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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 the 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 SHARE ISSUANCE AND GRANT OF ANNUAL MANDATE
TO ISSUE SHARES UNDER SHARE AWARD SCHEMES
TO NON-CONNECTED PARTICIPANTS
AND
CONNECTED TRANSACTIONS IN RELATION TO PROPOSED
SHARE ISSUANCE AND GRANT OF ANNUAL MANDATE
TO ISSUE SHARES UNDER SHARE AWARD SCHEMES
TO CONNECTED PARTICIPANTS
AND
NOTICE OF ANNUAL GENERAL MEETING**

The notice convening the Annual General Meeting of Budweiser Brewing Company APAC Limited to be held at Concord Room and Oasis Room, 8th Floor, Renaissance Harbour View Hotel Hong Kong, 1 Harbour Road, Wan Chai, Hong Kong on Friday, 30 April 2021 at 12:00 noon 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 12:00 noon on Wednesday, 28 April 2021 (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 in person at the Annual General Meeting 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>).

Precautionary measures for the Annual General Meeting

Taking into account the recent developments of the coronavirus disease 2019 (COVID-19), the Company will implement the following prevention and control measures at the Annual General Meeting to safeguard the health and safety of the Shareholders attending the Annual General Meeting:

1. Compulsory body temperature check will be conducted for every Shareholder or proxy at the entrance of the venue. Any person with a body temperature of over 37.3 degrees Celsius will not be admitted to the venue.
2. Every Shareholder or proxy is required to wear a surgical face mask throughout the meeting.
3. No refreshments will be served and no corporate gifts will be distributed.

Shareholders, particularly those who are subject to quarantine in relation to COVID-19, are reminded that they may appoint any person or the chair of the Annual General Meeting as a proxy to attend and vote at the Annual General Meeting, instead of attending and voting in person.

29 March 2021

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LETTER FROM THE BOARD



Budweiser Brewing Company APAC Limited

百威亞太控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1876)

Executive Director:

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

Non-executive Directors:

Carlos BRITO (*Co-Chair of the Board*)
Katherine BARRETT (Mr. John BLOOD
as her alternate)
Nelson JAMEL (Mr. David ALMEIDA
as his alternate)

Independent Non-executive Directors:

Martin CUBBON
Mun Tak Marjorie 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 2021

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 SHARE ISSUANCE AND GRANT OF ANNUAL MANDATE
TO ISSUE SHARES UNDER SHARE AWARD SCHEMES
TO NON-CONNECTED PARTICIPANTS
AND
CONNECTED TRANSACTIONS IN RELATION TO PROPOSED
SHARE ISSUANCE AND GRANT OF ANNUAL MANDATE
TO ISSUE SHARES UNDER SHARE AWARD SCHEMES
TO CONNECTED PARTICIPANTS
AND
NOTICE OF ANNUAL GENERAL MEETING**

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, 30 April 2021 at 12:00 noon.

LETTER FROM THE BOARD

2. PROPOSED RE-ELECTION OF DIRECTORS

In accordance with Article 84 of the Articles of Association, Ms. Katherine Barrett (“**Ms. Barrett**”), Mr. Nelson Jamel (“**Mr. Jamel**”) and Mr. Martin Cubbon (“**Mr. Cubbon**”) 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.

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 Ms. Barrett, Mr. Jamel and Mr. Cubbon.

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 15 May 2020, 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).

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.

LETTER FROM THE BOARD

4. PROPOSED GRANT OF GENERAL MANDATE TO ISSUE SHARES

At the annual general meeting of the Company held on 15 May 2020, 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 SHARE ISSUANCE AND 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 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).

LETTER FROM THE BOARD

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. It is therefore proposed at the Annual General Meeting that ordinary resolutions will be presented to the Shareholders to approve:

- (i) the Non-Connected Share Issuance to allot and issue 5,982,478 new Shares to the Trustee for the satisfaction of RSUs and Locked-up Shares granted to the Non-Connected Participants as of 31 December 2020 upon vesting, representing approximately 0.05% of the total issued share capital of the Company as at the Latest Practicable Date; and
- (ii) 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.

Non-Connected Share Issuance

The Company refers to the Grant Announcements. As of 31 December 2020, the Company granted a total of 22,082,478 RSUs and Locked-up Shares to Non-Connected Participants.

The Trustee holds a total of 23,000,000 Shares pursuant to the Share Award Schemes, of which 16,100,000 Shares are held on behalf of Non-Connected Participants. The Company proposes to allot and issue 5,982,478 new Shares to the Trustee for the satisfaction of RSUs and Locked-up Shares upon vesting that have already been granted to the Non-Connected Participants as of 31 December 2020.

The new Shares to be issued and allotted by the Company to the Trustee under the Non-Connected Share Issuance represent approximately 0.05% of the Company's total issued share capital as at the Latest Practicable Date. The new Shares under the Non-Connected Share Issuance, when issued and fully paid, will rank *pari passu* among themselves and with those Shares in issue, with the right to receive all dividends and other distributions declared, made or paid on or after the date of allotment. The Trustee shall not exercise the voting rights in respect of any Shares held in trust.

The Company has not engaged in any fundraising activities by any issue of Shares in the 12 months immediately preceding the Latest Practicable Date.

LETTER FROM THE BOARD

Non-Connected Share Award Annual Mandate

In addition to the Non-Connected Share Issuance, the Company also 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 9 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 Issuance and 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 items 8 and 9 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, 138,416,448 new Shares under the Non-Connected Share Issuance and 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, Lock-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.

