



**Carlsberg Brewery Malaysia Berhad**

Company No. 196901000792 (9210-K)  
(Incorporated in Malaysia)

Interim Financial Report  
31 March 2021

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 period ended 31 March 2021.

**CARLSBERG BREWERY MALAYSIA BERHAD**

(Company No.: 196901000792)

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	First Quarter Ended		Financial Period Ended	
	31 March 2021 RM'000	31 March 2020 RM'000	31 March 2021 RM'000	31 March 2020 RM'000
Revenue	531,996	589,872	531,996	589,872
Operating expenses	(449,329)	(498,724)	(449,329)	(498,724)
Other operating income	340	832	340	832
Profit from operations	83,007	91,980	83,007	91,980
Finance income	586	429	586	429
Finance costs	(1,149)	(2,270)	(1,149)	(2,270)
Share of profit of equity accounted associate, net of tax	3,974	5,107	3,974	5,107
Profit before taxation	86,418	95,246	86,418	95,246
Taxation	(18,599)	(21,067)	(18,599)	(21,067)
Profit for the financial period	67,819	74,179	67,819	74,179
Profit/(loss) attributable to:				
Owners of the Company	66,457	72,956	66,457	72,956
Non-controlling interests	1,362	1,223	1,362	1,223
Profit for the financial period	67,819	74,179	67,819	74,179
Other comprehensive (expenses)/income				
Cash flow hedge	910	(2,575)	910	(2,575)
Foreign currency translation differences for foreign operations	(6,225)	17	(6,225)	17
Total comprehensive income for the period	62,504	71,621	62,504	71,621
Total comprehensive income/(loss) attributable to:				
Owners of the Company	61,142	70,398	61,142	70,398
Non-controlling interests	1,362	1,223	1,362	1,223
Total comprehensive income for the period	62,504	71,621	62,504	71,621
EPS - Basic (sen)	21.73	23.86	21.73	23.86
- 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 2020 and the accompanying explanatory notes attached to the interim financial statements.

**CARLSBERG BREWERY MALAYSIA BERHAD**

(Company No.: 196901000792)

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	As at 31 March 2021 RM'000	As at 31 December 2020 RM'000
<b>ASSETS</b>		
<b><u>Non-current assets</u></b>		
Property, plant & equipment	202,476	208,211
Right-of-use assets	11,636	12,140
Other intangible assets	6,628	7,235
Investment in an associate	89,680	92,486
Deferred tax assets	3,072	2,725
	313,492	322,797
<b><u>Current assets</u></b>		
Inventories	59,696	85,822
Receivables, deposits and prepayments	73,890	130,830
Tax recoverable	3,185	3,107
Cash and cash equivalents	251,186	93,991
	387,957	313,750
<b>TOTAL ASSETS</b>	701,449	636,547
<b>EQUITY</b>		
<b>Total equity attributable to owners of the Company</b>		
Share capital	149,363	149,363
Reserves	49,818	18,498
	199,181	167,861
Non-controlling interests	8,135	6,773
<b>TOTAL EQUITY</b>	207,316	174,634
<b>LIABILITIES</b>		
<b><u>Non-current liabilities</u></b>		
Deferred tax liabilities	20,057	18,559
Loans and borrowings	7,709	-
Provision	329	329
Lease liabilities	3,413	3,769
	31,508	22,657
<b><u>Current liabilities</u></b>		
Payables and accruals	283,426	281,090
Current tax liabilities	36,359	33,556
Lease liabilities	1,961	2,070
Loans and borrowings	140,879	122,540
	462,625	439,256
<b>TOTAL LIABILITIES</b>	494,133	461,913
<b>TOTAL EQUITY AND LIABILITIES</b>	701,449	636,547
<b>Net assets per share (RM)</b>	0.68	0.57

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2020 and the accompanying explanatory notes attached to the interim financial statements.

