

Carlsberg
Malaysia

THIRST FOR GREAT

annual report 2013



THIRST

Thirst for Great

The Thirst for Great is what defines our stand at Carlsberg globally and locally as we continuously strive for improvement. In 2013, it was especially important as we rose to meet the challenging market conditions by engaging our customers and consumers in meaningful ways and implementing efficiency initiatives for even better performance. The fluid line that makes its way throughout this year's annual report represents how Thirst For Great is present in each of the five levers that create the framework for Carlsberg Malaysia to attain continued success for us to deliver sustainable value to all our stakeholders. In this year's annual report, we are proud to share with you the stories of what made Carlsberg Malaysia a dynamic brewer in 2013.

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CARLSBERG MALAYSIA GROUP



Manufacturing of beer, stout and other malt related beverages:

CARLSBERG BREWERY MALAYSIA BERHAD

KEY BRANDS MANUFACTURED (INCLUDING LICENSED PRODUCTS):

Carlsberg Green Label, Carlsberg Special Brew, Kronenbourg 1664, Kronenbourg Blanc, Asahi Super Dry, Danish Royal Stout, SKOL, SKOL Super, Connor's Stout, Jolly Shandy, Nutrimalt.

Sales and distribution of beer, stout, wines, spirits and other beverage products are done via the following subsidiaries:

Malaysia

Carlsberg Marketing Sdn. Bhd.
100%

KEY BRANDS:

Carlsberg Green Label, Carlsberg Special Brew, Kronenbourg 1664, Kronenbourg Blanc, Asahi Super Dry, Somersby Cider, Danish Royal Stout, SKOL, SKOL Super, Connor's Stout, Corona Extra, Jolly Shandy and Nutrimalt.

Luen Heng F & B Sdn. Bhd.
70%

KEY BRANDS:

Hoegaarden, Budweiser, Stella Artois, Erdinger, Grimbergen, Tetley's English Ale and other premium beers, together with superior portfolio of international ciders, fine wines and premium spirits.

Singapore

Carlsberg Singapore Pte. Ltd.
100%

KEY BRANDS:

Carlsberg Green Label, Carlsberg Special Brew, Kronenbourg 1664, Kronenbourg Blanc, Somersby Cider, Danish Royal Stout, SKOL, SKOL Super, Connor's Stout, Corona Extra, Tetley's English Ale, Grimbergen and Jolly Shandy.

Sri Lanka

Lion Brewery (Ceylon) PLC
24.6%

KEY BRANDS MANUFACTURED, SOLD AND DISTRIBUTED:

Carlsberg Green Label, Carlsberg Special Brew, Lion Lager, Lion Stout, Lion Strong Beer.



2013 Achievements

1

Carlsberg was voted 'Most Trusted Brand' in the alcoholic beverage category at the Reader's Digest Most Trusted Brand Awards 2013

Our unwavering commitment to our customers and the unbeatable taste of Carlsberg has ensured our position as the most preferred beer in Malaysia, winning Gold at the prestigious Reader's Digest Trusted Brand Awards for the 15th year running.

2

Carlsberg won the 'Putra Brand Icon' at the Putra Brand Awards 2013

The much coveted Putra Brand Icon Award 2013 has been awarded to Carlsberg for bagging four consecutive Gold Putra Brand Awards, reaffirming our leading position as a dynamic brand in Malaysia.

3

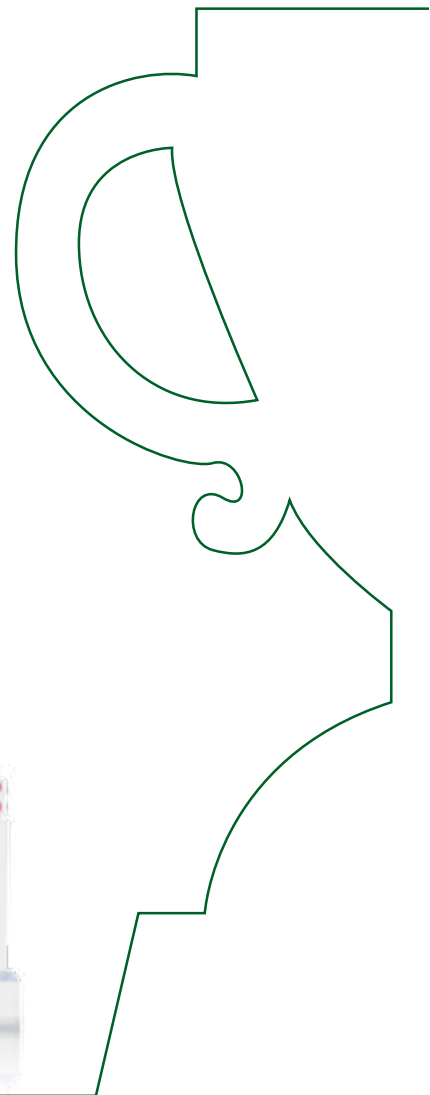
Carlsberg was awarded Gold at the Putra Brand Awards 2013 alcoholic beverage category

Malaysian consumers continue to give their vote of approval to Carlsberg at the Putra Brand Awards 2013, making us the only alcoholic beverage to win the Gold Award for four consecutive years.

4

Carlsberg Golf Classic received an award for the 'Outstanding Contribution to Golf', corporate category at the ParGolf Awards ceremony in 2013

For our efforts in organising the annual Carlsberg Golf Classic and for our continued contribution and strong support of the Malaysian golfing industry over the last 20 years, Carlsberg has been awarded the inaugural Outstanding Contribution to Golf accolade in the corporate category of the ParGolf Awards 2013, the region's only industry-wide golf awards.



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4

Carlsberg Malaysia Finance Department received the recognition for winning second place at the CFO Award in Carlsberg Asia

The Finance Team of Carlsberg Malaysia netted a silver accolade for the CFO Award at the Carlsberg Asia Finance Excellence Awards 2012. The honour recognises the dramatic improvement in quality and transparency of Carlsberg Malaysia's financial analysis as well as the implementation of game-changing finance initiatives that ultimately supported Carlsberg Malaysia's sales growth.

5

Carlsberg's CNY Campaign won Grand Prize for the 'Most Creative CNY Greeting Advertisement Award' by Nanyang Press Holdings

Carlsberg once again bagged the Grand Prize for the Most Creative CNY Greeting Advertisement Award, voted by Nanyang Siang Pau and China Press readers. This achievement recognises Carlsberg's efforts to push the envelope in advertising, always finding new ways to engage with our customers.

6

Carlsberg enters the Malaysia Book of Records for the 'Longest Carlsberg Malaysia Oktoberfest Longhorn'

Carlsberg celebrated Oktoberfest 2013 in style, sounding a 12-foot long alpine horn for an authentic Oktoberfest extravaganza. The longhorn successfully made it into the Malaysia Book of Records as the 'Longest Carlsberg Malaysia Oktoberfest Longhorn'.

7

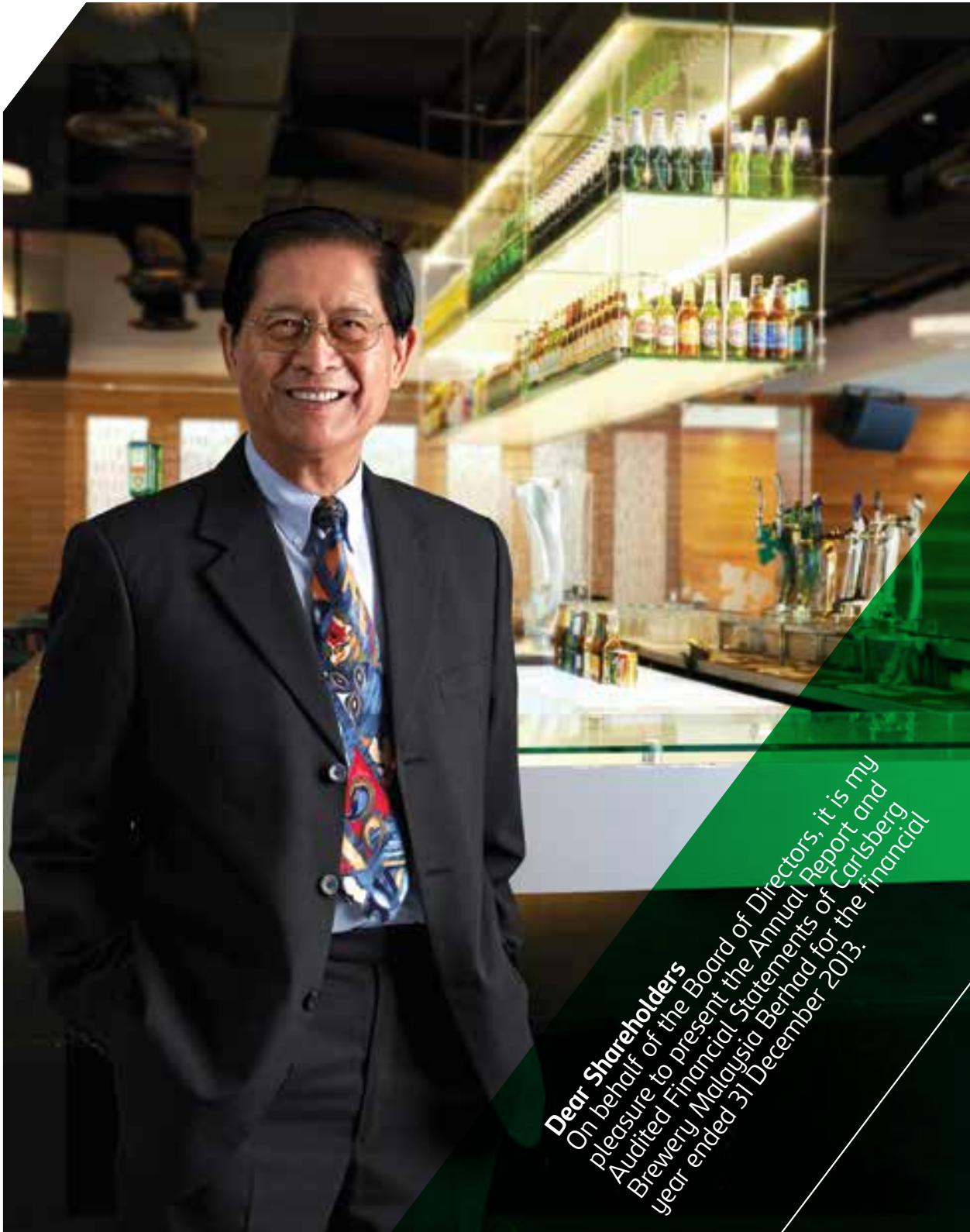


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Chairman's Address



Dear Shareholders
On behalf of the Board of Directors, it is my pleasure to present the Annual Report and Audited Financial Statements of Carlsberg Brewery Malaysia Berhad for the financial year ended 31 December 2013.

To reflect our resolve to be outstanding in what we do, even in the face of challenges, the theme for this year's annual report is "Thirst for Great" which reflects our approach to create value by producing better quality products at lower costs to entrench our presence in the Malaysian Malt Liquor Market.

The robust results are also an emphatic validation of the multi-brand portfolio strategy that continues to generate growth, as can be seen by the growing market share of the newer brands alongside the growth of our flagship brand, Carlsberg Green Label.

I am pleased to report that, considering the challenging market conditions, Carlsberg Malaysia performed well during the period under review to deliver value to our shareholders.

Effects of weak consumer demand

Although Malaysia's economy expanded in 2013 as exports recovered, consumer demand was subdued in the face of reduced subsidies for fuel and sugar, as well as rising household debt.

Operations were affected by external factors which included higher import costs. There was also a stock rationalisation exercise for our subsidiaries, which was done to address and adjust the Group's overall operations to serve the market better by providing superior freshness.

The portfolio expansion strategy continued to serve Carlsberg Malaysia well in this time of socio-economic turmoil and weakened consumer demand as we now have a range of brands to cater to the different economic segments of consumers.

Robust Financial Performance

Despite having to absorb the impact of the weaker market conditions and the stock rationalisation initiative, 2013 saw the Group generating a revenue of RM1.56 billion, a decline of 1.9% over the preceding financial year's revenue of RM1.58 billion. Revenue of the Malaysian operations rose by 0.9% while Singapore operations impacted by the deliberate stock rationalisation initiative declined by 9.5% as compared to last year.

The Group registered a 3.7% decline in profit after tax to reach RM186.6 million, in comparison to the 2012

profit after tax of RM193.8 million. Part of this was due to a decline in profits from the Singapore operations of RM24.1 million.

In the face of the challenges, the commendable performance was delivered as a result of the optimisation of our distribution systems, supply chain and production capability, as well as the timely implementation of several cost-efficiency programmes coupled with well executed and impactful consumer campaigns. The campaigns were carried out for each of the brands including our flagship brand, Carlsberg Green Label, to strengthen their market presence.

Satisfying Our Shareholders' Thirst For Great Value

In line with our commitment to deliver value to our shareholders and after considering the Group's funding requirements, the Board of Directors is pleased to propose the distribution of 100% of the Group's 2013 profits.

The Board of Directors is recommending a single tier final and special dividend of 56.0 sen per ordinary share of RM0.50 each. Together with the interim dividend of 5.0 sen per ordinary share of RM0.50 each, the total dividend for the financial year 2013 is 61.0 sen per ordinary share of RM0.50 each.

The final and special dividend will be tabled for shareholders' approval at the coming annual general meeting on 24 April 2014.

The Thirst For Great In Driving Performance

The commendable performance of Carlsberg Malaysia in 2013 was due to our strong portfolio of brands and our people, who strive everyday to unlock more value.

We continued to enhance the capabilities and skills of our people, as well as recognise and reward them for their contribution.

There has also been a transformation of our standards and systems to raise productivity and reduce wastage, as well as to optimise the logistics processes for better distribution of finished stocks.

In 2013, consumers were engaged relentlessly throughout the year with various events that promoted each of the brands in our portfolio. Testimonials of the success include earning Gold at the prestigious Reader's Digest Most Trusted Brands Awards, beating all the competition in the alcohol category.

Activities included the hugely anticipated Carlsberg's 'Where's The Party?' bash, which drew in over 3,000 consumers and stakeholders, as well as exclusive dinner events, fashion shows and tours.

Our customers also now have the advantage of a better pricing strategy following the implementation of our Value Management project that optimises promotions and product mix for maximum profit generation.

The Thirst To Serve The Community

Integrating Corporate Social Responsibility (CSR) throughout the entire value chain continued to be a focus for Carlsberg Malaysia and the adoption of the Global Reporting Initiative (GRI) guidelines has helped us significantly increase our level of disclosure.

The key CSR policies encompass Labour and Human Rights, Marketing Communication, Health and Safety, Business Ethics, Community Engagement and Environment, with the framework covering four main areas - community, environment, market place and work place.

In partnership with the Danish Embassy, three assessments of Carlsberg Malaysia's suppliers were carried out, as well as one self-assessment each on Child Labour, Forced Labour, Discrimination, Freedom of Association, Health & Safety, Working Conditions & Environment and Management System.

Carlsberg Malaysia has organised the Top Ten charity campaign for more than two decades. It is now the longest running and highest fundraising Chinese charity show in Malaysia. The total fund raised over the past 27 years has exceeded RM400 million. As much as RM7.2 million was raised over a single road show for the first time in 2013, exceeding all expectations. The "I Love Chinese Education East Malaysia Charity Concert 2013" alone raised another RM3.6 million.

As a responsible company, we recognise that our logo may be seen by the non-drinking community when we carry out our community projects. So in 2013, we began the process of setting up a charitable foundation which will not be named after Carlsberg Malaysia to take over our efforts to contribute to society and communities which are in need.

Moving Forward

Led by the Carlsberg Green Label as the flagship and number one beer brand in the country and complemented by the growing traction of the premium brands in Malaysia, we will continue to deliver value to our stakeholders and provide exciting experiences for our consumers.

Although consumer demand has been sluggish as a result of socio-economic factors, there is still tremendous opportunity for Carlsberg Malaysia to tap and unlock value, especially with the Barclays Premier League sponsorship as well as the potential to engage consumers during the World Cup and the expected rise in tourist arrivals in 2014.

I would like to take this opportunity to welcome Mr. Christopher John Warmoth, who joined the Carlsberg Group as Senior Vice President for Asia Region in January 2014 and was appointed to the Board of Directors of Carlsberg Malaysia as a non-executive, non-independent Director on 21 February 2014.

In Appreciation

On behalf of the Board of Directors of Carlsberg Malaysia, I would like to express my appreciation and thanks for the loyalty, hard work and commitment of the management team. The commendable performance and effort produced in 2013 was the result of their steadfast commitment as well as that of each employee.

Just as important to our achievements of 2013 were our stakeholders including our distributors, suppliers, customers and consumers, who have been a key ingredient for our growth and success. I thank them for their continuous support.

I would also like to take this opportunity to welcome our new Managing Director Mr. Henrik Juel Andersen and put on record our appreciation of the tremendous contribution made by his predecessor Mr. Soren Ravn. I wish him all the best as the Regional CEO Development Markets.

And to our shareholders, thank you for your trust and confidence in Carlsberg Malaysia. We look forward to your continued support as our Thirst For Great generates more value for each of you in 2014.

Dato' Lim Say Chong
Chairman

Shah Alam
26 March 2014

Para Pemegang Saham sekalian,

Bagi pihak Lembaga Pengarah, dengan sukacitanya saya membentangkan Laporan Tahunan dan Penyata Kewangan Diaudit Carlsberg Brewery Malaysia Berhad bagi tahun kewangan berakhir 31 Disember 2013.

Sukacitanya saya melaporkan bahawa mengambil kira keadaan pasaran yang mencabar, Carlsberg Malaysia mencatatkan prestasi yang baik sepanjang tahun ulasan untuk memberikan nilai kepada para pemegang saham.

Untuk menggambarkan keazaman kami untuk kecemerlangan dalam apa jua yang kami lakukan, meskipun berhadapan dengan pelbagai cabaran, tema untuk laporan tahunan tahun ini adalah "Dahagakan yang Terhebat" yang menggambarkan pendekatan kami untuk menjana nilai dengan menyediakan produk-produk yang lebih berkualiti pada kos yang lebih rendah bagi mengukuhkan kehadiran kami di Pasaran Minuman Keras Malt di Malaysia.

Keputusan yang mantap juga satu pengesahan yang kukuh strategi portfolio pelbagai jenama yang terus menjana pertumbuhan, seperti yang dapat dilihat menerusi pertumbuhan agihan pasaran bagi jenama baru di samping pertumbuhan jenama utama kami Carlsberg Green Label.

Kesan Permintaan Pengguna Yang Lemah

Meskipun ekonomi Malaysia berkembang pada tahun 2013 apabila eksport menunjukkan pemulihan, permintaan pengguna tertekan dengan pengurangan subsidi bahan api dan gula, serta peningkatan hutang isi rumah.

Operasi terjejas akibat faktor-faktor luaran termasuk kos import yang lebih tinggi. Terdapat juga langkah penjelasan stok bagi subsidi kami, yang dilakukan untuk menangani dan menyesuaikan operasi

keseluruhan Kumpulan untuk memberi perkhidmatan yang lebih baik kepada pasaran dengan menyediakan kesegaran yang terbaik.

Strategi peluasan portfolio terus dilaksanakan Carlsberg Malaysia dengan baik dalam kemelut sosio-ekonomi dan permintaan pengguna yang lemah apabila kami kini mempunyai rangkaian jenama untuk memenuhi keperluan segmen ekonomi pengguna yang berbeza.

Prestasi Kewangan Yang Kukuh

Meskipun harus menyerap kesan keadaan pasaran yang lebih lemah dan inisiatif penjelasan stok, tahun 2013 menyaksikan Kumpulan menjana hasil pendapatan sebanyak RM1.56 bilion, penurunan sebanyak 1.9% berbanding hasil pendapatan pada tahun kewangan sebelumnya sebanyak RM1.58 bilion. Hasil pendapatan operasi Malaysia meningkat sebanyak 0.9% sementara operasi Singapura terjejas oleh kerana inisiatif penjelasan stok yang disengajakan berkurangan sebanyak 9.5% berbanding dengan tahun lalu.

Kumpulan mencatatkan penurunan keuntungan selepas cukai sebanyak 3.7% untuk mencapai RM186.6 juta, berbanding keuntungan selepas cukai pada tahun 2012 sebanyak RM193.8 juta. Sebahagiannya akibat penurunan keuntungan daripada operasi Singapura sebanyak RM24.1 juta.

Berhadapan dengan pelbagai cabaran, prestasi memberangsangkan dicapai hasil daripada pengoptimuman sistem pengedaran, keupayaan rantaian bekalan dan pengeluaran serta pelaksanaan beberapa program kecekapan kos yang tepat pada masanya bersamaan dengan kempen pengguna yang dilaksanakan dengan baik dan cukup memberi impak. Kempen tersebut dijalankan bagi setiap jenama termasuk jenama utama kami, Carlsberg Green Label, bagi mengukuhkan kedudukan mereka di pasaran.

Memenuhi Keperluan Para Pemegang Saham Kami Untuk Nilai Terbaik

Sejajar dengan komitmen kami untuk menyediakan nilai kepada para pemegang saham kami dan selepas mengambil kira keperluan pembiayaan dana Kumpulan, Lembaga Pengarah dengan sukacitanya mencadangkan pengagihan 100% daripada keuntungan 2013 Kumpulan.

Lembaga Pengarah turut menyarankan dividen akhir dan khas satu paras sebanyak 56.0 sen bagi setiap saham biasa RM0.50. Bersama dengan dividen sementara sebanyak 5.0 sen untuk setiap saham biasa RM0.50, jumlah dividen bagi tahun kewangan 2013 adalah 61.0 sen bagi setiap saham biasa RM0.50.

Dividen akhir dan khas ini akan dibentangkan untuk persetujuan para pemegang saham pada mesyuarat agung tahunan pada 24 April 2014.

Dahagakan Yang Terbaik Dalam Memacu Prestasi

Prestasi yang memberangsangkan bagi Carlsberg Malaysia pada tahun 2013 adalah hasil daripada portfolio jenama yang kukuh dan kakitangan kami yang setiap hari berusaha menyediakan lebih nilai.

Kami terus meningkatkan keupayaan dan kemahiran kakitangan kami, serta mengiktiraf dan memberikan ganjaran atas sumbangan mereka.

Terdapat juga satu transformasi piawaian dan sistem kami untuk meningkatkan produktiviti dan mengurangkan pembaziran, serta mengoptimumkan proses logistik untuk pengedaran stok akhir yang lebih baik.

Pada tahun 2013, para pengguna terlibat secara berterusan sepanjang tahun dengan pelbagai acara yang mempromosikan setiap jenama dalam portfolio kami. Bukti kejayaan berkenaan termasuk memperolehi emas pada majlis terkemuka

Ucapan Pengerusi

Anugerah Jenama Paling Dipercayai Reader's Digest, mengalahkan semua pesaing dalam kategori alkohol.

Aktiviti-aktiviti termasuk Carlsberg's 'Where's The Party?' yang sangat dinanti-nantikan yang menarik kehadiran lebih 3,000 pengguna dan pihak berkepentingan, serta majlis makan malam eksklusif, persembahan fesyen dan lawatan.

Kini para pelanggan kami juga mempunyai kelebihan strategi harga yang lebih baik berikutan pelaksanaan projek Pengurusan Nilai kami yang mengoptimalkan promosi dan campuran produk bagi penjana keuntungan yang maksimum.

Kemahuan Untuk Berkhidmat Kepada Masyarakat

Menyepadukan Tanggungjawab Sosial Korporat (CSR) di seluruh rantaian nilai terus menjadi fokus Carlsberg Malaysia dan penggunaan garis panduan Inisiatif Pelaporan Global (GRI) telah banyak membantu untuk meningkatkan tahap pemberitahuan kami.

Polisi CSR utama meliputi Hak Asasi Buruh dan Manusia, Komunikasi Pemasaran, Kesihatan dan Keselamatan, Etika Perniagaan, Penglibatan Masyarakat dan Persekitaran, dengan rangka kerja merangkumi empat bidang utama – masyarakat, alam sekitar, pasaran dan tempat kerja.

Dengan kerjasama Kedutaan Denmark, tiga penilaian pembekal Carlsberg Malaysia dan satu penilaian diri berhubung Buruh Kanak-kanak, Buruh Paksa, Diskriminasi, Kebebasan Persatuan, Kesihatan & Keselamatan, Keadaan & Persekitaran Kerja serta Sistem Pengurusan telah dilaksanakan.

Carlsberg Malaysia telah menganjurkan kempen amal Top Ten selama lebih daripada dua dekad. Ia kini persembahan amal Cina untuk

mengumpul dana yang paling lama dan terbanyak di Malaysia. Jumlah dana yang dikumpulkan sepanjang 27 tahun ini telah melebihi RM400 juta. Buat pertama kalinya pada tahun 2013, sebanyak RM7.2 juta telah dikumpulkan pada satu acara jelajah, melebihi semua jangkaan. "Konsert Amal Saya Cintakan Pendidikan Cina Malaysia Timur 2013" sahaja telah berjaya mengumpulkan sejumlah RM3.6 juta.

Sebagai sebuah syarikat yang bertanggungjawab, kami sedar bahawa logo kami barangkali dilihat oleh masyarakat yang tidak mengambil minuman keras ketika menjalankan projek kemasyarakatan. Justeru pada tahun 2013 kami memulakan proses untuk menubuhkan satu yayasan amal yang tidak akan dinamakan sebagai Carlsberg Malaysia untuk mengambil alih usaha kami untuk menyumbang kepada masyarakat dan komuniti yang memerlukan.

Melangkah ke Hadapan

Diketuai oleh Carlsberg Green Label sebagai jenama bir utama dan nombor satu di negara ini, dilengkapi oleh kuasa pertumbuhan jenama premium di Malaysia, kami akan terus menyediakan nilai kepada pihak berkepentingan kami dan menyediakan pengalaman yang menarik untuk para pengguna kami.

Meskipun permintaan pengguna agak lembab akibat faktor-faktor sosio-ekonomi, masih terdapat peluang yang begitu luas bagi Carlsberg Malaysia untuk menembusi dan menyediakan nilai, terutama dengan penajaan Barclays Premier League serta potensi untuk melibatkan pengguna sepanjang Piala Dunia dan jangkaan peningkatan ketibaan pelancong pada tahun 2014.

Saya ingin mengambil peluang ini untuk mengalu-alukan Encik Christopher John Warmoth, yang menyertai Kumpulan Carlsberg sebagai Naib Presiden Kanan bagi

Rantau Asia pada Januari 2014 dan telah dilantik ke Lembaga Pengarah Carlsberg Malaysia sebagai Pengarah bukan eksekutif, bukan bebas pada 21 Februari 2014.

Penghargaan

Bagi pihak Lembaga Pengarah Carlsberg Malaysia, saya ingin merakamkan penghargaan dan terima kasih atas kesetiaan, kerja keras dan komitmen pasukan pengurusan. Prestasi dan usaha yang baik pada tahun 2013 adalah hasil daripada komitmen yang kukuh, begitu juga komitmen setiap kakitangan.

Pihak berkepentingan kami juga sama penting dalam pencapaian pada tahun 2013 yang meliputi para pengedar, pembekal, pelanggan dan pengguna kami, yang menjadi inti pati penting ke atas pertumbuhan dan kejayaan kami. Saya berterima kasih atas sokongan berterusan mereka.

Saya juga ingin mengambil peluang ini untuk mengalu-alukan Pengarah Urusan kami yang baru Encik Henrik Juel Andersen dan merakamkan penghargaan kami atas sumbangan hebat oleh penyandang jawatan sebelum ini Encik Soren Ravn. Saya mengucapkan semoga berjaya kepadanya sebagai CEO Rantau Pasaran Pertumbuhan.

Dan kepada semua pemegang saham kami, terima kasih atas kepercayaan dan keyakinan anda pada Carlsberg Malaysia. Kami mengalu-alukan sokongan berterusan anda dalam usaha kami Dahagakan Yang Terhebat menjana lebih nilai untuk setiap diri anda pada tahun 2014.