LETTER FROM THE BOARD

6. CONNECTED TRANSACTIONS RELATING TO PROPOSED SHARE ISSUANCE AND 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, nine of them are defined as Connected Participants. The Connected Participants include Jan Craps, the Co-Chair and Executive Director of the Company, and certain other employees of the Group who also hold positions as a director of one or more of the subsidiaries of the Company (excluding those employees who only hold director positions in an insignificant subsidiary).

Proposed Connected Transactions

It will be proposed at the Annual General Meeting that ordinary resolutions will be presented to the Shareholders to approve:

- (i) the Connected Share Issuance to allot and issue 12,348,432 new Shares to the Trustee for the satisfaction of RSUs and Locked-up Shares granted to the Connected Participants as of 31 December 2020 upon vesting, representing approximately 0.09% of the total issued share capital of the Company as at the Latest Practicable Date; and
- (ii) the Connected Share Award Annual Mandate to allot and issue up to a maximum of 8,998,634 Shares for potential grants of RSUs and Locked-up Shares under the Share Award Schemes as described below, representing approximately 0.07% of the total issued share capital of the Company as at the Latest Practicable Date.

Connected Share Issuance

As of 31 December 2020, the Company granted a total of 19,248,432 RSUs and Locked-up Shares to Connected Participants. Such grants to the Connected Participants were approved by the Board upon the recommendation of the Remuneration Committee to reflect the contribution of the Connected Participants to the Group. Further details of the grants of RSUs and Locked-up Shares to Connected Participants are set out in the Grant Announcements.

The Trustee holds 6,900,000 Shares on behalf of Connected Participants. The Company proposes to allot and issue 12,348,432 new Shares to the Trustee for the satisfaction of RSUs and Locked-up Shares granted to the Connected Participants as of 31 December 2020 upon vesting.

LETTER FROM THE BOARD

Details of the Connected Participants and the RSUs and Locked-up Shares granted to them (including certain RSU dividend equivalent entitlements to each of them) for which new Shares are proposed to be allotted and issued under the Connected Share Issuance are as follows:

	Relationship with the Group	Number of Shares underlying the RSUs and Locked-up Shares granted	Approximate % of total issued share capital of the Company
Mr. Jan Craps	Co-Chair and Executive Director	7,559,966	0.06
Mr. Martin Cubbon	Independent Non- executive Director	68,063	0.00
Ms. Mun Tak Marjorie Yang	Independent Non- executive Director	54,538	0.00
Ms. Katherine King-suen Tsang	Independent Non- executive Director	54,538	0.00
Other Connected Participants ^(Note)	Directors of certain subsidiaries of the Group	4,611,327	0.03
Total mandate for the Connected Share Issuance:		<u>12,348,432</u>	<u>0.09</u>

Note: The other Connected Participants are Mr. Wang Renrong (Frank), Mr. Frederico Freire Jardim and Mr. Guilherme Strano Castellan, and the number of new Shares proposed to be issued in respect of the Connected Share Issuance underlying the RSUs and Locked-up Shares for each of them are 735,197, 1,859,684 and 2,016,446, respectively.

LETTER FROM THE BOARD

The new Shares to be allotted and issued by the Company to the Trustee under the Connected Share Issuance represent approximately 0.09% of the Company's total issued share capital as at the Latest Practicable Date. The new Shares under the Connected Share Issuance, when issued and fully paid, will rank *pari passu* among themselves and with those Shares in issue, with the right to receive all dividends and other distributions declared, made or paid on or after the date of allotment. The Trustee shall not exercise the voting rights in respect of any Shares held in trust.

The Company has not engaged in any fundraising activities by any issue of Shares in the 12 months immediately preceding 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 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 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.

LETTER FROM THE BOARD

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.

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 8,998,634, 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\$23.55 per Share, being the closing price of a Share on 3 March 2021; (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 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.

LETTER FROM THE BOARD

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:

	Relationship with the Group	Maximum number of Shares underlying the RSUs and Locked-up Shares that could to be granted	Approximate % of total issued share capital of the Company (assuming the maximum number of Shares will be issued) %
Mr. Jan Craps	Co-Chair and Executive Director	3,690,532	0.03
Mr. Martin Cubbon	Independent Non- executive Director	77,106	0.00
Ms. Mun Tak Marjorie Yang	Independent Non- executive Director	61,783	0.00
Ms. Katherine King-suen Tsang	Independent Non- executive Director	61,783	0.00
Other Connected Participants ^(Note)	Directors of certain subsidiaries of the Group	5,107,430	0.04
Total:		<u>8,998,634</u>	<u>0.07</u>

Note: The other Connected Participants are Mr. Ignacio Lares, Mr. Craig Katerberg, Mr. Zhen Zhou (Luke), Mr. Ben Verhaert and Mr. Yanjun Cheng. The maximum number of new Shares which may be issued under the Connected Share Award Annual Mandate and only upon the recommendation of the Remuneration Committee and approval by the Board, is 1,021,486 for each of the other Connected Participants.

LETTER FROM THE BOARD

Listing Rules Implications

The Connected Share Issuance and 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.

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 Issuance and 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 Issuance and the Connected Share Award Annual Mandate. Accordingly no other Shareholder is required to abstain from voting on the relevant resolutions on the Connected Share Issuance and 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 Martin Cubbon, Marjorie Yang and Katherine Tsang are Connected Participants, the Company is of the view that they are regarded as having a material interest in the Connected Share Issuance and 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 21,347,066 new Shares under the Connected Share Issuance and 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 (i) the Non-Connected Share Issuance and Connected Share Issuance and (ii) the Non-Connected Share Award Annual Mandate and Connected Share Award Annual Mandate, assuming (a) the Non-Connected Share Award Annual Mandate and Connected Share Award Annual Mandate are used in full and (b) there will be no change in the issued share capital of the Company between the Latest Practicable Date and the date of issuance.

