

CORPORATE GOVERNANCE

THE CODE

In March 2000, the Finance Committee on Corporate Governance issued the Malaysian Code on Corporate Governance ("Code"). The Code sets out principles and best practices on structures and processes that companies may use in their operations towards achieving the optimal governance framework.

EARLY ADOPTION

The Board of Directors is committed to ensuring that the highest standards of corporate governance are practised throughout the Company as a fundamental part of discharging its responsibilities to protect and enhance shareholder value and the financial performance of Guinness Anchor Berhad.

To this end, the Board fully supports the recommendations of the Code. Set out below is a description of how the Company has applied the principles laid down in the Code.

BOARD OF DIRECTORS

The Board

An effective Board leads and controls the Company. The Board meets at least four times a year, with additional meetings convened as necessary. All Board members bring an independent judgement to bear on issues of strategy, performance, resources and standards of conduct.

During the twelve months ended 30 June 2001, five Board meetings were held. A majority of the Directors attended all the Board meetings held during their tenure.

Date of Board of Directors Meeting	Hour	Place
29 August 2000	10.30 a.m.	Petaling Jaya
3 November 2000	10.30 a.m.	Kuala Lumpur
7 December 2000	2.00 p.m.	Petaling Jaya
26 February 2001	2.00 p.m.	Petaling Jaya
28 May 2001	3.00 p.m.	Genting Highlands Resort

Details of Directors' attendance at Board Meetings held in the Financial Year ended 30 June 2001 are as follows :

Name of Director	Date of Appointment	No of Meetings Attended (see Note Below)
Tan Sri Saw Huat Lye	24 February 1987	5/5
J. van Herpen	5 February 2001	2/2
Tan Sri Dato' Alwi Jantan	24 November 1994	5/5
Dato' Jaffar Bin Ahmad Indot	2 January 1999	5/5
Chin Yoong Chong	20 February 1995	5/5
A. F. Robson	7 December 2000	3/3
E.E.M. Nelissen	15 August 2001	N/A
Khoo Gaik Bee	13 August 1998	5/5
Low Teng Lum	15 August 2001	N/A

Note: Number of meetings attended/number of meetings held while in office.

Board Balance

The Board currently has nine members, comprising six Non-Executive Directors (including the Chairman) and three Executive Directors. All Non-Executive Directors, except Mr A.F. Robson, Mr E.E.M. Nelissen and Mr Chin Yoong Chong, are independent. Together, the Directors bring a wide range of business and financial experience relevant to the direction of a large, expanding company. A brief description of the background of each Director is presented on pages 4 and 5.

There is a clear division of responsibilities between the Chairman and the Managing Director to ensure that there is a balance of power and authority.

There is also 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 the Directors have an equal responsibility for the Company'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, and taking account of the long term interests, not only of the shareholders, but also of employees, customers, suppliers and the many communities in which the Company conducts business.

Nomination Committee

The Nomination Committee comprises three Independent Non-Executive Directors and two Non-Executive Directors as follows:

Independent Non-Executive

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

Non-Executive

- Mr. A.F. Robson
- Mr. E.E.M. Nelissen

The Committee is responsible for the process of recommending the right candidates for directorship to be filled by the shareholders or Board of Directors. The Nomination Committee ensures that there is an orientation and education program for new Directors.

As an integral element of the process of recommending candidates for directorship, the Nomination Committee ensures that there is a continuous education program for Board Members to upgrade their skills for effective contribution to the Company.

Re-election

In accordance with the Company's Articles of Association, 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.

Remuneration Committee

The Remuneration Committee comprises one Independent Non-Executive Director, two Non-Executive Directors and one Executive Director with Tan Sri Saw Huat Lye as Chairman. The Committee is responsible for setting the policy framework and for making recommendations to the Board on all elements of the remuneration and other terms of employment of 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 his individual remuneration.

The members of the Remuneration Committee are as follows:

Independent Non-Executive

- Tan Sri Saw Huat Lye (Chairman)

Non-Executive

- Mr. A.F. Robson
- Mr. E.E.M. Nelissen

Executive

- Mr. J. van Herpen

The aggregate Directors' remuneration paid or payable or otherwise made available to all Directors of the Company who served during the financial year are as follows:

Category	Fees (RM'000)	Salaries & Other Emoluments (RM'000)	Benefits in kind (RM'000)
Executive Directors	-	2,641	832
Non-Executive Directors	180	-	-

The number of Directors of the Company who served during the financial year and whose income from the Group falling within the following bands are:

Executive Directors	Number
RM100,001 to RM150,000	1
RM150,001 to RM200,000	1
RM200,001 to RM350,000	-
RM350,001 to RM400,000	1
RM400,001 to RM450,000	1
RM450,001 to RM500,000	1
RM500,001 to RM550,000	-
RM550,001 to RM600,000	2
RM600,001 to RM650,000	-
RM750,001 to RM800,000	1
Non-Executive Directors	Number
0 to RM50,000	6
RM50,001 to RM 100,000	1

Supply of Information

All Directors review a Board report prior to the Board meeting. This is issued in sufficient time to enable the Directors to obtain further explanations, where necessary, in order to be properly briefed before the meeting. The Board report includes, among others, the following details:

- Major operational and financial issues
- Product quality
- Market share and market responses to the Company's strategies.

In addition, there is a schedule of matters reserved specifically for the Board's decision. The Board has also approved a procedure for Directors, whether as a full Board or in their individual capacity, to take independent advice, where necessary, in the furtherance of their duties at the Company's expense. All Directors have access to the advice and services of the Company Secretary.

Conflict of Interest

None of the Directors has any family relationship with other Directors or major shareholders of the Company.

