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# THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

If you have sold or transferred all your shares in Budweiser Brewing Company APAC Limited, you should at once hand this circular, together with the enclosed form of proxy, to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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## Budweiser Brewing Company APAC Limited

百威亞太控股有限公司

(Incorporated in Cayman Islands with limited liability)

(Stock code: 1876)

PROPOSED RE-ELECTION OF DIRECTORS

AND

PROPOSED GRANT OF GENERAL MANDATES TO  
REPURCHASE SHARES AND TO ISSUE SHARES

AND

PROPOSED GRANT OF ANNUAL MANDATE TO ISSUE SHARES UNDER  
SHARE AWARD SCHEMES TO NON-CONNECTED PARTICIPANTS

AND

CONNECTED TRANSACTIONS IN RELATION TO PROPOSED GRANT OF ANNUAL MANDATE  
TO ISSUE SHARES UNDER SHARE AWARD SCHEMES TO CONNECTED PARTICIPANTS

AND

PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

AND

NOTICE OF ANNUAL GENERAL MEETING

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The notice convening the Annual General Meeting of Budweiser Brewing Company APAC Limited to be held virtually using Computershare Online Platform at [http://meetings.computershare.com/BUDAPAC\\_AGM](http://meetings.computershare.com/BUDAPAC_AGM) on Friday, 6 May 2022 at 10:00 a.m. is set out in this circular.

Whether or not you are able to attend the Annual General Meeting, please complete and sign the enclosed form of proxy for use at the Annual General Meeting in accordance with the instructions printed thereon and return it to the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the Annual General Meeting (i.e. not later than 10:00 a.m. on Wednesday, 4 May 2022 (Hong Kong time)) or the adjourned meeting (as the case may be). Completion and return of the form of proxy will not preclude shareholders from attending and voting at the Annual General Meeting via Online Platform if they so wish.

This circular together with the form of proxy are also published on the websites of Hong Kong Exchanges and Clearing Limited (<http://www.hkexnews.hk>) and the Company (<http://www.budweiserapac.com>).

### Guidance for the Annual General Meeting

#### VIRTUAL AGM

The Company will conduct a virtual Annual General Meeting using Computershare Online Platform – [http://meetings.computershare.com/BUDAPAC\\_AGM](http://meetings.computershare.com/BUDAPAC_AGM) (the "Online Platform"), which allows Shareholders to participate in the Annual General Meeting online in a convenient and efficient way from anywhere with an internet connection. Shareholders will be able to view the live video broadcast and participate in voting and submit questions in written form to the Annual General Meeting via their mobile phones, tablet, or computers.

Shareholders can refer to the enclosed letter together with the Online Meeting User Guide for details of online voting at the Annual General Meeting. If you have any queries on the above, please contact the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, via their hotline at (852) 2862 8555 from 9:00 a.m. to 6:00 p.m. (Monday to Friday, excluding Saturday and Hong Kong public holidays).

#### ATTENDING THE AGM BY MEANS OF ELECTRONIC FACILITIES

Shareholders who wish to attend the Annual General Meeting and exercise their voting rights can achieve this in one of the following ways:

- (1) attend the Annual General Meeting via Online Platform which enables live streaming and interactive platform for Q&A and submit their voting online; OR
- (2) appoint the Chairman of the Annual General Meeting or other persons as their proxy to attend the Annual General Meeting via Online Platform and submit their voting online.

Your proxy's authority and instruction will be revoked if you attend and vote via the Online Platform.

Non-registered holders whose shares of the Company are held in the Central Clearing and Settlement System through banks, brokers, custodians or Hong Kong Securities Clearing Company Limited may be able to attend the Annual General Meeting, vote and submit questions online. In this regard, they should consult directly with their banks, brokers or custodians (as the case may be) for the necessary arrangements.

29 March 2022

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LETTER FROM THE BOARD

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**Budweiser Brewing Company APAC Limited**

**百威亞太控股有限公司**

*(Incorporated in Cayman Islands with limited liability)*

**(Stock code: 1876)**

*Executive Director:*

Jan CRAPS (*Co-Chair of the Board and  
Chief Executive Officer*)

*Non-executive Directors:*

Michel DOUKERIS (*Co-Chair of the Board*)

Katherine BARRETT (John BLOOD  
as her alternate)

Nelson JAMEL (David ALMEIDA  
as his alternate)

*Independent Non-executive Directors:*

Martin CUBBON

Marjorie Mun Tak YANG

Katherine King-suen TSANG

*Registered Office:*

Cricket Square  
Hutchins Drive P.O. Box 2681  
Grand Cayman, KY1-1111  
Cayman Islands

*Head Office and Principal Place of  
Business in Hong Kong:*

Suites 3012-16  
Tower Two, Times Square  
1 Matheson Street, Causeway Bay  
Hong Kong

29 March 2022

*To the Shareholders*

Dear Sir/Madam,

**PROPOSED RE-ELECTION OF DIRECTORS  
AND  
PROPOSED GRANT OF GENERAL MANDATES TO  
REPURCHASE SHARES AND TO ISSUE SHARES  
AND  
PROPOSED GRANT OF ANNUAL MANDATE  
TO ISSUE SHARES UNDER SHARE AWARD SCHEMES  
TO NON-CONNECTED PARTICIPANTS  
AND  
CONNECTED TRANSACTIONS IN RELATION TO PROPOSED  
GRANT OF ANNUAL MANDATE  
TO ISSUE SHARES UNDER SHARE AWARD SCHEMES  
TO CONNECTED PARTICIPANTS  
AND  
PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

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## LETTER FROM THE BOARD

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### 1. INTRODUCTION

The purpose of this circular is to provide the Shareholders with information in respect of certain resolutions to be proposed at the Annual General Meeting to be held on Friday, 6 May 2022 at 10:00 a.m.

### 2. PROPOSED RE-ELECTION OF DIRECTORS

In accordance with Article 84 of the Articles of Association, Mr. Jan Craps (“**Mr. Craps**”), and Ms. Katherine King-suen Tsang (“**Ms. Tsang**”) shall retire from office as Directors at the Annual General Meeting, and being eligible, will offer themselves for re-election at the Annual General Meeting.

In addition, in accordance with Article 83(3) of the Articles of Association, Mr. Michel Doukeris (“**Mr. Doukeris**”), who was appointed by the Board on 22 July 2021, will hold office as a Director only until the Annual General Meeting, and being eligible, will offer himself for re-election at the Annual General Meeting.

The Nomination Committee has reviewed the structure and composition of the Board, the confirmations and disclosures given by the Directors, the qualifications, skills and experience, time commitment and contribution of the retiring Directors with reference to the nomination principles and criteria set out in the Company’s Terms of Reference of the Nomination Committee and Board Diversity Policy and the Company’s corporate strategy, and the independence of all Independent Non-executive Directors. The Nomination Committee has recommended to the Board on re-election of Mr. Craps, Mr. Doukeris and Ms. Tsang.

Details of the Directors proposed for re-election at the Annual General Meeting are set out in Appendix I to this circular.

### 3. PROPOSED GRANT OF GENERAL MANDATE TO REPURCHASE SHARES

At the annual general meeting of the Company held on 30 April 2021, a general mandate was granted to the Directors to repurchase Shares. Such mandate will lapse at the conclusion of the Annual General Meeting. In order to give the Company the flexibility to repurchase Shares if and when appropriate, an ordinary resolution will be proposed at the Annual General Meeting to approve the granting of the Share Repurchase Mandate to the Directors to repurchase Shares on the Stock Exchange of not exceeding 10% of the total number of issued Shares of the Company as at the date of passing of the proposed ordinary resolution contained in item 5 of the notice of the Annual General Meeting (i.e. a total of 1,324,339,700 Shares on the basis that the issued share capital of the Company remains unchanged on the date of the Annual General Meeting).

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## LETTER FROM THE BOARD

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An explanatory statement required by the Listing Rules to provide the Shareholders with requisite information reasonably necessary for them to make an informed decision on whether to vote for or against the granting of the Share Repurchase Mandate is set out in Appendix II to this circular.

#### **4. PROPOSED GRANT OF GENERAL MANDATE TO ISSUE SHARES**

At the annual general meeting of the Company held on 30 April 2021, a general mandate was granted to the Directors to issue Shares. Such mandate will lapse at the conclusion of the Annual General Meeting. In order to give the Company the flexibility to issue Shares if and when appropriate, an ordinary resolution will be proposed at the Annual General Meeting to approve the granting of the General Issuance Mandate to the Directors to allot, issue or deal with additional Shares of not exceeding 20% of the total number of issued Shares of the Company as at the date of passing of the proposed ordinary resolution contained in item 6 of the notice of the Annual General Meeting (i.e. a total of 2,648,679,400 Shares on the basis that the issued share capital of the Company remains unchanged on the date of the Annual General Meeting). An ordinary resolution to extend the General Issuance Mandate by adding the number of Shares repurchased by the Company pursuant to the Share Repurchase Mandate will also be proposed at the Annual General Meeting.

#### **5. PROPOSED GRANT OF ANNUAL MANDATE TO ISSUE SHARES UNDER SHARE AWARD SCHEMES TO NON-CONNECTED PARTICIPANTS**

##### **Background**

The Company believes that a business is only as good as its people. The Company's success is driven by the fact that the employees see themselves as owners and stakeholders of the business. For this reason, the Company is a strong advocate for awarding employees equity. The Share Award Schemes provide employees with the opportunity to become true owners of the business by acquiring Shares and therefore aligning their interests with those of the Company.

The Company currently has five Share Award Schemes, namely: (a) the Discretionary Restricted Stock Units Plan; (b) the Share-Based Compensation Plan; (c) the People Bet Plan; (d) the Discretionary Long-Term Incentive Plan and (e) the New Restricted Stock Units Plan.

The Company's compensation model generally consists of (a) fixed base salary, (b) variable performance related compensation (bonus), (c) long-term incentive Share Options, (d) long-term RSUs, (e) pension schemes and (f) other components. The grant of RSUs and Locked-up Shares pursuant to the Share Award Schemes may arise as a result of remuneration under (b) and (d).

Employees receive their variable performance-related compensation (bonus) in cash but are encouraged to invest some or all of its value in company shares (i.e. through Locked-up Shares). Employees who invest in Locked-up Shares also receive matching shares which are

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## LETTER FROM THE BOARD

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delivered in the form of RSUs. The effective payout of variable performance-related compensation (bonus) is directly correlated with performance; i.e., linked to and subject to the achievement of total company, business unit and individual targets, all of which are based on performance metrics.

Employees may also be eligible for discretionary grants of RSUs as part of long-term incentives, consistent with the Company's remuneration policy, including:

- (i) an annual long-term incentive paid out in RSUs (or Share Options), depending on management's assessment of the employee's performance and future potential; and
- (ii) certain exceptional long-term incentives for employees that may be granted from time to time.

The Trustee has been appointed to assist with the administration and vesting of the RSUs and Locked-up Shares granted and to be granted pursuant to the Share Award Schemes. The Company may: (a) allot and issue Shares to the Trustee which will be used to satisfy the RSUs or Locked-up Shares upon vesting; and/or (b) direct and procure the Trustee to make on-market purchases of Shares to satisfy the RSUs or Locked-up Shares upon vesting.

The allotment and issue of Shares for the satisfaction of RSUs and Locked-up Shares granted under the Share Award Schemes require the approval of the Shareholders. No such approval is required for the allotment and issue of Shares as and when Share Options are exercised under the Listing Rules, and no such approval is required for RSUs or Locked-up Shares under the Share Award Schemes which are satisfied by existing Shares (such as on-market purchases).

The Company proposes to allot and issue new Shares to the Trustee to satisfy the vesting of RSUs and Locked-up Shares to Non-Connected Participants (being employees of the Group). It is therefore proposed at the Annual General Meeting that an ordinary resolution will be presented to the Shareholders to approve the Non-Connected Share Award Annual Mandate to allot and issue up to a maximum of 132,433,970 new Shares for potential grants of RSUs and Locked-up Shares under the Share Award Schemes as described below, representing approximately 1% of the total issued share capital of the Company as at the Latest Practicable Date.

For the avoidance of doubt, any Shares issued pursuant to the Non-Connected Share Award Annual Mandate will not count towards the Shares to be issued (if any) pursuant to the General Issuance Mandate proposed under the proposed resolution contained in item 6 of the notice of the Annual General Meeting.

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## LETTER FROM THE BOARD

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### **Non-Connected Share Award Annual Mandate**

The Company seeks the Non-Connected Share Award Annual Mandate from Shareholders to allot and issue new Shares for potential grants of RSUs and Locked-up Shares under the Share Award Schemes during the Applicable Period.

An ordinary resolution will be proposed at the Annual General Meeting to grant to the Board an annual mandate (a) specifying the maximum number of new Shares that may be issued in respect of the RSUs and Locked-up Shares to be granted pursuant to the Share Award Schemes; and (b) empowering the Board to allot, issue and deal with new Shares within such maximum limit, during the Applicable Period.

Subject to the passing of the proposed resolution contained in item 8 of the notice of the Annual General Meeting, the maximum number of new Shares which may be issued under the Non-Connected Share Award Annual Mandate is 132,433,970, subject to any adjustment for further grant of RSUs or Locked-up Shares prior to the date of the Annual General Meeting. The Non-Connected Share Award Annual Mandate, if used in full, represents approximately 1% of the total issued share capital of the Company as at the Latest Practicable Date.

