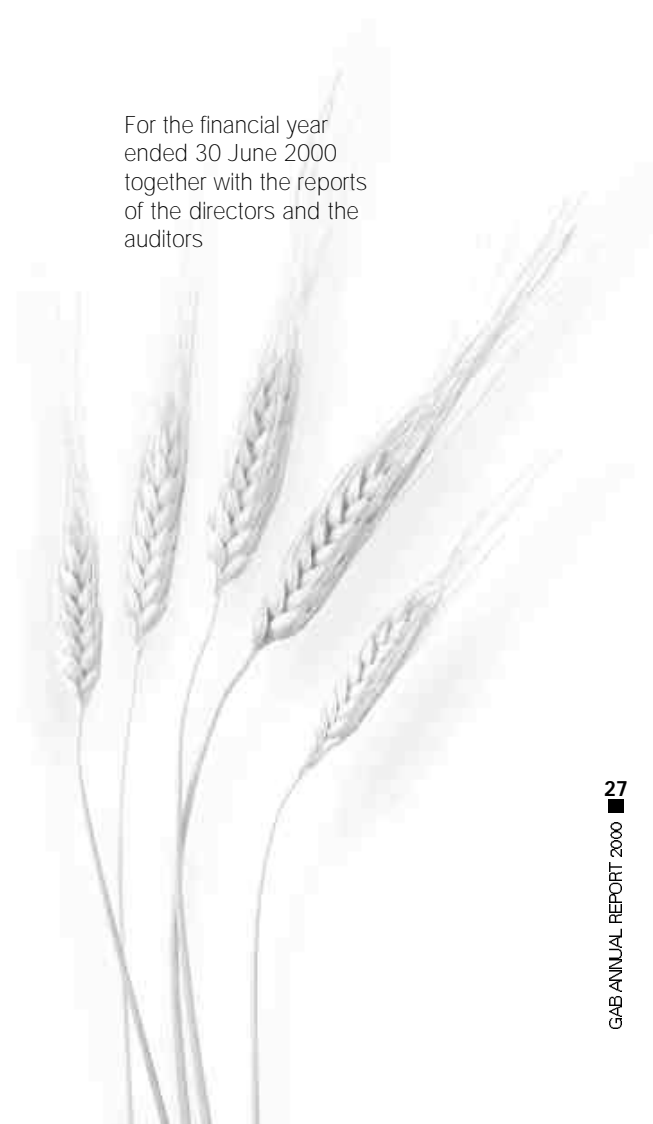


Financial Statements

For the financial year
ended 30 June 2000
together with the reports
of the directors and the
auditors



DIRECTORS' REPORT

for the year ended 30 June 2000

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 2000.

PRINCIPAL ACTIVITIES

The Group and the Company are 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, 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	Company
	RM'000	RM'000
Profit after taxation for the year	60,953	77,541
Appropriations:		
Dividends:		
Interim paid	(26,101)	(26,101)
Proposed final	(28,276)	(28,276)
Retained profit for the year	6,576	23,164

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 period, the Company paid:-

- i) a final dividend of 19 sen gross per 50 sen stock unit, less income tax at 28%, totalling RM41,327,000 in respect of the period ended 30 June 1999 on 20 October 1999;
- ii) an interim dividend of 12 sen gross per 50 sen stock unit, less income tax at 28%, totalling RM26,101,000 in respect of the year ended 30 June 2000 on 11 May 2000.

The Directors now recommend payment of a final dividend of 13 sen gross per 50 sen stock unit, less income tax at 28%, payable on 28 November 2000 totalling RM28,276,000.

DIRECTORS

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

Director

Tan Sri Saw Huat Lye	(Chairman)
T. A. Challenor	(Managing Director)
Tan Sri Dato' Alwi Jantan	
Chin Yoong Chong	
Dato' Jaffar bin Ahmad Indot	
S. Hiemstra	
N. T. Fell	(appointed on 13.12.1999)
Dato' Lee Kee Hock	
Wong Peng Hong	
T. B. Heijbroek	
M. D. van der Poel	
Khoo Gaik Bee	
P. H. R. Buescher	(resigned on 13.12.1999)

In accordance with the Company's Articles of Association, Mr Chin Yoong Chong, Mr Wong Peng Hong, Mr T. B. Heijbroek and Mr M. D. van der Poel retire by rotation from the Board at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-election.

In accordance with the Company's Articles of Association, Mr N. T. Fell, who was appointed since the last Annual General Meeting, retires from the Board and, being eligible, offers himself for election.

Mr R. J. Joy was appointed alternate Director to Mr N. T. Fell on 28 August 2000.

DIRECTORS' INTERESTS IN SHARES

The holdings in the shares of the Company of those who were Directors at year end are as follows:-

	Stock units of 50 sen each			
	At 1.7.1999	Bought	Sold	At 30.6.2000
Shareholdings in which Director has direct interest				
Wong Peng Hong	1,000	-	-	1,000
Chin Yoong Chong	140,000	-	-	140,000

None of the other Directors holding office at 30 June 2000 had any interest in the shares of the Company and its related companies during the year.

