

# STATEMENT ON CORPORATE GOVERNANCE

The Board of Directors is fully committed to ensuring that the highest standards of corporate governance including accountability and transparency are practised by the Company and throughout the Group as a fundamental part of discharging its responsibilities to protect and enhance shareholder value and the financial performance of the Group.

To this end, the Board continues to implement the recommendations of the Malaysian Code on Corporate Governance 2012 (“Code”), which sets out the principles and best practices on structures and processes that companies may use in their operations towards achieving the optimal governance framework.

The ensuing paragraphs describe the extent of how the Group has applied and complied with the principles and best practices of the Code for the financial year ended 31 December 2015.

## 1. ESTABLISH CLEAR ROLES AND RESPONSIBILITIES

### 1.1 Clear functions reserved for the Board and those delegated to Management

The Board leads and has effective controls over the Group whereby collective decision and/or close monitoring are conducted on issues relating to strategy, performance, resources, standards of conduct and financial matters. The matters reserved for the collective decision of the Board are listed in the Appendix A of the Board Charter which is available on the corporate website - [www.carlsbergmalaysia.com.my](http://www.carlsbergmalaysia.com.my).

The Managing Director oversees the day-to-day management and running of the Group and the implementation of the Board’s decisions and policies. The Board has oversight on matters delegated to the Management whereby updates are reported at least on a quarterly basis. The Group adopts a Chart of Authority approved by the Board which the Management has to adhere to in carrying out its day-to-day functions.

### 1.2 Clear roles and responsibilities

The roles and responsibilities of the Board as set out in the Board Charter are clear and distinct from that of the Managing Director. The Board also facilitates its principal responsibilities which include reviewing and adopting a strategic plan, overseeing the conduct of business, risk management, succession planning, developing and implementing investor relations and reviewing internal controls. The Board has delegated specific responsibilities to the following committees (“Committees”):

- i. Audit Committee
- ii. Nomination Committee
- iii. Remuneration Committee

The powers delegated to the Committees are set out in the Terms of Reference of each of the Committees as approved by the Board and set out in the Appendices B, C and D of the Board Charter.

The Board is updated on the Group’s internal controls system which encompasses risk management practices as well as financial, operational and compliance controls on a quarterly basis. Ongoing reviews are performed throughout the year on a quarterly basis to identify, evaluate, monitor and manage significant risks affecting the business and ensure that adequate and effective controls are in place. Such continuous review processes are conducted by the Group’s independent and sufficiently resourced internal audit function as well as the Company’s management team. The findings of the internal audit function are regularly reported to the Audit Committee. Please refer to the Statement on Internal Control and Risk Management on pages 63 to 65 for further information.

### 1.3 Code of Conduct & Compliance

The Board adopts and is committed to the Carlsberg Group Corporate Social Responsibility (CSR) Policies and Guidelines which consist of seven (7) CSR policies: our existing Labour and Human Rights, Marketing Communications, Health and Safety, Business Ethics, Community Engagement and Environment policies (“Group CSR Policies”); a new Drink Responsibly Policy that was introduced in 2014; as well as the Supplier & Licensee Code of Conduct Guidelines. All the above policies are subject to periodical review.

The Business Ethics Policy has eight (8) key areas, that being bribery, facilitation payments, gifts, meals and entertainment, donations, conflicts of interest, confidential information, competition law and fraud. This policy also covers a Whistle Blower System for employees to speak up and help prevent any violations against the Group's Business Ethics Policy and Guidelines where a report can easily be filed either via website [www.whistleblower.carlsberggroup.com](http://www.whistleblower.carlsberggroup.com) or hotline 1-800-80-8641. A summary of the Group CSR Policies are available on the corporate website - [www.carlsbergmalaysia.com.my](http://www.carlsbergmalaysia.com.my).

#### **1.4 Business Sustainability and Environmental, Social and Governance**

The Group's CSR Report was first published in year 2012 for the public and annually till year 2015, with its latest report available on the corporate website - [www.carlsbergmalaysia.com.my](http://www.carlsbergmalaysia.com.my). The CSR Reports serve to inform and update stakeholders and other interested parties on the progress of the Group's CSR initiatives and commitments on focus areas such as governance structure, stakeholder engagement, marketplace, community, workplace and environment. For the current reporting year, the details of the Group's Business Sustainability and Environmental, Social and Governance (ESG) objectives are detailed out in the Sustainability Statement on pages 35 to 43.

#### **1.5 Access to information and advice**

All Directors have access to the advice and services of the Company Secretary as well as to all information within the Group. There is also a formal procedure sanctioned by the Board of Directors, whether as a full board or in their individual capacity, to take independent professional advice, where necessary and in appropriate circumstances, in furtherance of their duties, at the Group's expense.

All Directors are furnished with a comprehensive Board File including the meeting agenda usually two (2) weeks before each Board meeting. Sufficient time is given to enable the Directors to solicit further explanation and/or information, where necessary, so that deliberations at the meeting are focused and constructive.

The Board File includes, amongst others, sales and marketing development and strategies, financial results and forecasts, status of major projects, minutes of meetings of the Board and of the Audit Committee and other major operational, financial, compliance and legal issues. In addition, there is a schedule of matters reserved specifically for the Board's decision.

#### **1.6 Qualified and competent Company Secretaries**

The role of the Company Secretary is currently held by the Chief Financial Officer and since year 2013, an Assistant Secretary was appointed to jointly carry out the responsibilities in providing support to the Board as follows:-

- (a) Ensure compliance of listing and related statutory obligations as well as updates on regulatory requirements, codes, guidance and relevant legislation;
- (b) Ensure adherence to board policies and procedures, rules, relevant laws and best practices on corporate governance;
- (c) Attend Board, Committees and General Meetings, and ensure the proper recording of minutes as well as follow-up on matters arising;
- (d) Ensure proper upkeep of statutory registers and records and maintain a secured retrieval system which stores meeting papers and minutes of meetings;
- (e) Assist the Chairman in the preparation for and conduct of meetings;

Both Company Secretaries have the requisite credentials, and are qualified to act as company secretary under Section 139A of the Companies Act 1965.

The Group also engages the services of Tricor Corporate Services Sdn. Bhd., an external consultant, on corporate secretarial matters and compliance to provide additional advice on issues pertaining to compliance and Corporate Governance.

## STATEMENT ON CORPORATE GOVERNANCE

### 1.7 Board Charter

The Board Charter was adopted by the Board on 27 August 2013. Any subsequent amendment to the Charter can only be approved by the Board. Apart from setting out the roles and responsibilities of the Board, the Board Charter also outlines the membership guidelines, procedures for Board Meetings, Directors' remuneration, and investor relations and shareholder communication.

The Board Charter would be periodically reviewed and updated in accordance with the needs of the Company and any new regulations that may have an impact on the discharge of the Board's responsibilities. The Board Charter is available on the corporate website - [www.carlsbergmalaysia.com.my](http://www.carlsbergmalaysia.com.my).

## 2. STRENGTHEN COMPOSITION

### 2.1 Nomination Committee

The Nomination Committee which is charged with the responsibility of, amongst others, recommending the appointment of new Directors to the Board, was established on 1 October 2001 and comprises all of whom are Non-Executive and Independent Directors. The current members are:

- Dato' Lim Say Chong (Independent Non-Executive Director) - Chairman
- Chew Hoy Ping (Independent Non Executive Director) - Member

The Terms of Reference of the Nomination Committee is set out in the Appendix C of the Board Charter and is available on the corporate website - [www.carlsbergmalaysia.com.my](http://www.carlsbergmalaysia.com.my).

### 2.2 Develop, Maintain and Review Criteria for Recruitment and Annual Assessment of Directors

The Nomination Committee's key responsibilities are:

- Reviewing the Board composition and recommending new nominees to the Board as well as Board committees and the appointment and resignation of Chief Financial Officer for the Board's consideration.
- Assessing the effectiveness of the Board, Board Committees and the contribution of each Director (including the Independent Non-Executive Directors and Managing Director) and Chief Financial Officer every year, taking into consideration the required mix of skills, knowledge, expertise and experience and other requisite qualities including core competencies contributed by Non-Executive Directors. All assessments and evaluation are documented for proper records.

The Company has an induction and education programme for new Board members, which includes a visit to the Company's brewery and discussions with the Managing Director, Department Heads and Key Section Heads to better understand the operations, business and policies of the Group, which will allow new Board members to contribute effectively from the outset of their appointment. The relevant sections of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Listing Requirements"), particularly in relation to their responsibilities as Directors, are also conveyed to them.

The Board is supportive of gender diversity in the Board composition. Miss Jessica Alice Jacqueline Spence was appointed as the first female director on 27 May 2014. However, due to increasing demands from her regional and global responsibilities within the Carlsberg Group, Miss Spence had resigned from the Board on 25 August 2015. The Board through the Nomination Committee will consider the gender diversity as part of its future selection.

### 2.3 Remuneration policy and procedure

The objective of the Group's remuneration policy is to attract and retain the Directors required to lead and control the Group effectively. In the case of Executive Directors, the components of the remuneration package are linked to corporate and individual performance. For Non-Executive Directors, the level of remuneration is reflective of their experience and level of responsibilities.

The Remuneration Committee, which was established on 18 August 2001, comprises exclusively of Independent Non-Executive Directors. The current members are:

- Dato' Lim Say Chong (Independent Non-Executive Director) - Chairman
- Chew Hoy Ping (Independent Non Executive Director) - Member

The Remuneration Committee evaluates the remuneration packages of senior management executives and recommends for the Board's approval, the framework of executive remuneration of the Executive Director's remuneration package.

#### a. Directors' Fees

Non-Executive Directors' fees are determined by the Board as a whole with the Director concerned abstaining from deliberations and voting on decisions in respect of his fee.

For the current remuneration policy, the remuneration payable to Non-Executive Directors in respect of Directors' fees are paid to Independent Non-Executive Directors only and also includes fees for Audit Committee Chairman and Audit Committee members of the Company, who are Independent Non-Executive Directors. The remuneration for Non-Executive Directors, who are Non-Independent and are representatives of the Carlsberg Group in Denmark, are not paid by the Company but are paid by the Carlsberg Group. Please refer to the tables below in item 2.3(b) for the details of remuneration.

The remuneration payable in respect of Directors' fees for 2015 is categorised as follows:

<b>Remuneration for Directors' fees</b>	<b>Amount (RM) per annum</b>
Fee for Chairman of the Company	90,000
Fee for each Independent Non-Executive Director	55,000
Fee for Audit Committee Chairman	15,000
Fee for each Independent Non-Executive Director who is a member of the Audit Committee	8,000

The Directors' fees are subject to the approval of shareholders of the Company.

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### b. Details of Remuneration

The aggregate remuneration of the Directors of the Company is as follows:

	2015		2014	
	Executive Directors RM'000	Non-Executive Directors RM'000	Executive Directors RM'000	Non-Executive Directors RM'000
<b>Total Remuneration:</b>				
Fees	-	168*	-	158
Gratuity	-	-	-	-
Retirement benefits-defined contribution plan	116	-	116	-
Benefits-in-kind	397	-	460	-
Other emoluments	2,636	-	2,776	-
<b>TOTAL</b>	<b>3,149</b>	<b>168</b>	3,352	158

\* Remuneration payable for Independent Non-Executive Directors only (a total of 2).

The number of Directors of the Company whose total remuneration fell within the respective ranges tabulated below is as follows:

	Number of Directors			
	2015		2014	
	Executive Directors	Non-Executive Directors	Executive Directors	Non-Executive Directors
<b>Range of Remuneration (RM):</b>				
50,000 or less	-	3	-	5
50,001 - 100,000	-	2	-	1
3,100,001 - 3,150,000	1	-	-	-
3,350,001 - 3,400,000	-	-	1	-
<b>TOTAL</b>	<b>1</b>	<b>5*</b>	1	6**

\* Remuneration payable for Independent Non-Executive Directors only (a total of 2).

\*\* In year 2014, there were a total of 3 Independent Non-Executive Directors, inclusive of an Independent Non-Executive Director who passed away on 3 April 2014.

### 3. REINFORCE INDEPENDENCE

#### 3.1 Assessment of Independence

The Board undertakes an annual assessment of Independent Directors and is satisfied that they continue to bring independent and objective judgement to board deliberations. A self-assessment is also carried out by the Independent Directors once every year.

The Chairman, Dato' Lim Say Chong, who is aged 70 years and above, retires at every Annual General Meeting ("AGM") but is eligible for re-appointment until the next AGM in accordance with Section 129 of the Companies Act, 1965. The Board recommends and supports the proposed re-appointment of Dato' Lim Say Chong.

#### 3.2 Tenure of Independent Director

Dato' Lim Say Chong has served the Board as an Independent Non-Executive Director and Chairman of the Company for a cumulative term of nearly thirteen (13) years. The Board has recommended him to continue to act as an Independent Non-Executive Chairman based on the following justifications:-

- a. He has fulfilled the criteria under the definition of Independent Director as stated in the Listing Requirements, and thus, he would be able to function as a check and balance, bringing an element of objectivity to the Board;
- b. He has vast experience in a diverse range of businesses and therefore would be able to provide constructive opinion; he exercises independent judgement and has the ability to act in the best interest of the Company;
- c. He has devoted sufficient time and attention to his professional obligations for informed and balanced decision making; and
- d. He has continued to exercise his independence and due care during his tenure as an Independent Non-Executive Director and Chairman of the Company and carried out his professional duties in the best interest of the Company and shareholders.

#### 3.3 Shareholders' approval for re-appointment as Independent Non-Executive Director after a tenure of nine years

The Shareholders' approval was obtained at the 45<sup>th</sup> AGM for Dato' Lim Say Chong to continue to serve the Board. The Board will seek shareholders' approval again at the upcoming 46<sup>th</sup> AGM.

#### 3.3 Chairman and Managing Director

The roles and responsibilities of the Chairman and Managing Director are made clearly distinct to further enhance the existing balance of power and authority.

The Chairman holds a Non-Executive position and is primarily responsible for matters pertaining to the Board and the overall conduct of the Group. The Managing Director oversees the day-to-day management and running of the Group and the implementation of the Board's decisions and policies.

#### 3.4 Composition of the Board

Currently, the Board had six (6) members, comprising five (5) Non-Executive Directors and one (1) Managing Director. Out of the five (5) Non-Executive Directors, two (2) were Independent Directors, namely Dato' Lim Say Chong who is the Chairman and Mr. Chew Hoy Ping.

The Independent Directors represent 33.3% of the Board.

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### 4. FOSTER COMMITMENT

#### 4.1 Commitment expectations

The Board intends to meet at least four (4) times a year, with additional meetings convened where necessary. Minutes of Board meetings are duly recorded by the Company Secretary. During the financial year ended 31 December 2015, a total of four (4) Board meetings were held as follows:

- i. Tuesday, 17 February 2015
- ii. Monday, 25 May 2015
- iii. Tuesday, 25 August 2015
- iv. Monday, 30 November 2015

In the intervals between Board meetings, for exceptional matters requiring urgent Board decisions, Board approvals are obtained via circular resolutions which are supported with information necessary for an informed decision. To facilitate Directors' planning and time management, an annual meeting calendar is prepared and given to Directors before the beginning of each new financial year.

The following is the record of attendance of the Board Members:-

Directors	No. of meetings attended
1. <b>Dato' Lim Say Chong</b> (Independent Non Executive Chairman)	4/4
2. <b>Roland Arthur Lawrence</b> (Non Executive Director)	4/4
3. <b>Henrik Juel Andersen</b> (Managing Director)	4/4
4. <b>Christopher John Warmoth</b> (Non Executive Director)	3/4
5. <b>Chew Hoy Ping</b> (Independent Non Executive Director)	4/4
6. <b>Jessica Alice Jacqueline Spence</b> (Non Executive Director) – <i>Resigned on 25.8.2015</i>	-/2

The following is the record of attendance for Board Committees Meetings:-

Directors	Audit Committee	Nomination Committee	Remuneration Committee
1. Chew Hoy Ping	5/5	1/1	1/1
2. Dato' Lim Say Chong	5/5	1/1	1/1
3. Roland Lawrence Arthur	4/5	-	-

The Board is satisfied with the time commitment given by the Directors. All of the directors do not hold more than 5 directorships as required under paragraph 15.06 of the Listing Requirements. If any one director wishes to accept a new directorship, the Chairman will be informed beforehand together with indication of time that will be spent on the new appointment.

## 4.2 Training

All existing Directors have attended the Mandatory Accreditation Programme (MAP) as required by the Listing Requirements. During the course of the year, they have also attended other training programmes for directors and seminars on areas such as financial reporting standards, performance reviews, tax and accounting conferences that include the following:

Name of Director	Training Programmes Attended
Dato' Lim Say Chong	Maximising Board Effectiveness through a Strong Board Risk Oversight Role Beyond Financial Performance, Bursatra on 2 October 2015
Henrik Juel Andersen	<ol style="list-style-type: none"> <li>1. Asia Sales &amp; Marketing Conference, Bangkok, Thailand on 12 &amp; 13 May 2015</li> <li>2. Leadership Circle, Copenhagen, Denmark on 24 &amp; 25 June 2015</li> <li>3. Leadership Circle, Amsterdam, Netherlands on 31 August 2015 to 3 September 2015</li> <li>4. Excel in Visibility and Availability Workshop, Copenhagen, Denmark on 6 October 2015</li> <li>5. Leadership Circle, Shanghai, China on 19 to 21 October 2015</li> <li>6. Carlsberg Development Centre, Bangkok, Thailand on 2 &amp; 3 December 2015</li> <li>7. Leadership Circle, Copenhagen Denmark on 9 &amp; 10 December 2015</li> </ol>
Roland Arthur Lawrence	<ol style="list-style-type: none"> <li>1. Leadership Course, London Business School on February 2015</li> <li>2. Leadership Circle, Copenhagen, Denmark on 24 &amp; 25 June 2015</li> <li>3. Leadership Circle, Amsterdam, Netherlands on 31 August 2015 to 3 September 2015</li> <li>4. Leadership Circle, Shanghai, China on 19 to 21 October 2015</li> <li>5. Leadership Circle, Copenhagen, Denmark on 9 &amp; 10 December 2015</li> </ol>
Christopher John Warmoth	<ol style="list-style-type: none"> <li>1. Leadership Circle, Copenhagen, Denmark on 24 &amp; 25 June 2015</li> <li>2. Leadership Circle, Shanghai, China on 19 to 21 October 2015</li> </ol>
Chew Hoy Ping	<ol style="list-style-type: none"> <li>1. Strategy Retreat, MSC Malaysia on 19 &amp; 20 March 2015</li> <li>2. Tantalum-Niobium International Conference, Penang, Tantalum-Niobium International Study Center (TIC) on 26 &amp; 27 October 2015</li> <li>3. Future of Auditor Reporting: The Game Changer for Boardroom, Bursa Malaysia on 2 November 2015</li> <li>4. Changing Scope of Capital Market Regulations, Malaysian Institute of Accountant on 24 November, 2015</li> <li>5. Board Rewards and Recognition, Bursa Malaysia on 26 November, 2015</li> </ol>

For new Directors, induction programmes are also carried out to provide them with in-depth knowledge of the Group's business and strategies. Training for Directors will continue so as to ensure that they are kept up-to-date on developments in relevant laws and business practices and to discharge their duties effectively.



## STATEMENT ON CORPORATE GOVERNANCE

### 5. UPHOLD INTEGRITY IN FINANCIAL REPORTING

#### 5.1 Compliance with applicable financial reporting standards

In presenting the annual financial statements and quarterly announcement of results to shareholders, the Board takes responsibility in conveying a balanced and understandable assessment of the Group's position and prospects.

A statement by Directors of their responsibilities in preparing the financial statements is set out on page 70 of this Annual Report.

#### 5.2 Assessment of External Auditors

The scope of the external auditors is ascertained by the Audit Committee, with a twice-a-year meeting held between the Audit Committee and the external auditors. Further information is found in the Audit Committee Report at pages 66 to 69.

### 6. RECOGNISE AND MANAGE RISKS

#### 6.1 Sound risk management framework

The Board of Directors has always placed significant emphasis on sound internal controls which are necessary to safeguard the Group's assets and shareholders' investment. To this end, the Board affirms its overall responsibility for the Group's internal controls system which encompasses risk management practices as well as financial, operational and compliance controls. However, it should be noted that such system, by its nature, manages but not eliminates risks and therefore can provide only reasonable and not absolute assurance against material misstatement, loss or fraud.

Ongoing reviews are performed throughout the year to identify, evaluate, monitor and manage significant risks affecting the business and ensure that adequate and effective controls are in place. Such continuous review processes are conducted by the Group's independent and sufficiently resourced internal audit function as well as the Company's management team.

#### 6.2 Internal audit function

The Group has an established internal audit function led by the Head of Internal Audit who reports directly to the Audit Committee at least on a quarterly basis. Further details of the Group's internal control system and framework is found in the Statement on Internal Control and Risk Management and Audit Committee Report.

### 7. ENSURE TIMELY AND HIGH QUALITY DISCLOSURE

#### 7.1 Corporate Disclosure

The Board recognises the importance of an effective communication channel between the Board, shareholders and general public, and at the same time, full compliance with the disclosure requirements as set out in the Listing Requirements. The annual reports, press releases, quarterly results and any announcements on material corporate exercises are the primary modes of disseminating information on the Group's business activities and financial performance.

The Managing Director is the designated spokesperson for all matters related to the Group and dedicated personnel are tasked to prepare and verify material information for timely disclosure upon approval by the Board. All sensitive and confidential information, material or otherwise is restricted to only selected personnel who are bound by confidentiality obligations under the Group's policy.

An annual review is conducted and deliberated by the Board to ensure due compliance with the disclosure requirements.

