

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to the course of action to be taken, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

Bursa Malaysia Securities Berhad has not perused the contents of this Circular pertaining to the Proposed Amendments to the Company's Articles of Association prior to its issuance as it is prescribed as an exempt circular.

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(Company No. 5350-X)
(Incorporated in Malaysia)

CIRCULAR TO SHAREHOLDERS

in relation to the

**Proposed Shareholders' Mandate for
Recurrent Related Party Transactions of a Revenue or Trading Nature**

and

Proposed Amendments to the Company's Articles of Association

The above proposals will be tabled as Special Business at the Company's 48th Annual General Meeting to be held at Sime Darby Convention Centre, 1A Jalan Bukit Kiara 1, 60000 Kuala Lumpur on Thursday, 22 November 2012 at 11.00 a.m. or any adjournment thereof. Notice of the 48th Annual General Meeting together with the Form of Proxy are set out in the abridged version of the Company's Annual Report 2012, which is despatched together with this Circular.

The Form of Proxy should be completed and lodged at the Share Registrar's office at Level 17, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur, not later than 48 hours before the time of the meeting or any adjournment thereof. The lodging of the Form of Proxy will not preclude you from attending and voting in person at the meeting should you subsequently wish to do so.

Last date and time for lodging the Form of Proxy : Tuesday, 20 November 2012 at 11.00 a.m.
Date and time of the 48th Annual General Meeting : Thursday, 22 November 2012 at 11.00 a.m.

This Circular is dated 31 October 2012

DEFINITIONS

The following definitions shall apply throughout this Circular unless the context requires otherwise:

AGM	: Annual General Meeting
APB	: Asia Pacific Breweries Limited, Person Connected to GAPL
APB Group	: Asia Pacific Breweries Limited and its subsidiaries and associated companies, collectively
API	: Asia Pacific Investments Pte Ltd, Person Connected to GAPL
Board	: Board of Directors of the Company
Bursa Securities	: Bursa Malaysia Securities Berhad (635998-W)
Circular	: This Circular dated 31 October 2012 to shareholders of Guinness Anchor Berhad in relation to the Proposals
Diageo	: Diageo Plc, Person Connected to GAPL
Diageo Group	: Diageo Plc and its subsidiaries and associated companies, collectively
Director(s)	: Director(s) of Guinness Anchor Berhad which includes any person who is or was within the preceding six (6) months of the date on which the terms of the transaction were agreed upon, a director of the Company or any of its subsidiaries or holding company or a chief executive officer of the Company, its subsidiary or holding company pursuant to the Listing Requirements
F&N	: Fraser and Neave, Limited, Person Connected to GAPL
F&N Group	: Fraser and Neave, Limited and its subsidiaries and associated companies, collectively
GAB or the Company	: Guinness Anchor Berhad (5350-X)
GAPL	: GAPL Pte Ltd, a Major Shareholder of the Company holding 51% equity interest in the Company as at 10 October 2012
GOL	: Guinness Overseas Ltd, Person Connected to GAPL
the Group	: GAB and its subsidiaries
Heineken	: Heineken N.V., Person Connected to GAPL
Heineken Group	: Heineken N.V. and its subsidiaries and associated companies, collectively
Heineken International	: Heineken International B.V., Person Connected to GAPL
Listing Requirements	: Main Market Listing Requirements of Bursa Securities and practice notes issued thereunder including any amendments thereto that may be made from time to time

DEFINITIONS (cont'd)

- Major Shareholder(s) : A person who, within the preceding six (6) months of the date on which the terms of the transaction were agreed upon, has an interest or interests in one or more voting shares in GAB (or any other corporation which is a subsidiary) and the nominal amount of that share, or the aggregate of the nominal amounts of those shares, is:
- (a) 10% or more of the aggregate of the nominal amounts of all the voting shares in the Company; or
 - (b) 5% or more of the aggregate of the nominal amounts of all the voting shares in the Company where such person is the largest shareholder of the Company.

For the purpose of this definition, "interest in shares" shall have the meaning given in Section 6A of the Companies Act, 1965

- Person(s) Connected : In relation to a Director or Major Shareholder, means such person(s) who fall(s) under any one of the following categories:
- i) a member of the Director's or Major Shareholder's family, which family shall have the meaning given in Section 122A of the Companies Act, 1965;
 - ii) a trustee of a trust (other than a trustee for an employee share option scheme or pension scheme) under which the Director, Major Shareholder or a member of the Director's or Major Shareholder's family is the sole beneficiary;
 - iii) a partner of the Director, Major Shareholder or a partner of a Person Connected with that Director or Major Shareholder;
 - iv) a person who is accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of the Director or Major Shareholder;
 - v) a person in accordance with whose directions, instructions or wishes the Director or Major Shareholder is accustomed or is under an obligation, whether formal or informal, to act;
 - vi) a body corporate or its Directors which/who is/are accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of the Director or Major Shareholder;
 - vii) a body corporate or its Directors whose directions, instructions or wishes the Director or Major Shareholder is accustomed or under an obligation, whether formal or informal, to act;
 - viii) a body corporate in which the Director, Major Shareholder and/or Persons Connected with him are entitled to exercise, or control the exercise of, not less than 15% of the votes attached to voting shares in the body corporate; or
 - ix) a body corporate which is a related corporation

