Corporate Information *Maklumat Korporat*

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Corporate Information *Maklumat Korporat*

Board of Directors / *Lembaga Pengarah*

Directors / *Pengarah-pengarah*

- Gen (Rtd) Tan Sri Dato' Mohd Ghazali Seth
  (Chairman / *Pengerusi*)
- Tan Sri Dato' Ernest Zulliger
- YM Tengku Tan Sri Dr. Mahaleel bin Tengku Ariff
- YAM Dato' Seri Syed Anwar Jamalullail
- Mr. Jimmy Tan @ Tan Meng Kow
- Mr. Michael W. Garrett
- Mr. Sullivan Joseph O'Carroll
  (Appointed on / *Dilantik pada* 1 July 2003)
- Mr. José Lopez Y Vargas
  (Resigned on / *Meletak Jawatan pada* 30 June 2003)
- Mr. Stéphane Nicolas Alby
  (Appointed on / *Dilantik pada* 27 February 2004)
- Mr. Pierre Francois Streit
  (Resigned on / *Meletak Jawatan pada* 27 February 2004)
- Mr. Faïçal Krichane
  (Alternate Director to Mr. Michael W. Garrett /
  Pengarah Silih Ganti kepada En. Michael W. Garrett)

Registered Office / *Pejabat Berdaftar*

Nestlé House
No. 4, Lorong Pesiaran Barat, 46200 Petaling Jaya,
Selangor Darul Ehsan, Malaysia
Telephone: 603–7965 6000
Facsimile: 603–7965 6767
Website: www.nestle.com.my

Company Secretary / *Setiausaha Syarikat*

Mohd Shah bin Hashim (LS 6824)

Share Registrar / *Pendaftar Saham*

Tenaga Koperat Sdn. Bhd.
20th Floor, Plaza Permata, Jalan Kampar,
Off Jalan Tun Razak, 50400 Kuala Lumpur, Malaysia
Telephone: 603–4041 6522
Facsimile: 603–4042 6352

Auditors / *Juruaudit*

KPMG (Firm No. AF 0758)
Chartered Accountants / *Akauntan Berkanun*
Wisma KPMG, Jalan Dungun, Damansara Heights,
50490 Kuala Lumpur, Malaysia
Telephone: 603–2095 3388
Facsimile: 603–2095 0971

Principal Bankers / *Bank-bank Utama*

Malayan Banking Berhad
Citibank Berhad
Standard Chartered Bank Berhad

Stock Exchange Listing / *Penyenaraian Bursa Saham*

The Main Board, Malaysia Securities Exchange Berhad /
Papan Utama, Bursa Saham Sekuriti Malaysia Berhad

Audit Committee / *Jawatankuasa Audit*

- Gen (Rtd) Tan Sri Dato' Mohd Ghazali Seth
  Chairman / *Pengerusi*
- Tan Sri Dato' Ernest Zulliger
- YM Tengku Tan Sri Dr. Mahaleel bin Tengku Ariff
- YAM Dato' Seri Syed Anwar Jamalullail
- Mr. Stéphane Nicolas Alby
  (Appointed on / *Dilantik pada* 27 February 2004)
- Mr. Pierre Francois Streit
  (Resigned on / *Meletak Jawatan pada* 27 February 2004)

Management Team / *Pasukan Pengurusan*

- Mr. Sullivan Joseph O'Carroll
  Managing Director / *Pengarah Urusan*
- Mr. Stéphane Nicolas Alby
  (Appointed on / *Dilantik pada* 27 February 2004)
  Executive Director, Finance & Control /
  Pengarah Eksekutif, Kewangan & Kawalan
- Mr. Pierre Francois Streit
  (Resigned on / *Meletak Jawatan pada* 27 February 2004)
  Executive Director, Finance & Control /
  Pengarah Eksekutif, Kewangan & Kawalan
- Mr. Faïçal Krichane
  Executive Director, Production / *Pengarah Eksekutif, Pengeluaran*
- En. Abdul Wahab bin Abu Bakar
  Human Resource Director / *Pengarah Sumber Manusia*
- En. Ariffin Buranudeen
  Supply Chain Director / *Pengarah, Rangkaian Bekalan*
- Mr. Ganesan R. Ampalavanar
  Sales Director / *Pengarah Jualan*
- Mr. Ian James Donald
  Director, Ice Cream, Chilled Products & Associated Businesses /
  Pengarah, Ais Krim, Produk Sejuk & Perniagaan yang Berkaitan

Management Team *Pasukan Pengurusan*

FROM LEFT / *DARI KIRI.*

En. Abdul Wahab bin Abu Bakar
Mr. Sullivan Joseph O'Carroll
Mr. Pierre Francois Streit
En. Ariffin Buranudeen
Mr. Faïçal Krichane
Mr. Ian James Donald
Mr. Stéphane Nicolas Alby
Mr. Ganesan R. Ampalavanar

Profile of Board of Directors *Profil Ahli Lembaga Pengarah*

Gen (Rtd) Tan Sri Dato' Mohd Ghazali Seth

Age 75. Malaysian. Independent, Non-Executive Director and Chairman and also Chairman of the Audit Committee.

Berusia 75 tahun. Rakyat Malaysia. Pengerusi dan Pengarah Bebas Bukan Eksekutif dan juga Pengerusi Jawatankuasa Audit.

General (Rtd) Tan Sri Dato' Mohd Ghazali Seth is a retired General in the Malaysian Armed Forces after having served with distinction for nearly 36 years. Appointed to the Board in January 1986 and was elected Chairman since then. Attended all five Board meetings in the financial year 2003. Also serves as Director of Magnum Corporation Berhad, Carlsberg Brewery Malaysia Berhad and ABN-AMRO Bank Berhad. No conflict of interest with the Company and has no family relationship with any other director and/or major shareholder of the Company, nor any personal interest in any business arrangement involving the Company. Has not been convicted for offences within the past ten years other than for traffic offences, if any.

Jeneral (B) Tan Sri Dato' Mohd Ghazali Seth merupakan seorang Jeneral bersara selepas berkhidmat dengan cemerlang selama hampir 36 tahun dalam Angkatan Tentera Malaysia. Beliau telah dilantik menjadi Ahli Lembaga sejak bulan Januari 1986 dan sejak itu juga telah dilantik sebagai Pengerusi. Beliau telah menghadiri kelima-lima mesyuarat Lembaga Pengarah dalam tahun kewangan 2003. Beliau juga berkhidmat sebagai Pengarah Magnum Corporation Berhad, Carlsberg Brewery Malaysia Berhad dan ABN-AMRO Bank Berhad. Beliau tidak mempunyai sebarang konflik kepentingan dengan Syarikat dan tidak mempunyai sebarang pertalian kekeluargaan dengan lain-lain pengarah dan/atau pemegang saham utama dalam Syarikat, atau mempunyai kepentingan sendiri dalam mana-mana urusan perniagaan yang melibatkan Syarikat. Tidak pernah disabitkan sebarang kesalahan selain kesalahan trafik, jika ada, dalam tempoh 10 tahun yang lalu.

Mr. Sullivan Joseph O'Carroll is a graduate in psychology from the University of South Africa. He has been with the Nestlé group for the last 30 years and is currently the Managing Director of the Company. He joined Nestlé in 1973 as a Merchandising Trainee in South Africa. Within 7 years, he was transferred to Randburg as the Group Product Manager for the Instant Drinks business and was appointed as the Marketing & Sales Manager for the Confectionery business in 1985. He held various other senior positions in other Nestlé markets prior to his appointment in Malaysia. He was appointed to the Board on 1 July 2003. Attended both Board meetings held since his appointment. He has no family relationship with any other director and/or major shareholder of the Company; nor any personal interest in any business arrangement involving the Company. He has not been convicted for any offences within the past ten years other than for traffic offences, if any.

En. Sullivan Joseph O'Carroll merupakan seorang lulusan psikologi daripada University of South Africa. Beliau telah berkhidmat dengan kumpulan Nestlé selama 30 tahun dan kini bertugas sebagai Pengarah Urusan Syarikat. Beliau menyertai Nestlé pada tahun 1973 sebagai Pelatih Barang Dagangan di Afrika Selatan. Dalam tempoh tujuh tahun, beliau telah ditukarkan ke Randburg sebagai Pengurus Kumpulan untuk perniagaan Minuman dan telah dilantik menjadi Pengurus Pemasaran dan Jualan untuk perniagaan Konfeksi pada tahun 1985. Sebelum perlantikannya di Malaysia, beliau telah menjawat pelbagai jawatan kanan di lain-lain pasaran Nestlé. Beliau telah dilantik sebagai Ahli Lembaga pada 1 Julai 2003 dan telah menghadiri kedua-dua mesyuarat Lembaga Pengarah yang diadakan selepas perlantikannya. Beliau tidak mempunyai sebarang pertalian kekeluargaan dengan lain-lain pengarah dan/atau pemegang saham utama dalam Syarikat atau mempunyai kepentingan sendiri dalam mana-mana urusan perniagaan yang melibatkan Syarikat. Beliau juga tidak pernah disabitkan sebarang kesalahan selain kesalahan trafik, jika ada, dalam tempoh 10 tahun yang lalu.

Mr. Sullivan Joseph O'Carroll

Age 54. South African. Managing Director.

Berusia 54 tahun. Rakyat Afrika Selatan. Pengarah Urusan.

Tan Sri Dato' Ernest Zulliger

Age 71. Swiss. Independent, Non-Executive Director and a Member of the Audit Committee.

Berusia 71 tahun. Rakyat Switzerland. Pengarah Bebas Bukan Eksekutif dan Ahli Jawatankuasa Audit.

Tan Sri Dato' Ernest Zulliger has had an illustrious career with the worldwide Nestlé group of companies, which spanned 37 years. The last position he held before his retirement was as Managing Director of Nestlé Malaysia. Appointed to the Board since November 1983. Attended four out of five board meetings in the financial year 2003. He studied Commerce and Business Administration in Switzerland and attended the International Management School IMD in Lausanne. Also serves as Director of Bumiputra-Commerce Bank Berhad. No conflict of interest with the Company and has no family relationship with any other director and/or major shareholder of the Company, nor any personal interest in any business arrangement involving the Company. Has not been convicted for offences within the past ten years other than for traffic offences, if any.

Tan Sri Dato' Ernest Zulliger mempunyai kerjaya yang cukup cemerlang, merangkumi 37 tahun, dengan kumpulan Nestlé di seluruh dunia. Jawatan terakhir yang dipegang oleh beliau sebelum bersara adalah sebagai Pengarah Urusan, Nestlé Malaysia. Beliau telah dilantik menjadi Ahli Lembaga sejak bulan November 1983 dan telah menghadiri empat daripada lima mesyuarat Lembaga Pengarah dalam tahun kewangan 2003. Beliau mengambil jurusan Pentadbiran Perdagangan dan Perniagaan di Switzerland serta menghadiri International Management School IMD di Lausanne. Tan Sri Dato' Ernest Zulliger juga berkhidmat sebagai Pengarah Bumiputra-Commerce Bank Berhad. Beliau tidak mempunyai sebarang konflik kepentingan dengan Syarikat dan tidak mempunyai sebarang pertalian kekeluargaan dengan lain-lain pengarah dan/atau pemegang saham utama dalam Syarikat, atau mempunyai kepentingan sendiri dalam mana-mana urusan perniagaan yang melibatkan Syarikat. Tidak pernah disabitkan sebarang kesalahan selain kesalahan trafik, jika ada, dalam tempoh 10 tahun yang lalu.

Mr. Pierre Francois Streit is the Executive Director, Finance & Control of the Company. He joined Nestlé Switzerland as Internal Auditor in 1978 and has held senior positions in the area of Finance & Control in various Nestlé operations around the world including Brazil, USA, Switzerland, Philippines and as Head of Finance & Control, Nestlé Australia/Oceania prior to his transfer to Malaysia. He is a graduate from the School of Economics, University of Lausanne. Appointed to the Board on August 2001. Attended all five Board meetings in the financial year 2003. No conflict of interest with the Company and has no family relationship with any other director and/or major shareholder of the Company, nor any personal interest in any business arrangement involving the Company. Has not been convicted for offences within the past ten years other than for traffic offences, if any.

En. Pierre Francois Streit merupakan Pengarah Eksekutif, Kewangan dan Kawalan Syarikat. Beliau menyertai Nestlé Switzerland sebagai Juruaudit Dalaman pada tahun 1978 dan telah memegang pelbagai jawatan kanan dalam bahagian Kewangan dan Kawalan di beberapa buah operasi Nestlé di seluruh dunia termasuk Brazil, Amerika Syarikat, Switzerland, Filipina dan sebagai Ketua Kewangan dan Kawalan, Nestlé Australia/Oceania sebelum ditukarkan ke Malaysia. Beliau merupakan lulusan School of Economics, University of Lausanne dan telah dilantik menjadi Ahli Lembaga sejak bulan Ogos 2001. Beliau telah menghadiri kelima-lima mesyuarat Lembaga Pengarah yang diadakan dalam tahun kewangan 2003. Beliau tidak mempunyai sebarang konflik kepentingan dengan Syarikat dan tidak mempunyai sebarang pertalian kekeluargaan dengan lain-lain pengarah dan/atau pemegang saham utama dalam Syarikat, atau mempunyai kepentingan sendiri dalam mana-mana urusan perniagaan yang melibatkan Syarikat. Tidak pernah disabitkan sebarang kesalahan selain kesalahan trafik, jika ada, dalam tempoh 10 tahun yang lalu.

Mr. Pierre Francois Streit

Age 50. Swiss. Executive Director and a Member of the Audit Committee. (Resigned on 27 February 2004)

Berusia 50 tahun. Rakyat Switzerland. Pengarah Eksekutif dan Ahli Jawatankuasa Audit. (Meletak jawatan pada 27 Februari 2004)

Profile of Board of Directors *Profil Ahli Lembaga Pengarah*

Mr. Stéphane Nicolas Alby

Age 39. French. Executive Director and a Member of the Audit Committee. (Appointed on 27 February 2004)

Berusia 39 tahun. Rakyat Perancis. Pengarah Eksekutif dan Ahli Jawatankuasa Audit. (Dilantik pada 27 Februari 2004)

Mr. Stéphane Nicolas Alby was appointed to the Board and as the Executive Director, Finance & Control of the Company on 27 February 2004. He joined Nestlé France as an Auditor in 1989. He was then appointed as a Treasurer of Nestlé Capital Corporation in United States of America in 1997. He was appointed as the Deputy Treasurer of the Nestlé Group in 1999. Prior to his transfer to Malaysia, he was Corporate Controller of Nestlé S.A. in Vevey, Switzerland, in charge of Strategic Business Units. He is a graduate with the "Institut D'Etudes Politiques of Paris" in Economics and Finance. He also has a Masters Degree in law from the University of Paris and is a Graduate of the Anderson School at UCLA (USA), also of the IMD Business School in Lausanne, Switzerland. He has no family relationship with any other director and/or major shareholder of the Company; nor any personal interest in any business arrangement involving the Company. He has not been convicted for any offences within the past ten years other than traffic offences, if any.

