



**Carlsberg Brewery Malaysia Berhad**

Company No. 9210-K  
(Incorporated in Malaysia)

Interim Financial Report  
31 December 2019

The Board of Directors of Carlsberg Brewery Malaysia Berhad is pleased to announce the following unaudited interim results of the Group for financial quarter and year ended 31 December 2019.

**CARLSBERG BREWERY MALAYSIA BERHAD**

(Company No.: 9210-K)

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	Fourth quarter ended		Financial year ended	
	31 December 2019 RM'000	31 December 2018 RM'000	31 December 2019 RM'000	31 December 2018 RM'000
Revenue	573,916	525,649	2,256,581	1,982,342
Operating expenses	(486,302)	(446,263)	(1,887,990)	(1,644,321)
Other operating income	5,214	4,638	6,274	8,955
Profit from operations	92,828	84,024	374,865	346,976
Finance income	974	248	1,605	1,408
Finance costs	(2,568)	(2,252)	(10,525)	(8,079)
Share of profit of equity accounted associate, net of tax	1,605	6,242	16,292	20,955
Profit before taxation	92,839	88,262	382,237	361,260
Taxation	(20,908)	(18,085)	(81,853)	(74,503)
Profit for the financial period/year	71,931	70,177	300,384	286,757
Profit attributable to:				
Owners of the Company	68,999	67,452	291,024	277,154
Non-controlling interests	2,932	2,725	9,360	9,603
Profit for the financial period/year	71,931	70,177	300,384	286,757
Other comprehensive (expenses)/income				
Cash flow hedge	1,190	(726)	1,516	(3,865)
Foreign currency translation differences for foreign operations	(1,337)	(5,012)	(486)	(10,499)
Total comprehensive income for the period/year	71,784	64,439	301,414	272,393
Total comprehensive income attributable to:				
Owners of the Company	68,852	61,714	292,054	262,790
Non-controlling interests	2,932	2,725	9,360	9,603
Total comprehensive income for the period/year	71,784	64,439	301,414	272,393
EPS - Basic (sen)	22.57	22.06	95.18	90.65
- Diluted (sen)	N/A	N/A	N/A	N/A

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2018 and the accompanying explanatory notes attached to the interim financial statements.

**CARLSBERG BREWERY MALAYSIA BERHAD**

(Company No.: 9210 -K)

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	As at 31 December 2019 RM'000	As at 31 December 2018 RM'000
<b>ASSETS</b>		
<b><u>Non-current assets</u></b>		
Property, plant & equipment	207,073	192,987
Right-of-use assets	14,147	-
Other intangible assets	7,998	3,219
Investment in an associate	84,720	72,970
Deferred tax assets	504	3,353
	314,442	272,529
<b><u>Current assets</u></b>		
Inventories	66,869	96,723
Receivables, deposits and prepayments	217,285	207,633
Tax recoverable	2,166	9,026
Cash and cash equivalents	78,617	96,612
	364,937	409,994
<b>TOTAL ASSETS</b>	679,379	682,523
<b>EQUITY</b>		
<b>Total equity attributable to equity holders of the Company</b>		
Share capital	149,363	149,363
Reserves	(879)	19,764
	148,484	169,127
Non-controlling interests	8,224	11,870
<b>TOTAL EQUITY</b>	156,708	180,997
<b>LIABILITIES</b>		
<b><u>Non-current liabilities</u></b>		
Deferred tax liabilities	25,418	15,777
Provision	329	329
Lease liabilities	5,834	-
	31,581	16,106
<b><u>Current liabilities</u></b>		
Payables and accruals	379,781	379,150
Current tax liabilities	34,474	31,270
Lease liabilities	1,835	-
Loans and borrowings	75,000	75,000
	491,090	485,420
<b>TOTAL LIABILITIES</b>	522,671	501,526
<b>TOTAL EQUITY AND LIABILITIES</b>	679,379	682,523
<b>Net assets per share (RM)</b>	0.51	0.59

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2018 and the accompanying explanatory notes attached to the interim financial statements.