DEFINITIONS (cont'd)

- Proposals : Proposed Shareholders' Mandate and Proposed Amendments to Articles, collectively
- Proposed Amendments to Articles : Proposed Amendments to the Company's Articles of Association
- Proposed Shareholders' Mandate : Proposed renewal of existing Shareholders' Mandate for recurrent related party transactions of a revenue or trading nature which are necessary for the day-to-day operations of the Group as set out in Section 2.1.3 herein
- Related Party(ies) : A Director, Major Shareholder or Person Connected with such Director or Major Shareholder including any person who is or was within the preceding six (6) months of the date on which the terms of the transaction were agreed upon, a Director or a Major Shareholder of the Company, its subsidiary and/or holding company. For the purpose of the Proposed Shareholders' Mandate, the Related Parties are GAPL, APB Group, F&N Group, Diageo Group and Heineken Group
- Recurrent Related Party Transaction(s) : A recurrent related party transaction of a revenue or trading nature which is necessary for the day-to-day operations of the Group and has been made or will be made in the ordinary course of the Group's business

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(Company No. 5350-X)
(Incorporated in Malaysia)

Registered Office

Sungei Way Brewery
Lot 1135, Batu 9
Jalan Klang Lama
P.O. Box 144
46710 Petaling Jaya
Selangor Darul Ehsan

31 October 2012

Board of Directors

Tan Sri Saw Huat Lye	: Chairman and Senior Independent Non-Executive Director
Charles Henry Ireland	: Managing Director
Martin Giles Manen	: Independent Non-Executive Director
Dato' Syed Salleh bin Syed Othman	: Independent Non-Executive Director
Dato' Saw Choo Boon	: Independent Non-Executive Director
Dato' Sreesanthan Eliathamby	: Independent Non-Executive Director
Siobhan Mary Hamilton	: Non-Independent Non-Executive Director
Dr Leslie Buckley	: Non-Independent Non-Executive Director
Edmond Neo Kim Soon	: Non-Independent Non-Executive Director
Edward McShane	: Non-Independent Non-Executive Director

To the shareholders of Guinness Anchor Berhad

Dear Sir/Madam,

PROPOSED SHAREHOLDERS' MANDATE

PROPOSED AMENDMENTS TO THE COMPANY'S ARTICLES OF ASSOCIATION

1. INTRODUCTION

GAB had, on 23 October 2012, announced to Bursa Securities that it proposes to seek shareholders' approval for the Proposed Shareholders' Mandate and Proposed Amendments to the Company's Articles of Association at the forthcoming 48th AGM to be held on 22 November 2012.

The purpose of this Circular is to provide you with information on the Proposals and to seek your approval for the resolutions relating to the Proposals to be tabled at the forthcoming AGM or any adjournment thereof. The Notice of AGM detailing the relevant resolutions for the Proposals is contained in the Annual Report 2012 of the Company.

SHAREHOLDERS OF GAB ARE ADVISED TO READ AND CONSIDER CAREFULLY THE CONTENTS OF THIS CIRCULAR BEFORE VOTING ON THE RESOLUTIONS PERTAINING TO THE PROPOSALS.

2. DETAILS OF THE PROPOSALS

2.1 Proposed Shareholders' Mandate

2.1.1 Introduction

GAB had, at its 47th AGM held on 3 November 2011, obtained a mandate from its shareholders for the Company and/or its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature, which are necessary for the day-to-day operations in the ordinary course of business of the Group.

The said mandate for recurrent related party transactions will, in accordance with the Listing Requirements, lapse at the conclusion of the forthcoming 48th AGM scheduled for 22 November 2012 unless authority for its renewal is obtained from the shareholders of the Company at the said AGM.

Pursuant to Chapter 10, Paragraph 10.09(2) of the Listing Requirements, a listed issuer may seek a shareholders' mandate in respect of recurrent related party transactions which are necessary for the day-to-day operations of the listed issuer and its subsidiaries, subject to the following:

- i) the transactions are in the ordinary course of business and are on terms not more favourable to the related party than those generally available to the public;
- ii) the shareholders' mandate is subject to annual renewal and disclosure is made in the annual report of the aggregate value of transactions conducted pursuant to the shareholders' mandate during the financial year where the aggregate value is equal to or more than the threshold prescribed under Paragraph 10.09(1) of the Listing Requirements;
- iii) in a meeting to obtain shareholders' mandate, the interested Director, interested Major Shareholder or interested Person Connected with a Director or Major Shareholder and where it involves the interest of an interested Person Connected with a Director or Major Shareholder, such Director or Major Shareholder, must not vote on the resolution approving the transactions. An interested Director or interested Major Shareholder must ensure that Persons Connected with him/her abstain from voting on the resolution approving the transactions; and
- iv) immediately announce to Bursa Securities when the actual value of a recurrent related party transaction entered into by the Company, exceeds the estimated value of the recurrent related party transactions disclosed in the circular to shareholders by 10% or more and must include the information as may be prescribed by Bursa Securities in its announcement.

