



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

**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2014**

The Board of Directors of Guinness Anchor Berhad wishes to announce the unaudited results of the Group for the period ended 31 December 2014.

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	INDIVIDUAL PERIOD 3 MONTHS ENDED			CUMULATIVE PERIOD 6 MONTHS ENDED		
	31/12/2014	31/12/2013	% Change +/( -)	31/12/2014	31/12/2013	% Change +/( -)
	RM'000	RM'000		RM'000	RM'000	
1. Revenue	520,768	499,373	4.3%	913,930	825,166	10.8%
2. Operating expenses	(419,285)	(410,063)		(738,761)	(669,067)	
3. Operating Profit	101,483	89,310	13.6%	175,169	156,099	12.2%
4. Interest income/(expense)	10	(1,167)		(883)	(1,794)	
5. Profit before tax	101,493	88,143	15.1%	174,286	154,305	12.9%
6. Taxation	(25,374)	(22,054)		(43,572)	(38,593)	
7. Net profit for the period	<u>76,119</u>	<u>66,089</u>	15.2%	<u>130,714</u>	<u>115,712</u>	13.0%
8. Profit attributable to owners of the company	<u>76,119</u>	<u>66,089</u>		<u>130,714</u>	<u>115,712</u>	
9. Total comprehensive income attributable to owners of the company	<u>76,119</u>	<u>66,089</u>		<u>130,714</u>	<u>115,712</u>	
10. Earnings per share :						
(a) Basic (based on 302,098,000 stock units) (sen)	25.20	21.88		43.27	38.30	
(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 31/12/2014 RM'000</b>	<b>AS AT 30/06/2014 RM'000</b>
<b>Non-current assets</b>		
Property, plant and equipment	213,241	220,424
Intangible assets	34,469	38,790
Other receivables	874	1,019
	<u>248,584</u>	<u>260,233</u>
<b>Current assets</b>		
Inventories	102,334	39,489
Trade and other receivables	366,232	333,368
Current tax assets	0	7,446
Cash and cash equivalents	13,999	61,804
	<u>482,565</u>	<u>442,107</u>
<b>Current liabilities</b>		
Trade and other payables	184,829	152,676
Current tax liabilities	2,393	0
Borrowings	100,000	100,000
	<u>287,222</u>	<u>252,676</u>
<b>Net current assets</b>	<u>195,343</u>	<u>189,431</u>
	<u>443,927</u>	<u>449,664</u>
<b>Financed by:</b>		
<b>Capital and reserves</b>		
Share capital	151,049	151,049
Reserves		
Retained earnings	202,040	205,760
<b>Shareholders' funds</b>	<u>353,089</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>443,927</u>	<u>449,664</u>
Net Assets per share attributable to owners of the company (RM)	<u>1.17</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 PERIOD ENDED 31 DECEMBER 2014**

	<b>6 MONTHS ENDED</b>	
	<b>31/12/2014</b>	<b>31/12/2013</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Cash flows from operating activities</b>		
Profit before tax	174,286	154,305
Adjustments for:		
Amortisation of intangible assets	5,319	4,483
Depreciation of property, plant and equipment	14,946	16,660
(Gain)/loss on disposal of property, plant and equipment	(188)	(464)
Interest expense	2,329	3,349
Interest income	(1,446)	(1,555)
<b>Operating profit before changes in working capital</b>	<b>195,246</b>	<b>176,778</b>
<b>(Increase)/Decrease in working capital</b>		
Inventories	(62,845)	(47,496)
Receivables, deposits and prepayment	(32,719)	(66,972)
Payables and accruals	32,153	22,936
<b>Cash generated from operations</b>	<b>131,835</b>	<b>85,246</b>
Tax paid	(35,750)	(27,776)
Interest paid	(2,329)	(3,349)
<b>Net cash from operating activities</b>	<b>93,756</b>	<b>54,121</b>
<b>Cash flows from investing activities</b>		
Acquisition of property, plant and equipment	(998)	(14,028)
Acquisition of intangible assets	(7,765)	(9,985)
Interest received	1,446	1,555
Proceeds from disposal of property, plant and equipment	190	568
<b>Net cash used in investing activities</b>	<b>(7,127)</b>	<b>(21,890)</b>
<b>Cash flows from financing activity</b>		
Dividends paid	(134,434)	(146,518)
Borrowings	0	50,000
<b>Net cash used in financing activity</b>	<b>(134,434)</b>	<b>(96,518)</b>
<b>Net change in cash and cash equivalents</b>	<b>(47,805)</b>	<b>(64,287)</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>13,999</b>	<b>3,955</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 31 DECEMBER 2014**

