

2004 Financial Report

• *Together, We Brew Success*

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“ *Together, We Brew Success* ”



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%, totaling 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

Statement by Directors

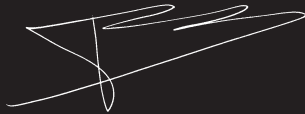
Pursuant to Section 169(15) of the Companies Act, 1965

In the opinion of the Directors, the financial statements set out on pages 95 to 120 are drawn up in accordance with the provisions of the Companies Act, 1965 and applicable approved accounting standards in Malaysia so as to give a true and fair view of the state of affairs of the Group and of the Company as at 30 June 2004 and of the results of their operations and cash flows for the year ended on that date.

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

Statutory Declaration

Pursuant to Section 169(16) of the Companies Act, 1965

I, **Low Teng Lum**, the Director primarily responsible for the financial management of Guinness Anchor Berhad, do solemnly and sincerely declare that the financial statements set out on pages 95 to 120 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the abovenamed in Kuala Lumpur on 6 August 2004.



Low Teng Lum

Director

Before me:



Commissioner For Oaths



Tingkat 10 Wisma UOA Damansara
50, Jalan Dungun,
Bukit Damansara,
50490 Kuala Lumpur

Balance Sheets

As at 30 June 2004

	Note	Group		Company	
		2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Property, plant and equipment	2	230,085	221,518	219,314	210,006
Investment in subsidiaries	3	-	-	46,718	46,718
Deferred tax assets	10	3,795	2,500	-	-
		233,880	224,018	266,032	256,724
Current assets					
Inventories	4	44,672	42,198	25,100	29,157
Trade and other receivables	5	101,734	101,576	15,305	55,467
Cash and cash equivalents	6	115,009	105,132	106,446	97,081
		261,415	248,906	146,851	181,705
Current liabilities					
Trade and other payables	7	126,912	122,740	143,703	134,219
Taxation		22,960	16,693	21,781	20,953
		149,872	139,433	165,484	155,172
Net current assets/(liabilities)		111,543	109,473	(18,633)	26,533
		345,423	333,491	247,399	283,257
Financed by:					
Capital and reserves					
Share capital	8	151,049	151,049	151,049	151,049
Reserves		159,064	146,200	61,040	95,966
Shareholders' funds		310,113	297,249	212,089	247,015
Long term and deferred liabilities					
Deferred tax liabilities	10	35,310	36,242	35,310	36,242
		345,423	333,491	247,399	283,257

The financial statements were approved and authorised for issue by the Board of Directors on 6 August 2004.

The notes set out on pages 101 to 120 form an integral part of, and should be read in conjunction with, these financial statements.

Income Statements

For the Year Ended 30 June 2004

	Note	Group		Company	
		2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Revenue – sale of goods		886,208	796,595	601,097	539,119
Cost of sales		(528,799)	(464,583)	(524,181)	(457,857)
Gross profit		357,409	332,012	76,916	81,262
Distribution, marketing and selling expenses		(197,646)	(192,825)	(3,262)	(3,763)
Administration expenses		(30,172)	(29,670)	(9,984)	(10,673)
Other operating expenses		(8,499)	(6,519)	(7,740)	(747)
Other operating income		6,514	2,389	5,040	586
Operating profit	11	127,606	105,387	60,970	66,665
Interest expense		(908)	(565)	(355)	-
Interest income		2,556	2,541	2,495	2,469
Profit before taxation		129,254	107,363	63,110	69,134
Tax expense	13	(30,835)	(29,357)	(12,481)	(22,341)
Net profit for the year		98,419	78,006	50,629	46,793
Basic earnings per 50 sen stock unit (sen)	14	32.6	25.8		
Net dividends per 50 sen stock unit (sen)	15	30.4	28.1	30.4	28.1

The notes set out on pages 101 to 120 form an integral part of, and should be read in conjunction with, these financial statements.

Consolidated Statement of Changes in Equity

For the Year Ended 30 June 2004

<i>Group</i>	<i>Note</i>	<i>Share capital RM'000</i>	<i>Non-distributable Capital reserve RM'000</i>	<i>Distributable Retained profits RM'000</i>	<i>Total RM'000</i>
At 1 July 2002		151,049	4,490	120,258	275,797
Net gains and losses not recognised in the income statement - foreign exchange translation		-	24	(24)	-
Net profit for the year		-	-	78,006	78,006
Dividends - 2002 final		-	-	(28,277)	(28,277)
- 2003 interim	15	-	-	(28,277)	(28,277)
At 30 June 2003		151,049	4,514	141,686	297,249
Net gains and losses not recognised in the income statement - foreign exchange translation		-	105	(105)	-
Net profit for the year		-	-	98,419	98,419
Dividends - 2003 final	15	-	-	(56,554)	(56,554)
- 2004 interim	15	-	-	(29,001)	(29,001)
At 30 June 2004		151,049	4,619	154,445	310,113
		Note 8		Note 9	

The notes set out on pages 101 to 120 form an integral part of, and should be read in conjunction with, these financial statements.

Statement of Changes in Equity

For the Year Ended 30 June 2004

<i>Company</i>	<i>Note</i>	<i>Share capital RM'000</i>	<i>Distributable Retained profits RM'000</i>	<i>Total RM'000</i>
At 1 July 2002		151,049	105,727	256,776
Net profit for the year		-	46,793	46,793
Dividends - 2002 final		-	(28,277)	(28,277)
- 2003 interim	15	-	(28,277)	(28,277)
At 30 June 2003		151,049	95,966	247,015
Net profit for the year		-	50,629	50,629
Dividends				
- 2003 final	15	-	(56,554)	(56,554)
- 2004 interim	15	-	(29,001)	(29,001)
At 30 June 2004		151,049	61,040	212,089
		Note 8	Note 9	

The notes set out on pages 101 to 120 form an integral part of, and should be read in conjunction with, these financial statements.

Cash Flow Statements

For the Year Ended 30 June 2004

	<i>Group</i>		<i>Company</i>	
	<i>2004</i>	<i>2003</i>	<i>2004</i>	<i>2003</i>
	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>
Cash flows from operating activities				
Profit before taxation	129,254	107,363	63,110	69,134
Adjustments for:				
Depreciation	24,086	24,004	21,130	20,810
Loss/(Gains) on disposal of property, plant and equipment	1,444	(2,328)	2,460	(586)
Interest expense	908	565	355	-
Interest income	(2,556)	(2,541)	(2,495)	(2,469)
Operating profit before working capital changes (Increase)/Decrease in working capital:	153,136	127,063	84,560	86,889
Inventories	(2,474)	(11,209)	4,057	(3,577)
Trade and other receivables	(158)	(420)	40,162	29,357
Trade and other payables	4,172	(15,285)	9,484	(8,116)
Cash generated from operations	154,676	100,149	138,263	104,553
Income taxes paid	(26,795)	(28,134)	(12,585)	(21,319)
Interest paid	(908)	(565)	(355)	-
Net cash generated from operating activities	126,973	71,450	125,323	83,234
Cash flows from investing activities				
Proceeds from disposal of property, plant and equipment	1,150	2,716	106	626
Purchase of property, plant and equipment	(35,247)	(22,756)	(33,004)	(21,283)
Interest received	2,556	2,541	2,495	2,469
Net cash used in investing activities	(31,541)	(17,499)	(30,403)	(18,188)
Balance carried forward	95,432	53,951	94,920	65,046

Cash Flow Statements

For the Year Ended 30 June 2004

	<i>Group</i>		<i>Company</i>	
	<i>2004</i>	<i>2003</i>	<i>2004</i>	<i>2003</i>
	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>
Balance brought forward	95,432	53,951	94,920	65,046
Cash flows from financing activity				
Dividends paid	(85,555)	(56,554)	(85,555)	(56,554)
Net cash used in financing activity	(85,555)	(56,554)	(85,555)	(56,554)
Net (decrease)/increase in cash and cash equivalents	9,877	(2,603)	9,365	8,492
Cash and cash equivalents at beginning of year	105,132	107,735	97,081	88,589
Cash and cash equivalents at end of year	6 115,009	105,132	106,446	97,081

The notes set out on pages 101 to 120 form an integral part of, and should be read in conjunction with, these financial statements.

