	(17,731)
Attributable to:		應佔如下：		
Equity shareholders of the Company		本公司權益持有人	1,652	(11,888)
Non-controlling interests		非控股權益	(2,314)	(5,843)
Loss for the period		期內虧損	(662)	(17,731)
Earnings/(loss) per share		每股盈利／(虧損)		
— Basic (cents)	7(a)	— 基本(仙)	0.4	(3.2)
— Diluted (cents)	7(b)	— 攤薄(仙)	N/A 不適用	N/A 不適用

The notes on pages 21 to 32 form part of this interim financial report.

第21至32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 2013 (Expressed in Hong Kong dollars)

截止二零一三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	
		2013 二零一三年 \$'000 千元	2012 二零一二年 \$'000 千元 Restated 重列
Note 附註			
	Loss for the period	(662)	(17,731)
	Other comprehensive income for the period (after tax):		
	Items that may be reclassified subsequently to profit or loss:		
	Exchange differences on translation of:		
	— financial statements of subsidiaries outside Hong Kong	(6,708)	2,238
	— monetary items that form part of the net investment in subsidiaries outside Hong Kong	6,569	(2,061)
		(139)	177
	Total comprehensive income for the period	(801)	(17,554)
	Attributable to:		
	Equity shareholders of the Company	2,077	(11,863)
	Non-controlling interests	(2,878)	(5,691)
	Total comprehensive income for the period	(801)	(17,554)

The notes on pages 21 to 32 form part of this interim financial report.

第21至32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 2013 (Expressed in Hong Kong dollars)

於二零一三年六月三十日 (以港幣計算)

	Note 附註	At 30 June 2013 於二零一三年 六月三十日 \$'000 千元	At 31 December 2012 於二零一二年 十二月三十一日 \$'000 千元
Non-current assets			
Fixed assets			
— Property, plant and equipment	8	470,352	475,861
— Investment properties		86,719	87,978
— Interests in leasehold land held for own use under operating leases		90,095	90,839
		647,166	654,678
Intangible assets		5,183	5,426
Other tangible assets		123	—
		652,472	660,104
Current assets			
Inventories	9	52,978	56,062
Trade and other receivables	10	91,952	82,726
Amounts due from holding companies and fellow subsidiaries		7,260	9,340
Amount due from a related company		7	829
Cash and cash equivalents	11	97,310	100,904
		249,507	249,861
Current liabilities			
Bank loan		(115,976)	(86,713)
Trade and other payables	12	(136,225)	(120,005)
Amounts due to holding companies and fellow subsidiaries		(9,321)	(3,767)
Amounts due to related companies		(4,679)	(4,423)
		(266,201)	(214,908)
Net current (liabilities)/assets		(16,694)	34,953
Total assets less current liabilities		635,778	695,057
Non-current liabilities			
Bank loan		(87,163)	(145,092)
Retirement benefit liabilities		(33,985)	(34,534)
Deferred tax liabilities		(3,595)	(3,595)
		(124,743)	(183,221)
NET ASSETS		511,035	511,836
CAPITAL AND RESERVES			
Share capital		186,785	186,785
Reserves		355,742	353,665
Total equity attributable to equity shareholders of the Company		542,527	540,450
Non-controlling interests		(31,492)	(28,614)
TOTAL EQUITY		511,035	511,836

The notes on pages 21 to 32 form part of this interim financial report.

第21至32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 2013 (Expressed in Hong Kong dollars)

截止二零一三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		
Balance at 1 January 2012	於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
Changes in equity for the six months ended 30 June 2012:	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 (restated)	期內虧損（重列）	—	—	—	—	(11,888)	(11,888)	(5,843)	(17,731)
Other comprehensive income	其他全面收益	—	—	—	25	—	25	152	177
Restated balance at 30 June 2012 and 1 July 2012	於二零一二年六月三十日及 二零一二年七月一日結餘（重列）	186,785	65,739	112,970	80,162	(142,368)	303,288	(23,619)	279,669
Changes in equity for the six months ended 31 December 2012:	截止二零一二年十二月三十一日止 六個月之權益變動：								
Profit for the period (restated)	期內盈利（重列）	—	—	—	—	249,949	249,949	(4,836)	245,113
Other comprehensive income (restated)	其他全面收益（重列）	—	—	—	143	(12,930)	(12,787)	(159)	(12,946)
Restated balance at 31 December 2012 and 1 January 2013	於二零一二年十二月三十一日 及二零一三年一月一日結餘 （重列）	186,785	65,739	112,970	80,305	94,651	540,450	(28,614)	511,836
Changes in equity for the six months ended 30 June 2013:	截止二零一三年六月三十日止 六個月之權益變動：								
Loss for the period	期內虧損	—	—	—	—	1,652	1,652	(2,314)	(662)
Other comprehensive income	其他全面收益	—	—	—	425	—	425	(564)	(139)
Balance at 30 June 2013	於二零一三年六月三十日結餘	186,785	65,739	112,970	80,730	96,303	542,527	(31,492)	511,035

The notes on pages 21 to 32 form part of this interim financial report.

第21至32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 2013 (Expressed in Hong Kong dollars)

截止二零一三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	
		2013 二零一三年 \$'000 千元	2012 二零一二年 \$'000 千元
	Note 附註		
Net cash generated from/(used in) operating activities	經營業務之現金流入／(流出) 淨額	31,008	(25,504)
Net cash used in investing activities	投資業務之現金流出淨額	(2,631)	(5,589)
Net cash (used in)/generated from financing activities	融資活動之現金(流出)／流入淨額	(32,220)	107,387
Net (decrease)/increase in cash and cash equivalents	現金及等同現金項目之淨額(減少)／增加	(3,843)	76,294
Cash and cash equivalents at 1 January	於一月一日之現金及等同現金項目結存	100,904	45,586
Effect of foreign exchange rates changes	匯率變動之影響	249	(96)
Cash and cash equivalents at 30 June	於六月三十日之現金及等同現金項目結存	97,310	121,784

The notes on pages 21 to 32 form part of this interim financial report.

第21至32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 2 August 2013.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2012 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2013 annual financial statements. Details of these changes in accounting policies are set out in note 2.

Notwithstanding the net current liabilities and negative net cash balances position of the Group, 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 2012 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 2012 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 2012 are available from the Company's registered office. The auditors have expressed an unqualified opinion on those financial statements in their report dated 8 February 2013.

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。本中期財務報告於二零一三年八月二日獲授權刊發。

編製本中期財務報告所採用之會計政策，與編製二零一二年年度經審核財務報表所採用者一致，惟採納必需於二零一三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。

儘管本集團出現流動負債淨值及負現金淨額結餘，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，以闡明二零一二年年度經審核財務報表以來財務狀況之變動和表現。本簡明綜合中期未經審核財務報表及有關附註並不包括所有須於一份按香港財務報告準則編製的財務報表所要披露的資料。

本中期財務報告未經審核，惟已經本公司之審核委員會審閱。

於本未經審核中期財務報告顯示有關截至二零一二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。截至二零一二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。核數師於二零一三年二月八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 HKAS 1, *Presentation of financial statements — Presentation of items of other comprehensive income*
- HKFRS 10, *Consolidated financial statements*
- HKFRS 11, *Joint arrangements*
- HKFRS 12, *Disclosure of interests in other entities*
- HKFRS 13, *Fair value measurement*
- HKAS 27, *Separate financial statement* (2011)
- HKAS 28, *Investments in associates and joint ventures*
- Revised HKAS 19, *Employee benefits*
- Annual improvement to HKFRSs 2009 – 2011 Cycle
- Amendments to HKFRS 7, *Financial instruments: Disclosures — offsetting financial assets and financial liabilities*

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

Amendments to HKAS 1, Presentation of financial statements — Presentation of items of other comprehensive income

The amendments to HKAS 1 require entities to present separately the items of other comprehensive income that would be reclassified to profit or loss in the future if certain conditions are met from those that would never be reclassified to profit or loss. The Group's presentation of other comprehensive income in these financial statements has been modified accordingly.

HKFRS 10, Consolidated financial statements

HKFRS 10 replaces the requirements in HKAS 27, *Consolidated and separate financial statements* relating to the preparation of consolidated financial statements and HK-SIC 12 *Consolidation — Special purpose entities*. It introduces a single control model to determine whether an investee should be consolidated, by focusing on whether the entity has power over the investee, exposure to variable returns from its involvement with the investee and the ability to use its power to affect the amount of those returns.

The adoption of HKFRS 10 does not change any of the control conclusions reached by the Group in respect of its involvement with other entities as at 1 January 2013.

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」
- 香港財務報告準則第10號「綜合財務報表」
- 香港財務報告準則第11號「合營安排」
- 香港財務報告準則第12號「其他實體權益之披露」
- 香港財務報告準則第13號「公允價值計量」
- 香港會計準則第27號「獨立財務報表(二零一一年)」
- 香港會計準則第28號「在聯營企業及合營企業之投資」
- 香港會計準則第19號(經修訂)「僱員福利」
- 香港財務報告準則年度改進(二零零九至二零一一年週期)
- 香港財務報告準則第7號(修訂)「金融工具：披露 — 金融資產及金融負債抵銷」

本集團並未採用任何於本期會計期間尚未生效的新準則或詮釋。

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」

香港會計準則第1號的修訂要求實體把若干條件得到滿足後，將被重新分類至損益的其他全面收益項目獨立呈列於永不會重新分類至損益的其他全面收益項目。本集團其他全面收益的呈列已作出相應修改。

香港財務報告準則第10號「綜合財務報表」

香港財務報告準則第10號取代有關編製綜合財務報表的香港會計準則第27號「綜合及獨立財務報表」及香港(常設詮釋委員會)詮釋公告第12號「合併 — 特殊目的實體」等規定。香港財務報告準則第10號引入單一控制模式，以釐定被投資公司應否予以合併處理，而焦點則放在有關實體是否有權控制被投資公司，參與被投資公司業務所得可變動回報的風險承擔，以及運用權力影響該等回報金額的能力。

已採納香港財務報告準則第10號不會改變本集團就截至二零一三年一月一日為止參與其他實體業務所達致的任何有關控制方面的結論。

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2 Changes in Accounting Policies (Continued)

HKFRS 12, Disclosure of interests in other entities

HKFRS 12 brings together into a single standard all the disclosure requirements relevant to an entity's interests in subsidiaries, joint arrangements, associates and unconsolidated structured entities. The disclosures required in HKFRS 12 are generally more extensive than those previously required by the respective standards. Since those disclosure requirements only apply to a full set of financial statements, the Group has not made additional disclosures in the interim financial report as a result of adoption HKFRS 12.

HKFRS 13, Fair value measurement

HKFRS 13 replaces existing guidance in individual HKFRSs with a single source of fair value measurement guidance. HKFRS 13 also contains extensive disclosure requirements about fair value measurements for both financial instruments and non-financial instruments. HKFRS 13 is effective as from 1 January 2013, but retrospective adoption is not required. The adoption of HKFRS 13 does not have any significant impact on the fair value measurements of the Group's assets and liabilities.

Revised HKAS 19, Employee benefits

Revised HKAS 19 introduces a number of amendments to the accounting for employee benefits. Among them, revised HKAS 19 includes minor changes to definition of short-term employee benefits (in respect of the distinction between short-term and long-term), the definition of return on plan assets, the timing of recognition of termination benefits and various disclosure requirements.

This change in accounting policy has been applied retrospectively by restating the balances at 31 December 2012, and the result for the six months ended 30 June 2012 as follows:

2 會計政策變動 (續)

香港財務報告準則第12號「其他實體權益之披露」

香港財務報告準則第12號將實體所佔附屬公司，合營安排，聯營公司和未合併的結構化實體的權益的所有相關披露規定集於一身。香港財務報告準則第12號規定的披露範圍普遍較之前準則所要求的更為廣泛。由於這些相關披露只適用於整套財務報表，本集團於中期財務報告內就對已採納的香港財務報告準則第12號並沒有作出額外披露。

香港財務報告準則第13號「公允價值計量」

香港財務報告準則第13號取代現有關於個別香港財務報告準則的指引，成為單一公允價值計量指引。香港財務報告準則第13號亦包含了有關金融工具及非金融工具公允價值計量的廣泛披露要求。香港財務報告準則第13號於二零一三年一月一日起生效，但不要求追溯採納。採納香港財務報告準則第13號對本集團的資產及負債的公允價值計量並無重大影響。

香港會計準則第19號 (經修訂)「僱員福利」

香港會計準則第19號 (經修訂) 引入多項關於僱員福利會計處理的修訂。當中包括短期福利定義 (就短期和長期之間的區分)，計劃資產回報定義，終止僱員福利確認時間及不同披露要求的輕微改動。

會計政策的變動已追溯應用，而於二零一二年十二月三十一日之結餘及截至二零一二年六月三十日止六個月之業績亦重列如下：

		As previously reported 如先前 所呈報 \$'000 千元	Effect of adopting revised HKAS 19 香港會計準則 第19號之調整 \$'000 千元	As restated 經重列 \$'000 千元
Consolidated income statement for the six months ended 30 June 2012:	截至二零一二年六月三十日止六個月之綜合收益表：			
Defined benefit retirement plan expense	定額福利退休計劃開支	1,670	1,074	2,744
Loss for the period	期內虧損	16,657	1,074	17,731
Consolidated income statement and consolidated statement of comprehensive income for the six months ended 30 June 2012:	截至二零一二年六月三十日止六個月之綜合收益表及綜合全面收益表：			
Total comprehensive income for the period	期內全面收益總額	16,480	1,074	17,554

This change in accounting policy does not have any material impact on current or deferred taxation and earnings per share.

會計政策的變動未有對本集團的本期或遞延稅項及每股盈利構成重大影響。

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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 2013 and 2012 is set out below:

		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	
		2013 二零一三年 \$'000 千元	2012 二零一二年 \$'000 千元	2013 二零一三年 \$'000 千元	2012 二零一二年 \$'000 千元	2013 二零一三年 \$'000 千元	2012 二零一二年 \$'000 千元
Revenue from external customers	外界客戶收入	254,055	250,626	71,037	80,495	325,092	331,121
Inter-segment revenue	分部間收入	—	—	—	1,991	—	1,991
Reportable segment revenue	須予呈報分部收入	254,055	250,626	71,037	82,486	325,092	333,112
Reportable segment profit/(loss) from operations	須予呈報分部經營盈利/(虧損)	11,264	11,671	(11,913)	(29,396)	(649)	(17,725)

		Hong Kong 香港		Mainland China 中國內地		Total 總數	
		At 30 June 2013 於二零一三年 六月三十日 \$'000 千元	At 31 December 2012 於二零一二年 十二月三十一日 \$'000 千元	At 30 June 2013 於二零一三年 六月三十日 \$'000 千元	At 31 December 2012 於二零一二年 十二月三十一日 \$'000 千元	At 30 June 2013 於二零一三年 六月三十日 \$'000 千元	At 31 December 2012 於二零一二年 十二月三十一日 \$'000 千元
Reportable segment assets	須予呈報分部資產	1,208,246	1,223,173	74,112	66,548	1,282,358	1,289,721
Reportable segment liabilities	須予呈報分部負債	308,878	335,057	458,850	439,233	767,728	774,290

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

截至二零一三年及二零一二年六月三十日止，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：

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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 截至六月三十日止六個月	
		2013 二零一三年 \$'000 千元	2012 二零一二年 \$'000 千元
Revenue	收入		
Reportable segment revenue	須予呈報分部收入	325,092	333,112
Elimination of inter-segment revenue	分部之間收入撤銷	—	(1,991)
Consolidated turnover	綜合營業額	325,092	331,121
Loss	虧損		
Reportable segment loss from operations	須予呈報分部經營虧損	(649)	(17,725)
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	(649)	(17,725)

		At 30 June 2013 於二零一三年 六月三十日 \$'000 千元	At 31 December 2012 於二零一二年 十二月三十一日 \$'000 千元
Assets	資產		
Reportable segment assets	須予呈報分部資產	1,282,358	1,289,721
Elimination of inter-segment receivables	分部之間應收賬項撤銷	(380,379)	(379,756)
Consolidated total assets	綜合總資產	901,979	909,965
Liabilities	負債		
Reportable segment liabilities	須予呈報分部負債	767,728	774,290
Elimination of inter-segment payables	分部之間應付賬項撤銷	(380,379)	(379,756)
		387,349	394,534
Deferred tax liabilities	遞延稅項負債	3,595	3,595
Consolidated total liabilities	綜合總負債	390,944	398,129

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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 2013 二零一三年 \$'000 千元	2012 二零一二年 \$'000 千元	At 30 June 2013 於二零一三年 六月三十日 \$'000 千元	At 31 December 2012 於二零一二年 十二月三十一日 \$'000 千元
Hong Kong (place of domicile)	香港(成立地點)	212,090	220,241	619,968	629,049
Mainland China	中國內地	47,159	66,972	32,504	31,055
Philippines	菲律賓	60,446	39,069	—	—
Others	其他國家	5,397	4,839	—	—
		113,002	110,880	32,504	31,055
		325,092	331,121	652,472	660,104

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。

4 Loss before taxation

4 除稅前虧損

		Six months ended 30 June 截至六月三十日止六個月 2013 二零一三年 \$'000 千元		2012 二零一二年 \$'000 千元
Loss before taxation is arrived at after charging/(crediting):	除稅前虧損已扣除／(計入) 下列項目：			
(a) Finance costs	(a) 財務費用			
Interest expense on bank loan wholly repayable within five years	須於五年內全數償還之 銀行貸款利息支出	3,058		9,353
Amortisation of transaction costs for bank loan	銀行貸款交易成本 之攤銷	271		97
Bank charges	銀行費用	76		199
		3,405		9,649
(b) Staff costs	(b) 員工薪酬			
Retirement costs	退休金成本	6,699		6,018
Salaries, wages and other benefits	薪金、工資及其他福利	53,190		52,151
		59,889		58,169
(c) Other items	(c) 其他項目			
Amortisation	攤銷			
— Land lease premium	— 租賃土地款項	1,325		1,646
— Other tangible assets	— 其他有形資產	12		468
Depreciation	折舊			
— Property, plant and equipment	— 物業、機器及設備	9,081		5,468
— Investment properties	— 投資物業	1,362		1,357
Costs of inventories	存貨成本	188,351		183,213
Provision for impairment losses on trade and other receivables	應收貿易及其他賬項之 減值撥備	645		135

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5 Income tax

Taxation in the consolidated income statement represents:

		Six months ended 30 June 截止六月三十日止六個月	
		2013 二零一三年 \$'000 千元	2012 二零一二年 \$'000 千元
Current tax — Outside Hong Kong	本期稅項 — 香港以外		
— Provision for the period	— 期內撥備	(13)	(6)
Deferred tax	遞延稅項		
— Origination and reversal of temporary differences	— 暫時差額之出現及回撥	—	—
Income tax charge	所得稅支出	(13)	(6)

The statutory tax rate applicable to the Company and other Hong Kong subsidiaries was 16.5% (2012: 16.5%). No provision for Hong Kong Profits Tax for the six months ended 30 June 2013 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% (2012: 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 2013 and 2012 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 2013. No dividends have been declared or paid during 2012.

7 Earnings/(loss) per share

(a) Basic earnings/(loss) per share

The calculation of basic earnings/(loss) per share is based on the profit/(loss) attributable to equity shareholders of the Company for the six months ended 30 June 2013 of \$1,652,000 (six months ended 30 June 2012: \$11,888,000) and on 373,570,560 ordinary shares (at 30 June 2012: 373,570,560 ordinary shares), being the number of ordinary shares in issue throughout the period.

(b) Diluted earnings/(loss) per share

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

5 所得稅

綜合收益表之所得稅指：

本公司及其他香港附屬公司的法定稅率為16.5% (二零一二年：16.5%)。本公司及其他香港附屬公司由於承前累計稅項虧損超過本期估計應課稅盈利或錄得稅項虧損，故截至二零一三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% (二零一二年：25%)。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。

截至二零一三年及二零一二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

董事已議決宣派二零一三年之中期股息為每股零元。二零一二年並無宣派或派付股息。

7 每股盈利／(虧損)

(a) 每股基本盈利／(虧損)

每股基本盈利／(虧損)乃根據本公司權益持有人截止二零一三年六月三十日止六個月應佔盈利／(虧損)共1,652,000元(截止二零一二年六月三十日止六個月：11,888,000元)及本期間內已發行之373,570,560股普通股(於二零一二年六月三十日：373,570,560股普通股)計算。

(b) 攤薄之每股盈利／(虧損)

攤薄之每股盈利／(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。

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8 Fixed assets

8 固定資產

		Property, plant and equipment 物業，機器及設備 \$'000 千元	Investment properties 投資物業 \$'000 千元	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 \$'000 千元	Total 總計 \$'000 千元
Net book value:	賬面淨值：				
At 1 January 2013	於二零一三年一月一日	475,861	87,978	90,839	654,678
Exchange adjustments	匯兌調整	12	—	581	593
Additions	添置	3,623	103	—	3,726
Disposals	出售	(63)	—	—	(63)
Depreciation for the period	期內折舊	(9,081)	(1,362)	(1,325)	(11,768)
At 30 June 2013	於二零一三年六月三十日	470,352	86,719	90,095	647,166

9 Inventories

9 存貨

		At 30 June 2013 於二零一三年 六月三十日 \$'000 千元	At 31 December 2012 於二零一二年 十二月三十一日 \$'000 千元
Products in hand and in process	現有產品及在製品	35,178	38,796
Materials and supplies	物料及供應	17,800	17,266
		52,978	56,062

10 Trade and other receivables

10 應收貿易及其他賬項

		At 30 June 2013 於二零一三年 六月三十日 \$'000 千元	At 31 December 2012 於二零一二年 十二月三十一日 \$'000 千元
Trade receivables (net of allowance for doubtful debts)	應收貿易賬項 (已扣除呆壞賬撥備)	75,868	67,467
Other debtors, deposits and prepayments	其他應收賬、按金及預付款項	16,084	15,259
		91,952	82,726

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)

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 2013 於二零一三年 六月三十日 \$'000 千元	At 31 December 2012 於二零一二年 十二月三十一日 \$'000 千元
Current	未到期	58,359	51,234
Less than 1 month past due	過期日少於一個月	10,185	9,361
1 to 3 months past due	過期日為一至三個月	2,276	1,980
More than 3 months but less than 12 months past due	過期日為三個月至一年內	2,777	2,668
More than 12 months past due	過期日多於一年	2,271	2,224
		75,868	67,467

The general credit period is payment by the end of the month following the month in which sales took place. Therefore, all the current balances above are within two months from the invoice date.

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 customers. In order to effectively manage the credit risks associated with trade debtors, credit evaluations of customers are performed periodically.

應收貿易賬項(扣除呆壞賬撥備)於結算日之賬齡如下：

一般信貸於銷售月份後的月份完結時到期。因此，上述所有未到期結餘均在發票日期後兩個月內到期。

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 Cash and cash equivalents

		At 30 June 2013 於二零一三年 六月三十日 \$'000 千元	At 31 December 2012 於二零一二年 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	59,078	66,050
Cash at bank and in hand	銀行結存及現金	38,232	34,854
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	97,310	100,904

11 銀行存款，現金及等同現金項目

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)

12 Trade and other payables

12 應付貿易及其他賬項

		At 30 June 2013 於二零一三年 六月三十日 \$'000 千元	At 31 December 2012 於二零一二年 十二月三十一日 \$'000 千元
Trade payables	應付貿易賬項	56,968	51,020
Other creditors and accrued charges	其他應付賬項	79,257	68,985
		136,225	120,005

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 2013 於二零一三年 六月三十日 \$'000 千元	At 31 December 2012 於二零一二年 十二月三十一日 \$'000 千元
Current and less than 1 month past due	未到期及過期日少於一個月	53,389	41,800
1 to 3 months past due	過期日為一至三個月	1,900	8,732
3 to 6 months past due	過期日為三至六個月	578	432
More than 6 months past due	過期日多於六個月	1,101	56
		56,968	51,020

The Group's general payment terms are one to two months from the invoice date. Therefore, the current and less than 1 month past due balances above are mostly within two to three months from the invoice date.

本集團的一般付款條款是於發票日期後一至兩個月內到期。因此，上述未到期及過期日少於一個月的結餘大部份均在發票日後兩至三個月內到期。

13 Capital commitments

13 資本承擔

Capital commitments outstanding at 30 June 2013 not provided for in the interim financial report were as follows:

於二零一三年六月三十日，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 2013 於二零一三年 六月三十日 \$'000 千元	At 31 December 2012 於二零一二年 十二月三十一日 \$'000 千元
Contracted for	已訂約	753	987
Authorised but not contracted for	已批准但未訂約	2,760	3,335
		3,513	4,322

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

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

	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 2013	At 31 December 2012
		2013 二零一三年	2012 二零一二年	於二零一三年 六月三十日	於二零一二年 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	2,680	1,976	(1,304)	(869)
— fellow subsidiaries	— 同系附屬公司	4,770	12,400	(2,055)	(844)
— related companies	— 關連公司	5,240	1,632	(1,478)	(2,326)
Sales to:	售予：				
— intermediate holding company	— 中介控股公司	60,446	39,069	7,212	9,313
— fellow subsidiaries	— 同系附屬公司	74	135	36	11
Royalty payments to:	支付專利權費用：				
— intermediate holding company	— 中介控股公司	590	591	(596)	(26)
— a related company	— 關連公司	1,057	1,046	(3,201)	(2,097)
Engineering design fee payable to a fellow subsidiary	支付同系附屬公司 工程設計費用	—	—	—	(322)
Leasing fee from a fellow subsidiary	收同系附屬公司 租賃費用	—	1,552	—	—
Rental expense payable to a fellow subsidiary	支付同系附屬公司 租金費用	—	103	—	—
Interest expense payable to a related company	支付關連公司 利息支出	3,058	1,782	—	—
Advertising and promotion subsidy from an intermediate holding company	收中介控股公司廣告 及市場推廣補貼	7,805	—	—	—

(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) Royalties 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.

(vi) Interest expense was paid for the bank loan obtained from a related party in 2012 over which the Group's ultimate holding company has significant influence.

(vii) Advertising and promotion subsidy was received from an intermediate holding company for promotion of certain brands in the PRC.

(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。

(vi) 利息支出乃自於二零一二年獲得關連公司的銀行貸款。本集團的最終控股公司對該關連公司有重大影響力。

(vii) 從中介控股公司收取的廣告及市場推廣補貼乃補貼若干品牌在中國的推廣。

14 Material related party transactions (Continued)

Transactions with group companies (Continued)

These transactions also constitute connected transactions under the Listing Rules, except for the purchases from related companies, interest expense payable to a related company and advertising and promotion subsidy from an intermediate holding company which the directors do not consider to be connected transactions under the Listing Rules.

15 Comparative Figures

- (a) As a result of the application of Amendments to HKAS 1, *Presentation of financial statements - Presentation of items of other comprehensive income*, certain comparative figures have been adjusted to conform to current period's presentation and to provide comparative amounts in respect of items disclosed for the first time in 2013. Further details of these developments are disclosed in note 2.
- (b) Certain comparative figures have been restated as a result of Revised HKAS 19, *Employee benefits*, as set out in note 2.

14 重大關連人士交易 (續)

集團內主要關連交易 (續)

根據上市規則，此等交易(購自關連公司之交易，支付予關連公司的利息支出及收取中介控股公司的廣告及市場推廣補貼除外)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，支付予關連公司的利息支出及收取中介控股公司的廣告及市場推廣補貼不考慮為關連交易。

15 比較數字

- (a) 採納香港會計準則第1號(修訂)「財務報表之呈列 — 其他全面收益項目呈列」後，若干比較數字已按期內之呈列方式作出調整，並對於二零一三年首次披露之項目提供比較金額。該等轉變之詳情已於附註2披露。
- (b) 採納香港會計準則第19號(經修訂)「僱員福利」後，若干比較數字已按期內之呈列方式作出調整，及已於附註2披露。



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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 2013 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 2013. The interim results are unaudited, but have been reviewed by the Company’s Audit Committee.

CONSOLIDATED INCOME STATEMENT — UNAUDITED

(Expressed in Hong Kong dollars)

		Six months ended 30 June	
		2013	2012
	Note	\$'000	\$'000
			Restated
Turnover	3	325,092	331,121
Cost of sales		(189,998)	(184,855)
Gross profit		135,094	146,266
Other revenue		11,121	5,440
Other net income		315	993
Selling and distribution expenses		(99,614)	(117,950)
Administrative expenses		(39,039)	(38,698)
Other operating expenses		(5,121)	(4,127)
Profit/(loss) from operations		2,756	(8,076)
Finance costs	4(a)	(3,405)	(9,649)
Loss before taxation	4	(649)	(17,725)
Income tax charge	5	(13)	(6)
Loss for the period		(662)	(17,731)
Attributable to:			
Equity shareholders of the Company		1,652	(11,888)
Non-controlling interests		(2,314)	(5,843)
Loss for the period		(662)	(17,731)
Earnings/(loss) per share			
— Basic (cents)	7(a)	0.4	(3.2)
— Diluted (cents)	7(b)	N/A	N/A

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME — UNAUDITED

(Expressed in Hong Kong dollars)

	Six months ended 30 June	
	2013	2012
	\$'000	\$'000
		Restated
Loss for the period	<u>(662)</u>	<u>(17,731)</u>
Other comprehensive income for the period (after tax):		
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of:		
— financial statements of subsidiaries outside Hong Kong	(6,708)	2,238
— monetary items that form part of the net investment in subsidiaries outside Hong Kong	<u>6,569</u>	<u>(2,061)</u>
	<u>(139)</u>	<u>177</u>
Total comprehensive income for the period	<u><u>(801)</u></u>	<u><u>(17,554)</u></u>
Attributable to:		
Equity shareholders of the Company	2,077	(11,863)
Non-controlling interests	<u>(2,878)</u>	<u>(5,691)</u>
Total comprehensive income for the period	<u><u>(801)</u></u>	<u><u>(17,554)</u></u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION — UNAUDITED

(Expressed in Hong Kong dollars)

		At 30 June 2013 \$'000	At 31 December 2012 \$'000
	Note		
Non-current assets			
Fixed assets			
— Property, plant and equipment		470,352	475,861
— Investment properties		86,719	87,978
— Interests in leasehold land held for own use under operating leases		90,095	90,839
		<u>647,166</u>	<u>654,678</u>
Intangible assets		5,183	5,426
Other tangible assets		123	—
		<u>652,472</u>	<u>660,104</u>
Current assets			
Inventories		52,978	56,062
Trade and other receivables	8	91,952	82,726
Amounts due from holding companies and fellow subsidiaries		7,260	9,340
Amount due from a related company		7	829
Cash and cash equivalents		97,310	100,904
		<u>249,507</u>	<u>249,861</u>
Current liabilities			
Bank loan		(115,976)	(86,713)
Trade and other payables	9	(136,225)	(120,005)
Amounts due to holding companies and fellow subsidiaries		(9,321)	(3,767)
Amounts due to related companies		(4,679)	(4,423)
		<u>(266,201)</u>	<u>(214,908)</u>
Net current (liabilities)/assets		<u>(16,694)</u>	<u>34,953</u>
Total assets less current liabilities		<u>635,778</u>	<u>695,057</u>
Non-current liabilities			
Bank loan		(87,163)	(145,092)
Retirement benefit liabilities		(33,985)	(34,534)
Deferred tax liabilities		(3,595)	(3,595)
		<u>(124,743)</u>	<u>(183,221)</u>
NET ASSETS		<u>511,035</u>	<u>511,836</u>
CAPITAL AND RESERVES			
Share capital		186,785	186,785
Reserves		355,742	353,665
Total equity attributable to equity shareholders of the Company		<u>542,527</u>	<u>540,450</u>
Non-controlling interests		<u>(31,492)</u>	<u>(28,614)</u>
TOTAL EQUITY		<u>511,035</u>	<u>511,836</u>

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 2 August 2013.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2012 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2013 annual financial statements. Details of these changes in accounting policies are set out in note 2.

Notwithstanding the net current liabilities and negative net cash balances position of the Group, 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 2012 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 2012 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 2012 are available from the Company’s registered office. The auditors have expressed an unqualified opinion on those financial statements in their report dated 8 February 2013.

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 HKAS 1, *Presentation of financial statements — Presentation of items of other comprehensive income*
- HKFRS 10, *Consolidated financial statements*
- HKFRS 11, *Joint arrangements*
- HKFRS 12, *Disclosure of interests in other entities*
- HKFRS 13, *Fair value measurement*
- HKAS 27, *Separate financial statement (2011)*
- HKAS 28, *Investments in associates and joint ventures*
- Revised HKAS 19, *Employee benefits*
- Annual improvement to HKFRSs 2009-2011 Cycle
- Amendments to HKFRS 7, *Financial instruments: Disclosures — offsetting financial assets and financial liabilities*

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

Amendments to HKAS 1, Presentation of financial statements — Presentation of items of other comprehensive income

The amendments to HKAS 1 require entities to present separately the items of other comprehensive income that would be reclassified to profit or loss in the future if certain conditions are met from those that would never be reclassified to profit or loss. The Group's presentation of other comprehensive income in these financial statements has been modified accordingly.

HKFRS 10, Consolidated financial statements

HKFRS 10 replaces the requirements in HKAS 27, *Consolidated and separate financial statements* relating to the preparation of consolidated financial statements and HK-SIC 12 *Consolidation — Special purpose entities*. It introduces a single control model to determine whether an investee should be consolidated, by focusing on whether the entity has power over the investee, exposure to variable returns from its involvement with the investee and the ability to use its power to affect the amount of those returns.

The adoption of HKFRS 10 does not change any of the control conclusions reached by the Group in respect of its involvement with other entities as at 1 January 2013.

HKFRS 12, Disclosure of interests in other entities

HKFRS 12 brings together into a single standard all the disclosure requirements relevant to an entity's interests in subsidiaries, joint arrangements, associates and unconsolidated structured entities. The disclosures required in HKFRS 12 are generally more extensive than those previously required by the respective standards. Since those disclosure requirements only apply to a full set of financial statements, the Group has not made additional disclosures in the interim financial report as a result of adoption HKFRS 12.

2 CHANGES IN ACCOUNTING POLICIES (Continued)

HKFRS 13, Fair value measurement

HKFRS 13 replaces existing guidance in individual HKFRSs with a single source of fair value measurement guidance. HKFRS 13 also contains extensive disclosure requirements about fair value measurements for both financial instruments and non-financial instruments. HKFRS 13 is effective as from 1 January 2013, but retrospective adoption is not required. The adoption of HKFRS 13 does not have any significant impact on the fair value measurements of the Group's assets and liabilities.

Revised HKAS 19, Employee benefits

Revised HKAS 19 introduces a number of amendments to the accounting for employee benefits. Among them, revised HKAS 19 includes minor changes to definition of short-term employee benefits (in respect of the distinction between short-term and long-term), the definition of return on plan assets, the timing of recognition of termination benefits and various disclosure requirements.

This change in accounting policy has been applied retrospectively by restating the balances at 31 December 2012, and the result for the six months ended 30 June 2012 as follows:

	As previously reported \$'000	Effect of adopting revised HKAS 19 \$'000	As restated \$'000
Consolidated income statement			
for the six months ended 30 June 2012:			
Defined benefit retirement plan expense	1,670	1,074	2,744
Loss for the period	16,657	1,074	17,731
Consolidated income statement			
and consolidated statement of			
comprehensive income for the			
six months ended 30 June 2012:			
Total comprehensive income for the period	16,480	1,074	17,554

This change in accounting policy does not have any material impact on current or deferred taxation and earnings per share.

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 2013 and 2012 is set out below:

	Six months ended 30 June					
	Hong Kong		Mainland China		Total	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
Revenue from external customers	254,055	250,626	71,037	80,495	325,092	331,121
Inter-segment revenue	—	—	—	1,991	—	1,991
Reportable segment revenue	254,055	250,626	71,037	82,486	325,092	333,112
Reportable segment profit/(loss) from operations	11,264	11,671	(11,913)	(29,396)	(649)	(17,725)
	Hong Kong		Mainland China		Total	
	At 30 June 2013 \$'000	At 31 December 2012 \$'000	At 30 June 2013 \$'000	At 31 December 2012 \$'000	At 30 June 2013 \$'000	At 31 December 2012 \$'000
	At 30 June 2013 \$'000	At 31 December 2012 \$'000	At 30 June 2013 \$'000	At 31 December 2012 \$'000	At 30 June 2013 \$'000	At 31 December 2012 \$'000
Reportable segment assets	1,208,246	1,223,173	74,112	66,548	1,282,358	1,289,721
Reportable segment liabilities	308,878	335,057	458,850	439,233	767,728	774,290

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	
	2013	2012
	\$'000	\$'000
Revenue		
Reportable segment revenue	325,092	333,112
Elimination of inter-segment revenue	—	(1,991)
	<u>325,092</u>	<u>331,121</u>
Consolidated turnover	<u>325,092</u>	<u>331,121</u>
Loss		
Reportable segment loss from operations	(649)	(17,725)
Elimination of inter-segment profits	—	—
	<u>(649)</u>	<u>(17,725)</u>
Reportable segment loss derived from Group's external customers and consolidated loss before taxation	<u>(649)</u>	<u>(17,725)</u>
	At 30 June	At 31 December
	2013	2012
	\$'000	\$'000
Assets		
Reportable segment assets	1,282,358	1,289,721
Elimination of inter-segment receivables	(380,379)	(379,756)
	<u>901,979</u>	<u>909,965</u>
Consolidated total assets	<u>901,979</u>	<u>909,965</u>
Liabilities		
Reportable segment liabilities	767,728	774,290
Elimination of inter-segment payables	(380,379)	(379,756)
	<u>387,349</u>	<u>394,534</u>
Deferred tax liabilities	<u>3,595</u>	<u>3,595</u>
Consolidated total liabilities	<u>390,944</u>	<u>398,129</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		At	At
	30 June		30 June	31 December
	2013	2012	2013	2012
	\$'000	\$'000	\$'000	\$'000
Hong Kong (place of domicile)	<u>212,090</u>	<u>220,241</u>	<u>619,968</u>	<u>629,049</u>
Mainland China	47,159	66,972	32,504	31,055
Philippines	60,446	39,069	—	—
Others	<u>5,397</u>	<u>4,839</u>	<u>—</u>	<u>—</u>
	<u>113,002</u>	<u>110,880</u>	<u>32,504</u>	<u>31,055</u>
	<u>325,092</u>	<u>331,121</u>	<u>652,472</u>	<u>660,104</u>

4 LOSS BEFORE TAXATION

		Six months ended 30 June	
		2013	2012
		\$'000	\$'000
Loss before taxation is arrived at after charging/(crediting):			
(a)	Finance costs		
	Interest expense on bank loan wholly repayable within five years	3,058	9,353
	Amortisation of transaction costs for bank loan	271	97
	Bank charges	76	199
		<u>3,405</u>	<u>9,649</u>
(b)	Staff costs		
	Retirement costs	6,699	6,018
	Salaries, wages and other benefits	53,190	52,151
		<u>59,889</u>	<u>58,169</u>
(c)	Other items:		
	Amortisation		
	— Land lease premium	1,325	1,646
	— Other tangible assets	12	468
	Depreciation		
	— Property, plant and equipment	9,081	5,468
	— Investment properties	1,362	1,357
	Cost of inventories	188,351	183,213
	Provision for impairment losses on trade and other receivables	645	135

5 INCOME TAX

Taxation in the consolidated income statement represents:

	Six months ended 30 June	
	2013	2012
	\$'000	\$'000
Current tax — Outside Hong Kong		
— Provision for the period	----- (13)	----- (6)
Deferred tax		
— Origination and reversal of temporary differences	===== —	===== —
Income tax charge	(13)	(6)

5 INCOME TAX (Continued)

The statutory tax rate applicable to the Company and other Hong Kong subsidiaries was 16.5% (2012: 16.5%). No provision for Hong Kong Profits Tax for the six months ended 30 June 2013 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% (2012: 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 2013 and 2012 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 2013. No dividends have been declared or paid during 2012.

7 EARNINGS/(LOSS) PER SHARE

(a) Basic earnings/(loss) per share

The calculation of basic earnings/(loss) per share is based on the profit/(loss) attributable to equity shareholders of the Company for the six months ended 30 June 2013 of \$1,652,000 (six months ended 30 June 2012: \$11,888,000) and on 373,570,560 ordinary shares (at 30 June 2012: 373,570,560 ordinary shares), being the number of ordinary shares in issue throughout the period.

(b) Diluted earnings/(loss) per share

The diluted earnings/(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 2013 \$'000	At 31 December 2012 \$'000
Current	58,359	51,234
Less than 1 month past due	10,185	9,361
1 to 3 months past due	2,276	1,980
More than 3 months but less than 12 months past due	2,777	2,668
More than 12 months past due	2,271	2,224
	<u>75,868</u>	<u>67,467</u>

8 TRADE AND OTHER RECEIVABLES *(Continued)*

The general credit period is payment by the end of the month following the month in which sales took place. Therefore, all the current balances above are within two months from the invoice date.

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:

	At 30 June 2013 \$'000	At 31 December 2012 \$'000
Current and less than 1 month past due	53,389	41,800
1 to 3 months past due	1,900	8,732
3 to 6 months past due	578	432
More than 6 months past due	<u>1,101</u>	<u>56</u>
	<u>56,968</u>	<u>51,020</u>

The Group's general payment terms are one to two months from the invoice date. Therefore, the current and less than 1 month past due balances above are mostly within two to three months from the invoice date.

INTERIM RESULTS

San Miguel Brewery Hong Kong Limited and its subsidiaries' (the "Group's") consolidated turnover was at HK\$325.1 million, a 1.8% decrease over the same period in 2012. Gross profit reached HK\$135.1 million, with gross profit margin at 41.6%.

Consolidated loss for the first six months ended 30 June 2013 was HK\$0.7 million, a significant improvement from the HK\$17.7 million loss registered for the same period in 2012. As a result, consolidated net profit attributable to equity shareholders for the first semester was HK\$1.7 million, a significant improvement from the HK\$11.9 million loss for the same period in 2012.

As of 30 June 2013, cash and cash equivalents, as well as bank deposits (excluding bank loan) totaled HK\$97.3 million (at 31 December 2012: HK\$100.9 million). Total debt by the end of the period now stands at HK\$203.1 million, 12.4% lower than the HK\$231.8 million debt reported at the end of last year. Total net assets reached HK\$511.0 million (at 31 December 2012: HK\$511.8 million), with a debt-to-equity ratio of 0.40 (at 31 December 2012: 0.45).

DIVIDENDS

The Board has resolved that no dividends will be declared for the first six months of 2013.

BUSINESS REVIEW

Hong Kong Operations

Our Hong Kong operations achieved a 16% improvement in operating profit over the same period in 2012 despite a 1% decline in sales volume. The improvement in profit was a result of several initiatives that included the rationalization of unprofitable business arrangements and the containment of costs in the first six months of 2013, as well as the implementation of a price increase, in line with industry trend.

In the local market, the Company continued to be the No. 1 beer company in Hong Kong in terms of volume as it maximized all brands in its wide portfolio and ensured that the different market niches were served. The Company has built a strong portfolio that fulfills the needs of different segments of the market and continues to expand our consumer base.

To promote our flagship San Miguel Pale Pilsen, we maintained our strong association with some of Hong Kong's most iconic events. Through the Company's high-profile alliance with the Lan Kwai Fong Association as official beer partner, the San Miguel-Lan Kwai Fong Rugby Festival continued to be one of the biggest post-rugby parties. The brand also continued its exclusive presence in the Hong Kong Dragon Boat Carnival 2013, organized by the Hong Kong Tourism Board. To sustain the brand's popularity and image, the Company invested on television and point-of-sales marketing campaigns. A product-driven TVC was aired in the first half of the year, while a new, exciting thematic campaign revolving around the concept of "Real Friends" will be launched in the second half of the year. A point-of-sale visibility blitz, online communications and public relations programs, are set to complement the TVC.

San Mig Light continued to maintain its popularity in on-premise outlets. To further improve the brand's visibility in the market, a celebrity cross-over campaign with actress-model Chrissie Chau was launched in April, reinforcing the brand's "Light & Free" positioning. Targeting on-premise consumers, the Company initiated programs such as food pairing with San Mig Light in Chinese restaurants and darts competitions for bars.

Premium brands in our portfolio continued to be among our top performers, posting double-digit growth in volume and revenue over the same period in 2012. The Company's exclusive distributorship of all Kirin beer brands within the territory, including Kirin Ichiban Frozen Beer, which was launched in June, also helped us meet our sales targets. Overall, we now have a stronger and more varied portfolio that can more suitably satisfy the needs of the higher-end segment of the Hong Kong market.

The Company also saw double-digit sales revenue growth in Macau.

South China Operations

Our two subsidiaries in South China posted significant improvements in their operations and were able to end the first half of the year with a higher gross contribution rate, at the same time trimming losses over the same period in 2012 by almost half. The improvement was a result of the restructuring of our going-to-market and distribution strategy. We are confident that this will also help bring about continued long term development, benefit and growth.

The new going-to-market and distribution strategy entailed both rationalization and expansion of the dealer network. The Group screened and recruited an additional 19 dealers to ensure wide distribution of our products.

A new packaging design was introduced for San Miguel Pale Pilsen's canned variant to update the overall image of the brand. At the same time, the Group launched the 500ml can to increase both penetration and consumption. For San Mig Light, emphasis was on Chinese restaurants where a series of channel-based initiatives such as merchandising blitz and consumer promotion were implemented.

Over the remainder of 2013, the Group will launch a series of volume-generating and brand-building activities that includes above-the-line advertising, online marketing and channel-based consumer promotion for San Miguel Pale Pilsen and San Mig Light.

The Group also initiated a total revamp of the packaging of all Dragon beer variants to create a cohesive look that caters to the different segments of the market. To expand the brand portfolio and strengthen the Group's position in the premium segment in South China, a made-in-Hong Kong Red Horse beer was launched in June in time for the summer season.

Following the restructuring in 2011, San Miguel (Guangdong) Brewery Company Limited's ("SMGB's") focus on tolling products for Guangzhou San Miguel Brewery Company Limited ("GSMB") and producing beer products for export, has started to pay off. SMGB's export volume has increased by 51%.

There is still a lot to be done in our South China operations while we gradually reap the benefits of the restructuring initiatives that have been implemented. A calculated approach of balancing sales and profitability will continue to guide our operations as we move forward.

OUTLOOK

Overall, the Company maintains an optimistic outlook for the rest of the year and we are confident that the programs we have put and will put in place will result in better ways of bringing our products to our market and generate better results. Management 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. We would also like to thank all our customers and business associates for their continued patronage 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 2013.

