

GUINNESS ANCHOR BERHAD

Brand Portfolio



◀ Guinness

Rich, distinctive taste and goodness. This is Guinness, the world's most famous stout that propositions *"You can when you believe"* and inspires one to draw on inner strength. It is just the right drink for the discerning individual with self-belief and appreciates and celebrates challenges. The Guinness drinker is unrivalled.

Cool, golden smoothness. Tiger is a fine international quality beer for the modern, confident and progressive, which aptly describes today's generation of drinkers. This 1998 World's Best Lager Beer is appreciated the world over by those who have a thirst for life and know how to live life full.

Tiger Beer ▶



◀ Heineken

Green hues and red sparkle. In its trademark green hued bottles with the famous red star, Heineken is the undisputed World's No 1 international premium beer. The specialty of its brew that comes from the use of the finest natural ingredients combined with the special Heineken "A-yeast" satisfies the thirst of the sophisticated, sociable and discerning drinker.

Quality, smooth and close to home. Anchor Pilsner is the quality local brew with its distinctive smooth flavour. Its ice beer version comes trendily capped and double ice brewed for it to be uniquely extra smooth. Anchor Ice Beer undoubtedly leads the ice beer segment and is the choice for the young and trendy.

Anchor Beer ▶

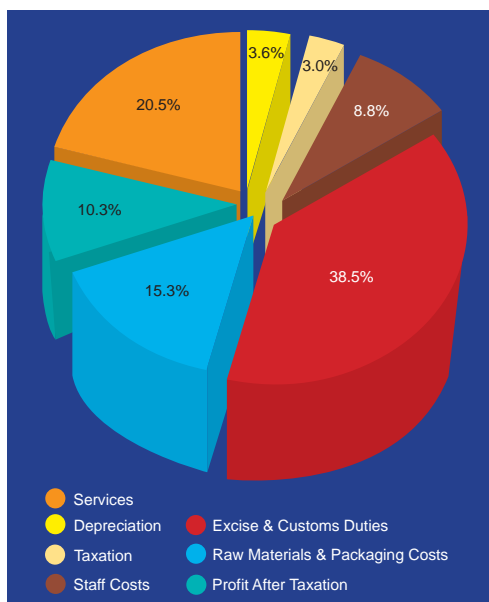


Financial Highlights

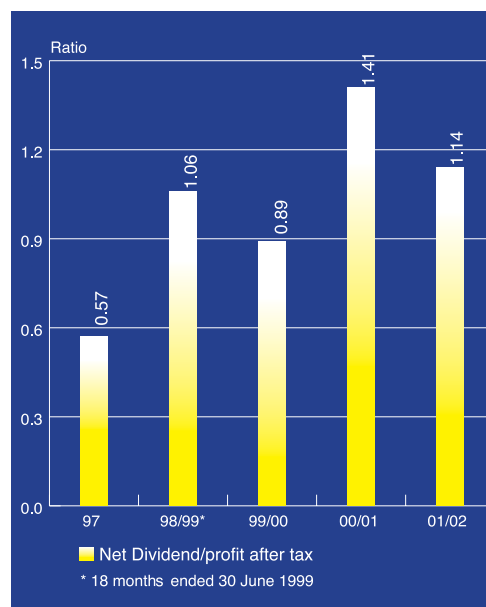
	Year ended 30.6.2002 RM'000	Year ended 30.6.2001 RM'000	Year ended 30.6.2000 RM'000	18 months ended 30.6.1999 RM'000	Year ended 31.12.1997 RM'000
Revenue	701,354	693,917	618,940	1,042,440	733,385
Profit before taxation	93,718	78,448	67,352	182,407	147,193
Taxation	21,317	19,767	6,399	40,594	41,338
Profit after taxation	72,401	58,681	60,953	141,813	105,855
Dividends	82,655*	82,653*	54,377	150,082*	60,299
Net Dividend per 50 sen stock unit (sen)	27.4*	27.4*	18.0	49.7*	20.0
Earnings per 50 sen stock unit (sen)	24.0	19.4	20.2	46.9	35.0
Reserves	128,136	166,665	134,085	127,509	165,211
Shareholders' funds	279,185	317,714	285,134	278,558	316,260
Net tangible assets per 50 sen stock unit (sen)	92.4	105.2	94.4	92.2	104.7

*Includes special dividend

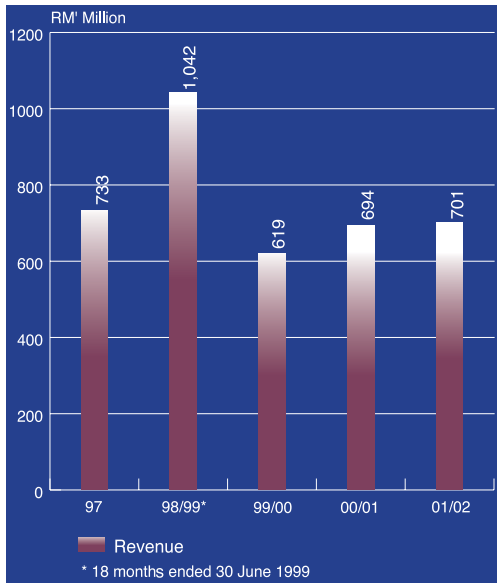
Disposal Of Revenue



Net Dividend/Profit After Tax

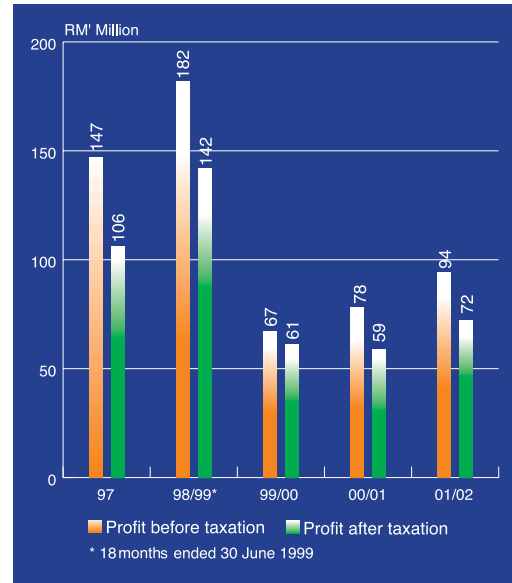


Revenue



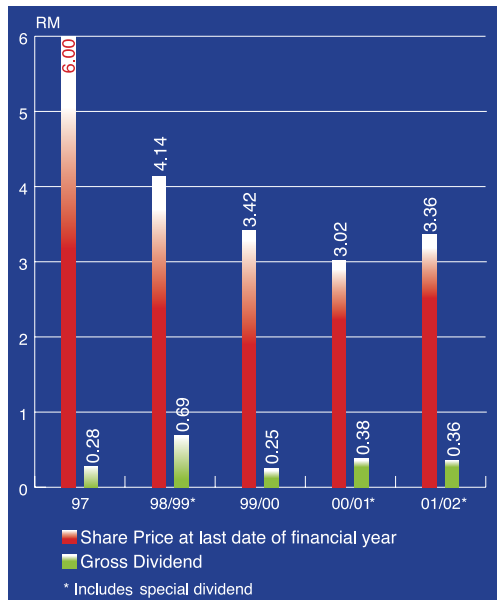
▲ On the increase... Revenue has been steadily going up. It increased by 1.1 per cent to RM701million for the year ended 30 June 2002.

Profit Before and After Tax



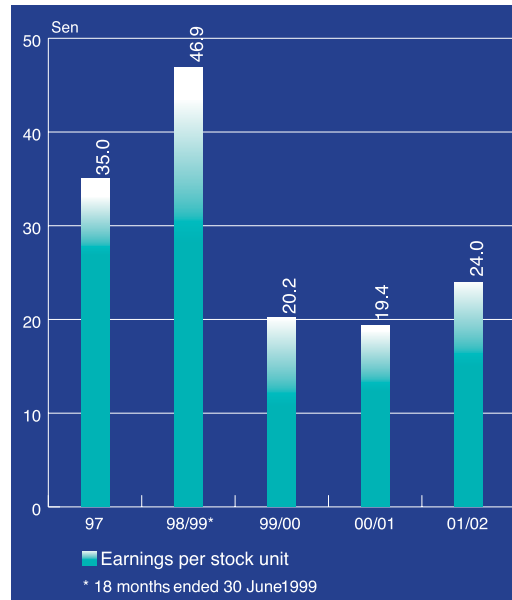
▲ On the uptrend... Profits have been growing by 20 per cent for pre-tax profit and 22 per cent for after-tax profit.

Share Price & Dividends



▲ Highest... Dividend yield continues to be highest in the industry. The good dividend payouts make the Guinness Anchor Berhad shares well liked. This probably accounts for the share price trending upwards.

Earnings Per Share



▲ On the uptake... Earnings per share is on the uptake after a year of decline. It posted an impressive 23 per cent increase as a result of higher profit margins.

GUINNESS[®]



Rich, distinctive taste and goodness. This is Guinness, the world's most famous stout that propositions "You can when you believe" and inspires one to draw on inner strength. It is just the right drink for the discerning individual with self-belief and appreciates and celebrates challenges. The Guinness drinker is unrivalled.



GUINNESS ANCHOR BERHAD

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Letter From Chairman



TAN SRI SAW HUAT LYE
Chairman

A TOAST TO A GOOD YEAR!

Dear Valued Shareholders

It is my great pleasure to pen this note and invite you to join me in a toast to a good year in our company.

I am particularly happy to report to you that it has indeed been a very fruitful year - one that has rewarded us with enviable results for the efforts put in to meet the challenges in a highly competitive market environment amidst trying economic times.

You will be pleased to note that against this very challenging backdrop, Guinness Anchor Berhad turned in a commendable double-digit increase in group pre-tax profit to RM93.718 million for the year ended 30 June 2002. It is of significance that this 19.5 per cent increase from RM78.448 million recorded in the previous year was achieved on a group turnover of RM701.354 million which is about the same level as that of the preceding year.

“It was focussed brand portfolio management that increased visibility of our products, improved distribution through targeting the right channels and outlets, and ensured quality in freshness of product”

GUINNESS ANCHOR BERHAD
Statement

I would like to congratulate our Board of Directors for their foresight and guidance which have been instrumental in steering the company towards this direction. However, much of the credit goes to our Managing Director Jac van Herpen and his management team who together with our dedicated and loyal employees anchored our success with their quest for quality, effectiveness and efficiency. Importantly, as a cohesive and motivated team, they worked their strategic plan to emerge with success in an environment which saw consumption of duty paid retail malt liquor dropping by almost one per cent.

The duty paid retail malt liquor market shrank as a result of slower economic growth and the impact of the September 11 acts of terrorism in the US, which besides having a toll on tourism, also made consumers more cautious over spending. A further decline was, however, arrested by an uptake in consumption during the festive periods of Christmas, New Year and Chinese New Year as well as the month-long 2002 FIFA World Cup.

Notwithstanding that, market conditions remained highly competitive as a result of unabated smuggling activities and the growing availability of beer from other Asean countries which have gained more acceptance as a result of their lower prices.

We were able to face these challenges with our strategic direction that essentially leveraged on the inherent power of our diverse brand portfolio and addressed the effectiveness of our organisation as a whole.

It was focussed brand portfolio management that increased the visibility of our products, improved distribution through targeting the right channels and outlets, and ensured quality in freshness of product. Coupled with stringent cost reduction, we carved for ourselves a bigger share of a shrunk market.



Top:
Cheers... 2002 FIFA World Cup boosted consumption.

Bottom:
Right drinking moments... Carving a bigger share of the market.

Tiger, one of Asia's fastest growing beers, and Heineken, the world's undisputed No 1 international premium beer, took centre stage by spearheading our growth of market share. Both beer brands ended the year on a high note by recording double-digit growth in sales volume.

While we applaud this success, we should take cognisance of the fact that the financial year ahead is not going to be any easier for us. The market is expected to remain highly competitive. Economic conditions are not likely to improve and stimulate consumption and spending. However, I am optimistic we will continue to beat the odds and strive to better the financial performance of the year that was.

In line with the good financial performance, I am pleased to announce that the Board of Directors is recommending a final dividend of 12 sen gross less Singapore tax at 22 per cent per 50 sen stock which will bring the total dividends for the financial year to 36 sen gross - making it yet again the highest dividend yield in the industry.

You will be pleased to note that since our early adoption of the recommendations of the Malaysian Code of Corporate Governance in the financial year ended 30 June 2001, the practice of good corporate governance has become an important and integral part of the company's management and operations. It is not a matter of compliance of the Code. Nor is it an obligation but a commitment. Various sub-committees of the Board of Directors met on numerous occasions in the course of the year to ensure that best practices are maintained throughout our company. Self assessments were made to ensure that internal control measures were instituted and were effective. Great attention was also paid to put in place risk management processes to safeguard our company from the volatility of business risk.

I would like to take this opportunity to pay tribute to the late Dr Alfred Henry Heineken, Chairman of Heineken N V, who passed away last year. Freddy, as he is fondly known, played a pivotal role in building what was then a family business into today's leading international brewery group. Freddy's passing is a great loss to all of us but he has left behind a legacy of a beer and a brand that is globally recognised as a symbol of quality and excellence.

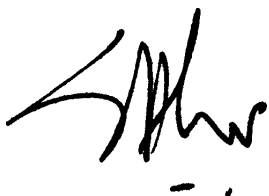


Top:
Centre stage... Tiger spearheaded big leap.

Bottom:
Double digit... Impressive growth by Tiger.

On our Board of Directors, please note that pursuant to Article 89 of the company's Articles of Association, Dato' Jaffar Bin Ahmad Indot, Mr Chin Yoong Chong and Ms Khoo Gaik Bee will be retiring by rotation at the coming Annual General Meeting and being eligible, offer themselves for election.

In conclusion, I would like to take this opportunity to thank you, our shareholders, for being supportive of the company. Our thanks also go out to our distributors and retailers as well as our suppliers who have been unfailing in their support. And most of all, I would like to express our gratitude, on behalf of the Board and Management, to our staff members whose dedication and commitment have contributed significantly to the company's growth and development.



Tan Sri Saw Huat Lye
Chairman
30 September 2002

GUINNESS ANCHOR BERHAD
Statement



Top:
Trailblazer Heineken... Thumbs up from Heineken Chairman.

Bottom:
At home... World No 1 growing lead in Malaysia.

Managing Director's Review



JAC VAN HERPEN
Managing Director

PRODUCTS OF THIRST FOR CHANGE

Thirst for change resulted in success for Guinness Anchor Berhad in the financial year ended 30 June 2002.

Double-digit percentage growth in profits was chalked up. Increase in market share was achieved. Higher sales volume was reported for Tiger and Heineken. All these are products of a thirst for change that was a driving force that anchored Guinness Anchor Berhad's success.

This thirst for change augured well for us as the market environment has changed to become even more competitive. It drove us to make fundamental changes to the business operations.

Steering the changes to achieve greater effectiveness and efficiency to move the company forward was our strategic direction which provided the framework to grow more value from our brands, improve our organisational effectiveness, and grow our organisational skills and competencies.

Growing Value of Brands

Guinness Anchor Berhad's inherent strength is its portfolio of brands. This strength was leveraged with effective brand portfolio management and marketing for the distinction of coverage of almost all segments of the market. We set out to grow the value from our brands, associating them respectively as the brands fitting for the right drinking moments sought by each segment of consumers.

“Guinness and Tiger also made it to the top 10 high selling brands in AC Nielsen’s inaugural list of Malaysia’s top 100 brands by sales”

The much-talked about *Who is Adam King?* thematic campaign introduced for Guinness is one such example where the inherent strength of our brands are identified and tapped. The Adam King campaign propositioned the value of inner strength and self-belief relevant to today’s generation of drinkers. This proactive approach will carve yet another new niche market segment for Guinness’ dominance in the stout market to be entrenched. Together with Lion Stout that is growing in popularity in non-urban markets, Guinness Anchor Berhad has the stout market well covered.

Our portfolio marketing netted even better results for Tiger and Heineken. Sales volume for Tiger grew by double digits while Heineken’s growth was by an even more amazing level. The increasing brand visibility and niche marketing and promotion activities such as the Tiger PowerHitz charity concerts, the Tiger Football 7s, the Tiger on the Ball radio shows and the Heineken Green Room sessions resulted in these two brands increasingly seen in the right glasses in the right hands in the right outlets. Significant share gains were made by both Tiger and Heineken in the modern on-trade outlets under which pubs, hotels, discos and karaokes are grouped. Many such key outlets were developed during the year.

