Corporate Data

DATA KORPORAT

Board of Directors /
Lembaga Pengarah

General [Rtd] Tan Sri Dato' Mohd Ghazali Seth
Independent, Non-Executive Director
Chairman of the Board of Directors
Chairman of the Audit Committee
Pengarah Bebas, Bukan Eksekutif
Pengerusi Lembaga Pengarah
Pengerusi Jawatankuasa Audit

Tan Sri Dato' Ernest Zulliger
Independent, Non-Executive Director
Member of the Audit Committee
Pengarah Bebas, Bukan Eksekutif
Ahli Jawatankuasa Audit

Tengku Tan Sri Dr. Mahaleel bin Tengku Ariff
Independent, Non-Executive Director
Member of the Audit Committee
Pengarah Bebas, Bukan Eksekutif
Ahli Jawatankuasa Audit

Dato' Seri Syed Anwar Jamalullail
Independent, Non-Executive Director
Member of the Audit Committee
Pengarah Bebas, Bukan Eksekutif
Ahli Jawatankuasa Audit

Datuk Azlan bin Mohd Zainol
Non-Independent, Non-Executive Director
[Resigned on 4 August 2005]
Pengarah Bukan Bebas, Bukan Eksekutif
[Meletak jawatan pada 4 Ogos 2005]

Michael W. Garrett
Non-Independent, Non-Executive Director
[Resigned on 23 February 2006]
Pengarah Bukan Bebas, Bukan Eksekutif
[Meletak jawatan pada 23 Februari 2006]

Sullivan Joseph O'Carroll
Managing Director
Pengarah Urusan

Stéphane Nicolas Jean Marie Alby
Executive Director
Member of the Audit Committee
Pengarah Eksekutif
Ahli Jawatankuasa Audit

Magdi Batato
Alternate Director to Michael W. Garrett
[Until 23 February 2006]
Pengarah silih ganti kepada Michael W. Garrett
[Sehingga 23 Februari 2006]

Registered Office /
Pejabat Yang Didaftarkan

Nestlé House
4, Lorong Persiaran 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 0006824]

Share Registrar /
Pendaftar Saham

Tenaga Koperat Sdn. Bhd.
[118401-V]
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
Wisma KPMG
Jalan Dungun
Damansara Heights
50490 Kuala Lumpur
Telephone : + 603 2095 3388
Facsimile : + 603 2095 0971

Pricipal Bankers /
Bank-bank Utama

Malayan Banking Berhad [3813-K]
Citibank Berhad [297089-M]

Stock Exchange Listing /
Penyenaraian Bursa Saham

Main Board
Bursa Malaysia Securities Berhad
[635998-W]

Audit Committee /
Jawatankuasa Audit

General [Rtd] Tan Sri Dato' Mohd Ghazali Seth
Chairman / *Pengerusi*

Tan Sri Dato' Ernest Zulliger
Member / *Ahli*

Tengku Tan Sri Dr. Mahaleel bin Tengku Ariff
Member / *Ahli*

Dato' Seri Syed Anwar Jamalullail
Member / *Ahli*

Stéphane Nicolas Jean Marie Alby
Member / *Ahli*

Management Team /
Pasukan Pengurusan

As at 5 April 2006 / *Pada 5 April 2006*

Sullivan Joseph O'Carroll
Managing Director / *Pengarah Urusan*

Stéphane Nicolas Jean Marie Alby
Executive Director, Finance & Control /
Pengarah Eksekutif, Kewangan & Kawalan

Magdi Batato
Executive Director, Production /
Pengarah Eksekutif, Pengeluaran

Abdul Wahab bin Abu Bakar
Human Resource Director /
Pengarah Sumber Manusia

Ariffin bin Buranudeen
Supply Chain Director /
Pengarah Rangkaian Bekalan

Ganesan Ampalavanar
Sales Director / *Pengarah Jualan*

Directors

PENGARAH-PENGARAH

From left to right / *Dari kiri ke kanan*

Magdi Batato

Ariffin bin Buranudeen

Sullivan Joseph O'Carroll

Stéphane Nicolas Jean Marie Alby

Ganesan Ampalavanar

Abdul Wahab bin Abu Bakar

Profile of Board of Directors

PROFIL AHLI LEMBAGA PENGARAH

General [Rtd] Tan Sri Dato' Mohd Ghazali Seth
Age 77
Malaysian citizen
Independent, Non-Executive Director
Chairman of the Board of Directors
Chairman of the Audit Committee

Berusia 77 tahun
Warganegara Malaysia
Pengarah Bebas, Bukan Eksekutif
Pengerusi Lembaga Pengarah
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, also serves as Director of Carlsberg Brewery Malaysia Berhad and ABN-AMRO Bank Berhad. Appointed to the Board since January 1986 and attended all 4 meetings of the Board of Directors in the financial year ended 31 December 2005. Holds 10,000 shares in the Company. No conflict of interest with the Group and has no family relationship with any other director and/or major shareholder of the Group, nor any personal interest in any business arrangement involving the Group and has not been convicted for offences within the past 10 years other than 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, juga berkhidmat sebagai Pengarah Carlsberg Brewery Malaysia Berhad dan ABN-AMRO Bank Berhad. Dilantik sebagai ahli Lembaga Pengarah sejak bulan Januari 1986 dan menghadiri kesemua 4 mesyuarat Lembaga Pengarah dalam tahun kewangan berakhir 31 Disember 2005. Memegang 10,000 saham di dalam Syarikat. Tidak mempunyai sebarang konflik kepentingan dengan Kumpulan Syarikat dan tidak mempunyai sebarang pertalian kekeluargaan dengan lain-lain pengarah dan/atau pemegang saham utama dalam Kumpulan Syarikat, atau mempunyai kepentingan sendiri dalam mana-mana urusan perniagaan yang melibatkan Kumpulan Syarikat dan 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

Tan Sri Dato' Ernest Zulliger
Age 73
Swiss nationality
Independent, Non-Executive Director
Member of the Audit Committee

Berusia 73 tahun
Warganegara Switzerland
Pengarah Bebas, Bukan Eksekutif
Ahli Jawatankuasa Audit

Tan Sri Dato' Ernest Zulliger has had an illustrious career with the worldwide Nestlé group of companies, which spanned 37 years, last position held before retirement was as Managing Director of the Company. Studied Commerce and Business Administration in Switzerland and attended the International Institute for Management Development, [IMD] Lausanne, Switzerland. Appointed to the Board since November 1983 and attended 3 out of 4 meetings of the Board of Directors for the financial year ended 31 December 2005. No conflict of interest with the Group and has no family relationship with any other director and/or major shareholder of the Group, nor any personal interest in any business arrangement involving the Group and has not been convicted for offences within the past 10 years other than 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 sebelum bersara adalah sebagai Pengarah Urusan, Nestlé [Malaysia] Berhad. Mengambil jurusan Pentadbiran Perniagaan dan Perdagangan di Switzerland serta menghadiri International Institute for Management Development [IMD], Lausanne, Switzerland. Dilantik sebagai ahli Lembaga Pengarah sejak bulan November 1983, dan menghadiri 3 daripada 4 mesyuarat Lembaga Pengarah dalam tahun kewangan berakhir 31 Disember 2005. Tidak mempunyai sebarang konflik kepentingan dengan Kumpulan Syarikat dan tidak mempunyai sebarang pertalian kekeluargaan dengan lain-lain pengarah dan/atau pemegang saham utama dalam Kumpulan Syarikat, atau mempunyai kepentingan sendiri dalam mana-mana urusan perniagaan yang melibatkan Kumpulan Syarikat dan tidak pernah disabitkan sebarang kesalahan selain kesalahan trafik, jika ada, dalam tempoh 10 tahun yang lalu.

Tengku Tan Sri Dr. Mahaleel bin Tengku Ariff
Age 59
Malaysian citizen
Independent, Non-Executive Director
Member of the Audit Committee

Berusia 59 tahun
Warganegara Malaysia
Pengarah Bebas, Bukan Eksekutif
Ahli Jawatankuasa Audit

Tengku Tan Sri Dr. Mahaleel bin Tengku Ariff has a very diverse career background having started in Nestlé in the Marketing & Sales Department before joining Shell Malaysia in 1974 and served for 20 years before leaving to join New Toyo, Mofaz and Proton. His 35 years of experience includes the food, paper, cigarettes, oil, marine, aviation, cars and motorcycle industries. He represented Malaysia on the Asia Pacific Economic Council and Asean Business Advisory Council. Graduated with B.A. [Hons] from the University of Malaya in 1970 and completed the Malaysia Institute of Management courses in Company Law and Marketing. Appointed to the Board on 30 April 2003 and attended all 4 meetings of the Board of Directors for the financial year ended 31 December 2005. No conflict of interest with the Group and has no family relationship with any other director and/or major shareholder of the Group, nor any personal interest in any business arrangement involving the Group and has not been convicted for offences within the past 10 years other than traffic offences, if any.

