

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

If you are in any doubt as to the course of action to be taken, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

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**CARLSBERG BREWERY MALAYSIA BERHAD**  
[Company No.: 196901000792 (9210-K)]  
(Incorporated in Malaysia)

**CIRCULAR TO SHAREHOLDERS**

**IN RELATION TO THE**

- (i) PROPOSED RENEWAL OF SHAREHOLDERS’ MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE; AND**
- (ii) PROPOSED NEW SHAREHOLDERS’ MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE**

The above Proposals will be tabled as Special Business at Carlsberg Brewery Malaysia Berhad’s 50<sup>th</sup> Annual General Meeting (“AGM”). This circular is available at <https://carlsbergmalaysia.com.my/who-we-are/corporate-governance/annual-general-meeting/> together with, amongst others, the Notice of the 50<sup>th</sup> AGM, Proxy Form and the Administrative Guide on 50<sup>th</sup> AGM. The date, time and venue of the 50<sup>th</sup> AGM are as follows:-

Date and time of the 50<sup>th</sup> AGM : Thursday, 9 July 2020 at 10.00 a.m.

Broadcast Venue : Tricor Leadership Room, Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia

The 50<sup>th</sup> AGM will be conducted entirely through live streaming from the Broadcast Venue. The shareholders will not be allowed to attend the 50<sup>th</sup> AGM in person at the Broadcast Venue on the day of meeting.

The Proxy Form for the 50<sup>th</sup> AGM should be completed and deposited at the office of the Company’s Share Registrar, Tricor Investor & Issuing House Services Sdn. Bhd., at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, the Customer Services Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur. As the voting at the 50<sup>th</sup> AGM will be conducted on a poll, the Proxy Form must be lodged on or before the following time and date:

Last date and time for deposit of Proxy Form : **Tuesday, 7 July 2020 at 10.00 a.m.**

The proxy appointment may also be lodged electronically via Tricor’s TIIH Online website at <https://tiah.online> no later than 7 July 2020 at 10.00 a.m. For further information on electronic lodgement of Proxy Form, please refer to Administrative Guide on 50<sup>th</sup> AGM.

**This Circular is dated 10 June 2020**

## DEFINITIONS

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Except where the context otherwise requires, the following definitions shall apply throughout and for the purposes of this Circular only:

Act	- Companies Act 2016 as amended from time to time and any re-enactment thereof
AC	- Audit Committee of the Company
AGM	- Annual General Meeting
Board	- Board of Directors of the Company
Bursa Depository	- Bursa Malaysia Depository Sdn. Bhd.
Bursa Securities	- Bursa Malaysia Securities Berhad
CBAS	- Carlsberg Breweries A/S, an immediate holding company and a Major Shareholder of the Company
CBAC	- Carlsberg Brewery (Anhui) Company Ltd, a fellow subsidiary of CBAS
CBHKL	- Carlsberg Brewery Hong Kong Ltd., a fellow subsidiary of CBAS
CCDOO	- Carlsberg Croatia D.O.O, a fellow subsidiary of CBAS
CDTL	- Carlsberg Distributors Taiwan Ltd., an associate company of CBAS
CL	- Cambrew Limited, a fellow subsidiary of CBAS
CLP	- Chow Lee Peng
CMSA	- Capital Markets and Services Act, 2007
CMSB	- Carlsberg Marketing Sdn. Bhd., a wholly-owned subsidiary of the Company
Company	- Carlsberg Brewery Malaysia Berhad [(Company No. 196901000792 (9210-K)]
Constitution	- Constitution of the Company
CSCAG	- Carlsberg Supply Company AG, a fellow subsidiary of CBAS
CSCAL	- Carlsberg Supply Co Asia Ltd., a fellow subsidiary of CBAS
CSPL	- Carlsberg Singapore Pte. Ltd., a wholly-owned subsidiary of the Company
CVBL	- Carlsberg Vietnam Breweries Limited, a fellow subsidiary of CBAS
Director	- Shall have the meaning given in Section 2(1) of the CMSA and for the purposes of the Proposed Shareholders' Mandate, this includes any person who is or was within the preceding six (6) months of the date on which the terms of the transaction were agreed upon, a Director of the Company or any other company which is its subsidiary or holding company or a chief executive officer of the Company, its subsidiary or holding company
EDSB	- Euro Distributors Sdn. Bhd., a wholly-owned subsidiary of the Company
GJF	- Graham James Fewkes
Group	- The Company and its wholly-owned subsidiaries, namely CMSB, EDSB and CSPL.