Notes to the Financial Statements

1. Summary of significant accounting policies

The following accounting policies are adopted by the Group and the Company and are consistent with those adopted in previous years except for the adoption of MASB 29, Employee Benefits. Apart from the inclusion of new policies and extended disclosures where required by the new standard, there is no effect on these financial statements.

(a) Corporate information

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Board of Bursa Malaysia Securities Berhad. The registered office of the Company is located at Sungei Way Brewery, Lot 1135, Batu 9, Jalan Klang Lama, PO Box 144, 46710 Petaling Jaya, Selangor Darul Ehsan.

(b) Basis of accounting

The financial statements of the Group and of the Company are prepared under the historical cost basis except as disclosed in the notes to the financial statements and in compliance with the provisions of the Companies Act, 1965 and applicable approved accounting standards in Malaysia.

(c) Basis of consolidation

Subsidiaries are those enterprises controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an enterprise so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control effectively commences until the date that control effectively ceases. Subsidiaries are consolidated using the acquisition method of accounting.

Under the acquisition method of accounting, the results of subsidiaries acquired or disposed off during the year are included from the date of acquisition or up to the date of disposal. At the date of acquisition, the fair values of the subsidiaries' net assets are determined and these values are reflected in the Group financial statements. The difference between the acquisition cost and the fair values of the subsidiaries' net assets is reflected as goodwill or negative goodwill as appropriate.

Intragroup transactions and balances and the resulting unrealised profits are eliminated on consolidation. Unrealised losses resulting from intragroup transactions are also eliminated unless cost cannot be recovered.

(d) Property, plant and equipment

Freehold land and capital work-in-progress are stated at cost. All other property, plant and equipment are stated at cost/valuation less accumulated depreciation and accumulated impairment losses.

Notes to the Financial Statements

Property, plant and equipment retired from active use and held for disposal are stated at the carrying amount at the date when the asset is retired from active use, less impairment losses, if any.

(e) Depreciation

Freehold land and capital work-in-progress are not amortised. Leasehold land is amortised in equal instalments over the period of the respective leases which range from 61 to 95 years. The straight line method is used to write off the cost of the other assets over the term of their estimated useful lives at the following principal annual rates:

Buildings	2%
Plant and equipment	5% to 7.5%
Movable plant	10% to 25%

(f) Investments

Investments in subsidiaries are stated at cost or valuation, less impairment loss where applicable.

(g) Trade and other receivables

Trade and other receivables are stated at cost less allowance for doubtful debts.

(h) Employee benefits

i) Short term employee benefits

Wages, salaries, paid annual leave and sick leave, bonuses and non-monetary benefits are accrued in the period in which associated services are rendered by employees of the Group. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences, and short term non-accumulating compensated absences such as sick leave are recognised when absences occur.

ii) Defined contribution plans

Obligations for contributions to defined contribution plans are recognised as an expense in the Income Statement as incurred.

Notes to the Financial Statements

(i) Provisions

A provision is recognised when it is probable that an outflow of resources embodying economic benefits will be required to settle a present obligation (legal or constructive) as a result of a past event and a reliable estimate can be made of the amount.

(j) Liabilities

Trade and other payables are stated at cost.

(k) Inventories

Inventories are valued at the lower of cost and net realisable value. Cost is arrived at on the following bases:

Raw materials	-	specific
Work-in-progress	-	average
Finished goods	-	average
Packaging materials	-	average
Engineering stores and spares	-	average

Cost includes raw materials, duties where applicable, and other expenses in bringing the inventories into store. For finished goods and work-in-progress, cost also includes direct labour and an appropriate proportion of production overheads. In arriving at net realisable value, due allowance is made for obsolescence.

(l) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, balances and deposits with banks and highly liquid investments which have an insignificant risk of change in value. For the purpose of the cash flow statement, cash and cash equivalents are presented net of bank overdrafts and pledged deposits, if any.

(m) Impairment

The carrying amounts of assets, other than inventories and financial assets (other than investment in subsidiaries), are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset or cash-generating unit to which it belongs exceeds its recoverable amount. Impairment losses are recognised in the Income Statement.

Notes to the Financial Statements

The recoverable amount is the greater of the asset's net selling price and its value in use. In assessing value in use, estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have determined, net of depreciation or amortisation, if no impairment loss had been recognised. The reversal is recognised in the Income Statement.

(n) Income tax

Tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the Income Statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Temporary differences are not recognised on the initial recognition of assets or liabilities that at the time of the transaction affects neither accounting nor taxable profit. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantially enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

(o) Foreign currency

i) Foreign currency transactions

Transactions in foreign currencies are translated to Ringgit Malaysia at rates of exchange ruling at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to Ringgit Malaysia at the foreign exchange rates ruling at that date. Foreign exchange differences arising on translation are recognised in the Income Statement.

Notes to the Financial Statements

ii) Financial statements of overseas subsidiaries

The balance sheets of overseas subsidiaries are translated at closing rates. Exchange differences arising on the retranslation at closing rates of the opening balance sheets of overseas subsidiaries are taken to reserves.

The closing rates used in the translation of foreign currency monetary assets and liabilities and the financial statements of overseas subsidiaries are mainly as follows:

1USD	RM3.80	(2003	:	RM3.80)
1GBP	RM6.94	(2003	:	RM6.33)
1SGD	RM2.24	(2003	:	RM2.19)
1EUR	RM4.64	(2003	:	RM4.33)

(p) Derivative financial instruments

The Group uses derivative financial instruments such as forward foreign exchange contracts to hedge its exposure to foreign exchange risks arising from operational activities.

Derivative financial instruments used for hedging purposes are accounted for on an equivalent basis to the underlying assets, liabilities or net positions. Any profit or loss arising is recognised on the same basis as that arising from the related assets, liabilities or net positions.

Derivatives that do not qualify for hedge accounting are accounted for as trading instruments and marked to market at balance sheet date. Any profit or loss is recognised in the Income Statement.

(q) Revenue

i) Goods sold

Revenue from sales of goods is measured at the fair value of the consideration receivable (2003 - less sales tax, but now restated (see Note 21) and is recognised in the Income Statement upon delivery and invoicing to the customer.

ii) Interest income

Interest income is recognised in the Income Statement as it accrues, taking into account the effective yield on the asset.

