

Financial Statements

108-112	Directors' Report
113	Statement by Directors
114	Statutory Declaration
115-116	Report of the Auditors
117-118	Balance Sheets
119	Income Statements
120	Consolidated Statement of Changes in Equity
121	Statement of Changes in Equity
122-123	Cash Flow Statements
124-147	Notes to the Financial Statements
148-151	Analysis of Stockholdings
152	Other Information
153	Properties Owned by the Group
154-157	Notice of Annual General Meeting
158	Statement Accompanying Notice of Annual General Meeting
	Form of Proxy

Directors' Report

For the Year Ended 30 June 2005

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 2005.

Principal activities

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

Results	Group RM'000	Company RM'000
Net profit for the year	107,968	47,565

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 20%, totalling RM29,001,400, in respect of the year ended 30 June 2004, on 17 December 2004;
- ii) a special final dividend of 14 sen gross per 50 sen stock unit, less Singapore tax at 20%, totalling RM33,835,000 in respect of the year ended 30 June 2004, on 17 December 2004; and
- iii) an interim dividend of 12 sen gross per 50 sen stock unit, comprising 7 sen gross less Singapore tax at 20% and 5 sen gross less Malaysian tax at 28%, totalling RM27,793,000, in respect of the year ended 30 June 2005, on 28 April 2005.

The Directors now recommend payment of a final dividend of 29 sen gross per 50 sen stock unit, less Malaysian tax at 28%, totalling RM63,078,000, payable on 25 November 2005.

directors' report
for the year ended 30 June 2005

Directors of the Company

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

Tan Sri Saw Huat Lye (Chairman)
 Theo A F de Rond (Managing Director)
 Tan Sri Dato' Alwi Jantan
 Chin Yoong Chong
 Dato' Jaffar bin Ahmad Indot
 Low Teng Lum
 Khoo Gaik Bee
 Quek Peck Leng
 John Irving
 Tang Swee Seng (Alternate Director to Quek Peck Leng)
 David Heginbottom (Alternate Director to John Irving; appointed on 10.5.2005)
 Asa Ulrica Susanne Fearn (Alternate Director to John Irving; appointed on 1.10.2004 and resigned on 10.5.2005)
 Sanjeevi Giridhar (Alternate Director to John Irving; resigned on 1.10.2004)

Directors' Interests

The holdings and deemed holdings in the ordinary shares/stock units of the Company and/or 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 30.6.2005
	At 1.7.2004	Bought	Sold	
Shareholdings in which Director has direct interest				
Chin Yoong Chong	150,000	-	-	150,000

None of the other Directors holding office at 30 June 2005 had any interest in the ordinary shares/stock units of the Company and/or its related corporations during the financial year.

directors' report

for the year ended 30 june 2005

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.

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.

directors' report
for the year ended 30 june 2005

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.

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 12 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 2005 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.

directors' report

for the year ended 30 june 2005

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

Director



Theo A F de Rond

Director

Petaling Jaya.

5 August 2005

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 117 to 147 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 2005 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
Director



Theo A F de Rond
Director

Petaling Jaya.
5 August 2005

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 117 to 147 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 5 August 2005.



Low Teng Lum

Before me:



Commissioner For Oaths



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

Report of the Auditors

To the Members of Guinness Anchor Berhad

We have audited the financial statements set out on pages 117 to 147. The preparation of the financial statements is the responsibility of the Company's Directors.

It is our responsibility to form an independent opinion, based on our audit, on the financial statements and to report our opinion to you, as a body, in accordance with Section 174 of the Companies Act, 1965 and for no other purpose. We do not assume responsibility to any other person for the content of this report.

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 2005 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 have also considered the unaudited financial statements of Guinness Singapore Pte Limited.

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.

report of the auditors**to the members of guinness anchor berhad**

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: 1293/10/06(J)Kuala Lumpur.
5 August 2005

Balance Sheets

As at 30 June 2005

	Note	Group		Company	
		2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Property, plant and equipment	2	225,782	230,085	214,682	219,314
Investment in subsidiaries	3	-	-	46,718	46,718
Deferred tax assets	10	3,566	3,795	-	-
		229,348	233,880	261,400	266,032
Current assets					
Inventories	4	35,982	44,672	24,131	25,100
Trade and other receivables	5	99,634	101,734	13,604	15,305
Cash and cash equivalents	6	131,775	115,009	120,525	106,446
		267,391	261,415	158,260	146,851
Current liabilities					
Trade and other payables	7	115,369	126,912	199,079	143,703
Taxation		21,918	22,960	19,556	21,781
		137,287	149,872	218,635	165,484
Net current assets/(liabilities)		130,104	111,543	(60,375)	(18,633)
		359,452	345,423	201,025	247,399

The notes set out on pages 124 to 147 form an integral part of, and should be read in conjunction with, these financial statements.

balance sheets (continued)

as at 30 June 2005

	Note	Group		Company	
2005 RM'000		2004 RM'000	2005 RM'000	2004 RM'000	
Financed by:					
Capital and reserves					
Share capital	8	151,049	151,049	151,049	151,049
Reserves		176,403	159,064	17,976	61,040
Shareholders' funds		327,452	310,113	169,025	212,089
Long term and deferred liabilities					
Deferred tax liabilities	10	32,000	35,310	32,000	35,310
		359,452	345,423	201,025	247,399

The financial statements were approved and authorised for issue by the Board of Directors on 5 August 2005.

