



DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2003

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 2003.

Principal activities

The Group and the Company are principally engaged in the production, packaging, marketing and distribution of GUINNESS Stout, GUINNESS Draught, Tiger Beer, Heineken Beer, Anchor Smooth, Anchor Ice Beer, Baron's Strong Brew, Lion Stout, Kilkenny Draught, Anglia Shandy and Malta. The principal activities of the subsidiaries are as stated in Note 3 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

Results

	Group RM'000	Company RM'000
Net profit for the year	78,006	46,793

Reserves and provisions

There were no material transfers to or from reserves and provisions during the year except as disclosed in the financial statements.

Dividends

Since the end of the previous financial year, the Company paid:

- i) a final dividend of 12 sen gross per 50 sen stock unit, less Singapore tax at 22%, totalling RM28,277,000, in respect of the year ended 30 June 2002, on 27 November 2002; and
- ii) an interim dividend of 12 sen gross per 50 sen stock unit, less Singapore tax at 22%, totalling RM28,277,000, in respect of the year ended 30 June 2003, on 9 May 2003.

The Directors now recommend payment of a final dividend of 12 sen gross per 50 sen stock unit, less Singapore tax at 22%, and a special final dividend of 12 sen gross per 50 sen stock unit, less Singapore tax at 22%, totalling RM56,554,000, payable on 28 November 2003.



DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2003

Directors of the Company

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

Director

Tan Sri Saw Huat Lye (Chairman)
Tan Sri Dato' Alwi Jantan
Chin Yoong Chong
Dato' Jaffar Bin Ahmad Indot
Low Teng Lum
Khoo Gaik Bee
Quek Peck Leng (appointed on 15.11.2002)
David Charles Craig (appointed on 6.1.2003)
Theo A F de Rond (appointed on 1.6.2003)
Eric E M Nelissen (resigned on 15.11.2002)
Alan F Robson (resigned on 26.11.2002)
Jac van Herpen (resigned on 1.6.2003)

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

	Stock units of 50 sen each			
	At 1.7.2002	Bought	Sold	At 30.6.2003
Shareholdings in which Director has direct interest				
Chin Yoong Chong	150,000	-	-	150,000

None of the other Directors holding office at 30 June 2003 had any interest in the ordinary shares of the Company and of its related corporations during the financial year.

Directors' benefits

Since the end of the previous financial year, no Director of the Company has received nor become entitled to receive a benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by Directors as shown in the financial statements or the fixed salary of a full-time employee of the Company or of a related corporation) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest, other than legal fees paid to a firm in which a Director is a member.

There were no arrangements during and at the end of the financial year which had the object of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.



DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2003

Issue of shares and debentures

There were no changes in the issued and paid-up capital of the Company during the financial year.

Options granted over unissued shares

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

Ultimate holding company

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

Other statutory information

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

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

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

- i) that would render the amount written off for bad debts, or the amount of the provision for doubtful debts, in the Group and in the Company, inadequate to any substantial extent; or
- ii) that would render the value attributed to the current assets in the Group and in the Company's financial statements misleading; or
- iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; or
- iv) not otherwise dealt with in this report or the financial statements, that would render any amount stated in the financial statements of the Group and of the Company misleading.

At the date of this report, there does not exist:

- i) any charge on the assets of the Group or of the Company that has arisen since the end of the financial year and which secures the liabilities of any other person; or
- ii) any contingent liability in respect of the Group or of the Company that has arisen since the end of the financial year.



DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2003

No contingent liability or other liability of any company in the Group has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

In the opinion of the Directors, the results of the operations of the Group and of the Company for the financial year ended 30 June 2003 have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report.


Auditors

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

Signed in accordance with a resolution of the Directors:



Tan Sri Saw Huat Lye
Chairman



Theo A F de Rond
Director

Petaling Jaya
28 August 2003



STATEMENT BY DIRECTORS & DECLARATION

Statement by Directors

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

In the opinion of the Directors, the financial statements set out on pages 75 to 99 are drawn up in accordance with the provisions of the Companies Act, 1965 and applicable approved accounting standards in Malaysia so as to give a true and fair view of the state of affairs of the Group and of the Company as at 30 June 2003 and of the results of their operations and cash flows for the year ended on that date.

Signed in accordance with a resolution of the Directors:

Tan Sri Saw Huat Lye
Chairman

Theo A F De Rond
Director

Petaling Jaya
28 August 2003

Statutory declaration

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

I, **Low Teng Lum**, the Director primarily responsible for the financial management of Guinness Anchor Berhad, do solemnly and sincerely declare that the financial statements set out on pages 75 to 99 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the abovenamed in Kuala Lumpur on 28 August 2003.

Low Teng Lum
Director

Before me:

Commissioner For Oaths



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

BALANCE SHEETS

AS AT 30 JUNE 2003

	Note	Group		Company	
		2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Property, plant and equipment	2	221,518	223,154	210,006	209,573
Investment in subsidiaries	3	-	-	46,718	46,718
Deferred tax assets	10	2,500	-	-	-
		224,018	223,154	256,724	256,291
Current assets					
Inventories	4	42,198	30,989	29,157	25,580
Trade and other receivables	5	101,576	101,156	55,467	84,824
Cash and cash equivalents	6	105,132	107,735	97,081	88,589
		248,906	239,880	181,705	198,993
Current liabilities					
Trade and other payables	7	122,740	138,025	134,219	142,335
Taxation		16,693	19,783	20,953	26,744
		139,433	157,808	155,172	169,079
Net current assets		109,473	82,072	26,533	29,914
		333,491	305,226	283,257	286,205
Financed by:					
Capital and reserves					
Share capital	8	151,049	151,049	151,049	151,049
Reserves		146,200	124,748	95,966	105,727
Shareholders' funds		297,249	275,797	247,015	256,776
Long term and deferred liabilities					
Deferred tax liabilities	10	36,242	29,429	36,242	29,429
		333,491	305,226	283,257	286,205

The financial statements were approved and authorised for issue by the Board of Directors on 28 August 2003.

The notes set out on pages 81 to 99 form an integral part of, and should be read in conjunction with, these financial statements.