Extensive Coverage of Beer Market

With Tiger growing in popularity and gaining market share in the segment made up of the new generation of drinkers and Heineken leading and developing the premium beer segment, Guinness Anchor Berhad further enlarged its portfolio with the introduction of Baron’s Strong Brew. With this proposition, Guinness Anchor Berhad penetrated the premium high alcoholic beer segment and once again built up extensive coverage of the beer market.

The success with our brands was underscored by Guinness and Heineken being named as billion dollar global brands in AC Nielsen’s recent international survey. Guinness Anchor Berhad emerged as one of the 23 packaged manufacturers to receive the recognition of “Reaching the Billion Dollar Mark”. Over 200 global brands were reviewed across 30 countries and only 43 brands met the qualifying criteria.

Guinness and Tiger also made it to the top 10 high selling brands in AC Nielsen’s inaugural list of Malaysia’s top 100 brands by sales. Guinness captured 3rd position followed by Tiger at 4th while Anchor came in 14th.



Inherent strength... Thematic campaign taps strength of brands.



Organisational Effectiveness

Changes and improvements to organisational effectiveness were just as critical to our results. Inadvertently the value of brands cannot be enhanced without a well geared and good performing organisation. The single major contributory factor to organisational effectiveness has been our focussed sales implementation system which covers quality, distribution, visibility, promotion, pricing and customer services in the right distribution channels and outlets.

We set out to ensure the perfect quality of the drinking experience through the right freshness of products and their proper presentation, the availability of the right brands in the right outlets, the brand visibility via merchandising, and effective promotions for the right brands. Attention was also paid to providing training and motivation for staff and owners in targeted outlets to actively recommend and support our brands.

This sales implementation system enabled Guinness Anchor Berhad to deliver fresher products at more effective costs as well as changed the mindset from just selling stocks to outlets to helping outlets improve their business.

Another important programme implemented was called Route-To-Market which focussed on our sales force's outlet coverage and moving products from the time orders are taken to delivery. This programme has successfully expanded our reach and we are now servicing over 80 per cent of our outlet base in Malaysia.

Customer Satisfaction

Improvements in route-to-market were continuously made with on-going quality surveys. In addition to this, a customer satisfaction survey was also conducted on 800 outlets across all channels during the period under review. The findings were very encouraging as it mainly underscored that retailers were committed to Guinness Anchor Berhad with the vast majority saying that they would recommend Guinness Anchor Berhad to someone else. The respondents also held in high regard the range of quality products in our portfolio based on taste, popularity and overall service levels. From the feedback received in the survey, an action plan has been formulated for Guinness Anchor Berhad to forge greater partnership with distributors and retailers to help them grow their business.

Guinness Anchor Berhad has also committed a substantial investment to improve customer relationship management (CRM) by leveraging on IT. This CRM initiative called Project Com.IT@GAB, which involves our dealers and sales team, has started in Klang Valley and it is expected to be rolled out nationwide soon. This project arms the sales force with handheld PCs for the automated collection of sales information. This project will put us in the forefront in making live analytics of market intelligence data, thus enabling us to be quicker to respond to market needs and improve customer satisfaction.

Top:
Popular... Tiger PowerHitz presented the famous and popular.

Middle:
Thrilling... Tiger PowerHitz, a brand of fun-filled concerts.

Bottom:
Exciting... Jonah Jones 7s celebrated the team.

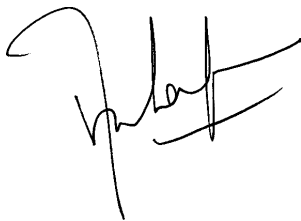
The efforts in improving the quality of the organisation were given due recognition when Guinness Anchor Berhad became the first brewery in the country to be awarded the ISO 9001:2000 certification which emphasises continual improvement, process approach and customer satisfaction. This came after Guinness Anchor Berhad also became the first in Malaysia to receive ISO 9002 certification.

Guinness Anchor Berhad was also the first in the industry to earn the Ministry of Health's Hazard Analysis Critical Control Points (HACCP) certification which identifies, evaluates and controls hazards which are significant for food safety. HACCP underscores the premium quality and will go a long way in giving consumers the greatest confidence in the integrity and safety of our beer, stout, shandy and malt drinks.

Growing Skills and Competencies

During the period under review, substantial investments were made to train employees in new skills sets as well as to provide for voluntary separation to right size the company. The Voluntary Separation Scheme (VSS) allowed us to be leaner as well as provided us with the opportunity to re-deploy staff by training them in new skill sets. To those who opted for the VSS, I would like to take this opportunity to thank them for their contributions during their service with the company and wish them all the best.

I would also like to take this opportunity to bid farewell and record my thanks to our Corporate Affairs Director Dato' Lee Kee Hock and Commercial Director Michael van der Poel. Dato' Lee retired after having served the company for over 31 years while Michael van der Poel has taken up a new posting within the Heineken organisation.



Jac van Herpen
Managing Director
30 September 2002



Top:
Helping hand... Forging greater partnership to grow retailers' business.

Bottom:
Brand visibility... A result of focussed sales implementation system.

Management Review

Brand Highlights

GIFTS OF GAB

A big heart, a huge dose of love and caring, a sprinkling of creativity and imagination, and a dash of brand visibility and promotion... it stirs up a potent brew of good corporate citizenry and business promotion for Guinness Anchor Berhad.

Guinness Anchor Berhad's activities carried out in the past as well as through the last financial year bear these characteristics which cleverly blend community service elements with business promotion and brand visibility efforts.

The credit for such ingenuity in brand portfolio marketing goes to the respective brand teams and to our partners, the dealers and retailers, who have staunchly supported such efforts.

Guinness Anchor Berhad is more than just a commercial business. We endeavour to make every experience of our consumers' lives our business. In this business with the people, we are guided by the simple yet noble principle of giving back to the community what it has given to us over the years. Guinness Torch Fund and Tiger PowerHitz charity concerts are just two examples and there are more...

Lighting the Torch for Education

The Guinness Torch Fund, our on-going effort to help bright and deserving students from Chinese schools, has raised over RM6 million. And this has benefited more than 1,198 needy students from independent Chinese secondary schools and 106 undergraduates through the university study loan scheme.

Set up in 1996, the fund was raised via contributions by Guinness Anchor Berhad. For every large Guinness bottle liner returned by consumers, Guinness Anchor Berhad contributed 20 sen towards the fund. Every small Guinness bottle liner or stay-on-tab returned earned a contribution of 10 sen.

A Guinness Torch Fund Lighting Campaign covered all outlets selling Guinness and mustered strong support from the trade and consumers. The roadshow for Torch Fund Lighting ended on 30 November 2001 but this Guinness Torch Fund project will still be on-going for some time to come.



Top:
Torch... Igniting the spirit of caring and giving.

Bottom:
Stout effort... Guinness Torch Fund topped RM6 million.

Stout Support for Wushu

Guinness Anchor Berhad threw its support behind wushu to help raise the standards of this sport, which will make a bid for it to be included in the 2008 Olympic Games in Beijing, China, and take it to greater heights.

The Malaysian wushu team has shown great promise, returning from the 2001 SEA Games with six gold medals. Guinness Anchor Berhad prized this sterling performance with a monetary contribution to the Wushu Federation of Malaysia.

Guinness Power-packed Action

The Guinness Jonah Jones 7s is known for its power-packed action. It had its beginnings 38 years ago but it was only after Guinness lent its support with a sponsorship starting from 1995 that this seven-to-a-side rugby tournament became a premier rugby event in Malaysia. Guinness' support has taken the sport, which celebrates the team and prizes the individual for true grit, speed and endurance, to new heights.

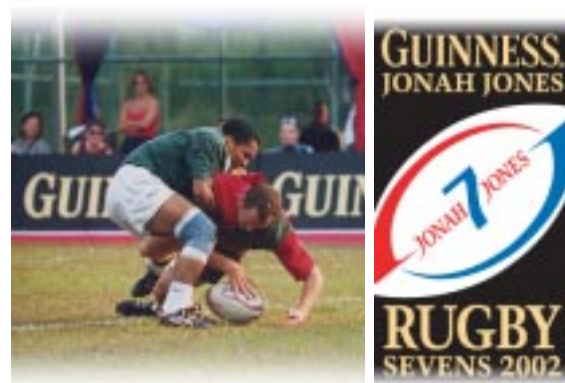
Last year's Guinness Jonah Jones 7s was held at the Royal Selangor Club in Bukit Kiara on 13-14 October 2001. Our local team, NS Wanderers, emerged champions against teams from Brunei, Hong Kong and Thailand.

Fun and Fund-filled Tiger PowerHitz

The Tiger PowerHitz charity concerts continued to be fun-filled events that thrilled many with an impressive line-up of popular local recording artistes. The concerts have presented Aniu, Zhang Ze, Baby, Freddie & The Cats, Tong Xin, Vivian Tok and Bat, to name a few, and entertained many in major towns and cities throughout the country.

Now in its eighth year, Tiger PowerHitz charity concerts are Tiger's major contribution to the development of education in Chinese schools throughout Malaysia. To date, over RM106 million has been raised for the benefit of close to 300 Chinese schools.

It is the only charity programme in Malaysia that enables its beneficiaries to keep the entire proceeds from the sale of tickets and to use the proceeds at their own discretion - be it for improvement to buildings or infrastructure or as scholarship for deserving students.



Top:
Strong support... Wushu backed by Guinness.

Middle:
Premier... Guinness sponsorship made Jonah Jones 7s the rugby event.

Bottom:
Roaring success... Still powering on and a hit after 8 years.



Tiger on the Ball

Tiger sponsored a radio talk show that presented football commentator Serbegeth Singh who is popularly known as Shebby. The radio show aired at 5.30 pm over WOWfm on Fridays during last year's English Premier League season was widely followed as it quenched the thirst for information with reviews of matches and an insight into the teams and players. In conjunction with the radio show, Shebby also visited various pubs and football fans were challenged on their football knowledge in the Tiger Pub Quiz Challenge.

Tiger's association with football was extended to the Tiger Football 7s. Last year's 7-a-side outdoor football tournament was held in Penang. The event, played at Penang Polo Ground, drew a record 21 teams from countries like Australia and Japan. Tiger also stepped into a new challenge — sponsoring the Tiger Futwal tournament. Futwal is a 5-a-side variation of football.

Jazzed up Heineken

Heineken Green Room Sessions are now synonymous with great jazz made perfect by the taste of the world's No 1 international premium beer. The Heineken Green Room sessions have been wowing crowds in premium and trendy locales all over Kuala Lumpur.

Heineken's association with great jazz was extended to the performance of *The Dutch Swing College Band*, one of the well-known jazz ensembles in the world, at the JW Marriott Hotel, Kuala Lumpur. This special performance was made possible by Heineken, with the cooperation of the Malaysian Dutch Business Council.



Heineken and all Things Fine

Where there is fine food, there is also the world's No 1 international premium beer. On that premise, Heineken supported the Kuala Lumpur Gourmet Festival, which is a first of its kind in Malaysia. The event was participated by 13 top restaurants which not only presented a variety of sumptuous menus for feasting but also set new standards of excellence in culinary arts. Diners at the festival were given a chance to win a trip for two to visit the famous Heineken Museum in Amsterdam and get a genuine Heineken experience.

Heineken and the World's Best

Heineken was the official partner of The 10th Men's World Cup Hockey tournament which drew participation from 16 of the world's best teams. A vibrant Heineken House was set up at the tournament venue to provide continuous refreshments to the spectators and it was a hit with the crowd. The event was watched by millions the world over.



Top:
Ball of a time... Tiger gets into international football action.

Middle:
Great taste... Good music and Heineken.

Bottom:
World's Best... Heineken brought together the best.

Heineken's Great Potential in Malaysia Recognised

Heineken N V Chairman Karel Vuursteen was pleased with what he saw of Heineken during his visit to Guinness Anchor Berhad as part of his tour of Heineken operations in Asia. He noted that Heineken has been a trailblazer in developing and growing the premium beer market in Malaysia and expressed confidence of Heineken eventually dominating this market segment. "It is a realism rather than optimism that Heineken is set to do well in Malaysia after making strong inroads into the market," he said.

Vuursteen, who was accompanied by Heineken N V Asia Pacific Director M H Rijkens, met Guinness Anchor Berhad's Board of Directors, the management team as well as dealers and key customers during his one-day visit.

The Baron of Beers

Guinness Anchor Berhad introduced Baron's Strong Brew to make inroads into the high alcohol beer market segment. Baron's Strong Brew, which contains 8.8 per cent alcohol by volume, has won two awards, i.e. The BIIA Champion (Strong Brew) 1998/1999 and France's SIAL D'OR (Food and Beverage). It is made from the choicest ingredients imported from Europe and selected by a panel of experts to ensure premium quality.

Who is Adam King?

Guinness' new thematic campaign — *Who is Adam King?* — caught a lot of attention and aroused a lot of interest as the Malaysian public was continuously teased by advertisements that posed the question.

Concurrently executed in three major Asian countries - Malaysia, Hong Kong and Singapore - the campaign contemporised the image of Guinness and broadened its appeal to younger drinkers while adding some excitement for loyal drinkers. With the new Guinness tagline "You Can When You Believe", the campaign communicated the brand's new positioning in that Guinness brings out the inner strength in people.

Adam King, who was finally introduced as an international photojournalist, embodies the values of Guinness' inner strength and self belief. Adam King was portrayed as a role model and coach who brings out one's inherent abilities and encourages one to believe in the ability to succeed.

The long-term campaign is divided into phases. The "Excite" phase initiated in June 2002 successfully created excitement. The next phase, "Introduce", commenced in July and it revealed *who is Adam King*. This will be followed by more activities over the next few years.



Top:
For the world... A partnership with Heineken for the benefit of millions.

Middle:
Reaching out... Spreading the Adam King excitement.

Bottom:
New values... Exciting proposition by Guinness.

Technical Highlights

FIRST IN FOOD SAFETY SYSTEM AND ISO 9001:2000 QUALITY

Thumbs up for Guinness Anchor Berhad! We took the honour of being the first and only brewery in the country to get the Ministry of Health's Hazard Analysis Critical Control Point (HACCP) certification and SIRIM's ISO 9001:2000 Quality certification.

The awards speak volumes and underscore the premium quality, safety and integrity of our products.

HACCP Certification

The HACCP Certification of our beer, stout, shandy and malt drinks was awarded following a very stringent audit process of a system that identifies, evaluates and controls hazards which are significant for food safety.

This internationally recognised certification means that our products are guaranteed safe for consumption and will further reinforce confidence in consumers on the safety and integrity of our range of products.

Guinness Anchor Berhad began work towards getting this certification in March 2001 and the external audit by the Ministry of Health was completed in November 2001.



Premium quality... Technologically advanced system ensures quality of product.

Top: Unmatched... Brewery with food safety and quality record.

ISO 9001:2000 Quality

We have also successfully converted from ISO 9002 standards to ISO 9001:2000 ahead of the 2003 deadline set by SIRIM.

Guinness Anchor Berhad became the first brewery to receive the ISO 9002 Certification in 1995 and now we have followed through with the ISO 9001:2000, which is an international standards award certification based on continual improvement, process approach and customer satisfaction.

We have been making preparations since last year for this conversion, which will further add value to the products that we produce.

Caring for the Environment

Another major technical development in the company was the completion of the expansion of the waste water treatment plant at the brewery. The plant now has a waste water treatment capacity of 2.5 times more than that previously.

Expansion works began at the end of 2000 and the plant was commissioned in 2001 following the completion of construction works.

Guinness Anchor Berhad lives up to its role as a good corporate citizen by making further improvements to effluent treatment. It underscores the attention we pay and the pains we take to make sure that we care for the environment we operate in.



Fast and safe... Integrity and quality is ensured with state-of-art bottling process.



Top:
Sign of the times... Our successful conversion to ISO 9001:2000 will soon see this signage changed.

Penyata Pengerusi



TAN SRI SAW HUAT LYE
Chairman

TAHUN CEMERLANG!

