

Ten-Year Financial Summary

INCOME STATEMENTS (RM - MILLION)										
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Revenue	525.5	609.6	685.9	707.8	771.4	852.0	841.1	838.8	876.0	984.8
Profit Before Tax	108.1	129.0	160.0	151.9	137.9	152.2	161.7	126.7	106.7	113.3
Taxation	31.1	37.3	44.2	37.4	-	42.2	35.7	31.3	25.5	24.6
Profit After Tax	77.0	91.7	115.8	114.5	137.9	110.0	126.0	95.4	81.2	88.7
Transfer from Revenue Reserves	-	-	-	1.2	-	-	-	-	-	-
Dividends	77.0	91.7	115.8	115.7	137.9	110.0	126.0	95.4	81.2	88.7
	28.0	43.4	65.8	115.7	109.3	82.0	82.0	103.6	103.9	98.8
Retained Earnings	49.0	48.3	50.0	0.0	28.6	28.0	44.0	(8.2)	(22.7)	(10.1)

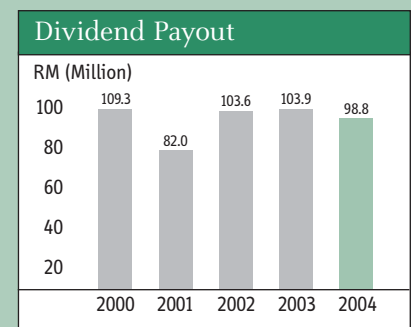
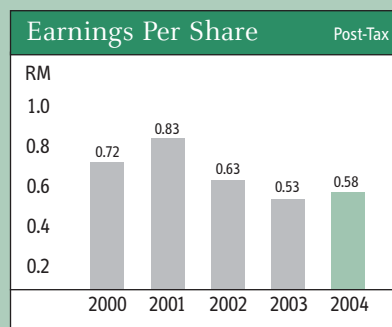
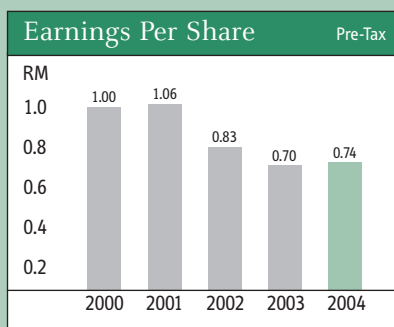
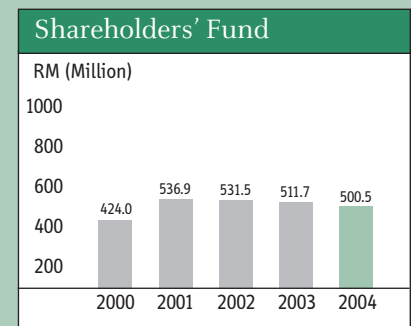
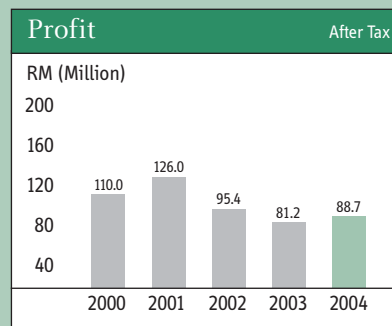
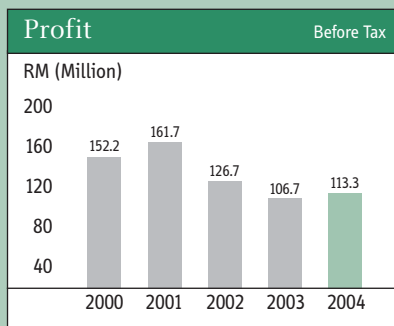
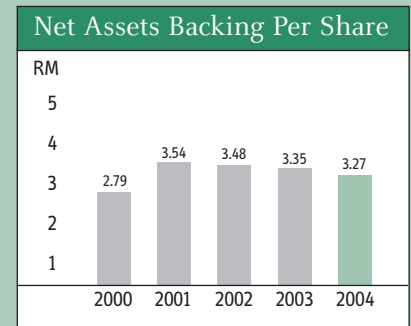
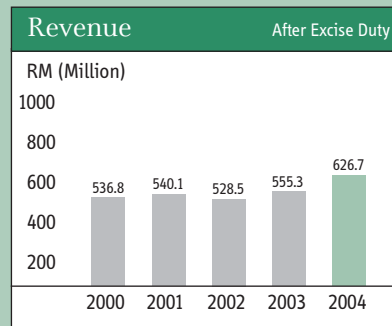
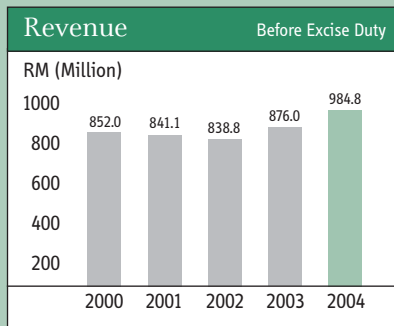
BALANCE SHEETS (RM - MILLION)										
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Issued and Paid-up Share Capital	102.0	102.0	153.0	153.0	153.0	153.0	153.0	153.7	154.0	154.0
Retained Earnings	163.0	211.4	210.3	209.1	237.7	265.8	380.8	378.4	355.7	345.7
Treasury Shares	-	-	-	-	(12.0)	(12.0)	(12.0)	(12.0)	(12.0)	(12.0)
General Reserves	5.8	5.8	5.8	5.8	5.8	5.8	5.8	-	-	-
Non-Distributable Reserves	10.5	10.5	10.5	13.0	11.9	11.4	9.3	11.4	14.0	12.8
Shareholders' Fund	281.3	329.7	379.6	380.9	396.4	424.0	536.9	531.5	511.7	500.5
Deferred Taxation	10.8	12.0	12.0	12.0	12.0	12.8	14.0	21.0	22.5	22.9
	292.1	341.7	391.6	392.9	408.4	436.8	550.9	552.5	534.2	523.4
Property, Plant and Equipment (Net Book Value)	144.6	158.9	157.8	176.4	200.9	195.5	211.6	200.8	185.5	176.7
Investment in Associated Company	-	11.0	11.0	14.1	13.3	13.4	8.3	13.6	15.0	15.6
Long Term Investment	-	-	-	1.7	1.7	1.7	1.7	1.7	1.7	1.7
Net Current Assets	147.5	171.8	222.8	200.7	192.5	226.2	329.3	336.4	332.0	329.4
	292.1	341.7	391.6	392.9	408.4	436.8	550.9	552.5	534.2	523.4

FINANCIAL RATIOS										
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Pre-Tax Earnings per Share (RM)*	0.71	0.84	1.05	0.99	0.91	1.00	1.06	0.83	0.70	0.74
Post-Tax Earnings per Share (RM)*	0.50	0.60	0.76	0.75	0.91	0.72	0.83	0.63	0.53	0.58
Net Dividend per Ordinary Share (RM)	0.18	0.28	0.43	0.76	0.72	0.54	0.54	0.68	0.68	0.65
Net Assets Backing per Share (RM)**	1.84	2.15	2.48	2.49	2.61	2.79	3.54	3.48	3.35	3.27
Dividend Cover, No. of Times (Based on post-tax earnings)	2.8	2.1	1.8	1.0	1.3	1.3	1.54	0.92	0.78	0.90
Return on Shareholders' Fund (%)	27.4	27.8	30.5	30.1	34.8	25.9	23.5	18.0	15.9	17.7
Current Ratio	2.3	2.2	2.2	1.9	2.0	2.2	3.8	4.3	5.6	5.5
Bursa Securities Price at 31 December (RM) (After adjustment for all bonus issues till 1997)	7.93	12.47	12.50	10.90	11.70	11.00	10.80	10.70	11.00	10.60

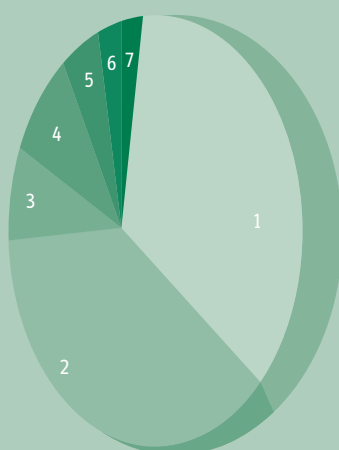
* For 1998 and prior, figures are calculated based on 153 million ordinary shares. 1999 figures are based on weighted average number of share issued during the year while the figures for 1999 onwards are based on number of shares net of treasury shares.

** The figures for 1999 onwards are based on number of shares net of treasury shares.

Financial Highlights



Analysis of 2004 Group Revenue



	2003	2004
1. Excise Duties	36.6%	36.4%
2. Sales, Distribution & Administration Costs	34.7%	35.7%
3. Profit after Taxation	9.3%	9.0%
4. Raw Materials & Packaging Costs	9.4%	10.1%
5. Employees' Costs	4.4%	4.0%
6. Taxation	2.9%	2.5%
7. Depreciation	2.7%	2.3%

Development of Investment in Carlsberg Brewery Malaysia Berhad Shares

Year	Particulars	New shares issued to a shareholder #	Cumulative number of shares held by a shareholder	Cost of investment
1971	Initial subscription		1,000	RM1,000
1973	Rights issue : 1 for 2	500	1,500	RM500
1978	Bonus issue : 1 for 2	750	2,250	
1981	Bonus issue : 1 for 2	1,125	3,375	
1988	Bonus issue : 1 for 3	1,125	4,500	
1990	Bonus issue : 1 for 2	2,250	6,750	
1992	Bonus issue : 1 for 3	2,250	9,000	
1994	Bonus issue : 1 for 4	2,250	11,250	
1997	Bonus issue : 1 for 2	5,625	16,875	
			Current investment of a shareholder	Initial investment of a shareholder
Total number of shares held			16,875	1,500
Closing market price as at 31.12.2004			RM10.60	
Market value of shares held			RM178,875	RM1,500
Cumulative gross dividends received (1971 - 2004)			RM137,550	

Assumption of issue of exact lots for illustrative purposes only

Dividend Payment History

Year	Total dividend RM'000	Dividend rate Gross	Dividend rate Net	Year	Total dividend RM'000	Dividend rate Gross	Dividend rate Net
1977	1,440	20.0%	12.0%	1991	16,065	35.0%	26.3%
1978	1,800	21.7%	13.0%	1992	17,391	35.0%	26.3%
1979	2,786	25.8%	15.5%	1993	21,624	35.0%	26.5%
1980	2,700	25.0%	15.0%	1994	23,419	35.0%	27.0%
1981	3,240	25.0%	15.0%	1995	28,050	35.0%	27.5%
1982	4,050	25.0%	15.0%	1996	28,050	35.0%	27.5%
1983	4,590	25.0%	15.0%	1997	46,920	50.0%	42.5%
1984	4,590	25.0%	15.0%	1998	66,096	60.0%	43.2%
1985	4,590	25.0%	15.0%	1999	115,584	105.0%	75.6%
1986	4,590	25.0%	15.0%	2000	109,321	100.0%	72.0%
1987	4,590	25.0%	15.0%	2001	81,991	75.0%	54.0%
1988	5,202	25.0%	15.0%	2002	103,604	75.0%	68.0%
1989	6,630	25.0%	16.3%	2003	103,859	75.0%	68.0%
1990	12,036	35.0%	26.3%	2004	98,756	80.0%	64.6%

Five-Year Dividend Payout as % of Profit After Tax

	2000 RM'000	2001 RM'000	2002 RM'000	2003 RM'000	2004 RM'000
Net Dividend amount	109,321	81,991	103,604	103,859	98,756
Group profit after tax	110,008	125,970	95,402	81,155	88,714
Net Dividend amount as % of profit after tax	99.4%	65.1%	108.6%	128.0%	111.3%

Statement of Corporate Governance

The Board of Directors of Carlsberg Brewery Malaysia Berhad ("CBMB") is committed to ensuring that the highest standards of corporate governance are practised 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 of 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.

COMPLIANCE STATEMENT

The Group has not complied with the Principles and Best Practice of the Code set out in the schedule below during the year. The reasons for non-compliance are specified accordingly.

Provision of the Code	Details	Reasons
A.II	Separate roles of Chairman and Managing Director	<p>From 1 July 2004 to 31 December 2004, Dato' Jorgen Bornhoft assumed the position of Executive Chairman, which combined the roles of Chairman and Managing Director. This was for the purposes of continuity upon the resignation of the then Managing Director, Mr Bjorn Sondenskov. Dato' Jorgen Bornhoft, the then Chairman of CBMB, was also previously the Managing Director of CBMB prior to Mr Bjorn Sondenskov's appointment on 1 April 2003. The strong independent element of the Board, whereby 50% were independent, ensured a balance of power and authority during this time.</p> <p>The roles of Chairman and Managing Director have since been made clearly distinct with the subsequent appointment of Mr Mogens Joenck as Managing Director and Dato' Bornhoft as Non-Executive Chairman on 1 January 2005.</p>
B.III	Disclosure of details of the remuneration of each director	<p>The Board has considered this Principle against the backdrop of compliance with a related disclosure required under the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"), i.e. that of disclosure of an analysis of Directors' Remuneration by applicable bands of RM50,000 (refer to Note 7 to the Financial Statements).</p> <p>The Board is of the view that the transparency and accountability aspects of corporate governance as applicable to Directors' Remuneration are appropriately served by the 'band disclosure' made.</p>

Statement of Corporate Governance (contd.)

Provision of the Code	Details	Reasons
AA.VII	Nomination of a Senior Independent Non-Executive Director to whom concerns may be conveyed.	Given the current composition of the Board, in particular the strong independent element, the Board does not consider it necessary to nominate a recognised Senior Independent Non-Executive Director.

The statement in the ensuing paragraphs describes how the Group has applied the principles and best practices of the Code in 2004.

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.

