



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

**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 30 SEPTEMBER 2010**

The Board of Directors of Guinness Anchor Berhad wishes to announce the unaudited results of the Group for the first quarter ended 30 September 2010.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	3 MONTHS ENDED		3 MONTHS ENDED	
	30/09/2010	30/09/2009	30/09/2010	30/09/2009
	RM'000	RM'000	RM'000	RM'000
1. Revenue	366,631	300,969	366,631	300,969
2. Operating expenses	315,728	265,742	315,728	265,742
3. Other operating income	790	626	790	626
4. Profit from operations	51,693	35,853	51,693	35,853
5. Finance cost	55	70	55	70
6. Profit before tax	51,638	35,783	51,638	35,783
7. Taxation	12,943	9,084	12,943	9,084
8. Profit after tax	38,695	26,699	38,695	26,699
9. Net profit for the period	38,695	26,699	38,695	26,699
10. Foreign currency translation differences for foreign operation	34	48	34	48
11. Total comprehensive income for the period	38,729	26,747	38,729	26,747
12. Profit attributable to owners of the company	38,695	26,699	38,695	26,699
13. Earnings per share :				
(a) Basic (based on 302,098,000 stock units) (sen)	12.81	8.84	12.81	8.84
(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 2010)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	AS AT 30/09/2010 RM'000	AS AT 30/06/2010 RM'000
Non-current assets		
Property, plant and equipment	221,070	227,103
Intangible assets	10,004	10,434
Deferred tax assets	1,412	1,412
Other receivables	697	728
	<u>233,183</u>	<u>239,677</u>
Current assets		
Inventories	82,484	75,691
Trade and other receivables	292,449	196,135
Current tax assets	3,030	1,433
Cash and cash equivalents	108,043	149,626
	<u>486,006</u>	<u>422,885</u>
Current liabilities		
Trade and other payables	170,662	155,064
Current tax liabilities	7,024	4,724
Short term borrowings	-	-
	<u>177,686</u>	<u>159,788</u>
Net current assets	<u>308,320</u>	<u>263,097</u>
	<u>541,503</u>	<u>502,774</u>
Financed by:		
Capital and reserves		
Share capital	151,049	151,049
Reserves		
Capital Reserve	4,893	4,859
Retained earnings	353,715	315,020
Shareholders' funds	<u>509,657</u>	<u>470,928</u>
Non-current liabilities		
Deferred tax liabilities	31,846	31,846
	<u>541,503</u>	<u>502,774</u>
Net Assets per share attributable to owners of the company (RM)	<u>1.69</u>	<u>1.56</u>

(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 2010)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE QUARTER ENDED 30 SEPTEMBER 2010**

	3 MONTHS ENDED	
	30/09/2010	30/09/2009
	RM'000	RM'000
Cash flows from operating activities		
Profit before tax	51,672	35,831
Adjustments for:		
Amortisation of intangible assets	681	547
Depreciation of property, plant and equipment	7,546	7,156
Gain on disposal of property, plant and equipment	-	(10)
Interest expense	55	70
Interest income	(790)	(626)
Operating profit before changes in working capital	59,164	42,968
(Increase)/Decrease in working capital		
Inventories	(6,793)	4,585
Receivables, deposits and prepayment	(96,283)	(39,060)
Payables and accruals	15,598	(20,906)
Cash generated from operations	(28,314)	(12,413)
Tax paid	(12,240)	(11,583)
Interest paid	(55)	(70)
Net cash from operating activities	(40,609)	(24,066)
Cash flows from investing activities		
Acquisition of property, plant and equipment	(1,514)	(2,000)
Acquisition of intangible assets	(250)	(271)
Interest received	790	626
Proceeds from disposal of property, plant and equipment	-	17
Net cash used in investing activities	(974)	(1,628)
Cash flows from financing activity		
Dividends paid	-	-
Net cash used in financing activity	-	-
Net change in cash and cash equivalents	(41,583)	(25,694)
Cash and cash equivalents at beginning of year	149,626	163,772
Cash and cash equivalents at end of period	108,043	138,078

(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 2010)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED 30 SEPTEMBER 2010**

	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>3 months ended</u> <u>30 September 2010</u>				
Balance at 1 July 2010	151,049	4,859	315,020	470,928
Total comprehensive income for the year	-	34	38,695	38,729
Dividends	-	-	-	-
Balance at 30 September 2010	151,049	4,893	353,715	509,657
<u>3 months ended</u> <u>30 September 2009</u>				
Balance at 1 July 2009	151,049	5,063	286,189	442,301
Total comprehensive income for the year	-	48	26,699	26,747
Dividends	-	-	-	-
Balance at 30 September 2009	151,049	5,111	312,888	469,048

(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 2010)

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 2010.