Pemegang Saham Yang Dihargai

Sukacita saya menyatakan bahawa saya menulis laporan ini dengan perasaan yang sungguh gembira kerana syarikat kami telah mencapai prestasi yang cemerlang. Justeru itu, saya menjemput anda untuk merayakan tahun cemerlang ini bersama-sama kami.

Walaupun kami terpaksa menempuh pelbagai rintangan dan cabaran dalam pasaran yang sangat kompetitif dan persekitaran ekonomi yang kurang menentu, sukacita saya melaporkan bahawa syarikat kita berjaya meraih keuntungan yang amat membanggakan. Usaha gigih kami telah membuahkan hasil!

Dalam suasana yang sangat mencabar ini, Guinness Anchor Berhad tetap berupaya mencatat kenaikan keuntungan sebelum cukai dua angka kepada RM93.718 juta bagi tahun berakhir 30 Jun 2002. Kenaikan 19.5 peratus daripada RM78.448 juta yang dicatat pada tahun sebelumnya dicapai daripada perolehan kumpulan berjumlah RM701.354 juta, hampir sama dengan tahun terdahulu.

Saya ingin mengucapkan tahniah kepada Lembaga Pengarah yang berpandangan jauh, kerana kebijaksanaan mereka membimbing kami dan menerajui syarikat hingga berjaya mencapai kejayaan ini. Namun, orang yang paling berhak menerima sanjungan ialah Pengarah Urusan kami, Jac van Herpen dan pasukan pengurusannya serta kakitangan kami yang begitu setia dan berdedikasi. Mereka bukan sahaja telah berusaha dengan penuh semangat dan tekad untuk mencapai kualiti, tetapi juga untuk meningkatkan keberkesanan dan kecekapan. Lebih penting lagi, sebagai pasukan yang bersatu padu dan bermotivasi, mereka telah melaksanakan rancangan strategik kami untuk mencapai kejayaan walaupun terpaksa menempuh pelbagai cabaran ekoran kejatuhan hampir satu peratus penggunaan arak malt cukai berbayar.

Pasaran runcit arak malt cukai berbayar menguncup akibat kelembapan pertumbuhan ekonomi dan serangan pengganas di Amerika Syarikat pada 11 September, yang bukan sahaja menjejaskan industri pelancongan tetapi juga menyebabkan pengguna lebih berhati-hati untuk berbelanja. Bagaimanapun, kejatuhan selanjutnya dikekang oleh peningkatan penggunaan sepanjang musim perayaan Krismas, Tahun Baru dan Tahun Baru Cina, serta musim Piala Dunia FIFA 2002 selama satu bulan.

Namun demikian, kegiatan penyeludupan yang berleluasa dan kemasukan jenama bir dari negara-negara Asean lain yang semakin luas diterima kerana harganya lebih rendah telah menyebabkan pasaran terus menghadapi persaingan.

Kami telah dapat menghadapi segala cabaran ini menerusi hala tuju strategik kami, yang pada asasnya memanfaatkan sepenuhnya daya penjualan tersendiri portfolio pelbagai jenama kami dan meningkatkan lagi keberkesanan organisasi kami secara keseluruhan.

Tumpuan kepada pengurusan portfolio jenama telah meningkatkan penonjolan produk, pengedaran menerusi saluran dan pusat jualan yang betul, serta kualiti kesegaran produk. Pengurusan kos turut membolehkan kami menguasai bahagian yang lebih besar dalam pasaran yang menguncup.



Syabas... Piala Dunia FIFA 2002 tingkatan penggunaan.



Membanggakan...TIGER catat pertumbuhan dua angka.

Tiger, salah satu jenama bir yang mencatat perkembangan paling pesat di Asia, dan Heineken, jenama bir premium antarabangsa No 1 di dunia, mengambil tempat utama dengan mempelopori pertumbuhan bahagian pasaran kami. Kedua-dua jenama bir ini mengakhiri tahun cemerlang dengan mencatat pertumbuhan jualan dua angka.

Walaupun kami amat berbangga dengan kejayaan ini, kami perlu berwaspada dan berusaha dengan lebih gigih lagi kerana tahun kewangan yang akan datang masih tetap mencabar. Persaingan sengit dalam pasaran terus dijangkakan. Kelembapan ekonomi tidak akan merangsangkan penggunaan dan perbelanjaan pengguna. Bagaimanapun, saya yakin kami akan dapat mengatasi segala cabaran, untuk meningkatkan prestasi kewangan tahun yang baru berakhir.

Selaras dengan prestasi kewangan yang baik, saya dengan sukacitanya mengumumkan bahawa Lembaga Pengarah mencadangkan dividen akhir 12 sen kasar tolak cukai Singapura 22 peratus bagi setiap saham 50 sen, yang akan menjadikan jumlah dividen bagi tahun kewangan yang lalu 36 sen kasar. Jumlah ini sekali lagi menjadikannya dividen paling tinggi dalam industri.

Anda tentu gembira jika saya katakan bahawa sejak awal pelaksanaan cadangan-cadangan Kod Pentadbiran Korporat Malaysia pada tahun kewangan yang berakhir 30 Jun 2001, kami telah menjadikan amalan pentadbiran korporat yang baik sebagai sebahagian penting daripada pengurusan dan operasi syarikat. Kami telah menjadikannya sebagai satu komitmen, dan bukan sekadar untuk menunaikan tanggungjawab atau mematuhi Kod tersebut. Pelbagai jawatankuasa kecil Lembaga Pengarah telah mengadakan mesyuarat sepanjang tahun untuk memastikan amalan terbaik ini dikekalkan dalam seluruh syarikat. Kami juga telah membuat penilaian diri sendiri untuk memastikan langkah-langkah kawalan dalaman diambil secara berkesan. Tumpuan telah diberikan terhadap proses pengurusan risiko bagi melindungi syarikat daripada ancaman risiko perniagaan.

Saya ingin mengambil kesempatan ini untuk merakamkan setinggi-tinggi penghargaan kepada mendiang Dr Alfred Henry Heineken, Pengerusi Heineken N V yang meninggal dunia pada tahun lalu. Mendiang, yang lebih mesra dengan panggilan Freddy, telah memainkan peranan penting dalam usaha membina perniagaan, yang ketika itu merupakan perniagaan keluarga, menjadi kumpulan pengeluar bir antarabangsa yang terkenal di dunia. Pemergian Freddy adalah satu kehilangan besar kepada kami semua tetapi beliau telah meninggalkan warisan bir dan jenama yang diiktiraf di seluruh dunia sebagai simbol kualiti dan kecemerlangan.

Ahli-ahli Lembaga Pengarah, Dato' Jaffar Bin Ahmad Indot, Encik Chin Yoong Chong dan Cik Khoo Gaik Bee, akan bersara secara bergilir mengikut Perkara 89 Tataurusat Pertubuhan Syarikat di Mesyuarat Agung Tahunan yang akan datang dan oleh kerana layak, mereka menawarkan diri untuk dilantik semula.

Akhir kata, saya ingin mengambil kesempatan ini untuk mengucapkan terima kasih kepada anda, pemegang saham yang kami hargai, kerana memberi sokongan padu kepada syarikat. Ucapan terima kasih juga kami tujukan kepada para pengedar dan peruncit kami, serta para pembekal yang sentiasa memberikan sokongan yang tidak berbelah bahagi. Paling penting sekali, saya ingin merakamkan penghargaan, bagi pihak Lembaga Pengarah, kepada kakitangan kami kerana dedikasi dan komitmen mereka yang telah membolehkan syarikat mencapai pertumbuhan dan perkembangan yang amat membanggakan.



Kejayaan... Pengerusi Heineken berbangga dengan prestasi di Malaysia.

Tan Sri Saw Huat Lye
30 September 2002

Letter From Chairman (Mandarin Version)

且為豐收的一年舉杯共慶！

各位珍貴的股東們

對能夠執筆發函邀請諸位到來共同慶祝本公司的豐收一年，本人深感榮幸。

本人尤其要欣然向諸位宣佈的是，今年的確是收穫非常豐富的一年，我們已憑著本身的努力而取得令人羨妒的業績成果，並在這個因經濟不景而形成高度競爭的市場環境中，迎接挑戰。

諸位將會感到高興的是，在此非常艱難的時刻，健力士英格有限公司仍然能夠在截至2002年6月30日為止的財政年度裡，取得可喜可賀，高達9371萬8千零吉的雙位數成長的集團稅前盈利，這等於從前期的7844萬8千零吉增加了19.5巴仙，而集團總營業額為7億135萬4千零吉，大約維持在與前期相若的水平。

為此，本人要恭喜董事部同人，公司能夠朝著這個方向邁進，他們所具的遠見和所給予的引導可說功不可抹。不過，引領我們朝向成功方面，居功至偉者首推我們的董事經理 Jac van Herpen 和他的管理班子，還有忠於職守的僱員們的全心全意配合，以達至高超的品質和效能。重要的是，當市場的已付稅零售啤酒的消耗量降低了將近一巴仙之際，他們作為一支緊密合作及自動自發的隊伍，仍然能夠通過本身的策略性計劃來取得成功。



TAN SRI SAW HUAT LYE
Chairman

已付稅零售啤酒市場，因經濟放慢及美國九一一恐怖事件的沖擊而萎縮。九一一也傷害了旅遊業，並使到消費人更謹慎的開銷。在聖誕、農曆及農曆新年佳節和歷時整個月的世界杯足球賽期間的消費成長，已局部調整了消費持續滑跌的趨勢。

縱然如此，市場因猖獗的走私活動和來自其他東協國家的啤酒較便宜而日益受到歡迎的沖擊，而導至競爭仍然呈白熱化。

但是我們可以通過本身的一系列啤酒品牌和機構的整體效能實力，來展開策略性的取向，並從而迎合這些挑戰。

這個策略性的取向是集中在品牌組合的管理以凸顯我們的產品，通過正確的渠道及分銷點來提昇我們的經銷，以及確保產品的新鮮品質。加上嚴格的去降低成本，我們反而能夠在萎縮的市場中取得更大的佔有率。

虎標(Tiger)啤酒，亞洲成長最迅速的啤酒品牌之一，以及海尼根(Heineken)，全球首屈一指的國際高級啤酒，在我們進一步攻佔市場方面扮演了先鋒的角色。這兩個啤酒品牌在這個財政年告終時，銷量皆取得雙位數的成長。

我們為這項成就而喝采之際，我們有需明白到擺在眼前的另一個財政年會是同樣艱辛的。預料市場會繼續的高度競爭，而經濟狀況不大可能改善以至刺激人們對啤酒的消耗量及開銷。不過，本人感到樂觀的是，我們將可繼續的在逆境中脫穎而出，並去爭取比本財政年的業績更佳的表现。



歡呼——2002世界盃期間的啤酒銷量節節上升。

配合本公司的優良業績，本人在此欣然宣佈董事部已獻議派發每50仙股扣除22巴仙新加坡稅務的12仙最終股息。這意味著本財政年度所派發的總股息將達到36仙，而使本公司再次成為這個領域內派發最高股息的業者。

諸位將會高興看到我們較早時在截至2001年6月30日為止的財政年度裡通過採納馬來西亞公司管理法則，而實施良好公司管理法則已成為本公司的管理及營運上不可分割的重要一環。這並不在於對該準則的遵循，也並非一項義務，而是關乎這是一項承諾。在這個財政年度裡，董事部的各個小組委員會開過了無數的會議，以確保公司上下能夠在最大程度上遵循這個法則。公司通過自我評估方式來確保內部管制措施的有效展開，同時極之關注風險的管理程序，以便在波動的商業環境中為公司提供一個保障。



雙位數成長——虎標啤酒的業績取得令人刮目相看的成長。

本人欲藉此機會向去年遽然長逝的已故 Heineken N V 主席 Dr Alfred Henry Heineken 致哀，暱稱為 Freddy 的他，在其當時的家族事業發展至時下一間領先的國際釀酒集團方面，扮演了一個舉足輕重的角色。他的逝世是我們的一項巨大損失，但他留下了一個與啤酒有關的傳奇，一個以優越品質獲全球認同的品牌。

另一方面，本人謹代表董事部同人恭賀受委為本公司高級執行董事的丹斯里拿督阿威占旦。恐未週知的是，根據公司法令第 89 項條文所規定的交替董事選舉方式下，Dato' Jaffar Bin Ahmad Indot, Mr Chin Yoong Chong 和 Ms Khoo Gaik Bee, 將在下一屆常年大會上卸任，但他們有資格同時尋求連任。

最後，本人要藉此機會感謝我們的股東們一路來對公司的支持，同時要感激我們的經銷商、零售商和供應商的不棄不離支持。更加不能忘記的是，本人要代表董事部同人向我們的僱員們致予萬二分的謝意，他們的忠於職守和獻身精神，對公司的成長和發展作出了巨大的貢獻。



Tan Sri Saw Huat Lye

2002年9月30日



成功——海尼根主席以這個品牌在大馬路的表現感為榮。



Cool, golden smoothness. Tiger is a fine international quality beer for the modern, confident and progressive, which aptly describes today's generation of drinkers. This 1998 World's Best Lager Beer is appreciated the world over by those who have a thirst for life and know how to live life full.



GUINNESS ANCHOR BERHAD

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Corporate Information

Secretaries

Lum Chee Yeng
Saw Bee Lean

Registered Office

Sungei Way Brewery
P O Box 144
46710 Petaling Jaya
Selangor Darul Ehsan
Telephone : 03 - 7861 4688
Telefax : 03 - 7861 4602

Registrars

M&C Services Sdn Bhd
20th Floor, Plaza Permata
(Formerly known as IGB Plaza)
Jalan Kampar, Off Jalan Tun Razak
50400 Kuala Lumpur
Telephone : 03 - 2095 7188
Telefax : 03 - 2095 0988

Principal Bankers

Citibank Berhad
HSBC Bank Malaysia Berhad
Malayan Banking Berhad
OCBC Bank Malaysia Berhad
Standard Chartered Bank Malaysia Berhad

Solicitors

Skrine
Donaldson & Burkinshaw

Auditors

KPMG

Stock Exchange Listing

The Kuala Lumpur Stock Exchange



Green hues and red sparkle. In its trademark green hued bottles with the famous red star, Heineken is the undisputed World's No 1 international premium beer. The specialty of its brew that comes from the use of the finest natural ingredients combined with the special Heineken "A-yeast" satisfies the thirst of the sophisticated, sociable and discerning drinker.

Board Of Directors



- 1 TAN SRI SAW HUAT LYE
- 2 JAC VAN HERPEN
- 3 TAN SRI DATO' ALWI JANTAN
- 4 CHIN YOONG CHONG
- 5 DATO' JAFFAR BIN AHMAD INDOT
- 6 KHOO GAIK BEE
- 7 LOW TENG LUM
- 8 ERIC E M NELISSEN
- 9 ALAN F ROBSON

GUINNESS ANCHOR BERHAD
Facts

PROFILE OF DIRECTORS

TAN SRI SAW HUAT LYE

BACHELOR OF ARTS (HONS) ECONOMICS (UNIVERSITI MALAYA), AMP (HARVARD)

Independent Non-Executive Director and Chairman of Audit, Remuneration and Nomination Committees

Tan Sri Saw Huat Lye, Malaysian, aged 67, was appointed to the Board on 24 February 1987 and was elected Chairman on 8 September 1997.

He began his career by serving in the Malayan Home & Foreign Service in 1958. He was invited by the Government to set up Malaysian Airline System in 1971 and was appointed its first General Manager and Chief Executive until his retirement in 1982.

Tan Sri Saw is currently Executive Director of Naluri Berhad and is also on the Board of Shell Refining Company (FOM) Berhad and Edaran Otomobil Nasional Berhad.

JAC VAN HERPEN

MASTER OF BUSINESS LAW (UTRECHT UNIVERSITY), ISMP (HARVARD), FELLOW NEW ZEALAND INSTITUTE OF MANAGEMENT

Executive Director and member of the Remuneration Committee

Jac van Herpen, Dutch, aged 51, was appointed to the Board on 5 February 2001.

He began his career with Vrumona BV, a member of the Heineken Group of companies, in 1977 and has worked for the Heineken Group since then, holding senior positions in marketing, sales, regional and general management. He was the Heineken Regional Director Export Australasia, based in Singapore, before being appointed Chief Executive Officer of DB Breweries in New Zealand prior to his current appointment.