Dato' Lim Say Chong Pengerusi

Shah Alam
26 Mac 2014

董事主席献词

敬爱的股东们，
本人代表董事会为您提呈马来西亚 Carlsberg 酿酒厂有限公司截至2013年12月31日的财政年度报告和已审计财务报表。

本人很荣幸地向您汇报，即使处于具挑战性的市况下，马来西亚 Carlsberg 集团依然在业绩检讨期间表现不俗，为股东们创造价值，也证明了本集团业务拥有弹性系统、能力和卓越水准。

本年度报告“力求卓越”(Thirst for Great)的主题反映出本集团采取以更低成本达到更高质量出品的创造价值方式，以巩固它在马来西亚啤酒市场的实力，也显示本集团即使面对挑战亦坚持力求卓越的决心。

本集团的出色业绩也证明了多元品牌组合策略在持续驱动增长率方面取得卓效，新品类与旗舰品牌皇帽啤酒 (Carlsberg Green Label) 的市场占有率均节节上升。

消费者需求疲软造成影响

随着出口业复苏，马来西亚经济虽然在2013年有所进展，燃料和糖补贴削减以及家庭债务上升却导致消费者需求减弱。

本集团业务运作受进口成本高昂等外界因素影响。此外，本集团旗下子公司也落实存货重组措施，目的是解决和调整集团整体业务，提供更佳产品新鲜度，为市场带来更优秀的服务。

由于目前社会经济局势动荡不定，消费者需求疲软，拓展产品组合策略继续有利马来西亚 Carlsberg，因为本集团如今拥有广泛品牌系列以迎合不同经济阶层的消费者。

稳健的财务绩效

2013年，本集团即使迫于承受疲弱市况和存货重组举措的冲击，营业额仍然达到马币15亿6千万令吉，比前财政年度的15亿8千万令吉下跌1.9%。马来西亚业务收入上升0.9%，新加坡业务则因慎行存货重组举措影响而比去年减少9.5%。

与2012年的1亿9380万令吉的税后盈利比较，本集团在本财政年度的税后盈利下跌3.7%至1亿8660万令吉，其中原因是新加坡业务的盈利减少2410万令吉。

本集团得以在面对重重挑战下达到出色的表现皆因配销系统、供应链和生产能力的优化，以及多项成本效率方案落实得合时，加上消费者宣传活动执行得当，并显卓效。这些涉及各品牌，包括旗舰品牌皇帽啤酒 (Carlsberg Green

Label) 的宣传活动旨在巩固众品牌的市场地位。

实现股东对卓越价值的要求

在考虑到本集团的融资需求之后，董事会建议将2013年的盈利全部用来派息给股东，以符合本集团为股东营造价值的承诺。

董事会建议每50仙普通股派发56仙的终期和特别单层股息。在计入5仙的中期股息后，每50仙普通股在2013年财政年度总共获得每股61仙的股息。

上述终期和特别股息将于2014年4月24日举行的常年股东大会上寻求股东通过。

力求卓越驱动品牌表现

马来西亚 Carlsberg 的2013年出色表现归功于强大的品牌组合以及全体工作人员每日致力实现更多价值。

本集团持续提升员工的能力和技能，同时也表彰和奖励他们的贡献。

此外，本集团也针对标准和系统进行改革以提升生产量及削减浪费，同时优化物流流程以促进更有效的成品配销。

本集团也在2013年期间不断通过促销各品牌的活动大力吸引消费者，成就包括在酒类产品中脱颖而出，荣获信誉卓著的读者文摘最受信赖品牌金牌奖。

促销活动包括众所期待，吸引逾3000名消费者和权益持有人的 Carlsberg's 'Where's The Party' 盛会，以及高级晚宴、时装表演和巡回展出等。

本集团实施价值管理方案，优化促销和产品组合以获得最大盈利，让客户享有更有效的定价策略。

力求为社区服务

马来西亚 Carlsberg 一直不懈地专注于整合企业社会责任 (CSR) 与价值链。自采纳全球报告倡议组织 (GRI) 准则之后，本集团的披露水平有显著提升。

本集团的主要企业社会责任政策涵盖劳工人权、营销通信、卫生安全、商业道德、社区互动和环保；而结构则包含社区、环境、市场和工作场所四大领域。

马来西亚 Carlsberg 与丹麦大使馆合作，分别针对童工、强迫劳工、歧视、结社自由、卫生安全、工作情况和环境以及管理系统展开三项供应商评估以及一项自我评估。

马来西亚 Carlsberg 筹办十大慈善义演已有二十多年历史。此活动是大马最悠久也是筹款额最高的华教慈善义演，在过去廿七年总共筹获逾4亿令吉。2013年的单次巡回表演便筹得多达720万令吉，实属首次，也超越所有期望。此外，一场“我爱华教东马慈善义演”也另筹得360万令吉。

本集团作为富责任感的企业，已意识到本集团标志在推行社区计划时可能会为不饮酒社群所见。有鉴于此，本集团开始设立一个并非以马来西亚 Carlsberg 命名的慈善基金会，接棒为社会和有需要社区作出贡献。

迈步向前

旗舰皇帽啤酒稳占国内首席啤酒品牌宝座，加上特级品牌在国内日益受欢迎，本集团得以继续为权益持有人创造价值，同时为消费者提供精彩的体验。

虽然社会经济因素导致消费者需求放缓，市场上仍有大好商机供马来西亚 Carlsberg 发挥和实现价值，如赞助 Barclay 英超联赛；世界杯期间吸引消费者的潜能以及2014年入境旅客人数预计上升等。

本人欲借此机会热烈欢迎 Christopher John Warmoth 先生在2014年1月加盟 Carlsberg 集团担任亚洲区域高级副总裁，并在2014年2月21日受委入马来西亚 Carlsberg 董事会担任非执行和非独立董事。

鸣谢

本人谨此代表马来西亚 Carlsberg 集团董事会感谢管理层的忠诚、努力和尽责付出。本集团2013年的出色绩效和成就全归功于他们以及全体员工坚定不移的奉献。

除此之外，本集团的权益持有人、包括经销商、供应商、客户和消费者对本集团2013年的成就亦同等重要，他们是本集团发展和成功的关键因素。本人在此感谢他们的不懈支持。

本人借此机会欢迎新任董事经理 Henrik Juel Anderson 先生，同时也郑重感谢前任董事经理 Soren Ravn 先生的巨大贡献，并祝他在市场发展区域首席执行官任内一帆风顺，前程似锦。

本人亦在此感谢股东们对马来西亚 Carlsberg 集团赋予信任和信心。本集团祈望您继续给予支持，我们必力求卓越为您在2014年创造价值。

董事主席
拿督林世宗

莎亚南
2014年3月26日

தலைவரின் உரை

அன்பாற்ற பங்குதாரர்களே இயக்குநர்கள் மேற்குழுவின் சார்பாக, 31 டிசம்பர் 2013 அன்று நிறுவனத்தின் நிதியாண்டுக்கான கார்லஸ்ஸெக் புரவொரி மலேசியா பெர்னாட் நிறுவனத்தின் ஆண்டறிக்கையை, தணிக்கை செய்த வாசகங்களையும் மகிழ்வதன் உங்கள் முன் சமர்ப்பிக்கிறேன்.

சவால்மிக்க சந்தை நிலைமைகளைக் கருத்தில் கொள்ளும்போது, மதிப்பாய்வுக் காலத்தில் எம்முடைய பங்குதாரர்களின் மதிப்பினை மேம்படுத்துவதில் கார்லஸ்ஸெக் மலேசியா சிறப்பாகச் செயல்பட்டது என்பதை அறிவிப்பதில் எனக்கு மிக்க மகிழ்ச்சி. இது எமது செயல்பாடுகளில் பொதிந்துள்ள அமைப்புகள், திறமை மற்றும் சிறப்பு ஆகியவற்றின் மனிதநுணுக்கான சான்றாக உள்ளது.

சவால்களை எதிர்கொள்ளும்போது கூட, எமது செயல்களைச் சிறப்பாகச் செய்க்கூடிய எங்களுடைய மன உறுதியைப் பிரதிபலிப்பதற்காக, "சிறந்ததற்கான தாகம்" என்பது இந்த வருட ஆண்டறிக்கையின் நாயக்கருத்தாக இருக்கின்றது. இது, மலேசியா மார்ல் மதுச்சந்தையில் எங்களுடைய இருப்பினைத் தக்கவைத்துக் கொள்வதற்காக, குறைந்த விலையில் சிறந்த தரத்தினை உருவாக்குவதன் மூலம் மதிப்பினை உருவாக்குவதற்கான எமது அணுகுமுறையைப் பிரதிபலிப்பதாக இருக்கின்றது.

எமது முன்னணி பிராண்டாகிய கார்லஸ்ஸெக் கிரீன் லேபின் வளர்ச்சியுடன் சேர்த்து, புதிய பிராண்டுகளின் சந்தைப் பங்கையும் வளர்ச்சியடையச் செய்வதன் வாயிலாக நாம் காணும் போன்ற, எமது வலுவான முயற்சிகள் தொடர்ந்து வளர்ச்சியடையச் செய்யக்கூடிய மல்டி பிராண்டு வரிசை உத்தியின் உறுதியான மெம்பிடித்தலாகவும் உள்ளன.

நலிந்த நுகர்வோர் தேவையின் விளைவுகள்

ஒற்றுமதிகளை மீள் பெற்றதால் 2013இல் மலேசியாவின் பொருளாதார வளர்ச்சியடைந்தாலும் கூட, எரிபொருள் மற்றும் சர்க்கரைக்கான மானியங்களைக் குறைக்கப்பட்டதாலும், அதிகரித்த குடும்பக் கடன்களாலும் நுகர்வோர் தேவை கிழ்ந்ததால்மேலே இருந்தது.

அதிக இறக்குமதிச் செலவுகள் என்பன போன்ற வெளிப்புறக் காரணிகளால் நு.வாடிக்கைகள் பாதிக்கப்பட்டன. எமது துணை நிறுவனங்களின் பங்கு சமையல்ப் பயிற்சியும் இருந்தது. இது மேம்பட்ட புத்தொர்ச்சியை வழங்குவதன் மூலம் சந்தையில் சிறப்பாக செயல்படுவதற்கு குழுவின் ஒட்டுமொத்த செயல்பாடுகளை தெளிவிப்பதற்கும் சரி செய்வதற்கும் மேற்கொள்ளப்பட்டது.

சமூக-பொருளாதாரக் குழப்பம் மற்றும் நலிவற்ற வாடிக்கையாளர் தேவை ஆகியவை நிறைந்த இந்த நேரத்தில் பிரீவு விரிவாக்க உத்தி, கார்லஸ்ஸெக் மலேசியா நிறுவனத்துக்கான துணுக்கான சிறப்பான சேவையைத் தொடர்ந்து வழங்கியது. ஏனெனில் நாம் இப்பொழுது வாடிக்கையாளர்களின் வெவ்வேறு பொருளாதாரப் பிரிவினரின் பல்வேறு வகையான பிராண்டுகளைப் பெற்றுள்ளோம்.

வலுவான நிதி செயல்திறன்

பலவினமான சந்தை நிலைமைகள் மற்றும் பங்கு சீரமைப்பு முன்முயற்சி ஆகியவற்றின் தாக்கத்தை ஒற்றுக்கொள்ள வேண்டியிருந்த போதிலும், 2013இல் இந்தக் குழு மலேசியா ரிங்கிட் 1.56 மில்லியன் அளவுக்கு வருவாய் ஈட்டியுள்ளது, இது கடந்த நிதியாண்டின் மலேசிய ரிங்கிட் 1.58 மில்லியன் வருவாயை விட 1.9௫ குறைவு ஆகும். மலேசியா செயல்பாடுகளின் வருவாய் 0.9௫ அதிகரித்துள்ள அதே சமயம், திட்டமிட்ட பங்கு சீரமைப்பு முன்முயற்சியால் பாதிக்கப்பட்ட சிங்கப்பூர் செயல்பாடுகள் கடந்த வருடத்தின் ஒப்பீடுமீறியபோது 9.5௫ குறைந்துள்ளது.

2012 ஆம் ஆண்டு வரிகுப் பிந்தைய இலாபமாகிய மலேசிய ரிங்கிட் 193.8 மில்லியனுடன் ஒப்பீடுமீறியபோது, குழுவின் இலாபம் 3.7௫ குறைந்து மலேசிய ரிங்கிட் 186.6 மில்லியனாக பதிவாகியுள்ளது. இதன் ஒரு பகுதி சிங்கப்பூர் செயல்பாடுகளிலிருந்து மலேசிய ரிங்கிட் 24.1 மில்லியன் இலாபம் குறைந்ததன் காரணமாக ஏற்பட்டதாகும்.

சவால்களை எதிர்கொள்ளும் வகையில், எங்களுடைய வழங்கல் முறைகள், விநியோகத் தொடர் மற்றும் உற்பத்தித் திறமை ஆகியவற்றை அதிகரிப்பதன் விளைவாக பாராட்டத்தக்க நிகழ்ச்சி நடத்தப்பட்டது. அதோடு நன்கு செயல்படுத்தப்பட்ட மற்றும் பயன்மிக்க நுகர்வோர் பிரச்சாரங்களுடன் சேர்த்து பல செலவு குறைந்த நிகழ்ச்சிகள் உரிய நேரத்தில் செயல்படுத்தப்பட்டன. இந்தப் பிரச்சாரங்கள் எங்களுடைய முன்னணி பிராண்டாகிய கார்லஸ்ஸெக் கிரீன் லேபின் உள்ளடங்கலாக, ஒவ்வொரு பிராண்டுக்கும் அவர்களுடைய சந்தை நிலையை அனுபவித்துவதற்காக மேற்கொள்ளப்பட்டன.

சிறந்த மதிப்புக்கான எங்களுடைய பங்குதாரர்களின் வேட்கையை நிறைவு செய்தல்

எமது பங்குதாரர்களுக்கு மதிப்பினை வழங்குவதற்கான எங்களுடைய பொறுப்பின் அடிப்படையில் மற்றும் குழுமத்தின் நிதித் தேவைகளைக் கருத்தில் கொண்டு பிறகு, குழுவின் 2013 இலாபங்களின் 100௫-ஐ வழங்குவதற்கு எங்களுடைய இயக்குநர்கள் மேற்குழு மகிழ்ச்சியுடன் முன்மொழிகின்றது.

தலா மலேசிய ரிங்கிட் 0.50 மதிப்புள்ள ஒரு சாதாரண பங்கு வீதம் 56.0 சென் அளவுக்கு ஒன்று அடுக்கு இறுதி மற்றும் சிறப்பு வாய் பங்கை இயக்குநர்கள் மேற்குழு பரிந்துரைத்தள்ளது. தலா மலேசிய ரிங்கிட் 0.50 மதிப்புள்ள சாதாரண பங்கு வீதம் 5.0 சென் இடைக்கால இலாபப் பங்குடன் சேர்த்து, இது 2013ஆம் நிதியாண்டுக்கான மொத்த இலாபப் பங்கு தலா மலேசிய ரிங்கிட் 0.50 மதிப்புள்ள ஒரு சாதாரண பங்கு வீதத்தை 61.0 சென் ஆக ஆக்கின்றது.

இறுதி மற்றும் சிறப்பு வாய்ப்பு பங்குதாரர்களின் ஒப்புதலுக்காக ஏற்பட 24.24 அங்குல நடைபெறும் வருடாந்திரப் பொதுக் கூட்டத்தில் அட்டவணைப்படுத்தப்படும்.

சிறப்பான ஊக்கமளிப்பு செயல்திறனுக்கான வேட்கை

2013ஆம் ஆண்டில் கார்லஸ்ஸெக் மலேசியாவின் பாராட்டத்தக்க செயல்திறனுக்கு, எமது வலுவான பிராண்டுகளின் வரிசையும், அதிக மதிப்பினை விநியோகமாக ஒவ்வொரு நாளும் கரும்முயற்சி செய்பும், எங்களுடைய பணியாளர்களும் காரணமாக இருந்தன.

எங்களுடைய பணியாளர்களின் தகுதிகளையும் திறன்களையும் நாங்கள் தொடர்ந்து வளர்த்து வந்தோம். அதோடு அங்களுடைய பங்களிப்புக்கு அங்கீகாரமளித்து பரிசுவங்குகளோடு.

மேலும், உற்பத்தியை அதிகரிப்பதற்கும், சேர்த்ததைக் குறைப்பதற்கும், அதோடு நிறைவற்ற பொருட்களை சிறப்பாக விநியோகிப்பதற்கான சர்க்கரியல் செயல்முறைகளை உகந்ததாகுவதற்கும் எங்களுடைய தரங்களிலும் முறைகளிலும் மற்றும் ஏற்பட்டுள்ளது.

2013இல், எங்களுடைய வரிசையில் உள்ள ஒவ்வொரு பிராண்டுகளுக்கும் உருவாக்கப்பட்ட பல்வேறு நிகழ்ச்சிகளின் மூலம், நுகர்வோர் ஆண்டு முழுவதும் அபராத சடுபடுத்தப்பட்டனர். வெற்றிக்கான சான்றுகளில், ஆல்கஹால் பிரிவில் அனைத்துப் போட்டியாளர்களையும் தோற்கடித்து, மதிப்புமிக்க ரிடால் னைஜல்ட் மிகவும் நம்பகமான பிராண்டுகள் விருதில் தங்கம் வென்றதை உள்ளடக்கியிருந்தன.

செயல்பாடுகள், 3,000க்கும் மேற்பட்ட வாடிக்கையாளர்களையும் பங்குதாரர்களையும் கவர்ந்திருந்தது. மிகவும் எதிர்மதிக்கப்பட்ட "கார்லஸ்ஸெக் வேர் இல்" தி பார்ட்டி" விருந்து, அதோடு பிரத்தியேகமான விருந்து நிகழ்ச்சிகள், ".பேஷன் ஷோக்கின்" மற்றும் கற்றுலாக்கள் ஆகியவற்றையும் உள்ளடக்கியிருந்தன.

அதிகபட்ச இலாப உருவாக்கத்துக்காக விளம்பரங்களையும், பொருள் கலவைகளையும் உகந்ததாகக்கூடிய எங்களுடைய மதிப்பு மேலாண்மைத் திட்டச் செயலாக்கத்தினைத் தொடர்ந்து, எங்களுடைய வாடிக்கையாளர்கள் இப்பொழுது சிறந்த விலை உத்திகளை பலவகையுடன் பெறுகிறார்கள்.

சமூகத்துக்குப் பணிபுரிவதற்கான வேட்கை

கார்லஸ்ஸெக் மலேசியா முழு மதிப்புச் சங்கிலி நெடுக வந்தகக் கழக சமூகப் பொறுப்பை (CSR) ஒருங்கிணைப்பதில் தனது கவனக்குளிப்பை தொடர்ந்து மேற்கொண்டது; மேலும், உலக அறிக்கையளித்தல் முனைப்பு (GRI) வழிகாட்டல்களை பின்பற்றுவது எங்களுடைய வெளிப்பாட்டு மட்டத்தை குறிப்பிடத்தக்க அளவு அதிகரிப்பதற்கு உதவியுள்ளது.

முக்கிய CSR கொள்கைகள் சமூகம், சுற்றுச்சூழல், சந்தை, பணியிடம் - ஆகிய நான்கு முக்கிய வட்டாரங்களுடன் சேர்த்து, தொழிலாளர், கட்டிடப்புகள், மனித உரிமைகள், சந்தையில் தகவல் பெறப்படுங்கள், சுகாதாரம் மற்றும் பாதுகாப்பு, வணிக அறநெறிகள், சமூக சடுபாடு மற்றும் சுற்றுச்சூழல் ஆகியவற்றை உட்கொண்டிருக்கும்.

டேவிஷ் துறக்கத்துடன் இணைந்து, கார்லஸ்ஸெக் மலேசியாவின் முன்னு மதிப்புகள் மேற்கொள்ளப்பட்டன, அதோடு குழந்தைத் தொழிலாளர், கட்டிடப்புகள் தொழிலாளர், பகுத்தறிதல், சங்கத்துக்கான சுதந்திரம், ஆரோக்கியமும் பாதுகாப்பும், பணி நிலைமைகளும் சுற்றுச்சூழலும் மற்றும் மேலாண்மை அமைப்பு போன்றவை குறித்த ஒரு சுய-மதிப்பீடு மேற்கொள்ளப்பட்டது.

கார்லஸ்ஸெக் மலேசியா இருபது ஆண்டுகளுக்கும் மேலாக சிறந்த பத்து அறக்கட்டளை பிரச்சார இயக்கங்களை ஏற்பாடு செய்துள்ளது. இது இப்பொழுது மலேசியாவில் நீண்ட காலம் இயங்கிக்கொண்டிருக்கின்ற,

மேலும் அதிக நிதி திரட்டக்கூடிய சீன அறக்கட்டளை நிகழ்ச்சியாக உள்ளது. கடந்த 27 வருடங்களாக திரட்டப்பட்ட மொத்த நிதி மலேசிய ரிங்கிட் 400 மில்லியனைத் தாண்டியுள்ளது. அனைத்து எதிர்மதிப்புகளையும் விடும் வகையில், 2013 இல் முதல் முறையாக ஒரு ஒற்றை ரோட் ஷோ நிகழ்ச்சியில் சுமார் மலேசிய ரிங்கிட் 7.2 மில்லியன் திரட்டப்பட்டது. "நான் சீனக் கல்வி கழிக்கு மலேசியா அறு நிகழ்ச்சி 2013-ஐ விருப்புகிறேன்" என்ற நிகழ்ச்சி மட்டுமே மற்றொரு மலேசிய ரிங்கிட் 3.6 மில்லியனை திரட்டியது.

பொறுப்புமிக்க ஒரு நிறுவனமாக, சமூகத் திட்டங்களை மேற்கொள்ளும்போது மதுப் படிக்கம் இல்லாத சமுதாயத்தின் எங்களுடைய லோகோவைப் பார்க்கக்கூடும் என்பதை நாங்கள் ஏற்றுக்கொள்கிறோம், எனவே 2013இல், உதவி தேவைப்படுக சமூகம் மற்றும் சமுதாயங்களுக்கு பங்களிப்பதற்காக எங்களுடைய முயற்சிகளை பொறுப்பேற்று நடத்துவதற்கு கார்லஸ்ஸெக் மலேசியாவின் பெயர் அல்லாத ஒரு அறக்கட்டளைமைப்புத் தொடங்கும் செயல்முறையை நாங்கள் உருவாக்கியுள்ளோம்.

வருங்காலம் நோக்கி

நாட்டின் முன்னணி மற்றும் நெடும் ஒன் பிராண்டு நிறுவனமாகிய கார்லஸ்ஸெக் கிரீன் லேபின் நிறுவனத்தின் வழிபடத்தல் வாயிலாகவும், மற்றும் மலேசியாவில் உள்ள பிரிமியர் லீக் நிதியுதவியாளர்களும், ஆற்றலால் நிறைவு செய்வதன் வாயிலாகவும், நாங்கள் எங்களுடைய பங்குதாரர்களுக்கான மதிப்பினை தொடர்ந்து வழங்குவோம். மேலும் எங்களுடைய வாடிக்கையாளர்களுக்கு ஆச்சரியமூட்டும் அனுபவங்களை வழங்குவோம்.

சமூக-பொருளாதார காரணிகளின் விளைவாக நுகர்வோர் தேவைகள் மீறத் தலைமீட்ட இருந்ததாலும் கூட, குறிப்பாக பார்சுலேஸ் பிரிமியர் லீக் நிதியுதவியாளர்களும், மேலும் உலகக் கோப்பையின்போது நுகர்வோர்களை சடுபடுத்தவதற்கான வாய்ப்பு பெற்றுள்ளதாலும், மற்றும் 2014இல் சுற்றுலாப் பயணிகளின் வருகை அதிகரிக்கும் என்ற எதிர்மதிப்பிலும், மதிப்பினைத் தட்டியெழுப்புவதற்கு இன்னும் கூட கார்லஸ்ஸெக் மலேசியாவுக்கு மகத்தான வாய்ப்பு உள்ளது.

ஜனவரி 2014இல் கார்லஸ்ஸெக் குழுமத்தின் ஆசிய மண்டல முதுதலை துணைத் தலைவராக சேர்ந்துள்ள திரு. கிரீன்டேப் ஜான் வார்டோட் அவர்களை வருவோர்பற்றி இந்த வாய்ப்பினை நான் பயன்படுத்திக்கொள்ள விருப்புகிறேன். மேலும் அவர் பிரிமியர் 21, 2014 அன்று கார்லஸ்ஸெக் மலேசியாவின் இயக்குநர்கள் மேற்குழுவுக்கு வெளிப்புற, தற்சார்பற்ற இயக்குநராக நியமிக்கப்பட்டார்.

பாராட்டுக்கள்

கார்லஸ்ஸெக் மலேசியாவின் இயக்குநர்கள் மேற்குழுவின் சார்பாக, நிர்வாக அணியின் விசுவாசம், உழைப்பு மற்றும் உறுதிக்காக அவர்களுக்கு நான் நன்றி கூற விருப்புகிறேன். 2013இல் அனைத்து பாராட்டுக்குரிய வளர்ச்சியின் பின்னணியில் அவர்களின் முழு சடுபாடும் ஒவ்வொரு பணியாளரின் முழு சடுபாடும் மறைந்திருக்கின்றன.

2013இல் அனைத்து சாதனைகளுக்கு இதேபடி வழக்கியத்துவம் கொண்டவர்களாக விளங்குவோர்: எங்களுடைய விநியோகியாளர்கள், வாடிக்கையாளர்கள், எங்களுடைய வளர்ச்சியிலும் நெற்றியிலும் முக்கிய அங்கமாக விளங்கும் நுகர்வோர்களும் வாடிக்கையாளர்களும். அவர்களுடைய தொடர்ச்சியான ஆதரவுக்கு நான் அவர்களுக்கு நன்றி கூறுகிறேன்.

எங்களுடைய புதிய நிர்வாக இயக்குநர் திரு. ஹென்றிக் ஜுவல் ஆண்டர்சன் அவர்களை வருவோர்பற்றும், அவருக்கு முன் பணியாற்றிய திரு. சேரார் ராவ் அவர்களின் மகத்தான பங்களிப்புக்காக எங்களுடைய பாராட்டுக்களைத் தெரிவிப்பதற்கும் இந்த வாய்ப்பினை நான் பயன்படுத்திக்கொள்ள விருப்புகிறேன். கார்லஸ்ஸெக் டெவலப்மெண்ட் மார்க்கெட்ஸ் நிறுவனத்தின் மண்டல தலைமை நிர்வாக அதிகாரியாகப் பணியாற்றுவதற்கு அவருக்கு நான் என்னுடைய வாழ்த்துக்களைத் தெரிவித்துக்கொள்கிறேன்.

எங்கள் பங்குதாரர்களுக்கு கார்லஸ்ஸெக் மலேசியா மீது நம்பிக்கையும் சார்பும் வைத்துள்ளமைக்காக நன்றி. 2014இல் உங்கள் ஒவ்வொருவருக்கும் மதிப்பு உருவாக்க முனைந்து உழைக்கின்ற எங்களுக்கு நங்கள் தொடர்ந்து ஆதரவு நல்க வேண்டும் என நாங்கள் எதிர்பார்க்கிறோம்.

Dato' Lim Say Chong

தலைவர்

Shah Alam

26 மார்ச் 2014



Managing Director's Statement



2013 was a challenging year as the Malaysian Malt Liquor Market (MLM) was overshadowed by a slowdown in consumer spending due to the escalating cost of living. Nevertheless, Carlsberg Malaysia had a satisfactory 2013 as a result of our Thirst for Great mindset that produced an invigorated focus on delivering sustainable shareholders' value.



Revenue of the Malaysian operations rose by 0.9% with operating profit increasing by 9.8% as a result of the successful execution of various consumer campaigns, a positive portfolio mix and lower operating costs from the rollout of efficiency programmes.

Despite the strong growth in the Malaysian operations amidst sluggish consumer sentiments, the year in review saw Group profit after tax drop by 3.7% on the back of a 1.9% decline in revenue. The decline in revenue and profits was mainly due to the deliberate one-off stock rationalisation exercise by Carlsberg Singapore which significantly reduced stock cover days to ensure that our products remain amongst the freshest in the market.

Lower profits from our associate company in Sri Lanka, Lion Brewery (Ceylon) PLC was due to capacity constraints.

Growing greater, stronger and faster with Carlsberg Green Label and our premium portfolio

Throughout the year, we continued to invest significantly in strengthening the brand equity of our expanded portfolio as well as focus on expanding distribution, which has benefited our premium brands. Our Thirst For Great mindset has been a driving factor for the strong growth of our portfolio brands experienced by Carlsberg Malaysia.

Carlsberg Green Label continued to gain traction with customers and consumers and Carlsberg's strong association with football has been reinforced by becoming the Official Beer Partner of the Barclays Premier League. This will certainly bring us even closer to our consumers and strengthens our position as the leading beer brand that is mostly associated with international football.

Our signature Carlsberg's 'Where's The Party?' attracted high public engagement and demonstrated our Thirst for Great. The fourth series was held in Serdang which saw the biggest turnout to-date with over 3,000 party goers from Malaysia and Singapore.

Carlsberg also maintained its prestigious association with golf in 2013, which saw the Carlsberg Golf Classic entering its third decade and we were proud to continue our official beer sponsorship of the Maybank Malaysian Open for the eighth consecutive year.

In 2013, within the premium segment, we nurtured the brands that were introduced in 2012 and strengthened their position to entrench them in the market via a wide range of consumer engagement programmes.

