General Announcement
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Subject	: PROPOSED ACQUISITION OF THE ENTIRE EQUITY INTEREST IN CARLSBERG SINGAPORE PTE LTD FOR A CASH CONSIDERATION OF RM370 MILLION ("PROPOSED ACQUISITION")
Contents	: AmInvestment Bank Berhad (a member of AmInvestment Bank Group), on behalf of the Board of Directors of CBMB, wishes to announce that the Company had today, entered into the Share Purchase Agreement in relation to the Proposed Acquisition. Details of the Proposed Acquisition are set out in the announcement attached. This announcement is dated 8 September 2009.
Attachments	: CBMB - table.pdf CBMB - Announcement.pdf

CARLSBERG BREWERY MALAYSIA BERHAD ("CBMB" OR "COMPANY")

PROPOSED ACQUISITION OF THE ENTIRE EQUITY INTEREST IN CARLSBERG SINGAPORE PTE LTD ("CSPL") FOR A CASH CONSIDERATION OF RM370 MILLION ("PROPOSED ACQUISITION")

1. INTRODUCTION

Reference is made to the announcement dated 28 July 2009 on the Memorandum of Understanding between CBMB and Carlsberg Breweries A/S ("**CBAS**"), where the parties were contemplating the possibility of the Proposed Acquisition.

Further to the above, on behalf of the Board of Directors of CBMB ("**Board**"), AmInvestment Bank Berhad (a member of AmInvestment Bank Group) ("**AmInvestment Bank**") is pleased to announce that, the Company has on 8 September 2009, after completion of the due diligence review conducted by CBMB on CSPL, entered into a share purchase agreement ("**SPA**") with Carlsberg Asia Pte Ltd ("**CAPL**"), a wholly-owned subsidiary of CBAS, for the proposed acquisition by CBMB of one (1) million ordinary shares in CSPL ("**Sale Shares**"), representing 100% equity interest in CSPL for a cash consideration of RM370 million.

Details of the Proposed Acquisition are set out in the ensuing sections.

2. DETAILS OF THE PROPOSED ACQUISITION

CBMB shall acquire the Sale Shares from CAPL subject to the terms and conditions of the SPA. The consideration for the Sale Shares is RM370 million ("**Purchase Price**") to be fully satisfied in cash.

2.1 Salient Terms of the SPA

The salient terms of the SPA are as follows:-

2.1.1 Acquisition of the Sale Shares and Settlement of the Purchase Price

Subject to the terms and conditions of the SPA, CAPL shall sell the Sale Shares and CBMB shall purchase the Sale Shares free from any mortgages, charges, pledges, liens, options, restrictions, rights of first refusal, rights of pre-emption, claims, rights, interests or preferences granted to any third party, or any other encumbrances or security interests of any kind (or an agreement or commitment to create any of the same). Title to and beneficial ownership of the Sale Shares shall pass on completion of the sale and purchase of the Sale Shares in accordance with the SPA ("**Completion**") together with all associated rights and benefits attaching or accruing to them on or after Completion.

The Purchase Price assumes that CSPL has zero interest bearing deposits and zero interest bearing liabilities. To the extent that CSPL has any interest bearing deposits or liabilities on Completion Date, which is defined in the SPA as such date occurring on a day within five (5) business days after the date on which the last of the conditions precedent set out in Section 2.1.2 below (the "**Conditions Precedent**") is fulfilled or waived, or such later date as CBMB and CAPL may agree in writing (not being later than the Long Stop Date (as defined hereunder)), the Purchase Price shall be adjusted accordingly. The Purchase Price is also subject to adjustment by the difference between the provisional working capital value of CSPL of SGD9,400,000 ("**Provisional Working Capital Value**") and the actual working capital value of CSPL (means CSPL's current assets less any payables, accruals and liabilities, excluding interest bearing deposits and liabilities) on Completion Date ("**Actual Working Capital Value**"). If the Actual Working Capital Value is greater than the Provisional Working Capital Value, CBMB shall pay the difference to CAPL. On the other hand, if the Actual Working Capital Value is less than the Provisional Working Capital Value, CAPL shall pay the difference to CBMB (collectively, the "**Adjustments**").

