
THE BEST LOOKING
FUN IN TOWN.
SAME TASTE, FUNKY DESIGN.
TUBORG


LIQUID SOUNDTRACK
GENUINE QUALITY
TUBORG
GREEN
We're growing, thanks to you!
Now, available in cans.
TUBORG
THE FUN STARTS HERE

Brand Portfolio

Danish Royal Stout continued to attract consumer interest and grew in key strategic areas despite a decline in the overall Malaysian stout market.

Danish Royal Stout

Growing from Strength to Strength

Danish Royal Stout is the only stout with 8% alcohol content in the Malaysian stout market. As with all great brands, we are constantly looking for ways to improve our brands and make them more exciting to the consumers. As such the brand underwent a complete design upgrade in relation to its labels, cans and secondary packaging. The change proved to be pivotal to Danish Royal Stout's performance. The brand continued to attract consumer interest and grew in key strategic areas despite a decline in the overall Malaysian stout market. Feedback on the new look has been positive with consumers commenting that Danish Royal Stout now has a more contemporary and refreshing look and feel.

Connor's Stout is the latest stout addition to our growing brand portfolio.

Connor's Stout

European Styled Stout

Connor's Stout is the latest stout addition to our growing brand portfolio. Inspired by an original European recipe, it is brewed locally to preserve its freshness – an important criteria for draught stout. With 5% alcohol content, this stout has a rich flavour. Coupled with a creamy head as a result of nitrogenisation, it delivers a smooth and balanced taste. This 100% real draught stout was officially unveiled at the Connor's Draught launch event in July 2009 at Finnegan's in Kuala Lumpur.

Brand Portfolio

SKOL and SKOL Super

Meeting Niche Needs

SKOL, the fifth largest beer brand in the world continues to find its niche in key areas around Malaysia. Through pinpointing specific strongholds in suburban areas and through implementing focused promotions, SKOL continues to deliver value to consumers. SKOL Super, the only Malaysian brewed beer with 9% alcohol content, continues to make its mark in key areas in the take home trade.

SKOL, the fifth largest beer brand in the world continues to find its niche in key areas around Malaysia.

Corona

Delivering Strong Performance

The Mexican beer, Corona continues its reign as the No. 1 imported international beer brand in Malaysia. Since signing an international importer's agreement at the end of 2007, Carlsberg Malaysia has been given exclusive rights to import, promote and distribute Corona in Malaysia. Since then, the brand has grown from strength to strength and continues to deliver double digit growth well into 2009.

Corona continues its reign as the No. 1 imported international beer brand in Malaysia.

Jolly Shandy

Offering a Spread of New Choices

Jolly Shandy's new addition, Peach, that was launched in 2008 to complement the ever popular Lemon and its new Lychee variant, proved to be a hit with consumers especially during the Chinese New Year festivities. The three variants gave consumers a wider spread of choices and helped strengthen the overall Jolly Shandy family of products. A special festive 30-can pack (consisting of an explosive mix of 20 Lemon, three Lychee and three Peach cans) was introduced to give consumers extra value.

The three variants gave consumers a wider spread of choices and helped strengthen the overall Jolly Shandy family of products.

Nutrimalt

Making Dynamic Progress

The non-alcoholic Nutrimalt's new-look packaging continued to make strong inroads among retailers and consumers. Leveraging on proactive key promotions during the festive periods, Nutrimalt continued to attract health conscious and on-the-go consumers with its enriched vitamin B and C complex formula.

Nutrimalt continued to attract health conscious and on-the-go consumers.

CARLSBERG MALAYSIA GROWING RESPONSIBLY

We have integrated **Corporate Social Responsibility** (CSR) practices into our operations to ensure our existing business units and new ventures operate in an environmentally sound and socially responsible manner.

OUR COMMITMENT TO GOOD CSR PRACTICES

As part of Carlsberg Malaysia's commitment to operating and expanding its businesses responsibly, we have integrated Corporate Social Responsibility (CSR) practices into our operations to ensure our existing business units and new ventures operate in an environmentally sound and socially responsible manner. Whilst in 2008, we focused our efforts on the effective development of CSR governance, 2009 was the year in which we successfully developed and executed a more structured and sustainable strategic CSR strategy, comprising both Carlsberg Group and Carlsberg Malaysia's initiatives.

Enhanced CSR Policies and Guidelines

In the year under review, the Carlsberg Group initiated a new strategic approach to CSR as well as identified key CSR issues and priorities. Six CSR policies and guidelines were developed to ensure common standards and practices were in place for all Carlsberg Group's companies. Carlsberg Malaysia played its part in this initiative by participating in the policy review process and giving feedback, as well as integrating the policies and guidelines that have been launched into our own CSR focus areas, cascading them down to internal employees, and applying them throughout all aspects of our business operations.

Today, these six Carlsberg Group CSR policies and guidelines covering environmental, health and safety, community engagement, labour and human rights, business ethics and responsible marketing communications practices, are well entrenched within Carlsberg Malaysia's own CSR focus areas covering the Environment, Community, Workplace and Marketplace. This is how the Carlsberg Group's CSR policies and guidelines are helping to enhance our own CSR activities:

Our Focus on the Environment

Integrating the Carlsberg Group Environmental Policy

Environmental sustainability plays a vital role within Carlsberg Malaysia's business. Following the introduction of the updated Environmental Policy by the Carlsberg Group, we now have more concrete and systematic guidelines that outline environmental objectives and specific targets. A key part of the new strategy focuses on three strategic aspects related to the environmental impact of our production process, with the aim of helping us further improve our performance and sustain our industry leader position in the Carlsberg Group's Asia region when it comes to production, water and energy consumption.

Integrating the Carlsberg Group Health and Safety Policy

Carlsberg Malaysia is committed to achieving high standards of health and safety throughout its business as good health and safety practices are fundamental to efficient operations and optimum business performance. The introduction of the Carlsberg Group's new Health and Safety Policy has provided our Safety Committee with more effective and practical guidelines. We are now in a stronger position to adhere to and enforce safety and health measures while continuously improving current practices.

Our Focus on the Community

Integrating the Carlsberg Group Community Engagement Policy

As a responsible corporate citizen, Carlsberg Malaysia recognises the need to engage with and have a positive impact on the communities we operate in while elevating their well being. In line with the Carlsberg Group's call to maintain long term sustainable relationships with the local communities we operate in, we continue to demonstrate proactive corporate citizenship by investing in and organising several impactful community initiatives.

Our Focus on the Workplace

Integrating the Carlsberg Group Labour and Human Rights Policy

Carlsberg Malaysia strives to establish an open, inspiring and conducive workplace where our employees can develop their full potential. In enforcing the Carlsberg Group Labour and Human Rights Policy, we continuously strive to create a workplace that fosters the right atmosphere to harness the strengths and capabilities of all our employees.

Integrating the Carlsberg Group Business Ethics Policy

All employees of Carlsberg Malaysia are responsible for adhering to the Company's Code of Conduct (the Code) and the guidelines is clearly delineated in the Employees' Handbook, where a copy will be extended to all new employees at the point of recruitment. In compliance with the Business Ethics Policy developed by the Carlsberg Group, the Company is working to incorporate and formalise an internal complaints mechanism which shall contain policies including but not limited to areas pertaining to corruption (including bribery and facilitation payments), gifts and entertainment, donations, conflicts, insider information, confidential information, competition, fraud and intellectual property rights.

Our Focus on the Marketplace

Integrating the Carlsberg Group Marketing Communications Policy

Carlsberg Malaysia is committed to responsible marketing practices. We only offer our beer and alcoholic beverage brands in moderation, for the purposes of refreshment and social enjoyment, to adults of legal drinking age. All of our marketing communications and marketing activities comply with the Code of Marketing Practice developed by the Confederation of Malaysian Brewers Berhad and the Marketing Communications Policy enforced by the Carlsberg Group. Even as we adhere to the principles and guidelines of both codes, Carlsberg Malaysia also upholds the philosophy of "enjoyment in moderation" in all our marketing activities, while respecting the principles of fair competition.

New Reporting and Management System

Concurrent with the development of the policies, a new CSR reporting and management system was implemented to gather local CSR data and identify areas for further improvement within the six focus areas. Carlsberg Malaysia's CSR Committee was nominated to manage the new online reporting system and be responsible for the submission of the year end reporting on CSR issues, targets and action plans. The CSR Committee completed these tasks by December 2009.

As one of the Carlsberg Group's priority Asian markets, Carlsberg Malaysia was one of three breweries in the entire Carlsberg Group that underwent an audit exercise by KPMG Sustainability, the Dutch branch of KPMG International in January 2010. The performance data and findings from KPMG's Assurance Report will serve as a guide for Carlsberg Malaysia's CSR management programme over the next few years.

Carlsberg Malaysia believes that running a brewery is a lot more than just brewing beer. The Company is committed to operating in an ethical and environmentally responsible manner.

Safe **Environmental** Practices

In line with the Carlsberg Group's Environmental Policy, the Company not only benchmarks itself against international environmental legislation and regulations, but is also constantly evaluating its own standards with the aim of achieving continuous improvement in our environmental conservation efforts and operational performance.

Environmental Management Practices

Upon the Company successfully attaining ISO14001:2004 Environmental Management System certification in 2008, we followed through with an ISO 14000 External Surveillance Audit in June 2009, and an ISO 14000 Internal Audit in November 2009. In compliance with the Environmental Quality Act 1974 as well as state government regulations, the Company submits reports pertaining to the Brewery's boiler and chimney, waste water treatment plant, scheduled wastes and tube well to the Department of Environment (DOE) on a fixed schedule basis.

Earth Hour 2009

Carlsberg Malaysia was one out of several breweries amongst the Carlsberg Group's companies that participated in the anti-global warming movement, Earth Hour 2009, on March 28. This was the second consecutive year that we participated in this global event by turning off all non-essential lights at our brewery in Shah Alam and sales depots nationwide. In support of the Earth Hour movement in 2008 and 2009, the Company recorded energy savings of up to 2951 kWh in total; 1,500 kWh in 2008 and 1,451 kWh in 2009. These energy conservation activities further reinforced the Company's efforts in supporting a greener environment.

"No Plastic Bags on Monday"

Carlsberg Malaysia was the first and only brewery in Malaysia that supported the Penang Government's "No Plastic Bags on Monday" campaign by offering an exclusive Carlsberg eco-friendly bag to customers who purchased a carton of Carlsberg beer at participating supermarkets in Penang.

Key Environmental Management Initiatives

At Carlsberg Malaysia, we are committed to managing our operations effectively to ensure minimal impact on the environment. Each year, we set ourselves challenging targets aimed at conserving resources as well as reducing emissions and discharges.

Our brewery optimises heat usage in the production process, while our boiler now uses gas, which is a more environmental friendly fuel than fuel oil. The increased use of biogas from our waste water treatment plant has effectively reduced our usage of natural gas which has led to a reduction of energy usage by almost 15%.

The Company continues to implement measures to achieve energy savings while optimising production operations. More effective automation control and regulation of our air compressor and cooling plant systems helped reduce electricity consumption.

Water optimisation is a high priority in our environmental conservation efforts. Our brewery optimises the use of water in the production and cleaning process, while leakage audits are conducted on a weekly basis to reduce water wastage. This effort has recorded an almost 13% reduction in water usage.

In 2008, we invested RM0.5 million to upgrade the waste water plant reactor settlers so as to achieve higher sludge settling efficiencies. Our brewery fully complied with DOE Class B discharge requirements.

As some of the brewery operations produce by-products and waste, the Company continued to adopt 3R principles – reduce, reuse and recycle – in every stage of the brewing process.

While our business expansion strategy will ultimately lead to an increase in our production capabilities, the Company remains committed to ensuring our activities have minimal impact on the environment. Simultaneously, we are committed to utilizing our resources in a sustainable manner by incorporating more continuous improvement measures within our production operations.

One of Carlsberg Malaysia's strategic priorities and a key winning behaviour is to ensure that we engage with society in a meaningful way.

Community Initiatives that Make an Impact

To achieve and maintain long-term sustainable relationships with communities and stakeholders, Carlsberg Malaysia is committed to demonstrating proactive corporate citizenship through various means. We do this by investing and participating in relevant community activities, by providing opportunities for underprivileged children and communities, and by supporting the development of local sports.

Despite a challenging business environment in 2009, the Company did not compromise on its investment in community projects but continued its mission to finance key community projects. The year saw us organising fund raising drives for educational institutions, offering interest free study loans for needy students, making contributions in kind to underprivileged children and needy families, as well as subsidising the operating expenses of NGOs, the National Zoological Society and charitable homes.

The Top Ten Charity Campaign

The Carlsberg Malaysia-sponsored charity road show project, the highly regarded Top Ten Charity Campaign, continues to be one of the most established, transparent and effective fund raising platforms for Chinese education. In 2009, the Top Ten Charity Campaign successfully raised a total of RM17.9 million in building funds for 14 Chinese educational institutions. Two rounds of the charity road show were conducted in 2009. The first leg of the charity show in July raised RM 3.1 million for four schools in Kelantan, Perak and the Klang Valley, while the second leg comprising 10 road shows in Selangor, Seremban and Johor, raised a total of RM14.8 million.

Through the contributions of ever generous donors and fund raisers from all walks of life, the Top Ten Charity Campaign has in its 22 years of existence, successfully raised RM335.9 million in support of approximately 560 Chinese schools and educational institutions. This long term CSR project which we fully fund is also supported by our media partners Nanyang Siang Pau and more recently, China Press. In 2009, the Malaysia Book of Records recognised this initiative as having attained the "Highest Funds Raised through Chinese Charity Shows". This is the second record established by the Top Ten Charity Campaign as the first and current record acknowledges this initiative as being the "Longest Running Chinese Charity Show" ever. The Company is proud to be associated with this initiative that we have been funding and organising since 1987.

The Carlsberg Hua Zong Education Fund

The Carlsberg Hua Zong Education Fund, formerly known as the Computer Education Fund was created in 1998. This annual campaign provides interest-free study loans to needy students who are looking to pursue their tertiary education. It has a RM5 million revolving fund and has provided financial aid to approximately 460 students to date.

In 2009, the Carlsberg Hua Zong Education Fund disbursed RM450,000 in interest-free study loans to 31 students who are now pursuing their ambitions in the field of medicine, pharmacy, engineering, finance, accounting, business management, science, architecture, Chinese language, sports and communication as well as graphic and interior design at local and foreign institutions of higher education. Each of these students is being granted a study loan of RM5,000 for each of their academic years.

Corporate Social Responsibility

Annual Sponsorship to the Malaysian Zoological Society

For the past 23 years we have continued our annual sponsorship of RM15,000 to the Malaysian Zoological Society (Zoo Negara) to subsidise the upkeep of two Malaysian elephants, a 24-year old female - Siti and a 27-year old male - Sibol. To date, the Group has contributed approximately RM200,000 to Zoo Negara.

On December 19, we invited 45 underprivileged children from Rumah Keluarga Kami, Pusat Jagaan Kanak-Kanak Istimewa Sri Sai and Rumah Shalom to spend a fun-filled Christmas outing at Zoo Negara.

Carlsberg Golf Classic Charity

October 2009 saw Carlsberg Malaysia hosting a golf coaching clinic for a group of 40 underprivileged children from four Indian charity homes. In conjunction with the clinic, Company donated RM20,000 (drawn from the Carlsberg Golf Classic Charity Fund) to four orphanages with each home receiving RM 5,000. Since its inception in 2000, the Carlsberg Golf Classic Charity event has raised and distributed close to RM1 million to various charitable causes.

Donation of School Bags and Stationery to Indian Students

In partnership with Tamil daily Malaysian Nanban, Carlsberg Malaysia sponsored school bags, document folders and water tumblers to more than 400 Indian students in Kuala Lumpur, Selangor, Perak, Johor, Penang and Butterworth who had scored straight As in the 2008 UPSR examination.

On a different platform, the Company in collaboration with two Tamil newspapers and the Educational, Welfare and Research Foundation (EWRF), a national charitable organisation assisting less privileged Malaysian Indians, donated 2,000 school bags to needy Primary One students at 20 rural Tamil schools in Johor, Melaka, Negeri Sembilan, Penang, Perak, Kuala Lumpur and Selangor. The funds for this initiative came from the proceeds of SKOL six-can packs sold at hypermarkets and supermarkets. SKOL kicked off the month-long festive campaign by committing RM2 for every six–can pack of SKOL beer sold during the Deepavali festive season in 2009.

Financial Support to Refurbish Tamil Primary School

In 2009, Carlsberg Malaysia made a RM10,000 donation to SJK (T) Ladang Repah Tampin in support of upgrading works for the school's facilities, some of which had either broken down or were simply inadequate. We also donated RM5,000 to SJK (T) Ampang, Selangor to finance their recreational activities.

OCM-Carlsberg Athletes Retirement Scheme

In partnership with the Olympic Council of Malaysia (OCM), Carlsberg Malaysia, in its capacity as the OCM's Official Partner since 1994, has been financially supporting the OCM-Carlsberg Athletes Retirement Scheme. The retirement scheme serves to protect deserving athletes by providing whole life insurance coverage. It also aims to incentivise and motivate athletes to excel and achieve consistently good results.

The 15 years partnership between Carlsberg and OCM was strengthened when we announced we would continue our annual sponsorship of RM30,000 to the OCM–Carlsberg Athletes Retirement Scheme for another four years from 2009 to 2012. To date, this retirement scheme has provided insurance coverage totalling RM2.01 million for 69 Malaysian athletes who have won gold medals in past Asian and Commonwealth Games as well as medals in the Olympics.

On another occasion, Carlsberg Malaysia as a Charter Member of SportExcel, the sports foundation for young athletes, extended its sponsorship of the foundation until 2011.

Despite a challenging business environment in 2009, the Company did not compromise on its investment in community projects.

Corporate Social Responsibility

Carlsberg Malaysia embarked on a path to co-create Five Winning Behaviours (5WBs) with all its employees and to embed these values within our culture.

Workplace Winning Practices

We always strive for winning solutions and are willing to take bold steps to reach our goals. Whether big or small in the market place, we behave as entrepreneurs – fast, proactive and action oriented in decision making as well as in execution.

We put ourselves in the shoes of our consumers and customers and have detailed insights into their needs and preferences. We base our strategies and plans on these insights and continuously evaluate the way we work to improve their experience of our brands, our services and our people.

We take ownership of challenges and problems, individually and in teams, and have the autonomy to deliver outstanding results. We do not let fear of failure overcome the desire to succeed and learn from our mistakes. We work in an environment where good ideas and the passion to deliver are recognised and rewarded.

We respect and welcome differences in culture, people and brands, at the same time recognising that working closely together and actively sharing best practices across functions, countries and regions is what it takes to grow and to win.

We are socially and environmentally responsible and believe it makes business sense to be so. We make a positive contribution to the societies in which we operate and the communities in which we live. We listen to and engage with our stakeholders and always strive for the responsible use of natural resources.

Over the last two years, Carlsberg Malaysia has successfully made changes on our business and route-to-market fronts; achieving several key milestones in the process. As for 2009, a great deal of time and effort has been invested in laying the foundation for embedding the right values within the Company.

In line with the Carlsberg Group's vision, Carlsberg Malaysia embarked on a path to co-create Five Winning Behaviours with all its employees and to embed these values within our culture. These Five Winning Behaviours or 5WBs are the yardstick of behaviours by which all employees are to act. On a Group-wide basis, the 5WBs will serve as the glue that will galvanise all employees to live a shared Carlsberg culture and values system that will differentiate us from our competitors.

Five Behavioural Pillars

Carlsberg's Group 5WBs are based on the GLOCAL approach: Finding the right balance between working closely together at a GLObal level, whilst allowing loCAL brands and initiatives to flourish – this is what will set us apart from our competitors and is critical for the success of Carlsberg.

