



ASIA PACIFIC BREWERIES LIMITED

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

RESULTS FOR THE 2ND QUARTER ENDED 31 MARCH 2005 Financial Statements and Dividend Announcement

The Directors are pleased to make the following announcement of the unaudited results for the 2nd Quarter ended 31 March 2005:-

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

1(a)(i) GROUP PROFIT STATEMENT

	2nd Quarter to 31/3/2005 \$'000	2nd Quarter to 31/3/2004 \$'000	Change %	6 Months to 31/3/2005 \$'000	6 Months to 31/3/2004 \$'000	Change %
Revenue	344,405	307,864	11.9	758,965	737,440	2.9
Cost of sales	(205,509)	(185,603)	10.7	(450,277)	(445,653)	1.0
Gross profit	138,896	122,261	13.6	308,688	291,787	5.8
Operating expenses						
- Distribution	(11,714)	(10,112)	15.8	(24,189)	(22,046)	9.7
- Marketing	(47,750)	(45,142)	5.8	(119,633)	(115,284)	3.8
- Administration	(24,465)	(20,840)	17.4	(49,584)	(50,900)	(2.6)
	(83,929)	(76,094)	10.3	(193,406)	(188,230)	2.7
Trading profit	54,967	46,167	19.1	115,282	103,557	11.3
Share of joint venture and associated companies' profits	4,842	4,798	0.9	11,147	10,484	6.3
Gross income from investments	1,081	716	51.0	1,772	2,207	(19.7)
Profit before interest, taxation and exceptional items	60,890	51,681	17.8	128,201	116,248	10.3
Net interest income	1,194	1,049	13.8	1,925	2,022	(4.8)
Profit before taxation and exceptional items	62,084	52,730	17.7	130,126	118,270	10.0
Exceptional items	(1,640)	(960)	70.8	(2,176)	(2,169)	0.3
Profit before taxation	60,444	51,770	16.8	127,950	116,101	10.2
Taxation	(16,065)	(9,687)	65.8	(38,897)	(31,345)	24.1
Profit after taxation	44,379	42,083	5.5	89,053	84,756	5.1
Minority interests, net of taxes	(9,126)	(8,062)	13.2	(20,088)	(22,988)	(12.6)
Attributable profit						
- Before exceptional items	36,880	34,910	5.6	71,168	63,809	11.5
- Exceptional items	(1,627)	(889)	83.0	(2,203)	(2,041)	7.9
	35,253	34,021	3.6	68,965	61,768	11.7



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

		Group					
		2nd Quarter to 31/3/2005 \$'000	2nd Quarter to 31/3/2004 \$'000	Change %	6 Months to 31/3/2005 \$'000	6 Months to 31/3/2004 \$'000	Change %
Investment income							
(A)	Gross income from investments	1,081	716	51.0	1,772	2,207	(19.7)
Net interest income							
(B) & (C)	Interest income	1,765	1,540	14.6	3,030	3,005	0.8
	Interest expenses	(571)	(491)	16.3	(1,105)	(983)	12.4
		<u>1,194</u>	<u>1,049</u>	13.8	<u>1,925</u>	<u>2,022</u>	(4.8)
Operating expenses							
Included in operating expenses are:							
(D)	Depreciation & amortisation	(11,252)	(11,631)	(3.3)	(20,951)	(23,312)	(10.1)
(E)	Provision for doubtful debts & bad debts written (off)/back	(343)	119	NM	(745)	(456)	63.4
(F)	Write back/(off) for stock obsolescence	36	(317)	NM	(46)	(382)	(88.0)
(G)	Impairment in value of investments	-	-	-	-	-	-
(H)	Foreign exchange (loss)/gain	(28)	444	NM	(225)	162	NM
(I)	Profit/(loss) on sale of fixed assets	39	(371)	NM	176	(479)	NM
Taxation							
(J)	Over provision of prior year taxation	998	1,941	(48.6)	981	1,941	(49.5)
Exceptional Items							
(K)	Gain on disposal of properties	173	43	302.3	332	43	672.1
	Restructuring cost and professional fee	(1,736)	(959)	81.0	(2,336)	(1,837)	27.2
	Share of restructuring cost of joint venture companies	(77)	(44)	75.0	(172)	(375)	(54.1)
		<u>(1,640)</u>	<u>(960)</u>	70.8	<u>(2,176)</u>	<u>(2,169)</u>	0.3
(L)	Extraordinary items	-	-	-	-	-	-
(M)	Profit before interest, taxation and exceptional items as a percentage of revenue	<u>17.7%</u>	<u>16.8%</u>		<u>16.9%</u>	<u>15.8%</u>	

