



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

**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE QUARTER AND PERIOD ENDED 31 MARCH 2016**

The Board of Directors of Guinness Anchor Berhad wishes to announce the unaudited results of the Group for the quarter and period ended 31 March 2016.

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	INDIVIDUAL PERIOD 3 MONTHS ENDED			CUMULATIVE PERIOD 9 MONTHS ENDED		
	31/03/2016	31/03/2015	% Change +/( -)	31/03/2016	31/03/2015	% Change +/( -)
	RM'000	RM'000		RM'000	RM'000	
1. Revenue	458,914	437,334	4.9%	1,388,461	1,351,264	2.8%
2. Operating expenses	(387,832)	(382,991)		(1,115,329)	(1,121,752)	
3. Operating profit	71,082	54,343	30.8%	273,132	229,512	19.0%
4. Interest income/(expense)	(880)	(1,738)		(787)	(2,621)	
5. Profit before tax	70,202	52,605	33.5%	272,345	226,891	20.0%
6. Taxation	(19,353)	(13,150)		(67,559)	(56,722)	
7. Net profit for the period	<u>50,849</u>	<u>39,455</u>	28.9%	<u>204,786</u>	<u>170,169</u>	20.3%
8. Profit attributable to owners of the company	<u>50,849</u>	<u>39,455</u>		<u>204,786</u>	<u>170,169</u>	
9. Total comprehensive income attributable to owners of the company	<u><u>50,849</u></u>	<u><u>39,455</u></u>		<u><u>204,786</u></u>	<u><u>170,169</u></u>	
10. Earnings per share :						
(a) Basic (based on 302,098,000 stock units) (sen)	16.83	13.06		67.79	56.33	
(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 2015)**

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	<b>AS AT 31/03/2016 RM'000</b>	<b>AS AT 30/06/2015 RM'000</b>
<b>Non-current assets</b>		
Property, plant and equipment	219,110	219,581
Intangible assets	25,045	33,317
Other receivables	23,841	27,005
	<u>267,996</u>	<u>279,903</u>
<b>Current assets</b>		
Inventories	52,257	49,049
Trade and other receivables	336,638	296,269
Current tax assets	13,019	15,138
Cash and cash equivalents	111,215	52,294
	<u>513,129</u>	<u>412,750</u>
<b>Current liabilities</b>		
Trade and other payables	259,053	193,007
Borrowings	50,000	25,000
Dividends payable	151,049	-
	<u>460,102</u>	<u>218,007</u>
<b>Net current assets</b>	<u>53,027</u>	<u>194,743</u>
	<u>321,023</u>	<u>474,646</u>
<b>Financed by:</b>		
<b>Capital and reserves</b>		
Share capital	151,049	151,049
Reserves		
Retained earnings	124,766	225,099
<b>Shareholders' funds</b>	<u>275,815</u>	<u>376,148</u>
<b>Non-current liabilities</b>		
Deferred tax liabilities	45,208	48,498
Borrowings	-	50,000
	<u>45,208</u>	<u>98,498</u>
	<u>321,023</u>	<u>474,646</u>
Net Assets per share attributable to owners of the company (RM)	<u>0.91</u>	<u>1.25</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 2015)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW  
FOR THE QUARTER AND PERIOD ENDED 31 MARCH 2016**