INCOME STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2003

	Note	Group		Company	
		2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Revenue – sale of goods		725,371	701,354	539,119	565,623
Cost of sales		(393,359)	(392,167)	(457,857)	(440,720)
Gross profit		332,012	309,187	81,262	124,903
Distribution, marketing and selling expenses		(192,825)	(173,173)	(3,763)	(3,917)
Administration expenses		(29,670)	(27,226)	(10,673)	(19,465)
Other operating expenses		(6,519)	(22,434)	(747)	(19,163)
Other operating income		2,389	4,539	586	3,306
Operating profit	11	105,387	90,893	66,665	85,664
Interest expense		(565)	(609)	-	-
Interest income		2,541	3,434	2,469	3,308
Profit before taxation		107,363	93,718	69,134	88,972
Tax expense	13	(29,357)	(21,317)	(22,341)	(25,486)
Net profit for the year		78,006	72,401	46,793	63,486
Basic earnings per 50 sen stock unit (sen)	14	25.8	24.0		
Net dividends per 50 sen stock unit (sen)	15	28.1	27.4	28.1	27.4

The notes set out on pages 81 to 99 form an integral part of, and should be read in conjunction with, these financial statements.



STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2003

Group	Note	<i>Non-distributable</i>		<i>Distributable</i>	Total RM'000
		Share capital RM'000	Capital reserve RM'000	Retained profits RM'000	
At 1 July 2001		151,049	4,356	162,309	317,714
Effects of adopting MASB 25	21	-	-	(3,388)	(3,388)
Restated balance		151,049	4,356	158,921	314,326
Net gains and losses not recognised in the income statement - foreign exchange translation		-	134	(134)	-
Net profit for the year		-	-	72,401	72,401
Dividends - 2001 final and special		-	-	(56,552)	(56,552)
- 2002 interim	15	-	-	(26,101)	(26,101)
- 2002 special interim	15	-	-	(28,277)	(28,277)
At 30 June 2002		151,049	4,490	120,258	275,797
Net gains and losses not recognised in the income statement - foreign exchange translation		-	24	(24)	-
Net profit for the year		-	-	78,006	78,006
Dividends - 2002 final		-	-	(28,277)	(28,277)
- 2003 interim	15	-	-	(28,277)	(28,277)
At 30 June 2003		151,049	4,514	141,686	297,249
		Note 8		Note 9	

The notes set out on pages 81 to 99 form an integral part of, and should be read in conjunction with, these financial statements.



STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2003

Company	Note	Share capital RM'000	Distributable Retained profits RM'000	Total RM'000
At 1 July 2001		151,049	156,559	307,608
Effects of adopting MASB 25	21	-	(3,388)	(3,388)
Restated balance		151,049	153,171	304,220
Net profit for the year		-	63,486	63,486
Dividends - 2001 final and special		-	(56,552)	(56,552)
- 2002 interim	15	-	(26,101)	(26,101)
- 2002 special interim	15	-	(28,277)	(28,277)
At 30 June 2002		151,049	105,727	256,776
Net profit for the year		-	46,793	46,793
Dividends - 2002 final		-	(28,277)	(28,277)
- 2003 interim	15	-	(28,277)	(28,277)
At 30 June 2003		151,049	95,966	247,015
		Note 8	Note 9	

The notes set out on pages 81 to 99 form an integral part of, and should be read in conjunction with, these financial statements.



CASH FLOW STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2003

	Group		Company	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Cash flows from operating activities				
Profit before taxation	107,363	93,718	69,134	88,972
Adjustments for:				
Depreciation	24,004	25,359	20,810	21,737
Gains on disposal of property, plant and equipment	(2,328)	(2,601)	(586)	(664)
Interest expense	565	609	-	-
Interest income	(2,541)	(3,434)	(2,469)	(3,308)
Operating profit before working capital changes	127,063	113,651	86,889	106,737
(Increase)/Decrease in working capital:				
Inventories	(11,209)	535	(3,577)	5,435
Trade and other receivables	(420)	(3,782)	29,357	13,520
Trade and other payables	(15,285)	19,529	(8,116)	9,434
Cash generated from operations	100,149	129,933	104,553	135,126
Income taxes paid	(28,134)	(28,174)	(21,319)	(30,294)
Interest paid	(565)	(609)	-	-
Net cash generated from operating activities	71,450	101,150	83,234	104,832
Cash flows from investing activities				
Proceeds from disposal of property, plant and equipment	2,716	2,955	626	861
Purchase of property, plant and equipment	(22,756)	(19,813)	(21,283)	(17,312)
Interest received	2,541	3,434	2,469	3,308
Net cash used in investing activities	(17,499)	(13,424)	(18,188)	(13,143)
Balance carried forward	53,951	87,726	65,046	91,689



CASH FLOW STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2003

	Group		Company	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Balance brought forward	53,951	87,726	65,046	91,689
Cash flows from financing activity				
Dividends paid	(56,554)	(110,930)	(56,554)	(110,930)
Net cash used in financing activity	(56,554)	(110,930)	(56,554)	(110,930)
Net (decrease)/increase in cash and cash equivalents	(2,603)	(23,204)	8,492	(19,241)
Cash and cash equivalents at beginning of year	107,735	130,939	88,589	107,830
Cash and cash equivalents at end of year	6 105,132	107,735	97,081	88,589

The notes set out on pages 81 to 99 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 following:

- (i) MASB 22, Segment Reporting;
- (ii) MASB 23, Impairment of Assets;
- (iii) MASB 24, Financial Instruments: Disclosure and Presentation;
- (iv) MASB 25, Income Taxes; and
- (v) MASB 27, Borrowing Costs.

In addition to the inclusion of new policies and extended disclosures where required by these new standards, the effect of the changes in the above accounting policies are disclosed in Note 21 to these financial statements.

(a) Corporate information

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

(b) Basis of accounting

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

(c) Basis of consolidation

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

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

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



NOTES TO THE FINANCIAL STATEMENTS

(d) Property, plant and equipment

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

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

(e) Depreciation

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

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

(f) Investments

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

(g) Trade and other receivables

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

(h) Provisions

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

(i) Liabilities

Trade and other payables are stated at cost.

(j) Inventories

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

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

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



NOTES TO THE FINANCIAL STATEMENTS

(k) Cash and cash equivalents

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

(l) Impairment

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

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

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

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

(m) Income tax

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

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

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

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



NOTES TO THE FINANCIAL STATEMENTS

(n) Foreign currency

ij) Foreign currency transactions

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

ii) Financial statements of overseas subsidiaries

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

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

1 USD	RM3.80	(2002 : RM3.80)
1 GBP	RM6.33	(2002 : RM5.88)
1 SGD	RM2.19	(2002 : RM2.17)
1 EURO	RM4.38	(2002 : RM3.80)

(o) Derivative financial instruments

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

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

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

(p) Revenue

ij) Goods sold

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

ii) Interest income

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

NOTES TO THE FINANCIAL STATEMENTS

2. Property, plant and equipment

<i>Group</i>	Freehold land	Long term leasehold land and buildings	Plant and machinery	Movable plant	Capital work-in- progress	Total
<i>Cost/Valuation</i>	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 July 2002	4,037	82,915	227,495	108,551	13,341	436,339
Additions	-	349	42	1,350	21,015	22,756
Disposals	-	-	(5,599)	(6,738)	-	(12,337)
Transfers	-	1,543	12,298	3,929	(17,770)	-
At 30 June 2003	4,037	84,807	234,236	107,092	16,586	446,758