N/M - Not meaningful

**1(a)(iii) ADDITIONAL INFORMATION****GROUP REVENUE AND PROFIT ANALYSIS**

	2nd Quarter to 31/3/2005 \$'000	2nd Quarter to 31/3/2004 \$'000	6 Months to 31/3/2005 \$'000	6 Months to 31/3/2004 \$'000
Revenue				
By Business Activity				
Brewery operations				
- subsidiary companies	343,756	307,299	757,625	736,168
Corporate office	649	565	1,340	1,272
	<u>344,405</u>	<u>307,864</u>	<u>758,965</u>	<u>737,440</u>
By Territory				
Singapore	107,593	101,565	214,935	210,429
Papua New Guinea	29,493	28,742	66,613	61,024
New Zealand	99,923	92,037	233,543	215,541
Indochina	106,747	68,885	242,534	216,795
China	-	16,070	-	32,379
Corporate office	649	565	1,340	1,272
	<u>344,405</u>	<u>307,864</u>	<u>758,965</u>	<u>737,440</u>
Profit before interest, taxation and exceptional items				
By Business Activity				
Brewery operations				
- subsidiary companies	54,706	44,344	125,326	109,804
- joint venture and associated companies	4,842	4,798	11,147	10,484
Investment income	1,081	716	1,772	2,207
Corporate office	261	1,823	(10,044)	(6,247)
	<u>60,890</u>	<u>51,681</u>	<u>128,201</u>	<u>116,248</u>
By Territory				
Singapore	13,075	16,393	23,864	24,675
Malaysia	3,261	2,896	7,681	8,438
Papua New Guinea	6,152	4,813	15,007	11,396
New Zealand	13,333	10,889	38,651	30,835
Indochina	25,057	14,689	53,422	48,783
China	(2,751)	(2,595)	(5,788)	(6,760)
Thailand	2,502	2,773	5,408	5,128
Corporate office	261	1,823	(10,044)	(6,247)
	<u>60,890</u>	<u>51,681</u>	<u>128,201</u>	<u>116,248</u>
Attributable profit				
By Business Activity				
Brewery operations				
- subsidiary companies	33,581	30,095	74,514	62,569
- joint venture and associated companies	2,502	2,441	6,097	5,310
Investment income	725	404	1,188	1,777
Corporate office	72	1,970	(10,631)	(5,847)
	<u>36,880</u>	<u>34,910</u>	<u>71,168</u>	<u>63,809</u>
Exceptional items	(1,627)	(889)	(2,203)	(2,041)
	<u>35,253</u>	<u>34,021</u>	<u>68,965</u>	<u>61,768</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.