	<b>9 MONTHS ENDED</b>	
	<b>31/03/2016</b>	<b>31/03/2015</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Cash flows from operating activities</b>		
Profit before tax	272,345	226,891
Adjustments for:		
Amortisation of intangible assets	8,593	8,010
Depreciation of property, plant and equipment	26,199	22,538
Loss/(Gain) on disposal of property, plant and equipment	5,128	(302)
Amortisation of prepaid contractual promotion expenses	24,354	25,649
Interest expense	2,502	4,650
Interest income	(1,715)	(2,029)
Unrealised foreign exchange differences	(327)	(5)
<b>Operating profit before changes in working capital</b>	<b>337,079</b>	<b>285,402</b>
<b>Movements in working capital</b>		
Inventories	(3,208)	(32,120)
Receivables, deposits and prepayment	(61,559)	(1,429)
Payables and accruals	66,373	23,181
<b>Cash generated from operations</b>	<b>338,685</b>	<b>275,034</b>
Tax paid	(68,730)	(55,630)
Interest paid	(2,502)	(4,650)
<b>Net cash from operating activities</b>	<b>267,453</b>	<b>214,754</b>
<b>Cash flows from investing activities</b>		
Acquisition of property, plant and equipment	(24,384)	(18,011)
Acquisition of intangible assets	(7,882)	(2,445)
Interest received	1,715	2,029
Proceeds from disposal of property, plant and equipment	1,089	307
<b>Net cash used in investing activities</b>	<b>(29,462)</b>	<b>(18,120)</b>
<b>Cash flows from financing activity</b>		
Dividends paid	(154,070)	(134,434)
Repayment of borrowings	(25,000)	-
<b>Net cash used in financing activity</b>	<b>(179,070)</b>	<b>(134,434)</b>
<b>Net change in cash and cash equivalents</b>	<b>58,921</b>	<b>62,200</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>52,294</b>	<b>61,804</b>
<b>Cash and cash equivalents at end of period</b>	<b>111,215</b>	<b>124,004</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 2015)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 31 MARCH 2016**

	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>9 months ended 31 March 2016</u>				
Balance at 1 July 2015	151,049	-	225,099	376,148
Total comprehensive income for the period	-	-	204,786	204,786
Dividends paid / payable	-	-	(305,119)	(305,119)
<b>Balance at 31 March 2016</b>	<b>151,049</b>	<b>-</b>	<b>124,766</b>	<b>275,815</b>
<u>9 months ended 31 March 2015</u>				
Balance at 1 July 2014	151,049	-	205,760	356,809
Total comprehensive income for the period	-	-	170,169	170,169
Dividends paid / payable	-	-	(194,854)	(194,854)
<b>Balance at 31 March 2015</b>	<b>151,049</b>	<b>-</b>	<b>181,075</b>	<b>332,124</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 2015)

**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 as at and for the year ended 30 June 2015.

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

On 25 November 2015, the Company announced that the Board of Directors approved the change of the Company’s financial year end from 30 June to 31 December. This is to coincide with the financial year of Heineken N.V., the ultimate holding company, and to comply with Section 168(1) of the Companies Act, 1965. The next audited financial statements of the Company shall be for a period of eighteen (18) months, made up from 1 July 2015 to 31 December 2016. Thereafter, the subsequent financial years of the Company shall end on 31 December.

The change of financial year end shall apply to the Company and its subsidiaries.

**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 2015.

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

	<b>As at 31/03/2016 <u>RM’000</u></b>	<b>As at 30/06/2015 <u>RM’000</u></b>
Total retained profits / (accumulated losses) of the Company and its subsidiaries :		
- Realised	171,732	276,326
- Unrealised	(45,446)	(49,054)
	-----	-----
	126,286	227,272
Less: consolidation adjustment	(1,520)	(2,173)
	-----	-----
Total group retained profits / (accumulated losses) as per consolidated accounts	124,766	225,099
	=====	=====

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

The Group annual audited financial statements for the year ended 30 June 2015 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, save for those as disclosed under Note 22.

## 9. Dividend Paid

	9 Months ended 31 March	
	2016 RM'000	2015 RM'000
<u>Final Dividend Paid</u>		
2016 – 51.0 sen per share tax exempt	154,070	
2015 – 44.5 sen per share tax exempt		134,434

On 19 January 2016, the Company declared a single tier interim dividend of 20 sen and a single tier special dividend of 30 sen per 50 sen stock unit, amounting to RM151,049,000 in respect of the financial year ending 31 December 2016, payable on 15 April 2016.

## 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 Asian countries. As such, only one reportable segment analysis is prepared.