It was therefore very encouraging to see some of the new brands like Asahi Super Dry, Kronenbourg 1664, Kronenbourg Blanc and Somersby Apple Cider achieving double-digit growth. Somersby Apple Cider, in particular, created a whole new category and became the dominant cider brand in Malaysia in 2013.

Investing in value management for greater consumer satisfaction

To complement the growth of our portfolio, which allows us to offer a comprehensive portfolio of brands to suit different occasions and different consumers, freshness was a key area that we worked on to ensure perfect drinking experience at the point of purchase.

A concerted initiative to reduce inventory with trade and customers in order to shorten the lead-time between production and consumption was carried out in the second half of 2013. This significantly reduced stock cover days for our brands and ensured an optimal drinking experience by our consumers. Freshness is an important element of our sales and distribution strategy and we were pleased to note that Carlsberg Green Label became the freshest beer in the market.

As our business became more complex with the expanded portfolio, we carried out a comprehensive value management project in 2013 aiming at optimising growth in value as well as volume. The value management programme is focused on optimising three key levers in our in-store commercial execution: Pricing, Assortment and Promotion. This programme contributed positively to the growth in revenue and profits for the Malaysian operations.

Our Next Generation Distribution Model which is now fully implemented has received positive feedback. This

has helped improve service levels, ability to execute in the market and expand distribution coverage by integrating our sales and distribution efforts for an improved route-to-market

The LEAN (L-ess Waste, E-fficiency, A-gile and N-eat & Tidy) philosophy has also been fully embedded in our operations in order to enhance quality and service while reducing cost throughout the supply chain.

The Thirst For Great in our people and the community

In 2013, our Thirst For Great saw us focusing on value management, optimising stock cover days, operational efficiency and producing more products with better quality at less cost. Efforts were also made to further reduce the consumption of water needed for producing our beer as well as reduce wastage and consumption of raw materials.

Every aspect of that required us to nurture our greatest asset, which is our people and considerable attention was placed on developmental programmes. This includes, secondment programmes to other markets, performance management and leadership training.

We continued to develop capability, competency and leadership so that our people are able to meet current demands as well as the future challenges of the business.

Our efforts to grow our people in tandem with Carlsberg Malaysia was positively reflected in the 2013 MyVoice employee attitude survey. This survey produced very encouraging results with strong engagement scores above FMCG industry benchmark indicating that our people are interested in actively influencing their work environment.

We also continued our commitment to the community and in 2013 Carlsberg Malaysia raised almost RM415 million from our signature, Top Ten charity campaign, since its inception more than 20 years ago.

Continuing our Thirst For Great as we move forward

The strategy to expand the portfolio of premium brands has created strong results and we will continue to invest and innovate in order to satisfy the ever changing demands of consumers.

Carlsberg Green Label remains the flagship brand and the most preferred beer brand in Malaysia. We are committed to grow its place in the hearts and minds of Malaysian beer drinkers by staying close to the needs and demands of our strong consumer base.

We now have an attractive portfolio of brands and when combined with the systems and processes we use to manage the business, we are in a very good position to continue our successful development in 2014.

We must strive to be more efficient in the way we do business and drive more value out of our portfolio, while reducing our cost base in order to invest behind our brands and deliver sustainable shareholder value.

Carlsberg Malaysia must remain a very cost efficient company and to drive it, we are relying on a workforce that is dedicated, committed and passionate about the company.

I am confident that we can achieve this as there is strong Thirst for Great amongst our staff and distribution partners to continue to improve both the front-line and back-end of our business.

In 2014, we will continue to excite our consumers by investing behind our brands so that they become fully entrenched in the market and daily lives of our consumers.

Although we foresee another year of challenging consumer sentiments and macro economic conditions, we remain cautiously optimistic that events such as the Visit Malaysia 2014 will have a positive impact on the overall beer market.

Acknowledgement

I have truly enjoyed my time in Malaysia since taking over the helm in July 2013. It has been made even more special by the warm welcome from my team as well as our customers and consumers.

I believe tremendous potential lies in everyone at Carlsberg Malaysia and I would like to take this opportunity to thank all my colleagues for bringing us to where we are today and for joining us as we continue our Thirst For Great journey.

To our shareholders, customers, consumers and partners; thank you for your confidence in Carlsberg Malaysia.

To the Board of Directors, I thank you for wise counsel and insights since my arrival.

Thank you.

Henrik Juel Andersen
Managing Director

Shah Alam
26 March 2014

Management Discussion & Analysis

The five Strategic Levers once again provided us with the strategic framework to drive Carlsberg Malaysia forward as a dynamic brewer with a strong portfolio of international brands as well as one of the crown jewels in Asia. Each lever serves to point us towards the Thirst for Great by inspiring us to create Great People, Great Brands and Great Moments for our consumers, customers and communities.



Consumers, Brands & Innovation

Iconising Carlsberg while nurturing the growth of the newly introduced ones to gain greater traction in the market to record positive brand equity in the minds of consumers.



Customers

The New Generation Distribution Model has been effective in streamlining and increasing coverage by transforming the distributors' sales forces into strategic partners in order to provide our customers with better service, while the coverage of active buying accounts improved.



People

We focused on capability building and people in order to build a solid foundation for a strong succession pipeline, which includes developing a framework to guide the learning journey of an employee in Carlsberg Malaysia.



Effectiveness & Efficiency

Continuous improvement in effectiveness and efficiency encompasses throughout the entire value chain, from fundamentals such as cost reduction and cash flow management to effective brand investment and network optimisation.



Society & Reputation

We continued to invest in the areas of education, environment and sports as part of our commitment to go beyond profits and strive to become a good corporate citizen, while delivering sustainable growth; which will be the basis for the charitable foundation being set up to undertake the Company's community projects.



Consumers, Brands and Innovation

Rewarding and Engaging Consumers With Our Multi-brand Portfolio

2013 saw Carlsberg Malaysia's portfolio of brands, especially the newly introduced ones, gain greater traction in the market and record positive brand equity in the minds of consumers.

Although consumer spending during the period under review was softened, our dynamic portfolio of brands has the range to cater for consumers of different palates and for every occasion as well as for any level of enjoyment, which enabled us to successfully engage with our target consumers and reward them unique drinking experiences while enhancing our brand affiliation.

Building on our multi-brand portfolio strategy that is working well for both the Malaysia and Singapore markets, we continued to invest significantly in iconising our crown jewel, Carlsberg, through various brand building platforms, while boosting the demand and distribution of our premium portfolio of brands.

Carlsberg has maintained its leadership position in consumer recruitment, engagement and reward programmes while our premium beer Asahi Super Dry and super premium beer Kronenbourg 1664 and Kronenbourg Blanc are performing according to targets.

Meanwhile, Somersby Apple Cider exceeded expectations and is currently the leading cider brand in Malaysia and Singapore.

Iconising Carlsberg

Malaysian consumers are savvy and discerning when it comes to the taste and quality of drinks and as such, we are pleased to see that our flagship brand, Carlsberg, continues to be the most preferred and truly loved beer brand in Malaysia.

It continues to perform well according to plan and remains a strong contributor to our performance in the mainstream segment.

Testimony to Carlsberg's brand health, taste and quality was the Gold it won for the 15th consecutive year at the prestigious Reader's Digest Trusted Brand Awards, defending its position as the most preferred beer in Malaysia. No other alcohol brand has to date ever earned the trust of the nation's consumers for as many consecutive years since the awards were launched in 1999.

Carlsberg marked yet another historical milestone when it became the only beer brand to win Gold four years in a row at the Putra Brand Awards, which also earned it the honour of now being a Putra Brand Icon.

Carlsberg's market leadership position was complemented by its global sponsorship of the Barclays Premier League as well as international events such as the Maybank Malaysian Golf Open, HSBC Cobra 10s and the effective consumer recruitment brand activation platform Carlsberg's 'Where's The Party?' which is the most anticipated and talked-about party on the social calendar for Malaysian youth.

The continuous push to iconise Carlsberg was again manifested with yet another innovative Chinese New Year campaign that featured a majestic, one-of-a-kind 16 foot Carlsberg's 'Tree of Abundance', symbolising an abundance of wealth, positivity and good fortune for consumers through an integrated marketing campaign.

The Carlsberg's 'Tree of Abundance' paved a trail of good fortune and prizes for lucky consumers when it was taken on the 'Golden Entourage'

roadshow, which included stops at two temple fair carnivals in Butterworth and Ipoh as well as a Chingay procession in Johor where it made a huge impact. Sponsored for the fifth consecutive year, the Temple Fair was another resounding success, where the magnificent Carlsberg's 'Tree of Abundance' took centre stage and drew an enormous queue of consumers who waited to try their luck at the wishing well. Carlsberg's 'Tree of Abundance' was so unique that it won a listing as the 'Tallest Mechanical Tree of Abundance' Replica in the Malaysia Book of Records.

Another iconic activation was the epic Carlsberg's 'Where's The Party?' event, which returned for a fourth time in 2013. Offering partygoers an exclusive, epic and ultimate party experience, Carlsberg called on its fans to be bold and step up to the unknown by trusting the party organiser to transport them to an unknown location with unknown entertainment.

Clueless about the venue when registering for the party, 3,000 partygoers from Malaysia and Singapore arrived at the party ground, held in a cavernous hall of the country's largest exhibition parks where they were greeted by Carlsberg ambassadors in cabin crew inspired uniforms against the backdrop of a rare Antonov airplane branded by Carlsberg. Celebrity hosts Joey G and Patricia K took everyone through a night of edgy dance music as well as performances by acts from Australia, Korea and Germany.

Carlsberg then threw a big surprise by rewarding 10 fans with money cannot buy invites to the global Carlsberg's 'Where's the Party?' held in Stockholm, Sweden featuring none other than the world famous DJ Axwell, formerly of Swedish House Mafia.



Consumers, Brands and Innovation

Rewarding and Engaging Consumers With Our Multi-brand Portfolio

Another spectacular success was the Carlsberg Malaysia Oktoberfest campaign where over 20,000 beer lovers enjoyed a truly authentic beer festival with the country's most loved beer, Carlsberg, along with three other Bavarian beers – Erdinger, Franziskaner and Lowenbrau – at numerous Oktoberfest Oom-Pa-Pah party activations. A 12 ft alpine longhorn flown in from Germany added melody and authenticity to the stage performance and earned itself a listing as the “Longest Oktoberfest longhorn presented” in the Malaysia Book of Records.

Over 15,000 litres of Carlsberg, Lowenbrau, Franziskaner and Erdinger beer was sold during the 3-week long consumer promotion and at activation parties that featured Oom-Pa-Pah bands, dirndl girls, collectible beer steins and merchandise. The beer festival celebration was made even bigger, better and more engaging with an greater line-up of partnership that included 1 Utama Shopping Centre, Mercedes Benz Malaysia and other co-partners.

Focusing on Football through Barclays Premier League and Liverpool FC partnerships

2013 saw Carlsberg entrenching its association with football by becoming the official beer sponsor of the Barclays Premier League (BPL) for the next three seasons from 2013/14 to 2015/16.

The partnership, which reinforces Carlsberg's passion and long-established association with football, will enrich the local BPL experience with consumer activations and activities such as sending football fans to experience all-expenses-paid trips to the UK to watch live matches of their choice.

In 2013, 10 lucky consumers won trips to watch their favourite team playing at the iconic stadiums in Arsenal and Liverpool. Upon arriving at the airports, they were chauffeured to trendy hotels, dined on meals befitting a football legend and pampered like VIPs with access to the private

Carlsberg VIP Hospitality Lounge to not only watch the football match in style but also meet football legends over a Carlsberg.

Carlsberg is able to deliver that ultimate football experience because the BPL partnership gives it access to all 20 football club stadiums. All Carlsberg consumers stand a fair chance to enjoy the privileges by participating in Carlsberg BPL campaigns or be rewarded with limited edition Carlsberg BPL football merchandise where promotions, contests and activations are held.

Malaysian fans can also show their support for their favourite BPL clubs as well as share their favourite football moments with the free Carlsberg ‘Striker’ mobile application, which is available from the Apple and Google Play stores. The app measures the mood of every team's fans based on an advanced algorithm that uses real-time Twitter hashtags and conversations to generate a highly relevant and unique feed for each user.

On the local front, hundreds of Carlsberg and football fans got a taste of the power of Carlsberg's association with international football when they got to meet 27 English Premier League football legends who were brought on a whirlwind bar-hopping ‘Meet The Fans’ spree throughout the Klang Valley.

2013 also saw Carlsberg celebrating its 21 years of partnership with the Liverpool Football Club (FC) by announcing a three-year extension to the long-term sponsorship. Already the longest serving partnership of any BPL club, Carlsberg's extension ensures that Liverpool FC will not walk alone at least until the end of the 2015/16 season. Carlsberg was Liverpool FC's shirt sponsor for 17 years, until 2010 when it became the Reds' official beer partner.





Consumers, Brands and Innovation

Rewarding and Engaging Consumers With Our Multi-brand Portfolio

Championing the Development of Amateur Golf

For Carlsberg consumers who are avid golfers, the country's biggest and longest running amateur golf tournament, the Carlsberg Golf Classic, celebrated its 20th anniversary with Malaysia's top professional golfer, Danny Chia as the ambassador. The golf tournament for amateurs also received the "2012 Outstanding Contribution to Golf" award from ParGolf magazine for its 20 years of contribution to the development of golf.

The Carlsberg Golf Classic National Finals playoff saw 80 gross and nett winners at local club level battling for the championship titles at the Palm Garden Golf Club which was the grand finale of the tournament that was held over six months at 40 exclusive golf clubs in Peninsula and East Malaysia.

It attracted approximately 5,000 golfers from 14 golf clubs in the Klang Valley, five from Penang, 16 from Putrajaya, Melaka and Johor, as well as four from Sabah and one from Sarawak.

Showing their wholehearted support for the much-touted tournament was a stellar line-up of sponsors including Mercedes Benz, Liberty Golf Services, Ogawa, Titoni, FJ, Berjaya, Callaway, Panasonic, ParGolf, Gatorade, K's Island Golf Academy, JNG and Sunplay.

Continuing its association with golf in 2013, Carlsberg returned for the eighth year as the main sponsor of the Maybank Malaysian Open, which for the first time included the Mercedes Trophy Tournament and Maxis Golf Challenge tournament from the sponsors.

Hitting The Blue-Eye

Over in East Malaysia, the Carlsberg Darts Championship returned for the third consecutive year in a bigger

scale with club championships held at 17 locations offering a cash prize of RM30,000. It scored a resounding success as there was an increase in the number of participants and sales achieved throughout the campaign period were significant. In addition, Carlsberg was also the official beer of the inaugural Malaysian Soft Darts Open and Kuala Lumpur Darts Open.

Scoring With Other Games

For the second consecutive year, Carlsberg partnered with Selangor Turf Club to sponsor the Carlsberg Challenge Series horse racing cup that offered a total prize of RM495,000. On a smaller scale, Carlsberg continue to sponsor the Subang Basketball Competition, marking year 2013 as its 10th year of sponsorship.





Gaining Value Share through Premium Brands

The premium portfolio brands that were introduced as part of the strategy to drive growth and engage an increasingly sophisticated and discerning market are now at a stage where we are investing to strengthen the brand equity.

This will allow us to build on the strong traction they have established in the market to ensure their long-term success.

2013 saw our premium portfolio record significant improvements throughout the value chain, from freshness, packaging and distribution to a wide range of consumer promotions and engaging activations.



Consumers, Brands and Innovation

Rewarding and Engaging Consumers With Our Multi-brand Portfolio

Asahi Super Dry dominates the clubbing scene

Japan's No. 1 global premium beer brand, Asahi Super Dry, saw its volume outperform the premium beer segment with strong double-digit growth in 2013.

It recorded a 99% brand awareness level amongst the premium beer drinkers, after just a year and a half in the Malaysian premium beer market.

Asahi Super Dry took part as the official beer sponsor of the much awaited electronic music group Swedish House Mafia's 'One Last Tour' concert where some 20,000 music fans attended the farewell tour.

Subsequently, Asahi Super Dry was also the official beer sponsor for the region's largest music festival, Future Music Festival Asia 2013, where over 55,000 people enjoyed the two-day festival with well known international acts like DJ Armin Van Buuren, PSY, Rita Ora, Fun Bloc Party and Prodigy.

The brand continued to elevate its clubbing and partying credentials through sponsorship of the Danish Berlin #musiclife World Tour, Music Conference Asia, trance queen Emma Hewitt's concert and many other major events in Malaysia.

Asahi Super Dry kept the clubbing scene going with its Club Asahi party series, which transformed dance clubs into party grounds and transported partygoers from local party scenes to the "Miami" and "Moscow" clubbing ambiance filled with electronic dance music and energy. Asahi Super Dry also collaborated with a group of established and promising local DJs to build the local dance music scene and gave urban party goers another reason to return to the dance floor with the Super Dry Allstars Tour.

Pairing Brunch With Somersby Apple Cider

Since its introduction in July 2012, Somersby Apple Cider has been performing above expectations and enjoyed solid growth in market share. Within 6 months of launch, Somersby Apple Cider overtook other cider brands and led the category in off-trade and has since been dominating the category to be the leading and fastest growing cider brand in Malaysia.

Riding on the success in West Malaysia, Somersby Apple Cider made its official debut in East Malaysia in 2013. With growing demand for its naturally sweetened, refreshing taste, Somersby Apple Cider has tremendous potential to grow further.

On St. Valentine's Day, the naturally sweet and fruity cider brought couples together with the launch of a month

long 'Have a Threesome' campaign via Facebook, which resulted in a phenomenal 60% increase of 'Likes'.

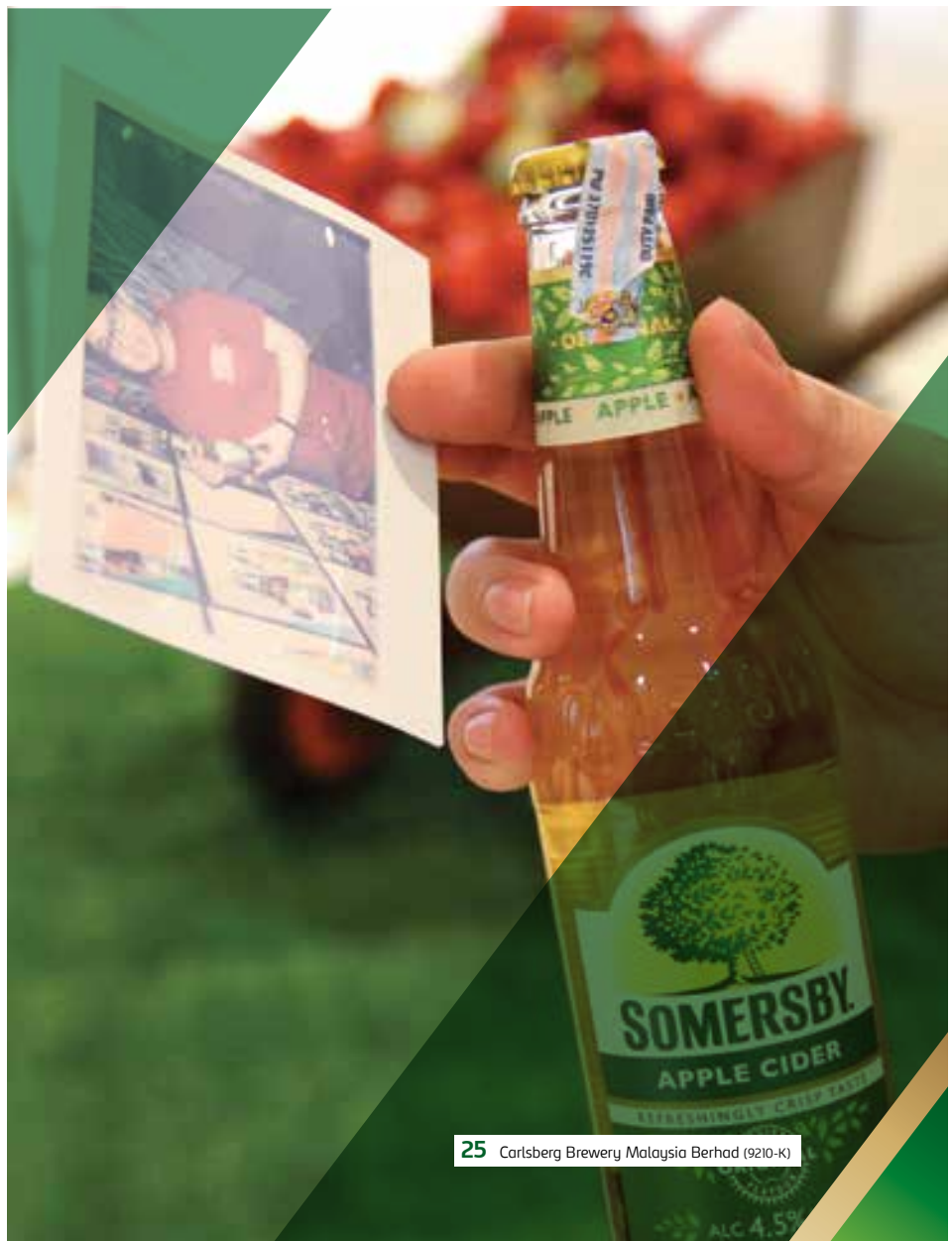
Somersby Apple Cider also got consumers laughing as the official cider of the inaugural 'PJ Laugh Fest' as well as refreshing them at sampling activities in retail outlets throughout Malaysia.

As part of the Somersby Apple Cider's initiative to create new consumption occasions, the country's leading cider brand introduced the Somersby Brunch Club concept that engaged consumers with fun, games and specially prepared dishes, hosted by celebrities. Four Somersby Brunch Club sessions were rolled out in 2013, with each one offering tantalising dishes that were selected to specially pair with the refreshing cider, as well as games and music for an unforgettable brunch experience.

In the spirit of giving, Somersby Apple Cider led a charitable movement during Christmas and received overwhelming response. Consumers were encouraged to purchase a book at RM10 and exchange it for a bottle of Somersby Apple Cider. A total of 1,141 books and more than RM12,000 worth of book vouchers were sponsored for underprivileged children through the 'Books for Cider' campaign over a two-week period. Consumer engagement activities like lucky draw and sampling were activated throughout the campaign.



Management Team



Consumers, Brands and Innovation

Rewarding and Engaging Consumers With Our Multi-brand Portfolio

Styling for International Fashion With Kronenbourg 1664

France's No. 1 super premium brand Kronenbourg 1664 reinforced its premium association with prestige and French pleasure throughout the year with its presence and support of fashion, lifestyle and culinary events.

Its signature brand-building platform, Kronenbourg 1664 L'Aperitif Fashion, carried the theme 'French Masterpieces' for the 2013 competition, successfully attracting over hundreds of entries. While creating support for the development of local fashion scene and budding designers, the premium brand offered the winner a 3-month internship at a top fashion house in London, recommended and monitored by world renowned shoemaker Datuk Professor Dr. Jimmy Choo O.B.E.

After a 7-month long process, from entry submission, public voting, short-listing, design conceptualisation, creating the outfit, to fitting, hairdo and selecting models for the runway, Ellie Lim Mei Li emerged as winner and won a 3-month internship with world acclaimed fashion designer Nicolas Georgiou in London.

Known as the Champagne of beers, Kronenbourg 1664 and Kronenbourg Blanc participated in the 2013 Malaysian International Gourmet Festival as the official beverage sponsor for the third consecutive year. Its partnership with the festival enabled the brand to offer an exquisite

drinking experience to discerning drinkers along with innovative food and beer pairing experiences at Kronenbourg 1664 affiliated fine dining outlets.

Also, for the third consecutive year, Kronenbourg 1664 was the official beer sponsor of the BMW Malaysian Open.

The super premium beer brand further drove trial and consumption through engaging consumer promotions that offered winners exclusive Kronenbourg 1664 branded mini fridges, Eiffel Tower flash drives and an all-expense-paid trip to Paris. Sampling activities were conducted at the point of purchase, where Kronenbourg 1664 ambassadors also took the opportunity to educate the discerning drinkers on the heritage of these premium beers which are made using the unique and aromatic Strisselspalt hop, also widely known as the caviar of hops.

Rewarding Stout drinkers with Danish Royal-style

Danish Royal Stout consumers were richly rewarded with the Royal Rewards promotions at coffee shops, hawker centres, food courts, bars and pubs where they could redeem scratch cards for special discounted price as well as win exclusive time pieces.

Art of Pouring A Perfect Pint

Taking the Belgian beer experience to a new level, Stella Artois presented a centuries-old annual event that honours the customer with a 9-Step Pouring Ritual.

Held for the fourth consecutive year, the Malaysian finalists from across the nation rendezvoused at Genting International Convention Centre with the winner representing the country at the inaugural Regional World Draught Master in Bangkok, Thailand. Malaysia was awarded "The Best Performing Country" with one contestant representing Malaysia in the 2014 Stella Artois World Draught Masters, Cannes, France.

Inspired by more than 600 years of brewing tradition, this annual competition encourages staff training and development in the art of delivering a superior beer experience to consumers while celebrating the sophisticated elegance in pouring skill to create the ultimate "She Is The Thing of Beauty" - a perfect Chalice of Stella Artois.

Bringing Friends Together At A Hoegaarden Party

Hoegaarden brought back its much-anticipated Facebook photo contest with the promise of another awesome friend get-together party called "Hoegaarden Win A Party".

Consumers of the Belgian wheat beer snapped and uploaded photos of their most jovial and creative moments with the beer to win loads of prizes, including three Grand Prizes for the ultimate Hoegaarden Party for a group of 10 people at Thistle Hotel, Port Dickson, Negeri Sembilan.

By the end of 2013 Hoegaarden achieved a Malaysia fan base following of 118,000.

Experiencing the Road to Wembley & Made for Music programme With Budweiser

Budweiser, the Great American Lager realised the dreams of eight Malaysian football players at the Global Bud Cup 2013 at London's Wembley Football Club in conjunction with the Budweiser sponsored FA cup Finals.

The Budweiser team was selected at a futsal competition in Kuala Lumpur by the legendary Datuk Soh Chin Ann who was also their coach. The Malaysia Bud Cup team also had the opportunity to watch the FA cup final live at Wembley stadium.

World renowned superstar Rihanna made her way to Asia for her most awaited Diamonds World Tour concert which kick started in Macau on 13 September. Jumping on to this glittery act, the Budweiser 'Made For Music' programme flew a total of six lucky Malaysian fans to watch her live in Macau!

Refreshing Meaningful Moments with Corona

Corona Extra is the leading brand in Mexico and the number one imported beer in the USA. It is also the fourth most valuable brand in the world, and the most popular Mexican beer worldwide.

In conjunction with its worldwide campaign of 'Let The World Wait', Corona rallied beer lovers to live more refreshing meaningful moments. Let The World Wait reinforced the Corona philosophy of a real and simple way of life by romanticising the beach, glorifying the bottle and showing people what the Corona moment is all about.

The activation sent 25 lucky pairs of consumers on an all-expense paid trip to Koh Samui for some time off their busy schedule to live the refreshing meaningful Corona moments with their friends.

Corona Extra reinvented the weekend and brought the joys of sun, sea and sand right into the heart of the city with Corona Sunset Beach Parties, taking up residence around the best bars in town with promising non-stop action. Corona Extra successfully brought fans an evening of excitement with exuberant energy pulsating through the night.

SKOL get a new samba suit

SKOL, the European brew with a Brazilian soul, received a makeover in April 2103 with a splash of fresh samba colours and passion.

The new packaging was unveiled in the company of brand ambassador Dani Maia, a Brazilian model and swimwear designer, and was very well accepted by our loyal consumers. SKOL achieved double-digit growth in 2013, and saw its distribution expanded positively over the past 12 months.







Customers

Getting Thirsty With Our Customers

The Next Generation Distribution Model was fully implemented in all regions in 2013. By transforming our distributors into our strategic partners, this creates a better ecosystem to integrate our sales employees and distributors.

We have effectively improved our route-to-market which has translated into improved service levels, speed to execution in market and expanded distribution coverage. Coverage of active buying accounts continued to improve in 2013 and we also saw fresher products being served to our consumers nationwide.

Meanwhile, Malaysia became the second country after Singapore to

embark on the Value Management journey to drive better value growth in addition to volume growth. Focusing on three key levers being Pricing, Assortment and Promotion, we capitalised on the opportunities to optimise value from our commercial activities in the market, enabling us to increase profits despite the general slowdown in consumer spending.

We also worked closely with both on-trade and off-trade customers throughout 2013 via our key account management excellence model and successfully rolled out and amplified various brand activities together to drive growth.





People
The Thirst For Great People

In 2013, we focused on capability building and development in order to build a solid foundation for a strong succession pipeline.

This included the development of a holistic Learning & Development framework to provide clarity on the learning journey of an employee in Carlsberg Malaysia.