## **7.2 Using information technology for effective dissemination**

The Group maintains a website at [www.carlsbergmalaysia.com.my](http://www.carlsbergmalaysia.com.my) for shareholders and the public to access information on, amongst others, the Group's background and products, financial performance, frequently-asked questions (FAQs) and updates on its various sponsorships and promotions. The website also posts all press releases made by the Group together with latest news on the Group and the industry.

## **8. STRENGTHEN RELATIONSHIP BETWEEN COMPANY AND SHAREHOLDERS**

### **8.1 Encourage Shareholder Participation at General Meetings**

The AGM represents the principal forum for dialogue and interaction with shareholders. At every meeting, the Board sets out the progress and performance of the Group since the last meeting held. Shareholders are encouraged to participate in the subsequent Question & Answer session wherein the Directors, Company Secretary, Heads of Department as well as the Group's external auditors are available to respond to the queries raised. In the event that an answer cannot be readily given at the meeting, the Chairman will undertake to provide a written reply to the shareholders.

Each item of special business included in the notice of meeting will be accompanied by a full explanation on the effects of a proposed resolution.

The notices of AGM are despatched to shareholders at least 28 days before the AGM, to allow shareholders additional time to go through the Annual Report and make the necessary attendance and voting arrangements.

During the year, the Managing Director and/or key management personnel also hold discussions with the press and analysts when necessary, to provide information on the Group's strategy, performance and major developments. A press briefing is also held after each AGM.

### **8.2 Poll Voting**

During the AGM, the shareholders are briefed on their rights to demand for a poll in accordance with Article 56 of the Company's Articles of Association. The substantive resolutions to be put to a vote are identified to the shareholders at the commencement of the AGM and the shareholders are encouraged to put substantive resolutions to a vote by poll.

### **8.3 Communication and Engagements with Shareholders**

Throughout the year, shareholders can at any time seek clarification or raise queries through the corporate website, by email or phone to the Corporate Affairs department. Written communication are attended to within 48 hours from day of receipt.

Before the commencement of AGM, the Directors and Management will join the shareholders together with a dedicated team of employees to assist the shareholders on the queries they may have. After the Chairman's address, the Managing Director will give a presentation which includes details on the performance, key developments and financial results for the reporting year and comments on outlook for the following year. The Chairman will share the Company's responses to questions posed by the Minority Shareholder Watchdog Group before engaging the shareholders on a Question & Answer session. The Board is satisfied with the current programme at AGM and there have been no major contentious issues noted with shareholders or investors.

## STATEMENT ON CORPORATE GOVERNANCE

### OTHER INFORMATION

#### Utilisation of Proceeds

There were no proceeds raised from any corporate proposal during the financial year ended 31 December 2015.

#### Non-audit fees

The non-audit fees paid to external auditors, Messrs KPMG by the Group during the financial year ended 31 December 2015 amounted to RM190,142. This amount was incurred in respect of the following services:

1. Fees paid for the advisory services on Customs related matters; and
2. Fees paid for the advisory services on Transfer Pricing services.

#### Share Buy-Backs

During the financial year ended 31 December 2015, the Company did not enter into any share buyback transactions.

#### Depository Receipt ("DR") Programme

During the financial year ended 31 December 2015, the Company did not sponsor any DR Programme.

#### Sanctions and/or Penalties

There were no sanctions or penalties imposed on the Company by the relevant regulatory bodies during the financial year ended 31 December 2015.

#### Options or Convertible Securities Exercised

There were no options, warrants or convertible securities issued by the Company during the financial year ended 31 December 2015.

#### Variation in Results

There was no variance between the results for the financial year ended 31 December 2015 and the unaudited results announced.

#### Profit Guarantee

During the financial year ended 31 December 2015, there was no profit guarantee given by the Company.

### STATEMENT OF COMPLIANCE

The Board shall continue to strive for high standards of corporate governance throughout the Group. The Board is of the view that apart from the noted departures, the Company has satisfactorily complied with the principles and recommendations of the Code.

This Statement was approved by the Board on 26 February 2016.

# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

## RESPONSIBILITY

The Board is committed to the continuous improvement of internal controls and risk management practices within the Group to meet its business objectives. The Board affirms its overall responsibility for the effectiveness of the Group's systems of internal controls and risk management, and for reviewing the adequacy and integrity of these systems to safeguard shareholders' investment, customers' interest and the Group's assets. In addition, the Managing Director and Chief Financial Officer have assured the Board that the systems are operating adequately and effectively. However, such systems, by their nature, can only provide reasonable, and not absolute, assurance against material misstatement, loss and fraud. These systems are designed to manage, rather than eliminate, the risk of failure to achieve the business objectives of the Group.

## RISK MANAGEMENT FRAMEWORK

The Group has in place an ongoing process for identifying, evaluating, monitoring and managing the significant risks affecting the achievement of its business objectives. This process is regularly reviewed by the Board and is in accordance with the "Statement on Risk Management & Internal Control: Guidance for Directors of Public Listed Issuers". The key elements of the Group's Risk Management Framework are described below:-

- **Structure**

The Group adapts a decentralised approach to risk management, whereby all employees take ownership and accountability for risks at their respective levels. The process of risk management and treatment is the responsibilities of the Heads of Department.

A working group, the Risk Management Working Committee ("RMWC"), provides risk management support to Management for the Group as a whole. The role of the RMWC includes reporting, on a quarterly basis, of the status of risk mitigation actions, new risks identified and risks that have changed characteristics together with corresponding controls. The RMWC comprising key persons from all departments, submits its reports to both the Management and the Audit Committee on a quarterly basis. The Audit Committee reports to the Board on any significant changes in the business and external environment which affect key risks.

In 2015, the RMWC met 4 times wherein discussions were on the key risks faced by the Group and the status of the action plans taken.

- **Risk Assessment**

The Group maintains a database of risks specific to the Group together with their corresponding controls, which are categorised as follows:-

- Strategic, which are risks that affect the overall direction of the business
- Operational, which are risks that impact the delivery of the Group's products and services
- Financial, which are risks associated with financial processes and reporting
- Compliance, which are risks associated in relation to legal, statutory and corporate governance

During the year, the database of risks and corresponding controls was reviewed by Internal Audit. There was no significant change in the database of risks and corresponding controls.

## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

### INTERNAL CONTROL SYSTEM

The key elements of the Group's internal control system are described below:-

- **Control Environment**

The importance of a proper control environment is communicated throughout the organisation. Focus is directed towards the quality and abilities of the Group's employees with continuing education and training to enhance the skills of employees and reinforce qualities of professionalism and integrity. Such training also includes internal briefings and external seminars for selected employees relating to areas of risk management, leadership, selling skills and employee management.

- **Control Structure**

The Board and Management have established an organisational structure with clearly defined lines of accountability and delegated authority. This includes well-defined responsibilities of Board committees and various management levels, including authorisation levels for all aspects of the business.

The key elements of the Group's control structure are as follows:

- i. **Management**

- Management has introduced well-established standard operating procedures that cover all key aspects of the Group's various business processes. These policies and procedures deal with, amongst others, control issues for financial accounting and reporting, treasury management, asset security, information technology, health and safety, etc. The procedures are subject to regular reviews to cater for process changes, changing risks or further improvements.
- Aside from the standard operating procedures, changes in internal control procedures, if any, are also communicated via circulars and internal memos. Such circulars and memos are properly authorised by the relevant members of senior management.
- Visits by the head office personnel to sales depots with the objective of ensuring the operational activities are conducted and complied with the Company's established standard operating procedures.
- Meetings with the Heads of sections/sales areas which allow the members of the sections/sales areas to communicate with, and provide feedback to and from, Management in respect of compliance/monitoring on sales performance, expense spending and other key business matters.

- ii. **Internal Audit**

The Group has an Internal Audit Department ("IAD") which carries out its functions and provides the Audit Committee and the Board with the assurance on the adequacy and integrity of the system of internal controls. The IAD is solely responsible for planning, implementing and reporting the audits for the Group. For this purpose, each year, the IAD:

- Prepares a detailed Annual Audit Plan in consultation with the Managing Director for submission to the Audit Committee for approval;
- Carries out all activities to conduct the audits in accordance with the audit plan;
- Shares its finding with the auditee upon completion of each audit; and
- Submits quarterly reports to the Audit Committee.

The Audit Committee Report set out on pages 66 to 69 of this Annual Report contains further details on the principal responsibilities and activities of the IAD in 2015.

### iii. **Audit Committee**

The Audit Committee, on behalf of the Board, reviews on a quarterly basis the measures undertaken on internal control issues identified by the RMWC, Internal Audit, external auditors and Management. During the year, 43 reports were issued by the IAD to the Audit Committee for their review.

The Audit Committee Report set out on pages 66 to 69 of this Annual Report contains further details on the activities undertaken by the Audit Committee in 2015.

### iv. **Board**

The Board holds regular discussions with the Audit Committee and Management and considers their reports on matters relating to internal controls and deliberates on their recommendations for implementation.

- **Reporting and Information**

Strategic plans are prepared by Management and form the basis for detailed annual budgets. The detailed budgets are prepared by business operating units and reviewed and approved by Management, the Board and the holding company.

The monitoring of results against budget is conducted every month, with major variances followed up and management action taken, where necessary. The budget is updated every quarter for any changes in the business, financial and operating environment.

Weekly meetings attended by Management, led by the Managing Director, are held to discuss the various aspects of the business, financial and operational performance of the Group. Key matters affecting the Group are brought to the attention of the Audit Committee by the Managing Director, Chief Financial Officer or Head of Internal Audit and are reported to the Board on a regular basis. Management also ensures that it has the knowledge of key market information in respect of the Group's products and takes pro-active measures, as appropriate, in the best interests of the Group.

- **Monitoring and Review**

There are processes for monitoring the system of internal controls and reporting any significant weaknesses together with details of corrective action.

The system is reviewed on an ongoing basis by the Board (through the Audit Committee), Management, Finance Department and IAD. Responsibility for monitoring compliance with policies, procedures and guidelines rests principally with the IAD, which reports directly to the Audit Committee as described above. Heads of Department are also actively involved in continually improving the control processes within their respective departments.

## **REVIEW OF ADEQUACY OF RISK MANAGEMENT AND INTERNAL CONTROL**

The Board has reviewed and believes that the systems of internal controls are considered appropriate to business operations, and that the risks taken are at an acceptable level within the context of the business environment of the Group.

During the year, additional internal controls were implemented for certain risks identified. There was no significant weaknesses noted which resulted in material loss.

This Statement on Risk Management and Internal Control does not deal with the associated company as the Group does not have management control over its operations.

# AUDIT COMMITTEE REPORT

## MEMBERSHIP AND MEETINGS

The Audit Committee held five (5) meetings during the financial year ended 31 December 2015. The members of the Audit Committee and the record of their attendance are as follows: -

Membership	No. of meetings attended
Chew Hoy Ping <i>Independent Non-Executive Director - Chairman</i>	5/5
Dato' Lim Say Chong <i>Independent Non-Executive Director - Member</i>	5/5
Roland Arthur Lawrence <i>Non-Independent Non-Executive Director - Member</i>	4/5

The Managing Director, Chief Financial Officer and Head of Internal Audit attended the meetings for the purpose of briefing the Audit Committee on the activities involving their areas of responsibilities. The Audit Committee was also briefed by the external auditors on the findings of the external audit.

The external auditors were present at two (2) Audit Committee meetings during the financial year. At these meetings, the Audit Committee also held separate sessions with the external auditors without the executive board members present whereby the Audit Committee was briefed by the external auditors on their audit findings and any other observations they may have had during the audit process.

## TERMS OF REFERENCE

[Pursuant to Bursa Securities' recent amendments to the Listing Requirements (Paragraph 15.15(3)(b)), the listed issuer is to provide a **summary** of the terms of reference of the audit committee (as opposed to the entire terms of reference as currently prescribed), or **key functions, roles and responsibilities** of the audit committee in the Audit Committee Report].

- **Terms of membership**
  1. In accordance to the Malaysian Code on Corporate Governance (2012) ("Code"), Audit Committee shall be appointed by the Board from amongst their number and shall consist of not less than three (3) members, a majority of whom are independent. All members of the Audit Committee should be Non-Executive Directors.
  2. The members of the Audit Committee shall elect a Chairman from amongst their number who shall be an Independent Non-Executive Director.
  3. At least one (1) member of the Audit Committee must be or have the following:
    - member of the Malaysian Institute of Accountants; or
    - at least three (3) years' working experience and have passed the examinations specified in Part I of the 1<sup>st</sup> Schedule of the Accountants Act 1967 or be a member of one of the associations of accountants specified in Part II of the 1<sup>st</sup> Schedule of the Accountants Act 1967; or
    - fulfils such other requirements as prescribed or approved by Bursa Malaysia Securities Berhad (Bursa Securities).
  4. In the event of any vacancy in the Audit Committee, the Board shall within three (3) months of that event, appoint such new members to make up the minimum number of three (3) members.
  5. No alternate director can be appointed as a new member of the Audit Committee.
  6. The term of office and performance of the Audit Committee and each of its members shall be reviewed by the Board at least once in every three (3) years.

- **Authority**

The Audit Committee is authorised by the Board to perform the following:

1. To investigate any matter within its terms of reference. It shall have full and unrestricted access to any information pertaining to the Group, both the internal and external auditors and to all employees of the Group. It shall have the resources required to perform its duties.
2. To obtain external legal or other professional advice and secure the attendance of outsiders with relevant experience, if necessary.
3. To promptly report to the Bursa Securities, any matter reported by it to the Board which has not been satisfactorily resolved resulting in a breach of the Bursa Securities Main Market Listing Requirements ("Listing Requirements").
4. The Head of Internal Audit shall report directly to the Audit Committee and shall have direct access to the Chairman of the Audit Committee on all matters of control and audit.

- **Functions**

The functions of the Audit Committee shall be:

1. To review the following and report the same to the Board of Directors:
  - (a) with the external auditor, the audit plan;
  - (b) with the external auditor, his evaluation of the system of internal controls;
  - (c) with the external auditor, his audit report, including his management letter and management's response;
  - (d) with the external auditor, any other matter he may wish to discuss (in the absence of management where necessary);
  - (e) to consider the appointment of the external auditors, the audit fee and any question of resignation or dismissal;
  - (f) the assistance given by the Company's officers to the external auditor;
  - (g) to approve the Internal Audit Charter of internal audit function;
  - (h) the adequacy of the scope, functions and resources of the internal audit function and to ensure internal audit has full and unrestricted access to all records, activities, property and personnel necessary to perform its duties;
  - (i) the internal audit programme, processes, the results of the internal audit programme, processes or investigation undertaken and whether or not appropriate action is taken on the recommendations of the internal audit function;
  - (j) any appraisal or assessment of the performance of members of the internal audit function;
  - (k) any appointment or termination of senior staff members of the internal audit function;
  - (l) any resignations of internal audit staff members and provide the resigning staff member an opportunity to submit his/her reasons for resigning;



## AUDIT COMMITTEE REPORT

- (m) the quarterly results and year end financial statements of the Company and of the Group, prior to the approval by the Board, focusing particularly on:-
  - (i) changes in or implementation of major accounting policy and practices;
  - (ii) significant and unusual events;
  - (iii) compliance with accounting standards and other legal requirements;
  - (iv) significant adjustments arising from the audit;
  - (v) going concern assumption;
- (n) any related party transactions and/or conflict of interest situation that may arise within the Company or Group including any transaction, procedure or course of conduct that raises questions of management integrity;
- (o) any major findings of internal investigations and Management's response;
- (p) the quarterly reports relating to Risk Assessment and the effectiveness and appropriateness of the Risk Management Framework; and

2. To consider any other functions as may be agreed to by the Audit Committee and the Board of Directors.

### • Meetings

1. Meetings shall be held not less than four (4) times a year.
2. The quorum for each meeting shall be two (2) Members of the Audit Committee.
3. The Chief Financial Officer, the Head of Internal Audit and the external auditor shall normally attend meetings. Other Board members and employees may attend meetings only upon the invitation of the Audit Committee.
4. At least twice a year, the Audit Committee shall meet with the external auditor without executive board members present. The external auditor may also request a meeting if they consider that one is necessary.
5. The Company Secretary shall be the Secretary of the Audit Committee.

### • Reporting Procedures

The Secretary shall circulate the minutes of meetings of the Audit Committee to all members of the Board.

### • Summary of Activities:

During the financial year ended 31 December 2015, the Audit Committee performed its duties as set out in its terms of reference.

The main activities undertaken by the Audit Committee were as follows:-

- Reviewed the external auditors' scope of work and audit plans for the year.
- Reviewed the results of the external audit, the audit report and the management letter, including Management's response.
- Considered and recommended to the Board for approval of the audit fees payable.
- Considered the independence and objectivity of the external auditors. The non-audit fees paid to the external auditors in 2015 amount to RM190,142.
- Reviewed the internal audit reports, recommendations and Management's response. Discussed actions taken with Management to improve the internal controls system based on internal audit findings.
- Reviewed the Risk Management Framework and reports summarising the findings from work performed on the identification and assessment of enterprise-wide key risks.

- Reviewed the annual report and audited financial statements of the Company and the Group prior to the submission to the Board for their consideration and approval. The review was to ensure that the audited financial statements were drawn up in accordance with the provisions of the Companies Act, 1965 and the applicable accounting standards approved by Malaysian Accounting Standards Board (“MASB”).
- Reviewed the quarterly unaudited financial results announcements before recommending them for the Board’s approval. The review and discussions were conducted with the Chief Financial Officer.
- Reviewed the Company’s compliance with the Listing Requirements of the Bursa Securities, MASB and other relevant legal and regulatory requirements.
- Reviewed pertinent issues of the Group which had a significant impact on the results of the Group which included enhancement and further investment in existing products, cost rationalisation measures and human resource development.
- Reviewed the significant related party transactions entered into by the Group.
- Reviewed the extent of the Group’s compliance with the provision set out under the Code for the purpose of the Corporate Governance Statement pursuant to the Listing Requirements of the Bursa Securities.

### **SUMMARY OF ACTIVITIES OF THE INTERNAL AUDIT FUNCTION DURING THE FINANCIAL YEAR ENDED 31 DECEMBER 2015**

The internal audit function is undertaken by the Internal Audit Department. The Head of Internal Audit Department reports directly to the Audit Committee. The Department’s role is to undertake independent and systematic reviews of the system of internal controls so as to provide reasonable assurance that such system continues to operate effectively and efficiently.

The Internal Audit Department also works collaboratively with the RMWC to review the risk management processes of the Company.

In attaining such objectives, the following activities were carried out by Internal Audit Department in 2015:

1. ascertained the extent of compliance with established policies, procedures and statutory requirements;
2. carried out investigations and special reviews;
3. assessed the means of safeguarding assets and verified their existence;
4. appraised the reliability and usefulness of the information developed within the Group for Management;
5. appraised the policies, procedures and management controls of the Group to ensure that the activities were properly managed and to promote effective controls at reasonable cost;
6. identified opportunities to improve the operations of, and processes within the Group; and
7. recommended improvements to the existing systems of controls to minimise wastage, extravagance and fraud and to enhance efficiencies by way of issuing audit reports to the appropriate level of management capable of achieving satisfactory results and ensured corrective actions were taken.

The total cost incurred by the Internal Audit Department in relation to the conduct of the internal audit functions of the Group during the financial year ended 31 December 2015 amounted to RM669,000.

# RESPONSIBILITY STATEMENT BY THE BOARD OF DIRECTORS

In the course of preparing the annual financial statements for the Group and the Company, the Directors are collectively responsible for ensuring that these financial statements are drawn up in accordance with the requirements of the applicable Approved Accounting Standards in Malaysia, the provisions of the Companies Act, 1965 and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

It is the responsibility of the Directors to ensure that financial statements for each financial year present a true and fair view of the state of affairs of the Group and the Company at the end of the financial year and of the results and cash flows of the Group and the Company for the financial year.

In preparing the financial statements for the financial year ended 31 December 2015, the Directors have applied appropriate and relevant accounting policies consistently and in accordance with applicable accounting standards and made judgements and estimates that are reasonable and fair.

The financial statements are prepared on a going concern basis and the Directors have ensured that proper accounting records are kept which enable the preparation of the financial statements with reasonable accuracy.



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# FINANCIAL STATEMENTS

# DIRECTORS' REPORT

## FOR THE YEAR ENDED 31 DECEMBER 2015

The Board of Directors has pleasure in submitting the Company's report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2015.

### PRINCIPAL ACTIVITIES

The Company is principally engaged in the production of beer, stout, cider, shandy and non-alcoholic beverages for distribution in the domestic market and for export while the other Group entities are primarily involved in the marketing and distribution of beer, stout, cider, shandy, wine, liquor and non-alcoholic beverages. There has been no significant change in the nature of these activities during the financial year.

### RESULTS

	Group RM'000	Company RM'000
Profit for the year attributable to:		
Owners of the Company	215,913	319,016
Non-controlling interests	4,325	-
	220,238	319,016

### RESERVES AND PROVISIONS

There were no material transfers to or from reserves and provisions during the financial year under review.

### DIVIDENDS

Since the end of the previous financial year, the Company paid:

- i) a final and special single tier dividend of 66.0 sen per RM0.50 ordinary share totalling RM201.8 million in respect of the financial year ended 31 December 2014 on 20 May 2015; and
- ii) an interim single tier dividend of 5.0 sen per RM0.50 ordinary share totalling RM15.3 million in respect of the financial year ended 31 December 2015 on 9 October 2015.

The final and special single tier dividend recommended by the Directors in respect of the financial year ended 31 December 2015 is 67.0 sen per RM0.50 ordinary share totalling RM204.9 million.