CORPORATE GOVERNANCE

The Company has applied the principles of the Code Provisions under the Corporate Governance Code contained in Appendix 14 of the Listing Rules during the six months ended 30 June 2013, save for the deviation discussed below:

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

PUBLICATION OF DETAILED INTERIM RESULTS

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

By order of the Board
Ramon S. Ang
Chairman

Hong Kong, 2 August 2013

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. Shobu Nishitani and Mr. Takeshi Wada; 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)

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 Level 5 Tai Shan Room, Island Shangri-La, Hong Kong, Two Pacific Place, Supreme Court Road, Central, Hong Kong on Friday, 2 August 2013 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 2013, 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, 22 July 2013

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. Shobu Nishitani and Mr. Takeshi Wada; 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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**POLL RESULTS OF
ANNUAL GENERAL MEETING
AND
EXTRAORDINARY GENERAL MEETING**

The Board is pleased to announce that (a) the resolutions set out in the notice of the AGM dated 18 March 2013 were duly passed by way of poll at the AGM held on 19 April 2013 and (b) the resolutions for approving the New Agreement, the Amendment Agreement and the transactions contemplated thereunder set out in the notice of the EGM dated 2 April 2013 were duly passed by way of poll at the EGM held on the same date.

Reference is made to (i) the notice of annual general meeting of the Company (the “AGM”) dated 18 March 2013 and (ii) the notice of extraordinary general meeting of the Company (the “EGM”) dated 2 April 2013 and the circular of the Company dated 2 April 2013 (the “Circular”) in relation to the New Agreement, the Amendment Agreement and the transactions contemplated thereunder.

Computershare Hong Kong Investor Services Limited, the share registrar of the Company, acted as the scrutineer at the AGM and the EGM for the purpose of vote-taking. Unless otherwise specified, capitalised terms used in this announcement shall have the same meanings as those defined in the Circular.

RESULTS OF THE ANNUAL GENERAL MEETING

The AGM was held on 19 April 2013. 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. No Shareholders was required to abstain from voting on any of the resolutions in the AGM. There were no Shares entitling the holders to attend the AGM and abstain from voting in favour of the resolutions as set out in Rule 13.40 of the Listing Rules.

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

Ordinary Resolutions		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 2012 together with the reports of the directors and the independent auditors thereon.	268,672,940 (99.984370%)	42,000 (0.015630%)	268,714,940 (100%)
2.	To re-elect executive director:			
	(i) To re-elect Mr. Ramon G. Torralba as director;	268,657,420 (99.958329%)	112,000 (0.041671%)	268,769,420 (100%)
	To re-elect non-executive directors:			
	(ii) To re-elect Mr. Ramon S. Ang as director;	267,978,280 (99.705621%)	791,200 (0.294379%)	268,769,480 (100%)
	(iii) To re-elect Mr. Carlos Antonio M. Berba as director;	267,975,900 (99.705619%)	791,200 (0.294381%)	268,767,100 (100%)
	(iv) To re-elect Ms. Chan Wen Mee, May (Michelle) as director;	267,977,640 (99.705376%)	791,860 (0.294624%)	268,769,500 (100%)
	(v) To re-elect Mr. Teruyuki Daino as director;	268,005,240 (99.716535%)	761,860 (0.283465%)	268,767,100 (100%)
	(vi) To re-elect Mr. Roberto N. Huang as director;	267,978,300 (99.705621%)	791,200 (0.294379%)	268,769,500 (100%)
	(vii) To elect Mr. Takeshi Wada as director;	268,004,092 (99.716257%)	762,608 (0.283743%)	268,766,700 (100%)
	To re-elect independent non-executive director:			
	(viii) To re-elect Mr. Reynato S. Puno as director;	268,679,500 (99.969490%)	82,000 (0.030510%)	268,761,500 (100%)
	To authorise the board of directors of the Company to fix the directors' remuneration.	268,705,100 (99.974849%)	67,600 (0.025151%)	268,772,700 (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.	268,700,700 (99.973212%)	72,000 (0.026788%)	268,772,700 (100%)

On the basis of the votes set out above, as more than 50% of the eligible votes were cast in favour of the resolutions, the resolutions were duly passed.

RESULT OF THE EXTRAORDINARY GENERAL MEETING

The EGM was held on 19 April 2013. The number of issued Shares as at the date of the EGM was 373,570,560 Shares. In view of the interest of the San Miguel Group in the Continuing Connected Transactions, as stated in the Circular, SMC and its associates, which control 245,720,800 Shares (representing approximately 65.78% of the issued share of the Company as at the date of the EGM), was abstained from voting on the resolutions at the EGM. Accordingly, the total number of Shares entitling the Shareholders to attend and vote for or against the resolutions proposed at the EGM was 127,849,760 (representing approximately 34.22% of the issued share of the Company as at the date of the EGM). There were no Shares entitling the holders to attend the EGM and abstain from voting in favour of the resolutions as set out in Rule 13.40 of the Listing Rules. Save as disclosed above, none of the Shareholders have stated their intention in the Circular to vote against or to abstain from voting on the resolutions proposed at the EGM.

Set out below is the result of voting at the EGM, which was conducted by way of poll:

Ordinary Resolutions		No. of Shares Voted (%)		Total No. of Shares Voted
		For	Against	
1.	To approve the Amendment Agreement, terms and the transactions contemplated thereunder and the relevant proposed Revised Sales Cap for year ending 31 December 2013 as set out in the Circular.	21,518,068 (99.574273%)	92,000 (0.425727%)	21,610,068 (100%)
2.	To approve the New Agreement, the terms and the transactions contemplated thereunder and the relevant proposed annual caps for the three years ending 31 December 2016 as set out in the Circular.	21,538,068 (99.666822%)	72,000 (0.333178%)	21,610,068 (100%)

On the basis of the votes set out above, as more than 50% of the eligible votes were cast in favour of the resolutions, the resolutions were duly passed.

By Order of the Board
San Miguel Brewery Hong Kong Limited
John Ka Lun Cheung
Company Secretary

Hong Kong, 19 April 2013

As at the date hereof, 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. Shobu Nishitani and Mr. Takeshi Wada; 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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CHANGE IN DIRECTORS

The Board is pleased to announce the appointment of Mr. Takeshi Wada as non-executive director of the Company effective from 19 April 2013. The Board also announces that Mr. Taro Matsunaga has tendered his resignation as non-executive director of the Company and Mr. Romulo L. Neri has tendered his resignation as Adviser to the Board of the Company with effect from 19 April 2013.

APPOINTMENT OF NON-EXECUTIVE DIRECTOR

The board of directors (the “Board”) of San Miguel Brewery Hong Kong Limited (the “Company”) is pleased to announce that Mr. Takeshi Wada (“Mr. Wada”) has been appointed as non-executive director of the Company with effect from 19 April 2013.

Mr. Wada, aged 52, is a Director of Sales Department of Heineken Kirin K.K since 2009. He served in Kirin Brewery Co., Ltd. in the following capacities: Deputy General Manager of the Sales Department (2008 – 2009), General Sales Manager (2005-2008) and Sales Representative (1988-1993) of the Niigata Branch, Planning Manager of the Metropolitan Regional Sales & Marketing Division (2000-2005), Planning Manager of the Yokohama Branch (1998-2000), and Staff of the Human Resources and Labor Section of the Nagoya Brewery (1984-1988). He was also Executive Assistant of the President (1998-2000), Planning Manager (1996-1998) and Planning Manager of Kansai Branch (1993-1996) of Budweiser Japan Company. Mr. Wada graduated from University of Tokyo (Faculty of Law) in 1984.

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

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

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

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

Save for the information disclosed above, Mr. Wada 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. Wada on his appointment.

RESIGNATION OF NON-EXECUTIVE DIRECTOR

The Board also announces that Mr. Taro Matsunaga ("Mr. Matsunaga") has resigned as non-executive director of the Company with effect from 19 April 2013 due to other business engagements which require more of his dedication. Mr. Matsunaga 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. Matsunaga for his valuable efforts and contribution to the Company during his tenure of appointment.

RESIGNATION OF ADVISER TO THE BOARD

The Board announces that Mr. Romulo L. Neri ("Mr. Neri") has resigned as Adviser to the Board of the Company with effect from 19 April 2013 due to other business engagements which require more of his dedication. Mr. Neri 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. Neri for his valuable efforts and contribution to the Company during his tenure of appointment.

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

Hong Kong, 19 April 2013

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. Shobu Nishitani and Mr. Takeshi Wada; 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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NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting of the shareholders 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 19 April 2013, Friday at 3:45 p.m. (or as soon as the annual general meeting of the Company convened at the same date and place shall conclude or adjourn) for the purpose of considering and, if thought fit, passing with or without modifications, the following resolutions as ordinary resolutions of the Company:

ORDINARY RESOLUTIONS

1. “**THAT:** the amendment agreement dated 7 March 2013 (the “Amendment Agreement”) entered into between San Miguel Corporation, the ultimate controlling shareholder of the Company, and the Company, a copy of which marked “A” has been produced to the meeting and signed by the Chairman of the meeting for the purpose of identification, and the transactions contemplated thereunder be and are hereby approved, ratified and confirmed and the Revised Sales Cap for the year ending 31 December 2013 (as defined and described in the circular of the Company dated 2 April 2013 (the “Circular”)) in respect of the maximum annual aggregate value under the Beverage Sales (as defined in the Circular) for the year ending 31 December 2013 be and are hereby approved, and the directors of the Company be and are hereby authorised on behalf of the Company to sign, seal, execute, perfect, deliver and do all such documents, deeds, acts, matters and things as they may in their discretion consider necessary or desirable or expedient to implement and/ or to give effect to the Amendment Agreement and the Revised Sales Cap and the transactions thereby contemplated.”

2. “**THAT:** the agreement dated 7 March 2013 (the “New Agreement”) entered into between San Miguel Corporation and the Company, a copy of which marked “B” has been produced to the meeting and signed by the Chairman of the meeting for the purpose of identification, and the transactions contemplated thereunder be and are hereby approved, ratified and confirmed and the proposed annual caps (the “Caps”) in relation to the transactions contemplated under the New Agreement for each of the three financial years ending 31 December 2014, 2015 and 2016 as set out in the Circular be and are hereby approved, and the directors of the Company be and are hereby authorised on behalf of the Company to sign, seal, execute, perfect, deliver and do all such documents, deeds, acts, matters and things as they may in their discretion consider necessary or desirable or expedient to implement and/or to give effect to the New Agreement and the Caps and the transactions thereby contemplated.”

By order of the Board
San Miguel Brewery Hong Kong Limited
John Ka Lun Cheung
Company Secretary

Hong Kong, 2 April 2013

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 is comprised of 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.

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 transfer of books and register of members of the Company will be closed from 17 April 2013, Wednesday, to 19 April 2013, Friday, both days inclusive. To qualify for attending the forthcoming extraordinary general meeting of the Company to be held on 19 April 2013, Friday, 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, Wanchai, Hong Kong for registration no later than 4:30 pm on 16 April 2013, Tuesday.



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 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 extraordinary 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 19 April 2013, Friday at 3:45 p.m. (or as soon as the annual general meeting of the Company convened at the same date and place shall conclude or adjourn) thereof on the undermentioned ordinary resolutions as indicated:

ORDINARY RESOLUTIONS		See (note 4)	
		FOR	AGAINST
1.	To approve the Amendment Agreement, terms and the transactions contemplated thereunder and the relevant proposed Revised Sales Cap for year ending 31 December 2013 as set out in the circular of the Company dated 2 April 2013 (the "Circular").		
2.	To approve the New Agreement, the terms and the transactions contemplated thereunder and the relevant proposed annual caps for the three years ending 31 December 2016 as set out in the Circular.		

As witness my/our hand this _____ day of _____ 2013.

Signature(s) _____

Notes:

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

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in San Miguel Brewery Hong Kong Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.



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)

VARIOUS CONTINUING CONNECTED TRANSACTIONS AND REVISION OF EXISTING ANNUAL CAP FOR CONTINUING CONNECTED TRANSACTIONS AND NOTICE OF EXTRAORDINARY GENERAL MEETING

**Independent Financial Adviser to the Independent Board Committee
and the Independent Shareholders**

AmCap
Ample Capital Limited
豐盛融資有限公司

A letter from the board of directors of San Miguel Brewery Hong Kong Limited is set out on pages 4 to 14 of this circular and a letter from the Independent Board Committee containing its recommendation to the Independent Shareholders is set out on page 15 of this circular. A letter from Ample Capital Limited, the independent financial adviser to the Independent Board Committee and the Independent Shareholders, containing its advice to the Independent Board Committee and the Independent Shareholders is set out on pages 16 to 28 of this circular.

A notice convening an extraordinary general meeting of San Miguel Brewery Hong Kong Limited to be held at Island Ballroom, Level 5, Island Shangri-La Hong Kong, Two Pacific Place, Supreme Court Road, Central, Hong Kong on 19 April 2013, Friday at 3:45 p.m. (or as soon as the annual general meeting of the Company convened at the same date and place shall conclude or adjourn) is set out on pages 37 to 38 of this circular. A form of proxy for use by the Independent Shareholders at the extraordinary general meeting is also enclosed. Whether or not you propose to attend the meeting, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return the same to the Company's share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the meeting or any adjournment thereof. Completion and return of the proxy form will not preclude you from attending and voting at the meeting, or any adjourned meeting, should you so wish.

2 April 2013

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DEFINITIONS

In this circular, the following expressions have the following meanings unless the context requires otherwise:

“Amendment Agreement”	the agreement dated 7 March 2013 entered into between the Company and SMC (the Amendment Agreement was signed by SMC on 7 March 2013 and by the Company on 8 March 2013) to amend the Existing Agreement by revising the Existing Sales Cap for the Beverage Sales for the year ending 31 December 2013 to the Revised Sales Cap
“Ample Capital Limited”	Ample Capital Limited, a corporation licensed to carry on type 4 (advising on securities), type 6 (advising on corporate finance) and type 9 (asset management) regulated activities under the Securities and Futures Ordinance, being the independent financial adviser appointed to advise the Independent Board Committee and the Independent Shareholders on the New Agreement, the Amendment Agreement and the transactions contemplated thereunder
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Beverage Sales”	sales of packaged beer and non-alcoholic beverage products by the Group to the San Miguel Group
“Cap(s)”	the maximum annual aggregate value for each of the Continuing Connected Transactions under the New Agreement for the three years ending 31 December 2016
“Company”	San Miguel Brewery Hong Kong Limited, a company incorporated in Hong Kong with limited liability, whose shares are listed in the Stock Exchange
“Continuing Connected Transactions”	the following transactions between the Group and the San Miguel Group: (a) purchase of packaging materials by the Group from the San Miguel Group; (b) purchase of packaged beer by the Group from the San Miguel Group and (c) the Beverage Sales
“Directors”	the directors of the Company

DEFINITIONS

“EGM”	the extraordinary general meeting to be convened by the Company at Island Ballroom, Level 5, Island Shangri-La Hong Kong, Two Pacific Place, Supreme Court Road, Central, Hong Kong on 19 April 2013, Friday at 3:45 p.m. (or as soon as the annual general meeting of the Company convened at the same date and place shall conclude or adjourn) to consider, and if thought fit, approving the New Agreement, the Continuing Connected Transactions, the Caps, the Amendment Agreement and the Revised Sales Cap
“Existing Agreement”	the agreement dated 18 October 2010 entered into between the Company and SMC
“Existing Sales Cap”	the annual cap of HK\$108 million for the Beverage Sales for the year ending 31 December 2013 as set out in the Existing Agreement
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Board Committee”	an independent committee of the Board, comprising Dr. the Hon. Sir. David K. P. Li, Mr. Ng Wai Sun, Mr. Reynato S. Puno and Mr. Carmelo L. Santiago, all of them being independent non-executive Directors, which has been established by the Board to advise the Independent Shareholders in respect of the New Agreement, the Continuing Connected Transactions, the Caps, the Amendment Agreement and the Revised Sales Cap
“Independent Shareholder(s)”	the shareholder(s) of the Company, other than SMC and its associates
“Latest Practicable Date”	27 March 2013, the latest practicable date before the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“New Agreement”	the agreement dated 7 March 2013 entered into between the Company and SMC (the New Agreement was signed by SMC on 7 March 2013 and by the Company on 8 March 2013) in respect of the Continuing Connected Transactions for the period commencing on 1 January 2014 to 31 December 2016

DEFINITIONS

“Revised Sales Cap”	the proposed revised annual cap of HK\$181 million for the year ending 31 December 2013 in relation to Beverage Sales as set out in the Amendment Agreement
“PRC”	the People’s Republic of China which, for the purpose of this circular, excludes Hong Kong, Macau and Taiwan
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.5 each in the share capital of the Company
“Shareholders”	the shareholders of the Company
“SMB”	San Miguel Brewery, Inc., a company owned as to 51% by SMC
“SMC”	San Miguel Corporation, the ultimate controlling shareholder of the Company
“San Miguel Group”	SMC and its associates, excluding the Group, for the purpose of this circular
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

LETTER FROM THE BOARD



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)

Executive Director:

Ramon G. Torralba

Non-Executive Directors:

Ramon S. Ang, *Chairman*

Carlos Antonio M. Berba, *Deputy Chairman*

Chan Wen Mee, May (Michelle)

Teruyuki Daino

Roberto N. Huang

Taro Matsunaga

Shobu Nishitani

*Registered office and
principal place of business
in Hong Kong:*

9th Floor

Citimark Building

28 Yuen Shun Circuit

Siu Lek Yuen

Shatin, New Territories

Hong Kong

Independent Non-Executive Directors:

David K. P. Li, GBM, JP (alternate: Adrian M. K. Li)

Ng Wai Sun

Reynato S. Puno

Carmelo L. Santiago

2 April 2013

To the Shareholders

Dear Sir or Madam,

**VARIOUS CONTINUING CONNECTED TRANSACTIONS AND
REVISION OF EXISTING ANNUAL CAP FOR
CONTINUING CONNECTED TRANSACTIONS
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

BACKGROUND

The principal business activities of the Group are the production and distribution of bottled, canned and draught beers and other beverage products. SMC is the ultimate controlling shareholder of the Company. SMC is one of the Philippines' most diversified conglomerates with operations in beverages, food, packaging, properties, fuel and oil, infrastructure, energy, power, mining, telecommunications and banking.

LETTER FROM THE BOARD

The Group has been carrying out certain continuing connected transactions with the San Miguel Group including, among other things, (i) purchase by the Group from the San Miguel Group of (a) packaging materials for the production of the Group and (b) packaged beer for the Group's wholesale and retail distribution; and (ii) the Beverage Sales. Such transactions constitute continuing connected transactions for the Company in its ordinary and usual course of business.

As set out in the announcement of the Company dated 18 October 2010 and the circular of the Company dated 8 November 2010, the Company entered into the Existing Agreement setting out the terms of the continuing connected transactions between the Group and the San Miguel Group as set out above for the three years ending 31 December 2013. The Existing Agreement, the annual caps and the transactions contemplated thereunder were approved by Independent Shareholders at the extraordinary general meeting of the Company held on 26 November 2010.

As set out in the announcement of the Company dated 8 March 2013, the Amendment Agreement dated 7 March 2013 was entered into between the Company and SMC to amend the Existing Agreement by revising the Existing Sales Cap for the Beverage Sales for the year ending 31 December 2013 to the Revised Sales Cap of HK\$181 million. Save for the revision of the Existing Sales Cap to the Revised Sales Cap, all other terms and conditions under the Existing Agreement remain the same.

The Existing Agreement will expire on 31 December 2013. Accordingly, the Company and SMC entered into the New Agreement dated 7 March 2013 with a view to renewing the agreements to carry out the Continuing Connected Transactions from 1 January 2014 to 31 December 2016 on substantially the same terms as those under the Existing Agreement (as amended by the Amendment Agreement).

THE AMENDMENT AGREEMENT

Reference is made to the announcement of the Company dated 18 October 2010 and the circular of the Company dated 8 November 2010, in relation to, among other things, the transactions under the Existing Agreement in relation to the Beverage Sales which constituted continuing connected transactions of the Company under the Listing Rules. As set out in the Existing Agreement, annual caps for the Beverage Sales amounted to HK\$97 million, HK\$103 million and HK\$108 million, respectively for the years ended 31 December 2011 and 2012 and the year ending 31 December 2013. The annual caps and the transactions contemplated thereunder were approved by Independent Shareholders at the extraordinary general meeting of the Company held on 26 November 2010.

The Amendment Agreement dated 7 March 2013 was entered into between the Company and SMC to amend the Existing Agreement by revising the Existing Sales Cap for the Beverage Sales for the year ending 31 December 2013 to the Revised Sales Cap of HK\$181 million. Save for the revision of the Existing Sales Cap to the Revised Sales Cap, all other terms and conditions under the Existing Agreement remain the same.

Set out below are the principal terms of the Amendment Agreement.

LETTER FROM THE BOARD

Date

7 March 2013 (the Amendment Agreement was signed by SMC on 7 March 2013 and by the Company on 8 March 2013)

Parties

The Company and SMC

Subject matter

Pursuant to the Amendment Agreement, the Existing Sales Cap for the year ending 31 December 2013 is revised to HK\$181 million.

The Amendment Agreement and the Revised Sales Cap are subject to the Independent Shareholders' approval and shall be effective upon the date of the Amendment Agreement and shall expire on 31 December 2013. In the event that the Amendment Agreement and the Revised Sales Cap are not approved by the Independent Shareholders, the Company has the right to terminate the Amendment Agreement.

The Group has been carrying out certain continuing connected transactions with the San Miguel Group including, among other things, the Beverage Sales which is an income source of the Group. As the Company expects that there may be growth on the Beverage Sales for the year ending 31 December 2013, the Existing Sales Cap for the year ending 31 December 2013 may not be sufficient to meet the Group's Beverage Sales in 2013, and therefore proposes that the Existing Sales Cap for the year ending 31 December 2013 be revised to HK\$181 million.

The Revised Sales Cap was determined based on, among other things, the Company's expectation that there will be a growth in demand by the San Miguel Group for the Group's packaged beer and non-alcoholic beverage products for export markets for the year ending 31 December 2013 after having discussed with the San Miguel Group, the San Miguel Group's preliminary indication on its purchase quantity of packaged beer and non-alcoholic beverage products from the Group in 2013, the expected costs of production and distribution, the expected selling margin, the possible exchange rates fluctuations and the possible inflation. For the two years ended 31 December 2011 and 2012, the actual transaction amount under the Beverage Sales accounted for approximately 96% and 90% of the respective annual cap. For the two months ended 28 February 2013, the actual transaction amount under the Beverage Sales was approximately HK\$11.7 million.

THE NEW AGREEMENT

Date

7 March 2013 (the New Agreement was signed by SMC on 7 March 2013 and by the Company on 8 March 2013)

Parties

The Company and SMC

LETTER FROM THE BOARD

Continuing Connected Transactions and the Caps

Under the New Agreement, the Group will enter into the following Continuing Connected Transactions with the San Miguel Group: (i) purchase by the Group from the San Miguel Group of packaging materials (including, but not limited to, cans, bottles, crown seals and crates) and packaged beer; and (ii) the Beverage Sales.

Term

Subject to the Independent Shareholders' approval on the Continuing Connected Transactions, the New Agreement and the proposed Caps, the New Agreement shall have a term ending on 31 December 2016 and its terms shall apply to the Continuing Connected Transactions for the period commencing on 1 January 2014 to 31 December 2016. In the event that the New Agreement, Continuing Connected Transactions and the Caps are not approved by the Independent Shareholders, the Company has the right to terminate the New Agreement.

Pricing

The Company confirms that the pricing policy of the Company in respect of the Continuing Connected Transactions is on an arm's length basis and is consistent with the Group's historical pricing policy in respect of the past transactions between the Group and the San Miguel Group, which are described below:

(a) Purchase of packaging materials from the San Miguel Group

In respect of the purchase of packaging materials (comprising, but not limited to, cans, bottles, crown seals and crates) by the Group from the San Miguel Group, the prices payable by and the credit terms offered to the Group have historically been negotiated and shall continue to be negotiated between the Group and the San Miguel Group on an annual basis with reference to the prices and credit terms available from suppliers which are independent third parties and are able to meet the Group's stringent quality requirements and delivery schedules and if no such comparable reference prices/credit terms are available, the prices/credit terms shall be determined between the Group and the San Miguel Group based upon reasonable commercial principles being arm's length negotiations between the parties.

In respect of the purchase of packaging materials by the Group, the San Miguel Group is not the sole supplier. The Group compares the prices and credit terms offered by independent suppliers and the San Miguel Group in making vendor selection and purchase decision. In addition, the Group maintains more than one supply source so as to avoid over-reliance on a particular supplier.

LETTER FROM THE BOARD

The Group has entered into several purchase contracts with different suppliers (including a member of the San Miguel Group and other independent suppliers) in respect of purchase of packaging materials of one-year term where the terms are determined on an annual basis. Management of the Group would review the terms of the contracts (including the prices and the credit terms), the nature and the usage of the packaging materials to determine if the packaging materials from independent suppliers are comparable to those supplied by the San Miguel Group. If there are comparable packaging materials available from independent suppliers, the Company will directly compare the terms offered by the independent suppliers and the terms offered by the San Miguel Group.

The Company considers that there are packaging materials available from the independent suppliers that are comparable to those supplied by the San Miguel Group. If there are no comparable packaging materials available from independent suppliers, the Company will then negotiate with the San Miguel Group on an arm's length basis for the terms of the purchases and may consider factor like the Group's profit margin after taking into account the prices of the packaging materials to ensure the terms of the purchases from the San Miguel Group (include the prices) are on normal commercial terms, fair and reasonable and in the interests of the Company and its shareholders.

(b) *Purchase of packaged beer from the San Miguel Group*

In respect of the purchase of packaged beer by the Group from the San Miguel Group, the prices payable by and the credit terms offered to the Group have been and shall continue to be determined by reference to the prices paid by and the credit terms offered to the Group in respect of similar products sourced by the Group from suppliers which are independent third parties and if no such comparable reference prices/credit terms are available, the prices/credit terms shall be determined between the Group and the San Miguel Group based upon reasonable commercial principles being arm's length negotiations between the parties.

In respect of the purchase of packaged beer by the Group from the San Miguel Group, the packaged beer purchased is produced by the San Miguel Group in the Philippines (i.e. beer with the brand "San Miguel Pale Pilsen") which the San Miguel Group is the sole supplier of beer with such brand.

The Group negotiates the prices and credit terms with the San Miguel Group in respect of the purchase of packaged beer on an annual basis. In negotiating the prices and the credit terms with the San Miguel Group, management of the Group would make reference to, among others, the prices paid by and the credit terms offered to the Group in respect of similar products sourced by the Group from suppliers which are independent third parties (i.e. similar packaged beer that the Group sources from independent suppliers for reselling which are of various brand names) and to determine if the products from independent suppliers are comparable to those supplied by the San Miguel Group. If there are comparable products from independent suppliers, the Company will directly compare the terms offered by the independent suppliers and the terms offered by the San Miguel Group.

LETTER FROM THE BOARD

The Company compares the terms of the packaged beer sourced from independent suppliers when considering the terms of the packaged beer sourced from the San Miguel Group. If there are no comparable packaged beer available from independent suppliers, the Company will then negotiate with the San Miguel Group on an arm's length basis for the terms of the purchases and may consider factor like the Group's profit margin after taking into account the prices of the packaged beer to ensure the terms of the purchases from the San Miguel Group (include the prices) are on normal commercial terms, fair and reasonable and in the interests of the Company and its shareholders.

(c) *The Beverage Sales*

In respect of the Beverage Sales, the prices receivable by the Group have been and shall continue to be determined in the ordinary and usual course of business based on the Group's production cost plus profit margins. Such profit margins are determined with reference to profit margins which are no less favourable to the Group than those imposed by the Group on independent third party customers in respect of the sales of similar packaged beer and non-alcoholic beverage products, and if no such comparable profit margins are available, the profit margins shall be determined between the Group and the San Miguel Group based upon reasonable commercial principles being arm's length negotiations between the parties.

The credit terms offered by the Group for the Beverage Sales have been and shall continue to be determined by reference to the credit terms offered by the Group to its independent third party customers, and if no such comparable credit terms are available, the credit terms shall be determined between the Group and the San Miguel Group based on reasonable commercial principles being arm's length negotiations between the parties.

The packaged beer and non-alcoholic beverage products produced by Group will be supplied to (i) the San Miguel Group (i.e. the Beverage Sales that the products will be exported through the San Miguel Group by its international sales channels) and (ii) independent customers in Hong Kong and Macau (the "Domestic Sales"). In negotiating the prices with the San Miguel Group, management of the Group will refer to the Group's production cost plus profit margins and the Group would compare (a) the profit margins of the Beverage Sales to the San Miguel Group and (b) the profit margins of the Domestic Sales to the independent customers, which the profit margins from the Beverage Sales should be no less favourable to the Group than those imposed by the Group on independent third party customers (i.e. the Domestic Sales).

The credit terms offered by the Group for the Beverage Sales shall be determined by reference to the credit terms offered by the Group to its independent third party customers (i.e. the Domestic Sales customers).

There is no provision in the New Agreement requiring the Group to exclusively source packaging materials and packaged beer from the San Miguel Group nor sell the packaged beer and non-alcoholic beverage products to the San Miguel Group.

LETTER FROM THE BOARD

REASONS FOR THE CONTINUING CONNECTED TRANSACTIONS

The Group needs to source various packaging materials including cans, bottles, crown seals and crates for use in the packaging and distribution of its beer products. The San Miguel Group has established itself as a competitively priced and dependable supplier to the Group which meet the Group's stringent quality requirements and delivery schedules.

The Group purchases packaged beer from SMB, a company owned as to 51% by SMC to complement the range of products sold by the Group. The Group believes that this will enhance the product range and earnings potential of the Group.

SMB is a company listed on The Philippine Stock Exchange, Inc. and is principally engaged in the manufacture and sale of fermented and malt-based beverages, particularly beer of all kinds and classes. SMB runs the domestic brewery business of the San Miguel Group in the Philippines.

The packaged beer and non-alcoholic beverage products sold by the Group to the San Miguel Group are produced at the Group's plants located at (i) Shunde District, Foshan City, Guangdong Province, the PRC and (ii) Yuen Long, Hong Kong. The Group sells such packaged beer overseas to widen its income source. However, the Group does not have an international sales force outside Hong Kong and Macau. The Group is able to reach customers in export markets through the San Miguel Group which markets and sells products to customers through its international sales channels. Accordingly, the Group may sell its products, through the San Miguel Group, to certain export markets where the Group will also avoid taking exchange rate risk and counterparty risk with the ultimate customers in the relevant export markets. The Company expects such arrangement will help broaden market shares of the Company's products overseas.

HISTORICAL VALUES AND ANNUAL CAPS

Set out below is a summary of (i) the amounts of the continuing connected transactions between the Group and the San Miguel Group for the two years ended 31 December 2012 and from 1 January to 28 February 2013, (ii) the relevant cap amounts under the Existing Agreement and (iii) the proposed Caps under the New Agreement for the three years ending 31 December 2016:

LETTER FROM THE BOARD

HK\$'000	Year ended 31 December 2011		Year ended 31 December 2012		Actual amount from 1 January 2013 to 28 February 2013 <i>(unaudited)</i>	Year ending 31 December 2013	Caps for the three years ending 31 December 2016 pursuant to the New Agreement		
	Actual amount <i>(audited)</i>	Cap amount	Actual amount <i>(audited)</i>	Cap amount		Cap amount	2014	2015	2016
Purchase of packaging materials by the Group from the San Miguel Group	46,784	47,000	31,740	54,000	1,091	61,000	82,000	89,000	97,000
Purchase of packaged beer by the Group from the San Miguel Group	4,455	4,900	4,665	5,300	560	5,700	6,300	6,800	7,200
The Beverage Sales	93,520	97,000	93,144	103,000	11,745	Under the Existing Agreement: 108,000 Under the Amendment Agreement: 181,000 <i>(note 1)</i>	218,000	257,000	303,000

Note 1: subject to the Independent Shareholders' approval on the Amendment Agreement, the Existing Sales Cap for the Beverage Sales for the year ending 31 December 2013 of HK\$108 million as set out in the Existing Agreement will be revised to HK\$181,000,000. Please refer to the section headed "The Amendment Agreement" for details.

In respect of the Caps in relation to the purchase of packaging materials and packaged beer by the Group from the San Miguel Group, the proposed Caps were determined by reference to a number of factors including, among other things, the historical sales amount of beer products, the marketing plan of the Group's products, the expected growth in demand for the Group's products (after taking into account the possible exchange rate fluctuations and the possible inflation) and the consequential increase in the need for the relevant packaging materials to meet the Group's production requirements.

As set out in the annual report of the Company for the year ended 31 December 2012, in 2013, the Group expects to perform an extensive expansion of the beer dealership network in core markets in South China while strengthening the brand equity of beer products. The Group also expects to restructure its distribution system in Hong Kong to aggressively grow in the channels where the Group is weak at and to maximize opportunities in untapped channels and therefore the Group expects that there may be a growth in demand for the Group's packaging materials from 2014 to 2016 to cope with the expected growth in sales.

LETTER FROM THE BOARD

In respect of the Caps in relation to the Beverage Sales, the proposed Caps were determined by reference to a number of factors including, among other things, the historical product lines, the expected demand for the Group's products and the Company's expectations on the demand for the Group's packaged beer and non-alcoholic beverage products for export markets after having discussed with the San Miguel Group, the San Miguel Group's preliminary indication on its purchase quantity of packaged beer and non-alcoholic beverage products in 2013 from the Group and the expected costs increment in production and distribution, the expected selling margin, the possible exchange rates fluctuations and the possible inflation from 2014 to 2016.

Buffer of 10% has been built in when the Caps were determined with a view to taking into account possible further market demand.

The Directors consider that (i) the Continuing Connected Transactions are entered into in the ordinary course of business of the Group and the terms of the New Agreement and the Caps are on normal commercial terms, fair and reasonable and are in the interests of the Company and the Shareholders as a whole and (ii) the revision of the Existing Sales Cap for the year ending 31 December 2013 pursuant to the Amendment Agreement is on normal commercial terms, fair and reasonable and is in the interests of the Company and the Shareholders as a whole.

EGM

The San Miguel Group controls approximately 65.78% of the issued share capital of the Company. Accordingly, SMC and its associates are connected persons of the Company for the purposes of the Listing Rules. Pursuant to the Listing Rules, if the Company proposes to revise the annual caps under the continuing connected transactions, the Company is required to re-comply with the relevant provisions under Chapter 14A of the Listing Rules. The revision of the Existing Sales Cap is subject to reporting, annual review, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

In addition, the Continuing Connected Transactions under the New Agreement constitute non-exempt continuing connected transactions under the Listing Rules and are likewise subject to reporting, annual review, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

The EGM will be held at Island Ballroom, Level 5, Island Shangri-La Hong Kong, Two Pacific Place, Supreme Court Road, Central, Hong Kong on 19 April 2013, Friday, at 3:45 p.m. (or as soon as the annual general meeting of the Company convened at the same date and place shall conclude or adjourn) to seek the Independent Shareholders' approval for the terms of the Amendment Agreement, the Revised Sales Cap, the New Agreement, the Continuing Connected Transactions and the Caps. Ordinary resolutions will be proposed to approve the Amendment Agreement, the Revised Sales Cap, the New Agreement, the Continuing Connected Transactions and the Caps at the EGM. The notice convening the EGM is set out on pages 37 to 38 of this circular.

In view of the interest of the San Miguel Group in the Continuing Connected Transactions, SMC and its associates (as defined in the Listing Rules), which control approximately 65.78% of the issued share capital of the Company as at the Latest Practicable Date, will abstain from voting at the EGM.

LETTER FROM THE BOARD

Mr. Ramon S. Ang (the Chairman and a non-executive Director of the Company) did not attend the meeting during which the vote on the Board resolutions to approve the transactions contemplated under the New Agreement and the Amendment Agreement (the “Board Resolutions”) was taken. None of the Directors who were present in the said meeting abstained from voting on the Board resolutions in compliance with Rule 14A.59 (18) of the Listing Rules. The Board Resolutions were unanimously passed in the said Board meeting.

Mr. Ang is the Chairman and a non-executive Director of the Company. He is the Vice Chairman, President and Chief Operating Officer of SMC and the Chairman of SMB. Please also refer to (i) pages 29 to 31 to this circular for the details on the Directors’ interests and short positions in the securities of the Company and its associated corporations and (ii) page 33 to this circular for the details on the Directors being directors/employees of companies which have an interest or short position in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

The transfer of books and register of members of the Company will be closed from 17 April 2013, Wednesday, to 19 April 2013, Friday, both days inclusive. To qualify for attending the forthcoming EGM of the Company to be held on 19 April 2013, Friday, 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, Wanchai, Hong Kong for registration not later than 4:30 pm on 16 April 2013, Tuesday.

A form of proxy for use at the EGM is enclosed. Whether or not you propose to attend the meeting, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return the same to the Company’s share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the EGM or any adjournment thereof. Completion and return of the proxy form will not preclude you from attending and voting at the EGM, or any adjournment thereof, should you so wish.

RECOMMENDATION

The Directors consider that the Continuing Connected Transactions, the terms of the Amendment Agreement, the Revised Sales Cap, the New Agreement and the Caps are entered into in the ordinary and usual course of business of the Group, on normal commercial terms, fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

Your attention is drawn to (i) the letter from the Independent Board Committee set out on page 15 of this circular which contains the recommendation from the Independent Board Committee to the Independent Shareholders concerning the Continuing Connected Transactions and the proposed revision of the Existing Sales Cap and (ii) the letter from Ample Capital Limited set out on pages 16 to 28 of this circular which contains its recommendation to the Independent Board Committee and the Independent Shareholders in relation to the Continuing Connected Transactions and the proposed revision of the Existing Sales Cap and the principal factors considered by Ample Capital Limited in arriving at its recommendation.

LETTER FROM THE BOARD

GENERAL

Your attention is drawn to the information set out elsewhere in this circular and in the appendix to it.

By order of the Board
San Miguel Brewery Hong Kong Limited
Ramon S. Ang
Chairman

LETTER FROM THE INDEPENDENT BOARD COMMITTEE



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)

2 April 2013

To the Independent Shareholders

Dear Sir or Madam,

**VARIOUS CONTINUING CONNECTED TRANSACTIONS AND
REVISION OF EXISTING ANNUAL CAP FOR
CONTINUING CONNECTED TRANSACTIONS
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

We refer to the circular dated 2 April 2013 issued to the Shareholders (the “Circular”), of which this letter forms part. Unless the context otherwise requires, terms used in this letter have the same meanings as defined in the Circular.

We have been appointed as members of the Independent Board Committee to advise you in respect of the Continuing Connected Transactions and the proposed revision of the Existing Sales Cap. Ample Capital Limited has been appointed as the independent financial adviser to advise us in respect of the Continuing Connected Transactions and the proposed revision of the Existing Sales Cap.

Having taken into account the advice from Ample Capital Limited and having reviewed the terms of the Amendment Agreement and the New Agreement, we consider that the Continuing Connected Transactions are entered into in the ordinary and usual course of business of the Group and that the terms of the New Agreement and the Amendment Agreement are on normal commercial terms, fair and reasonable so far as the Independent Shareholders are concerned, and are in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend that the Independent Shareholders should vote in favour of the ordinary resolutions to be proposed at the EGM to approve the Amendment Agreement, the Revised Sales Cap, the New Agreement, the Continuing Connected Transactions and the Caps.

We also draw the attention of the Independent Shareholders to the letter from the Board, the letter from Ample Capital Limited and the appendix to the Circular.

Yours faithfully,

**Dr. The Hon. Sir.
David K. P. Li**

Mr. Ng Wai Sun

Mr. Reynato S. Puno

**Mr. Carmelo L.
Santiago**

Independent Board Committee

LETTER FROM AMPLE CAPITAL LIMITED

The following is the full text of the letter from Ample Capital Limited setting out its advice to the Independent Board Committee and the Independent Shareholders for inclusion in this circular.



Ample Capital Limited
Unit A, 14th Floor
Two Chinachem Plaza
135 Des Voeux Road Central
Hong Kong

2 April 2013

To: the Independent Board Committee and
the Independent Shareholders of
San Miguel Brewery Hong Kong Limited

Dear Sirs,

CONTINUING CONNECTED TRANSACTIONS

We refer to our engagement as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders of the Company in connection with the Amendment Agreement, the Revised Sales Cap, the New Agreement, the Continuing Connected Transactions and the Caps, details of which are set out in the “Letter from the Board” in the circular of the Company dated 2 April 2013 (the “Circular”), of which this letter forms a part. Terms used in this letter have the same meanings as defined in the Circular unless the context requires otherwise.

The Group has been carrying out certain continuing connected transactions with the San Miguel Group including, among other things, (i) purchase by the Group from the San Miguel Group of (a) packaging materials for the production of the Group and (b) packaged beer for the Group’s wholesale and retail distribution; and (ii) sales of packaged beer and non-alcoholic beverage products by the Group to the San Miguel Group (or the Beverage Sales). Such transactions constitute continuing connected transactions for the Company in its ordinary and usual course of business. In 2010, the Company entered into the Existing Agreement setting out the terms of the continuing connected transactions between the Group and the San Miguel Group and it will expire on 31 December 2013. The Company entered into the Amendment Agreement dated 7 March 2013 with SMC to amend the Existing Agreement by revising the Existing Sales Cap of HK\$108 million for the Beverage Sales for the year ending 31 December 2013 to the Revised Sales Cap of HK\$181 million. Save for the revision of the Existing Sales Cap to the Revised Sales Cap, all other terms and conditions under the Existing Agreement remain the same. The Company and SMC entered into the New Agreement dated 7 March 2013 with a view to renewing the agreements to carry out the Continuing Connected Transactions from 1 January 2014 to 31 December 2016 on substantially the same terms as those under the Existing Agreement (as amended by the Amendment Agreement).

LETTER FROM AMPLE CAPITAL LIMITED

As at the Latest Practicable Date, the San Miguel Group controls approximately 65.78% of the issued share capital of the Company. Accordingly, SMC and its associates are connected persons of the Company for the purposes of the Listing Rules. Pursuant to the Listing Rules, if the Company proposes to revise the annual caps under the continuing connected transactions, the Company is required to re-comply with the relevant provisions under Chapter 14A of the Listing Rules. The revision of the Existing Sales Cap is subject to reporting, annual review, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

In addition, the Continuing Connected Transactions under the New Agreement constitute non-exempt continuing connected transactions under the Listing Rules and are subject to reporting, annual review, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

An EGM will be convened to seek Independent Shareholders' approval for the terms of the Amendment Agreement, the Revised Sales Cap, the New Agreement, the Continuing Connected Transactions and the Caps. In view of the interest of the San Miguel Group in the Continuing Connected Transactions, SMC and its associates (as defined in the Listing Rules), which control approximately 65.78% of the issued share capital of the Company will abstain from voting at the EGM. The Independent Board Committee, comprised of all the independent non-executive Directors namely Dr. The Hon. Sir. David K. P. Li, Mr. Ng Wai Sun, Mr. Reynato S. Puno and Mr. Carmelo L. Santiago, has been established for the purpose of advising the Independent Shareholders in relation to the Amendment Agreement, the Revised Sales Cap, the New Agreement, the Continuing Connected Transactions and the Caps.

Ample Capital Limited has been appointed by the Company to advise the Independent Board Committee and the Independent Shareholders as to whether the terms of the Amendment Agreement, the Revised Sales Cap, the New Agreement, the Continuing Connected Transactions and the Caps are fair and reasonable so far as the interest of the Company and the Independent Shareholders as a whole are concerned and as to how the Independent Shareholders should vote at the EGM.

In formulating our opinion, we have relied on the information and facts supplied, and the opinions expressed, by the Directors and management of the Company (the "Management") and have assumed that such information, facts and opinions are true and accurate and will remain true up to the time of the EGM. We have also sought and received confirmation from the Management that no material facts have been omitted from the information supplied and opinions expressed. We consider that the information we have received is sufficient for us to reach an informed view and have no reason to believe that any material information has been withheld, or to doubt the truth or accuracy of the information provided. We have however not conducted an independent investigation into the business and affairs of the Group nor have we carried out any independent verification of the information supplied.

In formulating our opinion on the terms of Amendment Agreement, the Revised Sales Cap, the New Agreement, the Continuing Connected Transactions and the Caps, we have taken into consideration the following principal factors:

LETTER FROM AMPLE CAPITAL LIMITED

BACKGROUND OF THE CONTINUING CONNECTED TRANSACTIONS

The principal business activities of the Group are the production and distribution of bottled, canned and draught beers and other beverage products. SMC is the ultimate controlling shareholder of the Company. SMC is one of the Philippines' most diversified conglomerates with operations in beverages, food, packaging, properties, fuel and oil, infrastructure, energy, power, mining, telecommunications and banking.

The Group needs to source various packaging materials including cans, bottles, crown seals and crates for use in the packaging and distribution of its beer products. The San Miguel Group has established itself as a competitively priced and dependable supplier to the Group which meet the Group's stringent quality requirements and delivery schedules.

The Group purchases packaged beer from SMB, a company owned as to 51% by SMC to complement the range of products sold by the Group. The Group believes that this will enhance the product range and earnings potential of the Group.

SMB is a company listed on The Philippine Stock Exchange, Inc. and is principally engaged in the manufacture and sale of fermented and malt-based beverages, particularly beer of all kinds and classes. SMB runs the domestic brewery business of the San Miguel Group in the Philippines.

The packaged beer and non-alcoholic beverage products sold by the Group to the San Miguel Group under the Beverage Sales are produced at the Group's plants located at (i) Shunde District, Foshan City, Guangdong Province, the PRC and (ii) Yuen Long, Hong Kong. The Group sells such packaged beer overseas to widen its income source. However, the Group does not have an international sales force outside Hong Kong and Macau. The Group is able to reach customers in export markets through the San Miguel Group which markets and sells products to customers through its international sales channels. Accordingly, the Group may sell its products, through the San Miguel Group, to certain export markets where the Group will also avoid taking exchange rate risk and counterparty risk with the ultimate customers in the relevant export markets. The Company expects such arrangement will help broaden market shares of the Company's products overseas.

The Group has been carrying on connected transactions with the San Miguel Group for over 10 years, the Group and the San Miguel Group maintain a long and satisfactory relationship. Having considered the principal business of the Group and the nature of the Continuing Connected Transactions, we consider that the Continuing Connected Transactions are natural extension of the Group's business relationship with the San Miguel Group and are conducted in the usual and ordinary course of the business of the Group.