**CARLSBERG BREWERY MALAYSIA BERHAD**  
 (Company No.: 9210 -K)  
**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

Group	/-----Attributable to Equity Holders of the Company-----/						/-----Non-distributable-----/ Distributable		
	Share Capital RM'000	Exchange Reserve RM'000	Cash flow Hedge 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 RM'000
At 1 January 2018	149,363	10,673	1,438	3,931	(110)	133,723	299,018	13,448	312,466
Total comprehensive income for the year	-	(10,499)	(3,865)	-	-	277,154	262,790	9,603	272,393
Dividends to owners of the Company	-	-	-	-	-	(393,498)	(393,498)	-	(393,498)
Dividends to non-controlling interests	-	-	-	-	-	-	-	(11,181)	(11,181)
Effects of share-based payments	-	-	-	-	817	-	817	-	817
At 31 December 2018	149,363	174	(2,427)	3,931	707	17,379	169,127	11,870	180,997
At 1 January 2019	149,363	174	(2,427)	3,931	707	17,379	169,127	11,870	180,997
Total comprehensive income for the year	-	(486)	1,516	-	-	291,024	292,054	9,360	301,414
Dividends to owners of the Company	-	-	-	-	-	(314,614)	(314,614)	-	(314,614)
Dividends to non-controlling interests	-	-	-	-	-	-	-	(13,006)	(13,006)
Effects of share-based payments	-	-	-	-	1,917	-	1,917	-	1,917
At 31 December 2019	149,363	(312)	(911)	3,931	2,624	(6,211)	148,484	8,224	156,708

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for financial year ended 31 December 2018 and the accompanying explanatory notes attached to the interim financial statements.

**CARLSBERG BREWERY MALAYSIA BERHAD**  
(Company No.: 9210-K)  
**CONDENSED CONSOLIDATED CASH FLOW STATEMENT**

	<b>12 months ended</b>	
	<b>31 December</b>	
	<b>2019</b>	<b>2018</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	382,237	361,260
Adjustments for:		
Non-cash items	45,338	43,088
Share of profit of equity accounted associate, net of tax	(16,292)	(20,955)
Finance costs	10,525	8,079
Finance income	(1,605)	(1,408)
Operating profit before working capital changes	420,203	390,064
Changes in working capital:		
Inventories	27,393	(29,348)
Receivables, deposits and prepayments	(7,409)	36,867
Payables and accruals	(1,509)	51,107
Cash generated from operations	438,678	448,690
Tax paid	(59,753)	(69,737)
Net cash generated from operating activities	378,925	378,953
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of property, plant and equipment	(64,576)	(56,662)
Acquisition of intangible assets	(2,444)	(259)
Dividend received from an associate	3,996	1,772
Interest received	1,605	1,408
Proceeds from disposal of property, plant and equipment	1,307	1,838
Net cash used in investing activities	(60,112)	(51,903)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net drawdown of short-term borrowings	-	63,036
Repayment of lease liability	(1,998)	-
Dividends paid to owners of the Company	(311,557)	(344,578)
Dividends paid to non-controlling interests of a subsidiary	(13,006)	(11,181)
Interest paid	(10,184)	(8,079)
Net cash used in financing activities	(336,745)	(300,802)
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>	(17,932)	26,248
Effect of exchange rate fluctuations on cash held	(63)	34
<b>CASH AND CASH EQUIVALENTS AT 1 JANUARY</b>	96,612	70,330
<b>CASH AND CASH EQUIVALENTS AT 31 DECEMBER</b>	78,617	96,612

The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the year ended 31 December 2018 and the accompanying explanatory notes attached to the interim financial statements.

**CARLSBERG BREWERY MALAYSIA BERHAD**

(Company No.: 9210-K)

**CONDENSED CONSOLIDATED CASH FLOW STATEMENT (CONTINUED)**

Cash and cash equivalents comprise the following amounts:

	As at	
	31 December 2019 RM'000	31 December 2018 RM'000
Cash at bank	78,460	96,483
Cash held on hand	157	129
	78,617	96,612

The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the year ended 31 December 2018 and the accompanying explanatory notes attached to the interim financial statements.

## Notes:

### 1. Basis of Preparation

This Interim Financial Report is unaudited and has been prepared in accordance with the requirements of Malaysian Financial Reporting Standard (MFRS) 134, *Interim Financial Reporting* issued by Malaysian Accounting Standards Board, and International Accounting Standard (IAS) 34, *Interim Financial Reporting* issued by International Accounting Standards Board and paragraph 9.22 together with Part A, Appendix 9B of Main Market Listing Requirements of Bursa Malaysia Securities Berhad. This Interim Financial Report should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2018.