None of the Directors has any conflict of interest in the Company except for Mr J.van Herpen, Mr E.E.M. Nelissen and Mr A.F. Robson who are deemed interested as these Directors are acting as nominees/representatives of GAPL Pte Ltd who is a major shareholder of the Company.

Convictions for Offences

None of the Directors has been convicted for offences within the past ten (10) years other than traffic offences, if any.

SHAREHOLDERS

Dialogue between the Company and Investors

The Company values dialogue with investors. The Managing Director and Finance Director hold discussions with analysts and shareholders periodically. Presentations are made, as appropriate, to explain the Company's strategy, performance and major developments. However, any information that may be regarded as undisclosed material information about the Company will not be given to any single shareholder or shareholder group.

At each Annual General Meeting, the Board presents the progress and performance of the business and encourages shareholders to participate in the question-and-answer session. The Board of Directors is available to respond to shareholder's questions during the meeting. Where appropriate, any significant question that cannot be readily answered on the spot, the Chairman will undertake to provide a written answer.

In the case of re-election of Directors, the Board will ensure that the Annual Report will state which Directors are standing for election or re-election with a brief description to include matters such as:

- Age
- Relevant experience
- Relevant directorships
- Date of appointment to the Board
- Details of participation in Board Committees
- The fact that a particular Director is independent

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

ACCOUNTABILITY AND AUDIT

Audit Committee

The Audit Committee of the Board comprises three Independent Non-Executive Directors, one Non-Executive Director and one Executive Director. The composition of the Committee may be found on page 12.

The Audit Committee met four times in the period under review. A majority of the Committee members attended all meetings, except for Mr Chin Yoong Chong who attended two meetings. During these meetings, the Committee carried the duties as set out on pages 13 & 14.

Financial Reporting

In presenting the annual financial statements and quarterly announcements, the Directors aim to present a balanced and understandable assessment of the Group's and the Company's position and prospects. The Statement by Directors pursuant to Section 169 (15) of the Companies Act, 1965 is set out on page 60 of this annual report.

Internal Control

The Directors acknowledge their responsibilities for the Company's system of internal controls covering not only financial controls but also operational and compliance controls as well as risk management. The internal control system involves each business and key management from each business, including the Board, and is designed to meet the Company's particular needs and to manage the risks to which it is exposed. This system, by its nature, can only provide reasonable but not absolute assurance against mis-statement or loss.

The Company's internal audit regularly reports on compliance with internal financial controls and procedures to the Audit Committee. They also ensure 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 on pages 13 and 14.

OTHER INFORMATION

Share Buybacks

During the financial year, there were no share buybacks by the Company.

Options, Warrants or Convertible Securities

No options, warrants or convertible securities were exercised by the Company in 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, Directors or management by the relevant regulatory bodies.

Non-audit Fees

The amount of non-audit fees paid to the external auditors by the Group for the financial year amounted to RM80,000.

Profit Guarantees

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

Material Contracts

During the year, there were no material contracts on the Company and its subsidiaries involving Directors' and major shareholders' interests.

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 51).

AUDIT COMMITTEE

* Tan Sri Saw Huat Lye
(Chairman)

* Dato' Jaffar bin Ahmad Indot

Mr Low Teng Lum

* Tan Sri Dato' Alwi Jantan

Mr Chin Yoong Chong

* *Independent Director*

Terms of Reference

A. Membership

The Company's Board of Directors will appoint a majority of members who are Non-Executive Directors with no dealings with the Company as members of the Audit Committee. The Chairman shall be an Independent Non-Executive Director appointed by the Board.

Other than in circumstances which the Chairman considers inappropriate, the external auditors shall normally be entitled to attend any meeting of the Committee and to make known their views on any matter under consideration by the Committee, or which, in their opinion, should be brought to the Committee's attention.

B. Meetings And Minutes

The Committee will meet not less than four times annually with attendance of at least three members or 50 percent of the Committee, whichever is higher. It will report to the Board of Directors and its minutes will be tabled and noted by the Board.

The Head of Internal Audit will be the Secretary of the Audit Committee and will prepare and circulate the minutes of the meetings to the Committee members. The Chairman of the Audit Committee shall report on each meeting to the Board.

C. Authority

The Audit Committee is authorised by the Board to review any activity within the Company. It is authorised to seek any information it requires from any Director or member of management and all employees are directed to co-operate with any request made by the Committee.

The Committee is authorised by the Board to obtain outside legal or other independent professional advice and secure the attendance of outsiders with relevant experience and expertise if it considers this necessary.

The Audit Committee is also authorised by the Board of Directors of the Company to investigate 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 Committee is also empowered to review the appointment and termination of the internal audit staff and the Head of Internal Audit of the Company.

D. Objectives Of The Audit Committee

By delegation from the Board of Directors, the Audit Committee seeks to satisfy itself, by means of suitable steps and appropriate information, that proper and satisfactory internal control systems are in place within the Company to identify and contain business risks, and that its business is conducted in a proper, economically sound and ethical manner.

