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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 2025

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 2025, 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 2025*

*(Expressed in Hong Kong dollars)*

	<i>Note</i>	<b>2025</b> <b>\$'000</b>	2024 \$'000
<b>Revenue</b>	<i>3</i>	<b>737,321</b>	711,157
Cost of sales		<b>(441,767)</b>	(445,024)
<b>Gross profit</b>		<b>295,554</b>	266,133
Other net income	<i>4</i>	<b>62,575</b>	63,427
Selling and distribution expenses		<b>(178,870)</b>	(175,258)
Administrative expenses		<b>(72,322)</b>	(76,753)
Other operating expenses		<b>(10,018)</b>	(8,840)
Impairment losses of non-current assets		<b>—</b>	(90,000)
<b>Profit/(loss) from operations</b>		<b>96,919</b>	(21,291)
Finance costs	<i>5(a)</i>	<b>(366)</b>	(361)
<b>Profit/(loss) before taxation</b>	<i>3,5</i>	<b>96,553</b>	(21,652)
Income tax (expense)/credit	<i>6</i>	<b>(18,194)</b>	2,737
<b>Profit/(loss) for the year</b>		<b>78,359</b>	(18,915)

**CONSOLIDATED INCOME STATEMENT** *(Continued)**for the year ended 31 December 2025**(Expressed in Hong Kong dollars)*

		<b>2025</b>	2024
	<i>Note</i>	<b><i>\$'000</i></b>	<b><i>\$'000</i></b>
<b>Attributable to:</b>			
Equity shareholders of the Company		<b>76,119</b>	(20,096)
Non-controlling interests		<b>2,240</b>	1,181
		<hr/>	<hr/>
<b>Profit/(loss) for the year</b>		<b><u>78,359</u></b>	<b><u>(18,915)</u></b>
<b>Earnings/(loss) per share</b>			
— Basic (cents)	7(a)	<b><u>20</u></b>	<b><u>(5)</u></b>
— Diluted (cents)	7(b)	<b><u>N/A</u></b>	<b><u>N/A</u></b>

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 December 2025

(Expressed in Hong Kong dollars)

	2025	2024
	\$'000	\$'000
<b>Profit/(loss) for the year</b>	<u>78,359</u>	<u>(18,915)</u>
<b>Other comprehensive income for the year (after tax)</b>		
<i>Items that may be reclassified subsequently to profit or loss</i>		
— Exchange differences on translation of financial statements of subsidiaries outside Hong Kong and monetary items that form part of the net investment in subsidiaries outside Hong Kong	2,264	(1,538)
<i>Items that will not be reclassified to profit or loss</i>		
— Remeasurement of defined benefit plan obligations	<u>(179)</u>	<u>1,454</u>
	<u>2,085</u>	<u>(84)</u>
<b>Total comprehensive income for the year</b>	<u><u>80,444</u></u>	<u><u>(18,999)</u></u>
<b>Attributable to:</b>		
Equity shareholders of the Company	78,772	(20,694)
Non-controlling interests	<u>1,672</u>	<u>1,695</u>
<b>Total comprehensive income for the year</b>	<u><u>80,444</u></u>	<u><u>(18,999)</u></u>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

at 31 December 2025

(Expressed in Hong Kong dollars)

	Note	2025 \$'000	2024 \$'000
<b>Non-current assets</b>			
Property, plant and equipment		257,440	247,963
Investment properties		94,527	98,748
		<u>351,967</u>	<u>346,711</u>
Intangible assets		4,771	4,771
Other receivables		29,795	18,378
Deferred tax assets		24,216	34,742
		<u>410,749</u>	<u>404,602</u>
<b>Current assets</b>			
Inventories		72,468	82,077
Trade and other receivables	8	41,285	40,222
Amounts due from holding companies and fellow subsidiaries		7,902	14,228
Amount due from a related company		1,353	895
Current tax recoverable		—	662
Cash and bank balances		285,713	216,520
		<u>408,721</u>	<u>354,604</u>
<b>Current liabilities</b>			
Trade and other payables	9	(67,198)	(70,409)
Loan from a related company		(3,592)	(3,503)
Amounts due to holding companies and a fellow subsidiary		(5,408)	(3,720)
Amounts due to related companies		(9,438)	(8,914)
Lease liabilities		(1,441)	(416)
Current tax payable		(1,431)	—
		<u>(88,508)</u>	<u>(86,962)</u>
<b>Net current assets</b>		<u>320,213</u>	<u>267,642</u>