En. Stéphane Nicolas Alby telah dilantik menjadi Ahli Lembaga dan sebagai Pengarah Eksekutif, Kewangan dan Kawalan Syarikat pada 27 Februari 2004. Beliau telah menyertai Nestlé Perancis sebagai Juruaudit pada tahun 1989. Kemudian, beliau telah dilantik sebagai Bendahari Nestlé Capital Corporation di Amerika Syarikat pada tahun 1997 dan pada tahun 1999, dilantik sebagai Timbalan Bendahari Kumpulan Nestlé. Sebelum ditukarkan ke Malaysia, beliau bertugas sebagai Pengawal Korporat, yang bertanggungjawab terhadap Unit Strategi Perniagaan di Nestlé S.A., Vevey, Switzerland. En. Stéphane Nicolas Alby merupakan lulusan "Institut D'Etudes Politiques of Paris" dalam jurusan Ekonomi dan Kewangan. Beliau juga memiliki Ijazah Sarjana Undang-Undang daripada University of Paris dan merupakan lulusan Anderson School di UCLA (AS), serta IMD Business School di Lausanne, Switzerland. Beliau tidak mempunyai sebarang pertalian kekeluargaan dengan lain-lain pengarah dan/atau pemegang saham utama dalam Syarikat; atau mempunyai kepentingan sendiri dalam mana-mana urusan perniagaan yang melibatkan Syarikat. Beliau juga tidak pernah disabitkan sebarang kesalahan selain kesalahan trafik, jika ada, dalam tempoh 10 tahun yang lalu.

Mr. Jimmy Tan @ Tan Meng Kow is a graduate of Business Studies from Trinity College, Dublin University, Ireland. Appointed to the Board since May 1993. Attended all five Board meetings in the financial year 2003. Also serves as Director of Kwang Teow Sang Sdn Bhd, Kian Nam Sdn Bhd and Sri Sakti Sdn Bhd, which are the Long Term Distributors of the Company. In any event, these companies carry on business with the Company upon the same terms as any other Long Term Distributors and the position of Mr. Jimmy Tan @ Tan Meng Kow in these companies does not lead into any conflict situation. No conflict of interest with the Company and has no family relationship with any other director and/or major shareholder of the Company, nor any personal interest in any business arrangement involving the Company. Has never been convicted for offences within the past ten years other than for traffic offences, if any.

En. Jimmy Tan @ Tan Meng Kow merupakan lulusan Kajian Perniagaan daripada Trinity College, Dublin University, Ireland. Beliau telah dilantik menjadi Ahli Lembaga sejak bulan Mei 1993 dan telah menghadiri kelima-lima mesyuarat Lembaga Pengarah dalam tahun kewangan 2003. Beliau juga turut berkhidmat sebagai Pengarah Kwang Teow Sang Sdn Bhd, Kian Nam Sdn Bhd dan Sri Sakti Sdn Bhd, iaitu syarikat-syarikat Pengedar Jangka Panjang untuk Syarikat. Walau bagaimanapun, syarikat-syarikat ini menjalankan urus niaga dengan Syarikat dengan syarat yang sama seperti lain-lain syarikat Pengedar Jangka Panjang dan kedudukan En. Jimmy Tan @ Tan Meng Kow dalam syarikat-syarikat ini tidak membawa kepada sebarang konflik. Beliau tidak mempunyai sebarang konflik kepentingan dengan Syarikat dan tidak mempunyai sebarang pertalian kekeluargaan dengan lain-lain pengarah dan/atau pemegang saham utama dalam Syarikat, atau mempunyai kepentingan sendiri dalam mana-mana urusan perniagaan yang melibatkan Syarikat. Tidak pernah disabitkan sebarang kesalahan selain kesalahan trafik, jika ada, dalam tempoh 10 tahun sebelum ini.

Mr. Jimmy Tan @ Tan Meng Kow

Age 60. Malaysian. Non-Independent, Non-Executive Director.

Berusia 60 tahun. Rakyat Malaysia. Pengarah Bukan Bebas, Bukan Eksekutif.

Mr. Michael W. Garrett

Age 61. Australian.
Non-Independent,
Non-Executive Director.

Berusia 61 tahun. Rakyat Australia. Pengarah Bukan Bebas, Bukan Eksekutif.

Mr. Michael W. Garrett is the Executive Vice President of Nestlé S.A., responsible for the region including Asia, Oceania, Africa and the Middle East. His career in Nestlé began in 1961 as a management trainee at Crosse & Blackwell. After two years in Vevey between 1967 and 1968 he began his first major overseas assignment in Australia. In 1974 he returned to the UK for six years heading a number of key functions including Nestlé's Confectionery business before returning to Australia, first as Marketing Director and subsequently as Managing Director of Nestlé Australia Ltd. He was assigned to Japan as Market Head from 1990 to 1993 prior to his appointment as Zone Director responsible for Asia and Oceania. In July 1996 his responsibilities were expanded to include Africa and the Middle East. He is a graduate of IMEDE Business School in Lausanne, Switzerland. Appointed to the Board since December 1992. His Alternate Director, Mr. Faïçal Krichane attended four out of five Board meetings in the financial year 2003. No conflict of interest with the Company and has no family relationship with any other director and/or major shareholder of the Company, nor any personal interest in any business arrangement involving the Company. Has not been convicted for offences within the past ten years other than for traffic offences, if any.

En. Michael W. Garrett merupakan Timbalan Presiden Eksekutif Nestlé S.A., yang bertanggungjawab terhadap rantau Asia, Oceania, Afrika dan Asia Tengah. Kerjayanya dengan Nestlé bermula pada tahun 1961 sebagai pelatih pengurusan di Crosse & Blackwell. Selepas dua tahun di Vevey, di antara tahun 1967 dan 1968, beliau telah memulakan tugasan luar negaranya yang pertama di Australia. Pada tahun 1974 beliau kembali ke United Kingdom selama enam tahun untuk mengetuai beberapa bahagian penting termasuk perniagaan Konfeksi Nestlé sebelum kembali semula ke Australia, pada mulanya sebagai Pengarah Pemasaran dan kemudiannya sebagai Pengarah Urusan Nestlé Australia Ltd. Beliau telah ditugaskan ke Jepun sebagai Ketua Pasaran dari tahun 1990 hingga tahun 1993 sebelum perlantikannya sebagai Pengarah Zon yang bertanggungjawab untuk Asia dan Oceania. Pada bulan Julai 1996 tanggungjawab beliau dikembangkan untuk merangkumi Afrika dan Asia Tengah. En. Michael W. Garrett yang merupakan seorang lulusan IMEDE Business School di Lausanne, Switzerland telah dilantik menjadi Ahli Lembaga sejak bulan Disember 1992.
En. Faïçal Krichane yang merupakan Pengarah Silih Ganti kepada beliau telah menghadiri empat daripada lima mesyuarat Lembaga Pengarah dalam tahun kewangan 2003. Beliau tidak mempunyai sebarang konflik kepentingan dengan Syarikat dan tidak mempunyai sebarang pertalian kekeluargaan dengan lain-lain pengarah dan/atau pemegang saham utama dalam Syarikat, atau mempunyai kepentingan sendiri dalam mana-mana urusan perniagaan yang melibatkan Syarikat. Tidak pernah disabitkan sebarang kesalahan selain kesalahan trafik, jika ada, dalam tempoh 10 tahun yang lalu.

Profile of Board of Directors *Profil Ahli Lembaga Pengarah*

Mr. Faïçal Krichane

Age 56. Tunisian/Swiss.
Alternate director to
Mr. Michael W. Garrett.

Berusia 56 tahun. Rakyat Tunisia/Switzerland. Pengarah silih ganti kepada En. Michael W. Garrett.

Mr. Faïçal Krichane has been with the Nestlé Group since 1978 and has accumulated a wealth of experience and expertise in the Technical area. During his time as Technical Adviser in the Strategic Business Unit at the Nestlé Headquarters in Switzerland, he designed and coordinated the implementation of a number of major Nestlé food manufacturing facilities in Pakistan, Sri Lanka, India, South Korea, Hong Kong, Morocco, Egypt and China. He was transferred to Malaysia in 1995 and is now the Executive Director, Production. He graduated in Mechanical Engineering from the Engineering Institute of Geneva, Switzerland. Appointed to the Board since November 2000 as the Alternate Director to Mr. Michael W. Garrett. Attended four out of five Board meetings in the financial year 2003. No conflict of interest with the Company and has no family relationship with any other director and/or major shareholder of the Company, nor any personal interest in any business arrangement involving the Company. Has not been convicted for offences within the past ten years other than for traffic offences, if any.

En. Faïçal Krichane telah berkhidmat dengan Kumpulan Nestlé sejak tahun 1978 dan telah mengumpul pengalaman dan kemahiran yang luas dalam bahagian teknikal. Semasa bertugas sebagai Penasihat Teknikal dalam Unit Strategi Perniagaan di Ibu Pejabat Nestlé di Switzerland, beliau telah merekabentuk dan menyelaraskan pelaksanaan beberapa buah kilang pengeluaran makanan Nestlé di Pakistan, Sri Lanka, India, Korea Selatan, Hong Kong, Maghribi, Mesir dan China. Beliau telah ditukarkan ke Malaysia pada tahun 1995 dan kini bertugas sebagai Pengarah Eksekutif Pengeluaran. Beliau merupakan lulusan Kejuruteraan Mekanikal daripada Engineering Institute of Geneva, Switzerland. Beliau telah dilantik menjadi Ahli Lembaga sejak tahun 2000 sebagai Pengarah Silih Ganti kepada En. Michael W. Garrett dan telah menghadiri empat daripada lima mesyuarat Lembaga Pengarah dalam tahun kewangan 2003. Beliau tidak mempunyai sebarang konflik kepentingan dengan Syarikat dan tidak mempunyai sebarang pertalian kekeluargaan dengan lain-lain pengarah dan/atau pemegang saham utama dalam Syarikat, atau mempunyai kepentingan sendiri dalam mana-mana urusan perniagaan yang melibatkan Syarikat. Tidak pernah disabitkan sebarang kesalahan selain kesalahan trafik, jika ada, dalam tempoh 10 tahun yang lalu.

YAM Dato' Seri Syed Anwar Jamalullail

Age 52. Malaysian.
Non-Independent, Non-Executive Director and a Member of the Audit Committee.

Berusia 52 tahun. Rakyat Malaysia. Pengarah Bukan Bebas, Bukan Eksekutif dan Ahli Jawatankuasa Audit.

YAM Dato' Seri Syed Anwar Jamalullail is a Chartered Accountant. A graduate from Macquarie University in Sydney, Australia with a Bachelor of Arts degree in Accounting, he qualified as a Chartered Accountant of the Australian Society of Certified Practising Accountants in 1984. Appointed to the Board since February 2002. Attended two out of five Board meetings in the financial year 2003. Also serves as Director of Bangkok Bank Berhad, Malaysian Resources Corporation Berhad, Sistem Televisyen Malaysia Berhad and Maxis Communication Berhad. No conflict of interest with the Company and has no family relationship with any other director and/or major shareholder of the Company, nor any personal interest in any business arrangement involving the Company. Has not been convicted for offences within the past ten years other than for traffic offences, if any.

YAM Dato' Seri Syed Anwar Jamalullail adalah seorang Akauntan Berkanun, lulusan Ijazah Sarjana Muda Sastera dalam Perakaunan daripada Macquarie University di Sydney, Australia, dan menerima tauliah sebagai Akauntan Berkanun daripada Australian Society of Certified Practising Accountants pada tahun 1984. Beliau telah dilantik sebagai Ahli Lembaga sejak bulan Februari 2002 dan telah menghadiri dua daripada lima mesyuarat Lembaga Pengarah dalam tahun kewangan 2003. Beliau juga turut berkhidmat sebagai Pengarah Bangkok Bank Berhad, Malaysian Resources Corporation Berhad, Sistem Televisyen Malaysia Berhad dan Maxis Communication Berhad. Beliau tidak mempunyai sebarang konflik kepentingan dengan Syarikat dan tidak mempunyai sebarang pertalian kekeluargaan dengan lain-lain pengarah dan/atau pemegang saham utama dalam Syarikat, atau mempunyai kepentingan sendiri dalam mana-mana urusan perniagaan yang melibatkan Syarikat. Tidak pernah disabitkan sebarang kesalahan selain kesalahan trafik, jika ada, dalam tempoh 10 tahun yang lalu.

YM Tengku Tan Sri Dr. Mahaleel bin Tengku Ariff

Age 57. Malaysian. Independent, Non-Executive Director and a Member of the Audit Committee.

Berusia 57 tahun. Rakyat Malaysia. Pengarah Bebas Bukan Eksekutif dan Ahli Jawatankuasa Audit.

YM Tengku is a graduate with a BA (HONS) from the University of Malaya in 1970 and was conferred an Honorary Doctorate in Engineering by University Teknologi Malaysia in 2001. He started his career as a Marketing Representative in Nestlé and within 3 years he was promoted to head the advertising & promotion unit in the then Kuala Lumpur Central Region. He left Nestlé to join Shell Malaysia in 1974 and held various managerial positions prior to his appointment as a director and acting Managing Director of Shell Malaysia. He joined New Toyo Group as their Group Managing Director in 1992, assisted in the restructuring of the Mofaz Group and was the founding director of Air Asia and Kuala Lumpur Airport Services prior to his joining Perusahaan Otomobil Nasional Berhad in 1996 where he is currently the Chief Executive Officer. YM Tengku sits on the London Business School Regional Advisory Board, the NEAC Committee on Globalization, National Competitiveness Council and the National Science Council. He is one of Malaysia's representatives in the APEC Business Advisory Council, a member of the Board of Directors of the Pacific Basin Economic Council Malaysia, the Chairman of the Board for University College of Engineering & Technology and is also an adjunct professor for University Utara Malaysia's School of Management. He was chosen as the "Malaysian CEO of the Year" in 1999 by the Business Times and American Express. YM Tengku Tan Sri Dr. Mahaleel bin Tengku Ariff was appointed to the Board on 30 April 2003. Attended three out of four of the Board of Directors meetings held since his appointment. YM Tengku has no family relationship with any other director and/or major shareholder of the Company; nor any personal interest in any business arrangement involving the Company. He has not been convicted for any offences within the last 10 years, other than for traffic offences, if any.

YM Tengku merupakan lulusan Ijazah Sarjana Muda (Kepujian) daripada Universiti Malaya pada tahun 1970 dan telah dianugerahkan Ijazah Doktor Kehormat dalam Kejuruteraan oleh Universiti Teknologi Malaysia pada tahun 2001. Beliau memulakan kerjaya sebagai Wakil Pemasaran di Nestlé dan dalam tempoh tiga tahun telah dinaikkan pangkat untuk mengetuai unit periklanan dan promosi di Pusat Serantau Kuala Lumpur pada masa itu. Beliau meninggalkan Nestlé untuk menyertai Shell Malaysia pada tahun 1974 dan telah memegang pelbagai jawatan pengurusan sebelum dilantik sebagai pengarah dan pemangku Pengarah Urusan Shell Malaysia. Beliau menyertai Kumpulan New Toyo sebagai Pengarah Urusan Kumpulan pada tahun 1992, membantu dalam penstrukturan semula Kumpulan Mofaz dan merupakan pengasas Air Asia dan Perkhidmatan Lapangan Terbang Kuala Lumpur sebelum menyertai Perusahaan Otomobil Nasional Berhad pada tahun 1996 di mana beliau kini merupakan Ketua Pegawai Eksekutif. YM Tengku menjadi ahli Lembaga Penasihat Serantau London Business School, Jawatankuasa NEAC tentang Globalisasi, Majlis Persaingan Kebangsaan dan Majlis Sains Negara. Beliau merupakan seorang daripada wakil Malaysia di Majlis Penasihat Perniagaan APEC, ahli Lembaga Pengarah Majlis Ekonomi Lembangan Pasifik, Pengerusi Lembaga untuk University College of Engineering & Technology dan profesor tambahan di Kajian Pengurusan, Universiti Utara Malaysia. Beliau telah dipilih sebagai "Malaysian CEO of the Year" pada tahun 1999 oleh Business Times dan American Express. YM Tengku Tan Sri Dr. Mahaleel bin Tengku Ariff telah dilantik sebagai Ahli Lembaga pada 30 April 2003 dan telah menghadiri tiga daripada empat mesyuarat Lembaga Pengarah yang telah diadakan selepas perlantikannya. YM Tengku tidak mempunyai sebarang pertalian kekeluargaan dengan lain-lain pengarah dan/atau pemegang saham utama dalam Syarikat; atau mempunyai kepentingan sendiri dalam mana-mana urusan perniagaan yang melibatkan Syarikat. Beliau juga tidak pernah disabitkan sebarang kesalahan selain kesalahan trafik, jika ada, dalam tempoh 10 tahun yang lalu.