DIRECTORS' BENEFITS

Since the end of the previous financial period, no Director of the Company has received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by Directors or the fixed salary of a full time employee of the Company/a related company as shown in the financial statements) by reason of a contract made by the Company or a related company 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 year.

OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take-up unissued shares of the Company during the year.

ULTIMATE HOLDING COMPANY

The Directors regard GAPL Pte Ltd, a company incorporated in the Republic of Singapore, as the ultimate holding company. GAPL Pte Ltd is a joint venture company whose ultimate owners are Diageo Plc, a company incorporated in England and Wales, and Asia Pacific Breweries Limited, a company incorporated in the Republic of Singapore.

OTHER STATUTORY INFORMATION

Before the financial statements of the Group and of the Company were made out, the Directors took reasonable steps to ascertain that:-

- i) all known bad debts have been written off and adequate provision made for doubtful debts, and
- ii) all current assets have been stated at the lower of cost and net realisable value.

At the date of this report, the Directors are not aware of any circumstances:-

- i) that would render the amount written off for bad debts, or the amount of the provision for doubtful debts, in the Group and in the Company inadequate to any substantial extent, or
- ii) that would render the values attributed to the current assets in the Group and in the Company 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.

Except as disclosed in the financial statements, 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 2000 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 the financial year and the date of this report.

AUDITORS

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

Signed in accordance with a resolution of the Directors:

TAN SRI SAW HUAT LYE

DIRECTOR

T. A. CHALLENGOR

DIRECTOR

29 August 2000

BALANCE SHEETS

as at 30 June 2000

	Note	Group		Company	
		2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
PROPERTY, PLANT AND EQUIPMENT	2	249,863	229,941	236,207	215,739
INVESTMENT IN SUBSIDIARY COMPANIES	3	-	-	46,718	46,718
		249,863	229,941	282,925	262,457
CURRENT ASSETS					
Inventories	4	37,406	36,510	36,843	35,477
Trade and other receivables	5	116,056	132,775	100,290	93,043
Cash and cash equivalents	6	76,908	87,738	59,770	61,521
		230,370	257,023	196,903	190,041
CURRENT LIABILITIES					
Trade and other payables	7	99,669	89,600	131,559	118,517
Taxation		36,117	46,724	35,458	31,565
Proposed dividend		28,276	41,327	28,276	41,327
		164,062	177,651	195,293	191,409
NET CURRENT ASSETS/(LIABILITIES)		66,308	79,372	1,610	(1,368)
		316,171	309,313	284,535	261,089
Financed by:					
CAPITAL AND RESERVES					
Share capital	8	151,049	151,049	151,049	151,049
Reserves	9	134,085	127,509	102,449	79,285
SHAREHOLDERS' FUNDS		285,134	278,558	253,498	230,334
DEFERRED TAXATION	10	31,037	30,755	31,037	30,755
		316,171	309,313	284,535	261,089

The notes set out on pages 37 to 47 form an integral part of, and should be read in conjunction with, these financial statements.

INCOME STATEMENTS

for the year ended 30 June 2000

	Note	Group		Company	
		Year ended 30.6.2000 RM'000	18 months period to 30.6.1999 RM'000	Year ended 30.6.2000 RM'000	18 months period to 30.6.1999 RM'000
Turnover	11	618,940	1,042,440	541,197	835,863
Profit before taxation	11	67,352	182,407	94,699	221,801
Taxation	13	(6,399)	(40,594)	(17,158)	(54,152)
Profit after taxation		60,953	141,813	77,541	167,649
Basic earnings per 50 sen stock unit (sen)	16	20.2	46.9		
Net dividends per 50 sen stock unit (sen)		18.0	49.7		

The notes set out on pages 37 to 47 form an integral part of, and should be read in conjunction with, these financial statements.

GROUP STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2000

	Note	Share capital RM'000	Non- distributable Capital reserve RM'000	Distributable Revenue reserve RM'000	Total RM'000
At 1 January 1998		151,049	4,765	160,446	316,260
Change in accounting policy	14	-	-	(29,433)	(29,433)
Restated balance		151,049	4,765	131,013	286,827
Net gains and losses not recognised in the income statement - foreign exchange translation		-	(110)	110	-
Profit after taxation for the period		-	-	141,813	141,813
Dividends	15	-	-	(150,082)	(150,082)
At 30 June 1999		151,049	4,655	122,854	278,558
Net gains and losses not recognised in the income statement - foreign exchange translation		-	(81)	81	-
Profit after taxation for the year		-	-	60,953	60,953
Dividends	15	-	-	(54,377)	(54,377)
At 30 June 2000		151,049	4,574	129,511	285,134

The notes set out on pages 37 to 47 form an integral part of, and should be read in conjunction with, these financial statements.

COMPANY STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2000

		Distributable		
	Note	Share capital RM'000	Revenue reserve RM'000	Total RM'000
At 1 January 1998		151,049	91,151	242,200
Change in accounting policy	14	-	(29,433)	(29,433)
Restated balance		151,049	61,718	212,767
Profit after taxation for the period		-	167,649	167,649
Dividends	15	-	(150,082)	(150,082)
At 30 June 1999		151,049	79,285	230,334
Profit after taxation for the year		-	77,541	77,541
Dividends	15	-	(54,377)	(54,377)
At 30 June 2000		151,049	102,449	253,498

The notes set out on pages 37 to 47 form an integral part of, and should be read in conjunction with, these financial statements.

