



DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2003

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the year ended 30 June 2003.

Principal activities

The Group and the Company are principally engaged in the production, packaging, marketing and distribution of GUINNESS Stout, GUINNESS Draught, Tiger Beer, Heineken Beer, Anchor Smooth, Anchor Ice Beer, Baron's Strong Brew, Lion Stout, Kilkenny Draught, Anglia Shandy and Malta. The principal activities of the subsidiaries are as stated in Note 3 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

Results

	Group RM'000	Company RM'000
Net profit for the year	78,006	46,793

Reserves and provisions

There were no material transfers to or from reserves and provisions during the year except as disclosed in the financial statements.

Dividends

Since the end of the previous financial year, the Company paid:

- i) a final dividend of 12 sen gross per 50 sen stock unit, less Singapore tax at 22%, totalling RM28,277,000, in respect of the year ended 30 June 2002, on 27 November 2002; and
- ii) an interim dividend of 12 sen gross per 50 sen stock unit, less Singapore tax at 22%, totalling RM28,277,000, in respect of the year ended 30 June 2003, on 9 May 2003.

The Directors now recommend payment of a final dividend of 12 sen gross per 50 sen stock unit, less Singapore tax at 22%, and a special final dividend of 12 sen gross per 50 sen stock unit, less Singapore tax at 22%, totalling RM56,554,000, payable on 28 November 2003.

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Directors of the Company

Directors who served since the date of the last report are:

Director

Tan Sri Saw Huat Lye (Chairman)
 Tan Sri Dato' Alwi Jantan
 Chin Yoong Chong
 Dato' Jaffar Bin Ahmad Indot
 Low Teng Lum
 Khoo Gaik Bee
 Quek Peck Leng (appointed on 15.11.2002)
 David Charles Craig (appointed on 6.1.2003)
 Theo A F de Rond (appointed on 1.6.2003)
 Eric E M Nelissen (resigned on 15.11.2002)
 Alan F Robson (resigned on 26.11.2002)
 Jac van Herpen (resigned on 1.6.2003)

The holdings and deemed holdings in the ordinary shares of the Company and its related corporations of those who were Directors at year end as recorded in the Register of Directors' Shareholdings are as follows:

	Stock units of 50 sen each			
	At 1.7.2002	Bought	Sold	At 30.6.2003
Shareholdings in which Director has direct interest				
Chin Yoong Chong	150,000	-	-	150,000

None of the other Directors holding office at 30 June 2003 had any interest in the ordinary shares of the Company and of its related corporations during the financial year.

Directors' benefits

Since the end of the previous financial year, no Director of the Company has received nor become entitled to receive a benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by Directors as shown in the financial statements or the fixed salary of a full-time employee of the Company or of a related corporation) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest, other than legal fees paid to a firm in which a Director is a member.

There were no arrangements during and at the end of the financial year which had the object of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.



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Issue of shares and debentures

There were no changes in the issued and paid-up capital of the Company during the financial year.

Options granted over unissued shares

No options were granted to any person to take up unissued shares of the Company during the financial year.

Ultimate holding company

The Directors regard GAPL Pte Ltd, a company incorporated in the Republic of Singapore, as the ultimate holding company. GAPL Pte Ltd is a joint venture company whose ultimate owners are Diageo plc, a company incorporated in England and Wales, and Asia Pacific Breweries Limited, a company incorporated in the Republic of Singapore.

Other statutory information

Before the financial statements of the Group and of the Company were made out, the Directors took reasonable steps to ascertain that:

- i) all known bad debts have been written off and adequate provisions made for doubtful debts; and
- ii) all current assets have been stated at the lower of cost and net realisable value.

At the date of this report, the Directors are not aware of any circumstances:

- i) that would render the amount written off for bad debts, or the amount of the provision for doubtful debts, in the Group and in the Company, inadequate to any substantial extent; or
- ii) that would render the value attributed to the current assets in the Group and in the Company's financial statements misleading; or
- iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; or
- iv) not otherwise dealt with in this report or the financial statements, that would render any amount stated in the financial statements of the Group and of the Company misleading.

At the date of this report, there does not exist:

- i) any charge on the assets of the Group or of the Company that has arisen since the end of the financial year and which secures the liabilities of any other person; or
- ii) any contingent liability in respect of the Group or of the Company that has arisen since the end of the financial year.



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No contingent liability or other liability of any company in the Group has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

In the opinion of the Directors, the results of the operations of the Group and of the Company for the financial year ended 30 June 2003 have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report.

Auditors

The auditors, Messrs KPMG, have indicated their willingness to accept re-appointment.

Signed in accordance with a resolution of the Directors:

Tan Sri Saw Huat Lye
Chairman

Theo A F de Rond
Director

Petaling Jaya
28 August 2003