



## ASIA PACIFIC BREWERIES LIMITED

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

### RESULTS FOR THE YEAR ENDED 30 SEPTEMBER 2004

#### Financial Statements and Dividend Announcement

The Directors are pleased to make the following announcement of the unaudited results for the year ended 30 September 2004:-

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

1(a)(i) PROFIT STATEMENT	Group			Company		
	30/9/2004 \$'000	30/9/2003 \$'000	Change %	30/9/2004 \$'000	30/9/2003 \$'000	Change %
Revenue	1,370,697	1,278,910	7.2	18,487	18,307	1.0
Cost of sales	(823,513)	(772,441)	6.6	-	-	-
Gross profit	547,184	506,469	8.0	18,487	18,307	1.0
(D)to(I) Operating expenses						
- Distribution	(40,722)	(36,813)	10.6	-	-	-
- Marketing	(236,893)	(231,976)	2.1	(15,792)	(11,882)	32.9
- Administration	(97,405)	(85,438)	14.0	(21,702)	(21,073)	3.0
	(375,020)	(354,227)	5.9	(37,494)	(32,955)	13.8
<b>Trading profit/(loss)</b>	172,164	152,242	13.1	(19,007)	(14,648)	29.8
Gross dividends from subsidiaries						
Quoted	-	-	-	18,451	11,800	56.4
Unquoted	-	-	-	107,047	237,614	(54.9)
Gross dividends from joint venture companies	-	-	-	15,182	16,690	(9.0)
Share of joint venture and associated companies' profits	22,913	22,067	3.8	-	-	-
(A) Gross income from investments	4,527	2,795	62.0	1,541	545	182.8
<b>Profit before interest, taxation and exceptional items</b>	199,604	177,104	12.7	123,214	252,001	(51.1)
(B)&(C) Net interest income	3,542	4,843	(26.9)	901	640	40.8
<b>Profit before taxation and exceptional items</b>	203,146	181,947	11.7	124,115	252,641	(50.9)
(K) Exceptional items	(2,317)	534	N/M	1,006	(122,800)	N/M
<b>Profit before taxation</b>	200,829	182,481	10.1	125,121	129,841	(3.6)
(J) Taxation	(56,090)	(52,165)	7.5	(5,507)	(7,173)	(23.2)
<b>Profit after taxation</b>	144,739	130,316	11.1	119,614	122,668	(2.5)
Minority interests, net of taxes	(42,214)	(36,179)	16.7	-	-	-
<b>Attributable profit</b>						
- Before exceptional items	104,826	93,550	12.1	118,608	245,468	(51.7)
- Exceptional items	(2,301)	587	N/M	1,006	(122,800)	N/M
	102,525	94,137	8.9	119,614	122,668	(2.5)

N/M - Not meaningful

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

	Group			Company			
	30/9/2004 \$'000	30/9/2003 \$'000	Change %	30/9/2004 \$'000	30/9/2003 \$'000	Change %	
<b>Investment income</b>							
(A)	Gross income from investments	4,527	2,795	62.0	1,541	545	182.8
<b>(B) &amp; (C) Net interest income</b>							
	Interest income	5,235	6,884	(24.0)	939	712	31.9
	Interest expenses	(1,693)	(2,041)	(17.1)	(38)	(72)	(47.2)
		3,542	4,843	(26.9)	901	640	40.8
<b>Operating expenses</b>							
Included in the operating expenses are:							
(D)	Depreciation & amortisation	(44,194)	(40,449)	9.3	(855)	(826)	3.5
(E)	Provision for doubtful debts & bad debts written off	(648)	(955)	(32.1)	-	-	-
(F)	Write-off for stock obsolescence	(1,042)	(382)	172.8	-	-	-
(G)	Impairment in value of investments	-	-	-	-	-	-
(H)	Foreign exchange gain/(loss)	402	2,276	(82.3)	356	(562)	N/M
(I)	(Loss)/Profit on sale of investment, properties and plant & equipment	(748)	370	N/M	(28)	(1)	N/M
(J)	Over provision of prior year taxation	5,061	3,423	47.9	337	1,000	(66.3)
<b>(K) Exceptional Items</b>							
	Gain on disposal of subsidiary	1,770	-	N/M	1,006	-	N/M
	Writeback of provision for expenses relating to disposal of business/company	970	2,106	(53.9)	-	-	-
	(Loss)/Gain on disposal of properties	(376)	1,384	N/M	-	-	-
	Restructuring cost and professional fees	(4,681)	(2,568)	82.3	-	-	-
	Provision for diminution in value of investments	-	(388)	(100.0)	-	(122,800)	(100.0)
		(2,317)	534	N/M	1,006	(122,800)	N/M
(L)	Extraordinary items	-	-	-	-	-	-
(M)	Profit before interest, taxation and exceptional items as a percentage of revenue	14.6%	13.8%				