Notes to the Financial Statements

2. Property, plant and equipment

<i>Group</i>	<i>Freehold land</i>	<i>Long term leasehold land and buildings</i>	<i>Plant and machinery</i>	<i>Movable plant</i>	<i>Capital work-in-progress</i>	<i>Total</i>
<i>Cost/Valuation</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>
At 1 July 2003	4,037	84,807	234,236	107,092	16,586	446,758
Additions	-	289	131	2,391	32,436	35,247
Disposals	-	-	(5,715)	(3,488)	-	(9,203)
Transfers	-	10	16,820	9,559	(26,389)	-
At 30 June 2004	4,037	85,106	245,472	115,554	22,633	472,802
Representing items at:						
Cost	4,037	33,214	245,472	115,554	22,633	420,910
Valuation (1984)	-	51,892	-	-	-	51,892
At 30 June 2004	4,037	85,106	245,472	115,554	22,633	472,802
Depreciation and Impairment losses						
At 1 July 2003	-	28,708	117,645	78,887	-	225,240
Depreciation charge for the year	-	1,938	12,902	9,246	-	24,086
Disposals	-	-	(3,176)	(3,433)	-	(6,609)
At 30 June 2004	-	30,646	127,371	84,700	-	242,717
Net book value						
At 30 June 2004	4,037	54,460	118,101	30,854	22,633	230,085
At 30 June 2003	4,037	56,099	116,591	28,205	16,586	221,518
For the year ended 30 June 2003						
Depreciation charge	-	1,883	12,423	9,698	-	24,004

Notes to the Financial Statements

2. Property, plant and equipment (continued)

<i>Company</i> <i>Cost/Valuation</i>	<i>Long term leasehold land and buildings</i> <i>RM'000</i>	<i>Plant and machinery</i> <i>RM'000</i>	<i>Movable plant</i> <i>RM'000</i>	<i>Capital work-in-progress</i> <i>RM'000</i>	<i>Total</i> <i>RM'000</i>
At 1 July 2003	83,014	234,235	88,357	16,586	422,192
Additions	15	131	422	32,436	33,004
Disposals	-	(5,715)	(690)	-	(6,405)
Transfers	10	16,820	9,559	(26,389)	-
At 30 June 2004	83,039	245,471	97,648	22,633	448,791
Representing items at:					
Cost	31,147	245,471	97,648	22,633	396,899
Valuation (1984)	51,892	-	-	-	51,892
At 30 June 2004	83,039	245,471	97,648	22,633	448,791
Depreciation and Impairment losses					
At 1 July 2003	27,329	117,644	67,213	-	212,186
Depreciation charge for the year	1,766	12,902	6,462	-	21,130
Disposals	-	(3,176)	(663)	-	(3,839)
At 30 June 2004	29,095	127,370	73,012	-	229,477
Net book value					
At 30 June 2004	53,944	118,101	24,636	22,633	219,314
At 30 June 2003	55,685	116,591	21,144	16,586	210,006
For the year ended 30 June 2003					
Depreciation charge	1,739	12,423	6,648	-	20,810

Notes to the Financial Statements

2. Property, plant and equipment (continued)

The Directors revalued the Company's long term leasehold land and buildings in 1984 to fair market value based on an independent professional valuation. This revaluation of properties was carried out primarily for the purpose of issuing bonus shares and was not intended to effect a change in the accounting policy to one of revaluation of properties.

Had all the long term leasehold land and buildings been carried at historical cost less accumulated depreciation, the carrying amount that would have been included in the financial statements at the end of the year would be as follows:

	<i>Group</i>		<i>Company</i>	
	<i>2004</i>	<i>2003</i>	<i>2004</i>	<i>2003</i>
	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>
Long term leasehold land and buildings	39,056	40,379	38,540	39,965

3. Investment in subsidiaries

	<i>Company</i>	
	<i>2004</i>	<i>2003</i>
	<i>RM'000</i>	<i>RM'000</i>
Unquoted shares		
- at cost	32,474	32,474
- at Directors' valuation	14,244	14,244
	46,718	46,718

Notes to the Financial Statements

3. Investment in subsidiaries (continued)

The following are the wholly owned subsidiaries of the Group:

<i>Name of Company</i>	<i>Principal Activities</i>	<i>Country of incorporation</i>
Guinness Anchor Marketing Sendirian Berhad	Marketing and promotion 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 in Malaysia	Malaysia
Ramaha Corporation (M) Sdn Bhd	Property holding and land development	Malaysia
Guinness Singapore Pte Limited *	Dormant	Republic of Singapore
Guinness (B) Sendirian Berhad *	Dormant	Negara Brunei Darussalam
Malayan Breweries Marketing Sdn Bhd	Dormant	Malaysia
Malayan Breweries (Malaya) Sdn Berhad	Dormant	Malaysia
Guinness Sabah Sendirian Berhad	Dormant	Malaysia
Guinness Sarawak Sendirian Berhad	Dormant	Malaysia

* Overseas incorporated subsidiaries audited by member firms of KPMG International.

The cost of investment in a subsidiary was revalued in 1989 to incorporate the bonus issue received from it.

4. Inventories

<i>Group</i>	<i>Company</i>				
	<i>2004</i>	<i>2003</i>	<i>2004</i>	<i>2003</i>	
	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	
<i>At cost</i>					
Raw materials		7,080	11,260	7,080	11,260
Work-in-progress		3,355	4,904	3,355	4,904
Finished goods		26,305	18,874	7,109	6,201
Packaging materials		4,329	3,699	4,329	3,699
Engineering stores and spares		3,603	3,461	3,227	3,093
		44,672	42,198	25,100	29,157

Notes to the Financial Statements

5. Trade and other receivables

	<i>Group</i>		<i>Company</i>	
	<i>2004</i>	<i>2003</i>	<i>2004</i>	<i>2003</i>
	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>
Trade receivables	115,537	111,577	7,302	8,453
Less: Allowance for doubtful debts	(19,918)	(16,642)	(75)	(75)
	95,619	94,935	7,227	8,378
Subsidiaries	-	-	4,043	42,250
Other receivables, deposits and prepayments	6,115	6,641	4,035	4,839
	101,734	101,576	15,305	55,467

Included in other receivables, deposits and prepayments are staff loans with amounts falling due after more than one year of RM2,909,000 (2003 - RM3,222,000) and RM2,090,000 (2003 - RM2,395,000) for the Group and Company, respectively.

The amounts due from subsidiaries are interest free and have no fixed terms of repayment. The balances arose out of inter-company sales and other current account transactions.

6. Cash and cash equivalents

	<i>Group</i>		<i>Company</i>	
	<i>2004</i>	<i>2003</i>	<i>2004</i>	<i>2003</i>
	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>
Deposits placed with licensed banks	104,290	87,802	104,290	87,802
Cash and bank balances	10,719	17,330	2,156	9,279
	115,009	105,132	106,446	97,081

Notes to the Financial Statements

7. Trade and other payables

	<i>Group</i>		<i>Company</i>	
	<i>2004</i>	<i>2003</i>	<i>2004</i>	<i>2003</i>
	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>
Trade payables	75,703	71,856	49,128	49,307
Other payables and accruals	51,094	50,631	22,096	20,052
Holding company	115	253	115	253
Subsidiaries	-	-	72,364	64,607
	126,912	122,740	143,703	134,219

The amounts due to subsidiaries are interest free and have no fixed terms of repayment. The balances arose out of current account transactions.

8. Share capital

	<i>Group and Company</i>	
	<i>2004</i>	<i>2003</i>
	<i>RM'000</i>	<i>RM'000</i>
Authorised		
400,000,000 shares of 50 sen each	200,000	200,000
Issued and fully paid		
302,098,000 stock units of 50 sen each	151,049	151,049

9. Reserves

Subject to agreement by the Inland Revenue Board, the Company has sufficient Section 108 tax credit and tax exempt income to frank all of its retained profits as at 30 June 2004 if paid out as dividends.

Subject to agreement by the Singapore tax authorities, the Company has Singapore Section 44 tax credit amounting to SGD8.875 million available to frank its retained profits as at 30 June 2004 if paid out as dividend. The Singapore Section 44 tax credit will expire on 31 December 2007.

