Financial Statements / *Penyata Kewangan*

Directors' Report for the year ended 31 December 2002

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the year ended 31 December 2002.

Principal activities

The principal activity of the Company is that of an investment holding company, whilst the principal activities of the subsidiaries are as stated in Note 27 to the financial statements. There has been no significant change in the nature of these activities during the financial year.

Results

	Group RM'000	Company RM'000
Net profit for the year	182,585	194,031

Reserves and provisions

There were no material transfers to or from reserves and provisions during the year except as disclosed in the financial statements.

Dividends

Since the end of the previous financial year, the Company paid:

i) a final dividend of 40.39 sen per share less tax and 32.84 sen per share tax exempt totalling RM68,202,400 and RM77,000,000 respectively in respect of the year ended 31 December 2001 on 17 May 2002;

ii) a first interim dividend of 30 sen per share less tax totalling RM50,652,000 in respect of the year ended 31 December 2002 on 19 September 2002;

iii) special interim dividends of 12.54 sen per share less tax and 5.97 sen per share tax exempt totalling RM21,175,000 and RM14,000,000 respectively in respect of the year ended 31 December 2002 on 21 October 2002.

The final dividend recommended by the Directors in respect of the year ended 31 December 2002 is 25 sen per share less tax and 27 sen per share tax exempt totalling RM42,210,000 and RM63,315,000 respectively.

Directors of the Company

Directors who served since the date of the last report are:

Director	Alternate
General (R) Tan Sri Dato' Mohd Ghazali Seth (Chairman)	
Tan Sri Dato' Ernest Zulliger	Mr. José Lopez Y. Vargas
YAM Dato' Seri Syed Anwar Jamalullail	
Mr. Jimmy Tan @ Tan Meng Kow	
Mr. Michael W. Garrett	Mr. Faïçal Krichane
Mr. José Lopez Y. Vargas	Mr. Pierre Francois Streit
Mr. Pierre Francois Streit	Mr. Faïçal Krichane

The holdings in the ordinary shares of the Company and of its related companies of those who were Directors at year end as recorded in the Register of Directors' Shareholdings are as follows:

Shareholdings in which Directors have direct interest	Number of ordinary shares of RM1.00 each			
	At 1.1.2002	Bought	Sold	At 31.12.2002
The Company				
Nestlé (Malaysia) Berhad				
General (R) Tan Sri Dato' Mohd Ghazali Seth	10,000	–	–	10,000
Mr. Jimmy Tan @ Tan Meng Kow	3,000	–	–	3,000

	Number of ordinary shares of CHF10.00 each			
	At 1.1.2002	Bought	Sold	At 31.12.2002
Holding company				
Nestlé S.A.				
Mr. Pierre Francois Streit	350	–	–	350

None of the other Directors holding office at 31 December 2002 had any interest in the ordinary shares of the Company and its related companies during the year.

Directors' benefits

Since the end of the previous financial year, no Director of the Company has received nor become entitled to receive a benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by Directors as shown in the financial statements and the fixed salary of a full time employee of related companies) by reason of a contract made by the Company or a related corporation with the 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, except for any benefit which may be deemed to have arisen in the normal course of business by virtue of Jimmy Tan @ Tan Meng Kow being a director and shareholder of companies which have distributorship contracts with Nestlé Products Sdn. Bhd., the terms of which are similar to such contracts with its other distributors.

There were no arrangements during and at the end of the financial year, which had the object of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Issue of shares and debentures

There were no changes in the issued and paid up capital of the Company during the year.

Options granted over unissued shares

No options were granted to any person to take up unissued shares of the Company during the year.

Directors' Report for the year ended 31 December 2002

Other statutory information

Before the financial statements of the Group and of the Company were made out, the Directors took reasonable steps to ascertain that:

i) all known bad debts have been written off and adequate provision made for doubtful debts, and

ii) all current assets have been stated at the lower of cost and net realisable value.

At the date of this report, the Directors are not aware of any circumstances:

i) that would render the amount written off for bad debts, or the amount of the provision for doubtful debts, in the Group and in the Company inadequate to any substantial extent, or

ii) that would render the value attributed to the current assets in the Group and in the Company financial statements misleading, or

iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate, or

iv) not otherwise dealt with in this report or the financial statements, that would render any amount stated in the financial statements of the Group and of the Company misleading.

At the date of this report there does not exist:

i) any charge on the assets of the Group or of the Company that has arisen since the end of the financial year and which secures the liabilities of any other person, or

ii) any contingent liability in respect of the Group or of the Company that has arisen since the end of the financial year.

No contingent liability or other liability of any company in the Group has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

In the opinion of the Directors, except as disclosed in the financial statements, the results of the operations of the Group and of the Company for the financial year ended 31 December 2002 have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report.

Auditors

The auditors, Messrs KPMG, have indicated their willingness to accept re-appointment.

Signed in accordance with a resolution of the Directors:

José Lopez Y. Vargas

Pierre Francois Streit

Petaling Jaya,
27 February 2003

Statement by Directors pursuant to Section 169 (15) of the Companies Act, 1965

In the opinion of the Directors, the financial statements set out on pages 70 to 93, are drawn up in accordance with applicable approved accounting standards in Malaysia so as to give a true and fair view of the state of affairs of the Group and of the Company at 31 December 2002 and of the results of their operations and cash flows for the year ended on that date.

Signed in accordance with a resolution of the Directors:

José Lopez Y. Vargas

Pierre Francois Streit

Petaling Jaya,
27 February 2003

Statutory Declaration pursuant to Section 169 (16) of the Companies Act, 1965

I, **Pierre Francois Streit**, the Director primarily responsible for the financial management of Nestlé (Malaysia) Berhad, do solemnly and sincerely declare that the financial statements set out on pages 70 to 93 are, to the best of my knowledge and belief, 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 in Petaling Jaya on 27 February 2003.

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Pierre Francois Streit

Before me:

Report of the Auditors to the members of Nestlé (Malaysia) Berhad

We have audited the financial statements set out on pages 70 to 93. The preparation of the financial statements is the responsibility of the Company's Directors. Our responsibility is to express an opinion on the financial statements based on our audit.

We conducted our audit in accordance with approved Standards on Auditing in Malaysia. These standards require that we plan and perform the audit to obtain all the information and explanations, which we consider necessary to provide us with evidence to give reasonable assurance that the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence relevant to the amounts and disclosures in the financial statements. An audit also includes an assessment of the accounting principles used and significant estimates made by the Directors as well as evaluating the overall adequacy of the presentation of information in the financial statements. We believe 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 state of affairs of the Group and of the Company at 31 December 2002 and the results of their operations and cash flows for the year ended on that date; and

   ii) the matters required by Section 169 of the Companies Act, 1965 to be dealt with in the financial statements of the Group and of the Company; and

(b) the accounting and other records and the registers required by the Companies Act, 1965 to be kept by the Company and the subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the said 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 audit reports on the financial statements of the subsidiaries were not subject to any qualification and did not include any comment made under subsection (3) of Section 174 of the Act.

KPMG
Firm Number: AF 0758
Chartered Accountants

Ampalavanar s/o Segarajah
Partner
Approval Number: 1293/10/04(J)

Kuala Lumpur,
27 February 2003

Balance Sheets at 31 December 2002

		Group		Company	
	Note	2002 RM'000	2001 RM'000	2002 RM'000	2001 RM'000
Property, plant and equipment	2	578,911	573,523	–	–
Investments in subsidiaries	3	–	–	230,424	230,474
Investment in an associate	4	1,871	1,518	3,000	3,000
Intangible assets	5	98,204	85,713	–	–
		678,986	660,754	233,424	233,474
Current assets					
Inventories	6	300,277	311,554	–	–
Trade and other receivables	7	383,753	382,425	217,235	232,325
Tax recoverable		11,451	1,800	2,547	1,800
Cash and cash equivalents	8	36,208	17,072	34	14
		731,689	712,851	219,816	234,139
Current liabilities					
Trade and other payables	9	292,996	294,718	62,197	39,572
Borrowings	10	541,352	423,396	–	–
Taxation		17,865	23,425	–	–
		852,213	741,539	62,197	39,572
Net current (liabilities)/assets		(120,524)	(28,688)	157,619	194,567
		558,462	632,066	391,043	428,041
Financed by:					
Capital and reserves					
Share capital	11	234,500	234,500	234,500	234,500
Reserves		225,334	265,991	156,543	193,541
		459,834	500,491	391,043	428,041
Minority shareholders' interests	12	2,465	2,394	–	–
Long term and deferred liabilities					
Deferred taxation		46,163	28,627	–	–
Borrowings	10	50,000	100,554	–	–
		558,462	632,066	391,043	428,041

The financial statements were approved and authorised for issue by the Board of Directors on 27 February 2003.

The notes set out on pages 75 to 93 form an integral part of, and should be read in conjunction with these financial statements.

Income Statements for the year ended 31 December 2002

		Group		Company	
	Note	2002 RM'000	2001 RM'000	2002 RM'000	2001 RM'000
Revenue – sale of goods		2,479,649	2,585,708	–	–
– dividends		–	–	219,373	244,576
Cost of sales		(1,695,848)	(1,743,934)	–	–
Gross profit		783,801	841,774	219,373	244,576
Distribution costs		(223,099)	(209,308)	–	–
Administration and marketing expenses		(294,467)	(332,883)	(569)	(466)
Other operating expenses		(46,911)	(24,329)	–	–
Other operating income		86	3,521	–	–
Operating profit	14	219,410	278,775	218,804	244,110
Interest expense		(20,682)	(14,815)	(4,332)	(7,100)
Interest income		687	467	6,176	3,649
Sale of subsidiaries/businesses		34,436	–	16,625	–
Share of profit of an associate		353	275	–	–
Profit before taxation		234,204	264,702	237,273	240,659
Tax expense	16	(51,548)	(60,693)	(43,242)	(46,896)
Profit after taxation		182,656	204,009	194,031	193,763
Less: Minority interests		(71)	(60)	–	–
Net profit for the year		182,585	203,949	194,031	193,763
Basic earnings per ordinary share (sen)	17	78	87		
Dividends per ordinary share					
– gross (sen)	18	101	103		
– net (sen)	18	82	83		

The notes set out on pages 75 to 93 form an integral part of, and should be read in conjunction with these financial statements.

Consolidated Statement of changes in equity for the year ended 31 December 2002

			Non-distributable		Distributable	
	Note	**Share capital RM'000**	**Share premium RM'000**	**Hedging reserve RM'000**	**Retained profits RM'000**	**Total RM'000**
Group						
At 1 January 2001		234,500	33,000	3,898	223,054	494,452
Cash flow hedges						
Effective portion of changes in fair value		–	–	1,842	–	1,842
Transferred to income statement		–	–	(3,898)	–	(3,898)
Net gains and losses not recognised in the income statement		–	–	(2,056)	–	(2,056)
Net profit for the year		–	–	–	203,949	203,949
Dividends paid						
– 2000 final	18	–	–	–	(145,202)	(145,202)
– 2001 interim	18	–	–	–	(50,652)	(50,652)
At 31 December 2001/ At 1 January 2002		234,500	33,000	1,842	231,149	500,491
Cash flow hedges						
Effective portion of changes in fair value		–	–	9,629	–	9,629
Transferred to income statement		–	–	(1,842)	–	(1,842)
Net gains and losses not recognised in the income statement		–	–	7,787	–	7,787
Net profit for the year		–	–	–	182,585	182,585
Dividends paid						
– 2001 final	18	–	–	–	(145,202)	(145,202)
– 2002 interim	18	–	–	–	(50,652)	(50,652)
– 2002 special	18	–	–	–	(35,175)	(35,175)
At 31 December 2002		234,500	33,000	9,629	182,705	459,834
		Note 11				

The notes set out on pages 75 to 93 form an integral part of, and should be read in conjunction with these financial statements.

Statement of Changes in equity for the year ended 31 December 2002

			Non-distributable	Distributable	
	Note	Share capital RM'000	Share premium RM'000	Retained profits RM'000	Total RM'000
Company					
At 1 January 2001		234,500	33,000	162,632	430,132
Net profit for the year		–	–	193,763	193,763
Dividends paid					
– 2000 final	18	–	–	(145,202)	(145,202)
– 2001 interim	18	–	–	(50,652)	(50,652)
At 31 December 2001/ At 1 January 2002		234,500	33,000	160,541	428,041
Net profit for the year		–	–	194,031	194,031
Dividends paid					
– 2001 final	18	–	–	(145,202)	(145,202)
– 2002 interim	18	–	–	(50,652)	(50,652)
– 2002 special	18	–	–	(35,175)	(35,175)
At 31 December 2002		234,500	33,000	123,543	391,043
		Note 11		Note 19	

The notes set out on pages 75 to 93 form an integral part of, and, should be read in conjunction with these financial statements.

Cash Flow Statements for the year ended 31 December 2002

	Group		Company	
	2002 RM'000	2001 RM'000	2002 RM'000	2001 RM'000
Cash flows from operating activities				
Profit before taxation	234,204	264,702	237,273	240,659
Adjustments for:				
Amortisation of goodwill	6,127	6,135	–	–
Amortisation of development costs	1,344	–	–	–
Goodwill written off	–	4,900	–	–
Depreciation	73,984	70,291	–	–
Gain on disposal of a subsidiary/businesses	(34,436)	–	(16,625)	–
Interest expense	20,682	14,815	4,332	7,100
Interest income	(687)	(467)	(6,176)	(3,649)
(Gain)/Loss on disposal of property, plant and equipment	111	(2,650)	–	–
Property, plant and equipment written off	395	12	–	–
Share of profit of an associate	(353)	(275)	–	–
Operating profit before working capital changes	301,371	357,463	218,804	244,110
(Increase)/Decrease in working capital:				
Inventories	12,464	(98,117)	–	–
Trade and other receivables	2,030	(66,881)	15,090	15,466
Trade and other payables	1,970	29,958	22,625	(11,935)
Cash generated from operations	317,835	222,423	256,519	247,641
Income taxes paid	(49,223)	(92,295)	(43,989)	(48,389)
Interest paid	(20,578)	(14,773)	(4,332)	(7,100)
Net cash generated from operating activities	248,034	115,355	208,198	192,152
Cash flows from investing activities				
Purchase of property, plant and equipment	(80,888)	(127,418)	–	–
Proceeds from disposal of property, plant and equipment	988	5,213	–	–
Proceeds from disposal of an investment	–	1,800	–	–
Interest received	687	467	6,176	3,649
Development costs	(19,962)	(1,853)	–	–
Disposal of subsidiary/businesses, net of cash disposed	34,436	–	16,675	–
Net cash (used in)/generated from investing activities	(64,739)	(121,791)	22,851	3,649
Cash flows from financing activities				
Proceeds from borrowings	68,266	161,511	–	–
Payment of finance lease liabilities	(752)	(2,134)	–	–
Dividends paid	(231,029)	(195,854)	(231,029)	(195,854)
Net cash used in financing activities	(163,515)	(36,477)	(231,029)	(195,854)
Net increase/(decrease) in cash and cash equivalents	19,780	(42,913)	20	(53)
Cash and cash equivalents at beginning of year	16,428	59,341	14	67
Cash and cash equivalents at end of year	36,208	16,428	34	14
Cash and cash equivalents comprise				
Cash and bank balances	36,208	17,072	34	14
Overdrafts	–	(644)	–	–
	36,208	16,428	34	14

The notes set out on pages 75 to 93 form an integral part of, and, should be read in conjunction with, these financial statements.

Notes to the financial statements

1. Summary of significant accounting policies

The following accounting policies are adopted by the Group and the Company and are consistent with those adopted in previous years except for the adoption of the following:

i) MASB 20, Provisions, Contingent Liabilities and Contingent Assets, and MASB 21, Business Combination which are applied retrospectively. Comparative figures have not been restated as the previous accounting policies were in line with the accounting standards;

ii) MASB 23, Impairment of Assets which is applied prospectively. The restatement of comparative figures and prior year adjustment are therefore not presented; and

iii) MASB 22, Segmental Reporting and MASB 24, Financial Instruments: Disclosure and Presentation which have been adopted prospectively.

(a) Basis of accounting

The financial statements of the Group and of the Company are prepared in compliance with applicable approved accounting standards in Malaysia and International Accounting Standard (IAS) 39.

(b) Basis of consolidation

Subsidiaries are those enterprises controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an enterprise so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control effectively commences until the date that control effectively ceases. Subsidiaries are consolidated using the acquisition method of accounting.

Under the acquisition method of accounting, the results of subsidiaries acquired or disposed off during the year are included from the date of acquisition or up to the date of disposal. At the date of acquisition, the fair values of the subsidiaries' net assets are determined and these values are reflected in the Group financial statements. The difference between the acquisition cost and the fair values of the subsidiaries' net assets is reflected as goodwill or reserve on consolidation as appropriate.

A subsidiary is excluded from consolidation when control is intended to be temporary if the subsidiary is acquired and held exclusively with a view of its subsequent disposal in the near future and it has not previously been consolidated or it operates under severe long term restrictions which significantly impair its ability to transfer funds to the Company. Subsidiaries excluded on these grounds are accounted for as investments.

Intragroup transactions and balances and the resulting unrealised profits are eliminated on consolidation. Unrealised losses resulting from intragroup transactions are also eliminated unless cost cannot be recovered.

(c) Associates

Associates are those enterprises in which the Group has significant influence, but not control, over the financial and operating policies.

The consolidated financial statements include the total recognised gains and losses of associates on an equity accounted basis from the date that significant influence effectively commences until the date that significant influence effectively ceases.

Unrealised profits arising on transactions between the Group and its associates which are included in the carrying amount of the related assets and liabilities are eliminated partially to the extent of the Group's interests in the associates. Unrealised losses on such transactions are also eliminated partially unless cost cannot be recovered.