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the 20th (Twentieth) Annual General Meeting of the Company will be held at Kristal Ballroom, First Floor, Hilton Petaling Jaya, No. 2, Jalan Barat, 46200 Petaling Jaya on Thursday, 29 April 2004 at 11.00 a.m. for the transaction of the following business:

AGENDA

As Ordinary Business

1. To receive and adopt the Audited Financial Statements for the year ended 31 December 2003 and the Directors' and Auditors' Reports thereon.
   Resolution 1
2. To approve the payment of a final dividend, comprising a non-tax-exempt dividend of RM0.3895 gross per share and a tax-exempt dividend of RM0.2196 per share resulting in a total dividend of RM0.5001 net per share, for the year ended 31 December 2003.
   Resolution 2
3. To approve the payment of Directors' fees for the year ended 31 December 2003.
   Resolution 3
4. To re-elect the following Directors retiring in accordance with the Company's Articles of Association:

   Under Article 90.1
   i) YAM Dato' Seri Syed Anwar Jamalullail
   Resolution 4

   Under Article 97
   i) YM Tengku Tan Sri Dr. Mahaleel bin Tengku Ariff
   Resolution 5

   ii) Mr. Sullivan Joseph O'Carroll
   Resolution 6

   iii) Mr. Stéphane Nicolas Alby
   Resolution 7
5. To re-appoint Messrs KPMG as Auditors of the Company and to authorise the Directors to fix their remuneration.
   Resolution 8

As Special Business

To consider and if thought fit, to pass the following Resolutions.

6. Re-appointment of Gen (Rtd) Tan Sri Dato' Mohd Ghazali Seth as a Director pursuant to Section 129(6) of the Companies Act, 1965.

   "THAT Gen (Rtd) Tan Sri Dato' Mohd Ghazali Seth being over the age of 70 years and retiring in accordance with Section 129(6) of the Companies Act, 1965, be and is hereby re-appointed a Director of the Company to hold office until the conclusion of the next Annual General Meeting of the Company."
   Resolution 9
7. Re-appointment of Tan Sri Dato' Ernest Zulliger as a Director pursuant to Section 129(6) of the Companies Act, 1965.

   "THAT Tan Sri Dato' Ernest Zulliger being over the age of 70 years and retiring in accordance with Section 129(6) of the Companies Act, 1965, be and is hereby re-appointed a Director of the Company to hold office until the conclusion of the next Annual General Meeting of the Company."
   Resolution 10
8. Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading in Nature as set out under Section 2.3 (i) of the Circular to Shareholders dated 7 April 2004

   "THAT subject always to the Listing Requirements of the Malaysia Securities Exchange Berhad, the Company and/or any of its subsidiaries shall be mandated to enter into the category of recurrent related party transactions of a revenue or trading in nature with those related parties as specified in Section 2.2 (i) of the Circular to Shareholders dated 7 April 2004 subject to the following:

   i) The transactions are in the ordinary course of business and are on terms not more favourable to the related parties than those generally available to the public, and the transactions are undertaken on arm's length basis and are not to the detriment of the minority shareholders;

   ii) Such approval shall continue to be in force until the conclusion of the next Annual General Meeting of the Company, unless earlier revoked or varied by a resolution passed at a general meeting of the Company, whichever is earlier;

   iii) The Directors and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) to give effect to the transactions contemplated and/or authorised by this Resolution; and

   (iv) The disclosure of the aggregate value of the recurrent related party transactions conducted pursuant to the shareholders' mandate in the Annual Report, wherein the Company must provide a breakdown of the aggregate value of the recurrent related party transactions made during the financial year, amongst others, based on the following information:

a. The type of the recurrent related party transactions made; and
b. The names of the related parties involved in each type of the recurrent related party transactions made and their relationship with the Company and/or any of its subsidiaries."
Resolution 11

9. Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading in Nature as set out under Section 2.3 (ii), (iii) and (iv) of the Circular to Shareholders dated 7 April 2004

"THAT subject always to the Listing Requirements of the Malaysia Securities Exchange Berhad, the Company and/or any of its subsidiaries shall be mandated to enter into the category of recurrent related party transactions of a revenue or trading in nature with those related parties as specified in Section 2.2 (ii), (iii) and (iv) of the Circular to Shareholders dated 7 April 2004 subject to the following:

i) The transactions are in the ordinary course of business and are on terms not more favourable to the related parties than those generally available to the public, and the transactions are undertaken on arm's length basis and are not to the detriment of the minority shareholders;

ii) Such approval shall continue to be in force until the conclusion of the next Annual General Meeting of the Company, unless earlier revoked or varied by a resolution passed at a general meeting of the Company, whichever is earlier;

iii) The Directors and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) to give effect to the transactions contemplated and/or authorised by this Resolution; and

(iv) The disclosure of the aggregate value of the recurrent related party transactions conducted pursuant to the shareholders' mandate in the Annual Report, wherein the Company must provide a breakdown of the aggregate value of the recurrent related party transactions made during the financial year, amongst others, based on the following information:

a. The type of the recurrent related party transactions made; and
b. The names of the related parties involved in each type of the recurrent related party transactions made and their relationship with the Company and/or any of its subsidiaries."
Resolution 12

NOTICE IS ALSO HEREBY GIVEN THAT, subject to the approval of the shareholders at the 20th (Twentieth) Annual General Meeting, a final dividend, comprising a non-tax exempt dividend of RM0.3895 gross per share and a tax-exempt dividend of RM0.2196 per share, resulting in a total dividend of RM0.5001 net per share, for the year ended 31 December 2003 will be paid to the shareholders on 20 May 2004. The entitlement date for the said dividend shall be 30 April 2004.

FURTHER NOTICE IS HEREBY GIVEN THAT a depositor shall qualify for entitlement only in respect of:

a. Shares transferred into the Depositors' Securities Account before 4 p.m. on 30 April 2004 in respect of ordinary transfer.
b. Shares bought on the Malaysia Securities Exchange Berhad on a cum entitlement basis according to the rules of the Malaysia Securities Exchange Berhad.

By Order of the Board
MOHD SHAH BIN HASHIM
Company Secretary (LS 6824)
Petaling Jaya
7th day of April 2004

Notes:

1. A member of the Company entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of him. A proxy may, but need not, be a member of the Company and the provision of Section 149(1)(b) of the Companies Act, 1965, shall not apply to the Company.
2. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or if the appointor is a corporation either under the corporation's seal or under the hand of an officer or attorney duly authorised.
3. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) (Amendment) Act 1996, it may appoint at least one proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
4. An authorised nominee with more than one securities account must submit separate instrument of proxy for each securities account.
5. The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such power or authority shall 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 forty-eight (48) hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the instrument proposed to vote, or in the case of a poll, not less than twenty-four (24) hours before the time appointed for the taking of the poll, and in default the instrument of proxy shall not be treated as valid.

Notice of Annual General Meeting

Explanatory Notes on Special Business:

Section 129(6) of the Companies Act, 1965
Pursuant to Section 129(6) of the Companies Act, 1965, the proposed Resolutions under items 6 and 7, are to seek shareholders' approval on the re-appointment of Directors who are over the age of seventy years.

Recurrent Related Party Transaction
For further information, please refer to the Circular to shareholders dated 7 April 2004 accompanying the Company's Annual Report for the year ended 31 December 2003.

Statement accompanying Notice of Annual General Meeting

5 Board of Directors Meetings were held during the financial year as follows:

	Date	Hour	Place
1/2003	27 February 2003	14.30	Petaling Jaya
2/2003	30 April 2003	14.30	Petaling Jaya
3/2003	20 June 2003	15.00	Petaling Jaya
4/2003	6 August 2003	14.30	Petaling Jaya
5/2003	6 November 2003	14.30	Petaling Jaya

Board of Directors' attendance at Board Meetings during the financial year are as follows:

Name of Director	Attendance	Remarks
– Gen (Rtd) Tan Sri Dato' Mohd Ghazali Seth	5/5	
– Tan Sri Dato' Ernest Zulliger	4/5	
– YM Tengku Tan Sri Dr. Mahaleel bin Tengku Ariff	3/4	Appointed on 30 April 2003
– YAM Dato' Seri Syed Anwar Jamalullail	2/5	
– Mr. Jimmy Tan @ Tan Meng Kow	5/5	
– Mr. Michael W. Garrett	0/5	
(By Alternate Director Mr. Faïçal Krichane)	(4/5)	
– Mr. José Lopez Y Vargas	2/3	Resigned on 30 June 2003
– Mr. Sullivan Joseph O'Carroll	2/2	Appointed on 1 July 2003
– Mr. Pierre Francois Streit	5/5	Resigned on 27 February 2004
– Mr. Stéphane Nicolas Alby	–	Appointed on 27 February 2004

Details of Directors standing for re-election and re-appointment are as follows:

YAM Dato' Seri Syed Anwar Jamalullail
Age 52. Malaysian. Non-Independent, Non-Executive Director and a Member of the Audit Committee.

YAM Dato' Seri Syed Anwar Jamalullail is a Chartered Accountant. A graduate from Macquarie University in Sydney, Australia with a Bachelor of Arts degree in Accounting, he qualified as a Chartered Accountant of the Australian Society of Certified Practising Accountants in 1984. Appointed to the Board since February 2002. Attended two out of five Board meetings in the financial year 2003. Also serves as Director of Bangkok Bank Berhad, Malaysian Resources Corporation Berhad, Sistem Televisyen Malaysia Berhad and Maxis Communication Berhad. No conflict of interest with the Company and has no family relationship with any other director and/or major shareholder of the Company, nor any personal interest in any business arrangement involving the Company. Has not been convicted for offences within the past ten years other than for traffic offences, if any.

YM Tengku Tan Sri Dr. Mahaleel bin Tengku Ariff
Age 57. Malaysian. Independent, Non-Executive Director and a member of the Audit Committee.

YM Tengku is a graduate with a BA (HONS) from the University of Malaya in 1970 and was conferred an Honorary Doctorate in Engineering by University Teknologi Malaysia in 2001. He started his career as a Marketing Representative in Nestlé and within 3 years he was promoted to head the Advertising & Promotion unit in the then Kuala Lumpur Central Region. He left Nestlé to join Shell Malaysia in 1974 and held various managerial positions prior to his appointment as a director and acting Managing Director of Shell Malaysia. He joined New Toyo Group as their Group Managing Director in 1992, assisted in the restructuring of the Mofaz Group and was the founding director of Air Asia and Kuala Lumpur Airport Services prior to his joining Perusahaan Otomobil Nasional Berhad in 1996 where he is currently the Chief Executive Officer. YM Tengku sits on the London Business School Regional Advisory Board, the NEAC Committee on Globalisation, National Competitiveness Council and the National Science Council. He is one of Malaysia's representatives in the APEC Business Advisory Council, a member of the Board of Directors of the Pacific Basin Economic Council Malaysia, the Chairman of the Board for University College of Engineering & Technology and is also an adjunct professor for University Utara Malaysia's School of Management. He was chosen as the "Malaysian CEO of the Year" in 1999 by the Business Times and American Express. YM Tengku Tan Sri Dr. Mahaleel bin Tengku Ariff was appointed to the Board on 30 April 2003. Attended three out of four of the Board of Directors meetings held since his appointment. YM Tengku has no family relationship with any other director and/or major shareholder of the Company; nor any personal interest in any business arrangement involving the Company. He has not been convicted for any offences within the last 10 years, other than for traffic offences, if any.

Mr. Sullivan Joseph O'Carroll
Age 54. South African. Managing Director.

Mr. Sullivan Joseph O'Carroll is a graduate in psychology from the University of South Africa. He has been with the Nestlé group for the last 30 years and is currently the Managing Director of the Company. He joined Nestlé in 1973 as a Merchandising Trainee in South Africa. Within 7 years, he was transferred to Randburg as the Group Product Manager for the Instant Drinks business and was appointed as the Marketing & Sales Manager for the Confectionery business in 1985. He held various other senior positions in other Nestlé markets prior to his appointment in Malaysia. He was appointed to the Board on 1 July 2003. Attended both Board meetings held since his appointment. He has no family relationship with any other director and/or major shareholder of the Company; nor any personal interest in any business arrangement involving the Company. He has not been convicted for any offences within the past ten years other than for traffic offences, if any.

Notice of Annual General Meeting

Mr. Stéphane Nicolas Alby

Age 39. French. Executive Director and Member of the Audit Committee.

Mr. Stéphane Nicolas Alby was appointed to the Board and as the Executive Director, Finance & Control of the Company on 27 February 2004. He joined Nestlé France as an Auditor in 1989. He was then appointed as a Treasurer of Nestlé Capital Corporation in United States of America in 1997. He was appointed as the Deputy Treasurer of the Nestlé Group in 1999. Prior to his transfer to Malaysia, he was Corporate Controller of Nestlé S.A. in Vevey, Switzerland, in charge of Strategic Business Units. He is a graduate with the "Institut D'Etudes Politiques of Paris" in Economics and Finance. He also has a Master's Degree in law from the University of Paris and is a Graduate of the Anderson School at UCLA (USA), also of the IMD Business School in Lausanne, Switzerland. He has no family relationship with any other director and/or major shareholder of the Company; nor any personal interest in any business arrangement involving the Company. He has not been convicted for any offences within the past ten years other than for traffic offences, if any.

General (Rtd) Tan Sri Dato' Mohd Ghazali Seth

Age 75. Malaysian. Independent, Non-Executive Director and Chairman and also Chairman of the Audit Committee.

General (Rtd) Tan Sri Dato' Mohd Ghazali Seth is a retired General in the Malaysian Armed Forces after having served with distinction for nearly 36 years. Appointed to the Board since January 1986 and was elected Chairman since then. Attended all five Board meetings in the financial year 2003. Also serves as Director of Magnum Corporation Berhad, Carlsberg Brewery Malaysia Berhad and ABN-AMRO Bank Berhad. No conflict of interest with the Company and has no family relationship with any other director and/or major shareholder of the Company, nor any personal interest in any business arrangement involving the Company. Has not been convicted for offences within the past ten years other than for traffic offences, if any.

Tan Sri Dato' Ernest Zulliger

Age 71. Swiss. Independent, Non-Executive Director and a Member of the Audit Committee.

Tan Sri Dato' Ernest Zulliger has had an illustrious career with the worldwide Nestlé group of companies, which spanned 37 years. The last position he held before his retirement was as Managing Director of the Company. Appointed to the Board since November 1983. Attended four out of five board meetings in the financial year 2003. He studied Commerce and Business Administration in Switzerland and attended the International Management School IMD in Lausanne. Also serves as Director of Bumiputra-Commerce Bank Berhad. No conflict of interest with the Company and has no family relationship with any other director and/or major shareholder of the Company, nor any personal interest in any business arrangement involving the Company. Has not been convicted for offences within the past ten years other than for traffic offences, if any.

