Carlsberg Malaysia

BREWING EXCELLENCE **AND SUSTAINABILITY**

INTEGRATED ANNUAL REPORT 2023


BEST WITH CARLSBERG
SOMERSBY

BASIS OF THIS REPORT

REPORTING FRAMEWORK

Carlsberg Malaysia Group's Integrated Annual Report 2023 signifies our continuous commitment in delivering a comprehensive and transparent report on our financial and non-financial performance. This Report encompasses our activities spanning from 1 January to 31 December 2023.

We are guided by the Value Reporting Foundation's integrated reporting framework and we aim to provide our stakeholders with a holistic and detailed overview of our strategic focus, financial and non-financial performance. Our non-financial performance accounts for our economic, environmental, social and governance (EESG) performance which are incorporated throughout the Report and stands guided by our Together towards ZERO and Beyond (TTZAB) ESG programme.

SCOPE AND BOUNDARIES

As a public company listed on the Main Market of Bursa Malaysia Securities Berhad (Bursa Malaysia), Carlsberg Malaysia Group's Integrated Annual Report 2023 includes the business operations of our subsidiaries in Singapore. The Report also reflects the top-line results of Lion Brewery (Ceylon) PLC, our associate company located in Sri Lanka.

Our Report addresses the key sustainability initiatives and developments pertaining to our Malaysian and Singaporean operations and excludes our associate company as we do not have management control over its operations.

GUIDELINES AND STANDARDS

This Report takes guidance from the relevant rules, regulations, guidelines and best practices including:

- Bursa Malaysia's Corporate Governance Guide 4th Edition
- The Companies Act 2016
- Bursa Malaysia's Management Discussion and Analysis Guidelines
- Bursa Malaysia's Main Market Listing Requirements (MMLR)
- The Malaysian Code on Corporate Governance 2021 (MCCG 2021)
- The Malaysian Financial Reporting Standards
- The International Integrated Reporting Framework
- The International Financial Reporting Standards (IFRS) and other regulatory requirements, as applicable

The sustainability scope in this report is aligned with Bursa Malaysia's Sustainability Reporting Guide, 3rd Edition, and Illustrative Sustainability Report. In addition, it is also guided by the United Nations Sustainable Development Goals (UN SDGs), UN Global Compact Index, Task Force on Climate-Related Financial Disclosures (TCFD), Global Reporting Initiative (GRI) Standards and Sustainability Accounting Standards Board (SASB).

Unless specified otherwise, all information is applicable as at 31 December 2023.

BOARD APPROVAL

The Board recognises its accountability in ensuring the uncompromised integrity of this Integrated Annual Report, affirmed through sound governance practices and internal reporting practices. The Board has exercised oversight in this regard and officially endorsed the Integrated Annual Report on 7 March 2024.

FORWARD-LOOKING STATEMENTS

This Report contains certain forward-looking statements with respect to the business' future performance. These statements derive from realistic measures based on current assumptions and at the time of the issuance of this Report. However, actual results may differ materially as they are dependent on circumstances that may or may not occur in the future and may be affected by uncertainties shaped by global or national economic conditions and other factors.

COMPLEMENTARY RESOURCES

CARLSBERG MALAYSIA GROUP REPORTS

- Integrated Annual Report 2022
- Integrated Annual Report 2021

CARLSBERG GROUP REPORTS

- Annual Report 2023
- ESG Report & Summary 2023

CARLSBERG GROUP POLICIES

- Anti-Bribery and Corruption Policy
- Brand Promoter Manual
- Environmental Policy
- Code of Ethics and Conduct
- Data Ethics Policy
- Diversity, Equity and Inclusion Policy
- Gifts, Entertainment and Donation Manual
- Health and Safety Policy
- Human Rights Policy
- Investor Relations Policy
- Marketing Communications Policy
- Supplier and Licensee Code of Conduct
- Tax Policy
- Whistleblowing Policy

INSIDE THIS REPORT

COVER RATIONALE

In 2023, our brewery transformation journey continued with modernisation, innovation and decarbonisation, underpinned by our commitment to 'Brewing Excellence and Sustainability'. We navigated the year with a strong focus on integrating environmental consciousness into every aspect of our operations, honouring our passion for brewing while embracing advancements that will prepare us to embark on our five-year corporate strategy – SAIL'27. Innovation was key, allowing us to uphold our commitment to continue creating value for our stakeholders. Living our Purpose of *Brewing for a Better Today and Tomorrow*, we look back on a year of significant progress in our economic priorities, environmental stewardship, social commitments and corporate governance and remain steadfast for a future amid challenges and uncertainties.

WHY
OUR PURPOSE

Brewing for a better today and tomorrow

WHAT
OUR AMBITION

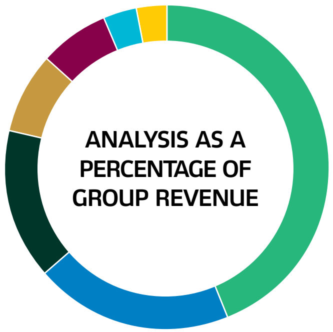
Most successful, professional, and attractive brewer in our market

HOW
OUR PRIORITIES

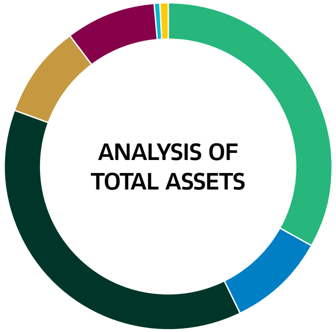
Building on our strengths and accelerating growth

Please scan for find more information on our website at www.carlsbergmalaysia.com.my

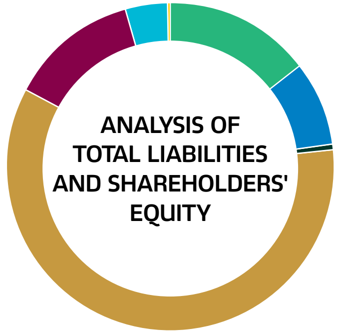
OVERVIEW OF FINANCIAL PERFORMANCE



ANALYSIS AS A PERCENTAGE OF GROUP REVENUE	2023	2022
EXCISE AND CUSTOMS DUTIES	43.9%	44.7%
SALES, DISTRIBUTION, ADMINISTRATION AND OTHERS	20.0%	19.9%
PROFIT AFTER TAXATION	14.8%	13.5%
RAW & PACKAGING MATERIALS COSTS	7.9%	8.3%
STAFF COSTS	7.0%	6.6%
TAXATION	3.6%	5.0%
DEPRECIATION	2.8%	2.0%



ANALYSIS OF TOTAL ASSETS	2023	2022
PROPERTY, PLANT & EQUIPMENT AND RIGHT-OF-USE ASSETS	33.4%	30.0%
INVENTORIES	9.6%	11.8%
RECEIVABLES, DEPOSITS AND PREPAYMENTS	37.8%	42.3%
CASH AND CASH EQUIVALENTS	9.3%	8.6%
INVESTMENTS	8.7%	6.3%
INTANGIBLE ASSETS	0.5%	0.4%
OTHER ASSETS	0.7%	0.6%



ANALYSIS OF TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	2023	2022
SHARE CAPITAL	14.7%	14.1%
RESERVES	7.7%	-0.1%
MINORITY INTEREST	0.5%	0.6%
PAYABLES AND ACCRUALS	59.6%	68.2%
LOANS, BORROWINGS AND LEASE LIABILITIES	12.9%	11.9%
CURRENT TAX LIABILITIES	4.1%	4.5%
OTHER LIABILITIES	0.5%	0.8%

OVERVIEW OF FINANCIAL PERFORMANCE

STATEMENTS OF COMPREHENSIVE INCOME (RM MILLION)

	2023	2022	2021	2020	2019
Revenue	**2,260.9**	2,412.5	1,772.8	1,785.0	2,256.6
Profit Before Taxation	**417.1**	444.4	259.6	209.8	382.2
Taxation	**82.2**	119.5	55.2	43.6	81.8
Profit for the Financial Year	**334.9**	324.9	204.4	166.2	300.4

STATEMENTS OF FINANCIAL POSITION (RM MILLION)

	2023	2022	2021	2020	2019
Issued and Paid-up Share Capital	**149.4**	149.4	149.4	149.4	149.4
Retained Earnings	**106.3**	45.5	62.3	17.2	(6.2)
Other Reserves	**(26.6)**	(47.2)	(0.5)	1.3	5.3
Shareholders' Fund	**229.1**	147.7	211.1	167.9	148.5
Deferred Taxation (Assets) / Liabilities	**(2.5)**	2.6	7.9	15.8	24.9
Net Non-Current Liabilities	**9.1**	7.1	8.4	4.1	6.2
Minority Interest	**5.5**	6.5	4.5	6.8	8.2
	241.2	163.9	231.9	194.6	187.8
Property, Plant and Equipment, Right-of-use Assets and Intangible Assets (Net Book Value)	**344.8**	322.0	226.8	227.6	229.2
Investment in an Associate	**88.6**	66.9	94.7	92.5	84.7
Net Current Liabilities	**(192.2)**	(225.0)	(89.6)	(125.5)	(126.1)
	241.2	163.9	231.9	194.6	187.8

FINANCIAL RATIO

	2023	2022	2021	2020	2019
Earnings per Ordinary Share (Sen)*	**107.03**	103.70	65.74	53.04	95.18
Net Assets Backing per Ordinary Share (RM)*	**0.75**	0.48	0.69	0.55	0.49
Return on Shareholders' Fund (%)+	**177.8**	181.1	107.9	105.1	189.2
Current Ratio	**0.8**	0.7	0.8	0.7	0.7
Bursa Securities Price at 31 December (RM)	**19.28**	22.88	20.08	23.24	29.40
Net Dividend Yield (%)^	**4.5**	4.8	2.5	2.0	3.5

* *Computed based on total number of shares.*
\+ *Return on Shareholders' Fund was computed based on the Group's Profit for the Financial Year over the average Group's Shareholders' Fund.*
^ *Net dividend yield was computed based on the dividend paid out and declared during the year, divided by the share price at year-end.*

FIVE-YEAR DIVIDEND

	2023	2022	2021	2020	2019
Group's Net Profit (RM Million)	**327.3**	317.0	201.0	162.2	291.0
Dividend Amount Declared and Proposed for the Year (RM Million)	**284.3**	269.1	171.2	122.3	305.7
Dividend as % of Net Profit	**87%**	85%	85%	75%	105%
Dividend per Ordinary Share (Sen)	**93**	88	56	40	100

OVERVIEW OF NON-FINANCIAL PERFORMANCE

ZERO Carbon Footprint

ZERO Carbon Footprint

3.3% reduction in total brewery emissions vs 2022

4,346 tCO_2e from natural gas and biogas

ZERO Packaging Waste

ZERO Packaging Waste

94% collection and recycling rate of returnable bottles in Peninsular Malaysia *(2022: 92%)*

40% recycled content in bottles

28% recycled content in cans

ZERO Water Waste

ZERO Water Waste

3.3 hl water used per hl of beer produced *(2022: 3.5 hl/hl)*

6% reduction of total water usage, equivalent to 11 Olympic-sized swimming pools

ZERO Irresponsible Drinking

ZERO Irresponsible Drinking

0 drink-driving incidents and accidents recorded *(2022: 1 incident, which led to a dismissal)*

3 Alcohol-Free Brews since 2022

100% of product labels with responsible drinking and age restriction symbols

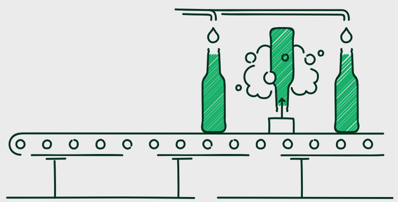
ZERO Accidents Culture

ZERO Accidents Culture

242 days free of lost-time accidents in our Malaysian operations since 4 May 2023; **1,167** days in our Singaporean operations since 21 October 2020

3,954 reports on safety risks and unsafe behaviours recorded in both our Malaysian and Singaporean operations *(2022: 3,106 reports)*

ECONOMIC PRIORITIES



Contributed **RM1.2 billion** in excise duties and taxes to the economies of Malaysia and Singapore *(2022: RM1.3 billion)*

RESPONSIBLE SOURCING

100% vendors screened with Third-Party Screening Tool

57% of procurement spend on local vendors

COMMUNITY ENGAGEMENT

Carlsberg Malaysia 南洋商報 中國報

RM20.5 million raised via Top Ten Charity Campaign for 10 schools

CarlsBot

22 tonnes of glass waste diverted from landfills via Project CarlsBot

FTSE4Good BURSA MALAYSIA

3.6/5 FTSE4Good Bursa Malaysia (F4GBM) Score *(2022: 3.3/5)*

MSCI ESG RATINGS AA

CCC	B	BB	BBB	A	AA	AAA

"AA" rating since 2021
6.4/10 ESG score
(2022: 6.1/10 ESG score)

TOGETHER TOWARDS ZERO & BEYOND Carlsberg Malaysia

ECONOMIC CONTRIBUTION

Our contribution to society extends far beyond merely providing enjoyment to our consumers; it encompasses significant economic and community benefits.

8.1, 8.7 & 8.8

8 DECENT WORK AND ECONOMIC GROWTH

We play a pivotal role in bolstering the economy by creating jobs within our operations, the wider industry, and our tax contributions. Our commitments in Malaysia and Singapore are aligned with the United Nations Sustainable Development Goals (UN SDGs), especially Goal 8, which advocates for ongoing, inclusive economic growth, as well as the provision of productive employment and quality jobs for everyone.

In 2023, our operations contributed a substantial RM1.2 billion in excise duties and taxes to the economies of Malaysia and Singapore, alongside providing direct employment to 637 individuals across these markets.

Beyond our direct economic impact, we also supported local communities by engaging with small and medium-sized enterprises for procurement purposes and collaborating with music festival organisers and NGOs to further enrich societal well-being.

Excise duties

RM993.3 million

paid on our products brewed and sold in both Malaysia and Singapore

-8% in 2023 vs 2022

Corporate taxes

RM89.4 million

in the form of corporate taxes with RM70.6 million for Malaysia and RM18.8 million for Singapore

-27% in 2023 vs 2022

Indirect taxes

RM104.1 million

in SST and GST paid/collected on behalf of the Malaysia and Singapore governments

-10% in 2023 vs 2022

637 employees

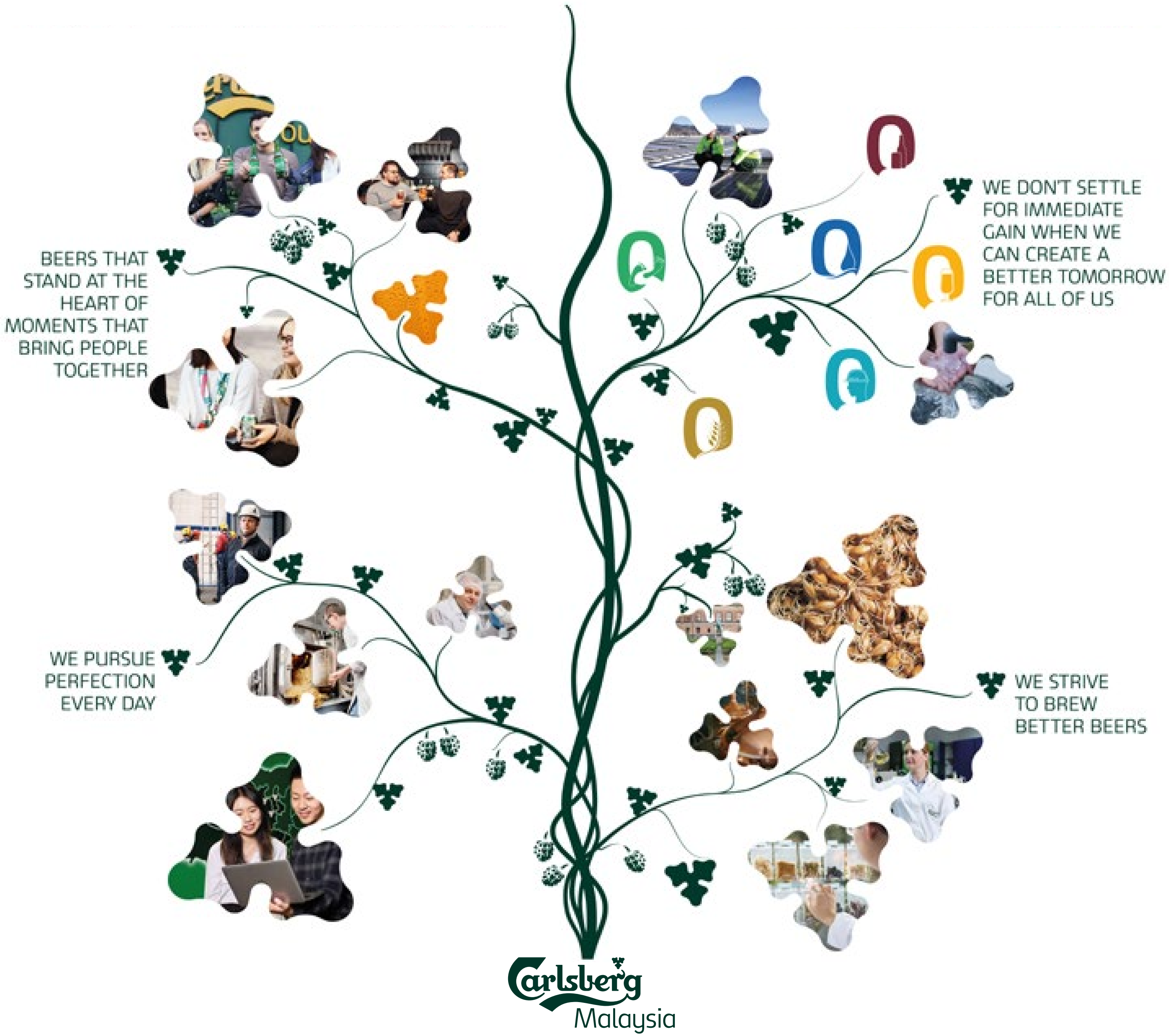
as of 31 December 2023
(556 in Malaysia,
81 in Singapore)

15,452

jobs created across the value chain of our Malaysian operations

(Source: Europe Economics 2023)

PURPOSE AND AMBITION



Our **Purpose**

While others have to dig deep to find their purpose, for us, our purpose has existed since our inception.

We pursue perfection every day, never satisfied and always looking for ways to be better. We strive to brew better beers that are at the heart of moments that bring people together. We do not settle for immediate gains when we know we can always do more to create a better tomorrow for all of us.

Our purpose, Brewing for a Better Today and Tomorrow, is rooted in our heritage and in the minds of our founders, who left a rich legacy that continues to guide how we run our business today. Their pioneering spirit, passion for brewing and proactive contribution to society have manifested into what we are today.

We live our purpose every day by focusing on our brands and the art of brewing. We excite our consumers with innovative and quality brews that strengthen our identity and pride as brewers, and by continuously aiming to do better. Our business is propelled by a highly engaged and diversified team that champions quality and innovation and ensures that these priorities stay at the top of our strategic priorities as we elevate our commitment to excellence and sustainability for better financial, environmental and societal performance.

Our purpose guides everything we do: Our pursuit for perfection through our actions, our continued focus on research and innovation, always focusing on what our consumers want, and driving more **sustainable brewing and contributing to uplifting society**.

Our **Ambition**

Staying true to our purpose in our day-to-day operations and in implementing our strategy is the cornerstone to achieving our ambition of being the most *successful*, *professional* and *attractive* brewer in our markets.

SUCCESSFUL in achieving a sustainable balance of our top and bottom lines

PROFESSIONAL in being the preferred supplier for our customers

ATTRACTIVE in creating value for our shareholders, facilitating a great working environment and high-performance culture for our employees and being a responsible and sustainable corporate citizen for society at large

The year 2023 also marks the first year of SAIL'27, the Carlsberg Group's corporate strategy, which optimises our portfolios, geographical priorities and the way we execute our strategies, all while driving a winning culture. It also incorporates how consumer, customer, societal, regulatory, economic and geopolitical trends will impact our performance in both volume and value. In essence, SAIL'27 outlines clear choices for our brands, categories, markets and capabilities and will lead us towards our ambitions for top and bottom line growth, infusing past learnings and assumptions for the future to chart our path forward.

OUR OPERATIONS

Established in 1969, we are Carlsberg Brewery Malaysia Berhad (Carlsberg Malaysia Group / the Group), part of Carlsberg Breweries A/S (the Carlsberg Group), with a strong market presence across Asia and Europe.

We are a dynamic brewer with operations in Malaysia and Singapore, with a 25% stake in Lion Brewery (Ceylon) PLC in Sri Lanka. We also have a regional presence via exports and intercompany sales to regional markets such as Hong Kong, Cambodia and Laos.

Our company was incorporated in December 1969. Our brewery in Shah Alam was the first brewery to be built outside Copenhagen, Denmark, back in 1972. Our product portfolio includes mainstream and premium beers, ciders, stout and alcohol-free brews. This combination of portfolio choices has been an important driver in our business growth and product innovation.

In 2023, the Carlsberg Malaysia Group posted a 3.2% year-on-year increase of net profit from RM317.0 million to RM327.3 million, on the back of a revenue of RM2.3 billion. The performance of our respective operations and associate company is shown on the diagram on the right.

CARLSBERG MALAYSIA GROUP

Revenue
RM2.3 billion
in 2023 vs 2022: RM2.4 billion

Net Profit
RM327.3 million
in 2023 vs 2022: RM317.0 million

Earnings Per Share
107.03 sen
in 2023 vs 2022: 103.70 sen

Ownership
100% CARLSBERG MARKETING SDN. BHD.

	2023	2022
Revenue	RM1.6 billion	RM1.7 billion
Profit from Operations	RM311.7 million	RM335.2 million

Ownership
100% CARLSBERG SINGAPORE PTE. LTD. **51% MAYBEV PTE. LTD.**

	2023	2022
Revenue	RM650.9 million	RM679.9 million
Profit from Operations	RM87.1 million	RM89.9 million

Ownership
25% LION BREWERY (CEYLON) PLC

	2023	2022
Share of Profits	RM23.5 million	RM21.5 million

* *Net profit refers to the Group's profit attributable to Owners of the Company.*
** *Profit from operations refers to the results from operating activities.*

BRAND PORTFOLIO

Our flagship brand, Carlsberg Danish Pilsner, is complemented by two innovative variants, Carlsberg Smooth Draught and Carlsberg Special Brew. Our range of premium and craft brews feature 1664, Sapporo, Somersby Cider, Connor's Stout Porter, Tuborg Strong, Brooklyn and Jing-A, while our value power brands include Royal Stout and SKOL. For Alcohol-Free Brews, we offer Carlsberg 0.0 Pilsner and Carlsberg 0.0 Wheat variants as well as Somersby Apple 0.0.

When consumed in moderation, our quality brews are at the heart of moments that bring people together.

#CELEBRATERESPONSIBLY

- **Jing-A** Day Day Up
- **Brooklyn Pilsner** US Award-winning Craft Beer
- **Tuborg Strong** Open to More Since 1880
- **Carlsberg 0.0 Wheat** Enjoy Great Taste. Wherever. Whenever.
- **Carlsberg Special Brew** Probably the Strongest Beer
- **Carlsberg Smooth Draught** Probably the Smoothest Beer in the World
- **Carlsberg Danish Pilsner** Probably the Best Beer in the World
- **1664** Good Taste with a Twist
- **Sapporo Premium Beer** The Iconic First Beer of Japan
- **Connor's Stout Porter** Taste the Good Times
- **Somersby** No. 1 Cider in Malaysia and Singapore
- **Somersby Apple 0.0** Refreshingly Non-Alcoholic
- **Skol** You've Earned It
- **Royal Stout** King of Stouts

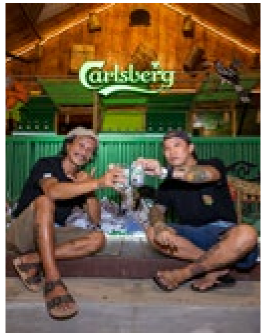
- *To spread prosperity and smoothness, we celebrated with everyone at the Chinese New Year Prosperity Burrow in Kuala Lumpur and Penang.*

- *Brewing Prosperity Together with our consumers across all channels in Malaysia and Singapore.*

- *Exciting in-store execution and promotions to reward loyal consumers and usher in the festive season.*

- *Consumers stood a chance to "Drum and Win" themselves up to RM388 Touch 'n Go eWallet credit.*

Strengthen mainstream core beer



In collaboration with Sabahan and Sarawakian tattoo artists Carlos Benny and Ernesto Kalum, we released another set of special-edition packaging depicting Borneo's heritage, traditions and natural wonders icons in a traditional yet contemporary tattoo aesthetic.

We brought the campaign to life through localised engagements such as the Tapai and Tuak Bomb Challenge at the iconic atap bar setup, tasty local delicacies and native dance performances, in conjunction with the Kaamatan and Gawai festivals, at Kota Kinabalu and Kuching, respectively.

Strengthen mainstream core beer

MAKE EVERY MOMENT #BestWithCarlsberg

- 280 consumers were treated to an exclusive private island experience, valued at RM50,000 each, chauffeured from their doorstep to the airport, and escorted to their luxury resort.

- Consumers were treated to a plethora of fun activities including flying fox, jet ski rides, sunset cruise, relaxing massages and had their hair styled to gear up for the party at the Carlsberg retreat.

- Consumers partied on with Carlsberg brews and danced to progressive beats from DJs that further pushed the evening into hyperdrive.

- In constant efforts for improvement and pursuit of better, we are committed to deliver quality brews to innovative packaging and enhancing the drinking experience for all consumers, making every moment #BestWithCarlsberg

3 GOOD HEALTH AND WELL-BEING

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Strengthen mainstream core beer

More than 10,000 consumers embarked on a journey of discovery and culinary delight of local spicy food complemented by the smoothness of Carlsberg Smooth Draught.

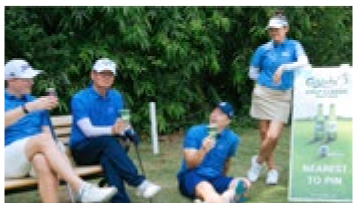
Consumers had a chance to craft their own Carlsberg cocktails, tap their own beer, and win exclusive prizes via the fun AR game.

The party was taken to the next level with international DJs gracing the decks.

Strengthen mainstream core beer

- *Carlsberg Golf Classic introduces three digital legs – #NEXTGEN to draw beginner golfers, whilst continuing to bolster traditional golf development at golf clubs nationwide with over RM1.6 million worth of prizes and goodies as rewards.*

- *Over 3,600 amateur golfers from 32 prestigious golf clubs celebrate golfing moments and to compete towards the championship title during the national finals at the beautiful greens of Tropicana Golf & Country Resort.*



3 GOOD HEALTH AND WELL-BEING

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

ZERO Irresponsible Drinking

Strengthen mainstream core beer

MAKE EVERY OCCASION EXTRAORDINARY

- Held at Sentul Depot, KL, the third edition of Bon Appétit-lah returned as 1664's largest activation of the year to turn ordinary moments into EXTRAordinary ones by sharing #GoodTasteWithATwist with more than 8,500 visitors over a two-week period.
- Brought #GoodTasteWithATwist to over 3,000 visitors across eight days to experience the charm of Parisian-inspired street – Rue 1664, at the heart of Orchard Road, Singapore.

- We offered the best year-end festive gift for an EXTRAordinary getaway experience to Paris for two worth RM50,000, embracing 1664's French good taste.

- Brewed with champagne yeast, the limited-edition 1664 Prestige was launched in both Malaysia and Singapore to elevate the year-end celebrations with a twist.

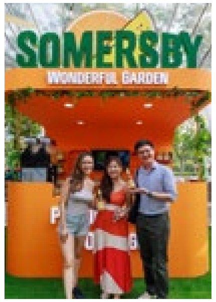
Step up in premium

THE NO.1 CIDER BRAND IN MALAYSIA & SINGAPORE. THAT'S WONDERFUL.

- *Bringing you the refreshing flavours straight from the branches of an apple tree to your bottle. Now #ThatsWonderful*

- *Joyfully celebrating Apple Day in a lively and uplifting manner, Somersby rewarded consumers the ultimate expression of freedom, Vespa Primavera worth RM18,300 each to eight lucky winners!*

- *We celebrated the launch of the new Somersby Passionfruit and Orange cider in Singapore with a 12-day Instagrammable Somersby Wonderful Garden pop-up that received more than 6,000 consumers.*



3 GOOD HEALTH AND WELL-BEING

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

ZERO Irresponsible Drinking

Accelerate Alcohol-Free Brews and grow Beyond Beer

- More than 130,000 consumers tasted the refreshingly non-alcoholic Somersby Apple 0.0 at eight major malls and 10 night markets across six states in Malaysia from August through October 2023, with more than 5,200 clusters sold!

- Following Malaysia's success, Somersby Apple 0.0 was also launched in Singapore just ahead of the year-end festivities to offer an exciting alcohol-free alternative for local consumers.

Accelerate Alcohol-Free Brews and grow Beyond Beer

Shaking up the St. Patrick's Day celebration in almost 200 outlets throughout Malaysia and at the experiential pop-up in 313 Somerset, Singapore, amplifying Connor's unique shake ritual to our consumers.

Combining the very best of British culture in an extraordinary fusion of taste and sound, Connor's the 'Makers of Good Times' unleashes more Brit excellence for music and stout lovers.

To commemorate International Stout Month, Connor's brought together 7,700 stout, art and music lovers at a three-day weekend festival in collaboration with REXFEST for a great taste of its unique black brew in KL. We also spread the good vibes to Connor's Good Times Pub at Orchard Road, Singapore, for 10 days!

3 GOOD HEALTH AND WELL-BEING

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

ZERO Irresponsible Drinking

Step up in premium

SKOL unveiled a vibrant new look, featuring a soaring eagle as the key motif, toasting to freedom and fulfilment, while delivering the same great taste.

SKOL celebrated its new look with our outlets and consumers across more than 60 SKOL Night activations to win more share of heart.

ZERO Irresponsible Drinking

Strengthen mainstream core beer

To spread the festive joy and prosperity to our beer lovers during the Chinese New Year period, Tuborg Strong hosted over 50 roadshows in Singapore.

3 GOOD HEALTH AND WELL-BEING

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

ZERO Irresponsible Drinking

Strengthen mainstream core beer

Effective 1 January 2024, we have rights to manufacture Sapporo beer in Malaysia, and rights to distribute the beer in both Malaysia and Singapore as aligned with our premiumisation plan.

3 GOOD HEALTH AND WELL-BEING

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

ZERO Irresponsible Drinking

Step up in premium

AWARDS AND RECOGNITIONS

HR Asia Best Companies to Work for in Asia 2023 Award

We earned this recognition through an independent employee engagement survey. This prestigious accolade, which we have won for two consecutive years, demonstrates our commitment to purpose-driven HR practices, outstanding employee engagement, and the cultivation of an exceptional workplace culture.

2024 Graduates' Choice of Employers to Work For Award

We maintained our winning streak, which began in 2020, for this award that is determined by over 464,220 university students nationwide, emerging victorious in the Liquor category for the fourth consecutive year.

Employee Experience Awards (ExA) 2023

We won eight awards, including accolades for Best Soft Skills Training Programme, Skilling Strategy, Diversity and Inclusion Strategy, Post-Pandemic Recovery Strategy, First-Time Manager Programme, Capability Development Programme for the HR Team, and Remote Learning Initiative. These awards were in recognition of Carlsberg Malaysia's exceptional commitment to talent development, fostering a positive work environment and maintaining a competitive edge. The special 'Overall Learning Award' further recognised our consistent efforts in upskilling and driving employee development.

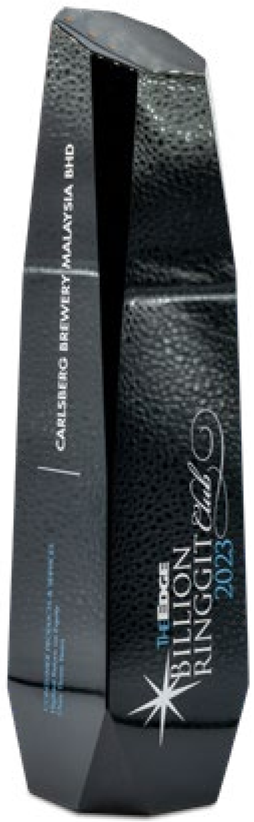
ACCA Approved Employer in Trainee Development (Platinum) and Professional Development

Our high standards in staff training and development were recognised as a commitment in nurturing employees with the right skills, ethics and competencies to drive the business forward and create value for stakeholders. These awards assist us in attracting and retaining the best people in Finance.

AWARDS AND RECOGNITIONS

National Annual Corporate Report Awards (NACRA) 2023

We secured top honours with the Platinum Excellence award in the category of companies with a market capitalisation ranging from RM2 – RM10 billion.



The Edge Billion Ringgit Club (BRC) Awards 2023

For the fourth consecutive year, we took home the top spot of the highest 'Return-on-Equity' Award within the Consumer Products & Services category, for our performance over four years from 2019 – 2023.

UN Global Compact Network Malaysia & Brunei's (UNGCMYB) Forward Faster Sustainability Awards 2023

We were recognised for our efforts that are aligned with the UN SDG Goal 17 - 'Partnership for the Goals' for Project CarlsBot, a Glass Bottle Recycling and Community Empowerment Project in Kota Kinabalu, and also for 'SDG Reporting Disclosure' which showcases our dedication to transparent sustainability reporting aligned with the UN SDGs.

PUTRA BRAND AWARDS

AWARDS AND RECOGNITIONS

PUTRA Aria BRAND AWARDS

Putra Brand Awards

Our flagship brand Carlsberg received a Platinum Award for the third consecutive year. Our premium brand 1664 won Silver, while Connor's Stout Porter and Somersby Cider won a Bronze Award each under the Beverage - Alcoholic category.

Putra Aria Brand Awards

SKOL was awarded the Bronze Award under the Beverage - Alcoholic category.

Carlsberg

Repeating last year's victory, **Carlsberg** clinched the Platinum Award for the third year, marking its 14^{th} consecutive win.

1664

1664 secured the Silver Award in its second year.

CONNOR'S STOUT PORTER

Connor's Stout Porter bagged its first Bronze Award.

SOMERSBY

Being the only cider that made the cut, **Somersby** Cider won the Bronze Award.

SKOL

SKOL achieved its maiden victory with a Bronze recognition.

AWARDS AND RECOGNITIONS

DFI Retail Group Singapore Supplier of the Year 2023

Our Singaporean operations was recognised as 'Supplier of the Year 2023' by DFI Retail Group.

Asia Beer Awards 2023

Jing-A Brewery won the Gold Award for the Speciality Beers Category with the Triple Berry Nectar Smoothie Gose.

World Brand Design Society Awards 2023/2024

Carlsberg Smooth Draught won Silver for its activation at Gastrobeats event.

7-Eleven Singapore Best Partnership and Collaboration Award

Our Singaporean operations was regarded by 7-Eleven as the 'Best Partnership and Collaboration' for best services to our customers.

FairPrice Singapore Top Business Partner of the Year Award

Our Singaporean operations received the 'Top Business Partner of the Year Award' by the FairPrice Group under the beer category.

CHAIRMAN'S ADDRESS

Tan Sri Dato' Seri Chor Chee Heung

SAILING INTO A NEW ERA

DEAR STAKEHOLDERS,

On behalf of the Board of Directors, I am pleased to present the Integrated Annual Report and audited financial statements of Carlsberg Brewery Malaysia Berhad (Carlsberg Malaysia Group/the Group) for the financial year ended 31 December 2023.

The year 2023 unfolded against the backdrop of global efforts to regain normalcy post the COVID-19 pandemic and new economic challenges. The global economy teetered on the edge of recession as inflation spiked and prompted a rise in interest rates. This impacted economic growth, dampening both business and consumer sentiments, exacerbated by persistent inflationary pressures.

In Malaysia, although Gross Domestic Product in 2023 registered growth of 3.7%, we experienced a soft consumer market, attributed to high inflationary pressures, increased food costs and the weakening of the Malaysian Ringgit. This was similar in Singapore with economic pressures such as inflation, GST increase, rental spikes and high labour costs. The cumulative effect has ultimately impacted disposal income and consumer spending.

As such, the year was a phase of resilience for the Carlsberg Malaysia Group but despite these headwinds, our unwavering commitment to 'Brewing Excellence and Sustainability' that is rooted in maintaining our high quality beers has powered us to deliver commendable results.

The Group delivered a higher net profit, a testament of our resilience and strategic foresight as well as initiatives. This enabled us to sustain strong dividend payouts to our shareholders.

Read more about our Market Landscape and Outlook on pages 111-112

SAILING INTO A NEW ERA

In 2023, the Carlsberg Group began implementing its transformative SAIL'27 strategy, a five-year progressive journey aimed at sustaining long-term value creation, building on the significant results achieved under the previous SAIL'22 strategy. Under the SAIL'27 strategy, the Group embraces an evolutionary approach to its portfolio choices. It prioritises execution excellence, underpinned by a winning culture with disciplined cost management to fund the journey at the core. As the Carlsberg Group navigates this strategic transition, our performance this year highlights our efforts to deliver growth, resilience in managing the headwinds ahead, and dedication to responsible business practices.

Read more about SAIL'27 and our strategic performance in our Management Discussion and Analysis on pages 46-57

Our Portfolio Choices

The year 2023 marked a strategic shift in our portfolio choices. We entered into a significant partnership with Sapporo, offering consumers an iconic premium Japanese beer as we concluded our decade-long partnership with Asahi. This strategic move positions us well to capture evolving consumer preferences and aligns with the objectives of our SAIL'27 premiumisation strategy.

Our Execution Excellence

In 2023, our commitment to excellence in quality and execution reached new heights with our brewery transformation project at our Shah Alam production facility. The substantial RM108 million bottling line investment was made to deliver greater automation and efficiency whilst delivering a lower environmental footprint. Our Malaysian brewery transformation continues with plans to install a new canning line and upgrade of filtration capabilities in the second half of this year.

Our Winning Culture

As part of our commitment to good governance, the Group underwent an external review to affirm our full compliance with the Anti-Bribery and Corruption policies, guidelines and procedures. This external review is a testament of our dedication to maintaining high ethical standards in all facets of our operations, reflecting our commitment to transparency, integrity, and ethical business practices.

Taking Sustainability Beyond Compliance

To ensure our sustainability agenda goes beyond mere compliance, we have focused on being performance- and value-driven. In 2023, we initiated capacity-building initiatives, including an Environmental, Social and Governance (ESG) Workshop for Board members and the Sustainability Steering Committee, to enhance awareness, understanding, and strategic decision-making concerning the integration of ESG considerations into our business.

Aligned with our SAIL'27 strategy, we reflected the Together towards ZERO and Beyond (TTZAB) priorities in our value chain to reinforce our commitment to transparency, accountability, and continuous improvement in ESG matters with ambitious net zero carbon emission milestones set for 2030 and 2040.

As part of our TTZAB programme, we delivered on our ZERO Irresponsible Drinking target by recording zero drink-driving incidents or accidents.

REVENUE
RM2.3 *billion*

2022: RM2.4 billion

NET PROFIT
RM327.3 *million*

2022: RM317.0 million

DIVIDEND PAYOUT RATIO
87%

2022: 85%

The Top Ten Charity Campaign has made a comeback after a three-year hiatus, reinforcing our pledge to support education and climate action in line with the UN SDGs.

Our commitment to sustainability also extends beyond the boardroom and into the heart of communities through impactful initiatives. A significant highlight was the return of the Top Ten Charity Campaign after a three-year hiatus. Sponsored and organised by Carlsberg Malaysia, this iconic fund-raising campaign pledged towards a renewed purpose—promoting quality education and championing awareness on climate action in alignment with the UN Sustainable Development Goals (UN SDGs).

Under the theme 'Brewing for a Better Today and Tomorrow', the campaign took inclusivity and sustainability to new heights, expanding its reach to East Malaysia and successfully raised over RM20 million for 10 vernacular schools. Over the past 37 years, Top Ten has raised an impressive RM568 million, benefiting 684 schools nationwide.

Awards and Recognition

Thanks to the trust of our stakeholders, we stand as a beacon of excellence and sustainability, and we have been fortunate to receive esteemed accolades that affirm our unwavering commitment to long-term growth and business sustainability.

At the prestigious 14th edition of The Edge Billion Ringgit Club Awards, we proudly clinched the top spot for the highest return-on-equity over three years within the Consumer Products and Services category. This victory, marking our fourth consecutive win, serves as a testament to our sustained dedication to delivering growth in shareholder value.

In our relentless pursuit of sustainability, the Group scored 3.6 out of 5.0 in the FTSE4Good Bursa Malaysia (F4GBM) Index bi-annual assessment in December 2023, a notable improvement from our previous rating of 3.3. We also improved our ESG Ratings from 6.1 to 6.4 out of 10.0 in the Morgan Stanley Capital International (MSCI) Indexes following the annual review conducted in December 2023.

Read more about our sustainability performance in the SASB Content Index on pages 227-228

At The Edge Billion Ringgit Club Awards, Carlsberg Malaysia took home the top spot for the highest return-on-equity over three years under the Consumer Products and Services category for the fourth consecutive year.

Further reinforcing our commitment to greater transparency and integrated-thinking in corporate reporting, we took home the Platinum Excellence award at the National Annual Corporate Report Awards (NACRA) 2023.

Further attesting to our commitment to transparency and excellence, we secured the Platinum Excellence award at the National Annual Corporate Report Awards (NACRA) 2023 in the Companies with RM2-10 billion in Market Capitalisation category. In the UN Global Compact Network Malaysia & Brunei's Forward Faster Awards 2023, our sustainability reporting received noteworthy recognition, particularly in the 'SDG Reporting Disclosure' category. These recognitions underscore our dedication to outstanding corporate reporting practices, providing stakeholders with clear and transparent insights into our performance and sustainability initiatives.

In addition to these institutional accolades, our emphasis on our greatest asset—our people—has not gone unnoticed. The Group has been honoured with several HR-related awards, a reflection of our dedication to fostering a positive, inclusive workplace culture that prioritises the well-being and development of our workforce.

Read more about our Awards and Recognitions on pages 24-27

Going Forward

Our ambition is anchored in becoming the most successful, professional, and attractive brewer in our markets. These accolades stand as a testament to our holistic approach to excellence, sustainability, and the well-being of our people, positioning us to be **successful** in achieving a balance of both revenues and profits, delivering **professional** services to our customers, and staying **attractive** to our shareholders, employees, and communities.

As we look ahead, our focus remains on executing our SAIL'27 strategy by investing and growing our well-positioned portfolio of brands, whilst exercising prudent management on both revenue and cost optimisation initiatives. The successful execution of our strategic priorities, aligned with our commitment to fostering a winning culture, will be pivotal in delivering excellence and sustainability and improving our resilience especially as we navigate the climate-related risks and macroeconomic challenges ahead.

Acknowledgements

On behalf of the Board, I would like to record our profound appreciation to our customers, shareholders, suppliers, distributors, trade partners, and employees for their unwavering trust and loyalty.

As Chairman, I would like to acknowledge the contributions of our independent non-executive director, Chew Hoy Ping, over the past nine years, in particular as Chairman of the Audit Committee and Risk Management and Sustainability Committee. We wish him well in his future undertakings. In his place, we warmly welcome Eric Ooi Lip Aun, who joined us in May 2023.

I would also like to welcome the Carlsberg Group's new Chief Executive Officer (CEO), Jacob Aarup-Andersen, taking up the mantle from Cees 't Hart, who served as CEO for eight successful years. We look forward to Jacob's leadership in bringing Carlsberg Group to even greater heights.

Finally, I would like to thank Stefano Clini, Managing Director of the Group, and the Management Team for steering Carlsberg Malaysia Group through the challenges of 2023.

With all your support, I am confident that we can be even stronger and more resilient in the years ahead as we push forward with the execution of our SAIL'27 strategy.

TAN SRI DATO' SERI CHOR CHEE HEUNG
Chairman
Shah Alam
7 March 2024

Q&A WITH OUR MANAGING DIRECTOR

Q Could you provide an overview of how the Group performed in 2023?

The year 2023 was another challenging year for us, in both Malaysia and Singapore, as the economic realities of high inflation, sluggish consumption and softer consumer sentiment took hold, following a period of unprecedented surge in demand during the COVID-19 recovery in 2022.

For our industry, these macroeconomic trends impacted our costs of operations and led to weaker consumer demand as consumers cut back on discretionary spending on food and beverages.

Nevertheless, despite these headwinds, we increased our marketing investments and we were able to deliver a commendable performance that reflected both our resilience and adaptability in navigating a difficult market.

Through our SAIL'27 strategy, we focused on commercial excellence through sustained investments in brand building, consumer promotions, and on-ground activations to excite our consumers in Malaysia and Singapore. Our brands engaged consumers with fully integrated campaigns across various channels, including on- and off-trade, e-commerce, and digital platforms.

As a result of our efforts, our Malaysian operations recorded a revenue of RM1.6 billion and profit from operations of RM311.7 million in FY2023, while our Singaporean operations recorded a revenue of RM650.9 million and profit from operations of RM87.1 million. As a total company, the Group posted a net profit of RM327.3 million, an increase of 3.2% on the back of a lower revenue by 6.3% at RM2.3 billion, as it was partly mitigated by the absence of the Prosperity Tax imposed last year and a higher share of profit from our Sri Lankan-based associate company, Lion Brewery (Ceylon) PLC.

The Group remains a healthy and profitable company and we continue to proudly deliver significant dividends to our shareholders. Our ability to do this is anchored in our ambition to becoming the most successful, professional, and attractive brewer in our markets.

In demonstrating a **successful** business, we remained profitable despite lower revenue and committed to a total declared and proposed dividend of 93 sen per share, an increase of 5.7% versus FY2022.

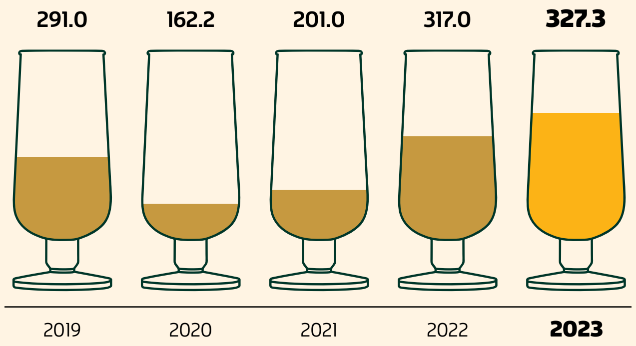
We take pride in our **professional** in-market execution as our customers trust us to offer quality products and provide reliable services. We are humbled by several prestigious industry accolades and improvements in the FTSE4Good Bursa Malaysia (F4GBM) score and MSCI ESG ratings last year.

It is a testament to our reputation as an **attractive** brewer in creating value for investors, cultivating a high-performance culture for our employees, and shouldering our responsibilities as a sustainable corporate citizen for society at large.

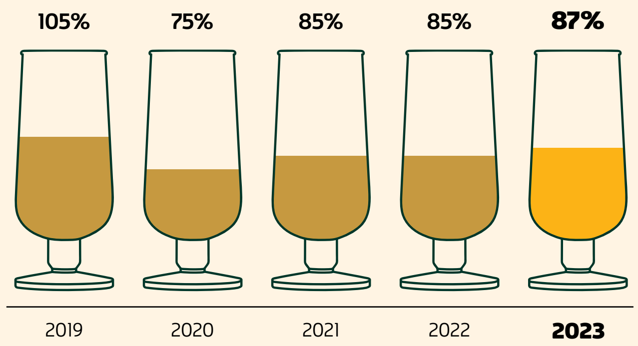
"The Group posted a net profit of RM327.3 million, an increase of 3.2% on the back of a lower revenue by 6.3% at RM2.3 billion. We remain a healthy and profitable company and continue to proudly deliver significant dividends to our shareholders."

Stefano Clini
Managing Director

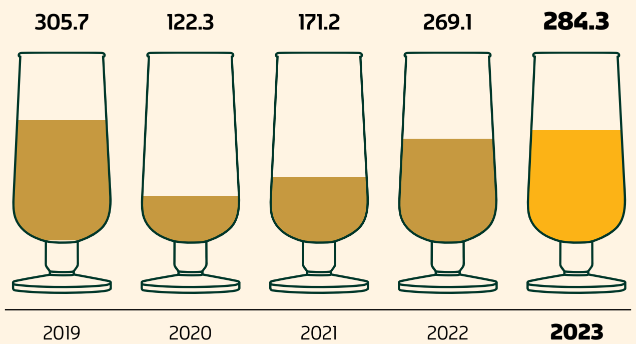
GROUP'S NET PROFIT
(RM Million)



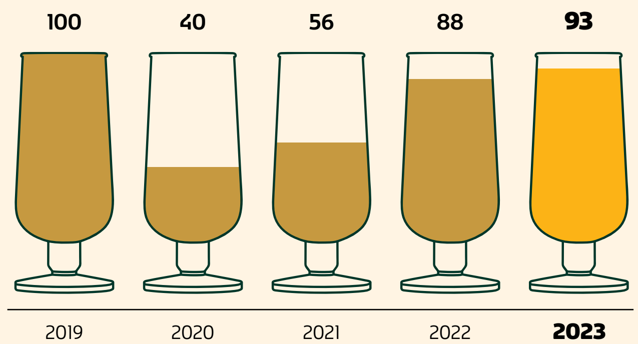
DIVIDEND AS % OF NET PROFIT



DIVIDEND AMOUNT DECLARED AND PROPOSED FOR THE YEAR
(RM Million)



DIVIDEND PER ORDINARY SHARE
(Sen)



Q Was the transition to the SAIL'27 strategy smooth? What were some of the key highlights or achievements in 2023?

Absolutely, the transition to the SAIL'27 strategy has been a smooth evolution and progressive journey for both our Malaysian and Singaporean operations in its inaugural year.

Despite the tough market conditions posed by inflationary pressures, the sluggish economy and geopolitical uncertainty, SAIL'27 steered us through the unfavourable market dynamics, enabling us to remain resilient while operating with greater efficiency and adaptability.

By Funding Our Journey, we stayed disciplined in implementing and optimising the allocation of capitals across the key levers of SAIL'27, namely Our Portfolio Choices, Our Execution Excellence and supported by Our Winning Culture.

While last year in general was a difficult one as consumers pulled back on discretionary spending and interest rate hikes weighed on consumer sentiment and the economic outlook, we nevertheless persevered with a satisfactory financial performance and improvement to non-financial performances, especially on product innovations, employee engagement and sustainability deliverables.

Above all, we continued our quest of Brewing Excellence and Sustainability in every aspect of the business, demonstrating our commitment to delivering long-term shareholder value.

In **Our Portfolio Choices**, we continued to step up in the premium segment, hosting a multitude of events for our brands – 1664, Somersby and Connor's Stout Porter – to build brand equity, improve consumer engagement and sustain category growth of wheat beer, cider and stout.

Amid our premiumisation drive, we bade farewell to the Asahi brand which we had manufactured and distributed for more than 10 years and welcomed a new exciting partnership with Sapporo, to ensure our continued representation in the premium Japanese beer scene in Malaysia and Singapore.

Our brewery transformation project saw the installation of a state-of-the-art integrated and automated bottle filling line.

In strengthening our core mainstream beer, we have remained vigorous with our consumer-facing activities while we continue investing in several nationwide consumer campaigns across all channels. For instance, in addition to celebrating significant festive events with limited-edition packaging, we launched a special brand experiential campaign, *#BestWithCarlsberg*, to reinforce the Carlsberg brand story with Malaysian and Singaporean consumers.

We celebrated how the brand has evolved with time through innovation and steadfast discipline in producing the perfectly balanced beer, reminding consumers that we offer the best drinking moments anywhere and anytime.

Another mainstream brand, SKOL beer, was re-launched to drive growth in the value segment market with a new, more appealing packaging to consumers of a more specific demographic.

Finally, we continued to build on the momentum in the Alcohol-Free Brew category, expanding our offerings with the launch of Somersby Apple 0.0 in Singapore, complementing the existing Carlsberg 0.0 Pilsner and Carlsberg 0.0 Wheat. Early this year, we also launched Somersby Mandarin Orange 0.0 in conjunction with the Chinese New Year festive sales in Malaysia and Singapore.

Meanwhile, under the banner of **Our Execution Excellence**, our brewery transformation project was a mammoth task and standout initiative which saw the installation of a RM108 million state-of-the-art integrated and automated bottle filling line. This transformation is a significant improvement to our production capabilities and will be further supported with the installation of a new canning line and upgrade of filtration capabilities in 2024.

More than just technological advancement, these upgrades will enhance our overall sustainability by lowering energy consumption, reducing water wastage, and minimising waste.

We also completed the implementation of OnePlan, a software application to enhance supply chain planning and sales forecast capabilities with higher demand and supply efficiencies.

We are proud to be the pilot brewery amongst the Carlsberg Group's businesses globally to implement the demand-and-supply planning system as it has provided timely data analytics, improved insights on inventory, more accurate data collection and enhanced risk management.

Additionally, our logistics management underwent an expansion with the relocation of our external warehouse to a greener facility with higher capacity and automation, fully managed by our employees, and an extension to a second external warehouse aimed at providing greater flexibility in inventory management.

Beyond commercial and operation strategic levers, SAIL'27 is also focused on ensuring we uphold **Our Winning Culture** with an emphasis on fostering purpose- and performance-driven people, embedding sustainability practices via Together towards ZERO and Beyond (TTZAB) priorities, inculcating good governance by Living by Our Compass and Safeguarding Our Licence to Operate.

In 2023, we saw improved engagement scores among our employees in Malaysia and Singapore, and remained on track to achieving our Environmental, Social and Governance (ESG) targets, while supporting the Malaysian government's efforts to combat illicit beer.

Read more about our SAIL'27 performance in our Management Discussion and Analysis on page 46

Our logistic capabilities were enhanced with the relocation of our external warehouse to a greener facility and an addition of a new external warehouse, on top of an existing internal warehouse.

Q

What about the key enabler of SAIL'27 - what was the progress in Funding Our Journey?

The key enabler of SAIL'27, **Funding Our Journey** (FOJ) empowers us to reinvest in our priorities, capabilities, and our decarbonisation and sustainability programme, as outlined in our TTZAB ESG programme.

FOJ is multifaceted in that it extends beyond the traditional approach of only looking at obtaining cost savings. Instead, it involves the careful allocation of resources into growth initiatives that can contribute to our expansion, innovation and resilience. Key areas of focus include procurement savings, value management, and growth efficiency.

Last year, FOJ helped us fund increased advertising and promotion to drive premiumisation, continued investments in our people and capital expenditure for brewery transformation involving the modernisation and upgrading of production capabilities, relocation of an external warehouse and an extension to a new warehouse.

Q How has the Group progressed with regards to its ESG targets and aspirations?

As part of our efforts to ensure that we are directing our resources efficiently and effectively to address business sustainability issues that are most material to us, we conducted a materiality validation exercise last year to refine our material matters, prioritising it to 19 from 27. With that prioritisation, we have identified and focused on top four matters that have the highest business impact and societal importance – Product Quality and Safety, Employee Safety, Health and Wellness, Talent and Talent Development and Threats to Commercial Freedom.

We have also made significant strides in advancing our ESG commitments, following the completion of the first year of our TTZAB programme. The TTZAB programme is a crucial part of our SAIL'27 strategy, where TTZAB is part of Our Winning Culture.

The integration of TTZAB's six priorities and seven focus areas throughout our value chain has provided us clarity in governance, insights to strategy and metrics and targets in implementation. It also enabled us to take a holistic approach towards our decarbonisation initiatives across the upstream and downstream of our business while reassessing the climate-related risks and opportunities against the business.

TOGETHER TOWARDS ZERO & BEYOND

Carlsberg Malaysia

ZERO Carbon Footprint
The Group focused on improving thermal energy efficiency, recorded a higher biogas recovery and reduced GHG emissions by 3.3% in 2023.

ZERO Farming Footprint
The Group is committed to ensure that all our raw ingredients are sourced sustainably and produced using regenerative agricultural practices by 2040.

ZERO Packaging Waste
The Group achieved a collection and recycling rate of 94% of returnable bottles in Peninsular Malaysia.

ZERO Water Waste
We have achieved a 6% reduction of total water usage, in 2023, equivalent to 11 Olympic-sized swimming pools.

ZERO Irresponsible Drinking
The Group met its target of zero drink-driving incidents and accidents in both Malaysia and Singapore.

ZERO Accidents Culture
Despite two incidents in Malaysia, our Singaporean operations maintained a robust safety record, achieving 1,167 consecutive days without a Lost-Time Accident (LTA) since 21 October 2020.

This year, we have also stepped up our commitment to transparent reporting practices with our Climate Risk Scenario Analysis as per reporting disclosures recommended by the Taskforce on Climate-Related Financial Disclosures (TCFD), where we reported on three types of climate-related risks and opportunities – Adapting to Climate Change, Water Use and Management, and Sustainable Packaging and Materials. Lastly, we are committed to accelerating our decarbonisation strategy from 2024 onwards.

Q Please provide a snapshot of the Group's priorities and outlook for the year ahead.

Acknowledging the challenges ahead, we approach 2024 with a cautious outlook, anticipating continued inflationary pressures, high interest rates impacting consumer spending, and currency fluctuations. Despite these headwinds, we remain cautiously optimistic, and will focus on Year Two of SAIL'27's implementation, which will be to expand our portfolio brand offerings with the Sapporo product launch and other new premium initiatives, as well as continued balanced growth with prudent revenue optimisation and cost-efficiency measures.

We remain committed to investing in and expanding our premiumisation strategy and upholding our commitment to brewing excellence. We are pleased to announce that our Malaysian operations will commence local manufacturing of Sapporo quart and pint bottles, which will be available by the second half of 2024. In addition, we are also exploring other partnership opportunities with Sapporo, in addition to our existing manufacturing and distribution rights in Malaysia and Singapore.

In terms of **Our Execution Excellence**, we will be advancing the next phases of our brewery transformation to future-proof product and packaging innovations, with resources set aside to invest in a brand-new canning line and upgrade of filtration capabilities. In addition, we will continue to implement relevant and meaningful technology upgrades to be ahead in terms of digital adoption.

Q Any concluding remarks or acknowledgements?

As we reflect on our journey this year, I am compelled to express our deepest gratitude to the entire Board of Directors for their exceptional leadership and invaluable guidance. Their wisdom has been instrumental in steering our business towards a future where we brew exceptional products and contribute to a better today and tomorrow.

A special thank you to our retired independent non-executive director, Chew Hoy Ping, for his dedication and significant contributions over the past nine years. We extend a warm welcome to Eric Ooi Lip Aun, who replaced him, and we look forward to the new perspectives and insights he will bring to the Board.

To my Management Team and all employees, your commitment in the face of challenges has been commendable. Your dedication forms the backbone of our success, and I am grateful for your unwavering support.

I am also thrilled to welcome Jacob Aarup-Andersen as our new Global CEO. His leadership will be a guiding force for the entire Carlsberg Group. We eagerly look forward to the journey ahead together with him.

My heartfelt appreciation extends to our stakeholders - distributors, suppliers, consumers, customers, media and government agencies - whose support has been pivotal in our ongoing growth and success. Your collaboration has been indispensable to our journey, and we look forward to continuing this fruitful partnership.

