

# 2001 RESULTS

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# Directors' Report

The Directors have pleasure in presenting their report and the audited financial statements of the Company and of the Group for the year ended 31 December 2001.

## PRINCIPAL ACTIVITIES

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 these activities during the year.

## RESULTS FOR THE YEAR

	GROUP RM'000	COMPANY RM'000
Operating profit	159,940	81,061
Dividend from subsidiary company	-	108,900
Share of results of associated company	1,730	-
Profit before taxation	161,670	189,961
Taxation	(35,700)	(51,692)
Profit for the year after taxation	125,970	138,269
Retained profit brought forward	265,771	166,923
	391,741	305,192
Dividends	(103,410)	(103,410)
Retained profit carried forward	288,331	201,782

There were no material transfers to or from reserves or provisions during the financial year, other than as disclosed in the Statements of Changes in Equity.

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.

## DIVIDENDS

During the financial year, the following dividends were paid by the Company:

- A final dividend of 15 sen per share less tax, amounting to RM16,398,180 in respect of the previous year as proposed in the Directors' Report of that year;
- A special dividend of 50 sen per share less tax, amounting to RM54,660,600 in respect of the previous year as proposed in the Directors' Report of that year; and
- An interim dividend of 10 sen per share less tax, amounting to RM10,932,120 in respect of the financial year.

## DIVIDENDS (contd.)

The Directors propose the payment of the following dividends:

- (a) a final dividend of 15 sen per share less tax, amounting to RM16,426,908; and
- (b) a special tax exempt dividend of 50 sen per share, amounting to RM76,050,500.

The amounts stated in respect of proposed dividends have been calculated based on the known number of shares entitled to such dividends at the latest practicable date, inclusive of 256,000 shares issued pursuant to options exercised subsequent to the balance sheet date.

## EMPLOYEES' SHARE OPTION SCHEME

At an Extraordinary General Meeting held on 23 April 1998, the shareholders of the Company approved the establishment of an Employees' Share Option Scheme ("the Scheme") for eligible employees of the Group. The Securities Commission, the Kuala Lumpur Stock Exchange and the Registrar of Companies approved the Scheme on 19 June 1998, 30 September 1998 and 26 October 1998 respectively.

The main features of the Scheme are as follows:

- (a) Eligible employees are those employees and full-time executive directors of the Group who are confirmed and with at least twelve calendar months of continuous service in the Group prior to the Date of Offer.
- (b) The aggregate number of new shares to be issued under the Scheme shall not exceed three per cent of the issued and paid-up share capital of the Company.
- (c) The Scheme shall continue to be in force for a duration of five years from 26 October 1998.
- (d) The Scheme shall be administered by the ESOS Committee consisting of such persons as shall be appointed by the Board of Directors from time to time.
- (e) Options shall be granted in multiples of 1,000 shares and no option shall be granted for less than 1,000 shares or more than 100,000 shares to any individual employee.
- (f) Options granted can only be exercised at any time after the third anniversary of the Scheme until the Scheme expires.
- (g) The Option Price shall be the average of the mean open market quotations (calculated at the average of the highest and lowest prices as traded on the Kuala Lumpur Stock Exchange (KLSE) for the day) of the shares as shown in the daily official list issued by the KLSE for the five market days immediately preceding the Date of Offer, and in no event be less than the par value of the shares.
- (h) The new shares to be allotted upon exercise of any of the options will upon allotment rank pari passu in all respects with the then existing issued shares of the Company except for dividends or distributions the entitlement date of which is prior to the date of exercise of the option, and will be subject to all the provisions of the Articles of Association of the Company relating to transfer, transmission and otherwise.

## EMPLOYEES' SHARE OPTION SCHEME (contd.)

Pursuant to the Scheme, as of 31 December 2001, options to subscribe for 1,265,000 ordinary shares of RM1.00 each in the Company had been granted to eligible employees of the Group. Of this total, an alternate director had been granted options to subscribe for 27,000 ordinary shares at RM8.09 per share.

As of 31 December 2001, 10,000 ordinary shares of RM1.00 each had been issued at RM8.09 per share for cash, upon exercise of options granted pursuant to the Scheme.

Subsequent to 31 December 2001 and as of 8 March 2002, a further 256,000 ordinary shares of RM1.00 each had been issued at RM8.09 per share for cash, upon exercise of options granted pursuant to the Scheme.

## 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:

Michael luul (Chairman)	
Chan Hua Eng	
Jen. (B) Tan Sri Dato' Mohd. Ghazali bin Dato' Mohd. Seth	
Y.A.M. Tunku Naquiyuddin ibni Tuanku Ja'afar	
Tan Sri Datuk Asmat bin Kamaludin	(Appointed on 1.2.2001)
Mogens Thomsen	
Dato' Jorgen Bornhoft (Managing Director)	
Chin Voon Loong (Alternate director for Mogens Thomsen)	
Flemming Lindelov	(Resigned on 19.9.2001)
Martin Cecil (Alternate director for Flemming Lindelov)	(Resigned on 19.9.2001)

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, other than benefits which might arise from the options to subscribe for ordinary shares in the Company granted pursuant to the Employees' Share Option Scheme.

None of the 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, an interest in shares and/or debentures of the Company, except for the following Directors:

DIRECT INTEREST IN THE COMPANY	AT 1.1.2001	ACQUIRED DURING THE YEAR	DISPOSED AT 31.12.2001
Y.A.M. Tunku Naquiyuddin ibni Tuanku Ja'afar	1,000	-	-
			1,000
INDIRECT INTEREST IN THE COMPANY	AT DATE OF APPOINTMENT	ACQUIRED DURING THE YEAR	DISPOSED AT 31.12.2001
Tan Sri Datuk Asmat bin Kamaludin	4,000	-	-
			4,000



## DIRECTORS (contd.)

### OPTIONS TO SUBSCRIBE FOR ORDINARY SHARES

OF RM1.00 EACH OF THE COMPANY	AT 1.1.2001	GRANTED	EXERCISED	AT 31.12.2001
Chin Voon Loong	27,000	-	-	27,000

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 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.

In accordance with Section 129(2) of the Companies Act, 1965, Mr. Chan Hua Eng and Jen. (B) 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.

### SHARE CAPITAL

On 26 December 2001, the issued and paid-up capital of the Company was increased from 153,000,000 ordinary shares of RM1.00 each to 153,010,000 ordinary shares of RM1.00 each following the issue of 10,000 shares of RM1.00 each at RM8.09 per share pursuant to the Employees' Share Option Scheme. The share premium arising from this issue amounted to RM70,900.

As at 31 December 2001, there were 1,255,000 unissued shares under options pursuant to the Employees' Share Option Scheme.

Subsequent to 31 December 2001 and as of 8 March 2002, a further 256,000 ordinary shares of RM1.00 each had been issued at RM8.09 per share for cash, upon exercise of options granted pursuant to the Scheme.

### 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 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.

## MATERIAL LITIGATION

The Company is involved in the following pending litigation matters:

- (a) On 30 April 1999, a Statement of Claim was filed in court by Asia Pacific Breweries Limited/Guinness Anchor Berhad against the Company over an advertisement that appeared in certain newspapers. The Company had filed its Statement of Defence and the case is still pending trial.

The solicitors have advised that the Company's prospects of successfully defending the suit are good and any damages arising would occur only in the event of a finding against the Company on liability. The solicitors have advised that they are unable to make an estimate for any damages arising as the outcome of the case and damages arising, if any, are within the discretion of the Court.

- (b) On 12 October 1999, the Company filed a Statement of Claim against Guinness Anchor Berhad in respect of their advertisements in the newspapers and other media associating Heineken with the World Cup Golf tournament which was held in Malaysia on 18 to 21 November 1999. The Company had obtained an inter-parties injunction against Guinness Anchor Berhad restraining such advertisements. The case is still pending trial.

The solicitors have advised that the Company has good grounds in proving liability on the part of the Defendant, and is in a viable position to succeed at trial in seeking damages and other remedies against the Defendant. However, the solicitors have advised that they are not in a position to make an estimate with regards to any liability arising as this will be at the discretion of the Court.

