



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

**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE QUARTER ENDED 30 SEPTEMBER 2015**

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

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	INDIVIDUAL PERIOD 3 MONTHS ENDED			CUMULATIVE PERIOD 3 MONTHS ENDED		
	30/9/2015	30/9/2014	% Change +/( -)	30/9/2015	30/9/2014	% Change +/( -)
	RM'000	RM'000		RM'000	RM'000	
1. Revenue	405,000	393,162	3.0%	405,000	393,162	3.0%
2. Operating expenses	(320,794)	(319,476)		(320,794)	(319,476)	
3. Operating profit	84,206	73,686	14.3%	84,206	73,686	14.3%
4. Interest income/(expense)	(74)	(893)		(74)	(893)	
5. Profit before tax	84,132	72,793	15.6%	84,132	72,793	15.6%
6. Taxation	(21,033)	(18,198)		(21,033)	(18,198)	
7. Net profit for the period	<u>63,099</u>	<u>54,595</u>	15.6%	<u>63,099</u>	<u>54,595</u>	15.6%
8. Profit attributable to owners of the company	<u>63,099</u>	<u>54,595</u>		<u>63,099</u>	<u>54,595</u>	
9. Total comprehensive income attributable to owners of the company	<u>63,099</u>	<u>54,595</u>		<u>63,099</u>	<u>54,595</u>	
10. Earnings per share :						
(a) Basic (based on 302,098,000 stock units) (sen)	20.89	18.07		20.89	18.07	
(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 30/09/2015 RM'000</b>	<b>AS AT 30/06/2015 RM'000</b>
<b>Non-current assets</b>		
Property, plant and equipment	217,887	219,581
Intangible assets	30,451	33,317
Other receivables	25,111	27,005
	<u>273,449</u>	<u>279,903</u>
<b>Current assets</b>		
Inventories	59,177	49,049
Trade and other receivables	294,160	296,269
Current tax assets	22,711	15,138
Cash and cash equivalents	90,862	52,294
	<u>466,910</u>	<u>412,750</u>
<b>Current liabilities</b>		
Trade and other payables	202,614	193,007
Borrowings	-	25,000
	<u>202,614</u>	<u>218,007</u>
<b>Net current assets</b>	<u>264,296</u>	<u>194,743</u>
	<u>537,745</u>	<u>474,646</u>
<b>Financed by:</b>		
<b>Capital and reserves</b>		
Share capital	151,049	151,049
Reserves		
Retained earnings	288,198	225,099
<b>Shareholders' funds</b>	<u>439,247</u>	<u>376,148</u>
<b>Non-current liabilities</b>		
Deferred tax liabilities	48,498	48,498
Borrowings	50,000	50,000
	<u>98,498</u>	<u>98,498</u>
	<u>537,745</u>	<u>474,646</u>
Net Assets per share attributable to owners of the company (RM)	<u>1.45</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 ENDED 30 SEPTEMBER 2015**

	<b>3 MONTHS ENDED</b>	
	<b>30/09/2015</b>	<b>30/09/2014</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Cash flows from operating activities</b>		
Profit before tax	84,132	72,793
Adjustments for:		
Amortisation of intangible assets	2,863	2,628
Depreciation of property, plant and equipment	8,618	7,446
Loss/(Gain) on disposal of property, plant and equipment	1,894	(16)
Amortisation of prepaid contractual promotion expenses	19,948	8,001
Interest expense	506	1,409
Interest income	(432)	(516)
Unrealised foreign exchange differences	38	(82)
<b>Operating profit before changes in working capital</b>	<b>117,567</b>	<b>91,663</b>
<b>(Increase)/Decrease in working capital</b>		
Inventories	(10,777)	(20,759)
Receivables, deposits and prepayment	(40,456)	(34,514)
Payables and accruals	29,482	(3,138)
<b>Cash generated from operations</b>	<b>95,816</b>	<b>33,252</b>
Tax paid	(23,357)	(17,875)
Interest paid	(506)	(1,409)
<b>Net cash from operating activities</b>	<b>71,953</b>	<b>13,968</b>
<b>Cash flows from investing activities</b>		
Acquisition of property, plant and equipment	(9,211)	(1,395)
Acquisition of intangible assets	-	(301)
Interest received	431	516
Proceeds from disposal of property, plant and equipment	394	17
<b>Net cash used in investing activities</b>	<b>(8,385)</b>	<b>(1,163)</b>
<b>Cash flows from financing activity</b>		
(Repayment)/Borrowings	(25,000)	-
<b>Net cash used in financing activity</b>	<b>(25,000)</b>	<b>-</b>
<b>Net change in cash and cash equivalents</b>	<b>38,568</b>	<b>12,805</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>90,862</b>	<b>74,609</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 30 SEPTEMBER 2015**

	Attributable to equity holders of the Company			
	<i>Non- Distributable</i>	<i>Share</i>	<i>Capital</i>	<i>Distributable</i>
	Share	Capital	Reserve	Retained
	Capital	Reserve	Reserve	Earnings
	RM'000	RM'000	RM'000	RM'000
	Total			
	RM'000			
<u>3 months ended 30 September 2015</u>				
Balance at 1 July 2014	151,049	-	225,099	376,148
Total comprehensive income for the period	-	-	63,099	63,099
Dividends paid	-	-	-	-
<b>Balance at 30 September 2014</b>	<b>151,049</b>	<b>-</b>	<b>288,198</b>	<b>439,247</b>
<u>3 months ended 30 September 2014</u>				
Balance at 1 July 2013	151,049	-	205,760	356,809
Total comprehensive income for the period	-	-	54,595	54,595
Dividends paid	-	-	-	-
<b>Balance at 30 September 2013</b>	<b>151,049</b>	<b>-</b>	<b>260,355</b>	<b>411,404</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.