## DIRECTORS OF THE COMPANY

Directors who served since the date of the last report are:

Dato' Lim Say Chong  
 Roland Arthur Lawrence  
 Henrik Juel Andersen  
 Christopher John Warmoth  
 Chew Hoy Ping  
 Graham James Fewkes (appointed on 26 February 2016)  
 Jessica Alice Jacqueline Spence (resigned on 25 August 2015)

## DIRECTORS' INTERESTS IN SHARES

The interest and deemed interest in the ordinary shares of the Company and of its related corporations (other than wholly-owned subsidiaries) of those who were Directors at financial year end (including the interest of the daughter of a Director who is not a Director of the Company) as recorded in the Register of Directors' Shareholdings are as follows:

	Number of ordinary shares of RM0.50 each			At 31.12.2015
	At 1.1.2015	Bought	Sold	
<b>Deemed interest in the Company</b>				
Dato' Lim Say Chong *	52,000	-	-	52,000

\* Lim Ju Ean @ Lindsey Lim Ju Ean is the daughter of Dato' Lim Say Chong. In accordance with Section 134(12)(c) of the Companies Act, 1965, the interests of Lim Ju Ean @ Lindsey Lim Ju Ean in the shares of the Company and of its related corporations (other than wholly-owned subsidiaries) shall be treated as the interests of Dato' Lim Say Chong.

	Number of options over ordinary shares of DKK20 each			At 31.12.2015
	At 1.1.2015	Granted	Exercised	
<b>Interest in the holding company</b>				
<b>Carlsberg A/S</b>				
Henrik Juel Andersen	7,416	-	(1,858)	5,558

None of the other Directors holding office at 31 December 2015 had any interest in the shares and options over shares of the Company and of its related corporations during the financial year.

## **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2015**

### **DIRECTORS' BENEFITS**

Since the end of the previous financial year, no Director of the Company has received nor become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by Directors as shown in the financial statements of the Company or of a related corporation) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

There were no arrangements during and at the end of the financial year which had the object of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate apart from the holding company's Employees' Share Option Scheme ("ESOS").

### **ISSUE OF SHARES**

There were no changes in the authorised, issued and paid-up capital of the Company during the financial year.

### **OPTIONS GRANTED OVER UNISSUED SHARES**

No options were granted to any person to take up unissued shares of the Company during the financial year.

### **OTHER STATUTORY INFORMATION**

Before the financial statements of the Group and of the Company were made out, the Directors took reasonable steps to ascertain that:

- i) all known bad debts have been written off and adequate provision made for doubtful debts; and
- ii) any current assets which were unlikely to be realised in the ordinary course of business have been written down to an amount which they might be expected so to realise.

At the date of this report, the Directors are not aware of any circumstances:

- i) that would render the amount written off for bad debts or the amount of the provision for doubtful debts in the Group and in the Company inadequate to any substantial extent; or
- ii) that would render the value attributed to the current assets in the financial statements of the Group and of the Company misleading; or
- iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; or
- iv) not otherwise dealt with in this report or the financial statements that would render any amount stated in the financial statements of the Group and of the Company misleading.

**OTHER STATUTORY INFORMATION (CONTINUED)**

At the date of this report, there does not exist:

- i) any charge on the assets of the Group or of the Company that has arisen since the end of the financial year and which secures the liabilities of any other person; or
- ii) any contingent liability in respect of the Group or of the Company that has arisen since the end of the financial year.

No contingent liability or other liability of any company in the Group has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

In the opinion of the Directors, except for the effects as disclosed in Note 17 to the financial statements, the financial performance of the Group and of the Company for the financial year ended 31 December 2015 have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report.

**AUDITORS**

The auditors, Messrs KPMG, have indicated their willingness to accept re-appointment.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors:

.....  
**Henrik Juel Andersen**  
Managing Director

.....  
**Chew Hoy Ping**  
Director

Shah Alam,

16 March 2016



# STATEMENTS OF FINANCIAL POSITION

## AS AT 31 DECEMBER 2015

	Note	Group		Company	
		2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
<b>Assets</b>					
Property, plant and equipment	3	162,243	154,343	146,129	132,002
Intangible assets	4	5,214	10,009	1,217	994
Investments in subsidiaries	5	–	–	391,572	393,672
Investment in an associate	6	80,165	58,227	25,164	24,759
Deferred tax assets	7	3,402	2,466	–	–
<b>Total non-current assets</b>		<b>251,024</b>	225,045	<b>564,082</b>	551,427
<b>Current assets</b>					
Inventories	8	78,173	66,369	29,169	27,501
Receivables, deposits and prepayments	9	285,134	279,768	14,878	17,845
Current tax assets		6,466	2,373	6,466	2,178
Cash and cash equivalents	10	40,968	87,993	19,807	33,065
<b>Total current assets</b>		<b>410,741</b>	436,503	<b>70,320</b>	80,589
<b>Total assets</b>		<b>661,765</b>	661,548	<b>634,402</b>	632,016
<b>Equity</b>					
Share capital	11	154,039	154,039	154,039	154,039
Reserves	11	181,536	158,116	354,033	242,747
<b>Total equity attributable to equity holders of the Company</b>		<b>335,575</b>	312,155	<b>508,072</b>	396,786
<b>Non-controlling interests</b>		<b>7,013</b>	18,966	–	–
<b>Total equity</b>		<b>342,588</b>	331,121	<b>508,072</b>	396,786
<b>Liabilities</b>					
Deferred tax liabilities	7	13,563	16,006	13,296	15,615
<b>Total non-current liability</b>		<b>13,563</b>	16,006	<b>13,296</b>	15,615
<b>Current liabilities</b>					
Payables and accruals	12	250,722	245,347	113,034	197,559
Current tax liabilities		23,386	16,862	–	–
Loans and borrowings	13	31,506	52,212	–	22,056
<b>Total current liabilities</b>		<b>305,614</b>	314,421	<b>113,034</b>	219,615
<b>Total liabilities</b>		<b>319,177</b>	330,427	<b>126,330</b>	235,230
<b>Total equity and liabilities</b>		<b>661,765</b>	661,548	<b>634,402</b>	632,016

The notes on pages 83 to 133 are an integral part of these financial statements.

# STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

## FOR THE YEAR ENDED 31 DECEMBER 2015

	Note	Group		Company	
		2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
<b>Revenue</b>		<b>1,659,945</b>	1,635,096	<b>741,748</b>	722,720
Cost of sales		<b>(1,052,551)</b>	(1,042,118)	<b>(693,960)</b>	(678,432)
<b>Gross profit</b>		<b>607,394</b>	592,978	<b>47,788</b>	44,288
Other income		<b>11,046</b>	3,820	<b>18,761</b>	3,722
Sales and distribution expenses		<b>(269,575)</b>	(277,795)	<b>-</b>	-
Administrative expenses		<b>(50,426)</b>	(48,170)	<b>(15,980)</b>	(15,599)
Other expenses		<b>(25,311)</b>	(3,322)	<b>(16,435)</b>	(2,516)
<b>Results from operating activities</b>		<b>273,128</b>	267,511	<b>34,134</b>	29,895
Investment income		<b>-</b>	-	<b>290,534</b>	128,662
Finance income		<b>1,199</b>	951	<b>727</b>	454
Finance costs		<b>(6,834)</b>	(5,201)	<b>(1,707)</b>	(1,263)
<b>Operating profit</b>	14	<b>267,493</b>	263,261	<b>323,688</b>	157,748
Share of profit of equity-accounted associate, net of tax		<b>16,139</b>	10,991	<b>-</b>	-
<b>Profit before tax</b>		<b>283,632</b>	274,252	<b>323,688</b>	157,748
Tax expense	15	<b>(63,394)</b>	(57,331)	<b>(4,672)</b>	(8,660)
<b>Profit for the year</b>		<b>220,238</b>	216,921	<b>319,016</b>	149,088
<b>Other comprehensive income</b>					
<i>Items that may be reclassified subsequently to profit or loss</i>					
Foreign currency translation differences for foreign operations		<b>15,208</b>	3,874	<b>-</b>	-
<b>Total comprehensive income for the year</b>		<b>235,446</b>	220,795	<b>319,016</b>	149,088
<b>Profit attributable to:</b>					
Owners of the Company		<b>215,913</b>	211,582	<b>319,016</b>	149,088
Non-controlling interests		<b>4,325</b>	5,339	<b>-</b>	-
<b>Profit for the year</b>		<b>220,238</b>	216,921	<b>319,016</b>	149,088
<b>Total comprehensive income attributable to:</b>					
Owners of the Company		<b>231,121</b>	215,456	<b>319,016</b>	149,088
Non-controlling interests		<b>4,325</b>	5,339	<b>-</b>	-
<b>Total comprehensive income for the year</b>		<b>235,446</b>	220,795	<b>319,016</b>	149,088
<b>Basic earnings per ordinary share (sen)</b>	18	<b>70.62</b>	69.20		

The notes on pages 83 to 133 are an integral part of these financial statements.

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2015

Group	Note	Attributable to owners of the Company				Non-distributable				Distributable			
		Share capital RM'000	Treasury shares RM'000	Share premium RM'000	Share Exchange reserve RM'000	Capital reserve RM'000	Share option reserve RM'000	Put option reserve RM'000	Other reserve RM'000	Retained earnings RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
<b>At 1 January 2014</b>		154,039	(12,043)	7,367	505	3,931	747	(20,057)	(780)	140,017	273,726	10,522	284,248
Other comprehensive income:													
- Foreign currency translation differences for foreign operations		-	-	-	3,874	-	-	-	-	-	3,874	-	3,874
Profit for the year		-	-	-	-	-	-	-	211,582	211,582	211,582	5,339	216,921
<b>Total comprehensive income for the year</b>		-	-	-	3,874	-	-	-	211,582	215,456	215,456	5,339	220,795
Dividends to owners of the Company	19	-	-	-	-	-	-	-	(186,506)	(186,506)	(186,506)	-	(186,506)
Acquisition of subsidiary		-	-	-	-	-	-	-	-	-	-	3,105	3,105
Others		-	-	-	-	-	13	-	-	13	13	-	13
<b>Total distribution to owners</b>		-	-	-	-	-	13	-	(186,506)	(186,493)	(186,493)	3,105	(183,388)
Changes of fair value of put option		-	-	-	-	-	-	9,466	-	9,466	9,466	-	9,466
<b>At 31 December 2014</b>		154,039	(12,043)	7,367	4,379	3,931	760	(10,591)	(780)	165,093	312,155	18,966	331,121

Group	Note	Attributable to owners of the Company										Total equity RM'000	
		Share capital RM'000	Treasury shares RM'000	Share premium RM'000	Share Exchange reserve RM'000	Capital reserve RM'000	Share option reserve RM'000	Put option reserve RM'000	Other reserve RM'000	Retained earnings RM'000	Total RM'000		Non-controlling interests RM'000
		Non-distributable					Distributable						
<b>At 31 December 2014/ 1 January 2015</b>		154,039	(12,043)	7,367	4,379	3,931	760	(10,591)	(780)	165,093	312,155	18,966	331,121
Other comprehensive income:		-	-	-	15,208	-	-	-	-	-	15,208	-	15,208
- Foreign currency translation differences for foreign operations		-	-	-	-	-	-	-	-	215,913	215,913	4,325	220,238
Profit for the year		-	-	-	15,208	-	-	-	-	215,913	231,121	4,325	235,446
<b>Total comprehensive income for the year</b>		-	-	-	15,208	-	-	-	-	215,913	231,121	4,325	235,446
Dividends to owners of the Company	19	-	-	-	-	-	-	-	-	(217,081)	(217,081)	-	(217,081)
Dividends to non-controlling interests		-	-	-	-	-	-	-	-	-	-	(2,516)	(2,516)
Disposal of non-controlling interests	17	-	-	-	-	-	-	-	-	-	-	(13,762)	(13,762)
Others		-	-	-	-	-	(1,211)	-	-	-	(1,211)	-	(1,211)
<b>Total distribution to owners</b>		-	-	-	-	-	(1,211)	-	-	(217,081)	(218,292)	(16,278)	(234,570)
Derecognition of put option	11.5	-	-	-	-	-	-	10,591	-	-	10,591	-	10,591
<b>At 31 December 2015</b>		154,039	(12,043)	7,367	19,587	3,931	(451)	-	(780)	163,925	335,575	7,013	342,588

# STATEMENT OF CHANGES IN EQUITY

## FOR THE YEAR ENDED 31 DECEMBER 2015

Company	Note	Non-distributable				Distributable			Total equity RM'000
		Share capital RM'000	Treasury shares RM'000	Share premium RM'000	Share option reserve RM'000	Put option reserve RM'000	Retained earnings RM'000		
<b>At 1 January 2014</b>		154,039	(12,043)	7,367	554	(20,057)	294,854	424,714	
<b>Profit/Total comprehensive income for the year</b>		-	-	-	-	-	149,088	149,088	
Dividends to owners of the Company	19	-	-	-	-	-	(186,506)	(186,506)	
Others		-	-	-	24	-	-	24	
<b>Total distribution to owners</b>		-	-	-	24	-	(186,506)	(186,482)	
Changes in fair value of put option		-	-	-	-	9,466	-	9,466	
<b>At 31 December 2014/ 1 January 2015</b>		<b>154,039</b>	<b>(12,043)</b>	<b>7,367</b>	<b>578</b>	<b>(10,591)</b>	<b>257,436</b>	<b>396,786</b>	
<b>Profit/Total comprehensive income for the year</b>		-	-	-	-	-	319,016	319,016	
Dividends to owners of the Company	19	-	-	-	-	-	(217,081)	(217,081)	
Others		-	-	-	(1,240)	-	-	(1,240)	
<b>Total distribution to owners</b>		-	-	-	(1,240)	-	(217,081)	(218,321)	
Derecognition of put option		-	-	-	-	10,591	-	10,591	
<b>At 31 December 2015</b>		<b>154,039</b>	<b>(12,043)</b>	<b>7,367</b>	<b>(662)</b>	<b>-</b>	<b>359,371</b>	<b>508,072</b>	

The notes on pages 83 to 133 are an integral part of these financial statements.

# STATEMENTS OF CASH FLOWS

## FOR THE YEAR ENDED 31 DECEMBER 2015

	Note	Group		Company	
		2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
<b>Cash flows from operating activities</b>					
Profit before tax		283,632	274,252	323,688	157,748
<i>Adjustments for:</i>					
Allowance for inventories write down	8	3,491	779	300	300
Amortisation of intangible assets	4	1,795	2,609	877	663
Depreciation of property, plant and equipment	3	31,044	23,494	22,444	14,752
Dividend income from subsidiaries		-	-	(288,297)	(126,943)
Dividend income from associate		-	-	(2,237)	(1,719)
Gain on disposal of property, plant and equipment		(469)	(1,385)	(13)	(371)
Impairment loss on receivables		990	1,883	-	-
Intangible assets written off		24	-	-	-
Inventories written off	8	1,770	-	69	304
Finance costs		6,834	5,201	1,707	1,263
Finance income		(1,199)	(951)	(727)	(454)
(Gain)/Loss on unrealised foreign exchange		(1,951)	2,047	(542)	562
Loss/(Gain) on disposal of subsidiary	17	12,611	-	(17,400)	-
Others		288	790	258	801
Property, plant and equipment written off		68	26	-	26
Share of profit of equity accounted associate, net of tax		(16,139)	(10,991)	-	-
<b>Operating profit before changes in working capital</b>					
		322,789	297,754	40,127	46,932
<i>Changes in working capital:</i>					
Inventories		(39,170)	(13,208)	(2,037)	(4,896)
Receivables, deposits and prepayments		(44,794)	12,847	2,970	(9,946)
Payables and accruals		49,534	5,515	(73,982)	58,738
<b>Cash generated from/(used in) operations</b>					
Tax paid		(65,125)	(60,974)	(11,279)	(12,554)
<b>Net cash generated from/(used in) operating activities</b>					
		223,234	241,934	(44,201)	78,274

## STATEMENTS OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2015

	Note	Group		Company	
		2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
<b>Cash flows from investing activities</b>					
Acquisition of property, plant and equipment	3	(41,036)	(11,116)	(37,158)	(6,872)
Acquisition of intangible assets	4	(1,294)	(652)	(514)	(147)
Acquisition of subsidiary, net of cash and cash equivalents acquired		-	(3,348)	-	-
Dividends received from subsidiaries		-	-	288,297	126,943
Dividends received from an associate		2,237	1,719	2,237	1,719
Interest received		1,199	951	727	454
Repayment from subsidiary		-	-	-	648
Proceeds from disposal of property, plant and equipment		939	1,499	14	444
Proceeds from disposal of subsidiary, net of cash and cash equivalents disposed of		708	-	19,500	-
Subscription of shares in an associate company		(405)	(4,823)	(405)	(4,823)
<b>Net cash (used in)/generated from investing activities</b>		<b>(37,652)</b>	<b>(15,770)</b>	<b>272,698</b>	<b>118,366</b>
<b>Cash flows from financing activities</b>					
Dividends paid to owners of the Company	19	(217,081)	(186,506)	(217,081)	(186,506)
Dividends paid to owners of the non-controlling interests		(2,516)	-	-	-
Interest paid		(6,834)	(5,201)	(1,707)	(1,263)
Reimbursement to ultimate holding company for share options granted to employees of the Group		(1,498)	(777)	(1,498)	(777)
Net (repayment)/proceeds from short-term borrowings		(12,348)	9,276	(22,056)	22,056
<b>Net cash used in financing activities</b>		<b>(240,277)</b>	<b>(183,208)</b>	<b>(242,342)</b>	<b>(166,490)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(54,695)</b>	<b>42,956</b>	<b>(13,845)</b>	<b>30,150</b>
Effect of exchange rate fluctuations on cash held		9,028	(1,618)	587	(521)
<b>Cash and cash equivalents at 1 January</b>		<b>85,479</b>	<b>44,141</b>	<b>33,065</b>	<b>3,436</b>
<b>Cash and cash equivalents at 31 December</b>		<b>39,812</b>	<b>85,479</b>	<b>19,807</b>	<b>33,065</b>

### Cash and cash equivalents

Cash and cash equivalents included in the statements of cash flows comprise the following statements of financial position amounts:

	Note	Group		Company	
		2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Deposits with licensed banks	10	1,200	1,991	1,200	1,200
Cash and bank balances	10	39,768	86,002	18,607	31,865
Bank overdraft	13	40,968 (1,156)	87,993 (2,514)	19,807 -	33,065 -
		<b>39,812</b>	<b>85,479</b>	<b>19,807</b>	<b>33,065</b>

The notes on pages 83 to 133 are an integral part of these financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

Carlsberg Brewery Malaysia Berhad is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad. The address of its registered office and principal place of business is as follows:

No. 55, Persiaran Selangor,  
Section 15, 40200 Shah Alam,  
Selangor Darul Ehsan, Malaysia.

The consolidated financial statements of the Company as at and for the financial year ended 31 December 2015 comprise the Company and its subsidiaries (together referred to as the “Group” and individually referred to as “Group entities”) and the Group’s interests in an associate. The financial statements of the Company as at and for the financial year ended 31 December 2015 do not include other entities.

The Company is principally engaged in the production of beer, stout, cider, shandy and non-alcoholic beverages for distribution in the domestic market and for export while the other Group entities are primarily involved in the marketing and distribution of beer, stout, cider, shandy, wine, liquor and non-alcoholic beverages.

The immediate and ultimate holding companies during the financial year are Carlsberg Breweries A/S and Carlsberg A/S respectively. Both companies are incorporated in Denmark.

The financial statements were authorised for issue by the Board of Directors on 16 March 2016.

## 1. BASIS OF PREPARATION

### (a) Statement of compliance

The financial statements of the Group and the Company have been prepared in accordance with Malaysian Financial Reporting Standards (“MFRSs”), International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

The following are accounting standards, amendments and interpretations of the MFRSs that have been issued by the Malaysian Accounting Standards Board (“MASB”) but have not been adopted by the Group and the Company:

#### ***MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2016***

- MFRS 14, *Regulatory Deferral Accounts*
- Amendments to MFRS 5, *Non-current Assets Held for Sale and Discontinued Operations (Annual Improvements 2012 - 2014 Cycle)*
- Amendments to MFRS 7, *Financial Instruments: Disclosures (Annual Improvements 2012 - 2014 Cycle)*
- Amendments to MFRS 10, *Consolidated Financial Statements*, MFRS 12, *Disclosure of Interests in Other Entities* and MFRS 128, *Investments in Associates and Joint Ventures - Investment Entities: Applying the Consolidation Exception*
- Amendments to MFRS 11, *Joint Arrangements - Accounting for Acquisitions of Interests in Joint Operations*
- Amendments to MFRS 101, *Presentation of Financial Statements - Disclosure Initiative*
- Amendments to MFRS 116, *Property, Plant and Equipment* and MFRS 138, *Intangible Assets - Clarification of Acceptable Methods of Depreciation and Amortisation*
- Amendments to MFRS 116, *Property, Plant and Equipment* and MFRS 141, *Agriculture - Agriculture: Bearer Plants*
- Amendments to MFRS 119, *Employee Benefits (Annual Improvements 2012 - 2014 Cycle)*
- Amendments to MFRS 127, *Separate Financial Statements - Equity Method in Separate Financial Statements*
- Amendments to MFRS 134, *Interim Financial Reporting (Annual Improvements 2012 - 2014 Cycle)*



## NOTES TO THE FINANCIAL STATEMENTS

### 1. BASIS OF PREPARATION (CONTINUED)

#### (a) Statement of compliance (continued)

##### ***MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2018***

- MFRS 9, *Financial Instruments (2014)*
- MFRS 15, *Revenue from Contracts with Customers*

##### ***MFRSs, Interpretations and amendments effective for a date yet to be confirmed***

- Amendments to MFRS 10, *Consolidated Financial Statements* and MFRS 128, *Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The Group and the Company plan to apply the abovementioned accounting standards, amendments and interpretations, where applicable:

- from the annual period beginning on 1 January 2016 for those accounting standards, amendments or interpretations that are effective for annual periods beginning on or after 1 January 2016; and
- from the annual period beginning on 1 January 2018 for those accounting standards, amendments or interpretations that are effective for annual periods beginning on or after 1 January 2018.