BALANCE SHEET

	Group		Company	
	As at 31/3/2005 \$'000	As at 30/9/2004 \$'000	As at 31/3/2005 \$'000	As at 30/9/2004 \$'000
Fixed assets	476,500	469,487	2,150	1,936
Subsidiary companies	-	-	570,751	562,369
Joint venture companies	226,120	224,855	228,200	222,985
Associated companies	445	430	-	-
Other investments	54,729	45,377	1,027	1,027
Intangibles	92,802	91,119	4,480	4,693
Deferred tax assets	2,242	2,136	-	-
CURRENT ASSETS				
Inventories	75,485	78,658	-	-
Trade debtors	104,403	92,306	-	-
Other debtors	20,632	13,593	2,021	1,731
Amounts due from subsidiary companies	-	-	22,110	23,226
Amounts due from joint venture companies	18,755	16,976	18,817	16,966
Amounts due from related companies	2,337	4,121	144	416
Short term investments	-	4,493	-	-
Bank fixed deposits	122,935	94,952	19,876	22,677
Cash and bank balances	21,472	19,560	1,092	1,196
	366,019	324,659	64,060	66,212
Deduct: CURRENT LIABILITIES				
Trade creditors	98,545	91,862	90	74
Other creditors	94,411	77,689	10,098	10,040
Amounts due to joint venture companies	1,797	13,184	-	10,676
Amounts due to related companies	15,498	13,813	4,683	2,640
Amount due to associated company	46	28	-	-
Bank borrowings	31,316	36,445	-	-
Provision for taxation	34,839	31,390	9,588	9,573
	276,452	264,411	24,459	33,003
NET CURRENT ASSETS	89,567	60,248	39,601	33,209
	942,405	893,652	846,209	826,219
Deduct: DEFERRED LIABILITIES				
Deferred tax liabilities	22,443	21,683	-	-
Provision for employee benefits	2,317	2,214	-	-
	24,760	23,897	-	-
	917,645	869,755	846,209	826,219
Financed by:-				
Share capital	255,817	255,450	255,817	255,450
Reserves	584,060	551,209	590,392	570,769
	839,877	806,659	846,209	826,219
Minority interests	77,768	63,096	-	-
	917,645	869,755	846,209	826,219



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

Amount repayable in one year or less, or on demand

As at 31/3/2005		As at 30/9/2004	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
-	31,316	-	36,445

Amount repayable after one year

As at 31/3/2005		As at 30/9/2004	
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.

GROUP CASHFLOW STATEMENT

	2nd Quarter to 31/3/2005 \$'000	2nd Quarter to 31/3/2004 \$'000	6 Months to 31/3/2005 \$'000	6 Months to 31/3/2004 \$'000
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>				
Profit before taxation and exceptional items	62,084	52,730	130,126	118,270
Adjustment for:				
Depreciation of fixed assets	11,145	11,461	20,738	22,972
Provision for employee benefits	126	102	257	137
Amortisation of brand	107	106	213	213
Amortisation of goodwill	-	64	-	127
Share of joint venture and associated companies' profits	(4,842)	(4,798)	(11,147)	(10,484)
Net interest income	(1,194)	(1,049)	(1,925)	(2,022)
Investment income	(1,081)	(716)	(1,772)	(2,207)
Provision for fixed assets write back	(278)	(696)	(246)	(608)
(Gain)/loss on disposal of fixed assets (net)	(39)	371	(176)	479
Operating cash before working capital changes	66,028	57,575	136,068	126,877
Change in inventories	573	(149)	3,261	2,505
Change in trade and other debtors	35,023	52,648	(18,277)	8,003
Change in trade and other creditors	(39,754)	(69,004)	21,060	(14,409)
Change in related companies' balances	(10,623)	(1,303)	(9,679)	(1,964)
Currency realignment	226	(328)	1,196	2,157
Cash generated from operations	51,473	39,439	133,629	123,169
Net interest received	737	1,267	1,283	2,491
Employee benefits paid	(54)	(28)	(87)	(98)
Income taxes paid	(16,383)	(10,781)	(29,689)	(26,508)
Net cash from operating activities	35,773	29,897	105,136	99,054
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>				
Dividends from joint venture companies	1,556	-	8,503	6,547
Investment income	876	721	1,569	2,212
Proceeds from disposal of fixed assets	116	134	665	257
Proceeds from sale of investments	-	5,243	4,545	5,778
Purchase of fixed assets	(14,965)	(11,190)	(28,810)	(19,697)
Loans to joint venture company	(700)	(75,181)	(5,550)	(80,307)
Purchase of investments	(163)	(6,358)	(7,802)	(10,476)
Purchase of minorities' shares in a subsidiary company	-	-	(2,842)	-
Dividends and capital repayment from associated company	-	-	-	333
Net cash used in investing activities	(13,280)	(86,631)	(29,722)	(95,353)