**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 30/9/2004 \$'000	As at 30/9/2003 \$'000	As at 30/9/2004 \$'000	As at 30/9/2003 \$'000
Fixed assets	469,487	547,236	1,936	2,145
Subsidiary companies	-	-	562,369	582,736
Joint venture companies	224,855	92,483	222,985	85,271
Associated companies	430	680	-	-
Other investments	45,377	29,879	1,027	1,542
Intangibles	91,119	9,727	4,693	5,120
Deferred tax assets	2,136	1,429	-	-
<b>CURRENT ASSETS</b>				
Inventories	78,658	79,416	-	-
Trade debtors	92,306	91,929	-	-
Other debtors	13,593	20,590	1,731	2,102
Amounts due from subsidiary companies	-	-	23,226	118,083
Amounts due from joint venture companies	16,976	13,856	16,966	2,885
Amounts due from related companies	4,121	2,526	416	341
Short term investments	4,493	18,539	-	-
Bank fixed deposits	94,952	210,794	22,677	2,931
Cash and bank balances	19,560	36,493	1,196	498
	324,659	474,143	66,212	126,840
<b>Deduct: CURRENT LIABILITIES</b>				
Trade creditors	91,862	100,512	74	48
Other creditors	77,689	83,226	10,040	7,761
Amount due to subsidiary company	-	-	-	12,953
Amounts due to joint venture companies	13,184	3,815	10,676	-
Amounts due to related companies	13,813	10,715	2,640	420
Amount due to associated company	28	93	-	-
Bank borrowings	36,445	30,653	-	709
Provision for taxation	31,390	32,550	9,573	7,778
	264,411	261,564	33,003	29,669
<b>NET CURRENT ASSETS</b>	60,248	212,579	33,209	97,171
	893,652	894,013	826,219	773,985
<b>Deduct: DEFERRED LIABILITIES</b>				
Deferred tax liabilities	21,683	21,000	-	-
Provision for employee benefits	2,214	2,056	-	-
	23,897	23,056	-	-
	869,755	870,957	826,219	773,985
<b>Financed by:-</b>				
Share capital	255,450	254,337	255,450	254,337
Reserves	551,209	519,180	570,769	519,648
	806,659	773,517	826,219	773,985
Minority interests	63,096	97,440	-	-
	869,755	870,957	826,219	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 30/9/2004		As at 30/9/2003	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
-	36,445	-	30,653