The initial application of the accounting standards, amendments or interpretations are not expected to have any material financial impacts to the current period and prior period financial statements of the Group except as mentioned below:

#### (i) **MFRS 15, *Revenue from Contracts with Customers***

MFRS 15 replaces the guidance in MFRS 111, *Construction Contracts*, MFRS 118, *Revenue*, IC Interpretation 13, *Customer Loyalty Programmes*, IC Interpretation 15, *Agreements for Construction of Real Estate*, IC Interpretation 18, *Transfers of Assets from Customers* and IC Interpretation 131, *Revenue - Barter Transactions Involving Advertising Services*.

The Group is currently assessing the financial impact that may arise from the adoption of MFRS 15.

#### (ii) **MFRS 9, *Financial Instruments***

MFRS 9 replaces the guidance in MFRS 139, *Financial Instruments: Recognition and Measurement* on the classification and measurement of financial assets and financial liabilities, and on hedge accounting.

The Group is currently assessing the financial impact that may arise from the adoption of MFRS 9.

#### (iii) **Amendments to MFRS 10, *Consolidated Financial Statements*, MFRS 12, *Disclosure of Interests in Other Entities* and MFRS 128, *Investments in Associates and Joint Ventures – Investment Entities: Applying the Consolidation Exception***

The amendments to MFRS 10, MFRS 12 and MFRS 128 require an investment entity parent to fair value a subsidiary providing investment-related services that is itself an investment entity, an intermediate parent owned by an investment entity group can be exempt from preparing consolidated financial statements and a non-investment entity investor can retain the fair value accounting applied by its investment entity associate or joint venture.

The Group is currently assessing the financial impact that may arise from the adoption of the amendments.

## 1. BASIS OF PREPARATION (CONTINUED)

### (b) Basis of measurement

The financial statements have been prepared on the historical cost basis other than as disclosed in Note 2.

### (c) Functional and presentation currency

These financial statements are presented in Ringgit Malaysia (“RM”), which is the Company’s functional currency. All financial information presented in RM has been rounded to the nearest thousand, unless otherwise stated.

### (d) Use of estimates and judgements

The preparation of financial statements in conformity with MFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognised in the financial statements other than as disclosed in the following notes:

- Note 6 - Investment in an associate
- Note 25 - Contingent liabilities

## 2. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to the periods presented in these financial statements and have been applied consistently by Group entities, unless otherwise stated.

### (a) Basis of consolidation

#### (i) Subsidiaries

Subsidiaries are entities, including structured entities, controlled by the Company. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Potential voting rights are considered when assessing control only when such rights are substantive. The Group also considers it has de facto power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee’s return.

Investments in subsidiaries are measured in the Company’s statement of financial position at cost less any impairment losses, unless the investment is classified as held for sale or distribution. The cost of investments includes transaction costs.

## NOTES TO THE FINANCIAL STATEMENTS

### 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### (a) Basis of consolidation (continued)

##### (ii) Business combinations

Business combinations are accounted for using the acquisition method from the acquisition date, which is the date on which control is transferred to the Group.

For new acquisitions, the Group measures the cost of goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

For each business combination, the Group elects whether it measures the non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets at the acquisition date.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

##### (iii) Acquisitions of non-controlling interests

The Group accounts for all changes in its ownership interest in a subsidiary that do not result in a loss of control as equity transactions between the Group and its non-controlling interest holders. Any difference between the Group's share of net assets before and after the change, and any consideration received or paid, is adjusted to or against Group reserves.

##### (iv) Acquisitions from entities under common control

Business combinations arising from transfers of interests in entities that are under the control of the shareholder that controls the Group are accounted for as if the acquisition had occurred at the beginning of the earliest comparative period presented or, if later, at the date that common control was established; for this purpose, comparatives are restated. The assets and liabilities acquired are recognised at the carrying amounts recognised previously in the Group controlling shareholder's consolidated financial statements. The components of equity of the acquired entities are added to the same components within Group equity and any resulting gain/loss is recognised directly in equity.

##### (v) Loss of control

Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities of the former subsidiary, any non-controlling interests and the other components of equity related to the former subsidiary from the consolidated statement of financial position. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the former subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently it is accounted for as an equity-accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

##### (vi) Associates

Associates are entities, including unincorporated entities, in which the Group has significant influence, but not control, over the financial and operating policies.

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### (a) Basis of consolidation (continued)

#### (vi) Associates (continued)

Investments in associates are accounted for in the consolidated financial statements using the equity method less any impairment losses, unless it is classified as held for sale or distribution. The cost of the investment includes transaction costs. The consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of the associates, after adjustments if any, to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases.

When the Group's share of losses exceeds its interest in an associate, the carrying amount of that interest including any long-term investments is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the associate.

When the Group ceases to have significant influence over an associate, any retained interest in the former associate at the date when significant influence is lost is measured at fair value and this amount is regarded as the initial carrying amount of a financial asset. The difference between the fair value of any retained interest plus proceeds from the interest disposed of and the carrying amount of the investment at the date when equity method is discontinued is recognised in the profit or loss.

When the Group's interest in an associate decreases but does not result in a loss of significant influence, any retained interest is not remeasured. Any gain or loss arising from the decrease in interest is recognised in profit or loss. Any gains or losses previously recognised in other comprehensive income are also reclassified proportionately to the profit or loss if that gain or loss would be required to be reclassified to profit or loss on the disposal of the related assets or liabilities.

Investments in associates are measured in the Company's statement of financial position at cost less any impairment losses, unless the investment is classified as held for sale or distribution. The cost of the investment includes transaction costs.

#### (vii) Non-controlling interests

Non-controlling interests at the end of the reporting period, being the equity in a subsidiary not attributable directly or indirectly to the equity holders of the Company, are presented in the consolidated statement of financial position and statement of changes in equity within equity, separately from equity attributable to the owners of the Company. Non-controlling interests in the results of the Group is presented in the consolidated statement of profit or loss and other comprehensive income as an allocation of the profit or loss and the comprehensive income for the year between non-controlling interests and owners of the Company.

Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

#### (viii) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

Unrealised gains arising from transactions with equity-accounted associates are eliminated against the investment to the extent of the Group's interest in the investees. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

## NOTES TO THE FINANCIAL STATEMENTS

### 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### (b) Foreign currency

##### (i) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are retranslated to the functional currency at the exchange rate at that date.

Non-monetary assets and liabilities denominated in foreign currencies are not retranslated at the end of the reporting date, except for those that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined.

Foreign currency differences arising on retranslation are recognised in profit or loss, except for differences arising on the retranslation of available-for-sale equity instruments or a financial instrument designated as a hedge of currency risk, which are recognised in other comprehensive income.

In the consolidated financial statements, when settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are recognised in other comprehensive income, and are presented in the exchange reserve ("ER") in equity.

##### (ii) Operations denominated in functional currencies other than Ringgit Malaysia ("RM")

The assets and liabilities of operations denominated in functional currencies other than RM, including fair value adjustments arising on acquisition, are translated to RM at exchange rates at the end of the reporting period. The income and expenses of foreign operations are translated to RM at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in other comprehensive income and accumulated in the ER in equity. However, if the operation is a non-wholly owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests. When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the ER related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal.

When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in an associate that includes a foreign operation while retaining significant influence, the relevant proportion of the cumulative amount is reclassified to profit or loss.

#### (c) Financial instruments

##### (i) Initial recognition and measurement

A financial asset or a financial liability is recognised in the statement of financial position when, and only when, the Group or the Company becomes a party to the contractual provisions of the instrument.

A financial instrument is recognised initially, at its fair value plus, in the case of a financial instrument not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial instrument.

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### (c) Financial instruments (continued)

#### (i) Initial recognition and measurement (continued)

An embedded derivative is recognised separately from the host contract and accounted for as a derivative if, and only if, it is not closely related to the economic characteristics and risks of the host contract and the host contract is not categorised as fair value through profit or loss. The host contract, in the event an embedded derivative is recognised separately, is accounted for in accordance with policy applicable to the nature of the host contract.

#### (ii) Financial instrument categories and subsequent measurement

The Group and the Company categorise financial instruments as follows:

##### *Financial assets*

#### (a) *Financial assets at fair value through profit or loss*

Fair value through profit or loss category comprises financial assets that are held for trading, including derivatives (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument) or financial assets that are specifically designated into this category upon initial recognition.

Derivatives that are linked to and must be settled by delivery of unquoted equity instruments whose fair values cannot be reliably measured are measured at cost.

Other financial assets categorised as fair value through profit or loss are subsequently measured at their fair values with the gain or loss recognised in profit or loss.

#### (b) *Loans and receivables*

Loans and receivables category comprises debt instruments that are not quoted in an active market.

Financial assets categorised as loans and receivables are subsequently measured at amortised cost using the effective interest method.

All financial assets, except for those measured at fair value through profit or loss, are subject to review for impairment (see Note 2(i)(i)).

##### *Financial liabilities*

All financial liabilities are subsequently measured at amortised cost other than those categorised as fair value through profit or loss.

Fair value through profit or loss category comprises financial liabilities that are derivatives (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument) or financial liabilities that are specifically designated into this category upon initial recognition.

Financial liability in respect of put option held by non-controlling interests is initially recognised and measured based on the estimated exercise price of the put option. Any subsequent changes with respect to the financial liability held by non-controlling interests is recognised in equity.

Other financial liabilities categorised as fair value through profit or loss are subsequently measured at their fair values with the gain or loss recognised in profit or loss.

## NOTES TO THE FINANCIAL STATEMENTS

### 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### (c) Financial instruments (continued)

##### (iii) Derecognition

A financial asset or part of it is derecognised when, and only when the contractual rights to the cash flows from the financial asset expire or control of the asset is not retained or substantially all of the risks and rewards of ownership of the financial asset are transferred to another party. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in equity is recognised in the profit or loss.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged, cancelled or expires. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

#### (d) Property, plant and equipment

##### (i) Recognition and measurement

Items of property, plant and equipment are measured at cost less any accumulated depreciation and any accumulated impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset and any other costs directly attributable to bringing the asset to working condition for its intended use, and the cost of dismantling and removing the items and restoring the site on which they are located. The cost of self-constructed assets also includes the cost of materials and direct labour. For qualifying assets, borrowing costs are capitalised in accordance with the accounting policy on borrowing costs. Cost also may include transfers from equity of any gain or loss on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and is recognised net within "other income" and "other expenses" respectively in profit or loss.

##### (ii) Subsequent costs

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group or the Company, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised to profit or loss. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### (d) Property, plant and equipment (continued)

#### (iii) Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed, and if a component has a useful life that is different from the remainder of that asset, then that component is depreciated separately.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment from the date that they are available for use. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Freehold land is not depreciated. Assets in-progress are not depreciated until the assets are ready for their intended use.

The estimated useful lives for the current and comparative periods are as follows:

• Leasehold land	90 - 999 years
• Buildings	15 - 50 years
• Renovation	15 years
• Plant and machinery	3 - 20 years
• Motor vehicles	5 years
• Furniture and office equipment	3 - 5 years

Depreciation methods, useful lives and residual values are reviewed at the end of the reporting period, and adjusted as appropriate.

### (e) Leased assets

#### (i) Finance lease

Leases in terms of which the Group or the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

Leasehold land which in substance is a finance lease is classified as property, plant and equipment.

#### (ii) Operating lease

Leases, where the Group or the Company does not assume substantially all the risks and rewards of ownership are classified as operating leases and the leased assets are not recognised on the statement of financial position.

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised in profit or loss as an integral part of the total lease expense, over the term of the lease. Contingent rentals are charged to profit or loss in the reporting period in which they are incurred.

Leasehold land which in substance is an operating lease is classified as prepaid lease payments.



## NOTES TO THE FINANCIAL STATEMENTS

### 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) **Intangible assets**

(i) **Goodwill**

Goodwill arises on business combinations is measured at cost less any accumulated impairment losses. In respect of equity-accounted associates, the carrying amount of goodwill is included in the carrying amount of the investment and an impairment loss on such an investment is not allocated to any asset, including goodwill, that forms part of the carrying amount of the equity accounted associates.

(ii) **Customised computer software**

Customised computer software that is not integral to the functionality of the related equipment is recognised as an intangible asset. These intangible assets that are acquired by the Group or the Company are stated at cost less any accumulated amortisation and any accumulated impairment losses.

(iii) **Subsequent expenditure**

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

(iv) **Amortisation**

Goodwill with indefinite useful lives are not amortised but are tested for impairment annually and whenever there is an indication that they may be impaired.

Other intangible assets are amortised from the date that they are available for use. Amortisation is based on the cost of an asset less its residual value. Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets.

The estimated useful life of customised computer software is 3 years.

Amortisation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted, if appropriate.

(g) **Inventories**

Inventories are measured at the lower of cost and net realisable value.

The cost of inventories is calculated using the weighted average method, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. In the case of work-in-progress and finished goods, cost includes an appropriate share of production overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### (h) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, balances and deposits with banks and highly liquid investments which have an insignificant risk of changes in fair value with original maturities of three months or less, and are used by the Group and the Company in the management of their short term commitments. For the purpose of the statement of cash flows, cash and cash equivalents are presented net of bank overdrafts and pledged deposits.

Cash and cash equivalents (other than bank overdrafts) are categorised and measured as loans and receivables in accordance with Note 2(c)(ii).

### (i) Impairment

#### (i) Financial assets

All financial assets are assessed at each reporting date whether there is any objective evidence of impairment as a result of one or more events having an impact on the estimated future cash flows of the asset. Losses expected as a result of future events, no matter how likely, are not recognised. For an investment in an equity instrument, a significant or prolonged decline in the fair value below its cost is an objective evidence of impairment. If any such objective evidence exists, then the impairment loss of the financial asset is estimated.

An impairment loss in respect of loans and receivables is recognised in profit or loss and is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account.

If, in a subsequent period, the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed, to the extent that the asset's carrying amount does not exceed what the carrying amount would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in profit or loss.

#### (ii) Other assets

The carrying amounts of other assets (except for inventories and deferred tax asset) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each period at the same time.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units. Subject to an operating segment ceiling test, for the purpose of goodwill impairment testing, cash-generating units to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to a cash-generating unit or a group of cash-generating units that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit.

## NOTES TO THE FINANCIAL STATEMENTS

### 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) **Impairment (continued)**

(ii) **Other assets (continued)**

An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit exceeds its estimated recoverable amount.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (group of cash-generating units) and then to reduce the carrying amounts of the other assets in the cash-generating unit (groups of cash-generating units) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Reversals of impairment losses are credited to profit or loss in the financial year in which the reversals are recognised.

(j) **Equity instruments**

Instruments classified as equity are measured at cost on initial recognition and are not remeasured subsequently.

(i) **Issue expenses**

Costs directly attributable to the issue of instruments classified as equity are recognised as a deduction from equity.

(ii) **Ordinary shares**

Ordinary shares are classified as equity.

(iii) **Repurchase, disposal and reissue of share capital (treasury shares)**

When share capital recognised as equity is repurchased, the amount of the consideration paid, including directly attributable costs, net of any tax effects, is recognised as a deduction from equity. Repurchased shares that are not subsequently cancelled are classified as treasury shares in the statement of changes in equity.

Where treasury shares are sold or reissued subsequently, the difference between the sales consideration net of directly attributable costs and the carrying amount of the treasury shares is recognised in equity.

(k) **Employee benefits**

(i) **Short-term employee benefits**

Short-term employee benefit obligations in respect of salaries, annual bonuses, paid annual leave and sick leave are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

The Group's contribution to the statutory pension funds and Carlsberg Brewery Malaysia Retirement Plan, a defined contribution plan, are charged to profit or loss in the financial year to which they relate. Once the contributions have been paid, the Group has no further payment obligations.

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### (k) Employee benefits (continued)

#### (ii) Share-based payment transactions

Certain employees of the Group are entitled to a share option programme established by Carlsberg A/S that gives the right to Carlsberg A/S shares. The grant date fair value of the share options granted to these employees is recognised as an employee expense in profit or loss and a corresponding increase in equity, over the period from the grant date until the employees become unconditionally entitled to the options. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that meet the related service and non-market performance conditions at the vesting date.

Any reimbursement to Carlsberg A/S in relation to the share option programme is treated as a capital distribution and would be recorded directly in equity.

#### (iii) Termination benefits

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer to those benefits and when the Group recognises costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the end of the reporting period, then they are discounted.

### (l) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

### (m) Revenue and other income

#### (i) Goods sold

Revenue from the sale of goods in the course of ordinary activities is measured at fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. Revenue is recognised when persuasive evidence exists, usually in the form of an executed sales agreement, that the significant risks and rewards of ownership have been transferred to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably. If it is probable that discounts will be granted and the amount can be measured reliably, then the discount is recognised as a reduction of revenue as the sales are recognised.

#### (ii) Dividend income

Dividend income is recognised in profit or loss on the date that the Group's or the Company's right to receive payment is established.

#### (iii) Interest income

Interest income is recognised as it accrues using the effective interest method in profit or loss.

## NOTES TO THE FINANCIAL STATEMENTS

### 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### (n) Borrowing costs

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or completed.

#### (o) Income tax

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous financial years.

Deferred tax is recognised using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities in the statement of financial position and their tax bases. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill, and the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss. Deferred tax is measured at the tax rates that are expected to apply to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax assets and liabilities on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at the end of each reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Unutilised reinvestment allowance and investment tax allowance, being tax incentives that is not a tax base of an asset, is recognised as a deferred tax asset to the extent that it is probable that the future taxable profits will be available against which the unutilised tax incentive can be utilised.

#### (p) Earnings per ordinary share

The Group presents basic earnings per share data for its ordinary shares ("EPS").

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held.

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### (q) Operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the chief operating decision maker, which in this case is the Managing Director of the Group, to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

### (r) Contingencies

#### (i) Contingent liabilities

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is not recognised in the statements of financial position and is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

#### (ii) Contingent assets

When an inflow of economic benefit of an asset is probable where it arises from past events and where existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity, the asset is not recognised in the statements of financial position but is being disclosed as a contingent asset. When the inflow of economic benefit is virtually certain, then the related asset is recognised.

### (s) Fair value measurement

Fair value of an asset or a liability, except for share-based payment and lease transactions, is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

For non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair value are categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: unobservable inputs for the asset or liability.

The Group recognises transfers between levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfers.

## NOTES TO THE FINANCIAL STATEMENTS

### 3. PROPERTY, PLANT AND EQUIPMENT

Group	Note	Leasehold land RM'000	Freehold land RM'000	Buildings RM'000	Renovation RM'000	Plant and machinery RM'000	Motor vehicles RM'000	Furniture and office equipment RM'000	Assets in-progress RM'000	Total RM'000
<b>Cost</b>										
<b>At 1 January 2014</b>										
Additions		10,571	19,097	57,648	454	362,205	26,367	50,255	3,212	529,809
Disposals		-	-	548	30	5,439	992	2,814	1,293	11,116
Written off		-	-	-	-	(57)	(4,087)	(2,044)	-	(6,188)
Transfers		-	-	-	-	(1,067)	-	(538)	-	(1,605)
Acquisition of a subsidiary		-	-	93	160	(199)	(38)	83	(99)	-
Effect of movements in exchange rates		-	-	-	-	266	-	1,526	-	1,792
		-	-	-	(3)	167	2	16	-	182
<b>At 31 December 2014/1 January 2015</b>										
Additions		10,571	19,097	58,289	641	366,754	23,236	52,112	4,406	535,106
Disposals		-	-	1,416	-	27,231	398	856	11,135	41,036
Written off		-	-	-	-	(980)	(2,172)	(260)	-	(3,412)
Transfers		-	-	-	-	(9,834)	-	(49)	-	(9,883)
Disposal of a subsidiary		-	-	293	-	3,493	-	-	(4,372)	(586)
Effect of movements in exchange rates		-	-	-	(156)	(768)	(3,296)	(710)	-	(4,930)
		-	-	-	1	663	-	480	-	1,144
<b>At 31 December 2015</b>										
		10,571	19,097	59,998	486	386,559	18,166	52,429	11,169	558,475

**3. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)**

Group	Note	Leasehold land RM'000	Freehold land RM'000	Buildings RM'000	Renovation RM'000	Plant and machinery RM'000	Motor vehicles RM'000	Furniture and office equipment RM'000	Assets in-progress RM'000	Total RM'000
<b>Depreciation</b>										
<b>At 1 January 2014</b>		3,138	-	25,949	239	281,246	13,183	41,078	-	364,833
Depreciation for the year	14	123	-	1,627	42	12,897	4,180	4,625	-	23,494
Disposals		-	-	-	-	(57)	(3,978)	(2,039)	-	(6,074)
Written off		-	-	-	-	(1,042)	-	(537)	-	(1,579)
Transfers		-	-	(8)	(111)	985	12	(878)	-	-
Effect of movements in exchange rates		-	-	1	3	38	(1)	48	-	89
<b>At 31 December 2014/ 1 January 2015</b>		<b>3,261</b>	<b>-</b>	<b>27,569</b>	<b>173</b>	<b>294,067</b>	<b>13,396</b>	<b>42,297</b>	<b>-</b>	<b>380,763</b>
Depreciation for the year	14	122	-	1,716	42	23,449	3,722	1,993	-	31,044
Disposals		-	-	-	-	(977)	(1,705)	(260)	-	(2,942)
Written off		-	-	-	-	(9,778)	-	(37)	-	(9,815)
Disposal of a subsidiary		-	-	(5)	(4)	(393)	(2,232)	(724)	-	(3,358)
Effect of movements in exchange rates		-	-	-	1	335	-	204	-	540
<b>At 31 December 2015</b>		<b>3,383</b>	<b>-</b>	<b>29,280</b>	<b>212</b>	<b>306,703</b>	<b>13,181</b>	<b>43,473</b>	<b>-</b>	<b>396,232</b>
<b>Carrying amounts</b>										
<b>At 1 January 2014</b>		7,433	19,097	31,699	215	80,959	13,184	9,177	3,212	164,976
<b>At 31 December 2014/ 1 January 2015</b>		<b>7,310</b>	<b>19,097</b>	<b>30,720</b>	<b>468</b>	<b>72,687</b>	<b>9,840</b>	<b>9,815</b>	<b>4,406</b>	<b>154,343</b>
<b>At 31 December 2015</b>		<b>7,188</b>	<b>19,097</b>	<b>30,718</b>	<b>274</b>	<b>79,856</b>	<b>4,985</b>	<b>8,956</b>	<b>11,169</b>	<b>162,243</b>



