



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

**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE QUARTER AND YEAR ENDED 30 JUNE 2013**

The Board of Directors of Guinness Anchor Berhad wishes to announce the unaudited results of the Group for the quarter and year ended 30 June 2013.

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	INDIVIDUAL PERIOD 3 MONTHS ENDED			CUMULATIVE PERIOD 12 MONTHS ENDED		
	30/06/2013	30/06/2012	% Change +/( -)	30/06/2013	30/06/2012	% Change +/( -)
	RM'000	RM'000		RM'000	RM'000	
1. Revenue	412,097	346,028	19.1%	1,676,348	1,623,687	3.2%
2. Operating expenses	(367,882)	(297,892)		(1,383,602)	(1,346,446)	
3. Interest income	400	1,293		3,014	4,268	
4. Profit from operations	44,615	49,429	(9.7%)	295,760	281,509	5.1%
5. Interest expense	(1,404)	(2,553)		(7,024)	(4,528)	
6. Profit before tax	43,211	46,876	(7.8%)	288,736	276,981	4.2%
7. Taxation	(9,752)	(12,041)		(71,132)	(69,582)	
8. Net profit for the period	<u>33,459</u>	<u>34,835</u>	(4.0%)	<u>217,604</u>	<u>207,399</u>	4.9%
9. Foreign currency translation differences for foreign operation	8	118		0	80	
10. Total comprehensive income for the period	<u>33,467</u>	<u>34,953</u>	18.6%	<u>217,604</u>	<u>207,479</u>	4.9%
11. Profit attributable to owners of the company	<u>33,459</u>	<u>34,835</u>		<u>217,604</u>	<u>207,399</u>	
12. Total comprehensive income attributable to owners of the company	<u>33,467</u>	<u>34,953</u>		<u>217,604</u>	<u>207,479</u>	
13. Earnings per share :						
(a) Basic (based on 302,098,000 stock units) (sen)	11.08	11.53		72.03	68.65	
(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 30/06/2013 RM'000</b>	<b>AS AT 30/06/2012 RM'000</b>
<b>Non-current assets</b>		
Property, plant and equipment	225,775	231,549
Intangible assets	35,787	25,873
Other receivables	1,098	1,132
	<u>262,660</u>	<u>258,554</u>
<b>Current assets</b>		
Inventories	46,957	65,833
Trade and other receivables	341,359	284,478
Current tax assets	22,397	9,733
Cash and cash equivalents	68,242	160,820
	<u>478,955</u>	<u>520,864</u>
<b>Current liabilities</b>		
Trade and other payables	185,857	154,712
Current tax liabilities	0	12,318
Borrowings	0	50,000
	<u>185,857</u>	<u>217,030</u>
<b>Net current assets</b>	<u>293,098</u>	<u>303,834</u>
	<u>555,758</u>	<u>562,388</u>
<b>Financed by:</b>		
<b>Capital and reserves</b>		
Share capital	151,049	151,049
Reserves		
Capital reserve	0	5,193
Retained earnings	214,491	223,461
<b>Shareholders' funds</b>	<u>365,540</u>	<u>379,703</u>
<b>Non-current liabilities</b>		
Deferred tax liabilities	40,218	32,685
Borrowings	150,000	150,000
	<u>190,218</u>	<u>182,685</u>
	<u>555,758</u>	<u>562,388</u>
Net Assets per share attributable to owners of the company (RM)	<u>1.21</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 YEAR ENDED 30 JUNE 2013**

