GUINNESS ANCHOR BERHAD

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

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE QUARTER AND YEAR ENDED 30 JUNE 2010

The Board of Directors of Guinness Anchor Berhad wishes to announce the audited results of the Group for the fourth quarter ended 30 June 2010.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		INDIVIDUAL PERIOD 3 MONTHS ENDED		CUMULATIVE PERIOD 12 MONTHS ENDED	
		30/06/2010 RM'000	30/06/2009 RM'000	30/06/2010 RM'000	30/06/2009 RM'000
1.	Revenue	308,713	276,274	1,358,633	1,285,423
2.	Operating expenses	261,398	238,922	1,155,301	1,096,647
3.	Other operating income	673	693	2,004	3,136
4.	Profit from operations	47,988	38,045	205,336	191,912
5.	Finance cost	(22)	33	345	734
6.	Profit before tax	48,010	38,012	204,991	191,178
7.	Taxation	12,345	10,621	52,300	49,190
8.	Profit after tax	35,665	27,391	152,691	141,988
9.	Net profit for the period	35,665	27,391	152,691	141,988
10.	Other comprehensive expense	204	-	204	-
11.	Total comprehensive income for the period	35,461	27,391	152,487	141,988
12.	Profit attributable to owners of the company	35,665	27,391	152,691	141,988
13.	Earnings per share :				
(a)	Basic (based on 302,098,000 stock units) (sen)	11.81	9.07	50.54	47.00
(b)	Fully diluted (based on ...... stock units) (sen)	N/A	N/A	N/A	N/A

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Group's Annual Financial Statements for the year ended 30 June 2009)

GUINNESS ANCHOR BERHAD
(Company No. 5350X)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	AS AT 30/6/2010 RM'000	AS AT 30/06/2009 RM'000
Non-current assets		
Property, plant and equipment	213,502	212,253
Intangible assets	10,434	6,529
Prepaid lease payment	13,601	13,857
Deferred tax assets	1,412	1,924
Other receivables	728	1,585
	239,677	236,148
Current assets		
Inventories	75,691	69,453
Trade and other receivables	196,135	176,777
Current tax assets	1,433	-
Cash and cash equivalents	149,626	163,772
	422,885	410,002
Current liabilities		
Trade and other payables	155,064	162,970
Current tax liabilities	4,724	9,831
Short term borrowings	-	-
	159,788	172,801
Net current assets	263,097	237,201
	502,774	473,349
Financed by:		
Capital and reserves		
Share capital	151,049	151,049
Reserve	4,859	5,063
Retained earnings	315,020	286,189
Shareholders' funds	470,928	442,301
Non-current liabilities		
Deferred tax liabilities	31,846	31,048
	502,774	473,349
Net Assets per share attributable to owners of the company (RM)	1.56	1.46

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Group's Annual Financial Statement for the year ended 30 June 2009)

GUINNESS ANCHOR BERHAD
(Company No. 5350X)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED 30 JUNE 2010

	12 MONTHS ENDED	
	30/06/2010	**30/06/2009**
	RM'000	**RM'000**
Cash flows from operating activities		
Profit before tax	204,991	191,178
Adjustments for:		
Amortisation of intangible assets	2,395	1,370
Amortisation of prepaid lease payments	256	256
Depreciation of property, plant and equipment	28,471	27,020
Gain on disposal of property, plant and equipment	(610)	(777)
Interest expense	345	734
Interest income	(2,004)	(3,136)
Other foreign translation	(204)	-
Operating profit before changes in working capital	233,640	216,645
(Increase)/Decrease in working capital		
Inventories	(6,238)	(4,477)
Receivables, deposits and prepayment	(18,501)	(33,199)
Payables and accruals	(7,906)	(9,311)
Cash generated from operations	200,995	169,658
Tax paid	(57,530)	(47,731)
Interest paid	(345)	(734)
Net cash from operating activities	143,120	121,193
Cash flows from investing activities		
Acquisition of property, plant and equipment	(29,910)	(28,825)
Acquisition of intangible assets	(6,300)	(4,946)
Interest received	2,004	3,136
Proceeds from disposal of property, plant and equipment	800	861
Net cash used in investing activities	(33,406)	(29,774)
Cash flows from financing activity		
Dividends paid	(123,860)	(111,021)
Net cash used in financing activity	(123,860)	(111,021)
Net change in cash and cash equivalents	(14,146)	(19,602)
Cash and cash equivalents at beginning of year	163,772	183,374
Cash and cash equivalents at end of year	149,626	163,772

(The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the Group's Annual Financial Statement for the year ended 30 June 2009)

GUINNESS ANCHOR BERHAD
(Company No. 5350X)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2010