Specific areas of concentration are to ensure there is due process for:

1. Identification and management of key business risks
2. Efficiency and effectiveness of operational controls
3. Safeguarding of assets
4. Reliability of financial and other management information
5. Compliance with relevant national laws and regulations
6. Compliance with the Statement of Business Conduct

E. Duties of The Audit Committee

1. To review the quarterly, half-yearly and annual financial statements before submission to the Board, focusing 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 Company
2. To consider the risk management procedure used within the Company, and be satisfied that the evaluation and management of such risks is appropriate.
3. To ensure that systems of internal control are soundly conceived and effectively administered and to seek assurance that control systems are in place, operating efficiently and are regularly monitored.
4. To cause reviews to be made of the extent of compliance with established policies, plans, procedures, laws and regulations. To review annually the programmes for monitoring compliance with the Company's Statement of Business Conduct.
5. To obtain assurance that proper plans for control have been developed prior to the commencement of major areas of change within the Company.
6. To be satisfied that the strategies, plans, manning and organisation for internal auditing and the methodologies promulgated as best practice are communicated down through the Company. Specifically:
 - Review the adequacy of the scope, functions and resources of the internal audit function, and that it has the necessary authority to carry out its work
 - Review the internal audit programme and results of the internal audit process and where necessary ensure that appropriate action is taken on the recommendations of the internal audit function
 - Appropriate standing to enable them to complete their mandates and approved audit plans
 - To recommend any broader reviews deemed appropriate as a consequence of the issues or concerns identified
 - Ensure internal audit has full, free and unrestricted access to all activities, records, property and personnel necessary to fulfil its agreed objectives
 - Request and review any special audit which it deems necessary
7. To review the scope, fees and co-ordination of the external auditors and to be satisfied that the audit scopes at each of the subsidiaries are considered. To be satisfied on an annual basis that external auditors are providing an efficient and effective service to each subsidiary and the Company. The Committee will consider a consolidated opinion on the quality of external auditing at one of its meetings.

8. To review and evaluate factors related to the independence of the external auditors and assist them in preserving their independence.
9. To be advised of significant use of the external auditors in performing non-audit services within the Company, considering both the types of services rendered and the fees, such that their position as auditors is not deemed to be compromised.
10. To review the external auditors' findings arising from the interim and final audits on accounting issues, particularly any comments and responses in management letters in order to be satisfied that appropriate action is being taken.
11. To recommend to the Managing Director steps to improve the system of internal control derived from the findings of the internal and external auditors and from consultations of the Audit Committee itself.
12. To consider the major findings of internal investigations and management's response.
13. To consider other topics as defined by the Board.
14. To satisfy itself that each business unit has satisfactory arrangements for monitoring control in keeping with their delegated authority.

F. Audit Committee Report

During the financial year, the Committee met four times. The business covered by the Audit Committee was as follows:

1. Review of the annual budget of the Company for submission to the Board.
2. Review of the risk based integrated internal audit plans and major findings of internal audit reports.
3. Review of the performance / operations of subsidiaries and making appropriate recommendations relating thereto.
4. Review of the quarterly results / announcements of the Group / Company and making relevant recommendations to the Board for approval.
5. Review of the annual financial statements of the Group / Company and making of relevant recommendations to the Board for approval.
6. Review of the proposed dividend and dividend policy, and making relevant recommendations to the Board for approval.
7. Review the procedures of related party transactions and deliberate the results of the review, and making appropriate recommendations relating thereto.
8. Discussion of the proposed changes in accounting policies in respect of the transfer pricing and foreign exchange policy, and others arising from changes in accounting standards.
9. Discussion of the Group's corporate governance process and the application of the key principles of corporate governance, and review of the system of internal controls based on the corporate governance best practices.
10. Review of the findings of the external auditors.

G. Internal Audit Activities Report

Summary of activities of the Internal Audit function during the year ended 30 June 2001 were as follows:

1. Regularly examining the controls over all significant Group's operations and systems to ascertain whether the system established provides reasonable assurance that the Group's objectives and goals will be met efficiently and economically.
2. Prepare the annual integrated risk based audit plan for deliberation by the Audit Committee.
3. Act on suggestions made by Audit Committee and/or senior management on concerns over operations or control.
4. Issue audit reports which identify weaknesses and problems and contain recommendations for improvements.
5. Issue audit reports to the appropriate level of management capable of achieving satisfactory results.
6. Determine whether corrective actions and recommendations were taken and are achieving the desired results.

DIRECTORS' RESPONSIBILITY STATEMENT

In respect of the preparation of the audited financial statements (as required under paragraph 15.27[a] of the Kuala Lumpur Stock Exchange [KLSE] listing requirements) :

The Directors are required by law to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and Group and their results and cash flows for that year. In preparing the financial statements for the Financial year ended 30 June 2001, the Directors have:

- Selected suitable accounting policies and then apply them consistently;
- Made judgements and estimates that are reasonable and prudent;
- Stated whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.

The Directors are responsible for ensuring that proper accounting records are kept and which disclose with reasonable accuracy at any time the financial position of the Company and Group and to enable them to ensure that the financial statements comply with the Companies Act, 1965. They have a general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company, to prevent and detect fraud and other irregularities.

CHAIRMAN'S STATEMENT



I am pleased to report that the performance of Guinness Anchor Berhad has improved in the financial year ended 30 June 2001. The Group recorded a creditable performance, which saw an 8% increase in turnover to RM670m. Group pre-tax profit increased to RM78 million against RM67 million in the corresponding period. The increase in pre-tax profit was generated by an increase in sales volume together with stringent cost control.

It is the Board's intention that shareholders' returns are maximised through a policy of maintaining a consistent and sustainable level of dividend. Your Board is therefore recommending the payment of a final dividend of 13 sen gross per stock unit, less income tax and a special dividend of 13 sen gross per stock unit, less income tax. Including the interim dividend of 12 sen gross, total dividends for the financial year will amount to 38 sen gross.

The duty paid retail malt liquor market showed signs of recovery with a marginal growth in consumption of 2% against a decline of 7% over the corresponding period in the last financial year. However, the rate of recovery was adversely affected by the sales tax-related price increase of 30 sen for pint bottles and cans and 60 sen for quart bottles at retail level in November 2000. The Malaysian malt liquor market remains highly competitive and was compounded by the presence of smuggled beer and entry of cheap priced ASEAN brands.