**Amount repayable after one year**

As at 30/9/2004		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>	
	<b>30/9/2004</b>	<b>30/9/2003</b>
	<b>\$'000</b>	<b>\$'000</b>
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>		
Profit before taxation and exceptional items	203,146	181,947
Adjustment for:		
Depreciation of fixed assets	43,513	39,769
Loss/(Gain) on disposal of fixed assets (net)	748	(370)
Amortisation of brand	427	426
Provision for employee benefits	385	604
Amortisation of goodwill	254	254
Provision for fixed assets written (back)/off	(951)	678
Share of joint venture and associated companies' profits	(22,913)	(22,067)
Investment income	(4,527)	(2,795)
Net interest income	(3,542)	(4,843)
Write off of other investments	-	77
Operating cash before working capital changes	216,540	193,680
Change in inventories	(6,900)	(15,282)
Change in trade and other debtors	(4,703)	(4,970)
Change in trade and other creditors	(2,944)	23,947
Change in related companies' balances	7,687	(1,325)
Currency realignment	3,967	7,009
Cash generated from operations	213,647	203,059
Net interest received	3,546	3,375
Employee benefits paid	(241)	(363)
Income taxes paid	(52,418)	(40,824)
<b>Net cash from operating activities</b>	<b>164,534</b>	<b>165,247</b>
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>		
Proceeds from disposal of subsidiary	99,543	-
Proceeds from redemption of investments	22,124	35,000
Dividends from joint venture and associated companies	15,182	13,401
Investment income	4,536	2,893
Proceeds from disposal of fixed assets	1,979	6,278
Dividends and capital repayment from associated company	335	567
Additional loans to joint venture company	(138,049)	(8,000)
Purchase of minorities' shares in a subsidiary company	(119,815)	-
Purchase of fixed assets	(56,541)	(97,229)
Purchase of investments	(20,777)	(20,039)
<b>Net cash used in investing activities</b>	<b>(191,483)</b>	<b>(67,129)</b>

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

	<b>Group</b>	
	<b>30/9/2004</b>	<b>30/9/2003</b>
	<b>\$'000</b>	<b>\$'000</b>
<b><u>CASH FLOWS FROM FINANCING ACTIVITIES</u></b>		
Proceeds from issue of shares by parent company	4,380	2,194
Proceeds from/(Repayment of) bank borrowings	1,780	(2,356)
Capital reduction paid to minority interests by a subsidiary company	-	(1,919)
Payment of dividends:		
- by parent company to shareholders	(71,424)	(60,975)
- by subsidiaries to minority interests	(39,368)	(25,272)
<b>Net cash used in financing activities</b>	<b>(104,632)</b>	<b>(88,328)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(131,581)</b>	<b>9,790</b>
Effect of exchange rates on opening balance of cash and cash equivalents	(2,808)	(3,078)
Cash and cash equivalents at beginning of year	247,287	240,575
<b>Cash and cash equivalents at end of year</b>	<b>112,898</b>	<b>247,287</b>
<b>Cash and cash equivalents at end of year consist of:</b>		
Bank fixed deposits	94,952	210,794
Cash and bank balances	19,560	36,493
Bank overdrafts	(1,614)	-
	<b>112,898</b>	<b>247,287</b>
<b>During the year, the Group disposed of a subsidiary, Hainan Asia Pacific Brewery Company Ltd and acquired shares held by minorities in DB Breweries Limited.</b>		
<b>Analysis of disposal of subsidiary:</b>		
Net asset disposed of:		
Fixed assets	92,083	-
Inventories	9,184	-
Current assets	11,255	-
Current liabilities	(16,085)	-
Cash and cash equivalents	29,349	-
Currency realignment realised	1,336	-
	127,122	-
Gain on disposal	1,770	-
Consideration received	128,892	-
Less: Cash and cash equivalents of subsidiary disposed of	(29,349)	-
Cash flow on disposal of subsidiary	99,543	-
<b>Analysis of acquisition of shares held by minorities of a subsidiary:</b>		
Net assets acquired	39,492	-
Goodwill	82,073	-
Consideration paid	121,565	-
Less: amount accrued in other creditor	(1,750)	-
Cash flow on acquisition of subsidiary	119,815	-