LETTER FROM AMPLE CAPITAL LIMITED

EXISTING AGREEMENT AND AMENDMENT AGREEMENT

As set out in the announcement of the Company dated 18 October 2010 and the circular of the Company dated 8 November 2010, the Company entered into the Existing Agreement setting out the terms of the continuing connected transactions between the Group and the San Miguel Group for the three years ending 31 December, 2013. According to the Existing Agreement, annual caps for the Beverage Sales for the years ended 31 December 2011 and 2012 and the year ending 31 December 2013 amounted to HK\$97 million, HK\$103 million and HK\$108 million respectively, the annual caps and the transactions contemplated thereunder were approved by Independent Shareholders at the extraordinary general meeting of the Company held on 26 November 2010.

However, the Company expects that there may be growth on the Beverage Sales for the year ending 31 December 2013 and the Existing Sales Cap for the year ending 31 December 2013 may not be sufficient to meet such growth in the Group's Beverage Sales in 2013. The Company therefore proposes that the Existing Sales Cap for the year ending 31 December 2013 be revised to HK\$181 million. The Company entered into the Amendment Agreement dated 7 March 2013 with SMC to amend the Existing Agreement by revising the Existing Sales Cap for the Beverage Sales for the year ending 31 December 2013. The Revised Sales Cap was determined based on, among other things, the Company's expectation that there will be a growth in demand for the Group's packaged beer and non-alcoholic beverage products for export markets for the year ending 31 December 2013 after having discussed with the San Miguel Group, the San Miguel Group's preliminary indication on its purchase quantity of packaged beer and non-alcoholic beverage products from the Group in 2013, the expected costs increment in the production and distribution, the expected selling margin, the possible exchange rates fluctuations and the possible inflation. For the two years ended 31 December 2011 and 2012, the actual transaction amount under the Beverage Sales accounted for approximately 96% and 90% of the respective annual cap. For the two months ended February 2013, the actual transaction amount under the Beverage Sales was approximately HK\$11.7 million.

We have reviewed the Existing Agreement, the Amendment Agreement, the New Agreement, the circular of the Company dated 8 November 2010, annual report of the Company for the two years ended 31 December 2012 (the "Annual Reports") and the Company's announcement dated 3 August 2012 in relation to the 2011 Annual Report (the "Related Announcement"). Save for the revision of the Existing Sales Cap to the Revised Sales Cap, all other terms and conditions under the Existing Agreement remain the same. The terms of the Existing Agreement were approved by Independent Shareholders at the extraordinary general meeting of the Company held on 26 November 2010. Furthermore, according to the Annual Reports and the Related Announcement, the independent non-executive directors of the Company have reviewed these connected transactions and confirmed that such transactions were (i) entered into in the ordinary and usual course of business of the Group; (ii) 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 (iii) 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. We also noted that the auditors of the Company 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 and 2012 financial years (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

LETTER FROM AMPLE CAPITAL LIMITED

governing such transactions; (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; and (iv) were not, in all material respects, in accordance with the pricing policies of the Group.

Therefore, we are of the view that the terms of the Amendment Agreement are fair and reasonable in so far as the Company and the Independent Shareholders are concerned. Please refer to “3) The Beverage Sales” under the paragraph headed “Annual Caps” below for our view on the Revised Sales Cap.

The Existing Agreement will expire on 31 December 2013. Accordingly, the Company and SMC entered into the New Agreement dated 7 March 2013 with a view to renewing the agreements to carry out the Continuing Connected Transactions from 1 January 2014 to 31 December 2016 on substantially the same terms as those under the Existing Agreement as amended by the Amendment Agreement.

NEW AGREEMENT

The principal terms of the Continuing Connected Transactions under the New Agreement are summarized as below:

1) Purchase of packaging materials

Vendor: the San Miguel Group

Purchaser: the Group

Price/Credit Terms: negotiated on an annual basis with reference to the prices and credit terms available from independent suppliers and are able to meet the Group’s stringent quality requirements and delivery schedules and if no such comparable reference prices/credit terms are available, the prices/credit terms shall be determined between the Group and the San Miguel Group based upon reasonable commercial principles being arm’s length negotiations between the parties.

We understand from the Management that San Miguel Group was not the sole supplier of the Group’s packaging materials. The Group compares the price and credit terms offered by independent suppliers and San Miguel Group in making vendor selection and purchase decision. In addition, the Group maintains more than one supply source so as to avoid over-reliance in a particular supplier.

The Group has entered into several purchase contracts with different suppliers (including a member of the San Miguel Group and other independent suppliers) in respect of purchase of packaging materials of one-year term where the terms are determined on an annual basis. Management of the Group would review the terms of the contracts (including the prices and the credit terms), the nature and the usage of the packaging materials to determine if the products from independent suppliers are comparable to those supplied by the San Miguel Group. If there are comparable products from independent suppliers, the Company will directly compare the terms offered by the independent suppliers and the terms offered by the San Miguel Group.

LETTER FROM AMPLE CAPITAL LIMITED

In 2012, the Group has purchased packaging materials from not less than four independent suppliers. The allocation of packaging material purchase for 2012 is stated as follow:

	San Miguel Group	Independent suppliers
Amber 640, Amber 330 bottles	—	100%
Flint 640, Flint 330 bottles	—	100%
LN 600 bottles	—	100%
LN 330 bottles	11%	89%
330, 600 Cork	—	100%
640 Cork	2%	98%
330ml Can body	47%	53%
Sot Ends (330, 500 Ends)	70%	30%

We have reviewed 18 sets of the sales invoices issued by San Miguel Group and other independent suppliers to the Group for the supplies of various types of the packaging materials and noted that the terms offered by the San Miguel Group to the Group are of comparable terms to those offered by the independent suppliers. We have also reviewed the quotations of the packaging materials issued by San Miguel Group and 2 other independent suppliers for 2013 and noted that the price and credit terms offered by the San Miguel Group are no less favourable to the Group than terms offered by the independent suppliers.

The Company considers that there are packaging materials available from the independent suppliers that are comparable to those supplied by the San Miguel Group. If there are no comparable packaging materials available from independent suppliers, the Company will then negotiate with the San Miguel Group on arm's length basis for the terms of the purchases and may consider factor like the Group's profit margin after taking into account the prices of the packaging materials to ensure the terms of the purchases from the San Miguel Group (include the prices) are on normal commercial terms, fair and reasonable and in the interests of the Company and its shareholders. As selling prices of the Group's products are determined, to a large extent, by the market, so in the event that there are no comparable packaging materials available in the market, we consider that using the Group's profit margin as basis to determine the price of the packaging materials are on normal commercial terms, fair and reasonable and in the interests of the Company and its shareholders.

LETTER FROM AMPLE CAPITAL LIMITED

2) Purchase of packaged beer

Vendor:	the San Miguel Group
Purchaser:	the Group
Price/Credit Terms:	negotiated on an annual basis with reference to the prices paid by and credit terms offered to the Group in respect of similar products sourced by the Group from suppliers which are independent third parties and if no such comparable reference prices/credit terms are available, the prices/credit terms shall be determined between the Group and the San Miguel Group based upon reasonable commercial principles being arm's length negotiations between the parties.

In respect of the purchase of packaged beer by the Group from the San Miguel Group, the packaged beer purchased is produced by the San Miguel Group in the Philippines (i.e. beer with the brand "San Miguel Pale Pilsen") which the San Miguel Group is the sole supplier of beer with such brand.

The Group negotiates the prices and credit terms with the San Miguel Group in respect of the purchase of packaged beer on an annual basis. In negotiating the prices and the credit terms with the San Miguel Group, management of the Group would make reference to, among others, the prices paid by and the credit terms offered to the Group in respect of similar products sourced by the Group from suppliers which are independent third parties (i.e. similar packaged beer that the Group sources from independent suppliers for reselling which are of various brand names) and to determine if the products from independent suppliers are comparable to those supplied by the San Miguel Group. If there are comparable products from independent suppliers, the Company will directly compare the terms offered by the independent suppliers and the terms offered by the San Miguel Group.

We have reviewed 9 sets of sales invoices issued by San Miguel Group and independent suppliers to the Group for the sales of similar packaged beer products. We noted the terms offered by the San Miguel Group to the Group are comparable to those offered by independent third parties.

If there are no comparable packaged beer available from independent suppliers, the Company will then negotiate with the San Miguel Group on arm's length basis for the terms of the purchases and may consider factor like the Group's profit margin after taking into account the prices of the packaged beer to ensure the terms of the purchases from the San Miguel Group (include the prices) are on normal commercial terms, fair and reasonable and in the interests of the Company and its shareholders.

We have reviewed historical accounting records of the Group for the financial year ended 31 December 2012 and noted that the average gross profit margin of the sales of packaged beers sourced from San Miguel Group is higher than those sourced from the independent third parties. As selling prices of package beer are determined, to a large extent, by the market, so the higher gross profit margin implies that the Group purchased package beer from the San Miguel Group at no less favorable terms as compared with price offered by the independent suppliers.

LETTER FROM AMPLE CAPITAL LIMITED

3) The Beverage Sales

Vendor: the Group

Purchaser: the San Miguel Group

Price/Credit Terms: the prices receivable by the Group have been and shall continue to be determined in the ordinary and usual course of business based on the Group's production cost plus profit margins. Such profit margins are determined with reference to profit margins which are no less favourable to the Group than those imposed by the Group on independent third party customers in respect of the sales of similar packaged beer and non-alcoholic beverage products, and if no such comparable profit margins are available, the profit margins shall be determined between the Group and the San Miguel Group based upon reasonable commercial principles being arm's length negotiations between the parties.

The credit terms offered by the Group for the Beverage Sales have been and shall continue to be determined by reference to the credit terms offered by the Group to its independent third party customers, and if no such comparable credit terms are available, the credit terms shall be determined between the Group and the San Miguel Group based on reasonable commercial principles being arm's length negotiations between the parties.

The packaged beer and non-alcoholic beverage products produced by Group will be supplied to (i) the San Miguel Group (the Beverage Sales); and (ii) independent customers in Hong Kong and Macau (the "Domestic Sales"). In negotiating the prices with the San Miguel Group, management of the Group will refer to the Group's production cost plus profit margins and the Group would compare (a) the profit margins of the Beverage Sales to the San Miguel Group and (b) the profit margins of the Domestic Sales to the independent customers, which the profit margins from the Beverage Sales should be no less favourable to the Group than those imposed by the Group on independent customers (i.e. the Domestic Sales).

The credit terms offered by the Group for the Beverage Sales shall be determined by reference to the credit terms offered by the Group to its independent customers (i.e. the Domestic Sales customers).

We have reviewed the Group's historical accounting records, supply and purchase agreement and invoices. We have compared the net profit margins and credit terms of the sales made to the San Miguel Group and to other independent customers and noted that the credit terms of and the net profit margin derived from the sales to the San Miguel Group are comparable to the sales to the independent customers.

LETTER FROM AMPLE CAPITAL LIMITED

Based on the above, we are of the view that the Continuing Connected Transactions are conducted on normal commercial terms and the terms of the New Agreement are fair and reasonable so far as the Company and the Independent Shareholders are concerned.

ANNUAL CAPS

1) Purchase of packaging materials

Set out below is a summary of the historical utilization of the caps under the Existing Agreement and the proposed new caps under the New Agreement:

	For the year ended/ending 31 December					
	2011	2012	2013	2014*	2015*	2016*
	HK\$'million	HK\$'million	HK\$'million	HK\$'million	HK\$'million	HK\$'million
Existing annual caps/proposed annual caps*	47	54	61	82	89	97
Historical transaction amounts	46.8	31.7	6.5 ⁽¹⁾			
Cap utilization	99%	59%	11%			
Increase in annual cap as compared with previous year's annual cap				34%	9%	9%

Note: (1) annualized amount derived from January and February 2013 actual transaction amounts.

We understand from the Management that annual caps were established by:

- (i) forecasting the turnover of the Group's production bases in Hong Kong and Shunde for the three years ending 31 December 2016. The sales projections were estimated based on, among other things, the historical sales amount, the sales trend, the expected demand for the Group's products;
- (ii) deriving the demand for the packaging materials from the projected/forecasted turnover;
- (iii) comparing the price and credit terms offered by independent suppliers and the San Miguel Group and selecting the vendor for each type of packaging materials;
- (iv) calculating the expected amount of purchases of packaging materials from the San Miguel Group for the three years ending 31 December 2016; and
- (v) adding 10% buffer to the expected amount of purchases of packaging materials from the San Miguel Group for each of the three years ending 31 December 2016.

LETTER FROM AMPLE CAPITAL LIMITED

We note that the utilization rate of the annual caps decreased from 99% in 2011 to 58% in 2012, and then further decreased to 11% in 2013 (based on annualized amount derived from the January and February 2013 historical figures). According to the Company, the Group has restructured and stream-lined its South China operation in 2011 due to fierce market competition. Therefore, the sales performances in 2012 and the two months ended 28 February 2013 were affected.

As set out in the annual report of the Company for the year ended 31 December 2012, in 2013, the Group expects to perform an extensive expansion of the beer dealership network in its core markets in South China while strengthening the brand equity of beer products. The Group also expects to restructure its distribution system in Hong Kong to aggressively grow in the channels where the Group is weak at and to maximize opportunities in untapped channels and therefore the Group expects that there may be a growth in demand for the Group's packaging materials from 2014 to 2016 to cope with the expected growth in sales.

We have reviewed the production plan, the forecast and projections prepared by the Management. We understand that the Company expects that there will be an increase in export sales that have been carried out through the San Miguel Group. (Please refer to "3) The Beverage Sales" below for more information). The expected increase in total sales of the Group's own products implies that the demand for the packaging materials will also increase. In view of the above and after taking into account of the potential inflation, exchange rate fluctuation as well as the 10% buffer, we concur with the view of the Management that the estimated 34% growth in sales in 2014 and about 9% growth in sales per annum in the following years are reasonable.

2) Purchase of packaged beer

Set out below is a summary of the historical utilization of the caps under the Existing Agreement and the proposed new caps under the New Agreement:

	For the year ended/ending 31 December					
	2011	2012	2013	2014*	2015*	2016*
	HK\$'million	HK\$'million	HK\$'million	HK\$'million	HK\$'million	HK\$'million
Existing annual caps/proposed annual caps*	4.9	5.3	5.7	6.3	6.8	7.2
Historical transaction amounts	4.5	4.7	3.4 ⁽¹⁾			
Cap utilization	92%	89%	60%			
Increase in annual cap as compared with previous year's annual cap				11%	8%	6%

Note: (1) annualized amount derived from January and February 2013 actual transaction amounts.

LETTER FROM AMPLE CAPITAL LIMITED

We understand from the Management that the annual caps were established by (i) forecasting the sales volumes of packaged beer purchased from San Miguel Group; and (ii) the expected unit prices of package beer for the three years ending 31 December 2016.

- (i) The expected sales volumes were determined based on, among other things, the historical sales amount, the growth rates and the expected demand on the sales of the products.
- (ii) The unit price projection was mainly based on, among other things, the expected increase in cost of production and distribution as well as the possible inflation and fluctuation in exchange rates.

We have reviewed the forecast and projections prepared by the Management. The projected increase in purchase of package beer is less than 10% per annum for the three years ending 31 December 2016 after taking into account of the potential inflation, exchange rate fluctuation as well as the expected growth in demand for the Group's packaged beer from 2014 to 2016 due to the expected expansion of the beer dealership network in South China and grow in the distribution channels in Hong Kong in 2013. After adding the 10% buffer to the expected packaged beer purchases from San Miguel Group, the growth rates of the Caps are in the range of 6% - 11% per annum for the three years ending 31 December 2016. We consider that it is reasonable for the Group to adopt the above basis and assumptions in determining the amount of the Caps for the Group's purchase of packaged beer for the three year ending 31 December 2016.

3) The Beverage Sales

Set out below is a summary of the historical utilization of the caps under the Existing Agreement and the proposed new caps under the New Agreement and the proposed Revised Sales Cap:

	For the year ended/ending 31 December					
	2011	2012	2013	2014*	2015*	2016*
	HK\$'million	HK\$'million	HK\$'million	HK\$'million	HK\$'million	HK\$'million
Existing annual caps/proposed annual caps*	97	103	108 (Existing) 181 (Revised Sales Cap)	218	257	303
Historical transaction amounts	94	93	70 ⁽¹⁾			
Cap utilization	97%	90%	65%			
Increase in annual cap as compared with previous year's annual cap				20%	18%	18%

Note: (1) annualized amount derived from January and February 2013 actual transaction amounts.

LETTER FROM AMPLE CAPITAL LIMITED

As the Company expects that there may be growth on the Beverage Sales for the year ending 31 December 2013, the Existing Sales Cap for the year ending 31 December 2013 may not be sufficient to meet the Group's Beverage Sales in 2013, and therefore proposes that the Existing Sales Cap for the year ending 31 December 2013 be revised from HK\$108 million to HK\$181 million. The Revised Sales Cap was determined based on, among other things, the Company's expectation that there will be a growth in demand for the Group's packaged beer and non-alcoholic beverage products for export markets for the year ending 31 December 2013 after having discussed with the San Miguel Group, the San Miguel Group's preliminary indication on its purchase quantity of packaged beer and non-alcoholic beverage products in 2013 from the Group and the expected costs increment in the production and distribution, the expected selling margin, the possible exchange rates fluctuations and the possible inflation in 2014 to 2016. For the two years ended 31 December 2011 and 2012, the actual transaction amount under the Beverage Sales accounted for approximately 97% and 90% of the respective annual cap. For the two months ended February 2013, the actual transaction amount under the Beverage Sales was approximately HK\$11.7 million. The Company expects lower average sales during the first few months of the year owing to the seasonality factor wherein beer consumption tends to be lower during the winter season and peaks during the summer months.

We have reviewed the forecast and projections prepared by the Management and understand from the Company that the annual caps for Beverage Sales were determined by forecasting (i) the sales volumes; (ii) the costs of production; and (iii) the profit margins for the three years ending 31 December 2016.

- (i) The expected sales volumes were determined based on, among other things, the historical sales amount, the sales trend and the San Miguel Group's indication of expected demand on the Group's products.
- (ii) The cost of productions projection were mainly based on, among other things, the expected increase in cost of production and distribution as well as the fluctuation in inflation and exchange rates.
- (iii) The projected profit margins were mainly based on profit margin of the Group's own products (locally brewed) for the financial year ended 31 December 2012.

Given the fact that over 90% of the Existing Sales Caps were utilized in 2011 and 2012, and the sales forecast and the Revised Sales Cap are based, to a large extent, on the San Miguel Group's indication of its estimated orders to be placed with the Group in 2013, the Company believes that the sales forecast is possible to achieve.

For the three years ending 31 December, 2016, the growth rate in the Caps is about 20% per annum. Such growth rate is based on, among other things, the expected growth in sales, expected increase in cost of production and distribution, possible inflation and exchange rate fluctuation. We consider that it is reasonable for the Group to adopt the above basis and assumptions for determining the amount of the Revised Sales Cap for the year ending 31 December 2013 and the Caps in respect of the Beverage Sales for the three years ending 31 December 2016.

LETTER FROM AMPLE CAPITAL LIMITED

All of the Revised Sales Cap and the Caps have included 10% buffer. We note that the transactions under the Amendment Agreement and the New Agreement are conducted in the ordinary and usual course of business of the Group and are of a revenue nature. Accordingly, the 10% buffer would allow the Group to (i) reduce the possibility of disruption to its business operations due to the caps being exceeded; and (ii) lower the chance of seeking revised enlarged caps in the future which would inevitably incur additional costs to the Group. Since the underlying transactions are fair and reasonable as discussed earlier, we consider that the inclusion of a buffer is also fair and reasonable.

OPINION ON THE AMENDMENT AGREEMENT AND NEW AGREEMENT

Having taken into consideration the above principal factors and reasons, we are of the view that the Amendment Agreement, the Revised Sales Cap, the New Agreement, the Continuing Connected Transactions and the Caps are in the ordinary and usual course of business of the Group, on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole. Accordingly, we would recommend the Independent Shareholders, as well as the Independent Board Committee to advise the Independent Shareholders, to vote in favour of the proposed resolution to approve the Amendment Agreement, the Revised Sales Cap, the New Agreement, the Continuing Connected Transactions and the Caps in the upcoming EGM.

Yours faithfully,
For and on behalf of
Ample Capital Limited

Jenny Chan
President
Investment Banking

H. W. Tang
President

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTERESTS**(a) Directors' interests and short positions in the securities of the Company and its associated corporations**

As at the Latest Practicable Date, the interests and short positions of the Directors and the chief executive of the Company in the Shares, underlying Shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which (i) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) were required to be entered in the register maintained by the Company pursuant to section 352 of the SFO; or (iii) were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as contained in the Listing Rules, were as follows:

(1) Interests in issued shares

Name	Number of ordinary shares of HK\$0.50 each in the Company	
	Number of shares held	% of total issued shares
David K. P. Li	500,000	0.13%

Name	Number of common shares in 5 Philippine pesos each in San Miguel Corporation	
	Number of shares held	% of total issued shares
Ramon S. Ang	368,898,389	11.03%
Carlos Antonio M. Berba	23,645	0.000687%
Roberto N. Huang	22,600	0.000686%
Reynato S. Puno	5,000	0.000145%
Carmelo L. Santiago	5,000	0.000145%
Ramon G. Torralba	22,600	0.000686%

Name	Number of common shares in 1 Philippine peso each in San Miguel Brewery Inc.	
	Number of shares held*	% of total issued shares
Ramon S. Ang	5,000	0.000032%
Carlos Antonio M. Berba	5,000	0.000032%
Teruyuki Daino	5,000	0.000032%
Roberto N. Huang	5,000	0.000032%
Shobu Nishitani	5,000	0.000032%
Carmelo L. Santiago	5,000	0.000032%

* *includes corporate interest*

(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 as at the Latest Practicable Date are as follows:

Stock options in San Miguel Corporation				
Name	Date granted	Exercise period up to	Exercise price per option (Philippine pesos)	Number of options outstanding as at the Latest Practicable Date
Common (par value of 5 Philippine pesos each):				
Ramon S. Ang	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	16/12/2010	16/12/2018	120.33	41,556
Roberto N. Huang	16/12/2010	16/12/2018	120.33	50,793
Ramon G. Torralba	16/12/2010	16/12/2018	120.33	8,991

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

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or the chief executive of the Company had or was deemed to have any interest or short position in the Shares, underlying Shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which (i) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have such provisions of the SFO); or (ii) were required to be entered in the register maintained by the Company pursuant to section 352 of the SFO; or (iii) were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as contained in the Listing Rules.

(b) Persons or corporations who have an interest or short position which is discloseable under Divisions 2 and 3 of Part XV of the SFO and substantial shareholders of members of the Group

So far as is known to each Director or the chief executive of the Company, as at the Latest Practicable Date, the following persons or corporations had an interest or short position in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who/which was, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group and the amount of each of such persons's/corporation's interest in such securities, together with particulars of any options in respect of such capital, were as follows:

Substantial shareholders	Ordinary shares of HK\$0.50 each	
	Number of ordinary shares held	% of total issued shares
San Miguel Corporation (<i>note 1</i>)	245,720,800	65.78%
Kirin Holdings Company, Limited (<i>note 1</i>)	245,720,800	65.78%
San Miguel Brewery Inc. (<i>note 1</i>)	245,720,800	65.78%
San Miguel Brewing International Limited (<i>note 1</i>)	245,720,800	65.78%
Neptunia Corporation Limited (<i>note 1</i>)	245,720,800	65.78%
Cheung Kong (Holdings) Limited (<i>note 2</i>)	23,703,000	6.34%
Li Ka-Shing Unity Trustee Company Limited (<i>note 2</i>) (as trustee of The Li Ka-Shing Unity Trust)	23,703,000	6.34%
Li Ka-Shing Unity Trustcorp Limited (<i>note 2</i>) (as trustee of another discretionary trust)	23,703,000	6.34%
Li Ka-Shing Unity Trustee Corporation Limited (<i>note 2</i>) (as trustee of The Li Ka-Shing Unity Discretionary Trust)	23,703,000	6.34%
Li Ka-Shing (<i>note 2</i>)	23,703,000	6.34%

Notes:

- (1) SMC, Kirin Holdings Company, Limited (“Kirin”), 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”). Mr. Li Ka-Shing and Mr. Li Tzar Kuoi, Victor are respectively interested in one-third and two-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 and Mr. Li Tzar Kuoi, Victor as a holder of the shares of Unity Holdco as aforesaid.

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

- (3) The following Directors are directors/employees of companies which have an interest or short position in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO:

Mr. Ramon S. Ang is the Vice Chairman, President and Chief Operating Officer of SMC and Chairman of SMB. Mr. Carlos Antonio M. Berba is a director of SMB, Managing Director of SMBIL, and a director of Neptunia. Mr. Teruyuki Daino is a director and the Executive Vice President of SMB and a director of SMBIL. Mr. Roberto N. Huang is a director and President of SMB and a director of SMBIL. Mr. Taro Matsunaga is the Executive Vice President and a director of SMBIL. Mr. Shobu Nishitani is the Executive Financial Adviser and a director of SMB and a director of SMBIL. Mr. Reynato S. Puno is an independent director of SMC. Mr. Carmelo L. Santiago is an independent director of SMB.

(c) Interests in a subsidiary

As at the Latest Practicable Date, the following corporation was, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the following member of the Group:

Name of subsidiary	Name of shareholder	% of interest in subsidiary
Guangzhou San Miguel Brewery Company Limited	Guangzhou Brewery	30%

Save as disclosed above, as at the Latest Practicable Date, none of the Directors nor the chief executive of the Company was aware of any other person or corporation who had an interest or short position in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who/which was, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group, or any options in respect of such capital.

3. SERVICE CONTRACTS

Pursuant to an agreement dated 12 June 1963, Neptunia 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. Roberto N. Huang, Mr. Taro Matsunaga, Mr. Shobu Nishitani, Mr. Reynato S. Puno 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 SMB, SMBIL and SMC, the ultimate holding company of Neptunia. General Managers' commission has not been paid by the Company or charged by Neptunia since the 1995 financial year.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors had entered, or proposed to enter, into a service contract with any member of the Group which does not expire or is not determinable by the relevant member of the Group within one year without compensation, other than statutory compensation.

4. COMPETING INTEREST

As at the Latest Practicable Date, none of the Directors and his/her associates had any interests which competed or was likely to compete, either directly or indirectly, with the Company's business.

5. NO MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial and trading position of the Group since 31 December 2012, being the date to which the latest published audited financial statements of the Company were made up.

6. INTERESTS IN ASSETS AND/OR CONTRACTS AND OTHER INTERESTS

As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any asset which had been, since 31 December 2012, being the date to which the latest published audited financial statements of the Company were made up, acquired or disposed of by or leased to any member of the Group.

Save as disclosed in the section headed “Service Contracts” above, as at the Latest Practicable Date, none of the Directors was materially interested in any contract or arrangement which is significant in relation to the business of the Company.

7. QUALIFICATION AND CONSENT OF EXPERT

The following is the qualification of the expert who has given opinions or advice, which are contained or referred to in this circular:

Name	Qualification
Ample Capital Limited	a corporation licensed to carry on type 4 (advising on securities), type 6 (advising on corporate finance) and type 9 (asset management) regulated activities under the SFO

Ample Capital Limited has made its letter for incorporation in this circular. Ample Capital Limited has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter and references to its name in the form and context in which it appears.

As at the Latest Practicable Date, Ample Capital Limited did not have any shareholding interests in any member of the Group or any right (whether legally enforceable or not) to subscribe for or nominate persons to subscribe for any Share or share in any member of the Group.

As at the Latest Practicable Date, Ample Capital Limited did not have any direct or indirect interest in any asset which had been, since 31 December 2012, being the date to which the latest published audited financial statements of the Company were made up, acquired or disposed of by or leased to any member of the Group.

8. GENERAL

- (a) Mr. John Ka Lun Cheung is the chief finance officer, company secretary, service agent and authorised representative of the Company.

Mr. Cheung is a member of the Institute of Management Accountants. Mr. Cheung received a Master’s degree and a Bachelor’s degree, both in Business Administration, from Georgia State University, USA.

- (b) The Company's share registrar is Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.
- (c) In the event of inconsistency, the English text of this circular shall prevail over the Chinese text.

9. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the Company's registered office, 9th Floor, Citimark Building, 28 Yuen Shun Circuit, Siu Lek Yuen, Shatin, New Territories, Hong Kong during normal business hours up to and including the date of the EGM:

- (a) the New Agreement;
- (b) the Existing Agreement;
- (c) the Amendment Agreement;
- (d) the agreement referred to in the section headed "Service Contracts" in this appendix;
- (e) the letter from Ample Capital Limited, the text of which is set out in this circular;
- (f) the consent letter of Ample Capital Limited referred to in the section headed "Qualification and Consent of Expert" in this appendix; and
- (g) the circular of the Company dated 8 November 2010.

NOTICE OF EGM



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 EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting of the shareholders 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 19 April 2013, Friday at 3:45 p.m. (or as soon as the annual general meeting of the Company convened at the same date and place shall conclude or adjourn) for the purpose of considering and, if thought fit, passing with or without modifications, the following resolutions as ordinary resolutions of the Company:

ORDINARY RESOLUTIONS

1. **“THAT:** the amendment agreement dated 7 March 2013 (the “Amendment Agreement”) entered into between San Miguel Corporation, the ultimate controlling shareholder of the Company, and the Company, a copy of which marked “A” has been produced to the meeting and signed by the Chairman of the meeting for the purpose of identification, and the transactions contemplated thereunder be and are hereby approved, ratified and confirmed and the Revised Sales Cap for the year ending 31 December 2013 (as defined and described in the circular of the Company dated 2 April 2013 (the “Circular”)) in respect of the maximum annual aggregate value under the Beverage Sales (as defined in the Circular) for the year ending 31 December 2013 be and are hereby approved, and the directors of the Company be and are hereby authorised on behalf of the Company to sign, seal, execute, perfect, deliver and do all such documents, deeds, acts, matters and things as they may in their discretion consider necessary or desirable or expedient to implement and/ or to give effect to the Amendment Agreement and the Revised Sales Cap and the transactions thereby contemplated.”
2. **“THAT:** the agreement dated 7 March 2013 (the “New Agreement”) entered into between San Miguel Corporation and the Company, a copy of which marked “B” has been produced to the meeting and signed by the Chairman of the meeting for the purpose of identification, and the transactions contemplated thereunder be and are hereby approved, ratified and confirmed and the proposed annual caps (the “Caps”) in relation to the transactions contemplated under the New Agreement for each of the three financial years ending 31 December 2014, 2015 and 2016

NOTICE OF EGM

as set out in the Circular be and are hereby approved, and the directors of the Company be and are hereby authorised on behalf of the Company to sign, seal, execute, perfect, deliver and do all such documents, deeds, acts, matters and things as they may in their discretion consider necessary or desirable or expedient to implement and/or to give effect to the New Agreement and the Caps and the transactions thereby contemplated.”

By order of the Board
San Miguel Brewery Hong Kong Limited
John Ka Lun Cheung
Company Secretary

Hong Kong, 2 April 2013

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

As at the date hereof, the Board of the Company comprises the executive director, Mr. 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.

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 transfer of books and register of members of the Company will be closed from 17 April 2013, Wednesday, to 19 April 2013, Friday, both days inclusive. To qualify for attending the forthcoming extraordinary general meeting of the Company to be held on 19 April 2013, Friday, 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, Wanchai, Hong Kong for registration no later than 4:30 pm on 16 April 2013, Tuesday.



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 Fiftieth 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 **19 April 2013, 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 2012 together with the reports of the directors and the independent auditors thereon.		
2.	To re-elect executive director:		
	(i) To re-elect Mr. Ramon G. Torralba as director;		
	To re-elect non-executive directors:		
	(ii) To re-elect Mr. Ramon S. Ang as director;		
	(iii) To re-elect Mr. Carlos Antonio M. Berba as director;		
	(iv) To re-elect Ms. Chan Wen Mee, May (Michelle) as director;		
	(v) To re-elect Mr. Teruyuki Daino as director;		
	(vi) To re-elect Mr. Roberto N. Huang as director;		
	(vii) To elect Mr. Takeshi Wada as director;		
	To re-elect independent non-executive director:		
	(viii) To re-elect Mr. Reynato S. Puno 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 _____ 2013.

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)

18 March 2013

TO OUR SHAREHOLDERS

Dear Sir/Madam,

We have pleasure in enclosing the 2012 Annual Report of San Miguel Brewery Hong Kong Limited (the "Company"), the notice of the Fiftieth 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 **19 April 2013, 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 15 April 2013, 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

Ramon G. Torralba

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 Fiftieth 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 FIFTIETH 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 19 April 2013, 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 2012 together with the reports of the directors and the independent auditors thereon.

- (2) To re-elect executive director:

- (i) To re-elect Mr. Ramon G. Torralba as director;

To re-elect non-executive directors:

- (ii) To re-elect Mr. Ramon S. Ang as director;

- (iii) To re-elect Mr. Carlos Antonio M. Berba as director;

- (iv) To re-elect Ms. Chan Wen Mee, May (Michelle) as director;

- (v) To re-elect Mr. Teruyuki Daino as director;

- (vi) To re-elect Mr. Roberto N. Huang as director;

- (vii) To elect Mr. Takeshi Wada as director;

To re-elect independent non-executive director:

- (viii) To re-elect Mr. Reynato S. Puno 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.

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

Hong Kong, 18 March 2013

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 is comprised of 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.

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 17 April 2013, Wednesday to 19 April 2013, 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 16 April 2013, 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 info.sanmiguel.com.hk and the website of Hong Kong Exchanges and Clearing Limited at 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 or elected at the Annual General Meeting.*

APPENDIX:

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

1. **Mr. Ramon G. TORRALBA**, BSc, aged 56, was appointed as Executive Director and Managing Director of the Company with effect from 15 January 2013. Mr. Torralba was the Vice President and Manager for Export Development of San Miguel Brewing International Limited (a subsidiary of San Miguel Brewery Inc. (the shares of which are listed on the Philippine Stock Exchange)) since 2007. He was also a Director of San Miguel (Thailand) Company, Ltd. from 2006 to 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 Co. Ltd., San Miguel (Guangdong) Brewery Co. Ltd. and San Miguel (Baoding) Brewery Co. Ltd. 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 is a Certified Public Accountant and a member of the Philippine Institute of Certified Public Accountants.

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

Mr. Torralba has entered into a service agreement with the Company for a monthly remuneration of HK\$118,963 by reference to his duties and responsibilities in the Company and is eligible for an annual bonus and other compensation at the sole and absolute discretion of the remuneration committee of the Company. As he was appointed as executive Director and Managing Director with effect from 15 January 2013, he has not received any remuneration for the year ended 31 December 2012. There is no designated length of service for Mr. Torralba with the Company and he will be subject to retirement by rotation and re-election in accordance with the Company’s Articles of Association.

Mr. Torralba is entitled to receive an annual director’s fee of HK\$50,000 which is determined by reference to his duties and responsibilities in the Company and is subject to revision by the remuneration committee and the board of Directors (the “Board”) of the Company under the authority granted by shareholders at annual general meetings. Mr. 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 in this appendix, Mr. Torralba does not have any relationships with any of the Company’s directors, senior management, substantial shareholders or controlling shareholders of the Company (as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, the “Listing Rules”).

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

(i) Interests in issued shares

	Number of common shares in San Miguel Corporation	
	<i>Number of shares held</i>	<i>% of total issued shares</i>
Common (par value of 5 Philippine pesos each):	22,600	0.000686%

(ii) Interests in underlying shares

	Stock Options in San Miguel Corporation		
	<i>Share options granted</i>	<i>Exercise price per option (Philippine pesos)</i>	<i>Exercise period up to</i>
Common (par value of 5 Philippine pesos each):	8,991	120.33	16 December 2018

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

As at the date hereof, save as disclosed in this appendix, Mr. Torralba 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. Torralba 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. Ramon S. ANG**, *BSME*, aged 59, 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 and President 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), the Vice Chairman 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). He is also the President and Chief Operating Officer of PAL Holdings, Inc. (the shares of which are listed on the Philippine Stock Exchange) and Philippine Airlines, Inc.

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

Mr. Ang has not entered into any service agreement with the Company in relation to his appointment but he is entitled to receive an annual director’s fee of HK\$50,000 which is determined by reference to his duties and responsibilities in the Company and is subject to revision by the remuneration committee and the Board of the Company under the authority granted by shareholders at annual general meetings. Mr. Ang’s appointment as a non-executive Director is not for a specific term as he is subject to retirement by rotation and re-election at annual general meetings in accordance with the Articles of Association of the Company. For the financial year ended 31 December 2012, Mr. Ang has agreed not to receive any director’s remuneration.

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

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

(i) Interests in issued shares

	Number of common shares in San Miguel Corporation	
	<i>Number of shares held</i>	<i>% of total issued shares</i>
Common (par value of 5 Philippine pesos each):	368,898,389	11.03%

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

* includes corporate interest

(ii) Interests in underlying shares

	Stock Options in San Miguel Corporation		
	<i>Share options granted</i>	<i>Exercise price per option (Philippine pesos)</i>	<i>Exercise Period up to</i>
Common			
(par value of 5 Philippine pesos each):	204,654	65.00	10 November 2013
	136,436	89.50	10 November 2013
	993,386	63.50	1 March 2015
	662,258	75.50	1 March 2015
	765,603	40.50	26 June 2016
	587,556	58.05	25 June 2017

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

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

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

3. **Mr. Carlos Antonio M. BERBA**, *MBA, MSc, BSc*, aged 48, 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 Director of Neptunia Corporation 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 (the shares of which are listed on the Indonesia Stock Exchange), a Director of San Miguel Beer (Thailand) Limited, San Miguel Holdings (Thailand) Ltd., San Miguel Marketing (Thailand) Limited and various other subsidiaries of the Company. Mr. Berba has 27 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.

Save as his directorships and appointments as disclosed in this appendix, Mr. Berba 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, the Deputy Chairman, a member of remuneration committee of the Company and director of various subsidiaries, Mr. Berba does not hold any other position in the Company or its subsidiaries.

Mr. Berba has not entered into any service agreement with the Company in relation to his appointment but he is entitled to receive an annual director's fee of HK\$50,000 which is determined by reference to his duties and responsibilities in the Company and is subject to revision by the remuneration committee and the Board of the Company under the authority granted by shareholders at annual general meetings. Mr. Berba's appointment as a non-executive Director is not for a specific term as he is subject to retirement by rotation and re-election at annual general meetings in accordance with the Articles of Association of the Company. For the financial year ended 31 December 2012, Mr. Berba has agreed not to receive any director's remuneration.

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

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

(i) Interests in issued shares

	Number of common shares in San Miguel Corporation	
	<i>Number of shares held</i>	<i>% of total issued shares</i>
Common (par value of 5 Philippine pesos each):	23,645	0.000687%

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

* includes corporate interest

(ii) Interests in underlying shares

	Stock Options in San Miguel Corporation		
	<i>Share options granted</i>	<i>Exercise price per option (Philippine pesos)</i>	<i>Exercise Period up to</i>
Common (par value of 5 Philippine pesos each):	41,556	120.33	16 December 2018

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

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

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

4. **CHAN Wen Mee, May (Michelle)**, aged 48, was appointed as a non-executive Director on 11 March 2011. Ms. Chan served as Managing Director of A.S. Watson Industries Limited. She served as Managing Director of Hutchison Harbour Ring Limited from 1 February 2006 to 31 October 2010 and served as Executive Deputy Managing Director of Hutchison Harbour Ring Limited from 18 May 2005 to 31 January 2006. Ms. Chan has extensive experience in managing property development and investment businesses in mainland China. She also holds directorships in certain companies controlled by Hutchison Whampoa Limited. Ms. Chan holds a Bachelor's degree in Business Administration.

Save as her directorships and appointments as disclosed in this appendix, Ms. Chan 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, Ms. Chan does not hold any other position in the Company or its subsidiaries.

Ms. Chan has not entered into any service agreement with the Company in relation to her appointment but she is entitled to receive an annual director's fee of HK\$50,000 which is determined by reference to her duties and responsibilities in the Company and is subject to revision by the remuneration committee and the Board of the Company under the authority granted by shareholders at annual general meetings. Ms. Chan's appointment as a non-executive Director is not for a specific term as she is subject to retirement by rotation and re-election at annual general meetings in accordance with the Articles of Association of the Company. For the financial year ended 31 December 2012, Ms. Chan has agreed not to receive any director's remuneration.

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

As at the date hereof, Ms. Chan does not have any 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 Ms. Chan 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.

5. **Mr. Teruyuki DAINO**, *MBA, BS*, aged 52, appointed as a non-executive Director of the Company on 20 May 2011. Mr. Daino is a member of the nomination committee of the Company. He 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, San Miguel Beer (Thailand) Limited and San Miguel Holdings (Thailand) Ltd. He was the General Sales Manager of Gifu Branch of Kirin Brewery Company Limited (2009- March 2011), President and Chief Executive Officer of Four Roses Distillery, LLC (2002-2009), Planning Manager of Corporate Planning Department of Kirin Brewery Company Limited (1998-2002), Business Planning Manager of Budweiser Japan Company (1993-1997) and Brand Manager of Marketing Department of Kirin Brewery Company Limited (1988-1993). Mr. Daino graduated from Hitotsubashi University in 1983 with a Bachelor's degree in Economics and later obtained a Master's degree in Business Administration from the Massachusetts Institute of Technology in 1998.

Save as his directorships and appointments as disclosed in this appendix, Mr. Daino 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 nomination committee of the Company, Mr. Daino does not hold any other position in the Company or its subsidiaries.

Mr. Daino has not entered into any service agreement with the Company in relation to his appointment but he is entitled to receive an annual director's fee of HK\$50,000 which is determined by reference to his duties and responsibilities in the Company and is subject to revision by the remuneration committee and the Board of the Company under the authority granted by shareholders at annual general meetings. Mr. Daino's appointment as a non-executive Director is not for a specific term as he is subject to retirement by rotation and re-election at annual general meetings in accordance with the Articles of Association of the Company. For the financial year ended 31 December 2012, Mr. Daino has agreed not to receive any director's remuneration.

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

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

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

* includes corporate interest

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

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

In relation to the re-election of Mr. Daino 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.

6. **Mr. Roberto HUANG**, *MBA, BSME*, aged 64, has been appointed as non-executive Director and remuneration committee member of the Company with effect from 8 November 2012. Mr. Huang is a Director and President of San Miguel Brewery Inc. (the shares of which are listed on the Philippine Stock Exchange). He is also a Director of San Miguel Brewing International Limited, and Chairman and President of Iconic Beverages, Inc., Brewery Properties Inc., and Brewery Landholdings, Inc. He was the General Manager of San Miguel Brewery Inc. (2007-2009) (the shares of which are listed on the Philippine Stock Exchange), Director of Ginebra San Miguel Inc. (2004-2008) (the shares of which are listed on the Philippine Stock Exchange) and San Miguel Pure Foods Company, Inc. (2004-2008) (the shares of which are listed on the Philippine Stock Exchange), 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.

Save as his directorships and appointments as disclosed in this appendix, Mr. Huang 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, Mr. Huang does not hold any other position in the Company or its subsidiaries.

Mr. Huang 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. Huang'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 2012, Mr. Huang has agreed not to receive any director's remuneration.

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

(i) Interests in issued shares

	Number of common shares in San Miguel Corporation	
	<i>Number of shares held</i>	<i>% of total issued shares</i>
Common (par value of 5 Philippine pesos each):	22,600	0.000686%

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

* includes corporate interest

(ii) Interests in underlying shares

	Stock Options in San Miguel Corporation		
	<i>Share options granted</i>	<i>Exercise price per option (Philippine pesos)</i>	<i>Exercise Period up to</i>
Common (par value of 5 Philippine pesos each):	50,793	120.33	16 December 2018

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

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

7. **Mr. Takeshi WADA**, aged 52, is a Director of Sales Department of Heineken Kirin K.K. He served as Deputy General Manager of Sales Department of Kirin Brewery Company, Limited (2008-2009) and General Sales Manager of Niigata Branch of Kirin Brewery Company, Limited (2005-2008). He also served as Planning Manager of Metropolitan Regional Sales & Marketing Division of Kirin Brewery Company, Limited (2002-2005). Mr. Wada graduated from University of Tokyo (Faculty of Law) in 1984.

Save as his directorships and appointments as disclosed in this appendix, Mr. Wada 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. Wada does not hold any other position in the Company or its subsidiaries.

Mr. Wada 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. Wada's appointment as a non-executive Director is not for a specific term as he is subject to retirement by rotation and re-election at annual general meetings in accordance with the Articles of Association of the Company.

Save as disclosed in this appendix, Mr. Wada 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. Wada 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 election of Mr. Wada 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.

8. **Mr. Reynato S. PUNO**, *MCL, LLM, LLB*, aged 72, has been appointed as independent non-executive Director and nomination committee member of the Company from 8 November 2012. Mr. Puno is an independent director of San Miguel Corporation (the shares of which are listed on the Philippine Stock Exchange) since 2011. 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. Mr. Puno 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 as his directorships and appointments as disclosed in this appendix, Mr. Puno 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 and a member of nomination committee of the Company, Mr. Puno does not hold any other position in the Company or its subsidiaries.

Mr. Puno 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. Puno'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 2012, Mr. Puno has agreed not to receive any director's remuneration.

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

	Number of common shares in San Miguel Corporation	
	<i>Number of shares held</i>	<i>% of total issued shares</i>
Common (par value of 5 Philippine pesos each):	5,000	0.000145%

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

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



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

本年報內所有幣值，除另有註明外，均以港幣計算。

CORPORATE INFORMATION | 公司資料

BOARD OF DIRECTORS

CHAIRMAN

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

DEPUTY CHAIRMAN

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

EXECUTIVE DIRECTOR

Peter K. Y. Tam (resigned on 15 January 2013)

Ramon G. Torralba (appointed on 15 January 2013)

NON-EXECUTIVE DIRECTOR

Chan Wen Mee, May (*Michelle*)

Thelmo Luis O. Cunanan Jr. (resigned on 8 November 2012)

Teruyuki Daino

Benjamin P. Defensor Jr. (resigned on 8 November 2012)

Roberto N. Huang (appointed on 8 November 2012)

Taro Matsunaga

Shobu Nishitani

INDEPENDENT NON-EXECUTIVE DIRECTOR

David K.P. Li, GBM, JP

Ng Wai Sun

Reynato S. Puno (appointed on 8 November 2012)

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. (resigned on 8 November 2012)

Roberto N. Huang (appointed on 8 November 2012)

David K.P. Li, GBM, JP

Carmelo L. Santiago

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 (於二零一三年一月十五日辭任)

杜華博 (於二零一三年一月十五日獲委任)

非執行董事

陳雲美

Thelmo Luis O. Cunanan Jr.

