



General Announcement

Reference No **MB-090728-5C8A3**

Submitting Merchant Bank : AMINVESTMENT BANK BERHAD
Company Name : **CARLSBERG BREWERY MALAYSIA BERHAD**
Stock Name : CARLSBG
Date Announced : 28/07/2009

Type : Announcement
Subject : CARLSBERG BREWERY MALAYSIA BERHAD ("CBMB" OR "COMPANY")
Contents : MEMORANDUM OF UNDERSTANDING BETWEEN CARLSBERG BREWERIES A/S AND CBMB
Attachments : [Press Statement 28 July 2009.pdf](#)

Announcement Details :

On behalf of the Board of Directors of CBMB ("**Board**"), Am Investment Bank Berhad, a member of AmInvestment Bank Group, is pleased to announce that CBMB has on 28 July 2009 entered into a Memorandum of Understanding ("**MOU**") with Carlsberg Breweries A/S ("**Carlsberg**"), the holding company of CBMB, to co-operate with each other in good faith in examining the feasibility in respect of a proposed acquisition of the entire equity interest in Carlsberg Singapore Pte Ltd ("**Carlsberg Singapore**") by CBMB from Carlsberg Asia Pte Ltd ("**CAPL**"), a wholly-owned subsidiary of Carlsberg ("**Proposed Acquisition**").

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

The MOU sets out the understanding of both CBMB and Carlsberg to negotiate in good faith towards finalizing and entering into a formal agreement in relation to the Proposed Acquisition. The parties to the MOU also agree to include, amongst others, the following commercial terms into the share purchase agreement ("**SPA**") to be entered into in relation to the Proposed Acquisition:-

a) the parties aim to complete the Proposed Acquisition on or before 1 November 2009 or such other extended date as may be mutually agreed ("**Completion Date**");

- b) the existing license agreement between Carlsberg and Carlsberg Singapore will continue for a period of 20 years following the Completion Date;
- c) Carlsberg shall use its best endeavors to secure manufacturing and supply rights for CBMB from Carlsberg Singapore with effect from 1 January 2010;
- d) CBMB is entitled, prior to Completion Date at its own cost to conduct a full legal and financial due diligence on Carlsberg Singapore in a manner to be agreed between the parties;
- e) the consideration for the Proposed Acquisition is agreed to be RM370 million in cash ("**Amount**") subject to final evaluation, prior to signing the SPA, by the independent adviser ("**IA**") to be appointed by CBMB;
- f) As to be further specified in the SPA, Carlsberg shall provide CBMB for each of the accounting years 2009 and 2010 a guarantee for Carlsberg Singapore's average annual profit after tax; and
- g) Carlsberg will, for a duration of five (5) years, commencing from 2010 for the financial year 2009, support any Board proposal to declare a dividend between 50% and 70% of CBMB's distributable profit for each year.

For the avoidance of doubt, the above terms are not legally binding on the parties nor shall they give rise to legal rights or obligations and are subject to the execution of the SPA.

The MOU is valid for a period of six (6) months from the date of the MOU, unless extended in writing by Carlsberg and CBMB prior to expiration. Despite that, Carlsberg has the right to terminate the MOU with immediate notice should the final evaluation by the IA be below the Amount.

As Carlsberg is a major shareholder of CBMB and certain directors of Carlsberg and Carlsberg Singapore are also directors in CBMB, the Proposed Acquisition, if undertaken will be deemed as a related party transaction pursuant to the Listing Requirements of Bursa Malaysia Securities Berhad.

Further details of the Proposed Acquisition will be announced upon execution of the relevant share purchase agreement.

This announcement is dated 28 July 2009.