Notes to the Financial Statements

10. Deferred tax

The amounts, determined after appropriate offsetting, are as follows:

	<i>Group</i>		<i>Company</i>	
	<i>2004</i>	<i>2003</i>	<i>2004</i>	<i>2003</i>
	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>
Deferred tax liabilities	35,310	36,242	35,310	36,242
Deferred tax assets	(3,795)	(2,500)	-	-
	31,515	33,742	35,310	36,242

Deferred tax liabilities and assets are offset above where there is a legally enforceable right to set off current tax assets against current tax liabilities and where the deferred taxes relates to the same taxation authority.

The recognised deferred tax assets and liabilities (before offsetting) are as follows:

	<i>Group</i>		<i>Company</i>	
	<i>2004</i>	<i>2003</i>	<i>2004</i>	<i>2003</i>
	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>
Property, plant and equipment				
- capital allowances	33,970	34,830	33,970	34,830
- revaluation	4,313	4,492	4,313	4,492
- items expensed	(3,795)	(2,500)	-	-
Accruals	(2,973)	(3,080)	(2,973)	(3,080)
	31,515	33,742	35,310	36,242

Notes to the Financial Statements

11. Operating profit

	<i>Group</i>		<i>Company</i>	
	<i>2004</i>	<i>2003</i>	<i>2004</i>	<i>2003</i>
	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>
Operating profit is arrived at after crediting:				
Gains on disposal of property, plant and equipment	1,016	2,328	-	586
Realised gain on foreign exchange	327	-	347	-
and after charging:				
Auditors' remuneration	105	105	70	70
Directors' emoluments				
Remuneration*	2,570	2,630	2,570	2,630
Defined contributions	191	165	191	165
Fees	180	180	180	180
Depreciation	24,086	24,004	21,130	20,810
Hire of equipment	406	362	383	350
Legal fees paid to firm in which a Director is a member	653	407	522	114
Loss on disposal of property, plant and equipment	2,460	-	2,460	-
Rental expense on land and buildings	2,236	2,030	633	534
Unrealised loss on foreign exchange	199	201	199	200
Realised loss on foreign exchange	-	172	-	151

* The estimated monetary value of Directors' benefits in kind included above is RM477,000 (2003 – RM369,000) and RM477,000 (2003 – RM369,000) for the Group and Company, respectively.

12. Employee information

	<i>Group</i>		<i>Company</i>	
	<i>2004</i>	<i>2003</i>	<i>2004</i>	<i>2003</i>
	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>
Staff costs				
- defined contribution	5,558	6,052	2,745	3,288
- other	39,338	41,287	20,388	17,885
	44,896	47,339	23,133	21,173
Number of employees at the end of the year (including Directors)	533	525	249	251

Notes to the Financial Statements

13. Tax expense

	<i>Group</i>		<i>Company</i>	
	<i>2004</i>	<i>2003</i>	<i>2004</i>	<i>2003</i>
	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>
Current tax expense				
Malaysian - current	36,000	26,110	16,000	16,594
- prior year	(2,938)	(1,066)	(2,587)	(1,066)
	33,062	25,044	13,413	15,528
Deferred tax expense				
Origination and reversal of temporary differences	(2,227)	4,373	(932)	6,813
Benefit of previously unrecognised temporary differences	-	(60)	-	-
	30,835	29,357	12,481	22,341
Reconciliation of tax expense				
Profit before taxation	129,254	107,363	63,110	69,134
Income tax using Malaysian tax rates	36,191	30,062	17,671	19,358
Non-deductible expenses	318	4,718	133	4,606
Tax incentives	(2,736)	(557)	(2,736)	(557)
Effect of tax losses recognised	-	(3,800)	-	-
	33,773	30,423	15,068	23,407
Overprovision in prior years	(2,938)	(1,066)	(2,587)	(1,066)
Tax expense	30,835	29,357	12,481	22,341

14. Earnings per 50 sen stock unit

The calculation of basic earnings per 50 sen stock unit is based on the Group's profit after taxation of RM98,419,000 (2003 - RM78,006,000) and the number of stock units in issue at the end of the year of 302,098,000 (2003 - 302,098,000).

Notes to the Financial Statements

15. Dividends

	<i>Group and Company</i>	
	<i>2004</i>	<i>2003</i>
	<i>RM'000</i>	<i>RM'000</i>
Dividends per 50 sen stock unit:		
Paid:		
Interim dividend of 12 sen gross, less Singapore tax at 20% (2003 - 12 sen gross, less Singapore tax at 22%)	29,001	28,277
	29,001	28,277
Proposed:		
Final dividend of 12 sen gross, less Singapore tax at 20% (2003 - 12 sen gross, less Singapore tax at 22%)	29,001	28,277
Special final dividend of 14 sen gross, less Singapore tax at 20% (2003 - 12 sen gross, less Singapore tax at 22%)	33,835	28,277
	62,836	56,554
	91,837	84,831

For the purpose of paying the interim and final and special final dividend of 12 sen gross, less Singapore tax at 22% for 2003's final and special final dividend and 20% for interim dividend respectively, the Company has declared itself to be a resident of Singapore under paragraph 3 Article VII of the Income Tax (Singapore-Malaysia) (Avoidance of Double Tax Agreement) Order, 1973. The interim and final and special final dividends are franked out of the Company's Singapore Section 44 tax credit account.

The proposed final and special final dividends of 26 sen gross, less Singapore tax at 20%, totaling RM62,836,400 have not been accounted for in the financial statements.

The net dividends per ordinary share as disclosed in the Income Statement takes into account the total interim and proposed final and special final dividends for the relevant financial years.

16. Segmental information

The Group operates solely in the brewing industry involving production, packaging, marketing and distribution of its products, principally in Malaysia. Approximately 2% of the total sales are exports, mainly to South East Asian countries based on location of customers.

Notes to the Financial Statements

17. Commitments

	<i>Group and Company</i>	
	<i>2004</i>	<i>2003</i>
	<i>RM'000</i>	<i>RM'000</i>
Capital commitments not provided for in the financial statements:		
Property, plant and equipment		
Authorised but not contracted for	11,121	3,643
Authorised and contracted for	2,571	1,340
	13,692	4,983

18. Contingent liabilities

The following is the status of the material litigation, which the Group is involved in:

(a)KL High Court D7(D6)-22-1007-00:- Parallel Television (2001) Ltd (formerly known as CNBC Sports International Ltd) & Anor (CNBC - World Cup case)

This suit was dismissed with all taxed costs to be borne by the Company. On 4 August 2004, the Plaintiffs have filed an appeal to the Court of Appeal.

The following litigation cases have been settled:-

(b)KL High Court D7-22-2589-99:- Carlsberg Malaysia Bhd v Guinness Anchor Berhad (Carlsberg-World Cup case)

(c)KL High Court D1-22-1226-99:- Asia Pacific Breweries Limited & Guinness Anchor Berhad v Carlsberg Brewery Malaysia Berhad & Carlsberg Marketing Sdn Bhd (Beer Chang case)

All parties to the above legal suits had agreed to withdraw their respective suits against each other, with each party bearing their own costs. The Court in agreeing to the said settlements, had dismissed both legal suits with no order as to costs in July 2004.

Notes to the Financial Statements

19. Related parties

Identity of related parties

The Group has a controlling related party relationship with its ultimate holding company and the substantial shareholders of the 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 (APBL), a company incorporated in the Republic of Singapore. Fraser and Neave Limited (F&N) and Heineken International BV (Heineken) are shareholders of Asia Pacific Investment Pte Ltd, a company incorporated in the Republic of Singapore, which is the holding company of APBL.

The Group also has a related party relationship with its Directors and key management personnel and the close members of their families.