LETTER FROM THE BOARD

	As at the Latest Practicable Date	Approximate percentage Shareholding	Non-Connected Share Issuance and Connected Share Issuance	Shareholding post issuance	Approximate percentage Shareholding	Non-Connected Share Award Annual Mandate and Connected Share Award Annual Mandate	Shareholding post issuance	Approximate percentage Shareholding
AB InBev Non-connected	11,550,938,000	87.22%	-	11,550,938,000	87.10%	-	11,550,938,000	86.18%
Trust	16,100,000	0.12%	5,982,478	22,082,478	0.17%	132,443,970	154,526,448	1.15%
Connected Trust	6,900,000	0.05%	12,348,432	19,248,432	0.14%	8,998,634	28,247,066	0.21%
Public Shareholders	1,669,459,000	12.61%	-	1,669,459,000	12.59%	-	1,669,459,000	12.46%
Total Shares	13,243,397,000	100.00%	-	13,261,727,910	100.00%	-	13,403,170,514	100.00%

The Company will monitor the public float position of the Company. If any proposed share issuance in respect of the Connected Share Issuance or 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\$2.83 cents per Share for the year ended 31 December 2020. 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\$375 million.

The proposed 2020 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 2020 final dividend is expected to be distributed to Shareholders on *23 June 2021*. 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.

LETTER FROM THE BOARD

9. ANNUAL GENERAL MEETING AND PROXY ARRANGEMENT

The notice of the Annual General Meeting is set out on pages 47 to 52 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. 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.

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 12:00 noon on Wednesday, 28 April 2021 (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 if you so wish.

10. 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 Monday, 26 April 2021 to Friday, 30 April 2021, 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 Friday, 23 April 2021.

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 Thursday, 20 May 2021 to Monday, 24 May 2021, 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, 18 May 2021.

LETTER FROM THE BOARD

11. RECOMMENDATION

The Directors consider that the proposed re-election of retiring Directors and the granting of the Share Repurchase Mandate, the General Issuance Mandate, the Non-Connected Share Issuance and the Non-Connected Share Award Annual Mandate 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 proposed ordinary resolutions at the Annual General Meeting.

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

Your attention is drawn to the letter from Independent Financial Advisor, which contains its advice to the Independent Shareholders in relation to the Connected Share Issuance and 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 Independent Financial Advisor is set out on pages 15 to 30 of this circular.

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

LETTER FROM THE INDEPENDENT FINANCIAL ADVISOR

Set out below is the text of the letter from Independent Financial Advisor to the Independent Shareholders in respect of the connected transactions in relation to proposed share issuance and grant of annual mandate to issue Shares under the 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 2021

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 TRANSACTIONS IN RELATION TO
PROPOSED SHARE ISSUANCE AND 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 Issuance, particulars of which are set out in the “Letter from the Board” contained in the circular of the Company dated 29 March 2021 (the “**Circular**”) of which this letter forms part. The Company proposes to seek approval at the Annual General Meeting to allot and issue 12,348,432 new Shares to the Trustee for the satisfaction of RSUs and Locked-up Shares granted to the Connected Participants as of 31 December 2020 upon vesting, representing approximately 0.09% of the total issued share capital of the Company as at the Latest Practicable Date. The Company also 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 8,998,634 Shares for potential grants of RSUs and Locked-up Shares under the Share Award Schemes, representing approximately 0.07% of the total issued share capital of the Company as at the Latest Practicable Date.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISOR

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

IMPLICATIONS UNDER THE LISTING RULES

The Connected Share Issuance and the Connected Share Award Annual Mandate constitute a connected transaction of the Company, which are 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 0.05% of the Shares in issue as at the Latest Practicable Date) are required to abstain from voting on the relevant resolutions at the Annual General Meeting to approve the Connected Share Issuance and 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. Mun Tak Marjorie 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 Issuance and 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 Issuance and the Connected Share Award Annual Mandate are in the ordinary and usual course of business of the Group and are on normal commercial terms, and are fair and reasonable and in the interests of the Company and the Shareholders as a whole; (ii) how to vote in respect of the relevant resolutions to be proposed at the Annual General Meeting.

We have not acted as an independent financial adviser for any transaction of the Company in the last two years prior to the date of the Circular. Pursuant to Rule 13.84 of the Listing Rules, and given that the remuneration for our engagement to opine on the Connected Share Issuance and the Connected Share Award Annual Mandate is at market level and not conditional upon successful passing of the relevant resolutions 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).

LETTER FROM THE INDEPENDENT FINANCIAL ADVISOR

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 2019 (the “**2019 Annual Report**”); (iv) the final results announcement of the Company for the year ended 31 December 2020 (the “**2020 Annual Results**”); and (v) the Grant Announcements. 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

The Company is the largest beer company in Asia Pacific and the leader in premium and super premium beer segments with over 600 years of brewing history. 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.

As set out in the 2020 Annual Results, the Group’s top-line performance during the year ended 31 December 2020 was highly sensitive to COVID-19 related restrictions on its sales channels, especially the premium on-premise channel where it has a strong position in its key markets.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISOR

The Group's total sales volumes decreased by approximately 12.1% for the year ended 31 December 2020 as compared to the corresponding year in 2019. In the fourth quarter of 2020, the Group's sales volumes decreased by approximately 2.6% as growth in China was offset by the continued impact from the COVID-19 pandemic in South Korea and India. In particular, as set out in the 2020 Annual Results, the Group delivered its highest summer volumes ever during May through August 2020 as a result of effective commercial actions, and finished the fourth quarter of 2020 with a volume growth and a market share gain.