A series of regional leadership development offerings were also put in place such as the Carlsberg Asia-Africa Development Initiative (CAADI), Situational Leadership II and the Carlsberg Project Management Methodology. In addition, the Carlsberg Business Simulation program was also successfully conducted for the second consecutive year. This team-based online simulation focused on building general management capabilities amongst its participants.

The Carlsberg Global Leadership Competencies, designed to continually propagate a shared culture and value system that provides a common understanding of how we want our leaders to act and what they should be striving for in Carlsberg, was also rolled out.

It comprises a set of eight Leadership Competencies that reflect Carlsberg's vision, mission and culture; directly linked to the Winning Behaviours and the Strategy Wheel as they describe the abilities, skills, attitudes and knowledge in the form of attributes that are needed to bring the Winning Behaviours to life in day-to-day business.

Hand-in-hand with leadership development was the continuous upskilling of functional competencies through the Carlsberg Sales Academy, which was expanded to East Malaysia in 2013, that provides Sales Training to our sales teams as well as those from our distributors.

In 2013, some 110 Sales Executives and Representatives (SE/SRs) in West Malaysia were trained while about 23 SE/SRs and 20 distributor van salesmen from East Malaysia were also enrolled and completed their programmes.

The continuous journey to build Great People, Great Brands and Great Moments was also seen in the Thirst for Great Hour, which is a staff engagement platform that serves as a forum to communicate organisation-wide initiatives and happenings to all staff.

The Thirst for Great Hour was held once each quarter in conjunction with various events such as the launch of Carlsberg's sponsorship of Barclays Premier League, introduction of SKOL's new packaging and the visit by Carlsberg Group CEO, Mr. Jørgen Buhl Rasmussen together with the year-end campaign for Somersby Apple Cider.

Meanwhile, the MyVoice employee engagement survey was also successfully rolled out with 100% participation rate. Employees were also given the opportunity to comment in MyVoice 2013 on what they felt strongly about, which provided valuable insights on their pertinent concerns.

The overall results were very encouraging with strong Engagement scores being achieved, where 5 of the dimensions obtained scores above 70%.

Following through from the new Performance Management System introduced in 2012, 2013 was the year where we continued to embed the performance-driven culture and the new performance bonus scheme based on the philosophy of pay-for-performance. The scheme drives high performance by having a differentiated rewards mechanism that focuses on both outcomes as well as the right set of behaviours in the delivery of outcomes.



Effectiveness & Efficiency

The Thirst For Effectiveness & Efficiency



The continuous thirst to improve effectiveness and efficiency encompasses the entire value chain of the Company, from fundamentals such as cost reduction and cash flow management to effective brand investment and network optimisation.

LEAN (L-ess Waste, E-fficiency, A-gile, N-eat & Tidy) played a significant role in 2013, especially in improving the performance of the supply chain.

Two new work streams, that is Autonomous Maintenance and Focused Improvements, were implemented to work on machines and the necessary action to ensure higher uptime and predictive maintenance.

This has already reduced breakdown and maintenance downtime from 32% to 20%, with the new LEAN Autonomous Maintenance work stream significantly reducing the

number of machine breakdown minutes. This achievement is reflected in the higher Overall Equipment Effectiveness and daily throughput.

With the Thirst For Great being inculcated in how we operate, the culture of Kaizen and 5S continued in 2013 to drive how we operate and set new performance benchmarks through Continuous Improvement and LEAN (CI-LEAN).

By practicing CI-LEAN, Overall Equipment Effectiveness improved by at least 5% in 2013 on all lines, while capacity also improved by a total of 150,000HL extra per year.

Non-material cost targets were also achieved without any budget increase in 2013 despite inflationary increases of salaries, purchase consumables and parts.

Savings were realised from the areas of reduced overtime, higher throughputs and reduced operational weekends that positively impacted energy, water and electricity usage.

In 2013, Carlsberg Malaysia was the first in the country to begin using 202 diameter (52 mm) can ends instead of the standard 206 diameter (57 mm), which resulted in significant cost savings in the material cost as a result of the smaller lids.

By increasing the capacity of our lines, we are now also able to react faster to volume and stock-keeping unit (SKU) changes while daily volume output has increased which had the positive effect of reducing overtime.

Meanwhile, a new keg tracking system now allows us to track keg return rates and make informed decisions about new capital expenditure in this area.





Society and Reputation
Sustaining Our Business Through Greatly Responsible Actions

In 2013, we continued to invest in the areas of education, environment and sports as part of our commitment to go beyond profits and strive to become a good corporate citizen, while delivering sustainable growth.

To allow us to carry out our social responsibility initiatives more effectively, the Board took the decision to set up a charitable foundation to undertake the Company's community projects. The foundation, which is expected to be operational in 2014 and currently going through the statutory and regulatory processes, will allow us to expand our efforts and reach even more communities that are in need.

In the meantime, our on-going fundraising programmes continued to raise funds for schools and this included our flagship Top Ten charity campaign; the longest running and highest fundraising Chinese charity show in Malaysia, which raised RM22 million for the benefit of eight schools in the peninsular Malaysia while the "I Love Chinese Education East Malaysia Charity Concert 2013" (EMCC) returned with a bang to raise more than RM3.6 million for six schools in East Malaysia.



Responsible Drinking

At Carlsberg Malaysia, we brew, promote and sell beer while ensuring our consumers are informed of the importance of responsible consumption. We have been actively engaging with our consumers and employees on our stands on 'Drink Responsibly'. We have cultivated our customers' mindsets to say no to drink driving, binge drinking and underage drinking while emphasising the effects of alcohol.

Employees volunteer themselves to support this programme during non-working hours. The 'Drink Responsibly' campaign is a free public service that Carlsberg Malaysia offers to its customers and customers. Employee ambassadors disseminate information on responsible drinking and highlight the legal limit of alcohol consumption in Malaysia.

Be SAFE
Designate a Driver OR call a cab.

Be in CONTROL
Drink in moderation. Learn to pace your drinks.

Drink SMART
Avoid binge drinking which causes intoxication.

Stick to the AGE LIMIT
Don't consume alcohol if you are UNDER 18.

Carlsberg Malaysia's Stand on 'Drink Responsibly'

Customers are invited to test their alcohol levels using the breathalysers used by the Road Transport Department and Traffic Police. Free personal breathalysers and bottles of mineral water are also distributed to those taking part in our activities.

Carlsberg Malaysia encourages customers to call a cab if their alcohol levels have exceeded the legal limits. A pool of female taxi drivers are made available to take our female employees home for additional safety.

In 2013, the Drink Responsibly activation was deployed during:

- Carlsberg Malaysia Oktoberfest campaign
- Club Asahi – Moscow in KL and Club Asahi – Miami in Penang
- Harvest Festival in Sabah
- Carlsberg’s ‘Where’s the Party?’ in Serdang

During the activation, 20 employees volunteered as Drink Responsibly ambassadors to promote the importance of party safe, drink in moderation and no drink and drive.

To encourage our employees to adopt the mindset and behaviours of responsible drinking, we revised the guidelines of beer consumption at the Visitors’ Lounge. During off-working hours on weekdays, employees who visit the Visitors’ Lounge are required to register and can consume a maximum of two beers per visit within the visiting hours. This is carried out on self-discipline basis and monitored by the Brewery Publicity Officer. Those planning to consume more than two beers on a Friday are encouraged to car pool or travel by taxi.

Integrating CSR throughout the entire value chain

Integrating Corporate Social Responsibility (CSR) throughout the entire value chain continued to be a focus for the Company and this has helped us identify areas in which we were able to reduce our impact on the environment.

Carlsberg Malaysia was among the 57 Carlsberg markets worldwide to switch off non-essential lights in the brewery, winning the “Earth Hour Award” by Regional Office for the best initiatives undertaken among seven markets in Asia region.

A number of energy conservation initiatives were implemented in 2013:

1. The upgrading of Cooling Plant 1 was completed, which is more energy efficient. New cooling compressors with Variable Speed Drive (VSD) were installed, which regulate according to the required cooling load. These replaced all aging and inefficient piston compressors.
2. VSDs were also installed on Air Compressors that regulate according to load demand. These are more energy efficient and use less electricity.
3. Variable Frequency Drive and energy efficient motors have been installed on some Cooling Tower pumps to improve efficiency and reduce electricity usage.
4. An economiser has been installed on one boiler to use the wasted heat from the boiler stack, which reduces gas intake and thermal energy requirements. For further improvement, some of the redundant hot water/steam pipes in the boiler area were removed to reduce heat loss.

5. Continued optimising the anaerobic reactor’s operation in the Waste Water Treatment Plant with optimal organic loading to maximise biogas generation. Biogas is used as a renewable energy source for the boiler, which accounts for almost 12 percent of boiler fuel.

In addition to the internal programmes, Carlsberg Malaysia rolled out a CSR assessment programme for key suppliers, in collaboration with the Danish Embassy in Malaysia. The initial phase saw three suppliers being assessed in 2013, which included our foreign worker management agency, to ensure compliance with the local law and Carlsberg Labour & Human Right policy; as well as our aluminium can and packaging material suppliers.

The initiative has not only helped us to understand the operations of our suppliers better, it has also helped them to develop programmes to enhance our overall CSR commitment. Carlsberg Malaysia will be assessing more suppliers in 2014 while continuing to monitor the CSR performance of those who have already been assessed.

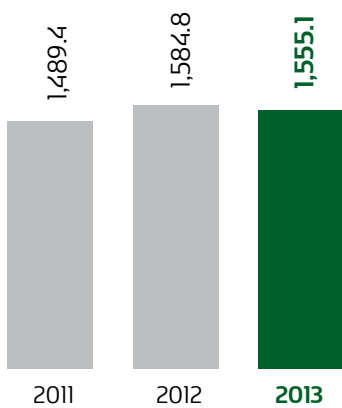
To further help us increase our level of disclosure and accuracy in reporting of our 2013 CSR activities, Carlsberg Malaysia adopted the Global Reporting Initiative (GRI) guidelines, with the framework covering four main areas - community, environment, marketplace and workplace, which corresponds to our key CSR policies of Labour and Human Rights, Marketing Communications, Health and Safety, Business Ethics, Community Engagement and Environment.

Detailed information on our community engagements and CSR activities in 2013 can be found in our separate Corporate Social Responsibility report.

Financial Summary

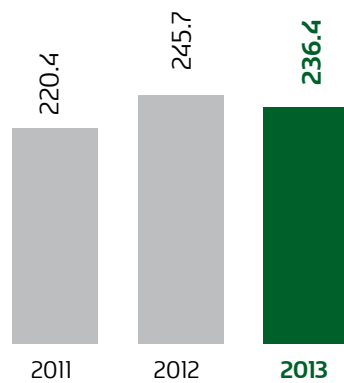
REVENUE

(RM Million)



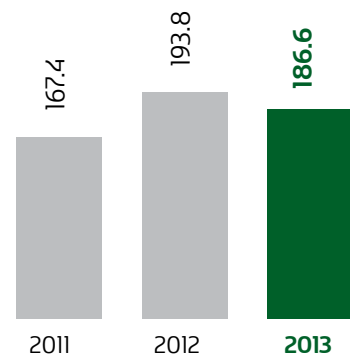
PROFIT BEFORE TAX

(RM Million)



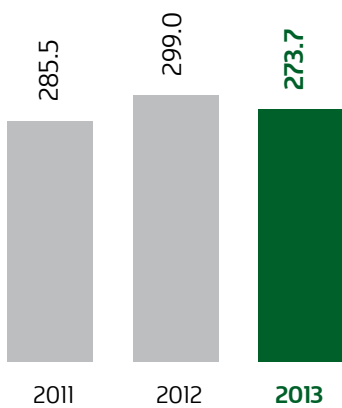
PROFIT AFTER TAX

(RM Million)



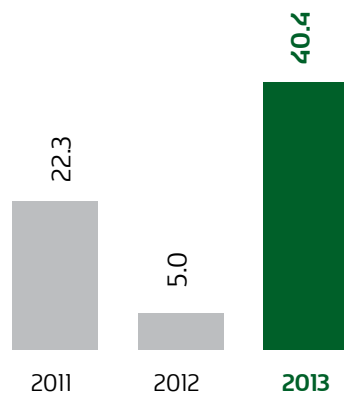
SHAREHOLDERS' FUND

(RM Million)



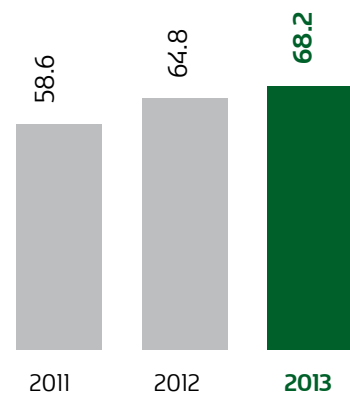
TOTAL BORROWING

(RM Million)



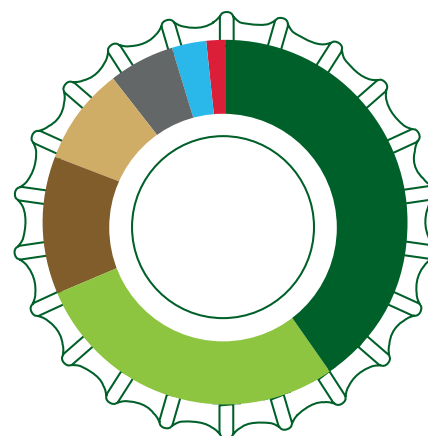
RETURN ON SHAREHOLDERS' EQUITY

(%)



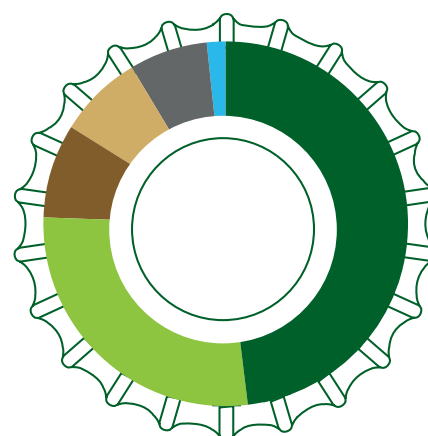
ANALYSIS OF 2013 GROUP REVENUE

<p>■ Excise & Customs Duties 2012 40.7% 2013 40.5%</p>	<p>■ Raw & Packaging Materials Costs 2012 8.3% 2013 8.8%</p>
<p>■ Sales, Distribution, Administration & Other Costs 2012 28.8% 2013 28.3%</p>	<p>■ Staff Costs 2012 5.4% 2013 5.6%</p>
<p>■ Profit After Tax 2012 12.2% 2013 12.0%</p>	<p>■ Taxation 2012 3.2% 2013 3.2%</p>
	<p>■ Depreciation 2012 1.4% 2013 1.6%</p>



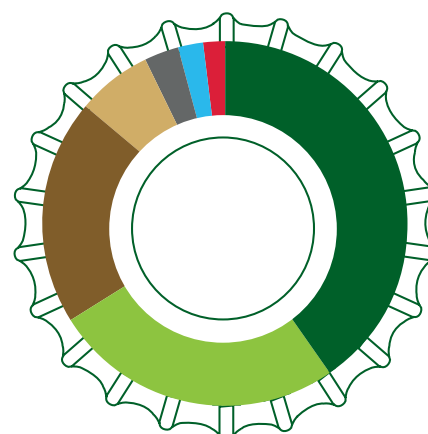
ANALYSIS OF 2013 TOTAL ASSETS

<p>■ Receivables, Deposits and Prepayments 2012 45.8% 2013 48.2%</p>	<p>■ Cash and Cash Equivalents 2012 10.2% 2013 7.4%</p>
<p>■ Property, Plant and Equipment 2012 27.8% 2013 27.6%</p>	<p>■ Investments 2012 6.1% 2013 6.9%</p>
<p>■ Inventories 2012 8.2% 2013 8.3%</p>	<p>■ Intangible Assets 2012 1.6% 2013 1.6%</p>
	<p>■ Other Assets 2012 0.3% 2013 0.0%</p>



ANALYSIS OF 2013 TOTAL LIABILITIES & SHAREHOLDERS EQUITY

<p>■ Payables and Accruals 2012 38.3% 2013 40.4%</p>	<p>■ Loans and Borrowings 2012 0.9% 2013 6.8%</p>
<p>■ Share Capital 2012 27.0% 2013 25.8%</p>	<p>■ Deferred Tax Liabilities 2012 3.6% 2013 2.9%</p>
<p>■ Reserves 2012 25.5% 2013 20.0%</p>	<p>■ Current Tax Liabilities 2012 3.3% 2013 2.3%</p>
	<p>■ Minority Interest 2012 1.4% 2013 1.8%</p>



STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (RM - MILLION)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Revenue	796.7	867.2	929.7	897.5	960.2	1,045.5	1,368.2	1,489.4	1,584.8	1,555.1
Profit Before Tax	113.3	112.4	110.4	97.7	101.3	102.6	176.5	220.4	245.7	236.4
Taxation	24.6	23.7	24.5	19.2	25.2	25.9	42.4	53.0	51.9	49.8
Profit After Tax	88.7	88.7	85.9	78.5	76.1	76.7	134.1	167.4	193.8	186.6
Dividends	98.8	110.1	86.8	82.6	79.2	28.7	58.5	127.3	171.6	192.6
Retained Earnings	(10.1)	(21.4)	(0.9)	(4.1)	(3.1)	48.0	75.6	40.1	22.2	(6.0)

STATEMENTS OF FINANCIAL POSITION (RM - MILLION)

	2004	2005	2006	2007	2008	2009	2010	Restated 2011	2012	2013
Issued and Paid-up Share Capital	142.0	142.0	142.0	142.0	142.0	142.0	142.0	142.0	142.0	142.0
Retained Earnings	345.7	324.2	323.3	319.1	316.0	363.5	91.5	130.4	148.7	140.0
Put Option Reserve	-	-	-	-	-	-	-	-	-	(20.1)
Non-Distributable Reserves	12.8	13.7	11.2	10.1	10.1	9.3	11.8	13.0	8.3	11.8
Shareholders' Fund	500.5	479.9	476.5	471.2	468.1	514.8	245.3	285.4	299.0	273.7
Deferred Taxation	22.9	22.6	22.4	19.6	17.2	72.3	16.5	18.3	19.8	17.1
Minority Interest	-	-	-	-	1.2	1.8	2.7	3.9	7.8	10.5
	523.4	502.5	498.9	490.8	486.5	588.9	264.5	307.6	326.6	301.3
Property, Plant, Equipment and Intangible Assets (Net Book Value)	176.7	169.6	160.7	158.1	156.4	521.5	152.3	158.6	168.2	174.3
Investment in Associated Company	15.6	18.0	14.8	13.8	13.9	24.3	26.3	33.4	34.7	40.9
Long Term Investment	1.7	-	-	-	-	-	-	-	-	-
Net Current Assets	329.4	314.9	323.4	318.9	316.2	43.1	85.9	115.6	123.7	86.1
	523.4	502.5	498.9	490.8	486.5	588.9	264.5	307.6	326.6	301.3

FINANCIAL RATIO

	2004	2005	2006	2007	2008	2009	Restated		2012	2013
							2010	2011		
Pre-Tax Earnings per shares (RM)* #	0.37	0.37	0.36	0.32	0.33	0.34	0.58	0.72	0.80	0.77
Post-Tax Earnings per shares (RM)* #	0.29	0.29	0.28	0.26	0.25	0.25	0.44	0.55	0.63	0.61
Net Dividend per ordinary share (RM) #	0.32	0.36	0.28	0.27	0.26	0.09	0.19	0.42	0.56	0.63
Net Assets Backing per share (RM)* #	1.64	1.57	1.56	1.54	1.53	1.68	0.80	0.93	0.98	0.90
Dividend Cover, No. of Times (Based on post-tax earnings)	0.90	0.81	0.99	0.95	0.96	2.67	2.29	1.32	1.13	0.97
Return on Shareholders' Fund (%)	17.7	18.5	18.0	16.7	16.3	14.9	54.7	58.6	64.8	68.2
Current Ratio	5.5	4.6	4.5	4.1	3.2	1.1	1.3	1.5	1.5	1.3
Bursa Securities Price at 31 December (RM)#	5.30	5.35	5.10	4.24	3.60	4.54	6.32	8.54	12.52	12.18
Net Dividend Yield (%) ^	6.0	6.7	5.6	6.4	7.2	2.1	3.0	4.9	4.5	5.2

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

For comparison purposes figures prior to 2005 were adjusted based on RM0.50 per share.

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

FIVE YEAR DIVIDEND PAYMENT AS % OF PROFIT AFTER TAX

	2009 RM'000	2010 RM'000	2011 RM'000	2012 RM'000	2013 RM'000
Group Profit After Tax	76,725	134,123	167,380	193,753	186,620
Net Dividend Amount Declared and Proposed for the year	52,742	133,000	167,779	192,621	186,506
Net Dividend Payment as % of Profit After Tax	68.7%	99.2%	100.2%	99.4%	99.9%

Brand Portfolio

WE WILL CONTINUE TO FOCUS ON BUILDING A WINNING BRAND PORTFOLIO THAT MEETS ALL CONSUMER NEEDS AND CAPITALISES ON OPPORTUNITIES IN THE MARKET, ESPECIALLY IN THE PREMIUM MARKET SEGMENT.



Danish Royal Stout is a full-bodied stout with 8% alcohol content to bring out the best aroma and taste.



Somersby Apple Cider is a refreshing cider with a uniquely juicy apple flavour.



Kronenbourg Blanc,

the wheat beer variant of Kronenbourg 1664, is cloudy with a fruity and refreshing taste and presented in a contemporary blue bottle.



Carlsberg,

the most preferred beer brand in Malaysia, is now enjoyed by consumers in 140 markets.



Kronenbourg 1664,

France's best-selling super premium beer, is specially brewed with aromatic Strisselspalt hops. This elegant beer has a crisp, citrus flavour with a floral aroma.



Asahi Super Dry,

Japan's No. 1 beer brand, is brewed in a unique 'Karakuchi' style to give a clean, crisp and refreshing sensation with no bitter aftertaste.



Budweiser is the official FIFA® World Cup Sponsor and the King of beers.



Stella Artois, the No. 1 Belgian beer in the world, is distributed in over 80 countries worldwide.



Corona, Mexico's leading national brand, is often served with a slice of lime for that refreshing zesty flavour.

Carlsberg Special Brew, a dark golden brew, stands as a quality premium beer in the high alcohol category.





Hoegaarden, the fastest growing imported premium beer in Malaysia, is a naturally cloudy beer made from wheat for that refreshing sensation.



Grimbergen Blonde, a spicy and fruity full-bodied blond, this top-fermented beer has the perfect balance of sweet and bitter notes.



SKOL Super, a full-bodied strong lager, is slightly sweeter with less bitterness and has a strong fruity and floral character.

SKOL, first brewed in 1959, is Brazil's No. 1 beer and available in more than 80 countries worldwide.



Management Team



John Botia

Kenneth Soh Chee Whye

Juliet Yap Swee Hwang

Lew Yoong Fah



Management Team



Henrik Juel Andersen

Gary Tan Sim Huan

Felicia Teh Sook Ching

Kristian Dahl

Management Team Profile

Henrik Juel Andersen

Aged 47, Danish
Managing Director

Mr. Andersen has been with the Carlsberg Group over 20 years. Prior to his appointment as Managing Director of Carlsberg Malaysia in July 2013, Mr. Andersen was the Regional CEO of Carlsberg Indochina, overseeing Vietnam, Thailand, Laos, Cambodia & Myanmar and has held various general management positions for Carlsberg in Vietnam, China and Taiwan.

Lew Yoong Fah

Aged 46, Malaysian
Chief Financial Officer/
Director of Corporate Affairs/
Company Secretary

Mr. Lew has held senior financial positions prior to his appointment as the Chief Financial Officer of Carlsberg Malaysia in January 2010, in companies such as Danone Dumex Malaysia, Philips Electronics Singapore, SSMC (JV Philips) Singapore and Philips Malaysia. He had further expanded his role into corporate affairs in 2012 as the Director of Corporate Affairs of Carlsberg Malaysia.

Gary Tan Sim Huan

Aged 44, Malaysian
Sales Director

Prior to his appointment as Sales Director of Carlsberg Malaysia in August 2009, Mr. Tan spent 14 years in Unilever Malaysia, during which he served as Customer Development Director as well as a Board Director, leading in areas of sales and brand management.

Juliet Yap Swee Hwang

Aged 37, Malaysian
Marketing Director

Ms. Yap joined Carlsberg Malaysia in 2007, heading the Consumer Insights function before assuming the role of Senior Manager-Strategy Development, Innovation & Research in 2008. She was subsequently promoted to Business Development Director in January 2011 to drive the Group's long term strategies and portfolio roadmap. Ms. Yap took over the role as the Marketing Director in February 2013 and is responsible for strategic development of brand portfolio, channel marketing initiatives and product innovation.

Kristian Dahl

Aged 39, Danish
Supply Chain Director

Mr. Dahl has been with the Carlsberg Group since 1999 and has worked as Brewmaster & Supply Chain Specialist in a number of markets including Carlsberg Denmark, Carlsberg UK & Group Supply Chain. Prior to his appointment as Supply Chain Director with Carlsberg Malaysia in March 2012, Mr. Dahl had worked for 5 years as Regional Technical Director in Carlsberg Indochina overseeing the supply chain operations in Vietnam, Cambodia & Laos.

John Botia

Aged 46, British
Managing Director of Carlsberg
Singapore Pte. Ltd.

Mr. Botia has held a wide range of senior Sales, Marketing and HR roles for Scottish & Newcastle, the UK's No. 1 brewer, which he joined after an early career with Unilever. In his role as Managing Director, Mr. Botia oversees all aspects of the Singapore business, including creation and implementation of strategic business and commercial plans that drive sustainable business growth.

Kenneth Soh Chee Whye

Aged 50, Malaysian
General Manager of Luen Heng F & B
Sdn. Bhd.

Mr. Soh began his career in financial consultancy firms Deloitte Kassim Chan & Co. and KPMG, before joining his family business, Luen Heng Agency (LHA) as a Sales and Marketing Director for 15 years, dealing particularly in foreign beverage brands and import-export matters of the food and beverage industry. Subsequent to the joint-venture between Carlsberg Malaysia and LHA in November 2008, a new company called Luen Heng F&B Sdn. Bhd. was formed in which he was appointed as the General Manager.

Felicia Teh Sook Ching

Aged 37, Malaysian
Human Resource Director

Ms. Teh, who joined Carlsberg Malaysia in November 2012, brings with her over 15 years of experience, having transitioned from a business consulting background to a HR generalist. She has worked for companies such as PricewaterhouseCoopers (PwC), HRM Business Consulting, Genting Berhad and most recently AstraZeneca. In her previous role as Human Resource Director at AstraZeneca Malaysia and Singapore, Ms. Teh led key initiatives in talent management, performance management and learning & development to drive a leadership culture in the organisation.

Board of Directors



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



Christopher John Warmoth



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



Henrik Juel Andersen



Roland Arthur Lawrence



Graham James Fewkes



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 73, 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. He is also a trustee of the Ti-Ratana Welfare Society, Standard Chartered Trust Fund and the Malaysian Economic Association Foundation, a Governor of the IACT College and the Chairman of the Malaysia-Singapore Business Council.



Henrik Juel Andersen
Managing Director

Mr. Henrik Juel Andersen, aged 47, a Dane, was appointed to the Board on 7 June 2013 and as Managing Director of Carlsberg Brewery Malaysia Berhad on 1 July 2013.

Mr. Andersen holds an MBA and BBA from Copenhagen Business School. He has been with the Carlsberg Group since 1993 and has held general management positions for Carlsberg in Vietnam, China and Taiwan. He was the Regional CEO of Carlsberg Indochina Ltd. (Thailand) from 2007 to July 2013, overseeing Vietnam, Thailand, Laos, Cambodia and Myanmar. He is now responsible for the South East Asia sub-region comprising Malaysia, Singapore and Carlsberg's interests in Sri Lanka.

Mr. Andersen is the Chairman of the Group's private companies namely Carlsberg Singapore Pte. Ltd. and Luen Heng F & B Sdn. Bhd. He also sits on the Board of Carlsberg Marketing Sdn. Bhd., a wholly owned subsidiary of Carlsberg Brewery Malaysia Berhad, Malaysian Danish Business Council and Lion Brewery (Ceylon) PLC.



Datuk M.R. Gopala Krishnan
C.R.K. Pillai P.J.N., F.C.P.A.
Senior Independent Non-Executive Director
Chairman of Audit Committee
Member of Remuneration Committee
Member of Nomination Committee

Datuk Krishnan, aged 74, 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 was a Committee member of PEMUDAH. Datuk Krishnan is also a Director of the Malaysian Alliance of Corporate Directors.



Christopher John Warmoth
Non-Executive Director

Mr. Christopher John Warmoth, aged 55, a British national, was appointed to the Board on 21 February 2014.