It is anticipated that companies within the Group would, in the ordinary course of business, enter into Recurrent Related Party Transactions which are detailed in Section 2.1.3 of this Circular and that such transactions will continue to occur with some degree of frequency and may arise at any point in time.

In view of the forthcoming expiry of the Shareholders' Mandate, and the time-sensitivity, confidential and the frequent nature of such Recurrent Related Party Transactions, the Board is seeking shareholders' approval for the Proposed Shareholders' Mandate at the forthcoming 48th AGM of the Company for the Group to enter into the Recurrent Related Party Transactions as set out in Section 2.1.3 below. Such transactions are to be entered into at arm's length and on normal commercial terms which are not more favourable to the Related Parties than those generally available to the public and which will not be detrimental to the minority shareholders of the Company. Such Recurrent Related Party Transactions will be subject to the review procedures as set out in Section 2.1.4 below.

The Proposed Shareholders' Mandate will take effect from the passing of the ordinary resolution proposed at the forthcoming AGM and shall continue to be in force (unless revoked or varied by the Company in general meeting) until the conclusion of the next AGM of the Company. Thereafter, approval from the shareholders for subsequent renewals will be sought at each subsequent AGM of the Company.

Disclosure will be made in the Company's Annual Report detailing the aggregate value of the Recurrent Related Party Transactions conducted pursuant to the Proposed Shareholders' Mandate during the financial year and in the Annual Reports for subsequent financial years during which the Shareholders' Mandate continues in force.

2.1.2 Related Parties

The Proposed Shareholders' Mandate will apply to Recurrent Related Party Transactions with the following Related Parties (with their principal activities and relationship with the Company detailed below):

Name of Related Parties	Principal Activities	Relationship
GAPL	Investment holding and distribution of stout in Singapore	Major Shareholder of the Company
Diageo Group	Worldwide consumer goods company with businesses in brewing and marketing of Guinness Foreign Extra Stout and other brands of beer, spirits and wines	Diageo is deemed a Major Shareholder of the Company by virtue of its indirect shareholding in GAPL

Name of Related Parties	Principal Activities	Relationship
F&N Group	Production and sale of soft drinks, dairy products, development of and investment in property; and printing and publishing	F&N is deemed a major shareholder of the Company by virtue of its direct and indirect interests in APB, which in turn holds 50% of the shares of GAPL. GAPL is a 50:50 joint venture company of APB and Diageo, and holds 51% shareholding interest in GAB as at 10 October 2012. F&N and Heineken International entered into a conditional agreement dated 18 August 2012 (the "S&P Agreement") for F&N to sell its entire (direct and indirect) stake in APB to Heineken International. As at 10 October 2012, F&N has obtained its shareholders' approval to the aforesaid sale, which is pending completion on fulfillment of all conditions precedent as set out in the S&P Agreement.
APB Group	Production and distribution of beer and stout worldwide	APB is deemed a Major Shareholder of the Company by virtue of its direct shareholding in GAPL
Heineken Group	Production and distribution of beer worldwide	Heineken is deemed a Major Shareholder of the Company by virtue of its indirect shareholding in GAPL

The direct and indirect interests of interested Directors and/or Major Shareholders in the Company as at 10 October 2012 are shown in Section 6 below.

2.1.3 Nature of Recurrent Related Party Transactions

The Group and the Company are principally engaged in the production, packaging, marketing and distribution of beverages, primarily alcoholic.

It is envisaged that in the ordinary course of business of the Group, transactions of a revenue or trading nature between the Group and the Related Parties are likely to occur with some degree of frequency which are necessary for our day-to-day operations.

All estimated values of the respective Recurrent Related Party Transactions from the date of the forthcoming AGM to the next AGM are estimated based on the past transactions entered into by the Group and the Related Parties as well as estimates made based on management's projected sales / businesses, orders and agreements. The actual value of these transactions may vary from the estimated value disclosed below.

The Proposed Shareholders' Mandate will enable the Group to undertake the following transactions, with the transaction values indicated as follows:

Related Parties	Nature of Transactions	Estimated value as disclosed in the Circular to Shareholders dated 12.10.2011 (RM'000)	Actual value transacted since last AGM till 10.10.2012 (RM'000)	Estimated value from 48th AGM to the next AGM (RM'000)
GAPL	1. Sale of beverage products to GAPL	300	–	–
Diageo Group	1. Purchase of manufacturing and marketing materials from Diageo Group	22,000	11,805	25,000
	2. Purchase of beverage products from Diageo Group	4,000	–	4,000
	3. Fees paid/payable to Diageo Group for marketing and advertising services	3,600	3,310	4,000
	4. Royalties paid/payable to Diageo Group for licence to brew Guinness Foreign Extra Stout, Guinness Draught, Kilkenny, Malta and Anglia Shandy	7,000	6,219	10,000
	5. Sale of beverage products to Diageo Group	20,000	16,569	20,000
APB Group	1. Purchase of manufacturing and marketing materials from APB Group	100	–	100
	2. Purchase of beverage products from APB Group	4,000	–	4,000
	3. Royalties paid/payable to APB Group for licence to brew Tiger Beer, Anchor Smooth and Anchor Strong Beer	21,000	18,265	28,000

