



TECHNICAL

Line 5

Guinness has successfully commissioned a new bottling line with a production capacity of 50,000 pint or small bottles an hour to boost production capacity as part of a five-year programme to extend GAB's leadership position in the Malaysian malt liquor market.

Apart from delivering increased levels of efficiency, productivity and speed, Line 5 will also deliver improvements in consistent and effective control of product quality and packaging standards.



HACCP (Hazard Analysis Critical Control Point)

GAB is embarking on a journey to obtain HACCP certification by October 2001. We are striving to be the first brewery in Malaysia to be HACCP certified by the Ministry of Health (MOH), which is internationally recognised. The target date for obtaining this highly acclaimed status is October 2001. Our scope of HACCP certification covers the production of beer, stout, malta and shandy.



We are committed towards enhancing and assuring our products' integrity and safety, so as to reinforce our customers' confidence. The HACCP programme will guarantee safety of our products before releasing them out to the market place.

The integrity of our Company's products is crucial to maintain consistency of quality and hence continued sales growth. Product failure can have severe consequences for the Company's reputation and brand image. It is the responsibility of GAB to produce safe beverages for our valued customers.

ISO 9002 Quality System

We are proud to be the first and the only ISO certified brewery in Malaysia. Since the certification in 1995, the Company has consistently satisfied all SIRIM's requirements for ISO 9002 quality system as assessed on a yearly surveillance audit and a full compliance audit once every three years. We have just had a SIRIM surveillance audit on 11 & 12 July 2001. No non-conformances were logged. A complete system re-audit is due next year.



Our next activity on ISO is to prepare our system to go online, with expected implementation by the end of 2001. The complaint handling procedure for our commercial department is being re-written to get better participation from the commercial sector and to get more trade feedback. The ISO online system is web enabled and can be connected to sales locations for this purpose. We are also preparing to convert the present ISO 9002 :1994 to ISO 9001: 2000 which is an international requirement. SIRIM has requested all Malaysian certified companies to complete conversion by 2003. GAB expects to convert ahead of schedule, by 2002.



Product freshness policy

GAB has a policy to ensure that our products are made available to the consumer in the freshest possible condition at the point of consumer purchase. The objective of this policy is to enhance customer satisfaction through drinking our products at the peak of its quality. Initiatives undertaken include ensuring that our products leave the Brewery with the best possible quality. Conditions of beer storage and handling from Brewery to the retail outlets are kept at optimal levels. Efforts have been made to improve stock rotation in the trade, and provide education to all who handle our products throughout the distribution chain. All these efforts help to ensure that our product quality and freshness is maintained at the highest possible level when it reaches our consumer.

Corporate Communications Activities

With a strong commitment to good corporate citizenship, GAB actively supports a variety of programmes and activities benefiting the people of Malaysia.

Corporate News

On 11 January 2001, Guinness Anchor Berhad (GAB) reaffirmed its commitment to Malaysia by commissioning a new technologically advanced bottling line at its brewery in Sungei Way. The new 50,000 bottle-per-hour bottling line will deliver increased level of efficiency, productivity and speed that will contribute to cost effectiveness in terms of production capacity.

The RM50 million investment is part of the Company's five-year plan to invest RM100 million capital expenditure investment programme to extend GAB's leadership position in the Malaysian malt liquor market.



CORPORATE



The Guinness Effort Award Scheme

The fiscal year 2001 also marked a significant milestone for the company's contribution to the Malaysian Community when it celebrated the 25th anniversary of the Guinness Effort Award (GEA). Since 1975, the Scheme has awarded 185 outstanding Malaysians (individual and team) for their exemplary deeds and achievements.

GEA was established as part of GAB's community relations programmes with the objective to foster a sense of national pride and civic consciousness by recognising ordinary Malaysians for their remarkable achievements or deeds - who could stand as role models for others to emulate.



Education and Training

In line with the government's efforts to promote and enhance computer literacy, GAB in conjunction with Diageo plc (Guinness's parent company in London) has sponsored the set-up of a computer laboratory for Art, Design and Multimedia course at the Montfort Boys Town, a non-profit vocational training centre for under-privileged boys. Montfort is the first organisation to be selected to join the Scheme.

The computer laboratory has been set up to also reach out to a wider circle of disadvantaged communities. In this respect, GAB with the cooperation of Montfort, organises computer training sessions on weekends for under-privileged youths from other charitable organisations in Selangor.

The Scheme is consistent with GAB's core values and business philosophies - "Freedom to Succeed". The company believes in giving equal opportunities for people to realise their full potential and be successful.



Fund Raising for Education

Education is one of the cornerstones of our fund raising efforts and here, the Tiger PowerHitz series of concerts, delivers in spades. The shows, featuring popular Chinese singers have been consistent draws, netting over RM90m since its inception in 1994. This year alone, the concerts garnered over RM18m, providing each beneficiary school three times more funds than expected!



Environment and Wildlife Conservation Projects

Continuing its long-standing commitment to wildlife conservation, GAB continued to support National Zoo by sponsoring the upkeep of a pair of Sumatran Tigers. GAB adopted the tigers in 1978.

FIVE YEARS' RESULTS

	Year ended 30.6.2001 RM'000	Year ended 30.6.2000 RM'000	18 months ended 30.6.1999 RM'000	Year ended 31.12.1997 RM'000	Year ended 31.12.1996 RM'000
Revenue	670,381	618,940	1,042,440	733,385	685,235
Profit before taxation	78,448	67,352	182,407	147,193	126,328
Taxation	19,767	6,399	40,594	41,338	34,097
Profit after taxation	58,681	60,953	141,813	105,855	92,231
Dividends	82,653*	54,377	150,082*	60,299	54,982
Net dividends per 50 sen stock unit (sen)	27.4*	18.0	49.7*	20.0	18.2
Earnings per 50 sen stock unit (sen)	19.4	20.2	46.9	35.0	30.5
Reserves	166,665	134,085	127,509	165,211	119,621
Shareholders' funds	317,714	285,134	278,558	316,260	270,670
Net tangible assets per 50 sen stock unit (sen)	105.2	94.4	92.2	104.7	89.6

* Includes special dividend