Though the continuous COVID-19 pandemic in the APAC region had continued to affect the Group's business during much of 2020 and the first quarter of 2021, the Management also observed that the recovery of China had been encouraging during 2020. The Group's commercial investments were adapted to deliver a successful Chinese New Year campaign in view of the sporadic COVID-19 outbreaks in the north and northeast regions of China in December 2020 and January 2021. Given the number of daily new cases of COVID-19 in South Korea had trended downward and restrictions were eased in February 2021 as compared to December 2020, the Group also put in place commercial plans to prepare for the potential recovery of the overall economy and industry in South Korea.

Although the COVID-19 pandemic continues to present uncertainties in 2021, the Management believes that the Group's strong foundation, deliberate strategic focus and effective commercial actions will drive continued improvement of its business across markets in Asia Pacific in 2021. Hence, in achieving the Group's growth and to navigate the Group through the pandemic ridden market, it is essential to retain valuable talents and senior leaders instrumental.

2. Reasons for and benefits of the Share Award Schemes, the Connected Share Issuance 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.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISOR

To this end, the Company had adopted five Share Award Schemes, namely (i) the New Restricted Stock Units Plan adopted on 25 November 2020; (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, each of which was approved on 9 September 2019. For the key terms of (i) the New Restricted Stock Units Plan, please refer to the Company's announcement dated 26 November 2020; and (ii) the rest of the Share Award Schemes, please refer to the paragraph headed "D. SHARE AWARD SCHEMES" under Appendix V to the Prospectus.

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, nine of them are defined as Connected Participants, including Mr. Jan Craps, the Co-Chair and Executive Director of the Company, and Mr. Martin Cubbon, Ms. Mun Tak Marjorie Yang and Ms. Katherine King-suen Tsang, the independent non-executive Directors of the Company, and certain other employees of the Group who also hold positions as a director of one or more of the subsidiaries of the Company (excluding those employees who only hold director positions in an Insignificant Subsidiary).

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 hence the consequent Connected Share Issuance and Connected Share Award Annual Mandate, are in the interests of the Company and the Shareholders as a whole.

3. Connected Share Issuance

3.1 Background of the Connected Share Issuance

As of 31 December 2020, the Company granted a total of 19,248,432 RSUs and Locked-up Shares to Connected Participants under the Share Award Schemes (the "**Connected Grants**"). Such grants to the Connected Participants were approved by the Board upon the recommendation of the Remuneration Committee to reflect the contribution of the Connected Participants to the Group. Further details of the grants of RSUs and Locked-up Shares to Connected Participants are set out in the Grant Announcements.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISOR

Details of the Connected Participants and the RSUs and Locked-up Shares granted to them (including certain RSU dividend equivalent entitlements to each of them) for which new Shares are proposed to be allotted and issued under the Connected Share Issuance are as follows:

	Relationship with the Company	Number of Shares underlying the RSUs and Locked-up Shares granted	Approximate % of total issued share capital of the Company
Mr. Jan Craps	Co-chair and executive Director	7,559,966 ^(Note 1)	0.06%
Mr. Martin Cubbon	Independent non-executive Director	68,063	0.0005%
Ms. Mun Tak Marjorie Yang	Independent non-executive Director	54,538	0.0004%
Ms. Katherine King-suen Tsang	Independent non-executive Director	54,538	0.0004%
Other Connected Participants ^(Note 2)	Directors of certain subsidiaries of the Company	4,611,327	0.03%
Total mandate for the Connected Share Issuance:		12,348,432	0.09%

Notes:

- None of the Shares granted to Mr. Jan Craps was reflected in Mr. Jan Craps' remuneration for the year ended 31 December 2019 as set out under note 33 to the consolidated financial statements contained in the 2019 Annual Report.
- The other Connected Participants are Mr. Wang Renrong (Frank), Mr. Frederico Freire Jardim and Mr. Guilherme Strano Castellan, and the number of new Shares proposed to be issued in respect of the Connected Share Issuance underlying the RSUs and Locked-up Shares for each of them are 735,197, 1,859,684 and 2,016,446, respectively.

As the Trustee currently holds 6,900,000 Shares on behalf of the Connected Participants, the Company proposes to allot and issue an additional 12,348,432 new Shares to the Trustee for the satisfaction of RSUs and Locked-up Shares that have already been granted to the Connected Participants as of 31 December 2020 upon vesting. The new Shares to be allotted and issued by the Company to the Trustee under the Connected Share Issuance represent approximately 0.09% of the Company's total issued share capital.

We noted that the proposed Connected Share Issuance represents the exact number of Shares required to cover and satisfy the Connected Grants taking into account the number of Shares currently held by the Trustee on behalf of the Connected Participants.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISOR

In addition, we noted that under the Share Award Schemes, the Company may allot and issue Shares to the Trustee which will be used to satisfy the grants under the Share Award Schemes, and/or direct and procure the Trustee to make on-market purchases of Shares to satisfy the grants under the Share Award Schemes. In the latter case, the Board will have to provide sufficient funds to the Trustee to the extent permitted by applicable laws. For illustrative purpose, based on the closing price of a Share of HK\$23.65 as at the Latest Practicable Date, the total funds and cash outlay required for on-market purchase to satisfy the Connected Grants amounted to approximately HK\$292.0 million. Notwithstanding the relatively insignificant dilution impact that the Connected Share Issuance may have on the Independent Shareholders, having considered the significant amount of funding and cash outlay required to perform on-market purchase based on the closing price of the Shares as at the Latest Practicable Date, in order to satisfy the Connected Grants and make up for the shortfall of Shares currently held by the Trustee, we are of the view that the Connected Share Issuance, on balance, is in the interests of the Company and the Shareholders as a whole.