As a symbolic representation of these 5WBs, Carlsberg Malaysia created the "Open Palm" icon with the five fingers representing the 5WBs. The icon has a triple meaning: the open palm signifies our continuous support for each other; we extend an open palm to shake hands when closing a deal; and we open our palm to give a high five to others when celebrating success. The Open Palm also demonstrates the Company's open management style and commitment to creating a culture of openness and transparency.

In line with the launch of the 5WBs, the Company initiated an employee recognition initiative named the Carlsberg Malaysia Role Model Awards, which serves as a platform to showcase employees whose actions and behaviours demonstrate the 5WBs in their daily work. The Role Model Award consists of the following categories:-

- The *Spot Award* - focuses on recognising individual employees "on the spot" who demonstrate and constantly inspire winning behaviours in the course of executing their work assignments.
- The *Individual / Team Award* – aims to recognise individuals or groups of employee with outstanding achievements and contributions on a quarterly basis.

To further ensure the sustainability and ingraining of the 5WBs into our culture and values system, these 5WBs were also hard-wired into the performance management system as the new competency measurement. In tandem with the introduction of the new competency model, a series of Performance Management Training workshops and briefing sessions were organised in-house for all line managers from November to December 2009. The highlight of these workshops were the role plays that focused on rectifying wrong behaviours.

All line managers have been tasked with further cascading and sustaining the 5WBs to ensure these 5WBs are continuously brought to life in our daily operational work. These 5WBs also form the key reference point in the rollout of our sales effectiveness training for our sales personnel. In 2009, the main training for our sales force focused on a back-to-basics eight-step sales call with "We Want To Win" being the rallying call. The training for our sales promoters focused on imparting the right behavioural values to them and coaching them to provide excellent service to our customers as "Our Customers and Consumers are at the Heart of Every Decision We Make!

To ensure business sustainability, we are constantly reviewing, updating and improving our governance measures and communication to stakeholders.

Credible **Marketplace** Initiatives

Carlsberg Malaysia continues its efforts to maintain good relations with shareholders, suppliers, consumers, customers, business partners and other stakeholders based on the principles of increasing operational effectiveness, improving profitable management and reducing business risk. To achieve organisational excellence and to ensure business sustainability, we are constantly reviewing, updating and improving our governance measures and communication to stakeholders.

Shareholder Communication

The Company convened its 39th Annual General Meeting on 28 April 2009, where approximately 1,666 shareholders or their proxies attended. Our Managing Director presented the Group's performance, strategies and action plans during the AGM and shareholders and members of the Board had the opportunity to exchange dialogue on specific topics.

Other forms of communication over the year take the form of the interim reports, financial results and corporate announcements that are published on Bursa Malaysia's website and posted on our own corporate website. We also publish our annual report and conduct regular teleconferences and bi-annual analyst briefings with investors and investment analysts.

Industry Engagement

Carlsberg Malaysia is a Founder Member of the Confederation of Malaysian Brewers Berhad (CMBB), whose role is to provide a platform for the Malaysian brewers, namely Carlsberg Brewery Malaysia Berhad and Guinness Anchor Berhad, to work closely with the authorities to address industry issues and concerns.

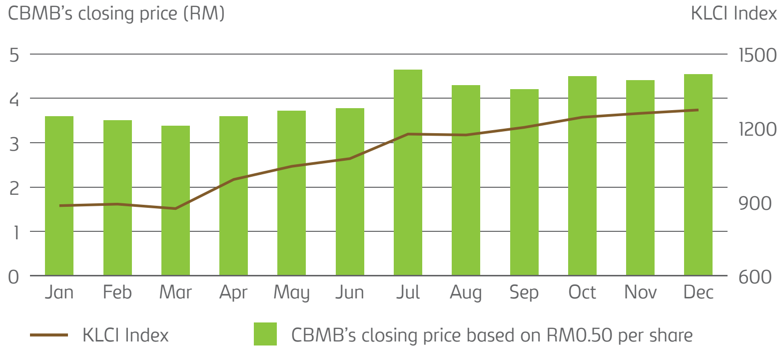
In August 2009, Carlsberg Malaysia organised a roundtable dialogue on excise duty matters and invited representatives from the media, financial institutions, trade association and members of the food and beverage industry. The dialogue covered issues such as the present economic environment and the effect on business performance; the challenges going forward and the potential impact of a price increase on beer products on representatives' businesses, were there to be an excise duty increase.

The roundtable dialogue concluded by recommending three points for Government consideration: firstly that the Government freeze the level of excise duty on beer and stout to allow other countries to catch up over time to Malaysia's level and to increase the excise duty for undenatured ethyl alcohol; secondly, to maintain the level of import duty on all other alcoholic products imported into Malaysia; and finally, that the Government take additional enforcement action to deal with smuggling practices and cheap imported beer.

Responsible Supplier Management Programme

In 2009, the Company continued the implementation of the Supplier and Licensee Code of Conduct through the development of a Responsible Supplier Management Programme. All new supplier contracts now contain a set of social and environmental standards that suppliers are required to adhere to. CSR criteria is now also part of the evaluation on all investments and procurement initiatives above a certain annual spend and part of the standardised sourcing processes at Carlsberg Malaysia. All in all, these initiatives serve to ensure that transparency, integrity and accountability form the basis of all our business undertakings.

CBMB's Share Performance



Notes: CBMB - Carlsberg Brewery Malaysia Berhad
CBMB is quoted as CBMS.KL by Reuters whereas CAB MK by Bloomberg

Five Year Dividend Payout as % of Profit After Tax

	2009 RM'000	2008 RM'000	2007 RM'000	2006 RM'000	2005 RM'000
Net Dividend Amount	**28,664**	79,189	82,583	86,832	110,069
Group Profit After Tax	**76,725**	76,119	78,493	85,904	88,676
Net Dividend Amount as % of Profit After Tax	**37.4%**	104.0%	105.2%	101.1%	124.1%

Ten-Year Financial Summary

Income Statements (RM - Million)

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Revenue	765.1	751.5	692.0	702.0	796.7	867.2	929.7	897.5	960.2	**1,045.5**
Profit Before Tax	152.2	161.7	126.7	106.7	113.3	112.4	110.4	97.7	101.3	**102.6**
Taxation	42.2	35.7	31.3	25.5	24.6	23.7	24.5	19.2	25.2	**25.9**
Profit After Tax	110.0	126.0	95.4	81.2	88.7	88.7	85.9	78.5	76.1	**76.7**
Dividends	82.0	82.0	103.6	103.9	98.8	110.1	86.8	82.6	79.2	**28.7**
Retained Earnings	28.0	44.0	(8.2)	(22.7)	(10.1)	(21.4)	(0.9)	(4.1)	(3.1)	**48.0**

Balance Sheets (RM - Million)

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Issued and Paid-up Share Capital	141.0	141.0	141.7	142.0	142.0	142.0	142.0	142.0	142.0	**142.0**
Retained Earnings	265.8	380.8	378.4	355.7	345.7	324.2	323.3	319.1	316.0	**363.5**
General Reserves	5.8	5.8	–	–	–	–	–	–	–	**–**
Non-Distributable Reserves	11.4	9.3	11.4	14.0	12.8	13.7	11.2	10.1	10.1	**9.3**
Shareholders' Fund	424.0	536.9	531.5	511.7	500.5	479.9	476.5	471.2	468.1	**514.8**
Deferred Taxation	12.8	14.0	21.0	22.5	22.9	22.6	22.4	19.6	17.2	**72.3**
Minority Interest	–	–	–	–	–	–	–	–	1.2	**1.8**
	436.8	550.9	552.5	534.2	523.4	502.5	498.9	490.8	486.5	**588.9**
Property, Plant, Equipment and Intangible Assets	195.5	211.6	200.8	185.5	176.7	169.6	160.7	158.1	156.4	**521.5**
Investment in Associated Company	13.4	8.3	13.6	15.0	15.6	18.0	14.8	13.8	13.9	**24.3**
Long Term Investment	1.7	1.7	1.7	1.7	1.7	0.0	0.0	0.0	0.0	**0.0**
Net Current Assets	226.2	329.3	336.4	332.0	329.4	314.9	323.4	318.9	316.2	**43.1**
	436.8	550.9	552.5	534.2	523.4	502.5	498.9	490.8	486.5	**588.9**

Financial Ratio

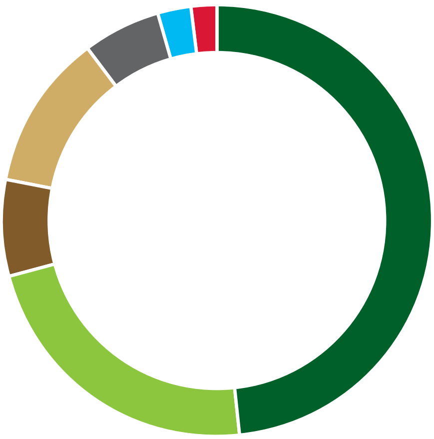
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Pre-Tax Earnings per shares (RM)* #	0.50	0.53	0.42	0.35	0.37	0.37	0.36	0.32	0.33	**0.34**
Post-Tax Earnings per shares (RM)* #	0.36	0.42	0.32	0.27	0.29	0.29	0.28	0.26	0.25	**0.25**
Net Dividend per ordinary share (RM) #	0.27	0.27	0.34	0.34	0.32	0.36	0.28	0.27	0.26	**0.09**
Net Assets Backing per share (RM)* #	1.40	1.77	1.74	1.68	1.64	1.57	1.56	1.54	1.53	**1.68**
Dividend Cover, No. of Times (Based on post-tax earnings)	1.30	1.54	0.92	0.78	0.90	0.81	0.99	0.95	0.96	**2.68**
Return on Shareholders' Fund (%)	25.9	23.5	18.0	15.9	17.7	18.5	18.0	16.7	16.3	**14.9**
Current Ratio	2.2	3.8	4.3	5.6	5.5	4.6	4.5	4.1	3.2	**1.1**
Bursa Securities Price at 31 December (RM) #	5.50	5.40	5.35	5.50	5.30	5.35	5.10	4.24	3.60	**4.54**
Net Dividend Yield (%) ^	4.9	5.0	6.4	6.2	6.0	6.7	5.6	6.4	7.2	**2.1**

* Computed based on total number of shares net of Treasury shares.

\# For comparison purposes figures prior to 2005 are adjusted based on RM0.50 per share.

^ Net dividend yield is computed based on dividend paid out during the year divided by the share price at year end.

Analysis of Group Revenue



	2008	2009
Excise Duties & Ad Valorem Tax	49.6%	**48.3%**
Sales, Distribution & Administration Costs	19.1%	**22.6%**
Profit after tax	7.9%	**7.3%**
Raw materials & packaging costs	13.1%	**11.8%**
Employees' Costs	5.5%	**5.6%**
Taxation	2.6%	**2.5%**
Depreciation & Amortisation	2.2%	**1.9%**

Directors' Profile

Dato' Lim Say Chong

J.S.M., D.M.P.N.
Independent Non-Executive Chairman
Member of Audit Committee
Chairman of Remuneration Committee
Chairman of Nomination Committee

Dato' Lim Say Chong, aged 69, a Malaysian, was appointed to the Board on 21 May 2003.

Dato' Lim graduated from the University of Malaya with a B.A. Honours degree in Economics and obtained a Masters in Business Administration from the University of British Columbia, Canada. He also attended an Advanced Management Programme at the Harvard Business School, Boston. Dato' Lim worked with the Imperial Chemical Industries (ICI) PLC's Group of Companies in Malaysia and abroad for 30 years, during which time he sat on the Board of several companies within the Group. He later became the Managing Director of the ICI (Malaysia) Group for 5 years. Dato' Lim was the Group Managing Director of Chemical Company of Malaysia Bhd from 1989 to 2004. Dato' Lim also served in various associations, including as President of the Malaysian International Chamber of Commerce & Industry (MICCI). He was also a Member of the National Human Resource Development Council, Board of Directors of the Malaysian Industrial Development Authority (MIDA), Board of Trustees of the Aged European Fund, Council Member of the Federation of Malaysian Manufacturers (FMM) and Board of ASEAN Chamber of Commerce & Industry (ACCI).

Dato' Lim is a Director of Mulpha International Berhad and a trustee of the Ti-Ratana Welfare Society.

Soren Ravn

Managing Director

Mr Ravn, aged 36, a Dane, was appointed as the Managing Director of Carlsberg Brewery Malaysia Berhad on 1 March 2010.

Mr Ravn graduated with a Diploma in Leadership & Organization from Copenhagen Business School in 2001. Before that he graduated as a Market Economist from Aarhus Business College in 1997.

He has been with the Carlsberg Group since 1998, initially in the Carlsberg Denmark organization and then in Carlsberg A/S in the role of Group Strategy Director. In late 2006, he moved to Hong Kong to take up the position of Vice President- Supply Chain, HR & Business Development for Carlsberg Greater China. In August 2008, he was appointed Managing Director of Carlsberg Hong Kong & Macau and held this position before being appointed as Managing Director of Carlsberg Brewery Malaysia Berhad.

Mr Ravn is presently Chairman of Carlsberg Distributors Taiwan Limited (Taiwan) and Carlsberg Cottingham Ltd (Taiwan). He also sits on the Board of several private companies within the Group including Carlsberg Singapore Pte Ltd, Carlsberg Marketing Sdn Bhd and Luen Heng F & B Sdn Bhd.

Roy Enzo Bagattini

Non-Executive Director

Mr Roy Enzo Bagattini, aged 46, an Italian, was appointed as the Non-Executive Director of Carlsberg Brewery Malaysia Berhad on 28 January 2010.

Mr Bagattini has a Bachelor of Commerce degree from the University of South Africa and has also completed various business studies at Stanford University USA and Oxford in the UK. Mr Bagattini previously worked for SABMiller where he was the Regional Managing Director for Eastern Europe. Prior to that, he has held senior general management positions in South Africa and the USA as well as being the country Managing Director of SABMiller in India, China and Italy.

Mr Bagattini joined the Carlsberg Group in July 2009 and is presently the Senior Vice-President, Asia for Carlsberg A/S and Carlsberg Breweries A/S serving the Carlsberg Asia region, based in Hong Kong. Currently, he is part of the Executive Committee of the Carlsberg Group and also sits on the Board of several private companies within the Carlsberg Group.

Directors' Profile

Datuk M.R. Gopala Krishnan C.R.K. Pillai

P.J.N.
Senior Independent Non-Executive Director
Chairman of Audit Committee
Member of Remuneration Committee
Member of Nomination Committee

Datuk Krishnan, aged 70, a Malaysian, was appointed to the Board on 3 December 2007.

Datuk Krishnan is a Fellow of the Australian Society of Certified Practising Accountants (CPA Australia) and had also attended the Advanced Management Programme at the Harvard Business School. He was the Managing Director of Land & General Berhad, a position he held from 2001 to 2007. Datuk Krishnan was also the Executive Director of Antah Holdings Berhad from 1990 to 2000. Datuk Krishnan started his career at ICI Malaysia Sdn Bhd (ICI) and has held various management positions within the Group and that of Chemical Company of Malaysia Berhad. He was subsequently appointed as Managing Director of ICI Fertilisers Malaysia Sdn Bhd., ICI Industrial Chemicals Malaysia Sdn Bhd and Executive Director of Chemical Company of Malaysia Berhad. He was also the Council Member of the Federation of Malaysian Manufacturers (FMM).

Datuk Krishnan is a past President of the Malaysian International Chamber of Commerce & Industry (MICCI) and as well as a Committee member of PEMUDAH. Datuk Krishnan is also a Director of the Malaysian Alliance of Corporate Directors.

Dato' Chin Voon Loong

D.S.P.N.
Executive Director

Dato' Chin Voon Loong, aged 53, a Malaysian, was appointed to the Board on 1 April 2003.

Dato' Chin graduated with a Bachelor of Science (Honours) degree in Systems and Management from The City University, London and is a Fellow Member of the Institute of Chartered Accountants in England and Wales. He is also a Chartered Accountant with the Malaysian Institute of Accountants, an Associate Member of the Malaysian Institute of Taxation, Affiliate of The Malaysian Institute of Chartered Secretaries and Administrators (MAICSA) and a Member of the Institute of Public Relations Malaysia.

Dato' Chin has worked with the Company for 23 years. He has held the position of Chief Financial Officer and subsequently, as Commercial Director. He was also previously the Company Secretary of the Company and a Member of the Audit Committee. Currently, he holds the position of Executive Director-Corporate Affairs.

Dato' Chin holds directorships in Lion Brewery (Ceylon) PLC (Sri Lanka), South East Asia Brewery Ltd (Vietnam), International Beverage Distributors Ltd (Vietnam), Gorkha Brewery Ltd (Nepal), Carlsberg Distributors Taiwan Limited, (Taiwan) and Carlsberg Cottingham Ltd (Taiwan). Dato' Chin is also a Member of the Governing Council of the Confederation of Malaysian Brewers Berhad and also serves on the Board of several private companies within the Group including Carlsberg Singapore Pte Ltd, Carlsberg Marketing Sdn Bhd and Luen Heng F & B Sdn Bhd.

Graham James Fewkes

Non-Executive Director

Mr Fewkes, aged 42, a Brit, was appointed as the Non-Executive Director of Carlsberg Brewery Malaysia Berhad on 12 March 2009.

Mr Fewkes graduated with BA Honours in History from the University of York (UK) in 1990 and subsequently worked in a range of sales and marketing roles for international companies such as Grand Metropolitan PLC, Foster's Group and most recently as Commercial Director in Scottish and Newcastle PLC's BBH joint-venture with the Carlsberg Group in Russia and ex-Soviet markets before joining the Carlsberg Group.

Mr Fewkes joined the Carlsberg Group in October 2008 and is presently the Commercial Vice-President, Asia for Carlsberg Breweries A/S serving the Carlsberg Asia region. Currently, he is a Director of Lao Brewery Co Ltd (Laos), South-East Asia Breweries Ltd (Vietnam) and also sits on the Board of several private companies within the Carlsberg Group.

Other Information on Directors

None of the Directors have any family relationship with any director/substantial shareholder of the Group and the Company, nor any interest in any business arrangement involving the Group and the Company. None of them have had any convictions for any offences, other than traffic offences, within the past 10 years.


COPENHAGEN
DENMARK
BY APPOINTMENT TO THE
ROYAL DANISH COURT
Carlsberg
ALL MALT PREMIUM BEER

Statement of Corporate Governance

The Board of Directors is fully committed in ensuring that the highest standards of corporate governance including accountability and transparency are practiced 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 of Corporate Governance ("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 2009.

A. Directors

I. The Board

An effective Board leads and controls 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 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 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 2009, a total of five (5) Board meetings were held at Carlsberg Brewery Malaysia Berhad, Shah Alam as follows:

18 February 2009
11 May 2009
27 August 2009
8 September 2009
29 October 2009

In the intervals between Board meetings, for exceptional matters requiring urgent Board decisions, Board decisions are obtained via circular resolutions which are supported with information necessary for an informed decision.

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

Directors	No. of meetings attended
Dato' Lim Say Chong (Independent Non-Executive Chairman)	5/5
Tan Sri Datuk Asmat bin Kamaludin (Senior Independent Non-Executive Director) (resigned on 12 May 2009)	2/2
Soren Holm Jensen (Managing Director) (resigned on 1 March 2010)	5/5
Soren Ravn (Managing Director) (appointed on 1 March 2010)	N/A
Dato' Chin Voon Loong (Executive Director)	4/5
Datuk M.R. Gopala Krishnan C.R.K. Pillai (Senior Independent Non-Executive Director)	5/5
Jorn Peter Jensen (Non-Executive Director) (resigned on 15 January 2010)	2/4
Graham James Fewkes (Non-Executive Director) (appointed on 12 March 2009)	2/4
Roy Enzo Bagattini (Non-Executive Director) (appointed on 28 January 2010)	N/A

Statement of Corporate Governance

The Board has delegated specific responsibilities to the following Board Committees:-

1. **Audit Committee**
   The Audit Committee was established on 15 April 1994. Please refer to the Audit Committee Report on page 62.