Related party transactions

Significant related party transactions other than those disclosed elsewhere in the financial statements are as follows:

	<i>Diageo plc and its related companies RM'000</i>	<i>F & N and its related companies RM'000</i>	<i>Heineken and its related companies RM'000</i>
2004			
Purchase of goods	13,998	25,332	2,021
Sale of products	8,332	463	5,979
Royalties payable	4,598	4,418	1,079
Marketing and technical services payable	2,578	-	2,672
Marketing fees receivable	-	12,730	-
2003			
Purchase of goods	19,167	14,936	505
Sale of products	6,991	182	5,971
Royalties payable	4,479	3,913	819
Marketing and technical services	2,514	-	2,618

These transactions have been entered into in the normal course of business and have been established under negotiated terms.

Notes to the Financial Statements

20. Financial instruments

Financial risk management objectives and policies

Exposure to credit, foreign currency and liquidity risk arises in the normal course of the Group and the Company's business. The Group and the Company have written risk management policies and guidelines which sets out their overall business strategies, their tolerance to risk and their general risk management philosophy and have established processes to monitor and control the hedging of transactions in a timely and accurate manner.

Derivative financial instruments such as forward foreign exchange contracts are used as hedges to reduce operational exposure to foreign exchange risks.

The accounting policies in relation to derivative financial instruments are set out in note 1(p).

Credit risk

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount. The Group requires collateral to be pledged by all dealers to cover a percentage of their outstanding balances.

At balance sheet date, there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset.

Foreign currency risk

The Group and the Company incur foreign currency risk on purchases denominated in currencies other than Ringgit Malaysia. The currency giving rise to this risk is primarily the Euro.

The Group and the Company is authorised to enter into foreign exchange contracts of not more than twelve months for capital projects and long term committed raw materials supply, and not more than six months for other exposures.

The deferred/unrecognised gain associated with anticipated future transactions are RM135,000 (2003 – RM35,000) and the expected timing of recognition as income or expense is over the next six months (where necessary, the forward exchange contracts are rolled over at maturity at market rates).

In respect of other monetary assets and liabilities held in currencies other than Ringgit Malaysia, the net exposure is kept to an acceptable level by the buying or selling of foreign currencies at spot rates where necessary to address short term imbalances.

Notes to the Financial Statements

20. Financial instruments (continued)

Liquidity risk

The Group and the Company monitors and maintains a level of cash and cash equivalents and bank facilities deemed adequate by management to finance the Group and the Company's operation and to mitigate the effects of fluctuation in cash flows.

Effective interest rates

In respect of interest-earning financial assets, the following table indicates the effective interest rates at the balance sheet date and the periods in which the asset reprice or mature, whichever is earlier.

<i>Group and Company</i>	<i>Effective interest rate per annum %</i>	<i>Total RM'000</i>	<i>Within 1 year RM'000</i>	<i>1 – 5 years RM'000</i>
2004				
Financial assets				
Cash and cash equivalents	2.7	104,290	104,290	-
2003				
Financial assets				
Cash and cash equivalents	2.7	87,802	87,802	-

Fair value

Recognised financial instruments

The carrying amounts of the financial assets and liabilities recorded at the balance sheet date approximate their fair values.

Unrecognised financial instruments

The valuation of financial instruments not recognised in the balance sheet reflects their current market rates at the balance sheet date.

Notes to the Financial Statements

20. Financial instruments (continued)

The contracted amount and fair value of financial instruments not recognised in the balance sheet as at 30 June are:

<i>Group and Company</i>	2004	2004	2003	2003
	<i>Contracted amount</i>	<i>Fair value</i>	<i>Contracted amount</i>	<i>Fair value</i>
	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>
Forward foreign exchange contracts	6,305	6,305	6,370	6,370

These foreign exchange contracts expire within a year from balance sheet date.

21. Comparative figures

Comparatives for Group revenue and cost of sales have been grossed up for sales tax.

Report of the Auditors to the Members of Guinness Anchor Berhad

We have audited the Financial Statements set out on pages 95 to 120. The preparation of the Financial Statements is the responsibility of the Company's Directors. Our responsibility is to express an opinion on the Financial Statements based on our audit.

We conducted our audit in accordance with approved Standards on Auditing in Malaysia. These standards require that we plan and perform the audit to obtain all the information and explanations which we consider necessary to provide us with evidence to give reasonable assurance that the Financial Statements are free of material misstatement. An audit includes examining, on a test basis, evidence relevant to the amounts and disclosures in the Financial Statements. An audit also includes an assessment of the accounting principles used and significant estimates made by the Directors as well as evaluating the overall adequacy of the presentation of information in the financial statements. We believe our audit provides a reasonable basis for our opinion.

In our opinion:

- (a) the Financial Statements are properly drawn up in accordance with the provisions of the Companies Act, 1965 and applicable approved accounting standards in Malaysia so as to give a true and fair view of:
 - i) the state of affairs of the Group and of the Company at 30 June 2004 and the results of their operations and cash flows for the year ended on that date; and
 - ii) the matters required by Section 169 of the Companies Act, 1965 to be dealt with in the Financial Statements of the Group and of the Company; and
- (b) the accounting and other records and the registers required by the Companies Act, 1965 to be kept by the Company and the subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the said Act.

The subsidiaries in respect of which we have not acted as auditors are identified in Note 3 to the Financial Statements and we have considered their financial statements and the auditors' reports thereon.

We are satisfied that the Financial Statements of the subsidiaries that have been consolidated with the Company's Financial Statements are in form and content appropriate and proper for the purposes of the preparation of the consolidated Financial Statements and we have received satisfactory information and explanations required by us for those purposes.

The audit reports on the Financial Statements of the subsidiaries were not subject to any qualification and did not include any comment made under subsection (3) of Section 174 of the Act.



KPMG

Firm Number: AF 0758

Chartered Accountants



Ampalavanar s/o Segarajah

Partner

Approval Number: 1293/10/04(J)

Kuala Lumpur,

6 August 2004

Analysis of Stockholdings

As at 30 September 2004

Authorised Share Capital	-	400,000,000 ordinary shares of 50 sen each
Paid Up Capital	-	302,098,000 ordinary stock units of 50 sen each
Class of Shares	-	Ordinary shares of 50 sen each
Voting Rights	-	One vote per ordinary share

<i>Size of Holdings</i>	<i>Number of Stock Units</i>	<i>Percentage of Stockholders</i>	<i>Number of Stock Units</i>	<i>Percentage of Stock Units</i>
1 – 99	485	3.96	3,722	0.00
100 – 1,000	3,982	32.55	3,505,857	1.16
1,001 – 10,000	6,064	49.56	25,027,174	8.28
10,001 – 100,000	1,543	12.61	44,191,080	14.63
100,001 – 15,104,899	160	1.31	75,300,267	24.93
15,104,900 and above	1	0.01	154,069,900	51.00
TOTAL	12,235	100.00	302,098,000	100.00

Substantial Stockholders as per Register of Substantial Stockholders

<i>Direct Name of Stockholder</i>	<i>Number of Stock Units</i>	<i>Percentage</i>	<i>Indirect Number of Stock Units</i>	<i>Percentage</i>
1. GAPL Pte Ltd	154,069,900	51.00	-	-

Thirty Largest Stockholders

	<i>Number of Stock Units</i>	<i>Percentage of Stock Units</i>
1. GAPL Pte Ltd	154,069,900	51.00
2. Malaysia Nominees (Tempatan) Sendirian Berhad - Great Eastern Life Assurance (Malaysia) Berhad (Par 1)	9,416,780	3.12
3. Asia Life (M) Berhad As beneficial owner (PF)	2,421,100	0.80
4. Tai Tak Estates Sdn Bhd	2,156,000	0.71
5. Amsec Nominees (Asing) Sdn Bhd - Fraser Securities Pte Ltd for Yeo Realty & Investments Pte Ltd (19013)	2,070,530	0.69