## DEFINITIONS (*Cont'd*)

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LAO	- Lao Brewery Co. Ltd., a fellow subsidiary of CBAS
Listing Requirements	- The Main Market Listing Requirements of Bursa Securities including any amendments that may be made from time to time
Major Shareholder(s)	- A person who (which includes any person who is or was within the preceding six (6) months of the date on which the terms of the transaction were agreed upon) has an interest or interests in one or more voting shares in the Company (or any other company which is its subsidiary or holding company) and number of voting shares, or the aggregate of the number of those shares, is <ol style="list-style-type: none"><li>10% or more of the total number of all the voting shares in the Company;</li><li>or</li><li>5% or more of the total number of all the voting shares in the Company where such person is the largest shareholder of the Company.</li></ol> For the purpose of this definition, “interest in shares” shall have the meaning given in Section 8 of the Act.
Proposed New Shareholders’ Mandate	- Proposed new shareholders’ mandate for additional Recurrent RPTs of a revenue or trading nature
Proposed Renewal of Shareholders’ Mandate	- Proposed renewal of the existing shareholders’ mandate for the Recurrent RPTs of a revenue or trading nature
Proposed Shareholders’ Mandate or Proposals	- Proposed New Shareholders’ Mandate and Proposed Renewal of Shareholders’ Mandate
RAL	- Roland Arthur Lawrence
Record of Depositors	- A record provided by Bursa Depository to the Company under Chapter 24.0 of the Rules of the Depository including any amendments thereof
Recurrent RPTs or RRPTs	- RPT which is recurrent of a revenue or trading nature, in the ordinary course of business and is necessary for day-to-day operations of the Group
Related Party/Parties	- A Director, Major Shareholder or person connected with such Director or Major Shareholder as envisaged in Chapters 1 and 10 of the Listing Requirements
RM and sen	- Ringgit Malaysia and sen, respectively
RPTs	- Transactions entered into by the Group which involves the interest, direct or indirect, of a Related Party/Parties
Shares	- Ordinary shares in the Company
SMEs	- Small and medium-sized enterprises
SC	- Stefano Clini

Words incorporating the singular shall, where applicable, include the plural and vice versa and words incorporate the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. Reference to persons shall include a corporation, unless otherwise specified.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any reference to a time of a day in this Circular shall be a reference to Malaysian time, unless otherwise stated.

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**CARLSBERG BREWERY MALAYSIA BERHAD**

[(Company No.: 196901000792 (9210-K)]

(Incorporated in Malaysia)

**Registered Office:**

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

10 June 2020

**Board of Directors**

Datuk Toh Ah Wah, P.M.W. (*Chairman, Independent Non-Executive Director*)

Stefano Clini (*Managing Director*)

Graham James Fewkes (*Non-Executive Director*)

Roland Arthur Lawrence (*Non-Executive Director*)

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

Michelle Tanya Achuthan (*Independent Non-Executive Director*)

Chow Lee Peng (*Non-Executive Director*)

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To: The Shareholders of Carlsberg Brewery Malaysia Berhad

Dear Sir/Madam,

- (i) **Proposed renewal of shareholders' mandate for recurrent related party transactions of a revenue or trading nature to be entered into by the Group with its related parties ("Proposed Renewal of Shareholders' Mandate"); and**
- (ii) **Proposed new shareholders' mandate for recurrent related party transactions of a revenue or trading nature to be entered into by the Group with its related parties ("Proposed New Shareholders' Mandate"),**

**(collectively "the Proposals").**

**1. INTRODUCTION**

At the last 49<sup>th</sup> AGM held on 10<sup>th</sup> April, 2019, the Company had obtained its shareholders' approval for the Group to enter into recurrent transactions of a revenue or trading nature with its related parties ("Shareholders' Mandate"). The authority for the Shareholders' Mandate will expire at the conclusion of the forthcoming 50<sup>th</sup> AGM of the Company to be convened.