During the year ended 31 December 2004, 4 Board Meetings were held. The following is the record of attendance of the Board Members :-

Directors	No. of meetings attended
Dato' Jorgen Bornhoft	4/4
Chan Hua Eng	4/4
Gen. (R) Tan Sri Dato' Mohd Ghazali bin Dato' Mohd. Seth	4/4
Tan Sri Datuk Asmat bin Kamaludin	4/4
Dato' Lim Say Chong	4/4
Jesper B. Madsen	4/4
Bjorn Sondenskov	4/4
Mogens Joenck (<i>appointed on 1.1.2005</i>)	-
Chin Voon Loong	4/4

The Board intends to meet at least 4 times a year, with additional meetings convened where necessary.

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

Statement of Corporate Governance (contd.)

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 on pages 49 to 52.

2. Nomination Committee

The Nomination Committee was established on 1 October 2001. The Committee had 1 meeting during the year ended 31 December 2004.

Members

Tan Sri Datuk Asmat bin Kamaludin - Chairman (*Independent Non-Executive Director*)

Chan Hua Eng (*Independent Non-Executive Director*)

Bjorn Sondenskov (*Non-Executive Director*)¹

Key responsibilities

- Reviewing the Board composition and recommending new nominees to the Board as well as Board committees for the Directors' consideration.
- Assessing the effectiveness of the Board, Board Committees and each Director every year, taking into consideration the required mix of skills and experience and other requisite qualities including core competencies contributed by Non-Executive Directors.

Note 1 : Mr Bjorn Sondenskov was Managing Director from 1 April 2003 to 1 July 2004. He remains as a Non-Executive Director.

3. Remuneration Committee

The Remuneration Committee, which was established on 18 August 2001, had 1 meeting during the year ended 31 December 2004.

Members

Chan Hua Eng - Chairman (*Independent Non-Executive Director*)

Tan Sri Datuk Asmat bin Kamaludin (*Independent Non-Executive Director*)

Dato' Jorgen Bornhoft (*Executive Chairman*)²

Key responsibilities

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

4. ESOS Committee

The ESOS Committee was set up on 30 April 1998. During the year ended 31 December 2004, no meeting was held as the Carlsberg Employees' Share Option Scheme had expired on 25 October 2003.

Members

Dato' Jorgen Bornhoft (*Executive Chairman*)²

Chan Hua Eng (*Independent Non-Executive Director*)

Note 2 : Dato' Jorgen Bornhoft was Non-Executive Chairman up till 30 June 2004. Upon the resignation of Mr Bjorn Sondenskov as Managing Director on 1 July 2004, Dato' Jorgen Bornhoft was appointed as Executive Chairman.

Statement of Corporate Governance (contd.)

Key responsibilities

Administering the Carlsberg Employees' Share Option Scheme in accordance with the objectives and regulations as stated in the Bye-Laws which include :-

- Recommending to establish, amend and revoke any rules or arrangement relating to the ESOS where necessary.
- Determining all questions of policy and expediency that may arise in the administration of the ESOS and exercising such powers and performing such acts where necessary.

II. Board Balance

Following the organisational changes of CBMB's major shareholder, Carlsberg Asia Pte Ltd, where the responsibility for the Asian region was transferred from Carlsberg Asia Pte Ltd to Carlsberg Breweries A/S, the then Managing Director of CBMB, Mr Bjorn Sondenskov, resigned on 1 July 2004 to move back to Carlsberg Breweries A/S to support the organisational change. For the purposes of continuity, Dato' Jorgen Bornhoft, the then Chairman of CBMB, and who was also previously the Managing Director of CBMB prior to Mr Bjorn Sondenskov's appointment, was appointed as the Executive Chairman on 1 July 2004. Dato' Jorgen Bornhoft's position as Executive Chairman combined the roles of Chairman and Managing Director. The strong independent element of the Board, whereby 50% were independent, ensured a balance of power and authority during this time.

On 1 January 2005, upon the appointment of Mr Mogens Joenck as Managing Director, Dato' Jorgen Bornhoft's Board position changed from Executive Chairman to Non-Executive Chairman. Accordingly, the roles and responsibilities of the Chairman and Managing Director are made clearly distinct to further enhance the existing balance of power and authority.

Except for the period from 1 July 2004 to 31 December 2004, 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 running of the Group and the implementation of the Board's decisions and policies.

In 2004, the Board had 8 members, comprising 6 Non-Executive Directors and 2 Executive Directors. Out of the 8 Directors, 4 were Independent Directors, which is in excess of the statutory requirement of one-third. 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 5 to 9.

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 relatively large number of Independent Directors also ensure that the investment of minority shareholders is fairly reflected through Board representation.

Statement of Corporate Governance (contd.)

III. Supply of Information

All Directors are furnished with a comprehensive Board File including the meeting agenda usually at least 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 Audit Committee and other major operational, financial 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 is charged with the responsibility of, amongst others, recommending the appointment of new Directors to the Board.

Carlsberg has an induction and education programme for new Board members, which includes a visit to the 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 the Director to contribute effectively from the outset of the appointment. The relevant sections of the Listing Requirements of Bursa Securities particularly in relation to their responsibilities as Directors, are also conveyed to them.

V. Re-election

In accordance with the Company's Articles of Association, all Directors are subject to election at the first Annual General Meeting after their appointment.

The Articles also provide that at least one third of the Directors be subject to re-election by rotation at each Annual General Meeting. Directors over 70 years of age are required to submit themselves for re-appointment at every Annual General Meeting in accordance with Section 129(6) of the Companies Act, 1965.

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.

Statement of Corporate Governance (contd.)

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.

The fees payable to Directors are subject to the approval of shareholders.

III. Details of Remuneration

Details of the number of Executive and Non-Executive Directors in remuneration bands of RM50,000 for the year ended 31 December 2004 are disclosed in the Statutory Accounts as Note 7 of the Notes to the Financial Statements.

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 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.

Statement of Corporate Governance (contd.)

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 52 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 management team. The findings of the internal audit function are regularly reported to the Audit Committee.

III. Relationship with Auditors

The role of the Audit Committee in relation to the external auditors is described on pages 50 to 51.

Statement on Internal Control

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 is a continuous process, subject to regular review by the Board, and accords 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. The Audit Committee reports to the Board on any significant changes in the business and external environment which affect key risks.

In 2004, the RMWC met 6 times wherein discussions and reviews were conducted on key risks faced by the Group, their corresponding controls and action plans to be taken. The RMWC's feedback was reported to the Management and the Audit Committee on a regular basis.

- **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.

Statement on Internal Control (contd.)

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 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 this purpose, each year, the Department :

- Prepares a detailed Annual Audit Plan in consultation with the Managing Director 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 49 to 52 of this Annual Report contains further details on the principal responsibilities and activities of the Internal Audit Department in 2004.

Statement on Internal Control (contd.)

- **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, 39 reports were issued by the Internal Audit Department to the Audit Committee for their review.

The Audit Committee Report set out on pages 49 to 52 of this Annual Report contains further details on the activities undertaken by the Audit Committee in 2004.

- **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**

Business 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 major shareholder.

The monitoring of results against budget is conducted every quarter, with major variances followed up and management action taken, where necessary. The budget is reviewed every quarter to update 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. Weekly meetings attended by Management, which includes the Managing Director/ Executive Chairman, 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 Directors have 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 Directors believe that the system of internal controls is 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.

This statement is made in accordance with a resolution of the Board of Directors dated 23 February 2005.

Audit Committee Report

MEMBERSHIP AND MEETINGS

The Audit Committee had 4 meetings during the year ended 31 December 2004. The members of the Audit Committee and the record of their attendance are as follows :-

Membership	No. of meetings attended
Chan Hua Eng (Chairman/Independent Non-Executive Director)	4/4
Gen. (R) Tan Sri Dato' Mohd Ghazali bin Dato' Mohd. Seth (Member/Independent Non-Executive Director)	4/4
Dato' Lim Say Chong (Member/Independent Non-Executive Director)	4/4
Chin Voon Loong (Member/Executive Director)	4/4

The Heads of the Finance and Internal Audit Departments 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.

TERMS OF REFERENCE

• Terms of membership

1. The Audit Committee shall be appointed by the Board from amongst their number and shall consist of not less than 3 members with the majority being Independent 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 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
 - a degree/masters/doctorate in accounting or finance with at least 3 years' post qualification experience in accounting or finance; or
 - at least 7 years' experience being a chief financial officer of a corporation or having the function of being primarily responsible for the management of the financial affairs of a corporation.
4. In the event of any vacancy in the Audit Committee, the Board shall within 3 months of that event, appoint such new members to make up the minimum number of 3 members.
5. No alternate director can be appointed as a 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 3 years.

Audit Committee Report (contd.)

- **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 Malaysia Securities Berhad ("Bursa Securities"), any matter reported by it to the Board which has not been satisfactorily resolved resulting in a breach of the Bursa Securities Listing Requirements.

- **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) the assistance given by the Company's officers to the external auditor;
 - (f) the adequacy of the scope, functions and resources of the internal audit function and that it has the necessary authority to carry out its work;
 - (g) 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;
 - (h) any appraisal or assessment of the performance of members of the internal audit function;
 - (i) any appointment or termination of senior staff members of the internal audit function;
 - (j) any resignations of internal audit staff members and provide the resigning staff member an opportunity to submit his reasons for resigning;
 - (k) 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 changes;
 - (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;
 - (l) any related party transaction 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;
 - (m) any major findings of internal investigations and Management's response;
 - (n) the quarterly reports relating to Risk Assessment and the effectiveness and appropriateness of the Risk Management Framework; and
2. to recommend and consider the nomination and appointment of a person or persons as external auditors, the audit fees and any questions of resignation or dismissal; and
3. to consider any other functions as may be agreed to by the Audit Committee and the Board of Directors.

Audit Committee Report (contd.)

- **Meetings**

1. Meetings shall be held not less than 4 times a year.
2. The quorum for each meeting shall be two independent 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 once 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 that one is necessary.
5. The Company Secretary shall be the Secretary of the Audit Committee.

- **Reporting Procedures**

The Secretary shall circulate the minutes of meetings of the Audit Committee to all members of the Board.

SUMMARY OF ACTIVITIES OF THE INTERNAL AUDIT FUNCTION AND THE AUDIT COMMITTEE DURING THE YEAR ENDED 31 DECEMBER 2004

- **Internal Audit Function**

The Group has an established Internal Audit Department which assists the Audit Committee in the discharge of its duties and responsibilities. The Department's role is to undertake regular and systematic reviews of the system of internal controls so as to provide reasonable assurance that such system continues to operate effectively and efficiently.

In attaining such objectives, the following activities were carried out by the Internal Audit Department in 2004 :-

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 system 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.

- **Summary of Activities of the Audit Committee**

During the year ended 31 December 2004, 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 and the services provided, including non-audit services. Non-audit services totalling RM51,000 were payable to the external auditors during the year for tax advisory services.
- 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.

Audit Committee Report (contd.)

- 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 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 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 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 provisions set out under the Malaysian Code on Corporate Governance for the purpose of the Statement of Corporate Governance pursuant to the Listing Requirements of Bursa Securities.

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 Listing Requirements of the 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 2004, 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

The directors have pleasure in presenting their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2004.

PRINCIPAL ACTIVITIES

The principal activities of the Group and the Company are the production of beer, stout, shandy and non-alcoholic beverages for distribution in the home market and for export. There have been no significant changes in the nature of the principal activities during the financial year.

RESULTS FOR THE YEAR

	GROUP RM '000	COMPANY RM '000
Operating profit	102,996	28,741
Interest income	7,077	6,537
Dividend from subsidiary	-	79,200
Share of results of associated company	3,257	-
Profit before taxation	113,330	114,478
Taxation	(24,616)	(28,721)
Profit for the year after taxation	88,714	85,757

There were no material transfers to or from reserves or provisions during the financial year.

In the opinion of the directors, the results of the operations of the Company and of the Group during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature.

HOLDING COMPANY

The directors regard Carlsberg Asia Pte Ltd, a company incorporated in the Republic of Singapore, as the holding company and Carlsberg Breweries A/S, a company incorporated in Denmark, as the ultimate holding company of Carlsberg Brewery Malaysia Berhad.

DIVIDENDS

Dividends paid by the Company since 31 December 2003 were as follows:

	GROUP/COMPANY RM '000
In respect of the financial year ended 31 December 2003:	
A final dividend of 15 sen per share less tax	16,510
A special dividend of 25 sen per share less tax	27,517
A special dividend of 25 sen per share, tax exempt	38,219
In respect of the financial year ended 31 December 2004:	
An interim dividend of 10 sen per share less tax	11,007
A special interim dividend of 5 sen per share less tax	5,503
	<hr/>
	98,756

Directors' Report (contd.)

DIVIDENDS (CONTD.)

The directors propose the payment of the following final dividends in respect of the financial year ended 31 December 2004:

- (a) a final dividend of 15 sen per share less tax, amounting to RM16,510,392; and
- (b) a special dividend of 70 sen per share less tax, amounting to RM77,048,496.

The amounts stated in respect of proposed dividends have been calculated based on the number of outstanding shares in issue and fully paid, of 152,874,000 ordinary shares.

DIRECTORS

The names of the directors of the Company in office since the date of the last report and at the date of this report are:

Dato' Jorgen Bornhoft

Chan Hua Eng

Gen. (R) Tan Sri Dato' Mohd. Ghazali bin Dato' Mohd. Seth

Tan Sri Datuk Asmat bin Kamaludin

Dato' Lim Say Chong

Jesper Bjoern Madsen

Bjorn Sondenskov

Chin Voon Loong

Mogens Joenck

(Appointed 1 January 2005)

In accordance with Section 129(2) of the Companies Act, 1965, Mr. Chan Hua Eng and Gen. (R) Tan Sri Dato' Mohd. Ghazali bin Dato' Mohd. Seth retire having attained the age of seventy. The Board recommends that they be re-appointed in accordance with Section 129(6) of the Act.