Income Statements

For the Year Ended 30 June 2005

	Note	Group		Company	
		2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Revenue - sale of goods		952,113	886,208	631,224	601,097
Cost of sales		(576,977)	(528,799)	(562,224)	(524,181)
Gross profit		375,136	357,409	69,000	76,916
Distribution, marketing and selling expenses		(205,628)	(197,646)	(3,423)	(3,262)
Administration expenses		(29,608)	(30,172)	(9,637)	(9,984)
Other operating expenses		(5,594)	(8,499)	(5,594)	(7,740)
Other operating income		4,557	6,514	3,717	5,040
Operating profit	11	138,863	127,606	54,063	60,970
Interest expense		(999)	(908)	(499)	(355)
Interest income		2,655	2,556	2,605	2,495
Profit before taxation		140,519	129,254	56,169	63,110
Tax expense	13	(32,551)	(30,835)	(8,604)	(12,481)
Net profit for the year		107,968	98,419	47,565	50,629
Basic earnings per 50 sen stock unit (sen)	14	35.7	32.6		
Net dividends per 50 sen stock unit (sen)	15	30.1	30.4	30.1	30.4

The notes set out on pages 124 to 147 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 2005

Group	Note	Share capital RM'000	<i>Non- distributable</i> Capital reserve RM'000	<i>Distributable</i> Retained profits RM'000	Total RM'000
At 1 July 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
Net gains and losses not recognised in the income statement - foreign exchange translation			77	(77)	-
Net profit for the year		-	-	107,968	107,968
Dividends - 2004 final	15	-	-	(62,836)	(62,836)
- 2005 interim	15	-	-	(27,793)	(27,793)
At 30 June 2005		151,049	4,696	171,707	327,452
			Note 8	Note 9	

The notes set out on pages 124 to 147 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 2005

Company	Note	Share capital RM'000	<i>Distributable</i> Retained profits RM'000	Total RM'000
At 1 July 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
Net profit for the year		-	47,565	47,565
Dividends - 2004 final	15	-	(62,836)	(62,836)
- 2005 interim	15	-	(27,793)	(27,793)
At 30 June 2005		151,049	17,976	169,025
		Note 8	Note 9	

The notes set out on pages 124 to 147 form an integral part of, and should be read in conjunction with, these financial statements.

Cash Flow Statements

For the Year Ended 30 June 2005

	Group		Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Cash flows from operating activities				
Profit before taxation	140,519	129,254	56,169	63,110
Adjustments for:				
Depreciation	28,831	24,086	26,011	21,130
(Gains)/Loss on disposal of property, plant and equipment	(405)	1,444	235	2,460
Interest expense	999	908	499	355
Interest income	(2,655)	(2,556)	(2,605)	(2,495)
Operating profit before working capital changes	167,289	153,136	80,309	84,560
(Increase)/Decrease in working capital:				
Inventories	8,690	(2,474)	969	4,057
Trade and other receivables	2,100	(158)	1,701	40,162
Trade and other payables	(11,543)	4,172	55,376	9,484
Cash generated from operations	166,536	154,676	138,355	138,263
Income taxes paid	(36,674)	(26,795)	(14,139)	(12,585)
Interest paid	(999)	(908)	(499)	(355)
Net cash generated from operating activities	128,863	126,973	123,717	125,323
Cash flows from investing activities				
Proceeds from disposal of property, plant and equipment	986	1,150	293	106
Purchase of property, plant and equipment	(25,109)	(35,247)	(21,907)	(33,004)
Interest received	2,655	2,556	2,605	2,495
Net cash used in investing activities	(21,468)	(31,541)	(19,009)	(30,403)
Balance carried forward	107,395	95,432	104,708	94,920

cash flow statements (continued)

for the year ended 30 June 2005

	Note	Group		Company	
		2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Balance brought forward		107,395	95,432	104,708	94,920
Cash flows from financing activity					
Dividends paid		(90,629)	(85,555)	(90,629)	(85,555)
Net cash used in financing activity		(90,629)	(85,555)	(90,629)	(85,555)
Net increase in cash and cash equivalents		16,766	9,877	14,079	9,365
Cash and cash equivalents at beginning of year		115,009	105,132	106,446	97,081
Cash and cash equivalents at end of year	6	131,775	115,009	120,525	106,446

The notes set out on pages 124 to 147 form an integral part of, and should be read in conjunction with, these financial statements.

Notes to the Financial Statements

For the Year Ended 30 June 2005

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.

(a) 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.

(b) 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.