## NOTES TO THE FINANCIAL STATEMENTS

### 3. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Company	Note	Leasehold land RM'000	Freehold land RM'000	Buildings RM'000	Plant and machinery RM'000	Motor vehicles RM'000	Furniture and office equipment RM'000	Assets in-progress RM'000	Total RM'000
<b>Cost</b>									
<b>At 1 January 2014</b>		10,399	18,952	56,556	358,259	2,407	19,499	3,112	469,184
Additions		-	-	548	4,405	272	354	1,293	6,872
Disposals		-	-	-	-	(1,236)	(1,829)	-	(3,065)
Written off		-	-	-	(1,067)	-	(47)	-	(1,114)
<b>At 31 December 2014/ 1 January 2015</b>		10,399	18,952	57,104	361,597	1,443	17,977	4,405	471,877
Additions		-	-	1,416	24,306	-	301	11,135	37,158
Disposals		-	-	-	-	(41)	(48)	-	(89)
Transfers		-	-	293	3,493	(146)	-	(4,372)	(732)
<b>At 31 December 2015</b>		10,399	18,952	58,813	389,396	1,256	18,230	11,168	508,214

**3. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)**

Company	Note	Leasehold land RM'000	Freehold land RM'000	Buildings RM'000	Plant and machinery RM'000	Motor vehicles RM'000	Furniture and office equipment RM'000	Assets in-progress RM'000	Total RM'000
<b>Depreciation</b>									
<b>At 1 January 2014</b>		3,061	-	25,573	280,933	1,449	18,187	-	329,203
Depreciation for the year	14	118	-	1,574	12,071	271	718	-	14,752
Disposals		-	-	-	-	(1,169)	(1,823)	-	(2,992)
Written off		-	-	-	(1,042)	-	(46)	-	(1,088)
<b>At 31 December 2014/ 1 January 2015</b>		<b>3,179</b>	<b>-</b>	<b>27,147</b>	<b>291,962</b>	<b>551</b>	<b>17,036</b>	<b>-</b>	<b>339,875</b>
Depreciation for the year	14	118	-	1,664	19,909	240	513	-	22,444
Disposals		-	-	-	-	(41)	(47)	-	(88)
Transfer		-	-	-	-	(146)	-	-	(146)
<b>At 31 December 2015</b>		<b>3,297</b>	<b>-</b>	<b>28,811</b>	<b>311,871</b>	<b>604</b>	<b>17,502</b>	<b>-</b>	<b>362,085</b>
<b>Carrying amounts</b>									
<b>At 1 January 2014</b>		7,338	18,952	30,983	77,326	958	1,312	3,112	139,981
<b>At 31 December 2014/ 1 January 2015</b>		<b>7,220</b>	<b>18,952</b>	<b>29,957</b>	<b>69,635</b>	<b>892</b>	<b>941</b>	<b>4,405</b>	<b>132,002</b>
<b>At 31 December 2015</b>		<b>7,102</b>	<b>18,952</b>	<b>30,002</b>	<b>77,525</b>	<b>652</b>	<b>728</b>	<b>11,168</b>	<b>146,129</b>

## NOTES TO THE FINANCIAL STATEMENTS

### 3. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

#### 3.1 Leasehold land

Included in the carrying amount of leasehold land are lease of land with:

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Unexpired lease period less than 50 years	86	90	-	-
Unexpired lease period more than 50 years	7,102	7,220	7,102	7,220
	<b>7,188</b>	7,310	<b>7,102</b>	7,220

### 4. INTANGIBLE ASSETS

Group	Note	Goodwill RM'000	Computer software RM'000	Total RM'000
<b>Cost</b>				
<b>At 1 January 2014</b>		5,000	18,141	23,141
Acquisition		-	652	652
Acquisition of a subsidiary		2,634	-	2,634
Effect of movements in exchange rates		-	48	48
<b>At 31 December 2014/1 January 2015</b>		<b>7,634</b>	<b>18,841</b>	<b>26,475</b>
Acquisition		-	1,294	1,294
Written off		-	(24)	(24)
Transfer		-	586	586
Disposal of a subsidiary		(5,000)	(536)	(5,536)
Effect of movements in exchange rates		-	292	292
<b>At 31 December 2015</b>		<b>2,634</b>	<b>20,453</b>	<b>23,087</b>
<b>Amortisation</b>				
<b>At 1 January 2014</b>		-	13,832	13,832
Amortisation for the year	14	-	2,609	2,609
Effect of movements in exchange rates		-	25	25
<b>At 31 December 2014/1 January 2015</b>		<b>-</b>	<b>16,466</b>	<b>16,466</b>
Amortisation for the year	14	-	1,795	1,795
Disposal of a subsidiary		-	(529)	(529)
Effect of movements in exchange rates		-	141	141
<b>At 31 December 2015</b>		<b>-</b>	<b>17,873</b>	<b>17,873</b>
<b>Carrying amounts</b>				
<b>At 1 January 2014</b>		5,000	4,309	9,309
<b>At 31 December 2014/1 January 2015</b>		<b>7,634</b>	<b>2,375</b>	<b>10,009</b>
<b>At 31 December 2015</b>		<b>2,634</b>	<b>2,580</b>	<b>5,214</b>

**4. INTANGIBLE ASSETS (CONTINUED)**

Company	Note	Computer software RM'000
<b>Cost</b>		
At 1 January 2014		9,879
Additions		147
<b>At 31 December 2014/1 January 2015</b>		<b>10,026</b>
Additions		514
Transfer		586
<b>At 31 December 2015</b>		<b>11,126</b>
<b>Amortisation</b>		
At 1 January 2014		8,369
Amortisation for the year	14	663
<b>At 31 December 2014/1 January 2015</b>		<b>9,032</b>
Amortisation for the year	14	877
<b>At 31 December 2015</b>		<b>9,909</b>
<b>Carrying amounts</b>		
At 1 January 2014		1,510
<b>At 31 December 2014/1 January 2015</b>		<b>994</b>
<b>At 31 December 2015</b>		<b>1,217</b>

**4.1 Impairment testing for cash-generating units containing goodwill**

For the purpose of impairment testing, goodwill is allocated to the Group's operating geographical divisions which represent the lowest level within the Group at which the goodwill is monitored for internal management purposes.

	Group	
	2015 RM'000	2014 RM'000
<b>Subsidiary</b>		
Luen Heng F&B Sdn. Bhd.	-	5,000
MayBev Pte. Ltd.	2,634	2,634
	<b>2,634</b>	7,634

## NOTES TO THE FINANCIAL STATEMENTS

### 4. INTANGIBLE ASSETS (CONTINUED)

The recoverable amount of the cash-generating units (“CGU”) - MayBev Pte. Ltd. was based on its value-in-use calculations. The recoverable amount for the CGU was higher than the aggregate carrying amount of the identifiable net assets and goodwill allocated and hence, no impairment loss was recognised during the year.

Value-in-use of the CGU was determined by discounting the future cash flows forecasted to be generated from the continuing use of the CGU. The key assumptions used for the CGU are as follows:

- Projected EBITDA are expected to approximate the annual net cash flow.
- EBITDA was projected for 5 years and discounted at 9% (2014: 9%).

### 5. INVESTMENTS IN SUBSIDIARIES

	Company	
	2015 RM'000	2014 RM'000
Unquoted shares - at cost	391,572	393,672

The following are the subsidiaries of the Group:

Name of company	Principal activities	Country of incorporation	Effective ownership interest	
			2015 %	2014 %
Carlsberg Marketing Sdn. Bhd.	Marketing and distribution of beer, stout, cider, shandy and non-alcoholic beverages	Malaysia	100	100
Euro Distributors Sdn. Bhd.	Dormant	Malaysia	100	100
Luen Heng F&B Sdn. Bhd.*	Importation, distribution and sale of alcoholic and non-alcoholic beverages	Malaysia	–	70
Carlsberg Singapore Pte. Ltd. #	Importation and marketing of beer and liquor products	Singapore	100	100
MayBev Pte. Ltd. ^	Importation and marketing of beer and liquor products	Singapore	51	51

# Audited by a member firm of KPMG International.

^ Audited by a non-KPMG firm.

\* The subsidiary was disposed of on 3 August 2015.

## 5. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

In conjunction with the investment undertaken in Luen Heng F&B Sdn. Bhd. (“LHFB”) in 2008, the Company entered into a call and put option with LHFB’s corporate shareholder, Luen Heng Agency Sdn. Bhd. (“LHA”), allowing the Company to acquire the remaining interest held by LHA or LHA to sell its interest in LHFB to the Company, at any time after three (3) years of the date of the acquisition. The consideration is to be based on LHFB’s fair value which is to be determined by an international firm of accountants. Both parties have not exercised their rights during the year.

This call and put option is no longer applicable following the disposal of LHFB during the year as disclosed in Note 17.

## 6. INVESTMENT IN AN ASSOCIATE

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Quoted shares, outside Malaysia	25,164	24,759	25,164	24,759
Share of post-acquisition reserves	55,001	33,468	–	–
	80,165	58,227	25,164	24,759
Market value				
Quoted shares, outside Malaysia	378,108	350,822	–	–

Name of company	Principal activities	Country of incorporation	Effective ownership interest	
			2015 %	2014 %
Lion Brewery (Ceylon) PLC	Manufacturing, marketing and distribution of beer, stout, cider, shandy and non-alcoholic beverages	Sri Lanka	25.00	24.97

## NOTES TO THE FINANCIAL STATEMENTS

### 6. INVESTMENT IN AN ASSOCIATE (CONTINUED)

Summary financial information on associate:

	2015 RM'000	2014 RM'000
Revenue (100%)	482,679	357,963
Profit after taxation (100%)	64,635	44,680
Total assets (100%)	818,933	561,445
Total liabilities (100%)	598,928	427,412

In conjunction with the investment undertaken in Lion Brewery (Ceylon) PLC, the Company had written a call option with the principal licensor, Carlsberg A/S, its ultimate holding company incorporated in Denmark, allowing Carlsberg A/S to acquire the Company's interest in the associate, should certain events occur. The purchase consideration is to be based on an agreed formula and in any event to be a minimum of the original purchase price paid by the Company. The Directors of the Company consider the likelihood of occurrence of such events as remote and hence, the option's fair value is insignificant.

### 7. DEFERRED TAX ASSETS/(LIABILITIES)

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

Group	Assets		Liabilities		Net	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Property, plant and equipment	-	-	(16,236)	(19,319)	(16,236)	(19,319)
Others	6,075	5,779	-	-	6,075	5,779
Tax assets/(liabilities)	6,075	5,779	(16,236)	(19,319)	(10,161)	(13,540)
Set off of tax	(2,673)	(3,313)	2,673	3,313	-	-
Net tax assets/(liabilities)	3,402	2,466	(13,563)	(16,006)	(10,161)	(13,540)
<b>Company</b>						
Property, plant and equipment	-	-	(15,102)	(17,238)	(15,102)	(17,238)
Others	1,806	1,623	-	-	1,806	1,623
Tax assets/(liabilities)	1,806	1,623	(15,102)	(17,238)	(13,296)	(15,615)
Set off of tax	(1,806)	(1,623)	1,806	1,623	-	-
Net tax liabilities	-	-	(13,296)	(15,615)	(13,296)	(15,615)

## 7. DEFERRED TAX ASSETS/(LIABILITIES) (CONTINUED)

### Movement in temporary differences during the year

Group	At 1.1.2014 RM'000	Recognised in profit or loss (Note 15) RM'000	At 1.1.2015 RM'000	Recognised in profit or loss (Note 15) RM'000	Disposal of subsidiary (Note 17) RM'000	At 31.12.2015 RM'000
Property, plant and equipment	(19,967)	648	<b>(19,319)</b>	2,875	208	<b>(16,236)</b>
Others	2,927	2,852	<b>5,779</b>	1,287	(991)	<b>6,075</b>
	(17,040)	3,500	<b>(13,540)</b>	4,162	(783)	<b>(10,161)</b>
<b>Company</b>						
Property, plant and equipment	(17,351)	112	<b>(17,239)</b>	2,137	-	<b>(15,102)</b>
Others	991	633	<b>1,624</b>	182	-	<b>1,806</b>
	(16,360)	745	<b>(15,615)</b>	2,319	-	<b>(13,296)</b>

## 8. INVENTORIES

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Finished goods	<b>59,401</b>	49,476	<b>10,623</b>	11,298
Work-in-progress	<b>3,862</b>	4,019	<b>3,862</b>	4,019
Raw, packaging and other materials	<b>11,114</b>	8,713	<b>11,023</b>	8,583
Spare parts for machinery	<b>3,796</b>	4,161	<b>3,661</b>	3,601
	<b>78,173</b>	66,369	<b>29,169</b>	27,501
Recognised in profit or loss:				
Allowance for inventories written down	<b>3,491</b>	779	<b>300</b>	300
Finished goods written off	<b>1,770</b>	-	<b>69</b>	304



## NOTES TO THE FINANCIAL STATEMENTS

### 9. RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Note	Group		Company	
		2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
<b>Current Trade</b>					
Trade receivables	21.4	204,137	199,619	–	–
Allowance for impairment loss	21.4	(3,471)	(4,310)	–	–
		200,666	195,309	–	–
Amount due from related companies	9.1	12,075	2,487	–	–
Amount due from immediate holding company	9.1	228	–	–	–
		212,969	197,796	–	–
<b>Non-trade</b>					
Amount due from subsidiaries	9.1	–	–	55	458
Amount due from immediate holding company	9.1	–	230	–	36
Amount due from related companies	9.1	257	3	256	2
Other receivables		11,756	7,622	2,237	2,171
Deposits		14,658	17,393	12,113	14,833
Prepayments	9.2	45,494	56,724	217	345
		72,165	81,972	14,878	17,845
		285,134	279,768	14,878	17,845

#### 9.1 Amounts due from immediate holding company, subsidiaries and related companies

Amounts due from immediate holding company, subsidiaries and related companies are unsecured, interest free and repayable on demand.

#### 9.2 Prepayments

Prepayments comprise of upfront cash payment to sales outlets which are amortised over the duration of the contracts entered with these outlets.

## 10. CASH AND CASH EQUIVALENTS

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Deposits with licensed banks	1,200	1,991	1,200	1,200
Cash and bank balances	39,768	86,002	18,607	31,865
	<b>40,968</b>	87,993	<b>19,807</b>	33,065

## 11. SHARE CAPITAL AND RESERVES

### Share capital

	Group and Company			
	Amount 2015 RM'000	Number of shares 2015 '000	Amount 2014 RM'000	Number of shares 2014 '000
Authorised:				
Ordinary shares of RM0.50 each	300,000	600,000	300,000	600,000
Issued and fully paid:				
Ordinary shares of RM0.50 each	154,039	308,078	154,039	308,078

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets. In respect of the Company's treasury shares that are held by the Group and the Company (see Note 11.4), all rights are suspended until those shares are reissued.

## NOTES TO THE FINANCIAL STATEMENTS

### 11. SHARE CAPITAL AND RESERVES (CONTINUED)

#### Reserves

	Note	Group		Company	
		2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Non-distributable reserves:					
Share premium		7,367	7,367	7,367	7,367
Other reserves:					
Capital reserve	11.1	3,931	3,931	-	-
Exchange reserve	11.2	19,587	4,379	-	-
Share option reserve	11.3	(451)	760	(662)	578
Treasury shares	11.4	(12,043)	(12,043)	(12,043)	(12,043)
Put option reserve	11.5	-	(10,591)	-	(10,591)
Others		(780)	(780)	-	-
		17,611	(6,977)	(5,338)	(14,689)
Distributable reserves:					
Retained earnings		163,925	165,093	359,371	257,436
		181,536	158,116	354,033	242,747

#### 11.1 Capital reserve

The capital reserve comprises reserve capitalised by a subsidiary for bonus issue of shares in prior years.

#### 11.2 Exchange reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of the Group entities with functional currencies other than RM.

#### 11.3 Share option reserve

The share option reserve comprises the cumulative value of employee services received for the issue of share options granted by the holding company. The grant date fair value of the share options granted to these employees is recognised as an employee expense in profit or loss and a corresponding increase in equity, over the period that the employees become unconditionally entitled to the options. Any recharge by Carlsberg A/S in excess of the initial capital contribution initially recognised in the equity is treated as a capital distribution and would be recorded directly in equity.

#### 11.4 Treasury shares

In 1999 via a resolution passed in a general meeting, the Company repurchased 2,330,000\* of its issued share capital from the open market. The aggregate consideration paid for the repurchased shares was RM12,043,000, representing an average price of RM5.17\* per ordinary share. The shares repurchased are being held as treasury shares in accordance with the provisions of Section 67A of the Companies Act, 1965.

No further shares were repurchased during the financial year ended 31 December 2015 and none of the previously repurchased shares were reissued, distributed as share dividends, resold or cancelled.

\* After adjusting for the share split exercise in 2005.

**11. SHARE CAPITAL AND RESERVES (CONTINUED)**

**11.5 Put option reserve**

As disclosed in Note 5, in 2008, the Company entered into a call and put option with LHFB's corporate shareholder, LHA, allowing the Company to acquire the remaining interest held (30%) by LHA or LHA to sell its interest in LHFB to the Company, at any time after three (3) years of the acquisition. This call and put option is no longer applicable following the disposal of LHFB during the year as disclosed in Note 17.

**12. PAYABLES AND ACCRUALS**

	Note	Group		Company	
		2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
<b>Trade</b>					
Trade payables		149,438	162,759	46,855	39,289
Amount due to immediate holding company	12.1	7,307	16,887	4,598	4,188
Amount due to subsidiary	12.1	-	-	10,222	11,382
Amount due to related companies	12.1	35,343	10,813	12,165	6,394
		192,088	190,459	73,840	61,253
<b>Non-trade</b>					
Other payables		19,415	22,592	3,722	5,351
Accrued expenses		22,553	20,631	12,413	7,870
Amount due to ultimate holding company	12.2	2,509	919	2,509	919
Amount due to subsidiary	12.2	-	-	13,435	111,420
Amount due to related companies	12.2	14,157	155	7,115	155
Put option liability	11.5	-	10,591	-	10,591
		58,634	54,888	39,194	136,306
		250,722	245,347	113,034	197,559

**12.1 Amounts due to immediate holding company, subsidiary and related companies**

Amounts due to immediate holding company, subsidiary and related companies are unsecured, interest free and subjected to credit terms of 90 days.

**12.2 Amounts due to ultimate holding company, subsidiary and related companies**

Amounts due to ultimate holding company, subsidiary and related companies are unsecured, interest free and repayable on demand.

## NOTES TO THE FINANCIAL STATEMENTS

### 13. LOANS AND BORROWINGS

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
<b>Current-unsecured</b>				
Bank overdraft	1,156	2,514	-	-
Revolving credits	30,350	49,698	-	22,056
	<b>31,506</b>	52,212	-	22,056

The short term bank loan and revolving credits of the Group are subjected to interests ranging from 1.49% to 4.11% (2014: 1.00% to 1.80%) per annum.

### 14. OPERATING PROFIT

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
<b>Operating profit is arrived at after charging:</b>				
Allowance for inventories written down	3,491	779	300	300
Amortisation of intangible assets	1,795	2,609	877	663
Auditors' remuneration:				
- Audit services	370	353	68	66
Bad debts written off	-	35	-	-
Depreciation of property, plant and equipment	31,044	23,494	22,444	14,752
Impairment loss on receivables	990	1,883	-	-
Loss on disposal of subsidiary	12,611	-	-	-
Personnel expenses (including key management personnel):				
- Contributions to Employees Provident Fund	9,328	9,435	2,611	2,570
- Contributions to other defined contribution plan	673	631	260	242
- Wages, salaries and others	81,516	80,360	28,167	26,800
Inventories written off	1,770	-	69	304
Property, plant and equipment written off	68	26	-	26
Intangible asset written off	24	-	-	-
Rental of land and buildings	7,497	7,234	2,335	1,204
Realised foreign exchange loss	10,510	-	12,714	20
Unrealised foreign exchange loss	-	2,047	-	562

**14. OPERATING PROFIT (CONTINUED)**

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
<b>and after crediting:</b>				
Bad debts recovered	3,587	4,556	-	-
Dividend income from unquoted subsidiaries	-	-	288,297	126,943
Dividend income from a foreign quoted associate	-	-	2,237	1,719
Gain on disposal of property, plant and equipment	469	1,385	13	371
Gain on disposal of subsidiary	-	-	17,400	-
Interest income	1,199	951	727	454
Realised foreign exchange gain	-	678	-	-
Rental income from subsidiary	-	-	790	840
Unrealised foreign exchange gain	1,951	-	542	-

**15. TAX EXPENSE**
**Recognised in profit or loss**

Major components of tax expense include:

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
<b>Current tax expense</b>				
Malaysian				
- current year	47,605	52,865	7,301	10,088
- under/(over) provision in prior year	2,173	(2,148)	(310)	(683)
Overseas				
- current year	17,911	10,113	-	-
- (over)/under provision in prior year	(133)	1	-	-
	<b>67,556</b>	<b>60,831</b>	<b>6,991</b>	<b>9,405</b>
<b>Deferred tax expense</b>				
Origination and reversal of temporary differences	(4,625)	(3,418)	(2,832)	(1,483)
Under/(Over) provision in prior year	463	(82)	513	738
Total deferred tax	<b>(4,162)</b>	<b>(3,500)</b>	<b>(2,319)</b>	<b>(745)</b>
Total tax expense	<b>63,394</b>	<b>57,331</b>	<b>4,672</b>	<b>8,660</b>

## NOTES TO THE FINANCIAL STATEMENTS

### 15. TAX EXPENSE (CONTINUED)

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
<b>Reconciliation of tax expense</b>				
Profit before tax	283,632	274,252	323,688	157,748
Share of profit of equity accounted associate, net of tax	(16,139)	(10,991)	-	-
Profit before tax excluding share of profit after tax of equity accounted associate	267,493	263,261	323,688	157,748
Tax at Malaysian tax rate of 25% (2014: 25%)	66,873	65,815	80,922	39,437
Effect of tax in foreign jurisdiction	(8,456)	(5,102)	-	-
Non taxable income	(950)	(543)	(77,165)	(32,279)
Non-deductible expenses	6,055	2,240	1,267	1,448
Double deduction on permitted expenses	(2,944)	(2,525)	-	-
Other items	726	(760)	-	-
Effect in changes in tax rate*	(413)	-	(555)	-
Current year losses for which no deferred tax asset was recognised	-	435	-	-
Under/(Over) provision in prior year	60,891 2,503	59,560 (2,229)	4,469 203	8,606 54
Tax expense	63,394	57,331	4,672	8,660

\* Effective from Year of Assessment 2016 onwards, the applicable tax rate will be reduced by 1% from 25% to 24%.