- 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 Reserves	Revenue Reserves	Exchange Reserves	Dividend Reserves	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Year ended 30 September 2004</b>							
Balance at 1 October 2003	254,337	3,650	18,769	513,465	(52,311)	35,607	773,517
Currency exchange difference arising from translating foreign assets and liabilities of subsidiary, joint venture and associated companies	-	-	-	-	(105)	-	(105)
Capital reserves no longer required by statutory requirements	-	-	(736)	736	-	-	-
Deferred tax	-	-	(2,234)	-	-	-	(2,234)
Net (losses)/gains not recognised in the profit statement	-	-	(2,970)	736	(105)	-	(2,339)
Issue of shares in the Company upon exercise of Executives' Share Options	1,113	3,267	-	-	-	-	4,380
Attributable profit	-	-	-	102,525	-	-	102,525
<b>Dividends</b>							
Final dividend paid for the previous year	-	-	-	(98)	-	(35,607)	(35,705)
Interim dividend paid for the year	-	-	-	(35,719)	-	-	(35,719)
Final dividend proposed for the year	-	-	-	(35,763)	-	35,763	-
	-	-	-	(71,580)	-	156	(71,424)
Balance at 30 September 2004	255,450	6,917	15,799	545,146	(52,416)	35,763	806,659

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

	<b>Group</b>						
	<b>Share Capital \$'000</b>	<b>Share Premium \$'000</b>	<b>Capital Reserves \$'000</b>	<b>Revenue Reserves \$'000</b>	<b>Exchange Reserves \$'000</b>	<b>Dividend Reserves \$'000</b>	<b>Total \$'000</b>
<b><u>Year ended 30 September 2003</u></b>							
Balance at 1 October 2002	253,803	1,990	21,389	484,643	(69,080)	30,456	723,201
Currency exchange difference arising from translating foreign assets and liabilities of subsidiary, joint venture and associated companies	-	-	(1,138)	-	16,769	-	15,631
Revaluation surplus realised upon disposal of properties	-	-	(811)	811	-	-	-
Write down of property value against previous revaluation surplus	-	-	(671)	-	-	-	(671)
Net (losses)/gains not recognised in the profit statement	-	-	(2,620)	811	16,769	-	14,960
Issue of shares in the Company upon exercise of Executives' Share Options	534	1,660	-	-	-	-	2,194
Attributable profit	-	-	-	94,137	-	-	94,137
<b><u>Dividends</u></b>							
Final dividend paid for the previous year	-	-	-	(27)	-	(30,456)	(30,483)
Interim dividend paid for the year	-	-	-	(30,492)	-	-	(30,492)
Final dividend proposed for the year	-	-	-	(35,607)	-	35,607	-
	-	-	-	(66,126)	-	5,151	(60,975)
Balance at 30 September 2003	254,337	3,650	18,769	513,465	(52,311)	35,607	773,517

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

	Company						
	Share Capital	Share Premium	Capital Reserves	Revenue Reserves	Exchange Reserves	Dividend Reserves	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Year ended 30 September 2004</b>							
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	-	-	-	-	(336)	-	(336)
Net losses not recognised in the profit statement	-	-	-	-	(336)	-	(336)
Issue of shares in the Company upon exercise of Executives' Share Options	1,113	3,267	-	-	-	-	4,380
Attributable profit	-	-	-	119,614	-	-	119,614
<b>Dividends</b>							
Final dividend paid for the previous year	-	-	-	(98)	-	(35,607)	(35,705)
Interim dividend paid for the year	-	-	-	(35,719)	-	-	(35,719)
Final dividend proposed for the year	-	-	-	(35,763)	-	35,763	-
	-	-	-	(71,580)	-	156	(71,424)
Balance at 30 September 2004	255,450	6,917	-	528,539	(450)	35,763	826,219
<b>Year ended 30 September 2003</b>							
Balance at 1 October 2002	253,803	1,990	33,768	423,963	305	30,456	744,285
Currency exchange difference arising from translating net investment in a joint venture company	-	-	-	-	(419)	-	(419)
Deficit on revaluation of investments	-	-	(33,768)	-	-	-	(33,768)
Net losses not recognised in the profit statement	-	-	(33,768)	-	(419)	-	(34,187)
Issue of shares in the Company upon exercise of Executives' Share Options	534	1,660	-	-	-	-	2,194
Attributable profit	-	-	-	122,668	-	-	122,668
<b>Dividends</b>							
Final dividend paid for the previous year	-	-	-	(27)	-	(30,456)	(30,483)
Interim dividend paid for the year	-	-	-	(30,492)	-	-	(30,492)
Final dividend proposed for the year	-	-	-	(35,607)	-	35,607	-
	-	-	-	(66,126)	-	5,151	(60,975)
Balance at 30 September 2003	254,337	3,650	-	480,505	(114)	35,607	773,985

