



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

**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2010**

The Board of Directors of Guinness Anchor Berhad wishes to announce the unaudited results of the Group for the period ended 31 December 2010.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	3 MONTHS ENDED		6 MONTHS ENDED	
	31/12/2010	31/12/2009	31/12/2010	31/12/2009
	RM'000	RM'000	RM'000	RM'000
1. Revenue	421,414	378,134	788,045	679,103
2. Operating expenses	335,594	319,759	651,322	585,501
3. Other operating income	596	438	1,386	1,064
4. Profit from operations	86,416	58,813	138,109	94,666
5. Finance cost	220	150	275	220
6. Profit before tax	86,196	58,663	137,834	94,446
7. Taxation	21,561	14,827	34,504	23,911
8. Profit after tax	64,635	43,836	103,330	70,535
9. Net profit for the period	<u>64,635</u>	<u>43,836</u>	<u>103,330</u>	<u>70,535</u>
10. Foreign currency translation differences for foreign operation	92	(18)	126	30
11. Total comprehensive income for the period	<u>64,727</u>	<u>43,818</u>	<u>103,456</u>	<u>70,565</u>
12. Profit attributable to shareholders of the company	<u>64,635</u>	<u>43,836</u>	<u>103,330</u>	<u>70,535</u>
13. Earnings per share :				
(a) Basic (based on 302,098,000 stock units) (sen)	21.40	14.51	34.20	23.35
(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 31/12/2010 RM'000	AS AT 30/06/2010 RM'000
Non-current assets		
Property, plant and equipment	224,385	227,103
Intangible assets	9,379	10,434
Deferred tax assets	1,412	1,412
Other receivables	981	728
	<u>236,157</u>	<u>239,677</u>
Current assets		
Inventories	90,201	75,691
Trade and other receivables	345,613	196,135
Current tax assets	1,260	1,433
Cash and cash equivalents	48,473	149,626
	<u>485,547</u>	<u>422,885</u>
Current liabilities		
Trade and other payables	186,633	155,064
Current tax liabilities	14,575	4,724
Short term borrowings	20,000	-
	<u>221,208</u>	<u>159,788</u>
Net current assets	<u>264,339</u>	<u>263,097</u>
	<u>500,496</u>	<u>502,774</u>
Financed by:		
Capital and reserves		
Share capital	151,049	151,049
Reserves		
Capital Reserve	4,985	4,859
Retained earnings	312,616	315,020
Shareholders' funds	<u>468,650</u>	<u>470,928</u>
Non-current liabilities		
Deferred tax liabilities	31,846	31,846
	<u>500,496</u>	<u>502,774</u>
Net Assets per share attributable to owners of the company (RM)	<u>1.55</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 PERIOD ENDED 31 DECEMBER 2010**

	6 MONTHS ENDED	
	31/12/2010	31/12/2009
	RM'000	RM'000
Cash flows from operating activities		
Profit before tax	137,960	94,476
Adjustments for:		
Amortisation of intangible assets	1,373	1,103
Depreciation of property, plant and equipment	15,003	14,310
Gain on disposal of property, plant and equipment	8	(409)
Interest expense	275	220
Interest income	(1,386)	(1,064)
Operating profit before changes in working capital	153,233	108,636
(Increase)/Decrease in working capital		
Inventories	(14,510)	(40,121)
Receivables, deposits and prepayment	(149,731)	(79,566)
Payables and accruals	31,569	(3,642)
Cash generated from operations	20,561	(14,693)
Tax paid	(24,480)	(22,333)
Interest paid	(275)	(220)
Net cash from operating activities	(4,194)	(37,246)
Cash flows from investing activities		
Acquisition of property, plant and equipment	(12,302)	(8,926)
Acquisition of intangible assets	(319)	-
Interest received	1,386	1,064
Proceeds from disposal of property, plant and equipment	10	483
Net cash used in investing activities	(11,225)	(7,379)
Cash flows from financing activity		
Dividends paid	(105,734)	(93,650)
Borrowings	20,000	15,000
Net cash used in financing activity	(85,734)	(78,650)
Net change in cash and cash equivalents	(101,153)	(123,275)
Cash and cash equivalents at beginning of year	149,626	163,772
Cash and cash equivalents at end of period	48,473	40,497

(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 PERIOD ENDED 31 DECEMBER 2010**

	Attributable to equity holders of the Company			
	<i>Non- Distributable</i> Share Capital RM'000	<i>Capital Reserve</i> RM'000	<i>Distributable</i> Retained Earnings RM'000	Total RM'000
<u>6 months ended</u> <u>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
Dividends paid	-	-	(105,734)	(105,734)
Balance at 31 December 2010	151,049	4,985	312,616	468,650
<u>6 months ended</u> <u>31 December 2009</u>				
Balance at 1 July 2009	151,049	5,063	286,189	442,301
Total comprehensive income for the period	-	30	70,535	70,565
Dividends paid	-	-	(93,650)	(93,650)
Balance at 31 December 2009	151,049	5,093	263,074	419,216

(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. Realised and Unrealised Profits/Losses

	Current Year Quarter Ended 31/12/2010	Current Year Quarter Ended 30/9/2010
	RM'000	RM'000
Total retained profits / (accumulated losses) of the Company and its subsidiaries :		
- Realised	312,838	354,044
- Unrealised	(222)	(329)
Total group retained profits / (accumulated losses) as per consolidated accounts	312,616	353,715

4. Audit Report on Preceding Annual Financial Statements

The Group annual financial statements for the year ended 30 June 2010 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 except for the effects arising from the adoption of FRS 117 as disclosed in Note 2.