(於二零一二年十一月八日辭任)

代野照幸

戴豐盛 (於二零一二年十一月八日辭任)

黃思民 (於二零一二年十一月八日獲委任)

松永太郎

西谷尚武

獨立非執行董事

李國寶, GBM, JP

吳維新

Reynato S. Puno

(於二零一二年十一月八日獲委任)

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 (於二零一二年十一月八日辭任)

黃思民 (於二零一二年十一月八日獲委任)

李國寶, GBM, JP

施雅高

CORPORATE INFORMATION | 公司資料

NOMINATION COMMITTEE

Carmelo L. Santiago, *Chairman*
Thelmo Luis O. Cunanan, Jr. (resigned on 8 November 2012)

Teruyuki Daino
David K.P. Li, GBM, JP
Ng Wai Sun
Reynato S. Puno (appointed on 8 November 2012)

COMPANY SECRETARY

John K.L. Cheung

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

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

提名委員會

施雅高 主席
Thelmo Luis O. Cunanan, Jr.
(於二零一二年十一月八日辭任)
代野照幸
李國寶 · GBM, JP
吳維新
Reynato S. Puno
(於二零一二年十一月八日獲委任)

公司秘書

張嘉麟

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

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



Clc Kenflap

A photograph of a large crowd at a concert or festival. The scene is dominated by bright, warm stage lights that create a hazy, golden atmosphere. In the foreground, the silhouettes of many people are visible, some with their arms raised. A large sign in the background reads "Clc Kenflap". The overall mood is energetic and festive.



Our flagship San Miguel Pale Pilsen continues to maintain its strong position through strategic partnerships with some of Hong Kong's biggest names in sports and music.

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)

		2012 二零一二年	2011 二零一一年
Turnover (\$'000)	營業額 (千元)	686,362	683,879
Profit/(loss) for the year (\$'000)	年度盈利／(虧損)(千元)	229,175	(68,638)
Profit/(loss) per share - Basic (cents)	每股盈利／(虧損) — 基本 (仙)	64	(14)
Taxes paid, including beer tax (\$'000)	稅項連啤酒稅 (千元)	26,683	36,009
Taxes paid per share (cents)	每股稅項 (仙)	7	10
Fixed assets (\$'000)	固定資產 (千元)	654,678	389,671
Net worth (\$'000)	淨值 (千元)	511,836	297,223
Salaries, wages and other benefits (\$'000)	薪金、工資及其他福利 (千元)	104,724	101,023
Number of shares issued	發行股數	373,570,560	373,570,560
Number of shareholders	股東數目	2,134	2,146
Number of personnel	員工人數	606	635



Ramon S. Ang 蔡啓文
Chairman 主席

To our shareholders,

致各股東：

FINANCIAL RESULTS

Consolidated revenue amounted to HK\$686.4 million, a 0.4% increase over the same period in 2011. Gross profit reached HK\$293.9 million, with gross profit margin at 42.8%.

Consolidated profit for 2012 was HK\$229.2 million, a significant improvement from the HK\$68.6 million loss in 2011 due to the reversal of impairment losses of San Miguel Brewery Hong Kong Limited and its subsidiaries' (the "Group's") non-current assets amounting to HK\$269.9 million. Excluding the reversal of impairment losses in 2012 and the impairment losses in 2011, net of tax effect, the consolidated loss for 2012 would have been HK\$40.7 million, a considerable improvement from our losses in 2011 of HK\$63.1 million due to operating initiatives implemented in our South China operations.

Cash and cash equivalents (excluding bank loans) as of year-end amounted to HK\$100.9 million. Total net assets reached HK\$511.8 million, a significant improvement over last year's HK\$297.2 million, with a debt-to-equity ratio of 0.45.

財務業績

綜合收入為6.86億港元，較二零一一年同期增加0.4%。毛利達2.94億港元，而毛利率則為42.8%。

二零一二年的綜合盈利為2.29億港元，由於香港生力啤酒廠有限公司及其附屬公司（「本集團」）的非流動資產之減值虧損撥回2.70億港元，因此較二零一一年的6,860萬港元虧損有明顯改善。撇除二零一二年的減值虧損撥回及二零一一年的減值虧損，二零一二年的綜合虧損（除稅後）將為4,070萬港元，較二零一一年的虧損6,310萬港元大幅改善，這是由於華南業務實施了經營激勵措施所致。

於年末，現金及等同現金項目（撇除銀行貸款）為1.01億港元。總資產淨值達5.12億港元，較去年的2.97億港元明顯改善，而負債比率為0.45。

CHAIRMAN'S STATEMENT | 主席報告

DIVIDENDS

No dividends will be declared for 2012.

BUSINESS REVIEW

HONG KONG OPERATIONS

Even while the Hong Kong economy has yet to complete its recovery, our beer operations in the territory remained strong, posting a 2% growth in sales in step with the larger beer industry. We continue to be the No. 1 beer company in Hong Kong, largely due to the dominance of our core brands. The domestic market response to our growing portfolio has been favorable. Meanwhile, total sales volumes declined by 6% due to the transfer of some exports volumes to San Miguel (Guangdong) Brewery Company Limited ("SMGB").

San Mig Light remains one of our best performers, registering double-digit growth over the same period in 2011. Over the last year, we have been able to sustain strong on-premise demand for San Mig Light, while at the same time expanding its availability and reach in off-premise outlets. The brand's visibility has been supported by a thematic campaign called "Light and Free", which included the launch of a new TVC and viral online campaign.

Our flagship San Miguel Pale Pilsen continues to maintain its strong position through strategic partnerships with some of 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 territory's biggest post-rugby parties. Other prominent strategic partnerships include the exclusive sponsorship of the highly successful music and arts festival, Clockenflap; and presence of the San Miguel Beer Garden in the 2012 Hong Kong Dragon Boat Carnival organized by the Hong Kong Tourism Board.

Our premium brands continue to be among our top performers, posting significant volume and revenue increases over the same period in 2011. Recognizing opportunities in the up-market segment, we capped the year with the release of San Miguel Premium All-Malt, and exclusive distributorship of all Kirin beer brands within the territory. As a result, we now have a stronger and more diversified portfolio that has us well placed to further dominate the higher end segment of the beer market.

Our market in Macau, while not yet as developed as Hong Kong's, continues to show gains and improvement, posting double-digit growths in volumes and revenues.

股息

董事會議決不派發二零一二年度末期股息。

業務回顧

香港業務

雖然香港經濟尚未完全復甦，然而我們的啤酒業務在地區內仍然穩健，本地銷量大致與整體啤酒業同步錄得2%的增長。有賴我們核心品牌的優勢，我們繼續成為香港首屈一指的啤酒公司。本地市場對我們持續增長的產品組合反應正面。與此同時，由於部分出口量轉撥至生力（廣東）啤酒有限公司（「生力廣東」），因此總銷量下跌6%。

生力清啤仍然是我們表現最好的產品之一，較二零一一年同期有雙位數字增長。去年，生力清啤於現飲場所維持強勁需求，同時擴大其於非現飲場所的供應及覆蓋。品牌的曝光率一直由主題活動「Light and Free」（包括推出新電視廣告和廣泛傳播的網上活動）所支持。

我們的旗艦品牌生力透過與香港若干最知名的運動和音樂機構成為策略性合作伙伴，繼續保持其穩固地位。當中包括與蘭桂坊協會高調合作，成為其官方啤酒合作伙伴。雙方合作已然展開，第一擊是推出一個城中數一數二的大型欖球賽後派對〈生力x蘭桂坊 欖球節〉。其他著名的策略性合作伙伴包括空前成功的音樂暨藝術節Clockenflap的獨家贊助商，以及旅遊發展局主辦的二零一二年香港龍舟嘉年華的生力暢飲樂園。

我們的高價格品牌仍屬表現最好之一，與二零一一年同期比較，銷量及收入錄得顯著增長。我們洞悉高消費市場分部的商機，今年在區內推出San Miguel Premium All-Malt以及獨家分銷麒麟啤酒品牌。總括而言，我們現在擁有更強大和更多元化的品牌組合，讓我們可以進一步主導高檔啤酒的市場。

我們於澳門的市場雖然發展未及香港，但仍繼續獲得盈利和改善，銷量及收入均錄得雙位數字的增長。

CHAIRMAN'S STATEMENT | 主席報告

BUSINESS REVIEW (Continued)

SOUTH CHINA OPERATIONS

In South China, much of our efforts over the past year were devoted to restructuring our going-to-market and distribution strategy; particularly in our core markets of Dongguan and Shunde. While we have begun to realize some improvements in our operations, and are confident that our streamlining efforts will yield long-term, strategic benefits for the Group, our operations in South China were still unable to turn a profit for 2012. This has resulted in a more measured stance in terms of balancing selling and profitability.

In 2011, the Group began the restructuring of its business model by integrating the sales and distribution of the SMGB-managed Dragon brand into the operations of Guangzhou San Miguel Brewery Company Limited ("GSMB"). As a result, the Group was able to maximize synergies; and, together with other strategic and tactical initiatives, SMGB and GSMB were able to reduce operating losses.

Our other strategic markets such as Guangzhou, East and West Guangdong all registered total sales volume growths in 2012. This was largely the result of GSMB's efforts to improve distribution in these markets, as well as the introduction of enhancements to its product range, which included the launch of a new look for the San Mig Light 330ml can, and release of the new 500ml can pack-type, which has become very popular in Hong Kong.

Meanwhile, following the restructuring, SMGB is now focused on manufacturing and tolling products for GSMB, as well as producing beer products for export.

These initiatives, and particularly the restructuring efforts in our South China markets will provide the Group with the platform to recover volumes and further improve our profitability in the long term.

COMMUNITY RELATIONS AND SOCIAL RESPONSIBILITY

San Miguel Brewery Hong Kong Limited (the "Company") remains committed to its parent company's philosophy of "profit with honor", and hopes to underscore its commitment to good corporate citizenship through working closely with our local communities to ensure a sustainable co-existence.

We are particularly committed to promoting responsible drinking within our organization and among our stakeholders. We also continue to sponsor and participate in various local events and contribute to charitable and non-profit organizations.

The Company is also committed to protecting the environment and communities within which we operate, chiefly through ensuring that environmental standards set by the government are met or even exceeded.

業務回顧 (續)

華南業務

過去數年，我們於華南致力重整進軍市場和分銷的策略；尤其是我們的主要市場東莞及順德。儘管我們的業務開始有所改善，並深信我們所作出精簡業務的努力，可為本集團帶來長遠及策略性的利益，然而華南業務未能在二零一二年年度轉虧為盈。我們因此會採取更審慎態度來平衡我們的銷售和盈利。

於二零一一年，本集團重整業務把生力廣東管理的龍啤品牌的銷售和分銷整合到廣州生力啤酒有限公司（「廣州生力」）來營運。因此，本集團可達到最大的協同效應；再加上其他的策略性措施，生力廣東和廣州生力的經營虧損得以減少。

我們的其他策略性市場，例如廣州、廣東東部及西部於二零一二年均錄得總銷量增長。主要原因是廣州生力致力改善該等市場的分銷及增加推出產品類別所致，這包括推出生力清啤330毫升罐裝新包裝及推出生力清啤500毫升罐裝，而該產品於香港非常受歡迎。

同時，於重組後，生力廣東現專注為廣州生力生產及加工產品，以及為出口業務生產啤酒產品。

這些計劃，尤其是在華南市場的重組，將為本集團提供一個恢復銷量並長遠進一步改善盈利的平台。

社區關係及社會責任

香港生力啤酒廠有限公司（「本公司」）繼續致力貫徹母公司的理念「錄得盈利·保持榮譽」（profit with honor），並希望透過與所在社區緊密合作以確保兩者和諧並存，致力體現其良好企業公民的承諾。

我們特別致力在我們的組織內及持份者當中推廣暢飲有責，亦一直贊助及參與各項社區活動，並給予慈善團體和非牟利機構捐助。

本公司亦致力保護環境及我們業務所在的社區，主要透過確保符合甚至超逾政府所制定的環保標準。

CHAIRMAN'S STATEMENT | 主席報告

BUSINESS REVIEW (Continued)

HUMAN RESOURCES

As a company, we recognize that our people are our greatest resource, and remain committed to upholding the best interests of our people through equipping them with relevant knowledge and skills. We invest in training and seminars; and hold mentorship, partnership and team-building workshops to cultivate employee growth.

We also offer competitive remuneration packages commensurate with industry standards, and provide competitive fringe benefits, including comprehensive medical and insurance coverage, and retirement packages for all our employees.

CORPORATE GOVERNANCE

The Company continues to apply the principles of the Corporate Governance Code and Corporate Governance Report contained in Appendix 14 of the Listing Rules throughout the year ended 31 December 2012, except for the Code Provision A.4.1. Code Provision A.4.1 sets out that non-executive directors should be appointed for a specific term, subject to re-election. At present, all of the non-executive directors of the Company are not appointed for a specific term but are subject to retirement by rotation at least once every three years and re-election at the Annual General Meeting under the Company's Articles of Association.

FUTURE DIRECTION AND CHALLENGES

The following are the objectives of the Company for the year 2013:

- In Hong Kong, we will rationalize advertising and promotion spending through the implementation of an internal system to ensure a more effective and efficient use of resources. We will also restructure our distribution system to aggressively grow in the channels where we are weak and to maximize opportunities in untapped channels.
- In South China, we intend to turnaround the business through an extensive expansion of the dealership network in our core markets, while strengthening the brand equity of San Miguel and Dragon. We will also continue to focus on margin improvement and cost rationalization.

業務回顧 (續)

人力資源

作為一間公司，我們明白員工是我們最大資源，為維持員工的最佳利益，我們繼續致力為他們裝備應有的知識及技能。我們投放資源在培訓及研討會上、良師指導、建立合作及團隊精神的工作坊來培育員工發展成長。

我們亦為所有員工制定符合市場標準的薪酬及提供福利，包括全面的醫療和保險，以及退休福利。

企業管治

本公司於截至二零一二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，本公司所有非執行董事均非按特定年期委任，但最少每三年須在股東周年大會上輪值退任及接受重選。

未來方向及挑戰

本公司於二零一三年的目標包括：

- 在香港，我們將透過執行內部守則來合理化廣告及宣傳費用，以確保更有效能及有效率地運用資源。我們也將重組分銷系統，積極發展較弱的銷售渠道及盡力開拓未開發銷售渠道的商機。
- 在華南，我們會廣泛拓展核心市場的經銷商網絡，同時提高生力及龍啤的品牌價值來扭轉業績。我們也將繼續專注於改善邊際利潤和合理化成本。

CHAIRMAN'S STATEMENT | 主席報告

BUSINESS REVIEW (Continued)

FUTURE DIRECTION AND CHALLENGES (Continued)

Moving forward, the Company wishes to reiterate our full commitment to maximizing shareholder value. We have appointed a new Managing Director, and have a number of dynamic growth strategies that should enable us to turn around the business and take full advantage of growth opportunities in the market. Our new initiatives are geared towards enabling our beer brands to become even more relevant. We also have various new systems and procedures in place to facilitate efficient and effective cost management in virtually all aspects of our operations.

In closing, we wish to express our heartfelt gratitude to our Board of Directors for their unwavering guidance and support. Likewise our sincere thanks goes out to our shareholders and customers for their continued loyalty; and our employees for their dedication and hard work.



Ramon S. Ang
Chairman

8 February 2013

業務回顧 (續)

未來方向及挑戰 (續)

展望將來，本公司希望重申我們致力提高股東價值的承諾。我們已委任新執行董事，並制訂一系列動態增長策略，應可使我們扭轉業績及掌握市場的增長機會。新計劃是為了使我們的啤酒品牌更受歡迎。我們亦設有不同的新系統及程序來有效率及有效地管理經營各方面的成本。

最後，我們謹此對董事會的領導及支持表示衷心謝意。我們亦真誠感激各股東、客戶及消費者的忠誠支持，以及員工一直以來的努力及貢獻。



主席
蔡啟文

二零一三年二月八日

REPORT OF DIRECTORS | 董事會報告

To be presented at the Fiftieth 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 19 April 2013 at 3:00 p.m.

The directors submit herewith their Annual Report together with the audited financial statements for the year ended 31 December 2012.

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. Roberto N. Huang, Mr. Taro Matsunaga, Mr. Shobu Nishitani, Mr. Reynato S. Puno 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.

此報告將於二零一三年四月十九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五十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二零一二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	13.57%	
Five largest customers in aggregate	首五大客戶合計	38.62%	
The largest supplier	最大供應商		7.85%
Five largest suppliers in aggregate	首五大供應商合計		27.38%

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、黃思民先生、松永太郎先生、西谷尚武先生、Reynato S. Puno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。



我們的旗艦品牌生力透過與香港若干最知名的運動和音樂機構成為策略性合作伙伴，繼續保持其穩固地位。

REPORT OF DIRECTORS | 董事會報告

MAJOR CUSTOMERS AND SUPPLIERS (Continued)

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

FINANCIAL STATEMENTS

The profit of the Group for the year ended 31 December 2012 and the state of the Company's and the Group's affairs as at that date are set out on pages 62 to 137 of the financial statements.

TRANSFER TO RESERVES

Profit attributable to shareholders of HK\$239,854,000 (2011: (loss of HK\$53,464,000)) 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 2012.

CHARITABLE AND OTHER DONATIONS

Charitable and other donations made by the Group during the year amounted to HK\$Nil (2011: HK\$Nil).

FIXED ASSETS

The Group acquired fixed assets in the amount of HK\$11,731,000 (2011: HK\$9,982,000) 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 25(b) to the financial statements. There were no movements during the year.

DIRECTORS

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

With the exception of Mr. Roberto N. Huang and Mr. Reynato S. Puno who were appointed as directors during the year, and Mr. Ramon G. Torralba who was appointed as director on 15 January 2013, all of the directors served as such for the full year.

Mr. Thelmo Luis O. Cunanan Jr. and General Benjamin P. Defensor, Jr. resigned as directors during 2012, and Mr. Peter K.Y. Tam resigned as director on 15 January 2013.

主要客戶及供應商 (續)

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

財務報表

本集團截至二零一二年十二月三十一日止年度之盈利及本公司與本集團於該日之財政狀況，載列於財務報表第62至137頁。

轉撥入儲備

本年度股東應佔盈利239,854,000港元（二零一一年：虧損53,464,000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二零一二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（二零一一年：零港元）。

固定資產

本集團於本年度內購置11,731,000港元的固定資產（二零一一年：9,982,000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25(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。

除黃思民先生及Reynato S. Puno先生於本年度被委任為董事，及杜華博先生於二零一三年一月十五日獲委任為董事外，全部董事均於全年擔任董事職務。

Thelmo Luis O. Cunanan Jr.先生及戴豐盛將軍於二零一二年內辭去董事職務，及譚嘉源先生於二零一三年一月十五日辭去董事職務。

REPORT OF DIRECTORS | 董事會報告

DIRECTORS (Continued)

Mr. Ramon S. Ang, Mr. Carlos Antonio M. Berba, Ms. Chan Wen Mee, May (Michelle) and Mr. Teruyuki Daino 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. Roberto N. Huang, Mr. Reynato S. Puno and Mr. Ramon G. Torralba who were appointed as directors after the last Annual General Meeting, retire from the offices of director in accordance with Article 96 of the Company's Articles of Association, and offer themselves for re-election at the forthcoming Annual General Meeting.

Mr. Taro Matsunaga has tendered his resignation as director of the Company effective upon acceptance by the board. Mr. Takeshi Wada was nominated to fill in the vacated office of Mr. Taro Matsunaga 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 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

Name

姓名

David K. P. Li

李國寶

董事 (續)

蔡啓文先生、凱顧思先生、陳雲美女士及代野照幸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。

黃思民先生、Reynato S. Puno先生及杜華博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。

松永太郎先生已就辭去本公司董事一職提交辭呈並待董事會接納後正式生效。Takeshi Wada先生被提名以填補松永太郎先生空缺，並在即將舉行之股東周年大會中提出。

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

董事之權益

按《證券及期貨條例》第352條規定備存之董事權益登記冊記錄所載，於二零一二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%

REPORT OF DIRECTORS | 董事會報告

DIRECTORS' INTERESTS (Continued)

(1) INTERESTS IN ISSUED SHARES (Continued)

Name

姓名

Ramon S. Ang	蔡啓文
Carlos Antonio M. Berba	凱顧思
Roberto N. Huang	黃思民
Reynato S. Puno	Reynato S. Puno
Carmelo L. Santiago	施雅高

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

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

368,898,389	11.030000%
23,645	0.000687%
22,600	0.000686%
5,000	0.000145%
5,000	0.000145%

**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

Name

姓名

Ramon S. Ang	蔡啓文
Carlos Antonio M. Berba	凱顧思
Teruyuki Daino	代野照幸
Roberto N. Huang	黃思民
Shobu Nishitani	西谷尚武
Carmelo L. Santiago	施雅高

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

5,000	0.000032%
5,000	0.000032%
5,000	0.000032%
5,000	0.000032%
5,000	0.000032%
5,000	0.000032%

*includes corporate interest

* 包括公司權益

REPORT OF DIRECTORS | 董事會報告

DIRECTORS' INTERESTS (Continued)

(2) INTERESTS IN UNDERLYING SHARES

Certain directors of the Company have been granted stock options to subscribe for common shares in SMC under SMC's stock option scheme. Particulars of stock options in SMC held by directors during the year and as at 31 December 2012 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。於年內及於二零一二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
Common (par value of 5 Philippine pesos each):	普通 (每股面值5 菲律賓披索):						
Ramon S. Ang	蔡啟文	01/10/2004	01/10/2012	57.50	266,854	(266,854)	—
		01/10/2004	01/10/2012	70.50	114,366	(114,366)	—
		10/11/2005	10/11/2013	65.00	204,654	—	204,654
		10/11/2005	10/11/2013	89.50	136,436	—	136,436
		01/03/2007	01/03/2015	63.50	993,386	—	993,386
		01/03/2007	01/03/2015	75.50	662,258	—	662,258
		26/06/2008	26/06/2016	40.50	765,603	—	765,603
		25/06/2009	25/06/2017	58.05	587,556	—	587,556
Carlos Antonio M. Berba	凱顯思	25/06/2009	25/06/2017	58.05	28,426	(28,426)	—
		16/12/2010	16/12/2018	120.33	41,556	—	41,556
Roberto N. Huang	黃思民	25/06/2009	25/06/2017	58.05	33,432	(33,432)	—
		16/12/2010	16/12/2018	120.33	50,793	—	50,793

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。

有

賴我們核心品牌的優勢，我們繼續
成為香港首屈一指的啤酒公司。



REPORT OF DIRECTORS | 董事會報告

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 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

於二零一二年十二月三十一日，本公司獲悉下列佔本公司已發行普通股之5%或以上的本公司已發行股份權益：

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

REPORT OF DIRECTORS | 董事會報告

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

Notes:

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

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

The entire issued share capital of each of TUT1, TDT1 and TDT2 are owned by Li Ka-Shing Unity Holdings Limited ("Unity Holdco"). Mr. Li Ka-Shing and Mr. Li Tzar Kuoi, Victor are respectively interested in one-third and two-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 and Mr. Li Tzar Kuoi, Victor as a holder of the shares of Unity Holdco as aforesaid.

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

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

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

主要股東於股份及相關股份之權益 (續)

附註：

(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持有於本公司之權益而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。李嘉誠先生及李澤鉅先生各自擁有Unity Holdco三分之一及三分之二全部已發行股本。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及李澤鉅先生徵詢任何意見。

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。



We continue to be the No. 1 beer company in Hong Kong, largely due to the dominance of our core brands.



REPORT OF DIRECTORS | 董事會報告

SUFFICIENCY OF PUBLIC FLOAT

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

DIRECTORS' INTERESTS IN CONTRACTS

Pursuant to an agreement dated 12 June 1963, Neptunia 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. Roberto N. Huang, Mr. Taro Matsunaga, Mr. Shobu Nishitani, Mr. Reynato S. Puno 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 SMB, SMBIL and SMC, the ultimate holding company of Neptunia. General Managers' commission has not been paid by the Company or charged by Neptunia 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，立端利向本公司提供技術及顧問服務，並可收取總經理酬金。其中，蔡啓文先生、凱顧思先生、代野照幸先生、黃思民先生、松永太郎先生、西谷尚武先生、Reynato S. Puno先生及施雅高先生因擁有生力啤酒廠、生力啤酒國際及立端利之最終控股公司生力總公司之股權，或為生力啤酒廠、生力啤酒國際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 SMB	本集團向生力集團銷售已包裝啤酒及非酒精類飲品產品，該產品不能於菲律賓銷售（經生力啤酒廠公司銷售除外）

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 2012 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, (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, and (iv) were not, in all material respects, in accordance with the pricing policies of the Group.

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。

2012 二零一二年 Actual 實額 HK\$'000 港幣千元	2011 二零一一年 Cap 上限 HK\$'000 港幣千元
31,740	54,000
4,665	5,300
93,144	103,000

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二零一二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、(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、以及(iv)在所有重大方面未有根據本集團之定價政策進行。

REPORT OF DIRECTORS | 董事會報告

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 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

廣州生力啤酒有限公司(「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(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)條而言，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 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 GB and the San Miguel Group for the year ended 31 December 2012 were HK\$2,089,000 and HK\$147,000 respectively (2011: HK\$2,049,000 and HK\$1,490,000).

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。

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。

於截至二零一二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2,089,000港元及147,000港元（二零一一年：2,049,000港元及1,490,000港元）。

REPORT OF DIRECTORS | 董事會報告

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 2012 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, (iii) had exceeded the cap disclosed in the announcement of the Company dated 19 September 2007, and (iv) were not, in all material respects, in accordance with the pricing policies of the Group.

In anticipation of the expiration of the Neptunia Sub-licence Agreement on 1 January 2013, an 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 one year from 1 January 2013 to 31 December 2013 at nil consideration. Save for such extension, all other terms remain unchanged. An announcement was made by the Company on 8 November 2012 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二零一二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、(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、以及 (iv) 在所有重大方面未有根據本集團之定價政策進行。

鑒於立端利再特許協議將於二零一三年一月一日失效，立端利與本公司分別於二零一二年十一月八日簽署延長函件，以將立端利再特許協議之年期無償進一步延長一年，由二零一三年一月一日起至二零一三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。於二零一二年十一月八日本公司已就此作出披露。

我們現在擁有更強大和更多元化的品牌組合，讓我們可以進一步主導高檔啤酒的市場。

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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 instalments).

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 2012 was HK\$3,099,000 (2011:HK\$3,134,000).

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。

於截至二零一二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3,099,000港元 (二零一一年：3,134,000港元)。

REPORT OF DIRECTORS | 董事會報告

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 2012 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, and (iv) were not, in all material respects, in accordance with the pricing policies of the Group.

(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\$75,000 (2011: HK\$24,000). 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二零一二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75,000港元（二零一一年：24,000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。



We now have a stronger and more diversified portfolio that has us well placed to further dominate the higher end segment of the beer market.

REPORT OF DIRECTORS | 董事會報告

EMPLOYEE RETIREMENT PLANS

The Company and its subsidiaries in Hong Kong have sponsored a non-contributory defined benefit scheme, The San Miguel Brewery Hong Kong Limited Retirement Fund (the "Fund"), 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 2013 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: long-term salary escalation of 4% per annum; mortality rates under the 2011 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\$66,307,000 as at 1 January 2013.
- (3) The minimum level of funding as recommended by the actuary of the Fund was 21.2% of salary for 2013, 2014 and 2015.
- (4) The solvency deficit was HK\$9,595,000, i.e. the obligation under the Fund was 87% covered by the Fund's assets, at 1 January 2013.

Particulars of the employee retirement plans of the Company and the Group are set out in note 23 to the financial statements.

LIQUIDITY AND FINANCIAL RESOURCES

The Group's working capital at 31 December 2012 was net current assets of HK\$34,953,000 compared with net current liabilities of HK\$73,729,000 as at 31 December 2011.

The Group's cash and bank deposits (excluding pledged deposits) as at 31 December 2012 were HK\$100,904,000 (2011: HK\$45,586,000) and are sufficient to fund working capital requirements and capital expenditure in 2013.

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二零一三年一月一日進行，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：長期薪金每年增長4%；二零一一年香港人之死亡率；正常退休年齡為60歲；以及由55至60歲的提前退休比率。
- (2) 基金之資產於二零一三年一月一日之未審核市值為66,307,000港元。
- (3) 基金之精算師建議在二零一三年、二零一四年和二零一五年之最低供款比率為薪金之21.2%。
- (4) 基金之償債赤字為9,595,000港元。即此基金於二零一三年一月一日之償債責任的87%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23。

流動資金及財務資源

於二零一二年十二月三十一日本集團之營運資金為流動資產淨值34,953,000港元，而於二零一一年十二月三十一日則為流動負債淨值73,729,000港元。

於二零一二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100,904,000港元（二零一一年：45,586,000港元），足以為二零一三年提供營運資金及資本開支。

REPORT OF DIRECTORS | 董事會報告

BANK LOANS

The Group has short term credit facilities related to bank loan of HK\$Nil (2011: HK\$338,000,000) of which HK\$Nil (2011: HK\$313,734,000) had been utilised as at 31 December 2012.

Total borrowings at 31 December 2012 for the Company and for the Group were HK\$Nil (2011: HK\$Nil) and HK\$231,805,000 (2011: HK\$313,734,000), respectively.

Particulars of bank loans of the Company and the Group as at 31 December 2012 are set out in note 20 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 page 141 of the Annual Report.

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

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

CODE OF BEST PRACTICE

Principal corporate governance practices adopted by the Company are set out in the Corporate Governance section on pages 37 to 50 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

於二零一二年十二月三十一日，本集團與銀行貸款有關之短期銀行信貸為零港元（二零一一年：338,000,000港元），其中零港元（二零一一年：313,734,000港元）已於該日動用。

於二零一二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（二零一一年：零港元）及231,805,000港元（二零一一年：313,734,000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20。

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141頁。

買賣或贖回本公司之上市證券

年內本公司或其任何附屬公司概無購回、出售或贖回任何上市證券。

最佳應用守則

有關本公司遵守公司管治常規的重點載於本年報第37至50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, 8 February 2013

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
蔡啓文

香港，二零一三年二月八日



San Miguel

生力啤酒

我們的啤酒業務在地區內
仍然穩健。

CORPORATE GOVERNANCE REPORT | 企業管治報告

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 set out in the former Code on Corporate Governance Practices during the period from 1 January 2012 to 31 March 2012 and the new Corporate Governance Code during the period from April 2012 to 31 December 2012 as contained in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”), 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

As at 31 December 2012, the Board comprised of twelve Directors (one executive director, who is the managing director, seven non-executive directors and four independent non-executive directors) who possess the skills, experience and expertise either in the same industry or relevant to the management of the business of the Group. The biographies of the directors are set out from pages 52 to 57 of this report under the “Directors and Management Executives” section. There is no financial, business, family or other material or relevant relationship among members of 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.

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。

本公司自二零一二年一月一日至二零一二年三月三十一日期間採用載於香港聯合交易所有限公司證券上市規則（「上市規則」）附錄十四的前企業管治常規守則所載的原則，而自二零一二年四月一日至二零一二年十二月三十一日期間則採用載於上市規則附錄十四的新企業管治常規守則（「守則」）所載的原則，惟下文所述的偏離行為除外：

- 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

於二零一二年十二月三十一日，董事會包括十二位董事（一位執行董事兼董事總經理，七位非執行董事及四位獨立非執行董事），彼等具有在相同行業或與本集團之業務管理有關之技能、經驗及專長。董事之履歷載於本報告第52頁至第57頁之「董事及行政管理人員」一節內。董事與董事會成員概無任何財務、業務、親屬或其他重大或相關之關係。

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。

CORPORATE GOVERNANCE REPORT | 企業管治報告

THE BOARD (Continued)

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.

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)

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。

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。

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		Note	Scheduled board meetings 預定董事會 會議	Audit committee meetings 審核委員會 會議	Remuneration committee meetings 薪酬委員會 會議	Nomination committee meetings 提名委員會 會議	Annual General Meeting 股東周年 大會
Independent non-executive directors	獨立非執行董事						
David K.P. Li	李國寶		1/(4)	0/(2)	1/(2)	2/(2)	1/(1)
Ng Wai Sun	吳維新		4/(4)	2/(2)	2/(2)	2/(2)	1/(1)
Carmelo L. Santiago	施雅高		3/(4)	2/(2)	2/(2)	0/(2)	0/(1)
Reynato S. Puno	Reynato S. Puno	(1)	1/(1)	N/A 不適用	N/A 不適用	1/(1)	N/A 不適用
Adrian M.K. Li (Alternate to David K.P. Li)	李民橋 (李國寶之替任董事)		3/(4)	2/(2)	1/(2)	0/(2)	0/(1)
Executive director	執行董事						
Peter K.Y. Tam (Managing Director)	譚嘉源 (執行董事)	(2)	4/(4)	N/A 不適用	N/A 不適用	N/A 不適用	1/(1)
Ramon G. Torralba (Managing Director)	杜華博 (執行董事)	(3)	N/A 不適用	N/A 不適用	N/A 不適用	N/A 不適用	N/A 不適用
Non-executive directors	非執行董事						
Ramon S. Ang (Chairman)	蔡啓文 (主席)		2/(4)	N/A 不適用	N/A 不適用	N/A 不適用	1/(1)
Carlos Antonio M. Berba (Deputy Chairman)	凱顯思 (副主席)		4/(4)	N/A 不適用	2/(2)	N/A 不適用	1/(1)
Chan Wen Mee, May (Michelle)	陳雲美		3/(4)	N/A 不適用	N/A 不適用	N/A 不適用	1/(1)
Thelmo Luis O. Cunanan Jr.	Thelmo Luis O. Cunanan Jr.	(4)	3/(3)	N/A 不適用	N/A 不適用	1/(2)	1/(1)
Teruyuki Daino	代野照幸		4/(4)	N/A 不適用	N/A 不適用	2/(2)	1/(1)
Benjamin P. Defensor Jr.	戴豐盛	(4)	3/(3)	N/A 不適用	2/(2)	N/A 不適用	1/(1)
Roberto N. Huang	黃思民	(5)	1/(1)	N/A 不適用	N/A 不適用	N/A 不適用	N/A 不適用
Shobu Nishitani	西谷尚武		4/(4)	N/A 不適用	N/A 不適用	N/A 不適用	1/(1)
Taro Matsunaga	松永太郎		4/(4)	N/A 不適用	N/A 不適用	N/A 不適用	1/(1)

Notes:

附註：

(1) Appointed as independent non-executive director on 8 November 2012. (2) Resigned as executive director on 15 January 2013. (3) Appointed as executive director on 15 January 2013. (4) Resigned as non-executive director on 8 November 2012. (5) Appointed as non-executive director on 8 November 2012.	(1) 於二零一二年十一月八日獲委任為獨立非執行董事。 (2) 於二零一三年一月十五日辭去執行董事職務。 (3) 於二零一三年一月十五日獲委任為執行董事職務。 (4) 於二零一二年十一月八日辭去非執行董事。 (5) 於二零一二年十一月八日獲委任為非執行董事。

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THE CHAIRMAN AND THE CHIEF EXECUTIVE OFFICER

The chairman of the board is Mr. Ramon S. Ang. The chief executive officer (or managing director, in the case of the Company) is Mr. Ramon G. Torralba who was appointed as executive director and managing director of the Company effective from 15 January 2013 after Mr. Peter K. Y. Tam, resigned as executive director and managing director of the Company effective from 15 January 2013. 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. Four 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）為杜華博先生（彼於二零一三年一月十五日譚嘉源先生辭去執行董事兼董事總經理職務後，獲委任為本公司的執行董事兼董事總經理，由二零一三年一月十五日起生效）。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。其中四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。

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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 2012, 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 138 to 139.

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。於二零一二年十二月三十一日，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138頁至第139頁的「獨立核數師報告」部分。

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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 2012, 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.

CORPORATE GOVERNANCE POLICY AND DUTIES

The board is responsible for performing the duties on corporate governance functions set out below:

- (1) developing and reviewing the Company's policies and practices on corporate governance and making recommendations to the board;
- (2) reviewing and monitoring the training and continuous professional development of directors and senior management;
- (3) reviewing and monitoring the Company's policies and practices on compliance with legal and regulatory requirements;
- (4) developing, reviewing and monitoring the code of conduct and compliance manual (if any) applicable to employees and directors; and
- (5) reviewing the Company's compliance with the Code and disclosure in the Corporate Governance Report.

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二零一二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。

企業管治職責

董事會負責履行下列企業管治職能責任：

- (1) 制定及檢討本公司的企業管治政策及常規，並向董事會提出建議；
- (2) 檢討及監察董事及高級管理人員的培訓及持續專業發展；
- (3) 檢討及監察本公司在遵守法律及監管規定方面的政策及常規；
- (4) 制定、檢討及監察僱員及董事的操守準則及合規手冊（如有）；及
- (5) 檢討本公司遵守《守則》的情況及在《企業管治報告》內的披露。

CORPORATE GOVERNANCE REPORT | 企業管治報告

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.

DIRECTORS' TRAINING

According to the Code A.6.5, all directors should participate in continuous professional development to develop and refresh their knowledge and skills to ensure that their contribution to the board remains informed and relevant. The Company should be responsible for arranging and funding suitable training, placing an appropriate emphasis on the roles, functions and duties of the directors.

The directors confirm that they have complied with the Code on directors' training. The Company had received from each of the directors the confirmations on taking continuous professional training.

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。

董事培訓

根據守則條文A.6.5項，所有董事應參與持續專業發展，發展並更新其知識及技能，以確保其繼續在具備全面資訊及切合所需的情況下對董事會作出貢獻。本公司應負責安排合適的培訓並提供有關經費，以及適切着重上市公司董事的角色、職能及責任。

董事確認，彼等已遵守有關董事培訓之守則條文。本公司已接獲各董事有關參加持續專業培訓之確認書。

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 2012 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 2012, 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。於二零一二年，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。

於二零一二年，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；

CORPORATE GOVERNANCE REPORT | 企業管治報告

THE BOARD COMMITTEES (Continued)

AUDIT COMMITTEE (Continued)

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

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

During the year under review, the total fee in respect of audit and non-audit services (mainly tax review and corporate governance review) provided to the Company and its subsidiaries by external auditors amounted to HK\$3,657,000 (2011: HK\$3,438,000) and HK\$86,000 (2011: HK\$Nil), respectively.

REMUNERATION COMMITTEE

The remuneration committee is composed of three independent non-executive directors, namely, Dr. the Hon. Sir David K.P. Li, Mr. Ng Wai Sun and Mr. Carmelo L. Santiago and two non-executive directors, namely, Mr. Carlos Antonio M. Berba and Mr. Roberto N. Huang. The remuneration committee is chaired by an independent non-executive director, Mr. Ng Wai Sun. The remuneration committee met twice in 2012 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檢討）的服務費用總計，分別為3,657,000港元（二零一一年：3,438,000港元）及86,000港元（二零一一年：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：凱顧思先生及黃思民先生）。薪酬委員會由一位獨立非執行董事吳維新先生擔任主席。於二零一二年，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：

CORPORATE GOVERNANCE REPORT | 企業管治報告

THE BOARD COMMITTEES (Continued)

REMUNERATION COMMITTEE (Continued)

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

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

During the year under review, the committee reviewed the remuneration package of Managing Director and key senior executives. As recommended, no director fee would be paid for the year 2012.

Details of the remuneration of directors and senior management for the year ended 31 December 2012 are set out in notes 8 and 28(c) to the financial statements.

董事委員會 (續)

薪酬委員會 (續)

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

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

於回顧年度內，委員會於預定會議內檢討執行董事及主要高級行政人員之薪酬。建議不支付二零一二年各董事袍金。

董事及高級管理人員截至二零一二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28(c)。

THE BOARD COMMITTEES (Continued)

NOMINATION COMMITTEE

In compliance with the new Code, with effect from 1 April 2012, a nomination committee was established by the Board on 26 March 2012. The nomination committee is composed of one non-executive director, namely Mr. Teruyuki Daino and four 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. The nomination committee is chaired by Mr. Carmelo L. Santiago. The nomination committee met two times in 2012 with full minutes kept by the company secretary. Individual attendance of each committee member at these meetings is shown in the table presented above.

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.

Under its terms of reference, 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. 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.

董事委員會 (續)

董事提名委員會

為符合於二零一二年四月一日生效之新企管守則，董事會於二零一二年三月二十六日成立提名委員會。提名委員會包括一位非執行董事，（即：代野照幸先生）及四位獨立非執行董事，（即：李國寶爵士、吳維新先生、Reynato S. Puno 先生及施雅高先生）。提名委員會由施雅高先生擔任主席。於二零一二年，提名委員會曾開會兩次，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。

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）。

根據其職權範圍，委員會之議事程序及會議須由截至目前規管本公司董事會議事程序及會議的細則條文所規管，只要彼等適用且不違背該等職權範圍。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。

CORPORATE GOVERNANCE REPORT | 企業管治報告

THE BOARD COMMITTEES (Continued)

NOMINATION COMMITTEE (Continued)

The nomination committee has the following responsibilities:

- (1) 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;
- (2) identify individuals suitably qualified to become board members and select or make recommendations to the board on the selection of, individuals nominated for directorships;
- (3) assess the independence of independent non-executive directors;
- (4) 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;
- (5) have oversight of all matters relating to corporate governance; and
- (6) being entitled to employ, at the Company's expense, the services of such advisers as it deems necessary to fulfil its responsibilities.

The nomination 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 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.

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.

董事委員會 (續)

董事提名委員會 (續)

提名委員會之責任如下：

- (1) 定期檢討董事會之架構、人數及組成 (包括技能、知識及經驗方面)，並就任何建議變動向董事會提供推薦建議；
- (2) 物色具備合適資格可成為董事會成員之人士，並挑選提名有關人士出任董事或就此向董事會提供意見；
- (3) 評估獨立非執行董事之獨立性；
- (4) 就董事委任或重新委任董事以及董事 (尤其是主席及行政總裁) 之繼任計劃向董事會提供推薦建議；
- (5) 監督有關企業管治之所有事宜；及
- (6) 有權在其認為就履行責任屬必要時聘請有關顧問之服務，費用由本公司承擔。

提名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。提名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提名委員會的職權範圍，而職權範圍亦登載於本公司網站上，網址為 info.sanmiguel.com.hk。

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。

CORPORATE GOVERNANCE REPORT | 企業管治報告

CODE OF CONDUCT ON DIRECTORS' SECURITIES TRANSACTIONS (Continued)

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

COMMUNICATION WITH SHAREHOLDERS

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

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

SHAREHOLDERS' RIGHTS

CALLING AN EXTRAORDINARY GENERAL MEETING

Pursuant to article 68 of the articles of association of the Company, extraordinary general meetings may also be convened on requisition, as provided by Section 113 of the Companies Ordinance, the shareholders of the Company holding at the date of the deposit of the requisition not less than one-twentieth of such of the paid-up capital of the Company as at the date of the deposit may requisition an extraordinary general meeting of the Company. The requisition must state the objects of the meeting, and must be signed by the requisitionists and be deposited at the registered office of the Company. It may also consist of several documents in like form, each signed by one or more requisitionists. The directors must within 21 days from the date of the deposit of the requisition proceed to duly convene a meeting to be held on a day not more than 28 days after the date on which the notice convening the meeting is given. If the directors fail to convene the extraordinary general meeting, the requisitionists, or any of them representing more than one-half of the total voting rights of all of them, may themselves convene a meeting. Any meeting so convened shall not be held after the expiration of 3 months from the date of the deposit of the requisition.

董事進行證券交易的守則 (續)

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

與股東的溝通

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

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

股東權利

召開股東特別大會

根據本公司組織章程細則第68條，本公司之股東特別大會亦會應遞呈要求下召開。根據公司條例第113條，在存放該請求書當日持有不少於二十分之一的本公司已繳足資本之股東可請召開公司股東特別大會。請求書必須述明會議的目的，並由請求人簽署及存放於本公司的註冊辦事處；請求書可包含數份同樣格式的文件，而每份文件均由1名或多於1名請求人簽署。董事在該請求書存放日期起計21天內須安排一次在召開會議通知書發出日期後28天內召開的會議。如董事未能召開股東特別大會，則該等請求人或佔全體請求人一半以上總表決權的請求人可自行召開會議，但如此召開的會議不得在請求書存放日期起計3個月屆滿後舉行。

SHAREHOLDERS' RIGHTS (Continued)

PROCEDURES FOR PUTTING FORWARD PROPOSALS AT SHAREHOLDERS' MEETING

Shareholders holding not less than one-fortieth of the total voting rights of all members having at the date of the requisition a right to vote at the meeting to which the requisition relates; or not less than 50 members holding shares in the Company on which there has been paid up an average sum, per member, of not less than HK\$2,000 may:

- put forward proposal at general meeting.
- circulate to other shareholders written statement with respect to matter to be dealt with at general meeting.

For further details on the shareholder qualifications, and the procedures and timeline, in connection with the above, shareholders are kindly requested to refer to Section 115A of the Companies Ordinance (Chapter 32 of the Laws of Hong Kong).

Further, a shareholder may propose a person other than a retiring 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; (b) The candidate's resume (c) A written statement signed by the candidate of his/her willingness to be elected together with (i) that candidate's information as required to be disclosed under Rule 13.51(2) of the Listing Rules; and (ii) the candidate's written consent to the publication of his/her personal data and (iii) 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.

SENDING ENQUIRIES TO THE BOARD

Shareholders should direct their questions about their shareholdings to the Company's Registrar. Shareholders and the Investment community may at any time make a request for the Company's information to the extent that such information is publicly available. Shareholders may also make enquiries to the Board by writing to the Company Secretary at the Company's office in Hong Kong at 9/F, Citimark Building, 28 Yuen Shun Circuit, Siu Lek Yuen, Shatin, N.T.