**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.**

	<b>4th Quarter to 30/9/2004</b>	<b>3rd Quarter to 30/6/2004</b>
Issued and fully paid ordinary shares of \$1.00 each:		
As at beginning of quarter	255,173,509	255,049,564
Issued during the quarter - Exercise of share options	276,370	123,945
As at end of quarter	<u>255,449,879</u>	<u>255,173,509</u>
	<b>As at 30/9/2004</b>	<b>As at 30/9/2003</b>
The number of shares that may be issued on exercise of share options outstanding at the end of the year	<u>2,878,769</u>	<u>3,053,232</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.**

Effect of changes in Singapore Companies Legislation

Pursuant to the Singapore Companies (Amendment) Act 2002, with effect from financial year commencing on 1 October 2003, the Company and the Group are required to prepare and present their audited financial statements in accordance with the Singapore Financial Reporting Standards ("FRS"). These financial statements, including the comparative figures, have therefore been prepared in accordance with FRS.

Previously, the Company and the Group prepared their financial statements in accordance with Singapore Statements of Accounting Standards. The adoption of FRS has not had a material impact on the accounting policies and figures presented in the financial statements for the financial year ended 30 September 2003.

**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.**

		<b>Group</b>	
		<b>30/9/2004</b>	<b>30/9/2003</b>
Earnings per ordinary share:			
(a)	Based on the weighted average number of ordinary shares on issue (cents)		
	- before exceptional items	41.1	36.8
	- after exceptional items	40.2	37.0
		<u>          </u>	<u>          </u>
(b)	On a fully diluted basis (cents)		
	- before exceptional items	41.0	36.8
	- after exceptional items	40.1	37.0
		<u>          </u>	<u>          </u>

**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**

	<b>Group</b>		<b>Company</b>	
	<b>As at 30/9/2004</b>	<b>As at 30/9/2003</b>	<b>As at 30/9/2004</b>	<b>As at 30/9/2003</b>
Net asset value per ordinary share based on issued share capital of the issuer at the end of the financial year	\$3.16	\$3.04	\$3.23	\$3.04
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>



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**

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 Directors are pleased to report another record performance for the year under review. Group profit before interest, taxation and exceptional items (PBIT) at \$199.6 million increased by \$22.5 million or 13% over last year. Attributable profit before exceptional items increased by \$11.3 million or 12% to reach a record \$104.8 million.

### **Commentary on full year performance**

#### **Singapore**

Sales slid by 3% as the beer retail sector has yet to improve alongside economic recovery, coupled with competition from other beverages. However, PBIT improved by 1% as a result of a special dividend payment from an unquoted equity investment.

#### **Malaysia**

PBIT grew by 21% due to a 3% increase in sales and effective cost control.

#### **Papua New Guinea**

PBIT increased by 25% driven by higher sales and stronger Kina (the latter accounted for 15% of the increase in PBIT).

#### **New Zealand**

PBIT increased by 34% lifted by higher sales and stronger NZ\$ (the latter accounted for 13% of the increase in PBIT).

On 8 October 2004, the Company announced the completion of its privatisation of DB Breweries Limited ("DBB"), giving it 100% ownership and control over DBB.

