

Dear Shareholders,

It gives me great pleasure to report that Guinness Anchor Berhad (GAB) delivered its best ever performance since the Company's inception 45 years ago.

We grew revenue by 7.6% and group pre-tax profit by 13.2%.

We achieved a record RM1.29 billion in revenue and RM191.2 million in pre-tax profit for the financial year ended 30 June 2009.

Letter from Chairman



LETTER FROM CHAIRMAN

EIGHT YEARS OF CONSECUTIVE GROWTH

The resilience of GAB in these trying times speaks volumes of the depth of quality of our business. This marks the eighth consecutive year in which we have grown our market share, revenue and profit before tax. We have much to be proud of as we continue to lead the Malaysian malt liquor market (MLM) and make waves within our brand owners' global network of breweries. Our unwavering focus on People, Brands and Performance to grow our business over the long-term continues to propel us forward on our journey towards becoming an icon in business.

The Company's strong performance over the years has enabled us to give good returns on investment to our shareholders year-on-year. I am pleased to note that our shareholders' returns on investment have recorded a compounded average growth rate of 14.1% over the last eight years.

We remain committed to creating value for our shareholders and are pleased to once again announce our intention to distribute a substantial part of GAB's profits to you. As such, your Board of Directors is recommending a final dividend of 31 sen per 50 sen stock unit tax exempt for the financial year ended 30 June 2009. Together with an interim dividend of 10 sen per 50 sen stock unit tax exempt paid on 22 May 2009, this will bring the total net dividends for the full year under review to 41 sen per 50 sen stock unit, representing a 4.6 sen increase from the year before.

MAINTAINING MOMENTUM AMIDST MARKET UNCERTAINTIES

The MLM experienced two distinct halves in the year under review. In the first half of the financial year, the MLM enjoyed healthy growth, with GAB outpacing the market. However, in the second half, growth was much harder to achieve as the Malaysian economy dramatically slowed down

and consumers began to tighten their belts. The market felt the impact of lacklustre economic performance and loss of consumer confidence as concerns about employment and economic prospects came into play.

Despite this market slowdown, GAB kept a steady eye on the task at hand and continued to employ our winning strategy of People, Brands and Performance to improve profitability and increase market share. I am very pleased to announce that as at 30 June 2009, GAB further consolidated its position as the clear market leader with a 57% share of the domestic MLM and a 69% share of the MLM industry profit pool.

DRIVEN BY PEOPLE, BRANDS AND PERFORMANCE

Our focus on People, Brands and Performance has enabled us to address market challenges and deliver yet another fine performance. This three-pronged strategy is continuing to pay handsome dividends in that GAB today has a highly skilled and performance-oriented team, a strong portfolio of winning brands and world class operations. To continue outperforming the market, we remain committed to keeping a relentless focus on these core strategic areas.

Our efforts to date continue to secure us several awards and international recognition. I am very proud to announce that GAB has won Diageo's most prestigious award – The Asia Pacific Market of the Year Award, after coming in a close second last year. This award, which recognises the most celebrated Diageo business in Asia Pacific, a business that displays consistent and continuous improvement in business performance, brand building, organisation development and community enrichment, is testament of how much GAB has grown as a business in every sense.

On top of this, for the third time running, GAB has also won the coveted Guinness League of Excellence Award for brewing the best Guinness outside of Ireland. In recognition of our commitment to creating good shareholder value, we were ranked tenth on the KPMG/ The Edge Shareholder Value League Table 2008 - Top 100 listing (up from 18th place in 2007). In addition, GAB was ranked fourth in the Minority Shareholder Watchdog Group's listing of foreign-owned companies and was counted as being among the top 7% of all Malaysian public listed companies for good corporate governance.

UNDERTAKING RESPONSIBLE CORPORATE CONDUCT

GAB is committed to undertaking responsible corporate conduct that creates sustainable value for our stakeholders and establishes enduring ties with them. In the area of stakeholder engagement, GAB's inaugural Distributor Engagement Programme helped build goodwill and strengthened ties with our business partners, while driving business growth.

With a focus on environmental conservation, educational support and community enrichment, the GAB Foundation continues to make strong strides forward to enrich the lives of individuals and communities. Formed in and active since July 2007, the GAB Foundation was officially launched on 17 March 2009 by YB Datuk Douglas Uggah Embas, the Minister of Natural Resources and Environment. Through the Foundation, GAB is helping to conserve the environment through its W.A.T.E.R. (Working Actively Through Education and Rehabilitation) project which involves rehabilitating rivers and promoting good water usage habits among children.

On the education front, we are now assisting deserving students to fulfil their potential through the SMILES (Supporting Malaysian Indian Learning, Education and Sports) programme for students in vernacular schools. The GAB Foundation's Partial Scholarship Scheme too, is providing opportunities for those intending to pursue higher education. The year also saw GAB raised more than RM2.8 million in support of Chinese education through the Dragon Mission FY2009 programme.

I'm proud to note that the outstanding commitment of GAB to corporate responsibility and to its people has received recognition. GAB was a recipient of the Asia Responsible Entrepreneurship Awards (AREA) in the Community Engagement category for its corporate social work undertaken via the GAB Foundation. For our commitment to establishing workplace best practices, GAB received AREA's Investment in People Award. On top of this, GAB's FY2009 Corporate Responsibility Report was shortlisted for the ACCA MaSRA Awards in recognition of our commitment to corporate transparency, sustainability and responsible reporting.

LOOKING AHEAD

Given the challenging economic environment and prevailing consumer sentiments, the MLM is expected to post little or no growth in industry volume in the coming year. Despite these market challenges, GAB's Board and Management remain committed to managing our business in a manner which will deliver optimum returns to our shareholders. While we will adopt a prudent approach in all that we undertake, we will continue to work hard to strengthen brand equity as well as improve our operational efficiencies and effectiveness in order to grow GAB's market share and profitability.

While there is considerable concern about the possibility of higher excise duties in the upcoming Budget 2010, we remain hopeful that this may not materialise as Malaysia's excise duty on beer and stout is already the second highest in the world. Further excise duty increases in the new budget would exacerbate the already difficult market environment. The livelihoods of many of the 60,000 to 70,000 people who are directly and indirectly employed within the Malaysian Beer and Stout industry will be adversely affected.

Going forward, GAB's FY2010 mission is to maintain our momentum and grow our sales volume, market share and profits. In all this, we will be driven by our unwavering focus on People, Brands and Performance and we are confident of another strong performance in the coming year.

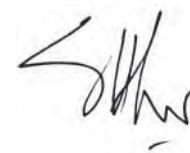
IN APPRECIATION

On behalf of the Board, I wish to record my appreciation to the staff and management team under the able leadership of Managing Director, Mr Charles Ireland. Amidst severe market challenges, the team has performed admirably and we sincerely thank them for their hard work, loyalty and dedication. We recognise in particular, the contribution of the more than 160 staff who have served with GAB for over 20 years. It is this unstinting loyalty to the business that inspires us and leads GAB to perform year after year.

Our heartfelt gratitude goes to all our distributors, suppliers and retailers for placing their confidence and trust in GAB amidst such tumultuous times. Some of our distributors have been with us for more than 30 years and many of our retail partners have stood by us in leaner times. We look forward to their continuing support as together we enjoy the fruits of our labour.

Last but not least, our sincere appreciation to you, our shareholders and stakeholders, for your unwavering commitment to GAB. We trust you will all continue to lend us your steadfast support as we work together to establish GAB as an icon in business.

Thank you.



Tan Sri Saw Huat Lye
Chairman

17 September 2009