(c) 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

for the year ended 30 June 2005

1. Summary of significant accounting policies (continued)

(d) 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%

(e) Investments

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

(f) Trade and other receivables

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

(g) 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

for the year ended 30 June 2005

1. Summary of significant accounting policies (continued)

(h) 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.

(i) Liabilities

Trade and other payables are stated at cost.

(j) 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.

(k) 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.

notes to the financial statements

for the year ended 30 June 2005

1. Summary of significant accounting policies (continued)

(l) 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.

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 and it 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.

(m) 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.

notes to the financial statements

for the year ended 30 June 2005

1. Summary of significant accounting policies (continued)

(n) 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.

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	(2004 : RM3.80)
1GBP	RM6.93	(2004 : RM6.94)
1SGD	RM2.28	(2004 : RM2.24)
1EUR	RM4.64	(2004 : RM4.64)

(o) 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.

notes to the financial statements

for the year ended 30 June 2005

1. Summary of significant accounting policies (continued)

(p) Revenue

i) Goods sold

Revenue from sales of goods is measured at the fair value of the consideration receivable 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.

2. Property, plant and equipment

Group	Freehold land	Long term leasehold land and buildings	Plant and machinery	Movable plant	Capital work-in- progress	Total
Cost/Valuation	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 July 2004	4,037	85,106	245,472	115,554	22,633	472,802
Additions	-	94	182	3,751	21,082	25,109
Disposals	-	-	(2,338)	(2,875)	-	(5,213)
Transfers	-	2,194	28,282	8,104	(38,580)	-
At 30 June 2005	4,037	87,394	271,598	124,534	5,135	492,698

notes to the financial statements

for the year ended 30 June 2005

2. Property, plant and equipment (continued)

Group	Freehold land RM'000	Long term leasehold land and buildings RM'000	Plant and machinery RM'000	Movable plant RM'000	Capital work-in- progress RM'000	Total RM'000
Representing items at:						
Cost	4,037	35,502	271,598	124,534	5,135	440,806
Valuation (1984)	-	51,892	-	-	-	51,892
At 30 June 2005	4,037	87,394	271,598	124,534	5,135	492,698
Depreciation						
At 1 July 2004	-	30,646	127,371	84,700	-	242,717
Depreciation charge for the year	-	1,982	16,181	10,668	-	28,831
Disposals	-	-	(1,979)	(2,653)	-	(4,632)
At 30 June 2005	-	32,628	141,573	92,715	-	266,916
Net book value						
At 30 June 2005	4,037	54,766	130,025	31,819	5,135	225,782
At 30 June 2004	4,037	54,460	118,101	30,854	22,633	230,085
For the year ended						
30 June 2004						
Depreciation charge	-	1,938	12,902	9,246	-	24,086

notes to the financial statements

for the year ended 30 June 2005

2. Property, plant and equipment (continued)

Company	Long term leasehold land and buildings RM'000	Plant and machinery RM'000	Movable plant RM'000	Capital work-in- progress RM'000	Total RM'000
At 1 July 2004	83,039	245,471	97,648	22,633	448,791
Additions	83	182	560	21,082	21,907
Disposals	-	(2,337)	(1,354)	-	(3,691)
Transfers	2,194	28,282	8,104	(38,580)	-
At 30 June 2005	85,316	271,598	104,958	5,135	467,007

Representing items at:

Cost	33,424	271,598	104,958	5,135	415,115
Valuation (1984)	51,892	-	-	-	51,892
At 30 June 2005	85,316	271,598	104,958	5,135	467,007

Depreciation

At 1 July 2004	29,095	127,370	73,012	-	229,477
Depreciation charge for the year	1,770	16,181	8,060	-	26,011
Disposals	-	(1,979)	(1,184)	-	(3,163)
At 30 June 2005	30,865	141,572	79,888	-	252,325

notes to the financial statements

for the year ended 30 June 2005

2. Property, plant and equipment (continued)

Company	Long term leasehold land and buildings RM'000	Plant and machinery RM'000	Movable plant RM'000	Capital work-in-progress RM'000	Total RM'000
Net book value					
At 30 June 2005	54,451	130,026	25,070	5,135	214,682
At 30 June 2004	53,944	118,101	24,636	22,633	219,314
For the year ended 30 June 2004					
Depreciation charge	1,766	12,902	6,462	-	21,130

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:

	Group		Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Long term leasehold land and buildings	39,680	39,056	39,365	38,540

notes to the financial statements

for the year ended 30 June 2005

3. Investment in subsidiaries

	Company	
	2005 RM'000	2004 RM'000
Unquoted shares		
- at cost	32,474	32,474
- at Directors' valuation	14,244	14,244
	46,718	46,718

The following are the wholly-owned subsidiaries of the Group:

Name of Company	Principal Activities	Country of incorporation
Guinness Anchor Marketing Sendirian Berhad	Marketing and promotion of Guinness Stout, Guinness Draught, Lion Stout, Anchor Ice Beer, Anchor Smooth, Tiger Beer, Heineken Beer, 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 # and its subsidiary:	Dormant	Republic of Singapore
Guinness (B) Sendirian Berhad *	Dormant	Negara Brunei Darussalam

notes to the financial statements

for the year ended 30 June 2005

3. Investment in subsidiaries (continued)

Name of Company	Principal Activities	Country of incorporation
Malayan Breweries (Malaya) Sdn. Berhad and its subsidiary:	Dormant	Malaysia
Malayan Breweries Marketing Sdn Bhd	Dormant	Malaysia
Guinness Sabah Sendirian Berhad	Dormant	Malaysia
Guinness Sarawak Sendirian Berhad	Dormant	Malaysia

Not required to be audited, and consolidated using unaudited financial statements.