GROUP AND COMPANY CASH FLOW STATEMENTS

for the year ended 30 June 2000

	Note	Group		Company	
		18 months		18 months	
		Year ended 30.6.2000 RM'000	period to 30.6.1999 RM'000	Year ended 30.6.2000 RM'000	period to 30.6.1999 RM'000
Cash flows from operating activities					
Profit before taxation		67,352	182,407	94,699	221,801
Adjustments for:					
Depreciation		23,320	29,850	18,732	25,930
Impairment loss for plant and machinery		6,000	-	6,000	-
(Gain)/Loss on disposal of property, plant and equipment		(1,684)	(550)	(276)	455
Interest expense		582	1,166	-	-
Interest income		(2,107)	(14,487)	(1,873)	(14,142)
Dividend income		-	-	(9,971)	(85,464)
Operating profit before working capital changes		93,463	198,386	107,311	148,580
(Increase)/Decrease in working capital:					
Inventories		(896)	18,399	(1,366)	6,892
Trade and other receivables		16,719	4,237	(7,247)	(38,344)
Trade and other payables		10,069	(7,352)	13,042	(7,172)
Cash generated from operations		119,355	213,670	111,740	109,956
Taxation paid		(16,724)	(66,419)	(12,983)	(68,926)
Interest paid		(582)	(1,166)	-	-
Net cash generated from operating activities		102,049	146,085	98,757	41,030
Cash flows from investing activities					
Proceeds from disposal of property, plant and equipment		2,108	1,879	277	720
Purchase of property, plant and equipment		(49,666)	(41,801)	(45,201)	(37,866)
Interest received		2,107	14,487	1,873	14,142
Dividend received		-	-	9,971	85,464
Net cash (used in)/generated from investing activities		(45,451)	(25,435)	(33,080)	62,460
Cash flows from financing activity					
Dividends paid		(67,428)	(147,907)	(67,428)	(147,907)
Net cash used in financing activity		(67,428)	(147,907)	(67,428)	(147,907)
Net decrease in cash and cash equivalents		(10,830)	(27,257)	(1,751)	(44,417)
Cash and cash equivalents at beginning of year/period		87,738	114,995	61,521	105,938
Cash and cash equivalents at end of year/period	6	76,908	87,738	59,770	61,521

The notes set out on pages 37 to 47 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 the approach taken in the Malaysian Accounting Standards Board's Draft Statement of Principles No. 5 (MASB DSOP 5) "Income Taxes" (see Note 14).

(a) Basis of accounting

The financial statements of the Group and of the Company are prepared under the historical cost convention as modified by the revaluation of long leasehold land and buildings and investment in subsidiary companies, and in compliance with approved accounting standards in Malaysia.

(b) Basis of consolidation

The consolidated financial statements include the financial statements of the Company and all its subsidiary companies made up to the end of the financial year. The results of subsidiary companies acquired or disposed during the financial year are consolidated from the dates of acquisition or up to the dates of disposal.

(c) Property, plant and equipment

Property, plant and equipment are stated at cost/valuation less depreciation.

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. 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.

(d) Depreciation

Freehold land is not amortised. Leasehold land is amortised in equal instalments over the period of the respective leases. Other property, plant and equipment are depreciated on a straight-line basis to write off the cost of the assets over their estimated useful lives.

The principal annual rates of depreciation used are as follows:-

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

(e) Investments

Investments are stated at cost or valuation. A provision is made when the Directors are of the view that there is a permanent diminution in value.

(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 investment that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value.

(h) Taxation

Taxation in the income statement represents tax charge at current tax rates based on profit earned during the year.

During the year, the Group changed its policy on deferred taxation (see Note 14). 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) Foreign currency

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

(j) Turnover

Turnover represents the net amounts receivable after deducting allowances to dealers and excludes sales tax and, in respect of the Group, intra-group transactions.

2. PROPERTY, PLANT AND EQUIPMENT

Group	Freehold land RM'000	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
Cost/Valuation						
At 1 July 1999	4,037	76,291	216,715	89,865	26,173	413,081
Additions	-	12	77	4,643	44,934	49,666
Disposals	-	-	-	(5,153)	-	(5,153)
Transfers	-	5,073	40,412	13,648	(59,133)	-
At 30 June 2000	4,037	81,376	257,204	103,003	11,974	457,594
Representing items at:						
Cost	4,037	29,484	257,204	103,003	11,974	405,702
Valuation (1984)	-	51,892	-	-	-	51,892
At 30 June 2000	4,037	81,376	257,204	103,003	11,974	457,594
Depreciation and impairment loss						
At 1 July 1999	-	21,308	100,670	61,162	-	183,140
Charge for the year	-	1,744	11,774	9,802	-	23,320
Disposals	-	-	-	(4,729)	-	(4,729)
Impairment loss for the year	-	-	6,000	-	-	6,000
At 30 June 2000	-	23,052	118,444	66,235	-	207,731
Net book value						
At 30 June 2000	4,037	58,324	138,760	36,768	11,974	249,863
At 30 June 1999	4,037	54,983	116,045	28,703	26,173	229,941
For the period ended 30 June 1999						
Depreciation charge	-	2,508	16,145	11,197	-	29,850