TAN SRI DATO' ALWI JANTAN

BACHELOR OF ARTS HONS (UNIVERSITI MALAYA), AMP (HARVARD)

Senior Independent Non-Executive Director and member of the Audit and Nomination Committees

Tan Sri Dato' Alwi Jantan, Malaysian, aged 67, was appointed to the Board on 24 November 1994.

A distinguished civil servant who held several senior government posts, Tan Sri Dato' Alwi commenced employment as a Malayan Civil Service Officer attached to the Federal Establishment Office in 1958 and was appointed Assistant Secretary, Ministry of Transport later that year. He joined the Prime Minister's Department as Assistant Secretary in 1961 and also served as Private Secretary to HRH the Timbalan Yang di Pertuan Agong (Deputy Head of State). He was made Deputy Director of National Archives, Malaysia in 1963 and was subsequently appointed Director of National Archives, Malaysia and Director General of National Archives and Library, Malaysia in 1966 and 1971 respectively.

Other senior government appointments followed with his appointment as Selangor State Secretary in 1972; Secretary General, Ministry of Local Government and Federal Territory (1976); Secretary General, Ministry of Health (1977); Deputy Secretary General, Prime Minister's Department (1981); Secretary General, Ministry of Agriculture (1984); and Director General of Public Service, Malaysia from 1987 until his retirement in 1990. Tan Sri Dato' Alwi is currently Executive Vice-President of Resorts World Berhad. He is also on the Board of Resorts World Berhad and United Overseas Australia Ltd (Western Australia).

CHIN YOONG CHONG
BARRISTER-AT-LAW (MIDDLE TEMPLE)

Non-Independent Non-Executive Director and member of the Audit Committee

Chin Yoong Chong, Malaysian, aged 69, was appointed to the Board on 20 February 1995. He has been practising as an Advocate and Solicitor from June 1959 and is currently a Senior Partner in Skrine. He currently serves on the Board of Rating Agency Malaysia Berhad and Malaysia Land Development Company Berhad.

DATO' JAFFAR BIN AHMAD INDOT
INTERNATIONAL SENIOR MANAGERS' PROGRAMME (HARVARD)

Independent Non-Executive Director and member of the Audit and Nomination Committees

Dato' Jaffar Bin Ahmad Indot, Malaysian, aged 68, was appointed to the Board on 2 January 1999.

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 in various capacities locally and overseas with Shell Companies in Japan and the United Kingdom. He was appointed an Executive Director of Shell Companies in Malaysia and Managing Director Shell Downstream Companies in 1983, a position he held until his retirement in August 1989.

Dato' Jaffar is currently a director in Shell Refining Company (FOM) Berhad, FSBM Holdings Berhad, Cygal Berhad, Pan Pacific Asia Berhad and Executive Chairman of Tai Wah Garments Manufacturing Berhad.

KHOO GAIK BEE
BACHELOR OF ARTS (HONS) PUBLIC ADMINISTRATION (UNIVERSITY OF DE MONFORT)

Executive Director

Khoo Gaik Bee, Malaysian, aged 45, was appointed to the Board on 13 August 1998.

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 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.

LOW TENG LUM

FCCA, ACIS, CA (M), MCT, MASTER OF PUBLIC ADMINISTRATION (HARVARD)

Executive Director and member of the Audit Committee

Low Teng Lum, Malaysian, aged 48, was appointed to the Board on 15 August 2001.

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 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.

ERIC E M NELISSEN

BUSINESS ECONOMICS VRIJE UNIVERSITEIT IN AMSTERDAM (MASTERS), INSEAD - EUROPEAN MARKETING PROGRAM

Non-Independent Non-Executive Director and member of the Remuneration and Nomination Committees

Eric E M Nelissen, Dutch, aged 45, was appointed to the Board on 15 August 2001.

He joined the Heineken Group in 1984 as a Specialist on trade financing and has since served in various capacities within the group. In the last 11 years, he served in a variety of General Manager roles for the Heineken Group in Hong Kong, China and Japan before assuming his position as Business Coordinating Manager, Heineken Asia Pacific, Amsterdam. Nelissen is currently Regional Director (SEA; Oceania) of the Asia Pacific Breweries Ltd Group, based in Singapore. He is also on the Board of DB Group Limited, South Pacific Brewery Limited and Cambodia Brewery Limited.

ALAN F ROBSON

Non-Independent Non-Executive Director and member of the Remuneration and Nomination Committees

Alan F Robson, British, aged 60, was appointed to the Board on 7 December 2000.

He has served Guinness UDV for 16 years and has held various senior positions in the group as Managing Director of IDP, Philippines, ILM Japan and UDV Korea and is currently Director - AsiaVenture 3rd Party Markets GUDV.

Management Executives



- 1 JAC VAN HERPEN
- 2 KHOO GAIK BEE
- 3 LOW TENG LUM
- 4 CHOW YI LIN
- 5 KARL HAYES
- 6 NG YOKE PUN
- 7 RENUKA INDRARAJAH
- 8 MARK E TETTELAAR

PROFILE OF MANAGEMENT EXECUTIVES

CHOW YI LIN

BACHELOR OF SCIENCE (COMPUTER INFORMATION SYSTEMS)
(UNIVERSITY OF NEW SOUTH WALES)

Head of Information Services & Technology

Chow Yi Lin, Malaysian, aged 40, joined Guinness Anchor Berhad in 1990 from Malayan Banking Berhad. She served the Company in various capacities in the IS&T Department before taking up her current appointment in 2000. She has also held IT positions with Western Digital Corporation and St George Bank in Sydney, Australia.

KARL HAYES

BACHELOR OF SCIENCE (HONS) IN MANAGEMENT (UNIVERSITY OF ASTON)

General Manager - Sales

Karl Hayes, British, aged 39, has held senior sales and marketing positions with Guinness Ltd. Prior to joining Guinness Anchor Berhad, he was Sales Development Manager for Guinness Brewing Worldwide Ltd. This post included assignments in Europe, North America and Africa.

NG YOKE PUN

BACHELOR OF ECONOMICS (HONS) (UNIVERSITI MALAYA)

General Manager - Marketing

Ng Yoke Pun, Malaysian, aged 51, joined the then Guinness Malaysia Berhad in 1976 as management trainee. He has since held broad-based sales and marketing positions in the organisation which included District Supervisor, Senior District Manager, Brand Manager, Product Group Manager, Marketing Manager, Marketing Development Manager and Head of Sales & Marketing Operations prior to his current position.

RENUKA INDRARAJAH

BACHELOR OF LAWS (UNIVERSITY OF QUEENSLAND)

Manager, Legal Affairs

Renuka Indrarajah, Malaysian, aged 35, joined Guinness Anchor Berhad in February 2002.

She practised as a solicitor in Queensland for a short while before returning to Malaysia and joining the legal department of Tanjong plc. She then read in chambers with Skrine and upon completion, practised as a solicitor in the Corporate Department of Skrine. In December 1998, she joined Sema Group and started the legal department in Asia Pacific for Sema Group. Renuka was promoted to Regional Legal Manager of Sema (now known as SchlumbergerSema) in 2000, taking care of legal matters for all of the Group's companies in the Asia Pacific, Japan, China, Australia and India.

MARK E TETTELAAR

MASTER OF CHEMICAL ENGINEERING (UNIVERSITY GRONINGEN)

Technical Director

Mark E Tettelaar, Dutch, aged 43, commenced his employment with Heineken Nederlands Beheer B V in 1984 and has served the Heineken Group in various capacities commencing as Technical Management Trainee, Zoeterwoude (1984) to Technologist (1985), Technological Controller in Zambia (1990), Brewer & Departmental Head of Packaging in Costa Rica (1990), Consulting task for Brewery in Chad (1993), Internal Benchmarking project (1994), Brewery Manager in Kinshasa, Africa (1995) and Production Manager, Brewing Department in Heineken Zoeterwoude (1997), before taking up his current appointment in 2000.

Corporate Governance

Since the issuance of the Malaysian Code on Corporate Governance (Code) in March 2000, Guinness Anchor Berhad and its group of companies (the Group) has formulated a code of corporate governance which sets out the principles and best practices to be applied in the Group's operations. The principles are based on the Code, namely those of transparency, integrity and accountability to achieve the ultimate objective of realising long-term shareholder value while taking into account the interests of other stakeholders.

The Listing Requirements of Kuala Lumpur Stock Exchange (KLSE Listing Requirements) which came into effect in June 2001 made it mandatory for listed companies to disclose their compliance with the Code. Set out below is a statement of how the Group has applied the principles and complied with the best practice provisions laid down in the Code throughout the 12 months ended 30 June 2002.

BOARD OF DIRECTORS

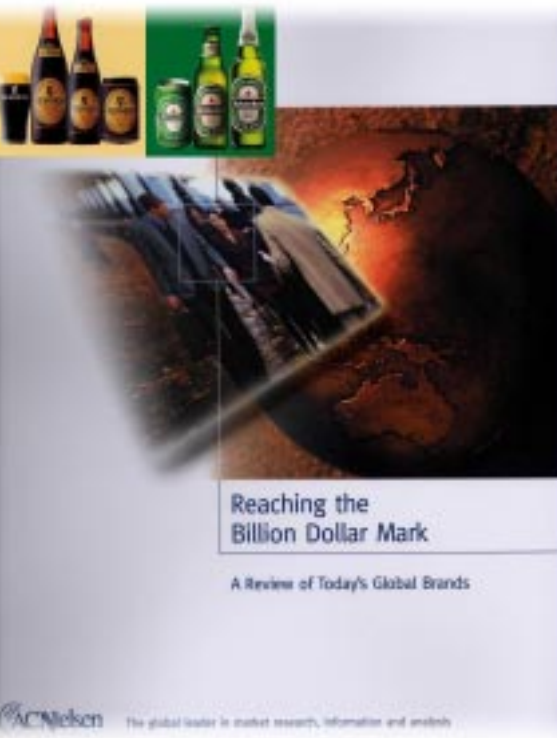
An effective Board leads and controls the Group, and has established terms of reference to assist it in the discharge of this responsibility. All Directors are from diverse professional backgrounds with a wide range of business and financial experience relevant to lead a fast-moving consumer products company and, as such, are able to bring an independent judgement to bear on issues of strategy, performance, resources and standards of conduct. A brief description of the background of each Director is presented from pages 33 to 35.

Where appropriate, the Board has delegated specific responsibilities to sub-committees. There are three sub-committees (Audit, Nomination and Remuneration), the details of their work are set out below. These Committees examine specific issues and report to the Board with their recommendations. The ultimate responsibility for decision-making lies with the Board.

The Board meets at least four times a year, with additional meetings convened when necessary. During the 12 months ended 30 June 2002, four Board meetings were held and a majority of the Directors attended all the meetings held during the period.

Date of Board of Directors Meeting	Time	Place
28 August 2001	2.00 pm	Guinness Anchor Berhad
26 November 2001	2.00 pm	Guinness Anchor Berhad
28 February 2002	2.30 pm	Guinness Anchor Berhad
30 May 2002	10.00 am	Penang*

* Includes trade visits to the beer market in Northern Region



Strong endorsement... Billion dollar brands in our stable.

Details of Directors' attendance at Board Meetings held in the financial year ended 30 June 2002 are as follows:

Name of Director	Date of Appointment	No. of Meetings Attended
Tan Sri Saw Huat Lye	24 February 1987	4/4
Jac van Herpen	5 February 2001	4/4
Tan Sri Dato' Alwi Jantan	24 November 1994	2/4
Dato' Jaffar Bin Ahmad Indot	2 January 1999	4/4
Chin Yoong Chong	20 February 1995	4/4
Alan F Robson	7 December 2000	4/4
Eric E M Nelissen	15 August 2001	4/4
Khoo Gaik Bee	13 August 1998	4/4
Low Teng Lum	15 August 2001	4/4

Board Balance

The Board currently has nine members, comprising six Non-Executive Directors (including the Chairman) and three Executive Directors. Of the six Non-Executive Directors, three are independent. There is a clear division of responsibility between the Chairman and the Managing Director to ensure that there is a balance of power and authority. The Managing Director has the principal responsibility of reporting, clarifying and communicating matters to the Board.

There is also proper balance in the Board because of the presence of Independent Non-Executive Directors of the calibre necessary to carry sufficient weight in Board decisions. Although all Directors have an equal responsibility for the Group's operations, the role of these Independent Non-Executive Directors is particularly important in ensuring that the strategies proposed by the executive management are fully discussed and examined with due regard to risk management. The decisions are arrived at after taking into account the long term interests, not only of the shareholders, but also of employees, customers, suppliers, and the many communities in which the Group conducts its business.

Supply of Information

A Board report is issued in sufficient time prior to a Board meeting to enable the Directors to review and consider the agenda items to be discussed at the Board meeting. The Board report includes, among others, the following details:

- Major operational and financial issues
- Product quality measures
- Service quality measures
- Environmental performance
- Market share and market responses to the Group's strategies
- Minutes of meetings of the Management Team
- Minutes of meetings of all the Committees of the Board
- Monthly performance reports of the Group



Honing skills... Training to upgrade product and service quality.

In addition, there is a schedule of matters reserved specifically for the Board's decision including the approval of the annual group plan, major acquisitions or disposals of a business or assets and changes to management and control structure of the Group, key policies, procedures and authority limits.

The Board has also approved a procedure for Directors, whether collectively as a Board or in their individual capacities, to take independent advice, where necessary, in the furtherance of their duties at the Group's expense.

All Directors have access to the advice and services of the Company Secretary.

Nomination Committee

The Code endorses as good practice, a formal procedure for appointments to the Board, with a Nomination Committee to make recommendations to the Board and assessing Directors on an on-going basis. The Code, however, states that this procedure may be performed by the Board as a whole, although as a matter of good practice, it recommends that this responsibility be delegated to a committee.

All Directors were previously involved in the process of assessing existing Directors and identifying, nominating, recruiting, appointing and orientating new Directors but the Board has reviewed this position and set up a Nomination Committee on 28 May 2001, comprising of three Independent Non-Executive Directors and two Non-Independent Non-Executive Directors, as follows:

Independent Non-Executive Directors

- Tan Sri Saw Huat Lye (Chairman)
- Tan Sri Dato' Alwi Jantan
- Dato' Jaffar Bin Ahmad Indot

Non-Independent Non-Executive Directors

- Eric E M Nelissen
- Alan F Robson

The Nomination Committee recommends to the Board suitable candidates for appointment as Directors and to fill vacant seats on committees of the Board. In addition, the Nomination Committee assesses the effectiveness of the Board, the committees of the Board and the contribution of each individual Director.

The Board, through the Nomination Committee, reviews annually its required mix of skills, expertise, attributes and core competencies from its Directors and succession plans for members of the Board.

The Board, through the Nomination Committee, has appointed Tan Sri Dato' Alwi Jantan as the Senior Independent Non-Executive Director to whom concerns may be conveyed.

As an integral element of the process of appointing new Directors, the Nomination Committee will ensure that there is an orientation programme for new Directors with respect to the business and management of the Group. Directors will also receive such further training that may be required from time to time to keep them abreast with relevant changes in laws and regulations, and the business environment.

A Nomination Committee meeting was held on 27 August 2002 and attended by all members.

Directors' Re-election

In accordance with the Company's Articles of Association (Articles), all Directors who are appointed by the Board are subject to election by shareholders at the first opportunity after their appointment. The Articles also provide that at least one third of the remaining Directors be subject to re-election by rotation at each Annual General Meeting provided always that all Directors including the Managing Director, shall retire from office at least once every three years but may be eligible for re-election.

DIRECTORS' REMUNERATION

Level and Make-up

The Group has adopted the objective as recommended by the Code to determine the remuneration of the Directors so as to ensure that the Group attracts and retains the Directors needed to run the Group successfully. The component parts of their remuneration are structured so as to link rewards to corporate and individual performance in the case of Executive Directors. In the case of Non-Executive Directors, the level of remuneration reflects the experience and level of responsibilities undertaken by the individual Non-Executive Director concerned.