Last but not least, to our esteemed shareholders, thank you for your continued confidence and trust in our vision. Your support is the bedrock of our resilience, and we are committed to delivering value and excellence, fuelled by your trust.

STEFANO CLINI
Managing Director
Shah Alam
7 March 2024

BOARD OF DIRECTORS

TAN SRI DATO' SERI CHOR CHEE HEUNG

Independent Non-Executive Chairman

Age 69

Date of Appointment
1 June 2022

Date of Last Re-Election
19 April 2023

Length of Service
1 year 9 months
(as at 22 March 2024)

Academic / Professional Qualification(s)
- Master of Arts in Business Law, London Metropolitan University, United Kingdom
- Barrister-at-Law of the Honourable Society of Lincoln's Inn, London

Work Experience and Present Directorship(s)

Tan Sri Dato' Seri Chor Chee Heung was a Member of Parliament from 1990 to 2013 and served as Deputy Minister of Home Affairs, Deputy Finance Minister and Minister of Housing and Local Government.

He also served as the Commissioner of the Malaysian Aviation Commission (MAVCOM) from 2015 to 2017 and was a board member of Tenaga Nasional Berhad from 2015 to 2018. Tan Sri Dato' Seri Chor is currently the Independent and Non-Executive Chairman of Star Media Group Berhad.

STEFANO CLINI

Managing Director

- *Member of Risk Management and Sustainability Committee*

Age 57

Date of Appointment
26 October 2019

Date of Last Re-Election
19 April 2023

Length of Service
4 years 4 months
(as at 22 March 2024)

Academic / Professional Qualification(s)
- Bachelor of Business and Economics, Libera Università Internazionale degli Studi Sociali Guido Carli (LUISS), Italy

Work Experience and Present Directorship(s)

Mr Stefano Clini is responsible for Carlsberg's Southeast Asia subregion, comprising Malaysia and Singapore, and oversees the Group's investment in Sri Lanka.

Prior to his current appointment, Mr Clini was Managing Director of Carlsberg Vietnam Breweries Limited from 2017 to 2019, where he led a successful turnaround with record growth in both top and bottom lines. He was previously Managing Director of British American Tobacco (Malaysia) Berhad from 2013 to 2016, overseeing operations in Malaysia and Singapore.

He has 30 years of experience in the global consumer goods industry and has held various senior leadership and commercial roles within H. J. Heinz in Italy from 2005 to 2013 and Procter and Gamble (P&G) in Italy, Belgium, Switzerland and Turkey from 1990 to 2005.

ERIC OOI LIP AUN

Independent Non-Executive Director

- ***Chairman of Audit Committee***
- ***Chairman of Risk Management and Sustainability Committee***
- ***Member of Nomination and Remuneration Committee***

Age 66

Date of Appointment
1 May 2023

Date of Last Re-Election
N/A

Length of Service
10 months 22 days
(as at 22 March 2024)

Academic / Professional Qualification(s)
- Member of the Malaysian Institute of Accountants
- Member of the Malaysian Institute of Certified Public Accountants

Work Experience and Present Directorship(s)

Mr Eric Ooi was a partner of PricewaterhouseCoopers (PwC), Malaysia until his retirement in June 2015. He joined the firm of Price Waterhouse (now known as PricewaterhouseCoopers) in 1977. He assumed management and leadership positions for different parts of PwC within Malaysia, across Asia and globally.

Beyond audit engagements, Mr Ooi also worked on public listings, several engagements under the direction of Bank Negara Malaysia and was seconded to manage a timber plantation and pulp and paper manufacturing company for two years during its privatisation from a State Government in East Malaysia.

Mr Ooi currently sits on the boards of British American Tobacco (Malaysia) Berhad, Genting Berhad, UTAR Hospital and FI Life Sdn. Bhd., and also on the Audit Committee of UTAR.

DATUK LEE OI KUAN

Independent Non-Executive Director

- ***Chairperson of Nomination and Remuneration Committee***
- ***Member of Risk Management and Sustainability Committee***
- ***Member of Audit Committee***

Age 65

Date of Appointment
28 February 2022

Date of Last Re-Election
14 April 2022

Length of Service
2 years 24 days
(as at 22 March 2024)

Academic / Professional Qualification(s)
- Bachelor of Laws, University of Malaya

Work Experience and Present Directorship(s)

Datuk Lee Oi Kuan served in the Attorney-General's Chambers of Malaysia in the Prosecution, Advisory and International Law Division from 1983 to 1993. Thereafter, she worked at Hong Leong Industries Berhad and Malaysian Pacific Industries as Head of Legal and Company Secretary from 1993 to 2001.

In 2001, Datuk Lee joined British American Tobacco (Malaysia) Berhad and served as its Legal and External Affairs Director until her retirement in 2018. Datuk Lee is currently a Non-Independent and Non-Executive Director at British American Tobacco (Malaysia) Berhad.

JOÃO MIGUEL VENTURA REGO ABECASIS

Non-Independent Non-Executive Director

Age 52

Date of Appointment
1 October 2022

Date of Last Re-Election
19 April 2023

Length of Service
1 year 5 months
(as at 22 March 2024)

Academic / Professional Qualification(s)
- Bachelor of Business Management, Universidade Católica Portuguesa, Portugal

Work Experience and Present Directorship(s)

Mr João Abecasis has over 25 years of experience in FMCG, having been with Unilever since 1995 in various positions. He joined Carlsberg Group in 2011 and has held several managerial positions in various markets, including Chief Commercial Officer and later as CEO of Super Bock Portugal, VP Challenger Markets in the Western Europe region, (interim) Managing Director of Carlsberg Denmark and Managing Director of Kronenbourg, France.

Since 2019, Mr Abecasis has served on the Carlsberg Group Executive Committee and was appointed as Executive Vice President, Asia of Carlsberg Group effective 1 September 2022.

GAVIN STUART BROCKETT

Non-Independent Non-Executive Director

- ***Member of Audit Committee***

Age 62

Date of Appointment
17 February 2022

Date of Last Re-Election
14 April 2022

Length of Service
2 years 1 month
(as at 22 March 2024)

Academic / Professional Qualification(s)
- Bachelor of Accounting, University of Witwatersrand, South Africa
- Bachelor of Commerce, University of Witwatersrand, South Africa
- Member of the South African Institute of Chartered Accountants
- Member of the Chartered Accountants Australia and New Zealand

Work Experience and Present Directorship(s)

Mr Gavin Brockett has many years of experience in the consumer beverage industry, having been initially employed by SABMiller PLC in South Africa in 1991 and thereafter by the SABMiller subsidiaries in the Czech Republic and Italy. He has also held various leadership positions in the Carlsberg Group between 2010 and 2013, and again from 2014 to 2016. Thereafter, he joined Levi Strauss & Co. as Senior Vice President and Global Controller.

Mr Brockett was appointed as Vice President Finance, Asia of Carlsberg Breweries A/S with effect from 1 January 2022.

CHAN PO KEI KAY

Non-Independent Non-Executive Director

- *Member of Nomination and Remuneration Committee*

Age 58

Date of Appointment
16 December 2020

Date of Last Re-Election
19 April 2023

Length of Service
3 years 3 months
(as at 22 March 2024)

Academic / Professional Qualification(s)

- Masters in Training and Human Resource Management, University of Leicester, United Kingdom
- Bachelor of Business Administration, The Chinese University of Hong Kong, Hong Kong
- Diploma in Training Management, The Chinese University of Hong Kong, Hong Kong / Institute of Training and Development, United Kingdom

Work Experience and Present Directorship(s)

Ms Chan Po Kei Kay is a seasoned human resource practitioner with over 28 years of experience in Hong Kong and China. She is currently Vice President Human Resource, Asia of Carlsberg, leading the HR function of Carlsberg in Asia.

Prior to joining Carlsberg, Ms Chan was the VP HR Asia Pacific of Vertiv Asia Pacific for over 10 years, and before that, held country and regional HR coverage roles in other multinationals.

MANAGEMENT TEAM

Embracing the future with a pioneering spirit, we are charting a course towards unparalleled excellence and sustainability. At Carlsberg Malaysia, we are not just brewing beer; we are crafting a legacy of innovation, community, and environmental stewardship. Together, we will continue to set new benchmarks, ensuring that every sip of our beer reflects our dedication to quality, our passion for brewing, and our commitment to a better tomorrow.

MANAGEMENT TEAM PROFILES

STEFANO CLINI

Managing Director

Age 57

Our spirit of brewing excellence is reflected in the way we do business and in how we reach out to all our consumers and customers. It is our dedication to executional excellence and sustainability that sets us ahead of the curve, resonating with our employees and stakeholders and making them proud.

Date of Appointment
26 October 2019

Academic/Professional Qualification(s)
- Bachelor of Business and Economics, Libera Università Internazionale degli Studi Sociali Guido Carli (LUISS), Italy

Main Responsibilities and Work Experience
Mr Clini has overall responsibility for Carlsberg Malaysia Group, covering our operations in Malaysia and Singapore and overseeing the Group's investment in Sri Lanka.

He joined the Carlsberg Group in September 2017 as the Managing Director of Carlsberg Vietnam Breweries Ltd and was previously the Managing Director of British American Tobacco Malaysia from 2013 to 2016.

He has more than 30 years of experience in the global consumer goods industry with leadership and commercial roles in Italy, Belgium, Switzerland and Turkey.

VIVIAN GUN LING LING

Chief Financial Officer

Age 47

Apart from our products, the significance of brewing excellence also extends to our actions and our people. We strongly uphold our duties through the mindset of "Better today than yesterday, better tomorrow than today". Our sustainability context is one that focuses on actions which will take care of our stakeholders today, tomorrow and in the future, so that we deliver sustainable value to our shareholders.

Date of Appointment
19 October 2020

Academic/Professional Qualification(s)
- Member of CPA Australia; Member of Malaysian Institute of Accountants (MIA); past member of the Chartered Institute of Management Accounting (CIMA)
- Bachelor of Commerce and Administration (Accounting) (Hons), Victoria University of Wellington, New Zealand
- Bachelor of Commerce and Management, Lincoln University, New Zealand, in collaboration with Universiti Tenaga Nasional (UNITEN)

Main Responsibilities and Work Experience
Ms Gun is responsible for finance and investor relations, and IT functions.

She joined the Carlsberg Group in 2018 as Chief Financial Officer at Myanmar Carlsberg Co. Ltd.

Prior to joining Carlsberg, she held senior finance roles with established Malaysian corporations, including GlaxoSmithKline, British American Tobacco, BMW and KPMG. Ms Gun has worked in Malaysia and other Southeast Asian countries, including Myanmar and Vietnam.

KOH POI SAN

Legal & Compliance Director and Company Secretary

Age 48

We have a strong corporate culture of excellence in everything we do – from brewing the best beers to all our outstanding colleagues who ably give their best for our operations. Our Board, Management and employees are committed to sustainability practices that will elevate us to deliver greater value to our stakeholders.

Date of Appointment
19 February 2020

Academic/Professional Qualification(s)
- Licenced Secretary under Section 20G of the Companies Commission of Malaysia Act 2001
- Certificate in Legal Practice
- Bachelor of Laws (Hons), University of London, United Kingdom
- Diploma in Investment Analysis, Research Institute of Investment Analysis Malaysia and Royal Melbourne Institute of Technology, Australia

Main Responsibilities and Work Experience
Ms Koh is responsible for legal and compliance matters in both Carlsberg Malaysia and Singapore, and for helming the debt recovery function in Malaysia. She is also the Company Secretary of Carlsberg Malaysia Group.

She has more than 20 years of experience as a partner of a law firm and was the Vice President, Legal Compliance and Land Management and Company Secretary of an established company in the cement industry in her last role.

MANAGEMENT TEAM PROFILES

PEARL LAI MING CHOO

Corporate Affairs and Sustainability Director

Age 43

True to our passion for beer and science, we constantly pursue brewing perfection while striving for environmental and social sustainability. Committed to achieving net zero carbon emissions by 2040, we will strive to deliver our sustainability priorities that enable our consumers to enjoy our quality brews while leaving the smallest carbon footprint possible.

Date of Appointment
1 July 2014

Academic/Professional Qualification(s)
- Bachelor of Social Science (Hons) (Communication Studies), Universiti Malaysia Sarawak

Main Responsibilities and Work Experience
Ms Lai first joined Carlsberg Malaysia Group in September 2005 and was previously the Director, Corporate Communications and CSR prior to her current position effective 1 February 2022.

She is responsible for safeguarding the Group's licence to operate while strengthening our purpose-driven reputation and engagements on sustainability (ESG), regulatory affairs, internal and external communications as well as issues and crisis management.

She represents the Group on the committee of the Confederation of Malaysian Brewers Berhad and the Carlsberg Huazong Education Fund. She also sits on the Board of EUROCHAM Malaysia and the Danish Chamber of Commerce Malaysia.

GARY TAN SIM HUAN

Sales Director

Age 53

We have always adopted the most efficient ways to bring excellence to our stakeholders through effective brewing methods, quality brews and prioritising the needs of our customers above everything else. From manufacturing, distributing and serving our consumers and customers, Carlsberg Malaysia embodies sustainability, putting it at the heart of all that we do.

Date of Appointment
17 August 2009

Academic/Professional Qualification(s)
- Bachelor of Economics (Hons), University of Malaya
- Leadership Course, London Business School, United Kingdom

Main Responsibilities and Work Experience
Mr Tan oversees the sales and distribution functions of the duty-paid, duty-free and exports businesses within the Malaysian operations.

He has 28 years of experience in the fast-moving consumer goods (FMCG) business.

Prior to joining the Group, he was the Customer Development Director of Unilever Malaysia.

OLGA PULYAEVA

Marketing Director

Age 40

Today's consumer wants uncompromised quality from a company that cares about the world we live in and strives to make it better. We deliver on this commitment with each great tasting brew. Every single one of our beers is created with the highest quality ingredients, using the latest brewing technologies that allow us to significantly reduce our environmental footprint each year.

Date of Appointment
1 July 2022

Academic/Professional Qualification(s)
- Masters in Business Administration, INSEAD
- Bachelor of Marketing and International Business, the Stern School of Business, New York University, United States

Main Responsibilities and Work Experience
Ms Pulyaeva oversees the brand, channel marketing and market research functions.

She has been with Carlsberg Group since 2012, where her last role was in Russia as Baltika Brand Development Director in 2020.

She joined Carlsberg as Programme Manager (Go-to-Market), covering multiple European markets (Switzerland, Portugal, Croatia, Bulgaria, Poland, UK and France). Since then, she has continued to progress her career by taking on roles with increasing responsibilities: Business Development Manager at Brasseries Kronenbourg (2013-2014) and Business Development Manager, Head of Business Development and Head of Craft & Specialties at Feldschlösschen Getränke AG in Switzerland (2014-2020).

SERGEY RYCHKOV

Supply Chain Director

Age 37

Our dedication to brewing excellence extends beyond crafting exceptional beverages; it also encompasses our commitment to operating sustainably. We prioritise sourcing responsibly and minimising our environmental footprint. We believe that excellence and sustainability go hand-in-hand, ensuring not only the high quality of our product but also the well-being of our planet. Together, we brew a future where exceptional taste co-exists harmoniously with environmental stewardship.

Date of Appointment
9 June 2023

Academic/Professional Qualification(s)
- Bachelor's Degree in Beer & Wine Technology, Almaty Technological University

Main Responsibilities and Work Experience
Mr Rychkov brings with him over 17 years of experience in the area of Supply Chain.

He joined Carlsberg in January 2007 as Brewing and Production Operator in Kazakhstan and since then, Mr Rychkov has progressed his career with increasing roles and responsibilities within the Carlsberg Group. He oversees end to end Supply Chain operations in Malaysia, covering the areas of planning, production, logistics and procurement.

PAULINE LIM MAAN HEONG

Human Resources Director

Age 46

We are a purpose-led and performance driven organisation. Our leaders Lead with Care and drive a winning culture by creating a diverse, equitable and inclusive work environment. Our talent development is focused on excellence as we grow our people by offering vast opportunities and experiences, thus providing an exciting and sustainable career path.

Date of Appointment
25 November 2019

Academic/Professional Qualification(s)
- Masters in HR Management and Industrial Relations, University of Newcastle, Australia
- Bachelor of Human Resource Management and Marketing (Hons), Middlesex University, United Kingdom

Main Responsibilities and Work Experience
Ms Lim leads the people agenda of Carlsberg Malaysia Group, focusing on various Leading with Care initiatives, Diversity, Equity and Inclusion, talent management, organisational development and HR digitalisation.

Ms Lim brings with her more than 22 years of HR management experience in diverse industries, including locally listed and multinational organisations.

CAROLINE MOREAU

General Manager, Carlsberg Singapore Pte. Ltd.

Age 48

Some have to dig deep to find their purpose. For us, it has always been there - Brewing for a Better Today and Tomorrow. Pursuit of better has always been in our culture, to produce a better tomorrow for all our stakeholders and the environment, guided by our Together towards ZERO and Beyond ESG strategy.

Date of Appointment
1 July 2022

Academic/Professional Qualification(s)
- Masters in Marketing and Communication (ESCP-EAP), PSB Paris School of Business, France

Main Responsibilities and Work Experience
Ms Moreau was appointed in July 2022, overseeing the Singaporean operations. She is the first female General Manager in the Asian region since 2013.

She has been with the Group since 2007 and was the Marketing Director of Carlsberg Malaysia in her last role. She has more than 20 years of marketing and commercial experience in the beverage and beer sector across Europe and Asia.

She is currently the Chairperson of MayBev Pte. Ltd., a 51%-owned subsidiary of Carlsberg Singapore Pte. Ltd., and represents the Singaporean operations on the Board of the Singapore Beer Industry Association Ltd.

MANAGEMENT DISCUSSION AND ANALYSIS

A NEW JOURNEY - SAIL'27

In embarking on the transition journey of our corporate strategy from SAIL'22 to SAIL'27 in 2023, Carlsberg Malaysia Group (the Group) remains steadfast in implementing the four strategic levers and stands at the forefront of constantly pursuing excellence in the markets in which we operate.

SAIL'27 was co-created by the Carlsberg Group leaders and launched in early 2022, as we successfully navigated the COVID-19 pandemic and major supply chain disruptions as a result of the Russia-Ukraine war.

The year 2023 marked the first year in our execution of the SAIL'27 corporate strategy, a strategic blueprint that aims to capture long-term growth opportunities with ambitious financial targets, and a commitment to sustainability, responsibility and creating long-term value.

Sharpening Our Focus for Future Growth

SAIL'27 encapsulates four key strategic levers, each designed to prepare the Group to be more agile and resilient in the face of market developments and global disruptions, while staying the course of sharpening our strategic organisational and financial dynamics.

The four levers are enhancing our portfolio choices, constantly executing with excellence, driving a winning culture, and ensuring sustainable funding for our journey. Each of these levers are supported by priorities that interlock to create value for our stakeholders in our quest to be the most successful, professional and attractive brewer.

Our Portfolio Choices, Execution Excellence and Cultivating a Winning Culture

We are committed to driving innovation in our product offerings through premiumisation, strengthening our mainstream brands, and accelerating our presence in Alcohol-Free Brews and the Beyond Beer segment.

This portfolio innovation is complemented by our unwavering commitment to execution excellence. Here, we focus on excelling at the point of purchase; mastering digital, data, and processes; and managing our supply chain end to end, ensuring that every step we take is marked by efficiency and effectiveness.

We have built a strong winning culture since the launch of SAIL'22 seven years ago. Building on its solid foundation, we will further strengthen our workforce to be more purpose-driven and performance-oriented, while remaining committed towards our ESG programme, Together towards ZERO and Beyond (TTZAB) and guided by our code of conduct to Live by Our Compass. Operating in highly regulated markets, we are mindful to ensure our licence to operate is protected via constant stakeholder engagements.

Lastly, Funding Our Journey (FOJ) is the strategic lever that enables us to reinvest in our growth, our people and our brands. FOJ is about smart resource allocation, ensuring that we save costs and invest in value creation activities. This approach allows us to navigate through headwinds and emerge more resilient and more innovative.

OUR PORTFOLIO CHOICES

Step up in premium

Strengthen mainstream core beer

Accelerate Alcohol-Free Brews and grow Beyond Beer

STEP UP IN PREMIUM

This initiative is our commitment to elevating consumer experience, leveraging the growth opportunities of the premium category across both the Malaysian and Singaporean markets.

Premium brands remain attractive and are key revenue growth drivers as consumers have become more discerning and alcohol beverages are getting more sophisticated.

In recent years, with the Malaysian and Singaporean markets facing both headwinds and tailwinds, our premium brands – 1664, Connor's Stout Porter and Somersby – recorded stable growth momentum and stood at the forefront of product innovations with strengthened market positioning.

In 2023, we recorded a 15% decline in sales of our premium category against 2022 due to softer consumer sentiment leading to lower consumption. Nevertheless, we continued investing in premiumisation through innovative campaigns, strategic partnerships and variant innovations.

ELEVATING PREMIUMISATION WITH 1664, CONNOR'S STOUT PORTER AND SOMERSBY

Extraordinary Year for 1664

The year 2023 has been an extraordinary year for 1664, the leading French Premium Beer brand in the world, as we showcased our commitment to elevating the premium beer experience.

We designed marketing initiatives to transform ordinary moments into extraordinary experiences that resonate well with discerning wheat beer consumers. We also invested in sampling and limited-edition variant launches to solidify our strong brand equity.

In Malaysia, we started the year with another successful partnership with Dadi Cinema at Pavilion Bukit Bintang, Kuala Lumpur, with 1664 transforming the traditional Valentine's Day celebration with an extraordinary cinematic experience for movie goers. It was 1664's second year at attempting to bring a touch of elegance to everyday occasions.

Another significant milestone was the third edition of *Bon Appétit-lah*, which successfully painted the town blue. A month-long consumer activation event held at the Sentul Depot in Kuala Lumpur saw over 8,500 consumers indulging in a fusion of refreshing 1664 brews with delectable cuisine, all set against a backdrop of captivating music.

This campaign has been pivotal in fortifying the brand's image, turning everyday dining occasions into exceptional experiences.

1664 ended the year on a high note with a brand new packaging for 1664 Blanc and Rosé that accentuated the smoothness and elegance of wheat beer with a delightful citrus twist, living up to its brand promise of offering 'Good Taste with a Twist'.

The 'Win a Trip to Paris' consumer contest in Malaysia was instrumental in communicating the brand's new visual identity to its consumers, reinforcing 1664's position as a playfully elegant French wheat beer that is brewed with a dash of *joie de vivre* and served in the iconic blue bottle.

In Singapore, our 'Celebrate Good Taste with a Twist' campaign saw over 3,000 attendees over eight days, and the campaign culminated in the transformation of Orchard Road into Rue 1664, a Parisian-inspired street, where consumers enjoyed live artistic performances, reminiscent of Paris's vibrant culture.

We also launched a limited-edition variant in both Malaysia and Singapore - 1664 Prestige - a wheat beer exquisitely crafted with champagne yeast from France. The introduction of this limited-edition variant in a sleek, elongated silhouette of a champagne bottle with a celebratory popping cork was not just about product innovation; it also accentuated the French *savoir-faire* with a playful twist, turning ordinary festive celebrations into extraordinary ones.

Value Created

1664 campaigns, notably *Bon Appétit-lah*, have significantly accelerated the wheat beer category through innovative food pairings and festive celebrations. 1664 Blanc and 1664 Rosé continued to expand the wheat beer segment through sampling and trials, and innovate the category with the introduction of new brews and packaging like 1664 Prestige. These initiatives have been instrumental in enhancing the accessibility of premium beer experiences for our consumers and significantly boosting our brand equity.

OUR PORTFOLIO CHOICES

Step up in premium | **Strengthen mainstream core beer** | **Accelerate Alcohol-Free Brews and grow Beyond Beer**

Connor Stout Porter's Year of Festival Collaborations

It was a massive year for Connor's Stout Porter, marked by concerted efforts to heighten brand trials, intensify sampling opportunities and awareness through unique British-inspired connections and music festivals.

The year began with a strong start, leveraging the stout-centric festivities of St. Patrick's Day in Malaysia. We ran an extensive campaign in almost 200 outlets nationwide, featuring the Shake Challenge drinking ritual and promotions, significantly boosting Connor's brand equity. This was complemented with the opportunity for consumers to win Marshall earbuds, further intertwining our brand with the essence of British music and culture.

Mid-year, we launched the Makers of Good Times campaign with the same British technology brand, a continual effort in reinforcing our premium British stout connections. Connor's Stout Porter gave away RM1 million worth of Marshall Willen speakers, enabling consumers to experience the perfect blend of stout and sound.

Our year-end celebration of International Stout Month was another highlight. Connor's Stout Porter ran a consumer promotion with 60 Union Jack SMEG Mini Fridges offered as prizes. Connor's also collaborated with an entertainment hub in Kuala Lumpur - REXKL - in an immersive digital music and art festival, featuring a 270° projection mapping experience with 8,000 glasses of Connor's sampled and purchased.

In Singapore, Connor's Stout Porter furthered its reach through the Shake to Good Times and Gastrobeats Festival. Approximately 400,000 consumers were introduced to the unique 'Connor's Shake Ritual' and the Perfect Pour, alongside exclusive merchandise at the music festival.

Value Created

Connor's Stout Porter has made significant inroads as a stout contender. This year, the brand won two gold awards at Monde Selection 2023 and World Beer Awards 2023, showcasing its brew credentials and assuring consumers of its award-winning quality.

Somersby Cider Continues to Innovate Cider Category

In 2023, Somersby continued to innovate and captivate, fortifying its position in the cider market with strategic campaigns and new flavour introductions.

In Malaysia, Somersby Apple Cider celebrated Apple Day with a nationwide campaign, giving away eight Vespa Primavera scooters and Touch 'n Go e-credit worth RM100,000, boosting brand equity and consumer engagement.

Following the successful launch of Somersby Passionfruit and Orange Cider in Malaysia in 2022, we introduced the dual-flavour variant in Singapore in 2023 to refresh our cider portfolio. The launch also boosted our social media following, with nearly 2,000 new Facebook followers joining our community.

Our first consumer pop-up for the Passionfruit and Orange launch in Singapore, the Somersby Wonderful Garden, was a 12-day Instagrammable event. It was attended by over 6,500 participants and 160 key opinion leaders who sampled the new cider variant while getting to know the brand and taste of Somersby cider better.

Value Created

Somersby Cider's initiatives represent a concerted effort to innovate and rejuvenate the cider category. Since its launch in April, Somersby Passionfruit and Orange Cider quickly rose to become the second best-selling variant within our cider portfolio in Singapore in 2023.

In Malaysia, Somersby Apple Cider continues to be the most preferred variant, followed by the Somersby Blackberry. The introduction of variants and celebration of cider drinking moments have expanded the distribution points of Somersby Ciders and rejuvenated the category.

Challenges

In 2023, our premium brands – 1664, Connor's Stout Porter, and Somersby Cider – navigated through several headwinds. A common thread in these challenges was the economic pressures and shifting consumer sentiments, which led to a noticeable reduction in consumer spending power, particularly impacting the premium segment. Consumers became increasingly cautious in their discretionary spending, seeking value over premium pleasures.

Intense competition on pricing, promotions and activations in the market further compounded these challenges. Additionally, evolving consumer preferences, driven by emerging trends such as the popularity of flavoured alcoholic beverages, demanded our brands to remain agile and adapt to the changing tastes of consumers with more innovative drinking repertoire and experience.

Outlook

Looking forward, our strategy for the 'Step Up in Premium' segment is marked by a unifying focus across all brands. A key aspect of this strategy is enhancing brand equity and encouraging product trials.

Innovative marketing efforts, combined with the introduction of new variants, sampling and collaboration initiatives, will play a crucial role in reinforcing the position of our brands in the minds of consumers.

Innovation, particularly in terms of variant expansion, is set to be a driving force for Somersby and 1664. In the first half of 2024, we plan to launch new variants of the 1664 brand. We are also proud to announce the launch of locally brewed Sapporo Premium Beer on 1 January 2024. We are confident that this iconic Japanese brand will enable us to offer a great alternative to Japanese beer consumers.

Adapting to market dynamics and expanding our reach and distribution will be essential. Each brand will leverage its strengths in quality, experience and market understanding to solidify its position in the premium segment.

OUR PORTFOLIO CHOICES

Step up in premium | **Strengthen mainstream core beer** | Accelerate Alcohol-Free Brews and grow Beyond Beer

STRENGTHEN MAINSTREAM CORE BEER

In 2023, Carlsberg Malaysia Group continued to intensify its marketing investment to strengthen its mainstream core beers Carlsberg Danish Pilsner and Carlsberg Smooth Draught despite an 8% reduction in sales year-on-year due to softer consumption and the shorter duration of Chinese New Year (CNY) festivities in 2023.

Our mainstream brands invite consumers to celebrate moments with Carlsberg through a new campaign, *#BestWithCarlsberg*, further amplified with its brand tagline of 'Probably the Best Beer in the World'. Aimed at celebrating festive moments, football and music occasions, Carlsberg Danish Pilsner is set to further strengthen its brand affinity, especially among Liverpool FC supporters, while Carlsberg Smooth Draught builds its brand equity, especially among Sabahan and Sarawakian consumers.

Celebrating Best Moments with Carlsberg

The year unfolded with a series of integrated and impactful campaigns, each building upon the past successes, to solidify Carlsberg's leadership in consumer-facing marketing and on-ground activations in Malaysia and Singapore. These marketing initiatives boosted consumption in both on- and off-trade channels and expanded our consumer base through e-commerce and music festivals in 2023.

The year began with a vibrant festive celebration as we launched the CNY campaign. The campaign was a blend of tradition and modernity, featuring festive-edition cans with exquisite designs by renowned Chinese artist Ruan Fei Fei. Supported by rewarding in-store promotions and engaging on-ground activations in both Malaysia and Singapore, the CNY campaign significantly boosted Carlsberg's brand affinity despite lower sales, mainly impacted by a shorter selling period in 2023 as compared to 2022.

As we celebrated the Harvest Festival in East Malaysia, our focus shifted to embracing local culture and pride. Unique packaging, featuring six local icons including Mount Kinabalu, the Orang Utan and the Rafflesia, was the result of a collaborative effort of two East Malaysian tattoo artists, Ernesto Kalum and Carlos Benny. The campaign's success was further amplified through sponsorships of local events such as the Kaamatan festival and the Rainforest World Music Festival, deeply resonating with the Sabahan and Sarawakian consumers.

In the latter half of the year, we launched the 'Real Spicy, Real Smooth' campaign to celebrate Malaysia's love for spicy food. This campaign paired local spicy dishes with the smoothness of Carlsberg Smooth Draught. A notable highlight was the activation at JioSpace, Selangor, that drew over 10,000 attendees over 16 days of events with enormous social media hype and successful collaborations with local eateries and lifestyle brands.

The newly launched *#BestWithCarlsberg* campaign was supported by a two-month nationwide promotion across various channels and culminated in an exclusive giveaway where over 200 consumers enjoyed a luxurious experience at a private island in Langkawi. This campaign not only reinforced our brand positioning but also significantly increased consumer engagement, with the submission of 25,000 entries.

Celebrating our strong affiliation with football, Carlsberg extended its sponsorship of the Liverpool FC (LFC) for another 10 years, which will take our partnership with the Club to 42 years, making it the longest sponsor partnership in the history of the Premier League and the Club.

In Singapore, we hosted an exclusive meet-and-greet sessions with LFC legends for fans and gave away tickets to consumers to attend the LFC vs Bayern Munich FC match. This global partnership has enabled us to strengthen Carlsberg's association with the international football scene and allowed us to create unique and priceless experiences for our consumers.

Carlsberg brands have also continued to align with contemporary lifestyle trends and music festivals. In Malaysia, Carlsberg was the proud sponsor of several big scale music festivals like Pink Fish, Out of the World and the Rainforest World Music Festival, while in Singapore, Carlsberg Smooth Draught proudly sponsored the Sneaker Con Southeast through its #MakeItSmooth campaign, which drew a massive turnout of 15,000 consumers.

Value Category

Meanwhile, in the value category, SKOL underwent a transformative journey, relaunching a new visual identity to resonate more with consumers. SKOL's striking yellow and red packaging features a bold eagle icon, symbolising confidence and freedom.

SKOL's bold look and same great taste was complemented by high-impact merchandising, digital and print media campaigns, creating a significant buzz in both the Malaysian and Singaporean markets. In Malaysia, the SKOL activations were held in non-urban coastal areas, reconnecting the brand with its core consumer base.

Value Created

Throughout the year, Carlsberg brands successfully navigated the beer category's evolution by elevating festive celebrations like CNY and the Harvest Festival. Our campaigns significantly enhanced the Carlsberg brand's perception as contemporary, trendy and innovative.

Challenges

The year under review, however, was not without its challenges as economic pressures and a shift in consumer discretionary spending affected demand. This required intensified marketing investments to drive consumer offtake and price promotions in the trade.

Outlook

Carlsberg is poised for continuous progress, with plans to further tap into celebrations, food and music occasions to continue rewarding existing consumers and excite new consumers. Our commitment is to make every moment with Carlsberg exceptional, continually adapting to market dynamics and consumer preferences, and solidifying its positioning in the mainstream core beer segment. As for SKOL, we will be gearing up to amplify its market presence and footprint, especially in targeted non-urban areas.

OUR PORTFOLIO CHOICES

Step up in premium

Strengthen mainstream core beer

Accelerate Alcohol-Free Brews and grow Beyond Beer

ACCELERATE ALCOHOL-FREE BREWS AND GROW BEYOND BEER

In 2023, the Carlsberg Malaysia Group continued to increase our focus and resources on the Alcohol-Free Brews (AFB) category; we registered high acceptance and good traction since Carlsberg 0.0 Pilsner and Carlsberg 0.0 Wheat were launched in Singapore in 2021 and the subsequent launch of Somersby Apple 0.0 in Malaysia in 2022. We are committed to offer AFB as a positive choice for consumers who seek premium, high-quality beverages that are in line with their health and wellness aspirations.

Spearheading the AFB Category

In Malaysia, Somersby Apple 0.0 carved out a niche in the AFB category with steady growth year-on-year. To further build awareness about the brand, we conducted extensive samplings in shopping malls and night markets throughout the year. Over 73,000 consumers who sampled the sparkling fruit drink found it refreshing.

In addition, we also made Somersby Apple 0.0 available for sampling and give-away at our brand activations as an alternative to our beers and ciders, in line with our ZERO Irresponsible Drinking commitment.

Extending its reach, Somersby Apple 0.0 also made its debut in Singapore last year, aiming to capture a share of the carbonated soft drinks market. The year concluded with a media event at Wheelers Tropikana, heralding the brand's foray into the Singaporean market.

Building on variant innovation in Malaysia and Singapore, Somersby Mandarin Orange 0.0 was launched as a limited-edition variant during the 2024 Chinese New Year celebration, integrating the AFB product into the festive drinking culture.

In Singapore, Carlsberg 0.0 Pilsner and Carlsberg 0.0 Wheat brands were the official partner of the 2XU Singapore Marathon 2023, a one-day event that took 20,000 runners through many of Singapore's iconic landmarks.

With sports and exercise enthusiasts being a key target market for AFB products, Carlsberg 0.0 leveraged this massive sampling platform to raise awareness about the brand and increase trials.

Value Created

The introduction of new variants in the Alcohol-Free Brew (AFB) portfolio, particularly the Somersby 0.0 line, has continued to excite the category and maintained its share of shelves in the trade.

In 2023, over 130,000 consumers had the opportunity to experience Somersby Apple 0.0 through a series of engaging activations and response was overwhelmingly positive, with 5,200 clusters of Somersby Apple 0.0 being sold across eight malls and 10 night market activations. Simultaneously, in Singapore, Somersby Apple 0.0 drove trial at the point of purchase with 10,000 samples given out across 30 sessions, effectively increasing the product's visibility and accessibility.

This impressive consumer engagement highlighted not only the growing acceptance of Somersby 0.0 but also underscored the growth potential of alcohol-free alternatives in the market.

Challenges

Somersby 0.0 in Malaysia faced challenges at points of sale in off-trade due to its association with a cider brand but remained steadfast in its commitment to growth by clearly communicating that this product is, in fact, a non-alcoholic sparkling fruit drink.

Outlook

Looking forward, Somersby 0.0 will focus on expanding distribution and exploring new media touchpoints to grow the non-alcoholic category. Through these efforts, we offer consumers a positive alternative and advocate responsible consumption to address evolving consumer preferences and demands surrounding health and wellness.

OUR EXECUTION EXCELLENCE

Excel at point of purchase | Master digital, data and processes | Manage supply chain end to end

In 2023, the Carlsberg Malaysia Group continued to stay diligent in servicing our customers and exercised discipline in executing our route to markets, demonstrating our commitment to Execution Excellence.

This pursuit was not just about perfecting the delivery of our products and services, but also about redefining the essence of consumer engagement and operational efficiency in the competitive food and beverage industry. At the heart of this pursuit lies a relentless drive to uphold our commitment to quality, efficiency and customer satisfaction.

Execution Excellence for us means a meticulous focus on enhancing the consumer experience at every point of purchase, mastering the digital landscape and streamlining our processes and data management. It involves a concerted effort to integrate advanced technologies and innovative strategies into our everyday practices.

EXCEL AT POINT OF PURCHASE

In 2023, we continued to enhance the Carlsberg brand's drinking experience, striving to improve its brew quality consistency, packaging integrity, in-market promotions and serving rituals.

While keeping intact innovations like the Carlsberg Nucleated Stem Glass and the Zero Oxygen Cap for Carlsberg Danish Pilsner and Carlsberg Smooth Draught bottles that offer fresher brews, we also conducted quality reviews and stress tests on Carlsberg glass bottles for consistent packaging integrity, following the installation of a new bottle filling line at our brewery.

Another key initiative was the implementation of the FIT (Focus, Implement and Track) tool, designed to ensure excellence in in-store executions. This tool focused on the 5Ps - Product, Price, Perfect Serve, Placement and Promotion - crucial for converting shoppers into buyers.

MASTER DIGITAL, DATA AND PROCESSES

The year 2023 presented a landscape of change for e-commerce in Malaysia. With the lifting of pandemic restrictions and the return to normalcy, online sales began to normalise and resulted in a decline in e-commerce volume compared to 2022.

In Malaysia, Carlsberg's flagship store on Shopee witnessed a significant double-digit sales value growth year-on-year. This growth was attributed to close partnership with the e-retailer, joint business plans and consistent brand-building activities, especially during peak periods on the platform.

Despite consumers reverting to on-trade consumption, investments in the e-commerce channel continued. Collaborations with Key Opinion Leaders to co-host Shopee livestreams and offer exclusive prizes drove trials and sales, resulting in high sales during monthly events.

In Singapore, the e-commerce landscape was challenging for both brands and e-retailers in 2023, as observed by the normalisation of online sales and multiple rounds of lay-offs among e-retailers, resulting in a 13% decline in volume compared to 2022.

Despite the challenging market conditions, Carlsberg Singapore remains committed to expanding its online distribution channels, launching the Carlsberg Beer Store on GrabMart to cater to on-demand delivery customers through 18 distribution points island-wide.

Furthermore, Carlsberg Singapore's Flagship Stores on Shopee, Lazada and Qoo10 achieved remarkable growth of +298% in volume compared to 2022. This impressive growth was supported by strategic marketing investments, such as monthly livestream events and exclusive promotions within the official stores, to drive premiumisation and brand building efforts.

Another highlight in 2023 was the rollout of Image Recognition to the entire sales team, marking a significant leap in digital transformation. This tool enabled the measurement of the FIT execution of our merchandising and the evaluation of the accuracy of the 5Ps in trade through an AI-powered image recognition application. The data collected through Image Recognition enabled better insights for sales strategies, improving sales visitation efficiency and enabling more effective and efficient measurement methods.

OUR EXECUTION EXCELLENCE

Excel at point of purchase

Master digital, data and processes

Manage supply chain end to end

MANAGING THE SUPPLY CHAIN END TO END WITH ONEPLAN

OnePlan

The implementation of OnePlan, an end to end planning tool, was a major step forward in harmonising our Sales and Operational Planning processes in mid-2023. As the pilot market for the Carlsberg Group, our Malaysian operations undertook a 14-month change management exercise and collaborated effectively across all functions for a successful implementation, enhancing supply chain planning and sales forecast capabilities with higher demand and supply efficiencies.

This digitalisation tool brought numerous benefits, including time reduction in data analytics, improved insights, better data collection and enhanced risk management. OnePlan's introduction marked a shift towards more efficient, automated planning processes, enhancing inter-team collaboration and improving transparency among stakeholders.

Challenges

Execution Excellence faced its share of challenges, notably adapting to changes in consumer behaviour post-pandemic, especially in e-commerce. Meanwhile, integrating new digital tools like Image Recognition required a shift from physical to digital, demanding significant user education. In supply chain change management, integrating OnePlan into daily operations presented hurdles in changing existing workflows to new ones and data integration and synchronisation between systems.

Outlook

We are committed to overcoming these challenges by continuing to leverage digital tools and platforms to enhance operational efficiency and consumer engagement. The focus will remain on building joint business plans with customers, introducing innovative selling and serving initiatives in the trade, and switching to automation into daily operations.

OUR WINNING CULTURE | Purpose- and performance-driven people | Together towards ZERO and Beyond | Live by our Compass | Safeguard our licence to operate

In 2023, the Carlsberg Malaysia Group's commitment to fostering a winning culture was evident in its strategic initiatives, focusing on developing purpose- and performance-driven people and advancing its Environmental, Social, and Governance (ESG) goals.

PURPOSE- AND PERFORMANCE-DRIVEN PEOPLE

The year was marked by a profound emphasis on the Carlsberg Leadership Expectations, geared towards driving a performance-based culture. This initiative was rooted in the belief that leaders at Carlsberg should not only deliver today's results but also take care of tomorrow by creating inclusive work environments and ensuring a robust talent pipeline for future leadership.

Under the 'WELCOME YOU' initiative, we heightened awareness and drove a culture rich in diversity, equity and inclusion. A significant part of our core People agenda was focused on capability building and talent development. Regular nationwide development roadshows and various leadership and development programmes were rolled out, making developmental opportunities more accessible to all employees.

Our focus on employee development and engagement yielded positive results. The My Voice Global Employee Engagement Survey 2023 showed an 82% engagement rate, a 3% increase from 2021. Other notable achievements included a 66% succession bench strength, a 98% key talent retention rate, and a balanced approach to internal movements and external hires.

However, challenges were identified through the survey findings, particularly in driving inclusive behaviours among employees. In response, action plans and focus groups were implemented to foster a culture of continuous feedback and open conversations.

Looking forward, our 2024 people priorities align with the global Carlsberg Well-Being Cycle, focusing on comprehensive aspects of employee well-being, including workplace, emotional, physical and financial aspects.

WELCOME **YOU**

DIVERSITY EQUITY INCLUSION

OUR WINNING CULTURE | Purpose- and performance-driven people | Together towards ZERO and Beyond | Live by our Compass | Safeguard our licence to operate

TOGETHER TOWARDS ZERO AND BEYOND

Carlsberg Malaysia Group's commitment to sustainability and ethical standards was evident in the first year of our robust TTZAB ESG programme. The TTZAB programme is a key component of Our Winning Culture and underscores our commitment to accelerating ESG goals and advancing towards achieving the United Nations Sustainable Development Goals (UN SDGs).

LIVE BY OUR COMPASS

In 2023, Carlsberg Malaysia Group added a dedicated compliance role to oversee adherence to local regulations and the Carlsberg Group's ethical standards and compliance framework. This initiative was bolstered by the company's inaugural Compliance Camp, which aimed to raise compliance awareness and drive a positive compliance culture among employees. We also engaged an external consultant to conduct a comprehensive Anti-Bribery and Corruption (ABC) audit which affirmed our full compliance in all aspects of Adequate Procedures.

SAFEGUARD OUR LICENCE TO OPERATE

In 2023, Carlsberg Malaysia Group continued to demonstrate a steadfast commitment to safeguarding its licence to operate, a mission that involved constant engagement with key stakeholders and a deep understanding of the diverse social and highly regulated operating environment in Malaysia and Singapore.

We invested resources to foster more proactive engagements with business chambers, industry associations and non-governmental organisations (NGOs). These interactions were not just about making our voice heard but also about ensuring that our views were reflected in industry-wide policy developments. Recognising the diversity of race, religions and cultural sensitivities of local communities, we remain acutely aware of the potential adverse consequences to our rights to operate if our products were not promoted, sold and consumed responsibly.

As a founding member of both the Confederation of Malaysian Brewers Berhad (CMBB) and the Singapore Beer Industry Association (SBIA), we actively advocated for issues crucial to the beer industry. A significant focus was placed on protecting legitimate brewers from contraband and illicit trade. The Group emphasised the need for maintaining the excise duties rate, stressing that any hike in these duties would likely exacerbate the demand for contraband and illicit beer, leading to lower tax collection for the government and heightened public health risks.

We commend the proactive stance of the Malaysian and Singaporean governments in not increasing excise duties for 2024. This decision is aligned with the Group's advocacy for a balanced approach to taxation and regulation in the beer industry.

Looking forward, we plan to continue participating in roundtable dialogues with various ministries, including the Ministry of Finance and the Multi-Agency Task Force (MATF), Ministry of Domestic Trade and Costs of Living, Ministry of Tourism, Arts and Culture, and Ministry of Health. These dialogues aim to address critical issues such as smuggling and the illicit alcohol trade.

We will further strengthen our engagement with policymakers, authorities, industry associations and NGOs, focusing discussions on economic impact and taxes, and product quality and safety.

TOGETHER TOWARDS ZERO & BEYOND Carlsberg Malaysia

LIVE BY OUR COMPASS

FUNDING OUR JOURNEY

In 2023, Carlsberg Malaysia Group embraced Funding Our Journey (FOJ) as a critical strategic pillar under its SAIL'27 strategy, recognising its importance in driving sustainable growth and investment in the company, its people and its brands. FOJ enables us to channel resources into our priorities, capabilities and sustainability programmes like TTZAB.

One of the key aspects of FOJ is ensuring sufficient resources are available to fund value creation activities. This included systems and automation improvements, such as the implementation of OnePlan and various automation systems.

Marketing and commercial activities also saw significant investment, with initiatives like the SKOL brand relaunch and activities aimed at gaining the value market and accelerating in the premium segment. Substantial resources were also allocated to people development and capital expenditure, including modernising and upgrading production capabilities, establishing new warehouses and renovating our cafeteria.

Despite facing a challenging year marked by weaker consumer sentiments, our commitment to FOJ enabled the Group to navigate these difficulties effectively. The strategy facilitated greater efficiencies in operating expenses and value management, providing a crucial buffer to withstand the turbulent economic climate.

As we look towards the future, the principles and initiatives underpinning FOJ will continue to guide us and enable us to weather headwinds ahead. We remain dedicated to reinvesting in SAIL'27 strategic priorities and ensuring sustainable, long-term growth.

Refreshing Strategy with Accelerate SAIL

In late 2023, the Carlsberg Group conducted a review of SAIL'27, reflecting on the new market dynamics globally and devised a refreshed strategy in early 2024 named Accelerate SAIL, to complement SAIL'27.

Accelerate SAIL builds on the strategic frame of SAIL'27 and sets higher growth ambitions by increasing investments in and support for selected drivers within our portfolio and capabilities, improving supply chain efficiency, developing a growth culture and continuing the well-embedded cost focus.

Our Malaysian and Singaporean operations will integrate key elements of Accelerate SAIL into our strategic priorities commencing 2024.

In 2023, our capital allocation according to SAIL'27 remained unchanged, thus creating value for our stakeholders as shown in our Value Creation Model on pages 116-117.

ACCELERATE SAIL

ESG PROGRAMME: TOGETHER TOWARDS ZERO AND BEYOND (TTZAB)

Our Together towards ZERO and Beyond (TTZAB) programme consists of our ambitions and concrete targets to address our Environmental, Social and Governance (ESG) matters that are most material to our business and to wider society.

As we work to achieve these, we are putting in place governance structures, developing strategies, allocating resources and investment, and taking actions to deliver results towards our milestones in 2030 and 2040. We strive to achieve our target of ZERO carbon emissions at our breweries and a 30% reduction of our beer-in-hand footprint by 2030. In addition to this, we will go beyond by working towards the target to achieve net zero carbon emissions across our entire value chain by 2040.

Evolving from the past seven-year sustainability programme, Together towards ZERO (TTZ) from 2016 to 2022, TTZAB is the Carlsberg Group's renewed commitment and response to global challenges such as inequality, climate change and water scarcity, as well as society's increasing focus on health and well-being.

The programme is anchored in our Purpose of brewing for a better today and tomorrow, and is embedded into our overall corporate strategy – SAIL'27, because we recognise that our ESG performance can strengthen our overall business performance and Company culture.

TTZAB is a key component of our SAIL'27 strategy with expanded ambitions, where we sharpened our targets and introduced new focus areas, together constituting a holistic ESG programme of targets and activities that enable us to address our material ESG topics.

It outlines our ambition towards achieving our ZERO targets, which are categorised into **ZERO Carbon Footprint**, **ZERO Farming Footprint**, **ZERO Packaging Waste**, **ZERO Water Waste**, **ZERO Irresponsible Drinking** and **ZERO Accidents Culture**.

In addition to the six ZERO targets, TTZAB also outlines seven sustainability focus areas that can enhance our reputation and strengthen our relationships with stakeholders by demonstrating our commitment to sourcing responsibly, promoting diversity, equity and inclusion, respecting human rights, living by our Compass, engaging meaningfully with communities, protecting our product quality and safety and safeguarding our licence to operate.

Integrating TTZAB in our Malaysian and Singaporean operations, we are working to manage our most material business impacts responsibly, while taking action via partnerships with our suppliers, customers, consumers, employees and the communities where we operate as we journey Together towards ZERO and Beyond.

As a comprehensive and well-embedded ESG programme, TTZAB enables us to mitigate risks, capture opportunities to brew for a better tomorrow and accomplish our strategic objectives.

ESG PROGRAMME: TOGETHER TOWARDS ZERO AND BEYOND (TTZAB)

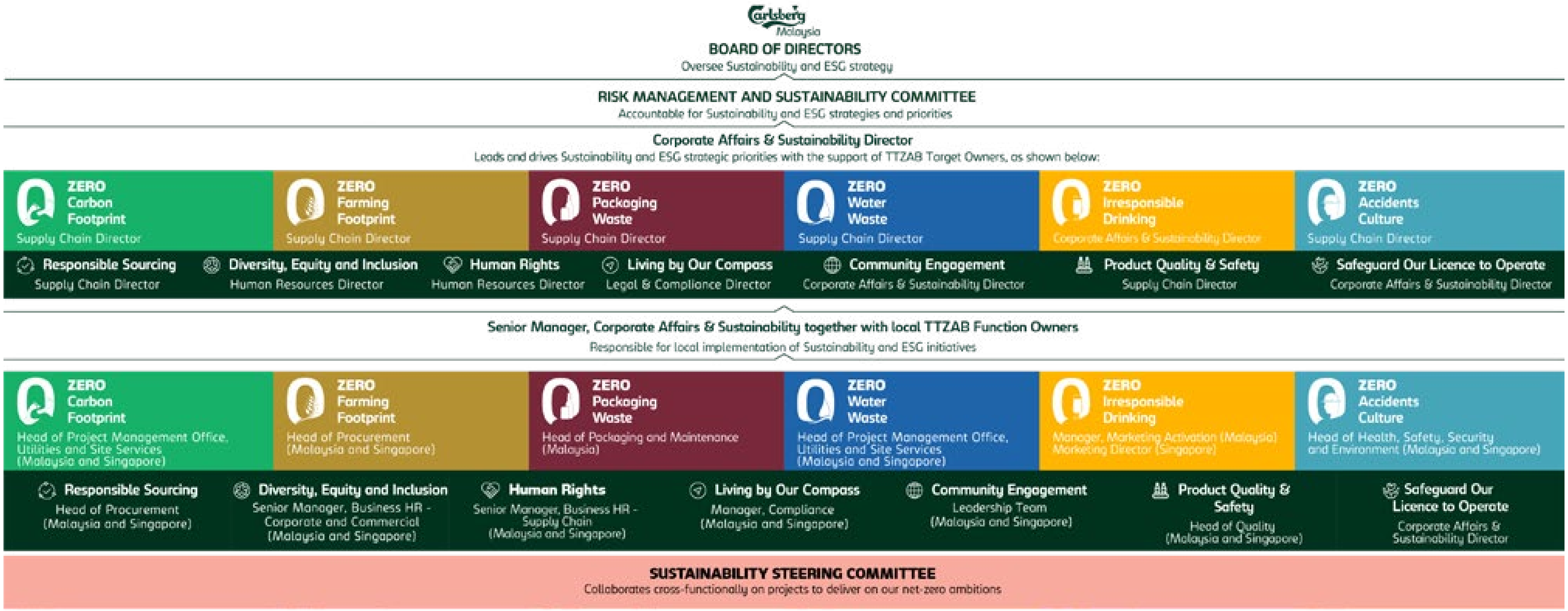
ESG GOVERNANCE

The Carlsberg Malaysia Group's Board of Directors has oversight of the Group's sustainability and ESG strategy, including climate-related matters. They are kept abreast of latest updates and progress by the members of the Risk Management and Sustainability Committee (RMSC) and Sustainability Steering Committee (SSC).

The RMSC is responsible for providing oversight, assessing and approving the Group's ESG strategies, priorities, targets and initiatives. They meet on a quarterly basis and are often updated on the latest developments, regulations and reporting standards set by Bursa Malaysia and international climate- and sustainability-related bodies.

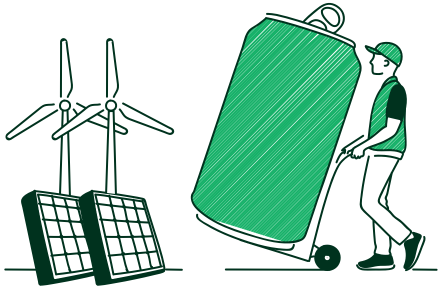
The Corporate Affairs and Sustainability Director steers ESG strategic priorities within the Group and provides progress updates to the RMSC, with the support of Senior Manager, Corporate Affairs and Sustainability and TTZAB Target Owners.

The Sustainability Steering Committee (SSC) is responsible for driving strategic initiatives and partnerships and supports TTZAB Function Owners on the implementation of sustainability initiatives, performance management, reporting and stakeholder engagements. Guided by the RMSC, the SSC meets regularly to identify, discuss, update and mitigate potential climate and sustainability-related risks and opportunities.



OUR PROGRESS: TOGETHER TOWARDS ZERO AND BEYOND (TTZAB)

ZERO Carbon Footprint

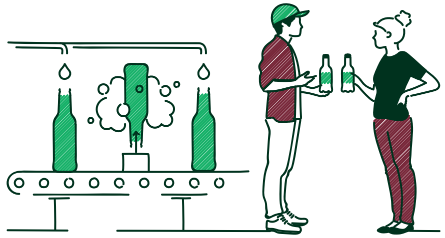


We have reduced our Malaysian operations' value chain carbon emissions by 33% per hl of beer produced in 2022 vs 2015. Together with our partners, we are committed to meet our **ZERO Carbon Footprint** targets, including to achieve zero carbon emissions from our breweries by 2030.

ZERO Farming Footprint

Through the Carlsberg Group's regenerative agriculture initiatives and practices, we will ensure that all our raw ingredients are sourced sustainably by 2040. In Malaysia, we will encourage our suppliers to address and adapt to climate change in support of **ZERO Farming Footprint**.

ZERO Packaging Waste



We aim to accelerate adoption of circular packaging solutions, with 2030 **ZERO Packaging Waste** targets to boost recycling and increase the use of recycled content. In 2023, our Malaysian operations achieved a 94% collection and recycling rate of returnable bottles in Peninsular Malaysia.

ZERO Water Waste

As we work towards our **ZERO Water Waste** target, we will optimise our water management and sustainable production initiatives. We improved our total water usage at the brewery by 6% to 3.3 hl water used per hl beer produced in 2023, striving towards 2.0 hl/hl by 2030.

ZERO Irresponsible Drinking

Aligned with our **ZERO Irresponsible Drinking** commitment, we offer Alcohol-Free Brews in both Malaysia and Singapore. In 2023, 100% of our alcohol product packaging carry the responsible drinking messaging and age restriction labelling. Through our **#CELEBRATE**RESPONSIBLY campaign, we raised awareness against drink-driving.

ZERO Accidents Culture

We have achieved a total of 242 days free of lost-time accidents in our Malaysian operations since 4 May 2023 and 1,167 days in our Singaporean operations since 21 October 2020. In our effort to embed a **ZERO Accidents Culture**, we also received 3,954 reports on safety risks and unsafe behaviours from our employees.

MATERIALITY VALIDATION

Material matters are crucial for both the sustainability and success of our business as they encompass issues that are important to our business and valued by our stakeholders. In our commitment to brewing for a better today and tomorrow and creating positive value for People, Planet and Profit, we focus our efforts on prioritised areas by integrating sustainable practices which align with our business objectives.

In 2022, we engaged an external consultant to conduct a comprehensive materiality assessment, aligned with the Accountability AA1000 Stakeholder Engagement Standards. This assessment aimed to optimise the use of our resources and address sustainability issues that are most relevant to our business and our stakeholders.

In 2023, we conducted a materiality validation exercise to ensure alignment with stakeholder needs and our Together towards ZERO and Beyond (TTZAB) focus areas, resulting in a reduction to 19 from 27 prioritised material matters.

Furthermore, this validation process identified four material matters that are most significant to our business and society: Product Quality and Safety, Employee Safety, Health and Wellness, Talent and Talent Development and Threats to Commercial Freedom. Following the findings, we incorporated 'Product Quality and Safety' and 'Safeguard Our Licence to Operate' as additional two TTZAB focus areas, which are most material and relevant to our Malaysian and Singaporean operations.

The following is a list of our material matters:

- **Product Quality and Safety**
- **Employee Safety, Health and Wellness**
- **Threats to Commercial Freedom (Safeguard Our Licence to Operate)**
- Talent and Talent Development
- Adapting to Climate Change
- Energy and Carbon
- Corporate Governance and Risk Management
- Water Use and Management
- Diversity, Equity and Inclusion
- Community, Social impact and Investment
- Human Rights and Labour Standards
- Responsible Supply Chain Management
- Sustainable Packaging and Materials
- Waste Management
- Anti-Bribery, Corruption and Competition
- Responsible Advertising and Marketing
- Preventing Harmful Use of Alcohol
- Economic Impact and Tax
- Stakeholder Advocacy

FY2023 Materiality Matrix

ECONOMIC PRIORITIES

PRODUCT QUALITY AND SAFETY

Our commitment to ensuring the traceability, safety and quality consistency of our products through compliance with Food Safety standards and regulations set by local governments and industry bodies as well as requirements by the Carlsberg Group Quality.

Our Quality Technologists regularly perform beer liquid analysis as part of our commitment to maintain the highest standards of safety, quality and consistency.

Why It Is Important

In pursuit of perfection, maintaining and improving product quality and safety is essential to upholding the well-being and satisfaction of our consumers and customers, in addition to building trust in our brands and company. Additionally, product quality and safety is the most important material matter for Carlsberg Malaysia.

We prioritise this area by adhering to the Carlsberg Group's policies and ensuring that all ingredients, materials and technologies that we utilise to brew our beers and produce packaging are safe for consumption.