3.2 Basis of the Connected Share Issuance

We noted from the Rules that the Board may (or delegate part or all of its powers under the Share Award Schemes to the Remuneration Committee), from time to time, at its absolute discretion to grant, or offer to grant, RSUs, Locked-up Shares or Share Options to eligible employees. Such eligible employees also include the Connected Participants.

Furthermore, we also noted that any grants or offers to grant to Connected Participants under the Share Award Schemes will be subject to the prior approval of the independent non-executive Directors (excluding the independent non-executive Director who is the proposed grantee for the grant in question), and will be subject to compliance with the relevant laws and regulations.

After our discussion with the Management and review of (i) the Rules; and (ii) internal policy regarding the Share Award Schemes, we noted that the grants are made upon the satisfaction of key financial performance targets for the Group, as well as the satisfaction of individual performance targets for each Connected and Non-Connected Participants that were set from time to time. We also noted that such performance targets for Connected Participants were identical or no more favourable than those for Non-Connected Participants. As the bases for grants or offers to grant are consistently and objectively applied to both the Connected Participants and Non-Connected Participants, and the Connected Share Issuance represents the exact number of Shares required to cover and satisfy the Connected Grants taking into account the number of Shares currently held by the Trustee on behalf of the Connected Participants, we are of the view that the Connected Share Issuance is fair and reasonable as far as the Independent Shareholders are concerned.

3.3 Section summary

Having considered (i) the number of Shares under the proposed Connected Share Issuance represents the exact number of Shares required to satisfy the Connected Grants; (ii) the basis of grants or offers to grants under the Share Award Schemes applicable to Connected Participants are identical to and no more favourable to those applicable to the Non-Connected Participants; (iii) 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 (iv) the Connected Grants and Connected Issuance form part of the Group's remuneration package to drive sustainable growth as set out in the paragraph headed "2. Reasons for and benefits of the Share Award Schemes, the Connected Share Issuance and the Connected Share Award Annual Mandate" above, we are of the view that the Connected Share Issuance is in the ordinary and usual course of business of the Group and is on normal commercial terms, and is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

4. Connected Share Award Annual Mandate

4.1 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 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.

4.2 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.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISOR

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.

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;
 - (2) who have made a significant contribution in relation to acquisitions and/or the achievement of integration benefits; or
 - (3) to incentivise and retain senior leaders who are considered to be instrumental in achieving the Company's ambitious short or long-term growth agenda.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISOR

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 8,998,634, 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\$23.55 per Share, being the closing price of a Share on 3 March 2021; (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 be 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.

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 the 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.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISOR

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

	Relationship with the Company	Maximum number of Shares underlying the RSUs and Locked-up Shares that could to be granted	Approximate % of total issued share capital of the Company assuming the maximum number of Shares has been issued
Mr. Jan Craps	Co-chair and executive Director	3,690,532	0.03%
Mr. Martin Cubbon	Independent non-executive Director	77,106	0.0006%
Ms. Mun Tak Marjorie Yang	Independent non-executive Director	61,783	0.0005%
Ms. Katherine King-suen Tsang	Independent non-executive Director	61,783	0.0005%
Other Connected Participants ^(Note)	Directors of certain subsidiaries of the Company	5,107,430	0.04%
Total:		<u>8,998,634</u>	<u>0.07%</u>

Note: The other Connected Participants are Mr. Ignacio Lares, Mr. Craig Katerberg, Mr. Zhen Zhou (Luke), Mr. Ben Verhaert and Mr. Yanjun Cheng, and the maximum number of new Shares which may be issued under the Connected Share Award Annual Mandate and only upon the recommendation of the Remuneration Committee and approval by the Board, is 1,021,486 for each of the other Connected Participants.

We noted that the maximum number of new Shares that could be granted in respect of the Connected Share Award Annual Mandate, being 8,998,634 Shares, represent an immaterial dilution impact to the Shareholders of approximately 0.07%, details of which are discussed further under the section headed “6.2 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.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISOR

As set out under the paragraph headed “4.1 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 APAC region’s potential recovery from COVID-19 pandemic as various vaccines begin their gradual 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.

4.3 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, the Connected Share Issuance 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 and is on normal commercial terms, and is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

5. Review of remuneration package

To further assess the reasonableness of the Connected Share Issuance and Connected Share Award Annual Mandate, we reviewed compensation data for 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, including China Resources Beer (Holdings) Company Limited and Tsingtao Brewery Co., Ltd.; and (ii) 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.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISOR

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, *inter alia*, (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;
- 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 package of directors and the chief executive officers of the MNCs are a reasonable benchmark for those of the Group.

The range of remuneration (including share-based payments, if any) for executive directors and chief executive officers of the Comparables ranged from nil to approximately US\$21.4 million, based on their respective latest annual reports. The remuneration package of the Company's executive Director, Mr. Jan Craps for the year ended 31 December 2019 (including share-based payments), amounted to approximately US\$3.0 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\$40,500 to US\$200,000, based on their respective latest annual reports. The remuneration package of the

LETTER FROM THE INDEPENDENT FINANCIAL ADVISOR

Company's independent non-executive Directors for the year ended 31 December 2019 ranged from US\$41,000 to US\$52,000, which is generally 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.

We have considered the Company's approach to the total compensation packages for the Other Connected Participants and noted that the total compensation packages for the Other Connected Participants are generally comparable to historical benchmarks for the Group, including those of Non-Connected Participants, indicating that the Other Connected Participants are not subject to treatment more favourable than Non-Connected Participants.

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 Issuance and Connected Share Award Annual Mandate are fair and reasonable as far as the Company and Independent Shareholders are concerned.