Tengku Tan Sri Dr. Mahaleel bin Tengku Ariff mempunyai latar belakang kerjaya yang luas, bermula di Nestlé di Jabatan Pemasaran & Jualan sebelum beliau menyertai Shell Malaysia pada tahun 1974 dan berkhidmat selama 20 tahun sebelum meninggalkan Shell Malaysia untuk menyertai New Toyo, Mofaz and Proton. Mempunyai pengalaman bidang kerjaya selama 35 tahun merangkumi industri makanan, kertas, rokok, minyak, perairan, penerbangan, kereta dan pemotoran. Pernah mewakili Malaysia di Majlis Penasihat Perniagaan APEC dan sebagai ahli Lembaga Pengarah Majlis Penasihat Perniagaan Asean. Lulusan Ijazah Sarjana Muda [Kepujian] dari Universiti Malaya pada tahun 1970 dan menamatkan pengajiannya di Malaysia Institute of Management dalam jurusan Perundangan Syarikat dan Pemasaran. Dilantik sebagai ahli Lembaga Pengarah pada 30 April 2003 dan telah menghadiri kesemua 4 mesyuarat Lembaga Pengarah untuk tahun kewangan berakhir 31 Disember 2005. Tidak mempunyai sebarang konflik kepentingan dengan Kumpulan Syarikat dan tidak mempunyai sebarang pertalian kekeluargaan dengan lain-lain pengarah dan/atau pemegang saham utama dalam Kumpulan Syarikat, atau mempunyai kepentingan sendiri dalam mana-mana urusan perniagaan yang melibatkan Kumpulan Syarikat dan 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*

Dato' Seri Syed Anwar Jamalullail is a Chartered Accountant, and also serves as Director of Maxis Communication Berhad and DRB-Hicom Berhad. A graduate from Macquarie University in Sydney, Australia with a Bachelor of Arts degree in Accounting, qualified as a Chartered Accountant of the Australian Society of Certified Practising Accountants in 1984. Appointed to the Board on 25 February 2002 and attended all 4 meetings of the Board of Directors for the financial year ended 31 December 2005. No conflict of interest with the Group and has no family relationship with any other director and/or major shareholder of the Group, nor any personal interest in any business arrangement involving the Group and has not been convicted for offences within the past 10 years other than traffic offences, if any.

Dato' Seri Syed Anwar Jamalullail adalah seorang Akauntan Berkanun dan juga adalah Pengarah bagi Maxis Communication Berhad dan DRB-HICOM Berhad. Lulusan Ijazah Sarjana Muda Sastera dalam Perakaunan dari Macquarie University di Sydney, Australia dan menerima tauliah sebagai Akauntan Berkanun dari Australian Society of Certified Practising Accountants pada tahun 1984. Dilantik sebagai ahli Lembaga Pengarah pada 25 Februari 2002 dan menghadiri kesemua 4 mesyuarat Lembaga Pengarah untuk tahun kewangan berakhir 31 Disember 2005. Tidak mempunyai sebarang konflik kepentingan dengan Kumpulan Syarikat dan tidak mempunyai sebarang pertalian kekeluargaan dengan lain-lain pengarah dan/atau pemegang saham utama dalam Kumpulan Syarikat, atau mempunyai kepentingan sendiri dalam mana-mana urusan perniagaan yang melibatkan Kumpulan Syarikat dan tidak pernah disabitkan sebarang kesalahan selain kesalahan trafik, jika ada, dalam tempoh 10 tahun yang lalu.

Dato' Seri Syed Anwar Jamalullail
Age 54
Malaysian citizen
Independent, Non-Executive Director
Member of the Audit Committee

Berusia 54 tahun
Warganegara Malaysia
Pengarah Bebas, Bukan Eksekutif
Ahli Jawatankuasa Audit

Sullivan Joseph O'Carroll
Age 56
South African nationality
Managing Director

Berusia 56 tahun
Warganegara Afrika Selatan
Pengarah Urusan

Sullivan Joseph O'Carroll has been with the Nestlé group for the last 33 years and is currently the Managing Director of the Company, joined Nestlé in 1973 as a Merchandising Trainee in South Africa, within 7 years, was transferred to Randburg as the Marketing Manager for the combined Coffee & Milk business and was appointed as the Marketing & Sales Manager for the Confectionery business in 1985, held various other senior positions in other Nestlé markets prior to appointment in Malaysia. Graduated in Psychology from the University of South Africa. Appointed to the Board on 1 July 2003 and attended all 4 meetings of the Board of Directors for the financial year ended 31 December 2005. Holds 90 shares in Nestlé S.A. No conflict of interest with the Group and has no family relationship with any other director and/or major shareholder of the Group, nor any personal interest in any business arrangement involving the Group and has not been convicted for offences within the past 10 years other than traffic offences, if any.

Sullivan Joseph O'Carroll telah berkhidmat dengan kumpulan Nestlé selama 33 tahun dan kini bertugas sebagai Pengarah Urusan Syarikat, menyertai Nestlé pada tahun 1973 sebagai Pelatih Barang Dagangan di Afrika Selatan, dalam tempoh 7 tahun, beliau telah ditukarkan ke Randburg sebagai Pengurus Pemasaran Kumpulan untuk perniagaan Kopi & Susu serta 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. Lulusan Psikologi dari University of South Africa. Dilantik sebagai ahli Lembaga Pengarah pada 1 Julai 2003 dan menghadiri kesemua 4 mesyuarat Lembaga Pengarah dalam tahun kewangan berakhir 31 Disember 2005. Memegang 90 saham di dalam Nestlé S.A. Tidak mempunyai sebarang konflik kepentingan dengan Kumpulan Syarikat dan tidak mempunyai sebarang pertalian kekeluargaan dengan lain-lain pengarah dan/atau pemegang saham utama dalam Kumpulan Syarikat, atau mempunyai kepentingan sendiri dalam mana-mana urusan perniagaan yang melibatkan Kumpulan Syarikat dan 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*

Stéphane Nicolas Jean Marie Alby joined Nestlé France as an Auditor in 1989, appointed as a Treasurer of Nestlé Capital Corporation in United States of America in 1997, appointed as the Deputy Treasurer of the Nestlé group in 1999 and prior to transfer to Malaysia, was Corporate Controller of Nestlé S.A. in Vevey, Switzerland, in charge of Strategic Business Units. Graduated from the business school of "Institut D'Etudes Politiques of Paris" in Economics and Finance, has a Masters Degree in law from the University of Paris and is a graduate of the Anderson School at UCLA [USA] and of the International Institute for Management Development [IMD], Lausanne, Switzerland. Appointed to the Board on 27 February 2004 and is the Executive Director, Finance & Control of the Company and attended all 4 meetings of the Board of Directors for the financial year ended 31 December 2005. No conflict of interest with the Group and has no family relationship with any other director and/or major shareholder of the Group, nor any personal interest in any business arrangement involving the Group and has not been convicted for offences within the past 10 years other than traffic offences, if any.

Stéphane Nicolas Jean Marie Alby menyertai Nestlé Perancis sebagai Juruaudit pada tahun 1989, dilantik sebagai Bendahari Nestlé Capital Corporation di Amerika Syarikat pada tahun 1997, dilantik sebagai Timbalan Bendahari kumpulan Nestlé pada tahun 1999 dan sebelum ditukarkan ke Malaysia, bertugas sebagai Pengawal Korporat, yang bertanggungjawab terhadap Unit Strategi Perniagaan di Nestlé S.A. di Vevey, Switzerland. Lulusan "Institut D'Etudes Politiques of Paris" dalam jurusan Ekonomi dan Kewangan, juga memiliki Ijazah Sarjana Undang-Undang dari University of Paris dan lulusan Anderson School di UCLA [USA] dan International Institute for Management Development [IMD], Lausanne, Switzerland. Dilantik sebagai ahli Lembaga Pengarah dan sebagai Pengarah Eksekutif, Kewangan dan Kawalan Syarikat pada 27 Februari 2004, menghadiri kesemua 4 mesyuarat Lembaga Pengarah dalam tahun kewangan berakhir 31 Disember 2005. Tidak mempunyai sebarang konflik kepentingan dengan Kumpulan Syarikat dan tidak mempunyai sebarang pertalian kekeluargaan dengan lain-lain pengarah dan/atau pemegang saham utama dalam Kumpulan Syarikat, atau mempunyai kepentingan sendiri dalam mana-mana urusan perniagaan yang melibatkan Kumpulan Syarikat dan tidak pernah disabitkan sebarang kesalahan selain kesalahan trafik, jika ada, dalam tempoh 10 tahun yang lalu.

Stéphane Nicolas Jean Marie Alby
Age 41
French nationality
Executive Director [responsible for Finance & Control]
Member of the Audit Committee.