股東權利 (續)

於股東大會提出建議之程序

凡持有全體股東總投票權不少於四十分之一且於提出要求日期有權與該要求有關之股東大會上投票表決之股東，或不少於50名股東持有本公司股份，而每名股東已繳足平均股款不少於2,000港元，則可：

- 於股東大會提出建議。
- 就將於股東大會處理的事項向其他股東發出書面聲明。

有關上述事項的股東資格、程序及時序的進一步詳情，務請股東參考《公司條例》第115A條（香港法例第32章）。

此外，股東可推舉一名本公司退任董事以外之董事於審議選舉董事之股東大會上參選董事。下列文件須不遲於股東大會日期前七天送交本公司之主要辦事處予公司秘書，地址為香港新界沙田小瀝源源順圍二十八號都會廣場九樓：(a) 董事提名表格及所需證明文件；(b) 候選人之個人履歷(c) 候選人已簽署表明彼願意參選之書面聲明，以及(i)根據上市規則第13.51(2)條該候選人須予披露之資料；及(ii)候選人就刊登其個人資料之同意書；及(iii)確認概無不符合資格及無法履行董事職責之理由且彼有誠信及，倘適用，符合適用上市規則規定之獨立要求。

向董事會查詢

股東應就其股權直接向本公司之股份過戶登記處查詢。股東及投資界可隨時要求本公司提供可公開索閱之資料。股東亦可郵寄予本公司位於香港辦事處之公司秘書向董事會作書面查詢，地址為香港新界沙田小瀝源源順圍二十八號都會廣場九樓。



Our beer operations in the territory remained strong.

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

DIRECTORS

Ramon S. Ang	<i>Chairman</i>
Carlos Antonio M. Berba	<i>Deputy Chairman</i>
Ramon G. Torralba	<i>Managing Director</i>

NON-EXECUTIVE DIRECTOR

Chan Wen Mee, May (Michelle)
Teruyuki Daino
Roberto N. Huang
Taro Matsunaga
Shobu Nishitani

INDEPENDENT NON-EXECUTIVE DIRECTOR

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

Mr. Ramon S. ANG, *BSME*, aged 59, 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 and President 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), the Vice Chairman 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). He is also the President and Chief Operating Officer of PAL Holdings, Inc. (the shares of which are listed on the Philippine Stock Exchange) and Philippine Airlines, Inc.

董事

蔡啓文	主席
凱顧思	副主席
杜華博	執行董事

非執行董事

陳雲美
代野照幸
黃思民
松永太郎
西谷尚武

獨立非執行董事

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

蔡啓文先生, *BSME*, 五十九歲, 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)之主席、San Miguel Properties Inc. (其股份於菲律賓證券交易所上市)之主席及總裁、Ginebra San Miguel, Inc. (其股份於菲律賓證券交易所上市)之副主席、San Miguel Pure Foods Company, Inc. (其股份於菲律賓證券交易所上市)之副主席及生力總公司多間附屬公司之主席及董事。蔡先生亦為Petron Corporation (其股份於菲律賓證券交易所上市)之主席兼行政總裁、Manila Electric Company (其股份於菲律賓證券交易所上市)之副主席、Liberty Telecoms Holdings, Inc. (其股份於菲律賓證券交易所上市)之主席及PhilWeb Corporation (其股份於菲律賓證券交易所上市)之獨立董事。彼亦為菲律賓航空控股有限公司(其股份於菲律賓證券交易所上市)和菲律賓航空有限公司之總裁及營運總裁。

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

Mr. Carlos Antonio M. BERBA, *MBA, MSc, BSc*, aged 48, 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 Director of Neptunia Corporation 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 (the shares of which are listed on the Indonesia Stock Exchange), a Director of San Miguel Beer (Thailand) Limited, San Miguel Holdings (Thailand) Ltd., San Miguel Marketing (Thailand) Limited, and various other subsidiaries of the Company. Mr. Berba has 27 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. Ramon G. TORRALBA, *BSc*, aged 56, was appointed as Executive Director and Managing Director of the Company with effect from 15 January 2013. Mr. Torralba was the Vice President and Manager for Export Development of San Miguel Brewing International Limited (a subsidiary of San Miguel Brewery Inc., the shares of which are listed on the Philippine Stock Exchange) since 2007. He was also a Director of San Miguel (Thailand) Company, Ltd. from 2006 to 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 Co. Ltd., San Miguel (Guangdong) Brewery Co. Ltd. and San Miguel (Baoding) Brewery Co. Ltd. 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 is a Certified Public Accountant and a member of the Philippine Institute of Certified Public Accountants.

CHAN Wen Mee, May (Michelle), aged 48, 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*，四十八歲，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之董事總經理、立端利有限公司（本公司之控股股東）之董事及生力啤酒廠公司（其股份於菲律賓證券交易所上市）之董事。彼亦為Pt Delta Djakarta Tbk（其股份於印尼證券交易所上市）之專員、生力啤酒（泰國）有限公司、生力控股（泰國）有限公司、生力市務（泰國）有限公司及本公司多間其他附屬公司之董事。凱先生擁有二十七年綜合管理、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。彼亦曾任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。

杜華博先生，*BSc*，五十六歲，於二零一三年一月十五日起被委任為本公司之執行董事。杜先生自二零零七年出任生力啤酒國際有限公司（生力啤酒廠公司（其股份於菲律賓證券交易所上市）之附屬公司）之副總裁兼出口發展經理。彼亦於二零零六年至二零零七年擔任San Miguel (Thailand) Company, Ltd. 之董事並由二零零四年至二零零七年擔任生力市務（泰國）有限公司之副總裁兼商務總監。彼於二零零二年至二零零四年曾任生力總公司啤酒業務之廣州生力啤酒有限公司、生力（廣東）啤酒有限公司和生力（保定）啤酒有限公司之副總裁助理顧問。杜先生畢業於Zamboanga A.E. Colleges，取得理學（商學）學士學位。彼亦於一九九一年參加菲律賓亞洲管理學院國際工商管理系之管理發展課程。杜先生為認可會計師，並為菲律賓會計師公會之會員。

陳雲美女士，四十八歲，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. Teruyuki DAINO, *MBA, BS*, aged 52, appointed as a non-executive Director of the Company on 20 May 2011. Mr. Daino is a member of the nomination committee of the Company. He 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, San Miguel Beer (Thailand) Limited and San Miguel Holdings (Thailand) Ltd. 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. Roberto N. HUANG, *MBA, BSME*, aged 64, has been appointed as non-executive Director and remuneration committee member of the Company with effect from 8 November 2012. Mr. Huang is a Director and President of San Miguel Brewery Inc. (the shares of which are listed on the Philippine Stock Exchange). He is also a Director of San Miguel Brewing International Limited, and Chairman and President of Iconic Beverages, Inc., Brewery Properties Inc., and Brewery Landholdings, Inc.. He was the General Manager of San Miguel Brewery Inc. (2007-2009) (the shares of which are listed on the Philippine Stock Exchange), Director of Ginebra San Miguel Inc. (2004-2008) (the shares of which are listed on the Philippine Stock Exchange) and San Miguel Pure Foods Company, Inc. (2004-2008) (the shares of which are listed on the Philippine Stock Exchange), 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. Taro MATSUNAGA, *BA*, aged 48, 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 Jakarta Tbk. (the shares of which are listed on the Indonesia Stock Exchange), 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.

代野照幸先生，*MBA, BS*，五十二歲，於二零一一年五月二十日被委任為本公司非執行董事。代野先生為本公司提名委員會成員。彼為生力啤酒廠公司（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、生力啤酒（泰國）有限公司及生力控股（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事務部之品牌經理（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。

黃思民先生，*MBA, BSME*，六十四歲，於二零一二年十一月八日起被委任為本公司非執行董事及薪酬委員會成員。黃先生為生力啤酒廠公司（其股份於菲律賓證券交易所上市）之董事及總裁。彼亦為生力啤酒國際有限公司之董事、Iconic Beverages, Inc.、Brewery Properties Inc. 和 Brewery Landholdings, Inc. 之主席及總裁。彼曾任生力啤酒廠公司（其股份於菲律賓證券交易所上市）之總經理（二零零七年至二零零九年）、Ginebra San Miguel Inc.（其股份於菲律賓證券交易所上市）（二零零四年至二零零八年）及 San Miguel Pure Foods Company, Inc.（其股份於菲律賓證券交易所上市）（二零零四年至二零零八年）之董事、San Miguel Beverages, Inc.（二零零七年至二零零八年）之總裁、以及 Coca-Cola Bottlers Philippines, Inc.、Cosmos Bottling Corporation 和 Philippine Beverage Partners, Inc. 之總裁（二零零三年至二零零七年）。黃先生畢業於 Mapua Institute of Technology 取得機械工程學士學位，並於之後在 De La Salle University 取得工商管理碩士學位。彼亦曾參與名古屋國際訓練中心日本國際協力機構資助的金屬製造工程和數控機床課程。

松永太郎先生，*BA*，四十八歲，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 Jakarta Tbk（其股份於印尼證券交易所上市）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。

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

Mr. Shobu NISHITANI, aged 49, is Executive Financial Advisor and Director of San Miguel Brewery Inc. (the shares of which are listed on the Philippine Stock Exchange). He is also a director of San Miguel Brewing International Limited and San Miguel Beer (Thailand) 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.

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 74, appointed on 22 March 1991, is an independent non-executive Director, Chairman of the audit committee and a member of the nomination committee and 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 Banking Advisory Committee and a member of the Council of the Treasury Markets Association. He is the Chairman of The Chinese Banks' Association, Limited. Sir David is a director of Hong Kong Interbank Clearing Limited and The Hong Kong Mortgage Corporation Limited. He is also a Non-independent Non-executive director of AFFIN Holdings Berhad, a Director of CaixaBank, S.A., an Independent Non-executive Director of China Overseas Land & Investment Limited, Guangdong Investment Limited, The Hong Kong and China Gas Company Limited, The Hong Kong and Shanghai Hotels, Limited, PCCW Limited, SCMP Group Limited and Vitasoy International Holdings Limited, all being companies listed either in Hong Kong or overseas. He was an Independent Non-executive Director of COSCO Pacific Limited.

西谷尚武先生，四十九歲，為生力啤酒廠公司（其股份於菲律賓證券交易所上市）之行政財務顧問及董事。彼亦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 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。

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, 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*，七十四歲，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、提名委員會及薪酬委員會成員。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之主席。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 AFFIN Holdings Berhad 之非獨立非執行董事、CaixaBank, S.A. 之董事、中國海外發展有限公司、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、南華早報集團有限公司及維他奶國際集團有限公司之獨立非執行董事。他曾出任中遠太平洋有限公司之獨立非執行董事。

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

Mr. NG Wai Sun, aged 69, appointed on 1 April 2001, is an independent non-executive Director, Chairman of the remuneration committee, a member of the audit committee and the nomination 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 and appointed as the Executive Director of the Fujian Normal University in 2012.

Mr. Reynato S. PUNO, *MCL, LLM, LLB*, aged 72, has been appointed as independent non-executive Director and nomination committee member of the Company from 8 November 2012. Mr. Puno is an independent director of San Miguel Corporation (the shares of which are listed on the Philippine Stock Exchange) since 2011. 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. Mr. Puno 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).

Mr. Carmelo L. SANTIAGO, *BBA*, aged 70, is an independent non-executive Director, Chairman of the nomination committee and a member of the audit committee and the remuneration committee of the Company. He is an independent Director of the following companies whose shares are listed on the Philippine Stock Exchange: San Miguel Brewery Inc., San Miguel Pure Foods Company, Inc., San Miguel Properties Inc. and Liberty Telecoms Holdings Inc. 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 37 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.

吳維新先生，六十九歲，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、審核委員會以及提名委員會成員。吳先生為集成匯財（集團）有限公司主席，亦為東華三院（二零零四年至二零零六年及二零一一年至二零一三年）總理及中國人民政治協商會議廣西藏族自治區委員會常務委員。吳先生於二零一一年獲頒授「山東省人民友好使者」榮譽及於二零一二年獲委任為福建師範大學董事會常務董事。

Reynato S. PUNO 先生，*MCL, LLM, LLB*，七十二歲，於二零一二年十一月八日被委任為本公司之獨立非執行董事及提名委員會成員。Puno 先生自二零一一年起為生力總公司（其股份於菲律賓證券交易所上市）之獨立董事。前首席法官 Reynato S. Puno 自二零零六年十二月六日起至二零一零年五月十七日退休止為菲律賓最高法院之首席法官。彼於一九九三年六月加入最高法院為法官而之前曾任上訴法庭之法官（一九八六年至一九九三年）、中級上訴法院之上訴庭法官（一九八三年）、助理檢察總長（一九七四年至一九八二年）及奎松市之地方法官（一九七二年至一九七四年）。彼亦曾於一九八四年至一九八六年出任司法部副部長。Puno 先生於一九六二年在菲律賓大學完成法律學士學位，並於加州柏克萊大學取得法律碩士學位（一九六八年）和於德克薩斯州達拉斯的南方衛理公會大學取得比較法律碩士學位（一九六七年）。

施雅高先生，*BBA*，七十歲，為本公司之獨立非執行董事、提名委員會主席、審核委員會及薪酬委員會成員。彼為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、San Miguel Pure Foods Company, Inc.、San Miguel Properties Inc. 及 Liberty Telecoms Holdings Inc.。施先生為菲律賓 Melo's 餐廳之創辦人並擁有多間分店，以及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，超過三十七年。施先生於食品、飲料、出版、地產、能源及銀行業務皆擁有豐富經驗。

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

Mr. Adrian M. K. Li, *MA(Cantab), MBA, LPC, JP*, aged 39, was appointed 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, with responsibility for the bank's Hong Kong business. He is a member of the Guangdong Provincial Committee of the Chinese People's Political Consultative Conference, 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. He is a board member of The Community Chest of Hong Kong, a member of the HKSAR Government-mandated Banking Industry Training Advisory Committee, Chairman of the VTC's Banking and Finance Industry Training Board, and a member of the MPF Industry Schemes Committee of the MPFA. Mr. Li is an Advisory Committee member of the Hong Kong Baptist University's School of Business, a Vice President of The Hong Kong Institute of Bankers' Council and a Steering Committee member of the Asian Financial Forum. He also serves as a member of the Election Committees responsible for electing the Chief Executive of the HKSAR and deputies of the HKSAR to the 12th National People's Congress. Mr. Li is an Independent Non-Executive Director of Sino Land Company Limited, Tsim Sha Tsui Properties Limited, Sino Hotels (Holdings) Limited, China State Construction International Holdings Limited and COSCO Pacific Limited, all listed in Hong Kong. He is an Independent Non-Executive Director of Hong Kong and Shanghai-listed Shanghai Fosun Pharmaceutical (Group) Co., Ltd., and is an Alternate Director of Malaysia-listed AFFIN Holdings Berhad. Mr. Li holds a Master of Management degree from Kellogg School of Management, Northwestern University in the US, and a Master of Arts degree and a Bachelor of Arts Degree in Law from the University of Cambridge in Britain. He is a member of The Law Society of England and Wales, and The Law Society of Hong Kong. He is the elder son of Dr. the Hon. Sir David K. P. Li.

李民橋先生，*MA(Cantab), MBA, LPC, JP*，三十九歲，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，負責該銀行的香港業務。李先生現為中國人民政治協商會議廣東省委員會委員，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、香港特區政府銀行業行業培訓諮詢委員會委員、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。他同時是香港浸會大學工商管理學院諮詢委員會成員、香港銀行學會議會副會長及亞洲金融論壇委員會委員。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，及香港特別行政區第十二屆全國人民代表大會代表選舉會議成員。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、中國建築國際集團有限公司及中遠太平洋有限公司。彼亦出任於香港聯交所及上海證券交易所上市的上海復星醫藥（集團）股份有限公司之獨立非執行董事，以及於馬來西亞證券交易所上市的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碩士及學士學位。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

Ramon G. Torralba
Managing Director (appointed on 15 January 2013)

Peter K.Y. Tam
Managing Director (resigned on 15 January 2013)

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

Andes P.H. Leung
General Sales Manager (resigned on 31 December 2012)

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

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. Ramon G. TORRALBA, Managing Director. Please refer to the Directors section on page 52 for details.

Mr. Peter K. Y. TAM, *MBA, BBA*, aged 54, was an executive Director and the Managing Director of the Company. Mr. Tam joined the Company in 1993. He has more than 26 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.

行政管理人員

杜華博
執行董事（於二零一三年一月十五日獲委任）

譚嘉源
執行董事（於二零一三年一月十五日辭任）

張嘉麟
財務總裁及公司秘書

梁百行
營業總經理
（於二零一二年十二月三十一日辭任）

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

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：

杜華博先生，執行董事；詳情請參閱第52頁之董事部份。

譚嘉源先生，*MBA, BBA*，五十四歲，本公司前任執行董事。譚先生於一九九三年加入本公司。彼在香港及中國內地擁有超過二十六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。

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

Mr. John K.L. CHEUNG, *MBA, BBA*, aged 49, Chief Finance Officer & Company Secretary, joined the Company in 1997. Mr. Cheung is a member of the Institute of Management Accountants. He has over 27-year solid experience in finance and accounting in various industries. Mr. Cheung received a Master's degree and a Bachelor's degree, both in Business Administration, from Georgia State University, USA.

Mr. Andes P.H. LEUNG, *MBA, BBA*, aged 40, was General Sales Manager of the Company. Mr. Leung joined the Company in 2001. He has over 18-year solid experience in advertising, international marketing and sales management in various industries.

Mr. Eric P.K. LAM, *MBA, BA*, aged 48, Marketing Manager, joined the Company in 2008. Mr. Lam has over 19 years of solid experience in marketing in various industries.

Mr. Ric W.T. YEUNG, *BBA*, aged 49, Senior Manager — Logistics, joined the Company in 1983. Mr. Yeung has more than 29 years of extensive experience in supply planning, procurement and physical distribution.

Mr. C.K. HO, *MSC, DIP*, aged 54, Senior Manager — Operations, joined the Company in 1988. Mr. Ho has over 24 years of service with the Company. He has extensive experience in the operations of beer production.

Mr. Steven CO, *BA*, aged 43, Senior Manager — Corporate Development, joined the Company in 1994. Mr. Co has more than 18 years of experience in business planning, business research, corporate affairs and quality management in the Company.

Ms. Edith Y.M. NG, *MBA, DIP*, aged 50, Senior Manager — Human Resources & Administration, joined the Company in 1989. Ms. Ng has gained over 23 years of experience in the fields of marketing, sales and human resources.

Mr. Vincent K.M. KWOK, *MBA, BBA*, aged 44, 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 21 years of solid experience in marketing in various industries.

Mr. William B. MONTALBO, *BSche*, aged 49, Plant Manager/Brewmaster of San Miguel (Guangdong) Brewery Company Limited. Mr. Montalbo joined San Miguel Brewery Inc. (the shares of which are listed on the Philippine Stock Exchange) in 1988. He has extensive working experience in both Domestic and International Operations. Mr. Montalbo graduated from De La Salle University with a Bachelor's degree in Chemical Engineering.

張嘉麟先生，*MBA, BBA*，四十九歲，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二十七年之財務及會計經驗。張先生畢業於美國 Georgia State University，並取得工商管理碩士及學士學位。

梁百行先生，*MBA, BBA*，四十歲，本公司前任營業總經理，於二零零一年加入本公司。梁先生擁有超過十八年不同行業之廣告、國際市務及銷售管理經驗。

林培光先生，*MBA, BA*，四十八歲，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十九年之市務經驗。

楊偉東先生，*BBA*，四十九歲，物流高級經理，於一九八三年加入本公司。楊先生擁有超過二十八年之供應策劃、採購及儲運之豐富經驗。

何自強先生，*MSC, DIP*，五十四歲，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二十四年。彼於啤酒生產業務擁有豐富經驗。

許敏志先生，*BA*，四十三歲，企業發展高級經理，於一九九四年加入本公司。許先生擁有超過十八年業務策劃、業務研究、企業事務及品質管理之經驗。

伍月薇女士，*MBA, DIP*，五十歲，人力資源及行政高級經理，於一九八九年加入本公司。伍女士擁有超過二十三年市務、銷售及人力資源之經驗。

郭敬文先生，*MBA, BBA*，四十四歲，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二十一年之市務經驗。

莫偉利先生，*BSche*，四十九歲，為生力（廣東）啤酒有限公司之酒廠經理／釀酒師。莫先生於一九八八年加入生力啤酒廠公司（其股份於菲律賓證券交易所上市）。彼曾擔任國內及海外運作之不同職位，累積了豐富經驗。莫先生畢業於 De La Salle University，取得化學工程學士學位。

STATISTICAL ANALYSIS OF OPERATIONS

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

Ten Year Review

經營統計分析

截至十二月三十一日止年度，除每股股份數據及員工人數外均以港幣千元計算

十年回顧

		2012 二零一二年	2011 二零一一年	2010 二零一零年
Turnover (1)	營業額 (1)	686,362	683,879	589,322
Profit/(loss) from operations	經營盈利／(虧損)	246,062	(48,365)	(770,605)
Profit/(loss) for the year before restructuring costs	未計重組開支之盈利／(虧損)	229,175	(68,638)	(773,987)
Restructuring costs (2)	重組開支 (2)	—	—	—
Profit/(loss) for the year	年度盈利／(虧損)	229,175	(68,638)	(773,987)
Taxes paid, including beer tax	稅項連啤酒稅	26,683	36,009	42,020
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	654,678	389,671	398,011
Net worth (3), (4), (5)	淨值 (3), (4), (5)	511,836	297,223	391,474
Salaries, wages and other benefits	薪金、工資及其他福利	104,724	101,023	96,719
Number of personnel (6)	員工人數 (6)	606	635	732

(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 2003 to 2004 have been adjusted for change in accounting policy of non-controlling interests.

(4) Net worth for the 2003 to 2005 have been adjusted for change in accounting policy of defined benefit retirement plan.

(5) Net worth for the 2003 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

2009 二零零九年	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)
696,824	753,375	754,833	826,817	806,909	777,830	684,866
(331,879)	(301,033)	4,962	(10,625)	10,519	20,025	(30,321)
(343,052)	(258,155)	50,397	(12,216)	(2,692)	12,723	(36,156)
—	—	(310,220)	(93,159)	(63,295)	—	—
(343,052)	(258,155)	(259,823)	(105,375)	(65,987)	12,723	(36,156)
68,877	102,485	140,831	127,007	141,219	135,185	134,986
—	—	—	—	3,736	3,736	—
—	—	—	—	1	1	—
1,087,198	1,379,561	1,496,910	1,769,377	1,838,164	1,939,135	2,016,646
1,169,484	1,490,925	1,751,565	1,975,617	2,062,000	2,118,432	2,120,869
99,341	91,656	105,510	118,836	128,539	122,149	124,480
766	766	838	768	1,151	1,145	1,168

- (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) 二零零三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) 二零零三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) 二零零三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 2012
(Expressed in Hong Kong dollars)

截至二零一二年十二月三十一日止年度
(以港幣計算)

		Note 附註	2012 二零一二年 \$'000 千元	2011 二零一一年 \$'000 千元
Turnover	營業額	3	686,362	683,879
Cost of sales	銷售成本		(392,442)	(387,062)
Gross profit	毛利		293,920	296,817
Other revenue	其他收入	4	35,671	14,939
Other net income	其他收益淨額	4	11,473	3,319
Selling and distribution expenses	銷售及分銷開支		(277,645)	(270,251)
Administrative expenses	行政開支		(77,714)	(80,586)
Other operating expenses	其他經營開支		(9,559)	(7,106)
Reversal of impairment losses/ (impairment losses) for non-current assets	非流動資產之減值 虧損撥回/(減值虧損)	5	269,916	(5,497)
Profit/(loss) from operations	經營盈利/(虧損)		246,062	(48,365)
Finance costs	財務費用	6(a)	(13,419)	(20,662)
Profit/(loss) before taxation	除稅前盈利/(虧損)	6	232,643	(69,027)
Income tax (charge)/credit	所得稅(支出)/計入	7	(3,468)	389
Profit/(loss) for the year	年度盈利/(虧損)		229,175	(68,638)
Attributable to:	應佔如下：			
Equity shareholders of the Company	本公司權益持有人	10	239,854	(53,464)
Non-controlling interests	非控股權益		(10,679)	(15,174)
Profit/(loss) for the year	年度盈利/(虧損)		229,175	(68,638)
Earnings/(loss) per share	每股盈利/(虧損)			
Basic (cents)	基本(仙)	12(a)	64	(14)
Diluted (cents)	攤薄(仙)	12(b)	N/A 不適用	N/A 不適用

The notes on pages 70 to 137 form part of these financial statements.

列於第70至137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 2012
(Expressed in Hong Kong dollars)

綜合全面收益表

截至二零一二年十二月三十一日止年度
(以港幣計算)

	Note 附註	2012 二零一二年 \$'000 千元	2011 二零一一年 \$'000 千元
Profit/(loss) for the year	年度盈利／（虧損）	229,175	(68,638)
Other comprehensive income for the year (after tax)	年度其他全面收益（除稅後） 11		
Exchange differences on translation of:	匯兌差額：		
— financial statements of subsidiaries outside Hong Kong	— 換算海外附屬公司財務報表 所產生之匯兌差額	245	(31,863)
— 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	(84)	17,973
Actuarial gains and losses of defined benefit retirement plan	定額福利退休計劃之精算盈利 及虧損	161 (14,723)	(13,890) (11,723)
		(14,562)	(25,613)
Total comprehensive income for the year	年度全面收益總額	214,613	(94,251)
Attributable to:	應佔如下：		
Equity shareholders of the Company	本公司權益持有人	225,299	(77,119)
Non-controlling interests	非控股權益	(10,686)	(17,132)
Total comprehensive income for the year	年度全面收益總額	214,613	(94,251)

The notes on pages 70 to 137 form part of these financial statements.

列於第70至137頁之各項附註為本財務報表之一部份。

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2012
(Expressed in Hong Kong dollars)

綜合財務狀況表

於二零一二年十二月三十一日
(以港幣計算)

	Note 附註	2012 二零一二年 \$'000 千元	2011 二零一一年 \$'000 千元
Non-current assets			
非流動資產			
Fixed assets	13(a)		
— Property, plant and equipment		475,861	216,440
— Investment properties		87,978	80,138
— Interests in leasehold land held for own use under operating leases		90,839	93,093
		654,678	389,671
Intangible assets	14	5,426	5,709
		660,104	395,380
Current assets			
流動資產			
Inventories	16	56,062	65,166
Trade and other receivables	17	82,726	88,603
Amounts due from holding companies and fellow subsidiaries	18	9,340	12,331
Amount due from a related company	18	829	—
Pledged deposits	19(a)	—	198,000
Cash and cash equivalents	19(b)	100,904	45,586
		249,861	409,686
Current liabilities			
流動負債			
Bank loans	20	(86,713)	(313,734)
Trade and other payables	21	(120,005)	(148,917)
Amounts due to holding companies and fellow subsidiaries	18	(3,767)	(18,440)
Amounts due to related companies	18	(4,423)	(2,324)
		(214,908)	(483,415)
Net current assets/(liabilities)		34,953	(73,729)
流動資產／(負債)淨值			

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2012
(Expressed in Hong Kong dollars)

綜合財務狀況表

於二零一二年十二月三十一日
(以港幣計算)

	Note 附註	2012 二零一二年 \$'000 千元	2011 二零一一年 \$'000 千元
Total assets less current liabilities	總資產減流動負債	695,057	321,651
Non-current liabilities	非流動負債		
Bank loan	銀行貸款 20	(145,092)	—
Retirement benefit liabilities	退休福利負債 23(a)	(34,534)	(20,975)
Deferred tax liabilities	遞延稅項負債 24(a)	(3,595)	(3,453)
		(183,221)	(24,428)
NET ASSETS	資產淨值	511,836	297,223
CAPITAL AND RESERVES	股本及儲備		
Share capital	股本 25(b)	186,785	186,785
Reserves	儲備	353,665	128,366
Total equity attributable to equity shareholders of the Company	本公司權益持有人應佔權益	540,450	315,151
Non-controlling interests	非控股權益	(28,614)	(17,928)
TOTAL EQUITY	權益總值	511,836	297,223

Approved and authorised for issue by the board of directors on 8 February 2013.

經由董事會於二零一三年二月八日批准及授權刊發。

Ramon S. Ang
Directors

蔡啓文
董事

Ramon G. Torralba
Directors

杜華博
董事

The notes on pages 70 to 137 form part of these financial statements.

列於第70至137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 2012
(Expressed in Hong Kong dollars)

於二零一二年十二月三十一日
(以港幣計算)

	Note 附註	2012 二零一二年 \$'000 千元	2011 二零一一年 \$'000 千元
Non-current assets	非流動資產		
Fixed assets	固定資產		
— Property, plant and equipment	— 物業、機器及設備	410,185	162,399
— 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	60,179	61,421
		470,364	223,820
Intangible assets	無形資產	5,031	5,031
Investments in subsidiaries	附屬公司權益	620,959	616,537
		1,096,354	845,388
Current assets	流動資產		
Inventories	存貨	45,873	44,334
Trade and other receivables	應收貿易及其他賬項	73,911	75,562
Amounts due from holding companies and fellow subsidiaries	應收控股公司及同系附屬公司賬項	6,606	12,314
Amount due from a related company	應收關連公司賬項	829	—
Pledged deposits	抵押存款	—	198,000
Cash and cash equivalents	現金及等同現金項目	73,903	16,343
		201,122	346,553
Current liabilities	流動負債		
Bank loan	銀行貸款	(86,713)	—
Trade and other payables	應付貿易及其他賬項	(61,187)	(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	(2,130)	(10,978)
Amounts due to related companies	應付關連公司賬項	(2,195)	(172)
		(152,225)	(72,813)
Net current assets	流動資產淨值	48,897	273,740

STATEMENT OF FINANCIAL POSITION | 財務狀況表

At 31 December 2012
(Expressed in Hong Kong dollars)

於二零一二年十二月三十一日
(以港幣計算)

	Note 附註	2012 二零一二年 \$'000 千元	2011 二零一一年 \$'000 千元
Total assets less current liabilities	總資產減流動負債	1,145,251	1,119,128
Non-current liabilities	非流動負債		
Bank loan	銀行貸款 20	(145,092)	—
Amounts due to subsidiaries	應付附屬公司賬項 22	(558,173)	(558,135)
Retirement benefit liabilities	退休福利負債 23(a)	(34,534)	(20,975)
		(737,799)	(579,110)
NET ASSETS	資產淨值	407,452	540,018
CAPITAL AND RESERVES	股本及儲備 25(a)		
Share capital	股本	186,785	186,785
Reserves	儲備	220,667	353,233
TOTAL EQUITY	權益總額	407,452	540,018

Approved and authorised for issue by the board of directors on 8 February 2013.

經由董事會於二零一三年二月八日批准及授權刊發。

Ramon S. Ang
Directors

蔡啓文
董事

Ramon G. Torralba
Directors

杜華博
董事

The notes on pages 70 to 137 form part of these financial statements.

列於第70至137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 2012
(Expressed in Hong Kong dollars)

截至二零一二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

	Note 附註	Share capital (note 25(b)) (附註 25(b)) \$'000 千元	Share premium (note 25(c)(i)) (附註 25(c)(i)) \$'000 千元	Capital reserve (note 25(c)(ii)) (附註 25(c)(ii)) \$'000 千元	Exchange fluctuation reserve (note 25(c)(iii)) (附註 25(c)(iii)) \$'000 千元	(Accumulated losses)/ retained profits (累計虧損)/ 收益儲備 \$'000 千元	Sub-total 合計 \$'000 千元	Non- controlling interests 非控股權益 \$'000 千元	Total equity 權益總額 \$'000 千元
Balance at 1 January 2011	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
Changes in equity for 2011:	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)
Balance at 31 December 2011 and 1 January 2012	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
Changes in equity for 2012:	二零一二年權益變動:								
Profit for the year	年度盈利	—	—	—	—	239,854	239,854	(10,679)	229,175
Other comprehensive income	其他全面收益	11	—	—	168	(14,723)	(14,555)	(7)	(14,562)
Total comprehensive income for the year	年度全面收益總額	—	—	—	168	225,131	225,299	(10,686)	214,613
Balance at 31 December 2012	於二零一二年 十二月三十一日結餘	186,785	65,739	112,970	80,305	94,651	540,450	(28,614)	511,836

The notes on pages 70 to 137 form part of these financial statements.

列於第 70 至 137 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 2012
(Expressed in Hong Kong dollars)

綜合現金流量表

截至二零一二年十二月三十一日止年度
(以港幣計算)

	Note 附註	2012 二零一二年 \$'000 千元	2011 二零一一年 \$'000 千元
Operating activities	經營業務		
Cash used in operations	經營業務之現金流出 19(c)	(40,045)	(78,382)
Income tax	所得稅		
— Tax paid outside Hong Kong	— 香港以外稅金支出	(20)	(123)
Net cash used in operating activities	經營業務之現金流出淨額	(40,065)	(78,505)
Investing activities	投資業務		
Payment for the purchase of fixed assets	購入固定資產	(14,157)	(15,409)
Payment for the purchase of other tangible assets	購入其他有形資產	(1,031)	(5,839)
Proceeds from disposal of fixed assets	出售固定資產所得款項	319	2,037
Proceeds from disposal of other tangible assets	出售其他有形資產所得款項	3,951	703
Proceeds from disposal of intangible assets	出售無形資產所得款項	288	—
Interest received	已收利息	1,777	3,653
Net cash used in investing activities	投資業務之現金流出淨額	(8,853)	(14,855)
Financing activities	融資活動		
Proceeds from new bank loans, net of transaction costs	新增銀行貸款 (已扣除交易成本)	419,103	419,287
Repayment of bank loans	償還銀行貸款	(499,552)	(365,494)
Decrease/(increase) in pledged deposits	抵押存款減少／(增加)	198,000	(138,000)
Decrease in bank deposits	銀行存款減少	—	5,876
Interest paid	已付利息	(13,311)	(19,993)
Net cash generated from/(used in) financing activities	融資活動之現金流入／(流出) 淨額	104,240	(98,324)
Net increase/(decrease) in cash and cash equivalents	現金及等同現金項目之淨額增加／(減少)	55,322	(191,684)
Cash and cash equivalents at 1 January	於一月一日之現金及等同現金項目結存 19(b)	45,586	220,556
Effect of foreign exchange rates changes	匯率變動之影響	(4)	16,714
Cash and cash equivalents at 31 December	於十二月三十一日之現金及等同現金項目結存 19(b)	100,904	45,586

The notes on pages 70 to 137 form part of these financial statements.

列於第70至137頁之各項附註為本財務報表之一部份。

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

財務報表附註

(除另有指示外，均按港幣計算)

1 Significant accounting policies

(a) Statement of compliance

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

The HKICPA has issued certain new and revised HKFRSs that are first effective or available for early adoption for the current accounting period of the Group and the Company. Note 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 2012 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 before net reversal of impairment losses for non-current assets, of \$40,741,000 and experienced a net outflow of cash and cash equivalents of \$40,065,000 in respect of operating activities for the year ended 31 December 2012. The Group's cash and cash equivalents exceeded current bank loans by only \$14,191,000 as at 31 December 2012, which may not be sufficient to fund the Group's operations in 2013 in view of the net outflow of cash and cash equivalents in respect of operating activities for the year ended 31 December 2012.

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

截至二零一二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。

截至二零一二年十二月三十一日止年度，在非流動資產之減值虧損撥回前，本集團錄得來自持續經營業務之綜合淨虧損40,741,000元以及經營業務之現金及等同現金項目40,065,000元之淨流出。於二零一二年十二月三十一日，本集團之現金及等同現金項目僅較銀行貸款多14,191,000元，鑑於截至二零一二年十二月三十一日止經營業務之現金及等同現金項目之淨流出，這有可能不足以應付本集團在二零一三年之經營。

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. However, 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 Company's bank loans are repayable in eight equal quarterly instalments from June 2013. The directors are considering re-financing these loans so that part of current bank loans becomes repayable after 31 December 2013.
- (ii) The directors have reviewed the Group's future plans strategy and have identified various initiatives which could turn around the Group's business performance, which include the following:
 - (a) For Hong Kong operations, the directors consider that the decline in profitability is principally due to the heavy discounts offered to customers and they have implemented stronger controls over discounts since late 2012. Also, the directors are conducting a holistic review of sales incentive schemes with a view to changing them to be more efficient and effective.
 - (b) For mainland China operations, the directors have reinvigorated certain sales channels by obtaining new distributors and also are searching for opportunities to obtain new customers who may be interested in subcontracting beer production to the Group.
- (iii) 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 2012 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)

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) 本公司之銀行貸款於二零一三年六月起均分八期償還。董事正考慮就這些貸款再融資，使部份的現有銀行貸款改為二零一三年十二月三十一日後償還。
- (ii) 董事已檢討本集團將來之規劃策略並制定出可扭轉本集團業務表現之各種計劃，這包括：
 - (a) 就香港業務，董事考慮到盈利能力下降主要來自給予客戶龐大的折扣優惠，在二零一二年較後時間已實施對折扣加強管制。同時，董事正進行整體銷售獎勵計劃的檢討以變得更有效率和更有效益。
 - (b) 就中國內地業務，董事已找到新的分銷商復興若干銷售渠道，並正尋找機會以得到可能對給予本集團進行啤酒生產分包的新客戶。
- (iii) 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二零一二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。

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(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 several amendments to HKFRSs that are first effective for the current accounting period of the Group and the Company. Of these, Amendments to HKFRS 7, *Financial Instruments: Disclosures — Transfers of financial assets* are relevant to the Group's financial statements.

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

Amendments to HKFRS 7, *Financial instruments: Disclosures*

The amendments to HKFRS 7 require certain disclosures to be included in the financial statements in respect of transferred financial assets that are not derecognised in their entirety and for any continuing involvement in transferred financial assets that are derecognised in their entirety, irrespective of when the related transfer transaction occurred. However, an entity need not provide the disclosures for the comparative period in the first year of adoption. The Group did not have any significant transfers of financial assets in previous periods or the current period which require disclosure in the current accounting period under the amendments.

(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.

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數個香港財務報告準則的修訂，該修訂首次於本集團及本公司之本期會計期間生效。這當中，香港財務報告準則第7號之修訂「金融工具：披露 — 金融資產的轉移」對本集團的財務報表有關。

本集團並未採用任何於本期會計期間尚未生效的新準則或詮釋。

香港財務報告準則第7號之修訂「金融工具：披露」

香港財務報告準則第7號之修訂要求就沒有終止確認其全部的已轉移金融資產，及任何已被終止確認其全部之金融資產而持續參與轉移，不論有關轉移交易何時發生，應包括若干披露於財務報表之內。但是，該實體不須提供首年採用的比較期間之披露。本集團於以往期間或本期間，都並未有金融資產之任何主要轉移由於此修訂而需要在本期會計期間作出披露。

(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。

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(除另有指示外，均按港幣計算)

1 Significant accounting policies (Continued)

(d) Subsidiaries and non-controlling interests (Continued)

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 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)).

(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.

1 主要會計政策 (續)

(d) 會計政策的變動 (續)

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值確認，該值為金融資產初始確認之公允值，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。

(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。

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(除另有指示外，均按港幣計算)

1 Significant accounting policies (Continued)

(e) Property, plant and equipment (Continued)

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 (續)

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。

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(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地產的公允價值分開計量，會作為根據融資租賃持有入賬，除非有關房產亦顯然根據經營租約持有，則作別論。就此而言，租賃的開始時間為本集團首次訂立租約時，或從前承租人接手時。

(ii) 經營租賃

倘本集團根據經營租賃使用資產，根據租約所付之款項乃於損益中以等額在租賃期所涵蓋之會計期間支銷。所得的租賃激勵措施乃作為所作的整體淨租賃付款額的一部分在損益中確認。

以經營租賃持有土地的收購成本是按直線法在租賃期內攤銷。減值虧損會按照附註1(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。

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(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 or at 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).

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，在分別為兩年至三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。

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(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)

- For receivables carried at amortised cost or at 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) for receivables carried at amortised cost or at the current market rate of return for similar financial assets for receivables stated at cost, 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.

If in a subsequent period the amount of an impairment loss decreases and the decrease can be linked objectively to an event occurring after the impairment loss was recognised, the impairment loss is reversed through profit or loss. A reversal of an impairment loss shall not result in the asset's carrying amount exceeding that which would have been determined had no impairment loss been recognised in prior years.

Impairment losses are written off against the corresponding assets directly, except for impairment losses recognised in respect of trade receivables included within trade and other receivables, whose recovery is considered doubtful but not remote. In this case, the impairment losses for doubtful debts are recorded using an allowance account. When the Group is satisfied that recovery is remote, the amount considered irrecoverable is written off against trade receivables directly and any amounts held in the allowance account relating to that debt are reversed. Subsequent recoveries of amounts previously charged to the allowance account are reversed against the allowance account. Other changes in the allowance account and subsequent recoveries of amounts previously written off directly are recognised in profit or loss.

(ii) Impairment of other assets

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

- Property, plant and equipment;
- Investment properties;
- Interests in leasehold land held for own use under operating leases;
- Intangible assets; and
- Other tangible assets.

1 主要會計政策 (續)

(j) 資產減值 (續)

(i) 附屬公司權益及應收款項的減值 (續)

- 按攤銷成本列賬或按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異計算，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。

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，則減值虧損於損益撥回。撥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。

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(Expressed in Hong Kong dollars unless otherwise indicated)

財務報表附註

(除另有指示外，均按港幣計算)

1 Significant accounting policies (Continued)

(j) Impairment of assets (Continued)

(ii) Impairment of other assets (Continued)

If any such indication exists, the asset's recoverable amount is estimated. In addition, for intangible assets that have indefinite useful lives, the recoverable amount is estimated annually whether or not there is any indication of impairment.

— Calculation of recoverable amount

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

— Recognition of impairment losses

An impairment loss is recognised in profit or loss if the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. Impairment losses recognised in respect of cash-generating units are allocated to reduce the carrying amount of the assets in the unit (or group of units) on a pro rata basis, except that the carrying value of an asset will not be reduced below its individual fair value less costs to sell, or value in use, if determinable.

— Reversals of impairment losses

An impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount.

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

(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.

1 主要會計政策 (續)

(j) 資產減值 (續)

(ii) 其他資產減值 (續)

倘若存在任何有關跡象，則會估計資產的可收回金額。此外，就沒有確實可使用年期的無形資產而言，本集團會每年估計其可收回金額，以確定是否有任何減值跡象。

— 計算可收回金額

資產之可收回金額為其售價淨額及使用價值兩者中之較高者。於評估使用價值時，會使用除稅前貼現率將估計的未來現金流量貼現至現值。該貼現率應是反映市場當時所評估之貨幣時間價值和該資產之獨有風險。倘資產並未能在大致獨立於其他資產下賺取現金流量，則就獨立賺取現金流量之最小組別資產（即賺取現金單位）來釐定可收回金額。

— 確認減值虧損

每當資產（或其所屬的現金產生單位）的賬面值超過其可收回金額，即會在收益表確認減值虧損。就賺取現金單位確認的減值虧損，會以減少單位（或該組單位）資產的賬面值按比例分配，惟資產賬面值不會減少至低於其本身的公允價值減銷售成本或使用價值（若能釐定）。

— 撥回減值虧損

倘用以釐訂可收回金額之估計出現好轉，則撥回減值虧損。

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

(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。

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(Expressed in Hong Kong dollars unless otherwise indicated)

財務報表附註

(除另有指示外，均按港幣計算)

1 Significant accounting policies (Continued)

(k) Inventories (Continued)

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.

(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.

1 主要會計政策 (續)

(k) 存貨 (續)

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撥回的任何存貨減值會扣減撥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。

(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。

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(Expressed in Hong Kong dollars unless otherwise indicated)

財務報表附註

(除另有指示外，均按港幣計算)

1 Significant accounting policies (Continued)

(p) Employee benefits (Continued)

(ii) Defined benefit retirement plan obligations

The Group's net obligation in respect of defined benefit retirement plans 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.

(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.

(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 amounts 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.

1 主要會計政策 (續)

(p) 僱員福利 (續)

(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。

(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。

(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異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異而產生之可扣稅暫時差異，惟該等差異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異，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異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，即該等差異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。

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(除另有指示外，均按港幣計算)

1 Significant accounting policies (Continued)

(q) Income tax (Continued)

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.

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.

1 主要會計政策 (續)

(q) 所得稅 (續)

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。

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。

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(除另有指示外，均按港幣計算)

1 Significant accounting policies (Continued)

(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.

(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.

1 主要會計政策 (續)

(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。

(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。

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)

(t) Translation of foreign currencies (Continued)

- (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.

(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.

1 主要會計政策 (續)

(t) 外幣兌換 (續)

- (ii) 年內以外幣進行之交易，均以交易日之外幣匯率換算。以外幣結算之貨幣資產及負債，則以結算日之外幣匯率換算。匯兌損益乃計入損益中。

以外幣按歷史成本計價的非貨幣資產及負債用交易日的外幣匯率進行折算。

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。

(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。

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)

- (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.
 - (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.

1 主要會計政策 (續)

(v) 關連人士 (續)

- (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。
 - (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。

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)

2 Accounting judgements and estimates

Notes 5 and 23 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 and intangible assets are disclosed in notes 13 and 14 respectively.

(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 17, 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.

2 會計估計及判斷

除於附註5及23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。固定資產及無形資產的性質和賬面值詳情分別於附註13及14中披露。

(b) 固定資產之折舊或攤銷

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。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17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。

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(Expressed in Hong Kong dollars unless otherwise indicated)

財務報表附註

(除另有指示外，均按港幣計算)

2 Accounting judgements and estimates (Continued)

(d) Write down of inventories

The Group performs a regular review of the carrying amounts of inventories as disclosed in note 16 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 for 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 being able to generate 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 24.

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 comprises 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 comprises 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.

2 會計估計及判斷 (續)

(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16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24中披露。

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：

- 香港業務主要包括在香港及海外分銷自身釀製之啤酒產品和分銷進口之啤酒產品。
- 中國內地業務主要包括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。

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(Expressed in Hong Kong dollars unless otherwise indicated)

財務報表附註

(除另有指示外，均按港幣計算)

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.

The accounting policies of the reportable segments are the same as the Group's accounting policies described in note 1.