### **Approval of the Non-Connected Share Award Annual Mandate**

The Trustee will abstain from exercising voting rights in respect of any Shares held by it under trust for the Share Award Schemes in all general meetings of the Company. Any directors and employees of the Group who are eligible to participate in the Share Award Schemes and who hold Shares, shall abstain from voting on the proposed ordinary resolution contained in item 8 of the notice of the Annual General Meeting.

Application will be made by the Company to the Listing Committee of the Stock Exchange for the granting of the listing of, and permission to deal in, 132,433,970 new Shares under the Non-Connected Share Award Annual Mandate.

As disclosed in the Company's prospectus dated 18 September 2019, the Scheme Mandate Limit must not in aggregate exceed 10% of the Shares in issue on the date of listing of the Company, i.e. 1,302,564,200 Shares. If RSUs, Locked-up Shares or Share Options are granted pursuant to the Share Award Schemes or any other incentive scheme adopted by the Company from time to time in the future (if any), the maximum number of new Shares that may underlie the RSUs, Locked-up Shares or Share Options to be granted pursuant to the Share Award Schemes under the Scheme Mandate Limit will be reduced accordingly.

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## LETTER FROM THE BOARD

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### 6. CONNECTED TRANSACTIONS IN RELATION TO PROPOSED GRANT OF ANNUAL MANDATE TO ISSUE SHARES UNDER SHARE AWARD SCHEMES TO CONNECTED PARTICIPANTS

#### **Background**

The Share Award Schemes permit the Company to grant RSUs, Locked-up Shares and Share Options to participants who are defined as connected persons of the Company. Out of the many participants of the Share Award Schemes identified as at the Latest Practicable Date, four of them are defined as Connected Participants. The Connected Participants include Mr. Jan Craps, the Co-Chair and Executive Director of the Company, and Mr. Martin Cubbon, Ms. Marjorie Yang and Ms. Katherine Tsang, the Independent Non-Executive Directors of the Company.

#### **Proposed Connected Transaction**

It will be proposed at the Annual General Meeting that an ordinary resolution will be presented to the Shareholders to approve the Connected Share Award Annual Mandate to allot and issue up to a maximum of 3,494,590 Shares for potential grants of RSUs and Locked-up Shares under the Share Award Schemes as described below, representing approximately 0.03% of the total issued share capital of the Company as at the Latest Practicable Date.

#### **Connected Share Award Annual Mandate**

The Company offers executive remuneration (including to certain Connected Participants), which generally consists of (a) fixed base salary, (b) variable performance related compensation (bonus), (c) long-term incentive Share Options, (d) long-term RSUs, (e) pension schemes and (f) other components. The grant of RSUs and Locked-up Shares pursuant to the Share Award Schemes may arise as a result of remuneration under (b) and (d).

Upon the recommendation of the Remuneration Committee, the Board has proposed a maximum annual value of new Shares which may be issued under the Connected Share Award Annual Mandate.

#### ***Variable performance-related compensation (bonus)***

Executives receive their variable performance-related compensation (bonus) in cash but are encouraged to invest some or all of its value in company shares (i.e. through Locked-up Shares). Executives who invest in Locked-up Shares also receive matching shares which are delivered in the form of RSUs.

The effective payout of variable performance-related compensation (bonus) is directly correlated with performance; i.e., linked to and subject to the achievement of total company, business unit and individual targets, all of which are based on performance metrics. Total company, business unit and individual targets for senior management may evolve over time and



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## LETTER FROM THE BOARD

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are generally based on a combination of financial (such as EBITDA, net revenue, capex, resource allocation and net debt ratios) and non-financial (such as brand development, operations and innovation, sustainability, compliance/ethics and corporate reputation) key performance metrics.

The targets, quantitative and qualitative benchmarks and the relative weight attributed to each of them, are set and assessed by the Board based on a pre-determined performance matrix upon the recommendation of the Remuneration Committee which is chaired by an Independent Non-executive Director. Such targets, benchmarks and relative weighting are set and assessed (a) by the Board, for senior management and (b) by senior management and line managers, as the case may be, for other executives.

Any Director interested in such targets, benchmarks and relative weighting abstains from any vote by the Board or any committee in relation to these matters.

### *Long-term incentives*

Executives may also be eligible for discretionary grants of RSUs as part of long-term incentives, consistent with the Company's remuneration policy, including:

- (i) an annual long-term incentive paid out in RSUs, depending on management's assessment of the executive's performance and future potential; and
- (ii) certain exceptional long-term incentives for executives that may be granted from time to time for executives:
  - (1) who have made a significant contribution to the success of the Company; or
  - (2) who have made a significant contribution in relation to acquisitions and/or the achievement of integration benefits; or
  - (3) to incentivize and retain senior leaders who are considered to be instrumental in achieving the Company's ambitious short or long-term growth agenda.

The annual long-term incentive that members of the Executive Committee and senior management may be eligible for is paid out in Share Options or RSUs, but grants to executives of a certain seniority will primarily take the form of RSUs, including a portion that may have performance-related vesting conditions. Any grant of annual long-term incentives to members of the Executive Committee and senior management is subject to Board approval, upon recommendation of the Remuneration Committee.

RSUs may have the following features:

- a grant value determined on the basis of the market price or an average market price of the Shares at the time of grant;

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- vesting up to a five-year period;
- for a certain portion of RSUs, the number of Shares to which such RSUs shall entitle their holders shall depend on a performance test measuring (on a percentile basis) AB InBev's three-year Total Shareholder Return ("TSR") relative to the TSR for that period by a representative sample of listed companies belonging to the consumer goods sector. The number of Shares to which such RSUs entitle to their holds is subject to a hurdle and cap; and
- in the event the executive leaves the Company before the vesting date, specific forfeiture rules will apply.

The Board may set shorter or longer vesting periods for specific grants of RSUs or introduce the aforementioned performance tests.

Based on the Company's review of potential grants for the Applicable Period, the maximum number of new Shares which may be issued under the Connected Share Award Annual Mandate is 3,494,590, subject to any adjustment for further grant of RSUs or Locked-up Shares prior to the date of the Annual General Meeting. This represents the maximum potential value of grants to the Connected Participants calculated on the basis of (a) a grant price of HK\$21.42 per Share, being the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding 4 February 2022; (b) the maximum size of grant assuming satisfaction of total company, business unit and individual targets that may be set by the Group from time to time; and (c) a reasonable buffer for potential exceptional long-term incentives grants that may recommended by the Remuneration Committee and approved by the Board.

No Shares will be allotted and issued under the Connected Share Award Annual Mandate without the recommendation of the Remuneration Committee and approval by the Board of the RSU and Locked-up Share grants, consistent with the Company's remuneration policy which is designed to support its high-performance culture and the creation of long-term sustainable value for its shareholders. The Remuneration Committee is chaired by an Independent Non-executive Director and is comprised of two Independent Non-executive Directors and one Non-executive Director. Any grant to members of the Remuneration Committee is subject to the Articles of Association and the Terms of Reference of the Remuneration Committee, which contain strict rules to guard against conflicts of interest. Any member of the Remuneration Committee who has an interest in a proposed grant will abstain from voting on that particular grant. The same also applies to the Board where a director with an interest in a proposed grant will abstain from voting on that particular grant.

Non-executive Directors do not receive compensation from the Company. Independent Non-executive Directors typically receive a fixed sum benchmarked to market without reference to performance targets. This helps to prevent conflicts of interest regarding the establishment, amendments and implementation of the remuneration policy in relation to the

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## LETTER FROM THE BOARD

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Directors, Chief Executive Officer and senior management of the Company. Compensation of the Directors, Chief Executive Officer and senior management is benchmarked from time to time against peer companies, as the case may be.

The exact number of Shares underlying any RSU and Locked-up Share grants will be determined at the relevant grant dates by reference to (a) the closing price of a Share on the grant date; (b) the achievement of key performance indicators and business and personal objectives as assessed by the Remuneration Committee; and (c) the existence of any exceptional long-term incentive grants.

Details of the Connected Participants in relation to the Connected Share Award Annual Mandate and the maximum number of RSUs and Locked-up Shares which they may be entitled during the Applicable Period are:

|                                  |                                       | <b>Maximum<br/>number of<br/>Shares<br/>underlying the<br/>RSUs and<br/>Locked-up<br/>Shares that<br/>could be<br/>granted</b> | <b>Approximate<br/>% of total<br/>issued share<br/>capital of the<br/>Company<br/>(assuming the<br/>maximum<br/>number of<br/>Shares will be<br/>issued)<br/>%</b> |
|----------------------------------|---------------------------------------|--|--|
| Mr. Jan Craps                    | Co-Chair and Executive<br>Director    | 3,273,109  | 0.02   |
| Mr. Martin Cubbon                | Independent<br>Non-executive Director | 85,101   | 0.00   |
| Ms. Marjorie Mun Tak<br>Yang     | Independent<br>Non-executive Director | 68,190   | 0.00   |
| Ms. Katherine<br>King-suen Tsang | Independent<br>Non-executive Director | 68,190   | 0.00   |
| <b>Total:</b>                    |                                       | <b><u>3,494,590</u></b>  | <b><u>0.03</u></b>   |

### **Listing Rules Implications**

The Connected Share Award Annual Mandate constitute a connected transaction of the Company. The allotment and issue of new Shares to the Trustee for the benefit of the Connected Participants shall be subject to the approval by the Independent Shareholders at the Annual General Meeting.

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Pursuant to Chapter 14A of the Listing Rules, the Connected Participants, Trustee and their respective associates (holding approximately 0.17% of the Shares in issue as at the Latest Practicable Date) are required to abstain from voting on the relevant resolution at the Annual General Meeting to approve the Connected Share Award Annual Mandate.

Save for the Trustee, the Connected Participants and their respective associates, to the best of the Directors' knowledge, information and belief, no other Shareholder has a material interest in the Connected Share Award Annual Mandate. Accordingly, no other Shareholder is required to abstain from voting on the relevant resolution on the Connected Share Award Annual Mandate at the Annual General Meeting.

Pursuant to Rule 13.39(6)(c) of the Listing Rules, in the event that all independent non-executive directors of an issuer have a material interest in the relevant transaction or arrangement, no independent board committee can be formed. Since Mr. Martin Cubbon, Ms. Marjorie Yang and Ms. Katherine Tsang are Connected Participants, the Company is of the view that they are regarded as having a material interest in the Connected Share Award Annual Mandate. Accordingly, no independent board committee has been formed to advise the Independent Shareholders in this regard.

Application will be made by the Company to the Listing Committee of the Stock Exchange for the granting of the listing of, and permission to deal in, the 3,494,590 new Shares under the Connected Share Award Annual Mandate.

### 7. SHAREHOLDING STRUCTURE

For illustration purposes only, set out below is the shareholding structure of the Company as at the Latest Practicable Date and immediately after the allotment and issue of Shares by the Company pursuant to the (i) Non-Connected Share Award Annual Mandate and (ii) Connected Share Award Annual Mandate, assuming (a) the Non-Connected Share Award Annual Mandate and Connected Share Award Annual Mandate are used in full; (b) the 2021 Non-Connected Share Award Annual Mandate and 2021 Connected Share Award Annual Mandate are used to the extent that grants of RSUs and Locked-up Shares between 30 April 2021 and Latest Practicable Date which remained outstanding as at the Latest Practicable Date will be satisfied (upon vesting, were applicable) by the issuance of new Shares pursuant to the 2021 Non-Connected Share Award Annual Mandate or 2021 Connected Share Award Annual Mandate<sup>1</sup>; and (c) there will be no change in the issued share capital of the Company between the Latest Practicable Date and the date of issuance.

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<sup>1</sup> See the announcements of the Company dated 13 December 2021 and 2 March 2022.

## LETTER FROM THE BOARD

|                     | Maximum number of<br>Shares underlying the<br>RSUs and Locked-up<br>Shares granted between 30<br>April 2021 and the Latest<br>Practicable Date and<br>2021 Non-Connected<br>Share Issuance and<br>2021 Connected<br>Share Issuance<br>approved by<br>Shareholders in the<br>As at the Latest<br>Practicable Date |                                |                                |                                |                                |   |                                |   |                                |
|---------------------|--|--------------------------------|--------------------------------|--------------------------------|--------------------------------|---|--------------------------------|---|--------------------------------|
|                     | remaining outstanding as of<br>the Latest Practicable Date,<br>which could be issued<br>pursuant to 2021 Non-<br>Connected Share Award<br>Annual Mandate and 2021<br>Connected Share Award<br>Annual Mandate <sup>1</sup>  |                                |                                | Shareholding<br>post issuance  |                                | Proposed Non-<br>Connected Share<br>Award Annual<br>Mandate and<br>Connected Share<br>Award Annual<br>Mandate |                                | Approximate<br>Shareholding<br>percentage |                                |
|                     | 2021 Annual<br>General Meeting   | 2021 Annual<br>General Meeting | 2021 Annual<br>General Meeting | 2021 Annual<br>General Meeting | 2021 Annual<br>General Meeting | 2021 Annual<br>General Meeting  | 2021 Annual<br>General Meeting | 2021 Annual<br>General Meeting            | 2021 Annual<br>General Meeting |
| AB InBev            | 11,550,938,000   | -                              | -                              | 11,550,938,000                 | 86.94%                         | -   | 11,550,938,000                 | 86.06%                                    |                                |
| Connected Trust     | 6,900,000  | 12,348,432                     | 2,733,824 <sup>2</sup>         | 21,982,256                     | 0.17%                          | 3,494,590   | 25,476,846                     | 0.19%                                     |                                |
| Non-connected Trust | 16,096,748   | 5,982,478                      | 22,040,507                     | 44,119,733                     | 0.33%                          | 132,433,970   | 176,553,703                    | 1.32%                                     |                                |
| Public Shareholders | 1,669,462,252  | -                              | -                              | 1,669,462,252                  | 12.57%                         | -   | 1,669,462,252                  | 12.44%                                    |                                |
| <b>Total Shares</b> | <b>13,243,397,000</b>  | <b>-</b>                       | <b>-</b>                       | <b>13,286,502,241</b>          | <b>100.00%</b>                 | <b>-</b>  | <b>13,422,430,801</b>          | <b>100.00%</b>                            |                                |

The Company will monitor the public float position of the Company. If any proposed share issuance in respect of the Connected Share Award Annual Mandate would affect the Company's ability to remain above its minimum public float, then the Company will make alternate arrangements to satisfy the relevant grants. No new Shares will be issued to the Connected Trust if it will result in the Company falling under the minimum public float.