* Overseas incorporated subsidiary 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

	Group		Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
At cost				
Raw materials	6,246	7,080	6,246	7,080
Work-in-progress	3,939	3,355	3,939	3,355
Finished goods	19,454	26,305	7,833	7,109
Packaging materials	2,539	4,329	2,539	4,329
Engineering stores and spares	3,804	3,603	3,574	3,227
	35,982	44,672	24,131	25,100

notes to the financial statements

for the year ended 30 June 2005

5. Trade and other receivables

	Group		Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Trade receivables	113,734	115,537	5,365	7,302
Less: Allowance for doubtful debts	(20,455)	(19,918)	-	(75)
	93,279	95,619	5,365	7,227
Ultimate holding company	66	-	66	-
Subsidiaries	-	-	4,043	4,043
Other receivables, deposits and prepayments	6,289	6,115	4,130	4,035
	99,634	101,734	13,604	15,305

Included in other receivables, deposits and prepayments are staff loans with amounts falling due after more than one year of RM2,911,000 (2004 - RM2,909,000) and RM2,129,000 (2004 - RM2,090,000) for the Group and Company, respectively.

The amounts due from the ultimate holding company and 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

	Group		Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Deposits placed with licensed banks	113,466	104,290	113,466	104,290
Cash and bank balances	18,309	10,719	7,059	2,156
	131,775	115,009	120,525	106,446

notes to the financial statements

for the year ended 30 June 2005

7. Trade and other payables

	Group		Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Trade payables	65,574	75,703	36,938	49,128
Other payables and accruals	49,795	51,094	23,028	22,096
Ultimate holding company	-	115	-	115
Subsidiaries	-	-	139,113	72,364
	115,369	126,912	199,079	143,703

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

8. Share capital

	Company	
	2005 RM'000	2004 RM'000
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 2005 if paid out as dividends.

notes to the financial statements

for the year ended 30 June 2005

10. Deferred tax

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

	Group		Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Deferred tax liabilities	32,000	35,310	32,000	35,310
Deferred tax assets	(3,566)	(3,795)	-	-
	28,434	31,515	32,000	35,310

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:

	Group		Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Property, plant and equipment				
- capital allowances	34,210	33,970	34,210	33,970
- revaluation	4,224	4,313	4,224	4,313
- items expensed	(3,566)	(3,795)	-	-
Accruals	(6,434)	(2,973)	(6,434)	(2,973)
	28,434	31,515	32,000	35,310

notes to the financial statements

for the year ended 30 June 2005

11. Operating profit

	Group		Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Operating profit is arrived at after crediting:				
Gains on disposal of property, plant and equipment	640	1,016	-	-
Realised gain on foreign exchange	-	327	-	347
<hr/>				
and after charging:				
Auditors' remuneration	105	105	70	70
Directors' emoluments				
Remuneration*	2,832	2,570	2,832	2,570
Defined contributions	197	191	197	191
Fees	346	180	340	180
Depreciation	28,831	24,086	26,011	21,130
Hire of equipment	353	406	350	383
Legal fees paid to firm in which a Director is a member	148	653	117	522
Loss on disposal of property, plant and equipment	235	2,460	235	2,460
Realised loss on foreign exchange	135	-	135	-
Rental expense on land and buildings	1,888	2,236	692	633
Unrealised loss on foreign exchange	180	199	180	199

* The estimated monetary value of Directors' benefits-in-kind included above is RM435,000 (2004 - RM477,000) and RM435,000 (2004 - RM477,000) for the Group and Company, respectively.

notes to the financial statements

for the year ended 30 June 2005

12. Employee information

	Group		Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Staff costs	47,185	44,896	26,367	23,133

The number of employees of the Group and of the Company (including Executive Directors) at the end of the year was 516 (2004 - 533) and 230 (2004 - 249) respectively.

Staff costs include contributions to Employee's Provident Fund of RM5,988,000 (2004 - RM5,558,000) and RM3,144,000 (2004 - RM2,745,000) for the Group and Company respectively.