Representing items at:

Cost	4,037	32,915	234,236	107,092	16,586	394,866
Valuation (1984)	-	51,892	-	-	-	51,892
At 30 June 2003	4,037	84,807	234,236	107,092	16,586	446,758

Depreciation and impairment losses

At 1 July 2002	-	26,825	110,820	75,540	-	213,185
Depreciation charge for the year	-	1,883	12,423	9,698	-	24,004
Disposals	-	-	(5,598)	(6,351)	-	(11,949)
At 30 June 2003	-	28,708	117,645	78,887	-	225,240

Net book value

At 30 June 2003	4,037	56,099	116,591	28,205	16,586	221,518
At 30 June 2002	4,037	56,090	116,675	33,011	13,341	223,154

For the year ended
30 June 2002

Depreciation charge	-	1,936	12,544	10,879	-	25,359
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NOTES TO THE FINANCIAL STATEMENTS

<i>Company</i>	Long term leasehold land and buildings	Plant and machinery	Movable plant	Capital work-in-progress	Total
<i>Cost/Valuation</i>	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 July 2002	81,372	227,494	86,331	13,341	408,538
Additions	99	42	127	21,015	21,283
Disposals	-	(5,599)	(2,030)	-	(7,629)
Transfers	1,543	12,298	3,929	(17,770)	-
At 30 June 2003	83,014	234,235	88,357	16,586	422,192

Representing items at:

Cost	31,122	234,235	88,357	16,586	370,300
Valuation (1984)	51,892	-	-	-	51,892
At 30 June 2003	83,014	234,235	88,357	16,586	422,192

Depreciation and impairment losses

At 1 July 2002	25,590	110,820	62,555	-	198,965
Depreciation charge for the year	1,739	12,423	6,648	-	20,810
Disposals	-	(5,599)	(1,990)	-	(7,589)
At 30 June 2003	27,329	117,644	67,213	-	212,186

Net book value

At 30 June 2003	55,685	116,591	21,144	16,586	210,006
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At 30 June 2002	55,782	116,674	23,776	13,341	209,573
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For the year ended 30 June 2002

Depreciation charge	1,727	12,544	7,466	-	21,737
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The Directors revalued the Company's long term leasehold land and buildings in 1984 to fair market value based on an independent professional valuation. This revaluation of properties was carried out primarily for the purpose of issuing bonus shares and was not intended to effect a change in the accounting policy to one of revaluation of properties.

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

	Group		Company	
	2003	2002	2003	2002
	RM'000	RM'000	RM'000	RM'000
Long term leasehold land and buildings	40,379	40,053	39,965	39,745



NOTES TO THE FINANCIAL STATEMENTS

3. Investment in subsidiaries

	Company	
	2003	2002
	RM'000	RM'000
Unquoted shares		
- at cost	32,474	32,474
- at Directors' valuation	14,244	14,244
	46,718	46,718

The following are the wholly owned subsidiaries of the Group:

Name of Company	Principal Activities	Country of incorporation
Guinness Anchor Marketing Sendirian Berhad	Marketing and promotion of GUINNESS Stout, GUINNESS Draught, Tiger Beer, Heineken Beer, Anchor Smooth, Anchor Ice Beer, Baron's Strong Brew, Lion Stout, Kilkenny Draught, Anglia Shandy and Malta in Malaysia	Malaysia
Ramaha Corporation (M) Sdn. Bhd.	Property holding and land development	Malaysia
Guinness Singapore Pte Limited *	Dormant	Republic of Singapore
Guinness (B) Sendirian Berhad *	Dormant	Negara Brunei Darussalam
Malayan Breweries Marketing Sdn. Bhd.	Dormant	Malaysia
Malayan Breweries (Malaya) Sdn. Berhad	Dormant	Malaysia
Guinness Sabah Sendirian Berhad	Dormant	Malaysia
Guinness Sarawak Sendirian Berhad	Dormant	Malaysia

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

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



NOTES TO THE FINANCIAL STATEMENTS

4. Inventories

	Group		Company	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
At cost				
Raw materials	11,260	9,896	11,260	9,896
Work-in-progress	4,904	3,983	4,904	3,983
Finished goods	18,874	9,984	6,201	4,945
Packaging materials	3,699	3,457	3,699	3,457
Engineering stores and spares	3,461	3,669	3,093	3,299
	42,198	30,989	29,157	25,580

5. Trade and other receivables

	Group		Company	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Trade receivables	111,577	107,198	8,453	3,251
Less: Allowance for doubtful debts	(16,642)	(15,255)	(75)	(75)
	94,935	91,943	8,378	3,176
Holding company	-	48	-	48
Subsidiaries	-	-	42,250	75,472
Other receivables, deposits and prepayments	6,641	9,165	4,839	6,128
	101,576	101,156	55,467	84,824

Included in other receivables, deposits and prepayments are amounts falling due after more than one year of RM3,222,000 (2002 - RM6,064,000) and RM2,395,000 (2002 - RM3,978,000) for the Group and Company, respectively.

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

6. Cash and cash equivalents

	Group		Company	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Deposits placed with licensed banks	87,802	84,401	87,802	84,401
Cash and bank balances	17,330	23,334	9,279	4,188
	105,132	107,735	97,081	88,589



NOTES TO THE FINANCIAL STATEMENTS

7. Trade and other payables

	Group		Company	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Trade payables	71,856	70,749	49,307	47,656
Other payables and accruals	50,631	67,276	20,052	30,135
Holding company	253	-	253	-
Subsidiaries	-	-	64,607	64,544
	122,740	138,025	134,219	142,335

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

8. Share capital

	Group and Company	
	2003 RM'000	2002 RM'000
Authorised 400,000,000 shares of 50 sen each	200,000	200,000
Issued and fully paid 302,098,000 stock units of 50 sen each	151,049	151,049

9. Reserves

Subject to agreement by the Inland Revenue Board, the Company has sufficient Section 108 tax credit and tax exempt income to frank all of its retained profits as at 30 June 2003 if paid out as dividends.

Subject to agreement by the Singapore tax authorities, the Company has Singapore Section 44 tax credit amounting to SGD19.3 million available to frank its retained profits as at 30 June 2003 if paid out as dividend. The Singapore Section 44 tax credit will expire on 31 December 2007.