### 8. PROPOSED PAYMENT OF FINAL DIVIDEND

The Board proposes the declaration and payment of a final dividend of US\$3.02 cents per Share for the year ended 31 December 2021. As at the Latest Practicable Date, the Company has 13,243,397,000 issued Shares. Based on the number of issued Shares as at the Latest Practicable Date, the final dividend, if declared and paid, will amount to an aggregate amount of approximately US\$400 million.

<sup>1</sup> See the announcements of the Company dated 13 December 2021 and 2 March 2022.

<sup>2</sup> As set out in the announcements of the Company dated 13 December 2021 and 2 March 2022, certain connected persons (not being Directors) were granted (i) an aggregate of 673,151 RSUs on 13 December 2021; and (ii) an aggregate of up to 267,308 voluntary shares (being Locked-up Shares) and up to 1,711,748 RSUs on 1 March 2021, which will be satisfied using the 6,900,000 Shares held in trust by the Trustee in the Connected Trust as at the Latest Practicable Date or using Shares purchased on-market, and not using the 2021 Connected Share Award Annual Mandate.

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## LETTER FROM THE BOARD

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The proposed 2021 final dividend is in line with the Company's dividend policy to declare a dividend representing in aggregate at least 25% of the consolidated profit attributable to our equity holders, excluding exceptional items, such as restructuring charges, gains or losses on business disposals and impairment charges, subject to applicable legal provisions relating to distributable profit.

The proposed 2021 final dividend is expected to be distributed to Shareholders on 22 June 2022. Shareholders registered under the principal register of members in the Cayman Islands will automatically receive their dividends in US dollars while Shareholders registered under the Hong Kong branch register of members will automatically receive their dividends in Hong Kong dollars. The final dividend paid in Hong Kong dollars will be calculated with reference to the exchange rate of US dollars against Hong Kong dollars on the date of the Annual General Meeting.

### 9. PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

To comply with the new Listing Rules requirements regarding the adoption of "Core Standards" for Shareholders' information and protection, the Board proposes to amend the existing Articles of Association as follows:

- (a) an annual general meeting of the Company to be held in each financial year, rather than calendar year, within six (6) months after the end of the Company's financial year;
- (b) all members have the right to speak and vote at a general meeting, unless specifically required to abstain from voting by the Listing Rules;
- (c) all directors appointed by the Board to hold office until the next annual general meeting, at which time they must retire and be subject to re-election;
- (d) revision of the exceptions to the matters on which a director must abstain from voting at a Board meeting; and
- (e) requirement of an ordinary, rather than special, resolution of members to remove the Company's auditors.

In addition, to align with the legislative amendments under Cayman Islands law, the Board proposes to amend the Articles of Association to update the reference to the relevant Cayman legislation.

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## LETTER FROM THE BOARD

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The Board also proposes certain minor housekeeping amendments to the Articles of Association for the purpose of clarifying existing practices and making consequential amendments in line with the Proposed Amendments.

Details of the Proposed Amendments are set out in Appendix III to this circular.

The legal advisors to the Company have confirmed that the Proposed Amendments comply with the requirements of the Listing Rules and do not violate Cayman Islands law.

The Proposed Amendments are prepared in the English language. The Chinese translation of the Articles of Association is for reference only. In case there are any inconsistencies between the English version and the Chinese version, the English version shall prevail.

### **10. ANNUAL GENERAL MEETING AND PROXY ARRANGEMENT**

The notice of the Annual General Meeting is set out on pages 51 to 56 of this circular.

Pursuant to the Listing Rules and the Articles of Association, any vote of Shareholders at a general meeting must be taken by poll except where the chair decides to allow a resolution relating to a procedural or administrative matter to be voted on by a show of hands. As the Annual General Meeting will be conducted virtually, all resolutions at the Annual General Meeting will be taken by poll. An announcement on the poll results will be published by the Company after the Annual General Meeting in the manner prescribed under the Listing Rules.

Shareholders who wish to attend the Annual General Meeting and exercise their voting rights can achieve this in one of the following ways:

- (a) attend the Annual General Meeting via Online Platform which enables live streaming and interactive platform for Q&A and submit their voting online; OR
- (b) appoint the Chairman of the Annual General Meeting or other persons as their proxy to attend the Annual General Meeting via Online Platform and submit their voting online.

Every Shareholder attending via Online Platform or by proxy shall be entitled to one vote for each share held by him/her.

Non-registered holders whose shares of the Company are held in the Central Clearing and Settlement System through banks, brokers, custodians or Hong Kong Securities Clearing Company Limited may be able to attend the Annual General Meeting, vote and submit questions online. In this regard, they should consult directly with their banks, brokers or custodians (as the case may be) for the necessary arrangements.

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## LETTER FROM THE BOARD

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A form of proxy for use at the Annual General Meeting is enclosed with this circular and such form of proxy is also published on the websites of Hong Kong Exchanges and Clearing Limited (<http://www.hkexnews.hk>) and the Company (<http://www.budweiserapac.com>). To be valid, the form of proxy must be completed and signed in accordance with the instructions printed thereon and deposited, together with the power of attorney or other authority (if any) under which it is signed or a certified copy of that power of attorney or authority at the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the Annual General Meeting (i.e. not later than 10:00 a.m. on Wednesday, 4 May 2022 (Hong Kong time)) or the adjourned meeting (as the case may be). Completion and delivery of the form of proxy will not preclude you from attending and voting at the Annual General Meeting via the Online Platform and, in such event, the instrument appointing a proxy shall be deemed to be revoked.

### **11. BOOK CLOSURE ARRANGEMENT**

For determining the entitlement to attend and vote at the Annual General Meeting, the register of members of the Company will be closed from Friday, 29 April 2022 to Friday, 6 May 2022, both dates inclusive, during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the Annual General Meeting, all transfers of shares, accompanied by the relevant share certificates, must be lodged with the Company's branch share registrar in Hong Kong, 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, 28 April 2022.

For determining the entitlement to the proposed final dividend (subject to the approval of the Shareholders at the Annual General Meeting), the register of members of the Company will be closed from Wednesday, 18 May 2022 to Friday, 20 May 2022, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the proposed final dividend, all transfers of shares, accompanied by the relevant share certificates, must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at the above address, for registration not later than 4:30 p.m. on Tuesday, 17 May 2022.

### **12. RECOMMENDATION**

The Directors consider that the proposed re-election of retiring Directors and the granting of the Share Repurchase Mandate, the General Issuance Mandate and the Non-Connected Share Award Annual Mandate and the Proposed Amendments are in the best interests of the Company and the Shareholders as a whole, and accordingly, recommend the Shareholders to vote in favor of the relevant resolutions to be proposed at the Annual General Meeting.



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## LETTER FROM THE BOARD

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The Directors (other than Mr. Jan Craps and the Independent Non-executive Directors) are of the view that the Connected Share Award Annual Mandate is in the interests of the Company and the Shareholders as a whole and accordingly, recommend the Shareholders to vote in favor of the proposed ordinary resolution at the Annual General Meeting. Due to the interests of Mr. Jan Craps and the Independent Non-executive Directors in the Connected Share Award Annual Mandate, Mr. Jan Craps and the Independent Non-executive Directors abstained from voting on the relevant resolution of the Board in respect of the proposed Connected Share Award Annual Mandate. Save as disclosed above, none of the other Directors had any interest in the proposed Connected Share Award Annual Mandate and therefore no other Director abstained from voting on the relevant resolution of the Board in respect of the proposed resolution.

Your attention is drawn to the letter from the Independent Financial Advisor, which contains its advice to the Independent Shareholders in relation to the Connected Share Award Annual Mandate and the principal factors and reasons considered by it in arriving at its opinions. The text of the letter from the Independent Financial Advisor is set out on pages 16 to 28 of this circular.

Yours faithfully,  
For and on behalf of the Board  
**Budweiser Brewing Company APAC Limited**  
**Bryan Warner**  
*Joint Company Secretary*

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISOR

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*Set out below is the text of the letter from Independent Financial Advisor to the Independent Shareholders in respect of the connected transaction relating to proposed grant of annual mandate to issue Shares under Share Award Schemes to Connected Participants prepared for inclusion in this circular.*

# ALTUS

Altus Capital Limited  
21 Wing Wo Street  
Central, Hong Kong

29 March 2022

*To the Independent Shareholders*

### **Budweiser Brewing Company APAC Limited**

Suites 3012-16  
Tower Two, Times Square  
1 Matheson Street  
Causeway Bay  
Hong Kong

Dear Sirs,

### **CONNECTED TRANSACTION RELATING TO PROPOSED GRANT OF ANNUAL MANDATE TO ISSUE SHARES UNDER SHARE AWARD SCHEMES TO CONNECTED PARTICIPANTS**

#### **INTRODUCTION**

We refer to our appointment as the Independent Financial Advisor to advise the Independent Shareholders in respect of the Connected Share Award Annual Mandate, particulars of which are set out in the “Letter from the Board” contained in the circular of the Company dated 29 March 2022 (the “**Circular**”) of which this letter forms part. The Company proposed to seek approval at the Annual General Meeting to approve the Connected Share Award Annual Mandate to allot and issue up to a maximum of 3,494,590 Shares for potential grants of RSUs and Locked-up Shares under the Share Award Schemes, representing approximately 0.03% of the total issued share capital of the Company as at the Latest Practicable Date.

Terms used in this letter shall have the same meanings as those defined in the Circular unless the context requires otherwise.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISOR

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### IMPLICATIONS UNDER THE LISTING RULES

The Connected Share Award Annual Mandate constitute a connected transaction of the Company, which is subject to the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules. The Connected Participants, the Trustee and their respective associates (holding approximately 0.17% of the Shares in issue as at the Latest Practicable Date) are required to abstain from voting on the relevant resolution at the Annual General Meeting to approve the Connected Share Award Annual Mandate.

Pursuant to Rule 13.39(6)(c) of the Listing Rules, in the event that all independent non-executive directors of an issuer have a material interest in the relevant transaction or arrangement, no independent board committee can be formed. Since Mr. Martin Cubbon, Ms. Marjorie Mun Tak Yang and Ms. Katherine King-suen Tsang are Connected Participants, the Company is of the view that they are regarded as having a material interest in the Connected Share Award Annual Mandate. Accordingly, no independent board committee has been formed to advise the Independent Shareholders in this regard.

### INDEPENDENT FINANCIAL ADVISOR

As the Independent Financial Advisor, our role is to give an independent opinion to the Independent Shareholders as to (i) whether the Connected Share Award Annual Mandate is in the ordinary and usual course of business of the Group, is on normal commercial terms, and is fair and reasonable and in the interests of the Company and the Shareholders as a whole; and (ii) how to vote in respect of the relevant resolution.

We have previously acted as the independent financial advisor to the Company with regard to the connected transactions in relation to proposed share issuance and grant of annual mandate to issue shares under share award schemes to connected participants. Details of such transaction were set out in the circular of the Company dated 29 March 2021. Save for the aforesaid transaction, there was no engagement between the Group and us in the last two years prior to the date of the Circular. As at the Latest Practicable Date, we did not have any relationships or interests with the Group that could reasonably be regarded as relevant to our independence. Pursuant to Rule 13.84 of the Listing Rules, and given that the remuneration for our engagement to opine on the Connected Share Award Annual Mandate is at market level and not conditional upon successful passing of the relevant resolution at the Annual General Meeting, and that our engagement is on normal commercial terms, we are independent of and not associated with the Company, its substantial shareholder(s) or its connected person(s).

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISOR

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### BASIS OF OUR ADVICE

In formulating our opinion, we have reviewed, amongst others, (i) the rules of the Share Award Schemes (the “**Rules**”); (ii) the prospectus of the Company dated 18 September 2019 (the “**Prospectus**”); (iii) the annual report of the Company for the year ended 31 December 2020 (the “**2020 Annual Report**”); (iv) the interim report of the Company for the six months ended 30 June 2021 (the “**2021 Interim Report**”); and (v) the annual results announcement of the Company for the year ended 31 December 2021 (the “**2021 Results Announcement**”). We have relied on the statements, information, opinions and representations contained or referred to in the Circular and/or provided to us by the Company, the Directors and the management of the Company (the “**Management**”).

We have assumed that all statements, information, opinions and representations contained or referred to in the Circular and/or provided to us were reasonably made after due and careful enquiry and were true, accurate and complete at the time they were made and continued to be so as at the date of the Circular. We have no reason to believe that any such statements, information, opinions or representations is untrue, inaccurate or misleading, nor are we aware of any material facts the omission of which would render any such statements, information, opinions or representations untrue, inaccurate or misleading.