Goodwill on acquisition is calculated based on the fair value of net assets acquired.

(d) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Property, plant and equipment retired from active use and held for disposal are stated at the lower of net book value and net realisable value.

Notes to the financial statements

(e) Intangible assets

(i) Goodwill
Goodwill on consolidation is stated at cost less accumulated amortisation. Goodwill is amortised from the date of initial recognition over its estimated useful life of twenty years. Purchased goodwill is similarly amortised.

(ii) Development costs
Expenditure on development activities for the implementation of substantially improved processes is capitalised if the process is technically and commercially feasible and the Group has sufficient resources to complete the development. The expenditure capitalised principally comprises direct staff related costs. Other development expenditure is recognised in the income statement as an expense as incurred.

Capitalised development expenditure is amortised and recognised as an expense on a systematic basis after completion of the development so as to reflect the pattern in which related economic benefits are recognised over 5 years.

(f) Finance leases

Leases in which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Assets acquired by way of finance leases are stated at an amount equal to the lower of their fair values and the present value of the minimum lease payments at the inception of the leases, less accumulated depreciation and impairment losses.

In calculating the present value of the minimum lease payments, the discount rate is the interest rate implicit in the lease, if this is practicable to determine; if not, the Group's incremental borrowing rate is used.

(g) Depreciation

Leasehold land is amortised in equal instalments over the period of the respective leases which range from 60 to 88 years while buildings are depreciated on a straight line basis over 50 years. The straight-line method is used to write off the cost of the other assets over the term of their estimated useful lives at the following principal annual rates:

Plant and machinery	6.67% – 10%
Tools, furniture and equipment	20%
Motor vehicles	20%
Information systems	33.33%

(h) Investments

Investments in subsidiaries and associates are stated at cost, less impairment loss where applicable.

(i) Trade and other receivables

Trade and other receivables are stated at cost less allowance for doubtful debts.

(j) Liabilities

Borrowings and trade and other payables are stated at cost.

(k) Inventories

Raw materials, work-in-progress and manufactured inventories are stated at the lower of cost and net realisable value with first-in, first-out being the main basis for cost. For work-in-progress and manufactured inventories, cost consists of materials, direct labour and an appropriate proportion of fixed and variable production overheads.

(l) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, balances and deposits with banks and highly liquid investments which have an insignificant risk of changes in value. For the purpose of the cash flow statement, cash and cash equivalents are presented net of bank overdrafts and pledged deposits.

(m) Impairment

The carrying amount of the Group's assets, other than inventories (refer note 1(k)), and financial assets (other than investments in subsidiaries and associates) are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset or the cash-generating unit to which it belongs exceeds its recoverable amount. Impairment losses are recognised in the income statement.

The recoverable amount is the greater of the asset's net selling price and its value in use. In assessing value in use, estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss in respect of goodwill is not reversed unless the loss was caused by a specific external event of an exceptional nature that is not expected to recur and subsequent external events have occurred that reverse the effect of that event.

In respect of other assets, an impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have determined, net of depreciation or amortisation, if no impairment loss had been recognised. The reversal is recognised in the income statement.

(n) Taxation

The tax expense in the income statement represents taxation at current tax rates based on profit earned during the year.

Deferred taxation is provided on the liability method for all timing differences except where no liability is expected to arise in the foreseeable future and there are no indications the timing differences will reverse thereafter. Deferred tax benefits are only recognised where there is a reasonable expectation of realisation in the near future.

(o) Retirement benefits

The Group operates a defined benefit scheme which is administered by the Nestlé Malaysia Group Retirement Scheme. The benefits payable on retirement are based on length of service and last drawn salary. Contributions to the scheme are charged to the income statement so as to spread the cost of the scheme over the employees' working lives in the Group. The contributions are determined by a qualified actuary on the basis of annual valuations using the projected unit credit method. The latest valuation was at 31 December 2002.

(p) Foreign currency transactions

Transactions in foreign currencies are translated to Ringgit Malaysia at rates of exchange ruling at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to Ringgit Malaysia at the foreign exchange rates ruling at that date. Foreign exchange differences arising on translation are recognised in the income statement.

The closing rates used in the translation of foreign currency monetary assets and liabilities are as follows:

1USD	RM 3.80	(2001:	1USD	RM 3.80)
1AUD	RM 2.15	(2001:	1AUD	RM 1.94)
1SGD	RM 2.19	(2001:	1SGD	RM 2.05)
1EURO	RM 3.98	(2001:	1EURO	RM 3.36)
1CHF	RM 2.74	(2001:	1CHF	RM 2.27)

(q) Derivative financial instruments

Derivative financial instruments such as foreign exchange contracts and commodity futures are used as hedges to manage operational exposures to foreign exchange and commodity price risks. They are entered into with high credit quality financial institutions and brokers, consistent with specific approval, limit and monitoring procedures. In accordance with its treasury and commodity purchasing policies, the Group does not hold derivative instruments for trading purposes.

The fair value of forward exchange contracts and commodity futures are calculated by reference to current forward exchange rates and commodity futures prices, respectively, for contracts with similar maturity profiles.

Foreign currency risk

The primary purpose of the Group's foreign currency hedging activities is to protect against the volatility associated with foreign currency sales and purchases of manufactured inventories, purchases of materials and other assets and liabilities created in the normal course of business. The Group primarily utilises forward foreign exchange contracts with maturities of less than twelve months to hedge firm commitments. Under this program, increases or decreases in the Group's firm commitments are partially offset by gains and losses on the hedging instruments.

Commodity price risk

Commodity instruments are used to ensure the Group's access to raw materials at an appropriate price. Outright purchase transactions are recorded at the contracted rates. Changes in the fair value of open commodity instruments designated as effective hedges are recognised in equity until the actual purchase transactions are recognised in the financial statements.

Hedging-cash flow hedges

Where a derivative financial instrument is designated as a hedge of the variability in cash flows of a recognised liability, a firm commitment or a highly probable forecasted transaction, the effective part of any gain or loss on the derivative financial instrument is recognised directly in equity. When the firm commitment or forecasted transaction results in the recognition of an asset or liability, the cumulative gain or loss is removed from equity and included in the initial measurement of the asset or liability. Otherwise the cumulative gain or loss is removed from equity and recognised in the income statement at the same time as the hedged transaction. The ineffective part of any gain or loss is recognised in the income statement immediately.

When a hedging instrument or hedge relationship is terminated but the hedged transaction still is expected to occur, the cumulative gain or loss at that point remains in equity and is recognised in accordance with the above policy when the transaction occurs. If the hedged transaction is no longer probable, the cumulative unrealised gain or loss recognised in equity is recognised in the income statement immediately.

(r) Revenue

i) Sale of goods
Revenue from sale of goods is measured at the fair value of the consideration receivable and is recognised in the income statement when the significant risks and rewards of ownership have been transferred to the buyer.

ii) Dividend income
Dividend income is recognised when the right to receive payment is established.

iii) Interest income
Interest income is recognised in the income statement as it accrues, taking into account the effective yield on the asset.

(s) Financing costs

All interest and other costs incurred in connection with borrowings are expensed as incurred. The interest component of finance lease payments is recognised in the income statement so as to give a constant periodic rate of interest on the outstanding liability at the end of each accounting period.

Notes to the financial statements

2. Property, plant and equipment

	Long term leasehold land and buildings RM'000	Plant, machinery, tools, furniture and equipment RM'000	Motor vehicles RM'000	Information systems RM'000	Capital work-in-progress RM'000	Total RM'000
Group						
Cost						
Opening balance	268,258	832,094	22,143	37,590	25,854	1,185,939
Additions	6,795	47,711	3,041	10,742	12,599	80,888
Disposals	(113)	(14,969)	(2,433)	(1,476)	–	(18,991)
Write off	–	(4,051)	–	–	–	(4,051)
Transfer in/(out)	511	27,059	–	420	(27,990)	–
Disposal of a subsidiary	–	(10)	–	(17)	–	(27)
Closing balance	275,451	887,834	22,751	47,259	10,463	1,243,758
Accumulated depreciation and impairment losses						
Accumulated depreciation	50,547	498,007	13,594	29,300	–	591,448
Accumulated impairment losses	917	20,032	–	19	–	20,968
Opening balance	51,464	518,039	13,594	29,319	–	612,416
Depreciation charge for the year	4,819	59,713	3,079	6,373	–	73,984
Disposals	(14)	(14,073)	(2,423)	(1,382)	–	(17,892)
Write off	–	(3,656)	–	–	–	(3,656)
Disposal of a subsidiary	–	(1)	–	(4)	–	(5)
Accumulated depreciation	55,352	539,990	14,250	34,287	–	643,879
Accumulated impairment losses	917	20,032	–	19	–	20,968
Closing balance	56,269	560,022	14,250	34,306	–	664,847
Net book value						
At 31 December 2002	219,182	327,812	8,501	12,953	10,463	578,911
At 31 December 2001	216,794	314,055	8,549	8,271	25,854	573,523
For the year ended 31 December 2001						
Depreciation charge	4,480	57,812	3,330	4,669	–	70,291

Assets under lease

Included in property, plant and equipment of the Group are information systems acquired under lease agreements costing RM1,995,000 (2001 – RM5,263,000).

3. Investments in subsidiaries

	Company	
	2002 RM'000	2001 RM'000
Unquoted shares – at cost	230,424	230,474

Details of the subsidiaries are shown in Note 27.

4. Investment in an associate

	Group		Company	
	2002 RM'000	2001 RM'000	2002 RM'000	2001 RM'000
Unquoted shares – at cost	3,000	3,000	3,000	3,000
Share of post-acquisition reserves	(1,129)	(1,482)	–	–
	1,871	1,518	3,000	3,000
Represented by:				
Group's share of net assets	1,871	1,518		

The associated company is incorporated in Malaysia.

Name	Effective ownership interest 2002 %	Effective ownership interest 2001 %	Principal activities
Nihon Canpack (Malaysia) Sdn. Bhd.	20	20	Manufacture of canned drinks.

5. Intangible assets

	Goodwill RM'000	Development costs RM'000	Total RM'000
Group			
Cost			
Opening balance			
– Development costs	–	1,853	1,853
– Goodwill on consolidation	113,478	–	113,478
– Purchased goodwill	9,180	–	9,180
	122,658	1,853	124,511
Addition	–	19,962	19,962
Closing balance	122,658	21,815	144,473
Amortisation			
Opening balance	38,798	–	38,798
Amortisation charge for the year	6,127	1,344	7,471
Closing balance	44,925	1,344	46,269
Net book value			
At 31 December 2002	77,733	20,471	98,204
At 31 December 2001	83,860	1,853	85,713
For the year ended 31 December 2001			
Amortisation charge	6,135	–	6,135

Notes to the financial statements

6. Inventories

	Group	
	2002 RM'000	**2001 RM'000**
Raw and packing materials	99,878	105,879
Work-in-progress	12,737	3,768
Manufactured inventories	187,662	201,907
	300,277	311,554

7. Trade and other receivables

	Group		Company	
	2002 RM'000	**2001 RM'000**	**2002 RM'000**	**2001 RM'000**
Trade receivables	264,015	302,744	–	–
Related companies – trade	59,135	32,242	–	–
– non trade	4,598	91	–	–
Associate – trade	562	830	–	–
Subsidiaries	–	–	217,135	232,224
Other receivables, deposits and prepayments	45,814	41,993	100	101
Foreign exchange contracts	763	1,042	–	–
Commodity futures	8,866	3,483	–	–
	383,753	382,425	217,235	232,325

The amount due from subsidiaries is unsecured, non-trade in nature, subject to interest at rates ranging from 3.0% to 3.5% (2001 – 3.04% to 3.40%) and has no fixed terms of repayment.

The amounts due from related companies and an associate are unsecured, interest free and have no fixed terms of repayment.

Included in other receivables, deposits and prepayments of the Group are staff loans of RM24,838,000 (2001–RM23,240,000), including RM18,000 (2001–RM41,000) due from a Director of the Company in respect of a car loan made under the Nestlé corporate expatriation policy.

The foreign exchange contracts and commodity futures are designated as cash flow hedges.

7. Trade and other receivables (continued)

An unrealised gain on the foreign exchange contracts and commodity futures of RM763,000 and RM8,866,000 (2001 – RM1,042,000 and RM3,483,000) respectively was recognised in equity at year end. The gains are expected to be recognised in the income statement when the forecasted transactions occur as follows:

	Gains	
	2002 RM'000	**2001 RM'000**
Group		
Foreign exchange contracts		
Less than three months	763	367
Between three months and one year	–	675
	763	1,042
Commodity futures		
– Cocoa and coffee (2001 – cocoa)		
Less than three months	3,905	3,463
Between three months and one year	4,961	20
	8,866	3,483

8. Cash and cash equivalents

	Group		Company	
	2002 RM'000	**2001 RM'000**	**2002 RM'000**	**2001 RM'000**
Cash and bank balances	36,208	17,072	34	14

Notes to the financial statements

9. Trade and other payables

	Group		Company	
	2002 RM'000	2001 RM'000	2002 RM'000	2001 RM'000
Trade payables	141,570	162,662	–	–
Related companies – trade	118,653	104,388	–	–
Other payables and accrued expenses	32,773	24,985	209	95
Subsidiaries	–	–	61,988	39,477
Commodity futures	–	2,683	–	–
	292,996	294,718	62,197	39,572

The amount due to subsidiaries is unsecured, non-trade in nature, subject to interest at rates ranging from 3.00% to 3.50% (2001 – 3.04% to 3.40%) and has no fixed terms of repayment.

The amounts due to related companies are unsecured, interest free and have no fixed terms of repayment.

The commodity futures are designated as cash flow hedges.

An unrealised loss of RM Nil (2001 – RM2,683,000) on the commodity futures was recognised in equity at year end. The loss is expected to be recognised in the income statement when the forecasted transactions occur as follows:

	Losses	
	2002 RM'000	2001 RM'000
Group		
Commodity futures		
– Coffee		
Less than three months	–	1,681
Between three months and one year	–	1,002
	–	2,683

10. Borrowings

	Group	
	2002 RM'000	**2001 RM'000**
Current		
Bankers' acceptances	36,200	99,000
Overdrafts	–	644
Revolving credits	190,000	123,000
Commercial papers	200,000	200,000
Medium term notes	50,000	–
Finance lease liabilities	554	752
Foreign currency loans	64,598	–
	541,352	423,396
Non-current		
Medium term notes	50,000	100,000
Finance lease liabilities	–	554
	50,000	100,554

All borrowings are unsecured. Interest rates and the maturity profile of the borrowings are as follows:

	Total RM'000	Under 1 year RM'000	1 - 2 years RM'000
Group			
Bankers' acceptances – variable at 2.00% to 2.97% (2001-2.91% to 3.29%)	36,200	36,200	–
Revolving credits – variable at 3.00% to 3.16% (2001 – 3.10% to 3.55%)	190,000	190,000	–
Commercial papers – variable at 2.84% to 3.06% (2001 – 2.86% to 3.17%)	200,000	200,000	–
Medium term notes- fixed at 4.50% to 5.45%	100,000	50,000	50,000
Finance lease liabilities – fixed at 2.50%	554	554	–
Foreign currency loans – variable at 1.58% to 2.00% (2001 – Nil)	64,598	64,598	–
	591,352	541,352	50,000

Finance lease liabilities

Finance lease liabilities are payable as follows:

	Payments 2002 RM'000	Interest 2002 RM'000	Principal 2002 RM'000	Payments 2001 RM'000	Interest 2001 RM'000	Principal 2001 RM'000
Group						
Less than one year	602	48	554	816	64	752
Between one and five years	–	–	–	602	48	554
	602	48	554	1,418	112	1,306

Notes to the financial statements

11. Share capital

	Group and Company	
	2002 RM'000	**2001 RM'000**
Ordinary shares of RM1.00 each		
Authorised	300,000	300,000
Issued and fully paid	234,500	234,500

12. Minority shareholders' interests

This consists of the minority shareholders' proportion of share capital and reserves of subsidiaries.

13. Retirement benefits

The most recent actuarial valuation of the Nestlé Malaysia Group Retirement Scheme at 31 December 2002 showed that the net realisable value of the fund assets was RM71.3 million and that there was a shortfall of RM7.7 million when compared to the actuarially determined value of vested benefits.

The principal assumptions used in the actuarial valuation are:

(i) discount rate and expected rate of return on trust fund assets would be 7.0% per annum; and

(ii) salary increases would be 5.5% per annum.

The Group continues to fund the scheme liabilities up to the maximum tax allowable contribution.

14. Operating profit

	Group		Company	
	2002 RM'000	**2001 RM'000**	**2002 RM'000**	**2001 RM'000**
Operating profit is arrived at after charging:				
Amortisation of goodwill	6,127	6,135	–	–
Amortisation of development costs	1,344	–	–	–
Auditors' remuneration	185	200	7	7
Depreciation	73,984	70,291	–	–
Directors' remuneration:				
– fees	120	100	120	100
– emoluments	2,263	2,144	–	–
Goodwill written off	–	4,900	–	–
GLOBE project	32,429	–	–	–
Loss on property, plant and equipment written off	395	12	–	–
Loss on disposal of property, plant and equipment	111	–	–	–
Rental of land and buildings	20,502	18,982	–	–
Loss on foreign exchange				
– realised	–	708	–	–
and after crediting:				
Gross dividends from unquoted subsidiaries	–	–	219,373	244,576
Gain on disposal of property, plant and equipment	–	2,650	–	–
Gain on foreign exchange				
– realised	1,137	–	–	–
– unrealised	3	439	–	–

The estimated monetary value of Directors' benefits-in-kind is RM1,034,000 (2001–RM832,000).