On 21 February 2020 and 9 June 2020, the Board announced its intention to seek shareholders' approval for the Proposals.

The purpose of this Circular is to provide you with relevant information on the Proposals, to set out your Board's recommendation thereon and to seek your approval for the resolutions relating to the Proposals to be tabled at the forthcoming AGM.

**2. PROPOSED SHAREHOLDERS' MANDATE**

**2.1 Listing Requirements**

Under Paragraph 10.09 of the Listing Requirements, a listed company may seek a shareholders' mandate in respect of Recurrent RPTs subject to the following:

- (a) the transactions are in the ordinary course of business and are on terms not more favourable to the Related Party than those generally available to the public;
- (b) the shareholders' mandate is subject to annual renewal and disclosure is made in the annual report of the aggregate value of transactions conducted pursuant to the shareholders' mandate during the financial year where the consideration, assets' value, capital outlay or costs of the Recurrent RPTs is RM1 million or more, or the percentage ratio of such Recurrent RPTs is 1% or more, whichever is higher;
- (c) issuance of a circular to shareholders by the Company containing information as specified in the Listing Requirements.
- (d) in a meeting to obtain shareholders' mandate, interested Directors, interested Major Shareholders and interested persons connected with such Director or Major Shareholder; and where it involves the interest of an interested person connected with a Director or Major Shareholder, such Director or Major Shareholder, must not vote on the resolution approving the transactions. An interested Director or interested Major Shareholder must also ensure that persons connected with him abstain from voting on the resolution approving the transactions; and
- (e) the Company immediately announces to Bursa Securities when the actual value of a Recurrent RPTs entered into by the Company, exceeds the estimated value of Recurrent RPTs disclosed in this Circular by 10% or more.

## **2.2 Details of the Proposed Shareholders' Mandate**

The principal activities of the Company and the Group are production of beer, stout, shandy, cider and non-alcoholic beverages for sale and distribution in the local market and for export. The Group's product range includes Carlsberg, Carlsberg Smooth Draught, Carlsberg Special Brew, SKOL, SKOL Super, Royal Stout, Asahi Super Dry, Kronenbourg 1664 Blanc, Connor's Stout Porter, Nutrimalt, Jolly Shandy, Somersby Apple, Somersby Blackberry, Somersby Sparkling Rosé, Somersby Elderflower Lime, Somersby Sparkling White, Corona Extra, Brooklyn Lager, Brooklyn East IPA, Brooklyn Defender IPA and Brooklyn Summer Ale craft beers.

In the ordinary course of its business, the Group has entered into certain Recurrent RPTs and it is anticipated that the companies within the Group would, in the ordinary course of business, continue to enter into such transactions with Related Parties, details of which are set out in Section 2.3 below. It is likely that such transactions will occur with some degree of frequency and could arise at any time.

The Board is seeking shareholders' approval for the Proposed Shareholders' Mandate for the Group to enter into transactions in the normal course of business within the classes of Related Parties set out in Section 2.3 below, provided that such transactions are entered into at arm's length and on normal commercial terms which are not more favourable to the Related Parties than those generally available to the public and which will not be to the detriment of the minority shareholders of the Company. Such mandate will enable the Group to enter into the Recurrent RPTs without the necessity, in most instances, to make the required announcement or to convene meetings in order to procure specific prior approval from its shareholders. The Recurrent RPTs will also be subjected to the review procedures set out in Section 2.7 below.

The Proposed Shareholders' Mandate will take effect from the date the Ordinary Resolution is passed by the shareholders at the forthcoming 50<sup>th</sup> AGM and will remain in effect until:

- (a) the conclusion of the next AGM of the Company, following this AGM at which the Proposed Shareholders' Mandate was passed at which time it will lapse, unless by a resolution passed at such AGM whereby the authority is renewed;
- (b) the expiration of the period within which the next AGM after that date is required to be held pursuant to Section 340(2) of the Act (but must not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- (c) revoked or varied by resolution passed by the shareholders in general meeting;

whichever is the earlier.