2. **Nomination Committee**
   The Nomination Committee which was established on 1 October 2001, had one (1) meeting held on 18 February 2009 during the financial year ended 31 December 2009.

   Members:
   Tan Sri Datuk Asmat bin Kamaludin (Senior Independent Non-Executive Director) – Chairman (resigned on 12 May 2009)
   Dato' Lim Say Chong (Independent Non-Executive Director) – Chairman (appointed on 31 July 2009)
   Datuk M.R. Gopala Krishnan C.R.K. Pillai (Senior Independent Non-Executive Director) (appointed on 31 July 2009)

   Key responsibilities:
   - Reviewing the Board composition and recommending new nominees to the Board as well as Board committees for the Directors' consideration.
   - Assessing the effectiveness of the Board, Board Committees and the contribution of each Director (including the Independent Non-Executive Directors and Managing Director) 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.

3. **Remuneration Committee**
   The Remuneration Committee, which was established on 18 August 2001, had one (1) meeting held on 18 February 2009 during the financial year ended 31 December 2009.

   Members:
   Tan Sri Datuk Asmat bin Kamaludin (Senior Independent Non-Executive Director) – Chairman (resigned on 12 May 2009)
   Dato' Lim Say Chong (Independent Non-Executive Director) – Chairman (appointed on 31 July 2009)
   Datuk M.R. Gopala Krishnan C.R.K. Pillai (Senior Independent Non-Executive Director)

   Key responsibilities:
   - Recommending the level of the Executive Directors' remuneration package.
   - Evaluating the remuneration packages of senior management executives.

II. Board Balance

The strong independent element of the Board has ensured a balance of power and authority. 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.

In 2009, the Board had between six (6) to seven (7) members, comprising four (4) to five (5) Non-Executive Directors and two (2) Executive Directors. Out of these Directors, two (2) were Independent Directors.

Collectively, the Directors bring a wide range of business, legal, financial and technical experience relevant to the Group. The profile of each Director is summarised under pages 48 to 51.

The presence of Independent Non-Executive Directors ensures that issues of strategies, performance and resources proposed by the management are objectively evaluated, taking into consideration the long-term interests of shareholders, employees, customers, suppliers and other communities in which the Group conducts its business. The Independent Directors also ensure that the investment of minority shareholders is fairly reflected through Board representation.

The Board has also indentified Datuk M.R. Gopala Krishnan C.R.K. Pillai as the Senior Independent Non-Executive Director to whom concerns may be conveyed.

III. Supply of Information

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 explanations 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.

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.

IV. Appointments to the Board

The Code endorses, as good practice, the setting up of a Nomination Committee to formalise procedures for appointments to the Board. Although the Code states that this procedure may be performed by the Board as a whole, as a matter of best practice, it recommends that this responsibility be delegated to a committee.

To this end, the Nomination Committee, all of whom are Non-Executive Directors, is charged with the responsibility of, amongst others, recommending the appointment of new Directors to the Board.

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 ("Bursa Securities") particularly in relation to their responsibilities as Directors are also conveyed to them.

V. Re-election

All new Directors are subject to election at the next Annual General Meeting after their appointment in accordance with the Company's Articles of Association, which also provides that at least one-third of the remaining Directors be subject to re-election by rotation at each Annual General Meeting.

Directors aged 70 years and above are required to retire at every Annual General Meeting but shall be eligible to submit themselves for re-appointment until the next Annual General Meeting in accordance with Section 129(6) of the Companies Act, 1965.

Statement of Corporate Governance

VI. Directors' Training

All existing Directors during the financial year ended 2009 have attended the Mandatory Accreditation Programme (MAP) as required by Bursa Securities. During the course of the year, they have also attended other training programmes and seminars on areas such as financial reporting standards, communications and media, performance reviews, tax and accounting conferences that include the following :

1. National Accountants Conference 2009
2. Group Communications Conference in Copenhagen
3. National Tax Conference 2009
4. Performance Review Meeting
5. KPI Offsite Review Meeting plus Team Building at EQ, Bangi
6. KPI Review Meeting
7. Winning Behaviour Workshop
8. CPA Australia SME Advisory Committee meeting
9. 6th World Chambers Congress
10. KPMG CEO Breakfast Forum
11. PEMUDAH Working Group Meetings
12. Task Force on Abandoned Projects / Task Force on Foreign Workers
13. Investment & International Trade Committee Malaysian International Chamber of Commerce & Industry

Training for Directors will continue so as to ensure that they are kept up-to-date on developments in relevant laws and business practices.

B. Directors' Remuneration

I. Remuneration Policy

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.

II. Remuneration Procedure

The Remuneration Committee recommends for the Board's approval, the framework of executive remuneration of the Executive Directors' remuneration package.

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.

The fees payable to Directors are subject to the approval of shareholders.

III. Details of Remuneration

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

	2009		2008	
Total Remuneration:	Executive Directors RM'000	Non-Executive Directors RM'000	Executive Directors RM'000	Non-Executive Directors RM'000
Fees	**80**	**206**	80	241
Gratuity	**–**	**–**	–	–
Retirement benefits-defined contribution plan	**226**	**–**	181	–
Benefits-in-kind	**335**	**–**	388	–
Other emoluments	**2,564**	**–**	2,358	–
	3,205	**206**	3,007	241

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

	Number of Directors			
	2009		2008	
Range of Remuneration (RM):	Executive Directors	Non-Executive Directors	Executive Directors	Non-Executive Directors
Less than 50,000	**–**	**5**	–	4
50,001- 100,000	**–**	**1**	–	1
850,001 - 900,000	**–**	**–**	1	–
1,000,001 - 1,050,000	**1**	**–**	–	–
2,150,001 - 2,200,000	**1**	**–**	1	–
	2	**6**	2	5

C. Investor Relations and Shareholder Communication

The Board recognises the importance of an effective communications channel between the Board, shareholders and general public.

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 Annual General Meeting 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 and answer session wherein 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 shareholder.

Statement of Corporate Governance

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

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 Annual General Meeting.

In addition, the Group maintains a website at www.carlsberg.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.

D. Accountability and Audit

I. Financial Reporting

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 66 of this Annual Report.

II. Internal Controls

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. The findings of the internal audit function are regularly reported to the Audit Committee.

III. Relationship with 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 section.

E. Related Party Transactions

The Group has established the appropriate procedures to ensure that the Company complies with Bursa Securities Main Market Listing Requirements relating to related party transactions. All related party transactions are reviewed by the Audit Committee and the same will be reported to the Board on a quarterly basis.

The shareholders' mandate in respect of existing and new recurrent related party transactions is obtained at the annual general meeting of the Company on a yearly basis. Details of the recurrent related party transactions entered into by the Group during the financial year ended 31 December 2009 are set out on page 123 of this Annual Report.

Statement on 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. 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 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 Internal Control: Guidance for Directors of Public Listed Companies". The key elements of the Group's Risk Management Framework are described below:-

- **Structure**
  The Group adopts 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 overseen by 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 periodic reporting 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 regular basis. The Audit Committee reports to the Board on any significant changes in the business and external environment which affect key risks.

  In 2009, the RMWC met 4 times wherein discussions and reviews were conducted on key risks faced by the Group, their corresponding controls and action plans to be taken.

- **Risk Assessment**
  The Group maintains a database of key 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
  - Knowledge, which are risks associated with intellectual property and information resources

  During the year, the database of key risks and corresponding controls were reviewed for completeness and adequacy. The identified risks were prioritised according to the degree of impact and likelihood of occurrence. Existing corresponding controls were assessed for adequacy, taking into account the level of risk involved and where necessary and feasible, additional controls were identified for implementation.

Statement on 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 emphasised 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 to enhance the level of awareness and knowledge on matters relating to risk management and internal controls.

- **Control Structure**
  The Board and Management have established an organisation 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:

  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 are also communicated via circulars and internal memos. Such circulars and memos are properly authorised by the relevant members of senior management.

  - Regular visits by the head office personnel to sales depots.

  - Regular meetings with the Heads of sections/sales areas which provide a sound platform for the members of the sections/sales areas to communicate with, and provide feedback to and from, Management.

  Internal Audit
  The Group has an Internal Audit Department ("IAD") which carries out its functions independently and provides the Audit Committee and the Board with the assurance on the adequacy and integrity of the system of internal controls. The Internal Audit Department 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 an effective, professional and timely manner;
  - Reports to the auditee upon completion of each audit; and
  - Submits quarterly reports to the Audit Committee.

  The Audit Committee Report set out on pages 62 to 65 of this Annual Report contains further details on the principal responsibilities and activities of the Internal Audit Department in 2009.

Statement on Internal Control

Audit Committee
The Audit Committee, on behalf of the Board, regularly reviews the measures undertaken on internal control issues identified by the RMWC, Internal Audit, external auditors and Management. During the year, 75 reports were issued by the Internal Audit Department to the Audit Committee for their review.

The Audit Committee Report set out on pages 62 to 65 of this Annual Report contains further details on the activities undertaken by the Audit Committee in 2009.

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 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.

  Regular and comprehensive information is provided to Management, covering financial performance and key business indicators, key operating statistics/indicators, key business risks, legal, environmental and regulatory matters. Biweekly 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 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 Internal Audit Department. Responsibility for monitoring compliance with policies, procedures and guidelines rests principally with the Internal Audit Department, 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 Effectiveness

The Board has taken the necessary steps to ensure that appropriate systems are in place for the assets of the Group to be adequately safeguarded through the prevention and detection of fraud and other irregularities and material misstatements.

The Board 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, a number of improvements to internal controls were identified and addressed. There have been no significant weaknesses noted which have resulted in any material losses.

This Statement on 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 had four (4) meetings during the financial year ended 31 December 2009. The members of the Audit Committee and the record of their attendance are as follows:-

Membership	No. of meetings attended
Datuk M.R. Gopala Krishnan C.R.K. Pillai Senior Independent Non-Executive Director – Chairman (appointed on 31 July 2009)	4/4
Dato' Lim Say Chong Independent Non-Executive Director – Member	4/4
Graham James Fewkes Non-Independent Non-Executive Director – Member (appointed on 11 August 2009)	1/2
Tan Sri Datuk Asmat bin Kamaludin Senior Independent Non-Executive Director – Chairman (resigned on 12 May 2009)	2/2

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 auditor on the findings of the external audit.

The External Auditors were present at two (2) Audit Committee meetings during the financial year. A separate meeting between the Audit Committee and the External Auditors without the executive board members present, was held during the financial year to discuss the audit findings and any other observations they may have during the audit process.

Terms of Reference

- **Terms of membership**
  1. In accordance to the Malaysian Code on Corporate Governance (revised 2007), 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:
     - a 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 1st Schedule of the Accountants Act 1967 or be a member of one (1) of the associations of accountants specified in Part II of the 1st Schedule of the Accountants Act 1967; or
     - fulfills such other requirements as prescribed or approved by the 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.

Audit Committee Report

- **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 to attend, 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 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 that 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;
     (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 changes;
         (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 recommend and consider the nomination and appointment of a person or persons as external auditors, the audit fees and any questions of resignation or dismissal; and

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

Audit Committee Report

- **Meetings**
  1. Meetings shall be held not less than four (4) times a year.
  2. The quorum for each meeting shall be two 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 2009, 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 2009 amounted to RM2,000.
  - Reviewed the Internal Audit Department's resource requirements, programmes and plan for the year under review and the annual assessment of the Department's performance.
  - 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 approved accounting standards approved by 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 Main Market Listing Requirements ("Listing Requirements") of 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 Malaysian Code on Corporate Governance for the purpose of the Corporate Governance Statement pursuant to the Listing Requirements of the Bursa Securities.

Audit Committee Report

Summary of Activities of the Internal Audit Function during the financial year ended 31 December 2009

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 Risk Management Working Committee (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 2009:

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 2009 amounted to RM641,160.

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 2009, the Directors have applied appropriate and relevant accounting policies consistently and in accordance with applicable accounting standards and made judgments 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.

Financial Statements

Directors' Report

FOR THE YEAR ENDED 31 DECEMBER 2009

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the year ended 31 December 2009.

Principal Activities

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

Results

	Group RM'000	Company RM'000
Profit attributable to:		
Shareholders of the Company	76,142	61,020
Minority interest	583	–
	76,725	61,020

Reserves and Provisions

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

Dividends

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

(i) a final dividend of 7.5 sen per RM0.50 ordinary share less tax at 25% totalling RM17.2 million (5.6 sen net per ordinary share) in respect of the year ended 31 December 2008 on 18 May 2009;

(ii) an interim dividend of 5 sen per RM0.50 ordinary share less tax at 25% totalling RM11.5 million (3.8 sen net per ordinary share) in respect of the year ended 31 December 2009 on 8 October 2009.

The Directors recommend the payment of a final dividend and special dividend of 7.5 sen per RM0.50 ordinary share and 10.5 sen per RM0.50 ordinary share respectively less tax at 25% totalling RM17.2 million (5.6 sen net per ordinary share) and RM24.1 million (7.9 sen net per ordinary share) respectively in respect of the year ended 31 December 2009.

Directors of the Company

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

Dato' Lim Say Chong
Dato' Chin Voon Loong
Datuk M.R. Gopala Krishnan C.R.K. Pillai
Graham James Fewkes
Roy Enzo Bagattini (appointed on 28.1.2010)
Soren Ravn (appointed on 1.3.2010)
Tan Sri Datuk Asmat bin Kamaludin (resigned on 12.5.2009)
Jorn Peter Jensen (resigned on 15.1.2010)
Soren Holm Jensen (resigned on 1.3.2010)

Directors' Report

FOR THE YEAR ENDED 31 DECEMBER 2009

Directors' Interests

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 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			
	At 1.1.2009	Acquired	Disposed	At 31.12.2009
Deemed interest in the Company				
Dato' Lim Say Chong*	56,000	–	(2,000)	**54,000**

* *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 1.1.2009	Granted	Exercised	At 31.12.2009
Interest in the holding company				
Carlsberg A/S				
Dato' Chin Voon Loong	4,336	1,600	–	**5,936**
Soren Holm Jensen	5,574	2,500	–	**8,074**

None of the other Directors holding office at 31 December 2009 had any interest in the ordinary shares of the Company and of its related corporations during the financial year.

Directors' Benefits

Since the end of the previous financial year, no Director of the Company has received nor become entitled to receive a 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 or the fixed salary of a full time employee 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.

Issue of Shares and Debentures

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.

Directors' Report

FOR THE YEAR ENDED 31 DECEMBER 2009

Other Statutory Information

Before the balance sheets and income 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 provisions made for doubtful debts, and

(ii) all current assets have been stated at the lower of cost and net realisable value.

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 Group and in the Company's financial statements 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.

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, the financial performance of the Group and of the Company for the financial year ended 31 December 2009 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.

Directors' Report

FOR THE YEAR ENDED 31 DECEMBER 2009

Significant Events

(i) Acquisition of a subsidiary, Carlsberg Singapore Pte. Ltd. ("CSPL")

On 28 July 2009, the Company entered into a Memorandum of Understanding ("MOU") with its immediate holding company, Carlsberg Breweries A/S ("CBAS") to acquire the entire equity interest in CSPL from Carlsberg Asia Pte. Ltd. ("CAPL"), a wholly owned subsidiary of CBAS for a purchase consideration of RM370 million, which is subject to final evaluation prior to the signing of Share Purchase Agreement ("SPA").

Pursuant to the MOU, the Company had on 8 September 2009 entered into an SPA with CAPL to acquire the entire equity interest in CSPL. The salient terms of the SPA are as follows:-

(i) The sum of RM370 million purchase price shall be payable in cash in two tranches. The sum of RM200 million shall be paid on the Completion Date and the sum of RM170 million (subject to adjustments) shall be paid on or before 1 March 2010;

(ii) CAPL undertakes to compensate the Company in the event that the aggregate Profits After Tax of CSPL for the financial year ended 31 December 2009 and financial year ending 31 December 2010 is less than SGD24 million.

The proposed acquisition was subsequently approved by the shareholders at an Extraordinary General Meeting held on 23 October 2009. The Company completed the acquisition on 30 October 2009 and the final purchase consideration was determined at RM376 million. On 1 March 2010, the Company made a full settlement of the deferred consideration. The effect of the acquisition is disclosed in Note 26 to the financial statements.

(ii) Increase in investment in an associate, Lion Brewery (Ceylon) PLC

In September 2009, the Company had subscribed to its share of the rights issue undertaken by its associate company, Lion Brewery (Ceylon) PLC, for a total consideration of approximately RM9 million. The effective equity interest remains at 24.6%.

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:

Dato' Chin Voon Loong
Director

Soren Ravn
Managing Director

Shah Alam,
18 March 2010

Balance Sheets

AT 31 DECEMBER 2009

	Note	Group 2009 RM'000	Group 2008 RM'000	Company 2009 RM'000	Company 2008 RM'000
Assets					
Property, plant and equipment	3	**130,498**	139,548	**116,694**	121,674
Intangible assets	4	**382,772**	8,289	**929**	1,762
Other investment		**352**	–	**–**	–
Prepaid lease payments	5	**7,922**	8,610	**7,810**	7,928
Investments in subsidiaries	6	**–**	–	**370,220**	4,009
Investment in an associate	7	**24,340**	13,946	**19,936**	10,940
Investment in a jointly-controlled entity	8	**–**	–	**–**	–
Loan to a subsidiary	10	**–**	–	**10,190**	10,000
Total non-current assets		**545,884**	170,393	**525,779**	156,313
Inventories	9	**58,590**	66,297	**22,490**	25,200
Receivables, deposits and prepayments	10	**217,591**	163,527	**115,054**	199,062
Current tax assets		**4,462**	–	**2,436**	–
Cash and cash equivalents	11	**118,585**	227,017	**59,929**	132,631
Total current assets		**399,228**	456,841	**199,909**	356,893
Total assets		**945,112**	627,234	**725,688**	513,206
Equity					
Share capital		**154,039**	154,039	**154,039**	154,039
Reserves		**360,757**	314,106	**293,816**	260,959
Total equity attributable to equity holders of the Company	12	**514,796**	468,145	**447,855**	414,998
Minority interest		**1,815**	1,232	**–**	–
Total equity		**516,611**	469,377	**447,855**	414,998
Liabilities					
Deferred tax liabilities	13	**72,328**	17,219	**14,488**	16,361
Total non-current liability		**72,328**	17,219	**14,488**	16,361
Payables and accruals	14	**340,367**	131,256	**263,345**	80,361
Current tax liabilities		**7,220**	3,058	**–**	1,486
Loans and borrowings	15	**8,586**	6,324	**–**	–
Total current liabilities		**356,173**	140,638	**263,345**	81,847
Total liabilities		**428,501**	157,857	**277,833**	98,208
Total equity and liabilities		**945,112**	627,234	**725,688**	513,206

The notes on pages 78 to 115 are an integral part of these financial statements.

Income Statements

FOR THE YEAR ENDED 31 DECEMBER 2009

	Note	Group 2009 RM'000	Group 2008 RM'000	Company 2009 RM'000	Company 2008 RM'000
Sales revenue		**1,045,483**	960,207	**638,432**	675,929
Cost of sales		**(739,306)**	(666,180)	**(625,184)**	(660,069)
Gross profit		**306,177**	294,027	**13,248**	15,860
Other income		**3,057**	2,571	**886**	2,976
Sales and distribution costs		**(175,457)**	(171,096)	**–**	–
Administrative expenses		**(30,921)**	(27,719)	**(9,988)**	(11,046)
Other expenses		**(5,632)**	(4,057)	**(3,352)**	(6,401)
Results from operating activities		**97,224**	93,726	**794**	1,389
Interest income		**4,021**	7,403	**3,486**	5,924
Finance costs		**(875)**	–	**(875)**	–
Dividend from a subsidiary		**–**	–	**59,400**	58,608
Operating profit	16	**100,370**	101,129	**62,805**	65,921
Share of profit after tax of equity accounted associate		**2,190**	162	**–**	–
Profit before tax		**102,560**	101,291	**62,805**	65,921
Tax expense	18	**(25,835)**	(25,172)	**(1,785)**	(1,478)
Profit for the year		**76,725**	76,119	**61,020**	64,443
Attributable to:					
Equity holders of the Company		**76,142**	76,149	**61,020**	64,443
Minority interest		**583**	(30)	**–**	–
Profit for the year		**76,725**	76,119	**61,020**	64,443
Basic earnings per ordinary share (sen)	19	**24.9**	24.9		

The notes on pages 78 to 115 are an integral part of these financial statements.

