



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

**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2011**

The Board of Directors of Guinness Anchor Berhad wishes to announce the unaudited results of the Group for the period ended 31 December 2011.

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	INDIVIDUAL PERIOD 3 MONTHS ENDED			CUMULATIVE PERIOD 6 MONTHS ENDED		
	31/12/2011	31/12/2010	% Change +/(-)	31/12/2011	31/12/2010	% Change +/(-)
	RM'000	RM'000		RM'000	RM'000	
1. Revenue	468,322	421,414	11.1%	912,946	788,045	15.9%
2. Operating expenses	381,440	335,594	(13.7%)	753,710	651,322	(15.7%)
3. Interest income	946	596		2,217	1,386	
4. Profit from operations	87,828	86,416	1.6%	161,453	138,109	16.9%
5. Interest expense	51	220		68	275	
6. Profit before tax	87,777	86,196	1.8%	161,385	137,834	17.1%
7. Taxation	21,955	21,561		40,354	34,504	
8. Net profit for the period	65,822	64,635	1.8%	121,031	103,330	17.1%
9. Foreign currency translation differences for foreign operation	(30)	92		(24)	126	
10. Total comprehensive income for the period	65,792	64,727	16.5%	121,007	103,456	17.0%
11. Profit attributable to owners of the company	65,822	64,635		121,031	103,330	
12. Total comprehensive income attributable to owners of the company	65,792	64,727		121,007	103,456	
13. Earnings per share:						
(a) Basic (based on 302,098,000 stock units) (sen)	18.28	12.81		40.06	34.20	
(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 Audited Financial Statements for the year ended 30 June 2011.)**

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	<b>AS AT 31/12/2011 RM'000</b>	<b>AS AT 30/06/2011 RM'000</b>
<b>Non-current assets</b>		
Property, plant and equipment	219,759	222,953
Intangible assets	14,898	9,124
Other receivables	1,233	1,152
	<u>235,890</u>	<u>233,229</u>
<b>Current assets</b>		
Inventories	86,857	65,402
Trade and other receivables	412,705	205,966
Current tax assets	4,807	764
Cash and cash equivalents	196,182	179,777
	<u>700,551</u>	<u>451,909</u>
<b>Current liabilities</b>		
Trade and other payables	231,999	132,577
Current tax liabilities	17,150	3,353
	<u>249,149</u>	<u>135,930</u>
<b>Net current assets</b>	<u>301,402</u>	<u>315,979</u>
	<u>687,292</u>	<u>549,208</u>
<b>Financed by:</b>		
<b>Capital and reserves</b>		
Share capital	151,049	151,049
Reserves		
Capital reserve	5,089	5,113
Retained earnings	348,562	360,454
<b>Shareholders' funds</b>	<u>504,700</u>	<u>516,616</u>
<b>Non-current liabilities</b>		
Deferred tax liabilities	32,592	32,592
Borrowings	150,000	-
	<u>182,592</u>	<u>32,592</u>
	<u>687,292</u>	<u>549,208</u>
Net Assets per share attributable to owners of the company (RM)	<u>1.67</u>	<u>1.71</u>

**(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Group's Annual Audited Financial Statements for the year ended 30 June 2011)**

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW  
FOR THE PERIOD ENDED 31 DECEMBER 2011**

	<b>6 MONTHS ENDED</b>	
	<b>31/12/2011</b>	<b>31/12/2010</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Cash flows from operating activities</b>		
Profit before tax	161,385	137,834
Adjustments for:		
Amortisation of intangible assets	1,984	1,373
Depreciation of property, plant equipment	14,842	15,003
(Gain)/loss on disposal of property, plant and equipment	(499)	8
Interest expense	68	275
Interest income	(2,217)	(1,386)
Translation differences of foreign operation	(24)	126
<b>Operating profit before changes in working capital</b>	<b>175,539</b>	<b>153,233</b>
<b>(Increase)/Decrease in working capital</b>		
Inventories	(21,455)	(14,510)
Receivables, deposits and prepayment	(206,820)	(149,731)
Payables and accruals	99,423	31,569
<b>Cash generated from operations</b>	<b>46,687</b>	<b>20,561</b>
Tax paid	(30,600)	(24,480)
Interest paid	(68)	(275)
<b>Net cash from operating activities</b>	<b>16,019</b>	<b>(4,194)</b>
<b>Cash flows from investing activities</b>		
Acquisition of property, plant and equipment	(11,954)	(12,302)
Acquisition of intangible assets	(7,758)	(319)
Interest received	2,217	1,386
Proceeds from disposal of property, plant and equipment	804	10
<b>Net cash used in investing activities</b>	<b>(16,691)</b>	<b>(11,225)</b>
<b>Cash flows from financing activities</b>		
Dividend paid	(132,923)	(105,734)
Borrowings	150,000	20,000
<b>Net cash used in financing activities</b>	<b>17,077</b>	<b>(85,734)</b>
<b>Net change in cash and cash equivalents</b>	<b>16,405</b>	<b>(101,153)</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>179,777</b>	<b>149,626</b>
<b>Cash and cash equivalents at end of period</b>	<b>196,182</b>	<b>48,473</b>