Mr. Chris Warmoth has an MA in Modern History from Oxford University England. He served as Executive Vice President of Asia Pacific Business of H. J. Heinz Co., from July 2008 until June 2013 and had responsibility for its growing businesses across the region including China, Indonesia, Japan, India, Australia and New Zealand. Mr. Chris Warmoth served as a Senior Vice President of Heinz Asia of H. J. Heinz Co. from May 2006 to June, 2008 and Deputy President of Heinz Europe from December 2003 to April 2006.

Prior to working for Heinz, he served as a Director of Business Development and Marketing for the Central and Eastern Europe, Eurasia and Middle East Group of The Coca-Cola Company from December 2001 to December 2003.

Mr. Chris Warmoth served as a Vice President of Fabric Care of Western Europe for Procter & Gamble Co. from July 1999 to November 2001. In previous senior management roles at Procter & Gamble Co., he ran businesses in Europe, the Middle East and the United States. He started his career at Procter & Gamble Co. in marketing in the United Kingdom in 1980.

Mr. Chris Warmoth has been Senior Vice President of Asia Region at Carlsberg A/S since 13 January 2014.



Graham James Fewkes
Non-Executive Director
Member of Audit Committee

Mr. Graham Fewkes, aged 46, a British national, was appointed as the Non-Executive Director of Carlsberg Brewery Malaysia Berhad on 12 March 2009. He is also a member of the Audit Committee.

Mr. Fewkes graduated with BA Honours in History from the University of York (United Kingdom) 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 & Newcastle plc's BBH joint-venture with the Carlsberg Group in Russia and Eastern Europe 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 also a Director of Ceylon Beverage Holdings plc (Sri Lanka), 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.



Roland Arthur Lawrence
Non-Executive Director

Mr. Roland Arthur Lawrence, aged 55, an Australian, was appointed to the Board on 28 August 2012.

Mr. Lawrence is a Fellow Certified Practising Accountant (FCPA) in Australia, has a Master of Enterprise from Melbourne University and a Post-Graduate Diploma in Business from Deakin University in Australia. In Singapore he obtained a Post-Graduate Diploma in Education and BA Hons, from the National University of Singapore.

Mr. Lawrence is currently the Vice President Finance, Asia of Carlsberg Breweries A/S. He is also holds directorships in Carlsberg India Pvt. Ltd., Xinjian JiaNiang Investment Co., Ltd., Dali Beer Co., Ltd., Kunming Huashi Brewery Co., Ltd., Chongqing Jianiang Brewery Co., Ltd., Carlsberg Malawi Brewery Ltd. and Gorkha Brewery (P) Ltd.

He was the SVP and CFO Walmart (China) between 2008 and 2011 in China, in a business with over 100,000 employees and revenues of US\$ 7.5 billion. In Australia he worked mainly for the Coles Myer Group, a company with turnover in excess of AUS\$36 billion. His roles included being the General Manager Group Planning & Finance Coles Group and General Manager Finance Coles Supermarkets.

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.

Statement of Corporate Governance

The Board of Directors is fully committed to ensuring that the highest standards of corporate governance including accountability and transparency are practised 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 on Corporate Governance 2012 ("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 2013.

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 2013, a total of four (4) Board meetings were held as follows:

- 1 Tuesday, 26 February 2013
- 2 Friday, 17 May 2013
- 3 Tuesday, 27 August 2013
- 4 Monday, 18 November 2013

In the intervals between Board meetings, for exceptional matters requiring urgent Board decisions, Board approvals 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
1 Dato' Lim Say Chong (Independent Non Executive Chairman)	4/4
2 Soren Ravn (Managing Director) – Resigned on 1.7.2013	2/2
3 Datuk M.R. Gopala Krishnan C.R.K. Pillai (Senior Independent Non Executive Director)	4/4
4 Graham James Fewkes (Non Executive Director)	4/4
5 Roy Enzo Bagattini (Non Executive Director) – Resigned on 7.6.2013	2/2
6 Roland Arthur Lawrence (Non Executive Director)	4/4
7 Henrik Juel Andersen (Managing Director) – Appointed on 7.6.2013	2/2
8. Christopher John Warmoth (Non Executive Director) – Appointed on 21.02.2014	N/A

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 for further information on page 62.

2. **Nomination Committee**

The Nomination Committee which was established on 1 October 2001, had one (1) meeting held on 26 February 2013 during the financial year ended 31 December 2013. The Board undertakes an annual assessment of independent directors. The Board is supporting of gender diversity in the Board composition. The Board through the Nomination Committee will consider the gender diversity as part of its future selection process.

Members:

Dato' Lim Say Chong (Independent Non-Executive Director) - Chairman

Datuk M.R. Gopala Krishnan C.R.K. Pillai (Senior Independent Non-Executive Director) - Member

Key responsibilities:

- Reviewing the Board composition and recommending new nominees to the Board as well as Board committees and the appointment and resignation of Chief Financial Officer for the Board's consideration.
- Assessing the effectiveness of the Board, Board Committees and the contribution of each Director (including the Independent Non-Executive Directors and Managing Director) and Chief Financial Officer 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 26 February 2013 during the financial year ended 31 December 2013.

Members:

Dato' Lim Say Chong (Independent Non-Executive Director) - Chairman

Datuk M.R. Gopala Krishnan C.R.K. Pillai (Senior Independent Non-Executive Director) - Member

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.

Currently, the Board has six (6) members, comprising five (5) Non-Executive Directors and one (1) Executive Director. Out of the five (5) Non-Executive Directors, two (2) are Independent Directors, namely Dato' Lim Say Chong who is the Chairman and Datuk M.R. Gopala Krishnan C.R.K. Pillai. The Board has also identified Datuk M.R. Gopala Krishnan C.R.K. Pillai as the Senior Independent Non-Executive Director to whom concerns may be conveyed.

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.

Dato' Lim Say Chong has served the Board as an Independent Non-Executive Director and Chairman of the Company for a cumulative term of nearly eleven (11) years. The Board has recommended him to continue to act as an Independent Non- Executive Chairman based on the following justifications:-

- a. He has fulfilled the criteria under the definition of Independent Director as stated in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, and thus, he would be able to function as a check and balance, bringing an element of objectivity to the Board;

- b. He has vast experience in a diverse range of businesses and therefore would be able to provide constructive opinion; he exercises independent judgement and has the ability to act in the best interest of the Company;
- c. He has devoted sufficient time and attention to his professional obligations for informed and balanced decision making;
- d. He has continued to exercise his independence and due care during his tenure as an Independent Non-Executive Director and Chairman of the Company and carried out his professional duties in the best interest of the Company and shareholders; and

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 50 to 51 of this Annual Report.

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. In 2013, one (1) new Director, namely Mr. Henrik Juel Andersen was appointed to the Board on 7 June 2013 and thereafter re-designated as the Managing Director on 1 July 2013. Mr. Christopher John Warmoth was recently appointed as Non-Executive Director on 21 February 2014.

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. The Articles of Association of the Company also provide 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 of the Companies Act, 1965.

VI. Directors' Training

All existing Directors have attended the Mandatory Accreditation Programme (MAP) as required by Bursa Securities except Mr. Christopher John Warmoth who was appointed recently on 21 February 2014. During the course of the year, they have also attended other training programmes for directors and seminars on areas such as financial reporting standards, performance reviews, tax and accounting conferences that include the following:

- Advocacy Sessions On Corporate Disclosure For Directors, Bursa Malaysia on 5 September 2013
- "Total Shareholders' Return for the Board" and "Blue Ocean Strategy", Directors' In-house Training programme on 27 November 2013
- "Leading for Results", London Business School from 2 to 6 December 2013
- Nominating Committee Program, Bursa Malaysia on 14 May 2013
- An Introduction to Labuan International Business and Financial Centre, Ministry of International Trade and Industry & Labuan International Business and Financial Centre Malaysia (Labuan IBFC) on 14 May 2013
- Asia CFO Conference, Malaysia from 2 to 4 September 2013

For new Directors, induction programmes are also carried out to provide them with in-depth knowledge of the Group's business and strategies.

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

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.

For the current remuneration policy, the remuneration payable to Non-Executive Directors in respect of Directors' fees are paid to Independent Non-Executive Directors only and also includes fees for Audit Committee Chairman and Audit Committee members of the Company, who are Independent Non-Executive Directors. The remuneration for Non-Executive Directors, who are Non-Independent and are representatives of the Carlsberg Group in Denmark, are not paid by the Company but are paid by the Carlsberg Group. Please refer to the tables below in item B III for the details of remuneration.

The remuneration payable in respect of Directors' fees for 2013 is categorised as follows:

Remuneration for Directors' fees	Amount (RM) per annum
Fee for Chairman of the Company	90,000
Fee for each Independent Non-Executive Director	55,000
Fee for Audit Committee Chairman	15,000
Fee for each Independent Non-Executive Director who is a member of the Audit Committee	8,000

The Directors' fees are subject to the approval of shareholders of the Company.

Statement of Corporate Governance

III. Details of Remuneration

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

Total Remuneration	2013		2012	
	Executive Directors RM'000	Non-Executive Directors RM'000	Executive Directors RM'000	Non-Executive Directors RM'000
Fees	-	168*	-	160*
Gratuity	-	-	-	-
Retirement benefits-defined contribution plan	108	-	117	-
Benefits-in-kind	357	-	375	-
Other emoluments	2,157	-	1,830	-
TOTAL	2,622	168	2,322	160

*Remuneration payable for Independent Non-Executive Directors only (a total of 2) as explained above in B II.

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

Range of Remuneration (RM)	2013		2012	
	Executive Directors	Non-Executive Directors	Executive Directors	Non-Executive Directors
50,000 or less	-	3	-	5
50,001 - 100,000	-	2	-	2
150,001 - 200,000	-	-	1	-
1,100,001 - 1,150,000	1	-	-	-
1,500,001 - 1,550,000	1	-	-	-
2,100,001 - 2,150,000	-	-	1	-
TOTAL	2**	5*	2#	7*

* Remuneration payable for Independent Non-Executive Directors only (a total of 2 for 2013 and 3 for 2012) as explained above in B II.

** An overlap headcount of outgoing and incoming Managing Director in July 2013.

Inclusive of the pro-rated Director's fee payable to the Executive Director who passed away on 16 March 2012.

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 the 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.

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.carlsbergmalaysia.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.

II. 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 the Main Market Listing Requirements of Bursa Securities 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 2013 are set out on pages 126 to 127 of this Annual Report.

Other Information

Utilisation of Proceeds

There were no proceeds raised from any corporate proposal during the financial year ended 31 December 2013.

Non-audit fees

The non-audit fees paid to external auditors, Messrs KPMG by the Group during the financial year ended 31 December 2013 amounted to RM105,000. This amount was incurred in respect of the following services:

1. Fees paid for the advisory services in relation to Customs Audit; and
2. Fees paid for the advisory services on Transfer Pricing documentation.

Share Buy-Backs

During the financial year ended 31 December 2013, the Company did not enter into any share buyback transactions.

Depository Receipt (“DR”) Programme

During the financial year ended 31 December 2013, the Company did not sponsor any DR Programme.

Sanctions and/ or Penalties

There were no sanctions or penalties imposed on the Company by the relevant regulatory bodies during the financial year ended 31 December 2013.

Options or Convertible Securities Exercised

There were no options, warrants or convertible securities issued by the Company during the financial year ended 31 December 2013.

Variation in Results

There was no variance between the results for the financial year ended 31 December 2013 and the unaudited results announced.

Profit Guarantee

During the financial year ended 31 December 2013, there was no profit guarantee given by the Company.

Statement on Risk Management and 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. In addition, the Managing Director and Chief Financial Officer have assured the Board that the systems are operating adequately and effectively. 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 Risk Management & Internal Control: Guidance for Directors of Public Listed Issuers". 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 the responsibilities of 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 reporting, on a quarterly basis, 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 quarterly basis. The Audit Committee reports to the Board on any significant changes in the business and external environment which affect key risks.

In 2013, the RMWC met 3 times wherein discussions were on the key risks faced by the Group and the status of the action plans taken.

- **Risk Assessment**

The Group maintains a database of 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 risks and corresponding controls were reviewed by Internal Audit. There were no changes in the database of risks and corresponding controls during the financial year.



Statement on Risk Management and 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 communicated 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 relating to areas of risk management, leadership, selling skills and employee management.

- **Control Structure**

The Board and Management have established an organisational 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:

- i. **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.
- Visits by the head office personnel to sales depots with the objective of ensuring the operational activities are conducted and complied with the Company's established standard operating procedures.
- Meetings with the Heads of sections/sales areas which allows the members of the sections/sales areas to communicate with, and provide feedback to and from, Management in respect of compliance/monitoring with sales performance, expense spending and other key business matters.

- ii. **Internal Audit**

The Group has an Internal Audit Department ("IAD") which carries out its functions and provides the Audit Committee and the Board with the assurance on the adequacy and integrity of the system of internal controls. The IAD 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 accordance with the audit plan;
- 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 IAD in 2013.

iii. **Audit Committee**

The Audit Committee, on behalf of the Board, reviews on a quarterly basis the measures undertaken on internal control issues identified by the RMWC, Internal Audit, external auditors and Management. During the year, 79 reports were issued by the IAD 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 2013.

iv **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 annual 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.

Weekly 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 by the Managing Director, Chief Financial Officer or Head of Internal Audit 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 IAD. Responsibility for monitoring compliance with policies, procedures and guidelines rests principally with the IAD, 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 Adequacy of Risk Management and Internal Control

The Board has reviewed and 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 Risk Management and 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 held four (4) meetings during the financial year ended 31 December 2013. 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 <i>Senior Independent Non-Executive Director – Chairman</i>	4/4
Dato' Lim Say Chong <i>Independent Non-Executive Director – Member</i>	4/4
Graham James Fewkes <i>Non-Independent Non-Executive Director – Member</i>	4/4

The Managing Director, Chief Financial Officer, Vice President Finance (Asia), Financial Controller 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. At these meetings, the Audit Committee also held separate sessions with the External Auditors without the executive board members present whereby the Audit Committee was briefed by the External Auditors on their audit findings and any other observations they may have had during the audit process.

Terms of Reference

[Pursuant to Bursa Securities' recent amendments to the Listing Requirements, the listed issuer is to provide a **summary** of the terms of reference of the audit committee (as opposed to the entire terms of reference as currently prescribed), or **key functions, roles and responsibilities** of the audit committee (Paragraph 15.15(3)(b) in the Audit Committee Report].

• Terms of membership

1. In accordance to the Malaysian Code on Corporate Governance (2012), 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 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 of the associations of accountants specified in Part II of the 1st Schedule of the Accountants Act 1967; or
 - Fulfils such other requirements as prescribed or approved by 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.

- **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 Main Market Listing Requirements ("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 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 and practices;
 - (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 consider any other functions as may be agreed to by the Audit Committee and the Board of Directors.

- **Meetings**

1. Meetings shall be held not less than four (4) times a year.
2. The quorum for each meeting shall be two (2) 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 2013, 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 2013 amount to RM105,000.
- 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 accounting standards approved by Malaysian Accounting Standards Board ("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 Listing Requirements of the 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.

Summary of Activities of the Internal Audit Function during the financial year ended 31 December 2013


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 2013:

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 ended 31 December 2013 amounted to RM694,000.



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 2013, 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

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Directors' Report

for the year ended 31 December 2013

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 2013.

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, wine, liquor and non-alcoholic beverages. There has been no significant change in the nature of these activities during the financial year.

Results

	Group RM'000	Company RM'000
Profit for the year attributable to:		
Owners of the Company	183,925	146,011
Non-controlling interests	2,695	–
	186,620	146,011

Reserves and provisions

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

Dividends

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

- i) a final and special single tier dividend of 58.0 sen per RM0.50 ordinary share totalling RM177.3 million in respect of the year ended 31 December 2012 on 20 May 2013, and
- ii) an interim single tier dividend of 5.0 sen per RM0.50 ordinary share totalling RM15.3 million in respect of the year ended 31 December 2013 on 11 October 2013.

The Directors recommend the payment of a final and special single tier dividend of 56.0 sen per RM0.50 ordinary share totalling RM171.2 million in respect of the year ended 31 December 2013.

Directors of the Company

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

Dato' Lim Say Chong
Datuk M.R. Gopala Krishnan C.R.K. Pillai
Graham James Fewkes
Roland Arthur Lawrence
Henrik Juel Andersen (appointed on 1 July 2013)
Christopher John Warmoth (appointed on 21 February 2014)
Roy Enzo Bagattini (resigned on 7 June 2013)
Soren Ravn (resigned on 1 July 2013)

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 financial 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 of RM0.50 each			
	At 1.1.2013	Bought	Sold	At 31.12.2013
Deemed interest in the Company				
Dato' Lim Say Chong*	52,000	-	-	52,000

* 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 1.7.2013	Bought	Sold	At 31.12.2013
Interest in the holding company				
Carlsberg A/S				
Henrik Juel Andersen	7,416	-	-	7,416

None of the other Directors holding office at 31 December 2013 had any interest in the shares and options over 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 any 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 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

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.

Other statutory information

Before the financial 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) any current assets which were unlikely to be realised in the ordinary course of business have been written down to an amount which they might be expected so to realise.

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 financial statements of the Group and of the Company 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 2013 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.

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:

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

.....
Henrik Juel Andersen
Managing Director

Shah Alam,

3 March 2014

Statements of Financial Position

as at 31 December 2013

		Group		Company	
	Note	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Assets					
Property, plant and equipment	3	164,976	158,442	139,981	135,028
Intangible assets	4	9,309	9,388	1,510	525
Investments in subsidiaries	5	-	-	393,672	393,672
Investment in an associate	6	40,880	34,656	19,936	19,936
Loan to a subsidiary	7	-	-	648	4,848
Other assets		-	365	-	-
Deferred tax assets	8	36	863	-	-
Total non-current assets		215,201	203,714	555,747	554,009
Inventories	9	49,707	46,840	23,209	17,250
Receivables, deposits and prepayments	7	287,962	260,457	7,896	10,391
Current tax assets		-	451	-	451
Cash and cash equivalents	10	44,141	57,688	3,436	17,702
Total current assets		381,810	365,436	34,541	45,794
Total assets		597,011	569,150	590,288	599,803
Equity					
Share capital	11	154,039	154,039	154,039	154,039
Reserves	11	119,687	145,000	270,675	336,993
Total equity attributable to equity holders of the Company		273,726	299,039	424,714	491,032
Non-controlling interests		10,522	7,827	-	-
Total equity		284,248	306,866	424,714	491,032
Liabilities					
Deferred tax liabilities	8	17,076	20,640	16,360	20,494
Total non-current liabilities		17,076	20,640	16,360	20,494
Payables and accruals	12	241,297	217,917	148,244	88,277
Current tax liabilities		13,968	18,727	970	-
Loans and borrowings	13	40,422	5,000	-	-
Total current liabilities		295,687	241,644	149,214	88,277
Total liabilities		312,763	262,284	165,574	108,771
Total equity and liabilities		597,011	569,150	590,288	599,803

The notes on pages 78 to 117 are an integral part of these financial statements.

Statements of Profit or Loss and Other Comprehensive Income

for the year ended 31 December 2013

	Note	Group		Company	
		2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Revenue		1,555,149	1,584,780	732,813	728,037
Cost of sales		(984,383)	(1,005,232)	(683,864)	(689,513)
Gross profit		570,766	579,548	48,949	38,524
Other income		1,679	3,846	1,267	1,737
Sales and distribution expenses		(289,070)	(295,795)	-	-
Administrative expenses		(44,920)	(42,256)	(15,074)	(15,103)
Other expenses		(3,563)	(2,980)	(3,856)	(13,660)
Results from operating activities		234,892	242,363	31,286	11,498
Investment income		-	-	118,580	128,124
Finance income		977	654	550	598
Finance costs		(5,318)	(4,971)	(521)	(814)
Operating profit	14	230,551	238,046	149,895	139,406
Share of profit of equity accounted associate, net of tax		5,878	7,605	-	-
Profit before tax		236,429	245,651	149,895	139,406
Tax expense	16	(49,809)	(51,898)	(3,884)	(10,114)
Profit for the year		186,620	193,753	146,011	129,292
Other comprehensive income/(expense)					
<i>Items that may be reclassified subsequently to profit or loss</i>					
Foreign currency translation differences for foreign operations		2,839	(4,016)	-	-
Total comprehensive income for the year		189,459	189,737	146,011	129,292
Profit attributable to:					
Owners of the Company		183,925	191,632	146,011	129,292
Non-controlling interests		2,695	2,121	-	-
Profit for the year		186,620	193,753	146,011	129,292
Total comprehensive income attributable to:					
Owners of the Company		186,764	187,616	146,011	129,292
Non-controlling interests		2,695	2,121	-	-
Total comprehensive income for the year		189,459	189,737	146,011	129,292
Basic earnings per ordinary share (sen)	17	60.16	62.68		

The notes on pages 78 to 117 are an integral part of these financial statements.

Consolidated Statement of Changes in Equity

for the year ended 31 December 2013

Group	Note	Attributable to equity holders of the Company		Non-distributable		Distributable		Share option reserve RM'000	Other reserve RM'000	Retained earnings RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
		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						
At 1 January 2012		154,039	(12,043)	7,367	1,682	3,931	54	-	130,418	285,448	3,916	289,364	
Other comprehensive income:													
- Foreign currency translation differences for foreign operations		-	-	-	(4,016)	-	-	-	-	(4,016)	-	-	(4,016)
Profit for the year		-	-	-	-	-	-	-	191,632	191,632	2,121	193,753	
Total comprehensive income for the year		-	-	-	(4,016)	-	-	-	191,632	187,616	2,121	189,737	
Dividends to owners of the Company	18	-	-	-	-	-	-	-	(171,601)	(171,601)	-	(171,601)	
Others		-	-	-	-	-	92	(780)	(1,736)	(2,424)	1,790	(634)	
Total distribution to owners		-	-	-	-	-	92	(780)	(173,337)	(174,025)	1,790	(172,235)	
At 31 December 2012		154,039	(12,043)	7,367	(2,334)	3,931	146	(780)	148,713	299,039	7,827	306,866	

Consolidated Statement of Changes in Equity
for the year ended 31 December 2013

Group	Note	Attributable to equity holders of the Company					Distributable				Non-controlling interests	Total equity		
		Share capital	Treasury shares	Share premium	Exchange reserve	Capital reserve	Share option reserve	Put option reserve	Other reserve	Retained earnings			Total	
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 31 December 2012/ 1 January 2013		154,039	(12,043)	7,367	(2,334)	3,931	146	-	(780)	148,713	299,039	7,827	306,866	
Other comprehensive income:														
- Foreign currency translation differences for foreign operations		-	-	-	2,839	-	-	-	-	-	2,839	-	2,839	
Profit for the year		-	-	-	-	-	-	-	-	183,925	183,925	2,695	186,620	
Total comprehensive income for the year		-	-	-	2,839	-	-	-	-	183,925	186,764	2,695	189,459	
Dividends to owners of the Company	18	-	-	-	-	-	-	-	-	(192,621)	(192,621)	-	(192,621)	
Others		-	-	-	-	-	601	(20,057)	-	-	(19,456)	-	(19,456)	
Total distribution to owners		-	-	-	-	-	601	(20,057)	-	(192,621)	(212,077)	-	(212,077)	
At 31 December 2013		154,039	(12,043)	7,367	505	3,931	747	(20,057)	(780)	140,017	273,726	10,522	284,248	

Statement of Changes in Equity

for the year ended 31 December 2013

Company	Note	-----Non-distributable-----/ Distributable				Total equity RM'000		
		Share capital RM'000	Treasury shares RM'000	Share premium RM'000	Share option reserve RM'000		Put option reserve RM'000	Retained earnings RM'000
At 1 January 2012		154,039	(12,043)	7,367	219	-	383,773	533,355
Profit/Total comprehensive income for the year		-	-	-	-	-	129,292	129,292
Dividends to owners of the Company	18	-	-	-	-	-	(171,601)	(171,601)
Others		-	-	-	(14)	-	-	(14)
Total distribution to owners		-	-	-	(14)	-	(171,601)	(171,615)
At 31 December 2012/1 January 2013		154,039	(12,043)	7,367	205	-	341,464	491,032
Profit/Total comprehensive income for the year		-	-	-	-	-	146,011	146,011
Dividends to owners of the Company	18	-	-	-	-	-	(192,621)	(192,621)
Others		-	-	-	349	(20,057)	-	(19,708)
Total distribution to owners		-	-	-	349	(20,057)	(192,621)	(212,329)
At 31 December 2013		154,039	(12,043)	7,367	554	(20,057)	294,854	424,714

The notes on pages 78 to 117 are an integral part of these financial statements.

Statements of Cash Flows

for the year ended 31 December 2013

	Note	Group		Company	
		2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Cash flows from operating activities					
Profit before tax		236,429	245,651	149,895	139,406
<i>Adjustments for:</i>					
Amortisation of intangible assets	4	2,395	2,281	334	650
Depreciation of property, plant and equipment	3	22,304	19,593	13,703	12,940
Property, plant and equipment written off		9	26	9	20
Gain on disposal of property, plant and equipment		(1,530)	(1,143)	(101)	(92)
Gain on disposal of other assets		(101)	-	-	-
Dividend income from subsidiaries		-	-	(116,880)	(126,457)
Dividend income from associate		-	-	(1,700)	(1,667)
Allowance for inventories write down/(back)		320	733	300	(246)
Inventories written off		2,032	3,323	162	98
Impairment loss on receivables		423	850	-	-
(Gain)/Loss on unrealised foreign exchange		(102)	707	283	124
Finance income		(977)	(654)	(550)	(598)
Finance costs		5,318	4,971	521	814
Share of profit of equity accounted associate, net of tax		(5,878)	(7,605)	-	-
Share of net liability of jointly-controlled entity arising from restructuring		-	-	-	11,655
Others		745	573	494	585
Operating profit before changes in working capital					
		261,387	269,306	46,470	37,232
Changes in working capital:					
Inventories		(5,219)	5,866	(6,421)	4,567
Receivables, deposits and prepayments		(27,654)	(60,628)	2,504	28,240
Payables and accruals		2,745	29,505	39,693	10,051
Cash generated from operations					
		231,259	244,049	82,246	80,090
Taxes paid		(56,854)	(45,872)	(6,597)	(3,500)
Net cash from operating activities					
		174,405	198,177	75,649	76,590

Statements of Cash Flows
for the year ended 31 December 2013

	Note	Group		Company	
		2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Cash flows from investing activities					
Acquisition of property, plant and equipment	3	(29,955)	(31,841)	(19,797)	(19,611)
Acquisition of intangible assets	4	(1,169)	(1,380)	(187)	(225)
Dividend received from subsidiaries		-	-	116,880	126,457
Dividend received from an associate		1,700	1,667	1,700	1,667
Interest received		977	654	550	598
Repayment from subsidiary		-	-	4,200	4,150
Proceeds from disposal of other assets		481	-	-	-
Proceeds from disposal of property, plant and equipment		1,601	1,311	101	119
Transfer of property, plant and equipment to a subsidiary	3	-	-	-	3
Transfer of intangible assets to a subsidiary	4	-	-	-	3,485
Payment of share of net liability of jointly-controlled entity		-	-	-	(11,655)
Others		-	(780)	-	-
Net cash (used in)/generated from investing activities		(26,365)	(30,369)	103,447	104,988
Cash flows from financing activities					
Dividend paid to shareholders of the Company	18	(192,621)	(171,601)	(192,621)	(171,601)
Interest paid		(5,318)	(4,971)	(521)	(814)
Reimbursement to ultimate holding company for share options granted to employees of the Group		(145)	(600)	(145)	(600)
Net proceed/(repayment) of short-term borrowings		35,422	(4,947)	-	-
Net cash used in financing activities		(162,662)	(182,119)	(193,287)	(173,015)
Net (decrease)/increase in cash and cash equivalents		(14,622)	(14,311)	(14,191)	8,563
Effect of exchange rate fluctuations on cash held		1,075	(197)	(75)	93
Cash and cash equivalents at 1 January		57,688	72,196	17,702	9,046
Cash and cash equivalents at 31 December	(i)	44,141	57,688	3,436	17,702

(i) **Cash and cash equivalents**

Cash and cash equivalents included in the cash flow statements comprise the following statements of financial position amounts:

	Note	Group		Company	
		2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Deposits with licensed banks		1,990	2,030	1,200	1,430
Cash and bank balances		42,151	55,658	2,236	16,272
Cash and cash equivalents	10	44,141	57,688	3,436	17,702

The notes on pages 78 to 117 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 Market of Bursa Malaysia Securities Berhad. The address of its registered office and principal place of business is as follows:

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

The consolidated financial statements as at and for the financial year ended 31 December 2013 comprise the Company and its subsidiaries (together referred to as the “Group” and individually referred to as “Group entities”) and the Group’s interest in an associate. The financial statements of the Company as at and for the financial year ended 31 December 2013 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, wine, liquor 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 authorised for issue by the Board of Directors on 3 March 2014.

