



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

**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE QUARTER ENDED 30 SEPTEMBER 2014**

The Board of Directors of Guinness Anchor Berhad wishes to announce the unaudited results of the Group for the quarter ended 30 September 2014.

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

|   | INDIVIDUAL PERIOD<br>3 MONTHS ENDED |               |                       | CUMULATIVE PERIOD<br>3 MONTHS ENDED |               |                       |
|---|-------------------------------------|---------------|-----------------------|-------------------------------------|---------------|-----------------------|
|   | 30/9/2014                           | 30/9/2013     | %<br>Change<br>+/( -) | 30/9/2014                           | 30/9/2013     | %<br>Change<br>+/( -) |
|   | RM'000                              | RM'000        |                       | RM'000                              | RM'000        |                       |
| 1. Revenue  | 393,162                             | 325,793       | 20.7%                 | 393,162                             | 325,793       | 20.7%                 |
| 2. Operating expenses   | (319,476)                           | (259,004)     |                       | (319,476)                           | (259,004)     |                       |
| 3. Operating profit   | 73,686                              | 66,789        | 10.3%                 | 73,686                              | 66,789        | 10.3%                 |
| 4. Interest income/(expense)  | (893)                               | (627)         |                       | (893)                               | (627)         |                       |
| 5. Profit before tax  | 72,793                              | 66,162        | 10.0%                 | 72,793                              | 66,162        | 10.0%                 |
| 6. Taxation   | (18,198)                            | (16,539)      |                       | (18,198)                            | (16,539)      |                       |
| 7. Net profit for the period  | <u>54,595</u>                       | <u>49,623</u> | 10.0%                 | <u>54,595</u>                       | <u>49,623</u> | 10.0%                 |
| 8. Profit attributable to owners of the company                     | <u>54,595</u>                       | <u>49,623</u> |                       | <u>54,595</u>                       | <u>49,623</u> |                       |
| 9. Total comprehensive income attributable to owners of the company | <u>54,595</u>                       | <u>49,623</u> |                       | <u>54,595</u>                       | <u>49,623</u> |                       |
| 10. Earnings per share :  |                                     |               |                       |                                     |               |                       |
| (a) Basic (based on 302,098,000 stock units) (sen)                  | 18.07                               | 16.43         |                       | 18.07                               | 16.43         |                       |
| (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 2014)**

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

|  | <b>AS AT<br/>30/09/2014<br/>RM'000</b> | <b>AS AT<br/>30/06/2014<br/>RM'000</b> |
|--|--|--|
| <b>Non-current assets</b>  |  |  |
| Property, plant and equipment                                      | 214,372                                | 220,424                                |
| Intangible assets  | 36,463                                 | 38,790                                 |
| Other receivables  | 894                                    | 1,019                                  |
|  | <u>251,729</u>                         | <u>260,233</u>                         |
| <b>Current assets</b>  |  |  |
| Inventories  | 60,247                                 | 39,489                                 |
| Trade and other receivables  | 360,007                                | 333,368                                |
| Current tax assets   | 5,106                                  | 7,446                                  |
| Cash and cash equivalents  | 74,609                                 | 61,804                                 |
|  | <u>499,969</u>                         | <u>442,107</u>                         |
| <b>Current liabilities</b>   |  |  |
| Trade and other payables   | 149,456                                | 152,676                                |
| Current tax liabilities  | 0                                      | 0                                      |
| Borrowings   | 100,000                                | 100,000                                |
|  | <u>249,456</u>                         | <u>252,676</u>                         |
| <b>Net current assets</b>  | <u>250,513</u>                         | <u>189,431</u>                         |
|  | <u>502,242</u>                         | <u>449,664</u>                         |
| <b>Financed by:</b>  |  |  |
| <b>Capital and reserves</b>  |  |  |
| Share capital  | 151,049                                | 151,049                                |
| Reserves   |  |  |
| Retained earnings  | 260,355                                | 205,760                                |
| <b>Shareholders' funds</b>   | <u>411,404</u>                         | <u>356,809</u>                         |
| <b>Non-current liabilities</b>                                     |  |  |
| Deferred tax liabilities   | 40,838                                 | 42,855                                 |
| Borrowings   | 50,000                                 | 50,000                                 |
|  | <u>90,838</u>                          | <u>92,855</u>                          |
|  | <u>502,242</u>                         | <u>449,664</u>                         |
| Net Assets per share attributable to owners<br>of the company (RM) | <u>1.36</u>                            | <u>1.18</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 2014)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW  
FOR THE QUARTER ENDED 30 SEPTEMBER 2014**

