



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

**QUARTERLY FINANCIAL REPORT ON CONDENSED CONSOLIDATED RESULTS  
FOR THE FINANCIAL YEAR ENDING 30 JUNE 2009**

The Board of Directors of Guinness Anchor Berhad wishes to announce the unaudited results of the Group for the second quarter ended 31 December 2008.

**CONDENSED CONSOLIDATED INCOME STATEMENT**

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	3 MONTHS ENDED		6 MONTHS ENDED	
	31/12/2008	31/12/2007	31/12/2008	31/12/2007
	RM'000	RM'000	RM'000	RM'000
1. Revenue	328,519	290,351	694,323	615,551
2. Operating expenses	282,952	255,045	586,280	522,985
3. Other operating income	1,077	1,089	1,923	2,107
4. Profit from operations	46,644	36,395	109,966	94,673
5. Finance cost	336	88	406	174
6. Profit before tax	46,308	36,307	109,560	94,499
7. Taxation	11,633	9,434	27,562	24,520
8. Profit/(loss) after tax	34,675	26,873	81,998	69,979
9. Net profit for the period	<u>34,675</u>	<u>26,873</u>	<u>81,998</u>	<u>69,979</u>
10. Profit attributable to equity holders of the Company	<u>34,675</u>	<u>26,873</u>	<u>81,998</u>	<u>69,979</u>
11. Earnings per share :				
(a) Basic (based on 302,098,000 stock units) (sen)	11.48	8.90	27.14	23.16
(b) Fully diluted (based on ..... stock units) (sen)	N/A	N/A	N/A	N/A

**(The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Report for the year ended 30 June 2008)**

**CONDENSED CONSOLIDATED BALANCE SHEETS**

	<b>AS AT 31/12/2008 RM'000</b>	<b>AS AT 30/06/2008 RM'000</b>
<b>Non-current assets</b>		
Property, plant and equipment	207,575	210,532
Intangible assets	5,086	2,953
Prepaid lease payment	13,985	14,113
Deferred tax assets	2,338	2,338
Receivables	1,697	1,858
	<u>230,681</u>	<u>231,794</u>
<b>Current assets</b>		
Inventories	78,590	64,976
Receivables, deposits and prepayments	287,229	143,305
Cash and cash equivalents	76,827	183,374
	<u>442,646</u>	<u>391,655</u>
<b>Current liabilities</b>		
Payables and accruals	180,910	172,281
Current tax liabilities	18,130	9,568
Short term borrowings	31,500	-
	<u>230,540</u>	<u>181,849</u>
<b>Net current assets</b>	<u>212,106</u>	<u>209,806</u>
	<u>442,787</u>	<u>441,600</u>
<b>Financed by:</b>		
<b>Capital and reserves</b>		
Share capital	151,049	151,049
Reserves		
Capital reserve	5,037	4,967
Retained earnings	256,435	255,318
<b>Shareholders' funds</b>	<u>412,521</u>	<u>411,334</u>
<b>Non-current liabilities</b>		
Deferred tax liabilities	30,266	30,266
	<u>442,787</u>	<u>441,600</u>
Net Assets per share attributable to equity holders of the Company (RM)	<u>1.37</u>	<u>1.36</u>

**(The Condensed Consolidated Balance Sheet should be read in conjunction with the Annual Financial Report for the year ended 30 June 2008)**