## 16. KEY MANAGEMENT PERSONNEL COMPENSATION

The key management personnel compensation are as follows:

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Directors:				
- Fees	168	158	168	158
- Remuneration	1,673	1,563	1,673	1,563
- Other short term employee benefits (including estimated monetary value of benefits-in-kind)	1,201	1,091	1,201	1,091
	3,042	2,812	3,042	2,812
- Post-employment benefits	116	116	116	116
- Share-based payments	159	582	159	582
	3,317	3,510	3,317	3,510
Other key management personnel:				
- Short term employee benefits	10,224	9,716	2,555	2,369
- Post-employment benefits	433	255	71	71
- Share-based payments	154	238	90	150
	10,811	10,209	2,716	2,590
	14,128	13,719	6,033	6,100

Other key management personnel comprises persons other than the Directors of Group entities, having authority and responsibility for planning, directing and controlling the activities of the entity either directly or indirectly.

## 17. DISPOSAL OF SUBSIDIARY

On 15 May 2015, the Group announced the sale of its 70% shareholding in its subsidiary Luen Heng F&B Sdn. Bhd. ("LHFB") to Capriwood Sdn. Bhd. for a total consideration of RM19.5 million. The disposal of investment in LHFB was completed on 3 August 2015. At 31 December 2015, the assets and liabilities of the disposal group are as follows:



## NOTES TO THE FINANCIAL STATEMENTS

### 17. DISPOSAL OF SUBSIDIARY (CONTINUED)

#### Effect of disposal on financial position of the Group

	RM'000
Property, plant & equipment	1,572
Other intangible asset	5,007
Deferred tax assets	783
Inventories	22,105
Receivables, deposits and prepayments	38,439
Current tax assets	217
Cash & cash equivalents	18,792
Payables and accruals	(34,042)
Loan and borrowings	(7,000)
<b>Net assets and liabilities</b>	<b>45,873</b>
Less: Non-controlling interests	(13,762)
	32,111
Loss on disposal of subsidiary	(12,611)
	19,500
Consideration received, satisfied in cash	19,500
Cash & cash equivalents disposed of	(18,792)
<b>Net cash inflow</b>	<b>708</b>

### 18. EARNINGS PER ORDINARY SHARE

#### Basic earnings per ordinary share

The calculation of basic earnings per ordinary share at 31 December 2015 was based on the profit attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding calculated as follows:

Profit attributable to ordinary shareholders

	Group	
	2015 RM'000	2014 RM'000
Profit for the year attributable to shareholders	215,913	211,582

**18. EARNINGS PER ORDINARY SHARE (CONTINUED)**

Basic earnings per ordinary share (continued)  
Weighted average number of ordinary shares

	Group	
	2015 '000	2014 '000
Issued ordinary shares as at 1 January/31 December	308,078	308,078
Effect of treasury shares held	(2,330)	(2,330)
	305,748	305,748
Basic earnings per ordinary share (sen)	70.62	69.20

**19. DIVIDENDS**

Dividends recognised in the current year by the Company are:

	Sen per share	Total amount RM'000	Date of payment
<b>2015</b>			
First interim 2015 ordinary – single tier	5.0	15,287	9 October 2015
Final & special 2014 ordinary – single tier	66.0	201,794	20 May 2015
Total amount		217,081	
<b>2014</b>			
First interim 2014 ordinary – single tier	5.0	15,287	10 October 2014
Final & special 2013 ordinary – single tier	56.0	171,219	20 May 2014
Total amount		186,506	

After the reporting period, the following dividend was proposed by the Directors. This dividend will be recognised in subsequent financial report upon approval by the shareholders.

	Sen per RM0.50 share	Total amount RM'000
<b>2015</b>		
Final and special ordinary – single tier	67.0	204,851

## NOTES TO THE FINANCIAL STATEMENTS

### 20. OPERATING SEGMENTS

The Group has three reportable segments, which are the Group's geographical segments. The strategic business units offer similar products but are managed separately because they require different marketing strategies due to the geographical locations. For each of the strategic business unit, the Group's Managing Director (the chief operating decision maker) reviews internal management reports at least on a quarterly basis.

The following summary describes the operations in each of the Group's reportable segments:

- **Malaysia** Includes manufacturing, marketing and distribution of both alcoholic and non-alcoholic beverages by entities in Malaysia.
- **Singapore** Includes marketing and distribution of both alcoholic and non-alcoholic beverages by an entity in Singapore.
- **Others** Includes marketing and distribution of both alcoholic and non-alcoholic beverages in geographical locations other than Malaysia and Singapore.

Performance is measured based on segment profit, as included in the internal management reports that are reviewed by the Group's Managing Director. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of the segments relative to other entities that operate within these industries.

#### Segment assets, liabilities and capital expenditures

Segment assets, liabilities and capital expenditures information is neither included in the internal management reports nor provided regularly to the Group's Managing Director. Hence no disclosure is made.

	Malaysia RM'000	Singapore RM'000	Others RM'000	Total RM'000
<b>2015</b>				
Segment profit	165,352	107,548	–	272,900
<i>Included in the measure of segment profit are:</i>				
Revenue from external customers	1,114,542	545,403	–	1,659,945
Inter-segment revenue	70,696	–	–	70,696
Depreciation and amortisation	30,549	2,290	–	32,839
<i>Not included in the measure of segment profit but provided to Managing Director:</i>				
Finance costs	(5,780)	(1,054)	–	(6,834)
Interest income	1,199	–	–	1,199
Income tax expense	(45,330)	(18,064)	–	(63,394)
Share of profit of equity accounted associate, net of tax	–	–	16,139	16,139

**20. OPERATING SEGMENTS (CONTINUED)**

**Segment assets, liabilities and capital expenditures (continued)**

	Malaysia RM'000	Singapore RM'000	Others RM'000	Total RM'000
<b>2014</b>				
Segment profit	203,855	64,092	–	267,947
<i>Included in the measure of segment profit are:</i>				
Revenue from external customers	1,221,229	413,867	–	1,635,096
Inter-segment revenue	54,956	–	–	54,956
Depreciation and amortisation	24,319	1,784	–	26,103
<i>Not included in the measure of segment profit but provided to Managing Director:</i>				
Finance costs	(4,887)	(314)	–	(5,201)
Interest income	951	–	–	951
Income tax expense	(47,311)	(10,020)	–	(57,331)
Share of profit of equity accounted associate, net of tax	–	–	10,991	10,991

**Reconciliations of segment profit or loss**

	2015 RM'000	2014 RM'000
<b>Profit</b>		
Total segment profit	<b>272,900</b>	267,947
Inter-segment elimination	<b>228</b>	(436)
Finance costs	<b>(6,834)</b>	(5,201)
Interest income	<b>1,199</b>	951
Share of profit of equity accounted associate, net of tax	<b>16,139</b>	10,991
Consolidated profit before tax	<b>283,632</b>	274,252

## NOTES TO THE FINANCIAL STATEMENTS

### 20. OPERATING SEGMENTS (CONTINUED)

#### Geographical segments

In presenting information on the basis of geographical segments, segment revenue is based on geographical location of customers. Segment assets are based on the geographical location of the assets. The amounts of non-current assets do not include financial instruments (including investments in associates) and deferred tax assets.

Geographical location	Revenue		Non-current assets	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Malaysia	1,064,395	1,207,717	162,103	158,495
Singapore	545,403	413,867	5,354	5,857
Other countries	50,147	13,512	–	–
	1,659,945	1,635,096	167,457	164,352

#### Major customers

The Group does not transact with a single external customer amounting to 10% or more than the Group's total revenue.

### 21. FINANCIAL INSTRUMENTS

#### 21.1 Categories of financial instruments

The table below provides an analysis of financial instruments categorised as follows:

- (a) Loans and receivables ("L&R"); and
- (b) Other financial liabilities measured at amortised cost ("OL").

2015	Carrying amount RM'000	L&R/ (OL) RM'000
<b>Group</b>		
<b>Financial assets</b>		
Receivables and deposits	239,640	239,640
Cash and cash equivalents	40,968	40,968
	280,608	280,608
<b>Financial liabilities</b>		
Loans and borrowings	(31,506)	(31,506)
Payables and accruals	(250,722)	(250,722)
	(282,228)	(282,228)

## 21. FINANCIAL INSTRUMENTS (CONTINUED)

### 21.1 Categories of financial instruments (continued)

2015	Carrying amount RM'000	L&R/ (OL) RM'000
<b>Company</b>		
<b>Financial assets</b>		
Receivables and deposits	14,661	14,661
Cash and cash equivalents	19,807	19,807
	<b>34,468</b>	<b>34,468</b>
<b>Financial liabilities</b>		
Payables and accruals	(113,034)	(113,034)
<b>2014</b>		
<b>Group</b>		
<b>Financial assets</b>		
Receivables and deposits	223,044	223,044
Cash and cash equivalents	87,993	87,993
	<b>311,037</b>	<b>311,037</b>
<b>Financial liabilities</b>		
Loans and borrowings	(52,212)	(52,212)
Payables and accruals	(245,347)	(245,347)
	<b>(297,559)</b>	<b>(297,559)</b>
<b>Company</b>		
<b>Financial assets</b>		
Receivables and deposits	17,500	17,500
Cash and cash equivalents	33,065	33,065
	<b>50,565</b>	<b>50,565</b>
<b>Financial liabilities</b>		
Payables and accruals	(197,559)	(197,559)

## NOTES TO THE FINANCIAL STATEMENTS

### 21. FINANCIAL INSTRUMENTS (CONTINUED)

#### 21.2 Net gains and losses arising from financial instruments

Net gains/(losses) arising from financial instruments comprises interest income/(expense), unrealised foreign exchange gains/(losses) and impairment losses.

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Loans and receivables	6,221	1,443	1,317	(64)
Financial liabilities measured at amortised cost	(7,307)	(5,102)	(1,754)	(1,306)

#### 21.3 Financial risk management

The Group and the Company have exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

#### 21.4 Credit risk

Credit risk is the risk of a financial loss to the Group and the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises principally from its receivables from customers, placements and cash maintained with financial institutions. The Company's exposure to credit risk arises principally from loans, trade advances to subsidiaries, placements and cash maintained with financial institutions.

##### Receivables

*Risk management objectives, policies and processes for managing the risk*

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are required to be performed on new customers requiring credit. The Group normally requires collateral from its customers.

*Exposure to credit risk, credit quality and collateral*

As at the end of the reporting period, the maximum exposure to credit risk arising from receivables is represented by the carrying amounts in the statement of financial position.

Management has taken reasonable steps to ensure that receivables that are neither past due nor impaired are measured at their realisable values. A significant portion of these receivables are regular customers that have been transacting with the Group. The Group uses ageing analysis to monitor the credit quality of the receivables. Any receivables having significant balances past due more than 90 days, which are deemed to have higher credit risk, are monitored individually.

## 21. FINANCIAL INSTRUMENTS (CONTINUED)

### 21.4 Credit risk (continued)

#### Receivables (continued)

The exposure of credit risk for trade receivables, net of impairment loss, as at the end of the reporting period by geographic region was:

	2015 RM'000	2014 RM'000
Malaysia	93,551	137,588
Singapore	107,115	57,721
	<b>200,666</b>	195,309

#### Impairment losses

The ageing of trade receivables as at the end of the reporting period was:

Group 2015	Gross RM'000	Individual impairment RM'000	Net RM'000
Not past due	143,390	–	143,390
Past due 1 - 30 days	38,941	–	38,941
Past due 31 - 60 days	11,834	–	11,834
Past due 61 - 90 days	4,225	–	4,225
Past due more than 90 days	5,747	(3,471)	2,276
	<b>204,137</b>	<b>(3,471)</b>	<b>200,666</b>

Group 2014	Gross RM'000	Individual impairment RM'000	Net RM'000
Not past due	161,526	–	161,526
Past due 1 - 30 days	24,322	–	24,322
Past due 31 - 60 days	5,003	–	5,003
Past due 61 - 90 days	2,501	–	2,501
Past due more than 90 days	6,267	(4,310)	1,957
	<b>199,619</b>	<b>(4,310)</b>	<b>195,309</b>



## NOTES TO THE FINANCIAL STATEMENTS

### 21. FINANCIAL INSTRUMENTS (CONTINUED)

#### 21.4 Credit risk (continued)

##### Receivables (continued)

The movements in the allowance for impairment losses of trade receivables during the financial year were:

	2015 RM'000	2014 RM'000
At 1 January	(4,310)	(4,833)
Impairment loss recognised	(990)	(1,883)
Impairment loss reversed	392	2,195
Impairment loss written off	41	211
Disposal of subsidiary	1,396	-
At 31 December	(3,471)	(4,310)

The allowance account in respect of trade receivables is used to record impairment losses. Unless the Group is satisfied that recovery of the amount is possible, the amount considered irrecoverable is written off against the receivable directly.

##### Intercompany balances

*Risk management objectives, policies and processes for managing the risk*

The Company provides advances to subsidiaries and related companies. The Company monitors the results of the subsidiaries regularly.

*Exposure to credit risk and credit quality*

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

*Impairment losses*

As at the end of the reporting period, there was no indication that the advances to the subsidiaries and related companies are not recoverable. The advances to subsidiaries and related companies have been outstanding for less than a year.

## 21. FINANCIAL INSTRUMENTS (CONTINUED)

### 21.4 Credit risk (continued)

#### Cash and cash equivalents

*Risk management objectives, policies and processes for managing the risk*

The Group's and the Company's short term deposits are placed as fixed rate investments and daily short term deposits and upon which management endeavours to obtain the best rate available in the market.

Cash and cash equivalents are placed only with licensed financial institutions.

*Exposure to credit risk and credit quality*

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

*Impairment losses*

As at the end of the reporting period, there was no indication that cash and cash equivalents were not recoverable.

### 21.5 Liquidity risk

Liquidity risk is the risk that the Group and the Company will not be able to meet its financial obligations as they fall due. The Group's and the Company's exposure to liquidity risk arises principally from its various payables, loans and borrowings.

The Group and the Company maintain a level of cash and cash equivalents and bank facilities deemed adequate by the management to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they fall due.

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

*Maturity analysis*

	Carrying amount RM'000	Contractual interest rate %	Contractual cash flows RM'000	Under 1 year RM'000
<b>Group 2015</b>				
Payables and accruals	250,722	–	250,722	250,722
Loans and borrowings	31,506	1.49 - 4.11	31,543	31,543
	<b>282,228</b>		<b>282,265</b>	<b>282,265</b>

## NOTES TO THE FINANCIAL STATEMENTS

### 21. FINANCIAL INSTRUMENTS (CONTINUED)

#### 21.5 Liquidity risk (continued)

	Carrying amount RM'000	Contractual interest rate %	Contractual cash flows RM'000	Under 1 year RM'000
<b>Group</b>				
<b>2014</b>				
Payables and accruals *	234,756	–	234,756	234,756
Loans and borrowings	52,212	1.00 - 1.80	52,254	52,254
	286,968		287,010	287,010
<b>Company</b>				
<b>31 December 2015</b>				
Payables and accruals	113,034	–	113,034	113,034
<b>31 December 2014</b>				
Payables and accruals *	186,968	–	186,968	186,968

\* excluding put option reserve

#### 21.6 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates that will affect the Group's and the Company's financial position or cash flows.

##### 21.6.1 Currency risk

The Group and the Company are exposed to foreign currency risk on sales and purchases that are denominated in a currency other than the respective functional currencies of Group entities. The currencies giving rise to this risk are primarily U.S. Dollar ("USD"), Singapore Dollar ("SGD"), Euro ("EUR") and Danish Krone ("DKK").

##### *Risk management objectives, policies and processes for managing the risk*

The Group and the Company did not hedge any foreign trade receivables and trade payables denominated in foreign currency during the year. In respect of other monetary assets and liabilities held in currencies other than RM and SGD, the Group ensures that the net exposure is kept to an acceptable level.



## NOTES TO THE FINANCIAL STATEMENTS

### 21. FINANCIAL INSTRUMENTS (CONTINUED)

#### 21.6 Market risk (continued)

##### 21.6.1 Currency risk (continued)

*Exposure to foreign currency risk (continued)*

	<i>Denominated in</i>			
	USD RM'000	SGD RM'000	EUR RM'000	DKK RM'000
<b>Company</b>				
<b>2014</b>				
Cash and cash equivalents	116	1	-	-
Trade payables	(2,826)	-	(25)	-
Intercompany balances	(5,434)	-	(1,395)	(1,084)
Loans and borrowings	-	(22,056)	-	-
<b>Net exposure</b>	<b>(8,144)</b>	<b>(22,055)</b>	<b>(1,420)</b>	<b>(1,084)</b>

##### *Currency risk sensitivity analysis*

Foreign currency risk arises primarily for transactions denominated in USD, SGD, EUR and DKK. The exposure to currency risk for transaction other than USD, SGD, EUR and DKK is not material and hence, sensitivity analysis is not presented.

A 10% (2014: 10%) strengthening of the Ringgit Malaysia against the following currencies at the end of the reporting period would have increased/(decreased) pre-tax profit or loss by the amount shown below. This analysis is based on foreign currency exchange rate variances that the Company considered to be reasonably possible at the end of the reporting period. This analysis assumes that all other variables, in particular interest rates, remained constant and ignores any impact of forecasted sales and purchases.

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
USD	(922)	1,503	1,165	814
SGD	(6,825)	(974)	1,613	2,206
EUR	505	462	(272)	142
DKK	386	1,235	378	108
	<b>(6,856)</b>	2,226	<b>2,884</b>	3,270

A 10% weakening of the Ringgit Malaysia against the above currencies at the end of the reporting period would have had equal but opposite effect to the amounts shown above, on the basis that all other variables remained constant.

## 21. FINANCIAL INSTRUMENTS (CONTINUED)

### 21.6 Market risk (continued)

#### 21.6.2 Interest rate risk

The Group's and the Company's borrowings are not exposed to a risk of change in their fair values due to changes in interest rates. The Group's and the Company's borrowings are exposed to a risk of change in cash flows due to changes in interest rate. Receivables and payables are not significantly exposed to interest rate risk.

*Risk management objectives, policies and processes for managing the risk*

The Group's and the Company's borrowings are short term in nature. As such, the Group and the Company do not engage in any hedging activities to manage interest rate fluctuations.

*Exposure to interest rate risk*

The interest rate profile of the Group's and the Company's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period were:

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
<b>Fixed rate instruments</b>				
Deposits with licensed banks	1,200	1,991	1,200	1,200
<b>Floating rate instruments</b>				
Bank overdraft	(1,156)	(2,514)	–	–
Revolving credits	(30,350)	(49,698)	–	(22,056)

*Interest rate risk sensitivity analysis*

The Group and the Company do not account for any fixed rate financial assets and liabilities at fair value. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

The exposure to interest rate risk arising from floating rate instruments is not material, and hence, sensitivity analysis is not presented.

#### 21.7 Fair value of financial instruments

The carrying amounts of cash and cash equivalents, short term receivables and payables and short term borrowings approximate their fair values due to the relatively short term nature of these financial instruments.

The fair value of the loan to subsidiary of the Company approximates its carrying value.

## NOTES TO THE FINANCIAL STATEMENTS

### 22. CAPITAL MANAGEMENT

The Group's objectives when managing capital is to maintain a strong capital base and safeguard the Group's ability to continue as a going concern, so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Directors monitor and determine to maintain an optimal debt-to-equity ratio that complies with regulatory requirements.

### 23. OPERATING LEASES

#### Leases as lessee

Non-cancellable operating lease rentals are payable as follows:

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Less than one year	3,084	4,249	402	376
Between one and five years	912	4,757	31	64
	<b>3,996</b>	9,006	<b>433</b>	440

The Group and the Company lease a number of sales offices under operating leases. The leases typically run for a period of two (2) years, with an option to renew the lease after the date of expiration. None of the leases includes contingent rentals.