## OTHER STATUTORY INFORMATION

- (a) Before the financial statements 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 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; and
  - (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 the Group misleading or inappropriate.

## OTHER STATUTORY INFORMATION (contd.)

- (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.
- (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; and
  - (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, Ernst & Young, have expressed their willingness to continue in office.

On behalf of the Board,

**CHAN HUA ENG**  
DIRECTOR

**DATO' JORGEN BORNHOFT**  
DIRECTOR

Kuala Lumpur, Malaysia  
21 March 2002

## 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 financial statements set out on pages 56 to 78 are drawn up in accordance with 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 2001 and of the results of the business of the Company and of the Group for the year ended on that date; and
- (ii) the cash flows of the Company and of the Group for the year ended 31 December 2001.

On behalf of the Board,

**CHAN HUA ENG**  
DIRECTOR

**DATO' JORGEN BORNHOFT**  
DIRECTOR

Kuala Lumpur, Malaysia  
21 March 2002

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## Statutory Declaration

Pursuant to Section 169(16) of the Companies Act, 1965

I, **CHIN VOON LOONG**, being the person primarily responsible for the financial management of **CARLSBERG BREWERY MALAYSIA BERHAD**, do solemnly and sincerely declare that the financial statements set out on pages 56 to 78 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 **CHIN VOON LOONG**  
at Kuala Lumpur in the Federal Territory  
on 21 March 2002

**CHIN VOON LOONG**  
Before me,

**ZAINAL ABIDIN BIN MD. NOOR, PPN**  
(No. W254)  
Commissioner for Oaths

Kuala Lumpur, Malaysia  
21 March 2002



# Auditors' Report

to the Members of Carlsberg Brewery Malaysia Berhad

We have audited the financial statements set out on pages 56 to 78. 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. These 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 2001 and of the results of the Company and of the Group 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 Company's financial statements 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 Companies Act, 1965.

**ERNST & YOUNG AF: 0039**  
Chartered Accountants

**Sukanta Kumar Dutt 1556/08/02(J)**  
Partner

Kuala Lumpur, Malaysia  
21 March 2002

# Income Statements

for the year ended 31 December 2001

		GROUP		COMPANY	
	Note	2001 RM '000	2000 RM '000	2001 RM '000	2000 RM '000
<b>REVENUE</b>	3	841,113	851,984	527,343	545,973
<b>COST OF SALES</b>		(538,938)	(554,451)	(431,683)	(457,545)
<b>GROSS PROFIT</b>		302,175	297,533	95,660	88,428
Other operating income		12,282	8,900	9,026	7,274
Sales & distribution costs		(124,667)	(123,182)	(253)	(338)
Administrative expenses		(17,485)	(18,017)	(10,998)	(11,644)
Other operating expenses		(12,365)	(13,577)	(12,374)	(9,577)
<b>OPERATING PROFIT</b>		159,940	151,657	81,061	74,143
<b>DIVIDEND FROM SUBSIDIARY COMPANY</b>		-	-	108,900	99,000
<b>SHARE OF RESULTS OF ASSOCIATED COMPANY</b>		1,730	551	-	-
<b>PROFIT BEFORE TAXATION</b>	4	161,670	152,208	189,961	173,143
<b>TAXATION</b>	6	(35,700)	(42,200)	(51,692)	(47,920)
<b>PROFIT AFTER TAXATION</b>		125,970	110,008	138,269	125,223
<b>RETAINED PROFIT BROUGHT FORWARD</b>		265,771	237,754	166,923	123,691
		391,741	347,762	305,192	248,914
<b>DIVIDENDS</b>	7	(103,410)	(81,991)	(103,410)	(81,991)
<b>RETAINED PROFIT CARRIED FORWARD</b>		288,331	265,771	201,782	166,923
<b>BASIC EARNINGS PER SHARE</b>	8				
- pre tax (sen)		106.5	100.2	125.1	114.0
- post tax (sen)		83.0	72.5	91.1	82.5
<b>FULLY DILUTED EARNINGS PER SHARE</b>	8				
- pre tax (sen)		106.3	100.0	124.9	113.7
- post tax (sen)		82.8	72.2	90.9	82.2

# Balance Sheets

as at 31 December 2001

		GROUP		COMPANY	
	Note	2001 RM '000	2000 RM '000	2001 RM '000	2000 RM '000
ASSETS EMPLOYED:					
PROPERTY, PLANT AND EQUIPMENT	9	211,591	195,471	188,522	176,033
SUBSIDIARY COMPANIES	10	-	-	1,909	1,909
ASSOCIATED COMPANY	11	8,341	13,359	6,340	10,940
LONG TERM INVESTMENTS	12	1,733	1,733	1,733	1,733
CURRENT ASSETS					
Inventories	13	41,018	47,183	17,428	18,951
Debtors	14	119,107	122,705	11,505	10,930
Dividend receivable from subsidiary company		-	-	78,408	71,280
Bank balances and deposits	15	288,671	249,167	266,947	226,628
		448,796	419,055	374,288	327,789
CURRENT LIABILITIES					
Creditors	16	89,032	95,417	55,374	52,809
Amount owing to subsidiary company	17	-	-	35,657	47,089
Taxation		30,498	26,382	20,070	14,374
Proposed dividend		92,478	71,059	92,478	71,059
		212,008	192,858	203,579	185,331
NET CURRENT ASSETS					
		236,788	226,197	170,709	142,458
		458,453	436,760	369,213	333,073
FINANCED BY:					
SHARE CAPITAL					
	18	153,010	153,000	153,010	153,000
RESERVES					
	19	303,452	282,969	214,212	179,282
		456,462	435,969	367,222	332,282
TREASURY SHARES					
	18	(12,043)	(12,043)	(12,043)	(12,043)
SHAREHOLDERS' EQUITY					
		444,419	423,926	355,179	320,239
DEFERRED TAXATION					
	20	14,034	12,834	14,034	12,834
		458,453	436,760	369,213	333,073

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

# Statement of Changes in Equity

for the year ended 31 December 2001

GROUP	Note	Share capital RM '000	Share premium RM '000	Exchange reserve RM '000	Capital reserve RM '000	Treasury shares RM '000	General reserve RM '000	Retained earnings RM '000	Total RM '000
At 1 January 2000		153,000	-	1,407	10,524	(12,043)	5,766	237,754	396,408
Exchange differences		-	-	(499)	-	-	-	-	(499)
Profit for the year		-	-	-	-	-	-	110,008	110,008
Dividends	7	-	-	-	-	-	-	(81,991)	(81,991)
At 31 December 2000		153,000	-	908	10,524	(12,043)	5,766	265,771	423,926
Exchange differences		-	-	(2,148)	-	-	-	-	(2,148)
Issue of ordinary shares pursuant to Employees' Share Option Scheme		10	71	-	-	-	-	-	81
Profit for the year		-	-	-	-	-	-	125,970	125,970
Dividends	7	-	-	-	-	-	-	(103,410)	(103,410)
At 31 December 2001		153,010	71	(1,240)	10,524	(12,043)	5,766	288,331	444,419

# Statement of Changes in Equity

for the year ended 31 December 2001

COMPANY	Note	Share capital RM '000	Share premium RM '000	Capital reserve RM '000	Treasury shares RM '000	General reserve RM '000	Retained earnings RM '000	Total RM '000
At 1 January 2000		153,000	-	6,593	(12,043)	5,766	123,691	277,007
Profit for the year		-	-	-	-	-	125,223	125,223
Dividends	7	-	-	-	-	-	(81,991)	(81,991)
At 31 December 2000		153,000	-	6,593	(12,043)	5,766	166,923	320,239
Issue of ordinary shares pursuant to Employees' Share Option Scheme		10	71	-	-	-	-	81
Profit for the year		-	-	-	-	-	138,269	138,269
Dividends	7	-	-	-	-	-	(103,410)	(103,410)
At 31 December 2001		153,010	71	6,593	(12,043)	5,766	201,782	355,179