	Attributable to equity holders of the Company			
	Non-Distributable		*Distributable*	
	Share Capital **RM'000**	Capital Reserve **RM'000**	Retained Earnings **RM'000**	Total **RM'000**
12 months ended 30 June 2010				
Balance at 1 July 2009	151,049	5,063	286,189	442,301
Total comprehensive income for the year	-	(204)	152,691	152,487
Dividends	-	-	(123,860)	(123,860)
Balance at 30 June 2010	**151,049**	**4,859**	**315,020**	**470,928**
12 months ended 30 June 2009				
Balance at 1 July 2008	151,049	4,967	255,318	411,334
Total comprehensive income for the year	-	96	141,892	141,988
Dividends	-	-	(111,021)	(111,021)
Balance at 30 June 2009	**151,049**	**5,063**	**286,189**	**442,301**

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Group's Annual Financial Statements for the year ended 30 June 2009)

Notes:

1. Basis of Preparation

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 and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the Group's annual audited financial statements for the year ended 30 June 2009.

2. Significant Accounting Policies

Except as described below, the accounting policies applied by the Group in these condensed consolidated financial statements are the same as those applied by the Group in its consolidated financial statements as at and for the year ended 30 June 2009.

On 1 January 2010, the Group adopted the following FRSs:-

FRS, Amendments to FRSs and Interpretations

FRS 101 Presentation of Financial Statements (Revised 2009)
FRS 139 Financial Instruments: Recognition and Measurement

2.1 Change in Accounting Policies

FRS 101: Presentation of Financial Statements

FRS 101 separates owner and non-owner changes in equity. Therefore, the current consolidated statement of changes in equity only includes details of transactions with owners. All non-owner changes in equity are presented as a single line labeled as total comprehensive income. Comparative information, with exception of the requirements under FRS 139, had been re-presented so that it is also in conformity with the revised standard. This standard does not have any impact on the financial position and results of the Group.

FRS 139: Financial Instruments: Recognition and Measurement

The adoptions of FRS 139 has resulted in changes to accounting policies relating to recognition and measurement of the Group's financial instruments and the new accounting policies are as follows:

(a) Initial Recognition and Measurement

A financial instrument is recognised in the financial statements when, and only when, the Group becomes a party to the contractual provisions of the instrument.

A financial instrument is recognised initially, at its fair value plus, in the case of a financial instrument not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial instrument.

(b) Financial Instruments Categories and Subsequent Measurement

The Group categorised financial instruments as follows:

Financial Assets

Loans and Receivables

Loans and receivables category comprises debts instruments that are not quoted in an active market, trade and other receivables and cash and cash equivalents.

Financial assets categorised as loans and receivables are subsequently measured at amortised cost using the effective interest method. The adoption of the standard has no material impact on the financial position and results of the Group and the Company.

Financial Liabilities

Financial liabilities are classified as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

(c) Fair Value Hedge

A fair value hedge is a hedge of the exposure to changes in fair value of a recognised asset or liability or an unrecognised firm commitment, or an identified portion of such an asset, liability or firm commitment, that is attributable to a particular risk and could affect the profit or loss.

In a fair value hedge, the gain or loss from remeasuring the hedging instrument at fair value or the foreign currency component of its carrying amount translated at the exchange rate prevailing at the end of the reporting period is recognised in profit or loss. The gain or loss on the hedged item, except for hedge item categorised as available-for-sale, attributable to the hedged risk is adjusted to the carrying amount of the hedged item and recognised in profit or loss. For a hedge item categorised as available-for-sale, the fair value gain or loss attributable to the hedge risk is recognised in profit or loss.

Fair value hedge accounting is discontinued prospectively when the hedging instrument expires or is sold, terminated or exercised, the hedge is no longer highly effective or the hedge designation is revoked.

(d) Derecognition

A financial asset or part of it is derecognised when, and only when the contractual rights to the cash flows from the financial asset expire or the financial asset is transferred to another party without retaining control or substantially all risks and rewards of the asset. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in equity is recognised in the profit or loss.

(d) Derecognition (continued)

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expires. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in the profit or loss.

3. Audit Report on Preceding Annual Financial Statements

The Group annual financial statements for the year ended 30 June 2009 were not qualified.

4. Seasonal or Cyclical Factors

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

5. Exceptional Items

There were no exceptional items for the current financial quarter under review except for the effects arising from the adoption of FRS 139 as disclosed in Note 2.

6. Changes in Estimates

There were no changes in estimates that have had any material effect on current financial quarter under review.

7. 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.

8. Dividend Paid

	12 Months Ended 30 June	
	2010 RM'000	2009 RM'000
Final Dividend Paid		
2009 – 31 sen per share tax exempt	93,650	
(2008 – 14 sen per share tax exempt and 17 sen per share less income tax @ 25%)		80,811
Interim Dividend Paid		
2010 – 10 sen per share – tax exempt	30,210	
(2009 – 10 sen per share – tax exempt)		30,210

9. 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.

10. Property, Plant and Equipment Valuation

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

11. Events Subsequent to the End of the Period

Between the end of the fourth 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 quarter ended 30 June 2010.