#### **Indochina**

The Group continues to enjoy good growth in the region. Sales grew strongly by 14%. PBIT grew by 3% to \$85.3 million due to better performance by Vietnam Brewery and Cambodia Brewery partially offset by higher start-up losses this year in Hatay Brewery which is in its first full year of production. Excluding the effect of a one-off \$6.1 million release of sales tax provision no longer required last year in Cambodia Brewery, PBIT should have grown by a healthy 12% (instead of 3%). Approval has been received from the authorities for the expansion of Vietnam Brewery's capacity by 50% from 1.5 million to 2.3 million hectolitres.

#### **China**

The Company's China operations were reorganised in April 2004 under its 50% owned Heineken-APB (China) Pte Ltd ("HAPBC") which acquired the Heineken organisation's activities in China.

China sales increased significantly compared to last year due to the strong performance of both Shanghai and Hainan and the commencement of the local brewing of *Heineken* lager in Shanghai with effect from April 2004. Overall China losses were reduced by 50% with Hainan Asia Pacific Brewery Co ("HAPCO") achieving a modest profit, lower losses in Shanghai and a maiden profit contribution from its 21% stake in Kingway Brewery Holdings Ltd ("KBH"), acquired by HAPBC in February 2004.



### **Thailand**

Sales grew by 7%. However, PBIT was 25% below last year due to higher marketing expenses and depreciation from the doubling of brewery capacity to 2 million hectolitres.

### **Corporate Office**

Expenses incurred were higher mainly due to marketing and business development expenses.

## **REVIEW OF BALANCE SHEET**

### **Company**

The decrease in investment in subsidiary companies was due to the transfer of investment in HAPCO to HAPBC, in line with the reorganisation of our China operations, partially offset by the privatisation of DBB. Investment in joint venture companies increased in line with shareholder loans given to HAPBC to finance the purchase of 21% interest in KBH and 100% interest in HAPCO and Heineken Trading Shanghai. The decrease in amounts due from subsidiary companies was due to repayment by subsidiaries. The increase in amounts due to joint venture companies was due to higher marketing subsidies.

### **Group**

The decrease in fixed assets was due mainly to the transfer of HAPCO. The increase in investment in joint venture companies was mainly due to the increase in loans to HAPBC as described above. The higher intangibles arose from the goodwill on consolidation, arising from the privatisation of DBB. These transactions resulted in a net reduction in cash. The decrease in other debtors was due to settlement on sale of properties. The decrease in short term investments was mainly due to redemption of notes.

## **REVIEW OF GROUP CASHFLOW**

Following approval of shareholders, the operations in China were reorganised, and further loans were advanced in proportion to the Company's shareholding, to HAPBC. Cash has also been expended in the privatisation of DBB. Both these sets of transactions have been accretive to group profits.

**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 fundamentals of the Group's business remain sound. With double digit growth in attributable profit before exceptional items in the past 5 consecutive years, an expanding network of breweries in the Asia Pacific region and a wide portfolio of strong brands, APB is poised for further growth. The economic outlook for the coming year appears to be positive for most of the markets at this point in time. With the turning around of HAPCO, the local production of *Heineken* lager in China and positive contribution from KBH, the overall losses from its China operations are expected to be further reduced in the new financial year.

Barring any unforeseen circumstances, the Directors expect attributable profit before exceptional items for the new financial year to be higher than the year under review.



## 11. Dividend

### (a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on? Yes

Name of Dividend	:	Final
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	:	Final
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 propose, subject to shareholders' approval at the forthcoming Annual General Meeting a final dividend of 14 Singapore cents (last year: 14 cents) per share of \$1, being AFTER deduction of Singapore tax, to be paid on 16 February 2005. This is equivalent to a gross dividend of 17.5 cents per share. Taken with the interim dividend this will give a total distribution for the year of 28 cents per share after tax, or 35 cents per share gross (last year: 26 cents after tax, or 32.9 cents gross).

### (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 2 February 2005 will be registered before entitlements to the dividend are determined. Notice is hereby given that the share registers will be closed from 3 to 7 February 2005, both dates inclusive, for the preparation of dividend warrants.