Analysis of Stockholdings

As at 30 September 2004

	<i>Number of Stock Units</i>	<i>Percentage of Stock Units</i>
6. Pertubuhan Keselamatan Sosial	1,894,000	0.63
7. Chinchoo Investment Sdn Berhad	1,865,000	0.62
8. Universal Trustee (Malaysia) Berhad - SBB Equity Income Fund	1,700,000	0.56
9. Ho Sim Guan	1,329,700	0.44
10. Gan Teng Siew Realty Sdn Berhad	1,277,000	0.42
11. Key Development Sdn Berhad	1,250,000	0.41
12. HSBC Nominees (Asing) Sdn Bhd - JPMCB for Schroder International Selection Fund (Asian EQ YLD)	1,200,300	0.40
13. Amsec Nominees (Asing) Sdn Bhd - Fraser Securities Pte Ltd for Tan Eng Chin Holdings (Pte) Limited (1433)	1,200,000	0.40
14. Citicorp Nominees (Tempatan) Sdn Bhd - ING Insurance Berhad (INV-IL PAR)	1,144,600	0.38
15. Mrs Chan Lam Choon Nee Mun Swee Heong	1,106,400	0.37
16. TCL Nominees (Asing) Sdn Bhd - OCBC Securities Private Limited for National University of Singapore	1,105,500	0.37
17. HSBC Nominees (Asing) Sdn Bhd - BBH (Lux) SCA for Fidelity Funds Malaysia	1,069,400	0.35
18. Malaysia Nominees (Tempatan) Sendirian Berhad - Great Eastern Life Assurance (Malaysia) Berhad (Non Par 1)	992,220	0.33
19. Malaysia Nominees (Asing) Sendirian Berhad - Oversea-Chinese Bank Nominees Pte Ltd for Bukit Sembawang Estates Limited (OCB33879-000MIS)	980,000	0.32
20. RHB Nominees (Tempatan) Sdn Bhd - GK Goh SPL for Key Development Sdn Berhad (JS/213218)	947,000	0.31
21. Universiti Malaya	933,260	0.31
22. Kam Loong Mining Sdn Bhd	910,000	0.30

Analysis of Stockholdings

As at 30 September 2004

	<i>Number of Stock Units</i>	<i>Percentage of Stock Units</i>
23. HSBC Nominees (Asing) Sdn Bhd - BNY Brussels for The Great Eastern Life Assurance Co Ltd	904,800	0.30
24. AMMB Nominees (Tempatan) Sdn Bhd - Amtrustee Berhad for Pacific Dividend Fund (5/27-2)	891,700	0.30
25. Chan Emily	888,000	0.29
26. Goonchen Investment Trust Sdn Berhad	846,000	0.28
27. Yap Ah Fatt	810,000	0.27
28. Tai Tak Securitates Pte Ltd	791,000	0.26
29. Cartaban Nominees (Asing) Sdn Bhd - Investors Bank and Trust Company for Ishares, Inc.	768,400	0.25
30. TCL Nominees (Tempatan) Sdn Bhd - OCBC Securities Private Limited for Lee Vicky Nee Choo Suat Gaik	750,000	0.25
	197,688,590	65.44

Directors' Interest as at 30 September 2004

<i>Name of Director</i>	<i>Direct</i>		<i>Indirect</i>	
	<i>Number of Stock Units</i>	<i>Percentage</i>	<i>Number of Stock Units</i>	<i>Percentage</i>
Tan Sri Saw Huat Lye	-	-	-	-
Theo A F de Rond	-	-	-	-
Tan Sri Dato' Alwi Jantan	-	-	-	-
Dato' Jaffar bin Ahmad Indot	-	-	-	-
Chin Yoong Chong	150,000	0.05	-	-
John Irving	-	-	-	-
Quek Peck Leng	-	-	-	-
Low Teng Lum	-	-	-	-
Khoo Gaik Bee	-	-	-	-
Sanjeeri Giridhar* (Alternate Director to John Irving)	-	-	-	-
Tang Swee Seng (Alternate Director to Quek Peck Leng)	-	-	-	-

* Was replaced by Asa Ulrica Susanne Fearn with effect from 1 October 2004

Properties Owned by the Group

<i>Address/Location</i>	<i>Area (acres)</i>	<i>Existing Use</i>	<i>Lease expiry date</i>	<i>Age of building (years)</i>	<i>Net Book Value @ 30.6.2004 RM'000</i>	<i>Date of Acquisition /Revaluation*</i>
Lot 1135 Batu 9 Jalan Kelang Lama 46000 Petaling Jaya Selangor Darul Ehsan	20.84	Office Building & Factory	23-9-2063	38	54,918	30 Sept 1984*
120 Air Keroh Industrial Estate 75710 Melaka	1.07	Office Building & Store	13-1-2080	22	548	30 Sept 1984*
Lot 123 Semambu Industrial Site 25350 Kuantan Pahang Darul Makmur	0.52	Office Building & Store	5-3-2046	22	440	30 Sept 1984*
Lot 1136 Batu 9 Jalan Kelang Lama 46000 Petaling Jaya Selangor Darul Ehsan	2.88	Storage	Freehold	Not applicable	4,037	31 Dec 1991
					59,943	

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Fortieth Annual General Meeting of Guinness Anchor Berhad (Company No 5350-X), incorporated in Malaysia, will be held at Grand Pyramid, Level 10, Sunway Pyramid Shopping Centre, 1 Jalan PJS 11/15, Bandar Sunway, 47590 Petaling Jaya, Selangor Darul Ehsan, on Wednesday, 1 December 2004 at 11.00 am for the following purposes:

AGENDA

As Ordinary Business

1. To receive and adopt the Audited Financial Statements for the year ended 30 June 2004 together with the Directors' and Auditors' Reports thereon.

Ordinary Resolution 1
2. To declare a final dividend of 12 sen gross per 50 sen stock unit less Singapore income tax at 20% and a special final dividend of 14 sen gross per 50 sen stock unit less Singapore income tax at 20% for the year ended 30 June 2004.

Ordinary Resolution 2
3. To approve the increase in Directors' Fees for the year ended 30 June 2004.

Ordinary Resolution 3
4. To re-elect the following Directors who retire pursuant to Article 89 of the Articles of Association of the Company:-

(a) Low Teng Lum
(b) Khoo Gaik Bee

Ordinary Resolution 4
Ordinary Resolution 5
5. To re-appoint the following Directors who retire pursuant to Section 129(6) of the Companies Act, 1965 as Directors of the Company and to hold office until the next Annual General Meeting of the Company:-

(a) Dato' Jaffar Bin Ahmad Indot
(b) Chin Yoong Chong

Ordinary Resolution 6
Ordinary Resolution 7
6. To re-appoint Messrs KPMG as Auditors of the Company and to authorise the Directors to fix their remuneration.

Ordinary Resolution 8

Notice of Annual General Meeting

As Special Business

7. To consider and, if thought fit, to pass the following Resolution:

PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

THAT, the mandate granted by the Shareholders of the Company at the Thirty-Ninth Annual General Meeting held on 5 November 2003 pursuant to paragraph 10.09 of the Listing Requirements of Bursa Malaysia Securities Berhad, authorising the Company and its subsidiaries (the Group) to enter into the recurrent transactions of a revenue or trading nature as set out in Section 2.1.1 of the Circular to Shareholders dated 9 November 2004 (the Circular) with the related parties mentioned therein which are necessary for the Group's day-to-day operations, be and is hereby renewed AND THAT the scope of such renewed mandate be and is hereby extended to apply to the recurrent transactions likewise of a revenue or trading nature as set out in paragraph 2.1.2 of the Circular.