Notis Mesyuarat Agung Tahunan

ADALAH DENGAN INI DIMAKLUMKAN BAHAWA Mesyuarat Agung Tahunan Syarikat yang ke-20 (Dua Puluh) akan diadakan di Kristal Ballroom, Tingkat 1, Hilton Petaling Jaya, No. 2, Jalan Barat, 46200 Petaling Jaya pada hari Khamis, 29 April 2004 jam 11.00 pagi untuk melaksanakan urusan-urusan seperti yang berikut:

AGENDA

Untuk Perniagaan Biasa

1. *Untuk menerima dan meluluskan Penyata Kewangan Yang Telah Diaudit untuk tahun yang berakhir pada 31 Disember 2003 bersama dengan Laporan Pengarah dan Juruaudit yang dilampirkan.*
   Resolusi 1

2. *Untuk meluluskan pembayaran dividen akhir yang mengandungi dividen kasar tidak terkecuali cukai sebanyak RM0.3895 sesaham dan dividen terkecuali cukai sebanyak RM0.2196 sesaham yang menghasilkan jumlah dividen bersih sebanyak RM0.5001 sesaham untuk tahun yang berakhir pada 31 Disember 2003.*
   Resolusi 2

3. *Untuk meluluskan pembayaran yuran para Pengarah untuk tahun berakhir 31 Disember 2003.*
   Resolusi 3

4. *Untuk melantik semula para Pengarah berikut yang akan bersara mengikut Tataurusan Pertubuhan Syarikat:*

   Di bawah Artikel 90.1
   i) YAM Dato' Seri Syed Anwar Jamalullail
   Resolusi 4

   Di bawah Artikel 97
   i) YM Tengku Tan Sri Dr. Mahaleel bin Tengku Ariff
   Resolusi 5

   ii) En. Sullivan Joseph O'Carroll
   Resolusi 6

   iii) En. Stéphane Nicolas Alby
   Resolusi 7

5. *Untuk melantik semula Tetuan KPMG sebagai Juruaudit Syarikat dan memberi kuasa kepada para Pengarah menetapkan imbuhan mereka.*
   Resolusi 8

Untuk Perniagaan Khusus

Untuk mempertimbangkan dan jika perlu, meluluskan Resolusi berikut:

6. *Perlantikan semula Jen (B) Tan Sri Dato' Mohd Ghazali Seth sebagai Pengarah, tertakluk kepada Seksyen 129(6) Akta Syarikat, 1965.*

   "BAHAWA Jen (B) Tan Sri Dato' Mohd Ghazali Seth yang berusia lebih daripada 70 tahun dan bersara mengikut Seksyen 129(6) Akta Syarikat, 1965 adalah dengan ini dilantik semula sebagai Pengarah Syarikat untuk memegang jawatan tersebut sehingga tamat Mesyuarat Agung Tahunan Syarikat yang berikutnya."
   Resolusi 9

7. *Perlantikan semula Tan Sri Dato' Ernest Zulliger sebagai Pengarah, tertakluk kepada Seksyen 129(6) Akta Syarikat, 1965.*

   "BAHAWA Tan Sri Dato' Ernest Zulliger yang berusia lebih daripada 70 tahun dan bersara mengikut Seksyen 129(6) Akta Syarikat, 1965 adalah dengan ini dilantik semula sebagai Pengarah Syarikat untuk memegang jawatan tersebut sehingga tamat Mesyuarat Agung Tahunan Syarikat yang berikutnya."
   Resolusi 10

8. *Cadangan Pembaharuan Mandat Pemegang-Pemegang Saham untuk Urus Niaga Hasil atau Sifat Perdagangan Pihak Berkaitan yang Berulang seperti yang dinyatakan di bawah Seksyen 2.3 (i) dalam Surat Pekeliling kepada Pemegang-pemegang Saham bertarikh 7 April 2004*

   "BAHAWA dengan sentiasa tertakluk kepada Penyenaraian Kelayakan Malaysia Securities Exchange Berhad, Syarikat dan/atau mana-mana anak syarikatnya diberi mandat untuk menyertai kategori urus niaga hasil atau sifat perdagangan pihak berkaitan yang berulang dengan pihak-pihak yang berkaitan seperti yang dispesifikasikan di bawah Seksyen 2.2 (i) dalam Surat Pekeliling kepada Pemegang-pemegang Saham bertarikh 7 April 2004, tertakluk kepada perkara-perkara yang berikut:

   i) Urus niaga dibuat dalam urusan perniagaan yang biasa dan dengan syarat-syarat yang tidak lebih memihak kepada pihak-pihak yang berkaitan berbanding syarat-syarat yang ditawarkan kepada orang awam, dan urus niaga ini dijalankan berasaskan sepercapaian dan tidak akan menjejaskan pemegang-pemegang saham minoriti;

ii) *Kelulusan ini akan terus berkuatkuasa sehingga tamatnya Mesyuarat Agung Tahunan yang berikutnya kecuali ditarik balik atau diubah sebelumnya oleh satu Resolusi yang diluluskan di mesyuarat agung Syarikat, mana-mana satu yang berlaku terlebih dahulu;*

iii) *Pengarah-pengarah dan/atau seorang daripada mereka adalah dengan ini diberi kuasa untuk menyelesaikan (termasuk menguatkuasakan dokumen-dokumen seperti yang diperlukan) semua tindakan serta perkara bagi melaksanakan urus niaga yang telah difikirkan dan/atau diberi kuasa oleh Resolusi ini; dan*

iv) *Pendedahan nilai agregat urus niaga pihak berkaitan yang berulang yang telah dijalankan tertakluk kepada mandat pemegang-pemegang saham dalam Laporan Tahunan, di mana Syarikat harus menghuraikan nilai agregat urus niaga pihak berkaitan yang berulang yang dijalankan dalam tahun kewangan, antara lainnya berasaskan maklumat-maklumat yang berikut:*

a. *Jenis urus niaga pihak berkaitan yang berulang yang dilakukan; dan*

b. *Nama pihak-pihak yang terlibat dalam setiap jenis urus niaga pihak berkaitan yang berulang yang dilakukan dan hubungan mereka dengan Syarikat dan/atau mana-mana anak syarikatnya."*
Resolusi 11

9. *Cadangan Pembaharuan Mandat Pemegang-Pemegang Saham untuk Urus Niaga Hasil atau Sifat Perdagangan Pihak Berkaitan yang Berulang seperti yang dinyatakan di bawah Seksyen 2.3 (ii), (iii) dan (iv) dalam Surat Pekeliling kepada Pemegang-pemegang Saham bertarikh 7 April 2004*

"BAHAWA dengan sentiasa tertakluk kepada Penyenaraian Kelayakan Malaysia Securities Exchange Berhad, Syarikat dan/atau mana-mana anak syarikatnya diberi mandat untuk menyertai kategori urus niaga hasil atau sifat perdagangan pihak berkaitan yang berulang dengan pihak-pihak yang berkaitan seperti yang dispesifikasikan di bawah Seksyen 2.2 (ii), (iii) dan (iv) Surat Pekeliling kepada Pemegang-pemegang Saham bertarikh 7 April 2004 tertakluk kepada perkara-perkara yang berikut:

i) *Urus niaga dibuat dalam urusan perniagaan yang biasa dan dengan syarat-syarat yang tidak lebih memihak kepada pihak-pihak yang berkaitan berbanding syarat-syarat yang ditawarkan kepada orang awam, dan urus niaga ini dijalankan berasaskan sepercapaian dan tidak akan menjejaskan pemegang-pemegang saham minoriti;*

ii) *Kelulusan ini akan terus berkuatkuasa sehingga tamatnya Mesyuarat Agung Tahunan yang berikutnya kecuali ditarik balik atau diubah sebelumnya oleh satu Resolusi yang diluluskan di mesyuarat agung Syarikat, mana-mana satu yang berlaku terlebih dahulu;*

iii) *Pengarah-pengarah dan/atau seorang daripada mereka adalah dengan ini diberi kuasa untuk menyelesaikan (termasuk menguatkuasakan dokumen-dokumen seperti yang diperlukan) semua tindakan serta perkara bagi melaksanakan urus niaga yang telah difikirkan dan/atau diberi kuasa oleh Resolusi ini; dan*

iv) *Pendedahan nilai agregat urus niaga pihak berkaitan yang berulang yang telah dijalankan tertakluk kepada mandat pemegang-pemegang saham dalam Laporan Tahunan, di mana Syarikat harus menghuraikan nilai agregat urus niaga pihak berkaitan yang berulang yang dijalankan dalam tahun kewangan, antara lainnya berasaskan maklumat-maklumat yang berikut:*

a. *Jenis urus niaga pihak berkaitan yang berulang yang dilakukan; dan*

b. *Nama pihak-pihak yang terlibat dalam setiap jenis urus niaga pihak berkaitan yang berulang yang dilakukan dan hubungan mereka dengan Syarikat dan/atau mana-mana anak syarikatnya."*
Resolusi 12

ADALAH DENGAN INI DIMAKLUMKAN BAHAWA tertakluk kepada kelulusan daripada pemegang-pemegang saham di Mesyuarat Agung Tahunan ke-20 (Dua Puluh), dividen akhir yang mengandungi dividen kasar tidak terkecuali cukai sebanyak RM0.3895 sesaham dan dividen terkecuali cukai sebanyak RM0.2196 sesaham yang menghasilkan jumlah dividen bersih sebanyak RM0.5001 sesaham untuk tahun yang berakhir pada 31 Disember 2003, akan dibayar kepada pemegang-pemegang saham pada 20 Mei 2004. Tarikh kelayakan untuk dividen tersebut adalah pada 30 April 2004.

ADALAH DENGAN INI DIMAKLUMKAN SELANJUTNYA BAHAWA seseorang pendeposit akan layak mendapatkan kelayakan hanya dari segi:

a. *Saham yang dipindahkan ke Akaun Sekuriti Pendeposit sebelum jam 4 petang pada 30 April 2004, bagi perpindahan biasa.*
b. *Saham yang dibeli di Malaysia Securities Exchange Berhad berasaskan kelayakan mengikut peraturan-peraturan Malaysia Securities Exchange Berhad.*

Dengan Perintah Ahli Lembaga
MOHD SHAH BIN HASHIM
Setiausaha Syarikat (LS 6824)
Petaling Jaya
7 haribulan April 2004

Nota-nota:

1. *Ahli Syarikat yang layak untuk menghadiri dan mengundi di mesyuarat tersebut layak melantik seorang proksi untuk menghadiri dan mengundi bagi pihak dirinya. Seorang proksi boleh tetapi tidak semestinya, terdiri daripada ahli Syarikat dan peruntukan Seksyen 149(1)(b) Akta Syarikat 1965, tidak akan dikenakan ke atas Syarikat.*
2. *Suratcara untuk melantik proksi mestilah secara bertulis oleh orang yang melantik atau peguamnya yang diberi kuasa atau jika yang melantik adalah suatu perbadanan, sama ada dimeterai dengan cap syarikat atau dengan ditandatangani oleh pegawai atau peguam yang diberi kuasa.*
3. *Di mana seseorang ahli Syarikat adalah penama yang diberi kuasa seperti yang didefinisikan di bawah Akta Industri Sekuriti (Depositori Pusat) (Pindaan) Akta 1996, dia boleh melantik sekurang-kurangnya seorang proksi bagi setiap akaun sekuriti yang dipegangnya dengan saham biasa Syarikat pada jumlah yang sama seperti akaun sekuriti tersebut.*
4. *Penama yang diberi kuasa yang mempunyai lebih daripada satu akaun sekuriti mesti menyerahkan suratcara proksi yang berasingan untuk setiap akaun sekuriti.*
5. *Suratcara untuk melantik proksi yang telah ditandatangani oleh peguam yang diberi kuasa atau lain-lain badan yang berkuasa (jika ada) atau yang disahkan secara notari, kuasa atau badan berkuasa tersebut, hendaklah diserahkan kepada Pendaftar Saham Syarikat di Tenaga Koperat Sdn Bhd, Tingkat 20, Plaza Permata, Jalan Kampar off Jalan Tun Razak, 50400 Kuala Lumpur, tidak kurang daripada empat puluh lapan (48) jam sebelum masa yang ditetapkan untuk mengadakan mesyuarat atau mesyuarat ditamatkan di mana orang yang dinamakan di dalam suratcara bercadang untuk mengundi, atau dalam kes membuang undi, tidak kurang daripada dua puluh empat (24) jam sebelum masa yang ditetapkan untuk membuat undian dan jika gagal, suratcara proksi akan dianggap tidak sah.*

Notis Mesyuarat Agung Tahunan

Nota-nota Penjelasan untuk Urusan Khas:

Seksyen 129(6) Akta Syarikat 1965
Tertakluk kepada Seksyen 129(6) Akta Syarikat 1965, Resolusi yang dicadangkan di bawah perkara 6 dan 7, perlu mendapatkan kelulusan daripada pemegang-pemegang saham untuk melantik semula Pengarah yang melebihi usia tujuh puluh tahun.

Urus Niaga Pihak Berkaitan Yang Berulang
Untuk maklumat lanjut, sila rujuk kepada Surat Pekeliling kepada pemegang-pemegang saham bertarikh 7 April 2004 yang dilampirkan bersama dengan Laporan Tahunan Syarikat untuk tahun kewangan berakhir pada 31 Disember 2003.

Penyata yang dilampirkan bersama derngan notis Mesyuarat Agung Tahunan
Lima Mesyuarat Lembaga Pengarah telah diadakan pada tahun kewangan adalah seperti berikut:

	Tarikh	***Jam***	***Tempat***
1/2003	*27 Februari 2003*	*14.30*	*Petaling Jaya*
2/2003	*30 April 2003*	*14.30*	*Petaling Jaya*
3/2003	*20 Jun 2003*	*15.00*	*Petaling Jaya*
4/2003	*6 Ogos 2003*	*14.30*	*Petaling Jaya*
5/2003	*6 November 2003*	*14.30*	*Petaling Jaya*

Kehadiran Ahli Lembaga di Mesyuarat Lembaga Pengarah semasa tahun kewangan adalah seperti berikut:

Nama Pengarah	***Kehadiran***	***Catatan***
– Jen (B) Tan Sri Dato' Mohd Ghazali Seth	*5/5*	
– Tan Sri Dato' Ernest Zulliger	*4/5*	
– YM Tengku Tan Sri Dr. Mahaleel bin Tengku Ariff	*3/4*	*Dilantik pada 30 April 2003*
– YAM Dato' Seri Syed Anwar Jamalullail	*2/5*	
– En. Jimmy Tan @ Tan Meng Kow	*5/5*	
– En. Micheal W. Garrett	*0/5*	
(Oleh Pengarah Silih Ganti En. Faïçal Krichane)	*(4/5)*	
– En. José Lopez Y Vargas	*2/3*	*Meletak Jawatan pada 30 Jun 2003*
– En. Sullivan Joseph O'Carroll	*2/2*	*Dilantik pada 1 Julai 2003*
– En. Pierre Francois Streit	*5/5*	*Meletak Jawatan pada 27 Februari 2004*
– En. Stéphane Nicolas Alby	*–*	*Dilantik pada 27 Februari 2004*

Butiran para Pengarah yang akan dipilih dan dilantik semula adalah seperti berikut:

YAM Dato' Seri Syed Anwar Jamalullail
Berusia 52 tahun. Rakyat Malaysia.
Pengarah Bukan Bebas, Bukan Eksekutif dan Ahli Jawatankuasa Audit.

YAM Dato' Seri Syed Anwar Jamalullail adalah seorang Akauntan Berkanun, lulusan Ijazah Sarjana Muda Sastera dalam Perakaunan daripada Macquarie University di Sydney, Australia, dan menerima tauliah sebagai Akauntan Berkanun daripada Australian Society of Certified Practising Accountants pada tahun 1984. Beliau telah dilantik sebagai Ahli Lembaga sejak bulan Februari 2002 dan telah menghadiri dua daripada lima mesyuarat Lembaga Pengarah dalam tahun kewangan 2003. Beliau juga turut berkhidmat sebagai Pengarah Bangkok Bank Berhad, Malaysian Resources Corporation Berhad, Sistem Televisyen Malaysia Berhad dan Maxis Communication Berhad. Beliau tidak mempunyai sebarang konflik kepentingan dengan Syarikat dan tidak mempunyai sebarang pertalian kekeluargaan dengan lain-lain pengarah dan/atau pemegang saham utama dalam Syarikat, atau mempunyai kepentingan sendiri dalam mana-mana urusan perniagaan yang melibatkan Syarikat. Tidak pernah disabitkan sebarang kesalahan selain kesalahan trafik, jika ada, dalam tempoh 10 tahun yang lalu.