### 24. CAPITAL COMMITMENTS

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
<b>Capital expenditure commitments</b>				
<b>Plant and equipment</b>				
Authorised and contracted for	1,542	560	1,542	280

## 25. CONTINGENT LIABILITIES

On 23 September 2015, the Board of Directors of the Company had announced to the Bursa Malaysia that the Company had on 19 September 2014 received two bills of demand both dated 17 September 2014 from the Selangor State Director of Royal Malaysian Customs ("State Customs") for the following:

- (i) Excise duty amounting to RM35,698,219.81 for period 1 July 2011 to 14 January 2014;
- (ii) Sales tax amounting to RM13,763,381.02 and penalty amounting to RM6,881,690.56 for period of 1 July 2011 to 14 January 2014.

The Company has not agreed to the demands made by the State Customs. Based on legal advice sought, there are reasonable grounds to object the basis of the bills of demand issued by the State Customs. At this stage, the Directors believe that it is not probable that a future sacrifice of economic benefits will be required.

## 26. RELATED PARTIES

### Identity of related parties

For the purposes of these financial statements, parties are considered to be related to the Group if the Group or the Company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

The Group has related party relationship with the holding company and its related corporations, its subsidiaries (see Note 5), an associate (see Note 6), Directors and key management personnel.

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel includes all the Directors of the Group, and certain members of senior management of the Group.

Details of the related party transactions (other than key management personnel remuneration disclosed in Note 16 to the financial statements) with the Group are as follows:



## NOTES TO THE FINANCIAL STATEMENTS

### 26. RELATED PARTIES (CONTINUED)

	Transaction value for year ended 31 December			
	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
<b>Immediate holding company</b>				
Management fees payable	-	4,399	-	3,272
Purchases of materials and products	1,091	3,048	386	546
Reimbursement of expenses	5,040	9,401	5,480	7,919
Royalties payable	28,429	31,562	5,105	5,793
<b>Related companies</b>				
Management fees payable	4,539	-	3,370	-
Purchases of materials and products	73,197	37,597	27,208	26,955
Purchases of services	4,698	555	3,227	555
Sale of goods and services	49,496	9,585	-	-
Rental of premises	-	752	-	-
Others	2,721	132	-	-
<b>Companies deemed related to certain directors of a subsidiary</b>				
Sale of goods and services	1,881	5,039	-	-
Purchases of materials and products	183	464	-	-
Rental of premises	49	80	-	-

	Transaction value for year ended 31 December	
	Company	
	2015 RM'000	2014 RM'000
<b>Subsidiaries</b>		
Sale of goods and services	734,355	755,514
Management fee received	11,500	11,500
Rental income	790	840
Dividend income	288,297	126,943
Interest received	-	3

The terms and conditions for the above transactions are based on negotiated terms. All the amounts outstanding are unsecured and expected to be settled with cash.

Outstanding balances are disclosed accordingly in Notes 9 and 12.

## 27. SUPPLEMENTARY FINANCIAL INFORMATION ON THE BREAKDOWN OF REALISED AND UNREALISED PROFITS OR LOSSES

The breakdown of the retained earnings of the Group and of the Company as at 31 December 2015, into realised and unrealised profits pursuant to Paragraphs 2.06 and 2.23 of Bursa Malaysia Main Market Listing Requirements, are as follows:

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Total retained earnings of the Company and its subsidiaries:				
- realised	505,967	528,534	374,625	272,321
- unrealised	(10,603)	(14,296)	(15,254)	(14,885)
	495,364	514,238	359,371	257,436
Total share of retained earnings of associate:				
- realised	59,216	37,213	-	-
- unrealised	(17,781)	(8,568)	-	-
	536,799	542,883	359,371	257,436
Less: Consolidation adjustments	(372,874)	(377,790)	-	-
Total retained earnings	163,925	165,093	359,371	257,436

The determination of realised and unrealised profits is based on the Guidance of Special Matter No.1, *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements*, issued by the Malaysian Institute of Accountants on 20 December 2010.

# STATEMENT BY DIRECTORS

## PURSUANT TO SECTION 169(15) OF THE COMPANIES ACT, 1965

In the opinion of the Directors, the financial statements set out on pages 76 to 132 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 December 2015 and of their financial performance and cash flows for the financial year then ended.

In the opinion of the Directors, the information set out in Note 27 on page 133 to the financial statements has been compiled in accordance with the Guidance on Special Matter No.1, *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements*, issued by the Malaysian Institute of Accountants, and presented based on the format prescribed by Bursa Malaysia Securities Berhad.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors:

.....  
**Henrik Juel Andersen**  
 Managing Director

.....  
**Chew Hoy Ping**  
 Director

Shah Alam  
 16 March 2016

# STATUTORY DECLARATION

## PURSUANT TO SECTION 169(16) OF THE COMPANIES ACT, 1965

I, **Lew Yoong Fah**, the officer primarily responsible for the financial management of Carlsberg Brewery Malaysia Berhad, do solemnly and sincerely declare that the financial statements set out on pages 76 to 133 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the above named in Kuala Lumpur on 16 March 2016.

.....  
**Lew Yoong Fah**

Before me:  
**Selvaraj A/L Doraisamy**  
 (No. W320)  
 Commissioner of Oaths

Kuala Lumpur  
 16 March 2016

# INDEPENDENT AUDITORS' REPORT

## TO THE MEMBERS OF CARLSBERG BREWERY MALAYSIA BERHAD

(COMPANY NO. 9210-K)  
(INCORPORATED IN MALAYSIA)

### REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Carlsberg Brewery Malaysia Berhad, which comprise the statements of financial position as at 31 December 2015 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, changes in equity and cash flows of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 76 to 132.

#### *Directors' Responsibility for the Financial Statements*

The Directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

#### *Auditors' Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### *Opinion*

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Company as of 31 December 2015 and of their financial performance and cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

### REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report the following:

- (a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.
- (b) We have considered the accounts and the auditors' report of the subsidiary of which we have not acted as auditors, which is indicated in Note 5 to the financial statements.
- (c) We are satisfied that the accounts of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.
- (d) The audit reports on the accounts of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

**INDEPENDENT AUDITORS' REPORT**  
**TO THE MEMBERS OF CARLSBERG BREWERY MALAYSIA BERHAD**  
**(COMPANY NO. 9210-K)**  
**(INCORPORATED IN MALAYSIA)**

**OTHER REPORTING RESPONSIBILITIES**

Our audit was made for the purpose of forming an opinion on the financial statements taken as a whole. The information set out in Note 27 on page 133 to the financial statements has been compiled by the Company as required by the Bursa Malaysia Securities Berhad Listing Requirements and is not required by the Malaysian Financial Reporting Standards or International Financial Reporting Standards. We have extended our audit procedures to report on the process of compilation of such information. In our opinion, the information has been properly compiled, in all material respects, in accordance with the Guidance of Special Matter No.1, *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements*, issued by the Malaysian Institute of Accountants and presented based on the format prescribed by Bursa Malaysia Securities Berhad.

**OTHER MATTERS**

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

.....  
**KPMG**

Firm Number: AF 0758  
Chartered Accountants

Petaling Jaya, Selangor  
16 March 2016

.....  
**Adrian Lee Lye Wang**

Approval Number: 2679/11/17(J)  
Chartered Accountant

# CARLSBERG MALAYSIA'S SALES OFFICES

**Alor Setar**

c/o Chuan Leong Trading (Kedah) S/B  
No. 59, Jalan Utara 4,  
Kawasan Perusahaan Mergong Barrage,  
Jalan Lencong Barat,  
05050 Alor Setar, Kedah.  
Tel : 04-734 8702  
Fax : 04-734 3712

**Butterworth**

No. 6, Lengkok Kikik 1,  
Taman Inderawasih,  
13600 Prai, Butterworth.  
Tel : 04-390 3077 / 390 5231  
Fax : 04-399 1488

**Ipoh**

c/o Core Synergy Trading Sdn. Bhd.  
Lot 3898, Off Jalan Lahat,  
31500 Lahat, Perak.  
Tel : 05-321 9204 / 321 9344  
Fax : 05-321 1571

**Kota Bharu**

c/o Chop Kang Hai,  
Lot 300&301, Seksyen 1,  
Jalan Tok Kong Mek 2, Off Jalan PCB,  
15350 Kota Bharu, Kelantan.  
Tel : 09-747 2299  
Fax : 09-747 2299

**Kuantan**

No. 25, Jalan IM14/3,  
Kawasan Perindustrian Ringan,  
Indera Mahkota,  
25200 Kuantan, Pahang.  
Tel : 09-573 0135 / 573 0136  
Fax : 09-573 0136

**Shah Alam**

Lot 22, Jalan Pengapit 15/19,  
Seksyen 15,  
40200 Shah Alam, Selangor.  
Tel : 03-5522 6688  
Fax : 03-5510 1135

**Seremban**

No. 394, Taman AST,  
Jalan Labu,  
70200 Seremban, Negeri Sembilan.  
Tel : 06-762 0319 / 762 9102  
Fax : 06-764 3895

**Malacca**

No. 23 - 23A, Jalan Malinja 1,  
Taman Malinja, Bukit Baru,  
75150 Malacca.  
Tel : 06-282 7709 / 284 1530  
Fax : 06-282 7930

**Johor Bahru**

No. 41, 41-01 & 41-02,  
Jalan Austin Perdana 2/22,  
Taman Mount Austin,  
81100 Johor Bahru, Johor.  
Tel : 07-355 5078  
Fax : 07-354 6092

**Batu Pahat**

No. 38, Jalan Tukas 2,  
Taman Soga,  
83000 Batu Pahat, Johor.  
Tel : 07-433 2463  
Fax : 07-433 2464

**Kota Kinabalu**

No. 34 Towering Industrial Estate,  
Mile 4 1/2, Jalan Penampang,  
P.O.Box 13435,  
88838 Kota Kinabalu, Sabah.  
Tel : 088-715 091 / 715 019  
Fax : 088-717 480

**Tawau**

c/o DHN (KK) Sdn. Bhd.  
No. 1906 Jalan Damai,  
P.O. Box No. 527  
91008 Tawau, Sabah.  
Tel : 089-761 043  
Fax : 089-761 049

**Sandakan**

c/o Bondestiny Sdn. Bhd.  
Lot D-2, CL 075410454, Batu 8.5,  
Jalan Kampung Melayu,  
90007 Sandakan, Sabah.  
Tel : 089-673 836  
Fax : 089-673 837

**Kuching**

No. 287, Section 9, KTLD,  
Ground & 1<sup>st</sup> Floor,  
Rubber Road,  
93400, Kuching, Sarawak.  
Tel : 082-425 319 / 425 320  
Fax : 082-421 660

**Miri**

Lot 1415, Ground Floor & 1<sup>st</sup> Floor,  
Lorong 5, Jalan Krokop, P.O. Box 1301,  
98009 Miri, Sarawak.  
Tel : 085-417 821 / 427 821  
Fax : 085-437 821

**Sibu**

c/o Ee Chung Han Co. Sdn. Bhd.  
Lot 1248-1249 Lorong Sukun 18,  
Off Jalan Teng Kung Suk,  
Upper Lanang,  
96007 Sibu, Sarawak.  
Tel : 084-213 389 / 213 398  
Fax : 084-213 323

**Bintulu**

c/o Yew Lik Marketing Company  
Lot 1957, Swee Joo Jetty,  
Kampung Baru, P.O.Box 269,  
97000 Bintulu, Sarawak.  
Tel : 086-331 136  
Fax : 086-338 923

# PARTICULARS OF GROUP PROPERTIES

The Properties included in land and buildings as at 31 December 2015 (Note 3 to the Financial Statements) and their net book value are indicated below :-

Address	Description	Area (Acres)	Existing Use	Land Tenure	Approx. Age of Building (Years)	Net Book Value RM'000	Date of Acquisition or Revaluation
No. 55, Persiaran Selangor, Section 15, 40200 Shah Alam, Selangor Darul Ehsan.	Land and Building	20.00	Brewery and Offices	Leasehold expiring 23.2.2070	45	29,580	31/3/81 (revaluation)
No. 34, Towering Industrial Estate, Mile 4 1/2, Jalan Penampang, P.O. Box 13435, 88838 Kota Kinabalu, Sabah.	Land and Building	0.06	Office and Warehouse	Leasehold expiring 31.12.2037	36	344	28/3/95 (acquisition)
No. 394, Taman AST, Jalan Labu, 70200 Seremban, Negeri Sembilan Darul Khusus.	Land and Building	0.04	Office and Warehouse	Freehold	21	311	23/12/96 (acquisition)
Lot 22, Jalan Pengapit 15/19, Seksyen 15, 40200 Shah Alam, Selangor Darul Ehsan.	Land and Building	1.81	Factory and Office	Leasehold expiring 23.2.2082	25	7,642	12/03/96 (acquisition)
No. 25, Jalan IM14/3, Kawasan Perindustrian Ringan, Indera Mahkota, 25200 Kuantan, Pahang Darul Makmur.	Land and Building	0.05	Office and Warehouse	Leasehold expiring 29.3.2097	18	174	17/12/97 (acquisition)
No. EMR 3099, Lot No. 9 & No. EMR 3100, Lot No. 10, No. GM 76, Lot No. 35 & No. GM 77, Lot No. 36, In the Village of Batu Tiga/ Mukim of Damansara, District of Petaling, Selangor Darul Ehsan.	Land	6.41	Factory	Freehold	-	15,953	24/7/98 (acquisition)
Lot 1071, Mukim Damansara, District of Petaling, Selangor Darul Ehsan.	Land	1.30	Factory	Freehold	-	2,999	18/9/03 (acquisition)
						<b>57,003</b>	

# ANALYSIS OF SHAREHOLDINGS

## AS AT 29 FEBRUARY 2016

Authorised Share Capital	: RM300,000,000
Issued and Paid Up Share Capital	: RM154,039,000 comprising 308,078,000 Ordinary Shares of RM0.50 each
No. of Treasury Shares held by the Company	: 2,330,000
Class of Shares	: Ordinary Shares of RM0.50 each
Voting Rights	: One Vote Per Ordinary Share

SIZE OF HOLDINGS	NO. OF SHAREHOLDERS	% OF SHAREHOLDERS	NO. OF SHARES	% OF SHARES
Less than 100	773	6.05	7,083	0.00
100 - 1,000	5,109	39.99	3,661,015	1.20
1,001 - 10,000	5,365	41.99	20,665,961	6.76
10,001 - 100,000	1,328	10.39	40,426,057	13.22
100,001 - 15,287,399*	201	1.57	85,055,384	27.82
15,287,400 and above**	1	0.01	155,932,500	51.00
<b>TOTAL</b>	<b>12,777</b>	<b>100.00</b>	<b>305,748,000</b>	<b>100.00</b>

\* Less than 5% of issued holdings

\*\* 5% and above of issued holdings

### THIRTY LARGEST SHAREHOLDERS

	Name	No. of Shares	% of Shares
1	UOBM Nominees (Asing) Sdn. Bhd. Carlsberg Breweries A/S	155,932,500	51.000
2	Malaysia Nominees (Tempatan) Sendirian Berhad Great Eastern Life Assurance (Malaysia) Berhad (Par 1)	9,085,320	2.971
3	Malaysia Nominees (Tempatan) Sendirian Berhad Great Eastern Life Assurance (Malaysia) Berhad (Par 2)	4,022,000	1.315
4	Citigroup Nominees (Tempatan) Sdn. Bhd. Exempt AN For AIA Bhd.	2,521,100	0.824
5	Citigroup Nominees (Asing) Sdn. Bhd. Exempt AN For Citibank New York (Norges Bank 9)	2,052,200	0.671
6	Cartaban Nominees (Tempatan) Sdn. Bhd. Exempt AN For Eastspring Investments Berhad	1,913,400	0.625
7	HSBC Nominees (Asing) Sdn. Bhd. Exempt AN For J.P. Morgan Bank Luxembourg S.A.	1,721,600	0.563
8	Yeoh Saik Khoo Sendirian Berhad	1,649,500	0.539
9	Tai Tak Estates Sdn. Bhd.	1,500,000	0.490
10	UOB Kay Hian Nominees (Asing) Sdn. Bhd. Exempt AN For UOB Kay Hian Pte Ltd. ( A/C Clients )	1,476,090	0.482
11	UOBM Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account For Wong Yoke Fong @ Wong Nyok Fing (6110553745-T232)	1,400,000	0.457



	<b>Name</b>	<b>No. of Shares</b>	<b>% of Shares</b>
12	CIMSEC Nominees (Asing) Sdn. Bhd. Exempt AN For CIMB Securities (Singapore) Pte. Ltd. (Retail Clients)	1,303,679	0.426
13	DB (Malaysia) Nominee (Asing) Sdn. Bhd. SSBT Fund W4B9 For Wasatch Frontier Emerging Small Countries Fund	1,241,873	0.406
14	Tokio Marine Life Insurance Malaysia Bhd. As Beneficial Owner (PF)	1,219,800	0.398
15	UOBM Nominees (Asing) Sdn. Bhd. Banque de Luxembourg For BL Emerging Markets	1,200,000	0.392
16	Citigroup Nominees (Asing) Sdn. Bhd. CBNY For DFA Emerging Markets Small Cap Series	1,176,600	0.384
17	DB (Malaysia) Nominee (Asing) Sdn. Bhd. Exempt AN For Deutsche Bank AG London (Prime Brokerage)	1,078,900	0.352
18	Cartaban Nominees (Asing) Sdn. Bhd. Exempt AN For State Street Bank & Trust Company (West CLT OD67)	1,068,700	0.349
19	HSBC Nominees (Asing) Sdn. Bhd. NTGS LDN For Verdipapirfondet Odin Emerging Markets	1,065,700	0.348
20	Key Development Sdn. Berhad	1,038,000	0.339
21	Citigroup Nominees (Asing) Sdn. Bhd. CBNY For Emerging Market Core Equity Portfolio DFA Investment Dimensions Group Inc.	1,037,200	0.339
22	Public Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account For Mak Tian Meng (JRC)	1,000,000	0.327
23	Chang Sin Fong	970,000	0.317
24	Amanahraya Trustees Berhad Public Equity Fund	938,400	0.306
25	Hong Leong Assurance Berhad As Beneficial Owner (Life Par)	933,000	0.305
26	Citigroup Nominees (Asing) Sdn. Bhd. Exempt AN For Citibank New York (Norges Bank I2)	878,600	0.287
27	Gan Teng Siew Realty Sdn. Berhad	845,000	0.276
28	Amanahraya Trustees Berhad Public Optimal Growth Fund	830,000	0.271
29	Amanahraya Trustees Berhad Public Savings Fund	827,500	0.270
30	Amanahraya Trustees Berhad Public Dividend Select Fund	804,400	0.263
	<b>Total</b>	<b>202,731,062</b>	<b>66.306</b>

**SUBSTANTIAL SHAREHOLDER**

Name	Direct Interest	
	No. of Shares	% of Shares
1 Carlsberg Breweries A/S	155,932,500	51

**DIRECTORS' INTERESTS**

Name	Direct		Indirect	
	No. of Shares	% of Shares	No. of Shares	% of Shares
1 Dato' Lim Say Chong	-	-	52,000 #	0.02

# Deemed interested by virtue of shares held by his daughter.

None of the other Directors holding office as at 29 February 2016 had any interest in shares whether direct or indirect in the Company.

# MATERIAL CONTRACTS

The particulars of material contracts of the Group with its related parties, subsisting as at 31 December 2015 or entered into since the end of the previous financial year 2014, are as follows:-

1. A Share Sale Agreement between Carlsberg Brewery Malaysia Berhad ("**CBMB**") and Capriwood Sdn. Bhd. (Company No. 1134839-M) ("**Capriwood**") dated 15 May 2015 to dispose of CBMB's interest of 2,100,000 ordinary shares of RM1.00 each, representing 70% equity interest in Luen Heng F&B Sdn. Bhd. for a total cash consideration of RM19,500,000.00.
2. A call option agreement between CBMB and Carlsberg A/S ("**CAS**") dated 18 November 1996, allowing CAS to acquire CBMB's interest in Lion Brewery Ceylon Limited, should certain events occur. The purchase consideration is to be based on an agreed formula and in any event, to be a minimum of the original purchase price paid by CBMB.

CAS is the holding company of Carlsberg Breweries A/S ("**CBAS**"), which in turn is the holding company and major shareholder of CBMB.