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
Cost/Valuation					
At 1 July 1999	75,126	216,715	68,688	26,173	386,702
Additions	9	77	181	44,934	45,201
Disposals	-	-	(1,222)	-	(1,222)
Transfers	5,073	40,412	13,648	(59,133)	-
At 30 June 2000	80,208	257,204	81,295	11,974	430,681
Representing items at:					
Cost	28,316	257,204	81,295	11,974	378,789
Valuation (1984)	51,892	-	-	-	51,892
At 30 June 2000	80,208	257,204	81,295	11,974	430,681
Depreciation and impairment loss					
At 1 July 1999	20,550	100,670	49,743	-	170,963
Charge for the year	1,612	11,774	5,346	-	18,732
Disposals	-	-	(1,221)	-	(1,221)
Impairment loss for the year	-	6,000	-	-	6,000
At 30 June 2000	22,162	118,444	53,868	-	194,474
Net book value					
At 30 June 2000	58,046	138,760	27,427	11,974	236,207
At 30 June 1999	54,576	116,045	18,945	26,173	215,739
For the period ended 30 June 1999					
Depreciation charge	2,398	16,145	7,387	-	25,930

The Directors revalued the Company's long leasehold land and buildings in 1984 to fair market value based on an independent professional valuation. In accordance with the transitional provisions issued by the Malaysian Accounting Standards Board on adoption of International Accounting Standard No. 16 (Revised), Property, Plant and Equipment, the valuation of these assets has not been updated, and they continue to be stated at their existing carrying amounts less depreciation.

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

	Group		Company	
	2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
Long leasehold land and buildings	43,104	38,595	42,825	38,188

3. INVESTMENT IN SUBSIDIARY COMPANIES

	Company	
	2000	1999
	RM'000	RM'000
Unquoted shares at cost or Directors' valuation	46,718	46,718

The following are the wholly owned subsidiary companies of the Group:

Name of company	Country of incorporation	Principal activities
Guinness Anchor Marketing Sendirian Berhad	Malaysia	Marketing and promotion of GUINNESS Stout, Lion Stout, Anchor Pilsener Beer, Anchor Special Beer, Anchor Ice Beer, Tiger Beer, Heineken Beer, Anglia Shandy and Malta in Malaysia
Ramaha Corporation (M) Sdn. Bhd.	Malaysia	Property holding and land development
Guinness Singapore Pte Limited *	Republic of Singapore	Dormant
Guinness (B) Sendirian Berhad *	Negara Brunei Darussalam	Dormant
Malayan Breweries Marketing Sdn. Bhd.	Malaysia	Dormant
Malayan Breweries (Malaya) Sdn. Berhad	Malaysia	Dormant
Guinness Sabah Sendirian Berhad	Malaysia	Dormant
Guinness Sarawak Sendirian Berhad	Malaysia	Dormant

* Overseas incorporated subsidiaries audited by associated firms of KPMG, Malaysia.

4. INVENTORIES

	Group		Company	
	2000	1999	2000	1999
	RM'000	RM'000	RM'000	RM'000
Raw materials	11,913	10,625	11,913	10,625
Work-in-progress	4,430	2,818	4,430	2,818
Finished goods	11,573	10,950	11,573	10,950
Packaging materials	3,464	5,697	3,464	5,697
Engineering stores and spares	6,026	6,420	5,463	5,387
	37,406	36,510	36,843	35,477

5. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
Trade receivables	114,539	127,108	3,966	6,336
Less: Provision for doubtful debts	(12,428)	(11,074)	(476)	(75)
	102,111	116,034	3,490	6,261
Holding company	79	276	79	276
Subsidiary companies	-	-	88,611	77,629
Other debtors, deposits and prepayments	13,866	16,465	8,110	8,877
	116,056	132,775	100,290	93,043

Included in other debtors, deposits and prepayments are amounts falling due after more than one year of RM9,754,000 (1999 - RM11,373,000) and RM5,323,000 (1999 - RM6,546,000) for the Group and Company, respectively.

Included in Group and Company other debtors, deposits and prepayments are amount of RM252,000 (1999 - RM311,000) and RM214,000 (1999 - RM230,000) respectively, being amounts receivable from Directors of the Company in respect of loans made under the Group Housing Loan Scheme. The Scheme was approved by members of the Company on 3 May 1993.

The amounts due from subsidiary companies 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	
	2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
Cash and bank balances	21,927	39,583	4,789	13,366
Deposits with licensed banks	54,981	48,155	54,981	48,155
	76,908	87,738	59,770	61,521

7. TRADE AND OTHER PAYABLES

	Group		Company	
	2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
Trade payables	71,729	51,472	53,333	32,902
Other creditors and accruals	27,940	38,128	13,466	20,647
Subsidiary companies	-	-	64,760	64,968
	99,669	89,600	131,559	118,517

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

8. SHARE CAPITAL

	Group and Company	
	2000	1999
	RM'000	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

Based on the estimated tax credits available, the revenue reserves of the Group and Company are available for distribution without incurring additional tax liability.