Berusia 41
Warganegara Perancis
Pengarah Eksekutif [bertanggungjawab untuk Kewangan & Kawalan]
Ahli Jawatankuasa Audit

Corporate Governance Statement

INTRODUCTION

The Company is committed to high standards of corporate governance. The Board of Directors and each individual director is directly accountable to the shareholders and stakeholders for ensuring that good governance is committed and practised at every level of the Company's operations, including relationships with third parties. The Company has adopted the "Nestlé Corporate Governance Principles" of its holding company, Nestlé S.A. Vevey, Switzerland, as its best practice in corporate governance.

The principles of corporate governance cover 4 areas, as follows:

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

These principles are in line with the Part 1 and 2 of the Malaysian Code on Corporate Governance and paragraphs 15.26 and 15.27 of the Listing Requirements of the Bursa Malaysia Securities Berhad [635998-W].

COMPLIANCE STATEMENT

The Board of Directors is responsible for the stewardship of the Company. These responsibilities include:

- Reviewing and adopting a strategic plan for the Company;
- Overseeing the conduct of the Company's business to evaluate whether the business is being properly managed;
- Identifying principal risks and ensure the implementation of appropriate systems to manage these risks;
- Succession planning, including appointing, training, fixing the compensation of and where appropriate, replacing senior management;
- Developing and implementing an investor relations programme or shareholder communications policy for the Company; and
- Reviewing the adequacy and the integrity of the Company's internal control systems and management information systems, including systems for compliance to applicable laws, regulations, rules, directives and guidelines.

The Board of Directors has not established a Nomination and a Remuneration Committee as recommended by the Malaysian Code on Corporate Governance. The reasons for this are as follows:

NOMINATION COMMITTEE

The Board of Directors does not consider it necessary to establish a Nomination Committee as the turn-over of directors is very low and that whenever appropriate, the nomination of an appointment and the resignation of a director is fully deliberated by each and every director at the meeting of the Board of Directors. In August 2005, the Board of Directors received a request from Datuk Azlan bin Mohd Zainol, a Non-Independent, Non-Executive Director representing the Employees Provident Fund for him to resign from the Board of Directors. The request was deliberated at the meeting of the Board of Directors and with regret, the Board of Directors accepted the resignation. In February 2006, the Board of Directors received a request from Nestlé S.A., being the major shareholder of the Company, for the resignation of Michael W. Garrett, a Non-Independent, Non-Executive Director. This resignation was necessary as Michael W. Garrett, has retired from his position as Executive Vice President and head of Zone Asia, Oceania, Africa and Middle East of Nestlé S.A. In the place of Michael W. Garrett, the Board of Directors accepted the proposal by Nestlé S.A. for the appointment of Dato' Frits Wout Marie van Dijk as Non-Independent, Non-Executive Director. The appointment of Dato' Frits Wout Marie van Dijk will be effected subject to the fulfilment and compliance to applicable statutory provisions. Dato' Frits Wout Marie van Dijk succeeded Michael W. Garrett as the Executive Vice President and head of Zone Asia, Oceania, Africa and Middle East of Nestlé S.A. As the composition of the Board of Directors is very low with only 8 persons and that all proposals for resignation and appointment of directors are deliberated by the Board of Directors as a whole, the Company and the Board of Directors are of the view that the setting of a separate Nomination Committee may be unnecessary.

REMUNERATION COMMITTEE

The Board of Directors does not consider it necessary to establish a Remuneration Committee as the executive directors representing Nestlé S.A. [being Sullivan Joseph O'Carroll, Stéphane Nicolas Jean Marie Alby and Magdi Batato] are paid employees of the Company based on a contract of expatriation employment and their remuneration package [consisting of emoluments and benefits in kind] is in accordance with the remuneration practice of the Nestlé group of companies established by the Human Resource function of Nestlé S.A. in Vevey, Switzerland. The fees paid to non-executive directors including the non-executive chairman are proposed by the Company to the Board of Directors and during the deliberation on the amount of fees to be paid to the non-executive directors, the executive directors representing Nestlé S.A. would abstain from voting. This is to ensure that the non-executive directors have the freedom to propose collectively for themselves, without the influence of the executive directors, the proposed fees to be paid to them. For the financial year ended 31 December 2005, apart from the non-establishment of the Nomination and Remuneration Committees, the reasons for which has been explained, the Board of Directors and the management of the Company adheres strictly with the recommendation of the Malaysian Code on Corporate Governance in the conduct of its business and operations. The details of the remuneration package of the directors are fully disclosed in the Annual Report every year.

PRINCIPLE STATEMENTS

The following principle statements outlines the application of the principles of corporate governance by the Company:

A. THE BOARD OF DIRECTORS

Board responsibilities and information

The Board of Directors is committed to establishing long-term shareholder and stakeholder value. Therefore, all matters with regards to strategy and business conduct proposed by management is critically scrutinised and deliberated by the Board of Directors. The monitoring of the results of strategies implemented is deliberated at the meetings of the Board of Directors. The Board of Directors is also 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 of Directors for the proper handling and governance of the Company is therefore not only governed by law but also by the Company's Articles of Association, processes and Company Standing Instructions. An individual director has access to any form of independent professional advice and information at the expense of the Company in the performance of their mandate as directors. During the formal meetings of the Board of Directors, there were more that adequate opportunities for the directors to deliberate on all matters pertaining to the stewardship of the Company. In addition to the formal meetings of the Board of Directors, each director has open access to any member of the senior management of the Company to confer on any aspect of the operations of the business as they see fit. The meeting papers to be tabled at the meeting of the Board of Directors are delivered to each director well in advance of such meetings, to ensure that directors are adequately prepared to go through the meeting agenda.

Meetings of the Board of Directors

During the financial year ended 31 December 2005, 4 meetings of the Board of Directors took place. The record of attendance of directors and their alternate, were as follows:

General [Rtd] Tan Sri Dato' Mohd Ghazali Seth	[4/4] or 100%
Tan Sri Dato' Ernest Zulliger	[3/4] or 75%
Tengku Tan Sri Dr. Mahaleel bin Tengku Ariff	[4/4] or 100%
Dato' Seri Syed Anwar Jamalullail	[4/4] or 100%
Datuk Azlan bin Mohd Zainol *[Resigned on 4 August 2005]*	[2/3] or 67%
Michael W. Garrett *[Resigned on 23 February 2006]*	[3/4] or 75%
Sullivan Joseph O'Carroll	[4/4] or 100%
Stéphane Nicolas Jean Marie Alby	[4/4] or 100%
Magdi Batato *[Until 23 February 2006]*	[3/4] or 75%

CORPORATE GOVERNANCE STATEMENT

Audit Committee:
The risks of the Company in relation to its long-term strategies 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 of 4 non-executive and 1 executive directors. During its deliberation, the Audit Committee examined the following:

- 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 Company's strategic direction is subject to regular review at the meeting of the Board of Directors. Management has in place a process for such reviews. Annual operating plans and the 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 performance, capital expenditures, promotional investments as well as quality, safety and health environment.

Delegation:
The management of the financial and long-term objectives of the Company, as resolved at the meeting of the Board of Directors is delegated to the Managing Director and the management team, comprising of executive directors and senior managers. The management team is committed to ensure and are accountable for the conduct, performance and profitability of the Company within the agreed strategy and policies as resolved at the meeting of the Board of Directors.

Reporting:
Businesses and functional units are responsible to report to the Managing Director 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. The quarterly reports and financial information are based on a standardised process. Such information is discussed at the meeting of the Board of Directors to ensure adequate level of information, decision on capital appropriations or other items of relevance are taken up and followed through by the management team.

Principles of Conduct:
The Company is committed to high ethical standards and regard them as a key success factor to the performance of the Company. The "Nestlé Management and Leadership Principles" and the "Nestlé Corporate Business Principles" issued by Nestlé S.A. in Switzerland, have been applied within the Company and have been communicated to every employee with respect to his/her function. Furthermore in order to ensure greater transparency with third parties, the Company distributes the "Code of Ethics Policy Statement" and the "Nestlé Principles of Purchasing" to its long-term distributors and suppliers of goods and services.

Composition of Board of Directors:
The Board of Directors comprises of a chairman who is an Independent, Non-Executive Director, 3 Independent, Non-Executive Directors, 2 Non-Independent, Non-Executive Directors and 2 Executive Directors, including the Managing Director. The 2 Non-Independent, Non-Executive Directors represent the substantial shareholders, namely Nestlé S.A. and the Employees Provident Fund respectively. The Non-Independent, Non-Executive Director representing the Employees Provident Fund resigned from the Board of Directors on 4 August 2005. The 2 Executive Directors, including the Managing Director, are expatriate managers assigned by Nestlé S.A. under the Nestlé group of companies expatriation programme.