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 2012 and 2011 is set out below:

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

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其他流動負債，惟遞延稅項負債除外。

計算須予呈報盈利或虧損所採用之方法為稅前盈利或虧損。所得稅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。

截至二零一二年及二零一一年十二月三十一日止，有關提供予本集團最高層行政管理人員以分配資源及評價分部表現之資料載列如下：

		Hong Kong 香港		Mainland China 中國內地		Total 總數	
		2012 二零一二年 \$'000 千元	2011 二零一一年 \$'000 千元	2012 二零一二年 \$'000 千元	2011 二零一一年 \$'000 千元	2012 二零一二年 \$'000 千元	2011 二零一一年 \$'000 千元
Revenue from external customers	外界客戶收入	537,243	515,726	149,119	168,153	686,362	683,879
Inter-segment revenue	分部間收入	—	—	4,839	93	4,839	93
Reportable segment revenue	須予呈報分部收入	537,243	515,726	153,958	168,246	691,201	683,972
Reportable segment profit/(loss) from operations	須予呈報分部經營盈利/(虧損)	277,565	9,298	(44,922)	(78,325)	232,643	(69,027)
Interest income from bank deposits	銀行存款利息收入	1,127	2,884	244	887	1,371	3,771
Interest expense on bank loans	銀行貸款利息支出	(5,185)	—	(7,561)	(18,551)	(12,746)	(18,551)
Depreciation and amortisation for the year	年內折舊及攤銷	(15,324)	(14,808)	(1,980)	(3,114)	(17,304)	(17,922)
Reversal of/(provision for) impairment losses recognised in profit or loss in respect of	在損益確認之減值虧損撥回/減值虧損(撥備)						
— non-current assets	— 非流動資產	272,344	—	(2,428)	(5,497)	269,916	(5,497)
— trade and other receivables	— 應收貿易及其他賬項	(351)	351	371	10	20	361
Reportable segment assets	須予呈報分部資產	1,223,173	1,102,230	66,548	82,906	1,289,721	1,185,136
Additions to non-current segment assets during the year	年內非流動分部資產增加	9,095	7,927	3,667	7,894	12,762	15,821
Reportable segment liabilities	須予呈報分部負債	335,057	96,631	439,233	787,829	774,290	884,460

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(Expressed in Hong Kong dollars unless otherwise indicated)

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(除另有指示外，均按港幣計算)

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

		2012 二零一二年 \$'000 千元	2011 二零一一年 \$'000 千元
Revenue	收入		
Reportable segment revenue	須予呈報分部收入	691,201	683,972
Elimination of inter-segment revenue	分部之間收入撤銷	(4,839)	(93)
Consolidated turnover	綜合營業額	686,362	683,879
Profit/(loss)	盈利／(虧損)		
Reportable segment profit/(loss) from operations	須予呈報分部經營盈利／(虧損)	232,643	(69,027)
Elimination of inter-segment profits	分部之間盈利撤銷	—	—
Reportable segment profit/(loss) derived from Group's external customers and consolidated profit/(loss) before taxation	來自外界客戶之須予呈報分部盈利／(虧損)及綜合除稅前盈利／(虧損)	232,643	(69,027)
Assets	資產		
Reportable segment assets	須予呈報分部資產	1,289,721	1,185,136
Elimination of inter-segment receivables	分部之間應收賬項撤銷	(379,756)	(380,070)
Consolidated total assets	綜合總資產	909,965	805,066
Liabilities	負債		
Reportable segment liabilities	須予呈報分部負債	774,290	884,460
Elimination of inter-segment payables	分部之間應付賬項撤銷	(379,756)	(380,070)
Deferred tax liabilities	遞延稅項負債	394,534 3,595	504,390 3,453
Consolidated total liabilities	綜合總負債	398,129	507,843

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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	
		2012 二零一二年 \$'000 千元	2011 二零一一年 \$'000 千元	2012 二零一二年 \$'000 千元	2011 二零一一年 \$'000 千元
Hong Kong (place of domicile)	香港 (成立地點)	463,588	425,577	629,049	363,030
Mainland China	中國內地	119,876	156,290	31,055	32,350
Philippines	菲律賓	92,176	93,253	—	—
Others	其他國家	10,722	8,759	—	—
		222,774	258,302	31,055	32,350
		686,362	683,879	660,104	395,380

(c) Major customers

In 2012, the revenue from the Group's largest customer which was served both by the Hong Kong segment and the mainland China segment amounted to \$93,144,000 or 14% of the Group's total revenue (2011: \$93,706,000 or 14%). The revenue from the Group's five largest customers amounted to 39% (2011: 39%) of the Group's total revenue.

Details of concentration of credit risk arising from these customers are set out in note 26(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

於二零一二年，來自本集團香港及中國內地業務之最大客戶的收入為93,144,000元或佔本集團總收入14%(二零一一年：93,706,000元或14%)。來自本集團首五大客戶的收入佔本集團的總收入的39%(二零一一年：39%)。

來自該等客戶之詳細信貸風險載於附註26(a)。

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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

		2012 二零一二年 \$'000 千元	2011 二零一一年 \$'000 千元
Other revenue	其他收入		
Interest income from bank deposits	銀行存款之利息收入	1,371	3,771
Rental income from investment properties	來自投資物業的租金收入	5,872	5,808
Rental income from property, plant and equipment	來自物業、機器及設備的租金收入	3,099	3,134
Advertising and promotion subsidy (note 28(a))	廣告及市場推廣補貼 (附註 28(a))	23,240	—
Others	其他	2,089	2,226
		35,671	14,939
Other net income	其他收益淨額		
Net (loss)/gain on disposal of fixed assets	出售固定資產之淨 (虧損)/盈利	(36)	761
Net gain/(loss) on disposal of other tangible assets	出售其他有形資產之淨 盈利/(虧損)		
— to a customer (note)	— 予一名客戶 (附註)	6,894	—
— to fellow subsidiaries (note 28(a))	— 予同系附屬公司 (附註 28(a))	2,835	—
— others	— 其他	1,116	(447)
Net foreign exchange gains	匯兌淨盈利	641	2,979
Net gain on disposal of intangible assets	出售無形資產之淨盈利	4	—
Others	其他	19	26
		11,473	3,319

Note: All of the other tangible assets were fully impaired in prior years and the carrying amount was nil. Some of these assets were disposed of during the year to a customer who in return agreed to extinguish the Group's payables to it. The gain represents the amount of trade payables derecognised.

附註：所有其他有形資產已於過往年度全數減值及其賬面值為零。一些其他有形資產於年內出售予一名客戶以抵銷本集團對其的應付賬項。盈利指應付貿易賬項終止確認的金額。

5 Reversal of impairment losses/(impairment losses) for non-current assets

Reversal of impairment losses/(impairment losses) for non-current assets represent:

5 非流動資產之減值虧損撥回/(減值虧損)

非流動資產之減值虧損撥回/(減值虧損)指：

		2012 二零一二年 \$'000 千元	2011 二零一一年 \$'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))	(2,428)	(5,497)
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))	262,206	—
Investment properties (note 5(c))	投資物業 (附註 5(c))	10,138	—
		269,916	(5,497)

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(Expressed in Hong Kong dollars unless otherwise indicated)

財務報表附註

(除另有指示外，均按港幣計算)

5 Reversal of impairment losses/(impairment losses) for non-current assets (Continued)

The above reversal of impairment losses/(impairment losses) are further analysed as follows:

	Note 附註	2012 二零一二年 \$'000 千元	2011 二零一一年 \$'000 千元
Provision for impairment losses:	減值虧損撥備：		
Fixed assets	固定資產	(2,284)	(1,631)
Other tangible assets	其他有形資產	(144)	(3,866)
		(2,428)	(5,497)
Reversal of impairment losses:	減值虧損撥回：		
Fixed assets	固定資產	272,344	—
		269,916	(5,497)

(a) Mainland China operation

During 2012 and 2011, the Group noted that the decline in demand for its products in mainland China compared to previous sales forecasts, 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 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 \$2,428,000 (2011: \$5,497,000), details of which are as follows:

		2012 二零一二年 \$'000 千元	2011 二零一一年 \$'000 千元
Provisions for impairment losses:	減值虧損撥備：		
Fixed assets	固定資產	(2,284)	(1,631)
Other tangible assets	其他有形資產	(144)	(3,866)
		(2,428)	(5,497)

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.

5 非流動資產之減值虧損撥回／(減值虧損)(續)

以上減值虧損撥回／(減值虧損)的詳細分析如下：

(a) 中國內地業務

在二零一二年及二零一一年，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2,428,000元（二零一一年：5,497,000元），詳情如下：

可收回金額的估計乃根據資產的公允值減去銷售成本，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。

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(除另有指示外，均按港幣計算)

5 Reversal of impairment losses/(impairment losses) for non-current assets (Continued)

(b) Hong Kong manufacturing operation

The Group's non-current assets relating to the manufacturing operations in Hong Kong comprise mainly the production plant, an office building and a warehouse in Hong Kong ("the HK cash-generating unit"). The Group had recognised impairment losses of \$716,167,000 in respect of the HK cash-generating unit in prior years in order to reduce its carrying amount to the recoverable amount, which had been determined based on value-in-use calculations, as the Group could not determine fair value less costs to sell reliably because there was no basis for making a reliable estimate of the amount obtainable from the sale of certain assets belonging to the HK cash-generating unit in an arm's length transaction between knowledgeable and willing parties.

In 2012, there was a change in the estimates used to determine the HK cash-generating unit's recoverable amount as the Group was able to determine fair value less costs to sell based on a reliable estimate of the amount obtainable from the sale in an arm's length transaction between knowledgeable and willing parties for most of the assets belonging to the HK cash-generating unit, due to recent comparable transaction data becoming available. The fair value less costs to sell of the HK cash-generating unit was greater than the value-in-use at 31 December 2012. Hence, the Group determined the recoverable amount based on the fair value less costs to sell and reversed a part of the previously recognised impairment losses in respect of the HK cash-generating unit to the extent that the revised carrying amount of individual assets does not exceed the smaller of respective fair value less costs to sell as at 31 December 2012 and what would have been determined had no impairment loss been recognised in prior years.

The estimates of the cash-generating unit's fair value less costs to sell were 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.

5 非流動資產之減值虧損撥回／(減值虧損)(續)

(b) 香港生產業務

本集團有關香港生產業務之非流動資產主要包括香港的生產廠房、辦公大樓及倉庫(「香港現金生產單位」)。本集團已於過往年度就其香港現金生產單位確認以減少其賬面值至可收回金額之減值虧損716,167,000元。因為本集團不能根據知情及自願人士之間的公平交易中可靠地評估銷售香港現金生產單位的若干資產所得的金額，所以本集團未能可靠地估計公允值減去銷售成本，因此可收回金額是根據使用價值計算而釐定。

在二零一二年，本集團用來釐定香港現金生產單位可收回金額之評估已有改變。因為近期有可比較交易數據供參考，本集團能基於在知情及自願人士之間的公平交易中，可靠地評估銷售香港現金生產單位之大部份資產所得的金額，而釐定公允值減去銷售成本。於二零一二年十二月三十一日，香港現金生產單位的公允值減去銷售成本較使用價值高。因此，本集團基於公允值減去銷售成本以釐定香港現金生產單位的可收回金額，並撥回部份之前確認的減值虧損致個別資產經修訂的賬面值不超過其於二零一二年十二月三十一日的公允值減去銷售成本，及個別資產在過往年度若無確認減值虧損的應有賬面值。

現金生產單位的公允值減去銷售成本之估計乃根據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。

Reversal of impairment losses:

減值虧損撥回：

Fixed assets

固定資產

2012
二零一二年
\$'000
千元

262,206

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(除另有指示外，均按港幣計算)

5 Reversal of impairment losses/(impairment losses) for non-current assets (Continued)

(c) Investment properties

The Group had recognised impairment losses of \$12,000,000 in respect of its investment properties in prior years in order to reduce its carrying amount to the recoverable amount which had been determined based on fair value less costs to sell.

In 2012, the Group noted an increase in the investment properties' recoverable amount, mainly arising from an increase in the fair value less costs to sell, which exceeded the relevant carrying amount. Hence, the Group reversed previously recognised impairment losses on the investment properties to the extent that the revised carrying amount does not exceed the smaller of the fair value less costs to sell as at 31 December 2012 and what would have been determined had no impairment loss been recognised in prior years.

The estimates of the investment properties' fair value less costs to sell were 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.

6 Profit/(loss) before taxation

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

5 非流動資產之減值虧損撥回／(減值虧損)(續)

(c) 投資物業

本集團已於過往年度就其投資物業確認了減值虧損 12,000,000 元以減少其賬面值至可收回金額。可收回金額乃根據公允價值減去銷售成本而釐定。

在二零一二年，本集團注意到投資物業的可收回金額增加，主要來自公允價值減去銷售成本的增加，超過了有關的賬面值。因此，本集團就經修訂之賬面值不超過於二零一二年十二月三十一日之公允價值減去銷售成本，以及應已釐定過往年度確認沒有減值虧損，撥回了之前確認的投資物業之減值虧損。

投資物業的公允價值減去銷售成本之估計乃根據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。

6 除稅前盈利／(虧損)

除稅前盈利／(虧損)已扣除／(計入)下列項目：

		2012 二零一二年 \$'000 千元	2011 二零一一年 \$'000 千元
(a) Finance costs	(a) 財務費用		
Interest expense on bank loans wholly repayable within five years	須於五年內全數償還之銀行貸款利息支出	12,746	18,551
Amortisation of transaction costs for bank loans	銀行貸款交易成本之攤銷	410	—
Bank charges	銀行費用	263	2,111
		13,419	20,662
(b) Staff costs	(b) 員工薪酬		
Retirement costs	退休金成本		
— Defined contribution retirement plans	— 定額供款退休計劃	6,782	6,723
— Defined benefit retirement plan (note 23(a)(v))	— 定額福利退休計劃 (附註 23(a)(v))	3,340	4,340
		10,122	11,063
Salaries, wages and other benefits	薪金、工資及其他福利	104,724	101,023
		114,846	112,086

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(除另有指示外，均按港幣計算)

6 Profit/(loss) before taxation (Continued)

6 除稅前盈利／(虧損)(續)

		2012 二零一二年 \$'000 千元	2011 二零一一年 \$'000 千元
(c) Other items	(c) 其他項目		
Amortisation	攤銷		
— Land lease premium (note 13(a))	— 租賃土地款項 (附註 13(a))	3,277	4,473
— Other tangible assets	— 其他有形資產	888	823
Depreciation (note 13(a))	折舊 (附註 13(a))		
— Property, plant and equipment	— 物業、機器及設備	10,730	9,747
— Investment properties	— 投資物業	2,409	2,879
Cost of inventories (note 16)	存貨成本 (附註 16)	390,206	383,523
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	2,830	2,812
Rental receivable from investment properties less direct outgoings of \$2,949,000 (2011: \$2,932,000)	投資物業之租金收入扣除直接費用 2,949,000 元 (二零一一年：2,932,000)	(2,923)	(2,876)
Auditors' remuneration	核數師酬金		
— Provision for the year	— 本年度撥備	3,314	3,156
— Under-provision in respect of prior year	— 上年度撥備不足	343	282
Reversal of impairment losses for trade and other receivables (note 17(b))	應收貿易及其他賬款之減值撥回 (附註 17(b))	(20)	(361)

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：

		2012 二零一二年 \$'000 千元	2011 二零一一年 \$'000 千元
Current tax — Outside Hong Kong	本期稅項 — 香港以外		
Provision for the year	本年度撥備	(20)	(123)
Deferred tax (note 24(a))	遞延稅項 (附註 24(a))		
Origination and reversal of temporary differences	暫時差額之出現及撥回	(3,448)	512
Income tax (charge)/credit	所得稅 (支出)／計入	(3,468)	389

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 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。

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(Expressed in Hong Kong dollars unless otherwise indicated)

財務報表附註

(除另有指示外，均按港幣計算)

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% (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 2012 and 2011 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 charge/(credit) and accounting profit/(loss) at applicable tax rates:

		2012 二零一二年 \$'000 千元	2011 二零一一年 \$'000 千元
Profit/(loss) before taxation	除稅前盈利／（虧損）	232,643	(69,027)
Notional tax on profit/(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 就除稅前盈利／（虧損）計算之估計稅項	34,880	(18,159)
Tax effect of non-deductible expenses	不可扣除開支之稅項影響	3,917	4,865
Tax effect of non-taxable revenue	非課稅收入之稅項影響	(403)	(291)
Tax effect of contribution to retirement benefit plan	退休福利計劃供款之稅項影響	(1,696)	—
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	7,574	16,095
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	(37,898)	(1,261)
Others	其他	(2,906)	(1,638)
Actual tax charge/(credit)	所得稅支出／（計入）	3,468	(389)

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%（二零一一年：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。

二零一二年及二零一一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) 所得稅支出／（計入）與會計盈利／（虧損）之調節：

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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：

		2012 二零一二年				
		Directors' fees 袍金 \$'000 千元	Salaries, allowances and benefits in kind 薪金及津貼 \$'000 千元	Discretionary bonuses 酌情花紅 \$'000 千元	Retirement scheme contributions 退休金供款 \$'000 千元	Total 合計 \$'000 千元
Executive director	執行董事					
Peter K.Y. Tam	譚嘉源	—	2,037	—	315	2,352
Non-executive directors	非執行董事					
Ramon S. Ang	蔡啓文	—	—	—	—	—
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	—	—	—	—	—
Roberto N. Huang	黃思民	—	—	—	—	—
Reynato S. Puno	Reynato S. Puno	—	—	—	—	—
Independent non-executive directors	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	—	—	—	—	—
		—	2,037	—	315	2,352

The executive director waived entitlement to his director's fees. All of the non-executive directors and independent non-executive directors waived their entitlements to all their emoluments.

執行董事已放棄其袍金。所有非執行董事及獨立非執行董事已放棄其所有酬金。

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(Expressed in Hong Kong dollars unless otherwise indicated)

(除另有指示外，均按港幣計算)

8 Directors' remuneration (Continued)

8 董事酬金 (續)

		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
Executive director	執行董事					
Peter K.Y. Tam	譚嘉源	—	1,919	—	275	2,194
Non-executive directors	非執行董事					
Ramon S. Ang	蔡啓文	—	—	—	—	—
Carlos Antonio M. Berba	凱顧思	—	—	—	—	—
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	—	—	—	—	—
Independent non-executive directors	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	—	—	—	—	—
		—	1,919	—	275	2,194

The executive director waived entitlement to his director's fees. All of the non-executive directors and independent non-executive directors waived their entitlements to all their emoluments.

執行董事已放棄其袍金。所有非執行董事及獨立非執行董事已放棄其所有酬金。

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)

9 Individuals with highest emoluments

Of the five individuals with the highest emoluments, one (2011: one) is director whose emoluments are included in note 8. The aggregate of the emoluments in respect of the remaining four (2011: four) individuals are as follows:

		2012 二零一二年 \$'000 千元	2011 二零一一年 \$'000 千元
Salaries and other emoluments	薪金及津貼	5,777	5,607
Retirement scheme contributions	退休金供款	863	757
		6,640	6,364

The emoluments of the four (2011: four) individuals with the highest emoluments are within the following bands:

		2012 二零一二年 Number of individuals 人員數目	2011 二零一一年 Number of individuals 人員數目
\$1,000,001 to \$1,500,000	1,000,001 元至 1,500,000 元	2	2
\$1,500,001 to \$2,000,000	1,500,001 元至 2,000,000 元	2	2

10 Profit/(loss) attributable to equity shareholders of the Company

The consolidated profit/(loss) attributable to equity shareholders of the Company includes a loss of \$117,843,000 (2011: profit of \$13,472,000) which has been dealt with in the financial statements of the Company (note 25(a)).

9 酬金最高之人員

最高薪五名人員中，一名（二零一一年：一名）為董事（其酬金已於附註8披露）。其餘四名（二零一一年：四名）酬金最高之人員之酬金總額如下：

		2012 二零一二年 \$'000 千元	2011 二零一一年 \$'000 千元
Salaries and other emoluments	薪金及津貼	5,777	5,607
Retirement scheme contributions	退休金供款	863	757
		6,640	6,364

四名（二零一一年：四名）酬金最高之人員之酬金分析如下：

		2012 二零一二年 Number of individuals 人員數目	2011 二零一一年 Number of individuals 人員數目
\$1,000,001 to \$1,500,000	1,000,001 元至 1,500,000 元	2	2
\$1,500,001 to \$2,000,000	1,500,001 元至 2,000,000 元	2	2

10 本公司權益持有人應佔盈利／（虧損）

本公司權益持有人應佔綜合盈利／（虧損）包括虧損 117,843,000 元（二零一一年：盈利 13,472,000 元）已計入本公司財務報表（附註 25(a)）。

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(Expressed in Hong Kong dollars unless otherwise indicated)

(除另有指示外，均按港幣計算)

11 Other comprehensive income

Tax effects relating to each component of other comprehensive income

11 其他全面收益

其他全面收益各部分的稅項影響

		2012 二零一二年			2011 二零一一年		
		Before-tax amount 除稅前金額 \$'000 千元	Tax effect 稅項影響 \$'000 千元 (note 24(a)) (附註 24(a))	Net-of-tax amount 除稅後金額 \$'000 千元	Before-tax amount 除稅前金額 \$'000 千元	Tax effect 稅項影響 \$'000 千元 (note 24(a)) (附註 24(a))	Net-of-tax amount 除稅後金額 \$'000 千元
Exchange differences on translation of:	匯兌差額：						
— financial statements of subsidiaries outside Hong Kong	— 換算海外附屬公司財務報表所產生之匯兌差額	245	—	245	(31,863)	—	(31,863)
— 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	(84)	—	(84)	17,973	—	17,973
Actuarial gains and losses of defined benefit retirement plan (note 23(a)(vi))	定額福利退休計劃之精算盈利及虧損 (附註 23(a)(vi))	161	—	161	(13,890)	—	(13,890)
		(18,029)	3,306	(14,723)	(11,818)	95	(11,723)
Other comprehensive income	其他全面收益	(17,868)	3,306	(14,562)	(25,708)	95	(25,613)

12 Earnings/(loss) per share

(a) Basic earnings/(loss) per share

The calculation of basic earnings/(loss) per share is based on the profit/(loss) attributable to equity shareholders of the Company of \$239,854,000 (2011: \$53,464,000) and on 373,570,560 (2011: 373,570,560) ordinary shares, being the number of ordinary shares in issue throughout the year.

(b) Diluted earnings/(loss) per share

The diluted earnings/(loss) per share is not presented as the Company did not have dilutive potential ordinary shares for both years presented.

12 每股盈利／（虧損）

(a) 每股基本盈利／（虧損）

每股基本盈利／（虧損）乃根據本公司權益持有人應佔盈利／（虧損）共 239,854,000 元（二零一一年：53,464,000 元）及本年度內已發行之 373,570,560 股普通股（二零一一年：373,570,560 股普通股）計算。

(b) 攤薄之每股盈利／（虧損）

攤薄之每股盈利／（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。

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(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					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	Machinery, equipment, furniture and fixtures 機器、設備、 傢俬及裝備	Motor vehicles 車輛	Construction in progress 在建工程	Sub-total 合計	Investment properties 投資物業		
		\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元
Cost:	成本：								
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
Accumulated amortisation, depreciation and impairment losses:	累計攤銷、折舊及減值虧損：								
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
Net book value:	賬面淨值：								
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
Cost:	成本：								
At 1 January 2012	於二零一二年一月一日	1,009,554	1,694,823	16,846	371	2,721,594	121,555	122,554	2,965,703
Exchange adjustments	匯兌調整	(93)	(172)	(12)	—	(277)	—	(11)	(288)
Additions	添置	614	8,895	117	1,965	11,591	111	29	11,731
Transfer from construction in progress	轉撥自在建工程	1,528	437	—	(1,965)	—	—	—	—
Disposals	出售	—	(20,383)	(2,974)	—	(23,357)	—	—	(23,357)
At 31 December 2012	於二零一二年十二月三十一日	1,011,603	1,683,600	13,977	371	2,709,551	121,666	122,572	2,953,789
Accumulated amortisation, depreciation and impairment losses:	累計攤銷、折舊及減值虧損：								
At 1 January 2012	於二零一二年一月一日	862,011	1,626,006	16,766	371	2,505,154	41,417	29,461	2,576,032
Exchange adjustments	匯兌調整	(93)	(170)	(12)	—	(275)	—	—	(275)
Charge for the year (note 6(c))	年內開支 (附註 6(c))	4,623	6,043	64	—	10,730	2,409	3,277	16,416
Impairment losses (note 5)	減值虧損 (附註 5)	1,665	619	—	—	2,284	—	—	2,284
Reversal of impairment losses (note 5)	減值虧損撥回 (附註 5)	(261,201)	—	—	—	(261,201)	(10,138)	(1,005)	(272,344)
Written back on disposals	出售撥回	—	(20,028)	(2,974)	—	(23,002)	—	—	(23,002)
At 31 December 2012	於二零一二年十二月三十一日	607,005	1,612,470	13,844	371	2,233,690	33,688	31,733	2,299,111
Net book value:	賬面淨值：								
At 31 December 2012	於二零一二年十二月三十一日	404,598	71,130	133	—	475,861	87,978	90,839	654,678

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(除另有指示外，均按港幣計算)

13 Fixed assets (Continued)

13 固定資產 (續)

(b) The Company

(b) 本公司

		Property, plant and equipment 物業、機器及設備				Interests in leasehold land held for own use under operating leases 在經營租賃下 自用而持有的 租賃土地權益	Total fixed assets 總計固定資產
		Land and buildings held for own use 自用土地 及房產 \$'000 千元	Machinery, equipment, furniture and fixtures 機器、設備、 傢俬及裝備 \$'000 千元	Motor vehicles 車輛 \$'000 千元	Sub-total 合計 \$'000 千元		
Cost:	成本：						
At 1 January 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
Accumulated amortisation, depreciation and impairment losses:	累計攤銷、折舊及減值虧損：						
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
Net book value:	賬面淨值：						
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
Cost:	成本：						
At 1 January 2012	於二零一二年一月一日	496,328	958,186	4,907	1,459,421	74,134	1,533,555
Additions	添置	368	8,416	117	8,901	—	8,901
Disposals	出售	—	(18,600)	(472)	(19,072)	—	(19,072)
At 31 December 2012	於二零一二年十二月三十一日	496,696	948,002	4,552	1,449,250	74,134	1,523,384
Accumulated amortisation, depreciation and impairment losses:	累計攤銷、折舊及減值虧損：						
At 1 January 2012	於二零一二年一月一日	402,694	889,501	4,827	1,297,022	12,713	1,309,735
Charge for the year	年內開支	2,976	5,991	64	9,031	2,247	11,278
Reversal of impairment losses	減值虧損撥回	(248,011)	—	—	(248,011)	(1,005)	(249,016)
Written back on disposals	出售撥回	—	(18,505)	(472)	(18,977)	—	(18,977)
At 31 December 2012	於二零一二年十二月三十一日	157,659	876,987	4,419	1,039,065	13,955	1,053,020
Net book value:	賬面淨值：						
At 31 December 2012	於二零一二年十二月三十一日	339,037	71,015	133	410,185	60,179	470,364

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(除另有指示外，均按港幣計算)

13 Fixed assets (Continued)

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

		The Group 本集團		The Company 本公司	
		2012 二零一二年 \$'000 千元	2011 二零一一年 \$'000 千元	2012 二零一二年 \$'000 千元	2011 二零一一年 \$'000 千元
Medium term leases	中期租賃土地				
— in Hong Kong	— 香港	552,755	289,102	399,216	155,055
— outside Hong Kong	— 香港以外	30,660	31,672	—	—
		583,415	320,774	399,216	155,055
Representing:	分析如下：				
Land and buildings held for own use	自用土地及房產	404,598	147,543	339,037	93,634
Investment properties	投資物業	87,978	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	90,839	93,093	60,179	61,421
		583,415	320,774	399,216	155,055

(d) Fixed assets leased out under operating leases

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 28(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.

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

(d) 經營租賃下之固定資產

本集團根據經營租賃將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之物業、機器及設備（見附註28(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。

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：

		2012 二零一二年 \$'000 千元	2011 二零一一年 \$'000 千元
Investment properties	投資物業		
Within 1 year	一年內	4,211	2,477
After 1 year but within 5 years	一年後及五年內	442	676
		4,653	3,153
Property, plant and equipment	物業，機器及設備		
Within 1 year	一年內	—	3,207
After 1 year but within 5 years	一年後及五年內	—	—
		—	3,207

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(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 2012 is \$236,730,000 (2011: \$147,940,000), which is valued on an open market basis assuming sale with existing tenancies by using the investment method and otherwise with vacant possession by using the sales comparison approach. The valuation was carried out by an independent firm of surveyors, LCH (Asia-Pacific) Surveyors Limited, who have among their staff Members of the Hong Kong Institute of Surveyors with valuation experience in the location and category of property being valued.

13 固定資產 (續)

- (e) 投資物業於二零一二年十二月三十一日之市場價值為236,730,000元(二零一一年：147,940,000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估值經驗。

14 Intangible assets

14 無形資產

		The Group 本集團			The Company 本公司		
		Trademarks 商標 \$'000 千元	Club debentures 會所債權證 \$'000 千元	Total 合計 \$'000 千元	Trademarks 商標 \$'000 千元	Club debentures 會所債權證 \$'000 千元	Total 合計 \$'000 千元
Cost:	成本：						
At 1 January 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
Accumulated amortisation and impairment losses:	累計攤銷及減值虧損：						
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
Net book value:	賬面淨值：						
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
Cost:	成本：						
At 1 January 2012	於二零一二年一月一日	39,116	6,363	45,479	39,116	5,031	44,147
Disposals	出售	—	(660)	(660)	—	—	—
Exchange adjustments	匯兌調整	—	1	1	—	—	—
At 31 December 2012	於二零一二年十二月三十一日	39,116	5,704	44,820	39,116	5,031	44,147
Accumulated amortisation and impairment losses:	累計攤銷及減值虧損：						
At 1 January 2012	於二零一二年一月一日	39,116	654	39,770	39,116	—	39,116
Written back on disposals	出售撥回	—	(376)	(376)	—	—	—
Exchange adjustments	匯兌調整	—	—	—	—	—	—
At 31 December 2012	於二零一二年十二月三十一日	39,116	278	39,394	39,116	—	39,116
Net book value:	賬面淨值：						
At 31 December 2012	於二零一二年十二月三十一日	—	5,426	5,426	—	5,031	5,031

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(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	
		2012 二零一二年 \$'000 千元	2011 二零一一年 \$'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	1,167,616	789,855
Less: Impairment losses	減：減值虧損	1,770,865 (1,149,906)	1,393,104 (776,567)
		620,959	616,537

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.

Impairment losses on investments in subsidiaries represent the write down of the carrying values of the investment cost and receivables from certain subsidiaries to their recoverable amounts.

In 2012, the Company made an advance of \$372,369,000 to San Miguel Shunde Holdings Limited, which further injected the same into San Miguel (Guangdong) Brewery Company Limited in the form of registered capital. The Company recognised full impairment on the advance made during 2012, which amounted to \$372,369,000.

The following list contains the particulars of all the subsidiaries of the Company:

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。

附屬公司權益的減值虧損指減少投資成本及應收若干附屬公司賬項的賬面值至其可收回金額。

於二零一二年，本公司借予 San Miguel Shunde Holdings Limited 372,369,000 元，用以進一步注資到生力（廣東）啤酒有限公司的註冊資本。於二零一二年內，本公司已就此借款確認了全數減值，金額為 372,369,000 元。

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	50,000 ordinary shares of US\$1 each	100%	—	Investment holding
	英屬處女群島	50,000 股 每股面值 1 美元 之普通股			投資控股
Hongkong Brewery Limited (note (i)) (附註 (i))	Hong Kong	60,000,000 preference shares of US\$1 each	100%	—	
	香港	60,000,000 股 每股面值 1 美元 之優先股			
Hongkong Brewery Limited (note (i)) (附註 (i))	Hong Kong	100 ordinary shares of \$1 each	100%	—	Dormant
	香港	100 股 每股面值 1 元 之普通股			暫無營業

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15 Investments in subsidiaries (Continued)

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 本公司	Subsidiary 附屬公司	Principal activity 主要業務
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	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
生力啤 (廣東) 有限公司	香港	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 ("GSMB") (note (ii)) 廣州生力啤酒有限公司 (「廣州生力」)(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 ("SMGB") (note (iii)) 生力 (廣東) 啤酒有限公司 (「生力廣東」)(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:

- (i) Hongkong Brewery Limited ("HKBL") has not traded since incorporation but 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 holds 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.

附註：

- (i) Hongkong Brewery Limited (「HKBL」) 自註冊成立以來，一直沒有進行任何交易，但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 元股份組成）。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。

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16 Inventories

16 存貨

		The Group 本集團		The Company 本公司	
		2012 二零一二年 \$'000 千元	2011 二零一一年 \$'000 千元	2012 二零一二年 \$'000 千元	2011 二零一一年 \$'000 千元
Products in hand	現有產品及在製品				
and in process		38,796	40,027	31,215	28,493
Materials and supplies	物料及供應	17,266	25,139	14,658	15,841
		56,062	65,166	45,873	44,334

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	
		2012 二零一二年 \$'000 千元	2011 二零一一年 \$'000 千元
Carrying amount of inventories sold	出售存貨賬面值	389,100	382,389
Write down of inventories	存貨撇減	1,106	1,134
Total (note 6(c))	總額 (附註 6(c))	390,206	383,523

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17 Trade and other receivables

17 應收貿易及其他賬項

		The Group 本集團	
		2012 二零一二年 \$'000 千元	2011 二零一一年 \$'000 千元
Trade receivables	應收貿易賬項	77,992	85,553
Less: Allowance for doubtful debts (note 17(b))	減：呆壞賬撥備（附註 17(b)）	(10,525)	(11,216)
		67,467	74,337
Other debtors, deposits and prepayments	其他應收賬、按金 及預付款項	15,259	14,266
		82,726	88,603
		The Company 本公司	
		2012 二零一二年 \$'000 千元	2011 二零一一年 \$'000 千元
Trade receivables	應收貿易賬項	62,709	67,433
Less: Allowance for doubtful debts (note 17(b))	減：呆壞賬撥備（附註 17(b)）	(526)	(1,057)
		62,183	66,376
Other debtors, deposits and prepayments	其他應收賬、按金 及預付款項	11,728	9,186
		73,911	75,562

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 \$1,254,000 (2011: \$1,421,000) and \$664,000 (2011: \$681,000) 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 1,254,000 元（二零一一年：1,421,000 元）及 664,000 元（二零一一年：681,000 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。

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17 Trade and other receivables (Continued)

The Group and the Company hold the following collateral over trade receivables at the end of the reporting period.

		The Group 本集團		The Company 本公司	
		2012 二零一二年 \$'000 千元	2011 二零一一年 \$'000 千元	2012 二零一二年 \$'000 千元	2011 二零一一年 \$'000 千元
Buildings	物業	26,943	22,425	16,250	11,730
Cash deposits	現金存款	6,175	11,651	10,096	1,050
Bank guarantees	銀行擔保	500	500	500	500

Cash deposits disclosed above and note 17(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 21.

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 2012.

(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	
		2012 二零一二年 \$'000 千元	2011 二零一一年 \$'000 千元	2012 二零一二年 \$'000 千元	2011 二零一一年 \$'000 千元
Current	未到期	51,234	56,054	50,827	53,197
Less than 1 month past due	過期日少於一個月	9,361	11,128	9,140	10,936
1 to 3 months past due	過期日為一至三個月	1,980	4,147	1,229	1,732
More than 3 months but less than 12 months past due	過期日為三個月至一年內	2,668	849	957	511
More than 12 months past due	過期日多於一年	2,224	2,159	30	—
		67,467	74,337	62,183	66,376

According to the Group's credit policy set out in note 26(a), the general credit period is payment by the end of the month following the month in which sales took place. Therefore, all the current balances above are within two months from the invoice date.

17 應收貿易及其他賬項 (續)

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：

以上及附註17(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21披露。

本集團認為上述抵押品減輕了應收貿易賬項的信貨風險。抵押物業價值代表物業於二零一二年十二月三十一日的市值。

(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：

根據載列於附註26(a)本集團的信貨政策，一般信貸於銷售月份後的月份完結時到期。因此，上述所有未到期結餘均在發票日期後兩個月內到期。

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17 Trade and other receivables (Continued)

(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	
		2012 二零一二年 \$'000 千元	2011 二零一一年 \$'000 千元	2012 二零一二年 \$'000 千元	2011 二零一一年 \$'000 千元
At 1 January	於一月一日	11,216	11,365	1,057	1,677
Exchange adjustments	匯兌調整	(4)	481	—	—
Impairment loss recognised	減值虧損確認	432	966	400	864
Impairment loss written back	減值虧損撥回	(452)	(1,327)	(49)	(1,215)
Uncollectible amounts written off	沖銷不可收回金額	(667)	(269)	(882)	(269)
At 31 December	於十二月三十一日	10,525	11,216	526	1,057

At 31 December 2012, the Group's and the Company's trade receivables of \$12,878,000 (2011: \$17,233,000) and \$655,000 (2011: \$2,694,000) respectively were individually determined to be impaired. The individually impaired receivables were balances in dispute 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 \$10,525,000 (2011: \$11,216,000) and \$526,000 (2011: \$1,057,000) were recognised by the Group and the Company respectively. The Group and the Company hold the following collateral over these balances:

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：

於二零一二年十二月三十一日，本集團及本公司將應收貿易賬項其中12,878,000元（二零一一年：17,233,000元）及655,000元（二零一一年：2,694,000元）按個別確定減值。個別的減值虧損是由於該公司財政上有困難，而據管理層評估，只有部份款項可以收回，故本集團和本公司分別作10,525,000元（二零一一年：11,216,000元）及526,000元（二零一一年：1,057,000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：

		The Group 本集團		The Company 本公司	
		2012 二零一二年 \$'000 千元	2011 二零一一年 \$'000 千元	2012 二零一二年 \$'000 千元	2011 二零一一年 \$'000 千元
Buildings	物業	—	10,695	—	—
Cash deposits	現金存款	1,075	1,593	—	—

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(Expressed in Hong Kong dollars unless otherwise indicated)

財務報表附註

(除另有指示外，均按港幣計算)

17 Trade and other receivables (Continued)

(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	
		2012 二零一二年 \$'000 千元	2011 二零一一年 \$'000 千元	2012 二零一二年 \$'000 千元	2011 二零一一年 \$'000 千元
Neither past due nor impaired	未到期及不作撥備	51,168	52,761	50,793	52,204
Less than 1 month past due	過期日少於一個月	9,362	11,109	9,140	10,915
1 to 3 months past due	過期日為一至三個月	1,978	4,033	1,227	1,620
More than 3 months but less than 12 months past due	過期日為三個月至一年內	2,605	338	894	—
More than 12 months past due	過期日為多於十二個月	1	79	—	—
		13,946	15,559	11,261	12,535
		65,114	68,320	62,054	64,739

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 hold the following collateral over these balances.

17 應收貿易及其他賬項 (續)

(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。本集團及本公司就以上應收款結欠持有抵押品如下：

		The Group 本集團		The Company 本公司	
		2012 二零一二年 \$'000 千元	2011 二零一一年 \$'000 千元	2012 二零一二年 \$'000 千元	2011 二零一一年 \$'000 千元
Buildings	物業	2,972	—	—	—

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(Expressed in Hong Kong dollars unless otherwise indicated)

財務報表附註

(除另有指示外，均按港幣計算)

18 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:

		The Group 本集團		The Company 本公司	
		2012 二零一二年 \$'000 千元	2011 二零一一年 \$'000 千元	2012 二零一二年 \$'000 千元	2011 二零一一年 \$'000 千元
Amounts due from holding companies and fellow subsidiaries	應收控股公司及同系附屬公司賬項	9,324	12,071	6,597	12,071
Amounts due to holding companies and fellow subsidiaries	應付控股公司及同系附屬公司賬項	(1,713)	(10,229)	(1,713)	(9,419)
Amounts due to related companies	應付關連公司賬項	(4,423)	(2,324)	(2,195)	(172)

The trade-related balances were not past due as at 31 December 2012 and 2011.

Related companies included a non-controlling shareholder and companies whose ultimate holding company has a significant influence over the Group and the Company.

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：

與貿易相關之結存於二零一二年及二零一一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。

19 Pledged deposits and cash and cash equivalents

(a) Pledged deposits

At 31 December 2011, the Group and the Company had deposits of \$198,000,000 pledged to secure the Group's banking facilities, the details of which are set out in note 20. All of the pledged deposits were released in 2012.

(b) Cash and cash equivalents comprise:

19 抵押存款，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，本集團及本公司存有 198,000,000 元銀行存款為擔保銀行信貸而抵押予銀行，詳情列於附註 20。所有抵押存款已於二零一二年內釋放。

(b) 現金及等同現金項目包括：

		The Group 本集團		The Company 本公司	
		2012 二零一二年 \$'000 千元	2011 二零一一年 \$'000 千元	2012 二零一二年 \$'000 千元	2011 二零一一年 \$'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	66,050	12,371	54,452	895
Cash at bank and in hand	銀行結存及現金	34,854	33,215	19,451	15,448
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	100,904	45,586	73,903	16,343

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 Pledged deposits and cash and cash equivalents (Continued)

(c) Reconciliation of profit/(loss) before taxation to cash used in operations:

	Note 附註	2012 二零一二年 \$'000 千元	2011 二零一一年 \$'000 千元
Profit/(loss) before taxation	除稅前盈利／（虧損）	232,643	(69,027)
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	3,277	4,473
Amortisation of other tangible assets	其他有形資產之攤銷	888	823
Depreciation of property, plant and equipment	物業、機器及設備之折舊	10,730	9,747
Depreciation of investment properties	投資物業之折舊	2,409	2,879
(Reversal of impairment losses)/ impairment losses for non-current assets	非流動資產之（減值虧損撥回）／減值虧損	(269,916)	5,497
Reversal of impairment losses for trade and other receivables	應收貿易及其他賬項之減值虧損撥回	(20)	(361)
Interest expense	利息支出	12,746	18,551
Interest income	利息收入	(1,371)	(3,771)
Net loss/(gain) on disposal of fixed assets	出售固定資產之淨虧損／（盈利）	36	(761)
Net (gain)/loss on disposal of other tangible assets	出售其他有形資產之淨（盈利）／虧損	(10,845)	447
Net gain on disposal of intangible assets	出售無形資產之淨盈利	(4)	—
Foreign exchange gains	外幣兌換之盈利	(1,304)	(21,460)
Changes in working capital:	營運資本之變動：		
Decrease/(increase) in inventories	存貨之減少／（增加）	9,104	(15,394)
Decrease/(increase) in trade and other receivables	應收貿易及其他賬項之減少／（增加）	5,491	(17,480)
(Increase)/decrease in net amounts due from holding companies and fellow subsidiaries	應收控股公司及同系附屬公司賬項之淨額（增加）／減少	(11,682)	11,042
Increase in amount due from a related company	應收關連公司賬項之增加	(829)	—
Increase/(decrease) in amounts due to related companies	應付關連公司賬項之增加／（減少）	2,099	(72)
(Decrease)/increase in trade and other payables	應付貿易及其他賬項之（減少）／增加	(19,027)	5,471
Decrease in retirement benefit liabilities	退休福利負債之減少	(4,470)	(8,986)
Cash used in operations	經營業務之現金流出	(40,045)	(78,382)

19 抵押存款，現金及等同現金項目（續）

(c) 除稅前盈利／（虧損）與經營業務之現金流出調節表：

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)

20 Bank loans

At 31 December 2012, the bank loans were repayable as follows:

		The Group 本集團		The Company 本公司	
		2012 二零一二年 \$'000 千元	2011 二零一一年 \$'000 千元	2012 二零一二年 \$'000 千元	2011 二零一一年 \$'000 千元
Within 1 year or on demand	一年內或須於要求時償還	86,713	313,734	86,713	—
After 1 year but within 2 years	一年後但兩年內	116,039	—	116,039	—
After 2 years but within 5 years	兩年後但五年內	29,053	—	29,053	—
		145,092	—	145,092	—
		231,805	313,734	231,805	—

At 31 December 2012, the bank loans were secured as follows:

		The Group 本集團		The Company 本公司	
		2012 二零一二年 \$'000 千元	2011 二零一一年 \$'000 千元	2012 二零一二年 \$'000 千元	2011 二零一一年 \$'000 千元
Bank loans	銀行貸款				
— secured	— 有抵押	—	313,734	—	—
— unsecured	— 無抵押	231,805	—	231,805	—
		231,805	313,734	231,805	—

At 31 December 2012, all the bank loans were unsecured and borrowed from a related party (see note 28(a)(vi)). The Group's ultimate holding company has significant influence over the related company.

The bank loan was repayable in eight equal quarterly instalments from June 2013 (2011: rolled over every six months to one year) and bears interest at one year LIBOR plus 1.85% which ranged from 2.83% to 2.92% during 2012 (2011: 3.65% to 7.87%).

At 31 December 2012, the Group did not have any unused bank facilities related to bank loans.

At 31 December 2011, all the bank loans were secured by stand-by letters of credit \$338,000,000 issued by banks and the Group's fixed deposits of \$198,000,000 were pledged against those stand-by letters of credit (note 19(a)). At 31 December 2011, the Group had bank facilities amounting to \$338,000,000 which were utilised to the extent of \$313,734,000.

20 銀行貸款

於二零一二年十二月三十一日，銀行貸款須於下列期限償還：

		The Group 本集團		The Company 本公司	
		2012 二零一二年 \$'000 千元	2011 二零一一年 \$'000 千元	2012 二零一二年 \$'000 千元	2011 二零一一年 \$'000 千元
Within 1 year or on demand	一年內或須於要求時償還	86,713	313,734	86,713	—
After 1 year but within 2 years	一年後但兩年內	116,039	—	116,039	—
After 2 years but within 5 years	兩年後但五年內	29,053	—	29,053	—
		145,092	—	145,092	—
		231,805	313,734	231,805	—

於二零一二年十二月三十一日有抵押的銀行貸款如下：

		The Group 本集團		The Company 本公司	
		2012 二零一二年 \$'000 千元	2011 二零一一年 \$'000 千元	2012 二零一二年 \$'000 千元	2011 二零一一年 \$'000 千元
Bank loans	銀行貸款				
— secured	— 有抵押	—	313,734	—	—
— unsecured	— 無抵押	231,805	—	231,805	—
		231,805	313,734	231,805	—

於二零一二年十二月三十一日，所有銀行貸款均無抵押及借自關連公司（見附註28(a)(vi)）。本集團的最終控制公司對該關連公司有重大影響力。

銀行貸款於二零一三年六月起均分八期償還（二零一一年：每六個月至一年償還），承擔的利率為一年期倫敦銀行同業拆息加1.85%（二零一二年內為2.83%至2.92%）（二零一一年：3.65%至7.87%）。

於二零一二年十二月三十一日，本集團並無與銀行貸款有關的信貸額。

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元抵押（附註19(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，並已動用其中的313,734,000元。

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財務報表附註

(除另有指示外，均按港幣計算)

20 Bank loans (Continued)

As at 31 December 2012, bank loans amounting to \$231,805,000 (2011: \$61,680,000) were subject to the fulfilment of covenants relating to certain of the Company's (2011: 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 bank loans 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 26(b). As at 31 December 2012 and 31 December 2011, none of the covenants relating to bank loans had been breached.

