



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

**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 JUNE 2015**

The Board of Directors of Guinness Anchor Berhad wishes to announce the unaudited results of the Group for the period ended 30 June 2015.

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	INDIVIDUAL PERIOD 3 MONTHS ENDED			CUMULATIVE PERIOD 12 MONTHS ENDED		
	30/06/2015	30/06/2014	% Change +/( -)	30/06/2015	30/06/2014	% Change +/( -)
	RM'000	RM'000		RM'000	RM'000	
1. Revenue	397,621	412,870	(3.7%)	1,748,885	1,610,587	8.6%
2. Operating expenses	(331,772)	(347,657)		(1,453,524)	(1,339,978)	
3. Operating Profit	65,849	65,213	1.0%	295,361	270,609	9.1%
4. Interest income / (expense)	(341)	(1,143)		(2,962)	(4,822)	
5. Profit before tax	65,508	64,070	2.2%	292,399	265,787	10.0%
6. Taxation	(21,484)	(17,134)		(78,206)	(67,581)	
7. Net profit for the period	<u>44,024</u>	<u>46,936</u>	(6.2%)	<u>214,193</u>	<u>198,206</u>	8.1%
8. Profit attributable to owners of the company	<u>44,024</u>	<u>46,936</u>		<u>214,193</u>	<u>198,206</u>	
9. Total comprehensive income attributable to owners of the company	<u>44,024</u>	<u>46,936</u>		<u>214,193</u>	<u>198,206</u>	
10. Earnings per share :						
(a) Basic (based on 302,098,000 stock units) (sen)	14.57	15.54		70.90	65.61	
(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 30/06/2015 RM'000</b>	<b>AS AT 30/06/2014 RM'000</b>
<b>Non-current assets</b>		
Property, plant and equipment	219,581	220,424
Intangible assets	33,317	38,790
Other receivables	27,005	16,615
	<u>279,903</u>	<u>275,829</u>
<b>Current assets</b>		
Inventories	49,049	39,975
Trade and other receivables	296,269	317,059
Current tax assets	15,138	7,003
Cash and cash equivalents	52,294	61,804
	<u>412,750</u>	<u>425,841</u>
<b>Current liabilities</b>		
Trade and other payables	193,007	147,620
Borrowings	25,000	100,000
Current tax liabilities	-	4,386
	<u>218,007</u>	<u>252,006</u>
<b>Net current assets</b>	<u>194,743</u>	<u>173,835</u>
	<u>474,646</u>	<u>449,664</u>
<b>Financed by:</b>		
<b>Capital and reserves</b>		
Share capital	151,049	151,049
Reserves		
Retained earnings	225,099	205,760
<b>Shareholders' funds</b>	<u>376,148</u>	<u>356,809</u>
<b>Non-current liabilities</b>		
Deferred tax liabilities	48,498	42,855
Borrowings	50,000	50,000
	<u>98,498</u>	<u>92,855</u>
	<u>474,646</u>	<u>449,664</u>
Net Assets per share attributable to owners of the company (RM)	<u>1.25</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 30 JUNE 2015**

	<b>12 MONTHS ENDED</b>	
	<b>30/06/2015</b>	<b>30/06/2014</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Cash flows from operating activities</b>		
Profit before tax	292,399	265,787
Adjustments for:		
Amortisation of intangible assets	10,758	9,664
Depreciation of property, plant and equipment	30,968	31,517
Gain on disposal of property, plant and equipment	(1,111)	(944)
Property, plant and equipment written off	2,791	254
Intangible assets written off	214	175
Amortisation of prepaid contractual promotion expenses	46,489	35,030
Interest expense	5,593	7,413
Interest income	(2,631)	(2,591)
Impairment/(Reversal) on trade receivables	824	(237)
Unrealised foreign exchange differences	(40)	66
<b>Operating profit before changes in working capital</b>	<b>386,254</b>	<b>346,134</b>
<b>Changes in working capital</b>		
Inventories	(9,074)	7,368
Receivables, deposits and prepayments	(36,913)	(26,111)
Trade and other payables	45,427	(31,588)
<b>Cash generated from operations</b>	<b>385,694</b>	<b>295,803</b>
Tax paid	(85,084)	(52,165)
Interest paid	(5,593)	(7,413)
<b>Net cash from operating activities</b>	<b>295,017</b>	<b>236,225</b>
<b>Cash flows from investing activities</b>		
Acquisition of property, plant and equipment	(32,930)	(25,416)
Acquisition of intangible assets	(5,499)	(13,864)
Interest received	2,631	2,591
Proceeds from disposal of property, plant and equipment	1,125	963
<b>Net cash used in investing activities</b>	<b>(34,673)</b>	<b>(35,726)</b>
<b>Cash flows from financing activity</b>		
Dividends paid	(194,854)	(206,937)
Borrowings	(75,000)	-
<b>Net cash used in financing activity</b>	<b>(269,854)</b>	<b>(206,937)</b>
<b>Net change in cash and cash equivalents</b>	<b>(9,510)</b>	<b>(6,438)</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>52,294</b>	<b>61,804</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 30 JUNE 2015**