The significant accounting policies and methods adopted for the unaudited condensed financial statements are consistent with those adopted for the Group's audited financial statements for the financial year ended 31 December 2018, except as described below.

#### MFRS 16 'Leases'

MFRS 16 "Leases" replaced MFRS 117 and sets out the principles for recognition, measurement, presentation and disclosures of leases. The implementation of the standard resulted in almost all leases being recognised in the statement of financial position, as the distinction between operating and finance leases has been removed.

Leased assets are recognised as a right-of-use asset with a corresponding liability at the date at which the lease is available for use. The right-of-use asset is depreciated over the shorter of the assets useful life and the lease term on a straight-line basis. Each lease payment is allocated between repayment of the liability and financial expense. Previously, all lease payments related to operating leases were recognised in the income statement as expenses on a straight-line basis over the lease term.

The Group has adopted MFRS 16 using the simplified transition approach. On adoption, the Group recognised lease liabilities in relation to leases which had previously been classified as operating leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the Group's average incremental borrowing rate of 4.05%. The associated right-of-use asset were measured at the amount equal to the lease liability resulting in an increase of the Group's assets and liabilities of approximately RM9,315,000 as at 1 January 2019. Comparative figures are not restated.

## 1. Basis of Preparation (continued)

### MFRS 16 'Leases' (continued)

The following table presents the impact of changes to the consolidated statement of financial position of the Group resulting from the adoption of MFRS 16 *Leases* as at 1 January 2019:

	Note	As at 31 December 2018 RM'000	Changes RM'000	As at 1 January 2019 RM'000
<b>Non-current assets</b>				
Property, plant and equipment:				
Leasehold land		6,822	(6,822)	-
Right-of-use assets	(a)	-	16,137	16,137
<b>Non-current liabilities</b>				
Lease liabilities		-	7,657	7,657
<b>Current liabilities</b>				
Lease liabilities		-	1,658	1,658
Total lease liabilities	(b)	-	9,315	9,315

(a) The right-of-use assets comprise of leasehold land, rental of office and warehouse. Subsequent to initial recognition, the right-of-use assets are measured at cost less any accumulated depreciation, accumulated impairment losses and adjusted for any remeasurement of lease liabilities.

(b) Lease liabilities arising from the rental of office and warehouse are recognised and discounted using the weighted average incremental borrowing rate of the Group of 4.05%. Subsequent to initial recognition, the Group measure the lease liabilities by increasing the carrying amount to reflect the interest on the lease liabilities, reducing the carrying amount to reflect lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications.

Other than the above, the Group elected to apply exemption for leases expiring within twelve (12) months under the Appendix C, paragraph 10(c) of this Standard. The lease payments are recognised as expenses on a straight line basis over the remaining lease terms.



## 1. Basis of Preparation (continued)

The Group has also adopted the following amendments to MFRS and IC Interpretation that came into effect on 1 January 2019 which did not have any significant impact on the unaudited condensed consolidated financial statements upon their initial application.

IC Interpretation 23 ‘Uncertainty over Income Tax Treatments’  
Annual Improvements to MFRSs 2015 - 2017 Cycle

### **MFRS, Amendments to MFRSs and IC Interpretation Issued But Not Yet Effective**

At the date of authorisation of these Interim Financial Report, the following MFRSs, Amendments to MFRSs and IC Interpretation were issued but not yet effective and have not been applied by the Group:

<b>MFRSs, Amendments to MFRSs and IC Interpretation</b>		<b>Effective</b>
Amendment to MFRS 3	Definition of a Business (Amendments to MFRS 3)	1 January 2020
Amendments to MFRS 101	Definition of Material (Amendments to MFRS 101)	1 January 2020
Amendments to MFRS 108	Definition of Material (Amendments to MFRS 108)	1 January 2020
Amendments to MFRS 9, 139 and 7	Interest Rate Benchmark Reform	1 January 2020
Conceptual Framework for Financial Reporting		1 January 2020

## 2. Auditors’ Report on Preceding Annual Financial Statements

The auditors’ report on the financial statements for the year ended 31 December 2018 was not subject to any qualification.