We consider that we have been provided with, and have reviewed, sufficient information to reach an informed view and provide a reasonable basis for our opinion. We have not, however, conducted an independent investigation into the business, financial conditions and affairs or future prospects of the Group.

### PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion and recommendation, we have considered the principal factors and reasons set out below.

#### 1. Background and outlook of the Group

As part of the AB InBev Group with over 600 years of brewing heritage, the Company is the largest beer company in Asia Pacific, with leadership positions in premium and super premium beer segments. The Company brews, imports, markets, distributes and sells a portfolio of more than 50 beer brands, including Budweiser®, Stella Artois®, Corona®, Hoegaarden®, Cass® and Harbin®. The Company’s principal markets are China, South Korea, India and Vietnam.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISOR

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As set out in the 2020 Results Announcement, the Group recorded robust revenue growth of approximately 14.9% for the year ended 31 December 2021 (“FY2021”), as compared to the year ended 31 December 2020 (“FY2020”). Revenue per hl also recorded growth in all the markets of the Company by approximately 6.1% in FY2021, as compared to FY2020. Such growth is driven by the premiumization strategy of the Group. In particular, the China market recorded strong growth in revenue of approximately 18.0% in FY2021, as compared to FY2020. Profit attributable to equity holdings of the Company increased from approximately US\$514 million in FY2020 to approximately US\$950 million in FY2021, which was primarily driven by the revenue growth as a result of successful marketing campaigns and ongoing premiumization.

Going forward, the Group aims to lead and grow the category through premiumization and expansion. Premiumization will continue to be the primary driver of the Group’s revenue growth and financial performance in China. The Management expects there is still significant room for growth in China due to the explosive growth in number of middle-class households. While there are still sporadic COVID outbreaks in China and reinstatement of restrictions in some cities and provinces, the Group will dynamically adjust its commercial strategies to adapt. The Group will continue to expand its premium brands to more cities in China and diversify its domestic footprint. Apart from premiumization, the Group also observed consumer trends and will provide differentiated experiences with innovations and a wide variety of brands.

### **2. Reasons for and benefits of the Share Award Schemes and the Connected Share Award Annual Mandate**

The Company believes that a business is only as good as its people. The Company’s success is driven by the fact that the employees see themselves as owners and stakeholders of the business. For this reason, the Company is a strong advocate for awarding employees equity. The Share Award Schemes provide employees with the opportunity to become true owners of the business by acquiring Shares and therefore aligning their interests with those of the Company. The Share Award Schemes offer the Company more options when devising remuneration packages for its talents to recognise their contributions whilst further aligning their interests with that of the Company and the Shareholders. By aligning the employees’ interest with the Shareholders, the Management believes, and we concur, that the Share Award Schemes are in the interests of the Company and the Shareholders as a whole.

To this end, the Company currently has five Share Award Schemes, namely (i) the New Restricted Stock Units Plan; (ii) the Discretionary Restricted Stock Units Plan; (iii) the Share-Based Compensation Plan; (iv) the People Bet Plan; and (v) the Discretionary Long-Term Incentive Plan.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISOR

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The Share Award Schemes permit the Company to grant RSUs, Locked-up Shares and Share Options to participants who are defined as connected persons of the Company. Out of the many participants of the Share Award Schemes identified as at the Latest Practicable Date, four of them are defined as Connected Participants, including Mr. Jan Craps, the Co-Chair and Executive Director of the Company, Mr. Martin Cubbon, Ms. Marjorie Mun Tak Yang and Ms. Katherine King-suen Tsang, the Independent Non-executive Directors of the Company.

The Board made use of the Share Award Schemes to reward its employees for their contribution, including the Connected Participants. Based on the Management's view on the strategy of using share-based compensation as part of their retention package, the Management believes, and we concur, that the Share Award Schemes and the Connected Share Award Annual Mandate, are in the interests of the Company and the Shareholders as a whole.

### **3. Connected Share Award Annual Mandate**

#### ***3.1 Background of the Connected Share Award Annual Mandate***

The Company offers executive remuneration (including to certain Connected Participants), which generally consists of (a) fixed base salary, (b) variable performance-related compensation (bonus), (c) long-term incentive Share Options, (d) long-term RSUs, (e) pension schemes and (f) other components. The grant of RSUs and Locked-up Shares pursuant to the Share Award Schemes may arise as a result of remuneration under (b) and (d).

Upon the recommendation of the Remuneration Committee, the Board has proposed a maximum value of new Shares which may be issued under the Connected Share Award Annual Mandate.

#### ***3.2 Basis of the Connected Share Award Annual Mandate***

##### *Variable performance-related compensation (bonus)*

Executives receive their variable performance-related compensation (bonus) in cash but are encouraged to invest some or all of its value in company shares (i.e. through Locked-up Shares). Executives who invest in Locked-up Shares also receive matching shares which are delivered in the form of RSUs.

The effective payout of variable performance-related compensation (bonus) is directly correlated with performance; i.e., linked to and subject to the achievement of total company, business unit and individual targets, all of which are based on performance metrics. Total company, business unit and individual targets for senior management may evolve over time and are generally based on a combination of financial (such as EBITDA, net revenue, capex, resource allocation and net debt ratios) and non-financial (such as brand development, operations and innovation, sustainability, compliance/ethics and corporate reputation) key performance metrics.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISOR

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The targets, quantitative and qualitative benchmarks and the relative weight attributed to each of them, are set and assessed by the Board based on a pre-determined performance matrix upon the recommendation of the Remuneration Committee which is chaired by an Independent Non-executive Director. Such targets, benchmarks and relative weighting are set and assessed (a) by the Board, for senior management and (b) by senior management and line managers, as the case may be, for other executives.

Any Director interested in such targets, benchmarks and relative weighting abstains from any vote by the Board or any committee in relation to these matters.

### *Long-term Incentives*

Executives may also be eligible for discretionary grants of RSUs as part of long-term incentives, consistent with the Company's remuneration policy, including:

- (i) an annual long-term incentive paid out in RSUs, depending on management's assessment of the executive's performance and future potential and
- (ii) certain exceptional long-term incentives for executives that may be granted from time to time for executives:
  - (1) who have made a significant contribution to the success of the Company; or
  - (2) who have made a significant contribution in relation to acquisitions and/or the achievement of integration benefits; or
  - (3) to incentivize and retain senior leaders who are considered to be instrumental in achieving the Company's ambitious short or long-term growth agenda.

The annual long-term incentive that members of the Executive Committee and senior management may be eligible for is paid out in Share Options or RSUs, but grants to executives of a certain seniority will primarily take the form of RSUs, including a portion that may have performance-related vesting conditions. Any grant of annual long-term incentives to members of the Executive Committee and senior management is subject to Board approval, upon recommendation of the Remuneration Committee.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISOR

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RSUs may have the following features:

- a grant value determined on the basis of the market price or an average market price of the Shares at the time of grant;
- vesting up to a five-year period;
- for a certain portion of RSUs, the number of Shares to which such RSUs shall entitle their holders shall depend on a performance test measuring (on a percentile basis) AB InBev's three-year Total Shareholder Return ("TSR") relative to the TSR for that period by a representative sample of listed companies belonging to the consumer goods sector. The number of Shares to which such RSUs entitle to their holds is subject to a hurdle and cap; and
- in the event the executive leaves the Company before the vesting date, specific forfeiture rules will apply.

The Board may set shorter or longer vesting periods for specific grants of RSUs or introduce the aforementioned performance tests.

Based on the Company's review of potential grants for the Applicable Period, the maximum number of new Shares which may be issued under the Connected Share Award Annual Mandate is 3,494,590, subject to any adjustment for further grant of RSUs, or Locked-up Shares prior to the date of the Annual General Meeting. This represents the maximum potential value of grants to the Connected Participants calculated on the basis of (a) a grant price of HK\$21.42 per Share, being average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding 4 February 2022; (b) the maximum size of grant assuming satisfaction of total company, business unit and individual targets that may be set by the Group from time to time; and (c) a reasonable buffer for potential exceptional long-term incentives grants that may recommended by the Remuneration Committee and approved by the Board.

No Shares will be allotted and issued under the Connected Share Award Annual Mandate without the recommendation of the Remuneration Committee and approval by the Board of the RSU and Locked-up Share grants, consistent with the Company's remuneration policy which is designed to support its high-performance culture and the creation of long-term sustainable value for its shareholders. The Remuneration Committee is chaired by an Independent Non-executive Director and comprises two Independent Non-executive Directors and one Non-executive Director. Any grant to members of the Remuneration Committee is subject to the Articles of Association and the Terms of Reference of the Remuneration Committee, which contain strict rules to guard against conflicts of interest. Any member of the Remuneration Committee who has an interest in a proposed grant will abstain from voting on that particular grant. The same also applies to the Board where a director with an interest in a proposed grant will abstain from voting on that particular grant.



## LETTER FROM THE INDEPENDENT FINANCIAL ADVISOR

Non-executive Directors do not receive compensation from the Company. Independent Non-executive Directors typically receive a fixed sum benchmarked to market without reference to performance targets. This helps to prevent conflicts of interest regarding the establishment, amendments and implementation of the remuneration policy in relation to the Directors, Chief Executive Officer and senior management of the Company. Compensation of the Directors, Chief Executive Officer and senior management is benchmarked from time to time against peer companies, as the case may be.

The exact number of Shares underlying any RSU and Locked-up Share grants will be determined at the relevant grant dates by reference to (i) the closing price of a Share on the grant date; (ii) the achievement of key performance indicators and business and personal objectives as assessed by the Remuneration Committee; and (iii) the existence of any exceptional long-term incentive grants.

Details of the Connected Participants in relation to the Connected Share Award Annual Mandate and the maximum number of RSUs and Locked-up Shares which they may be entitled during the Applicable Period are:

|                                  | <b>Relationship with<br/>the Group</b>   | <b>Maximum<br/>number of<br/>Shares<br/>underlying the<br/>RSUs and<br/>Locked-up<br/>Shares that<br/>could be<br/>granted</b> | <b>Approximate<br/>% of total<br/>issued share<br/>capital of the<br/>Company<br/>(assuming the<br/>maximum<br/>number of<br/>Shares has<br/>been issued)</b> |
|----------------------------------|--|--|---|
| Mr. Jan Craps                    | Co-chair and<br>Executive Director       | 3,273,109  | 0.02%   |
| Mr. Martin Cubbon                | Independent<br>Non-executive<br>Director | 85,101   | 0.0006%   |
| Ms. Marjorie Mun<br>Tak Yang     | Independent<br>Non-executive<br>Director | 68,190   | 0.0005%   |
| Ms. Katherine<br>King-suen Tsang | Independent<br>Non-executive<br>Director | 68,190   | 0.0005%   |
| <b>Total:</b>                    |  | <u>3,494,590</u>   | <u>0.03%</u>  |

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISOR

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We noted that the maximum number of Shares underlying the RSUs and Locked-up Shares that could be granted in respect of the Connected Share Award Annual Mandate, being 3,494,590 Shares, represent an immaterial dilution impact to the Shareholders of approximately 0.03%, details of which are discussed further under the section headed “5.1 Potential shareholding impact of the Connected Share Award Annual Mandate” below.

We also noted that the Connected Share Award Annual Mandate provides the Remuneration Committee a clear cap regarding the number of new Shares that could be granted and issued to Connected Participants. Such cap will also allow the Shareholders to understand the maximum potential dilution impact of future connected grants.

As set out under the paragraph headed “3.1 Background of the Connected Share Award Annual Mandate” above, grants under the Connected Share Award Annual Mandate are performance-related compensations and long term incentives, with bases that are consistently applied to both Connected and Non-Connected Participants. As such, we are of the view that the bases of grants under the Connected Share Award Annual Mandate are fair and reasonable.

In view of the Group’s ongoing premiumization strategy beginning to see results, and APAC region’s potential recovery from COVID-19 pandemic as various vaccines continue their deployment, we believe that it is reasonable for the Group, in particular at this juncture, to explore all avenues to retain talent for the development and growth of the Group’s business.

### ***3.3 Grant of RSUs under the 2021 Connected Share Award Annual Mandate***

We had also considered the utilisation of the 2021 Connected Share Award Annual Mandate. Under the 2021 Connected Share Award Annual Mandate which was approved in the annual general meeting of the Company held on 30 April 2021, the maximum number of new Shares that could be granted was 8,998,634 Shares.