The Purchase Price shall be paid in Euro (in accordance with the conversion rate as specified in the SPA) as follows:-

(i) The sum of RM200 million on the Completion Date; and
(ii) The sum of RM170 million (subject to the Adjustments) on or before 1 March 2010.

2.1.2 Conditions Precedent

Completion of the Proposed Acquisition is conditional on the prior fulfilment or written waiver (as the case may be) of each of the following Conditions Precedent on or before the date which falls six (6) months after the date of the SPA or such later date as CAPL and CBMB may agree in writing ("**Long Stop Date**"):-

(a) the approvals as set out in Section 9 below being obtained; and

(b) the delivery of the following documents to CBMB:-

(i) a duly executed letter of undertaking and confirmation from CBAS on the following:-

- that CBAS as a majority shareholder of CBMB will, in respect of the financial years ending 31 December 2009 to 2013 (both inclusive), support CBMB board proposals to distribute net dividend of between 50% and 70% of the distributable annual profits according to the statutory accounts for the relevant financial year, subject always, however, to the cash/working capital requirements of CBMB and provided that such distribution of dividend is commercially prudent for CBMB and is in compliance with applicable law; and

- that CBAS shall waive, for a period of twenty (20) years from the Completion Date, its right to terminate the license to use the Carlsberg trademark with twelve (12) months written notice in accordance to the terms of the Intra Group Sourcing and Licensing Agreement in force between CSPL and CBAS dated 1 May 2009;

(ii) a confirmation from CSPL that the toll-manufacturing agreement dated 18 June 2008 with a contract manufacturer will terminate with effect from 31 December 2009 and that CAPL confirms to indemnify CBMB from any liabilities arising from the said toll-manufacturing agreement on and from 31 December 2009 and under the guarantee given by CSPL in connection with the said toll manufacturing agreement in favour of a packaging supplier dated 10 February 2009; and

(iii) confirmation that all other consents and approvals required under applicable law for the sale of the Sale Shares and to give effect to the transactions contemplated under the SPA (including without limitation, such waivers as may be necessary of terms which would otherwise constitute a default under any instrument, contract, document or agreement to which CAPL or CSPL is a party or by which CAPL or CSPL or its or their respective assets are bound) being obtained.

2.1.3 Profit Guarantee

Pursuant to the SPA, the aggregate PAT of CSPL for financial years ending 31 December 2009 and 2010 ("**Target Period**") shall be SGD24 million ("**Target Profit**"). If the Target Profit is not achieved, CAPL undertakes to compensate CBMB in cash an amount equal to the difference between the Target Profit and the combined actual PAT for the Target Period ("**Profit Deficit Amount**") (which shall operate as a reduction in the Purchase Price) on a Singapore dollar for Singapore dollar basis. The parties further agreed that the Target Profit shall be adjusted by the deduction of the import duty paid or payable by CSPL over the Target Period in the event that there is reversal of any import duty waiver by the Singapore Government or any reversal of approval by the Ministry of International Trade and Industry ("**MITI**") to export to Singapore pursuant to zero import duty scheme under the Agreement on Comprehensive Economic Partnership among Japan and the Member States of the Association of Southeast Asian Nations ("**AJCEP**").

The Profit Deficit Amount shall be paid by CAPL to CBMB on the seventh (7) day after it has been agreed and determined in accordance with the provisions of the SPA (or such other date as the parties may agree in writing).

2.2 Basis of Arriving at the Purchase Price

The Purchase Price was arrived at on a "willing-buyer willing-seller" basis after taking into consideration the following:-

(a) The indicative valuation undertaken by Messrs PricewaterhouseCoopers Capital Sdn Bhd ("**PwC Capital**"), the independent valuer, which estimates that the indicative fair value of the entire equity of CSPL as at 30 June 2009 ranges from RM339 million to RM394 million ("**Valuation**"). The indicative valuation has considered the current performance as well as future prospects of CSPL.

