



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

**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2012**

The Board of Directors of Guinness Anchor Berhad wishes to announce the unaudited results of the Group for the period ended 31 December 2012.

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	INDIVIDUAL PERIOD 3 MONTHS ENDED			CUMULATIVE PERIOD 6 MONTHS ENDED		
	31/12/2012	31/12/2011	% Change +/-	31/12/2012	31/12/2011	% Change +/-
	RM'000	RM'000		RM'000	RM'000	
1. Revenue	429,442	468,322	(8.3%)	821,726	912,946	(10.0%)
2. Operating expenses	(340,376)	(381,440)		(656,499)	(753,710)	
3. Interest income	764	946		2,245	2,217	
4. Profit from operations	89,830	87,828	2.3%	167,472	161,453	3.7%
5. Interest expense	(1,613)	(51)		(3,487)	(68)	
6. Profit before tax	88,217	87,777	0.5%	163,985	161,385	1.6%
7. Taxation	(22,055)	(21,955)		(40,996)	(40,354)	
8. Net profit for the period	<u>66,162</u>	<u>65,822</u>	0.5%	<u>122,989</u>	<u>121,031</u>	1.6%
9. Foreign currency translation differences for foreign operation	18	(30)		24	(24)	
10. Total comprehensive income for the period	<u>66,180</u>	<u>65,792</u>	0.6%	<u>123,013</u>	<u>121,007</u>	1.6%
11. Profit attributable to owners of the company	<u>66,162</u>	<u>65,822</u>		<u>122,989</u>	<u>121,031</u>	
12. Total comprehensive income attributable to owners of the company	<u>66,180</u>	<u>65,792</u>		<u>123,013</u>	<u>121,007</u>	
13. Earnings per share :						
(a) Basic (based on 302,098,000 stock units) (sen)	21.90	21.79		40.71	40.06	
(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 2012)**

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	<b>AS AT 31/12/2012 RM'000</b>	<b>AS AT 30/06/2012 RM'000</b>
<b>Non-current assets</b>		
Property, plant and equipment	233,249	231,549
Intangible assets	39,487	25,873
Other receivables	1,007	1,132
	<u>273,743</u>	<u>258,554</u>
<b>Current assets</b>		
Inventories	99,393	65,833
Trade and other receivables	394,734	284,478
Current tax assets	16,656	9,733
Cash and cash equivalents	23,694	160,820
	<u>534,477</u>	<u>520,864</u>
<b>Current liabilities</b>		
Trade and other payables	224,606	154,712
Current tax liabilities	24,367	12,318
Borrowings	40,000	50,000
	<u>288,973</u>	<u>217,030</u>
<b>Net current assets</b>	<u>245,504</u>	<u>303,834</u>
	<u>519,247</u>	<u>562,388</u>
<b>Financed by:</b>		
<b>Capital and reserves</b>		
Share capital	151,049	151,049
Reserves		
Capital reserve	5,217	5,193
Retained earnings	180,296	223,461
<b>Shareholders' funds</b>	<u>336,562</u>	<u>379,703</u>
<b>Non-current liabilities</b>		
Deferred tax liabilities	32,685	32,685
Borrowings	150,000	150,000
	<u>182,685</u>	<u>182,685</u>
	<u>519,247</u>	<u>562,388</u>
Net Assets per share attributable to owners of the company (RM)	<u>1.11</u>	<u>1.26</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 2012)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW  
FOR THE PERIOD ENDED 31 DECEMBER 2012**