Subsequent to the approval of the 2021 Connected Share Award Annual Mandate, the Company had granted a total of up to 2,733,824 number of RSUs to Connected Participants which will be satisfied upon their vesting by the issuance of new Shares. Taking into account the number of RSUs granted under the 2021 Connected Share Award Annual Mandate, we believe the maximum number of Shares underlying the RSUs, and Locked-up Shares that could be granted in respect of the Connected Share Award Annual Mandate, being 3,494,590 Shares, is fair and reasonable.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISOR

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### 3.4 Section summary

Having considered (i) the limited potential dilution impact that the Connected Share Award Annual Mandate could bring about; (ii) the Management's view that the Company's success is driven by the fact that the employees see themselves as owners and stakeholders of the business; and (iii) the Connected Share Award Annual Mandate forms part of the Group's remuneration package to drive sustainable growth as set out in paragraph headed "2. Reasons for and benefits of the Share Award Schemes and the Connected Share Award Annual Mandate" of this letter, we are of the view that the Connected Share Award Annual Mandate is in the ordinary and usual course of business of the Group, is on normal commercial terms, and is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

### 4. Review of remuneration package

To further assess the reasonableness of the Connected Share Award Annual Mandate, we reviewed compensation data of other companies as a benchmark to compare remuneration packages for the Directors. Based on our best knowledge and information available, we have reviewed and considered comparable companies, namely (i) companies that are in the same industry (i.e. the distribution and sale of beer) and listed on the Stock Exchange with a market capitalisation of at least HK\$40 billion (which we believe is an appropriate benchmark to select companies with large market capitalisation that is comparable to the market capitalisation of the Company), including China Resources Beer (Holdings) Company Limited and Tsingtao Brewery Co., Ltd.; and (ii) Anheuser-Busch InBev SA/NV ("**AB InBev**"), the controlling shareholder of the Company, and Ambev S.A. (a controlled subsidiary of AB InBev) as comparables by virtue of being in the same corporate group and sharing similar corporate values. Based on the above criteria, the selected comparable companies are exhaustive.

Further to the comparables identified above, we also noted that the Management made reference to remuneration for director and chief executive officer of various multinational corporations in the consumer product market that are listed on the Stock Exchange and have an international presence, including Prada S.p.A., Samsonite International S.A., L'Occitane International S.A. and Razer Inc (the "**MNCs**") (together with the above, the "**Comparables**").

In considering whether the remuneration packages of the directors and chief executive officers of the MNCs are comparable to those of the Group, below factors have been taken into account:

- a. the roles of directors and a chief executive officer in an MNC, regardless of the industry that the MNC is in, focus on (i) corporate strategic planning; (ii) the overall management of a corporation with a wide product portfolio and international presence; (iii) being accountable to shareholders, and in particular for a chief executive officer; and (iv) reporting to the board of directors;

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISOR

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- b. despite the differences in the MNCs' products and in various sectors, they are subject to similar market trends as the overall consumer sentiment is affected by the macro economic environment; and
- c. the operational size and market capitalisation of the MNCs that the directors and chief executive officers are managing.

In view of the above, the Management is of the view, and we concur, that on balance, the remuneration packages of directors and the chief executive officers of the MNCs are reasonable benchmarks for those of the Group.

Based on the Comparables' respective latest annual reports, the ranges of remuneration (including share-based payments, if any) for executive directors and chief executive officers of the Comparables are from approximately US\$300,000 to US\$10.5 million, and from approximately US\$1.2 million to US\$10.5 million, respectively. The remuneration package of the Company's executive Director, Mr. Jan Craps for the year ended 31 December 2020 (including share-based payments), amounted to approximately US\$1.9 million, which is within the range of that of the Comparables. We have also considered other factors including (i) Mr. Jan Craps's contribution to the Group, as well as his additional capacity as the Company's Co-Chair of the Board, Chief Executive Officer of the Company and Zone President Asia Pacific of AB InBev; (ii) management's view that Mr. Jan Craps package should appropriately reflect his stewardship of the Group during the uncertain market environment; and (iii) the Group's product portfolio, business coverage and its market leading position in Asia Pacific. Based on these factors, the Management believes, and we concur, that the remuneration package of Mr. Jan Craps appropriately reflects his contribution to the Group, and is in line with the market norm.

The range of remuneration for independent non-executive directors of the Comparables (including share-based payments, if any) ranged from approximately US\$20,000 to US\$200,000, based on their respective latest annual reports. The remuneration package of the Company's independent non-executive Directors for the year ended 31 December 2020 ranged from US\$81,000 to US\$104,000, which is in range with that of the Comparables. As such, the Management is of the view, and we concur, that the remuneration package of the Company's independent non-executive Director is in line with the market norm.

Having considered the above analysis and the main objective of the Share Award Schemes is to align interests of the key employees with those of the Company, on balance, the Management is of the view, and we concur, that the Connected Share Award Annual Mandate is fair and reasonable as far as the Company and Independent Shareholders are concerned.

**5. Potential impact of the Connected Share Award Annual Mandate**

***5.1 Potential shareholding impact of the Connected Share Award Annual Mandate***

The maximum number of new Shares that could be granted and issued under the Connected Share Award Annual Mandate represents approximately 0.03% of the Company's enlarged issued share capital, taking into account the potential grant and issuance of new Shares under the Connected Share Award Annual Mandate. While a comparison with the potential dilutive impact of share award schemes of other corporations may not be meaningful as each company may have its own circumstances and criteria for their respective share award scheme, we believe the potential dilution impact to the Shareholders to be limited and acceptable.

As the maximum dilution impact under the Connected Share Award Annual Mandate is approximately 0.03%, we are of the view that the potential shareholding impact of the Connected Share Award Annual Mandate is acceptable as far as the Independent Shareholders are concerned and the benefits of the growth of the Group due to retention of talent would likely outweigh the potential shareholding impact to the Company and the Shareholders as a whole.

***5.2 Potential financial impact of the Connected Share Award Annual Mandate***

As extracted from the 2020 Annual Report, the accounting treatment of the Company's share-based payment are set out below.

The fair value of the share options is estimated at grant date, using an option pricing model that is most appropriate for the respective option. Based on the expected number of options that will vest, the fair value of the options granted is expensed over the vesting period. When the options are exercised, the trust transfers the appropriate amount of shares to the employee. The proceeds received, net of any directly attributable transaction costs, are credited directly to share capital and share premium in equity.

For illustrative purpose, assuming the full utilisation of the Connected Share Award Annual Mandate and the corresponding grants, the Group is expected to record approximately US\$10 million as share-based payment expenses for the year ending 31 December 2022, assuming the grants are made in mid-2022 and the price of grant being HK\$24.6, being the closing market price of a Share on 1 March 2022. For comparison purpose, the revenue and profit attributable to equity holders of the Company for the year ended 31 December 2021 were approximately US\$6,788 million and US\$950 million, respectively. Moreover, the Management expects that there will be no material impact on the net asset value of the Company following the full utilisation of the Connected Share Award Annual Mandate.

As such, the Management is of the view, and we concur, that the financial impact in relation to the Connected Share Award Annual Mandate is fair, reasonable and acceptable.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISOR

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### RECOMMENDATION

Having considered the above principal factors and reasons, we are of the view that the Connected Share Award Annual Mandate is in the ordinary and usual course of business of the Group and on normal commercial terms, and are fair and reasonable and in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Shareholders to vote in favour of the relevant resolution at the Annual General Meeting.

Yours faithfully,  
For and on behalf of  
**Altus Capital Limited**

Jeanny Leung  
*Executive Director*

*Ms. Jeanny Leung (“Ms. Leung”) is a Responsible Officer of Altus Capital Limited licensed to carry on Type 6 (advising on corporate finance) regulated activity under the SFO and permitted to undertake work as a sponsor. She is also a Responsible Officer of Altus Investments Limited licensed to carry on Type 1 (dealing in securities) regulated activity under the SFO. Ms. Leung has over 30 years of experience in corporate finance advisory and commercial field in Greater China, in particular, she has participated in sponsorship work for initial public offerings and acted as financial advisor or independent financial advisor in various corporate finance transactions.*

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## **APPENDIX I            DETAILS OF THE DIRECTORS PROPOSED TO BE RE-ELECTED AT THE ANNUAL GENERAL MEETING**

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The following are details of the Directors who will retire and being eligible, offer themselves for re-election at the Annual General Meeting.

### **(1) JAN CRAPS, EXECUTIVE DIRECTOR AND CO-CHAIR OF THE BOARD**

**Mr. Jan Craps** (楊克), aged 44, was appointed as an Executive Director on 8 May 2019, the Chief Executive Officer of the Group on 9 May 2019 and Co-Chair of the Board on 19 February 2020. Mr. Craps is presently the Chief Executive Officer and Zone President Asia Pacific of AB InBev, which covers the Company's operations in China (including Hong Kong, Macau and Taiwan), East Asia and India and South-East Asia, a role which he has held since January 2019.

Mr. Craps joined AB InBev in May 2002. Prior to joining AB InBev, Mr. Craps was an associate consultant with McKinsey & Company, Belgium. He acquired a range of international experience in a number of executive positions in senior marketing, sales and logistics in France and Belgium. In February 2011, he relocated to Canada where he was appointed as the Regional Vice President of Quebec and then the Vice President of Sales of Canada for Labatt Breweries in October 2011. Mr. Craps became the President and Chief Executive Officer of Labatt Breweries of Canada in November 2014. From October 2016 to December 2018, he joined the Group as the Zone President of APAC South.

Mr. Craps obtained a Bachelor's Degree in Business Engineering from KU Brussels in Brussels, Belgium in July 1997 and a Master's Degree in Business Engineering from KU Leuven in Leuven, Belgium in July 2000. He has been a member of the Corporate Advisory Board of the China Europe International Business School (CEIBS) in Shanghai, China since March 2019. He has also been a director and the vice chair of Guangzhou Zhujiang Brewery Group Co., Ltd. (廣州珠江啤酒股份有限公司) (listed on the Shenzhen Stock Exchange with the stock code of 002461, an associate of the Company) since July 2020.

As at the Latest Practicable Date, Mr. Craps is interested in (a) 23,286,723 underlying Shares that may be delivered upon the exercise of 15,289,898 share options and the vesting of 7,996,825 restricted stock units of the Company, (b) 1,139,541 shares of AB InBev (an associated corporation of the Company), comprising of 22,122 ordinary shares and 1,117,419 underlying shares that may be delivered upon the exercise of 1,008,939 options and the vesting of 108,480 restricted stock units of AB InBev, and (c) 859,552 shares of Ambev (an associated corporation of the Company), comprising of 282,188 common shares and 577,364 underlying shares that may be delivered upon the exercise of 498,510 share options and the vesting of 78,854 restricted stock units of Ambev.

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## APPENDIX I      **DETAILS OF THE DIRECTORS PROPOSED TO BE RE-ELECTED AT THE ANNUAL GENERAL MEETING**

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Pursuant to the letter of appointment entered into between the Company and Mr. Craps on 2 July 2019, Mr. Craps is appointed for a term of three years with effect from 9 May 2019 and is not entitled to any Director's fee. For the year ended 31 December 2021, Mr. Craps is entitled to receive salaries (including allowances and retirement scheme contributions), discretionary bonus and share-based payments of approximately US\$3,840,000. His remuneration shall from time to time be determined with reference to his duties, responsibilities and performance.

Save as disclosed above, Mr. Craps (i) does not hold other positions in the Group, (ii) does not have any relationship with any other Directors, senior management, substantial shareholders or controlling shareholders (as defined in the Listing Rules) of the Company, and (iii) has not held any directorship in any public companies, the securities of which are listed on any securities market in Hong Kong or overseas in the last three years.

Code provision C.2.1 of the Corporate Governance Code as set forth in Appendix 14 to the Listing Rules (the "**Corporate Governance Code**") provides that the roles of chairman and chief executive should be separate and should not be performed by the same individual. The Company is expected to comply with, but may choose to deviate from, such code provision as permitted in the Corporate Governance Code. The Company has deviated from code provision C.2.1 because Mr. Jan Craps held the roles of both Co-Chair of the Board, alongside Mr. Carlos Brito (from 1 January 2021 to 22 July 2021) and Mr. Michel Doukeris (from 22 July 2021), and Chief Executive Officer. The Board considers that Mr. Jan Craps' appointment will enhance Board efficiency. The Board believes that the balance of power and authority is adequately ensured by the operations and governance of our Board which comprises experienced and high caliber individuals, with more than one-third of them being Independent Non-executive Directors.

There is no information which is discloseable nor is/was Mr. Craps involved in any of the matters required to be disclosed pursuant to any of the requirements under Rule 13.51(2)(h) to (v) of the Listing Rules and there are no other matters concerning Mr. Craps that need to be brought to the attention of the Shareholders.

### **(2) MICHEL DOUKERIS, NON-EXECUTIVE DIRECTOR AND CO-CHAIR OF THE BOARD**

**Mr. Michel Doukeris** (鄧明濤), aged 48, was appointed as a Non-executive Director, Co-Chair of the Board, Chair of the Nomination Committee and member of the Remuneration Committee of the Company on 22 July 2021. Mr. Doukeris has been Chief Executive Officer of AB InBev and an effective member of the board of directors of Ambev since 1 July 2021. Mr. Doukeris joined Ambev in 1996 and held a number of commercial operations roles in Latin America before moving to Asia where he led AB InBev's China and Asia Pacific operations for seven years. In 2016, he moved to the United States to assume the position of global Chief Sales Officer. Prior to his appointment as Chief Executive Officer of AB InBev, Mr. Doukeris led Anheuser-Busch and the North American business of AB InBev since January 2018.



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## APPENDIX I            DETAILS OF THE DIRECTORS PROPOSED TO BE RE-ELECTED AT THE ANNUAL GENERAL MEETING

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Mr. Doukeris received a Degree in Chemical Engineering from the Universidade Federal de Santa Catarina in Brazil and a Master's Degree in Marketing from Fundação Getulio Vargas in Brazil. He has also completed Post-Graduate Programs in Marketing and Marketing Strategy at the Kellogg School of Management of Northwestern University and Wharton School of the University of Pennsylvania in the United States.