# Consolidated Statement of Cash Flows

for the year ended 31 December 2001

GROUP	Note	2001 RM '000	2000 RM '000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before taxation		161,670	152,208
Adjustments for:			
Interest income		(8,796)	(6,664)
Dividend income		(50)	(100)
Share of profit of associated company		(1,730)	(551)
Provision for diminution in value of investment in associated company		4,600	-
Depreciation		27,952	25,961
Provision for doubtful debts		4,172	6,380
Gain on disposal of property, plant and equipment		(3,436)	(1,498)
Operating profit before working capital changes		184,382	175,736
Working capital changes:			
Debtors		(574)	2,946
Inventories		6,165	(3,605)
Creditors		(6,385)	13,664
Cash generated from operations		183,588	188,741
Taxation paid		(30,384)	(28,661)
Net cash from operating activities		153,204	160,080
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest income		8,796	6,664
Dividend income		50	100
Proceeds from disposal of property, plant and equipment		3,516	1,550
Purchase of property, plant and equipment		(44,152)	(20,559)
Net cash used in investing activities		(31,790)	(12,245)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from exercise of share options		81	-
Dividends paid		(81,991)	(109,321)
Net cash used in financing activities		(81,910)	(109,321)
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		39,504	38,514
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>		249,167	210,653
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	15	288,671	249,167

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



# Statement of Cash Flows

for the year ended 31 December 2001

COMPANY	Note	2001 RM '000	2000 RM '000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before taxation		189,961	173,143
Adjustments for:			
Interest income		(8,122)	(6,088)
Dividend income - subsidiary company		(108,900)	(99,000)
- others		(50)	(100)
Provision for diminution of value in investment in associated company		4,600	-
Depreciation		22,738	20,980
Gain on disposal of property, plant and equipment		(674)	(268)
Operating profit before working capital changes		99,553	88,667
Working capital changes:			
Debtors		(575)	772
Inventories		1,523	1,966
Subsidiary company		(11,432)	(13,809)
Creditors		2,565	8,969
Cash generated from operations		91,634	86,565
Taxation paid		(14,304)	(9,817)
Net cash from operating activities		77,330	76,748
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest income		8,122	6,088
Dividend income - subsidiary company		71,280	71,280
- others		50	100
Proceeds from disposal of property, plant and equipment		680	296
Purchase of property, plant and equipment		(35,233)	(14,992)
Net cash from investing activities		44,899	62,772
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from exercise of share options		81	-
Dividends paid		(81,991)	(109,321)
Net cash used in financing activities		(81,910)	(109,321)
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		40,319	30,199
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>		226,628	196,429
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	15	266,947	226,628

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

## 1. BASIS OF ACCOUNTING

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 applicable approved accounting standards issued by the Malaysian Accounting Standards Board (MASB). The Company and the Group have applied certain transitional provisions as allowed by 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 their previous revaluations (subject to continuity in depreciation policy and the requirement to write an asset down to its recoverable amount), if it does not further revalue such assets.

## 2. ACCOUNTING POLICIES

### (i) 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.

### (ii) 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 and amortisation.

Depreciation 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.

Freehold land is not depreciated.

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

The principal annual depreciation rates on other property, plant and equipment used are as follows :-

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

### (iii) Dividend, Interest and Rental Income

(a) 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.

(b) Interest income and rental income are recognised on an accrual basis.

## 2. ACCOUNTING POLICIES (contd.)

### (iv) 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.

### (v) Provision for Doubtful Debts

Known bad debts are written off and specific provisions are made for debts, individually reviewed and specifically identified as doubtful. A general provision is also made to cover possible losses on debts which are not specifically identified.

### (vi) 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.

The closing exchange rates used by the Group in translation are as follows:

	<u>2001</u>	<u>2000</u>
Danish Kroner (DKK)	DKK1.00 : RM0.452	DKK1.00 : RM0.473
Euro Dollar (EUR)	EUR1.00 : RM3.360	EUR1.00 : RM3.532
United States Dollar (USD)	USD1.00 : RM3.800	USD1.00 : RM3.800
Singapore Dollar (SGD)	SGD1.00 : RM2.059	SGD1.00 : RM2.192
Sri Lanka Rupee (RS)	RS1.00 : RM0.0409	RS1.00 : RM0.0484

### (vii) Revenue recognition

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

### (viii) Retirement Benefits

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

## 2. ACCOUNTING POLICIES (contd.)

### (ix) Deferred Taxation

Deferred taxation is provided for by the liability method on the difference between the net book value of assets eligible for capital allowances and the tax written down value of those assets, and on other timing differences existing at the balance sheet date expected to crystallise in the foreseeable future. No account is taken in respect of timing differences giving rise to a deferred tax assets.

### (x) Subsidiary Companies

A subsidiary company is defined as a company in which the parent company holds directly or indirectly more than 50% of the equity share capital and has control over the financial and operating policies.

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.

### (xi) 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 its share of post-acquisition results and reserves of associated companies.

### (xii) 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.

### (xiii) Cash and Cash Equivalents

The statements of cash flows, 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 and bank balances and deposits with licensed financial institutions. Cash equivalents are 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.

## 3. REVENUE

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

#### 4. PROFIT BEFORE TAXATION

	GROUP		COMPANY	
	2001 RM '000	2000 RM '000	2001 RM '000	2000 RM '000
This is stated after charging /(crediting):				
Auditors' remuneration				
- statutory audit	74	74	53	53
- other services	14	14	7	7
Directors' remuneration				
- fees	243	173	243	173
- benefits-in-kind	344	377	325	371
- other emoluments	1,999	1,958	1,667	1,793
Depreciation of property, plant and equipment	27,952	25,961	22,738	20,980
Provision for doubtful debts	4,172	6,380	-	-
Rent of land and buildings	373	285	-	-
Staff retirement benefits	715	694	406	378
Provision for diminution in value of investment in associated company	4,600	-	4,600	-
Dividend income from				
- subsidiary company	-	-	(108,900)	(99,000)
- investment (tax exempt)				
- quoted in Malaysia	(50)	(100)	(50)	(100)
Rental income				
- subsidiary company	-	-	(180)	(180)
- others	-	(638)	-	(638)
Gain on disposal of property, plant and equipment	(3,436)	(1,498)	(674)	(268)
Interest income	(8,796)	(6,664)	(8,122)	(6,088)
Employee information :				
Staff costs	34,859	33,397	20,144	18,575

The total number of employees of the Group and of the Company (including directors) at year end were 662 (2000: 676) and 315 (2000: 324) respectively.

## 5. DIRECTORS' REMUNERATION

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

	2001		2000	
	Executive directors RM '000	Non-executive directors RM '000	Executive directors RM '000	Non-executive directors RM '000
<b>Total remuneration:</b>				
Fees	35	208	25	148
Benefits-in-kind	325	-	371	-
Other emoluments	1,667	-	1,793	-
	<b>2,027</b>	<b>208</b>	<b>2,189</b>	<b>148</b>

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

	Number of Directors			
	2001		2000	
	Executive directors	Non-executive directors	Executive directors	Non-executive directors
<b>Range of Remuneration (RM)</b>				
Less than 50,000	-	6	-	7
400,001 - 450,000	1	-	1	-
500,001 - 550,000	1	-	-	-
600,001 - 650,000	-	-	1	-
1,000,001 - 1,050,000	1	-	-	-
1,150,001 - 1,200,000	-	-	1	-
	<b>3</b>	<b>6</b>	<b>3</b>	<b>7</b>

## 6. TAXATION

	GROUP		COMPANY	
	2001 RM '000	2000 RM '000	2001 RM '000	2000 RM '000
Malaysian taxation based on results for the year:				
- current	34,500	41,400	50,492	47,120
- deferred	1,200	800	1,200	800
	<b>35,700</b>	<b>42,200</b>	<b>51,692</b>	<b>47,920</b>

The effective tax rates of the Group and Company are lower than the statutory tax rate as the Company is entitled to claim reinvestment allowances.