The experience of the members of the Board of Directors 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 Board of Directors is very well balanced between the number of independent and non-independent directors and between executive and non-executive directors.

Appointments to the Board of Directors:
Appointments to the Board of Directors are on a rotating basis of a maximum of 3 years before retirement and proposal for re-election. 2 members of the Board of Directors, being over 70 years of age, namely General [Rtd] Tan Sri Dato' Mohd Ghazali Seth and Tan Sri Dato' Ernest Zulliger are re-appointed on a yearly basis at the Annual General Meeting of the shareholders.

During the financial year ended 31 December 2005, on 4 August 2005, Datuk Azlan bin Mohd Zainol, Non-Independent, Non-Executive Director representing the Employees Provident Fund, resigned as a member of the Board of Directors.

On 23 February 2006, Michael W. Garrett, Non-Independent, Non-Executive Director representing Nestlé S.A., resigned as a member of the Board of Directors.

On 23 February 2006, Dato' Frits Wout Marie van Dijk, Non-Independent, Non-Executive Director representing Nestlé S.A., was proposed to be appointed as a member of the Board of Directors. The appointment of Dato' Frits Wout Marie van Dijk will be effected subject to the fulfilment and compliance to applicable statutory provisions.

Continuing Education of Directors
During the financial year ended 31 December 2005, there were no appointment of new directors, and therefore there were no attendance of the Mandatory Accreditation Programme [MAP]. All directors scored the remaining points needed to be acquired under the Continuing Education Program [CEP] as stipulated by Bursa Malaysia Securities Berhad [635998-W]. On 29 December 2005, the Company conducted an in-house Continuing Education Program [CEP], conducted by Professor John Zinkin, Associate Professor, Nottingham University Business School, Malaysia and the topic presented was "From Good Governance to Great Branding". The topic carries 16 CEP points and was well attended by directors and other senior management of the Company.

Direct and Indirect Interest of Directors
As at 6 March 2006, the direct and indirect interest of directors in the Company are as follows:

General [Rtd] Tan Sri Dato' Mohd Ghazali Seth holds 10,000 shares in Nestlé [Malaysia] Berhad; and

Sullivan Joseph O'Carroll holds 90 shares in Nestlé S.A. [being the holding company of Nestlé [Malaysia] Berhad].

Application of MASB Standards
The Company has adopted and applied all new standards, issued by the Malaysian Accounting Standards Board and shall continue to do so whenever new standards are introduced and made mandatory.

CORPORATE GOVERNANCE STATEMENT

B. THE BOARD OF DIRECTORS

For the financial year ended 31 December 2005, the details of the remuneration paid to directors are as follows:

Directors	Salary MYR	Bonus MYR	Fees MYR	Benefits MYR	Total MYR
General [Rtd] Tan Sri Dato' Mohd Ghazali Seth	–	–	40,000	31,030	71,030
Tan Sri Dato' Ernest Zulliger	–	–	20,000	3,000	23,000
Tengku Tan Sri Dr. Mahaleel bin Tengku Ariff	–	–	20,000	4,000	24,000
Dato' Seri Syed Anwar Jamalullail	–	–	20,000	4,000	24,000
Datuk Azlan bin Mohd Zainol	–	–	5,000	–	5,000
Michael W. Garrett	–	–	20,000	–	20,000
Sullivan Joseph O'Carroll	729,048	304,199	–	628,246	1,661,493
Stéphane Nicolas Jean Marie Alby	432,264	157,422	–	428,099	1,017,785
Magdi Batato	441,069	83,277	–	415,316	939,662
Total	**1,602,381**	**544,898**	**125,000**	**1,513,691**	**3,785,970**

Salaries, bonuses and benefits paid to Sullivan Joseph O'Carroll, Stéphane Nicolas Jean Marie Alby and Magdi Batato are based on the individual remuneration package of each person as determined by the Human Resource function of Nestlé S.A., in Switzerland and are also based on individual performance and the profit achievement of the Company. The non-executive directors are only paid fees and the members of the Audit Committee are paid attendance fees for each meeting of the Audit Committee that each member attends.

C. SHAREHOLDERS, INVESTORS AND THE FINANCIAL COMMUNITY

The Company regards regular communication to the public [shareholders, stakeholders and investing public] as key. The Company performance is reported quarterly to the Bursa Malaysia Securities Berhad [635998-W] and on a yearly basis, in the Annual Report. Dialogue between shareholders and the Company is fostered at the Annual General Meeting and any other meetings of the shareholders, including any Extraordinary General Meeting. At such meetings, each individual shareholder can raise questions or concerns with regards to the Company as a whole. The Chairman, the Managing Director, the Management Team and the Audit Committee members are available to respond to questions during these meetings of shareholders. As soon as the quarterly results are announced, the Company will invite the analysts community for a briefing of the Company's quarterly performance. A media conference is also held after each Annual General Meeting or Extraordinary General Meeting. These communications efforts by the Company comply with the Listing Requirements of the Bursa Malaysia Securities Berhad [635998-W]. The Company's website also displays the latest information on the performance of the Company.

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 legislations are the basis for the disclosure of Company's affairs. The financial disclosure follows the principles of true and fair view, prudence and transparency. In addition, and in line with the accounting policy of the Nestlé group of companies worldwide, the Company has ensured that its external auditors are fully independent in that they are not involved in any consulting activity. The Company also requires management employees involved in book closing activities to certify in writing the accuracy of their accounts after each reporting period/quarterly in writing.

E. RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING IN NATURE

For the financial year ended 31 December 2005, the particulars of recurrent related party transactions of a revenue or trading in nature were as follows:

- Purchases of raw materials, semi finished and finished food products from Nestlé affiliated companies amounting to MYR541,326 million;
- Payment of royalties for the use of trademarks for the sale of food products to Nestlé affiliated companies amounting to MYR132,665 million;
- Payment of IT shared services for use and maintenance of IT services to Nestlé affiliated companies amounting to MYR16,765 million; and
- Sale of food products to Nestlé affiliated companies amounting to MYR468,918 million.

F. MATERIAL CONTRACTS

For the financial year ended 31 December 2005, there were no material contracts entered into by the Company and its subsidiaries [not being contracts entered into the ordinary course of business] involving directors and substantial shareholders.

Statement on Internal Control

INTRODUCTION

The Company and its directors are highly committed to a sound system of internal control and are pleased to provide the following statement on the scope and nature of internal control of the Group for the financial year ended 31 December 2005.

BOARD RESPONSIBILITY

The directors and management are responsible and accountable for all internal control systems. Internal control systems are established and regularly evaluated on their adequacy and integrity by the directors and management. These systems however are designed to manage rather than to eliminate the risk of failure to achieve the implementation of the policies, goals and objectives of the Group. Therefore, such systems only provide reasonable rather than absolute assurance against material misstatement or loss. Furthermore, the directors regard this as a duty that management has to perform and consequently delegates the monitoring of these systems to management.

Accompanying this regular 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 directors in accordance with the Internal Control Guidance provided by the Institute of Internal Auditors Malaysia ["Statement on Internal Controls: Guidance for Directors of Public Listed Companies"].

RISK MANAGEMENT FRAMEWORK

The directors and management fully support the contents of the Internal Control Guidance and, together with the Internal Audit department, in close consultation with related companies, have put in place several internal control measures, risk management guidelines and processes. These are periodically reported to the Audit Committee and thereafter to the directors for further deliberation.

In addition to the above, the Group embarked on the establishment of a formal Enterprise Risk Management in the year 2002. The process is ongoing and has resulted in a corporate and unit-specific [Factories and Distribution Centres] risk profiles, tolerances and action plans. This process helps the Group to identify, structure, measure and mitigate risk more effectively.

In addition, to demonstrate the Group's commitment to risk management, a department known as "Corporate Finance, Tax and Risk Management" was created in October 2004 and is headed by a Senior Manager reporting to the Executive Director, Finance & Control.

The Business Assurance function, which was created in the year 2003, in line with the Global Business Excellence (GLOBE) implementation, is now fully integrated into the Risk Management Framework. The following duties and responsibilities of the Business Assurance function remains in ensuring that:

- Processes are in line with globally defined best practices;
- Access controls (and roles assignments) within the new SAP platform are in line with internal control principles including the upgrade to version 1.5; and
- System designs support the application of best practices.

INTERNAL AUDIT FUNCTION

The Internal Audit department reviews all processes of the Group and its relations with third parties. It provides the directors with independent reviews of the processes, risk exposures and systems of internal controls of the Group. The specific areas of focus covered by the Internal Audit department are as follows:

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

In line with developments in Enterprise Risk Management, the Internal Audit department conducts audits based on:

(a) end to end processes; and
(b) risk.

The coverage of functions/processes within/outside the organisation is based on the risk these functions/processes represent. The plan for the financial year ended 31 December 2006 has been presented to and deliberated by the Audit Committee in the meeting of the Audit Committee in November 2005.