Our Approach

Our approach and standards in food safety are aligned with all applicable food safety laws, regulations and standards including:

- Malaysia Food Act 1983, Malaysia Food Regulations 1985
- ISO 9001:2015 as per international standards of quality
- HACCP MS1480:2019 as per food safety standards
- The Carlsberg Brewery Quality and Food Safety Policy
- The Carlsberg Brewery Quality Manual

We are also guided by our Carlsberg Operational Manual (COM) which requires us to conduct an annual assessment on quality.

Stakeholder Groups Most Concerned
Consumers; Customers; Government Agencies and Regulators

Progress/Achievements

In our dedication to ensuring the production of safe consumables, we undertook the following initiatives throughout the year to maintain the high-quality standards of our products:

1. Reviewed and reflected the **HACCP principles** into the installation and layout of our new bottling line and production plant upgrading works
2. Adhered to strict guidelines for **raw material and packaging material sampling inspections** in line with Carlsberg Operational Manual (COM) guidelines
3. Upgraded our production plant layout for entrance and exit to prevent unauthorised entry and secured the production area as part of **facility enhancement**
4. Relocated and added CCTVs in production areas to enhance **food safety monitoring and food defense**
5. Conducted **food handler training** for our supply chain employees who manage production and storing of finished products
6. Strengthened **food defense** by training supply chain employees involved in production, warehousing and utility supply. At the brewery, we conduct food defense threat assessment to strengthen our food safety management system
7. **Year-on-year reduction in complaint rates** contributed by the strict implementation of COM and effective root cause analysis methodology
8. **Year-on-year improvement in the liquid sensory scores** of our beers that undergo a beer sensory evaluation assessment

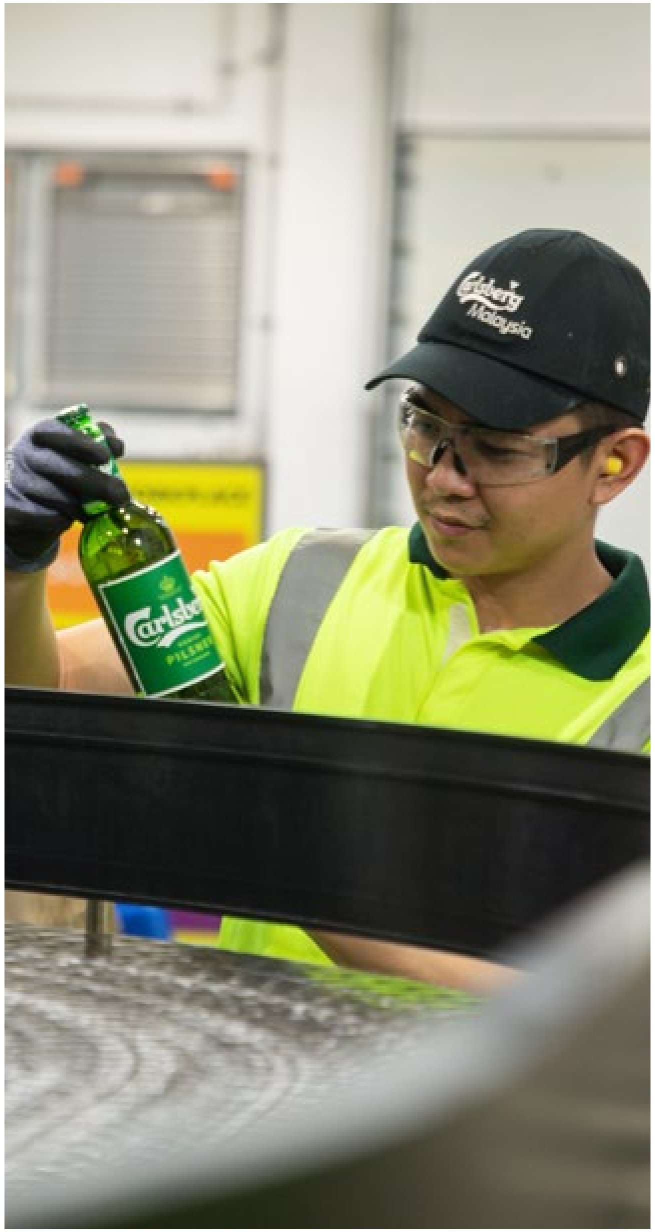
With the implementation of stringent practices, we did not experience any cases of non-compliance with regulations and codes of conduct concerning the health and safety impacts of our products and services.

In 2023, there was no instances of consumer-related product recalls related to food safety and quality. There was, however, one voluntary product withdrawal as a result of the product not meeting our stringent packaging standards.

Going Forward

In our ongoing commitment to upholding product quality and safety, we have outlined additional controls and plans to implement more timely and stringent measures in order to deliver continuous improvement such as to:

- **Implement a robust Supplier Quality Management system to establish alternative suppliers and conduct regular audits**
- **Ensure that our products are well stored by maintaining good warehousing practices and meeting transportation requirements**
- **Conduct annual traceability exercises**
- **Continue to prioritise food defense training for the production employees to reinforce our product safety practices**



RESPONSIBLE ADVERTISING AND MARKETING

Our commitment to advertising and marketing alcoholic and non-alcoholic products ethically to consumers of legal purchasing age in a responsible and appropriate manner, across all on-trade, off-trade and e-commerce channels and events, both on-ground and online.

Stakeholder Groups Most Concerned

Consumers; Customers; Industry Associations and Regulators

Why It Is Important

We continue to uphold our commitment towards ZERO Irresponsible Drinking by promoting responsible consumption of our products to consumers of legal purchasing and/or drinking age via various marketing platforms. Promoting responsible drinking is crucial as we prioritise consumer well-being, adhere to local laws and regulations, and safeguard our licence to trade.

Additionally, initiatives that are developed to inculcate the value and importance of 'enjoyment in moderation' build trust between our stakeholders and our operations, fostering a positive corporate image for the Carlsberg Malaysia Group as a reputable and responsible brewer. We want to ensure that we continue to fulfil our social responsibility by being part of the solution as opposed to contributing to the problem.

Our Approach

We are guided by our Marketing Communication Policy (MCP) which supports our commitment towards responsible advertising and marketing. The Policy reflects the high standards we have set for ourselves as a brewer and an established industry player. It outlines our values and methods of communication to ensure that we reach the right people with the right messages.

MARKETING COMMUNICATION PRINCIPLES

APPEAL
Design communications to appeal to adult audiences

PLACEMENT
Actively restrict people under the legal purchasing and/or drinking age from being exposed to our communications

MODERATION
Advocate responsible purchasing and/or drinking age and enjoyment in moderation

SAFETY
Never associate consumption of our products with drink-driving, potentially dangerous activities or antisocial behaviour

EFFECTS
Never claim that alcohol can contribute to individual success, enhance abilities or benefit health

TRANSPARENCY
Provide transparent information about our products

PROGRESS
Communicate legally, truthfully and respectfully, championing social inclusion and environmental sustainability

ALCOHOL-FREE
Offer choice through Alcohol-Free Brews and market them responsibly

In addition, our operations in Malaysia also adhere to the revamped Content Code 2022 issued by the Malaysian Communications and Multimedia Commission to respect local sensibilities, practices and culture. Responsible Advertising and Marketing is further reinforced by principles of responsible marketing outlined by both the Confederation of Malaysian Brewers and the Singapore Beer Industry Association, both trade associations that we are founding members of.

Progress/Achievements

In 2023, we continued to ensure that all our Above-the-Line (ATL), Below-the-Line (BTL) and digital marketing initiatives are governed by the MCP and complies with local regulations and guidelines for each market.

Our ongoing initiatives include:

Enforcing Our MCP Across Stakeholders

The Group's MCP is applicable to all employees, affiliated agencies and contract workers who are communicating through or on behalf of our brands. While the policy is adopted from the Carlsberg Group, we ensure that it is adapted accordingly to the local markets for relevance and compliance.

During agency pitches or when we onboard a vendor, they are given a complete briefing of our MCP and a copy is shared for reference.

In 2023, we have widened our coverage by including a new media agency, our current serving social media and creative agencies as well as all our existing Key Opinion Leaders (KOLs).

In Malaysia, we ensure that all our alcohol-related advertisements, posts and videos across platforms conform to the below, among other guidelines, outlined in the MCP:

- Avoid targeting audiences below 21 years old and Muslims
- Contain a responsible drinking message, forward advice notices as well as the 'Don't Drink and Drive' logo and are age-gated wherever possible
- All KOLs are at least 25 years of age and also reflect their age physically
- Additionally, the majority of these KOLs' followers must be at least 21 years of age and are non-Muslims

The above-mentioned guidelines are also observed in our Singaporean operations, with slight differences as the legal drinking age in Singapore is 18 years old and above. Alcohol-related advertisements should not promote drinking on the job or in activities or locations that render unsafe or unwise acts. Excessive alcohol consumption is also prohibited.

To map out a more effective course for responsible marketing, we have established a standard operating procedure, detailing our print, online and digital marketing materials review process. The chart captures the process practised in validating the marketing material before it is released through the approved platforms, ensuring consistency and compliance to departmental policies.

Marketing Materials Reviewing and Approving Process

1. **Brand team reviews externally developed marketing materials**
2. **Verified by Marketing Manager**
3. **Approved by Marketing Director**
4. **Clearance by Legal Team and Corporate Affairs & Sustainability Director**

Our Legal Department performs a biannual audit to enforce stricter controls, ensuring compliance of all media platforms and assets with our MCP. Any gaps identified during the audit must be promptly rectified by the respective brand teams. Subsequently, the Legal Department verifies the closure of identified gaps. As of 2023, there are no outstanding issues.

ECONOMIC PRIORITIES

Moat Analytics Tracking

- Moat Analytics Tracking system is incorporated in all our digital media buys, which helps us monitor unsafe advertisement placements and measure advertisement delivery across the web
- We ensure that our digital advertisements are only published on whitelisted and approved third party websites via programmatic channels
- We also regularly monitor and update a comprehensive negative keyword list to ensure that our advertisements are not published on websites with sensitive content or topics
- Digital campaigns are monitored to ensure that we maintain unsafe rates below a threshold of 5%
- Organised an onboarding session for the new media agency and our implementation partner to streamline all communication guidelines, technical processes and Moat Analytics guidelines to be incorporated in all future media campaigns

Awareness Initiatives

- Continued the **#CELEBRATE**RESPONSIBLY campaign, advocating the importance of responsible drinking to prevent harmful use of alcohol
- Promoted moderation in drinking to tackle alcohol misuse and reduce alcohol-related harm in the society such as underage drinking and drink-driving
- Participated in the Global Beer Responsibility Day annual campaign since 2016 and the initiative underscores our support for the International Alliance for Responsible Drinking's (IARD) aim to reduce irresponsible drinking
- For more examples on how we promote responsible consumption through marketing activities and action, please refer to our ZERO Irresponsible Drinking reporting on pages 90-92

With ample due diligence in our process, we have reported zero cases of non-compliance with regulatory requirements and are not implicated in any complaints or legal proceedings associated with marketing or labelling.

Going Forward

We will continue to observe and practise responsible marketing by ensuring that new employees, agency partners and contract workers are aware of the MCP and the relevant regulations and guidelines. We have also set plans to roll out the Responsible Drinking Policy and guidelines to our distributors and their employees who manage the sales and distribution of our products.

THREATS TO COMMERCIAL FREEDOM

We are dedicated to addressing potential threats to our operations in Malaysia arising from illicit trade of alcoholic products. Illicit alcohol not only poses a threat to us but also to the food and beverage industry, as smuggled products pose a risk to public health and constitute the evasion of tax.

Stakeholder Groups Most Concerned
Government Agencies and Regulators; Investors; Consumers and Customers

Why It Is Important

The illicit alcohol trade poses a major challenge to the food and beverage industry, affecting brewers, distributors and retail establishments. In addition to financial implications, illicit alcohol trade results in considerable tax losses for the government.

More critically, illicit alcoholic beverages lacking regulation and quality standards pose health risks to consumers. The presence of unregulated and unapproved substances can result in severe consequences such as critical medical conditions and even death.

In the ASEAN region, documented cases of alcohol poisoning have occurred due to harmful compounds and unsanitary production methods associated with illicit alcohol. In 2018, 45 fatalities were reported in Malaysia due to the consumption of toxic alcohol. By May and June 2019, an additional 17 deaths[1] were recorded with one person reported to have suffered blindness.

[1] *Death By Fake Alcohol https://theaseanpost.com/article/death-fake-alcohol*

Addressing this problem requires a united effort across the industry and regulatory bodies to safeguard commercial freedoms and uphold the integrity and sustainability of the entire value chain.

We strongly believe that an integrated public-private collaboration against the hazardous effects of illicit alcohol can be a force multiplier in curbing illicit trade, tackling illicit economies and reducing government revenue losses.

Our Approach

The Malaysian beer industry operates within a framework of stringent regulations, aiming to tackle challenges such as alcohol misuse and reduction of alcohol-related issues. These regulations are designed not only to safeguard public health but also to foster local economic development, shield vulnerable populations and encourage responsible consumption.

Addressing the issue of illicit alcohol trade relies heavily on collaborative efforts between the public and private sectors. We commend the Malaysian government's proactive stance in establishing the Multi-Agency Task Force, specifically targeting smuggling activities related to cigarettes and alcohol. This demonstrates a commitment to tackling the root causes of this issue.

Our plans and actions are consistently guided by our Group's Public and Government Affairs Manual, ensuring that all our engagements align with local regulations and laws. By doing so, we contribute to a responsible and sustainable industry that prioritises the well-being of communities and promotes ethical business practices.

Progress/Achievements

We are committed to taking proactive measures to safeguard our commercial freedom by actively addressing key industry concerns surrounding illicit alcohol and public health risks resulting from unregulated contraband products.

In Malaysia, our engagement is centred on fostering a supportive and proactive regulatory environment that benefits all stakeholders. Some of our dedicated efforts include:

1. **Participating** in the Multi-Agency Task Force (MATF) led by the Malaysian Finance Minister which includes representation from entities such as the Royal Malaysia Customs Department, Ministry of Finance, Ministry of Domestic Trade and Costs of Living, Ministry of Health, Police, Marine, and the Communications and Multimedia Commission via the Confederation of Malaysian Brewers Berhad (CMBB) to address illicit and contraband alcohol
2. **Adhering** to Food Regulations by the Ministry of Health on the labelling requirements on legitimate locally manufactured and imported alcohol products
3. **Advocating** for industry interests and challenges through collaborations with CMBB in Malaysia
4. **Taking part** in the European-Malaysian Chamber of Commerce (EUROCHAM), Danish Chamber of Commerce Malaysia (DANCHAM), Federation of Malaysian Manufacturers (FMM) and Malaysian International Chamber of Commerce and Industry (MICCI)
5. **Collaborating** with e-commerce retailers, Shopee and Lazada to curb online sales of illicit alcohol and sale of alcohol to individuals below the legal purchasing age and on advocacy and engagement matters.

Going Forward

As a responsible brewer committed to fostering positive change, we recognise the importance of collaboration with government stakeholders and the public in addressing the challenges posed by the illicit alcohol trade. We are committed to playing a proactive role in creating a safer and more regulated environment within the beer manufacturing industry. We will actively engage in dialogues and partnerships to contribute our industry expertise and resources.

RESPONSIBLE SUPPLY CHAIN MANAGEMENT

We are committed to responsible and sustainable supply chain management, promoting ethical practices, reducing environmental impact and ensuring long-term resilience and value creation throughout our value chain.

Stakeholder Groups Most Concerned
Suppliers and Vendors; Industry Groups; Investors; Government Agencies and Regulators

Why It Is Important

Doing business responsibly is a fundamental aspect of our strategic priorities. This practice is seamlessly integrated into our ESG programme, Together towards ZERO and Beyond (TTZAB). We also ensure that our responsible sourcing programme empowers us to achieve transparency in the aspects of labour, ethical, environmental, and health and safety conditions.

We continue to extend our responsible business practices to our vendors, fostering an ecosystem that shares the same values and approaches. As a result, we are able to work with reliable and ethical business partners while prioritising focus and resources on material matters such as health, safety and wellness.

Our Approach

Our suppliers and vendors are required to adhere to our Supplier and Licensee Code of Conduct. The policies address crucial areas like labour and human rights, health and safety, environmental sustainability, business ethics, competition and fair trade and data protection. Vendors are provided with guidelines in our purchase orders for expected conduct, including adherence to a code of conduct and a policy on gifts and gratuities. Additionally, we also screen all of our vendors with our Third-Party Screening Tool.

Progress/Achievements

In upholding responsible sourcing and supply chain management, the following initiatives are conducted annually:

1. **Supplier Performance Evaluations** – we work with our internal teams to conduct these evaluations based on several criteria including quality, environmental responsibility, and social responsibility. The process assists our suppliers in meeting the necessary sustainability standards.

2. **Emission Reduction Steps** – we collaborate with our suppliers to reduce greenhouse gas emissions by optimising transportation and logistical processes. Together, we find solutions to travel more efficiently for transportation of raw materials and finished products.

3. **Environmental Health and Safety Compliance Audit** – the audit empowers us to enforce high safety and health standards within our supply chain in line with our commitment towards ZERO Accidents Culture.

4. **Supplier Auditing** – we audit our suppliers regularly for raw and packaging materials, benchmarking against expected quality standards as well as commitments towards environmental and social impacts. During the year under review, we have audited four suppliers and they have complied accordingly to our requirements.

5. **Local Sourcing** – we are proud to report that this year, 57% of our procurement was spent on local vendors which includes our Singaporean operations as they utilise suppliers in Malaysia. We believe that engaging local suppliers is crucial for fostering community development and reducing environmental impact, whilst we continue to capitalise on a global network of suppliers.

IMPACT STORY – GROWING WITH OUR SUPPLIERS

On 4 September 2023, Carlsberg Malaysia selected three key suppliers – O-I BJC Glass Malaysia, Fieldboss Retail Services Sdn. Bhd. and UMR Strategic Sdn. Bhd. – and two members of our local procurement team to participate in the AIM Progress – Sharing Accountability for Human Rights event. AIM Progress is a global initiative by AIM, the European Brands Association and expert consultants in Malaysia.

During the event, AIM-Progress facilitated a training session which focused on fair and ethical treatment towards foreign workers, discussing common challenges, solutions and best practices. We were able to gain insights on costs such as recruitment fees and processes such as recruitment agency due diligence and worker engagement. Additionally, participants were also involved in breakout sessions, capturing the above topics in detail.

Going Forward

SEDEX stands for Supplier Ethical Data Exchange, which is the world's largest data platform for supply chain assessment where it can assist suppliers to identify, manage and assess social and environmental risks with its screening tool. The screening tool comprises four pillars which have been designed to meet a number of objectives which includes promotion of responsible sourcing within the supply chain and improve the efficiency and effectiveness of evaluation using a common methodology and allowing for the exchange of assessment data with their stakeholders.

The four pillars cover Labour Standards, Health and Safety, Environment and Business Ethics.

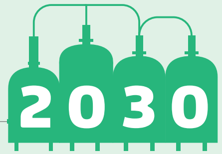
The platform also empowers operators to:
- Pre-screen suppliers through its risk-assessment tools
- Use a standard audit methodology
- Share assessment results

We will continue to engage and progress with our suppliers. In the coming year, we are working with our Global team to obtain the SEDEX membership for the two key suppliers who attended the AIM Progress event with us.

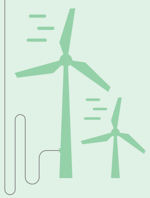
ENVIRONMENTAL STEWARDSHIP

ZERO Carbon Footprint

OUR COMMITMENTS



ZERO carbon emissions at our brewery by 2030



100% renewable electricity to power our brewery

Net ZERO carbon emissions across our entire value chain by 2040

Stakeholder Groups Most Concerned
Government Agencies and Regulators; NGOs, Industry Groups and Local Communities; Investors

ENERGY AND CARBON

Our efforts in reducing carbon emissions and improving energy efficiency across our operations, distribution and entire value chain include investing in clean low-carbon technologies and renewable energy.

Why It Is Important

It has been scientifically proven that emissions from fossil fuels, namely coal, oil and gas, are the biggest contributors to global warming. It leads to an accelerated change of weather patterns and disrupts the natural ecosystem and daily lives. While it is inevitable for our business to contribute to greenhouse gas emissions (GHG), we are aware of the role we can play to help slow down global warming. To this end, we have made achieving zero carbon emissions at our brewery by 2030, and net zero carbon emissions across our entire value chain by 2040, part of our KPIs for operations and we aspire to be the leading company in the industry in climate change mitigation. Our aim is to reduce carbon emissions across our operations, distribution and our entire value chain through strategic measures such as investing in low-carbon technologies and renewable energy.

Refer to Adapting to Climate Change on pages 81-89 for our climate change disclosures

Our Approach

We are guided by our Environmental Policy and guidelines in meeting high standards on energy, emissions, water, waste and packaging. We also benchmark our performance against the Carlsberg Group and other regional breweries, besides setting targets and implementing initiatives and action plans in ensuring the targets are achieved.

Progress/Achievements

In our Malaysian operations, our carbon emissions mainly come from consumption of electricity and natural gas, both of which have been identified as operational KPIs. We consistently strive to optimise the consumption of both resources, which will eventually our carbon emissions. Our 2023 performance is indicated on the next page. Furthermore, we aim to reduce our beer-in-hand emissions by 30% by 2030, which involves reducing Scopes 1 and 2 carbon emissions per hl of beer produced. Our 2023 performance is indicated on the charts on the next page.

In 2023, we focused on:

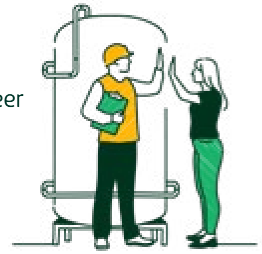
Improving thermal energy efficiency by enhancing boiler or burner efficiency. This involved sealing off all heat losses by improving the hot insulation method in our process equipment and heat distribution system.

Optimising biogas recovery, a form of renewable energy, from our wastewater treatment plant by enhancing the collection of biogas with new settlers and methane chamber. Higher biogas recovery will reduce the usage of natural gas and the emissions of GHG.

Our ongoing efforts towards ZERO Carbon Footprint within our Malaysian operations:

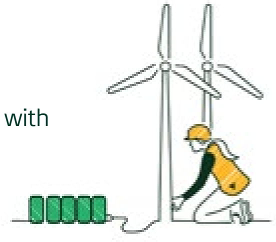
33%

reduction of value chain carbon emissions per hl of beer produced from 2015 to 2022, exceeding our 2022 target of 15% - based on in-depth analysis completed in 2023



100%

use of renewable electricity with the purchase of an I-REC



ZERO use of coal

as we use natural gas and biogas from our Wastewater Treatment Plant

3.3%

reduction in total brewery emissions in 2023 compared to 2022 – on our way to ZERO in 2030

18 electric forklifts

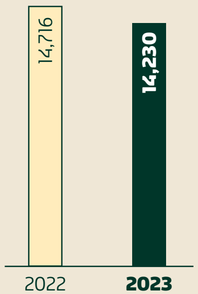
to replace all LPG units, reducing CO_2 emissions by 194,000 kg/year

ZERO waste to landfill

since November 2022

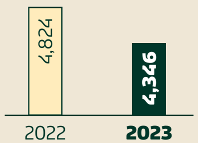
TOTAL CARBON EMISSIONS
MT (tCO_2e)

An I-REC was purchased to cover 100% of consumption for Scope 2 emissions in 2022 and 2023.



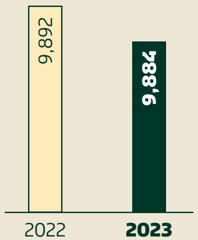
Scope 1:
Direct carbon emissions from sources owned or controlled by Carlsberg Malaysia

Carbon emissions from natural gas and biogas
(tCO_2e)



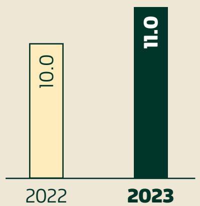
Scope 2 (Location-based):
Indirect GHG emissions from purchased electricity

Carbon emissions from purchased electricity
(tCO_2e)

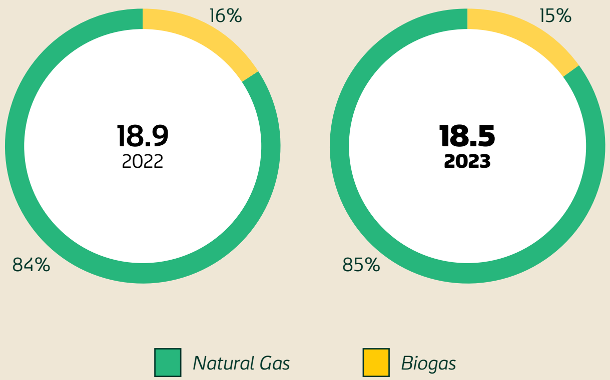


Electricity
(kWh/hl)

Electricity usage intensity was higher in 2023 due to lower packaged volume and a newly installed ventilation system.



Thermal Energy
(kWh/hl)



** The above data excludes our Sales offices in Malaysia and our Singaporean operations.*

Proportion and reduction of GHG emissions from each stage of the life cycle of Carlsberg Malaysia's products (2015–2022)

Global and regional value chains		**AGRICULTURE AND PROCESSING** Growing and processing of our raw ingredients	**BREWERIES** Production of our beer and beverages	**PACKAGING** Manufacturing and disposal of our packaging	**TRANSPORTATION AND DISTRIBUTION** Distribution of our products to customers	**COOLING** Refrigeration of our products in bars and retail stores	**Overall change in relative value chain carbon emissions 2015-2022**
Malaysia	Share of emissions in 2022	24%	9%	44%	10%	13%	-33%
	Emissions change since 2015	-44%	-54%	-26%	-24%	-16%	

Value Chain Carbon Emissions

Our Malaysian operations' value chain carbon footprint analysis is in accordance with the Greenhouse Gas (GHG) Protocol for Scope 1, 2 and 3 emissions, and our data shown in the graphic above is provided by the Carlsberg Group, as a result of its work with the Carbon Trust in measuring and tracking carbon footprint.

Beginning in 2023, we included all CO_2-equivalent (CO_2e) greenhouse gas emissions, not just CO_2, in our targets and reporting on brewery emissions. Brewery emissions include Scope 1 (direct, such as from burning fuel to generate heat) and Scope 2 (indirect, such as from purchased electricity). Emissions from in-house logistics and distribution operations are excluded from brewery emissions, but they are included in our value chain target.

The analysis of our 2022 footprint showed a 33% improvement from the 2015 baseline. We achieved the most significant reduction – 54% – in production at our breweries where we have most direct control. Key drivers include the purchase of renewable electricity (I-REC) and energy efficiency measures in natural gas usage.

The value chain carbon footprint studies are performed periodically. No value chain carbon footprint studies were conducted in Malaysia in 2023.

Going Forward

Apart from investing in low-carbon technologies, we will continue to explore various ways and alternative methods to reduce our carbon emissions, such as power purchase agreements.

WASTE MANAGEMENT

Our stewardship of the waste resulting from our business operations, including our efforts towards responsible disposal of waste, pollution, brewery effluent and spent grain and the effective treatment of wastewater. As a responsible brewery, it is our duty to manage brewery waste and educate our employees on waste reduction and segregation to intensify our efforts to divert waste from ending up in landfills.

Our employees, whom we regard as our ZERO Heroes, are educated on proper waste segregation, empowering them to strive towards responsible waste management and fostering a culture of zero waste.

Stakeholder Groups Most Concerned
NGOs, Industry Groups and Local Communities; Government Agencies and Regulators; Employees

Why It Is Important

Our organisation is committed to improving waste management practices, covering aspects such as waste disposal, brewery effluent and spent grain. We are focused on efficiently treating wastewater to align with our commitment to brew sustainably and responsibly. Our aim is to reduce and divert waste from being sent to landfills, addressing environmental concerns such as global warming and pollution.

Our Approach

Recognising our responsibility as environmental stewards, we are actively implementing measures to minimise our environmental impacts, particularly in reducing emissions.

We actively pursue waste initiatives such as our zero waste to landfill target, through 3R (Reduce, Reuse and Recycle) programmes. By diverting waste from landfills, we aim to significantly reduce greenhouse gas (GHG) emissions such as methane (CH_4) and carbon dioxide (CO_2), which are the primary contributors to global warming. Our initiatives to cut waste and emissions underscore our commitment to sustainable and circular waste management practices.

Progress/Achievements

In 2023, we implemented these waste management initiatives:

- **All generated waste underwent recycling and process confirmation to ensure that collectors handle waste properly, eliminating disposal to landfills**
- **Organic waste such as spent grain was repurposed as animal feed, while food waste and wastewater sludge were transformed into compost**
- **Rejected beer and other organic materials were transformed into biogas through anaerobic digestion, where the produced biogas served as fuel for boiler operations**
- **Inorganic waste such as paper, plastic, glass cullet and aluminium were directed to recycling facilities as raw material for subsequent operations**
- **Other inorganic waste like general waste was utilised as fuel, converted into energy for various processes**

In 2023, we also introduced ZERO Waste @ Workplace to reduce waste from going to landfills.

IMPACT STORY: ZERO WASTE @ WORKPLACE

In our efforts to instil a zero waste culture throughout Carlsberg, we introduced ZERO Waste @ Workplace in 2023. With the ambitious goal of being the greenest workplace in Malaysia, the initiative was rolled out in two phases – the pilot phase at headquarters, followed by phase two launched at the sales regions. ZERO Waste @ Workplace involved efforts in these areas:

'Green CarlsCafe'
comprised setting new practices in the cafeteria such as using eco-friendly takeaway packaging and placing recycling and food waste bins strategically across the brewery.

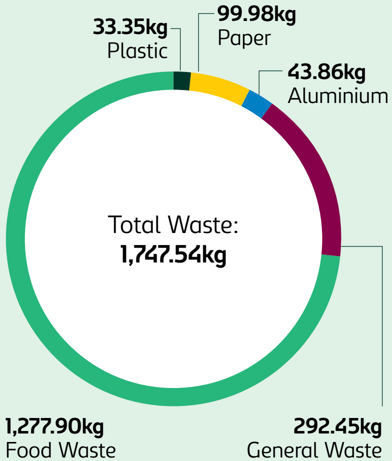
Launch of ZERO Waste @ Workplace
In conjunction with World Earth Day, the ZERO Waste @ Workplace officially kicked-off with a recyclable collection activity, where we collected a total of 53.2kg of various recyclable waste within six hours.

360° Communications
to encourage behavioural and cultural change, messaging on ZERO Waste was implemented across various platforms. We also had ZERO Heroes who championed waste initiatives across the company, sharing green tips and their contributions to achieving ZERO Waste @ Workplace.

Green Bazaar
with the aim of fostering a sustainability culture, raising awareness on waste segregation and promoting TTZAB awareness, the Green Bazaar was organised to inspire change among employees. A wide range of fun activities and workshops were organised, covering aspects such as composting and upcycling. Additionally, employees had the opportunity to bring in their recyclables to redeem shopping vouchers.

Ultimately, the goal of ZERO Waste @ Workplace was to increase our recycling rates, and since the launch of this initiative, we have collected a total of 1,748kg waste in these categories: Food Waste, General Waste, Aluminium, Paper and Plastics.

Total Non-Operational Waste Collected in 2023 (including at the Green Bazaar)

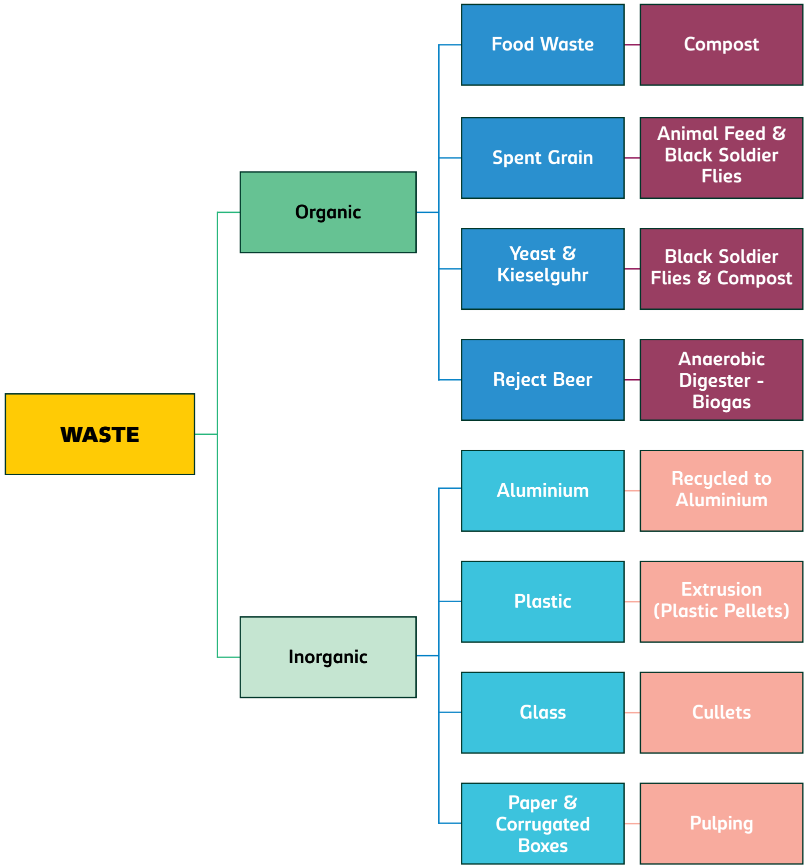


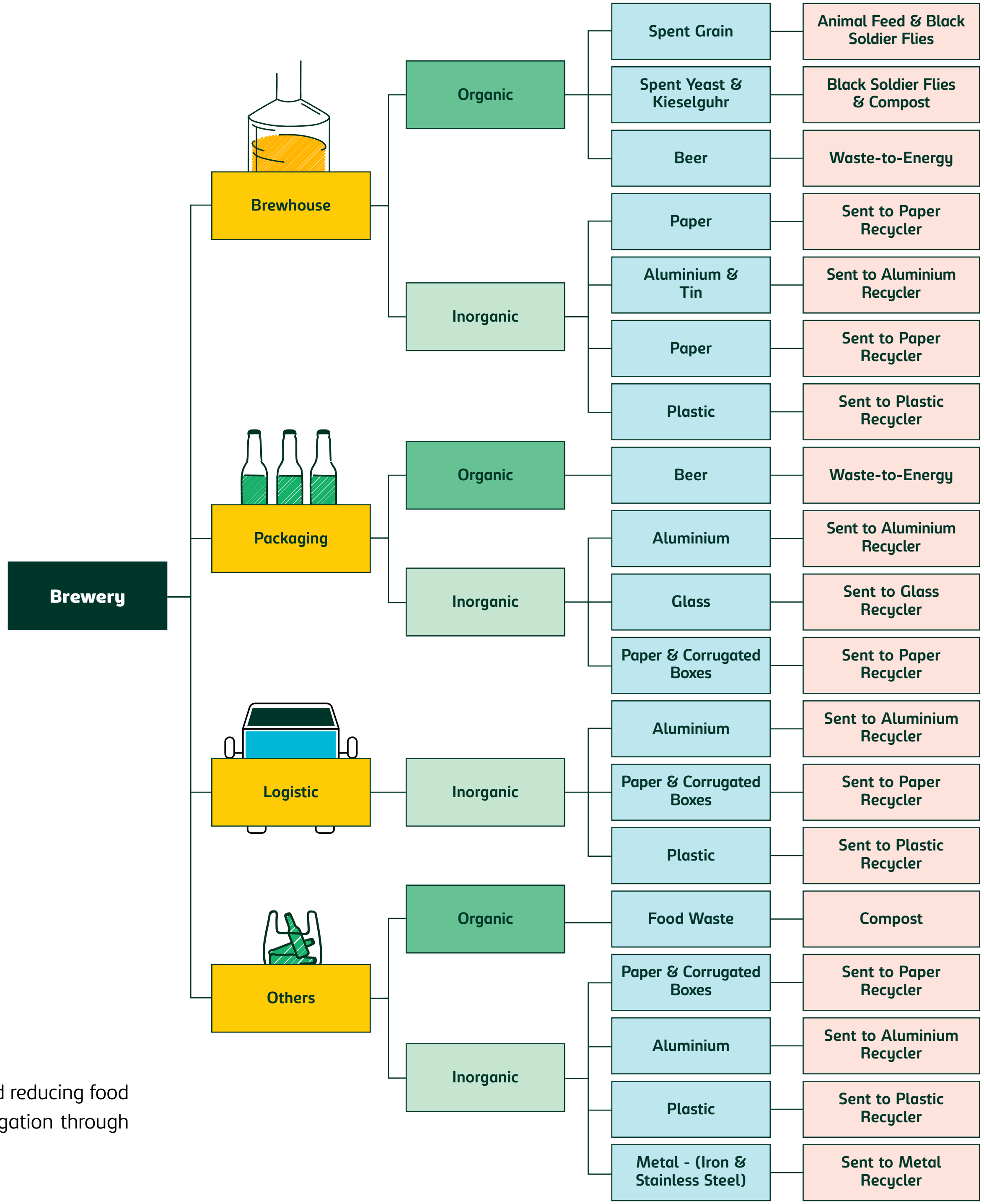
Through collaboration with a local recycler, we have established an effective recycling system that ensures the responsible recycling of materials such as paper, plastic and aluminium. Meanwhile, our general waste and non-recyclable waste undergo recycling through the waste-to-energy approach. In addition, our food waste is composted into fertiliser, which will be used to nurture plants around the brewery.

Similar initiatives and practices were rolled out to our regional Sales offices. We have appointed a ZERO Hero champion from each region who will provide support in helping us achieve our objectives for ZERO Waste @ Workplace.

ENVIRONMENTAL STEWARDSHIP

Our 3R (Reduce, Reuse and Recycle) waste management processes and practices to meet our zero waste to landfill targets





Going Forward

We aim to brew a better tomorrow by improving our brewery's recycling rate and reducing food waste. Additionally, we will continue educating our employees on waste segregation through training, fostering a culture of zero waste throughout our operations.

ZERO Packaging Waste

SUSTAINABLE PACKAGING AND MATERIALS

Our commitment towards reducing, reusing, recycling and rethinking packaging materials in hopes of maximising the sustainable use of resources and materials while minimising waste to achieve a circular economy.

OUR COMMITMENTS

100% recyclable, reusable, or renewable packaging by 2030

90% collection and recycling rate for bottles by 2030

50% recycled content in bottles and cans

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Stakeholder Groups Most Concerned
Consumers; NGOs, Industry Groups and Local Communities; Customers

Why It Is Important

Adopting sustainable packaging and materials is a crucial step to reduce our environmental impact. By integrating eco-friendly packaging and materials into our products, we aim to achieve our broader goal of reducing our carbon footprint and minimising our generated waste. This strategic integration aligns with our commitment to environmental responsibility and serves to strengthen our brand image as a company that is dedicated to sustainable practices.

Additionally, in our commitment to brewing a better tomorrow, we consistently work to align our product packaging and materials within consumer expectations while ensuring compliance with regulations. This commitment underpins our pursuit of long-term success and resilience in our business endeavours.

Consumers at the 1664 Bon-Appétit-lah! event repurposed their iconic 1664 blue bottles into art pieces.

Our Approach

Our commitment to sustainable packaging and materials is based on our pledge to achieve ZERO Packaging Waste, as packaging is one of our key pillars, necessitating new targets and activities across our value chain by 2040. We strive to uphold the principles of UN Sustainable Development Goals (SDG) 12, which underscores the importance of responsible consumption and production.

Our strategy for sustainable packaging and materials includes reducing waste generation and optimising the use of natural resources. This commitment not only aligns with ESG criteria but also strengthens our reputation, ensuring our ability to sustainably brew in the future.

Progress/Achievements

In the year under review, we implemented continuous efforts to conserve the environment, protect resources, reduce waste and ensure the long-term viability of our brewery. We encouraged the return of bottles from the trade and collaborated with vendors to increase recycled content in our packaging materials.

ENVIRONMENTAL STEWARDSHIP

With that, our bottles and cans contain 40% and 28% recycled materials respectively. In Carlsberg Singapore, we are supportive of the Beverage Container Return Scheme that is expected to commence in 2025. These collective efforts highlight our commitment to advancing sustainable practices and making a positive environmental impact.

On the consumer front, our 1664's *Bon Appétit-lah* event saw our consumers repurposing the iconic blue bottles into fairy light lamps while consumers at the Carlsberg Smooth Draught's Real Smooth, Real Spicy event repurposed their bottles into personalised reusable bottles.

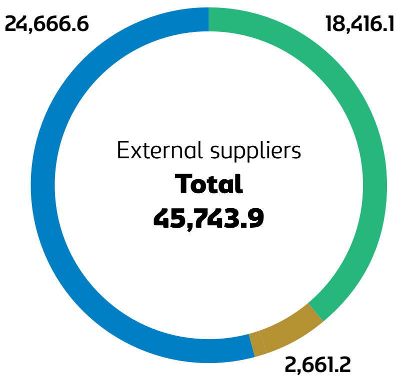
Throughout our brand activation and sponsorship events in 2023, a total of 11,698 glass bottles and 902kg of plastic, wood, aluminium and paper materials were collected as post-consumption waste and sent for recycling.

During the year, we continued Project CarlsBot, which was an initiative we began in 2022, in collaboration with Ripple (Sabah Recycling Association). Featuring CarlsBot machines capable of crushing approximately 600kg of glass per hour which can then be reused or repurposed, this innovation has enabled us to minimise glass waste and reduce our environmental impact. As of 31 December 2023, Project CarlsBot has diverted 21,997kg of glass waste away from landfills.

Additionally, in November 2023, two additional CarlsBot machines were deployed at Balai Raya Kampung Madsiang in Penampang and Shangri-La Rasa Ria in Tuaran. Moving forward, we will continue to leverage CarlsBot machines to further reduce our environmental footprint.

For more information on Project CarlsBot's social impact, please refer to Community, Social Impact and Investment on page 108

Materials Used by Weight of Volume (tonnes)



Type of Materials

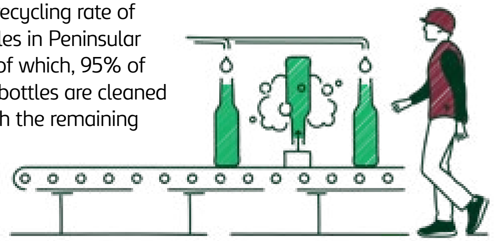
- Raw materials
- Associated process material
- Materials for packaging purposes

Going Forward

While the adoption of sustainable packaging and materials is commendable for environmental reasons, it has resulted in higher operational costs. Nevertheless, we will continue to collaborate with our suppliers to increase the recycled content of our bottles and cans in order to achieve the target of 50% recycled content in bottles and cans by 2030. To help reduce operational costs as we progress towards increasing recycled content, Carlsberg Group plans to strategically explore alternative material sources. Furthermore, we are also striving to expand the range of bottles eligible for return.

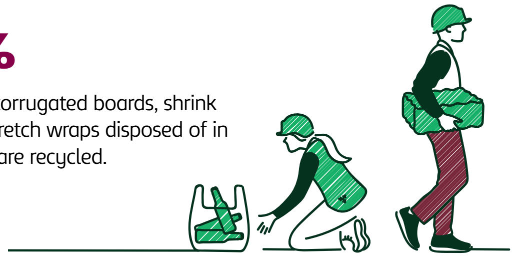
94%

collection and recycling rate of returnable bottles in Peninsular Malaysia. Out of which, 95% of these returned bottles are cleaned and reused, with the remaining recycled.



100%

of the cans, corrugated boards, shrink wraps and stretch wraps disposed of in our brewery are recycled.



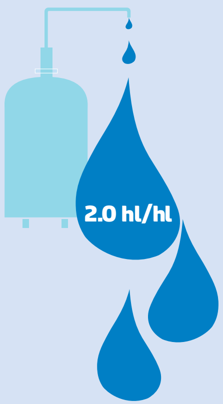
We use Cradle-to-Cradle Certified™

environmentally friendly ink

on Carlsberg bottle labels to improve the recyclability of packaging.

ZERO Water Waste

OUR COMMITMENTS



Water usage efficiency of 2.0 hectolitres per hectolitre of beer produced (hl/hl) by 2030

Stakeholder Groups Most Concerned
Government Agencies and Regulators; NGOs, Industry Groups and Local Communities; Consumers

WATER USE AND MANAGEMENT

Our stewardship of water as a resource and our efforts in ensuring that our business operations do not pollute natural water resources.

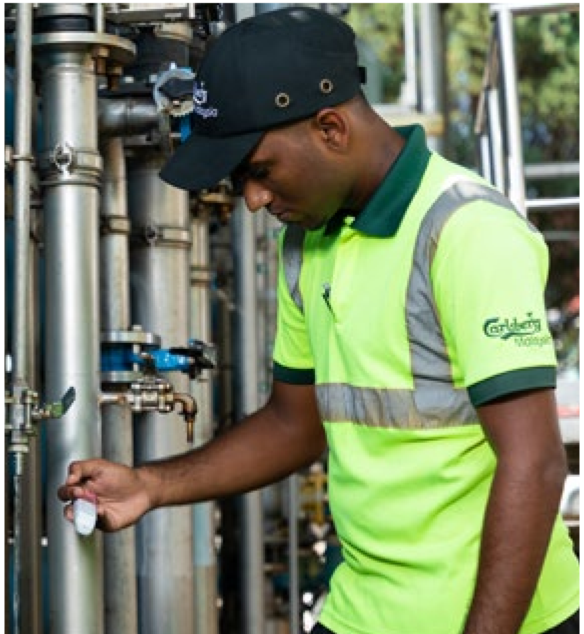
Our Wastewater Treatment Plant ensures that all water waste from the brewery is treated according to the requirement and standards by Department of Environment before being discharged to the environment.

Why It Is Important

Climate change continues to be a global concern. It is vital to address the depletion of natural resources and ensure water security for our business and the wider community. We recognise that water is a shared resource, and as such, it is important to mitigate our impact by reducing water withdrawal, consumption, discharge and water-related impacts through measures such as water recycling, reuse and initiatives to treat water discharge.

As such, we strive to proactively manage the impacts of our operations on water resources. Our efforts focus on using less water more efficiently, reducing wastage and effluents. Additionally, we take active measures to prevent water pollution and refrain from withdrawing water from water-stressed areas.

Water is a crucial component of our Key Performance Indicator (KPI) that revolves around how much water is used to produce one hectolitre (hl) of beer. Using less water shows that we are managing it efficiently, reducing water wastage throughout our production process. As we work towards our ZERO Water Waste target and pursue sustainable brewing, we will optimise our water management and ensure that our business can withstand environmental challenges in the long term.



Our Reverse Osmosis system treats our ground water according to the stringent quality required for our production.

Our Approach

Our water management is guided by our Production and Environmental policy and guidelines, as well as benchmarking against industry peers. This involves setting targets and developing activities and action plans to achieve our water management goals.

Progress/Achievements

In 2023, we focused on enhancing our water usage in these operational areas:

UTILITIES: Optimised water intake by striking a balance between Air Selangor and Tube Well Water, considering factors such as losses, cost and time. This enabled us to create the right balance with minimal losses at a reasonable cost

BREWERY: Implemented a system for the recovery and reuse of hot water that was previously discharged wastefully into the drainage system. This initiative contributes to efficiency and sustainability in our water management practices

OPTIMISING WATER USAGE: Responsibly extracted ground water for operational needs and upgraded our Cleaning in Place (CIP) plant, centralising its functions. The upgrade offers enhanced efficiency and optimisation features for water usage and heat consumption

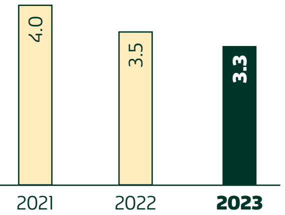
Our measurement of water recovery and reuse is focused solely on the recovery of groundwater. The decline observed in 2023 is attributed to new regulations which limit the daily duration of groundwater extraction. Consequently, a reduced extraction rate directly led to diminished recovery levels.

Water Usage (hl/hl)

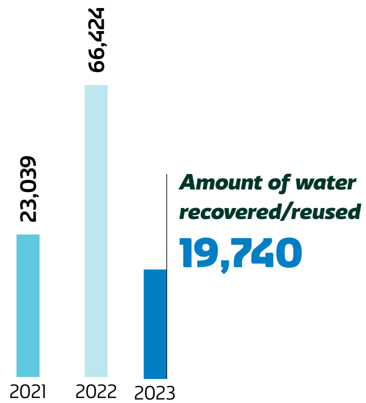
Our water consumption is

3.3 hl

water per hl of beer produced



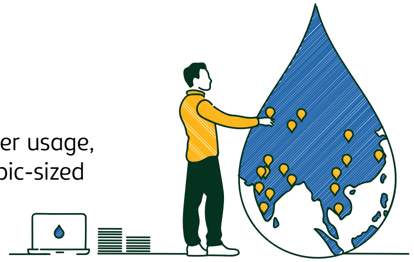
Water Recovery and Reuse (m³)



Achieved a

6%

reduction of total water usage, equivalent to 11 Olympic-sized swimming pools



Implemented Reverse Osmosis technology in our Water Treatment Plant, enabling the recycling of

13%

of water loss

Responsible

extraction of ground water for operations

Going Forward

We intend to gain insights from successful breweries that reduced water consumption significantly without big investments. We will focus on optimising our operations, using innovative concepts to improve efficiency and minimise water usage to brew a better tomorrow.

ADAPTING TO CLIMATE CHANGE

Our consistent efforts towards the development of strategies to protect against climate-related hazards.

Adapting to climate change is part of our TTZAB strategy, which aims to achieve ZERO carbon emissions at our brewery by 2030 and net ZERO across our entire value chain by 2040.

Stakeholder Groups Most Concerned
NGOs, Industry Groups and Local Communities; Government Agencies and Regulators; Investors

Why It Is Important

Immediate action is needed to mitigate and reduce the impacts of climate change, which are currently one of the most pressing issues in the world. We acknowledge that our business operations are exposed to risks of climate impacts, such as heavy rainfall, flood and drought, as we rely on natural resources. Ignoring the effects of climate change may lead to higher operational costs and complexity, affecting the business's profit and operational efficiency.

Our Approach

We are guided by our Environmental Policy, Production Policy and Group Sourcing Policy in adapting to climate change. Climate change remains the focal point of our TTZAB pillars and is demonstrated through our commitment to ZERO Carbon Footprint, ZERO Packaging Waste, ZERO Water Waste and ZERO Farming Footprint.

ZERO Farming Footprint represents our commitment to responsible sourcing, guided by our global headquarters' policy to progressively increase sourcing from suppliers that adhere to regenerative agricultural practices.

We adapt to climate change by identifying climate-related risks and opportunities and we strive to enhance our climate strategy and disclosures every year by aligning with national and global frameworks such as the Task Force on Climate-related Financial Disclosures (TCFD). This will not only enable us to maintain our ESG ratings but also allows us to fulfil our pledges to the UN SDGs and the Ten Principles of the UN Global Compact.

Additionally, it helps us build climate resilience by addressing climate-related risks and opportunities, positioning Carlsberg Malaysia Group as a thought leader in the ESG space.

Progress/Achievements

Task Force on Climate-related Financial Disclosures (TCFD)

The Group has progressively enhanced its climate-related data collection and disclosures, which allows our stakeholders to make informed decisions and enables the organisation to strengthen its climate mitigation strategy.

We have adopted a phased approach since 2021 to disclose our initiatives against the TCFD's recommendations. In 2023, we further enhanced our disclosures by taking guidance from the latest global climate reporting standards, the International Financial Reporting Standards (IFRS) S1 and S2 disclosure standards.

Our enhanced reporting includes climate-related risks, such as physical and transition risks, and opportunities. We will continue improving our climate-related reporting practices to better adapt to and mitigate climate change.

IFRS S1
Disclosing against the IFRS S1 will enable the Group to communicate to investors about our sustainability-related risks and opportunities we face over the short, medium and long term

IFRS S2
Outlines a specific set of climate-related diclosures that complement the IFRS S1

GOVERNANCE

SUSTAINABILITY AND CLIMATE GOVERNANCE

The Group's Board of Directors has oversight of sustainability and climate-related matters that are significant to both the business and our stakeholders. These material matters were identified in a materiality assessment conducted in 2022, and further validated against Bursa Malaysia's Sustainability Reporting Guide 2022 (3rd edition) and the Sustainability Accounting Standards Board (SASB) industry standards in 2023.

Sustainability matters, including climate-related risks and opportunities, are overseen directly at the full Board level. The Board is supported by the Risk Management and Sustainability Committee (RMSC), which updates the Board with quarterly reviews of the Group's sustainability strategy, performance objectives, major capital expenditure and remuneration related to sustainability and climate-related performance.

Headed by the Chairman of the RMSC, co-led by the Chief Financial Officer and the Corporate Affairs and Sustainability Director, who serves as Chief Sustainability Officer (CSO), the RMSC is responsible for the Group's financial and non-financial risks, including its overall risk management, internal controls and audit.

Supported by the Head of Internal Audit and the Supply Chain Director, the RMSC also oversees sustainability and climate-related risks and opportunities that include identifying climate-related risks and integrating those risks into the business and risk mitigation strategy and management practices.

The RMSC discusses the Group's sustainability policies, governance, strategies and approach to sustainability and climate-related risks. This includes monitoring scenario analysis capabilities on physical and transition risks and reviewing sustainability progress against targets and reporting climate-related developments in both Malaysia and Singapore.

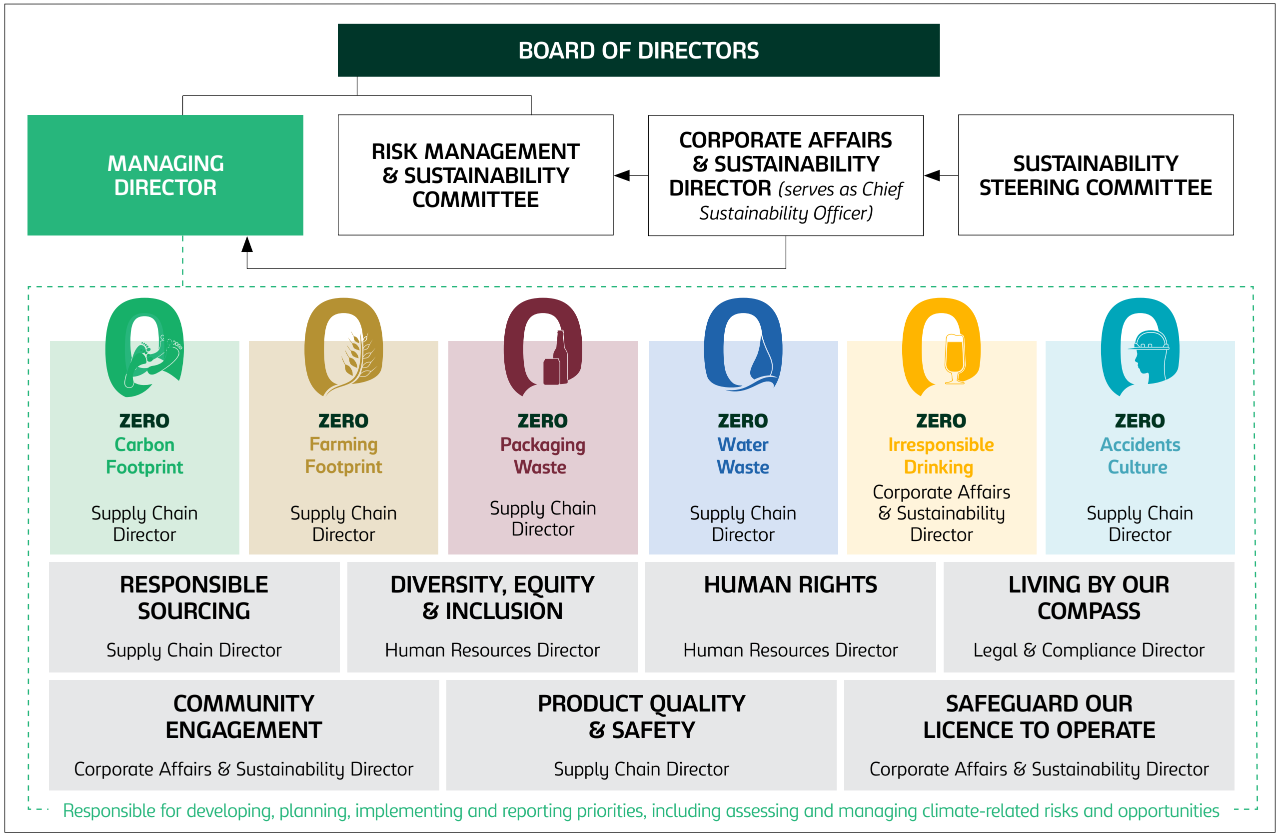
The CSO leads and drives the Group's sustainability strategy and Together towards ZERO and Beyond (TTZAB) programme, and reports directly to the Managing Director and the Chairman of the RMSC.

The CSO works closely with the Supply Chain Director to drive the Group's sustainability ambition to accelerate decarbonisation across our value chain. Members of the Management Team, including the Human Resources Director and the Legal and Compliance Director also share the responsibility of overseeing other sustainability matters related to labour and human rights, and anti-bribery and competition compliance.

The Board includes the sustainability agenda when executing its duties. This also applies to the Management Team, where sustainability key performance indicators are included in their performance and remuneration.

In 2023, we established the Sustainability Steering Committee to drive our sustainability-focused initiatives. Comprising functional heads who are responsible for the implementation of TTZAB priorities and co-led by the teams of Corporate Affairs and Sustainability, and ESG Compliance, the SSC keeps abreast of regulatory developments on sustainability and climate-related matters.

For more information, please refer to:
ESG Governance on page 59
Corporate Governance Overview Statement on page 120
Statement of Risk Management and Internal Control on page 131



STRATEGY

Adapting to climate change involves a complex interplay of physical and transition risks and opportunity identification that is facilitated by climate-related risk assessments over the short, medium or long term.

Physical risks, such as heavy rainfall, can physically disrupt our operations and supply chains, while transition risks involve challenges we face when shifting to a low-carbon economy, such as changes in climate-related laws and policies.

We acknowledge that the journey to transition to a low-carbon economy will take time and require balancing trade-offs along the way. As such, we have designated periods shorter than three years as short term, four to ten years as medium term and more than ten years as long term, for the transition time frame. We are committed to leveraging our capital allocations and brewing expertise to provide secure, reliable and affordable energy while supporting the transition to long-term sustainable technologies.

Time frame for transition:

Short term	Mid-term	Long term
<3 years	4 to 10 years	>10 years
SAIL'27 strategy	Global 2030 targets	Global target to become net zero across the entire value chain

Physical risks refer to risks associated with the physical impacts of climate change. They are:

A **Acute** – The Group's sole manufacturing plant in Shah Alam and its supply chain face acute physical risks, such as heavy rainfall and floods. In 2021, Shah Alam experienced a devastating flood, and the surrounding areas of our brewery was submerged by floodwater in the evening for a few hours. Several employees who were on night shift were unable to leave in the evening, and had to wait until the next morning to return to their homes. There was no physical damage to our property and stocks as the location of our administration office, production and logistics are on elevated land, which is a part of our flood mitigation measures.

B **Chronic** – The rise in the water level of the nearby Sungai Damansara, resulting from changing precipitation patterns and longer term shifts in climate change, poses a flood risk to the Group's operations logistic and distribution. Besides floods, chronic heat waves, which could lead to water supply disruption, could also impact our business and its supply chain.