	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 2015</u>				
Balance at 1 July 2014	151,049	-	205,760	356,809
Total comprehensive income for the period	-	-	214,193	214,193
Dividends paid	-	-	(194,854)	(194,854)
<b>Balance at 30 June 2015</b>	<b>151,049</b>	<b>-</b>	<b>225,099</b>	<b>376,148</b>
12 months ended <u>30 June 2014</u>				
Balance at 1 July 2013	151,049	-	214,491	365,540
Total comprehensive income for the period	-	-	198,206	198,206
Dividends paid	-	-	(206,937)	(206,937)
<b>Balance at 30 June 2014</b>	<b>151,049</b>	<b>-</b>	<b>205,760</b>	<b>356,809</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 except as disclosed below.

The Group has changed its accounting treatment of returnable bottles effective 31 March 2015. Returnable bottles are capitalized as Fixed Assets and depreciated over their useful life. The change in accounting policy is to align the treatment of returnable bottles with all other returnable packaging items. The change in accounting treatment does not have any material effect on the financial period under review.

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

	<b>As at 30/06/2015 <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	276,326	248,142
- Unrealised	(49,054)	(41,142)
	-----	-----
	227,272	207,000
Less: consolidation adjustment	(2,173)	(1,240)
	-----	-----
Total group retained profits / (accumulated losses) as per consolidated accounts	225,099	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**

During the quarter, there were no changes in estimates that have had any material effect on the current financial period 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 2015, save for those as disclosed under Note 22.

**9. Dividend Paid**

	12 Months ended 30 June	
	2015 RM'000	2014 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		146,517
<u>Interim Dividend Paid</u>		
2015 – 20 sen per share tax exempt	60,420	
2014 – 20 sen per share tax exempt		60,420
	<hr/>	<hr/>
	194,854	206,937
	<hr/> <hr/>	<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 are 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.

	<b>12 months ended 30/06/2015 RM'000</b>	<b>12 months ended 30/06/2014 RM'000</b>
Total Segment Assets	692,653 =====	701,670 =====
Total Segment Liabilities	316,505	344,861
Total Segment Equity	376,148 ----- 692,653 =====	356,809 ----- 701,670 =====

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

	<b>3 months ended 30/06/2015 RM'000</b>	<b>12 months ended 30/06/2015 RM'000</b>
<b>Segment profit</b>	65,508	292,399
<i>Included in the measure of segment profit are:</i>		
Revenue from external customers	389,440	1,725,741
Cost of sales	(247,569)	(1,109,375)
Depreciation	11,178 =====	41,726 =====
<i>Not included in the measure of segment profit but provided to Managing Director</i>		
Net interest expense	(341) =====	(2,962) =====

	<b>3 months ended 30/06/2015 RM'000</b>	<b>12 months ended 30/06/2015 RM'000</b>
<b>Profit or loss</b>		
Segment profit	65,508	292,399
Foreign Operation Translation	-	-
Consolidated profit before tax	----- 65,508 =====	----- 292,399 =====

### **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 last 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 2015.