DIRECTORS' BENEFITS

Neither at the end of the financial year, nor at any time during that year, did there subsist any arrangement to which the Company was a party, whereby directors might acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Since the end of the previous financial year, no director has received or become entitled to receive any benefits (other than a benefit included in the aggregate amount of emoluments received or due and receivable by the directors shown in the Note 7 to the financial statements or the fixed salary of a full-time employee of the Company) by reason of a contract made by the Company or a related corporation with any 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 required to be disclosed by Section 169(8) of the Companies Act, 1965.

DIRECTORS' INTERESTS

The following directors who held office at the end of the financial year had, according to the register required to be kept under Section 134 of the Companies Act, 1965, interests in shares in the Company:

Direct interest in the Company	At 1.1.2004	Acquired during the year	Disposed	At 31.12.2004
Chin Voon Loong	17,000	-	(10,000)	7,000
Jesper Bjoern Madsen	4,500	-	-	4,500

Directors' Report (contd.)

DIRECTORS' INTERESTS (CONTD.)

Indirect interest in the Company	At 1.1.2004	Acquired during the year	Disposed	At 31.12.2004
Tan Sri Datuk Asmat bin Kamaludin	4,000	-	-	4,000
Dato' Lim Say Chong	28,000	-	-	28,000

SHARE REPURCHASE

Pursuant to the authority granted by an ordinary resolution passed in the Annual General Meeting held on 29 April 1999, the Company had, during the financial year ended 31 December 1999, repurchased 1,165,000 ordinary shares of RM1.00 each through the (then) Kuala Lumpur Stock Exchange, for an aggregate consideration of RM12,042,622, representing an average price of RM10.34 per share. The lowest and highest prices paid for each share were RM9.75 and RM10.60 respectively. The repurchase of shares was financed by internally generated funds.

The shares repurchased are being retained as treasury shares in accordance with Section 67A of the Companies Act, 1965. During the financial year, no additional shares were repurchased and none of the shares previously repurchased were reissued or distributed as share dividends, resold or cancelled.

OTHER STATUTORY INFORMATION

- (a) Before the income statements and balance sheets of the Company and of the Group were made out, the directors took reasonable steps:
 - (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and
 - (ii) to ensure that any current assets which were unlikely to realise their value as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.
- (b) At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or financial statements of the Company and of the Group which would render:
 - (i) the amount written off for bad debts or the amount of the provision for doubtful debts in the Company and the Group inadequate to any substantial extent;
 - (ii) the values attributed to current assets in the financial statements of the Company and of the Group misleading.
- (c) At the date of this report, the directors are not aware of any circumstances which have arisen which would render adherence to the existing methods of valuation of assets or liabilities of the Company and of the Group misleading or inappropriate.
- (d) At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or financial statements of the Company and of the Group which would render any amount stated in the financial statements misleading.

Directors' Report (contd.)

OTHER STATUTORY INFORMATION (CONTD.)

(e) As at the date of this report, there does not exist:

- (i) any charge on the assets of the Company or of the Group which has arisen since the end of the financial year which secures the liabilities of any other person; or
- (ii) any contingent liabilities in respect of the Company or of the Group which have arisen since the end of the financial year.

(f) In the opinion of the directors:

- (i) no contingent liability or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Company and of the Group to meet their obligations as and when they fall due;
- (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Company or of the Group for the financial year in which this report is made.

AUDITORS

The auditors, Messrs Ernst & Young, retire and do not seek re-appointment.

A nomination has been received from a shareholder for the appointment of Messrs KPMG in place of the retiring auditors.

Signed on behalf of the Board in accordance with a resolution of the directors,

CHAN HUA ENG

DIRECTOR

DATO' JORGEN BORNHOFT

DIRECTOR

Kuala Lumpur, Malaysia

23 February 2005

Statement by Directors

pursuant to section 169(15) of the Companies Act, 1965

We, **CHAN HUA ENG** and **DATO' JORGEN BORNHOFT** being two of the directors of **CARLSBERG BREWERY MALAYSIA BERHAD**, do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 60 to 87 are drawn up in accordance with applicable Approved Accounting Standards in Malaysia and the provisions of the Companies Act, 1965 so as to give a true and fair view of:

- (i) the financial position of the Company and of the Group as at 31 December 2004 and of the results of the business of the Company and of the Group for the year ended on that date;
- (ii) the cash flows of the Company and of the Group for the year ended 31 December 2004.

Signed on behalf of the Board in accordance with a resolution of the directors,

CHAN HUA ENG

DATO' JORGEN BORNHOFT

Kuala Lumpur, Malaysia
23 February 2005

Statutory Declaration

pursuant to section 169(16) of the Companies Act, 1965

I, **TOM SAND-KRISTENSEN**, being the officer primarily responsible for the financial management of **CARLSBERG BREWERY MALAYSIA BERHAD**, do solemnly and sincerely declare that the accompanying financial statements set out on pages 60 to 87 are in my opinion 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 abovenamed **TOM SAND-KRISTENSEN**
at Kuala Lumpur in the Federal Territory
on 23 February 2005

TOM SAND-KRISTENSEN

Before me,

SOH AH KAU, AMN
(No. W315)
Commissioner for Oaths

Kuala Lumpur, Malaysia
23 February 2005

Auditors' Report

to the Members of Carlsberg Brewery Malaysia Berhad

We have audited the accompanying financial statements set out on pages 60 to 87. These financial statements are the responsibility of the Company's directors. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with applicable Approved Standards on Auditing in Malaysia. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the directors, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion:

- (a) the financial statements are properly drawn up in accordance with the provisions of the Companies Act, 1965 and applicable Approved Accounting Standards in Malaysia so as to give a true and fair view of :
 - (i) the financial position of the Company and of the Group as at 31 December 2004 and of the results and the cash flows of the Company and of the Group for the year then ended; and
 - (ii) the matters required by Section 169 of the Companies Act, 1965 to be dealt with in the financial statements and consolidated financial statements.
- (b) the accounting and other records and the registers required by the Act to be kept by the Company and by its subsidiaries have been properly kept in accordance with the provisions of the Act.

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

The Auditors' Reports on the financial statements of the subsidiaries were not subject to any qualification and did not include any comment required to be made under Section 174(3) of the Act.

ERNST & YOUNG AF: 0039
Chartered Accountants

Tan Soo Yan 1307/03/06 (J/PH)
Partner

Kuala Lumpur, Malaysia
23 February 2005

Income Statements

for the year ended 31 December 2004

	Note	GROUP		COMPANY	
		2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
REVENUE	3	984,807	876,009	604,656	560,515
COST OF SALES	4	(710,310)	(636,138)	(563,010)	(515,771)
GROSS PROFIT		274,497	239,871	41,646	44,744
Other operating income		1,805	442	2,585	2,359
Sales & distribution costs		(149,723)	(122,565)	(303)	(126)
Administrative expenses		(19,572)	(19,557)	(11,176)	(11,122)
Other operating expenses		(4,011)	(1,193)	(4,011)	(964)
OPERATING PROFIT		102,996	96,998	28,741	34,891
INTEREST INCOME		7,077	6,898	6,537	6,566
DIVIDEND FROM SUBSIDIARY COMPANY		-	-	79,200	59,400
SHARE OF RESULTS OF ASSOCIATED COMPANY		3,257	2,779	-	-
PROFIT BEFORE TAXATION	5	113,330	106,675	114,478	100,857
TAXATION	8	(24,616)	(25,520)	(28,721)	(9,908)
PROFIT AFTER TAXATION		88,714	81,155	85,757	90,949
EARNINGS PER SHARE	10				
- pre tax (sen)		74.1	69.9	74.9	66.1
- post tax (sen)		58.0	53.1	56.1	59.6

The annexed notes form an integral part of these financial statements.

Balance Sheets

as at 31 December 2004

	Note	GROUP		COMPANY	
		2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
ASSETS EMPLOYED:					
PROPERTY, PLANT AND EQUIPMENT	11	176,720	185,476	160,645	171,455
SUBSIDIARY COMPANIES	12	-	-	1,909	1,909
ASSOCIATED COMPANY	13	15,592	14,954	10,940	10,940
MARKETABLE SECURITIES	14	1,733	1,733	1,733	1,733
CURRENT ASSETS					
Inventories	15	42,784	43,904	20,109	18,080
Trade Receivables	16	96,212	105,095	-	-
Other Receivables	17	21,093	16,043	52,219	47,830
Bank balances and deposits	18	242,450	239,096	216,783	226,485
		402,539	404,138	289,111	292,395
CURRENT LIABILITIES					
Trade Payables	19	40,389	36,665	30,631	30,937
Other Payables	20	22,372	28,878	15,105	17,555
Taxation		10,412	6,545	7,672	6,341
		73,173	72,088	53,408	54,833
NET CURRENT ASSETS					
		329,366	332,050	235,703	237,562
		523,411	534,213	410,930	423,599
FINANCED BY:					
SHARE CAPITAL	21	154,039	154,039	154,039	154,039
RESERVES	22	358,473	369,729	247,104	260,103
		512,512	523,768	401,143	414,142
TREASURY SHARES	23	(12,043)	(12,043)	(12,043)	(12,043)
SHAREHOLDERS' EQUITY		500,469	511,725	389,100	402,099
DEFERRED TAXATION	24	22,942	22,488	21,830	21,500
		523,411	534,213	410,930	423,599

The annexed notes form an integral part of these financial statements.

Statement of Changes in Equity of the Group

for the year ended 31 December 2004

GROUP	Note	Share capital RM '000	Share premium RM '000	Exchange reserve RM '000	Capital reserve RM '000	Treasury shares RM '000	Retained earnings RM '000	Total RM '000
At 1 January 2003		153,684	4,850	(2,056)	8,678	(12,043)	378,398	531,511
Exchange differences		-	-	46	-	-	-	46
Issue of ordinary shares pursuant to Employees' Share Option Scheme		355	2,517	-	-	-	-	2,872
Profit for the year		-	-	-	-	-	81,155	81,155
Dividends	9	-	-	-	-	-	(103,859)	(103,859)
At 31 December 2003		154,039	7,367	(2,010)	8,678	(12,043)	355,694	511,725
At 1 January 2004		154,039	7,367	(2,010)	8,678	(12,043)	355,694	511,725
Exchange differences		-	-	(1,214)	-	-	-	(1,214)
Profit for the year		-	-	-	-	-	88,714	88,714
Dividends	9	-	-	-	-	-	(98,756)	(98,756)
At 31 December 2004		154,039	7,367	(3,224)	8,678	(12,043)	345,652	500,469

The annexed notes form an integral part of these financial statements.

Statement of Changes in Equity of the Company

for the year ended 31 December 2004

COMPANY	Note	Share capital RM '000	Share premium RM '000	Capital reserve RM '000	Treasury shares RM '000	Retained earnings RM '000	Total RM '000
At 1 January 2003		153,684	4,850	4,747	(12,043)	260,899	412,137
Issue of ordinary shares pursuant to Employees' Share Option Scheme		355	2,517	-	-	-	2,872
Profit for the year		-	-	-	-	90,949	90,949
Dividends	9	-	-	-	-	(103,859)	(103,859)
At 31 December 2003		154,039	7,367	4,747	(12,043)	247,989	402,099
At 1 January 2004		154,039	7,367	4,747	(12,043)	247,989	402,099
Profit for the year		-	-	-	-	85,757	85,757
Dividends	9	-	-	-	-	(98,756)	(98,756)
At 31 December 2004		154,039	7,367	4,747	(12,043)	234,990	389,100

The annexed notes form an integral part of these financial statements.

Consolidated Statement of Cash Flows of the Group

for the year ended 31 December 2004

	Note	2004 RM '000	2003 RM '000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		113,330	106,675
Adjustments for:			
Interest income		(7,077)	(6,898)
Dividend income		(75)	(75)
Share of profit of associated company		(3,257)	(2,779)
Depreciation		22,829	23,618
Provision for doubtful debts		2,317	3,444
Gain on disposal of property, plant and equipment		(1,685)	(368)
Operating profit before working capital changes		126,382	123,617
Working capital changes:			
Receivables		1,515	7,679
Inventories		1,120	(15,304)
Payables		(2,782)	(16,992)
Cash generated from operations		126,235	99,000
Taxation paid		(20,295)	(26,371)
Net cash generated from operating activities		105,940	72,629
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest income		7,077	6,898
Dividend income - associated company		1,405	1,441
- others		75	75
Proceeds from disposal of property, plant and equipment		1,888	633
Purchase of property, plant and equipment		(14,275)	(8,541)
Net cash (used in) / generated from investing activities		(3,830)	506
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from exercise of share options		-	2,872
Dividends paid		(98,756)	(103,859)
Net cash used in financing activities		(98,756)	(100,987)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		3,354	(27,852)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		239,096	266,948
CASH AND CASH EQUIVALENTS AT END OF YEAR	18	242,450	239,096

The annexed notes form an integral part of these financial statements.

Statement of Cash Flows of the Company

for the year ended 31 December 2004

	Note	2004 RM '000	2003 RM '000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		114,478	100,857
Adjustments for:			
Depreciation		17,685	18,243
Interest income		(6,537)	(6,566)
Dividend income		(80,680)	(60,916)
Gain on disposal of property, plant and equipment		(325)	(63)
Operating profit before working capital changes		44,621	51,555
Working capital changes:			
Receivables		(4,389)	(21,037)
Inventories		(2,029)	(306)
Payables		(2,756)	(5,408)
Cash generated from operations		35,447	24,804
Taxation paid		(6,963)	(11,290)
Net cash generated from operating activities		28,484	13,514
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest income		6,537	6,566
Dividend income - subsidiary company		59,103	59,400
- associated company		1,405	1,441
- others		75	75
Proceeds from disposal of property, plant and equipment		419	68
Transfer of property, plant and equipment to a subsidiary company		175	-
Purchase of property, plant and equipment		(7,144)	(6,538)
Net cash generated from investing activities		60,570	61,012
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from exercise of share options		-	2,872
Dividends paid		(98,756)	(103,859)
Net cash used in financing activities		(98,756)	(100,987)
NET DECREASE IN CASH AND CASH EQUIVALENTS		(9,702)	(26,461)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		226,485	252,946
CASH AND CASH EQUIVALENTS AT END OF YEAR	18	216,783	226,485



Notes to the Financial Statements

1. CORPORATE INFORMATION

The principal activities of the Company and the Group are the production of beer, stout, shandy and non-alcoholic beverages for distribution in the home market and for export. There have been no significant changes in the nature of the principal activities during the financial year.