10. DEFERRED TAXATION

	Group and Company	
	2000	1999
	RM'000	RM'000
Deferred tax movements		
At 1 July 1999/1 January 1998	-	-
Prior year adjustment (Note 14)	30,755	29,433
As restated	30,755	29,433
Transfer to taxation charge (Note 13)	282	1,322
At 30 June	31,037	30,755
Deferred tax on timing differences is analysed as follows:		
Excess of capital allowances over depreciation	35,518	30,860
Other short-term timing differences	(5,585)	(1,230)
Chargeable gain from revaluation of property which are held for long-term purposes	1,104	1,125
	31,037	30,755

11. PROFIT BEFORE TAXATION

	Group		Company	
	Year ended 30.6.2000 RM'000	18 months period to 30.6.1999 RM'000	Year ended 30.6.2000 RM'000	18 months period to 30.6.1999 RM'000
Turnover - sale of goods	618,940	1,042,440	541,197	835,863
Cost of sales	(374,104)	(624,186)	(420,038)	(675,372)
Gross profit	244,836	418,254	121,159	160,491
Distribution, marketing and selling expenses	(137,481)	(207,232)	(3,978)	(5,527)
Administration expenses	(29,667)	(36,020)	(21,568)	(27,078)
Other operating expenses	(14,016)	(8,165)	(15,215)	(7,872)
Other operating income	3,680	15,570	14,301	101,787
Profit before taxation	67,352	182,407	94,699	221,801
Profit before taxation is arrived at after crediting:-				
Gross dividend from unquoted subsidiary company	-	-	9,971	85,464
Gain/(Loss) on disposal of property, plant and equipment	1,684	550	276	(455)
Rental income	-	-	148	222
Interest income	2,107	14,487	1,873	14,142
and after charging:-				
Auditors' remuneration	105	150	68	98
Company's Directors				
Remuneration*	3,263	4,761	2,184	3,441
Fees	186	279	180	270
Depreciation	23,320	29,850	18,732	25,930
Impairment loss for plant and machinery	6,000	-	6,000	-
Legal fees paid to firm in which a Director is a member	481	244	336	-
Rental expense on land and buildings	2,418	4,202	1,146	1,958
Interest expense	582	1,166	-	-
Provision/(write back of provision) for doubtful debts	1,354	551	401	(8)

* The estimated monetary value of Directors' benefits in kind included above is RM605,000 (1999 - RM853,000) and RM402,000 (1999 - RM634,000) for the Group and Company, respectively.

12. EMPLOYEE INFORMATION

	Group		Company	
	18 months		18 months	
	Year ended	period to	Year ended	period to
	30.6.2000	30.6.1999	30.6.2000	30.6.1999
	RM'000	RM'000	RM'000	RM'000
Staff costs	49,550	71,785	28,668	41,939
Average number of employees	789	850		

13. TAXATION

	Group		Company	
	18 months		18 months	
	Year ended	period to	Year ended	period to
	30.6.2000	30.6.1999	30.6.2000	30.6.1999
	RM'000	RM'000	RM'000	RM'000
Taxation				
Malaysian - current	17,400	38,639	20,192	52,830
- prior year	(11,283)	633	(3,316)	-
	6,117	39,272	16,876	52,830
Deferred taxation				
Malaysian - current (Note 10)	282	1,322	282	1,322
	6,399	40,594	17,158	54,152

The Group's and the Company's effective tax rate is lower than the statutory tax rate due to utilisation of reinvestment allowances.

14. PRIOR YEAR ADJUSTMENT

During the year, the Company changed its accounting policy on deferred taxation from the partial provisioning method to the full provisioning method, in line with the approach taken in the Malaysian Accounting Standards Board's Draft Statement of Principles No. 5 (MASB DSOP 5) which does not allow partial provision of deferred taxation. The deferred tax liability of RM29.4 million based on the cumulative temporary differences as at 31 December 1997 has been adjusted against retained earnings brought forward as a prior year adjustment. The effect of the change in the financial statements of the Group and of the Company is a decrease in profit after tax of RM282,000 and RM1,322,000 for the year ended 30 June 2000 and the period ended 30 June 1999, respectively.

15. DIVIDENDS

	Group and Company	
	Year ended 30.6.2000	18 months period to 30.6.1999
	RM'000	RM'000
Dividends per 50 sen stock unit:		
Interim dividend of 12 sen gross, less income tax at 28%, (1999 - 10 sen gross, less income tax at 28%)	26,101	21,751
Special dividend of Nil (1999 - 40 sen gross, less income tax at 28%)	-	87,004
Proposed final dividend of 13 sen gross, less income tax at 28%, (1999 - 19 sen gross, less income tax at 28%)	28,276	41,327
	54,377	150,082

16. EARNINGS PER 50 SEN STOCK UNIT

The basic earnings per 50 sen stock unit is calculated by dividing the Group's profit after taxation of RM60,953,000 (1999 - RM141,813,000) by the 302,098,000 (1999 - 302,098,000) stock units in issue.