1. Basis of preparation

(a) Statement of compliance

The financial statements of the Group and the Company have been prepared in accordance with Malaysian Financial Reporting Standards (“MFRSs”), International Financial Reporting Standards and the Companies Act, 1965 in Malaysia.

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

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2014

- *Amendments to MFRS 10, Consolidated Financial Statements: Investment Entities*
- *Amendments to MFRS 12, Disclosure of Interests in Other Entities: Investment Entities*
- *Amendments to MFRS 127, Separate Financial Statements (2011): Investment Entities*
- *Amendments to MFRS 132, Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities*
- *Amendments to MFRS 136, Impairment of Assets – Recoverable Amount Disclosures for Non-Financial Assets*
- *Amendments to MFRS 139, Financial Instruments: Recognition and Measurement – Novation of Derivatives and Continuation of Hedge Accounting*
- *IC Interpretation 21, Levies*

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 July 2014

- *Amendments to MFRS 1, First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements 2011-2013 Cycle)*
- *Amendments to MFRS 2, Share-based Payment (Annual Improvements 2010-2012 Cycle)*
- *Amendments to MFRS 3, Business Combinations (Annual Improvements 2010-2012 Cycle and 2011-2013 Cycle)*
- *Amendments to MFRS 8, Operating Segments (Annual Improvements 2010-2012 Cycle)*
- *Amendments to MFRS 13, Fair Value Measurement (Annual Improvements 2010-2012 Cycle and 2011-2013 Cycle)*
- *Amendments to MFRS 116, Property, Plant and Equipment (Annual Improvements 2010-2012 Cycle)*
- *Amendments to MFRS 119, Employee Benefits – Defined Benefit Plans: Employee Contributions*
- *Amendments to MFRS 124, Related Party Disclosures (Annual Improvements 2010-2012 Cycle)*
- *Amendments to MFRS 138, Intangible Assets (Annual Improvements 2010-2012 Cycle)*
- *Amendments to MFRS 140, Investment Properties (Annual Improvements 2011-2013 Cycle)*

1. Basis of preparation (cont'd)

(a) Statement of compliance (cont'd)

MFRSs, Interpretations and amendments effective for a date yet to be confirmed

- MFRS 9, *Financial Instruments (2009)*
- MFRS 9, *Financial Instruments (2010)*
- MFRS 9, *Financial Instruments – Hedge Accounting and Amendments to MFRS 9, MFRS 7 and MFRS 139*
- *Amendments to MFRS 7, Financial Instruments: Disclosures – Mandatory Effective Date of MFRS 9 and Transition Disclosures*

The Group and the Company plans to apply the abovementioned standards, amendments and interpretations, where applicable:

- from the annual period beginning on 1 January 2014 for those standards, amendments or interpretations that are effective for annual periods beginning on or after 1 January 2014.
- from the annual period beginning on 1 January 2015 for those standards, amendments or interpretations that are effective for annual periods beginning on or after 1 July 2014.

The initial application of the above standards, amendments and interpretations is not expected to have any material financial impact to the current and prior period's financial statements upon their first adoption.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis except as disclosed in Note 2.

(c) Functional and presentation currency

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

(d) Use of estimates and judgements

The preparation of financial statements in conformity with MFRSs 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 as disclosed in Note 2(c) (ii) in respect of the put option liability.

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, including unincorporated entities, controlled by the Company. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. Control exists when the Company 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.

Investments in subsidiaries are measured in the Company's statement of financial position at cost less any impairment losses, unless the investment is classified as held for sale or distribution. The cost of investments includes transaction costs.

2. Significant accounting policies (cont'd)

(a) Basis of consolidation (cont'd)

(ii) Business combinations

Business combinations are accounted for using the acquisition method from the acquisition date, which is the date on which control is transferred to the Group.

For new acquisitions, the Group measures the cost of goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

For each business combination, the Group elects whether it measures the non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets at the acquisition date.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

(iii) Acquisitions from entities under common control

Business combinations arising from transfers of interests in entities that are under the control of the shareholder that controls the Group are accounted for as if the acquisition had occurred at the beginning of the earliest comparative period presented or, if later, at the date that common control was established; for this purpose, comparatives are restated. The assets and liabilities acquired are recognised at the carrying amounts recognised previously in the Group controlling shareholder's consolidated financial statements. The components of equity of the acquired entities are added to the same components within Group equity and any resulting gain/loss is recognised directly in equity.

(iv) Acquisitions of non-controlling interests

The Group treats all changes in its ownership interest in a subsidiary that do not result in a loss of control as equity transactions between the Group and its non-controlling interest holders. Any difference between the Group's share of net assets before and after the change, and any consideration received or paid, is adjusted to or against Group reserves.

(v) Loss of control

Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities of the former subsidiary, any non-controlling interests and the other components of equity related to the former subsidiary from the consolidated statement of financial position. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the former subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently it is accounted for as an equity-accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

(vi) Associates

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

Investments in associates are accounted for in the consolidated financial statements using the equity method less any impairment losses. The cost of the investment includes transaction costs. The consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of the 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.

2. Significant accounting policies (cont'd)

(a) Basis of consolidation (cont'd)

(vi) Associates (cont'd)

When the Group's share of losses exceeds its interest in an associate, the carrying amount of that interest including any long-term investments is reduced to zero, 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 associate.

When the Group ceases to have significant influence over an associate, any retained interest in the former associate at the date when significant influence is lost is measured at fair value and this amount is regarded as the initial carrying amount of a financial asset. The difference between the fair value of any retained interest plus proceeds from the interest disposed of and the carrying amount of the investment at the date when equity method is discontinued is recognised in the profit or loss.

When the Group's interest in an associate decreases but does not result in a loss of significant influence, any retained interest is not remeasured. Any gain or loss arising from the decrease in interest is recognised in profit or loss. Any gains or losses previously recognised in other comprehensive income are also reclassified proportionately to profit or loss if that gain or loss would be required to be reclassified to profit or loss on the disposal of the related assets or liabilities.

Investments in associates are measured in the Company's statement of financial position at cost less any impairment losses. The cost of the investment includes transaction costs.

(vii) Non-controlling interests

Non-controlling interests at the end of the reporting period, being the equity in a subsidiary not attributable directly or indirectly to the equity holders of the Company, are presented in the consolidated statement of financial position and statement of changes in equity within equity, separately from equity attributable to the owners of the Company. Non-controlling interests in the results of the Group is presented in the consolidated statement of comprehensive income as an allocation of the profit or loss and the comprehensive income for the year between non-controlling interests and the owners of the Company.

Loss applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

(viii) 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 associates are eliminated against the investment to the extent of the Group's interest in the investees. 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 end of the reporting period are retranslated to the functional currency at the exchange rate at that date.

Non-monetary assets and liabilities denominated in foreign currencies are not retranslated at the end of the reporting date, except for those that are measured at fair value 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 profit or loss.

2. Significant accounting policies (cont'd)

(b) Foreign currency (cont'd)

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

The assets and liabilities of operations denominated in functional currencies other than RM, including fair value adjustments arising on acquisition, are translated to RM at exchange rates at the end of the reporting period. The income and expenses of foreign operations are translated to RM at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in other comprehensive income and accumulated in exchange reserve ("ER") in equity. However, if the operation is a non-wholly-owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests. When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the ER related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal.

When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

In the consolidated financial statements, when settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are recognised in other comprehensive income, and are presented in the ER in equity.

(c) Financial instruments

(i) Initial recognition and measurement

A financial asset or a financial liability is recognised in the statement of financial position when, and only when, the Group or the Company becomes a party to the contractual provisions of the instrument.

A financial instrument is recognised initially, at its fair value plus, in the case of a financial instrument not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial instrument.

An embedded derivative is recognised separately from the host contract and accounted for as a derivative if, and only if, it is not closely related to the economic characteristics and risks of the host contract and the host contract is not categorised at fair value through profit or loss. The host contract, in the event an embedded derivative is recognised separately, is accounted for in accordance with policy applicable to the nature of the host contract.

(ii) Financial instrument categories and subsequent measurement

The Group and the Company categorise financial instruments as follows:

Financial assets

(a) Financial assets at fair value through profit or loss

Fair value through profit or loss category comprises financial assets that are held for trading, including derivatives (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument) or financial assets that are specifically designated into this category upon initial recognition.

Derivatives that are linked to and must be settled by delivery of unquoted equity instruments whose fair values cannot be reliably measured are measured at cost.

Financial assets categorised as fair value through profit or loss are subsequently measured at their fair values with the gain or loss recognised in profit or loss.

2. Significant accounting policies (cont'd)

(c) Financial instruments (cont'd)

(ii) Financial instrument categories and subsequent measurement (cont'd)

Financial assets (cont'd)

(b) Loans and receivables

Loans and receivables category comprises debt instruments that are not quoted in an active market.

Financial assets categorised as loans and receivables are subsequently measured at amortised cost using the effective interest method.

All financial assets, except for those measured at fair value through profit or loss, are subject to review for impairment (see Note 2(i)(i)).

Financial liabilities

All financial liabilities are subsequently measured at amortised cost other than those categorised as fair value through profit or loss.

Fair value through profit or loss category comprises financial liabilities that are held for trading, derivatives (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument) or financial liabilities that are specifically designated into this category upon initial recognition.

Financial liability in respect of put option held by non-controlling interests is initially recognised and measured based on the estimated exercise price of the put option. Any subsequent changes with respect to the financial liability held by non-controlling interests is recognised in equity.

Financial liabilities categorised as fair value through profit or loss are subsequently measured at their fair values with the gain or loss recognised in profit or loss.

(iii) Derecognition

A financial asset or part of it is derecognised when, and only when the contractual rights to the cash flows from the financial asset expire or the financial asset is transferred to another party without retaining control or substantially all risks and rewards of the asset. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in equity is recognised in profit or loss.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expired. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

(d) Property, plant and equipment

(i) Recognition and measurement

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

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 cost 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. For qualifying assets, borrowing costs are capitalised in accordance with the accounting policy on borrowing costs. Cost also may include transfers from equity of any gain or loss on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

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

2. Significant accounting policies (cont'd)

(d) Property, plant and equipment (cont'd)

(i) Recognition and measurement (cont'd)

The cost of property, plant and equipment recognised as a result of a business combination is based on fair value at acquisition date and in accordance to Note 2(a)(ii).

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.

The gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and is recognised net within "other income" and "other expenses" respectively in profit or loss.

(ii) Subsequent costs

The cost of replacing a component 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 component will flow to the Group or the Company, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised to profit or loss. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

(iii) Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed, and if a component has a useful life that is different from the remainder of that asset, then that component is depreciated separately.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component 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:

• Leasehold land	90 – 999 years
• Buildings	15 – 50 years
• Renovation	15 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 reviewed at the end of the reporting period, and adjusted as appropriate.

(e) Leased assets

(i) Finance lease

Leases in terms of which the Group or the Company 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.

Leasehold land which in substance is a finance lease is classified as property, plant and equipment.

2. Significant accounting policies (cont'd)

(e) Leased assets (cont'd)

(ii) Operating lease

Leases, where the Group or the Company does not assume substantially all the risks and rewards of ownership are classified as operating leases and the leased assets are not recognised on the statement of financial position.

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised in profit or loss as an integral part of the total lease expense, over the term of the lease. Contingent rentals are charged to profit or loss in the reporting period in which they are incurred.

Leasehold land which in substance is an operating lease is classified as prepaid lease payments.

(f) Intangible assets

(i) Goodwill

Goodwill arises on business combinations is measured at cost less accumulated impairment losses. In respect of equity accounted investees, the carrying amount of goodwill is included in the carrying amount of the investment and an impairment loss on such an investment is not allocated to any asset, including goodwill, that forms part of the carrying amount of the equity accounted investees.

(ii) 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 accumulated amortisation and accumulated impairment losses.

(iii) Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

(iv) Amortisation

Amortisation is based on the cost of an asset less its residual value; if any.

Goodwill with indefinite useful lives are not amortised but are tested for impairment annually and whenever there is an indication that they may be impaired.

Other intangible assets are amortised from the date they are available for use.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets.

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

Amortisation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted, if appropriate.

(g) Inventories

Inventories are measured at the lower of cost and net realisable value.

The cost of inventories is measured based on weighted average cost formula, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in 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.

2. Significant accounting policies (cont'd)

(g) Inventories (cont'd)

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.

In the current financial year, the Group adopted the amendments to *MFRS 116, Property, Plant and Equipment (Annual Improvements 2009-2011 Cycle)* and classified spare parts as inventories unless the item of spare part is held for own use and expected to be used during more than one period in which it is classified as property, plant and equipment. In the previous financial years, all spare parts were classified as inventories. The change in accounting policy has been applied retrospectively and there is no impact to the financial statements.

(h) 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 with original maturities of three months or less. For the purpose of the statement of cash flows, cash and cash equivalents are presented net of bank overdrafts and pledged deposits.

Cash and cash equivalents (other than bank overdrafts) are categorised and measured as loans and receivables in accordance with Note 2(c)(ii).

(i) Impairment

(i) Financial assets

All financial assets (except for financial assets categorised as fair value through profit or loss, investments in subsidiaries and investments in associates) are assessed at each reporting date whether there is any objective evidence of impairment as a result of one or more events having an impact on the estimated future cash flows of the asset. Losses expected as a result of future events, no matter how likely, are not recognised. For an investment in an equity instrument, a significant or prolonged decline in the fair value below its cost is an objective evidence of impairment. If any such objective evidence exists, then the impairment loss of the financial asset is estimated.

An impairment loss in respect of loans and receivables is recognised in profit or loss and is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account.

If, in a subsequent period, the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed, to the extent that the asset's carrying amount does not exceed what the carrying amount would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in profit or loss.

(ii) Other assets

The carrying amounts of other assets (except for inventories and deferred tax asset) are reviewed at the end of each reporting period 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 intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each period at the same time.

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 cash-generating units. Subject to an operating segment ceiling test, for the purpose of goodwill impairment testing, cash-generating units to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to group of cash-generating units that are expected to benefit from the synergies of the combination.

2. Significant accounting policies (cont'd)

(i) Impairment (cont'd)

(ii) Other assets (cont'd)

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs of disposal. 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 or cash-generating unit.

An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit exceeds its estimated recoverable amount.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (group of cash-generating units) and then to reduce the carrying amounts of the other assets in the cash-generating unit (groups of cash-generating units) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at the end of each reporting period 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 since the last impairment loss was recognised. 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 profit or loss in the financial year in which the reversals are recognised.

(j) Equity instruments

Instruments classified as equity are measured at cost on initial recognition and are not remeasured subsequently.

(i) Issue expenses

Costs directly attributable to the issue of instruments classified as equity are recognised as a deduction from equity.

(ii) Ordinary shares

Ordinary shares are classified as equity.

(iii) Repurchase, disposal and reissue of share capital (treasury shares)

When share capital recognised as equity is repurchased, the amount of the consideration paid, including directly attributable costs, net of any tax effects, is recognised as a deduction from equity. Repurchased shares that are not subsequently cancelled are classified as treasury shares in the statement of changes in equity.

Where treasury shares are sold or reissued subsequently, the difference between the sales consideration net of directly attributable costs and the carrying amount of the treasury shares is recognised in equity.

(k) 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.

A liability 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 profit or loss in the financial year to which they relate. Once the contributions have been paid, the Group has no further payment obligations.

2. Significant accounting policies (cont'd)

(k) Employee benefits (cont'd)

(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 established 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 profit or loss and a corresponding increase in equity, over the period from the grant date until the employees become unconditionally entitled to the options. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that meet the related service and non-market performance conditions at the vesting date.

Any reimbursement to Carlsberg A/S in relation to the share option programme is treated as a capital distribution and would be recorded directly in equity.

(l) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

(m) Income recognition

(i) Revenue

Revenue from the sale of goods in the course of ordinary activities is measured at fair value of the consideration received or receivable, net of returns and allowances, trade discount and volume rebates. Revenue is recognised when persuasive evidence exists, usually in the form of an executed sales agreement, that the significant risks and rewards of ownership have been transferred to the customer, 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, and the amount of revenue can be measured reliably. If it is probable that discounts will be granted and the amount can be measured reliably, then the discount is recognised as a reduction of revenue as the sales are recognised.

(ii) Dividend income

Dividend income is recognised in profit or loss on the date that the Group's and the Company's right to receive payment is established.

(iii) Interest income

Interest income is recognised as it accrues using the effective interest method in profit or loss.

2. Significant accounting policies (cont'd)

(n) Borrowing costs

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or completed.

(o) Income tax

Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities in the statement of financial position and their tax bases. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill, and the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss. Deferred tax is measured at the tax rates that are expected to apply to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

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

A tax incentive that is not a tax base of an asset is recognised as a reduction of tax expense in profit or loss as and when it is granted and claimed. Any unutilised portion of the tax incentive is recognised as a deferred tax asset to the extent that it is probable that future taxable profits will be available against which the unutilised tax incentive can be utilised.

(p) Earnings per ordinary share

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

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, adjusted for own shares held.

(q) Operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the chief operating decision maker, which in this case is the Managing Director of the Group, to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

3. Property, plant and equipment

Group	Note	Leasehold land RM'000	Freehold land RM'000	Buildings RM'000	Renovation 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										
At 1 January 2012		10,571	19,097	55,612	444	325,369	23,135	41,245	4,132	479,605
Additions		-	-	349	251	10,783	5,755	7,322	7,381	31,841
Disposals		-	-	-	-	(41)	(3,296)	(1,159)	-	(4,496)
Written off		-	-	-	-	(210)	-	(84)	-	(294)
Transfers		-	-	584	-	3,781	-	-	(4,365)	-
Dilution of investment in a jointly-controlled entity		-	-	-	(112)	(62)	(25)	(497)	-	(696)
Effect of movements in exchange rates		-	-	-	2	40	1	35	-	78
At 31 December 2012/1 January 2013		10,571	19,097	56,545	585	339,660	25,570	46,862	7,148	506,038
Additions		-	-	903	56	18,067	5,060	3,909	1,960	29,955
Disposals		-	-	-	-	-	(4,264)	(103)	-	(4,367)
Written off		-	-	-	(187)	(133)	-	(486)	-	(806)
Transfers		-	-	200	-	4,564	-	-	(5,896)	(1,132)
Effect of movements in exchange rates		-	-	-	-	47	1	73	-	121
At 31 December 2013		10,571	19,097	57,648	454	362,205	26,367	50,255	3,212	529,809

3. Property, plant and equipment (cont'd)

Group	Note	Leasehold land RM'000	Freehold land RM'000	Buildings RM'000	Renovation 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
Depreciation										
At 1 January 2012		2,894	-	22,936	83	260,220	13,517	33,324	-	332,974
Depreciation for the year	14	122	-	1,471	194	10,193	3,288	4,325	-	19,593
Disposals		-	-	-	-	(34)	(3,136)	(1,158)	-	(4,328)
Written off		-	-	-	-	(190)	-	(78)	-	(268)
Dilution of investment in a jointly-controlled entity		-	-	-	(44)	(85)	(15)	(230)	-	(374)
Effect of movements in exchange rates		-	-	-	-	(1)	-	-	-	(1)
At 31 December 2012/1 January 2013		3,016	-	24,407	233	270,103	13,654	36,183	-	347,596
Depreciation for the year	14	122	-	1,542	187	11,269	3,722	5,462	-	22,304
Disposals		-	-	-	-	-	(4,193)	(103)	-	(4,296)
Written off		-	-	-	(187)	(124)	-	(486)	-	(797)
Effect of movements in exchange rates		-	-	-	6	(2)	-	22	-	26
At 31 December 2013		3,138	-	25,949	239	281,246	13,183	41,078	-	364,833
Carrying amounts										
At 1 January 2012		7,677	19,097	32,676	361	65,149	9,618	7,921	4,132	146,631
At 31 December 2012/1 January 2013		7,555	19,097	32,138	352	69,557	11,916	10,679	7,148	158,442
At 31 December 2013		7,433	19,097	31,699	215	80,959	13,184	9,177	3,212	164,976

3. Property, plant and equipment (cont'd)

Company	Note	Leasehold land RM'000	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									
At 1 January 2012		10,399	18,952	54,562	323,757	2,066	18,579	4,132	432,447
Additions		-	-	307	10,782	359	782	7,381	19,611
Disposals		-	-	-	(41)	(292)	(440)	-	(773)
Written off		-	-	-	(210)	-	(56)	-	(266)
Transfers		-	-	584	3,781	-	-	(4,365)	-
Transfer to a subsidiary		-	-	-	-	-	(3)	-	(3)
At 31 December 2012/1 January 2013		10,399	18,952	55,453	338,069	2,133	18,862	7,148	451,016
Additions		-	-	903	15,757	570	707	1,860	19,797
Disposals		-	-	-	-	(296)	(70)	-	(366)
Written off		-	-	-	(131)	-	-	-	(131)
Transfers		-	-	200	4,564	-	-	(5,896)	(1,132)
At 31 December 2013		10,399	18,952	56,556	358,259	2,407	19,499	3,112	469,184
Depreciation									
At 1 January 2012		2,825	-	22,634	260,099	1,490	16,992	-	304,040
Depreciation for the year	14	118	-	1,434	10,193	304	891	-	12,940
Disposals		-	-	-	(34)	(272)	(440)	-	(746)
Written off		-	-	-	(190)	-	(56)	-	(246)
At 31 December 2012/1 January 2013		2,943	-	24,068	270,068	1,522	17,387	-	315,988
Depreciation for the year	14	118	-	1,505	10,987	223	870	-	13,703
Disposals		-	-	-	-	(296)	(70)	-	(366)
Written off		-	-	-	(122)	-	-	-	(122)
At 31 December 2013		3,061	-	25,573	280,933	1,449	18,187	-	329,203
Carrying amounts									
At 1 January 2012		7,574	18,952	31,928	63,658	576	1,587	4,132	128,407
At 31 December 2012/1 January 2013		7,456	18,952	31,385	68,001	611	1,475	7,148	135,028
At 31 December 2013		7,338	18,952	30,983	77,326	958	1,312	3,112	139,981

3. Property, plant and equipment (cont'd)

3.1 Leasehold land

Included in the carrying amount of leasehold land are lease of land with:

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Unexpired lease period less than 50 years	95	99	–	–
Unexpired lease period more than 50 years	7,338	7,456	7,338	7,456
	7,433	7,555	7,338	7,456

4. Intangible assets

Group	Note	Goodwill RM'000	Computer software RM'000	Total RM'000
Cost				
At 1 January 2012		6,312	14,425	20,737
Acquisition		–	1,380	1,380
Dilution of investment in a jointly-controlled entity		(1,312)	(1)	(1,313)
Effect of movements in exchange rates		–	8	8
At 31 December 2012/1 January 2013		5,000	15,812	20,812
Acquisition		–	1,169	1,169
Transfer of property, plant and equipment		–	1,132	1,132
Effect of movements in exchange rates		–	28	28
At 31 December 2013		5,000	18,141	23,141
Amortisation				
At 1 January 2012		–	9,149	9,149
Amortisation for the year	14	–	2,281	2,281
Dilution of investment in a jointly-controlled entity		–	(9)	(9)
Effect of movements in exchange rates		–	3	3
At 31 December 2012/1 January 2013		–	11,424	11,424
Amortisation for the year	14	–	2,395	2,395
Effect of movements in exchange rates		–	13	13
At 31 December 2013		–	13,832	13,832
Carrying amounts				
At 1 January 2012		6,312	5,276	11,588
At 31 December 2012/1 January 2013		5,000	4,388	9,388
At 31 December 2013		5,000	4,309	9,309

4. Intangible assets (cont'd)

Company	Note	Computer software RM'000
Cost		
At 1 January 2012		11,820
Additions		225
Transfer to a subsidiary		(3,485)
At 31 December 2012/1 January 2013		8,560
Additions		187
Transfer from property, plant and equipment		1,132
At 31 December 2013		9,879
Amortisation		
At 1 January 2012		7,385
Amortisation for the year	14	650
At 31 December 2012/1 January 2013		8,035
Amortisation for the year	14	334
At 31 December 2013		8,369
Carrying amounts		
At 1 January 2012		4,435
At 31 December 2012/1 January 2013		525
At 31 December 2013		1,510

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.

	2013 RM'000	Group 2012 RM'000
Subsidiary		
Luen Heng F&B Sdn. Bhd.	5,000	5,000
	5,000	5,000

4. Intangible assets (cont'd)

The recoverable amount of the cash-generating unit ("CGU") - Luen Heng F&B Sdn. Bhd. was based on its value-in-use calculations. The recoverable amount for the CGU was higher than the aggregate carrying amount of the identifiable net assets and goodwill allocated and hence, no impairment loss was recognised during the year.

Value-in-use of the CGU was determined by discounting the future cash flows forecasted to be generated from the continuing use of the CGU. The key assumptions used for the CGU are as follows:

- Projected EBITDA are expected to approximate the annual net cash flow.
- EBITDA was projected for 6 years and discounted at 9%.

5. Investments in subsidiaries

	Company	
	2013 RM'000	2012 RM'000
Unquoted shares - at cost	393,672	393,672

The following are the subsidiaries of the Group:

Name of company	Principal activities	Country of incorporation	Effective ownership interest	
			2013 %	2012 %
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	Malaysia	100	100

Audited by a member firm of KPMG International.

In conjunction with the investment undertaken in Luen Heng F&B Sdn. Bhd. ("LHFB") in 2008, the Company entered into a call and put option with LHFB's corporate shareholder, Luen Heng Agency Sdn. Bhd. ("LHA"), allowing the Company to acquire the remaining interest held by LHA or LHA to sell its interest in LHFB to the Company, at any time after three (3) years of the date of the acquisition. The consideration is to be based on LHFB's fair value which is to be determined by an international firm of accountants. Both parties have not exercised their rights during the year.

6. Investment in an associate

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Quoted shares, outside Malaysia	19,936	19,936	19,936	19,936
Share of post-acquisition reserves	20,944	14,720	-	-
	40,880	34,656	19,936	19,936
Market value				
Quoted shares, outside Malaysia	178,914	127,235	-	-

Name of company	Principal activities	Country of Incorporation	Effective ownership interest	
			2013 %	2012 %
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:

	2013 RM'000	2012 RM'000
Revenue (100%)	338,272	302,759
Profit after taxation (100%)	23,894	30,915
Total assets (100%)	532,448	306,463
Total liabilities (100%)	377,440	175,345

In conjunction with the investment undertaken in Lion Brewery (Ceylon) PLC, the Company had written a call option with the principal licensor, Carlsberg A/S, its ultimate holding 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 and hence, the option's fair value is insignificant.

7. Receivables, deposits and prepayments

		Group		Company	
	Note	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Non-current					
Loan to a subsidiary	7.1	-	-	648	4,848
Current					
Trade					
Trade receivables	20.4	222,113	215,469	-	-
Allowance for impairment loss	20.4	(4,833)	(4,850)	-	-
		217,280	210,619	-	-
Amount due from related companies	7.2	3,270	376	-	-
		220,550	210,995	-	-
Non-trade					
Amount due from subsidiaries	7.2	-	-	190	121
Amount due from related companies	7.2	265	363	230	363
Other receivables		7,094	4,132	1,797	1,993
Deposits		7,050	10,383	5,350	7,200
Prepayments	7.3	53,003	34,584	329	714
		67,412	49,462	7,896	10,391
		287,962	260,457	7,896	10,391

7.1 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.

7.2 Amounts due from subsidiaries and related companies

Amounts due from subsidiaries and related companies are unsecured, interest free and repayable on demand.

7.3 Prepayments

Prepayments comprise of upfront cash payment to sales outlets which are amortised over the duration of the contracts entered with these outlets.