(The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the Group's Annual Audited Financial Statements for the year ended 30 June 2011)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 31 DECEMBER 2011**

	Attributable to equity holders of the Company			
	<i>Non-Distributable</i>		<i>Distributable</i>	
	Share Capital RM'000	Capital Reserve RM'000	Retained Earnings RM'000	Total RM'000
<u>6 months ended 31 December 2011</u>				
Balance at 1 July 2011	151,049	5,113	360,454	516,616
Total comprehensive income for the period	-	(24)	121,031	121,007
Dividend paid	-	-	(132,923)	(132,923)
<b>Balance at 31 December 2011</b>	<b>151,049</b>	<b>5,089</b>	<b>348,562</b>	<b>504,700</b>
<u>6 months ended 31 December 2010</u>				
Balance at 1 July 2010	151,049	4,859	315,020	470,928
Total comprehensive income for the period	-	126	103,330	103,456
Dividend paid	-	-	(105,734)	(105,734)
<b>Balance at 31 December 2010</b>	<b>151,049</b>	<b>4,985</b>	<b>312,616</b>	<b>468,650</b>

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Group's Annual Audited Financial Statements for the year ended 30 June 2011)

**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 2011.

**2. Significant Accounting Policies**

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 2011.

**3. Realised and Unrealised Profits/Losses**

	<b>As at 31/12/2011 <u>RM'000</u></b>	<b>As at 30/06/2011 <u>RM'000</u></b>
Total retained profits / (accumulated losses) of the Company and its subsidiaries :		
- Realised	389,732	401,929
- Unrealised	(39,963)	(40,632)
	-----	-----
	349,769	361,297
Less: consolidation adjustment	(1,207)	(843)
	-----	-----
Total group retained profits / (accumulated losses) as per consolidated accounts	348,562	360,454
	=====	=====

**4. Audit Report on Preceding Annual Financial Statements**

The Group annual audited financial statements for the year ended 30 June 2011 were not qualified.

**5. Seasonal or Cyclical Factors**

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

**6. Exceptional Items**

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

## 7. Changes in Estimates

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

## 8. Debt and Equity Securities

There were no issuance, repayment of debt and equity securities for the current financial quarter under review, other than the issuance of medium term notes of RM150,000,000 as disclosed under Note 22.

## 9. Dividend Paid

	6 Months ended 31 December	
	2011	2010
	RM'000	RM'000
<u>Final Dividend Paid</u>		
2011 – 44 sen per share tax exempt	132,923	
2010 – 35 sen per share tax exempt		105,734

On 12 December 2011, the Company declared a single tier Special Interim Dividend of 60 sen per 50 sen stock unit, amounting to RM181,258,800 in respect of the financial year ending 30 June 2012. The said dividend was paid on 20 January 2012.

## 10. Segmental Reporting

The Group's business is focused only in malt liquor brewing including production, packaging, marketing and distribution of its products, principally in Malaysia. Approximately 1% of the total sales is exported, mainly to Southeast Asian countries. As such, only one reportable segment analysis is prepared.

Segment assets, liabilities and capital expenditures information are included in the internal management reports that are reviewed by the Group's Managing Director.

	6 months ended 31/12/2011 RM'000	6 months ended 31/12/2010 RM'000
Total Segment Assets	936,441	721,703
	=====	=====
Total Segment Liabilities	431,741	253,054
Total Segment Equity	504,700	468,649
	-----	-----
	936,441	721,703
	=====	=====

No reconciliation is performed for the segment report as there is no difference.