Related Parties	Nature of Transactions	Estimated value as disclosed in the Circular to Shareholders dated 12.10.2011 (RM'000)	Actual value transacted since last AGM till 10.10.2012 (RM'000)	Estimated value from 48th AGM to the next AGM (RM'000)
APB Group	4. Fees received/ receivable from APB Group for marketing and advertising services	12,000	11,517	13,000
F&N Group	1. Purchase of manufacturing and marketing materials from F&N Group	–	–	–
	2. Purchase of beverage and dairy products from F&N Group	4,000	–	–
	3. Sale of recyclable glass products to F&N Group	–	–	–
Heineken Group	1. Purchase of manufacturing and marketing materials from Heineken Group	25,000	11,841	20,000
	2. Purchase of beverage products from Heineken Group	2,000	900	2,000
	3. Fees paid/payable to Heineken Group for engineering and technical services	2,000	379	1,500
	4. Royalties paid/ payable to Heineken Group for licence to brew Heineken Beer	6,500	5,528	12,000
	5. Sale of beverage products to Heineken Group	10,000	–	10,000
	6. Fees received/ receivable from Heineken Group for marketing and advertising services	6,000	6,185	7,000

The Company has no outstanding amount due and owing arising from the Recurrent Related Party Transactions that exceeded the credit term as at the end of the financial year ended 30 June 2012.

2.1.4 Guidelines and Review Procedures for Recurrent Related Party Transactions

To ensure that such Recurrent Related Party Transactions are conducted at arm's length and on normal commercial terms consistent with the Group's usual business practices and policies and will not be prejudicial to the Company's shareholders, the management will ensure that the transactions with the Related Parties will only be entered into after taking into account the pricing, level of service, quality of product, market forces and other related factors on terms not more favourable to the Related Parties than those generally available to the public and not detrimental to the minority shareholders of the Company.

Transactions with Related Parties will only be entered into under similar commercial terms for transactions with unrelated third parties, which depend on the demand and supply of the products and subject to the availability of the products in the domestic market. Should a cost plus basis of pricing be used, the appropriate mark-up to cost shall be determined on an arm's length price based on a percentage earned by the Company on unrelated party transactions which are the same or very similar to the related party transactions.

At least two (2) other contemporaneous transactions with unrelated third parties for similar products / services and / or quantities will be used as comparison, wherever possible, to determine whether the price and terms offered to / by the Related Parties are fair and reasonable and comparable to those offered to / by other unrelated third parties for the same or substantially similar type of products / services and /or quantities. For certain products / services of which quotation or comparative pricing from unrelated third parties cannot be obtained (for instance, if there are no unrelated third party vendors / customers of similar products or services, or if the product / service is a proprietary item), the transaction price will be determined by the Group based on those offered by / to other related parties for the same or substantially similar type of transaction to ensure that the price and terms of the Recurrent Related Party Transaction are fair and reasonable to the Group. There is no specific threshold for approval of Recurrent Related Party Transactions within the Group.

The Group has established the following procedures to ensure that the transactions with Related Parties are undertaken on arm's length basis and on normal commercial terms, and on transaction prices and terms not more favourable to the Related Parties than those generally available to the public:

- i) A list of Related Parties will be circulated to the companies within the Group to notify that all transactions with Related Parties are required to be undertaken on an arm's length basis and independent of undue influence from Related Parties and on normal commercial terms and on terms not more favourable to the Related Parties than those generally available to the public;
- ii) All transactions with Related Parties, regardless of the transaction value, will be reviewed by the sub-committee which is appointed and authorised by the Audit Committee of the Company;
- iii) A register will be maintained by the Group to record all transactions with Related Parties which are entered into pursuant to the Proposed Shareholders' Mandate;

- iv) The internal audit will conduct periodic reviews of all identified and reported transactions with Related Parties to determine whether internal guidelines and procedures have been complied with. The internal audit will also conduct an annual review of the system of controls to ensure that all Recurrent Related Party Transactions are identified and reported; and
- v) The Board and the Audit Committee will review the internal audit reports and/or any other reports required from time to time to determine whether established guidelines and procedures have been adhered to and if there is a need for further review or to improve the procedures.

Where any Director or any Person Connected with him/her has an interest (direct or indirect) in any Recurrent Related Party Transaction, such Director shall abstain from deliberation and voting on any decision to be taken by the Board in respect of such Recurrent Related Party Transaction, if any. Where any member of the Audit Committee is interested in any Recurrent Related Party Transaction, that member shall abstain from deliberation and voting on any decision to be taken by the Audit Committee with respect to such transaction.

Pursuant to Chapter 10, Paragraph 10.09 of the Listing Requirements, in a meeting to obtain the Proposed Shareholders' Mandate, the interested Director, interested Major Shareholder or interested Person Connected with a Director or Major Shareholder; and where it involves the interest of an interested Person Connected with a Director or Major Shareholder, such Director or Major Shareholder must not vote on the resolution approving the transactions.