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION** *(Continued)**at 31 December 2025**(Expressed in Hong Kong dollars)*

	<b>2025</b>	2024
<i>Note</i>	<b><i>\$'000</i></b>	<i>\$'000</i>
<b>Total assets less current liabilities</b>	<b>730,962</b>	672,244
<b>Non-current liabilities</b>		
Retirement benefit liabilities	<b>(7,446)</b>	(11,524)
Other payables	<b>(25,041)</b>	(23,772)
Lease liabilities	<b>(1,916)</b>	(2,154)
	<b>(34,403)</b>	(37,450)
<b>NET ASSETS</b>	<b>696,559</b>	634,794
<b>CAPITAL AND RESERVES</b>		
Share capital	<b>252,524</b>	252,524
Other reserves	<b>464,768</b>	404,675
<b>Total equity attributable to equity shareholders of the Company</b>	<b>717,292</b>	657,199
<b>Non-controlling interests</b>	<b>(20,733)</b>	(22,405)
<b>TOTAL EQUITY</b>	<b>696,559</b>	634,794

## NOTES TO THE ANNUAL RESULTS

*(Expressed in Hong Kong dollars)*

### 1 BASIS OF PREPARATION

The unaudited financial information relating to the year ended 31 December 2025 and the financial information relating to the year ended 31 December 2024 included in this preliminary announcement of annual results does not constitute the Company's statutory annual consolidated financial statements for those years but, in respect of the year ended 31 December 2024, is derived from those financial statements. Further information relating to these statutory financial statements required to be disclosed in accordance with section 436 of the Hong Kong Companies Ordinance ("Companies Ordinance") is as follows:

The financial statements for the year ended 31 December 2025 have yet to be reported on by the Company's auditor and will be delivered to the Registrar of Companies in due course.

The Company has delivered the financial statements for the year ended 31 December 2024 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Companies Ordinance.

The Company's auditor has reported on these financial statements for the year ended 31 December 2024. The auditor's report was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under sections 406(2), 407(2) or (3) of the Companies Ordinance.

The statutory financial statements have been prepared in accordance with all applicable HKFRS Accounting Standards, which collective term includes all applicable individual Hong Kong Financial Reporting Standards ("HKFRSs"), Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the requirements of the Companies Ordinance. The statutory financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

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

## 2 CHANGES IN ACCOUNTING POLICIES

The HKICPA has issued a number of amendments to HKFRS Accounting Standards that are first effective for the current accounting period of the Group.

The Group has applied amendments to HKAS 21, *The effects of changes in foreign exchange rates - Lack of exchangeability* issued by the HKICPA to the financial statements for the current accounting period. The amendments do not have a material impact on the financial statements as the Group has not entered into any foreign currency transactions in which the foreign currency is not exchangeable into another currency.

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

## 3 REVENUE AND SEGMENT REPORTING

### (a) Revenue

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

Revenue 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 operations mainly comprise the manufacture and distribution of own brewed beer products and distribution of imported beer products in Hong Kong and overseas and the leasing of investment properties in Hong Kong to generate rental income.
- The Mainland China operations mainly comprise 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 revenue is generated from the manufacture and distribution of bottled, canned and draught beers.

### 3 REVENUE 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 monitor the results, assets and liabilities attributable to each reportable segment on the following bases:

Segment assets include all tangible assets, intangible assets and other assets with the exception of deferred tax assets. Segment liabilities include trade creditors and accruals attributable to the manufacture and distribution activities of the individual segments and retirement benefit liabilities managed directly by the segment and other liabilities with the exception of deferred tax liabilities.

The measure used for reportable segment profit or loss is "adjusted EBIT" i.e. adjusted earnings before interest and taxes, where "interest" is regarded as including interest income from bank deposits, interest expense on a loan from a related company and interest on lease liabilities. To arrive at adjusted EBIT the Group's earnings are further adjusted for items not specifically attributed to individual segments, such as net foreign exchange gains/losses. Inter-segment sales are priced at cost plus a profit margin.