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 2010.

On 1 July 2010, the Group adopted the following FRS:-

Amendments to FRS 117, Leases (*effective for annual periods beginning on or after 1 January 2010*)

The amendments to FRS 117 clarify the classification of lease of land and require entities with existing leases of land and buildings to reassess the classification of land as finance or operating lease.

The Group has reassessed and determined that all leasehold land are in substance finance lease and will be reclassified to property, plant and equipment. The adoption of these amendments will result in a change in accounting policy which will be applied retrospectively in accordance with the transitional provisions and has no effect on reported profit equity. This change in accounting policy will result in reclassification of the carrying amount of lease of land amounting to RM13,601,000 as at 30 June 2010 from prepaid lease payments to property, plant and equipment. The following comparative figures have been restated following the adoption of the amendments to FRS117 :

Group	As reported 30 June 2010 RM'000	Adoption of FRS117 RM'000	As restated RM'000
Property, plant and equipment	213,502	13,601	227,103
Prepaid lease payment	13,601	(13,601)	-

3. Audit Report on Preceding Annual Financial Statements

The Group annual financial statements for the year ended 30 June 2010 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 117 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

No dividends were paid during the financial quarter ended 30 September 2010.

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 first 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 September 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 except for the followings:-

On 27 October 2010, the Company announced that Guinness (B) Sendirian Berhad, a wholly-owned subsidiary of Guinness Singapore Pte Limited which in turn a wholly-owned subsidiary of Guinness Anchor Berhad, was placed under Member's Voluntary Liquidation pursuant to Section 154(1)(b) of the Companies Act, Cap 39. The liquidation is pending completion.

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 26 below).

14. Capital Commitments

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

	<u>RM'000</u>
Property, plant and equipment Authorised but not contracted for	18,184
Authorised and contracted for	<u>11,735</u>
	<u>29,919</u>

15. Significant Related Party Transactions

As at the end of the period 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 Asia Pacific Breweries Limited Group	Other F&N related corporations	Heineken International BV and its related corporations
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Purchase of goods	3,988	-	5,514	115
Sale of products	2,728	-	-	-
Royalties payable	1,021	5,901	-	825
Marketing and technical services fees payable	560	-	-	35
Marketing fees receivable	-	-	-	509

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

Group revenue for the first quarter ended 30 September 2010 increased by RM65.7 million or 21.8% as compared to the corresponding period last year. This was primarily due to higher sales resulting from earlier Fiscal Budget speculative purchases.

As a result of the better sales performance, the Group achieved higher profit before tax at RM51.6 million compared to RM35.8 million in the corresponding quarter in 2009.

17. Comparison of Results with Preceding Quarter

Group revenue for the quarter under review was higher by RM57.9 million compared to RM308.7 million recorded for the preceding quarter. This improved performance is also due to pre-budget speculation.

Profit before tax for the Group for the same quarter was higher by RM3.6 million or 7.6% compared to the preceding quarter.

18. Prospects

We expect the domestic economy will show modest overall growth in our financial year and therefore the Malt Liquor Market will grow by a low single digit percentage.

Overall, we expect competition will remain intense. The Group will continue to focus on strengthening brand equity, growing and empowering organisational effectiveness and driving operational efficiencies to ensure that we continue to build on our market leadership position.

In light of the above, the Group remains confident in delivering a satisfactory result for the financial year ending 30 June 2011.

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 Quarter/ Year to date 30/09/2010
	RM'000
Taxation	
Malaysian - current	12,943
- prior year	-
	<hr/> 12,943
Deferred taxation	
Malaysian - current	-
- prior year	-
	<hr/> -
	<hr/> <hr/> 12,943

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 September 2010.

25. Financial Instruments

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

	Notional Value RM'000	Fair Value RM'000
Forward foreign exchange contracts	10,400	10,331

These forward foreign exchange contracts expire within a year from end of 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 Board of Directors does not recommend any dividend to be paid in respect of the quarter ended 30 September 2010.

28. Earnings Per Share

(a) Basic Earnings Per Share

Basic earnings per share for the quarter under review is calculated by dividing the net profit attributable to the shareholders of RM38,695,000 by the weighted average number of ordinary stock units outstanding as at 30 September 2010 of 302,098,000.

(b) Diluted Earnings Per Share

Not Applicable.

For and on Behalf of the Board

Charles Ireland
Managing Director

3 November 2010