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SAN MIGUEL BREWERY HONG KONG LTD.

香港生力啤酒廠有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 236)

ANNOUNCEMENT OF THE 2025 INTERIM RESULTS

INTERIM RESULTS

The Board of Directors of San Miguel Brewery Hong Kong Limited (the “Company”) submit herewith the unaudited consolidated interim results of the Company and its subsidiaries (the “Group”) for the six months ended 30 June 2025. The interim results are unaudited, but have been reviewed by the Company’s Audit Committee.

CONSOLIDATED INCOME STATEMENT — UNAUDITED

(Expressed in Hong Kong dollars)

		Six months ended 30 June	
		2025	2024
	Note	\$'000	\$'000
Revenue	3	390,286	378,094
Cost of sales		(234,559)	(238,560)
Gross profit		155,727	139,534
Other net income		33,530	31,743
Selling and distribution expenses		(86,553)	(84,583)
Administrative expenses		(35,748)	(39,971)
Other operating expenses		(5,207)	(4,354)
Profit from operations		61,749	42,369
Finance costs	4(a)	(185)	(231)
Profit before taxation	4	61,564	42,138
Income tax expense	5	(10,475)	(3,628)
Profit for the period		51,089	38,510
Attributable to:			
Equity shareholders of the Company		49,644	37,618
Non-controlling interests		1,445	892
Profit for the period		51,089	38,510
Earnings per share			
— Basic (cents)	7(a)	13.3	10.1
— Diluted (cents)	7(b)	N/A	N/A

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

	Six months ended 30 June	
	2025	2024
	\$'000	\$'000
Profit for the period	51,089	38,510
Other comprehensive income for the period (after tax):		
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of financial statements of subsidiaries outside Hong Kong and monetary items that form part of the net investment in subsidiaries outside Hong Kong	1,391	(711)
Total comprehensive income for the period	52,480	37,799
Attributable to:		
Equity shareholders of the Company	51,396	36,745
Non-controlling interests	1,084	1,054
Total comprehensive income for the period	52,480	37,799

CONSOLIDATED STATEMENT OF FINANCIAL POSITION – UNAUDITED

(Expressed in Hong Kong dollars)

		At 30 June 2025 \$'000	At 31 December 2024 \$'000
	Note		
Non-current assets			
Property, plant and equipment		250,719	247,963
Investment properties		96,897	98,748
		<u>347,616</u>	<u>346,711</u>
Intangible assets		4,771	4,771
Other receivables		22,266	18,378
Deferred tax assets		28,969	34,742
		<u>403,622</u>	<u>404,602</u>
Current assets			
Inventories		70,443	82,077
Trade and other receivables	8	36,852	40,222
Amounts due from holding companies and fellow subsidiaries		37,141	14,228
Amount due from a related company		293	895
Current tax recoverable		—	662
Cash and bank balances		249,598	216,520
		<u>394,327</u>	<u>354,604</u>
Current liabilities			
Trade and other payables	9	(71,261)	(70,409)
Loan from a related company		(3,557)	(3,503)
Amounts due to holding companies and fellow subsidiaries		(4,071)	(3,720)
Amounts due to related companies		(11,197)	(8,914)
Lease liabilities		(678)	(416)
Current tax payable		(2,135)	—
		<u>(92,899)</u>	<u>(86,962)</u>
Net current assets		<u>301,428</u>	<u>267,642</u>
Total assets less current liabilities		<u>705,050</u>	<u>672,244</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION – UNAUDITED *(Continued)*
(Expressed in Hong Kong dollars)