Transition risks are risks related to the transition to a lower carbon economy:

A **Policy and Legal** – The Group is exposed to both Malaysian and European regulations and policies that are constantly evolving to control potential adverse impacts of businesses and promote climate change adaptation. We stay abreast with regulatory developments to ensure compliance with the relevant regulations including Bank Negara Malaysia's Climate Change Principle-based Taxonomy (CCPT), Bursa Malaysia's Main Market Listing Requirements on Sustainability Statements in Annual Reports, the European Union's Taxonomy and the European Commission's Corporate Sustainability Reporting Directive (CSRD).

B **Technology** – The transitional journey requires us to invest in technological improvements or innovations that support our transition to a lower carbon, energy efficient economic system. We have plans to invest in renewable energy and green logistics to ensure that 100% of the electricity at our brewery comes from renewable sources.

C **Market** – The Group must respond to shifts in supply and demand for certain commodities, products and services, such as sustainable packaging and Alcohol-Free Brews (AFB), as climate-related risks and opportunities are increasingly taken into consideration.

D **Reputation** – The Group's climate action and sustainability initiatives can influence customer or community perceptions towards our contribution to or detraction from the transition to a lower carbon economy.

Scenario Analysis

Scenario analysis is an important tool that informs us and our stakeholders about the implications of climate-related risks and opportunities on our business.

In 2023, we conducted a qualitative scenario analysis to gauge the impact of climate change. The process involved benchmarking against local, regional and global industry peers, using the existing Intergovernmental Panel on Climate Change's (IPCC) Representative Concentration Pathways (RCP), RCP 2.6 and RCP 8.5, as a foundation to build an understanding of possible climate scenarios.

This enables us to prepare ourselves to identify the climate risks and opportunities related to the two pathways. We will remain guided by our TTZAB strategy as we continue to monitor and review our strategy periodically, ensuring that it stays resilient and effective.

Impacts of Physical Risks on Carlsberg Malaysia based on the two scenarios:

Business as usual
Emissions continue rising at current rates
RCP 8.5

As likely as not to exceed
4°C

Aggressive mitigation
Emissions halved by 2050
RCP 2.6

Not likely to exceed
2°C

Business impacted by climate change → **Business impacted by policy change**

Business as usual		Aggressive mitigation	
More heatwaves, changes in rainfall patterns and monsoon systems	Sea level rises by half to one metre	May require 'negative emissions' – removing CO_2 from the air – before 2100	Reduced risks of 'tipping points' and irreversible change
CO_2 concentration three to four times higher than pre-industrial levels	More acidic oceans	CO_2 concentration falling before end of the century	Climate impacts generally constrained but not avoided
Arctic summer sea ice almost gone			

CHRONIC

- Changes in precipitation patterns and extreme variability in weather patterns
- Rising mean temperatures

Potential Financial Impacts

- Increased capital costs to procure more sustainable packaging
- Increased capital costs to restore damaged facilities
- Impact of insufficient supply of water on operation of production sites

ACUTE

- Increased severity of extreme weather events such as heavy rainfall and floods

Potential Financial Impacts

- Increased capital costs to procure higher priced raw materials such as barley, rice, hops and water
- Suspension of operations due to flooding, disruption of value chain and other damages from floods

Impacts of climate change such as heavy rainfall and flooding can have serious consequences on our operations, including the manufacturing and distribution of our products. To mitigate such risks, we have identified the following challenges and the related risks and opportunities, alongside the potential financial impacts.

Impacts of Transition Risks

Climate-related Risks	Potential Financial Impacts
POLICY AND LEGAL	
• Increased pricing of GHG emissions and enhanced emissions reporting obligations • Regulations on sustainable packaging and waste management	• Increased operating costs with higher compliance costs, and increased insurance premiums • Increased production costs due to changing input prices and output requirements
TECHNOLOGY	
• Costs to transition to lower emissions technology	• Costs to adopt/deploy new practices and processes
MARKET	
• Increased cost of raw materials	• Increased production costs due to changing input prices and output requirements
REPUTATION	
• Increased stakeholder concerns and demands for more sustainable product packaging	• Reduced revenue from production disruptions and supply chain interruptions • Decline in brand equity, image and reputation due to negative perception about how we manage packaging waste

Our climate risk mitigation strategy is related to three material matters:
Adapting to Climate Change, Water Use and Management, and Sustainable Packaging and Materials

Building climate resilience in operations

- Improving logistics by expanding external warehouses to two units in two separate locations; Mapletree Logistics Hub in Jubli Shah Alam, a modern building and Green Building Certified, and another warehouse in Klang
- Putting in place a flood response manual and business continuity plan for production and logistics

Reducing carbon footprint

- Reducing GHG emissions on a medium-to-long-term basis by producing our own biogas through waste incineration and purchasing renewable electricity for the brewery
- Exploring to invest in new technology such as a biomass plant to reduce carbon emissions in the long term

Engaging with stakeholders

- Improving climate disclosures to enhance transparency and better inform our stakeholders and investors of our decarbonisation strategy and initiatives
- Engaging actively with the regulators on the development of regulatory changes

Promoting sustainable packaging and waste management

- Encouraging the practice of returning empty bottles to the brewery by partnering with distributors in Peninsular Malaysia and Singapore via a distributor return incentive scheme
- Reducing colour printing on primary packaging from nine to seven colours moving forward

Climate-related Opportunities

The transition to a low-carbon economy presents five different types of climate-related opportunities to our business. These opportunities will not only enable us to reduce operational costs and increase productivity with lower climate risk, but also increase investor confidence and bolster our reputation among local communities.

RESOURCE EFFICIENCY

Climate-related Opportunities

- Source for vendors with sustainable packaging content to reduce and minimise packaging waste
- Explore opportunities to source local ingredients to reduce carbon footprint
- Explore brewing technology and ingredient innovation that does not rely solely on barley
- Upgrade cleaning facilities in plant upgrade to enhance efficiency and optimise water usage and heat consumption
- Recover and reuse hot water
- Upgrade production line and invest in reverse osmosis technology and water treatment plant

Potential Financial Impacts

- Reduced operating costs

Material Matter(s)

Water Use and Management

Sustainable Packaging and Materials

ENERGY SOURCE

Climate-related Opportunities

- Invest in new technologies to reduce natural resource consumption and carbon emissions
- Explore renewable energy sources
- Generate our own biogas to be less dependent on gas procured from the government

Potential Financial Impacts

- Lower operating cost due to reduced exposure and dependence on future fossil fuel price increase
- Returns on investment in low-emission technology
- Increased capital availability by attracting more ESG-focused investors who support lower emission producers

Material Matter(s)

Adapting to Climate Change

PRODUCTS AND SERVICES

Climate-related Opportunities

- The Group's decarbonisation journey will lead to decarbonised products (e.g. installation of a state-of-the-art bottling line and a new canning line to enhance not only production efficiency but also addressing climate change by reducing energy and water usage)
- Shift in consumer preference, hence the opportunity to diversify product portfolio to Alcohol-Free Brews to target consumers who prefer non-alcoholic beverages

Potential Financial Impacts

- Increased revenue through meeting demand for sustainable products and solutions
- Better competitive position to reflect shifting consumer preferences, resulting in increased revenues

Material Matter(s)

Adapting to Climate Change | Water Use and Management | Sustainable Packaging and Materials

MARKETS

Climate-related Opportunities

- Access to new markets (i.e. consumer preferences on lower emission products due to environmental awareness and AFBs)

Potential Financial Impacts

- Increased revenues through access to new and emerging markets

Material Matter(s)

Adapting to Climate Change

RESILIENCE

Climate-related Opportunities

- Adoption of energy efficiency measures (i.e. reducing water wastage by enhancing bottling and canning line)
- Resource diversification (i.e. generating our own gas and recycling more water)
- Invest in research and development to improve decarbonisation capabilities
- Enhance sustainability capacity building among employees and suppliers

Potential Financial Impacts

- Increased market valuation through resilience planning
- Strengthened production line and logistics to improve capability to operate under various conditions with minimal disruptions
- Increased revenue through the offering of sustainable products

Material Matter(s)

Adapting to Climate Change | Water Use and Management

HOW CLIMATE-RELATED RISKS ARE IDENTIFIED

Our Sustainability Steering Committee is responsible for identifying climate-related risks. It monitors and deliberates on the Group's climate risk management and mitigation strategies on a quarterly basis.

In addition, climate-related matters that are significant to our business are also identified through our materiality validation process, which involved aligning our material matters with local and global industry peers.

Guided by the comparative study and qualitative data, we review our material matters on a yearly basis to ensure that they remain relevant and in line with industry peers.

HOW CLIMATE-RELATED RISKS ARE ASSESSED AND MANAGED

Our sustainability strategy is deeply integrated with climate risk management, with the dual aim of achieving our greenhouse gas (GHG) reduction targets and bracing for the impact of climate change on our operations and value chain.

In our everyday operations, we embrace a mindset attuned to climate risks, underscoring the need for proactive management of these risks to fulfil our strategic ambitions. The volatile nature of climate-related factors necessitates our commitment to ongoing risk category monitoring, adjusting to external shifts and varying scenario projections.

In 2023, we were guided by comparative studies of Asian beer industry peers and IPCC global scientific guidelines to conduct a qualitative scenario analysis, enabling us to adjust to varying climate scenarios that present both risks and opportunities stemming from substantial political, economic or environmental changes.

Several climate-related issues were also deliberated by the Risk Management and Sustainability Committee in the year under review. This included mitigating water supply disruption by improving water efficiency and exploring renewable energy solutions by considering the cost and feasibility.

BREAKDOWN IN AIR SELANGOR WATER SUPPLY PIPING SYSTEM

Mitigation
- Increased ground water utilisation and prioritised water supply to production line
- Improved water efficiency by upgrading water treatment plant
- Ensured maintenance of the reverse osmosis system every three to five years

Potential Financial Impacts
We maintained an equal ratio of water supply from Air Selangor and ground water to optimise water consumption. During water disruptions, the supply of ground water increases automatically to support our operation.

EXPLORING RENEWABLE ENERGY SOURCE

Mitigation
- Purchased iREC to offset Scope 2 carbon emissions while exploring feasible renewable energy for electricity

Potential Financial Impacts
We established a utility improvement project team to further explore renewable energy alternatives.

METRICS AND TARGETS

Tracking and measuring direct and indirect carbon emissions empower us to control our carbon footprint as we seek to achieve net ZERO carbon emissions across our entire value chain by 2040.

Since 2022, we have been disclosing our Scope 1 and 2 GHG emissions, with efforts underway to collect data for Scope 3 GHG emissions jointly with the Carlsberg Group. We remain guided by our TTZAB strategy and priorities in reducing energy consumption and carbon emissions.

Our net ZERO pathway follows the guidance set out by the Science Based Targets initiative (SBTi), similar to the Carlsberg Group's focus on reducing greenhouse gas emissions, before removing or offsetting any residual emissions. We aim to reduce our value chain emissions per hectolitre (hundred litres or hl) of beer and beverages produced by 30% by 2030 from a 2015 baseline.

In 2023, our Malaysian operations' Scope 1 emissions was 4,346 tCO_2e and Scope 2 was 9,884 tCO_2e.

Our GHG emissions and climate-related goals, targets and initiatives are reported extensively in Our Sustainability Journey. These include the three key material matters that are significant to our climate action, **Adapting to Climate Change, Water Use and Management** and **Sustainable Packaging and Materials**, which can be found on pages 81-89, 79-80 and 77-78 respectively.

For our environmental data, please refer to Bursa Sustainability Indicators on pages 222-224, GRI Content Index on pages 225-226 and SASB Content Index on pages 227-228.

SOCIAL COMMITMENTS

ZERO
Irresponsible Drinking

PREVENTING HARMFUL USE OF ALCOHOL

We believe in the importance of partnerships in raising awareness, promoting moderation in consumption, tackling misuse and reducing alcohol-related harm in society.

OUR COMMITMENTS

Build partnerships to support responsible consumption by 2030

100%
Responsible drinking messaging in our packaging and brand activations by 2030

100%
Availability of Alcohol-Free Brews in our markets and at our activations by 2030

Stakeholder Groups Most Concerned
Consumers; NGOs, Industry Groups and Local Communities; Government Agencies and Regulators

Consumers at the Rainforest World Music Festival pledging support to ***#CELEBRATE****RESPONSIBLY via our digitalised IG filter and were given the opportunity to sample Somersby Apple 0.0.*

Why It Is Important

Preventing harmful alcohol use is not just our societal responsibility – we are dedicated to keep our community safe and healthy. Through strong partnerships, we work on impactful initiatives to reduce alcohol-related harm in society.

Our dedication to responsible enjoyment and community well-being is at the heart of our **#CELEBRATE**RESPONSIBLY campaign, which has been our flagship ZERO Irresponsible Drinking programme in Malaysia since 2016 in support of the International Alliance for Responsible Drinking (IARD).

In Singapore, we are part of the Singapore Alliance for Responsible Drinking (SARD), which is a joint initiative of the EuroCham Wine and Spirits Committee. Through education, engagement, and strategic collaborations, we actively encourage responsible choices and raise awareness to address the impact of harmful alcohol use.

Beer and cider are already relatively low in alcohol content compared with wine and spirits, and we are expanding our range of no- and low-alcohol brews to make them an alternative beverage, providing consumers in Malaysia and Singapore with a positive and liberating choice. We now offer four variants of Alcohol-Free Brews (AFBs) in Malaysia and Singapore – Carlsberg 0.0 Pilsner, Carlsberg 0.0 Wheat, Somersby Apple 0.0 and Somersby Mandarin Orange 0.0 (Limited Edition).

Our Approach

We actively oversee initiatives aimed at mitigating the adverse effects of alcohol consumption, guided by our Responsible Drinking Policy.

It provides guidelines for alcohol use in the workplace, outlining specific responsibilities for both the Group and its employees. These guidelines encompass clear directives and disciplinary measures, which may extend to dismissal on the grounds of gross misconduct, all within the confines and in strict adherence to applicable labour laws.

Progress/Achievements

In 2023, we undertook several initiatives as part of our commitment to responsible drinking and community engagement.

One of our major endeavours was the empowerment of 62 Malaysian employee ambassadors. These ambassadors were instrumental in communicating the importance of the approved 0.05% national Blood Alcohol Content (BAC) level. They played a key role in discouraging drink-driving and enhancing the visibility of our **#CELEBRATE**RESPONSIBLY campaign through on-ground initiatives and extensive social media outreach.

Another significant achievement was our success in encouraging 3,882 brewery visitors to voluntarily participate in BAC testing. This was a part of our efforts to raise awareness about responsible alcohol consumption.

Additionally, we organised seven **#CELEBRATE**RESPONSIBLY ambassador activations, which were a hit among consumers. These activations took place across various events including Pinkfish @ Sunway Lagoon, Raikan Kebanggaan Sarawak, Raikan Kebanggaan Sabah, Out of the World @ Sepang, Rainforest World Music Festival @ Kuching, Global Beer Responsibility Day (GBRD) x BuddyDriver Bar Hopping @ KL/Klang Valley, and the 9Wave Music Festival, engaging a total of 3,608 consumers.

Partnership was a key aspect of our approach. We partnered with 40 trade outlets to promote the BuddyDriver services along with a dedicated promo code. Here, 33 employee ambassadors played a pivotal role in advocating the 'Don't Drink and Drive' message, particularly on Global Beer Responsibility Day. This was complemented by our efforts to standardise advisories across all communication channels, emphasising responsible consumption and discouraging drinking and driving. A major step in this direction was specifying legal drinking ages (18+ in Singapore, 21+ in Malaysia) on our alcoholic beverages.

As a proud member of the International Alliance for Responsible Drinking (IARD), we are committed to including age-restriction symbols or text on all our alcoholic products by the end of 2024. This initiative also includes an additional symbol related to drink-driving.

In 2023, we successfully included clear age-restriction information and warnings against drink-driving on the labels of all our alcoholic products.

In line with our 2030 target, we aim to maintain 100% responsible drinking messaging through packaging and brand activation as new products are launched. We have taken steps to empower consumers by providing information on our packs about alcohol content, legal drinking age and no drinking while driving.

62 of our employee ambassadors volunteered to raise awareness on ZERO Irresponsible Drinking at on-ground activations and large-scale music festivals.

Our campaign also involved sampling over 2,600 Somersby Apple 0.0 cans to consumers and implementing a user-friendly Instagram (IG) Augmented Reality (AR) filter. This innovative filter, accessible via a QR code, allowed consumers to pledge their support to **#CELEBRATE**RESPONSIBLY by sharing photos on their IG stories.

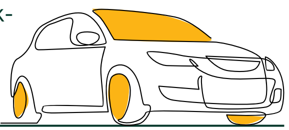
Furthermore, we consistently advocated AFBs as appealing options for Singaporean consumers. This included both the Carlsberg Alcohol-Free Pilsner and Wheat variants. Our approach involved out-of-home sampling activation, connecting with over 14,000 consumers and distributing more than 14,000 samples across six high-traffic locations island-wide in Singapore. Office sampling initiatives were also carried out in major companies in Singapore, engaging with over 9,000 individuals.

Our AFB portfolio in Singapore expanded with the introduction of Somersby Apple 0.0, a refreshing non-alcoholic cider variant under the Somersby brand. Lastly, we conveyed taste, occasions, and responsible drinking as our AFB campaign's key message in Singapore through various social media channels. These channels included Facebook, Instagram, YouTube, Viu and Programmatic Displays. Our campaign effectively reached a diverse audience, garnering 4.8 million completed views and 13.1 million total impressions.

3
of our brews are alcohol-free

100%
of our products in Malaysia and Singapore carry the Responsible Drinking messaging and age restriction labelling

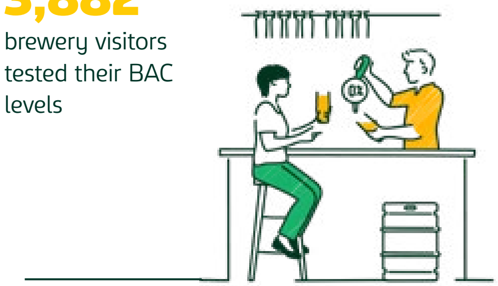
Partnerships
with e-hailing and chauffeur-on-call service providers to prevent drink-driving



Direct engagement with
7,490
Malaysian consumers through 11 **#CELEBRATE**RESPONSIBLY activations in 2023

Empowered
62 Malaysian employee ambassadors to raise awareness on the permitted national BAC level of 0.05% and educate against drink-driving

3,882
brewery visitors tested their BAC levels



Consumers are encouraged to check their Blood Alcohol Content (BAC) as part of our engagement mechanic to raise awareness on the Malaysia national 0.05% BAC limit.

Going Forward

In line with our global targets, we aim to expand our portfolio to include more low-alcohol options and AFBs. This expansion is not just about providing alternatives but also about promoting a culture of responsible drinking. By offering a diverse range of AFBs, we cater to the evolving preferences of our consumers while staying true to our commitment to quality and taste.

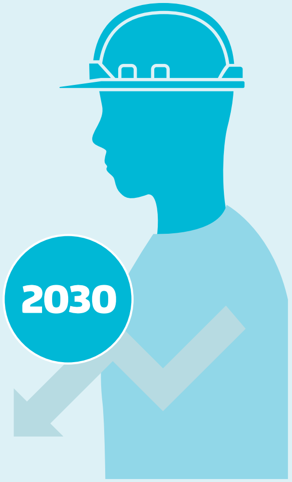
Furthermore, we recognise the importance of collaboration in achieving our goals. Continuing with our previous endeavours, we will leverage the power of partnerships to support the responsible consumption of alcohol. These partnerships, spanning across various sectors, will play a pivotal role in our outreach and educational campaigns. By working together with like-minded organisations, trade partners, and community leaders, we aim to amplify our message and impact.

A core aspect of our strategy is to maintain and enhance the responsible drinking messaging across all our touchpoints. This includes ensuring that our packaging and consumer events consistently promote responsible drinking. We believe that through clear and effective communication, we can encourage our consumers to make informed choices.

ZERO Accidents Culture

OUR COMMITMENTS

ZERO lost-time accidents at all our locations, ranging from brewery to offices, by 2030



A year-on-year reduction in the accident rate towards 2030

3 GOOD HEALTH AND WELL-BEING

Stakeholder Groups Most Concerned
Employees; NGOs, Industry Groups and Local Communities; Investors

EMPLOYEE SAFETY, HEALTH AND WELLNESS

Our commitment to ensuring a safe working environment across all operations and to protecting the health and well-being of our employees.

Why It Is Important

We value the importance of creating an enriching, empowering, conducive and secure work environment to promote excellence among our workforce.

Prioritising the safety, health and well-being of our employees is a key part of our commitment to fostering a ZERO Accidents Culture under our TTZAB programme.

This commitment does not only boost productivity and reduce costs but also minimises employee absences and turnover, decreases accidents and reinforces our brand reputation while ensuring compliance to safety regulations.

Our Approach

We aim to create a safer today and tomorrow for our employees, and this is guided by our Health and Safety Policy which is aligned with the Carlsberg Group Health and Safety Standards, Occupational Safety and Health Act 1994 and Factories and Machinery Act 1967.

We believe that all accidents are preventable and there is no higher value than a person's life. Extensive training and a sustained focus on our Life Saving Rules helped us complete the year with no fatal incidents. We further reinforced our Life Saving Rules through a series of short training sessions in 2023, together with a continued emphasis on safe driving.

We put a strong focus on instilling safe behaviours and encouraging people to report any unsafe conditions or behaviour they observe.

Our health and safety strategic priorities are:

1. Step change in leadership to create a top of mind mentality
2. Life Saving Rules and zero fatalities enforcement
3. Risk exposure reduction programmes
4. Competency development and performance management

Our global Health and Safety Policy and standards extend to all personnel linked to Group entities in our Malaysian and Singaporean operations, whether at on-site or off-site locations. On-site locations refer to Carlsberg premises whereas off-site locations refer to premises that do not belong to Carlsberg but where Carlsberg employees are performing their duties. This Policy is extended to cover contractors, suppliers and members of the public on our premises.

In Singapore, our Safety Management System is based on the organisation's health and safety standards and aligns with Workplace Safety and Health Act Singapore.

The health and safety and HR team spearheads the health and safety agenda. Key functions include developing health and safety rules and safe systems of work, reviewing the effectiveness of health and safety programmes, conducting studies on accident trends, and reviewing health and safety policies in the workplace. They also make recommendations to the employer for any necessary revisions to policies.

Our Group Health and Safety Standards comprise the following standards and guidelines:

- **Incident Reporting and Analysis**
- **Health and Safety Governance and Management**
- **Health and Safety Responsibility Guide**
- **Health and Safety Performance Management System (PMS) Standardisation**
- **Compliance to Health and Safety Laws and Standards**
- **Health and Safety Risk Management**
- **Management of Change**
- **Behaviour Safety Programme**
- **Signage Standardisation**
- **Contractor Management**
- **Management of Temporary Labour**
- **On-site Traffic Management Standard**
- **Lockout-Tagout Standard**
- **Machinery Safeguarding Standard**
- **Working at Height Standard**
- **Confined Space Entry Standard**
- **Permit to Work Standard**
- **Occupational Physical Health Standard**

Physical barriers are built to separate pedestrian walkways from moving vehicles.

Progress/Achievements

In 2023, our operations in Malaysia and Singapore continued implementing initiatives to integrate safety into our organisation. We organised the Health and Safety programme, attended by 446 participants in Malaysia and 89 participants in Singapore, which featured the following:

- **Annual Safety Day Event**
- **Safety Moment Programme**
- **Leadership Programme – Strategic Coaching**
- **Consequences Management, Recognition and Reward Programme**
- **Life Saving Rules Espresso Shot Programme**
- **Mind Your Business Training Programme**

We also conducted the Regional Quarterly Health and Safety programme, Asia Health and Safety Hero programme and Safety Walk and Behaviour Observation programme. These programmes aim to encourage employees' action toward safer outcomes, ideally by preventing an accident or injury before it occurs. It is the most comprehensive way for organisations to promote a safety culture by eliminating hazards and preventing injuries.

We view safety as a shared responsibility. Our employees are encouraged to actively engage in developing, implementing and evaluating our health and safety management system. Our Health, Safety, Security and Environment (HSSE) department, along with the Health and Safety committee, implements programmes to enhance safety across the Group. We organised regular activities whereby the programme performance was reviewed monthly and shared internally. We also identified gaps which were addressed through the Kaizen approach.

Additionally, our Health and Safety Committee, comprising management and employee representatives, focuses on the following primary objectives:

- **Developing safety and health rules and safe systems of work**
- **Reviewing the effectiveness of safety and health programmes**
- **Conducting studies on accident trends**
- **Reviewing safety and health policies**
- **Making recommendations on policy revisions**

IMPACT STORY

Transforming Awareness Into Action - Cultivating a Workplace of Safety

A full-day Health and Safety Day was held at our Shah Alam headquarters in conjunction with the World Day for Safety and Health at Work, observed on 28 April 2023. The event was attended by 200 employees who ventured out for the flag-off ceremony, representing our collective dedication to instilling a robust safety culture.

The immersive and interactive event imparted valuable insights and key takeaways on consistently practising and exemplifying safe behaviours, fostering a secure work environment for everyone. Preceding this, a poster competition themed 'Bring My Mommy/Daddy Home Safe', successfully engaged employees and their families. This activity aimed to underscore the importance of complying to safety protocols, ensuring a safe return home for everyone. The top 20 winners were announced during the event, showing their creative masterpieces.

In addition, we conducted a myriad of interactive and educational activities covering various safety and health aspects such as traffic rules, fire safety and physical health.

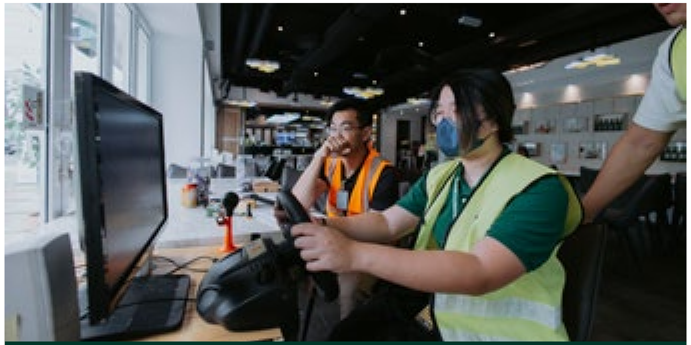
Activities included intoxication and drowsiness simulation, text and walk awareness, fire extinguisher practices, forklift blind spots, safe distance workshop and an educational corner, organised to facilitate learning in a fun manner. We also invited external experts to conduct complementary health screenings such as eye checks, blood pressure assessments and feet evaluations. There was also a designated station for participants to responsibly dispose of unused medications.

Over in Carlsberg Singapore, 90% of its employees attended a similar Health and Safety Day. This event successfully raised awareness of the importance of safety, embedding a culture of safety within the workplace.

As we move forward, our collective efforts will surely contribute to the realisation of a ZERO Accidents Culture in our work environment.

Fire safety demonstration during Health and Safety Day at Carlsberg Singapore.


Fire safety demonstration during Health and Safety Day at Carlsberg Malaysia.


An intoxication and drowsiness simulation activity was also conducted.

SOCIAL COMMITMENTS

We are committed to ensuring a safe workplace by consistently identifying and addressing hazards. Our approach involves using Life Saving Rules, learning from past accidents, analysing data from behaviour observation programmes, and insights from risk assessments and workplace inspections.

In the past year, there were no fatalities among employees and non-employees in both Singapore and Malaysia. Our Singaporean operations also did not have any recorded injuries since 21 October 2020. However, our Malaysian operations recorded two lost-time accidents and one recordable work-related injury, attributed to manual handling, falling from ladders and tripping on stairs.

To tackle these issues, we provided reliable ladders, conducted training on safe ladder usage, improved our Standard Operating Procedure (SOP) for manual handling and tool use, and reminded employees about handrail usage and staircase guidelines. To minimise other risks, we optimised on-site traffic management to separate pedestrians from forklift/truck drivers and controlled employees' access to the warehouse.

As commitment to our 'Don't Drink and Drive' policy, our employees in Singapore utilise valet services, borne by the company, whenever they consume alcohol after a business engagement.

LIFE SAVING RULES

- Always follow traffic rules (onsite and on the road)
- Always follow lock out / tag out procedures
- Never remove, bypass or impair safeguards or interlocks
- Always follow work at height procedures
- Always follow confined space entry procedures

76%

employee participation in Health and Safety Day 2023

3,954

reports on safety risks and unsafe behaviours by both Malaysian and Singaporean employees

100%

of company drivers completed safe driving training

1,765

safety walks were conducted by Carlsberg leaders

1,167

consecutive days without a Lost-Time Accident in Carlsberg Singapore

(As of 31 December 2023)

ZERO

cases of drink-driving in 2023

Going Forward

In 2024, we will continue to nurture a safety culture transformation by fostering our leaders' coaching skills, enhancing safe behaviours and sustaining compliance to our Life Saving Rules.

DIVERSITY, EQUITY AND INCLUSION

Carlsberg Malaysia Group aspires to become a more diverse, equitable and inclusive company by fostering a workforce that mirrors the diversity of our stakeholders and creating an inclusive work environment to boost the morale of our employees. We consider Diversity, Equity, and Inclusion (DE&I) as business critical, now more than ever, and part of our DNA.

Stakeholder Groups Most Concerned

Employees; NGOs, Industry Groups and Local Communities; Government Agencies and Regulators

Why It Is Important

Diversity, Equity and Inclusion (DE&I) is essential for us and remains a key business priority. Our sustained success is attributed to our diverse workforce, a factor that has been particularly vital during and after the pandemic. A deficit in DE&I can result in a diminished competitive edge, overlooked opportunities and potentially significant reputational damage.

In addition, a homogenous managerial layer could result in limited strategic viewpoints and poor understanding of our customers' diverse needs. There is also a pressing need to develop leaders who encourage openness, embrace diverse ideas and increase awareness among a predominantly male workforce about the importance of DE&I in meeting business objectives.

In an industry traditionally dominated by males, our female representation in the Malaysian Leadership Team has grown to 63% since December 2020 and has remained at this ratio till today. This progression demonstrates our dedication to fostering inclusive leadership with diverse representation at every level, starting from the top.

Our Approach

We recognise that diversity is found in any social identity, such as gender, age, culture, nationality, ethnicity, physical abilities, political and religious beliefs, sexual orientation, and other attributes. Inclusion is the process of involving, accepting, and valuing all people in the workplace regardless of their differences and social identity.

To achieve our DE&I goals, we first began with establishing DE&I as a key strategic objective within our business framework. The Carlsberg Leadership Expectations framework is grounded in three core pillars. A principal focus within the 'Healthy, Thriving Organisations' pillar is to build a 'Diverse and Inclusive Culture'.

CARLSBERG LEADERSHIP EXPECTATIONS

DELIVER TODAY **DRIVE HIGH PERFORMANCE**	TAKE CARE OF TOMORROW **HEALTHY, THRIVING ORGANISATIONS**	TAKE CARE OF TOMORROW **DEVELOPING OUR PEOPLE**

A holistic approach to DE&I extends beyond simply increasing the underrepresented ethnicities and genders. It also encompasses providing equitable opportunities to everyone and fostering a culture of inclusivity where individuals feel acknowledged, welcomed, and respected. Our comprehensive DE&I strategy is based on four fundamental pillars:

DE&I PILLARS

'DIVERSITY ALONE DOES NOT DRIVE INCLUSION'

BUSINESS PRIORITY

Our DE&I agenda is leader-owned and part of our **Leadership Expectations**

DIVERSE REPRESENTATION

Getting the gender balance right will pave the way for more diverse representation

EQUAL OPPORTUNITIES

Equal access to opportunity, based on transparency, trust and fairness. Zero-tolerance for discriminatory behaviors and harassments

INCLUSIVE CULTURE

Inclusive leadership behaviours are the foundation for an **inclusive culture and a global mindset**. Everybody should feel that they can bring their true selves to work

The Group celebrated all major festivals nationwide, including Harvest Festival with our employees to honour our diverse workforce.

Progress/Achievements

In line with our objectives and the four DE&I pillars, we established key milestones to ensure we remain on track. The Leadership Team first aligned on short and long term ambitions. Recognising DE&I as a progressive journey, the focus in 2021 was on laying the groundwork, which involved raising awareness and securing employee support. To ensure Carlsberg Malaysia was on track and that we do not lose sight, key metrics set were transferred into **HR Dashboard** and **Risk Management Register** of which status were reported on a monthly and quarterly basis respectively. Our HR Dashboard includes metrics on gender, ethnicity and key HR initiatives related to Talent Acquisition and Talent Development. At the end of 2021, we evaluated the impact to set the priorities for the following years.

While 2022 DE&I strategy focused on preparing our people managers to actively promote DE&I, 2023 priorities were to integrate DE&I not only as a deliberate choice but as a fundamental value for our staff, with an increased emphasis on Equity and the continuous promotion of DE&I beyond our organisation.

2023 DE&I JOURNEY

BUSINESS PRIORITY

- **Launch 'WELCOME YOU'** campaign
- Review and set DE&I **2023 Objectives and Metrics**
- Monitor **Gender Equal Pay** across total Company

DIVERSE REPRESENTATION

- Conduct **Focus Groups** with Females and underrepresented ethnic groups, and develop targeted EVP and testimonials to further improve action plans
- **Create visibility of Carlsberg Leaders** to the targeted public via career fairs and talks, open events and social postings

INCLUSIVE CULTURE

- Inclusive policies: Launch of **FlexBen** and enhance **Parental Leave policy**
- Train all employees in **Unconscious Bias**
- Organise **'Jom! Breakfast with Stefano'**
- **Celebrate ALL major festivals** in Malaysia with employees

EQUAL OPPORTUNITIES

- Continue driving **internal moves**
- Drive DE&I agenda beyond Carlsberg through **LeadWomen's* Equality@Work Corporate Community** and **WEPs signatory**
- Conduct nationwide **Learning Roadshows** for field-based employees

*****LeadWomen** is appointed by UN Women as the Malaysian partner for the Women Empowerment Principles (WEPs) programs to drive greater representation and inclusivity*

A series of key initiatives were implemented throughout 2023, in line with the aforementioned four DE&I pillars:

Business Priority	• Launched 'WELCOME YOU' campaign during the February 2023 town hall, followed by open conversations with the Leadership Team. The campaign is our commitment to nurturing the culture of DE&I and embracing it across all areas of our businesses, and is dedicated to ensuring that every employee feels included, heard and most importantly, welcomed to be their true selves at work. • Enhanced our dashboard to monitor Gender Equal Pay effectively.
Diverse Representation	• Engaged in detailed dialogues and gathered feedback from employees through DE&I focus groups and My Voice Focus Groups. Findings were shared with the Leadership Team, leading to planned actions for 2024. • Promoted Employer Branding through university partnerships, including career fairs and talks. Conscious effort made to feature Carlsberg Female Leaders.
Inclusive Culture	• Kickstarted 'Jom Breakfast with Stefano' sessions, following the 'WELCOME YOU' campaign • Delivered Unconscious Bias training to all managers in 2022 and the rest of the organisation in 2023. • Introduced Flexible Benefits (Flex-Ben) in March 2023. • Celebrated all major festivals, including the Harvest Festival, Deepavali, Hari Raya, and Christmas. • To conclude the year, we introduced an enhanced Parental Leave policy, where both mothers and fathers are entitled to not only a longer maternity/paternity leave duration but also the flexibility to utilise this leave within a year.
Equal Opportunities	• Partnered with LeadWomen and Carlsberg Malaysia was appointed by UN Women as the Malaysian collaborator for the Women Empowerment Principles (WEPs) programmes, following our Managing Director's signing on UN Women's WEPs signatory as a commitment to support equality at workplace, marketplace and community in November 2022 • Conducted Preventing Harassment at Workplace Awareness refresher sessions for all Sales employees • Conducted nationwide Learning roadshows for Sales employees, bringing in-person training to each Sales region and ensuring all staff, including field-based colleagues, have access to learning and development opportunities. • Continued to build young talent pipeline and create job opportunities through Internship, Apprenticeship, Graduate Trainees and Packaging Trainee programmes.

DE&I conversations with a Leadership Team member during the 'WELCOME YOU' campaign launch.

Result

Our Malaysian operations scored over 75% in responses to three MyVoice DE&I-related questions (inclusive environment, top leaders' commitment and hiring), indicating strong engagement and positive perception of our DE&I practices among employees. In addition, we:

- Made strides in enhancing gender diversity across the Company with a 4% increase in our total female population, a collective effort made by all functional areas within our organisation
- Maintained a strong 63% ratio of female Directors
- Achieved a 4% increase in the ratio of female managers and those at higher levels.
- Had 51% of participants in our Leadership Development Programmes coming from the female population or ethnically underrepresented groups.
- Enhanced our Assessment and Selection process where 74% of pre-screened candidates and 68% of those interviewed by hiring managers come from female or underrepresented ethnic backgrounds.
- Had 52% of new hires referred by employees coming from the female population.

Additionally, our Singaporean operations showed an encouraging gender diversity, with 60% of the Leadership Team and 34% of the total employee population being female. The Paternity Leave policy was also enhanced, with leave benefits doubling from two weeks to one month for all fathers.

Overall, we received positive feedback on many of our DE&I initiatives this year, particularly in relation to Flexi Work Arrangements (launched in 2021), Flexi Benefits, 'Jom! Breakfast with Stefano' initiative, and festive celebrations.

Going Forward

Prioritising emotional and psychological well-being of employees and advancing DE&I initiatives beyond the organisation is part of our key focus areas for 2024. Our main priorities will include:

- Creating opportunities for employees from different functions to express their opinions in a secure setting.
- Maintaining the tradition of festive celebrations to honour our diverse workforce.
- Implementing Leading Inclusively Programme for all People Managers.
- Introducing 'Jom! Breakfast with Leaders', allowing Heads of Departments to engage in skip-level sessions with their teams, building upon the 'Jom! Breakfast with Stefano' initiative.
- Widening Preventing Harassment at Workplace Awareness refresher sessions for all staff members, following completion for Sales employees in 2023
- Ongoing community engagement through LeadWomen, and implementing targeted DE&I initiatives for Supply Chain employees.

Celebrating International Women's Day in Carlsberg Singapore.

TALENT AND TALENT DEVELOPMENT

Our ability to recruit new talent and our commitment to training, developing and retaining our existing employees.

Stakeholder Groups Most Concerned
Employees; NGOs, Industry Groups and Local Communities; Investors

We take pride in our commitment to developing our people, building their capabilities and accelerating growth through a comprehensive talent development framework. Our approach caters to the diverse developmental needs of our talents across all levels.

Why It Is Important

We believe that talent and talent development is paramount to the organisation's success, especially in fostering innovation, productivity, adaptability and resilience. At Carlsberg Malaysia, talent and talent development ranks within our Top 4 most important material matters and we demonstrate this by consistently investing in our people and ensuring that our leaders drive a performance-based culture. This is realised by creating an inclusive work environment and taking a step ahead by developing a strong talent pipeline for future leaders. This approach not only enhances engagement but also contributes to better talent retention, creating a dynamic workforce that is well-equipped to navigate challenges and contribute to our long-term growth and success. Further to this, our implementation fulfils UN Sustainable Development Goal (UN SDG) 8 of Decent Work and Economic Growth and UN SDG 3 of Good Health and Well-being.

Our Approach

We continue to be guided by our core strategic priority, 'Take Care of Tomorrow', which focuses on the significance of Developing Our People for the long-term success of the organisation. The enabler to Driving High-Performing Culture is underpinned by the Carlsberg Talent Management Approach:

- **KNOW** – Knowing the capabilities of our people
- **GROW** – Strengthening their development and accelerating growth
- **FLOW** – Advancing the careers of our talents across the Carlsberg Group to strengthen our leadership pipeline

At the core of our talent management strategy lies a comprehensive approach to nurturing our employees and talents. We assess the performance and potential of each individual based on a consistent global framework, providing a foundation for meaningful development conversations. Through Individual Development Plans (IDPs), we systematically evaluate and communicate strengths and development needs, aligning them with the aspirations, capabilities, career preferences and mobility of each individual. Our commitment extends to staying abreast of evolving trends, ensuring our talents are equipped with the skills needed to remain relevant. By accelerating the development of our talents, we actively prepare them for future roles within our organisation.

SOCIAL COMMITMENTS

Progress/Achievements

In 2023, we have executed various initiatives guided by KNOW GROW FLOW

KNOW

- KNOW our people by identifying their strengths and development needs through Continuous Development Conversations and People Board, a structured talent review process that identifies potential talents, evaluates talent capability and aids succession planning. We proactively track development actions and progress of talents via Talent Sessions (follow-up sessions after People Board) and Continuous Development Conversations.
- This robust process is implemented Company-wide at all functional levels.

GROW

Following KNOW, we GROW our people by understanding their development needs. Through Continuous Development Conversations and with the Individual Development Plan (IDP), we provide feedback, coaching and learning opportunities to our talents, based on a holistic 70/20/10 development approach to empower their career moves:

70% EXPERIENCE		20% EXPOSURE		10% EDUCATION	
Short Term Assignment (STA)	Project lead	Coaching	Work shadowing	Leadership Academy	Functional learning
Long Term Assignment (LTA)	Project contributor	Networking	Sponsoring	Carlsberg Leadership Suite	Virtual classes
Stretched assignments	Job rotation	Mentoring	Conference speaker	E-learning	Certifications
Interim roles	Deputising	Executive exposure	Voluntary work	Self-directed learning	External classes/seminars

We enhance the effectiveness of our development initiatives by adopting the 70/20/10 Learning Principles, integrating 70% experiential learning, 20% learning through exposure and 10% formal education.

During the year under review, the Carlsberg Leadership Suite continued to accelerate leadership development and impart enabling skills under under the following programmes:

- **Leading with Purpose**
  - o Empowers Carlsberg people leaders to build a purpose-driven culture by aligning individual values with the company's purpose, leading with care and inspiring others towards Brewing a Better Today and Tomorrow

- **Adaptive Leadership Programme**
  - o Equips people leaders with resilience and agility in managing rapid changes and diagnosing adaptive challenges, leading to organisational success

- **SHIFT – Adapting to Change (Change Management Simulation)**
  - o Enables talents to comprehend change and its impacts, equips them with effective change management tools and fosters resilience for adapting to and driving change in themselves and others

- **MULTIPLIERS – How the Best Leaders Ignite Everyone's Intelligence**
  - o Equips people leaders with a Multiplier mindset, fostering intelligent growth by engaging, amplifying and leading as Multipliers who bring out the best in our teams

- **Nationwide Development Roadshows – Strengthening Communications with Influencing Skills**
  - o Strengthens the capabilities of field sales employees and equips them with practical techniques to thrive in day-to-day sales performance

- **Monthly Learning Bites**
  - o The Monthly Learning Bites is a bite-sized enabling skills building tool with timely, relevant and engaging content design. It aims to support employees in learning practical skills, improving engagement and promoting total well-being.

FLOW

- **FLOW talents within market**
  - o Advocating internal movements within the Group for both lateral and vertical roles.
  - o Offering employees project leading and on-the-job exposure opportunities, enhancing their professional development, broadening their skill sets and fostering deeper understanding of the business.

- **FLOW talents across Carlsberg Group**
  - o Posting our talents across the Carlsberg Group regionally or globally to fast-track development. We support this process by facilitating transfers and providing mobility assistance.
  - o Providing first-hand exposure for our employees to develop global perspectives, cross-cultural experiences and understand our markets globally and regionally to contribute towards the organisation's overall growth.

We are pleased to share that in 2023, 556 employees completed a total of 20,910 hours of training, averaging at 38 hours per employee.

In Carlsberg Singapore, 81 employees completed a total of 1,567 hours of learning, averaging at 19 hours per employee.

Over the course of the last three years, we have achieved:

TALENT DEVELOPMENT MILESTONES

Malaysia	2021	2022	2023
Succession Bench Strength (%)	61	65	**66**
Key Talent Retention (%)	92	96	**98**
Average Learning Hours per employee	30	33	**38**

Singapore	2021	2022	2023
Succession Bench Strength (%)	N/A	70	**67**
Key Talent Retention (%)	N/A	100	**100**
Average Learning Hours per employee	9	12	**19**

Going Forward

We will continue investing in our workforce, empowering them to stay abreast of industry advancements, acquire the necessary skills to meet evolving challenges and drive the organisation forward. These goals are materialised under our robust talent approach of KNOW, GROW and FLOW which will continue to be our anchor in developing our people and building strategic capabilities to contribute and deliver the Carlsberg SAIL'27 strategy.

SOCIAL COMMITMENTS

HUMAN RIGHTS AND LABOUR STANDARDS

We are dedicated to safeguarding human rights within our operations and across our entire value chain. This commitment involves actively identifying instances of human rights abuses and taking effective measures to address and remedy them.

Stakeholder Groups Most Concerned
NGOs, Industry Groups and Local Communities; Government Agencies and Regulators; Consumers

Why It Is Important

We prioritise human rights as a central focus of our operations, viewing it not just as a legal obligation but as a fundamental principle rooted in our core values. We are committed to treating all employees, including third-party contractors, with respect, recognising that a thriving workplace upholds the dignity and rights of every individual. Our dedication to integrity, responsibility, honesty, and ethics extends across our entire value chain, influencing the Group's interactions with employees, contractors, suppliers and others. Safeguarding human rights within our Group creates a healthy, safe and inclusive workplace, aligning seamlessly with our commitment as a responsible brewer which aligns with our 'Leadership Expectations.'

Our Approach

We are steadfast in our commitment to human rights, guided by our comprehensive Human Rights Policy. This policy serves as a compass for both our Group and employees, ensuring that our conduct aligns with the highest standards of ethical behaviour.

Moreover, we integrate global best practices into our operations, fostering a culture of respect and accountability through alignment with the United Nations (UN) Guiding Principles on Business and Human Rights, covering non-discrimination, zero tolerance for forced labour, child protection, freedom of association and collective bargaining, anti-harassment, working hours, benefits and wages and health and safety.

As a signatory of the UN Global Compact, we affirm our ongoing dedication to upholding its Ten Principles, which define our support for human rights. These principles form the foundation of our actions as they guide and motivate us to drive positive social and environmental change within the communities we serve. The Principles are outlined as follows:

Human Rights

1) Businesses should support and respect the protection of internationally proclaimed human rights within their sphere of influence.
2) They should ensure they are not complicit in human rights abuses.

Labour

3) Uphold freedom of association and the effective recognition of the right to collective bargaining.
4) Eliminate all forms of forced and compulsory labour.
5) Abolish child labour.
6) Eradicate discrimination in employment and occupation.

Environment

7) Support a precautionary approach to environmental challenges.
8) Undertake initiatives to promote greater environmental responsibility.
9) Encourage the development and diffusion of environmentally friendly technologies.

Anti-Corruption

10) Businesses should work against corruption in all its forms, including extortion and bribery.

For more information on our Communication on Progress in implementing the Ten Principles of the UN Global Compact, please refer on page 229.

Progress/Achievements

In our proactive efforts to create a workplace that is both inclusive and respectful of human rights, we have undertaken several initiatives:

1. **Conducted** training sessions on preventing bullying and sexual harassment for all sales employees and agency promoters
2. **Revised** procurement procedures to explicitly include and underscore the company's Human Rights Policy in third-party contracts
3. **Integrated** briefings on the Human Rights Policy into the New Employee Orientation programme for all new employees
4. **Implemented** an annual refresher e-learning course on Preventing Sexual Harassment for all employees, requiring a minimum passing score of 80 out of 100

As of 2023, there have been no substantiated complaints concerning human rights violations reported within our operations or supply chain.

Going Forward

Looking ahead, we are intensifying our commitment to human rights through targeted initiatives. These steps underscore our dedication to cultivating a workplace culture that prioritises and upholds fundamental human rights principles:

Nationwide Roadshow
Launch a nationwide roadshow to emphasise compliance with our Human Rights Policy for all employees

COMMUNITY, SOCIAL IMPACT AND INVESTMENT

Our awareness of our business impacts on the local communities and the wider society, and our efforts towards creating shared economic value in all our operational locations.

Stakeholder Groups Most Concerned

NGOs, Industry Groups and Local Communities

Why It Is Important

Carlsberg Malaysia Group is dedicated to its mission of brewing for a better today and tomorrow, aiming to improve the present and future for our communities through lasting, positive and sustainable impacts. Our commitment to the UN Sustainable Development Goals (UN SDGs) is a central aspect of our strategy.

Our Approach

Our beers symbolise more than just refreshments; they represent the essence of togetherness and stand at the heart of moments that bring people together.

We channel this spirit of unity into our community engagement efforts, focusing on environmental and social causes that resonate deeply with our stakeholders and the communities we are part of. Understanding the importance of education to our stakeholders, we prioritise this cause, investing in initiatives that enhance educational opportunities and foster learning in our communities.

Equally, we are aware of the environmental challenges posed by glass waste, particularly in East Malaysia where the issue of glass disposal, collection and recycling is not adequately addressed. Our commitment extends beyond mere awareness; we are actively involved in developing and supporting solutions that address the disposal, collection and recycling of glass waste in East Malaysia.

Progress/Achievements

Top Ten Charity Campaign

In Malaysia, the Top Ten Charity Campaign, our annual fund-raising campaign for educational advancement initiated in 1987, has been instrumental in raising funds for vernacular schools through nationwide charity roadshows.

The campaign also raised climate change awareness and sustainability aligned with global trends. This reaffirms our commitment towards our sustainability ambition - Together towards ZERO and Beyond, especially in reducing waste to landfills.

In 2023, the campaign returned after a three-year hiatus with an expanded focus on promoting quality education and climate change awareness, aligning with the UN SDGs. This shift from solely fundraising for education to also raising climate change awareness includes several key actions:

- The collaboration with Zero Waste Malaysia, an initiative to revamp and highlight the importance of climate change awareness, including hosting sustainability talks at the 10 beneficiary schools
- The introduction of a recycling theme in the campaign's key visuals and a dedicated segment to enhance climate change awareness among the audience
- Educating the campaign's artists and school committees about sustainable practices, such as using reusable cutlery backstage and reducing plastic usage for takeaway food during the show

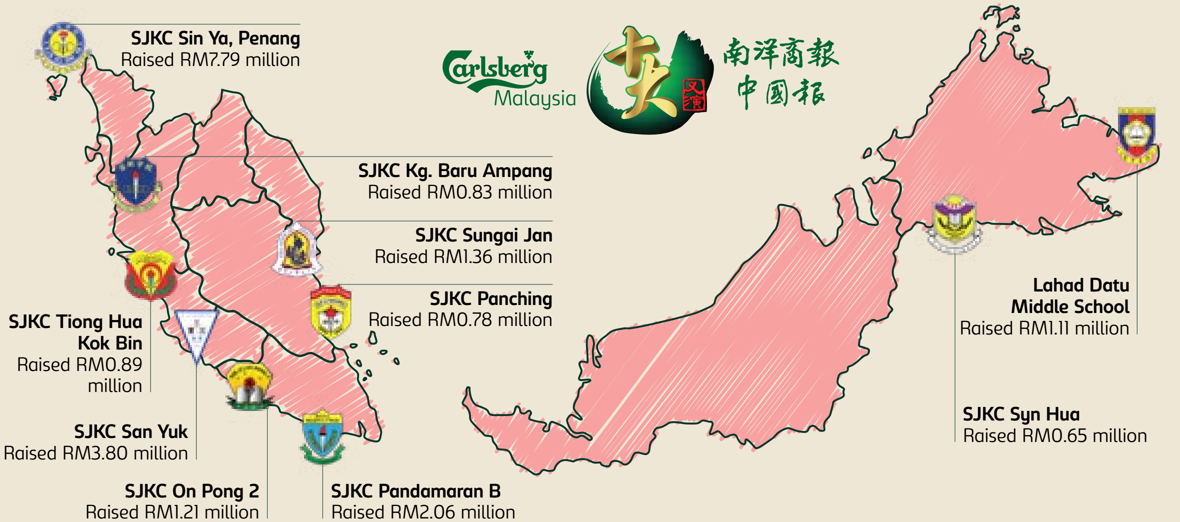
Over the past 37 years, Top Ten Charity Campaign has contributed to the development of vernacular education in Malaysia through its fundraising platform to support school infrastructure upgrades, educational assets and programmes. Regarded as the country's longest running and highest funds raised community engagement platform, it has raised a remarkable sum of RM568 million, benefiting a total of 684 schools in Peninsular Malaysia, Sabah and Sarawak.

With encouraging support and generous donations from all involved, the Top Ten Charity Campaign positively impacted 10 vernacular schools, with a total of RM20.5 million raised for education.

True to Top Ten's mission of 'Brewing for a Better Education Today and Tomorrow,' it delivered a meaningful impact to 10 vernacular schools with a total of RM20.5 million education funds raised, as shown in the table below.

SJKC Sin Ya in Penang raised a staggering RM7.8 million to expand facilities and build infrastructure. It is, to date, the largest amount of proceeds raised in a single charity concert in the history of the Top Ten Charity Campaign.

According to Beh Khoon Seng, Principal of SJKC Sin Ya, Penang, "Top Ten is an exceptional platform that has succeeded in bringing together compassionate individuals to make a significant impact on education. It provided us with much needed support and resources throughout the fundraising activities. It has also gone a step further by inspiring students to become aware of the importance of environmental protection and our teachers to instil environmental consciousness in their teaching."



Lim Kim Leong, Principal of SJKC San Yuk, Rawang, said, "Our school was able to successfully reach our fundraising goal of improving and enhancing school facilities through Top Ten. We are grateful for the assistance provided by Carlsberg. Its support was instrumental in making the event a success, as it helped us overcome significant logistical and publicity challenges. We are proud to have collaborated with Carlsberg in our fund-raising drive, and we are now able to allocate more resources towards improving school facilities".

Another encouraging result was the two schools in Sabah, SJKC Syn Hua and SJKC Lahad Datu Middle School, which collectively raised RM1.8 million.

"Top Ten's unwavering assistance to our school has been truly inspiring. Its support in raising awareness and coordinating efforts has helped us surpass our goal of RM0.6 million, raising a significant amount of RM1.1 million. The success of the event demonstrates the power of community support. We are confident that our grassroots school will continue to thrive and inspire generations to come," commented Tan Cheng Teng, Chairman of Lahad Datu Chinese Chamber of Commerce, Lahad Datu Middle Schools, Lahad Datu.

In partnership with Zero Waste Malaysia (ZWM), teachers and students learned about the significance of waste management and the actions required to effect positive change towards a cleaner and greener environment in schools.

Going Forward

With the Top Ten Charity Campaign's evolving focus on quality education and climate change awareness, we aspire to maintain our leadership position of the charity platform as the longest standing and highest achieving fundraising platform in Malaysia.

Project CarlsBot

The Project CarlsBot glass recycling and community empowerment programme is a joint initiative by Carlsberg Malaysia and Ripple Sabah and seeks to address the overlooked issue of glass waste in East Malaysia, kick-starting in Kota Kinabalu, Sabah. While glass itself is recyclable, glass has been excluded from most waste management initiatives due to its commercial unviability.

The project, recognising the untapped recyclability of glass and its limited commercial appeal, endeavours to develop a localised glass bottle recycling ecosystem. The programme's nomenclature, inspired by Carlsberg's flagship brand, combines 'Carls' with 'Bot', symbolising a robotic mechanism for crushing glass bottles.

The social impact of Project CarlsBot is multifaceted and substantial, as indicated in the visual on the right.

In 2023, Project CarlsBot expanded its reach by installing its CarlsBot machines at two additional sites - Kg. Madsiang in Penampang and Shangri-La Rasa Ria in Tuaran, thereby serving the surrounding communities and providing them with the opportunity to manage their glass waste responsibly. Two Memorandum of Understanding (MoU) ceremonies took place in November 2023 to signify the launch of the sites.

Project CarlsBot has also made significant environmental contributions by diverting close to 22 tonnes of glass waste away from landfills since its inception in November 2022.

In conclusion, Project CarlsBot has demonstrated remarkable progress in environmental conservation and community involvement since its inception as a pilot project in the previous year. By diverting glass from landfill sites and fostering community empowerment, the project has not only minimised environmental impact but has also played a pivotal role in educating and encouraging individuals in the region towards a more environmentally conscious approach.

Going Forward

Looking ahead for CarlsBot, our commitment remains steadfast in enhancing the well-being of the communities where CarlsBot operates. We aspire to extend our positive impact by empowering more communities, reaching beyond the boundaries of Kota Kinabalu, Tuaran and Penampang.

For more detailed information on Project CarlsBot's environmental impact, please refer to ZERO Packaging Waste on page 78

CarlsBot

GLASS RECYCLING AND COMMUNITY EMPOWERMENT PROGRAMME

THREE COLLECTION SITES COVERING KOTA KINABALU, PENAMPANG AND TUARAN IN SABAH

Since the launch in November 2022:

ENVIRONMENTAL IMPACT:
Diverted **22 tonnes of glass waste** from landfills

SOCIAL IMPACT:
1,751 community members involved, consisting of:

- **453 participants** of glass recycling (concreting) workshop
- **1,108 visitors** to TAME
- **190 volunteers** engaged
- Job opportunities for **25 individuals** (encompassing retirees, students, and unemployed youths)

Carlsberg Malaysia X RIPPLE

Tanjung Aru Marine Ecosystem Center (TAME), Kota Kinabalu

Kg. Madsiang, Penampang

The glass waste collection area

"Project CarlsBot signifies a crucial step towards responsible tourism and aligns with our shared values. Through CarlsBot, we hope to create a positive impact and a sustainable legacy for the community in Tuaran".

Alex Phuah, Resident Manager of Shangri-La Rasa Ria *(pictured far right)*

Shangri-La Rasa Ria, Tuaran

ANTI-BRIBERY, CORRUPTION AND COMPETITION

We are steadfast in our commitment to ethical business practices with a zero-tolerance stance on bribery, corruption, and competition law violations, underscoring our commitment to upholding a compliant and accountable corporate culture.

In the context of our Company, once an allegation of violating our Company's Bribery and Corruption Policy is substantiated, it will result in immediate dismissal. Under Malaysian law, such breaches can lead to up to 20 years' imprisonment and a fine of at least ten times the sum or value of gratification, or RM1 million, whichever is higher. As for competition law violations, there is a risk of being fined up to 10% of its global turnover in the EU and other jurisdictions.