The valuation methods adopted by PwC Capital include discounted cash flow ("**DCF**") and earnings approach. The DCF analysis was based on cash flow projections of CSPL for the six (6)-month period ending 31 December 2009 and financial years ending 31 December 2010 to 2018 (together with underlying assumptions) and applying the discount rates of approximately 9% to 11%;

(b) The earnings potential of CSPL and the synergies expected to be derived by CSPL and CBMB following the Proposed Acquisition in terms of operational and production cost savings and double tax deduction on advertising and promotional expenses ("**Double Deduction**") amounting to approximately RM28 million (of which RM14 million is relating to the Double Deduction and additional contract manufacturing profits potentially enjoyed by CBMB pursuant to the manufacturing and supply rights to be granted by CSPL, which was not intended to be included in the Valuation as the indicative valuation was conducted on CSPL) as estimated by the management of CBMB and reasonableness reviewed by the advisers of CBMB;

(c) The audited profit after taxation ("**PAT**") of CSPL for the financial year ended ("**FYE**") 31 December 2008 of SGD10.03 million; and

(d) The evaluation of the fairness and reasonableness of the Purchase Price by the Independent Adviser ("**IA**").

2.3 Source of Funding

The Proposed Acquisition will be financed by the Company's internally generated funds.

2.4 Liabilities to be Assumed

There are no liabilities, including contingent liabilities and guarantees, to be assumed by CBMB pursuant to the Proposed Acquisition.

2.5 Estimated Additional Financial Commitment

As CSPL has commenced its business operations since 2001 and is an established trading company, CBMB does not expect any additional financial commitment to be extended to CSPL in order to put the business of CSPL on-stream pursuant to the Proposed Acquisition.

2.6 Background Information on CSPL

CSPL was incorporated in Singapore under the Companies Act, Chapter 50 of Singapore as a private limited company on 22 June 2001. CSPL is a wholly-owned subsidiary of CAPL. It is principally engaged in the sale and marketing of alcoholic beverages.

CSPL is one of the well-known beer marketeers in Singapore, commanding more than 21% of the total Singapore beer market. The company sources from a few Asian countries including China and Thailand for sale predominantly in Singapore. The company's product portfolio includes Carlsberg Green Label, Carlsberg Gold, Carlsberg Special Brew, Kronenbourg 1664, Kronenbourg Blanc, Skol, Danish Royal Stout, Corona, Tetley's and Jolly Shandy. Carlsberg is CSPL's flagship brand which accounts for nearly 20% market share in Singapore, second only to Tiger brand.

(Source: CSPL's website and management)

As at 31 August 2009, CSPL has an issued and paid-up share capital of SGD1,000,000 comprising 1,000,000 ordinary shares. Based on the audited financial statements of CSPL for the FYE 31 December 2008, the company registered PAT of approximately SGD10.03 million. The audited net assets of CSPL as at 31 December 2008 amounted to approximately SGD22.78 million.

Based on the unaudited financial statements of CSPL for the financial period ended 30 June 2009, CSPL registered PAT of SGD6.02 million and the unaudited net assets of CSPL as at 30 June 2009 is SGD28.73 million.

The historical financial information of CSPL is set out in **Table 1** of the Appendix to this Announcement.

2.7 Background Information on CAPL

CAPL was incorporated in Singapore under the Companies Act, Chapter 50 of Singapore as a private limited company on 9 April 1994. CAPL is a wholly-owned subsidiary of CBAS. It is an investment holding company and also engaged in the general wholesale trade (including general importers and exporters).

As at 31 August 2009, the issued and paid-up share capital of CAPL is SGD20.0 million comprising of 3,000,000 shares.

CAPL incorporated CSPL on 22 June 2001 and the original cost of investment in CSPL is SGD1.0 million.