YM Tengku Tan Sri Dr. Mahaleel bin Tengku Ariff
Berusia 57 tahun. Rakyat Malaysia.
Pengarah Bebas Bukan Eksekutif dan Ahli Jawatankuasa Audit.

YM Tengku merupakan lulusan Ijazah Sarjana Muda (Kepujian) daripada Universiti Malaya pada tahun 1970 dan telah dianugerahkan Ijazah Doktor Kehormat dalam Kejuruteraan oleh Universiti Teknologi Malaysia pada tahun 2001. Beliau memulakan kerjaya sebagai Wakil Pemasaran di Nestlé dan dalam tempoh tiga tahun telah dinaikkan pangkat untuk mengetuai unit periklanan dan promosi di Pusat Serantau Kuala Lumpur pada masa itu. Beliau meninggalkan Nestlé untuk menyertai Shell Malaysia pada tahun 1974 dan telah memegang pelbagai jawatan pengurusan sebelum dilantik sebagai pengarah dan pemangku Pengarah Urusan Shell Malaysia.
Belaiu menyertai Kumpulan New Toyo sebagai Pengarah Urusan Kumpulan pada tahun 1992, membantu dalam penstrukturan semula Kumpulan Mofaz dan merupakan pengasas Air Asia dan Perkhidmatan Lapangan Terbang Kuala Lumpur sebelum menyertai Perusahaan Otomobil Nasional Berhad pada tahun 1996 di mana beliau kini merupakan Ketua Pegawai Eksekutif. YM Tengku menjadi ahli Lembaga Penasihat Serantau London Business School, Jawatankuasa NEAC tentang Globalisasi, Majlis Persaingan Kebangsaan dan Majlis Sains Negara. Beliau merupakan seorang daripada wakil Malaysia di Majlis Penasihat Perniagaan APEC, ahli Lembaga Pengarah Majlis Ekonomi Lembangan Pasifik, Pengerusi Lembaga untuk University College of Engineering & Technology dan profesor adjung di Kajian Pengurusan, Universiti Utara Malaysia. Beliau telah dipilih sebagai "Malaysian CEO of the Year" pada tahun 1999 oleh Business Times dan American Express. YM Tengku Tan Sri Dr. Mahaleel bin Tengku Ariff telah dilantik sebagai Ahli Lembaga pada 30 April 2003 dan telah menghadiri tiga daripada empat mesyuarat Lembaga Pengarah yang telah diadakan selepas perlantikannya. YM Tengku tidak mempunyai sebarang pertalian kekeluargaan dengan lain-lain pengarah dan/atau pemegang saham utama dalam Syarikat; atau mempunyai kepentingan sendiri dalam mana-mana urusan perniagaan yang melibatkan Syarikat. Beliau juga tidak pernah disabitkan sebarang kesalahan selain kesalahan trafik, jika ada, dalam tempoh 10 tahun yang lalu.

Notis Mesyuarat Agung Tahunan

En. Sullivan Joseph O'Carroll
Berusia 54 tahun. Rakyat Afrika Selatan.
Pengarah Urusan

En. Sullivan Joseph O'Carroll merupakan seorang lulusan psikologi daripada University of South Africa. Beliau telah berkhidmat dengan kumpulan Nestlé selama 30 tahun dan kini bertugas sebagai Pengarah Urusan Syarikat. Beliau menyertai Nestlé pada tahun 1973 sebagai Pelatih Barang Dagangan di Afrika Selatan.Dalam tempoh tujuh tahun, beliau telah ditukarkan ke Randburg sebagai Pengurus Kumpulan untuk perniagaan Minuman dan telah dilantik menjadi Pengurus Pemasaran dan Jualan untuk perniagaan Konfeksi pada tahun 1985. Sebelum perlantikannya di Malaysia, beliau telah menjawat pelbagai jawatan kanan di lain-lain pasaran Nestlé. Beliau telah dilantik sebagai Ahli Lembaga pada 1 Julai 2003 dan telah menghadiri kedua-dua mesyuarat Lembaga Pengarah yang diadakan selepas perlantikannya. Beliau tidak mempunyai sebarang pertalian kekeluargaan dengan lain-lain pengarah dan/atau pemegang saham utama dalam Syarikat; atau mempunyai kepentingan sendiri dalam mana-mana urusan perniagaan yang melibatkan Syarikat. Beliau juga tidak pernah disabitkan sebarang kesalahan selain kesalahan trafik, jika ada, dalam tempoh 10 tahun yang lalu.

En. Stéphane Nicolas Alby
Berusia 39 tahun. Rakyat Perancis.
Pengarah Eksekutif Bukan Bebas dan Ahli Jawatankuasa Audit.

En. Stéphane Nicolas Alby telah dilantik menjadi Ahli Lembaga dan sebagai Pengarah Eksekutif, Kewangan dan Kawalan Syarikat pada 27 Februari 2004. Beliau telah menyertai Nestlé Perancis sebagai Juruaudit pada tahun 1989. Kemudian, beliau telah dilantik sebagai Bendahari Nestlé Capital Corporation di Amerika Syarikat pada tahun 1997 dan pada tahun 1999, dilantik sebagai Timbalan Bendahari Kumpulan Nestlé. Sebelum ditukarkan ke Malaysia, beliau bertugas sebagai Pengawal Korporat, yang bertanggungjawab terhadap Unit Strategi Perniagaan di Nestlé S.A., Vevey, Switzerland. En. Stéphane Nicolas Alby merupakan lulusan "Institut D'Etudes Politiques of Paris" dalam jurusan Ekonomi dan Kewangan. Beliau juga memiliki Ijazah Sarjana Undang-Undang daripada University of Paris dan merupakan lulusan Anderson School di UCLA (AS), serta IMD Business School di Lausanne, Switzerland. Beliau tidak mempunyai sebarang pertalian kekeluargaan dengan lain-lain pengarah dan/atau pemegang saham utama dalam Syarikat; atau mempunyai kepentingan sendiri dalam mana-mana urusan perniagaan yang melibatkan Syarikat. Beliau juga tidak pernah disabitkan sebarang kesalahan selain kesalahan trafik, jika ada, dalam tempoh 10 tahun yang lalu.

Jen (B) Tan Sri Dato' Mohd Ghazali Seth
Berusia 75 tahun. Rakyat Malaysia.
Pengerusi dan Pengarah Bebas Bukan Eksekutif dan juga Pengerusi Jawatankuasa Audit.

Jeneral (B) Tan Sri Dato' Ghazali Mohd Seth merupakan seorang Jeneral bersara selepas berkhidmat dengan cemerlang selama hampir 36 tahun dalam Angkatan Tentera Malaysia. Beliau telah dilantik menjadi Ahli Lembaga sejak bulan Januari 1986 dan sejak itu juga telah dilantik sebagai Pengerusi. Beliau telah menghadiri kelima-lima mesyuarat Lembaga Pengarah dalam tahun kewangan 2003. Beliau juga berkhidmat sebagai Pengarah Magnum Corporation Berhad, Carlsberg Brewery Malaysia Berhad dan ABN-AMRO Bank Berhad. Beliau tidak mempunyai sebarang konflik kepentingan dengan Syarikat dan tidak mempunyai sebarang pertalian kekeluargaan dengan lain-lain pengarah dan/atau pemegang saham utama dalam Syarikat, atau mempunyai kepentingan sendiri dalam mana-mana urusan perniagaan yang melibatkan Syarikat. Tidak pernah disabitkan sebarang kesalahan selain kesalahan trafik, jika ada, dalam tempoh 10 tahun yang lalu.

Tan Sri Dato' Ernest Zulliger
Berusia 71 tahun. Rakyat Switzerland.
Pengarah Bebas Bukan Eksekutif dan
Ahli Jawatankuasa Audit

Tan Sri Dato' Ernest Zulliger mempunyai kerjaya yang cukup cemerlang, merangkumi 37 tahun, dengan kumpulan Nestlé di seluruh dunia. Jawatan terakhir yang dipegang oleh beliau sebelum bersara adalah sebagai Pengarah Urusan Nestlé Malaysia. Beliau telah dilantik menjadi Ahli Lembaga sejak bulan November 1983 dan telah menghadiri empat daripada lima mesyuarat Lembaga Pengarah dalam tahun kewangan 2003. Beliau mengambil jurusan Pentadbiran Perdagangan dan Perniagaan di Switzerland serta menghadiri International Management School IMD di Lausanne. Tan Sri Dato' Ernest Zulliger juga berkhidmat sebagai Pengarah Bumiputra-Commerce Bank Berhad. Beliau tidak mempunyai sebarang konflik kepentingan dengan Syarikat dan tidak mempunyai sebarang pertalian kekeluargaan dengan lain-lain pengarah dan/atau pemegang saham utama dalam Syarikat, atau mempunyai kepentingan sendiri dalam mana-mana urusan perniagaan yang melibatkan Syarikat. Tidak pernah disabitkan sebarang kesalahan selain kesalahan trafik, jika ada, dalam tempoh 10 tahun yang lalu.

Chairman's Statement

General (Rtd) Tan Sri Dato' Mohd Ghazali Seth

On Behalf of the Board of Directors of Nestlé (Malaysia) Berhad, I have the pleasure of presenting the annual report and financial statements of the Group and the Company for the financial year ended 31 December 2003.

Results/Performance

The Group recorded good growth after a challenging 2002. Turnover increased by 7.2% from RM2,479.6 million to RM2,657.0 million, and Operating Profits increased by 12.7% from RM219.4 million to RM247.2 million.

However, the Net Profit reflected a reduction from RM182.6 million in 2002 to RM162.0 million in 2003, due to the adverse impact of the closure of the sugar confectionery operations at a cost of RM29.1 million.

The results are encouraging considering the incidence of substantial increases in input costs, particularly the volatility in the commodity market where the magnitude of increment was in double-digits. In addition, the weakening of the US$ against which the MYR is pegged, resulted in further cost increases for imported goods.

The increase in turnover was mainly due to strong sales improvement in key products such as MILO, NESCAFÉ, MAGGI and NESTLÉ ICE CREAM, the normalisation of the consumer base after 2002 and a pick-up in consumer demand materialising in the later part of 2003 after the events of the Middle East and SARS. The efforts in the introduction of new products, renovation and innovation of existing product lines, trade and consumer promotions and efforts in improvements in distribution yielded positive results.

2003 is a year of consolidation, with the realignment of business strategies that led to the closing of the sugar confectionery activities. Towards the year end, the group also bought out the minority shareholder in its production company, Nestlé Asean (Malaysia) Sdn. Bhd., and now all major production entities are fully owned.

Dividends

2003 reflected an increase of the interim dividend and is the continuation of the company's policy for early and improved reward to our shareholders.

The board recommends a final dividend of 38.95 sen less tax and 21.95 sen tax exempt dividend per share payable on 20 May 2004. With this final dividend the total pay-out after the interim dividend paid in October will amount to RM176.4 million (or 75.2 sen net per share).

Economic Environment

2003 was expected to start positively but the events in the early part of the year dampened these expectations. The food industry, however, was less prone to these effects and it took until the last quarter to see normalisation of sales.

The 'stimulus package' put in place by the Government can be considered as good for the generation of local demand and consumption, and has improved the overall confidence.

The smooth handover in the leadership of the Country as well as the good economic numbers shown in the later part of the year are positive for the economy as a whole.

Activities

In line with the company's strategy, specifically on Innovation and Renovation, several new and improved products were introduced in 2003 with the re-launch of NESCAFÉ improved formulation with Arabica beans recording impressive response. The extended range introduced in the NESCAFÉ '3-in-1' also proved to be a success and contributed significantly to growth.

MILO ACTIGEN-E, re-launched in 2002, continues to extend its already strong base.

For the 3rd year in a row, NESTLÉ ICE CREAM recorded double-digit growth and is now the uncontested market leader. Product innovation and effective distribution efforts were key drivers to the growth in this business.

NESTLÉ OMEGA PLUS, launched in late 2002, continues to attract new consumers.

MAGGI grew impressively off a strong base with new introductions in the value-added segment with products such as MAGGI Gourmet Chicken Stock with no-added MSG.

Export business also reflected double-digit growth for the 3rd year and impact positively the capacity utilisation of the production facilities.

Other initiatives started in previous years such as the savings programme called Target 2004+ and Business Excellence with the first full year of operation under the GLOBE programme have continued to bear fruits. Some of the benefits realised have enabled the company to cope with the impact of price increases due to commodities and currency, and contributed to improve the gross margins.

Prospects

Barring any unforeseen circumstances, the company will pursue all initiatives to continue and improve shareholder value in the coming year.

On behalf of the Board of Directors and Management, I would like to thank all shareholders, business partners and associates as well as all employees, for their confidence, commitment and dedication.

Penyata Pengerusi

Saya bagi pihak Lembaga Pengarah Nestlé (Malaysia) Berhad dengan sukacita membentangkan laporan tahunan dan penyata kewangan Kumpulan dan Syarikat bagi tahun kewangan berakhir 31 Disember 2003.

Keputusan / Prestasi

Kumpulan mencatatkan pertumbuhan yang baik selepas mengharungi pelbagai cabaran pada tahun 2002. Perolehan Kumpulan bagi tahun 2003 meningkat sebanyak 7.2% daripada RM2,479.6 juta kepada RM2,657.0 juta dan 12.7% pertumbuhan dalam Keuntungan Operasi daripada RM219.4 juta kepada RM247.2 juta.

Walau bagaimanapun, Keuntungan Bersih Kumpulan menunjukkan penurunan daripada RM182.6 juta pada 2002 kepada RM162.0 juta pada tahun 2003 disebabkan oleh kesan penutupan operasi gula konfeksi pada kos RM29.1 juta.

Keputusan yang dicapai adalah memberangsangkan jika dibandingkan dengan peningkatan kos input, khususnya kedudukan pasaran komoditi yang tidak menentu di mana tahap kenaikan pernah mencapai dua angka. Keadaan tersebut juga disebabkan oleh peningkatan selanjutnya kos barangan import akibat kelemahan nilai Dollar AS yang ditetapkan berbanding Ringgit Malaysia.

Peningkatan perolehan disebabkan oleh beberapa faktor, terutama peningkatan jualan produk-produk penting seperti MILO, NESCAFÉ, MAGGI dan NESTLÉ ICE CREAM, normalisasi asas pengguna selepas 2002 dan pemulihan permintaan pengguna yang dicapai pada penghujung tahun 2003 selepas pelbagai peristiwa di Timur Tengah dan wabak SARS. Usaha untuk memperkenalkan produk baru, pengubahsuaian dan inovasi jenis produk sedia ada, perdagangan dan promosi pengguna serta usaha memperluaskan pengedaran telah membuahkan hasil positif.

2003 merupakan tahun pengukuhan, melibatkan penyusunan semula strategi perniagaan yang mendorong kepada penutupan aktiviti makanan berasaskan gula. Menjelang akhir tahun, Syarikat turut membeli kepentingan pemegang saham minoriti dalam salah sebuah syarikat subsidiarinya, Nestlé Asean (Malaysia) Sdn. Bhd., dan kini semua entiti pengeluaran utama merupakan entiti milik penuh Syarikat.

Dividen

Pada tahun 2003, dividen interim meningkat dan ini membolehkan Syarikat meneruskan dasarnya untuk menyediakan ganjaran awal dan semakin bertambah kepada para pemegang saham. Lembaga mengesyorkan dividen akhir sebanyak 38.95 sen sesaham ditolak cukai dan 21.95 sen sesaham dividen dikecualikan cukai yang akan dibayar pada 20 Mei 2004. Dividen akhir ini berserta dividen interim yang dibayar pada bulan Oktober akan menjadikan jumlah pembayaran dividen sebanyak RM176.4 juta (atau 75.2 sen sesaham bersih).

