



# ASIA PACIFIC BREWERIES LIMITED

(Registration No. 193100007-k)  
(Incorporated in the Republic of Singapore)

## THIRD QUARTER FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2004

The Directors are pleased to make the following announcement of the unaudited results for the 3rd Quarter ended 30 June 2004:

### PART 1 - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF YEAR AND FULL YEAR RESULTS

1(a) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

#### 1(a)(i) PROFIT STATEMENT

	<b>Group</b>					
	3rd Quarter to 30/6/2004 \$'000	3rd Quarter to 30/6/2003 \$'000	Change %	9 Months to 30/6/2004 \$'000	9 Months to 30/6/2003 \$'000	Change %
Revenue	309,570	298,633	3.7	1,047,010	956,607	9.5
Cost of sales	(190,221)	(185,382)	2.6	(635,874)	(579,356)	9.8
Gross profit	119,349	113,251	5.4	411,136	377,251	9.0
(D) to (I) Operating expenses						
- Distribution	(8,653)	(8,817)	(1.9)	(30,699)	(27,215)	12.8
- Marketing	(56,561)	(64,811)	(12.7)	(171,845)	(183,267)	(6.2)
- Administration	(21,901)	(18,623)	17.6	(72,801)	(59,252)	22.9
	(87,115)	(92,251)	(5.6)	(275,345)	(269,734)	2.1
Trading profit	32,234	21,000	53.5	135,791	107,517	26.3
Share of joint venture and associated companies' profits	4,784	4,748	0.8	15,268	16,858	(9.4)
(A) Gross income from investments	950	785	21.0	3,157	2,160	46.2
Profit before interest, taxation and exceptional items	37,968	26,533	43.1	154,216	126,535	21.9
(B) & (C) Net interest income	798	1,216	(34.4)	2,820	3,376	(16.5)
Profit before taxation and exceptional items	38,766	27,749	39.7	157,036	129,911	20.9
(K) Exceptional items	484	446	8.5	(1,685)	214	NM
Profit before taxation	39,250	28,195	39.2	155,351	130,125	19.4
(J) Taxation	(11,976)	(10,808)	10.8	(43,321)	(35,839)	20.9
Profit after taxation	27,274	17,387	56.9	112,030	94,286	18.8
Minority interests, net of taxes	(7,211)	(5,685)	26.8	(30,199)	(25,057)	20.5
Attributable profit						
- Before exceptional items	19,534	11,399	71.4	83,343	69,122	20.6
- Exceptional items	529	303	74.6	(1,512)	107	NM
	20,063	11,702	71.4	81,831	69,229	18.2

NM - Not meaningful



1(a)(ii) **BREAKDOWN AND EXPLANATORY NOTES TO INCOME STATEMENT**

		<b>Group</b>					
		3rd Quarter to 30/6/2004 \$'000	3rd Quarter to 30/6/2003 \$'000	Change %	9 Months to 30/6/2004 \$'000	9 Months to 30/6/2003 \$'000	Change %
<b>Investment income</b>							
(A)	Gross income from investments	950	785	21.0	3,157	2,160	46.2
<b>(B) &amp; (C) Net interest income</b>							
	Interest income	1,076	1,737	(38.1)	4,081	5,026	(18.8)
	Interest expenses	(278)	(521)	(46.6)	(1,261)	(1,650)	(23.6)
		798	1,216	(34.4)	2,820	3,376	(16.5)
<b>Operating expenses</b>							
Included in operating expenses are:							
(D)	Depreciation & amortisation	(10,826)	(9,931)	9.0	(34,138)	(30,279)	12.7
(E)	Provision for doubtful debts & bad debts written off	(195)	(297)	(34.3)	(651)	(408)	59.6
(F)	Write-back/(off) for stock obsolescence	10	497	(98.0)	(372)	490	NM
(G)	Impairment in value of investments	-	-	-	-	-	-
(H)	Foreign exchange gain	353	1,777	(80.1)	515	3,293	(84.4)
(I)	(Loss)/profit on sale of investments, properties and plant & equipment	(561)	124	NM	(1,040)	293	NM
<b>Taxation</b>							
(J)	Over/(Under) provision of prior year taxation	222	(210)	NM	2,163	4,312	(49.8)
<b>(K) Exceptional items</b>							
	Gain on disposal of subsidiary	1,770	-	NM	1,770	-	NM
	(Loss)/gain on disposal of properties	(261)	93	NM	(218)	319	NM
	Restructuring cost/professional fees of subsidiaries	(968)	-	NM	(2,805)	-	NM
	Restructuring cost of joint venture companies	(57)	353	NM	(432)	(105)	311.4
		484	446	8.5	(1,685)	214	NM
(L)	Extraordinary items	-	-	-	-	-	-
(M)	Profit before interest, taxation and exceptional items as a percentage of revenue	12.3%	8.9%		14.7%	13.2%	