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Board of the Bursa Malaysia Securities Berhad ("Bursa Securities"). The registered office of the Company is located at No. 55, Persiaran Selangor, Section 15, 40200 Shah Alam, Selangor Darul Ehsan.

The directors regard Carlsberg Asia Pte Ltd, a company incorporated in the Republic of Singapore, as the holding company and Carlsberg Breweries A/S, a company incorporated in Denmark, as the ultimate holding company of Carlsberg Brewery Malaysia Berhad.

The numbers of employees in the Company and in the Group (including executive directors) at the end of financial year were 275 (2003: 283) and 622 (2003: 623) respectively.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 23 February 2005.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation of Financial Statements, and Changes in Accounting Policies

The financial statements of the Company and of the Group are prepared under the historical cost convention modified to include the revaluation of certain property, plant and equipment, and comply with the provisions of the Companies Act, 1965 and applicable Approved Accounting Standards issued by the Malaysian Accounting Standards Board (MASB). The Company and the Group have applied certain transitional provisions as allowed under MASB Standard No.15, 'Property, Plant and Equipment', by virtue of which a reporting enterprise is allowed to retain revalued amounts on the basis of previous revaluations (subject to continuity in depreciation policy and the requirement to write an asset down to its recoverable amount). Accordingly, the valuations of these assets have not been updated and their carrying amounts are stated as deemed cost.

(b) Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and all its subsidiary companies for the year to 31 December. The results of subsidiary companies acquired or disposed of are included in the consolidated financial statements from the date of acquisition or up to the date of disposal.

(c) Property, Plant and Equipment, and Depreciation

Property, plant and equipment are stated at cost modified by the revaluation of certain land and buildings, less accumulated depreciation, amortisation and impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 2(p).

Freehold land is not depreciated.

Leasehold land is depreciated over the periods of the leases ranging from 43 to 99 years.

Notes to the Financial Statements (contd.)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

(c) Property, Plant and Equipment, and Depreciation (Contd.)

Depreciation on other property, plant and equipment is calculated on the original cost or subsequent valuation of property, plant and equipment and is charged on a straight line basis at varying rates to write off assets over their estimated economic lives. The principal annual depreciation rates applied are as follows:

Buildings	- 2% - 2.5%
Plant and machinery	- at rates varying from 5% to 20%
Furniture and equipment	- 20% - 33.3%
Motor vehicles	- 20%

Upon the disposal of an item of property, plant or equipment, the difference between the net disposal proceeds and the net carrying amount is charged or credited to the income statement and any attributable portion of the revaluation surplus is taken directly to retained earnings.

(d) Dividends

Dividends from long term investments, and in respect of the Company, from subsidiary and associated companies, are recognised in the income statement upon the right to receipt of such dividends being established.

(e) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on a weighted average basis. Cost includes the actual cost of materials and incidentals in bringing the inventories into store, and for finished goods and work-in-progress, also includes labour and attributable production overheads. In arriving at net realisable value, due allowance is made for all obsolete and slow moving items.

(f) Provision for Doubtful Debts

Known bad debts are written off and provision is made for debts individually reviewed by customer accounts or categories and identified as doubtful.

(g) Provisions for liabilities

Provisions for liabilities are recognised when the Group has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

(h) Foreign Currencies

Transactions in Foreign Currencies

Transactions in foreign currencies are recorded at the rates of exchange prevailing at the dates of the respective transactions and where settlement has not taken place at the balance sheet date, the balances are translated at approximate rates then prevailing. Exchange differences arising are taken to the income statement.

Translation of Foreign Currency Financial Statements

The Group's share of net assets and results of foreign associated companies are translated at rates of exchange ruling at the balance sheet date. The translation differences arising are taken to Exchange Reserve.

Notes to the Financial Statements (contd.)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

(h) Foreign Currencies (Contd.)

The principal exchange rates used for every unit of foreign currency ruling at the balance sheet date are as follows:

	2004 RM	2003 RM
Danish Kroner (DKK)	0.689	0.672
Euro (EUR)	4.375	3.926
United States Dollar (USD)	3.800	3.800
Singapore Dollar (SGD)	2.302	2.159
Sri Lanka Rupee (RS)	0.044	0.044

(i) Revenue recognition

(i) Sale of goods

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer.

(ii) Interest and rental income

Interest income and rental income are recognised on an accrual basis.

(j) Employees Benefits

(i) Short term benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by the employees of the Group. Short term accumulated 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 the absences occur.

(ii) Defined contribution plans

Retirement benefits for employees are paid by way of statutory monthly contributions, and where contracted and eligible, at rates over and above the minimum statutory contributions, to the statutory Employees Provident Fund or to an approved, separately funded defined contribution scheme. Contributions are charged to the income statement as and when the obligations arise.

(iii) Termination benefits

Termination benefits are recognised as a liability and an expense when the Group has a detailed formal plan for the termination without realistic possibility of withdrawal.

(k) Income Tax

Income tax on the profit or loss for the year comprises current and deferred tax. Current tax is the expected amount of income taxes payable in respect of the taxable profit for the year and is measured using tax rates that have been enacted at the balance sheet date.

Deferred tax is provided for, using the liability method, on temporary differences at the balance sheet date between tax bases of assets and liabilities and their carrying amounts in the financial statements. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

Notes to the Financial Statements (contd.)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

(k) Income Tax (Contd.)

Deferred tax is measured at tax rates that are expected to apply in the period when the asset is anticipated to be realised or the liability is anticipated to be settled, based on tax rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is recognised in the income statement, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also charged or credited directly in equity.

(l) Subsidiary Companies

The consolidated financial statements include the financial statements of the Company and all its subsidiaries. Subsidiaries are those companies in which the Group has a long term equity interest and where it has power to exercise control over the financial and operating policies so as to obtain benefits therefrom.

Subsidiaries are consolidated using the acquisition method of accounting. Under the acquisition method of accounting, the results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate. The assets and liabilities of a subsidiary are measured at their fair values at the date of acquisition and these values are reflected in the consolidated balance sheet. The difference between the cost of an acquisition and the fair value of the Group's share of the net assets of the acquired subsidiary at the date of acquisition is included in the consolidated balance sheet as goodwill or negative goodwill arising on consolidation.

Intra-group transactions, balances and resulting unrealised gains are eliminated on consolidation and the consolidated financial statements reflect external transactions only. Unrealised losses are eliminated on consolidation unless costs cannot be recovered.

Investments in subsidiary companies are stated in the financial statements of the Company at cost unless, in the opinion of the directors, there has been a permanent diminution in value, in which case an appropriate provision is made.

(m) Associated Companies

An associated company is defined as a company, not being a subsidiary company, in which the Group has a long term interest of not less than 20% of the equity and in whose financial and operating policy decisions the Group exercises significant influence.

Investments in associated companies are stated in the financial statements of the Company at cost unless, in the opinion of the directors, there has been a permanent diminution in value, in which case an appropriate provision is made. The Group equity accounts for its share of post-acquisition results and reserves of associated companies.

(n) Long Term Investments

Long term investments are stated at cost unless in the opinion of the directors there has been a permanent diminution in value, in which case provision is made for the diminution in value.

(o) Cash and Cash Equivalents

The statements of cash flow, prepared using the indirect method, classify changes in cash and cash equivalents according to operating, investing and financing activities. For the purposes of the cash flow statements, cash and cash equivalents comprise cash on hand and at bank, deposits with licensed financial institutions, and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are not subject to significant risk of changes in value.

Notes to the Financial Statements (contd.)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

(p) Impairment of Assets

At each balance sheet date, the Group reviews the carrying amounts of its assets (other than inventories, deferred tax assets, assets arising from employee benefits and financial assets which are reviewed pursuant to the relevant accounting policies) to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, impairment is measured by comparing the carrying values of the assets with their recoverable amounts. Recoverable amount is the higher of net selling price and value in use, which is measured by reference to discounted future cash flows. Recoverable amounts are estimated for individual assets or, if it is not possible, for the cash-generating unit to which the asset belongs.

An impairment loss is charged to the income statement immediately, unless the asset is carried at revalued amount. Any impairment loss of a revalued asset is treated as a revaluation decrease to the extent of any available previously recognised revaluation surplus for the same asset.

Reversal of impairment losses recognised in prior years is recorded when there is an indication that the impairment losses recognised for the asset no longer exist or have decreased. The reversal is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in the income statement immediately, unless the asset is carried at revalued amount. A reversal of an impairment loss on a revalued asset is credited directly to revaluation surplus. However, to the extent that an impairment loss on the same revalued asset was previously recognised as an expense in the income statement, a reversal of that impairment loss is recognised as income in the income statement.

(q) Financial Instruments

Financial instruments are recognised in the balance sheet when the Group has become a party to the contractual provisions of the instrument.

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interest, dividends, gains and losses relating to a financial instrument classified as a liability, are reported as expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity. Financial instruments are offset when the Group has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

(i) Marketable Securities

The Group does not own any marketable securities other than those held as long term investments.

(ii) Trade Receivables

Trade receivables are carried at anticipated realisable values. Bad debts are written off when identified. An estimate is made for doubtful debts based on a review of outstanding amounts as at the balance sheet date, 31 December, as stated in Note 2(f).

(iii) Trade Payables

Trade payables are stated at cost which is the fair value of the consideration to be paid in the future for goods and services received.

Notes to the Financial Statements (contd.)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

(q) Financial Instruments (Contd.)

(iv) Equity Instruments

Ordinary shares are classified as equity. The transaction costs of an equity transaction, other than in the context of a business combination, are accounted for as a deduction from equity, net of tax. Equity transaction costs comprise only those incremental external costs directly attributable to the equity transaction which would otherwise have been avoided.

Dividends on ordinary shares are recognised in equity in the period in which they are declared.

When the share capital of the Company is repurchased, the consideration paid, including any attributable transaction costs is presented as a change in equity. Repurchased shares are classified as treasury shares and presented as a deduction from equity. No gain or loss is recognised in the income statement on the sale, re-issuance or cancellation of treasury shares. Consideration received is presented in the financial statements as a change in equity.

3. REVENUE

Revenue represents the value of the gross sales of goods less returns, discounts and sales tax.

4. COST OF SALES

Cost of sales represents cost of inventories sold.

5. PROFIT BEFORE TAXATION

	Note	Group		Company	
		2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
This is stated after charging /(crediting):					
Staff costs	6	33,995	32,966	19,618	18,416
Non-executive directors' remuneration	7	202	211	202	211
Remuneration paid to auditors					
- statutory audit		75	75	54	54
- other services		51	27	37	19
Depreciation of property, plant and equipment	11	22,829	23,618	17,685	18,243
Provision for doubtful debts		2,317	3,444	-	-
Rent of land and buildings		537	414	136	123
Staff retirement benefits					
- defined contribution plans		4,481	4,333	2,479	2,394
Dividend income from					
- subsidiary company					
(tax exempted)		-	-	(7,425)	(59,400)
(taxable)		-	-	(71,775)	-
- associated company		-	-	(1,405)	(1,441)
- marketable security (quoted in Malaysia, tax exempted)		(75)	(75)	(75)	(75)
Rental income					
- subsidiary company		-	-	(780)	(780)
Gain on disposal of property, plant and equipment		(1,685)	(368)	(325)	(63)

Notes to the Financial Statements (contd.)

6. STAFF COSTS

Included in staff costs of the Company are executive directors' remuneration amounting to RM1,854,000 (2003 : RM1,717,000) as further disclosed in Note 7.

7. DIRECTORS' REMUNERATION

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

	2004		2003	
	Executive directors RM '000	Non-executive directors RM '000	Executive directors RM '000	Non-executive directors RM '000
Total remuneration:				
Fees	73	202	60	211
Gratuity	-	-	312	-
Retirement benefits				
- defined contribution plans	138	-	156	-
Benefits-in-kind	142	-	148	-
Other emoluments	1,501	-	1,041	-
	1,854	202	1,717	211

The number of directors of the Company whose total remuneration fell within the respective ranges tabulated below, are as follows:

	2004		2003	
	Executive directors	Non-executive directors	Executive directors	Non-executive directors
Range of Remuneration (RM)				
Less than 50,000	-	7	-	9
500,001 - 550,000	-	-	1	-
550,001 - 600,000	1	-	2	-
600,001 - 650,000	1	-	-	-
650,001 - 700,000	1	-	-	-
	3	7	3	9

Notes to the Financial Statements (contd.)

8. TAXATION

	Note	Group		Company	
		2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Tax expense for the year:					
Malaysian income tax		26,109	27,714	29,096	8,868
Deferred tax:					
Relating to origination and reversal of temporary differences	24	454	1,534	330	1,799
Malaysian income tax over provided in prior years		(1,947)	(3,728)	(705)	(759)
		24,616	25,520	28,721	9,908

Domestic income tax is calculated at the Malaysian statutory tax rate of 28% (2003: 28%) of the estimated assessable profit for the year.

A reconciliation of income tax expense applicable to profit before taxation at the statutory income tax rate to income tax expense at the effective income tax rate of the Company and of the Group is as follows:

	Group		Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Profit before taxation	113,330	106,675	114,478	100,857
Taxation at Malaysian statutory rate of 28% (2003: 28%)	31,733	29,869	32,054	28,240
Income not subject to tax	(1,141)	(274)	(2,531)	(17,163)
Expenses not deductible for tax purposes	367	720	257	301
Expenses double deducted for tax purposes	(4,062)	(373)	(20)	(17)
Utilisation of current year's reinvestment allowances	(334)	(694)	(334)	(694)
Overprovision of income tax expense in prior years	(1,947)	(3,728)	(705)	(759)
Tax expense for the year	24,616	25,520	28,721	9,908

Notes to the Financial Statements (contd.)