Persekitaran Ekonomi

Tahun 2003 dijangka bermula dengan positif, tetapi beberapa peristiwa pada awal tahun menggugat jangkaan ini. Sungguhpun ia tidak memberi kesan yang ketara terhadap industri makanan, namun tahap jualan kembali pulih hanya pada suku terakhir tahun kewangan.

Pakej rangsangan yang disediakan oleh Kerajaan boleh dianggap sebagai langkah yang baik ke arah penjanaan permintaan dan penggunaan tempatan, dan telah berjaya memulihkan keyakinan keseluruhan terhadap ekonomi. Peralihan kepimpinan Negara yang berlaku dengan lancar serta prestasi ekonomi yang menggalakkan pada penghujung tahun merupakan petunjuk positif kepada ekonomi secara keseluruhannya.

Aktiviti

Selaras dengan strategi Syarikat, secara khususnya berhubung Inovasi dan Pengubahsuaian, beberapa produk baru dan yang dipertingkatkan telah diperkenalkan pada tahun 2003 dengan pelancaran semula NESCAFÉ yang dirumus dengan biji kopi Arabica telah mendapat sambutan yang membanggakan. Jenis rangkaian baru yang diperkenalkan dalam adunan kopi NESCAFÉ '3-dalam-1' juga terbukti berjaya dan menyumbang dengan ketara terhadap pertumbuhan.

MILO ACTIGEN-E yang dilancarkan semula pada tahun 2002 terus mengekalkan asas pasaran yang kukuh.

Untuk tahun ke-3 berturut-turut, perniagaan NESTLÉ ICE CREAM mencatatkan pertumbuhan dua angka dan kini menerajui pasaran tanpa pesaing yang setanding dengannya. Inovasi produk dan keberkesanan usaha pengedaran menjadi kunci utama pertumbuhan dalam perniagaan ini.

NESTLÉ OMEGA PLUS yang dilancarkan pada akhir tahun 2002 terus mendapat sambutan para pengguna.

Dari asas pasarannya yang kukuh, MAGGI mencatatkan pertumbuhan yang menggalakkan dengan pengenalan baru segmen tambahan nilai dengan produk seperti Stok Ayam 'Gourmet' MAGGI tanpa MSG.

Perniagaan eksport juga menunjukkan pertumbuhan dua angka untuk tahun ketiga berturut-turut dan memberi kesan yang positif ke atas penggunaan kapasiti bagi peralatan pengeluaran.

Pelbagai langkah lain yang telah diambil pada tahun-tahun sebelumnya seperti program penjimatan 'Target 2004+' dan 'Kecemerlangan Perniagaan', dengan tahun penuh pertama beroperasi di bawah program GLOBE, telah terus membuahkan hasil. Beberapa manfaat yang berjaya direalisasi telah membolehkan Syarikat menangani kesan kenaikan harga disebabkan oleh harga komoditi dan matawang dan telah menyumbang terhadap peningkatan margin kasar.

Prospek

Jika tidak berlaku sebarang keadaan di luar dugaan, syarikat akan melaksanakan segala usaha untuk meneruskan serta mempertingkatkan nilai pemegang saham pada tahun hadapan.

Bagi pihak Lembaga Pengarah dan Pengurusan, saya ingin mengucapkan terima kasih kepada semua pemegang saham, rakan perniagaan dan kakitangan Syarikat, di atas keyakinan, komitmen dan dedikasi yang telah mereka berikan pada tahun kewangan ini.

Sekian.

Business Review

General Comments

2003 was expected to start positively but the global events in the first quarter of the year dampened expectations with the continued unrest in the Middle East and the SARS outbreak, which had a great impact on the travel business. Although the food industry did not suffer heavy impact from the two events, market demand only recovered in the fourth quarter.

At the management level, important changes have taken place with the appointment of a new Managing Director. The positions of Sales Director and Director for Ice-Cream & Associated Businesses are also filled by new personnel. A notice of change of a new Director of Finance & Control in early 2004 was also announced.

The consolidation and realignment of business strategies led to the closing of the sugar confectionery operations at the Nestlé Foods (M) Sdn. Bhd. in Chembong, Negeri Sembilan and the acquisition of the minority shareholding in Nestlé Asean (Malaysia) Sdn. Bhd.

Profitability

High input costs attributed by the general increase in prices of commodities such as coffee, cocoa, crude palm oil and milk solids, combined with unfavourable foreign exchange rates, have put a constraint on our margins. However, persistent efforts in several initiatives and effective control on the overall fixed costs resulted in the positive evolution of the Gross Margins (Operational Profit) from RM219.4 million in 2002 to RM247.2 million, (in percent of Sales from 8.8% to 9.3%).This is before considering the exceptional items i.e. the sale of associated businesses in 2002 with a RM34.4 million proceeds against the impairment of the sugar confectionery operations in 2003 which incurred a loss of RM29.1 million.

Finance

The issue of the Al-Murabahah Islamic CP/MTN was well received and the extension of maturities through the Medium Term Notes into 3 and 5 years has ensured low finance costs as well as a more balanced exposure between short-term and long-term debt. Overall Finance costs have declined by RM3.6 million.

Marketing

2003 was a very active year in many respects. Overall growth was contributed by positive growth in the core businesses such as Beverages, Food, as well as Ice Cream and Chilled Dairy and Exports.

Beverage

Positive growth recorded in the Coffees and the Health Food Drinks categories. Sales performance was consistently strong with the new blend for NESCAFÉ CLASSIC and the launch of the extended range of the NESCAFÉ mixes. The growth in MILO was due to effective promotion campaigns and strong distribution drive.

Food/FoodServices

Focussed promotional campaigns targeted at consumers gave positive results. And new products innovation in the food service sector have created new category opportunities: SALSA, chilli based products, Gravy etc.

Ice Cream and Chilled

These Businesses again showed double digit growth, for the third year in a row, establishing the leadership in their respective categories.

Other new launches are KIT KAT White Chocolate, new variants of NESLAC and, in the liquid drinks, New BONUS High Calcium Soya Milk as well as NESQUIK.

Sales

Focus is given to assure continuous presence of our products throughout the country and new outlets were added to assure better coverage outside of the main urban concentration areas.

Production

Continuous improvement of our manufacturing performance remained a main focus in 2003. Key Result Areas were identified and improvement projects were implemented covering People Development, Product Quality and Safety Assurance, Competitive Product Supply and Safety/Health and Environment Management.

This was achieved through increased dissemination of Best Practices with greater focus on results.

Capital Expenditure

Capital Investment was well controlled, limiting new investments to a minimum and improving the usage of assets through optimisation initiatives. Hence in 2003 we saw a reduction in investments of RM19.4 million, from RM80.9 million in 2002 to RM61.6 million.

Exports

Another great year for the export activities of Nestlé Malaysia where more double digit growth was achieved. Overall capacity utilisation of key assets have improved. The positive environment in ASEAN bodes well for further growth.

GLOBE

2003 marks the first full year of operation under the new Business Excellence platform. Amongst the achievements are better controls of inventories, where reduction in value can be seen as well as improved collection with a reduction of the days out- standing by almost 10 days. Business Excellence has assisted in the improved understanding of the distribution channels allowing the company to further extend its reach.

Human Resources

The company is committed to continually invest in major people development initiatives. 2003 has seen further exchange and development programmes throughout the company. The total of Malaysian Expatriates stands at 24 at the end of 2003.

Environment

Continuing the efforts of past years, improvement in the reduction of the environmental load have been achieved and past investments in this field have yielded good results.

Prospects

Barring any unforeseen circumstances, the company will pursue all initiatives to continue and improve shareholder value in the coming year.

Kajian Semula Perniagaan

Ulasan Am

Tahun 2003 dijangka bermula dengan pertumbuhan yang positif, namun, beberapa peristiwa di peringkat global pada suku tahun pertama menggugat jangkaan tersebut. Kacau-bilau terus berleluasa di Timur Tengah dan wabak SARS telah menjejaskan dengan ketara perniagaan kembara. Walaupun industri makanan tidak begitu terjejas dengan dua peristiwa ini, permintaan pasaran kembali pulih hanya pada suku tahun keempat.

Perubahan penting berlaku di peringkat pengurusan berikutan pelantikan Pengarah Urusan baru diikuti pelantikan Pengarah Jualan dan Pengarah bagi Perniagaan Ais Krim & Perniagaan Berkaitan. Notis penukaran Pengarah Kewangan dan Kawalan baru pada awal tahun 2004 turut diumumkan.

Penyatuan dan penyusunan semula strategi perniagaan telah mendorong penutupan operasi makanan berasaskan gula di Nestlé Foods (M) Sdn. Bhd. di Chembong, Negeri Sembilan dan pengambilalihan pegangan saham minoriti dalam Nestlé Asean (Malaysia) Sdn Bhd.

Keuntungan

Kos pembelian yang tinggi berikutan kenaikan besar harga barangan komoditi seperti kopi, koko, minyak sawit mentah dan lemak susu, ditambah dengan kadar tukaran matawang asing yang tinggi telah menyekat margin. Walau bagaimanapun, usaha berterusan melalui beberapa inisiatif dan kawalan berkesan terhadap keseluruhan kos tetap menghasilkan pertumbuhan yang positif dalam Margin Kasar (Keuntungan Operasi) dari RM219.4 juta pada tahun 2002 kepada RM247.2 juta (dalam peratus jualan daripada 8.8% kepada 9.3%). Ini adalah kerugian dari kos sebelum mengambilkira perkara-perkara luar biasa iaitu jualan perniagaan berkaitan pada tahun 2002 dengan kutipan berjumlah RM34.4 juta serta pelupusan operasi gula-gula konfeksi dalam tahun 2003 yang berjumlah RM29.1 juta.

Kewangan

Penerbitan CP/MTN Islam Al-Murabahah diterima dengan baik dan pelanjutan tempoh matang Nota Jangka Sederhana kepada 3 tahun dan 5 tahun memastikan kos kewangan yang lebih rendah serta pendedahan yang lebih seimbang antara hutang jangka pendek dan hutang jangka panjang. Kos kewangan keseluruhan telah menurun sebanyak RM3.6 juta.

Pemasaran

2003 merupakan tahun yang aktif jika ditinjau dari pelbagai sudut. Pertumbuhan keseluruhan didorong oleh pertumbuhan positif dalam perniagaan teras seperti Minuman, Makanan, Ais Krim, Produk Tenusu Sejuk dan Eksport.

Minuman

Kategori Kopi dan Minuman Kesihatan mencatatkan pertumbuhan positif. Prestasi jualan terus kukuh melalui penjualan adunan baru NESCAFÉ CLASSIC dan pelancaran rangkaian jenis campuran NESCAFÉ. Kempen promosi dan langkah pengedaran yang berkesan menghasilkan pertumbuhan bagi MILO.

Makanan/Perkhidmatan Makanan

Kempen promosi yang disasarkan kepada pengguna menunjukkan hasil positif. Inovasi produk baru telah membolehkan beberapa produk baru dalam sektor perkhidmatan makanan diperkenalkan di pasaran seperti: SALSA, produk berasaskan cili, makanan berkuah dan sebagainya.

Ais Krim dan Makanan Sejuk

Perniagaan ini sekali lagi mencatatkan pertumbuhan dua angka bagi tahun ke-3 berturut-turut, mengukuhkan kedudukan produk berkaitan sebagai peneraju dalam kategori masing-masing.

Produk-produk baru lain yang dilancarkan adalah KIT KAT White Chocolate, NESLAC dalam pelbagai perisa baru dan air minuman New BONUS High Calcium Soya Milk serta NESQUIK.

Jualan

Tahun 2003 menyaksikan operasi kami berjalan dengan lancar serta jualan kami semakin terdedah kepada kaedah perdagangan moden. Fokus diberi untuk memastikan kewujudan berterusan produk kami di seluruh negara dan saluran baru ditambah untuk memastikan liputan yang lebih baik di luar kawasan bandar yang menjadi tumpuan utama.

Pengeluaran

Peningkatan berterusan ke atas prestasi pengilangan menjadi fokus utama pada tahun 2003. Tanggungjawab utama dikenalpasti dan peningkatan projek yang dilaksanakan meliputi aspek Pembangunan Manusia, Kualiti Produk dan Jaminan Keselamatan, Bekalan Produk Berdaya Saing, Keselamatan/Kesihatan dan Pengurusan Alam Sekitar.

Ini dicapai melalui penyebaran Amalan Terbaik yang semakin meluas dengan lebih memfokus kepada keputusan.

Perbelanjaan Modal

Perbelanjaan Modal dibuat secara berhati-hati, menghadkan pelaburan baru kepada keperluan minimum dan meningkatkan kegunaan aset melalui usaha penggunaan secara optimum. Justeru, kita menyaksikan pengurangan pelaburan sebanyak RM19.4 juta iaitu daripada RM80.9 juta pada tahun 2002 kepada RM61.6 juta pada tahun 2003.

Eksport

Aktiviti eksport Nestlé Malaysia mencapai satu lagi kejayaan yang membanggakan apabila mencatat pertumbuhan dua angka. Penggunaan kapasiti keseluruhan aset utama semakin meningkat. Persekitaran yang positif di rantau ASEAN menyediakan asas yang sesuai untuk pertumbuhan selanjutnya.

GLOBE

Tahun 2003 menandakan tahun pertama beroperasi sepenuhnya di bawah platform baru 'Kecemerlangan Perniagaan'. Antara pencapaiannya ialah kawalan inventori yang lebih baik, di mana pengurangan dalam bentuk nilai dapat dilihat serta kutipan yang meningkat dengan pengurangan tunggakan sebanyak hampir 10 hari. 'Kecemerlangan Perniagaan' turut meningkatkan pemahaman mengenai saluran pengedaran yang membolehkan syarikat memperluaskan lagi liputannya.

Sumber Manusia

Syarikat ini komited kepada pelaburan berterusan dalam inisiatif pembangunan sumber manusia yang utama. Tahun 2003 menyaksikan lebih banyak program pertukaran dan kemajuan di seluruh syarikat. Pegawai Dagang Malaysia pada akhir tahun 2003 adalah seramai 24 orang.

Alam Sekitar

Meneruskan usaha yang dibuat pada tahun-tahun sebelumnya, peningkatan berjaya dicapai dalam mengurangkan pencemaran alam sekitar dan pelaburan dalam bidang ini pada tahun-tahun sebelumnya ternyata membuahkan hasil.

Prospek

Jika tidak berlaku sebarang keadaan di luar jangkaan, Syarikat akan meneruskan segala usaha untuk terus meningkatkan nilai pemegang saham pada tahun hadapan.

