

Disposal of Investment in Luen Heng F&B Sdn Bhd (Disposal)

CARLSBERG BREWERY MALAYSIA BERHAD

Type	Reply to Query
Reply to Bursa Malaysia's Query Letter - Reference ID	IQL-19052015-00004
Subject	Disposal of Investment in Luen Heng F&B Sdn Bhd (Disposal)
Description	CARLSBERG BREWERY MALAYSIA BERHAD · DISPOSAL OF INVESTMENT IN LUEN HENG F&B SDN BHD
Query Letter Contents	<p>We refer to your Company's announcement dated 15 May 2015, in respect of the aforesaid matter.</p> <p>In this connection, kindly furnish Bursa Securities with the following additional information for public release:-</p> <ol style="list-style-type: none">1) Details of the valuation report, including but not limited to the market value ascribed, method of valuation, name of the share valuer, etc.2) Detailed breakdown of the proceeds received from the Disposal to be utilised for working capital purposes together with the timeframe for full utilisation.3) To also make available the valuation report by the share valuer for inspection. <p>Please furnish Bursa Securities with your reply within one (1) market day from the date hereof.</p> <p>Yours faithfully, HENG TECK HENG Vice President, Issuers, Listing Division, Regulation</p>

We refer to the Company's announcement dated 15 May 2015 on the Disposal and Bursa Malaysia's query letter dated 19 May 2015 requesting for the following additional information for public release:-

1. Details of the valuation report are as follows:

- name of the share valuer - Messrs Ernst & Young
- method of valuation - Income Approach, specifically the Discounted Cash Flow ("DCF") method and cross-checked against Market Approach and Net Assets.
- market value ascribed -
 - Scenario 1 – which is the base case where financial projections is made together with the underlying bases and assumptions of Luen Heng F&B Sdn Bhd ("LHFB") from 1 May 2015 to 31 December 2024. As at 30 April 2015, the indicative equity value of LHFB ranges from RM38.9 million to RM44.6 million.
 - Scenario 2 – Scenario 1 adjusted for variation of terms on continuing business relationship between the Company and LHFB post Disposal. As at 30 April 2015, the indicative equity value of LHFB ranges from RM27.1 million to RM28.1 million.
 - The sale consideration was based on the valuation under Scenario 2 which better reflects the financial projections post Disposal of LHFB and CBMB's 70% equity in LHFB is valued at between RM18.97 million to RM19.67 million.

2. The proceeds received from the Disposal shall be utilised to pay off existing loan in Ringgit Malaysia totalling to RM55 million, upon receipt in accordance with the schedule of payment in the Share Sale Agreement.

3. The valuation report will not be made available for inspection at the registered office of CBMB for the following reasons:

- The facts and data used for the indicative valuation analysis are highly confidential to CBMB;
- The information contained in the valuation report consists of various assumptions of financial forecast and projections which are available only to CBMB's internal management and not publicly available information.

This announcement is dated 20 May 2015.