3. RATIONALE FOR THE PROPOSED ACQUISITION

CBMB is an established brewery that manufactures and distributes beer, stout and other beverages mainly in the domestic Malaysian market via its subsidiaries. CSPL is a trading company incorporated in 2001 to sell alcoholic beverages in Singapore. Beer consumption in Singapore holds considerable upside due to its stable economy with beer industry volume growing at a compounded annual growth rate ("**CAGR**") of 4% between the years 2000 and 2008. Singapore's alcohol consumption per capita is higher at 17 litres versus 15 litres in Malaysia (non-Muslim population only) *(Source: The management of CBMB)*. With the Proposed Acquisition, CBMB is poised for stronger earnings growth as it would extend CBMB's foothold to Singapore's beer and stout market and expand its export business.

The Proposed Acquisition is expected to give rise to potential cost savings and other synergistic benefits that will eventually improve the financial performance of CBMB and its subsidiaries ("**CBMB Group**"). CSPL is currently sourcing supply of beer from a few Asian countries such as China and Thailand. In conjunction with the Proposed Acquisition, the manufacturing and sourcing rights will be granted by CSPL to CBMB. As a result, CSPL is expected to derive some operational cost savings which include cheaper transportation costs due to the close proximity between Malaysia and Singapore as well as reduction in tolling, haulage and freight charges. The inventory holding period of CSPL is expected to improve as it may be able to reduce its inventory level due to a shorter delivery lead time from Malaysia. At the same time, CBMB will be able to utilise its excess production capacity with minimal capital investment. CBMB and CSPL are operating in the same industry with similar business model and product portfolio. Following the Proposed Acquisition whereby CSPL will become the wholly-owned subsidiary of CBMB, they will be in a better position to coordinate their marketing strategies and product launches. Accordingly, CBMB is also expected to benefit from the double tax deduction on the advertising and promotional expenses to be incurred on export to CSPL.

Furthermore, as CSPL is already income-generating, the Proposed Acquisition is likely to be earnings accretive to CBMB. This will eventually translate into higher dividends to CBMB and thereby enhancing CBMB's shareholders' value.

4. OVERVIEW OF THE MALT LIQUOR MARKET IN SINGAPORE

The alcoholic drinks market consists of beers, ciders and flavoured alcoholic beverages, spirits and wines. The Singaporean alcoholic drinks market generated total revenues of SGD1.1 billion in 2008, representing CAGR of 4% for the period spanning the years 2004 to 2008.

Market consumption volumes increased with a CAGR of 2.5% between the years of 2004 to 2008, to reach a total of 105.3 million litres in 2008. The market's volume is expected to rise to 122 million litres by the end of 2013, representing a CAGR of 3% for the 2008 to 2013 periods.

Beer, cider and flavored alcoholic beverage sales proved the most lucrative for the Singaporean alcoholic drinks market in 2008, generating total revenues of SGD653.5 million, equivalent to 58.5% of the Singaporean alcoholic drinks market's overall value.

(Source: Datamonitor report dated 14 July 2009)

The efforts by the Singapore Government in the tourism sector, transforming entertainment and tourist areas, have also ensured a constant flow of foreigners into the country. The tourists and expatriate community have stimulated the growth of the hospitality industry. As there is only one (1) local brewer in Singapore, different quality beers were brought in to meet the growing demands in restaurants, nightspots, bars and other food outlets in Singapore.

(Source: Canadean report dated August 2008)

5. PROSPECTS OF CSPL

Alcoholic industry is subject to seasonal fluctuations. Sales usually peak during festive seasons such as Chinese New Year and the business is susceptible to major sport events. Therefore, upcoming events such as the Youth Olympic Games 2010 alongside openings of the two Integrated Resorts in Singapore and the annual Formula 1 event are likely to boost on-trade consumption of alcoholic drinks. *(Source: Euromonitor report dated February 2009)* Even though domestic beer brands still account for the bigger market share in Singapore, it has fallen in 2008 as imported brands gain prominence with the emergence of the sophisticated drinkers which are more willing to try out the different varieties available.