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

Not applicable.

**PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT****13. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year****Year ended 30 September 2004**

	Singapore \$'000	Malaysia \$'000	Papua New Guinea \$'000	New Zealand \$'000	Indochina \$'000	China \$'000	Thailand \$'000	Corporate Office \$'000	Group \$'000
Revenue	417,889	-	128,248	383,148	406,324	32,379	-	2,709	1,370,697
<b>Profit before interest, taxation and exceptional items</b>									
Subsidiary companies	37,510	-	25,597	46,212	85,308	417	-	(18,353)	176,691
Joint venture and associated companies	6,410	16,423	-	30	-	(8,689)	8,739	-	22,913
	43,920	16,423	25,597	46,242	85,308	(8,272)	8,739	(18,353)	199,604
Net interest income									3,542
Exceptional items									(2,317)
Taxation									(56,090)
Minority interests, net of taxes									(42,214)
Attributable profit									102,525
<b>Total assets</b>									
Subsidiary companies	163,717	-	35,243	254,701	249,269	-	-	26,774	729,704
Joint venture and associated companies	3,476	38,483	-	430	-	147,087	35,809	-	225,285
Goodwill on acquisition	-	-	-	-	-	-	-	86,426	86,426
Deferred tax assets									2,136
Bank deposits and cash balances									114,512
									1,158,063
<b>Total liabilities</b>									
Subsidiary companies	(42,985)	-	(13,240)	(44,166)	(74,958)	-	-	(23,441)	(198,790)
Provision for tax and deferred tax									(53,073)
Bank borrowings									(36,445)
									(288,308)
<b>Other segment information:</b>									
Attributable profit	31,540	12,210	12,201	23,341	43,310	(8,502)	5,639	(17,214)	102,525
Capital expenditure	23,891	-	2,469	13,754	14,636	1,535	-	256	56,541
Depreciation of fixed assets	7,987	-	1,966	14,745	15,460	2,927	-	428	43,513
Amortisation of brand and goodwill	-	-	-	-	-	-	-	681	681
<b><u>Business Segment</u></b>									
				<b>Brewery \$'000</b>	<b>Investment \$'000</b>		<b>Corporate Office \$'000</b>		<b>Group \$'000</b>
Revenue				1,367,988	-		2,709		1,370,697
Profit before interest, taxation and exceptional items				213,430	4,527		(18,353)		199,604
Assets				1,000,513	45,377		112,173		1,158,063
Capital expenditure				56,285	-		256		56,541



**Year ended 30 September 2003**

	Singapore \$'000	Malaysia \$'000	Papua New Guinea \$'000	New Zealand \$'000	Indochina \$'000	China \$'000	Thailand \$'000	Corporate Office \$'000	Group \$'000
Revenue	429,399	-	103,991	323,540	367,371	52,069	-	2,540	1,278,910
<b>Profit before interest, taxation and exceptional items</b>									
Subsidiary companies	36,679	-	20,512	34,539	82,556	(6,750)	-	(12,499)	155,037
Joint venture and associated companies	6,693	13,611	-	58	-	(9,934)	11,639	-	22,067
	43,372	13,611	20,512	34,597	82,556	(16,684)	11,639	(12,499)	177,104
Net interest income									4,843
Exceptional items									534
Taxation									(52,165)
Minority interests, net of taxes									(36,179)
Attributable profit									94,137
<b>Total assets</b>									
Subsidiary companies	171,034	-	33,573	226,144	246,378	116,333	-	15,629	809,091
Joint venture and associated companies	2,380	36,893	-	680	-	20,085	33,125	-	93,163
Goodwill on acquisition	-	-	-	-	-	-	-	4,607	4,607
Deferred tax assets									1,429
Bank deposits and cash balances									247,287
									1,155,577
<b>Total liabilities</b>									
Subsidiary companies	(47,234)	-	(10,227)	(43,378)	(66,895)	(17,151)	-	(15,532)	(200,417)
Provision for tax and deferred tax									(53,550)
Bank borrowings									(30,653)
									(284,620)
Other segment information:									
Attributable profit	33,854	9,808	9,541	18,935	42,370	(16,369)	7,019	(11,021)	94,137
Capital expenditure	6,315	-	4,189	14,318	71,149	1,119	-	139	97,229
Depreciation of fixed assets	6,569	-	1,702	13,434	11,409	6,255	-	400	39,769
Amortisation of brand and goodwill	-	-	-	-	-	-	-	680	680