**1(a)(iii) ADDITIONAL INFORMATION**

**GROUP REVENUE AND PROFIT ANALYSIS**

	3rd Quarter to 30/6/2004 \$'000	3rd Quarter to 30/6/2003 \$'000	9 months to 30/6/2004 \$'000	9 months to 30/6/2003 \$'000
<b>Revenue</b>				
<b>By Business Activity</b>				
Brewery operations - subsidiary companies	308,953	298,053	1,045,121	954,823
Corporate office	617	580	1,889	1,784
	<u>309,570</u>	<u>298,633</u>	<u>1,047,010</u>	<u>956,607</u>
<b>By Territory</b>				
Singapore	104,046	97,480	314,475	320,959
Papua New Guinea	31,580	27,192	92,604	74,007
New Zealand	85,542	80,306	301,083	245,436
Indochina	87,785	80,019	304,580	277,563
China	-	13,056	32,379	36,858
Corporate office	617	580	1,889	1,784
	<u>309,570</u>	<u>298,633</u>	<u>1,047,010</u>	<u>956,607</u>

**Profit before interest, taxation and exceptional items**

<b>By Business Activity</b>				
Brewery operations				
- subsidiary companies	34,962	22,772	144,766	115,555
- joint venture and associated companies	4,784	4,748	15,268	16,858
Investment income	950	785	3,157	2,160
Corporate office	(2,728)	(1,772)	(8,975)	(8,038)
	<u>37,968</u>	<u>26,533</u>	<u>154,216</u>	<u>126,535</u>
<b>By Territory</b>				
Singapore	9,447	6,305	34,122	28,988
Malaysia	2,887	2,511	11,325	10,167
Papua New Guinea	6,672	5,640	18,068	14,529
New Zealand	7,024	5,576	37,859	27,907
Indochina	14,319	10,907	63,102	55,495
China	(1,843)	(5,210)	(8,603)	(12,520)
Thailand	2,190	2,576	7,318	10,007
Corporate office	(2,728)	(1,772)	(8,975)	(8,038)
	<u>37,968</u>	<u>26,533</u>	<u>154,216</u>	<u>126,535</u>

**Attributable profit**

<b>By Business Activity</b>				
Brewery operations				
- subsidiary companies	18,369	9,934	80,938	65,378
- joint venture and associated companies	3,166	2,634	8,476	8,976
Investment income	658	491	2,435	1,417
Corporate office	(2,659)	(1,660)	(8,506)	(6,649)
	<u>19,534</u>	<u>11,399</u>	<u>83,343</u>	<u>69,122</u>
Exceptional items	529	303	(1,512)	107
	<u>20,063</u>	<u>11,702</u>	<u>81,831</u>	<u>69,229</u>