	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
<u>6 months ended 31 December 2014</u>				
Balance at 1 July 2014	151,049	0	205,760	356,809
Total comprehensive income for the period	-	0	130,714	130,714
Dividends paid	-	-	(134,434)	(134,434)
<b>Balance at 31 December 2014</b>	<b>151,049</b>	<b>0</b>	<b>202,040</b>	<b>353,089</b>
<u>6 months ended 31 December 2013</u>				
Balance at 1 July 2013	151,049	0	214,491	365,540
Total comprehensive income for the period	-	0	115,712	115,712
Dividends paid	-	-	(146,518)	(146,518)
<b>Balance at 31 December 2013</b>	<b>151,049</b>	<b>0</b>	<b>183,685</b>	<b>334,734</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 31/12/2014 <u>RM’000</u></b>	<b>As at 30/06/2014 <u>RM’000</u></b>
Total retained profits / (accumulated losses) of the Company and its subsidiaries :		
- Realised	247,876	248,142
- Unrealised	(41,923)	(41,142)
	-----	-----
	205,953	207,000
Less: consolidation adjustment	(3,913)	(1,240)
	-----	-----
Total group retained profits / (accumulated losses) as per consolidated accounts	202,040	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 were no issuance and repayment of debt and equity securities for the current quarter ended 31 December 2014, save for those as disclosed under Note 22.

## 9. Dividend Paid

	6 Months ended 31 December	
	2014	2013
	RM'000	RM'000
<u>Final Dividend Paid</u>		
2014 – 44.5 sen per share tax exempt	134,434	
2013 – 48.5 sen per share tax exempt		146,518

## 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 1.3% 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 31/12/2014 RM'000	6 months ended 31/12/2013 RM'000
Total Segment Assets	731,149	783,745
	=====	=====
Total Segment Liabilities	378,060	449,011
Total Segment Equity	353,089	334,734
	-----	-----
	731,149	783,745
	=====	=====

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

## 10. Segmental Reporting (continued)

	<b>3 months ended 31/12/2014 RM'000</b>	<b>6 months ended 31/12/2014 RM'000</b>
<b>Segment profit</b>	101,493	174,286
<i>Included in the measure of segment profit are:</i>		
Revenue from external customers	531,750	904,295
Cost of sales	(321,202)	(571,867)
Depreciation	10,191	20,265
	=====	=====
<i>Not included in the measure of segment profit but provided to Managing Director</i>		
Interest income/(expense)	10	(883)
	=====	=====
	<b>3 months ended 31/12/2014 RM'000</b>	<b>6 months ended 31/12/2014 RM'000</b>
<b>Profit or loss</b>		
Segment profit	101,493	174,286
Foreign Operation Translation	0	0
	-----	-----
Consolidated profit before tax	101,493	174,286
	=====	=====

## 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 2014.

## 13. Changes in the Composition of the Group

There was no change 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 ("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 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 31 December 2014 are as follows:

	<u>RM'000</u>
Property, plant and equipment	
Authorised but not contracted for	58,188
Authorised and contracted for	<u>8,424</u>
	<u>66,612</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 RM'000	Heineken N.V. and its related corporations RM'000
Purchase of goods	6,289	7,745
Sale of products	9,635	-
Royalties payable	6,454	16,779
Marketing and technical services fees payable	-	201
Marketing and advertising services fee receivable	-	16,461

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.