9. DIVIDENDS

	Group/Company		2003 Sen per share
	2004 RM '000	2004 Sen per share	
Interim dividends:			
- interim 10 sen per share less tax	11,007	7.2	7.2
- special 5 sen per share less tax	5,503	3.6	-
Final dividends:			
Approved in 2004 in respect of 2003			
- final 15 sen per share less tax	16,510	10.8	-
- special 25 sen per share less tax	27,517	18.0	-
- special 25 sen per share tax exempt	38,219	25.0	-
Approved in 2003 in respect of 2002			
- final 15 sen per share less tax	-	-	10.8
- special 50 sen per share tax exempt	-	-	50.0
	98,756	64.6	68.0

The following final dividends in respect of the year ended 31 December 2004 will be proposed for shareholders' approval at the forthcoming Annual General Meeting:

- (a) a final dividend of 15 sen per share less tax, amounting to RM16,510,392; and
- (b) a special dividend of 70 sen per share less tax, amounting to RM77,048,496.

The financial statements for the current financial year do not reflect these proposed dividends. Such dividends, if approved by the shareholders will be accounted for in shareholders' equity as appropriations of retained earnings in the financial year ending 31 December 2005.

10. EARNINGS PER ORDINARY SHARE

Earnings per share of the Group has been computed by dividing the net profit before and after tax by the weighted average number of shares in issue during the financial year. For the purposes of this computation, the number of shares repurchased and held as treasury shares has been excluded from the number of shares in issue.

	Group		Company	
	2004	2003	2004	2003
Profit before taxation (RM '000)	113,330	106,675	114,478	100,857
Profit after taxation (RM '000)	88,714	81,155	85,757	90,949
Weighted average number of ordinary shares in issue ('000)	152,874	152,697	152,874	152,697
Earnings per share				
- pre tax (sen)	74.1	69.9	74.9	66.1
- post tax (sen)	58.0	53.1	56.1	59.6

Notes to the Financial Statements (contd.)

11. PROPERTY, PLANT AND EQUIPMENT

GROUP	Freehold land and buildings RM'000	Long term leasehold land and buildings RM'000	Short term leasehold land and buildings RM'000	Plant and machinery RM'000	Motor vehicles RM'000	Furniture, office equipment and others RM'000	Assets in- progress RM'000	Total	
								2004 RM'000	2003 RM'000
COST AND VALUATION									
At 1 January	19,653	62,769	467	307,146	20,791	39,988	-	450,814	447,127
Additions	2,691	-	50	1,493	4,712	1,798	3,531	14,275	8,541
Transfers	-	-	-	947	-	2,071	(3,018)	-	-
Disposals	-	-	-	-	(3,132)	(2,558)	-	(5,690)	(4,854)
At 31 December	22,344	62,769	517	309,586	22,371	41,299	513	459,399	450,814
ACCUMULATED DEPRECIATION									
At 1 January	343	16,357	87	201,799	12,739	34,013	-	265,338	246,309
Charge for the year	31	1,162	10	14,389	3,809	3,428	-	22,829	23,618
Disposals	-	-	-	-	(3,000)	(2,488)	-	(5,488)	(4,589)
As 31 December	374	17,519	97	216,188	13,548	34,953	-	282,679	265,338
NET BOOK VALUE									
At 31 December 2004	21,970	45,250	420	93,398	8,823	6,346	513	176,720	-
At 31 December 2003	19,310	46,412	380	105,347	8,052	5,975	-	-	185,476
DEPRECIATION CHARGE FOR 2003									
	31	1,159	10	14,586	4,016	3,816	-	-	23,618
ANALYSIS OF COST AND VALUATION									
At 31 December 2004									
Cost	22,344	44,447	517	309,586	22,371	41,299	513	441,077	-
Valuation - 1981	-	18,322	-	-	-	-	-	18,322	-
	22,344	62,769	517	309,586	22,371	41,299	513	459,399	-
At 31 December 2003									
Cost	19,653	44,447	467	307,146	20,791	39,988	-	-	432,492
Valuation - 1981	-	18,322	-	-	-	-	-	-	18,322
	19,653	62,769	467	307,146	20,791	39,988	-	-	450,814

Of the land and buildings of the Group, RM20,795,000 (2003: RM18,104,000) is in respect of the net book value of the freehold land, RM8,962,000 (2003: RM9,089,000) is in respect of the net book value of the long term leasehold land and RM133,000 (2003: RM137,000) is in respect of the net book value of short term leasehold land.

Notes to the Financial Statements (contd.)

11. PROPERTY, PLANT AND EQUIPMENT (CONTD.)

COMPANY	Freehold land and buildings RM'000	Long term leasehold land and buildings RM'000	Plant and machinery RM'000	Motor vehicles RM'000	Furniture, office equipment and others RM'000	Assets in-progress RM'000	Total 2004 RM'000	2003 RM'000
COST AND VALUATION								
At 1 January	18,352	59,987	307,146	3,147	16,572	-	405,204	400,876
Additions	2,691	48	1,494	578	483	1,850	7,144	6,538
Transfers	-	-	947	(311)	390	(1,337)	(311)	(2)
Disposals	-	-	-	(248)	(2,158)	-	(2,406)	(2,208)
At 31 December	21,043	60,035	309,587	3,166	15,287	513	409,631	405,204
ACCUMULATED DEPRECIATION								
At 1 January	147	15,816	201,799	1,753	14,234	-	233,749	217,711
Charge for the year	12	1,111	14,389	638	1,535	-	17,685	18,243
Transfers	-	-	-	(136)	-	-	(136)	(2)
Disposals	-	-	-	(193)	(2,119)	-	(2,312)	(2,203)
As 31 December	159	16,927	216,188	2,062	13,650	-	248,986	233,749
NET BOOK VALUE								
At 31 December 2004	20,884	43,108	93,399	1,104	1,637	513	160,645	-
At 31 December 2003	18,205	44,171	105,347	1,394	2,338	-	-	171,455
DEPRECIATION CHARGE FOR 2003								
	12	1,109	14,586	607	1,929	-	-	18,243
ANALYSIS OF COST AND VALUATION								
At 31 December 2004								
Cost	21,043	41,713	309,587	3,166	15,287	513	391,309	-
Valuation - 1981	-	18,322	-	-	-	-	18,322	-
	21,043	60,035	309,587	3,166	15,287	513	409,631	-
At 31 December 2003								
Cost	18,352	41,665	307,146	3,147	16,572	-	-	386,882
Valuation - 1981	-	18,322	-	-	-	-	-	18,322
	18,352	59,987	307,146	3,147	16,572	-	-	405,204

Notes to the Financial Statements (contd.)

11. PROPERTY, PLANT AND EQUIPMENT (CONTD.)

Of the land and buildings of the Company, RM20,465,000 (2003: RM17,774,000) is in respect of the net book value of the freehold land, and RM8,401,000 (2003: RM8,520,000) is in respect of the net book value of the long term leasehold land.

The leasehold land and buildings of the Company and of the Group were valued by the directors in 1981 based on professional appraisals by an independent valuer using open market values. These assets have continued to be stated on the basis of their 1981 valuations, as allowed by MASB Standard No.15, 'Property, Plant and Equipment'.

The aggregate net book value of property, plant and equipment, had all assets been stated based on their costs would have been RM172,329,000 (2003: RM180,989,000) in respect of the Group and RM156,254,000 (2003: RM166,968,000) in respect of the Company.

12. SUBSIDIARY COMPANIES

	Company	
	2004 RM '000	2003 RM '000
Investment in subsidiary companies, at cost	1,909	1,909

The subsidiaries of the Company are:

Name	Principal activity	Country of incorporation	Percentage of equity	
			2004 %	2003 %
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

Notes to the Financial Statements (contd.)

13. ASSOCIATED COMPANY

	Group		Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Investment in associated company quoted outside Malaysia:				
Group's share of net assets at acquisition	10,807	10,807		
Premium on acquisition	133	133		
Cost of investment	10,940	10,940	10,940	10,940
Share of post-acquisition profits and reserves brought forward	6,024	4,686	-	-
Share of results for the year	3,257	2,779	-	-
Dividends received	(1,405)	(1,441)	-	-
Share of post-acquisition profits and reserves carried forward	7,876	6,024	-	-
Exchange difference on translation of net assets	(3,224)	(2,010)	-	-
	15,592	14,954	10,940	10,940
Represented by Group's share of :				
Net tangible assets	15,459	14,821		
Premium on acquisition	133	133		
	15,592	14,954		
Market value as at 31 December	26,461	23,852	26,461	23,852

Details of the associated company are:

Name	Principal activity	Country of incorporation	Percentage of equity	
			2004 %	2003 %
The Lion Brewery Ceylon Limited	Manufacturing, marketing and distribution of beer, stout, shandy and non-alcoholic beverages	Sri Lanka	24.6	24.6

In conjunction with the investment undertaken in The Lion Brewery Ceylon Limited, the directors entered into a call option with the principal licensor, Carlsberg A/S, a company incorporated in Denmark, allowing Carlsberg A/S to acquire the Company's interest in the associated company, 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.

Notes to the Financial Statements (contd.)

14. MARKETABLE SECURITIES

	Group/Company	
	2004 RM '000	2003 RM '000
Shares quoted in Malaysia, at cost	3,983	3,983
Provision for diminution in value	(2,250)	(2,250)
	1,733	1,733
Market value at 31 December	2,115	2,355

15. INVENTORIES

	Group		Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Finished goods and work-in-progress	21,923	24,749	7,745	8,502
Raw, packaging and other materials	15,272	14,398	6,944	4,974
Spare parts for machinery	5,589	4,757	5,420	4,604
	42,784	43,904	20,109	18,080

Of the above, spare parts for machinery in respect of the Company and of the Group are stated at net realisable value. During the year, consumption of spare parts and machinery charged in the income statements of the Company and of the Group amounted to RM2.6 million (2003: RM1.8 million).

16. TRADE RECEIVABLES

	Group		Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Trade debtors	120,217	125,560	-	-
Specific provision for doubtful debts	(5,659)	(6,092)	-	-
	114,558	119,468	-	-
Accruals for trade discounts	(18,346)	(14,373)	-	-
	96,212	105,095	-	-

The Group's normal trade credit terms range from 30 to 60 days. Other credit terms are assessed and approved on a case-by-case basis.

The Group has no significant concentration of credit risk that may arise from exposure to a single debtor or to group of debtors.

Notes to the Financial Statements (contd.)

17. OTHER RECEIVABLES

	Group		Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Due from subsidiary company	-	-	40,861	39,824
Due from related companies	5,472	654	1,795	53
Other debtors and prepayments	15,621	15,389	9,563	7,953
	21,093	16,043	52,219	47,830

Included in other debtors and prepayments of the Company and of the Group is an amount of RM200,000 (2003: RM218,000) in respect of a housing loan granted to a director of the Company, in accordance with the Housing Loan Scheme applicable to executive staff.

The amount due from subsidiary company is unsecured, interest-free and has no fixed terms of repayment. The amount arose out of inter-company sales, dividends, fund transfers, and other normal inter-company transactions in the normal course of business.

The amounts due from related companies are unsecured, interest-free and have no fixed terms of repayment; they are trade in nature.

The Group has no significant concentration of credit risk that may arise from exposure to a single debtor or to group of debtors.

18. BANK BALANCES AND DEPOSITS

	Group		Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Deposits with licensed banks and other financial institutions	219,732	222,818	215,987	222,291
Cash and bank balances	22,718	16,278	796	4,194
	242,450	239,096	216,783	226,485

The weighted average interest rates during the financial year and the average maturities of deposits as at 31 December 2004 are as follows:

	Weighted Average Interest Rates %		Average Maturities Days	
	Group	Company	Group	Company
Licensed banks	2.84	2.83	84	81
Other financial institutions	1.73	1.73	21	21

Other financial institutions refer to off shore banks.

Notes to the Financial Statements (contd.)

19. TRADE PAYABLES

The normal trade credit terms granted to the Group range from 30 to 90 days.

20. OTHER PAYABLES

	Group		Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Due to ultimate holding company	1,507	3,884	1,476	3,877
Due to holding company	-	761	-	751
Due to related companies	964	793	7	69
Other creditors and accruals	19,901	23,440	13,622	12,858
	22,372	28,878	15,105	17,555

The amounts due to the ultimate holding company, holding company and related companies are unsecured, interest-free, have no fixed terms of repayment; they are trade in nature.

Other creditors and accruals for the Group mainly comprise accrued expenses of RM17,915,000 (2003: RM21,729,000).

21. SHARE CAPITAL

	Number of ordinary shares of RM1 each		Amount	
	2004 '000	2003 '000	2004 RM'000	2003 RM'000
Authorised:				
Ordinary shares of RM1 each At 31 December	300,000	300,000	300,000	300,000
Issued and fully paid:				
Ordinary shares of RM1 each				
At 1 January	154,039	153,684	154,039	153,684
Exercise of share options	-	355	-	355
At 31 December	154,039	154,039	154,039	154,039

As at 31 December 2004, the number of outstanding shares in issue and fully paid is 152,874,000 ordinary shares of RM1.00 each.

Details regarding Treasury Shares held are set out in Note 23.

Notes to the Financial Statements (contd.)

22. RESERVES

		Group		Company	
		2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Retained earnings					
- Distributable		333,609	343,651	222,947	235,946
- Non-distributable		12,043	12,043	12,043	12,043
Total retained earnings		345,652	355,694	234,990	247,989
Share premium		7,367	7,367	7,367	7,367
Other reserves:					
Capital reserve	22(a)	8,678	8,678	4,747	4,747
Exchange reserve	22(b)	(3,224)	(2,010)	-	-
Total reserves		358,473	369,729	247,104	260,103
Total Distributable Reserves		333,609	343,651	222,947	235,946
Total Non-distributable Reserves		24,864	26,078	24,157	24,157
TOTAL RESERVES		358,473	369,729	247,104	260,103

The non-distributable retained earnings have been allocated based on the cost of treasury shares held.