**10. Segmental Reporting (continued)**

	<b>3 months ended 31/12/2011 RM'000</b>	<b>6 months ended 31/12/2011 RM'000</b>
<b>Segment profit</b>	87,747	161,361
<i>Included in the measure of segment profit are:</i>		
Revenue from external customers	449,197	866,845
Cost of sales	(299,711)	(580,643)
Depreciation	8,446	16,826
	=====	=====
<i>Not included in the measure of segment profit but provided to Managing Director</i>		
Interest income	895	2,149
	=====	=====
	<b>3 months ended 31/12/2011 RM'000</b>	<b>6 months ended 31/12/2011 RM'000</b>
Segment profit	87,747	161,361
Foreign Operation Translation	30	24
	-----	-----
Consolidated profit before tax	87,777	161,385
	=====	=====

**11. Property, Plant and Equipment Valuation**

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

**12. Events Subsequent to the end of the Reporting 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 quarter ended 31 December 2011.

**13. Changes in the Composition of the Group**

Save and except as disclosed in the Group's audited financial statements for the year ended 30 June 2011, 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 the Composition of the Group (Continued)

The deregistration of the following dormant subsidiaries are still pending completion:

- Malayan Breweries (Malaya) Sdn Bhd
- Malayan Breweries Marketing Sdn Bhd

The deregistration of the above companies are not expected to have any material impact on the net assets and earnings per share of the Group for the financial year ending 30 June 2012.

### 14. Changes in Contingent Liabilities or Contingent Assets

There were no contingent liabilities or contingent assets as at the date of this report.

### 15. Capital Commitments

Capital commitments not provided for in the financial statements as at 31 December 2011 are as follows:

	<u>RM'000</u>
Property, plant and equipment Authorised but not contracted for	57,512
Authorised and contracted for	<u>110,435</u>
	<u>167,947</u>

### 16. Significant Related Party Transactions

As at the end of the 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 International BV and its related corporations
	RM'000	RM'000	RM'000	RM'000
Purchase of goods	6,176	-	-	3,982
Sale of products	6,813	-	-	-
Royalties payable	4,248	11,591	-	2,587
Marketing and technical services fees payable	2,206	-	-	291
Marketing fees receivable	-	-	-	<u>2,583</u>

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 3 November 2011.



## **17. Review of Performance**

### Performance for the quarter ended 31 December 2011 versus the same quarter in 2010

Group revenue for the quarter ended 31 December 2011 increased by RM46.9 million or 11.1% compared to the corresponding quarter in the previous financial year. This growth was achieved as a result of volume gain driven by earlier Chinese New Year timing and despite the planned reduction of duty free and export volume.

The CNY 2012 “9 Grand Treasures of the Year of the Dragon” promotion kicked off in December 2011 and has contributed to the volume and revenue growth for the quarter. In December 2011, the Group saw the highest ever volume delivered.

Gross margin has improved by 3% mainly from favourable brand mix and some lower costs. Group profit before tax for the same quarter is flat versus the corresponding quarter of the financial year in 2010. Excluding the one-off reversal of costs over-accrued in the same quarter in 2010, the adjusted group profit before tax growth is 18%.

### Performance for the 6 months ended 31 December 2011 versus the same period in 2010

Group revenue increased by RM124.9 million or 15.8% compared to the corresponding period in 2010. The Group’s on-going effort in fortifying the sales force and the enhancement of the route-to-market strategy are among the contributing factors for the growth.

Successful commercial activities namely the Tiger Street Football, Arthur’s Day and Heineken Thirst had further driven the sales volume and strengthen visibility of our brands.

Group profit before tax grew by 17.1% and the adjusted growth is 28.1% after excluding the one-off reversal of costs over-accrued last financial year. Main drivers are higher revenue and good cost management.

### Comparison of Results with Preceding Quarter

Group revenue for the quarter under review was higher by RM23.7 million or 5.3% compared to RM444.6 million recorded for the preceding quarter. The increase is mainly driven by activities from Arthur’s Day, Heineken Thirst, Christmas and Chinese New Year.

Correspondingly, Group profit before tax for the same quarter was higher by RM14.2 million or 19.2%.