|   | <b>3 MONTHS ENDED</b> |                   |
|---|-----------------------|-------------------|
|   | <b>30/09/2014</b>     | <b>30/09/2013</b> |
|   | <b>RM'000</b>         | <b>RM'000</b>     |
| <b>Cash flows from operating activities</b>               |                       |                   |
| Profit before tax   | 72,793                | 66,162            |
| Adjustments for:  |                       |                   |
| Amortisation of intangible assets                         | 2,628                 | 2,094             |
| Depreciation of property, plant and equipment             | 7,446                 | 9,325             |
| (Gain)/loss on disposal of property, plant and equipment  | (16)                  | (417)             |
| Interest expense  | 1,409                 | 1,409             |
| Interest income   | (516)                 | (782)             |
| Translation differences of foreign operation              | 0                     | 0                 |
| <b>Operating profit before changes in working capital</b> | <b>83,744</b>         | <b>77,791</b>     |
| <b>(Increase)/Decrease in working capital</b>             |                       |                   |
| Inventories   | (20,758)              | (24,785)          |
| Receivables, deposits and prepayment                      | (26,514)              | 51,652            |
| Payables and accruals                                     | (3,220)               | (32,124)          |
| <b>Cash generated from operations</b>                     | <b>33,252</b>         | <b>72,534</b>     |
| Tax paid  | (17,875)              | (8,285)           |
| Interest paid   | (1,409)               | (1,409)           |
| <b>Net cash from operating activities</b>                 | <b>13,968</b>         | <b>62,840</b>     |
| <b>Cash flows from investing activities</b>               |                       |                   |
| Acquisition of property, plant and equipment              | (1,395)               | (7,132)           |
| Acquisition of intangible assets                          | (301)                 | (4,013)           |
| Interest received   | 516                   | 782               |
| Proceeds from disposal of property, plant and equipment   | 17                    | 438               |
| <b>Net cash used in investing activities</b>              | <b>(1,163)</b>        | <b>(9,925)</b>    |
| <b>Cash flows from financing activity</b>                 |                       |                   |
| Dividends paid  | -                     | -                 |
| <b>Net cash used in financing activity</b>                | <b>-</b>              | <b>-</b>          |
| <b>Net change in cash and cash equivalents</b>            | <b>12,805</b>         | <b>52,915</b>     |
| <b>Cash and cash equivalents at beginning of year</b>     | <b>61,804</b>         | <b>68,242</b>     |
| <b>Cash and cash equivalents at end of period</b>         | <b>74,609</b>         | <b>121,157</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 2014)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 30 SEPTEMBER 2014**

|  | Attributable to equity holders of the Company |   |  |                 |
|--|---|---|--|-----------------|
|  | Share<br>Capital<br>RM'000                    | <i>Non-<br/>Distributable</i><br>Capital<br>Reserve<br>RM'000 | <i>Distributable</i><br>Retained<br>Earnings<br>RM'000 | Total<br>RM'000 |
| <u>3 months ended<br/>30 September 2014</u>  |   |   |  |                 |
| Balance at 1 July 2014                       | 151,049                                       | 0   | 205,760  | 356,809         |
| Total comprehensive income<br>for the period | -   | 0   | 54,595   | 54,595          |
| Dividends paid                               | -   | -   | -  | -               |
| <b>Balance at 30 September<br/>2014</b>      | <b>151,049</b>                                | <b>0</b>  | <b>260,355</b>   | <b>411,404</b>  |
| <u>3 months ended<br/>30 September 2013</u>  |   |   |  |                 |
| Balance at 1 July 2013                       | 151,049                                       | 0   | 214,491  | 365,540         |
| Total comprehensive income<br>for the period | -   | 0   | 49,623   | 49,623          |
| Dividends paid                               | -   | -   | -  | -               |
| <b>Balance at 30 September<br/>2013</b>      | <b>151,049</b>                                | <b>0</b>  | <b>264,114</b>   | <b>415,163</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 2014)

**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 2014.

Certain comparatives were restated to conform with the disclosure for current reporting period.