13. Tax expense

	Group		Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Current tax expense				
Malaysian - current	36,723	36,000	12,276	16,000
- prior year	(1,091)	(2,938)	(362)	(2,587)
	35,632	33,062	11,914	13,413
Deferred tax expense				
Origination and reversal of temporary differences	1,200	(2,227)	1,589	(932)
Overprovision in prior years	(4,281)	-	(4,899)	-
	32,551	30,835	8,604	12,481

notes to the financial statements

for the year ended 30 June 2005

13. Tax expense (continued)

	Group		Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Reconciliation of tax expense				
Profit before taxation	140,519	129,254	56,169	63,110
Income tax using Malaysian tax rates	39,345	36,191	15,727	17,671
Non-deductible expenses	1,120	318	680	133
Tax incentives	(2,542)	(2,736)	(2,542)	(2,736)
	37,923	33,773	13,865	15,068
Overprovision in prior years				
- current	(1,091)	(2,938)	(362)	(2,587)
- deferred	(4,281)	-	(4,899)	-
Tax expense	32,551	30,835	8,604	12,481

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 RM107,968,000 (2004 - RM98,419,000) and the number of stock units in issue at the end of the year of 302,098,000 (2004 - 302,098,000).

notes to the financial statements

for the year ended 30 June 2005

15. Dividends

	Group and Company	
	2005	2004
	RM'000	RM'000
Dividends per 50 sen stock unit:		
Paid:		
Interim dividend of 12 sen gross, comprising of 7 sen gross less Singapore tax at 20% and 5 sen gross less Malaysian tax at 28% (2004 - 12 sen gross, less Singapore tax at 20%)	27,793	29,001
Proposed:		
Final dividend of 29 sen gross, less Malaysian tax at 28% (2004 - 12 sen gross, less Singapore tax at 20%)	63,078	29,001
Special final dividend of Nil gross (2004 - 14 sen gross, less Singapore tax at 20%)	-	33,835
	63,078	62,836
	90,871	91,837

For the purpose of paying the interim dividend of 7 sen gross and 2004 final dividend of 12 sen gross and special final dividend of 14 sen gross, less Singapore tax at 20%, 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 dividend of 29 sen gross less Malaysian tax at 28%, totalling RM63,078,000 has 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.

notes to the financial statements

for the year ended 30 June 2005

16. Segmental information

The Group operates solely in the brewery industry involving production, packaging, marketing and distribution of its products, principally in Malaysia. Approximately 2% (2004 - 2%) of the total sales are exports, mainly to South East Asian countries based on location of customers.

17. Commitments

	Group and Company	
	2005 RM'000	2004 RM'000
Capital commitments not provided for in the financial statements:		
Property, plant and equipment		
Authorised but not contracted for	7,627	11,121
Authorised and contracted for	2,618	2,571
	<hr/>	<hr/>
	10,245	13,692
	<hr/>	<hr/>

18. Material Litigation

The following is the material litigation in which the Group is involved:

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

This suit was dismissed with all taxed costs to be borne by the Company. On 4 August 2004, the Plaintiffs filed an appeal to the Court of Appeal. The hearing date for the appeal is yet to be fixed.

notes to the financial statements

for the year ended 30 June 2005

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:

2005	Diageo Plc and its related corporations	F&N and its related corporations		Heineken and its related corporations
	RM'000	APB Group RM'000	Other F&N companies RM'000	RM'000
Purchase of goods	19,043	53	13,707	537
Sale of products	8,908	-	96	5,635
Royalties payable	4,601	4,421	-	1,069
Marketing and technical services payable	2,600	-	-	1,286
Marketing fees receivable	-	14,253	-	-

notes to the financial statements

for the year ended 30 June 2005

19. Related parties (continued)

Related party transactions (continued)

2004	Diageo Plc and its related corporations	F&N and its related corporations		Heineken and its related corporations
	RM'000	APB Group RM'000	Other F&N companies RM'000	RM'000
Purchase of goods	13,998	6,665	18,667	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	-	-

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

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(o).

notes to the financial statements

for the year ended 30 June 2005

20. Financial instruments (continued)

Credit risk

Management has a credit policy in place and the exposure to credit risk is monitored on an on-going 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 and Sterling Pound.

The Group and the Company are 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 loss associated with anticipated future transactions is RM68,000 (2004 - deferred/unrecognised gain RM135,000) 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.

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 assets reprice or mature, whichever is earlier.

notes to the financial statements

for the year ended 30 June 2005

20. Financial instruments (continued)

Liquidity risk (continued)

Group and Company	Effective interest rate per annum %	Total RM'000	Within 1 year RM'000	1 - 5 years RM'000
2005				
Financial assets				
Deposits placed with licensed banks	2.7	113,466	113,466	-
2004				
Financial assets				
Deposits placed with licensed banks	2.7	104,290	104,290	-

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

for the year ended 30 June 2005

20. Financial instruments (continued)

Unrecognised financial instruments (continued)

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

	2005 Contracted amount RM'000	2005 Fair value RM'000	2004 Contracted amount RM'000	2004 Fair value RM'000
Group and Company				
Forward foreign exchange contracts	4,109	4,041	6,305	6,305

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

21. Corporate information

The Company is a public limited 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, P O Box 144, 46710 Petaling Jaya, Selangor Darul Ehsan.