### 3 REVENUE AND SEGMENT REPORTING (Continued)

#### (b) Segment reporting (Continued)

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

Information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance for the years ended 31 December 2025 and 2024 is set out below:

	Hong Kong		Mainland China		Total	
	2025	2024	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue from external customers	471,312	447,319	266,009	263,838	737,321	711,157
Inter-segment revenue	110	548	—	—	110	548
<b>Reportable segment revenue</b>	<b>471,422</b>	<b>447,867</b>	<b>266,009</b>	<b>263,838</b>	<b>737,431</b>	<b>711,705</b>
<b>Reportable segment profit/ (loss) from operations (adjusted EBIT)</b>	<b>59,429</b>	<b>(53,762)</b>	<b>29,969</b>	<b>23,931</b>	<b>89,398</b>	<b>(29,831)</b>
Interest income from bank deposits	6,998	6,317	499	892	7,497	7,209
Interest expense on loan from a related company	—	—	(156)	(152)	(156)	(152)
Depreciation and amortisation	(17,567)	(21,665)	(3,324)	(2,832)	(20,891)	(24,497)
Impairment losses on non-current assets	—	(90,000)	—	—	—	(90,000)
Net provision for impairment of trade and other receivables	(133)	(72)	—	—	(133)	(72)
<b>Reportable segment assets</b>	<b>912,595</b>	<b>870,927</b>	<b>131,653</b>	<b>126,162</b>	<b>1,044,248</b>	<b>997,089</b>
Additions to non-current segment assets during the year	19,960	13,057	6,697	6,441	26,657	19,498
<b>Reportable segment liabilities</b>	<b>82,410</b>	<b>88,943</b>	<b>289,495</b>	<b>308,094</b>	<b>371,905</b>	<b>397,037</b>

### 3 REVENUE AND SEGMENT REPORTING (Continued)

#### (b) Segment reporting (Continued)

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

	2025 \$'000	2024 \$'000
<b>Revenue</b>		
Reportable segment revenue	737,431	711,705
Elimination of inter-segment revenue	<u>(110)</u>	<u>(548)</u>
Consolidated revenue	<u><u>737,321</u></u>	<u><u>711,157</u></u>
<b>Profit or loss</b>		
Reportable segment profit/(loss) from operations	89,398	(29,831)
Interest income from bank deposits	7,497	7,209
Net foreign exchange (losses)/gains	(110)	1,201
Interest on lease liabilities	(76)	(79)
Interest expense on loan from a related company	<u>(156)</u>	<u>(152)</u>
Consolidated profit/(loss) before taxation	<u><u>96,553</u></u>	<u><u>(21,652)</u></u>
<b>Assets</b>		
Reportable segment assets	1,044,248	997,089
Elimination of inter-segment receivables	<u>(248,994)</u>	<u>(272,625)</u>
Deferred tax assets	<u>795,254</u>	<u>724,464</u>
	<u>24,216</u>	<u>34,742</u>
Consolidated total assets	<u><u>819,470</u></u>	<u><u>759,206</u></u>
<b>Liabilities</b>		
Reportable segment liabilities	371,905	397,037
Elimination of inter-segment payables	<u>(248,994)</u>	<u>(272,625)</u>
Consolidated total liabilities	<u><u>122,911</u></u>	<u><u>124,412</u></u>

### 3 REVENUE 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 non-current 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 property, plant and equipment and investment properties and the location of the operation to which they are allocated, in the case of intangible assets.

	Revenue from		Specified	
	external customers		non-current assets	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
Hong Kong (place of domicile)	<b>231,844</b>	240,358	<b>315,460</b>	312,932
Mainland China	<b>67,972</b>	64,872	<b>41,278</b>	38,550
Philippines	<b>425,345</b>	392,420	—	—
Others	<b>12,160</b>	13,507	—	—
	<b>505,477</b>	470,799	<b>41,278</b>	38,550
	<b>737,321</b>	711,157	<b>356,738</b>	351,482

### 3 REVENUE AND SEGMENT REPORTING (Continued)

#### (c) Major customers

The Group's customer base is diversified and includes one customer (2024: one customer), with whom transactions have exceeded 10% of the Group's revenue. Revenue from sales to this customer during the reporting period is set out as below.