17. 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.

18. COMMITMENTS

	Group and Company	
	2000	1999
	RM'000	RM'000
Capital commitments not provided for in the financial statements:		
Property, plant and equipment		
Authorised but not contracted	1,113	16,135
Authorised and contracted	503	17,327
	1,616	33,462

19. CONTINGENT LIABILITIES

The Group is involved in the following litigation matters:

- (a) A Statement of Claim has been filed in Court by the Company and Asia Pacific Breweries Limited against Carlsberg Brewery Malaysia Berhad 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.
- (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. An interim injunction was granted by the Court though alternatively allowing the further publication of the advertisements with the insertion of a disclaimer in terms approved by the Court. The hearing of the suit for final orders is still pending.

The solicitors 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.

Based on the above legal advice, the Directors consider that no provision is required.

- (c) A Statement of Claim 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 solicitors 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.

Based on the above legal advice, the Directors consider that no provision is required.

20. SIGNIFICANT INTER-COMPANY TRANSACTIONS

	Company	
	Year ended	18 months
	30.6.2000	period to
	RM'000	30.6.1999
		RM'000
Sales to a subsidiary company	481,451	761,443

21. COMPARATIVES FIGURES

Following the adoption of MASB Standards in the preparation of this set of financial statements, the presentation and classification of certain items in the financial statements have been amended. Accordingly, comparative amounts for those items have been reclassified and/or expanded to ensure comparability with the current financial year.

STATEMENT BY DIRECTORS

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

We, TAN SRI SAW HUAT LYE and T. A. CHALLENGOR, being two of the Directors of GUINNESS ANCHOR BERHAD state that, in the opinion of the Directors, the financial statements set out on pages 32 to 47, 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 2000 and of the results of their operations and of their cash flows for the year ended on that date.

Signed in accordance with a resolution of the Directors:

TAN SRI SAW HUAT LYE

DIRECTOR

T. A. CHALLENGOR

DIRECTOR

29 August 2000

DECLARATION

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

I, WONG PENG HONG, 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 32 to 47 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.

WONG PENG HONG

DIRECTOR

Subscribed and solemnly declared by the abovenamed WONG PENG HONG at Kuala Lumpur in the Federal Territory on 29 August 2000.

BEFORE ME:

Neoh Swee Kee

COMMISSIONER FOR OATHS (W037)

Kuala Lumpur

REPORT OF THE AUDITORS

to the members of Guinness Anchor Berhad

We have audited the financial statements set out on pages 32 to 47. The preparation of the financial statements is the responsibility of the Company's directors. Our responsibility is to express an opinion on the financial statements based on our audit.

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

In our opinion:

- (a) the financial statements are properly drawn up in accordance with the provisions of the Companies Act, 1965 and applicable approved accounting standards in Malaysia so as to give a true and fair view of:
 - i) the state of affairs of the Group and of the Company at 30 June 2000 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

Public Accountants

SEOW YOO LIN

Partner

Approval Number: 1497/2/01(J)

Kuala Lumpur,

29 August 2000

ANALYSIS OF STOCKHOLDINGS

at 11 September 2000

Share Capital

Authorised 400,000,000 ordinary shares of 50 sen each
 Issued and Paid Up 302,098,000 ordinary stock units of 50 sen each

Size of Holdings	Number of Stockholders	Percentage of Stockholders	Number of Stock Units	Percentage of Stock Units
1 – 499	624	5.34	66,400	0.02
500 – 5,000	8,000	68.46	16,806,719	5.56
5,001 – 10,000	1,302	11.14	10,537,208	3.49
10,001 – 100,000	1,591	13.62	46,331,988	15.34
100,001 – 1,000,000	153	1.31	46,056,905	15.25
Above 1,000,000	15	0.13	182,298,780	60.34
Total	11,685	100.00	302,098,000	100.00

Twenty 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)	9,034,000	2.99
3 Asia Life (M) Berhad – Malaysia Life Fund	2,301,100	0.76
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	2,070,530	0.68
6 The Central Depository (Pte) Limited	1,440,810	0.48
7 Chase Malaysia Nominees (Asing) Sdn Bhd – Emerging Markets Growth Fund	1,349,000	0.45
8 TCL Nominees (Asing) Sdn Bhd – OCBC Securities Private Limited for National University of Singapore	1,319,340	0.44
9 Mr Ho Sim Guan	1,297,700	0.43
10 Tan Eng Chin Holdings (Pte) Limited	1,290,000	0.43
11 Straits Nominees (Tempatan) Sdn Bhd – GK Goh SPL for Key Development Sdn Berhad	1,277,000	0.42
12 AM Nominees (Tempatan) Sdn Bhd – Employees Provident Fund Board	1,236,000	0.41
13 Universal Trustee (Malaysia) Berhad – Pacific Premier Fund	1,231,000	0.41
14 Chase Malaysia Nominees (Asing) Sdn Bhd – Capital International Emerging Markets Investment Fund	1,120,000	0.37
15 Mrs Chan Lam Choon Nee Mun Swee Heong	1,106,400	0.37
16 Straits Nominees (Tempatan) Sdn Bhd – GK Goh SPL for Chok Poh Swan	1,000,000	0.33
17 Malaysia Nominees (Asing) Sendirian Berhad – Oversea-Chinese Bank Nominees Pte Ltd for Bukit Sembawang Estates Limited	980,000	0.32
18 HSBC Nominees (Asing) Sdn Bhd – BBH and Co. Boston for Capital Guardian Emerging Markets Equity Master Fund	969,000	0.32
19 Goonchen Investment Trust Sdn Berhad	963,000	0.32
20 Universiti Malaya	933,260	0.31
Total	187,144,040	61.95