CSPL is one of the well-known beer marketeers in Singapore, carrying a diversified portfolio of brands, including the renowned Carlsberg brand. In view of the changing industry landscape, CSPL has also introduced a premium beer, Kronenbourg in 2009 to expand its portfolio and to penetrate the modern on-trade segment such as pubs and restaurants. Another key contributor for CSPL's performance is its widespread distribution network, from modern foodservice channels like restaurants and clubs to traditional foodservice channels like coffee shops and food centres. Besides, to maintain its competitiveness, to stimulate demand and to gain brand awareness among consumers, CSPL will continue to engage in aggressive marketing campaigns all year round, such as sponsorship for football league, organising events, media advertising, promotional gifts etc.

Albeit Singapore's economy is expected to face a broad-based slowdown in 2009 and inevitably has a bearing to the growth rate of the drinks sector, it is the premium lager market that has suffered owing to lower consumers' confidence and spending as a result of the downturn. As a consequence, there is also increased popularity of discount beer. In order to counter the threat of discount beer, CSPL has recently launched Skol to diversify its product range to cover both premium and mainstream customers.

Due to the nature of the industry, which requires large capital outlay, high marketing investment and extensive distribution network, there is naturally high barrier to entry. Therefore, on the back of its well-established presence and strong consumer familiarity, CSPL continues to earn support from the consumers. As CBMB and CSPL carry a similar brand portfolio, the enlarged group will also be able to spearhead initiatives to grow market share of their products in Singapore as part of earnings diversification.

Moreover, in conjunction with the Proposed Acquisition, CSPL is expected to be able to benefit from operational cost efficiency such as reduction in the transportation costs. This will eventually improve the earnings of the company.

(Source: Management of CSPL)

6. RISK FACTORS

6.1 Business Risks

CSPL is subject to risks inherent in the malt liquor market. These include but not limited to the risk of inflationary effects on its source of products, industry life cycle risk, demand for its products, changes in business and credit conditions and other operational risks which may occur during the course of its business. The industry also suffers from illicit or smuggled goods.

However, as the CBMB Group is also involved in the same business, the Board does not foresee additional business risk arising from the Proposed Acquisition for which the CBMB Group is not already exposed to. Accordingly, the Proposed Acquisition is not expected to alter the existing business risk profile of the CBMB Group.

6.2 Reversal of Preferential Duty Treatment

Beer products imported into Singapore are subject to duty in general. With effect from 1 January 2009, preferential tariff is accorded by the Singapore Government to goods originating from Japan or a Member State of ASEAN (including Malaysia) under the AJCEP. Imports of stout and beer originating from Japan or a Member State of ASEAN will be zero-rated. In relation thereto, Malaysian traders with valid certificate of origin issued by MITI are given a preferential duty treatment (at zero import duty). The implementation of AJCEP is a unilateral arrangement accorded by the Singapore Government to Malaysia for alcoholic beverage products.

There can be no assurance that there will not be any reversal or revocation of the said preferential duty treatment. However, the Board is of the view that the risk of such reversal or revocation of the preferential duty treatment is minimal based on the Singapore Government's historical track record.

6.3 Policies on Foreign Investment and Repatriation of Profits

Pursuant to the Proposed Acquisition, CBMB will be subject to the policies on foreign investment and repatriation of profits under the Singapore Laws. Generally, there are no policies restricting foreign investment in, and repatriation of profits from, Singapore. However, there can be no assurance that any changes to these laws in the future will not have a material and/or adverse effect on the CBMB Group.

6.4 Substitute Products

Healthy living and wellness is a key trend in Singapore. The potential adverse effects of over-consumption of alcohol including addiction may result in consumers switching from alcoholic drinks to non-alcoholic beverages such as soft drinks, carbonated soft drinks or water. Aside from this, there is also growing awareness of the benefits of wine and a trend towards drinking wine and spirit.