	At 30 June 2025 \$'000	At 31 December 2024 \$'000
<i>Note</i>		
Non-current liabilities		
Retirement benefit liabilities	(9,631)	(11,524)
Other payables	(25,040)	(23,772)
Lease liabilities	(1,784)	(2,154)
	<u>(36,455)</u>	<u>(37,450)</u>
NET ASSETS	<u>668,595</u>	<u>634,794</u>
CAPITAL AND RESERVES		
Share capital	252,524	252,524
Other reserves	437,392	404,675
	<u>689,916</u>	<u>657,199</u>
Total equity attributable to equity shareholders of the Company	689,916	657,199
Non-controlling interests	(21,321)	(22,405)
	<u>668,595</u>	<u>634,794</u>
TOTAL EQUITY	<u>668,595</u>	<u>634,794</u>

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT:

(Expressed in Hong Kong dollars)

1 BASIS OF PREPARATION

The interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”), including compliance with Hong Kong Accounting Standard (“HKAS”) 34, *Interim financial reporting*, issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). It was authorised for issue on 28 July 2025.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2024 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2025 annual financial statements. Details of these changes in accounting policies are set out in note 2.

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

This interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2023 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for full set of financial statements prepared in accordance with HKFRS Accounting Standards.

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

The financial information relating to the financial year ended 31 December 2024 that is included in the interim financial report as comparative information does not constitute the Company’s statutory annual consolidated financial statements for the financial year but is derived from those financial statements. Further information relating to these statutory financial statements disclosed in accordance with section 436 of the Hong Kong Companies Ordinance (Cap. 622) is as follows:

The Company has delivered the financial statements for the year ended 31 December 2024 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Companies Ordinance. The Company’s auditor has reported on those financial statements. The auditor’s report was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under section 406(2), 407(2) or (3) of the Companies Ordinance.

2 CHANGES IN ACCOUNTING POLICIES

The HKICPA has issued several amendments to HKFRS Accounting Standards that are first effective for the current accounting period of the Group. None of these impacts on the accounting policies of the Group. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

3 REVENUE AND SEGMENT REPORTING

(a) Revenue

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

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

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

(b) Segment reporting

(i) *Segment results, assets and liabilities*

Information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance for the periods ended 30 June 2025 and 2024 is set out below:

	Six months ended 30 June					
	Hong Kong		Mainland China		Total	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Revenue from external customers	250,054	235,383	140,232	142,711	390,286	378,094
Inter-segment revenue	110	328	—	—	110	328
Reportable segment revenue	250,164	235,711	140,232	142,711	390,396	378,422
Reportable segment profit from operations (adjusted EBIT)	37,357	21,755	18,277	15,167	55,634	36,922

3 REVENUE AND SEGMENT REPORTING (Continued)

(b) Segment reporting (Continued)

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

	Hong Kong		Mainland China		Total	
	At 30 June	At 31 December	At 30 June	At 31 December	At 30 June	At 31 December
	2025	2024	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Reportable segment assets	<u>894,371</u>	<u>870,927</u>	<u>149,204</u>	<u>126,162</u>	<u>1,043,575</u>	<u>997,089</u>
Reportable segment liabilities	<u>86,621</u>	<u>88,943</u>	<u>317,328</u>	<u>308,094</u>	<u>403,949</u>	<u>397,037</u>

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

	Six months ended 30 June	
	2025	2024
	\$'000	\$'000
Revenue		
Reportable segment revenue	390,396	378,422
Elimination of inter-segment revenue	<u>(110)</u>	<u>(328)</u>
Consolidated revenue	<u>390,286</u>	<u>378,094</u>
Profit		
Reportable segment profit from operations	55,634	36,922
Interest income from bank deposits	3,692	3,579
Net foreign exchange gains	2,355	1,798
Interest expense on loan from a related company	(77)	(135)
Interest on lease liabilities	<u>(40)</u>	<u>(26)</u>
Consolidated profit before taxation	<u>61,564</u>	<u>42,138</u>

3 REVENUE AND SEGMENT REPORTING *(Continued)*

(b) Segment reporting *(Continued)*

(ii) *Reconciliation of reportable segment revenue, profit, assets and liabilities* *(Continued)*

