Carlsberg Malaysia

ANNUAL REPORT **2011**

2011 was the year in which Carlsberg Malaysia moved boldly forward. With the successful execution of the new global positioning and bold new packaging, we reinforced the leading position of our flagship brand, Carlsberg Green Label, and strengthened our extensive premium beer range to emerge as a stronger multi-brand portfolio company. Through enhancing operational efficiencies and advancing people empowerment efforts, we made great strides forward on the operational front and delivered profitable, sustainable growth.

moving **boldly...** forward

We strive to become the preferred partner of our customers and the preferred choice of our consumers by offering a dynamic portfolio of beverage brands

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Carlsberg Malaysia Group*

Manufacturing of beer, stout and other malt related beverages:

CARLSBERG BREWERY MALAYSIA BERHAD

KEY BRANDS MANUFACTURED (INCLUDING LICENSED PRODUCTS): Carlsberg Green Label, Carlsberg Gold, Carlsberg Special Brew, Danish Royal Stout, SKOL, SKOL Super, Connor's Stout, Asahi Super Dry, Jolly Shandy, Nutrimalt.

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

Malaysia

- **Carlsberg Marketing Sdn Bhd**
  Shareholding: 100%
  KEY BRANDS: Carlsberg Green Label, Carlsberg Gold, Carlsberg Special Brew, Danish Royal Stout, SKOL, SKOL Super, Connor's Stout, Kronenbourg 1664, Kronenbourg Blanc, Corona Extra, Asahi Super Dry, Jolly Shandy, Nutrimalt.

- **Luen Heng F & B Sdn Bhd**
  Shareholding: 70%
  KEY BRANDS: Hoegaarden, Stella Artois, Budweiser, Foster's, Erdinger, Leffe, Beck's, Savanna, and numerous other wine and spirit brands.

Singapore

Carlsberg Singapore Pte Ltd
Shareholding: 100%

KEY BRANDS: Carlsberg Green Label, Carlsberg Gold, Danish Royal Stout, Kronenbourg 1664, Kronenbourg Blanc, SKOL, Corona Extra.

Presence in Sri Lanka market via the following associated company:

Sri Lanka

Lion Brewery (Ceylon) PLC
Shareholding: 24.6%

KEY BRANDS MANUFACTURED, SOLD AND DISTRIBUTED: Carlsberg Green Label, Lion Lager, Lion Stout, Carlsberg Special Brew, Lion Strong Beer.

* "Carlsberg Malaysia" or "The Group"

2011 Achievements

First ever Carlsberg Group Cash Race Prize for Asia

For the very first time for an Asian market, Carlsberg Malaysia won the Carlsberg Group's Cash Race Prize. The prize was a result of the significant improvements delivered by Carlsberg Malaysia following a renewed focus on capital management in the Asian region.

Second Gold at the Putra Brand Awards 2011

Carlsberg for the second consecutive year won Gold at the Putra Brand Awards - Alcoholic Beverage category. Organised in association with the Malaysia's Most Valuable Brands, the Putra Brand Awards is a brand valuation exercise that recognises brands that are near and dear to the hearts of Malaysians.

Carlsberg Group Award for Community Engagement

Carlsberg Malaysia was named winner of the Carlsberg Group's 'We are Engaged with Society' Award at the CEO Conference in Kiev, Ukraine in June 2011. Carlsberg Malaysia won this award for impacting hundreds of schools, institutions and communities through its education fundraising platforms.

Thirteenth Gold Award at the Reader's Digest Trusted Brand Awards 2011

The Carlsberg brand was voted the Gold winner at the Reader's Digest Trusted Brand Awards for the 13th consecutive year. Recognised as one of the most representative and objective branding surveys in the region, the Reader's Digest survey was carried out in eight markets across South East Asia. Carlsberg came up as the preferred brew.

Asia Responsible Entrepreneurship Awards (AREA) 2011

Counted among the top three exemplary companies in Asia, Carlsberg Malaysia received the Asia Responsible Entrepreneurship Awards (AREA) 2011 in the category of Social Empowerment.

Chairman's Address

The Group turned in a profit after tax of RM167.4 million, a 24.8% growth in comparison to profit after tax of RM134.1 million in 2010.

Dear Shareholders,
Carlsberg Malaysia delivered another year of strong growth on the back of commendable financial and operational performance in 2011. In line with our annual report theme "Moving Boldly Forward", the entire organisation worked diligently to reinforce the leading position of our jewel in the crown, Carlsberg Green Label, whilst strengthening our extensive premium beer range. Today, having emerged as a multi-brand portfolio company focused on delivering sustainable revenue and earnings growth, Carlsberg Malaysia is a much stronger contender in the Malt Liquor Market.

On behalf of the Board of Directors, it is my pleasure and privilege to present the Annual Report and Audited Financial Statements of Carlsberg Brewery Malaysia Berhad for the financial year ended 31 December 2011.

A Weaker Operating Environment

The year 2011 saw the global economy registering a relatively weaker performance as compared to the preceding year. The slower growth was attributable to unprecedented political turmoil in the Middle East and North Africa, a series of massive natural disasters around the globe, and the crises that hit the advanced economies. On the Malaysian front, domestic demand remained resilient in 2011, with private consumption remaining robust, underpinned by a healthy labour market and firm commodity prices. The Government's fiscal and monetary policies remained accommodative and supported growth during the year. Malaysia registered lower GDP growth of 5.1% in 2011 as compared to GDP growth of 7.2% registered the year before.

Robust Financial Performance

Against this backdrop, the Carlsberg Malaysia Group continued to grow in line with the market to take a healthy market share in the premium segment. In 2011, Carlsberg Malaysia generated revenue amounting to RM1.5 billion, an 8.9% increase over the preceding year's RM1.4 billion. The Group turned in a profit after tax of RM167.4 million, a 24.8% growth in comparison to profit after tax of RM134.1 million in 2010. Our strong performance came on the back of the successful roll out of 2011's global Carlsberg brand packaging revamp and innovative consumer promotions under a new global brand tagline, "That Calls for a Carlsberg".

Chairman's Address

Our subsidiary Carlsberg Singapore Pte Ltd (CSPL) and associate company, Lion Brewery Ceylon PLC, too delivered double digit growth in revenue and earnings for 2011. The Group also made strong inroads into the premium beer segment by leveraging the strengths of subsidiary Luen Heng F & B Sdn Bhd (LHFB) and its impressive super premium beer range. Additionally, cost efficiencies were optimised with strong operational synergies between our Malaysian and Singaporean businesses.

Shareholder Value Creation

In line with our commitment to delivering value to our shareholders and after considering the Group's funding requirements, the Board of Directors is pleased to propose the distribution of 100% of the Group's 2011 profits.
The Board of Directors is recommending a final and special dividend of 65.5 sen per ordinary share of RM0.50 less Malaysian income tax and a special tax exempt dividend of 2.0 sen per ordinary share of RM0.50. Together with the interim gross dividend of 5.0 sen per ordinary share of RM0.50, the total gross dividend for the financial year 2011 is 72.5 sen per ordinary share of RM0.50 (2010: total gross dividend of 58.0 sen per ordinary share of RM0.50). The final and special dividends and tax exempt dividend will be tabled for shareholders' approval at the coming annual general meeting on 26 April 2012.

Raising the Bar on Performance

During 2011, we took many initiatives to improve performance. On the consumer and customer fronts, our teams worked hard to reinforce and promote the Carlsberg brand via exclusive and engaging brand experiences. Carlsberg's position as Malaysia's leading beer brand was reaffirmed when it was selected for the coveted Gold Award at the 2011 Putra Awards. We were also accorded the Most Trusted Brand by Reader's Digest readers in Malaysia and Asia for the 13th consecutive year, the only brand in the beer category to receive this.

To reaffirm our position at the forefront of product innovation, we focused our efforts on driving our beer brands.
We brought new drinking experiences to our consumers and pursued beverage opportunities that reinforced our core competencies and infrastructure. We continued to tap LHFB's impressive super premium beer portfolio comprising the No. 1 imported beer, Hoegaarden, as well as the fast growing Asahi, Erdinger and Budweiser brands. We also went on to invest in the Carlsberg Group-owned premium brands Kronenbourg 1664 and Kronenbourg Blanc, while acquiring the rights to locally manufacture, sell and distribute Asahi Super Dry, the No. 1 beer from Japan. The growth of all these brands did much to bolster our position in the super premium beer segment.
We also revitalised the SKOL Brand and re-energised the Danish Royal Stout brand so as to cater for different consumer segments and needs.

The Group continues to prioritise efficiency improvements and people development efforts. In 2011, we continued to optimise our cost structure and asset base by leveraging both global and local initiatives as well as the strong operational synergies between our Malaysian and Singapore businesses.
The establishment of a Continuous Improvement (CI)-LEAN Programme empowered shop floor employees to improve the way things were done and deliver respectable efficiency improvements and cost savings. On the people front, we set out to inculcate a performance culture and leadership culture based on trust, ownership and diversity. All these efforts led to renewed employee confidence in Carlsberg Malaysia as a company.

Responsible Corporate Practices

Carlsberg Malaysia remains committed to growing profitably in a responsible manner. To this end we have integrated responsible corporate practices into our total business operations and value chain to drive profitable, sustainable growth.
I am pleased to announce that Carlsberg Malaysia has developed a new format Corporate Social Responsibility (CSR) Report which provides insights into the tangible outcomes we are delivering in the areas of the Marketplace, Community, Workplace and Environment. Our stand alone CSR Report underscores Carlsberg Malaysia's commitment to good CSR practices as well as reflects how deeply ingrained these elements are within our people and businesses.

Our strong performance came on the back of the successful roll out of 2011's global Carlsberg brand packaging revamp and innovative consumer promotions under a new global brand tagline, "That Calls for a Carlsberg".

We are committed to elevating the wellbeing of communities under our guiding principle "Sharing with the Community Unconditionally." 2011 saw us continuing to roll out our flagship charity campaign "Top Ten" which entered its 25th year in 2011. One of the most established and transparent fund raising platforms for Chinese education, Top Ten successfully raised RM20 million in 2011. All in all, this popular initiative has raised more than RM369 million for 588 Chinese schools and institutions nationwide to date. In 2011, we also set out to strengthen our ties to Tamil education by introducing the English Essentials and Back to School projects for students from Tamil schools in Peninsular and East Malaysia. For our efforts, Carlsberg Malaysia won an award in the Social Empowerment category of the Asia Responsible Entrepreneurship Awards (AREA) 2011. We were also accorded the Carlsberg Group's "We are Engaged with Society" Winning Behaviours Award 2010.

Moving Boldly Forward

The economic environment is expected to remain challenging in 2012 and this is expected to affect Malaysia particularly in terms of exports. However, the country is expected to be supported by resilient domestic demand, supported primarily by the continued expansion of private sector activity. Public sector expenditure too is expected to lend strong support to Malaysia's overall growth performance. Given this outlook, the Carlsberg Malaysia Group welcomes the Malaysian Government's prudent stand to not further increase excise duties for beer and stout in 2012 as Malaysia's duties are already the second highest in the world.

Going forward, we remain committed to supporting the Government's Economic Transformation Programme (ETP) and Malaysia's ambition of becoming a developed and high income nation by 2020. We will align our objectives to support the ETP and other economic priorities particularly through focusing our efforts in the tourism, distributive trade and expatriate sectors. We are already indirectly supporting the Government's tourism efforts through our support of major sports, food and fashion events.

As we move boldly but cautiously forward into yet another challenging year, the Board of Carlsberg Malaysia remains committed to delivering profitable, sustainable growth. Profitability will be driven by Malaysia's leading beer brand, Carlsberg Green Label, and supported by a strong premium brand portfolio. We have set our sights on becoming the country's most vibrant portfolio company in the near future and will undertake aggressive but prudent strategies to get us there quickly.

Operationally, we will continue to optimise cost efficiencies and capacity utilisation in the brewery as well as leverage continuous improvement initiatives to deliver robust operational performance. On the people front, we will continue to invest in this key asset by inculcating a strong performance culture. All these, among other measures, will ensure that Carlsberg Malaysia continues to make strong progress.

In Appreciation

On behalf of Carlsberg Malaysia's Board of Directors, I wish to express my utmost gratitude to our management team and staff for their unyielding loyalty, hard work and commitment to excellence. The successes of 2011 came on the back of their relentless focus and efforts. Our heartfelt appreciation goes to all our other stakeholders, including our distributors, suppliers, customers and consumers. Thank you for your unwavering support of the Group all these years.

It is with great sadness that I take this opportunity to record the tremendous contribution to the Group over many years by our late Deputy Managing Director, Dato' Chin Voon Loong who passed away on 16 March 2012. I would also like to express my sincere appreciation to my colleagues on the Board for their wise counsel and guidance.

Last but not least, my deep gratitude to our shareholders for your continued support and steadfast confidence in Carlsberg Malaysia. We look forward to pursuing new heights of excellence and creating strong shareholder value as we stride confidently forward into 2012. Thank you.

Dato' Lim Say Chong
Chairman

Shah Alam
4 April 2012

Ucapan Pengerusi

Para pemegang saham yang dihormati,

Carlsberg Malaysia telah menyampaikan satu lagi tahun pertumbuhan yang kukuh berlandaskan prestasi kewangan dan operasi yang baik dalam 2011. Selaras dengan tema laporan tahunan kami "Melangkah ke Hadapan dengan Penuh Keyakinan" ("Moving Boldly Forward"), seluruh organisasi telah bejerka dengan gigih bagi mengukuhkan kedudukan jenama terulung kami, Carlsberg Green Label, sementara memperkukuhkan rangkaian bir premium meluas kami. Hari ini, setelah muncul sebagai sebuah syarikat portfolio pelbagai jenama yang menumpu pada penyampaian pertumbuhan pendapatan dan perolehan yang mampan, Carlsberg Malaysia kini adalah pencabar yang lebih mantap dalam Pasaran Arak Malt.

Bagi Pihak Lembaga Pengarah, saya berbesar hati dan dengan hormatnya membentangkan Laporan Tahunan dan Penyata Kewangan Beraudit Carlsberg Brewery Malaysia Berhad untuk tahun kewangan berakhir 31 Disember 2011.

Persekitaran Operasi yang Lebih Lembap

Ekonomi global telah mencatatkan prestasi yang lebih lembap pada tahun 2011 berbanding dengan tahun sebelumnya. Pertumbuhan yang lebih lembap berpunca daripada kekacauan politik di Timur Tengah dan Afrika Utara yang belum pernah berlaku sebelum ini, pelbagai bencana alam besar-besaran di seluruh dunia dan krisis yang melanda beberapa ekonomi maju. Di Malaysia, permintaan domestik kekal bertahan dalam 2011, dengan penggunaan swasta yang tetap teguh, disandari oleh pasaran tenaga kerja yang mantap dan harga komoditi yang kukuh. Polisi fiskal dan kewangan Kerajaan kekal melengkapi dan menyokong pertumbuhan sepanjang tahun. Malaysia mencatat pertumbuhan Keluaran Dalam Negara Kasar (KDNK) yang lebih rendah sebanyak 5.1% pada 2011 berbanding dengan pertumbuhan KDNK sebanyak 7.2% yang dicatat pada tahun sebelumnya.

Prestasi Kewangan yang Teguh

Dengan latar belakang ini, Kumpulan Carlsberg Malaysia terus berkembang selaras dengan pasaran untuk meraih agihan pasaran yang agak baik dalam segmen premium. Pada 2011, Carlsberg Malaysia telah mencatat pendapatan berjumlah RM1.5 bilion, satu peningkatan sebanyak 8.9% berbanding RM1.4 bilion pada tahun sebelumnya. Kumpulan telah merekodkan keuntungan selepas cukai berjumlah RM167.4 juta, satu peningkatan sebanyak 24.8% berbanding keuntungan selepas cukai sebanyak RM134.1 juta dalam 2010. Prestasi mantap kami dicapai melalui pelaksanaan yang berjaya pengubahsuaian pembungkusan jenama Carlsberg global pada tahun 2011 serta promosi pengguna yang inovatif di bawah slogan jenama global baru, "That Calls for a Carlsberg."

Syarikat subsidiari kami Carlsberg Singapore Pte Ltd (CSPL) dan syarikat bersekutu, Lion Brewery Ceylon PLC, juga menyampaikan pertumbuhan angka berganda dalam pendapatan dan perolehan untuk 2011. Kumpulan juga telah mengorak langkah yang mantap ke dalam segmen bir premium dengan memanfaatkan keteguhan subsidiari Luen Heng F & B Sdn Bhd (LHFB) dan rangkaian bir premiumnya yang amat mengagumkan. Tambahan lagi, keberkesanan kos telah dioptimumkan melalui sinergi operasi yang kukuh di antara perniagaan kami di Malaysia dan Singapura.

Perwujudan Nilai untuk Pemegang Saham

Selaras dengan komitmen kami untuk memberi nilai kepada para pemegang saham kami dan selepas mempertimbangkan keperluan pendanaan Kumpulan, Lembaga Pengarah dengan sukacita ingin mencadangkan pengagihan 100% keuntungan 2011 Kumpulan. Lembaga Pengarah mengesyorkan dividen akhir dan khas bernilai 65.5 sen setiap saham biasa berharga RM0.50 ditolak cukai pendapatan Malaysia dan dividen pengecualian cukai khas bernilai 2.0 sen setiap saham biasa berharga RM0.50. Bersama dengan dividen kasar interim bernilai 5.0 sen setiap saham biasa berharga RM0.50, jumlah dividen kasar untuk tahun kewangan 2011 ialah 72.5 sen setiap saham biasa berharga RM0.50 (2010: jumlah dividen kasar bernilai 58.0 sen setiap saham biasa berharga RM0.50 sesaham). Dividen akhir dan khas dan dividen pengecualian cukai akan dibentangkan untuk kelulusan pemegang saham di mesyuarat agung tahunan akan datang pada 26 April 2012.

Meningkatkan Tahap Prestasi

Kami telah mengambil pelbagai inisiatif untuk meningkatkan prestasi dalam tahun 2011. Dari segi pengguna dan pelanggan, pasukan kami telah berusaha dengan gigih untuk memperkukuh dan mempromosikan jenama Carlsberg melalui pengalaman jenama yang eksklusif dan menawan. Kedudukan Carlsberg sebagai peneraju jenama bir di Malaysia telah disahkan semula apabila ia dipilih untuk menerima Anugerah Emas terkemuka di Anugerah Putera 2011. Kami juga telah menerima anugerah Jenama Paling Dipercayai oleh para pembaca Reader's Digest di Malaysia dan Asia untuk 13 tahun berturut-turut, satu-satunya jenama dalam kategori bir untuk mendapat penganugerahan ini.

Bagi mengesahkan lagi kedudukan kami sebagai peneraju dalam inovasi produk, kami menumpukan usaha kami terhadap pemacuan jenama bir kami. Kami memperkenalkan pengalaman meminum yang baru kepada pengguna kami dan mengejar peluang minuman yang memperkukuhkan kecekapan teras dan infrastruktur kami. Kami juga terus mempergunakan portfolio bir amat premium LHFB yang mengagumkan yang termasuk bir diimport Nombor 1, Hoegaarden, serta jenama-jenama yang pesat tumbuh seperti Asahi, Erdinger dan Budweiser. Kami juga melabur dalam jenama premium yang dimiliki Kumpulan Carlsberg, iaitu Kronenbourg 1664 dan Kronenbourg Blanc, sementara memperoleh hak mengeluarkan secara tempatan, menjual dan mengedar bir Nombor 1 dari Negara Jepun, Asahi Super Dry. Pertumbuhan kesemua jenama ini telah menyumbang dengan ketaranya dalam meningkatkan kedudukan kami dalam segmen bir amat premium. Kami juga telah mengaktifkan semula Jenama SKOL dan menggiatkan lagi jenama Danish Royal Stout bagi memenuhi segmen dan keperluan pengguna yang berlainan.

Kumpulan terus mengutamakan usaha-usaha peningkatan kecekapan dan pembangunan tenaga insan. Pada 2011, kami terus mengoptimumkan struktur kos dan dasar aset kami dengan mengumpil dari kedua-dua inisiatif global dan tempatan serta sinergi operasi yang kukuh di antara perniagaan kami di Malaysia dan Singapura. Penubuhan Program Peningkatan Berterusan (CI)-LEAN (Continuous Improvement (CI)-LEAN Programme) memberi kuasa kepada pekerja di kilang untuk menambahbaikkan cara bekerja dan menyampaikan peningkatan kecekapan serta penjimatan kos yang berkesan. Dari segi tenaga insan, kami telah memperkenalkan satu budaya prestasi dan budaya kepimpinan berdasarkan kepercayaan, pemilikan dan kepelbagaian. Kesemua usaha ini telah membawa kepada penambahan keyakinan kakitangan dalam Carlsberg Malaysia sebagai sebuah syarikat.

Amalan Korporat yang Berprihatin

Carlsberg Malaysia kekal komited untuk meningkatkan keuntungan dengan cara yang bertanggungjawab. Untuk mencapai matlamat ini, kami telah menyepadukan amalan korporat yang berprihatin ke dalam keseluruhan operasi perniagaan dan rangkaian nilai kami untuk mendorong pertumbuhan keuntungan yang bertahan. Saya sukacita untuk memaklumkan bahawa Carlsberg Malaysia telah membangunkan satu format baru untuk Laporan Tanggungjawab Sosial Korporat (Corporate Social Responsibility atau CSR) yang memberi gambaran ke dalam hasil ketara yang kami akan sampaikan dalam bidang Pasaran, Komuniti, Tempat Kerja dan Alam Sekitar. Laporan CSR lengkap kami menekankan komitmen Carlsberg Malaysia terhadap amalan CSR yang baik serta mencerminkan betapa tertanam dengan kukuhnya elemen-elemen ini di kalangan tenaga kerja dan perniagaan kami.

Kami komited untuk mempertingkatkan kesejahteraan komuniti di bawah panduan prinsip kami iaitu “Berkongsi dengan Komuniti Tanpa Bersyarat.” 2011 menyaksikan penganjuran berterusan kempen amal utama kami iaitu “Top Ten” yang memasuki tahun ke-25 pada tahun 2011. Salah satu dari platform kutipan dana paling mantap dan telus untuk pendidikan Cina, Top Ten telah berjaya mengumpul RM20 juta dalam 2011. Pada keseluruhannya, inisiatif popular ini telah mengumpul lebih RM369 juta untuk 588 buah sekolah dan institusi Cina di seluruh negara sehingga kini. Pada 2011, kami juga telah mengukuhkan pertalian kami untuk pendidikan Tamil dengan memperkenalkan projek Keperluan Penting Bahasa Inggeris dan Kembali ke Sekolah untuk pelajar dari sekolah Tamil di Semenanjung Malaysia serta Sabah dan Sarawak. Untuk usaha kami, Carlsberg Malaysia telah meraih anugerah dalam kategori Pemberian Kuasa Sosial di Anugerah Keusahawanan Bertanggungjawab Asia (Asia Responsible Entrepreneurship Award atau AREA) 2011. Kami juga telah menerima Anugerah Kelakuan Kemenangan “Kami Terlibat dengan Masyarakat” 2010 Kumpulan Carlsberg.

Melangkah ke Hadapan dengan Penuh Keyakinan

Persekitaran ekonomi dijangka akan kekal mencabar pada 2012 dan ini dijangka akan memberi kesan kepada Malaysia terutamanya dari segi eksport. Walau bagaimanapun, negara dijangka akan disokong oleh permintaan domestik yang bertahan, disokong terutamanya oleh aktiviti sektor swasta yang terus berkembang. Perbelanjaan sektor awam dijangka juga akan memberi sokongan kukuh terhadap pertumbuhan prestasi Malaysia secara keseluruhan. Memandangkan tinjauan ini, Kumpulan Carlsberg Malaysia mengalu-alukan langkah hemat Kerajaan Malaysia untuk tidak menaikkan lagi duti eksais bir dan stout pada 2012 memandangkan duti Malaysia kini adalah yang kedua tertinggi di seluruh dunia.

Memandang ke hadapan, kami kekal komited untuk menyokong Program Transformasi Ekonomi (Economic Transformation Programme atau ETP) Kerajaan serta cita-cita Malaysia untuk menjadi sebuah negara maju dan berpendapatan tinggi menjelang 2020. Kami akan menjajarkan objektif kami untuk menyokong ETP dan keutamaan ekonomi lain terutamanya dengan menumpukan usaha kami dalam sektor-sektor pelancongan, perdagangan pengagihan dan ekspatriat. Kami secara tidak langsung telah menyokong usaha Kerajaan dalam sektor pelancongan melalui sokongan kami dalam acara-acara sukan, makanan dan fesyen utama.

Dalam usaha kami untuk mengambil langkah yang yakin tetapi berhati-hati ke dalam satu lagi tahun yang mencabar, Lembaga Carlsberg Malaysia kekal komited untuk menyampaikan pertumbuhan yang menguntungkan dan bertahan. Keberuntungan akan didorong oleh jenama peneraju bir utama Malaysia, Carlsberg Green Label, dan disokong oleh satu portfolio jenama premium yang teguh. Kami berhasrat untuk menjadi syarikat portfolio paling cergas di Malaysia pada masa hadapan terdekat dan akan melaksanakan strategi yang agresif tetapi berhemat untuk mencapai matlamat ini dalam masa yang singkat.

Dari segi operasi, kami akan terus mengoptimumkan kecekapan kos dan penggunaan kapasiti di kilang bir serta mengumpil inisiatif peningkatan berterusan bagi menyampaikan prestasi operasi yang teguh. Dari segi tenaga insan, kami akan terus melabur dalam aset penting ini dengan memupuk satu budaya prestasi yang kukuh. Kesemua ini, antara langkah-langkah lain, akan memastikan bahawa Carlsberg Malaysia akan terus berkembang dengan mantap.

Penghargaan

Bagi pihak Lembaga Pengarah Carlsberg Malaysia, saya ingin mengucapkan setinggi-tinggi penghargaan kepada pasukan pengurusan dan kakitangan di atas kesetiaan, kegigihan dan komitmen mereka terhadap kecemerlangan. Kejayaan kami dalam tahun 2011 adalah disebabkan oleh tumpuan dan usaha gigih mereka. Penghargaan tulus ikhlas kami juga adalah untuk semua pemegang kepentingan kami, termasuk pengedar, pembekal, pelanggan dan pengguna kami. Terima kasih di atas sokongan setia anda kepada Kumpulan sepanjang semua tahun-tahun ini.

Dengan kesedihan yang amat mendalam, saya ingin mengambil kesempatan ini untuk merakamkan sumbangan yang besar yang telah diberikan kepada Kumpulan selama bertahun-tahun oleh Timbalan Pengarah Urusan kami, Allayarham Dato’ Chin Voon Loong, yang meninggal dunia pada 16 Mac 2012. Saya juga ingin merakamkan penghargaan ikhlas kepada rakan-rakan saya dalam Lembaga Pengarah atas nasihat dan bimbingan meraka.

Akhir sekali, saya amat berterima kasih kepada pemegang saham kami atas sokongan berterusan dan keyakinan teguh mereka terhadap Carlsberg Malaysia. Kami berhasrat untuk mencapai tahap kecemerlangan yang lebih tinggi serta mewujudkan nilai pemegang saham yang lebih kukuh ketika kami melangkah dengan penuh keyakinan untuk menghadapi tahun 2012. Terima kasih.

Dato’ Lim Say Chong
Pengerusi

Shah Alam
4 April 2012

主席献词

各位股东，
马来西亚Carlsberg集团在2011年凭着杰出的财务及经营表现，再次达到强劲的增长。为响应本集团年度报告的主题“勇往直前”，我们全力加强本集团首屈一指的Carlsberg啤酒在市场上的地位， 同时强化本集团的优质啤酒系列。如今，作为一个拥有多个品牌及专注于持续增长收入和盈利的投资组合公司，马来西亚Carlsberg集团成为麦芽酒市场上更强大的竞争者。

我谨代表董事会欣然提呈本集团截于2011年12月31日的年度报告和审计财务报告。

疲弱的经营环境

在2011年，我们经历了比前一年更疲弱的全球经济表现。经济增长放缓是基于中东和北非前所未有的政治动荡、世界各地发生一连串的天灾以及许多先进经济体制遭遇了比预料中更严重的经济危机。然而，基于良好的劳力市场支撑及稳固的商品价格，马来西亚的国内需求因私人消费强稳而在2011年仍保持稳健。同年，马来西亚政府采取和善及支持增长的财政和金融政策。然而，马来西亚在2011年的国内生产总值增长是5.1%，比前一年的7.2%低。

稳健的财务表现

尽管如此，马来西亚Carlsberg集团依然持续随着市场增长在优质啤酒市场上取得了可观的市场份额。在2011年内，马来西亚Carlsberg集团的营业额高达15亿令吉，比前一年的14亿令吉增长8.9%。本集团的税后盈利成长24.8%，由2010年的1亿3千412万令吉提升至1亿6千738万令吉。这股强劲的表现是基于本集团成功在2011年推出Carlsberg品牌的全球全新包装，及以新口号“此时此刻，Carlsberg”推动的新颖促销活动。

全资子公司新加坡Carlsberg私人有限公司（CSPL）及联营公司Lion Brewery Ceylon PLC也都在2011年内的营业额和盈利上取得双位数的成长。与此同时，本集团也通过子公司联兴食品有限公司（LHFB）的优势，及其特级优质啤酒系列积极拓展进入优质啤酒市场。此外，随着马来西亚和新加坡更具协合性的营业运作，进而促进本集团的成本效益。

为股东创造价值

为履行对股东的承诺，同时考虑到本集团的融资需求，董事会欣然建议2011财政年盈利，全部用来派发股息给股东。董事会建议每50仙普通股派发须扣税65.5仙终期和特别股息，及每50仙普通股，派发2仙免税特别股息。

加上较早前派发的每50仙普通股须扣税5仙中期股息，2011财政年度每50仙普通股的毛股息总额为72.5仙（2011 财政年度每50仙普通股的毛股息总额为58仙）。

上述终期股息、特别股息及免税股息，将于2012年4月26日举行的常年股东大会上寻求股东通过。

提高表现水平

2011年内，本集团采取了多项措施来提升表现水平。我们的团队全力以引人入胜的手法让消费者和客户经历独特的Carlsberg品牌经验以推销Carlsberg品牌。Carlsberg啤酒在2010年布特拉奖中荣获金奖，再次突显了它在马来西亚为领先啤酒品牌的市场地位。本集团也连续13年荣获《读者文摘》的读者们所投选的“最值得信赖品牌奖”，而Carlsberg是啤酒奖项中唯一获颁此奖的品牌。

为重申本集团在产品创新的前列位置，我们专注于推动我们的啤酒品牌。我们为消费者带来了新的饮酒经验，及追寻能加强本集团核心竞争力和基础设施的饮品商机。我们继续通过联兴食品有限公司的特级啤酒系列，其中包括独占鳌头的进口啤酒Hoegaarden，以及正快速成长的朝日(Asahi Super Dry)、Erdinger 和百威啤酒（Budweiser）品牌。

此外，我们也投资于Carlsberg集团旗下的优质品牌Kronenbourg 1664和Kronenbourg Blanc；同时取得日本第一啤酒——朝日（Asahi Super Dry）在本地生产、销售和分销的的权利。这些品牌的发展有助于巩固我们在特级啤酒市场的地位。与此同时，我们也重振了狮威啤酒（SKOL）及黑皇（Danish Royal Stout）品牌以迎合不同的消费市场和需求。

除此之外，本集团将继续优先考虑改进效率和培养人才。在2011年，我们充分利用全球和本地的措施及马来西亚和新加坡之间营业运作的协合性，不断优化本集团的成本结构和资产基础。同时我们也建立“持续改进及精益生产计划”（CI-LEAN Programme）以便员工们能改善工作方式、提高工作效率及节约成本。至于人才方面，我们在信任、归属感及多样性的基础上灌输业绩文化和领导文化。这番努力更新了马来西亚Carlsberg集团雇员们对公司的信心。

负责任的企业行为

马来西亚Carlsberg集团仍然致力以负责任的方式有盈利地成长。为此，我们已在总业务和价值链中融入负责任的企业行为，以推动有利与持续性的成长。我很高兴地宣布，马来西亚Carlsberg集团呈现崭新的企业社会责任报告。该报告为我们在市场、社会、工作场所、环境等领域的实际成果提供更深入的见解。我们的企业社会责任报告强调马来西亚Carlsberg集团执行良好企业社会责任的承诺 ，同时也反映这些价值观已深植在我们集团和营业中。

配合本集团“无条件与社会共享”的原则，我们致力于提升各社区的福祉。于2011年，我们再次推出本集团的旗舰慈善活动《十大义演》。这已是本集团第25次举办此活动。《十大义演》在2011年已成功筹获2000万令吉，是最具公信力及最透明化的为华教募款平台之一。迄今，这极受欢迎的慈善活动已为全国588所华校和学院筹获逾 3亿6900万令吉。

除此之外，本集团在2011年为加强与淡米尔教育的关系而为淡米尔学校的学生设立了“学习英语”及“快乐开学”等计划。马来西亚Carlsberg因这番努力，而在2011年亚洲负责任的企业家精神奖（AREA）荣获“赋权于社会”奖项。我们也荣获Carlsberg集团所颁发的2010年制胜行为奖中的“我们与社会同在”奖项。

勇往直前

2012年的经济环境预计将持续充满挑战。预料这也将会影响马来西亚，特别是出口方面的表现。然而，马来西亚极有弹性的国内需求预计将有助于维持良好的国家经济。政府预测2012年的国内生产总值将有5%至6%增长。有鉴于这种前景，马来西亚Carlsberg集团非常欢迎马来西亚政府没有进一步提高2012年啤酒和黑啤消费税的审慎立场，因为马来西亚的消费税已是世界上第二高。

展望未来，我们将继续致力支持政府的经济转型计划（ETP）和马来西亚在2020年成为先进国和高收入国家的宏愿。我们会调整本集团的目标以支持经济转型计划和其他经济优先项目，特别是我们会注力于旅游业、分销业和外籍专业人士领域。我们已间接通过大型的体育、食品和时尚活动支持政府发展旅游业。

当我们勇敢而谨慎地跨入另一个充满挑战的一年之际，马来西亚Carlsberg集团董事会仍然致力于维持有盈利及持续性的成长。马来西亚领先的啤酒品牌——Carlsberg啤酒，以及强固的特级品牌系列将推动盈利成长。我们的目光已锁定在成为全国最具活力的投资组合公司，因此将采取积极而审慎的策略，让我们迅速达到目标。

在营业上，我们将继续优化成本效益和生产能力，也会利用连续性的改善措施，开创强劲的经营业绩。同时，我们也将继续投资在在人才这关键资产上，并推动高效率表现文化。这一切，再加上另一些措施，将确保马来西亚Carlsberg集团继续展现强大的进展。

致谢

我谨代表马来西亚Carlsberg集团董事会，向管理团队和雇员的忠诚、勤奋及追求卓越的精神表达至上的感激。2011年的成功来自于他们不懈的投入和努力。我们也衷心感谢其他所有的利益相关人士，包括我们的经销商、供应商、顾客和消费者，感谢您这些年来的支持。

我以极其悲痛的心情，在此记录于2012年3月16日逝世的副董事经理拿督陈文龙对本集团长期以来的巨大贡献。我也真诚地感谢董事们的真知灼见和指导，协助本集团勇往直前。

最后，我深深感谢股东们一直以来的支持和对我们的信心。我们期待能更上一层楼，创造强大的股东价值，信心满满地跨入2012年。

谢谢！

拿督林世宗
主席

莎亚南
2012年4月4日

தலைவரது அறிக்கை

அன்புள்ள பங்குதாரர்களுக்கு. கார்ல்ஸ்பெர்க் மலேசியா இன்னொரு உறுதியான பாராட்டத்தக்க நிதியாண்டையும் செயல்பாட்டையும் 2011-ல் அடைந்துள்ளது. நமது ஆண்டறிக்கையின் கருப்பொருளான 'துணிவுடன் முன்னோக்கி நகர்வது'-ஐ அடிப்படையாக கொண்டு நமது முழு அமைப்பும் திறம்பட உழைத்து நமது மணிமுடியின் வைரமாக ஜொலிக்கும் கார்ல்ஸ்பெர்க கிரீன் லேபலை மீண்டும் முதல் நிலையில் நிலைநிறுத்தியிருப்பதோடு பிரிமியம் பீர் அந்தஸ்தையும் நிலைநிறுத்தியிருக்கிறோம். இன்று பல்வகை வணிகச் சின்னங்களை கொண்ட நிறுவனமான திகழ்ந்து தொடர்ச்சியான வருவாயும் ஈட்டமும் பெறுவதோடு, மால்ட் லீக்கர் சந்தையில் வலிமையான போட்டியாளராக கார்ல்ஸ்பெர்க் மலேசியா திகழ்கிறது.