**CARLSBERG BREWERY MALAYSIA BERHAD**

( Company No.: 196901000792)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

Group	/-----Attributable to Owners of the Company-----/						Total RM'000	Non- controlling Interests RM'000	Total RM'000
	Share Capital RM'000	Exchange Reserve RM'000	Cash flow Hedge Reserve RM'000	Capital Reserve RM'000	Equity contribution Reserve RM'000	Retained Earnings RM'000			
At 1 January 2020	149,363	(312)	(911)	3,931	2,624	(6,211)	148,484	8,224	156,708
Total comprehensive income for the period	-	17	(2,575)	-	-	72,956	70,398	1,223	71,621
Dividends to owners of the Company	-	-	-	-	-	(51,977)	(51,977)	-	(51,977)
Effects of share-based payments	-	-	-	-	237	-	237	-	237
At 31 March 2020	149,363	(295)	(3,486)	3,931	2,861	14,768	167,142	9,447	176,589
At 1 January 2021	149,363	(4,146)	1,959	3,931	(405)	17,159	167,861	6,773	174,634
Total comprehensive income for the period	-	(6,225)	910	-	-	66,457	61,142	1,362	62,504
Dividends to owners of the Company	-	-	-	-	-	(30,575)	(30,575)	-	(30,575)
Effects of share-based payments	-	-	-	-	753	-	753	-	753
At 31 March 2021	149,363	(10,371)	2,869	3,931	348	53,041	199,181	8,135	207,316

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for financial year ended 31 December 2020 and the accompanying explanatory notes attached to the interim financial statements.

**CARLSBERG BREWERY MALAYSIA BERHAD**  
(Company No.: 196901000792)  
**CONDENSED CONSOLIDATED CASH FLOW STATEMENT**

	<b>3 months ended</b>	
	<b>31 March 2021</b>	<b>31 March 2020</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	86,418	95,246
Adjustments for:		
Non-cash items	12,988	12,269
Share of profit of equity accounted associate, net of tax	(3,974)	(5,107)
Finance costs	1,149	2,270
Finance income	(586)	(429)
Operating profit before working capital changes	95,995	104,249
Changes in working capital:		
Inventories	24,930	10,111
Receivables, deposits and prepayments	57,985	4,267
Payables and accruals	1,491	(11,845)
Cash generated from operations	180,401	106,782
Tax paid	(15,254)	(15,281)
Net cash generated from operating activities	165,147	91,501
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of property, plant and equipment	(4,116)	(11,767)
Acquisition of intangible assets	-	(75)
Dividends received from an associate	-	-
Interest received	586	428
Proceeds from disposal of property, plant and equipment	155	85
Net cash used in investing activities	(3,375)	(11,329)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net drawdown/(repayment) of short-term borrowings	27,645	(10,000)
Repayment of lease liability	(326)	(385)
Dividends paid to owners of the Company	(30,575)	(51,977)
Dividends paid to non-controlling interests of a subsidiary	-	-
Interest paid	(2,885)	(2,196)
Net cash used in financing activities	(6,141)	(64,558)
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	155,631	15,614
Effect of exchange rate fluctuations on cash held	1,564	11
<b>CASH AND CASH EQUIVALENTS AT 1 JANUARY</b>	93,991	78,617
<b>CASH AND CASH EQUIVALENTS AT 31 MARCH</b>	251,186	94,242

The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the year ended 31 December 2020 and the accompanying explanatory notes attached to the interim financial statements.

**CARLSBERG BREWERY MALAYSIA BERHAD**

(Company No.: 196901000792)

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

Cash and cash equivalents comprise the following amounts:

	<b>As at</b>	
	<b>31 March 2021 RM'000</b>	<b>31 March 2020 RM'000</b>
Cash at bank	251,110	94,129
Cash held on hand	76	113
	<b>251,186</b>	<b>94,242</b>

The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the year ended 31 December 2020 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 2020.

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 2020.

The Group has also adopted the following amendments to MFRS and IC Interpretations that came into effect on 1 January 2021 which did not have any significant impact on the unaudited condensed consolidated financial statements upon their initial application.