	At 30 June 2025 \$'000	At 31 December 2024 \$'000
Assets		
Reportable segment assets	1,043,575	997,089
Elimination of inter-segment receivables	<u>(274,595)</u>	<u>(272,625)</u>
	768,980	724,464
Deferred tax assets	<u>28,969</u>	<u>34,742</u>
Consolidated total assets	<u>797,949</u>	<u>759,206</u>
Liabilities		
Reportable segment liabilities	403,949	397,037
Elimination of inter-segment payables	<u>(274,595)</u>	<u>(272,625)</u>
Consolidated total liabilities	<u>129,354</u>	<u>124,412</u>

3 REVENUE AND SEGMENT REPORTING (Continued)

(b) Segment reporting (Continued)

(iii) Geographic information

The following table sets out information about the geographic location of (i) the Group's revenue from external customers and (ii) the Group's non-current assets ("specified non-current assets"). The geographic location of customers is based on the country of establishment of each customer. The geographic location of the specified non-current assets is based on the physical location of the assets, in the case of property, plant and equipment and investment properties and the location of the operation to which they are allocated, in the case of intangible assets.

	Revenue from external customers		Specified non-current assets	
	Six months ended		At	At
	30 June		30 June	31 December
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
Hong Kong (place of domicile)	112,136	118,620	313,448	312,932
Mainland China	32,045	30,902	38,939	38,550
Philippines	240,960	222,454	—	—
Others	5,145	6,118	—	—
	278,150	259,474	38,939	38,550
	390,286	378,094	352,387	351,482

4 PROFIT BEFORE TAXATION

	Six months ended 30 June	
	2025	2024
	\$'000	\$'000
Profit before taxation is arrived at after charging:		
(a) Finance costs		
Interest expense on loan from a related company	77	135
Interest on lease liabilities	40	26
Bank charges	68	70
	<u>185</u>	<u>231</u>
(b) Staff costs		
Retirement costs		
— Contributions to defined contribution retirement plans	4,430	3,978
— ORSO plan	1,408	1,715
	<u>5,838</u>	<u>5,693</u>
Salaries, wages and other benefits	<u>71,876</u>	<u>69,160</u>
	<u>77,714</u>	<u>74,853</u>
(c) Other items		
Depreciation		
— Owned property, plant and equipment	3,468	3,968
— Right-of-use assets	6,871	8,155
Cost of inventories	233,419	237,896
Provision for impairment of trade and other receivables	<u>150</u>	<u>186</u>

5 INCOME TAX

Taxation in the consolidated income statement represents:

	Six months ended 30 June	
	2025	2024
	\$'000	\$'000
Current tax – Mainland China		
— Provision for the period	4,601	3,628
Deferred tax		
— Origination and reversal of temporary differences	5,874	—
	10,475	3,628

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

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

6 DIVIDENDS

(i) Dividends payable to equity shareholders attributable to the interim period

The Board has resolved that no interim dividends will be declared for 2025 (2024: Nil).

(ii) Dividends payable to equity shareholders attributable to the previous financial year, approved and paid during the interim period

	Six months ended 30 June	
	2025	2024
	\$'000	\$'000
Final dividend in respect of the previous financial year, approved and paid during the following interim period, of \$0.05 per ordinary share (six months ended 30 June 2024: \$0.05 per ordinary share)	18,679	18,679

7 EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to equity shareholders of the Company for the six months ended 30 June 2025 of \$49,644,000 (six months ended 30 June 2024: \$37,618,000) and on 373,570,560 ordinary shares (at 30 June 2024: 373,570,560 ordinary shares), being the number of ordinary shares in issue throughout the period.

(b) Diluted earnings per share

Diluted earnings per share is not presented as the Company does not have dilutive potential ordinary shares for both periods presented.

8 TRADE AND OTHER RECEIVABLES

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

	At 30 June 2025 \$'000	At 31 December 2024 \$'000
Current (not past due)	27,873	26,942
Less than 1 month past due	1,249	1,857
1 to 3 months past due	446	412
More than 3 months but less than 12 months past due	406	538
	<u>29,974</u>	<u>29,749</u>

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

Management has a credit policy in place and the exposure to this credit risk is monitored on an ongoing basis.