8. Deferred tax assets/(liabilities)

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

Group	Assets		Liabilities		Net	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Property, plant and equipment	-	-	(19,967)	(22,871)	(19,967)	(22,871)
Others	2,927	3,094	-	-	2,927	3,094
Tax assets/(liabilities)	2,927	3,094	(19,967)	(22,871)	(17,040)	(19,777)
Set off of tax	(2,891)	(2,231)	2,891	2,231	-	-
Net tax liabilities	36	863	(17,076)	(20,640)	(17,040)	(19,777)

Company

Property, plant and equipment	-	-	(17,351)	(21,040)	(17,351)	(21,040)
Others	991	546	-	-	991	546
Tax assets/(liabilities)	991	546	(17,351)	(21,040)	(16,360)	(20,494)
Set off of tax	(991)	(546)	991	546	-	-
Net tax liabilities	-	-	(16,360)	(20,494)	(16,360)	(20,494)

Movement in temporary differences during the year

Group	Recognised in profit or loss		Recognised in profit or loss		At 31.12.2013 RM'000
	At 1.1.2012 RM'000	(Note 16) RM'000	At 1.1.2013 RM'000	(Note 16) RM'000	
Property, plant and equipment	(20,021)	(2,850)	(22,871)	2,904	(19,967)
Others	1,675	1,419	3,094	(167)	2,927
	(18,346)	(1,431)	(19,777)	2,737	(17,040)

Company

Property, plant and equipment	(18,277)	(2,763)	(21,040)	3,689	(17,351)
Others	1,263	(717)	546	445	991
	(17,014)	(3,480)	(20,494)	4,134	(16,360)

9. Inventories

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Finished goods	35,386	36,029	9,163	6,846
Work-in-progress	2,457	2,382	2,457	2,382
Raw, packaging and other materials	8,394	5,204	8,314	5,005
Spare parts for machinery	3,470	3,225	3,275	3,017
	49,707	46,840	23,209	17,250
Recognised in profit or loss:				
Allowance for inventories written down/(back)	320	733	300	(246)
Finished goods written off	2,032	3,323	162	98

10. Cash and cash equivalents

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Deposits with licensed banks	1,990	2,030	1,200	1,430
Cash and bank balances	42,151	55,658	2,236	16,272
	44,141	57,688	3,436	17,702

11. Share capital and reserves**Share capital**

	Group and Company			
	Amount 2013 RM'000	Number of shares 2013 '000	Amount 2012 RM'000	Number of shares 2012 '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 and the Company (see Note 11.4), all rights are suspended until those shares are reissued.

II. Share capital and reserves (cont'd)**Reserves**

	Note	Group		Company	
		2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Non-distributable reserves:					
Share premium		7,367	7,367	7,367	7,367
Other reserves:					
Capital reserve	11.1	3,931	3,931	-	-
Exchange reserve	11.2	505	(2,334)	-	-
Share option reserve	11.3	747	146	554	205
Treasury shares	11.4	(12,043)	(12,043)	(12,043)	(12,043)
Put option reserve	11.5	(20,057)	-	(20,057)	-
Others		(780)	(780)	-	-
		(20,330)	(3,713)	(24,179)	(4,471)
Distributable reserves:					
Retained earnings	11.6	140,017	148,713	294,854	341,464
		119,687	145,000	270,675	336,993

11.1 Capital reserve

The capital reserve comprises reserve capitalised by a subsidiary for bonus issue of shares in prior years.

11.2 Exchange reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of the Group entities with functional currencies other than RM.

11.3 Share option reserve

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

11.4 Treasury shares

In 1999 via a resolution passed in a general meeting, the Company repurchased 2,330,000* of its issued share capital from the open market. The aggregate consideration paid for the repurchased shares was RM12,043,000, 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 2013 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.

11.5 Put option reserve

As disclosed in Note 5, in 2008, the Company entered into a call and put option with LHFB's corporate shareholder, LHA, allowing the Company to acquire the remaining interest held (30%) by LHA or LHA to sell its interest in LHFB to the Company, at any time after (3) years of the acquisition. The put option liability is recognised based on projected multiples of LHFB's 2013 EBITDA and is recognised as a liability and correspondingly in the put option reserve.

11. Share capital and reserves (cont'd)**11.6 Retained earnings**

The Finance Act 2007 introduced a single tier company income tax system with effect from year of assessment 2008. Under this system, companies are not required to have tax credits under Section 108 of the Income Tax Act 1967 for dividend payment purposes. The Company has made an irrevocable election to pay dividends under the single tier tax system.

12. Payables and accruals

	Note	Group		Company	
		2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Trade					
Trade payables		159,977	152,456	47,977	50,410
Amount due to immediate holding company	12.1	13,670	12,232	5,803	4,852
Amount due to related companies	12.1	9,530	2,054	5,793	253
		183,177	166,742	59,573	55,515
Non-trade					
Other payables	12.2	21,257	29,637	6,543	9,364
Accrued expenses		16,548	20,853	6,461	6,644
Amount due to ultimate holding company	12.3	149	613	149	613
Amount due to subsidiary	12.3	–	–	55,352	16,069
Amount due to related companies	12.3	109	72	109	72
Put option reserve	11.5	20,057	–	20,057	–
		58,120	51,175	88,671	32,762
		241,297	217,917	148,244	88,277

12.1 Amounts due to immediate holding company and related companies

Amounts due to immediate holding company and related companies are unsecured, interest free and subjected to credit terms of 90 days.

12.2 Other payables

Included in other payables of the Group is a loan given to a subsidiary by its non-controlling shareholder amounting to RM0.28 million (2012: RM2.08 million). The loan is unsecured, carries interest at a rate calculated as the average of the base lending rate and fixed deposit rate of Malayan Banking Berhad of 4.85% (2012: 4.83%) on such outstanding amount from time to time and is repayable on demand.

12.3 Amounts due to ultimate holding company, subsidiary and related companies

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

13. Loans and borrowings

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Current-unsecured				
Bank overdraft	8,422	-	-	-
Revolving credits	32,000	5,000	-	-
	40,422	5,000	-	-

The short term bank loan and revolving credits of the Group are subjected to interests ranging from 1.30% to 4.76% (2012: 4.66% to 4.68%) per annum.

14. Operating profit

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Operating profit is arrived at after charging:				
Amortisation of intangible assets	2,395	2,281	334	650
Auditors' remuneration:				
– Audit services	393	349	91	91
Depreciation of property, plant and equipment	22,304	19,593	13,703	12,940
Allowance for inventories written down	320	733	300	-
Inventories written off	2,032	3,323	162	98
Impairment loss on receivables	423	850	-	-
Bad debts written off	236	-	45	-
Personnel expenses (including key management personnel):				
– Contributions to Employees Provident Fund	8,295	8,816	2,489	2,577
– Contributions to other defined contribution plan	608	589	253	264
– Wages, salaries and others	78,402	75,955	26,667	25,627
Property, plant and equipment written off	9	26	9	20
Share of net liability of jointly-controlled entity arising from restructuring	-	-	-	11,655
Rental of land and buildings	4,153	4,319	1,679	1,074
Realised foreign exchange loss	286	-	161	-
Unrealised foreign exchange loss	-	707	283	124

14. Operating profit (cont'd)

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
and after crediting:				
Allowance for inventories written back	-	-	-	246
Bad debts recovered	370	628	-	-
Dividend income from unquoted subsidiaries	-	-	116,880	126,457
Dividend income from a foreign quoted associate	-	-	1,700	1,667
Gain on disposal of property, plant and equipment	1,530	1,143	101	92
Gain on disposal of other assets	101	-	-	-
Interest income	977	654	550	598
Realised foreign exchange gain	-	1,592	-	1,131
Rental income from subsidiary	-	-	840	840
Unrealised foreign exchange gain	102	-	-	-

15. Key management personnel compensation

The key management personnel compensation are as follows:

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Directors:				
- Fees	168	160	168	160
- Remuneration	1,332	1,205	1,332	1,205
- Other short term employee benefits (including estimated monetary value of benefits-in-kind)	1,010	913	1,010	913
	2,510	2,278	2,510	2,278
- Post-employment benefits	108	97	108	97
- Share-based payments	172	107	172	107
	2,790	2,482	2,790	2,482
Other key management personnel:				
- Short term employee benefits	8,767	9,190	2,205	2,519
- Post-employment benefits	292	320	69	85
- Share-based payments	213	194	107	120
	9,272	9,704	2,381	2,724
	12,062	12,186	5,171	5,206

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.

16. Tax expense**Recognised in profit or loss**

Major components of tax expense include:

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Current tax expense				
Malaysian				
– current year	44,788	38,970	8,771	6,849
– over provision in prior year	(478)	(987)	(753)	(215)
Overseas				
– current year	8,269	12,469	–	–
– (over)/under provision in prior year	(33)	15	–	–
	52,546	50,467	8,018	6,634
Deferred tax expense				
Origination and reversal of temporary differences	(325)	1,387	(249)	244
(Over)/Under provision in prior year	(2,412)	44	(3,885)	3,236
Total deferred tax	(2,737)	1,431	(4,134)	3,480
Total tax expense	49,809	51,898	3,884	10,114
Reconciliation of tax expense				
Profit before tax	236,429	245,651	149,895	139,406
Share of profit of equity accounted associate, net of tax	(5,878)	(7,605)	–	–
Profit before tax excluding share of profit after tax of equity accounted associate	230,551	238,046	149,895	139,406
Tax at Malaysian tax rate of 25% (2012: 25%)	57,638	59,512	37,474	34,852
Effect of tax in foreign jurisdiction	(4,000)	(5,797)	–	–
Non taxable income	(547)	(474)	(29,783)	(32,168)
Non-deductible expenses	2,054	2,092	831	4,409
Double deduction on permitted expenses	(2,383)	(2,521)	–	–
Other items	(163)	(251)	–	–
Current year losses for which no deferred tax asset was recognised	133	265	–	–
(Over)/Under provision in prior year	52,732 (2,923)	52,826 (928)	8,522 (4,638)	7,093 3,021
Tax expense	49,809	51,898	3,884	10,114

17. Earnings per ordinary share**Basic earnings per ordinary share**

The calculation of basic earnings per ordinary share at 31 December 2013 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

	2013 RM'000	Group 2012 RM'000
Profit for the year attributable to shareholders	183,925	191,632

Weighted average number of ordinary shares

	2013 '000	Group 2012 '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)	60.16	62.68

18. Dividends

Dividends recognised in the current year by the Company are:

	Sen per share	Total amount RM'000	Date of payment
2013			
First interim 2013 ordinary – single tier	5.0	15,287	11 October 2013
Final & special 2012 ordinary – single tier	58.0	177,334	20 May 2013
Total amount		192,621	
2012			
First interim 2012 ordinary – single tier	5.0	15,287	11 October 2012
Final 2011 ordinary – tax exempt	2.0	6,115	18 May 2012
Special Final 2011 ordinary	49.1	150,199	18 May 2012
Total amount		171,601	

18. Dividends (cont'd)

After the reporting period, the following dividend was proposed by the Directors. This dividend will be recognised in subsequent financial report upon approval by the shareholders.

	Sen per RM0.50 share	Total amount RM'000
2013		
Final and special ordinary – single tier	56.0	171,219

19. Operating segments

The Group has three reportable segments, which are the Group's geographical segments. The strategic business units offer similar products but are managed separately because they require different marketing strategies due to the geographical locations. For each of the strategic business unit, the Group's Managing Director (the chief operating decision maker) reviews internal management reports at least on a quarterly basis.

The following summary describes the operations in each of the Group's reportable segments:

- Malaysia Includes manufacturing, marketing and distribution of both alcoholic and non-alcoholic beverages by entities in Malaysia.
- Singapore Includes marketing and distribution of both alcoholic and non-alcoholic beverages by an entity in Singapore.
- Others Includes marketing and distribution of both alcoholic and non-alcoholic beverages in geographical locations other than Malaysia and Singapore.

Performance is measured based on segment profit, as included in the internal management reports that are reviewed by the Group's Managing Director. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of the segments relative to other entities that operate within these industries.

Segment assets, liabilities and capital expenditures

Segment assets, liabilities and capital expenditures information is neither included in the internal management reports nor provided regularly to the Group's Managing Director. Hence no disclosure is made.

	Malaysia RM'000	Singapore RM'000	Others RM'000	Total RM'000
2013				
Segment profit	184,251	50,637	–	234,888
<i>Included in the measure of segment profit are:</i>				
Revenue from external customers	1,219,324	335,825	–	1,555,149
Inter-segment revenue	54,110	–	–	54,110
Depreciation and amortisation	23,158	1,541	–	24,699
<i>Not included in the measure of segment profit but provided to Managing Director:</i>				
Finance costs	(4,682)	(636)	–	(5,318)
Interest income	977	–	–	977
Income tax expense	(41,598)	(8,211)	–	(49,809)
Share of profit of equity accounted associate, net of tax	–	–	5,878	5,878

19. Operating segments (cont'd)**Segment assets, liabilities and capital expenditures (cont'd)**

	Malaysia RM'000	Singapore RM'000	Others RM'000	Total RM'000
2012				
Segment profit/(loss)	167,809	74,708	(1,336)	241,181
<i>Included in the measure of segment profit/(loss) are:</i>				
Revenue from external customers	1,208,928	371,061	4,791	1,584,780
Inter-segment revenue	57,440	–	–	57,440
Depreciation and amortisation	20,598	1,229	47	21,874
<i>Not included in the measure of segment profit but provided to Managing Director:</i>				
Finance costs	(4,058)	(692)	(221)	(4,971)
Interest income	653	1	–	654
Income tax expense	(39,408)	(12,490)	–	(51,898)
Share of profit of equity accounted associate, net of tax	–	–	7,605	7,605

Reconciliations of segment profit or loss

	2013 RM'000	2012 RM'000
Profit		
Total segment profit	234,888	241,181
Inter-segment elimination	4	1,182
Finance costs	(5,318)	(4,971)
Interest income	977	654
Share of profit of equity accounted associate, net of tax	5,878	7,605
Consolidated profit before tax	236,429	245,651

Geographical segments

In presenting information on the basis of geographical segments, segment revenue is based on geographical location of customers. Segment assets are based on the geographical location of the assets. The amounts of non-current assets do not include financial instruments (including investments in associates) and deferred tax assets.

Geographical location	Revenue		Non-current assets	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Malaysia	1,211,009	1,203,827	170,557	165,524
Singapore	335,825	371,061	3,728	2,671
Taiwan	–	4,791	–	–
Other countries	8,315	5,101	–	–
	1,555,149	1,584,780	174,285	168,195

Major customers

The Group does not transact with a single external customer amounting to 10% or more than the Group's total revenue.

20. Financial instruments

20.1 Categories of financial instruments

The table below provides an analysis of financial instruments categorised as follows:

- (a) Loans and receivables (“L&R”); and
- (b) Other financial liabilities measured at amortised cost (“OL”).

31 December 2013	Carrying amount RM'000	L&R/ (OL) RM'000
Group		
Financial assets		
Trade and other receivables*	234,959	234,959
Cash and cash equivalents	44,141	44,141
	279,100	279,100
Financial liabilities		
Loans and borrowings	(40,422)	(40,422)
Payables and accruals	(241,297)	(241,297)
	(281,719)	(281,719)
Company		
Financial assets		
Trade and other receivables*	7,567	7,567
Cash and cash equivalents	3,436	3,436
Loan to a subsidiary	648	648
	11,651	11,651
Financial liabilities		
Payables and accruals	(148,244)	(148,244)

20. Financial instruments (cont'd)**20.1 Categories of financial instruments (cont'd)**

31 December 2012	Carrying amount RM'000	L&R/ (OL) RM'000
Group		
Financial assets		
Trade and other receivables*	225,873	225,873
Cash and cash equivalents	57,688	57,688
	283,561	283,561
Financial liabilities		
Loans and borrowings	(5,000)	(5,000)
Payables and accruals	(217,917)	(217,917)
	(222,917)	(222,917)
Company		
Financial assets		
Trade and other receivables*	9,677	9,677
Cash and cash equivalents	17,702	17,702
Loan to a subsidiary	4,848	4,848
	32,227	32,227
Financial liabilities		
Payables and accruals	(88,277)	(88,277)

*excluding prepayments

20.2 Net gains and losses arising from financial instruments

Net gains/(losses) arising from financial instruments comprises interest income/(expense), unrealised foreign exchange gains/(losses) and impairment losses.

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Loans and receivables	1,368	(321)	438	684
Financial liabilities measured at amortised cost	(5,896)	(4,925)	(737)	(1,024)

20. Financial instruments (cont'd)

20.3 Financial risk management

The Group and the Company have exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

20.4 Credit risk

Credit risk is the risk of a financial loss to the Group and the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises principally from its receivables from customers, placements and cash maintained with financial institutions. The Company's exposure to credit risk arises principally from loans, trade advances to subsidiaries, placements and cash maintained with financial institutions.

Receivables

Risk management objectives, policies and processes for managing the 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.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk arising from receivables is represented by the carrying amounts in the statement of financial position.

Management has taken reasonable steps to ensure that receivables that are neither past due nor impaired are measured at their realisable values. A significant portion of these receivables are regular customers that have been transacting with the Group. The Group uses ageing analysis to monitor the credit quality of the receivables. Any receivables having significant balances past due more than 120 days, which are deemed to have higher credit risk, are monitored individually.

The exposure of credit risk for trade receivables, net of impairment loss, as at the end of the reporting period by geographic region was:

	2013 RM'000	2012 RM'000
Malaysia	151,899	154,891
Singapore	65,381	55,728
	217,280	210,619

20. Financial instruments (cont'd)**20.4 Credit risk (cont'd)****Receivables (cont'd)***Impairment losses*

The ageing of receivables as at the end of the reporting period was:

Group	Gross RM'000	Individual impairment RM'000	Net RM'000
31 December 2013			
Not past due	188,494	–	188,494
Past due 1 – 30 days	23,090	(820)	22,270
Past due 31 – 60 days	4,181	(78)	4,103
Past due 61 – 90 days	1,373	(30)	1,343
Past due more than 90 days	4,975	(3,905)	1,070
	222,113	(4,833)	217,280
31 December 2012			
Not past due	182,415	–	182,415
Past due 1 – 30 days	14,144	–	14,144
Past due 31 – 60 days	5,247	–	5,247
Past due 61 – 90 days	6,271	–	6,271
Past due more than 90 days	7,392	(4,850)	2,542
	215,469	(4,850)	210,619

The movements in the allowance for impairment losses of receivables during the financial year were:

	2013 RM'000	2012 RM'000
At 1 January	(4,850)	(15,270)
Impairment loss recognised	(423)	(2,751)
Impairment loss reversed	–	1,901
Impairment loss written off	440	11,270
At 31 December	(4,833)	(4,850)

The allowance account in respect of receivables is used to record impairment losses. Unless the Group is satisfied that recovery of the amount is possible, the amount considered irrecoverable is written off against the receivable directly.

20. Financial instruments (cont'd)

20.4 Credit risk (cont'd)

Intercompany balances

Risk management objectives, policies and processes for managing the risk

The Company provides unsecured loans and advances to subsidiaries and related companies. The Company monitors the results of the subsidiaries regularly.

Exposure to credit risk and credit quality

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

Impairment losses

As at the end of the reporting period, there was no indication that the loans and advances to the subsidiaries were not recoverable. Non-current loans to subsidiaries are not overdue whilst advances to subsidiaries have been outstanding for less than a year.

Cash and cash equivalents

Risk management objectives, policies and processes for managing the risk

The Group's and Company's short term deposits are placed as fixed rate investments and daily short term deposits and upon which management endeavours to obtain the best rate available in the market.

Cash and cash equivalents are placed only with licensed financial institutions.

Exposure to credit risk and credit quality

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

Impairment losses

As at the end of the reporting period, there was no indication that cash and cash equivalents were not recoverable.

20.5 Liquidity risk

Liquidity risk is the risk that the Group and the Company will not be able to meet its financial obligations as they fall due. The Group's and the Company's exposure to liquidity risk arises principally from its various payables, loans and borrowings.

The Group and the Company maintains a level of cash and cash equivalents and bank facilities deemed adequate by the management to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they fall due.

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

20. Financial instruments (cont'd)**20.5 Liquidity risk (cont'd)***Maturity analysis*

	Carrying amount RM'000	Contractual interest rate %	Contractual cash flows RM'000	Under 1 year RM'000
Group				
31 December 2013				
Payables and accruals *	220,962	-	220,962	220,962
Loan from a subsidiary's non-controlling shareholder	278	4.85	291	291
Bank borrowings	40,422	1.30 - 4.76	40,497	40,497
	261,662		261,750	261,750
31 December 2012				
Payables and accruals	215,840	-	215,840	215,840
Loan from a subsidiary's non-controlling shareholder	2,077	4.83	2,177	2,177
Bank borrowings	5,000	4.66 - 4.68	5,058	5,058
	222,917		223,075	223,075
Company				
31 December 2013				
Payables and accruals *	128,187	-	128,187	128,187
31 December 2012				
Payables and accruals	88,277	-	88,277	88,277

* excluding put option reserve

20.6 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates that will affect the Group's and the Company's financial position or cash flows.

20.6.1 Currency risk

The Group and the Company are 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 U.S. Dollar ("USD").

Risk management objectives, policies and processes for managing the risk

The Group and the Company 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 RM and Singapore Dollar, the Group ensures that the net exposure is kept to an acceptable level.

Currency risk sensitivity analysis

The exposure to currency risk of Group entities to USD is not material and hence, sensitivity analysis is not presented.

20. Financial instruments (cont'd)**20.6 Market risk (cont'd)****20.6.2 Interest rate risk**

The Group's and the Company's borrowings are not exposed to a risk of change in their fair values due to changes in interest rates. The Group's and the Company's borrowings are exposed to a risk of change in cash flows due to changes in interest rate. Receivables and payables are not significantly exposed to interest rate risk.

Risk management objectives, policies and processes for managing the risk

The Group's and the Company's borrowings are short term in nature. As such, the Group and the Company do not engage in any hedging activities to manage interest risk fluctuations.

Exposure to interest rate risk

The interest rate profile of the Group's and the Company's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period were:

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Fixed rate instruments				
Deposits with licensed banks	1,990	2,030	1,200	1,430
Floating rate instruments				
Bank overdraft	(8,422)	-	-	-
Loan to a subsidiary	-	-	648	4,848
Loan from a subsidiary's non-controlling shareholder	(278)	(2,077)	-	-
Revolving credits	(32,000)	(5,000)	-	-

Interest rate risk sensitivity analysis

The Group and the Company do not account for any fixed rate financial assets and liabilities at fair value. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

The exposure to interest rate risk arising from floating rate instruments is not material, and hence, sensitivity analysis is not presented.

20.7 Fair value of financial instruments

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

The fair value of the loan to subsidiary of the Company approximates its carrying value.

21. Capital management

The Group's objectives when managing capital is to maintain a strong capital base and safeguard the Group's ability to continue as a going concern, so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Directors monitor and determine to maintain an optimal debt-to-equity ratio that complies with regulatory requirements.

Under the requirement of Bursa Malaysia Practice Note No. 17/2005, the Company is required to maintain a consolidated shareholders' equity equal to or not less than the 25 percent of the issued and paid-up capital (excluding treasury shares) and such shareholders' equity is not less than RM40 million. The Company has complied with this requirement.

22. Operating leases**Leases as lessee**

Non-cancellable operating lease rentals are payable as follows:

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Less than one year	4,593	3,960	508	250
Between one and five years	4,006	2,737	172	60
	8,599	6,697	680	310

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.

23. Capital commitments

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Capital expenditure commitments				
Plant and equipment				
Authorised and contracted for	779	3,759	–	2,628
Authorised but not contracted for	–	1,109	–	1,109
	779	4,868	–	3,737

24. 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 or the Company 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 or the Company 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 5), an associate (see Note 6), 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.

24. Related parties (cont'd)**Identity of related parties (cont'd)**

Details of the related party transactions (other than key management personnel remuneration disclosed in Note 15 to the financial statements) with the Group are as follows:

	Transaction value year ended 31 December			
	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Immediate holding company				
Management fees payable	4,303	4,144	3,171	3,036
Purchases of materials and products	1,372	919	647	759
Reimbursement of expenses	9,449	11,559	5,029	7,989
Royalties payable	31,531	31,624	6,132	5,861
Related companies				
Purchases of materials and products	34,835	23,835	16,122	1,724
Purchases of services	569	452	569	452
Sale of goods and services	410	-	-	-
Rental of premises	832	817	-	-
Others	944	196	25	-
Companies deemed related to certain directors of a subsidiary				
Sale of goods and services	4,738	3,602	-	-
Purchases of materials and products	516	-	-	-
Rental of premises	78	26	-	-

	Transaction value year ended 31 December	
	2013 RM'000	2012 RM'000
Subsidiaries		
Sale of goods and services	766,890	757,911
Transfer of property, plant and equipment at net book value	-	3
Transfer of intangible assets at net book value	-	3,845
Management fee received	11,500	11,500
Rental income	840	840
Dividend income	116,880	126,459
Interest received	132	319

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

Outstanding balances are disclosed accordingly in Notes 7 and 12.

25. Supplementary financial information on the breakdown of realised and unrealised profits or losses

The breakdown of the retained earnings of the Group and of the Company as at 31 December 2013, into realised and unrealised profits pursuant to Paragraphs 2.06 and 2.23 of Bursa Malaysia Main Market Listing Requirements, are as follows:

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Total retained earnings of the Company and its subsidiaries:				
– realised	516,916	527,575	313,881	359,108
– unrealised	(19,334)	(17,509)	(19,027)	(17,644)
	497,582	510,066	294,854	341,464
Total share of retained earnings of associate:				
– realised	23,710	16,837	–	–
– unrealised	(5,818)	(3,782)	–	–
	515,474	523,121	294,854	341,464
Less: Consolidation adjustments	(375,457)	(374,408)	–	–
Total retained earnings	140,017	148,713	294,854	341,464

The determination of realised and unrealised profits is based on the Guidance of Special Matter No.1, *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements*, issued by Malaysian Institute of Accountants on 20 December 2010.



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 71 to 116 are drawn up in accordance with Malaysian Financial Reporting Standards, International 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 2013 and of their financial performance and cash flows for the financial year then ended.

In the opinion of the Directors, the information set out in Note 25 on page 117 to the financial statements has been compiled in accordance with the Guidance on Special Matter No.1, *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements*, issued by the Malaysian Institute of Accountants, and presented based on the format prescribed by Bursa Malaysia Securities Berhad.

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

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

.....
Henrik Juel Andersen
Managing Director

Shah Alam

3 March 2014

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 71 to 117 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 3 March 2014.

.....
Lew Yoong Fah

Before me:
Lee Chin Hin
(No.W493)
Commissioner of Oaths

Kuala Lumpur
3 March 2014

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 statements of financial position as at 31 December 2013 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, changes in equity and cash flows of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 71 to 116.

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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 about 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 judgement, 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 entity's preparation of financial statements that give a true and fair view 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 entity'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 give a true and fair view of the financial position of the Group and of the Company as of 31 December 2013 and of their financial performance and cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

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 have considered the accounts and the auditors' report of the subsidiary of which we have not acted as auditors, which is indicated in Note 5 to the financial statements.
- (c) 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.
- (d) The 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.



Independent Auditors' Report
to the members of Carlsberg Brewery Malaysia Berhad

Other Reporting Responsibilities

Our audit was made for the purpose of forming an opinion on the financial statements taken as a whole. The information set out in Note 25 on page 117 to the financial statements has been compiled by the Company as required by the Bursa Malaysia Securities Berhad Listing Requirements. We have extended our audit procedures to report on the process of compilation of such information. In our opinion, the information has been properly compiled, in all material respects, in accordance with the Guidance of Special Matter No.1, *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements*, issued by the Malaysian Institute of Accountants and presented based on the format prescribed by Bursa Malaysia Securities Berhad.