Procedure

The Remuneration Committee with a majority of Non-Executive Directors, comprises the following:

Independent Non-Executive

Tan Sri Saw Huat Lye (Chairman)

Non-Independent Non-Executive

Alan F Robson
Eric E M Nelissen

Executive

Jac van Herpen

The Committee is responsible for recommending to the Board the policy framework on terms of employment of and on all elements of the remuneration of Executive Directors and members of the top team of the Company. The Remuneration Committee is authorised to approve the annual bonus and salary increment of the Executive Directors and other members of the top team of the Company and to review and recommend to the Board the remuneration of the Non-Executive Directors. Executive Directors abstain from the deliberations and voting in respect of their remuneration. Non-Executive Directors' remuneration will be a matter to be decided by the Board as a whole with the Director concerned abstaining from deliberations and voting on decisions in respect of their remuneration.

The Remuneration Committee has held four meetings during the year which were attended by all members.

Remuneration Package

The remuneration package of Directors is as follows:

(a) Basic Salary

The Remuneration Committee recommends to the Board the basic salary (which is inclusive of statutory employer contributions to the Employees Provident Fund) for the Executive Directors after taking into account the performance of the Director, the inflation price index and information from independent sources on the rates of salary for similar jobs in a selected group of comparable companies.

(b) Fees

The Board proposes an aggregate annual fee for Non-Executive Directors to be divided amongst the Non-Executive Directors as the Board may decide and such fee is tabled to the shareholders of the Company for their approval.

(c) Bonus Scheme

The Group sets up a bonus scheme for all employees including the Executive Directors. The criteria for the scheme are the level of profit achieved by the Group's targets, together with an assessment of each individual's performance. Bonuses payable to Executive Directors are reviewed by the Remuneration Committee and approved by the Board.

(d) Benefits in Kind

Other customary benefits such as car and medical are made available to Directors as appropriate.

(e) Employees Provident Fund

Contributions are made to the Employees Provident Fund in respect of all Malaysian Executive Directors.

(f) Notice Period

The notice period for the termination of the contract of service of Malaysian Executive Directors by the Company is three months and by either side. Expatriate Executive Directors are also subject to a notice period of three months.

Directors' Remuneration

The details of the remuneration of Directors for the financial year ended 30 June 2002 are as follows:

Remuneration	2002		2001	
	Executive Directors RM'000	Non-Executive Directors RM'000	Executive Directors RM'000	Non-Executive Directors RM'000
Fees	-	180	-	180
Benefits in kind	448	-	832	-
Salary & Other emoluments	1,811	-	2,641	-
Total	2,259	180	3,473	180

* Other emoluments include bonuses, incentives, retirement benefits, provisions for leave and allowances

** Benefits in kind include rental payments, motor vehicle, club membership and personal expenses

The number of Directors of the Company whose total remuneration fell within the respective ranges were as follows:

Range Of Remuneration	Number Of Directors			
	2002		2001	
	Executive Directors	Non-Executive Directors	Executive Directors	Non-Executive Directors
0 to RM50,000	-	5	-	6
RM50,001 to RM100,000	3	1	-	1
RM100,001 to RM150,000	-	-	1	-
RM150,001 to RM200,000	-	-	1	-
RM200,001 to RM250,000	-	-	-	-
RM250,001 to RM300,000	-	-	-	-
RM300,001 to RM350,000	-	-	-	-
RM350,001 to RM400,000	-	-	1	-
RM400,001 to RM450,000	1	-	1	-
RM450,001 to RM500,000	-	-	1	-
RM500,001 to RM550,000	1	-	-	-
RM550,001 to RM600,000	-	-	2	-
RM600,001 to RM650,000	-	-	-	-
RM650,001 to RM700,000	-	-	-	-
RM700,001 to RM750,000	-	-	-	-
RM750,001 to RM800,000	-	-	1	-
RM800,001 to RM850,000	-	-	-	-
RM850,001 to RM900,000	-	-	-	-
RM900,001 to RM950,000	-	-	-	-
RM950,001 to RM1,000,000	-	-	-	-
RM1,000,001 to RM1,050,000	-	-	-	-
RM1,050,001 to RM1,100,000	1	-	-	-

Note: Mark E Tettelaar, Dato' Lee Kee Hock and Michael van der Poel resigned on 15 August 2001

SHAREHOLDERS

Dialogue between the Group and Investors

The Group recognises the importance of being accountable to its investors and as such has maintained an active and constructive communication policy that enables the Board and management to communicate effectively with its investors, stakeholders and the public generally.

The Managing Director and Finance Director hold discussions with analysts and shareholders periodically including presentations to explain the Group's strategy, performance and major developments. However, any information that may be regarded as undisclosed material information about the Group will not be given to any single shareholder or shareholder group.

Annual General Meeting

At each Annual General Meeting, the Board presents a comprehensive report on the progress and performance of the business and encourages shareholders to participate in the meeting. Executive Directors and, where appropriate, the Chairman of the Board are available to respond to shareholders' queries during the meeting. Where appropriate, the Chairman of the Board will undertake to provide a written answer to any significant question that cannot be readily answered on the spot.

Each item of special business included in the notice the meeting will be accompanied by a full explanation of the effects of the proposed resolution. Individual resolutions are proposed for substantially separate issues at the meeting and the Chairman will declare the number of proxy votes received both for and against each resolution.

The Company will provide shareholders, upon request, with a summary of the discussion at the Annual General Meeting.



Accountability... Board of Directors reports to shareholders.

ACCOUNTABILITY AND AUDIT

Audit Committee

The Audit Committee of the Board comprises three Independent Non-Executive Directors, one Non-Independent Non-Executive Director and one Executive Director. The composition of the Audit Committee can be found on page 48 of the annual report.

The Audit Committee met five times during the period. Each Member attended at least 80 per cent of the meetings. During these meetings, the Committee carried out the duties as set out on page 52 and 53 of the annual report.

Financial Reporting

In presenting the annual financial statements and quarterly announcements to shareholders, the Board aims to present a clear and balanced assessment of the Group's position and prospects. The Statement by Directors pursuant to section 169 of the Companies Act, 1965 is set out on page 84 of the Financial Statements section of the annual report.

Internal Control

The Board acknowledges its responsibilities for the Group's systems of internal control covering not only financial but also operational, compliance as well as risk management matters. The internal control system involves each business and is designed to meet the Group's particular needs and to manage risks to which it is exposed. These systems can therefore only provide reasonable assurance against material omission or loss.

The Group's internal audit provides independent and objective reports on the Group's management, records, accounting policies and controls to the Audit Committee. The internal audits include evaluation of the processes by which risks are identified, assessed and managed and ensure that controls which are instituted are appropriate and can effectively address acceptable risk exposures. The Group's internal audit also ensures that recommendations to improve controls are followed through by management.

Relationship with the Auditors

The role of the Audit Committee in relation to the external auditors is stated from page 50 to 53 of the annual report.

COMPLIANCE WITH THE CODE

The Group has complied with the Code throughout the financial year ended 30 June 2002.

Statement of Directors' Responsibility for Preparing the Financial Statements

As required by the Companies Act, 1965, the Directors are responsible for the preparation of financial statements in accordance with applicable approved accounting standards and to give a true and fair view of the state of affairs of the Group at the end of each financial year.

In preparing the financial statements, the Directors have:

- adopted suitable accounting policies and applied them consistently
- made judgements and estimates that are prudent and reasonable
- ensured that applicable accounting standards have been followed
- prepared the financial statements on a going concern basis

The Directors have prepared the annual financial statements in compliance with the Companies Act, 1965.

OTHER INFORMATION

Share Buybacks

There was no share buyback effected during the financial year.

Options, Warrants or Convertible Securities

There were no options, warrants or convertible securities issued by the Company in respect of the financial year.

American Depository Receipt (ADR) or Global Depository Receipt (GDR) Programme

During the financial year, the Company did not sponsor any ADR or GDR programme.

Imposition of Sanctions/Penalties

There were no sanctions and/or penalties imposed on the Company and its subsidiaries by Companies Commission of Malaysia.

Non-audit Fees

The amount of non-audit fees paid to the external auditors by the Group for the financial year amounted to RM342,000.

Profit Guarantees

During the year, there were no profit guarantees given by the Company.

Material Contracts

Save as disclosed.

Contracts Relating to Loans

There were no contracts relating to loans by the Company.

Revaluation of Landed Properties

The Company does not have a revaluation policy on landed properties (see also note 2 to Financial Statements on page 73 and 74).

Audit Committee Report

REPORT OF THE AUDIT COMMITTEE

Terms of Reference

The terms of reference are set out from pages 50 to 53.



Members and meetings

Tan Sri Saw Huat Lye (Chairman)
Independent Non-Executive Director

Tan Sri Dato' Alwi Jantan
Senior Independent Non-Executive Director

Dato' Jaffar Bin Ahmad Indot
Independent Non-Executive Director

Chin Yoong Chong
Non-Independent Non-Executive Director

Low Teng Lum
Executive Director

The Audit Committee comprises three Independent Non-Executive Directors, one Non-Independent Non-Executive Director and one Executive Director.

Tan Sri Saw Huat Lye is the Chairman of the Audit Committee. The composition of the Audit Committee is as above.

The Audit Committee had five meetings during the year, which were attended by at least 80 per cent of its members.

NO	DATE	VENUE	PERCENTAGE OF ATTENDANCE
1	17 August 2001	Kuala Lumpur	80%
2	10 October 2001	Kuala Lumpur	80%
3	20 November 2001	Kuala Lumpur	80%
4	18 February 2002	Kuala Lumpur	100%
5	21 May 2002	Kuala Lumpur	100%

NO	NAME OF AUDIT COMMITTEE MEMBER	TOTAL MEETINGS ATTENDED BY MEMBERS	PERCENTAGE OF ATTENDANCE
1	Tan Sri Saw Huat Lye	5	100%
2	Tan Sri Dato' Alwi Jantan	5	100%
3	Dato' Jaffar Bin Ahmad Indot	4	80%
4	Chin Yoong Chong	4	80%
5	Low Teng Lum	4	80%

The Group's external auditors attended two meetings during this period and some members of senior management attended some of these meetings by invitation.

Summary of Activities

During the year, the Audit Committee carried out its duties as set out in the terms of reference, focussing particularly on:

- Any significant changes to accounting policies and practices
- Significant adjustments arising from the audits
- The going concern assumptions
- Compliance with accounting standards and other legal requirements
- Related party transactions that may arise within the Group

Other main issues reviewed and discussed by the Audit Committee were as follows:

- The Risk Management Process and framework adopted by the Group to identify and manage key business risks as well as to monitor the readiness and accuracy of risk mitigating measures
- The effectiveness of the Group's security measures to minimise the Group's exposure to potential risks
- The additional disclosure requirements in accordance with the KLSE Listing Requirements
- The Group's procedures in respect of recurrent related party transactions (RPTs) to satisfy itself that the procedures were sufficient to ensure that the RPTs were not more favourable to the Related Parties than those generally available to the public and not detrimental to minority shareholders

Internal Audit Function

The Group has a well-established Internal Audit Department, which reports to the Audit Committee and assists the Board of Directors in monitoring and managing risks and internal controls. The Audit Committee approves the internal audit plan during the first Audit Committee meeting each financial year. The scope of Internal Audit covers the audits of all units and operations.

The Internal Audit Department has adopted a risk-based approach towards the planning and conduct of audits which is consistent with the Group's established framework in designing, implementing and monitoring of control systems. The Group's monitoring process and controls self-assessment approach are in alignment with the risk management framework and risk awareness culture within the organisation.

TERMS OF REFERENCE

A. Membership

The Audit Committee comprises at least three Directors, the majority of whom are Independent. The Chairman of the Group is the Chairman of the Audit Committee as he is an Independent Non-Executive Director.

The Head of Internal Audit shall be the Secretary of the Audit Committee. At least one member of the Audit Committee shall be a member of the Malaysian Institute of Accountants or alternatively a person who must have at least three years' working experience and have passed the examinations specified in Part 1 of the 1st schedule of the Accountants Act, 1967 or is a member of one of the associations specified in Part II of the said schedule.

No alternate Director shall be appointed as a member of the Audit Committee. The Board shall review the terms of office and performance of the members of the Audit Committee at least once every three years to determine whether the members have carried out their duties in accordance with their terms of reference.

In the event of any vacancy in the Audit Committee resulting in the non-compliance of the KLSE Listing Requirements, the Board shall fill the vacancy within three months from the date of the vacancy.

B. Meetings and Minutes

The Audit Committee shall meet at least four times annually. A majority of the members in attendance must be Independent Directors in order to form a quorum for the meeting.

Other than in circumstances which the Chairman considers inappropriate, the Finance Director and external auditors shall normally be entitled to attend any meeting of the Audit Committee and to make known their views on any matter under consideration by the Audit Committee, or which in their opinion, should be brought to the Audit Committee's attention. Non-member Directors and employees of the Company shall not attend unless specifically invited by the Audit Committee.

The Secretary shall record, prepare and circulate the minutes of the meetings of the Audit Committee and ensure that the minutes are properly kept and produced for inspection if required.

The Audit Committee shall report to the Board and its minutes will be tabled to and noted by the Board.

C. Authority

The Audit Committee is authorised by the Board to review any activity within the Audit Committee's terms of reference. It is authorised to seek any information it requires from any Director or member of management and has full and unrestricted access to any information pertaining to the Group and the management, and all employees of the Group are required to comply with the requests made by the Audit Committee.

The Audit Committee is authorised by the Board to obtain external professional advice and secure the attendance of outsiders with relevant experience and expertise if it considers this necessary. In the event that any member of the Audit Committee shall need to seek external professional advice in furtherance of his duties, he shall first consult with and obtain the prior approval of the Chairman of the Audit Committee.

The Audit Committee is also authorised by the Board of Directors to review any activity within its Terms of Reference, and where it deems necessary, investigate any matter referred to it or that it has come across in respect of a transaction that raises questions of management integrity, possible conflicts of interest, or abuse by a significant or controlling shareholder.

The Audit Committee shall have direct communication channels and be able to convene meetings with the external auditors excluding the attendance of the non-independent members of the Audit Committee, whenever deemed necessary.

The Head of Internal Audit shall report directly to the Audit Committee and shall have direct access to the Chairman of the Audit Committee on all matters of control and audit. All proposals by management regarding the appointment, transfer and removal of the Head of Internal Audit of the Company shall require prior approval of the Audit Committee. Any inappropriate restrictions on audit scope are to be reported to the Audit Committee.

D. Duties

1. To review the quarterly, half-yearly and annual financial statements of the Group, focussing particularly on:
 - any significant changes to accounting policies and practices
 - significant adjustments arising from the audits
 - compliance with accounting standards and other legal requirements
 - the going concern assumption
2. To review any related party transaction and conflict of interest situation that may arise within the Group including any transaction, procedure or course of conduct that raises questions of management integrity.
3. To consider annually the Business Risk Management Framework adopted within the Group and to be satisfied that the methodology employed allows the identification, analysis, assessment, monitoring and communication of risks in a regular and timely manner that will allow the Group to minimise losses and maximise opportunities.
4. To ensure that the system of internal control is soundly conceived and in place, effectively administered and regularly monitored.
5. To cause reviews to be made of the extent of compliance with established internal policies, standards, plans and procedures including for example, the Group's Code of Business Conduct.
6. To obtain assurance that proper plans for control have been developed prior to the commencement of major areas of change within the organisation.
7. To be satisfied that the strategies, plans, manning and organisation for internal auditing are communicated down through the Group.

Specifically:

- To review the internal audit plans and to be satisfied as to their consistency with the Business Risk Management Framework used, adequacy of coverage and audit methodologies employed
- To be satisfied that the internal audit function within the Company has the proper resources and standing to enable them to complete their mandates and approved audit plans
- Review status reports from internal audit and ensure that appropriate action is taken on the recommendations of the internal audit function to recommend any broader reviews deemed necessary as a consequence of the issues or concerns identified
- Review any appraisal or assessment of the performance of the members of the internal audit function, approve any appointment or termination of senior staff members of the internal audit function and inform itself of any resignations of internal audit staff members and reasons thereof
- Ensure internal audit has full, free and unrestricted access to all activities, records, property and personnel necessary to perform its duties
- Request and review any special audit which it deems necessary

8. To review with the external auditor the nature and scope of the audit plan, audit report, evaluation of internal controls and coordination of the external auditors. The Audit Committee will consider a consolidated opinion on the quality of external auditing at one of its meetings.
9. To review any matters concerning the appointment and re-appointment, audit fee and any questions of resignation or dismissal of the external auditors.
10. To review and evaluate factors related to the independence of the external auditors and assist them in preserving their independence.
11. To be advised of significant use of the external auditors in performing non-audit services within the Group, considering both the types of services rendered and the fees, such that their position as auditors are not deemed to be compromised.
12. To review the external auditors' findings arising from audits, particularly any comments and responses in management letters as well as the assistance given by the employees of the Group in order to be satisfied that appropriate action is being taken.
13. To recommend to the Board steps to improve the system of internal control derived from the findings of the internal and external auditors and from the consultations of the Audit Committee itself.
14. To review with the external auditors the Statement of Internal Control of the Group for inclusion in the annual report.
15. To prepare the annual Audit Committee report to the Board which includes the composition of the Audit Committee, its terms of reference, number of meetings held, a summary of its activities and the existence of an internal audit function and summary of the activities of that function for inclusion in the annual report.
16. To review the Board's statements on compliance with the Malaysian Code of Corporate Governance for inclusion in the annual report.
17. To act on any other matters as may be directed by the Board.