A matrix which covers the overall audit rating, nature and urgency of the respective audit issues has been developed as a guide to conduct the follow up on audit issues raised. The results of audit reviews are reported on a quarterly basis to the Audit Committee and then via the Chairman of the Audit Committee to the Board of Directors. The responses from management and action plans are regularly reviewed and followed up by the Internal Audit department and the Audit Committee.

Furthermore, the Nestlé worldwide Audit Group (NAG), the internal auditing arm of the holding company, also conducts reviews of processes, systems and business excellence on selected business areas/units. In addition, the annual plan and results of the Internal Audit reviews are also reported to the Zone Operations Management in Nestle S.A. via the NAG for their information.

In the current year, the systems of internal controls were generally satisfactory. Where exceptions were noted, these were not material in the context of this report and corrective actions have been taken.

OTHER RISK AND CONTROL PROCESSES

The structure and the formally defined process [via Company Standing Instructions] play a major part in risk mitigation. Although the Group's direction is going towards a network orientation, it still provides a documented and auditable trail of accountability. In addition, authority limits and major Group policies [health and safety, training and development, equality of opportunity, staff performance, sexual harassment and serious misconduct] have been disseminated to the Group's employees. These procedures are established across the whole organisation and in itself provide assurance at all levels of management up to the directors' level. The Internal Audit function serves to ensure the full application of these procedures and reporting structures as well as to verify the system of internal controls. The Managing Director also reports to the directors on significant changes in the business and the external environment, which affect significantly the operations. Financial information, key performance and risk indicators are also reported on quarterly basis to the directors.

Audit Committee Report

SIZE, COMPOSITION & ATTENDANCE AT MEETINGS

General [Rtd] Tan Sri Dato' Mohd Ghazali Seth [4/4]
Independent, Non-Executive Director
(Chairman)

Tan Sri Dato' Ernest Zulliger [3/4]
Independent, Non-Executive Director
(Member)

Tengku Tan Sri Dr. Mahaleel bin Tengku Ariff [4/4]
Independent, Non-Executive Director
(Member)

Dato' Seri Syed Anwar Jamalullail [4/4]
Independent, Non-Executive Director
(Member)

Stéphane Nicolas Jean Marie Alby [4/4]
Executive Director
(Member)

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 the other members of the Audit Committee in the decision-making process.

DUTIES & RESPONSIBILITIES

The Audit Committee acts as a committee of the Board of Directors and was established on 2 March 1994 under the Terms of Reference as stated in this report.

SUMMARY OF THE ACTIVITIES DURING THE FINANCIAL YEAR ENDED 31ST DECEMBER 2005

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; and
- 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 in a separate forum;
- Review of implementation of these recommendations through follow up audit reports; and
- Suggested additional improvement opportunities in the areas of internal control, systems and efficiency improvement.

Activities with regards to financial statements:

- Review of annual report and the audited financial statements of the Group prior to submission to the 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 Group's compliance with the Listing Requirements of the Bursa Malaysia Securities Berhad [635998-W], MASB and other relevant legal and regulatory requirements with regards to the quarterly and year-end financial statements;
- Review of the unaudited financial results announcements before recommending them for the Board of Directors' approval.

Other activities:

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

Internal audit function:

The internal audit function, though reporting to the Executive Director, Finance & Control, next to the Audit Committee, is an independent institution within the Group. Its main role is to undertake independent and systematic reviews of the processes and guidelines of the Group and to report on their application and compliance.

The individual assessments are to be objectively reported to management and to the Audit Committee. The Internal Audit department conducted 6 audits in the year 2005. The audits were performed on 3 sales branches, factory, Head Office Unit, Transportation and Distribution Centre. In addition, based on management request, 2 special audit reviews were also been conducted. All meetings of the Audit Committee have been fully attended by the Internal Audit Manager, the External Auditors, the Corporate Controller and the Head of Accounting & Consolidation.

During the financial year ended 31 December 2005, the Nestlé Audit Group from Vevey, Switzerland, has also conducted a review of processes and systems related to manufacturing activities in 1 factory.

Terms of Reference of the Audit Committee

OBJECTIVES

The Audit Committee is an independent committee who assists the Board of Directors in the discharge of its responsibilities for corporate governance, corporate control and financial reporting. The Audit Committee acts on behalf of the Board of Directors 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 Group 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 Audit Committee's terms of reference.

DUTIES AND RESPONSIBILITIES

The Audit Committee is responsible in particular for:

Risk and Control

- Evaluate if adequate risk assessment processes and measures are put in place to minimise any risk exposures, including fraud;
- 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 Group's 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 managements' responses to the external auditor's interim reports, annual report and management letters;
- 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 quarterly and annual final draft of the 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 of Directors, as and when 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; and
- Review compliance with all related-party disclosures required by the Accounting Standards.

Others

- Review as and when necessary any matters arising from the Group's financial operations; and
- 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 Group or any subsidiary to supply such information and explanations as may be needed;
- Have discussions with line managers and employees of the Group and subsidiaries at any reasonable time; and
- Draw assistance from qualified external party to advise on issues, where the members require expert input.

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the **22nd [Twenty-Second] Annual General Meeting** of the Company will be held at the **Kristal Ballroom, First Floor, Petaling Jaya Hilton, 2, Jalan Barat, 46200 Petaling Jaya, Malaysia** on **Thursday, 27 April 2006** at **11.00am** for the transaction of the following business:

AGENDA

As Ordinary Business

1. To receive and adopt the audited financial statements for the financial year ended 31 December 2005 and the directors' and auditors' reports thereon. **Resolution 1**

2. To approve the payment of a final dividend of 71.49sen per share, less tax and 8.53sen per share, tax exempt, in respect of the financial year ended 31 December 2005 and to approve the payment of all future dividends by way of direct transfer by means of the electronic payment system upon terms and subject to conditions as the directors may stipulate. **Resolution 2**

3. To approve the payment of directors' fees for the financial year ended 31 December 2005. **Resolution 3**

4. To re-elect the following directors in accordance with the Company's Articles of Association:

Under Article 90.1

4.1 Tengku Tan Sri Dr. Mahaleel bin Tengku Ariff **Resolution 4**

4.2 Dato' Seri Syed Anwar Jamalullail **Resolution 5**

5. To re-appoint KPMG [Firm No. AF 0758] as auditors of the Company and to authorise the directors to fix their remuneration. **Resolution 6**

As Special Business

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

6. Re-appointment of General [Rtd] Tan Sri Dato' Mohd Ghazali Seth as a director pursuant to Section 129[6] of the Companies Act, 1965.

"THAT General [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 7**

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 8**

8. Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature as set out under Section 2.3 of the Circular to Shareholders dated 5 April 2006.

"THAT subject always to the Listing Requirements of the Bursa Malaysia Securities Berhad [635998-W], 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 nature with those related parties as specified in Section 2.2 of the Circular to Shareholders dated 5 April 2006 subject to the following:

8.1 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;

8.2 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;

8.3 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

8.4 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:

8.4.1 The type of the recurrent related party transactions made; and

8.4.2 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 9

NOTICE IS ALSO HEREBY GIVEN THAT, subject to the approval of the shareholders at the 22nd [Twenty-Second] Annual General Meeting of the Company, a final dividend of 71.49sen per share, less tax and 8.53sen per share, tax exempt, in respect of the financial year ended 31 December 2005 will be paid to the shareholders on 31 May 2006. The entitlement date for the said dividend shall be 18 May 2006.

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 4.00pm on 18 May 2006 in respect of ordinary transfers; and

B. Shares bought on the Bursa Malaysia Securities Berhad [635998-W] on a cum entitlement basis according to the rules of the Bursa Malaysia Securities Berhad [635998-W].

BY ORDER OF THE BOARD

MOHD. SHAH BIN HASHIM
Company Secretary
[LS 0006824]

Petaling Jaya
5 April 2006

Notes:

[i] 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.

[ii] The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing or if the appointer is a corporation either under the corporation's seal or under the hand of an officer or attorney duly authorised.

[iii] Where a member of the Company is an authorised nominee as defined under the Securities Industry [Central Depositories] [Amendment] Act 1991, it may appoint at least 1 proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.

[iv] An authorised nominee with more than 1 securities account must submit a separate instrument of proxy for each securities account.

[v] 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, Malaysia, not less than 48 [forty-eight] 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 24 [twenty-four] hours before the time appointed for the taking of the poll, and in default the instrument of proxy shall not be treated as valid.

EXPLANATION NOTES ON SPECIAL BUSINESS:-

Section 129[6] of the Companies Act, 1965
Pursuant to Section 129[6] of the Companies Act, 1965, the proposed Ordinary Resolutions under items 6 and 7, are to seek shareholders' approval on the re-appointment of directors who are over the age of 70 years.