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: 2679/11/15(J)
Chartered Accountant

Petaling Jaya, Selangor

3 March 2014

Carlsberg Malaysia's Sales Offices

ALOR SETAR

c/o Chuan Leong Trading (Kedah) S/B
No. 59, Jalan Utara 4,
Kawasan Perusahaan Mergong Barrage,
Jalan Lencong Barat,
05050 Alor Setar, Kedah.
Tel : 04-734 3712
Fax : 04-734 3712

BUTTERWORTH

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

IPOH

No. 87, Rishah Permai 1,
Taman Rishah Permai,
30100 Ipoh, Perak.
Tel : 05-281 3700 / 281 3713
Fax : 05-281 4116

KOTA BAHRU

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

KUANTAN

No. 25, Jalan IM14/3,
Kawasan Perindustrian Ringan,
Indera Mahkota,
25200 Kuantan, Pahang.
Tel : 09-573 0135 / 573 0136
Fax : 09-573 0136

MENTAKAB

c/o Lit Tat Trading Sdn. Bhd.
Pt 13030B, Jalan Industrial 4,
Taman Industrial Park,
28400 Mentakab, Pahang.
Tel : 09-278 3710
Fax : 09-278 3161

SHAH ALAM

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

SEREMBAN

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

MALACCA

No. 23-23A, Jalan Malinja 1,
Taman Malinja, Bukit Baru,
75150 Malacca.
Tel : 06-282 7709 / 284 1530
Fax : 06-282 7930

BATU PAHAT

No. 38, Jalan Tukas 2,
Taman Soga,
83000 Batu Pahat,
Johor.
Tel : 07-433 2463
Fax : 07-433 2464

JOHOR BAHRU

No. 41G, 41-01 & 41-02,
Jalan Austin Perdana 2/22,
Taman Mount Austin,
81100 Johor Bahru, Johor.
Tel : 07-355 5078 / 354 0485
/ 354 6079
Fax : 07-354 6092

KOTA KINABALU

Lot. 34 Towering Industrial Estate,
Mile 4 1/2, Jalan Penampang,
P.O. Box 13435,
88838 Kota Kinabalu, Sabah.
Tel : 088-715 091 / 715 019
Fax : 088-717 480

KUCHING

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

TAWAU

Lot No 2, Da Hua Garden, Phase 3,
TB No. 7542, Jalan Bunga Raya,
91000 Tawau, Sabah.
Tel : 089-714 986
Fax : 089-714 686

SANDAKAN

Ground Floor, Lot 2, Block 2,
Bangunan Yuan Li, Mile 1.5,
Jalan Utara, 90000 Sandakan, Sabah.
Tel : 089- 201 011
Fax : 089- 201 013

MIRI

Lot 1415, Ground Floor & 1st Floor,
Lorong 5, Jalan Krokop, P.O. Box 1301,
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, 96007 Sibu, Sarawak.
Tel & Fax : 084-213 892

Particulars of Group Properties

The Properties included in land and buildings as at 31 December 2013 (Note 3 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	43	30,441	31/3/81 (revaluation)
Lot. 34, Towering Industrial Estate, Mile 4 1/2, Jalan Penampang, P.O. Box 13435, 88838 Kota Kinabalu, Sabah.	Land and Building	0.06	Office and Warehouse	Leasehold expiring 31.12.2037	34	291	28/3/95 (acquisition)
No. 394, Taman AST, Jalan Labu, 70200 Seremban, Negeri Sembilan Darul Khusus.	Land and Building	0.04	Office and Warehouse	Freehold	19	322	23/12/96 (acquisition)
Lot 22, Jalan Pengapit 15/19, Seksyen 15, 40200 Shah Alam, Selangor Darul Ehsan.	Land and Building	1.81	Factory and Office	Leasehold expiring 23.2.2082	23	8,032	12/03/96 (acquisition)
No. 25, Jalan IM14/3, Kawasan Perindustrian Ringan, Indera Mahkota, 25200 Kuantan, Pahang Darul Makmur.	Land and Building	0.05	Office and Warehouse	Leasehold expiring 29.3.2097	16	191	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
						58,229	

Analysis of Shareholdings

as at 28 February 2014

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	710	5.69	6,660	0.00
100 – 1,000	4,947	39.68	3,645,527	1.19
1,001 – 10,000	5,285	42.39	20,336,956	6.65
10,001 – 100,000	1,330	10.67	40,897,825	13.38
100,001 – 15,287,399*	195	1.56	84,928,532	27.78
15,287,400 and above**	1	0.01	155,932,500	51.00
TOTAL	12,468	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	51.000
2	Malaysia Nominees (Tempatan) Sendirian Berhad Great Eastern Life Assurance (Malaysia) Berhad (Par 1)	9,085,320	2.972
3	HSBC Nominees (Asing) Sdn. Bhd. BNP Paribas Secs Svs Lux for Aberdeen Global	4,798,200	1.569
4	Malaysia Nominees (Tempatan) Sendirian Berhad Great Eastern Life Assurance (Malaysia) Berhad (Par 2)	4,152,000	1.358
5	Cartaban Nominees (Tempatan) Sdn. Bhd. Exempt AN for Eastspring Investments Berhad	3,100,200	1.014
6	Citigroup Nominees (Tempatan) Sdn. Bhd. Exempt AN for AIA Bhd	1,897,600	0.621
7	Tai Tak Estates Sdn. Bhd.	1,500,000	0.491
8	HSBC Nominees (Asing) Sdn. Bhd. BNY Brussels for Wisdomtree Emerging Markets Smallcap Dividend Fund	1,495,013	0.489
9	UOBM Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Wong Yoke Fong @ Wong Nyok Fing (6110553745-T232)	1,400,000	0.458
10	Tokio Marine Life Insurance Malaysia Bhd as Beneficial Owner (PF)	1,326,700	0.434
11	DB (Malaysia) Nominee (Asing) Sdn. Bhd. SSBT Fund W4B9 for Wasatch Frontier Emerging Small Countries Fund	1,321,873	0.432
12	HSBC Nominees (Asing) Sdn. Bhd. BNY Brussels for Wisdomtree Emerging Markets Equity Income Fund	1,221,113	0.399
13	Yeoh Saik Khoo Sendirian Berhad	1,218,000	0.398

Analysis of Shareholdings

as at 28 February 2014

	Name	No. of Shares	% of Shares
14	Citigroup Nominees (Asing) Sdn. Bhd. CBNY for DFA Emerging Markets Small Cap Series	1,102,300	0.361
15	HSBC Nominees (Asing) Sdn. Bhd. Exempt AN for JPMorgan Chase Bank, National Association (U.S.A.)	1,091,857	0.357
16	DB (Malaysia) Nominee (Asing) Sdn. Bhd. SSBT Fund DRNY for Aberdeen Global Small Cap Fund	1,073,500	0.351
17	Key Development Sdn. Bhd.	1,038,000	0.339
18	HSBC Nominees (Tempatan) Sdn. Bhd. HSBC (M) Trustees Bhd. for Hwang Select Opportunity Fund (3969)	1,000,000	0.327
19	Public Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Mak Tian Meng (JRC)	1,000,000	0.327
20	HDM Nominees (Asing) Sdn. Bhd. UOB Kay Hian Pte. Ltd. for Kwong Soon Engineering Co Pte. Ltd.	967,500	0.316
21	Ho Sim Guan	960,000	0.314
22	UOBM Nominees (Asing) Sdn. Bhd. Chung Khiaw Bank Nominees (Pte) Ltd. for Ko Choon Huat	910,000	0.298
23	HSBC Nominees (Asing) Sdn. Bhd. Exempt AN for J.P. Morgan Bank Luxembourg S.A.	851,100	0.278
24	Gan Teng Siew Realty Sdn. Bhd.	845,000	0.276
25	HSBC Nominees (Asing) Sdn. Bhd. Exempt AN for JPMorgan Chase Bank, National Association (Norges BK Lend)	792,500	0.259
26	CIMB Commerce Trustee Berhad Public Focus Select Fund	788,700	0.258
27	HSBC Nominees (Tempatan) Sdn. Bhd. HSBC (M) Trustee Bhd. for Hwang Select Income Fund (4850)	779,200	0.255
28	AMSEC Nominees (Asing) Sdn. Bhd. AmFraser Securities Pte. Ltd. for Chong Chew Lim @ Chong Ah Kau (214028)	755,100	0.247
29	Chinchoo Investment Sdn. Bhd.	675,000	0.221
30	AmanahRaya Trustees Berhad Public Equity Fund	656,000	0.215
	TOTAL	203,734,276	66.634

SUBSTANTIAL SHAREHOLDER

Name	Direct Interest	
	No. of Shares	% of Shares
1 Carlsberg Breweries A/S	155,932,500	51.00

DIRECTORS' INTERESTS

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

Deemed interested by virtue of shares held by his daughter.

None of the other Directors holding office as at 28 February 2014 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 2013 or entered into since the end of the previous financial year ending 31 December 2012. The following are the existing material contracts:-

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 and major shareholder of CBMB.

2. A shareholders agreement between CBMB, Luen Heng Agency Sdn. Bhd. ("**LHA**") and Luen Heng F & B Sdn. Bhd. ("**LHFB**") dated 26 November 2008 for CBMB and LHA to participate in the equity of LHFB whereupon CBMB holds 70% equity shareholding consisting of 2,100,000 ordinary shares of RM1.00 each. Mr. Henrik Juel Andersen who is a Director of CBMB is also the director of LHFB.

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 during the **43rd AGM held on 26 April 2013** is as follows:

Transacting Parties	Interested Related Parties	Nature of Transaction	Actual Value Transacted
			27 April 2013 - 28 February 2014
			(RM' million)
CBAS and the Group	Roy Enzo Bagattini, Graham James Fewkes, Soren Ravn, Roland Arthur Lawrence and CBAS	Purchase of raw materials (hops, yeast, aroma, etc.) and related services from CBAS	1.3
CBAS and the Group	Roy Enzo Bagattini, Graham James Fewkes, Soren Ravn, Roland Arthur Lawrence and CBAS	Provision of administrative support and property leasing services to CBAS	0.2
CBAS and the Group	Roy Enzo Bagattini, Graham James Fewkes, Soren Ravn, Roland Arthur Lawrence and CBAS	Provision of administrative support services from CBAS	4.5
CBAS and the Group	Roy Enzo Bagattini, Graham James Fewkes, Soren Ravn, Roland Arthur Lawrence and CBAS	Royalties payable to CBAS for inter alia, the exclusive use of trademark licences and supply of technical and commercial assistance	28.8
CBGL and the Group	Roy Enzo Bagattini, Graham James Fewkes, Soren Ravn, Roland Arthur Lawrence and CBAS	Purchase of beverage products from CBGL	0.0
DMG and the Group	Roy Enzo Bagattini, Graham James Fewkes, Soren Ravn, Roland Arthur Lawrence and CBAS	Purchase of raw materials (malts) from DMG	17.0
CUKL and the Group	Roy Enzo Bagattini, Graham James Fewkes, Soren Ravn, Roland Arthur Lawrence and CBAS	Purchase of beverage products and services from CUKL	0.0
DMG Polska and the Group	Roy Enzo Bagattini, Graham James Fewkes, Soren Ravn, Roland Arthur Lawrence and CBAS	Purchase of raw materials (malts) from Polska	0.1
SSSp and the Group	Roy Enzo Bagattini, Graham James Fewkes, Soren Ravn, Roland Arthur Lawrence and CBAS	Purchase of raw materials (malts) from SSSp	0.8
CIT and the Group	Roy Enzo Bagattini, Graham James Fewkes, Soren Ravn, Roland Arthur Lawrence and CBAS	Purchase of IT services from CIT	0.6
CGPAG and the Group	Roy Enzo Bagattini, Graham James Fewkes, Soren Ravn, Roland Arthur Lawrence and CBAS	Purchase of materials and services (A&P items) from CGPAG	9.6
BK and the Group	Roy Enzo Bagattini, Graham James Fewkes, Soren Ravn, Roland Arthur Lawrence and CBAS	Purchase of beverage products from BK	0.5
CSAB and the Group	Roy Enzo Bagattini, Graham James Fewkes, Soren Ravn, Roland Arthur Lawrence and CBAS	Purchase of materials & products CSAB	0.0
CHKL and the Group	Roy Enzo Bagattini, Graham James Fewkes, Soren Ravn, Roland Arthur Lawrence and CBAS	Purchases of materials & products from CHKL	0.2
CHKL and the Group	Roy Enzo Bagattini, Graham James Fewkes, Soren Ravn, Roland Arthur Lawrence and CBAS	Sales and supply of goods to CHKL	0.4
SOAS and the Group	Roy Enzo Bagattini, Graham James Fewkes, Soren Ravn, Roland Arthur Lawrence and CBAS	Purchase of beverage products from SOAS	1.2

List of Recurrent Related Party Transactions

Transacting Parties	Interested Related Parties	Nature of Transaction	Actual Value Transacted
			27 April 2013 - 28 February 2014 (RM' million)
HVTB and the Group	Roy Enzo Bagattini, Graham James Fewkes, Soren Ravn, Roland Arthur Lawrence and CBAS	Purchase of beverage products from HVTB	2.5
LHA and LHFB	Kenneth Soh Chee Whye and LHA	Rental of property	0.7
Beerite and LHFB	Kenneth Soh Chee Whye and LHA	Rental of property	0.1
EKSB and LHFB	Kenneth Soh Chee Whye and LHA	Sale and supply of goods to EKSB	3.2
Hock Lee and LHFB	Kenneth Soh Chee Whye and LHA	Sale and supply of goods to Hock Lee	0.3
World Wide and LHFB	Kenneth Soh Chee Whye	Sale and supply of goods to World Wide	0.2
ICB and LHFB	Kenneth Soh Chee Whye	Sale and supply of goods to ICB	0.3
BDSB and LHFB	Kenneth Soh Chee Whye and LHA	Purchase of beverage products and services from BDSB	0.5
LFBS and LHFB	Kenneth Soh Chee Whye	Sale and supply of goods to LFBS	1.8

Notes:

- 1) The above actual value of the recurrent related party transactions is for the period from 27 April 2013 to 28 February 2014.
- 2) The nature of relationship with the above Related Parties is as follows as at 28 February 2014:
 - (i) CBAS is the holding company and Major Shareholder of the Company, holding an equity interest of 51.0% in the Company.
 - (ii) Roy Enzo Bagattini, Graham James Fewkes and Roland Arthur Lawrence, who are Non-Executive Directors of the Company, are the Senior Vice-President, Asia of CBAS, the Commercial Vice-President, Asia of CBAS and Vice President Finance, Asia of CBAS respectively. Soren Ravn was the Managing Director of the Company during the 43rd AGM held on 26 April 2013. All the four Directors namely, Roy Enzo Bagattini, Graham James Fewkes, Roland Arthur Lawrence and Soren Ravn are nominees/representatives of CBAS and do not hold any shares in CBAS nor the Company.
 - (iii) BK, CBGL, CGPAG, CHKL, CIT, CSAB, CUKL, DMG, DMG Polska, HVTB, SOAS SSSp and THCD are subsidiaries of CBAS and do not hold any direct equity interest in the Company.
 - (iv) LHFB is a subsidiary of the Company and is in the business of selling and supplying alcoholic and non-alcoholic beverages. The Company and LHA hold 70% and 30% equity interests respectively in LHFB.
 - (v) Kenneth Soh Chee Whye (KSCW) is a director of BDSB, Beerite, EKSB, Hock Lee, ICB, LHA, LHFB and World Wide.
 - (vi) KSCW holds 28.51% equity interest in LHA.
 - (vii) SohYan Holdings Sdn. Bhd. ("SYHSB") holds 35% equity interest in EKSB. KSCW holds 28.50% equity interest in SYHSB.
 - (viii) LHA holds 95% equity interest in Beerite.
 - (ix) World Wide holds 30% equity in ICB.
 - (x) KSCW holds 25.86% equity interest in Hock Lee.
 - (xi) KSCW holds 15% equity interest in World Wide.
 - (xii) KSCW holds 27% equity interest in BDSB.
- 3) Rental of Property by LHFB from LHA –
 - a. a three storey office premises warehouse, at No. 8, Jalan Kilang Midah, Taman Midah, 56000 KL for tenure of 01/12/2011 to 30/11/2014 at monthly rental of RM45,669.00.
 - b. a single storey warehouse, at No. 10, Jalan Kilang Midah, Taman Midah, 56000 KL for tenure 01/12/2011 to 30/11/2014 at monthly rental of RM9,121.00.
 - c. a building and two (2) cold rooms, at No. 14, Persiaran 118C, Desa Tun Razak, Cheras, 56000 KL for tenure of 01/12/2011 to 30/11/2014 at monthly rental RM6,372.00.
- 4) Rental of Property by LHFB from Beerite – a 11/2 storey warehouse cum office, at No. 31, Jalan Istimewa 4, Taman Perindustrian Cemerlang, 81800 Ulu Tiram, Johor Darul Takzim for tenure of 01/12/2011 to 30/11/2014 at monthly rental of RM6,480.00.

Abbreviations:

Beerite	- Beerite SB
BDSB	- Bennison Distillery SB
BK	- Brasseries Kronenbourg SAS
CBAS	- Carlsberg Breweries A/S
CBGL	- Carlsberg Brewery (Guangdong) Ltd.
CGPAG	- Carlsberg Group Procurement AG
CHKL	- Carlsberg Hong Kong Ltd.
CIT	- Carlsberg IT A/S
CSAB	- Carlsberg Sverige AB
CUKL	- Carlsberg UK Limited
DMG	- Danish Malting Group A/S
DMG Polska	- Danish Malting Group Polska

EKSB	- Eurobier Koncepts Sdn. Bhd.
Hock Lee	- Hock Lee & Co. Sdn. Bhd.
HVTB	- Ha Noi Vung Tau Beer Joint Stock Company
LHA	- Luen Heng Agency
LHFB	- Luen Heng F&B Sdn. Bhd.
SOAS	- Saku Ollehase AS
SSSp	- Slodownia Strzegom Sp.z.o.o.
World Wide Group	- World Wide Privilege Sdn. Bhd.
	- Carlsberg Brewery Malaysia Berhad and its wholly-owned subsidiaries, namely Carlsberg Marketing Sdn. Bhd., Euro Distributors Sdn. Bhd. and Carlsberg Singapore Pte. Ltd.

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Forty-Fourth (44th) Annual General Meeting of the Company will be held at Sime Darby Convention Centre, Ballroom 2 & 3, First Floor, 1A, Jalan Bukit Kiara 1, 60000 Kuala Lumpur on Thursday, 24 April 2014 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 2013 together with the Directors' and Auditors' reports thereon. **Ordinary Resolution 1**
2. To approve the payment of a Final and Special Single Tier Dividend of 56 sen per RM0.50 share in respect of the financial year ended 31 December 2013. **Ordinary Resolution 2**
3. To approve the payment of Directors' fees of RM168,000 for the financial year ended 31 December 2013. **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 consider, and if thought fit, to pass the following Resolutions:-

RE-ELECTION OF DIRECTORS

- (a) THAT Graham James Fewkes, who retires pursuant to Article 92(a) of the Articles of Association of the Company, be and is hereby re-elected as Director of the Company. **Ordinary Resolution 5**
 - (b) THAT Henrik Juel Andersen, who retires pursuant to Article 92(e) of the Articles of Association of the Company, be and is hereby re-elected as Director of the Company. **Ordinary Resolution 6**
 - (c) THAT Christopher John Warmoth who retires pursuant to Article 92(e) of the Articles of Association of the Company, be and is hereby re-elected as Director of the Company. **Ordinary Resolution 7**
6. To consider, and if thought fit, to pass the following Resolutions in accordance with Section 129 of the Companies Act, 1965:-

RE-APPOINTMENT OF DIRECTORS

- (a) THAT pursuant to Section 129 of the Companies Act, 1965, Dato' Lim Say Chong 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. **Ordinary Resolution 8**
- (b) THAT pursuant to Section 129 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. **Ordinary Resolution 9**

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

7. **AUTHORITY FOR DIRECTORS TO ISSUE SHARES PURSUANT TO SECTION 132D OF THE COMPANIES ACT, 1965** **Ordinary Resolution 10**

“THAT pursuant to Section 132D of the Companies Act, 1965, the Directors of the Company be and are hereby empowered to issue shares in the Company at any time and upon such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the issued share capital of the Company for the time being and that the Directors be and are also empowered to obtain approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad and that such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company unless revoked or varied by the Company at a general meeting.”

8. **PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE** **Ordinary Resolution 11**

“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 26 March 2014 (“the Related Party”) provided that such transactions are:-

- (a) necessary for the day-to-day operations;
- (b) undertaken in the ordinary course of business and at arm’s length basis and on normal commercial terms 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 which the next AGM after that date is required to be held pursuant to Section 143(1) of the Companies Act (“the Act”) (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Act); or
- (c) is 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 Shareholders’ Mandate.”

9. **PROPOSED NEW SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE** **Ordinary Resolution 12**

"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 26 March 2014 ("the Related Party") provided that such transactions and/or arrangements are:-

- (a) necessary for the day-to-day operations;
- (b) undertaken in the ordinary course of business and at arm's length basis and on normal commercial terms 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 143(1) of the Companies Act, 1965 ("Act") (but shall not extend to such extension as may be allowed pursuant to Section 143(2) 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 executing all such documents as may be required) as they may consider expedient or necessary to give effect to the Shareholders' Mandate."

10. **CONTINUING IN OFFICE AS INDEPENDENT NON-EXECUTIVE CHAIRMAN** **Ordinary Resolution 13**

"THAT subject to the passing of Ordinary Resolution 8, authority be and is hereby given to Dato' Lim Say Chong who has served as an Independent Non-Executive Director and Chairman of the Company for a cumulative term of more than nine years, to continue to serve as an Independent Non-Executive Director of the Company."

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

NOTICE OF DIVIDEND PAYMENT AND CLOSURE OF REGISTER

NOTICE IS HEREBY GIVEN THAT, subject to the approval of the shareholders at the Forty-Fourth (44th) Annual General Meeting to be held on Thursday, 24 April 2014, a Final and Special Single Tier Dividend of 56 sen per RM0.50 share in respect of the financial year ended 31 December 2013 will be payable on 20 May 2014 to shareholders registered in the Register of Members and Record of Depositors at the close of business on 5 May 2014.

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 2014 in respect of ordinary transfers;
- (b) Shares deposited into the Depositor's securities account before 12.30 p.m. on 30 April 2014 (in respect of shares which are exempted from mandatory deposit); and
- (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)
Lu Kee Chee (LS 0009744)
Secretaries

Shah Alam
26 March 2014

Notes:

1. A Member entitled to attend and vote at the meeting is entitled to appoint **ONE** person as his proxy to attend and vote in his stead at the meeting. A proxy need not be a Member of the Company and the provision of Section 149(1)(b) of the Companies Act, 1965 shall not apply.
2. If a Member having appointed a proxy to attend a general meeting attends such meeting in person, the appointment of such proxy shall be null and void in respect of such meeting and his proxy shall not be entitled to attend such meeting.
3. Where a Member of the Company is an authorised nominee as defined in the Securities Industry (Central Depositories) Act, 1991 ("SICDA"), it shall be entitled to appoint at least one proxy in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.
4. Where a Member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
5. 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.
6. The instrument appointing a proxy, together with the power of attorney (if any) under which it is signed or a certified copy thereof, shall be deposited at Level 17, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur, not less than forty-eight (48) hours before the time appointed for holding the meeting or any adjournment thereof.
7. 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(9)(a) 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 17 April 2014 and only a Depositor whose name appear on such Record of Depositors shall be entitled to attend this meeting.



Notice of Annual General Meeting

EXPLANATORY NOTES ON SPECIAL BUSINESS

(i) **Ordinary Resolutions 5, 6 and 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.

(ii) **Ordinary Resolutions 8 and 9 – Re-appointment of Directors pursuant to Section 129 of the Companies Act, 1965**

The re-appointment of Dato' Lim Say Chong and Datuk M.R. Gopala Krishnan C.R.K. Pillai, persons over the age of 70 years as Directors of the Company to hold office until conclusion of the next Annual General Meeting of the Company shall take effect if the proposed Resolutions are passed by a majority of not less than three-fourths (3/4) of such members as being entitled to vote in person or, where proxies are allowed, by proxy, at a general meeting of which not less than 21 days' specifying the intention to propose the Resolutions have been duly given.

(iii) **Ordinary Resolution 10 – Authority for Directors to issue 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 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 Forty-Third (43rd) Annual General Meeting held on 26 April 2013 and which will lapse at the conclusion of the Forty-Fourth (44th) 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.

(iv) **Ordinary Resolution 11 – Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature ("Proposed Renewal of Shareholders' Mandate")**

The detailed text on Ordinary Resolution 11 on the Proposed Renewal of Shareholders' Mandate is included in the Circular to Shareholders dated 26 March 2014 which is enclosed together with the Annual Report.

(v) **Ordinary Resolution 12 – Proposed New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature ("Proposed New Shareholders' Mandate")**

The detailed text on Ordinary Resolution 12 on the Proposed New Shareholders' Mandate is included in the Circular to Shareholders dated 26 March 2014 which is enclosed together with the Annual Report.

(vi) **Ordinary Resolution 13 – Continuing in Office as Independent Non-Executive Chairman**

Dato' Lim Say Chong has served the Board as an Independent Non-Executive Director and Chairman of the Company for a cumulative term of nearly eleven (11) years. The Board has recommended him to continue to act as an Independent Non-Executive Chairman based on the following justifications:-

- a. He has fulfilled the criteria under the definition of Independent Director as stated in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, and thus, he would be able to function as a check and balance, bringing an element of objectivity to the Board;
- b. He has vast experience in a diverse range of businesses and therefore would be able to provide constructive opinion; he exercises independent judgement and has the ability to act in the best interest of the Company;
- c. He has devoted sufficient time and attention to his professional obligations for informed and balanced decision making; and
- d. He has continued to exercise his independence and due care during his tenure as an Independent Non-Executive Director and Chairman of the Company and carried out his professional duties in the best interest of the Company and shareholders.



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

No. of Shares Held	
CDS Account No.	

Form of Proxy

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 Forty-Fourth (44th) Annual General Meeting of the Company to be held at Sime Darby Convention Centre, Ballroom 2 & 3, First Floor, 1A, Jalan Bukit Kiara 1, 60000 Kuala Lumpur on Thursday, 24 April 2014 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):

RESOLUTION	AGENDA	FOR	AGAINST
Ordinary Resolution 1	Receipt of the Directors' and Auditors' Reports and Audited Financial Statements for the financial year ended 31 December 2013.		
Ordinary Resolution 2	Payment of a Final and Special Single Tier Dividend.		
Ordinary Resolution 3	Approval of Directors' fees of RM168,000 for the financial year ended 31 December 2013.		
Ordinary Resolution 4	Re-appointment of KPMG as auditors and to authorise the Directors to determine their remuneration.		
Ordinary Resolution 5	Re-election of Graham James Fewkes as Director.		
Ordinary Resolution 6	Re-election of Henrik Juel Andersen as Director.		
Ordinary Resolution 7	Re-election of Christopher John Warmoth as Director.		
Ordinary Resolution 8	Re-appointment of Dato' Lim Say Chong as Director.		
Ordinary Resolution 9	Re-appointment of Datuk M.R. Gopala Krishnan C.R.K. Pillai as Director.		
Ordinary Resolution 10	Authority for Directors to issue shares pursuant to Section 132D of the Companies Act, 1965.		
Ordinary Resolution 11	Proposed renewal of shareholders' mandate for Recurrent Related Party Transactions of a revenue or trading nature.		
Ordinary Resolution 12	Proposed new shareholders' mandate for Recurrent Related Party Transactions of a revenue or trading nature.		
Ordinary Resolution 13	Continuing in office for Dato' Lim Say Chong as an Independent Non-Executive Chairman.		

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 2014.

Signed by the said

Notes:

1. A member entitled to attend and vote at the meeting is entitled to appoint ONE person as his proxy to attend and vote in his stead at the meeting. A proxy need not be a member of the Company and the provision of Section 149(1)(b) of the Companies Act, 1965 shall not apply.
2. If a member having appointed a proxy to attend a general meeting attends such meeting in person, the appointment of such proxy shall be null and void in respect of such meeting and his proxy shall not be entitled to attend such meeting.
3. Where a Member of the Company is an authorised nominee as defined in the Securities Industry (Central Depositories) Act, 1991 ("SICDA"), it shall be entitled to appoint at least one proxy in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.
4. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
5. 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.
6. The instrument appointing a proxy, together with the power of attorney (if any) under which it is signed or a certified copy thereof, shall be deposited at Level 17, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur, not less than forty-eight (48) hours before the time appointed for holding the meeting or any adjournment thereof.
7. 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(9)(a) 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 17 April 2014 and only a Depositor whose name appear on such Record of Depositors shall be entitled to attend this meeting.

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SHARE REGISTRAR
CARLSBERG BREWERY MALAYSIA BERHAD (9210-K)
Tricor Investor Services Sdn. Bhd.
Level 17, The Gardens North Tower
Mid Valley City, Lingkaran Syed Putra
59200 Kuala Lumpur

second fold

Corporate information

DIRECTORS

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

Henrik Juel Andersen
Managing Director

Datuk M.R. Gopala Krishnan C.R.K. Pillai
P.J.N., F.C.P.A.
Senior Independent Non-Executive Director

Christopher James Warmoth
Non-Executive Director

Graham James Fewkes
Non-Executive Director

Roland Arthur Lawrence
Non-Executive Director

COMPANY SECRETARIES

Lew Yoong Fah
(MIA No. 10936)

Lu Kee Chee
(LS 0009744)

AUDITORS

KPMG (Firm No. AF 0758)
Chartered Accountants
Level 10, KPMG Tower,
8, First Avenue, Bandar Utama,
47800 Petaling Jaya,
Selangor Darul Ehsan.
Tel : +603 7721 3388
Fax : +603 7721 3399

PRINCIPAL BANKERS

AmBank (M) Berhad
(Company No. 8515-D)

Citibank Berhad
(Company No. 297089-M)

Public Bank Berhad
(Company No. 6463-H)

The Royal Bank of Scotland Berhad
(Company No. 301932-A)

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 : MYCorpAffairs@carlsberg.asia
Website : www.carlsbergmalaysia.com.my

SHARE REGISTRAR

Tricor Investor Services Sdn. Bhd.
(Company No. 118401-V)
Level 17, The Gardens, North Tower,
Mid Valley City,
Lingkaran Syed Putra,
59200 Kuala Lumpur.
Tel : +603 2264 3883
Fax : +603 2282 1886

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad

Carlsberg Brewery Malaysia Berhad (9210-K)

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

Tel : +603 5522 6688 Fax : +603 5519 1931

www.carlsbergmalaysia.com.my