	2025 \$'000	2024 \$'000
Largest customer (arose from both Hong Kong and Mainland China segments)	425,345	392,420
— Percentage of total revenue	<u>58%</u>	<u>55%</u>

### 4 OTHER NET INCOME

	2025 \$'000	2024 \$'000
Rental income from investment properties	54,310	54,045
Interest income from bank deposits	7,497	7,209
Net gain on disposal of property, plant and equipment	80	37
Net foreign exchange (losses)/gains	(110)	1,201
Others	<u>798</u>	<u>935</u>
	<u>62,575</u>	<u>63,427</u>

## 5 PROFIT/(LOSS) BEFORE TAXATION

Profit/(loss) before taxation is arrived at after charging/(crediting):

	2025 \$'000	2024 \$'000
<b>(a) Finance costs</b>		
Interest expense on loan from a related company	156	152
Interest on lease liabilities	76	79
Bank charges	134	130
	<u>366</u>	<u>361</u>
<b>(b) Staff costs</b>		
Retirement costs		
— Contributions to defined contribution retirement plans	9,187	8,102
— Expenses in respect of defined benefit plans		
— ORSO plan	2,815	3,538
— Long service payments	109	109
	<u>12,111</u>	<u>11,749</u>
Salaries, wages and other benefits	<u>138,775</u>	<u>134,388</u>
	<u>150,886</u>	<u>146,137</u>
<b>(c) Other items</b>		
Depreciation		
— Owned property, plant and equipment	8,246	9,252
— Right-of-use assets	12,645	15,245
Cost of inventories <sup>#</sup>	438,909	443,622
Expense relating to short-term leases	378	353
Rental receivable from investment properties less direct outgoings of \$ 4,798,000 (2024: \$5,372,000)	(49,512)	(48,673)
Auditors' remuneration — audit services	3,307	3,307
Net provision for impairment of trade and other receivables	<u>133</u>	<u>72</u>

<sup>#</sup> Cost of inventories includes \$60,160,000 (2024: \$64,450,000) relating to staff costs and depreciation expenses, which amount is also included in the respective total amounts disclosed separately above or in note 5(b) for each of these types of expenses.

## 6 INCOME TAX IN THE CONSOLIDATED INCOME STATEMENT

Taxation in the consolidated income statement represents:

	2025 \$'000	2024 \$'000
<b>Current year — Mainland China</b>		
Provision for the year	8,279	5,610
Over-provision in respect of prior year	(329)	—
<b>Deferred tax</b>		
Origination and reversal of temporary differences	<u>10,244</u>	<u>(8,347)</u>
	<u><b>18,194</b></u>	<u><b>(2,737)</b></u>

No provision for Hong Kong Profits Tax has been made for the Company and other Hong Kong subsidiaries for 2025 and 2024 because the accumulated tax losses brought forward exceed the estimated assessable profits or the entities sustain losses for taxation purposes.

The Group's operations in the PRC are subject to Corporate Income Tax Law of the PRC. The standard PRC Corporate Income Tax rate is 25%.

## 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 of \$76,119,000 (2024: \$20,096,000) and on 373,570,560 (2024: 373,570,560) ordinary shares, being the number of ordinary shares in issue throughout the year.

### (b) Diluted earnings/(loss) per share

Diluted earnings/(loss) per share is not presented as the Company did not have dilutive potential ordinary shares for both years presented.

## 8 TRADE AND OTHER RECEIVABLES

The ageing analysis of trade receivables, net of loss allowance, as at the end of the reporting period is as follows:

	<b>2025</b>	2024
	<b>\$'000</b>	\$'000
Current (not past due)	<b>28,653</b>	26,942
Less than 1 month past due	<b>1,372</b>	1,857
1 to 3 months past due	<b>343</b>	412
3 to 6 months past due	<b>286</b>	420
More than 6 months but less than 12 months past due	<b>193</b>	118
	<b>30,847</b>	29,749

According to the Group's credit policy, customers are granted a credit period that generally requires payment by the end of the month following the month in which sales take place. Therefore, all the current balances disclosed above are aged within two months from the invoice date.