Analysis of Stockholdings

As at 9 September 2005

Authorised Share Capital	:	400,000,000 shares of 50 sen each
Issued and Paid-up Capital	:	302,098,000 ordinary stock units of 50 sen each
Class of shares	:	Ordinary stock units of 50 sen each
Voting rights	:	One vote per ordinary stock unit

Size of Holdings	No of stockholders	%	No of stock units	%
1 - 99	523	4.46	4,225	0.00
100 - 1,000	3,912	33.33	3,399,353	1.12
1,001 - 10,000	5,670	48.31	23,198,744	7.68
10,001 - 100,000	1,476	12.57	42,376,230	14.03
100,001 - 15,104,899	155	1.32	79,049,548	26.17
15,104,900 and above	1	0.01	154,069,900	51.00
Total	11,737	100.00	302,098,000	100.00

Substantial Stockholders as per Register of Substantial Stockholders

Name of Stockholder	Direct		Indirect	
	No of stock units	%	No of stock units	%
GAPL Pte Ltd	154,069,900	51.00	-	-

Directors' Interest as at 9 September 2005

Name of Director	Direct		Indirect	
	No of stock units	%	No of stock units	%
Tan Sri Saw Huat Lye	-	-	-	-
Theo A F de Rond	-	-	-	-
Tan Sri Dato' Alwi Jantan	-	-	-	-

analysis of stockholdings

as at 9 september 2005

Directors' Interest as at 9 September 2005 (continued)

Name of Director	Direct		Indirect	
	No of stock units	%	No of stock units	%
Chin Yoong Chong	150,000	0.05	-	-
Dato' Jaffar bin Ahmad Indot	-	-	-	-
Khoo Gaik Bee	-	-	-	-
Low Teng Lum	-	-	-	-
Quek Peck Leng	-	-	-	-
John Irving	-	-	-	-
Tang Swee Seng (Alternate Director to Quek Peck Leng)	-	-	-	-
David Heginbottom (Alternate Director to John Irving)	-	-	-	-

30 Largest Stockholders

	No of stock units	%
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. HSBC Nominees (Asing) Sdn Bhd - JPMCB for Schroder International Selection Fund (Asian EQ YLD)	2,892,800	0.96
4. HSBC Nominees (Asing) Sdn Bhd - BNP Paribas Securities Services Paris for Asian Smaller Companies Fund (AIF PLC)	2,738,300	0.91
5. Asia Life (M) Berhad As beneficial owner (PF)	2,476,100	0.82

analysis of stockholdings

as at 9 september 2005

30 Largest Stockholders (continued)

	No of stock units	%
6. Tai Tak Estates Sdn Bhd	2,156,000	0.71
7. Amsec Nominees (Asing) Sdn Bhd - Fraser Securities Pte Ltd for Yeo Realty & Investments Pte Ltd (19013)	2,070,530	0.68
8. Pertubuhan Keselamatan Sosial	1,894,000	0.63
9. Chinchoo Investment Sdn Berhad	1,865,000	0.62
10. Citicorp Nominees (Tempatan) Sdn Bhd - ING Insurance Berhad (INV-IL PAR)	1,555,400	0.51
11. HSBC Nominees (Asing) Sdn Bhd - JPMCB for Norges Bank	1,531,000	0.51
12. AMMB Nominees (Tempatan) Sdn Bhd - AmTrustee Berhad for HLG Dividend Fund (HLGDF)	1,366,600	0.45
13. Universal Trustee (Malaysia) Berhad - SBB High Growth Fund	1,330,000	0.44
14. Ho Sim Guan	1,329,700	0.44
15. Gan Teng Siew Realty Sdn Berhad	1,277,000	0.42
16. Chan Emily	1,252,000	0.41
17. Key Development Sdn Berhad	1,250,000	0.41
18. Amsec Nominees (Asing) Sdn Bhd - Fraser Securities Pte Ltd for Tan Eng Chin Holdings (Pte) Limited (1433)	1,200,000	0.40

analysis of stockholdings

as at 9 september 2005

30 Largest Stockholders (continued)

	No of stock units	%
19. HSBC Nominees (Asing) Sdn Bhd - BBH and Co Boston for Unidynamicfunds: Asia	1,200,000	0.40
20. Mrs Chan Lam Choon Nee Mun Swee Heong	1,106,400	0.37
21. TCL Nominees (Asing) Sdn Bhd - OCBC Securities Private Limited for National University of Singapore	1,105,500	0.37
22. Cartaban Nominees (Asing) Sdn Bhd - Investors Bank and Trust Company for Ishares, Inc	1,083,000	0.36
23. Malaysia Nominees (Tempatan) Sendirian Berhad - Great Eastern Life Assurance (Malaysia) Berhad (Non Par 1)	992,220	0.33
24. Citicorp Nominees (Asing) Sdn Bhd - CB Spore GW for Bukit Sembawang Estates Limited (OCB33879-000MIS)	980,000	0.32
25. HSBC Nominees (Asing) Sdn Bhd - BNY Brussels for The Great Eastern Life Assurance Co Ltd	968,800	0.32
26. RHB Nominees (Tempatan) Sdn Bhd - GK Goh SPL for Key Development Sdn Berhad (JS/213218)	947,000	0.31
27. Yap Ah Fatt	810,000	0.27
28. Goonchen Investment Trust Sdn Berhad	808,000	0.27
29. Tai Tak Securitites Pte Ltd	791,000	0.26
30. TCL Nominees (Tempatan) Sdn Bhd - OCBC Securities Private Limited for Lee Vicky Nee Choo Suat Gaik	750,000	0.25
	203,213,030	67.27

Other Information

SHARE BUYBACK

There was no share buyback effected during the financial year ended 30 June 2005.