6.5 Acquisition Risk

There is no assurance that the anticipated benefits and synergies expected from the Proposed Acquisition will be realised. However, this risk is somewhat mitigated by the profit guarantee granted by CAPL in respect of CSPL's profits for FYE 31 December 2009 and 2010.

6.6 Political and Economic Considerations

Most businesses are subject to certain regulatory conditions and are affected by the economic and political state of the country. Notwithstanding this, there are no significant risks associated with the local economic conditions of CSPL as Singapore is a developed country with a stable economy.

7. POLICIES ON SINGAPORE'S FOREIGN INVESTMENTS AND REPATRIATION OF PROFITS

There is no restriction in Singapore on the acquisition of shares of CSPL by foreign interests. As CSPL is not a listed entity, there is no requirement to obtain approval for the Proposed Acquisition from the Singapore Exchange Securities Trading Limited.

Singapore imposes income tax on a modified territorial basis, i.e. on income which is either accrued or derived in Singapore or which is received (or deemed received) in Singapore from outside Singapore. However, foreign-sourced dividends, branch profits and services income received on or after 1 June 2003 by a tax resident company in Singapore will be tax exempt in Singapore, provided that certain prescribed conditions are met.

Currently, Singapore does not impose foreign exchange controls. Besides, there is no imposition of withholding tax on dividends paid to non-Singapore tax resident shareholders.

Singapore adopts a liberal approach towards foreign investment. There are no restrictions or prohibitions that would in the ordinary circumstance prevent the repatriation of profits by CSPL to any foreign investors. There are also no restrictions as to the time frame in which any profits are to be repatriated.

8. FINANCIAL EFFECTS OF THE PROPOSED ACQUISITION

8.1 Share Capital, Substantial Shareholders' Shareholdings and Foreign Equity Ownership

As the Proposed Acquisition will be satisfied wholly in cash, it will not have any effect on issued and paid-up share capital, substantial shareholders' shareholdings or the foreign equity ownership of CBMB.

8.2 Net Assets ("NA") and Gearing

The Proposed Acquisition is not expected to have any material effect on the NA and gearing of the CBMB Group.

The NA of CSPL as at 30 June 2009 (after adjusting for the net dividend payable of SGD5.9 million (which comprises SGD9.9 million dividend payable after netting-off SGD4.0 million owing from CBAS)) is approximately RM55 million (equivalent to approximately SGD23 million) based on the exchange rate SGD1:RM2.4, as compared to the Purchase Price of RM370 million. The residual balance of approximately RM315 million will either be treated as goodwill or intangible asset of which the appropriate treatment will be decided upon completion of the Proposed Acquisition. The residual goodwill or intangible asset is subject to annual impairment test. However, the Board is of the view that the likelihood of any immediate impairment is minimised on the premise that CSPL is an established and matured business with long-term track record and future earnings potential.

8.3 Earnings and Earnings Per Share ("EPS")

The Proposed Acquisition is not expected to have a material effect on the earnings and earnings per share of the CBMB Group for the financial year ending 31 December 2009 as the Proposed Acquisition is only expected to be completed in the fourth quarter of 2009. Barring unforeseen circumstances, the Proposed Acquisition is expected to contribute positively to the future earnings of the CBMB Group.

For illustration purposes only, based on the audited financial statements of the CBMB Group and CSPL for FYE 31 December 2008, the proforma effects of the Proposed Acquisition on the earnings and EPS of the CBMB Group are set out in **Table 2** of the Appendix of this Announcement.

9. CONDITIONS TO THE PROPOSED ACQUISITION

The Proposed Acquisition is conditional upon the following:-

(a) the approval of the shareholders of CBMB at an extraordinary general meeting ("**EGM**") to be convened for the Proposed Acquisition; and

(b) the approval of the shareholders of CAPL on the disposal of the Sale Shares to CBMB, if required.