12. 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.

13. 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).

14. Capital Commitments

Capital commitments not provided for in the financial statements as at 30 June 2010 are as follows:

	RM'000
Property, plant and equipment	
Authorised but not contracted for	16,514
Authorised and contracted for	9,124
	25,638

15. Significant Related Party Transactions

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

	Diageo Plc and its related corporations	Fraser and Neave ("F&N") and its related corporations		Heineken International BV and its related corporations
		Asia Pacific Breweries Limited Group	Other F&N related corporations	
	RM'000	RM'000	RM'000	RM'000
Purchase of goods	13,204	17	23,622	688
Sale of products	15,924	-	-	1,186
Royalties payable	5,049	12,924	-	3,031
Marketing and technical services fees payable	2,800	-	-	60
Marketing fees receivable	-	8,872	-	3,707

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 2009.

16. Review of Performance

<u>Comparison of fourth quarter against corresponding quarter 2009</u>

Group revenue for the fourth quarter ended 30 June 2010 increased by RM32.4 million or 11.7% as compared to the corresponding period last year.

Group profit before tax for the same quarter was higher at RM48.0 million compared to RM38.0 million in the corresponding quarter 2009. This is mainly contributed from higher sales generated from the commercial activities during the 2010 FIFA World Cup season.

<u>Current financial year results against preceding financial year</u>

Despite a relatively flat market, Group revenue grew by 5.7% to RM1,358.6 million from RM1,285.4 million as a result of continued investment in building brands and commercial partnerships.

Correspondingly, Group profit before tax increased by RM13.8 million or 7.2% to RM205.0 million from RM191.2 million.

17. Comparison of Results with Preceding Quarter

Group revenue for the quarter under review was lower by RM62.1 million compared to RM370.8 million recorded for the preceding quarter. This was principally due to higher sales generated from Chinese New Year festive sales in the preceding quarter.

Correspondingly, Group profit before tax was lower by RM14.5 million compared to the preceding quarter.

18. Prospects

We expect that if the malt liquor market (MLM) remains stable the Group will continue to perform satisfactorily. However, the MLM is sensitive to overall economic conditions and excise duties.

As Malaysia already has the second highest excise duty on alcoholic products in the world, the Industry hopes that there will be no increase in excise duties in the foreseeable future. Any further hike in excise duties would definitely have negative impact on the food and beverage and tourism sectors. Any excise duty increase could cause further smuggling and have a negative impact on government revenue.

19. Variance from Profit Forecast

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

20. Taxation

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

	Current Year Quarter 30/06/2010 RM'000	Current Year To date 30/06/2010 RM'000
Taxation		
Malaysian - current	11,417	51,372
- prior year	(382)	(382)
	11,035	50,990
Deferred taxation		
Malaysian - current	1,009	1,009
- prior year	301	301
	1,310	1,310
	12,345	52,300

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

21. Sale of Unquoted Investments and/or Properties

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

22. Quoted Securities

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

23. Status of Corporate Proposals

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

24. Group Borrowings and Debt Securities

There were no borrowings or debt securities as at 30 June 2010.

25. Financial Instruments

The outstanding derivative as at the end of the reporting period is as follows:

	Notional Value RM'000	Fair Value RM'000
Forward foreign exchange contracts	10,295	9,949

These forward foreign exchange contracts expire within a year from the end of the reporting period.

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.

26. 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.

27. Dividend

The Directors proposed a final dividend of 35 sen per 50 sen stock unit tax exempt, under a single tier system, in respect of the year ended 30 June 2010 (2009: 31 sen per 50 sen stock unit tax exempt). Subject to approval of the shareholders at the forthcoming 46th Annual General Meeting, the date of which will be announced later, the final dividend will be paid on **10 December 2010** to stockholders registered at the close of business on 15 November 2010. The entitlement date shall therefore be 15 November 2010.

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 11 November 2010 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 15 November 2010 in respect of ordinary transfers; and

(c) Shares bought on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

Pursuant to FRS 110, the proposed final dividend totaling RM105,734,300 has not been accounted for in the financial statements as at 30 June 2010.

Total net dividends for the year ended 30 June 2010 will amount to 45 sen per 50 sen stock unit (2009 : 41 sen) comprising:-

(i) an interim dividend of 10 sen per 50 sen stock unit tax exempt paid on 6 May 2010; and

(ii) a proposed final dividend of 35 sen per 50 sen stock unit tax exempt.

28. Earnings Per Share

(a) Basic Earnings Per Share

Basic earnings per share for the quarter under review / financial year are calculated by dividing the net profit attributable to the shareholders of RM152,691,000 by the weighted average number of ordinary stock units outstanding as at 30 June 2010 of 302,098,000.

(b) Diluted Earnings Per Share

Not Applicable.

For and on Behalf of the Board

Charles Ireland
Managing Director

4 August 2010