**CASHFLOW STATEMENT (cont'd)**

	2nd Quarter to 31/3/2005 \$'000	2nd Quarter to 31/3/2004 \$'000	6 Months to 31/3/2005 \$'000	6 Months to 31/3/2004 \$'000
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from issue of shares by parent company	858	1,524	1,422	2,817
Repayment of bank borrowings	(5,608)	(19,376)	(4,266)	(8,549)
Payment of dividends:				
- by parent company to shareholders	(35,805)	(35,706)	(35,805)	(35,706)
- by subsidiaries to minority interests	(3,186)	(2,904)	(3,467)	(14,831)
Net cash used in financing activities	(43,741)	(56,462)	(42,116)	(56,269)
Net (decrease)/increase in cash and cash equivalents	(21,248)	(113,196)	33,298	(52,568)
Cash and cash equivalents at beginning of period	165,045	306,157	112,898	247,287
Effects of exchange rate changes on opening balance of cash and cash equivalents	531	(1,696)	(1,868)	(3,454)
Cash and cash equivalents at end of period	144,328	191,265	144,328	191,265
Cash and cash equivalents at end of period consist of:				
Bank fixed deposits	122,935	149,707	122,935	149,707
Cash and bank balances	21,472	42,977	21,472	42,977
Bank overdrafts	(79)	(1,419)	(79)	(1,419)
	144,328	191,265	144,328	191,265



- 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

	Group						
	Share Capital	Share Premium	Capital Reserve	Revenue Reserve	Exchange Reserve	Dividend Reserve	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
6 Months ended 31 March 2005							
Balance at 1 October 2004	255,450	6,917	15,799	545,146	(52,416)	35,763	806,659
Currency translation difference	-	-	-	-	(1,364)	-	(1,364)
Net losses not recognised in the profit statement	-	-	-	-	(1,364)	-	(1,364)
Issue of shares in the Company upon exercise of Executives' Share Options	367	1,055	-	-	-	-	1,422
Attributable profit	-	-	-	68,965	-	-	68,965
<u>Dividends</u>							
Additional dividend due to exercise of share options	-	-	-	(42)	-	42	-
Final dividend paid for the previous year	-	-	-	-	-	(35,805)	(35,805)
Interim dividend proposed for the year	-	-	-	(35,814)	-	35,814	-
	-	-	-	(35,856)	-	51	(35,805)
Balance at 31 March 2005	255,817	7,972	15,799	578,255	(53,780)	35,814	839,877
6 Months ended 31 March 2004							
Balance at 1 October 2003	254,337	3,650	18,769	513,465	(52,311)	35,607	773,517
Currency translation difference	-	-	-	-	(2,471)	-	(2,471)
Transfer from capital reserve of a subsidiary in compliance with statutory requirements	-	-	(736)	736	-	-	-
Net (losses)/gains not recognised in the profit statement	-	-	(736)	736	(2,471)	-	(2,471)
Issue of shares in the Company upon exercise of Executives' Share Options	713	2,104	-	-	-	-	2,817
Attributable profit	-	-	-	61,768	-	-	61,768
<u>Dividends</u>							
Additional dividend due to exercise of share options	-	-	-	(99)	-	99	-
Final dividend paid for the previous year	-	-	-	-	-	(35,706)	(35,706)
Interim dividend proposed for the year	-	-	-	(35,706)	-	35,706	-
	-	-	-	(35,805)	-	99	(35,706)
Balance at 31 March 2004	255,050	5,754	18,033	540,164	(54,782)	35,706	799,925

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

	Company					
	Share Capital \$'000	Share Premium \$'000	Revenue Reserve \$'000	Exchange Reserve \$'000	Dividend Reserve \$'000	Total \$'000
6 months ended 31 March 2005						
Balance at 1 October 2004	255,450	6,917	528,539	(450)	35,763	826,219
Currency exchange difference arising from translating net investment in a joint venture company	-	-	-	(335)	-	(335)
Net losses not recognised in the profit statement	-	-	-	(335)	-	(335)
Issue of shares in the Company upon exercise of Executives' Share Options	367	1,055	-	-	-	1,422
Attributable profit	-	-	54,708	-	-	54,708
<u>Dividends</u>						
Additional dividend due to exercise of share options	-	-	(42)	-	42	-
Final dividend paid for the previous year	-	-	-	-	(35,805)	(35,805)
Interim dividend proposed for the year	-	-	(35,814)	-	35,814	-
	-	-	(35,856)	-	51	(35,805)
Balance at 31 March 2005	255,817	7,972	547,391	(785)	35,814	846,209
6 months ended 31 March 2004						
Balance at 1 October 2003	254,337	3,650	480,505	(114)	35,607	773,985
Currency exchange difference arising from translating net investment in a joint venture company	-	-	-	(419)	-	(419)
Net losses not recognised in the profit statement	-	-	-	(419)	-	(419)
Issue of shares in the Company upon exercise of Executives' Share Options	713	2,104	-	-	-	2,817
Attributable profit	-	-	30,738	-	-	30,738
<u>Dividends</u>						
Additional dividend due to exercise of share options	-	-	(99)	-	99	-
Final dividend paid for the previous year	-	-	-	-	(35,706)	(35,706)
Interim dividend proposed for the year	-	-	(35,706)	-	35,706	-
	-	-	(35,805)	-	99	(35,706)
Balance at 31 March 2004	255,050	5,754	475,438	(533)	35,706	771,415