## 7. DIVIDENDS

	GROUP/COMPANY			
	2001		2000	
	RM '000	Sen per share	RM '000	Sen per share
Interim dividend of 10 sen per share less tax (2000: 10 sen per share less tax)	10,932	7.2	10,932	7.2
Proposed dividend of 65 sen (2000: 65 sen) per share made up of:				
- final 15 sen per share less tax (2000: 15 sen per share less tax)	16,427	10.8	16,398	10.8
- special tax exempt 50 sen per share (2000: special 50 sen per share less tax)	76,051	50.0	54,661	36.0
	103,410	68.0	81,991	54.0

## 8. EARNINGS PER ORDINARY SHARE

### (a) Basic earnings per share

Basic 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 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	
	2001	2000	2001	2000
Profit before taxation (RM '000)	161,670	152,208	189,961	173,143
Profit after taxation (RM '000)	125,970	110,008	138,269	125,223
Weighted average number of ordinary shares in issue ('000)	151,835	151,835	151,835	151,835
Basic earnings per share				
- pre tax (sen)	106.5	100.2	125.1	114.0
- post tax (sen)	83.0	72.5	91.1	82.5

### (b) Diluted earnings per share

For diluted earnings per share, the weighted number of ordinary shares in issue has been adjusted to assume conversion of all options on 1 January 2001 or the first date exercisable, whichever is later; the number of shares repurchased and held as treasury shares has been excluded from the number of shares in issue.

Diluted earnings per share is calculated by dividing the net profit attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year, adjusted for the effects of dilutive options on the assumption all options were exercised on the first day of the financial year, or on the date granted if later.

## 8. EARNINGS PER ORDINARY SHARE (contd.)

(b) Diluted earnings per share (contd.)

	GROUP		COMPANY	
	2001	2000	2001	2000
Profit before taxation (RM '000)	161,670	152,208	189,961	173,143
Profit after taxation (RM '000)	125,970	110,008	138,269	125,223
Weighted average number of ordinary shares in issue ('000)	151,835	151,835	151,835	151,835
Adjustment for share options ('000)	238	432	238	432
Weighted average number of ordinary shares for diluted earnings per share ('000)	152,073	152,267	152,073	152,267
Diluted earnings per share				
- pre tax (sen)	106.3	100.0	124.9	113.7
- post tax (sen)	82.8	72.2	90.9	82.2

## 9. PROPERTY, PLANT AND EQUIPMENT

GROUP	Short term Long term			Furniture, office				Total	
	Freehold land and buildings	leasehold land and buildings	leasehold land and buildings	Plant and machinery	Motor vehicles	and others	Assets in-progress	2001	2000
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>COST AND VALUATION</b>									
At 1 January	23,759	467	53,263	259,752	20,147	37,593	4,270	399,251	382,771
Additions	4	-	325	1,678	8,177	2,867	31,101	44,152	20,559
Transfers	-	-	5,357	28,771	-	148	(34,276)	-	-
Disposals	-	-	-	(23)	(6,686)	(947)	-	(7,656)	(4,079)
At 31 December	23,763	467	58,945	290,178	21,638	39,661	1,095	435,747	399,251
<b>ACCUMULATED DEPRECIATION</b>									
At 1 January	832	58	13,079	150,119	12,814	26,878	-	203,780	181,846
Charge for the year	95	10	983	19,332	3,394	4,138	-	27,952	25,961
Disposals	-	-	-	(19)	(6,617)	(940)	-	(7,576)	(4,027)
At 31 December	927	68	14,062	169,432	9,591	30,076	-	224,156	203,780
<b>NET BOOK VALUE</b>									
At 31 December 2001	22,836	399	44,883	120,746	12,047	9,585	1,095	211,591	-
At 31 December 2000	22,927	409	40,184	109,633	7,333	10,715	4,270	-	195,471

## 9. PROPERTY, PLANT AND EQUIPMENT (contd.)

GROUP	Short term Long term			Furniture, office			Total	
	Freehold land and buildings	leasehold land and buildings	leasehold land and buildings	Plant and machinery	Motor vehicles	and others	Assets in-progress	2001 2000
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>ANALYSIS OF COST AND VALUATION</b>								
At 31 December 2001								
Cost	23,763	467	40,623	290,178	21,638	39,661	1,095	417,425
Valuation - 1981	-	-	18,322	-	-	-	-	18,322
	23,763	467	58,945	290,178	21,638	39,661	1,095	435,747
At 31 December 2000								
Cost	23,759	467	34,941	259,752	20,147	37,593	4,270	380,929
Valuation - 1981	-	-	18,322	-	-	-	-	18,322
	23,759	467	53,263	259,752	20,147	37,593	4,270	399,251

Of the land and buildings of the Group, RM18,942,971 (2000: RM18,938,431) is in respect of the net book value of the freehold land, RM9,341,494 (2000: RM9,467,970) is in respect of the net book value of the long term leasehold land and RM144,742 (2000: RM148,763) is in respect of the net book value of short term leasehold land.

COMPANY	Freehold	Long term	Furniture, office				Total	
	land and	leasehold	Plant and	Motor	and	Assets	2001	2000
	buildings	land and	machinery	vehicles	others	in-progress	2001	2000
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
COST AND VALUATION								
At 1 January	18,040	50,499	259,752	2,742	15,913	4,270	351,216	337,660
Additions	4	325	1,678	1,581	544	31,101	35,233	14,992
Transfers	-	5,357	28,771	-	148	(34,276)	-	-
Disposals	-	-	(23)	(1,313)	(25)	-	(1,361)	(1,436)
At 31 December	18,044	56,181	290,178	3,010	16,580	1,095	385,088	351,216
ACCUMULATED DEPRECIATION								
At 1 January	112	12,690	150,119	1,886	10,376	-	175,183	155,611
Charge for the year	11	933	19,332	473	1,989	-	22,738	20,980
Disposals	-	-	(19)	(1,313)	(23)	-	(1,355)	(1,408)
At 31 December	123	13,623	169,432	1,046	12,342	-	196,566	175,183

## 9. 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 2001 RM'000	Total 2000 RM'000
<b>NET BOOK VALUE</b>								
At 31 December 2001	17,921	42,558	120,746	1,964	4,238	1,095	188,522	-
At 31 December 2000	17,928	37,809	109,633	856	5,537	4,270	-	176,033
<b>ANALYSIS OF COST AND VALUATION</b>								
At 31 December 2001								
Cost	18,044	37,859	290,178	3,010	16,580	1,095	366,766	-
Valuation - 1981	-	18,322	-	-	-	-	18,322	-
	18,044	56,181	290,178	3,010	16,580	1,095	385,088	-
At 31 December 2000								
Cost	18,040	32,177	259,752	2,742	15,913	4,270	-	332,894
Valuation - 1981	-	18,322	-	-	-	-	-	18,322
	18,040	50,499	259,752	2,742	15,913	4,270	-	351,216

Of the land and buildings of the Company, RM17,466,209 (2000: RM17,461,669) is in respect of the net book value of the freehold land, RM8,756,161 (2000: RM8,874,465) 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 the MASB Standard No.15, Property, Plant and Equipment.

The net book value of assets stated at valuation had they been stated at cost would have been RM206,679,000 (2000: RM190,480,000) in respect of the Group and RM183,610,000 (2000: RM171,042,000) in respect of the Company.

The tax effects in respect of the surplus that arose upon revaluation of properties had not been accounted for in view of there being no intention to dispose of these properties in the foreseeable future.