Recurrent Related Party Transaction
For further information, please refer to the Circular to Shareholders dated 5 April 2006.

Statement accompanying Notice of Annual General Meeting
4 meetings of the Board of Directors were held during the financial year ended 31 December 2005, as follows:

Meeting No.	Date:	Time:	Place:
1/2005	24 February 2005	11.30am	Petaling Jaya
2/2005	5 May 2005	11.30am	Petaling Jaya
3/2005	4 August 2005	11.30am	Petaling Jaya
4/2005	10 November 2005	11.30am	Petaling Jaya

The record of attendance of directors at the meeting of the Board of Directors that were held during the financial year ended 31 December 2005 were as follows:

General [Rtd] Tan Sri Dato' Mohd Ghazali Seth	[4/4]
Tan Sri Dato' Ernest Zulliger	[3/4]
Tengku Tan Sri Dr. Mahaleel bin Tengku Ariff	[4/4]
Dato' Seri Syed Anwar Jamalullail	[4/4]
Datuk Azlan bin Mohd Zainol *[Resigned on 4 August 2005]*	[2/3]
Michael W. Garrett *[Resigned on 23 February 2006]*	[3/4]
Sullivan Joseph O'Carroll	[4/4]
Stéphane Nicolas Jean Marie Alby	[4/4]
Magdi Batato [alternate director to Michael W. Garrett] *[until 23 February 2006]*	[3/4]

NOTICE OF ANNUAL GENERAL MEETING

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

Tengku Tan Sri Dr. Mahaleel bin Tengku Ariff
Age 59
Malaysian citizen
Independent, Non-Executive Director
Member of the Audit Committee

Tengku Tan Sri Dr. Mahaleel bin Tengku Ariff has a very diverse career background having started in Nestlé in the Marketing & Sales Department before joining Shell Malaysia in 1974 and served for 20 years before leaving to join New Toyo, Mofaz and Proton. His 35 years of experience includes the food, paper, cigarettes, oil, marine, aviation, cars and motorcycle industries. He represented Malaysia on the Asia Pacific Economic Council and Asean Business Advisory Council. Graduated with B.A. [Hons] from the University of Malaya in 1970 and completed the Malaysia Institute of Management courses in Company Law and Marketing. Appointed to the Board on 30 April 2003 and attended all 4 meetings of the Board of Directors for the financial year ended 31 December 2005. No conflict of interest with the Group and has no family relationship with any other director and/or major shareholder of the Group, nor any personal interest in any business arrangement involving the Group and has not been convicted for offences within the past 10 years other than traffic offences, if any.

Dato' Seri Syed Anwar Jamalullail
Age 54
Malaysian citizen
Independent, Non-Executive Director
Member of the Audit Committee

Dato' Seri Syed Anwar Jamalullail is a Chartered Accountant, and also serves as Director of Maxis Communication Berhad and DRB-Hicom Berhad. A graduate from Macquarie University in Sydney, Australia with a Bachelor of Arts degree in Accounting, qualified as a Chartered Accountant of the Australian Society of Certified Practising Accountants in 1984. Appointed to the Board on February 2002 and attended all 4 meetings of the Board of Directors for the financial year ended 31 December 2005. No conflict of interest with the Group and has no family relationship with any other director and/or major shareholder of the Group, nor any personal interest in any business arrangement involving the Group and has not been convicted for offences within the past 10 years other than traffic offences, if any.

General [Rtd] Tan Sri Dato' Mohd Ghazali Seth
Age 77
Malaysian citizen
Independent, Non-Executive Director
Chairman of the Board of Directors
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, also serves as Director of Carlsberg Brewery Malaysia Berhad and ABN-AMRO Bank Berhad. Appointed to the Board since January 1986 and attended all 4 meetings of the Board of Directors in the financial year ended 31 December 2005. Holds 10,000 shares in the Company. No conflict of interest with the Group and has no family relationship with any other director and/or major shareholder of the Group, nor any personal interest in any business arrangement involving the Group and has not been convicted for offences within the past 10 years other than traffic offences, if any.

Tan Sri Dato' Ernest Zulliger
Age 73
Swiss nationality
Independent, Non-Executive Director
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, last position held before retirement was as Managing Director of the Company. Studied Commerce and Business Administration in Switzerland and attended the International Institute for Management Development [IMD], Lausanne, Switzerland. Appointed to the Board since November 1983 and attended 3 out of 4 meetings of the Board of Directors for the financial year ended 31 December 2005. No conflict of interest with the Group and has no family relationship with any other director and/or major shareholder of the Group, nor any personal interest in any business arrangement involving the Group and has not been convicted for offences within the past 10 years other than traffic offences, if any.

Notis *Mesyuarat Agung Tahunan*

ADALAH DENGAN INI DIMAKLUMKAN BAHAWA ***Mesyuarat Agung Tahunan Syarikat yang ke 22 [Dua Puluh Dua]*** *akan diadakan di* ***Kristal Ballroom, Tingkat 1, Petaling Jaya Hilton, 2, Jalan Barat, 46200 Petaling Jaya, Malaysia*** *pada hari* ***Khamis, 27 April 2006*** *jam* ***11.00 pagi*** *untuk melaksanakan urusan-urusan seperti berikut:*

AGENDA

Untuk Perniagaan Biasa

1. *Untuk menerima dan meluluskan penyata kewangan yang telah diaudit untuk tahun kewangan berakhir pada 31 Disember 2005 bersama dengan laporan pengarah dan juruaudit yang dilampirkan.* **Resolusi 1**

2. *Untuk meluluskan pembayaran dividen akhir yang mengandungi dividen kasar tidak terkecuali cukai sebanyak 71.49 sen sesaham dan dividen terkecuali cukai sebanyak 8.53 sen sesaham untuk tahun kewangan berakhir pada 31 Disember 2005 dan untuk meluluskan pembayaran kesemua dividen pada masa hadapan dengan cara pemindahan terus melalui sistem pembayaran elektronik tertakluk kepada terma-terma dan syarat-syarat seperti yang ditetapkan oleh para pengarah.* **Resolusi 2**

3. *Untuk meluluskan pembayaran yuran para pengarah untuk tahun kewangan berakhir 31 Disember 2005.* **Resolusi 3**

4. *Untuk melantik semula para pengarah berikut mengikut Tataurusan Pertubuhan Syarikat:*

Di bawah Artikel 90.1

4.1 Tengku Tan Sri Dr. Mahaleel bin Tengku Ariff **Resolusi 4**

4.2 Dato' Seri Syed Anwar Jamalullail **Resolusi 5**

5. *Untuk melantik semula KPMG [No. Firma AF 0758] sebagai juruaudit Syarikat dan memberi kuasa kepada para pengarah untuk menetapkan imbuhan mereka.* **Resolusi 6**

Untuk Perniagaan Khusus

Untuk mempertimbangkan dan jika perlu, meluluskan Resolusi Biasa berikut:

6. ***Perlantikan semula Jeneral [B] Tan Sri Dato' Mohd Ghazali Seth sebagai pengarah tertakluk kepada Seksyen 129[6] Akta Syarikat, 1965.***

"BAHAWA Jeneral [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 7**

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 8**

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 dalam Surat Pekeliling kepada Pemegang-Pemegang Saham bertarikh 5 April 2006.***

"BAHAWA dengan sentiasa tertakluk kepada Penyenaraian Kelayakan Bursa Malaysia Securities Berhad [635998-W], 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 dalam Surat Pekeliling kepada Pemegang-pemegang Saham bertarikh 5 April 2006, tertakluk kepada perkara-perkara yang berikut:

8.1 *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;*

8.2 *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;*

NOTIS MESYUARAT AGUNG TAHUNAN

8.3 *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*

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

8.4.1 *Jenis urus niaga pihak berkaitan yang berulang yang dilakukan; dan*

8.4.2 *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 9

ADALAH DENGAN INI DIMAKLUMKAN BAHAWA *tertakluk kepada kelulusan daripada pemegang-pemegang saham di Mesyuarat Agung Tahunan Syarikat ke 22 [Dua Puluh Dua], dividen akhir yang mengandungi dividen kasar tidak terkecuali cukai sebanyak 71.49 sen sesaham dan dividen terkecuali cukai sebanyak 8.53 sen sesaham untuk tahun kewangan berakhir pada 31 Disember 2005, akan dibayar kepada pemegang-pemegang saham pada 31 Mei 2006. Tarikh kelayakan untuk dividen tersebut adalah pada 18 Mei 2006.*

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 4.00 petang pada 18 Mei 2006, bagi perpindahan biasa;dan*

B. *Saham yang dibeli di Bursa Malaysia Securities Berhad [635998-W] berasaskan kelayakan mengikut peraturan-peraturan Bursa Malaysia Securities Berhad [635998-W].*

DENGAN PERINTAH LEMBAGA PENGARAH

MOHD. SHAH BIN HASHIM
Setiausaha Syarikat
[LS 0006824]

Petaling Jaya
5 April 2006

Nota nota:

[i] Ahli Syarikat 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.