NOTES TO THE FINANCIAL STATEMENTS

10. Deferred tax

The amounts, determined after appropriate offsetting, are as follows

	Group		Company	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Deferred tax liabilities	36,242	29,429	36,242	29,429
Deferred tax assets	(2,500)	-	-	-
	33,742	29,429	36,242	29,429

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

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

	Group		Company	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Property, plant and equipment				
- capital allowances	34,830	35,017	34,830	35,017
- revaluation	4,492	4,492	4,492	4,492
- items expensed	(2,500)	-	-	-
Accruals	(3,080)	(10,080)	(3,080)	(10,080)
	33,742	29,429	36,242	29,429

No deferred tax was recognised for the following items at 30 June 2002:

	Group 2002 RM'000
Deductible temporary differences	4,590
Unutilised tax losses	13,106
	<u>17,696</u>

NOTES TO THE FINANCIAL STATEMENTS

11. Operating profit

	Group		Company	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
<i>Operating profit is arrived at after crediting:</i>				
Gains on disposal of property, plant and equipment	2,328	2,601	586	664
Realised gain on foreign exchange	-	1,243	-	1,124
Rental income from subsidiary	-	-	-	111
<i>and after charging:</i>				
Auditors' remuneration	105	105	70	70
Directors' emoluments				
Remuneration*	2,795	2,259	2,795	2,259
Fees	180	180	180	180
Depreciation	24,004	25,359	20,810	21,737
Hire of equipment	362	471	350	471
Legal fees paid to firm in which a Director is a member	407	305	114	4
Rental expense on land and buildings	2,030	2,100	534	680
Unrealised loss on foreign exchange	201	342	200	308
Realised loss on foreign exchange	172	-	151	-

*The estimated monetary value of Directors' benefits in kind included above is RM369,000 (2002 – RM448,000) and RM369,000 (2002 – RM448,000) for the Group and Company respectively.

12. Employee information

	Group		Company	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Staff costs	47,339	61,733	21,173	37,595
Number of employees at the end of the year (including Directors)	525	613	251	315



NOTES TO THE FINANCIAL STATEMENTS

13. Tax expense

	Group		Company	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Current tax expense				
Malaysian - current	26,110	28,853	16,594	29,000
- prior year	(1,066)	(4,265)	(1,066)	(243)
	25,044	24,588	15,528	28,757
Deferred tax expense				
Origination and reversal of temporary differences	4,373	(3,271)	6,813	(3,271)
Benefit of previously unrecognised temporary differences	(60)	-	-	-
	29,357	21,317	22,341	25,486
Reconciliation of tax expense				
Profit before taxation	107,363	93,718	69,134	88,972
Income tax using Malaysian tax rates	30,062	26,241	19,358	24,912
Non-deductible expenses	4,718	1,764	4,606	1,290
Tax incentives	(557)	(473)	(557)	(473)
Effect of tax losses recognised	(3,800)	(1,950)	-	-
	30,423	25,582	23,407	25,729
Overprovision in prior years	(1,066)	(4,265)	(1,066)	(243)
Tax expense	29,357	21,317	22,341	25,486

14. Earnings per 50 sen stock unit

The calculation of basic earnings per 50 sen stock unit is based on the Group's profit after taxation of RM78,006,000 (2002 - RM72,401,000) and the number of stock units in issue at the end of the year of 302,098,000 (2002 - 302,098,000).



NOTES TO THE FINANCIAL STATEMENTS

15. Dividends

	Group and Company	
	2003	2002
	RM'000	RM'000
Dividends per 50 sen stock unit:		
Paid:		
Interim dividend of 12 sen gross, less Singapore tax at 22% (2002 - 12 sen gross, less tax at 28%)	28,277	26,101
Special interim dividend of Nil (2002 - 12 sen gross, less Singapore tax at 22%)	-	28,277
	28,277	54,378
Proposed:		
Final dividend of 12 sen gross, less Singapore tax at 22% (2002 - 12 sen gross, less Singapore tax at 22%)	28,277	28,277
Special final dividend of 12 sen gross, less Singapore tax at 22% (2002 - Nil)	28,277	-
	56,554	28,277
	84,831	82,655

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

The proposed final and special final dividends of 24 sen gross, less Singapore tax at 22%, totalling RM56,554,000 has not been accounted for in the financial statements.

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

16. Segmental information

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



NOTES TO THE FINANCIAL STATEMENTS

17. Commitments

	Group and Company	
	2003	2002
	RM'000	RM'000
Capital commitments not provided for in the financial statements:		
Property, plant and equipment		
Authorised but not contracted for	3,643	3,494
Authorised and contracted for	1,340	4,401
	4,983	7,895

18. Contingent liabilities

The Group is involved in the following litigation matters:

- (a) An action has been filed in Court by the Company and Asia Pacific Breweries Limited against Carlsberg Brewery Malaysia Berhad and Carlsberg Marketing Sdn Bhd over an advertisement that appeared in certain newspapers. The case is based on infringement of the Plaintiffs' "Tiger" beer trademark and on slander of goods. The trial of the action has been rescheduled to May 2004. Meanwhile, the Court has fixed case management at the end of August 2003 to give directions on the case.
- (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. The trial of the action is now fixed for hearing by Court during the 1st and 2nd week of November 2003 and 1st week of December 2003.

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

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

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



NOTES TO THE FINANCIAL STATEMENTS

19. Related parties

Identity of related parties

The Group has a controlling related party relationship with its ultimate holding company and the substantial shareholders of the ultimate holding company.

The Directors regard GAPL Pte Ltd, a company incorporated in the Republic of Singapore, as the ultimate holding company. GAPL Pte Ltd is a joint venture company whose ultimate owners are Diageo plc, a company incorporated in England and Wales, and Asia Pacific Breweries Limited (APBL), a company incorporated in the Republic of Singapore. Fraser and Neave Limited (F & N) and Heineken International BV (Heineken) are shareholders of Asia Pacific Investment Pte Ltd, a company incorporated in the Republic of Singapore, which is the holding company of APBL.

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

Related party transactions

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

	Diageo plc and its related companies RM'000	F & N and its related companies RM'000	Heineken and its related companies RM'000
2003			
Purchase of goods	19,167	14,936	505
Sale of products	6,991	182	5,971
Royalties payable	4,479	3,913	819
Marketing and technical services	2,514	-	2,618
	<hr/>	<hr/>	<hr/>
2002			
Purchase of goods	19,158	14,173	270
Sale of products	7,907	228	5,870
Royalties payable	4,612	3,128	1,472
Marketing and technical services	3,256	-	1,229
	<hr/>	<hr/>	<hr/>

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



NOTES TO THE FINANCIAL STATEMENTS

20. Financial instruments

Financial risk management objectives and policies

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

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

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

Credit risk

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

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

Foreign currency risk

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

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

The deferred/unrecognised gain associated with anticipated future transactions is RM35,000 (2002 – Nil) and the expected timing of recognition as income or expense is over the next six months (where necessary, the forward exchange contracts are rolled over at maturity at market rates).