## 3. Seasonal or Cyclical Factors

The Group’s level of operations are generally affected by the festive seasons.

#### 4. Unusual Items Affecting the Assets, Liabilities, Equity, Net Income or Cash Flows

There were no unusual items affecting the assets, liabilities, equity, net income or cash flows during the current financial period under review.

#### 5. Changes in Estimates

There were no significant changes in estimates that have had a material effect in the current financial period under review.

#### 6. Debt and Equity Securities

There were no issuances, repurchases, resale and repayments of debt and equity securities during the current financial period under review, except for those as disclosed under Note 23.

##### *Share Buyback*

During the period, there was no purchase of shares by the Company.

#### 7. Dividends Paid

The amount of dividends paid during the financial year ended 31 December 2019:-

<b>Date of payment</b>	<b>Dividends paid</b>	<b>Amount (Sen per ordinary share)</b>	<b>Amount (RM'000)</b>
30 January 2019	THIRD quarter single tier interim dividend 2018	16.0	48,920
8 April 2019	FOURTH quarter single tier interim dividend 2018	16.6	50,754
31 May 2019	FINAL single tier interim dividend 2018	22.4	68,488
31 May 2019	SPECIAL single tier interim dividend 2018	9.3	28,434
31 July 2019	FIRST quarter single tier interim dividend 2019	21.5	65,736
31 October 2019	SECOND quarter single tier interim dividend 2019	16.1	49,225
	<b>Total</b>		<b>311,557</b>

The Board of Directors declared on 26 November 2019 a THIRD quarter single tier interim dividend of 17 sen per share for the year ending 31 December 2019. The total amount of RM52.0 milion was paid on 22 January 2020.

## 8. Operating Segment

The Group concluded that the operating segments determined in accordance with MFRS 8 are the same as the geographical segments as previously adopted.

Segment assets and liabilities are not included in the internal management reports nor provided regularly to the Group's Managing Director who is considered as the Group's chief operating decision maker. Hence no such disclosures are provided below.

<b>Quarter Ended</b>	<b>Malaysia</b>	<b>Singapore</b>	<b>Elimination</b>	<b>Consolidated</b>
<b>31 December 2019</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Geographical Segments:</b>				
Total external revenue	405,548	168,368	-	573,916
Inter segment revenue	22,813	-	(22,813)	-
<b>Total revenue</b>	<b>428,361</b>	<b>168,368</b>	<b>(22,813)</b>	<b>573,916</b>
<b>Profit from operations</b>	<b>63,735</b>	<b>30,675</b>	<b>(1,582)</b>	<b>92,828</b>

  

<b>Quarter Ended</b>	<b>Malaysia</b>	<b>Singapore</b>	<b>Elimination</b>	<b>Consolidated</b>
<b>31 December 2018</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Geographical Segments:</b>				
Total external revenue	378,150	147,499	-	525,649
Inter segment revenue	21,716	-	(21,716)	-
<b>Total revenue</b>	<b>399,866</b>	<b>147,499</b>	<b>(21,716)</b>	<b>525,649</b>
<b>Profit from operations</b>	<b>56,042</b>	<b>29,005</b>	<b>(1,023)</b>	<b>84,024</b>

  

<b>Financial Year Ended</b>	<b>Malaysia</b>	<b>Singapore</b>	<b>Elimination</b>	<b>Consolidated</b>
<b>31 December 2019</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Geographical Segments:</b>				
Total external revenue	1,638,501	618,080	-	2,256,581
Inter segment revenue	72,988	-	(72,988)	-
<b>Total revenue</b>	<b>1,711,489</b>	<b>618,080</b>	<b>(72,988)</b>	<b>2,256,581</b>
<b>Profit from operations</b>	<b>274,558</b>	<b>100,522</b>	<b>(215)</b>	<b>374,865</b>

  

<b>Financial Year Ended</b>	<b>Malaysia</b>	<b>Singapore</b>	<b>Elimination</b>	<b>Consolidated</b>
<b>31 December 2018</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Geographical Segments:</b>				
Total external revenue	1,413,246	569,096	-	1,982,342
Inter segment revenue	69,645	-	(69,645)	-
<b>Total revenue</b>	<b>1,482,891</b>	<b>569,096</b>	<b>(69,645)</b>	<b>1,982,342</b>
<b>Profit from operations</b>	<b>254,649</b>	<b>92,859</b>	<b>(532)</b>	<b>346,976</b>

## **9. Material Contracts**

No new material contracts were concluded during current financial period under review.