**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 2014.

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

|   | <b>As at<br/>30/09/2014<br/>RM'000</b> | <b>As at<br/>30/06/2014<br/>RM'000</b> |
|---|--|--|
| Total retained profits / (accumulated losses) of the Company and its subsidiaries : |  |  |
| - Realised  | 303,863                                | 248,142                                |
| - Unrealised  | (41,862)                               | (41,142)                               |
|   | -----                                  | -----                                  |
|   | 262,001                                | 207,000                                |
| Less: consolidation adjustment  | (1,646)                                | (1,240)                                |
|   | -----                                  | -----                                  |
| Total group retained profits / (accumulated losses) as per consolidated accounts    | 260,355                                | 205,760                                |
|   | =====                                  | =====                                  |

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

The Group annual audited financial statements for the year ended 30 June 2014 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 was no issuance, repayment of debt and equity securities for the current financial quarter under review.

## 9. Dividend Paid

No dividends were paid during the financial quarter ended 30 September 2014.

## 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 1.7% 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.

|                           | <b>3 months ended<br/>30/09/2014<br/>RM'000</b> | <b>3 months ended<br/>30/09/2013<br/>RM'000</b> |
|---------------------------|---|---|
| Total Segment Assets      | 751,698<br>=====                                | 759,114<br>=====                                |
| Total Segment Liabilities | 340,294   | 343,951   |
| Total Segment Equity      | 411,404<br>-----<br>751,698<br>=====            | 415,163<br>-----<br>759,114<br>=====            |

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

|  | <b>3 months ended<br/>30/09/2014<br/>RM'000</b> | <b>3 months ended<br/>30/09/2013<br/>RM'000</b> |
|--|---|---|
| <b>Segment profit</b>  | 66,162  | 66,162  |
| <i>Included in the measure of segment profit are:</i>                                  |   |   |
| Revenue from external customers  | 372,545   | 306,441   |
| Cost of sales  | (250,665)                                       | (190,072)                                       |
| Depreciation   | 10,074<br>=====                                 | 11,419<br>=====                                 |
| <i>Not included in the measure of segment profit but provided to Managing Director</i> |   |   |
| Interest income/(expense)  | (893)<br>=====                                  | (627)<br>=====                                  |

## 10. Segmental Reporting (continued)

|                                | <b>3 months ended<br/>30/09/2014<br/>RM'000</b> | <b>3 months ended<br/>30/09/2013<br/>RM'000</b> |
|--------------------------------|---|---|
| <b>Profit or loss</b>          |   |   |
| Segment profit                 | 72,794  | 66,162  |
| Foreign Operation Translation  | 0   | 0   |
|                                | -----   | -----   |
| Consolidated profit before tax | 72,794  | 66,162  |
|                                | =====   | =====   |

## 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 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 2014.

## 13. Changes in the Composition of the Group

There was no change in the composition of the Group during the financial quarter under review including business combination, acquisition or disposal of subsidiaries and long-term investments, restructuring and discontinuing operations save for the following:

- (i) On 10 April 2014, Guinness Singapore Pte Limited ("GSPL") applied to the Accounting and Corporate Regulatory Authority ("ACRA") to strike-off its name from the register of ACRA. GSPL is a dormant subsidiary of Guinness Anchor Berhad ("GAB"). On 24 September 2014, GSPL received a letter dated 16 September 2014 from ACRA informing that the name of the company was struck-off from the register of ACRA on 12 September 2014.
- (ii) The deregistration of Malayan Breweries (Malaya) Sdn Bhd is still pending completion.

The striking off / 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 2015.