The Group has consistently invested in building the equity of its brands in line with the Group's continuing determination to maintain its prominence in the industry. In the face of strong competition, the sales volume of key beer brands of the Group continues to increase while Guinness Stout continues to dominate

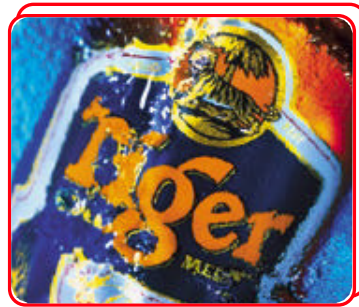
the stout market. Both Anglia Shandy and Malta turned in satisfactory performances for the year.

The Group's continuous focus on maintaining and improving the quality of its products has resulted in Guinness Anchor Berhad winning the Guinness Asia Pacific League of Excellence award for the second year consecutively. Apart from product quality, Guinness Anchor Berhad is also concerned about environmental protection. To this end, Guinness Anchor Bhd upgraded its effluent treatment system during the year under review to ensure efficient treatment of effluent load.



Twice in a row : The Guinness Asia Pacific League of Excellence award.

Since the last Annual General Meeting, there have been several changes to the Board of Directors. Mr. T.B. Heijbroek resigned as a Director on 16 November 2000 upon his retirement and Mr. M.E. Tettelaar was appointed to the Board on 7 December 2000 to take responsibility for the Technical Function. Mr N.T. Fell resigned as a Director on 7 December 2000 and was replaced by Mr. A.F. Robson on the same date. Mr. T.A. Challenor resigned on 5 February 2001 upon completion of his tour of duty and Mr. J. van Herpen was appointed Managing Director in his place on the same date. Mr. S. Hiemstra resigned as a



Director on 15 August 2001 on transfer to a new post within the Heineken Group, and Mr. E.E.M. Nelissen was appointed to the Board on the same date. Mr. Low Teng Lum was appointed to the Board on 15 August 2001 as Finance Director. Dato' Lee Kee Hock, Mr M.D. van der Poel and Mr M.E. Tettelaar resigned as Directors of the Company on 15 August 2001 as the Board was restructured to be in line with the revamped KLSE listing requirements. The Board wishes to express its appreciation to Mr. T.A. Challenor, Mr. N.T. Fell, Mr T.B. Heijbroek, Mr S. Hiemstra, Dato' Lee Kee Hock, Mr. M.D van der Poel and Mr M.E. Tettelaar for their significant contributions to the Group.

The Directors retiring by rotation are Tan Sri Saw Huat Lye and Tan Sri Dato' Alwi Jantan, and being eligible, offer themselves for re-election. In accordance with the Company's Articles of Association, Mr A.F. Robson, Mr J. van Herpen, Mr Low Teng Lum and Mr. E.E.M. Nelissen, who were appointed since the last Annual General Meeting, retire from the Board and, being eligible, offer themselves for election.

Mr. Low Teng Lum joined the Audit Committee in compliance with the revamped KLSE listing requirements that at least one member of the Audit Committee is a member of the Malaysian Institute of Accountants while Dato' Lee Kee Hock resigned from the Audit Committee consequent upon his resignation from the Board.

In the spirit of demonstrating good corporate governance, the Board has decided on early adoption of the recommendation of the Malaysian Code on Corporate Governance with

the formation of a Remuneration Committee comprising of Tan Sri Saw Huat Lye, Mr E.E.M.Nelissen, Mr A.F. Robson and Mr J. van Herpen and a Nomination Committee comprising of Tan Sri Saw Huat Lye, Tan Sri Dato' Alwi Jantan, Dato' Jaffar Bin Ahmad Indot, Mr. E.E.M.Nelissen and Mr. A.F. Robson.

The market condition for the coming financial period is expected to remain highly competitive. The direction of the malt liquor market is not expected to improve significantly with the anticipated slowdown in economic activities. The Group will continue to strive for improvement in productivity and cost savings while continuing to invest in its brands in line with its strategic objectives to generate long-term growth and create value to its shareholders. Bearing these factors in mind, the performance of the Group for the coming financial year ending 30 June 2002 is expected to be satisfactory.

In conclusion, I would like to thank all the staff members of Guinness Anchor Berhad for their continued hard work and dedication to the Company. Their commitment was a key factor in the Company's improved performance in the current financial year. I would also like to thank our shareholders, suppliers, distributors and retailers for their continuous support.

Tan Sri Saw Huat Lye
Chairman
12 October 2001

PENYATA Pengerusi

Saya dengan sukacitanya melaporkan bahawa pencapaian Guinness Anchor Berhad bertambah baik pada tahun kewangan yang berakhir 30 Jun 2001. Kumpulan telah mencatat kenaikan perolehan 8% kepada RM670 juta, manakala keuntungan sebelum cukai meningkat kepada RM78 juta berbanding RM67 juta pada tahun sebelumnya. Kenaikan keuntungan sebelum cukai ini dihasilkan oleh peningkatan jumlah jualan serta kawalan kos yang ketat.

Adalah menjadi hasrat Lembaga Pengarah untuk meningkatkan pulangan kepada pemegang saham menerusi dasar pengagihan dividen yang konsisten dan kekal. Oleh yang demikian, Lembaga Pengarah mencadangkan pembayaran dividen akhir kasar 13 sen bagi setiap unit saham, ditolak cukai pendapatan, dan dividen khas kasar 13 sen seunit saham, ditolak cukai pendapatan. Tambahan dividen sementara kasar 12 sen menjadikan jumlah dividen kasar bagi tahun kewangan ini 38 sen.

Pasaran runcit arak malt berbayar cukai menunjukkan tanda-tanda pemulihan dan mencatat pertumbuhan kecil sebanyak 2% berbanding kemerosotan 7% dalam tempoh yang sama pada tahun kewangan sebelumnya. Bagaimanapun, kadar pemulihan terjejas teruk oleh kenaikan harga runcit 30 sen bagi botol dan tin pain dan 60 sen bagi botol kuart disebabkan kenaikan cukai jualan pada bulan November 2000. Penyeludupan bir dan kemasukan jenama ASEAN yang lebih murah menjadikan pasaran arak malt di Malaysia semakin kompetitif.