**1(b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.**

<b>BALANCE SHEET</b>	<b>Group</b>		<b>Company</b>	
	As at 30/6/2004 \$'000	As at 30/9/2003 \$'000	As at 30/6/2004 \$'000	As at 30/9/2003 \$'000
Fixed assets	457,864	547,236	1,960	2,145
Subsidiary companies	-	-	442,414	582,736
Joint venture companies	165,932	92,483	165,898	85,271
Associated companies	414	680	-	-
Other investments	44,615	29,879	1,027	1,542
Intangibles	9,217	9,727	4,800	5,120
Deferred tax assets	1,441	1,429	-	-
<b>CURRENT ASSETS</b>				
Stocks	70,356	79,416	-	-
Trade debtors	85,601	91,929	-	-
Other debtors	17,330	20,590	31,132	2,102
Amounts due from subsidiary companies	-	-	13,470	118,083
Amounts due from joint venture companies	136,401	13,856	136,396	2,885
Amounts due from related companies	3,358	2,526	141	341
Short term investments	8,173	18,539	3,250	-
Bank fixed deposits	81,607	210,794	23,738	2,931
Cash and bank balances	55,526	36,493	909	498
	458,352	474,143	209,036	126,840
<b>Deduct: CURRENT LIABILITIES</b>				
Trade creditors	100,730	105,086	209	48
Other creditors	69,126	83,226	6,724	7,761
Amount due to subsidiary company	-	-	25,571	12,953
Amounts due to joint venture companies	3,041	3,815	267	-
Amounts due to related companies	8,383	6,141	566	420
Amount due to associated company	68	93	-	-
Bank borrowings	26,645	30,653	-	709
Bank overdrafts	801	-	-	-
Provision for taxation	29,039	32,550	8,157	7,778
	237,833	261,564	41,494	29,669
<b>NET CURRENT ASSETS</b>	220,519	212,579	167,542	97,171
	900,002	894,013	783,641	773,985
<b>Deduct: DEFERRED LIABILITIES</b>				
Deferred tax liabilities	18,797	21,000	-	-
Provision for retirement benefits	2,127	2,056	-	-
	20,924	23,056	-	-
	879,078	870,957	783,641	773,985
<b>Financed by:</b>				
Share capital	255,174	254,337	255,174	254,337
Reserves	533,110	519,180	528,467	519,648
	788,284	773,517	783,641	773,985
Minority interests	90,794	97,440	-	-
	879,078	870,957	783,641	773,985



**1(b)(ii) Aggregate amount of group's borrowings and debt securities.**

**Amount repayable in one year or less, or on demand**

As at 30/6/2004		As at 30/9/2003	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
-	27,446	-	30,653

**Amount repayable after one year**

As at 30/6/2004		As at 30/9/2003	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
-	-	-	-

**Details of any collateral**

Not applicable.



**1(c) A cashflow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.**

**CASHFLOW STATEMENT**

	<b>Group</b>			
	3rd Quarter to 30/6/2004 \$'000	3rd Quarter to 30/6/2003 \$'000	9 Months to 30/6/2004 \$'000	9 Months to 30/6/2003 \$'000
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>				
Profit before taxation	39,250	28,195	155,351	130,125
Adjustment for:				
Depreciation of fixed assets	10,656	9,768	33,628	29,792
Loss/(Gain) on disposal of fixed assets (net)	561	(124)	1,040	(293)
Amortisation of brand	107	107	320	320
Provision for/(Write back of) retirement benefit	80	(47)	217	283
Amortisation of goodwill	63	56	190	167
Write off of other investments	-	-	-	77
Share of joint venture and associated companies' profits	(4,784)	(4,748)	(15,268)	(16,858)
Investment income	(950)	(785)	(3,157)	(2,160)
Net interest income	(798)	(1,216)	(2,820)	(3,376)
Exceptional items	(484)	(446)	1,685	(214)
Provision for fixed assets write back	(36)	(45)	(644)	(2)
Operating cash before working capital changes	43,665	30,715	170,542	137,861
Change in stocks	(2,225)	(3,156)	280	(7,855)
Change in trade and other debtors	(9,732)	4,411	(1,729)	778
Change in trade and other creditors	9,895	15,428	(4,514)	3,677
Change in related companies' balances	8,922	(3,438)	6,958	1,156
Currency realignment	878	2,123	(408)	5,830
Cash generated from operations	51,403	46,083	171,129	141,447
Income taxes paid	(15,911)	(3,542)	(42,419)	(25,678)
Net interest (paid)/received	(271)	1,651	2,220	2,424
Retirement benefit paid	(59)	(79)	(157)	(257)
<b>Net cash from operating activities</b>	<b>35,162</b>	<b>44,113</b>	<b>130,773</b>	<b>117,936</b>
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>				
Disposal of subsidiary	(29,349)	-	(29,349)	-
Proceeds from sale of investments	11,361	42,000	14,353	25,000
Dividends from joint venture companies	8,635	6,309	15,182	12,656
Investment income	952	1,059	3,164	2,258
Proceeds from disposal of fixed assets	830	469	1,087	984
Purchase of fixed assets	(16,788)	(33,977)	(36,485)	(62,162)
Purchase of investments	(9,660)	(1,347)	(17,350)	(9,184)
Loans to joint venture company	(404)	-	(80,711)	(8,000)
Dividends and capital repayment from associated company	-	-	322	-
<b>Net cash (used in)/from investing activities</b>	<b>(34,423)</b>	<b>14,513</b>	<b>(129,787)</b>	<b>(38,448)</b>