இயக்குனர் வாரியத்தின் சார்பில், கார்ல்ஸ்பெர்க் புருவெரி மலேசியா பெர்ஹாட்டின் சார்பில் 31 டிசம்பர் 2011-க்கான தணிக்கை செய்யப்பட்ட நிதி அறிக்கையையும் ஆண்டறிக்கையையும் படைப்பதில் நான் மகிழ்ச்சியடைகிறேன்.

பலவீனமான செயல்பாட்டு சூழல்

2011-ஆம் ஆண்டு ஒப்பீட்டளவில் உலக பொருளாதார சூழல் முந்தைய ஆண்டை காட்டிலும் பலவீனமாகவே இருந்தது. இம்மெதுவான வளர்ச்சி மத்திய கிழக்கிலும் வட அமெரிக்காவிலும் நிலவிய அரசியல் நிலையின்மை மற்றும் உலக முழுவதும் நிகழ்ந்த இயற்கை பேரிடர்களும் பொருளாதார வளர்ச்சிக்கு தடையாக இருந்தன. மலேசியாவைப் பொறுத்தவரை உள்ளூர் சந்தையின் தேவை 2011-ல் மாறுபாடில்லாமல் அப்படியே இருந்தது, முக்கியமாக தனியார் துறையின் திடமான ஆரோக்கியமான மனித சந்தையும் வலிமையான பொருட்களின் விலையும் அதன் காரணமாகும். அரசின் சிறப்பான, ஆதரவான பொருளாதார கொள்கைகள் இவ்வருட வளர்ச்சிக்கு பெரும் துணையாக அமைந்தது. மலேசியா ஒப்பீட்டளவில் 2011-ல் 5.1% GDP வளர்ச்சியை அதன் முந்தைய ஆண்டை காட்டிலும் 7.2%-ஐ விட குறைவான GDP வளர்ச்சியை பதிவு செய்துள்ளது.

திடமான நிதி செயல்திறன்

இதன் பின்னணியில் , கார்ல்ஸ்பெர்க் மலேசியா தொடர்ந்து வளர்ச்சி பாதையில் பயணித்து அதன் சாதகமான சந்தையில் தனது பிரிமியம்பங்கை உறுதி செய்துள்ளது. மலேசியா இவ்வாண்டு தன் வருமானத்தை RM1.5 பில்லியனாக அதாவது கடந்த ஆண்டின் வருமானமான RM1.4 பில்லியனை காட்டிலும் 8.9% அதிகமாக பதிவு செய்துள்ளது.நம் குழுமம் இவ்வாண்டுவரிக்குமுன்பான லாபமாக RM167.4 மில்லியன் பதிவு 2010-ன் வரிக்குமுன்பான லாபமான RM134.1 மில்லியனை காட்டிலும் கூடுதலாகும்.இது உலகலாவிய கார்ல்ஸ்பெர்க் சீரமைக்கவும் புத்தமைக்கவும் பட்ட அதன் வடிவமைப்பும் பயனீட்டாளர்களை கவர்ந்த புதிய விற்பனை சுலோகமான "That Calls for a Carlsberg." ஆகியவையே முக்கிய காரணமாகும்.

துணை நிறுவங்களான கார்ல்ஸ்பெர்க சிங்கப்பூர் பிரைவெட் லிமிடெட்(CSPL) மற்றும். இணை நிறுவனமான சிலோன் PLC-யும் கூட இரட்டை இலக்க வருமான வளர்ச்சிக்கு வளர்ச்சிக்கு காரணமாக அமைந்தன. குழுமம் தன் பிரிமியம் பீர் பகுதியை தனது துணை நிறுவனமான லுவென் ஒங் F & B (LHFB) மூலம் சூப்பர் பிரிமீயம் பீர் தரத்தை அடைய ஊக்கப்படுப்படுத்தியுள்ளத்து. கூடுதலாக மலேசியா மற்றும் சிங்கப்பூர் வணிகத்தின் உற்பத்தியில் காட்டப்பட்ட ஆக்ககரமான செலவு திறனும் நல்ல பயனை தந்துள்ளது.

பங்குதாரர்களின் மதிப்பு உருவாக்கம்

நமது பங்குதாரர்களின் மதிப்பை உணர்ந்தும், நமது குழுமத்தின் நிதி நிலைமையை கருத்தில் கொண்டும்இயக்குனர் வாரியம் மகிழ்வுடன் குழுமத்தின் 2011-ன் லாபத்தின் 100%-யும் அப்படியே பகிர்ந்தளிக்க முடிவு செய்துள்ளது. இயக்குனர் வாரியம் சாதாரண பங்கான RM0.50 ஒவ்வொன்றுக்கும் இறுதி மற்றும் பிரத்தியேக லாப ஈவாக 65.5 சென்னும், RM0.50-ன் சாதாரண பங்கான மலேசியா வருமான வரி கழிவிற்குபின் 2 சென் ஒவ்வொரு RM0.50-க்கும் சாதாரண பங்கிற்கும் வழங்க முடிவெடுத்துள்ளது. இதோடு சாதாரண பங்கின் ஒவ்வொரு RM0.50-க்கும் குரோஸ் லாப ஈவாக 5 சென்னும், 2011 நிதி ஆண்டின் மொத்த குரோஸ் லாப ஈவாக ஒவ்வொரு சாதாரண பங்கின் RM0.50-க்கும் 72.5 சென் வழங்கப்படும். (2010: மொத்த குரோஸ் லாப ஈவாக ஒவ்வொரு சாதாரண பங்கின் RM0.50க்கும் 58 சென் வழங்கப்பட்டது). இறுதியான மற்றும் சிறப்பு லாப ஈவும் வருமான வரி கழிக்கப்பட்டவரும் 26 ஏப்ரல் 2012-ல் ஆண்டு பொது கூட்டத்தின் போது பங்குதாரர்கள் முன்பு ஒப்புதலுக்காக வழங்கப்படும்.

செயல்திறனின் அடைவை உயர்த்துதல்

2011-ல் நாங்கள் நமது செயல்திறனை உயர்த்த பல முயற்சிகள் மேற்கொண்டோம். வாடிக்கையாளர்களை கவர, நமது குழு கடுமையாக உழைத்து கார்ல்ஸ்பெர்க் சின்னத்தை பல்வேறு சிறப்பான தேர்வாக திகழ பாடுப்பட்டனர். 2011-ல் புத்ரா விருதிற்கு தேர்வு செய்யப்பட்டதன் வழி மலேசியாவின் தலையாய பீர் சின்னமான கார்ல்ஸ்பெர்க் திகழ்வது மறு உறுதி செய்யப்பட்டுள்ளது. நாம் தொடர்ச்சியாக 13-வது ஆண்டாக மலேசியா மற்றும் ஆசியாவின் ரீடர் டைஜஸ் வாசகர்களால் மிகவும் நம்பப்படும் சின்னமாக தேர்வு செய்யப்பட்டிருக்கிறோம். பீர் பகுப்பில் தேர்வு செய்யப்பட்ட ஒரே சின்னம் இதுவே ஆகும்.

நமது இடத்தை முதல் நிலையில் தக்க வைக்கவும் உற்பத்திபொருளில் புத்தமைப்பு பெறவும், நாம் நமது பீர் சின்னங்களில் கவனம் செலுத்துகிறோம். நாம் நமது வாடிக்கையாளர்களுக்கு புதுவித குடிக்கும் அனுபவத்தை தருவதோடு நமது அடிப்படை கட்டுமானம் மற்றும் திறனை தொடர்ந்து வளப்படுத்தவும் முயல்கிறோம். நாம் LHFB-ஐ முதல் நிலை இறக்குமதி பீரான ரோகாடன் மற்றும் வளர்ந்து வரும் அசரி, எர்டிஙர், பட்வைசர் அளவுக்கு சூப்பர் பிரிமியம் பீராக கொண்டு வர பாடுபட்டுக் கொண்டிருக்கிறோம். நம் கார்ல்ஸ்பெர்க் குழுமத்தின் பிரிமியம் சின்னங்களான குரொனென்பொக் 1664 மற்றும் குரொனென்பொக் பிளான்க் ஆகியவற்றில் முதலீடு செய்ததோடு, உள்நாட்டிலேயே ஜப்பானின் முதல் நிலை பீரான் அசரி சூப்பர் ட்ரை பீரை உற்பத்தி செய்ய, விற்க, விநியோகிக்கும் உரிமையையும் பெற்றிருக்கிறோம். இந்த சின்னங்களின் விற்பனை சூப்பர் பிரிமியம் தகுதியை நாம் தக்க வைக்க உதவியுள்ளது. நாம் ஸ்கோல் சின்னத்தை மறு ஆக்கம் செய்ததோடு டெனிஸ் ரோயல் ஸ்டவுட் சின்னத்தை மறு சக்தி வழங்கி வித்தியாசமான வாடிக்கையாளர்களின் தேவைக்கு வழங்கியுள்ளோம்.

குழுமம் செயல்திறன் வளர்ச்சிக்கும் மனிதவள மேம்பாடிற்கும் முக்கியத்துவம் வழங்குகிறது. 2011-ல் , நாம் நிதி கட்டுமானத்தையும், சொத்து அடிப்படைகளையும் சிங்கப்பூர் மற்றும் மலேசியா வணிக ஆற்றலை பலப்படுத்தும் வண்ணம் உலகலாவிய மற்றும் உள்ளூர் நிலையிலும் செயல்பட்டு வருகிறோம். தொடர்ச்சியான மேம்பாடு(CI) அமைக்கப்பட்டதன் வழி, கீழ் நிலை பணியாளர்கள் செயல்திறனில் மேம்பாடு காணவும் செலவுகளை குறைக்கவும் உதவுகிறது. மனித மேம்பாட்டை பெறுத்தவரையில், நாம் செயல்பாடு மற்றும் தலைமைத்துவ கலாச்சாரத்தை நம்பிக்கை, பொறுப்பு, மற்றும் பன்முகம் ஆகியவற்றின் அடிப்படையில் கொண்டிருக்கிறோம். இம்முயற்சிகள் அனைத்தும் கார்ல்ஸ்பெர்க் மலேசியா மீதான பணியாளர்களின் நம்பிக்கையை நிச்சயம் கூட்டும்.

பொறுப்பான கூட்டாணமை நடவடிக்கைகள்

கார்ல்ஸ்பெர்க் மலேசியா பொறுப்பான முறையில் லாபத்தை கூட்டவே விரும்புகிறது. இதன் பாற்பட்டு, நம்து மொத்த வணிக செயல்பாட்டிலும் லாபம் மற்றும் வளர்ச்சியை தக்க வைக்கவும் ஒருங்கிணைக்கப்பட்ட பொறுப்பான கூட்டாண்மை செயல்பாட்டை கொண்டிருக்கிறோம். நான் மகிழ்வுடன் அறிவிப்பது என்னவெனில், கார்ல்ஸ்பெர்க் மலேசியா புதிய கூட்டாண்மை சமூக பொறுப்பு (CSR) அறிக்கை ஒன்றை மேம்படுத்தி அதன் சந்தை, சமூகம், வேலை இடம், மற்றும் சுற்றுச் சூழல் ஆகியவற்றை மேம்படுத்த உழைக்கிறது. நமது ஒரே CSR அறிக்கை கார்ல்ஸ்பெர்க் மலேசியாவின் நல்ல CSR செயல்பாட்டை வழங்க பாடுபடுவதோடு அது தம் பணியாளர்கள் மற்றும் வணிகத்தின் மீது கொண்டிருக்கும் அக்கறையின் வெளிபாடாகவும் கொள்ளலாம்.

நம்முடைய சுலோகமான 'சமூகத்தோடு எதிர்பாராமல்பங்கீட்டு கொள்வது' அடிப்படையில் சமூகத்திற்கு உதவுவதை உறுதியாக கொண்டிருக்கிறோம். 2011-ல் நாம் 25 வருடமாக நடத்திவரும் "Top Ten" அறநிதி இயக்கத்தை நீங்கள் அறிவீர்கள். இது சீனக் கல்விக்காக நிதி சேர்க்கும்மிக முக்கிய அமைப்பாகும்.2011-ல் "Top Ten" வெற்றிக்கரமாக RM20 மில்லியனை சேர்த்துள்ளது.இன்றுவரை இத்திட்டத்தின் மூலம் 588 சீனப்பள்ளிகள் மற்றும் நாடு தழுவிய கல்வி நிலையங்களுக்கும் RM369 மில்லியனுக்கும் கூடுதலாக திரட்டப்பட்டுள்ளது. 2011-ல் நாம் தமிழ்ப்பள்ளிகளோடும் இணைந்து , ஆங்கிலத்தின் முக்கியத்துவம், மற்றும் பள்ளிக்கு திரும்பும் திட்டம் போன்றவற்றை தீபகற்பம் மற்றும் கிழக்கு மலேசியாவில் உள்ள தமிழ்ப்பள்ளிகளில் தொடங்கியிருக்கிறோம். இந்த முயற்சிகளுக்காக கார்ல்ஸ்பெர்க் மலேசியா 2011-ன் ஆசியாவின் பொறுப்பான வணிக விருதை (AREA) வென்றது.கூடுதலாக 2010-ல் கார்ல்ஸ்பெர்க் குழுமத்தின் 'நாம் சமூகத்தோடு இணைந்திருக்கிறோம்' வெற்றி நடத்தை விருதையும் நாம் பெற்றோம்.

துணிவுடன் முன்னோக்கி நகர்வது

2012-ல் நடப்பு பொருளாதார நிலை தொடர்ந்து சவாலானதாகவும் குறிப்பாக இறக்குமதியில் பாதிப்பை கொண்டு வருமென்பதும் எதிர்பார்க்கப்படுகிறது. இருப்பினும் நாட்டின் உள்ளூர் தேவையின் உதவியுடனும் தனியார் துறையின் விரிவாகத்தின் வாயிலாகவும் தொடர்ந்து வளர்ச்சி நிலை காணப்படும். தனியார் துறையின் செலவீனங்கள் மலேசியாவின் மொத்த வளர்ச்சிக்கும் உதவியாக இருக்குமென எதிர்ப்பார்க்கப்படுகிறது. இதன் அடிப்படையில் மலேசியா அரசாங்கம் 2012-ல் பீர் மற்றும் ஸ்டவுட் மீதான வரியை, மேலும் உயர்த்தாது என எதிர்ப்பார்க்கிறோம். ஏனெனில் மலேசியாவின் வரி உலகிலேயே இரண்டாவது நிலையில் இருப்பதை கருத்தில் கொள்ள வேண்டும்.

தொடர்ந்து, நாம் அரசின் பொருளாதார மறுமலர்ச்சி திட்டங்களுக்கு (ETP) ஆதரவாக இருப்பதோடு 2020-க்குள் ஒரு வளர்ச்சி அடைந்த முன்னேறிய நாடாக வரும் மலேசியாவின் கனவை வரவேற்கிறோம். நாம் தொடர்ந்து அரசின் ETP மற்றும் மற்ற பொருளாதார திட்டங்கள் முக்கியமாக சுற்றுலா. விநியோக வணிகம் மற்றும் வெளிநாட்டவர் துறைகளில் நோக்கங்களை அடைய ஆதரவாக இருப்போம். நாம் இப்போதே மறைமுகமாக பல விளையாட்டு, உணவு மற்றும் ஆடை அலங்கார நிகழ்வுகளில் அரசிற்கு உறுதுணையாக இருந்திருக்கிறோம்.

துணிவுடன் அத்தே நேரத்தில் எச்சரிக்கையுடன் அடுத்த சவாலான வருடத்தை வரவேற்கும் வேளையில் கார்ல்பர்க் மலேசியாவின் இயக்குனர் வாரியம் தொடர்ந்து லாபத்தையும், வளர்ச்சியையும் பதிவு செய்யுமென உறுதி வழங்குகிறது. இதை மலேசியாவின் முதலிட பீர் சின்னமான கார்ல்ஸ்பெர்க் கிரீன் லேபலும் மற்ற வலுவான பிரிமீயம் பீர் வரிசைகளும் உறுதிப்படுத்தும். நாம் நாட்டின் மிக உயரிய போர்ட்போலியோ நிறுவனமாக மிக விரைவில் உறுதியாக அதேநேரத்தில் முறையான திட்டமிடல்களோடும் அடைவோம்.

உற்பத்தி அளவில் நாம் தொடர்ந்து திறம்பட செலவையும் புருவரியின் பயன்பாட்டையும் மேம்படுத்தி ஆற்றல் வாய்ந்த உற்பத்தி செயல்பாட்டை அடைய வேண்டும். மனித வள அடிப்படையில் நாம் முக்கிய பண்பாக வலிமையான செயல்திறன் கலாச்சாரத்தை ஊக்கப்படுத்துவோம். இதன் அடிப்படையில் கார்ல்ஸ்பெர்க் மலேசியா உறுதியாக வளர்ச்சியை காணும் என்பது உறுதி.

பாராட்டுகள்

கார்ல்ஸ்பெர்க் மலேசியாவின் இயக்குனர் வாரியத்தின் சார்பாக , நான் எனது மனமார்ந்த நன்றியை நமது நிர்வாக குழுவிற்கும் பணியாளர்களுக்கும் அவர்களின் தொடர்ச்சியான விசுவாசம், கடும் உழைப்பு, வெற்றிக்கான செயல் திறனுக்காகவும் தெரிவிக்கிறேன். 2011-ன் வெற்றி அவர்களின் கடும் உழைப்பினால்தான் சாத்தியமானது. இவ்வேளையில் நமது மற்ற பங்களிப்பாளர்களான, விநியோகஸ்தர்கள், பரிமாறுபவர்கள், வாடிக்கையாளர்கள் அனைவருக்கும் குழுமத்தின் சார்பில் அவர்களின் ஆதரவிற்கு நன்றி தெரிவித்து கொள்கிறேன்.

வாரியத்திற்கு நெடுங்காலமாக வழிகாட்டியாகவும், அளவிட முடியாத பங்களிப்பு ஆற்றியவருமான, கடந்த 16 மார்ச் 2012-ல் மறைந்த நமது துணை நிர்வாக இயக்குனர் டத்தோ சின் வூன் லூங் அவர்களின் மறைவிற்கு என் இதயம் கனத்த இரங்கலை தெரிவித்துக் கொள்கிறேன். நான் வாரியத்தின் மற்ற நண்பர்களுக்கும் எனது நன்றியை தெரிவித்து அவர்களின் ஆலோசனைகளும் வழிகாட்டுதலுமே குழுமத்தின் தொடர் வளர்ச்சி காரணமென்பதையும் பதிவு செய்கிறேன். இறுதியாக, கார்ல்ஸ்பெர்க் மலேசியா மீது தொடர்ந்து நம்பிக்கையும் ஆதரவும் கொண்டிருக்கும் பங்குதாரர்களுக்கும் நன்றியை உரித்தாக்குகிறேன்.நாம் தொடர்ந்து புதிய உயரங்களையும் வலிமையான பங்குதாரர் மதிப்பையும் 2012-ல் உருவாக்குவோம் என்ற நம்பிக்கை எனக்கு உண்டு.நன்றி.

டத்தோ லிம் சாய் ச்சோங்
தலைவர்

ஷா ஆலாம்
4 ஏப்ரல் 2012


Carlsberg
Malaysia
BECK'S
IMPORTED
Hoegaarden
BRAUEREI BECK & CO
BECK'S

Review of Operations
by Managing Director

We bolstered the leading position of our flagship brand, Carlsberg Green Label, and strengthened our extensive premium beer range to emerge a stronger multi-brand portfolio company.

The Year of Moving Boldly Forward

2011 was a year in which Carlsberg Malaysia moved boldly forward on all fronts. We turned in commendable financial performance and delivered profitable, sustainable growth. We bolstered the leading position of our flagship brand, Carlsberg Green Label, and strengthened our extensive premium beer range to emerge a stronger multi-brand portfolio company. We continued to make strong strides forward on the operational front, enhancing operational efficiencies and advancing people empowerment efforts. On top of all these, we continued to integrate impactful corporate responsibility initiatives throughout the value chain with the aim of growing the Group in a responsible manner. I am pleased to say all these measures reinforced our position and taking us to greater heights in Malaysia's Malt Liquor market.

Delivering Profitable, Sustainable Growth

The year in review saw Group profit after tax grew by 24.8% on the back of an 8.9% increase in revenue in comparison to 2010. This strong performance was attributable to the successful roll out of 2011's global Carlsberg brand packaging revamp and innovative consumer promotions under the new global brand tagline "That Calls for a Carlsberg" that is now aligned in over 140 countries. To drive profitable, sustainable growth, we set our sights on channels with higher growth potential and supported these efforts with the right brand mix in each channel. These measures, together with productivity improvements in the supply chain, as well as enhanced sales and marketing cost efficiencies, boosted our margins.

Luen Heng F & B Sdn Bhd (LHFB) once again experienced strong growth momentum on the back of a double digit growth in beer volumes to register an increase of 45.5% in profit after taxes.

Review of Operations by Managing Director

Aside from the strong performance of our Malaysian operations, our fully owned subsidiary, Carlsberg Singapore Pte Ltd (CSPL) and associate company, Lion Brewery Ceylon PLC, also delivered impressive results with double digit growth in revenue and earnings for 2011. CSPL turned in its third consecutive year of on-target growth delivering an 11.2% increase in revenue and 47.2% rise in profit after tax as compared to the preceding year's results. This performance was mainly attributable to continued robust volume growth in line with the buoyant beer market in Singapore as well as revenue growth driven by a strengthened premium brand portfolio.

Continuing to Walk Our Talk

In 2011, we began to see a definite mind-set change within the organisation from a focus on short-term volume to a focus on profits, as well as a shift from a focus on one brand to a focus on a diverse portfolio of brands. We successfully leveraged on this mind-set change, together with our Stand, "Thirst for Great," and the five key strategic levers to raise the bar on performance and deliver as promised in 2011.

Products and Innovation Lever: Tap Two Key Drivers to emerge a Stronger Multi-Brand Portfolio Company

Perfecting the Jewel in Our Crown

To bring about strong portfolio development in 2011, we leveraged our first key driver which called for us to strengthen the Carlsberg Green Label brand. Deciding that it was time to go bolder and bigger and to take greater risks than before, we leveraged on the global revamp of the Carlsberg Green Label brand and undertook our own major makeover in Malaysia. As a result of our efforts, Carlsberg Green Label strengthened its leading position as the most preferred brand among all drinkers in Malaysia. One out of every two drinkers voted Carlsberg as their preferred brand based on consumer research undertaken by independent international research agency, Millward Brown. Carlsberg Green Label's position as Malaysia's leading beer brand was further reaffirmed when it was awarded the coveted Gold recognition at the 2011 Putra Awards as well as the "Most Trusted Brand" by Reader's Digest readers in Malaysia and Asia for the 13th consecutive year.

Capturing New Ground in the Premium Segment

We also decided that we had to be bold enough to say that we needed to flank the Carlsberg Green Label brand with the fast growing premium segment. As such, our second key driver saw us continuing to tap into LHFB's impressive super premium beer portfolio which successfully bolstered our position in the premium beer segment. We also went on to invest in the newly launched Carlsberg Group-owned premium brands – Kronenbourg 1664 and the Kronenbourg Blanc wheat beer variant, both of which have shown great potential in the super premium segment. In December 2011, we were awarded the rights to locally manufacture, sell and distribute one of Asia's fastest growing premium beers – Asahi Super Dry. These brands optimise our product mix and complement our existing premium beer portfolio.

Consumers and Customers Lever: Engage Audiences and Build Brand Equity

Actively Engaging with Our Business Partners

In 2011, we rolled out the pilot New Generation Distributor Model (NGDM) which aims to ensure the seamless integration of our sales employees and valued business partners so that consumers are served in the best manner possible. Via the NGDM initiative, we aim to transform our traditional distributors to become our trusted strategic partners. Two distributors were selected for the initial programme which showed very encouraging results and we will be replicating these efforts with other distributors.

To foster closer engagement with our trade partners, we invested in a new nationwide trade programme known as the 'A' Class Experience (ACE) Programme, which comprises a series of educational and practical training sessions aimed at assisting F&B operators to raise the bar in meeting the increasingly sophisticated needs of today's customers. We commissioned Taylor's University's Centre for Continuing Professional Education to design the ACE training modules. Through providing solid training followed up by visits to trade outlets to measure their performance, we continue to build goodwill and a strong affinity with our trade partners.

Building Brand Equity among Consumers
Nationwide promotions and big-scale consumer activation initiatives further strengthened the brand equity of Carlsberg Green Label and made good inroads among target consumers.

Efficiency Lever: Drive Strong Operational Synergies and Optimise Cost Efficiencies

Tapping the Benefits of Integration
In 2011, we continued to make the most of the good operational synergies between our Malaysian and Singaporean operations to further optimise cost efficiencies. Following the full integration of the Singapore operations into the Malaysia operations, we continue to realise significant operational enhancements across all functions.

With the Malaysian operations producing the volume for Singapore today, we are utilising our cost base a lot more efficiently and are reaping the benefits with a much higher production volume. The Malaysian operations have in essence managed to assimilate the Singapore business with no additional operational costs.

Implementing CI-LEAN Effectively
We continued to focus on CI-LEAN Programme in 2011 and empowered our people to make tangible improvements on the shop floor, all of which helped to optimise cost and production efficiencies. The LEAN philosophy revolves around identifying and eliminating non-value-adding activities in production, supply chain management and customer interactions. 2011's CI-LEAN achievements included maintaining our cost per Hectolitre despite increase in raw material prices; a record increase in production volume without significant capital expenditure on machinery and equipment; a substantial savings of RM6.0 million from cost optimisation activities; a lower dependency on treated water and natural gas from external sources; a savings of RM3.0 million from our 3R (reduce, reuse and recycle) measures; as well as efficiency improvements from better back-end operations especially in the area of logistics.

In 2011, we began to see a definite mind-set change within the organisation from a focus on short-term volume to a focus on profits, as well as a shift from a focus on one brand to a focus on a diverse portfolio of brands.

Review of Operations by Managing Director

2012 will also be another exciting year for our consumers and they can expect a host of programmes and campaigns to come their way. A key campaign would involve Carlsberg Green Label being the official beer for the Euro 2012.

People Lever: Nurture Great People and Build Our Capabilities

Initiatives to Nurture Our Workforce

2011's initiatives focused on raising the leadership capability of our people through leadership coaching training workshops, one-on-one coaching sessions and a mentoring system. We also launched the Carlsberg Sales Academy (CSA) to help create more structured training and development opportunities as well as a career map for new Sales hires. As part of the our Company's succession planning strategy, our "high-potentials" (HiPos) continued under the Carlsberg Accelerated Leader Development Programme (ALDP) which will see them moving into international leadership positions within the Group over time.

Introducing the Thirst for Great Hour and Moments

As part of our efforts to build Great People, Great Brands and Great Performance as well as to strengthen employee pride in being part of the Carlsberg Family, we introduced the Thirst for Great Carlsberg Hour in 2011. This platform, which aims to get all employees to participate in Great Moments that will help inculcate Carlsberg's core values and culture among them, as well as unite and motivate them.

Gauging Employee Satisfaction

The Thirst for Great initiatives and the communication around it had certainly helped boost employees' confidence as reflected in the latest MyVoice employee attitude survey. 2011's survey garnered a 100% response rate and reflected a dramatic improvement in employee confidence (from two years ago) about being part of the Carlsberg Group, the Group's direction, and the effectiveness of our senior management. We achieved an Employee Engagement score of 80%, a four percentage point improvement from 2009 results. These encouraging results are testament that our efforts to embed our shared values in our work culture are bearing fruit.

Structure and Society Lever: Give Back to Society Unconditionally

Making Strong Inroads with Top Ten and English Essentials

We continued our strong focus on Carlsberg Malaysia's flagship charity campaign, Top Ten, which entered its 25th year in 2011, and in the same year, approximately RM20 million was successfully raised for the development of Chinese education. For our efforts, Carlsberg Malaysia won an award in the Social Empowerment category of the Asia Responsible Entrepreneurship Awards (AREA) 2011. At the 2011 Carlsberg CEO conference in Kiev, Ukraine, we were also accorded the "We are Engaged with Society" Winning Behaviours Award 2010.

August 2011 saw the maiden launch of Carlsberg Malaysia's English Essentials programme for Tamil schools in the states of Penang, Perak, Selangor and Johor. Endorsed by the Tamil School Headmasters' Council, the programme provides school children and teachers at Tamil-medium schools the opportunity to improve their knowledge and proficiency of the English language.

Ensuring Responsible Drinking

The Enjoy Responsibly pilot programme was also introduced in 2011 to educate employees and consumers about the need for responsible drinking. Employing four stands – Be Safe, Be in Control, Drink Smart and Drink Responsibly – the Enjoy Responsibly campaign was introduced at selected events such as our "Where's the Party™?" and "Malaysia's Own Oktoberfest 2011" events. The Enjoy Responsibly programme will continue to feature prominently in our corporate culture as well as among our business partners, customers and consumers.

Continuing to Go Boldly Forward

Carlsberg Malaysia's strong portfolio and geographical exposure drove solid growth in 2011 and this will continue to be our focus for the coming years. As we continue to move boldly forward, we will set our sights on attaining profitable, sustainable growth by tapping on our five strategic levers.

Beer will continue to be our key focus in 2012 and we will endeavour to be at the forefront of innovation by bringing new drinking experiences to our consumers. Continued investments into the Carlsberg brand and the many new and exciting portfolio opportunities, coupled with strengthened execution capabilities and efficiency initiatives, will enable us to continue our profitable growth trend and create good shareholders' value.

2012 will also be another exciting year for our consumers and they can expect a host of programmes and campaigns to come their way. A key campaign would involve Carlsberg Green Label being the official beer for the Euro 2012 football tournament, where a line-up of exciting activities and promotions are being planned for our customers and consumers.

Going forward into 2012, we remain cautiously optimistic about the prospects for the Malaysian Malt Liquor Market (MLM). The MLM has been relatively resilient amidst the economic slowdown these last few years and has maintained a steady level of low single-digit annual growth (in terms of volume), and we believe there will be little disruption to its progress in 2012.

We are also excited about our agreement with Asahi Breweries Ltd (ABL) to locally manufacture, sell and distribute Asahi Super Dry in Malaysia. This development marks an important milestone in Carlsberg Malaysia's journey to become the nation's most vibrant beer portfolio company with a winning portfolio that meets all consumer needs. This move will strengthen our growth in the premium beer segment with the freshest product, and our earnings over the medium to long-term. More local production of premium beers will follow in 2012.