Hence, we are guided by a resilient framework of ethical guidelines and policies, ensuring the highest standards of business conduct. These documents collectively establish a robust system aimed at fostering transparency, integrity, and compliance throughout our operations:

Anti-Bribery and Corruption Policy	Code of Ethics and Conduct	Gifts, Entertainment and Donation Manual	Gifts, Entertainment and Donation Handbook
Third Party Screening (Anti-Bribery and Trade Sanctions) Manual	Corporate Sponsorship Standard Operating Procedure	Competition Law Manual	Speak Up Manual

Towards preventing bribery and corruption, we employ a series of structured and pre-emptive initiatives:

- **Q** **Quarterly** calls with Group Compliance to assess the progress of compliance activities, which includes implementing training programmes, executing compliance control frameworks effectively, and addressing ad-hoc requests from the Group
- **B** **Bi-annual** dissemination of Tone from the Top Compliance message to 100% of our employees in Malaysia and Singapore, reminding them to adhere to our Anti-Bribery and Corruption policies and procedures, which includes Conflict of Interest, Third Party Screening, Whistleblowing and Gifts, Entertainment and Donation. In addition, all the members of the Board of Directors are kept informed of our Anti-Bribery and Corruption policies and procedures
- **I** **Annual** regimen of compliance e-learning and training
- **C** **Compliance Camp** was a company-wide event which further heightened awareness of compliance-related topics among employees
- **R** **Regular** reviews of policies and procedures to ensure alignment with both Group and local requirements

Our commitment to anti-corruption is further affirmed through our proactive engagement with Wong & Partners (a member firm of Baker McKenzie) to conduct a comprehensive review of our Anti-Bribery and Corruption frameworks in accordance with Guidelines on Adequate Procedures pursuant to Section 17A of the Malaysian Anti-Corruption Commission (MACC) Act. Section 17A recommends a comprehensive risk assessment every three years, supplemented by intermittent assessments to ensure the integrity levels of an organisation are not compromised. The assessment concluded that our Company has in place comprehensive policies and procedures to counter bribery and corruption risks and is fully compliant with the Adequate Procedures.

Speak Up Channel

We are committed to ensuring that we conduct our business in an ethical and compliant manner. To support this, we have a comprehensive whistleblowing framework and policy to provide an avenue for employees, customers, suppliers, business partners or individuals to report any unethical, illegal or non-compliant practices.

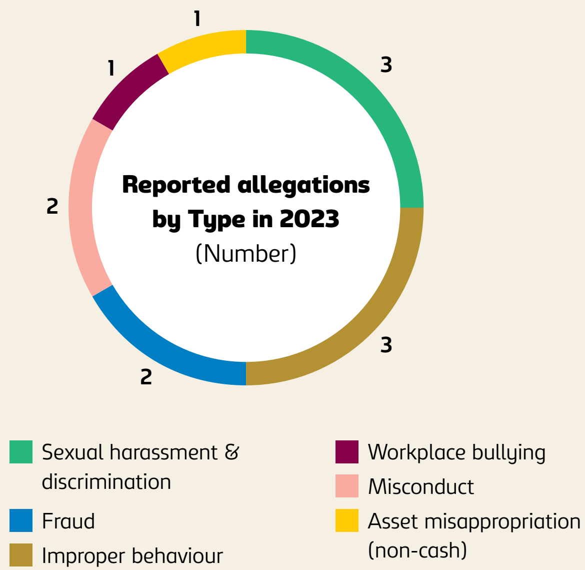
Being part of a multinational organisation, we ensure that each whistleblowing report is treated with care and privacy, and in accordance with the standards and guidelines established globally. Individuals and entities who submit reports in good faith are protected under this policy, without the risk of retaliation.

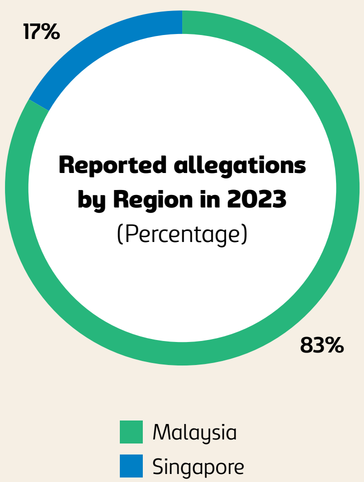
Responding to Concerns

In 2022, a total of nine Speak Up cases were reported in Malaysia. All cases were investigated carefully and upon assessment by both the Company and Carlsberg Group Investigations team, six of the nine cases were found to be substantiated and actions were taken to resolve these cases.

The remaining three cases were found to be unsubstantiated after further investigation. The nature of these Speak Up cases mainly consists of non-compliance with Company policies and procedures.

In 2023, a total of 10 Speak Up cases were reported in Malaysia and a total of two Speak Up cases reported in Singapore.





Out of all the 12 cases reported in 2023, four were substantiated with actions taken to resolve these cases, while six were found to be unsubstantiated. The remaining two cases were pending internal investigation as of 31 December 2023. Two key matters were investigated by the Group Investigations team with one unsubstantiated due to lack of evidence upon further investigation.

The substantiated case was related to sexual harassment and discrimination and not fraud, competition or corruption related.

MARKET LANDSCAPE AND OUTLOOK

ECONOMIC ADJUSTMENT AND CHALLENGES

2023 was a year of adjustment and challenges as the world economy navigated through inflationary pressures, geopolitical tensions and the aftereffects of the pandemic.

GDP GROWTH in 2023

3.7%
Malaysia

GDP GROWTH in 2023

1.1%
Singapore

The global economy in 2023 was impacted by continued inflationary pressures, largely due to supply chain disruptions, the ongoing conflict between Russia and Ukraine, and fluctuating energy prices. These factors contributed to heightened costs of living and doing business worldwide, prompting central banks globally to tighten monetary policy in an effort to curb inflation.

Malaysia's economic growth in 2023 moderated to 3.7% from the 8.7% recorded in 2022, lower than initial forecasts, reflecting the global economic slowdown, persistent inflation and weak external demand. Singapore experienced a further deceleration in GDP growth to 1.1% in 2023, down from 3.8% in the previous year, amid a challenging global trade environment and the tightening of monetary policy worldwide.

Commodity prices remained volatile throughout 2023, with periods of sharp increases in energy and food prices, reflecting the complex interplay of supply constraints and geopolitical tensions. Companies worldwide, including those in Malaysia and Singapore, faced the challenge of managing rising input costs without disproportionately affecting consumer prices. As a result, consumer sentiment in 2023 was cautious, influenced by the cost of living concerns and the uncertain global economic outlook.

MARKET LANDSCAPE AND OUTLOOK

Cautious Consumer Sentiment Weighs on the F&B Sector

Malaysian consumers remained cautious due to concerns over a potential economic downturn, with a significant portion anticipating a recession. Concerns about a potential recession led to cautious financial behaviours, shifting away from discretionary spending towards essentials like groceries and utilities. Despite this, there was an optimistic outlook on economic recovery, supported by government budgetary initiatives aimed at stimulating growth.

Like Malaysia, consumers in Singapore showed a mix of optimism and caution, influenced by regional economic trends. The resilience in consumer sentiment was supported by a stable economic outlook, though concerns about inflation and higher expenses persisted.

There was, however, a significant difference in terms of retail F&B sales performance between the two countries with Malaysia recording a solid year-on-year growth of 13.3%, while Singapore recorded a slower year-on-year growth of 4.1%.

General Industry Trends

The issue of illicit beer sales in Malaysia continues to pose a significant challenge to the industry and the authorities, with estimates indicating that these sales account for approximately 60% of beer consumption in Sabah and Sarawak, and 20% in the Peninsular region. Consequently, the Malaysian government faces an estimated annual shortfall of RM1.5 billion in tax revenues.

Since the onset of the pandemic, the illicit beer market has experienced an approximate 5% growth annually, fuelled by widespread online sales of illegal alcohol. The surge in contraband, fake and unregulated beer on social media and online shopping sites can be attributed to the absence of regulations covering online alcohol sales within the current legal framework.

In response, through collaboration with the authorities and online retailers, e-commerce platforms have introduced measures requiring sellers to obtain licenses for alcohol sales, thereby significantly reducing the online distribution of unauthorised alcohol.

The Confederation of Malaysian Brewers Berhad (CMBB), and with Carlsberg as a key founding member, is actively engaged in efforts to curb the illicit beer market, which adversely affects the government, the industry and consumers. The CMBB also plays a supportive role in enhancing the enforcement strategies employed by various agencies within the Multi-Agency Task Force (MATF).

Additionally, there is a noticeable shift towards premium beer products in the market, as consumers increasingly view beer as an accessible luxury, choosing quality over quantity for their occasional indulgence. Furthermore, the trend towards health and wellness is gaining traction, influencing consumers to make more conscious lifestyle decisions, potentially increasing the acceptance of Alcohol-Free Brew options in the market.

2024 Outlook

For 2024, the outlook of the beer industry in Malaysia and Singapore remains challenging, given the prevailing uncertainties in the economic landscape. We will expand our product portfolios, targeting consumers who are more discerning and health-conscious. Marketing efforts are anticipated to intensify, focusing on brand engagement and attracting new, younger consumers. In Singapore, similar growth dynamics could emerge, emphasising innovation, digital marketing strategies and catering to evolving consumer preferences towards premium and craft beer segments.

However, the Company remains cautious, acknowledging the challenges posed by the current economic climate, including high interest rates, ongoing inflationary pressures and currency fluctuations. As announced in Budget 2024, the introduction of the Sales and Services Tax (SST) increase from 6% to 8% in Malaysia, which takes effect from 1 March 2024, along with its extension to include logistics services, adds another layer of complexity which may potentially impact overall consumer sentiment. However, we acknowledge that the Malaysian government has also adopted a nuanced approach to the tax adjustment by exempting the eateries from the increase in SST, so as to not overburden consumers.

Over in Singapore, the government raised the Goods and Services Tax (GST) by 1% to 9% as of 1 January 2024 and this increase is expected to put some economic pressure on consumers.

As Carlsberg Malaysia Group navigates through these challenges and opportunities, the company's strategic focus on innovation, targeted marketing and adapting to consumer preferences will be crucial. The evolving landscape of the beer industry in Malaysia and Singapore presents a complex mix of growth prospects tempered by economic uncertainties. Yet, with careful planning and adaptability, Carlsberg Malaysia Group is well-positioned to capitalise on emerging trends and maintain its growth trajectory in 2024.

Carlsberg Malaysia Group
REVENUE
in 2023 vs 2022

-7.1% *Malaysia*

-4.3% *Singapore*

STAKEHOLDER ENGAGEMENT AND ADVOCACY

Why It Is Important

At Carlsberg Malaysia Group, we engage with stakeholders by understanding their needs so we can deliver value and build a better, more resilient and sustainable business.

Our interactions and conversations with stakeholders are vital in gaining insights into their priorities, whereby such open lines of communication are fundamental to nurturing trust, allowing us to tailor our responses effectively. The feedback we receive is instrumental in shaping the focus of our sustainability initiatives. Through collaborations, we are empowered to advance Together towards ZERO and Beyond.

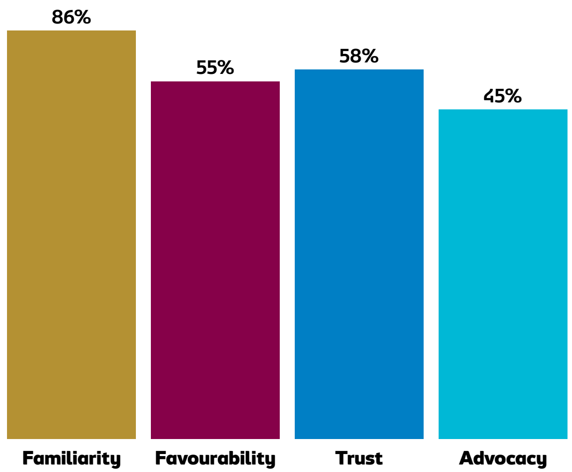
The Group manages our stakeholders responsibly and effectively through proactive engagement with our consumers, customers, employees, investors and communities as we recognise the importance of consistently strengthening trust and demonstrating our appreciation for their support. We also communicate closely with our suppliers to ensure that their operating standards are aligned with ours.

Going forward, as we continue to live our purpose of 'Brewing for a Better Today and Tomorrow', we are inspired to develop more inclusive and effective engagement activities to identify, understand and address what matters most to our stakeholders.

Ipsos Corporate Reputation Tracker

In 2023, the Carlsberg Group embarked on a Corporate Reputation Tracker, working with Ipsos. Carlsberg Malaysia was one of the four markets in Asia invited to participate in the survey which involved monthly online interviews with the general population.

Ipsos measures corporate reputation based on their Reputation Model and looks at four pillars – Familiarity, Favourability, Trust and Advocacy.



These scores represent the percentage of sampled respondents who provided positive responses on these four key reputation metrics.

The survey, which took place between May and December 2023, revealed that Carlsberg Malaysia has a strong and robust reputation, underpinned by innovation as a key driver of trust within the company. Notably, we have won the trust of 58% of survey respondents in Malaysia, placing it ahead in the key reputation metrics of favourability and advocacy compared to other competitors.

Carlsberg Malaysia's reputation benefits from a blend of emotional and rational trust drivers. Emotionally, the company resonates with consumers through shared values and a commitment to environmental stewardship. Rationally, we are perceived as innovative, with a clear vision for the future, and a sound investment choice, reflecting our financial management acumen.

Moreover, Carlsberg's products emerge as the strongest drivers of advocacy behaviour, suggesting that its offerings resonate well and encourage recommendations among consumers.

Noteworthy Stakeholder Engagement Activities of 2023

2023 was a year of reconnecting with our key stakeholders face-to-face post-pandemic. We would not have made it this far without the support of our stakeholders, thus we organised various initiatives so that they could join us in our engagement activities, and forge even closer ties with us.

RESUMPTION OF BREWERY VISITS

March 2023 onwards

Significance of event and what was achieved:
We resumed Brewery Visits to Probably the Best Lounge in March 2023, welcoming key stakeholders such as our customers, trade partners, consumers, members of the business fraternity, industry groups and institutions of higher learning. We also received 289 of our shareholders, who enjoyed learning about the company through a tour of the brewery and by engaging with our colleagues. In 2023 alone, we received 7,801 visitors to the brewery.

'RAIKAN KEBANGGAAN SABAH & SARAWAK' CONSUMER CAMPAIGN

April – June 2023

Significance of event and what was achieved:
The 'Raikan Kebanggaan Sabah & Sarawak' campaign connected with beer lovers in East Malaysia during the Harvest and Kaamatan Festivals. Our East Malaysian consumers stood a chance to win cool gadgets including the iPad Air, iPhone and AirPods with purchase of Carlsberg Danish Pilsner or Carlsberg Smooth Draught. This campaign was well received by our consumers. Bars, pubs, food courts, coffee shops, super and hypermarkets and other retail outlets participated in the campaign.

LISTENING TO OUR STAKEHOLDERS

Stakeholder engagement is a core part of our approach to sustainability. It enables our stakeholders to understand our needs and priorities, and for us to also understand the needs and priorities of our stakeholders – our consumers, customers, employees, shareholders and local communities—and plays a big part in our efforts to prioritise sustainability in our operations and drive the progress of TTZAB.

Engagement Method	Frequency	Top Issues and Concerns	Our Efforts	Alignment with UN SDGs	Material Matter(s)
Consumers					
· Marketing campaigns · Product launches and sampling · Advertising and promotions, events and trips	· Active and regular basis	· The consistent quality, relevance and attractiveness of our products · How our products are packaged with sustainability and health-conscious principles in mind to align with consumers' growing awareness of personal well-being and climate-change · The need to raise awareness, promote moderation in consumption, tackle misuse and reduce alcohol-related harm in society	· To engage with and excite consumers, we launched *#BestWithCarlsberg* campaign with a luxury gateaway trip to Langkawi and continued celebrating the Kaamatan and Gawai festivals with limited-edition packaging · Launched Alcohol-Free Brew (AFB) Somersby Apple 0.0 in Malaysia and Singapore to complement the Carlsberg 0.0 Pilsner and Carlsberg 0.0 Wheat AFBs in Singapore. · Expanded the annual **#CELEBRATE**RESPONSIBLY campaign to Sabah and Sarawak · Upcycled the consumed bottles of Carlsberg Smooth Draught and 1664 as photo display and fairy light lamps at consumer-facing events	3 GOOD HEALTH AND WELL-BEING 12 RESPONSIBLE CONSUMPTION AND PRODUCTION	· Product Quality and Safety · Preventing Harmful Use of Alcohol · Product Health Impact
Customers					
· Trade and market visits · Distributors' conferences and trips · Responsible drinking partnerships	· Scheduled on a weekly or regular basis, except annual trips	· The consistent quality, relevance and attractiveness of our products in comparison to our peers · How we can partner with customers to raise awareness and prevent the harmful use of alcohol at their outlets	· Constant engagement with key customers via joint business plans, trips and discussions · Supported customers with impactful promotions and activities to drive footfall · Helped mitigate the risks of irresponsible drinking with the rollout of **#CELEBRATE**RESPONSIBLY initiatives at outlets	12 RESPONSIBLE CONSUMPTION AND PRODUCTION 17 PARTNERSHIPS FOR THE GOALS	· Product Quality and Safety · Preventing Harmful Use of Alcohol
Employees					
· Global employee survey on employee engagement · Performance reviews · Town halls · Company conference and dinner · Internal communications, contests and activities · Consultations, dialogues and feedback	· Biennial · Twice a year · Monthly · Annual · Regular · Regular	· How we are able to recognise and hone the potential of our employees and continuously engage with them · How we build a workplace culture where all employees are treated fairly and embrace diversity, equity and inclusiveness · Our increased focus on employees' overall well-being and ensuring a safe working environment across all operations	· Conducted the annual strategy conference and monthly town halls to keep employees informed and engaged · Implemented several development and leadership programmes to identify, grow and retain talent · Carried out 'Results to Action' survey based on team feedback and focus groups · Hosted awareness programmes to promote gender and ethnic diversity in the workplace · Took part in several career fairs to recruit undergraduates and talents in Malaysia and Singapore · Won several HR-related awards that strengthened the Group's employer value propositions	3 GOOD HEALTH AND WELL-BEING 10 REDUCED INEQUALITIES	. Talent and Talent Development . Diversity, Equity and Inclusion · Employee Safety, Health and Wellness

Engagement Method	Frequency	Top Issues and Concerns	Our Efforts	Alignment with UN SDGs	Material Matter(s)
Policymakers and Business Councils					
· Engagement by the Group and/or through industry organisations, such as CMBB and SBIA · Involvement in the EUROCHAM, DANCHAM, FMM and MICCI ***CMBB:*** *Confederation of Malaysian Brewers Berhad* ***SBIA:*** *Singapore Beer Industry Association* ***EUROCHAM:*** *European-Malaysian Chamber of Commerce* ***DANCHAM:*** *Danish Chamber of Commerce Malaysia* ***FMM:*** *Federation of Malaysian Manufacturers* ***MICCI:*** *Malaysian International Chamber of Commerce and Industry*	· On scheduled and as needed basis	· Our ability to tackle the sale of illicit alcohol under our brand, which may not meet safety standards · Our ability to tactfully navigate domestic concerns with regard to the sale of alcohol · Our ability to operate sustainably and meet the country's transition roadmap to low energy, and carbon disclosure and legislation	· Conducted roundtable dialogues with the Ministry of Finance and the Multi-Agency Task Force (MATF), Ministry of Domestic Trade and Costs of Living, and Ministry of Health to address smuggling and the illicit alcohol trade · Proactive engagement with policymakers and authorities, as well as discussions with industry associations and NGOs, on our economic impact and taxes, alongside product quality and safety · Published our annual report with our financial and non-financial performance	16 Peace, Justice and Strong Institutions 17 Partnerships for the Goals	· Threats to Commercial Freedom
Shareholders and Investors					
· Annual Report · Annual General Meeting · Analyst briefings · Investor calls · Investor section on website	· Annual · Annual · Biannual	· Our commitment to going beyond financial performance to focus on ESG compliance and aspirations · Our ability to create positive economic impact through our business activities and support the wider value chain · How we continuously fulfil our taxation responsibilities in the economies which we operate · Our ability to deliver dividends and shareholders' value	· Published our ESG dashboard and reported on our ESG initiatives, targets and results · Published our annual report with our financial and non-financial performance	16 Peace, Justice and Strong Institutions	· Economic Impact and Tax · Threats to Commercial Freedom
Suppliers and Vendors					
· Code of Conduct and Policy · Integrated quality audits · Partnerships to support progress in our value chain carbon targets · ESG-related engagements	· On scheduled and as needed basis	· Our partnerships with them to improve adherence to human rights and labour standards · Our partnerships with them to improve adherence to environmental standards	· Communicated and ensured compliance with our Supplier and Licensee Code of Conduct and Sourcing Policy, supported by scheduled audits · Explored partnerships to reduce our shared carbon footprint in areas like packaging, transport and refrigeration · Enrolled three suppliers in the AIM-Progress forum to support our responsible sourcing programme · Involved our suppliers in the glass bottle recycling and community engagement programmes	13 Climate Action 17 Partnerships for the Goals	· Human Rights and Labour Standards · Adapting to Climate Change · Energy and Carbon · Waste Management · Sustainable Packaging and Materials
Non-Governmental Organisations and Sustainability Council					
· Consultations · Partnerships · Learning Programmes	· Ongoing	· Our partnerships with them to fine-tune our ESG strategy and value-add to society	· Pledged to improve our sustainability governance through Climate Governance Malaysia · Supported the Ten Principles of the United Nations Global Compact on human rights, labour, environment and anti-corruption · Partnered with Ripple Sabah to operate Project CarlsBot · Consulted Bursa Malaysia to improve our inclusivity and transparency in sustainability reporting	13 Climate Action 17 Partnerships for the Goals	· Community, Social Impact and Investment · Adapting to Climate Change

VALUE CREATION MODEL

Carlsberg Malaysia Group (the Group) is guided by the International Integrated Reporting Council (IIRC) framework under the IFRS Foundation when preparing this Value Creation Model. The Group made responsible choices and decisions in its capital allocations, which were made to support its SAIL'27 corporate strategy and Together towards ZERO and Beyond ESG programme to generate sustainable value for its key stakeholders, as aligned with its pledge towards the UN Sustainable Development Goals (UN SDGs).

INPUTS

FINANCIAL (as of 31 December 2023)

- Market capitalisation: RM5.9 billion
- Shareholder equity: RM229.1 million
- Share capital: RM149.4 million
- Total assets: RM1,017.3 million

INTELLECTUAL

- Brand equity
- Industry experience and knowledge
- Extensive route-to-market strategy
- Demand-and-supply planning system (OnePlan)
- AI-powered sales insights and measurement tool (Image Recognition)

MANUFACTURED

- 1 corporate office each in Malaysia and Singapore
- 1 brewery in Malaysia
- 18 sales offices across Malaysia and Singapore
- 1 bonded warehouse within the brewery and 2 external bonded warehouses, all located in Shah Alam. 1 bonded warehouse in Jurong, Singapore

HUMAN

- 637 driven and future-ready employees in Malaysia and Singapore
- Diverse, equitable and inclusive team
- 109 contract workers in the brewery
- 111 merchandisers in Malaysia
- 237 sales promoters in Singapore

NATURAL

- Water for beverages production and brewing facilities
- Trees for product packaging and point-of-sales materials
- Energy for production and logistics
- 29.63 acres of land for premises and facilities

SOCIAL AND RELATIONSHIP

- Strong long-term relationships with key stakeholders

KEY ACTIVITIES

OPERATIONAL SUPPORT
to meet listing requirements and business sustainability

BREWING AND BOTTLING
our beverages

DISTRIBUTING
our products in Malaysia, Singapore and other markets in Asia

SALES
to on-trade and off-trade retailers and e-commerce operators

MARKETING
to consumers to
#CELEBRATERESPONSIBLY

KEY DIFFERENTIATORS

- Proud brewing heritage and expertise
- Leading brands in beer, stout, cider and alcohol-free brews
- Quality and innovative brews
- Sustainability-focused
- Purpose-driven team

MARKET CONTEXT

- Evolving consumption habits and trends
- Highly regulated operating environment
- Restricted advertising and marketing
- Increased expectations in sustainability
- Price disparity with contraband and illicit beers

OUTPUTS

FINANCIAL (as of 31 December 2023)

INTELLECTUAL

MANUFACTURED

HUMAN

NATURAL

SOCIAL AND RELATIONSHIP

OUTCOMES

- Net profit: RM327.3 million
- Revenue: RM2.3 billion
- Earnings per share: 107.03 sen
- Total dividend declared and proposed: 93 sen per share
- Contribution of RM1.2 billion in excise duties and taxes
- Winner of The Edge Billion Ringgit Club Award for Highest Return-On-Equity for four consecutive years

- New packaging for 1664 and SKOL beer
- Launched limited-edition 1664 Prestige in Malaysia and Singapore
- Alcohol-free beverages Somersby Apple 0.0 and Somersby Passionfruit & Orange launched in Singapore
- Delisted Asahi in both Malaysia and Singapore on 31 December 2023
- Announced new partnership with Sapporo effective 1 January 2024

- Brewery transformation: Upgraded state-of-the-art production facilities
- Workplace enhancement: Open office concept with ergonomic desks, upgraded carpark facilities with sheltered pedestrian walkway, cafeteria
- Upgraded hospitality lounge

- Strong female representation in the senior leadership team
- Healthy succession pipeline
- A highly engaged team with low turnover rates
- Enhanced gender diversity across the company with an increased total female population
- Won awards in Employee Experience, being the Employer of Choice and the Most Preferred Graduate Employers to work for in 2022

- 2.1% increase in energy consumption vs 2022
- Zero use of coal
- Zero waste to landfill
- 6% reduction in water usage and 13% reduction in water loss through the production process compared to 2022

- Engaged with over 7,490 consumers who pledged to **#CELEBRATE**RESPONSIBLY
- Received Recognition award for UNGCMYB's Forward Faster Sustainability Awards 2023 for our partnership with Ripple Sabah for Project CarlsBot

REFERENCES

Read more about SAIL'27 in our Management Discussion and Analysis on page 46

To understand who our stakeholders are and their primary concerns, see pages 113-115

RISKS AND OPPORTUNITIES

Risk Management

The Management assesses each risk based on its probability of occurrence and impact, guiding the formulation of appropriate mitigating activities. Our aim is to mitigate risks impacting our strategic objectives, while also managing our risk appetite to ensure sustainable shareholder value. In practice, new or emerging risks are proposed by the risk owner in quarterly meetings led by the Managing Director. Enclosed are five key risks we have identified in 2023 and their corresponding mitigating measures.

Key Risks	Risk Description	Mitigating Activities	Link to Material Matter(s)
Economic Uncertainty Risks	The depreciation of the Malaysian ringgit, combined with the volatility in commodity prices, disruption to logistics, inflationary pressures on fuel and transportation expenses, leading to the increase in input costs.	With the support from the Carlsberg Group, we secure long-term contracts with key suppliers and implement hedging on selected commodities to mitigate price risks and ensure stability. Additionally, we expand our vendor coverage of key materials to ensure continuity of supply and competitiveness, even in volatile economic conditions.	**Economic Impact and Tax, Responsible Supply Chain Management**
Supply Chain-Related Risks	Interruptions in water supply, machinery breakdowns, natural disasters or fire incidents could lead to significant production disruptions and downtime.	We implement preventive maintenance plans and long-term capital expenditure plans for plant upgrades as part of our brewery transformation project. We also optimise tube well utilisation and provide technical capability training for our employees on machinery operation. Furthermore, we conduct monthly safety and fire risk assessments, as well as annual fire drills as precautionary measures.	**Adapting to Climate Change; Responsible Supply Chain Management**
	The disruption in the supply of materials can severely impact production processes, causing delays in fulfilling orders and meeting customer demands.	We ensure that we appoint multiple vendors that can supply key materials and simultaneously, identify backup suppliers to further safeguard against supply chain disruptions. We also maintain adequate buffer stocks of raw and packaging materials, taking into consideration extended lead times required, especially for items transported via sea freight.	
Taxes and Illicit Beer Risks	The rise in smuggled beer and parallel imports will lead to significant revenue and profit reductions.	Through the Confederation of Malaysia Brewers Berhad (CMBB), we engage with government agencies such as the Ministry of Finance and the Royal Malaysian Customs to address the issue of contraband beer products. Additionally, we actively participate in the Multi-Agency Task Force (MATF) to further strengthen enforcement on the illicit alcohol trade. The MATF is led by the Finance Minister, which includes representatives from the Royal Malaysian Customs, the Ministry of Domestic Trade and Costs of Living, the Ministry of Health, the Police, the Marine Department, and the Malaysian Communications and Multimedia Commission. As for Singapore, we regularly monitor the movements of parallel imports and ensure that competitive pricing, promotions and marketing activities are in place.	**Economic Impact and Tax, Threats to Commercial Freedom**
	Any rise in excise duty will result in the increase in consumer price that will negatively impact sales volumes and will also pave the way for an increase in contraband beer products.	We maintain regular communication with authorities via CMBB to advocate for the retention of excise duties, expressing our viewpoints on the economic viability of local beer manufacturers. In Singapore, we actively engage in discussions with authorities through the Singapore Beer Industry Association to advocate for policies that balance the government's revenue needs with the industry's sustainability and competitiveness.	

Key Risks	Risk Description	Mitigating Activities	Link to Material Matter(s)
IT and Cybersecurity Risks	Security breaches like email phishing, ransomware, malware and viruses can jeopardise sensitive data, posing a substantial risk to our organisation. Financial implications include costs of investigation, remediation, legal fees, regulatory fines and revenue loss due to operational disruptions.	We enforce strict policies to prevent unauthorised application installations and utilise advanced security tools to monitor administrators and prevent privilege misuse. Regular software updates are conducted, and breach reporting is facilitated through the Carlsberg Group's Security Operations Centre. Additionally, routine penetration tests on our IT infrastructure and annual evaluations of our user access matrix are conducted to ensure continuous cybersecurity effectiveness.	Data Security and Privacy
Legal and Regulatory Compliance Risks	The potential for bribery and corrupt practices poses significant threats to our company. Under Section 17A of the Malaysian Anti-Corruption Commission Act 2009, officers, senior management and company directors bear personal liability for the company's corrupt practices.	We perform quarterly compliance risk assessments on all functions, which are documented in risk registers. Additionally, we implement relevant policies and manuals in areas involving Gifts, Entertainment and Donations, Third Party Screening, and Trade Sanction Screening. Employees are provided training periodically.	Anti-Bribery, Corruption and Competition; Corporate Governance and Risk Management
	Failure to adhere to statutory requirements may result in severe consequences, including substantial penalties and the potential revocation of our manufacturing license.	We conduct quarterly compliance checks and stay updated on regulations from government agencies and authorities. We also conduct regular training sessions to ensure continual awareness and adherence to compliance standards.	

Opportunities

In line with our SAIL'27 strategy, the Management constantly reviews market dynamics and conducts market research to leverage opportunities for growth. We are guided by our strategic priorities to innovate our brewing capabilities and expand our portfolio while also tapping into climate-related opportunities to meet our carbon neutral targets.

Opportunities	Description	Link to Material Matter(s)
Brewery Transformation	As part of our brewery transformation journey, we installed a state-of-the-art bottle filling line in the second half of 2022. It enabled us to improve our production capabilities and packaging complexities. In 2024, we will further enhance our production with a new canning line and upgrade our beer filtration plant to improve production efficiency and ensure that we are future-ready for higher production capacity.	Economic Impact and Tax
Brand Premiumisation	Despite a 15% sales decline in 2023 vs 2022 due to the poor consumer sentiments, we remain committed to our strategy to accelerate premiumisation. Our premium portfolio remains attractive with stable growth potential in recent years. We are committed to continue increasing our marketing investment to drive premiumisation while developing our execution capabilities to accelerate growth.	Economic Impact and Tax
Expansion of Alcohol-Free Brews (AFBs)	Our leadership in the Alcohol-Free Brews (AFBs) category is further supported by variant innovation of Somersby Apple 0.0. In 2023, Somersby Apple 0.0 was introduced in Singapore, in addition to the existing AFB offering of Carlsberg 0.0 Pilsner and Carlsberg 0.0 Wheat. Committed to offer AFBs to consumers in line with our ZERO Irresponsible Drinking programme, we aim to promote this category through increased investments in brand building, sampling and leveraging our strong route-to-market.	Product Health Impact
Sustainable Packaging	Aspiring to deliver ZERO Packaging Waste, we use more sustainable materials for our primary and secondary packaging to reduce our environmental footprint. We are cognisant that investments in circular handling of packaging may result in higher operation costs, hence we strive to collaborate with our vendors and suppliers to minimise costs while maximising the life-span of our packaging. This will contribute to the reduction of carbon emissions and water consumption. In Singapore, we are also supportive of the Beverage Container Return Scheme that is expected to commence in 2025.	Sustainable Consumer Behaviour, Sustainable Packaging and Material

CORPORATE GOVERNANCE

ABOUT THIS CORPORATE GOVERNANCE STATEMENT

This Corporate Governance Overview Statement is prepared in compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and sets out our report to shareholders on the status of the Group's corporate governance practices. It is to be read in tandem with our Corporate Governance Report 2023, which details our application of the principles contained in the Malaysian Code on Corporate Governance 2021 (MCCG 2021). The Corporate Governance Report 2023 can be viewed online at www.carlsbergmalaysia.com.my.

OVERVIEW OF THE BOARD OF DIRECTORS ("BOARD")

The Board holds the responsibility for ensuring that the Group and its businesses adhere to regulatory requirements and uphold high standards of corporate governance, all in the pursuit of safeguarding and enhancing shareholders' value. In the best interests of the Group, the Board actively engages in key responsibilities, encompassing the review of the Group's strategic plans and internal controls, sustainable business practices, risk management, and succession planning.

With a composition of Directors from varied backgrounds, diverse skillsets, and expertise, the Board is well-equipped to effectively fulfil its duties. Delegating specific responsibilities to committees such as the Audit Committee ("AC"), Nomination & Remuneration Committee ("NRC") and Risk Management & Sustainability Committee ("RMSC"), the Board ensures focused attention on strategic and material matters in the business. For detailed insights into the terms of reference of both the Board and its committees, please refer to our corporate website: www.carlsbergmalaysia.com.my.

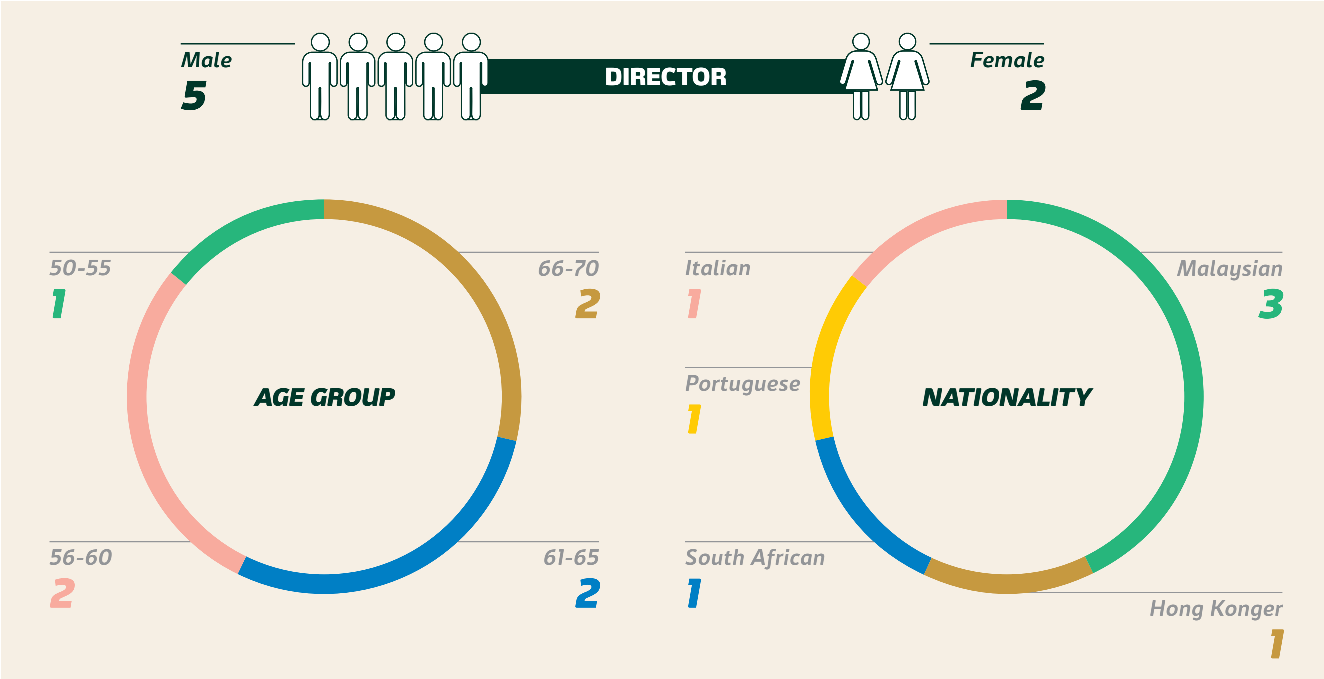
On 1 May 2023, the Group welcomed Eric Ooi Lip Aun as the new chairman for both AC and RMSC, succeeding Chew Hoy Ping, who retired after a commendable nine year directorship with the Group. His retirement is in alignment with the Group's Board Charter, which stipulates that an independent director should not exceed a cumulative term of nine years.

INFORMATION ON THE BOARD

Board Composition

As at the date of this report, the Board has a total of seven Directors, led by an Independent Non-Executive Chairman. The current size and composition of the Board allows for objective and independent deliberation, review and decision-making.

The Non-Independent Directors are nominated by the major shareholder, Carlsberg Breweries A/S, which allows the Group to fully leverage the skills and experience of the Carlsberg Group in the best interests of the Group and its stakeholders.



INFORMATION ON THE BOARD

Roles of Chairman and Managing Director are separate and clearly defined

In compliance with Practice 1.3 of MCCG 2021, the roles of the Chairman and Managing Director are held by two different individuals and their roles and responsibilities are made clearly distinct to enhance the existing balance of power and authority. The role of Chairman is held by Tan Sri Dato' Seri Chor Chee Heung while the role of Managing Director is held by Stefano Clini. The respective roles and responsibilities of the Chairman and Managing Director are set out as below:

CHAIRMAN	MANAGING DIRECTOR
• Responsible for the leadership, effectiveness, conduct and governance of the Board • Collectively with the Board, holds the Managing Director and Management Team accountable for meeting strategic objectives of Carlsberg Malaysia Group	• Responsible for the day-to-day management of the operations of Carlsberg Malaysia Group as well as the implementation of the Board's policies, directives, strategies and decisions • Accountable to the Board for ensuring the Management Team performs based on approved strategies

Independence of Non-Executive Directors

The Non-Executive Directors play an instrumental role in the establishment of a solid foundation for good corporate governance. All of the Non-Executive Directors are considered by the Board to be independent of Management and free from any relationships that could interfere with the exercise of their independent judgement. The Non-Executive Directors have a diverse range of business, financial and management skills and experiences which contribute significantly to the Group's corporate strategy.

Other information on Directors

- Each Director does not have any family relationships with any other Director and/or major shareholders of the Group.
- Each Director does not have any conflict of interest with the Group.
- Each Director has not been convicted of an offence in the last five years, nor has any public sanction or penalty been imposed on them by the relevant regulatory bodies during the financial year 2023, other than traffic offences, if any.
- Details of the Directors' attendance at Board and Committees' meetings are set out in the Corporate Governance Overview Statement on page 122 of this report.

BOARD ACTIVITIES

The Board considered and reviewed the following matters in FY 2023:

Financial Matters

- Quarterly financial results
- Interim/Final dividend
- Capex investments
- Related party transactions and recurrent related party transactions
- Budget for the coming financial year
- Quarterly internal audit reports

Operational Matters

- Supply chain updates
- Sales updates
- Marketing activities updates
- Corporate affairs/regulatory matters
- Litigation /recovery updates
- HR updates, including DE&I initiatives
- Major capex investments project
- Insurance updates
- IT and cybersecurity updates
- Statutory compliance for licences and permits

Strategic and Governance Matters

- Strategic and commercial updates in quarterly Board meetings
- The Group's strategy
- Remuneration for Management Team and Executives
- Talent management updates and succession planning
- Key performance objectives of the Management Team
- Board Effectiveness Evaluation findings
- Corporate governance updates

Risk and Sustainability Matters

- Quarterly risk register updates (including ABC risk register)
- Quarterly compliance activities
- Progress reporting on Speak Up matters (whistleblowing cases)
- Sustainability strategies and policies, including the implementation of the Carlsberg Group's Together towards Zero and Beyond (TTZAB) ambitions

Matters reserved for the Board

There is an agreed list of matters reserved for the Board's collective decision, formalised in the Board Charter as follows:

- Conduct of the Board – appointment and removal of Directors and Company Secretaries, appointment of Board Committees' members and their terms of references;
- Remuneration – remuneration structure and policy for Directors (including Managing Director);
- Operational – business strategies and operational plan, capital expenditure, annual budgets and investment or divestment in business/capital projects/undertakings;
- Financial – financial statements, dividends and accounting policies.

BOARD ATTENDANCE IN FY 2023

Directors	Attendance Record
Tan Sri Dato' Seri Chor Chee Heung *Independent Non-Executive Chairman*	4/4
Stefano Clini *Managing Director*	4/4
Eric Ooi Lip Aun *Independent Non-Executive Director* **appointed as at 1 May 2023*	3/3
Datuk Lee Oi Kuan *Independent Non-Executive Director*	4/4
João Miguel Ventura Rego Abecasis *Non-Independent Non-Executive Director*	4/4
Gavin Stuart Brockett *Non-Independent Non-Executive Director*	4/4
Chan Po Kei Kay *Non-Independent Non-Executive Director*	4/4
Chew Hoy Ping *Senior Independent Non-Executive Director* **resigned as at 1 May 2023*	1/1

DIRECTORS' INDUCTION AND TRAINING

A comprehensive and tailored induction is provided to all new Directors following their appointment to the Board to enable the new Director to contribute effectively from the onset of his/her appointment. This includes meetings with the Managing Director, Management Team and key senior executives to gain an understanding of the Group's businesses as well as a visit to the brewery.

The NRC has the mandate to ensure that the Board receives continuous training on topics which are relevant to the Group and the individual Director's roles. To this end, a training list setting out the relevant training programmes, seminars and conferences is shared with the Directors on a quarterly basis as well as ad hoc training, seminars and conferences.

The Company Secretaries also provide the Board with updates on relevant legal and regulatory developments and changes in environmental, social and governance matters in the quarterly Board meeting.

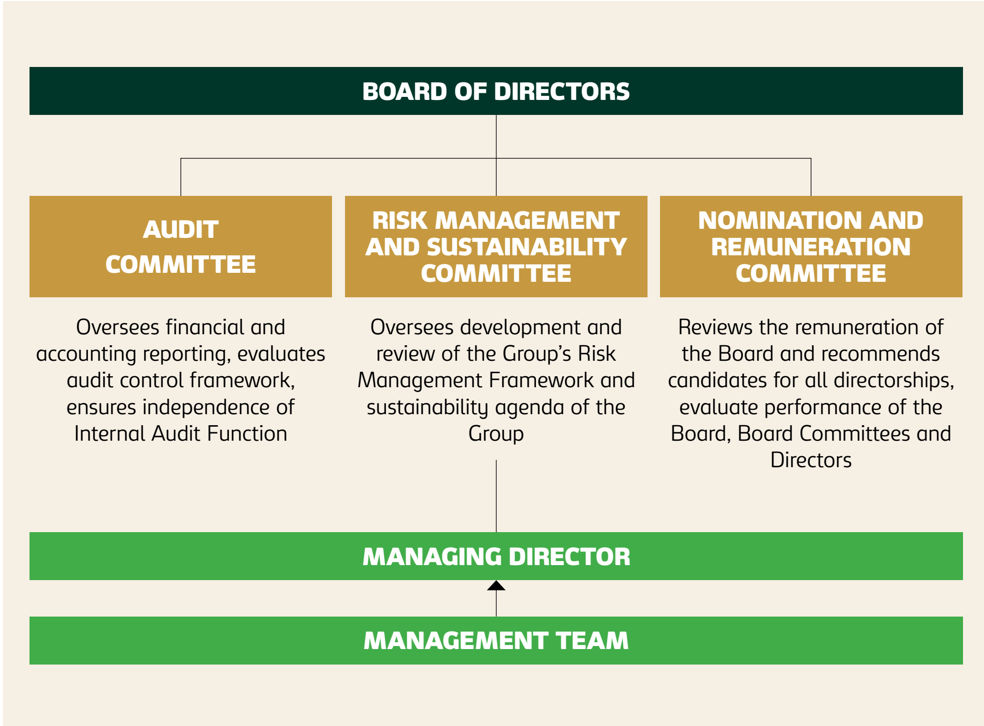
The training programmes attended by the Board in FY 2023 are set out by topic below:

Subject Matter	Training Sessions
Leadership	31
Governance and Risk Management	4
Cybersecurity	2
Sustainability	7
Operational	13

GOVERNANCE CHART

The governance framework of the Group is anchored by the Board and complemented by its diverse Committees, underpinned by the Group's standards, policies, and a comprehensive risk management and internal control framework all elaborated upon in this report. At the forefront of the governance structure, the Board oversees and directs these mechanisms, entrusting specific duties to key Committees: the Audit Committee, Risk Management & Sustainability Committee, and Nomination & Remuneration Committee. Regular updates on Committee proceedings are delivered to the Board during its meetings by the respective Chairman or Chairperson.

Playing a pivotal role in coordinating these governance facets, the Company Secretaries serve as the secretarial support for both the Board and its Committees.



COMPANY SECRETARIES

The Board is supported by two qualified and competent Company Secretaries as follows:

(a) Ms Koh Poi San was appointed as the Company Secretary with effect from 19 February 2020. She is also the Legal & Compliance Director, leading both functions in the Group, and a member of the Management Team.

(b) Ms Chia Cai Jin was appointed as the Assistant Secretary with effect from 11 October 2021. She is an Associate member of the Malaysian Institute of Corporate Secretaries and Administrators (MAICSA) since 2021, and is also currently the Legal Manager of the Group.

Both Company Secretaries have the requisite credentials and are qualified to act as company secretaries under Section 235(2) of the Companies Act 2016. The role of the Company Secretaries is to provide the following support to the Board and the Committees:

- Ensure compliance with listing and related statutory obligations as well as provide updates on regulatory requirements, codes, guidance and relevant legislation;
- Ensure adherence to Board and Committees' policies and procedures, rules, relevant laws and best practices on corporate governance;
- Ensure the Directors are provided with the relevant agendas and sufficient information prior to meetings;
- Attend Board, Committee and General Meetings and ensure the proper recording of minutes and follow up on matters arising;
- Advise the Board and Committees on corporate administration and governance matters;
- Ensure proper upkeep of statutory registers and records and maintain a secure retrieval system which stores meeting papers and minutes of meetings; and
- Assist the Chairman in the planning and execution of meetings in terms of policies and procedures, as well as updates on regulatory requirements, codes, guidance, and relevant legislation.

The Company Secretaries are supported by an external consultant, Tricor Corporate Services Sdn Bhd, which provides support on corporate secretarial matters and regulatory compliance as well as additional advice on issues pertaining to compliance and corporate governance.

NOMINATION AND REMUNERATION COMMITTEE REPORT

The NRC is responsible for, among others, succession planning, determination of Directors' remuneration package and annual assessment of the Board and Board Committees. It comprises three members with the majority being Independent Non-Executive Directors, including the Chairperson.

The Managing Director attended all the meetings for the purpose of briefing the NRC on the activities involving his areas of responsibility. The NRC held a total of four meetings in FY2023.

	Attendance Record
Chairman	
Datuk Lee Oi Kuan *Independent Non-Executive Director*	4/4
Member	
Eric Ooi Lip Aun *Independent Non-Executive Director*	1/1
Chan Po Kei Kay *Non-Independent Non-Executive Director*	4/4
Chew Hoy Ping *Senior Independent Non-Executive Director* **resigned as at 1 May 2023*	3/3
Tan Sri Dato' Seri Chor Chee Heung *Independent Non-Executive Chairman* **resigned as at 24 February 2023*	2/2

Summary of Work Performed by the Nomination and Remuneration Committee

The main activities the NRC undertook during FY2023 were as follows:

- Interviewed and assessed candidates for the new independent director who would also be appointed as the new chairman of the AC and RMSC. Appropriate candidates were sourced from internal recommendations as well as external recruitment firms;
- Reviewed the Managing Director and Management Team's key performance objectives and their annual performance;
- Reviewed and assessed the effectiveness of the Board, the Board Committees and the contribution of each existing individual Director, and reported its findings to the Board. The annual Board and Directors Effectiveness Evaluation for FY2023 was conducted in-house and facilitated by the Company Secretaries; and
- Conducted the fit and proper assessment on the person identified to be appointed as Director and for Directors who were proposed for re-election at the upcoming AGM.

The Terms of Reference of the NRC are set out in Appendix C of the Board Charter and are available on the corporate website at www.carlsbergmalaysia.com.my.

Remuneration of the Directors and Management Team

Details of Directors' Remuneration

The Directors' remuneration matters fall within the purview of the NRC, which is responsible for reviewing and making recommendations to the Board.

The objective of the Group's remuneration policy is to attract and retain the right calibre of Directors required to lead and manage the Group effectively. The remuneration for the Directors is reflective of their roles, experiences and level of responsibility in the Board and the Board Committees.

Under the Group's current remuneration policy, only the Independent Non-Executive Directors receive remuneration for their roles as Directors as well as members of the Board Committees. The remuneration payable in respect of the Independent Non-Executive Directors' fees in FY2023 is categorised as below:

Remuneration for Directors' fees	Amount per annum (RM)
Chairman of the Group	200,000
Each Independent Non-Executive Director	115,000
AC Chairman	20,000
AC Member	8,000
RMSC Chairman	2,500
RMSC Member	2,000
NRC Chairman	2,500
NRC Member	2,000
Meeting allowance (per meeting)	1,500

NOMINATION AND REMUNERATION COMMITTEE REPORT

The Board has proposed the adoption of the same Directors' fee structure and rates for FY2024 and for the fees to be paid on a monthly basis. The Directors' fees for FY2024 are subject to the approval of the shareholders of the Group at the upcoming AGM.

The details of the remuneration of the Board for FY2023 were as below:

	Fees (RM)	Salaries (RM)	Allowances (RM)	Benefits-in-kind (RM)	Other Emoluments (RM)	Total (RM)
Independent and Non-Executive Directors						
Tan Sri Dato' Seri Chor Chee Heung	201,668	-	13,500	1,671	-	216,839
Datuk Lee Oi Kuan	127,209	-	25,500	1,377	-	154,086
Eric Ooi Lip Aun **Appointed on 1 May 2023*	95,043	-	16,500	1,059	-	112,602
Chew Hoy Ping **Resigned on 1 May 2023*	46,500	-	10,500	546	-	57,546
Executive Director						
Stefano Clini	-	2,317,121	589,197	61,401	2,009,485	4,977,204
Non-Independent Non-Executive Director						
João Miguel Ventura Rego Abecasis	-	-	-	-	-	-
Gavin Stuart Brockett	-	-	-	-	-	-
Chan Po Kei Kay	-	-	-	-	-	-

Details of Management Team's Remuneration

The remuneration of the top four members of the Management Team for FY2023 was as below. The details of the Management Team's remuneration were not disclosed by name due to confidentiality and sensitivity of each remuneration package.

Range of Remuneration (RM)	Top four Management Team
1,100,001 – 1,200,000	1
1,200,001 – 1,300,000	0
1,300,001 – 2,000,000	3

BOARD AND BOARD COMMITTEES EFFECTIVENESS EVALUATION 2023

The Board, through the Nomination & Remuneration Committee ("NRC"), conducts an annual evaluation of the Board and Board Committees' performance and effectiveness. For FY2023, the Board and Board Committees Effectiveness Evaluation was conducted in-house and facilitated by the Company Secretaries.

The evaluation was carried out by online questionnaires derived from Bursa Malaysia's Corporate Governance Guide which covered the areas of:

- **Board mix and composition**
- **Quality of information and decision making**
- **Boardroom activities**
- **Effectiveness of Board Committees**

In addition, the Board also undertook a self and peer assessment on skills matrix which focused on four key areas:

- **Industry knowledge and experience**
- **Technical skills**
- **Corporate governance competencies**
- **Behavioural competencies.**

The skills matrix assessment was one of the key action plans for FY2023 where the Board agreed to formalise a skills matrix to facilitate succession planning.

The NRC reviewed results of the Board and Board Committees' Effectiveness Evaluation and Skills Matrix Assessment before they were presented to the Board for consideration. An action plan was formulated based on the results of the evaluation (as detailed below).

The overall results of the evaluation were satisfactory. It was concluded that the Board and the Board Committees have the necessary skills and expertise to continue to drive and manage the business effectively in a sustainable manner.

ACTION PLANS FOR 2024

The Board deliberated on the evaluation undertaken and agreed to the following action plans for 2024:

- To formalise a Board succession plan based on the results of the Board's skills matrix assessment.
- To formalise a strategic framework for effective engagement with stakeholders.
- To continue focus on emerging trends in the training curricular for the Board and Board Committees.

AUDIT COMMITTEE REPORT

The AC is responsible to review and monitor the accounting and financial results, including all associated matters, recurrent related party transactions, the internal control framework and systems, audit reports and annual audit plan, as well as compliance matters. The committee comprises three Non-Executive Directors, with the majority represented by Independent Directors, including the Chairman.

The Managing Director, Chief Financial Officer, Legal & Compliance Director and Head of Internal Audit attended all the meetings for the purpose of briefing the AC on the developments and issues relating to their areas of responsibility.

The AC was also briefed by the external auditors, PwC, on the audit plan and the findings of the external audit during four of the 2023 AC meetings. In these meetings with PwC, the AC had private sessions with the external auditors without the presence of any executive Board members or Management.

	Attendance Record
Chairman	
Eric Ooi Lip Aun *Independent Non-Executive Director* **appointed as at 1 May 2023*	3/3
Chew Hoy Ping *Senior Independent Non-Executive Director* **resigned as at 1 May 2023*	2/2
Member	
Datuk Lee Ooi Kuan *Independent Non-Executive Director* **appointed as at 24 February 2023*	4/4
Gavin Brockett *Non-Independent Non-Executive Director*	5/5
Tan Sri Dato' Seri Chor Chee Heung *Independent Non-Executive Chairman* **resigned as at 24 February 2023*	1/1

SUMMARY OF WORK PERFORMED BY AUDIT COMMITTEE

The main activities the AC undertook during FY 2023 were as follows:

- Reviewed the external auditors' scope of work, audit risks and focus areas, materiality thresholds, audit methodology, key milestones, and other relevant matters. The Chairman and members of the AC periodically held informal discussions with the external auditors to ensure audit issues were addressed on a timely basis.
- Reviewed the results of the external audit, the audit report, and the management representation letter, including Management's responses. Furthermore, the AC scrutinised potential key audit matters raised by the external auditors and ensured that adequate work was done to support the audit conclusions and overall impact on the financial statements. The sole key audit matter vetted by the AC (as mentioned in the Independent Auditors' Report on pages 212 to 215 in detail) related to the accounting for trade discounts and volume rebates accruals as part of revenue recognition, as this involved the use of critical accounting estimates and Management's assumptions. As noted by the external auditors, Management accrued the trade discounts and volume rebates based on the estimated sales volume multiplied by the agreed rates with the customers. On the AC's part, trade discounts and volume rebates were regularly reviewed as part of the financial reports presented by Management at each quarterly meeting and through relevant Internal Audit ("IA") reports during the year, following the approved IA plan.
- Assessed the performance, competency and professionalism demonstrated by the external auditors during the year. Obtained the assurance of independence from the external auditors and recommended the audit fees payable to the Board for approval.
- Considered and assessed the independence and objectivity of the external auditors during the year and prior to engaging the external auditors for non-audit-related services. The non-audit fees paid to the member firms of external auditors in 2023 amounted to RM123,543.
- Reviewed IA reports, recommendations, and Management responses, including relevant activities performed by Group IA from Carlsberg Group. Discussed actions taken with Management to improve the internal control systems based on findings identified by the internal auditors. On a quarterly basis, the AC Chairman also had private sessions with the Head of IA to discuss the operations of the IA function and other related matters.
- Reviewed the audited financial statements of the Group prior to submission to the Board for its approval. The review was to ensure that the audited financial statements were drawn up in accordance with the provisions of the Companies Act 2016 and the applicable accounting standards as set by the Malaysian Accounting Standards Board.
- Reviewed the quarterly unaudited financial results and Bursa Malaysia Securities Berhad (Bursa) announcements before recommending them for the Board's approval. Such reviews were conducted together with the Managing Director and the Chief Financial Officer.
- Throughout the financial year, the AC Chairman and other members of the AC also discussed frequently with the Chief Financial Officer on any potential material issues that could affect financial reporting and disclosures. This included the Group's compliance with relevant legal and statutory requirements such as the Bursa Listing Requirements.
- Reviewed pertinent issues of the Group that could significantly impact the Group's results and future cash flows, including enhancements and investments in products, capital expenditure, cost rationalisation measures and human resource development.
- Reviewed the reports on recurrent related party transactions to ensure these transactions were executed in compliance with the Bursa Listing Requirements and arm's length principle, as well as were within the shareholders' mandate.
- Reviewed the Group's compliance with the provisions set out in the Malaysian Code on Corporate Governance for the purpose of the Corporate Governance Overview Statement, pursuant to the Bursa Listing Requirements.

RISK MANAGEMENT AND SUSTAINABILITY COMMITTEE REPORT

The RMSC is responsible for overseeing the risk management framework, policy and activities, as well as reviewing the sustainability initiatives and related matters within the Group. The committee comprises two Non-Executive Directors and one Executive Director, with the majority represented by Independent Directors, including the Chairman.

The Chief Financial Officer, Chief Sustainability Officer, Legal & Compliance Director and Head of Internal Audit attended all the meetings for the purpose of briefing the RMSC on the activities involving their areas of responsibility.

	Attendance Record
Chairman	
Eric Ooi Lip Aun *Independent Non-Executive Director* **appointed as at 1 May 2023*	3/3
Chew Hoy Ping *Senior Independent Non-Executive Director* **resigned as at 1 May 2023*	1/1
Member	
Datuk Lee Ooi Kuan *Independent Non-Executive Director* **appointed as at 24 February 2023*	4/4
Stefano Clini *Managing Director*	4/4

SUMMARY OF WORK PERFORMED BY THE RISK MANAGEMENT AND SUSTAINABILITY COMMITTEE

The main activities the RMSC undertook during FY 2023 were as follows:

- Reviewed the Group's Risk Management Framework and policies for approval and adoption by the Board. Reviewed the effectiveness and relevance of the framework and policies on a regular basis.
- Reviewed the quarterly risk updates and provided recommendations to the Board in relation to the monitoring of principal risks and the corresponding risk-mitigating plans. The RMSC also conducted regular scanning for potential new risks.
- Made recommendations to the Board concerning risk appetite and risk tolerance. In addition, the RMSC ensured that key risks were adequately monitored and managed within the tolerance levels acceptable to the Board.
- Reviewed and reported to the Board any significant issues arising from the risk management programmes and the corresponding mitigating actions taken by the Group.
- COVID-19 infection cases and mitigating activities were closely monitored during this endemic phase. Key updates in relation to health, safety and business continuity were provided by the Management to the RMSC on a quarterly basis.
- Oversight of the implementation of the sustainability framework, policies & strategies and ESG initiatives across the Group to meet market and global expectations. Received and reviewed key updates in relation to ESG developments and results of ESG integration into the Group's operations & principles, as part of building a sustainable business model.
- Reviewed and monitored the Group's targets and key performance indicators. Reported timely to the Board on any current and emerging topics pertaining to ESG subject matters that could materially affect the business, performance, or reputation of the Group.
- Reviewed the anti-bribery and anti-corruption risks relating to the Group and the corresponding mitigating activities.
- Reviewed the updates to compliance-related programmes in the quarterly report prepared by the Legal & Compliance Director.