Kumpulan sentiasa berusaha untuk membina dan meningkatkan jenamanya selaras dengan komitmen kami untuk mengekalkan keutamaan dalam industri. Walau pun menghadapi persaingan sengit, jumlah jualan jenama bir utama Kumpulan terus meningkat, manakala Guinness Stout terus menguasai pasaran stout. Anglia Shandy dan Malta juga telah memperlihatkan pencapaian yang memuaskan.

Usaha Kumpulan yang berterusan untuk mengekal dan meningkatkan kualiti produknya telah membolehkan Guinness Anchor Berhad memenangi anugerah *Guinness Asia Pacific League of Excellence* bagi tahun kedua berturut-turut. Selain kualiti produk, Guinness Anchor Berhad juga sentiasa prihatin

terhadap perlindungan alam sekitar. Oleh itu, Guinness Anchor Berhad telah meningkatkan sistem rawatan sisa buangan pada tahun dalam tinjauan untuk menjamin kecekapannya.

Sejak Mesyuarat Agung Tahunan yang lalu, beberapa pertukaran telah dilakukan kepada Lembaga Pengarah. Encik T.B. Heijbroek meletakkan jawatan sebagai pengarah pada 16 November 2000 sebaik sahaja memulakan persaraannya dan Encik M.E. Tettelaar telah dilantik menganggotai Lembaga Pengarah pada 7 Disember 2000 untuk mengambil alih Fungsi Teknikal. Encik N.T. Fell meletakkan jawatan sebagai pengarah pada 7 Disember 2000 dan digantikan oleh Encik A.F. Robson pada tarikh yang sama. Encik T.A. Challenor meletakkan jawatan pada 5 Februari 2001 setelah menamatkan tugasnya dan Encik J. van Herpen telah dilantik sebagai Pengarah Urusan menggantikan tempatnya pada tarikh yang sama. Encik S. Hiemstra meletakkan jawatan sebagai pengarah pada 15 Ogos 2001 apabila ditukarkan ke jawatan baru dalam Kumpulan Heineken, dan Encik E.E.M. Nelissen dilantik menganggotai Lembaga Pengarah pada tarikh yang sama. Encik Low Teng Lum dilantik menjadi ahli Lembaga Pengarah pada 15 Ogos 2001 sebagai Pengarah Kewangan. Dato' Lee Kee Hock, Encik M.D. van der Poel dan Encik M.E. Tettelaar meletakkan jawatan sebagai Pengarah Syarikat pada 15 Ogos 2001 apabila Lembaga Pengarah disusun semula supaya selaras dengan perubahan keperluan penyenaiaan BSKL. Lembaga Pengarah ingin merakamkan penghargaan kepada Encik T.A. Challenor, Encik N.T. Fell, Encik T.B. Heijbroek, Dato' Lee Kee Hock, Encik M.D. van der Poel dan Encik M.E. Tettelaar kerana sumbangan mereka yang dihargai oleh Kumpulan.

Para pengarah yang bersara mengikut giliran ialah Tan Sri Saw Huat Lye dan Dato' Jaffar bin Ahmad Indot dan, oleh kerana layak, mereka menawarkan diri untuk dilantik semula. Mengikut Tata Cara Penubuhan Syarikat, Encik A.F. Robson, Encik J. van Herpen, Encik Low Teng Lum dan Encik E.E.M. Nelissen yang dilantik sejak Mesyuarat Agung Tahunan yang lalu, bersara daripada Lembaga Pengarah dan oleh kerana layak, menawarkan diri untuk dilantik semula. Encik Low Teng Lum menyertai

Jawatankuasa Audit sebagai mematuhi keperluan penyenaiaan BSKL yang menetapkan sekurang-kurangnya seorang ahli Jawatankuasa Audit terdiri daripada ahli Institut Akauntan Malaysia manakala Dato' Lee Kee Hock meletakkan jawatan daripada Jawatankuasa Audit berikutan perletakan jawatannya daripada Lembaga Pengarah.

Dengan semangat yang menunjukkan pentadbiran korporat yang baik, Lembaga Pengarah mengambil keputusan untuk menerima lebih awal cadangan Kod Pentadbiran Korporat Malaysia dengan menubuhkan Jawatankuasa Gaji yang terdiri daripada Encik E.E.M. Nelissen, Encik A.F. Robson dan Encik J. van Herpen, dan Jawatankuasa Pencalonan yang dianggotai oleh Tan Sri Saw Huat Lye, Tan Sri Dato' Alwi Jantan, Dato' Jaafar bin Ahmad Indot, Encik E.E.M. Nelissen dan Encik A.F. Robson.

Keadaan pasaran bagi tempoh kewangan yang akan datang dijangka sangat kompetitif. Kelembapan kegiatan ekonomi dijangka tidak akan memberi ruang untuk pertumbuhan pasaran arak malt. Kumpulan akan terus berusaha untuk meningkatkan produktiviti dan menjimatkan kos sambil terus melabur dalam jenamanya dengan objektif utama untuk menjana pertumbuhan jangka panjang dan memberikan nilai kepada para pemegang saham. Dengan mengambil kira faktor-faktor ini, pencapaian Kumpulan pada tahun kewangan akan datang yang berakhir 30 Jun 2002 dijangka memuaskan.