Statement Of Internal Control

The Board believes that the practice of good corporate governance is an on-going process and not just an annual matter to be covered as compliance in the Annual Report. The Board is committed to practising the highest standards of corporate governance and observing best practices throughout the Group, and will continue to improve on current practices.

Introduction

The Group aims to maintain a sound system of internal control to safeguard shareholders' investment and the Group's assets. The revamped KLSE Listing Requirements require Directors of listed companies to include a statement in annual reports on the state of their internal controls. The Institute of Internal Auditors Malaysia 'Statement on Internal Control: Guidance for Directors of Public Listed Companies' ("Guidance") provides guidance for compliance with these requirements. Set out below is the Board's Internal Control Statement, which has been prepared in accordance with the Guidance.

Responsibility

The Board of Directors recognises the importance of sound internal controls and risk management practices to good corporate governance. The Board affirms its overall responsibility for the Group's systems of internal controls and risk management, and for reviewing the adequacy and integrity of those systems. It should be noted, however, that such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives. In addition, it should be noted that any system can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The Group has had in place an on-going process for identifying, evaluating, monitoring and managing the significant risks affecting the achievement of its business objectives throughout the period. This process is regularly reviewed by the Board.

Risk Management Framework

The Board has established an organisational structure with clearly defined lines of accountability and delegated authority as part of its risk management framework. Business risk assessment and evaluation takes place as an integral part of the Group's annual strategic planning cycle. This information is reviewed by senior management and the Board.

Control Self Assessment

The Group has implemented a process of Control Self Assessment (CSA) to ensure that key operation functions performed by budgetary units have considered risk management and internal control processes in their business. Central to the CSA is the Key Control Checklists which were developed and which set out the various key controls and process requirements across all functions. These are updated periodically taking into consideration the changing risk profiles as dictated by the changing business environment and strategies from time to time. To achieve this objective in a cost-effective manner, the CSA embraced a dynamic and interactive process in which self-regulating business units identified on-going challenges to meeting business objectives, the adequacy of controls to address these challenges, and the mitigation measures needed to address identified risks.

The results of the CSA and trend analysis are reported to the Audit Committee annually.

Other Key Elements of Internal Control

The other key elements of the Group's internal control systems are described below:

- Clearly-defined delegation of responsibilities to committees of the Board and to the Management Executive and business-operating units, including authorisation levels for all aspects of the business
- Clearly-documented internal policies and procedures set out in a series of Policy and Procedures Manuals. These Manuals are the subject of regular reviews and improvements to reflect changing risks or to resolve operational deficiencies. All standards, policies and guidelines are presented to the Audit Committee and cases of non-compliance reported to it by exception. Reliance is also placed on the Internal Audit function as well as the CSA approach mentioned above
- Regular and comprehensive information provided to management, covering financial performance as well as key business indicators, such as staff utilisation and cash flow performance
- A detailed budgeting process where operating units prepare budgets for the following year which are approved both at the business-operating unit level and by the Board
- Quarterly monitoring of results against budget, with major variances being followed up and management action taken, where necessary
- Regular visits to business-operating units by members of the Board and the management team

A number of minor internal control weaknesses were identified during the period, all of which have been, or are being, addressed. None of the weaknesses have resulted in any material losses, contingencies or uncertainties that would require mention in the Group's annual report.

Risk Management

Why Risk Management is Important to Guinness Anchor Berhad

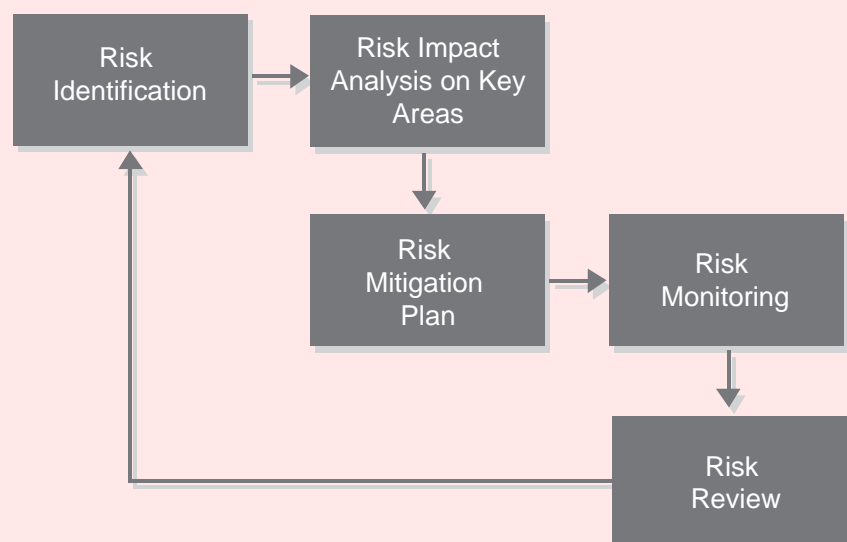
The Board recognises and accepts that there is a degree of risk involved in all of its business activities. The Group is sensitive to the concerns of all those on whom it depends and does business with – investors, employees, customers, trading partners, employees and the community. The Group will seek to minimise its volatility to business risk which could impact the Group's ability to meet its objectives and achieve its strategic goals.

RISK & CONTROL WORKGROUP

The Group's risk management process is managed by the Risk & Control Workgroup (RCW) formed in June 2001. The RCW is made up of cross-functional senior managers and is headed by the Finance Director. The Group adopts a proactive approach to managing its business risks in a rapidly changing business environment which is principally aimed at:

- Ensuring the continuity of supply of its products to the consumers at all times
- Protecting its assets and reputation
- Preserving the safety and health of its employees
- Ensuring that the Group's operations do not impact negatively on its neighbours
- Protecting the interests of all stakeholders
- Ensuring compliance with the Malaysian Code of Corporate Governance, brand partners guidelines and all applicable Malaysian laws
- Promoting an effective risk awareness culture where risk management is an integral aspect of the Group's management systems

Process



In the risk identification process, all possible risks are identified, analysed and prioritised. It includes risks such as Corporate Image, Environment, Health and Safety issues, Information and Communications Technology, Product Quality issues, Competitors' activities and Contraband issues.

Impact	Risk Management Actions		
	Significant	Considerable management required	Must manage and monitor risk
Moderate	Risks may be worth accepting with monitoring	Management effort worthwhile	Management effort required
Minor	Accept risks	Accept, but monitor risks	Manage and monitor risks
	Low	Medium Likelihood	High

This categorisation will enable the Group to allocate its resources to deal with the different levels of business risks.

Promotion of Risk Awareness

In support of the Group's efforts to promote a risk awareness culture, the RCW communicates the Group's risk management programme to the appropriate levels of employees and other stakeholders via the appropriate channel. Employees are also encouraged to give feedback on risk management issues and make suggestions for improvement.

Since its inception in year 2001, the RCW has implemented the following systems:

- Risk register and its supporting risk mitigation action plans
- Register of Top Eight Business risks which forms the basis of Business Continuity Plan for the Group
- A Manual dealing with the Group's policies & procedures



Quality, smooth and close to home. Anchor Pilsner is the quality local brew with its distinctive smooth flavour. Its ice beer version comes trendily capped and double ice brewed for it to be uniquely extra smooth. Anchor Ice Beer undoubtedly leads the ice beer segment and is the choice for the young and trendy.



GUINNESS ANCHOR BERHAD

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Directors' Report

for the year ended 30 June 2002

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 2002.

Principal Activities

The Group and the Company are principally engaged in the production, packaging, marketing and distribution of GUINNESS Stout, Lion Stout, Anchor Pilsener Beer, Anchor Special Beer, Anchor Ice Beer, Tiger Beer, Heineken Beer, Baron's Strong Brew, 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
Profit after taxation	72,401	63,486

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:

- A final dividend of 13 sen gross per 50 sen stock unit, less tax at 28%, and a special dividend of 13 sen gross per 50 sen stock unit, less tax at 28%, totalling RM56,552,000, in respect of the year ended 30 June 2001, on 27 November 2001
- An interim dividend of 12 sen gross per 50 sen stock unit, less tax at 28%, totalling RM26,101,000, in respect of the year ended 30 June 2002, on 9 May 2002
- A special interim dividend of 12 sen gross per 50 sen stock unit, less Singapore tax at 22%, totalling RM28,277,000, in respect of the year ended 30 June 2002, on 28 June 2002

The Directors now recommend payment of a final dividend of 12 sen gross per 50 sen stock unit, less Singapore tax at 22%, totalling RM28,277,000, payable on 27 November 2002.

Directors of the Company

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

Director	Alternate
Tan Sri Saw Huat Lye (Chairman)	
Tan Sri Dato' Alwi Jantan	
Chin Yoong Chong	
Dato' Jaffar Bin Ahmad Indot	
Alan F Robson	Ravi Rajagopal (resigned on 21.5.2002)
Eric E M Nelissen	
Jac van Herpen	
Low Teng Lum	
Khoo Gaik Bee	

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

	Stock units of 50 sen each			
	At 1.7.2001	Bought	Sold	At 30.6.2002
Shareholdings in which Director has direct interest				
Chin Yoong Chong	140,000	10,000	-	150,000

None of the other Directors holding office at 30 June 2002 had any interest in the ordinary shares of the Company and of its related corporations during the financial year.

Directors' Benefits

Since the end of the previous financial year, no Director of the Company has received nor become entitled to receive a benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by Directors as shown in the financial statements or the fixed salary of a full time employee of the Company/or of related corporations) 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

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:

- All known bad debts have been written off and adequate provisions made for doubtful debts
- 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.


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 2002 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.

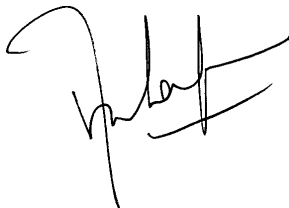
Auditors

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
Director



Jac van Herpen
Director

Petaling Jaya
27 August 2002

Balance Sheets

as at 30 June 2002

	Note	Group		Company	
		2002 RM'000	2001 RM'000	2002 RM'000	2001 RM'000
Property, plant and equipment	2	223,154	229,054	209,573	214,195
Investment in subsidiaries	3	-	-	46,718	46,718
		223,154	229,054	256,291	260,913
Current assets					
Inventories	4	30,989	31,524	25,580	31,015
Trade and other receivables	5	101,156	97,374	84,824	98,344
Cash and cash equivalents	6	107,735	130,939	88,589	107,830
		239,880	259,837	198,993	237,189
Current liabilities					
Trade and other payables	7	138,025	118,496	142,335	132,901
Taxation		19,783	23,369	26,744	28,281
		157,808	141,865	169,079	161,182
Net current assets		82,072	117,972	29,914	76,007
		305,226	347,026	286,205	336,920
Financed by:					
Capital and reserves					
Share capital	8	151,049	151,049	151,049	151,049
Reserves		128,136	166,665	109,115	156,559
Shareholders' funds		279,185	317,714	260,164	307,608
Deferred taxation		26,041	29,312	26,041	29,312
		305,226	347,026	286,205	336,920

The financial statements were approved and authorised for issue by the Board of Directors on 27 August 2002.

The notes set out on pages 70 to 83 form an integral part of, and should be read in conjunction with, these financial statements.

Income Statements

for the year ended 30 June 2002

	Note	Group		Company	
		2002 RM'000	2001 RM'000	2002 RM'000	2001 RM'000
Revenue - sale of goods		701,354	693,917	565,623	579,263
Cost of sales		(392,167)	(404,790)	(440,720)	(440,719)
Gross profit		309,187	289,127	124,903	138,544
Distribution, marketing and selling expenses		(173,173)	(166,727)	(3,917)	(3,928)
Administration expenses		(27,226)	(27,647)	(19,465)	(21,760)
Other operating expenses		(22,434)	(23,207)	(19,163)	(17,925)
Other operating income		4,539	4,679	3,306	4,453
Operating profit	10	90,893	76,225	85,664	99,384
Interest expense		(609)	(601)	-	-
Interest income		3,434	2,824	3,308	2,638
Profit before taxation		93,718	78,448	88,972	102,022
Tax expense	12	(21,317)	(19,767)	(25,486)	(21,811)
Profit after taxation		72,401	58,681	63,486	80,211
Basic earnings per 50 sen stock unit (sen)	13	24.0	19.4		
Net dividends per 50 sen stock unit (sen)	14	27.4	27.4	27.4	27.4

GUINNESS ANCHOR BERHAD
Figures

The notes set out on pages 70 to 83 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 2002

Group	Note	Share capital RM'000	Non- distributable Capital reserve RM'000	Distributable Retained profits RM'000	Total RM'000
At 1 July 2000		151,049	4,574	129,511	285,134
Net gains and losses not recognised in the income statement - foreign exchange translation		-	(218)	218	-
Profit after taxation		-	-	58,681	58,681
Dividends - 2001 interim	14	-	-	(26,101)	(26,101)
At 30 June 2001		151,049	4,356	162,309	317,714
Net gains and losses not recognised in the income statement - foreign exchange translation		-	134	(134)	-
Profit after taxation		-	-	72,401	72,401
Dividends - 2001 final and special	14	-	-	(56,552)	(56,552)
- 2002 interim		-	-	(26,101)	(26,101)
- 2002 special interim		-	-	(28,277)	(28,277)
At 30 June 2002		151,049	4,490	123,646	279,185
		Note 8		Note 9	

GUINNESS ANCHOR BERHAD
Figures

The notes set out on pages 70 to 83 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 2002

Company	Note	<i>Distributable</i>		Total RM'000
		Share capital RM'000	Retained profits RM'000	
At 1 July 2000		151,049	102,449	253,498
Profit after taxation		-	80,211	80,211
Dividends - 2001 interim	14	-	(26,101)	(26,101)
At 30 June 2001		151,049	156,559	307,608
Profit after taxation		-	63,486	63,486
Dividends - 2001 final and special	14	-	(56,552)	(56,552)
- 2002 interim		-	(26,101)	(26,101)
- 2002 special interim		-	(28,277)	(28,277)
At 30 June 2002		151,049	109,115	260,164
		Note 8	Note 9	

GUINNESS ANCHOR BERHAD
Figures

The notes set out on pages 70 to 83 form an integral part of, and should be read in conjunction with, these financial statements.