As at 31 December 2004, the Company has tax exempt profits available for distribution of approximately RM13,825,000 (2003: RM42,083,000), subject to the agreement of the Inland Revenue Board.

The Company has sufficient tax credit under Section 108 of the Income Tax Act 1967 and the balance in the tax exempt income account to frank the payment of dividends out of its entire retained earnings as at 31 December 2004.

(a) Capital Reserve

This reserve comprises primarily revaluation reserve on long term leasehold land held by the Company after adjusting for the potential deferred tax liability as required by MASB 25, and capitalisation of a subsidiary company's revenue reserves upon its bonus issue of shares previously.

The details are as follows:

		Group		Company	
		2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Balance at 1 January					
Revaluation reserve		4,747	4,747	4,747	4,747
Capitalisation upon bonus issue by subsidiary		3,931	3,931	-	-
		8,678	8,678	4,747	4,747
Movement during the year		-	-	-	-
		8,678	8,678	4,747	4,747

Notes to the Financial Statements (contd.)

22. RESERVES (CONTD.)

(b) Exchange Reserve

The exchange reserve comprises all foreign exchange differences arising from the equity-accounting of a foreign associate.

The movements are as follows:

	Group		Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Balance at 1 January	(2,010)	(2,056)	-	-
Foreign exchange differences	(1,214)	46	-	-
Balance at 31 December	(3,224)	(2,010)	-	-

23. TREASURY SHARES

	Group/Company	
	2004 RM '000	2003 RM '000
Balance at 1 January	12,043	12,043
Acquisition of treasury shares	-	-
Treasury shares sold/distributed	-	-
Balance at 31 December	12,043	12,043

The shareholders of the Company, by an ordinary resolution passed in a general meeting held on 29 April 1999, approved the Company's plan to repurchase its own shares.

During the financial year ended 31 December 1999, the Company repurchased 1,165,000 of its issued shares from the open market. The aggregate consideration paid for the repurchased shares was RM12,042,622, representing an average price of RM10.34 per share. The lowest and the highest prices paid for each share were RM9.75 and RM10.60 respectively. The repurchase transactions were financed by internally generated funds. 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 2004, and none of the previously repurchased shares were reissued or distributed as share dividends, resold or cancelled.

24. DEFERRED TAXATION

		Group		Company	
	Note	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Balance at 1 January		22,488	20,954	21,500	19,701
Recognised in the income statement during the year	8	454	1,534	330	1,799
Balance at 31 December		22,942	22,488	21,830	21,500
Analysed as follows:					
Deferred tax assets		(960)	(676)	(519)	(480)
Deferred tax liabilities		23,902	23,164	22,349	21,980
		22,942	22,488	21,830	21,500

Notes to the Financial Statements (contd.)

24. DEFERRED TAXATION (CONTD.)

The components and movements of deferred tax liabilities and assets during the financial year are as follows:

Deferred Tax Liabilities of the Group:

	Accelerated Capital Allowances RM '000	Revaluation of Leasehold Properties RM '000	Total RM '000
At 1 January 2004	21,960	1,204	23,164
Recognised in the income statement	766	(28)	738
At 31 December 2004	22,726	1,176	23,902

Deferred Tax Assets of the Group:

	Employees Benefits RM '000	Other Accruals RM '000	Total RM '000
At 1 January 2004	(479)	(197)	(676)
Recognised in the income statement	(162)	(122)	(284)
At 31 December 2004	(641)	(319)	(960)

Deferred Tax Liabilities of the Company:

	Accelerated Capital Allowances RM '000	Revaluation of Leasehold Properties RM '000	Total RM '000
At 1 January 2004	20,776	1,204	21,980
Recognised in the income statement	397	(28)	369
At 31 December 2004	21,173	1,176	22,349

Deferred Tax Assets of the Company:

	Employees Benefits RM '000	Other Accruals RM '000	Total RM '000
At 1 January 2004	(283)	(197)	(480)
Recognised in the income statement	(111)	72	(39)
At 31 December 2004	(394)	(125)	(519)

Notes to the Financial Statements (contd.)

25. CAPITAL COMMITMENTS

	Group		Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Commitments in respect of expenditure contracted for:	8,677	7,243	5,467	7,243
Approved by the directors but not contracted for:	32,125	29,621	19,111	12,703

26. OPERATING LEASE COMMITMENTS

The future minimum lease payments under non-cancellable operating leases are as follows:

	Group		Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
In respect of premises:				
Not later than 1 year	229	339	120	120
Within 1 to 5 years	257	89	90	40
	486	428	210	160

27. SIGNIFICANT RELATED PARTY TRANSACTIONS

	Group		Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Transactions with:				
Ultimate holding company				
Carlsberg Breweries A/S				
Purchases of materials and products	633	521	344	521
Reimbursement of expenses	2,070	4,866	1,746	1,069
Royalties payable	2,706	-	1,519	-
Holding Company				
Carlsberg Asia Pte. Ltd.				
Royalties payable	10,815	12,649	6,063	7,100
Related companies				
Carlsberg Singapore Pte. Ltd.				
Sales	47,351	5,068	-	-
Advertising reimbursement	13,342	1,254	-	-
Carlsberg Brewery (Guangdong) Ltd.				
Purchases	7,796	9,055	-	-

Notes to the Financial Statements (contd.)

27. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONTD.)

	Group		Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Transactions with:				
Subsidiary company				
Carlsberg Marketing Sdn Bhd				
Sales	-	-	698,641	653,007
Transfer of property, plant and equipment at net book value	-	-	175	2
Management fee received	-	-	3,600	3,600
Rental income	-	-	780	780
Dividend income				
- final taxable dividend	-	-	71,775	-
- final tax exempted dividend	-	-	7,425	59,400

The directors are of the opinion that all the transactions above have been entered into in the normal course of business and have been established on terms and conditions that are not materially different from those obtainable in transactions with unrelated parties.

28. SEGMENT INFORMATION

The Group operates principally in the brewing industry in Malaysia, in the production and sale of beer, stout, shandy and non-alcoholic beverages. The other segments are not significant. Accordingly, information analysing geographical and industry segments is not presented.

29. FINANCIAL INSTRUMENTS

Financial Risk Management Objectives and Policies

The Group's financial risk management policies seek to ensure that adequate financial resources are available for the development of the Group's business whilst managing its foreign exchange and credit risks. The Group operates within clearly defined guidelines that are approved by the Board and the Group's policy is not to engage in speculative transactions.

(a) Foreign Exchange Risks

The objectives of the Group's foreign exchange policies are directed at enabling the Group to manage exposures that arise from transactional activities within a framework of controls that does not expose the Group to unnecessary foreign exchange risks. The Group covers substantially all foreign exchange exposures arising from its foreign currency payables and on cash flows to be applied in anticipated transactions denominated in foreign currencies, through foreign currency deposits.

(b) Credit Risks

Credit risks, or the risk of counter parties defaulting, are controlled by the application of credit approvals, limits and monitoring procedures. Trade receivables are monitored on an ongoing basis through Group management reporting procedures. All deposits are placed with licensed financial institutions, which are assessed for acceptable creditworthiness.

The Group does not have any significant exposure to any individual customer or counter party nor does it have any major concentration of credit risk related to any financial instrument.

(c) Liquidity Risks

As part of the Group's overall liquidity management, the Group maintains sufficient levels of cash or cash convertible investments to meet its working capital requirements.

Notes to the Financial Statements (contd.)

29. FINANCIAL INSTRUMENTS (CONTD.)

(d) Fair Values

The aggregate value of financial assets and financial liabilities which are not carried at fair value on the balance sheets of the Company and of the Group are represented as follows:

		Group		Company	
	Note	Carrying Amount RM '000	Fair Value RM '000	Carrying Amount RM '000	Fair Value RM '000
Financial Assets					
At 31 December 2004					
Associated company	13	15,592	26,461	10,940	26,461
Marketable securities	14	1,733	2,115	1,733	2,115
At 31 December 2003					
Associated company	13	14,954	23,852	10,940	23,852
Marketable securities	14	1,733	2,355	1,733	2,355

The following methods and assumptions are used to estimate the fair value of each class of financial instruments, where applicable, for which it is practical to estimate that value:

(i) Bank Balances and Deposits and Trade and Other Receivables/ Payables

The carrying amounts approximate fair values due to the relatively short-term maturity of these financial instruments.

(ii) Marketable Securities

The fair value of quoted shares is determined by reference to stock exchange quoted market prices at the close of business on the balance sheet date.

No separate disclosure of fair value is made for amounts due from/to subsidiary and related companies as it is not practicable to determine their fair values with sufficient reliability since these balances have no fixed terms of payment. However, the Group does not anticipate the carrying amounts recorded at the balance sheet date to be significantly different from the values that would eventually be received or settled.

30. COMPARATIVES

The presentation and classification of items in the current year financial statements have been consistent with the previous financial year except that certain comparative amounts as disclosed in Note 16, Note 17 and Note 20 have been adjusted.

Comparative amounts as at 31 December 2003 have been restated as follows:

Group	Note	As Restated RM'000	Adjustments RM'000	As Previously stated RM'000
Trade receivables	16	105,095	14,373	119,468
Other payables	20	23,440	14,373	37,813
Company				
Other receivables	17	39,824	6,410	46,234
Other payables	20	12,858	6,410	19,268

Carlsberg Sales Offices and Depots in Malaysia

as at 31 December 2004



Penang

No. 27, Jalan Gottlieb,
10350 Penang.
Tel : 04-226 9430/04-226 9436
Fax : 04-226 9471

Butterworth

Plot 42, Off Lot 2817,
Jalan Jelawat,
Bandar Seberang Jaya,
13700 Prai, Butterworth.
Tel : 04-390 3077
Fax : 04 - 399 1488

Ipoh

25, Jalan Kilang Dua
Kawasan MIEL, Jelapang,
30100 Ipoh,
Perak Darul Ridzuan.
Tel : 05-526 4622/526 2385
Fax : 05-526 4090

Central

Lot 22, Jalan Pengapit 15/19
Section 15, 40200 Shah Alam
Selangor Darul Ehsan.
Tel : 03-5522 6688
Fax : 03-5510 1135

Seremban

394, Taman AST,
Jalan Labu, 70200 Seremban,
Negeri Sembilan Darul Khusus.
Tel : 06-762 0319/762 9102
Fax : 06-764 3895

Melaka

23-23A, Jalan Malinja 1,
Taman Malinja, Bukit Baru,
75150 Melaka.
Tel : 06-282 7709/284 1530
Fax : 06-282 7930

Batu Pahat

24, Jalan Tukas Satu,
Taman Soga,
83000 Batu Pahat,
Johor Darul Takzim.
Tel : 07-433 2463
Fax : 07-433 2464

Johor Bahru

83, Jalan Seroja 39,
Taman Johor Jaya,
81100 Johor Bahru,
Johor Darul Takzim.
Tel : 07-355 5078
Fax : 07-354 6092





Kota Bahru

5591-F, Jalan Sultan Yahya Putra,
Wakaf Siku, 15200 Kota Bahru,
Kelantan Darul Naim.
Tel : 09-744 0624
Fax : 09-744 0624

Mentakab

2, Jalan Keruing,
Taman Rimba,
28400 Mentakab,
Pahang Darul Makmur.
Tel : 09-277 3976

Kuantan

25, Jalam IM 14/3,
Kawasan Perindustrian Ringan
Indera Mahkota,
25200 Kuantan,
Pahang Darul Makmur.
Tel : 09-508 8348/508 8349
Fax : 09-508 8343

Kota Kinabalu

Lot 6, No. 34,
Towering Industrial Estate,
Mile 4 1/2, Jalan Penampang,
88300 Kota Kinabalu, Sabah.
Tel : 088-715 091/715 019
Fax : 088-717 480

Tawau

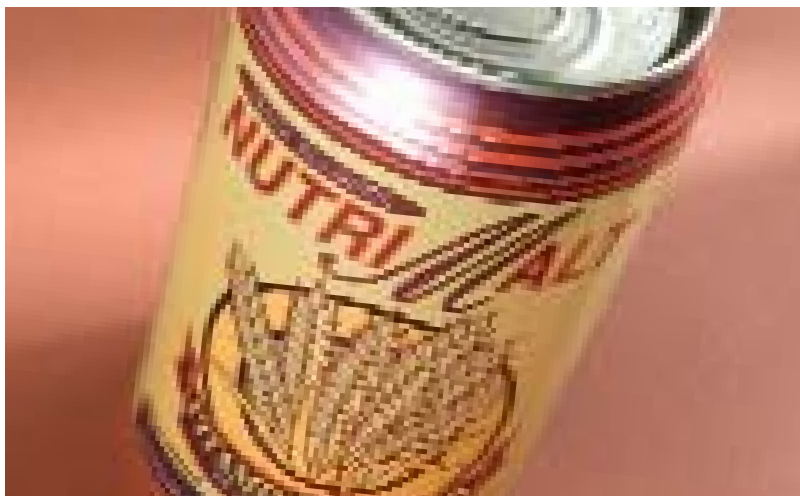
TB 7542, Lot 2, Da Hua Garden,
Phase 3, Jalan Bunga Raya,
91000 Tawau, Sabah.
Tel : 089-714 986
Fax : 089-714 686

Sandakan

Lot 9, Block A, Bandar Nam Tung,
90007 Sandakan,
Sabah.
Tel : 089-611 748

Kuching

287, Section 9, KTLD,
Ground & 1st Floor Rubber Road,
93762 Kuching, Sarawak.
Tel : 082-425 319/425 320
Fax : 082-421 660



Particulars of Group Properties

The Properties included in land and buildings at 31 December 2004 (note 11 to the Financial Statements) and their net book values are indicated below :-