An interested Director or interested Major Shareholder must also ensure that Persons Connected with him/her abstain from voting on the resolution approving the transactions. Interested Directors shall also abstain from deliberating at Board meetings in respect of the Recurrent Related Party Transactions in which they are interested.

Disclosure will be made in the Company's Annual Report detailing the aggregate value of transactions conducted pursuant to the Proposed Shareholders' Mandate during the financial year. Disclosure will also be made in the Annual Reports for subsequent financial years during which the Shareholders' Mandate remains in force.

The Proposed Shareholders' Mandate, if approved at the forthcoming 48th AGM, will continue to be in force until the next AGM of the Company. Thereafter, shareholders' approval will be sought for the renewal of such mandate at each subsequent AGM subject to a satisfactory review by the Audit Committee of its continued application to Recurrent Related Party Transactions.

2.1.5 Statement by Audit Committee

The Audit Committee, comprising the following Directors:

- Martin Giles Manen : Chairman, Independent Non-Executive Director
- Tan Sri Saw Huat Lye : Senior Independent Non-Executive Director
- Dr Leslie Buckley : Non-Independent Non-Executive Director
- Dato' Sreesanthan Eliathamby : Independent Non-Executive Director
- Dato' Syed Salleh bin Syed Othman : Independent Non-Executive Director
- Edward McShane : Non-Independent Non-Executive Director
- Dato' Saw Choo Boon : Independent Non-Executive Director

has the overall responsibility of determining whether the procedures and processes for monitoring, tracking and reviewing Recurrent Related Party Transactions are adequate and appropriate. The Audit Committee also has the authority to delegate this responsibility to such individuals within the Company as it shall deem fit. The Audit Committee shall review and ascertain whether the guidelines and procedures established to monitor Recurrent Related Party Transactions have been complied with.

The Audit Committee has the discretion to request for limits to be imposed or for additional procedures to be followed if it considers such a request to be appropriate. In that event, such limits or procedures may be implemented without the approval of shareholders, provided that they are more stringent than the existing limits or procedures.

The Audit Committee of the Company has reviewed the terms of the Proposed Shareholders' Mandate and is satisfied that the review procedures for Recurrent Related Party Transactions, as well as the annual review by the Audit Committee in relation thereto, are sufficient to ensure that Recurrent Related Party Transactions will be made at arm's length basis and on normal commercial terms not more favourable to the Related Parties than those generally available to the public and are not detrimental to the minority shareholders of the Company, and hence, will not be prejudicial to the shareholders or disadvantageous to the Group.

The Group has in place adequate procedures and processes for monitoring, tracking and identifying Recurrent Related Party Transactions in a timely and orderly manner, and such procedures and processes are reviewed on an annual basis or whenever the need arises.

2.1.6 Validity period

The authority to be conferred pursuant to the Proposed Shareholders' Mandate, if approved at the forthcoming AGM, will continue to be in force until:

- i) the conclusion of the next AGM of the Company following the forthcoming AGM at which the Proposed Shareholders' Mandate is approved, at which time it will lapse unless the authority is renewed by a resolution passed at a general meeting of the Company; or
- ii) the expiration of the period within which the next AGM of the Company after the forthcoming AGM is required to be held pursuant to Section 143(1) of the Companies Act, 1965 (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Companies Act, 1965); or

- iii) revoked or varied by resolution passed by the shareholders in a general meeting, whichever is the earlier.

Thereafter, approval from the shareholders for subsequent renewals of the mandate will be sought at each subsequent AGM of the Company subject to a satisfactory review by the Audit Committee of its continued application to Recurrent Related Party Transactions.

2.2 PROPOSED AMENDMENTS TO THE COMPANY'S ARTICLES OF ASSOCIATION

In September 2011, Bursa Securities had introduced certain amendments to Chapter 7 of the Listing Requirements pertaining to the appointment of proxies and other administrative matters. The amendments took effect from 3 January 2012 and listed issuers must seek shareholders' approval for the amendments at a general meeting by 31 December 2013.

To comply with the amended Chapter 7 of the Listing Requirements, the Company proposes that its Articles of Association be amended in the manner set out in Appendix I of this Circular.

3. RATIONALE AND BENEFITS OF THE PROPOSALS

3.1 Proposed Shareholders' Mandate

The Recurrent Related Party Transactions entered or to be entered into by the Group are all in the ordinary course of business. They are recurring transactions of a revenue or trading nature which are likely to occur with some degree of frequency and may arise at any point in time. These transactions may be constrained by the time-sensitive nature and confidentiality of such transactions, and it may be impractical to seek shareholders' approval on a case-by-case basis before entering into such Recurrent Related Party Transactions. As such, the Board is seeking a shareholders' mandate pursuant to Chapter 10, Paragraph 10.09 of the Listing Requirements to allow the Group to enter into Recurrent Related Party Transactions described in Section 2.1.3 above.