### **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.

### **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 2015 are as follows:

	<u>RM'000</u>
Property, plant and equipment	
Authorised but not contracted for	39,669
Authorised and contracted for within one year	3,629
	<u>43,298</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	12,808	16,009
Sale of products	23,144	-
Royalties payable	12,951	32,105
Marketing and technical services fees payable	-	686
Marketing and advertising services fee receivable	-	19,792

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 28 November 2014.

## 17. Review of Performance

### Performance for the quarter ended 30 June 2015 versus the same quarter in 2014

Group revenue contracted 3.7% to RM398 million compared to the same quarter last year. This was mainly due to the replacement of sales tax by the Goods and Services Tax ("GST").

The Group's profit before tax rose 2.2% mainly due to cost efficiency.

### Performance for the 12 months ended 30 June 2015 versus the same period in 2014

Group revenue for the 12 months ended 30 June 2015 grew by 8.6%. This was driven by overall strong performance due to market recovery and Government's effective measures against contraband beers.

The Group's profit before tax grew by 10% to RM292 million mainly due to higher revenue and cost efficiency in commercial investments and overheads.

### Comparison of results with preceding quarter

Group revenue for the quarter under review is lower by 9.1%, but profit before tax rose significantly by 25% to RM64 million compared to the preceding quarter due to seasonal demand, timing of promotional spends and better cost management.

## 18. Prospects

The domestic business environment is still going through the adjustment period post GST implementation on 1 April 2015. Consumers remain cautious in their spending. In addition, the weakening of Ringgit Malaysia has also created cost challenges for the Group. However, the Group will continue to drive cost efficiency and optimisation across its business and operations. The Group remains confident of navigating through the challenging environment ahead to deliver sustainable performance in financial year 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 30/06/2015 RM'000</b>	<b>Current year to date 30/06/2015 RM'000</b>
Taxation		
Malaysian - current	15,774	72,496
- prior year	67	67
	<u>15,841</u>	<u>72,563</u>
Deferred taxation		
Malaysian – current	2,787	2,787
- prior year	2,856	2,856
	<u>5,643</u>	<u>5,643</u>
	<u><u>21,484</u></u>	<u><u>78,206</u></u>

The Group's effective tax rate for the current financial quarter is broadly 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 2015 are as follows:

	<u>RM'000</u>
<u>Current</u>	
Commercial Papers	25,000
	<u>25,000</u>
<u>Non-Current - Unsecured</u>	
Medium Term Notes (MTNs)	50,000
	<u>50,000</u>

The Company utilised its short-term credit facilities of RM75 million to support its working capital requirements. The Commercial Papers will be fully repaid by July 2015.

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

## **22. 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. However, as of 30 June 2015 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.

There is no credit and market risk as there are no open hedging contracts.

At the end of the reporting period, the Group does not have any outstanding derivatives

## **23. Notes to the Statement of Comprehensive Income**

	<b>Current quarter ended 30/06/2015 RM'000</b>	<b>Current year to date 30/06/2015 RM'000</b>
Depreciation and amortisation	11,178	41,726
Provision for and write-off of receivables	838	824
Provision for and write-off of inventories	1,762	7,046

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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 2015.

## **24. 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.

## **25. Dividend**

The Board has proposed a final single tier dividend of 51 sen per 50 sen stock unit for the financial year ended 30 June 2015 (2014: 44.5 sen per 50 sen stock unit, single tier). Subject to approval of the shareholders at the forthcoming 51<sup>th</sup> Annual General Meeting, the date of which will be announced later, the final single tier dividend will be paid on 31 December 2015 to stockholders registered at the close of business on 10 December 2015. The entitlement date shall therefore be 10 December 2015.

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 7 December 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 10 December 2015 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 **RM154,069,980** has not been accounted for in the financial statements as at 30 June 2015.

Total dividends for the year ended 30 June 2015 will amount to 71 sen per 50 sen stock unit (2014: 64.5 sen) comprising:

- (i) a single tier Interim Dividend of 20 sen per 50 sen stock unit paid on 22 April 2015; and
- (ii) a proposed final single tier dividend of 51 sen per 50 sen stock unit.

## **26. 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 RM214,193,000 by the weighted average number of ordinary stock units outstanding as at 30 June 2015 of 302,098,000.

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

Not Applicable.

For and on Behalf of the Board

**Hans Essaadi**  
Managing Director

14 August 2015