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



NOTES TO THE FINANCIAL STATEMENTS

Effective interest rates

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

Group and Company	Effective interest rate per annum %	Total RM'000	Within 1 year RM'000	1 - 5 years RM'000
2003				
Financial assets				
Cash and cash equivalents	2.7	87,802	87,802	-
2002				
Financial assets				
Cash and cash equivalents	3.0	84,401	84,401	-

Fair value

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

Unrecognised financial instruments

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

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

Group and Company	2003 Contracted amount RM'000	2003 Fair value RM'000	2002 Contracted amount RM'000	2002 Fair value RM'000
Forward foreign exchange contracts	6,370	6,370	-	-

2003 Group and Company	Contracted Amount RM'000	Within 1 year RM'000	1 - 5 years RM'000	After 5 years RM'000
Forward foreign exchange contracts	6,370	6,370	-	-
2002				
Group and Company				
Forward foreign exchange contracts	-	-	-	-



NOTES TO THE FINANCIAL STATEMENTS

21. Changes in accounting policies and prior year adjustments

In the current financial year, the Company adopted five new MASB Standards. The adoption of these new standards resulted in changes in accounting policies as follows:

- (a) MASB 22, Segmental Reporting and MASB 24, Financial Instruments: Disclosure and Presentation, which have been adopted prospectively;
- (b) MASB 23, Impairment of Assets which is applied prospectively. The restatement of comparative figures and prior year adjustment are therefore not presented. The adoption of this Standard has no material impact on the financial statements;
- (c) MASB 25, Income Taxes which has been adopted retrospectively. Comparative figures have been adjusted to reflect the change in this accounting policy; and
- (d) MASB 27, Borrowing Costs which is applied retrospectively. Comparative figures have not been restated as the previous policy was in line with the accounting standards.

The adoption of MASB 25 has resulted in the recognition in full of all taxable temporary differences. Previously, deferred tax liabilities on the revaluation surplus was provided at Real Property Gains Tax rates; it is now provided at income tax rates on the revaluation surplus arising from the revaluation of the long term leasehold land and buildings resulting in a reduction of RM3,388,000 in the retained profits at 1 July 2001. Deferred tax assets are now recognised when it is probable that taxable profits will be available against which the deferred tax asset can be utilised (previously only recognised where there was a reasonable expectation of realisation in the near future).

This change in accounting policy, applied retrospectively, has the following impact on results:

	Group		Company	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Net profit before change in accounting policy	75,506	72,401	46,793	63,486
Effect of adoption of MASB 25	2,500	-	-	-
	78,006	72,401	46,793	63,486

Prior year adjustments

Change in accounting policy

The change in accounting policy due to the adoption of MASB 25 has been accounted for by restating comparatives and adjusting the opening balance of retained profits at 1 July 2001 as disclosed in Note 22 and the statement of changes in equity respectively.



NOTES TO THE FINANCIAL STATEMENTS

22. Comparative figures

The following comparatives have been restated to reflect the change in accounting policies as explained in Note 21.

	Group		Company	
	As restated RM'000	As previously stated RM'000	As restated RM'000	As previously stated RM'000
Balance sheets				
Deferred tax liabilities	29,429	26,041	29,429	26,041
Reserves	124,748	128,136	105,727	109,115
Statements of Changes in Equity				
Retained profits at 1 July 2001	158,921	162,309	153,171	156,559
Retained profits at 30 June 2002	120,258	123,646	105,727	109,115



REPORT OF THE AUDITORS

TO THE MEMBERS OF GUINNESS ANCHOR BERHAD

We have audited the financial statements set out on pages 75 to 99. 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 2003 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;
- (b) the accounting and other records and the registers required by the Companies Act, 1965 to be kept by the Company and the subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the said Act.

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

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

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

KPMG

Firm Number: AF 0758
Chartered Accountants

Ampalavanar s/o Segarajah

Partner
Approval Number: 1293/10/04(J)

Kuala Lumpur
28 August 2003

ANALYSIS OF STOCKHOLDINGS

AS AT 9 SEPTEMBER 2003

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

Size of Holdings	Number of Stockholders	Percentage of Stockholders	Number of Stock Units	Percentage of Stock Units
1 – 99	462	3.5021	3,261	0.0011
100 – 1,000	4,296	32.5652	3,887,477	1.2868
1,001 – 10,000	6,644	50.3639	27,032,828	8.9484
10,001 – 100,000	1,636	12.4014	46,988,681	15.5541
100,001 – 15,104,899	153	1.1598	70,115,853	23.2096
15,104,900 and above	1	0.0076	154,069,900	51.0000
TOTAL	13,192	100.00	302,098,000	100.00

SUBSTANTIAL STOCKHOLDERS as per Register of Substantial Stockholders

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



ANALYSIS OF STOCKHOLDINGS

AS AT 9 SEPTEMBER 2003

THIRTY LARGEST STOCKHOLDERS

	Number of Stock Units	Percentage of Stock Units
1. GAPL Pte Ltd	154,069,900	51.00
2. Malaysia Nominees (Tempatan) Sendirian Berhad - Great Eastern Life Assurance (Malaysia) Berhad (Par 1)	9,416,780	3.12
3. Asia Life (M) Berhad As beneficial owner (Malaysia Life Fund)	2,311,100	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 (19013)	2,070,530	0.69
6. Pertubuhan Keselamatan Sosial	1,894,000	0.63
7. Chinchoo Investment Sdn Berhad	1,865,000	0.62
8. AM Nominees (Tempatan) Sdn Bhd - Employees Provident Fund Board (A/C 1)	1,389,000	0.46
9. Ho Sim Guan	1,329,700	0.44
10. Amsec Nominees (Asing) Sdn Bhd - Fraser Securities Pte Ltd for Tan Eng Chin Holdings (Pte) Limited (1433)	1,299,250	0.43
11. Gan Teng Siew Realty Sdn Berhad	1,277,000	0.42
12. Key Development Sdn Berhad	1,250,000	0.41
13. Mrs Chan Lam Choon nee Mun Swee Heong	1,106,400	0.37
14. TCL Nominees (Asing) Sdn Bhd - OCBC Securities Private Limited for National University of Singapore	1,105,500	0.37
15. Malaysia Nominees (Asing) Sendirian Berhad - Oversea-Chinese Bank Nominees Pte Ltd for Bukit Sembawang Estates Limited (OCB33879-000MIS)	980,000	0.32
16. Malaysia Nominees (Tempatan) Sendirian Berhad - Great Eastern Life Assurance (Malaysia) Berhad (Non Par 1)	967,220	0.32
17. RHB Nominees (Tempatan) Sdn Bhd - GK Goh SPL for Key Development Sdn Berhad (JS/213218)	947,000	0.31
18. Universiti Malaya	933,260	0.31
19. Chan Emily	888,000	0.29
20. Yap Ah Fatt	860,000	0.28
21. Goonchen Investment Trust Sdn Berhad	854,000	0.28
22. Tai Tak Securitates Pte Ltd	791,000	0.26
23. TCL Nominees (Tempatan) Sdn Bhd - OCBC Securities Private Limited for Lee Vicky nee Choo Suat Gaik	750,000	0.25
24. HSBC Nominees (Asing) Sdn Bhd - BNY Brussels for The Great Eastern Life Assurance Co Ltd	719,000	0.24
25. Chatwell Investments, Inc	642,500	0.21
26. Hong Leong Fund Management Sdn Bhd - Hong Leong Finance Bhd	630,000	0.21
27. UOBM Nominees (Asing) Sdn Bhd - Chung Khiaw Bank Nominees (Pte) Ltd for Ko Choon Huat	630,000	0.21
28. Amsec Nominees (Asing) Sdn Bhd - Fraser Securities Pte Ltd for Yeo Geok Choo (19003)	630,000	0.21
29. AM Nominees (Tempatan) Sdn Bhd - Pertubuhan Keselamatan Sosial	627,000	0.21
30. Thong & Kay Hian Nominees (Asing) Sdn Bhd - UOB Kay Hian Pte Ltd for Lew Lee Chin	624,000	0.21
	195,013,140	64.55



