



**GUINNESS ANCHOR BERHAD**  
(Company No. 5350X)

**CONDENSED CONSOLIDATED BALANCE SHEETS**

	AS AT END OF CURRENT QUARTER 31/03/2006 RM'000	AS AT PRECEDING FINANCIAL YEAR END 30/06/2005 RM'000
<b>Non-current Assets</b>		
Property, Plant and Equipment	227,001	225,782
Deferred Tax Assets	3,566	3,566
	<u>230,567</u>	<u>229,348</u>
<b>Current Assets</b>		
Inventories	42,519	35,982
Trade and Other Receivables	81,437	99,634
Cash and Cash Equivalent	192,313	131,775
	<u>316,269</u>	<u>267,391</u>
<b>Current Liabilities</b>		
Trade and Other Payables	99,390	115,369
Borrowings	37,650	-
Taxation	26,245	21,918
	<u>163,285</u>	<u>137,287</u>
<b>Net Current Assets/(Liabilities)</b>	<u>152,984</u>	<u>130,104</u>
	<u>383,551</u>	<u>359,452</u>
<b>Financed by:</b>		
<b>Capital and Reserves</b>		
Share Capital	151,049	151,049
Reserves		
Capital Reserve	4,746	4,696
Retained Profit	195,756	171,707
<b>Shareholders' Funds</b>	<u>351,551</u>	<u>327,452</u>
<b>Non-current Liabilities</b>		
Deferred Tax Liabilities	32,000	32,000
	<u>383,551</u>	<u>359,452</u>
Net Assets per share (sen)	116	108

**(The Condensed Consolidated Balance Sheet should be read in conjunction with the Annual Financial Report for the year ended 30<sup>th</sup> June 2005)**

**GUINNESS ANCHOR BERHAD**  
(Company No. 5350X)

**CONDENSED CONSOLIDATED CASH FLOW STATEMENTS  
FOR THE QUARTER ENDED 31 MARCH 2006**

	9 MONTHS ENDED 31/03/2006 <b>RM'000</b>	PRECEDING YEAR CORRESPONDING 9 MONTHS ENDED 31/03/2005 <b>RM'000</b>
<b>Cash flows from operating activities</b>		
Profit before taxation	121,029	110,483
Adjustments for:		
Depreciation	19,821	21,674
(Gain)/Loss on disposal of property, plant and equipment	(1,491)	(906)
Interest expense	549	873
Interest income	(1,745)	(1,842)
<b>Operating profit before working capital changes</b>	<b>138,163</b>	<b>130,282</b>
<b>(Increase)/Decrease in working capital</b>		
Inventories	(6,537)	11,084
Trade and other receivables	18,197	(7,479)
Trade and other payables	(15,979)	(6,923)
<b>Cash generated from operations</b>	<b>133,844</b>	<b>126,964</b>
Taxation paid	(29,525)	(27,124)
Interest paid	(549)	(873)
<b>Net cash generated from operating activities</b>	<b>103,770</b>	<b>98,967</b>
<b>Cash flows from investing activities</b>		
Proceeds from disposal of property, plant and equipment	1,542	985
Purchase of property, plant and equipment	(21,091)	(17,863)
Interest received	1,745	1,842
<b>Net cash (used in) investing activities</b>	<b>(17,804)</b>	<b>(15,036)</b>
<b>Cash flows from financing activity</b>		
Dividends paid	(63,078)	(62,836)
Borrowings	37,650	37,000
<b>Net cash used in financing activity</b>	<b>(25,428)</b>	<b>(25,836)</b>
<b>Net change in cash and cash equivalents</b>	<b>60,538</b>	<b>58,095</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>131,775</b>	<b>115,009</b>
<b>Cash and cash equivalents at end of period</b>	<b>192,313</b>	<b>173,104</b>

(The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Annual Financial Report for the year ended 30<sup>th</sup> June 2005)

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
FOR THE QUARTER ENDED 31 MARCH 2006**