## **18. Prospects for the current financial year**

The Group will continue to focus on driving sales, strengthening market position and delivering profit through its proven strategies on brands, people and performance. The Group believes that it has the right strategies, network and resources to continue a sustainable growth for the current financial year. However, the forthcoming general election and speculation of an increase in excise duty in the current year may have an impact on the market environment. Furthermore, with more imported beer brands entering the local malt liquor market (MLM), competition will increase.

The Group expects that raw and packaging materials and distribution costs will increase for the next 3 to 15 months. The uncertain global economic climate especially in Europe, may negatively impact consumer’s sentiment and affect the overall Malaysian economic performance. However, the Group remains cautiously optimistic of the MLM performance and expects consumer spending growth to remain resilient.

## 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:

	<b>Current quarter ended 31/12/2011 RM'000</b>	<b>Current year to date 31/12/2011 RM'000</b>
Taxation		
Malaysian - current	21,955	40,354
- prior year	-	-
	<hr/> 21,955	<hr/> 40,354
Deferred taxation		
Malaysian - current	-	-
- prior year	-	-
	<hr/> -	<hr/> -
	<hr/> <b>21,955</b>	<hr/> <b>40,354</b>

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

## 21. Status of Corporate Proposals

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

## 22. Group Borrowings and Debt Securities

Total Group borrowings as at 31 December 2011 are as follows:

	RM'000
<u>Non-current - unsecured</u>	
Medium Term Notes (MTNs)	<u>150,000</u>

In December 2011, the Company has issued MTNs of RM150 million in nominal value, which is redeemable at RM100 million and RM50 million in December 2014 and December 2016 respectively.

The proceeds of the MTNs are used by GAB Group for its general corporate purposes including repayment of bank borrowings, if any.

The aforesaid CP/MTN has been assigned a rating of AAA by RAM Rating Services Berhad.

### 23. Financial Instruments

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

	<b>Notional Value</b>	<b>Fair Value</b>	<b>Loss arising from fair value changes</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<u>Type of derivative</u>			
Forward foreign exchange contracts	9,473	9,471	2
- Less than one year			

The above forward foreign exchange contracts were entered into by the Group to minimise its exposure to foreign currency risks as a result of transactions denominated in currencies other than its functional currency, arising from the normal business activities; in accordance with the Group's foreign currency hedging policy.

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions. Foreign currency differences arising on retranslation are recognised in comprehensive income, except for differences arising on the retranslation of a financial instrument designated as a hedge of currency risk, which is recognised in other comprehensive income.

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.

### 24. Notes to the Statement of Comprehensive Income

	<b>Current quarter ended 31/12/2011</b>	<b>Current year to date 31/12/2011</b>
	<b>RM'000</b>	<b>RM'000</b>
Depreciation and amortization	8,446	16, 826
Provision for and write-off of receivables	640	640
Provision for and write-off of inventories	732	1,326
(Gain)/loss on derivatives	2	(290)

Other than the items highlighted above which have been included in the Consolidated Statement of Comprehensive Income, there were no impairment of assets nor profits/(losses) on any other items and sale of quoted securities, investments and properties included in the results for the period ended 31 December 2011.

## **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 a single tier interim dividend of 10 sen per 50 sen stock unit for the financial year ending 30 June 2012 (2011: 10 sen per 50 sen stock unit tax exempt under the single tier tax system), payable on **26 April 2012** to stockholders registered at the close of business on **30 March 2012**. The entitlement date shall therefore be **30 March 2012**.

Net dividend payable to stockholders will be at 10 sen per 50 sen stock unit (2011 – 10 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 27 March 2012 (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 30 March 2012 in respect of ordinary transfers; and
- (c) Shares bought on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

Total dividend declared for the period ended 31 December 2011 including the single tier Special Interim Dividend of 60 sen per stock unit which was declared on 12 December 2011, was 70 sen per 50 sen stock unit.

## **27. Earnings Per Share**

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

Basic earnings per share for the period under review is calculated by dividing the net profit attributable to the shareholders of RM65,822,000 by the weighted average number of ordinary stock units outstanding as at 31 December 2011 of 302,098,000.

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

Not Applicable.

For and on Behalf of the Board

**Charles Ireland**  
Managing Director