6. Potential impact of the Connected Share Issuance and the Connected Share Award Annual Mandate

6.1 Potential shareholding impact of the Connected Share Issuance

As set out under the section headed "3.1 Background of the Connected Share Issuance" in this letter, the Connected Share Issuance represents approximately 0.09% of the Company total number of issued Shares as at the Latest Practicable Date. As such, the potential shareholding impact and dilution to the Independent Shareholders' shareholding is insignificant.

6.2 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 0.07% 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 0.07%, 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.

6.3 Potential financial impact of the Connected Share Issuance

As extracted from the Group's annual report for the year ended 31 December 2019, 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, equity is increased by the amount of the proceeds received.

For illustrative purpose, regarding the Connected Grants, the Group had recorded US\$12 million as share-based payment expenses, which is immaterial compared to the Group's profit attributable to equity holdings of the Company of approximately US\$514 million for the year ended 31 December 2020. Moreover, the Management expects that there will be no material impact on the net asset value of the Company following the Connected Grants and the Connected Share Issuance.

6.4 Potential financial impact of the Connected Share Award Annual Mandate

For the accounting treatment of the Company's share-based payment, please refer to the paragraph headed "6.3 Potential financial impact of the Connected Share Issuance" above.

For illustrative purpose, assuming the full utilisation of the Connected Share Award Annual Mandate and the corresponding grants, the Group is expected to record US\$23 million as share-based payment expenses for the year ending 31 December 2021, assuming the grants are made in mid-2021 and the price of grant being HK\$23.55, being the lowest closing market price of a Share as of 3 March 2021. 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 Issuance and the Connected Share Award Annual Mandate is fair, reasonable and acceptable.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISOR

RECOMMENDATION

Having considered the above principal factors and reasons, we are of the view that the Connected Share Issuance and the Connected Share Award Annual Mandate are 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 resolutions to be proposed at the Annual General Meeting.

Yours faithfully,
For and on behalf of
Altus Capital Limited

Jeanny Leung
Executive Director

Charlotte Khoo
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 adviser or independent financial adviser in various corporate finance transactions.

Ms. Charlotte Khoo (“Ms. Khoo”) 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. Ms. Khoo has around 10 years of experience in corporate finance and advisory in Hong Kong, in particular, she has participated in sponsorship work for initial public offerings and acted as financial adviser or independent financial adviser in various corporate finance transactions. Ms. Khoo is a certified public accountant of the Hong Kong Institute of Certified Public Accountants.

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

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

(1) **KATHERINE BARRETT, NON-EXECUTIVE DIRECTOR**

Ms. Katherine Barrett, aged 50, was appointed as a Non-executive Director on 4 June 2020. Ms. Barrett has been the Global General Counsel at AB InBev since July 2019. Previously, she joined Anheuser-Busch Companies, LLC in January 2000 as an Associate General Counsel. Ms. Barrett was appointed as the Senior Associate General Counsel from January 2004 to December 2014. From January 2015 to June 2019, she was the Vice President, US General Counsel and Labor Relations of North America for AB InBev. Ms. Barrett received a Bachelor of Science from Saint Louis University and a Juris Doctorate from University of Arizona.

As at the Latest Practicable Date, Ms. Barrett was not interested in any shares of the Company within the meaning of Part XV of the SFO. The SFC has granted the Non-executive Directors of the Company 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 interests in AB InBev and Ambev as “associated corporations” (as defined in the SFO) of the Company. In addition, the Stock Exchange has granted to the Company a waiver from strict compliance with the requirement to disclose the disclosure of interests information in respect of the Non-executive Directors’ 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.

Pursuant to the letter of appointment entered into between the Company and Ms. Barrett on 4 June 2020, Ms. Barrett is appointed for a term of three years with effect from 4 June 2020 and not entitled to any Director’s fee. For the year ended 31 December 2020, Ms. Barrett did not receive any Director’s fee, salaries or other remuneration from the Company.

Save as disclosed above, Ms. Barrett (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 Ms. Barrett 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 Ms. Barrett that need to be brought to the attention of the Shareholders.

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

(2) NELSON JAMEL, NON-EXECUTIVE DIRECTOR

Mr. Nelson Jamel, aged 48, was appointed as a Non-executive Director on 4 June 2020. Mr. Jamel has been the Chief People Officer at AB InBev since April 2020. Previously, he was the Chief Financial Officer of Ambev from 2009 to 2015. He joined Ambev's board as an alternate director from April 2017 to May 2018 and has been re-designated as a director since May 2018. From 2016 to April 2020, he was the North America Finance and Solutions Vice President of AB InBev. Mr. Jamel received both his Bachelor's Degree and Master's Degree in production engineering from Universidade Federal do Rio de Janeiro.

As at the Latest Practicable Date, Mr. Jamel was not interested in any shares of the Company within the meaning of Part XV of the SFO. The SFC has granted the Non-executive Directors of the Company 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 interests in AB InBev and Ambev as "associated corporations" (as defined in the SFO) of the Company. In addition, the Stock Exchange has granted to the Company a waiver from strict compliance with the requirement to disclose the disclosure of interests information in respect of the Non-executive Directors' 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.

Pursuant to the letter of appointment entered into between the Company and Mr. Jamel on 4 June 2020, Mr. Jamel is appointed for a term of three years with effect from 4 June 2020 and not entitled to any Director's fee. For the year ended 31 December 2020, Mr. Jamel did not receive any Director's fee, salaries or other remuneration from the Company.

Save as disclosed above, Mr. Jamel (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. Jamel 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 Mr. Jamel that need to be brought to the attention of the Shareholders.

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

(3) MARTIN CUBBON, INDEPENDENT NON-EXECUTIVE DIRECTOR

Mr. Martin Cubbon, aged 63, was appointed as an Independent Non-executive Director on 2 July 2019.