## 9 TRADE AND OTHER PAYABLES

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

	<b>2025</b>	2024
	<b>\$'000</b>	\$'000
Current and less than 1 month past due	<b>33,813</b>	36,144
1 to 3 months past due	<b>57</b>	15
3 to 6 months past due	<b>7</b>	7
More than 6 months but less than 12 months past due	<b>6</b>	—
	<b>33,883</b>	36,166

According to the credit terms provided by suppliers, the Group is generally required to settle within one to two months from the invoice date. Therefore, the current and less than 1 month past due balances disclosed above are mostly aged within two to three months from the invoice date.

## 10 DIVIDENDS

### (a) Dividends payable to equity shareholders of the Company attributable to the year

	2025 \$'000	2024 \$'000
Final dividend proposed after the end of the reporting period of \$0.06 per ordinary share (2024: \$0.05 per ordinary share)	<u>22,414</u>	<u>18,679</u>

The final dividend proposed after the end of the reporting period has not been recognised as a liability at the end of the reporting period.

### (b) Dividends payable to equity shareholders of the Company attributable to the previous financial year, approved and paid during the year

	2025 \$'000	2024 \$'000
Final dividend in respect of the previous financial year, approved and paid during the year	<u>18,679</u>	<u>18,679</u>

## **CLOSURE OF REGISTER OF MEMBERS**

- (a) For the purpose of determining the shareholders who are entitled to attend and vote at the Annual General Meeting, the register of members of the Company will be closed from Friday, 17 April 2026 to Wednesday, 22 April 2026, both days inclusive. To qualify to attend and vote at the Annual General Meeting, shareholders should ensure that all transfer documents 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 not later than 4:30 p.m. on Thursday, 16 April 2026.
- (b) For the purpose of determining the shareholders who qualify for the final dividend, the register of members of the Company will be closed from Tuesday, 28 April 2026 to Thursday, 30 April 2026, both days inclusive. To qualify for the final dividend, shareholders should ensure that all transfer documents 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 not later than 4:30 p.m. on Monday, 27 April 2026.

## **FINANCIAL RESULTS**

The Group reported a consolidated net profit of HK\$78.4 million in 2025, compared with the consolidated net loss of HK\$18.9 million in 2024 which included a one-time, non-cash impairment charge of HK\$90.0 million and a deferred tax impact of HK\$14.9 million on its non-current assets in 2024. Excluding the impairment loss in 2024, the Group's consolidated net profit in 2025 was still a significant 39% improvement compared to 2024. Net profit attributable to equity shareholders for 2025 was HK\$76.1 million, against a net loss of HK\$20.1 million in 2024.

The Group's consolidated revenue was HK\$737.3 million in 2025, 3.7% higher than in 2024. Gross profit was at HK\$295.6 million, 11.1% higher than the HK\$266.1 million in 2024.

The Group maintained a healthy cash position, with cash and bank balances totaling HK\$285.7 million as of 31 December 2025 (HK\$216.5 million as of 31 December 2024).

As of 31 December 2025, loans were at HK\$3.6 million (HK\$3.5 million as of 31 December 2024). Total net assets were at HK\$696.6 million (HK\$634.8 million as of 31 December 2024), and the loan-to-equity ratio was 0.01 (31 December 2024: 0.01).

## **DIVIDENDS**

On 25 February 2026, the Board of Directors approved a proposal to declare a final dividend of HK\$0.06 per share for the year ended 31 December 2025, payable to shareholders of record as of 30 April 2026. The proposal is subject to shareholder approval at the forthcoming annual general meeting.

## **BUSINESS REVIEW**

### **HONG KONG OPERATIONS**

Hong Kong's economic recovery in 2025 unfolded against a backdrop of persistent structural challenges, with GDP improvement largely buoyed by stronger external demand. Although business sentiment improved and inflation remained modest, shifting consumer behavior continued to weigh heavily on domestic retail performance. A key factor was the sustained surge in outbound tourism to Mainland China, which reached record levels in 2025 as residents were drawn by greater travel convenience, favorable price differentials, and evolving lifestyle preferences. This diverted local spending across the border, constraining retail growth and highlighting strains in Hong Kong's post-pandemic stabilization.