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

9 TRADE AND OTHER PAYABLES

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

	At 30 June 2025 \$'000	At 31 December 2024 \$'000
Current and less than 1 month past due	28,731	36,144
1 to 3 months past due	6	15
3 to 6 months past due	6	7
More than 6 months past due	2	—
	<u>28,745</u>	<u>36,166</u>

The general credit terms provided by suppliers are one to two months from the invoice date. Therefore, the current and less than 1 month past due balances above are mostly aged within two to three months from the invoice date.

FINANCIAL RESULTS

San Miguel Brewery Hong Kong Limited (the “Company”) and its subsidiaries (the “Group”) registered a consolidated profit of HK\$51.1 million in the first semester of 2025, reflecting a 33% increase from HK\$38.5 million in 2024. As a result, net profit attributable to equity shareholders for 2025 rose to HK\$49.6 million, up from HK\$37.6 million the previous year.

The Group’s consolidated revenue was HK\$390.3 million, 3.2% higher than in 2024. Gross profit reached HK\$155.7 million, a 11.6% increase versus 2024, with a gross profit margin of 39.9%.

As of 30 June 2025, cash and bank balances amounted to HK\$249.6 million (HK\$216.5 million as of 31 December 2024).

Loans as of 30 June 2025 was at HK\$3.6 million (HK\$3.5 million as of 31 December 2024). Total net assets stood at HK\$668.6 million (HK\$634.8 million as of 31 December 2024), with a loan-to-equity ratio of 0.01 (31 December 2024: 0.01).

DIVIDENDS

The Board resolved that no dividends will be declared for the six months ended 30 June 2025.

BUSINESS REVIEW

Hong Kong Operations

Hong Kong’s economy recorded moderate growth in the first quarter of 2025, with real GDP rising by 3% year-on-year, largely driven by robust external demand. However, private consumption contracted by 1%, reflecting structural shifts in consumer behavior influenced by changing tourism patterns, cross-border retail competition, and evolving lifestyle preferences. Retail sales continued to decline, falling by 4% over the first five months of the year, underscoring persistent weakness in domestic demand.

The Company’s total domestic volumes declined by 4% in the first half of the year, broadly in line with the beer industry’s contraction of 4%. However, strong growth in export volumes drove a 14% increase in overall volumes. Operating profit saw substantial growth, supported by increased volumes, better export margins, reduced fixed costs, and higher leasing income.

San Miguel Pale Pilsen (SMPP) launched its ‘So Hong Kong, So San Miguel’ television commercial in February to strengthen its long history of connection with the local market and boost brand visibility. To drive volume growth, the company implemented a series of promotional activities, including gift-with-purchase (GWP) offers in convenience stores, redemption programs targeting Chinese restaurants and provision stores, and a market-wide promotional campaign.

Meanwhile, the ‘Feel Light, Feel Good’ television commercial for San Mig Light (SML) continued airing on Now TV and during English Premier League (EPL) broadcasts, reinforcing brand presence. In April, the brand introduced limited-edition cans in major retail chains to boost consumer engagement. Additional promotional activities included gift-with-purchase (GWP) offers in convenience stores, and a 12-can gift pack promotion in supermarkets.

The Company rolled out the San Miguel Cerveza Blanca x San Miguel Cerveza Negra social media campaign, featuring collaborations with local artists and key opinion leaders (KOLs) to improve brand awareness, alongside a foodies promotion to drive volume in on-premise outlets.

Various consumer promotions were also implemented at supermarkets and convenience stores for other San Miguel brands, as well as for Kirin and Blue Ice brands.

South China Operations

China’s economy expanded by 5% in the first quarter of 2025, driven by a rebound in domestic consumption, increased local government investment, and robust exports, continuing the momentum from late 2024.