Mr. Cubbon is a director of John Swire & Sons Limited with specific responsibility for “non-core” investment since July 2018, and a non-executive director of Swire Pacific Limited (太古股份有限公司), the shares of which are listed on the Stock Exchange (stock codes: 0019 and 0087) since November 2018. He is also the director of James Finlay Limited since July 2018.

Mr. Cubbon was a director of Swire Pacific Limited from September 1998 to September 2017, a director of the following companies the shares of which are listed on the Stock Exchange: Swire Properties Limited (太古地產有限公司) (stock code: 1972) from March 2000 to September 2017, Cathay Pacific Airways Limited (國泰航空有限公司) (stock code: 0293) from September 1998 to May 2009 and from January 2015 to September 2017, and a director of Hong Kong Aircraft Engineering Company Limited (香港飛機工程有限公司) (previous stock code: 0044; delisted now) from August 2006 to May 2009. Mr. Cubbon was Group Finance Director of Swire Pacific Limited from September 1998 to March 2009, the Chief Executive of Swire Properties Limited from June 2009 to December 2014, and Corporate Development and Finance Director of Swire Pacific Limited from January 2015 to September 2017.

Mr. Cubbon obtained a Bachelor’s Degree of Arts (Honors) in Economics from the University of Liverpool in Liverpool, the UK in July 1980. He is a member of the Institute of Chartered Accountants in England and Wales.

As at the Latest Practicable Date, Mr. Cubbon was interested in 68,063 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 Mr. Cubbon on 2 July 2019, Mr. Cubbon 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 his services as an Independent Non-executive Director, an additional fee of US\$18,750 for being the chair of the audit committee and meeting fees of US\$10,000 per annum for attending the relevant audit committee and nomination committee meetings. For the year ended 31 December 2020, Mr. Cubbon is entitled to receive directors’ fees of US\$104,000. His remuneration shall from time to time be reviewed by the Board and/or the Remuneration Committee and be determined with reference to his duties, responsibilities and performance.

Save as disclosed above, Mr. Cubbon (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. Cubbon 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 Mr. Cubbon 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 2020) 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:

Month	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
April 2020	22.55	18.00
May 2020	24.05	19.70
June 2020	25.65	21.70
July 2020	28.85	22.30
August 2020	28.20	25.35
September 2020	26.30	22.40
October 2020	26.10	22.25
November 2020	29.50	21.60
December 2020	28.40	24.20
January 2021	28.00	23.60
February 2021	28.00	23.60
March 2021 (<i>up to the Latest Practicable Date</i>)	24.60	22.40

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).

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	22,849,864 ⁽¹⁾	22,849,864 ⁽¹⁾	0.17
Martin Cubbon	Beneficial Owner	Nil	68,063 ⁽²⁾	68,063 ⁽²⁾	0.00
Marjorie Yang	Beneficial Owner	Nil	54,538 ⁽³⁾	54,538 ⁽³⁾	0.00
Katherine Tsang	Beneficial Owner	Nil	54,538 ⁽⁴⁾	54,538 ⁽⁴⁾	0.00

Notes:

- (1) Shares that may be delivered upon the exercise of 15,289,898 options and 7,559,966 RSUs.
- (2) Shares that may be delivered upon the exercise of 68,063 RSUs.
- (3) Shares that may be delivered upon the exercise of 54,538 RSUs.
- (4) Shares that may be delivered upon the exercise of 54,538 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	1,116,549 ⁽¹⁾	1,138,671	0.06

Note:

(1) Shares that may be delivered upon the exercise of 1,008,939 options and 107,610 RSUs of AB InBev.

Long Position in Shares of Ambev (Associated Corporation)

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 Ambev (%)
Jan Craps	Beneficial Owner	221,665	680,503 ⁽¹⁾	902,168	0.01

Note:

(1) Shares that may be issued upon the exercise of 544,120 options and 136,383 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.

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 will be required, pursuant to Section 352 of the SFO, to be recorded in the register kept by the Company, or (ii) 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 2020, 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. Carlos Brito serves as the Chief Executive Officer of AB InBev and the Co-Chair of the board and director 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 2020, 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:

Name	Qualification
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 2020 (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 2021 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.

7. DOCUMENT AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the office of Freshfields Bruckhaus Deringer at 55th Floor, One Island East, Taikoo Place, Quarry Bay, Hong Kong on any weekday, except Saturdays, Sundays and public holidays, from the date of this circular until the date of the Annual General Meeting.

- (a) this circular;
- (b) the Letter from the Independent Financial Advisor, the text of which is set out on pages 15 to 30 of this circular; and
- (c) the written consent from Independent Financial Advisor referred to in the section headed “EXPERT” in this appendix.

DEFINITIONS

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

“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)
“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 annual general meeting of the Company to be held at Concord Room and Oasis Room, 8th Floor, Renaissance Harbour View Hotel Hong Kong, 1 Harbour Road, Wan Chai, Hong Kong on Friday, 30 April 2021 at 12:00 noon, to consider and, if appropriate, to approve the resolutions contained in the notice of the meeting which is set out on pages 47 to 51 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">(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
“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

DEFINITIONS

“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
“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 11 in the notice of the Annual General Meeting
“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 proposed under the ordinary resolution contained in item 10 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
“Grant Announcements”	announcements of the Company dated 18 December 2019, 3 March 2020, 20 March 2020, 26 March 2020, 18 May 2020 and 15 December 2020 in relation to, among other things, the grant of RSUs and Locked-up Shares to participants under the Company’s Share Award Schemes
“Group”	the Company, together with its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

DEFINITIONS

“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 share issuance and 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 2021, 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
“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 9 in the notice of the Annual General Meeting

DEFINITIONS

“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 proposed under the ordinary resolution contained in item 8 in the notice of the Annual General Meeting
“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
“Share Award(s)”	Locked-up Share(s), RSU(s) and/or Share Option(s)
“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

DEFINITIONS

“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 in Hong Kong 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.