Thereafter, if the Board decides that the renewal of the Proposed Shareholders' Mandate is desirable, shareholders' approval for such renewal will be sought at each subsequent AGM of the Company.

### 2.3 Class and Nature of the Recurrent RPTs

The Recurrent RPTs to be covered by the Proposed Shareholders' Mandate are general transactions by the Group relating to the sale and procurement of products and services to/from Related Parties in the normal course of the business of the Group. Details of these Recurrent RPTs are set out below:

#### (a) Proposed Renewal of Shareholders' Mandate

<b>Transacting Parties</b>	<b>Interested Related Parties</b>	<b>Nature of Transaction</b>	<b><sup>(1a)</sup> Estimated Value of Transactions from the mandate obtained at the 49<sup>th</sup> AGM in 2019</b>	<b><sup>(2)</sup> Actual Value Transacted</b> (10 April 2019 – 31 May 2020)	<b><sup>(1b)</sup> Estimated Value of Transactions from the 50<sup>th</sup> AGM to the date of the next AGM in 2021</b>
			<b>(RM' million)</b>	<b>(RM' million)</b>	<b>(RM' million)</b>
CBAS and the Group	SC, GJF, RAL, CLP, and CBAS	Purchase of raw materials (hops, yeasts, aroma etc) and related services from CBAS	1.0-1.5	0.9	1.0-1.5
CBAS and the Group	SC, GJF, RAL, CLP, and CBAS	Royalties payable to CBAS for inter alia, the exclusive use of trademark licences and supply of technical and commercial assistance	30.0-50.0	39.6	30.0-50.0
CVBL and the Group	SC, GJF, RAL, CLP, and CBAS	Purchase of beverage products from CVBL	20.0-40.0	24.2	20.0-40.0
CDTL and the Group	SC, GJF, RAL, CLP, and CBAS	Sale and supply of goods to CDTL and the Group	1.0-5.0	1.9	1.0-5.0
CBHKL and the Group	SC, GJF, RAL, CLP, and CBAS	Provision of administrative support services from CBHKL	10.0-20.0	12.1	10.0-20.0
CCDOO and the Group	SC, GJF, RAL, CLP, and CBAS	Purchase of beverage products from CCDOO	1.0-3.0	0.5	1.0-3.0
LAO and the Group	SC, GJF, RAL, CLP, and CBAS	Sale and supply of goods to LAO	1.0-5.0	3.0	1.0-5.0
CSCAG and the Group	SC, GJF, RAL, CLP, and CBAS	Sale and supply of goods to CSCAG	1.0-5.0	0.0	0.0

<b>Transacting Parties</b>	<b>Interested Related Parties</b>	<b>Nature of Transaction</b>	<sup>(1a)</sup> <b>Estimated Value of Transactions from the mandate obtained at the 49<sup>th</sup> AGM in 2019</b>	<sup>(2)</sup> <b>Actual Value Transacted</b> (10 April 2019 – 31 May 2020)	<sup>(1b)</sup> <b>Estimated Value of Transactions from the 50<sup>th</sup> AGM to the date of the next AGM in 2021</b>
			<b>(RM' million)</b>	<b>(RM' million)</b>	<b>(RM' million)</b>
CSCAL and the Group	SC, GJF, RAL, CLP, and CBAS	Purchase of beverage products and provision of administrative support services from CSCAL	1.0-5.0	3.6	1.0-5.0
CSCAG and the Group	SC, GJF, RAL, CLP, and CBAS	Purchase of beverage products, materials (Advertising & Promotion items) and services from CSCAG	1.0-5.0	0.9	1.0-5.0
CBHKL and the Group	SC, GJF, RAL, CLP, and CBAS	Sale and supply of goods to CBHKL	50.0-80.0	43.8	50.0-80.0
CL and the Group	SC, GJF, RAL, CLP, and CBAS	Sale and supply of goods to CL	1.0-1.5	0.4	1.0-1.5