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

	Group						
	Share Capital \$'000	Share Premium \$'000	Capital Reserve \$'000	Revenue Reserve \$'000	Exchange Reserve \$'000	Dividend Reserve \$'000	Total \$'000
<u>2nd Quarter ended 31 March 2005</u>							
Balance at 1 January 2005	255,592	7,339	15,799	578,838	(57,287)	35,783	836,064
Currency translation difference	-	-	-	-	3,507	-	3,507
Net gains not recognised in the profit statement	-	-	-	-	3,507	-	3,507
Issue of shares in the Company upon exercise of Executives' Share Options	225	633	-	-	-	-	858
Attributable profit	-	-	-	35,253	-	-	35,253
<u>Dividends</u>							
Additional dividend due to exercise of share options	-	-	-	(22)	-	22	-
Final dividend paid for the previous year	-	-	-	-	-	(35,805)	(35,805)
Interim dividend proposed for the year	-	-	-	(35,814)	-	35,814	-
	-	-	-	(35,836)	-	31	(35,805)
Balance at 31 March 2005	255,817	7,972	15,799	578,255	(53,780)	35,814	839,877
<u>2nd Quarter ended 31 March 2004</u>							
Balance at 1 January 2004	254,664	4,616	18,769	541,166	(48,094)	35,653	806,774
Currency translation difference	-	-	-	-	(6,688)	-	(6,688)
Transfer from capital reserve of a subsidiary in compliance with statutory requirements	-	-	(736)	736	-	-	-
Net (losses)/gains not recognised in the profit statement	-	-	(736)	736	(6,688)	-	(6,688)
Issue of shares in the Company upon exercise of Executives' Share Options	386	1,138	-	-	-	-	1,524
Attributable profit	-	-	-	34,021	-	-	34,021
<u>Dividends</u>							
Additional dividend due to exercise of share options	-	-	-	(53)	-	53	-
Final dividend paid for the previous year	-	-	-	-	-	(35,706)	(35,706)
Interim dividend proposed for the year	-	-	-	(35,706)	-	35,706	-
	-	-	-	(35,759)	-	53	(35,706)
Balance at 31 March 2004	255,050	5,754	18,033	540,164	(54,782)	35,706	799,925

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

	Company					
	Share Capital \$'000	Share Premium \$'000	Revenue Reserve \$'000	Exchange Reserve \$'000	Dividend Reserve \$'000	Total \$'000
<u>2nd Quarter ended 31 March 2005</u>						
Balance at 1 January 2005	255,592	7,339	536,588	(952)	35,783	834,350
Currency exchange difference arising from translating net investment in a joint venture company	-	-	-	167	-	167
Net gains not recognised in the profit statement	-	-	-	167	-	167
Issue of shares in the Company upon exercise of Executives' Share Options	225	633	-	-	-	858
Attributable profit	-	-	46,639	-	-	46,639
<u>Dividends</u>						
Additional dividend due to exercise of share options	-	-	(22)	-	22	-
Final dividend paid for the previous year	-	-	-	-	(35,805)	(35,805)
Interim dividend proposed for the year	-	-	(35,814)	-	35,814	-
	-	-	(35,836)	-	31	(35,805)
Balance at 31 March 2005	255,817	7,972	547,391	(785)	35,814	846,209
<u>2nd Quarter ended 31 March 2004</u>						
Balance at 1 January 2004	254,664	4,616	505,737	(367)	35,653	800,303
Currency exchange difference arising from translating net investment in a joint venture company	-	-	-	(166)	-	(166)
Net losses not recognised in the profit statement	-	-	-	(166)	-	(166)
Issue of shares in the Company upon exercise of Executives' Share Options	386	1,138	-	-	-	1,524
Attributable profit	-	-	5,460	-	-	5,460
<u>Dividends</u>						
Additional dividend due to exercise of share options	-	-	(53)	-	53	-
Final dividend paid for the previous year	-	-	-	-	(35,706)	(35,706)
Interim dividend proposed for the year	-	-	(35,706)	-	35,706	-
	-	-	(35,759)	-	53	(35,706)
Balance at 31 March 2004	255,050	5,754	475,438	(533)	35,706	771,415