I wish to convey my utmost gratitude to our consumers, customers and partners for their continued loyalty and steadfast support of Carlsberg Malaysia and its portfolio of brands. My sincere appreciation also goes to the members of the Board for their invaluable insights and wise counsel. In particular, I would like to express my deepest condolences to the family of the late Deputy Managing Director, Dato' Chin Voon Loong, who passed away on 16 March 2012. The late Dato' Chin will forever be remembered for his invaluable longstanding contribution, support and guidance to the Group.

Last but not least, my heartfelt thanks to all hard working employees of the Carlsberg Malaysia Group for their continued loyalty, support and commitment to pursuing a spirit of excellence and delivering profitable, sustainable growth.

Soren Ravn
Managing Director

Shah Alam
4 April 2012

Review of Carlsberg Singapore's Operations

The year 2011 saw Carlsberg Singapore Pte Ltd (CSPL) making great strides forward on the financial and operational fronts to deliver a strong performance. CSPL turned in its third year of consecutive on-target growth since 2009 and registered double-digit EBIT growth. This robust performance came on the back of continuing volume growth in line with the growth of the beer market in Singapore, while revenue growth was driven by a strengthened premium brand portfolio. Even as CSPL made strong inroads to capture market share in the premium segment, it did so in a profitable and efficient manner with costs growing slower than revenue. The good operational synergies between the Malaysian and Singaporean operations also continue to pay off.

Key Levers Drive Overall Performance

In line with the Group's overall strategy and direction, CSPL embarked on several key levers to ensure 2011's robust performance. Firstly, to ensure that the iconic flagship Carlsberg brand remained the No. 1 preferred premium brand, CSPL undertook an integrated re-launch campaign of the Carlsberg brand that involved brand engagement activities with its core audience of young consumers. Secondly, the premium brand portfolio was strengthened via the accelerated growth of the Kronenbourg 1664 and Kronenbourg 1664 Blanc variants as well as the launch of Sommersby Cider (the No. 1 cider in Denmark) in a new cider category. On top of this, measures were taken to optimise CSPL's existing operational expense platforms.

In addition to the above consumer, product/innovation and efficiency priorities, CSPL also focused on improving the availability, visibility and conversion of its brands with customers at the point of purchase/consumption. Efforts were made to improve the performance-based culture of the organisation through clearer measures and rewards, as well as enhacing employee engagement via talent management and recruitment activities. To this end, the rallying call of "Thirst for Great" and the 5 Winning Behaviours culture were leveraged on.

Integration Continues to Deliver Dividends

CSPL continues to tap the good operational synergies with the Group's Malaysian operations to maximise cost efficiencies. With the Malaysian operations producing the volume for Singapore, the Group is reaping several tangible benefits. For instance, the cost base is being utilised in a much more efficient manner and the Group is benefitting from much higher production volume. On top of this, the reduced lead time is translating into fresher and better quality products, while the associated logistics costs too have dropped. Further cost efficiencies were achieved through collaborative marketing campaigns and sharing of creative production resources. Both markets are adopting common marketing platforms and agencies where it makes sense to do so.

CSR Efforts Strengthen Stakeholder Relationships

CSPL continues to implement effective Corporate Social Responsibility activities to build sustainable relationships with its key stakeholders in Singapore. One of its most successful community-centric programmes over 2011 was the "Save Everest" campaign which saw participation from key stakeholders such as consumers, media and employees. Five CSPL representatives were part of a team that were selected to "save" Mt Everest from the damage caused by garbage left behind by mountain climbers and hikers.

Ascending some 5,000 metres above ground level to help preserve the ecosystem of this UNESCO World Heritage Site, the efforts of these five representatives certainly went a long way in educating audiences about the gravity of the situation. It also helped build goodwill and enhanced CSPL's reputation in the marketplace.

In Recognition of Excellence

In recognition of the good branding work done over the year, CSPL received an award from Campaign Asia for having one of the Top 10 Chinese New Year television commercials (TVCs) in the Asia Pacific region. The CSPL marketing team's Everest campaign was also nominated for the Top 10 Viewers' Choice TVC Awards (International Category) under the Carlsberg brand identity re-launch. On top of this, CSPL received a Gold Medal at the Beer Fest Asia event.

At the Out-Of-Home Planning & Innovation Awards (OOHPIA) event, CSPL and its agencies won an award for the Best Use of Multiple Clear Channel Formats, which involved the clever use of multiple formats to reach different audiences. Within the Carlsberg Group, the CSPL finance team was awarded the Group's Asia Finance Excellence Award 2011 for their outstanding work.

Moving Boldly Forward into 2012

Going forward, the overall macro-economic climate for 2012 has been moderated downwards with Singapore's GDP projected to grow in the region of 1% to 3% given the less-than-optimistic developments in the US and Eurozone. In view of this, consumers and customers are expected to be more selective in their discretionary spend and investments. CSPL will thus embark on marketing and sales programmes that engage consumers in a more direct and relevant manner while delivering better returns on investment. The focus will be on rolling out fewer but high impact initiatives that enable CSPL to continue to deliver volume and revenue growth that will outpace the marketplace in a profitable, sustainable manner.

Going forward, the Group is confident that CSPL will deliver another impressive performance in 2012 as it reinforces the market position of Carlsberg Green Label, strengthens its growing premium portfolio and undertakes initiatives to further bolster operational efficiencies and value management.

Management Team

York James Spencer
Aged 38, New Zealander
Marketing Director

Juliet Yap Swee Hwang
Aged 35, Malaysian
Business Development Director

Gary Tan Sim Huan
Aged 42, Malaysian
Sales Director

Kenneth Soh Chee Whye
Aged 48, Malaysian
General Manager of Luen Heng F & B Sdn Bhd

Soren Ravn
Aged 38, Dane
Managing Director

Kristian Dahl
Aged 37, Dane
Supply Chain Director

Lew Yoong Fah
Aged 44, Malaysian
Chief Financial Officer / Company Secretary

Bart Lim Siang Chin
Aged 42, Singaporean
General Manager of Carlsberg Singapore Pte Ltd

Loh Boon Lan
Aged 43, Malaysian
Human Resource Director

Management Team Profile

Soren Ravn

Aged 38, Dane

Managing Director

Mr. Ravn has been with the Carlsberg Group for over 13 years. Prior to his appointment as Managing Director of Carlsberg Malaysia in March 2010, Mr. Ravn held various strategic and operational positions including Group Strategy Director in the Carlsberg global headquarters in Copenhagen, Managing Director of Carlsberg Hong Kong & Macau and also the Vice President – Supply Chain, HR and Business Development in Carlsberg Greater China.

Juliet Yap Swee Hwang

Aged 35, Malaysian

Business Development Director

Ms. Yap joined Carlsberg Malaysia in 2007, heading the Consumer Insights function before assuming the role of Senior Manager-Strategy Development, Innovation & Research in 2008. She was subsequently promoted to her current role as Business Development Director in January 2011, where she is responsible in driving the development and implementation of the company's business and portfolio strategies while exploring new business opportunities.

York James Spencer

Aged 38, New Zealander

Marketing Director

Mr. Spencer has held various key positions in branding and marketing, including Fonterra-New Zealand, Asia Pacific Breweries Ltd-Singapore, and his own consultancy firm in Vietnam. Prior to joining Carlsberg Malaysia in May 2011 as Marketing Director, Mr Spencer served with Scottish and Newcastle Ltd as the Market Development Director for Asia and subsequently as International Marketing Manager based in Paris.

Lew Yoong Fah

Aged 44, Malaysian

Chief Financial Officer / Company Secretary

Mr. Lew has held senior financial positions prior to his appointment as the Chief Financial Officer of Carlsberg Malaysia in January 2010, in companies such as Danone Dumex Malaysia, Philips Electronics Singapore, SSMC (JV Philips) Singapore and Philips Malaysia. In his previous position as Finance Director at Danone Dumex Malaysia, Mr. Lew also served as its Director and Company Secretary with responsibilities across Malaysia, Singapore and Brunei.

Kenneth Soh Chee Whye

Aged 48, Malaysian

General Manager of
Luen Heng F & B Sdn Bhd

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

Bart Lim Siang Chin

Aged 42, Singaporean

General Manager of
Carlsberg Singapore Pte Ltd

Mr. Lim has accumulated 18 years of consumer industry experience in a sales and marketing role, with companies such as Proctor & Gamble and Johnson & Johnson as Regional Customer Development Director. He has been the General Manager of Carlsberg Singapore since January 2009 and continues this role subsequent to its acquisition by Carlsberg Malaysia at the end of 2009.

Gary Tan Sim Huan

Aged 42, Malaysian

Sales Director

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

Kristian Dahl

Aged 37, Dane

Supply Chain Director

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

Loh Boon Lan

Aged 43, Malaysian

Human Resource Director

Ms. Loh has over 17 years of experience in human resource management, 5 of which have been with Carlsberg Malaysia. She has previously held managerial positions in companies such as ACNielsen and Philips Malaysia and was also a management consultant for Arthur Anderson & Co where she advised clients on HR systems, processes, compensation and benefit matters. Ms Loh was appointed as Human Resource Director of Carlsberg Malaysia in September 2008.

Brand Portfolio

Boldly Fast-forwarding Our Brand Portfolio

As we set our sights on becoming the country's most dynamic brewer with an equally dynamic portfolio of beverage brands, we are offering consumers an exciting portfolio of beers, stouts, ciders, wines, spirits and other beverages that are world class and setting trends in the marketplace, particularly in the premium beer segment.

2011 saw us fast-forwarding Carlsberg Malaysia's transformation from a one-flagship brand beer company to a dynamic brewer with a portfolio of international beer brands. As a result, we reinforced the leading position of our crown jewel, Carlsberg, and bolstered our extensive premium beer portfolio.

With a more international-oriented and synergistic brand portfolio, we outpaced the market and brewed sustainable growth by being the preferred partner to our customers while the brands within our portfolio strengthened their most preferred position among consumers.

Carlsberg Gold, inspired by an original recipe from the 19th century, double brewed and blended to perfection.

Asahi Super Dry, the Japan's no.1 beer brand is brewed in a unique 'Karakuchi' style to give a clean, crisp and refreshing taste with no bitter after taste.

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

Kronenbourg 1664, France's best-selling super premium beer, is specially brewed with aromatic Strisselspalt hops. This elegant beer has a crisp, citrus flavour with a floral aroma.

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

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

Brand Portfolio

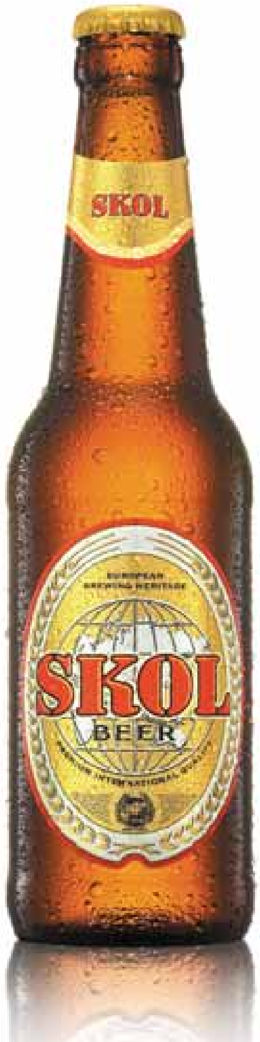
Carlsberg Special Brew, a dark golden brew stands as a quality premium beer in the high alcohol category.

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

Erdinger, top class premium wheat beer. With fine yeast. Traditionally matured in the bottle - like champagne.

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

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



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

Born in the middle age, Grimbergen Blonde is a top-fermented beer brewed under an arrangement with the Father of Grimbergen Abbey located in Belgium.

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

Brand Portfolio

Carlsberg Green Label

Carlsberg, our crown jewel, is an all malt lager brewed with a rich heritage and superior quality that goes all the way back to the year 1847 in Copenhagen, Denmark. Today, it is available in more than 140 markets globally and is Malaysia's most preferred beer brand.

That Calls for a Carlsberg

For the past 13 consecutive years, Carlsberg has won the Reader's Digest Most Trusted Brand Award bearing testament to the credibility of its quality and the values it represents. In 2011, Carlsberg reinforced its brand position by winning its second consecutive Gold Award at the Putra Brand Awards. These prestigious awards aptly reflect consumer and industry leader endorsements of Carlsberg as the most preferred beer brand and one that is set apart from the crowd. Leveraging on product innovation, engaging consumer promotions and through-the-line marketing, Carlsberg remains the clear market leader as indicated by the Millward Brown Beer Tracker results for both 2010 and 2011.

Evolving to Exceed Expectations

The iconic Carlsberg brand and its evergreen look and feel continues to be loved by many in Malaysia while its taste is enjoyed by millions around the world. Leveraging on its trusted heritage and rich brand equity, Carlsberg undertook a global brand revamp in 2011 whereby it redefined standards and evolved to become a bolder, more modern and more engaging brand.

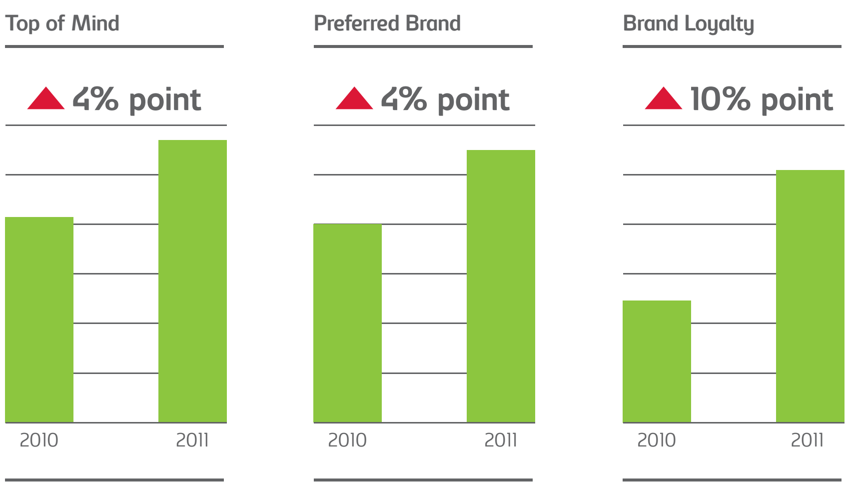
In April 2011, Carlsberg unveiled its new visual identity featuring the new Carlsberg Crown that is simpler in design yet has distinctive features to appeal to younger consumers. The new packaging complements its refreshing taste and premium positioning as well as the new tagline, "That calls for a Carlsberg" which is now used across all 140 markets in the Carlsberg world. Whilst the brand has been given a bold new look, the beer maintains its same great taste.

A through-the-line marketing campaign was carried out to make the brand re-launch a success and to deliver on commercial objectives. Prior to the revamp, more than 1,000 distributors, customers and retailers were invited to a grand trade launch to be briefed on the new packaging and brand direction of Carlsberg. A good many employees and their families too visited the brewery and took part in a wall-painting exercise featuring a replica of the famed Carlsberg Elephant Gate at Copenhagen, Denmark in remembrance of the founder of Carlsberg, J.C. Jacobsen and his beer making heritage.

Taking a Bold Step, Doing the Right Thing

Carlsberg's new global identity calls for the brand to be a vibrant, bold, young, inspirational and contemporary brand that is anchored on its rich heritage as well as the same premium quality and great taste. The journey of the re-launch kicked-off with research and development of the new packaging, then went on to involve conceptualisation of the brand's direction, and ended with effective in-market execution. These activities were part of a step-by-step strategy to hype up brand awareness and drive brand equity and growth.

At the media launch held at the Shah Alam brewery, hundreds of employees and members of the media witnessed the unveiling of the new Carlsberg Crown as well as the new packaging for the bottle and can. In conjunction with the re-launch, approximately 200 employees from sales, marketing and supporting functions were deployed to execute a merchandize makeover blitz at more than 2,000 refreshment outlets over a two-week period. Outlet owners garnered positive response with regard to the new signage, sales merchandise, point-of-sales materials and vehicles, all of which made a bold statement and a lasting impression.



Source: Millward Brown Beer Tracker 2010/11

A series of eight thematic ads which communicate the brand essence of "Stepping up..." were launched in conjunction with the new tagline of "That calls for a Carlsberg".

Brand Portfolio

Activated through social media platforms such as Facebook and blogs, the WTP events increased the Carlsberg fan-base from 4,000 fans to 17,000 fans in 2011.

"Where's the Party?" Builds an Affinity with Younger Consumers

As part of our efforts to elevate the Carlsberg brand experience and its reach among younger consumers, an engagement platform named "Where's the Party?" (WTP) was created. Leveraging on social media to reinforce the new brand positioning, two WTP events were held in June and December 2011 respectively. Held at undisclosed locations prior to the day of party, both WTPs generated excitement and received overwhelming reviews among the 18 and 25 years old consumer group. These parties were the pinnacle of the Carlsberg consumer and media re-launch experience with both becoming the most talked about events for the year.

Involving a high level of social media engagement, the WTP events created an extremely loyal fan base. The introduction of the radio frequency identification (RFID) tags enabled consumers to share their party experience on Facebook whenever they scanned their RFID wristbands onto a RFID reader. They could also collate points from the games they played and redeem prizes accordingly. This use of RFID technology in Malaysia in such a manner certainly helped strengthen Carlsberg's reputation as a modern, engaging and innovative brand.

Activated through social media platforms such as Facebook and blogs, the WTP events increased the Carlsberg fan-base from 4,000 fans to 17,000 fans in 2011. They were the perfect platforms to build an affinity with a larger and broader range of younger audiences. The first WTP event was hosted via a two-day, one night party at the Sepang Golden Palm Tree in June, while the second edition of WTP was hosted at Carlsberg Malaysia's very own brewery in December. Carlsberg offered party-goers an exhilarating experience with a line-up of activities, entertainment and performances by international artists and DJs. It is hoped that the next time party-goers think of having a party, the "That Calls for a Carlsberg!" rallying call will come to mind.

In line with Carlsberg Malaysia's stand on responsible drinking, all WTP party-goers were reminded to be responsible consumers and to consume moderately. Enjoy Responsibly booths were set up for consumers to learn the essentials of responsible drinking. The also had their breath alcohol levels (ABV) tested, played interactive games and were given the opportunity to win a personal breathalyser. All these activities served to remind party-goers to stay safe, be in control and drink smart.


WHERE S THE PARTY?
WHERE S THE PARTY?

Brand Portfolio

Our engaging and impactful marketing activities, rewarding consumer promotions and effective sales activation contributed to strong results across all channels.

Ushering in the Year of the Rabbit

To celebrate the 2011 Chinese New Year (CNY) and usher in the Year of the Rabbit, Carlsberg held an assortment of celebrations and brand activation activities which spread joy and happiness to consumers, customers as well as members of the media and the public. Carlsberg's CNY campaign themed "Happiness" was complemented by an eye-catching 28-foot "Happiness" float procession that visited market squares within big and small cities in Peninsular Malaysia. This was further supported by auspicious print ads and creative scroll in national newspapers that increased brand affinity and awareness of the consumer promotions.

Carlsberg also presented a heart-warming CNY movie titled "Homecoming" that reinforced the brand's association with the Chinese community during celebrations and reunions. Also, for the third consecutive year, Carlsberg sponsored the temple fair organised by Chinese dailies Guang Ming Daily and Sin Chew Daily which saw a huge turnout of 30,000 at the Tow Bao Kong Temple, Raja Uda in Butterworth. The engaging and impactful marketing activities, rewarding consumer promotions and effective sales activation contributed to strong results across all channels at supermarkets, hypermarkets, restaurants, food courts and coffee shops.

Rewarding Loyal Drinkers, Recruiting New Consumers

Carlsberg celebrated the re-launch of the brand among its loyal supporters by rolling out several rewarding consumer promotions such as a redemption campaign for exclusive Carlsberg merchandise and the first ever Carlsberg 1847 redemption programme with more than RM1.847 million in cash prizes. The redemption programme, which offered seven lucky grand prize winners RM150,000 in cash each, did much to boost Carlsberg's sales at entertainment outlets, coffee shops, food courts, restaurants and retail outlets.

To extend Carlsberg's reach to younger target consumers, six internationally-renowned DJs were flown in to woo partygoers with their amazing eclectic music at trendy bars and pubs. A similar activity was also activated in East Malaysia to drive awareness of the new brand identity amongst younger consumers. This activation programme met the strategic fit of the new positioning for Carlsberg and led to improvement in the brand's KPIs.


BERAS
32.89
欢天喜地。
皇帽一开。
Carlsberg


Selamat Tahun Baru Cina


Carlsberg

Brand Portfolio

Premium Beer for Prestigious Sporting Events

Carlsberg Golf Classic is recognised as the biggest and longest-running amateur golf tournament in Malaysia. It has evolved from an inter-club golf tournament among the armed forces golf clubs in 1986 to a much-anticipated annual event among the golfing fraternity. Over the years, Carlsberg Golf Classic has successfully cultivated a strong and loyal following, reaching out not only to pros but also amateurs golfers in Malaysia.

In conjunction with the global re-launch of Carlsberg, the 18th edition of Carlsberg Golf Classic drew overwhelming response from participants over the 40 legs of the tournament nationwide which included East Malaysia. The tournament presented a stronger line-up of corporate sponsors that offered rewarding prizes such as Citibank PremierMiles equivalent to a one-way ticket to an international destination; a three-storey end lot townhouse in D' Alpinia, Puchong by Hap Seng Land; a Mercedes Benz model C200 CGI Elegance by Hap Seng Star; as well as other exclusive golf premiums and golf holiday packages. Owing to the rave reviews and the tremendous publicity generated, the Carlsberg Golf Classic tournament is now making inroads into Vietnam as a premier golf event and rewarded winners of the national finals to a golf retreat in Thailand.

Forty participating golf clubs comprising the country's most prominent and exclusive golf clubs supported 2011's tournament. Carlsberg remains the most preferred brand among members of these clubs as we offer rewarding golfing experience that drive growth in tandem with the business of the clubs.

2011 also saw Carlsberg continuing its sponsorship of the Maybank Malaysian Open (MMO). Celebrating the 50th anniversary of the prestigious golf open, Carlsberg made a five-year sponsorship commitment until the end of the 2015 season, sponsored five Malaysian professional golfers as well as offered a cash incentive of RM50,000 to encourage the development of Malaysian golf talent.

Carlsberg also offered consumers season passes through a promotion run at selected golf clubs. The promotion involved creating phenomenal experiences for spectators via a daily Carlsberg Trail contest that gave away a Callaway Razr driver and arranged up-close-and-personal sessions with golf pros at the four-day tournaments held at the Kuala Lumpur Golf & Country Club. The beautiful Carlsberg beer garden was a great pit stop for spectators whilst the Carlsberg Hospitality Marquee was also buzzing with energy as invited guests watched the game with an excellent view of the 18th hole.


Carlsberg
Carlsberg


MAYBANK MALAYSIAN OPEN
2011
Fly Emirates
Carlsberg


Carlsberg
GOLF CLASSIC 2011


Carlsberg
The Proud

Brand Portfolio

International Football Experience

Carlsberg is today the sponsor of the national teams of Denmark, England and Ireland; the club sponsor for Liverpool FC, Arsenal FC, Toronto FC, FC Copenhagen; as well as sponsors of other international tournaments including the FA Cup (England) and UEFA European Football Championship. As the country's most preferred beer brand and an international premium beer brand, Carlsberg's association with professional football grew stronger in 2011.

Carlsberg conducted a series of on-ground events and viewing parties in conjunction with the FA Cup session. Brand activation activities were carried out at trendy bars in Klang Valley, Penang and Johor Bahru, while we also offered an all-expenses paid trip for winners and supporters of Carlsberg to watch the FA Cup Final in Wembley.

On the local front, Carlsberg organised a meet-the-fans session featuring 10 English Premier League (EPL) football legends. Consumers successfully generated online hype via Facebook while pre and post-event media coverage helped boost sales at participating outlets.

In July, Carlsberg launched the first-in-Malaysia Carlsberg Football Pool Challenge that aimed to promote Carlsberg's sponsorship of the Liverpool FC (LFC). We also took the opportunity to reward supporters of Liverpool by offering LFC Asia Tour match tickets and LFC jerseys. This activation was in support of the new brand positioning of Carlsberg demonstrating the courage to continue supporting LFC as Carlsberg and Liverpool "never walk alone."

Star players of LFC such as Daniel Agger and Maxi Rodriguez made a special appearance at the Movida pub, Sunway Giza Mall in Kota Damansara. The meet-the-fans session attracted a huge crowd as it was LFC's inaugural visit to Malaysia. The two lucky winners of the Carlsberg Football Pool Challenge played an exhibition pool football match with two LFC players whilst some hundreds of football fans received autographed jerseys signed by Agger and Rodriguez.


ASIA TOUR
2011


ASIA TOUR
2011
Carlsberg
LIVERPOOL
-official beer-

Brand Portfolio

Carlsberg Gold

Carlsberg Gold was initially launched as a special limited edition brew to celebrate the 160th birthday of Carlsberg. Discerning drinkers who loved the smooth and rich flavour of Carlsberg Gold demanded for more. The rest is history as Carlsberg Gold became a permanent product engraved in the Carlsberg brand family in 2008.

Inspired by an original European recipe from the 19th century, Carlsberg Gold is double brewed using three malts including roasted barley for a smooth and rich flavour, with subtle notes of caramel.

Rewarding Loyal Gold Consumers

October 2011 saw the new packaging of Carlsberg Gold in pint, quart and can packaging in line with the new brand visual identity of Carlsberg. A national redemption promotion, which was conducted across all refreshments outlets, namely coffee shops, food courts and restaurants, successfully communicated the improved packaging change, generated higher awareness through trial and consumption with existing drinkers, and drove demand for this premium brew among new consumers.

Carlsberg Special Brew

Carlsberg Special Brew was first produced to commemorate Winston Churchill's visit to Denmark in 1950. Churchill's favourite drink was cognac, so when brewing him a commemorative beer, the brewers at Carlsberg created a stronger lager with cognac flavours amongst its tasting notes. Carlsberg Special Brew is a full-bodied, fruity tasting, strong lager with a good clear bitterness. Launched in Malaysia in 1974, Carlsberg Special Brew has made its mark as the original strong beer since then. With its 8.8% alcohol content, Carlsberg Special Brew is very well received by consumers who prefer a strong beer. The dark golden brew stands as a quality premium beer in the high alcohol category.

2011 saw Carlsberg Special Brew undergoing a revamp of its quart, pint and can packaging.


GOLD
Carlsberg
COPENHAGEN
SPECIAL BREW
Carlsberg
THE ORIGINAL
BREWED SINCE 1950
ORIGINAL STRONG
STRONG BEER
BY APPOINTMENT TO
THE ROYAL DANISH COURT
SPECIAL

Brand Portfolio

Kronenbourg 1664

Presented with a unique taste and in an elegant bottle, both Kronenbourg 1664 and Kronenbourg 1664 Blanc are super premium beers of exceptional quality which are indulged in by beer connoisseurs.

Kronenbourg 1664

France's No. 1 super premium beer, Kronenbourg 1664, is the champagne of beer. Brewed using pure water from the Vosges mountains, it contains aromatic Strisselspalt hops which are also known as the Caviar of Hops. This elegant beer has a crisp, citrus flavour with a floral aroma

Launched in Malaysia in late 2010, Kronenbourg 1664 is associated with the French art of pleasure - a philosophy which calls for the celebration of life and of good friends, good food, good spirits and good conversation. In Malaysia, this brew caters to the tastes of stylish, trendy young urbanites that enjoy the finer things in life and do not mind paying a bit more for quality.

Kronenbourg 1664 Blanc

Kronenbourg 1664 Blanc is the wheat beer variant of Kronenbourg 1664. It distinguishes itself from other super premium beers by its fruity and refreshing taste and also by its contemporary blue bottle. Served cloudy in a continental style, Kronenbourg 1664 Blanc carries underlying tinges of coriander and cloves with a distinctive balance of subtle citrus and fruity flavours. While it caters to a target audience similar to Kronenbourg 1664, it is more likely to have a unisex appeal.

Created by the master brewers, the Kronenbourg 1664 Blanc brand is a young yet heritage-rich brand that is ideally suited for moments that celebrate good company and good moments. In June 2011, Kronenbourg 1664 Blanc made its debut at a high-end bar, The View Rooftop Bar, GTower, which overlooks the Kuala Lumpur skyline. The bar was transformed to incorporate a French summer theme. Over 500 corporate guests, local celebrities and members of the media were treated to an impressive display of decorative figures and two body painted models of 1, 6, 6 and 4 characters to signify the essence of the Kronenbourg 1664 brand.

Presented with a unique taste and in an elegant bottle, both Kronenbourg 1664 and Kronenbourg 1664 Blanc are super premium beers of exceptional quality which are indulged in by beer connoisseurs. Kronenbourg 1664 is also the only international premium beer in the world to have won gold medals two years in a row (in 2004 and 2005) at the International Brewing Awards.

In 2011, Kronenbourg 1664 made its rounds as the official beer at a host of international sports and hospitality as well as high profile fashion events. These sponsorship programmes promoted the development of the country's cuisine and fashion, as well as helped to support the Malaysian Government's tourism efforts.


1664


A TASTE OF
FRENCH RIVIERA
1664
BLANC
Kronenbourg 1664
BIÈRE BLANCHE À LA FRANÇAISE

Brand Portfolio

Super Premium Brand for High Profile Fashion Events

For the first time ever, Kronenbourg 1664 was the official beer sponsor for the industry's most anticipated fashion event, the Malaysia International Fashion Week (MIFW). In conjunction with the sponsorship, Kronenbourg 1664 presented the "Kronenbourg Who's Next" showcase which saw nine finalists present an avant garde collection inspired by Kronenbourg's 'French Art of Pleasure' essence. Man Chien emerged as the Most Promising Designer of the Year and received a cheque for RM10,000 as well as a fully sponsored trip by Kronenbourg 1664 to the 'Kronenbourg Who's Next' fashion trade fair in Paris in September 2012. Another finalist, Eddie Cheow, won the Best Kronenbourg 1664 Inspired Outfit and was rewarded with a cheque for RM3,000.

In end December 2011, Kronenbourg 1664 conceptualised its own fashion platform, L'APERITIF Fashion, a re-invention of the happy hour in Malaysia combining two synonymously French ways of life, Aperitif, which is a pre-dinner drink culture and Fashion. The event reinforced our commitment to creating platforms for local designers to showcase their talent and creativity while preparing them to move up to the international level.

At the glamorous fashion event, Kronenbourg 1664's inspired collection of Gallo by Thian's was unveiled. Talented designer Teresa Thian, who owns a few flagship boutiques in town, impressed the audience with her designs which strongly reflected French sophistication infused with Malaysian elements. Also present at the inaugural L'APERITIF Fashion were its fashion mentor, the world-renowned Malaysian-born shoe designer Dato' Professor Jimmy Choo OBE, as well as the country's fashion icons Gillian Hung, Keith Kee and Amber Chia. Together with Andrea Fonseka, they announced their appointment as gurus for 2012's L'APERITIF Fashion events.

Courting World-Class Tennis Action

Kronenbourg 1664 was also the official beer sponsor of the BMW Malaysian Open 2011 held from 28 February to 6 March 2011 at the Bukit Kiara Equestrian and Country Resort, Kuala Lumpur. This world-class tennis tournament featured some of the world's best women tennis players including Dinara Safina, Marion Bartoli, Galina Voskoboeva, Noppawan Lertcheewakarn, Jessica Moore, Jelena Dokic and Lucie Safarova. Tennis fans donning Kronenbourg 1664 hats were treated to nail-biting tennis action while indulging in Kronenbourg 1664 with good company.

Complementing Culinary Delights

Carlsberg Malaysia participated in the 11th edition of the Malaysia International Gourmet Festival (MIGF) themed "It's raining chefs!" and presented diners with a portfolio of international premium beers, wine and spirits. Kronenbourg 1664 was the flagship brand amongst other premium beers such as Belgium's Leffe Brune, Japan's Asahi Super Dry and South Africa's Savanna Dry Cider featured at this fine-dining experience. Two imported spirits, Jägermeister from Germany and Amarula from South Africa were also made available for sampling. Kronenbourg 1664 and Kronenbourg 1664 Blanc were widely sampled during the Festival's events and their distribution increased by way of additional listing among the country's 5-star hotels as well as concept restaurants that offer an exclusive fine dining experience.

Adding Flavour to French Fashion Soiree

Kronenbourg 1664 together with Le Madame Q Fashion Group collaborated bringing a taste of France into a week-long French Fashion Soiree in Kuala Lumpur. The event was organised in conjunction with the flagship opening of French fashion labels – Morgan de Toi, Celio and Thierry Mugler in Pavilion Kuala Lumpur.


MORGAN
celio*

Brand Portfolio

Asahi Super Dry

Asahi Super Dry is brewed in a unique 'Karakuchi' style, a Japanese brewing technology, giving it a clean, crisp and refreshing taste with no bitter after taste.

In December 2011, Carlsberg Malaysia added the No. 1 Japanese beer around the world, Asahi Super Dry to its growing super premium beer portfolio. Asahi Super Dry is brewed in a unique 'Karakuchi' style, a Japanese brewing technology, giving it a clean, crisp and refreshing taste with no bitter after taste. The added "super" adjective serves to reinforce the beer's crispness. The beer comes packaged with a metallic exterior and boasts a unique Karakuchi style to give a clean, crisp, refreshing taste with no bitterness.

An extension to the existing Asahi bottle and can packaging, this beer is today being brewed locally at Carlsberg Malaysia's brewery in Shah Alam under an agreement with Asahi Breweries Ltd (ABL) to locally manufacture, sell and distribute the brew. This is a testament to Carlsberg Malaysia's brewing expertise and exacting values. By brewing Asahi Super Dry locally, Malaysian can now enjoy the beer at eateries nationwide as product freshness is assured and so is competitive pricing in the premium beer segment.