Statement of Changes in Equity

FOR THE YEAR ENDED 31 DECEMBER 2009

Group	Note	Share capital RM'000	Treasury shares RM'000	Share premium RM'000	Exchange reserve RM'000	Capital reserve RM'000	Share option reserve RM'000	Retained earnings RM'000	Total RM'000	Minority interest RM'000	Total equity RM'000
		Attributable to equity holders of the Company									
		Non-distributable						Distributable			
At 1 January 2008		154,039	(12,043)	7,367	(5,900)	8,678	–	319,069	471,210	–	471,210
Net loss recognised directly in equity											
Exchange differences on translation of the financial statements of foreign entities		–	–	–	18	–	–	–	18	–	18
Share option granted		–	–	–	–	–	285	-	285	–	285
Recharge by holding company		–	–	–	–	–	(285)	(43)	(328)	–	(328)
Minority interest arising from acquisition of new subsidiary		–	–	–	–	–	–	–	–	362	362
Issue of shares in subsidiary to minority interest		–	–	–	–	–	–	–	–	900	900
Profit for the year		–	–	–	–	–	–	76,149	76,149	(30)	76,119
Total recognised income and expense for the year		–	–	–	18	–	–	76,106	76,124	1,232	77,356
Dividends to shareholders	20	–	–	–	–	–	–	(79,189)	(79,189)	–	(79,189)
At 31 December 2008/ 1 January 2009		**154,039**	**(12,043)**	**7,367**	**(5,882)**	**8,678**	**–**	**315,986**	**468,145**	**1,232**	**469,377**
Net loss recognised directly in equity											
Exchange differences on translation of the financial statements of foreign entities		**–**	**–**	**–**	**(1,351)**	**–**	**–**	**–**	**(1,351)**	**–**	**(1,351)**
Share option granted		**–**	**–**	**–**	**–**	**–**	**524**	**–**	**524**	**–**	**524**
Profit for the year		**–**	**–**	**–**	**–**	**–**	**–**	**76,142**	**76,142**	**583**	**76,725**
Total recognised income and expense for the year		**–**	**–**	**–**	**(1,351)**	**–**	**524**	**76,142**	**75,315**	**583**	**75,898**
Dividends to shareholders	20	**–**	**–**	**–**	**–**	**–**	**–**	**(28,664)**	**(28,664)**	**–**	**(28,664)**
At 31 December 2009		**154,039**	**(12,043)**	**7,367**	**(7,233)**	**8,678**	**524**	**363,464**	**514,796**	**1,815**	**516,611**

Statement of Changes in Equity

FOR THE YEAR ENDED 31 DECEMBER 2009

Company	Note	Share capital RM'000	Treasury shares RM'000	Share premium RM'000	Capital reserve RM'000	Share option reserve RM'000	Retained earnings RM'000	Total equity RM'000
		←		Non-distributable		→	Distributable	
At 1 January 2008		154,039	(12,043)	7,367	4,747	–	275,677	429,787
Share option granted		–	–	–	–	285	–	285
Recharge by holding company		–	–	–	–	(285)	(43)	(328)
Profit for the year		–	–	–	–	–	64,443	64,443
Total recognised income and expense for the year		–	–	–	–	–	64,400	64,400
Dividends to shareholders	20	–	–	–	–	–	(79,189)	(79,189)
At 31 December 2008/ 1 January 2009		**154,039**	**(12,043)**	**7,367**	**4,747**	**–**	**260,888**	**414,998**
Share option granted		**–**	**–**	**–**	**–**	**501**	**–**	**501**
Profit for the year		**–**	**–**	**–**	**–**	**–**	**61,020**	**61,020**
Total recognised income and expense for the year		**–**	**–**	**–**	**–**	**501**	**61,020**	**61,521**
Dividends to shareholders	20	**–**	**–**	**–**	**–**	**–**	**(28,664)**	**(28,664)**
At 31 December 2009		**154,039**	**(12,043)**	**7,367**	**4,747**	**501**	**293,244**	**447,855**

The notes on pages 78 to 115 are an integral part of these financial statements.

Cash Flow Statements

FOR THE YEAR ENDED 31 DECEMBER 2009

	Note	Group 2009 RM'000	Group 2008 RM'000	Company 2009 RM'000	Company 2008 RM'000
Cash flows from operating activities					
Profit before tax		**102,560**	101,291	**62,805**	65,921
Adjustments for:					
Impairment loss on investment in a jointly-controlled entity		**–**	–	**–**	2,423
Amortisation of intangible assets	4	**1,253**	1,795	**1,090**	1,716
Amortisation of prepaid lease payments	5	**131**	132	**118**	119
Depreciation of property, plant and equipment	3	**19,023**	19,221	**12,553**	13,356
Dividend income		**–**	–	**(59,400)**	(58,608)
Gain on disposal of property, plant and equipment		**(1,626)**	(2,842)	**(64)**	(2,164)
Gain on disposal of leasehold land		**(364)**	–	**–**	–
Property, plant and equipment written off		**735**	1,200	**18**	955
Interest income		**(4,021)**	(7,403)	**(3,486)**	(5,924)
Finance costs		**875**	–	**875**	–
Share of profit after tax of equity accounted associate		**(2,190)**	(162)	**–**	–
Share-based payments		**524**	285	**501**	285
Operating profit before changes in working capital		**116,900**	113,517	**15,010**	18,079
Changes in working capital:					
Inventories		**18,427**	(9,198)	**2,710**	2,855
Receivables, deposits and prepayments		**2,778**	(1,635)	**84,008**	(45,565)
Payables and accruals		**3,429**	25,500	**16,246**	16,031
Cash generated from/(used in) operations		**141,534**	128,184	**117,974**	(8,600)
Taxes paid		**(34,460)**	(22,742)	**(7,580)**	(3,273)
Net cash from/(used in) operating activities		**107,074**	105,442	**110,394**	(11,873)
Cash flows from investing activities					
Acquisition of property, plant and equipment	3	**(11,588)**	(11,507)	**(7,868)**	(7,839)
Acquisition of intangible assets	4	**(634)**	(997)	**(257)**	(847)
Acquisition of business by a subsidiary		–	(14,902)	**–**	(2,100)
Acquisition of a subsidiary by a jointly-controlled entity, net of cash acquired		**–**	(1,971)	**–**	–
Acquisition of a subsidiary, net of cash required	26	**(176,262)**	–	**(200,000)**	–
Dividend received from subsidiary		**–**	–	**59,400**	58,608
Interest received		**4,021**	7,403	**3,486**	5,924
Loan to a subsidiary		**–**	–	**(190)**	–
Proceeds from disposal of property, plant and equipment		**4,181**	3,432	**302**	2,421
Proceeds from disposal of leasehold land		**921**	–	**–**	–
Subscription of shares in a jointly-controlled entity		**–**	–	**–**	(2,423)
Subscription of shares in an associate company		**(8,996)**	–	**(8,996)**	–
Transfer of property, plant and equipment to/(from) a subsidiary		**–**	–	**39**	(24)
Net cash (used in)/from investing activities		**(188,357)**	(18,542)	**(154,084)**	53,720

Cash Flow Statements

FOR THE YEAR ENDED 31 DECEMBER 2009

	Note	Group 2009 RM'000	Group 2008 RM'000	Company 2009 RM'000	Company 2008 RM'000
Cash flows from financing activities					
Dividends paid to shareholders of the Company		**(28,664)**	(79,189)	**(28,664)**	(79,189)
Repayment to ultimate holding company		**(348)**	(756)	**(348)**	(756)
Proceeds from short-term borrowing		**2,143**	2,370	**–**	–
Proceeds from issuance of shares in subsidiary to minority shareholders		**–**	900	**–**	–
Net cash used in financing activities		**(26,869)**	(76,675)	**(29,012)**	(79,945)
Net (decrease)/increase in cash and cash equivalents		**(108,152)**	10,225	**(72,702)**	(38,098)
Exchange difference on translation of the financial statements of a jointly-controlled entity		**–**	18	**–**	–
Effect of exchange rate fluctuation on cash held		**(280)**	–	**–**	–
Cash and cash equivalents at 1 January		**227,017**	216,774	**132,631**	170,729
Cash and cash equivalents at 31 December	(i)	**118,585**	227,017	**59,929**	132,631

(i) Cash and cash equivalents

Cash and cash equivalents included in the cash flow statements comprise the following balance sheet amounts:

	Note	Group 2009 RM'000	Group 2008 RM'000	Company 2009 RM'000	Company 2008 RM'000
Deposits with licensed banks		**58,446**	187,663	**58,446**	130,720
Cash and bank balances		**60,139**	39,354	**1,483**	1,911
Cash and cash equivalents	11	**118,585**	227,017	**59,929**	132,631

The notes on pages 78 to 115 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 Board of Bursa Malaysia Securities Berhad. The address of its registered office and principal place of business is as follows:

Registered office and principal place of business

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

The consolidated financial statements as at and for the year ended 31 December 2009 comprise the Company and its subsidiaries (together referred to as the Group) and the Group's interest in an associate and a jointly-controlled entity. The financial statements of the Company as at and for the year ended 31 December 2009 do not include other entities.

The Company is principally engaged in the production of beer, stout, shandy and non-alcoholic beverages for distribution in the home market and for export while the other Group entities are primarily involved in the marketing and distribution of beer, stout, shandy 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 approved by the Board of Directors on 18 March 2010.

1. Basis of Preparation

(a) Statement of compliance

These financial statements have been prepared in accordance with Financial Reporting Standards (FRS), accounting principles generally accepted and the Companies Act, 1965 in Malaysia.

The Group and the Company have not applied the following accounting standards, amendments and interpretations that have been issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective:

FRS, Interpretation and amendment effective for annual periods beginning on or after 1 July 2009

- FRS 8, *Operating Segments*

FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2010

- FRS 4, *Insurance Contracts*
- FRS 7, *Financial Instruments: Disclosures*
- FRS 101, *Presentation of Financial Statements*
- FRS 123, *Borrowing Costs* (revised)
- FRS 139, *Financial Instruments: Recognition and Measurement*
  Amendments to FRS 1, *First-time Adoption of Financial Reporting Standards* and FRS 127, *Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly-Controlled Entity or Associate*
- Amendments to FRS 2, *Share-based Payment: Vesting Conditions and Cancellations*
- Amendments to FRS 132, *Financial Instruments: Presentation* and FRS 101, *Presentation of Financial Statements – Puttable Financial Instruments and Obligations Arising on Liquidation*
- Amendments to FRS 139, Financial Instruments: Recognition and Measurement, FRS 7, Financial Instruments: Disclosures and IC Interpretation 9, *Reassessment of Embedded Derivatives*
- Amendments to FRS 139, *Financial Instruments: Recognition and Measurement*
- Improvements to FRSs (2009)
- IC Interpretation 9, *Reassessment of Embedded Derivatives*
- IC Interpretation 10, *Interim Financial Reporting and Impairment*
- IC Interpretation 11, FRS 2 – *Group and Treasury Share Transactions*
- IC Interpretation 13, *Customer Loyalty Programmes*
- IC Interpretation 14, FRS 119 – *The Limit on a Defined Benefit Asset, Minimum Funding Requirements and Their Interaction*

1. Basis of Preparation (Continued)

(a) Statement of compliance (Continued)

FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 July 2010

- FRS 1, First-time Adoption of Financial Reporting Standards (revised)
- FRS 3, *Business Combinations* (revised)
- FRS 127, *Consolidated and Separate Financial Statements* (revised)
- Amendments to FRS 2, *Share-based Payment*
- Amendments to FRS 5, *Non-current Assets Held for Sale and Discontinued Operations*
- Amendments to FRS 138, *Intangible Assets*
- IC Interpretation 12, *Service Concession Agreements*
- IC Interpretation 15, *Agreements for the Construction of Real Estate*
- IC Interpretation 16, *Hedges of a Net Investment in a Foreign Operation*
- IC Interpretation 17, *Distribution of Non-cash Assets to Owners*
- Amendments to IC Interpretation 9, *Reassessment of Embedded Derivatives*

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

- from the annual period beginning 1 January 2010 for those standards, amendments or interpretations that will be effective for annual periods beginning on or after 1 July 2009 or 1 January 2010.

- from the annual period beginning 1 January 2011 for those standards, amendments or interpretations that will be effective for annual periods beginning on or after 1 July 2010, except for IC Interpretation 12 and 15 which are not applicable to the Group and the Company.

The initial application of a standard, an amendment or an interpretation, which will be applied prospectively, is not expected to have any financial impacts to the current and prior periods financial statements upon their first adoption.

The impacts and disclosures as required by FRS 108.30(b), *Accounting Policies, Changes in Accounting Estimates and Errors*, in respect of applying FRS 4, FRS 7, FRS 139 and IC Interpretation 12 are not disclosed by virtue of the exemptions given in these respective FRSs.

Material impacts of initial application of a standard, an amendment or an interpretation, which will be applied retrospectively, are disclosed below:

Improvements to FRSs (2009)

Improvements to FRSs (2009) contain various amendments that result in accounting changes for presentation, recognition or measurement and disclosure purposes. Amendments that have material impact are:

- **FRS 117, *Leases***

  The amendment clarifies that the classification of lease of land will require entities with existing leases of land and buildings to reassess the classification of land as finance or operating lease. Leasehold land which in substance is a finance lease will be reclassified to property, plant and equipment.

  The adoption of this amendment will result in a change in accounting policy which will be applied retrospectively in accordance with the transitional provisions.

1. Basis of Preparation (Continued)

(a) Statement of compliance (Continued)

Improvements to FRSs (2009) (Continued)

- **FRS 138, *Intangible Assets***

  FRS 138 (revised) incorporates the following changes that are likely to be relevant to the Group:

  - Advertising and promotional goods shall be charged to profit or loss when an entity has a right to access them.
  - The amendments clarify that other amortisation methods may be used for intangible assets with finite useful lives apart from the straight-line method.

  The adoption of this amendment will result in a change in accounting policy which will be applied retrospectively in accordance with the transitional provisions.

The potential material impacts on the financial statements for the year ended 31 December 2009 on initial application of FRS 117 and 138 that are applicable to the Group and the Company but not yet effective and that will be applied retrospectively are summarised as follows:

	As currently stated RM'000	Adoption of FRS 117 RM'000	Adoption of FRS 138 RM'000	Expected restatement RM'000
Group				
Balance sheet at 31 December 2008				
Property, plant and equipment	139,548	8,610	–	148,158
Prepaid lease payments	8,610	(8,610)	–	–
Inventories	66,297	–	(5,576)	60,721
Deferred tax liabilities	17,219	–	(1,394)	15,825
Retained earnings	315,986	–	(4,182)	311,804
Balance sheet at 31 December 2009				
Property, plant and equipment	**130,498**	**7,922**	**–**	**138,420**
Prepaid lease payments	**7,922**	**(7,922)**	**–**	**–**
Inventories	**58,590**	**–**	**(1,700)**	**56,890**
Deferred tax liabilities	**72,328**	**–**	**(425)**	**71,903**
Retained earnings	**363,464**	**–**	**(1,275)**	**362,189**
Company				
Balance sheet at 31 December 2008				
Property, plant and equipment	121,674	7,928	–	129,602
Prepaid lease payments	7,928	(7,928)	–	–
Balance sheet at 31 December 2009				
Property, plant and quipment	**116,694**	**7,810**	**–**	**124,504**
Prepaid lease payments	**7,810**	**(7,810)**	**–**	**–**

1. Basis of Preparation (Continued)

(a) Statement of compliance (Continued)

Improvements to FRSs (2009) (Continued)

	As currently stated RM'000	Adoption of FRS 117 RM'000	Adoption of FRS 138 RM'000	Expected restatement RM'000
Group				
Income statement for the year ended 31 December 2008				
Profit for the year	76,119	–	(4,182)	71,937
Earnings per share (sen)	24.9	–	(1.4)	23.5
Income statement for the year ended 31 December 2009				
Profit for the year	**76,725**	**–**	**(1,275)**	**75,450**
Earnings per share (sen)	**24.9**	**–**	**(0.4)**	**24.5**

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis except as disclosed in note 3 and note 5 respectively.

(c) Functional and presentation currency

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

(d) Use of estimates and judgements

The preparation of financial statements 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 estimate is 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 those disclosed in the following notes:

- Note 4 – Intangible assets
- Note 10 – Receivables, deposits and prepayments

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, controlled by the Group. Control exists when the Group has the ability to exercise its power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account. Subsidiaries are consolidated using the purchase method of accounting.

Under the purchase method of accounting, the financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Investments in subsidiaries are stated in the Company's balance sheet at cost less impairment losses, unless the investment is classified as held for sale.

(ii) Associates

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

Associates are accounted for in the consolidated financial statements using the equity method unless it is classified as held for sale (or included in a disposal group that is classified as held for sale). The consolidated financial statements include the Group's share of the income and expenses of the equity accounted 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 equity accounted associate, the carrying amount of that interest (including any long-term investments) is reduced to nil 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 investee.

Investments in associates are stated in the Company's balance sheet at cost less impairment losses, unless the investment is classified as held for sale.

(iii) Jointly-controlled entities

Jointly-controlled entities are those entities over whose activities the Group has joint control, established by contractual agreement and requiring unanimous consent for strategic financial and operating decisions.

Jointly-controlled entities are accounted for in the consolidated financial statements using the proportionate method unless it is classified as held for sale (or included in a disposal group that is classified as held for sale). The consolidated financial statements include the Group's share of the revenue, expenses, assets and liabilities of the jointly-controlled entity, after adjustments to align the accounting policies with those of the Group, from the date that joint control commences until the date that joint control ceases.

Investments in jointly-controlled entities are stated in the Company's balance sheet at cost less impairment losses, unless the investment is classified as held for sale.

2. Significant Accounting Policies (Continued)

(a) Basis of consolidation (Continued)

(iv) Minority interest

Minority interest at the balance sheet date, being the portion of the net identifiable assets of subsidiaries attributable to equity interests that are not owned by the Company, whether directly or indirectly through subsidiaries, are presented in the consolidated balance sheet and statement of changes in equity within equity, separately from equity attributable to the equity holders of the Company. Minority interest in the results of the Group are presented on the face of the consolidated income statement as an allocation of the total profit or loss for the year between minority interest and the equity holders of the Company.

Where losses applicable to the minority exceed the minority's interest in the equity of a subsidiary, the excess, and any further losses applicable to the minority, are charged against the Group's interest except to the extent that the minority has a binding obligation to, and is able to, make additional investment to cover the losses. If the subsidiary subsequently reports profits, the Group's interest is allocated with all such profits until the minority's share of losses previously absorbed by the Group has been recovered.

(v) 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 investees are eliminated against the investment to the extent of the Group's interest in the investee.

Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(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 balance sheet date are retranslated to the functional currency at the exchange rate at that date. Non-monetary assets and liabilities denominated in foreign currencies are translated at exchange rates at the dates of the transactions except for those that are measured at fair value, which 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 the income statements.

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

The assets and liabilities of operations in functional currencies other than Ringgit Malaysia, including goodwill and fair value adjustments arising on acquisition, are translated to Ringgit Malaysia at exchange rates at the balance sheet date. The income and expenses of these foreign operations are translated to Ringgit Malaysia at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in exchange reserve. On disposal, the accumulated exchange differences are recognised in the consolidated income statement as part of the gain or loss on sale.