As of the Latest Practicable Date, Mr. Doukeris was not interested in any shares of the Company but he is interested in the shares of AB InBev and Ambev (both associated corporations of the Company), in each case within the meaning of Part XV of the SFO. He has applied for, and has been granted, a partial exemption by the SFC from strict compliance with Part XV of the SFO in respect of his duty to disclose interests in AB InBev and Ambev (as applicable) on the condition, among others, that he is subject to (or has agreed to be subject to) the same level of disclosure requirements as the existing Non-executive Directors in respect of their interests in AB InBev and Ambev under Belgium law, Brazilian law and/or the New York Stock Exchange Rules (as the case may be).

Pursuant to the letter of appointment entered into between the Company and Mr. Doukeris on 22 July 2021, Mr. Doukeris is appointed for a term of three years with effect from 22 July 2021 and is not entitled to any Director's fee. For the year ended 31 December 2021, Mr. Doukeris did not receive any Director's fee, salaries or other remuneration from the Company.

Save as disclosed above, Mr. Doukeris (i) does not hold other positions in the Group, (ii) does not have any relationship with any other Directors, senior management, substantial shareholders or controlling shareholders (as defined in the Listing Rules) of the Company, and (iii) has not held any directorship in any public companies, the securities of which are listed on any securities market in Hong Kong or overseas in the last three years.

There is no information which is discloseable nor is/was Mr. Doukeris involved in any of the matters required to be disclosed pursuant to any of the requirements under Rule 13.51(2)(h) to (v) of the Listing Rules and there are no other matters concerning Mr. Doukeris that need to be brought to the attention of the Shareholders.

### **(3) KATHERINE KING-SUEN TSANG, INDEPENDENT NON-EXECUTIVE DIRECTOR**

**Ms. Katherine King-suen Tsang (曾璟璇)**, aged 64, was appointed as an Independent Non-executive Director and member of Audit Committee and Remuneration Committee of the Company on 2 July 2019.

She was the Chairperson of Greater China of Standard Chartered Bank from August 2009 to August 2014. She is the founder of Max Giant Capital, a group of asset management companies with a focus on China. She has been an independent non-executive director of Fosun International Limited (listed on the Stock Exchange with the stock code of 0656) since December 2020, of Fidelity Emerging Markets Limited (*formerly known as Genesis Emerging*

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**APPENDIX I                      DETAILS OF THE DIRECTORS PROPOSED TO BE  
RE-ELECTED AT THE ANNUAL GENERAL MEETING**

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*Markets Fund Limited*), shares of which are listed on the London Stock Exchange with the stock code of FEML, since July 2017, and of China CITIC Bank International Limited since December 2016, respectively. She has also been a member of the Advisory Council for China of the City of London since October 2010 and an honorary board member of Shanghai Jiao Tong University since June 2011. She previously served as an independent non-executive director of Gap Inc. (listed on the New York Stock Exchange with the stock code of GPS) from August 2010 to May 2018, an independent non-executive director of Baoshan Iron & Steel Co., Ltd. (寶山鋼鐵股份有限公司) (listed on the Shanghai Stock Exchange with the stock code of 600019) from May 2006 to April 2012, a member of the World Economic Forum's Global Agenda Council on China from 2009-2012 and a member of Sotheby's Asia Advisory Board from November 2011 to October 2014.

Ms. Tsang has more than 16 years of solid risk management experience. As the CEO of Standard Chartered Bank (China), she maintained a strong focus on managing credit, financial and operational risks from the end of 2004 to August 2009, and chaired the Country Operational Risks Committee from January 2005 to August 2009. Since December 2016, she has been the Chair of Credit and Risks Committee of China CITIC Bank International Limited in Hong Kong managing all types of risks, including credit, financial and operations and overseeing the Country Credit Risks Committee and Country Operational Risks Committee.

Ms. Tsang received a Bachelor of Commerce Degree from University of Alberta, Canada in 1978.

As at the Latest Practicable Date, Ms. Tsang was interested in 102,918 shares of the Company underlying restricted stock units within the meaning of Part XV of the SFO.

Pursuant to the letter of appointment entered into between the Company and Ms. Tsang on 2 July 2019, Ms. Tsang is appointed for a term of three years with effect from 2 July 2019 and is entitled to an annual retainer of US\$75,000 per annum for her services as an Independent Non-executive Director, additional meeting fees of US\$6,000 per annum for attending the relevant Audit Committee and Remuneration Committee meetings. For the year ended 31 December 2021, Ms. Tsang is entitled to receive Directors' fees of US\$81,000. Her remuneration shall from time to time be reviewed by the Board and/or the Remuneration Committee and be determined with reference to her duties, responsibilities and performance.

Save as disclosed above, Ms. Tsang (i) does not hold other positions in the Group, (ii) does not have any relationship with any other Directors, senior management, substantial shareholders or controlling shareholders (as defined in the Listing Rules) of the Company, and (iii) has not held any directorship in any public companies, the securities of which are listed on any securities market in Hong Kong or overseas in the last three years.

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**APPENDIX I            DETAILS OF THE DIRECTORS PROPOSED TO BE  
RE-ELECTED AT THE ANNUAL GENERAL MEETING**

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There is no information which is discloseable nor is/was Ms. Tsang involved in any of the matters required to be disclosed pursuant to any of the requirements under Rules 13.51(2)(h) to (v) of the Listing Rules and there are no other matters concerning Ms. Tsang that need to be brought to the attention of the Shareholders.

The following is an explanatory statement required by the Listing Rules to provide the Shareholders with requisite information reasonably necessary for them to make an informed decision on whether to vote for or against the ordinary resolution to be proposed at the Annual General Meeting in relation to the granting of the Share Repurchase Mandate.

## **1. SHARE CAPITAL**

As at the Latest Practicable Date, the issued share capital of the Company comprised 13,243,397,000 Shares.

Subject to the passing of the ordinary resolution set out in item 5 of the notice of the Annual General Meeting in respect of the granting of the Share Repurchase Mandate and on the basis that the issued share capital of the Company remains unchanged on the date of the Annual General Meeting, i.e. being 13,243,397,000 Shares, the Directors would be authorized under the Share Repurchase Mandate to repurchase, during the period in which the Share Repurchase Mandate remains in force, a total of 1,324,339,700 Shares, representing 10% of the total number of Shares in issue as at the date of the Annual General Meeting.

## **2. REASONS FOR SHARE REPURCHASE**

The Directors believe that the granting of the Share Repurchase Mandate is in the best interests of the Company and the Shareholders.

Shares repurchase may, depending on the market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or earnings per Share and will only be made when the Directors believe that such a repurchase will benefit the Company and the Shareholders.

## **3. FUNDING OF SHARE REPURCHASE**

The Company may only apply funds legally available for share repurchase in accordance with its Memorandum and Articles of Association, the laws of Cayman Islands and/or any other applicable laws and the Listing Rules, as the case may be.

## **4. IMPACT OF SHARE REPURCHASE**

There might be a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the audited accounts contained in the annual report of the Company for the year ended 31 December 2021) in the event that the Share Repurchase Mandate was to be carried out in full at any time during the proposed repurchase period. However, the Directors do not intend to exercise the Share Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

**5. MARKET PRICES OF SHARES**

The highest and lowest prices per Share at which Shares have traded on the Stock Exchange during each of the previous 12 months were as follows:

| <b>Month</b>  | <b>Highest</b><br><i>HK\$</i> | <b>Lowest</b><br><i>HK\$</i> |
|---|-------------------------------|------------------------------|
| April 2021  | 26.30                         | 22.65                        |
| May 2021  | 27.80                         | 24.10                        |
| June 2021   | 27.05                         | 23.80                        |
| July 2021   | 25.00                         | 21.00                        |
| August 2021   | 21.90                         | 18.84                        |
| September 2021  | 20.05                         | 18.18                        |
| October 2021  | 21.75                         | 18.54                        |
| November 2021   | 21.85                         | 19.42                        |
| December 2021   | 21.35                         | 19.08                        |
| January 2022  | 22.40                         | 19.30                        |
| February 2022   | 25.15                         | 20.70                        |
| March 2022 ( <i>up to the Latest Practicable Date</i> ) | 25.40                         | 19.50                        |

**6. GENERAL**

To the best of their knowledge and having made all reasonable enquiries, none of the Directors nor any of their respective close associates (as defined in the Listing Rules) have any present intention to sell any Shares to the Company in the event that the granting of the Share Repurchase Mandate is approved by the Shareholders.

The Company has not been notified by any core connected persons (as defined in the Listing Rules) of the Company that they have a present intention to sell any Shares to the Company, or that they have undertaken not to sell any Shares held by them to the Company in the event that the granting of the Share Repurchase Mandate is approved by the Shareholders.

The Directors have undertaken to the Stock Exchange to exercise the power of the Company to repurchase Shares pursuant to the Share Repurchase Mandate in accordance with the Listing Rules and the applicable laws of Cayman Islands.

**7. TAKEOVERS CODE**

If as a result of a repurchase of Shares pursuant to the Share Repurchase Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition of voting rights for the purposes of the Takeovers Code. Accordingly, a Shareholder or a group of Shareholders acting in concert (within the meaning under the Takeovers Code), depending on the level of increase in the Shareholder's interest, could obtain or consolidate control of the Company and thereby become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

To the best knowledge of the Company, the Directors are not aware of any consequences which would arise under the Takeovers Code as a result of an exercise of the proposed Share Repurchase Mandate.

The Directors do not propose to exercise the Share Repurchase Mandate to such an extent as would, in the circumstances, give rise to an obligation to make a mandatory offer in accordance with Rule 26 of the Takeovers Code and/or result in the aggregate number of Shares held by the public shareholders falling below the prescribed minimum percentage required by the Stock Exchange.

**8. SHARE REPURCHASE MADE BY THE COMPANY**

During the six months prior to the Latest Practicable Date, the Company had not repurchased any of the Shares (whether on the Stock Exchange or otherwise).

Details of the Proposed Amendments are set out as follows:

**1. ARTICLE 2(1)**

By deleting the existing definition of “Law” and inserting the following definitions in Article 2(1). All references to “Law” in the Articles of Association will be deleted and replaced with “Act”:

““Act”                    The Companies Act, Cap. 22 (Act 3 of 1961, as consolidated and revised) of the Cayman Islands.”

**2. ARTICLE 9**

By deleting Article 9 in its entirety and renumbering the existing Article 8(1) as Article 8 and renumbering the existing Article 8(2) as Article 9.

**3. ARTICLE 56**

By deleting the existing Article 56 in its entirety and replacing it with the following new Article 56:

“56.                    An annual general meeting of the Company shall be held in each financial year other than the year of the Company’s adoption of these Articles and such annual general meeting must be held within six (6) months after the end of the Company’s financial year unless a longer period would not infringe the rules of the Designated Stock Exchange, if any).”

**4. ARTICLE 58**

By inserting the words “or resolution” immediately after the words “Board for the transaction of any business” in Article 58.

**5. ARTICLE 59**

By deleting the existing Article 59(1) in its entirety and replacing it with the following new Article 59(1):

“59(1).                An annual general meeting must be called by Notice of not less than twenty-one (21) clear days. All other general meetings (including an extraordinary general meeting) must be called by Notice of not less than fourteen (14) clear days but if permitted by the rules of the Designated Stock Exchange, a general meeting may be called by shorter notice, subject to the Act, if it is so agreed:”

**6. ARTICLE 73(2)**

By inserting the following new Article 73(2):

“73(2). All Members have the right to (a) speak at a general meeting; and (b) vote at a general meeting except where a Member is required, by the rules of the Designated Stock Exchange, to abstain from voting to approve the matter under consideration.”

**7. ARTICLE 83(3)**

By deleting the existing Article 83(3) in its entirety and replacing it with the following new Article 83(3):

“83(3). The Directors shall have the power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy on the Board or as an addition to the existing Board. Any Director so appointed shall hold office until the next following annual general meeting of the Company and shall then be eligible for re-election.”

**8. ARTICLE 100(1)(i) TO ARTICLE 100(1)(iv)**

By deleting the existing Article 100(1)(i) to Article 100(1)(v) in its entirety and replacing it with the following new articles as Article 100(1)(i) to Article 100(1)(iv):

“(i) the giving of any security or indemnity either:

- (a) to the Director or his close associate(s) in respect of money lent or obligations incurred or undertaken by him or any of them at the request of or for the benefit of the Company or any of its subsidiaries; or
  - (b) to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which the Director or his close associate(s) has himself/themselves assumed responsibility in whole or in part and whether alone or jointly under a guarantee or indemnity or by the giving of security;
- (ii) any proposal concerning an offer of shares or debentures or other securities of or by the Company or any other company which the Company may promote or be interested in for subscription or purchase where the Director or his close associate(s) is/are or is/are to be interested as a participant in the underwriting or sub-underwriting of the offer;



- (iii) any proposal or arrangement concerning the benefit of employees of the Company or its subsidiaries including:
  - (a) the adoption, modification or operation of any employees' share scheme or any share incentive or share option scheme under which the Director or his close associate(s) may benefit; or
  - (b) the adoption, modification or operation of a pension fund or retirement, death or disability benefits scheme which relates to the Director, his close associate(s) and employee(s) of the Company or any of its subsidiaries and does not provide in respect of any Director, or his close associate(s), as such any privilege or advantage not generally accorded to the class of persons to which such scheme or fund relates;
- (iv) any contract or arrangement in which the Director or his close associate(s) is/are interested in the same manner as other holders of shares or debentures or other securities of the Company by virtue only of his/their interest in shares or debentures or other securities of the Company."