**Business Segment**

	Brewery \$'000	Investment \$'000	Corporate Office \$'000	Group \$'000
Revenue	1,276,370	-	2,540	1,278,910
Profit before interest, taxation and exceptional items	186,808	2,795	(12,499)	177,104
Assets	1,107,004	29,879	18,694	1,155,577
Capital expenditure	97,090	-	139	97,229

**14. In the review of performance, the factors leading to any material changes in contribution to turnover and earnings by the business or geographical segments.**

Please refer to paragraph 13.

**15. A breakdown of sales**

	<b>30/9/2004</b>	<b>30/9/2003</b>
	<b>\$'000</b>	<b>\$'000</b>
(a) Sales reported for first half year	737,440	657,974
(b) Operating profit after tax before deducting minority interests reported for first half year	84,756	76,899
(c) Sales reported for second half year	633,257	620,936
(d) Operating profit after tax before deducting minority interests reported for second half year	59,983	53,417

**16. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.**

	<b>30/9/2004</b>	<b>30/9/2003</b>
	<b>\$'000</b>	<b>\$'000</b>
Ordinary	71,482	66,197
Preference	-	-
Total	<u>71,482</u>	<u>66,197</u>

## 17. Interested Person Transactions

Particulars of interested person transactions for the period to 30 September 2004:

Name of interested person	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")	\$148,062,472 *
Fraser and Neave, Limited ("F&NL")	\$138,672,769 *
Fraser & Neave Holdings Bhd	\$ 15,707,910
Heineken -APB (China) Pte Ltd	\$ 539,915

\* Value of Interested Person Transactions amounting to \$138,672,769 for each of 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 persons group of F&NL and Heineken.

## 18. Unusual Item

As previously announced, in September 2003, the former finance manager of wholly-owned subsidiary, Asia Pacific Breweries (Singapore) Pte Ltd ("APBS"), Chia Teck Leng ("CTL"), was arrested by the police and subsequently charged in Court on multiple charges for cheating and using forged documents to obtain and operate unauthorised bank accounts in the name of APBS with CTL as the sole signatory.

In April 2004, CTL was convicted and sentenced to a total of forty-two years of imprisonment on fourteen charges of cheating and forgery offences under sections 420 and 467 of the Penal Code (Cap. 224) respectively. Thirty-two other charges were taken into consideration for sentencing.

In September 2004, four banks, Bayerische Hypo-und Vereinsbank Aktiengesellschaft, Skandinaviska Enskilda Banken, Mizuho Corporate Bank Ltd and Sumitomo Mitsui Banking Corporation, commenced separate actions against APBS amounting to approximately \$117.1 million.

Drew & Napier LLC has been instructed to defend APBS in each of these actions which are still in their early stages. Our lawyers have advised that APBS has good defences and will be vigorously defending the claims. Consequently, no provision in the accounts is considered necessary.

It is understood that the Commercial Affairs Department has recovered approximately \$34.8 million. APBS is unable at this time to say whether there are any other claimants in respect of the recovered sum of \$34.8 million.

## 19. Annual General Meeting

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Company will be held at Level 2, Alexandra Point, 438 Alexandra Road, Singapore 119958 on Tuesday 25 January 2005 at 10.00 am.

BY ORDER OF THE BOARD  
Anthony Cheong Fook Seng  
Company Secretary

12 November 2004