Asahi Super Dry is Malaysia's first truly international Asian beer and one of the world's fastest growing premium Asian beers.


"DRY"
Asahi


SUPER
"DRY"
Asahi

Brand Portfolio

Budweiser

Budweiser's association with football was reinforced among Malaysian football fans when it realised the dreams of eight Malaysian football fans. These fans were selected from the Budweiser Football Juggling consumer promotion and the Malaysia Bud Cup 6v6 competition organised by subsidiary Luen Heng F&B Sdn Bhd. A team of eight led by Honorary Coach Datuk Soh Chin Aun, a legendary national footballer, went on to compete in the International Bud Cup 6v6 2011 Tournament held in conjunction with the Copa America at the Estadio Alberto J. Armando in Buenos Aires, Argentina.

Stella Artois

Showcasing a centuries' old beer pouring ritual, some experienced bartenders took part in the Malaysia Stella Artois World Draught Master 2011 competition organised by our subsidiary Luen Heng F&B Sdn Bhd. A panel of beer pouring experts scored the ability of contestants to follow the time-honoured nine-step Stella Artois pouring ritual beer for the "Perfect Serve". Held at the Berjaya University College of Hospitality, the competition sent Ms. Krisc Lim Siew Chin from Brussels Beer Café at Jaya One to compete in the Stella Artois World Draught Master 2011 competition, which emphasises the brand's continual quest for perfection, striving to guarantee that it is served with the same care, consideration and craftsmanship. At the Buenos Aires event on 26 October 2011, Carlsberg Malaysia endeavored to guarantee that Stella Artois is served with the same care, consideration and craftsmanship as elsewhere.

Grimbergen Blonde

The latest addition to Luen Heng F&B Sdn Bhd's premium beer portfolio, Grimbergen, was unveiled at a soft launch in April 2011. Belgium's top fermented ale beer, Grimbergen, has roots that go back to medieval abbey life and is built on outcome of passion and authenticity. This premium beer received positive response from consumers, customers and guests who all reaffirmed the beer's unique and smooth taste. The event saw guests enjoying a delectable selection of exclusive dishes prepared by Chef Jochen Kern, the Director of the School of Culinary Arts, Berjaya University College of Hospitality.

The Dalmore

Luen Heng F&B Sdn Bhd extended its portfolio in the growing whisky category assuming a local wholesaler role for The Dalmore single malt whisky. The Dalmore Master Distiller, Richard Paterson, made an appearance at a media event and shared his insights into the brand's vintage and distinctive character. He spoke about Dalmore's journey to success and the outstanding achievements that had brought the brand international fame.

Jägermeister

To reinforce the Jägermeister brand as the party drink for party-goers, a four-day Jägermeister Halloween party was held in the month of October at four outlets in the Klang Valley. Consumers were entertained by dancers dressed in Jägermeister uniforms and grooving to the beat of Moves like Jäger.


ICE COLD!
Jäger


STELLA ARTOIS
STELLA ARTOIS

Brand Portfolio

Malaysia's Own Oktoberfest

For the first time ever, the authentic Bavarian Oktoberfest experience was brought to Malaysian shores through Carlsberg Malaysia's creation of the Malaysia's Own Oktoberfest 2011 event. At the event's launch at Berjaya Times Square Hotel in Kuala Lumpur on 28 September 2011, Malaysia's most preferred beer brand, Carlsberg took centre-stage while three imported popular German brews, namely Erdinger Weissbier, Franziskaner Weissbier and Löwenbräu, were featured as authentic Bavarian beers.

The event was attended by some 900 guests who cheered the night away enjoying the true taste of an Oktoberfest celebration as well as the authentic flavours of German cuisine prepared by German chef Jochern Kern from Berjaya University College and certified global master chef by the World Association of Chefs' Societies (WACS).

Over 25 outlets and 18 market squares throughout Kuala Lumpur, Selangor, Penang, Seremban and Johor hosted the 'Malaysia's Own Oktoberfest' road shows and received overwhelming response. The celebration ended with the ultimate 3-day Oktoberfest Marquee Party held at 1-Utama Shopping Centre's Old Wing car park. It was a carnival-like Bavarian celebration replete with German beer, food, music and dances.

Results of the month-long road shows were positive and increased the fanbase of its facebook. Lucky consumer Goy Eu Fung from Penang won the "Ultimate Beer Tour" facebook contest to Munich, Germany and/or Copenhagen, Denmark, along with his two friends.

In line with Carlsberg Malaysia's stand on responsible drinking, beer lovers at the Oktoberfest Marquee Party were reminded to enjoy the beer in moderation. Enjoy Responsibly booths were set up and flyers were distributed for consumers to learn the essentials of responsible drinking. More than 300 consumers signed up to pledge their support towards the 'Enjoy Responsibly" principles advocated by the brewer.


JOINTLY ORGANIZED BY:
BERJAYA
SPONSORED BY:
Oktoberfest
2011
Carlsberg

Brand Portfolio

Food Pairing with International Beers

Subsidiary Luen Heng F&B Sdn Bhd collaborated with popular chefs of selected refreshment outlets to organise a series of food pairing sessions featuring the world's international beer brands. Amongst the brands featured were Malaysia's most preferred beer Carlsberg; South Africa's Savanna Cider Dry; Famous Belgium Beers such as Hoegaarden and Leffe, German beers Franziskaner and Erdinger and America's famous Budweiser beer. Media reviews of the food pairing helped boost sales at participating pubs, bars and restaurants.

Corona Extra

Corona Extra is today the No. 1 imported Mexican beer in Malaysia. The iconic slice of lime that goes with the beer adds incredible value and gets Corona Extra noticed. It sets Corona Extra apart from other beers as well as creates interest and curiosity. A Full Moon Beach Party sponsored by Corona Extra was held at Aru Ba, along the Tanjung Aru beach in Kota Kinabalu, Sabah in December 2011. This event coincided with the iconic full moon beach party that has been gracing the shores of Koh Phangan, Thailand. Approximately 600 guests including bloggers and the media attended the dream beach party in their best beach wear.

SKOL & SKOL Super

Brazil's No. 1 beer brand, SKOL presented its most vibrant and flamboyant Mardi Gras to consumers with the SKOL Samba Nights at selected entertainment outlets throughout the country. Exotic samba dances, singing performances, Polaroid photo shoots as well as games and contests added to the fun and excitement during this carnival-themed event. SKOL Super, the only Malaysian brewed strong beer with 9% alcohol content, continues to make its mark as a strong contender in the high alcohol beer segment.

Danish Royal Stout

Danish Royal Stout, a full-bodied stout with 8% alcohol content, is genuinely brewed with 100% real stout to bring out the best aroma and a smooth taste. Launched in 1992, the brand was given a facelift in 2009 and is today the same great "Honest to Goodness Stout".

Connor's Stout

Connor's Stout is a 100% genuinely brewed stout boasting the highest quality malt. Inspired by an original Irish recipe but brewed locally to preserve its freshness, it contains 5% alcohol and is available only in draught form.

Jolly Shandy

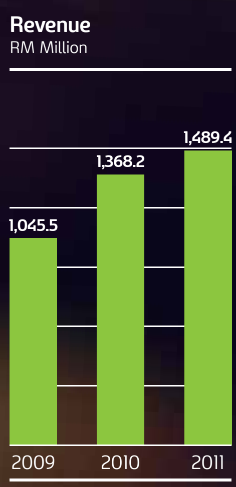
A blend of lemonade and a tinge of beer with less than 1% alcohol content, Jolly Shandy is sought after by those who want to relish in the tangy, lemony goodness and refreshing taste of beer. Jolly Shandy comes enriched with Vitamin C and is a must-have beverage at auspicious occasions.

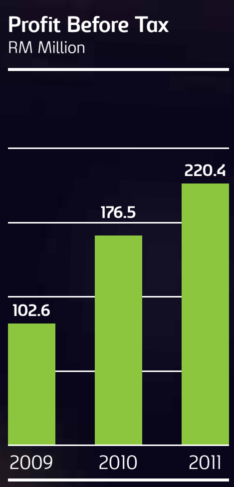
Nutrimalt

This popular vitamin enriched, highly digestible non-alcoholic malt beverage has been enjoyed by consumers since its introduction in June 1995. Packed with Vitamin C and B complex, Nutrimalt is a great energy booster for those leading active lifestyles.

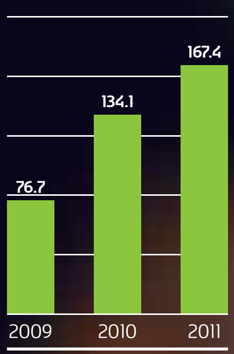
Financial Summary

Group profit after tax grew by 24.8% and revenue increased 8.9% in comparison to 2010's results.

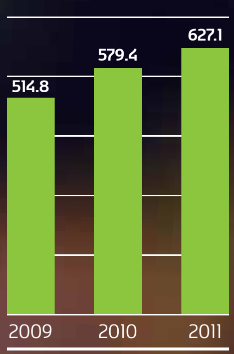




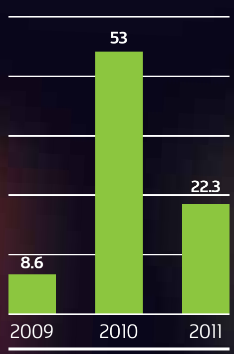
Profit After Tax
RM Million



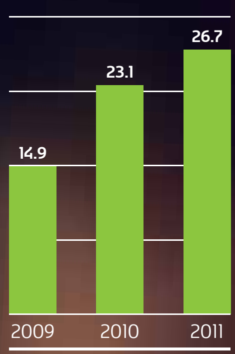
Shareholders' Fund
RM Million



Total Borrowing
RM Million



Return on Shareholders' Equity
%



Financial Summary

Statements of Comprehensive Income (RM - Million)

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Revenue	692.0	702.0	796.7	867.2	929.7	897.5	960.2	1,045.5	1,368.2	1,489.4
Profit Before Tax	126.7	106.7	113.3	112.4	110.4	97.7	101.3	102.6	176.5	220.4
Taxation	31.3	25.5	24.6	23.7	24.5	19.2	25.2	25.9	42.4	53.0
Profit After Tax	95.4	81.2	88.7	88.7	85.9	78.5	76.1	76.7	134.1	167.4
Dividends	103.6	103.9	98.8	110.1	86.8	82.6	79.2	28.7	58.5	127.3
Retained Earnings	(8.2)	(22.7)	(10.1)	(21.4)	(0.9)	(4.1)	(3.1)	48.0	75.6	40.1

Statements of Financial Position (RM - Million)

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Issued and Paid-up Share Capital	141.7	142.0	142.0	142.0	142.0	142.0	142.0	142.0	142.0	142.0
Retained Earnings	378.4	355.7	345.7	324.2	323.3	319.1	316.0	363.5	438.2	477.1
Non-Distributable Reserves	11.4	14.0	12.8	13.7	11.2	10.1	10.1	9.3	(0.8)	8.0
Shareholders' Fund	531.5	511.7	500.5	479.9	476.5	471.2	468.1	514.8	579.4	627.1
Deferred Taxation	21.0	22.5	22.9	22.6	22.4	19.6	17.2	72.3	72.8	76.0
Minority Interest	–	–	–	–	–	–	1.2	1.8	2.7	3.9
	552.5	534.2	523.4	502.5	498.9	490.8	486.5	588.9	654.9	707.0
Property, Plant, Equipment and Intangible Assets (Net Book Value)	200.8	185.5	176.7	169.6	160.7	158.1	156.4	521.5	542.7	557.9
Investment in Associated Company	13.6	15.0	15.6	18.0	14.8	13.8	13.9	24.3	26.3	33.4
Long Term Investment	1.7	1.7	1.7	–	–	–	–	–	–	–
Net Current Assets	336.4	332.0	329.4	314.9	323.4	318.9	316.2	43.1	85.9	115.7
	552.5	534.2	523.4	502.5	498.9	490.8	486.5	588.9	654.9	707.0

Financial Ratios

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Pre-Tax Earnings per share (RM)* #	0.42	0.35	0.37	0.37	0.36	0.32	0.33	0.34	0.58	0.72
Post-Tax Earnings per share (RM)* #	0.32	0.27	0.29	0.29	0.28	0.26	0.25	0.25	0.44	0.54
Net Dividend per ordinary share (RM) #	0.34	0.34	0.32	0.36	0.28	0.27	0.26	0.09	0.19	0.42
Net Assets Backing per share (RM)* #	1.74	1.68	1.64	1.57	1.56	1.54	1.53	1.68	1.90	2.06
Dividend Cover, No. of Times	0.92	0.78	0.90	0.81	0.99	0.95	0.96	2.68	2.29	1.32
(Based on post-tax earnings)										
Return on Shareholders' Fund (%)	18.0	15.9	17.7	18.5	18.0	16.7	16.3	14.9	23.1	26.7
Current Ratio	4.3	5.6	5.5	4.6	4.5	4.1	3.2	1.1	1.3	1.5
Bursa Securities Price at 31 December (RM)#	5.35	5.50	5.30	5.35	5.10	4.24	3.60	4.54	6.32	8.54
Net Dividend Yield (%) ^	6.4	6.2	6.0	6.7	5.6	6.4	7.2	2.1	3.0	4.9

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

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

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

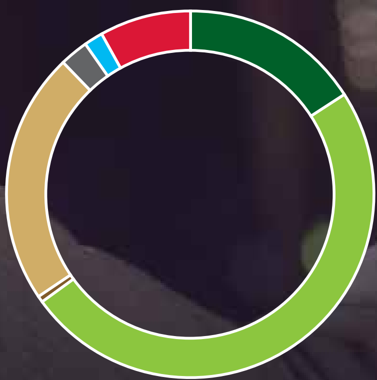
Statements of Dividend Payment as % of Profit After Tax

	2007 RM'000	2008 RM'000	2009 RM'000	2010 RM'000	2011 RM'000
Group Profit After Tax	78,493	76,119	76,725	134,123	167,380
Net Dividend Amount Declared and Proposed for the year	79,036	28,511	52,742	133,000	167,779
Net Dividend Payment as % of Profit After Tax	100.7%	37.5%	68.7%	99.2%	100.2%

Financial Summary

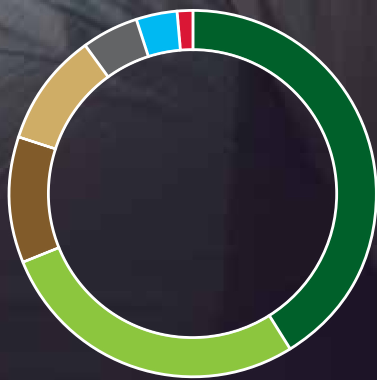
Analysis of 2011 Total Assets

	2010	2011
Intangible Assets	42.8%	**42.8%**
Receivables, Deposits and Prepayments	22.3%	**24.1%**
Property, Plant and Equipment	15.5%	**15.3%**
Cash and Cash Equivalents	10.9%	**7.5%**
Inventories	5.2%	**6.5%**
Investments	2.8%	**3.5%**
Other Assets	0.5%	**0.3%**



Analysis of 2011 Total Liabilities & Shareholders Equity

	2010	2011
Reserves	45.7%	**49.3%**
Payables and Accruals	22.9%	**22.3%**
Share Capital	16.5%	**16.0%**
Deferred Tax Liabilities	7.8%	**7.9%**
Loans and Borrowings	5.7%	**2.3%**
Current Tax Liabilities	1.1%	**1.8%**
Minority Interest	0.3%	**0.4%**



Analysis of Group Revenue

	2010	2011
Excise & Customs Duties	44.6%	**41.3%**
Sales, Distribution, Administration & other Costs	26.3%	**27.4%**
Profit After Tax	9.8%	**11.2%**
Raw & Packaging Materials Costs	9.2%	**10.0%**
Staff Costs	5.6%	**5.1%**
Taxation	3.1%	**3.6%**
Depreciation & Amortisation	1.4%	**1.4%**

Directors' Profile

Dato' Lim Say Chong

J.S.M., D.M.P.N.
Independent Non-Executive Chairman
Member of Audit Committee
Chairman of Remuneration Committee
Chairman of Nomination Committee

Dato' Lim Say Chong, aged 71, a Malaysian, was appointed to the Board on 21 May 2003.

Dato' Lim graduated from the University of Malaya with a B.A. Honours degree in Economics and obtained a Masters in Business Administration from the University of British Columbia, Canada. He also attended an Advanced Management Programme at the Harvard Business School, Boston. Dato' Lim worked with the Imperial Chemical Industries (ICI) PLC's Group of Companies in Malaysia and abroad for 30 years, during which time he sat on the Board of several companies within the Group. He later became the Managing Director of the ICI (Malaysia) Group for 5 years. Dato' Lim was the Group Managing Director of Chemical Company of Malaysia Bhd from 1989 to 2004. Dato' Lim also served in various associations, including as President of the Malaysian International Chamber of Commerce & Industry (MICCI). He was also a Member of the National Human Resource Development Council, Board of Directors of the Malaysian Industrial Development Authority (MIDA), Board of Trustees of the Aged European Fund, Council Member of the Federation of Malaysian Manufacturers (FMM) and Board of ASEAN Chamber of Commerce & Industry (ACCI).

Dato' Lim is a Director of Mulpha International Berhad and Malaysian Carbide Industries Berhad. He is also a trustee of the Ti-Ratana Welfare Society, Standard Chartered Trust Fund and the Malaysian Economic Association Foundation, a Governor of the IACT College and the Chairman of the Malaysia-Singapore Business Council.

Soren Ravn

Managing Director

Mr Soren Ravn, aged 38, a Dane, was appointed as the Managing Director of Carlsberg Brewery Malaysia Berhad on 1 March 2010.

Mr Ravn graduated with a Higher Diploma in Organisation & Management from Copenhagen Business School in 2001. Before that he graduated as a Market Economist from Aarhus Business College in 1997.

He has been with the Carlsberg Group since 1998, initially in the Carlsberg Denmark organisation and then in Carlsberg Breweries A/S in the role of Group Strategy Director. In late 2006, he moved to Hong Kong to take up the position of Vice President - Supply Chain, HR & Business Development for Carlsberg Greater China. In August 2008, he was appointed Managing Director of Carlsberg Hong Kong & Macau and held this position before being appointed as Managing Director of Carlsberg Brewery Malaysia Berhad.

Mr Ravn is presently the Chairman of Carlsberg Distributors Taiwan Limited (Taiwan) and Carlsberg Cottingham Ltd (Taiwan). He is also the Chairman of the Group's private companies namely Carlsberg Singapore Pte Ltd and Luen Heng F & B Sdn Bhd. He also sits on the Board of Carlsberg Marketing Sdn Bhd, a wholly owned subsidiary of Carlsberg Brewery Malaysia Berhad.

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

P.J.N., F.C.P.A.
Senior Independent Non-Executive Director
Chairman of Audit Committee
Member of Remuneration Committee
Member of Nomination Committee

Datuk Krishnan, aged 72, a Malaysian, was appointed to the Board on 3 December 2007.

Datuk Krishnan is a Fellow of the Australian Society of Certified Practising Accountants (CPA Australia) and had also attended the Advanced Management Programme at the Harvard Business School. He was the Managing Director of Land & General Berhad, a position he held from 2001 to 2007. Datuk Krishnan was also the Executive Director of Antah Holdings Berhad from 1990 to 2000. Datuk Krishnan started his career at ICI Malaysia Sdn Bhd (ICI) and has held various management positions within the Group and that of Chemical Company of Malaysia Berhad. He was subsequently appointed as Managing Director of ICI Fertilisers Malaysia Sdn Bhd., ICI Industrial Chemicals Malaysia Sdn Bhd and Executive Director of Chemical Company of Malaysia Berhad. He was also the Council Member of the Federation of Malaysian Manufacturers (FMM).

Datuk Krishnan is a past President of the Malaysian International Chamber of Commerce & Industry (MICCI) and was a Committee member of PEMUDAH. Datuk Krishnan is also a Director of the Malaysian Alliance of Corporate Directors.

Roy Enzo Bagattini

Non-Executive Director

Mr Roy Enzo Bagattini, aged 48, an Italian, was appointed as the Non-Executive Director of Carlsberg Brewery Malaysia Berhad on 28 January 2010.

Mr Bagattini has a Bachelor of Commerce degree from the University of South Africa and has also completed various business studies at Stanford University, United States of America and Oxford in the United Kingdom. Mr Bagattini previously worked for SABMiller where he was the Regional Managing Director for Eastern Europe. Prior to that, he has held senior general management positions in South Africa and the United States of America as well as being the Country Managing Director of SABMiller in India, China and Italy.

Mr Bagattini joined the Carlsberg Group in July 2009 and is presently the Senior Vice-President, Asia for Carlsberg A/S and Carlsberg Breweries A/S serving the Carlsberg Asia region, based in Hong Kong. Currently, he is part of the Executive Committee of the Carlsberg Group and also sits on the Board of several private companies within the Carlsberg Group including Carlsberg India Pte Ltd.

Graham James Fewkes

Non-Executive Director
Member of Audit Committee

Mr Graham Fewkes, aged 44, a British national, was appointed as the Non-Executive Director of Carlsberg Brewery Malaysia Berhad on 12 March 2009. He is also a member of the Audit Committee.

Mr Fewkes graduated with BA Honours in History from the University of York (United Kingdom) in 1990 and subsequently worked in a range of sales and marketing roles for international companies such as Grand Metropolitan PLC, Foster's Group and most recently as Commercial Director in Scottish & Newcastle PLC's BBH joint-venture with the Carlsberg Group in Russia and Eastern Europe before joining the Carlsberg Group.

Mr Fewkes joined the Carlsberg Group in October 2008 and is presently the Commercial Vice-President, Asia for Carlsberg Breweries A/S serving the Carlsberg Asia region. Currently, he is also a Director of Ceylon Beverage Holdings PLC (Sri Lanka), Lao Brewery Co Ltd (Laos), South-East Asia Breweries Ltd (Vietnam) and also sits on the Board of several private companies within the Carlsberg Group.

Other Information on Directors

None of the Directors have any family relationship with any director/substantial shareholder of the Group and the Company, nor any interest in any business arrangement involving the Group and the Company. None of them have had any convictions for any offences, other than traffic offences, within the past 10 years.


PREMIUM BEER
Carlsberg
COPENHAGEN
1847

Statement of Corporate Governance

The Board of Directors is fully committed in ensuring that the highest standards of corporate governance including accountability and transparency are practiced by the Company and throughout the Group as a fundamental part of discharging its responsibilities to protect and enhance shareholder value and the financial performance of the Group.

To this end, the Board continues to implement the recommendations of the Malaysian Code on Corporate Governance ("Code"), which sets out the principles and best practices on structures and processes that companies may use in their operations towards achieving the optimal governance framework.

The ensuing paragraphs describe the extent of how the Group has applied and complied with the principles and best practices of the Code for the financial year ended 31 December 2011.

A. Directors

I. The Board

An effective Board leads and controls the Group whereby collective decision and/or close monitoring are conducted on issues relating to strategy, performance, resources, standards of conduct and financial matters.

The Board also facilitates its principal responsibilities which include reviewing and adopting a strategic plan, overseeing the conduct of business, risk management, succession planning, developing and implementing investor relations and reviewing internal controls.

The Board intends to meet at least four (4) times a year, with additional meetings convened where necessary. Minutes of Board meetings are duly recorded by the Company Secretary. During the financial year ended 31 December 2011, a total of four (4) Board meetings were held as follows:

1 Thursday, 24 February 2011
2 Thursday, 6 May 2011
3 Thursday, 25 August 2011
4 Tuesday, 15 November 2011

In the intervals between Board meetings, for exceptional matters requiring urgent Board decisions, Board approvals are obtained via circular resolutions which are supported with information necessary for an informed decision.

The following is the record of attendance of the Board Members:-

Directors	No. of meetings attended
1) Dato' Lim Say Chong (Independent Non-Executive Chairman)	4/4
2) Soren Ravn (Managing Director)	4/4
3) Dato' Chin Voon Loong (Deputy Managing Director) - Passed away on 16.3.2012	4/4
4) Datuk M.R. Gopala Krishnan C.R.K. Pillai (Senior Independent Non-Executive Director)	4/4
5) Graham James Fewkes (Non-Executive Director)	4/4
6) Roy Enzo Bagattini (Non-Executive Director)	4/4
7) Gavin Stuart Brockett (Non-Executive Director) - Resigned on 24.2.2012	1/1
8) Dato' Mohamed Razali bin Mohamed Yusoff (Independent Non-Executive Director) - Resigned on 24.2.2012	1/1

Statement of Corporate Governance

The Board has delegated specific responsibilities to the following Board Committees:-

1. **Audit Committee**
   The Audit Committee was established on 15 April 1994. Please refer to the Audit Committee Report for further information on page 71.

2. **Nomination Committee**
   The Nomination Committee which was established on 1 October 2001, had one (1) meeting held on 9 November 2011 during the financial year ended 31 December 2011.

   Members:
   Dato' Lim Say Chong (Independent Non-Executive Director) - Chairman
   Datuk M.R. Gopala Krishnan C.R.K. Pillai (Senior Independent Non-Executive Director) - Member

   Key responsibilities:
   - Reviewing the Board composition and recommending new nominees to the Board as well as Board committees and the appointment and resignation of Chief Financial Officer for the Board's consideration.
   - Assessing the effectiveness of the Board, Board Committees and the contribution of each Director (including the Independent Non-Executive Directors and Managing Director) and Chief Financial Officer every year, taking into consideration the required mix of skills, knowledge, expertise and experience and other requisite qualities including core competencies contributed by Non-Executive Directors. All assessments and evaluation are documented for proper records.

3. **Remuneration Committee**
   The Remuneration Committee, which was established on 18 August 2001, had one (1) meeting held on 24 February 2011 during the financial year ended 31 December 2011.

   Members:
   Dato' Lim Say Chong (Independent Non-Executive Director) - Chairman
   Datuk M.R. Gopala Krishnan C.R.K. Pillai (Senior Independent Non-Executive Director) - Member

   Key responsibilities:
   - Recommending the level of the Executive Directors' remuneration package.
   - Evaluating the remuneration packages of senior management executives.

II. Board Balance

The strong independent element of the Board has ensured a balance of power and authority. The roles and responsibilities of the Chairman and Managing Director are made clearly distinct to further enhance the existing balance of power and authority.

The Chairman holds a Non-Executive position and is primarily responsible for matters pertaining to the Board and the overall conduct of the Group. The Managing Director oversees the day to day management and running of the Group and the implementation of the Board's decisions and policies.

In 2011, the Board had eight (8) members, comprising six (6) Non-Executive Directors and two (2) Executive Directors. Out of these Directors, three (3) were Independent Directors, namely Dato' Lim Say Chong who is the Chairman, Datuk M.R. Gopala Krishnan C.R.K. Pillai and Dato' Mohamed Razali bin Mohamed Yusoff. The Board has also identified Datuk M.R. Gopala Krishnan C.R.K. Pillai as the Senior Independent Non-Executive Director to whom concerns may be conveyed.

The presence of Independent Non-Executive Directors ensures that issues of strategies, performance and resources proposed by the management are objectively evaluated, taking into consideration the long-term interests of shareholders, employees, customers, suppliers and other communities in which the Group conducts its business. The Independent Directors also ensure that the investment of minority shareholders is fairly reflected through Board representation.

Collectively, the Directors bring a wide range of business, legal, financial and technical experience relevant to the Group. The profile of each Director is summarised under pages 58 to 59 of this Annual Report.

III. Supply of Information

All Directors are furnished with a comprehensive Board File including the meeting agenda usually two (2) weeks before each Board meeting. Sufficient time is given to enable the Directors to solicit further explanations and/or information, where necessary, so that deliberations at the meeting are focused and constructive.

The Board File includes, amongst others, sales and marketing development and strategies, financial results and forecasts, status of major projects, minutes of meetings of the Board and of the Audit Committee and other major operational, financial, compliance and legal issues. In addition, there is a schedule of matters reserved specifically for the Board's decision.

All Directors have access to the advice and services of the Company Secretary as well as to all information within the Group. There is also a formal procedure sanctioned by the Board of Directors, whether as a full board or in their individual capacity, to take independent professional advice, where necessary and in appropriate circumstances, in furtherance of their duties, at the Group's expense.

IV. Appointments to the Board

The Code endorses, as good practice, the setting up of a Nomination Committee to formalise procedures for appointments to the Board. Although the Code states that this procedure may be performed by the Board as a whole, as a matter of best practice, it recommends that this responsibility be delegated to a committee.

To this end, the Nomination Committee, all of whom are Non-Executive Directors, is charged with the responsibility of, amongst others, recommending the appointment of new Directors to the Board. In 2011, two (2) new Directors, namely Dato' Mohamed Razali bin Mohamed Yusoff, Independent Non-Executive Director, and Mr Gavin Stuart Brockett, Non-Executive Director, were appointed to the Board on 9 November 2011. However both Mr. Gavin Stuart Brockett and Dato' Mohamed Razali bin Mohamed Yusoff have since resigned from the Board effective 24 February 2012.

The Company has an induction and education programme for new Board members, which includes a visit to the Company's brewery and discussions with the Managing Director, Department Heads and Key Section Heads to better understand the operations, business and policies of the Group, which will allow new Board members to contribute effectively from the outset of their appointment. The relevant sections of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"), particularly in relation to their responsibilities as Directors, are also conveyed to them.

V. Re-election

All new Directors are subject to election at the next Annual General Meeting after their appointment in accordance with the Company's Articles of Association. The Articles of Association of the Company also provide that at least one-third of the remaining Directors be subject to re-election by rotation at each Annual General Meeting.

Directors aged 70 years and above are required to retire at every Annual General Meeting but shall be eligible to submit themselves for re-appointment until the next Annual General Meeting in accordance with Section 129 of the Companies Act, 1965.

Statement of Corporate Governance

VI. Directors' Training

All existing Directors have attended the Mandatory Accreditation Programme (MAP) as required by Bursa Securities. During the course of the year, they have also attended other training programmes for directors and seminars on areas such as financial reporting standards, performance reviews, tax and accounting conferences that include the following:

- "Making a Difference for Entrepreneurs Workshop on Business Regulation in Asia", March 16 & 17, 2011 at Prince Hotel and Residence, Kuala Lumpur.
- "GTP (Government Transformation Programme) NKRA (National Key Result Area) on Fighting Corruption: Corporate Integrity", March 31, 2011 at Bursa Malaysia Berhad, Kuala Lumpur.
- Conference on the "Resergence of Corporate Malaysia", May 3 & 4, 2011 at Istana Hotel, Kuala Lumpur.
- Corporate Directors Conference May 3 & 4, 2011 at Istana Hotel, Kuala Lumpur.
- Governance Series for Directors - "The Board's Responsibility for Corporate Culture – Selected Governance Concerns and Tools for Addressing Corporate Culture and Board Performance" by John H. Stout, May 5, 2011 at Bursa Malaysia Berhad, Kuala Lumpur.
- Thirst for Growth Workshop, May 18 & 19 2011 in Warsaw, Poland.
- Global CEO Conference, June 7 & 8 2011 in Kiev, Ukraine.
- Management Strategy Conference, December 4 & 5 2011 at Cyberview Lodge, Selangor.
- Asia CEO Meeting, December 8 & 9 2011 in Hong Kong.

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

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

B. Directors' Remuneration

I. Remuneration Policy

The objective of the Group's remuneration policy is to attract and retain the Directors required to lead and control the Group effectively. In the case of Executive Directors, the components of the remuneration package are linked to corporate and individual performance. For Non-Executive Directors, the level of remuneration is reflective of their experience and level of responsibilities.

II. Remuneration Procedure

The Remuneration Committee recommends for the Board's approval, the framework of executive remuneration of the Executive Directors' remuneration package.

Non-Executive Directors' fees are determined by the Board as a whole with the Director concerned abstaining from deliberations and voting on decisions in respect of his fee.

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

The remuneration payable in respect of Directors' fees for 2011 is categorized as follows:

Remuneration for Directors' fees	Amount (RM) per annum:
Fee for Chairman of the Company	80,000
Fee for each Independent Non-Executive Director	50,000
Fee for Audit Committee Chairman	15,000
Fee for each Independent Non-Executive Director who is a member of the Audit Committee	8,000

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

III. Details of Remuneration

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

	2011		2010	
Total Remuneration:	**Executive Directors RM'000**	**Non-Executive Directors RM'000**	**Executive Directors RM'000**	**Non-Executive Directors RM'000**
Fees	**–**	**160***	–	116
Gratuity	**–**	**–**	–	–
Retirement benefits-defined contribution plan	**224**	**–**	199	–
Benefits-in-kind	**392**	**–**	421	–
Other emoluments	**2,049**	**–**	2,367	–
Total	**2,665**	**160**	**2,987**	**116**

*Remuneration payable for Independent Non-Executive Directors only (a total of 3) as explained above in B II. For 2011, there is an increase in total fees for Non-Executive Directors compared to 2010.

Statement of Corporate Governance

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

	Number of Directors			
	2011		2010	
Range of Remuneration (RM):	Executive Directors	Non-Executive Directors	Executive Directors	Non-Executive Directors
50,000 or less	–	4*	–	4
50,001- 100,000	–	2	–	1
700,001 - 750,000	–	–	1	–
900,001 - 950,000	1	–	1	–
1,300,001 - 1,350,000	1	–	1	–
2,150,001 - 2,200,000	–	–	–	–
Total	2	6*	3**	5#

* Remuneration payable for Independent Non-Executive Directors only as explained above in B II.

** An overlap headcount of outgoing and incoming Managing Director in March 2010 (as reported in the 2010 Annual Report).