2. Significant Accounting Policies (Continued)

(c) Derivative financial instruments

The Group holds derivative financial instruments to hedge its foreign currency risk exposures.

Forward foreign exchange contracts used are accounted for on an equivalent basis as the underlying assets, liabilities or net positions. Any profit or loss arising is recognised on the same basis as that arising from the related assets, liabilities or net positions.

(d) Property, plant and equipment

(i) Recognition and measurement

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

Revalued property, plant and equipment where no revaluation policy is adopted

The Group has availed itself to the transitional provision when MASB first adopted IAS 16, Property, plant and equipment in 1998. Certain buildings of the Company and of the Group were revalued in 1981 and no later valuation has been recorded for these property, plant and equipment.

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

The cost of property, plant and equipment recognised as a result of a business combination is based on fair value at acquisition date. The fair value of property, plant and equipment is the estimated amount for which a property, plant and equipment could be exchanged between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

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.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognised net within "other income" or "other expenses" respectively in the income statements. When revalued assets are sold, the amounts included in the revaluation surplus reserve are transferred to retained earnings.

(ii) Subsequent costs

The cost of replacing part 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 part will flow to the Group and its cost can be measured reliably. The carrying amount of those parts that are replaced is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in the income statements as incurred.

2. Significant Accounting Policies (Continued)

(d) Property, plant and equipment (Continued)

(iii) Depreciation

Depreciation is recognised in the income statements on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. 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:

• Buildings	15 – 50 years
• Plant and machinery	5 – 20 years
• Motor vehicles	5 years
• Furniture and office equipment	3 – 5 years

Depreciation methods, useful lives and residual values are reassessed at the balance sheet date.

(e) Leased assets

(i) Finance lease

Leases in terms of which the Group 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.

(ii) Operating lease

Leases, where the Group does not assume substantially all the risks and rewards of the ownership are classified as operating leases and, except for property interest held under operating lease, the leased assets are not recognised on the Group's balance sheet.

Leasehold land that normally has an indefinite economic life and title is not expected to pass to the lessee by the end of the lease term is treated as an operating lease. The payment made on entering into or acquiring a leasehold land is accounted for as prepaid lease payments.

Certain leasehold land were revalued in 1981 and the Group has retained the unamortised revalued amount as the surrogate carrying amount of prepaid lease payments in accordance with the transitional provision in FRS 117.67A when FRS 117, Leases was first adopted in 2006.

Payments made under operating leases are recognised in the income statements on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

2. Significant Accounting Policies (Continued)

(f) Intangible assets

(i) Goodwill

Goodwill arises on business combinations and is measured at cost less any accumulated impairment losses.

For business acquisitions beginning from 1 January 2006, goodwill represents the excess of the cost of the acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquiree.

Any excess of the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the cost of acquisition is recognised immediately in the income statements.

(ii) Distribution rights

Distribution rights is measured at cost less any accumulated impairment losses.

The useful life of the distribution rights that is not being amortised is reviewed during each reporting period.

(iii) 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.

(iv) Subsequent expenditure

Subsequent expenditure on capitalised intangible assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.

(v) Amortisation

Goodwill and distribution rights with indefinite useful lives are not amortised but 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 of intangible assets is charged to the income statements on a straight-line basis over the estimated useful lives of the intangible assets.

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

(g) Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the weighted average cost and includes expenditure incurred in acquiring the inventories and 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.

The fair value of inventories acquired in a business combination is determined based on its estimated selling price in the ordinary course of business less the estimated costs of completion and sale, and a reasonable profit margin based on the effort required to complete and sell the inventories.

2. Significant Accounting Policies (Continued)

(h) Receivables

Receivables are initially recognised at their cost when the contractual right to receive cash or another financial asset from another entity is established.

Subsequent to initial recognition, receivables are stated at cost less allowance for doubtful debts.

Receivables are not held for the purpose of trading.

(i) 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 value.

(j) Impairment of assets

The carrying amounts of assets except for financial assets (other than investments in subsidiaries, associate and jointly-controlled entity) and inventories are reviewed at each reporting date 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 distribution rights that have indefinite useful lives, the recoverable amount is estimated at each reporting date.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. 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. 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 groups of assets (the "cash-generating unit"). The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to cash-generating units that are expected to benefit from the synergies of the combination.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount, unless the asset is carried at a revalued amount, in which case the impairment loss is recognised directly against any revaluation surplus for the asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same asset. Impairment losses are recognised in the income statements. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (groups of units) on a pro rata basis.

An impairment loss in respect of goodwill and distribution rights is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date 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. 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 the income statements in the year in which the reversals are recognised, unless it reverses an impairment loss on a revalued asset, in which case it is credited directly to revaluation surplus. Where an impairment loss on the same revalued asset was previously recognised in the income statements, a reversal of that impairment loss is also recognised in the income statements.

2. Significant Accounting Policies (Continued)

(k) Share capital

(i) Repurchase of share capital

When share capital recognised as equity is repurchased, the amount of the consideration paid, including directly attributable costs, is recognised as a deduction from equity and is not re-valued for subsequent changes in the fair value or market price of shares. Repurchased shares that are not subsequently cancelled are classified as treasury shares and are presented as a deduction from total equity.

Where treasury shares are distributed as share dividends, the cost of the treasury shares is applied in the reduction of the share premium account or distributable reserves, or both.

Where treasury shares are reissued by re-sale in the open market, the difference between the sales consideration net of directly attributable costs and the carrying amount of the treasury shares is recognised in equity.

(l) Loans and borrowings

Loans and borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in the income statements over the period of the loans and borrowings using the effective interest method.

(m) 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.

Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences, and short term non-accumulating compensated absences such as sick leave are recognised when absences occur.

A provision 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 the income statements in the year to which they relate. Once the contributions have been paid, the Group has no further payment obligations.

(ii) Termination benefits

Termination benefits are recognised as an expense when the Group is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to terminate employment before the normal retirement date. Termination benefits for voluntary redundancies are recognised if the Group has made an offer encouraging voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably.

(iii) Share-based payment transactions

Certain employees of the Group are entitled to a share option programme set up 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 the income statements 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.

2. Significant Accounting Policies (Continued)

(n) Payables

Payables are measured initially and subsequently at cost. Payables are recognised when there is a contractual obligation to deliver cash or another financial asset to another entity.

(o) Revenue recognition

(i) Goods sold

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, and there is no continuing management involvement with the goods.

(ii) Dividend income

Dividend income is recognised when the right to receive payment is established.

(p) Interest income

Interest income is recognised as it accrues, using the effective interest method.

(q) Borrowing cost

All borrowing costs are recognised in the income statements using the effective interest method, in the period in which they are incurred.

(r) Tax expense

Tax expense comprises current and deferred tax. Tax expense is recognised in the income statements except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit (tax loss). Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantially enacted by the balance sheet date.

Deferred tax liability is recognised for all taxable temporary differences.

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

(s) Earnings per ordinary share

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

(t) Segment reporting

A segment is a distinguishable component of the Group that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

Notes to the Financial Statements

3. Property, Plant and Equipment

Group	Note	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
Cost/Valuation								
At 1 January 2008		19,281	54,090	321,922	24,136	46,606	2,039	468,074
Additions		–	835	1,322	2,161	2,319	4,870	11,507
Disposals		–	(155)	(2,828)	(3,713)	(662)	–	(7,358)
Written off		–	(1,180)	(10,372)	–	(2,528)	–	(14,080)
Transfers		–	–	2,480	–	1,370	(3,850)	–
Acquisitions through business combinations		–	13	77	1,668	610	–	2,368
At 31 December 2008/ 1 January 2009		**19,281**	**53,603**	**312,601**	**24,252**	**47,715**	**3,059**	**460,511**
Additions		**–**	**405**	**1,625**	**1,126**	**3,170**	**5,262**	**11,588**
Disposals		**(184)**	**(2,606)**	**(1)**	**(1,318)**	**(1,037)**	**–**	**(5,146)**
Written off		**–**	**–**	**(1,119)**	**–**	**(168)**	**–**	**(1,287)**
Transfers		**–**	**2,487**	**2,052**	**–**	**284**	**(4,823)**	**–**
Acquisitions through business combination	26	**–**	**5**	**1,452**	**8**	**226**	**–**	**1,691**
Effect of movements in exchange rates		**–**	**(6)**	**(30)**	**–**	**(15)**	**–**	**(51)**
At 31 December 2009		**19,097**	**53,888**	**316,580**	**24,068**	**50,175**	**3,498**	**467,306**
Depreciation								
At 1 January 2008		–	19,028	250,561	11,478	40,323	–	321,390
Depreciation for the year	16	–	1,180	10,397	4,472	3,172	–	19,221
Disposals		–	(83)	(2,591)	(3,451)	(643)	–	(6,768)
Written off		–	(238)	(10,302)	–	(2,340)	–	(12,880)
At 31 December 2008/ 1 January 2009		**–**	**19,887**	**248,065**	**12,499**	**40,512**	**–**	**320,963**
Depreciation for the year	16	**–**	**1,246**	**9,802**	**4,470**	**3,505**	**–**	**19,023**
Disposals		**–**	**(877)**	**(1)**	**(860)**	**(853)**	**–**	**(2,591)**
Written off		**–**	**–**	**(395)**	**–**	**(157)**	**–**	**(552)**
Effect of movements in exchange rates		**–**	**(6)**	**(16)**	**–**	**(13)**	**–**	**(35)**
At 31 December 2009		**–**	**20,250**	**257,455**	**16,109**	**42,994**	**–**	**336,808**
Carrying amounts								
At 1 January 2008		19,281	35,062	71,361	12,658	6,283	2,039	146,684
At 31 December 2008/ 1 January 2009		**19,281**	**33,716**	**64,536**	**11,753**	**7,203**	**3,059**	**139,548**
At 31 December 2009		**19,097**	**33,638**	**59,125**	**7,959**	**7,181**	**3,498**	**130,498**

3. Property, Plant and Equipment (Continued)

Company	Note	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
Cost/Valuation								
At 1 January 2008		18,952	50,231	321,924	4,326	17,232	1,404	414,069
Additions		–	806	1,136	545	749	4,603	7,839
Disposals		–	–	(2,828)	(815)	(43)	–	(3,686)
Written off		–	(960)	(10,372)	–	(1,495)	–	(12,827)
Transfers		–	–	2,480	–	468	(2,948)	–
Transfer from/(to) a subsidiary		–	–	–	76	(5)	–	71
At 31 December 2008/ 1 January 2009		**18,952**	**50,077**	**312,340**	**4,132**	**16,906**	**3,059**	**405,466**
Additions		**–**	**373**	**1,451**	**331**	**451**	**5,262**	**7,868**
Disposals		**–**	**–**	**(1)**	**(518)**	**(12)**	**–**	**(531)**
Written off		**–**	**–**	**(162)**	**–**	**(84)**	**–**	**(246)**
Transfers		**–**	**2,487**	**2,052**	**–**	**284**	**(4,823)**	**–**
Transfer from/(to) to a subsidiary		**–**	**–**	**–**	**(131)**	**–**	**–**	**(131)**
At 31 December 2009		**18,952**	**52,937**	**315,680**	**3,814**	**17,545**	**3,498**	**412,426**
Depreciation								
At 1 January 2008		–	17,971	250,562	1,866	15,291	–	285,690
Depreciation for the year	16	–	1,056	10,394	771	1,135	–	13,356
Disposals		–	–	(2,591)	(803)	(35)	–	(3,429)
Written off		–	(191)	(10,302)	–	(1,379)	–	(11,872)
Transfer from/(to) a subsidiary		–	–	–	48	(1)	–	47
At 31 December 2008/ 1 January 2009		**–**	**18,836**	**248,063**	**1,882**	**15,011**	**–**	**283,792**
Depreciation for the year	16	**–**	**1,171**	**9,674**	**738**	**970**	**–**	**12,553**
Disposals		**–**	**–**	**(1)**	**(285)**	**(7)**	**–**	**(293)**
Written off		**–**	**–**	**(150)**	**–**	**(78)**	**–**	**(228)**
Transfer from/(to) a subsidiary		**–**	**–**	**–**	**(92)**	**–**	**–**	**(92)**
At 31 December 2009		**–**	**20,007**	**257,586**	**2,243**	**15,896**	**–**	**295,732**
Carrying amounts								
At 1 January 2008		18,952	32,260	71,362	2,460	1,941	1,404	128,379
At 31 December 2008/ 1 January 2009		**18,952**	**31,241**	**64,277**	**2,250**	**1,895**	**3,059**	**121,674**
At 31 December 2009		**18,952**	**32,930**	**58,094**	**1,571**	**1,649**	**3,498**	**116,694**

3. Property, Plant and Equipment (Continued)

Certain buildings of the Group and of the Company were revalued in 1981 by independent professional qualified valuers using an open market value method. These assets have continued to be stated on the basis of their 1981 valuations, as allowed by the transitional provision in FRS 116 $_{2004}$.

Analysis of cost and valuation

	Group 2009 RM'000	Group 2008 RM'000	Company 2009 RM'000	Company 2008 RM'000
Buildings				
Cost	**45,610**	45,325	**44,659**	41,799
Valuation – 1981	**8,278**	8,278	**8,278**	8,278
	53,888	53,603	**52,937**	50,077

Had the buildings been carried under the cost model, their carrying amount would have been RM32,328,000 (2008 – RM32,346,000) in respect of the Group and RM31,620,000 (2008 – RM29,871,000) in respect of the Company.

Assets under third party

Certain motor vehicles with aggregate carrying amounts of RM497,808 have yet to be registered in the name of a subsidiary of the Group as at balance sheet date.

4. Intangible Assets

Group	Note	Goodwill RM'000	Distribution rights RM'000	Computer software RM'000	Total RM'000
Cost					
At 1 January 2008		–	–	7,107	7,107
Additions		–	–	997	997
Acquisitions through business combinations		6,364	–	7	6,371
At 31 December 2008/1 January 2009		**6,364**	**–**	**8,111**	**14,475**
Additions		**–**	**–**	**634**	**634**
Acquisitions through business combination	26	**36,043**	**338,910**	**1,230**	**376,183**
Effect of movements in exchange rates		**–**	**–**	**(15)**	**(15)**
At 31 December 2009		**42,407**	**338,910**	**9,960**	**391,277**
Amortisation					
At 1 January 2008		–	–	4,391	4,391
Amortisation for the year	16	–	–	1,795	1,795
At 31 December 2008/1 January 2009		**–**	**–**	**6,186**	**6,186**
Amortisation for the year	16	**–**	**–**	**1,253**	**1,253**
Acquisitions through business combination	26	**–**	**–**	**1,079**	**1,079**
Effect of movements in exchange rates		**–**	**–**	**(13)**	**(13)**
At 31 December 2009		**–**	**–**	**8,505**	**8,505**
Carrying amounts					
At 1 January 2008		–	–	2,716	2,716
At 31 December 2008/1 January 2009		**6,364**	**–**	**1,925**	**8,289**
At 31 December 2009		**42,407**	**338,910**	**1,455**	**382,772**

4. Intangible Assets (Continued)

Company	Note	Computer software RM'000
Cost		
At 1 January 2008		5,977
Additions		847
At 31 December 2008/1 January 2009		**6,824**
Additions		**257**
At 31 December 2009		**7,081**
Amortisation		
At 1 January 2008		3,346
Amortisation for the year	16	1,716
At 31 December 2008/1 January 2009		**5,062**
Amortisation for the year	16	**1,090**
At 31 December 2009		**6,152**
Carrying amounts		
At 1 January 2008		2,631
At 31 December 2008/1 January 2009		**1,762**
At 31 December 2009		**929**

4.1 Impairment testing for cash-generating units containing goodwill

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

The aggregate carrying amounts of goodwill allocated to each unit are as follows:

	Group	
	2009 RM'000	2008 RM'000
Subsidiary		
Luen Heng F & B Sdn. Bhd.	**5,000**	5,000
Carlsberg Singapore Pte. Ltd.	**36,043**	–
Subsidiary of a jointly-controlled entity		
Carlsberg Cottingham Ltd. (formerly known as Cottingham & Co. Ltd.)	**1,364**	1,364
	42,407	6,364

4. Intangible Assets (Continued)

4.1 Impairment testing for cash-generating units containing goodwill (continued)

The recoverable amounts of goodwill in the subsidiaries, Luen Heng F & B Sdn. Bhd. and Carlsberg Singapore Pte. Ltd. and subsidiary of a jointly-controlled entity, Carlsberg Cottingham Ltd. were based on value in use calculations. The recoverable amounts for all the cash-generating units ("CGUs") are higher than the carrying amount of the goodwill allocated and hence no impairment loss was recognised during the year.

Value in use in respect of goodwill was determined by discounting the future cash flows generated from the continuing use of the CGUs and was based on the following key assumptions:

- Cash flows were projected based on 10 years business projection and discounted at 10% and 14%, which is the weighted average cost of capital for domestic and foreign market respectively. The average growth rate used is 3% and 5% for domestic and foreign market respectively.
- The above entities will continue their operations indefinitely and thus a projection beyond 10 years is used with assumption of an average growth rate of 1% for year 11 onwards to obtain the terminal projections.

The values assigned to the key assumptions represent management's assessment of future trends in the alcohol beverage market and are based on both external sources and internal sources (historical data).

Management believes that any reasonably possible change in the key assumptions would not cause the carrying amounts of the goodwill to exceed the recoverable amounts of the CGUs. Based on this review, there is no evidence of impairment on the Group's goodwill.

4.2 Distribution rights

Distribution rights is in relation to the rights for the distribution and sale of Carlsberg products in Singapore arising from the acquisition of a new subsidiary, Carlsberg Singapore Pte. Ltd. ("CSPL"). Pursuant to the acquisition, Carlsberg Breweries A/S ("CBAS") has waived, for a period of 20 years from the completion date, its right to terminate the license granted by CBAS to CSPL to use the Carlsberg trademark and rights to distribute Carlsberg products in Singapore. After the expiry of the 20 years period (ie. from 2029 onwards), the distribution rights will continue unless terminated by either party upon 12 months prior written notice.

Management has assessed that it is unlikely that CBAS, its immediate holding company, will terminate the distribution rights after the 20 years period. Accordingly, the distribution rights is deemed to have an indefinite useful life and is not amortised.

For the purpose of impairment testing, the recoverable amount of the distribution rights is estimated using the present value of expected future free cash flows generated by the distribution rights and based on the following key assumptions:

- Cash flows were projected based on 10 years forecasted estimated revenue attributable to the distribution rights with average growth rate of 5% and discounted at 14%, which is the weighted average cost of capital.
- Long term growth rate of 1% per annum was applied to the discrete and terminal year projections taking into consideration Singapore's historical and projected inflation rates.

The values assigned to the key assumptions represent management's assessment of future trends in the alcohol beverage market and are based on both external sources and internal sources (historical data).

Management believes that any reasonably possible change in the key assumptions would not cause the carrying amount of the distribution rights to exceed the recoverable amount of the distribution rights. Based on this review, there is no evidence of impairment on the distribution rights.