**CONDENSED CONSOLIDATED CASH FLOW STATEMENTS  
FOR THE QUARTER ENDED 31 DECEMBER 2008**

	<b>6 MONTHS ENDED</b>	
	<b>31/12/2008</b>	<b>31/12/2007</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Cash flows from operating activities</b>		
Profit before taxation	109,560	94,499
Adjustments for:		
Amortisation of intangible assets	541	981
Amortisation of prepaid lease prepayments	128	128
Depreciation of property, plant and equipment	13,595	12,854
Gain on disposal of property, plant and equipment	23	(1,020)
Interest expense	406	174
Interest income	(1,923)	(2,107)
<b>Operating profit before changes in working capital</b>	<b>122,330</b>	<b>105,509</b>
<b>(Increase)/Decrease in working capital</b>		
Inventories	(13,614)	(50,481)
Receivables, deposits and prepayment	(143,763)	(84,843)
Payables and accruals	8,629	34,926
<b>Cash generated from operations</b>	<b>(26,418)</b>	<b>5,111</b>
Tax paid	(19,000)	(17,243)
Interest paid	(406)	(174)
<b>Net cash from operating activities</b>	<b>(45,824)</b>	<b>(12,306)</b>
<b>Cash flows from investing activities</b>		
Acquisition of property, plant and equipment	(13,351)	(9,784)
Interest received	1,923	2,107
Proceeds from disposal of property, plant and equipment	16	1,023
<b>Net cash used in investing activities</b>	<b>(11,412)</b>	<b>(6,654)</b>
<b>Cash flows from financing activity</b>		
Dividends paid	(80,811)	(70,570)
Borrowings	31,500	-
<b>Net cash used in financing activity</b>	<b>(49,311)</b>	<b>(70,570)</b>
<b>Net change in cash and cash equivalents</b>	<b>(106,547)</b>	<b>(89,530)</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>183,374</b>	<b>154,605</b>
<b>Cash and cash equivalents at end of period</b>	<b>76,827</b>	<b>65,075</b>

**(The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Annual Financial Report for the year ended 30 June 2008)**

**GUINNESS ANCHOR BERHAD**  
(Company No. 5350X)

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
FOR THE QUARTER ENDED 31 DECEMBER 2008**

	Attributable to equity holders of the Company			
	Share Capital RM'000	<i>Non- Distributable</i> Capital Reserve RM'000	<i>Distributable</i> Retained Earnings RM'000	Total RM'000
<u>6 months ended</u> <u>31 December 2008</u>				
Balance at 1 July 2008	151,049	4,967	255,318	411,334
Net gains and losses recognised directly in equity :				
Foreign exchange translation difference	-	70	(70)	-
Profit after taxation	-	-	81,998	81,998
Dividends	-	-	(80,811)	(80,811)
<b>Balance at 31 December 2008</b>	<b>151,049</b>	<b>5,037</b>	<b>256,435</b>	<b>412,521</b>
<u>6 months ended</u> <u>31 December 2007</u>				
Balance at 1 July 2007	151,049	4,695	229,365	385,109
Net gains and losses recognised directly in equity :				
Foreign exchange translation difference	-	82	(82)	-
Profit after taxation	-	-	69,979	69,979
Dividends	-	-	(70,570)	(70,570)
<b>Balance at 31 December 2007</b>	<b>151,049</b>	<b>4,777</b>	<b>228,692</b>	<b>384,518</b>

**(The Condensed Consolidated Statement of Changes in Equity should be read in  
conjunction with the Annual Financial Report for the year ended 30 June 2008)**

## GUINNESS ANCHOR BERHAD

(Company No. 5350X)

### Notes:

#### 1. Accounting Policies

The interim financial report has been prepared in accordance with the requirements of Financial Reporting Standards ("FRS") 134 "Interim Financial Reporting" issued by the Malaysian Accounting Standards Board (MASB) and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad. It should be read in conjunction with the Group's annual audited financial statements for the year ended 30 June 2008.

The accounting policies and methods of computation adopted by the Group for this interim financial report are consistent with those adopted in the financial statements for the year ended 30 June 2008.

#### 2. Audit Report on Preceding Annual Financial Statements

The Group annual financial statements for the year ended 30 June 2008 were not qualified.

#### 3. Seasonal or Cyclical Factors

The business operations of the Group are generally affected by festive seasons.

#### 4. Exceptional Items

There were no exceptional items for the current financial quarter under review.