## **10. Property, Plant and Equipment**

There were no changes to the valuation of property, plant and equipment since the previous audited financial statements.

## **11. Subsequent Events**

Other than disclosed in Note 12, there were no material events subsequent to the end of the reporting date that require disclosure or adjustments to the unaudited interim financial statements.

## **12. Changes in Contingent Liabilities and Contingent Assets**

On 23 September 2014, the Board of Directors of the Company had announced to the Bursa Malaysia that the Company had on 19 September 2014 received two bills of demand both dated 17 September 2014 from the Selangor State Director of Royal Malaysian Customs (“State Customs”) for the following:

- (i) Excise duty amounting to RM35,698,219.81 for period of 1 July 2011 to 14 January 2014;
- (ii) Sales tax amounting to RM13,763,381.02 and penalty amounting to RM6,881,690.56 for period of 1 July 2011 to 14 January 2014.

On 13 February 2020, the Company had received a letter from the Selangor State Director of Royal Malaysian Customs (“State Customs”) confirming that the bill of demand for sales tax amounting to RM13,763,381.02 and the penalty amounting to RM6,881,690.56 for period of 1 July 2011 to 14 January 2014 has been cancelled.

The Company has not agreed to the demand for excise duty made by the State Customs. Based on legal advice sought, there are reasonable grounds to object the basis of the bill of demand issued by the State Customs. At this stage, the Directors believe that it is not probable that a future sacrifice of economic benefits will be required.

### 13. Capital Commitments

Capital commitments for property, plant and equipment and intangible assets not provided for in the financial statements as at 31 December 2019 are as follows:

	<b><u>RM'000</u></b>
Approved and contracted for	4,998
Approved but not contracted for	-
	<u>4,998</u>

### 14. Financial Instruments

Derivatives

The outstanding derivative as at 31 December 2019 is as follows:

<b>Aluminium Hedging Contract</b>	<b>Contract Value (RM'000)</b>	<b>Fair Value (RM'000)</b>	<b>Difference (RM'000)</b>
Less than one year	22,637	21,438	(1,199)

Changes in the portion of fair value of derivative financial instruments designated as and qualifying as a cash flow hedge and which effectively hedge changes in value of the hedged item, are recognised in other comprehensive income.

### 15. Holding Company

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

## 16. Significant Related Party Transactions

	<b>Financial year ended 31 December 2019 RM'000</b>
<b>Transactions with ultimate holding company:</b>	
Reimbursement for share option granted to employees	115
<b>Transactions with holding company:</b>	
Purchases of materials and products	332
Purchases of services	7,290
Royalties payable	36,961
Net settlements in respect of gain from hedging contracts	(3,560)
<b>Transactions with related companies:</b>	
Management fees payable	7,714
Purchases of materials and products	20,382
Purchases of services	5,693
Sales of goods	(52,039)

These transactions had been entered into in the ordinary course of business and based on normal commercial terms.

## 17. Review of Performance

### Current Quarter Performance

<b>Key Financials (RM'000)</b>	<b>Fourth Quarter Ended 31 December 2019</b>	<b>Fourth Quarter Ended 31 December 2018</b>	<b>% Change</b>
Revenue	573,916	525,649	9.2%
Profit from operations	92,828	84,024	10.5%
Share of profit in an associate	1,605	6,242	-74.3%
Profit attributable to Owners of the Company ("Net profit")	68,999	67,452	2.3%

The Group's revenue grew 9.2% to RM573.9 million compared to the same quarter last year, whilst profit from operations increased by 10.5% to RM92.8 million contributed by increasing premiumisation and higher trade loading in December 2019 in response to the earlier timing of Chinese New Year ("CNY") festive sales in January 2020 as compared to CNY 2019.

## 17. Review of Performance (continued)

### Current Quarter Performance (continued)

Total revenue for Malaysia grew by 7.2% to RM405.5 million whilst profit from operations increased by 13.0% to RM62.2 million primarily due to higher sales in the current quarter. Malaysia operations sustained its growth momentum through volume growth across all major product segments driven by continuous marketing investments.