**9. ARTICLE 152(2)**

By deleting the existing Article 152(2) in its entirety and replacing it with the following new Article 152(2):

- "152(2). The Members may, at any general meeting convened and held in accordance with these Articles, by ordinary resolution remove the Auditor at any time before the expiration of his term of office and shall by ordinary resolution at that meeting appoint another Auditor in his stead for the remainder of his term."

**10. ARTICLE 155**

By deleting the existing Article 155 in its entirety and replacing it with the following new Article 154:

- "155. The Directors may fill any casual vacancy in the office of Auditor but while any such vacancy continues the surviving or continuing Auditor or Auditors, if any, may act. The remuneration of any Auditor appointed by the Directors under this Article may be fixed by the Board. Subject to Article 152(2), an Auditor appointed under this Article shall hold office until the next following annual general meeting of the Company and shall then be subject to appointment by the Members under Article 152(1) at such remuneration to be determined by the Members under Article 154."

**11. ARTICLE 162(1)**

By inserting the words “Subject to Article 162(2)” immediately before the words “the Board shall have power” in Article 162(1).

**12. ARTICLE 165**

By inserting the following new Article 165:

“165. Unless otherwise determined by the Directors, the financial year end of the Company shall be the 31st of December in each year.”

If the serial numbering of the chapters and articles of the Articles of Association is changed due to the addition, deletion or re-arrangement of certain articles made in these Proposed Amendments, the serial numbering of the chapters and articles of the Articles of Association as so amended shall be changed accordingly, including cross-references.

## 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

As of the Latest Practicable Date, the interests and short positions of the Directors and chief executive of the Company in the Shares, underlying shares or debentures of the Company and any of its associated corporations (within the meaning of Part XV of the SFO), which 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 those taken or deemed as their interests and short position in accordance with such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be entered in the register kept by the Company referred to therein, or which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange were as follows:

### (a) Interest in Shares of the Company

#### *Long Position in Shares of the Company*

| Name of Director or Chief Executive Officer | Nature of Interest | Number of Shares | Number of Shares underlying unvested and conditional options and RSUs | Total interests in Shares | Approximate percentage of the issued share capital of the Company (%) |
|---|--------------------|------------------|---|---------------------------|---|
| Jan Craps                                   | Beneficial Owner   | Nil              | 23,286,723 <sup>(1)</sup>   | 23,286,723 <sup>(1)</sup> | 0.18  |
| Martin Cubbon                               | Beneficial Owner   | Nil              | 128,441 <sup>(2)</sup>  | 128,441 <sup>(2)</sup>    | 0.00  |
| Marjorie Yang                               | Beneficial Owner   | Nil              | 102,918 <sup>(3)</sup>  | 102,918 <sup>(3)</sup>    | 0.00  |
| Katherine Tsang                             | Beneficial Owner   | Nil              | 102,918 <sup>(4)</sup>  | 102,918 <sup>(4)</sup>    | 0.00  |

*Notes:*

- (1) Shares that may be delivered upon the exercise of 15,289,898 options and the vesting of 7,996,825 RSUs.
- (2) Shares that may be delivered upon the vesting of 128,441 RSUs.
- (3) Shares that may be delivered upon the vesting of 102,918 RSUs.
- (4) Shares that may be delivered upon the vesting of 102,918 RSUs.

**(b) Interest in Shares of associated corporations***Long Position in Shares of AB InBev (Associated Corporation)*

| Name of Director or Chief Executive Officer | Nature of Interest | Number of ordinary shares | Number of shares underlying unvested and conditional options and RSUs | Total interests in shares | Approximate percentage of the issued share capital of AB InBev (%) |
|---|--------------------|---------------------------|---|---------------------------|--|
| Jan Craps                                   | Beneficial Owner   | 22,122                    | 1,117,419 <sup>(1)</sup>  | 1,139,541                 | 0.06   |

*Note:*

- (1) Shares that may be delivered upon the exercise of 1,008,939 options and the vesting of 108,480 RSUs of AB InBev.

*Long Position in Shares of Ambev (Associated Corporation)*

| Name of Director or Chief Executive Officer | Nature of Interest | Number of common shares | Number of shares underlying unvested and conditional options and RSUs | Total interests in shares | Approximate percentage of the issued share capital of Ambev (%) |
|---|--------------------|-------------------------|---|---------------------------|---|
| Jan Craps                                   | Beneficial Owner   | 282,188                 | 577,364 <sup>(1)</sup>  | 859,552                   | 0.01  |

*Note:*

- (1) Shares that may be issued upon the exercise of 544,120 options and the vesting of 631,042 RSUs of Ambev.

The SFC has granted the Non-executive Directors a partial exemption from strict compliance with Part XV (other than Divisions 5, 11 and 12) of the SFO in respect of the duty to disclose their interests in the “associated corporations” (as defined in the SFO) of the Company, namely AB InBev and Ambev. In addition, the Stock Exchange has granted the Company a waiver from strict compliance with the requirement to disclose their interests in AB InBev and Ambev in the annual and interim reports of the Company under Paragraph 13 of Appendix 16 of the Listing Rules. See the section headed “*Waivers from strict compliance with the Listing Rules and exemptions from strict compliance with the Companies (WUMP) Ordinance and the SFO*” of the Company’s prospectus dated 18 September 2019 as well as the announcements of the Company dated 4 June 2020 and 22 July 2021.

Save as disclosed above, so far as the Directors are aware, as of the Latest Practicable Date, none of the Directors or chief executives and their respective associates had any interest or short positions in the Shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) (i) which 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 those taken or deemed as their interests and short positions in accordance with such provisions of the SFO), (ii) which will be required, pursuant to Section 352 of the SFO, to be entered in the register kept by the Company, or (iii) which will be required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

**(c) Interests in assets, contracts or arrangements of the Group**

As of the Latest Practicable Date, none of the Directors had any direct or indirect interests in any assets which had been acquired or disposed of by, or leased to, or which were proposed to be acquired or disposed of by, or leased to, any member of the Group since 31 December 2021, being the date to which the latest published audited financial statements of the Group were made up.

As of the Latest Practicable Date, none of the Directors was materially interested in any contract or arrangement entered into by any member of the Group subsisting at the date of this circular and which is significant in relation to the business of the Group taken as a whole.

**(d) Competing interests**

The following Directors (or alternate Directors) hold certain director or management positions in AB InBev and Ambev: Mr. Jan Craps serves as the Zone President Asia Pacific of AB InBev; Mr. Michel Doukeris serves as the Chief Executive Officer of AB InBev and is an effective member of the board of Ambev; Ms. Katherine Barrett serves as the Global General Counsel of the AB InBev Group; Mr. Nelson Jamel serves as the Global Chief People Officer of the AB InBev Group; Mr. John Blood serves as the Global Chief Legal & Corporate Affairs Officer and Global Company Secretary of the AB InBev Group; and Mr. David Almeida serves as the Chief Strategy and Technology Officer of the AB InBev Group.

Save for (i) the director or management positions held by certain Directors in AB InBev and Ambev as disclosed above and (ii) the interests of certain Directors in the shares of AB InBev and Ambev as set out above, the Directors confirmed that other than business of the Group, none of the Directors holds any interest in business which directly or indirectly competes or is likely to compete with the business of the Group.

**(e) Common directors**

Save for the director or management positions held by certain Directors in AB InBev and Ambev as disclosed above, as of the Latest Practicable Date, none of the Directors was a director or employee of any company which has an interest or short position in the Shares or underlying shares of the Company which were required to be notified to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

**3. DIRECTORS' SERVICE CONTRACTS**

As of the Latest Practicable Date, none of the Directors had, or is proposed to have, a service contract with any member of the Group (excluding contracts expiring or determinable by the employer within one year without compensation (other than statutory compensation)).

**4. NO MATERIAL ADVERSE CHANGE**

As of the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2021, the date to which the latest published audited consolidated financial statements of the Group were made up.

**5. EXPERT**

**(a) Qualification of expert**

The following is the name and qualification of the expert which has given advice contained in this circular:

| <b>Name</b>           | <b>Qualification</b>  |
|-----------------------|---|
| Altus 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 |

**(b) Interests of expert**

As of the Latest Practicable Date, Altus Capital Limited did not have any interest in any securities of any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for any securities in any member of the Group, and any direct or indirect interest in any assets which had been, since 31 December 2021 (being the date to which the latest published audited consolidated financial statements of the Group were made up), acquired or disposed of by, or leased to, or were proposed to be acquired or disposed of by, or leased to, any member of the Group.

**(c) Consents of expert**

Altus Capital Limited has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter dated 29 March 2022 and/or references to its name in the form and context in which it appears.

**6. LANGUAGE**

The English text of this circular shall prevail over the Chinese text in the event of any inconsistency.

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## DEFINITIONS

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

|   |  |
|---|--|
| “2021 Connected Share Award Annual Mandate”     | the annual mandate in respect of share awards granted to Connected Participants under the Share Award Schemes during the period from 30 April 2021 to the date of this AGM under the ordinary resolution contained in item 11 in the notice of the annual general meeting of the Company held on 30 April 2021                                 |
| “2021 Connected Share Issuance”                 | the specific mandate to allot and issue 12,348,432 new Shares to the Trustee in connection with the grant of share awards to Connected Participants under the Share Award Schemes as of 31 December 2020 under the ordinary resolution contained in item 10 in the notice of the annual general meeting of the Company held on 30 April 2021   |
| “2021 Non-Connected Share Award Annual Mandate” | the annual mandate in respect of share awards granted to Non-Connected Participants under the Share Award Schemes during the period from 30 April 2021 to the date of this AGM under the ordinary resolution contained in item 9 in the notice of the annual general meeting of the Company held on 30 April 2021                              |
| “2021 Non-Connected Share Issuance”             | the specific mandate to allot and issue 5,982,478 new Shares to the Trustee in connection with the grant of share awards to Non-Connected Participants under the Share Award Schemes as of 31 December 2020 under the ordinary resolution contained in item 8 in the notice of the annual general meeting of the Company held on 30 April 2021 |
| “AB InBev”                                      | Anheuser-Busch InBev SA/NV (Euronext: ABI; NYSE: BUD; MEXBOL: ANB; JSE: ANH) (which incorporated for an unlimited duration under the laws of Belgium), or the AB InBev Group, as the context requires. AB InBev is the controlling shareholder of the Company  |
| “AB InBev Group”                                | AB InBev and its subsidiaries (excluding the Group)  |



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## DEFINITIONS

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|---------------------------|--|
| “Ambev”                   | Ambev S.A., a Brazilian company listed on the New York Stock Exchange (NYSE: ABEV) and on the São Paulo Stock Exchange (BVMF: ABEV3), and successor of Companhia de Bebidas das Américas – Ambev and a non-wholly-owned subsidiary of AB InBev   |
| “Annual General Meeting”  | the virtual annual general meeting of the Company to be held using Computershare Online Platform at <a href="http://meetings.computershare.com/BUDAPAC_AGM">http://meetings.computershare.com/BUDAPAC_AGM</a> on Friday, 6 May 2022 at 10:00 a.m., to consider and, if appropriate, to approve the resolutions contained in the notice of the meeting which is set out on pages 51 to 56 of this circular, or any adjournment thereof  |
| “Applicable Period”       | the period from the Annual General Meeting to the earliest of: <ul style="list-style-type: none"><li>(i) the conclusion of the next annual general meeting of the Company;</li><li>(ii) the end of the period within which the Company is required by any applicable laws or by the bye-laws of the Company to hold the next annual general meeting of the Company; and</li><li>(iii) the variation or revocation of such mandate by an ordinary resolution of the Shareholders in a general meeting</li></ul> |
| “Articles of Association” | the amended and restated articles of association of the Company adopted by special resolution passed on 15 May 2020 and currently in force   |
| “Board”                   | the board of Directors of the Company  |
| “Company”                 | Budweiser Brewing Company APAC Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange  |
| “Connected Participants”  | the participants who are connected with the Company or connected persons of the Company  |
| “connected person(s)”     | has the meaning ascribed thereto in the Listing Rules  |

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## DEFINITIONS

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| “Connected Share Award Annual Mandate” | the annual mandate in respect of share awards to be granted to Connected Participants under the Share Award Schemes proposed under the ordinary resolution contained in item 9 in the notice of the Annual General Meeting  |
| “Director(s)”                          | the director(s) of the Company  |
| “General Issuance Mandate”             | a general mandate proposed to be granted to the Directors to allot, issue or deal with additional Shares of not exceeding 20% of the total number of issued shares of the Company as at the date of passing of the proposed ordinary resolution contained in item 6 of the notice of the Annual General Meeting   |
| “Group”                                | the Company, together with its subsidiaries   |
| “HK\$”                                 | Hong Kong dollars, the lawful currency of Hong Kong   |
| “Hong Kong”                            | the Hong Kong Special Administrative Region of the People’s Republic of China   |
| “Independent Financial Advisor”        | Altus 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 and the independent financial adviser to the Independent Shareholders in respect of the connected transactions in relation to proposed grant of annual mandate to issue Shares under the Share Award Schemes to Connected Participants |
| “Independent Shareholders”             | independent Shareholders other than the Connected Participants, the Trustee and their respective associates   |
| “insignificant subsidiary”             | has the meaning ascribed thereto in the Listing Rules   |
| “Latest Practicable Date”              | 22 March 2022, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular   |
| “Listing Rules”                        | the Rules Governing the Listing of Securities on the Stock Exchange as amended from time to time  |

