

Report of the Auditors to the Members of Guinness Anchor Berhad

We have audited the Financial Statements set out on pages 95 to 120. 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 2004 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

Chartered Accountants



Ampalavanar s/o Segarajah

Partner

Approval Number: 1293/10/04(J)

Kuala Lumpur,

6 August 2004