7. Changes in Estimates

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

8. 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.

9. Dividend Paid

	6 Months Ended 31 December	
	2010 RM'000	2009 RM'000
<u>Final Dividend Paid</u>		
2010 – 35 sen per share tax exempt	105,734	
2009 – 31 sen per share tax exempt		93,650

10. 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 Southeast Asian countries based on location of customers.

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 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 2010.

13. 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 following:-

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.

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 2010 are as follows:

	<u>RM'000</u>
Property, plant and equipment	
Authorised but not contracted for	14,438
Authorised and contracted for	<u>8,433</u>
	<u>22,871</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 ("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	7,154	15	12,022	219
Sale of products	5,425	-	-	-
Royalties payable	3,309	11,177	-	1,600
Marketing and technical services fees payable	1,592	-	-	61
Marketing fees receivable	-	-	-	1,569

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 4 November 2010.

17. Review of Performance

Performance for the quarter ended 31 December 2010 versus the same quarter in 2009

Group revenue for the second quarter ended 31 December 2010 increased by RM43.3 million or 11.4% compared to the corresponding quarter in the previous financial year.

Group profit before tax for the same quarter was higher at RM86.2 million or 46.9% compared to RM58.7 million in the corresponding quarter of the financial year 2010.

Performance for the 6 months ended 31 December 2010 versus the same period in 2009

For the 6 months ended 31 December 2010, Group revenue increased by 16% to RM788 million from RM679.1 million in the corresponding period of the previous financial year.

Profit before tax for the Group was higher by RM43.4 million or 45.9% compared to the corresponding period in the previous financial year.

This favourable performance is largely due to the earlier timing of Chinese New Year, the write-back of some costs over accrued and a further improvement in the Group's market performance.

18. Comparison of Results with Preceding Quarter

Group revenue for the quarter under review was higher by RM54.8 million or 14.9% compared to RM366.6 million recorded for the preceding quarter.

Profit before tax for the Group for the same quarter was higher by RM34.6 million or 66.9% compared to the preceding quarter.

This favourable performance is due to higher sales in anticipation of Chinese New Year, the write-back of some costs over accrued and a further improvement in the Group's market performance.

19. Prospects

The Group expects the domestic economy to remain healthy. Whilst competition is expected to remain intense, the Group will continue to focus in strengthening its brand equity, growing and empowering organisational effectiveness and driving operational efficiencies to ensure that it continues to build on its market leadership position.

The Group is confident in delivering good results for the financial year ending 30 June 2011. In the longer term, the Group foresees potentially higher commodity prices having an adverse impact on its cost base.

20. Variance from Profit Forecast

No profit forecast was issued during the financial quarter under review.

21. Taxation

Taxation in respect of the current financial period comprises the following:

	Current Year Quarter 31/12/2010 RM'000	Current Year To date 31/12/2010 RM'000
Taxation		
Malaysian - current	21,561	34,504
- prior year	-	-
Deferred taxation		
Malaysian - current	-	-
- prior year	-	-
	<u>21,561</u>	<u>34,504</u>

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

22. Sale of Unquoted Investments and/or Properties

There were no sales of unquoted investments or properties for the current financial quarter under review.

23. Quoted Securities

There were no purchases or disposal of quoted securities for the current financial quarter under review.

24. Status of Corporate Proposals

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

25. Group Borrowings and Debt Securities

Total Group borrowings as at 31 December 2010 are as follows:

	RM'000
<u>Short term - unsecured</u>	
Bankers Acceptance	<u>20,000</u>

This short term funding requirement is due to the Group's higher sales and stocks build-up ahead of Chinese New Year.

26. 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	<u>8,142</u>	<u>8,107</u>

These forward foreign exchange contracts expire within a year from the end of the 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.

27. 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.

28. Dividend

The Board has declared an interim dividend of 10 sen per 50 sen stock unit, tax exempt under the single tier tax system, for the financial year ending 30 June 2011 (2010 – 10 sen per 50 sen stock unit tax exempt), payable on **20 April 2011** to stockholders registered at the close of business on **31 March 2011**. The entitlement date shall therefore be **31 March 2011**.

Net dividend payable to stockholders will be at 10 sen per 50 sen stock unit (2010 – 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 28 March 2011 (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 31 March 2011 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 for the financial period ended 31 December 2010 amounted to 10 sen per 50 sen stock unit, tax exempt under the single tier tax system.

29. 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 RM103,330,000 by the weighted average number of ordinary stock units outstanding as at 31 December 2010 of 302,098,000.

(b) Diluted Earnings Per Share

Not Applicable.

For and on Behalf of the Board

Charles Ireland
Managing Director

28 January 2011