15. Employee information

	Group		Company	
	2002 RM'000	2001 RM'000	2002 RM'000	2001 RM'000
Staff costs	203,311	190,640	–	–

The number of employees of the Group (including Executive Directors) at the end of the year was 3,478 (2001 – 3,281).

16. Tax expense

	Group		Company	
	2002 RM'000	2001 RM'000	2002 RM'000	2001 RM'000
Current tax expense				
– current year	34,012	51,990	44,201	46,896
– prior year overprovision	–	(2,949)	(959)	–
Deferred tax expense				
– current year	17,536	11,652	–	–
	51,548	60,693	43,242	46,896

The Company and Group's effective tax rate for the current financial year is lower than the prima facie tax rate mainly due to tax exempt dividends received from a subsidiary and the utilisation of reinvestment allowances, respectively.

17. Earnings per ordinary share – group

Basic earnings per share

The calculation of basic earnings per share is based on the net profit attributable to ordinary shareholders of RM182.59 million (2001 – RM203.95 million) and 234.5 million (2001 – 234.5 million) ordinary shares outstanding during the year.

18. Dividends

	Group and Company	
	2002 RM'000	2001 RM'000
Interim paid:		
– first 30 sen (2001 – 30 sen) per share less tax	50,652	50,652
– special 12.54 sen (2001 – Nil) per share less tax	21,175	–
– special 5.97 sen (2001 – Nil) per share tax exempt	14,000	–
Final paid in respect of previous year:		
– 40.39 sen (2000 – 86.00 sen) per share less tax	68,202	145,202
– 32.84 sen (2000 – Nil) per share tax exempt	77,000	–
	231,029	195,854

Proposed final dividend for the financial year ended 31 December 2002

The proposed final dividend of 25 sen per share less tax and 27 sen per share tax exempt totalling RM42,210,000 and RM63,315,000 respectively has not been accounted for in the financial statements of the Group and of the Company as at 31 December 2002.

Notes to the financial statements

19. Distributable reserves

Subject to agreement by the Inland Revenue Board, the Company has sufficient Section 108 tax credit and tax exempt income to frank up to RM117 million of its distributable reserves at 31 December 2002 if paid out as dividends.

20. Segmental information

As the principal activity of the Group is the manufacture, marketing and sale of food products in Malaysia, no segmental analysis is provided. Approximately 13% of the total sales are exports, mainly to South East Asian countries based on location of customers.

21. Contingent liabilities – unsecured

	Company	
	2002 RM'000	**2001 RM'000**
Guarantees relating to borrowings of a subsidiary	300,000	300,000

Litigation

A third party has filed a claim against a wholly owned subsidiary of the Company. The claim is for alleged damages which arose as result of legal proceedings (for the recovery of debts) being mistakenly filed. The subsidiary has sought and obtained the opinion of two solicitors, both of whom are of the common opinion that the plaintiff has no legal basis to maintain the claim. The Directors do not expect any material losses to arise and therefore no provision is made in the financial statements.

22. Operating leases

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

	Group	
	2002 RM'000	**2001 RM'000**
Less than one year	18,649	12,222
Between one and five years	69,563	67,800
More than five years	60,603	53,376
	148,815	133,398

The Group leases a number of warehouses, offices and residences under operating leases. The leases typically run for an initial period of three years, with an option to renew the leases, with one lease running for 12 years with an option to renew for another 12 years. None of the leases include contingent rentals.

23. Commitments

	Group	
	2002 RM'000	**2001 RM'000**
Property, plant and equipment		
Authorised but not contracted for	112,288	108,164
Contracted but not provided for in the financial statements	2,598	6,313
	114,886	114,477

24. Holding company

The holding company is Nestlé S.A., a company incorporated in Switzerland.

25. Related parties

Controlling related party relationships are as follows:

i) The holding company as disclosed in note 24.

ii) its subsidiaries as disclosed in note 27.

The Group also has a related party relationship with other related companies, its associate company and a Director of the Company.

Transactions with a Director

Significant transactions with companies in which a Director, Mr. Jimmy Tan @ Tan Meng Kow, has interest are as follows:

	Group		Company	
	2002 RM'000	**2001 RM'000**	**2002 RM'000**	**2001 RM'000**
Sales	90,074	122,411	–	–

These transactions have been entered into in the normal course of business and have been established under negotiated terms.

The amount owing by these companies in respect of sales is RM5,476,000 (2001 – RM16,678,000).

Other related party transactions

Significant related party transactions other than those disclosed elsewhere in the financial statements are as follows:

	Group		Company	
	2002 RM'000	**2001 RM'000**	**2002 RM'000**	**2001 RM'000**
Holding company				
Interest expense payable	–	–	–	–
Subsidiary companies				
Interest expense payable	–	–	4,332	7,100
Interest income receivable	–	–	5,707	3,623
Associated company				
Interest receivable	–	–	–	–

	Group		Company	
	2002 RM'000	**2001 RM'000**	**2002 RM'000**	**2001 RM'000**
Related companies				
GLOBE project costs reimbursed	31,981	–	–	–
Sale of subsidiaries / businesses	37,000	–	16,675	–
Purchases	902,756	566,448	–	–
Purchase of plant and equipment	831	4,632	–	
Sales	315,453	221,440	–	–
Sale of plant and equipment	–	2,149	–	–
Royalties payable	106,899	114,662	–	–

These transactions have been entered into in the normal course of business and have been established under negotiated terms.

Notes to the financial statements

26. Financial instruments

Financial risk management objectives and policies

Exposure to credit, interest rate and currency risk arises in the normal course of the Group's business. For this, the Group adopts the written risk management policies and guidelines issued by the parent company, Nestlé S.A., which sets out the overall business strategies, the tolerance to risks and the general risk management philosophy. The Group has established processes to monitor and control the hedging of transactions in a timely and accurate manner. All new guidelines and latest updates on the policies are reviewed regularly and monitored by local Management and the Board of Directors to ensure that the policy and guidelines are adhered to.

The Group's accounting policies in relation to derivative financial instruments are set out in Note 1(q).

Credit risk

Local management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount with clear approving authority and limits. All major customers are required to have collateral in the form of financial assets and/or bank guarantees.

At balance sheet date, there were no significant concentrations of credit risk. The maximum exposure to credit risk was represented by the carrying amount of each financial asset.

Foreign currency risk

The Group incurs foreign currency risk on sales, purchases and borrowings that are denominated in a currency other than Ringgit Malaysia. The currencies giving rise to this risk are primarily US Dollars, Swiss Francs and Euro.

The Group hedges a portion of all foreign trade receivables and trade payables denominated in foreign currency. Following the guidelines set out by the parent company, all foreign exchange contracts are for the purpose of hedging to protect the Group from foreign currency fluctuations and the Group is not allowed to trade other than for the purpose of hedging.

Commodity contract risk

The Group incurs commodity contract risk on sales and purchases of main commodities like coffee and cocoa. The contracts giving rise to this risk are primarily futures contracts and options mainly in US Dollars and British Pound Sterling.

Coffee commodity contracts are transacted by specialist based in Nestlé Australia on behalf of the Group in order to obtain better leverage whilst cocoa contracts are handled locally. Following the guidelines set out by the parent company, all commodity contracts are for the purpose of hedging to protect the Group from price fluctuations.

Interest rate risk

Interest rates of the Group's borrowings vary with reference to the prime lending rates of the banks except for medium term notes and finance lease obligations where interest rates are fixed.

The following table shows information about the enterprise's exposure to interest rate risk.

Effective interest rates and repricing analysis

	2002			
	Effective interest rate %	**Total RM'000**	**Within 1 year RM'000**	**1 to 5 years RM'000**
Group				
Financial liabilities				
Bankers' acceptances	2.88	36,200	36,200	–
Revolving credits	3.07	190,000	190,000	–
Commercial papers	2.90	200,000	200,000	–
Medium term notes	5.05	100,000	50,000	50,000
Foreign currency loan	1.86	64,598	64,598	–

	2001			
	Effective interest rate %	**Total RM'000**	**Within 1 year RM'000**	**1 to 5 years RM'000**
Group				
Financial liabilities				
Bankers' acceptances	2.99	99,000	99,000	–
Overdrafts	7.20	644	644	–
Revolving credits	3.14	123,000	123,000	–
Commercial papers	2.99	200,000	200,000	–
Medium term notes	5.05	100,000	–	100,000

Fair values

Recognised financial instruments
The carrying amounts in respect of cash and cash equivalents, trade and other receivables, trade and other payables and short term borrowings approximate fair value due to the relatively short term nature of these financial instruments. Unrealised gains and losses in foreign exchange contracts and commodity futures are shown in notes 7 and 9.

The contracted amount and fair value of other financial instruments as at 31 December are:

	2002 Carrying amount RM'000	**2002 Fair value RM'000**	**2001 Carrying amount RM'000**	**2001 Fair value RM'000**
Group				
Medium term notes	100,000	101,980	100,000	102,713

Notes to the financial statements

27. Subsidiaries

The subsidiary companies all incorporated in Malaysia, are as follows:

Name	Effective ownership interest 2002 %	2001 %	Principal activities
Nestlé Products Sdn. Bhd.	100	100	Marketing and the sale, both locally and for export, of sweetened condensed milk, powdered milk and drinks, liquid milk and juices, instant coffee, sugar and chocolate confectionery products, instant noodles, culinary products, cereals, yogurt and related products.
Nestlé Foods (Malaysia) Sdn. Bhd.	100	100	Manufacture of drinks, liquid milk and juices, instant coffee, sugar and chocolate confectionery products, instant noodles, culinary products, cereals, yogurt and related products.
Nestlé Asean (Malaysia) Sdn. Bhd.	95	95	Manufacture and packaging of culinary and chocolate-based food products
Nestlé Manufacturing (Malaysia) Sdn Bhd (formerly known as Nestlé Cold Storage (Malaysia) Sdn. Bhd.)	100	100	Manufacture and packaging of ice-cream
Foods Ingredients Specialities (Malaysia) Sdn. Bhd.	–	100	Trading of flavouring ingredients and extracts for the food industry
Nestlé Cold Storage (Sabah) Sdn. Bhd.	100*	100*	Inactive
SNF Sdn. Bhd.	100~	100~	Inactive

* Interest held through Nestlé Manufacturing (Malaysia) Sdn. Bhd.
~ Interest held through Nestlé Foods (Malaysia) Sdn. Bhd.

28. Disposal of subsidiaries/businesses

On 28 May 2002, the Group incorporated three new wholly owned subsidiaries as follows:

Name of Company	Principal activities	Country of incorporation
Purina PetCare (Malaysia) Sdn. Bhd.	Distribution of pet food	Malaysia
Cereals Partners (Malaysia) Sdn. Bhd.	Distribution of breakfast cereals	Malaysia
Beverage Partners Worldwide (Malaysia) Sdn. Bhd.	Distribution of ready-to-drink beverages	Malaysia

These subsidiaries were not consolidated as control was intended to be temporary as they were incorporated with the intention to dispose certain businesses of the Group within the current financial year. These subsidiaries were subsequently disposed off on 1 July 2002.

The related businesses contributed RM3.8 million to the consolidated net profit for the year ended 31 December 2001 and RM3.4 million for the six months ended 30 June 2002.

Other than the disposals mentioned above, on 11 September 2002, the Group disposed off Food Ingredients Specialities (Malaysia) Sdn. Bhd. This business contributed RM1.9 million to the consolidated net profit for the year ended 31 December 2001 and RM0.7 million for the eight months ended 31 August 2002.

Effect of disposal

The disposal had the following effect on the Group's assets and liabilities as at 31 December 2002.

	2002 RM'000
Non current assets	
Property, plant and equipment	22
	22
Current assets	5,893
Current liabilities	(4,144)
Net assets	1,771
Gain on disposal	34,436
Consideration received, satisfied in cash	36,207
Cash disposed off	(1,771)
Net cash inflow	34,436

Laporan Lembaga Pengarah *bagi tahun berakhir 31 Disember 2002*

Lembaga Pengarah dengan sukacitanya membentangkan laporan mereka berserta penyata-penyata kewangan Kumpulan dan Syarikat yang telah diaudit bagi tahun berakhir 31 Disember 2002.

Aktiviti utama

Aktiviti utama Syarikat ialah sebagai sebuah syarikat pemegangan pelaburan, manakala aktiviti utama anak-anak syarikat adalah seperti yang dinyatakan dalam Nota 27 kepada penyata kewangan. Tidak ada sebarang perubahan penting dalam bentuk aktiviti-aktiviti tersebut sepanjang tahun kewangan ini.

Keputusan

	Kumpulan RM'000	**Syarikat RM'000**
Keuntungan bersih bagi tahun	*182,585*	*194,031*

Rizab dan peruntukan

Tiada ada sebarang pindahan penting kepada atau daripada rizab dan peruntukan sepanjang tahun ini kecuali seperti yang dikemukakan dalam penyata kewangan.

Dividen

Sejak akhir tahun kewangan lepas, Syarikat telah membayar:

i) *dividen akhir sebanyak 40.39 sen sesaham ditolak cukai dan 32.84 sen sesaham dikecualikan cukai masing-masing berjumlah RM68,202,400 dan RM77,000,000 bagi tahun berakhir 31 Disember 2001 pada 17 Mei 2002;*

ii) *dividen interim pertama sebanyak 30 sen sesaham ditolak cukai berjumlah RM50,652,000 bagi tahun berakhir 31 Disember 2002 pada 19 September 2002;*

iii) *dividen interim khas sebanyak 12.54 sen sesaham ditolak cukai dan 5.97 sen sesaham dikecualikan cukai masing-masing berjumlah RM21,175,000 dan RM14,000,000 bagi tahun berakhir 31 Disember 2002 pada 21 Oktober 2002.*

Dividen akhir yang disyorkan oleh Lembaga Pengarah bagi tahun berakhir 31 Disember 2002 adalah 25 sen sesaham ditolak cukai dan 27 sen sesaham dikecualikan cukai yang masing-masing berjumlah RM42,210,000 dan RM63,315,000.

Ahli Lembaga Pengarah Syarikat

Ahli Lembaga Pengarah yang berkhidmat sejak tarikh laporan yang lalu terdiri daripada:

Pengarah	**Pengganti**
Jeneral (B) Tan Sri Dato' Mohd Ghazali Seth (Pengerusi)	
Tan Sri Dato' Ernest Zulliger	*Encik José Lopez Y. Vargas*
YAM Dato' Seri Syed Anwar Jamalullail	
Encik Jimmy Tan @ Tan Meng Kow	
Encik Michael W. Garrett	*Encik Faïçal Krichane*
Encik José Lopez Y. Vargas	*Encik Pierre Francois Streit*
Encik Pierre Francois Streit	*Encik Faïçal Krichane*

Pegangan dalam saham biasa Syarikat dan syarikat-syarikat berkaitannya bagi ahli Lembaga Pengarah pada akhir tahun seperti yang dicatatkan di dalam Daftar Pegangan Saham Pengarah adalah seperti berikut:

Pegangan saham di mana para Pengarah mempunyai kepentingan langsung	***Bil. saham biasa berharga RM1.00 sesaham***			
	Pada 1.1.2002	***Dibeli***	***Dijual***	***Pada 31.12.2002***
Syarikat				
Nestlé (Malaysia) Berhad				
Jeneral (B) Tan Sri Dato' Mohd Ghazali Seth	*10,000*	*–*	*–*	*10,000*
Encik Jimmy Tan @ Tan Meng Kow	*3,000*	*–*	*–*	*3,000*

	Bil. saham biasa berharga CHF10.00 sesaham			
	Pada 1.1.2002	***Dibeli***	***Dijual***	***Pada 31.12.2002***
Syarikat induk				
Nestlé S.A.				
Encik Pierre Francois Streit	*350*	*–*	*–*	*350*

Tidak ada para Pengarah lain yang memegang jawatan pada 31 Disember 2002 mempunyai sebarang kepentingan dalam saham biasa Syarikat dan syarikat-syarikat berkaitannya pada tahun tersebut.

Imbuhan Pengarah

Sejak akhir tahun kewangan lepas, tiada Pengarah Syarikat yang telah menerima atau menjadi layak untuk menerima imbuhan (selain daripada imbuhan yang termasuk dalam jumlah agregat emolumen yang diterima atau sepatutnya diterima dan akan diterima oleh para Pengarah seperti yang ditunjukkan dalam penyata kewangan dan gaji tetap sebagai kakitangan sepenuh masa syarikat yang berkaitan) disebabkan oleh satu kontrak yang dibuat oleh Syarikat atau syarikat berkaitan dengan Pengarah tersebut atau dengan firma di mana Pengarah berkenaan adalah seorang ahli atau dengan syarikat di mana Pengarah tersebut mempunyai kepentingan kewangan yang besar, kecuali imbuhan yang dianggap dihasilkan daripada urusniaga biasa menurut kedudukan Jimmy Tan @ Tan Meng Kow sebagai seorang Pengarah dan pemegang saham syarikat-syarikat yang mempunyai kontrak pengedaran dengan Nestle Products Sdn. Bhd., yang syarat-syaratnya sama dengan kontrak seumpamanya dengan para pengedar lain.

Tidak ada sebarang urusan berlaku pada akhir tahun kewangan mahupun sepanjang tahun yang membolehkan para Pengarah Syarikat memperolehi imbuhan melalui pembelian saham atau debentur dalam Syarikat atau sebarang pertubuhan lain yang dikorporatkan.

Terbitan saham dan debentur

Tidak ada sebarang perubahan dalam modal terbitan dan modal berbayar Syarikat sepanjang tahun ini.

Opsyen yang diberikan ke atas saham yang belum terbit

Tidak ada opsyen telah diberikan kepada sesiapa untuk mengambil saham Syarikat yang belum diterbitkan sepanjang tahun ini.