## **17. Review of Performance**

### Performance for the quarter ended 31 December 2014 versus the same quarter in 2013

Group revenue grew 4.3% to RM521 million compared to the same quarter last year. The growth was mainly driven by favourable pricing and brand mix. New brand launches in 2014 such as Kirin Ichiban, Smirnoff Ice, Affligem and three new Strongbow flavours have also contributed to higher volume.

The Group's Profit Before Tax ("PBT") rose 15.1% mainly driven by an increase in revenue and improved cost efficiencies and working capital management. In addition, there was also lower commercial spend in the quarter under review as a result of a later timing of Chinese New Year in 2015.

### Performance for the 6 months ended 31 December 2014 versus the same period in 2013

Group revenue for the 6 months ended 31 December 2014 grew 10.8% driven by volume growth, favourable pricing and brand mix. In addition, the Company continues to reap the benefit of measures taken against contraband beers by the Royal Malaysian Customs and various enforcement agencies.

The Group's PBT grew 12.9% to RM174 million, again mainly due to the reasons stated above, partly off-set by higher excise duty and sales tax payments between July 2014 and October 2014.

### Comparison of results with preceding quarter

Group revenue for the quarter under review rose significantly by 32.5% and PBT increased by 39.4% to RM102 million compared to the preceding quarter reflecting seasonal demand and better cost management.

## **18. Prospects**

The Group expects the external environment to be challenging in the second half of the financial year 2015 in light of the spend cuts by the Government and the uncertainties surrounding the implementation of the Goods and Services Tax ("GST") in April 2015. However, given the comprehensive commercial initiatives the Group has lined-up for the remaining 6 months as well as the Group preparedness for the GST transition, the Group believes the current momentum is favourable. As such, the Group is confident to deliver satisfactory performance for the financial year 2015.

## **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 31/12/2014 RM'000</b>	<b>Current year to date 31/12/2014 RM'000</b>
Taxation		
Malaysian - current	25,374	43,572
- prior year	-	-
	<u>25,374</u>	<u>43,572</u>
Deferred taxation		
Malaysian - current	-	-
- prior year	-	-
	<u>-</u>	<u>-</u>
	<u>25,374</u>	<u>43,572</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 31 December 2014 are as follows:

	<u>RM'000</u>
<u>Current</u>	
Revolving Credit	50,000
Commercial Papers	30,000
Export Bills	20,000
	<u>100,000</u>
 <u>Non-Current - Unsecured</u>	
Medium Term Notes (MTNs)	50,000
	<u>50,000</u>

The Company utilized its short-term credit facilities of RM100 million to support its commercial activities for Chinese New Year. The Revolving Credit and Export Bills have been repaid in January 2015 whilst the Commercial Papers will be repaid in March 2015.

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

### 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)/Loss 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			
- Less than one year	3,511	3,543	(32)

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 31/12/2014 RM'000</b>	<b>Current year to date 31/12/2014 RM'000</b>
Depreciation and amortization	10,191	20,265
Provision for and write-off of receivables	0	0
Provision for and write-off of inventories	1,268	2,534
(Gain)/loss on derivatives	(32)	(32)

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 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 has declared a single tier interim dividend of 20 sen per 50 sen stock unit for the financial year ending 30 June 2015 (2014: single tier interim dividend of 20 sen per 50 sen stock unit), payable on **22 April 2015** to stockholders registered at the close of business on **31 March 2015**. The entitlement date shall therefore be **31 March 2015**.

Net dividend payable to stockholders will be at 20 sen per 50 sen stock unit (2014 – 20 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 27 March 2015 (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 2015 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 2014 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 RM130,714,000 by the weighted average number of ordinary stock units outstanding as at 31 December 2014 of 302,098,000.

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

Not Applicable.

For and on Behalf of the Board

**Hans Essaadi**  
Managing Director

5 February 2015