	<b>12 MONTHS ENDED</b>	
	<b>30/06/2013</b>	<b>30/06/2012</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Cash flows from operating activities</b>		
Profit before tax	288,736	276,981
Adjustments for:		
Amortisation of intangible assets	9,850	4,093
Depreciation of property, plant and equipment	30,706	30,310
(Gain)/loss on disposal of property, plant and equipment	(76)	(643)
Capital repayment/Crystalisation of capital reserve	(5,193)	0
Interest expense	7,024	4,528
Interest income	(3,014)	(4,268)
Translation differences of foreign operation	0	80
Restructuring of distribution channel expenses	(1,600)	(5,400)
<b>Operating profit before changes in working capital</b>	<b>326,433</b>	<b>305,681</b>
<b>(Increase)/Decrease in working capital</b>		
Inventories	18,877	(431)
Receivables, deposits and prepayment	(57,952)	(78,492)
Payables and accruals	33,849	27,535
<b>Cash generated from operations</b>	<b>321,207</b>	<b>254,293</b>
Tax paid	(88,580)	(69,493)
Interest paid	(7,024)	(4,528)
<b>Net cash from operating activities</b>	<b>225,603</b>	<b>180,272</b>
<b>Cash flows from investing activities</b>		
Acquisition of property, plant and equipment	(25,348)	(39,273)
Acquisition of intangible assets	(20,202)	(20,842)
Interest received	3,014	4,268
Proceeds from disposal of property, plant and equipment	929	1,010
<b>Net cash used in investing activities</b>	<b>(41,607)</b>	<b>(54,837)</b>
<b>Cash flows from financing activity</b>		
Dividends paid	(226,574)	(344,392)
Borrowings	(50,000)	200,000
<b>Net cash used in financing activity</b>	<b>(276,574)</b>	<b>(144,392)</b>
<b>Net change in cash and cash equivalents</b>	<b>(92,578)</b>	<b>(18,957)</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>68,242</b>	<b>160,820</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 YEAR ENDED 30 JUNE 2013**

	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
12 months ended <u>30 June 2013</u>				
Balance at 1 July 2012	151,049	5,193	223,461	379,703
Total comprehensive income for the period	-	-	217,604	217,604
Capital repayment/Crystalisation of capital reserve	-	(5,193)	-	(5,193)
Dividends paid	-	-	(226,574)	(226,574)
<b>Balance at 30 June 2013</b>	<b>151,049</b>	<b>0</b>	<b>214,491</b>	<b>365,540</b>
12 months ended <u>30 June 2012</u>				
Balance at 1 July 2011	151,049	5,113	360,454	516,616
Total comprehensive income for the period	-	80	207,399	207,479
Dividends paid	-	-	(344,392)	(344,392)
<b>Balance at 30 June 2012</b>	<b>151,049</b>	<b>5,193</b>	<b>223,461</b>	<b>379,703</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 (“MASB”) 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 30/06/2013 <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	256,703	261,616
- Unrealised	(41,343)	(37,256)
	-----	-----
	215,360	224,360
Less: consolidation adjustment	(869)	(899)
	-----	-----
Total group retained profits / (accumulated losses) as per consolidated accounts	214,491	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 30 June 2013, save for those as disclosed under Note 22.

## 9. Dividend Paid

	12 Months ended 30 June	
	2013 RM'000	2012 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
<u>Special Interim Dividend Paid</u>		
2012 – 60 sen per share tax exempt		181,259
<u>Interim Dividend Paid</u>		
2013 – 20 sen per share tax exempt	60,420	
2012 – 10 sen per share tax exempt		30,210
	<hr/>	<hr/>
	226,574	344,392
	<hr/>	<hr/>

## 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.

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

**10. Segmental Reporting (continued)**

	<b>12 months ended 30/06/2013 RM'000</b>	<b>12 months ended 30/06/2012 RM'000</b>
Total Segment Assets	741,615 =====	779,418 =====
Total Segment Liabilities	376,075	399,715
Total Segment Equity	365,540 ----- 741,615 =====	379,703 ----- 779,418 =====

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

	<b>3 months ended 30/06/2013 RM'000</b>	<b>12 months ended 30/06/2013 RM'000</b>
<b>Segment profit</b>	43,219	288,736
<i>Included in the measure of segment profit are:</i>		
Revenue from external customers	387,142	1,584,091
Cost of sales	(266,591)	(1,079,752)
Depreciation	13,878 =====	40,556 =====
<i>Not included in the measure of segment profit but provided to Managing Director</i>		
Interest income/(expense)	(1,004) =====	(4,010) =====

	<b>3 months ended 30/06/2013 RM'000</b>	<b>12 months ended 30/06/2013 RM'000</b>
<b>Profit or loss</b>		
Segment profit	43,219	288,736
Foreign Operation Translation	(8) -----	0 -----
Consolidated profit before tax	43,211 =====	288,736 =====

**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 June 2013.

### 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.

Guinness Singapore Pte Ltd, a dormant subsidiary of the Company, undertook a capital reduction and repayment exercise pursuant to Section 78B of the Companies Act, (CAP 50). This exercise was completed during the financial year.