	<b>6 MONTHS ENDED</b>	
	<b>31/12/2012</b>	<b>31/12/2011</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Cash flows from operating activities</b>		
Profit before tax	163,985	161,385
Adjustments for:		
Amortisation of intangible assets	1,204	1,984
Depreciation of property, plant and equipment	15,673	14,842
(Gain)/loss on disposal of property, plant and equipment	209	(499)
Interest expense	3,487	68
Interest income	(2,245)	(2,217)
Translation differences of foreign operation	24	(24)
<b>Operating profit before changes in working capital</b>	<b>182,337</b>	<b>175,539</b>
<b>(Increase)/Decrease in working capital</b>		
Inventories	(33,560)	(21,455)
Receivables, deposits and prepayment	(110,131)	(206,820)
Payables and accruals	69,894	99,423
<b>Cash generated from operations</b>	<b>108,540</b>	<b>46,687</b>
Tax paid	(35,870)	(30,600)
Interest paid	(3,487)	(68)
<b>Net cash from operating activities</b>	<b>69,183</b>	<b>16,019</b>
<b>Cash flows from investing activities</b>		
Acquisition of property, plant and equipment	(17,775)	(11,954)
Acquisition of intangible assets	(14,817)	(7,758)
Interest received	2,245	2,217
Proceeds from disposal of property, plant and equipment	192	804
<b>Net cash used in investing activities</b>	<b>(30,155)</b>	<b>(16,691)</b>
<b>Cash flows from financing activity</b>		
Dividends paid	(166,154)	(132,923)
Borrowings	(10,000)	150,000
<b>Net cash used in financing activity</b>	<b>(176,154)</b>	<b>17,077</b>
<b>Net change in cash and cash equivalents</b>	<b>(137,126)</b>	<b>16,405</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>160,820</b>	<b>179,777</b>
<b>Cash and cash equivalents at end of period</b>	<b>23,694</b>	<b>196,182</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 2012)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 31 DECEMBER 2012**

	Attributable to equity holders of the Company			
	<i>Share Capital</i>	<i>Non- Distributable Capital Reserve</i>	<i>Distributable Retained Earnings</i>	<i>Total</i>
	RM'000	RM'000	RM'000	RM'000
<u>6 months ended 31 December 2012</u>				
Balance at 1 July 2012	151,049	5,193	223,461	379,703
Total comprehensive income for the period	-	24	122,989	123,013
Dividends paid	-	-	(166,154)	(166,154)
<b>Balance at 31 December 2012</b>	<b>151,049</b>	<b>5,217</b>	<b>180,296</b>	<b>336,562</b>
<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
Dividends 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>

(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 2012)

**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 2012.

**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 2012.

The Group’s and Company’s financial statements for annual period beginning on 1 July 2012 will be prepared in accordance with the Malaysian Financial Reporting Standards (MFRSs) issued by the MASB and International Financial Reporting Standards (IFRSs).

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

	<b>As at 31/12/2012 <u>RM’000</u></b>	<b>As at 30/06/2012 <u>RM’000</u></b>
Total retained profits / (accumulated losses) of the Company and its subsidiaries :		
- Realised	217,653	261,616
- Unrealised	(35,660)	(37,256)
	-----	-----
	181,993	224,360
Less: consolidation adjustment	(1,697)	(899)
	-----	-----
Total group retained profits / (accumulated losses) as per consolidated accounts	180,296	223,461
	=====	=====

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

The Group annual audited financial statements for the year ended 30 June 2012 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 and repayment of debt and equity securities for the current quarter ended 31 December 2012, save for those as disclosed under Note 22.

## 9. Dividend Paid

	6 Months ended 31 December	
	2012	2011
	RM'000	RM'000
<u>Final Dividend Paid</u>		
2012 – 55 sen per share tax exempt	166,154	
2011 – 44 sen per share tax exempt		132,923

## 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 5% 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 31/12/2012 RM'000	6 months ended 31/12/2011 RM'000
Total Segment Assets	808,220 =====	936,441 =====
Total Segment Liabilities	288,973	431,741
Total Segment Equity	519,247 -----	504,700 -----
	808,220 =====	936,441 =====

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

## 10. Segmental Reporting (continued)

	<b>3 months ended 31/12/2012 RM'000</b>	<b>6 months ended 31/12/2012 RM'000</b>
<b>Segment profit</b>	88,235	164,009
<i>Included in the measure of segment profit are:</i>		
Revenue from external customers	405,263	777,166
Cost of sales	(266,117)	(509,505)
Depreciation	8,372	16,877
	=====	=====
<i>Not included in the measure of segment profit but provided to Managing Director</i>		
Interest income/(expense)	(848)	(1,241)
	=====	=====
	<b>3 months ended 31/12/2012 RM'000</b>	<b>6 months ended 31/12/2012 RM'000</b>
<b>Profit or loss</b>		
Segment profit	88,235	164,009
Foreign Operation Translation	(18)	(24)
	-----	-----
Consolidated profit before tax	88,217	163,985
	=====	=====

## 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 31 December 2012.

## 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 2012, 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.

The deregistration of Malayan Breweries (Malaya) Sdn Bhd is still pending completion. It is 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 2013.