Address	Description	Area (Acres)	Date of acquisition or revaluation	Land Tenure	Approx. Age of Buildings (Years)	Net Book Value RM'000
55, Persiaran Selangor, Section 15, 40200 Shah Alam, Selangor Darul Ehsan.	Brewery and Offices	20.00	31/3/81 (revaluation)	Leasehold expiring 23.2.2070	34	33,621
25, Jalan Kilang Dua, Kawasan MIEL, Jelapang, 30100 Ipoh, Perak Darul Ridzuan.	Office and Warehouse	0.33	4/10/90 (acquisition)	Leasehold expiring 15.9.2072	27	362
10, Pinggiran Tunku, Bukit Tunku, 50480 Kuala Lumpur, Wilayah Persekutuan.	Residential - Bungalow	0.64	1/4/91 (acquisition)	Freehold	33	1,932
83, Jalan Seroja 39, Taman Johor Jaya, 81100 Johor Bahru, Johor Darul Takzim.	Office and Warehouse	0.34	20/5/91 (acquisition)	Freehold	12	719
Plot 42, Off Lot 2817, Jalan Jelawat, Bandar Seberang Jaya, 13700 Prai, Butterworth.	Office and Warehouse	0.75	15/3/92 (acquisition)	Leasehold expiring 18.8.2073	12	1,598
Lot 6, No. 34, Towering Industrial Estate, Mile 4 ^{1/2} , Jalan Penampang, 88300 Kota Kinabalu, Sabah.	Office and Warehouse	0.06	28/3/95 (acquisition)	Leasehold expiring 31.12.2037	25	370
394, Taman AST, Jalan Labu, 70200 Seremban, Negeri Sembilan Darul Khusus.	Office and Warehouse	0.04	23/12/96 (acquisition)	Freehold	10	366
Lot 22, Jalan Pengapit 15/19, 40200 Shah Alam, Selangor Darul Ehsan.	Factory and Office	1.81	12/3/96 (acquisition)	Leasehold expiring 23.2.2082	14	9,505
25, Jalan IM 14/3, Kawasan Perindustrian Ringan Indera Mahkota, 25200 Kuantan, Pahang Darul Makmur.	Office and Warehouse	0.05	17/12/97 (acquisition)	Leasehold expiring 29.3.2097	7	214
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	24/7/98 (acquisition)	Freehold	-	15,954
Lot 1071, Mukim Damansara, District of Petaling, Selangor Darul Ehsan.	Land	1.3	18/9/2003 (acquisition)	Freehold	-	2,999
						<hr/> 67,640 <hr/>

Analysis of Shareholdings

as at 4 March 2005

Size of Holdings	No. of Shareholders	% of Shareholders	No. of Shares	% of Shares
1 - 99	449	7.62	4,372	0.00
100 - 1,000	2,335	39.64	1,784,707	1.17
1,001 - 10,000	2,224	37.76	8,865,485	5.80
10,001 - 100,000	772	13.11	21,475,592	14.05
100,001 - 7,643,699*	109	1.85	44,826,344	29.32
7,643,700 and above**	1	0.02	75,917,500	49.66
Total	5,890	100.00	152,874,000	100.00

Class of Share : RM1.00 Ordinary Share

Voting Rights : 1 Vote Per Ordinary Share

* Less than 5% of issued holdings

** 5% and above of issued holdings

Thirty Largest Shareholders

Name	Number of Shares	% of Shares
1. UOBM Nominees (Asing) Sdn Bhd Carlsberg Asia Pte Ltd	75,917,500	49.66
2. HDM Nominees (Asing) Sdn Bhd UOB Kay Hian Pte Ltd For Winscope Developments Ltd	5,057,100	3.31
3. Malaysia Nominees (Tempatan) Sendirian Berhad Great Eastern Life Assurance (Malaysia) Berhad (PAR 1)	4,542,660	2.97
4. Citicorp Nominees (Asing) Sdn Bhd CB LDN For First State Asia Pacific Fund	2,347,700	1.54
5. Malaysia Nominees (Tempatan) Sendirian Berhad Great Eastern Life Assurance (Malaysia) Berhad (PAR 2)	2,191,000	1.43
6. Silvercord Capital (Singapore) Limited	1,857,000	1.21
7. Universal Trustee (Malaysia) Berhad SBB Equity Income Fund	1,486,900	0.97
8. Malaysia Nominees (Tempatan) Sendirian Berhad Great Eastern Life Assurance (Malaysia) Berhad (NON PAR 1)	1,151,340	0.75
9. UOBM Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Wong Yoke Fong @ Wong Nyok Fing	1,100,000	0.72
10. AMMB Nominees (Tempatan) Sdn Bhd Amtrustee Berhad For HLG Dividend Fund (HLGDF)	847,600	0.55
11. HSBC Nominees (Asing) Sdn Bhd General Motors Employees Global Group Pension Trust	826,000	0.54

Analysis of Shareholdings (contd.)

as at 4 March 2005

Name	Number of Shares	% of Shares
12. Citicorp Nominees (Tempatan) Sdn Bhd Prudential Assurance Malaysia Berhad (PAR FUND)	785,500	0.52
13. Mayban Nominees (Asing) Sdn Bhd DBS Bank For Mrs Theresa Foo Nee Cheng	774,750	0.51
14. Tai Tak Estates Sdn Bhd	750,000	0.49
15. Asia Life (M) Berhad As Beneficial Owner (PF)	721,200	0.47
16. Citicorp Nominees (Asing) Sdn Bhd American International Assurance Company Limited (P CORE)	673,100	0.44
17. Citicorp Nominees (Asing) Sdn Bhd Mellon Bank, N.A. For Commonwealth Of Massachusetts Pension Reserve Investment Trust	665,000	0.43
18. HSBC Nominees (Asing) Sdn Bhd HSBC BK PLC For Prudential Assurance Company Ltd	639,200	0.42
19. Mak Tian Meng	571,440	0.37
20. Pertubuhan Keselamatan Sosial	558,000	0.37
21. Cartaban Nominees (Asing) Sdn Bhd State Street London Fund VE9] For The Local Government Pensions Institution	541,000	0.35
22. EB Nominees (Tempatan) Sendirian Berhad Pledged Securities Account For Mak Tian Meng (BSR)	500,000	0.33
23. HDM Nominees (Asing) Sdn Bhd UOB Kay Hian Pte Ltd For Kwong Soon Engineering Co Pte Ltd	483,750	0.32
24. Manulife Insurance (Malaysia) Berhad	470,000	0.31
25. UOBM Nominees (Asing) Sdn Bhd Chung Khiaw Bank Nominees (Pte) Ltd For Ko Choon Huat	455,000	0.30
26. Ho Sim Guan	450,000	0.29
27. SBB Nominees (Tempatan) Sdn Bhd Aviva Insurance Berhad	380,000	0.25
28. Cartaban Nominees (Asing) Sdn Bhd State Street London Fund XC4W For Lloyds TSB Group Pension Scheme No. 1 (Lloyds PN TST 1)	364,000	0.24
29. Mayban Nominees (Tempatan) Sdn Bhd Mayban Trustees Berhad For MAAKL Balanced Fund (910170)	352,600	0.23
30. Cartaban Nominees (Asing) Sdn Bhd Investors Bank and Trust Company For Global Equity Fund (Marathon GBL FD)	348,400	0.23
Total	107,807,740	70.52

Analysis of Shareholdings (contd.)

as at 4 March 2005

Substantial Shareholders

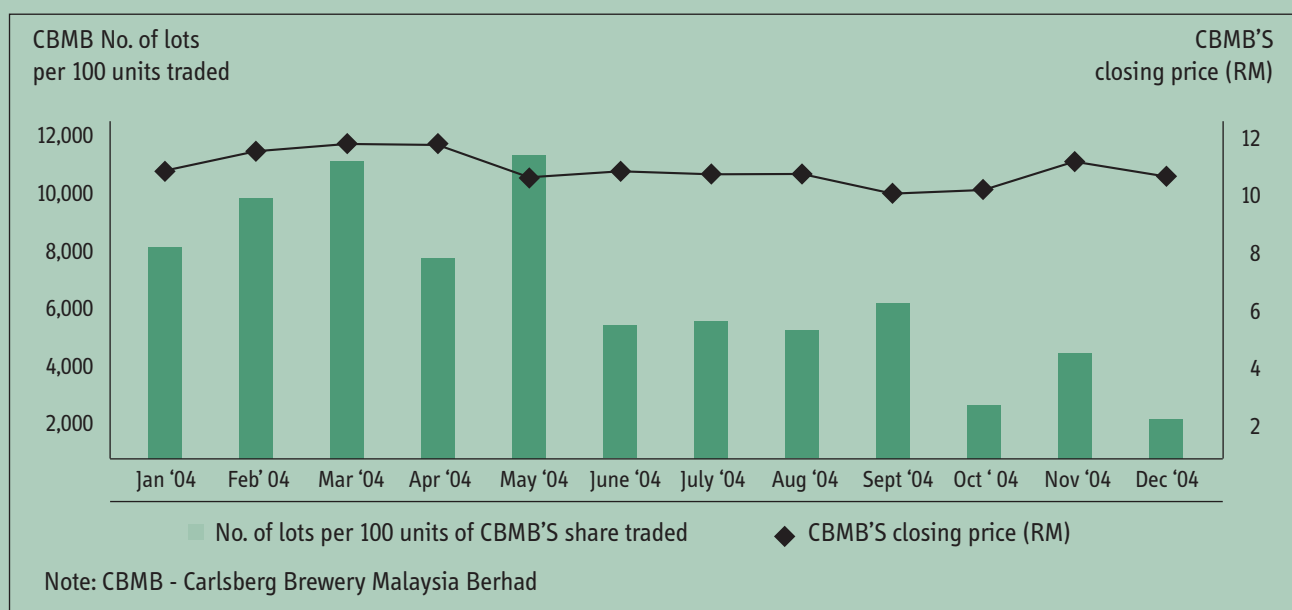
Name	Direct Interest	
	Number of Shares	% of Shares
1. Carlsberg Asia Pte Ltd UOBM Nominees (Asing) Sdn Bhd	75,917,500	49.66

Directors' Interest

Name	Direct		Indirect	
	No. of Shares	% of Shares	No. of Shares	% of Shares
Chan Hua Eng	10,000	0.01	-	-
Chin Voon Loong	7,000	-	-	-
Jesper Bjoern Madsen	4,500	-	-	-
Tan Sri Datuk Asmat bin Kamaludin	-	-	4,000 ^a	-
Dato' Lim Say Chong	-	-	28,000 ^b	0.02

a. Deemed interest by virtue of shares held by his spouse
b. Deemed interest by virtue of shares held by his children

Share Performance



Material Contracts

The particulars of material contracts of the Group with its related parties, subsisting as at 31 December 2004 or entered into since the end of the previous financial year, are as follows:-

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 The 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 of Carlsberg Asia Pte Ltd ("CAPL"). CAPL is the holding company of CBMB.

2. A letter from CBMB to CBAS dated 22 September 2000 agreeing to reimburse CBAS for sponsorship contributions.
3. An agreement between CBMB and CAPL dated 1 January 2002 for, inter-alia, the exclusive use of trade mark names and the supply of technical and commercial assistance by CAPL. The royalties payable by CBMB is based on an agreed formula. A supplemental agreement between CBMB and CAPL dated 29 July 2004 which varies the terms of the said agreement between CBMB and CAPL dated 1 January 2002 by including the trade mark name of "Skol" with royalties payable by CBMB based on an agreed formula.
4. An agreement between Carlsberg Marketing Sdn Bhd ("CMSB"), a wholly owned subsidiary of CBMB, and CAPL dated 1 January 2002 for the appointment of CMSB as sole and exclusive distributor of products manufactured in CBMB's brewery. The royalties payable by CMSB is based on an agreed formula. A supplemental agreement between CMSB and CAPL dated 29 July 2004 which varies the terms of the said agreement between CMSB and CAPL dated 1 January 2002 by including the trade mark name of "Skol" with royalties payable by CMSB based on an agreed formula.
5. A novation of licence agreement dated 30 September 2004 between CBMB, CBAS and CAPL for CAPL to transfer to CBAS all its rights, title and interests in the agreement between CBMB and CAPL dated 1 January 2002 for, inter-alia, the exclusive use of trade mark names and the supply of technical and commercial assistance by CAPL.
6. A novation of licence agreement dated 30 September 2004 between CMSB, CBAS and CAPL for CAPL to transfer to CBAS all its rights, title and interests in the agreement between CMSB and CAPL dated 1 January 2002 for the appointment of CMSB as sole and exclusive distributor of products manufactured in CBMB's brewery.
7. An agreement between CBMB, CAPL and Carlsberg Singapore Pte Ltd ("CSPL"), a wholly-owned subsidiary of CAPL, dated 2 January 2003 for the production and supply of products manufactured by CBMB to CSPL for sale and distribution in the Republic of Singapore.
8. An agreement between CBMB, CAPL and CSPL to be dated 1 February 2004 for the production and supply of Carlsberg Green Label products only manufactured by CBMB to CSPL for sale and distribution in the Republic of Singapore.

There are no material contracts of the Group with the Directors of CBMB subsisting as at 31 December 2004 or entered into since the end of the previous financial year.