NOTICE OF ANNUAL GENERAL MEETING



Budweiser Brewing Company APAC Limited

百威亞太控股有限公司

(Incorporated in the 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 at Concord Room and Oasis Room, 8th Floor, Renaissance Harbour View Hotel Hong Kong, 1 Harbour Road, Wan Chai, Hong Kong on Friday, 30 April 2021 at 12:00 noon 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 2020.
2. To declare a final dividend of US\$2.83 cents per share for the year ended 31 December 2020.
3.
 - (a) To re-elect Ms. Katherine Barrett as Non-executive Director.
 - (b) To re-elect Mr. Nelson Jamel as Non-executive Director.
 - (c) To re-elect Mr. Martin Cubbon 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;

NOTICE OF ANNUAL GENERAL MEETING

(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

NOTICE OF ANNUAL GENERAL MEETING

- (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,

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).”

NOTICE OF ANNUAL GENERAL MEETING

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

“THAT a specific mandate be and is hereby granted to the board of directors to exercise all the powers of the Company to allot and issue and otherwise deal with 5,982,478 new shares to the trustee of 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**”) in relation to the grant of restricted share units (“**RSUs**”) and locked-up shares (“**Locked-up Shares**”) to the Non-Connected Participants (as defined in the Company’s circular dated 29 March 2021) 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;
- (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 2021), 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.”

NOTICE OF ANNUAL GENERAL MEETING

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

“THAT a specific mandate be and is hereby granted to the board of directors to exercise all the powers of the Company to allot and issue and otherwise deal with 12,348,432 new shares to the trustee of the Share Award Schemes in relation to the grant of RSUs and Locked-up Shares to the Connected Participants (as defined in the Company’s circular dated 29 March 2021) as and when the RSUs and Locked-up Shares vest.”

11. 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;
- (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 8,998,634 to the Connected Participants (as defined in the Company’s circular dated 29 March 2021), 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.”

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

Hong Kong, 29 March 2021

NOTICE OF ANNUAL GENERAL MEETING

Notes:

1. All resolutions at the meeting will be taken by poll (except where the chairman decides to allow a resolution relating to a procedural or administrative matter to be voted on by a show of hands) 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.
2. 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 in person or by proxy shall be entitled to one vote for each share held by him/her.
3. 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 12:00 noon on Wednesday, 28 April 2021 (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 in person at the meeting and, in such event, the instrument appointing a proxy shall be deemed to be revoked.
4. For determining the entitlement to attend and vote at the Annual General Meeting, the register of members of the Company will be closed from Monday, 26 April 2021 to Friday, 30 April 2021, 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 Friday, 23 April 2021.
5. 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 Thursday, 20 May 2021 to Monday 24 May 2021, 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 18 May 2021.
6. A circular containing further details concerning items 3, 5 to 11 set out in the above notice is sent to all shareholders of the Company.
7. References to time and dates in this notice are to Hong Kong time and dates.

PRECAUTIONARY MEASURES FOR THE ANNUAL GENERAL MEETING

HEALTH AND SAFETY MEASURES FOR THE ANNUAL GENERAL MEETING

Taking into account the recent developments of the coronavirus disease 2019 (COVID-19), the Company will implement the following prevention and control measures at the Annual General Meeting to safeguard the health and safety of the Shareholders attending the Annual General Meeting:

1. Compulsory body temperature check will be conducted for every Shareholder or proxy at the entrance of the venue. Any person with a body temperature of over 37.3 degrees Celsius will not be admitted to the venue.
2. Every Shareholder or proxy is required to wear a surgical face mask throughout the meeting.
3. No refreshments will be served and no corporate gifts will be distributed.

LIMITING ATTENDANCE IN PERSON AT THE ANNUAL GENERAL MEETING

Under the Prevention and Control of Disease (Prohibition on Group Gathering) Regulation (Chapter 599G of the Laws of Hong Kong) (the “**Regulation**”), group gatherings of more than 20 persons for a shareholders’ meeting are required to be accommodated in different rooms or partitioned areas, each accommodating not more than 20 persons.

To comply with the Regulation, the Company will limit attendance in person at the Annual General Meeting and Shareholders will be accommodated in separate meeting rooms with not more than 20 persons (including support staff) in each room. This arrangement takes into consideration the current COVID-19 situation and the requirement to keep appropriate social distancing for the health and safety of Shareholders and Company staff.

Since the Hong Kong Government will review the social distancing measures from time to time in accordance with the development of COVID-19 in Hong Kong, the number of persons allowed in the Annual General Meeting will be subject to the latest amendments to the Regulation (as announced by the Hong Kong Government from time to time).

Shareholders, particularly those who are subject to quarantine in relation to COVID-19, are reminded that they may appoint any person or the chair of the Annual General Meeting as a proxy to attend and vote at the Annual General Meeting, instead of attending and voting in person.

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>).

PRECAUTIONARY MEASURES FOR THE ANNUAL GENERAL MEETING

If Shareholders have any questions relating to the Annual General Meeting, please contact Computershare Hong Kong Investor Services Limited, the Company's branch share registrar in Hong Kong, as follows:

Computershare Hong Kong Investor Services Limited
17M Floor, Hopewell Centre
183 Queen's Road East
Wanchai, Hong Kong
Telephone: +852 2862 8555
Facsimile: +852 2865 0990
Website: www.computershare.com/hk/contact