

Director's Report

For the Year Ended 30 June 2004

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 2004.

Principal activities

The Group and the Company are principally engaged in the production, packaging, marketing and distribution of Tiger Beer, Guinness Stout, Guinness Draught, Heineken Beer, Anchor Smooth, Anchor Ice Beer, Lion Stout, Baron's Strong Brew, 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.

| <i>Results</i> | <i>Group</i> <i>RM'000</i> | <i>Company</i> <i>RM'000</i> |
|-------------------------|-------------------------------|---------------------------------|
| Net profit for the year | 98,419 | 50,629 |

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 2003, on 28 November 2003;
- ii) a special 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 2003, on 28 November 2003; and
- iii) an interim dividend of 12 sen gross per 50 sen stock unit, less Singapore tax at 20%, totalling RM29,001,000, in respect of the year ended 30 June 2004, on 7 May 2004.

The Directors now recommend payment of a final dividend of 12 sen gross per 50 sen stock unit, less Singapore tax at 20%, and a special final dividend of 14 sen gross per 50 sen stock unit, less Singapore tax at 20%, totalling RM62,836,400, payable on 17 December 2004.

Director's Report

For the Year Ended 30 June 2004

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

Theo A F De Rond

John Irving (appointed on 1.9.2003)

Sanjeevi Giridhar (alternate Director to John Irving; appointed on 11.5.2004)

Tang Swee Seng (alternate Director to Quek Peck Leng; appointed on 11.5.2004)

David Charles Craig (resigned on 1.9.2003)

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:

| | <i>Stock units of 50 sen each</i> | | | |
|---|-----------------------------------|---------------|-------------|-------------------------|
| | <i>At 1.7.2003</i> | <i>Bought</i> | <i>Sold</i> | <i>At 30.6.2004</i> |
| Shareholdings in which Director has direct interest | | | | |
| Chin Yoong Chong | 150,000 | - | - | 150,000 |

None of the other Directors holding office at 30 June 2004 had any interest in the ordinary shares of the Company and of its related corporations during the financial year.

Director's Report

For the Year Ended 30 June 2004

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.

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.

Director's Report

For the Year Ended 30 June 2004

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.

Director's Report

For the Year Ended 30 June 2004

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 2004 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

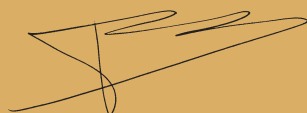
The auditors, Messrs KPMG, have indicated their willingness to accept re-appointment.

Signed in accordance with a resolution of the Directors:



Tan Sri Saw Huat Lye

Chairman



Theo A F De Rond

Director

Petaling Jaya,
6 August 2004