Amendments to MFRS 16 'COVID-19-Related Rent Concessions'

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

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

<b>MFRSs, Amendments to MFRSs and IC Interpretations</b>		<b>Effective</b>
Amendments to MFRS 116	Proceeds before Intended Use	1 January 2022
Amendments to MFRS 3	Reference to the Conceptual Framework	1 January 2022
Annual Improvements to MFRS 9	Fees in the '10 percent' test for Derecognition of Financial Liabilities	1 January 2022
Amendments to MFRS 137	Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
Amendments to MFRS 101	Classification of liabilities as current or non-current	1 January 2023

## 1. Basis of Preparation (continued)

<b>MFRSs, Amendments to MFRSs and IC Interpretations</b>		<b>Effective</b>
Amendments to MFRS 108	Definition of Accounting Estimates	1 January 2023

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

The auditors' report on the financial statements for the year ended 31 December 2020 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

Other than the COVID-19 situation as elaborated in Note 15, 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 21.

### *Share Buyback*

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

## 7. Dividends Paid

No dividends were paid during the financial quarter ended 31 March 2021.

The Board of Directors declared on 18 February 2021 an interim single tier dividend of 10.0 sen per share for the year ended 31 December 2020. The total amount RM30.6 million was paid on 2 April 2021.

At the Annual General Meeting on 14 April 2021, a FINAL single tier dividend of 30.0 sen per share in respect of the financial year ended 31 December 2020 have been approved by shareholders. The total amount of RM91.7 million is payable on 18 May 2021.

## 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.

Quarter Ended 31 March 2021	Malaysia	Singapore	Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000
<b>Geographical Segments:</b>				
Total external revenue	356,536	175,460	-	531,996
Inter segment revenue	18,617	-	(18,617)	-
<b>Total revenue</b>	<b>375,153</b>	<b>175,460</b>	<b>(18,617)</b>	<b>531,996</b>
<b>Profit from operations</b>	<b>61,097</b>	<b>20,925</b>	<b>985</b>	<b>83,007</b>

Quarter Ended 31 March 2020	Malaysia	Singapore	Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000
<b>Geographical Segments:</b>				
Total external revenue	445,371	144,501	-	589,872
Inter segment revenue	16,184	-	(16,184)	-
<b>Total revenue</b>	<b>461,555</b>	<b>144,501</b>	<b>(16,184)</b>	<b>589,872</b>
<b>Profit from operations</b>	<b>72,651</b>	<b>17,732</b>	<b>1,597</b>	<b>91,980</b>

## 9. Material Contracts

No new material contracts were concluded during the 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. Capital Commitments

Capital commitments for property, plant and equipment and intangible assets not provided for in the financial statements as at 31 March 2021 are as follows:

	<u>RM'000</u>
Approved and contracted for	13,909
Approved but not contracted for	46,580
	<u>60,489</u>

## 12. Financial Instruments

Derivatives

The outstanding derivative as at 31 March 2021 are as follows:

Aluminium Hedging Contract	Contract Value (RM'000)	Fair Value (RM'000)	Difference (RM'000)
Less than one year	18,512	22,288	3,776
One to five years	-	-	-
	18,512	22,288	3,776

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 particular item, are recognised in other comprehensive income.

### 13. Holding Company

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

### 14. Significant Related Party Transactions

	<b>Financial Period Ended 31 March 2021 RM'000</b>
<b>Transactions with holding company:</b>	
Purchases of services	1,201
Royalties payable	8,864
Net settlements paid in respect of gain from hedging contracts	(653)
<b>Transactions with related companies:</b>	
Management fees payable	2,693
Purchases of materials and products	6,504
Purchases of services	766
Sales of goods	(10,675)
Royalties payable	1

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

## 15. Review of Performance

### Current Quarter Performance

<b>Key Financials (RM'000)</b>	<b>First Quarter Ended 31 March 2021</b>	<b>First Quarter Ended 31 March 2020</b>	<b>% Change</b>
Revenue	531,996	589,872	-9.8%
Profit from operations	83,007	91,980	-9.8%
Share of profit in an associate	3,974	5,107	-22.2%
Profit attributable to Owners of the Company ("Net profit")	66,457	72,956	-8.9%