[ii] 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 pemegang kuasa yang diberi kuasa.

[iii] Di mana seseorang ahli Syarikat adalah penama yang diberi kuasa seperti didefinisikan di bawah Akta Industri Sekuriti [Depositori Pusat] [Pindaan] Akta 1991, 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.

[iv] Penama yang diberi kuasa yang mempunyai lebih daripada 1 akaun sekuriti mesti menyerahkan suratcara proksi yang berasingan untuk setiap akaun sekuriti.

[v] Suratcara untuk melantik proksi dan surat kuasa atau kuasa lain [jika ada] yang digunakan untuk menandatangani surat cara, atau salinan surat kuasa tersebut yang disahkan secara notari, hendaklah diserahkan kepada Pendaftar Saham Syarikat di Tenaga Korporat Sdn. Bhd., Tingkat 20, Plaza Permata, Jalan Kampar, Off Jalan Tun Razak, 50400 Kuala Lumpur, tidak kurang daripada 48 [empat puluh lapan] jam sebelum masa yang ditetapkan untuk mengadakan mesyuarat atau mesyuarat yang ditangguhkan di mana orang yang dinamakan di dalam suratcara bercadang untuk mengundi, atau dalam kes membuang undi, tidak kurang daripada 24 [dua puluh empat] jam sebelum masa yang ditetapkan untuk membuat undian dan jika gagal, suratcara proksi akan dianggap tidak sah.

NOTA-NOTA PENJELASAN UNTUK URUSAN KHAS:

Seksyen 129[6] Akta Syarikat, 1965

Tertakluk kepada Seksyen 129(6) Akta Syarikat 1965, Resolusi Biasa yang dicadangkan di bawah perkara 6 dan 7, perlu mendapatkan kelulusan daripada pemegang-pemegang saham untuk melantik semula pengarah yang melebihi usia 70 tahun.

Urus niaga pihak berkaitan yang berulang

Untuk maklumat lanjut, sila rujuk kepada Surat Pekeliling kepada pemegang-pemegang saham bertarikh 5 April 2006.

PENYATA YANG DI LAMPIRKAN BERSAMA DENGAN NOTIS MESYUARAT AGUNG TAHUNAN

4 Mesyuarat Lembaga Pengarah telah diadakan pada tahun kewangan berakhir 31 Disember 2005 adalah seperti berikut:

No. Mesyuarat:	***Tarikh:***	***Masa:***	***Tempat:***
1/2005	*24 Februari 2005*	*11.30pagi*	*Petaling Jaya*
2/2005	*5 Mei 2005*	*11.30pagi*	*Petaling Jaya*
3/2005	*4 Ogos 2005*	*11.30pagi*	*Petaling Jaya*
4/2005	*10 November 2005*	*11.30pagi*	*Petaling Jaya*

Rekod kehadiran para pengarah di Mesyuarat Lembaga Pengarah semasa tahun kewangan berakhir 31 Disember 2005 adalah seperti berikut:

General [Rtd] Tan Sri Dato' Mohd Ghazali Seth	*[4/4]*
Tan Sri Dato' Ernest Zulliger	*[3/4]*
Tengku Tan Sri Dr. Mahaleel bin Tengku Ariff	*[4/4]*
Dato' Seri Syed Anwar Jamalullail	*[4/4]*
Datuk Azlan bin Mohd Zainol	*[2/3]*
[Meletak jawatan pada 4 Ogos 2005]	
Michael W. Garrett	*[3/4]*
[Meletak jawatan pada 23 Februari 2006]	
Sullivan Joseph O'Carroll	*[4/4]*
Stéphane Nicolas Jean Marie Alby	*[4/4]*
Magdi Batato [Pengarah silih ganti kepada Michael W. Garrett]	*[3/4]*
[Sehingga 23 Februari 2006]	

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

Tengku Tan Sri Dr. Mahaleel bin Tengku Ariff

Berusia 59 tahun
Warganegara Malaysia
Pengarah Bebas, Bukan Eksekutif
Ahli Jawatankuasa Audit

Tengku Tan Sri Dr. Mahaleel bin Tengku Ariff mempunyai latar belakang kerjaya yang luas, bermula di Nestlé di Jabatan Pemasaran & Jualan sebelum beliau menyertai Shell Malaysia pada tahun 1974 dan berkhidmat selama 20 tahun sebelum meninggalkan Shell Malaysia untuk menyertai New Toyo, Mofaz and Proton. Mempunyai pengalaman bidang kerjaya selama 35 tahun merangkumi industri makanan, kertas, rokok, minyak, perairan, penerbangan, kereta dan pemotoran. Pernah mewakili Malaysia di Majlis Penasihat Perniagaan APEC dan sebagai ahli Lembaga Pengarah Majlis Penasihat Perniagaan Asean. Lulusan Ijazah Sarjana Muda [Kepujian] dari Universiti Malaya pada tahun 1970 dan menamatkan pengajiannya di Malaysia Institute of Management dalam jurusan Perundangan Syarikat dan menamatkan pengajiannya di Malaysia Institute of Management dalam jurusan Perundangan Syarikat dan Pemasaran. Dilantik sebagai ahli Lembaga Pengarah pada 30 April 2003 dan telah menghadiri kesemua 4 mesyuarat Lembaga Pengarah untuk tahun kewangan berakhir 31 Disember 2005. Tidak mempunyai sebarang konflik kepentingan dengan Kumpulan Syarikat dan tidak mempunyai sebarang pertalian kekeluargaan dengan lain-lain pengarah dan/atau pemegang saham utama dalam Kumpulan Syarikat, atau mempunyai kepentingan sendiri dalam mana-mana urusan perniagaan yang melibatkan Kumpulan Syarikat dan tidak pernah disabitkan sebarang kesalahan selain kesalahan trafik, jika ada, dalam tempoh 10 tahun yang lalu.

NOTIS MESYUARAT AGUNG TAHUNAN

Dato' Seri Syed Anwar Jamalullail

Berusia 54 tahun
Warganegara Malaysia
Pengarah Bebas, Bukan Eksekutif
Ahli Jawatankuasa Audit

Dato' Seri Syed Anwar Jamalullail adalah seorang Akauntan Berkanun dan juga adalah Pengarah bagi Maxis Communication Berhad dan DRB-HICOM Berhad. Lulusan Ijazah Sarjana Muda Sastera dalam Perakaunan dari Macquarie University di Sydney, Australia dan menerima tauliah sebagai Akauntan Berkanun dari Australian Society of Certified Practising Accountants pada tahun 1984. Dilantik sebagai ahli Lembaga Pengarah sejak bulan Februari 2002 dan menghadiri kesemua 4 mesyuarat Lembaga Pengarah untuk tahun kewangan berakhir 31 Disember 2005. Tidak mempunyai sebarang konflik kepentingan dengan Kumpulan Syarikat dan tidak mempunyai sebarang pertalian kekeluargaan dengan lain-lain pengarah dan/atau pemegang saham utama dalam Kumpulan Syarikat, atau mempunyai kepentingan sendiri dalam mana-mana urusan perniagaan yang melibatkan Kumpulan Syarikat dan tidak pernah disabitkan sebarang kesalahan selain kesalahan trafik, jika ada, dalam tempoh 10 tahun yang lalu.

General [B] Tan Sri Dato' Mohd Ghazali Seth

Berusia 77 tahun
Warganegara Malaysia
Pengarah Bebas, Bukan Eksekutif
Pengerusi Lembaga Pengarah
Pengerusi Jawatankuasa Audit

Jeneral [B] Tan Sri Dato' Mohd Ghazali Seth merupakan seorang Jeneral bersara selepas berkhidmat dengan cemerlang selama hampir 36 tahun dalam Angkatan Tentera Malaysia, juga berkhidmat sebagai Pengarah Carlsberg Brewery Malaysia Berhad dan ABN-AMRO Bank Berhad. Dilantik sebagai ahli Lembaga Pengarah sejak bulan Januari 1986 dan menghadiri kesemua 4 mesyuarat Lembaga Pengarah dalam tahun kewangan berakhir 31 Disember 2005. Memegang 10,000 saham di dalam Syarikat. Tidak mempunyai sebarang konflik kepentingan dengan Kumpulan Syarikat dan tidak mempunyai sebarang pertalian kekeluargaan dengan lain-lain pengarah dan/atau pemegang saham utama dalam Kumpulan Syarikat, atau mempunyai kepentingan sendiri dalam mana-mana urusan perniagaan yang melibatkan Kumpulan Syarikat dan tidak pernah disabitkan sebarang kesalahan selain kesalahan trafik, jika ada, dalam tempoh 10 tahun yang lalu.