Laporan Lembaga Pengarah bagi tahun berakhir 31 Disember 2002

Maklumat berkanun lain

Sebelum penyata kewangan Kumpulan dan Syarikat disediakan, para Pengarah telah mengambil langkah-langkah yang munasabah bagi mempastikan bahawa:

i) semua hutang lapuk yang diketahui telah dilupuskan dan peruntukan yang mencukupi telah dibuat bagi hutang ragu, dan,

ii) semua harta semasa dinyatakan pada yang mana lebih rendah antara kos dan nilai boleh realisasi bersih.

Pada tarikh laporan ini, para Pengarah tidak menyedari sebarang keadaan:

i) yang mungkin menyebabkan jumlah yang dilupuskan bagi hutang lapuk atau jumlah peruntukan bagi hutang ragu, dalam Kumpulan dan Syarikat tidak mencukupi dengan ketara, atau

ii) yang mungkin menyebabkan nilai bagi harta semasa dalam penyata kewangan Kumpulan dan Syarikat tidak tepat, atau

iii) yang timbul dan boleh menyebabkan penggunaan kaedah penilaian harta atau tanggungan Kumpulan dan Syarikat yang sedia ada tidak tepat atau tidak sesuai, atau

iv) yang tidak diliputi di dalam laporan ini atau penyata kewangan, yang mungkin menyebabkan sebarang jumlah yang dinyatakan di dalam penyata kewangan Kumpulan dan Syarikat mengelirukan.

Pada tarikh laporan ini tidak wujud:

i) sebarang tuntutan terhadap harta Kumpulan atau Syarikat yang timbul sejak akhir tahun kewangan sebagai sandaran terhadap tanggungan mana-mana pihak, atau

ii) sebarang tanggungan luar jangka bagi Kumpulan atau Syarikat yang telah timbul sejak akhir tahun kewangan ini.

Tiada tanggungan luarjangka atau tanggungan lain bagi sebarang syarikat dalam Kumpulan yang telah dikuatkuasakan, atau berkemungkinan akan dikuatkuasakan dalam tempoh dua belas bulan selepas akhir tahun kewangan yang pada pendapat para Pengarah, akan atau boleh menjejaskan dengan ketara keupayaan Kumpulan dan Syarikat untuk menjelaskan tanggungannya apabila sampai tempoh matang.

Pada pendapat para Pengarah, kecuali seperti yang dikemukakan dalam penyata kewangan, keputusan daripada operasi Kumpulan dan Syarikat bagi tahun kewangan berakhir 31 Disember 2002 telah tidak dijejaskan dengan ketara oleh sebarang perkara, urusniaga atau peristiwa penting dan berbentuk luarbiasa yang berlaku dalam jarak waktu antara akhir tahun kewangan tersebut dan tarikh laporan ini.

Juruaudit

Juruaudit, tetuan KPMG, menyatakan kesediaan mereka untuk menerima pelantikan semula.

Ditandatangani menurut resolusi para Pengarah:

José Lopez Y. Vargas

Pierre Francois Streit

Petaling Jaya,
27 Februari 2003

Penyata oleh Pengarah-pengarah menurut Seksyen 169 (15) Akta Syarikat, 1965

Pada pendapat para Pengarah, penyata kewangan yang dibentangkan di muka surat 100 hingga 123, disediakan menurut piawaian perakaunan diluluskan yang diterima pakai di Malaysia supaya memberi gambaran yang benar dan saksama mengenai kedudukan Kumpulan dan Syarikat pada 31 Disember 2002 serta keputusan operasi dan aliran tunainya bagi tahun yang berakhir pada tarikh tersebut.

Ditandatangani menurut resolusi para Pengarah:

José Lopez Y. Vargas

Pierre Francois Streit

Petaling Jaya,
27 Februari 2003

Pengakuan Berkanun *menurut Seksyen 169(16) Akta Syarikat, 1965*

*Saya, **Pierre Francois Streit**, Pengarah utama yang bertanggungjawab ke atas pengurusan kewangan Nestlé (Malaysia) Berhad, mengaku bahawa penyata kewangan yang dibentangkan di muka surat 100 hingga 123, pada sebaik-baik pengetahuan dan kepercayaan saya adalah betul dan saya membuat pengakuan ini dengan penuh kepercayaan akan kebenarannya dan menurut Akta Akuan Berkanun, 1960.*

Ditandatangani dan diakui oleh penama di atas di Petaling Jaya pada 27 Februari 2003.

____

Pierre Francois Streit

Di hadapan saya:

Laporan Juruaudit *kepada Ahli-ahli Nestlé (Malaysia) Berhad*

Kami telah mengaudit penyata kewangan yang dibentangkan di muka surat 100 hingga 123 Penyediaan penyata kewangan ini adalah tanggungjawab para Pengarah Syarikat. Tanggungjawab kami adalah memberikan pendapat tentang penyata kewangan ini berdasarkan audit kami.

Kami menjalankan audit mengikut Piawaian Pengauditan yang diluluskan di Malaysia. Piawaian-piawaian ini memerlukan kami merancang dan menjalankan audit bagi memperolehi semua maklumat dan penjelasan yang kami anggap perlu untuk menyediakan kami bukti bagi memberikan jaminan bahawa penyata kewangan ini bebas daripada salahnyata yang ketara. Sesebuah audit meliputi pemeriksaan, yang berasaskan ujian, bukti yang menyokong jumlah dan pendedahan di dalam penyata kewangan. Audit juga meliputi penaksiran prinsip-prinsip perakaunan yang digunakan dan anggaran penting yang dibuat oleh para Pengarah serta penilaian ke atas pembentangan maklumat secara keseluruhan di dalam penyata kewangan. Kami percaya audit kami menyediakan asas yang wajar bagi kami memberi pendapat.

Pada pendapat kami:

(a) penyata kewangan ini telah disediakan dengan sempurna menurut peruntukan Akta Syarikat, 1965 dan piawaian perakaunan diluluskan yang diterima pakai di Malaysia supaya dapat memberi gambaran yang benar dan saksama tentang:

i) kedudukan Kumpulan dan Syarikat pada 31 Disember 2002 dan keputusan operasinya serta aliran tunai bagi tahun yang berakhir pada tarikh tersebut; dan

ii) perkara-perkara yang dikehendaki oleh Seksyen 169 Akta Syarikat, 1965 untuk diuruskan di dalam penyata kewangan Kumpulan dan Syarikat;

(b) rekod perakaunan dan rekod-rekod lain serta daftar-daftar yang dikehendaki oleh Akta Syarikat, 1965 supaya disimpan oleh Syarikat dan anak-anak syarikatnya yang diaudit oleh kami telah disimpan dengan sempurna menurut peruntukan Akta tersebut.

Kami berpuashati bahawa penyata kewangan anak-anak syarikat yang telah disatukan dengan penyata kewangan Syarikat adalah dalam bentuk dan kandungan yang sesuai dan teratur bagi tujuan penyediaan penyata kewangan yang disatukan dan kami telah menerima maklumat dan penjelasan memuaskan yang kami perlukan untuk tujuan tersebut.

Laporan audit mengenai penyata kewangan anak-anak syarikat tidak tertakluk kepada sebarang syarat dan tidak mengandungi sebarang ulasan yang dibuat di bawah seksyen kecil (3) Seksyen 174 Akta tersebut.

KPMG
Nombor Firma: AF 0758
Akauntan Bertauliah

Ampalavanar s/o Segarajah
Rakan Kongsi
Nombor Kelulusan: 1293/10/04(J)

Kuala Lumpur,
27 Februari 2003

Kunci Kira-kira pada 31 Disember 2002

		Kumpulan		Syarikat	
	Nota	2002 RM'000	2001 RM'000	2002 RM'000	2001 RM'000
Hartanah, loji dan peralatan	2	578,911	573,523	–	–
Pelaburan dalam anak-anak syarikat	3	–	–	230,424	230,474
Pelaburan dalam sebuah syarikat bersekutu	4	1,871	1,518	3,000	3,000
Harta tidak ketara	5	98,204	85,713	–	–
		678,986	660,754	233,424	233,474
Harta semasa					
Inventori	6	300,277	311,554	–	–
Penghutang perdagangan dan penghutang lain	7	383,753	382,425	217,235	232,325
Cukai diperolehi semula		11,451	1,800	2,547	1,800
Tunai dan setara tunai	8	36,208	17,072	34	14
		731,689	712,851	219,816	234,139
Tanggungan semasa					
Pemiutang perdagangan dan pemiutang lain	9	292,996	294,718	62,197	39,572
Pinjaman	10	541,352	423,396	–	–
Cukai		17,865	23,425	–	–
		852,213	741,539	62,197	39,572
(Tanggungan)/harta semasa bersih		(120,524)	(28,688)	157,619	194,567
		558,462	632,066	391,043	428,041
Dibiayai oleh:					
Modal dan rizab					
Modal saham	11	234,500	234,500	234,500	234,500
Rizab		225,334	265,991	156,543	193,541
		459,834	500,491	391,043	428,041
Kepentingan pemegang saham minoriti	12	2,465	2,394	–	–
Tanggungan jangka panjang dan tertunda					
Cukai tertunda		46,163	28,627	–	–
Pinjaman	10	50,000	100,554	–	–
		558,462	632,066	391,043	428,041

Penyata kewangan ini telah dilulus dan disahkan untuk terbitan oleh Lembaga Pengarah pada 27 Februari 2003.

Nota-nota yang dibentangkan di muka surat 105 hingga 123 adalah sebahagian daripada penyata kewangan ini, dan perlu dibaca bersama-sama dengan penyata kewangan ini.

Penyata Pendapatan *bagi tahun berakhir 31 Disember 2002*

		Kumpulan		Syarikat	
	Nota	2002 RM'000	2001 RM'000	2002 RM'000	2001 RM'000
Hasil – jualan barangan		2,479,649	2,585,708	–	–
– dividen		–	–	219,373	244,576
Kos jualan		(1,695,848)	(1,743,934)		–
Keuntungan kasar		783,801	841,774	219,373	244,576
Kos pengedaran		(223,099)	(209,308)	–	–
Perbelanjaan pentadbiran dan pemasaran		(294,467)	(332,883)	(569)	(466)
Perbelanjaan operasi lain		(46,911)	(24,329)	–	–
Pendapatan operasi lain		86	3,521	–	–
Keuntungan operasi	14	219,410	278,775	218,804	244,110
Perbelanjaan faedah		(20,682)	(14,815)	(4,322)	(7,100)
Pendapatan faedah		687	467	6,176	3,649
Penjualan perniagaan/anak syarikat		34,436	–	16,625	–
Bahagian keuntungan daripada sebuah syarikat bersekutu		353	275	–	–
Keuntungan sebelum cukai		234,204	264,702	237,273	240,659
Perbelanjaan cukai	16	(51,548)	(60,693)	(43,242)	(46,896)
Keuntungan selepas cukai		182,656	204,009	194,031	193,763
Tolak: Kepentingan minoriti		(71)	(60)	–	–
Keuntungan bersih bagi tahun		182,585	203,949	194,031	193,763
Pendapatan asas sesaham biasa (sen)	17	78	87		
Dividen sesaham biasa					
– kasar (sen)	18	101	103		
– bersih (sen)	18	82	83		

Nota-nota yang dibentangkan di muka surat 105 hingga 123 adalah sebahagian daripada penyata kewangan ini, dan perlu dibaca bersama-sama dengan penyata kewangan ini.

Penyata Perubahan dalam Ekuiti *yang disatukan bagi tahun berakhir 31 Disember 2002*

			Tidak boleh diagihkan		Boleh diagihkan	
	Nota	**Modal saham RM'000**	**Premium saham RM'000**	**Rizab lindung nilai RM'000**	**Keuntungan tertahan RM'000**	**Jumlah RM'000**
Kumpulan						
Pada 1 Januari 2001		234,500	33,000	3,898	223,054	494,452
Aliran tunai terlindung						
Bahagian perubahan efektif dalam nilai saksama		–	–	1,842	–	1,842
Dipindahkan kepada penyata pendapatan		–	–	(3,898)	–	(3,898)
Keuntungan dan kerugian bersih tidak diiktiraf di dalam penyata pendapatan		–	–	(2,056)	–	(2,056)
Keuntungan bersih bagi tahun		–	–	–	203,949	203,949
Dividen dibayar						
– 2000 akhir	18	–	–	–	(145,202)	(145,202)
– 2001 interim	18	–	–	–	(50,652)	(50,652)
Pada 31 Disember 2001/ Pada 1 Januari 2002		234,500	33,000	1,842	231,149	500,491
Aliran tunai terlindung						
Bahagian perubahan efektif dalam nilai saksama		–	–	9,629	–	9,629
Dipindahkan kepada penyata pendapatan		–	–	(1,842)	–	(1,842)
Keuntungan dan kerugian bersih tidak diiktiraf di dalam penyata pendapatan		–	–	7,787	–	7,787
Keuntungan bersih bagi tahun		–	–	–	182,585	182,585
Dividen dibayar						
– akhir 2001	18	–	–	–	(145,202)	(145,202)
– interim 2002	18	–	–	–	(50,652)	(50,652)
– khas 2002	18	–	–	–	(35,175)	(35,175)
Pada 31 Disember 2002		234,500	33,000	9,629	182,705	459,834
		Nota 11				

Nota-nota yang dibentangkan di muka surat 105 hingga 123 adalah sebahagian daripada penyata kewangan ini, dan perlu dibaca bersama-sama dengan penyata kewangan ini.

Penyata Perubahan dalam Ekuiti bagi tahun berakhir 31 Disember 2002

			Tidak boleh diagihkan	Boleh diagihkan	
	Nota	**Modal saham RM'000**	**Premium saham RM'000**	**Keuntungan tertahan RM'000**	**Jumlah RM'000**
Syarikat					
Pada 1 Januari 2001		234,500	33,000	162,632	430,132
Keuntungan bersih bagi tahun		–	–	193,763	193,763
Dividen dibayar					
– akhir 2000	18	–	–	(145,202)	(145,202)
– interim 2001	18	–	–	(50,652)	(50,652)
Pada 31 Disember 2001/ Pada 1 Januari 2002		234,500	33,000	160,541	428,041
Keuntungan bersih bagi tahun		–	–	194,031	194,031
Dividen dibayar					
– akhir 2001	18	–	–	(145,202)	(145,202)
– interim 2002	18	–	–	(50,652)	(50,652)
– khas 2002	18	–	–	(35,175)	(35,175)
Pada 31 Disember 2002		234,500	33,000	123,543	391,043
		Nota 11		Nota 19	

Nota-nota yang dibentangkan di muka surat 105 hingga 123 adalah sebahagian daripada penyata kewangan ini, dan perlu dibaca bersama-sama dengan penyata kewangan ini.

Penyata Aliran Tunai *bagi tahun berakhir 31 Disember 2002*

	Kumpulan		Syarikat	
	2002 RM'000	**2001 RM'000**	**2002 RM'000**	**2001 RM'000**
Aliran tunai daripada aktiviti operasi				
Keuntungan sebelum cukai	234,204	264,702	237,273	240,659
Pelarasan bagi:				
Pelunasan muhibah	6,127	6,135	–	–
Pelunasan kos pembangunan	1,344	–	–	–
Muhibah dilupuskan	–	4,900	–	–
Susutnilai	73,984	70,291	–	–
Keuntungan daripada pelupusan anak syarikat/perniagaan	(34,436)	–	(16,625)	–
Perbelanjaan faedah	20,682	14,815	4,332	7,100
Pendapatan faedah	(687)	(467)	(6,176)	(3,649)
(Keuntungan)/Kerugian daripada pelupusan hartanah, loji dan peralatan	111	(2,650)	–	–
Hartanah, loji dan peralatan dilupuskan	395	12	–	–
Bahagian keuntungan daripada sebuah syarikat bersekutu	(353)	(275)	–	–
Keuntungan operasi sebelum perubahan modal kerja	301,371	357,463	218,804	244,110
(Pertambahan)/Pengurangan dalam modal kerja:				
Inventori	12,464	(98,117)	–	–
Penghutang perdagangan dan penghutang lain	2,030	(66,881)	15,090	15,466
Pemiutang perdagangan dan pemiutang lain	1,970	29,958	22,625	(11,935)
Tunai dijana daripada operasi	317,835	222,423	256,519	247,641
Cukai pendapatan dibayar	(49,223)	(92,295)	(43,989)	(48,389)
Faedah dibayar	(20,578)	(14,773)	(4,332)	(7,100)
Tunai bersih dijana daripada aktiviti operasi	248,034	115,355	208,198	192,152
Aliran tunai daripada aktiviti pelaburan				
Pembelian hartanah, loji dan peralatan	(80,888)	(127,418)	–	–
Pendapatan daripada penjualan hartanah, loji dan peralatan	988	5,213	–	–
Pendapatan daripada penjualan pelaburan	–	1,800	–	–
Faedah diterima	687	467	6,176	3,649
Kos pembangunan	(19,962)	(1,853)	–	–
Penjualan anak-anak syarikat, bersih tunai dijual	34,436	–	16,675	–
Tunai bersih (digunakan dalam)/dijana daripada aktiviti pelaburan	(64,739)	(121,791)	22,851	3,649
Aliran tunai daripada aktiviti pembiayaan				
Pendapatan daripada pinjaman	68,266	161,511	–	–
Pembayaran tanggungan pajakan kewangan	(752)	(2,134)	–	–
Dividen dibayar	(231,029)	(195,854)	(231,029)	(195,854)
Tunai bersih digunakan dalam aktiviti	(163,515)	(36,477)	(231,029)	(195,854)
Pertambahan /(Pengurangan) bersih dalam tunai dan setara tunai	19,780	(42,913)	20	(53)
Tunai dan setara tunai pada awal tahun	16,428	59,341	14	67
Tunai dan setara tunai pada akhir tahun	36,208	16,428	34	14
Tunai dan setara tunai meliputi				
Tunai dan baki bank	36,208	17,072	34	14
Overdraf	–	(644)	–	–
	36,208	16,428	34	14

Nota-nota yang dibentangkan di muka surat 105 hingga 123 adalah sebahagian daripada penyata kewangan ini, dan perlu dibaca bersama-sama dengan penyata kewangan ini.