The Group's revenue decreased by 9.8% to RM532.0 million compared to the same quarter last year. In Malaysia, the decline was mainly due to lower sales in the on-trade sector and limited consumer-facing promotions and activities as sales continued to be much impacted by the COVID-19 pandemic restrictions such as dining-in limitations, in particular when the second Movement Control Order ("MCO 2.0") was imposed from 13 January 2021 on a near nationwide basis that was gradually lifted on 18 February 2021 except for Kuala Lumpur, Selangor, Penang and Johor which was lifted on 4 March 2021. In Singapore, the nation had moved to Phase 3 ("Safe Nation") since 28 December 2020 with some easing of restrictions and lockdowns and the re-opening of dining-in. This easing allowed our Singapore operations to grow both in volume and value, helped by a successful Chinese New Year, premium brands growth in off trade as well as in the E-commerce channel, which buffered to some extent the drop in Malaysia sales.

The Group's profit from operations decreased by 9.8% to RM83.0 million due mainly to the lower sales in this quarter in Malaysia partly offset by higher sales in Singapore and further mitigated by cost control measures that resulted in lower marketing spend and reduction in operating expenses.

Total revenue for Malaysia decreased by 19.9% to RM356.5 million whilst profit from operations decreased by 16.4% to RM62.1 million. The main factors were the lower sales which were partially mitigated by the reduction in operating expenses. The imposition of the Movement Control Order (MCO) 2.0 restrictions hampered sales during the Chinese New Year festivities, a traditionally high volume season. The gradual easing of movement restrictions in early March led subsequently to an increase in off trade consumption and a gradual recovery in the on trade business when dine-in was allowed.

Singapore reported an increased of 21.4% in revenue to RM175.5 million whilst its profit from operations increased by 18.0% to RM20.9 million compared to the same quarter last year due to the higher sales offset partially by higher marketing expenses incurred to drive growth.

## 15. Review of Performance (continued)

The Group registered a lower share of profit in its associated company, Lion Brewery (Ceylon) PLC (“LBCP”) of RM4.0 million compared to a share of profit of RM5.1 million in the previous year’s corresponding quarter. The lower profit was due to additional impairment of LBCP’s Miller brands amounting to RM2.3 million.

The Group’s net profit for the quarter decreased by 8.9% to RM66.5 million compared to the same quarter last year due to lower profits in Malaysia offset by higher profits in Singapore.

## 16. Variation of Result against the Preceding Quarter

Key Financials (RM’000)	First Quarter Ended 31 Mar 2021	Fourth Quarter Ended 31 Dec 2020	% Change
Revenue	531,996	472,536	12.6%
Profit from operations	83,007	46,236	79.5%
Net profit	66,457	37,946	75.1%

The Group’s revenue increased by RM59.5 million or 12.6%, against the preceding quarter due to Chinese New Year sales and a relative sales recovery in both Malaysia and Singapore with the easing of COVID-19 counter measures.

The Group’s profit from operations increased by RM36.8 million or 79.5% against the preceding quarter mainly due mainly to the higher revenues, absence of one-off restructuring costs of RM9.9m and lower marketing spend.

The Group’s net profit increased by 75.1% due to higher profits in Malaysia and higher share of profits in LBCP offset by lower net profit for Singapore. The lower net profit from Singapore was due to higher marketing spend in this quarter to drive higher sales.

## 17. Prospects

The COVID-19 pandemic and lockdowns with restrictions on social activities are expected to continue impacting the business for some time. This is evident in the recent resurgence in COVID-19 cases which led to the reimposition of MCO in Malaysia (“MCO 3.0”), initially on selected districts from 6 May, then on a nation-wide basis from 12 May. In Singapore, on May 16, the government announced tighter COVID-19 measures, banning dining-in and limiting gatherings to two people and 100% working from home for office based employees. As such, the Board continues to take a cautious view over the outlook for 2021 due to the persevering effects of COVID-19 and the possible government measures that may be undertaken to control the pandemic. The overall economic outlook for 2021 will be dependent on the containment of the pandemic including the on-going vaccination drive to curb the resurgence and spread of COVID-19 cases.