Cash Flow Statements

for the year ended 30 June 2002

	Group		Company	
	2002 RM'000	2001 RM'000	2002 RM'000	2001 RM'000
Cash flows from operating activities				
Profit before taxation	93,718	78,448	88,972	102,022
Adjustments for:				
Depreciation	25,359	24,646	21,737	21,065
Impairment losses for plant and machinery	-	5,696	-	5,696
Gains on disposal of property, plant and equipment	(2,601)	(837)	(664)	(98)
Interest expense	609	601	-	-
Interest income	(3,434)	(2,824)	(3,308)	(2,638)
Operating profit before working capital changes	113,651	105,730	106,737	126,047
(Increase)/Decrease in working capital:				
Inventories	535	5,882	5,435	5,828
Trade and other receivables	(3,782)	18,682	13,520	1,946
Trade and other payables	19,529	18,827	9,434	1,342
Cash generated from operations	129,933	149,121	135,126	135,163
Income taxes paid	(28,174)	(34,240)	(30,294)	(30,713)
Interest paid	(609)	(601)	-	-
Net cash generated from operating activities	101,150	114,280	104,832	104,450
Cash flows from investing activities				
Proceeds from disposal of property, plant and equipment	2,955	903	861	521
Purchase of property, plant and equipment	(19,813)	(9,599)	(17,312)	(5,172)
Interest received	3,434	2,824	3,308	2,638
Net cash used in investing activities	(13,424)	(5,872)	(13,143)	(2,013)
Balance carried forward	87,726	108,408	91,689	102,437

GUINNESS ANCHOR BERHAD
Figures

	Note	Group		Company	
		2002 RM'000	2001 RM'000	2002 RM'000	2001 RM'000
Balance brought forward		87,726	108,408	91,689	102,437
Cash flows from financing activities					
Dividends paid		(110,930)	(54,377)	(110,930)	(54,377)
Net cash used in financing activities		(110,930)	(54,377)	(110,930)	(54,377)
Net (decrease)/increase in cash and cash equivalents		(23,204)	54,031	(19,241)	48,060
Cash and cash equivalents at beginning of year		130,939	76,908	107,830	59,770
Cash and cash equivalents at end of year	6	107,735	130,939	88,589	107,830

The notes set out on pages 70 to 83 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 20, Provisions, Contingent Liabilities and Contingent Assets (Comparatives are not affected).

(a) Basis of accounting

The financial statements of the Group and of the Company are prepared under historical cost convention as modified by the revaluation of long leasehold land and buildings and investment in subsidiaries, and in compliance with 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 of 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 reserved on consolidation 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

Property, plant and equipment, except for freehold land, are stated at cost/valuation less accumulated depreciation and impairment losses.

Property, plant and equipment retired from active use and held for disposal are stated at the lower of net book value and net realisable value.

The carrying amounts of property, plant and equipment are reviewed at each balance sheet date to determine whether there is any indication of impairment. If such an indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an item of property, plant and equipment exceeds its recoverable amount. In determining the recoverable amount of property, plant and equipment, expected future cash flows are not discounted to their present values. The impairment loss is charged to the income statement unless it reverses a previous revaluation in which case it will be charged to equity. Any subsequent increase in recoverable amount is reduced by the amount that would have been recognised as depreciation had the write-down or write-off not occurred. Such subsequent increase in recoverable amount is recognised in the income statement unless it reverses an impairment loss on a revalued asset, in which case it is taken to equity.

(d) Depreciation

Freehold land is 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

Long term investments are stated at cost or valuation. An allowance is made when the Directors are of the view that there is a diminution in their value which is other than temporary.

(f) 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 the appropriate proportion of production overheads. In arriving at net realisable value, due allowance is made for obsolescence.

(g) Cash and cash equivalents

Cash comprises cash in hand, bank balances and deposits with licensed banks. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value.

(h) Taxation

The tax expense in the income statement represents taxation at current tax rates based on profit earned during the year.

Deferred taxation is provided on the liability method for all timing differences except where no liability is expected to arise in the foreseeable future and there are no indications the timing differences will reverse thereafter. Deferred tax benefits are only recognised where there is a reasonable expectation of realisation in the near future.

(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) 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 sheets dates 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. Non-monetary assets and liabilities denominated in foreign currencies, which are stated at historical cost, are translated to Ringgit Malaysia at the foreign exchange rates ruling at the date of the transactions.

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 or foreign operations are mainly as follows:

1USD	RM3.80	(2001 : RM3.80)
1GBP	RM5.88	(2001 : RM5.40)
1SGD	RM2.17	(2001 : RM2.11)
1EURO	RM3.80	(2001 : RM3.24)

(k) Revenue

i) Goods sold

Revenue from sales of goods is measured at the fair value of the consideration receivable, less sales tax, and is recognised in the income statements upon delivery and invoicing to the customer.

ii) Interest income

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

2. Property, plant and equipment

Group	Freehold land	Long 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 2001	4,037	82,334	259,310	106,725	9,228	461,634
Additions	-	42	283	3,698	15,790	19,813
Disposals	-	-	(38,455)	(6,653)	-	(45,108)
Transfers	-	539	6,357	4,781	(11,677)	-
At 30 June 2002	4,037	82,915	227,495	108,551	13,341	436,339
Representing items at:						
Cost	4,037	31,023	227,495	108,551	13,341	384,447
Valuation (1984)	-	51,892	-	-	-	51,892
At 30 June 2002	4,037	82,915	227,495	108,551	13,341	436,339
Depreciation and impairment losses						
At 1 July 2001	-	24,889	136,731	70,960	-	232,580
Depreciation charge for the year	-	1,936	12,544	10,879	-	25,359
Disposals	-	-	(38,455)	(6,299)	-	(44,754)
At 30 June 2002	-	26,825	110,820	75,540	-	213,185
Net book value						
At 30 June 2002	4,037	56,090	116,675	33,011	13,341	223,154
At 30 June 2001	4,037	57,445	122,579	35,765	9,228	229,054
For the year ended 30 June 2001						
Depreciation charge	-	1,844	12,600	10,202	-	24,646
Impairment losses	-	-	5,696	-	-	5,696

2. Property, plant and equipment (continued)

Company	Long 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 2001	80,804	259,309	82,310	9,228	431,651
Additions	29	283	1,210	15,790	17,312
Disposals	-	(38,455)	(1,970)	-	(40,425)
Transfers	539	6,357	4,781	(11,677)	-
At 30 June 2002	81,372	227,494	86,331	13,341	408,538
Representing items at:					
Cost	29,480	227,494	86,331	13,341	356,646
Valuation (1984)	51,892	-	-	-	51,892
At 30 June 2002	81,372	227,494	86,331	13,341	408,538
Depreciation and impairment losses					
At 1 July 2001	23,863	136,731	56,862	-	217,456
Depreciation charge for the year	1,727	12,544	7,466	-	21,737
Disposals	-	(38,455)	(1,773)	-	(40,228)
At 30 June 2002	25,590	110,820	62,555	-	198,965
Net book value					
At 30 June 2002	55,782	116,674	23,776	13,341	209,573
At 30 June 2001	56,941	122,578	25,448	9,228	214,195
For the year ended 30 June 2001					
Depreciation charge	1,708	12,600	6,757	-	21,065
Impairment losses	-	5,696	-	-	5,696

The Directors revalued the Company's long 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 leasehold land and buildings been carried at historical cost less accumulated depreciation, the carrying amount of the revalued assets that would have been included in the financial statements at the end of the year would be as follows:

	Group		Company	
	2002 RM'000	2001 RM'000	2002 RM'000	2001 RM'000
Long leasehold land and buildings	40,053	41,089	39,745	40,585

3. Investment in subsidiaries

	Company	
	2002 RM'000	2001 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, Lion Stout, Anchor Pilsener Beer, Anchor Special Beer, Anchor Ice Beer, Tiger Beer, Heineken Beer, Baron's Strong Brew, 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 associated firms of KPMG, Malaysia.

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

4. Inventories

	Group		Company	
	2002 RM'000	2001 RM'000	2002 RM'000	2001 RM'000
Raw materials	9,896	9,539	9,896	9,539
Work-in-progress	3,983	3,942	3,983	3,942
Finished goods	9,984	10,264	4,945	10,264
Packaging materials	3,457	3,745	3,457	3,745
Engineering stores and spares	3,669	4,034	3,299	3,525
	30,989	31,524	25,580	31,015

5. Trade and other receivables

	Group		Company	
	2002 RM'000	2001 RM'000	2002 RM'000	2001 RM'000
Trade receivables	107,198	101,955	3,251	3,986
Less: Allowance for doubtful debts	(15,255)	(15,486)	(75)	(75)
	91,943	86,469	3,176	3,911
Holding company	48	19	48	19
Subsidiaries	-	-	75,472	87,418
Other receivables, deposits and prepayments	9,165	10,886	6,128	6,996
	101,156	97,374	84,824	98,344

Included in other receivables, deposits and prepayments are amounts falling due after more than one year of RM6,064,000 (2001 - RM7,791,000) and RM3,978,000 (2001 - RM4,873,000) 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, dividends and other current account transactions.

6. Cash and cash equivalents

	Group		Company	
	2002 RM'000	2001 RM'000	2002 RM'000	2001 RM'000
Deposits placed with licensed banks	84,401	104,813	84,401	104,813
Cash and bank balances	23,334	26,126	4,188	3,017
	107,735	130,939	88,589	107,830

7. Trade and other payables

	Group		Company	
	2002 RM'000	2001 RM'000	2002 RM'000	2001 RM'000
Trade payables	70,749	68,499	47,656	42,930
Other payables and accruals	67,276	49,997	30,135	25,768
Subsidiaries	-	-	64,544	64,203
	138,025	118,496	142,335	132,901

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

	Group and Company	
	2002 RM'000	2001 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 at 30 June 2002 if paid out as dividends.

10. Operating profit

	Group		Company	
	2002 RM'000	2001 RM'000	2002 RM'000	2001 RM'000
Operating profit is arrived at after crediting:				
Gains on disposal of property, plant and equipment	2,601	837	664	98
Realised gains on foreign exchange	1,243	2,563	1,124	3,044
Rental income from subsidiary	-	-	111	148
Unrealised gains on foreign exchange	-	646	-	611

10. Operating profit (continued)

	Group		Company	
	2002 RM'000	2001 RM'000	2002 RM'000	2001 RM'000
and after charging:				
Allowance for doubtful debts	360	3,162	-	(401)
Auditors' remuneration	105	105	70	68
Directors' emoluments				
Remuneration*	2,259	3,473	2,259	2,133
Fees	180	180	180	180
Depreciation	25,359	24,646	21,737	21,065
Hire of equipment	471	478	471	478
Impairment losses for plant and machinery	-	5,696	-	5,696
Legal fees paid to firm in which a Director is a member	305	352	4	12
Rental expense on land and buildings	2,100	2,272	680	862
Unrealised losses on foreign exchange	342	-	308	-

* The estimated monetary value of Directors' benefits in kind included above is RM448,000 (2001 - RM832,000) and RM448,000 (2001 - RM493,000) for the Group and Company, respectively.

11. Employee information

	Group		Company	
	2002 RM'000	2001 RM'000	2002 RM'000	2001 RM'000
Staff costs	61,733	58,413	37,595	29,645
Number of employees at the end of the year (including Directors)	613	646	315	328

12. Tax expense

	Group		Company	
	2002 RM'000	2001 RM'000	2002 RM'000	2001 RM'000
Current tax expense				
Malaysian - current	28,853	29,500	29,000	29,500
- prior year	(4,265)	(8,008)	(243)	(5,964)
	24,588	21,492	28,757	23,536
Deferred tax expense				
Malaysian - current	(3,271)	(1,725)	(3,271)	(1,725)
	21,317	19,767	25,486	21,811

The Group's effective tax rate is lower than the statutory tax rate due to the utilisation of losses brought forward, giving a tax savings of RM2.0 million.

The Company's effective tax rate is higher than the prima facie tax rate as certain expenses are not deductible for tax purposes.

Subject to agreement by the Inland Revenue Board, the Group has potential deferred tax benefits not taken up in the financial statements under the liability method in respect of the following items:

	Group		Company	
	2002 RM'000	2001 RM'000	2002 RM'000	2001 RM'000
Unutilised tax losses	13,106	20,069	-	-
Other timing differences	4,590	(68)	-	-

13. 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 RM72,401,000 (2001 - RM58,681,000) and the number of stock units in issue at the end of the year of 302,098,000 (2001 - 302,098,000).

14. Dividends

	Group and Company	
	2002	2001
	RM'000	RM'000
Dividends per 50 sen stock unit:		
Paid:		
Interim dividend of 12 sen gross, less tax at 28% (2001 - 12 sen gross, less tax at 28%)	26,101	26,101
Special interim dividend of 12 sen gross, less Singapore tax at 22% (2001 - Nil)	28,277	-
	54,378	26,101
Proposed:		
Final dividend of 12 sen gross, less Singapore tax at 22% (2001 - 13 sen gross, less tax at 28%)	28,277	28,276
Special dividend of Nil gross (2001 - 13 sen gross, less income tax at 28%)	-	28,276
	28,277	56,552
	82,655	82,653

For the purpose of paying the special interim dividend of 12 sen gross, less Singapore tax at 22%, 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 special interim dividend is franked out of the Company's Singapore Section 44 tax credit account.

The proposed final dividend has not been accounted for in the financial statements.

15. Segmental information

The Group operates solely in the brewing industry involving production, packaging, marketing and distribution of its products, principally in Malaysia. Accordingly, information on geographical and industry segments of the Group's operations are not presented.

16. Commitments

	Group and Company	
	2002 RM'000	2001 RM'000
Capital commitments not provided for in the financial statements:		
Property, plant and equipment		
Authorised but not contracted for	3,494	880
Authorised and contracted for	4,401	367
	7,895	1,247

17. Contingent liabilities

The Group is involved in the following litigation matters:

(a) An action has been filed in Court by the Company and Asia Pacific Breweries Limited against Carlsberg Brewery Malaysia Berhad and Carlsberg Marketing Sdn. Bhd. over an advertisement that appeared in certain newspapers. The case is based on infringement of the Plaintiffs' "Tiger" beer trademark and on slander of goods. The trial of the action was fixed for the second half of September 2002 but has now been postponed. We are awaiting new trial dates to be fixed by the Court.

(b) Carlsberg Brewery Malaysia Berhad commenced legal action against the Company over certain advertisements in the media in respect of the World Cup Golf tournament that was held in Malaysia from 18 November 1999 to 21 November 1999. Trial dates have not been fixed by the Court.

External counsel has advised that there are good grounds to oppose the claim of liability and in the event that liability is established against the Company there are strong grounds to oppose the claim for damages.

(c) An action has been filed in Court by CNBC Sports International Limited and Lira Media Sdn. Bhd. against the Company and another party over two of the advertisements referred to in (b) above relating to the World Cup Golf tournament that was held in Malaysia from 18 November 1999 to 21 November 1999. The trial of this action will be heard together with the action in (b) above.

External counsel has advised that there are good grounds to oppose the claim of liability and in the event that liability is established against the Company there are strong grounds to oppose the claim for damages.

(d) An action has been filed in Court by Tiger Powerhitz Sdn. Bhd. against Guinness Anchor Marketing Sdn. Bhd. based on passing off and fraud. Guinness Anchor Marketing Sdn. Bhd. is counter-claiming based on passing off as well. The Plaintiff's application for interlocutory injunction was dismissed on 9 October 2000. On 21 February 2002, the Plaintiff's application for contempt proceedings against one of the Directors of Guinness Anchor Marketing Sdn. Bhd. was struck out. The Plaintiff has filed an appeal. External counsel has advised that there are strong grounds to succeed in the defence and counter-claim and resist the appeal.

18. 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.