In 2025, the Hong Kong beer market continued to contract, with industry volumes declining by 3% from the previous year. Amid these challenging conditions, the Company's domestic sales volumes also fell by 3%. However, total sales volumes rose by 11%, driven by strong growth in export markets. Coupled with improved product costs, prudent cost management, and higher leasing income, these factors contributed to a significant improvement in the Company's operating profit.

San Mig Light (SML) outperformed the industry, delivering a 3% volume growth with gains across major channels. Performance was driven by enhanced brand visibility from the "Feel Light Feel Good" TVC and online advertising highlighting its "Hong Kong's No. 1 Light Beer" positioning, supported by targeted activations in retail chains, including limited-edition can launches and consumer promotions. In the on-trade, SML's leadership in bars and pubs was reinforced by outlet promotions and game activations.

Meanwhile, San Miguel Pale Pilsen (SMPP) continued to strengthen its connection with Hong Kong and sustained brand visibility through the "So Hong Kong, So San Miguel" TVC and the "Taste of Hong Kong – Fresh Brew Beer" POSM campaign. These efforts were supported by channel-specific initiatives such as redemption programs for Chinese restaurants and provision stores, a market-wide promotion campaign, and premium redemption at convenience stores, alongside Hong Kong-themed on-trade activations.

Throughout 2025, San Miguel Cerveza Blanca (SMCB) and San Miguel Cerveza Negra (SMCN) strengthened brand awareness and premium credentials through integrated digital and on-premise activations. These included collaborations with local artists and key opinion leaders (KOL), lucky draw promotions, and the introduction of the Monde Medal on SMCB's packaging. Brand experience was further elevated via the Limited-Edition Gelato collaboration with TEEMTONEfai, a tasting menu promotion, and sampling initiatives across key outlets.

Meanwhile, Blue Ice Beer introduced a new packaging design aimed at strengthening its appeal among young drinkers. This was complemented by promotions in convenience stores. Consumer engagement for Kirin was sustained through seasonal product offerings, premium redemptions in convenience stores, and on-premise promotions.

## **SOUTH CHINA OPERATIONS**

Amid global uncertainty, China's economy demonstrated resilience in 2025, supported by steady policy measures, investments in advanced manufacturing and technology, and rising external demand. While challenges in consumption and the property sector persisted, sentiment gradually stabilized and economic momentum improved over the year.

San Miguel (Guangdong) Brewery Co., Ltd.'s ("SMGB") domestic volume increased by 4% in 2025, driven primarily by a 6% growth for San Miguel brands. Export volume was slightly lower compared with the prior year. Operating profit rose to RMB27.5 million, representing a 23% year-on-year increase. This improvement was driven by higher domestic volumes, margin expansion across both domestic and export businesses, and continued discipline in managing variable costs.

Throughout the year, SMGB executed a comprehensive program of brand-building and volume-generating initiatives across channels. San Miguel brands were supported by targeted pricing transition measures in the wholesaler channel, market-wide promotions, enhanced in-store merchandising, expanded presence on e-commerce channels, and KOL campaigns, which generated strong consumer engagement across online selling platforms.

Seasonal campaigns, including a Chinese New Year-themed program for San Miguel and Dragon brands, were rolled out, alongside efforts to enhance in-store visibility. Meanwhile, wholesaler trade incentive programs were implemented to support the expansion of the San Miguel and Dragon brands.

Product innovation and portfolio expansion were key focus areas in 2025. The launch of Dragon Yue X 500ml cans and the domestically produced Red Horse 500ml can 12-pack enhanced SMGB's off-premise offerings. These initiatives were backed by consumer promotions, trade incentives, KOL campaigns, and point-of-sale deployments to drive awareness and trial.

## **COMMUNITY RELATIONS AND SOCIAL RESPONSIBILITY**

Social responsibility remains an integral part of our values system. We work to make a positive impact on our employees, their families, our business partners, local communities, and the environment. We also ensure compliance with legal and regulatory requirements.

Since 2015, we have been publishing an Environmental, Social, and Governance ("ESG") Report to provide the public with insights into how we respond to different ESG issues, guided by our Sustainability Committee. The Company's 2025 ESG Report will be available on our website no later than 31 March 2026.