ANALYSIS OF STOCKHOLDINGS

AS AT 9 SEPTEMBER 2003

DIRECTORS' INTEREST as at 9 September 2003

Name	Direct		Indirect	
	Number of Stock Units	Percentage	Number of Stock Units	Percentage
Tan Sri Saw Huat Lye	-	-	-	-
Theo A F de Rond	-	-	-	-
Tan Sri Dato' Alwi Jantan	-	-	-	-
Dato' Jaffar Bin Ahmad Indot	-	-	-	-
Chin Yoong Chong	150,000	0.05	-	-
John Irving	-	-	-	-
Quek Peck Leng	-	-	-	-
Low Teng Lum	-	-	-	-
Khoo Gaik Bee	-	-	-	-



PROPERTIES OWNED BY THE GROUP

Address/Location	Area (acres)	Existing use	Lease expiry date	Age of building (years)	Net Book value @ 30.6.2003 RM'000	Date of acquisition revaluation*
Lot 1135 Batu 9 Jalan Kelang Lama 46000 Petaling Jaya Selangor	20.84	Office building & factory	23-9-2063	37	55,493	30 Sept 1984*
120 Air Keroh Industrial Estate 75710 Melaka	1.07	Office building & store	13-1-2080	21	565	30 Sept 1984*
Lot 123 Semambu Industrial Site 25350 Kuantan Pahang Darul Makmur	0.52	Office building & store	5-3-2046	21	455	30 Sept 1984*
Lot 1136 Batu 9 Jalan Kelang Lama 46000 Petaling Jaya Selangor Darul Ehsan	2.88	Storage	Freehold	Not applicable	4,037	31 Dec 1991
					60,550	



NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Thirty-Ninth Annual General Meeting of Guinness Anchor Berhad (Company No 5350-X), incorporated in Malaysia, will be held at Grand Pyramid, Level 10, Sunway Pyramid Shopping Centre, 1 Jalan PJS 11/15, Bandar Sunway, 47590 Petaling Jaya, Selangor Darul Ehsan, on Wednesday, 5 November 2003 at 11.00 am for the following purposes:

AGENDA

As Ordinary Business

1. To receive and adopt the Audited Financial Statements for the year ended 30 June 2003 together with the Directors' and Auditors' Reports thereon. Ordinary Resolution 1
2. To declare a final dividend of 12 sen gross per 50 sen stock unit less Singapore income tax at 22% and a special final dividend of 12 sen gross per 50 sen stock unit less Singapore tax at 22% for the year ended 30 June 2003. Ordinary Resolution 2
3. To approve the payment of Directors' Fees for the year ended 30 June 2003. Ordinary Resolution 3
4. To re-elect the following Directors who retire pursuant to Article 89 of the Articles of Association of the Company:
 - (a) Tan Sri Saw Huat Lye Ordinary Resolution 4
 - (b) Tan Sri Dato' Alwi Jantan Ordinary Resolution 5
5. To re-elect the following Directors who retire pursuant to Article 96 of the Articles of Association of the Company:
 - (a) Mr Theo A F de Rond Ordinary Resolution 6
 - (b) Mr Quek Peck Leng Ordinary Resolution 7
 - (c) Mr John Irving Ordinary Resolution 8
6. To re-appoint the following Director who retires pursuant to Section 129(6) of the Companies Act, 1965:

"That pursuant to Section 129(6) of the Companies Act, 1965, Mr Chin Yoong Chong be and is hereby re-appointed as a Director of the Company and to hold office until the next Annual General Meeting of the Company."

Special Resolution 1
7. To re-appoint Messrs KPMG as Auditors of the Company and to authorise the Directors to fix their remuneration. Ordinary Resolution 9

As Special Business

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

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

"THAT, the mandate granted by the shareholders of the Company at the Thirty-Eighth Annual General Meeting held on 7 November 2002 pursuant to paragraph 10.09 of the Listing Requirements of the Kuala Lumpur Stock Exchange, authorising the Company and its subsidiaries (the Group) to enter into the recurrent transactions of a revenue or trading nature as set out in Section 2.1.1 of the Circular to shareholders dated 14 October 2003 (the Circular) with the related parties mentioned therein which are necessary



NOTICE OF ANNUAL GENERAL MEETING

for the Group's day-to-day operations, be and is hereby renewed AND THAT the scope of such renewed mandate be and is hereby extended to apply to the recurrent transactions likewise of revenue or trading nature as set out in paragraph 2.1.2 of the Circular.

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

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

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

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

whichever is earlier.

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

Ordinary Resolution 10

NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT

Subject to the approval of stockholders, the final dividend of 12 sen gross per 50 sen stock unit less Singapore income tax at 22% and a special final dividend of 12 sen gross per 50 sen stock unit less Singapore tax at 22% for the year ended 30 June 2003 will be paid on 28 November 2003 to stockholders registered at the close of business on 6 November 2003.

Notice is also hereby given that the Register of Members will be closed from 7 November 2003 to 10 November 2003, both dates inclusive, for the preparation of dividend warrants.