5. Prepaid Lease Payments

Group	Note	Leasehold land: Unexpired period less than 50 years RM'000	Leasehold land: Unexpired period more than 50 years RM'000	Total RM'000
Cost/Valuation				
At 1 January 2008/31 December 2008/1 January 2009		172	11,106	11,278
Disposals		–	**(707)**	**(707)**
At 31 December 2009		**172**	**10,399**	**10,571**
Amortisation				
At 1 January 2008		52	2,484	2,536
Amortisation for the year	16	3	129	132
At 31 December 2008/1 January 2009		**55**	**2,613**	**2,668**
Amortisation for the year	16	**5**	**126**	**131**
Disposals		**–**	**(150)**	**(150)**
At 31 December 2009		**60**	**2,589**	**2,649**
Carrying amounts				
At 1 January 2008		120	8,622	8,742
At 31 December 2008/1 January 2009		**117**	**8,493**	**8,610**
At 31 December 2009		**112**	**7,810**	**7,922**

Company	Note	Leasehold land: Unexpired period more than 50 years RM'000
Valuation		
At 1 January 2008/31 December 2008/1 January 2009/31 December 2009		**10,399**
Amortisation		
At 1 January 2008		2,352
Amortisation for the year	16	119
At 31 December 2008/1 January 2009		**2,471**
Amortisation for the year	16	**118**
At 31 December 2009		**2,589**
Carrying amounts		
At 1 January 2008		8,047
At 31 December 2008/1 January 2009		**7,928**
At 31 December 2009		**7,810**

5. Prepaid Lease Payments (Continued)

The leasehold land of the Group and of the Company were revalued in 1981 by independent professional qualified valuers using an open market value method. These assets have continued to be stated on the basis of their 1981 valuations, as allowed by the transitional provision in FRS 116 $_{2004}$.

Analysis of cost and valuation

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Cost	**527**	1,234	**355**	355
Valuation – 1981	**10,044**	10,044	**10,044**	10,044
	10,571	11,278	**10,399**	10,399

Had the leasehold land been carried under the cost model, their carrying amount would have been RM5,319,000 (2008 – RM5,971,000) in respect of the Group and RM5,207,000 (2008 – RM5,289,000) in respect of the Company.

6. Investments in Subsidiaries

	Company	
	2009 RM'000	2008 RM'000
Unquoted shares – at cost	**370,220**	4,009

Increase in the investments in subsidiaries is attributed to the cost of acquisition of Carlsberg Singapore Pte. Ltd. amounting to RM375,975,000 offset against pre-acquisition dividend of RM9,764,000.

The following are the subsidiaries of the Group:

Name of Company	Principal Activities	Country of incorporation	Effective ownership interest 2009	Effective ownership interest 2008
Carlsberg Marketing Sdn. Bhd.	Marketing and distribution of beer, stout, 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%**	70%
Carlsberg Singapore Pte. Ltd.	Importation and marketing of beer and liquor products	Singapore	**100%**	–

7. Investment in an Associate

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Quoted shares outside Malaysia	**19,936**	10,940	**19,936**	10,940
Share of post-acquisition reserves	**4,404**	3,006	**–**	–
	24,340	13,946	**19,936**	10,940
Represented by:				
Group's share of net assets other than goodwill	**24,207**	13,813	**–**	–
Goodwill on acquisition	**133**	133	**–**	–
	24,340	13,946	**–**	–
Market value				
Quoted shares outside Malaysia	**46,069**	15,529	**–**	15,529

In September 2009, the Company had subscribed to its share of the rights issue undertaken by its associate company, Lion Brewery (Ceylon) PLC, for a total consideration of approximately RM9 million. The effective equity interest remains at 24.6%.

Name of Company	Principal Activities	Country of incorporation	Effective ownership interest 2009	Effective ownership interest 2008
Lion Brewery (Ceylon) PLC	Manufacturing, marketing and distribution of beer, stout, shandy and non-alcoholic beverages	Sri Lanka	**24.6%**	24.6%

Summary financial information on associate:

	2009 RM'000	2008 RM'000
Revenue (100%)	**81,939**	93,754
Profit/(Loss) (100%)	**8,903**	(659)
Total assets (100%)	**144,236**	138,885
Total liabilities (100%)	**81,191**	77,089

In conjunction with the investment undertaken in Lion Brewery (Ceylon) PLC, the Company entered into a call option with the principal licensor, Carlsberg A/S, a 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.

Notes to the Financial Statements

8. Investment in a Jointly-Controlled Entity

	Company 2009 RM'000	Company 2008 RM'000
At cost:		
Unquoted shares	**5,366**	5,366
Less: Impairment loss	**(5,366)**	(5,366)
	–	–

Name of Company	Principal Activities	Country of incorporation	Proportion of ownership interest 2009	2008
Carlsberg Distributors Taiwan Limited ("CDTL")	Packaging, marketing, and distribution of beer, stout, shandy and non-alcoholic beverages	Taiwan	**50%**	50%
Subsidiary of CDTL				
Carlsberg Cottingham Ltd. (formerly known as Cottingham & Co. Ltd.)	Distribution of premium beers, hard liquor products and other beverages	Taiwan	**75%**	75%

The jointly-controlled entity has the following effect on the Group's operating results, assets and liabilities:

	2009 RM'000	2008 RM'000
Long-term assets	**1,748**	1,816
Current assets	**5,242**	7,954
Current liabilities	**(10,115)**	(10,246)
Group's share of net liabilities	**(3,125)**	(476)
Revenue	**12,988**	4,727
Expenses	**(15,167)**	(7,708)
Decrease in the Group's profit for the year	**(2,179)**	(2,981)

9. Inventories

	Group 2009 RM'000	Group 2008 RM'000	Company 2009 RM'000	Company 2008 RM'000
At cost:				
Finished goods	**45,101**	48,103	**9,178**	7,093
Work-in-progress	**824**	3,520	**824**	3,520
Raw, packaging and other materials	**6,996**	8,291	**6,819**	8,204
Spare parts for machinery	**5,669**	6,383	**5,669**	6,383
	58,590	66,297	**22,490**	25,200

Inventories written off amounted to RM604,000 and RM441,000 (2008 – RM977,000 and RM498,000) in respect of the Group and of the Company respectively. The write-off is included in cost of sales.

10. Receivables, Deposits and Prepayments

	Note	Group 2009 RM'000	Group 2008 RM'000	Company 2009 RM'000	Company 2008 RM'000
Non-current					
Loan to a subsidiary	10.2	**–**	–	**10,190**	10,000
Current					
Trade					
Trade receivables		**170,284**	139,183	**–**	–
Allowance for doubtful debts	10.3	**(3,300)**	(2,964)	**–**	–
		166,984	136,219	**–**	–
Amount due from a subsidiary	10.4	**–**	–	**101,699**	188,036
Amount due from related companies	10.4	**10,580**	4,488	**168**	196
		177,564	140,707	**101,867**	188,232
Non-trade					
Amount due from related companies	10.4	**209**	–	–	–
Other receivables	10.5	**17,787**	10,507	**6,322**	6,476
Deposits		**8,400**	4,448	**6,850**	4,237
Prepayments		**13,631**	7,865	**15**	117
		40,027	22,820	**13,187**	10,830
		217,591	163,527	**115,054**	199,062

10. Receivables, Deposits and Prepayments (Continued)

10.1 Analysis of foreign currency exposure for significant receivables

Significant receivables outstanding at year end that are not in Ringgit Malaysia, the functional currency of the Group and of the Company, are as follows:

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Foreign currency				
SGD	**46,160**	5,526	–	67
USD	**2,609**	5,138	**163**	169

10.2 Loan to a subsidiary

The loan to a subsidiary is unsecured, and carries interest at a rate calculated as the average of the base lending rate and fixed deposit rate of Malayan Banking Berhad on such outstanding amount from time to time. The loan is not expected to be repaid by the subsidiary within the next twelve months.

10.3 Allowance for doubtful debts

During the year, trade receivables amounting to RM413,000 (2008 – RM117,000) was written off against the allowance for doubtful debts.

Allowance for doubtful debts is considered on a debtor by debtor basis and in compliance with the Group's credit control policy. All debtors under legal cases are fully provided for and all confirmed bad debts are fully written off against the allowance for doubtful debts.

The net allowance for doubtful debts have been recognised in the following line item in the income statements.

		Group	
	Note	2009 RM'000	2008 RM'000
Income statements			
Sales and distribution costs	16	**(749)**	(216)

10.4 Amount due from a subsidiary and related companies

Amount due from a subsidiary and related companies are unsecured, interest free and are repayable on demand.

10.5 Other receivables

Included in other receivables of the Group and of the Company is an amount of RM113,462 (2008 – RM136,490) in respect of a housing loan granted to a Director of the Company in accordance with the Housing Loan Scheme applicable to executive staff.

11. Cash and Cash Equivalents

	Group 2009 RM'000	Group 2008 RM'000	Company 2009 RM'000	Company 2008 RM'000
Deposits with licensed banks	**58,446**	187,663	**58,446**	130,720
Cash and bank balances	**60,139**	39,354	**1,483**	1,911
	118,585	227,017	**59,929**	132,631

12. Share Capital and Reserves

Share capital

	Group and Company Amount 2009 RM'000	Number of shares 2009 '000	Amount 2008 RM'000	Number of shares 2008 '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 (12.4), all rights are suspended until those shares are reissued.

Reserves

	Note	Group 2009 RM'000	Group 2008 RM'000	Company 2009 RM'000	Company 2008 RM'000
Non-distributable reserves:					
Share premium		**7,367**	7,367	**7,367**	7,367
Other reserves:					
Capital reserve	12.1	**8,678**	8,678	**4,747**	4,747
Exchange reserve	12.2	**(7,233)**	(5,882)	**–**	–
Share option reserve	12.3	**524**	–	**501**	–
Treasury shares	12.4	**(12,043)**	(12,043)	**(12,043)**	(12,043)
Distributable reserves:					
Retained earnings	12.5	**363,464**	315,986	**293,244**	260,888
		360,757	314,106	**293,816**	260,959

12. Share Capital and Reserves (Continued)

12.1 Capital reserve

The capital reserve comprises primarily revaluation reserve on long term leasehold land held by the Company after adjusting for the potential deferred tax liability as required by FRS 112 and capitalisation of a subsidiary's retained earnings upon its bonus issue of shares previously.

The details are as follows:

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Revaluation reserve	**4,747**	4,747	**4,747**	4,747
Capitalisation upon bonus issue by subsidiary	**3,931**	3,931	**–**	–
	8,678	8,678	**4,747**	4,747

12.2 Exchange reserve

The exchange reserve comprises all foreign currency differences arising from the translation of the financial statements of the Group's entities with functional currencies other than Ringgit Malaysia.

12.3 Share option reserve

The share option reserve comprises the cumulative value of employee services received for the issue of share options by the holding company. The grant date fair value of the share options granted to these employees is recognised as an employee expense in the income statements 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.

12.4 Treasury shares

The shareholders of the Company, by a special resolution passed in a general meeting held on 29 April 1999, had approved the Company's plan to repurchase its own shares. The Directors of the Company are committed to enhancing the value of the Company to its shareholders and believe that the repurchase plan can be applied in the best interests of the Company and its shareholders.

On 31 December 1999, the Company repurchased 2,330,000* of its issued share capital from the open market. The aggregate consideration paid for the repurchased shares was RM12,042,622, 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 2009 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*

12.5 Retained earnings

Subject to agreement by the Inland Revenue Board, the Company has sufficient Section 108 tax credit and tax exempt income to frank all of its distributable reserves as at 31 December 2009 if paid out as dividends.

The Finance Act 2007 introduced a single tier company income tax system with effect from year of assessment 2008. As such, the Section 108 tax credit as at 31 December 2007 will be available to the Company until such time the credit is fully utilised or upon expiry of the six-year transitional period on 31 December 2013, whichever is earlier.

13. Deferred Tax Liabilities

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Group						
Distribution rights	**–**	–	**(57,640)**	–	**(57,640)**	–
Property, plant and equipment						
– capital allowance	**–**	–	**(15,882)**	(17,717)	**(15,882)**	(17,717)
– revaluation	**–**	–	**(1,025)**	(1,025)	**(1,025)**	(1,025)
Provisions	**2,219**	1,523	**–**	–	**2,219**	1,523
Tax assets/(liabilities)	**2,219**	1,523	**(74,547)**	(18,742)	**(72,328)**	(17,219)
Set off of tax	**(2,219)**	(1,523)	**2,219**	1,523	**–**	–
Net tax liabilities	**–**	–	**(72,328)**	(17,219)	**(72,328)**	(17,219)
Company						
Property, plant and equipment						
– capital allowance	**–**	–	**(14,786)**	(16,147)	**(14,786)**	(16,147)
– revaluation	**–**	–	**(1,025)**	(1,025)	**(1,025)**	(1,025)
Provisions	**–**	811	**1,323**	–	**1,323**	811
Tax assets/(liabilities)	**–**	811	**(14,488)**	(17,172)	**(14,488)**	(16,361)
Set off of tax	**–**	(811)	**–**	811	**–**	–
Net tax liabilities	**–**	–	**(14,488)**	(16,361)	**(14,488)**	(16,361)

Movement in temporary differences during the year

	At 1.1.2008 RM'000	Recognised in income statement (note 18) RM'000	At 31.12.2008 RM'000	Recognised in income statement (note 18) RM'000	Acquisition of a subsidiary (note 26) RM'000	At 31.12.2009 RM'000
Group						
Distribution rights	–	–	–	–	(57,640)	**(57,640)**
Property, plant and equipment	(20,413)	1,671	(18,742)	1,932	(97)	**(16,907)**
Provisions	765	759	1,523	696	–	**2,219**
	(19,648)	2,430	(17,219)	2,628	(57,737)	**(72,328)**
Company						
Property, plant and equipment	(19,639)	2,467	(17,172)	1,361	–	**(15,811)**
Provisions	922	(111)	811	512	–	**1,323**
	(18,717)	2,356	(16,361)	1,873	–	**(14,488)**

13. Deferred Tax Liabilities (Continued)

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items:

	Group 2009 RM'000	Group 2008 RM'000
Unutilised tax losses	**4,768**	2,136

Tax losses carry-forward is in respect of the jointly-controlled entity. Deferred tax assets have not been recognised in respect of the unutilised tax losses carry-forward because it is not probable that future taxable profit will be available against which the Group can utilise the benefits there from.

14. Payables and Accruals

	Note	Group 2009 RM'000	Group 2008 RM'000	Company 2009 RM'000	Company 2008 RM'000
Trade					
Trade payables		**113,752**	78,269	**66,584**	59,417
Amount due to immediate holding company	14.2	**5,354**	4,034	**3,109**	4,002
Amount due to related companies	14.2	**4,369**	4,191	**2,640**	4,048
Amount due to a subsidiary	14.2	**–**	–	**97**	–
		123,475	86,494	**72,430**	67,467
Non-trade					
Other payables		**19,430**	23,513	**4,549**	2,590
Accrued expenses		**21,266**	20,901	**10,636**	9,956
Amount due to ultimate holding company	14.2	**–**	348	**–**	348
Amount due to related companies	14.2	**176,196**	–	**175,730**	–
		216,892	44,762	**190,915**	12,894
		340,367	131,256	**263,345**	80,361

14.1 Analysis of foreign currency exposure for significant payables

Significant payables that are not in Ringgit Malaysia, the functional currency of the Group and of the Company, are as follows:

	Group 2009 RM'000	Group 2008 RM'000	Company 2009 RM'000	Company 2008 RM'000
Foreign currency				
DKK	**410**	755	**410**	755
EUR	**2,759**	1,446	**2,433**	1,446
SGD	**25,303**	878	**112**	–
USD	**4,272**	7,535	**4,088**	7,063

14.2 Amount due to immediate holding company, ultimate holding company, related companies and a subsidiary

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

Included in amount due to related companies is amount due to Carlsberg Asia Pte. Ltd. amounting to RM175,108,000, representing the present value of the balance of the deferred purchase consideration on the acquisition of Carlsberg Singapore Pte. Ltd., which was subsequently paid on 1 March 2010.

15. Loans and Borrowings

	Interest rates %	Group 2009 RM'000	Group 2008 RM'000
Current			
Unsecured bank loan	2.96 – 3.09	**8,586**	6,324

Security

The bank loan is obtained by the jointly-controlled entity and is secured by corporate guarantees from shareholders of the jointly-controlled entity.

16. Operating Profit

	Note	Group 2009 RM'000	Group 2008 RM'000	Company 2009 RM'000	Company 2008 RM'000
Operating profit arrived at after charging:					
Allowance for doubtful debts	10	**749**	216	**–**	–
Amortisation of intangible assets	4	**1,253**	1,795	**1,090**	1,716
Amortisation of prepaid lease payments	5	**131**	132	**118**	119
Auditors' remuneration					
– Audit services		**150**	122	**79**	79
Depreciation of property, plant and equipment	3	**19,023**	19,221	**12,553**	13,356
Impairment loss on investment in a jointly-controlled entity	8	**–**	–	**–**	2,423
Property, plant and equipment written off		**735**	1,200	**18**	955
Inventories written off	9	**604**	977	**441**	498
Personnel expenses (including key management personnel):					
– Contributions to defined contribution plan		**474**	476	**249**	258
– Contributions to Employees Provident Fund		**5,733**	4,593	**2,485**	2,190
– Wages, salaries and others		**50,243**	47,544	**21,589**	25,003
Rental of land and buildings		**2,761**	1,983	**365**	202
Operating profit arrived at after crediting:					
Bad debts recovered		**527**	637	**–**	–
Dividend income from subsidiary		**–**	–	**59,400**	58,608
Gain on disposal of property, plant and equipment		**1,626**	2,842	**64**	2,164
Gain on disposal of leasehold land		**364**	–	**–**	–
Rental income from subsidiary		**–**	–	**840**	840

Notes to the Financial Statements

17. Key Management Personnel Compensation

The key management personnel compensation are as follows:

	Group 2009 RM'000	Group 2008 RM'000	Company 2009 RM'000	Company 2008 RM'000
Directors:				
– Fees	**286**	321	**286**	321
– Remuneration	**1,607**	1,534	**1,607**	1,534
– Other short term employee benefits (including estimated monetary value of benefits-in-kind)	**976**	1,120	**976**	1,120
	2,869	2,975	**2,869**	2,975
– Post-employment benefits	**140**	101	**140**	101
– Share-based payments	**402**	172	**402**	172
	3,411	3,248	**3,411**	3,248
Other key management personnel:				
– Short term employee benefits	**3,499**	3,245	**1,925**	1,894
– Post-employment benefits	**137**	121	**70**	52
– Share-based payments	**498**	113	**373**	113
	4,134	3,479	**2,368**	2,059
	7,545	6,727	**5,779**	5,307

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.

18. Tax Expense

Recognised in the income statements

Major components of tax expense include:

	Note	Group 2009 RM'000	Group 2008 RM'000	Company 2009 RM'000	Company 2008 RM'000
Current tax expense					
Malaysian					
– current year		**28,136**	28,260	**3,563**	4,343
– under/(over) provision in prior years		**212**	(658)	**95**	(509)
Overseas					
– current		**115**	–	**–**	–
Total current tax		**28,463**	27,602	**3,658**	3,834
Deferred tax expense					
Origination and reversal of temporary differences		**(2,733)**	(2,669)	**(2,118)**	(2,356)
Under provision in prior years		**105**	239	**245**	–
Total deferred tax recognised in the income statements	13	**(2,628)**	(2,430)	**(1,873)**	(2,356)
Total tax expense		**25,835**	25,172	**1,785**	1,478

18. Tax Expense (Continued)

	Note	Group 2009 RM'000	Group 2008 RM'000	Company 2009 RM'000	Company 2008 RM'000
Reconciliation of effective tax expense					
Profit before tax		**102,560**	101,291	**62,805**	65,921
Share of profit after tax of equity accounted associate		**(2,190)**	(162)	**–**	–
Profit before tax excluding share of profit after tax of equity accounted associate		**100,370**	101,129	**62,805**	65,921
Tax at Malaysian tax rate of 25% (2008 – 26%)*		**25,093**	26,293	**15,701**	17,139
Effect of tax in foreign jurisdiction		**(119)**	–	**–**	–
Tax exempt income		**–**	–	**(14,908)**	(15,238)
Non taxable income		**(707)**	–	**–**	–
Non-deductible expenses		**762**	883	**461**	1,133
Double deduction on permitted expenses		**(495)**	(1,176)	**–**	–
Tax incentives		**(73)**	(537)	**(73)**	(537)
Effect of change in tax rate*		**–**	(687)	**–**	(654)
Other items		**399**	26	**264**	(3)
Current year losses for which no deferred tax asset was recognised		**658**	789	**–**	–
		25,518	25,591	**1,445**	1,840
Under/(Over) provision in prior years		**317**	(419)	**340**	(362)
Tax expense		**25,835**	25,172	**1,785**	1,478

* *The corporate tax rates are 26% for year of assessment 2008, 25% for year of assessment 2009 and subsequent years of assessment. Consequently, deferred tax assets and liabilities are measured using these tax rates.*

19. Earnings Per Ordinary Share

Basic earnings per ordinary share

The calculation of basic earnings per ordinary share as at 31 December 2009 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 2009 RM'000	Group 2008 RM'000
Profit for the year attributable to shareholders	**76,142**	76,149

19. Earnings Per Ordinary Share (Continued)

Weighted average number of ordinary shares

	Group	
	2009 '000	2008 '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)	**24.9**	24.9

20. Dividends

Dividends recognised in the current year by the Company are:

	Sen per share (net of tax)	Total amount RM'000	Date of payment
2009			
Interim 2009 ordinary	**3.8**	**11,466**	**6 October 2009**
Final 2008 ordinary	**5.6**	**17,198**	**18 May 2009**
Total amount		**28,664**	
2008			
Interim 2008 ordinary	3.7	11,313	8 October 2008
Final 2007 ordinary	5.6	16,969	16 May 2008
Final 2007 ordinary – special	16.7	50,907	16 May 2008
Total amount		79,189	

After the balance sheet date, the following dividends were proposed by the Directors. These dividends will be recognised in subsequent financial reports upon approval by the shareholders.