20 銀行貸款 (續)

於二零一二年十二月三十一日，231,805,000元（二零一一年：61,680,000元）銀行貸款須履行一些有關於本公司（二零一一年：生力廣東）的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，銀行貸款須於要求時償還。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26(b)。於二零一二年十二月三十一日及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。

21 Trade and other payables

		The Group 本集團		The Company 本公司	
		2012 二零一二年 \$'000 千元	2011 二零一一年 \$'000 千元	2012 二零一二年 \$'000 千元	2011 二零一一年 \$'000 千元
Trade payables	應付貿易賬項	51,020	69,015	36,916	49,984
Other creditors and accrued charges	其他應付賬項	68,985	79,902	24,271	11,679
		120,005	148,917	61,187	61,663

The Group's and the Company's other creditors and accrued charges included provision for advertising and promotion of \$28,860,000 (2011: \$31,176,000) and \$13,648,000 (2011: \$4,445,000) 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28,860,000元（二零一一年：31,176,000元）及13,648,000元（二零一一年：4,445,000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 \$6,328,000 (2011: \$11,780,000) and \$1,096,000 (2011: \$1,093,000) 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6,328,000元（二零一一年：11,780,000元）及1,096,000元（二零一一年：1,093,000元）。所有其他貿易應付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	
		2012 二零一二年 \$'000 千元	2011 二零一一年 \$'000 千元	2012 二零一二年 \$'000 千元	2011 二零一一年 \$'000 千元
Current and less than 1 month past due	未到期及過期日少於一個月	41,800	62,142	33,188	45,747
1 to 3 months past due	過期日為一至三個月	8,732	6,405	3,728	4,237
3 to 6 months past due	過期日為三至六個月	432	468	—	—
More than 6 months past due	過期日多於六個月	56	—	—	—
		51,020	69,015	36,916	49,984

The Group's general payment terms are one to two months from the invoice date. Therefore, the current and less than 1 month past due balances above are mostly within two to three months from the invoice date.

本集團的一般付款條款是於發票日期後一至兩個月內到期。因此，上述未到期及過期日少於一個月的結餘大部份均在發票日後兩至三個月內到期。

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(除另有指示外，均按港幣計算)

22 Amounts due to subsidiaries

Amounts due to subsidiaries are unsecured, interest-free and do not have fixed repayment terms but are not expected to be settled within one year.

23 Employee retirement benefits

(a) Defined benefit retirement plan

The Group operates a defined benefit retirement plan which covers 18% (2011: 20%) 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 2012 by the above independent actuary following the methodology set out in HKAS 19, *Employee benefits*.

- (i) The amounts recognised in the statement of financial position are as follows:

Present value of funded obligations	資助責任的現值
Fair value of plan assets	計劃資產之公允值
Retirement benefit liabilities	退休福利負債

A portion of the above liabilities is expected to be settled after more than one year. However, it is not practicable to segregate this amount from the amounts payable in the next twelve months, as the retirement benefit payable to scheme members and future contributions to plan assets will also depend on staff turnover and future changes in actuarial assumptions.

- (ii) Plan assets consist of the following:

Mutual fund	共同基金
Cash	現金

22 應付附屬公司賬項

應付附屬公司賬項為無抵押，免息及不設有固定還款期，但不需要於一年內支付。

23 僱員退休金福利

(a) 定額福利退休計劃

本集團為其 18% (二零一一年：20%) 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」之方法於二零一二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

2012
二零一二年
\$'000
千元

2011
二零一一年
\$'000
千元

100,841	81,324
(66,307)	(60,349)
34,534	20,975

上述部份負債預期將於超過一年後支付。然而，由於退休福利對計劃成員之應付款及對計劃資產之未來供款須視乎精算假設之未來變動，因此不適宜將該筆款額與未來十二個月之應付款項分開處理。

- (ii) 計劃資產包括：

The Group and the Company

本集團及本公司

2012
二零一二年
\$'000
千元

2011
二零一一年
\$'000
千元

63,588	57,814
2,719	2,535
66,307	60,349

NOTES TO THE FINANCIAL STATEMENTS

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財務報表附註

(除另有指示外，均按港幣計算)

23 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	
		2012 二零一二年 \$'000 千元	2011 二零一一年 \$'000 千元
At 1 January	於一月一日	81,324	76,356
Benefits paid by the plan	計劃支付之福利	(6,950)	(10,014)
Current service cost	現時服務成本	5,233	5,174
Interest cost	利息成本	1,175	2,122
Actuarial losses	精算虧損	20,059	7,686
At 31 December	於十二月三十一日	100,841	81,324

(iv) Movements in plan assets:

		The Group and the Company 本集團及本公司	
		2012 二零一二年 \$'000 千元	2011 二零一一年 \$'000 千元
At 1 January	於一月一日	60,349	58,213
Contributions paid to the plan by the employer	計劃支付之供款	7,810	13,326
Benefits paid by the plan	計劃支付之福利	(6,950)	(10,014)
Actuarial expected return on plan assets	計劃資產之精算預期回報	3,068	2,956
Actuarial gains/(losses)	精算盈利/(虧損)	2,030	(4,132)
At 31 December	於十二月三十一日	66,307	60,349

The Group and the Company had a contribution payable of \$604,000 (2011: \$586,000) as at 31 December 2012.

The Group and the Company expect to pay \$7,539,000 (2011: \$7,201,000) in contributions to the defined benefit retirement plan in the following year.

23 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	
		2012 二零一二年 \$'000 千元	2011 二零一一年 \$'000 千元
At 1 January	於一月一日	81,324	76,356
Benefits paid by the plan	計劃支付之福利	(6,950)	(10,014)
Current service cost	現時服務成本	5,233	5,174
Interest cost	利息成本	1,175	2,122
Actuarial losses	精算虧損	20,059	7,686
At 31 December	於十二月三十一日	100,841	81,324

(iv) 計劃資產之變動：

		The Group and the Company 本集團及本公司	
		2012 二零一二年 \$'000 千元	2011 二零一一年 \$'000 千元
At 1 January	於一月一日	60,349	58,213
Contributions paid to the plan by the employer	計劃支付之供款	7,810	13,326
Benefits paid by the plan	計劃支付之福利	(6,950)	(10,014)
Actuarial expected return on plan assets	計劃資產之精算預期回報	3,068	2,956
Actuarial gains/(losses)	精算盈利/(虧損)	2,030	(4,132)
At 31 December	於十二月三十一日	66,307	60,349

於二零一二年十二月三十一日，本集團及本公司應付供款為604,000元（二零一一年：586,000元）。

本集團及本公司估計在未來一年需為定額福利退休計劃支付7,539,000元（二零一一年：7,201,000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)

23 Employee retirement benefits (Continued)

(a) Defined benefit retirement plan (Continued)

(v) Expense recognised in the consolidated income statement is as follows:

		2012 二零一二年 \$'000 千元	2011 二零一一年 \$'000 千元
Current service cost	現時服務成本	5,233	5,174
Interest cost	利息成本	1,175	2,122
Actuarial expected return on plan assets	計劃資產之精算預期回報	(3,068)	(2,956)
Expense charged to consolidated income statement (note 6(b))	於綜合收益表確認之開支 (附註6(b))	3,340	4,340
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	324	420
— Selling and distribution expenses	— 銷售及分銷開支	1,841	2,376
— Administrative expenses	— 行政開支	1,175	1,544
		3,340	4,340
Actual return on plan assets	計劃資產之實際回報		
— gains/(losses)	— 盈利/(虧損)	5,098	(1,176)

(vi) The cumulative amount of actuarial gains and losses recognised directly in equity:

(vi) 直接於權益確認之定額福利退休計劃精算損益總額：

		2012 二零一二年 \$'000 千元	2011 二零一一年 \$'000 千元
At 1 January	於一月一日	(47,908)	(36,090)
Amount recognised during the year (note 11)	年內確認金額 (附註11)	(18,029)	(11,818)
At 31 December	於十二月三十一日	(65,937)	(47,908)

(vii) The principal actuarial assumptions used as at 31 December 2012 are as follows:

(vii) 於二零一二年十二月三十一日，所採用之主要精算假設如下：

The Group and the Company 本集團及本公司		2012 二零一二年	2011 二零一一年
Discount rate	貼現率	0.60%	1.50%
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	4.00%	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)

23 Employee retirement benefits (Continued)

(a) Defined benefit retirement plan (Continued)

- (vii) The principal actuarial assumptions used as at 31 December 2012 are as follows: (Continued)

Historical information

		The Group and the Company 本集團及本公司				
		2012 二零一二年 \$'000 千元	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
Present value of the defined benefit obligations	定額福利負債之現值	100,841	81,324	76,356	76,375	82,678
Fair value of plan assets	計劃資產之公允值	(66,307)	(60,349)	(58,213)	(58,286)	(44,833)
Deficit	赤字	34,534	20,975	18,143	18,089	37,845
Experience adjustments on:	就下列各項之經驗調整：					
— Plan liabilities	— 計劃負債	1,998	(623)	1,135	1,408	3,291
— Plan assets	— 計劃資產	(2,030)	4,132	139	(9,506)	17,771

(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 \$25,000 (\$20,000 prior to June 2012). 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 18.50% to 31.10% (2011: 19.00% to 31.35%) 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.

23 僱員退休金福利 (續)

(a) 定額福利退休計劃 (續)

- (vii) 於二零一二年十二月三十一日，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				
		2012 二零一二年 \$'000 千元	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
Present value of the defined benefit obligations	定額福利負債之現值	100,841	81,324	76,356	76,375	82,678
Fair value of plan assets	計劃資產之公允值	(66,307)	(60,349)	(58,213)	(58,286)	(44,833)
Deficit	赤字	34,534	20,975	18,143	18,089	37,845
Experience adjustments on:	就下列各項之經驗調整：					
— Plan liabilities	— 計劃負債	1,998	(623)	1,135	1,408	3,291
— Plan assets	— 計劃資產	(2,030)	4,132	139	(9,506)	17,771

(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25,000元（二零一二年六月以前為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18.50%至31.10%（二零一一年：19.00%至31.35%）。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)

24 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 for receivables and inventories 應收賬項及存貨之減值虧損 \$'000 千元	Retirement benefit liabilities 退休福利之負債 \$'000 千元	Tax losses 稅項虧損 \$'000 千元	Total 總計 \$'000 千元
Deferred tax arising from:	遞延稅項來自：					
At 1 January 2011	於二零一一年一月一日	6,307	(85)	(1,746)	(416)	4,060
Charged/(credited) to consolidated income statement (note 7(a))	於綜合收益表中扣除/(計入)(附註7(a))	2,356	(91)	—	(2,777)	(512)
Credited to equity (note 11)	於權益中計入(附註11)	—	—	(95)	—	(95)
At 31 December 2011 and 1 January 2012	於二零一一年十二月三十一日及二零一二年一月一日	8,663	(176)	(1,841)	(3,193)	3,453
Charged/(credited) to consolidated income statement (note 7(a))	於綜合收益表中扣除/(計入)(附註7(a))	44,039	88	(551)	(40,128)	3,448
Credited to equity (note 11)	於權益中計入(附註11)	—	—	(3,306)	—	(3,306)
At 31 December 2012	於二零一二年十二月三十一日	52,702	(88)	(5,698)	(43,321)	3,595

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：

		2012 二零一二年 \$'000 千元	2011 二零一一年 \$'000 千元
Tax losses	稅項虧損	619,932	746,339
Deductible temporary differences	可抵扣暫時性差異	502,030	500,993
		1,121,962	1,247,332

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 will 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，由於未能確定相關附屬公司未來能夠獲得足夠應課稅盈利以抵扣其利益，故本集團並未確認上列項目所引致之遞延稅項資產。

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 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:

		2012 二零一二年 \$'000 千元	2011 二零一一年 \$'000 千元
2012	二零一二年	—	16,615
2013	二零一三年	7,141	7,143
2014	二零一四年	63,229	63,243
2015	二零一五年	134,239	134,269
2016	二零一六年	138,705	134,032
2017	二零一七年	110,765	—
		454,079	355,302

The unrecognised tax losses relating to the Company were \$165,853,000 (2011: \$391,037,000) and do not expire under current tax legislation.

本公司未確認的稅項虧損為165,853,000元(二零一一年：391,037,000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 折舊免稅額超過有關折舊之數額 \$'000 千元	Impairment losses for receivables 應收賬項之減值虧損 \$'000 千元	Retirement benefit liabilities 退休福利之負債 \$'000 千元	Tax losses 稅項虧損 \$'000 千元	Total 總計 \$'000 千元
Deferred tax arising from:	遞延稅項來自：					
At 1 January 2011	於二零一一年一月一日	1,839	(85)	(1,746)	(8)	—
Charged/(credited) to profit or loss	於損益中扣除/(計入)	2,430	(91)	—	(2,244)	95
Credited to equity	於權益中計入	—	—	(95)	—	(95)
At 31 December 2011 and 1 January 2012	於二零一一年十二月三十一日及二零一二年一月一日	4,269	(176)	(1,841)	(2,252)	—
Charged/(credited) to profit or loss	於損益中扣除/(計入)	43,294	88	(551)	(39,525)	3,306
Credited to equity	於權益中計入	—	—	(3,306)	—	(3,306)
At 31 December 2012	於二零一二年十二月三十一日	47,563	(88)	(5,698)	(41,777)	—

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財務報表附註

(除另有指示外，均按港幣計算)

25 Capital and reserves

(a) Movements in components of equity

The reconciliation between the opening and closing balances of each component of the Group's consolidated equity is set out in the consolidated statement of changes in equity. Details of the changes in the Company's individual components of equity between the beginning and the end of the year are set out below:

		Share capital 股本 \$'000 千元	Share premium 股份溢價 \$'000 千元	Retained profits 收益儲備 \$'000 千元	Total 總額 \$'000 千元
Balance at 1 January 2011	於二零一一年一月一日結餘	186,785	65,739	285,745	538,269
Changes in equity for 2011:	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
Balance at 31 December 2011 and 1 January 2012	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	287,494	540,018
Changes in equity for 2012:	二零一二年權益變動：				
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)	—	—	(14,723)	(14,723)
Loss for the year (note 10)	年度虧損(附註10)	—	—	(117,843)	(117,843)
Balance at 31 December 2012	於二零一二年十二月三十一日結餘	186,785	65,739	154,928	407,452

(b) Share capital

(b) 股本

		The Company 本公司	
		2012 二零一二年 \$'000 千元	2011 二零一一年 \$'000 千元
Authorised:	法定股本：		
400,000,000 ordinary shares of \$0.50 each	400,000,000 股每股面值 0.50 元之普通股	200,000	200,000
Issued and fully paid:	已發行及繳足股本：		
373,570,560 ordinary shares of \$0.50 each as at the 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	186,785	186,785

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

普通股持有人有權收取不時宣派的股息，並可在本公司大會上每持有一股股份投一票。對於本公司的剩餘資產，所有普通股均享有同等權益。

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(除另有指示外，均按港幣計算)

25 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

At 31 December 2012, the amounts of reserves available for distribution to equity shareholders of the Company are \$154,928,000 (2011: \$287,494,000).

(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.

During 2012, 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.

25 股本及儲備 (續)

(c) 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

於二零一二年十二月三十一日，可供分派儲備予本公司權益持有人為154,928,000元（二零一一年：287,494,000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。

於二零一二年，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。

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(除另有指示外，均按港幣計算)

25 Capital and reserves (Continued)

(e) Capital management (Continued)

The net-debt to equity ratio at 31 December 2012 and 2011 was as follows:

		The Group 本集團		The Company 本公司	
		2012 二零一二年 \$'000 千元	2011 二零一一年 \$'000 千元	2012 二零一二年 \$'000 千元	2011 二零一一年 \$'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	130,901	268,148	157,902	—
Equity	權益	511,836	297,223	407,452	540,018
Net-debt to equity ratio	資本淨負債比率	26%	90%	39%	N/A

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements, except for covenants relating to the Company's bank loan.

於二零一二年及二零一一年十二月三十一日之資本淨負債比率如下：

除本公司銀行貸款契約外，本公司或任何附屬公司並無受制外在資本需求。

26 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 and cash and cash equivalents. 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 required to trade 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, 15% (2011: 20%) and 39% (2011: 45%) 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 29, the Company does not provide any other guarantees which would expose the Company to credit risk.

The Group's cash and cash equivalents are placed with financial institutions with sound credit ratings and the management 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 2011.

26 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及現金及等同現金項目。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，15% (二零一一年：20%) 及39% (二零一一年：45%) 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29所列明本公司的財務擔保外，本公司並無因作出其他擔保而面對信貸風險。

本集團的現金及等同現金項目是存放於信用評級良好的金融機構。因此，管理層認為本集團面對的信用風險為低。

本集團承受的信貸風險及其管理政策與二零一一年相同。

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(Expressed in Hong Kong dollars unless otherwise indicated)

財務報表附註

(除另有指示外，均按港幣計算)

26 Financial risk management and fair values

(Continued)

(b) Liquidity risk

As detailed in note 1(b), there existed conditions at 31 December 2012 which indicate 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. Further details of these actions 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

		2012 二零一二年					2011 二零一一年	
		Contractual undiscounted cash outflow 合約上 未貼現的 現金流量					Contractual undiscounted cash outflow 合約上 未貼現的 現金流量	
		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 一年後 但兩年內 \$'000 千元	More than 2 years but less than 5 years 兩年後 但五年內 \$'000 千元	Total 總額 \$'000 千元	Carrying amount 賬面額 \$'000 千元	Total - Within 1 year or on demand 一年內或 於要求時 到期總額 \$'000 千元	Carrying amount 賬面額 \$'000 千元
Bank loans	銀行貸款	92,720	118,882	29,251	240,853	231,805	334,934	313,734
Trade and other payables	應付貿易及其他賬項	120,005	—	—	120,005	120,005	148,917	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	3,767	—	—	3,767	3,767	18,440	18,440
Amounts due to related companies	應付關連公司賬項	4,423	—	—	4,423	4,423	2,324	2,324
		220,915	118,882	29,251	369,048	360,000	504,615	483,415

26 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，本集團於二零一二年十二月三十一日存有或不能於正常業務過程中變現其資產及清償其負債的狀況。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。相關措施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

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(Expressed in Hong Kong dollars unless otherwise indicated)

(除另有指示外，均按港幣計算)

26 Financial risk management and fair values

(Continued)

(b) Liquidity risk (Continued)

The Company

26 金融風險管理及公允價值 (續)

(b) 流動資金風險 (續)

本公司

		2012 二零一二年				
		Contractual undiscounted cash outflow 合約上未貼現的現金流量			Total 總額 \$'000 千元	Carrying amount 賬面額 \$'000 千元
		Within 1 year or on demand 一年內或 於要求時 到期 \$'000 千元	More than 1 year but less than 2 years 一年後 但兩年內 \$'000 千元	More than 2 years but less than 5 years 兩年後 但五年內 \$'000 千元		
Bank loan	銀行貸款	92,720	118,882	29,251	240,853	231,805
Trade and other payables	應付貿易及其他賬項	61,187	—	—	61,187	61,187
Amounts due to holding companies and fellow subsidiaries	應付控股公司及同系附屬公司賬項	2,130	—	—	2,130	2,130
Amounts due to related companies	應付關連公司賬項	2,195	—	—	2,195	2,195
Amounts due to subsidiaries	應付附屬公司賬項	—	558,173	—	558,173	558,173
		158,232	677,055	29,251	864,538	855,490

		2011 二零一一年				
		Contractual undiscounted cash outflow 合約上未貼現的現金流量			Total 總額 \$'000 千元	Carrying amount 賬面額 \$'000 千元
		Within 1 year or on demand 一年內或 於要求時 到期 \$'000 千元	More than 1 year but less than 2 years 一年後 但兩年內 \$'000 千元	More than 2 years but less than 5 years 兩年後 但五年內 \$'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
		72,813	558,135	—	630,948	630,948

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(Expressed in Hong Kong dollars unless otherwise indicated)

財務報表附註

(除另有指示外，均按港幣計算)

26 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:

		2012 二零一二年		2011 二零一一年	
		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
Variable rate borrowings:	浮動利率貸款：				
— Bank loans	— 銀行貸款	2.83	231,805	7.11	185,039

(ii) Sensitivity analysis

At 31 December 2012, it is estimated that a general increase/decrease of 100 basis points in interest rates, with all other variables held constant, would have decreased/increased the Group's profit after taxation and retained profits by approximately \$2,318,000 (2011: increased/decreased the Group's loss after taxation and accumulated losses by \$1,850,000). The tax effect was assumed to be nil as the entity having these loans had unrecognised tax losses for deferred tax purposes and it is not probable that it will generate future taxable profits against which tax losses can be utilised.

The sensitivity analysis above indicates the instantaneous change in the Group's profit/loss after taxation and retained profits/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 profit/loss after taxation and retained profits/accumulated losses is estimated as an annualised impact on interest expense of such a change in interest rates. For 2011, management assumed that certain interest-bearing borrowings maturing during the next reporting period would be rolled over upon maturity for daily operating 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.

26 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

於二零一二年十二月三十一日，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盈利及累計盈利將減少／增加約2,318,000元（二零一一年：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）。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，因此假設並無稅務影響。

以上敏感性分析顯示本集團的除稅後盈利／虧損及累計盈利／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。本集團除稅後盈利／虧損及累計盈利／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。於二零一一年，本集團假設部份於下一報告期間到期之計息貸款會於到期時續期以維持日常業務運作。

本集團未有將任何固定利率貸款以公允值計量並計入損益，亦沒有使用衍生金融工具以對沖其債務。本集團之固定利率工具對市場利率變化並不敏感。於結算日之利率變動對損益並無影響。

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(除另有指示外，均按港幣計算)

26 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 dollar denominated transactions. For transactions denominated in Euros, management monitor the level of exposure closely and take actions such as an earlier settlement considering movements in the exchange rate. 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 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 those 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 2011.

(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.

26 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。至於以歐羅計價之交易，管理層密切監控其面對的風險水平，並應因匯率變動採取措施，如提前結帳。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，除了對集團內銷售及部份借款是以港元或美元作單位，其他交易是以人民幣作單位。有關集團內以美元或港元作單位的交易，管理層認為交易金額不重大，須面對的有關外匯風險不大。

本集團承受外匯風險及其管理政策與二零一一年相同。

(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。

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(除另有指示外，均按港幣計算)

26 Financial risk management and fair values

(Continued)

(d) Currency risk (Continued)

(i) Exposure to currency risk (Continued)

The Group

26 金融風險管理及公允價值 (續)

(d) 外匯風險 (續)

(i) 承受之外匯風險 (續)

本集團

Exposure to foreign currencies
(expressed in Hong Kong dollars)
外幣風險 (按港元計算)

		2012 二零一二年			2011 二零一一年		
		United States dollars 美元 \$'000 千元	Hong Kong dollars 港元 \$'000 千元	Euros 歐羅 \$'000 千元	United States dollars 美元 \$'000 千元	Hong Kong dollars 港元 \$'000 千元	Euros 歐羅 \$'000 千元
Trade and other receivables	應收貿易及其他賬項	934	—	1,379	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	9,322	—	—	12,308	—	—
Amount due from a related company	應收關連公司賬項	829	—	—	—	—	—
Pledged deposits	抵押存款	—	—	—	64,794	—	—
Cash and cash equivalents	現金及等同現金項目	10,277	63	73	3,952	19	69
Bank loans	銀行貸款	(231,805)	—	—	(50,523)	—	—
Trade and other payables	應付貿易及其他賬項	(7,235)	—	(5,770)	(12,771)	—	(4,803)
Amounts due to holding companies and fellow subsidiaries	應付控股公司及同系附屬公司賬項	(3,767)	(10,246)	—	(17,329)	(9,773)	—
Amounts due to related companies	應付關連公司賬項	(1,807)	—	(35)	—	—	—
Net exposure	風險承擔淨額	(223,252)	(10,183)	(4,353)	458	(9,754)	(2,742)

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(Expressed in Hong Kong dollars unless otherwise indicated)

(除另有指示外，均按港幣計算)

26 Financial risk management and fair values

(Continued)

(d) Currency risk (Continued)

(i) Exposure to currency risk (Continued)

The Company

26 金融風險管理及公允價值 (續)

(d) 外匯風險 (續)

(i) 承受之外匯風險 (續)

本公司

Exposure to foreign currencies (expressed in Hong Kong dollars) 外幣風險 (按港元計算)

		2012 二零一二年		2011 二零一一年	
		United States dollars 美元 \$'000 千元	Euros 歐羅 \$'000 千元	United States dollars 美元 \$'000 千元	Euros 歐羅 \$'000 千元
Trade and other receivables	應收貿易及其他賬項	934	1,379	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	6,605	—	12,308	—
Amount due from a related company	應收關連公司賬項	829	—	—	—
Pledged deposits	抵押存款	—	—	64,794	—
Cash and cash equivalents	現金及等同現金項目	10,154	73	3,945	69
Bank loans	銀行貸款	(231,805)	—	—	—
Trade and other payables	應付貿易及其他賬項	(6,790)	(5,770)	(12,248)	(4,803)
Amounts due to holding companies and fellow subsidiaries	應付控股公司及同系附屬公司賬項	(2,131)	—	(10,964)	—
Amounts due to related companies	應付關連公司賬項	(1,807)	(35)	—	—
Net exposure	風險承擔淨額	(224,011)	(4,353)	57,862	(2,742)

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 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 profit/(loss) after taxation and retained profits/(accumulated losses) that would have arisen if foreign exchange rates to which the group entities had 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, the 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 will generate future taxable profits against which tax losses could be utilised.

		2012			2011		
		Increase/ (decrease) in foreign exchange rates	Decrease/ (increase) in profit after taxation	Decrease/ (increase) in retained profits	Increase/ (decrease) in foreign exchange rates	Increase/ (decrease) in loss after taxation	Increase/ (decrease) in accumulated losses
		外匯匯率 上升/ (下跌)	除稅後盈利 減少/ (增加)	累計盈利 減少/ (增加)	外匯匯率 上升/ (下跌)	除稅後虧損 增加/ (減少)	累計虧損 增加/ (減少)
			\$'000 千元	\$'000 千元		\$'000 千元	\$'000 千元
United States dollars	美元	5% (5)%	(38) 38	(38) 38	5% (5)%	2,870 (2,870)	2,870 (2,870)
Hong Kong dollars	港元	5% (5)%	509 (509)	509 (509)	5% (5)%	488 (488)	488 (488)
Euros	歐羅	5% (5)%	218 (218)	218 (218)	5% (5)%	137 (137)	137 (137)

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 2011.

26 金融風險管理及公允價值 (續)

(d) 外匯風險 (續)

(ii) 敏感性分析

下表顯示本集團於結算日時具重大風險之外幣匯率於當日變動對本集團之除稅後盈利／(虧損)及累計盈利／(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。該項分析按與二零一一年相同之基準進行。

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)

26 Financial risk management and fair values

(Continued)

(e) Fair value

The non-trade balances with holding companies, fellow subsidiaries and related companies 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 2012 and 2011.

27 Commitments

(a) Capital commitments outstanding at 31 December 2012 not provided for in the financial statements were as follows:

		The Group 本集團		The Company 本公司	
		2012 二零一二年 \$'000 千元	2011 二零一一年 \$'000 千元	2012 二零一二年 \$'000 千元	2011 二零一一年 \$'000 千元
Contracted for	已訂約	987	—	—	—
Authorised but not contracted for	已批准但未訂約	3,335	2,992	3,335	2,753
		4,322	2,992	3,335	2,753

(b) At 31 December 2012, 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	
		2012 二零一二年 \$'000 千元	2011 二零一一年 \$'000 千元	2012 二零一二年 \$'000 千元	2011 二零一一年 \$'000 千元
Land and buildings	土地及房產				
Within 1 year	一年內	1,575	1,273	—	—
After 1 year but within 5 years	一年後但五年內	4,569	77	—	—
		6,144	1,350	—	—

The Group, as a lessee, leases a number of properties under operating leases. The leases typically run for an initial period of one to five years with an option to renew each lease upon expiry when all terms are renegotiated. None of the leases includes contingent rentals.

26 金融風險管理及公允價值 (續)

(e) 公允價值

與控股公司，同系附屬公司及關連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二零一二年及二零一一年十二月三十一日的公允價值並無重大差異。

27 承擔

(a) 於二零一二年十二月三十一日，未在財務報表中撥備之未付資本承擔詳情如下：

(b) 於二零一二年十二月三十一日，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。該等租賃一般初步為期一至五年，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)

28 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

28 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

			Amounts 金額		Due from/(to) balances at year end 應收／(付) 年底結存	
			2012 二零一二年 \$'000 千元	2011 二零一一年 \$'000 千元	2012 二零一二年 \$'000 千元	2011 二零一一年 \$'000 千元
Note 附註						
Purchases from	購自	(i)				
— intermediate holding company	— 中介控股公司		4,712	4,498	(869)	(912)
— fellow subsidiaries	— 同系附屬公司		31,768	46,765	(844)	(9,317)
— related companies	— 關連公司		7,952	2,807	(2,326)	(227)
Sales to	售予	(i)				
— intermediate holding company	— 中介控股公司		92,872	93,492	9,313	12,071
— fellow subsidiaries	— 同系附屬公司		272	28	11	—
Royalty payments to	支付專利權費用	(ii)				
— intermediate holding companies	— 中介控股公司		147	1,490	(26)	(1,199)
— a related company	— 關連公司		2,089	2,049	(2,097)	(2,097)
Engineering design fee payable to a fellow subsidiary	支付同系附屬公司 工程設計費用	(iii)	321	—	(322)	(234)
Leasing fee from a fellow subsidiary	收同系附屬公司 租賃費用	(iv)	3,099	3,134	—	—
Rental expense payable to a fellow subsidiary	支付同系附屬公司 租金費用	(v)	153	259	—	(266)
Sales proceeds on disposal of other tangible assets to fellow subsidiaries	出售其他有形資產予 同系附屬公司收入		2,835	—	—	—
Interest expense payable to a related company	支付關連公司 利息支出	(vi)	5,185	—	—	—
Advertising and promotion subsidy from an intermediate holding company	收中介控股公司廣告 及市場推廣補貼	(vii)	23,240	—	—	—

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)

28 Material related party transactions (Continued)

(a) Transactions with group companies (Continued)

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 18.

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 and a minority shareholder for the use of certain trademarks pursuant to relevant licensing agreements.

During the year, the intermediate holding company waived royalties payable by the Group amounting to \$1,431,000 (2011: \$1,430,000), 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 plans 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.

- (vi) Interest expense was paid for the bank loan obtained from a related party in 2012 over which the Group's ultimate holding company has significant influence.

- (vii) Advertising and promotion subsidy was received from an intermediate holding company for promotion of certain brands in Hong Kong and the PRC.

These transactions also constitute connected transactions under the Listing Rules, except for the purchases from related companies, interest expense payable to a related company and advertising and promotion subsidy from an intermediate holding company which the directors do not consider to be connected transactions under the Listing Rules.

28 重大關連人士交易 (續)

(a) 集團內主要關連交易 (續)

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 18 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及一非控股股東的費用。

於本年度，中介控股公司撤回本集團的專利權費用共 1,431,000 元（二零一一年：1,430,000 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。

- (vi) 二零一二年支付的利息支出乃自關連公司的銀行貸款。本集團的最終控股公司對該關連公司有重大影響力。

- (vii) 從中介控股公司收取的廣告及市場推廣補貼乃補貼若干品牌在中國及香港的推廣。

根據上市規則，此等交易（購自關連公司之交易，支付予關連公司的利息支出及收取中介控股公司的廣告及市場推廣補貼除外）構成關連交易。因應有關條例，本公司董事對採購自關連公司交易，支付予關連公司的利息支出及收取中介控股公司的廣告及市場推廣補貼不考慮為關連交易。

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)

28 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	
		2012 二零一二年 \$'000 千元	2011 二零一一年 \$'000 千元	2012 二零一二年 \$'000 千元	2011 二零一一年 \$'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	7	2,808	—	236
— intermediate holding companies	— 中介控股公司	311	926	—	—
— fellow subsidiaries	— 同系附屬公司	209	72	16	8
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	129	83	(129)	—
— intermediate holding companies	— 中介控股公司	2,986	7,607	(1,559)	(6,493)
— fellow subsidiaries	— 同系附屬公司	27	35	(18)	(3)
— a related company	— 關連公司	1,436	—	829	—

(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:

		2012 二零一二年 \$'000 千元	2011 二零一一年 \$'000 千元
Short-term employee benefits	短期僱員福利	13,612	13,883
Post-employment benefits	離職後福利	1,893	1,653
		15,505	15,536

Total remuneration is included in "staff costs" (see note 6(b)).

總酬金已計入「員工薪酬」內（見附註6(b)）。

29 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 expired on 30 May 2012 without any claims made against the Company.

The Company did not recognise any deferred income in respect of the guarantees as the fair values could not be reliably measured and its transaction price was \$Nil.

28 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：

29 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，該擔保於二零一二年五月三十日到期，並沒有對本公司提出任何索償。

因該擔保的公允值無法準確計算，且其交易價格為零元，本公司並無確認有關該擔保的任何遞延收入。

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

財務報表附註

(除另有指示外，均按港幣計算)

30 Immediate and ultimate controlling party

At 31 December 2012, 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.

31 Possible impact of amendments, new standards and interpretations issued but not yet effective for the year ended 31 December 2012

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 2012 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		於下列日期或 之後開始之 會計期間生效
Amendments to HKAS 1, <i>Presentation of financial statements — Presentation of items of other comprehensive income</i>	1 July 2012	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
HKFRS 10, <i>Consolidated financial statements</i>	1 January 2013	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
HKFRS 11, <i>Joint arrangements</i>	1 January 2013	香港財務報告準則第11號 「合營安排」	二零一三年 一月一日
HKFRS 12, <i>Disclosure of interests in other entities</i>	1 January 2013	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
HKFRS 13, <i>Fair value measurement</i>	1 January 2013	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
HKAS 27, <i>Separate financial statements (2011)</i>	1 January 2013	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
HKAS 28, <i>Investments in associates and joint ventures</i>	1 January 2013	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
Revised HKAS 19, <i>Employee benefits</i>	1 January 2013	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
<i>Annual improvements to HKFRSs 2009 — 2011 Cycle</i>	1 January 2013	香港財務報告準則 年度改進 (二零零九至 二零一一年週期)	二零一三年 一月一日
Amendments to HKFRS 7, <i>Financial instruments: Disclosures — Offsetting financial assets and financial liabilities</i>	1 January 2013	香港財務報告準則第7號 (修訂)「金融工具： 披露 — 金融資產 及金融負債抵銷」	二零一三年 一月一日
Amendments to HKAS 32, <i>Financial instruments: Presentation — Offsetting financial assets and financial liabilities</i>	1 January 2014	香港會計準則第32號 (修訂)「金融工具： 呈列 — 金融資產 及金融負債抵銷」	二零一四年 一月一日
HKFRS 9, <i>Financial instruments</i>	1 January 2015	香港財務報告準則第9號 「金融工具」	二零一五年 一月一日

30 直接及最終控股公司

於二零一二年十二月三十一日，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。

31 已頒布但未於截至二零一二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二零一二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：

31 Possible impact of amendments, new standards and interpretations issued but not yet effective for the year ended 31 December 2012 (Continued)

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 consolidated financial statements except for the following:

Amendments to HKAS 1, Presentation of financial statements — Presentation of items of other comprehensive income

The amendments to HKAS 1 require entities to present separately the items of other comprehensive income that would be reclassified to profit or loss in the future if certain conditions are met from those that would never be reclassified to profit or loss. The Group's presentation of other comprehensive income will be modified accordingly when the amendments are adopted for the first time.

HKFRS 10, Consolidated financial statements

HKFRS 10 replaces the requirements in HKAS 27, *Consolidated and separate financial statements* relating to the preparation of consolidated financial statements and HK-SIC 12 *Consolidation — Special purpose entities*. It introduces a single control model to determine whether an investee should be consolidated, by focusing on whether the entity has power over the investee, exposure to variable returns from its involvement with the investee and the ability to use its power to affect the amount of those returns.

The application of HKFRS 10 is not expected to change any of the control conclusions reached by the Group in respect of its involvement with other entities as at 1 January 2013. However, it may in the future result in investees being consolidated which would not have been consolidated under the Group's existing policies or vice versa.

HKFRS 12, Disclosure of interests in other entities

HKFRS 12 brings together into a single standard all the disclosure requirements relevant to an entity's interests in subsidiaries, joint arrangements, associates and unconsolidated structured entities. The disclosures required in HKFRS 12 are generally more extensive than those required in the current standards. The Group may have to make additional disclosures about its interests in other entities when the standard is adopted for the first time in 2013.

31 已頒布但未於截至二零一二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 (續)

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綜合財務報表構成重大影響的可能性不大，唯以下除外：

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」

香港會計準則第1號的修訂要求實體把若干條件得到滿足後，將被重新分類至損益的其他全面收益項目獨立呈列於永不會重新分類至損益的其他全面收益項目。在首次採納該修訂時，本集團其他全面收益的呈列可能要作出相應修改。

香港財務報告準則第10號「綜合財務報表」

香港財務報告準則第10號取代有關編製綜合財務報表的香港會計準則第27號「綜合及獨立財務報表」及香港(常設詮釋委員會)詮釋公告第12號「合併—特殊目的實體」等規定。香港財務報告準則第10號引入單一控制模式，以釐定被投資公司應否予以合併處理，而焦點則放在有關實體是否有權控制被投資公司，參與被投資公司業務所得可變動回報的風險承擔，以及運用權力影響該等回報金額的能力。

預料採用香港財務報告準則第10號不會改變本集團就截至二零一三年一月一日為止參與其他實體業務所達致的任何有關控制方面的結論。但是，日後可能導致的情況是，根據本集團現有政策不應會合併處理的被投資公司卻予以合併處理，反之亦然。

香港財務報告準則第12號「其他實體權益之披露」

香港財務報告準則第12號將實體所佔附屬公司，合營安排，聯營公司和未合併的結構化實體的權益的所有相關披露規定集於一身。香港財務報告準則第12號規定的披露範圍普遍較目前準則所要求的更為廣泛。當本集團在二零一三年首次採納該準則時，可能要額外披露所佔其他實體的權益。

31 Possible impact of amendments, new standards and interpretations issued but not yet effective for the year ended 31 December 2012 (Continued)**HKFRS 13, Fair value measurement**

HKFRS 13 replaces existing guidance in individual HKFRSs with a single source of fair value measurement guidance. HKFRS 13 also contains extensive disclosure requirements about fair value measurements for both financial instruments and non-financial instruments. HKFRS 13 is effective as from 1 January 2013, but retrospective adoption is not required. The Group estimates that the adoption of HKFRS 13 will not have any significant impact on the fair value measurements of its assets and liabilities, but additional disclosures may need to be made in the 2013 financial statements.

Revised HKAS 19, Employee benefits

Revised HKAS 19 introduces a number of amendments to the accounting for employee benefits. Among them, revised HKAS 19 includes minor changes to definition of short-term employee benefits (in respect of the distinction between short-term and long-term), the definition of return on plan assets, the timing of recognition of termination benefits and various disclosure requirements. The revised HKAS 19 is effective as from 1 January 2013 and retrospective adoption is required. The Group has not completed its assessment of the full impact of adoption revised HKAS 19 and therefore the possible impact on the Group's results and financial position has not been quantified.

31 已頒布但未於截至二零一二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 (續)**香港財務報告準則第13號「公允價值計量」**

香港財務報告準則第13號取代現有關於個別香港財務報告準則的指引，成為單一公允價值計量指引。香港財務報告準則第13號亦包含了有關金融工具及非金融工具公允價值計量的廣泛披露要求。香港財務報告準則第13號於二零一三年一月一日起生效，但不要求追溯採納。本集團估計採納香港財務報告準則第13號對其資產及負債的公允價值計量並無重大影響，但於二零一三年財務報表可能需要作出額外披露。

香港會計準則第19號（經修訂）「僱員福利」

香港會計準則第19號（經修訂）引入多項關於僱員福利會計處理的修訂。Among them, 當中包括短期福利定義（就短期和長期之間的區分），計劃資產回報定義，終止僱員福利確認時間及不同披露要求的輕微改動。香港會計準則第19號（經修訂）於二零一三年一月一日起生效，並需要追溯採納。本集團並未完成採納香港會計準則第19號（經修訂）的全面影響評估，因此，本集團並未量化採納該修訂對本集團的經營業績及財務狀況的可能影響。

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 62 to 137, which comprise the consolidated and company statements of financial position as at 31 December 2012, 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62頁至第137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二零一二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。

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，以令財務報表作出真實而公允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，但目的並非對公司的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 2012 and of the Group's profit 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 before net reversal of impairment losses for non-current assets, of HK\$40,741,000 and experienced a net outflow of cash and cash equivalents of HK\$40,065,000 in respect of its operating activities for the year ended 31 December 2012. The Group's cash and cash equivalents exceeded current bank loans by only HK\$14,191,000 as at 31 December 2012, which may not be sufficient to fund the Group's operations in 2013 in view of the net outflow of cash and cash equivalents in respect of operating activities for the year ended 31 December 2012. 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

8 February 2013

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 貴集團於二零一二年十二月三十一日的事務狀況及截至該日止年度 貴集團的盈利和現金流量，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，截至二零一二年十二月三十一日止年度，在非流動資產之減值虧損撥回前，貴集團錄得來自持續經營業務之綜合淨虧損40,741,000港元以及經營業務之現金及等同現金項目40,065,000港元之淨流出。於二零一二年十二月三十一日，貴集團之現金及等同現金項目僅較銀行貸款多14,191,000港元，鑑於截至二零一二年十二月三十一日止經營業務之現金及等同現金項目之淨流出，這有可能不足以應付 貴集團在二零一三年之經營。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

二零一三年二月八日

A photograph of a bustling Hong Kong street food stall. In the foreground, a bottle of San Miguel beer stands next to a glass of beer with a thick head of foam. A plate of stir-fried clams and a small bowl of dipping sauce are also visible. In the background, a person is cooking in a large wok over a flame, with other patrons and a colorful poster visible.

香港生力啤酒廠有限公司繼續致力貫徹母公司的理念「錄得盈利・保持榮譽」(profit with honor)。

FIVE YEAR SUMMARY | 五年賬目摘要

(Expressed in Hong Kong dollars)

(以港幣計算)

		The Group 本集團				
		2012 二零一二年 \$'000 千元	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
Results	業績					
Turnover	營業額	686,362	683,879	589,322	696,824	753,375
Profit/(loss) before taxation	除稅前盈利／（虧損）	232,643	(69,027)	(782,509)	(345,324)	(316,692)
Income tax (charge)/credit	所得稅（支出）／計入	(3,468)	389	8,522	2,272	58,537
Profit/(loss) for the year	年度盈利／（虧損）	229,175	(68,638)	(773,987)	(343,052)	(258,155)
Attributable to:	應佔如下：					
— Equity shareholders of the Company	— 本公司權益持有人	239,854	(53,464)	(736,984)	(334,856)	(259,907)
— Non-controlling interests	— 非控股權益	(10,679)	(15,174)	(37,003)	(8,196)	1,752
Profit/(loss) for the year	年度盈利／（虧損）	229,175	(68,638)	(773,987)	(343,052)	(258,155)
Earnings/(loss) per share	每股盈利／（虧損）					
— Basic (cents)	— 基本（仙）	64	(14)	(197)	(90)	(70)
Cash dividends per share (cents)	每股現金股息（仙）	—	—	—	—	—
Assets and liabilities	資產與負債					
Fixed assets	固定資產	654,678	389,671	398,011	1,087,198	1,379,561
Intangible assets	無形資產	5,426	5,709	5,678	17,122	28,722
Other tangible assets	其他有形資產	—	—	—	18,565	41,192
Net current assets/(liabilities)	流動資產／（負責）淨值	34,953	(73,729)	9,988	77,370	94,463
Total assets less current liabilities	總資產減流動負債	695,057	321,651	413,677	1,200,255	1,543,938
Retirement benefit liabilities	退休福利負債	(34,534)	(20,975)	(18,143)	(18,089)	(37,845)
Deferred tax liabilities	遞延稅項負債	(3,595)	(3,453)	(4,060)	(12,682)	(15,168)
Bank loan	銀行貸款	(145,092)	—	—	—	—
Net assets	資產淨值	511,836	297,223	391,474	1,169,484	1,490,925
Capital and reserves	股本及儲備					
Share capital	股本	186,785	186,785	186,785	186,785	186,785
Reserves	儲備	353,665	128,366	205,485	945,805	1,259,120
Total equity attributable to equity shareholders of the Company	本公司權益持有人應佔權益	540,450	315,151	392,270	1,132,590	1,445,905
Non-controlling interests	非控股權益	(28,614)	(17,928)	(796)	36,894	45,020
Total equity	權益總值	511,836	297,223	391,474	1,169,484	1,490,925

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。



举杯庆佳节
欢聚饮龙啤

百年传承

San Miguel Brewery Hong Kong Limited remains committed to its parent company's philosophy of "profit with honor".

生力清啤仍然是我們表現
最好的產品之一。





San Mig Light remains one
of our best performers.

2012 广州



**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)

**VARIOUS CONTINUING CONNECTED TRANSACTIONS AND
REVISION OF EXISTING ANNUAL CAP FOR
CONTINUING CONNECTED TRANSACTIONS**

The Group has been carrying out certain continuing connected transactions with the San Miguel Group including, among other things, (i) purchase by the Group from the San Miguel Group of (a) packaging materials for the production of the Group and (b) packaged beer for the Group's wholesale and retail distribution; and (ii) sales of packaged beer and non-alcoholic beverage products by the Group to the San Miguel Group. Such transactions constitute continuing connected transactions for the Company in its ordinary and usual course of business.

As set out in the announcement of the Company dated 18 October 2010 and the circular of the Company dated 8 November 2010, the Company entered into the Existing Agreement setting out the terms of the continuing connected transactions between the Group and the San Miguel Group as set out above for the three years ending 31 December 2013. The Existing Agreement, the annual caps and the transactions contemplated thereunder were approved by Independent Shareholders at the extraordinary general meeting of the Company held on 26 November 2010.