	Share Capital RM'000	<i>Non- Distributable</i> Capital Reserve RM'000	<i>Distributable</i> Retained Profits RM'000	Total RM'000
<u>9 months period ended</u> <u>31 March 2006</u>				
Balance at 1 July 2005	151,049	4,696	171,707	327,452
Net gains and losses not recognised in the income statement :				
Foreign exchange translation	-	50	(50)	-
Profit after taxation	-	-	87,177	87,177
Dividends	-	-	(63,078)	(63,078)
<b>Balance at 31 March 2006</b>	<b>151,049</b>	<b>4,746</b>	<b>195,756</b>	<b>351,551</b>
<u>9 months period ended</u> <u>31 March 2005</u>				
Balance at 1 July 2004	151,049	4,619	154,445	310,113
Net gains and losses not recognised in the income statement :				
Foreign exchange translation	-	165	(165)	-
Profit after taxation	-	-	79,655	79,655
Dividends	-	-	(62,836)	(62,836)
<b>Balance at 31 March 2005</b>	<b>151,049</b>	<b>4,784</b>	<b>171,099</b>	<b>326,932</b>

**(The Condensed Consolidated Statement of Changes in Equity should be read in  
conjunction with the Annual Financial Report for the year ended 30<sup>th</sup> June 2005)**

**Notes:**

**1. Accounting Policies**

The interim financial report has been prepared in accordance with the Malaysian Financial Reporting Standards (“FRS”) 134 “Interim Financial Reporting “ (previously known as MASB 26) and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad and should be read in conjunction with the Group’s audited financial statements for the year ended 30 June 2005.

The accounting policies and methods of computation adopted by the Group for the interim financial report are consistent with those adopted in the financial statements for the year ended 30 June 2005.

**2. Subsequent Status Arising From Preceding Qualified Annual Financial Statements**

The Group’s preceding annual financial statements have not been qualified.

**3. Seasonal or Cyclical Factors**

The business operations of the Group are generally affected by festive seasons.

**4. Exceptional Items**

There were no exceptional items for the current financial quarter under review.

**5. Changes in Estimates**

There were no estimates of amount reported in prior financial year.

**6. Changes in Share Capital**

There were no issuance and repayment of debt or any movement in share capital for the current financial quarter under review.

**7. Dividends Paid**

	9 Months Ended 31 March	
	2006	2005
	RM’000	RM’000
<u>Final Paid</u>		
2005 – 29 sen per share less 28% Malaysian tax (2004 – 12 sen per share less 20% Singapore tax)	63,078	29,001
<u>Special Final Paid</u>		
2005 – Nil (2004 – 14 sen per share less 20% Singapore tax)	-	33,835

## **8. 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 South East Asian countries based on location of customers.

## **9. Property, Plant and Equipment Valuation**

There were no changes in the valuation of property, plant and equipment for the current financial quarter under review.

## **10. Events Subsequent to the End of the Period**

Between the end of the third 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 third quarter ended 31 March 2006.

## **11. 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.

## **12. Changes in Contingent Liabilities or Contingent Assets**

There were no contingent liabilities or contingent assets as at date of this report.  
(see also Note 25 below).

## **13. Capital Commitments**

Capital commitments not provided for in the financial statements as at 31 March 2006 are as follows:

	<u>RM'000</u>
Property, plant and equipment	
Authorised but not contracted for	9,511
Authorised and contracted for	<u>4,086</u>
	<u>13,597</u>

#### **14. Significant Related Party Transaction**

As at the end of the current period under review, the Group has entered into/or completed the following Significant Related Party Transactions:

	Diageo plc and its related companies RM'000	F & N and its related companies APB Group RM'000	Other F&N Companies RM'000	Heineken and its related companies RM'000
Purchase of goods	15,000	106	13,897	348
Sale of product	6,658	-	51	4,498
Royalties payable	3,603	3,050	-	769
Marketing and technical services payable	2,020	-	-	605
Marketing fees receivable	-	3,321	-	-

All Related Party Transactions had been entered into in the ordinary course of business that had been undertaken on normal commercial terms. These transactions are within the ambit of the general mandate approved by the shareholders of the Company on 8 November 2005.