(b) Proposed New Shareholders' Mandate

<b>Transacting Parties</b>	<b>Interested Related Parties</b>	<b>Nature of Transaction</b>	<sup>(1b)</sup> <b>Estimated Value of Transactions</b>
			<b>(RM' million)</b>
CBAC and the Group	SC, GJF, RAL, CLP, and CBAS	Purchase of beverage products	1.0 – 5.0

**Notes:**

- (1) (a) *The estimated value of transactions for the period from the conclusion of the 49<sup>th</sup> AGM of the Company held on 10 April 2019 until the conclusion of the forthcoming 50<sup>th</sup> AGM of the Company in which the mandate had been obtained during the 49<sup>th</sup> AGM.*
- (b) *The estimated value of transactions for the period from the conclusion of the forthcoming 50<sup>th</sup> AGM of the Company until the conclusion of the next AGM of the Company in 2021 is based on the budget of the Group and may be subject to changes.*
- (c) *The actual value transacted of the above transactions from 10 April 2019 up to 31 May 2020 in respect of the Proposed Renewal of Shareholders' Mandate did not exceed the Estimated Value by 10% or more.*
- (2) *The nature of relationship with the above Related Parties as at 31 May 2020 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. The Company in turn holds 100% interest in CMSB, EDSB and CSPL.*



- (ii) *GJF, RAL and CLP, who are Non-Executive Directors of the Company are the Executive Vice-President, Asia of CBAS, Vice President Finance, Asia of CBAS and Vice President-Legal, Asia of CBAS respectively. SC is the Managing Director of the Company. All the four (4) Directors namely, GJF, RAL, CLP and SC are nominees/representatives of CBAS and do not hold any shares in CBAS or the Company.*
- (iii) *CBAC, CBHKL, CL, CSCAG, CSCAL, CVBL, CCDOO and LAO are fellow subsidiaries of CBAS and do not hold any direct equity interest in the Company.*
- (iv) *CBAS holds 49.6% equity interest in CDTL*

## **2.4 Amount Due and Owing to the Company by Related Parties**

As at the financial year ended 31 December 2019, there were no amounts due and owing to the Company by its Related Parties, which exceeded the credit term given arising from the RRPTs as per Section 2.3(a) of this Circular. The payments were made within the agreed credit terms.

## **2.5 Terms of the Recurrent RPTs**

The terms of the Recurrent RPTs are consistent with the Group's usual business practices and policies and are not more favourable to the Related Parties than to the public (where applicable) and are not to the detriment of the minority shareholders of the Company.

However, the condition that the terms of the transactions are not more favourable to the Related Parties than to the public may not be applicable to royalties payable to CBAS. The royalties payable by the Company to CBAS represents a typical transaction between the proprietor/supplier of trade names and know-how and the manufacturer/distributor of the products and have been approved by the Ministry of International Trade and Industry.

## **2.6 Rationale and Benefits for the Proposed Shareholders' Mandate**

The Recurrent RPTs envisaged under the Proposed Shareholders' Mandate are in the ordinary course of business of the Group. They are recurring transactions of a revenue or trading nature which are likely to occur with some degree of frequency and arise at any time and from time to time. As such, it may be impractical to seek shareholders' approval on a case-by-case basis before entering into such transactions.

The obtaining of the Proposed Shareholders' Mandate and the renewal of the same on an annual basis would eliminate the need to convene separate general meetings from time to time to seek shareholders' approval as and when potential Recurrent RPTs arise, thereby substantially reducing administrative time, inconvenience and expenses associated with the convening of such meetings, without compromising the corporate objectives of the Group or adversely affecting the business opportunities available to the Group.

The various Recurrent RPTs entered into by the Group as detailed in Section 2.3 above have been entered into, and will continue to be entered into, to meet the Group's business needs at the best possible terms and in the best interest of the Group.

## **2.7 Review Procedures for the Recurrent RPTs**

The management of the Group has ensured, and will continue to ensure, that Recurrent RPTs will only be entered into after taking into account the pricing, quality of products and services and other related factors 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.