The Recurrent Related Party Transaction, as outlined in Section 2.1.3 above, are made on arm's length basis and on normal commercial terms not more favourable to the Related Parties than those generally available to the public and are not detrimental to the minority shareholders of the Company and which are not prejudicial to the interest of the shareholders.

By obtaining the Proposed Shareholders' Mandate, 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 be eliminated. This would substantially reduce 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 Recurrent Related Party Transactions are intended to meet the business requirements of the Group at the best possible terms as well as to explore beneficial business opportunities. These transactions allow the Group to be more competitive in the beer and stout industry through synergies derived from the concentration by each party on its respective strengths, specialities and competencies.

3.2 Proposed Amendments to Articles

The Proposed Amendments to Articles are intended to ensure that the Company's Articles of Association comply with the additional requirements of the Listing Requirements and to update other provisions in the Company's Articles of Association for clarity and consistency.

4. EFFECTS OF THE PROPOSALS

The Proposals will not have any impact on the share capital and Major Shareholders' shareholdings of the Company and will not have any significant impact on the net assets and earnings of the Group.

5. APPROVAL REQUIRED

The Proposals are subject to the approval of the Company's shareholders to be obtained at the forthcoming 48th AGM to be convened.

6. DIRECTORS' AND MAJOR SHAREHOLDERS' INTERESTS

6.1 Proposed Shareholders' Mandate

Interested Directors

Charles Henry Ireland, Siobhan Mary Hamilton, Dr Leslie Buckley, Edmond Neo Kim Soon and Edward McShane are deemed interested in the Proposed Shareholders' Mandate as they are the Board representatives of GAPL, a Major Shareholder of the Company as at 10 October 2012. None of these Directors hold any share directly in the Company as at 10 October 2012. They have abstained and will continue to abstain from all deliberations on the Proposed Shareholders' Mandate at all Board meetings. They will also abstain from voting in respect of their direct and indirect shareholdings in relation to the Proposed Shareholders' Mandate at the forthcoming 48th AGM in the event they are also shareholders of the Company subsequent to 10 October 2012.

Interested Major Shareholders

The direct and indirect shareholdings of the interested Major Shareholder and its persons connected in the Company as at 10 October 2012 are as follows:

Major Shareholders	No of stock units of RM0.50 each held			
	Direct	%	Indirect	%
GAPL	154,069,900	51	–	–
GOL	–	–	154,069,900 ⁽¹⁾	51
Diageo	–	–	154,069,900 ⁽²⁾	51
APB	–	–	154,069,900 ⁽¹⁾	51
API	–	–	154,069,900 ⁽³⁾	51
F&N	–	–	154,069,900 ⁽⁴⁾	51
Heineken International	–	–	154,069,900 ⁽⁴⁾	51
Heineken	–	–	154,069,900 ⁽⁵⁾	51

Notes:

(1) Deemed interested through in GAPL

(2) Deemed interested through GOL

(3) Deemed interested through APB

(4) Deemed interested through API

(5) Deemed interested through Heineken International

The abovementioned Major Shareholders are deemed interested in the Proposed Shareholders' Mandate by virtue of their shareholdings, direct and indirect, in the Company. They shall accordingly abstain from voting in respect of their direct and indirect shareholdings on the resolution approving the Proposed Shareholders' Mandate to be tabled as Special Business at the forthcoming 48th AGM.

The abovementioned interested Directors and Major Shareholders have undertaken that they shall ensure that Persons Connected to them will abstain from voting on the resolution approving the Proposed Shareholders' Mandate at the forthcoming 48th AGM of the Company.

Save as disclosed above, none of the other Directors or Major Shareholders of the Company or Persons Connected to them has any interest, direct or indirect, in the Proposed Shareholders' Mandate.

6.2 Proposed Amendments to Articles

None of the Directors and/or Major Shareholders of the Company or Persons Connected to them has any interest, direct or indirect, in the Proposed Amendments to Articles.

7. DIRECTORS' RECOMMENDATION

7.1 Proposed Shareholders' Mandate

The Directors (save for Charles Henry Ireland, Siobhan Mary Hamilton, Dr Leslie Buckley, Edmond Neo Kim Soon and Edward McShane who have abstained from making a recommendation and giving an opinion on the Proposed Shareholders' Mandate as they are deemed interested in the Proposed Shareholders' Mandate), after due consideration of all aspects, are of the opinion that the Proposed Shareholders' Mandate is in the best interest of the Company. Accordingly, your Directors (save for Charles Henry Ireland, Siobhan Mary Hamilton, Dr Leslie Buckley, Edmond Neo Kim Soon and Edward McShane) recommend that shareholders vote in favour of the ordinary resolution in respect of the Proposed Shareholders' Mandate to be tabled at the forthcoming 48th AGM of the Company.

7.2 Proposed Amendments to Articles

The Directors, having considered all aspects of the Proposed Amendments to Articles, are of the opinion that the Proposed Amendments to Articles is in the best interest of the Company and accordingly, recommend that shareholders vote in favour of the special resolution in respect of the Proposed Amendments to Articles to be tabled at the forthcoming 48th AGM of the Company.