	Sen per share (net of tax)	Total amount RM'000
Final ordinary	5.6	17,198
Final ordinary – special	7.9	24,078
Total amount		41,276

21. Segment Reporting

Segment information is presented in respect of the Group's geographical segments. The primary format, geographical segments, is based on the Group's management and internal reporting structure.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly loans and borrowings and related expenses, corporate assets (primarily the Company's headquarters) and head office expenses, and tax assets and liabilities.

Segment capital expenditure is the total cost incurred during the year to acquire property, plant and equipment, and intangible assets other than goodwill.

Inter-segment pricing is determined on an arm's length basis.

21. Segment Reporting (Continued)

Geographical segments

The segment is managed on a worldwide basis, but operates in three principal geographical areas, Malaysia, Singapore and others.

In presenting information on the basis of geographical segments, segment revenue and segment assets are based on the geographical location of the assets.

	Malaysia RM'000	Singapore RM'000	Others RM'000	Eliminations RM'000	Consolidated RM'000
2009					
Geographical segments					
Total external revenue	**986,203**	**46,292**	**12,988**	**–**	**1,045,483**
Inter-segment revenue	**768**	**–**	**–**	**(768)**	**–**
Total segment revenue	**986,971**	**46,292**	**12,988**	**(768)**	**1,045,483**
Segment result	**98,070**	**1,483**	**(2,329)**		**97,224**
Interest income					**4,021**
Finance costs					**(875)**
Share of profit of equity accounted associate					**2,190**
Profit before tax					**102,560**
Tax expense					**(25,835)**
Profit for the year					**76,725**
2008					
Geographical segments					
Total external revenue	955,479	–	4,728	–	960,207
Inter-segment revenue	871	–	–	(871)	–
Total segment revenue	956,350	–	4,728	(871)	960,207
Segment result	96,771	–	(3,045)		93,726
Interest income					7,403
Share of profit of equity accounted associate					162
Profit before tax					101,291
Tax expense					(25,172)
Profit for the year					76,119

21. Segment Reporting (Continued)

	Malaysia		Singapore		Others		Consolidated	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Segment assets	**442,931**	603,526	**466,388**	–	**6,991**	9,762	**916,310**	613,288
Investment in an associate							**24,340**	13,946
Unallocated assets							**4,462**	–
Total assets							**945,112**	627,234
Segment liabilities	**303,237**	127,333	**35,486**	–	**1,644**	3,923	**340,367**	131,256
Unallocated liabilities							**88,134**	26,601
Total liabilities							**428,501**	157,857
Capital expenditure	**11,507**	12,381	**402**	–	**313**	123	**12,222**	12,504
Depreciation	**18,767**	19,101	**97**	–	**159**	120	**19,023**	19,221
Amortisation of intangible assets	**1,218**	1,784	**27**	–	**8**	11	**1,253**	1,795
Amortisation of prepaid lease payments	**131**	132	**–**	–	**–**	–	**131**	132
Non-cash expenses other than depreciation and amortisation	**1,371**	2,393	**717**	–	**–**	–	**2,088**	2,393

22. Financial Instruments

Financial risk management objectives and policies

Exposure to currency, credit, liquidity and interest rate risks arise in the normal course of the Group's business. The Group has written risk management policies and guidelines which set out their overall business strategies, their tolerance to risk and their general risk management philosophy.

Foreign currency risk

The Group is 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 US Dollars, Singapore Dollars and Euro.

The Group 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 Ringgit Malaysia, the Group ensures that the net exposure is kept to an acceptable level. Foreign currency forward contracts are entered into by the Group, where appropriate, to manage its exposure to fluctuations in foreign currency. These contracts are entered into with licensed financial institutions.

Changes in the fair value of forward exchange contracts that economically hedge monetary assets and liabilities in foreign currencies are not recognised in the income statements.

22. Financial Instruments (Continued)

Credit risk

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

At balance sheet date there were no significant concentrations of credit risk other than the following:

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Amount due from a subsidiary	**–**	–	**101,699**	188,036
Loan to a subsidiary	**–**	–	**10,190**	10,000

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet.

Liquidity risk

The Group monitors and maintains sufficient levels of cash and cash equivalents deemed adequate by management to meet its working capital requirements.

Interest rate risk

The Group's short term deposits are placed as fixed rates investments and upon which management endeavours to obtain the best rate available in the market. Borrowings of a jointly-controlled entity are exposed to a risk of change in cash flows due to changes in interest rates.

Effective interest rates

In respect of interest-earning financial assets, the following table indicates the weighted average interest rates during the year.

	2009			2008		
	Effective interest rate %	Total RM'000	Within 1 year RM'000	Effective interest rate %	Total RM'000	Within 1 year RM'000
Group						
Financial assets						
Fixed deposits with licensed banks	**2.05**	**58,446**	**58,446**	3.38	187,663	187,663
Advances to supplier	**2.77**	**1,950**	**1,950**	4.94	2,594	2,594
Financial liability						
Unsecured bank loan	**3.00**	**8,586**	**8,586**	3.03	6,364	6,364
Company						
Financial assets						
Fixed deposits with licensed banks	**2.05**	**58,446**	**58,446**	3.38	130,720	130,720
Advances to supplier	**2.77**	**1,950**	**1,950**	4.94	2,594	2,594
Loan to a subsidiary	**3.78**	**10,190**	**10,190**	4.88	10,000	10,000

Fair values

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

Notes to the Financial Statements

23. Operating Leases

Leases as lessee

Non-cancellable operating lease rentals are payable as follows:

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Less than one year	**2,417**	396	**77**	156
Between one and five years	**642**	71	**–**	–
	3,059	467	**77**	156

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	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Capital expenditure commitments				
Plant and equipment				
Authorised but not contracted for	**1,376**	3,987	**883**	2,447
Contracted but not provided for and payable:				
Within one year	**1,021**	2,858	**849**	1,033
	2,397	6,845	**1,732**	3,480

25. 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 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 and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

The Group has a related party relationship with the holding company and its related corporations, its subsidiaries (see note 6), an associate (see note 7), a jointly-controlled entity (see note 8), 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.

25. Related Parties (Continued)

Details of the related party relationships, which are having related party transactions with the Group are as follows:

	Transaction value year ended 31 December		Balance outstanding as at 31 December	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Group				
Carlsberg Asia Pte. Ltd.				
Acquisition of CSPL	**375,983**	–	**(175,108)**	–
Carlsberg Breweries A/S			**(5,354)**	(4,034)
Management fees payable	**1,338**	–		
Purchases of materials and products	**573**	540		
Reimbursement of expenses	**5,963**	6,454		
Royalties payable	**19,939**	17,382		
Carlsberg Brewery (Guangdong) Ltd.				
Purchases of materials and products	**208**	467	**(34)**	(132)
Carlsberg Distributors Taiwan Ltd.			**15**	832
Sale of goods and services	**1,568**	1,741		
Reimbursement of expenses	**385**	–		
Carlsberg Group Procurement AG				
Purchases of materials and products	**946**	–	**(160)**	–
Carlsberg IT Services A/S				
Purchases of services	**410**	–	**(410)**	–
Carlsberg Cottingham Ltd.			**409**	–
Sale of goods and services	**1,051**	–		
Reimbursement of expenses	**178**	–		
Danish Malting Group				
Purchases of materials and products	**7,628**	9,923	**(1,660)**	(3,637)
Danish Malting Polska				
Purchases of materials and services	**1,392**	–	**(767)**	–
Lion Brewery (Ceylon) PLC				
Sale of goods and services	**–**	348	**–**	76
Luen Heng Agency Sdn. Bhd.				
Rental of premises	**757**	–	**(2,014)**	–
Advances	**–**	4,367	**(4,367)**	(4,367)
Slodownia Strzegom Sp.z.o.o.				
Purchases of materials and services	**583**	741	**(212)**	(340)

Notes to the Financial Statements

25. Related Parties (Continued)

	Transaction value year ended 31 December		Balance outstanding as at 31 December	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Company				
Carlsberg Asia Pte. Ltd.				
Acquisition of CSPL	**375,983**	–	**(175,108)**	–
Carlsberg Breweries A/S			**(3,109)**	(4,002)
Management fees payable	**1,287**	–		
Purchases of materials and products	**547**	540		
Reimbursement of expenses	**4,153**	5,918		
Royalties payable	**4,567**	4,467		
Carlsberg Marketing Sdn. Bhd.			**101,699**	188,036
Sale of goods and services	**665,185**	704,582		
Transfer of property, plant and equipment to/(from) at net book value	**39**	(24)		
Management fee received	**11,500**	11,500		
Rental income	**840**	840		
Dividend income	**59,400**	58,608		
Carlsberg IT Services A/S				
Purchases of services	**410**	–	**(410)**	–
Danish Malting Group				
Purchases of materials and products	**7,628**	9,923	**(1,660)**	(3,637)
Danish Malting Polska				
Purchases of materials and services	**1,392**	–	**(767)**	–
Lion Brewery (Ceylon) PLC				
Sale of goods and services	**–**	126	**–**	76
Luen Heng F & B Sdn. Bhd.			**10,190**	10,000
Loan	**–**	10,000		
Interest received	**406**	–		
Slodownia Strzegom Sp.z.o.o.				
Purchases of materials and services	**583**	741	**(212)**	(340)

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

26. Acquisition of a Subsidiary

On 28 July 2009, the Company entered into a Memorandum of Understanding ("MOU") with its immediate holding company, Carlsberg Breweries A/S ("CBAS") to acquire the entire equity interest in Carlsberg Singapore Pte. Ltd. ("CSPL") from Carlsberg Asia Pte. Ltd. ("CAPL"), a wholly owned subsidiary of CBAS for a purchase consideration of RM370 million, which is subject to final evaluation prior to the signing of Share Purchase Agreement ("SPA").

26. Acquisition of a Subsidiary (Continued)

Pursuant to the MOU, the Company had on 8 September 2009 entered into an SPA with CAPL to acquire the entire equity interest in CSPL. The salient terms of the SPA are as follows:-

(i) The sum of RM370 million purchase price shall be payable in cash in two tranches. The sum of RM200 million shall be paid on the Completion Date and the sum of RM170 million (subject to adjustments) shall be paid on or before 1 March 2010;

(ii) CAPL undertakes to compensate the Company in the event that the aggregate Profits After Tax of CSPL for the financial year ended 31 December 2009 and financial year ending 31 December 2010 is less than SGD24 million.

The proposed acquisition was subsequently approved by the shareholders at an Extraordinary General Meeting held on 23 October 2009. The Company completed the acquisition on 30 October 2009 and the final purchase consideration was determined at RM376 million. On 1 March 2010, the Company made a full settlement of the deferred consideration.

The acquisition had the following effect on the Group's assets and liabilities on acquisition date:

	Pre acquisition carrying amounts RM'000	Fair value adjustments RM'000	Recognised values on acquisition RM'000
Property, plant and equipment	1,691	–	1,691
Other investment	356	–	356
Intangible assets	151	338,910	339,061
Inventories	10,843	–	10,843
Receivables, deposits and prepayments	57,496	–	57,496
Cash and cash equivalents	24,459	146	24,605
Deferred tax liabilities	(97)	(57,640)	(57,737)
Payables and accruals	(30,501)	–	(30,501)
Loans and borrowings	(120)	–	(120)
Current tax liabilities	(5,762)	–	(5,762)
Net identifiable assets and liabilities	58,516	281,416	339,932
Goodwill on acquisition			36,043
Total purchase consideration*			375,975
Cash acquired			(24,605)
Present value of the deferred purchase consideration payable			(175,108)
Cash flow on acquisition, net of cash acquired			176,262

* *Includes professional fees of RM1,740,000 and the effect of discounting the deferred purchase consideration amounting to RM1,748,000.*

Pre-acquisition carrying amounts were determined based on applicable FRSs immediately before the acquisition. The values of assets and liabilities recognised on acquisition are their estimated fair values.

27. Contingency-unsecured

	Company 2009 RM'000	Company 2008 RM'000
Corporate guarantee to a jointly-controlled entity	1,740	1,740

The Directors are of the opinion that provision is not required in respect of the corporate guarantee given to a bank on security of the loan facility of a jointly-controlled entity (Note 15), as it is not probable that a future sacrifice of economic benefits will be required.

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 72 to 115 are drawn up in accordance with Financial Reporting Standards and 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 2009 and of their financial performance and cash flows for the year then ended.

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

Dato' Chin Voon Loong
Director

Soren Ravn
Managing Director

Shah Alam,
18 March 2010

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 72 to 115 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 18 March 2010.

Lew Yoong Fah

Before me:
P. Thurirajoo
(No. W438)
Commissioner for Oaths

Kuala Lumpur
18 March 2010

Independent Auditors' Report

TO THE MEMBERS OF CARLSBERG BREWERY MALAYSIA BERHAD

Report on the Financial Statements

We have audited the financial statements of Carlsberg Brewery Malaysia Berhad, which comprise the balance sheets as at 31 December 2009 of the Group and of the Company, and the income statements, statements of changes in equity and cash flow statements of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 72 to 115.

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

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 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 judgment, 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 Company's preparation and fair presentation of the financial statements 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 Company'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 have been properly drawn up in accordance with Financial Reporting Standards and 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 2009 and of their financial performance and cash flows for the year then ended.

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 have been properly kept in accordance with the provisions of the Act.

(b) 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.

(c) Our 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.

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

Adrian Lee Lye Wang
Approval Number: 2679/11/11(J)
Chartered Accountant

Petaling Jaya, Selangor
18 March 2010

Carlsberg Malaysia's Sales Offices

Johor Bahru
No. 41,41-01 & 41-02,
Jalan Austin Perdana 2-22,
81100 Johor Bahru, Johor Darul Takzim.
Tel : 07-355 5079 / 354 0485 / 354 6079
Fax : 07-354 6092

Malacca
No. 22-23A, Jalan Malinja Satu,
Taman Malinja, Bukit Baru,
75150 Malacca.
Tel : 06-282 7709 / 284 1530
Fax : 06-282 7930

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

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

Kuantan
No. 25, Jalan IM 14/3,
Kawasan Perindustrian Ringan,
Indera Mahkota,
25200 Kuantan,
Pahang Darul Makmur.
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Fax : 09-508 8343

Batu Pahat
No. 24, Jalan Tukas Satu,
Taman Soga,
83000 Batu Pahat,
Johor Darul Takzim.
Tel : 07-433 2463
Fax : 07-433 2464

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

Ipoh
No. 87, Rishah Permai 1,
Taman Rishah Permai,
Silibin, 30020 Ipoh,
Perak Darul Ridzuan.
Tel : 05-281 3713 / 281 3700
Fax : 05-281 4116

Kota Bahru
No. 5591-F, Jalan Sultan Yahya Putra,
Wakaf Siku,
15200 Kota Bahru,
Kelantan Darul Naim.
Tel : 09-744 0624
Fax : 09-744 0624

Mentakab
No. 70, Jalan Industrial Temerloh Utama,
Temerloh Industrial Park,
28400 Mentakab,
Pahang Darul Makmur.
Tel : 09-277 3976
Fax : 09-277 3976

Kota Kinabalu
No. 34, Towering Industrial Estate,
Mile 4 $^{1}/_{2}$,
Jalan Penampang,
88300 Kota Kinabalu, Sabah.
Tel : 088-715 091 / 715 019
Fax : 088-717 480

Tawau
Lot No. 02, Da Hua Garden, Phase 3,
TB No. 7542, Jalan Bunga Raya,
91000 Tawau, Sabah.
Tel : 089-714 986
Fax : 089-714 686

Sandakan
Lot 9, Block A,
Bandar Nam Tung,
90007 Sandakan, Sabah.
Tel : 089-611 748

Kedah
C/O CHUAN LEONG
TRADING (KEDAH) SDN.BHD.
No. 30, Pengkalan Kapal,
05000 Alor Setar, Kedah.
Tel : 04-732 1025
Fax : 04-734 3318

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

Miri
Lot 1415, Ground Floor, Lorong 5,
Jalan Krokop,
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,
96700 Sibu,
Sarawak.
Tel : 084-213 892
Fax : 084-213 892

Particulars of Group Properties

The Properties included in land and buildings as at 31 December 2009 (Notes 3 and 5 to the Financial Statements) and their net book values 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
55, Persiaran Selangor, Section 15, 40200 Shah Alam, Selangor Darul Ehsan.	Land and Building	20.00	Brewery and Offices	Leasehold expiring 23.2.2070	39	32,037	31/3/81 (revaluation)
Lot 6, No. 34 Towering Industrial Estate, Mile 4 1/2, Jalan Penampang, 88300 Kota Kinabalu, Sabah.	Land and Building	0.06	Office and Warehouse	Leasehold expiring 31.12.2037	30	328	28/3/95 (acquisition)
394, Taman AST, Jalan Labu, 70200 Seremban, Negeri Sembilan Darul Khusus.	Land and Building	0.04	Office and Warehouse	Freehold	15	340	23/12/96 (acquisition)
Lot 22, Jalan Pengapit 15/19, 40200 Shah Alam, Selangor Darul Ehsan.	Land and Building	1.81	Factory and Office	Leasehold expiring 23.2.2082	19	8,776	12/3/96 (acquisition)
25, Jalan IM 14/3, Kawasan Perindustrian Ringan, Indera Mahkota, 25200 Kuantan, Pahang Darul Makmur.	Land and Building	0.05	Office and Warehouse	Leasehold expiring 29.3.2097	12	189	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)
						60,622	

Analysis of Shareholdings

AS AT 25 FEBRUARY 2010

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	620	4.81	6,688	0.00
100 - 1,000	3,935	30.50	3,187,780	1.04
1,001 - 10,000	6,498	50.36	25,774,523	8.43
10,001 - 100,000	1,651	12.80	50,206,775	16.42
100,001 - 15,287,399*	197	1.53	70,639,734	23.10
15,287,400 and above**	1	0.01	155,932,500	51.00
TOTAL	**12,902**	**100.00**	**305,748,000**	**100.00**