Nota-nota *kepada penyata kewangan*

1 Ringkasan dasar-dasar perakaunan penting

Dasar-dasar perakaunan berikut digunakan oleh Kumpulan dan Syarikat dan ia selaras dengan dasar-dasar yang digunakan pada tahun-tahun lepas kecuali bagi:

i) MASB 20, Peruntukan, Tanggungan Luarjangka dan Harta Luarjangka, dan MASB 21, Gabungan Perniagaan yang diterima pakai secara retrospektif. Angka-angka perbandingan tidak dinyatakan semula kerana dasar perakaunan yang lepas adalah selaras dengan piawaian perakaunan;

ii) MASB 23, Penurunan Nilai Harta yang diterima pakai secara prospektif. Oleh itu, penyataan semua angka-angka perbandingan dan pelarasan tahun sebelumnya tidak dibentangkan; dan

iii) MASB 22, Laporan Segmen dan MASB 24, Instrumen Kewangan: Pendedahan dan Pembentangan yang telah diterima pakai secara prospektif.

(a) Asas perakaunan

Penyata kewangan Kumpulan dan Syarikat disediakan menurut piawaian perakaunan diluluskan yang diterima pakai di Malaysia dan Piawaian Perakaunan Antarabangsa (IAS) 39.

(b) Asas penyatuan

Anak-anak syarikat adalah entiti peniagaan yang dikawal oleh Syarikat. Kawalan wujud apabila Syarikat mempunyai kuasa, secara langsung atau tidak langsung, untuk mentadbir dasar kewangan dan operasi sesebuah entiti untuk memperolehi keuntungan daripada aktiviti perniagaannya. Penyata kewangan anak-anak syarikat dimasukkan ke dalam Penyata kewangan yang disatukan dari tarikh kawalan berkuatkuasa sehingga tarikh kawalan tersebut tamat. Anak-anak syarikat disatu menggunakan kaedah perakaunan pengambilalihan.

Di bawah kaedah perakaunan pengambilalihan, keputusan anak-anak syarikat yang diambilalih atau dijual pada tahun tersebut dimasukkan dari tarikh pengambilalihan atau sehingga tarikh penjualan. Pada tarikh pengambilalihan, nilai saksama harta bersih anak syarikat ditentukan dan nilai-nilai tersebut ditunjukkan di dalam penyata kewangan Kumpulan. Perbezaan antara kos pengambilalihan dan nilai saksama harta bersih anak-anak syarikat ditunjukkan sebagai muhibah atau rizab daripada penyatuan mengikut kesesuaian.

Sesebuah anak syarikat dikeluarkan daripada penyatuan apabila kawalan hanya untuk sementara waktu jika anak syarikat tersebut diambilalih dan dipegang secara eksklusif dengan tujuan untuk dijual pada masa hadapan yang terdekat dan tidak disatukan sebelumnya atau ia beroperasi di bawah halangan jangka panjang yang menjejaskan dengan ketara keupayaannya untuk memindahkan dana kepada Syarikat. Anak-anak syarikat yang dikeluarkan berdasarkan alasan ini diambilkira sebagai pelaburan.

Urusniaga dalam kumpulan dan baki serta keuntungan belum direalisasi yang terhasil daripadanya dihapuskan semasa penyatuan. Kerugian yang belum direalisasi yang terhasil daripada urusniaga dalam kumpulan juga dihapuskan kecuali apabila kos tidak boleh diperolehi semula.

(c) Syarikat bersekutu

Syarikat-syarikat bersekutu adalah perniagaan yang mana Kumpulan mempunyai pengaruh penting, tetapi bukan kawalan, ke atas dasar-dasar kewangan dan operasinya.

Penyata kewangan yang disatukan termasuk jumlah keuntungan dan kerugian syarikat-syarikat bersekutu yang diiktiraf berasaskan kepada perkiraan ekuiti dari tarikh pengaruh penting berkuatkuasa sehingga tarikh pengaruh penting tersebut tamat.

Keuntungan belum direalisasi yang timbul daripada urusniaga antara Kumpulan dan syarikat-syarikat bersekutunya yang meliputi jumlah nilai bawa harta dan tanggungan berkaitan dihapuskan sebahagiannya setakat kepentingan Kumpulan di dalam syarikat bersekutu berkenaan. Kerugian belum direalisasi daripada urusniaga sedemikian juga dihapuskan sebahagiannya kecuali apabila kos tidak boleh diperolehi semula.

Muhibah daripada pengambilalihan dikira berasaskan nilai saksama harta bersih yang diambilalih.

(d) Hartanah, loji dan peralatan

Hartanah, loji dan peralatan dinyatakan pada kos tolak susut nilai terkumpul dan kerugian penurunan nilai terkumpul.

Hartanah, loji dan peralatan yang tidak lagi digunakan dan disimpan untuk dilupuskan dinyatakan pada yang mana lebih rendah antara nilai buku bersih dan nilai boleh realisasi bersih.

Nota-nota kepada penyata kewangan

(e) Harta tidak ketara

(i) Muhibah

Muhibah daripada penyatuan dinyatakan pada kos tolak pelunasan terkumpul. Muhibah dilunaskan dari tarikh permulaan pengiktirafan sepanjang jangka masa anggaran hayatnya selama dua puluh tahun. Muhibah yang dibeli turut dilunaskan dengan cara yang sama.

(ii) Kos pembangunan

Perbelanjaan daripada aktiviti pembangunan untuk memperbaiki cara pemprosesan dipermodalkan jika proses berkenaan secara teknikal dan komersial berdaya maju dan Kumpulan mempunyai sumber yang mencukupi untuk menyiapkan pembangunan tersebut. Perbelanjaan yang dipermodalkan meliputi kos langsung berkaitan pekerja. Perbelanjaan pembangunan lain diiktiraf di dalam penyata pendapatan sebagai perbelanjaan apabila berlaku.

Perbelanjaan pembangunan yang dipermodal dilunaskan dan diiktiraf secara sistematik sebagai perbelanjaan selepas pembangunan disiapkan supaya menggambarkan pola di mana manfaat dari segi ekonomi yang berkaitan diiktiraf sepanjang tempoh 5 tahun.

(f) Pajakan kewangan

Pajakan di mana Kumpulan memegang sebahagian besar risiko dan ganjaran pemilikan dikelaskan sebagai pajakan kewangan. Harta yang diperolehi dengan cara pajakan kewangan dinyatakan pada suatu jumlah yang sama dengan nilai yang lebih rendah antara nilai saksama dan nilai semasa pembayaran pajakan minimum pada permulaan pajakan, tolak susut nilai terkumpul dan kerugian penurunan nilai.

Dalam mengira nilai semasa daripada pembayaran pajakan minimum, kadar diskaun adalah kadar faedah tersirat dalam pajakan, jika ia praktikal untuk ditentukan; jika tidak, kadar pinjaman tambahan Kumpulan digunakan.

(g) Susutnilai

Tanah pegangan pajakan dilunaskan dalam ansuran yang sama banyak sepanjang tempoh pajakan masing-masing selama antara 60 hingga 88 tahun sementara bangunan disusut nilai berasaskan garis lurus sepanjang tempoh 50 tahun. Kaedah garis lurus ini digunakan untuk melupuskan kos harta lain sepanjang anggaran jangka masa kegunaannya mengikut kadar tahunan utama berikut:

Loji dan jentera	*6.67% − 10%*
Alat, perabot dan peralatan	*20%*
Kenderaan bermotor	*20%*
Sistem maklumat	*33.33%*

(h) Pelaburan

Pelaburan dalam anak-anak syarikat dan syarikat-syarikat bersekutu dinyatakan pada kos, tolak penurunan nilai, mengikut kesesuaian.

(i) Penghutang perdagangan dan penghutang lain

Penghutang perdagangan dan penghutang lain dinyatakan pada kos tolak peruntukan bagi hutang ragu.

(j) Tanggungan

Pinjaman perdagangan dan pemiutang lain dinyatakan pada kos.

(k) Inventori

Bahan mentah, kerja dalam proses dan inventori yang siap dikilang dinyatakan pada yang mana lebih rendah antara kos dan nilai boleh realisasi bersih mengikut kaedah masuk dahulu, keluar dahulu yang menjadi asas utama untuk kos. Bagi kerja dalam proses dan inventori yang siap dikilang, kos meliputi bahan, buruh langsung dan overhed pengeluaran yang tetap dan berubah-ubah yang tertentu.

(l) Tunai dan setara tunai

Tunai dan setara tunai meliputi tunai dalam tangan, baki dan deposit dengan bank dan pelaburan berkecairan tinggi yang mempunyai risiko perubahan nilai yang tidak ketara. Untuk tujuan penyata aliran tunai, tunai dan setara tunai dibentangkan selepas ditolak overdraf bank dan deposit yang dicagarkan.

(m) Penurunan nilai

Jumlah bawa harta Kumpulan, selain daripada inventori (rujuk nota 1(k)), dan harta kewangan (selain daripada pelaburan dalam anak syarikat dan syarikat bersekutu) disemak semula pada setiap tarikh kunci kira-kira untuk menentukan sama ada terdapat tanda-tanda penurunan. Jika tanda-tanda sedemikian wujud, maka jumlah boleh diperolehi semula harta tersebut dianggarkan. Kerugian penurunan diiktiraf apabila jumlah bawa sesuatu harta atau unit yang menjana tunai miliknya melebihi jumlah boleh diperolehi semula. Kerugian penurunan diiktiraf di dalam penyata pendapatan.

Jumlah boleh diperolehi semula harta adalah nilai yang lebih tinggi di antara harga jualan bersih harta tersebut dan nilai kegunaannya. Untuk menaksir nilai kegunaannya, anggaran aliran tunai masa hadapan didiskaun kepada nilai semasanya menggunakan kadar diskaun sebelum cukai yang menggambarkan taksiran pasaran semasa bagi nilai wang dan risiko khusus untuk harta tersebut. Bagi harta yang tidak menjana aliran tunai dengan sendiri, jumlah boleh diperolehi semula ditentukan bagi unit menjana tunai yang dimiliki oleh harta tersebut.

Kerugian penurunan bagi muhibah tidak berbalik kecuali kerugian tersebut disebabkan oleh peristiwa luaran tertentu berbentuk luar biasa yang berlaku sehingga menyebabkan kesan peristiwa tersebut berbalik.

Bagi harta-harta lain, kerugian penurunan nilai berbalik jika terdapat perubahan dalam anggaran yang digunakan untuk menentukan jumlah boleh diperolehi semula.

Kerugian penurunan nilai adalah berbalik hanya hingga ke tahap jumlah bawa harta yang tidak melebihi jumlah bawa yang mungkin ditentukan, selepas ditolak susutnilai atau pelunasan, jika tiada kerugian penurunan nilai diiktiraf. Pembalikan tersebut diktiraf di dalam penyata pendapatan.

(n) Cukai

Perbelanjaan cukai dalam penyata pendapatan mewakili cukai pada kadar cukai semasa berasaskan kepada keuntungan yang diperolehi pada tahun tersebut.

Cukai tertunda disediakan mengikut kaedah tanggungan bagi semua perbezaan masa kecuali di mana tiada tanggungan dijangka akan timbul pada masa hadapan yang boleh diramalkan dan tidak terdapat petunjuk bahawa perbezaan masa tersebut akan berbalik selepas itu. Faedah cukai tertunda hanya diiktiraf di mana terdapat jangkaan yang munasabah berhubung realisasinya dalam jangka masa yang terdekat.

(o) Ganjaran persaraan

Kumpulan mengendalikan sebuah skim faedah persaraan yang dikelolakan oleh Skim Persaraan Kumpulan Nestle Malaysia. Faedah tersebut yang akan dibayar semasa persaraan adalah berasaskan kepada tempoh perkhidmatan dan gaji terakhir yang dikeluarkan. Caruman kepada skim ini dicaj kepada penyata pendapatan supaya kos skim dibahagikan sama rata sepanjang tempoh kakitangan bekerja dalam Kumpulan. Caruman berkenaan ditentukan oleh aktuari berkelayakan berasaskan kepada penilaian tahunan menggunakan kaedah unjuran kredit unit. Penilaian terakhir adalah pada 31 Disember 2002.

(p) Urusniaga matawang asing

Urusniaga dalam matawang asing ditukar kepada Ringgit Malaysia pada kadar pertukaran yang berkuatkuasa pada tarikh urusniaga. Harta dan tanggungan berbentuk wang dalam matawang asing pada tarikh kunci kira-kira ditukar kepada Ringgit Malaysia pada kadar pertukaran matawang asing yang berkuatkuasa pada tarikh tersebut. Perbezaan pertukaran matawang asing yang timbul daripada pertukaran diiktiraf di dalam penyata pendapatan.

Kadar penutup yang digunakan dalam pertukaran harta dan tanggungan matawang asing adalah seperti berikut.

1USD	RM3.80	(2001: 1USD	RM3.80)
1AUD	RM2.15	(2001: 1AUD	RM1.94)
1SGD	RM2.19	(2001: 1SGD	RM2.05)
1EURO	RM3.98	(2001: 1EURO	RM3.36)
1CHF	RM2.74	(2001: 1CHF	RM2.27)

Nota-nota kepada penyata kewangan

(q) *Instrumen kewangan derivatif*

Instrumen kewangan derivatif seperti kontrak pertukaran matawang asing dan dagangan hadapan komoditi digunakan untuk melindung nilai akibat pendedahan operasi kepada risiko pertukaran matawang asing dan harga komoditi. Ia dilaksanakan dengan institusi kewangan dan broker berkualiti kredit yang tinggi, selaras dengan kelulusan khusus, prosedur had dan pemantauan. Selaras dengan dasar perbendaharaan dan pembelian komoditinya, Kumpulan tidak memegang instrumen derivatif untuk tujuan perdagangan.

Nilai saksama kontrak pertukaran hadapan dan dagangan hadapan komoditi dikira dengan masing-masing merujuk kepada kadar pertukaran hadapan semasa dan harga dagangan hadapan komoditi, bagi kontrak dengan profil kematangan yang serupa.

Risiko matawang asing

Tujuan utama aktiviti perlindungan nilai matawang asing Kumpulan adalah untuk perlindungan daripada ketidakstabilan aktiviti jual beli dalam matawang asing bagi inventori yang dikilang, pembelian bahan dan harta lain serta tanggungan yang wujud dalam perjalanan biasa perniagaan. Kumpulan menggunakan terutamanya kontrak tukaran matawang asing hadapan dengan kematangan kurang dari dua belas bulan untuk melindungi komitmen yang sebenar Di bawah program ini, peningkatan atau penurunan dalam komitmen sebenar Kumpulan ditampung sebahagiannya oleh keuntungan dan kerugian ke atas instrumen perlindungan nilai.

Risiko harga komoditi

Instrumen komoditi diguna bagi mempastikan Kumpulan memperolehi bahan mentah pada harga yang sesuai. Urusniaga pembelian keseluruhan dicatat pada kadar yang dikontrakkan. Perubahan dalam nilai saksama instrumen komoditi terbuka yang ditetapkan sebagai perlindungan nilai efektif diiktiraf dalam ekuiti sehingga urusniaga pembelian sebenar diiktiraf di dalam penyata kewangan.

Perlindungan nilai – Aliran tunai yang dilindung nilai

Jika instrumen kewangan derivatif ditetapkan sebagai suatu perlindungan boleh berubah dalam aliran tunai daripada tanggungan yang diiktiraf bagi suatu komitmen sebenar atau urusniaga diramalkan yang amat berkemungkinan akan berlaku, bahagian efektif bagi sebarang keuntungan atau kerugian akan di iktiraf ke dalam ekuiti. Jika komitmen dijangka akan menyebabkan pengiktirafan harta atau tanggungan sebarang kerugian atau keuntungan akan dikeluarkan daripada ekuiti dan dimasukkan sebagai ukuran awal harta atau tanggungan. Jika tidak, keuntungan atau kerugian terkumpul akan dikeluarkan daripada ekuiti dan diiktiraf di dalam penyata pendapatan pada masa urusniaga tersebut. Bahagian tidak efektif daripada sebarang keuntungan atau kerugian diiktiraf dengan segera di dalam penyata pendapatan.

Apabila sesuatu instrumen perlindungan nilai atau perhubungan perlindungan nilai ditamatkan tetapi urusniaga yang dilindungi masih dijangka akan berlaku, keuntungan atau kerugian terkumpul dalam keadaan tersebut kekal dalam ekuiti dan diiktiraf apabila urusniaga berlaku. Jika urusniaga yang dilindungi tidak lagi berkemungkinan berlaku, sebarang keuntungan atau kerugian yang belum direalisasi dalam ekuiti akan diiktiraf dengan segera di dalam penyata pendapatan.

(r) Hasil

i) Jualan barangan
Hasil daripada jualan barangan diukur pada nilai saksama pembayaran yang akan diterima dan diiktiraf di dalam penyata pendapatan apabila sebahagian besar risiko dan ganjaran telah dipindahkan kepada pembeli.

ii) Pendapatan dividen
Pendapatan dividen diiktiraf apabila hak untuk menerima bayaran ditentukan.

iii) Pendapatan faedah
Pendapatan faedah diiktiraf di dalam penyata pendapatan apabila ia terakru, dengan mengambil kira hasil efektif daripada harta tersebut.