8. AGM

The resolutions pertaining to the Proposals are set out in the Notice of 48th AGM enclosed in the abridged version of the Annual Report 2012, which is despatched to you together with this Circular. The 48th AGM will be held at Sime Darby Convention Centre, 1A Jalan Bukit Kiara 1, 60000 Kuala Lumpur on Thursday, 22 November 2012 at 11.00 a.m or any adjournment thereof.

If you are unable to attend and vote in person at the AGM, you are requested to complete, sign and return the original Form of Proxy enclosed in the abridged version of the Company's Annual Report 2012, in accordance with the instructions contained thereon as soon as possible and in any event to reach the Share Registrar's office at Level 17, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur not later than 48 hours before the time fixed for holding the AGM or any adjournment thereof. The lodging of the Form of Proxy will not preclude you from attending and voting in person at the 48th AGM if you so subsequently decide to do so.

9. GENERAL INFORMATION

Shareholders are requested to refer to the attached Appendix II for additional information.

Yours faithfully
For and on behalf of the Board of Directors
GUINNESS ANCHOR BERHAD

TAN SRI SAW HUAT LYE

Chairman / Senior Independent Director

PROPOSED AMENDMENTS TO THE COMPANY'S ARTICLES OF ASSOCIATION

The Company proposes the following amendments to be made to the Company's Articles of Association (for which differences are highlighted) to comply with the amended provisions of the Listing Requirements:

Existing Articles	Proposed / Amended Articles
<p>Article 2 : Definitions and Interpretation</p> <p>"Listing Requirements" means the Listing Requirements of the Exchange as may be amended from time to time.</p>	<p>Article 2 : Definitions and Interpretation</p> <p>"Listing Requirements" means the <u>Bursa Malaysia Securities Berhad Main Market Listing Requirements including any amendments to the Listing Requirements that may be made from time to time.</u> of the Exchange as may be amended from time to time</p>
<p>Article 17 : Alteration of preferential shareholders' rights</p> <p>Notwithstanding Article 18 hereof the repayment of capital of preference shares other than redeemable preference shares, or any other alteration of preference shareholder rights, shall only be made pursuant to a special resolution of the preference shareholders concerned, provided always that where the necessary majority for such a special resolution is not obtained at the meeting, consent in writing if obtained from the holders of three-fourths of the preference shares concerned within 2 months of the meeting, shall be as valid and effectual as a special resolution carried at the meeting.</p>	<p>Article 17 : Alteration of preferential shareholders' rights</p> <p>Notwithstanding Article 18 hereof the repayment of <u>preference capital</u> of preference shares other than redeemable preference <u>capital</u> shares, or any other alteration of preference shareholder rights, <u>may</u> shall only be made pursuant to a special resolution of the preference shareholders concerned, provided always that where the necessary majority for such a special resolution is not obtained at the meeting, consent in writing if obtained from the holders of three-fourths of the preference <u>capital</u> shares concerned within 2 months of the meeting, shall be as valid and effectual as a special resolution carried at the meeting.</p>

Existing Articles	Proposed / Amended Articles
<p>Article 48 : Issue of new shares to existing members</p> <p>Subject to any direction to the contrary that may be given by the Company in general meeting, all new shares or other convertible Securities for the time being unissued and not allotted and any new shares from time to time to be created shall, before they are issued, be offered to such persons as at the date of the offer are entitled to receive notices from the Company of general meetings in proportion, as nearly as the circumstances admit, to the amount of the existing Shares or Securities to which they are entitled. The offer shall be made by notice specifying the number of Shares or Securities offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined, and, after the expiration of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the Shares or Securities offered, the Directors may dispose of those Shares or Securities in such manner as they think most beneficial to the Company. The Directors may likewise also dispose of any new Shares or Securities which (by reason of the ratio which the new Shares or Securities bear to Shares or Securities held by persons entitled to an offer of new Shares or Securities) cannot, in the opinion of the Directors, be conveniently offered under this Article.</p>	<p>Article 48 : Issue of new shares to existing members</p> <p>Subject to any direction to the contrary that may be given by the Company in general meeting, all new shares or other convertible Securities for the time being unissued and not allotted and any new shares from time to time to be created shall, before they are issued, be offered to such persons as at the date of the offer are entitled to receive notices from the Company of general meetings in proportion, as nearly as the circumstances admit, to the amount of the existing Shares or Securities to which they are entitled. The offer shall be made by notice specifying the number of Shares or Securities offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined, and, after the expiration of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the Shares or Securities offered, the Directors may dispose of those Shares or Securities in such manner as they think most beneficial to the Company. The Directors may likewise also dispose of any new Shares or Securities which (by reason of the ratio which the new Shares or Securities bear to Shares or Securities held by persons entitled to an offer of new Shares or Securities) cannot, in the opinion of the Directors, be conveniently offered under this Article.</p>
<p>Article 58 : Right to appoint proxy</p> <p>In every notice calling a meeting of the Company, there shall appear with reasonable prominence a statement that a member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of him. A proxy need not also be a member of the Company and the provision of Section 149(1)(b) of the Act shall not apply to the Company.</p>	<p>Article 58 : Right to appoint proxy</p> <p>In every notice calling a meeting of the Company, there shall appear with reasonable prominence a statement that a member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of him. A proxy need not also be a member of the Company and the provision of Section 149(1)(b) of the Act shall not apply to the Company. <u>There shall be no restriction as to the qualification of the proxy.</u></p>