## 10. SUBSIDIARY COMPANIES

	COMPANY	
	2001 RM '000	2000 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	
			2001 %	2000 %
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

## 11. ASSOCIATED COMPANY

	GROUP		COMPANY	
	2001 RM '000	2000 RM '000	2001 RM '000	2000 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	1,511	960	-	-
Share of results for the year	1,730	551	-	-
Share of post-acquisition profits and reserves carried forward	3,241	1,511	-	-
Exchange difference on translation of net assets	(1,240)	908	-	-
Provision for diminution	(4,600)	-	(4,600)	-
	8,341	13,359	6,340	10,940

## 11. ASSOCIATED COMPANY (contd.)

	GROUP		COMPANY	
	2001 RM '000	2000 RM '000	2001 RM '000	2000 RM '000
Represented by Group's share of :				
Net tangible assets	8,341	13,226		
Premium on acquisition	-	133		
	8,341	13,359		
Market value as at 31 December	21,606	6,400	21,606	6,400

Details of the associated company are:-

Name	Principal activity	Country of incorporation	Percentage of equity	
			2001 %	2000 %
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.

## 12. LONG TERM INVESTMENTS

	GROUP/COMPANY	
	2001 RM '000	2000 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	1,600	1,710



### 13. INVENTORIES

	GROUP		COMPANY	
	2001 RM '000	2000 RM '000	2001 RM '000	2000 RM '000
Finished goods and work-in-progress	26,856	28,596	6,582	4,970
Raw, packaging and other materials	8,856	12,884	5,650	8,388
Spare parts for machinery	5,306	5,703	5,196	5,593
	41,018	47,183	17,428	18,951

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 for machinery charged in the income statements of the Company and of the Group amounted to RM3,204,313 (2000:RM3,002,042).

### 14. DEBTORS

	GROUP		COMPANY	
	2001 RM '000	2000 RM '000	2001 RM '000	2000 RM '000
Trade debtors	112,111	115,444	-	-
Provision for doubtful debts				
- specific	(4,974)	(4,699)	-	-
- general	(5,600)	(5,600)	-	-
	(10,574)	(10,299)	-	-
Other debtors and prepayments	101,537	105,145	-	-
	17,570	17,560	11,505	10,930
	119,107	122,705	11,505	10,930

Included in other debtors and prepayments of the Company and of the Group is an amount of RM253,014 (2000: RM269,056) in respect of a housing loan granted to an Alternate Director of the Company, in accordance with the Housing Loan Scheme applicable to executive staff.

### 15. BANK BALANCES AND DEPOSITS

	GROUP		COMPANY	
	2001 RM '000	2000 RM '000	2001 RM '000	2000 RM '000
Deposits with licensed banks	269,134	225,208	266,563	223,259
Cash and bank balances	19,537	23,959	384	3,369
	288,671	249,167	266,947	226,628

## 16. CREDITORS

	GROUP		COMPANY	
	2001 RM '000	2000 RM '000	2001 RM '000	2000 RM '000
Trade creditors	32,827	38,519	25,043	30,569
Other creditors and accruals	49,618	53,656	26,145	20,302
Amount due to a significant shareholder corporation	4,333	1,550	4,186	1,550
Amounts due to related companies of a significant shareholder corporation	2,254	1,692	-	388
	<b>89,032</b>	<b>95,417</b>	<b>55,374</b>	<b>52,809</b>

The amounts owing to a significant shareholder corporation and its related companies are unsecured, interest-free, have no fixed terms of repayment and are trade in nature.

## 17. AMOUNT OWING TO SUBSIDIARY COMPANY

The amount owing to a 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.

## 18. SHARE CAPITAL

	GROUP/COMPANY	
	2001 RM '000	2000 RM '000
Authorised:		
Ordinary shares of RM1.00 each		
At 31 December	<b>300,000</b>	<b>300,000</b>
Issued and fully paid:		
Ordinary shares of RM1.00 each		
At 1 January	<b>153,000</b>	<b>153,000</b>
Exercise of share options	<b>10</b>	<b>-</b>
At 31 December	<b>153,010</b>	<b>153,000</b>

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.

## 18. SHARE CAPITAL (contd.)

In 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 year ended 31 December 2001, and none of the previously repurchased shares were reissued or distributed as share dividends.

As at 31 December 2001, the number of outstanding shares in issue and fully paid is 151,845,000 ordinary shares of RM1.00 each.

Pursuant to the Employees' Share Option Scheme, options to subscribe for 1,265,000 ordinary shares of RM1.00 each had been granted to eligible employees of the Group.

As of 31 December 2001, 10,000 ordinary shares of RM1.00 each had been issued at RM8.09 per share for cash, upon exercise of options granted pursuant to the Scheme.

Subsequent to 31 December 2001 and as of 8 March 2002, a further 256,000 ordinary shares of RM1.00 each had been issued at RM8.09 per share for cash, upon exercise of options granted pursuant to the Scheme.

## 19. RESERVES

	GROUP		COMPANY	
	2001 RM '000	2000 RM '000	2001 RM '000	2000 RM '000
Retained earnings				
- Distributable	276,288	253,728	189,739	154,880
- Non-distributable	12,043	12,043	12,043	12,043
Total retained earnings	288,331	265,771	201,782	166,923
Share premium	71	-	71	-
General reserve	5,766	5,766	5,766	5,766
Capital reserve	10,524	10,524	6,593	6,593
Exchange reserve	(1,240)	908	-	-
Total reserves	303,452	282,969	214,212	179,282
Total Distributable Reserves	282,054	259,494	195,505	160,646
Total Non-distributable Reserves	21,398	23,475	18,707	18,636
TOTAL RESERVES	303,452	282,969	214,212	179,282

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

Based on estimated tax credits available and the prevailing tax rate applicable to dividends, all of the distributable reserves of the Company are available for distribution by way of dividends without incurring additional tax liability.

## 20. DEFERRED TAXATION

	GROUP		COMPANY	
	2001 RM '000	2000 RM '000	2001 RM '000	2000 RM '000
Balance at 1 January	12,834	12,034	12,834	12,034
Charge for the year	1,200	800	1,200	800
Balance at 31 December	14,034	12,834	14,034	12,834

These amounts represent primarily the tax effects of timing differences on property, plant and equipment.

The Group's maximum potential liability to deferred taxation as at 31 December 2001 is estimated to be RM19,800,000 (2000: RM18,600,000), of which RM5,766,000 (2000: RM5,766,000) has been set aside in General Reserve after taking account of the above provision for deferred taxation.

Deferred taxation not provided for in the financial statements of the Group and Company arising from revaluation of property, plant and equipment which are held for long term use amounts to RM1,846,000 (2000: RM1,846,000).

## 21. CAPITAL COMMITMENTS

	GROUP		COMPANY	
	2001 RM '000	2000 RM '000	2001 RM '000	2000 RM '000
Commitments in respect of expenditure contracted for	14,416	48,565	13,852	44,252
Approved by the directors but not contracted for	29,136	52,023	21,228	39,486

## 22. OPERATING LEASE COMMITMENTS

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

	GROUP		COMPANY	
	2001 RM '000	2000 RM '000	2001 RM '000	2000 RM '000
<u>In respect of premises:</u>				
Not later than 1 year	230	260	35	35
Within 1 to 5 years	190	256	-	-
Later than 5 years	-	5	-	-
	420	521	35	35

## 23. SIGNIFICANT RELATED PARTY TRANSACTIONS

	GROUP		COMPANY	
	2001 RM '000	2000 RM '000	2001 RM '000	2000 RM '000
<b>Transactions with a significant shareholder corporation</b>				
Carlsberg Breweries A/S				
Sales	34,945	37,692	-	-
Purchases	926	1,378	926	1,378
Royalties	15,655	16,036	8,757	8,977
<b>Related companies of a significant shareholder corporation</b>				
Sales to:				
Carlsberg Singapore Pte. Ltd.	737	-	-	-
Purchases from:				
Carlsberg Brewery (Guangdong) Ltd.	1,939	-	-	-
Technical consultancy fee payable to:				
Danbrew Ltd. A/S	1,649	1,377	1,649	1,377
Sponsorship contributions to:				
Carlsberg Asia Pte. Ltd.	1,140	-	-	-
<b>Related parties (common directors)*</b>				
Purchases from:				
UMW Toyota Motor Sdn. Bhd.	1,000	445	502	296
Kian Joo Packaging Sdn. Bhd.	21,504	28,212	21,504	28,212
* With direct or indirect interest in either one or both companies				
<b>Subsidiary company</b>				
Carlsberg Marketing Sdn. Bhd.				
Sales	-	-	619,156	626,278
Management fee received	-	-	2,400	2,400
Dividend income	-	-	108,900	99,000

## 24. SEGMENTAL INFORMATION

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

## 25. CONTINGENCIES: MATERIAL LITIGATION

The Company is involved in the following pending litigation matters :-

- (a) On 30 April 1999, a Statement of Claim was filed in court by Asia Pacific Breweries Limited/ Guinness Anchor Berhad against the Company over an advertisement that appeared in certain newspapers. The Company had filed its Statement of Defence and the case is still pending trial.