In so doing, the management of the Group has implemented and will continue to implement, the following methods and procedures to ensure that the Recurrent RPTs are undertaken on an arm's length basis and on normal commercial terms which are not more favourable to the Related Parties than those generally available to the public (where applicable):

- a) The management of the Group are cognisant that, as in the past, all Recurrent RPTs are required to be undertaken on an arm's length basis and on normal commercial terms (where applicable),

where at least 2 other contemporaneous quotations will be obtained from unrelated/third parties to ascertain appropriate prices and be used as comparison, whenever possible, to determine whether the price and terms offered to/by the related parties are fair and reasonable and comparable to those offered to/by other unrelated third parties for the same of substantially similar type of produces/services and/or quantities. In the event that quotation or comparative price from unrelated third parties cannot be obtained, the price of the products or services shall be determined based on the usual commercial terms, business practices and policies or otherwise in accordance with other applicable industry norms/considerations to ensure that the transactions are not detrimental to the Group. The management of the Group referred to subject matter experts within the Group (Tax & Legal functions) to ensure the validity and adequacy of the existing related party agreements entered into pursuant to all Recurrent RPTs. Any change was duly reviewed and approved (external resources were engaged, where applicable) to ensure the current practices were in accordance to the local tax jurisdictions and the standards adopted by the Group on transfer pricing. On quarterly basis, Management Accountant compiled all related party transactions recorded in the accounting system and sent to the relevant functions for their confirmation on the completeness of Recurrent RPTs and the corresponding agreements prior tabling of results to AC;

- b) The Group maintained records to capture all Recurrent RPTs entered into pursuant to the Proposed Shareholders' Mandate. According to the internal guidelines or procedures on the approval of Recurrent RPTs, Recurrent RPTs above RM1.0 million shall be reviewed and approved by AC and Board of Directors of the Company respectively while Recurrent RPTs below RM1.0 million shall be endorsed by Managing Director and senior management team;
- c) As part of the Audit Plan, Internal Audit Department of the Company would carry out a review at least once a year on all identified and reported Recurrent RPTs. This was to ascertain that procedures were in place to ensure all Recurrent RPTs were duly supported by valid related party agreements. Such agreements must be reviewed by the relevant subject matter experts from internal and external resources in ensuring arm's length basis was observed (where applicable) and approved by Management. The review performed by Internal Audit Department also provided reasonable assurance that all Recurrent RPTs were completely disclosed and made within the shareholders' mandate;
- d) AC reviewed the report(s) presented by Internal Audit Department to determine whether established guidelines and procedures were adhered to and if there was a need for further review or improvement; and
- e) The Board and the AC reviewed the procedures as and when necessary, with the authority to sub-delegate to individuals or committees within the Company as they deem appropriate. If a member of the Board or AC has an interest (direct or indirect) in the transaction, he shall abstain from any decision-making by the Board or the AC in respect of that transaction.

## **2.8 Statement by the AC**

AC reviewed the terms of the Proposed Shareholders' mandate and contented that procedures were in place to ensure the commercial terms of Recurrent RPTs were duly reviewed by competent SMEs (internally & externally) to ensure arm's length principle was duly observed (where applicable) and in accordance with the Group's normal commercial terms, which were not prejudicial to the minority shareholders or disadvantageous to the Group and were not more favourable to the related party than those generally available to the public (where applicable). This however excluded the royalties payable by the Company to CBAS as stated under Section 2.3 of this Circular.

The Group has implemented the adequate processes and procedures (as stated under Section 2.7 of this Circular) to monitor, track and identify Recurrent RPTs on a timely and orderly manner. The AC conducts the review of these procedures and processes at least once a year.

## **2.9 Interests of Directors' and Major Shareholders' Interests and/or Persons Connected to Them**

### Interested Directors:

SC, GJF, RAL and CLP are deemed interested in the Proposed Shareholders' Mandate as stated under Section 2.3 above as they are acting as nominees/representatives of CBAS.

The interested Directors, namely SC, GJF, RAL and CLP have abstained and will continue to abstain from deliberating and voting on the resolution in respect of the Proposed Shareholders' Mandate at the relevant meetings of the AC and/or Board.

The abovementioned interested Directors have abstained and will continue to abstain from voting on the resolution in respect of the Proposed Shareholders' Mandate and have also undertaken to ensure that the persons connected to them will abstain from deliberating and voting on the resolution in respect of the Proposed Shareholders' Mandate at the forthcoming 50<sup>th</sup> AGM.