NOTICE OF ANNUAL GENERAL MEETING

A depositor shall qualify for entitlement only in respect of:

- (a) Shares deposited into the Depositor's securities account before 12.30 pm on 4 November 2003 in respect of shares which are exempted from mandatory deposit;
- (b) Shares transferred into the Depositor's securities account before 4.00 pm on 6 November 2003 in respect of ordinary transfers;
- (c) Shares bought on the Kuala Lumpur Stock Exchange on a cum entitlement basis according to the Rules of the Kuala Lumpur Stock Exchange.

By Order of the Board

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

Company Secretaries

Petaling Jaya
14 October 2003

NOTES:

1. Further notice is hereby given that for purposes of determining who shall be entitled to attend the meeting, the Company shall be requesting the Malaysian Central Depository Sdn Bhd to make available to the Company pursuant to Article 56 of the Articles of Association of the Company and Section 34(1) of the Securities Industry (Central Depositories) Acts, 1991, a Record of Depositors as of 23 October 2003 and only a Depositor whose name appears on such Record of Depositors shall be entitled to attend the meeting.
2. Any member entitled to attend and vote at the meeting may only appoint one (1) proxy to attend and vote in his stead. A proxy may but need not be a member of the Company. A Form of Proxy is enclosed for members to appoint a proxy if they are unable to attend the meeting. In the case of a corporation, the Form of Proxy must be executed under the corporation's Common Seal or under the hand of an officer or attorney duly authorised.
3. To be valid, the original Form of Proxy must be lodged at the Registered Office of the Company at Sungei Way Brewery, Lot 1135, Batu 9, Jalan Klang Lama, PO Box 144, 46710 Petaling Jaya, Selangor Darul Ehsan, not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.

EXPLANATORY NOTES ON SPECIAL BUSINESS

1. Ordinary Resolution 10 - Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature

Ordinary Resolution 10, if passed, will allow the Group to enter into the recurrent related party transactions in the ordinary course of business and the necessity to convene separate general meetings from time to time to seek shareholders' approval as and when such recurrent related party transactions occur would not arise. This would reduce substantial administrative time, inconvenience and expenses associated with the convening of such meetings, without compromising the corporate objectives of the Group or adversely affecting the business opportunities available to the Group. The shareholders' mandate is subject to renewal on an annual basis.



STATEMENT ACCOMPANYING THE NOTICE OF ANNUAL GENERAL MEETING

1. Directors Who Are Standing For Re-Election.

Pursuant to Article 89 of the Articles of Association of the Company are as follows:

- (a) Tan Sri Saw Huat Lye
- (b) Tan Sri Dato' Alwi Jantan

Pursuant to Article 96 of the Articles of Association of the Company are as follows:

- (a) Theo A F de Rond
- (b) Quek Peck Leng
- (c) John Irving

2. Board Meetings.

There were four (4) Board Meetings held during the financial year ended 30 June 2003.

Details of Directors' attendance at the Board Meetings held in the financial year ended 30 June 2003 are as follows:

Name of Director	Date of Appointment	No of Meetings Attended
Tan Sri Saw Huat Lye	24 February 1987	4/4
Theo A F de Rond*	1 June 2003	N/A
Jac van Herpen <i>(Resigned on 1 June 2003)</i>	5 February 2001	4/4
Tan Sri Dato' Alwi Jantan	24 November 1994	4/4
Dato' Jaafar Bin Ahmad Indot	2 January 1999	4/4
Chin Yoong Chong	20 February 1995	4/4
Alan F Robson <i>(Resigned on 26 November 2002)</i>	7 December 2000	2/2
Eric E M Nelissen <i>(Resigned on 15 November 2002)</i>	15 August 2001	1/1
David Charles Craig <i>(Resigned on 1 September 2003)</i>	6 January 2003	1/2
Quek Peck Leng	15 November 2002	3/3
Khoo Gaik Bee	13 August 1998	3/4
Low Teng Lum	15 August 2001	4/4
John Irving*	1 September 2003	N/A

*Meetings for financial year ended 30 June 2003 were held prior to the appointments.

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

The Thirty-Ninth Annual General Meeting of Guinness Anchor Berhad will be held at Grand Pyramid, Level 10, Sunway Pyramid Shopping Centre, 1 Jalan PJS 11/15, Bandar Sunway, 47590 Petaling Jaya, Selangor Darul Ehsan on 5 November 2003 at 11.00 am.



STATEMENT ACCOMPANYING THE NOTICE OF ANNUAL GENERAL MEETING

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

Name	Tan Sri Saw Huat Lye	Tan Sri Dato' Alwi Jantan
Age	68	68
Nationality	Malaysian	Malaysian
Qualification	Bachelor of Arts (Hons) Economics (University of Malaya), AMP (Harvard)	Bachelor of Arts (Hons) (University of Malaya), AMP (Harvard)
Position on the Board of Directors	Independent Non-Executive Director	Senior Independent Non-Executive Director
Date first appointed to the Board	24 February 1987	24 November 1994
Number of Board of Directors meetings attended in the financial year	4 out of 4	4 out of 4
Occupation	Executive Director of Naluri Berhad	Executive Vice-President of Resorts World Berhad
Working Experience	Began his career by serving in the Malayan Home & Foreign Service in 1958. He was invited by the Government to set up Malaysian Airline System in 1971 and was appointed its first General Manager and Chief Executive until his retirement in 1982.	Commenced employment as a Malayan Civil Service Officer attached to the Federal Establishment Office in 1958. In a career spanning thirty two years, he held several senior positions including Director of National Archives, Malaysia (1966 –1971) and Director General of National Archives and Library (1971 – 1972) which he helped establish; Selangor State Secretary (1972 - 1976); Secretary General, Ministry of Local Government and Federal Territory (1976); Secretary General, Ministry of Health (1977 - 1981); Deputy Secretary General, Prime Minister's Department (1981 - 1984); Secretary General, Ministry of Agriculture (1984 - 1987); and Director General of Public Service, Malaysia from 1987 until his retirement in 1990.