**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 30/09/2015 RM'000</b>	<b>As at 30/06/2015 RM'000</b>
Total retained profits / (accumulated losses) of the Company and its subsidiaries :		
- Realised	339,652	276,326
- Unrealised	(49,067)	(49,054)
	-----	-----
	290,585	227,272
Less: consolidation adjustment	(2,387)	(2,173)
	-----	-----
Total group retained profits / (accumulated losses) as per consolidated accounts	288,198	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

No dividends were paid during the financial quarter ended 30 September 2015.

## 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.

	<b>3 months ended 30/09/2015 RM'000</b>	<b>3 months ended 30/09/2014 RM'000</b>
Total Segment Assets	740,359 =====	751,698 =====
Total Segment Liabilities	301,112	340,294
Total Segment Equity	439,247 ----- 740,359 =====	411,404 ----- 751,698 =====

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

	<b>3 months ended 30/09/2015 RM'000</b>	<b>3 months ended 30/09/2014 RM'000</b>
<b>Segment profit</b>	84,132	72,793
<i>Included in the measure of segment profit are:</i>		
Revenue from external customers	399,062	393,162
Cost of sales	(255,861)	(250,665)
Depreciation	(11,481) =====	(10,074) =====
<i>Not included in the measure of segment profit but provided to Managing Director</i>		
Interest income/(expense)	(74) =====	(893) =====

## 10. Segmental Reporting (continued)

	<b>3 months ended 30/09/2015 RM'000</b>	<b>3 months ended 30/09/2014 RM'000</b>
<b>Profit or loss</b>		
Segment profit	84,132	72,793
Foreign Operation Translation	-	-
	-----	-----
Consolidated profit before tax	84,132	72,793
	=====	=====

## 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 September 2015.

On 7 October 2015, the Group has been informed by GAPL Pte. Ltd. ("GAPL"), a major shareholder that holds 51% equity interest in Guinness Anchor Berhad, that Heineken had, on the same date, acquired the remaining shares owned by Diageo Plc in GAPL. Heineken now owns 100% of GAPL.

## 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 30 September 2015.

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. In line with this, no provision has been recognised.

#### **15. Capital Commitments**

Capital commitments not provided for in the financial statements as at 30 September 2015 are as follows:

	<u>RM'000</u>
Property, plant and equipment	
Authorised but not contracted for	50,549
Authorised and contracted for	<u>3,825</u>
	<u>54,374</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	2,519	5,318
Sale of products	5,939	-
Royalties payable	3,174	7,472
Marketing and technical services fees payable	-	64
Marketing and advertising services fee receivable	-	1,955

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.

Diageo Plc was an indirect major shareholder of the Company by virtue of its indirect shareholding in 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.

## 17. Review of Performance

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

Group revenue grew 3% to RM405 million compared to the same quarter last year mainly due to higher sales in the current quarter under review. The overall underlying growth was partially off-set by the replacement of sales tax by GST.

Group profit before tax (PBT) rose 16% mainly driven by higher sales, better pricing, optimized channel execution and improved cost efficiency.

### Comparison of Results with Preceding Quarter

Group revenue and PBT increased by 2% and 28% respectively against the preceding quarter mainly due to cyclical demand, better brand mix and pricing with timing of promotional spends and better cost management.

## 18. Prospects

The external environment is expected to continue to be challenging. The Group remains optimistic in delivering an improved performance for the financial year 2016. This is supported by a strong performance for the quarter coming off a post-GST transitional period.

The Group will continue to focus on proven growth drivers through commercial initiatives, innovation and operational efficiencies.

## 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 / Year to date 30/09/2015 RM'000</b>
Taxation	
Malaysian - current	21,033
- prior year	-
	<hr/> 21,033
Deferred taxation	
Malaysian - current	-
- prior year	-
	<hr/> -
	<hr/> <b>21,033</b> <hr/>

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 September 2015 are as follows:

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

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.

Commercial Papers of RM25 million in nominal value, which were issued in January 2015, were repaid in full upon maturity on 10 July 2015.

### **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 30 September 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 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 30/09/2015 RM'000</b>	<b>Current quarter ended 30/09/2014 RM'000</b>
Depreciation and amortisation	11,481	10,074
Provision for and write-off of receivables	83	-
Provision for and write-off of inventories	1,191	1,266

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 30 September 2015.

### **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 30 September 2015.

**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 RM63,099,000 by the weighted average number of ordinary stock units outstanding as at 30 September 2015 of 302,098,000.

**(b) Diluted Earnings Per Share**

Not Applicable.

For and on Behalf of the Board

**Hans Essaadi**  
Managing Director

24 November 2015