Singapore reported an increase of 14.1% in revenue to RM168.4 million whilst its profit from operations grew by 5.8% to RM30.7 million compared to the same quarter last year as a result of better sales performance.

The Group registered a lower share of profit in its associated company, Lion Brewery (Ceylon) PLC (“LBCP”) of RM1.6 million compared to a share of profit of RM6.2 million in the corresponding quarter last year mainly due to a non-cash impairment of LBCP’s Miller brands amounting to RM3.0 million.

The Group’s net profit for the quarter grew by 2.3% to RM69.0 million compared to the same quarter last year, driven by top-line growth and higher profits in both the Malaysia and Singapore operations offset by the lower share of profit in LBCP.

## 17. Review of Performance (continued)

### Year-to-date Performance

<b>Key Financials (RM'000)</b>	<b>Financial Year Ended 31 December 2019</b>	<b>Financial Year Ended 31 December 2018</b>	<b>% Change</b>
Revenue	2,256,581	1,982,342	13.8%
Profit from operations	374,865	346,976	8.0%
Share of profit in an associate	16,292	20,955	-22.3%
Profit attributable to Owners of the Company ("Net profit")	291,024	277,154	5.0%

For the the year ended 31 December 2019, the Group reported revenue of RM2,256.6 million, which represented a growth of 13.8% over the same period last year. On a comparable basis, after adjusting for change from the Goods and Services Tax ("GST") to a Sales and Services Tax ("SST") regime, the Group's organic revenue growth would be 10.2%. Profit from operations of the Group increased by 8.0% to RM374.9 million driven by the higher sales partially offset by higher marketing investments.

Malaysia total revenue for the financial year increased by 15.9% to RM1,638.5 million. The organic revenue growth for the quarter would be 10.8%, after adjusting for the SST impact. Profit from operations improved by RM20.2 million or 8.0%.

In Singapore, revenue for the financial year increased by 8.6% to RM618.1 million whilst profit from operations grew by 8.3% to RM100.5 million.

The Group registered a lower share of profit in its associated company, LBCP by 22.3% to RM16.3 million for the financial year mainly due to a non cash impairment of LBCP's Miller brands as mentioned above as well as a one-off insurance income compensation of RM4.7 million received in 2018.

The Group's net profit grew by 5.0% to RM291.0 million for the financial year primarily driven by higher profit contributions from Malaysia and Singapore operations, whilst the Group's organic net profit grew by 6.8% when excluding the one-off insurance income in LBCP last year.



## 18. Variation of Result against the Preceding Quarter

Key Financials (RM'000)	Fourth Quarter Ended 31 December 2019	Third Quarter Ended 30 September 2019	% Change
Revenue	573,916	542,221	5.8%
Profit from operations	92,828	87,434	6.2%
Net profit	68,999	69,184	-0.3%

The Group's revenue increased by RM31.7 million or 5.8%, against the preceding quarter mainly due to higher sales and premiumisation in both Malaysia and Singapore.

The Group's profit from operations increased by RM5.4 million or 6.2% against the preceding quarter mainly due to the aforementioned reasons.

The Group's net profit marginally decreased by 0.3% due to the lower share of profits in LBCP mitigated by higher profits in both Malaysia and Singapore.

## 19. Prospects

We have a cautious view over the outlook of 2020 in response to the lower growth forecast for Malaysia and Singapore's 2020 gross domestic product ("GDP") to 4.5% and 0.9% respectively; and an important variable will be the impact of COVID-19 on the macroeconomy and consumer sentiment, which is difficult to fully anticipate at this moment. We will continue to execute our Sail'22 priorities and intensify our Fund the Journey cost optimisation initiatives to deliver efficiencies and reinvest in our brands.

In Malaysia, contraband beer remains a major issue that significantly depresses the legitimate tax paying beer market. We continue to acknowledge the good efforts of the Royal Malaysian Customs and other law enforcement agencies in their enforcement activities against contraband beer.

In Singapore, the introduction of the European Free Trade Agreement in the fourth quarter of 2019 will pose further challenges from cheaper imports.

## 20. Profit Forecast

Not applicable as no profit forecast was published.