(s) Kos pembiayaan

Semua kos faedah dan kos lain yang ditanggung berhubung dengan pinjaman dibelanjakan apabila berlaku. Bahagian faedah pembayaran pajakan kewangan diiktiraf di dalam penyata pendapatan supaya memberi kadar berkala yang seragam daripada tanggungan tertunggak pada akhir setiap tempoh perakaunan.

Nota-nota kepada penyata kewangan

2. Hartanah, loji dan peralatan

	Tanah dan bangunan pegangan pajakan jangka panjang RM'000	Loji, jentera perkakasan, perabot dan peralatan RM'000	Kenderaan bermotor RM'000	Sistem maklumat RM'000	Modal kerja dalam proses RM'000	Jumlah RM'000
Kumpulan						
Kos						
Baki pembukaan	268,258	832,094	22,143	37,590	25,854	1,185,939
Tambahan	6,795	47,711	3,041	10,742	12,599	80,888
Penjualan	(113)	(14,969)	(2,433)	(1,476)	–	(18,991)
Pelupusan	–	(4,051)	–	–	–	(4,051)
Pindahan ke dalam/(keluar)	511	27,059	–	420	(27,990)	–
Penjualan anak syarikat	–	(10)	–	(17)	–	(27)
Baki penutup	275,451	887,834	22,751	47,259	10,463	1,243,758
Susutnilai terkumpul dan kerugian penurunan nilai						
Susutnilai terkumpul	50,547	498,007	13,594	29,300	–	591,448
Kerugian penurunan nilai terkumpul	917	20,032	–	19	–	20,968
Baki pembukaan	51,464	518,039	13,594	29,319	–	612,416
Caj susutnilai bagi tahun	4,819	59,713	3,079	6,373	–	73,984
Penjualan	(14)	(14,073)	(2,423)	(1,382)	–	(17,892)
Pelupusan	–	(3,656)	–	–	–	(3,656)
Penjualan anak syarikat	–	(1)	–	(4)	–	(5)
Susutnilai terkumpul	55,352	539,990	14,250	34,288	–	643,879
Kerugian penurunan nilai terkumpul	917	20,032	-	19	–	20,968
Baki penutup	56,269	560,022	14,250	34,307	–	664,847
Nilai buku bersih						
Pada 31 Disember 2002	219,182	327,812	8,501	12,953	10,463	578,911
Pada 31 Disember 2001	216,794	314,055	8,549	8,271	25,854	573,523
Bagi tahun berakhir 31 Disember 2001						
Caj susutnilai	4,480	57,812	3,330	4,669	–	70,291

Harta di bawah pajakan

Termasuk di dalam hartanah, loji dan peralatan Kumpulan adalah sistem maklumat yang diperolehi di bawah perjanjian pajakan dengan kos sebanyak RM1,995,000 (2001– RM5,263,000).

3. Pelaburan dalam anak-anak syarikat

	Syarikat	
	2002 RM'000	**2001 RM'000**
Saham tidak disenaraikan – pada kos	230,424	230,474

Keterangan mengenai anak-anak syarikat ditunjukkan dalam Nota 27.

4. Pelaburan dalam syarikat bersekutu

	Kumpulan		Syarikat	
	2002 RM'000	**2001 RM'000**	**2002 RM'000**	**2001 RM'000**
Saham tidak disenaraikan – pada kos	3,000	3,000	3,000	3,000
Bahagian rizab selepas pengambilalihan	(1,129)	(1,482)	–	–
	1,871	1,518	3,000	3,000
Diwakili oleh:				
Bahagian Kumpulan daripada harta bersih	1,871	1,518		

Syarikat bersekutu diperbadankan di Malaysia.

Nama	**Kepentingan pemilikan efektif 2002 %**	**2001 %**	**Aktiviti Utama**
Nihon Canpack (Malaysia) Sdn. Bhd.	20	20	Mengilang minuman dalam tin.

5. Harta tidak ketara

	Muhibah RM'000	**Kos Pembangunan RM'000**	**Jumlah RM'000**
Kumpulan			
Kos			
Baki pembukaan			
– Kos Pembangunan	–	1,853	1,853
– Muhibah daripada penyatuan	113,478	–	113,478
– Pembelian muhibah	9,180	–	9,180
	122,658	1,853	124,511
Tambahan	–	19,962	19,962
Baki penutup	122,658	21,815	144,473
Pelunasan			
Baki pembukaan	38,798	–	38,798
Caj pelunasan bagi tahun	6,127	1,344	7,471
Baki penutup	44,925	1,344	46,269
Nilai buku bersih			
Pada 31 Disember 2002	77,733	20,471	98,204
Pada 31 Disember 2001	83,860	1,853	85,713
Bagi tahun berakhir 31 Disember 2001			
Caj pelunasan	6,135	–	6,135

Nota-nota kepada penyata kewangan

6. *Inventori*

	Kumpulan	
	2002 RM'000	**2001 RM'000**
Bahan mentah dan pembungkusan	*99,878*	*105,879*
Kerja dalam proses	*12,737*	*3,768*
Inventori siap dikilang	*187,662*	*201,907*
	300,277	*311,554*

7. *Penghutang perdagangan dan penghutang lain*

	Kumpulan		Syarikat	
	2002 RM'000	**2001 RM'000**	**2002 RM'000**	**2001 RM'000**
Penghutang perdagangan	*264,015*	*302,744*	–	–
Syarikat-syarikat berkaitan – perdagangan	*59,135*	*32,242*	–	–
– bukan perdagangan	*4,598*	*91*	–	–
Syarikat bersekutu – perdagangan	*562*	*830*	–	–
Anak-anak syarikat	–	–	*217,135*	*232,224*
Penghutang lain, deposit dan pra bayaran	*45,814*	*41,993*	*100*	*101*
Kontrak tukaran matawang asing	*763*	*1,042*	–	–
Dagangan hadapan komoditi	*8,866*	*3,483*	–	–
	383,753	*382,425*	*217,235*	*232,325*

Jumlah dihutang oleh anak-anak syarikat adalah tidak bercagar, bukan bersifat perdagangan, tertakluk kepada faedah pada kadar dari 3.0% hingga 3.5% (2001 – 3.04% hingga 3.40%) dan tidak mempunyai tempoh bayaran balik yang tetap.

Jumlah dihutang oleh syarikat-syarikat berkaitan dan sebuah syarikat bersekutu adalah tidak bercagar, tanpa faedah dan tidak mempunyai tempoh bayaran balik yang tetap.

Termasuk dalam penghutang lain, deposit dan pra bayaran Kumpulan adalah pinjaman pekerja sebanyak RM24,838,000 (2001 – RM23,240,000), termasuk RM18,000 (2001 – RM41,000) yang dihutang oleh seorang Pengarah Syarikat bagi pinjaman kereta yang dibuat di bawah dasar pegawai dagang korporat Nestlé.

Kontrak tukaran matawang asing dan dagangan hadapan komoditi ditetapkan sebagai perlindungan nilai aliran tunai.

7. *Penghutang perdagangan dan penghutang lain (sambungan)*

Keuntungan belum direalisasi daripada kontrak tukaran matawang asing dan dagangan hadapan komoditi masing-masing sebanyak RM763,000 dan RM8,866,000 (2001 – RM1,042,000 dan RM3,483,000) telah diiktiraf dalam ekuiti pada akhir tahun. Keuntungan tersebut dijangka akan diiktiraf di dalam penyata kewangan apabila urusniaga yang diramalkan berlaku seperti berikut:

	Keuntungan	
	2002 RM'000	**2001 RM'000**
Kumpulan		
Kontrak tukaran matawang asing		
Kurang dari tiga bulan	*763*	*367*
Antara tiga bulan hingga satu tahun	*–*	*675*
	763	*1,042*
Dagangan hadapan komoditi – Koko dan kopi (2001-Koko)		
Kurang dari tiga bulan	*3,905*	*3,463*
Antara tiga bulan hingga satu tahun	*4,961*	*20*
	8,866	*3,483*

8. *Tunai dan setara tunai*

	Kumpulan		Syarikat	
	2002 RM'000	**2001 RM'000**	**2002 RM'000**	**2001 RM'000**
Tunai dan baki bank	*36,208*	*17,072*	*34*	*14*

Nota-nota *kepada penyata kewangan*

9. *Pemiutang perdagangan dan pemiutang lain*

	Kumpulan		Syarikat	
	2002 RM'000	**2001 RM'000**	**2002 RM'000**	**2001 RM'000**
Pemiutang perdagangan	*141,570*	*162,662*	–	–
Syarikat-syarikat berkaitan – perdagangan	*118,653*	*104,388*	–	–
Pemiutang lain dan perbelanjaan terakru	*32,773*	*24,985*	*209*	*95*
Anak-anak syarikat	–	–	*61,988*	*39,477*
Dagangan hadapan komoditi	–	*2,683*	–	–
	292,996	*294,718*	*62,197*	*39,572*

Jumlah dihutang kepada anak-anak syarikat adalah tidak bercagar, bukan bersifat perdagangan, tertakluk kepada faedah pada kadar dari 3% hingga 3.5% (2001 – 3.04% hingga 3.40%) dan tidak mempunyai tempoh bayaran balik yang tetap.

Jumlah dihutang kepada syarikat-syarikat berkaitan adalah tidak bercagar, tanpa faedah dan tidak mempunyai tempoh bayaran balik yang tetap.

Dagangan hadapan komoditi ditetapkan sebagai perlindungan nilai aliran tunai.

Kerugian belum direalisasi sebanyak RM Tiada (2001 – RM 2,683,000) daripada dagangan hadapan komoditi telah diiktiraf dalarn ekuiti pada akhir tahun. Kerugian tersebut dijangka akan diiktiraf di dalam penyata kewangan apabila urusniaga yang diramalkan berlaku seperti berikut:

	Kerugian	
	2002 RM'000	**2001 RM'000**
Kumpulan		
Dagangan hadapan komoditi – Kopi		
Kurang dari tiga bulan	–	*1,681*
Antara tiga bulan hingga satu tahun	–	*1,002*
	–	*2,683*

10. Pinjaman

	Kumpulan 2002 RM'000	Kumpulan 2001 RM'000
Semasa		
Penerimaan jurubank	36,200	99,000
Overdraf	–	644
Kredit berpusing	190,000	123,000
Kertas perdagangan	200,000	200,000
Nota jangka sederhana	50,000	–
Tanggungan pajakan kewangan	554	752
Pinjaman matawang asing	64,598	–
	541,352	423,396
Bukan semasa		
Nota jangka sederhana	50,000	100,000
Tanggungan pajakan kewangan	–	554
	50,000	100,554

Semua pinjaman adalah tidak bercagar. Kadar faedah dan profil kematangan pinjaman tersebut adalah seperti berikut:

	Jumlah RM'000	Di bawah 1 tahun RM'000	1 – 2 tahun RM'000
Kumpulan			
Penerimaan jurubank – boleh berubah pada 2.00% hingga 2.97% (2001 – 2.91% hingga 3.29%)	36,200	36,200	–
Overdraf – ditetapkan pada kadar 0.5% di atas kadar pinjaman asas bank	–	–	–
Kredit berpusing – boleh berubah pada kadar 3.00% hingga 3.16% (2001 – 3.55%)	190,000	190,000	–
Kertas perdagangan – boleh berubah pada kadar 2.84% hingga 3.06% (2001 – 2.86% hingga 3.17%)	200,000	200,000	–
Nota jangka sederhana – tetap pada kadar 4.5% hingga 5.45%	100,000	50,000	50,000
Tanggungan pajakan kewangan – tetap pada 2.5%	554	554	–
Pinjaman matawang asing – boleh berubah pada 1.58% hingga 2.00% (2001 – Tiada)	64,598	64,598	–
	591,352	541,352	50,000

Tanggungan pajakan kewangan

Tanggungan pajakan kewangan perlu dibayar adalah seperti berikut:

	Bayaran 2002 RM'000	Faedah 2002 RM'000	Prinsipal 2002 RM'000	Bayaran 2001 RM'000	Faedah 2001 RM'000	Prinsipal 2001 RM'000
Kumpulan						
Kurang dari satu tahun	602	48	554	816	64	752
Antara satu hingga lima tahun	–	–	–	602	48	554
	602	48	554	1,418	112	1,306

Nota-nota kepada penyata kewangan

11. Modal saham

	Kumpulan dan Syarikat	
	2002 RM'000	2001 RM'000
Saham biasa berharga RM1.00 sesaham		
Dibenarkan	300,000	300,000
Diterbit dan dibayar penuh	234,500	234,500

12. Kepentingan pemegang saham minoriti

Ini meliputi bahagian pemegang saham minoriti daripada modal saham dan rizab anak-anak syarikat.

13. Ganjaran persaraan

Penilaian aktuari terkini bagi Skim Persaraan Kumpulan Nestlé Malaysia pada 31 Disember 2002 menunjukkan bahawa nilai boleh realisasi bersih daripada harta dana adalah RM71.3 juta dan terdapat kekurangan sebanyak RM7.7 juta jika dibandingkan dengan nilai yang ditentukan secara aktuari daripada faedah yang ditetapkan

Andaian utama yang digunakan dalam penilaian aktuari adalah:

(i) kadar diskaun dan kadar jangkaan pulangan daripada harta dana amanah adalah 7.0% setahun; dan

(ii) kenaikan gaji adalah 5.5% setahun

Kumpulan terus membiayai tanggungan tabung ini sehingga setakat maksimum sumbangan yang dibenarkan untuk tujuan cukai.

14. Keuntungan operasi

	Kumpulan		Syarikat	
	2002 RM'000	2001 RM'000	2002 RM'000	2001 RM'000
Keuntungan operasi diperolehi selepas mengecaj:				
Pelunasan muhibah	6,127	6,135	–	–
Pelunasan kos pembangunan	1,344	–	–	–
Bayaran juruaudit	185	200	7	7
Susutnilai	73,984	70,291	–	–
Bayaran Pengarah:				
– yuran	120	100	120	100
– emolumen	2,263	2,144	–	–
Muhibah dilupuskan	–	4,900	–	–
Projek GLOBE	32,429	–	–	–
Hartanah, loji dan peralatan dilupuskan	395	12	–	–
Kerugian daripada penjualan hartanah, loji dan peralatan	111	–	–	–
Sewa tanah dan bangunan	20,502	18,982	–	–
Kerugian daripada pertukaran matawang asing – direalisasi	–	708	–	–
dan selepas mengkredit:				
Dividen kasar daripada anak syarikat tidak tersenarai	–	–	219,373	244,576
Keuntungan daripada penjualan hartanah, loji dan peralatan	–	2,650	–	–
Keuntungan daripada tukaran matawang asing				
– direalisasi	1,137	–	–	–
– tidak direalisasi	3	439	–	–

Anggaran nilai bagi ganjaran bukan berbentuk wang untuk para Pengarah berjumlah RM1,034,000 (2001 – RM832,000).

15. Maklumat kakitangan

	Kumpulan		Syarikat	
	2002 RM'000	2001 RM'000	2002 RM'000	2001 RM'000
Kos pekerja	203,311	190,640	–	–

Bilangan kakitangan Kumpulan (termasuk para Pengarah) bagi tahun berakhir adalah seramai 3,478 (2001 – 3,281).

16. Perbelanjaan cukai

	Kumpulan		Syarikat	
	2002 RM'000	2001 RM'000	2002 RM'000	2001 RM'000
Perbelanjaan cukai semasa				
– tahun semasa	34,012	51,990	44,201	46,896
– lebihan peruntukan tahun sebelumnya	–	(2,949)	(959)	–
Perbelanjaan cukai tertunda				
– tahun semasa	17,536	11,652	–	–
	51,548	60,693	43,242	46,896

Kadar cukai efektif Syarikat dan Kumpulan bagi tahun semasa yang berakhir adalah lebih rendah daripada kadar cukai prima facie masing-masing disebabkan terutamanya oleh dividen dikecualikan cukai yang diterima daripada sebuah anak syarikat dan penggunaan peruntukan pelaburan semula.

17. Pendapatan sesaham biasa – Kumpulan

Pendapatan asas sesaham

Pengiraan perolehan asas sesaham adalah berdasarkan kepada keuntungan bersih yang boleh diagihkan kepada para pemegang saham biasa sebanyak RM182.59 juta (2001 – RM203.95 juta) dan bilangan saham biasa yang tertunggak pada tahun ini sebanyak 234.5 juta (2001 – 234.5 juta).

18. Dividen

	Kumpulan dan Syarikat	
	2002 RM'000	2001 RM'000
Interim dibayar:		
– pertama 30 sen (2001 – 30 sen) sesaham ditolak cukai	50,652	50,652
– khas 12.54 sen (2001 – Tiada) sesaham ditolak cukai	21,175	–
– khas 5.97 sen (2001 – Tiada) sesaham dikecualikan cukai	14,000	–
Pembayaran akhir bagi tahun sebelumnya:		
– 40.39 sen (2000 – 86.00 sen) sesaham ditolak cukai	68,202	145,202
– 32.84 sen (2000 – Tiada) sesaham dikecualikan cukai	77,000	–
	231,029	195,854

Dividen akhir dicadangkan bagi tahun kewangan berakhir 31 Disember 2002

Dividen akhir dicadangkan sebanyak 25 sen sesaham ditolak cukai dan 27 sen sesaham dikecualikan cukai masing-masing berjumlah RM42,210,000 dan RM63,315,000 telah tidak diambilkira di dalam penyata kewangan Kumpulan dan Syarikat pada 31 Disember 2002.