Existing Articles	Proposed / Amended Articles
<p>Article 82 : Appointment of more than one proxy for authorised nominee company</p> <p>Where a member of the Company is an authorised nominee as defined under the Central Depositories Act, it may appoint at least one proxy in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account.</p>	<p>Article 82 : Appointment of proxy for exempt authorised nominee</p> <p>Where a member of the Company is an <u>exempt</u> authorised nominee as defined under the Central Depositories Act, it may appoint at least one proxy <u>which holds ordinary shares in the Company for multiple beneficial owners in one securities account (“Omnibus Account”), there is no limit to the number of proxies which the exempt authorised nominee may appoint</u> in respect of each Securities Account <u>each Omnibus Account</u> it holds with ordinary shares of the Company standing to the credit of the said Securities Account. <u>An exempt authorised nominee refers to an authorised nominee defined under the Central Depositories Act which is exempted from compliance with the provisions of subsection 25A(1) of the Central Depositories Act.</u></p>

Existing Articles	Proposed / Amended Articles
<p>Article 83 : Appointment and Deposit of Proxy</p> <p>A member may only appoint one proxy to attend and vote at the same General Meeting provided that:</p> <p>83.1 the Company shall be entitled and bound:</p> <ul style="list-style-type: none"> (a) to reject any instrument of proxy lodged if the member is not shown to have any shares entered against his name in the register of members and/or the latest Record of Depositors made available to the Company; and (b) to accept as the maximum number of votes which in aggregate the proxy appointed by the member is able to cast on a poll the aggregate number of shares which is entered against the name of that member in the register of members and/or the latest Record of Depositors made available to the Company whether that number is greater or smaller than the number specified in any instrument of proxy executed by or on behalf of that member; and <p>83.2 the Company shall be entitled and bound, in determining rights to vote and other matters in respect of a completed instrument of proxy submitted to it, to have regard to the instructions (if any) given by and the notes (if any) set out in the instrument of proxy.</p>	<p>Article 83 : Appointment and Deposit of Proxy</p> <p>A member may only appoint one proxy to attend and vote at the same General Meeting</p> <p><u>A member of the Company entitled to attend and vote at a meeting of the Company, or at a meeting of any class of members of the Company, is entitled to appoint one proxy to attend and vote instead of the member at the meeting</u></p> <p>provided that:</p> <p>83.1 the Company shall be entitled and bound:</p> <ul style="list-style-type: none"> (a) to reject any instrument of proxy lodged if the member is not shown to have any shares entered against his name in the register of members and/or the latest Record of Depositors made available to the Company; and (b) to accept as the maximum number of votes which in aggregate the proxy appointed by the member is able to cast on a poll the aggregate number of shares which is entered against the name of that member in the register of members and/or the latest Record of Depositors made available to the Company whether that number is greater or smaller than the number specified in any instrument of proxy executed by or on behalf of that member; and <p>83.2 the Company shall be entitled and bound, in determining rights to vote and other matters in respect of a completed instrument of proxy submitted to it, to have regard to the instructions (if any) given by and the notes (if any) set out in the instrument of proxy.</p> <p><u>83.3 A proxy appointed to attend and vote at a meeting of the Company shall have the same rights as the member to speak at the meeting.</u></p>

GENERAL INFORMATION

1. DIRECTORS ' RESPONSIBILITY STATEMENT

This Circular has been seen and approved by the Directors of the Company who individually and collectively accept full responsibility for the accuracy of the information as contained in this Circular and confirm that after having made all reasonable enquiries, and to the best of their knowledge and belief, there are no other facts, the omission of which would make any statement herein misleading.

2. MATERIAL CONTRACTS

There are no material contracts (not being contracts entered into in the ordinary course of business) which have been entered into by the Company and/or its subsidiaries during the two years immediately preceding the date of this Circular.

3. MATERIAL LITIGATION

As of the date of this Circular, neither the Company nor any of its subsidiary companies is engaged in any material litigation, claims or arbitration either as plaintiff or defendant and the Directors do not have any knowledge of any proceedings, pending or threatened, against the Company or any of its subsidiary companies or of any facts likely to give rise to any proceedings which might materially affect the position or business of the Company or its subsidiary companies.

4. DOCUMENTS FOR INSPECTION

The following documents are available for inspection at the office of the Company at Sungei Way Brewery, Lot 1135, Batu 9, Jalan Klang Lama, 46000 Petaling Jaya, Selangor Darul Ehsan during office hours from Mondays to Fridays (except public holidays) from the date of this Circular up to and including the date of the forthcoming 48th AGM:

- i) Memorandum and Articles of Association of the Company
- ii) Audited consolidated financial statements of the Group for the two financial years ended 30 June 2011 and 2012