5 Years' Statistics for the year ended 31 December 2003

		2003 RM'000	2002 RM'000	2001 RM'000	2000 RM'000	1999 RM'000
Turnover		2,656,989	2,479,649	2,585,708	2,202,451	1,952,571
Earnings / Cash Flow						
Profit before tax		202,117	234,204	264,702	254,991	242,702
% of turnover		7.6%	9.4%	10.2%	11.6%	12.4%
Profit after tax and minority interest		161,989	182,585	203,949	202,452	240,659
% of turnover		6.1%	7.4%	7.9%	9.2%	12.3%
Dividends paid & proposed (net)		176,330	191,352	195,854	192,477	222,775
Depreciation of fixed assets		70,793	73,984	70,291	71,447	55,347
Cash flow (net profit + depreciation + amortisation)		270,011	264,040	285,275	280,384	296,006
% of turnover		10.2%	10.6%	11.0%	12.7%	15.2%
Capital expenditure		61,550	80,888	127,418	65,636	40,194
Employment of Assets						
Fixed assets (net)		538,454	578,911	573,523	518,971	555,546
Associated companies		2,237	1,871	1,518	1,243	17,644
Intangible assets		96,134	98,204	85,713	94,895	100,194
Net current assets		92,190	(120,524)	(28,688)	(3,940)	(302,599)
Total		729,015	558,462	632,066	611,169	370,785
Financed by						
Share capital		234,500	234,500	234,500	234,500	234,500
Reserves		166,211	188,610	265,991	256,054	100,877
Total shareholders' funds		400,711	423,110	500,491	490,554	335,377
Deferred taxation		29,875	31,897	28,627	16,975	29,803
Minority interest		–	2,465	2,394	2,334	5,605
Retirement benefit liabilities		48,429	50,990	–	–	–
Borrowings		250,000	50,000	100,554	101,306	–
Total		729,015	558,462	632,066	611,169	370,785
Per Share						
Market price	(RM)	21.80	19.70	20.50	21.0	16.40
Earnings	(sen)	69.08	77.86	86.97	86.33	102.6
Price earnings ratio		31.56	25.30	23.57	24.32	15.98
Dividend (net)	(sen)	75.20	81.6	83.5	82.1	95.0
Dividend yield	(%)	3.4	4.1	4.1	3.9	5.8
Dividend cover	(no.)	0.9	0.9	1.0	1.1	1.1
Shareholders' funds	(RM)	1.71	1.80	2.13	2.09	1.43
Net tangible assets	(RM)	1.30	1.39	1.77	1.69	1.00
Personnel	(no.)	3,472	3,478	3,281	3,183	3,489
Factories	(no.)	7	7	7	7	7

Notes:
1. Earning per share and dividend cover are based on profit after tax.
2. Net tangible assets consist of issued share capital plus reserves less intangible assets.
3. The market price represents last done price of the shares quoted on the last trading day of December.
4. Recognition of Retirement Benefit Liabilities as per MASB29. For comparison purposes, only 2002 has been restated.

Perangkaan 5 Tahun bagi tahun berakhir 31 Disember 2003

		2003 RM'000	2002 RM'000	2001 RM'000	2000 RM'000	1999 RM'000
Jumlah Jualan		2,656,989	2,479,649	2,585,708	2,202,451	1,952,571
Perolehan / Aliran Tunai						
Untung sebelum cukai		202,117	234,204	264,702	254,991	242,702
% jumlah jualan		7.6%	9.4%	10.2%	11.6%	12.4%
Untung selepas cukai dan kepentingan minoriti		161,989	182,585	203,949	202,452	240,659
% jumlah jualan		6.1%	7.4%	7.9%	9.2%	12.3%
Dividen dibayar & dicadangkan (bersih)		176,330	191,352	195,854	192,477	222,775
Susut nilai harga tetap		70,793	73,984	70,291	71,447	55,347
Aliran tunai (keuntungan + susut nilai + pelunasan)		270,011	264,040	285,275	280,384	296,006
% jumlah jualan		10.2%	10.6%	11.0%	12.7%	15.2%
Perbelanjaan modal		61,550	80,888	127,418	65,636	40,194
Harta Digunakan						
Harta tetap (bersih)		538,454	578,911	573,523	518,971	555,546
Syarikat bersekutu		2,237	1,871	1,518	1,243	17,644
Harta tidak ketara		96,134	98,204	85,713	94,895	100,194
Harta semasa bersih		92,190	(120,524)	(28,688)	(3,940)	s(302,599)
Jumlah		729,015	558,462	632,066	611,169	370,785
Dibiayai Oleh						
Modal saham		234,500	234,500	234,500	234,500	234,500
Rizab		166,211	188,610	265,991	256,054	100,877
Jumlah dana pemegang saham		400,711	423,110	500,491	490,554	335,377
Cukai tertunda		29,875	31,897	28,627	16,975	29,803
Kepentingan minoriti		–	2,465	2,394	2,334	5,605
Tanggungan faedah persaraan		48,429	50,990	–	–	–
Pinjaman		250,000	50,000	100,554	101,306	–
Jumlah		729,015	558,462	632,066	611,169	370,785
Sesaham						
Harga pasaran	(RM)	21.80	19.70	20.50	21.0	16.40
Perolehan sesaham	(sen)	69.08	77.86	86.97	86.33	102.6
Nisbah harga perolehan		31.56	25.30	23.57	24.32	15.98
Dividen (bersih)	(sen)	75.20	81.6	83.5	82.1	95.0
Kadar hasil dividen	(%)	3.4	4.1	4.1	3.9	5.8
Lindungan dividen	(bil.)	0.9	0.9	1.0	1.1	1.1
Dana pemegang saham	(RM)	1.71	1.80	2.13	2.09	1.43
Harta ketara bersih	(RM)	1.30	1.39	1.77	1.69	1.00
Personel	(bil.)	3,472	3,478	3,281	3,183	3,489
Kilang	(bil.)	7	7	7	7	7

Nota:

1. *Perolehan sesaham dan lindungan dividen adalah berdasarkan keuntungan selepas cukai.*
2. *Harta ketara bersih meliputi modal saham campur rizab tolak harta tak ketara.*
3. *Harga pasaran adalah berdasarkan harga saham pada hari urusniaga terakhir dalam bulan Disember.*
4. *Pengiktirafan Tanggungan Faedah Persaraan adalah mengikut MASB29. Tahun 2002 dinyatakan semula untuk tujuan perbandingan.*

Corporate Governance Statement

Introduction:

The Company is committed to high standards of Corporate Governance. Its Board of Directors is directly accountable to the Company's share and stake holders for good Governance. The Company has adopted the Corporate Governance Principles of its parent company, Nestlé S.A., which cover the following:

- The rights and responsibilities of shareholders;
- The equitable treatment of shareholders;
- The duties and responsibilities of Directors; and
- Disclosure and transparency

The principles set out by the parent company are in line with Part 1 and Part 2 of the Malaysian Code of Corporate Governance and the Kuala Lumpur Stock Exchange Listing Requirements.

Compliance Statement:

The Company has led its businesses in line with the Best Practices of The Malaysian Code on Corporate Governance throughout the year (ended on the 31st of December 2003). The exceptions and reasons for non-compliance are as follows:

Heading	**Best Practice Provision**	**Details**	**Reasons**
Nomination Committee	AAVIII	The Board of every company should appoint a committee of directors composed exclusively of non-executive directors, a majority of whom are independent, with the responsibility for proposing new nominees for the board and for assessing directors on an on-going basis.	The company has not established such a committee. Nomination and re-election of directors are adequately deliberated at the meetings of the Board of Directors and the Annual General Meeting of shareholders.
Remuneration Committee	AAXXIV	The Board should appoint remuneration committees, consisting wholly or mainly of non-executive directors.	The policies regarding remuneration of directors are presented and updated to the Directors whenever necessary. All issues with regards to nomination and remuneration are dealt with at the meetings of the Board of Directors. Key Management positions are discussed and deliberated by the Management of the Company in close consultation with its parent company.

Contrary to the Listing Requirements of the Kuala Lumpur Stock Exchange (Paragraph 15.05), the Directors Mr. Michael W. Garrett and YAM Dato' Seri Syed Anwar Jamalullail could not attend at least 50% of the meetings of the Board of Directors due to issues of availability. In the future, Board of Directors meetings will be held via Video-Conferencing allowing for full compliance to the Kuala Lumpur Stock Exchange Listing Requirements.

Principles Statement

The following statement outlines the application of the principles of Corporate Governance by The Company:

A. Board of Directors

Board Responsibilities and Information

The Board of Directors is committed to establishing long-term share and stake holder value. Therefore all matters with regards to strategy and business conduct proposed by Management are critically scrutinised and deliberated by the Board. The monitoring of the achievement of deliberated strategies is adequately delibrated at the meetings of the Board of Directors.

In line with the above, the Board is responsible for the overall company strategy, acquisition and divestment policies, capital expenditure approval and review of the financial and operational performance. Accountability of the Board for the proper handling and governance of the Group is therefore not only under the law but also by company statutes and processes.

Any Director can therefore obtain independent professional advice and information at the expense of the Company in the performance of their mandate. The Directors meet at least 4 times a year and in between those times, there are ample occasions in which the Directors interact with each other to discuss and deliberate on the progress of the Company's business.

In addition, before each meeting, the Board of Directors receive comprehensive documentation in relation to the deliberations and performance review of the Company.

Meetings

The Board meets generally quarterly. Additional meetings are convened in cases of urgency or important decisions. In 2003 the Directors' meeting attendance is as follows:

Name	Attendance at ordinary meetings	Percentage
– General (Rtd) Tan Sri Dato' Mohd Ghazali Seth	5/5	100%
– Tan Sri Dato' Ernest Zulliger	4/5	80%
– YAM Dato' Seri Syed Anwar Jamalullail	2/5	40%
– Mr. Jimmy Tan @Tan Meng Kow	5/5	100%
– Mr. Michael W. Garrett	0/5	0%
– Mr. Faïçal Krichane (alternate Director to Mr. M.W. Garrett)	4/5	80%
– Mr. José Lopez Y. Vargas*	2/3	67%
– Mr. Sullivan Joseph O'Carroll**	2/2	100%
– YM Tengku Tan Sri Dr. Mahaleel bin Tengku Ariff#	3/4	75%
– Mr. Pierre Francois Streit^	5/5	100%
– Mr. Stéphane Nicolas Alby^^	–	–

* Resigned on the 30.06.2003
** Appointed by 01.07.2003
\# Appointed on 30.04.2003
^ Resigned on 27.02.2004
^^ Appointed on 27.02.2004

Corporate Governance Statement

Audit Committee:
The risks of the company in relation to its long-term strategy are identified, evaluated and managed according to a predefined process. The effectiveness of this process is subject to review by the Audit Committee. The Audit Committee comprises 4 Non-executive and 1 executive Director. In particular, the following aspects are examined by the Audit Committee:

- Assessment of risk by reviewing evidence of risk assessment activity either by Management or via a report from Internal Audit; and
- Systems of internal control primarily through reviewing the scope of the internal audit programme and its findings, review of annual and interim financial statements and a review of the nature and scope of external audit.

Strategy
The Group's strategic direction is subject to regular review at the Board level. The Management has in place a process for such reviews. Annual operating plans and Market Business Strategy (MBS) are established and reviewed as well as the setting of measurable and objective Key Performance Indicators (KPIs).

The processes to manage and identify key risks are an integral part of the internal control environment and day-to-day management operations. Such processes, which are constantly reviewed and benchmarked against best practices, include the long-term planning, controlling and monitoring of the performance, capital expenditures, promotional investments as well as quality, safety and health environment.

Delegation
The management of the financial and long-term objectives, as agreed by the Board is delegated to the Managing Director, Executive Directors and other Senior Managers of the Company. They are accountable for the conduct, performance and profitability of the company within the agreed strategy, limits and policies deliberated by the Board.

Reporting
Businesses or functions are responsible to report within a defined timetable and in compliance with instructions and guidelines. The Management team receives monthly reports on the financial and operational situation from each business area and function, quarterly reports and financial information, based on a standardised process. Such information is discussed at the Board level to ensure adequate level of information and discuss deviation or accelerations of projects, capital appropriations or other items of relevance.

Principles of Conduct
Nestlé (Malaysia) Bhd. is committed to high ethical standards and regards them as a key success factor to the performance of the Company. The Basic Nestlé Management and Leadership Principles and the Corporate Business Principles have been applied within Malaysia and have been communicated to every employee with respect to his/her function. Furthermore in 2003, the Company has disseminated its Company Code of Ethics and the Nestlé Principles of Purchasing to its long-term distributors and its major suppliers.

Board Composition
The Board of Directors currently comprises the Chairman (independent, Non-executive), the Managing Director, 2 Executive Directors and 4 Non-Executive Directors (two being Independent Directors and two being Non-Independent Directors, of which one is a General Manager of Nestlé S.A. representing the General Management of the parent company of Nestlé (Malaysia) Berhad. The experience of the members of the Board encompasses various backgrounds, representing a high business, international and financial knowledge, which is core to the setting of strategies, monitoring of strategy achievement, the leading and ultimately the success of the Company. The composition of the Board is balanced with regards to the number and the experience of Directors.

Appointments to the Board
Appointments to the Board are on a rotating basis of maximum 3 years before retirement and proposal for re-election. The current Chairman of the Board is to stand for re-election every year.

Changes in the year 2003/2004:
- YM Tengku Tan Sri Dr. Mahaleel bin Tengku Ariff (Independent, Non-Executive Director) was appointed to the Board on 30.04.2003;
- Mr. Sullivan Joseph O'Carroll (Managing Director) has succeeded Mr. José Lopez Y Vargas as Chief Executive Officer of Nestlé (Malaysia) Berhad as at 01.07.2003;
- Mr. Pierre Francois Streit (Executive Director) will leave the Company by 27.02.2004 as per the announcement to the Kuala Lumpur Stock Exchange. He will be replaced by Mr. Stéphane Nicolas Alby on the same day.

Directors' Training

All Board members are chosen according to their experience, knowledge and career achievement. Decisions about new Board members are therefore carefully weighed with regards to the above criteria, as this determines the success of the Company. There is no formal training of Board members, however a regular update regarding new legislation and about company policies, guidelines and procedures is conducted.

All Board members have attended the Mandatory Accreditation Programme (MAP) conducted by the Research Institute of Investment Analysts Malaysia (RIIAM). The Board of Directors has not been exposed to further Continuing Education in 2003. However, in line with the Kuala Lumpur Stock Exchange Listing Requirements, the Board of Directors will undergo this Continuing Education by August 2004.

MASB: Standard Application

The Company has adopted and applied all new standards, issued this year by the Malaysian Accounting Standards Board. Specific reference is hereby made to three standards applied in 2002 and 2003.

a. Financial Instruments: Policy and Strategy (MASB 24); applied in 2002

The Company has communicated its policies and strategies with regards to MASB 24 to the Board of Directors to create awareness on the use of financial instruments. The company is committed to hedging strategies of non-speculative nature, not looking for financial gains but to safeguard the assets of the Company to allow for competitive and non-fluctuating pricing of its products. The use of hedging instruments exceeding a 6 months period is furthermore discussed with advisers from Nestlé S.A.

b. Income Taxes (MASB 25); applied in 2003

The Company has adopted MASB 25 – Malaysian Accounting Standards Board and the financial statements reflect this standard.

c. Employee Benefits (MASB 29); applied in 2003

The Company has adopted this standard as per requirement and has for that reason recognised a provision for an actuarial liability of MYR 50.9 million as at 31 December 2002. Based on the latest actuarial review, this provision stands at RM48.4 million as at the 31.12.2003.

Corporate Governance Statement

B. Directors' Remuneration
Details of the nature and amount of each major element of the remuneration of each Director of the Company are as follows:

	Basic salary RM	Bonus RM	Fees RM	Benefits in kind RM	Total RM
Non executive Directors					
– Gen (Rtd) Tan Sri Dato' Mohd Ghazali Seth	–	–	40,000.00	4,000.00	44,000.00
– Tan Sri Dato' Ernest Zulliger	–	–	20,000.00	3,000.00	23,000.00
– YAM Dato' Seri Syed Anwar Jamalullail	–	–	20,000.00	2,000.00	22,000.00
– Mr. Jimmy Tan @Tan Meng Kow	–	–	20,000.00	3,000.00	23,000.00
– YM Tengku Tan Sri Dr. Mahaleel bin Tengku Ariff	–	–	20,000.00	1,000.00	21,000.00
– Mr. Michael W. Garrett	–	–	20,000.00	–	20,000.00
Executive Directors					
– Mr. José Lopez Y Vargas	450,607.42	194,128.82	–	164,000.00	808,736.24
– Mr. Sullivan Joseph O'Carroll	341,142.00	21,268,89	–	78,831.00	441,241.89
– Mr. Pierre Francois Streit	655,729.83	140,635.11	–	243,066.00	1,039,430.94
– Mr. Faïçal Krichane	734,098.01	149,842.81	–	249,505.00	1,133,445.82
	2,181,577.26	505,875.63	140,000.00	748,402.00	3,575,854.89

Bonuses are performance based and related to individual and Company achievement of specific goals.
Non-Executive Directors do not receive any performance related remuneration.