Since the first lockdown in MCO 1.0 in March 2020, our ability to overcome the challenges and navigate through the uncertainties has proven that we can, and have, effectively implement measures to preserve profitability and cash to ensure sustainable performance for the Group. This is evident in our recent successful launches of new products: Somersby Watermelon, Connors in can, and Carlsberg Smooth Draught in keg, despite the on-going pandemic.

The Group continues to be disciplined in executing its ‘Fund the Journey’ initiatives and optimizing its cost structures aggressively to reallocate investments into viable channels; and extending various support to its business partners. In addition, we will continue to review our business strategies to ensure that our structures, processes and cost base are suited to a post-COVID-19 reality. We are confident that our long-term strategies are well placed to manage the risks of the current landscape. Accordingly, the Group is hopeful of an acceptable performance for 2021 despite the prevailing pandemic climate.

The Group has a strong balance sheet and sufficient access to borrowing facilities where necessary. Amidst the uncertain landscape caused by COVID-19, the Group will continue to ensure a prudent focus on preserving cash and liquidity for the long-term health of the Group as it works to sustain value for all its stakeholders.

## 18. Profit Forecast

The Group does not issue any profit forecasts.

## 19. Taxation

	Financial Period Ended 31 March	
	2021 RM'000	2020 RM'000
<u>Taxation</u>		
- Malaysia	14,251	16,838
- Outside Malaysia	3,557	3,044
	<b>17,808</b>	<b>19,882</b>
<u>Deferred tax</u>		
- Malaysia	791	1,185
- Outside Malaysia	-	-
<b>Tax expense</b>	<b>18,599</b>	<b>21,067</b>
Profit before taxation	86,418	95,246
Share of profit of equity accounted associate, net of tax	(3,974)	(5,107)
<b>Profit before taxation excluding share of profit of equity accounted associate, net of tax</b>	<b>82,444</b>	<b>90,139</b>
<b>Effective tax rate</b>	<b>22.56%</b>	<b>23.37%</b>

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

## 20. Corporate Proposals

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

## 21. Borrowing and Debt Securities

Group borrowings and debt securities are as follows:

Unsecured loans	As at 31 March 2021 RM'000	As at 31 December 2020 RM'000
Long term – Term loans	7,709	-
Short term - Revolving credits	140,879	122,540
<b>Total</b>	<b>148,588</b>	<b>122,540</b>
Denominated in RM	110,000	116,440
Denominated in SGD	38,588	6,100
<b>Total</b>	<b>148,588</b>	<b>122,540</b>

## 22. Material Litigation

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

## 23. 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:

	<b>Financial Period Ended</b>	
	<b>31 March 2021</b>	<b>31 March 2020</b>
Profit attributable to owners of the Company (RM'000)	66,457	72,956
Weighted average number of ordinary shares in issue ('000)	305,748	305,748
Basic earnings per share (sen)	21.73	23.86

### *Diluted earnings per share*

Not applicable.

## 24. Dividends

No interim dividend has been declared or proposed for the current quarter (2020: Nil) in respect of the financial year ending 31 December 2021.

## 25. Notes to the Statement of Comprehensive Income

	<b>Financial Period Ended</b>	
	<b>31 March 2021 RM'000</b>	<b>31 March 2020 RM'000</b>
Finished goods written off	(918)	-
Allowance for inventories written down	(278)	-
Depreciation and amortisation	(10,838)	(12,182)
Loss on disposal of property, plant and equipment	(34)	(24)
Net foreign exchange gain/(loss)	122	(1,426)
Property, plant and equipment written off	(4)	(37)
Reversal of impairment loss on receivables	80	433

## 26. Authorisation for Issue

These interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 18 May 2021.