INTERNAL AUDIT FUNCTION

STRUCTURE, RESPONSIBILITIES AND APPROACH

The Group maintains an in-house IA function, which is independent of the business operations. Independence is always maintained by the IA function so that it can perform its duties objectively. The Head of IA is Mr Lim Tiong Eng @ Allan Lim, who is a chartered accountant registered with the Malaysian Institute of Accountants and a certified practising accountant under CPA Australia. The Head of IA is assisted by three internal auditors and has a functional reporting line to the AC Chairman. He has full access to the AC and maintains regular communications with the AC Chairman to discuss audit matters, in addition to other matters concerning the IA function. All members of the IA function, like any other employee of the Group, are subject to an annual declaration of any potential conflict of interest. No member of the IA function was reported to the AC and Board to have any element of conflict of interest during the year.

The work conducted by the IA team is guided by the Committee of Sponsoring Organisations of the Treadway Commission (COSO) framework in general and the COSO 5 components of internal control specifically. The IA team also refers to the standards of the International Professional Practices Framework (2017) issued by the Institute of Internal Auditors.

The scope of work for the IA function is laid out in the annual audit plan determined in consultation with the Managing Director and approved by the AC. The contents of the annual audit plan are determined by an annual risk assessment performed independently by the IA function. Various aspects of the business are covered by the audit plan, such as key internal control processes, risk management, corporate governance & compliance and recurrent related party transactions. The progress and status of the audit plan are presented to the AC on a quarterly basis. All audit observations and the corresponding remedial action plans are presented by the Head of IA at the quarterly AC meetings. The progress and implementation status of action plans are also tabled at each meeting. A dedicated reporting deck that includes all the individual audit reports is prepared for the purpose of the quarterly meetings.

The total cost incurred by the IA function during the year amounted to RM933,562.

SUMMARY OF WORK PERFORMED BY INTERNAL AUDIT

The main activities the IA function undertook during FY 2023 were as follows:

- Performed risk assessments on all auditable areas for the purpose of annual audit planning. A number of elements were considered in the planning, which included financial impact, perceived state of controls, feedback from the Management Team, past audit findings, control matters raised by external auditors or Group IA from Carlsberg Group and recent changes in the business environment.
- Shared the proposed annual audit plan with the Managing Director and subsequently presented it to the AC for review and approval.
- Performed audit reviews based on the approved audit plan and prepared audit reports (for quarterly issuance to the Management and AC) in which the audit observations, root-cause analyses and remedial recommendations were detailed. During the year, reviews related to on-trade and off-trade sales processes, third party transporters, marketing research projects and recurrent related party transactions. Numerous special reviews, which included the assessment of potential fraud and ABAC risks and investigation of whistleblowing cases, were also carried out. All audit reports were tabled at the quarterly AC meetings for review, discussion, and implementation.
- Conducted meetings throughout the year with the relevant stakeholders to discuss and align audit-related matters. Such meetings also intended to solicit feedback from stakeholders with regard to the practicality of audit recommendations and adoption.
- Regularly followed up on outstanding audit issues, especially on the implementation and continuity of Management action plans in addressing control gaps that were identified.
- Provided advice in relation to internal control issues arising from the day-to-day business operations. Where necessary, the IA function also collaborated with Management to promote a culture of practising good internal controls and governance to strive for business efficiency and internal control effectiveness.
- Managed the Group's official whistleblowing mailbox and liaised with the Whistleblowing Committee and the Speak Up Review Team of Carlsberg Group on the appropriate responses and actions in relation to reports received from whistleblowers. Carried out investigations as and when necessary and appropriate.
- Participated as an independent observer in the end-to-end tendering process of the Group. The IA team reviewed all tenders carried out for purchases above RM200,000 in terms of tender briefs, scoring criteria and weightage, actual submission by suppliers, selection justification and exception handling.
- Coordinated more than 21 meetings during the year with the risk owners and functional heads to discuss and solicit updates to the risk registers. This included the regular practice of scanning for new risks together with stakeholders.
- Facilitated the quarterly risk management meetings with the risk working committee (consisting of risk owners and risk responsible parties). Prepared the minutes and followed up on matters arising and outstanding issues.
- Maintained the Group's risk registers and ensured that the contents were regularly updated with the relevant information and status of risk-mitigating activities.
- Prepared the risk management reporting deck and presented it at the quarterly RMSC meetings for review, discussion, and comments.
- As per Main Market Listing Requirement, the Group was required to disclose whether the sustainability statement was subjected to internal review or independent assurance. It was decided that the Statement of Assurance on the Sustainability Statement for FY 2023 would be provided by the IA function.
- IA developed the ESG assurance framework and aligned the selected subject matters with Management and Sustainability Steering Committees, prior to presenting the project proposal to RMSC for endorsement.
- IA performed the necessary validation on all the selected subject matters, with specific geographical location as well as financial year prior to the issuance of the Statement of Assurance (as mentioned on pages 230 to 231 in detail).

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

RESPONSIBILITY AND COMMITMENT OF THE BOARD

The Board has always placed significant emphasis on sound risk management and internal control frameworks that are necessary to safeguard the Group's assets and shareholders' investments. To this end, the Board affirms its overall responsibility for the identification and mitigation of the Group's key risks, which are categorised in its risk registers, according to the nature of the risk, namely strategic, operational, financial and compliance. Meanwhile, the Group maintains an internal control framework to prevent, detect and monitor any significant control gaps. In addition, the Board has effective oversight of the audit findings and recommendations highlighted by the Internal Audit (IA) function and the external auditors. However, it should be noted that the risk management process and internal control systems, by definition, can only manage, but not eliminate, all risks and thus can only provide reasonable, and not absolute assurance against misstatement, loss or fraud or any other adverse event.

This Statement on Risk Management and Internal Control was made in accordance with the resolution of the Board dated 7 March 2024.

RISK MANAGEMENT FRAMEWORK

Under the risk management framework, the Group is required to put in place a continuous process to identify, evaluate, monitor and manage key risks that could hinder the achievement of the Group's business objectives.

The Risk Management Process

The IA team coordinates discussions and meetings with all the risk owners and heads of department to assess and update the existing risks in the Group's risk registers (separate risk registers are maintained for the Malaysian and Singaporean businesses). Such exercises are also meant to identify any potential new risk areas. Prior to the quarterly Risk Management and Sustainability Committee (RMSC) meeting, the Managing Director convenes a risk management working committee meeting (this committee comprises all the risk owners). The main objective of this meeting is to obtain updates from risk owners pertaining to all the key risks reported in the risk registers. Mitigating plans and activities are also discussed and deliberated before adoption. The RMSC evaluates and reviews the key risks reported by the Group on a quarterly basis. A dedicated risk report is prepared for this purpose and relevant members of the Management team are invited to join the quarterly meetings, as and when necessary.

Risk Category

The Group maintains a register of key risks together with corresponding mitigating activities and risk ratings. These risks are grouped according to the nature of the risk, as follows:

Strategic

Risks that hinder the business from achieving its strategic objectives due to events that occur both internally and externally.

Operational

Risks that impact the business' day-to-day operations.

Financial

Risks that are generally associated with misstatements in financial reporting and/or breakdowns in financial controls, including adverse events that result in financial losses.

Compliance

Risks that are related to legal and statutory requirements and corporate governance.

INTERNAL CONTROL FRAMEWORK

The key elements of the Group's internal control framework are described as follows:

Control Environment

The Board and Management have established an organisational structure with clearly defined lines of accountability and delegated authority. This includes well-defined responsibilities for the Board Committees and various management levels. The authority limits that govern the day-to-day business operations are spelt out in the Group's Chart of Authority, which is endorsed by the Board. Emphasis is placed on adherence to the Carlsberg Group's Code of Ethics and Conduct by all employees and business partners. Meanwhile, merit-based incentive schemes and rigorous key performance indicators are put in place to ensure that the competency of the workforce is continuously maintained.

Control Activities

As part of the framework, the Group has established standard operating procedures to safeguard the integrity of the business operations and financial reporting. These procedures are subject to regular reviews by the Management, Legal & Compliance team and internal auditors to cater for changes in business processes and risks or for further improvements. Preventive, detective and monitoring controls are also embedded in the core business processes to ensure that the risk of deviation is adequately mitigated. Meanwhile, segregation of duties is implemented where required and possible.

Communication

The Group maintains effective communication channels to provide and solicit feedback in relation to business performance, critical issues and other key business matters. The Group has also put in place and communicated policies and manuals that govern critical areas of the business, namely Code of Ethics & Conduct, Anti-Bribery & Corruption, Gift, Entertainment & Donation, Competition Compliance, Trade Sanction and Third Party Screening. Such directives are regularly communicated to employees and business partners for strict adherence and compliance. Meanwhile, training and refresher programmes, particularly in the form of e-learning, are periodically rolled out to create awareness and instil a desirable culture within the Group. As an additional safeguard, the Group has implemented various channels for employees and third parties to speak up on any misconduct or behaviour that deviates from the Group's policies and principles.

Monitoring Mechanism

The Management constantly reviews key performance indicators set for various functions within the Group to ensure the efficiency and effectiveness of operational activities in achieving business objectives. Independent reviews are carried out throughout the year by the IA function to assess the adequacy and effectiveness of the internal control framework. Audit results from reviews performed in accordance with the approved annual audit plan, including the findings and recommendations, are reported to the AC on a quarterly basis. In addition, external audit findings, including any key control matters, are highlighted by the external auditors to the AC and the Board. The Group has also implemented periodic self-assessment initiatives in relation to financial controls, the results of which are reviewed and monitored by the Carlsberg Group.

ADEQUACY OF RISK MANAGEMENT AND INTERNAL CONTROL

The Board has reviewed and believes that the risk management and internal control framework is adequate. Appropriate mitigating activities and control procedures have been put in place to deal with any identified weaknesses.

With the transition towards the endemic phase for COVID-19, the Group has continued to maintain a hybrid work model. As 'work-from-home' arrangements for employees has become the norm, necessary adjustments are made to various processes without compromising internal control systems. Various processes are also automated to improve efficiency and effectiveness. Nevertheless, the Group remains vigilant in monitoring COVID-19 cases and any other emerging pandemic disease that could adversely affect the business operations.

Additional emphasis is also placed on cybersecurity to address the trend of increasing cyberthreats around the world. In recent times, numerous initiatives were implemented to mitigate such threats and risks. During the year, deficiencies in internal control were identified by both external and internal auditors as part of the statutory audit as well as internal audit reviews, respectively. Corrective actions were duly taken to address such deficiencies.

The Board has also received assurance from the Managing Director and Chief Financial Officer that the Group's risk management and internal control systems are operating adequately and effectively in all material aspects.

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. However, the Group maintains oversight and has significant influence over the financial reporting process and operating policies, through two representatives from the Group in the associated company's Board.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

As required by Paragraph 15.23 of Bursa Malaysia Securities Berhad's Main Market Listing Requirements, the external auditors have reviewed this Statement on Risk Management and Internal Control. Their limited assurance review was performed in accordance with Audit and Assurance Practice Guide 3 (AAPG3) issued by the Malaysian Institute of Accountants. AAPG3 does not require the external auditors to form an opinion on the adequacy and effectiveness of the risk management and internal control systems of the Group.

RESPONSIBILITY STATEMENT BY THE BOARD OF DIRECTORS

The Directors are collectively responsible for ensuring that the financial statements for the Carlsberg Malaysia Group are prepared in accordance with the applicable Approved Accounting Standards in Malaysia, the provisions of the Companies Act 2016 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 Carlsberg Malaysia Group at the end of the financial year and of the results and cash flows of the Carlsberg Malaysia Group for the financial year.

In preparing the financial statements for the financial year ended 31 December 2023, the Directors have applied appropriate and relevant accounting policies consistently, and in accordance with applicable accounting standards, and made judgements and estimates that are reasonable and fair. The financial statements have been prepared on a going concern basis and the Directors have ensured that proper accounting records have been kept that enable the preparation of the financial statements with reasonable accuracy.

The Directors have the general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Carlsberg Malaysia Group and to prevent and detect fraud and other irregularities. This statement is made in accordance with a resolution of the Board of Directors dated 7 March 2024.

Financial Statements

DIRECTORS' REPORT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

The Board of Directors has pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2023.

DIRECTORS OF THE COMPANY

The Directors in office during the financial year and during the period from the end of the financial year to the date of the report are:

Chan Po Kei Kay
Stefano Clini
Gavin Stuart Brockett
Datuk Lee Oi Kuan
Tan Sri Dato' Seri Chor Chee Heung
João Miguel Ventura Rego Abecasis
Eric Ooi Lip Aun (Appointed on 01.05.2023)
Chew Hoy Ping (Resigned on 01.05.2023)

PRINCIPAL ACTIVITIES

The Company is principally engaged in the production of beer, stout, cider, shandy and non-alcoholic beverages for distribution in the domestic market and for export while the other Group entities are primarily involved in the marketing and distribution of beer, stout, cider, shandy, liquor and non-alcoholic beverages. There have been no significant change in the nature of these activities during the financial year.

FINANCIAL RESULTS

	Group RM'000	Company RM'000
Profit for the financial year attributable to:		
- Owners of the Company	327,256	304,198
- Non-controlling interests	7,602	-
Profit for the financial year	334,858	304,198

RESERVES AND PROVISIONS

All material transfers to or from reserves and provisions during the financial year are shown in the financial statements.

ISSUE OF SHARES AND DEBENTURES

There were no shares or debentures issued by the Company 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 the benefits shown under Directors' Remuneration) 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.

Neither during nor at the end of the financial year was the Company or any of its subsidiaries a party to any arrangements whose object was to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

INDEMNITY AND INSURANCE COSTS

The Directors and Officers of the Group and the Company are covered by Directors and Officers Liability Insurance in respect of liabilities arising from acts committed in their respective capacity as, inter alia, Directors and Officers of the Company subject to the terms of the policy. The total amount of premium paid was RM62,533.

DIRECTORS' REPORT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

DIRECTORS' INTERESTS IN SHARES

According to the Register of Directors' shareholdings required to be kept under Section 59 of the Companies Act 2016, none of the Directors who held office at the end of the financial year held any shares in the Company and its related corporations (other than wholly-owned subsidiaries).

DIVIDENDS

The dividends paid since the end of the previous financial year were as follows:

In respect of financial year ended 31 December 2022:

Date of payment		Sen per ordinary share	RM million
18 May 2023	Final single-tier dividend	25.0	76.4

In respect of financial year ended 31 December 2023:

Date of payment		Sen per ordinary share	RM million
8 June 2023	First interim single-tier dividend	21.0	64.2
13 Oct 2023	Second interim single-tier dividend	22.0	67.3
29 Dec 2023	Third interim single-tier dividend	19.0	58.1

The Board of Directors recommended for shareholders' approval at the forthcoming Annual General Meeting a final single-tier dividend of 31.0 sen per ordinary share in respect of the financial year ended 31 December 2023. The total amount payable for the proposed final single-tier dividend is RM94.8 million.

DIRECTORS' REMUNERATION

Details of Directors' remuneration of the Group and the Company for the financial year ended 31 December 2023 were as follows:

	Group and Company RM'000
Directors:	
- Fees	470
- Defined contribution plan	192
- Short-term employee benefits (including estimated monetary value of benefits-in-kind)	4,207
	4,869
- Share-based payment expense	649
	5,518

DIRECTORS' REPORT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

HOLDING COMPANIES

The Directors regard Carlsberg Breweries A/S and Carlsberg A/S, companies incorporated in Denmark, as the immediate holding company and ultimate holding company respectively.

OTHER STATUTORY INFORMATION

(a) Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps:

(i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and

(ii) to ensure that any current assets, which were unlikely to be realised in the ordinary course of business including the values of current assets as shown in the accounting records of the Group and of the Company had been written down to an amount which the current assets might be expected so to realise.

(b) At the date of this report, the Directors are not aware of any circumstances:

(i) which would render the amounts written off for bad debts or the amount of the allowance for doubtful debts inadequate to any substantial extent; or

(ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or

(iii) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

(c) At the date of this report:

(i) there are no charges on the assets of the Group and of the Company which have arisen since the end of the financial year which secures the liabilities of any other person; and

(ii) there are no contingent liabilities in the Group and in the Company which have arisen since the end of the financial year.

(d) No contingent 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 affect the ability of the Company and its subsidiaries to meet their obligations when they fall due.

(e) At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the respective financial statements misleading.

(f) In the opinion of the Directors:

(i) the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature except for those disclosed in the financial statements; and

(ii) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

DIRECTORS' REPORT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

SUBSIDIARIES

Details of subsidiaries are set out in Note 12 to the financial statements.

AUDITORS

The auditors, PricewaterhouseCoopers PLT (LLP0014401-LCA & AF1146), have expressed their willingness to accept re-appointment as auditors.

Auditors' remuneration of the Group and the Company for the financial year ended 31 December 2023 were as follows:

	Group RM'000	Company RM'000
Audit fees:		
- Payable to PricewaterhouseCoopers PLT	372	237
- Payable to PricewaterhouseCoopers International Limited	270	-
Audit related services:		
- Payable to PricewaterhouseCoopers PLT	11	11
	653	248

This report was approved by the Board of Directors on 7 March 2024.

Signed on behalf of the Board of Directors:

TAN SRI DATO' SERI CHOR CHEE HEUNG
INDEPENDENT NON-EXECUTIVE
CHAIRMAN

STEFANO CLINI
MANAGING DIRECTOR

Selangor Darul Ehsan
7 March 2024

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Revenue	5	**2,260,899**	2,412,465	**1,107,980**	1,258,065
Cost of sales		**(1,483,948)**	(1,616,373)	**(1,077,125)**	(1,236,372)
Gross profit		**776,951**	796,092	**30,855**	21,693
Other income		**2,061**	2,044	**24,206**	24,500
Sales and distribution expenses		**(292,850)**	(286,669)	**(3,980)**	(5,763)
Administrative expenses		**(84,442)**	(79,206)	**(46,068)**	(42,602)
Other expenses		**(2,916)**	(7,152)	**(2,601)**	(8,280)
Results from operating activities		**398,804**	425,109	**2,412**	(10,452)
Dividend income		**-**	-	**300,371**	232,255
Finance income		**556**	784	**1**	2
Finance costs		**(5,764)**	(3,007)	**(8,628)**	(6,397)
Operating profit	6	**393,596**	422,886	**294,156**	215,408
Share of profit of equity-accounted associate, net of tax		**23,457**	21,519	**-**	-
Profit before taxation		**417,053**	444,405	**294,156**	215,408
Taxation	7	**(82,195)**	(119,544)	**10,042**	3,293
Profit for the financial year		**334,858**	324,861	**304,198**	218,701
Other comprehensive income/(loss), net of tax					
Items that may be reclassified subsequently to profit or loss:					
Cash flow hedge – fair value changes:					
Change in fair value of effective portion of cash flow hedges		**(1,247)**	(5,152)	**(1,247)**	(5,152)
Gain/(loss) in fair value of cash flow hedges transferred to the income statement		**5,917**	(1,889)	**5,917**	(1,889)
Exchange differences on translation of foreign operations		**15,118**	(39,884)	**-**	-
Other comprehensive income/(loss) for the financial year, net of tax		**19,788**	(46,925)	**4,670**	(7,041)
Total comprehensive income for the financial year		**354,646**	277,936	**308,868**	211,660
Profit attributable to:					
Owners of the Company		**327,256**	317,046	**304,198**	218,701
Non-controlling interests		**7,602**	7,815	**-**	-
Profit for the financial year		**334,858**	324,861	**304,198**	218,701
Total comprehensive income attributable to:					
Owners of the Company		**347,044**	270,121	**308,868**	211,660
Non-controlling interests		**7,602**	7,815	**-**	-
Total comprehensive income for the financial year		**354,646**	277,936	**308,868**	211,660
Basic/Diluted earnings per ordinary share (sen)	8	**107.03**	103.70		

The notes on pages 149 to 210 are an integral part of these financial statements.

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023

	Note	Group 2023 RM'000	Group 2022 RM'000	Company 2023 RM'000	Company 2022 RM'000
ASSETS					
Non-current assets					
Property, plant and equipment	9	**322,214**	306,730	**294,008**	286,223
Intangible assets	10	**5,239**	4,581	**1,820**	799
Right-of-use assets	11	**17,328**	10,716	**14,529**	6,272
Investments in subsidiaries	12	**-**	-	**391,572**	391,572
Investment in an associate	13	**88,642**	66,873	**25,164**	25,164
Deferred tax assets	14	**6,071**	6,170	**2,652**	-
Total non-current assets		**439,494**	395,070	**729,745**	710,030
Current assets					
Inventories	15	**97,535**	124,440	**49,402**	39,171
Receivables, deposits and prepayments	16	**384,785**	447,015	**85,530**	58,114
Tax recoverable		**461**	414	**461**	412
Cash and cash equivalents	17	**95,036**	91,251	**28,583**	6,639
Total current assets		**577,817**	663,120	**163,976**	104,336
Total assets		**1,017,311**	1,058,190	**893,721**	814,366
EQUITY AND LIABILITIES					
Equity					
Share capital	18	**149,363**	149,363	**149,363**	149,363
Reserves	18	**79,736**	(1,708)	**217,620**	174,383
Total equity attributable to owners of the Company		**229,099**	147,655	**366,983**	323,746
Non-controlling interests		**5,498**	6,462	**-**	-
Total equity		**234,597**	154,117	**366,983**	323,746
LIABILITIES					
Non-current liabilities					
Deferred tax liabilities	14	**3,628**	8,870	**-**	8,592
Provision	19	**376**	355	**-**	-
Lease liabilities	11	**6,364**	2,660	**6,061**	-
Loans and borrowings	20	**2,331**	4,046	**-**	-
Total non-current liabilities		**12,699**	15,931	**6,061**	8,592
Current liabilities					
Payables and accruals	19	**605,610**	721,433	**402,708**	366,906
Current tax liabilities		**41,764**	47,639	**-**	-
Lease liabilities	11	**5,571**	2,138	**2,854**	-
Loans and borrowings	20	**117,070**	116,932	**115,115**	115,122
Total current liabilities		**770,015**	888,142	**520,677**	482,028
Total liabilities		**782,714**	904,073	**526,738**	490,620
Total equity and liabilities		**1,017,311**	1,058,190	**893,721**	814,366

The notes on pages 149 to 210 are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

		Attributable to owners of the Company								
	Note	Share capital RM'000	Exchange reserve RM'000	Cash flow hedge reserve RM'000	Capital reserve RM'000	Equity contribution reserve RM'000	Retained earnings RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
Group										
At 1 January 2023		149,363	(48,790)	(4,734)	3,931	2,420	45,465	147,655	6,462	154,117
Profit for the financial year		-	-	-	-	-	327,256	327,256	7,602	334,858
Other comprehensive income:										
- Exchange differences on translation of foreign operations		-	15,118	-	-	-	-	15,118	-	15,118
- Fair value gain on cash flow hedge		-	-	4,670	-	-	-	4,670	-	4,670
Total comprehensive income for the financial year		-	15,118	4,670	-	-	327,256	347,044	7,602	354,646
Dividends to owners of the Company	22	-	-	-	-	-	(266,001)	(266,001)	-	(266,001)
Dividends to non-controlling interests		-	-	-	-	-	-	-	(8,566)	(8,566)
Effects of share-based payment		-	(39)	-	-	820	(380)	401	-	401
Total transactions with owners of the Company		-	(39)	-	-	820	(266,381)	(265,600)	(8,566)	(274,166)
At 31 December 2023		149,363	(33,711)	(64)	3,931	3,240	106,340	229,099	5,498	234,597

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

		Attributable to owners of the Company								
	Note	Share capital RM'000	Exchange reserve RM'000	Cash flow hedge reserve RM'000	Capital reserve RM'000	Equity contribution reserve RM'000	Retained earnings RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
Group										
At 1 January 2022		149,363	(8,906)	2,307	3,931	2,131	62,300	211,126	4,456	215,582
Profit for the financial year		-	-	-	-	-	317,046	317,046	7,815	324,861
Other comprehensive income:										
- Exchange differences on translation of foreign operations		-	(39,884)	-	-	-	-	(39,884)	-	(39,884)
- Fair value loss on cash flow hedge		-	-	(7,041)	-	-	-	(7,041)	-	(7,041)
Total comprehensive income for the financial year		-	(39,884)	(7,041)	-	-	317,046	270,121	7,815	277,936
Dividends to owners of the Company	22	-	-	-	-	-	(333,265)	(333,265)	-	(333,265)
Dividends to non-controlling interests		-	-	-	-	-	-	-	(5,809)	(5,809)
Effects of share-based payment		-	-	-	-	289	(616)	(327)	-	(327)
Total transactions with owners of the Company		-	-	-	-	289	(333,881)	(333,592)	(5,809)	(339,401)
At 31 December 2022		149,363	(48,790)	(4,734)	3,931	2,420	45,465	147,655	6,462	154,117

STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Note	← Non-distributable		→	Distributable	
		Share capital RM'000	Equity contribution reserve RM'000	Cash flow hedge reserve RM'000	Retained earnings RM'000	Total equity RM'000
Company						
At 1 January 2023		**149,363**	**2,029**	**(4,734)**	**177,088**	**323,746**
Profit for the financial year		**-**	**-**	**-**	**304,198**	**304,198**
Other comprehensive income:						
- Fair value gain on cash flow hedge		**-**	**-**	**4,670**	**-**	**4,670**
Total comprehensive income for the financial year		**-**	**-**	**4,670**	**304,198**	**308,868**
Dividends to owners of the Company	22	**-**	**-**	**-**	**(266,001)**	**(266,001)**
Effects of share-based payment		**-**	**696**	**-**	**(326)**	**370**
Total transactions with owners of the Company		**-**	**696**	**-**	**(266,327)**	**(265,631)**
At 31 December 2023		**149,363**	**2,725**	**(64)**	**214,959**	**366,983**
Company						
At 1 January 2022		149,363	1,659	2,307	292,124	445,453
Profit for the financial year		-	-	-	218,701	218,701
Other comprehensive income:						
- Fair value loss on cash flow hedge		-	-	(7,041)	-	(7,041)
Total comprehensive income for the financial year		-	-	(7,041)	218,701	211,660
Dividends to owners of the Company	22	-	-	-	(333,265)	(333,265)
Effects of share-based payment		-	370	-	(472)	(102)
Total transactions with owners of the Company		-	370	-	(333,737)	(333,367)
At 31 December 2022		149,363	2,029	(4,734)	177,088	323,746

The notes on pages 149 to 210 are an integral part of these financial statements.

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before taxation		**417,053**	444,405	**294,156**	215,408
Adjustments for:					
Amortisation of:					
- Intangible assets	10	**1,221**	2,237	**623**	592
- Right-of-use assets	11	**4,550**	2,413	**2,139**	118
Dividend income from:					
- Unquoted subsidiaries		**-**	-	**(282,524)**	(224,705)
- A foreign quoted associate		**-**	-	**(17,847)**	(7,550)
Finance costs:					
- Interest on borrowings		**5,396**	2,849	**3,958**	1,667
- Interest on lease liability		**368**	158	**268**	-
- Interest on cash pooling		**-**	-	**4,402**	4,730
Finance income		**(556)**	(784)	**(1)**	(2)
Inventories:					
- (Reversal)/allowance for written down	15	**(2,417)**	4,314	**945**	1,894
- Finished goods written off	15	**5,661**	3,658	**263**	324
Loss on unrealised foreign exchange		**124**	1,577	**153**	1,638
Trade and other receivables:					
- Loss/(reversal) of allowance, net		**108**	(153)	**-**	-
- Written off		**161**	-	**-**	-
Property, plant and equipment:					
- Depreciation	9	**56,685**	41,705	**48,006**	34,224
- Impairment losses		**85**	2,445	**85**	2,445
- Net gain on disposal		**(388)**	(1,037)	**(10)**	(588)
- Written off		**1,260**	7,020	**1,102**	7,014
Share-based payment expense		**1,869**	1,341	**1,575**	1,172
Share of profit of equity-accounted associate, net of tax		**(23,457)**	(21,519)	**-**	-
Operating profit before changes in working capital		**467,723**	490,629	**57,293**	38,381
Changes in working capital:					
Inventories		**23,661**	(53,459)	**(11,439)**	(1,768)
Receivables, deposits and prepayments		**68,393**	(134,691)	**(21,143)**	(26,655)
Payables and accruals		**(137,766)**	216,911	**(75,862)**	82,564
Cash generated from operations		**422,011**	519,390	**(51,151)**	92,522
Tax (paid)/refund		**(96,147)**	(104,884)	**(49)**	2,434
Net cash generated from/(used in) operating activities		**325,864**	414,506	**(51,200)**	94,956

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

		Group		Company	
	Note	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
CASH FLOWS FROM INVESTING ACTIVITIES					
Acquisition of property, plant and equipment	9	**(54,374)**	(147,752)	**(37,787)**	(139,506)
Acquisition of intangible assets	10	**(1,127)**	(504)	**(930)**	(12)
Dividends received from unquoted subsidiaries		**-**	-	**282,524**	224,705
Dividends received from a foreign quoted associate, net of withholding tax	13	**15,170**	7,550	**15,170**	7,550
Interest received		**556**	784	**1**	2
Proceeds from disposal of property, plant and equipment		**732**	1,522	**10**	693
Net cash (used in)/generated from investing activities		**(39,043)**	(138,400)	**258,988**	93,432
CASH FLOWS FROM FINANCING ACTIVITIES					
Dividends paid to owners of the Company		**(266,001)**	(333,265)	**(266,001)**	(333,265)
Dividends paid to non-controlling interests	12	**(8,566)**	(5,809)	**-**	-
Interest paid		**(5,403)**	(2,727)	**(8,367)**	(6,275)
Repayment of loans and borrowings		**(258,868)**	(157,640)	**(240,000)**	(110,000)
Drawdown of loans and borrowings		**256,194**	239,702	**240,000**	215,000
Repayment of lease liabilities		**(4,414)**	(2,264)	**(1,749)**	-
Advances from a subsidiary		**-**	-	**90,186**	47,603
Net cash used in financing activities		**(287,058)**	(262,003)	**(185,931)**	(186,937)
Net (decrease)/increase in cash and cash equivalents		**(237)**	14,103	**21,857**	1,451
Effect of exchange rate fluctuations on cash held		**4,022**	1,562	**87**	(936)
Cash and cash equivalents at 1 January		**91,251**	75,586	**6,639**	6,124
Cash and cash equivalents at 31 December	17	**95,036**	91,251	**28,583**	6,639

The notes on pages 149 to 210 are an integral part of these financial statements.

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

Reconciliation of changes in liabilities arising from financing activities

The following table summarises the changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes during the financial year:

Group

	Lease liabilities RM'000	Borrowings RM'000	Total RM'000
2023			
At 1 January 2023	**4,798**	**120,978**	**125,776**
Cash flows from financing activities:			
Drawdown from borrowings	**-**	**256,194**	**256,194**
Repayment of borrowings	**-**	**(258,868)**	**(258,868)**
Repayment of lease liabilities	**(4,414)**	**-**	**(4,414)**
Finance costs paid	**-**	**(5,403)**	**(5,403)**
Non-cash changes:			
Finance costs	**368**	**5,396**	**5,764**
Recognition of additional lease liabilities	**10,396**	**-**	**10,396**
Foreign exchange movement	**787**	**1,104**	**1,891**
At 31 December 2023	**11,935**	**119,401**	**131,336**
2022			
At 1 January 2022	3,911	38,794	42,705
Cash flows from financing activities:			
Drawdown from borrowings	-	239,702	239,702
Repayment of borrowings	-	(157,640)	(157,640)
Repayment of lease liabilities	(2,264)	-	(2,264)
Finance costs paid	-	(2,727)	(2,727)
Non-cash changes:			
Finance costs	158	2,849	3,007
Recognition of additional lease liabilities	1,140	-	1,140
Adjustment for lease modifications	1,954	-	1,954
Foreign exchange movement	(101)	-	(101)
At 31 December 2022	4,798	120,978	125,776

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

Reconciliation of changes in liabilities arising from financing activities (continued)

The following table summarises the changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes during the financial year: (continued)

Company

	Amount due to a subsidiary (non-trade) RM'000	Lease liabilities RM'000	Borrowings RM'000	Total RM'000
2023				
At 1 January 2023	**142,364**	**-**	**115,122**	**257,486**
Cash flows from financing activities:				
Advances from a subsidiary	**90,186**	**-**	**-**	**90,186**
Drawdown from borrowings	**-**	**-**	**240,000**	**240,000**
Repayment of borrowings	**-**	**-**	**(240,000)**	**(240,000)**
Repayment of lease liabilities	**-**	**(1,749)**	**-**	**(1,749)**
Finance costs paid	**(4,402)**	**-**	**(3,965)**	**(8,367)**
Non-cash change:				
Finance costs	**4,402**	**268**	**3,958**	**8,628**
Recognition of additional lease liabilities	**-**	**10,396**	**-**	**10,396**
At 31 December 2023	**232,550**	**8,915**	**115,115**	**356,580**
2022				
At 1 January 2022	94,761	-	10,000	104,761
Cash flows from financing activities:				
Advances from a subsidiary	47,603	-	-	47,603
Drawdown from borrowings	-	-	215,000	215,000
Repayment of borrowings	-	-	(110,000)	(110,000)
Finance costs paid	(4,730)	-	(1,545)	(6,275)
Non-cash change:				
Finance costs	4,730	-	1,667	6,397
At 31 December 2022	142,364	-	115,122	257,486

NOTES TO THE FINANCIAL STATEMENTS

1 GENERAL INFORMATION

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 2023 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 2023 do not include other entities.

The Company is principally engaged in the production of beer, stout, cider, shandy and non-alcoholic beverages for distribution in the domestic market and for export while the other Group entities are primarily involved in the marketing and distribution of beer, stout, cider, shandy, 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.

These financial statements were authorised for issue by the Board of Directors on 7 March 2024.

2 BASIS OF PREPARATION

The financial statements of the Group and the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

The financial statements have been prepared under the historical cost basis except as disclosed in the material accounting policy information.

The preparation of financial statements in conformity with MFRS requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported period. It also requires Directors to exercise their judgement in the process of applying the Group's and Company's accounting policies. Although these estimates and judgement are based on the Directors' best knowledge of current events and actions, actual results may differ. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are material to the financial statements are disclosed in Note 4.

(a) Standards, amendments to published standards and interpretations that are effective

The Group and the Company have applied the following standards and amendments for the first time for the financial year beginning on 1 January 2023:

- MFRS 17 'Insurance Contracts' and its amendments
- Amendment to MFRS 17 Insurance Contracts - Initial Application of MFRS 17 and MFRS 9 - Comparative Information
- Amendments to MFRS 101 and MFRS Practice Statement 2 'Disclosure of Accounting Policies'
- Amendments to MFRS 108 'Definition of Accounting Estimates'
- Amendments to MFRS 112 'Deferred Tax related to Assets and Liabilities arising from a Single Transaction'
- Amendments to MFRS 112 'International Tax Reform—Pillar Two Model Rules'

The adoption of the new standards and amendments to published standards did not have any impact on the current period or any prior period and is not likely to affect future periods.

2 BASIS OF PREPARATION (CONTINUED)

(b) Amendments to published standards and interpretations that have been issued but not yet effective

Amendments to standards and interpretations are effective for financial year beginning after 1 January 2024:

- There are two amendments to MFRS 101 'Presentation of Financial Statements'. The first amendments, 'Classification of liabilities as current or non-current' clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the entity's expectations or events after the reporting date (e.g. the receipt of a waiver or a breach of covenant).

  The second amendments, 'Non-current Liabilities with Covenants' specify that covenants of loan arrangements which an entity must comply with only after the reporting date would not affect classification of a liability as current or non-current at the reporting date. However, those covenants that an entity is required to comply with on or before the reporting date would affect classification of a liability as current or non-current, even if the covenant is only assessed after the reporting date.

  Both amendments are effective for the annual reporting periods beginning on or after 1 January 2024.

  The amendments shall be applied retrospectively.

- Amendments to MFRS 16 'Lease Liability in a Sale and Leaseback' (effective 1 January 2024) specify the measurement of the lease liability arises in a sale and leaseback transaction that satisfies the requirements in MFRS 15 'Revenue from Contracts with Customers' to be accounted for as a sale. In accordance with the amendments, the seller-lessee shall determine the "lease payments" or "revised lease payments" in a way that it does not result in the seller-lessee recognising any amount of the gain or loss that relates to the right of use it retains.

  The amendments shall be applied retrospectively to sale and leaseback transactions entered into after the date when the seller-lessee initially applied MFRS 16.

- Amendments to MFRS 7 Financial Instruments: Disclosure and MFRS 107 Statements of Cash Flows - 'Supplier Financing Arrangements' (effective 1 January 2024) introduce additional disclosure requirements that allow financial statement users to assess how supplier finance arrangements affect an entity's liabilities and cash flows as well as understanding the liquidity risk exposure and how the entity might be affected if the arrangements were no longer available.

  The amendments shall be applied retrospectively.

- Amendments to MFRS 121 'Lack of Exchangeability' (effective 1 January 2025) specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. In accordance with the amendments, the entity estimates the spot exchange rate as the rate that would have applied to an orderly transaction between market participants at the measurement date and that would faithfully reflect the economic conditions prevailing when a currency is not exchangeable.

  The amendments shall be applied retrospectively.

These amendments to these published standards will be adopted on the respective effective dates. The Group is currently assessing the financial impact that may arise from the adoption of the above amendments to published standards.

3 MATERIAL ACCOUNTING POLICY INFORMATION

The list of material accounting policy information applied in the preparation of these consolidated financial statements are set out below:

(a) Basis of consolidation

(i) Subsidiaries

Subsidiaries are 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.

The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Potential voting rights are considered when assessing control only when such rights are substantive. The Group also considers it has de facto power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return.

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.

(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.

(iii) 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 and the Company's financial statements using the equity method less any impairment losses, unless it is classified as held for sale or distribution. 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.

(iv) 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 owners of the Company.

Losses 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.

3 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(a) Basis of consolidation (continued)

(v) 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) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The financial statements are presented in Ringgit Malaysia, which is the Company's functional and presentation currency.

(ii) Foreign currency transactions

Foreign currency differences arising on retranslation are recognised in 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 to occur 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 exchange reserve ("ER") in equity.

(iii) 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 average exchange rates.

Foreign currency differences are recognised in other comprehensive income and accumulated in the 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.

3 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(c) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured 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.

Where individual components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items.

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.

Subsequent costs, for example in connection with replacement of components of property, plant and equipment, are recognised in the carrying amount of the asset if it is probable that the costs will result in future economic benefits for the Group and the Company. The replaced components are derecognised to profit or loss. Costs incurred for ordinary repairs and maintenance are recognised in profit or loss as incurred.

(ii) Depreciation

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 from the date that they are available for use. 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:

• Buildings	15 - 50 years
• Renovation	10 years
• Plant and machinery	3 - 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.

3 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(d) Leases

(i) Accounting by lessee

Leases are recognised as right-of-use ("ROU") asset and a corresponding liability at the date on which the leased asset is available for use by the Group and the Company (i.e. the commencement date).

Leased assets (including leasehold land) are presented as a separate line item in statement of financial position.

Lease term

In determining the lease term, the Group considers all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not to be terminated).

The term is reassessed if a significant change in event or circumstances occurs. A revision in lease term results in remeasurement of the lease liabilities. See accounting policy on reassessment of lease liabilities.

ROU assets

ROU assets are initially measured at cost which consists of the initial lease liability and initial direct costs less any lease incentives received.

ROU assets are subsequently measured at cost, less accumulated amortisation and impairment loss (if any). The ROU assets are generally amortised over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group and the Company is reasonably certain to exercise a purchase option, the ROU asset is amortised over the underlying asset's useful life. In addition, the ROU assets are adjusted for certain remeasurement of the lease liabilities. The Group has applied the practical expedient option allowed under standards by using a portfolio approach for the recognition of lease contracts related to assets of the same nature and with similar lease terms, i.e. cars.

The estimated useful lives for the current and comparative periods are as follows:

- Leasehold land — 40 – 99 years
- Buildings — 3 - 10 years

Lease liabilities

Lease liabilities are initially measured at the present value of the lease payments that are not paid at that date.

Lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group and the Company, the lessee's incremental borrowing is used.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

The Group and the Company present the lease liabilities as a separate line item in the statement of financial position. Interest expense on the lease liability is presented within the finance cost in profit or loss in the statement of comprehensive income.

3 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(d) Leases (continued)

(i) Accounting by lessee (continued)

Reassessment of lease liabilities

A remeasurement of the lease liability, for example a change in the assessment of an option to extend, results in a corresponding adjustment of the related right-of-use assets.

The Group and the Company reassess the circumstances leading to it not recognising extension or termination options on an ongoing basis.

Short-term leases and leases of low value assets

Short-term leases are leases with a lease term of 12 months or less without a purchase option. Low-value assets includes the lease of copy and printing machines. Payments associated with short-term leases and leases of low-value asset are recognised on a straight-line basis as an expense in profit or loss.

(ii) Accounting by lessor

As a lessor, the Group or the Company determines at lease inception whether each lease is a finance lease or an operating lease.

Operating leases

The Group or the Company classified a lease as an operating lease if the lease does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee. The Group or the Company recognises lease payments received under operating lease as lease income on a straight-line basis over the lease term.

When assets are leased out under an operating lease, the asset is included in the statement of financial position based on the nature of the asset. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of underlying asset and recognised as an expense over the lease term on the same basis as lease income.

(e) Intangible assets

(i) Goodwill

Goodwill arises on business combinations is measured at cost less any accumulated impairment losses. In respect of equity-accounted associates, 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 associates.

(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 any accumulated amortisation and any accumulated impairment losses.

3 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(e) Intangible assets (continued)

(iii) Amortisation

Goodwill is 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 that they are available for use. Amortisation is based on the cost of an asset less its residual value. Amortisation is recognised in administrative expenses 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 3-10 years.

(f) Inventories

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

The cost of inventories is calculated using the weighted average method, 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.

(g) Trade and other receivables

Trade receivables are amounts due from customers for goods sold performed in the ordinary course of business. Other receivables generally arise from transactions outside the ordinary course of business of the Group and the Company. The Group enters into factoring agreements on a non-recourse basis, which involves selling trade receivables to a factor. Trade receivables subject to factoring agreements are derecognised once the criteria for derecognition have been met and all substantial risk and rewards transferred. The Group does not have any continuing involvement once the receivables have been derecognised.

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, where they are recognised at fair value. Other receivables are recognised initially at fair value.

Trade and other receivables are subsequently measured at amortised cost using the effective interest method and fair value through other comprehensive income, less loss allowance. Details on the Group's and the Company's impairment policies of trade and other receivables are provided in Note 3(s).

(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 fair value with original maturities of three months or less, and are used by the Group and the Company in the management of their short term commitment. For the purpose of the statement of cash flows, cash and cash equivalents are presented net of bank overdrafts.

(i) Equity instruments

Instruments classified as equity (ie. ordinary shares) are measured at cost on initial recognition and are not remeasured subsequently.

(i) Dividend distribution

Liability is recognised for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the Group, on or before the end of the reporting period but not distributed at the end of the reporting period.

Distributions to holders of an equity instrument is recognised directly in equity.

3 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(j) 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.

(ii) State plans

The Group's and the Company's contribution to the statutory pension funds are charged to profit or loss in the financial year to which they relate. Once the contributions have been paid, the Group and the Company have no further payment obligations.

(iii) Share-based payment transactions

Certain employees of the Group and the Company are entitled to a share-based incentive programme established by Carlsberg A/S that is categorised as performance shares. Entitlement to performance shares requires fulfilment of service in the vesting period (2-3 years). The shares are transferred to the recipients based on the KPIs attached to the shares. The number of performance shares granted is the maximum number of performance shares that can vest. The number of shares outstanding at the end of the period is the numbers to vest, based on the extent to which the vesting conditions are expected to be met. The numbers of shares expected to vest is revised on a regular basis.

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

(k) Payables

Payables represent liabilities for sales tax payable to customs and goods or services provided to the Group and the Company prior to the end of financial year which are unpaid. Payables are recognised initially at fair value. Payables are subsequently measured at amortised cost using the effective interest method.

(l) Borrowings and borrowing costs

(i) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group and the Company have an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

3 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(m) Revenue and other income

Revenue from contracts with customers

(i) Goods sold

Revenue from contracts with customers comprises sales of beverages, sales of by-products and others.

Revenue from the sale of own-produced finished goods and by-products is recognised at the point in time when the control of goods and products is transferred to the customer with a right of return within a specified period, the Group and the Company consider the timing of recognition.

Revenue from contracts with customers is measured at an amount that reflects the consideration to which the Group and the Company expects to be entitled in exchange for those goods. Amounts disclosed as revenue is net of discounts and trade offers.

Excise duties are imposed by the tax authorities and payable by the Group to the authorities at brewery or bonded warehouse upon leaving the warehouse. Sales tax are imposed by the tax authorities and payable by the Group to the authorities when the goods are sold to the customers.

Both excise duties and sales tax are borne by the Group and are not based on sales value sold to the customers, and therefore are recognised as part of the cost of the goods sold.

The Group and the Company consider whether contracts include other promises that constitute separate performance obligations and to which a portion of the transaction price needs to be allocated. In determining the transaction price, the Group and the Company consider the effects of variable consideration such that the revenue is measured at an amount that reflects the expected consideration for those goods. No element of financing is deemed present, as payment is generally made on the basis of cash on delivery or up to 60 days of credit.

Variable consideration

The sales of beverages are often sold with various discounts depending on nature of customer and business. Customer discounts comprise off-invoice discounts, volume and activity-related discounts and other discounts.

Off-invoice discounts arise from sales transactions where the customer immediately receives a reduction in the sales price. This also includes cash discounts and incentives for early payments.

Volume discounts are incentives for customers to sustain continued business with the Group and the Company and may be related to a current campaign or a sales target measured in volumes or total value. Examples include discounts paid as a lump sum, discounts for meeting all or certain sales targets or for exceeding targets.

Activity-related discounts are incentives for customers related to an event or promotional campaign offered with specific promotion prices. Examples include discounts paid as lump sum or progressive discounts offered in step with increasing sales to a customer.

Other discounts in relation to consideration payable to a customer include listing fees, i.e. fees for certain listings on shelves, in coolers or in favourable store locations, as such specific promotions are closely related to the volumes sold. Consideration payable to a customer is recorded as a reduction of the arrangement's transaction price, thereby reducing the amount of revenue recognised, unless the payment is for a distinct good or service received from the customer. Consideration paid in excess of the fair value received reduces the transaction price of the arrangement with the customer and would represent a discount to the customer.

Material accounting estimates and assumptions on trade offers are provided in Note 4(i).

3 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(m) Revenue and other income (continued)

Other income

(i) Management fee

Fee from management is recognised over time when the services are rendered.

(ii) Dividend income

Dividend income is recognised when the right to receive payment is established. Dividend income that are not generated as part of the Company's principal activities are classified as investment income.

(iii) Interest income

Interest income on financial assets at amortised cost is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently became credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

(n) Income tax

Current tax is the expected tax payable or receivable on the taxable income or loss 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 financial 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.

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 deferred tax liability is recognised for all taxable temporary differences associated with investment in associate, except where the timing difference is controlled by the investor and it is probable that the temporary difference will not reverse in the foreseeable future. Generally, the investor is unable to control the reversal of the temporary difference for associate. Only where there is an agreement in place that gives the investor the ability to control the reversal of the temporary difference, a deferred tax liability is not recognised.

3 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(o) 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.

(p) Contingencies

(i) Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in the extremely rare case where there is a liability that cannot be recognised because it cannot be measured reliably.

(ii) Contingent assets

A contingent asset is a possible asset that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group. The Group does not recognise contingent assets but discloses its existence where inflows of economic benefits are probable, but not virtually certain.

(q) Financial instruments

<u>Classification – financial assets</u>

The Group and the Company classify its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss), and
- those to be measured at amortised cost

The Group and the Company reclassify debt investments when and only when its business model for managing those assets changes.

<u>Recognition and derecognition – financial assets</u>

Regular way purchases and sales of financial assets are recognised on trade date, the date on which the Group and the Company commit to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group and the Company have transferred substantially all the risks and rewards of ownership.

3 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(q) Financial instruments (continued)

Measurement – financial assets

At initial recognition, the Group and the Company measure a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely for payment of principal and interest ("SPPI").

Debt instruments

Subsequent measurement of debt instruments depends on the Group's and the Company's business model for managing the asset and the cash flow characteristics of the asset. The Group and the Company classify its debt instruments under the following categories:

(i) Amortised cost

Assets that are held for collection of contractual cash flows where those cash flows represent SPPI are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains or losses together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of comprehensive income.

(ii) FVTPL

Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVTPL. The Group and the Company may also irrevocably designate financial assets at FVTPL if doing so significantly reduces or eliminates a mismatch created by assets and liabilities being measured on different bases. Fair value changes are recognised in profit or loss in the period which it arises.

(iii) FVOCI

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent SPPI, are measured at FVOCI. Movements in the carrying amount are taken through other comprehensive income ("OCI"), except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gains or losses previously recognised in OCI is reclassified from equity to profit or loss.

3 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(r) Derivative and hedging activities

Derivative financial instruments are initially recognised in the statement of financial position at fair value at the trade date and subsequently re-measured at fair value at the end of each reporting period. Attributable transaction costs are recognised in the profit or loss.

(i) Cash flow hedge

The Group and the Company designate and document, at the inception of a hedging transaction, the hedging relationship so that the risk being hedged, the hedged item and the hedging instrument are clearly identified and the risk in the hedged item is the risk being hedged with the hedging instrument. Hedge accounting is only applied when the Group expects the derivative financial instrument to be highly effective in offsetting the designated hedged risk associated with the hedged item.

Changes in the portion of fair value of derivative financial instruments designated as and qualifying as a cash flow hedge and which effectively hedge changes in the value of the hedged item, are recognised in OCI. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss. When the hedged transaction results in gains or losses, amounts previously recognised in OCI are transferred to the same item as the hedged item when the hedged item is recognised in the profit or loss. When the hedged item is a non-financial asset, the amount recognised in OCI is transferred to the carrying amount of the asset when the non-financial asset is recognised.

The Group monitors the cash flow hedge relationship twice a year to assess whether the hedge is still effective.

(ii) Derivatives that do not qualify for hedge accounting

Certain derivative instruments do not qualify for hedge accounting. Changes in the fair value of any derivative instrument that does not qualify for hedge accounting are recognised immediately in profit or loss.

3 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(s) Impairment of assets

Impairment of financial assets

The Group and the Company apply the simplified approach to measure expected credit losses ("ECL") on trade receivables measured at amortised cost, FVOCI and trade intercompany balances. This entails recognising a lifetime expected loss allowance for all trade receivables. Loss rates are determined based on grouping of receivables sharing the same credit risk characteristics and past due days.

Management assesses the ECL for portfolios of trade receivables based on customer segments, historical information on payment patterns, terms of payment, concentration maturity, and information about the general economic situation in the countries.

No significant changes to estimation techniques or assumptions were made during the reporting period.

The Group and the Company consider the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Group and the Company compare the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportable forward-looking information.

A significant increase in credit risk is presumed if a debtor is more than 60 days past due in making a contractual payment which is based on past payment trends. Credit risk on trade receivables can be reduced through bank guarantees.

For other receivables and non-trade intercompany balances, the Group and the Company apply 3-stage approach to measure ECL which reflect their credit risk and how the loss allowance is determined. The Group and the Company assessed the intercompany receivables as performing category with a low risk of default and a strong capacity to meet contractual cash flows. The basis of measuring ECL are based on 12 months ECL.

Groupings of instruments for ECL measured on collective basis

(i) Collective assessment

To measure ECL, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

(ii) Individual assessment

Trade receivables that are in default or credit impaired are assessed individually.

Impairment of 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, an annual impairment will be performed and the recoverable amount is estimated at the end of each reporting period.

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 ("CGUs"). Subject to an operating segment ceiling test, for the purpose of goodwill impairment testing, CGUs 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 a CGU or a group of CGUs that are expected to benefit from the synergies of the combination.

3 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(s) Impairment of assets (continued)

Impairment of other assets (continued)

The recoverable amount of an asset or CGU is the greater of its value-in-use ("VIU") and its fair value less costs of disposal. In assessing VIU, 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 CGU.

An impairment loss is recognised if the carrying amount of an asset or its related CGU exceeds its estimated recoverable amount.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs) and then to reduce the carrying amounts of the other assets in the CGU (groups of CGUs) on a pro rata basis. Impairment losses on goodwill are not reversed. In respect of other assets, any subsequent increase in recoverable amount is recognised in profit or loss.

(t) Fair value measurement

Fair value of an asset or a liability, except for share-based payment and lease transactions, is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

For non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: unobservable inputs for the asset or liability.

The Group recognises transfers between levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfers.

(u) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy.

4 MATERIAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

The application of accounting standards and policies requires the Group to make estimates and assumptions about future events that directly affect its reported financial condition and operating performance. The accounting estimates and assumptions discussed below are those that the Group considers to be most critical to its financial statements. An accounting estimate is considered critical if both (a) the nature of estimates or assumptions is material due to the level of subjectivity and judgement involved, and (b) the impact within a reasonable range of outcomes of the estimates and assumptions is material to the Group's financial condition of operating performance.

(i) Trade offer accruals

The Group estimates trade offer accruals using either the expected value method or the most likely amount method depending on which method better predicts the amount of consideration to which the customers will be entitled.

The expected value method is used for contracts with more than one threshold due to the complexity and the activities agreed with the individual customer during the year.

Trade offer accruals consist primarily of trade discounts and sales volume rebates which are recognised based on agreed trading terms and promotional activities with trade customers and distributors. Volume related discounts are typically associated with certain sales targets to be achieved by the customers and distributors. Activity related discounts are typically associated with conditional events or promotional campaigns based on the agreed promotional prices with the customers. These trade offers represent variable considerations which the Group estimates using either expected value method or the most likely amount method depending on which method better predicts the amount of consideration based on the terms of the contracts and historical experience. Management is required to make estimates on the sales volume to be achieved by the customers and distributors to determine the trade offers.

The senior management of the Group regularly reviews and updates its estimate of trade offers accruals at each reporting date until the uncertainty is resolved.

5 REVENUE

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
- Sales of beverages	**2,258,930**	2,410,683	**1,106,396**	1,256,587
- Sales of by-products and others	**1,969**	1,782	**1,584**	1,478
Revenue from contracts with customers	**2,260,899**	2,412,465	**1,107,980**	1,258,065

6 OPERATING PROFIT

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Operating profit is arrived at after charging:				
Amortisation of:				
- Intangible assets	**1,221**	2,237	**623**	592
- Right-of-use assets	**4,550**	2,413	**2,139**	118
Audit fees:				
- Payable to PricewaterhouseCoopers PLT	**372**	352	**237**	224
- Payable to PricewaterhouseCoopers International Limited	**270**	226	**-**	-
- Payable to other auditor	**13**	15	**13**	15
Audit related services				
- Payable to PricewaterhouseCoopers PLT	**11**	9	**11**	9
Excise duties and sales tax	**1,085,208**	1,178,773	**767,786**	909,196
Finance costs:				
- Interest on borrowings	**5,396**	2,849	**3,958**	1,667
- Interest on lease liability	**368**	158	**268**	-
- Interest on cash pooling	**-**	-	**4,402**	4,730
Foreign exchange loss:				
- Realised	**1,989**	-	**1,811**	238
- Unrealised	**124**	1,577	**153**	1,638
Inventories:				
- Written down	**-**	4,314	**945**	1,894
- Finished goods written off	**5,661**	3,658	**263**	324
Trade and other receivables:				
- Loss allowance	**108**	36	**-**	-
- Written off	**161**	-	**-**	-
Personnel expenses (including key management personnel):				
- Wages, salaries and others	**144,921**	143,864	**37,841**	40,453
- Contributions to Employees Provident Fund	**10,934**	13,209	**3,124**	3,657
- Contributions to other defined contribution plan	**1,607**	1,253	**709**	548
- Share-based payment expense	**1,869**	1,341	**1,575**	1,172
- Termination benefits	**-**	19	**-**	-
Property, plant and equipment:				
- Depreciation*	**56,685**	41,705	**48,006**	34,224
- Impairment losses	**85**	2,445	**85**	2,445
- Written off	**1,260**	7,020	**1,102**	7,014
Management fees charged from related companies	**15,212**	11,340	**8,286**	7,416
Lease expenses relating to short-term and low value assets	**1,075**	1,012	**159**	121

* Included in the depreciation of property, plant and equipment of the Group and the Company are accelerated depreciation on 'plant and machinery' amounting to RM6,617,000 arising from the discontinuation of the canning line and filtration system that will be replaced in 2024 (2022: RM1,042,000 arising from the discontinuation of the bottling line that was replaced in 2023).

6 OPERATING PROFIT (CONTINUED)

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Operating profit is arrived at after crediting:				
Dividend income from:				
- Unquoted subsidiaries	**-**	-	**282,524**	224,705
- A foreign quoted associate	**-**	-	**17,847**	7,550
Finance income	**556**	784	**1**	2
Realised gain on foreign exchange	**-**	190	**-**	-
Gain on disposal of property, plant and equipment	**388**	1,037	**10**	588
Management fees charged to a subsidiary	**-**	-	**22,066**	22,618
Operating lease income from a subsidiary	**-**	-	**954**	954
Trade and other receivables:				
- Reversal of loss allowance	**-**	189	**-**	-
Reversal of inventories written down	**2,417**	-	**-**	-

7 TAXATION

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Current taxation				
Current tax:				
- Malaysian income tax	**73,282**	103,335	**-**	-
- Foreign income and withholding tax	**18,038**	15,680	**2,677**	-
- Under provision in prior years	**718**	3,397	**-**	527
	92,038	122,412	**2,677**	527
Deferred taxation (Note 14):				
- Reversal of temporary differences	**(9,843)**	(2,868)	**(12,719)**	(3,820)
Tax expense/(credit)	**82,195**	119,544	**(10,042)**	(3,293)

NOTES TO THE FINANCIAL STATEMENTS

7 TAXATION (CONTINUED)

A reconciliation of income tax expense/(credit) applicable to profit before taxation at the statutory income tax rate to income tax expense/(credit) at the effective income tax rate of the Group and of the Company is as follows:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Profit before taxation	**417,053**	444,405	**294,156**	215,408
Statutory income tax at rate of 24% (2022: 24%)	**100,093**	106,657	**70,597**	51,698
Tax effects of:				
- Withholding tax on dividend income from a foreign quoted associate	**2,677**	-	**2,677**	-
- Different tax rates in foreign jurisdiction	**(6,059)**	(6,259)	**-**	-
- Income not subject to tax	**-**	-	**(72,089)**	(55,742)
- Expenses not deductible for tax purposes	**1,355**	1,281	**337**	1,126
- Share of results of an associate	**(5,630)**	(5,165)	**-**	-
- Effects of changes in tax rate*	**-**	21,828	**-**	-
- Recognition of deferred tax arising from reinvestment allowances	**(11,319)**	-	**(11,319)**	-
- Recognition of previously unrecognised temporary differences	**360**	(2,195)	**(245)**	(902)
- Under provision in prior years	**718**	3,397	**-**	527
Tax expense/(credit)	**82,195**	119,544	**(10,042)**	(3,293)
Average effective tax rate (%)	**19.7**	26.9	**(3.4)**	(1.5)

The Group's effective tax rate was lower for the financial year ended 31 December 2023 was mainly due to absence of Malaysia's one-off "Cukai Makmur" and recognition of deferred tax income arising from reinvestment allowances.