The solicitors have advised that the Company's prospects of successfully defending the suit are good and any damages arising would occur only in the event of a finding against the Company on liability. The solicitors have advised that they are unable to make an estimate for any damages arising as the outcome of the case and damages arising, if any, are within the discretion of the Court.

- (b) On 12 October 1999, the Company filed a Statement of Claim against Guinness Anchor Berhad in respect of their advertisements in the newspapers and other media associating Heineken with the World Cup Golf tournament which was held in Malaysia on 18 to 21 November 1999. The Company had obtained an inter-parties injunction against Guinness Anchor Berhad restraining such advertisements. The case is still pending trial.

The solicitors have advised that the Company has good grounds in proving liability on the part of the Defendant, and is in a viable position to succeed at trial in seeking damages and other remedies against the Defendant. However, the solicitors have advised that they are not in a position to make an estimate with regards to any liability arising as this will be at the discretion of the Court.



## Particulars of Group Properties

The Properties included in land and buildings at 31 December 2001 (note 9 to the Accounts) and their net book values are indicated below:-

Address	Description	Area	Date of acquisition or revaluation	Land Tenure	Approx. Age of Buildings (Years)	RM'000
55, Persiaran Selangor, Section 15, 40200 Shah Alam, Selangor Darul Ehsan	Brewery and Offices	20.00 acres	31/3/81 (revaluation)	Leasehold expiring 23.2.2070	31	34,875
Lot 6, Jalan Delima 1/1, Subang Hi-Tech Industrial Park, Batu Tiga, 40150 Shah Alam, Selangor Darul Ehsan	Office and Warehouse	1.12 acres	2/10/90 (acquisition)	Freehold	10	3,770
25, Jalan Kilang Dua, Kawasan MIEL, Jelapang, 30100 Ipoh, Perak Darul Ridzuan	Office and Warehouse	0.33 acre	4/10/90 (acquisition)	Leasehold expiring 15.9.2072	24	385
10, Pinggiran Tunku, Bukit Tunku, 50480 Kuala Lumpur, Wilayah Persekutuan	Residential - Bungalow	0.64 acre	1/4/91 (acquisition)	Freehold	30	1,967
83, Jalan Seroja 39, Taman Johor Jaya, 81100 Johor Bahru, Johor Darul Takzim	Office and Warehouse	0.34 acre	20/5/91 (acquisition)	Freehold	9	762
Plot 42, off Lot 2817, Jalan Jelawat, Bandar Seberang Jaya, 13700 Prai, Butterworth	Office and Warehouse	0.75 acre	15/3/92 (acquisition)	Leasehold expiring 18.8.2073	9	1,711
Lot 6, No.34, Towering Industrial Estate, Mile 4 <sup>1</sup> / <sub>2</sub> , Jalan Penampang, 88300 Kota Kinabalu, Sabah	Office and Warehouse	0.06 acre	28/3/95 (acquisition)	Leasehold expiring 31.12.2037	22	399
394, Taman AST, Jalan Labu, 70200 Seremban, Negeri Sembilan Darul Khusus	Office and Warehouse	0.04 acre	23/12/96 (acquisition)	Freehold	7	383
Lot 22, Jalan Pengapit 15/19, 40200 Shah Alam, Selangor Darul Ehsan	Factory and Office	1.81 acres	12/3/96 (acquisition)	Leasehold expiring 23.2.2082	11	7,682
25, Jalan IM 14/3, Kawasan Perindustrian Ringan Indera Mahkota, 25200 Kuantan, Pahang Darul Makmur	Office and Warehouse	0.05 acre	17/12/97 (acquisition)	Leasehold expiring 29.3.2097	4	230
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 acres	24/7/98 (acquisition)	Freehold	-	15,954
						68,118

# Carlsberg Sales Offices and Depots in Malaysia

## 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

## 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

## KUANTAN

25, Jalan IM14/3,  
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



## IPOH

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

## SUBANG HI-TECH

Lot 6, Jalan Delima 1/1,  
Subang Hi-Tech Industrial Park,  
Batu Tiga, 40150 Shah Alam,  
Selangor Darul Ehsan.  
Tel: 03-5634 1702/6/13  
Fax: 03-5634 8230

## SEREMBAN

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

## 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

## TAWAU

TB 3813 (Lot 46), Sri Aman Light  
Industrial Estate, Mile 3 1/2,  
Apas Road, 91000 Tawau, Sabah.  
Tel: 089-911 961  
Fax: 089-911 297

## SANDAKAN

Lot 4, Block A, Bandar Nam Tung  
Leila Road, 90000 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

# Analysis of Shareholdings

as at 28 February 2002

Size of Holdings	No. of Shareholders	% of Shareholders	No. of Shares	% of Shares
1 - 999	632	16.35	149,300	0.10
1,000 - 10,000	2,399	62.05	7,653,786	5.04
10,001 - 100,000	724	18.73	20,948,221	13.78
100,001 - 7,598,799*	109	2.82	38,450,193	25.30
7,598,800 and above**	2	0.05	84,774,500	55.78
	3,866	100.00	151,976,000	100.00

Class of Share : RM1.00 Ordinary Share

Voting Rights : 1 Vote Per Ordinary Share

\* Less than 5% of issued shares

\*\* 5% and above of issued shares

## Thirty Largest Shareholders

Name	Number of Shares	% of Shares
1. Carlsberg Breweries A/S	75,917,500	49.95
2. Silvercord Capital (Singapore) Limited	8,857,000	5.83
3. Malaysia Nominees (Tempatan) Sendirian Berhad Great Eastern Life Assurance (Malaysia) Berhad (MLF)	5,516,000	3.63
4. Malaysia Nominees (Tempatan) Sendirian Berhad Great Eastern Life Assurance (Malaysia) Berhad (MLF2)	2,321,000	1.53
5. UOBM Nominees (Asing) Sdn Bhd Deutsche Bank AG (GCS) London For BP Pension Trustees Limited	2,000,000	1.32
6. UOBM Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Wong Yoke Fong @ Wong Nyok Ping	1,100,000	0.72
7. HSBC Nominees (Asing) Sdn Bhd General Motors Employees Global Group Pension Trust	942,000	0.62
8. Citicorp Nominees (Asing) Sdn Bhd American International Assurance Company Limited	913,500	0.60
9. Cartaban Nominees (Asing) Sdn Bhd Boston Safe Deposit And Trust Company For Commonwealth Of Pennsylvania Public School Employees Retirement System	909,000	0.60
10. Citicorp Nominees (Asing) Sdn Bhd CBLDN For Colonial First State Far Eastern Growth Fund	800,000	0.53
11. Mayban Nominees (Asing) Sdn Bhd DBS Bank For Mrs Theresa Foo Nee Cheng	774,750	0.51
12. Mak Tian Meng	769,040	0.51
13. Cartaban Nominees (Asing) Sdn Bhd Boston Safe Deposit And Trust Company For Commonwealth Of Massachusetts Pension Reserve Investment Trust	759,000	0.50
14. Universal Trustee (Malaysia) Berhad Pacific Premier Fund	754,000	0.50
15. Tai Tak Estates Sdn Bhd	750,000	0.49
16. Arab-Malaysian Nominees (Tempatan) Sdn Bhd Arab Malaysian Trustee Bhd for Pacific Pearl Fund	700,000	0.46