C. Shareholders, Investors and Financial Community
The Company regards regular communication to the public (shareholders and investing public) as key. The Company performance is reported quarterly to the Kuala Lumpur Stock Exchange and the yearly business review is disclosed in the Annual Report. Dialogue between shareholders and the company is fostered at the annual or Extraordinary General meetings, where each individual shareholder can raise questions or concerns with regards to the Company as a whole. The Chairman of the Board, the Management Team and the Audit Committee members are available to respond to questions during the Annual General Meeting.

Following the quarterly reporting, the Company confers with the investment community and discloses its performance via business presentations.

All communication at the Annual General Meeting and to the financial community are in line with listing requirements of the Kuala Lumpur Stock Exchange and the laws of Malaysia.

Corporate information (news events, products, news releases, etc.) can also be viewed online at the Nestlé (Malaysia) Bhd. website (http:// www.nestlé.com.my).

D. Accountability and Audit
Directors' responsibility statement in respect of the preparation of the audited financial statement

The Directors are responsible for securing the accuracy of the profit & loss statement, the balance sheet, the cash flow statement and all other financial disclosure. Applicable Accounting Standards (MASB) and legislation are the basis for the disclosure of the Company's affairs. The financial disclosure follows the principles of true and fair view, prudence and transparency.

In addition and in line with Group Policy, The Company has ensured that its external auditors are fully independent in that they are not involved in any other consulting activity and also requires management employees involved in book closings activities to certify the accuracy of their accounts after each reporting period/quarterly in writing.

Audit Committee Report

Membership and Meetings

The members of the audit committee, attendance in 2003 and their respective statuses are as follows:

Name	Membership	Valid from / until	Status	Attendance
– Gen (Rtd) Tan Sri Dato' Mohd Ghazali Seth	Chairman	Full Year	Independent, Non-Executive Director	4/4
– Tan Sri Dato' Ernest Zulliger	Member	Full Year	Independent, Non-Executive Director	3/4
– YM Tengku Tan Sri Dr. Mahaleel bin Tengku Ariff	Member	From July 2003 onwards	Independent, Non-Executive Director	2/3
– YAM Dato' Seri Syed Anwar Jamalullail	Member	Full Year	Non-Independent, Non-Executive Director	1/4
– Mr. Jimmy Tan @ Tan Meng Kow	Member	Until July 2003	Non-Independent, Non-Executive Director	2/2
– Mr. Pierre Francois Streit	Member	Full Year	Executive Director	4/4

Based on the ruling of the Kuala Lumpur Stock Exchange, Mr. Jimmy Tan @ Tan Meng Kow was reclassified as a Non-Independent Director at the end of 2002. To ensure that a majority of the composition of the Audit Committee consists of Independent, Non-Executive Directors, YM Tengku Tan Sri Dr. Mahaleel bin Tengku Ariff comes with a Nestlé Sales background and has gathered various experiences in other companies (including Shell Malaysia). He is currently Chief Executive Officer of the national car Company, Perusahaan Otomobil Nasional Berhad (PROTON).

In 2003, a quorum, established by the presence of the Chairman and at least 2 members, was always present. When there is an absence of consensus on any issue arising in the Audit Committee, the Executive Director will withdraw his participation in the decision-making so as to ensure the independence of decision-making process.

The Internal Audit Department has conducted 12 (twelve) audits in the year 2003. The reports covered all types of units of the Company, ranging from factories, sales branches to Head Office functions. In addition, based on management request, five special audit reviews have been conducted by the Internal Audit Department. All meetings of the Audit Committee have been fully attended by the Internal Audit Manager, the External Auditors and the Group Accounting Department Manager.

Furthermore the Nestlé Audit Group, the internal auditing arm of the parent company, has conducted a review of processes, systems and business excellence related to the company's involvement and activities in Nestlé's worldwide Global Business Excellence project.

Summary of the activities during the financial year

In the financial year 2003, the Audit Committee has undertaken the following activities:

Activities with regards to external audit

- Review of external audit scope and audit plans based on the external auditors' presentation of audit strategy and plan;
- Review of external audit results, audit reports, management letter and the response from management.

Activities with regards to internal audit

- Review of internal audit's resource requirements;
- Review of internal audit's plan and programmes;
- Review of internal audit reports, recommendations and management responses. Improvement actions in the areas of internal control, systems and efficiency enhancements suggested by the internal auditors were discussed together with management;
- Review of implementation of these recommendations through follow-up audit reports;
- Suggested additional improvement opportunities in the areas of internal control, systems and efficiency improvement.

Audit Committee Report

Activities with regards to financial statements

- Review of Annual Report and the audited financial statements of the Company prior to recommendation to the Board of Directors for their perusal and approval. This was to ensure compliance of the financial statements with the provisions of the Companies Act 1965 and the applicable approved accounting standards as per the MASB;
- Review of the Company's compliance with the Kuala Lumpur Stock Exchange Listing Requirements, MASB and other relevant legal and regulatory requirements with regards to the quarterly and year-end financial statements; and
- Review of the unaudited financial results announcements before recommending them for the Board of Directors' approval.

Other activities

- Review of related party transactions and special and ordinary dividend payments; and
- Review of compliance to the Malaysian Code on Corporate Governance.

Internal Audit Function

The Internal Audit Function, though reporting to the Executive Finance Director – besides to the Audit Committee – is an independent institution within the company. Its main role is to undertake independent and systematic reviews of the processes and guidelines of the Company and to report on their application and compliance.

The individual assessments are to be objectively reported to management and to the Audit Committee. Further details on the Internal Audit Department are set out in the Statement on Internal Control.

Terms of reference of the Audit Committee

Objectives

The Audit Committee is an independent committee which assists the Board in the discharge of its responsibilities for corporate governance, corporate control and financial reporting. The Committee acts on behalf of the Board to ensure that:

- The internal Audit function is operating effectively and in accordance with the Standards for the Professional Practice of Internal Auditing;
- Adequate attention is paid to the effectiveness, efficiency and economy of the Company operations;
- The quarterly results and year-end financial statements are reviewed prior to the approval by the Board of Directors;
- Adequate systems of internal control are in operation so as to produce accurate and meaningful management information; and
- Appropriate and timely action is taken by the relevant managers to rectify the major areas of concern.

To report at least quarterly to the Board of Directors on matters falling within the Committee's terms of reference.

Duties and Responsibilities

The Audit Committee is responsible in particular for:

Risk and Control

- Assess if adequate risk assessment processes and measures to minimise any risk exposures, including fraud, are in place;
- Review and evaluate, with the external and internal auditors, management procedures, which are designed to provide assurance of compliance with laws, regulations, policies and codes of practice or conduct;
- Monitor systems and procedures, with external and internal auditors, which are designed to provide a satisfactory and effective level of internal control, asset protection and management information; and
- Monitor the company operations via appropriate Internal Audit reviews, to ascertain if adequate attention is paid to attributes of efficiency, effectiveness and economy.

Internal Audit

- Review the Internal Audit reports of major audits, which were undertaken;
- Review the extent to which Internal Audit recommendations are implemented and the timeliness of responses received; and
- Review internal audit performance and effectiveness to ensure consistency with the approved plans, the Internal Audit Charter, and relevant professional standards.

External Audit

- Review management's responses to the external auditors' interim reports, annual report and management letter;
- Monitor developments in the external audit field and standards issued by professional bodies and other regulatory authorities; and
- Oversee external audit arrangements in place at the various controlled entities/subsidiaries.

Reporting

- Review the quarter and annual final draft of the annual financial statements (prior to the meeting of Board of Directors to approve the financial statements), receiving explanations for significant variations from the prior year and from budget and refer issues to the Board, as necessary;
- Monitor compliance with statutory requirements for financial reporting, with focus on significant changes in accounting policies and practices, together with significant adjustments recommended by external audit;
- Review compliance with all related-party disclosures required by the Accounting Standards.

Others

- Review as necessary any matters arising from the Group's financial operations;
- Commission such investigations or reviews relevant to its role as it sees fit.

Authority

The Audit Committee, in the course of discharging its duties, is authorised to:

- Require any officer of the Company or any subsidiary to supply such information and explanations as may be needed;
- Have discussions with line managers and employees of the company and subsidiaries at any reasonable time; and
- Draw assistance from qualified external party to advise on issues, where the members require expert input.

Statement on Internal Control

Introduction

(Paragraph 15.27 (b) of the Listing Requirements of the Kuala Lumpur Stock Exchange requires that the Directors of public listed companies include a "statement about the state of internal control of the listed issuer as a group" in its Annual Report.

The Board of Directors and Management are highly committed to a sound system of internal control and are pleased to provide the following statement demonstrating the scope and nature of internal control of the Group for the year 2003.

Board Responsibility

The Board of Directors and Management are responsible and accountable for all internal control systems. This includes the establishment of an appropriate control environment and framework as well as reviewing its adequacy and integrity. Any system of internal control, due to its inherent limitations, is only designed to manage, rather than eliminate, the risk of failure to achieve corporate objectives. Accordingly, it can only provide reasonable but not absolute assurance against material misstatement or loss. The Board of Directors regards this as a duty that Management has to perform and consequently delegates the monitoring of these systems to Management.

Accompanying this constant review and evaluation of internal control systems is an ongoing process for identifying, evaluating and managing significant risks faced by the Group. This process is subject to regular review by the Board of Directors.

Risk Management Framework and Enterprise Risk Management

The Board of Directors fully supports the contents of the publication known as the "Statement on Internal Control: Guidance for Directors of Public Listed companies" ("the Internal Control Guidance") and, together with the Internal Audit Department, in close consultation with related companies, has put in place several internal control measures, risk management guidelines and processes. These internal control measures are continuously reported to the Audit Committee and thereafter to the Directors for further deliberation.

In addition to the above, The Company has embarked on the establishment of a formal Enterprise Risk Management in 2002. The process is ongoing and has resulted in a Corporate and unit-specific (Factories and National Distribution Centre) risk profiles, tolerances and action plans. This process will help the Company to identify, structure, measure and mitigate risk even more effectively.

Internal Audit Function

The Group is supported by an Internal Audit Department, which reviews all processes of the Group and its relations with third parties.

The Internal Audit Department provides the Board of Directors with independent reviews of the processes, risk exposures and systems of internal control of the Group. The specific areas of focus covered by the Internal Audit Department are as follows:

- Giving assurance services with regards to effectiveness of the internal control systems;
- Assessment of the operational efficiency of the Group and identification of saving potentials;
- Assessing the reliability of system and reporting information; and
- Ensuring compliance with Group standards / guidelines and with legislation.

In line with the evolution in the field of Enterprise Risk Management, the Internal Audit Department has redesigned its audit approach and is conducting audits on the basis of (a) end-to-end processes; and (b) risk. Therefore the coverage of functions / processes within / outside the organisation is not anymore linked to a two-year cycle, but based on the risk these functions / processes represent. The plan for 2004 has been presented to and deliberated on by the Audit Committee. The results of audit reviews are reported on a quarterly basis to the Audit Committee and then via the Chairman to the Board of Directors. Management's responses and action plans are regularly reviewed and followed up by the Internal Audit Department and the Audit Committee.

In the current year, based on internal audit's ratings, the system of internal controls was generally satisfactory. The focus of reviews were factories, trade funds, business units and supporting departments. Where exceptions were noted, these were not material in the context of this report and corrective action has been taken. A follow-up review at the National Distribution Centre has revealed improvements.

Other Risk and Control Processes

The structure and the formally defined process (via Company Standing Instructions) play a major part in the Group's risk mitigation. The Group's hierarchical reporting structure provides a documented and auditable trail of accountability. In addition, system authorities and major Company Policies (health and safety, training and development, equality of opportunity, staff performance, sexual harassment and serious misconduct) have been disseminated to the Company's employees. These procedures are established across the whole organisation and in itself provide assurance at all levels of management up to the Director level. The Internal Audit Department reviews the full application of these procedures and reporting structures, as well as to verifies the systems of internal control. A follow-up procedure has been developed for both internal audit recommendations and management improvement actions. The Managing Director also reports to the Board of Directors on significant changes in the business and the external environment, which affect significant risks. Financial information, key performance and risk indicators are reported quarterly by the Executive Director, Finance & Control to the Directors. Recommendations for improvement by the Audit Committee and the Management of the Group are considered by the Board of Directors.

Business Assurance

In line with the Global Business Excellence project (Nestlé (Malaysia) Berhad has – as pilot market – embarked on this project in October 2002), a Business Assurance function – Internal Compliance Group – has been created. The Business Assurance Manager's duties are to ensure that:

- Processes are in line with globally defined best practices;
- Access controls within the new SAP platform are in line with internal control principles; and
- System designs would support the application of best practices.

Group Financial Highlights *Maklumat Kewangan Kumpulan*

		2003	2002	+/(-)
Turnover / *Jumlah Jualan*	**(RM'000)**	**2,656,989**	**2,479,649**	**7.2%**
Earnings / Cash Flow / *Perolehan / Aliran Tunai*				
Profit before tax / *Untung sebelum cukai*	(RM'000)	202,117	234,204	(13.7%)
% of turnover / *% jumlah jualan*		7.6%	9.4%	
Profit after tax and minority interest / *Untung selepas cukai dan kepentingan minoriti*	(RM'000)	161,989	182,585	(11.3%)
% of turnover / *% jumlah jualan*		6.1%	7.4%	
Dividends paid & proposed (net) / *Dividen dibayar & dicadangkan (bersih)*	(RM'000)	176,330	191,352	(7.9%)
Depreciation of fixed assets / *Susut nilai harta tetap*	(RM'000)	70,793	73,984	
Cash flow (net profit + depreciation + amortisation) / *Aliran tunai (untung + susut nilai + pelunasan)*	(RM'000)	270,011	264,040	
Capital expenditure / *Perbelanjaan modal*	(RM'000)	61,550	80,888	
Shareholders' funds / *Dana pemegang saham*	(RM'000)	400,711	459,834	
Personnel / *Personel*	(no.) / (bil.)	3,472	3,478	
Factories / *Kilang-kilang*	(no.) / (bil.)	7	7	
Per Share / *Sesaham*				
Market price / *Harga pasaran*	(RM)	21.80	19.70	
Earnings per share / *Perolehan sesaham*	(sen)	69.08	77.86	
Price earning ratio / *Nisbah harga perolehan*		31.56	25.30	
Dividend (net) / *Dividen (bersih)*	(sen)	75.20	81.60	
Dividend yield / *Kadar hasil dividen*	(%)	3.4	4.1	
Dividend cover / *Lindungan dividen*	(no.) / (bil.)	0.9	0.9	
Shareholders' funds / *Dana pemegang saham*	(RM)	1.71	1.80	
Net tangible assets / *Harta ketara bersih*	(RM)	1.30	1.39	

Notes:
1. Earnings per share and dividend cover are based on profit after tax.
2. Net tangible assets consist of share capital plus reserves less intangible assets.
3. The market price represents last done price of the shares quoted on the last trading day of December.

Nota:
1. *Perolehan sesaham dan lindungan dividen adalah berdasarkan keuntungan selepas cukai.*
2. *Harta ketara bersih meliputi modal saham campur rizab tolak harta tak ketara.*
3. *Harga pasaran adalah berdasarkan harga saham pada hari urusniaga terakhir dalam bulan Disember.*