

LIST OF Q & A FROM MINORITY SHAREHOLDERS WATCHDOG GROUP
FOR CARLSBERG BREWERY MALAYSIA BERHAD'S 47th AGM on 20 April 2017

Strategic & Financial Matters

1. We noted that the Group recorded a RM5.1 million loss recognised in its associate company Lion Brewery (Ceylon) PLC (LBCP) in Sri Lanka which was severely affected by a devastating flood.

- i) Would the Group be required to inject additional capital to revive its operation as the majority of the production plant of the associate was severely damaged?

There is no immediate need for capital injection as the assets damaged (fixed assets and inventory) of RS1.5 billion are adequately covered by insurance compensation which is based on replacement value of these assets. As of the date of this reply, LBCP has received the RS1.06 billion insurance compensation on assets damage and is in the process of finalising the balance of claims by June 2017.

- ii) What is the progress of the rebuild of the LBCP's production plant?

All machineries which were damaged by the flood have been replaced and the plant commenced operations in November 2016.

- iii) What is the Board's view on the performance of this associate for FY 2017?

FY 2017 will be a challenging year for LBCP as it recovers from the flood. It needs to regain the market share it lost. Overall the beer industry in Sri Lanka is facing stiff competition from local arrack, spirits and toddy as well as illicit alcohol. As LBCP is a listed company in the Sri Lanka Stock Exchange, we are not in a position to provide any further information about FY 2017, apart from what has been disclosed by LBCP to the Stock Exchange.

2. Please enlighten shareholders on the negative implications on the Group's performance amid the enforcement of the Price Control and Anti-Profiteering Regulations 2016?

The Price Control and Anti-Profiteering Regulation 2016 is an effort by the Government to curb profiteering. Our pricing to customers is based on our cost including Excise Duty plus a mark-up margin that is reasonable for market. We do not foresee any negative implications on the Group's performance with this regulation.

3. Based on geographical segment, the Singapore's subsidiary performed satisfactorily over the years. Could the Board share with the shareholders on the Group's competitive advantages in Singapore and what would be the outlook for Singapore for FY 2017?

1. The Group enjoys some competitive advantage in Singapore. We have a strong and established flagship brand in Carlsberg Green Label. This is supported by good branding activation and trade presence.
2. We have good assortment of Premium brands to seize *Premiumisation* opportunities in Singapore.
3. We have a fairly stable route-to-market (RTM) with established distribution partners.

We expect our Singapore revenue to grow despite soft consumer sentiment and low economic growth.

Corporate Governance

Under Section 334 (3) of the Companies Act 2016, a proxy form should be deposited at the registered office of the Company not less than twenty-four hours before the time appointed for taking of the poll

However, we noted that the Company's Form of Proxy stated that the Form of Proxy must be deposited at the Shore Registrar's Office not less than 48 hours before the time for holding the meeting or any adjournment thereof. Please explain.

In accordance with Article 66 of the Constitution of the Company:

1. The time for members to deposit their proxy forms at the registered office of the Company or the office of the Share Registrar of the Company ("Office") for this meeting or adjourned meeting is at least 48 hours before the time for holding this meeting or adjourned meeting (if any); and
2. If the poll is not be taken immediately at this meeting and is deferred to another day, the members may deposit their proxy forms at the Office at least 24 hours before the time fixed for the taking of the poll by the Chairman later.
3. Further, Bursa is still undertaking its review of the impact of the new provisions on its Listing Requirements - Consultation Paper No. 1/2017 On The Review Of Bursa Malaysia Securities Berhad Main Market And Ace Market Listing Requirements Arising From The Implementation Of Companies Act 2016. The Company will look into whether any revision is required to be made to its Constitution in due course.