#### 5. Changes in Estimates

There were no estimates of amount reported in prior financial years.

#### 6. Changes in Share Capital

There were no issuance and repayment of debt or any movement in the share capital for the current financial quarter under review.

#### 7. Dividends Paid

	6 Months Ended 31 December	
	2008	2007
	RM'000	RM'000
<u>Final – Paid</u>		
2008 – 14 sen per stock unit tax exempt and 17 sen per stock unit less income tax @ 25%	80,811	
(2007 – 32 sen per stock unit less income tax @ 27%)		70,570

#### 8. Segmental Reporting

There was no segmental analysis prepared as the Group operated 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.

## 9. Property, Plant and Equipment Valuation

There were no changes in the valuation of property, plant and equipment for the current financial quarter under review.

## 10. Events Subsequent to the End of the Period

Between the end of the second quarter and the date of this announcement, there has not been any item, transaction or event of a material and unusual nature which, in the opinion of the Directors is likely to affect substantially the results of the operations of the Group for the second quarter ended 31 December 2008.

## 11. Changes in the Composition of the Group

There were no changes in the composition of the Group during the current financial quarter under review including business combination, acquisition or disposal of subsidiaries and long-term investments, restructuring and discontinuing operations.

## 12. Changes in Contingent Liabilities or Contingent Assets

There were no contingent liabilities or contingent assets as at the date of this report.  
(see also Note 25 below).

## 13. Capital Commitments

Capital commitments not provided for in the financial statements as at 31 December 2008 are as follows:

	RM'000
Property, plant and equipment	
Authorised but not contracted for	11,249
Authorised and contracted for	1,870
	<u>13,119</u>

## 14. Significant Related Party Transactions

As at the end of the current period under review, the Group has entered into/or completed the following significant Related Party Transactions:

	Diageo Plc and its related corporations	Fraser and Neave Limited ("F&N") and its related corporations Asia Pacific Breweries Limited Group	Other F&N related corporations	Heineken NV and its related corporations
	RM'000	RM'000	RM'000	RM'000
Purchase of goods	8,503	-	11,065	112
Sale of products	4,354	-	-	4,317
Royalties payable	2,816	5,292	-	1,223
Marketing and technical services payable	1,390	-	-	284
Marketing fees receivable	-	1,176	-	-

All Related Party Transactions had been entered into in the ordinary course of business on normal commercial terms. These transactions are within the ambit of the general mandate approved by the shareholders of the Company on 26 November 2008.

## **15. Review of Performance**

### Comparison of Second Quarter against Corresponding Quarter 2007

Group revenue for the quarter under review, ended 31 December 2008, increased by RM38.2 million as compared to the corresponding quarter in 2007. This 13.1% increase was driven in part by the sell-in for the earlier Chinese New Year.

Group profit before tax for the same period was higher by 27.5% at RM46.3 million against RM36.3 million in the corresponding quarter last year.

### Current 6 months results against same 6 months period of the last financial year

The Group's revenue for the first 6 months of the 2008/2009 fiscal year, ended 31 December 2008, grew by 12.8% to RM694.3 million from RM615.6 million in the corresponding period in the previous fiscal year.

Group profit before tax increased by 15.9% or RM15.1 million to RM109.6 million.

## **16. Comparison of Results with Preceding Quarter**

Group revenue for the current quarter, at RM328.5 million, was lower by RM37.3 million versus the previous quarter. This was primarily due to the significantly high pre-budget speculative purchases by our customers in the preceding quarter.

## **17. Prospects**

The Group is of the view that, in some way or other, all businesses will be affected by the current downturn in the global economy, however is hopeful that the malt liquor market (MLM) will not be as severely affected as some other areas of the overall economy.

Industry prospects will be further affected should the level of smuggling of beer and stout products increase.

The Group plans to continue to invest in building our brands and in developing and raising the skills of our people in order to help ensure we retain our competitive position during these difficult times.