THAT the Group is hereby authorised to enter into the recurrent transactions with the related parties mentioned therein provided that:

- i) the transactions are in the ordinary course of business and on normal commercial terms which are not more favourable to the related parties than those generally available to the public and are not to the detriment of the minority Shareholders of the Company; and
- ii) the disclosure of the aggregate value of the transactions concluded during a financial year will be disclosed in the Annual Report for the said financial year.

THAT the authority conferred by such renewed mandate shall continue to be in force until:

- i) the conclusion of the next Annual General Meeting (AGM) of the Company following the forthcoming AGM at which the Proposed Renewal of the Recurrent Related Party Transactions Mandate is approved, at which time it will lapse, unless by a resolution passed at the AGM, the mandate is again renewed;
- ii) the expiration of the period within which the next AGM of the Company is required to be held pursuant to Section 143(1) of the Companies Act, 1965 (Act) (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Act); or

Notice of Annual General Meeting

iii) revoked or varied by resolution passed by the shareholders in general meeting,

whichever is earlier.

THAT the Directors of the Company be and are hereby authorised to complete and do all such acts and things as they may consider expedient or necessary to give effect to the Proposed Renewal of the Recurrent Related Party Transactions Mandate.

Ordinary Resolution 9

NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT

Subject to the approval of Stockholders, the final dividend of 12 sen gross per 50 sen stock unit less Singapore income tax at 20% and a special final dividend of 14 sen gross per 50 sen stock unit less Singapore income tax at 20% for the year ended 30 June 2004 will be paid on 17 December 2004 to Stockholders registered at the close of business on 2 December 2004.

Notice is also hereby given that the Register of Members will be closed from 3 December 2004 to 6 December 2004, both dates inclusive, for the preparation of dividend warrants.

A depositor shall qualify for entitlement only in respect of:

- (a) Shares deposited into the Depositor's securities account before 12.30 pm on 30 November 2004 in respect of shares which are exempted from mandatory deposit;
- (b) Shares transferred into the Depositor's securities account before 4.00 pm on 2 December 2004 in respect of ordinary transfers;
- (c) Shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

By Order of the Board

SAW BEE LEAN (MAICSA 0793472)

TAI YIT CHAN (MAICSA 7009143)

Company Secretaries

Petaling Jaya

9 November 2004

Notice of Annual General Meeting

NOTES:

1. Further notice is hereby given that for purposes of determining who shall be entitled to attend the meeting, the Company shall be requesting the Bursa Malaysia Depository Sdn Bhd to make available to the Company pursuant to Article 56 of the Articles of Association of the Company and Section 34(1) of the Securities Industry (Central Depositories) Act 1991, a Record of Depositors as of 19 November 2004 and only a Depositor whose name appears on such Record of Depositors shall be entitled to attend the meeting.
2. Any Member entitled to attend and vote at the meeting may only appoint one (1) proxy to attend and vote in his stead. A proxy may but need not be a Member of the Company. A Form of Proxy is enclosed for Members to appoint a proxy if they are unable to attend the meeting. In the case of a corporation, the Form of Proxy must be executed under the corporation's Common Seal or under the hand of an officer or attorney duly authorised.
3. To be valid, the original Form of Proxy must be lodged at the Share Registrar Office, 20th Floor, Plaza Permata (Formerly known as IGB Plaza), Jalan Kampar, Off Jalan Tun Razak, 50400 Kuala Lumpur, not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.

Notice of Annual General Meeting

EXPLANATORY NOTES ON SPECIAL BUSINESS

1. Ordinary Resolution 9
 - Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature

Ordinary Resolution 9, if passed, will allow the Group to enter into the recurrent related party transactions in the ordinary course of business and the necessity to convene separate general meetings from time to time to seek Shareholders' approval as and when such recurrent related party transactions occur, would not arise. This would reduce substantial administrative time, inconvenience and expenses associated with the convening of such meetings, without compromising the corporate objectives of the Group or adversely affecting the business opportunities available to the Group. The Shareholders' mandate is subject to renewal on an annual basis.

Statement Accompanying the Notice of Fortieth Annual General Meeting

1. Directors Who Are Standing For Re-Election or Re-Appointment

Retiring pursuant to Article 89 of the Articles of Association of the Company:

- (a) Low Teng Lum
- (b) Khoo Gaik Bee

Re-appointment pursuant to Section 129(6) of the Companies Act, 1965:

- (a) Dato' Jaffar Bin Ahmad Indot
- (b) Chin Yoong Chong

2. Board Meetings

There were four (4) Board Meetings held during the financial year ended 30 June 2004.

Details of Directors' attendance at the Board Meetings held in the financial year ended 30 June 2004 are as follows:

<i>Name of Director</i>	<i>Date of Appointment</i>	<i>No of Meetings Attended</i>
Tan Sri Saw Huat Lye	24 February 1987	4/4
Tan Sri Dato' Alwi Jantan	24 November 1994	4/4
Chin Yoong Chong	20 February 1995	3/4
Khoo Gaik Bee	13 August 1998	4/4
Dato' Jaffar Bin Ahmad Indot	2 January 1999	4/4
Low Teng Lum	15 August 2001	4/4
Quek Peck Leng	15 November 2002	4/4
David Charles Craig (Resigned on 1 September 2003)	6 January 2003	1/1
Theo A F de Rond	1 June 2003	4/4
John Irving	1 September 2003	2/3

3. Place, Date and Time of the Annual General Meeting

The Fortieth Annual General Meeting of Guinness Anchor Berhad will be held at Grand Pyramid, Level 10, Sunway Pyramid Shopping Centre, No. 1, Jalan PJS 11/15, Bandar Sunway, 47590 Petaling Jaya, Selangor Darul Ehsan on 1 December 2004 at 11.00 am.

Statement Accompanying the Notice of Fortieth Annual General Meeting

4. Further Details Of Directors Seeking Re-election At The Fortieth Annual General Meeting

<i>Name</i>	<i>Low Teng Lum</i>	<i>Khoo Gaik Bee</i>
Age	50	47
Nationality	Malaysian	Malaysian
Qualification	FCCA ACIS CA(M) MCT Master of Public Administration (Harvard)	Bachelor of Arts (Hons) Public Administration (University of De Monfort)
Position on the Board of Directors	Executive Director	Executive Director
Date first appointed to the Board	15 August 2001	13 August 1998
Number of Board of Directors meetings attended in the financial year	4/4	4/4
Membership of Board Committees	Member of the Audit Committee	Nil
Occupation	Finance Director of Guinness Anchor Berhad	Human Resource Director of Guinness Anchor Berhad
Working Experience	He was an Audit Senior with Arthur Young before he joined Guthrie Malaysia as Internal Audit Manager. He subsequently held the post of Group Internal Auditor in Palmco Holdings Berhad and General Corporation Berhad before his appointment as Finance Manager of Southern Steel Berhad. During his 14-year tenure with Southern Steel Berhad, he was successively	She started her career in 1981 by serving the Singapore Housing Development Board for four years before returning to Malaysia. In 1985, she joined Ernst & Young as a Human Resource Consultant specialising in Organisational Development. She subsequently joined the Sungei Way Group as an Assistant Manager in the Group Human Resource Department before moving over