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Thirty-Fifth Annual General Meeting of the Company will be held at Dewan Perdana, Level 2, Convention Centre, Grand BlueWave Hotel, Persiaran Perbandaran, Seksyen 14, 40000 Shah Alam, Selangor Darul Ehsan on Wednesday, 20 April 2005 at 11.00 a.m. for the following purposes:

AGENDA

Ordinary Business

1. To receive and adopt the Audited Accounts for the year ended 31 December 2004 together with the Directors' and Auditors' reports thereon. **Ordinary Resolution 1**
2. To sanction the declaration of a Final Dividend of 15 sen per share less Malaysian income tax and a Special Dividend of 70 sen per share less Malaysian income tax in respect of the year ended 31 December 2004. **Ordinary Resolution 2**
3. To re-appoint the following Directors who retire pursuant to Section 129(6) of the Companies Act, 1965 and to hold office until the next Annual General Meeting:
 - (a) Mr Chan Hua Eng **Ordinary Resolution 3**
 - (b) Gen. (R) Tan Sri Dato' Mohd. Ghazali bin Dato' Mohd Seth **Ordinary Resolution 4**
4. To re-elect the following Directors who retire pursuant to Article 92(a) of the Articles of Association of the Company:
 - (a) Dato' Jorgen Bornhoft **Ordinary Resolution 5**
 - (b) Mr Chin Voon Loong **Ordinary Resolution 6**
5. To re-elect Mr Mogens Joenck who retires pursuant to Article 92(e) of the Company's Articles of Association. **Ordinary Resolution 7**
6. To approve Directors' fees of RM275,000 for the year ended 31 December 2004. **Ordinary Resolution 8**
7. To appoint Auditors and to authorise the Directors to determine the Auditors' remuneration. **Ordinary Resolution 9**

Notice of Nomination pursuant to Section 172(11) of the Companies Act, 1965 (a copy of which is annexed and marked "Annexure A" as in the 2004 Annual Report) has been received by the Company for the nomination of Messrs KPMG, who have given their consent to act, for appointment as Auditors and of the intention to propose the following ordinary resolution:

"That Messrs KPMG be and are hereby appointed as Auditors of the Company in place of the retiring Auditors, Messrs Ernst & Young, and to hold office until the conclusion of the next Annual General Meeting at a remuneration to be determined by the Directors".

8. To transact any other ordinary business for which notice has been given.

Notice of Annual General Meeting (contd.)

Special Business

To consider, and if thought fit, pass the following Resolutions:

9. AUTHORITY TO ISSUE SHARES PURSUANT TO SECTION 132D OF THE COMPANIES ACT, 1965

Ordinary Resolution 10

“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 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 capital of the Company for the time being;

AND 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 (formerly known as Malaysia Securities Exchange Berhad) (“Bursa Securities”) and THAT such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company.”

10. PROPOSED SHARE SPLIT OF EACH ORDINARY SHARE OF RM1.00 EACH IN THE COMPANY INTO 2 NEW ORDINARY SHARES OF RM0.50 EACH (“PROPOSED SHARE SPLIT”)

Ordinary Resolution 11

“THAT, subject to the passing of the Special Resolution below, the approval of all the relevant authorities for the Proposed Share Split and the approval-in-principle from Bursa Malaysia Securities Berhad (formerly known as Malaysia Securities Exchange Berhad) (“Bursa Securities”) for the listing of and quotation for all the new ordinary shares of RM0.50 each, approval be and is hereby given to the Company to subdivide the issued and paid-up share capital of the Company into two (2) new ordinary shares of RM0.50 each for every one (1) existing ordinary share of RM1.00 each held by the shareholders of the Company whose names appear in the Record of Depositors at the close of business on a date to be determined by the Directors of Carlsberg Brewery Malaysia Berhad; AND

THAT the shares arising from the Proposed Share Split shall upon sub-division, rank pari passu in all respects amongst themselves AND FURTHER THAT the Directors be and are hereby authorised to give effect to the Proposed Share Split with full power to assent to any variations, modifications, and/or amendments as may be required or imposed by the relevant authorities, to take all such steps and to do all acts and things in any manner as they may deem necessary in order to implement, finalise and give full effect to the Proposed Share Split.”

11. PROPOSED AMENDMENTS TO THE MEMORANDUM AND ARTICLES OF ASSOCIATION OF CARLSBERG

Special Resolution 12

“THAT, subject to the passing of Ordinary Resolution 11 above, the alterations, modifications and additions to the Memorandum and Articles of Association of the Company as set out in Part A, Section 2.2 of the Circular to Shareholders dated 28 March 2005 be and are hereby approved.”

Notice of Annual General Meeting (contd.)

12. PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY

Ordinary Resolution 13

"THAT, subject to compliance with Section 67A of the Companies Act 1965, the Requirements of 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 RM230.32 million being the combined total of the audited distributable retained earnings and share premium reserves of the Company as at 31 December 2004 which stood at RM222.95 million and RM7.37 million respectively, to purchase on Bursa Securities up to 14,238,900 ordinary shares of RM1.00 each of the Company (or 28,477,800 ordinary shares of RM0.50 each, as the case may be) which together with the 1,165,000 ordinary shares of RM1.00 each (or 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 154,039,000 ordinary shares of RM1.00 each (or 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 Shareholders will expire 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 upon the expiration of the period within which the next AGM is required by law to be held or 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 Annual General Meeting (contd.)

13. PROPOSED SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE ("PROPOSED SHAREHOLDERS' MANDATE") Ordinary Resolution 14

"THAT approval be and is hereby given to the Company and its subsidiaries to enter into and give effect to specified recurrent transactions of a revenue or trading nature and with specified classes of the related parties as stated in Part B, Clause 3.3 of the Circular to Shareholders dated 28 March 2005 which are necessary for the Group's day to day operations subject to the following:

- (a) the transactions are in the ordinary course of business and are on terms not more favourable to the related parties than those generally available to the public where applicable and are not to the detriment of the minority shareholders;
- (b) disclosure is made in the annual report of the aggregate value of transactions conducted pursuant to the shareholders' mandate during the financial year and such approval shall continue to be in force until:
 - (i) the conclusion of the first AGM of the Company following the forthcoming AGM at which such Proposed Shareholders' Mandate was passed, at which time it will lapse, unless by resolution passed at an AGM whereby the authority is renewed;
 - (ii) the expiration of the period within which the next AGM of the Company subsequent to the date it is required to be held pursuant to Section 143(1) of the Malaysian 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
 - (iii) revoked or varied by resolution passed by the shareholders in a general meeting, whichever is earlier; and
- (c) the Directors and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) to give effect to the transactions contemplated and/or authorised by this Ordinary Resolution."

NOTICE OF DIVIDEND PAYMENT AND CLOSURE OF REGISTER

NOTICE IS HEREBY GIVEN THAT, subject to the approval of the shareholders at the Thirty-Fifth Annual General Meeting to be held on Wednesday, 20 April 2005, the Final Dividend of 15 sen per share less Malaysian income tax and a Special Dividend of 70 sen per share less Malaysian income tax in respect of the year ended 31 December 2004 will be payable on 18 May 2005 to members appearing in the Register of Members and Record of Depositors at the close of business on 9 May 2005.

A depositor shall qualify for entitlement to the dividends only in respect of:

- (a) Shares deposited into the depositor's securities account before 12.30 p.m. on 5 May 2005 (in respect of shares which are exempted from mandatory deposit);
- (b) Shares transferred into the depositor's securities account before 4.00 p.m. on 9 May 2005 in respect of transfers;
- (c) Shares bought on the Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of the Bursa Malaysia Securities Berhad.

By Order of the Board
CHIN VOON LOONG

Shah Alam
28 March 2005

Notice of Annual General Meeting (contd.)

Notes:

1. A member entitled to attend and vote at the meeting may appoint **ONE** person as his proxy to attend and vote in his stead. A proxy need not be a member of the Company.
2. 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.
3. The Proxy Form must be deposited at the Registered Office at No. 55 Persiaran Selangor, Section 15, 40200 Shah Alam, Selangor Darul Ehsan, not less than 48 hours before the time set for the meeting.
4. For 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 (9b) of the Articles of Association of the Company and Section 7.18 (2) of the Listing Requirements of Bursa Malaysia Securities Berhad, a Record of Depositors as at 14 April 2005 and only a Depositor whose name appears on such Record of Depositors shall be entitled to attend this meeting.

EXPLANATORY NOTES ON SPECIAL BUSINESS

Ordinary Resolution 10 - Authority to issue 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 from the unissued share capital of the Company for such purposes as the Directors deem fit and in the 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.

Ordinary Resolution 11 - Proposed Share Split of each ordinary share of RM1.00 each in the Company into 2 new ordinary shares of RM0.50 each ("Proposed Share Split")

The detailed text on Resolution 11 on the Proposed Share Split is included in the Circular to Shareholders dated 28 March 2005 which is enclosed together with the Annual Report.

Special Resolution 12 - Proposed Amendments to the Memorandum and Articles of Association of Carlsberg

The detailed text on Special Resolution 12 on the Proposed Amendments to the Memorandum and Articles of Association of Carlsberg is included in the Circular to Shareholders dated 28 March 2005 which is enclosed together with the Annual Report.

Ordinary Resolution 13 - Proposed Renewal of Share Buy Back Authority

The detailed text on Ordinary Resolution 13 on the Proposed Renewal of Share Buy Back Authority is included in the Circular to Shareholders dated 28 March 2005 which is enclosed together with the Annual Report.

Ordinary Resolution 14 - Proposed Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature ("Proposed Shareholders' Mandate")

The detailed text on Resolution 14 on the Proposed Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature is included in the Circular to Shareholders dated 28 March 2005 which is enclosed together with the Annual Report.

Statement Accompanying Notice of 35th Annual General Meeting

1. Please refer to “Directors' Profile” on pages 5 to 9 of this Annual Report for details of Directors who are standing for re-appointment or re-election.

2. **Board Meetings**

A total of four Board meetings were held in the year ended 31 December 2004:

Date	Time	Place
18 February 2004	10.45 a.m.	Carlsberg Brewery Malaysia Berhad
19 May 2004	10.30 a.m.	Carlsberg Brewery Malaysia Berhad
25 August 2004	10.30 a.m.	Carlsberg Brewery Malaysia Berhad
24 November 2004	10.30 a.m.	Carlsberg Brewery Malaysia Berhad

Details of Directors' attendance at the Board Meetings held in the year ended 31 December 2004 are as follows:

Directors	No. of meetings attended
Dato' Jorgen Bornhoft	4/4
Chan Hua Eng	4/4
Gen. (R) Tan Sri Dato' Mohd Ghazali bin Dato' Mohd Seth	4/4
Tan Sri Datuk Asmat bin Kamaludin	4/4
Dato' Lim Say Chong	4/4
Jesper B. Madsen	4/4
Bjorn Sondenskov	4/4
Chin Voon Loong	4/4
Mogens Joenck (<i>appointed on 1.1.05</i>)	N/A

ANNEXURE "A"

7 March 2005

The Board of Directors
Carlsberg Brewery Malaysia Berhad
55 Persiaran Selangor
40200 SHAH ALAM

Dear Sirs,

Pursuant to Section 172(11) of the Companies Act, we, being a stockholder of the Company, hereby give notice of our intention to nominate Messrs KPMG for appointment as Auditors of the Company and to propose the following as an ordinary resolution to be tabled at the forthcoming Annual General Meeting of the Company, to replace the retiring Auditors, Messrs Ernst & Young:

"That Messrs KPMG be and are hereby appointed as Auditors of the Company in place of the retiring Auditors, Messrs Ernst & Young and to hold office until the conclusion of the next Annual General Meeting at a remuneration to be determined by the Directors."

Yours faithfully,
CARLSBERG ASIA PTE. LTD.


Lathika Devi
Company Secretary



FORM OF PROXY

CARLSBERG BREWERY MALAYSIA BERHAD

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

NO. OF SHARES HELD

I/We _____
of _____
being a member of the abovenamed Company, hereby appoint _____
of _____
or failing him _____
of _____

as my/our proxy to vote for me/us and on my/our behalf at the Thirty-Fifth Annual General Meeting of the Company to be held on Wednesday, 20 April 2005 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	Adoption of the Directors' and Auditors' Reports and Audited Accounts for the year ended 31 December 2004.		
Ordinary Resolution 2	Declaration of Final Dividend and Special Dividend.		
Ordinary Resolution 3	Re-appointment of Mr Chan Hua Eng as Director.		
Ordinary Resolution 4	Re-appointment of Yang Berbahagia Gen. (R) Tan Sri Dato' Mohd. Ghazali bin Dato' Mohd. Seth as Director.		
Ordinary Resolution 5	Re-election of Yang Berbahagia Dato' Jorgen Bornhoft as Director.		
Ordinary Resolution 6	Re-election of Mr Chin Voon Loong as Director.		
Ordinary Resolution 7	Re-election of Mr Mogens Joenck as Director.		
Ordinary Resolution 8	Approval of Directors' fees of RM275,000 for the year ended 31 December 2004.		
Ordinary Resolution 9	Appointment of Auditors and approval for Directors to determine their remuneration.		
Ordinary Resolution 10	Authority for Directors to issue shares pursuant to Section 132D of the Companies Act, 1965.		
Ordinary Resolution 11	Proposed Share Split of each Ordinary Share of RM1.00 each in the Company into 2 new Ordinary Shares of RM0.50 each.		
Special Resolution 12	Proposed amendments to the Memorandum and Articles of Association of Carlsberg.		
Ordinary Resolution 13	Proposed renewal of Share Buy-Back authority.		
Ordinary Resolution 14	Proposed shareholders' mandate for Recurrent Related Party Transactions of a revenue or trading nature.		

As witness my/our hand this _____ day of _____ 2005.

Signed by the said _____

In the presence of _____

Notes:

1. A member entitled to attend and vote at the meeting may appoint **ONE** person as his proxy to attend and vote in his stead. A proxy need not be a member of the Company.
2. 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.
3. The Proxy Form must be deposited at the Registered Office at No. 55 Persiaran Selangor, Section 15, 40200 Shah Alam, Selangor Darul Ehsan, not less than 48 hours before the time set for the meeting.
4. For 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 (9b) of the Articles of Association of the Company and Section 7.18 (2) of the Listing Requirements of Bursa Malaysia Securities Berhad, a Record of Depositors as at 14 April 2005 and a Depositor whose name appears on such Record of Depositors shall be entitled to attend this meeting.

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stamp
here*

THE COMPANY SECRETARY
CARLSBERG BREWERY MALAYSIA BERHAD
No. 55, Persiaran Selangor
Section 15
40200 Shah Alam
Selangor Darul Ehsan

second fold

GET TOGETHER



Carlsberg



www.carlsberg.com.my