## 10. Segmental Reporting (Continued)

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

	<b>9 months ended 31/03/2016 RM'000</b>	<b>9 months ended 31/03/2015 RM'000</b>
Total Segment Assets	781,125 =====	759,234 =====
Total Segment Liabilities	505,310	427,110
Total Segment Equity	275,815 ----- 781,125 =====	332,124 ----- 759,234 =====

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

	<b>3 months ended 31/03/2016 RM'000</b>	<b>9 months ended 31/03/2016 RM'000</b>
<b>Segment profit</b>	70,202	272,345
<i>Included in the measure of segment profit are:</i>		
Revenue from external customers	451,813	1,367,918
Cost of sales	(306,976)	(899,946)
Depreciation	(11,659) =====	(34,792) =====
<i>Not included in the measure of segment profit but provided to Managing Director</i>		
Interest expense	(880) =====	(787) =====

	<b>3 months ended 31/03/2016 RM'000</b>	<b>9 months ended 31/03/2016 RM'000</b>
<b>Profit or loss</b>		
Segment profit	70,202	272,345
Foreign Operation Translation	-	-
	-----	-----
Consolidated profit before tax	70,202 =====	272,345 =====

## 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 financial quarter under review 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 March 2016.

## **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:

The deregistration of Malayan Breweries (Malaya) Sdn Bhd (“MBM”) is still pending completion. The deregistration of MBM is not expected to have any material impact on the net assets and earnings per share of the Group.

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

There were no material changes in contingent liabilities or contingent assets for the quarter ended 31 March 2016.

As announced by the Company on 3 September 2015, the Company received bills of demand dated 28 August 2015 from the Royal Malaysian Customs of Federal Territory of Kuala Lumpur (“Customs”) demanding payment of additional excise duties and sales tax, totaling RM56.3 million.

The amounts in demand were:

- RM34,166,098.81 claimed under the Excise Act 1976, for the period of 28 August 2012 to 31 October 2013.
- RM22,159,456.40 claimed under the Sales Tax Act 1972, for the period of 1 July 2012 to 31 October 2013.

As reported in the Company’s financial report previously, Customs had imposed a new method of valuation for excise duty which came into effect on 1 November 2013. The abovementioned bills of demand are based on historic claims for excise and sales tax for the aforesaid periods. The Company’s position is that all excise duties and sales tax for those periods had been paid by the Company based on valuations previously assessed and approved by Customs.

The Company maintains its previous position that the valuation method implemented on 1 November 2013 is not in line with international best practice on rules of valuation. The Company strongly believes that a retrospective application is unjustifiable.

The Company does not admit liability on the bills of demand made by Customs and will take appropriate measures to address this matter. As a result, no provision has been recognised.

The Company will make the necessary announcement on any new development relating to the above matter from time to time.



## 15. Capital Commitments

Capital commitments not provided for in the financial statements as at 31 March 2016 are as follows:

	<u>RM'000</u>
Property, plant and equipment Authorised but not contracted for	13,711
Authorised and contracted for	<u>16,081</u>
	<u>29,792</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:

	Heineken N.V. and its related corporations RM'000	Diageo Plc and its related corporations RM'000
Purchase of goods	15,874	14,562
Sale of products	-	20,557
Royalties paid/payable	25,209	11,877
Marketing and technical services fees paid/payable	368	-
Marketing and advertising services fee received/receivable	22,338	-

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 25 November 2015.

Diageo Plc was an indirect major shareholder of the Company by virtue of its indirect shareholding in GAPL Pte Ltd ("GAPL"). Diageo Plc ceased to be an indirect major shareholder of the Company following the disposal of its entire stake in GAPL to Heineken N.V. on 7 October 2015. Pursuant to the Bursa Malaysia's Listing Requirements, the Company reports significant related party transactions entered into by the Group with the Diageo Group only up to 7 April 2016.

## 17. Review of Performance

### Performance for the quarter ended 31 March 2016 versus the same quarter in 2015

Group revenue grew by 4.9% to RM459 million compared to the same quarter last year mainly due to higher sales volume and better brand mix on the backdrop of good festive performance during Chinese New Year (CNY). The underlying growth was partially off-set by the replacement of sales tax by GST.

Group profit before tax ("PBT") rose 34% attributed to higher sales, phasing of commercial spend and more effective commercial investment.