In addition to the amount charged/(credited) to profit or loss, the following amounts relating to tax have been recognised in other comprehensive income:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Deferred tax				
Items that will not be reclassified subsequently to profit or loss:				
- fair value of financial instruments treated as cash flow hedges	**1,475**	(2,223)	**1,475**	(2,223)

* For financial year ended 31 December 2022 additional statutory income tax expense relating to changes in tax rates due to the One-off "Cukai Makmur" tax rate (33%) imposed on the portion of Year of Assessment 2022 chargeable income of non-Micro, Small and Medium Enterprises (non-MSMEs) exceeding RM100 million. This is only applicable to the Malaysian subsidiary.

8 EARNINGS PER ORDINARY SHARE

Basic earnings per ordinary share

The calculation of basic earnings per ordinary share as at 31 December 2023 and 2022 was based on the profit attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding calculated as follows:

	Group	
	2023 RM'000	2022 RM'000
Profit for the financial year attributable to shareholders	**327,256**	317,046

Weighted average number of ordinary shares:

	Group	
	2023 '000	2022 '000
Issued ordinary shares	**305,748**	305,748
Basic earnings per ordinary share (sen)	**107.03**	103.70

The diluted earnings per share of the Group is equal to the basic earnings per share as the Group does not have any dilutive potential ordinary shares in issue.

9 PROPERTY, PLANT AND EQUIPMENT

	Note	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
Group									
Cost									
At 1 January 2022		18,952	69,344	3,575	515,115	12,675	13,709	37,495	670,865
Additions		-	329	1,733	42,489	1,179	1,267	100,755	147,752
Disposals		-	-	-	(24,470)	(2,049)	(6)	-	(26,525)
Written off		-	(210)	-	(99,118)	-	(2,713)	-	(102,041)
Transfers		-	23,673	170	102,458	-	369	(126,670)	-
Transfer to intangible assets	10	-	-	-	-	-	-	(747)	(747)
Effect of movements in exchange rates		-	-	215	330	-	271	-	816
At 31 December 2022/1 January 2023		**18,952**	**93,136**	**5,693**	**536,804**	**11,805**	**12,897**	**10,833**	**690,120**
Additions[1]		**-**	**6,116**	**-**	**38,138**	**3,915**	**1,502**	**24,608**	**74,279**
Disposals		**-**	**-**	**-**	**(836)**	**(1,477)**	**(266)**	**-**	**(2,579)**
Written off		**-**	**(489)**	**-**	**(11,204)**	**(54)**	**(1,405)**	**-**	**(13,152)**
Transfers		**-**	**8,419**	**-**	**822**	**-**	**-**	**(9,241)**	**-**
Transfer to intangible assets	10	**-**	**-**	**-**	**-**	**-**	**-**	**(714)**	**(714)**
Effect of movements in exchange rates		**-**	**-**	**298**	**386**	**-**	**272**	**-**	**956**
At 31 December 2023		**18,952**	**107,182**	**5,991**	**564,110**	**14,189**	**13,000**	**25,486**	**748,910**

[1] Includes RM19,905,000 in capital expenses related to plant and machinery due payable as disclosed in the Statements of Cash Flows.

9 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Note	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
Group									
Less: Accumulated depreciation									
At 1 January 2022		-	41,884	1,775	397,780	7,688	10,614	-	459,741
Depreciation for the financial year	6	-	2,705	887	35,509	1,287	1,317	-	41,705
Disposals		-	-	-	(24,452)	(1,583)	(5)	-	(26,040)
Written off		-	(160)	-	(92,152)	-	(2,709)	-	(95,021)
Impairment losses		-	-	-	2,445	-	-	-	2,445
Effect of movements in exchange rates		-	-	133	233	-	194	-	560
At 31 December 2022/1 January 2023		**-**	**44,429**	**2,795**	**319,363**	**7,392**	**9,411**	**-**	**383,390**
Depreciation for the financial year	6	**-**	**5,362**	**1,010**	**47,636**	**1,092**	**1,585**	**-**	**56,685**
Disposals		**-**	**-**	**-**	**(788)**	**(1,181)**	**(266)**	**-**	**(2,235)**
Written off		**-**	**(262)**	**-**	**(10,182)**	**(43)**	**(1,405)**	**-**	**(11,892)**
Impairment losses		**-**	**-**	**-**	**85**	**-**	**-**	**-**	**85**
Effect of movements in exchange rates		**-**	**-**	**185**	**285**	**-**	**193**	**-**	**663**
At 31 December 2023		**-**	**49,529**	**3,990**	**356,399**	**7,260**	**9,518**	**-**	**426,696**
Carrying amounts									
At 31 December 2023		**18,952**	**57,653**	**2,001**	**207,711**	**6,929**	**3,482**	**25,486**	**322,214**
At 31 December 2022		18,952	48,707	2,898	217,441	4,413	3,486	10,833	306,730

9 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Note	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
Company								
Cost								
At 1 January 2022		18,952	67,587	487,723	549	8,219	37,206	620,236
Additions		-	242	37,490	720	299	100,755	139,506
Disposals		-	-	(24,145)	(549)	(6)	-	(24,700)
Written off		-	(210)	(96,305)	-	(2,140)	-	(98,655)
Transfers		-	23,673	102,458	-	369	(126,500)	-
Transfer to intangible assets	10	-	-	-	-	-	(628)	(628)
At 31 December 2022/1 January 2023		**18,952**	**91,292**	**507,221**	**720**	**6,741**	**10,833**	**635,759**
Additions[1]		**-**	**6,116**	**27,566**	**-**	**870**	**23,140**	**57,692**
Disposals		**-**	**-**	**-**	**-**	**(266)**	**-**	**(266)**
Written off		**-**	**(207)**	**(9,958)**	**-**	**(1,309)**	**-**	**(11,474)**
Transfers		**-**	**8,419**	**822**	**-**	**-**	**(9,241)**	**-**
Transfer to intangible assets	10	**-**	**-**	**-**	**-**	**-**	**(714)**	**(714)**
At 31 December 2023		**18,952**	**105,620**	**525,651**	**720**	**6,036**	**24,018**	**680,997**

[1] Includes RM19,905,000 in capital expenses related to plant and machinery due payable as disclosed in the Statements of Cash Flows.

9 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Note	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
Company								
Less: Accumulated depreciation								
At 1 January 2022		-	41,045	380,341	400	7,317	-	429,103
Depreciation for the financial year	6	-	2,563	31,204	59	398	-	34,224
Disposals		-	-	(24,140)	(450)	(5)	-	(24,595)
Written off		-	(160)	(89,344)	-	(2,137)	-	(91,641)
Impairment losses		-	-	2,445	-	-	-	2,445
At 31 December 2022/1 January 2023		**-**	**43,448**	**300,506**	**9**	**5,573**	**-**	**349,536**
Depreciation for the financial year	6	**-**	**5,215**	**42,190**	**115**	**486**	**-**	**48,006**
Disposals		**-**	**-**	**-**	**-**	**(266)**	**-**	**(266)**
Written off		**-**	**(115)**	**(8,948)**	**-**	**(1,309)**	**-**	**(10,372)**
Impairment losses		**-**	**-**	**85**	**-**	**-**	**-**	**85**
At 31 December 2023		**-**	**48,548**	**333,833**	**124**	**4,484**	**-**	**386,989**
Carrying amounts								
At 31 December 2023		**18,952**	**57,072**	**191,818**	**596**	**1,552**	**24,018**	**294,008**
At 31 December 2022		18,952	47,844	206,715	711	1,168	10,833	286,223

NOTES TO THE FINANCIAL STATEMENTS

9 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

9.1 Leasing arrangements

The Company leases certain buildings with carrying amount of RM6,397,000 (2022: RM6,814,000) to a subsidiary under operating leases with rentals payable monthly.

Minimum lease receivable on buildings are as follows:

	Company	
	2023 RM'000	2022 RM'000
Within 1 year	**954**	954
Between 1 and 2 years	**954**	954
Between 2 and 3 years	**954**	954
Between 3 and 4 years	**954**	954
Between 4 and 5 years	**954**	954
More than 5 years	**1,020**	1,020
	5,790	5,790

10 INTANGIBLE ASSETS

	Note	Goodwill RM'000	Computer software RM'000	Total RM'000
Group				
Cost				
At 1 January 2022		2,634	11,747	14,381
Acquisition		-	504	504
Transfer from property, plant and equipment	9	-	747	747
Effect of movements in exchange rates		-	202	202
At 31 December 2022/1 January 2023		**2,634**	**13,200**	**15,834**
Acquisition		**-**	**1,127**	**1,127**
Transfer from property, plant and equipment	9	**-**	**714**	**714**
Written off		**-**	**(831)**	**(831)**
Effect of movements in exchange rates		**-**	**222**	**222**
At 31 December 2023		**2,634**	**14,432**	**17,066**
Amortisation				
At 1 January 2022		-	8,848	8,848
Amortisation for the financial year	6	-	2,237	2,237
Effect of movements in exchange rates		-	168	168
At 31 December 2022/1 January 2023		**-**	**11,253**	**11,253**
Amortisation for the financial year	6	**-**	**1,221**	**1,221**
Written off		**-**	**(831)**	**(831)**
Effect of movements in exchange rates		**-**	**184**	**184**
At 31 December 2023		**-**	**11,827**	**11,827**
Carrying amounts				
At 31 December 2023		**2,634**	**2,605**	**5,239**
At 31 December 2022		2,634	1,947	4,581

NOTES TO THE FINANCIAL STATEMENTS

10 INTANGIBLE ASSETS (CONTINUED)

	Note	Computer software RM'000
Company		
Cost		
At 1 January 2022		3,702
Additions		12
Transfer from property, plant and equipment	9	628
At 31 December 2022/1 January 2023		**4,342**
Additions		**930**
Transfer from property, plant and equipment	9	**714**
Written off		**(312)**
At 31 December 2023		**5,674**
Amortisation		
At 1 January 2022		2,951
Amortisation for the financial year	6	592
At 31 December 2022/1 January 2023		**3,543**
Amortisation for the financial year	6	**623**
Written off		**(312)**
At 31 December 2023		**3,854**
Carrying amounts		
At 31 December 2023		**1,820**
At 31 December 2022		799

10 INTANGIBLE ASSETS (CONTINUED)

10.1 Impairment testing for CGUs containing goodwill

For the purpose of impairment testing, goodwill of RM2,634,000 (2022: RM2,634,000) is arising from the Group's previous acquisition on Maybev Pte Ltd, a 51% owned subsidiary incorporated in Singapore which represent the lowest level within the Group at which the goodwill is monitored for internal management purposes.

The recoverable amount of the CGU was based on its VIU 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 was recognised during the financial year.

The VIU 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 were as follows:

	2023	2022
Sales volume (% annual growth)	**-0.8%**	2.3%
Long-term growth rate (% per annum)	**1.0%**	1.0%
Pre-tax discount rate (% per annum)	**7.4%**	8.3%

The 5-year cash flows forecast were based on the average annual growth of sales volume based on past performance and management's expectation of market development. The discount rates used to discount the future cash flows are pre-tax and reflect the specific risks relating to the CGU.

The Directors of the Company believe that no reasonable possible changes in the key assumptions would cause the carrying amount of the CGU to exceed its recoverable amount.

11 RIGHT-OF-USE ASSETS/LEASES

11.1 Amounts recognised in the statements of financial position:

Right-of-use assets

	Note	Leasehold land RM'000	Offices and warehouses RM'000	Total RM'000
Group				
Net book value				
At 1 January 2023		**6,332**	**4,384**	**10,716**
Additions		**-**	**10,396**	**10,396**
Amortisation charge for the financial year	6	**(122)**	**(4,428)**	**(4,550)**
Effect of movements in exchange rates		**-**	**766**	**766**
At 31 December 2023		**6,210**	**11,118**	**17,328**
At 31 December 2023				
Cost		**10,571**	**24,545**	**35,116**
Accumulated amortisation		**(4,361)**	**(13,427)**	**(17,788)**
		6,210	**11,118**	**17,328**
Net book value				
At 1 January 2022		6,454	3,656	10,110
Additions		-	1,140	1,140
Amortisation charge for the financial year	6	(122)	(2,291)	(2,413)
Adjustment due to lease modifications		-	1,954	1,954
Effect of movements in exchange rates		-	(75)	(75)
At 31 December 2022		6,332	4,384	10,716
At 31 December 2022				
Cost		10,571	12,424	22,995
Accumulated amortisation		(4,239)	(8,040)	(12,279)
		6,332	4,384	10,716

11 RIGHT-OF-USE ASSETS/LEASES (CONTINUED)

11.1 Amounts recognised in the statements of financial position: (continued)

Right-of-use assets (continued)

	Note	Leasehold land RM'000	Offices and warehouse RM'000	Total RM'000
Company				
Net book value				
At 1 January 2023		6,272	-	6,272
Additions		-	10,396	10,396
Amortisation charge for the financial year	6	(118)	(2,021)	(2,139)
At 31 December 2023		6,154	8,375	14,529
At 31 December 2023				
Cost		10,399	10,396	20,795
Accumulated amortisation		(4,245)	(2,021)	(6,266)
		6,154	8,375	14,529
Net book value				
At 1 January 2022		6,390	-	6,390
Amortisation charge for the financial year	6	(118)	-	(118)
At 31 December 2022		6,272	-	6,272
At 31 December 2022				
Cost		10,399	-	10,399
Accumulated amortisation		(4,127)	-	(4,127)
		6,272	-	6,272

Lease liabilities

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Current	5,571	2,138	2,854	-
Non-current	6,364	2,660	6,061	-
	11,935	4,798	8,915	-

11 RIGHT-OF-USE ASSETS/LEASES (CONTINUED)

11.2 Amounts recognised in the statements of comprehensive income and statements of cash flows:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Amortisation charge of right-of-use assets				
Leasehold land	**122**	122	**118**	118
Offices and warehouses	**4,428**	2,291	**2,021**	-
	4,550	2,413	**2,139**	118
Interest expense (included in finance cost)	**368**	158	**268**	-
Lease expenses relating to short-term and low value assets that are not shown above (included in sales, distribution and administrative expenses)	**1,075**	1,012	**159**	121

The Group's and the Company's total cash outflow for all leases including leases expenses relating to short-term and low value assets in 2023 are RM5,489,000 (2022: RM3,276,000) and RM1,908,000 (2022: RM121,000) respectively.

11.3 The Group's leasing activities

The Group leases offices and warehouses. Rental contracts are typically made for fixed periods of 3 to 6 years, but may have extension or termination options.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

12 INVESTMENTS IN SUBSIDIARIES

	Company	
	2023 RM'000	2022 RM'000
Unquoted shares – at cost	**391,572**	391,572

The following are the subsidiaries of the Group:

Name of company	Principal activities	Principal place of business/ country of incorporation	Effective ownership interest 2023 %	2022 %
Carlsberg Marketing Sdn. Bhd.	Marketing and distribution of beer, stout, cider, shandy and non-alcoholic beverages	Malaysia	**100**	100
Euro Distributors Sdn. Bhd.	Marketing and distribution of non-alcoholic beverages	Malaysia	**100**	100
Carlsberg Singapore Pte. Ltd. #	Importation and marketing of beer and liquor products	Singapore	**100**	100
MayBev Pte. Ltd. #	Importation and marketing of beer and liquor products	Singapore	**51**	51

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12.1 Impairment review of investments in subsidiaries

The Company assesses impairment indicator of its investments in its subsidiaries at the end of each reporting period, in accordance with the accounting policy stated in Note 3(s). The Company's cost of investment in Carlsberg Singapore Pte Ltd is higher than its net assets as of 31 December 2023. Accordingly, impairment assessment has been performed by the Company. The recoverable amount of the CGU is based on its VIU calculations. The VIU of the CGU is determined by discounting the future cash flows forecasted to be generated from the continuing use of the CGU.

The 5-year cash flow forecasts are based on the average annual growth of sales volume based on past performance and management's expectations of market development. The discount rates used to discount the future cash flows are pre-tax and reflect the specific risks relating to the CGU.

The key assumptions used for the CGU Carlsberg Singapore Pte Ltd. were as follows:

	2023	2022
Sales volume (% annual growth)	**2.0%**	-1.7%
Long-term growth rate (% per annum)	**1.0%**	1.0%
Pre-tax discount rate (% per annum)	**7.4%**	8.3%

For Carlsberg Singapore Pte Ltd, the recoverable amount computed in its VIU analysis was higher than the carrying amount of its cost of investment and therefore, no impairment was recognised during the financial year. The Company's cost of investment in Carlsberg Singapore Pte Ltd. as at 31 December 2023 was RM389,663,000. There are no reasonable possible changes in any of the key assumptions used that would cause the carrying amount of the CGU to materially exceed its recoverable amount.

12 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

12.2 The Group's subsidiary that has material non-controlling interest ("NCI") is as follows:

	Effective ownership interest held by NCI	
	2023 %	2022 %
MayBev Pte. Ltd.	**49**	49

Set out below is the summarised financial information for MayBev Pte. Ltd., the subsidiary that has non-controlling interests that are material to the Group. The amounts disclosed are before inter-company eliminations.

	2023 RM'000	2022 RM'000
At 31 December		
Non-current assets	**2,639**	4,287
Current assets	**50,085**	47,861
Non-current liabilities	**(2,500)**	(5,647)
Current liabilities	**(34,310)**	(30,015)
Net assets	**15,914**	16,486
Accumulated non-controlling interests	**5,498**	6,462
Year ended 31 December		
Revenue	**133,773**	134,678
Profit for the financial year	**15,515**	15,950
Total comprehensive income	**15,515**	15,950
Profit allocated to non-controlling interests	**7,602**	7,815
Dividends paid to non-controlling interests	**8,566**	5,809
Cash flow generated from operating activities	**21,924**	20,527
Cash flow used in investing activities	**(335)**	(153)
Cash flow used in financing activities	**(20,386)**	(14,849)
Net changes in cash and cash equivalents	**1,203**	5,525

13 INVESTMENT IN AN ASSOCIATE

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Quoted shares, outside Malaysia	**25,164**	25,164	**25,164**	25,164
Share of post-acquisition reserves	**63,478**	41,709	**-**	-
	88,642	66,873	**25,164**	25,164
Market value				
Quoted shares, outside Malaysia	**261,566**	135,298	**261,566**	135,298

13 INVESTMENT IN AN ASSOCIATE (CONTINUED)

The fair value of the investment in the associate falls under Level 1 in the fair value level hierarchy.

Name of company	Principal activities	Principal place of business/ country of incorporation	Effective ownership interest 2023 %	Effective ownership interest 2022 %
Lion Brewery (Ceylon) PLC	Manufacturing, marketing and distribution of beer, stout, cider, shandy and non-alcoholic beverages	Sri Lanka	**25**	25

Summary financial information on associate:

	2023 RM'000	2022 RM'000
At 31 December		
Non-current assets	**368,602**	261,675
Current assets	**368,651**	374,006
Non-current liabilities	**(118,697)**	(89,672)
Current liabilities	**(264,000)**	(278,522)
Net assets	**354,556**	267,487
Year ended 31 December		
Revenue	**1,457,406**	1,253,821
Interest income	**19,592**	17,747
Interest expense	**(46,523)**	(21,994)
Tax expense	**(74,427)**	(54,661)
Profit for the financial year	**107,051**	86,074
Total comprehensive income	**107,051**	86,074
Year ended 31 December		
Group's share of profit	**26,764**	21,519
Deferred tax liabilities on temporary differences (Note 14)	**(3,307)**	-
Group's share of profit of equity-accounted associate, net of tax	**23,457**	21,519
Dividends received from associate, net of withholding tax	**15,170**	7,550
Reconciliation to carrying amount:		
Net assets as at 1 January	**267,487**	378,993
Profit for the financial year	**107,051**	86,074
Dividend paid	**(71,389)**	(30,201)
Exchange differences	**51,407**	(167,379)
Net assets as at 31 December	**354,556**	267,487
Group's share of net assets	**88,642**	66,873
Carrying amount	**88,642**	66,873

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 therefore, has deemed the option's fair value to be insignificant.

14 DEFERRED TAX ASSETS/(LIABILITIES)

Recognised deferred tax assets/(liabilities)

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Group						
Property, plant and equipment	-	-	(16,246)	(21,234)	(16,246)	(21,234)
Right-of-use assets	-	-	(2,476)	(272)	(2,476)	(272)
Trade and other receivables	-	-	(1,196)	(736)	(1,196)	(736)
Trade and other payables	12,085	18,110	-	-	12,085	18,110
Lease liabilities	2,653	346	-	-	2,653	346
Unused reinvestment allowance	11,319	-	-	-	11,319	-
Associate	-	-	(3,307)	-	(3,307)	-
Others	-	1,086	(389)	-	(389)	1,086
Tax assets/(liabilities)	26,057	19,542	(23,614)	(22,242)	2,443	(2,700)
Offsetting	(19,986)	(13,372)	19,986	13,372	-	-
Net tax assets/(liabilities)	6,071	6,170	(3,628)	(8,870)	2,443	(2,700)
Company						
Property, plant and equipment	-	-	(13,980)	(18,951)	(13,980)	(18,951)
Right-of-use assets	-	-	(2,010)	-	(2,010)	-
Trade and other payables	5,572	9,273	-	-	5,572	9,273
Lease liabilities	2,140	-	-	-	2,140	-
Unused reinvestment allowance	11,319	-	-	-	11,319	-
Others	-	1,086	(389)	-	(389)	1,086
Tax assets/(liabilities)	19,031	10,359	(16,379)	(18,951)	2,652	(8,592)
Offsetting	(16,379)	(10,359)	16,379	10,359	-	-
Net tax assets/(liabilities)	2,652	-	-	(8,592)	2,652	(8,592)

14 DEFERRED TAX ASSETS/(LIABILITIES) (CONTINUED)

Movement in temporary differences during the financial year:

	At 1.1.2022 RM'000	Recognised to profit or loss (Note 7) RM'000	Recognised to other comprehensive income (Note 7) RM'000	Foreign exchange differences RM'000	At 31.12.2022 RM'000	Recognised to profit or loss (Note 7&13) RM'000	Recognised to other comprehensive income (Note 7) RM'000	Foreign exchange differences RM'000	At 31.12.2023 RM'000
Group									
Property, plant and equipment	(23,974)	2,767	-	(27)	**(21,234)**	**5,005**	**-**	**(17)**	**(16,246)**
Right-of-use assets	(635)	387	-	(24)	**(272)**	**(2,188)**	**-**	**(16)**	**(2,476)**
Trade and other receivables	1,893	(2,629)	-	-	**(736)**	**(460)**	**-**	**-**	**(1,196)**
Trade and other payables	15,311	2,704	-	95	**18,110**	**(6,121)**	**-**	**96**	**12,085**
Lease liabilities	679	(361)	-	28	**346**	**2,288**	**-**	**19**	**2,653**
Unused reinvestment allowance	-	-	-	-	**-**	**11,319**	**-**	**-**	**11,319**
Associate	-	-	-	-	**-**	**(3,307)**	**-**	**-**	**(3,307)**
Others	(1,137)	-	2,223	-	**1,086**	**-**	**(1,475)**	**-**	**(389)**
	(7,863)	2,868	2,223	72	**(2,700)**	**6,536**	**(1,475)**	**82**	**2,443**
Company									
Property, plant and equipment	(21,428)	2,477	-	-	**(18,951)**	**4,971**	**-**	**-**	**(13,980)**
Right-of-use assets	-	-	-	-	**-**	**(2,010)**	**-**	**-**	**(2,010)**
Trade and other payables	7,930	1,343	-	-	**9,273**	**(3,701)**	**-**	**-**	**5,572**
Lease liabilities	-	-	-	-	**-**	**2,140**	**-**	**-**	**2,140**
Unused reinvestment allowance	-	-	-	-	**-**	**11,319**	**-**	**-**	**11,319**
Others	(1,137)	-	2,223	-	**1,086**	**-**	**(1,475)**	**-**	**(389)**
	(14,635)	3,820	2,223	-	**(8,592)**	**12,719**	**(1,475)**	**-**	**2,652**

NOTES TO THE FINANCIAL STATEMENTS

15 INVENTORIES

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Finished goods	**74,247**	101,966	**26,552**	17,190
Work-in-progress	**5,833**	3,574	**5,833**	3,574
Raw, packaging and other materials	**9,584**	13,277	**9,632**	13,215
Spare parts for machinery	**7,871**	5,623	**7,385**	5,192
	97,535	124,440	**49,402**	39,171
Recognised in profit or loss:				
(Reversal)/allowance for inventories written down	**(2,417)**	4,314	**945**	1,894
Finished goods written off	**5,661**	3,658	**263**	324
Inventories recognised as Cost of Sales	**243,390**	278,472	**200,141**	218,453

16 RECEIVABLES, DEPOSITS AND PREPAYMENTS

		Group		Company	
	Note	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Current					
Trade					
Trade receivables from contracts with customers	16.1	**327,758**	397,041	**-**	-
Less: Loss allowance		**(797)**	(1,177)	**-**	-
		326,961	395,864	**-**	-
Prepayments	16.3	**51,309**	41,952	**32,661**	27,418
Amount due from subsidiaries	16.2	**-**	-	**50,355**	25,072
Amount due from related companies	16.2	**706**	2,210	**707**	2,210
		378,976	440,026	**83,723**	54,700

16 RECEIVABLES, DEPOSITS AND PREPAYMENTS (CONTINUED)

	Note	Group 2023 RM'000	Group 2022 RM'000	Company 2023 RM'000	Company 2022 RM'000
Non-trade					
Amount due from immediate holding company	16.2	**144**	253	**-**	-
Amount due from a subsidiary	16.2	**-**	-	**70**	63
Amount due from an associate	16.2	**4**	2,450	**4**	2,450
Other receivables		**2,735**	2,402	**305**	741
Deposits		**2,081**	1,471	**1,286**	55
Prepayments		**845**	413	**142**	105
		5,809	6,989	**1,807**	3,414
		384,785	447,015	**85,530**	58,114

16.1 Trade receivables from contracts with customers

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 60 days and therefore are all classified as current.

Included in trade receivables is a portfolio of receivables which are subject to factoring arrangement. Under this arrangement, the Group will transfer the relevant trade receivables to a bank in exchange for cash with no recourse to the Group subsequent to the transfer. The Group considers the hold to collect and sell business model remains appropriate for these receivables and therefore continues to measure these financial assets at FVOCI as disclosed in Note 24.1. This instrument is carried under the Level 3 fair value hierarchy which is determined through discounting future cash flows at agreed bank charges rates. The fair value of the debt instruments is equivalent to the carrying amount as the initial cost assessed is insignificant.

Refer to Note 24.7 for disclosure of fair value information.

16.2 Amounts due from immediate holding company, subsidiaries, associate and related companies.

The trade balances have a credit term of 30 days (2022: 30 days).

The non-trade balances are unsecured, interest free and repayable on demand.

16.3 Prepayments

Prepayments comprise excise duties and upfront cash payments in relation to listing fees provided to the sales outlets. The listing fees are amortised over the duration of the contracts entered with these outlets. The amortised upfront listing fee payments are recognised as a discount to revenue.

NOTES TO THE FINANCIAL STATEMENTS

17 CASH AND CASH EQUIVALENTS

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Cash at bank	**94,978**	91,200	**28,583**	6,639
Cash held on hand	**58**	51	**-**	-
	95,036	91,251	**28,583**	6,639

18 SHARE CAPITAL

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Issued and fully paid-up:				
- 305,748,000 ordinary shares with no par value				
At beginning/end of financial year	**149,363**	149,363	**149,363**	149,363

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 regards to the Company's residual assets.

Reserves

		Group		Company	
	Note	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Other reserves:					
Capital reserve	18.1	**3,931**	3,931	**-**	-
Exchange reserve	18.2	**(33,711)**	(48,790)	**-**	-
Equity contribution reserve	18.3	**3,240**	2,420	**2,725**	2,029
Cash flow hedge reserve	18.4	**(64)**	(4,734)	**(64)**	(4,734)
		(26,604)	(47,173)	**2,661**	(2,705)
Distributable reserves:					
Retained earnings		**106,340**	45,465	**214,959**	177,088
		79,736	(1,708)	**217,620**	174,383

18 SHARE CAPITAL (CONTINUED)

18.1 Capital reserve

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

18.2 Exchange reserve

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.

18.3 Equity contribution reserve

Equity contribution reserve comprises the cumulative value of employee services received for the performance shares granted by the ultimate holding company. The grant date fair value of the performance share 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 performance shares. Any reimbursement to Carlsberg A/S in relation to the share-based incentive programme is treated as a capital distribution and would be recorded directly in equity.

18.4 Cash flow hedge reserve

During the financial year, the Group and the Company have applied cash flow hedge. Cash flow hedges comprise aluminium hedges where the hedged item is aluminium cans that will be used by the Company. Aluminium swaps are used to hedge the risk of volatile aluminium prices associated with the purchase of cans.

The fair value changes of effective cash flow hedge on aluminium hedge contracts are recognised in other comprehensive income and attributed to this reserve.

As at 31 December 2023, the unrealised fair value loss on cash flow hedge included in the amount due from immediate holding company (trade) was RM84,000 (2022: RM6,229,000).

19 PAYABLES AND ACCRUALS

	Note	Group 2023 RM'000	Group 2022 RM'000	Company 2023 RM'000	Company 2022 RM'000
Non-current					
Provision		**376**	355	**-**	-
Current					
Trade					
Trade payables	19.1	**467,346**	530,891	**116,210**	124,841
Amount due to immediate holding company	19.2	**7,992**	18,003	**2,441**	8,001
Amounts due to related companies	19.2	**6,319**	5,039	**-**	-
		481,657	553,933	**118,651**	132,842
Non-trade					
Other payables	19.3	**45,118**	71,846	**24,817**	53,403
Accrued expenses		**63,535**	79,174	**16,092**	24,771
Amount due to immediate holding company	19.4	**2,596**	3,403	**830**	3,403
Amount due to a subsidiary	19.5	**-**	-	**232,550**	142,364
Amounts due to related companies	19.4	**12,704**	13,077	**9,768**	10,123
		123,953	167,500	**284,057**	234,064
		605,610	721,433	**402,708**	366,906
		605,986	721,788	**402,708**	366,906

19.1 Trade payables carry credit terms ranging from 0 to 140 days (2022: 0 to 130 days).

Included in trade payables of the Group are trade offer accruals amounting to RM228,385,000 (2022: RM244,114,000) which is payable in the next twelve months. Material accounting estimates and assumptions on trade offers accruals are provided in Note 4(i).

Note 24.5 and Note 24.7 set out disclosures of liquidity risk and fair value information respectively.

19.2 Amounts due to immediate holding company and related companies

Amounts due to immediate holding company and related companies are unsecured, interest free and subject to credit terms of 60 days (2022: 60 days).

19.3 These amounts comprise liabilities for goods and services provided to the Group and the Company. The amounts are unsecured and are usually paid within 30 days of recognition.

19 PAYABLES AND ACCRUALS (CONTINUED)

19.4 Amounts due to immediate holding company and related companies

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

19.5 Amount due to a subsidiary

The Company has entered into a cash pooling arrangement with its subsidiary. The cash pooling arrangement is repayable on demand, unsecured, and subjected to fixed interest rate of 2.5% (2022: 2.5%) based on an overnight sweep arrangement. Interest expenses from the cash pooling arrangement amounting to RM4,402,000 (2022: RM4,730,000) is presented within the finance cost in the statements of comprehensive income.

20 LOANS AND BORROWINGS

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Non-current - unsecured				
Term loan	**2,331**	4,046	**-**	-
	2,331	4,046	**-**	-
Current – unsecured				
Term loan	**1,955**	1,810	**-**	-
Revolving credits	**115,115**	115,122	**115,115**	115,122
	117,070	116,932	**115,115**	115,122

The term loan of the Group is subjected to fixed interest rate of 2% per annum.

The revolving credits of the Group and the Company are subjected to interests ranging from 3.66% to 3.77% (2022: 3.24% to 3.50%) per annum.

As at 31 December 2023, the Group and the Company has undrawn facilities of RM260 million and RM192 million (2022: RM249 million and RM185 million) respectively.

The maturity analysis of the loans and borrowings at end of reporting date is disclosed in Note 24.5 under liquidity risk.

21 KEY MANAGEMENT PERSONNEL COMPENSATION

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Directors:				
- Fees	**470**	402	**470**	402
- Defined contribution plan	**192**	172	**192**	172
- Short-term employee benefits (including estimated monetary value of benefits-in-kind)	**4,207**	3,436	**4,207**	3,436
	4,869	4,010	**4,869**	4,010
- Share-based payment expense	**649**	523	**649**	523
	5,518	4,533	**5,518**	4,533
Other key management personnel:				
- Defined contribution plan	**1,313**	1,027	**486**	399
- Short-term employee benefits	**14,949**	15,418	**4,347**	3,893
- Share-based payment expense	**1,220**	818	**926**	649
	17,482	17,263	**5,759**	4,941
	23,000	21,796	**11,277**	9,474

Other key management personnel comprise persons other than the Directors of the Group, having authority and responsibility for planning, directing and controlling the activities of the Group entities either directly or indirectly.

22 DIVIDENDS

Dividends declared by the Company are:

	Sen per ordinary share	Total amount RM'000	Date of payment
2023			
Final 2022	**25.0**	**76,437**	**18 May 2023**
First interim 2023	**21.0**	**64,207**	**8 June 2023**
Second interim 2023	**22.0**	**67,265**	**13 October 2023**
Third interim 2023	**19.0**	**58,092**	**29 December 2023**
Total amount		**266,001**	
2022			
Final 2021	46.0	140,644	12 May 2022
First interim 2022	22.0	67,265	22 June 2022
Second interim 2022	22.0	67,264	15 September 2022
Third interim 2022	19.0	58,092	9 December 2022
Total amount		333,265	

22 DIVIDENDS (CONTINUED)

The Board of Directors recommended for shareholders' approval at the forthcoming Annual General Meeting a final single-tier dividend of 31.0 sen per ordinary share in respect of the financial year ended 31 December 2023.

	Sen per ordinary share	Total amount RM'000
For the financial year ended 31 December 2023		
Final	**31.0**	**94,782**

23 OPERATING SEGMENTS

The Group has three operating 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 operating 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 entities in Singapore.
- Others — Includes manufacturing, 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 who is considered the Group's chief operating decision maker. Hence no such disclosures are provided below.

NOTES TO THE FINANCIAL STATEMENTS

23 OPERATING SEGMENTS (CONTINUED)

	Malaysia RM'000	Singapore RM'000	Others RM'000	Total RM'000
2023				
Segment profit	**311,705**	**87,081**	**-**	**398,786**
Included in the measure of segment profit are:				
Revenue from external customers	**1,610,028**	**650,871**	**-**	**2,260,899**
Inter-segment revenue*	**71,011**	**-**	**-**	**71,011**
Depreciation and amortisation	**56,919**	**5,537**	**-**	**62,456**
Impairment	**85**	**-**	**-**	**85**
Not included in the measure of segment profit but provided to Group's Managing Director:				
Finance costs	**(5,216)**	**(548)**	**-**	**(5,764)**
Finance income	**556**	**-**	**-**	**556**
Income tax expense	**(62,444)**	**(17,074)**	**(2,677)**	**(82,195)**
Share of profit of equity-accounted associate, net of tax	**-**	**-**	**23,457**	**23,457**
2022				
Segment profit	332,490	89,859	-	422,349
Included in the measure of segment profit are:				
Revenue from external customers	1,732,561	679,904	-	2,412,465
Inter-segment revenue*	48,546	-	-	48,546
Depreciation and amortisation	40,923	5,432	-	46,355
Impairment	2,445	-	-	2,445
Not included in the measure of segment profit but provided to Group's Managing Director:				
Finance costs	(2,558)	(449)	-	(3,007)
Finance income	784	-	-	784
Income tax expense	(103,641)	(15,903)	-	(119,544)
Share of profit of equity-accounted associate, net of tax	-	-	21,519	21,519

* Inter-segment revenue derived from Singapore.

23 OPERATING SEGMENTS (CONTINUED)

Reconciliation of segment profit or loss

	2023 RM'000	2022 RM'000
Profit		
Total segment profit	**398,786**	422,349
Inter-segment elimination	**18**	2,760
Finance costs	**(5,764)**	(3,007)
Finance income	**556**	784
Share of profit of equity-accounted associate, net of tax	**23,457**	21,519
Consolidated profit before taxation	**417,053**	444,405

Geographical segments

In presenting information on the basis of geographical segments, segment revenue is based on geographical location of customers. Non-current assets are based on the geographical location of the assets.

	Revenue		Non-current assets*	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Geographical location				
Malaysia	**1,590,473**	1,691,202	**332,429**	308,113
Singapore	**641,247**	691,925	**12,352**	13,914
Other countries	**29,179**	29,338	**88,642**	66,873
	2,260,899	2,412,465	**433,423**	388,900

* Non-current assets comprise of property, plant and equipment, intangible assets, ROU assets and investment in an associate.

Major customers

The revenue derived from transactions with single external customer that amounted to 10% or more of the Group's revenue for the financial year was RM429,864,000 (2022: RM465,144,000).

NOTES TO THE FINANCIAL STATEMENTS

24 FINANCIAL INSTRUMENTS

24.1 Financial instruments by categories

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

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Financial assets at FVOCI				
Receivables	**48,348**	81,442	**-**	-
Financial assets at amortised cost				
Receivables and deposits	**284,283**	323,208	**52,727**	30,591
Cash and cash equivalents	**95,036**	91,251	**28,583**	6,639
	379,319	414,459	**81,310**	37,230
Financial liabilities at amortised cost				
Payables and accruals*	**(578,481)**	(678,677)	**(395,232)**	(352,819)
Loans and borrowings	**(119,401)**	(120,978)	**(115,115)**	(115,122)
Lease liabilities	**(11,935)**	(4,798)	**(8,915)**	-
	(709,817)	(804,453)	**(519,262)**	(467,941)

* Net of provisions and payroll liabilities

24.2 Net gains/(losses) arising from financial instruments

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

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Financial assets at FVOCI and amortised cost	**733**	(250)	**216**	(1,104)
Financial liabilities at amortised cost	**(6,334)**	(3,397)	**(8,995)**	(6,930)

24 FINANCIAL INSTRUMENTS (CONTINUED)

24.3 Financial risk management

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

- Credit risk
- Liquidity risk
- Market risk

24.4 Credit risk

Trade receivables (including intercompany balances) using simplified approach

(a) The credit risks concentration profile for trade receivables (including intercompany balances), net of loss allowance, as at the end of the reporting period analysed by geographic region was:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Malaysia	**225,284**	295,594	**40,668**	18,212
Singapore	**102,325**	99,712	**9,689**	6,860
Others	**58**	2,768	**705**	2,210
	327,667	398,074	**51,062**	27,282

(b) Reconciliation on loss allowance

The loss allowance for trade receivables as at 31 December 2023 reconciles to the opening loss allowance for that provision as follows:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
At 1 January	**(1,177)**	(1,366)	**-**	-
Loss allowance recognised	**(648)**	(87)	**-**	-
Loss allowance reversed	**540**	276	**-**	-
Loss allowance written off	**488**	-	**-**	-
At 31 December	**(797)**	(1,177)	**-**	-

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

NOTES TO THE FINANCIAL STATEMENTS

24 FINANCIAL INSTRUMENTS (CONTINUED)

24.4 Credit risk (continued)

Trade receivables (including intercompany balances) using simplified approach (continued)

(c) Maximum exposure to credit risk

The grouping of trade receivables (including intercompany balances) for ECL assessment is as below:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Assessed collectively	**328,464**	399,251	**51,062**	27,282
Total trade receivables (including intercompany balances)	**328,464**	399,251	**51,062**	27,282

The following table contains an analysis of the credit risk exposure of financial instruments for which an ECL allowance is recognised:

Group	Current	1 - 30 days past due	More than 30 days past due	More than 60 days past due	Total
2023					
Expected loss rate	**-**	**-**	**-**	**29%**	
RM'000					
Gross carrying amount					
- Trade receivables	**317,892**	**-**	**7,160**	**2,706**	**327,758**
- Amounts due from related companies	**396**	**301**	**9**	**-**	**706**
Carrying amount	**318,288**	**301**	**7,169**	**2,706**	**328,464**
Loss allowance	**-**	**-**	**-**	**(797)**	**(797)**
Carrying amount (net of loss allowance)	**318,288**	**301**	**7,169**	**1,909**	**327,667**

24 FINANCIAL INSTRUMENTS (CONTINUED)

24.4 Credit risk (continued)

Trade receivables (including intercompany balances) using simplified approach (continued)

(c) Maximum exposure to credit risk (continued)

The following table contains an analysis of the credit risk exposure of financial instruments for which an ECL allowance is recognised: (continued)

Group	Current	1 - 30 days past due	More than 30 days past due	More than 60 days past due	Total
2022					
Expected loss rate	-	-	-	35%	
RM'000					
Gross carrying amount					
- Trade receivables	375,860	14,992	2,974	3,215	397,041
- Amounts due from related companies	1,151	826	116	117	2,210
Carrying amount	377,011	15,818	3,090	3,332	399,251
Loss allowance	-	-	-	(1,177)	(1,177)
Carrying amount (net of loss allowance)	377,011	15,818	3,090	2,155	398,074

The Company's trade intercompany balances were considered fully recoverable, and no loss allowance has been recognised during the current financial year (2022: Nil).

Intercompany balances

Risk management objectives, policies and processes for managing the risk

The Group has transactions with related companies. The Group monitors the collectability of the amounts due from related companies regularly.

The Company has transactions with subsidiaries and related companies. The Company monitors the collectability of the amounts due from subsidiaries and related companies regularly.

Exposure to credit risk

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.

24 FINANCIAL INSTRUMENTS (CONTINUED)

24.4 Credit risk (continued)

Intercompany balances (continued)

Credit quality

As at the end of the reporting period, there was no indication that the amounts due from subsidiaries and related companies are not recoverable. The amounts due from subsidiaries and related companies 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 the 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

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.

Credit quality

Counterparties with external credit rating:

	Group		Company	
	2023 RM'000	**2022 RM'000**	**2023 RM'000**	**2022 RM'000**
AAA	**40,726**	25,096	**28,479**	6,549
AA1	**84**	77	**75**	61
AA2	**73**	-	**29**	-
AA3	**-**	95	**-**	29
A1	**54,095**	65,932	**-**	-
	94,978	91,200	**28,583**	6,639

24 FINANCIAL INSTRUMENTS (CONTINUED)

24.5 Liquidity risk

Liquidity risk is the risk that the Group and the Company will not be able to meet their 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 maintain a level of cash and cash equivalents and bank facilities deemed adequate by the management to ensure, as far as possible, that they will have sufficient liquidity to meet their liabilities when they fall due.

The Group's and the Company's current liabilities exceeded its current assets by RM192.2 million and RM356.7 million (2022: RM225.0 million and RM377.7 million) respectively as of 31 December 2023. In considering liquidity risk, the Group has reviewed the cash flow and funding requirements for the next 12 months from the date of approval of the financial statements. The cash flow forecasts have been prepared, taking into consideration sources of liquidity to fund anticipated operating activities, investing activities, repayments of financing obligations and returns to shareholders.

The key assumption underpinning the Group's and the Company's cash flow and funding requirements is the continuous profitable performance of both the Group and Company in the next 12 months from the date of approval of the financial statements based on market expectations and forecasts to generate sufficient net cash inflow from its operating activities. In the current financial year, both the Group and the Company have registered profits of RM334.9 million and RM304.2 million (2022: RM324.9 million and RM218.7 million) respectively and the Group generated net cash inflow from operating activities of RM325.9 million (2022: RM414.5 million).

As disclosed in Note 20, as of 31 December 2023, the Group and Company has undrawn credit facilities of RM260.0 million and RM192.0 million (2022: RM249.0 million and RM185.0 million) respectively. These undrawn credit facilities are available as and when it is needed, for the next 12 months from the date of approval of the financial statements to fund the working capital and financing requirements of its business.

At Company level, the Company would be able to meet its obligations or liabilities as and when it is needed, through the available funds from the undrawn banking facilities and dividend income from its profitable subsidiaries.

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

24 FINANCIAL INSTRUMENTS (CONTINUED)

24.5 Liquidity risk (continued)

Maturity analysis

	Carrying amount RM'000	Contractual interest rate %	Contractual cash flows RM'000	Under 1 year RM'000	Between 1 and 2 years RM'000	Between 2 and 5 years RM'000
Group						
2023						
Payables and accruals*	**578,481**	**-**	**578,481**	**578,481**	**-**	**-**
Loans and borrowings	**119,401**	**2.00-3.77**	**119,595**	**117,235**	**2,360**	**-**
Lease liabilities	**11,935**	**0.71-4.70**	**12,527**	**5,970**	**4,701**	**1,856**
	709,817		**710,603**	**701,686**	**7,061**	**1,856**
2022						
Payables and accruals*	678,677	-	678,677	678,677	-	-
Loans and borrowings	120,978	2.00-3.50	121,221	117,082	1,910	2,229
Lease liabilities	4,798	0.71-4.05	5,111	2,421	2,421	269
	804,453		805,009	798,180	4,331	2,498

* Net of provisions and payroll liabilities

24 FINANCIAL INSTRUMENTS (CONTINUED)

24.5 Liquidity risk (continued)

Maturity analysis (continued)

	Carrying amount RM'000	Contractual interest rate %	Contractual cash flows RM'000	Under 1 year RM'000	Between 1 and 2 years RM'000	Between 2 and 5 years RM'000
Company						
2023						
Payables and accruals*	**162,683**	**-**	**162,683**	**162,683**	**-**	**-**
Loans and borrowings	**115,115**	**3.66-3.77**	**115,211**	**115,211**	**-**	**-**
Amount due to a subsidiary (non-trade)	**232,550**	**2.50**	**232,550**	**232,550**	**-**	**-**
Lease liabilities	**8,915**	**4.70**	**9,472**	**3,218**	**4,398**	**1,856**
	519,263		**519,916**	**513,662**	**4,398**	**1,856**
2022						
Payables and accruals*	210,455	-	210,455	210,455	-	-
Loans and borrowings	115,122	3.24-3.50	115,171	115,171	-	-
Amount due to a subsidiary (non-trade)	142,364	2.50	142,364	142,364	-	-
	467,941		467,990	467,990	-	-

* Net of provisions, payroll liabilities and amount due to a subsidiary (non-trade)

NOTES TO THE FINANCIAL STATEMENTS

24 FINANCIAL INSTRUMENTS (CONTINUED)

24.6 Market risk

Market risk comprises currency risk, price risk and interest rate risk that will affect the Group's and the Company's financial position or cash flows.

24.6.1 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"), Singapore Dollar ("SGD"), Euro ("EUR") and Sri Lankan Rupee ("LKR").

The Group holds a number of investments in foreign subsidiaries and associate where the translation of net assets to Ringgit Malaysia ("RM") is exposed to foreign exchange risks. The revaluation of the net investments of the Group's foreign operations is recognised in OCI. The currency giving rise to the risk in terms of revaluation of the net investment is primarily from LKR due both to the size of the net investment and to the economic situation in Sri Lanka which resulted in volatility of LKR currency.

Risk management objectives, policies and processes for managing the risk

The Group and the Company did not hedge on any net investments, foreign trade receivables and trade payables denominated in foreign currency during the financial year. In respect of other monetary assets and liabilities held in currencies other than RM and SGD, the Group ensures that the net exposure is kept to an acceptable level.

Exposure to foreign currency risk

The Group's and the Company's exposure to foreign currency (a currency which is other than the functional currency of any entity in the Group and the Company) risk, based on carrying amounts as at the end of the reporting period was:

	Denominated in			
	USD RM'000	SGD RM'000	EUR RM'000	LKR RM'000
Group				
2023				
Cash and cash equivalents	**8,303**	**529**	**-**	**10**
Trade payables	**(25,673)**	**(381)**	**(22,079)**	**-**
Intercompany balances	**(18,453)**	**-**	**(829)**	**-**
Net exposure	**(35,823)**	**148**	**(22,908)**	**10**
2022				
Trade receivables	2,545	-	-	-
Cash and cash equivalents	6,731	368	-	4,453
Trade payables	(22,620)	(343)	(2,874)	-
Intercompany balances	(4,964)	-	(385)	-
Net exposure	(18,308)	25	(3,259)	4,453

24 FINANCIAL INSTRUMENTS (CONTINUED)

24.6 Market risk (continued)

24.6.1 Currency risk (continued)

Exposure to foreign currency risk (continued)

	Denominated in			
	USD RM'000	SGD RM'000	EUR RM'000	LKR RM'000
Company				
2023				
Cash and cash equivalents	**6,424**	**340**	**-**	**10**
Trade payables	**(23,383)**	**(84)**	**(21,824)**	**-**
Intercompany balances	**(9,380)**	**9,689**	**(507)**	**-**
Net exposure	**(26,339)**	**9,945**	**(22,331)**	**10**
2022				
Cash and cash equivalents	1,848	209	-	4,453
Trade payables	(19,079)	-	(1,477)	-
Intercompany balances	2,210	6,860	-	-
Net exposure	(15,021)	7,069	(1,477)	4,453

Currency risk sensitivity analysis

Foreign currency risk arises primarily for transactions denominated in USD, SGD, EUR and LKR. The exposure to currency risk for transaction other than USD, SGD, EUR and LKR is not material and hence, sensitivity analysis is not presented.

A 6% (2022: 2%) strengthening of the RM against the following currencies at the end of the reporting period would have increased/(decreased) post-tax profit or loss by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the Group and the Company considered to be reasonably possible at the end of the reporting period. This analysis assumes that all other variables, in particular interest rates, remained constant and ignores any impact of forecasted sales and purchases. A 6% (2022: 2%) weakening of the RM against the following currencies would have the equal but opposite effect to the amounts shown below, on the basis that all other variables remain constant.

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
USD	**2,149**	366	**1,580**	300
SGD	**(9)**	(1)	**(597)**	(141)
EUR	**1,375**	65	**1,340**	30
	3,515	430	**2,323**	189

24 FINANCIAL INSTRUMENTS (CONTINUED)

24.6 Market risk (continued)

24.6.1 Currency risk (continued)

Currency risk sensitivity analysis (continued)

The effects to the Group's and the Company's post-tax profit or loss if the LKR had further weakened by a similar basis comparable with current year at 18% (2022: 40%) against RM are as follows:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
LKR	**2**	1,781	**2**	1,781

A 18% (2022: 40%) strengthening of LKR against RM would have the equal but opposite effect to the amounts shown above, on the basis that all other variables remain constant.

24.6.2 Price risk

The Group is exposed to price risk arising from the fluctuating prices of aluminium cans. To manage its price risk arising from prices of aluminium cans, the Group engages in the hedging of aluminium prices. Hedging is performed by fixed-price purchase agreement with suppliers. The fair value of the cash flow hedge is disclosed in the consolidated statement of changes in equity.

24.6.3 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.

The Group's and 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 rate fluctuations. In year 2021, the Group entered into long-term bank loans at fixed interest rate. The Group manages its interest rate exposure by maintaining a prudent mix of fixed and floating rate borrowings.

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	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Floating rate instruments				
Loan and borrowings	**(115,115)**	(115,122)	**(115,115)**	(115,122)

The Group has variable rate borrowing such as revolving credits and the Group considers the risk of significant changes to interest rate on these borrowings to be unlikely due to the relative short-term nature of the borrowings. The Group actively reviews its debt portfolio to manage the timings of repayment of these borrowings and monitors the interest rates on these borrowing closely to ensure they are maintained at favourable rates.

24 FINANCIAL INSTRUMENTS (CONTINUED)

24.6 Market risk (continued)

24.6.3 Interest rate risk (continued)

As at the reporting date, if the annual interest rates increase/decrease by 0.5% (2022: 0.5%) respectively and all other variables including tax and interest rates being held constant, the profit after tax will be higher/lower by RM437,000 (2022: RM437,000) as a result of higher/lower interest expense on these borrowings. However, since all fixed-rate borrowings are measured at amortised cost, there is no impact on profit or loss. The sensitivity analysis is based on the financial instruments recognised at the reporting date.

24.7 Fair value of financial instruments

The carrying amounts of the current financial assets and liabilities of the Group and the Company measured at amortised cost as at the reporting date approximate their fair values due to the relatively short-term nature of these financial instruments.

25 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. Capital consists of total equity, less amounts accumulated in equity related to cash flow hedges.

The Directors monitor and determine to maintain an optimal debt-to-equity ratio that complies with regulatory requirements. The ratio is calculated as total debt divided by total capital. Total debt is calculated as sum of total borrowings (including "current and non-current loan and borrowing" and "lease liabilities" as shown in the statement of financial position). Total capital is calculated as sum of total equity and total debt.

The gearing ratio as at 31 December 2023 and 2022 are as follows:

	Group	
	2023 RM'000	2022 RM'000
Total debt	**131,336**	125,776
Total equity	**234,597**	154,117
Total capital	**365,933**	279,893
Gearing ratio	**36%**	45%

26 CAPITAL COMMITMENTS

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Authorised and contracted for				
- Property, plant and equipment	**47,354**	4,929	**46,966**	4,021

NOTES TO THE FINANCIAL STATEMENTS

27 EFFECT OF IBOR REFORM

As at reporting date, there is no change to the Group's KLIBOR-linked contracts. The Group will closely monitor the regulators' announcement on the alternative benchmark rate or discontinuation of publication of the KLIBOR for the relevant tenors; and engage the counterparties to discuss necessary changes to the related contracts.

28 SIGNIFICANT EVENTS DURING THE YEAR

Non-renewal of the Exclusive Distribution Agreements of Asahi

The Group announced the non-renewal of the Exclusive Distribution Agreements with Asahi Group Holdings Ltd on 19 June 2023. Both parties have mutually agreed not to renew the said agreement and the exclusive distribution of the Asahi brand or trademark in Malaysia that expired on 31 December 2023. There is no material effect on the earnings per share, net assets per share and gearing of the Group for the financial year ended 31 December 2023.

Licence Agreement and Distributorship Agreement with Sapporo Breweries Limited

On 1 November 2023, the Group entered into a Memorandum of Understanding ("MoU") with Sapporo Breweries Ltd. for the exclusive manufacturing and distribution of Sapporo Premium Beer in Malaysia commencing from 2024. Similarly, the Group's Singaporean operations shall have joint-distribution rights to sell and distribute both Sapporo Premium Beer and Yebisu.

On 5 December 2023, the Group had secured the license agreement to brew and manufacture the iconic 'Sapporo Premium Beer' in Malaysia. Effective from 1 January 2024, the Group will produce, sell, market, and distribute the beer across all channels in the country, including duty-free zones. This agreement is a 5-year contract with an automatic renewal of 3 years, unless either party provides written notice of non-renewal.

In Singapore, Carlsberg Singapore Pte. Ltd. and its subsidiary, Maybev Pte. Ltd., have distributorships for two iconic brands i.e. 'Sapporo Premium Beer' and 'Yebisu Beer'. Similarly, this distributor agreement will also be effective for 5 years starting from 1 January 2024, with an automatic renewal for 1 year, unless either party provides written notice of non-renewal.

29 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 related party relationship with the ultimate holding company and its related corporations, its subsidiaries (see Note 12), an associate (see Note 13), Directors and key management personnel.

The relationship of related parties are identified as below:

Name of company	Country of incorporation	Classes of Related parties
Carlsberg A/S	Denmark	Ultimate holding company
Carlsberg Breweries A/S	Denmark	Immediate holding company
Carlsberg Marketing Sdn. Bhd.	Malaysia	Subsidiary
Carlsberg Singapore Pte. Ltd.	Singapore	Subsidiary
Euro Distributors Sdn. Bhd.	Malaysia	Subsidiary
MayBev Pte. Ltd.	Singapore	Subsidiary
Lion Brewery (Ceylon) PLC	Sri Lanka	Associate
Brasseries Kronenbourg SAS	France	Fellow subsidiary
Cambrew Limited	Cambodia	Fellow subsidiary
Carlsberg Brewery (Anhui) Company Ltd	China	Fellow subsidiary
Carlsberg Brewery Hong Kong Ltd.	Hong Kong	Fellow subsidiary
Carlsberg Croatia D.O.O.	Croatia	Fellow subsidiary
Carlsberg Supply Co. Asia Ltd.	Hong Kong	Fellow subsidiary
Carlsberg Supply Company AG	Switzerland	Fellow subsidiary
Carlsberg Vietnam Breweries Limited	Vietnam	Fellow subsidiary
Carlsberg Vietnam Trading Limited	Vietnam	Fellow subsidiary
Lao Brewery Co. Ltd.	Laos	Fellow subsidiary
Monster the Cat GmbH	Switzerland	Fellow subsidiary
Saku Õlletehase AS	Estonia	Fellow subsidiary
Carlsberg Taiwan Trading Company Ltd.	Taiwan	Associate company of immediate holding company

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group and of the Company either directly or indirectly. The key management personnel includes all the Directors of the Group and of the Company, and certain members of senior management of the Group and of the Company.

29 RELATED PARTIES (CONTINUED)

Details of the related party transactions (other than key management personnel remuneration disclosed in Note 21 to the financial statements) with the Group and the Company are as follows:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Ultimate holding company				
Reimbursement for share-based payments granted to employees	**1,468**	1,668	**1,205**	1,274
Immediate holding company				
Purchases of services	**8,717**	9,488	**5,396**	4,993
Royalties	**42,241**	41,947	**10,420**	10,242
Net settlements in respect of loss/(gain) from hedging contracts	**7,786**	(2,485)	**7,786**	(2,485)
Related companies				
Management fees	**15,212**	11,340	**8,286**	7,416
Purchases of materials and products	**14,336**	41,495	**-**	-
Purchase of kegs	**-**	1,560	**-**	-
Purchases of services	**7,432**	5,035	**4,087**	2,589
Sale of goods and services	**(6,207)**	(28,684)	**(6,207)**	(28,684)
Sale of kegs	**(215)**	-	**(215)**	-
Royalties	**9**	62	**-**	-

	Company	
	2023 RM'000	2022 RM'000
Subsidiaries		
Sale of goods and services	**(1,101,499)**	(1,229,584)
Management fee received	**(22,066)**	(22,618)
Operating leases income	**(954)**	(954)
Dividend income	**(282,524)**	(224,705)
Interest expenses on cash pooling arrangement	**4,402**	4,730
Advances from a subsidiary	**(90,186)**	(47,603)
Associate		
Dividend income	**(17,847)**	(7,550)

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 16 and 19.

STATEMENT BY DIRECTORS

PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016

We, Tan Sri Dato' Seri Chor Chee Heung and Stefano Clini, two of the Directors of Carlsberg Brewery Malaysia Berhad, do hereby state that, in the opinion of the Directors, the accompanying financial statements set out on pages 140 to 210 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2023 and the financial performance and cash flows of the Group and of the Company for the financial year ended 31 December 2023 in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 7 March 2024.

TAN SRI DATO' SERI CHOR CHEE HEUNG
INDEPENDENT NON-EXECUTIVE
CHAIRMAN

STEFANO CLINI
MANAGING DIRECTOR

Selangor Darul Ehsan

STATUTORY DECLARATION

PURSUANT TO SECTION 251(1)(b) OF THE COMPANIES ACT 2016

I, Vivian Gun Ling Ling, 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 140 to 210 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act, 1960.