OPTIONS, WARRANTS OR CONVERTIBLE SECURITIES

There were no options, warrants or convertible securities issued by the Company during the financial year ended 30 June 2005.

AMERICAN DEPOSITORY RECEIPT (ADR)/GLOBAL DEPOSITORY RECEIPT (GDR) PROGRAMME

During the financial year ended 30 June 2005, the Company did not sponsor any ADR/GDR programme.

SANCTIONS/PENALTIES

There were no sanctions and/or penalties imposed on the Company and its subsidiaries by the relevant regulatory bodies during the financial year ended 30 June 2005.

NON-AUDIT FEES

The amount of non-audit fees paid to external auditors by the Group for the financial year amounted to RM82,000.

MATERIAL CONTRACTS

There were no material contracts (not being contracts entered into in the ordinary course of business) entered into by the Company and/or its subsidiaries involving the interest of Directors and major Shareholders, either still subsisting at the end of the financial year ended 30 June 2005 or entered into since the end of the previous financial year.

PROFIT GUARANTEE

There were no profit guarantees given by the Company and its subsidiaries during the financial year ended 30 June 2005.

CONFLICT OF INTEREST

None of the Directors have any family relationship with other Directors and/or major Shareholder of the Company, nor any personal interest in any business arrangement involving the Company. None of the Directors have had conviction for any offences within the past ten years.

REVALUATION POLICY

The Company does not have a revaluation policy on its landed properties.

Properties Owned by the Group

Address/Location	Area (acres)	Existing Use	Lease expiry date	Age of building years	Net Book Value @ 30 Jun 2005 RM'000	Date of Acquisition /Revaluation*
Lot 1135 Batu 9 Jalan Kelang Lama 46710 Petaling Jaya Selangor	20.84	Office building & factory	23 Sept 2063	39	54,929	30 Sept 1984*
120 Air Keroh Industrial Estate 75710 Melaka	1.07	Office building & store	13 Jan 2080	23	562	30 Sept 1984*
Lot 123 Semambu Industrial Site 25350 Kuantan Pahang Darul Makmur	0.52	Office building & store	5 Mar 2046	23	455	30 Sept 1984*
Lot 1136 Batu 9 Jalan Kelang Lama 46710 Petaling Jaya Selangor	2.88	Storage	Freehold	Not applicable	4,037	31 Dec 1991
					59,983	

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Forty-First Annual General Meeting of Guinness Anchor Berhad (the Company) 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 Tuesday, 8 November 2005 at 11.00 am for the following purposes:

AGENDA

As Ordinary Business

1. To receive the Audited Financial Statements for the financial year ended 30 June 2005 together with the Directors' and Auditors' Reports thereon.
Ordinary Resolution 1
2. To declare a final dividend of 29 sen gross per 50 sen stock unit less Malaysian income tax at 28% for the financial year ended 30 June 2005.
Ordinary Resolution 2
3. To approve the payment of Directors' fees of RM260,000 for the financial year ended 30 June 2005.
Ordinary Resolution 3
4. To re-elect the following Directors who retire pursuant to Article 89 of the Company's Articles of Association:
 - (a) Theodorus Antonius Fredericus de Rond
Ordinary Resolution 4
 - (b) Quek Peck Leng
Ordinary Resolution 5
5. To re-appoint Tan Sri Saw Huat Lye who retires pursuant to Section 129 of the Companies Act, 1965 as a Director of the Company to hold office until the conclusion of the next Annual General Meeting of the Company.
Ordinary Resolution 6
6. To re-appoint Tan Sri Dato' Alwi Jantan who retires pursuant to Section 129 of the Companies Act, 1965 as a Director of the Company to hold office until the conclusion of the next Annual General Meeting of the Company.
Ordinary Resolution 7
7. To re-appoint Dato' Jaffar bin Ahmad Indot who retires pursuant to Section 129 of the Companies Act, 1965 as a Director of the Company to hold office until the conclusion of the next Annual General Meeting of the Company.
Ordinary Resolution 8

notice of annual general meeting

8. To re-appoint Chin Yoong Chong who retires pursuant to Section 129 of the Companies Act, 1965 as a Director of the Company to hold office until the conclusion of the next Annual General Meeting of the Company.