Nota-nota kepada penyata kewangan

19. Rizab boleh diagihkan

Tertakluk kepada persetujuan oleh Lembaga Hasil Dalam Negeri, Syarikat mempunyai kredit cukai Seksyen 108 yang mencukupi dan pendapatan dikecualikan cukai sebanyak RM117 juta untuk menjelaskan semua rizabnya yang boleh diagihkan pada 31 Disember 2002 jika dibayar sebagai dividen.

20. Maklumat segmen

Oleh kerana aktiviti Kumpulan adalah perkilangan, pemasaran dan penjualan produk makanan di Malaysia, maka tiada analisis mengikut segmen disediakan. Kira-kira 13% jumlah jualan dieksport kepada pelanggan yang berpangkalan di Rantau Asia Tenggara.

21. Tanggungan luarjangka – tidak bercagar

	Syarikat	
	2002 RM'000	**2001 RM'000**
Jaminan berkaitan dengan pinjaman	*300,000*	*300,000*

Litigasi

Pihak ketiga telah memfailkan saman terhadap sebuah anak syarikat milik penuh Syarikat. Kesilapan telah berlaku dalam memfailkan tuntutan ganti rugi yang timbul daripada prosiding perundangan (bagi kutipan semula hutang). Anak syarikat telah mengambil kira pandangan dua peguam di mana kedua-duanya berpendapat bahawa pendakwa tidak mempunyai asas perundangan untuk meneruskan saman tersebut. Para Pengarah tidak menjangka sebarang kerugian besar akan timbul dan tiada peruntukan dibuat di dalam penyata kewangan.

22. Pajakan operasi

Jumlah pembayaran pajakan minimum di bawah pajakan operasi tidak boleh dibatalkan adalah seperti berikut:

	Kumpulan	
	2002 RM'000	**2001 RM'000**
Kurang dari satu tahun	*18,649*	*12,222*
Antara satu hingga lima tahun	*69,563*	*67,800*
Lebih dari lima tahun	*60,603*	*53,376*
	148,815	*133,398*

Kumpulan memajak beberapa buah gudang, pejabat, rumah dan pangsapuri di bawah pajakan operasi. Pajakan tersebut lazimnya berlangsung untuk tempoh permulaan selama tiga tahun, dengan satu pajakan selama 12 tahun dengan pilihan untuk memperbaharui pajakan tersebut selama 12 tahun selepas itu. Tiada di antara pajakan tersebut yang termasuk dalam sewaan luarjangka.

23. Komitmen

	Kumpulan	
	2002 RM'000	**2001 RM'000**
Hartanah, loji dan peralatan		
Dibenarkan tetapi tidak dikontrakkan	*112,288*	*108,164*
Dikontrak tetapi tidak diambilkira di dalam penyata kewangan	*2,598*	*6,313*
	114,886	*114,477*

24. Syarikat induk

Syarikat induk adalah Nestlé S.A., sebuah syarikat yang diperbadankan di Switzerland.

25. *Pihak-pihak berkaitan*

Perhubungan pihak berkaitan yang mempunyai kawalan adalah seperti berikut:

i) Syarikat induk seperti yang dinyatakan dalam Nota 24.

ii) Anak-anak syarikatnya seperti yang dinyatakan dalam Nota 27.

Kumpulan mempunyai perhubungan pihak berkaitan dengan syarikat-syarikat berkaitan yang lain, syarikat-syarikat bersekutunya dan seorang Pengarah Syarikat.

Urusniaga dengan seorang Pengarah

Beberapa urusniaga penting dengan syarikat-syarikat di mana seorang Pengarah, Encik Jimmy Tan @ Tan Meng Kow, mempunyai kepentingan adalah seperti berikut:

	Kumpulan		**Syarikat**	
	2002 RM'000	**2001 RM'000**	**2002 RM'000**	**2001 RM'000**
Jualan	90,074	122,411	–	–

Semua urusniaga ini telah dimeterai menurut perjalanan perniagaan biasa dan telah dipersetujui mengikut syarat-syarat yang telah dirundingkan.

Jumlah yang dihutang oleh syarikat-syarikat ini berhubung dengan jualan tersebut adalah sebanyak RM5,476,000 (2001 – RM16,678,000).

Urusniaga pihak berkaitan lain

Urusniaga penting dengan pihak berkaitan lain selain daripada yang dinyatakan di bahagian lain penyata kewangan ini adalah seperti berikut:

	Kumpulan		**Syarikat**	
	2002 RM'000	**2001 RM'000**	**2002 RM'000**	**2001 RM'000**
Syarikat induk				
Perbelanjaan faedah perlu dibayar	–	–	–	–
Anak-anak syarikat				
Perbelanjaan faedah perlu dibayar	–	–	4,322	7,100
Pendapatan faedah diterima	–	–	5,707	3,623
Syarikat bersekutu				
Faedah diterima	–	–	–	–

	Kumpulan		**Syarikat**	
	2002 RM'000	**2001 RM'000**	**2002 RM'000**	**2001 RM'000**
Syarikat-syarikat bersekutu				
Pembayaran balik kos Projek GLOBE	31,981	–	–	–
Penjualan anak syarikat/perniagaan	37,000	–	16,675	–
Pembelian	902,756	566,448	–	–
Pembelian loji dan peralatan	831	4,632	–	–
Jualan	315,453	221,440	–	–
Penjualan loji dan peralatan	–	2,149	–	–
Royalti perlu dibayar	106,899	114,662	–	–

Semua urusniaga ini telah dimeterai menurut perjalanan perniagaan biasa dan telah dipersetujui mengikut syarat-syarat yang telah dirundingkan.

Nota-nota kepada penyata kewangan

26. *Instrumen kewangan*

Objektif dan dasar pengurusan risiko kewangan

Pendedahan kepada risiko kredit, kadar faedah dan matawang yang timbul dalam perjalanan biasa perniagaan Kumpulan. Oleh itu, Kumpulan menerima pakai dasar dan garis panduan bertulis pengurusan risiko yang dikeluarkan oleh syarikat induk, Nestlé S.A., yang membentangkan strategi perniagaan keseluruhan, toleransi terhadap risiko dan falsafah pengurusan risiko am. Kumpulan telah mewujudkan proses untuk memantau dan mengawal perlindungan nilai urusniaga secara menepati masa dan tepat. Semua garis panduan baru dan maklumat terkini mengenai dasar disemak secara kerap dan dipantau oleh pihak Pengurusan dan Lembaga Pengarah tempatan bagi mempastikan supaya dasar dan garis panduan tersebut dipatuhi.

Dasar perakaunan Kumpulan berhubung dengan instrumen kewangan derivatif dinyatakan dalam Nota 1(q).

Risiko kredit

Pihak pengurusan tempatan melaksanakan satu dasar kredit dan pendedahan terhadap risiko kredit untuk dipantau secara berterusan. Penilaian kredit dilakukan ke atas semua pelanggan yang memerlukan kredit melebihi jumlah tertentu dengan kuasa dan had untuk memberi kelulusan yang jelas. Semua pelanggan utama dikehendaki mempunyai sandaran dalam bentuk harta kewangan dan/atau jaminan bank.

Pada tarikh kunci kira-kira, tiada penumpuan ketara risiko kredit. Pendedahan maksimum kepada risiko kredit diwakili oleh nilai bawa setiap harta kewangan.

Risiko matawang asing

Kumpulan menanggung risiko matawang asing berhubung jualan, pembelian dan pinjaman dalam matawang selain daripada Ringgit Malaysia. Matawang-matawang yang menimbulkan risiko ini adalah terutamanya Dolar Amerika Syarikat, Swiss Francs dan Euro.

Kumpulan melindungi sekurang-kurangnya sebahagian daripada keseluruhan penerimaan perdagangan dan pembayaran perdagangan dalam matawang asing. Berikutan garis panduan yang ditetapkan oleh syarikat induk, semua kontrak pertukaran asing bagi tujuan perlindungan nilai untuk menjaga Kumpulan daripada turun naik matawang asing dan Kumpulan tidak dibenarkan berdagang selain daripada untuk tujuan perlindungan nilai.

Risiko kontrak komoditi

Kumpulan menanggung kontrak komoditi daripada penjualan dan pembelian komoditi utama seperti kopi dan koko. Kontrak yang menimbulkan peningkatan kepada risiko kontrak dan opsyen masa depan seperti ini dalam Dolar AS dan Pound Sterling British.

Kontrak komoditi kopi diurusniagakan oleh pakar berpangkalan di Nestlé Australia bagi pihak Kumpulan untuk mendapatkan keseimbangan yang sama rata sementara kontrak koko dikendalikan dalam negeri. Berikutan garis panduan yang diberikan oleh syarikat induk, semua kontrak komoditi, dilindung nilai daripada kesan turun naik harga.

Risiko kadar faedah

Kadar faedah bagi pinjaman Kumpulan adalah berasaskan kepada pinjaman asas seperti yang ditetapkan kecuali untuk pinjaman jangka sederhana dan pajakan dimana kadar faedah dikenakan.

Berikut disenaraikan penyata berkenaan dengan pendedahan kumpulan terhadap risiko kadar faedah.

Analisis kadar faedah efektif dan penentuan semula harga

		2002		
	Kadar faedah efektif %	**Jumlah RM'000**	**Dalam 1 tahun RM'000**	**1 hingga 5 tahun RM'000**
Kumpulan				
Tanggungan kewangan				
Penerimaan jurubank	2.88%	36,200	36,200	–
Kredit pusingan	3.07%	190,000	190,000	–
Kertas perdagangan	2.90%	200,000	200,000	–
Nota jangka sederhana	5.05%	100,000	50,000	50,000
Pinjaman matawang asing	1.86%	64,598	64.598	–

		2001		
	Kadar faedah efektif %	**Jumlah RM'000**	**Dalam 1 tahun RM'000**	**1 hingga 5 tahun RM'000**
Kumpulan				
Tanggungan kewangan				
Penerimaan jurubank	2.99%	99,000	99,000	–
Overdraf	7.20%	644	644	–
Kredit pusingan	3.14%	123,000	123,000	–
Kertas perdagangan	2.99%	200,000	200,000	–
Nota jangka sederhana	5.05%	100,000	–	100,000

Nilai saksama

Instrumen kewangan yang diiktiraf
Jumlah bawa berhubung dengan tunai dan bersamaan tunai, penghutang perdagangan dan penghutang lain, pemiutang perdagangan dan pemiutang lain dan pinjaman jangka pendek, untung belum direalisasi dan kerugian daripada tukaran kontrak asing dan hadapan komoditi seperti di dalam nota 7 dan 9. Jumlah dikontrakkan dan nilai saksama instrumen kewangan lain pada 31 Disember adalah seperti berikut:

	2002 Jumlah bawa RM'000	**2002 Nilai saksama RM'000**	**2001 Jumlah bawa RM'000**	**2001 Nilai saksama RM'000**
Kumpulan				
Nota jangka sederhana	100,000	101,980	100,000	102,713

Nota-nota kepada penyata kewangan

27. Anak-anak syarikat

Anak-anak syarikat yang kesemuanya diperbadankan di Malaysia, adalah seperti berikut:

Nama	**Kepentingan pemilikan efektif 2002 %**	**2001 %**	**Aktiviti utama**
Nestlé Products Sdn. Bhd.	*100*	*100*	*Pemasaran dan jualan, untuk pasaran tempatan dan eksport susu pekat manis, susu tepung dan minuman, susu cair dan jus minuman, kopi segera, gula dan produk tenusu coklat, mi segera, produk masakan, bijirin, dadih dan produk-produk yang berkaitan.*
Nestlé Foods (Malaysia) Sdn. Bhd.	*100*	*100*	*Mengilang minuman, susu cair dan jus minuman, kopi segera, produk gula dan coklat konfeksi, mi segera, produk masakan, bijirin, dadih dan produk-produk berkaitan.*
Nestlé Asean (Malaysia) Sdn. Bhd.	*95*	*95*	*Mengilang dan membungkus produk-produk masakan dan makanan berasaskan coklat.*
Nestlé Manufacturing (Malaysia) Sdn Bhd (dahulu dikenali sebagai Nestlé Cold Storage *(Malaysia) Sdn. Bhd.)*	*100*	*100*	*Mengilang dan membungkus ais krim.*
Foods Ingredients Specialities (Malaysia) Sdn. Bhd.	*–*	*100*	*Perniagaan barangan perisa dan ekstrak bagi industri makanan.*
Nestlé Cold Storage (Sabah) Sdn. Bhd.	*100**	*100**	*Tidak aktif*
SNF Sdn. Bhd.	*100~*	*100~*	*Tidak aktif*

* *Kepentingan dipegang melalui Nestlé Manufacturing (Malaysia) Sdn. Bhd.*
~ *Kepentingan dipegang melalui Nestlé Foods (Malaysia) Sdn. Bhd.*

28. Pengambilalihan dan penjualan perniagaan/anak-anak syarikat

Pada 28 Mei 2002, Kumpulan telah memperbadankan tiga buah anak syarikat milik penuh baru seperti berikut:

Nama Syarikat	**Aktiviti utama**	**Negara diperbadankan**
Purina PetCare (Malaysia) Sdn. Bhd.	*Pengedaran makanan haiwan peliharaan*	*Malaysia*
Cereals Partners (Malaysia) Sdn. Bhd.	*Pengedaran bijirin sarapan pagi*	*Malaysia*
Beverage Partners Worldwide (Malaysia) Sdn. Bhd.	*Pengedaran minuman sedia untuk diminum*	*Malaysia*

Anak-anak syarikat ini tidak disatukan kerana kawalan yang dicadangkan adalah sementara kerana ia diperbadankan dengan hasrat untuk menjual perniagaan tertentu Kumpulan pada tahun kewangan semasa. Anak-anak syarikat ini seterusnya telah dilupuskan pada 1 Julai 2002.

Perniagaan berkaitan menyumbangkan RM3.8 juta kepada keuntungan bersih yang disatukan bagi tahun berakhir 31 Disember 2001 dan RM3.4 juta bagi tempoh enam bulan berakhir 31 Disember 2002

Selain daripada penjualan yang dinyatakan di atas, pada 11 September 2002, Kumpulan telah menjual Food Ingredients Specialities (Malaysia) Sdn. Bhd. Perniagaan tersebut menyumbangkan RM1.9 juta kepada keuntungan bersih yang disatukan bagi tahun berakhir 31 Disember 2001 dan RM0.7 juta bagi tempoh lapan bulan berakhir 31 Ogos 2002.

Kesan pengambilalihan dan penjualan

Pengambilalihan dan penjualan mempunyai kesan berikut ke atas harta dan tanggungan Kumpulan pada 31 Disember 2002.

	2002 **RM'000**
Harta bukan semasa	
Hartanah, loji dan peralatan	*22*
	22
Harta semasa	*5,893*
Tanggungan semasa	*(4,144)*
Tanggungan bersih	*1,771*
Keuntungan daripada penjualan	*34,436*
Bayaran yang diterima, dijelaskan secara tunai	*36,207*
Tunai jualan	*(1,771)*
Aliran masuk tunai bersih	*34,436*

Shareholding Statistics
as at 21 February 2003

Perangkaan Pegangan Saham
pada 21 Februari 2003

Authorised Capital / *Saham dibenarkan*	:	RM 300,000,000
Issued and paid-up share capital / *Saham diterbitkan dan dibayar*	:	RM 234,500,000
Class of shares / *Kelas saham*	:	Ordinary shares of RM1.00 each / *Saham biasa RM1.00 sesaham*
No. of shareholders / *Jumlah pemegang saham*	:	3110

Substantial shareholders / *Pemegang saham utama*

Name / *Nama*	**Number of shares held / *Jumlah saham dipegang***	**%**
Nestlé S.A.	144,812,763	61.7538
Employees Provident Fund Board / *Kumpulan Wang Simpanan Pekerja*	28,966,000	12.3522
Lembaga Tabung Haji	10,082,154	4.2994

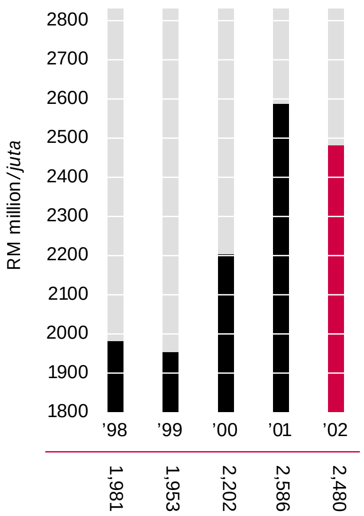
30 Largest Shareholders / 30 Pemegang Saham Terbesar