VIVIAN GUN LING LING
(MIA No. CA 48041)

Subscribed and solemnly declared by the abovenamed at Kuala Lumpur in the Federal Territory on 7 March 2024.

Before me:

COMMISSIONER FOR OATHS

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF CARLSBERG BREWERY MALAYSIA BERHAD
(Incorporated in Malaysia)
Registration No. 196901000792 (9210-K)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our opinion

In our opinion, the financial statements of Carlsberg Brewery Malaysia Berhad ("the Company") and its subsidiaries ("the Group") give a true and fair view of the financial position of the Group and of the Company as at 31 December 2023, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

What we have audited

We have audited the financial statements of the Group and of the Company, which comprise the statements of financial position as at 31 December 2023 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 140 to 210.

Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the "Auditors' responsibilities for the audit of the financial statements" section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and other ethical responsibilities

We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Our audit approach

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements of the Group and of the Company. In particular, we considered where the Directors made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the Group and of the Company, the accounting processes and controls, and the industry in which the Group and the Company operate.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF CARLSBERG BREWERY MALAYSIA BERHAD
(Incorporated in Malaysia)
Registration No. 196901000792 (9210-K)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Key audit matters (continued)

Key audit matter	How our audit addressed the key audit matter
Revenue adjustments due to trade discounts and volume rebates We continue to focus on this area as trade discounts and volume rebates are very significant to the Group. These discounts and rebates which are volume or activity related are typically associated with certain sales targets, measured in volumes or total sales value, to be achieved by the trade customers and distributors. In addition, each type of product of the Group has a different discount and rebate structure. The determination and calculation of the accruals for trade discounts and volume rebates required is therefore complex as it requires management to make material accounting estimates and assumptions regarding sales targets to be achieved by each customer, multiplied with the contracted rates of the different products for each customer based on their respective trading agreements. This is a significant area for our audit as it requires us to exercise judgement in evaluating management's estimation of the amount of trade discounts and volume rebates required. As the trade discounts and volume rebates is accounted for as a reduction of revenue from contracts with customers under MFRS 15 "Revenue from contracts with customers", there is accordingly an inherent risk to the revenue recognition process in view of the complexity of the trade discounts and volume rebates as explained. Refer to Note 3(m)(i) - Material accounting policy information on revenue recognition and measurement, Note 4(i) – Material accounting estimates, assumptions and judgements and Note 19 Payables and accruals.	With respect to the appropriateness of management's estimates used in the calculations of the revenue adjustments due to trade discounts and volume rebates, we performed the following procedure: • We tested effectiveness of the relevant controls and reliability of information generated from the systems which the Group used in estimating the achievement of sales targets and the trade discounts and volume rebates accruals required; • Developed an expectation of the current year trade discounts and volume rebates accruals balance based on our understanding of key factors and relationship between revenue, trade discounts and volume rebates, which included consideration of historical data of trade discounts and volume rebates given by the Group against the accruals recorded by management as at the reporting date; • We reviewed the reconciliation performed by management between the trade discounts and volume rebates balance payable per the sales system to the accruals recorded by the Group as at 31 December 2023. We test checked the material reconciling items to management's supporting documentation and discussed this with management to ensure the appropriateness of these reconciling items; • We discussed the material accounting estimates and assumptions used in the determination of the trade discounts and volume rebates accruals with management and evaluated the reasonableness of the estimates and assumptions particularly those estimates and assumptions that were different from previous years; and • Where there were changes in the rates used to calculate the trade discounts and volume rebates accruals, we assessed the reasonableness of those changes in the rates by comparing to the actual claims made by the trade customers and distributors in respect of the recent sales or revised terms in the trading agreements. Based on the procedures performed, we noted the results of management's assessment and computation of the trade discounts and volume rebates accruals are not materially different with the outcome of our procedures.

We have determined that there are no key audit matters to report for the Company.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF CARLSBERG BREWERY MALAYSIA BERHAD
(Incorporated in Malaysia)
Registration No. 196901000792 (9210-K)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Information other than the financial statements and auditors' report thereon

The Directors of the Company are responsible for the other information. The other information comprises the Directors' Report and other sections of the 2023 Integrated Annual Report of Carlsberg Brewery Malaysia Berhad, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the financial statements

The Directors of the Company are responsible for the preparation of the financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

(a) Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

(b) Obtain an understanding of internal control relevant to the audit 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 Group's and of the Company's internal control.

(c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF CARLSBERG BREWERY MALAYSIA BERHAD
(Incorporated in Malaysia)
Registration No. 196901000792 (9210-K)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Auditors' responsibilities for the audit of the financial statements (continued)

(d) Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

(e) Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

(f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 12 to the financial statements.

OTHER MATTERS

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

PRICEWATERHOUSECOOPERS PLT
LLP0014401-LCA & AF 1146
Chartered Accountants

TAN ENG HONG
03424/03/2025 J
Chartered Accountant

Kuala Lumpur
7 March 2024

CARLSBERG MALAYSIA'S SALES OFFICES

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c/o Sin Yew Hin Sdn Bhd
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Lot 3898, Off Jalan Lahat,
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JOHOR BAHRU
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KOTA KINABALU
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KUANTAN
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Kawasan Perindustrian Ringan
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KUCHING
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LABUAN
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LANGKAWI
c/o Teow Soon Huat Sdn Bhd
Lot 159, Jalan Padang Gaong
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MALACCA
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SANDAKAN
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HP : 012-836 6063

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SHAH ALAM
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SIBU
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Lot 1248-1249 Lorong Sukun 18,
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TAWAU
c/o Kwong Hin (Sandakan) Sdn Bhd
TB 5341, Leeka Light Industrial Estate,
Batu 3, Jalan Apas
91000 Tawau, Sabah.
H/P: 019-813 6568

PARTICULARS OF GROUP PROPERTIES

The Properties included in land and buildings and rights-of-use assets as at 31 December 2023 and their net book values are indicated below :-

Address	Area (Acres)	Existing Use	Land Tenure	Approx. Age of Building (Years)	Description	2023 Net Book Value RM'000	Date of Acquisition Or Revaluation
55, Persiaran Selangor, Section 15, 40200 Shah Alam, Selangor Darul Ehsan.	20.00	Factory and Office	Leasehold expiring 23.2.2070	53	Land Building	3,237 53,896	31/03/81 (revaluation)
No. 34, Towering Industrial Estate Mile 4 1/2, Jalan Penampang, P.O. Box 13435, 88838 Kota Kinabalu, Sabah.	0.06	Office and Warehouse	Leasehold expiring 31.12.2037	44	Land Building	56 123	28/3/95 (acquisition)
Lot 22, Jalan Pengapit 15/19, Seksyen 15, 40200 Shah Alam, Selangor Darul Ehsan.	1.81	Office and Warehouse	Leasehold expiring 23.2.2082	33	Land Building	2,917 3,518	12/03/96 (acquisition)
No. 25, Jalan IM14/3, Kawasan Perindustrian Ringan, Indera Mahkota, 25200 Kuantan, Pahang Darul Makmur.	0.05	Office and Warehouse	Leasehold expiring 29.3.2097	26	Land and Building	116	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.	6.41	Factory	Freehold	-	Land	15,953	24/7/98 (acquisition)
Lot 1071, Mukim Damansara, District of Petaling, Selangor Darul Ehsan.	1.30	Factory	Freehold	-	Land	2,999	18/9/03 (acquisition)
						82,815	

ANALYSIS OF SHAREHOLDINGS
AS AT 13 FEBRUARY 2024

Total number of issued shares	:	305,748,000 ordinary shares
Class of shares	:	Ordinary Shares
Voting Rights	:	One Vote Per Ordinary Share

Size of Holdings	No. of Shareholders	% of Shareholders	No. of Shares	% of Shares
Less than 100	1,028	5.904	8,015	0.002
100-1,000	9,164	52.639	5,107,000	1.670
1,001-10,000	5,812	33.385	20,652,647	6.754
10,001-100,000	1,216	6.984	34,747,835	11.364
100,001-15,287,399*	188	1.079	89,300,003	29.207
15,287,400 and above **	1	0.005	155,932,500	51.000
Total	**17,409**	**100.000**	**305,748,000**	**100.000**

* Less than 5% of issued shares
** 5% and above of issued shares

THIRTY LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES	% OF SHARES
1	DB (MALAYSIA) NOMINEE (ASING) SDN BHD CARLSBERG BREWERIES A/S	155,932,500	51.000
2	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR AIA BHD.	6,595,400	2.157
3	CITIGROUP NOMINEES (TEMPATAN) SDN BHD GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (PAR 1)	6,236,820	2.039
4	CARTABAN NOMINEES (TEMPATAN) SDN BHD PAMB FOR PRULINK EQUITY FOCUS FUND	3,890,800	1.272
5	CARTABAN NOMINEES (TEMPATAN) SDN BHD PAMB FOR PRULINK EQUITY FUND	3,017,900	0.987
6	WONG YOKE FONG @ WONG NYOK FING	2,716,000	0.888
7	CITIGROUP NOMINEES (ASING) SDN BHD CBNY FOR NORGES BANK (FI 17)	2,182,400	0.713
8	CARTABAN NOMINEES (ASING) SDN BHD EXEMPT AN FOR STATE STREET BANK & TRUST COMPANY (WEST CLT OD67)	2,163,300	0.707
9	UOB KAY HIAN NOMINEES (ASING) SDN BHD EXEMPT AN FOR UOB KAY HIAN PTE LTD (A/C CLIENTS)	2,084,846	0.681
10	CARTABAN NOMINEES (ASING) SDN BHD THE BANK OF NEW YORK MELLON FOR VIRTUS KAR EMERGING MARKETS SMALL-CAP FUND	2,004,100	0.655
11	YEOH SAIK KHOO SENDIRIAN BERHAD	1,719,800	0.562
12	CARTABAN NOMINEES (TEMPATAN) SDN BHD PRUDENTIAL ASSURANCE MALAYSIA BERHAD FOR PRULINK STRATEGIC FUND	1,619,100	0.529
13	CARTABAN NOMINEES (ASING) SDN BHD SSBT FUND JNDP FOR JNL MULTI-MANAGER EMERGING MARKETS EQUITYFUND	1,592,500	0.520
14	TAI TAK ESTATES SDN BHD	1,500,000	0.490
15	CARTABAN NOMINEES (ASING) SDN BHD THE BANK OF NEW YORK MELLON FOR FLORIDA RETIREMENT SYSTEM	1,487,900	0.486
16	HSBC NOMINEES (ASING) SDN BHD JPMSE LUX FOR JPMORGAN FUNDS	1,421,500	0.464
17	HO HAN SENG	1,100,000	0.359
18	HSBC NOMINEES (ASING) SDN BHD JPMCB NA FOR JPMORGAN GLOBAL EMERGING MARKETS INCOME TRUST PLC	1,051,100	0.343

ANALYSIS OF SHAREHOLDINGS
AS AT 13 FEBRUARY 2024

NO.	NAME	NO. OF SHARES	% OF SHARES
19	KEY DEVELOPMENT SDN.BERHAD	1,038,000	0.339
20	CITIGROUP NOMINEES (TEMPATAN) SDN BHD GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (SHF)	1,000,000	0.327
21	CITIGROUP NOMINEES (TEMPATAN) SDN BHD GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (PAR 1 ACB FUND)	943,000	0.308
22	CITIGROUP NOMINEES (TEMPATAN) SDN BHD GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (PAR 3)	934,900	0.305
23	CITIGROUP NOMINEES (ASING) SDN BHD EXEMPT AN FOR CITIBANK NEW YORK (NORGES BANK 19)	868,000	0.283
24	GAN TENG SIEW REALTY SDN.BERHAD	845,000	0.276
25	CITIGROUP NOMINEES (ASING) SDN BHD EXEMPT AN FOR CITIBANK NEW YORK (NORGES BANK 14)	792,900	0.259
26	DB (MALAYSIA) NOMINEE (TEMPATAN) SENDIRIAN BERHAD DEUTSCHE TRUSTEES MALAYSIA BERHAD FOR EASTSPRING INVESTMENTSMY FOCUS FUND	785,400	0.256
27	CARTABAN NOMINEES (ASING) SDN BHD SSBT FUND J724 FOR SPDR PORTFOLIO EMERGING MARKETS ETF	737,320	0.241
28	CHINCHOO INVESTMENT SDN. BERHAD	675,000	0.220
29	CITIGROUP NOMINEES (ASING) SDN BHD CBNY FOR EMERGING MARKET CORE EQUITY PORTFOLIO DFA INVESTMENT DIMENSIONS GROUP INC	659,000	0.215
30	HSBC NOMINEES (ASING) SDN BHD BANQUE DE LUXEMBOURG FOR BL EMERGING MARKETS	650,000	0.212

SUBSTANTIAL SHAREHOLDER

		DIRECT INTEREST		INDIRECT INTEREST	
	NAME	NO. OF SHARES	% OF SHARES	NO. OF SHARES	% OF SHARES
1	DB (Malaysia) Nominee (Asing) Sdn Bhd Carlsberg Breweries A/S	155,932,500	51.000	-	-

DIRECTORS' INTERESTS

		DIRECT		INDIRECT	
	NAME	NO. OF SHARES	% OF SHARES	NO. OF SHARES	% OF SHARES
1	Tan Sri Dato' Seri Chor Chee Heung	-	-	-	-
2	Stefano Clini	-	-	-	-
3	Eric Ooi Lip Aun	-	-	-	-
4	Datuk Lee Oi Kuan	-	-	-	-
5	Joao Miguel Ventura Rego Abecasis	-	-	-	-
6	Gavin Stuart Brockett	-	-	-	-
7	Chan Po Kei Kay	-	-	-	-

MATERIAL CONTRACTS

The particulars of material contract of the Group and its related parties, subsisting as at 31 December 2023 or entered into since the end of the previous financial year 2022, is as follows:

- A call option agreement between 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.

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 **53rd Annual General Meeting held on 19 April 2023** is as follows:

Transacting Parties	Interested Related Parties	Nature of Transaction	(2) Actual Value Transacted (19 April 2023 – 31 December 2023) (RM' million)
Group and CBAS Group of Companies	SC, JMVRA, GSB, CPKK and CBAS	Royalties payable to CBAS Group of Companies for inter alia, the exclusive use of trademark licences and supply of technical and commercial assistance	30.0
		Sale and supply of goods to CBAS Group of Companies	4.0
		Purchase of beverage products from CBAS Group of Companies	9.2
		Payment for administrative support services (including marketing sponsorship) from CBAS Group of Companies	17.8
		Sale and purchase of materials, machinery, spares and related services to and from CBAS Group of Companies	0.0

Notes:

(1) The above actual value of the recurrent related party transactions "RRPT" is for the period 19 April 2023 to 31 December 2023.

(2) The nature of relationship with the above Related Parties is as follows as at 31 December 2023:

(i) CBAS is the holding company and Major Shareholder of the Company, holding an equity interest of 51.0% in the Company. The Company in turn holds 100% interest in both CMSB, EDSB and CSPL.

(ii) JMVRA, GSB and CPKK, who are Non-Executive Directors of the Company are the Executive Vice President, Asia of CBAS, Vice President Finance, Asia of CBAS and Vice President Human Resources, Asia of CBAS respectively. SC is the Managing Director of the Company. All the four (4) Directors namely, JMVRA, GSB, CPKK and SC are nominees/representatives of CBAS and do not hold any shares in CBAS or the Company.

Abbreviations:

CBAS	-	Carlsberg Breweries A/S, an immediate holding company and a Major Shareholder of the Company
CBAS Group of Companies	-	CBAS and its subsidiaries and associated companies
CMSB	-	Carlsberg Marketing Sdn. Bhd., a wholly-owned subsidiary of the Company
CPKK	-	Chan Po Kei Kay
CSPL	-	Carlsberg Singapore Pte Ltd, a wholly-owned subsidiary of the Company
EDSB	-	Euro Distributors Sdn. Bhd., a wholly-owned subsidiary of the Company
Group	-	Company and its wholly-owned subsidiaries, namely Carlsberg Marketing Sdn. Bhd., Euro Distributors Sdn. Bhd. and Carlsberg Singapore Pte Ltd
GSB	-	Gavin Stuart Brockett
JMVRA	-	João Miguel Ventura Rego Abecasis
SC	-	Stefano Clini

CORPORATE INFORMATION

DIRECTORS

TAN SRI DATO' SERI CHOR CHEE HEUNG
Chairman

STEFANO CLINI
Managing Director

ERIC OOI LIP AUN
Independent Non-Executive Director

DATUK LEE OI KUAN
Independent Non-Executive Director

CHAN PO KEI KAY
Non-Independent Non-Executive Director

JOÃO MIGUEL VENTURA REGO ABECASIS
Non-Independent Non-Executive Director

GAVIN STUART BROCKETT
Non-Independent Non-Executive Director

COMPANY SECRETARIES
KOH POI SAN
(SSM PC No. 201908000044)
(L.S. No. 0009701)

CHIA CAI JIN
(SSM PC No. 202108000488)
(MAICSA 7075997)

AUDITORS
PRICEWATERHOUSECOOPERS PLT
(LLP0014401-LCA & AF1146)
Chartered Accountants
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PRINCIPAL BANKERS
CITIBANK BERHAD
Registration No. 199401011410 (297089-M)

PUBLIC BANK BERHAD
Registration No. 196501000672 (6463-H)

DEUTSCHE BANK (MALAYSIA) BERHAD
Registration No. 199401026871 (312552-W)

BNP PARIBAS MALAYSIA BERHAD
Registration No. 201001034168 (918091-T)

REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS
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Tel : +603 5522 6688
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Registration Number: 197101000970 (11324-H)
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STOCK EXCHANGE LISTING
MAIN MARKET OF BURSA MALAYSIA SECURITIES BERHAD

BURSA SUSTAINABILITY INDICATORS

The table below contains the common and specific sustainability indicators as required by Bursa Malaysia under their Enhanced Sustainability Guide (3rd edition), and it is presented in the prescribed format as shown in the Bursa Malaysia's Illustrative Sustainability Report that was published in September 2023. This reflects our unwavering commitment to providing our stakeholders with the most reliable and up-to-date information, ensuring our sustainability performance are best reported to our knowledge.

Indicator	Measurement Unit	2022		2023	
		Malaysia	Singapore	Malaysia	Singapore
Bursa (Anti-corruption)					
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category					
Director	Percentage	100	100	**88**	**80**
Manager to Senior Manager	Percentage	97	94	**97**	**78**
Executive to Assistant Manager	Percentage	93	97	**92**	**91**
Non-executive / Union	Percentage	0	96	**7**	**91**
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	100	100	**100**	**100**
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0	0	**0**	**0**
Bursa (Community/Society)					
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	629,200	0	**1,839,270**	**0**
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	1	0	**10**	**0**
Bursa (Diversity)					
Bursa C3(a) Percentage of employees by gender and age group, for each employee category					
Age Group by Employee Category					
Director Generation Z	Percentage	0	0	**0**	**0**
Director Millennials	Percentage	63	66	**50**	**80**
Director Generation X	Percentage	37	17	**50**	**20**
Director Baby Boomer	Percentage	0	17	**0**	**0**
Manager to Senior Manager Generation Z	Percentage	0	0	**0**	**0**
Manager to Senior Manager Millennials	Percentage	76	61	**70**	**67**
Manager to Senior Manager Generation X	Percentage	20	33	**26**	**28**
Manager to Senior Manager Baby Boomer	Percentage	4	6	**4**	**5**
Executive to Assistant Manager Generation Z	Percentage	17	12	**17**	**17**
Executive to Assistant Manager Millennials	Percentage	65	70	**66**	**69**
Executive to Assistant Manager Generation X	Percentage	15	18	**15**	**14**
Executive to Assistant Manager Baby Boomer	Percentage	3	0	**2**	**0**
Non-executive / Union Generation Z	Percentage	6	0	**4**	**0**
Non-executive / Union Millennials	Percentage	47	74	**48**	**74**
Non-executive / Union Generation X	Percentage	38	26	**41**	**26**
Non-executive / Union Baby Boomer	Percentage	9	0	**7**	**0**
Gender Group by Employee Category					
Director Male	Percentage	37	50	**37**	**40**
Director Female	Percentage	63	50	**63**	**60**
Manager to Senior Manager Male	Percentage	64	72	**60**	**67**
Manager to Senior Manager Female	Percentage	36	28	**40**	**33**
Executive to Assistant Manager Male	Percentage	71	55	**69**	**60**
Executive to Assistant Manager Female	Percentage	29	45	**31**	**40**
Non-executive / Union Male	Percentage	98	83	**100**	**83**
Non-executive / Union Female	Percentage	2	17	**0**	**17**

BURSA SUSTAINABILITY INDICATORS

Indicator	Measurement Unit	2022		2023	
		Malaysia	Singapore	Malaysia	Singapore
Bursa (Diversity)					
Bursa C3(b) Percentage of directors by gender and age group					
Male	Percentage	71	33	**71**	**33**
Female	Percentage	29	67	**29**	**67**
Generation Z	Percentage	0	0	**0**	**0**
Millennial	Percentage	0	0	**0**	**0**
Generation X	Percentage	43	100	**43**	**100**
Baby Boomer	Percentage	57	0	**57**	**0**
Bursa (Energy management)					
Bursa C4(a) Total energy consumption	Megawatt	154,833,322	416,531	**145,736,026**	**472,045**
Bursa (Health and safety)					
Bursa C5(a) Number of work-related fatalities	Number	0	0	**0**	**0**
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0	0	**0.4**	**0**
Bursa C5(c) Number of employees trained on health and safety standards	Number	224	41	**446**	**89**
Bursa S3(a) Percentage of significant product and service categories for which health and safety impacts are assessed for improvement	Percentage	100	Out of scope*	**100**	**Out of scope***
Bursa S3(b) Total number of incidents of noncompliance with regulations or voluntary codes concerning the health & safety impacts of products and services within the reporting period	Number	0	0	**0**	**0**
Bursa S3(c) Number of recalls issued and total units recalled for health and safety reasons	Number	0	Out of scope*	**0****	**Out of scope***

* *Scope excludes Carlsberg Singapore as there is no production facility.*

** *0 consumer-related product recalls but 1 incident of voluntary product withdrawal as a result of product not meeting our stringent packaging standards.*

Indicator	Measurement Unit	2022 Malaysia	2022 Singapore	2023 Malaysia	2023 Singapore
Bursa (Labour practices and standards)					
Bursa C6(a) Total hours of training by employee category					
Director	Hours	286	94	**245**	**85**
Manager to Senior Manager	Hours	4,607	459	**5,303**	**432**
Executive to Assistant Manager	Hours	12,326	368	**14,963**	**716**
Non-executive / Union	Hours	557	72	**399**	**334**
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	4	6	**3**	**5**
Bursa C6(c) Total number of employee turnover by employee category					
Director	Number	1	2	**1**	**2**
Manager to Senior Manager	Number	18	6	**8**	**8**
Executive to Assistant Manager	Number	69	10	**57**	**5**
Non-executive / Union	Number	12	4	**8**	**3**
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0	0	**0**	**0**

BURSA SUSTAINABILITY INDICATORS

Indicator	Measurement Unit	2022		2023	
		Malaysia	Singapore	Malaysia	Singapore
Bursa (Supply chain management)					
Bursa C7(a) Proportion of spending on local suppliers	Percentage	71	1	**69**	**1**
Bursa S5(a) Total weight or volume of materials that are used to produce and package products and services	Kilograms	52,914,240	Out of scope***	**45,743,860**	**Out of scope*** **
Bursa S6(a) Percentage of new suppliers that were screened using environmental criteria*	Percentage	50%**	Out of scope***	**50%** **	**Out of scope*** **
Bursa S6(b) Number of suppliers assessed for environmental impacts*	Number	37**	Out of scope***	**40** **	**Out of scope*** **
Bursa S7(a) Percentage of new suppliers that were screened using social criteria*	Percentage	50%**	Out of scope***	**50%** **	**Out of scope*** **
Bursa S7(b) Number of suppliers assessed for social impacts*	Number	37**	Out of scope***	**40** **	**Out of scope*** **

* *Suppliers engaged by Carlsberg Malaysia Group are required to adhere to the Supplier and Licensee Code of Conduct. Included in this Code of Conduct are:*
- *Environmental criteria such as carbon emissions management, water and waste management (whichever applicable to the suppliers).*
- *Social criteria such as non-discrimination, no forced labour, no child labour, freedom of association and collective bargaining, no harassment, employee contracts that cover paid leave, states the working hours, benefits and wages and to provide a safe and healthy working environment.*

** *Suppliers covered include only raw material and packaging.*
*** *Scope excludes Carlsberg Singapore as there is no production facility.*

Indicator	Measurement Unit	2022 Malaysia	2022 Singapore	2023 Malaysia	2023 Singapore
Bursa (Data privacy and security)					
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	0	**0**	**0**
Bursa (Water)					
Bursa C9(a) Total volume of water used	Megalitres	518	Out of scope*	**454**	**Out of scope***
Bursa S8(a) Total volume of water (effluent) discharge over the reporting period	Megalitres	347	Out of scope**	**266**	**Out of scope** **

* *Scope excludes Carlsberg Singapore as it is a shared office space with other third parties.*
** *Scope excludes Carlsberg Singapore as there is no production facility.*

Indicator	Measurement Unit	2022 Malaysia	2022 Singapore	2023 Malaysia	2023 Singapore
Bursa (Waste management)					
Bursa C10(a) Total waste generated	Metric tonnes	25,500	Out of scope*	**25,743**	**Out of scope***
Bursa C10(a)(i) Total waste diverted from disposal	Metric tonnes	22,946	Out of scope*	**24,478**	**Out of scope***
Bursa C10(a)(ii) Total waste directed to disposal	Metric tonnes	2,554	Out of scope*	**1,265**	**Out of scope***

* *Scope excludes Carlsberg Singapore as it is a shared warehouse space with other third parties.*

Indicator	Measurement Unit	2022 Malaysia	2022 Singapore	2023 Malaysia	2023 Singapore
Bursa (Emissions management)					
Bursa C11(a) Scope 1 emissions in tonnes of CO_2e	Metric tonnes	4,824	Out of scope*	**4,346**	**Out of scope***
Bursa C11(b) Scope 2 emissions in tonnes of CO_2e	Metric tonnes	9,892**	45	**9,884** **	**51**

* *Scope excludes Carlsberg Singapore as there is no production facility.*
** *An I-REC was purchased to cover 100% of consumption for Scope 2 emissions in 2022 and 2023.*

In our commitment towards providing greater data visibility and transparency towards our stakeholders, the Group is presenting a more comprehensive set of data to reflect both our Malaysian and Singaporean operations. Hence, the data presented here differs from the data submitted in the newly-launched ESG Reporting Platform by Bursa Securities in December 2023.

GRI CONTENT INDEX

Statement of Use: Carlsberg Group has reported the information cited in this GRI content index for the period 1st January 2023 to 31 December 2023 with reference to the GRI Standards.
GRI 1 used: GRI 1: Foundation 2021
Applicable GRI Sector Standard: Not applicable

Disclosure	Reporting Requirements	Page Reference
GRI 2: General Disclosure 2021		
The organisation and its reporting practices		
2-1	Organisational details	10, 221
2-2	Entities included in the organisation's sustainability reporting	Basis of This Report
2-3	Reporting period, frequency and contact point	Basis of This Report, 221
Activities and workers		
2-6	Activities, value chain and other business relationships	7-23, 54, 69-70, 116-117
2-7	Employees	7, 103, 222-223
2-8	Workers who are not employees	223
Governance		
2-9	Governance structure and composition	59, 82, 120
2-10	Nomination and selection of the highest governance body	125
2-11	Chair of the highest governance body	38
2-12	Role of the highest governance body in overseeing the management of impacts	59, 82
2-13	Delegation of responsibility for managing impacts	59, 82
2-14	Role of the highest governance body in sustainability reporting	Basis of This Report, 59, 82
2-15	Conflicts of interest	109, 121, 130
2-16	Communication of critical concerns	110, 130
2-17	Collective knowledge of the highest governance body	123
2-18	Evaluation of the performance of the highest governance body	127
2-19	Remuneration policies	125
2-20	Process to determine remuneration	126
Strategy, policies and practices		
2-22	Statement on sustainable development strategy	28-31, 32-35
2-23	Policy commitments	62, 64-67, 69, 71, 81, 90, 93, 96, 104-105, 109, 110
2-26	Mechanisms for seeking advice and raising concerns	110
2-27	Compliance with laws and regulations	223-224, 228
2-28	Membership associations	115, 118
2-29	Approach to stakeholder engagement	113-115
GRI 3: Material Topics 2021		
3-1	Process to determine material topics	61
3-2	List of material topics	61
3-3	Management of material topics	61
GRI 201: Economic Performance 2016		
201-1	Direct economic value generated and distributed	6-7, 116-117
201-2	Financial implications and other risks and opportunities due to climate change	81-89
GRI 204: Procurement Practices 2016		
204-1	Proportion of spending on local suppliers	70, 224

GRI CONTENT INDEX

Disclosure	Reporting Requirements	Page Reference
GRI 205: Anti-corruption 2016		
205-1	Operations assessed for risks related to corruption	222
205-2	Communication and training about anti-corruption policies and procedures	222
205-3	Confirmed incidents of corruption and actions taken	222
GRI 301: Materials 2016		
301-1	Materials used by weight or volume	78, 224
GRI 302: Energy 2016		
302-1	Energy consumption within the organisation	72, 223
302-4	Reduction of energy consumption	60, 72-73, 117
GRI 303: Water and Effluents 2018		
303-2	Management of water discharge-related impacts	79-80
303-4	Water consumption	79-80, 224
GRI 305: Emissions 2016		
305-1	Direct (Scope 1) GHG emissions	72, 224
305-2	Energy indirect (Scope 2) GHG emissions	72, 224
305-5	Reduction of GHG emissions	72-73
GRI 306: Waste 2020		
306-2	Management of significant waste-related impacts	74-76
306-3	Waste generated	75, 224
306-4	Waste diverted from disposal	77-78, 224
306-5	Waste directed to disposal	224
GRI 308: Supplier Environmental Assessment 2016		
308-1	New suppliers that were screened using environmental criteria	224
GRI 401: Employment 2016		
401-1	New employee hires and employee turnover	223
GRI 403: Occupational Health and Safety 2018		
403-1	Occupational health and safety management system	93-96
403-2	Hazard identification, risk assessment, and incident investigation	93-96
403-4	Worker participation, consultation, and communication on occupational health and safety	93-96
403-5	Worker training on occupational health and safety	94-95, 223
403-9	Work-related injuries	96, 223
GRI 405: Diversity and Equal Opportunity 2016		
405-1	Diversity of governance bodies and employees	223
GRI 414: Supplier Social Assessment 2016		
414-1	New suppliers that were screened using social criteria	224
GRI 416: Customer Health and Safety 2016		
416-1	Assessment of the health and safety impacts of product and service categories	62-63
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	63
GRI 417: Marketing and Labelling 2016		
417-1	Requirements for product and service information and labeling	64-66
417-2	Incidents of non-compliance concerning product and service information and labeling	66
417-3	Incidents of non-compliance concerning marketing communications	66
GRI 418: Customer Privacy 2016		
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	224

SASB CONTENT INDEX

Following the Bursa Sustainability Reporting Guide (3rd edition), we took efforts to report on our sustainability performance and risks mitigations according to the voluntary SASB framework. With the data collected, processed and verified, we voluntarily communicate our progress in a transparent and standardised manner for investors and other stakeholders. For metrics with data yet to be obtained and verified, we offer information on our approach to and targets for these topics.

Topic	Code	Metric	Category	Unit of Measure	Response
Energy Management	FB-AB-130a.1	(1) Total energy consumed, (2) percentage grid electricity and (3) percentage renewable	Quantitative	Gigajoules (GJ), Percentage (%)	Total energy consumed for our Malaysian operations is 145,736 GJ and for our Singaporean operations it is 472 GJ. For more information, please refer to Energy and Carbon pages 71-73 and the Bursa Sustainability Indicators table pages 222-224.
Water Management	FB-AB-140a.1	(1) Total water withdrawn, (2) total water consumed; percentage of each in regions with High or Extremely High Baseline Water Stress	Quantitative	Thousand cubic metres (m^3), Percentage (%)	Total water consumed for our Malaysian operations is 453,530 m^3. For more information, please refer to Water Use and Management pages 79-80 and the Bursa Sustainability Indicators table pages 222-224.
	FB-AB-140a.2	Description of water management risks and discussion of strategies and practices to mitigate those risks	Discussion and Analysis	N/A	We address water management risks by reducing withdrawal, consumption, and discharge through recycling, reuse and treatment initiatives, ensuring sustainability amidst climate challenges. For more information, please refer to Water Use and Management pages 79-80.
Responsible Drinking & Marketing	FB-AB-270a.1	Percentage of total advertising impressions made on individuals at or above the legal drinking age	Quantitative	Percentage (%)	We engaged with 7,490 Malaysian consumers directly via 11 **#CELEBRATE**RESPONSIBLY activations in 2023. We also connected with over 14,000 Singaporean consumers connected during out-of-home sampling activation in six high-traffic locations to Prevent Harmful Use of Alcohol pages 90-92.
	FB-AB-270a.2	Number of incidents of non-compliance with industry or regulatory labelling and/or marketing code	Quantitative	Number	Zero incidents of non-compliance
	FB-AB-270a.3	Total amount of monetary losses as a result of legal proceedings associated with marketing and/or labelling practices	Quantitative	Presentation currency	No monetary losses recorded
	FB-AB-270a.4	Description of efforts to promote responsible consumption of alcohol	Discussion and Analysis	N/A	We actively oversee impactful initiatives aimed through strong partnerships at mitigating the adverse effects of alcohol consumption, guided by our Responsible Drinking Policy. For more information, please refer to Preventing Harmful Use of Alcohol pages 90-92.

SASB CONTENT INDEX

Topic	Code	Metric	Category	Unit of Measure	Response
Packaging Lifecycle Management	FB-AB-410a.1	(1) Total weight of packaging, (2) percentage made from recycled and/or renewable materials, and (3) percentage that is recyclable, reusable, and/or compostable	Quantitative	Metric tons (t), Percentage (%)	Total weight of packaging for our Malaysian operations is 45744 tons. Our Singaporean operations is not in scope as they do not have a brewery. In addition to this, 94% collection and recycling rate of returnable bottles in Peninsular Malaysia. Out of which, 95% of these returned bottles are cleaned and reused, with the remaining recycled. For more information, please refer to Waste Management and Sustainable Packaging and Material pages 74-78.
	FB-AB-410a.2	Discussion of strategies to reduce the environmental impact of packaging throughout its lifecycle	Discussion and Analysis	N/A	Our strategy for sustainable packaging and materials includes reducing waste generation and optimising the use of natural resources, in line with our ZERO Packaging Waste pledge. For more information, please refer to Sustainable Packaging and Materials pages 77-78.
Environmental & Social Impacts of Ingredient Supply Chain	FB-AB-430a.1	Suppliers' social and environmental responsibility audit (1) non-conformance rate and (2) associated corrective action rate for (a) major and (b) minor non-conformances	Quantitative	Rate	Four suppliers were audited and complied with our requirements accordingly. No substantiated complaints concerning human rights violations were reported within our supply chain. For more information, please refer to Responsible Supply Chain Management pages 69-70
Ingredient Sourcing	FB-AB-440a.1	Percentage of beverage ingredients sourced from regions with High or Extremely High Baseline Water Stress	Quantitative	Percentage (%) by cost	Not applicable
	FB-AB-440a.2	List of priority beverage ingredients and discussion of sourcing risks related to environmental and social considerations	Discussion and Analysis	N/A	We prioritise safety by strictly adhering to the Carlsberg Group's policies, ensuring that all ingredients used in brewing our beers are safe for consumption. We aspire that all our raw ingredients are sourced sustainably by 2040. For more information, please refer to Product Quality and Safety pages 62-63

UN GLOBAL COMPACT INDEX

We support the UN Global Compact and its ten principles, and this report serves as the basis for our 2023 Communication on Progress to the UN Global Compact, which will be submitted in March 2024 in line with new requirements. The index below sets out where to find information on our approach and performance in relation to each principle.

United Nations Global Compact

Global Compact Principle		Link to TTZAB & Material Matters	Pages
Principle 1	Businesses should support and respect the protection of internationally proclaimed human rights	• Human Rights and Labour Standards • Responsible Supply Chain Management	104-105, 69-70
Principle 2	Businesses should make sure that they are not complicit in human rights abuses		
Principle 3	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	• Human Rights and Labour Standards	104-105
Principle 4	Businesses should uphold the elimination of all forms of forced and compulsory labour	• Human Rights and Labour Standards • Responsible Supply Chain Management	104-105, 69-70
Principle 5	Businesses should uphold the effective abolition of child labour	• Human Rights and Labour Standards	104-105
Principle 6	Businesses should uphold the elimination of discrimination in respect of employment and occupation	• Human Rights and Labour Standards • Diversity, Equity and Inclusion	104-105, 97-100
Principle 7	Businesses should support a precautionary approach to environmental challenges	• ZERO Carbon Footprint • ZERO Packaging Waste • ZERO Water Waste • Adapting to Climate Change (TCFD) • Energy and Carbon • Water Use and Management • Waste Management • Stakeholder Advocacy	71-76 77-78 79-80 81-89 71-73 79-80 74-76 113-115
Principle 8	Businesses should undertake initiatives to promote greater environmental responsibility		
Principle 9	Businesses should encourage the development and diffusion of environmentally friendly technologies		
Principle 10	Businesses should work against corruption in all its forms, including extortion and bribery	• Anti-Bribery, Corruption, and Competition • Corporate Governance and Risk Management	109-110, 120-134

STATEMENT OF ASSURANCE

Internal Review by Internal Audit Department

Pursuant to the Main Market Listing Requirements and Sustainability Reporting Guide issued by Bursa Malaysia, the Board confirmed that the Sustainability Statement for the financial year ended 31 December 2023 was subjected to a review by the Internal Audit Department to enhance its accuracy and reliability. The Internal Audit team was responsible for the said review on a limited basis, in which the team selected 20 subject matters that were reported in the Sustainability Statement for the financial year ended 31 December 2023, after taking into consideration various practicalities and limitations. A dedicated report was issued by Internal Audit for this purpose and it was vetted and approved by the Audit Committee. In this regard, the internal report served as the primary basis for the issuance of this Statement of Assurance.

Subject Matters Assured

The following were the 20 subject matters (based on data for specific geographical location and financial year) that were subjected to the internal assurance procedures undertaken by the Internal Audit Department. In general, assurance was provided for 2022 and 2023 data for business operations in both Malaysia and Singapore (excluding MayBev Pte Ltd), unless stated otherwise.

Environmental

1. Bursa Common Indicator C4(a): Total energy consumption[1]
2. Bursa Common Indicator C9(a): Total volume of water used[1][2]
3. Bursa Common Indicator C10(a): Total waste generated, and a breakdown of the following: (i) total waste diverted from disposal (ii) total waste directed to disposal[1][2][3]
4. Bursa Common Indicator C11(a): Scope 1 emissions in tonnes of CO_2e[1][2]
5. Bursa Common Indicator C11(b): Scope 2 emissions in tonnes of CO_2e[1]
6. Bursa Sector Specific Indicator S8(a): Total volume of water (effluent) discharge over the reporting period[1][2]

Social

7. Bursa Common Indicator C2(a): Total amount invested in the community where the target beneficiaries are external to the listed issuer[2]
8. Bursa Common Indicator C2(b): Total number of beneficiaries of the investment in communities[2]
9. Bursa Common Indicator C3(a): Percentage of employees by gender and age group, for each employee category
10. Bursa Common Indicator C3(b): Percentage of directors by gender and age group
11. Bursa Common Indicator C5(a): Number of work-related fatalities
12. Bursa Common Indicator C5(c): Number of employees trained on health and safety standards
13. Bursa Common Indicator C6(a): Total hours of training by employee category
14. Bursa Common Indicator C6(b): Percentage of employees that are contractors or temporary staff
15. Bursa Common Indicator C6(c): Total number of employee turnover by employee category
16. Bursa Common Indicator C7(a): Proportion of spending on local suppliers

Governance

17. Bursa Common Indicator C1(a): Percentage of employees who have received training on anti-corruption by employee category
18. Bursa Common Indicator C1(b): Percentage of operations assessed for corruption-related risks
19. Bursa Common Indicator C1(c): Confirmed incidents of corruption and action taken
20. Voluntary Disclosure: Number of Speak Up Cases

Notes:

1 For Malaysia, locations other than the headquarters and brewery were excluded from the assurance procedures.

2 Singapore was excluded from the assurance procedures.

3 Total waste data in 2023 was subjected to assurance but not waste data in 2022. The breakdowns for waste diverted from/to disposal in both 2022 and 2023 were excluded from the assurance procedures.

The Assurance Procedures and Reporting Guidelines

Detailed walkthroughs were carried out to understand and document the relevant data collection processes, after which the reliability and integrity of data reported based on the existing practices were assessed. Subject matter owners who were involved along the chain of data recording and disclosures, were interviewed to establish whether they fully understood the disclosure requirements and put in place the appropriate mechanism in ensuring data accuracy. Site visits were also made where necessary. Once data were fully received, Internal Audit performed validation by comparing the data in hand against the source documents or physical evidence. The audit team also ensured that the subject matters were disclosed in accordance with Bursa Malaysia's expectations. In circumstances where manual records had to be relied upon, further substantive tests were performed.

In carrying out this assurance exercise, Internal Audit was generally guided by standards as per the International Professional Practices Framework (2017) issued by the Institute of Internal Auditors. More importantly, close reference was made to the definitions and methodologies narrated by Bursa Malaysia as per the Main Market Listing Requirement on Sustainability Reporting, Sustainability Reporting Guide (3rd Edition) and the corresponding Global Reporting Initiative standards.

Conclusion

The Internal Audit team confirmed that the data related to the 20 subject matters reviewed were reliably ascertained and adequately supported. Throughout the assurance exercise, nothing had come to Internal Audit's attention that caused the audit team to believe that the disclosures for the 20 subject matters selected could be inaccurate in any material way and not in line with the expectations set out by Bursa Malaysia.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Fifty-Fourth (54th) Annual General Meeting ("AGM") of Carlsberg Brewery Malaysia Berhad ("the Company") will be conducted entirely through live streaming from the broadcast venue at Tricor Business Centre, Gemilang Room, Unit 29-01, Level 29, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia ("Broadcast Venue") on Wednesday, 24 April 2024 at 10.00 a.m. to transact the following businesses:

AGENDA

Ordinary Business

1. To receive the Audited Financial Statements for the financial year ended 31 December 2023 together with the Directors' and Auditors' Reports thereon. **Please refer to Explanatory Note A.**

2. To approve the payment of a Final Single-Tier Dividend of 31 sen per ordinary share in respect of the financial year ended 31 December 2023. **Resolution 1**

3. To re-elect Gavin Stuart Brockett, who retires pursuant to Article 21.6 of the Constitution of the Company, as Director of the Company. **Resolution 2**

4. To re-elect Datuk Lee Oi Kuan, who retires pursuant to Article 21.6 of the Constitution of the Company, as Director of the Company. **Resolution 3**

5. To re-elect Eric Ooi Lip Aun, who retires pursuant to Article 21.10 of the Constitution of the Company, as Director of the Company. **Resolution 4**

6. To approve the payment of Directors' fees and benefits up to an amount of RM600,000 for the period from 25 April 2024 until the next Annual General Meeting of the Company. **Resolution 5**

7. To re-appoint Messrs PricewaterhouseCoopers PLT as Auditors of the Company and to authorise the Directors to fix their remuneration. **Resolution 6**

Special Business

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

8. **ORDINARY RESOLUTION** **Resolution 7**
PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE AND PROPOSED NEW SHAREHOLDERS' MANDATE FOR ADDITIONAL RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

"THAT subject to the provisions of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the Company and/or its subsidiary companies ("the Group") be and are hereby authorised to enter into and give effect to the recurrent related party transactions of a revenue or trading nature with the related parties as set out in Section 2.3 of the Circular to Shareholders dated 22 March 2024 ("the Related Parties") provided that such transactions are:-

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

("Proposed Shareholders' Mandate").

NOTICE OF ANNUAL GENERAL MEETING

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 Proposed 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 of the Company after that date is required to be held pursuant to Section 340(2) of the Companies Act 2016 ("the Act") (but must not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
(c) revoked or varied by resolution passed by the shareholders at a general meeting,

whichever is the earlier;

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 Proposed Shareholders' Mandate."

9. To consider any other business of which due notice shall be given in accordance with the Companies Act 2016 and the Company's Constitution.

NOTICE OF DIVIDEND PAYMENT AND CLOSURE OF REGISTER

NOTICE IS HEREBY GIVEN THAT, subject to the approval of the shareholders at the 54th AGM to be held on Wednesday, 24 April 2024, a Final Single-Tier Dividend of 31 sen per ordinary share in respect of the financial year ended 31 December 2023 will be payable on 21 June 2024 to shareholders registered in the Register of Members and Record of Depositors at the close of business on 10 June 2024.

A depositor shall qualify for entitlement to the dividends only in respect of:

(a) Shares transferred into the Depositor's securities account before 4.30 p.m. on 10 June 2024 in respect of transfers;
(b) Shares deposited into the Depositor's securities account before 12.30 p.m. on 5 June 2024 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

Koh Poi San (SSM PC No. 201908000044) (LS No. 0009701)
Company Secretary

Shah Alam
22 March 2024

1. **IMPORTANT NOTICE**

The Broadcast Venue is **strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 ("the Act")** which requires the Chairman of the Meeting to be present at the main venue of the meeting.

Members **WILL NOT BE ALLOWED** to attend the 54th AGM in person at the Broadcast Venue on the day of the meeting.

NOTICE OF ANNUAL GENERAL MEETING

Members are to attend, speak (including posing questions to the Board via real time submission of typed texts) and vote (collectively, "participate") remotely at the 54th AGM via the Remote Participation and Voting facilities ("RPV") provided by Tricor Investor & Issuing House Services Sdn. Bhd. via its **TIIH Online** website at https://tiih.online. **Please follow the Procedures for RPV in the Administrative Notes on 54th AGM and take note of Notes (2) to (15) below in order to participate remotely via RPV**.

2. For the purpose of determining who shall be entitled to participate in this AGM via RPV, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to make available to the Company, the **Record of Depositors as at 17 April 2024**. Only a member whose name appears on this Record of Depositors shall be entitled to participate in this AGM via RPV.

3. A member who is entitled to participate in this AGM via RPV is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to participate in his/her place. A proxy may but need not be a member of the Company.

4. A member of the Company who is entitled to attend and vote at a general meeting of the Company may appoint not more than two (2) proxies to participate instead of the member at the AGM via RPV.

5. If two (2) proxies are appointed, the entitlement of those proxies to vote on a show of hands shall be in accordance with the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad.

6. If a member wishes to participate in this AGM himself/herself, please do not submit any Form of Proxy for the AGM. Members will not be allowed to participate in the AGM together with a proxy.

7. Where a member of the Company is an authorised nominee as defined in the Securities Industry (Central Depositories) Act 1991 ("Central Depositories Act"), it may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.

8. 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. An exempt authorised nominee refers to an authorised nominee defined under the Central Depositories Act which is exempted from compliance with the provisions of Section 25A(1) of the Central Depositories Act.

9. Where a member appoints more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.

10. A member who has appointed a proxy or attorney or authorised representative to participate at this AGM via RPV must request his/her proxy to register himself/herself for RPV at **TIIH Online** website at https://tiih.online. **Please follow the Procedures for RPV in the Administrative Notes on 54th AGM**.

11. The appointment of a proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the AGM or adjourned general meeting at which the person named in the appointment proposes to vote:

    (i) <u>In hard copy form</u>
    In the case of an appointment made in hard copy form, the Form of Proxy must be deposited with the Share Registrar of the Company at Tricor Investor & Issuing House Services Sdn. Bhd. at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur.

(ii) By electronic form
The Form of Proxy can be electronically lodged with the Share Registrar of the Company via TIIH Online at https://tiih.online. Kindly refer to the procedures for electronic lodgement of Form of Proxy via TIIH Online.

12. Please ensure ALL the particulars as required in the Form of Proxy are completed, signed and dated accordingly.

13. Last date and time for lodging the Form of Proxy is on **Monday, 22 April 2024 at 10.00 a.m.**.

14. Any authority pursuant to which such an appointment is made by a power of attorney must be deposited with the Share Registrar of the Company at Tricor Investor & Issuing House Services Sdn. Bhd. at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur not less than forty-eight (48) hours before the time appointed for holding the AGM or adjourned general meeting at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.

15. For a corporate member who has appointed a representative, please deposit the **ORIGINAL** certificate of appointment with the Share Registrar of the Company at Tricor Investor & Issuing House Services Sdn. Bhd. at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur. The certificate of appointment should be executed in the following manner:-

    (i) If the corporate member has a common seal, the certificate of appointment should be executed under seal in accordance with the Constitution of the corporate member.

    (ii) If the corporate member does not have a common seal, the certificate of appointment should be affixed with the rubber stamp of the corporate member (if any) and executed by:

        (a) at least two (2) authorised officers, of whom one shall be a director; or
        (b) any director and/or authorised officers in accordance with the laws of the country under which the corporate member is incorporated.

NOTICE OF ANNUAL GENERAL MEETING

EXPLANATORY NOTE

1. **Note A**

   This Agenda item is meant for discussion only as under the provision of Section 340(1)(a) of the Act, the audited financial statements do not require formal approval of shareholders and hence the matter will not be put forward for voting.

2. **Resolution 1 – Declaration of a Final Single-Tier Dividend**

   Pursuant to Paragraph 8.26(2) of the MMLR of Bursa Malaysia Securities Berhad, the final single-tier dividend, if approved, will be paid no later than three (3) months from the date of shareholders' approval.

3. **Resolutions 2 to 4 – Re-election of Directors**

   Gavin Stuart Brockett, Datuk Lee Oi Kuan and Eric Ooi Lip Aun ("Retiring Directors") are standing for re-election as Directors of the Company and being eligible, have offered themselves for re-election at the 54th AGM.

   The Retiring Directors do not have any conflict of interest with the Company and have no family relationship with any Directors and/or major shareholder of the Company.

   The Retiring Directors had provided the Directors' Fit and Proper Declarations and the Board had through the Nomination and Remuneration Committee ("NRC") assessed the Retiring Directors and agreed that they met the criteria as prescribed by Paragraph 2.20A of the MMLR of Bursa Malaysia Securities Berhad on character, experience, integrity, competence and time to effectively discharge their role as Directors.

   The Board had also through the NRC assessed the independence of Datuk Lee Oi Kuan and Eric Ooi Lip Aun and is satisfied that they met the criteria of independence as prescribed in the MMLR of Bursa Malaysia Securities Berhad.

4. **Resolution 5 – Directors' Fees and Benefits**

   Pursuant to Section 230(1) of the Act, the fees of the Directors and any benefits payable to the Directors of a listed company and its subsidiaries shall be approved at a general meeting.

   The proposed Directors' fees and benefits for the period from 25 April 2024 until the next AGM are calculated based on the current Board size and the number of scheduled Board and Committee meetings for 2024 up to the next AGM. In the event the proposed amount is insufficient, e.g. due to additional meetings or enlarged Board size, approval will be sought at the next AGM for the shortfall.

   The resolution, if passed, will allow the Company to make the payment to the Non-Executive Directors ("NEDs") on a monthly basis. The Board is of the view that it is just and equitable for the NEDs to be paid such payment on a monthly basis after they have discharged their responsibilities and rendered their services to the Company.

5. **Resolution 6 – Re-appointment of Auditors**

   The Audit Committee and the Board have assessed the suitability, objectivity and independence of the Auditors, Messrs PricewaterhouseCoopers PLT and considered the re-appointment of Messrs PricewaterhouseCoopers PLT as Auditors of the Company. The Audit Committee and the Board collectively agreed and are satisfied that Messrs PricewaterhouseCoopers PLT meets the relevant criteria prescribed by Paragraph 15.21 of the MMLR of Bursa Malaysia Securities Berhad.

EXPLANATORY NOTE ON SPECIAL BUSINESS

1. **Resolution 7 – Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature and Proposed New Shareholders' Mandate for Additional Recurrent Related Party Transactions of a Revenue or Trading Nature (collectively "Proposed Shareholders' Mandate")**

   This resolution, if passed, will authorise the Company and each of its subsidiaries to enter into Recurrent Related Party Transactions of a revenue or trading nature in the ordinary course of business.

   The detailed text on Resolution 7 on the Proposed Shareholders' Mandate is included in the Circular to Shareholders dated 22 March 2024.

.....

Number of Shares held:	
CDS Account No.	
If more than 1 proxy, please specify number of shares represented by each proxy	
Name of Proxy 1	
Name of Proxy 2	

CARLSBERG BREWERY MALAYSIA BERHAD
[Registration No. 196901000792 (9210-K))
(Incorporated in Malaysia)

FORM OF PROXY

I/We, ______________________________ I.C./Passport/Company No. ______________
of ______________________________
being a member of the above named Company, hereby appoint ______________________________
I.C./Passport No. ______________________ of ______________________________
AND/OR* (*delete as appropriate) him/her ______________________________
______________________________ I.C./Passport No. ______________________
of ______________________________ OR failing him/her, the Chairman of the meeting as my/our proxy to vote for me/us and on my/our behalf at the Fifty-Fourth (54th) Annual General Meeting ("AGM") of the Company to be conducted entirely through live streaming from the broadcast venue at Tricor Business Centre, Gemilang Room, Unit 29-01, Level 29, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia ("Broadcast Venue") on Wednesday, 24 April 2024 at 10.00 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):

Item	AGENDA	FOR	AGAINST
1	Payment of a Final Single-Tier Dividend of 31 sen per ordinary share.		
2	Re-election of Gavin Stuart Brockett as Director.		
3	Re-election of Datuk Lee Oi Kuan as Director.		
4	Re-election of Eric Ooi Lip Aun as Director.		
5	Approval of Directors' fees and benefits up to an amount of RM600,000 from 25 April 2024 until the next Annual General Meeting.		
6	Re-appointment of Messrs PricewaterhouseCoopers PLT as Auditors and authorise the Directors to fix their remuneration.		
7	Proposed renewal of shareholders' mandate for Recurrent Related Party Transactions of a revenue or trading nature and proposed new shareholders' mandate for additional Recurrent Related Party Transactions of a revenue or trading nature.		

Please indicate with a tick (√) how you wish your vote to be cast in respect of each resolution above. In the absence of specific direction, your proxy will vote or abstain as he/she thinks fit.

As witness my/our hand this ______________ day of ______________________________ 2024.

Signed by the said ______________________________

* Manner of execution:
(a) If you are an individual member, please sign where indicated.
(b) If you are a corporate member which has a common seal, this Form of Proxy should be executed under seal in accordance with the Constitution of your corporation.
(c) If you are a corporate member which does not have a common seal, this Form of Proxy should be affixed with the rubber stamp of your corporation (If any) and executed by:-
(i) at least two (2) authorised officers, of whom one shall be a director; or
(ii) any director and/or authorised officers in accordance with the laws of the country under which your corporation is incorporated.

Notes:

1. The Broadcast Venue is **strictly for the purpose of complying with Section 327(2) of the Companies Act 2016** which requires the Chairman of the Meeting to be present at the main venue of the meeting.
Members **WILL NOT BE ALLOWED** to attend the 54th AGM in person at the Broadcast Venue on the day of the meeting.
Members are to attend, speak (including posing questions to the Board via real time submission of typed texts) and vote (collectively, "participate") remotely at the 54th AGM via the Remote Participation and Voting facilities ("RPV") provided by Tricor Investor & Issuing House Services Sdn. Bhd. via its **TIIH Online** website at https://tiih.online. **Please follow the Procedures for RPV in the Administrative Notes on 54th AGM and take note of Notes (2) to (15) below in order to participate remotely via RPV.**
2. For the purpose of determining who shall be entitled to participate in this AGM via RPV, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to make available to the Company, the **Record of Depositors as at 17 April 2024**. Only a member whose name appears on this Record of Depositors shall be entitled to participate in this AGM via RPV.
3. A member who is entitled to participate in this AGM via RPV is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to participate in his/her place. A proxy may but need not be a member of the Company.
4. A member of the Company who is entitled to attend and vote at a general meeting of the Company may appoint not more than two (2) proxies to participate instead of the member at the AGM via RPV.
5. If two (2) proxies are appointed, the entitlement of those proxies to vote on a show of hands shall be in accordance with the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad.
6. If a member wishes to participate in this AGM him/herself, please do not submit any Form of Proxy for the AGM. Members will not be allowed to participate in the AGM together with a proxy.
7. Where a member of the Company is an authorised nominee as defined in the Securities Industry (Central Depositories) Act 1991 ("Central Depositories Act"), it may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.
8. 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. An exempt authorised nominee refers to an authorised nominee defined under the Central Depositories Act which is exempted from compliance with the provisions of Section 25A(1) of the Central Depositories Act.
9. Where a member appoints more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.
10. A member who has appointed a proxy or attorney or authorised representative to participate at this AGM via RPV must request his/her proxy to register himself/herself for RPV at **TIIH Online** website at https://tiih.online. **Please follow the Procedures for RPV in the Administrative Notes on 54th AGM**.
11. The appointment of a proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the AGM or adjourned general meeting at which the person named in the appointment proposes to vote:
(i) In hard copy form
In the case of an appointment made in hard copy form, the Form of Proxy must be deposited with the Share Registrar of the Company at Tricor Investor & Issuing House Services Sdn. Bhd. at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur.
(ii) By electronic form
The Form of Proxy can be electronically lodged with the Share Registrar of the Company via TIIH Online at https://tiih.online. Kindly refer to the procedures for electronic lodgement of Form of Proxy via TIIH Online.
12. Please ensure ALL the particulars as required in the Form of Proxy are completed, signed and dated accordingly.
13. Last date and time for lodging the Form of Proxy is on **Monday, 22 April 2024 at 10.00 a.m.**.
14. Any authority pursuant to which such an appointment is made by a power of attorney must be deposited with the Share Registrar of the Company at Tricor Investor & Issuing House Services Sdn. Bhd. at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur not less than forty-eight (48) hours before the time appointed for holding the AGM or adjourned general meeting at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.
15. For a corporate member who has appointed a representative, please deposit the **ORIGINAL** certificate of appointment with the Share Registrar of the Company at Tricor Investor & Issuing House Services Sdn. Bhd. at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur. The certificate of appointment should be executed in the following manner:-
(i) If the corporate member has a common seal, the certificate of appointment should be executed under seal in accordance with the Constitution of the corporate member.
(ii) If the corporate member does not have a common seal, the certificate of appointment should be affixed with the rubber stamp of the corporate member (if any) and executed by:
(a) at least two (2) authorised officers, of whom one shall be a director; or
(b) any director and/or authorised officers in accordance with the laws of the country under which the corporate member is incorporated.

FIRST FOLD

Affix stamp

SHARE REGISTRAR
CARLSBERG BREWERY MALAYSIA BERHAD [196901000792 (9210-K)]
Tricor Investor & Issuing House Services Sdn. Bhd.
Unit 32-01, Level 32, Tower A
Vertical Business Suite, Avenue 3, Bangsar South No. 8 Jalan Kerinchi,
59200 Kuala Lumpur

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CARLSBERG BREWERY MALAYSIA BERHAD
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