In light of the above, the Group is confident of meeting the challenges ahead and will strive hard to bring about a satisfactory performance for the financial year ending 30 June 2009.

## **18. Variance from Profit Forecast**

No profit forecast was issued during the financial quarter under review.

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## 19. Taxation

Taxation in respect of the current financial period comprises the following:

	Current Year Quarter 31/12/2008 RM'000	Current Year To date 31/12/2008 RM'000
Taxation		
Malaysian - current	11,633	27,562
- prior year	-	-
	11,633	27,562
Deferred taxation		
Malaysian - current	-	-
- prior year	-	-
	-	-
	11,633	27,562

The Group's effective tax rate for the current financial quarter under review is in line with the statutory tax rate.

## 20. Sale of Unquoted Investments and/or Properties

There were no sales of unquoted investments or properties for the current financial quarter under review.

## 21. Quoted Securities

There were no purchases or disposal of quoted securities for the current financial quarter under review.

## 22. Status of Corporate Proposals

There was no corporate proposal announced but not completed at the date of this report.

## 23. Group Borrowings

Total Group borrowings as at 31 December 2008 are as follows:

	RM'000
<u>Short term - unsecured</u>	
Banker Acceptance	31,500

## 24. Off Balance Sheet Financial Instruments

### Forward Foreign Exchange Contracts

Forward foreign exchange contracts are used by the Group as hedges in currencies other than the functional currency to manage exposure to fluctuations in foreign exchange risk. Under the Group accounting policies, foreign currency transactions that are hedged by forward foreign exchange contracts are booked in at the contracted rates. Foreign currency monetary assets and liabilities which are not hedged are translated at exchange rates ruling at balance sheet date.



## **GUINNESS ANCHOR BERHAD**

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As at 19 February 2009, the notional amount of forward foreign exchange contracts that were entered into by the Group to hedge its foreign purchases was RM6.4 million. The settlement dates of these forward contracts ranged between 1 and 6 months.

There is minimal credit and market risk as the above forward contracts are executed with creditworthy financial institutions. The Group is of the view that the possibility of non-performance by these financial institutions is remote on the basis of their financial strength.

### **25. Material Litigation**

Save and except as disclosed in previous quarterly result announcements and where applicable as disclosed in the audited financial statements of the Company or its subsidiaries, neither the Company nor any of its subsidiaries is engaged in any other material litigation either as Plaintiff or as Defendant as of the date of this report.

### **26. Dividend**

The Board has declared an interim dividend of 10 sen per 50 sen stock unit tax exempt for the financial year ending 30 June 2009 (2008 – 13 sen gross per 50 sen stock unit, less income tax at 26%), to be paid on **22 May 2009** to stockholders registered at the close of business on 11 May 2009. The entitlement date shall therefore be 11 May 2009.

Net dividend payable to stockholders will be at 10 sen per 50 sen stock unit (2008 – 9.62 sen per 50 sen stock unit).

A Depositor shall qualify for entitlement only in respect of:

- (a) Shares deposited into the Depositor's securities account before 12.30 p.m. on 8 May 2009 (in respect of shares which are exempted from mandatory deposit),
- (b) Shares transferred into the Depositor's securities account before 4.00 p.m. on 11 May 2009 in respect of ordinary transfers; and
- (c) Shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

Total dividend declared for the current financial period ended 31 December 2008 amounted to 10 sen per 50 sen stock unit tax exempt.

### **27. Earnings Per Share**

#### **(a) Basic Earnings Per Share**

Basic earnings per share for the quarter under review / financial year-to-date are calculated by dividing the net profit attributable to the shareholders of RM81,998,000 by the weighted average number of ordinary stock units outstanding as at 31 December 2008 of 302,098,000.

#### **(b) Diluted Earnings Per Share**

Not Applicable.

For and on Behalf of the Board

**Charles Ireland**  
Managing Director

27 February 2009