## 17. Review of Performance (Continued)

### Performance for the 9 months ended 31 March 2016 versus the same period in 2015

Group revenue increased by 2.8% to RM1.4 billion compared to the same period in 2015 mainly driven by higher sales.

Group PBT grew 20% to RM272 million mainly due to higher sales and improved cost efficiency in commercial spend. Our robust commercial strategy backed by investments behind brands and effective channel executions have been yielding good results.

### Comparison of Results with Preceding Quarter

Group revenue declined by 12.5% to RM459mn against the preceding quarter due to the cyclical demand for Chinese New Year sell-in recorded mainly in the previous quarter. For the same reason along with higher commercial spends, Group PBT also declined by 40.5% in the current quarter.

## 18. Prospects

With the recent increase in excise duties for alcohol products (effective 1 March 2016) and subdued Malaysian consumer sentiment, the Group continues to operate in a challenging environment.

The Group will continue to focus on delivering on its key strategies for the financial year, whilst staying agile and adapting quickly to any changes in the environment. Following a resilient first nine months performance, the Group remains confident that it will deliver a good performance for the financial year ending 31 December 2016.

## 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 31/03/2016 RM'000</b>	<b>Current year to date 31/03/2016 RM'000</b>
Taxation		
Malaysian - current	12,432	65,313
- prior year	5,536	5,536
	17,968	70,849
Deferred taxation		
Malaysian - current	1,385	(3,290)
- prior year	-	-
	1,385	(3,290)
	19,353	67,559

## **20. Taxation (Continued)**

The Group's effective tax rate for the current financial quarter under review is slightly higher than the statutory tax rate, mainly due to marginal under provision of prior quarter taxation adjusted in the current quarter.

## **21. Status of Corporate Proposals**

There were no other corporate proposals save for the following which has not been completed at the date of this report:

On 15 March 2016, the Board of Directors of the Company announced that the Company proposes to change its name from "Guinness Anchor Berhad" to "Heineken Malaysia Berhad" ("Proposed Change of Name"). The Proposed Change of Name is to reflect the corporate identity and branding of the Company and its relationship with the Heineken Group of Companies. The use of the proposed name "Heineken Malaysia Berhad" has been approved and reserved by the Companies Commission of Malaysia ("CCM") on 15 March 2016. The proposed Change of Name is subject to the approval of the Company's shareholders to be obtained at the forthcoming Extraordinary General Meeting scheduled for 20 April 2016. The Proposed Change of Name, if approved by the shareholders, will take effect from the date of the Certificate of Incorporation on Change of Name to be issued by the CCM to the Company.

## **22. Group Borrowings and Debt Securities**

Total Group borrowings as at 31 March 2016 are as follows:

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

MTNs of RM50 million in nominal value, which were issued in December 2011, are repayable in December 2016. The aforesaid MTNs have been assigned a rating of AAA by RAM Ratings Services Berhad.

## **23. Financial Instruments**

Forward foreign exchange contracts are 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 31 March 2016, 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.

### **23. Financial Instruments (Continued)**

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 quarter ended 31/03/2016 RM'000</b>	<b>Current year to date 31/03/2016 RM'000</b>
Depreciation and amortisation	11,659	34,792
Provision for and write-off of inventories	2,896	6,186

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 31 March 2016.

### **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 31 March 2016.

Total dividend declared for the 9 months ended 31 March 2016 was 50 sen per 50 sen stock unit, comprising a single tier interim dividend of 20 sen and a single tier special dividend of 30 sen per 50 sen stock unit, payable on 15 April 2016.

### **27. Earnings Per Share**

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

Basic earnings per share for the 9 month period under review is calculated by dividing the net profit attributable to the shareholders of RM204,786,000 by the weighted average number of ordinary stock units outstanding as at 31 March 2016 of 302,098,000.

**GUINNESS ANCHOR BERHAD**  
(Company No. 5350X)

**27. Earnings Per Share (Continued)**

**(b) Diluted Earnings Per Share**

Not Applicable.

For and on Behalf of the Board

**Hans Essaadi**  
Managing Director

12 April 2016