Akhir kata, saya ingin mengucapkan terima kasih kepada semua kakitangan Guinness Anchor Berhad kerana kegigihan dan dedikasi mereka kepada Syarikat. Komitmen ini adalah faktor penting yang membolehkan Syarikat memperbaiki pencapaian dalam tahun kewangan semasa. Saya juga ingin mengucapkan terima kasih kepada para pemegang saham, pembekal, pengedar dan peruncit di atas sokongan mereka yang berterusan selama ini.

Tan Sri Saw Huat Lye
Pengerusi
12 Oktober 2001

主席汇报

我谨此欣然汇报，健力士英格有限公司截至2001年6月30日财政年度的表现经已改善。本集团取得令人赞扬的业绩，营业额提高8%，达到RM67,000万。集团税前盈利也增至RM7,800万，比去年同时期RM6,700万表现标青。税前盈利的增加，归功于销量增加以及公司所采取更严厉的成本管制。

董事部的用意，是要维持一贯及可持续水平的股息，让股东获得最大的收益。因此，董事部建议派发终期股息每股毛额13仙（须扣所得税），再加特别股息每股毛额13仙（须扣所得税）。包括中期股息每股毛额12仙，本财政年度的每股股息总额为毛额38仙。

纳税的麦芽酒零售市场，显示一些复苏迹象，消费量稍微增长2%，相对之下，上一年度同时期下降了7%。不过，由于2000年11月起销售税相关的增价，即小瓶庄和罐庄零售价起30仙，大瓶庄起60仙，复苏率受到负面的影响。

马来西亚麦芽酒市场仍然竞争激烈，走私啤酒的出现和较廉宜的东合品牌进入市场，更加剧了竞争。

为配合集团继续维持在此行业其卓越地位的決心，本集团一贯地投资在建立其品牌的市场占销额。纵然面对强烈的竞争，本集团主要啤酒品牌的销售量继续增加，GUINNESS黑狗啤依然统领黑啤市场而Anglia Shandy和Malta，在这一年也交出令人满意的业绩。

本集团继续专注维持和改善其产品的品质，也使健力士英格有限公司连续第二年赢得了健力士亚太联盟的全场冠军。除了产品质素之外，健力士英格有限公司也在受检讨的这一年提升其工厂排污处理系统，确保排污流量经过有效的处理。

自上一届常年大会以来，董事部的成员有多项更动。T.B. Heijbroek于2000年11月16日辞去董事职位。过后，董事部于2000年12月7日委任M.E. Tettelaar接掌技术任务。N.T. Fell于2000年12月7日辞去董事职位，其空缺于同一日由A.F. Robson接替。T.A. Challenor于2001年2月5日在完成任后辞职，同日，J. van Herpen受委接替他的董事经理职务。S. Hiemstra于2001年8月15日因受调职在Heineken集团内任职而辞去董事职位，E.E.M. Nelissen则于同日受委为董事。Low Teng Lum于2001年8月15日受委为财务董事。由于公司配合新的吉隆坡股票交易所之需求而重组董事部，Dato' Lee Kee Hock, M.D. van der Poel和M.E. Tettelaar于2001年8月15日辞去公司董事职务。董事部谨对T.A. Challenor, N.T. Fell, T.B. Heijbroek, Dato' Lee Kee Hock, M.D. van der Poel和M.E. Tettelaar在任期间对本集团的重大贡献，深表谢意。

是届就任期满的董事为Tan Sri Saw Huat Lye与Dato' Jaffar bin Ahmad Indot，因有资格重任，愿意重受推选。依据公司章程，自上一届常年大会受委之董事A.F. Robson, J. van Herpen, Low Teng Lum和E.E.M. Nelissen由董事部退休，因有资格重任，也愿意接受重选。

依据新的吉隆坡股票交易所挂牌需求，至少有一位稽查委员会成员必须是马来西亚会计公会成员，因此Low Teng Lum加入稽查委员会，而Dato' Lee Kee Hock则在辞去董事部职务后，辞去在稽查委员会的任务。

为了展示良好企业管理的精神，董事部决定提早接纳马来西亚企业管理法则的建议，成立一个薪酬委员会，成员包括E.E.M. Nelissen, A.F. Robson和J. van

Herpen，以及一个提名委员会，成员包括Tan Sri Saw Huat Lye, Tan Sri Dato' Alwi Jantan, Dato' Jaffar bin Ahmad Indot, E.E.M. Nelissen和A.F. Robson。

预测即将来临的财政年度，市场情况将会保持高度竞争化。由于经济活动预期会放缓，麦芽酒的市场方向，预料将不会有显著的改善。本集团将会继续提升生产力和节约成本，同时配合集团谋求长期成长和为股东创造价值的策略目标，继续投资于其品牌。综合以上因素，本集团在接下来截止於2002年6月30日财政年度的业绩表现，预料将会令人满意。

最后，我谨此感谢健力士英格有限公司全体职员吃苦耐劳的精神以及对公司的奉献。他们的投入，是本公司在本财政年度改善业绩的一个主因。我也藉此感谢所有的股东、供应商、经销商和零售商一直以来所给予的支持。

Tan Sri Saw Huat Lye

主席

2001年10月12日

MANAGING DIRECTOR'S REVIEW



It gives me great pleasure to report an improvement in GAB's performance for the financial year ended 30 June 2001. Turnover improved by 8% to RM670 million while profit before tax rose by 16% to RM78 million.

CREDIBLE PERFORMANCE FROM OUR PORTFOLIO OF BRANDS

The malt liquor market saw a marginal growth of 2% in an environment of intense competition. The Company's portfolio of brands turned in a credible performance in this difficult environment. Marketing investments were maintained in our continuous effort to grow brand equity with various new advertising campaigns launched during the year.

GUINNESS had a new thematic print campaign, "Got To Be GUINNESS". A new commercial, "Painter", based on "GUINNESS fuels the performance of real men" communication, was also completed during the year.