## 21. Taxation

	Financial Year Ended 31 December	
	2019 RM'000	2018 RM'000
<u>Taxation</u>		
- Malaysia	51,696	63,187
- Outside Malaysia	18,150	14,237
	<b>69,846</b>	<b>77,424</b>
<u>Deferred tax</u>		
- Malaysia	12,576	(3,429)
- Outside Malaysia	(569)	508
<b>Tax expense</b>	<b>81,853</b>	<b>74,503</b>
Profit before taxation	382,237	361,260
Share of profit of equity accounted associate, net of tax	(16,292)	(20,955)
<b>Profit before taxation excluding share of profit of equity accounted associate, net of tax</b>	<b>365,945</b>	<b>340,305</b>
<b>Effective tax rate</b>	<b>22.37%</b>	<b>21.89%</b>

The Group's effective tax rate has remained relatively constant as compare to the same period in preceding year.

## 22. Corporate Proposals

There were no corporate proposals announced at the date of this announcement.

### 23. Borrowing and Debt Securities

Group borrowings and debt securities are as follows:

Short term - Unsecured loans	As at 31 December 2019 RM'000	As at 31 December 2018 RM'000
Revolving credits	75,000	75,000
<b>Total short term loans</b>	<b>75,000</b>	<b>75,000</b>

### 24. Material Litigation

There have been no material litigation action since the last annual audited financial statements up to the date of this report.

### 25. Earnings Per Share

#### *Basic earnings per share*

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company for the period by the weighted average number of ordinary shares outstanding during the period:

	Financial Year Ended	
	31 December 2019	31 December 2018
Profit attributable to owners of the Company (RM'000)	291,024	277,154
Weighted average number of ordinary shares in issue ('000)	305,748	305,748
Basic earnings per share (sen)	95.18	90.65

#### *Diluted earnings per share*

Not applicable.

## 26. Dividends

The Board of Directors has declared on this date a FOURTH quarter single tier interim dividend of 17.0 sen per share for the year ended 31 December 2019, in respect of the fourth quarter profits to 31 December 2019 (2018: 16.6 sen). The total amount payable is RM52.0 million.

The Board of Directors has also recommended for shareholders' approval at the forthcoming Annual General meeting a FINAL single tier dividend of 23.6 sen per share (2018: 22.4 sen per share) and a special single tier dividend of 4.8 sen per share (2018: 9.3 sen per share) in respect of the financial year ended 31 December 2019. The total amount payable for the proposed final and special single tier dividend of 28.4 sen per share is RM86.8 million.

Accordingly, the total declared and proposed dividends declared for the financial year ended 31 December 2019 is 100.0 sen per share, based on 305,748,000 ordinary shares (2018: 100.0 sen per share, based on 305,748,000 ordinary shares for the financial year ended 31 December 2018).

## 27. Notes to the Statement of Comprehensive Income

	<b>Financial Year Ended</b>	
	<b>31 December 2019 RM'000</b>	<b>31 December 2018 RM'000</b>
Allowance for inventories written down	(925)	(300)
Depreciation and amortisation	(42,123)	(40,834)
Gain on disposal of property, plant and equipment	513	1,385
Inventories written off	(1,536)	(737)
Net foreign exchange gain	925	549
Property, plant and equipment written off	(424)	(639)
Reversal of impairment loss/(impairment loss) on receivables	362	(171)

## 28. Reclassification

The Group reclassified an account in the comparative to conform with the current year's presentation. This only impact the presentation of the Group's consolidated statement of comprehensive income with no impact to other statements.

### Impact to the consolidated Statement of Comprehensive Income

<b>Financial year ended 31 December 2018</b>	<b>Before reclassification (RM'000)</b>	<b>Reclassification (RM'000)</b>	<b>After reclassification (RM'000)</b>
Operating expenses	(1,640,078)	(4,243)	(1,644,321)
Other operating income	4,712	4,243	8,955

<b>Fourth quarter ended 31 December 2018</b>	<b>Before reclassification (RM'000)</b>	<b>Reclassification (RM'000)</b>	<b>After reclassification (RM'000)</b>
Operating expenses	(442,020)	(4,243)	(446,263)
Other operating income	395	4,243	4,638

As a result of initiative to standardize the financial statements mapping, reversal of loss allowance on receivables has been reclassified from operating expenses to other operating income.

## 29. Authorisation for Issue

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 21 February 2020.