**CASH FLOW STATEMENT (cont'd)**

**Group**

	3rd Quarter to 30/6/2004 \$'000	3rd Quarter to 30/6/2003 \$'000	9 Months to 30/6/2004 \$'000	9 Months to 30/6/2003 \$'000
<b><u>CASH FLOWS FROM FINANCING ACTIVITIES</u></b>				
Proceeds from/(Repayment of) borrowings	3,332	1,050	(5,217)	11,571
Proceeds from issue of shares by parent company	504	361	3,321	1,310
Capital reduction paid to minority interests by a subsidiary company	-	-	-	(1,919)
Payment of dividends:				
- by parent company to shareholders	(35,719)	(30,492)	(71,425)	(60,975)
- by subsidiaries to minority interests	(23,789)	(3,020)	(38,620)	(16,212)
<b>Net cash used in financing activities</b>	<b>(55,672)</b>	<b>(32,101)</b>	<b>(111,941)</b>	<b>(66,225)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(54,933)</b>	<b>26,525</b>	<b>(110,955)</b>	<b>13,263</b>
Cash and cash equivalents at beginning of period	191,265	227,313	247,287	240,575
<b>Cash and cash equivalent at end of period</b>	<b>136,332</b>	<b>253,838</b>	<b>136,332</b>	<b>253,838</b>
<b>Cash and cash equivalents at end of period consist of:</b>				
Bank fixed deposits	81,607	211,489	81,607	211,489
Cash and bank balances	55,526	42,349	55,526	42,349
Bank overdrafts	(801)	-	(801)	-
	<b>136,332</b>	<b>253,838</b>	<b>136,332</b>	<b>253,838</b>

During the period, the Group disposed of a subsidiary, Hainan Asia Pacific Brewery Company Ltd.

Analysis of disposal of subsidiary:

Net asset disposed:				
Cash	29,349	-	29,349	-
Fixed assets	92,083	-	92,083	-
Stocks	9,184	-	9,184	-
Current assets	11,255	-	11,255	-
Current liabilities	(16,085)	-	(16,085)	-
Currency realignment realised	1,336	-	1,336	-
	127,122	-	127,122	-
Profit on disposal	1,770	-	1,770	-
Total disposal price	128,892	-	128,892	-
Change in amount due from related companies	(128,892)	-	(128,892)	-
Less: Cash of subsidiary disposed	(29,349)	-	(29,349)	-
<b>Cash flow on disposal of subsidiary</b>	<b>(29,349)</b>	<b>-</b>	<b>(29,349)</b>	<b>-</b>



- 1(d)(i) A statement (for the issuer and group) showing either**
- (i) all changes in equity or**
  - (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.**

**STATEMENT OF CHANGES IN EQUITY**

	<b>Group</b>						
	Share Capital	Share Premium	Capital Reserves	Revenue Reserves	Exchange Reserves	Dividend Reserves	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b><u>3rd Quarter ended 30 June 2004</u></b>							
Balance at 1 April 2004	255,050	5,754	18,033	540,164	(54,782)	35,706	799,925
Currency translation difference not recognised in the profit statement	-	-	-	-	3,511	-	3,511
Issue of shares upon exercise of Executives' Share Options	124	380	-	-	-	-	504
Attributable profit	-	-	-	20,063	-	-	20,063
<b><u>Dividends</u></b>							
Additional dividend due to exercise of share options	-	-	-	(13)	-	13	-
Interim dividend paid for the year	-	-	-	-	-	(35,719)	(35,719)
Balance at 30 June 2004	255,174	6,134	18,033	560,214	(51,271)	-	788,284
<b><u>3rd Quarter ended 30 June 2003</u></b>							
Balance at 1 April 2003	254,027	2,715	24,483	511,660	(58,691)	30,483	764,677
Currency translation difference not recognised in the profit statement	-	-	1,164	-	6,794	-	7,958
Issue of shares upon exercise of Executives' Share Options	84	277	-	-	-	-	361
Attributable profit	-	-	-	11,702	-	-	11,702
<b><u>Dividends</u></b>							
Additional dividend due to exercise of share options	-	-	-	(9)	-	9	-
Interim dividend paid for the year	-	-	-	-	-	(30,492)	(30,492)
Balance at 30 June 2003	254,111	2,992	25,647	523,353	(51,897)	-	754,206