Name / *Nama*	**Number of shares held / *Jumlah saham dipegang***	**%**
Nestlé S.A.	144,812,763	61.7538
Employees Provident Fund Board	28,966,000	12.3522
Lembaga Tabung Haji	10,082,154	4.2994
Amanah Raya Nominees (T) Sdn Bhd – Amanah Saham Malaysia	4,606,000	1.9642
HSBC Nominees (Asing) Sdn Bhd – Emerging Markets Growth Fund	3,470,000	1.4797
MIDF Sisma Nominees (T) Sdn Bhd – Pledged Securities Account For Nestlé Products Sdn Bhd	2,081,826	0.8878
Malaysia Nominees (T) Sdn Bhd – Great Eastern Life Assurance (M) Bhd (Par 1)	1,860,710	0.7935
Amanah Raya Nominees (T) Sdn Bhd – Skim Amanah Saham Bumiputera	1,825,000	0.7782
Lembaga Tabung Haji	1,630,000	0.6951
Amanah Raya Nominees (T) Sdn Bhd – Public Growth Fund	919,000	0.3919
Citicorp Nominees (A) Sdn Bhd – CBHK For Kuwait Investment Authority (Fund 203)	850,000	0.3625
Cartaban Nominees (A) Sdn Bhd – State Street London Fund HKIN For Stiching Philips Pension Funds	800,000	0.3412
HSBC Nominees (A) Sdn Bhd – Capital International Emerging Markets Investment Fund	694,000	0.2959
Amanah Raya Nominees (T) Sdn Bhd – Amanah Saham Didik	690,000	0.2942
Malaysia National Insurance Berhad	687,000	0.2930
Soon Cheong (Malaya) Sdn Bhd	646,698	0.2758
AM Nominees (T) Sdn Bhd – Pertubuhan Keselamatan Sosial	635,000	0.2708
Citicorp Nominees (T) Sdn Bhd – Prudential Assurance Malaysia Berhad (Par Fund)	573,000	0.2443
Kwang Teow Sang Sdn Bhd	560,700	0.2391
Amanah Raya Nominees (T) Sdn Bhd – Public Index Fund	553,000	0.2358
Public Nominees (T) Sdn Bhd – Pledged Securities Account For Mohamed Fauzy Bin Abdul Hamid (Dua)	445,000	0.1898
Mayban Nominees (T) Sdn Bhd – Mayban Trustees Berhad For Public Regular Savings Fund (N14011940100)	435,000	0.1855
Kuok Foundation Berhad	427,000	0.1821
Amanah Raya Nominees (T) Sdn Bhd – Public Savings Fund	410,000	0.1748
Cartaban Nominees (T) Sdn Bhd – Amanah SSCM Nominees (T) Sdn Bhd For Nestlé Malaysia Group Retirement Scheme (JF268)	400,000	0.1706
MIDF Sisma Nominees (T) Sdn Bhd – Pledged Securities Account For Nestlé (M) Group Retirement Scheme (CTS- NGR0001)	390,000	0.1663
Citicorp Nominees (T) Sdn Bhd – Ing Insurance Berhad (IINV-IL PAR)	372,000	0.1586
Cartaban Nominees (A) Sdn Bhd – Boston Safe Deposit And Trust Company For Canadian National Railways Pension Trust Fund	366,000	0.1561
Batu Pahat Seng Huat Sdn Bhd	363,985	0.1552
Citicorp Nominees (A) Sdn Bhd – CB LDN For Stichting Shelf Pension Fund	300,000	0.1279

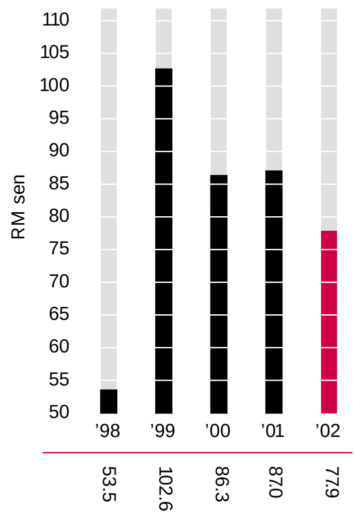
Size of Holdings / *Saiz Pegangan*	**No of Shareholders / Depositors / *Bil Pemegang Saham / Pendeposit***	**% of Shareholders / Depositors / *% Pemegang Saham / Pendeposit***	**No of Shares Held / *Bil Saham dipegang***	**% of Issued Capital / *% Modal Diterbit***
1 – 999	199	6.3987	27,047	0.0115
1000 – 10,000	2534	81.4791	5,193,711	2.2148
10,001 – 100,000	301	9.6784	10,005,076	4.2666
100,001 – 11,724,999	74	2.3794	45,495,403	19.4010
11,725,000 and above	2	0.0643	173,778,763	74.1061
Total / *Jumlah*	3110	100.0000	234,500,000	100.0000

Financial Performance / *Prestasi Kewangan*

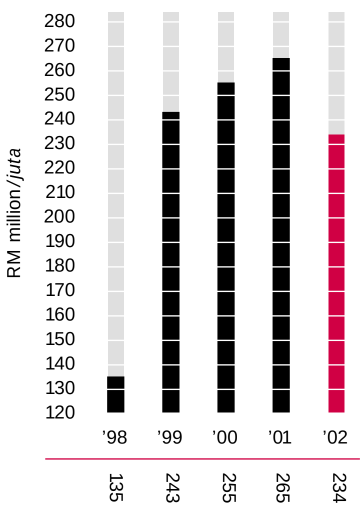
Turnover / *Jumlah Jualan*



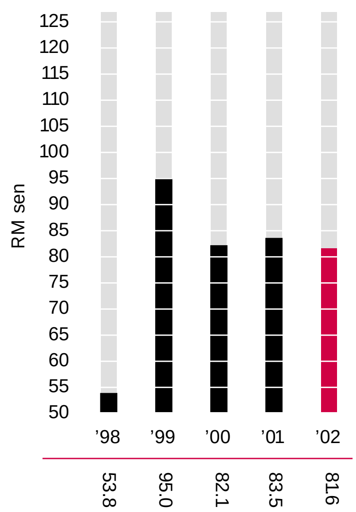
Earnings Pershare / *Perolehan Sesaham*



Pre-Tax Profit / *Untung Sebelum Cukai*



Net Dividend Per Share / *Dividen Bersih Sesaham*



Other Information / *Lain-Lain Maklumat*

Financial Calendar / *Kalendar Kewangan*

Results / *Keputusan*

Interim / *Pertengahan*	– announced / *diumumkan*	– 21 August 2002 / *21 Ogos* 2002
Preliminary / *Pendahuluan*	– announced / *diumumkan*	– 27 February 2003 / 27 *Februari* 2003

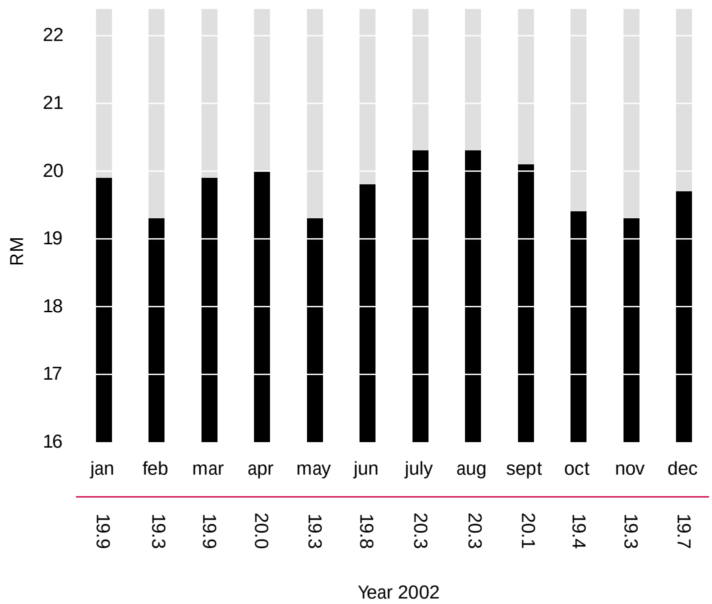
Dividends / *Dividen*

Interim / *Interim*	– record date / *tarikh penentuan daftar*	– 5 September 2002 / *5 September 2002*
	– paid / *dibayar*	– 19 September 2002 / *19 September 2002*
Special Dividends / *Dividen Khas*	– record date	– 7 October 2002 / *7 Oktober 2002*
	– payable	– 21 October 2002 / *21 Oktober 2002*
Final (proposed) / *Akhir (dicadangkan)*	– record date / *tarikh penentuan daftar*	– 25 April 2003 / *25 April 2003*
	– payable / *bayaran*	– 13 May 2003 / *13 Mei* 2003
Annual General Meeting / *Mesyuarat Agung Tahunan*		– 23 April 2003 / *23 April 2003*

Share Prices (K.L.S.E.) / *Harga Saham (B.S.K.L.)*

	Calendar Year / *Tahun Kalendar* 2002	2001
Based on month-end closing price / *Berdasarkan harga tutup akhir bulan*		
Highest / *Tertinggi* – RM	20.30	21.00
Lowest / *Terendah* – RM	19.30	19.70

Share Prices (K.L.S.E.) – Close / *Harga Saham (B.S.K.L.) – Tutup*



List Of Properties Held
at 31 December 2002

Senarai Harta-Harta
pada 31 Disember 2002

NESTLÉ FOODS (MALAYSIA) SDN. BHD.

Location / *Lokasi*	**Tenure /** *Hakmilik*	**Age* /** *Usia**	**Expiry Date /** *Tarikh Tamat*	**Size (sq. ft.) /** *Saiz (kps)*	**Description /** *Jenis*	**Net Book Value /** *Nilai Buku Bersih* **RM'000**
1. No. 25 Jalan Tandang 46050 Petaling Jaya Selangor	Leasehold / *Pajak*	42	Q.T. (R) 2619 4.9.2058 Q.T. (R) 5281 12.6.2059	541,887	Factory / *Kilang*	20,535
2. Lot No. 3 Jalan Pelaya 15/1 40700 Shah Alam Selangor	Leasehold / *Pajak*	32	10.6.2070	109,300	Factory / *Kilang*	2,420
3. Lot No. 5 Jalan Pelaya 15/1 40700 Shah Alam Selangor	Leasehold / *Pajak*	29	H.S. (D) 97 H.S. (D) 159 7.11.2072	672,500	Factory / *Kilang*	7,839
4. Lot No. 6 Pesiaran Raja Muda 40700 Shah Alam Selangor	Leasehold / *Pajak*	33	29.1.2070	396,500	Factory & warehouse / *Kilang & gudang*	13,701
5. Lot Nos. 691-696 Mukim Chembong Daerah Rembau Negeri Sembilan	Leasehold / *Pajak*	11	27.6.2049	1,439,309.5	Factory / *Kilang*	3,920
6. Lot Nos. 3863-3866 and Lot Nos. 687-690 Mukim Chembong Daerah Rembau Negeri Sembilan	Leasehold / *Pajak*	11	27.6.2049		Factory / *Kilang*	
7. Lot No. 844, Block 7 Muara Tebas Land District Sejingkat Industrial Estate Kuching, Sarawak	Leasehold / *Pajak*	11	19.10.2053	274,050	Factory / *Kilang*	429
8. Plot 46 Bemban Industrial Park Batu Gajah Perak	Leasehold / *Pajak*	5	30.9.2056	1,694,923	Vacant land / *Tanah kosong*	7,667

NESTLÉ MANUFACTURING (MALAYSIA) SDN BHD

Location / *Lokasi*	**Tenure /** *Hakmilik*	**Age* /** *Usia**	**Expiry Date /** *Tarikh Tamat*	**Size (sq. ft.) /** *Saiz (kps)*	**Description /** *Jenis*	**Net Book Value /** *Nilai Buku Bersih* **RM'000**
1. Lot Nos. 3857-3862 Jalan Perusahaan 4, Kawasan Perindustrian Chembong, Chembong, Rembau, Negeri Sembilan	Leasehold / *Pajak*	11	27.6.2049	360,258	Factory / *Kilang*	1,823
2. Lot 915, Block 7 Muara Tebas Land District Demak Laut Industrial Park, Kuching, Sarawak	Leasehold / *Pajak*	8	13.10.2054	184,912	Factory / *Kilang*	814

* Approximation of age of property in years.
* *Penganggaran usia harta dalam tahun.*

Proxy Form / *Borang Perwakilan*

No. of shares held Jumlah saham yang dipegang

NESTLÉ (MALAYSIA) BERHAD (110925-W)
(Incorporated in Malaysia)/*(Diperbadankan di Malaysia)*

I/We /*Saya/Kami* ____
of /*yang beralamat di* ____
being a member of NESTLÉ (MALAYSIA) BERHAD, hereby appoint /*Sebagai ahli NESTLÉ (MALAYSIA) BERHAD, dengan ini melantik* ________________

____
of /*yang beralamat di* ____
or failing him /*dan sekiranya gagal beliau* ____
of /*yang beralamat di* ____
as my/our proxy to vote for me/us on my/our behalf at the 19th (Nineteenth) Annual General Meeting of the Company to be held at Kristal Ballroom, Hilton Petaling Jaya on Monday, 23 April 2003 at 10.30 a.m. and at any adjournment thereof in respect of my/our shareholding in the manner indicated below /*menjadi wakil saya/kami untuk mengundi bagi pihak saya/kami di Mesyuarat Agung Tahunan Ke-19 (Kesembilan Belas) yang akan diadakan di Kristal Ballroom, Hilton Petaling Jaya pada hari Isnin, 23 April 2003 pada 10.30 pagi atau di mana-mana mesyuarat yang ditangguhkan selepas itu berhubung dengan pemegangan saham saya/kami seperti dinyatakan di bawah:*

No.	Resolution / *Resolusi*	For	Against
1	Adoption of Audited Financial Statements for the year ended 31 December 2002 together with the Directors 'and Auditors' Reports /*Penerimapakaian Penyata Kewangan Teraudit bagi tahun berakhir 31 Disember 2002 bersama dengan Laporan Pengarah dan Juruaudit di atasnya*		
2	Approval of Directors' Fees / *Meluluskan bayaran yuran Pengarah-Pengarah*		
3	Re-election of General (R) Tan Sri Dato' Mohd Ghazali Seth as Director / *Melantik semula Jeneral (B) Tan Sri Dato' Mohd Ghazali Seth sebagai Pengarah*		
4	Re-election of Mr. Jimmy Tan @ Tan Meng Kow as Director / *Melantik semula En. Jimmy Tan @ Tan Meng Kow sebagai Pengarah*		
5	Re-election of Mr. Michael W. Garrett as Director / *Melantik semula En. Michael W. Garrett sebagai Pengarah*		
6	Approval of Final Dividend /*Kelulusan Dividen Akhir*		
7	Re-appointment of Auditors /*Melantik semula Juruaudit-juruaudit*		
8	Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature as set out under Section 2.3 (i) of the Circular to Shareholders dated 31 March 2003 /*Cadangan Pembaharuan Semula Mandat Pemegang Saham untuk Urusniaga Pihak Berkait yang Berulang bagi Pendapatan atau sifat Perdagangan sebagaimana diterangkan di bawah Seksyen 2.3 (i) Pekeliling kepada Pemegang-pemegang Saham bertarikh 31 Mac 2003.*		
9	Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature as set out under Section 2.3 (ii), (iii) and (iv) of the Circular to Shareholders dated 31 March 2003 / *Cadangan Pembaharuan Semula Mandat Pemegang Saham untuk Urusniaga Pihak Berkait yang Berulang bagi Pendapatan atau sifat Perdagangan sebagaimana diterangkan di bawah Seksyen 2.3 (i) Pekeliling kepada Pemegang-pemegang Saham bertarikh 31 Mac 2003. / Cadangan Pembaharuan Semula Mandat Pemegang Saham untuk Urusniaga Pihak Berkait yang Berulang bagi Pendapatan atau sifat Perdagangan sebagaimana diterangkan di bawah Seksyen 2.3 (ii), (iii) dan (iv) Pekeliling kepada Pemegang-pemegang Saham bertarikh 31 Mac 2003.*		

(Please indicate with an "X" in the spaces provided whether you wish your votes to be cast for or against the resolutions. In the absence of specific directions, your proxy will vote or abstain as he thinks fit.)

(Sila nyatakan dengan memangkah "X" pada ruang yang disediakan sama ada anda ingin undian anda dikira untuk menerima atau menolak resolusi ini. Dengan ketiadaan arahan tertentu, wakil anda akan mengundi atau menahan diri yang difikirkannya wajar.)

Dated this /*Bertarikh* ___________ day of /*haribulan* ______________ 2003
Witness by /*Disaksikan oleh* : ____________________________________
Signature /*Tandatangan* : ____________________________________
Address /*Alamat* : ____________________________________
Occupation /*Pekerjaan* : ____________________________________

____
Signature/*Tandatangan*:
of Shareholder or Common Seal /
Pemegang Saham Tunggal atau Meterai

Notes:
1. A member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy or proxies to attend and vote on his behalf. Such proxy need not be a member of the Company.
2. For a proxy form to be valid, it must be deposited at the Share Registrar of the Company at Tenaga Koperat Sdn. Bhd., 20th Floor, Plaza Permata, Jalan Kampar, Off Jalan Tun Razak, 50400 Kuala Lumpur, not less than 48 (forty eight) hours before the time appointed for the Meeting or any adjournment thereof.
3. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing or, if the appointer is a corporation, under its common seal or under the hand of a duly authorised officer or attorney.

Nota:
1. *Ahli Syarikat yang layak menghadiri dan mengundi dalam Mesyuarat di atas berhak melantik proksi untuk menghadiri dan mengundi bagi pihaknya. Proksi tersebut tidak semestinya ahli Syarikat.*
2. *Bagi pengesahan borang proksi, ia mesti dihantar ke Pendaftar Saham Syarikat di Tenaga Koperat Sdn. Bhd., Tingkat 20, Plaza Permata, Jalan Kampar, Off Jalan Tun Razak, 50400 Kuala Lumpur, tidak kurang daripada 48 jam sebelum masa Mesyuarat itu ditetapkan atau penangguhannya.*
3. *Suratcara melantik proksi mestilah dilakukan secara bertulis oleh pelantik atau peguamnya yang memberi kuasa secara bertulis atau, jika pelantik merupakan sebuah perbadanan, hendaklah disempurnakan dengan meterai atau ditandatangani oleh seorang pegawai atau wakil berkuasa.*

Please fold here to seal / *Sila lipat di sini untuk digam*

Please fold here to seal / *Sila lipat di sini untuk digam*

Affix
postage stamp /
Tampalkan
setem

Tenaga Koperat Sdn. Bhd.,
20th Floor, Plaza Permata,
Jalan Kampar,
Off Jalan Tun Razak,
50400 Kuala Lumpur.

Please fold here to seal / *Sila lipat di sini untuk digam*