**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.

	<u>2nd Quarter to 31/3/2005</u>	<u>1st Quarter to 31/12/2004</u>
Issued and fully paid ordinary shares of \$1.00 each:		
As at beginning of quarter	255,591,954	255,449,879
Issued during the quarter - Exercise of share options	225,250	142,075
As at end of quarter	<u>255,817,204</u>	<u>255,591,954</u>
	<u>As at 31/3/2005</u>	<u>As at 31/3/2004</u>
The number of shares that may be issued on exercise of share options outstanding at the end of the quarter	<u>2,506,219</u>	<u>3,387,184</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, except as disclosed in note 5 below.



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.

On 1 July 2004, the Council on Corporate Disclosure and Governance issued Financial Reporting Standard ("FRS") 103 Business Combinations, revised FRS 36 Impairment of Assets and revised FRS 38 Intangible Assets.

The Group adopted these standards with effect from 1 October 2004 which resulted in a change in accounting treatment for goodwill. FRS 103 requires goodwill acquired in a business combination to be measured at cost less any accumulated impairment losses. Goodwill shall no longer be amortised. Instead, impairment is tested annually, or more frequently if events or changes in circumstances indicate that the goodwill might be impaired. The effect of the adoption of these standards has led to an increase in current quarter profit before tax of the Group by \$1.5 million.

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			
	2nd Quarter to 31/3/2005	2nd Quarter to 31/3/2004	6 Months to 31/3/2005	6 Months to 31/3/2004
Earnings per ordinary share (cents):				
(a) Based on the weighted average number of ordinary shares in issue				
- before exceptional items	14.4	13.7	27.8	25.0
- after exceptional items	13.8	13.3	27.0	24.2
(b) On a fully diluted basis				
- before exceptional items	14.4	13.7	27.8	25.0
- after exceptional items	13.8	13.3	26.9	24.2

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 31/3/2005	As at 30/9/2004	As at 31/3/2005	As at 30/9/2004
Net asset value per ordinary share	\$3.28	\$3.16	\$3.31	\$3.23



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 - 2ND 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 enjoyed a healthy second quarter, helped by Chinese New Year and Tet spending. Group profit before interest, taxation and exceptional items ("PBIT") of \$60.9 million for the second quarter ended 31 March 2005 increased by \$9.2 million or 18% over the same period last year. Group attributable profit before exceptional items, increased by \$2 million or 6% to reach \$36.9 million. On a 6 months year to date basis, PBIT was up by 10% to \$128.2 million, and attributable profit before exceptional items up by 12% to \$71.2 million.

Singapore

Growth in domestic volume for the quarter was offset by a decline in exports. PBIT declined by 20% due to an increase in domestic selling, marketing and overhead expenses and lower profit from export sales. However, year to date volumes and revenue rose 5% and 2% respectively.

Papua New Guinea

Volume declined by 5% due to a slow down in demand in the quarter. However, revenue and PBIT increased by 3% and 28% respectively due to better sales mix, effective cost management and marginal price increases.

New Zealand

Volume and PBIT for the quarter increased by 7% and 22% respectively, continuing the steady progress made by DBB, mainly due to improved sales mix, helped by the stronger NZ\$ which strengthened by 4% compared to last year.