Substantial Stockholders
as per Register of Substantial Stockholders

	Number of Stock Units	Percentage of Stock Units
1 GAPL Pte Ltd	154,069,900	51.00
2 The Great Eastern Life Assurance Co Ltd	9,857,000	3.26
3 Great Eastern Holdings Limited	9,857,000	3.26
4 Oversea-Chinese Banking Corporation Limited	9,857,000	3.26
5 Great Eastern Life Assurance (Malaysia) Berhad	9,034,000	2.99
6 GEL Capital (Malaysia) Bhd	9,034,000	2.99
As Bare Trustee		
7 Malaysia Nominees (Tempatan) Sendirian Berhad	10,411,780	3.45
As bare trustee for Great Eastern Life Assurance (Malaysia) Berhad (9,034,000 stock units or 2.99%), while the remaining stock units are held as bare trustees for various beneficial owners with less than 2% stockholding in Guinness Anchor Berhad		

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Thirty-Sixth Annual General Meeting of the members of Guinness Anchor Berhad (Company No. 5350 X), incorporated in Malaysia, will be held at Lagoon 1, Level 15, Sunway Lagoon Resort Hotel, 1 Jalan PJS 11/15, Bandar Sunway, 47590 Petaling Jaya, Selangor Darul Ehsan on Tuesday, 7 November 2000, at 2.30 pm for the following purposes:

- 1 To receive and adopt the Directors' Report and Statement of Accounts for the year ended 30 June 2000 and the Report of the Auditors thereon. **(Resolution 1)**
- 2 To declare a final dividend of 13 sen gross per 50 sen stock unit, less income tax at 28% as recommended by the Directors in their Report. **(Resolution 2)**
- 3 To re-elect the following Directors who retire in accordance with the Company's Articles of Association:
 - a Retiring pursuant to Article 94
 - (i) Mr Chin Yoong Chong **(Resolution 3)**
 - (ii) Mr T. B. Heijbroek **(Resolution 4)**
 - (iii) Mr M. D. van der Poel **(Resolution 5)**
 - (iv) Mr Wong Peng Hong **(Resolution 6)**
 - b Retiring pursuant to Article 99
 - (i) Mr N. T. Fell **(Resolution 7)**
- 4 To approve Directors' Fees for the year ended 30 June 2000. **(Resolution 8)**
- 5 To appoint Auditors and to authorise the Directors to fix the Auditors' remuneration. **(Resolution 9)**
- 6 To transact any other business which may properly be transacted at an Annual General Meeting, due notice of which shall have been previously given in accordance with the Companies Act, 1965 and the Company's Articles of Association.

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 41 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 23 October 2000 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.

NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT

Subject to the approval of stockholders, the final dividend of 13 sen gross per 50 sen stock unit, less income tax at 28% for the year ended 30 June 2000 will be paid on 28 November 2000 to stockholders registered at the close of business on 10 November 2000.

Notice is also hereby given that the Register of Members will be closed from 13 November 2000 to 17 November 2000, 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 12.30pm on 8 November 2000 (in respect of shares which are exempted from mandatory deposit),
- b Shares transferred into the Depositor's securities account before 12.30pm on 10 November 2000 in respect of ordinary transfers; and
- 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,

Tan Sri Saw Huat Lye

Chairman

Yong Chee Kong (LS 000004)