**STATEMENT OF CHANGES IN EQUITY (cont'd)**

	<b>Company</b>						
	Share Capital	Share Premium	Capital Reserves	Revenue Reserves	Exchange Reserves	Dividend Reserves	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b><u>3rd Quarter ended 30 June 2004</u></b>							
Balance at 1 April 2004	255,050	5,754	-	475,438	(533)	35,706	771,415
Issue of shares upon exercise of Executives' Share Options	124	380	-	-	-	-	504
Currency translation difference not recognised in the profit statement	-	-	-	-	334	-	334
Attributable profit	-	-	-	47,107	-	-	47,107
<b><u>Dividends</u></b>							
Additional dividend due to exercise of share options	-	-	-	(13)	-	13	-
Interim dividend paid for the year	-	-	-	-	-	(35,719)	(35,719)
Balance at 30 June 2004	255,174	6,134	-	522,532	(199)	-	783,641
<b><u>3rd Quarter ended 30 June 2003</u></b>							
Balance at 1 April 2003	254,027	2,715	33,768	416,458	137	30,483	737,588
Issue of shares upon exercise of Executives' Share Options	84	277	-	-	-	-	361
Attributable profit	-	-	-	24,763	-	-	24,763
<b><u>Dividends</u></b>							
Additional dividend due to exercise of share options	-	-	-	(9)	-	9	-
Interim dividend paid for the year	-	-	-	-	-	(30,492)	(30,492)
Balance at 30 June 2003	254,111	2,992	33,768	441,212	137	-	732,220



**STATEMENT OF CHANGES IN EQUITY (cont'd)**

	<b>Group</b>						<b>Total</b>
	Share Capital	Share Premium	Capital Reserves	Revenue Reserves	Exchange Reserves	Dividend Reserves	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
<b><u>9 months ended 30 June 2004</u></b>							
Balance at 1 October 2003	254,337	3,650	18,769	513,465	(52,311)	35,607	773,517
Currency translation difference	-	-	-	-	1,040	-	1,040
Transfer from capital reserve of a subsidiary in compliance with statutory requirements	-	-	(736)	736	-	-	-
Net (loss)/gain not recognised in the profit statement	-	-	(736)	736	1,040	-	1,040
Issue of shares upon exercise of Executives' Share Options	837	2,484	-	-	-	-	3,321
Attributable profit	-	-	-	81,831	-	-	81,831
<b><u>Dividends</u></b>							
Additional dividend due to exercise of share options	-	-	-	(99)	-	99	-
Final dividend paid for the previous year	-	-	-	-	-	(35,706)	(35,706)
Interim dividend paid for the year	-	-	-	(35,719)	-	-	(35,719)
Balance at 30 June 2004	255,174	6,134	18,033	560,214	(51,271)	-	788,284
<b><u>9 months ended 30 June 2003</u></b>							
Balance at 1 October 2002	253,803	1,990	21,389	484,643	(69,080)	30,456	723,201
Currency translation difference not recognised in the profit statement	-	-	4,258	-	17,183	-	21,441
Issue of shares upon exercise of Executives' Share Options	308	1,002	-	-	-	-	1,310
Attributable profit	-	-	-	69,229	-	-	69,229
<b><u>Dividends</u></b>							
Additional dividend due to exercise of share options	-	-	-	(27)	-	27	-
Final dividend paid for the previous year	-	-	-	-	-	(30,483)	(30,483)
Interim dividend paid for the year	-	-	-	(30,492)	-	-	(30,492)
Balance at 30 June 2003	254,111	2,992	25,647	523,353	(51,897)	-	754,206