Our commitments include actively promoting responsible drinking within the organization and to the general public, protecting the environment, and meeting or exceeding government-set environmental standards.

## **HUMAN RESOURCES**

Our employees are crucial to our Company's success and in fulfilling our responsibilities to shareholders, society, and the environment. As such, we continue to implement programs to improve their well-being and capabilities.

We continue to invest in in-house training programs and use publicly available webinars to further enhance and develop our people's knowledge, skills, and experiences. We have also organized smaller-scale company programs and activities to foster camaraderie within the organization.

We regularly review our policies to ensure appropriate and sufficient measures are in place to provide our employees with a safe, secure, and healthy workplace conducive to their physical well-being and personal and career development.

We also continue to provide employees with competitive remuneration aligned with industry standards. We provide attractive benefits, including medical and insurance coverage and paid leaves, in addition to what is required by law.

## **CORPORATE GOVERNANCE**

The Company has applied the principles and complied with the requirements set out in the Corporate Governance Code (“CG Code”), as contained in Appendix C1 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

## **DIRECTORS**

Since we published our interim report on 29 August 2025, Mr. Yoshinori Inazumi has resigned as a non-executive director of the Company, effective 1 September 2025 and Mr. Tatsuya Nagafuji was appointed in his stead, also effective on the same date.

## **FUTURE DIRECTIONS AND CHALLENGES**

For 2026, the Company has outlined the following objectives:

- In Hong Kong, the Company will continue to pursue profitable volume growth through integrated brand-building initiatives and distribution expansion. Key priorities include: reinforcing SML’s leadership as the market’s premier light beer, strengthening SMPP’s brand affinity, increasing awareness and availability of our specialty brands, and regain market share in the economy segment. These initiatives will be supported by outlet-specific offtake programs and enhanced management of the wholesaler channel.
- In South China, we will strengthen our dealer and wholesaler network, drive stronger on-premise growth, and sustain channel momentum in modern trade and e-commerce platforms. To promote balanced portfolio growth, we will enhance San Miguel’s premium positioning, continue building equity for SML through the “Life Best Served Light” campaign, leverage Dragon’s “Beer of Shunde” communications, and fast-track the expansion of Red Horse across key channels.

We remain cautiously optimistic about the growth prospects for Hong Kong and South China in 2026, while mindful of ongoing geopolitical and trade uncertainties that may continue to weigh on domestic consumption and regional export performance.

Despite these challenges, we believe the programs and initiatives we have put in place position us well to navigate potential risks. In the year ahead, we will continue to closely monitor market conditions and implement agile strategies to drive volume growth, strengthen operational efficiency, manage costs, and improve overall profitability.

We thank our employees for their hard work and perseverance, the members of our Board for their guidance, and, most of all, our shareholders, consumers, customers, and business partners for their continued support.

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

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

## **SCOPE OF WORK OF KPMG**

The figures in respect of the Group's consolidated statement of financial position, consolidated income statement, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 December 2025 as set out in the preliminary announcement have been agreed by the Group's auditor, KPMG, Certified Public Accountants, to the amounts set out in the Group's consolidated financial statements for the year. The work performed by KPMG in this respect did not constitute an assurance engagement, and consequently, no opinion or assurance conclusion has been expressed by KPMG on the preliminary announcement.

## **PUBLICATION OF THE 2025 ANNUAL REPORT ON THE WEBSITE OF THE STOCK EXCHANGE**

The Company's annual report for 2025 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, 25 February 2026

*(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 directors (“Board”) of the Company is comprised of the executive director, Mr. Chan Weng Kheong, the non-executive directors, Mr. Ramon S. Ang (Chairman), Mr. Carlos Antonio M. Berba (Deputy Chairman), Ms. Aurora T. Calderon, Ms. May (Michelle) W. M. Chan, Mr. Tatsuya Nagafuji, Mr. Katsuhisa Nose and Mr. Fumiaki Ozawa; and the independent non-executive directors, Mr. Thelmo Luis O. Cunanan, Dr. the Hon. Sir David K. P. Li, Mr. Reynato S. Puno and Ms. Maria Aileen A. Sazon.*