\# An overlap headcount of outgoing and incoming Non-Executive Director in January 2010 (as reported in the 2010 Annual Report).

C. Investor Relations and Shareholder Communication

The Board recognises the importance of an effective communications channel between the Board, shareholders and general public.

The annual reports, press releases, quarterly results and any announcements on material corporate exercises are the primary modes of disseminating information on the Group's business activities and financial performance.

The Annual General Meeting represents the principal forum for dialogue and interaction with shareholders. At every meeting, the Board sets out the progress and performance of the Group since the last meeting held. Shareholders are encouraged to participate in the subsequent question and answer session wherein the Directors, Company Secretary, Heads of Department as well as the Group's External Auditors are available to respond to the queries raised. In the event that an answer cannot be readily given at the meeting, the Chairman will undertake to provide a written reply to the shareholder.

Each item of special business included in the notice of meeting will be accompanied by a full explanation of the effects of a proposed resolution.

During the year, the Managing Director and/or key management personnel also hold discussions with the press and analysts when necessary, to provide information on the Group's strategy, performance and major developments. A press briefing is also held after each Annual General Meeting.

In addition, the Group maintains a website at www.carlsberg.com.my for shareholders and the public to access information on, amongst others, the Group's background and products, financial performance, frequently-asked questions (FAQs) and updates on its various sponsorships and promotions.

D. Accountability and Audit

I. Financial Reporting

In presenting the annual financial statements and quarterly announcement of results to shareholders, the Board takes responsibility in conveying a balanced and understandable assessment of the Group's position and prospects.

A statement by Directors of their responsibilities in preparing the financial statements is set out on page 76 of this Annual Report.

II. Internal Controls

The Board of Directors has always placed significant emphasis on sound internal controls which are necessary to safeguard the Group's assets and shareholders' investment. To this end, the Board affirms its overall responsibility for the Group's internal controls system which encompasses risk management practices as well as financial, operational and compliance controls. However, it should be noted that such system, by its nature, manages but not eliminates risks and therefore can provide only reasonable and not absolute assurance against material misstatement, loss or fraud.

Ongoing reviews are performed throughout the year to identify, evaluate, monitor and manage significant risks affecting the business and ensure that adequate and effective controls are in place. Such continuous review processes are conducted by the Group's independent and sufficiently resourced internal audit function as well as the Company's management team. The findings of the internal audit function are regularly reported to the Audit Committee.

III. Relationship with Auditors

The scope of the External Auditors is ascertained by the Audit Committee, with a twice a year meeting held between the Audit Committee and the External Auditors. Further information is found in the Audit Committee Report section.

E. Related Party Transactions

The Group has established the appropriate procedures to ensure that the Company complies with the Main Market Listing Requirements of Bursa Securities relating to related party transactions. All related party transactions are reviewed by the Audit Committee and the same will be reported to the Board on a quarterly basis.

The shareholders' mandate in respect of existing and new recurrent related party transactions is obtained at the Annual General Meeting of the Company on a yearly basis.

Details of the recurrent related party transactions entered into by the Group during the financial year ended 31 December 2011 are set out on page 141 of this Annual Report.

Statement of Internal Control and Corporate Risk Management

Responsibility

The Board is committed to the continuous improvement of internal controls and risk management practices within the Group to meet its business objectives. The Board affirms its overall responsibility for the effectiveness of the Group's systems of internal controls and risk management, and for reviewing the adequacy and integrity of these systems to safeguard shareholders' investment, customers' interest and the Group's assets. However, such systems, by their nature, can only provide reasonable, and not absolute, assurance against material misstatement, loss and fraud. These systems are designed to manage, rather than eliminate, the risk of failure to achieve business objectives of the Group.

Risk Management Framework

The Group has in place an ongoing process for identifying, evaluating, monitoring and managing the significant risks affecting the achievement of its business objectives. This process is regularly reviewed by the Board and is in accordance with the "Statement on Internal Control: Guidance for Directors of Public Listed Companies". The key elements of the Group's Risk Management Framework are described below :-

- **Structure**
  The Group adopts a decentralised approach to risk management, whereby all employees take ownership and accountability for risks at their respective levels. The process of risk management and treatment is overseen by the Heads of Department.

  A working group, the Risk Management Working Committee ("RMWC"), provides risk management support to Management for the Group as a whole. The role of the RMWC includes periodic reporting of the status of risk mitigation actions, new risks identified and risks that have changed characteristics together with corresponding controls. The RMWC comprising key persons from all departments, submits its reports to both the Management and the Audit Committee on a regular basis. The Audit Committee reports to the Board on any significant changes in the business and external environment which affect key risks.

  In 2011, the RMWC met 4 times wherein discussions and reviews were conducted on key risks faced by the Group, their corresponding controls and action plans to be taken.

- **Risk Assessment**
  The Group maintains a database of key risks specific to the Group together with their corresponding controls, which are categorised as follows :-
  - Strategic, which are risks that affect the overall direction of the business
  - Operational, which are risks that impact the delivery of the Group's products and services
  - Financial, which are risks associated with financial processes and reporting
  - Knowledge, which are risks associated with intellectual property and information resources

  During the year, the database of key risks and corresponding controls were reviewed for completeness and adequacy. The identified risks were prioritised according to the degree of impact and likelihood of occurrence. Existing corresponding controls were assessed for adequacy, taking into account the level of risk involved and where necessary and feasible, additional controls were identified for implementation.

Internal Control System

The key elements of the Group's internal control system are described below :-

- **Control Environment**
  The importance of a proper control environment is emphasised throughout the organisation. Focus is directed towards the quality and abilities of the Group's employees with continuing education and training to enhance the skills of employees and reinforce qualities of professionalism and integrity. Such training also includes internal briefings and external seminars for selected employees to enhance the level of awareness and knowledge on matters relating to risk management and internal controls.

- **Control Structure**
  The Board and Management have established an organisation structure with clearly defined lines of accountability and delegated authority. This includes well-defined responsibilities of Board committees and various management levels, including authorisation levels for all aspects of the business.

  The key elements of the Group's control structure are as follows:

  Management
  - Management has introduced well-established standard operating procedures that cover all key aspects of the Group's various business processes. These policies and procedures deal with, amongst others, control issues for financial accounting and reporting, treasury management, asset security, information technology, health and safety, etc. The procedures are subject to regular reviews to cater for process changes, changing risks or further improvements.

  - Aside from the standard operating procedures, changes in internal control procedures are also communicated via circulars and internal memos. Such circulars and memos are properly authorised by the relevant members of senior management.

  - Regular visits by the head office personnel to sales depots.

  - Regular meetings with the Heads of sections/sales areas which provide a sound platform for the members of the sections/sales areas to communicate with, and provide feedback to and from, Management.

  Internal Audit
  The Group has an Internal Audit Department ("IAD") which carries out its functions independently and provides the Audit Committee and the Board with the assurance on the adequacy and integrity of the system of internal controls. The Internal Audit Department is solely responsible for planning, implementing and reporting the audits for the Group. For this purpose, each year, the IAD :
  - Prepares a detailed Annual Audit Plan for submission to the Audit Committee for approval;
  - Carries out all activities to conduct the audits in an effective, professional and timely manner;
  - Reports to the auditee upon completion of each audit; and
  - Submits quarterly reports to the Audit Committee.

  The Audit Committee Report set out on pages 71 to 75 of this Annual Report contains further details on the principal responsibilities and activities of the Internal Audit Department in 2011.

Statement of Internal Control and Corporate Risk Management

Audit Committee

The Audit Committee, on behalf of the Board, regularly reviews the measures undertaken on internal control issues identified by the RMWC, Internal Audit, external auditors and Management. During the year, 115 reports were issued by the Internal Audit Department to the Audit Committee for their review.

The Audit Committee Report set out on pages 71 to 75 of this Annual Report contains further details on the activities undertaken by the Audit Committee in 2011.

Board

The Board holds regular discussions with the Audit Committee and Management and considers their reports on matters relating to internal controls and deliberates on their recommendations for implementation.

- *Reporting and Information*

  Strategic plans are prepared by Management and form the basis for detailed budgets. The detailed budgets are prepared by business operating units and reviewed and approved by Management, the Board and the holding company.

  The monitoring of results against budget is conducted every month, with major variances followed up and management action taken, where necessary. The budget is updated every quarter for any changes in the business, financial and operating environment.

  Regular and comprehensive information is provided to Management, covering financial performance and key business indicators, key operating statistics/indicators, key business risks, legal, environmental and regulatory matters. Biweekly meetings attended by Management, led by the Managing Director, are held to discuss the various aspects of the business, financial and operational performance of the Group. Key matters affecting the Group are brought to the attention of the Audit Committee and are reported to the Board on a regular basis. Management also ensures that it has the knowledge of key market information in respect of the Group's products and takes pro-active measures, as appropriate, in the best interests of the Group.

- *Monitoring and Review*

  There are processes for monitoring the system of internal controls and reporting any significant weaknesses together with details of corrective action.

  The system is reviewed on an ongoing basis by the Board (through the Audit Committee), Management, Finance Department and Internal Audit Department. Responsibility for monitoring compliance with policies, procedures and guidelines rests principally with the Internal Audit Department, which reports directly to the Audit Committee as described above. Heads of Department are also actively involved in continually improving the control processes within their respective departments.

Review of Effectiveness

The Board has taken the necessary steps to ensure that appropriate systems are in place for the assets of the Group to be adequately safeguarded through the prevention and detection of fraud and other irregularities and material misstatements.

The Board believes that the systems of internal controls are considered appropriate to business operations, and that the risks taken are at an acceptable level within the context of the business environment of the Group.

During the year, a number of improvements to internal controls were identified and addressed. There have been no significant weaknesses noted which have resulted in any material losses.

This Statement on Internal Control does not deal with the associated company as the Group does not have management control over its operations.

Audit Committee Report

Membership and Meetings

The Audit Committee held four (4) meetings during the financial year ended 31 December 2011. The members of the Audit Committee and the record of their attendance are as follows: -

Membership	No. of meetings attended
Datuk M.R. Gopala Krishnan C.R.K. Pillai Senior Independent Non-Executive Director – Chairman	4/4
Dato' Lim Say Chong Independent Non-Executive Director- Member	4/4
Graham James Fewkes Non-Independent Non-Executive Director – Member	4/4

The Managing Director, Chief Financial Officer and Head of Internal Audit attended the meetings for the purpose of briefing the Audit Committee on the activities involving their areas of responsibilities. The Audit Committee was also briefed by the external auditor on the findings of the external audit.

The External Auditors were present at two (2) Audit Committee meetings during the financial year. At these meetings, the Audit Committee also held separate sessions with the External Auditors without the executive board members present whereby the Audit Committee was briefed by the External Auditors on their audit findings and any other observations they may have had during the audit process.

Terms of Reference

- **Terms of membership**
  1. In accordance to the Malaysian Code on Corporate Governance (revised 2007), Audit Committee shall be appointed by the Board from amongst their number and shall consist of not less than three (3) members, a majority of whom are independent. All members of the Audit Committee should be Non-Executive Directors.

  2. The members of the Audit Committee shall elect a Chairman from amongst their number who shall be an Independent Non-Executive Director.

  3. At least 1 member of the Audit Committee must be or have the following :
     - a member of the Malaysian Institute of Accountants; or
     - at least three (3) years' working experience and have passed the examinations specified in Part 1 of the 1st Schedule of the Accountants Act 1967 or be a member of one of the associations of accountants specified in Part II of the 1st Schedule of the Accountants Act 1967; or
     - fulfills such other requirements as prescribed or approved by the Bursa Malaysia Securities Berhad ("Bursa Securities").

Audit Committee Report

4. In the event of any vacancy in the Audit Committee, the Board shall within three (3) months of that event, appoint such new members to make up the minimum number of three (3) members.

5. No alternate director can be appointed as a new member of the Audit Committee.

6. The term of office and performance of the Audit Committee and each of its members shall be reviewed by the Board at least once in every three (3) years.

- **Authority**
  The Audit Committee is authorised by the Board to perform the following:
  1. To investigate any matter within its terms of reference. It shall have full and unrestricted access to any information pertaining to the Group, both the internal and external auditors and to all employees of the Group. It shall have the resources required to perform its duties.

  2. To obtain external legal or other professional advice and secure the attendance of outsiders with relevant experience to attend, if necessary.

  3. To promptly report to the Bursa Securities, any matter reported by it to the Board which has not been satisfactorily resolved resulting in a breach of the Bursa Securities Main Market Listing Requirements ("Listing Requirements").

  4. The Head of Internal Audit shall report directly to the Audit Committee and shall have direct access to the Chairman of the Audit Committee on all matters of control and audit.

- **Functions**
  The functions of the Audit Committee shall be:
  1. to review the following and report the same to the Board of Directors :
     (a) with the external auditor, the audit plan;
     (b) with the external auditor, his evaluation of the system of internal controls;
     (c) with the external auditor, his audit report, including his management letter and management's response;
     (d) with the external auditor, any other matter he may wish to discuss (in the absence of management where necessary);
     (e) to consider the appointment of the external auditors, the audit fee and any question of resignation or dismissal;
     (f) the assistance given by the Company's officers to the external auditor;
     (g) to approve the Internal Audit Charter of internal audit function;
     (h) the adequacy of the scope, functions and resources of the internal audit function and that to ensure internal audit has full and unrestricted access to all records, activities, property and personnel necessary to perform its duties;

(i) the internal audit programme, processes, the results of the internal audit programme, processes or investigation undertaken and whether or not appropriate action is taken on the recommendations of the internal audit function;

(j) any appraisal or assessment of the performance of members of the internal audit function;

(k) any appointment or termination of senior staff members of the internal audit function;

(l) any resignations of internal audit staff members and provide the resigning staff member an opportunity to submit his/her reasons for resigning;

(m) the quarterly results and year end financial statements of the Company and of the Group, prior to the approval by the Board, focusing particularly on :-

   (i) changes in or implementation of major accounting policy and practices;

   (ii) significant and unusual events;

   (iii) compliance with accounting standards and other legal requirements;

   (iv) significant adjustments arising from the audit;

   (v) going concern assumption;

(n) any related party transactions and/or conflict of interest situation that may arise within the Company or Group including any transaction, procedure or course of conduct that raises questions of management integrity;

(o) any major findings of internal investigations and Management's response;

(p) the quarterly reports relating to Risk Assessment and the effectiveness and appropriateness of the Risk Management Framework; and

2. to consider any other functions as may be agreed to by the Audit Committee and the Board of Directors.

- **Meetings**

1. Meetings shall be held not less than four (4) times a year.

2. The quorum for each meeting shall be two (2) Members of the Audit Committee.

3. The Chief Financial Officer, the Head of Internal Audit and the external auditor shall normally attend meetings. Other Board members and employees may attend meetings only upon the invitation of the Audit Committee.

4. At least twice a year, the Audit Committee shall meet with the external auditor without executive board members present. The external auditor may also request a meeting if they consider it necessary.

5. The Company Secretary shall be the Secretary of the Audit Committee.

Audit Committee Report

- **Reporting Procedures**
  The Secretary shall circulate the minutes of meetings of the Audit Committee to all members of the Board.

- **Summary of Activities:**
  During the financial year ended 31 December 2011, the Audit Committee performed its duties as set out in its terms of reference.

  The main activities undertaken by the Audit Committee were as follows:-

  - Reviewed the external auditors' scope of work and audit plans for the year.
  - Reviewed the results of the external audit, the audit report and the management letter, including Management's response.
  - Considered and recommended to the Board for approval of the audit fees payable.
  - Considered the independence and objectivity of the external auditors. The non-audit fees paid to the external auditors in 2011 amount to RM10,000.
  - Reviewed the Internal Audit Department's resource requirements, programmes and plan for the year under review and the annual assessment of the Department's performance.
  - Reviewed the internal audit reports, recommendations and Management's response. Discussed actions taken with Management to improve the internal controls system based on internal audit findings.
  - Reviewed the Risk Management Framework and reports summarising the findings from work performed on the identification and assessment of enterprise-wide key risks.
  - Reviewed the annual report and audited financial statements of the Company and the Group prior to the submission to the Board for their consideration and approval. The review was to ensure that the audited financial statements were drawn up in accordance with the provisions of the Companies Act, 1965 and the applicable approved accounting standards approved by Malaysian Accounting Standards Board ("MASB").
  - Reviewed the quarterly unaudited financial results announcements before recommending them for the Board's approval. The review and discussions were conducted with the Chief Financial Officer.
  - Reviewed the Company's compliance with the Main Market Listing Requirements ("Listing Requirements") of Bursa Securities, MASB and other relevant legal and regulatory requirements.
  - Reviewed pertinent issues of the Group which had a significant impact on the results of the Group which included enhancement and further investment in existing products, cost rationalisation measures and human resource development.
  - Reviewed the significant related party transactions entered into by the Group.
  - Reviewed the extent of the Group's compliance with the provision set out under the Malaysian Code on Corporate Governance for the purpose of the Corporate Governance Statement pursuant to the Listing Requirements of the Bursa Securities.

Summary of Activities of the Internal Audit Function during the financial year ended 31 December 2011

The internal audit function is undertaken by the Internal Audit Department. The Head of Internal Audit Department reports directly to the Audit Committee. The Department's role is to undertake independent and systematic reviews of the system of internal controls so as to provide reasonable assurance that such system continues to operate effectively and efficiently.

The Internal Audit Department also works collaboratively with the Risk Management Working Committee (RMWC) to review the risk management processes of the Company.

In attaining such objectives, the following activities were carried out by Internal Audit Department in 2011:

1. ascertained the extent of compliance with established policies, procedures and statutory requirements;

2. carried out investigations and special reviews;

3. assessed the means of safeguarding assets and verified their existence;

4. appraised the reliability and usefulness of the information developed within the Group for Management;

5. appraised the policies, procedures and management controls of the Group to ensure that the activities were properly managed and to promote effective controls at reasonable cost;

6. identified opportunities to improve the operations of, and processes within the Group; and

7. recommended improvements to the existing systems of controls to minimise wastage, extravagance and fraud and to enhance efficiencies by way of issuing audit reports to the appropriate level of management capable of achieving satisfactory results and ensured corrective actions were taken.

The total cost incurred by the Internal Audit Department in relation to the conduct of the internal audit functions of the Group during the financial year ended 31 December 2011 amounted to RM745,000.

Responsibility Statement by the Board of Directors

In the course of preparing the annual financial statements for the Group and the Company, the Directors are collectively responsible for ensuring that these financial statements are drawn up in accordance with the requirements of the applicable Approved Accounting Standards in Malaysia, the provisions of the Companies Act, 1965 and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

It is the responsibility of the Directors to ensure that financial statements for each financial year present a true and fair view of the state of affairs of the Group and the Company at the end of the financial year and of the results and cash flows of the Group and the Company for the financial year.

In preparing the financial statements for the financial year ended 31 December 2011, the Directors have applied appropriate and relevant accounting policies consistently and in accordance with applicable accounting standards and made judgments and estimates that are reasonable and fair.

The financial statements are prepared on a going concern basis and the Directors have ensured that proper accounting records are kept which enable the preparation of the financial statements with reasonable accuracy.

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Directors' Report

FOR THE YEAR ENDED 31 DECEMBER 2011

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the year ended 31 December 2011.

Principal Activities

The Company is principally engaged in the production of beer, stout, shandy and non-alcoholic beverages for distribution in the home market and for export while the other Group entities are primarily involved in the marketing and distribution of beer, stout, shandy, wine, liquor and non-alcoholic beverages. There has been no significant change in the nature of these activities during the financial year.

Results

	Group RM'000	Company RM'000
Profit attributable to:		
Owners of the Company	166,160	125,226
Non-controlling interests	1,220	–
	167,380	125,226

Reserves and Provisions

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

Dividends

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

i) a final dividend of 7.5 sen per RM0.50 ordinary share less tax at 25% totalling RM17.2 million (5.6 sen net per ordinary share) in respect of the year ended 31 December 2010 on 20 May 2011;

ii) a special final dividend of 43 sen per RM0.50 ordinary share less tax at 25% totalling RM98.6 million (32.3 sen net per ordinary share) in respect of the year ended 31 December 2010 on 20 May 2011; and

iii) an interim dividend of 5 sen per RM0.50 ordinary share less tax at 25% totalling RM11.5 million (3.8 sen net per ordinary share) in respect of the year ended 31 December 2011 on 7 October 2011.

The Directors recommend the payment of a final and special dividend of 65.5 sen per RM0.50 ordinary share less tax at 25% totalling RM150.2 million (49.1 sen net per ordinary share) and tax exempt dividend of 2 sen per RM0.50 ordinary share totalling RM6.1 million in respect of the year ended 31 December 2011.

Directors of the Company

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

Dato' Lim Say Chong
Datuk M.R. Gopala Krishnan C.R.K. Pillai
Graham James Fewkes
Roy Enzo Bagattini
Soren Ravn
Dato' Mohamed Razali Bin Mohamed Yusoff (appointed 9 November 2011 and resigned 24 February 2012)
Gavin Stuart Brockett (appointed 9 November 2011 and resigned 24 February 2012)
Dato' Chin Voon Loong (passed away on 16 March 2012)

Directors' Interests

The interest and deemed interest in the ordinary shares of the Company and of its related corporations (other than wholly-owned subsidiaries) of those who were Directors at year end (including the interest of the daughter of a Director who is not a Director of the Company) as recorded in the Register of Directors' Shareholdings are as follows:

	Number of ordinary shares			
	At 1.1.2011	Acquired	Disposed	At 31.12.2011
Deemed interest in the Company				
Dato' Lim Say Chong*	52,000	–	–	**52,000**

* Lim Ju Ean @ Lindsey Lim Ju Ean is the daughter of Dato' Lim Say Chong. In accordance with Section 134(12)(c) of the Companies Act, 1965, the interests of Lim Ju Ean @ Lindsey Lim Ju Ean in the shares of the Company and of its related corporations (other than wholly-owned subsidiaries) shall be treated as the interests of Dato' Lim Say Chong.

	Number of options over ordinary shares of DKK20 each			
	At 1.1.2011	Granted	Exercised	At 31.12.2011
Interest in the holding company				
Carlsberg A/S				
Soren Ravn	4,878	–	–	**4,878**

None of the other Directors holding office at 31 December 2011 had any interest in the ordinary shares of the Company and of its related corporations during the financial year.

Directors' Benefits

Since the end of the previous financial year, no Director of the Company has received nor become entitled to receive a benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by Directors as shown in the financial statements or the fixed salary of a full time employee of the Company or of a related corporation) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

There were no arrangements during and at the end of the financial year which had the object of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate apart from the holding company's Employees' Share Option Scheme.

Issue of Shares

There were no changes in the authorised, issued and paid-up capital of the Company during the financial year.

Options Granted Over Unissued Shares

No options were granted to any person to take up unissued shares of the Company during the financial year.

Directors' Report

FOR THE YEAR ENDED 31 DECEMBER 2011

Other Statutory Information

Before the statements of financial position and statements of comprehensive income of the Group and of the Company were made out, the Directors took reasonable steps to ascertain that:

i) all known bad debts have been written off and adequate provisions made for doubtful debts, and

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

At the date of this report, the Directors are not aware of any circumstances:

i) that would render the amount written off for bad debts, or the amount of the provision for doubtful debts, in the Group and in the Company inadequate to any substantial extent, or

ii) that would render the value attributed to the current assets in the financial statements of the Group and of the Company misleading, or

iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate, or

iv) not otherwise dealt with in this report or the financial statements, that would render any amount stated in the financial statements of the Group and of the Company misleading.

At the date of this report, there does not exist:

i) any charge on the assets of the Group or of the Company that has arisen since the end of the financial year and which secures the liabilities of any other person, or

ii) any contingent liability in respect of the Group or of the Company that has arisen since the end of the financial year.

No contingent liability or other liability of any company in the Group has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

In the opinion of the Directors, the financial performance of the Group and of the Company for the financial year ended 31 December 2011 have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report.

Auditors

The auditors, Messrs KPMG, have indicated their willingness to accept re-appointment.

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

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

Soren Ravn
Managing Director

Shah Alam,
19 March 2012

Statements of Financial Position

AS AT 31 DECEMBER 2011

	Note	Group 2011 RM'000	Group 2010 RM'000	Company 2011 RM'000	Company 2010 RM'000
Assets					
Property, plant and equipment	3	**146,631**	143,890	**128,407**	126,654
Intangible assets	4	**410,924**	398,452	**4,435**	546
Investments in subsidiaries	5	**–**	–	**393,672**	393,672
Investment in an associate	6	**33,407**	26,337	**19,936**	19,936
Investment in a jointly-controlled entity	7	**–**	–	**–**	–
Loan to a subsidiary	8	**–**	–	**8,998**	10,100
Other assets		**356**	349	**–**	–
Deferred tax assets	9	**36**	–	**–**	–
Total non-current assets		**591,354**	569,028	**555,448**	550,908
Inventories	10	**62,538**	48,834	**21,669**	22,419
Receivables, deposits and prepayments	8	**231,108**	207,223	**38,638**	53,627
Current tax assets		**3,662**	4,566	**3,585**	–
Cash and cash equivalents	11	**72,196**	101,370	**9,046**	34,670
Total current assets		**369,504**	361,993	**72,938**	110,716
Total assets		**960,858**	931,021	**628,386**	661,624
Equity					
Share capital		**154,039**	154,039	**154,039**	154,039
Reserves		**473,094**	425,388	**379,316**	381,912
Total equity attributable to equity holders of the Company	12	**627,133**	579,427	**533,355**	535,951
Non-controlling interests		**3,916**	2,696	**–**	–
Total equity		**631,049**	582,123	**533,355**	535,951
Liabilities					
Deferred tax liabilities	9	**76,033**	72,827	**17,014**	15,509
Total non-current liability		**76,033**	72,827	**17,014**	15,509
Payables and accruals	13	**214,185**	212,908	**78,017**	68,723
Current tax liabilities		**17,340**	10,212	**–**	1,135
Loans and borrowings	14	**22,251**	52,951	**–**	40,306
Total current liabilities		**253,776**	276,071	**78,017**	110,164
Total liabilities		**329,809**	348,898	**95,031**	125,673
Total equity and liabilities		**960,858**	931,021	**628,386**	661,624

The notes on pages 88 to 132 are an integral part of these financial statements.

Statements of Comprehensive Income

FOR THE YEAR ENDED 31 DECEMBER 2011

	Note	Group 2011 RM'000	Group 2010 RM'000	Company 2011 RM'000	Company 2010 RM'000
Revenue		**1,489,356**	1,368,158	**716,905**	727,034
Cost of sales		**(949,302)**	(901,557)	**(686,785)**	(667,593)
Gross profit		**540,054**	466,601	**30,120**	59,441
Other income		**3,128**	1,989	**554**	1,461
Sales and distribution costs		**(275,942)**	(246,556)	**–**	–
Administrative expenses		**(44,166)**	(42,941)	**(16,584)**	(14,198)
Other expenses		**(7,038)**	(4,507)	**(6,954)**	(2,526)
Results from operating activities		**216,036**	174,586	**7,136**	44,178
Investment income		**783**	1,084	**124,369**	117,808
Finance costs		**(4,385)**	(4,594)	**(1,954)**	(3,108)
Operating profit	15	**212,434**	171,076	**129,551**	158,878
Share of profit of equity accounted associate, net of tax		**7,940**	5,460	**–**	–
Profit before tax		**220,374**	176,536	**129,551**	158,878
Tax expense	17	**(52,994)**	(42,413)	**(4,325)**	(12,580)
Profit for the year		**167,380**	134,123	**125,226**	146,298
Other comprehensive income/(expenses)					
Foreign currency translation differences for foreign operations		**9,236**	(10,089)	**–**	–
Total comprehensive income for the year		**176,616**	124,034	**125,226**	146,298
Profit attributable to:					
Owners of the Company		**166,160**	133,242	**125,226**	146,298
Non-controlling interests		**1,220**	881	**–**	–
Profit for the year		**167,380**	134,123	**125,226**	146,298
Total comprehensive income attributable to:					
Owners of the Company		**175,396**	123,153	**125,226**	146,298
Non-controlling interests		**1,220**	881	**–**	–
Total comprehensive income for the year		**176,616**	124,034	**125,226**	146,298
Basic earnings per ordinary share (sen)	18	**54.35**	43.58		

The notes on pages 88 to 132 are an integral part of these financial statements.

Consolidated Statement of Changes in Equity

FOR THE YEAR ENDED 31 DECEMBER 2011

		Attributable to equity holders of the Company									
				Non-distributable				Distributable			
Group	Note	Share capital RM'000	Treasury shares RM'000	Share premium RM'000	Exchange reserve RM'000	Capital reserve RM'000	Share option reserve RM'000	Retained earnings RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
At 1 January 2010		154,039	(12,043)	7,367	(7,233)	8,678	524	363,464	514,796	1,815	516,611
Other comprehensive expense:											
- Foreign currency translation differences for foreign operations		–	–	–	(10,089)	–	–	–	(10,089)	–	(10,089)
Profit for the year		–	–	–	–	–	–	133,242	133,242	881	134,123
Total comprehensive income for the year		–	–	–	(10,089)	–	–	133,242	123,153	881	124,034
Dividends to owners of the Company	19	–	–	–	–	–	–	(58,474)	(58,474)	–	(58,474)
Others		–	–	–	–	–	(48)	–	(48)	–	(48)
Total distribution to owners		–	–	–	–	–	(48)	(58,474)	(58,522)	–	(58,522)
At 31 December 2010		154,039	(12,043)	7,367	(17,322)	8,678	476	438,232	579,427	2,696	582,123
At 31 December 2010/ 1 January 2011		**154,039**	**(12,043)**	**7,367**	**(17,322)**	**8,678**	**476**	**438,232**	**579,427**	**2,696**	**582,123**
Other comprehensive income:											
- Foreign currency translation differences for foreign operations		**–**	**–**	**–**	**9,236**	**–**	**–**	**–**	**9,236**	**–**	**9,236**
Profit for the year		**–**	**–**	**–**	**–**	**–**	**–**	**166,160**	**166,160**	**1,220**	**167,380**
Total comprehensive income for the year		**–**	**–**	**–**	**9,236**	**–**	**–**	**166,160**	**175,396**	**1,220**	**176,616**
Dividends to owners of the Company	19	**–**	**–**	**–**	**–**	**–**	**–**	**(127,268)**	**(127,268)**	**–**	**(127,268)**
Others		**–**	**–**	**–**	**–**	**–**	**(422)**	**–**	**(422)**	**–**	**(422)**
Total distribution to owners		**–**	**–**	**–**	**–**	**–**	**(422)**	**(127,268)**	**(127,690)**	**–**	**(127,690)**
At 31 December 2011		**154,039**	**(12,043)**	**7,367**	**(8,086)**	**8,678**	**54**	**477,124**	**627,133**	**3,916**	**631,049**

Statement of Changes in Equity

FOR THE YEAR ENDED 31 DECEMBER 2011

Company	Note	Share capital RM'000	Treasury shares RM'000	Non-distributable: Share premium RM'000	Non-distributable: Capital reserve RM'000	Non-distributable: Share option reserve RM'000	Distributable: Retained earnings RM'000	Total equity RM'000
At 1 January 2010		154,039	(12,043)	7,367	4,747	501	293,244	447,855
Profit/Total comprehensive income for the year		–	–	–	–	–	146,298	146,298
Dividends to owners of the Company	19	–	–	–	–	–	(58,474)	(58,474)
Others		–	–	–	–	272	–	272
Total contribution from/(distribution to) owners		–	–	–	–	272	(58,474)	(58,202)
At 31 December 2010/1 January 2011		**154,039**	**(12,043)**	**7,367**	**4,747**	**773**	**381,068**	**535,951**
Profit/Total comprehensive income for the year		**–**	**–**	**–**	**–**	**–**	**125,226**	**125,226**
Dividends to owners of the Company	19	**–**	**–**	**–**	**–**	**–**	**(127,268)**	**(127,268)**
Others		**–**	**–**	**–**	**–**	**(554)**	**–**	**(554)**
Total distribution to owners		**–**	**–**	**–**	**–**	**(554)**	**(127,268)**	**(127,822)**
At 31 December 2011		**154,039**	**(12,043)**	**7,367**	**4,747**	**219**	**379,026**	**533,355**

The notes on pages 88 to 132 are an integral part of these financial statements.