The above are not expected to have any material impact on the net assets and earnings per share of the Group for the financial year ended 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 30 June 2013 are as follows:

	<u>RM'000</u>
Property, plant and equipment	
Authorised but not contracted for	67,286
Authorised and contracted for	<u>18,428</u>
	<u>85,714</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	Asia Pacific Breweries Limited and its related corporations	Heineken International BV and its related corporations
	RM'000	RM'000	RM'000
Purchase of goods	13,503	-	18,057
Sale of products	16,651	-	-
Royalties payable	7,769	18,975	7,610
Marketing and technical services fees payable	4,362	-	439
Marketing fees receivable	-	13,462	6,098



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 30 June 2013 versus the corresponding quarter in 2012

In the quarter ended 30 June 2013, Group revenue grew by 19.1% to RM412.1 million compared to the corresponding quarter last year. The growth was driven by increased promotional activities in Q4. As a result, the Group achieved a volume growth of 18.9% compared to the same quarter last year.

Group profit before interest and tax ("PBIT") for the quarter is RM44.2 million, lower by 8.1% compared to the same quarter in 2012 due to higher investment made on brand building activities.

### Comparison of results with preceding quarter

Group revenue is lower by RM30.4 million or 6.9% compared to the preceding quarter. Higher revenue in the preceding quarter was mainly driven by Chinese New Year sales.

Correspondingly, PBIT declined by RM40.1 million or 50% compared to the preceding quarter. This is again due to higher investment made on brand building activities.

### Performance for the 12 months ended 30 June 2013 versus the corresponding period in 2012

The Group's revenue improved by RM52.7 million to RM1.68 billion or up 3.2% compared to the previous financial year. The Tiger brand is the engine to the growth and the Group also saw positive growth in the Modern On-Trade channel.

Group PBIT improved by 5.6% to RM292.7 million. Favourable product/channel mix and optimised cost management contributed to the growth, partially off-set by higher investment on brand building and IT infrastructure.

## **18. Prospects**

The Malaysian economy and domestic demand are expected to be resilient. However, the beer market is expected to experience relatively low growth barring no increase in excise duties.

The Group will continue to invest in the Malaysian market to maintain its leading position in order to deliver sustainable returns to its shareholders.

## 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 30/06/2013 RM'000</b>	<b>Current year to date 30/06/2013 RM'000</b>
Taxation		
Malaysian - current	4,842	66,222
- prior year	(2,623)	(2,623)
	<u>2,219</u>	<u>63,599</u>
Deferred taxation		
Malaysian - current	7,533	7,533
- prior year	-	-
	<u>7,533</u>	<u>7,533</u>
	<u><u>9,752</u></u>	<u><u>71,132</u></u>

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 June 2013 are as follows:

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

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 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.

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 quarter ended 30/06/2013 RM'000</b>	<b>Current year to date 30/06/2013 RM'000</b>
Depreciation and amortization	13,878	40,556
Provision for and write-off of receivables	(120)	710
Provision for and write-off of inventories	7,036	11,907
(Gain)/loss on derivatives	0	33

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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 30 June 2013.

### **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 proposed a final single tier dividend of 48.5 sen per 50 sen stock unit for the financial year ended 30 June 2013 (2012: 55 sen per 50 sen stock unit, single tier). Subject to approval of the shareholders at the forthcoming 49<sup>th</sup> Annual General Meeting, the date of which will be announced later, the final single tier dividend will be paid on 27 December 2013 to stockholders registered at the close of business on 6 December 2013. The entitlement date shall therefore be 6 December 2013.

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 4 December 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 6 December 2013 in respect of ordinary transfers; and
- (c) Shares bought on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

Pursuant to FRS 110, the proposed final single tier dividend totaling RM146,517,530 has not been accounted for in the financial statements as at 30 June 2013.

Total dividends for the year ended 30 June 2013 will amount to 68.5 sen per 50 sen stock unit (2012: 125 sen) comprising:

- (i) a single tier Interim Dividend of 20 sen per 50 sen stock unit paid on 19 April 2013; and
- (ii) a proposed final single tier dividend of 48.5 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 RM217,604,000 by the weighted average number of ordinary stock units outstanding as at 30 June 2013 of 302,098,000.

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

Not Applicable.

For and on Behalf of the Board

**Hans Essaadi**  
Managing Director