Interested Major Shareholders:

CBAS (the holding company and Major Shareholder of the Company) and its subsidiaries are involved in the Recurrent RPTs set out in Section 2.3. CBAS as the Major Shareholder will abstain and will also undertake to ensure that the persons connected to it abstain from voting in respect of their direct and indirect shareholdings in the Company on the resolution in respect of the Proposed Shareholders' Mandate to be tabled at the forthcoming 50<sup>th</sup> AGM.

Save as disclosed above, none of the other Directors or Major Shareholders of the Company and/or persons connected to them have any interest, direct or indirect, in the Proposed Shareholders' Mandate.

The following table illustrates the direct and indirect shareholding of the Directors and/or Major Shareholders and/or persons connected with the Directors/Major Shareholders in the Proposed Shareholders' Mandate in the Company as at 31 May 2020 (being the latest practical date prior to printing of this Circular):

	Direct		Indirect	
	No. of shares	%	No. of shares	%
<b>INTERESTED DIRECTORS:</b>				
SC	-	-	-	-
GJF	-	-	-	-
RAL	-	-	-	-
CLP	-	-	-	-

	Direct		Indirect	
	No. of shares	%	No. of shares	%
<b>INTERESTED MAJOR SHAREHOLDER:</b>				
CBAS	155,932,500	51.00	-	-

### 3. CONDITION OF THE PROPOSALS

The Proposals are subject to the approval being obtained from the shareholders of the Company at the forthcoming AGM to be convened.

### 4. DIRECTORS' RECOMMENDATION

Having considered the Proposals, our Board (save for the interested Directors specified in Section 2.9 above namely SC, GJF, RAL and CLP who have all abstained from making a recommendation on the Proposed Shareholders' Mandate as they are deemed interested in the Proposed Shareholders' Mandate), is of the opinion that the Proposals are in the best interest of the Company. Our Board (save for SC, GJF, RAL and CLP in respect of the Proposed Shareholders' Mandate) therefore recommends that you vote in favour of the resolutions pertaining to the Proposals to be tabled at the forthcoming 50<sup>th</sup> AGM.

### 5. AGM

The resolutions to approve the Proposals are set out in Appendix II of this Circular and will be tabled as Special Business at the forthcoming AGM. This Circular is available at <https://carlsbergmalaysia.com.my/who-we-are/corporate-governance/annual-general-meeting/> together with, amongst others, the Notice of 50<sup>th</sup> AGM, Proxy Form and the Administrative Guide on 50<sup>th</sup> AGM.

The 50<sup>th</sup> AGM will be conducted entirely through live streaming from the broadcast venue at Tricor Leadership Room, Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia ("Broadcast Venue") on Thursday, 9 July 2020 at 10.00 a.m., using Remote Participation and Voting Facilities ("RPV") provided by Tricor Investor & Issuing House Sdn. Bhd. via its TIIH Online website at <https://tiih.online>, for the purpose of considering and if thought fit, passing with or without modifications, the ordinary resolutions on the Proposed Shareholders' Mandate, under the agenda of Special Business.

Shareholders **will not be allowed** to attend this 50<sup>th</sup> AGM in person at the Broadcast Venue on the day of the meeting.

**Please read the Notes in the Notice of the 50<sup>th</sup> AGM carefully and follow the procedures in the Administrative Guide for the AGM in order to participate remotely via RPV.**

The completed Proxy Form must be deposited at the office of the Company's Share Registrar, Tricor Investor & Issuing House Services Sdn. Bhd., located at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, the Customer Services Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur not later than **Tuesday, 7 July 2020 at 10.00 a.m.** or any adjournment thereof. You may also submit the proxy appointment electronically via TIIH Online at <https://tiih.online> before the proxy appointment cut off time as mentioned above. For further information on electronic lodgement of Proxy Form, please refer to Administrative Guide.

### 6. FURTHER INFORMATION

Shareholders are requested to refer to the attached Appendices for further information.