**STATEMENT OF CHANGES IN EQUITY (cont'd)**

	<b>Company</b>						
	Share Capital	Share Premium	Capital Reserves	Revenue Reserves	Exchange Reserves	Dividend Reserves	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b><u>9 months ended 30 June 2004</u></b>							
Balance at 1 October 2003	254,337	3,650	-	480,505	(114)	35,607	773,985
Issue of shares upon exercise of Executives' Share Options	837	2,484	-	-	-	-	3,321
Currency translation difference not recognised in the profit statement	-	-	-	-	(85)	-	(85)
Attributable profit	-	-	-	77,845	-	-	77,845
<b><u>Dividends</u></b>							
Additional dividend due to exercise of share options	-	-	-	(99)	-	99	-
Final dividend paid for the previous year	-	-	-	-	-	(35,706)	(35,706)
Interim dividend paid for the year	-	-	-	(35,719)	-	-	(35,719)
Balance at 30 June 2004	255,174	6,134	-	522,532	(199)	-	783,641
<b><u>9 months ended 30 June 2003</u></b>							
Balance at 1 October 2002	253,803	1,990	33,768	423,963	305	30,456	744,285
Issue of shares upon exercise of Executives' Share Options	308	1,002	-	-	-	-	1,310
Currency translation difference not recognised in the profit statement	-	-	-	-	(168)	-	(168)
Attributable profit	-	-	-	47,768	-	-	47,768
<b><u>Dividends</u></b>							
Additional dividend due to exercise of share options	-	-	-	(27)	-	27	-
Final dividend paid for the previous year	-	-	-	-	-	(30,483)	(30,483)
Interim dividend paid for the year	-	-	-	(30,492)	-	-	(30,492)
Balance at 30 June 2003	254,111	2,992	33,768	441,212	137	-	732,220



**1(d)(ii) SHARE CAPITAL**

**Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as at the end of current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

	3rd Quarter to 30/6/2004	2nd Quarter to 31/3/2004
Issue and fully paid ordinary shares of \$1.00 each:		
As at beginning of quarter	255,049,564	254,663,576
Issued during the quarter - Exercise of share options	123,945	385,988
As at end of quarter	<u>255,173,509</u>	<u>255,049,564</u>
	As at 30/6/2004	As at 30/6/2003
The number of shares that may be issued on exercise of share options outstanding at the end of the quarter	<u>3,209,639</u>	<u>3,333,182</u>

**2. Whether the figures have been audited or reviewed and in accordance with which standard (e.g. Singapore Standard on Auditing 910 (Engagements to Review Financial Statements), or an equivalent standard).**

The figures have not been audited or reviewed by our auditors.

**3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).**

Not applicable.

**4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

The Group has applied the same accounting policies and methods of computation as in the most recently audited annual financial statements.

**5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

None.

6. **Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

	Group			
	3rd Quarter to 30/6/2004	3rd Quarter to 30/6/2003	9 months to 30/6/2004	9 months to 30/6/2003
Earnings per ordinary share:				
(a) Based on the weighted average number of ordinary shares on issue (cents)				
- before exceptional items	7.7	4.5	32.7	27.2
- after exceptional items	7.9	4.6	32.1	27.3
(b) On a fully diluted basis (cents)				
- before exceptional items	7.6	4.5	32.6	27.2
- after exceptional items	7.8	4.6	32.1	27.2

7. **Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the (a) current period reported on and (b) immediately preceding financial year**

	Group		Company	
	As at 30/6/2004	As at 30/9/2003	As at 30/6/2004	As at 30/9/2003
Net asset value per ordinary share based on issued share capital of the issuer at the end of the financial period/year	\$3.09	\$3.04	\$3.07	\$3.04

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current period reported on.**

#### **REVIEW OF OPERATIONS - 3RD QUARTER**

The principal activities of the Group are the brewing and sale of beer and stout. These activities are carried out through the Company's subsidiary, joint venture and associated companies to which the Company provides management and administrative services.

The Group's businesses in China were streamlined under Heineken-APB (China) Pte Ltd ("HAPBC"), the joint venture company equally owned with the Company's holding company, Asia Pacific Investment Pte Ltd. Hainan Asia Pacific Brewery Company Limited ("HAPCO") was transferred to HAPBC. HAPCO's results were no longer consolidated with effect from 1 April 2004 but equity accounted through HAPBC. HAPBC was also granted the licence to brew *Heineken* lager in China.

The Group turned in a strong 3rd quarter performance from improved sales and favourable exchange rates against the corresponding period last year which was mainly affected by the outbreak of SARS. Revenue and profit before interest, tax and exceptional items ("PBIT") were 4% and 43% above last year respectively.

#### **Singapore**

Revenue for the quarter was higher than last year by 7%. This was mainly because last year's performance was affected by SARS. PBIT was 50% higher than last year, mainly due to higher sales revenue and effective cost management.



### **Malaysia**

Despite a 13% decline in volume, PBIT was higher than 3rd quarter last year by 15% mainly due to write back of provision for sales tax.