Other related party transactions

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

	Diageo plc and its related companies RM'000	F & N and its related companies RM'000	Heineken and its related companies RM'000
2002			
Purchase of goods	19,158	14,173	270
Sale of products	7,907	228	5,870
Royalties payable	4,612	3,128	1,472
Marketing and technical services	3,256	-	1,229
<hr/>			
2001			
Purchase of goods	17,427	15,096	158
Sale of products	8,147	208	7,796
Royalties payable	5,038	3,326	1,371
Marketing and technical services	3,567	-	367

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

19. Comparative figures

The following comparative figures have been restated, to ensure comparability with the current financial year following the reclassification of certain expenses:

- i) from sales rebates and administration expenses to distribution, marketing and selling expenses

	Group	
	As restated RM'000	As previously stated RM'000
Income statement		
Revenue - sale of goods	693,917	670,381
Distribution, marketing and selling expenses	(166,727)	(141,628)
Administration expenses	(27,647)	(29,210)

- ii) to include staff related expenses in staff costs

	Group		Company	
	As restated RM'000	As previously stated RM'000	As restated RM'000	As previously stated RM'000
Note 11 - Employee information				
Staff costs	58,413	50,917	29,645	27,431

- iii) from marketing and technical services to royalties payable

	Heineken and its related companies	
	As restated RM'000	As previously stated RM'000
Note 18 - Related parties		
Royalties payable	1,371	517
Marketing and technical services	367	1,221

- iv) to include other related parties' purchase of goods and sale of products to ensure comparability with current year presentation

	Diageo plc and its related companies		F&N and its related companies	
	As restated RM'000	As previously stated RM'000	As restated RM'000	As previously stated RM'000
Note 18 - Related parties				
Purchase of goods	17,427	17,213	15,096	15,011
Sale of products	-	-	208	-

Statement By Directors And Declaration

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 64 to 83, are drawn up in accordance with 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 2002 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



Jac van Herpen
Director

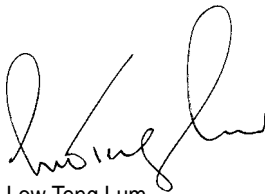
Petaling Jaya
27 August 2002

Declaration

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

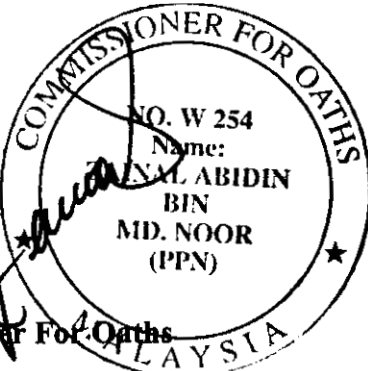
I, Low Teng Lum, the Director primarily responsible for the financial management of Guinness Anchor Berhad, do solemnly and sincerely declare that the financial statements set out on pages 64 to 83 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously 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 27 August 2002



Low Teng Lum
Director

Before me:



Commissioner For Oaths

Report Of The Auditors

to the members of Guinness Anchor Berhad

We have audited the financial statements set out on pages 64 to 83. 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 as at 30 June 2002 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: 1293/10/02(J)

Kuala Lumpur
27 August 2002

GUINNESS ANCHOR BERHAD
Figures

Analysis Of Stockholdings

as at 2 September 2002

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

Size of Holdings	Number of Stockholders	Percentage of Stockholders	Number of Stock Units	Percentage of Stock Units
1 - 999	919	7.19	137,850	0.05
1,000 - 10,000	10,092	78.96	29,731,367	9.84
10,001 - 100,000	1,611	12.60	46,246,331	15.31
100,001 - 15,104,899	159	1.24	71,912,552	23.80
15,104,900 and above	1	0.01	154,069,900	51.00
TOTAL	12,782	100.00	302,098,000	100.00

SUBSTANTIAL STOCKHOLDERS as per Register of Substantial Stockholders

Name of Stockholders	Direct		Indirect	
	Number of Stock Units	Percentage	Number of Stock Units	Percentage
1. GAPL Pte Ltd	154,069,900	51.00	-	-

THIRTY LARGEST STOCKHOLDERS

	Number of Stock Units	Percentage of Stock Units
1. GAPL Pte Ltd	154,069,900	51.00
2. Malaysia Nominees (Tempatan) Sendirian Berhad - Great Eastern Life Assurance (Malaysia) Berhad (MLF)	10,129,000	3.35
3. Asia Life (M) Berhad - Malaysia Life Fund	2,311,100	0.77
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
6. Chinchoo Investment Sdn. Berhad	1,865,000	0.62
7. The Central Depository (Pte) Limited	1,440,810	0.48
8. Am Nominees (Tempatan) Sdn Bhd - Employees Provident Fund Board (A/C 1)	1,389,000	0.46
9. Ho Sim Guan	1,329,700	0.44
10. Tan Eng Chin Holdings (Pte) Limited	1,290,000	0.43
11. Gan Teng Siew Realty Sdn. Berhad	1,277,000	0.42
12. Straits Nominees (Tempatan) Sdn Bhd - GK Goh SPL for Key Development Sdn Berhad (JS/213218)	1,277,000	0.42
13. Key Development Sdn. Berhad	1,250,000	0.41
14. Universal Trustee (Malaysia) Berhad - Pacific Premier Fund	1,231,000	0.41
15. TCL Nominees (Asing) Sdn. Bhd. - OCBC Securities Private Limited for National University of Singapore	1,105,500	0.37
16. Universal Trustee (Malaysia) Berhad - Mayban Unit Trust Fund	1,077,000	0.36
17. Universal Trustee (Malaysia) Berhad - Mayban Balanced Trust Fund	1,000,000	0.33
18. Malaysia Nominees (Asing) Sendirian Berhad - Oversea-Chinese Bank Nominees Pte Ltd for Bukit Sembawang Estates Limited (OCB33879-000MIS)	980,000	0.32
19. Universiti Malaya	933,260	0.31
20. Yap Ah Fatt	860,000	0.28
21. Goonchen Investment Trust Sdn Berhad	856,000	0.28
22. DB (Malaysia) Nominee (Asing) Sdn Bhd - DB GCS London for Allsec Nominees Ltd	800,000	0.26
23. Tai Tak Securitates Pte Ltd	791,000	0.26
24. TCL Nominees (Tempatan) Sdn. Bhd. - OCBC Securities Private Limited for Lee Vicky Nee Choo Suat Gaik	750,000	0.25
25. Malaysia Nominees (Asing) Sendirian Berhad - Straits Lion Asset Management Pte Ltd for The Great Eastern Life Assurance Co Ltd (00-10020)	719,000	0.24
26. Chatwell Investments, Inc.	642,500	0.21
27. Hong Leong Fund Management Sdn Bhd - Hong Leong Finance Bhd	630,000	0.21
28. UOBM Nominees (Asing) Sdn Bhd - Chung Khiaw Bank Nominees (Pte) Ltd for Ko Choon Huat	630,000	0.21
29. Amsec Nominees (Asing) Sdn Bhd - Fraser Securities Pte Ltd for Yeo Geok Choo (19003)	630,000	0.21
30. Am Nominees (Tempatan) Sdn Bhd - Pertubuhan Keselamatan Sosial	627,000	0.21
	196,117,300	64.92

GUINNESS ANCHOR BERHAD
Figures

DIRECTORS' INTEREST as at 2 September 2002

Name	Direct		Indirect	
	Number of Stock Units	Percentage	Number of Stock Units	Percentage
Tan Sri Saw Huat Lye	-	-	-	-
Jac van Herpen	-	-	-	-
Tan Sri Dato' Alwi Jantan	-	-	-	-
Dato' Jaffar Bin Ahmad Indot	-	-	-	-
Chin Yoong Chong	150,000	0.04965	-	-
Alan F Robson	-	-	-	-
Eric E M Nelissen	-	-	-	-
Low Teng Lum	-	-	-	-
Khoo Gaik Bee	-	-	-	-

Properties Owned By The Group

Address/Location	Area (acres)	Existing use	Lease expiry date	Age of building (years)	Net book value @ 30.6.2002 RM'000	Date of acquisition/ revaluation*
Lot 1135 Batu 9 Jalan Kelang Lama 46000 Petaling Jaya Selangor Darul Ehsan	20.84	Office building and factory	23.9.2063	36	56,162	30 September 1984*
120 Air Keroh Industrial Estate 75710 Melaka	1.07	Office building and store	13.1.2080	20	583	30 September 1984*
Lot 123 Semambu Industrial Site 25350 Kuantan Pahang Darul Makmur	0.52	Office building and store	5.3.2046	20	430	30 September 1984*
Lot 1136 Batu 9 Jalan Kelang Lama 46000 Petaling Jaya Selangor Darul Ehsan	2.88	Storage facilities	Freehold	Not applicable	4,037	31 December 1991
					61,212	

Notice Of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Thirty-Eighth Annual General Meeting of the members of Guinness Anchor Berhad (Company No 5350-X) incorporated in Malaysia, will be held at Grand Pyramid, Level 10, Sunway Lagoon Resort Hotel, 1 Jalan PJS 11/15, Bandar Sunway, 47590 Petaling Jaya, Selangor Darul Ehsan on Thursday, 7 November 2002 at 2.30 pm for the following purposes:-

AGENDA

As Ordinary Business

1. To receive and adopt the Audited Financial Statements for the year ended 30 June 2002 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 22%, in respect of the year ended 30 June 2002. **Ordinary Resolution 2**
3. To re-elect the following Directors who retire pursuant to Article 89 of the Articles of Association of the Company:-
(i) Dato' Jaffar Bin Ahmad Indot **Ordinary Resolution 3**
(ii) Chin Yoong Chong **Ordinary Resolution 4**
(iii) Khoo Gaik Bee **Ordinary Resolution 5**
4. To approve Directors' Fees for the year ended 30 June 2002. **Ordinary Resolution 6**
5. To re-appoint Messrs KPMG as Auditors of the Company and to authorise the Directors to fix their remuneration. **Ordinary Resolution 7**

As Special Business

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 Thirty-Seventh Annual General Meeting held on 6 November 2001 pursuant to paragraph 10.09 of the Listing Requirements of the Kuala Lumpur Stock Exchange, authorising the Company and its subsidiaries (GAB 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 11 October 2002 ("Circular") with the related parties mentioned therein which are necessary for the GAB 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 revenue or trading nature as set out in paragraph 2.1.2 of the Circular.

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

- (a) 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
- (b) 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
 - (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 8

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 22%, for the year ended 30 June 2002 will be paid on 27 November 2002 to stockholders registered at the close of business on 8 November 2002.

Notice is also hereby given that the Register of Members will be closed from 11 November 2002 to 15 November 2002, 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 p.m. on 6 November 2002 (in respect of shares which are exempted from mandatory deposit);
- (b) Shares transferred into the Depositor's securities account before 12.30 p.m. on 8 November 2002 in respect of ordinary transfers;
- (c) Shares bought on the Kuala Lumpur Stock Exchange on a cum entitlement basis according to the Rules of the Kuala Lumpur Stock Exchange.

By Order of the Board

LUM CHEE YENG (MAICSA 0880217)
SAW BEE LEAN (MAICSA 0793472)

Company Secretaries

Kuala Lumpur
11 October 2002

NOTES :

Further notice is hereby given that for purposes of determining who shall be entitled to attend this meeting, the Company shall be requesting the Malaysian Central 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 25 October 2002 and a Depositor whose name appear on such Record of Depositors shall be entitled to attend this meeting.

Any member entitled to attend and vote at this meeting is entitled to appoint a proxy to attend and vote instead of him. A proxy need not be a member of the Company. A form of proxy is enclosed for the use of members who are unable to attend the meeting. To be effective, this must be lodged at the Registered Office of the Company not later than 48 hours before the meeting.

EXPLANATORY NOTES ON SPECIAL BUSINESS

Ordinary Resolution 8 – Proposed Renewal Of Shareholders' Mandate For Recurrent Related Party Transactions Of A Revenue Or Trading Nature

The explanatory notes on Ordinary Resolution 8 is set out in the Circular to Shareholders dated 11 October 2002 accompanying the Company's Annual Report for year 2002.

STATEMENT ACCOMPANYING NOTICE OF THIRTY-EIGHTH ANNUAL GENERAL MEETING

Pursuant to Paragraph 8.28(2) of the Kuala Lumpur Stock Exchange (KLSE) Listing Requirements appended hereunder are :

A total of 4 Board meetings were held in the Financial Year ended 30 June 2002.

Date of Board of Directors Meeting	Hour	Place
28 August 2001	2.00 pm	Guinness Anchor Berhad
26 November 2001	2.00 pm	Guinness Anchor Berhad
28 February 2002	2.30 pm	Guinness Anchor Berhad
30 May 2002	10.00 am	Penang

Details of Directors attendance at Board meetings held in the Financial Year ended 30 June 2002 are as follows:-

Name of Director	Date of Appointment	No. of Meetings Attended
Tan Sri Saw Huat Lye	24 February 1987	4/4
Jac van Herpen	5 February 2001	4/4
Tan Sri Dato' Alwi Jantan	24 November 1994	2/4
Dato' Jaffar Bin Ahmad Indot	2 January 1999	4/4
Chin Yoong Chong	20 February 1995	4/4
Alan F Robson	7 December 2000	4/4
Eric E M Nelissen	15 August 2001	4/4
Khoo Gaik Bee	13 August 1998	4/4
Low Teng Lum	15 August 2001	4/4

Directors who are standing for re-election at the Thirty-Eighth Annual General Meeting of the Company are as follows:-

Pursuant to Article 89 of the Company's Articles of Association

- (i) Dato' Jaffar Bin Ahmad Indot
- (ii) Chin Yoong Chong
- (iii) Khoo Gaik Bee

Details of Directors standing for re-election at the 38th Annual General Meeting:

Dato' Jaffar Bin Ahmad Indot - International Senior Managers' Programme (Harvard)

- Malaysian, aged 68
- Independent Non-Executive Director
- Appointed to the Board on 2 January 1999
- Appointed Executive Director of Shell Companies in Malaysia and Managing Director Shell Downstream Companies in 1983, a position held until his retirement in August 1989
- Currently Director in Shell Refining Company (FOM) Berhad, FSBM Holdings Berhad, Cygal Berhad, Pan Pacific Asia Berhad and Executive Chairman of Tai Wah Garments Manufacturing Berhad
- Does not hold any shares, directly or indirectly, in the Company or any of its subsidiaries
- No family relationship with any Director and/or major shareholder of the Company
- No conflict of interest with the Company
- Has not been convicted for offences within the past ten years other than traffic offences, if any

Chin Yoong Chong - Barrister-At-Law (Middle Temple)

- Malaysian, aged 69
- Non-Independent Non-Executive Director
- Appointed to the Board on 20 February 1995
- Currently a Senior Partner in Skrine and also serves on the Board of Rating Agency Malaysia Berhad and Malaysia Land Development Company Berhad
- Holds 150,000 ordinary shares in Guinness Anchor Berhad
- No family relationship with any Director and/or major shareholder of the Company
- No conflict of interest with the Company
- Has not been convicted for offences within the past ten years other than traffic offences, if any

Khoo Gaik Bee - BA (Hons) Public Administration (University of De Monfort)

- Malaysian, aged 45
- Executive Director
- Appointed to the Board on 13 August 1998
- Has vast working experience in different industries
- Does not hold any shares, directly or indirectly, in the Company or any of its subsidiaries
- No family relationship with any Director and/or major shareholder of the Company
- No conflict of interest with the Company
- Has not been convicted for offences within the past ten years other than traffic offences, if any

GUINNESS ANCHOR BERHAD

(Company No. 5350-X)

No. of shares held:

CDS A/C No.:

Form Of Proxy

I/We _____
of _____ being
a Member/Members of GUINNESS ANCHOR BERHAD, hereby appoint _____

of _____ or failing him,

of _____ as my/our proxy to vote
for me/us and on my/our behalf at the 38th Annual General Meeting of the Company, to be held at Grand Pyramid, Level 10, Sunway Lagoon Resort Hotel, 1 Jalan PJS 11/15, Bandar Sunway, 47590 Petaling Jaya, Selangor Darul Ehsan on Thursday, 7 November 2002 at 2.30 pm and at any adjournment thereof.

My/our proxy is to vote as indicated below:

	RESOLUTION	FOR	AGAINST
Ordinary Resolution 1	Adoption of the Audited Financial Statements for the year ended 30 June 2002 together with the Directors' and Auditors' Reports		
Ordinary Resolution 2	Declaration of final dividend		
Ordinary Resolution 3	Re-election of Dato' Jaffar Bin Ahmad Indot as Director		
Ordinary Resolution 4	Re-election of Chin Yoong Chong as Director		
Ordinary Resolution 5	Re-election of Khoo Gaik Bee as Director		
Ordinary Resolution 6	Approval of Directors' Fees		
Ordinary Resolution 7	Re-appointment of Messrs KPMG as Auditors of the Company and to authorise the Directors to fix their remuneration		
Ordinary Resolution 8	Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature		

Please indicate with a cross [X] in the appropriate spaces how you wish your votes to be cast. If you do not indicate how you wish your proxy to vote on any Resolution, the proxy will vote as he or she thinks fit, or, at his or her discretion, abstain from voting.

Signed this _____ day of _____ 2002

Signature of Shareholder or Common Seal

NOTES :

To be valid, this Form of Proxy must be lodged at the Registered Office of the Company at Sungei Way Brewery, P.O. Box 144, 46710 Petaling Jaya, Selangor Darul Ehsan not less than 48 hours before the time set for holding the Meeting or any adjournment thereof.

In the case of a Corporation, the Form of Proxy must be executed under the Common Seal or under the hand of an officer of the Corporation duly authorised in writing.

Fold 2

**Affix
stamp**

The Secretary
Guinness Anchor Berhad
(Company No. 5350 X)
Sungei Way Brewery
P O Box 144
46710 Petaling Jaya
Selangor Darul Ehsan
Malaysia

Fold 1