Ordinary Resolution 9

9. To re-appoint Messrs KPMG as Auditors of the Company and to authorise the Directors to fix their remuneration.

Ordinary Resolution 10

As Special Business

10. To consider and, if thought fit, to pass the following ordinary 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 Fortieth Annual General Meeting held on 1 December 2004 pursuant to paragraph 10.09 of the Listing Requirements of Bursa Malaysia Securities Berhad, authorising the Company and/or its subsidiaries (the Group) to enter into the recurrent transactions of a revenue or trading nature as set out in Section 2.1.2 of the Company's Circular to Shareholders dated 14 October 2005 (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 Section 2.1.2 of the Circular.

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

- (i) the transactions are undertaken 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; or
- (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 11

NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT

Subject to the approval of Stockholders, a final dividend of 29 sen gross per 50 sen stock unit less Malaysian income tax at 28% for the financial year ended 30 June 2005 will be paid on 25 November 2005 to Stockholders registered at the close of business on 9 November 2005.

A Depositor shall qualify for entitlement to the dividend only in respect of:

- (a) Shares deposited into the Depositor's securities account before 12.30 pm on 7 November 2005 in respect of shares which are exempted from mandatory deposit;
- (b) Shares transferred into the Depositor's securities account before 4.00 pm on 9 November 2005 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.

14 October 2005

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 Bursa Malaysia Depository Sdn Bhd to make available to the Company pursuant to Article 56 of the Company's Articles of Association and Section 34(1) of the Securities Industry (Central Depositories) Act 1991, a Record of Depositors as at 24 October 2005 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's Office, 20th Floor, Plaza Permata, 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.

EXPLANATORY NOTES ON SPECIAL BUSINESS

Ordinary Resolution 11

- Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature

Ordinary Resolution 11, 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 Forty-First Annual General Meeting

STATEMENT ACCOMPANYING THE NOTICE OF FORTY-FIRST ANNUAL GENERAL MEETING

1. Directors who are standing for re-election or re-appointment at the Forty-First Annual General Meeting

The Directors retiring by rotation pursuant to Article 89 of the Company's Articles of Association and seeking re-election are as follows:

- (a) Theodorus Antonius Fredericus de Rond
- (b) Quek Peck Leng

The Directors retiring pursuant to Section 129 of the Companies Act, 1965 and seeking re-appointment are as follows:

- (a) Tan Sri Saw Huat Lye
- (b) Tan Sri Dato' Alwi Jantan
- (c) Dato' Jaffar bin Ahmad Indot
- (d) Chin Yoong Chong

2. Details of attendance of Directors at Board Meetings

Four Board Meetings were held during the financial year ended 30 June 2005. Details of attendance of Directors are set out on page 74 of the Annual Report.

3. Place, date and time of the Forty-First Annual General Meeting

The Forty-First 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 8 November 2005 at 11.00 am.

Form of Proxy*



Guinness Anchor Berhad

(Company No. 5350-X) Incorporated in Malaysia

No of stock units held:

CDS Account No:

I/We _____ I/C No. _____ (new)
 _____ (old) / Certificate of Incorporation No. _____ of _____

being a Member of GUINNESS ANCHOR BERHAD, hereby appoint _____

I/C No. _____ (new) _____ (old) of _____

as my/our proxy to vote for me/us and on my/our behalf at the Forty-First Annual General Meeting of the Company to 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 Tuesday, 8 November 2005 at 11.00 am and at any adjournment thereof.

My/our proxy is to vote as indicated below:

(Please indicate with an "X" in the appropriate space as to how you wish your votes to be cast 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)

ORDINARY RESOLUTIONS	FOR	AGAINST
1. Receive the Audited Financial Statements for the financial year ended 30 June 2005 together with the Directors' and Auditors' Reports thereon.		
2. Declaration of a final dividend of 29 sen gross per 50 sen stock unit less Malaysian income tax at 28% for the financial year ended 30 June 2005.		
3. Approval of the payment of Directors' Fees for the financial year ended 30 June 2005.		
4. Re-election of Theodorus Antonius Fredericus de Rond as Director.		
5. Re-election of Quek Peck Leng as Director.		
6. Re-appointment of Tan Sri Saw Huat Lye as Director.		
7. Re-appointment of Tan Sri Dato' Alwi Jantan as Director.		
8. Re-appointment of Dato' Jaffar bin Ahmad Indot as Director.		
9. Re-appointment of Chin Yoong Chong as Director.		
10. Re-appointment of Messrs KPMG as Auditors of the Company and to authorise the Directors to fix their remuneration.		
11. Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature.		

Signed this _____ day of _____ 2005

 Signature of Member / Common Seal

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

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 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 24 October 2005 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. The Form of Proxy is 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's Office, 20th Floor, Plaza Permata, 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

Company Secretary
Guinness Anchor Berhad
C/o Tenaga Koperat Sdn Bhd
20th Floor, Plaza Permata
Jalan Kampar, Off Jalan Tun Razak
50400 Kuala Lumpur

fold here



**A glass of brew...
a brew to toast...
a toast to success.**

Cheers to a brand new look
and a brand new era
with the same quality brands.

G·A·B^U
GUINNESS
ANCHOR
BERHAD