Anchor, which has a proud heritage that dates back to 1933, launched a new thematic print campaign with the tagline "Our Local Beer Around Here". POS (point-of sale) materials incorporating the tagline were also launched.

The Tiger PowerHitz Charity Concert, in aid of Chinese Schools, was a roaring success and has collected more than RM90m since

it commenced in 1994. A new thematic print advertising campaign featuring four different prints to position Tiger as the beer of choice for the modern Asian Tigers was launched. A new Tiger Beer commercial, "Unleash The Tiger. Live Life." was also launched.

Heineken's new commercial, "Lights Out" evokes the passion for quality, green, worldly wise and respect of the core brand values. Heineken also sponsored various promotions during the year - Mild Seven Astro Master 2001 (Golf). Incognito - Live in Concert, a world-renowned 12-piece acid jazz band was brought to Malaysia, courtesy of Heineken.

ENHANCING CONSUMER FOCUS AND BUSINESS PARTNERSHIP

We conducted a National Outlet Survey during the year. Together with the new Outlet Analysis System introduced, we have developed a detailed database of the retail outlets. We also undertook a major re-organisation of the sales force and our dealer network to enhance our market competitiveness. A new market coverage plan together with a new sales approach (QDVP3) to drive market share and sales volume were initiated. QDVP3 is an acronym for Quality, Distribution, Visibility, Promotion, Pricing & Persuasion which are activity drivers to achieve our business objectives. A new segmentation of consumers, coupled with a better



Altogether, now, for teamwork, growth and innovation in the face of challenges



QDVP3 briefing, an aggressive sales formula to enhance competitiveness.

understanding of the retail outlets, will enable us to promote our brands in a more targeted and effective manner.

HUMAN RESOURCE DEVELOPMENT

In an effort towards creating a competency-based and performance-oriented organisation, the Company has placed a great deal of emphasis on training and development through continuous skills upgrading. This was seen in the increase in training investment of employees, where the training cost per employee increased from RM1,015 in financial year 1999/2000 to RM1,269 in financial year 2000/2001 - registering a substantial 25% increase between the two periods.

As a result of organisational restructuring initiatives, skill-sets were realigned and the emphasis on training has been on retraining the affected personnel to equip them with the required skills. The focus of the training content was on the implementation of multi-tasking and multi-skilling to ensure the workforce remains flexible in terms of new skills acquisition. This was also essential as a prerequisite to move towards a team-based environment.

Underpinning all these initiatives is the fostering of greater staff cohesion through developing a new culture of value and system that is respected by all. This includes encouraging continuous two-way communication to instill a

harmonious relationship between the Management, the Union and the workforce. An example of nurturing this relationship was seen in a major Line 5 team-building event that was organised for the workers, Union members and Management Team to enhance team rapport.

REGULATORY ENVIRONMENT REMAINS CHALLENGING

The industry was hit with a sales tax increase in October 2000. This has impacted negatively the industry's nascent recovery from the 1997 economic downturn. While the industry recovered the increase through price increases, this had merely increased the presence of smuggled beer in the country. We will continue to make appropriate representations to the Government. Meanwhile, we remain optimistic of the long-term viability and health of the industry.

The new financial year is expected to remain challenging. We will continue with our efforts to grow brand value. Together with the combined efforts of our employees and our business partners, we will strive to grow and innovate for our mutual benefit.

J. van Herpen
 Managing Director
 12 October 2001

FINANCE DIRECTOR'S REVIEW



The Malaysian economy's growth in the early part of the last financial year has now slowed down in tandem with the world's economic slowdown. The 2001 National Budget in October 2000 increased the sales tax from 15% to 20%. Consequently, the malt liquor market's nascent recovery was slowed down to a growth of only 2%.

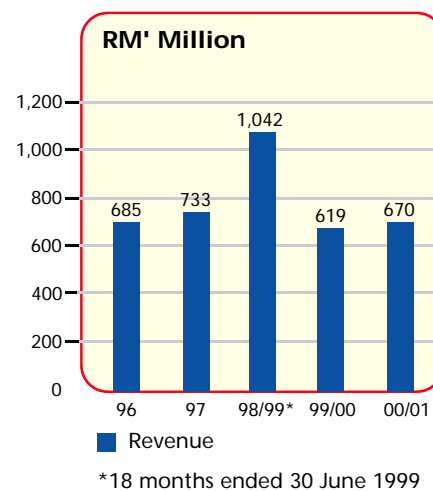
Accounting Policies

The Malaysian Accounting Standards Board has issued Standard 19, Events After The Balance Sheet Date ("MASB 19"). MASB 19 is effective for all fiscal periods beginning on or after 1 July 2001. The Company has chosen to adopt MASB 19 early for this fiscal year and does not believe that it will materially affect its reported results or financial condition. The non-recognition of the proposed final and special dividends as a liability in the Balance Sheet as at 30 June 2001 complies fully with MASB 19.

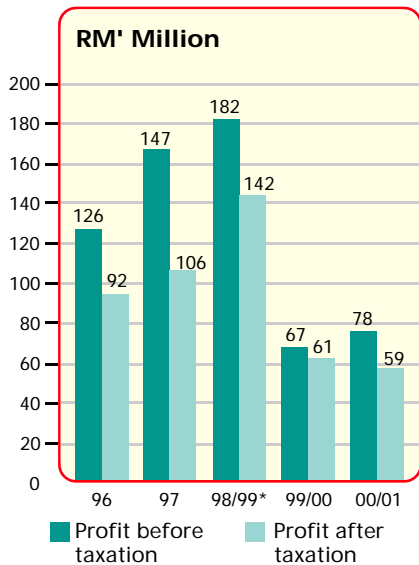
Group Results

The Group achieved satisfactory results during the year despite a difficult economic and competitive environment.