#### **15. Review of Performance**

Group revenue for the 3<sup>rd</sup> Quarter ended 31 March 2006 decreased by RM20.1million or 8.9% as compared to the corresponding period last year, mainly resulting from lower duty paid sales volume. Group profit before tax for the same quarter was marginally lower at RM29.1 million compared to RM30.2.million in the corresponding quarter 2005 mainly due to lower revenue.

For the 9 months ended 31 March 2006, Group revenue reduced marginally by 0.7% to RM765.1 million from RM770.5 million in the corresponding period last year, mainly driven by lower sales volume. Profit before tax was higher by RM10.5 million or 9.5% mainly due to operational efficiencies.

#### **16. Comparison of Results with Preceding Quarter**

Group revenue for the current quarter under review reduced by RM49.3 million from RM254.9 million in the previous quarter to RM205.6 million, mainly attributable to an earlier CNY sales in the previous quarter. Profit before tax for the Group decreased by RM12.4 million or 29.9% compared to the previous quarter.

#### **17. Prospects**

The significant impact on domestic sales volume arising from the substantial duty increase over the last three years is reflected in the quarter under review.

Despite action taken, there is no let up in the flow of smuggled beer and stout into the market. This remains a major concern and coupled with the burden of prospective substantial additional costs to the Industry as a result of the introduction of security ink on locally brewed beer and stout, the Industry turnover is going to be further affected with consequent loss to Government's revenue.

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The Group will continue to take appropriate action to ensure satisfactory results for the financial year ending 30 June 2006.

**18. Variance from Profit Forecast**

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

**19. Taxation**

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

	Current Year Quarter 31/03/2006 RM'000	Current Year to date 31/03/2006 RM'000
Taxation		
Malaysian - current	8,121	33,852
- prior year	-	-
	<u>8,121</u>	<u>33,852</u>
Deferred taxation		
Malaysian - current	-	-
- prior year	-	-
	<u>-</u>	<u>-</u>
	<u>8,121</u>	<u>33,852</u>

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

**20. Sale of Unquoted Investments and/or Properties**

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

**21. Quoted Securities**

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

**22. Status of Corporate Proposals**

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

**23. Group Borrowings and Debt Securities**

Total Group borrowings as at 31 March 2006 are as follows:

	RM'000
<u>Short term - unsecured</u>	
Banker Acceptance	<u>37,650</u>

## **24. Off Balance Sheet Financial Instruments**

### Forward Foreign Exchange Contracts

Forward foreign exchange contracts are used as hedges by the Group in currencies other than the functional currency to manage exposure to fluctuations in foreign exchange risk. Under the Group accounting policies, foreign currency transactions that are hedged by forward foreign exchange contracts are booked in at the contracted rates. Foreign currency monetary assets and liabilities which are not hedged are translated at exchange rates ruling at balance sheet date.

As at 18<sup>th</sup> May 2006, the notional amount of forward foreign exchange contracts that were entered into by the Group to hedge its foreign purchases were RM2.5 million. The settlement dates of these forward contracts range between 1 and 6 months.

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.

## **25. Material Litigation**

Save and except as disclosed in previous quarterly result announcements and where applicable as disclosed in the audited financial statements of the Company or its Subsidiary Companies, neither the Company nor any of its Subsidiaries is engaged in any other material litigation either as Plaintiff or as Defendants as of the date of this report.

## **26. Dividend**

No dividend is proposed for the quarter under review.

Total dividend for the current financial period amounted to 13 sen gross per 50 sen stock unit, less Malaysian income tax at 28%.

## **27. Earnings Per Share**

### **(a) Basic Earnings Per Share**

Basic earnings per share for the period is calculated by dividing the net profit attributable to the shareholders of RM87,177,000 by the weighted average number of ordinary stock units outstanding as at 31 March 2006 of 302,098,000.

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

Not Applicable.

On Behalf of the Board

**Theo A F de Rond**  
Managing Director

26 May 2006

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