The Amendment Agreement dated 7 March 2013 was entered into between the Company and SMC to amend the Existing Agreement by revising the Existing Sales Cap for the Beverage Sales for the year ending 31 December 2013 to the Revised Sales Cap of HK\$181 million. Save for the revision of the Existing Sales Cap to the Revised Sales Cap, all other terms and conditions under the Existing Agreement remain the same.

The Existing Agreement will expire on 31 December 2013. Accordingly, the Company and SMC entered into the New Agreement dated 7 March 2013 with a view to renewing the agreements to carry out the Continuing Connected Transactions from 1 January 2014 to 31 December 2016 on substantially the same terms as those under the Existing Agreement (as amended by the Amendment Agreement).

As at the date of this announcement, the San Miguel Group controls approximately 65.78% of the issued share capital of the Company. Accordingly, SMC and its associates are connected persons of the Company for the purposes of the Listing Rules. Pursuant to the Listing Rules, if the Company proposes to revise the annual caps under the continuing connected transactions, the Company is required to re-comply with the relevant provisions under Chapter 14A of the Listing Rules. The revision of the Existing Sales Cap is subject to reporting, annual review, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

In addition, the Continuing Connected Transactions under the New Agreement constitute non-exempt continuing connected transactions under the Listing Rules and are likewise subject to reporting, annual review, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

An EGM will be convened to seek Independent Shareholders' approval for the terms of the Amendment Agreement, the Revised Sales Cap, the New Agreement, the Continuing Connected Transactions and the Caps.

A circular containing the particulars of the Amendment Agreement, the Revised Sales Cap, the New Agreement, the Continuing Connected Transactions, the Caps, the advice from the Independent Board Committee to the Independent Shareholders, the advice from Ample Capital Limited to the Independent Board Committee and the Independent Shareholders and a notice convening the EGM to approve the Amendment Agreement, the Revised Sales Cap, the New Agreement, the Continuing Connected Transactions and the Caps will be despatched to the Shareholders on or before 2 April 2013.

BACKGROUND

The principal business activities of the Group are the production and distribution of bottled, canned and draught beers and other beverage products. SMC is the ultimate controlling shareholder of the Company. SMC is one of the Philippines' most diversified conglomerates with operations in beverages, food, packaging, properties, fuel and oil, infrastructure, energy, power, mining, telecommunications and banking.

The Group has been carrying out certain continuing connected transactions with the San Miguel Group including, among other things, (i) purchase by the Group from the San Miguel Group of (a) packaging materials for the production of the Group and (b) packaged beer for the Group's wholesale and retail distribution; and (ii) sales of packaged beer and non-alcoholic beverage products by the Group to the San Miguel Group. Such transactions constitute continuing connected transactions for the Company in its ordinary and usual course of business.

As set out in the announcement of the Company dated 18 October 2010 and the circular of the Company dated 8 November 2010, the Company entered into the Existing Agreement setting out the terms of the continuing connected transactions between the Group and the San Miguel Group as set out above for the three years ending 31 December 2013. The Existing Agreement, the annual caps and the transactions contemplated thereunder were approved by Independent Shareholders at the extraordinary general meeting of the Company held on 26 November 2010.

The Amendment Agreement dated 7 March 2013 was entered into between the Company and SMC to amend the Existing Agreement by revising the Existing Sales Cap for the Beverage Sales for the year ending 31 December 2013 to the Revised Sales Cap of HK\$181 million. Save for the revision of the Existing Sales Cap to the Revised Sales Cap, all other terms and conditions under the Existing Agreement remain the same.

The Existing Agreement will expire on 31 December 2013. Accordingly, the Company and SMC entered into the New Agreement dated 7 March 2013 with a view to renewing the agreements to carry out the Continuing Connected Transactions from 1 January 2014 to 31 December 2016 on substantially the same terms as those under the Existing Agreement (as amended by the Amendment Agreement).

THE AMENDMENT AGREEMENT

Reference is made to the announcement of the Company dated 18 October 2010 and the circular of the Company dated 8 November 2010, in relation to, among other things, the transactions under the Existing Agreement in relation to the sales of packaged beer and non-alcoholic beverage products by the Group to the San Miguel Group (the “Beverage Sales”) which constituted continuing connected transactions of the Company under the Listing Rules. As set out in the Existing Agreement, annual caps for the Beverage Sales for the years ended 31 December 2011 and 2012 and the year ending 31 December 2013 amounted to HK\$97 million, HK\$103 million and HK\$108 million respectively, the annual caps and the transactions contemplated thereunder were approved by Independent Shareholders at the extraordinary general meeting of the Company held on 26 November 2010.

The Amendment Agreement dated 7 March 2013 was entered into between the Company and SMC to amend the Existing Agreement by revising the Existing Sales Cap for the Beverage Sales for the year ending 31 December 2013 to the Revised Sales Cap of HK\$181 million. Save for the revision of the Existing Sales Cap to the Revised Sales Cap, all other terms and conditions under the Existing Agreement remain the same.

Set out below are the principal terms of the Amendment Agreement.

Date

7 March 2013 (the Amendment Agreement was signed by SMC on 7 March 2013 and by the Company on 8 March 2013)

Parties

The Company and SMC

Subject matter

Pursuant to the Amendment Agreement, the Existing Sales Cap for the year ending 31 December 2013 is revised to HK\$181 million.

The Amendment Agreement and the Revised Sales Cap are subject to the Independent Shareholders’ approval and shall be effective upon the date of the Amendment Agreement and shall expire on 31 December 2013. In the event that the Amendment Agreement and the Revised Sales Cap are not approved by the Independent Shareholders, the Company has the right to terminate the Amendment Agreement.

The Group has been carrying out certain continuing connected transactions with the San Miguel Group including, among other things, the Beverage Sales which is an income source of the Group. As the Company expects that there may be growth on the Beverage Sales for the year ending 31 December 2013, the Existing Sales Cap for the year ending 31 December 2013 may not be sufficient to meet the Group’s Beverage Sales in 2013, and therefore proposes that the Existing Sales Cap for the year ending 31 December 2013 be revised to HK\$181 million.

The Revised Sales Cap was determined based on, among other things, the Company's expectation that there will be a growth in demand by the San Miguel Group for the Group's packaged beer and non-alcoholic beverage products for export markets for the year ending 31 December 2013 after having discussed with the San Miguel Group, the expected costs of production and distribution, the expected selling margin, the possible exchange rates fluctuations and the possible inflation. For the two years ended 31 December 2011 and 2012, the actual transaction amount under the Beverage Sales accounted for approximately 96% and 90% of the respective annual cap. For the one month ended 31 January 2013, the actual transaction amount under the Beverage Sales was approximately HK\$7.9 million.

THE NEW AGREEMENT

Date

7 March 2013 (the New Agreement was signed by SMC on 7 March 2013 and by the Company on 8 March 2013)

Parties

The Company and SMC

Continuing Connected Transactions and the Caps

Under the New Agreement, the Group will enter into the following Continuing Connected Transactions with the San Miguel Group: (i) purchase by the Group from the San Miguel Group of packaging materials (including, but not limited to, cans, bottles, crown seals and crates) and packaged beer; and (ii) sales of packaged beer and non-alcoholic beverage products by the Group to the San Miguel Group.

Term

Subject to the Independent Shareholders' approval on the Continuing Connected Transactions, the New Agreement and the proposed Caps, the New Agreement shall have a term ending on 31 December 2016 and its terms shall apply to the Continuing Connected Transactions for the period commencing on 1 January 2014 to 31 December 2016. In the event that the New Agreement, Continuing Connected Transactions and the Caps are not approved by the Independent Shareholders, the Company has the right to terminate the New Agreement.

Pricing

The Company confirms that the pricing policy of the Company in respect of the Continuing Connected Transactions is on an arm's length basis and is consistent with the Group's historical pricing policy in respect of the past transactions between the Group and the San Miguel Group, which are described below:

(a) *Purchase of packaging materials from the San Miguel Group*

In respect of the purchase of packaging materials (comprising, but not limited to, cans, bottles, crown seals and crates) by the Group from the San Miguel Group, the prices payable by and the credit terms offered to the Group have historically been negotiated and shall continue to be negotiated between the Group and the San Miguel Group on an annual basis with reference to the prices and credit terms available from suppliers which are independent third parties and are able to meet the Group's stringent quality requirements and delivery schedules and if no such comparable reference prices/credit terms are available, the prices/credit terms shall be determined by arm's length negotiations between the Group and the San Miguel Group based upon reasonable commercial principles.

(b) *Purchase of packaged beer from the San Miguel Group*

In respect of the purchase of packaged beer by the Group from the San Miguel Group, the prices payable by and the credit terms offered to the Group have been and shall continue to be determined by reference to the prices paid by and the credit terms offered to the Group in respect of similar products sourced by the Group from suppliers which are independent third parties and if no such comparable reference prices/credit terms are available, the prices/credit terms shall be determined by arm's length negotiations between the Group and the San Miguel Group based upon reasonable commercial principles.

(c) *Sales of packaged beer and non-alcoholic beverage products to the San Miguel Group*

In respect of the sales of packaged beer and non-alcoholic beverage products by the Group to the San Miguel Group, the prices receivable by the Group have been and shall continue to be determined in the ordinary and usual course of business based on the Group's production cost plus profit margins. Such profit margins are determined with reference to profit margins which are no less favourable to the Group than those imposed by the Group on independent third party customers in respect of the sales of similar packaged beer and non-alcoholic beverage products, and if no such comparable profit margins are available, the profit margins shall be determined by arm's length negotiations between the Group and the San Miguel Group based upon reasonable commercial principles.

The credit terms offered by the Group for the sales of packaged beer and non-alcoholic beverage products to the San Miguel Group have been and shall continue to be determined by reference to the credit terms offered by the Group to its independent third party customers, and if no such comparable credit terms are available, the credit terms shall be determined by arm's length negotiations between the Group and the San Miguel Group based on reasonable commercial principles.

There is no provision in the New Agreement requiring the Group to exclusively source packaging materials and packaged beer from the San Miguel Group nor sell the packaged beer and non-alcoholic beverage products to the San Miguel Group.

REASONS FOR THE CONTINUING CONNECTED TRANSACTIONS

The Group needs to source various packaging materials including cans, bottles, crown seals and crates for use in the packaging and distribution of its beer products. The San Miguel Group has established itself as a competitively priced and dependable supplier to the Group which meet the Group's stringent quality requirements and delivery schedules.

The Group purchases packaged beer from San Miguel Brewery Inc., a company owned as to approximately 51% by SMC to complement the range of products sold by the Group. The Group believes that this will enhance the product range and earnings potential of the Group.

San Miguel Brewery, Inc. is a company listed on The Philippine Stock Exchange, Inc. and is principally engaged in the manufacture and sale of fermented and malt-based beverages, particularly beer of all kinds and classes. San Miguel Brewery Inc. runs the domestic brewery business of the San Miguel Group in the Philippines.

The packaged beer and non-alcoholic beverage products sold by the Group to the San Miguel Group are produced at the Group's plants located at (i) Shunde District, Foshan City, Guangdong Province, the PRC and (ii) Yuen Long, Hong Kong. The Group sells such packaged beer overseas to widen its income source. However, the Group does not have an international sales force outside Hong Kong and Macau. The Group is able to reach customers in export markets through the San Miguel Group which markets and sells products to customers through its international sales channels. Accordingly, the Group may sell its products, through the San Miguel Group, to certain export markets where the Group will also avoid taking exchange rate risk and counterparty risk with the ultimate customers in the relevant export markets. The Company expects such arrangement will help broaden market shares of the Company's products overseas.

HISTORICAL VALUES AND ANNUAL CAPS

Set out below is a summary of (i) the amounts of the continuing connected transactions between the Group and the San Miguel Group for the two years ended 31 December 2012 and from 1 January to 31 January 2013, (ii) the relevant cap amounts under the Existing Agreement and (iii) the proposed Caps under the New Agreement for the three years ending 31 December 2016:

HK\$'000	Year ended 31 December 2011		Year ended 31 December 2012		Actual amount from 1 January 2013 to 31 January 2013 (unaudited)	Year ending 31 December 2013	Caps for the three years ending 31 December 2016 pursuant to the New Agreement		
	Actual amount (audited)	Cap amount	Actual amount (audited)	Cap amount		Cap amount	2014	2015	2016
Purchase of packaging materials by the Group from the San Miguel Group	46,784	47,000	31,740	54,000	606	61,000	82,000	89,000	97,000
Purchase of packaged beer by the Group from the San Miguel Group	4,455	4,900	4,665	5,300	234	5,700	6,300	6,800	7,200
Sales of packaged beer and non-alcoholic beverage products by the Group to the San Miguel Group	93,520	97,000	93,144	103,000	7,888	Under the Existing Agreement: 108,000	218,000	257,000	303,000
						Under the Amendment Agreement: 181,000 (note 1)			

Note 1: subject to the Independent Shareholders' approval on the Amendment Agreement, the Existing Sales Cap for the Beverage Sales for the year ending 31 December 2013 of HK\$108 million as set out in the Existing Agreement will be revised to HK\$181,000,000. Please refer to the section headed "The Revised Sales Caps" below for details.

In respect of the Caps in relation to the purchase of packaging materials and packaged beer by the Group from the San Miguel Group, the proposed Caps were determined by reference to a number of factors including, among other things, the historical sales amount of beer products, the marketing plan of the Group's products, the expected growth in demand for the Group's products (after taking into account the possible exchange rate fluctuations and the possible inflation) and the consequential increase in the need for the relevant packaging materials to meet the Group's production requirements.

In respect of the Caps in relation to the sales of packaged beer and non-alcoholic beverage products by the Group to the San Miguel Group, the proposed Caps were determined by reference to a number of factors including, among other things, the historical product lines, the expected demand for the Group's products and the Company's expectations on the demand for the Group's packaged beer and non-alcoholic beverage products for export markets after having discussed with the San Miguel Group, the expected costs of production and distribution, the expected selling margin, the possible exchange rates fluctuations and the possible inflation.

Buffer of 10% has been built in when the Caps were determined with a view to taking into account possible further market demand.

The Directors (excluding the independent non-executive Directors who will express their view after receiving advice from Ample Capital Limited) consider that (i) the Continuing Connected Transactions are entered into in the ordinary course of business of the Group and the terms of the New Agreement and the Caps are on normal commercial terms, fair and reasonable and are in the interests of the Company and the Shareholders as a whole and (ii) the revision of the Existing Sales Cap for the year ending 31 December 2013 pursuant to the Amendment Agreement is on normal commercial terms, fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

GENERAL

As at the date of this announcement, the San Miguel Group controls approximately 65.78% of the issued share capital of the Company. Accordingly, SMC and its associates are connected persons of the Company for the purposes of the Listing Rules. Pursuant to the Listing Rules, if the Company proposes to revise the annual caps under the continuing connected transactions, the Company is required to re-comply with the relevant provisions under Chapter 14A of the Listing Rules. The revision of the Existing Sales Cap is subject to reporting, annual review, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

In addition, the Continuing Connected Transactions under the New Agreement constitute non-exempt continuing connected transactions under the Listing Rules and are likewise subject to reporting, annual review, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

An EGM will be convened to seek Independent Shareholders' approval for the terms of the Amendment Agreement, the Revised Sales Cap, the New Agreement, the Continuing Connected Transactions and the Caps. In view of the interest of the San Miguel Group in the Continuing Connected Transactions, SMC and its associates (as defined in the Listing Rules), which control approximately 65.78% of the issued share capital of the Company, will abstain from voting at the EGM. The votes to be taken at the EGM will be taken by poll, the results of which will be announced after the EGM. An Independent Board Committee comprising Dr. the Hon. Sir. David K. P. Li, Mr. Ng Wai Sun, Mr. Reynato S. Puno and Mr. Carmelo L. Santiago has been established to advise the Independent Shareholders in respect of the terms of the Amendment Agreement, the Revised Sales Cap, the New Agreement, the Continuing Connected Transactions and the Caps. Ample Capital Limited has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders on whether the terms of the Amendment Agreement, the Revised Sales Cap, the New Agreement, the Continuing Connected Transactions and the Caps are on normal commercial terms, in the ordinary and usual course of business, fair and reasonable and in the interests of the Company and its Shareholders as a whole.

A circular containing the particulars of the Amendment Agreement, the Revised Sales Cap, the New Agreement, the Continuing Connected Transactions, the Caps, the advice from the Independent Board Committee to the Independent Shareholders, the advice from Ample Capital Limited to the Independent Board Committee and the Independent Shareholders and a notice convening the EGM to approve the Amendment Agreement, the Revised Sales Cap, the New Agreement, the Continuing Connected Transactions and the Caps will be despatched to the Shareholders on or before 2 April 2013.

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.

DEFINITIONS

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

“Amendment Agreement”	the agreement dated 7 March 2013 entered into between the Company and SMC (the Amendment Agreement was signed by SMC on 7 March 2013 and by the Company on 8 March 2013) to amend the Existing Agreement by revising the Existing Sales Cap for the Beverage Sales for the year ending 31 December 2013 to the Revised Sales Cap
“Ample Capital Limited”	Ample Capital Limited, a corporation licensed to carry on type 4 (advising on securities), type 6 (advising on corporate finance) and type 9 (asset management) regulated activities under the Securities and Futures Ordinance, being the independent financial adviser appointed to advise the Independent Board Committee and the Independent Shareholders on the New Agreement, the Amendment Agreement and the transactions contemplated thereunder
“associate(s)”	has the meaning ascribed to it under the Listing Rules

“Board”	the board of Directors
“Beverage Sales”	sales of packaged beer and non-alcoholic beverage products by the Group to the San Miguel Group
“Cap(s)”	the maximum annual aggregate value for each of the Continuing Connected Transactions under the New Agreement for the three years ending 31 December 2016
“Company”	San Miguel Brewery Hong Kong Limited, a company incorporated in Hong Kong with limited liability, whose shares are listed in the Stock Exchange
“Continuing Connected Transactions”	the following transactions between the Group and the San Miguel Group: (a) purchase of packaging materials by the Group from the San Miguel Group; (b) purchase of packaged beer by the Group from the San Miguel Group and (c) sales of packaged beer and non-alcoholic beverage products by the Group to the San Miguel Group
“Directors”	the directors of the Company
“EGM”	the extraordinary general meeting to be convened by the Company to consider, and if thought fit, approve the New Agreement, the Continuing Connected Transactions, the Caps, the Amendment Agreement and the Revised Sales Cap
“Existing Agreement”	the agreement dated 18 October 2010 entered into between the Company and SMC
“Existing Sales Cap”	the annual cap of HK\$108 million for the Beverage Sales for the year ending 31 December 2013 as set out in the Existing Agreement
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Board Committee”	an independent committee of the Board, comprising Dr. the Hon. Sir. David K. P. Li, Mr. Ng Wai Sun, Mr. Reynato S. Puno and Mr. Carmelo L. Santiago, all of them being independent non-executive Directors, which has been established by the Board to advise the Independent Shareholders in respect of the New Agreement, the Continuing Connected Transactions, the Caps, the Amendment Agreement and the Revised Sales Cap
“Independent Shareholder(s)”	the shareholder(s) of the Company, other than SMC and its associates
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“New Agreement”	the agreement dated 7 March 2013 entered into between the Company and SMC (the New Agreement was signed by SMC on 7 March 2013 and by the Company on 8 March 2013) in respect of the Continuing Connected Transactions for the period commencing on 1 January 2014 to 31 December 2016
“Revised Sales Cap”	the proposed revised annual cap of HK\$181 million for the year ending 31 December 2013 in relation to Beverage Sales as set out in the Amendment Agreement
“PRC”	the People’s Republic of China which, for the purpose of this announcement, excludes Hong Kong, Macau and Taiwan
“Share(s)”	ordinary share(s) of HK\$0.5 each in the share capital of the Company
“Shareholders”	the shareholders of the Company
“SMC”	San Miguel Corporation, the ultimate controlling shareholder of the Company
“San Miguel Group”	SMC and its associates, excluding the Group, for the purpose of this announcement
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

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

Hong Kong, 8 March 2013

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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 2012

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 2012, 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 2012

(Expressed in Hong Kong dollars)

	Note	2012 \$'000	2011 \$'000
Turnover	3	686,362	683,879
Cost of sales		(392,442)	(387,062)
Gross profit		293,920	296,817
Other revenue	4	35,671	14,939
Other net income	4	11,473	3,319
Selling and distribution expenses		(277,645)	(270,251)
Administrative expenses		(77,714)	(80,586)
Other operating expenses		(9,559)	(7,106)
Reversal of impairment losses/(impairment losses) for non-current assets	5	269,916	(5,497)
Profit/(loss) from operations		246,062	(48,365)
Finance costs	6(a)	(13,419)	(20,662)
Profit/(loss) before taxation	3,6	232,643	(69,027)
Income tax (charge)/credit	7	(3,468)	389
Profit/(loss) for the year		229,175	(68,638)
Attributable to:			
Equity shareholders of the Company		239,854	(53,464)
Non-controlling interests		(10,679)	(15,174)
Profit/(loss) for the year		229,175	(68,638)
Earnings/(loss) per share			
— Basic (cents)	8(a)	64	(14)
— Diluted (cents)	8(b)	N/A	N/A

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME*for the year ended 31 December 2012**(Expressed in Hong Kong dollars)*

	2012 \$'000	2011 \$'000
Profit/(loss) for the year	229,175	(68,638)
Other comprehensive income for the year (after tax)		
Exchange differences on translation of:		
— financial statements of subsidiaries outside Hong Kong	245	(31,863)
— monetary items that form part of the net investment in subsidiaries outside Hong Kong	(84)	17,973
	161	(13,890)
Actuarial gains and losses of defined benefit retirement plan	(14,723)	(11,723)
	(14,562)	(25,613)
Total comprehensive income for the year	214,613	(94,251)
Attributable to:		
Equity shareholders of the Company	225,299	(77,119)
Non-controlling interests	(10,686)	(17,132)
Total comprehensive income for the year	214,613	(94,251)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

at 31 December 2012

(Expressed in Hong Kong dollars)

	<i>Note</i>	2012 \$'000	2011 \$'000
Non-current assets			
Fixed assets			
— Property, plant and equipment		475,861	216,440
— Investment properties		87,978	80,138
— Interests in leasehold land held for own use under operating leases		90,839	93,093
		654,678	389,671
Intangible assets		5,426	5,709
		660,104	395,380
Current assets			
Inventories		56,062	65,166
Trade and other receivables	9	82,726	88,603
Amounts due from holding companies and fellow subsidiaries		9,340	12,331
Amount due from a related company		829	—
Pledged deposits		—	198,000
Cash and cash equivalents		100,904	45,586
		249,861	409,686
Current liabilities			
Bank loans		(86,713)	(313,734)
Trade and other payables	10	(120,005)	(148,917)
Amounts due to holding companies and fellow subsidiaries		(3,767)	(18,440)
Amounts due to related companies		(4,423)	(2,324)
		(214,908)	(483,415)
Net current assets/(liabilities)		34,953	(73,729)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(Continued)**at 31 December 2012**(Expressed in Hong Kong dollars)*

	2012 \$'000	2011 \$'000
Total assets less current liabilities	695,057	321,651
Non-current liabilities		
Bank loan	(145,092)	—
Retirement benefit liabilities	(34,534)	(20,975)
Deferred tax liabilities	(3,595)	(3,453)
	(183,221)	(24,428)
NET ASSETS	511,836	297,223
CAPITAL AND RESERVES		
Share capital	186,785	186,785
Reserves	353,665	128,366
Total equity attributable to equity shareholders of the Company	540,450	315,151
Non-controlling interests	(28,614)	(17,928)
TOTAL EQUITY	511,836	297,223

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 2012 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 before net reversal of impairment losses for non-current assets, of \$40,741,000 and experienced a net outflow of cash and cash equivalents of \$40,065,000 in respect of operating activities for the year ended 31 December 2012. The Group's cash and cash equivalents exceeded current bank loans by only \$14,191,000 as at 31 December 2012, which may not be sufficient to fund the Group's operations in 2013 in view of the net outflow of cash and cash equivalents in respect of operating activities for the year ended 31 December 2012.

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. However, 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 Company's bank loans are repayable in eight equal quarterly instalments from June 2013. The directors are considering re-financing these loans so that part of current bank loans becomes repayable after 31 December 2013.
- (ii) The directors have reviewed the Group's future plans strategy and have identified various initiatives which could turn around the Group's business performance, which include the following:
 - (a) For Hong Kong operations, the directors consider that the decline in profitability is principally due to the heavy discounts offered to customers and they have implemented stronger controls over discounts since late 2012. Also, the directors are conducting a holistic review of sales incentive schemes with a view to changing them to be more efficient and effective.
 - (b) For mainland China operations, the directors have reinvigorated certain sales channels by obtaining new distributors and also are searching for opportunities to obtain new customers who may be interested in subcontracting beer production to the Group.
- (iii) 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 2012 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 several amendments to HKFRSs that are first effective for the current accounting period of the Group and the Company. Of these, Amendments to HKFRS 7, *Financial instruments: Disclosures - Transfers of financial assets* are relevant to the Group's financial statements.

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

Amendments to HKFRS 7, *Financial instruments: Disclosures*

The amendments to HKFRS 7 require certain disclosures to be included in the financial statements in respect of transferred financial assets that are not derecognised in their entirety and for any continuing involvement in transferred financial assets that are derecognised in their entirety, irrespective of when the related transfer transaction occurred. However, an entity need not provide the disclosures for the comparative period in the first year of adoption. The Group did not have any significant transfers of financial assets in previous periods or the current period which require disclosure in the current accounting period under the amendments.

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 comprises 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 comprises 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 2012 and 2011 is set out below:

	Hong Kong		Mainland China		Total	
	2012	2011	2012	2011	2012	2011
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue from external customers	537,243	515,726	149,119	168,153	686,362	683,879
Inter-segment revenue	—	—	4,839	93	4,839	93
Reportable segment revenue	537,243	515,726	153,958	168,246	691,201	683,972
Reportable segment profit/(loss) from operations	277,565	9,298	(44,922)	(78,325)	232,643	(69,027)
Interest income from bank deposits	1,127	2,884	244	887	1,371	3,771
Interest expense on bank loans	(5,185)	—	(7,561)	(18,551)	(12,746)	(18,551)
Depreciation and amortisation for the year	(15,324)	(14,808)	(1,980)	(3,114)	(17,304)	(17,922)
Reversal of/(provision for) impairment losses recognised in profit or loss in respect of						
— non-current assets	272,344	—	(2,428)	(5,497)	269,916	(5,497)
— trade and other receivables	(351)	351	371	10	20	361
Reportable segment assets	1,223,173	1,102,230	66,548	82,906	1,289,721	1,185,136
Additions to non-current segment assets during the year	9,095	7,927	3,667	7,894	12,762	15,821
Reportable segment liabilities	335,057	96,631	439,233	787,829	774,290	884,460

3. TURNOVER AND SEGMENT REPORTING *(Continued)*

(b) Segment reporting *(Continued)*

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

	2012 \$'000	2011 \$'000
Revenue		
Reportable segment revenue	691,201	683,972
Elimination of inter-segment revenue	(4,839)	(93)
Consolidated turnover	<u>686,362</u>	<u>683,879</u>
Profit/(loss)		
Reportable segment profit/(loss) from operations	232,643	(69,027)
Elimination of inter-segment profits	—	—
Reportable segment profit/(loss) derived from Group's external customers and consolidated profit/(loss) before taxation	<u>232,643</u>	<u>(69,027)</u>
Assets		
Reportable segment assets	1,289,721	1,185,136
Elimination of inter-segment receivables	(379,756)	(380,070)
Consolidated total assets	<u>909,965</u>	<u>805,066</u>
Liabilities		
Reportable segment liabilities	774,290	884,460
Elimination of inter-segment payables	(379,756)	(380,070)
Deferred tax liabilities	<u>394,534</u> <u>3,595</u>	<u>504,390</u> <u>3,453</u>
Consolidated total liabilities	<u>398,129</u>	<u>507,843</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	
	2012	2011	2012	2011
	\$'000	\$'000	\$'000	\$'000
Hong Kong (place of domicile)	463,588	425,577	629,049	363,030
Mainland China	119,876	156,290	31,055	32,350
Philippines	92,176	93,253	—	—
Others	10,722	8,759	—	—
	222,774	258,302	31,055	32,350
	686,362	683,879	660,104	395,380

(c) Major customers

In 2012, the revenue from the Group's largest customer which was served both by Hong Kong segment and the mainland China segment amounted to \$93,144,000 or 14% of the Group's total revenue (2011: \$93,706,000 or 14%). The revenue from the Group's five largest customers amounted to 39% (2011: 39%) of the Group's total revenue.

4 OTHER REVENUE AND OTHER NET INCOME

	2012	2011
	\$'000	\$'000
Other revenue		
Interest income from bank deposits	1,371	3,771
Rental income from investment properties	5,872	5,808
Rental income from property, plant and equipment	3,099	3,134
Advertising and promotion subsidy	23,240	—
Others	2,089	2,226
	35,671	14,939
Other net income		
Net (loss)/gain on disposal of fixed assets	(36)	761
Net gain/(loss) on disposal of other tangible assets		
— to a customer (note)	6,894	—
— to fellow subsidiaries	2,835	—
— others	1,116	(447)
Net foreign exchange gains	641	2,979
Net gain on disposal of intangible assets	4	—
Others	19	26
	11,473	3,319

Note: All of the other tangible assets were fully impaired in prior years and the carrying amount was nil. Some of these assets were disposed of during the year to a customer who in return agreed to extinguish the Group's payables to it. The gain represents the amount of trade payables derecognised.

5 REVERSAL OF IMPAIRMENT LOSSES/(IMPAIRMENT LOSSES) FOR NON-CURRENT ASSETS

Reversal of impairment losses/(impairment losses) for non-current assets represent:

	2012 \$'000	2011 \$'000
Non-current assets relating to mainland China operation (<i>note 5(a)</i>)	(2,428)	(5,497)
Non-current assets relating to Hong Kong manufacturing operation (<i>note 5(b)</i>)	262,206	—
Investment properties (<i>note 5(c)</i>)	10,138	—
	<u>269,916</u>	<u>(5,497)</u>

The above reversal of impairment losses/(impairment losses) are further analysed as follows:

	2012 \$'000	2011 \$'000
Provision for impairment losses:		
Fixed assets	(2,284)	(1,631)
Other tangible assets	(144)	(3,866)
	<u>(2,428)</u>	<u>(5,497)</u>

Reversal of impairment losses:

Fixed assets	<u>272,344</u>	<u>—</u>
	<u>269,916</u>	<u>(5,497)</u>

(a) Mainland China operation

During 2012 and 2011, the Group noted that the decline in demand for its products in mainland China compared to previous sales forecasts, 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 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 \$2,428,000 (2011: \$5,497,000), details of which are as follows:

	2012 \$'000	2011 \$'000
Provision for impairment losses:		
Fixed assets	(2,284)	(1,631)
Other tangible assets	(144)	(3,866)
	<u>(2,428)</u>	<u>(5,497)</u>

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.

5 REVERSAL OF IMPAIRMENT LOSSES/(IMPAIRMENT LOSSES) FOR NON-CURRENT ASSETS
(Continued)

(b) Hong Kong manufacturing operation

The Group's non-current assets relating to the manufacturing operations in Hong Kong comprise mainly the production plant, an office building and a warehouse in Hong Kong ("the HK cash-generating unit"). The Group had recognised impairment losses of \$716,167,000 in respect of the HK cash-generating unit in prior years in order to reduce its carrying amount to the recoverable amount, which had been determined based on value-in-use calculations, as the Group could not determine fair value less costs to sell reliably because there was no basis for making a reliable estimate of the amount obtainable from the sale of certain assets belonging to the HK cash-generating unit in an arm's length transaction between knowledgeable and willing parties.

In 2012, there was a change in the estimates used to determine the HK cash-generating unit's recoverable amount as the Group was able to determine fair value less costs to sell based on a reliable estimate of the amount obtainable from the sale in an arm's length transaction between knowledgeable and willing parties for most of the assets belonging to the HK cash-generating unit, due to recent comparable transaction data becoming available. The fair value less costs to sell of the HK cash-generating unit was greater than the value-in-use at 31 December 2012. Hence, the Group determined the recoverable amount based on the fair value less costs to sell and reversed a part of the previously recognised impairment losses in respect of the HK cash-generating unit to the extent that the revised carrying amount of individual assets does not exceed the smaller of respective fair value less costs to sell as at 31 December 2012 and what would have been determined had no impairment loss been recognised in prior years.

The estimates of the cash-generating unit's fair value less costs to sell were 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.

2012
\$'000

Reversal of impairment losses:

Fixed assets	<u>262,206</u>

(c) Investment Properties

The Group had recognised impairment losses of \$12,000,000 in respect of its investment properties in prior years in order to reduce its carrying amount to the recoverable amount which had been determined based on fair value less costs to sell.

In 2012, the Group noted an increase in the investment properties' recoverable amount, mainly arising from an increase in the fair value less costs to sell, which exceeded the relevant carrying amount. Hence, the Group reversed previously recognised impairment losses on the investment properties to the extent that the revised carrying amount does not exceed the smaller of the fair value less costs to sell as at 31 December 2012 and what would have been determined had no impairment loss been recognised in prior years.

The estimates of the investment properties' fair value less costs to sell were 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.

6 PROFIT/(LOSS) BEFORE TAXATION

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

	2012 \$'000	2011 \$'000
(a) Finance costs		
Interest expense on bank loans wholly repayable within five years	12,746	18,551
Amortisation of transaction costs for bank loans	410	—
Bank charges	263	2,111
	<u>13,419</u>	<u>20,662</u>
(b) Staff costs		
Retirement costs		
— Defined contribution retirement plans	6,782	6,723
— Defined benefit retirement plan	3,340	4,340
	<u>10,122</u>	<u>11,063</u>
Salaries, wages and other benefits	104,724	101,023
	<u>114,846</u>	<u>112,086</u>
(c) Other items		
Amortisation		
— Land lease premium	3,277	4,473
— Other tangible assets	888	823
Depreciation		
— Property, plant and equipment	10,730	9,747
— Investment properties	2,409	2,879
Cost of inventories	390,206	383,523
Operating lease charges: minimum lease payments		
— Land and buildings	2,830	2,812
Rental receivable from investment properties		
less direct outgoings of \$2,949,000 (2011: \$2,932,000)	(2,923)	(2,876)
Auditors' remuneration		
— Provision for the year	3,314	3,156
— Under-provision in respect of prior year	343	282
Reversal of impairment losses		
for trade and other receivables	<u>(20)</u>	<u>(361)</u>

7 TAXATION IN THE CONSOLIDATED INCOME STATEMENT

Taxation in the consolidated income statement represents:

	2012 \$'000	2011 \$'000
Current tax — Outside Hong Kong		
Provision for the year	(20)	(123)
Deferred tax		
Origination and reversal of temporary differences	(3,448)	512
Income tax (charge)/credit	<u>(3,468)</u>	<u>389</u>

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 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% (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 2012 and 2011 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 EARNINGS/(LOSS) PER SHARE

(a) *Basic earnings/(loss) per share*

The calculation of basic earnings/(loss) per share is based on the profit/(loss) attributable to equity shareholders of the Company of \$239,854,000 (2011: \$53,464,000) and on 373,570,560 (2011: 373,570,560) ordinary shares, being the number of ordinary shares in issue throughout the year.

(b) *Diluted earnings/(loss) per share*

The diluted earnings/(loss) per share is not presented as the Company did 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. 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 required to trade 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:

	2012 \$'000	2011 \$'000
Current	51,234	56,054
Less than 1 month past due	9,361	11,128
1 to 3 months past due	1,980	4,147
More than 3 months but less than 12 months past due	2,668	849
More than 12 months past due	2,224	2,159
	<u>67,467</u>	<u>74,337</u>

According to the Group's credit policy, the general credit period is payment by the end of the month following the month in which sales took place. Therefore, all the current balances above are within two months from the invoice date.

10 TRADE AND OTHER PAYABLES

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

	2012 \$'000	2011 \$'000
Current and less than 1 month past due	41,800	62,142
1 to 3 months past due	8,732	6,405
3 to 6 months past due	432	468
More than 6 months past due	56	—
	<u>51,020</u>	<u>69,015</u>

The Group's general payment terms are one to two months from the invoice date. Therefore, the current and less than 1 month past due balances above are mostly within two to three months from the invoice date.

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 2012 and of the Group's profit 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 before net reversal of impairment losses for non-current assets, of HK\$40,741,000 and experienced a net outflow of cash and cash equivalents of HK\$40,065,000 in respect of its operating activities for the year ended 31 December 2012. The Group's cash and cash equivalents exceeded current bank loans by only HK\$14,191,000 as at 31 December 2012, which may not be sufficient to fund the Group's operations in 2013 in view of the net outflow of cash and cash equivalents in respect of operating activities for the year ended 31 December 2012. 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, 17 April 2013 to Friday, 19 April 2013, both days inclusive. To qualify for attending the forthcoming Annual General Meeting of the Company to be held on Friday, 19 April 2013, 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, 16 April 2013.

FINANCIAL RESULTS

Consolidated revenue amounted to HK\$686.4 million, a 0.4% increase over the same period in 2011. Gross profit reached HK\$293.9 million, with gross profit margin at 42.8%.

Consolidated profit for 2012 was HK\$229.2 million, a significant improvement from the HK\$68.6 million loss in 2011 due to the net reversal of impairment losses of the Group's non-current assets amounting to HK\$269.9 million. Excluding the reversal of impairment losses in 2012 and the impairment losses in 2011, net of tax effect, the consolidated loss for 2012 would have been HK\$40.7 million, a considerable improvement from our losses in 2011 of HK\$63.1 million due to operating initiatives implemented in our South China operations.

Cash and cash equivalents (excluding bank loans) as of year-end amounted to HK\$100.9 million. Total net assets reached HK\$511.8 million, a significant improvement over last year's HK\$297.2 million, with a debt-to-equity ratio of 0.45.

DIVIDENDS

No dividends will be declared for 2012.

BUSINESS REVIEW

HONG KONG OPERATIONS

Even while the Hong Kong economy has yet to complete its recovery, our beer operations in the territory remained strong, posting a 2% growth in sales in step with the larger beer industry. We continue to be the No. 1 beer company in Hong Kong, largely due to the dominance of our core brands. The domestic market response to our growing portfolio has been favorable. Meanwhile, total sales volumes declined by 6% due to the transfer of some exports volumes to San Miguel (Guangdong) Brewery Company Limited ("SMGB").

San Mig Light remains one of our best performers, registering double-digit growth over the same period in 2011. Over the last year, we have been able to sustain strong on-premise demand for San Mig Light, while at the same time expanding its availability and reach in off-premise outlets. The brand's visibility has been supported by a thematic campaign called "Light and Free", which included the launch of a new TVC and viral online campaign.

Our flagship San Miguel Pale Pilsen continues to maintain its strong position through strategic partnerships with some of 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 territory's biggest post-rugby parties. Other prominent strategic partnerships include the exclusive sponsorship of the highly successful music and arts festival, Clockenflap; and presence of the San Miguel Beer Garden in the 2012 Hong Kong Dragon Boat Carnival organized by the Hong Kong Tourism Board.

Our premium brands continue to be among our top performers, posting significant volume and revenue increases over the same period in 2011. Recognizing opportunities in the up-market segment, we capped the year with the release of San Miguel Premium All-Malt, and exclusive distributorship of all Kirin beer brands within the territory. As a result, we now have a stronger and more diversified portfolio that has us well placed to further dominate the higher end segment of the beer market.

Our market in Macau, while not yet as developed as Hong Kong's, continues to show gains and improvement, posting double-digit growths in volumes and revenues.

SOUTH CHINA OPERATIONS

In South China, much of our efforts over the past year were devoted to restructuring our going-to-market and distribution strategy; particularly in our core markets of Dongguan and Shunde. While we have begun to realize some improvements in our operations, and are confident that our streamlining efforts will yield long-term, strategic benefits for the company; our operations in South China were still unable to turn a profit for 2012. This has resulted in a more measured stance in terms of balancing selling and profitability.

In 2011, the Group began the restructuring of its business model by integrating the sales and distribution of the SMGB-managed Dragon brand into the operations of Guangzhou San Miguel Brewery Company Limited ("GSMB"). As a result, the Group was able to maximize synergies; and, together with other strategic and tactical initiatives, SMGB and GSMB were able to reduce operating losses.

Our other strategic markets such as Guangzhou, East and West Guangdong all registered total sales volume growths in 2012. This was largely the result of GSMB's efforts to improve distribution in these markets, as well as the introduction of enhancements to its product range, which included the launch of a new look for the San Mig Light 330ml can, and release of the new 500ml can pack-type, which has become very popular in Hong Kong.

Meanwhile, following the restructuring, SMGB is now focused on manufacturing and tolling products for GSMB, as well as producing beer products for export.

These initiatives, and particularly the restructuring efforts in our South China markets will provide the Group with the platform to recover volumes and further improve our profitability in the long term.

COMMUNITY RELATIONS AND SOCIAL RESPONSIBILITY

San Miguel Brewery Hong Kong Limited remains committed to its parent company's philosophy of "profit with honor", and hopes to underscore its commitment to good corporate citizenship through working closely with our local communities to ensure a sustainable co-existence.

We are particularly committed to promoting responsible drinking within our organization and among our stakeholders. We also continue to sponsor and participate in various local events and contribute to charitable and non-profit organizations.

The Company is also committed to protecting the environment and communities within which we operate, chiefly through ensuring that environmental standards set by the government are met or even exceeded.

HUMAN RESOURCES

As a company, we recognize that our people are our greatest resource, and remain committed to upholding the best interests of our people through equipping them with relevant knowledge and skills. We invest in training and seminars; and hold mentorship, partnership and team-building workshops to cultivate employee growth.

We also offer competitive remuneration packages commensurate with industry standards, and provide competitive fringe benefits, including comprehensive medical and insurance coverage, and retirement packages for all our employees.

CORPORATE GOVERNANCE

The Company continues to apply the principles of the Corporate Governance Code and Corporate Governance Report contained in Appendix 14 of the Listing Rules throughout the year ended 31 December 2012, 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. Peter K. Y. Tam, Mr. Thelmo Luis O. Cunanan Jr. and General Benjamin P. Defensor, Jr. resigned from the Board since we published our interim report on 7 August 2012. We thank Mr. Peter K. Y. Tam, Mr. Thelmo Luis O. Cunanan Jr. and General Benjamin P. Defensor, Jr. for their contribution to the Group over the past years.

With the departure of Mr. Thelmo Luis O. Cunanan Jr. and General Benjamin P. Defensor, Jr., Mr. Reynato S. Puno and Mr. Roberto N. Huang were appointed on 8 November 2012.

With the departure of Mr. Peter K. Y. Tam, Mr. Ramon G. Torralba was appointed on 15 January 2013.

FUTURE DIRECTION AND CHALLENGES

The following are the objectives of the Company for the year 2013:

- In Hong Kong, we will rationalize advertising and promotion spending through the implementation of an internal system to ensure a more effective and efficient use of resources. We will also restructure our distribution system to aggressively grow in the channels where we are weak and to maximize opportunities in untapped channels.
- In South China, we intend to turnaround the business through an extensive expansion of the dealership network in our core markets, while strengthening the brand equity of San Miguel and Dragon. We will also continue to focus on margin improvement and cost rationalization.

Moving forward, the Company wishes to reiterate our full commitment to maximizing shareholder value. We have appointed a new Managing Director, and have a number of dynamic growth strategies that should enable us to turn around the business and take full advantage of growth opportunities in the market. Our new initiatives are geared towards enabling our beer brands to become even more relevant. We also have various new systems and procedures in place to facilitate efficient and effective cost management in virtually all aspects of our operations.

In closing, we wish to express our heartfelt gratitude to our Board of Directors for their unwavering guidance and support. Likewise our sincere thanks goes out to our shareholders and customers for their continued loyalty; and our 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 2012 ANNUAL REPORT ON THE WEBSITE OF THE STOCK EXCHANGE

The Company's annual report for 2012 will be published on the website of The Stock Exchange of Hong Kong Limited at www.hkex.com.hk and the Company's website at info.sanmiguel.com.hk in due course.

By Order of the Board
Ramon S. Ang
Chairman

Hong Kong, 8 February 2013

(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. 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)

POSITIVE PROFIT ALERT

This announcement is made by the Company pursuant to Rule 13.09 of The Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited and Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong).

The Board would like to inform the shareholders of the Company and potential investors that based on the preliminary review of the unaudited consolidated management accounts of the Group for the year ended 31 December 2012 and the information currently available to the Company, it is expected that the Company will record a net profit attributable to the shareholders of the Company for the year ended 31 December 2012 as compared to the loss in the corresponding period in 2011, as a result of the reversal of previous impairment losses on the Group's non-current assets during the year ended 31 December 2012. In light of recent comparable transaction data becoming available, the estimate used to determine the recoverable amount of certain non-current assets of the Group has changed resulting in the increase of the recoverable amount of certain non-current assets of the Group, hence the reversal of previous impairment losses.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

This announcement is made by San Miguel Brewery Hong Kong Limited (the "Company") pursuant to Rule 13.09 of The Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited and Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong).

The board of directors of the Company (the "Board") would like to inform the shareholders of the Company and potential investors that based on the preliminary review of the unaudited consolidated management accounts of the Company and its subsidiaries (the "Group") for the year ended 31 December 2012 and the information currently available to the Company, it is expected that the Company will record a net profit attributable to the shareholders of the Company for the year ended 31 December 2012 as compared to the loss in the corresponding period in 2011, as a result of the reversal of previous impairment losses on the Group's non-current assets during the year ended 31 December 2012. In light of recent comparable transaction data becoming available, the estimate used to determine the recoverable amount of certain non-current assets of the Group has changed resulting in the increase of the recoverable amount of certain non-current assets of the Group, hence the reversal of previous impairment losses.

The Company is in the process of finalising the annual results of the Group for the year ended 31 December 2012 and the related audit work has not yet been completed. The information contained in this announcement is only based on a preliminary assessment by the Company on the unaudited consolidated management accounts of the Group for the year ended 31 December 2012 and the information currently available to the Company which may be subject to further amendments. Financial information and other details of the Group will be disclosed in the annual results announcement of the Group for the year ended 31 December 2012.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

By Order of the Board
Ramon S. Ang
Chairman

Hong Kong, 1 February 2013

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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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 Level 5 Tai Shan Room, Island Shangri-La, Hong Kong, Two Pacific Place, Supreme Court Road, Central, Hong Kong on Friday, 8 February 2013 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 2012, 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, 22 January 2013

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.