Indochina

The quarter's sales for the region jumped 56% in volume, and 55% in value with robust growth in Cambodia and Vietnam. The strong second quarter sales growth was helped by Tet festivities spending in Vietnam. PBIT increased by 71% on the back of higher sales. Year to date revenue and PBIT grew by 12% and 10% respectively, reflecting the strong upward trend.

Malaysia

Volume grew by 6% due to better sales during Chinese New Year and higher market share while PBIT grew by 13% over last year due to the higher sales and better sales mix.

China

China registered strong volume growth in Shanghai and Hainan, up 12% and 44% respectively. The losses of the China operations on a year to date basis were reduced by 14%. The operations incurred higher marketing expenses and overheads associated with the set up of the One China Organisation which was established in April 2004.

Thailand

Volume increased by 9% which was partly attributed to the launch of *Tiger* beer. PBIT declined by 10% in the quarter, due mainly to higher marketing expenses, but year to date, PBIT grew by 5%.



REVIEW OF BALANCE SHEET

Company

The increase in investment in subsidiary companies was due to completion of the privatisation of DB Breweries Limited (“DBB”), an increase in share capital of Vietnam Brewery Ltd, partially offset by repayment of loans by Cambodia Brewery Ltd. The increase in investment in joint venture companies was due to additional shareholder loans given. The decrease in amounts due to joint venture companies was due to repayments.

Group

The increase in other investments and higher trade debtors balance were mainly due, respectively, to higher trade advances made by DBB to its distributors as well as higher NZ\$ exchange rate, and higher sales activities by DBB. The increase in other debtors was due to higher prepayments. Short term investments were liquidated in the first quarter. The increase in other creditors was due to higher accrual for marketing expenses.

REVIEW OF GROUP CASH FLOW

The decrease in cash and cash equivalents for the quarter was due mainly to purchase of fixed assets, loans given to a joint venture company and payment of dividends by the Company offset by cash generated from operations.

- 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.**

The fundamentals of the Company remain sound. Barring any unforeseen circumstances, the Directors expect attributable 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? Yes

Name of Dividend : Interim
Dividend Type : Cash
Dividend Rate : 14 cents per ordinary share (net of tax)
Par Value of share : S\$1.00
Tax Rate : 20%

(b) Corresponding period of the immediately preceding financial year

Any dividend declared for the corresponding period of the immediately preceding financial year?
Yes

Name of Dividend : Interim
Dividend Type : Cash
Dividend Rate : 14 cents per ordinary share (net of tax)
Par Value of Share : S\$1.00
Tax Rate : 20%

(c) Date payable

The Directors have declared an interim dividend of 14 Singapore cents (last year: 14 cents) per share, being AFTER deduction of Singapore tax, to be paid on 13 June 2005. This is equivalent to a gross dividend of 17.5 cents per share.

(d) Books closure date

Registrable transfers received by the Company's Registrar, Barbinder & Co Pte Ltd, 8 Cross Street, #11-00 PWC Building, Singapore 048424 up to 5.00 pm on 1 June 2005 will be registered before entitlements to the dividend are determined. Notice is hereby given that the share registers will be closed on 2 June 2005 and 3 June 2005, for the preparation of dividend warrants.

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

Not applicable.



13. Interested Person Transactions

Particulars of interested person transactions for the period 1 October 2004 to 31 March 2005 as required under Rule 907 of the SGX Listing Manual :

Name of interested person	Aggregate value of all interested person transactions (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)
Heineken Group of Companies ("Heineken")	\$2,169,326 @	\$6,318,674 *
Fraser and Neave, Limited ("F&NL")	\$ 742,423	\$2,240,054 *
Fraser & Neave Holdings Bhd	\$ -	\$9,841,474

@ This relates to royalties paid/payable to Heineken for two trade mark licence agreements entered into in 2004, set out in the Circular to the Shareholders dated 9 February 2004, and approved by the shareholders on 27 February 2004.

* Value of Interested Person Transactions amounting to \$2,240,054 each for both Heineken and F&NL are in respect of transactions between Heineken-APB (China) Pte Ltd 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 Heineken and F&NL.

BY ORDER OF THE BOARD
Anthony Cheong Fook Seng
Company Secretary

13 May 2005