San Miguel (Guangdong) Brewery Co., Ltd. (“SMGB”) registered a 3% increase in domestic sales volume during the first half of 2025. However, export volume declined by 3%, as some overseas customers opted to source from San Miguel breweries outside Mainland China. Despite this, SMGB posted an operating profit of RMB16.9 million for the period, representing a 23% year-on-year increase. The improvement was driven by the growth in domestic volume, along with higher margins for both domestic and export volume due to a more favourable domestic sales mix and lower variable costs. These gains more than offset the drop in export volume.

SMPP introduced an ad hoc gift redemption promotion for its big bottle variant in the wholesale channel to drive volume growth. In May, a market-wide campaign featuring both SMPP and SML brands was launched, running through September, aimed at boosting brand sales across all regions and channels. The initiative was backed by merchandising in 1,150 outlets, promotional messaging on select packaging, and a KOL-driven social media push.

San Miguel and Dragon Chinese New Year-themed campaigns were implemented from mid-December 2024 to February 2025, supported by stacking displays and merchandising across 500 retail outlets.

In February, SMGB launched the Dragon Yue X 500ml can to strengthen its presence in the off-premise channel. The rollout was supported by an under-the-crown consumer promotion, sales incentive programs for wholesalers and retail outlets, and a KOL campaign across TikTok, WeChat Video, and Rednote social media platforms.

The company also introduced locally-produced Red Horse 500ml cans in 12-packs in April, with listing in 70 outlets and on the Jingdong online-selling platform, supported by a new set of merchandising materials.

OUTLOOK

Looking ahead, we remain cautiously optimistic about the prospects for sustained growth across our key markets. While economic indicators in Hong Kong and South China suggest continued recovery, we are mindful of the challenges that persist, including tight financial conditions, evolving consumer behavior, and geopolitical uncertainties that may impact both domestic demand and export performance.

Our strategic focus remains on strengthening brand equity, enhancing operational efficiency, and deepening consumer engagement through targeted sales and marketing initiatives. To stabilize sales volume and improve profitability, we will continue to closely monitor market conditions and implement strategies that will support volume recovery in Hong Kong, sustain domestic volume growth in South China, manage costs effectively, and drive overall performance.

We extend our sincere gratitude to our employees for their dedication and perseverance, to the members of our Board for their valuable guidance, and most importantly, to our shareholders, consumers, customers, and business partners for their continued support.

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

There was no purchase, sale or redemption by the Company or any of its subsidiaries of its listed securities during the six months ended 30 June 2025.

CORPORATE GOVERNANCE

The Company has applied the principles set out in the Corporate Governance Code (the “CG Code”) as contained in Appendix C1 of the Listing Rules during the six months ended 30 June 2025, save for the deviation discussed below:

- The Company will be scheduling the board and other meetings in respect of CG Code provisions C.5.1 and C.2.7 for the rest of the year.

PUBLICATION OF DETAILED INTERIM RESULTS

A detailed results announcement containing all the information required by the Listing Rules will be published on the website of The Stock Exchange of Hong Kong Limited at *www.hkex.com.hk* and the Company’s website at *info.sanmiguel.com.hk* in due course.

By order of the Board
Ramon S. Ang
Chairman

Hong Kong, 28 July 2025

As at the date of this announcement, the Board of the Company comprises the executive director, Mr. Chan Weng Kheong, the non-executive directors, Mr. Ramon S. Ang (Chairman), Mr. Carlos Antonio M. Berba (Deputy Chairman), Ms. Aurora T. Calderon, Ms. May (Michelle) W. M. Chan, Mr. Yoshinori Inazumi, Mr. Katsuhisa Nose and Mr. Fumiaki Ozawa; and the independent non-executive directors, Mr. Thelmo Luis O. Cunanan, Dr. the Hon. Sir David K. P. Li, Mr. Reynato S. Puno and Ms. Maria Aileen A. Sazon.