## Analysis of Shareholdings (contd.)

as at 28 February 2002

### Thirty Largest Shareholders (contd.)

	Name	Number of Shares	% of Shares
17.	Universal Trustee (Malaysia) Berhad Mayban Unit Trust Fund	650,000	0.43
18.	Asia Life (M) Berhad As Beneficial Owner (M'sia Life Fund)	616,500	0.40
19.	Citicorp Nominees (Tempatan) Sdn Bhd Prudential Assurance Malaysia Berhad (PAR Fund)	559,500	0.37
20.	Universal Trustee (Malaysia) Berhad Mayban Balanced Trust Fund	543,000	0.36
21.	Cartaban Nominees (Asing) Sdn Bhd Boston Safe Deposit And Trust Company For SBC Pension Benefit Plan	499,000	0.33
22.	HDM Nominees (Asing) Sdn Bhd OUB Securities Pte Ltd For Kwong Soon Engineering Co Pte Ltd	483,750	0.32
23.	UOBM Nominees (Asing) Sdn Bhd Chung Khiaw Bank Nominees (Pte) Ltd For Ko Choon Huat	455,000	0.30
24.	Ho Sim Guan	450,000	0.29
25.	Malaysia British Assurance Berhad	440,000	0.29
26.	HSBC Nominees (Asing) Sdn Bhd JPMCB For The Malaysia Fund Incorporated	415,000	0.27
27.	Malaysia Nominees (Tempatan) Sendirian Berhad Great Eastern Life Assurance (Malaysia) Berhad	379,000	0.25
28.	HSBC Nominees (Asing) Sdn Bhd BNY Brussels For Diageo Pension Trust Limited (Marathon)	368,748	0.24
29.	Amsec Nominees (Asing) Sdn Bhd Fraser Securities Pte Ltd For The Asia Life Assurance Society Ltd	331,000	0.22
30.	HLG Nominee (Tempatan) Sdn Bhd HLG Asset Management Sdn Bhd For Pertubuhan Keselamatan Sosial	329,000	0.21
Total		110,302,288	72.58

### Substantial Shareholders

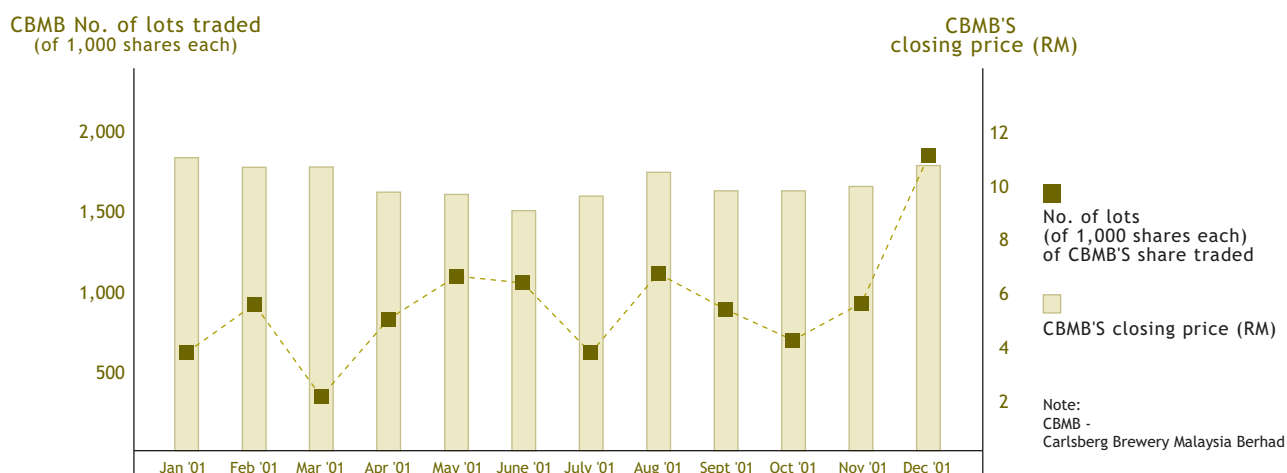
	Name	Number of Shares	Direct Interest % of Shares
1.	Carlsberg Breweries A/S	75,917,500	49.95
2.	Silvercord Capital (Singapore) Limited	8,857,000	5.83
Total		84,774,500	55.78

### Share Buy-Back

	No. of Shares Purchased (Units)	Purchase Price Per Share (RM)		Average Cost Per Share (RM)	Total Cost (RM)
		Lowest	Highest		
August 99	577,000	9.75	10.30	10.09	5,822,317.83
September 99	588,000	10.30	10.60	10.58	6,220,304.57
Total	1,165,000	9.75	10.60	10.34	12,042,622.40

No further shares were repurchased during the year ended 31 December 2001. None of the repurchased shares were reissued, cancelled or distributed as share dividends during the period under review.

## Share Performance



## Material Contracts

The particulars of material contracts of the Group with its significant shareholder, Carlsberg Breweries A/S ("CBAS"), and the holding company of CBAS subsisting as at 31 December 2001 are as follows:-

1. An agreement entered into between the Company and CBAS on 9 December 1991 for, inter-alia, the exclusive use of trade names and supply of technical and commercial assistance by CBAS. The royalties payable by the Company is based on an agreed formula.
2. A call option agreement entered into between the Company and Carlsberg A/S ("CAS") on 18 November 1996, allowing CAS to acquire the Company'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 the Company.

There are no material contracts of the Group with the Directors of the Company subsisting as at 31 December 2001 or entered into since the end of the previous financial year.

# Notice of Annual General Meeting

**NOTICE IS HEREBY GIVEN** that the Thirty-Second Annual General Meeting of the Company will be held at Sheraton Subang Hotel & Towers, Jalan SS12/1, 47500 Subang Jaya, Selangor Darul Ehsan, on Monday, 22 April 2002 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 2001 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 Tax Exempt Dividend of 50 sen per share in respect of the year ended 31 December 2001.  | Ordinary Resolution 2 |
| 3. To re-elect Mr Michael luul who retires pursuant to Article 92(a) of the Company's Articles of Association.   | Ordinary Resolution 3 |
| 4. To re-elect Y.A.M. Tunku Naquiyuddin ibni Tuanku Ja'afar who retires pursuant to Article 92(a) of the Company's Articles of Association.  | Ordinary Resolution 4 |
| 5. To consider and if thought fit, pass the following resolution in accordance with Section 129(6) of the Companies Act, 1965:<br><br>"THAT Mr Chan Hua Eng who is over the age of seventy years and retiring in accordance with Section 129 of the Companies Act, 1965, be and is hereby re-appointed a Director of the Company to hold office until the next Annual General Meeting of the Company."   | Ordinary Resolution 5 |
| 6. To consider and if thought fit, pass the following resolution in accordance with Section 129(6) of the Companies Act, 1965:<br><br>"THAT Yang Berbahagia Jen (B) Tan Sri Dato' Mohd. Ghazali bin Dato' Mohd Seth who is over the age of seventy years and retiring in accordance with Section 129 of the Companies Act, 1965, be and is hereby re-appointed a Director of the Company to hold office until the next Annual General Meeting of the Company." | Ordinary Resolution 6 |
| 7. To approve the payment of Directors' fees of RM243,000 for the year ended 31 December 2001.   | Ordinary Resolution 7 |
| 8. To re-appoint Messrs Ernst & Young as Auditors of the Company and to authorise the Directors to fix their remuneration.   | Ordinary Resolution 8 |
| 9. To transact any other ordinary business for which notice has been given.  |                       |

### Special Business

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

- |   |                       |
|---|-----------------------|
| 10. Authority to issue shares pursuant to Section 132D of the Companies Act, 1965<br><br>"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 | Ordinary Resolution 9 |
|---|-----------------------|

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 Kuala Lumpur Stock Exchange and **THAT** such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company.”