* 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	51.00
2. Malaysia Nominees (Tempatan) Sendirian Berhad Great Eastern Life Assurance (Malaysia) Berhad (PAR 1)	9,085,320	2.97
3. Malaysia Nominees (Tempatan) Sendirian Berhad Great Eastern Life Assurance (Malaysia) Berhad (PAR 2)	4,382,000	1.43
4. Citigroup Nominees (Tempatan) Sdn Bhd Exempt An For American International Assurance Berhad	2,225,700	0.73
5. Pertubuhan Keselamatan Sosial	2,155,700	0.71
6. Cartaban Nominees (Asing) Sdn Bhd SSBT Fund J728 For SPDR S&P Emerging Asia Pacific ETF	1,802,303	0.59
7. Tai Tak Estates Sdn Bhd	1,500,000	0.49
8. UOBM Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Wong Yoke Fong @ Wong Nyok Fing (6110553745-T232)	1,400,000	0.46
9. TM Asia Life Malaysia Bhd As Beneficial Owner (PF)	1,376,700	0.45
10. Malaysia Nominees (Tempatan) Sendirian Berhad Great Eastern Life Assurance (Malaysia) Berhad (NON PAR 1)	1,200,000	0.39

Analysis of Shareholdings

AS AT 25 FEBRUARY 2010

Thirty Largest Shareholders (Continued)

Name	No. of Shares	% of Shares
11. Cartaban Nominees (Asing) Sdn Bhd State Street London Fund MATF For Marathon New Global Fund PLC	1,077,800	0.35
12. EB Nominees (Tempatan) Sendirian Berhad Pledged Securities Account For Mak Tian Meng (BSR)	1,000,000	0.33
13. HDM Nominees (Asing) Sdn Bhd UOB Kay Hian Pte Ltd For Kwong Soon Engineering Co Pte Ltd	967,500	0.32
14. Ho Sim Guan	960,000	0.31
15. UOBM Nominees (Asing) Sdn Bhd Chung Khiaw Bank Nominees (Pte) Ltd For Ko Choon Huat	910,000	0.30
16. Citigroup Nominees (Asing) Sdn Bhd Exempt An For OCBC Securities Private Limied (Client A/c-NR)	880,558	0.29
17. Kam Poh Realty Sdn Bhd	660,000	0.22
18. Citigroup Nominees (Asing) Sdn Bhd CBNY For DFA Emerging Markets Small Cap Series	655,600	0.21
19. Sin Mong Chon & Sons Sdn Bhd	640,000	0.21
20. CIMSEC Nominees (Asing) Sdn Bhd Exempt An For CIMB-GK Securities Pte Ltd (Retail Clients)	606,298	0.20
21. Amanahraya Turstees Berhad Public Dividend Select Fund	585,300	0.19
22. SBB Nominees (Tempatan) Sdn Bhd Pertubuhan Keselamatan Sosial	574,500	0.19
23. Citigroup Nominees (Asing) Sdn Bhd CB Spore GW For Bukit Sembawang Estates Limited (OCB33879-000MIS)	559,998	0.18
24. Mayban Nominees (Tempatan) Sdn Bhd HwangDBS Investment Management Bhd For Pertubuhan Keselamatan Sosial (240234)	532,200	0.17
25. G.T.Y. Holdings Sdn Bhd	500,000	0.16
26. Soon Ah Khun @ Soon Lian Huat	500,000	0.16
27. HSBC Nominees (Tempatan) Sdn Bhd HSBC (M) Trustee Bhd For OSK-UOB Kidsave Trust (3621)	497,700	0.16
28. AMSEC Nominees (Tempatan) Sdn Bhd AmFraser Securities Pte Ltd For Chong Kah Yung (1854)	491,100	0.16
29. AMSEC Nominees (Tempatan) Sdn Bhd AmFraser Securities Pte Ltd For Chong Kah Min (1835)	491,000	0.16
30. AMSEC Nominees (Tempatan) Sdn Bhd AmFraser Securities Pte Ltd For Chong Kah Lin (1855)	491,000	0.16
TOTAL	**194,640,777**	**63.66**

Analysis of Shareholdings

AS AT 25 FEBRUARY 2010

Substantial Shareholder

Name	Direct Interest No. of Shares	Direct Interest % of Shares
1. Carlsberg Breweries A/S UOBM Nominees (Asing) Sdn Bhd	155,932,500	51.00

Directors' Interests

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

Deemed interested by virtue of shares held by his daughter.

Save as disclosed above, none of the other Directors holding office as at 25 February 2010 had any interest in shares whether direct or indirect in the Company.

Material Contracts

There were no material contracts (not being contracts entered into in the ordinary course of business) entered into by the Group and/or its subsidiaries involving directors' and major shareholders' interests either subsisting as at 31 December 2009 or entered into since the end of the previous financial year ending 31 December 2008, save and except for the following:-

1. A call option agreement between Carlsberg Brewery Malaysia Berhad ("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 of CBMB.

2. A shareholders agreement between CBMB, Wiseline Ltd and Carlsberg Distributors Taiwan Limited ("CDTL") dated 30 October 2006 for CBMB to acquire 50% equity shareholding in CDTL from Wiseline Ltd at the purchase consideration of NTD6,714,738.00 for 3,000,000 shares of NTD10.00 each. CBAS had granted distribution rights to CDTL to sell and distribute Carlsberg beer products in the territory of Taiwan.

3. A Share Purchase Agreement between the CBMB and Carlsberg Asia Pte Ltd ("CAPL") dated 8 September 2009 for the acquisition of the entire 100% equity interest in Carlsberg Singapore Pte Ltd consisting of 1,000,000 ordinary shares for a total cash consideration of RM370 million.

   CAPL is a wholly owned subsidiary of CBAS.

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 at the 39th AGM held on 28 April 2009 is as follows:

Related Party	Nature of Transaction	Actual Value Transacted (RM' million)
CBAS	Reimbursement of sponsorship, global insurance and staff-related expenses to CBAS	6.9
CBAS	Purchase of raw materials (hops, yeasts, aroma etc) and related services from CBAS	0.6
CBAS	Provision of administrative support and property leasing services to CBAS	0.1
CBAS	Provision of administrative support services from CBAS	2.4
CBAS	Royalties payable to CBAS for interalia, the exclusive use of trademark licences and supply of technical and commercial assistance	17.8
CBGL	Purchase of beverage products from CBGL	0.2
DMG	Purchase of raw materials (malts) from DMG	9.8
CUKL	Purchase of beverage products and services from CUKL	0.06

Abbreviations:

CBAS - Carlsberg Breweries A/S
CBGL - Carlsberg Brewery (Guangdong) Ltd
CUKL - Carlsberg UK Limited
DMG - Danish Malting Group A/S

Notes:

1) The above actual value of the recurrent related party transactions is for the period from 28 April 2009 to 10 March 2010.
2) The nature of relationship between the above related parties and the Company is as follows:
   (i) CBAS is the holding company and major shareholder of the Company, holding an equity interest of 51.0% in the Company as at 10 March 2010.
   (ii) CBGL, DMG and CUKL are subsidiaries of CBAS and do not hold any direct equity interest in the Company as at 10 March 2010.

Notice of 40th Annual General Meeting

NOTICE IS HEREBY GIVEN that the Fortieth (40th) Annual General Meeting of the Company will be held at Ballroom Selangor 2 & 3, Grand Dorsett Subang Hotel (Formerly Sheraton Subang Hotel & Towers), Jln SS12/1, 47500 Subang Jaya, Selangor Darul Ehsan on Tuesday, 27 April 2010 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 2009 together with the Directors' and Auditors' reports thereon. **Ordinary Resolution 1**

2. To approve a payment of a Final Dividend of 7.5 sen per RM0.50 share less Malaysian income tax and a Special Dividend of 10.5 sen per RM0.50 share less Malaysian income tax in respect of the financial year ended 31 December 2009. **Ordinary Resolution 2**

3. To approve the payment of Directors' fees of RM286,000 for the financial year ended 31 December 2009. **Ordinary Resolution 3**

4. To re-appoint Messrs KPMG as Auditors of the Company and to authorise the Directors to fix their remuneration. **Ordinary Resolution 4**

Special Business

5. To re-elect Graham James Fewkes who retires pursuant to Article 92(a) of the Articles of Association of the Company. **Ordinary Resolution 5**

6. To re-elect the following Directors who retire pursuant to Article 92(e) of the Articles of Association of the Company:
   (a) Soren Ravn **Ordinary Resolution 6**
   (b) Roy Enzo Bagattini **Ordinary Resolution 7**

7. To consider, and if thought fit, pass with or without modifications, the following Resolution:

   RE-APPOINTMENT OF DIRECTOR **Ordinary Resolution 8**
   "THAT pursuant to Section 129(6) of the Companies Act, 1965, Datuk M.R. Gopala Krishnan C.R.K. Pillai, 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 of the Company."

8. To consider, and if thought fit, pass with or without modifications, the following Resolution:

   AUTHORITY FOR DIRECTORS TO ISSUE AND ALLOT SHARES PURSUANT TO SECTION 132D OF THE COMPANIES ACT, 1965 **Ordinary Resolution 9**
   "**THAT** subject always to the Companies Act, 1965, the Articles of Association of the Company and the approvals of the relevant governmental/regulatory authorities, the Directors be and are hereby empowered, pursuant to Section 132D of the Companies Act, 1965, to issue and allot shares in the Company from time to time and upon such terms and conditions and for such purposes as the Directors may deem fit provided that the aggregate number of shares issued pursuant to this Resolution in any one financial year does not exceed 10% of the issued and paid-up share capital of the Company for the time being;

   AND THAT the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on the Bursa Malaysia Securities Berhad and **THAT** such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company."

Notice of 40th Annual General Meeting

9. To consider, and if thought fit, pass with or without modifications, the following Resolution:

PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY **Ordinary Resolution 10**

"**THAT**, subject to compliance with Section 67A of the Companies Act 1965, the requirements of Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and any prevailing laws, rules, regulations, orders, guidelines and requirements issued by any relevant authority, approval be and is hereby given to the Company to utilise not more than RM288.6 million being the combined total of the audited distributable retained earnings and share premium reserves of the Company as at 31 December 2009 which stood at RM281.2 million and RM7.4 million respectively, to purchase on Bursa Securities up to 28,477,800 ordinary shares of RM0.50 each of the Company which together with the 2,330,000 ordinary shares of RM0.50 each already purchased earlier and retained as treasury shares, represents 10% of the enlarged issued and paid-up share capital of 308,078,000 ordinary shares of RM0.50 each **AND THAT** upon completion of the purchase by the Company of its own shares, the Directors of the Company be and are hereby authorised to:

(a) cancel ALL or PART of the shares so purchased and/or to retain ALL or PART of the shares in treasury ("the treasury shares");

(b) distribute the treasury shares as dividends to the Company's shareholders for the time being and/or to resell the treasury shares on Bursa Securities; AND/OR

(c) cancel the shares so purchased or cancel the treasury shares and transfer the amount by which the Company's issued capital is diminished to the capital redemption reserve and subsequently apply the capital redemption reserve to pay up unissued shares of the Company to be issued to the Company's shareholders as fully paid bonus shares,

whereby an announcement regarding the intention of the Directors of the Company in relation to the proposed treatment of the shares purchased and rationale thereof has been made to Bursa Securities;

AND THAT such authority from the shareholders would be effective immediately upon passing of this Ordinary Resolution and the aforesaid authority from the shareholders will expire:

(a) at the conclusion of the next Annual General Meeting ("AGM") unless the authority is renewed by ordinary resolution passed at the said AGM (either unconditionally or subject to condition); or

(b) upon the expiration of the period within which the next AGM is required by law to be held; or

(c) if earlier revoked or varied by ordinary resolution of the shareholders of the Company in a general meeting whichever occurs first, but not so as to prejudice the completion of purchase(s) by the Company before the aforesaid expiry date and, in any event, in accordance with the provisions of the guidelines issued by Bursa Securities or any other relevant authority;

AND THAT authority be and is hereby given to the Directors of the Company to take all such steps as are necessary including the opening and maintaining of a central depositories account(s) under the Securities Industry (Central Depositories) Act, 1991, and entering into all other agreements, arrangements and guarantees with any party or parties to implement, finalise and give full effect to the aforesaid purchase with full powers to assent to any conditions, modifications, revaluations, variations and/or amendments (if any) as may be imposed by the relevant authorities from time to time and to do all such acts and things as the said Directors may deem fit and expedient in the best interest of the Company".

Notice of 40th Annual General Meeting

10. To consider, and if thought fit, pass with or without modifications, the following Resolution:

PROPOSED SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE ("PROPOSED SHAREHOLDERS' MANDATE")

Ordinary Resolution 11

"**THAT** approval be and is hereby given to the Company and its subsidiaries to enter into and give effect to specified recurrent related party transactions of a revenue or trading nature and with specified classes of the related parties as stated in Section 3.3 of the Circular to Shareholders dated 5 April 2010 which are necessary for the Group's day to day operations subject to the following:

(a) the transactions are in the ordinary course of business and are on terms not more favourable to the related parties than those generally available to the public where applicable and are not to the detriment of the minority shareholders;

(b) disclosure is made in the annual report of the aggregate value of transactions conducted pursuant to the shareholders' mandate during the financial year;

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

(i) the conclusion of the next AGM of the Company at which time it will lapse, unless by resolution passed at the next AGM whereby the authority is renewed;

(ii) the expiration of the period within which the next AGM of the Company subsequent to the date it is required to be held pursuant to Section 143(1) of the Malaysian Companies Act, 1965 ("the Act") (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Act); or

(iii) revoked or varied by resolution passed by the shareholders in a general meeting,

whichever is earlier;

AND THAT the Directors and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) to give effect to the transactions contemplated and/or authorised by this Ordinary Resolution."

11. To transact any other business of which due notice shall have been given in accordance with the Companies Act, 1965 and the Company's Articles of Association.

Notice of 40th Annual General Meeting

Notice of Dividend Payment and Closure of Register

NOTICE IS HEREBY GIVEN THAT, subject to the approval of the shareholders at the Fortieth Annual General Meeting to be held on Tuesday, 27 April 2010, a Final Dividend of 7.5 sen per RM0.50 share less Malaysian income tax and a Special Dividend of 10.5 sen per RM0.50 share less Malaysian income tax in respect of the financial year ended 31 December 2009 will be payable on 18 May 2010 to shareholders registered in the Register of Members and Record of Depositors at the close of business on 5 May 2010.

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 2010 in respect of ordinary transfers;

(b) Shares deposited into the Depositor's securities account before 12.30 p.m. on 3 May 2010 (in respect of shares which are exempted from mandatory deposit);

(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)
Secretary

Shah Alam
5 April 2010

Notes:

1. A member entitled to attend and vote at the meeting may appoint ONE person as his proxy to attend and vote in his stead. A proxy need not be a member of the Company.
2. 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.
3. The Proxy Form must be deposited at the Registered Office at No. 55 Persiaran Selangor, Section 15, 40200 Shah Alam, Selangor, not less than 48 hours before the time set for holding the meeting.
4. 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(9b) 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 21 April 2010 and only a Depositor whose name appear on such Record of Depositors shall be entitled to attend this meeting.

Notice of 40th Annual General Meeting

Explanatory Notes on Special Business

Ordinary Resolutions 5 to 7 – 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.

Ordinary Resolution 8 – Re-appointment of Director
The proposed ordinary resolution 8 in relation to the re-appointment of Datuk M.R. Gopala Krishnan C.R.K. Pillai, if passed, will enable Datuk M.R. Gopala Krishnan C.R.K. Pillai to continue in office until conclusion of the next Annual General Meeting.

Ordinary Resolution 9 – Authority for directors to issue and allot 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 Annual General Meeting, authority to issue and allot 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 Annual General Meeting of the Company.

This mandate is a renewal of the last mandate granted to the Directors at the Thirty-Ninth Annual General Meeting held on 28 April 2009 and which will lapse at the conclusion of the Fortieth 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 fund raising activities, including but not limited to further placing of shares, for purpose of funding future investment, working capital and/or acquisitions.

Ordinary Resolution 10 – Proposed Renewal of Share Buy Back Authority
The detailed text on Ordinary Resolution 10 on the Proposed Renewal of Share Buy Back Authority is included in the Circular to Shareholders dated 5 April 2010 which is enclosed together with the Annual Report.

Ordinary Resolution 11 – Proposed Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature ("Proposed Shareholders' Mandate")
The detailed text on Ordinary Resolution 11 on the Proposed Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature is included in the Circular to Shareholders dated 5 April 2010 which is enclosed together with the Annual Report.

Form of Proxy

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

NO. OF SHARES HELD	

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 Fortieth (40th) Annual General Meeting of the Company to be held on Tuesday, 27 April 2010 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):

		FOR	AGAINST
Ordinary Resolution 1	Receipt of the Directors' and Auditors' Reports and Audited Financial Statements for the financial year ended 31 December 2009.		
Ordinary Resolution 2	Payment of Final and Special Dividends.		
Ordinary Resolution 3	Approval of Directors' fees of RM286,000 for the financial year ended 31 December 2009.		
Ordinary Resolution 4	Re-appointment of KPMG as auditors and to authorize the Directors to determine their remuneration.		
Ordinary Resolution 5	Re-election of Graham James Fewkes as Director.		
Ordinary Resolution 6	Re-election of Soren Ravn as Director.		
Ordinary Resolution 7	Re-election of Roy Enzo Bagattini as Director.		
Ordinary Resolution 8	Re-appointment of Datuk M.R. Gopala Krishnan C.R.K. Pillai as Director.		
Ordinary Resolution 9	Authority for Directors to issue and allot shares pursuant to Section 132D of the Companies Act, 1965.		
Ordinary Resolution 10	Proposed renewal of Share Buy-Back authority.		
Ordinary Resolution 11	Proposed shareholders' mandate for Recurrent Related Party Transactions of a revenue or trading nature.		

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 ______________ 2010.

Signed by the said ____

In the presence of ____

Notes:
1. A member entitled to attend and vote at the meeting may appoint ONE person as his proxy to attend and vote in his stead. A proxy need not be a member of the Company. 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.
2. Any change in the Proxy Form must be countersigned by the member or if it is a corporation, its authorized signatories.
3. The Proxy Form must be deposited at the Registered Office at No. 55 Persiaran Selangor, Section 15, 40200 Shah Alam, Selangor, not less than 48 hours before the time set for holding the meeting.
4. 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(9b) 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 21 April 2010 and only a Depositor whose name appear on such Record of Depositors shall be entitled to attend this meeting.

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affix
stamp
here

THE COMPANY SECRETARY
CARLSBERG BREWERY MALAYSIA BERHAD (9210-K)
No. 55, Persiaran Selangor
Section 15, 40200 Shah Alam
Selangor Darul Ehsan, Malaysia

second fold

Corporate Information

Directors

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

Søren Ravn
Managing Director

Dato' Chin Voon Loong
D.S.P.N.

Datuk M.R. Gopala Krishnan C.R.K. Pillai
P.J.N.

Roy Enzo Bagattini

Graham James Fewkes

Company Secretary

Lew Yoong Fah
(MIA NO. 10936)

Auditors

KPMG

Solicitors

Shearn Delamore & Co.

Principal Bankers

Public Bank Berhad (Company No. 1295)
Wisma Lim Foo Yong,
86, Jalan Raja Chulan,
50200 Kuala Lumpur.

Am Bank (M) Berhad (Company No. 8515-D)
Ground Floor,
Bangunan Am Bank Group,
55, Jalan Raja Chulan,
50200 Kuala Lumpur.

The Royal Bank of Scotland Berhad
(Company No. 301932-A)
(formerly known as ABN Amro Bank Berhad)
Level 1, Menara Maxis,
Kuala Lumpur City Centre,
50088 Kuala Lumpur.

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 : info@carlsberg.com.my
Website : www.carlsberg.com.my

Share Registrar

Symphony Share Registrars Sdn Bhd
(Company No. 378993-D)
Level 6, Symphony House,
Block D13,
Pusat Dagangan Dana 1,
Jalan PJU 1A/46,
47301, Petaling Jaya,
Selangor.
Tel : +603 7841 800
Fax : +603 7841 8008 / 8150 / 8151

Stock Exchange Listing

Main Market of Bursa Malaysia Securities Berhad