# LIST OF RECURRENT RELATED PARTY TRANSACTIONS

The breakdown of the aggregate value of the recurrent related party transactions entered into by the Group pursuant to the shareholders' mandate obtained during the **45<sup>th</sup> AGM held on 23 April 2015** is as follows:

Transacting Parties	Interested Related Parties	Nature of Transactions	Actual Value Transacted
			(24 April 2015 - 29 February 2016) (RM' million)
CBAS and the Group	CJW, HJA, RAL, GJF and CBAS	Purchase of raw materials (hops, yeasts, aroma etc) and related services from CBAS	1.0
CBAS and the Group	CJW, HJA, RAL, GJF and CBAS	Royalties payable to CBAS for inter alia, the exclusive use of trademark licences and supply of technical and commercial assistance	25.0
DMG and the Group	CJW, HJA, RAL, GJF and CBAS	Purchase of raw materials (malts) from DMG	24.8
DMG Polska and the Group	CJW, HJA, RAL, GJF and CBAS	Purchase of raw materials (malts) from DMG Polska	0.0
SSSp and the Group	CJW, HJA, RAL, GJF and CBAS	Purchase of raw materials (malts) from SSSp	1.0
CBS and the Group	CJW, HJA, RAL, GJF and CBAS	Purchase of IT services from CBS	1.4
CSCAG and the Group	CJW, HJA, RAL, GJF and CBAS	Purchase of materials and services (A&P items) from CSCAG	1.4
BK and the Group	CJW, HJA, RAL, GJF and CBAS	Purchase of beverage products from BK	0.1
CVBL and the Group	CJW, HJA, RAL, GJF and CBAS	Purchase of beverage products from CVBL	44.0
SOAS and the Group	CJW, HJA, RAL, GJF and CBAS	Purchase of beverage products from SOAS	0.6
CHKL and the Group	CJW, HJA, RAL, GJF and CBAS	Sale and supply of goods to CHKL	51.6
CSAB and the Group	CJW, HJA, RAL, GJF and CBAS	Purchase of beverage products from CSAB	0.0
CTT and the Group	CJW, HJA, RAL, GJF and CBAS	Sale and supply of goods to CTT	1.8
CBDCL and the Group	CJW, HJA, RAL, GJF and CBAS	Sale and supply of goods to CBDCL	5.0
CBHKL and the Group	CJW, HJA, RAL, GJF and CBAS	Provision of administrative support services from CBHKL	0.0

**Notes:**

- (1) The above actual value of the recurrent related party transactions is for the period 24 April 2015 to 29 February 2016.
- (2) The nature of relationship with the above Interested Related Parties is as follows as at 29 February 2016:
- (i) CBAS is the holding company and Major Shareholder of the Company, holding an equity interest of 51.0% in the Company. The Company in turn holds 100% interest in both CMSB and CSPL.
  - (ii) CJW, RAL and GJF, who are Non-Executive Directors of the Company, are the Senior Vice-President, Asia of CBAS, Vice-President Finance, Asia of CBAS and Executive Vice-President, Asia of CBAS respectively. HJA is the Managing Director of the Company. All the four Directors, namely CJW, RAL, GJF and HJA, are nominees/representatives of CBAS and do not hold any shares in CBAS or the Company.
  - (iii) BK, CBDCL, CBHKL, CBS, CHKL, CSAB, CSCAG, CTT, CVBL, DMG, DMG Polska, SOAS and SSSp are subsidiaries of CBAS and do not hold any direct equity interest in the Company.
  - (iv) CBAS holds 49.6% equity interest in CTT.

**Abbreviations:**

BK	–	Brasseries Kronenbourg SAS
CBAS	–	Carlsberg Breweries A/S
CBDCL	–	CB Distribution Co. Ltd.
CBHKL	–	Carlsberg Brewery Hong Kong Ltd.
CBS	–	Carlsberg Business Solution (formerly known as Carlsberg IT A/S)
CHKL	–	Carlsberg Hong Kong Ltd.
CMSB	–	Carlsberg Marketing Sdn. Bhd.
CSAB	–	Carlsberg Sverige AB
CSCAG	–	Carlsberg Supply Company AG (formerly known as Carlsberg Group Procurement AG)
CSPL	–	Carlsberg Singapore Pte. Ltd.
CTT	–	Carlsberg Taiwan Trading (formerly known as Carlsberg Distributors Taiwan Ltd.)
CJW	–	Christopher John Warmoth
CVBL	–	Carlsberg Vietnam Breweries Limited (formerly known as Hanoi Vungtau Beer Joint Stock Co.)
DMG	–	Danish Malting Group A/S
DMG Polska	–	Danish Malting Group Polska
GJF	–	Graham James Fewkes
Group	–	Company and its wholly-owned subsidiaries, namely Carlsberg Marketing Sdn. Bhd., Euro Distributors Sdn. Bhd. and Carlsberg Singapore Pte. Ltd.
HJA	–	Henrik Juel Andersen
RAL	–	Roland Arthur Lawrence
SOAS	–	Saku Olletahase AS
SSSp	–	Slodownia Strzegom Sp.z.o.o.

# NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the Forty-Sixth (46<sup>th</sup>) Annual General Meeting of the Company will be held at Sime Darby Convention Centre, Ballroom 2 & 3, First Floor, 1A, Jalan Bukit Kiara, 60000 Kuala Lumpur on Thursday, 21 April 2016 at 11.00 a.m. for the following purposes:

## AGENDA:

### Ordinary Business

- |   |                              |
|---|------------------------------|
| 1. To receive the Audited Financial Statements for the financial year ended 31 December 2015 together with the Directors' and Auditors' reports thereon.  | <b>Ordinary Resolution 1</b> |
| 2. To approve the payment of a Final and Special Single Tier Dividend of 67 sen per RM0.50 share in respect of the financial year ended 31 December 2015. | <b>Ordinary Resolution 2</b> |
| 3. To approve the payment of Directors' fees of RM168,000 for the financial year ended 31 December 2015.  | <b>Ordinary Resolution 3</b> |
| 4. To re-appoint Messrs KPMG as Auditors of the Company and to authorise the Directors to fix their remuneration.   | <b>Ordinary Resolution 4</b> |

### Special Business

5. To consider, and if thought fit, to pass the following Resolutions:-

#### RE-ELECTION OF DIRECTORS

- |   |                              |
|---|------------------------------|
| (a) THAT Henrik Juel Andersen, who retires pursuant to Article 92(a) of the Articles of Association of the Company, be and is hereby re-elected as Director of the Company. | <b>Ordinary Resolution 5</b> |
| (b) THAT Graham James Fewkes, who retires pursuant to Article 92(e) of the Articles of Association of the Company, be and is hereby re-elected as Director of the Company.  | <b>Ordinary Resolution 6</b> |
| 6. To consider, and if thought fit, to pass the following Resolution in accordance with Section 129 of the Companies Act, 1965:-  |                              |

#### RE-APPOINTMENT OF DIRECTOR

THAT pursuant to Section 129 of the Companies Act, 1965, Dato' Lim Say Chong who is over the age of seventy (70) years, be and is hereby re-appointed as Director of the Company and to hold office until the conclusion of the next Annual General Meeting ("AGM") of the Company.

**Ordinary Resolution 7**

To consider, and if thought fit, to pass the following Resolutions, with or without modifications, as Ordinary Resolutions of the Company:

7. **AUTHORITY FOR DIRECTORS TO ISSUE SHARES PURSUANT TO SECTION 132D OF THE COMPANIES ACT, 1965** **Ordinary Resolution 8**

“**THAT** pursuant to Section 132D of the Companies Act, 1965, the Directors of the Company be and are hereby empowered to issue shares in the Company at any time and upon such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the issued share capital of the Company for the time being and that the Directors be and are also empowered to obtain approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad and that such authority shall continue to be in force until the conclusion of the next AGM of the Company unless revoked or varied by the Company at a general meeting.”

8. **PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE** **Ordinary Resolution 9**

“**THAT** subject to the provisions of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the Company and/or its subsidiary companies (“the Group”) be and are hereby authorised to enter into and give effect to the recurrent related party transactions of a revenue or trading nature with the related party as set out in Section 2.3(a) of the Circular to Shareholders dated 18 March 2016 (“the Related Party”) provided that such transactions are:-

- (a) necessary for the day-to-day operations;
- (b) undertaken in the ordinary course of business and at arm’s length basis and on normal commercial terms which are not more favourable to the Related Party than those generally available to the public; and
- (c) are not prejudicial to the minority shareholders of the Company

(“the Shareholders’ Mandate”).

THAT such approval shall continue to be in force until:-

- (a) the conclusion of the next AGM of the Company following this AGM at which the Shareholders’ Mandate is passed, at which time it will lapse, unless by a resolution passed at such AGM whereby the authority is renewed; or
- (b) the expiration of the period within which the next AGM after that date is required to be held pursuant to Section 143(1) of the Companies Act (“the Act”) (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Act); or
- (c) is revoked or varied by resolution passed by shareholders in a general meeting,

whichever is the earliest;

AND THAT the Directors of the Company be hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to the Shareholders’ Mandate.”

## NOTICE OF ANNUAL GENERAL MEETING

### 9. PROPOSED NEW SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

Ordinary Resolution 10

**“THAT** subject to the provisions of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the Company and/or its subsidiary companies (“the Group”) be and are hereby authorised to enter into and give effect to the recurrent related party transactions of a revenue or trading nature with the related party as set out in Section 2.3(b) of the Circular to Shareholders dated 18 March 2016 (“the Related Party”) provided that such transactions and/or arrangements are:-

- (a) necessary for the day-to-day operations;
- (b) undertaken in the ordinary course of business and at arm’s length basis and on normal commercial terms which are not more favourable to the Related Party than those generally available to the public; and
- (c) are not prejudicial to the minority shareholders of the Company

(“the Shareholders’ Mandate”)

THAT such approval shall continue to be in force until:-

- (a) the conclusion of the next AGM of the Company following this AGM at which the Shareholders’ Mandate is passed, at which time it will lapse, unless by a resolution passed at such AGM whereby the authority is renewed; or
- (b) the expiration of the period within the next AGM of the Company after that date is required to be held pursuant to Section 143(1) of the Companies Act, 1965 (“Act”) (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Act); or
- (c) revoked or varied by resolution passed by the shareholders of the Company in a general meeting;

whichever is the earliest;

AND THAT the Directors of the Company be hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to the Shareholders’ Mandate.”

### 10. CONTINUING IN OFFICE AS INDEPENDENT NON-EXECUTIVE CHAIRMAN

Ordinary Resolution 11

**“THAT** subject to the passing of Ordinary Resolution 7, authority be and is hereby given to Dato’ Lim Say Chong who has served as an Independent Non-Executive Director and Chairman of the Company for a cumulative term of more than nine years, to continue to serve as an Independent Non-Executive Director of the Company.”

- 11. To consider any other business of which due notice shall be given in accordance with the Companies Act, 1965 and the Company’s Articles of Association.

## NOTICE OF DIVIDEND PAYMENT AND CLOSURE OF REGISTER

**NOTICE IS HEREBY GIVEN THAT**, subject to the approval of the shareholders at the Forty-Sixth (46<sup>th</sup>) Annual General Meeting to be held on Thursday, 21 April 2016, a Final and Special Single Tier Dividend of 67 sen per RM0.50 share in respect of the financial year ended 31 December 2015 will be payable on 20 May 2016 to shareholders registered in the Register of Members and Record of Depositors at the close of business on 5 May 2016.

A depositor shall qualify for entitlement to the dividends only in respect of:

- (a) Shares transferred into the Depositor's securities account before 4.00 p.m. on 5 May 2016 in respect of transfers;
- (b) Shares deposited into the Depositor's securities account before 12.30 p.m. on 29 April 2016 (in respect of shares which are exempted from mandatory deposit); and
- (c) Shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

By Order of the Board

**Lew Yoong Fah** (MIA 10936)  
**Lu Kee Chee** (LS 0009744)  
 Secretaries

Shah Alam  
 18 March 2016

### Notes:

1. A Member entitled to attend and vote at the meeting is entitled to appoint **ONE** person as his proxy to attend and vote in his stead at the meeting. A proxy need not be a Member of the Company and the provision of Section 149(1)(b) of the Companies Act, 1965 shall not apply.
2. If a Member having appointed a proxy to attend a general meeting attends such meeting in person, the appointment of such proxy shall be null and void in respect of such meeting and his proxy shall not be entitled to attend such meeting.
3. Where a Member of the Company is an authorised nominee as defined in the Securities Industry (Central Depositories) Act, 1991 ("SICDA"), it shall be entitled to appoint at least one proxy in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.
4. Where a Member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
5. Where the Proxy Form is executed by a corporation, it must be either under its Seal or under the hand of an officer or attorney duly authorised.
6. The instrument appointing a proxy, together with the power of attorney (if any) under which it is signed or a certified copy thereof, shall be deposited at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, not less than forty-eight (48) hours before the time appointed for holding the meeting or any adjournment thereof.
7. For the purpose of determining who shall be entitled to attend this meeting, the Company shall be requesting the Bursa Malaysia Depository Sdn. Bhd. to make available to the Company pursuant to Article 50(9)(a) of the Articles of Association of the Company and Paragraph 7.16(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, a Record of Depositors as at 14 April 2016 and only a Depositor whose name appear on such Record of Depositors shall be entitled to attend this meeting.



## NOTICE OF ANNUAL GENERAL MEETING

### EXPLANATORY NOTES ON SPECIAL BUSINESS

#### (i) Ordinary Resolutions 5 and 6 – Re-election of Directors

The business on re-election of Directors that is to be transacted at the Annual General Meeting is deemed special pursuant to Article 51 of the Articles of Association of the Company.

#### (ii) Ordinary Resolution 7 – Re-appointment of Director pursuant to Section 129 of the Companies Act, 1965

The re-appointment of Dato' Lim Say Chong, a person over the age of 70 years as Director of the Company to hold office until the conclusion of the next AGM of the Company shall take effect if the proposed Resolution is passed by a majority of not less than three-fourths (3/4) of such members as being entitled to vote in person or, where proxies are allowed, by proxy, at a general meeting of which not less than 21 days' notice specifying the intention to propose the Resolution has been duly given.

#### (iii) Ordinary Resolution 8 – Authority for Directors to issue shares pursuant to Section 132D of the Companies Act, 1965

This resolution is proposed pursuant to Section 132D of the Companies Act, 1965, and if passed, will give the Directors of the Company, from the date of the above AGM, authority to issue shares in the Company up to and not exceeding in total ten per cent (10%) of the issued and paid-up share capital of the Company for such purposes as the Directors deem fit and in the best interest of the Company. This authority, unless revoked or varied at a general meeting, will expire at the conclusion of the next AGM of the Company.

This mandate is a renewal of the last mandate granted to the Directors at the Forty-Fifth (45<sup>th</sup>) Annual General Meeting held on 23 April 2015 and which will lapse at the conclusion of the Forty-Sixth (46<sup>th</sup>) Annual General Meeting.

As at the date of this Notice, no new shares in the Company were issued pursuant to the last mandate.

The renewal of this mandate will provide flexibility to the Company for any possible fundraising activities, including but not limited to further placing of shares, for purpose of funding future investment, working capital and/or acquisitions.

#### (iv) Ordinary Resolution 9 – Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature ("Proposed Renewal of Shareholders' Mandate")

The detailed text on Ordinary Resolution 9 on the Proposed Renewal of Shareholders' Mandate is included in the Circular to Shareholders dated 18 March 2016 which is enclosed together with the Annual Report.

#### (v) Ordinary Resolution 10 – Proposed New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature ("Proposed New Shareholders' Mandate")

The detailed text on Ordinary Resolution 10 on the Proposed New Shareholders' Mandate is included in the Circular to Shareholders dated 18 March 2016 which is enclosed together with the Annual Report.

#### (vi) Ordinary Resolution 11 – Continuing in Office as Independent Non-Executive Chairman

Dato' Lim Say Chong has served the Board as an Independent Non-Executive Director and Chairman of the Company for a cumulative term of nearly thirteen (13) years. The Board has recommended him to continue to act as an Independent Non-Executive Chairman based on the following justifications:-

- a. He has fulfilled the criteria under the definition of Independent Director as stated in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, and thus, he would be able to function as a check and balance, bringing an element of objectivity to the Board;
- b. He has vast experience in a diverse range of businesses and therefore would be able to provide constructive opinion; he exercises independent judgement and has the ability to act in the best interest of the Company;
- c. He has devoted sufficient time and attention to his professional obligations for informed and balanced decision making; and
- d. He has continued to exercise his independence and due care during his tenure as an Independent Non-Executive Director and Chairman of the Company and carried out his professional duties in the best interest of the Company and shareholders.

# **STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING PURSUANT TO PARAGRAPH 8.27(2) OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

Authority For Directors To Issue Shares Pursuant To Section 132D Of The Companies Act, 1965

Kindly refer to item (iii) of Explanatory Notes On Special Business at page 148.

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NO. OF SHARES HELD	
CDS ACCOUNT NO.	



CARLSBERG BREWERY MALAYSIA BERHAD  
(Company No. 9210-K)  
(Incorporated in Malaysia)

# FORM OF PROXY

I/We, \_\_\_\_\_ I.C./Passport/Company No. \_\_\_\_\_

of \_\_\_\_\_

being a member of the abovenamed Company, hereby appoint \_\_\_\_\_

I.C./Passport No. \_\_\_\_\_ of \_\_\_\_\_ OR

failing him/her \_\_\_\_\_ I.C./Passport No. \_\_\_\_\_

of \_\_\_\_\_

OR the Chairman of the meeting as my/our proxy to vote for me/us and on my/our behalf at the Forty-Sixth (46<sup>th</sup>) Annual General Meeting of the Company to be held at Sime Darby Convention Centre, Ballroom 2 & 3, First Floor, 1A, Jalan Bukit Kiara, 60000 Kuala Lumpur on Thursday, 21 April 2016 at 11.00 a.m., and at any adjournment thereof. The proxy is to vote on the business before the meeting as indicated below (if no indication is given, the proxy will vote as he thinks fit or abstain from voting):

RESOLUTION	AGENDA	FOR	AGAINST
Ordinary Resolution 1	Receipt of the Directors' and Auditors' Reports and Audited Financial Statements for the financial year ended 31 December 2015.		
Ordinary Resolution 2	Payment of a Final and Special Single Tier Dividend.		
Ordinary Resolution 3	Approval of Directors' fees of RM168,000 for the financial year ended 31 December 2015.		
Ordinary Resolution 4	Re-appointment of KPMG as auditors and to authorise the Directors to determine their remuneration.		
Ordinary Resolution 5	Re-election of Henrik Juel Andersen as Director.		
Ordinary Resolution 6	Re-election of Graham James Fewkes as Director.		
Ordinary Resolution 7	Re-appointment of Dato' Lim Say Chong as Director.		
Ordinary Resolution 8	Authority for Directors to issue and allot shares pursuant to Section 132D of the Companies Act, 1965.		
Ordinary Resolution 9	Proposed renewal of shareholders' mandate for Recurrent Related Party Transactions of a revenue or trading nature.		
Ordinary Resolution 10	Proposed new shareholders' mandate for Recurrent Related Party Transactions of a revenue or trading nature.		
Ordinary Resolution 11	Continuing in office for Dato' Lim Say Chong as an Independent Non-Executive Chairman		

Please indicate with a tick (✓) how you wish your vote to be cast in respect of each resolution above.

As witness my/our hand this \_\_\_\_\_ day of \_\_\_\_\_ 2016.

Signed by the said \_\_\_\_\_

## Notes:

1. A member entitled to attend and vote at the meeting is entitled to appoint ONE person as his proxy to attend and vote in his stead at the meeting. A proxy need not be a member of the Company and the provision of Section 149(1)(b) of the Companies Act, 1965 shall not apply.
2. If a member having appointed a proxy to attend a general meeting attends such meeting in person, the appointment of such proxy shall be null and void in respect of such meeting and his proxy shall not be entitled to attend such meeting.
3. Where a member of the Company is an authorised nominee as defined in the Securities Industry (Central Depositories) Act, 1991 ("SICDA"), it shall be entitled to appoint at least one proxy in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.
4. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
5. Where the Proxy Form is executed by a corporation, it must be either under its Seal or under the hand of an officer or attorney duly authorised.
6. The instrument appointing a proxy, together with the power of attorney (if any) under which it is signed or a certified copy thereof, shall be deposited at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, not less than forty-eight (48) hours before the time appointed for holding the meeting or any adjournment thereof.
7. For the purpose of determining who shall be entitled to attend this meeting, the Company shall be requesting the Bursa Malaysia Depository Sdn. Bhd. to make available to the Company pursuant to Article 50(9)(a) of the Articles of Association of the Company and Paragraph 7.16(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, a Record of Depositors as at 14 April 2016 and only a Depositor whose name appear on such Record of Depositors shall be entitled to attend this meeting.

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SHARE REGISTRAR  
**CARLSBERG BREWERY MALAYSIA BERHAD** (9210-K)  
Tricor Investor & Issuing House Services Sdn. Bhd.  
Unit 32-01, Level 32, Tower A  
Vertical Business Suite, Avenue 3, Bangsar South  
No. 8, Jalan Kerinchi, 59200 Kuala Lumpur

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# CORPORATE INFORMATION

## DIRECTORS

**Dato' Lim Say Chong**  
J.S.M.,D.M.P.N.  
Chairman

**Henrik Juel Andersen**  
Managing Director

**Christopher John Warmoth**  
Non-Executive Director

**Roland Arthur Lawrence**  
Non-Executive Director

**Chew Hoy Ping**  
Independent Non-Executive Director

**Graham James Fewkes**  
Non-Executive Director

## COMPANY SECRETARY

**Lew Yoong Fah**  
(MIA No. 10936)

**Lu Kee Chee**  
(LS 0009744)

## AUDITORS

KPMG (Firm No. AF 0758)  
Chartered Accountants  
Level 10, KPMG Tower,  
No. 8, First Avenue, Bandar Utama,  
47800 Petaling Jaya,  
Selangor Darul Ehsan.  
Tel : +603 7721 3388  
Fax : +603 7721 3399

## PRINCIPAL BANKERS

AmBank (M) Berhad  
(Company No. 8515-D)

Citibank Berhad  
(Company No. 297089-M)

Public Bank Berhad  
(Company No. 6463-H)

The Royal Bank of Scotland Berhad  
(Company No. 301932-A)

## REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS

No. 55, Persiaran Selangor,  
Section 15,  
40200 Shah Alam,  
Selangor Darul Ehsan.  
Tel : +603 5522 6688  
Fax : +603 5519 1931  
Email : MYCorpAffairs@carlsberg.asia  
Website : www.carlsbergmalaysia.com.my

## SHARE REGISTRAR

Tricor Investor & Issuing House Services Sdn. Bhd.  
(Company No. 11324-H)  
Unit 32-01, Level 32, Tower A,  
Vertical Business Suite,  
Avenue 3, Bangsar South,  
No. 8, Jalan Kerinchi,  
59200 Kuala Lumpur.  
Tel : +603 2783 9299  
Fax : +603 2783 9222

## STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad

**Carlsberg Brewery Malaysia Berhad** (9210-K)  
No. 55, Persiaran Selangor, Section 15, 40200 Shah Alam,  
Selangor Darul Ehsan, Malaysia.

Tel : +603 5522 6688

Fax : +603 5519 1931

[www.carlsbergmalaysia.com.my](http://www.carlsbergmalaysia.com.my)