10. DIRECTORS' AND MAJOR SHAREHOLDERS' INTERESTS

Save as disclosed below, none of the directors and/or major shareholders of the Company and/or persons connected to them have any interest, direct and/or indirect in the Proposed Acquisition:-

10.1 Major Shareholders

CBAS is the major shareholder of CBMB with 51.0% equity interest as at 31 August 2009. In addition, CSPL is a wholly-owned subsidiary of CAPL which in turn is a wholly-owned subsidiary of CBAS. In view of this, CBAS is deemed interested in the Proposed Acquisition. Hence, CBAS will be required to abstain from voting in respect of its shareholdings in CBMB, whether direct or indirect, on the Proposed Acquisition at the forthcoming EGM of CBMB. CBAS will also undertake to ensure that persons connected to it (if any) will abstain from voting in respect of their direct and indirect shareholdings on the resolution for the Proposed Acquisition.

10.2 Directors

Mr Jorn P.Jensen is an executive director of CBAS and non-executive director of CBMB, whilst Dato' Chin Voon Loong is an executive director of CBMB and director of CSPL. Mr Soren Holm Jensen is a managing director of CBMB and Mr Graham James Fewkes is a non-executive director of CBMB. They have been nominated to the Board of CBMB by CBAS, the major shareholder of CBMB (collectively, the "**Interested Directors**").

In view of the above, the Interested Directors are deemed interested in the Proposed Acquisition. Therefore, the Interested Directors have abstained and will continue to abstain from deliberations and voting at the relevant board meetings of CBMB in respect of the Proposed Acquisition. The Interested Directors will also abstain from voting in respect of their shareholdings in CBMB, if any, whether direct or indirect, on the Proposed Acquisition at the forthcoming EGM of CBMB. They will also undertake to ensure that persons connected to them (if any) will also abstain from voting in respect of their direct and indirect shareholdings on the resolution for the Proposed Acquisition.

As at 31 August 2009, the Interested Directors do not hold any shares, whether direct or indirect in CBMB.

11. DIRECTORS' STATEMENT

The Board (save for the Interested Directors), after having considered all aspects of the Proposed Acquisition (including but not limited to the rationale, financial effects and valuation) and the fairness evaluation of the IA, is of the opinion that the terms of the Proposed Acquisition are fair, reasonable and on normal commercial terms and are not detrimental to the interest of the minority shareholders. The Board (save for the Interested Directors) is also of the opinion that the Proposed Acquisition is in the best interest of the Company.

12. AUDIT COMMITTEE'S STATEMENT

The audit committee of the Company (save for Mr Graham James Fewkes who is deemed interested in the Proposed Acquisition), after having considered all aspects of the Proposed Acquisition (including but not limited to the rationale, financial effects and valuation) and the fairness evaluation of the IA, is of the opinion that the terms of the Proposed Acquisition are fair, reasonable and on normal commercial terms and are not detrimental to the interest of the minority shareholders.

13. ADVISER

AmInvestment Bank has been appointed as Adviser to the Company for the Proposed Acquisition.

14. RELATED PARTY TRANSACTION

In view of the interests of the major shareholder and directors as set out in Section 10 above, the Proposed Acquisition is deemed to be a related party transaction under Chapter 10 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Listing Requirements**").

As such, RHB Investment Bank Berhad has been appointed as IA by the Board to advise the non-interested directors and minority shareholders of CBMB on whether the Proposed Acquisition is fair and reasonable so far as shareholders are concerned and whether the transaction is to the detriment of minority shareholders.

15. ESTIMATED TIMEFRAME FOR THE COMPLETION OF THE PROPOSED ACQUISITION

Barring unforeseen circumstances, the Proposed Acquisition is expected to be completed in the fourth quarter of 2009.

16. CIRCULAR TO SHAREHOLDERS

A circular to shareholders setting out the details of the Proposed Acquisition will be sent to shareholders of the Company in due course.