**11. Proposed share buy-back**

“**THAT**, subject to compliance with Section 67A of the Companies Act 1965, the Requirements of the Kuala Lumpur Stock Exchange 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 RM189.81 million being the combined total of the audited retained earnings (distributable) and share premium reserves of the Company as at 31 December 2001 which stood at RM189.74 million and RM 0.07 million respectively, to purchase on the Kuala Lumpur Stock Exchange (“KLSE”) up to 14,244,200 ordinary shares of RM1.00 each of the Company (“shares”) which together with the 1,165,000 shares already purchased earlier, represents 10% of the enlarged issued and paid-up share capital of 154,092,000 shares assuming that all the remaining options under the Company’s Employees Share Option Scheme is exercised **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 the KLSE; 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 the KLSE **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 unless the authority is renewed (either unconditionally or subject to condition), or upon the expiration of the period within which the next Annual General Meeting 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 the KLSE 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

Ordinary  
Resolution 10



## Notice of Annual General Meeting (contd.)

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.”

### 12. Proposed shareholders’ mandate for recurrent related party transactions of a revenue or trading nature (“Proposed Shareholders’ Mandate”)

Ordinary  
Resolution 11

“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 Clause 3.3 of the Circular to Shareholders dated 29 March 2002 which are necessary for the Group’s day to day operations subject to the following:-

- i) 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;
- ii) 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:
  - (a) the conclusion of the first Annual General Meeting (“AGM”) of the Company following the forthcoming Annual General Meeting (“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;
  - (b) 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
  - (c) revoked or varied by resolution passed by the shareholders in a general meeting whichever is earlier; and
- iii) 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.

AND THAT for the avoidance of doubt, all such transactions entered into by the Company and its subsidiaries from 1 June 2001 to the date of this resolution be and are hereby approved and ratified.”

### 13. Special resolution

Special  
Resolution 12

\* Proposed amendments to articles of association

“THAT the alterations, modifications and additions to the Articles of Association of the Company as set out in the Appendix II of the Circular to shareholders dated 29 March 2002 be and are hereby approved.”



## NOTICE OF DIVIDEND PAYMENT AND CLOSURE OF REGISTER

**NOTICE IS HEREBY GIVEN THAT**, subject to the approval of the shareholders at the Thirty-Second Annual General Meeting to be held on Monday, 22 April 2002, the Final Dividend of 15 sen per share less Malaysian income tax and a Special Tax Exempt Dividend of 50 sen per share in respect of the year ended 31 December 2001 will be payable on 15 May 2002 to members appearing in the Register of Members and Record of Depositors at the close of business on 2 May 2002.

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 29 April 2002 (in respect of shares which are exempted from mandatory deposit).
- (b) Shares transferred into the depositor's securities account before 12.30 p.m. on 2 May 2002 (in respect of ordinary transfers).
- (c) Shares bought on the Kuala Lumpur Stock Exchange on a cum entitlement basis according to the Rules of the Kuala Lumpur Stock Exchange.

**By Order of the Board**  
**CHIN VOON LOONG**

**Shah Alam**  
**29 March 2002**

Notes:-

1. A member entitled to attend and vote at the meeting is entitled to appoint another person as his proxy to attend and vote in his stead. A proxy need not be a member of the Company but in accordance with Section 149 of the Companies Act, 1965, a member shall not be entitled to appoint a person who is not a member of the Company as his proxy unless that person is an advocate, an approved company auditor or a person approved by the Registrar of Companies in a particular case.
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, 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 Malaysian Central 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 KLSE Listing Requirements, a Record of Depositors as at 16 April 2002 and a Depositor whose name appear on such Record of Depositors shall be entitled to attend this meeting.

## Notice of Annual General Meeting (contd.)

### EXPLANATORY NOTES ON SPECIAL BUSINESS

#### Ordinary Resolution 9 - 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 10 - Proposed Share Buy-Back

The detailed text on Resolution 10 on the Proposed Share Buy-Back is included in the Circular to Shareholders dated 29 March 2002 which is enclosed together with the Annual Report.

#### Ordinary Resolution 11 - Proposed Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature

The detailed text on Resolution 11 on the Proposed Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature is included in the Circular to Shareholders dated 29 March 2002 which is enclosed together with the Annual Report.

#### Special Resolution 12 - Proposed Amendments to Articles of Association

The detailed text on Resolution 12 on the Proposed Amendments to Articles of Association is included in the Circular to Shareholders dated 29 March 2002 which is enclosed together with the Annual Report.

### Statement Accompanying Notice of Annual General Meeting

#### PURSUANT TO PARAGRAPH 8.28(2) OF THE KUALA LUMPUR STOCK EXCHANGE LISTING REQUIREMENT APPENDED HEREUNDER ARE:

Please refer to "Directors' Profile" on pages 4 to 7 of this Annual Report for details of Directors who are standing for re-election or re-appointment.

The Managing Director's re-election is pending amendment to the Company's Articles of Association which will be tabled for shareholders' approval at the Company's forthcoming Annual General Meeting.

A total of three Board Meetings were held in the year ended 31 December 2001:

Date	Time	Place
23 April 2001	8.30 a.m.	Carlsberg Brewery Malaysia Berhad, Shah Alam
1 October 2001	2.00 p.m.	Carlsberg Brewery Malaysia Berhad, Shah Alam
21 November 2001	2.45 p.m.	Carlsberg Brewery Malaysia Berhad, Shah Alam

Details of Directors' attendance at the Board Meetings held in the year ended 31 December 2001 are as follows:

Directors	No. of meetings attended
Michael Luul	3/3
Chan Hua Eng	3/3
Jen (B) Tan Sri Dato' Mohd Ghazali bin Dato' Mohd. Seth	3/3
Y.A.M. Tunku Naquiyuddin ibni Tuanku Ja'afar	3/3
Tan Sri Datuk Asmat bin Kamaludin	3/3
Mogens Thomsen	2/3
Dato' Jorgen Bornhoft	3/3
Flemming Lindelov (resigned on 20.9.2001)	1/1

# proxy form



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-Second Annual General Meeting of the Company to be held on Monday, 22 April 2002 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 2001.		
Ordinary Resolution 2	Declaration of Final Dividend and Special Tax Exempt Dividend.		
Ordinary Resolution 3	Re-election of Mr Michael luul as Director.		
Ordinary Resolution 4	Re-election of Y.A.M. Tunku Naquiyuddin ibni Tuanku Ja'afar as Director.		
Ordinary Resolution 5	Re-appointment of Mr Chan Hua Eng as Director.		
Ordinary Resolution 6	Re-appointment of Yang Berbahagia Jen. (B) Tan Sri Dato' Mohd. Ghazali bin Dato' Mohd. Seth.		
Ordinary Resolution 7	Approval of Directors' Fees of RM243,000 for the year ended 31 December 2001.		
Ordinary Resolution 8	Re-appointment of Ernst & Young as auditors and to authorise the Directors to fix their remuneration.		
Ordinary Resolution 9	Authority for Directors to issue shares pursuant to Section 132D of the Companies Act, 1965.		
Ordinary Resolution 10	Proposed Share Buy-Back.		
Ordinary Resolution 11	Proposed Shareholders' Mandate for recurrent related party transactions of a revenue or trading nature.		
Special Resolution 12	Proposed Amendments to Articles of Association.		

As witness my/our hand this \_\_\_\_\_ day of \_\_\_\_\_ 2002.

Signed by the said \_\_\_\_\_

In the presence of \_\_\_\_\_

## Notes:

1. A member entitled to attend and vote at the meeting is entitled to appoint another person as his proxy to attend and vote in his stead. A proxy need not be a member of the Company but in accordance with Section 149 of the Companies Act, 1965, a member shall not be entitled to appoint a person who is not a member of the Company as his proxy unless that person is an advocate, an approved company auditor or a person approved by the Registrar of Companies in a particular case.
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, 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 Malaysian Central 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 KLSE Listing Requirements, a Record of Depositors as at 16 April 2002 and a Depositor whose name appear on such Record of Depositors shall be entitled to attend this meeting.

*first fold*

*affix  
stamp  
here*

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

*second fold*