## 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 30 September 2014 are as follows:

|                                   |               |
|-----------------------------------|---------------|
|                                   | <u>RM'000</u> |
| Property, plant and equipment     |               |
| Authorised but not contracted for | 64,213        |
| Authorised and contracted for     | <u>9,239</u>  |
|                                   | <u>73,452</u> |

## 16. Significant Related Party Transactions

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

|   | Diageo Plc and<br>its related<br>corporations<br>RM'000 | Heineken N.V.<br>and its related<br>corporations<br>RM'000 |
|---|---|--|
| Purchase of goods                                 | 3,304   | 2,141  |
| Sale of products                                  | 4,318   | -  |
| Royalties payable                                 | 3,610   | 6,001  |
| Marketing and technical services fees payable     | -   | 111  |
| Marketing and advertising services fee receivable | -   | <u>14,836</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 21 November 2013.

## 17. Review of Performance

### Performance for the quarter ended 30 September 2014 versus the same quarter in 2013

For the quarter ended 30 September 2014, the Group revenue grew 20.7% to RM393.2 million compared to the same quarter last year. This was mainly driven by higher sales as a result of improved pricing and brand mix. The Group has also seen the benefit of Government's measures against contraband beers and the slight improvement of consumer sentiments.

The Group profit before interest and tax (PBIT) rose 10.3% driven by the increase in revenue. The PBIT growth was lower compared to the revenue growth mainly because of higher excise duty and sales tax payments and the increase of commercial investments compared to the same quarter last year.

### Comparison of Results with Preceding Quarter

Group revenue for the quarter under review declined by 4.8% against the preceding quarter mainly due to higher sales in the preceding quarter, reflecting seasonal demand.

Despite lower revenue, the Group PBIT improved 13% as a result of lower production costs in the quarter under review and higher commercial spend in the preceding quarter.



## 18. Prospects

The Group remains cautiously optimistic for the remaining period of the fiscal year. While an improvement in consumer sentiments is expected, the external environment may remain challenging in light of the rising cost of living and the uncertainties around the impact of the Goods and Services Tax which will be implemented in April 2015.

The Group will continue to focus on growing the momentum through commercial initiatives, innovation and driving investment efficiencies.

## 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 /<br/>Year to date<br/>30/09/2014<br/>RM'000</b> |
|---------------------|---|
| Taxation            |   |
| Malaysian - current | 18,198  |
| - prior year        | -   |
|                     | <hr/> 18,198  |
| Deferred taxation   |   |
| Malaysian - current | -   |
| - prior year        | -   |
|                     | <hr/> -<br><hr/> <b>18,198</b>                                      |

The Group's effective tax rate for the current financial quarter 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 30 September 2014 are as follows:

|                                | <u>RM'000</u>  |
|--------------------------------|----------------|
| <u>Current</u>                 |                |
| Medium Term Notes (MTNs)       | 100,000        |
| <u>Non-Current - Unsecured</u> |                |
| Medium Term Notes (MTNs)       | 50,000         |
|                                | <u>150,000</u> |

MTNs of RM150 million in nominal value, which were issued in December 2011, are repayable in two tranches at RM100 million and RM50 million in December 2014 and December 2016 respectively. The aforesaid MTNs have been assigned a rating of AAA by RAM Ratings Services Berhad.

## 23. Financial Instruments

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. However, as of 30 September 2014 there were no open hedging contracts.

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 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.

At the end of the reporting period, the Group does not have any outstanding derivatives.

## 24. Notes to the Statement of Comprehensive Income

|  | <b>Current<br/>quarter ended<br/>30/09/2014<br/>RM'000</b> | <b>Current<br/>quarter ended<br/>30/09/2013<br/>RM'000</b> |
|--|--|--|
| Depreciation and amortization              | 10,074   | 11,419   |
| Provision for and write-off of receivables | -  | (40)   |
| Provision for and write-off of inventories | 1,266  | 869  |
| (Gain)/loss on derivatives                 | -  | (108)  |

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 quarter ended 30 September 2014.

## 25. Material Litigation

Neither the Company nor any of its subsidiaries is engaged in any material litigation either as Plaintiff or as Defendant as of the date of this report.

## 26. Dividend

The Board of Directors does not recommend any dividend to be paid in respect of the quarter ended 30 September 2014.

## 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 RM54,595,000 by the weighted average number of ordinary stock units outstanding as at 30 September 2014 of 302,098,000.

### (b) Diluted Earnings Per Share

Not Applicable.

For and on Behalf of the Board

**Hans Essaadi**  
Managing Director

14 November 2014