### **Papua New Guinea**

Revenue and PBIT grew 16% and 18% respectively over last year mainly due to the stronger Kina.

### **New Zealand**

Revenue and PBIT grew by 7% and 26% respectively due to higher volume, favourable sales mix and the stronger NZ\$.

### **Indochina**

Revenue for the region increased by 10% over the same period last year. This was mainly due to a strong performance from Cambodia this year and a recovery in Vietnam from the impact of SARS last year. PBIT for the quarter was 31% above last year due mainly to higher sales.

### **Thailand**

Heineken continued to dominate the premium segment in Thailand with more than 80% share of that segment. Volume for the 3rd quarter grew 10% over last year. However, PBIT was 15% lower than last year due to higher depreciation charge as a consequence of the completion of the brewery expansion and higher marketing expenses.

### **China**

Overall China losses were reduced by 65% compared to the same period last year. This was due mainly to improved performance from Shanghai and Hainan, positive contribution from Kingway Brewery Holdings Limited ("KBH") (formerly known as Guangdong Brewery Holdings Limited) as well as the effect of selling HAPCO to HAPBC as mentioned above.

### **Financial results for the 9 months to 30 June 2004**

For the 9 months to date, revenue and PBIT were 10% and 22% respectively higher than the same period last year. Attributable profit before exceptional items for the 9 months to 30 June 2004 of \$83.3 million was higher than the corresponding period last year by 21%. Earnings per share (before exceptional items) of 33 cents was 20% higher than the 27 cents for the corresponding period last year.

### **REVIEW OF BALANCE SHEET**

#### **Company**

The expansion and streamlining of equity interests in China, transfer of HAPCO to and purchase of 21% equity interest in KBH by HAPBC resulted in the increase in investments in and amounts due from joint venture companies and a corresponding decrease in investments in subsidiary companies. The increase in other debtors was due to accrual of dividend income declared by a subsidiary. The decrease in amounts due from subsidiary companies was due to repayment by subsidiaries.

#### **Group**

The decrease in fixed assets and stocks was due mainly to the deconsolidation of HAPCO. The increase in investment in joint venture companies was mainly due to the increase in shareholder loans to HAPBC. The reduction in bank fixed deposit and cash balances was due to higher dividend payment and the loans to HAPBC. The decrease in short term investments is due mainly to maturity of Bonds. The decrease in other creditors is due mainly to settlement.

### **REVIEW OF CASH FLOW - 3RD QUARTER**

The Group cash flow statement is presented in paragraph 1(c) above. The cash outflow from the disposal of subsidiary refers to the cash balance of HAPCO de-consolidated from the Group balance sheet.



- 9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**

Not applicable.

- 10. A commentary at the date of the announcement of the competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

**OUTLOOK**

The recovering Asia economy augurs well for the beer business. Given the positive momentum generated in our financial performance to date and barring any unforeseen circumstances, the Directors expect attributable net profit before exceptional items for the year to be higher than last year.

- 11. Dividend**

**(a) Current Financial Period Reported On**

Any dividend declared for the current financial period reported on? No

**(b) Corresponding period of the immediately preceding financial year**

Any dividend declared for the corresponding period of the immediately preceding financial year? No

**(c) Date payable**

Not applicable.

**(d) Book closure date**

Not applicable.

- 12. If no dividend has been declared or recommended, a statement to that effect.**

No dividend has been declared for the current financial period.



**13. INTERESTED PERSON TRANSACTIONS**

Particulars of interested person transactions for the period to 30 June 2004 (shareholders' mandate was obtained on 27 February 2004):

<b>Name of interested person</b>	<b>Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)</b>
Heineken Group of Companies ("Heineken")	\$140,731,906 *
Fraser and Neave, Limited ("F&NL")	\$138,672,769 *
Fraser & Neave Holdings Bhd	\$ 7,034,029

\* Value of Interested Person Transactions amounting to \$138,672,769 each for Heineken and F&NL are in respect of transactions between Asia Pacific Investment Pte Ltd (a 50-50 joint venture company between F&NL and Heineken) as the interested person, and the Asia Pacific Breweries Limited Group, as the entity at risk. The full value of the transactions has been aggregated in each interested person group of F&NL and Heineken.

**BY ORDER OF THE BOARD**

Anthony Cheong Fook Seng  
Company Secretary

13 August 2004