Statements of Cash Flows

FOR THE YEAR ENDED 31 DECEMBER 2011

	Note	Group 2011 RM'000	Group 2010 RM'000	Company 2011 RM'000	Company 2010 RM'000
Cash flows from operating activities					
Profit before tax		**220,374**	176,536	**129,551**	158,878
Adjustments for:					
Amortisation of intangible assets	4	**1,004**	1,125	**507**	726
Depreciation of property, plant and equipment	3	**19,086**	17,698	**12,535**	11,986
Property, plant and equipment written off		**196**	30	**16**	6
(Gain)/Loss on disposal of property, plant and equipment		**(2,182)**	(1,350)	**559**	(618)
Dividend income from subsidiaries		**–**	–	**(121,337)**	(114,980)
Dividend income from an associate		**–**	–	**(2,165)**	(1,652)
Inventories written down to net realisable value		**1,832**	766	**725**	1
Inventories written off		**4,227**	361	**3,161**	257
Impairment loss on receivables		**11,978**	609	**–**	–
(Gain)/Loss on unrealised foreign exchange		**(475)**	1,056	**151**	(129)
Interest income		**(783)**	(1,084)	**(867)**	(1,176)
Finance costs		**4,385**	4,594	**1,954**	3,108
Share of profit after tax of equity accounted associate		**(7,940)**	(5,460)	**–**	–
Others		**(100)**	427	**(172)**	495
Operating profit before changes in working capital		**251,602**	195,308	**24,618**	56,902
Changes in working capital:					
Inventories		**(19,763)**	8,629	**(3,136)**	(187)
Receivables, deposits and prepayments		**(35,462)**	9,759	**14,749**	61,428
Payables and accruals		**1,354**	46,593	**9,253**	(28,282)
Cash generated from operations		**197,731**	260,289	**45,484**	89,861
Taxes paid		**(43,191)**	(37,762)	**(7,540)**	(7,988)
Net cash from operating activities		**154,540**	222,527	**37,944**	81,873
Cash flows from investing activities					
Acquisition of property, plant and equipment	3	**(27,701)**	(23,852)	**(19,581)**	(14,521)
Acquisition of intangible assets	4	**(767)**	(1,254)	**(474)**	(343)
Acquisition of a subsidiary, net of cash acquired	26	**–**	(198,560)	**–**	(189,663)
Dividend received from subsidiaries		**–**	–	**121,337**	114,980
Dividend received from an associate		**2,165**	1,652	**2,165**	1,652
Interest received		**783**	1,084	**867**	1,176
Repayment from subsidiary		**–**	–	**1,361**	90
Proceeds from disposal of property, plant and equipment		**3,943**	2,001	**796**	943
Transfer of property, plant and equipment to a subsidiary		**–**	–	**–**	53
Net cash (used in)/generated from investing activities		**(21,577)**	(218,929)	**106,471**	(85,633)

Statements of Cash Flows

FOR THE YEAR ENDED 31 DECEMBER 2011

	Note	Group 2011 RM'000	Group 2010 RM'000	Company 2011 RM'000	Company 2010 RM'000
Cash flows from financing activities					
Dividends paid to shareholders of the Company	19	**(127,268)**	(58,474)	**(127,268)**	(58,474)
Interest paid		**(4,385)**	(4,594)	**(1,954)**	(3,108)
Reimbursement to ultimate holding company for share options granted to employees of the Group		**(382)**	(475)	**(382)**	(223)
Net (repayment)/proceeds from short-term borrowing		**(30,700)**	44,365	**(40,306)**	40,306
Net cash used in financing activities		**(162,735)**	(19,178)	**(169,910)**	(21,499)
Net decrease in cash and cash equivalents		**(29,772)**	(15,580)	**(25,495)**	(25,259)
Effect of exchange rate fluctuation on cash held		**598**	(1,635)	**(129)**	–
Cash and cash equivalents at 1 January		**101,370**	118,585	**34,670**	59,929
Cash and cash equivalents at 31 December	(i)	**72,196**	101,370	**9,046**	34,670

(i) Cash and cash equivalents

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

	Note	Group 2011 RM'000	Group 2010 RM'000	Company 2011 RM'000	Company 2010 RM'000
Deposits with licensed banks		**1,554**	29,133	**1,554**	16,545
Cash and bank balances		**70,642**	72,237	**7,492**	18,125
Cash and cash equivalents	11	**72,196**	101,370	**9,046**	34,670

Notes to the Financial Statements

Carlsberg Brewery Malaysia Berhad is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Board of Bursa Malaysia Securities Berhad. The address of its registered office and principal place of business is as follows:

Registered office and principal place of business

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

The consolidated financial statements as at and for the year ended 31 December 2011 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 and a jointly-controlled entity. The financial statements of the Company as at and for the year ended 31 December 2011 do not include other entities.

The Company is principally engaged in the production of beer, stout, shandy and non-alcoholic beverages for distribution in the home market and for export while the other Group entities are primarily involved in the marketing and distribution of beer, stout, shandy, wine, liquor and non-alcoholic beverages.

The immediate and ultimate holding companies during the financial year are Carlsberg Breweries A/S and Carlsberg A/S respectively. Both companies are incorporated in Denmark.

The financial statements were approved by the Board of Directors on 19 March 2012.

1. Basis of Preparation

(a) Statement of compliance

The financial statements of the Group have been prepared in accordance with Financial Reporting Standards ("FRSs"), generally accepted accounting principles and the Companies Act, 1965 in Malaysia.

The following are accounting standards, amendments and interpretations of the FRS framework that have been issued by the Malaysian Accounting Standards Board ("MASB") but have not been adopted by the Group:

FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 July 2011

- IC Interpretation 19, Extinguishing Financial Liabilities with Equity Instruments
- Amendments to IC Interpretation 14, Prepayments of a Minimum Funding Requirement

FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2012

- FRS 124, Related Party Disclosures (revised)
- Amendments to FRS 1, First-time Adoption of Financial Reporting Standards – Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters
- Amendments to FRS 7, Financial Instruments: Disclosures – Transfers of Financial Assets
- Amendments to FRS 112, Income Taxes – Deferred Tax: Recovery of Underlying Assets

FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 July 2012

- Amendments To FRS 101, Presentation of Financial Statements – Presentation of Items of Other Comprehensive Income

1. Basis of Preparation (Continued)

(a) Statement of compliance (continued)

FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2013

- FRS 9, Financial Instruments (2009)
- FRS 9, Financial Instruments (2010)
- FRS 10, Consolidated Financial Statements
- FRS 11, Joint Arrangements
- FRS 12, Disclosure of Interests in Other Entities
- FRS 13, Fair Value Measurement
- FRS 119, Employee Benefits (2011)
- FRS 127, Separate Financial Statements (2011)
- FRS 128, Investments in Associates and Joint Ventures (2011)

The Group and Company's financial statements for annual period beginning on 1 January 2012 will be prepared in accordance with the Malaysian Financial Reporting Standards ("MFRSs") issued by the MASB that complies fully with International Financial Reporting Standards ("IFRSs"). As a result, the Group and Company will not be adopting the above FRSs, Interpretations and amendments.

(b) Basis of measurement

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

(c) Functional and presentation currency

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

(d) Use of estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognised in the financial statements other than those disclosed in Note 4 – Intangible assets.

2. Significant Accounting Policies

The accounting policies set out below have been applied consistently to the periods presented in these financial statements, and have been applied consistently by the Group entities, other than those disclosed in Note 2(a) – Basis of consolidation.

(a) Basis of consolidation

(i) Subsidiaries

Subsidiaries are entities controlled by the Group. Control exists when the Group has the ability to exercise its power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account.

2. Significant Accounting Policies (Continued)

(a) Basis of consolidation (continued)

(i) Subsidiaries (continued)

Investments in subsidiaries are measured in the Company's statement of financial position at cost less any impairment losses.

The accounting policies of subsidiaries are changed when necessary to align them with the policies adopted by the Group.

(ii) Accounting for 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.

The Group has changed its accounting policy with respect to accounting for business combinations.

From 1 January 2011 the Group has applied FRS 3, *Business Combinations* (revised) in accounting for business combinations. The change in accounting policy has been applied prospectively in accordance with the transitional provisions provided by the standard and does not have impact on earnings per share in prior years.

Acquisitions on or after 1 January 2011

For acquisitions on or after 1 January 2011, the Group measures goodwill at the acquisition date as:

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

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

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

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

Any contingent consideration payable is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

When share-based payment awards ("replacement awards") are required to be exchanged for awards held by the acquiree's employees ("acquiree's awards") and relate to past services, then all or a portion of the amount of the acquirer's replacement awards is included in measuring the consideration transferred in the business combination. This determination is based on the market-based value of the replacement awards compared with the market-based value of the acquiree's awards and the extent to which the replacement awards relate to past and/or future service.

Acquisitions between 1 January 2006 and 1 January 2011

For acquisitions between 1 January 2006 and 1 January 2011, goodwill represents the excess of the cost of the acquisition over the Group's interest in the recognised amount (generally fair value) of the identifiable assets, liabilities and contingent liabilities of the acquiree. When the excess was negative, a bargain purchase gain was recognised immediately in profit or loss.

2. Significant Accounting Policies (Continued)

(a) Basis of consolidation (continued)

(ii) Accounting for business combinations (continued)

Acquisitions between 1 January 2006 and 1 January 2011 (continued)

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurred in connection with business combinations were capitalised as part of the cost of the acquisition.

Acquisitions prior to 1 January 2006

For acquisitions prior to 1 January 2006, goodwill represents the excess of the cost of the acquisition over the Group's interest in the fair values of the net identifiable assets and liabilities.

(iii) Accounting for acquisitions of non-controlling interests

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

(iv) Loss of control

The Group applied FRS 127, *Consolidated and Separate Financial Statements* (revised) since the beginning of the reporting period in accordance with the transitional provisions provided by the standard and does not have impact on earnings per share in prior year. Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently it is accounted for as an equity accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

In the previous years, if the Group retained any interest in the previous subsidiary, such interest was measured at the carrying amount at the date that control was lost and this carrying amount would be regarded as cost on initial measurement of the investment.

(v) Associates

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

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

When the Group's share of losses exceeds its interest in an associate, the carrying amount of that interest (including any long-term investments) is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee.

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

2. Significant Accounting Policies (Continued)

(a) Basis of consolidation (continued)

(vi) Jointly-controlled entities

Jointly-controlled entities are those entities over whose activities the Group has joint control, established by contractual agreement and requiring unanimous consent for strategic financial and operating decisions.

Jointly-controlled entities are accounted for in the consolidated financial statements using the proportionate method unless it is included in a disposal group that is classified as held for sale. The consolidated financial statements include the Group's share of the revenue, expenses, assets and liabilities of the jointly-controlled entity, after adjustments to align the accounting policies with those of the Group, from the date that joint control commences until the date that joint control ceases.

Investments in jointly-controlled entities are measured in the Company's statement of financial position at cost less impairment losses, unless the investment is classified as held for sale.

(vii) Non-controlling interests

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

Since the beginning of the reporting period, the Group has applied FRS 127, *Consolidated and Separate Financial Statements* (revised) where 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. This change in accounting policy is applied prospectively in accordance with the transitional provisions of the standard and does not have impact on earnings per share in prior years.

In the previous financial years, where losses applicable to the non-controlling interests exceed their interests in the equity of a subsidiary, the excess, and any further losses applicable to the non-controlling interests, were charged against the Group's interest except to the extent that the non-controlling interests had a binding obligation to, and was able to, make additional investment to cover the losses. If the subsidiary subsequently reported profits, the Group's interest was allocated with all such profits until the non-controlling interests' share of losses previously absorbed by the Group had been recovered.

(viii) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investees. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(b) Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are retranslated to the functional currency at the exchange rate at that date.

2. Significant Accounting Policies (Continued)

(b) Foreign currency (continued)

(i) Foreign currency transactions (continued)

Non-monetary assets and liabilities denominated in foreign currencies are not retranslated at the end of the reporting date except for those that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined.

Foreign currency differences arising on retranslation are recognised in profit or loss, except for differences arising on the retranslation of available-for-sale equity instruments or a financial instrument designated as a cash flow hedge of currency risk, which are recognised in other comprehensive income.

(ii) Operations denominated in functional currencies other than RM

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

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

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

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

(c) Financial instruments

(i) Initial recognition and measurement

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

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

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

2. Significant Accounting Policies (Continued)

(c) Financial instruments (continued)

(ii) Financial instrument categories and subsequent measurement

The Group and the Company categorise financial instruments as follows:

Financial assets

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

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

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

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

(b) Loans and receivables

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

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

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

Financial liabilities

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

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

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

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

(iii) Derecognition

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

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

2. Significant Accounting Policies (Continued)

(d) Property, plant and equipment

(i) Recognition and measurement

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

Revalued property, plant and equipment where no revaluation policy is adopted

The Group and the Company has availed itself to the transitional provision when MASB first adopted FRS 116_{2004}, *Property, plant and equipment* in 2000. Certain buildings of the Group and of the Company were revalued in 1981 and no later valuation has been recorded for these property, plant and equipment.

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

The cost of property, plant and equipment recognised as a result of a business combination is based on fair value at acquisition date. The fair value of property is the estimated amount for which a property could be exchanged between knowledgeable willing parties in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. The fair value of other items of plant and equipment is based on the quoted market prices for similar items when available and replacement cost when appropriate.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and is recognised net within "other income" and "other expenses" respectively in profit or loss. When revalued assets are sold, the amounts included in the revaluation surplus reserve are transferred to retained earnings.

(ii) Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group or the Company, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised to profit or loss. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

(iii) Depreciation

Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Freehold land is not depreciated. Assets in-progress are not depreciated until the assets are ready for their intended use.

2. Significant Accounting Policies (Continued)

(d) Property, plant and equipment (continued)

(iii) Depreciation (continued)

The estimated useful lives for the current and comparative periods are as follows:

• Buildings	15 – 50 years
• Renovation	15 years
• Plant and machinery	5 – 20 years
• Motor vehicles	5 years
• Furniture and office equipment	3 – 5 years

Depreciation methods, useful lives and residual values are reviewed, and adjusted as appropriate at the end of the reporting period.

(e) Leased assets

(i) Finance lease

Leases in terms of which the Group or the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. On initial recognition of the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

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

(ii) Operating lease

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

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Lease incentives received are recognised in profit or loss as an integral part of the total lease expense, over the term of the lease. Contingent rentals are charged to profit or loss in the reporting period in which they are incurred.

(f) Intangible assets

(i) Goodwill

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

(ii) Distribution rights

Distribution rights are measured at cost less any accumulated impairment losses.

2. Significant Accounting Policies (Continued)

(f) Intangible assets (continued)

(iii) Customised computer software

Customised computer software that is not integral to the functionality of the related equipment is recognised as an intangible asset. These intangible assets that are acquired by the Group or the Company are stated at cost less accumulated amortisation and accumulated impairment losses.

(iv) Subsequent expenditure

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

(v) Amortisation

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

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

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

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

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

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

(g) Inventories

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

The cost of inventories is measured based on weighted average cost formula, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. In the case of work-in-progress and finished goods, cost includes an appropriate share of production overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

The fair value of inventories acquired in a business combination is determined based on the estimated selling price in the ordinary course of business less the estimated costs of completion and sale, and a reasonable profit margin based on the effort required to complete and sell the inventories.

(h) Cash and cash equivalents

Cash and cash equivalents consist of cash in hand, balances and deposits with banks and highly liquid investments which have an insignificant risk of changes in value with original maturities of three months or less. For the purpose of the statement of cash flows, cash and cash equivalents are presented net of bank overdrafts and pledged deposits.

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

2. Significant Accounting Policies (Continued)

(i) Impairment

(i) Financial assets

All financial assets (except for financial assets categorised as fair value through profit or loss, investments in subsidiaries, associate and jointly-controlled entity) are assessed at each reporting date whether there is any objective evidence of impairment as a result of one or more events having an impact on the estimated future cash flows of the asset. Losses expected as a result of future events, no matter how likely, are not recognised.

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

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

(ii) Other assets

The carrying amounts of other assets (except for inventories and deferred tax asset) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For 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 groups of assets (the "cash-generating unit"). The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to cash-generating units that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

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

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

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Reversals of impairment losses are credited to profit or loss in the year in which the reversals are recognised.

2. Significant Accounting Policies (Continued)

(j) Equity instruments

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

When share capital recognised as equity is repurchased, the amount of the consideration paid, including directly attributable costs, is recognised as a deduction from equity. Repurchased shares that are not subsequently cancelled are classified as treasury shares and are presented as a deduction from total equity.

Where treasury shares are distributed as share dividends, the cost of the treasury shares is applied in the reduction of the share premium account or distributable reserves, or both.

Where treasury shares are reissued by re-sale in the open market, the difference between the sales consideration net of directly attributable costs and the carrying amount of the treasury shares is recognised in equity, and the resulting surplus or deficit on the transaction is presented in share premium.

(k) Employee benefits

(i) Short term employee benefits

Short term employee benefit obligations in respect of salaries, annual bonuses, paid annual leave and sick leave are measured on an undiscounted basis and are expensed as the related service is provided.

Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences, and short term non-accumulating compensated absences such as sick leave are recognised when absences occur.

A provision is recognised for the amount expected to be paid under short term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

The Group's contribution to the statutory pension funds and Carlsberg Brewery Malaysia Retirement Plan, a defined contribution plan, are charged to profit or loss in the year to which they relate. Once the contributions have been paid, the Group has no further payment obligations.

(ii) Termination benefits

Termination benefits are recognised as an expense when the Group is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to terminate employment before the normal retirement date. Termination benefits for voluntary redundancies are recognised if the Group has made an offer encouraging voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably.

(iii) Share-based payment transactions

Certain employees of the Group are entitled to a share option programme set up by Carlsberg A/S that gives the right to Carlsberg A/S shares. The grant date fair value of the share options granted to these employees is recognised as an employee expense in profit or loss and a corresponding increase in equity, over the period from the grant date until the employees become unconditionally entitled to the options. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that meet the related service and non-market performance conditions at the vesting date.

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

2. Significant Accounting Policies (Continued)

(l) Provisions

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

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

(m) Income recognition

(i) Revenue

Revenue from the sale of goods in the course of ordinary activities is measured at fair value of the consideration received or receivable, net of returns and allowances, trade discount and volume rebates. Revenue is recognised when persuasive evidence exists, usually in the form of an executed sales agreement, that the significant risks and rewards of ownership have been transferred to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, and there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably. If it is probable that discounts will be granted and the amount can be measured reliably, then the discount is recognised as a reduction of revenue as the sales are recognised.

(ii) Dividend income

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

(iii) Interest income

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

(n) Borrowing costs

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

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

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

(o) Income tax

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

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

2. Significant Accounting Policies (Continued)

(o) Income tax (continued)

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

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

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

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

(p) Earnings per ordinary share

The Group presents basic and diluted earnings per share data for its ordinary shares (“EPS”).

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held.

(q) Operating segments

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

3. Property, Plant and Equipment

Group	Note	Leasehold land RM'000	Freehold land RM'000	Buildings RM'000	Renovation RM'000	Plant and machinery RM'000	Motor vehicles RM'000	Furniture and office equipment RM'000	Assets in-progress RM'000	Total RM'000
Cost/Valuation										
At 1 January 2010		10,571	19,097	53,888	–	316,580	24,068	50,175	3,498	477,877
Additions		–	–	194	470	6,591	5,164	3,960	7,473	23,852
Disposals		–	–	–	–	–	(3,802)	(1,254)	–	(5,056)
Written off		–	–	–	–	(98)	–	(854)	–	(952)
Transfers		–	–	(35)	35	–	–	–	–	–
Effect of movements in exchange rates		–	–	6	–	8	–	9	–	23
At 31 December 2010/ 1 January 2011		**10,571**	**19,097**	**54,053**	**505**	**323,081**	**25,430**	**52,036**	**10,971**	**495,744**
Additions		**–**	**–**	**844**	**58**	**5,290**	**4,480**	**3,531**	**13,498**	**27,701**
Disposals		**–**	**–**	**–**	**–**	**(9,499)**	**(6,979)**	**(794)**	**–**	**(17,272)**
Written off		**–**	**–**	**–**	**(112)**	**(8,570)**	**–**	**(13,934)**	**–**	**(22,616)**
Transfers		**–**	**–**	**715**	**–**	**15,054**	**211**	**435**	**(20,337)**	**(3,922)**
Effect of movements in exchange rates		**–**	**–**	**–**	**(7)**	**13**	**(7)**	**(29)**	**–**	**(30)**
At 31 December 2011		**10,571**	**19,097**	**55,612**	**444**	**325,369**	**23,135**	**41,245**	**4,132**	**479,605**

3. Property, Plant and Equipment (Continued)

Group	Note	Leasehold land RM'000	Freehold land RM'000	Buildings RM'000	Renovation RM'000	Plant and machinery RM'000	Motor vehicles RM'000	Furniture and office equipment RM'000	Assets in-progress RM'000	Total RM'000
Depreciation										
At 1 January 2010		2,649	–	20,250	–	257,455	16,109	42,994	–	339,457
Depreciation for the year	15	123	–	1,319	43	9,176	3,449	3,588	–	17,698
Disposals		–	–	–	–	–	(3,151)	(1,254)	–	(4,405)
Written off		–	–	–	–	(93)	(3)	(826)	–	(922)
Effect of movements in exchange rates		–	–	6	–	8	–	12	–	26
At 31 December 2010/ 1 January 2011		**2,772**	**–**	**21,575**	**43**	**266,546**	**16,404**	**44,514**	**–**	**351,854**
Depreciation for the year	15	**122**	**–**	**1,361**	**61**	**10,366**	**3,754**	**3,422**	**–**	**19,086**
Disposals		**–**	**–**	**–**	**–**	**(8,133)**	**(6,636)**	**(742)**	**–**	**(15,511)**
Written off		**–**	**–**	**–**	**(19)**	**(8,554)**	**–**	**(13,847)**	**–**	**(22,420)**
Effect of movements in exchange rates		**–**	**–**	**–**	**(2)**	**(5)**	**(5)**	**(23)**	**–**	**(35)**
At 31 December 2011		**2,894**	**–**	**22,936**	**83**	**260,220**	**13,517**	**33,324**	**–**	**332,974**
Carrying amounts										
At 1 January 2010		7,922	19,097	33,638	–	59,125	7,959	7,181	3,498	138,420
At 31 December 2010/ 1 January 2011		**7,799**	**19,097**	**32,478**	**462**	**56,535**	**9,026**	**7,522**	**10,971**	**143,890**
At 31 December 2011		**7,677**	**19,097**	**32,676**	**361**	**65,149**	**9,618**	**7,921**	**4,132**	**146,631**

3. Property, Plant and Equipment (Continued)

Company	Note	Leasehold land RM'000	Freehold land RM'000	Buildings RM'000	Plant and machinery RM'000	Motor vehicles RM'000	Furniture and office equipment RM'000	Assets in-progress RM'000	Total RM'000
Cost/Valuation									
At 1 January 2010		10,399	18,952	52,937	315,680	3,814	17,545	3,498	422,825
Additions		–	–	149	6,591	363	527	6,891	14,521
Disposals		–	–	–	–	(1,852)	(320)	–	(2,172)
Written off		–	–	–	(98)	–	(93)	–	(191)
Transfer to a subsidiary		–	–	–	–	(157)	–	–	(157)
At 31 December 2010/ 1 January 2011		**10,399**	**18,952**	**53,086**	**322,173**	**2,168**	**17,659**	**10,389**	**434,826**
Additions		**–**	**–**	**767**	**4,303**	**–**	**1,013**	**13,498**	**19,581**
Disposals		**–**	**–**	**–**	**(9,183)**	**(102)**	**(170)**	**–**	**(9,455)**
Written off		**–**	**–**	**–**	**(8,566)**	**–**	**(17)**	**–**	**(8,583)**
Transfer		**–**	**–**	**709**	**15,030**	**–**	**94**	**(19,755)**	**(3,922)**
At 31 December 2011		**10,399**	**18,952**	**54,562**	**323,757**	**2,066**	**18,579**	**4,132**	**432,447**
Depreciation									
At 1 January 2010		2,589	–	20,007	257,586	2,243	15,896	–	298,321
Depreciation for the year	15	118	–	1,295	9,176	564	833	–	11,986
Disposals		–	–	–	–	(1,531)	(315)	–	(1,846)
Written off		–	–	–	(93)	–	(92)	–	(185)
Transfer to a subsidiary		–	–	–	(12)	(92)	–	–	(104)
At 31 December 2010/ 1 January 2011		**2,707**	**–**	**21,302**	**266,657**	**1,184**	**16,322**	**–**	**308,172**
Depreciation for the year	15	**118**	**–**	**1,332**	**9,861**	**408**	**816**	**–**	**12,535**
Disposals		**–**	**–**	**–**	**(7,865)**	**(102)**	**(133)**	**–**	**(8,100)**
Written off		**–**	**–**	**–**	**(8,554)**	**–**	**(13)**	**–**	**(8,567)**
At 31 December 2011		**2,825**	**–**	**22,634**	**260,099**	**1,490**	**16,992**	**–**	**304,040**
Carrying amounts									
At 1 January 2010		7,810	18,952	32,930	58,094	1,571	1,649	3,498	124,504
At 31 December 2010/ 1 January 2011		**7,692**	**18,952**	**31,784**	**55,516**	**984**	**1,337**	**10,389**	**126,654**
At 31 December 2011		**7,574**	**18,952**	**31,928**	**63,658**	**576**	**1,587**	**4,132**	**128,407**

3. Property, Plant and Equipment (Continued)

3.1 Analysis of cost and valuation for leasehold land and buildings

Certain buildings and leasehold land of the Group and of the Company were revalued in 1981 by independent professional qualified valuers using an open market value method. These assets have continued to be stated on the basis of their 1981 valuations, as allowed by the transitional provision in FRS 116 $_{2004}$.

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Buildings				
Cost	**47,334**	45,775	**46,284**	44,808
Valuation – 1981	**8,278**	8,278	**8,278**	8,278
	55,612	54,053	**54,562**	53,086
Leasehold land				
Cost	**527**	527	**355**	355
Valuation – 1981	**10,044**	10,044	**10,044**	10,044
	10,571	10,571	**10,399**	10,399

The Group has availed itself to the transitional provision when the MASB first issued FRS 116$_{2004}$, *Property, Plant and Equipment* in 2000. Due to the absence of historical records, the Group is not able to provide the carrying amounts of the revalued leasehold land and buildings had they been carried under the cost model.

3.2 Leasehold land

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

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Unexpired lease period less than 50 years	**103**	107	**–**	–
Unexpired lease period more than 50 years	**7,574**	7,692	**7,574**	7,692
	7,677	7,799	**7,574**	7,692

Notes to the Financial Statements

4. Intangible Assets

Group	Note	Goodwill RM'000	Distribution rights RM'000	Computer software RM'000	Total RM'000
Cost					
At 1 January 2010		42,407	338,910	8,881	390,198
Additions		23,452	–	1,254	24,706
Written off		–	–	(34)	(34)
Effect of movements in exchange rates		(469)	(7,429)	(14)	(7,912)
At 31 December 2010/1 January 2011		**65,390**	**331,481**	**10,087**	**406,958**
Additions		**–**	**–**	**767**	**767**
Written off		**–**	**–**	**(363)**	**(363)**
Tranfer from property, plant and equipment	3	**–**	**–**	**3,922**	**3,922**
Effect of movements in exchange rates		**1,282**	**7,495**	**12**	**8,789**
At 31 December 2011		**66,672**	**338,976**	**14,425**	**420,073**
Amortisation					
At 1 January 2010		–	–	7,426	7,426
Amortisation for the year	15	–	–	1,125	1,125
Written off		–	–	(34)	(34)
Effect of movements in exchange rates		–	–	(11)	(11)
At 31 December 2010/1 January 2011		**–**	**–**	**8,506**	**8,506**
Amortisation for the year	15	**–**	**–**	**1,004**	**1,004**
Written off		**–**	**–**	**(363)**	**(363)**
Effect of movements in exchange rates		**–**	**–**	**2**	**2**
At 31 December 2011		**–**	**–**	**9,149**	**9,149**
Carrying amounts					
At 1 January 2010		42,407	338,910	1,455	382,772
At 31 December 2010/1 January 2011		**65,390**	**331,481**	**1,581**	**398,452**
At 31 December 2011		**66,672**	**338,976**	**5,276**	**410,924**

4. Intangible Assets (Continued)

Company	Note	Computer software RM'000
Cost		
At 1 January 2010		7,081
Additions		343
At 31 December 2010/1 January 2011		**7,424**
Additions		**474**
Transfer from property, plant and equipment	3	**3,922**
At 31 December 2011		**11,820**
Amortisation		
At 1 January 2010		6,152
Amortisation for the year	15	726
At 31 December 2010/1 January 2011		**6,878**
Amortisation for the year	15	**507**
At 31 December 2011		**7,385**
Carrying amounts		
At 1 January 2010		929
At 31 December 2010/1 January 2011		**546**
At 31 December 2011		**4,435**

4.1 Impairment testing for cash-generating units containing goodwill

For the purpose of impairment testing, goodwill is allocated to the Group's operating divisions which represent the lowest level within the Group at which the goodwill is monitored for internal management purposes.

The aggregate carrying amount of goodwill allocated to each unit is as follows:

	Group	
	2011 RM'000	2010 RM'000
Subsidiaries		
Luen Heng F & B Sdn. Bhd.	**5,000**	5,000
Carlsberg Singapore Pte. Ltd.	**60,360**	59,026
Subsidiary of a jointly-controlled entity	**1,312**	1,364
	66,672	65,390

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

4. Intangible Assets (Continued)

4.1 Impairment testing for cash-generating units containing goodwill (continued)

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

Luen Heng F&B Sdn. Bhd. ("LHFB")

- Projected profits are expected to approximate net cash flow.
- Profit was projected for 7 years and discounted at 9%. Management believes that this 7 years forecast period was justified due to long-term nature of the alcohol beverage business.

Carlsberg Singapore Pte. Ltd. ("CSPL")

- CSPL would have the continuing rights to distribute (Note 4.2) Carlsberg products in Singapore beyond 20 years.
- Cash flows were projected based on 9 years business projection to perpetuity and discounted at 10%.
- CSPL will continued its operations indefinitely and thus a projection beyond 9 years is used with the assumption of a long term growth rate of 1% per annum from year 10 onwards to obtain terminal projections.

Management believes that any reasonable possible change in the key assumptions would not cause the carrying amounts to exceed the recoverable amounts of the CGUs except for the assumption of CSPL's rights to distribute Carlsberg products in Singapore beyond 20 years. In the event any circumstances arise that would lead to a non-extension of the distribution rights upon the expiry of the 20 years period, the distribution rights and goodwill will need to be impaired.

4.2 Distribution rights

Distribution rights is in relation to the rights for the distribution and sale of Carlsberg products in Singapore by its subsidiary, CSPL. Carlsberg Breweries A/S ("CBAS") has waived, for a period of 20 years from 2009, its right to terminate the license granted by CBAS to CSPL to use the Carlsberg trademark and rights to distribute Carlsberg products in Singapore. After the expiry of the 20 years period, the distribution rights will continue unless terminated by either party upon 12 months prior writen notice.

Management has assessed that it is unlikely that CBAS, its immediate holding company, will terminate the distribution rights after the 20 years period. Accordingly, the distribution rights is deemed to have an indefinite useful life and is not amortised.

5. Investments in Subsidiaries

	Company	
	2011 RM'000	2010 RM'000
Unquoted shares - at cost	**393,672**	393,672

5. Investments in Subsidiaries (Continued)

The following are the subsidiaries of the Group:

Name of company	Principal activities	Country of incorporation	Effective ownership interest 2011	Effective ownership interest 2010
Carlsberg Marketing Sdn. Bhd.	Marketing and distribution of beer, stout, shandy and non-alcoholic beverages	Malaysia	**100%**	100%
Euro Distributors Sdn. Bhd.	Dormant	Malaysia	**100%**	100%
Luen Heng F&B Sdn. Bhd.	Importation, distribution and sale of alcoholic and non-alcoholic beverages	Malaysia	**70%**	70%
Carlsberg Singapore Pte. Ltd. #	Importation and marketing of beer and liquor products	Singapore	**100%**	100%

Not audited by KPMG Malaysia but another member firm of KPMG International.

In conjunction with the investment undertaken in Luen Heng F&B Sdn. Bhd. ("LHFB") in 2009, the Company entered into a call and put option with LHFB's corporate shareholder, Luen Heng Agency Sdn. Bhd. ("LHA"), allowing the acquisition of the remaining interest held by LHA or sale of the Company's interest in LHFB, at any time after three (3) years of the date of the acquisition. The purchase consideration is to be based on LHFB's fair value which is to be determined by an international firm of accountants. Both parties have not exercised their rights during the year.

6. Investment in an Associate

	Group 2011 RM'000	Group 2010 RM'000	Company 2011 RM'000	Company 2010 RM'000
Quoted shares outside Malaysia	**19,936**	19,936	**19,936**	19,936
Share of post-acquisition reserves	**13,471**	6,401	**–**	–
	33,407	26,337	**19,936**	19,936
Market value				
Quoted shares outside Malaysia	**104,463**	97,626	**–**	–

Name of company	Principal activities	Country of incorporation	Effective ownership interest 2011	Effective ownership interest 2010
Lion Brewery (Ceylon) PLC	Manufacturing, marketing and distribution of beer, stout, shandy and non-alcoholic beverages	Sri Lanka	**24.6%**	24.6%

6. Investment in an Associate (Continued)

Summary financial information on associate:

	2011 RM'000	2010 RM'000
Revenue (100%)	**209,989**	141,386
Profit (100%)	**32,277**	22,195
Total assets (100%)	**260,778**	177,479
Total liabilities (100%)	**103,599**	66,817

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 immediate holding company incorporated in Denmark, allowing Carlsberg A/S to acquire the Company's interest in the associate, should certain events occur. The purchase consideration is to be based on an agreed formula and in any event to be a minimum of the original purchase price paid by the Company. The Directors of the Company consider the likelihood of occurrence of such events as remote and hence, the option's fair value is insignificant.