Deputy Secretary

Sungei Way Brewery, P O Box 144
46710 Petaling Jaya, Selangor Darul Ehsan

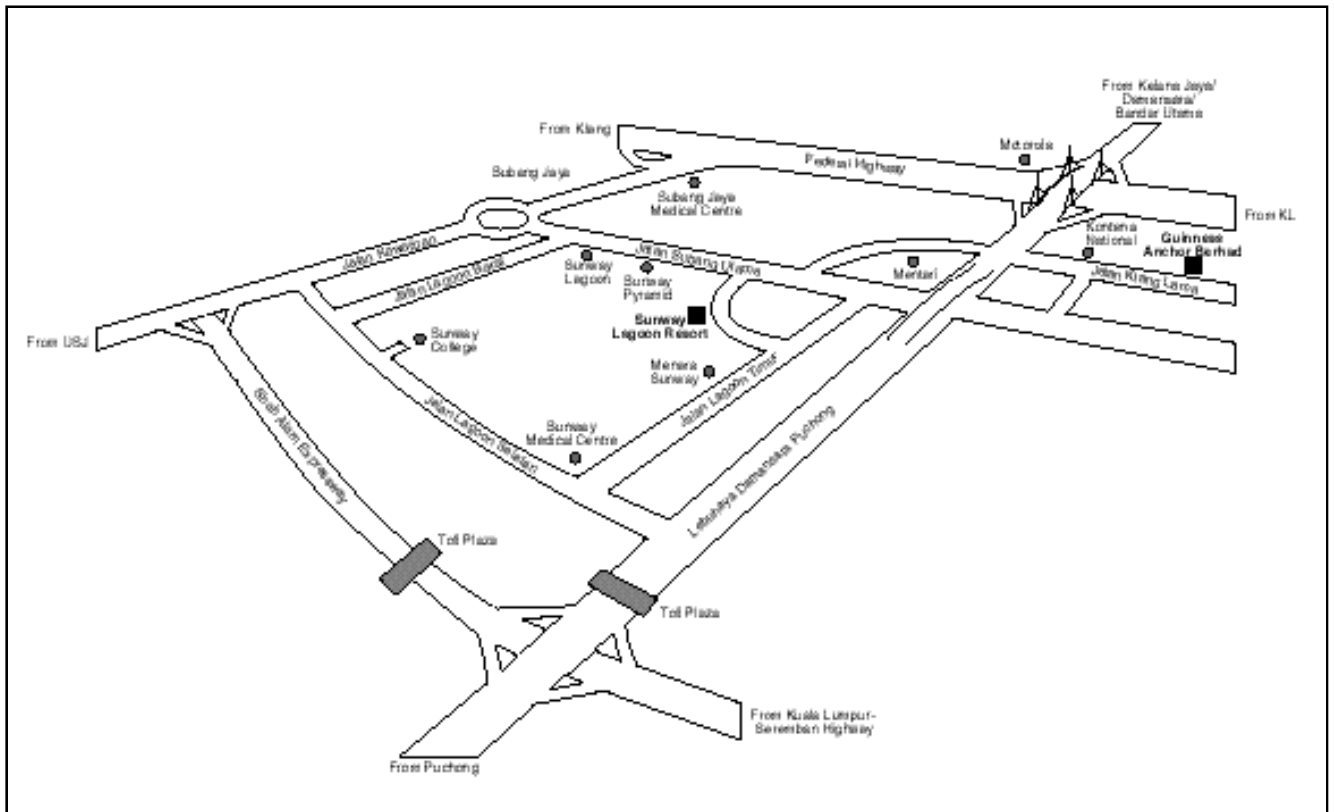
6 October 2000

PROPERTIES OWNED BY THE GROUP

Address/Location	Area (acres)	Existing use	Lease expiry date	Age of building (years)	Net book value @ 30.6.2000 RM'000
Lot 1135 Batu 9 Jalan Kelang Lama 46000 Petaling Jaya Selangor Darul Ehsan	20.84	Building	23.9.2063	34	58,770
120 Air Keroh Industrial Estate 75710 Melaka	1.07	Building	13.1.2080	18	556
Lot 123 Semambu Industrial Site 25350 Kuantan Pahang Darul Makmur	0.52	Building	5.3.2046	18	452
Lot 1136 Batu 9 Jalan Kelang Lama 46000 Petaling Jaya Selangor Darul Ehsan	2.88	Storage facilities	Freehold	Not applicable	4,037
					63,815

LOCATION MAP

Location map to the Thirty-Sixth Annual General Meeting at Lagoon 1, Level 15, Sunway Lagoon Resort Hotel, 1 Jalan PJS 11/15, Bandar Sunway, 47590 Petaling Jaya, Selangor Darul Ehsan.



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GUINNESS ANCHOR BERHAD

(Company No. 5350 X) Incorporated in Malaysia

FORM OF PROXY

I/We _____

of _____

being 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 Thirty-Sixth Annual General Meeting of the Company to be held on Tuesday, 7 November 2000 and at any adjournment thereof.

My/our proxy is to vote as indicated below:

Resolutions		For	Against
Adoption of Report and Accounts	Resolution 1		
Declaration of dividend	Resolution 2		
Re-election of Directors:			
a Retiring pursuant to Article 94			
(i) Mr Chin Yoong Chong	Resolution 3		
(ii) Mr T. B. Heijbroek	Resolution 4		
(iii) Mr M. D. van der Poel	Resolution 5		
(iv) Mr Wong Peng Hong	Resolution 6		
b Retiring pursuant to Article 99			
(i) Mr N. T. Fell	Resolution 7		
Approval of Directors' Fees for year ended 30 June 2000	Resolution 8		
Appointment of auditors and authorisation of Directors to fix their remuneration	Resolution 9		

Please indicate with an 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 _____ 2000.

Signature _____

To be valid, this Proxy must be lodged at the Registered office of the Company, Sungei Way Brewery, P O Box 144, 46710 Petaling Jaya, Selangor Darul Ehsan not later than 48 hours before the time appointed for holding the meeting.

In the case of joint holders the signature of any joint holder is sufficient.

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

Fold 2

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

**Affix
Stamp**

Fold 1