17. OTHER INFORMATION

The highest percentage ratio applicable to the Proposed Acquisition as per Paragraph 10.02(g) Chapter 10 of the Listing Requirements is the Purchase Price compared with the net assets of CBMB which amounts to approximately 79% based on the latest audited consolidated financial statements of the CBMB Group for the FYE 31 December 2008.

The Company has not transacted (not being a transaction within the ordinary course of business) with CBAS for the preceding twelve (12) months from 31 August 2009.

18. DEPARTURE FROM THE EQUITY GUIDELINES OF SECURITIES COMMISSION ("SC GUIDELINES")

To the best of the knowledge of the Board, the Proposed Acquisition does not depart from the SC Guidelines. In any event, the Proposed Acquisition does not require the approval of the Securities Commission.

19. DOCUMENTS FOR INSPECTION

The SPA and the valuation letter by PwC Capital will be made available for inspection at the registered office of CBMB at No.55, Section 15, 40200 Shah Alam, Selangor Darul Ehsan during normal business hours from Mondays to Fridays (except public holidays) for a period of three (3) months from the date of this Announcement.

This announcement is dated 8 September 2009.

APPENDIX

Table 1 : Historical Financial Information Of CSPL

FYE	<----Audited	----Audited----	Audited---->	Unaudited
	31 December 2006 (SGD'000)	31 December 2007 (SGD'000)	31 December 2008 (SGD'000)	30 June 2009 (SGD'000)
Revenue *(note 1)*	124,868	125,585	126,234	62,294
Cost of sales *(note 2)*	(96,025)	(95,288)	(77,090)	(38,257)
Gross Profit ("**GP**")	28,843	30,297	49,144	24,037
PBT	1,791	3,238	12,293	7,341
Taxation	(499)	(715)	(2,262)	(1,323)
PAT *(note 3)*	1,292	2,523	10,032	6,018
Share capital	1,000	1,000	1,000	1,000
Reserves	9,185	11,734	21,782	27,726
NA / Shareholders' funds	10,185	12,734	22,782	28,726
No. of Shares ('000)	1,000	1,000	1,000	1,000
NA per share	10.19	12.73	22.78	28.73
Total borrowings (interest bearing)	-	-	-	-
Gearing ratio (times)	-	-	-	-
Net EPS (SGD)	1.29	2.52	10.03	6.02

Notes:-

1. The revenue of CSPL has increased from SGD124.87 million to SGD126.23 million from FYE 2006 to 2008. The improvement in revenue was mainly due to increase in sales volume.

2. Effective 1 March 2008, the company has shifted the sourcing to country with zero-import duty. As a result, the cost of sales decreased from SGD95.29 million in 2007 to SGD77.09 million in 2008. Accordingly, the GP for FYE 2008 improved by 62% as compared to previous year.

3. CSPL registered PAT of SGD1.29 million and SGD2.52 million for FYEs 2006 and 2007. The PAT rose to SGD10.03 million in 2008, representing an improvement of approximately 298% as compared to the previous year. Prior to 2008, CSPL has been sourcing supply from certain countries which attract high import duty and hence resulted in lower profits.

Table 2 : Proforma Effect on Earnings and EPS

	Audited as at 31 December 2008 (RM'000)	After Proposed Acquisition (RM'000)
PAT of CBMB	76,149	76,149
PAT of CSPL *	-	24,072
Potential synergies ^	-	28,000
Estimated net funding costs #	-	(9,000)
Enlarged PAT	76,149	119,221
EPS (RM) ¥	0.25	0.39

Notes:-

* Based on CSPL's audited PAT of SGD10.03 million for FYE 2008 at the exchange rate of SGD1:RM2.4.

^ The synergies expected to be derived by CSPL and CBMB following the Proposed Acquisition includes operational and production cost savings and double tax deduction on advertising and promotional expenses amounting to approximately RM28 million as estimated by the management of CBMB.

\# Comprises interest forgone on excess cash placed in time deposits and interest costs on borrowings to finance working capital requirements.

¥ EPS computed based on 305,748,000 shares in CBMB.