STATEMENT ACCOMPANYING THE NOTICE OF ANNUAL GENERAL MEETING

Any other directorship in public companies	Naluri Berhad, Shell Refining Company (FOM) Berhad, Edaran Otomobil Nasional Berhad	United Overseas Australia Ltd (Western Australia), Resort World Berhad, Hiap Teck Venture Berhad
Security holdings in the company and its subsidiaries	Nil	Nil
Any family relationship with any director and/or major shareholder of the company	Nil	Nil
Any conflict of interest with the company	Nil	Nil
List of convictions for offences within the past 10 years other than traffic offences, if any	Nil	Nil

Name	Theo A F de Rond	Quek Peck Leng
Age	49	48
Nationality	Dutch	Singaporean
Qualification	College of Retail Management, International Marketing And Retail Programme (INSEAD University, France), International Finance Programme (INSEAD University, France), General Management Programme (INSEAD University, France)	Bachelor of Arts (University of Singapore), Graduate Diploma in Personnel Management (Singapore Institute of Management)
Position on the Board of Directors	Executive Director	Non-Independent Non-Executive Director
Date first appointed to the Board	1 June 2003	15 November 2002
Number of Board of Directors meetings attended in the financial year	N/A	3 out of 3



STATEMENT ACCOMPANYING THE NOTICE OF ANNUAL GENERAL MEETING

Occupation	Managing Director of Guinness Anchor Berhad	Director (Group Corporate Services)/Regional Director (Group Human Resource) of Asia Pacific Breweries Pte Ltd
Working Experience	He began his career with Vrumona BV, a member of the Heineken Group of companies, in 1978 and has worked for the Heineken Group since then, holding senior positions in marketing and sales. He was the Commercial Director of Heineken Nederland and subsequently Corporate Marketing Director of Heineken NV prior to his current appointment.	He began his career with Asia Pacific Breweries Pte Ltd in 1990 as Human Resource Manager and was promoted to Group Human Resource Manager a year later. He was redesignated as General Manager (Group Human Resource) in 1994 and subsequently, as Director (Group Human Resource) in 1998. He was promoted to his current position as Director (Group Corporate Services)/Regional Director (Group Human Resource) in 2002.
Any other directorship in public companies	Nil	Nil
Security holdings in the company	Nil	Nil
Any family relationship with any director and/or major shareholder of the company	Nil	Nil
Any conflict of interest with the company	Nil	Nil
List of convictions for offences within the past 10 years other than traffic offences, if any	Nil	Nil



STATEMENT ACCOMPANYING THE NOTICE OF ANNUAL GENERAL MEETING

Name	John Irving
Age Nationality Qualification	52 British Diploma in Marketing (Open University), Diploma in Finance (Open University)
Position on the Board of Directors	Non-Independent Non-Executive Director
Date first appointed to the Board	1 September 2003
Number of Board of Directors meetings attended in the financial year	N/A
Occupation	Managing Director, Asia Venture of Diageo
Working Experience	<p>He has broad international perspectives having operated in both developed and developing markets across Western and Asian cultures. He began his career in Guinness Ltd in 1983 as a Field Sales Manager - Scotland and Northern England and was promoted in 1987 to Sales Development Manager - International Division. He subsequently served as Head of Sales and Marketing - Indonesia from 1989 - 1992, Managing Director of Riche Monde China from 1992 - 1995, Managing Director - Indonesia from 1995 - 1998 and Project Director - Asia Pacific from 1998 - 1999. He then served as the President of Desnoes and Geddes/Red Stripe Jamaica in 1999 before assuming his current position as Managing Director, Asia Venture of Diageo in 2003.</p>
Any other directorship in public companies	Nil
Security holdings in the company	Nil
Any family relationship with any director and/or major shareholder of the company	Nil
Any conflict of interest with the company	Nil
List of convictions for offences within the past 10 years other than traffic offences, if any	Nil



GUINNESS ANCHOR BERHAD

(Company No. 5350-X) Incorporated in Malaysia

FORM OF PROXY*

No. of shares held:
CDS A/C No:

I/We _____ of _____ being a Member/Members of GUINNESS ANCHOR BERHAD, hereby appoint _____ of _____ as my/our proxy to vote for me/us and on my/our behalf at the Thirty-Ninth Annual General Meeting of the Company to be held at Grand Pyramid, Level 10, Sunway Pyramid Shopping Centre, 1 Jalan PJS 11/15, Bandar Sunway, 47590 Petaling Jaya, Selangor Darul Ehsan on Wednesday, 5 November 2003 at 11.00 am and at any adjournment thereof.

My/our proxy is to vote as indicated below:

	RESOLUTION	FOR	AGAINST
Ordinary Resolution 1	Adoption of Audited Financial Statements for the year ended 30 June 2003 together with the Directors' and Auditors' Reports thereon.		
Ordinary Resolution 2	Declaration of a final dividend of 12 sen gross per 50 sen stock unit less Singapore income tax at 22% and a special final dividend of 12 sen gross per 50 sen stock unit less Singapore tax at 22% for the year ended 30 June 2003.		
Ordinary Resolution 3	Approval of the payment of Directors' Fees for the year ended 30 June 2003.		
Ordinary Resolution 4	Re-election of Tan Sri Saw Huat Lye as Director pursuant to Article 89 of the Articles of Association of the Company.		
Ordinary Resolution 5	Re-election of Tan Sri Dato' Alwi Jantan as Director pursuant to Article 89 of the Articles of Association of the Company.		
Ordinary Resolution 6	Re-election of Theo A F de Rond as Director pursuant to Article 96 of the Articles of Association of the Company.		
Ordinary Resolution 7	Re-election of Quek Peck Leng as Director pursuant to Article 96 of the Articles of Association of the Company.		
Ordinary Resolution 8	Re-election of John Irving as Director pursuant to Article 96 of the Articles of Association of the Company.		
Special Resolution 1	Re-appointment of Chin Yoong Chong as Director pursuant to Section 129(6) of the Companies Act, 1965.		
Ordinary Resolution 9	Re-appointment of Messrs KPMG as Auditors of the Company and to authorise the Directors to fix their remuneration.		
Ordinary Resolution 10	Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature.		

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

Signed this day of 2003

Signature of Member or Common Seal

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



GUINNESS ANCHOR BERHAD

(Company No. 5350-X) Incorporated in Malaysia

NOTES :

1. Further notice is hereby given that for purposes of determining who shall be entitled to attend the meeting, the Company shall be requesting the Malaysian Central Depository Sdn Bhd to make available to the Company pursuant to Article 56 of the Articles of Association of the Company and Section 34(1) of the Securities Industry (Central Depositories) Acts, 1991, a Record of Depositors as of 23 October 2003 and only a Depositor whose name appears on such Record of Depositors shall be entitled to attend the meeting.
2. Any member entitled to attend and vote at the meeting may only appoint one (1) proxy to attend and vote in his stead. A proxy may but need not be a member of the Company. A Form of Proxy is enclosed for members to appoint a proxy if they are unable to attend the meeting. In the case of a corporation, the Form of Proxy must be executed under the corporation's Common Seal or under the hand of an officer or attorney duly authorised.
3. To be valid, the original Form of Proxy must be lodged at the Registered Office of the Company at Sungei Way Brewery, Lot 1135, Batu 9, Jalan Klang Lama, PO Box 144, 46710 Petaling Jaya, Selangor Darul Ehsan, not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.