7. Investment in a Jointly-Controlled Entity

	Company 2011 RM'000	2010 RM'000
At cost:		
Unquoted shares	**5,366**	5,366
Less: Impairment loss	**(5,366)**	(5,366)
	–	–

Name of company	Principal activities	Country of incorporation	Proportion of ownership interest 2011	2010
Carlsberg Distributors Taiwan Limited ("CDTL")	Packaging, marketing, and distribution of beer, stout, shandy and non-alcoholic beverages	Taiwan	**50%**	50%
Subsidiary of CDTL				
Carlsberg Cottingham Ltd	Distribution of premium beers, hard liquor products and other beverages	Taiwan	**75%**	75%

7. Investment in a Jointly-Controlled Entity (Continued)

The jointly-controlled entity has the following effect on the Group's operating results, assets and liabilities:

	2011 RM'000	2010 RM'000
Long-term assets, net	**1,636**	1,755
Current assets, net	**9,983**	6,662
Current liabilities, net	**(21,306)**	(14,045)
Group's share of net liabilities	**(9,687)**	(5,628)
Revenue, net	**21,675**	15,267
Expenses, net	**(24,549)**	(17,199)
Decrease in the Group's profit for the year	**(2,874)**	(1,932)

8. Receivables, Deposits and Prepayments

		Group		Company	
	Note	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Non-current					
Loan to a subsidiary	8.1	**–**	–	**8,998**	10,100
Current					
Trade					
Trade receivables		**196,292**	178,696	**–**	–
Allowance for impairment loss	21.4	**(15,270)**	(3,496)	**–**	–
		181,022	175,200	**–**	–
Amount due from subsidiaries	8.2	**–**	–	**25,036**	44,835
Amount due from related companies	8.2	**47**	2,952	**47**	115
		181,069	178,152	**25,083**	44,950
Non-trade					
Amount due from related companies	8.2	**2**	–	**2**	–
Other receivables		**5,487**	5,728	**1,457**	2,276
Deposits		**16,190**	7,142	**12,070**	6,384
Prepayments		**28,360**	16,201	**26**	17
		50,039	29,071	**13,555**	8,677
		231,108	207,223	**38,638**	53,627

8.1 Loan to a subsidiary

The loan to a subsidiary is unsecured, and carries interest at a rate calculated as the average of the base lending rate and fixed deposit rate of Malayan Banking Berhad of 4.55% - 4.85% (2010: 3.78% - 4.53%) on such outstanding amount from time to time. The loan is repayable upon the directives by the Directors.

8.2 Amounts due from subsidiaries and related companies

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

9. Deferred Tax Liabilities

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

Group	Assets 2011 RM'000	Assets 2010 RM'000	Liabilities 2011 RM'000	Liabilities 2010 RM'000	Net 2011 RM'000	Net 2010 RM'000
Distribution rights	**–**	–	**(57,651)**	(56,376)	**(57,651)**	(56,376)
Property, plant and equipment						
– capital allowance	**–**	–	**(18,996)**	(16,931)	**(18,996)**	(16,931)
– revaluation	**–**	–	**(1,025)**	(1,025)	**(1,025)**	(1,025)
Others	**1,675**	1,505	**–**	–	**1,675**	1,505
Tax assets/(liabilities)	**1,675**	1,505	**(77,672)**	(74,332)	**(75,997)**	(72,827)
Set off of tax	**(1,639)**	(1,505)	**1,639**	1,505	**–**	–
Net tax assets/ (liabilities)	**36**	–	**(76,033)**	(72,827)	**(75,997)**	(72,827)

Company	Assets 2011 RM'000	Assets 2010 RM'000	Liabilities 2011 RM'000	Liabilities 2010 RM'000	Net 2011 RM'000	Net 2010 RM'000
Property, plant and equipment						
– capital allowance	**–**	–	**(17,252)**	(15,031)	**(17,252)**	(15,031)
– revaluation	**–**	–	**(1,025)**	(1,025)	**(1,025)**	(1,025)
Others	**1,263**	547	**–**	–	**1,263**	547
Tax assets/(liabilities)	**1,263**	547	**(18,277)**	(16,056)	**(17,014)**	(15,509)
Set off of tax	**(1,263)**	(547)	**1,263**	547	**–**	–
Net tax liabilities	**–**	–	**(17,014)**	(15,509)	**(17,014)**	(15,509)

Movement in temporary differences during the year

	At 1.1.2010 RM'000	Exchange differences RM'000	Recognised in profit or loss (note 17) RM'000	At 31.12.2010 RM'000	Exchange differences RM'000	Recognised in profit or loss (note 17) RM'000	At 31.12.2011 RM'000
Group							
Distribution rights	(57,640)	1,264	–	(56,376)	(1,275)	–	**(57,651)**
Property, plant and equipment	(16,907)	–	(1,049)	(17,956)	–	(2,065)	**(20,021)**
Others	2,219	–	(714)	1,505	–	170	**1,675**
	(72,328)	1,264	(1,763)	(72,827)	(1,275)	(1,895)	**(75,997)**
Company							
Property, plant and equipment	(15,811)	–	(245)	(16,056)	–	(2,221)	**(18,277)**
Others	1,323	–	(776)	547	–	716	**1,263**
	(14,488)	–	(1,021)	(15,509)	–	(1,505)	**(17,014)**

9. Deferred Tax Liabilities (Continued)

Unrecognised deferred tax assets

Deferred tax assets of a jointly-controlled entity have not been recognised in respect of the following items:

	Group	
	2011 RM'000	2010 RM'000
Unutilised tax losses (100%)	**6,252**	5,439
Other (100%)	**407**	(14)
	6,659	5,425
Group's share of the unrecognised deferred tax asset	**3,330**	2,713

Tax losses carry-forward is in respect of a jointly-controlled entity incorporated in Taiwan. The deferred tax assets have not been recognised in respect of the unutilised tax losses carry-forward because it is not probable that future taxable profit will be available against which the Group can utilise the benefit there from. Under Taiwan tax legislation, the unutilised tax losses, can be carried forward for a period of 10 years.

10. Inventories

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Finished goods	**48,527**	32,129	**8,300**	6,536
Work-in-progress	**2,363**	2,518	**2,363**	2,518
Raw, packaging and other materials	**7,842**	9,634	**7,696**	9,461
Spare parts for machinery	**3,806**	4,553	**3,310**	3,904
	62,538	48,834	**21,669**	22,419
Recognised in profit or loss:				
Write down to net realisable value	**1,832**	766	**725**	1
Raw, packaging and other materials written off	**2,338**	–	**2,338**	–
Finished goods written off	**1,889**	361	**823**	257
	4,227	361	**3,161**	257

Due to the change in the design of the packaging materials in 2011, the Group wrote down the related inventories resulting in a loss of RM2.34 million (2010: Nil). All of the items above are included in cost of sales.

11. Cash and Cash Equivalents

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Deposits with licensed banks	**1,554**	29,133	**1,554**	16,545
Cash and bank balances	**70,642**	72,237	**7,492**	18,125
	72,196	101,370	**9,046**	34,670

Notes to the Financial Statements

12. Share Capital and Reserves

Share capital

	Group and Company			
	Amount 2011 RM'000	Number of shares 2011 '000	Amount 2010 RM'000	Number of shares 2010 '000
Authorised:				
Ordinary shares of RM0.50 each	**300,000**	**600,000**	300,000	600,000
Issued and fully paid:				
Ordinary shares of RM0.50 each	**154,039**	**308,078**	154,039	308,078

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets. In respect of the Company's treasury shares that are held by the Group and the Company (see Note 12.4), all rights are suspended until those shares are reissued.

Reserves

		Group		Company	
	Note	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Non-distributable reserves:					
Share premium		**7,367**	7,367	**7,367**	7,367
Other reserves:					
Capital reserve	12.1	**8,678**	8,678	**4,747**	4,747
Exchange reserve	12.2	**(8,086)**	(17,322)	**–**	–
Share option reserve	12.3	**54**	476	**219**	773
		8,013	(801)	**12,333**	12,887
Distributable reserves:					
Retained earnings	12.5	**477,124**	438,232	**379,026**	381,068
Treasury shares	12.4	**(12,043)**	(12,043)	**(12,043)**	(12,043)
		473,094	425,388	**379,316**	381,912

12.1 Capital reserve

The capital reserve comprises revaluation reserve on long term leasehold properties held by the Company after adjusting for the potential deferred tax liability as required by FRS 112 and capitalisation of a subsidiary's retained earnings upon its bonus issue of shares previously.

The details are as follows:

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Revaluation reserve	**4,747**	4,747	**4,747**	4,747
Capitalisation upon bonus issue by a subsidiary	**3,931**	3,931	**–**	–
	8,678	8,678	**4,747**	4,747

12. Share Capital and Reserves (Continued)

12.2 Exchange reserve

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

12.3 Share option reserve

The share option reserve comprises the cumulative value of employee services received for the issue of share options by the holding company. The grant date fair value of the share options granted to these employees is recognised as an employee expense in profit or loss and a corresponding increase in equity, over the period that the employees become unconditionally entitled to the options. Any recharge by Carlsberg A/S in excess of the initial capital contribution initially recognised in the equity is treated as a capital distribution and would be recorded directly in equity.

12.4 Treasury shares

In 1999 via a resolution passed in a general meeting, the Company repurchased 2,330,000* of its issued share capital from the open market. The aggregate consideration paid for the repurchased shares was RM12,043,000, representing an average price of RM5.17* per ordinary share. The shares repurchased are being held as treasury shares in accordance with the provisions of Section 67A of the Companies Act, 1965.

No further shares were repurchased during the financial year ended 31 December 2011 and none of the previously repurchased shares were reissued, distributed as share dividends, resold or cancelled.

* After adjusting for the share split exercise in 2005.

12.5 Retained earnings

Subject to agreement by the Inland Revenue Board, the Company has sufficient Section 108 tax credit and tax exempt income to frank all of its distributable reserves as at 31 December 2011 if paid out as dividends.

The Finance Act 2007 introduced a single tier company income tax system with effect from year of assessment 2008. As such, the Section 108 tax credit as at 31 December 2007 will be available to the Company until such time the credit is fully utilised or upon expiry of the six-year transitional period on 31 December 2013, whichever is earlier.

13. Payables and Accruals

	Note	Group 2011 RM'000	Group 2010 RM'000	Company 2011 RM'000	Company 2010 RM'000
Trade					
Trade payables		**145,064**	142,980	**49,069**	43,706
Amount due to immediate holding company	13.1	**13,948**	7,351	**9,444**	982
Amount due to related companies	13.1	**5,332**	5,903	**3,213**	3,112
		164,344	156,234	**61,726**	47,800
Non-trade					
Other payables	13.2	**26,537**	27,405	**5,085**	6,943
Accrued expenses		**22,264**	28,303	**10,167**	13,301
Amount due to ultimate holding company	13.3	**368**	470	**368**	222
Amount due to related companies	13.3	**672**	496	**671**	457
		49,841	56,674	**16,291**	20,923
		214,185	212,908	**78,017**	68,723

13.1 Amount due to immediate holding company and related companies

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

13.2 Other payables

Included in other payables of the Group is a loan given to a subsidiary by its non-controlling shareholder amounting to RM3.68 million (2010: RM4.29 million). The loan is unsecured, carries interest at a rate calculated as the average of the base lending rate and fixed deposit rate of Malayan Banking Berhad of 4.55% - 4.85% (2010: 3.78% - 4.53%) on such outstanding amount from time to time and is repayable on demand.

13.3 Amount due to ultimate holding company and related companies

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

14. Loans and Borrowings

	Group 2011 RM'000	Group 2010 RM'000	Company 2011 RM'000	Company 2010 RM'000
Current- unsecured				
Short term bank loan	**14,251**	10,645	**–**	–
Revolving credits	**8,000**	42,306	**–**	40,306
	22,251	52,951	**–**	40,306

The short term bank loan and revolving credits of the Group are subjected to interests ranging from 3.40% - 6.25% (2010: 2.96% - 3.09%) and 4.68% (2010: 2.96% - 3.09%) respectively per annum.

15. Operating Profit

	Note	Group 2011 RM'000	Group 2010 RM'000	Company 2011 RM'000	Company 2010 RM'000
Operating profit arrived at after charging:					
Amortisation of intangible assets		**1,004**	1,125	**507**	726
Auditors' remuneration					
– Audit services		**174**	162	**99**	91
Depreciation of property, plant and equipment		**19,086**	17,698	**12,535**	11,986
Finance costs		**4,385**	4,594	**1,954**	3,108
Inventories written down to net realisable value		**1,832**	766	**725**	1
Inventories written off		**4,227**	361	**3,161**	257
Impairment loss on receivables		**11,978**	609	**–**	–
Loss on disposal of property, plant and equipment		**–**	–	**559**	–
Personnel expenses (including key management personnel):					
– Contributions to Employees Provident Fund		**7,421**	7,086	**2,464**	2,378
– Contributions to other defined contribution plan		**543**	494	**265**	248
– Wages, salaries and others		**70,398**	68,825	**26,661**	25,588
Property, plant and equipment written off		**196**	30	**16**	6
Rental of land and buildings		**2,438**	1,441	**1,091**	312
Realised foreign exchange loss		**–**	307	**241**	103
Unrealised foreign exchange loss		**–**	1,056	**151**	–
Operating profit arrived at after crediting:					
Bad debts recovered		**689**	602	**–**	–
Dividend income from unquoted subsidiaries		**–**	–	**121,337**	114,980
Dividend income from a foreign quoted associate		**–**	–	**2,165**	1,652
Gain on disposal of property, plant and equipment		**2,182**	1,350	**–**	618
Interest income		**783**	1,084	**867**	1,176
Realised foreign exchange gain		**29**	–	**–**	–
Rental income from subsidiary		**–**	–	**840**	840
Unrealised foreign exchange gain		**475**	–	**–**	129

16. Key Management Personnel Compensation

The key management personnel compensation are as follows:

	Group 2011 RM'000	Group 2010 RM'000	Company 2011 RM'000	Company 2010 RM'000
Directors:				
– Fees	**160**	116	**160**	116
– Remuneration	**1,376**	1,486	**1,376**	1,486
– Other short term employee benefits (including estimated monetary value of benefits-in-kind)	**1,167**	1,231	**1,167**	1,231
	2,703	2,833	**2,703**	2,833
– Post-employment benefits	**121**	103	**121**	103
– Share-based payments	**–**	167	**–**	167
	2,824	3,103	**2,824**	3,103
Other key management personnel:				
– Short term employee benefits	**3,544**	3,248	**2,416**	1,802
– Post-employment benefits	**97**	144	**88**	72
– Share-based payments	**–**	162	**–**	111
	3,641	3,554	**2,504**	1,985
	6,465	6,657	**5,328**	5,088

Other key management personnel comprises persons other than the Directors of Group entities, having authority and responsibility for planning, directing and controlling the activities of the entity either directly or indirectly.

17. Tax Expense

Recognised in profit or loss

Major components of tax expense include:

	Note	Group 2011 RM'000	Group 2010 RM'000	Company 2011 RM'000	Company 2010 RM'000
Current tax expense					
Malaysian					
– current year		**33,819**	31,447	**2,364**	11,635
– under/(over) provision in prior years		**3,266**	(702)	**456**	(76)
Overseas					
– current		**14,000**	9,905	**–**	–
– under provision in prior year		**14**	–	**–**	–
Total current tax		**51,099**	40,650	**2,820**	11,559
Deferred tax expense					
Origination and reversal of temporary differences		**860**	(280)	**584**	(269)
Under provision in prior years		**1,035**	2,043	**921**	1,290
Total deferred tax recognised in profit or loss	9	**1,895**	1,763	**1,505**	1,021
Total tax expense		**52,994**	42,413	**4,325**	12,580

17. Tax Expense (Continued)

Reconciliation of tax expense

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Profit before tax	**220,374**	176,536	**129,551**	158,878
Share of profit after tax of equity accounted associate	**(7,940)**	(5,460)	**–**	–
Profit before tax excluding share of profit after tax of equity accounted associate	**212,434**	171,076	**129,551**	158,878
Tax at Malaysian tax rate of 25% (2010: 25%)	**53,109**	42,769	**32,388**	39,720
Effect of tax in foreign jurisdiction	**(5,681)**	(4,214)	**–**	–
Non taxable income	**–**	(29)	**(30,972)**	(28,745)
Non-deductible expenses	**4,143**	4,588	**1,532**	449
Double deduction on permitted expenses	**(2,818)**	(2,616)	**–**	–
Other items	**(228)**	(52)	**–**	(58)
Current year losses for which no deferred tax asset was recognised	**154**	626	**–**	–
	48,679	41,072	**2,948**	11,366
Under provision in prior years	**4,315**	1,341	**1,377**	1,214
Tax expense	**52,994**	42,413	**4,325**	12,580

18. Earnings Per Ordinary Share

Basic earnings per ordinary share

The calculation of basic earnings per ordinary share as at 31 December 2011 was based on the profit attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding calculated as follows:

Profit attributable to ordinary shareholders

	Group	
	2011 RM'000	2010 RM'000
Profit for the year attributable to shareholders	**166,160**	133,242

Weighted average number of ordinary shares

	Group	
	2011 '000	2010 '000
Issued ordinary shares as at 1 January/31 December	**308,078**	308,078
Effect of treasury shares held	**(2,330)**	(2,330)
	305,748	305,748
Basic earnings per ordinary share (sen)	**54.35**	43.58

Notes to the Financial Statements

19. Dividends

Dividends recognised in the current year by the Company are:

	Sen per share (net of tax)	Total amount RM'000	Date of payment
2011			
First interim 2011 ordinary	**3.8**	**11,466**	**7 October 2011**
Final 2010 ordinary	**5.6**	**17,198**	**20 May 2011**
Special Final 2010 ordinary	**32.3**	**98,604**	**20 May 2011**
Total amount		**127,268**	
2010			
First 2010 ordinary	3.8	11,466	8 October 2010
Second interim 2010 ordinary	1.9	5,732	8 October 2010
Final 2009 ordinary	5.6	17,198	18 May 2010
Special Final 2009 ordinary	7.9	24,078	18 May 2010
Total amount		58,474	

After the reporting period, the following dividends were proposed by the Directors. These dividends will be recognised in subsequent financial reports upon approval by the shareholders.

	Sen per share (net of tax)	Total amount RM'000
2011		
Final and special ordinary	**49.1**	**150,199**
Final ordinary – tax exempt	**2.0**	**6,115**
Total amount		**156,314**

20. Operating Segments

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

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.

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

- Malaysia – Includes manufacturing, marketing and distribution of both alcoholic and non-alcholic beverages in Malaysia.
- Singapore – Includes marketing and distribution of both alcoholic and non-alcoholic beverages in Singapore.
- Others – Includes marketing and distribution of both alcoholic and non-alcoholic beverages in geographical locations other than Malaysia and Singapore.

20. Operating Segments (Continued)

Segment assets, liabilities and capital expenditures

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

	Malaysia RM'000	Singapore RM'000	Others RM'000	Total RM'000
2011				
Segment profit/(loss)	**142,437**	**77,019**	**(3,117)**	**216,339**
Included in the measure of segment profit are:				
Revenue from external customers	**1,117,964**	**349,717**	**21,675**	**1,489,356**
Inter-segment revenue	**62,000**	**–**	**–**	**62,000**
Depreciation and amortisation	**(18,983)**	**(957)**	**(150)**	**(20,090)**
Not included in the measure of segment profit but provided to Managing Director:				
Finance costs	**(3,457)**	**(277)**	**(651)**	**(4,385)**
Interest income	**781**	**–**	**2**	**783**
Income tax expense	**(38,977)**	**(14,017)**	**–**	**(52,994)**
Share of profit of equity accounted associate, net of tax	**–**	**–**	**7,940**	**7,940**
2010				
Segment profit/(loss)	124,393	52,744	(2,172)	174,965
Included in the measure of segment profit are:				
Revenue from external customers	1,038,432	314,459	15,267	1,368,158
Inter-segment revenue	52,586	–	–	52,586
Depreciation and amortisation	(18,021)	(664)	(138)	(18,823)
Not included in the measure of segment profit but provided to Managing Director:				
Finance costs	(4,140)	(74)	(380)	(4,594)
Interest income	1,084	–	–	1,084
Income tax expense	(32,399)	(10,014)	–	(42,413)
Share of profit of equity accounted associate, net of tax	–	–	5,460	5,460

Notes to the Financial Statements

20. Operating Segments (Continued)

Reconciliations of segment profit or loss

	2011 RM'000	2010 RM'000
Profit		
Total segment profit	**216,339**	174,965
Inter-segment elimination	**(303)**	(379)
Finance costs	**(4,385)**	(4,594)
Interest income	**783**	1,084
Share of profit of equity accounted associate, net of tax	**7,940**	5,460
Consolidated profit before tax	**220,374**	176,536

Geographical segments

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

Geographical location	Revenue RM'000	Non-current assets RM'000
2011		
Malaysia	**1,111,678**	**154,166**
Singapore	**349,717**	**402,109**
Hong Kong	**1,173**	**–**
Taiwan	**21,675**	**1,636**
Other countries	**5,113**	**–**
	1,489,356	**557,911**
2010		
Malaysia	1,012,901	147,966
Singapore	314,459	392,972
Hong Kong	13,792	–
Taiwan	15,267	1,753
Other countries	11,739	–
	1,368,158	542,691

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

21. Financial Instruments

21.1 Categories of financial instruments

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

(a) Loans and receivables (L&R);

(b) Other financial liabilities measured at amortised cost (OL).

	Carrying Amount RM'000	L&R/ (OL) RM'000	Others RM'000
2011			
Financial assets			
Group			
Trade and other receivables	**231,108**	**202,748**	**28,360**
Cash and cash equivalents	**72,196**	**72,196**	**–**
	303,304	**274,944**	**28,360**
Company			
Trade and other receivables	**38,638**	**38,612**	**26**
Cash and cash equivalents	**9,046**	**9,046**	**–**
Loan to a subsidiary	**8,998**	**8,998**	**–**
	56,682	**56,656**	**26**
2011			
Financial liabilities			
Group			
Loans and borrowings	**(22,251)**	**(22,251)**	**–**
Trade and other payables	**(214,185)**	**(214,185)**	**–**
	(236,436)	**(236,436)**	**–**
Company			
Trade and other payables	**(78,017)**	**(78,017)**	**–**
2010			
Financial assets			
Group			
Trade and other receivables	207,223	191,022	16,201
Cash and cash equivalents	101,370	101,370	–
	308,593	292,392	16,201
Company			
Trade and other receivables	53,627	53,610	17
Cash and cash equivalents	34,670	34,670	–
Loan to a subsidiary	10,100	10,100	–
	98,397	98,380	17

21. Financial Instruments (Continued)

21.1 Categories of financial instruments (continued)

	Carrying Amount RM'000	L&R/ (OL) RM'000	Others RM'000
2010			
Financial liabilities			
Group			
Loans and borrowings	(52,951)	(52,951)	–
Trade and other payables	(212,908)	(212,908)	–
	(265,859)	(265,859)	–
Company			
Loans and borrowings	(40,306)	(40,306)	–
Trade and other payables	(68,723)	(68,723)	–
	(109,029)	(109,029)	–

21.2 Net gains and losses arising from financial instruments

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

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Loans and receivables	**(10,663)**	(326)	**329**	779
Financial liabilities measured at amortised cost	**(4,253)**	(4,435)	**(1,915)**	(3,008)

21.3 Financial risk management

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

- Credit risk
- Liquidity risk
- Market risk

21.4 Credit risk

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

Receivables

Risk management objectives, policies and processes for managing the risk

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on new customers requiring credit. The Group normally requires collateral from its customers. The collaterals held by the Group currently is RM37.8 million (2010: RM41.5 million).

Exposure to credit risk, credit quality and collateral

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

21. Financial Instruments (Continued)

21.4 Credit risk (continued)

Receivables (continued)

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

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

	Group	
	2011 RM'000	2010 RM'000
Malaysia	**143,607**	123,202
Singapore	**36,406**	51,036
Others	**1,009**	962
	181,022	175,200

Impairment losses

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

Group 2011	Gross RM'000	Individual impairment RM'000	Net RM'000
Not past due	**115,429**	**–**	**115,429**
Past due 1 – 30 days	**32,961**	**–**	**32,961**
Past due 31 – 60 days	**10,767**	**–**	**10,767**
Past due 61 – 90 days	**12,046**	**–**	**12,046**
Past due more than 90 days	**25,089**	**(15,270)**	**9,819**
	196,292	**(15,270)**	**181,022**

Group 2010	Gross RM'000	Individual impairment RM'000	Net RM'000
Not past due	139,982	–	139,982
Past due 1 – 30 days	11,925	–	11,925
Past due 31 – 60 days	18,544	–	18,544
Past due 61 – 90 days	2,850	–	2,850
Past due more than 90 days	5,395	(3,496)	1,899
	178,696	(3,496)	175,200

Notes to the Financial Statements

21. Financial Instruments (Continued)

21.4 Credit risk (continued)

Receivables (continued)

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

	Group	
	2011 RM'000	2010 RM'000
At 1 January	**(3,496)**	(3,300)
Impairment loss recognised	**(12,722)**	(1,612)
Impairment loss reversed	**744**	1,003
Impairment loss written off	**204**	413
At 31 December	**(15,270)**	(3,496)

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

Intercompany balances

Risk management objectives, policies and processes for managing the risk

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

Exposure to credit risk and credit quality

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

Impairment losses

As at the end of the reporting period, there was no indication that the loans and advances to the subsidiaries were not recoverable. The Company does not specifically monitor the ageing of the advances to the subsidiaries. Nevertheless, these advances have been overdue for less than a year. Non-current loans to subsidiaries are not overdue.

Cash and cash equivalents

Risk management objectives, policies and processes for managing the risk

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

Cash and cash equivalents are placed with licensed financial institutions.

Exposure to credit risk and credit quality

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

Impairment losses

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

21.5 Liquidity risk

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

21. Financial Instruments (Continued)

21.5 Liquidity risk (continued)

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

Maturity analysis

	Carrying amount RM'000	Contractual interest rate	Contractual cash flows RM'000	Under 1 year RM'000
Group				
2011				
Payables and accruals	**210,499**	**–**	**210,499**	**210,499**
Loan from a subsidiary's non-controlling shareholder	**3,686**	**4.55% - 4.85%**	**3,859**	**3,859**
Bank borrowings	**22,251**	**3.40% - 6.25%**	**22,519**	**22,519**
	236,436	**–**	**236,877**	**236,877**
Company				
2011				
Payables and accruals	**78,017**	**–**	**78,017**	**78,017**

	Carrying amount RM'000	Contractual interest rate	Contractual cash flows RM'000	Under 1 year RM'000
Group				
2010				
Payables and accruals	208,622	–	208,622	208,622
Loan from a subsidiary's non-controlling shareholder	4,286	3.78% - 4.53%	4,464	4,464
Bank borrowings	52,951	2.96% - 3.09%	54,553	54,553
	265,859	–	267,639	267,639
Company				
2010				
Payables and accruals	68,723	–	68,723	68,723
Bank borrowings	40,306	2.96% - 3.09%	40,618	40,618
	109,029	–	109,341	109,341

21.6 Market risk

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

21.6.1 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).

Notes to the Financial Statements

21. Financial Instruments (Continued)

21.6 Market risk (continued)

21.6.1 Currency risk (continued)

Risk management objectives, policies and processes for managing the risk

The Group and the Company did not hedge any foreign trade receivables and trade payables denominated in foreign currency during the year. In respect of other monetary assets and liabilities held in currencies other than RM and Singapore Dollar, the Group ensures that the net exposure is kept to an acceptable level.

Currency risk sensitivity analysis

The exposure to currency risk of Group entities which do not have a USD functional currency is not material and hence, sensitivity analysis is not presented.

21.6.2 Interest rate risk

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

Risk management objectives, policies and processes for managing the risk

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

Exposure to interest rate risk

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

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Fixed rate instruments				
Deposits with licensed banks	**1,554**	29,133	**1,554**	16,545
Short term bank loan	**(14,251)**	(10,645)	**–**	–
Floating rate instruments				
Loan to a subsidiary	**–**	–	**8,998**	10,100
Loan from a subsidiary's non-controlling shareholder	**(3,686)**	(4,286)	**–**	–
Revolving credits	**(8,000)**	(42,306)	**–**	(42,306)

Interest rate risk sensitivity analysis

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

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

21.7 Fair value of financial instruments

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

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

22. Capital Management

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

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

23. Operating Leases

Leases as lessee

Non-cancellable operating lease rentals are payable as follows:

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Less than one year	**621**	343	**389**	343
Between one and five years	**217**	65	**78**	65
	838	408	**467**	408

The Group and the Company lease a number of sales offices under operating leases. The leases typically run for a period of two (2) years, with an option to renew the lease after the date of expiration. None of the leases includes contingent rentals.

24. Capital Commitments

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Capital expenditure commitments				
Plant and equipment				
Authorised but not contracted for	**570**	330	**–**	119

25. Related Parties

Identity of related parties

For the purposes of these financial statements, parties are considered to be related to the Company if 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 Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

The Company has a related party relationship with the holding company and its related corporations, its subsidiaries (see Note 5), an associate (see Note 6), a jointly-controlled entity (see Note 7), Directors and key management personnel.

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel includes all the Directors of the Group, and certain members of senior management of the Group.

25. Related Parties (Continued)

Details of the related party transactions (other than key management personnel remuneration disclosed in Note 16 to the financial statements) with the Group are as follows:

	Transaction value year ended 31 December	
	2011 RM'000	2010 RM'000
Group		
Immediate holding company		
Management fees payable	**3,824**	3,217
Purchases of materials and products	**911**	505
Reimbursement of expenses	**9,393**	4,356
Royalties payable	**22,062**	32,486
Related companies		
Purchases of materials and products	**31,237**	30,989
Purchases of services	**446**	489
Sale of goods and services	**1,235**	13,792
Rental of premises	**754**	754
Purchases of materials and services	**684**	918
Company		
Immediate holding company		
Management fees payable	**2,810**	1,966
Purchases of materials and products	**623**	505
Reimbursement of expenses	**7,401**	2,071
Royalties payable	**5,483**	5,110
Subsidiaries		
Sale of goods and services	**745,544**	755,695
Transfer of property, plant and equipment at net book value	**–**	53
Management fee received	**11,500**	11,500
Rental income	**840**	840
Dividend income	**121,337**	114,980
Interest received	**427**	425
Related companies		
Purchases of services	**446**	452
Purchases of materials and products	**19,923**	21,569

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 8 and 13.

26. Acquisition of a Subsidiary

During the financial year ended 31 December 2009, the Company acquired Carlsberg Singapore Pte. Ltd. ("CSPL").

The total purchase consideration amounted to RM375,975,000 of which included a deferred purchase consideration payable of RM175,108,000. The deferred purchase consideration was fully settled in 2010.

Subsequent to the finalisation of the final adjustment relating to the working capital of CSPL pursuant to the clause stated in the purchase agreement, the Company paid an additional SGD10,000,000 or equivalent to approximately RM23,452,000.

27. Subsequent Event

On 22 February 2012, Carlsberg Distributors Taiwan Ltd. ("CDTL"), a jointly-controlled entity of the Company, had undertaken a capital restructuring exercise. The capital restructuring exercise is expected to result in the dilution of the Company's shareholdings in CDTL from 50% to 0.36%. This exercise is expected to be completed by the end of the first quarter of 2012. The Directors do not expect any material financial impact arising from the capital restructuring exercise to the Group.

28. Supplementary Information on the Breakdown of Realised and Unrealised Profits or Losses

The breakdown of the retained earnings of the Group and of the Company as at 31 December 2011, into realised and unrealised profits, pursuant to the issuance of a directive by Bursa Malaysia Securities Berhad ("Bursa Malaysia") to all listed issuers pursuant to Paragraphs 2.06 and 2.23 of Bursa Malaysia Main Market Listing Requirements, is as follows:

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Total retained earnings of the Company and its subsidiaries:				
– realised	**525,600**	518,844	**396,191**	395,814
– unrealised	**(17,867)**	(18,095)	**(17,165)**	(14,746)
	507,733	500,749	**379,026**	381,068
Total retained earnings of associate:				
– realised	**18,369**	5,460	**–**	–
– unrealised	**(3,106)**	–	**–**	–
	522,996	506,209	**379,026**	381,068
Total retained earnings of jointly-controlled entities:				
– realised	**(13,219)**	(10,309)	**–**	–
– unrealised	**(7)**	(42)	**–**	–
	509,770	495,858	**379,026**	381,068
Less: Consolidation adjustments	**(32,646)**	(57,626)	**–**	–
Total retained earnings	**477,124**	438,232	**379,026**	381,068

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

Statement by Directors

PURSUANT TO SECTION 169(15) OF THE COMPANIES ACT, 1965

In the opinion of the Directors, the financial statements set out on pages 82 to 131 are drawn up in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 December 2011 and of their financial performance and cash flows for the year then ended.

In the opinion of the Directors, the information set out in Note 28 to the financial statements has been compiled in accordance with the Guidance on Special Matter No.1, *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements,* issued by the Malaysian Institute of Accountants, and presented based on the format prescribed by Bursa Malaysia Securities Berhad.

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

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

Soren Ravn
Managing Director

Shah Alam
19 March 2012

Statutory Declaration

PURSUANT TO SECTION 169(16) OF THE COMPANIES ACT, 1965

I, **Lew Yoong Fah**, the officer primarily responsible for the financial management of Carlsberg Brewery Malaysia Berhad, do solemnly and sincerely declare that the financial statements set out on pages 82 to 131 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the above named in Kuala Lumpur on 19 March 2012.

Lew Yoong Fah

Before me:
Charanjit Kaur A/P Pritam Singh
(No. W606)
Commissioner of Oaths

Kuala Lumpur
19 March 2012

Independent Auditors' Report

TO THE MEMBERS OF CARLSBERG BREWERY MALAYSIA BERHAD

Report on the Financial Statements

We have audited the financial statements of Carlsberg Brewery Malaysia Berhad, which comprise the statements of financial position as at 31 December 2011 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 year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 82 to 131.

Directors' Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 December 2011 and of their financial performance and cash flows for the year then ended.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report the following:

(a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.

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

(c) We are satisfied that the accounts of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.