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## DEFINITIONS

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| “Locked-up Share(s)”                       | locked-up shares of the Company that may be granted under the Share Award Schemes  |
| “Model Code”                               | Model Code for Securities Transactions by Directors of Listed Issuers in Appendix 10 to the Listing Rules  |
| “Nomination Committee”                     | nomination committee of the Company  |
| “Non-Connected Participants”               | the participants who are not connected persons of the Company  |
| “Non-Connected Share Award Annual Mandate” | the annual mandate in respect of share awards to be granted to Non-Connected Participants under the Share Award Schemes proposed under the ordinary resolution contained in item 8 in the notice of the Annual General Meeting   |
| “Proposed Amendments”                      | the proposed amendments to the Articles of Association as set out in Appendix III of this circular   |
| “Remuneration Committee”                   | remuneration committee of the Company  |
| “RSU(s)”                                   | restricted stock unit(s) of the Company  |
| “Scheme Mandate Limit”                     | the total number of Shares which may be issued upon exercise of all Share Options and vesting of all RSUs and Locked-up Shares to be granted under the Company’s Share Award Schemes and any other schemes   |
| “SFC”                                      | the Securities and Futures Commission  |
| “SFO”                                      | Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong)   |
| “Share(s)”                                 | ordinary share(s) of US\$0.00001 each in the capital of the Company or if there has been a subsequent sub-division, consolidation, reclassification or reconstruction of the share capital of the Company, shares forming part of the ordinary equity share capital of the Company |

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## DEFINITIONS

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|----------------------------|---|
| “Share Award Scheme(s)”    | (i) the New Restricted Stock Units Plan adopted by the Company on 25 November 2020; and (ii) the Discretionary Restricted Stock Units Plan, the Share-Based Compensation Plan, the People Bet Plan, and the Discretionary Long-Term Incentive Plan of the Company, each of which was approved on 9 September 2019 |
| “Share Option(s)”          | share option(s) of the Company  |
| “Share Repurchase Mandate” | a general mandate proposed to be granted to the Directors to repurchase Shares on the Stock Exchange of not exceeding 10% of the total number of issued shares of the Company as at the date of passing of the proposed ordinary resolution contained in item 5 of the notice of the Annual General Meeting       |
| “Shareholder(s)”           | holder(s) of Share(s)   |
| “Stock Exchange”           | The Stock Exchange of Hong Kong Limited   |
| “Takeovers Code”           | The Code on Takeovers and Mergers and Share Buy-backs approved by the Securities and Futures Commission as amended from time to time  |
| “Trustee”                  | BOCI Trustee (Hong Kong) Limited, the professional trustee appointed by the Company for the Share Award Scheme(s)   |
| “US\$”                     | US dollars, the lawful currency of the United States of America   |
| “%”                        | per cent  |

References to time and dates in this circular are to Hong Kong time and dates.

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## NOTICE OF ANNUAL GENERAL MEETING

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### **Budweiser Brewing Company APAC Limited**

### **百威亞太控股有限公司**

*(Incorporated in Cayman Islands with limited liability)*

**(Stock code: 1876)**

Notice is hereby given that the Annual General Meeting of Budweiser Brewing Company APAC Limited 百威亞太控股有限公司 (the “**Company**”) will be held virtually using Computershare Online Platform at [http://meetings.computershare.com/BUDAPAC\\_AGM](http://meetings.computershare.com/BUDAPAC_AGM) on Friday, 6 May 2022 at 10:00 a.m. for the following purposes:

#### **ORDINARY RESOLUTIONS**

1. To receive and consider the audited consolidated financial statements of the Company and the reports of the directors and auditors for the year ended 31 December 2021.
2. To declare a final dividend of US\$3.02 cents per share for the year ended 31 December 2021.
3.
  - (a) To re-elect Mr. Jan Craps as Executive Director.
  - (b) To re-elect Mr. Michel Doukeris as Non-executive Director.
  - (c) To re-elect Ms. Katherine King-suen Tsang as Independent Non-executive Director.
  - (d) To authorize the board of directors to fix the directors’ remuneration.
4. To re-appoint PricewaterhouseCoopers as the independent auditors of the Company to hold office until the conclusion of the next annual general meeting and to authorize the board of directors to fix their remuneration.
5. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

**“THAT:**

- (a) subject to compliance with the prevailing requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and paragraph (b) below, a general mandate be and is hereby generally and unconditionally given to the directors of the Company to exercise during the Relevant Period (as defined below) all the powers of the Company to repurchase its shares in accordance with all applicable laws, rules and regulations;

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## NOTICE OF ANNUAL GENERAL MEETING

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(b) the total number of shares of the Company to be repurchased pursuant to the mandate in paragraph (a) above shall not exceed 10% of the total number of issued shares of the Company as at the date of passing of this resolution (subject to adjustment in the case of any consolidation or subdivision of shares of the Company after the date of passing of this resolution); and

(c) for the purposes of this resolution:

“**Relevant Period**” means the period from the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable laws to be held; and
- (iii) the date on which the authority set out in this resolution is revoked or varied by an ordinary resolution of the shareholders in general meeting.”

6. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“**THAT:**

- (a) subject to compliance with the prevailing requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and paragraph (b) below, a general mandate be and is hereby generally and unconditionally given to the directors of the Company to allot, issue and deal with additional shares in the capital of the Company and to make or grant offers, agreements and options which might require the exercise of such powers during or after the end of the Relevant Period (as defined below) in accordance with all applicable laws, rules and regulations;
- (b) the aggregate number of shares allotted or agreed conditionally or unconditionally to be allotted by the directors pursuant to the mandate in paragraph (a) above, otherwise than pursuant to:
  - (i) a Rights Issue (as defined below);
  - (ii) the exercise of options under a share option scheme of the Company; and
  - (iii) any scrip dividend scheme or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the articles of association of the Company,

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## NOTICE OF ANNUAL GENERAL MEETING

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shall not exceed 20% of the total number of issued shares of the Company as at the date of passing of this resolution (subject to adjustment in the case of any consolidation or subdivision of shares of the Company after the date of passing of this resolution); and

(c) for the purposes of this resolution:

“**Relevant Period**” means the period from the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable laws to be held; and
- (iii) the date on which the authority set out in this resolution is revoked or varied by an ordinary resolution of the shareholders in general meeting.

“**Rights Issue**” means an offer of shares open for a period fixed by the directors to holders of shares of the Company or any class thereof on the register on a fixed record date in proportion to their then holdings of such shares or class thereof (subject to such exclusions or other arrangements as the directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of any relevant jurisdiction or the requirements of any recognized regulatory body or any stock exchange).”

7. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“**THAT** conditional upon the passing of the resolutions set out in items 5 and 6 of the notice convening this meeting (the “**Notice**”), the general mandate referred to in the resolution set out in item 6 of the Notice be and is hereby extended by the addition to the aggregate number of shares which may be allotted and issued or agreed conditionally or unconditionally to be allotted and issued by the directors pursuant to such general mandate of the number of shares repurchased by the Company pursuant to the mandate referred to in resolution set out in item 5 of the Notice, provided that such number of shares shall not exceed 10% of the total number of issued shares of the Company as at the date of passing of this resolution (subject to adjustment in the case of any consolidation or subdivision of shares of the Company after the date of passing of this resolution).”

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## NOTICE OF ANNUAL GENERAL MEETING

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8. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

**“THAT:**

- (a) the maximum number of new shares that may be issued in respect of the restricted share units (“**RSUs**”) and locked-up shares (“**Locked-up Shares**”) which may be granted pursuant to the Company’s share award schemes (namely, the New Restricted Stock Units Plan adopted by the Company on 25 November 2020, and the Discretionary Restricted Stock Units Plan, the Share-Based Compensation Plan, the People Bet Plan, and the Discretionary Long-Term Incentive Plan of the Company, each of which was approved on 9 September 2019) (the “**Share Award Schemes**”) during the period from the date of the passing of this resolution until the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the end of the period within which the Company is required by any applicable laws or by the bye-laws of the Company to hold the next annual general meeting of the Company; and
- (iii) the variation or revocation of such mandate by an ordinary resolution of the Shareholders in a general meeting,

(the “**Applicable Period**” for the purposes of this resolution)

shall be 132,433,970 to the Non-Connected Participants (as defined in the Company’s circular dated 29 March 2022), subject to adjustment for further grant of RSUs or Locked-up Shares prior to the date of the annual general meeting; and

- (b) that the Board of Directors has the power to allot, issue and deal with new shares in respect of which RSUs and Locked-up Shares are granted during the Applicable Period as and when the RSUs and Locked-up Shares vest.”

9. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

**“THAT:**

- (a) the maximum number of new shares that may be issued in respect of the RSUs and Locked-up Shares which may be granted pursuant to the Share Award Schemes during the period from the date of the passing of this resolution until the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;



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## NOTICE OF ANNUAL GENERAL MEETING

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- (ii) the end of the period within which the Company is required by any applicable laws or by the bye-laws of the Company to hold the next annual general meeting of the Company; and
- (iii) the variation or revocation of such mandate by an ordinary resolution of the Shareholders in a general meeting,

(the “**Applicable Period**” for the purposes of this resolution)

shall be 3,494,590 to the Connected Participants (as defined in the Company’s circular dated 29 March 2022), subject to adjustment for further grant of RSUs or Locked-up Shares prior to the date of the annual general meeting; and

- (b) that the Board of Directors has the power to allot, issue and deal with new shares in respect of which RSUs and Locked-up Shares are granted during the Applicable Period as and when the RSUs and Locked-up Shares vest.”

### SPECIAL RESOLUTION

10. To consider and, if thought fit, pass with or without amendments, the following resolution as a special resolution:

“**THAT** the new articles of association produced to the meeting and initialled by the chairman of the meeting for the purpose of identification be and are hereby approved and adopted as the articles of association of the Company in substitution for, and to the exclusion of, the existing articles of association of the Company”

By Order of the Board  
**Budweiser Brewing Company APAC Limited**  
**Bryan Warner**  
*Joint Company Secretary*

Hong Kong, 29 March 2022

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## NOTICE OF ANNUAL GENERAL MEETING

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*Notes:*

1. The Company will conduct a virtual Annual General Meeting using Computershare Online Platform (the “**Online Platform**”), which allows shareholders of the Company (“**Shareholders**”) to participate in the Annual General Meeting online in a convenient and efficient way from anywhere with an internet connection. Shareholders will be able to view the live video broadcast and participate in voting and submit questions in written form at the Annual General Meeting via their mobile phones, tablet, or computers.
2. Shareholders can refer to the enclosed letter together with the Online Meeting User Guide for details of online voting at the Annual General Meeting. If you have any queries on the above, please contact the Company’s branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, via their hotline at (852) 2862 8555 from 9:00 a.m. to 6:00 p.m. (Monday to Friday, excluding Saturday and Hong Kong public holidays).
3. All resolutions at the meeting will be taken by poll pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”). The results of the poll will be published on the websites of Hong Kong Exchanges and Clearing Limited and the Company in accordance with the Listing Rules.
4. Shareholders who wish to attend the AGM and exercise their voting rights can achieve this in one of the following ways:
  - (a) attend the Annual General Meeting via Online Platform which enables live streaming and interactive platform for Q&A and submit their voting online; OR
  - (b) appoint the Chairman of the Annual General Meeting or other persons as their proxy to attend the Annual General Meeting via Online Platform and submit their voting online.

Non-registered holders whose shares of the Company are held in the Central Clearing and Settlement System through banks, brokers, custodians or Hong Kong Securities Clearing Company Limited may be able to attend the Annual General Meeting, vote and submit questions online. In this regard, they should consult directly with their banks, brokers or custodians (as the case may be) for the necessary arrangements.

5. Any shareholder of the Company entitled to attend and vote at the meeting is entitled to appoint more than one proxy to attend and vote instead of him/her. A proxy need not be a shareholder of the Company. If more than one proxy is appointed, the number of shares in respect of which each such proxy so appointed must be specified in the relevant form of proxy. Every shareholder present via Online Platform or by proxy shall be entitled to one vote for each share held by him/her.
6. In order to be valid, the form of proxy together with the power of attorney or other authority, if any, under which it is signed or a certified copy of that power of attorney or authority, must be deposited at the Company’s branch share registrar in Hong Kong, 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 appointed for the meeting (i.e. not later than 10:00 a.m. on Wednesday, 4 May 2022 (Hong Kong time)) or the adjourned meeting (as the case may be). Completion and return of the form of proxy shall not preclude a shareholder of the Company from attending and voting via the Online Platform and, in such event, the instrument appointing a proxy shall be deemed to be revoked.
7. For determining the entitlement to attend and vote at the Annual General Meeting, the register of members of the Company will be closed from Friday, 29 April 2022 to Friday, 6 May 2022, both dates inclusive, during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the Annual General Meeting, all transfers of shares, accompanied by the relevant share certificates must be lodged with the Company’s branch share registrar in Hong Kong, 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, 28 April 2022.
8. For determining the entitlement to the proposed final dividend (subject to approval by the shareholders at the Annual General Meeting), the Register of Members of the Company will be closed from Wednesday, 18 May 2022 to Friday, 20 May 2022, both dates inclusive, during which period no transfer of shares will be registered. In order to qualify for the proposed final dividend, unregistered holders of shares of the Company shall ensure that all transfer documents accompanied by the relevant share certificates must be lodged with the Company’s branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at the above address, for registration not later than 4:30 p.m. on Tuesday, 17 May 2022.
9. A circular containing further details concerning items 3, 5 to 10 set out in the above notice is sent to all shareholders of the Company.
10. References to time and dates in this notice are to Hong Kong time and dates.