#### 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 2012 are as follows:

	<u>RM'000</u>
Property, plant and equipment	
Authorised but not contracted for	71,526
Authorised and contracted for	<u>32,752</u>
	<u>104,278</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 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	4,747	-	-	5,609
Sale of products	4,991	-	-	-
Royalties payable	2,304	-	-	2,040
Marketing and technical services fees payable	1,345	-	-	-
Marketing fees receivable	-	-	-	-

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 22 November 2012.



## **17. Review of Performance**

### Performance for the quarter ended 31 December 2012 versus the corresponding quarter in 2011

In the quarter ended 31 December 2012, the Group's revenue decreased by 8.3% compared to the corresponding quarter last year. The drop in revenue was due to several factors which include the early timing of Chinese New Year in FY12, planned reduction of duty free volume, overall market softness but partially offset by longer quarter due to new IT systems implementation.

Despite the above, the Group managed to grow its profit before interest and tax ("PBIT") by 2.5%. Improved pricing in the malt liquor market (MLM), timing of commercial expenses and favourable product/channel mix contributed to this growth.

### Performance for the 6 months ended 31 December 2012 versus the corresponding period in 2011

Group revenue decreased by 10% mainly due to the factors mentioned above.

However, the Group's PBIT grew 3.8% to RM165 million. Favourable product/channel mix and good cost management were among the leading contributors for the growth despite higher cost invested in implementing new systems and processes.

### Comparison of results with preceding quarter

Group revenue for the quarter under review increased by RM37 million or 9.5% higher against the preceding quarter. This increase is mainly boosted by the additional 9 days business freeze in preparation for implementing the new IT systems on 1 October 2012 and seasonality.

Correspondingly, PBIT grew 16.9% to RM89.1 million. This growth was due to seasonal reasons and favourable product and channel mix.

## **18. Prospects**

The Group expects the Malaysian economy to remain stable and domestic demand to remain robust.

Despite increasingly competitive market environment, the Group believes that it has the right strategies, network and resources to achieve sustainable growth in the current financial year. The Group also believes that the investment in IT systems once embedded will give us strategic competitive advantage.

## **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 31/12/2012 RM'000</b>	<b>Current year to date 31/12/2012 RM'000</b>
Taxation		
Malaysian - current	22,055	40,996
- prior year	-	-
	22,055	40,996
Deferred taxation		
Malaysian - current	-	-
- prior year	-	-
	-	-
	22,055	40,996

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 31 December 2012 are as follows:

	<u>RM'000</u>
<u>Current</u>	
Export Bills	40,000
<u>Non-Current - Unsecured</u>	
Medium Term Notes (MTNs)	150,000
	190,000

The Company obtained a short-term borrowing of RM40 million from export bills to support its Chinese New Year commercial activities. The short-term borrowing has been repaid in January 2013.

The non-current portion of the MTNs of RM150 million in nominal value, which were issued in December 2011, is repayable at RM100 million and RM50 million in December 2014 and December 2016 respectively.

The RM50 million Commercial Papers with a 9 months maturity period was repaid by the Company in October 2012.

In October 2012, RAM Ratings Services Berhad reaffirmed the respective long term and short term ratings of AAA of the CP/MTN Programme.

### 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>Gain arising from fair value changes</b>
<u>Type of derivative</u>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Forward foreign exchange contracts	2,188	2,252	64
- 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 31/12/2012 RM'000</b>	<b>Current year to date 31/12/2012 RM'000</b>
Depreciation and amortization	8,372	16,877
Provision for and write-off of receivables	830	830
Provision for and write-off of inventories	1,470	1,470
(Gain)/loss on derivatives	(64)	18

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 2012.

With effect from 1 July 2012, the estimated useful live for intangible assets has been revised from 4 years to 7 years in line with the practice adopted by the ultimate holding company.

## **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 has declared a single tier interim dividend of 20 sen per 50 sen stock unit for the financial year ending 30 June 2013 (2012: single tier interim dividend of 10 sen per 50 sen stock unit), payable on **19 April 2013** to stockholders registered at the close of business on **20 March 2013**. The entitlement date shall therefore be **20 March 2013**.

Net dividend payable to stockholders will be at 20 sen per 50 sen stock unit (2012 – 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 18 March 2013 (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 20 March 2013 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 2012 was 20 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 RM122,989,000 by the weighted average number of ordinary stock units outstanding as at 31 December 2012 of 302,098,000.

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

Not Applicable.

For and on Behalf of the Board

**Charles Ireland**  
Managing Director

21 February 2013