(d) The audit reports on the accounts of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

Independent Auditors' Report

TO THE MEMBERS OF CARLSBERG BREWERY MALAYSIA BERHAD

Other Reporting Responsibilities

Our audit was made for the purpose of forming an opinion on the financial statements taken as a whole. The information set out in Note 28 to the financial statements has been compiled by the Company as required by the Bursa Malaysia Securities Berhad Listing Requirements. We have extended our audit procedures to report on the process of compilation of such information. In our opinion, the information has been properly compiled, in all material respects, in accordance with the Guidance of Special Matter No.1, *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements,* issued by the Malaysian Institute of Accountants and presented based on the format prescribed by Bursa Malaysia Securities Berhad.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

KPMG
Firm Number: AF 0758
Chartered Accountants

Thong Foo Vung
Approval Number: 2867/08/12(J)
Chartered Accountant

Petaling Jaya, Selangor
19 March 2012

Carlsberg Malaysia's Sales Offices

Alor Setar
C/O Chuan Leong Trading (Kedah) Sdn Bhd
No.30, Pengkalan Kapal,
05000 Alor Setar, Kedah.
Tel : 04-732 1025 / 734 3712
Fax : 04-734 3318

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

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

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

Kuantan
No. 25, Jalan IM 14/3,
Kawasan Perindustrian Ringan,
Indera Mahkota,
25200 Kuantan, Pahang.
Tel : 09-508 8348 / 508 8349
Fax : 09-508 8343

Mentakab
C/O Lit Tat Trading Sdn Bhd
PT 1303B, Jalan Industrial 4,
Taman Industrial Park,
28400 Mentakab, Pahang.
Tel : 09-278 3710
Fax : 09-278 3161

Shah Alam
Lot 22, Jalan Pengapit 15/9,
Seksyen 15,
40200 Shah Alam,
Selangor.
Tel : 03-5522 6688
Fax : 03-5510 1135

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

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

Batu Pahat
No. 24, Jalan Tukas Satu,
Taman Soga,
83000 Batu Pahat,
Johor Darul Takzim.
Tel : 07-433 2463
Fax : 07-433 2464

Johor Bahru
C/O Mutiara Hotel
Johor Bahru Lobby Level,
Shopping Arcade,
Shoplot No. 4 & No. 5,
Jalan Dato Sulaiman,
Century Garden,
80250 Johor Bahru.

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

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

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

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

Miri
Lot 1415, Ground Floor,
Lorong 5, Jalan Krokop,
98009 Miri, Sarawak.
Tel : 085-417 821 / 427 821
Fax : 085-437 821

Sibu
C/O Ee Chung Han Co. Sdn Bhd
Lot 1248-1249, Lorong Sukun 18,
Off Jalan Teng Kung Suk,
Upper Lanang,
96007 Sibu, Sarawak.
Tel/Fax : 084-213 892

Particulars of Group Properties

The Properties included in land and buildings as at 31 December 2011 (Note 3 to the Financial Statements) and their net book values are indicated below :-

Address	Description	Area (Acres)	Existing Use	Land Tenure	Approx. Age of Building (Years)	Net Book Value RM'000	Date of Acquisition or Revaluation
55, Persiaran Selangor, Section 15, 40200 Shah Alam, Selangor Darul Ehsan.	Land and Building	20.00	Brewery and Offices	Leasehold expiring 23.2.2070	41	31,104	31/3/81 (revaluation)
Lot 6, No. 34 Towering Industrial Estate, Mile 4 1/2, Jalan Penampang, 88838 Kota Kinabalu, Sabah.	Land and Building	0.06	Office and Warehouse	Leasehold expiring 31.12.2037	32	315	28/3/95 (acquisition)
394, Taman AST, Jalan Labu, 70200 Seremban, Negeri Sembilan Darul Khusus.	Land and Building	0.04	Office and Warehouse	Freehold	17	334	23/12/96 (acquisition)
Lot 22, Jalan Pengapit 15/19, 40200 Shah Alam, Selangor Darul Ehsan.	Land and Building	1.81	Factory and Office	Leasehold expiring 23.2.2082	21	8,539	12/03/96 (acquisition)
25, Jalan IM 14/3, Kawasan Perindustrian Ringan, Indera Mahkota, 25200 Kuantan, Pahang Darul Makmur.	Land and Building	0.05	Office and Warehouse	Leasehold expiring 29.3.2097	14	206	17/12/97 (acquisition)
No. EMR 3099, Lot No. 9 & No. EMR 3100, Lot No. 10, No. GM 76, Lot No. 35 & No. GM 77, Lot No. 36, In the Village of Batu Tiga / Mukim of Damansara, District of Petaling, Selangor Darul Ehsan.	Land	6.41	Factory	Freehold	–	15,953	24/7/98 (acquisition)
Lot 1071, Mukim Damansara, District of Petaling, Selangor Darul Ehsan.	Land	1.30	Factory	Freehold	–	2,999	18/9/03 (acquisition)
						59,450	

Analysis of Shareholdings

AS AT 29 FEBRUARY 2012

Authorised Share Capital	:	RM300,000,000
Issued and Paid Up Share Capital	:	RM154,039,000 comprising 308,078,000 Ordinary Shares of RM0.50 each
No. of Treasury Shares held by the Company	:	2,330,000
Class of Shares	:	Ordinary Shares of RM0.50 each
Voting Rights	:	One Vote Per Ordinary Share

Size Of Holdings	No. of Shareholders	% of Shareholders	No. of Shares	% of Shares
Less than 100	662	5.63	6722	0.00
100 – 1,000	4,001	34.00	3,173,776	1.04
1,001 – 10,000	5,395	45.84	21,471,437	7.02
10,001 – 100,000	1,490	12.66	45,835,247	14.99
100,001 – 15,287,399*	219	1.86	79,328,318	25.95
15,287,400 and above**	1	0.01	155,932,500	51.00
TOTAL	**11,768**	**100.00**	**305,748,000**	**100.00**

* Less than 5% of issued holdings
** 5% and above of issued holdings

Thirty Largest Shareholders

Name	No. of Shares	% of Shares
1. UOBM Nominees (Asing) Sdn Bhd Carlsberg Breweries A/S	155,932,500	51.000
2. Malaysia Nominees (Tempatan) Sendirian Berhad Great Eastern Life Assurance (Malaysia) Berhad (PAR 1)	9,085,320	2.971
3. Malaysia Nominees (Tempatan) Sendirian Berhad Great Eastern Life Assurance (Malaysia) Berhad (PAR 2)	4,382,000	1.433
4. HSBC Nominees (Asing) Sdn Bhd Exempt An For J.P. Morgan Bank Luxembourg S.A.	2,020,500	0.660
5. Citigroup Nominees (Tempatan) Sdn Bhd Exempt An For American International Assurance Berhad	2,014,200	0.658
6. Cartaban Nominees (Asing) Sdn Bhd State Street London Fund MATF For Marathon New Global Fund Plc	1,501,200	0.490
7. Tai Tak Estates Sdn Bhd	1,500,000	0.490
8. UOBM Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Wong Yoke Fong @ Wong Nyok Fing (6110553745-T232)	1,400,000	0.457
9. Tokio Marine Life Insurance Malaysia Bhd As Beneficial Owner (PF)	1,376,700	0.450
10. Malaysia Nominees (Tempatan) Sendirian Berhad Great Eastern Life Assurance (Malaysia) Berhad (Non Par 1)	1,200,000	0.392
11. Yeoh Saik Khoo Sendirian Berhad	1,188,000	0.388

Analysis of Shareholdings

AS AT 29 FEBRUARY 2012

Name		No. of Shares	% of Shares
12.	HSBC Nominees (Asing) Sdn Bhd Exempt An For The Bank Of New York Mellon (Mellon Acct)	1,185,300	0.387
13.	Cartaban Nominees (Asing) Sdn Bhd SSBT Fund J728 For SPDR S&P Emerging Asia Pacific ETF	1,033,903	0.338
14.	EB Nominees (Tempatan) Sendirian Berhad Pledged Securities Account For Mak Tian Meng (BSR)	1,000,000	0.327
15.	HSBC Nominees (Tempatan) Sdn Bhd HSBC (M) Trustee Bhd For OSK-UOB Kidsave Trust (3621)	968,000	0.316
16.	HDM Nominees (Asing) Sdn Bhd UOB Kay Hian Pte Ltd For Kwong Soon Engineering Co Pte Ltd	967,500	0.316
17.	Ho Sim Guan	960,000	0.313
18.	UOBM Nominees (Asing) Sdn Bhd Chung Khiaw Bank Nominees (Pte) Ltd For Ko Choon Huat	910,000	0.297
19.	HSBC Nominees (Asing) Sdn Bhd Exempt An For JP Morgan Chase Bank, National Association (Norges BK Lend)	794,100	0.259
20.	Mayban Nominees (Tempatan) Sdn Bhd Mayban Trustees Berhad For MAAKL-HDBS Flexi Fund (270519)	720,800	0.235
21.	HSBC Nominees (Tempatan) Sdn Bhd HSBC (M) Trustee Bhd For Hwang Select Income Fund (4850)	717,400	0.234
22.	HSBC Nominees (Tempatan) Sdn Bhd HSBC (M) Trustee Bhd For OSK-UOB Smart Treasure Fund (4694-002)	711,300	0.232
23.	Citigroup Nominees (Asing) Sdn Bhd Exempt An For OCBC Securities Private Limited (Client A/C-NR)	663,456	0.216
24.	Citigroup Nominees (Asing) Sdn Bhd CBNY For DFA Emerging Markets Small Cap Series	655,600	0.214
25.	HSBC Nominees (Asing) Sdn Bhd Exempt An For JP Morgan Chase Bank, National Association (U.S.A.)	617,500	0.201
26.	CIMSEC Nominees (Asing) Sdn Bhd Exempt An For CIMB Securities (Singapore) Pte Ltd (Retail Clients)	603,798	0.197
27.	Universal Trustee (Malaysia) Berhad CIMB-Principal Equity Fund	602,200	0.196
28.	Amanahraya Trustees Berhad Public Dividend Select Fund	585,300	0.191
29.	AMSEC Nominees (Asing) Sdn Bhd AmFraser Securities Pte. Ltd. For Chong Chew Lim @ Chong Ah Kau (214028)	549,000	0.179
30.	BHLB Trustee Berhad Public Focus Select Fund	501,800	0.164
TOTAL		**196,347,377**	**64.218**

Analysis of Shareholdings

AS AT 29 FEBRUARY 2012

Substantial Shareholder

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

Directors' Interests

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

Deemed interested by virtue of shares held by his daughter.

None of the other Directors holding office as at 29 February 2012 had any interest in shares whether direct or indirect in the Company.

Material Contracts

There were no material contracts (not being contracts entered into in the ordinary course of business) entered into by the Group and/or its subsidiaries involving directors' and major shareholders' interests either subsisting as at 31 December 2011 or entered into since the end of the previous financial year ending 31 December 2010, save and except for the following:-

1. A call option agreement between Carlsberg Brewery Malaysia Berhad ("**CBMB**") and Carlsberg A/S ("**CAS**") dated 18 November 1996, allowing CAS to acquire CBMB's interest in Lion Brewery Ceylon Limited, should certain events occur. The purchase consideration is to be based on an agreed formula and in any event, to be a minimum of the original purchase price paid by CBMB.

   CAS is the holding company of Carlsberg Breweries A/S ("**CBAS**"), which in turn is the holding company and major shareholder of CBMB.

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

List of Recurrent Related Party Transactions

The breakdown of the aggregate value of the recurrent related party transactions entered into by the Group pursuant to the shareholders' mandate obtained during the 41 AGM held on 26 April 2011 is as follows:

Transacting Parties	Interested Related Parties	Nature of Transaction	Actual Value Transacted 27 April 2011 - 9 March 2012 (RM' million)
CBAS and the Group	Roy Enzo Bagattini, Graham James Fewkes, Soren Ravn and CBAS	Purchase of raw materials (hops, yeasts, aroma etc) and related services from CBAS	0.9
CBAS and the Group	Roy Enzo Bagattini, Graham James Fewkes, Soren Ravn and CBAS	Provision of administrative support and property leasing services to CBAS	0.2
CBAS and the Group	Roy Enzo Bagattini, Graham James Fewkes, Soren Ravn and CBAS	Provision of administrative support services from CBAS	3.8
CBAS and the Group	Roy Enzo Bagattini, Graham James Fewkes, Soren Ravn and CBAS	Royalties payable to CBAS for inter alia, the exclusive use of trademark licences and supply of technical and commercial assistance	22.1
CBGL and the Group	Roy Enzo Bagattini, Graham James Fewkes, Soren Ravn and CBAS	Purchase of beverage products from CBGL	0
DMG and the Group	Roy Enzo Bagattini, Graham James Fewkes, Soren Ravn and CBAS	Purchase of raw materials (malts) from DMG	2.8
CUKL and the Group	Roy Enzo Bagattini, Graham James Fewkes, Soren Ravn and CBAS	Purchase of beverage products and services from CUKL	0.1
DMG Polska and the Group	Roy Enzo Bagattini, Graham James Fewkes, Soren Ravn and CBAS	Purchase of raw materials (malts) from Polska	9.9
SSSp and the Group	Roy Enzo Bagattini, Graham James Fewkes, Soren Ravn and CBAS	Purchase of raw materials (malts) from SSSp	0.7
CIT and the Group	Roy Enzo Bagattini, Graham James Fewkes, Soren Ravn and CBAS	Purchase of IT services from CIT	0.4
CGPAG and the Group	Roy Enzo Bagattini, Graham James Fewkes, Soren Ravn and CBAS	Purchase of materials and services (A&P items) from CGPAG	6.7
BK and the Group	Roy Enzo Bagattini, Graham James Fewkes, Soren Ravn and CBAS	Purchase of beverage products from BK	2.5

Notes:

1) The above actual value of the recurrent related party transactions is for the period from 27 April 2011 to 9 March 2012.
2) The nature of relationship between the above related parties and Carlsberg Brewery Malaysia Berhad ("the Company") is as follows:
   (i) CBAS is the holding company and major shareholder of the Company, holding an equity interest of 51.0% in the Company as at 9 March 2012.
   (ii) Both Roy Enzo Bagattini and Graham James Fewkes, who are Non-Executive Directors of the Company are the Senior Vice-President, Asia of CBAS and the Commercial Vice-President, Asia of CBAS respectively. Soren Ravn is the Managing Director of the Company. All the three Directors namely, Roy Enzo Bagattini, Graham James Fewkes and Soren Ravn are nominees/representatives of CBAS and do not hold any shares in CBAS nor the Company.
   (iii) CBGL, DMG, DMG Polska, CIT, CUKL, SSSp, CGPAG and BK are subsidiaries of CBAS and do not hold any direct equity interest in the Company as at 9 March 2012.

Abbreviations:

CBAS	-	Carlsberg Breweries A/S
CBGL	-	Carlsberg Brewery (Guangdong) Ltd
CGPAG	-	Carlsberg Group Procurement AG
CIT	-	Carlsberg IT A/S
CUKL	-	Carlsberg UK Limited
DMG	-	Danish Malting Group A/S
DMG Polska	-	Danish Malting Group Polska
SSSp	-	Slodownia Strzegom Sp.z.o.o.
BK	-	Brasseries Kronenbourg SAS
Group	-	Carlsberg Brewery Malaysia Berhad and its wholly-owned subsidiaries, namely Carlsberg Marketing Sdn. Bhd., Euro Distributors Sdn. Bhd. and Carlsberg Singapore Pte Ltd.

Notice of 42nd Annual General Meeting

NOTICE IS HEREBY GIVEN that the Forty-Second (42nd) Annual General Meeting of the Company will be held at Ballroom Selangor 2 & 3, Grand Dorsett Subang Hotel, Jalan SS12/1, 47500 Subang Jaya, Selangor Darul Ehsan on Thursday, 26 April 2012 at 11.00 a.m. for the following purposes:

Agenda:

Ordinary Business

1. To receive the Audited Financial Statements for the financial year ended 31 December 2011 together with the Directors' and Auditors' reports thereon. **Ordinary Resolution 1**

2. To approve a payment of a Final and Special Dividend of 65.5 sen per RM0.50 share less Malaysian income tax and a Special Tax Exempt Dividend of 2 sen per RM0.50 share in respect of the financial year ended 31 December 2011. **Ordinary Resolution 2**

3. To approve the payment of Directors' fees of RM160,000 for the financial year ended 31 December 2011. **Ordinary Resolution 3**

4. To re-appoint Messrs KPMG as Auditors of the Company and to authorise the Directors to fix their remuneration. **Ordinary Resolution 4**

Special Business

5. To consider, and if thought fit, pass with or without modifications, the following Resolution:-

   RE-ELECTION OF DIRECTOR

   " THAT **Graham James Fewkes**, who retires pursuant to Article 92(a) of the Articles of Association of the Company, be and is hereby re-elected as Director of the Company." **Ordinary Resolution 5**

6. To consider, and if thought fit, pass with or without modifications, the following Resolutions:-

   RE-APPOINTMENT OF DIRECTORS
   "THAT pursuant to Section 129 of the Companies Act, 1965, the following Directors who are over the age of seventy (70) years, be and are hereby re-appointed as Directors of the Company and to hold office until the conclusion of the next Annual General Meeting of the Company:

   (a) Dato' Lim Say Chong; and **Ordinary Resolution 6**

   (b) Datuk M.R. Gopala Krishnan C.R.K. Pillai." **Ordinary Resolution 7**

7. To consider, and if thought fit, pass with or without modifications, the following Resolution:

   AUTHORITY FOR DIRECTORS TO ISSUE AND ALLOT SHARES PURSUANT TO SECTION 132D OF THE COMPANIES ACT, 1965 **Ordinary Resolution 8**
   "**THAT** subject always to the Companies Act, 1965, the Articles of Association of the Company and the approvals of the relevant governmental/regulatory authorities, the Directors be and are hereby empowered, pursuant to Section 132D of the Companies Act, 1965, to issue and allot shares in the Company from time to time and upon such terms and conditions and for such purposes as the Directors may deem fit provided that the aggregate number of shares issued pursuant to this Resolution in any one financial year does not exceed 10% of the issued and paid-up share capital of the Company for the time being;

   THAT the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on the Bursa Malaysia Securities Berhad **AND THAT** such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company."

8. To consider, and if thought fit, pass with or without modifications, the following Resolution:

PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY **Ordinary Resolution 9**

"**THAT**, subject to compliance with the provisions Section 67A of the Companies Act, 1965, the requirements of Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and any prevailing laws, rules, regulations, orders, guidelines and requirements issued by any relevant authority, approval be and is hereby given to the Company to utilise not more than RM374.6 million being the combined total of the audited distributable retained earnings and share premium reserves of the Company as at 31 December 2011 which stood at RM367.2 million and RM7.4 million respectively, to purchase on Bursa Securities up to 28,477,800 ordinary shares of RM0.50 each of the Company which together with the 2,330,000 ordinary shares of RM0.50 each already purchased earlier and retained as treasury shares, represents 10% of the enlarged issued and paid-up share capital of 308,078,000 ordinary shares of RM0.50 each **AND THAT** upon completion of the purchase by the Company of its own shares, the Directors of the Company be and are hereby authorised to:

(a) cancel ALL or PART of the shares so purchased and/or to retain ALL or PART of the shares in treasury ("the treasury shares");

(b) distribute the treasury shares as dividends to the Company's shareholders for the time being and/or to resell the treasury shares on Bursa Securities; AND/OR

(c) cancel the shares so purchased or cancel the treasury shares and transfer the amount by which the Company's issued capital is diminished to the capital redemption reserve and subsequently apply the capital redemption reserve to pay up unissued shares of the Company to be issued to the Company's shareholders as fully paid bonus shares,

whereby an announcement regarding the intention of the Directors of the Company in relation to the proposed treatment of the shares purchased and rationale thereof has been made to Bursa Securities;

AND THAT such authority from the shareholders would be effective immediately upon passing of this Ordinary Resolution and the aforesaid authority from the shareholders will expire:

(a) at the conclusion of the next Annual General Meeting ("AGM") unless the authority is renewed by ordinary resolution passed at the said AGM (either unconditionally or subject to condition); or

(b) upon the expiration of the period within which the next AGM is required by law to be held; or

(c) if earlier revoked or varied by ordinary resolution of the shareholders of the Company in a general meeting whichever occurs first, but not so as to prejudice the completion of purchase(s) by the Company before the aforesaid expiry date and, in any event, in accordance with the provisions of the guidelines issued by Bursa Securities or any other relevant authority;

AND THAT authority be and is hereby given to the Directors of the Company to take all such steps as are necessary including the opening and maintaining of a central depositories account(s) under the Securities Industry (Central Depositories) Act, 1991, and entering into all other agreements, arrangements and guarantees with any party or parties to implement, finalise and give full effect to the aforesaid purchase with full powers to assent to any conditions, modifications, revaluations, variations and/or amendments (if any) as may be imposed by the relevant authorities from time to time and to do all such acts and things as the said Directors may deem fit and expedient in the best interest of the Company."

Notice of 42nd Annual General Meeting

9. To consider, and if thought fit, pass with or without modifications, the following Resolution:

PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE **Ordinary Resolution 10**

"**THAT**, subject to the provisions of the Listing Requirements of Bursa Malaysia Securities Berhad, the Company and/or its subsidiary companies ("the Group") be and are hereby authorised to enter into and give effect to the recurrent related party transactions of a revenue or trading nature with the related party as set out in Section 3.3(a) of the Circular to Shareholders dated 4 April 2012 ("the Related Party") provided that such transactions are:-

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

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

(c) are not prejudicial to the minority shareholders of the Company

("the Shareholders' Mandate").

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

(a) the conclusion of the next Annual General Meeting ("AGM") of the Company following this AGM at which the Shareholders' Mandate is passed, at which time it will lapse unless the authority is renewed by a resolution passed at the next AGM;

(b) the expiration of the period within which the next AGM after that date is required to be held pursuant to Section 143(1) of the Companies Act, 1965 ("the Act") (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Act); or

(c) is revoked or varied by resolution passed by shareholders in a general meeting,

whichever is the earliest;

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

10. To consider, and if thought fit, pass with or without modifications, the following Resolution:

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

"**THAT**, subject to the provisions of the Listing Requirements of Bursa Malaysia Securities Berhad, the Company and/or its subsidiary companies ("the Group") be and are hereby authorised to enter into and give effect to the recurrent related party transactions of a revenue or trading nature with the related party as set out in Section 3.3(b) of the Circular to Shareholders dated 4 April 2012 ("the Related Party") provided that such transactions and/or arrangements are:-

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

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

(c) are not prejudicial to the minority shareholders of the Company

("the Shareholders' Mandate")

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

(a) the conclusion of the next Annual General Meeting ("AGM") of the Company following this AGM at which the Shareholders' Mandate is passed, at which time it will lapse, unless by a resolution passed at such AGM whereby the authority is renewed; or

(b) the expiration of the period within the next AGM of the Company after that date is required to be held pursuant to Section 143(1) of the Companies Act, 1965 ("Act") (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Act); or

(c) revoked or varied by a resolution passed by the shareholders of the Company in a general meeting;

whichever is the earliest;

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

11. **PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION** **Special Resolution 1**

"**THAT** the existing Article 66 of the Articles of Association of the Company be deleted in its entirety and replace thereof with the new Article 66, which shall be read as follows ("Proposed Amendments"):-

Article 66

(a) A Member of the Company who is entitled to attend and vote at a meeting of the Company, or at a meeting of any class of Members of the Company, shall be entitled to appoint a proxy to attend and vote instead of the Member at the meeting.

(b) Where a Member of the Company is an authorised nominee as defined in the Securities Industry (Central Depositories) Act, 1991 ("SICDA"), it shall be entitled to appoint at least one proxy in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.

(c) Where a Member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) 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 SICDA which is exempted from compliance with the provisions of subsection 25A(1) of SICDA.

(d) A proxy need not be a member. There shall be no restriction as to the qualification of the proxy and the provisions of Section 149(1)(b) of the Act shall not apply to the Company.

(e) A proxy appointed to attend and vote at a meeting of the Company shall have the same rights as the Member to speak at the meeting.

(f) If a Member having appointed a proxy to attend a general meeting attends such meeting in person, the appointment of such proxy shall be null and void in respect of such meeting and his proxy shall not be entitled to attend such meeting.

Notice of 42nd Annual General Meeting

(g) The instrument appointing a proxy, together with the power of attorney (if any) under which it is signed or a certified copy thereof, shall be deposited at the Office, or such other place within Malaysia as is specified for that the purpose in the notice convening the meeting, not less than forty-eight (48) hours before the time appointed for holding the meeting or adjourned meeting at which the person named in such instrument proposes to vote; otherwise the person so named shall not be entitled to vote in respect thereof.

AND THAT the Directors of the Company, be and are hereby authorised to assent to any modifications, variations and/or amendments as may be considered necessary to give full effect to the Proposed Amendments to the Articles of Association of the Company."

12. To transact any other business of which due notice shall have been given in accordance with the Companies Act, 1965 and the Company's Articles of Association.

Notice of Dividend Payment and Closure of Register

NOTICE IS HEREBY GIVEN THAT, subject to the approval of the shareholders at the Forty-Second (42nd) Annual General Meeting to be held on Thursday, 26 April 2012, a Final and Special Dividend of 65.5 sen per RM0.50 share less Malaysian income tax and a Special Tax Exempt Dividend of 2 sen per RM0.50 share in respect of the financial year ended 31 December 2011 will be payable on 18 May 2012 to shareholders registered in the Register of Members and Record of Depositors at the close of business on 4 May 2012.

A depositor shall qualify for entitlement to the dividends only in respect of:

(a) Shares transferred into the Depositor's securities account before 4.00 p.m. on 4 May 2012 in respect of ordinary transfers;

(b) Shares deposited into the Depositor's securities account before 12.30 p.m. on 2 May 2012 (in respect of shares which are exempted from mandatory deposit); and

(c) Shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

By Order of the Board

Lew Yoong Fah (MIA 10936)
Secretary

Shah Alam
4 April 2012

Notice of 42nd Annual General Meeting

Notes:

1. A member entitled to attend and vote at the meeting is entitled to appoint ONE person as his proxy to attend and vote in his stead at the meeting. A proxy need not be a member of the Company and the provision of Section 149(1)(b) of the Companies act, 1965 shall not apply.
2. If a member having appointed a proxy to attend a general meeting attends such meeting in person, the appointment of such proxy shall be null and void in respect of such meeting and his proxy shall not be entitled to attend such meeting.
3. Where a member of the Company is an 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.
4. Where the Proxy Form is executed by a corporation, it must be either under its Seal or under the hand of an officer or attorney duly authorised.
5. The Proxy Form must be deposited at the Share Registrar's office, Tricor Investor Services Sdn Bhd, Level 17, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur, not less than forty-eight (48) hours before the time set for holding the meeting.
6. For the purpose of determining who shall be entitled to attend this meeting, the Company shall be requesting the Bursa Malaysia Depository Sdn Bhd to make available to the Company pursuant to Article 50(9)(b) of the Articles of Association of the Company and Paragraph 7.16(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, a Record of Depositors as at 19 April 2012 and only a Depositor whose name appear on such Record of Depositors shall be entitled to attend this meeting.

Explanatory Notes on Special Business

(i) Ordinary Resolution 5 – Re-election of Director

The business on re-election of Director that is to be transacted at the Annual General Meeting is deemed special pursuant to Article 51 of the Articles of Association of the Company.

(ii) Ordinary Resolutions 6 and 7 – Re-appointment of Directors pursuant to Section 129 of the Companies Act, 1965

The proposed Ordinary Resolutions 6 and 7 in relation to the re-appointment of Dato' Lim Say Chong and Datuk M.R. Gopala Krishnan C.R.K. Pillai respectively, if passed, will enable both Dato' Lim Say Chong and Datuk M.R. Gopala Krishnan C.R.K. Pillai to continue in office until conclusion of the next Annual General Meeting.

(iii) Ordinary Resolution 8 – Authority for Directors to issue and allot shares pursuant to Section 132D of the Companies Act, 1965

This resolution is proposed pursuant to Section 132D of the Companies Act, 1965, and if passed, will give the Directors of the Company, from the date of the above Annual General Meeting, authority to issue and allot shares in the Company up to and not exceeding in total ten per cent (10%) of the issued and paid-up share capital of the Company for such purposes as the Directors deem fit and in the best interest of the Company. This authority, unless revoked or varied at a general meeting, will expire at the conclusion of the next Annual General Meeting of the Company.

This mandate is a renewal of the last mandate granted to the Directors at the Forty-First (41st) Annual General Meeting held on 26 April 2011 and which will lapse at the conclusion of the Forty-Second (42nd) Annual General Meeting.

As at the date of this Notice, no new shares in the Company were issued pursuant to the last mandate.

The renewal of this mandate will provide flexibility to the Company for any possible fund raising activities, including but not limited to further placing of shares, for purpose of funding future investment, working capital and/or acquisitions.

(iv) Ordinary Resolution 9 – Proposed Renewal of Share Buy-Back Authority

The detailed text on Ordinary Resolution 9 on the Proposed Renewal of Share Buy-Back Authority is included in the Circular to Shareholders dated 4 April 2012 which is enclosed together with the Annual Report.

(v) Ordinary Resolution 10 – Proposed Renewal Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature ("Proposed Renewal Shareholders' Mandate")

The detailed text on Ordinary Resolution 10 on the Proposed Renewal Shareholders' Mandate is included in the Circular to Shareholders dated 4 April 2012 which is enclosed together with the Annual Report.

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

The detailed text on Ordinary Resolution 11 on the Proposed New Shareholders' Mandate is included in the Circular to Shareholders dated 4 April 2012 which is enclosed together with the Annual Report.

(vii) Special Resolution 1 – Proposed Amendments to the Articles of Association

The proposed amendments to the Articles of Association are in line with the directive of Bursa Malaysia Securities Berhad dated 22 September 2011 and for administrative purpose.

Form of Proxy

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

NO. OF SHARES HELD	

I/We ______________________________ I.C/Passport/Company No. ______________

of ____

being a member of the abovenamed Company, hereby appoint ______________________________

I.C/Passport No. ______________ of ______________________________

or failing him/her ______________________________ I.C/Passport No. ______________

of ____

OR the Chairman of the meeting as my/our proxy to vote for me/us and on my/our behalf at the Forty-Second (42nd) Annual General Meeting of the Company to be held on Thursday, 26 April 2012 at 11.00 a.m., and at any adjournment thereof. The proxy is to vote on the business before the meeting as indicated below (if no indication is given, the proxy will vote as he thinks fit or abstain from voting):

		FOR	AGAINST
Ordinary Resolution 1	Receipt of the Directors' and Auditors' Reports and Audited Financial Statements for the financial year ended 31 December 2011.		
Ordinary Resolution 2	Payment of Final and Special Dividends.		
Ordinary Resolution 3	Approval of Directors' fees of RM160,000 for the financial year ended 31 December 2011.		
Ordinary Resolution 4	Re-appointment of KPMG as auditors and to authorize the Directors to determine their remuneration.		
Ordinary Resolution 5	Re-election of Graham James Fewkes as Director.		
Ordinary Resolution 6	Re-appointment of Dato' Lim Say Chong as Director.		
Ordinary Resolution 7	Re-appointment of Datuk M.R. Gopala Krishnan C.R.K. Pillai as Director.		
Ordinary Resolution 8	Authority for Directors to issue and allot shares pursuant to Section 132D of the Companies Act, 1965.		
Ordinary Resolution 9	Proposed renewal of Share Buy-Back authority.		
Ordinary Resolution 10	Proposed renewal of shareholders' mandate for Recurrent Related Party Transactions of a revenue or trading nature.		
Ordinary Resolution 11	Proposed new shareholders' mandate for Recurrent Related Party Transactions of a revenue or trading nature.		
Special Resolution 1	Proposed Amendments to the Articles of Association		

Please indicate with a tick (√) how you wish your vote to be cast in respect of each resolution above.

As witness my/our hand this ______________________________ day of ______________ 2012.

Signed by the said ____

Notes:

1. A member entitled to attend and vote at the meeting is entitled to appoint ONE person as his proxy to attend and vote in his stead at the meeting. A proxy need not be a member of the Company and the provision of Section 149(1)(b) of the Companies act, 1965 shall not apply.
2. If a member having appointed a proxy to attend a general meeting attends such meeting in person, the appointment of such proxy shall be null and void in respect of such meeting and his proxy shall not be entitled to attend such meeting.
3. Where a member of the Company is an 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.
4. Where the Proxy Form is executed by a corporation, it must be either under its Seal or under the hand of an officer or attorney duly authorised.
5. The Proxy Form must be deposited at the Share Registrar's office, Tricor Investor Services Sdn Bhd, Level 17, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur, not less than forty-eight (48) hours before the time set for holding the meeting.
6. For the purpose of determining who shall be entitled to attend this meeting, the Company shall be requesting the Bursa Malaysia Depository Sdn Bhd to make available to the Company pursuant to Article 50(9)(b) of the Articles of Association of the Company and Paragraph 7.16(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, a Record of Depositors as at 19 April 2012 and only a Depositor whose name appear on such Record of Depositors shall be entitled to attend this meeting.

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stamp
here

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

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Corporate Information

Directors

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

Soren Ravn
Managing Director

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

Roy Enzo Bagattini
Non-Executive Director

Graham James Fewkes
Non-Executive Director

Company Secretary

Lew Yoong Fah
(MIA No. 10936)

Auditors

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

Principal Bankers

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

Citibank Berhad
(Company No. 297089)

Public Bank Berhad
(Company No. 1295)

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

Registered Office and Principal Place of Business

No. 55, Persiaran Selangor,
Section 15,
40200 Shah Alam,
Selangor Darul Ehsan.
Tel : +603 5522 6688
Fax : +603 5519 1931
Email : info@carlsberg.com.my
Website : www.carlsberg.com.my

Share Registrar

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

Stock Exchange Listing

Main Market of Bursa Malaysia
Securities Berhad

Carlsberg Brewery Malaysia Berhad (9210-K)

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