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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)**

### **(1) PROPOSED SHARE ISSUANCE AND GRANT OF ANNUAL MANDATE TO ISSUE SHARES UNDER SHARE AWARD SCHEMES TO NON-CONNECTED PARTICIPANTS**

**AND**

### **(2) CONNECTED TRANSACTIONS IN RELATION TO PROPOSED SHARE ISSUANCE AND GRANT OF ANNUAL MANDATE TO ISSUE SHARES UNDER SHARE AWARD SCHEMES TO CONNECTED PARTICIPANTS**

#### **1. INTRODUCTION**

We refer to the Company's announcements 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 Lock-up Shares to participants under the Company's Share Award Schemes.

The Company announces that it proposes to seek approval from Shareholders at the Annual General Meeting to approve the following matters:

- (1) 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;
- (2) 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;

- (3) 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
- (4) 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.

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.

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

### **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.

## **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 in relation to the Non-Connected Share Award Annual Mandate, 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 in relation to the Non-Connected Share Issuance and the Non-Connected Share Award Annual Mandate.

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.

### **3. CONNECTED TRANSACTIONS RELATING TO PROPOSED SHARE ISSUANCE AND GRANT OF ANNUAL MANDATE TO ISSUE SHARES UNDER SHARE AWARD SCHEMES TO CONNECTED PARTICIPANTS**

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).

It will be proposed at the Annual General Meeting that ordinary resolutions will be presented to the Shareholders to approve the Connected Share Issuance and the Connected Share Award Annual Mandate.

#### **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.

The Connected Participants for which new Shares are proposed to be allotted and issued under the Connected Share Issuance upon vesting include (1) Jan Craps (Co-Chair and Executive Director) as to 7,559,966 Shares; (2) Mr. Martin Cubbon (Independent Non-executive Director) as to 68,063 Shares; (3) Ms. Mun Tak Marjorie Yang (Independent Non-executive Director) as to 54,538 Shares, (4) Ms. Katherine King-suen Tsang (Independent Non-executive Director) as to 54,538 Shares and (5) certain other Connected Participants who are directors of certain subsidiaries of the Group. 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.

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.

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.

The Connected Participants for which new Shares are proposed to be allotted and issued under 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 include (1) Jan Craps (Co-Chair and Executive Director) as to 3,690,532 Shares; (2) Mr. Martin Cubbon (Independent Non-executive Director) as to 77,106 Shares; (3) Ms. Mun Tak Marjorie Yang (Independent Non-executive Director) as to 61,783 Shares, (4) Ms. Katherine King-suen Tsang (Independent Non-executive Director) as to 61,783 Shares and (5) certain other Connected Participants who are directors of certain subsidiaries of the Group. 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.

## **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 Mr. Martin Cubbon, Ms. Marjorie Yang and Ms. Katherine Tsang are Connected Participants, the Company is of the view that they are regarded as having a material interest in the Connected Share 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.

#### 4. 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.

	As 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	11,550,938,000	87.22%	-	11,550,938,000	87.10%	-	11,550,938,000	86.18%
Non-connected Trust	16,100,000	0.12%	<b>5,982,478</b>	22,082,478	0.17%	<b>132,443,970</b>	154,526,448	1.15%
Connected Trust	6,900,000	0.05%	<b>12,348,432</b>	19,248,432	0.14%	<b>8,998,634</b>	28,247,066	0.21%
Public Shareholders	<u>1,669,459,000</u>	<u>12.61%</u>	<u>-</u>	<u>1,669,459,000</u>	<u>12.59%</u>	<u>-</u>	<u>1,669,459,000</u>	<u>12.46%</u>
Total Shares	<u><u>13,243,397,000</u></u>	<u><u>100.00%</u></u>	<u><u>-</u></u>	<u><u>13,261,727,910</u></u>	<u><u>100.00%</u></u>	<u><u>-</u></u>	<u><u>13,403,170,514</u></u>	<u><u>100.00%</u></u>

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.

#### 5. RECOMMENDATION

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 Directors consider that 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.

Altus Capital Limited has been appointed as the independent financial adviser to advise the Independent Shareholders in relation to the Connected Share Issuance and the Connected Share Award Annual Mandate.

## **6. ANNUAL GENERAL MEETING**

It is proposed that the Shareholders consider and, if thought fit, approve the Non-Connected Share Issuance, the Connected Share Issuance, the Non-Connected Share Award Annual Mandate and the Connected Share Award Mandate at the Annual General Meeting to be convened on Friday, 30 April 2021.

A circular containing, among other things, details of the foregoing matters together with the notice of the Annual General Meeting, the letter of advice from Altus Capital Limited to the Independent Shareholders and a form of proxy for use at the Annual General Meeting will be sent to the Shareholders on 29 March 2021.

## **7. 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.

## **8. INFORMATION ON THE GROUP**

Budweiser Brewing Company APAC Limited is the largest beer company in Asia Pacific. It is also leading the premium and super premium beer segments in Asia. The Company brews, imports, markets, distributes and sells a portfolio of more than 50 beer brands, which it owns or has licensed, including Budweiser®, Stella Artois®, Corona®, Hoegaarden®, Cass® and Harbin®. Its principal markets are China, South Korea, India and Vietnam. Budweiser Brewing Company APAC Limited is listed on the Hong Kong Stock Exchange and is a subsidiary of Anheuser-Busch InBev SA/NV. It is incorporated under the laws of the Cayman Islands with limited liability.



## 9. DEFINITIONS

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

“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, or any adjournment thereof
“Applicable Period”	the period from the Annual General Meeting to the earliest of: <ul style="list-style-type: none"><li>(i) the conclusion of the next annual general meeting of the Company;</li><li>(ii) the end of the period within which the Company is required by any applicable laws or by the bye-laws of the Company to hold the next annual general meeting of the Company; and</li><li>(iii) the variation or revocation of such mandate by an ordinary resolution of the Shareholders in a general meeting</li></ul>
“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
“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
“Director(s)”	the director(s) of the Company

“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
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“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 date of this announcement for ascertaining certain information in this announcement
“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
“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
“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
“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

“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
“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“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

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

Hong Kong, 26 March 2021

*As at the date of this announcement, the Board of Directors of the Company comprises Mr. Jan Craps as Co-Chair and Executive Director, Mr. Carlos Brito as Co-Chair and Non-executive Director, Ms. Katherine Barrett (Mr. John Blood as her alternate) and Mr. Nelson Jamel (Mr. David Almeida as his alternate) as Non-executive Directors, and Mr. Martin Cubbon, Ms. Mun Tak Marjorie Yang and Ms. Katherine King-suen Tsang as Independent Non-executive Directors.*