Yours faithfully

For and on behalf of the Board of Directors of  
**CARLSBERG BREWERY MALAYSIA BERHAD**

**Datuk Toh Ah Wah**  
Chairman

**FURTHER INFORMATION**

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**1. Responsibility Statement**

This Circular has been reviewed and approved by the Board and its members individually and collectively accept full responsibility for the accuracy of the information contained herein and confirm that, after having made all reasonable enquiries and to the best of their knowledge and belief, there are no other facts the omission of which would make any statement in this Circular misleading.

**2. Material Contracts**

The Company and its subsidiary companies have not entered into any contracts which are material during the two (2) years preceding the date of this Circular other than contracts entered into in the ordinary course of business.

**3. Material Litigation, Claims or Arbitration**

Neither the Company nor any of its subsidiary companies are engaged in any material litigation, claims or arbitration either as plaintiff or defendant, and the Directors do not have any knowledge of any proceedings, pending or threatened, against the Company or any of its subsidiary companies or of any facts likely to give rise to any proceedings which might materially affect the position or business of the Company or its subsidiary companies.

**4. Documents for Inspection**

Copies of the following documents are available for inspection at the Registered Office of the Company at No. 55, Persiaran Selangor, Section 15, 40200 Shah Alam, Selangor Darul Ehsan, during normal business hours from Mondays to Fridays (excluding public holidays) for the period commencing from the date of this Circular up to and including the date of the forthcoming AGM:

- (i) Constitution of the Company; and
- (ii) Audited consolidated financial statements of the Company for the past 2 financial years ended 31 December 2018 and 2019 as well as latest unaudited results for the financial period ended 31 March 2020.

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**CARLSBERG BREWERY MALAYSIA BERHAD**

(Registration No.: 196901000792 (9210-K))

(Incorporated in Malaysia)

**EXTRACT OF NOTICE OF THE FIFTIETH ANNUAL GENERAL MEETING****SPECIAL BUSINESS**

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

**ORDINARY RESOLUTION****PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE**

“THAT subject to the provisions of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the Company and/or its subsidiary companies (“the Group”) be and are hereby authorised to enter into and give effect to the recurrent related party transactions of a revenue or trading nature with the related party as set out in Section 2.3(a) of the Circular to Shareholders dated 10 June 2020 (“the Related Party”) provided that such transactions are:-

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

(“the Renewed Shareholders’ Mandate”).

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

- (a) the conclusion of the next Annual General Meeting (“AGM”) of the Company following this AGM at which the Renewed Shareholders’ Mandate is passed, at which time it will lapse, unless by a resolution passed at such AGM whereby the authority is renewed; or
- (b) the expiration of the period within which the next AGM after that date is required to be held pursuant to Section 340(2) of the Companies Act 2016 (“the Act”) (but must not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- (c) revoked or varied by resolution passed by shareholders in a general meeting,

whichever is the earliest;

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

**ORDINARY RESOLUTION****PROPOSED NEW SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE**

“THAT subject to the provisions of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the Company and/or its subsidiary companies (“the Group”) be and are hereby authorised to enter into and give effect to the recurrent related party transactions of a revenue or trading nature with the related party as set out in Section 2.3(b) of the Circular to Shareholders dated 10 June 2020 (“the Related Party”) provided that such transactions and/or arrangements are:-

- (a) necessary for the day-to-day operations;

**EXTRACT OF NOTICE OF THE 50<sup>TH</sup> AGM**

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

("the Shareholders' Mandate")

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

- (a) the conclusion of the next Annual General Meeting ("AGM") of the Company following this AGM at which the Shareholders' Mandate is passed, at which time it will lapse, unless by a resolution passed at such AGM whereby the authority is renewed; or
- (b) the expiration of the period within the next AGM of the Company after that date is required to be held pursuant to Section 340(2) of the Companies Act 2016 ("the Act") (but must not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- (c) revoked or varied by resolution passed by the shareholders of the Company in a general meeting;

whichever is the earliest;

AND THAT the Directors of the Company be hereby authorised to complete and do all such acts and things (including without limitation, to execute all such documents under the common seal in accordance with the provision of Articles, as may be required) as they may consider expedient or necessary to give effect to the Shareholders' Mandate and transactions contemplated under this resolution."

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