Group revenue increased by 8% to RM670 million while profit before taxation increased by 16% to RM 78 million. Marketing investment remained at a high level to support GAB's strategy of brand building and to maintain competitiveness in the market. Overhead increases were contained to below inflation rate as the benefits of prior years' initiatives flow in. The effective rate of taxation for 2000/01 was 38% of profit before tax, up from 26% in 1999/2000 due to losses incurred by a subsidiary.



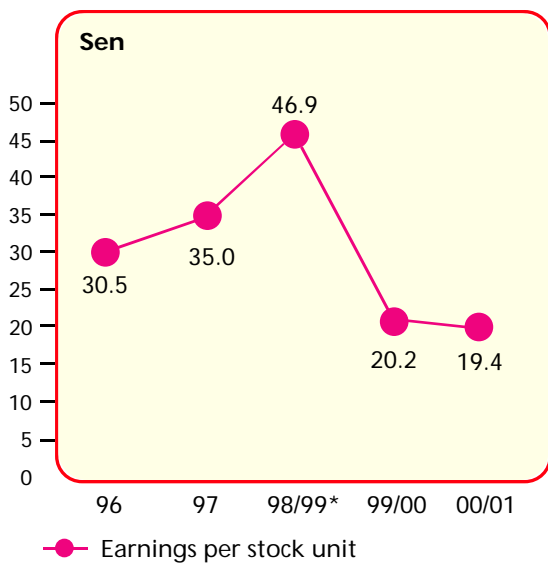
Consolidated Income Statement			
	Year Ended 30.06.2001 RM' million	Year Ended 30.06.2000 RM' million	Increase/ (Decrease) %
Revenue	670	619	8
Gross Profit	266	245	9
Distribution, marketing and selling expenses	(142)	(137)	4
Administration expenses	(29)	(30)	(3)
Other operating expenses	(23)	(14)	64
Other operating income	4	2	100
Interest expense	(1)	(1)	-
Interest income	3	2	50
Profit before taxation	78	67	16



* 18 months ended 30 June 1999

Earnings per Stock Unit (EPS)

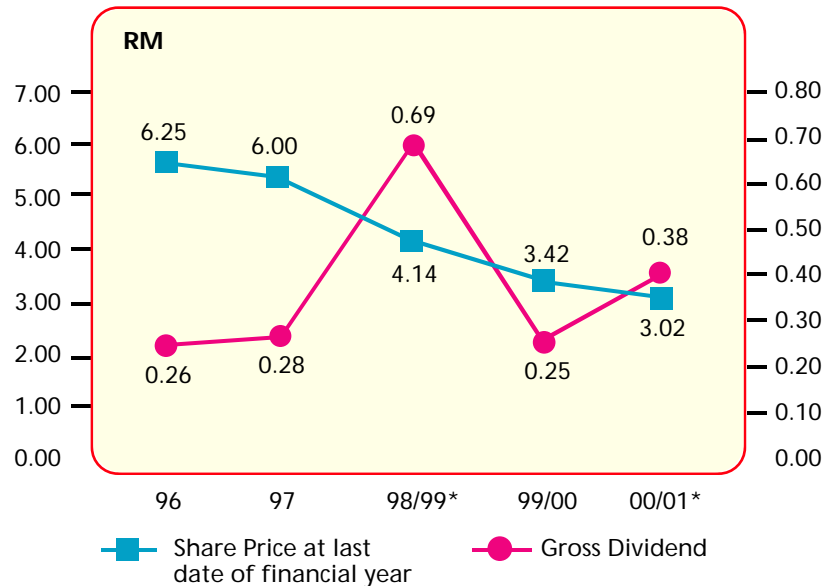
The EPS for the financial year was 19.4 sen, a decrease of 4% over the previous financial year. This was due to a higher effective tax rate.



* 18 months ended 30 June 1999

Dividends

Subject to shareholders' approval at the forthcoming Annual General Meeting, we are recommending a final dividend of 13 sen gross and a special dividend of 13 sen gross. Total dividend for the financial year, together with the interim dividend of 12 sen gross, will amount to 38 sen gross. The Company will continue to maintain a sustainable level of dividend to maximise shareholders' value.



*Include special dividend

Group Cash Flow

The table below shows the Group's cash flow for the financial year compared to the previous financial year.

Cash from operations improved significantly by 25%. This was principally due to the higher profits from the higher volumes during the financial year as well as improved working capital management.

Investments in property, plant and equipment at RM10 million was significantly lower with the completion of Line 5 in the previous financial year.

Treasury Operations

The Treasury department manages currency exposures and investment of surplus cash. All foreign exchange activities are undertaken as a result of underlying trade transactions. The Treasury department does not operate as a profit centre and operates in accordance with the Treasury Policy approved by the Board.

Risk Management

During the year, the Company embarked on a comprehensive Risk Management programme. The programme is managed by a team, led by the Finance Director and assisted by the Head of Internal Audit. The team is well represented by members from all departments in the Company.

Major responsibilities of the team include promoting a proactive risk awareness culture, conducting annual reviews of business risks, co-ordinating the development of risk mitigation action plans, monitoring results of key performance indicators and ensuring compliance with requirements on good corporate governance.

Cash Flow			
	Year Ended 30.06.2001 RM million	Year Ended 30.06.2000 RM million	Increase/ (Decrease) %
Cash generated from operations	149	119	25
Taxation paid	(34)	(17)	100
Interest paid	(1)	(1)	-
Proceeds from disposal of property, plant and equipment	1	2	(50)
Purchase of property, plant and equipment	(10)	(49)	(80)
Interest received	3	2	50
Dividends paid	(54)	(67)	(19)
Net increase/ (decrease) in cash and cash equivalents	54	(11)	591

Low Teng Lum

Finance Director
12 October 2001