Statement Accompanying the Notice of Fortieth Annual General Meeting

	promoted to General Manager (Commercial), Senior General Manager (Rod Division) and Chief Operating Officer (Steel Business Unit) before taking up his current position in Guinness Anchor Berhad.	to ICI Paints Malaysia as Human Resource Manager in 1989. Prior to her present appointment, she was the Human Resource Director at Digital Equipment Malaysia.
Any other directorship in public companies	Nil	Nil
Security holdings in the company	Nil	Nil
Any family relationship with any director and/or major shareholder of the company	Nil	Nil
Any conflict of interest with the company	Nil	Nil
List of convictions for offences within the past 10 years other than traffic offences, if any	Nil	Nil

<i>Name</i>	<i>Dato' Jaffar Bin Ahmad Indot</i>	<i>Chin Yoong Chong</i>
Age	70	71
Nationality	Malaysian	Malaysian
Qualification	International Senior Managers' Programme (Harvard)	Barrister-At-Law (Middle Temple)
Position on the Board of Directors	Independent Non-Executive Director	Independent Non-Executive Director
Date first appointed to the Board	2 January 1999	20 February 1995
Number of Board of Directors meetings attended in the financial year	4/4	3/4

Statement Accompanying the Notice of Fortieth Annual General Meeting

Membership of Board Committees	Member of the Audit, Remuneration and Nomination Committees	Member of the Audit Committee
Occupation	Director of Guinness Anchor Berhad	Senior Partner of Skrine
Working Experience	<p>He began his career with the Rural Industrial Development Authority (RIDA) in 1953 before joining Shell Malaysia in 1956 and retiring in 1989 after 33 years of service. During this period, he worked for Shell in various capacities locally and overseas in Japan and the United Kingdom in marketing, public affairs, international oil trading and business development. On his return to Malaysia in 1980, he was appointed an Executive Director for Public Affairs. In 1983, he assumed the position of Managing Director Shell Downstream Companies in addition to being an Executive Director for Shell Companies in Malaysia until his retirement in August 1989.</p>	<p>He has been practising as an Advocate and Solicitor from June 1959 and is currently a Senior Partner in Skrine.</p>
Any other directorship in public companies	Shell Refining Company (FOM) Berhad, FSBM Holdings Berhad, CYGAL Berhad, Pan Pacific Asia Berhad, Melewar Industrial Group Berhad, Trenergy Malaysia Berhad	Rating Agency Malaysia Berhad, Malaysia Land Development Company Berhad

Statement Accompanying the Notice of Fortieth Annual General Meeting

Security holdings in the company	Nil	150,000
Any family relationship with any director and/or major shareholder of the company	Nil	Nil
Any conflict of interest with the company	Nil	Nil
List of convictions for offences within the past 10 years other than traffic offences, if any	Nil	Nil

Corporate Information

Secretaries

Saw Bee Lean
Tai Yit Chan

Registered Office

Sungei Way Brewery
Lot 1135, Batu 9, Jalan Klang Lama
PO Box 144
46710 Petaling Jaya
Selangor Darul Ehsan
Telephone: 03 7861 4688
Facsimile: 03 7861 4602

Registrars

Tenaga Koperat Sdn Bhd
20th Floor, Plaza Permata
Jalan Kampar, Off Jalan Tun Razak
50400 Kuala Lumpur
Telephone: 03 4041 6522
Facsimile: 03 4042 6352

Principal Bankers

Bumiputra-Commerce Bank Berhad
HSBC Bank Malaysia Berhad
Malayan Banking Berhad
Standard Chartered Bank Malaysia Berhad

Solicitors

Skrine

Auditors

KPMG

Stock Exchange Listing

Bursa Malaysia Securities Berhad
Main Board

If undelivered, please return to:-
TENAGA KOPERAT SDN BHD (118401 - V)
20th Floor, Plaza Permata (Formerly known as IGB Plaza)
Jalan Kampar, Off Jalan Tun Razak,
50400 Kuala Lumpur.

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GUINNESS ANCHOR BERHAD (Company No. 5350-X)

Form of Proxy*

No of shares held:

CDS A/C No:

I/We, whose name appears above I.C. No. (New) _____ (Old) _____
of _____

_____ I.C. No. (New) _____ (Old) _____ being a Member of GUINNESS ANCHOR BERHAD, hereby appoint
_____ as my/our
proxy to vote for me/us and on my/our behalf at the 40th Annual General Meeting of the Company to be held at Grand Pyramid, Level 10, Sunway Pyramid Shopping Centre, 1
Jalan PJS 11/15, Bandar Sunway, 47590 Petaling Jaya, Selangor Darul Ehsan on Wednesday, 1 December 2004 at 11.00 am and at any adjournment thereof.

My/our proxy is to vote as indicated below:

	<i>RESOLUTION</i>	<i>FOR</i>	<i>AGAINST</i>
Ordinary Resolution 1	Adoption of Audited Financial Statements for the year ended 30 June 2004 together with the Directors, and Auditors Reports thereon.		
Ordinary Resolution 2	Declaration of a final dividend of 12 sen gross per 50 sen stock unit less Singapore income tax at 20% and a special final dividend of 14 sen gross per 50 sen stock unit less Singapore income tax at 20% for the year ended 30 June 2004.		
Ordinary Resolution 3	Approval of the increase in Directors' Fees for the year ended 30 June 2004.		
Ordinary Resolution 4	Re-election of Low Teng Lum as Director pursuant to Article 89 of the Articles of Association of the Company.		
Ordinary Resolution 5	Re-election of Khoo Gaik Bee as Director pursuant to Article 89 of the Articles of Association of the Company.		
Ordinary Resolution 6	Re-appointment of Dato' Jaffar Bin Ahmad Indot as Director pursuant to Section 129(6) of the Companies Act, 1965.		
Ordinary Resolution 7	Re-appointment of Chin Yoong Chong as Director pursuant to Section 129(6) of the Companies Act, 1965.		
Ordinary Resolution 8	Re-appointment of Messrs KPMG as Auditors of the Company and to authorise the Directors to fix their remuneration.		
Ordinary Resolution 9	Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature.		

Please indicate with an "X" in the appropriate spaces as to how you wish your votes to be casted on the Resolutions. If you do not indicate how you wish your proxy to vote on any Resolution, the proxy will vote or abstain from voting on the Resolutions as he or she thinks fit.

Signed this ____ day of _____ 2004

Signature of Member or Common Seal

* Only original Forms are valid. Photocopies are not acceptable.

Please read and understand the notes overleaf.

GUINNESS ANCHOR BERHAD (Company No. 5350-X)

NOTES :

1. Further notice is hereby given that for purposes of determining who shall be entitled to attend the meeting, the Company shall be requesting the Bursa Malaysia Depository Sdn Bhd to make available to the Company pursuant to Article 56 of the Articles of Association of the Company and Section 34(1) of the Securities Industry (Central Depositories) Act, 1991, a Record of Depositors as of 19 November 2004 and only a Depositor whose name appears on such Record of Depositors shall be entitled to attend the meeting.
2. Any Member entitled to attend and vote at the meeting may only appoint **one (1) proxy** to attend and vote in his stead. A proxy may but need not be a Member of the Company. A Form of Proxy is enclosed for Members to appoint a proxy if they are unable to attend the meeting. In the case of a corporation, the Form of Proxy must be executed under the corporation's Common Seal or under the hand of an officer or attorney duly authorised.
3. To be valid, the **original** Form of Proxy must be lodged at the Share Registrar office, 20th Floor, Plaza Permata (Formerly known as IGB Plaza), Jalan Kampar, Off Jalan Tun Razak, 50400 Kuala Lumpur, not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.

Fold here

Affix
stamp
here

TO:

COMPANY SECRETARY
Guinness Anchor Berhad
C/O TENAGA KOPERAT SDN BHD
20TH FLOOR, PLAZA PERMATA,
JALAN KAMPAR, OFF JALAN TUN RAZAK,
50400 KUALA LUMPUR.

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