Tan Sri Dato' Ernest Zulliger

Berusia 73 tahun
Warganegara Switzerland
Pengarah Bebas, Bukan Eksekutif
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 sebelum bersara adalah sebagai Pengarah Urusan, Nestlé [Malaysia] Berhad. Mengambil jurusan Pentadbiran Perniagaan dan Perdagangan di Switzerland serta menghadiri International Institute for Management Development [IMD], Lausanne, Switzerland. Dilantik sebagai ahli Lembaga Pengarah sejak bulan November 1983, dan menghadiri 3 daripada 4 mesyuarat Lembaga Pengarah dalam tahun kewangan berakhir 31 Disember 2005. Tidak mempunyai sebarang konflik kepentingan dengan Kumpulan Syarikat dan tidak mempunyai sebarang pertalian kekeluargaan dengan lain-lain pengarah dan/atau pemegang saham utama dalam Kumpulan Syarikat, atau mempunyai kepentingan sendiri dalam mana-mana urusan perniagaan yang melibatkan Kumpulan Syarikat dan tidak pernah disabitkan sebarang kesalahan selain kesalahan trafik, jika ada, dalam tempoh 10 tahun yang lalu.

NESTLÉ (MALAYSIA) BERHAD (110925-W) (Incorporated in Malaysia)

No. of shares held	

Proxy Form

I / We ______________________ NRIC No: ______________ [New] ______________ [Old]

of ____

being a member of **Nestlé [Malaysia] Berhad**, hereby appoint *the Chairman of the meeting or ______________________

______________________ NRIC No: ______________ [New] ______________ [Old]

of ____

or failing him/her, ______________________ NRIC No: ______________ [New] ______________ [Old]

of ____

as my / our proxy to vote for me/us on my/our behalf at the Twenty-Second [22nd] Annual General Meeting of the Company to be held at the Kristal Ballroom, First Floor, Petaling Jaya Hilton, 2, Jalan Barat, 46200 Petaling Jaya, Malaysia on Thursday, 27 April 2006 at 11.00am and at any adjournment thereof.

* *Delete if not applicable*

My/Our proxy is to vote as indicated with an "X" below:
If no specific direction as to voting is given, the proxy will vote or abstain from voting at his discretion.

No.	Resolutions	For	Against
1.	To receive and adopt the audited financial statements for the financial year ended 31 December 2005 and the directors' and auditors' reports thereon.		
2.	To approve the payment of a final dividend of 71.49sen per share less tax and 8.53sen tax exempt, in respect of the financial year ended 31 December 2005 and to approve the payment of all future dividends by way of direct transfer by means of the electronic payment system upon terms and subject to conditions as the directors may stipulate.		
3.	To approve the payment of directors' fees for the financial year ended 31 December 2005.		
4.	To re-elect Tengku Tan Sri Dr. Mahaleel bin Tengku Ariff, Director, retiring in accordance with Article 90.1 of the Company's Articles of Association.		
5.	To re-elect Dato' Seri Syed Anwar Jamalullail, Director, retiring in accordance with Article 90.1 of the Company's Articles of Association.		
6.	To re-appoint KPMG [Firm No. AF 0758] as Auditors of the Company and to authorise the Directors to fix their remuneration.		
7.	To re-appoint General [Rtd] Tan Sri Dato' Mohd Ghazali Seth, Director, retiring pursuant to Section 129[6] of the Companies Act, 1965.		
8.	To re-appoint Tan Sri Dato' Ernest Zulliger, Director, retiring pursuant to Section 129[6] of the Companies Act, 1965.		
9.	Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature as set out under Section 2.3 of the Circular to Shareholders dated 5 April 2006.		

Dated this ____________ day of ________________ 2006

Witness by: ______________________

Signature: ______________________

Address: ______________________

Company Stamp: ______________________

Occupation: ______________________

____
Signature of Shareholder or Common Seal

Notes:

[i] 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.

[ii] The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing or if the appointer is a corporation either under the corporation's seal or under the hand of an officer or attorney duly authorised.

[iii] Where a member of the Company is an authorised nominee as defined under the Securities Industry [Central Depositories] [Amendment] Act 1991, 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.

[iv] An authorised nominee with more than 1 securities account must submit separate instrument of proxy for each securities account.

[v] 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, Malaysia, not less than 48 [forty-eight] 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 24 [twenty-four] hours before the time appointed for the taking of the poll, and in default the instrument of proxy shall not be treated as valid.

Please fold here to seal

Affix postage
stamp

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

Please fold here to seal

NESTLÉ (MALAYSIA) BERHAD (110925-W) (Diperbadankan di Malaysia)

Borang Proksi

Jumlah saham yang dipegang	

Saya / Kami ______________________ *No. Kad Pengenalan:* ______________ *[Baru]* __________ *[Lama]*

dari ____

sebagai ahli **Nestlé [Malaysia] Berhad**, *dengan ini melantik *Pengerusi mesyuarat atau* ______________________

______________________ *No. Kad Pengenalan:* ______________ *[Baru]* __________ *[Lama]*

dari ____

atau jika beliau tidak dapat hadir, ______________ *No. Kad Pengenalan:* ______________ *[Baru]* __________ *[Lama]*

dari ____

Sebagai proksi saya / kami untuk mengundi bagi pihak saya/kami di Mesyuarat Agung Tahunan ke Dua Puluh Dua [22] Syarikat yang akan diadakan di Kristal Ballroom, Tingkat Satu, Petaling Jaya Hilton, 2, Jalan Barat, 46200 Petaling Jaya, Malaysia pada hari Khamis, 27 April 2006 jam 11.00 pagi dan pada sebarang penangguhannya.

** Potong jika tidak berkenaan*

Proksi saya/kami akan mengundi dengan memangkah "X" seperti di bawah:
Jika tiada arahan khusus tentang pengundian diberikan, proksi akan mengundi atau tidak mengundi atas budi bicaranya.

No.	***Resolusi***	***Setuju***	***Tidak setuju***
1.	*Untuk menerima dan meluluskan penyata kewangan yang telah diaudit untuk tahun berakhir 31 Disember 2005 dengan laporan pengarah dan juruaudit yang dilampirkan.*		
2.	*Untuk meluluskan pembayaran dividen akhir yang mengandungi dividen kasar tidak terkecuali cukai sebanyak 71.49sen sesaham dan dividen terkecuali cukai sebanyak 8.53sen sesaham, untuk tahun kewangan yang berakhir pada 31 Disember 2005 dan untuk meluluskan pembayaran kesemua dividen pada masa hadapan dengan cara pemindahan terus melalui sistem pembayaran elektronik tertakluk kepada terma-terma dan syarat-syarat seperti yang ditetapkan oleh para pengarah.*		
3.	*Untuk meluluskan pembayaran yuran para pengarah untuk tahun berakhir 31 Disember 2005.*		
4.	*Untuk melantik semula Tengku Tan Sri Dr. Mahaleel bin Tengku Ariff, Pengarah, yang akan bersara tertakluk kepada Artikel 90.1 Tataurusan Pertubuhan Syarikat.*		
5.	*Untuk melantik semula Dato' Seri Syed Anwar Jamalullail, Pengarah, yang akan bersara tertakluk kepada Artikel 90.1 Tataurusan Pertubuhan Syarikat.*		
6.	*Untuk melantik semula Tetuan KPMG [No. Firma AF 0758] sebagai Juruaudit dan memberi kuasa kepada para Pengarah menetapkan imbuhan mereka.*		
7.	*Untuk melantik semula General [B] Tan Sri Dato' Mohd Ghazali Seth, Pengarah yang akan bersara tertakluk kepada Seksyen 129[6] Akta Syarikat, 1965.*		
8.	*Untuk melantik semula Tan Sri Dato' Ernest Zulliger, Pengarah, yang akan bersara tertakluk kepada Seksyen 129[6] Akta Syarikat, 1965.*		
9.	*Pembaharuan Mandat Pemegang-Pemegang Saham untuk Urus Niaga Hasil atau Sifat Perdagangan Pihak Berkaitan yang Berulang seperti yang dinyatakan di bawah Seksyen 2.3 dalam Surat Pekeliling kepada Pemegang-Pemegang Saham bertarikh 5 April 2006.*		

Bertarikh ______________ *haribulan* ______________ *2006*

Disaksikan oleh: ______________________

Tandatangan: ______________________

Alamat: ______________________

Cap Syarikat: ______________________

Pekerjaan: ______________________

____

Tandatangan Ahli / Pemegang Saham Tunggal atau Meterai

Nota-nota:

[i] Ahli Syarikat 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.

[ii] Suratcara untuk melantik proksi mestilah secara bertulis oleh orang yang melantik atau peguamnya yang di beri kuasa atau jika yang melantik adalah suatu perbadanan, sama ada dimeterai dengan cap syarikat atau dengan ditandatangani oleh pegawai atau peguam yang diberi kuasa.

[iii] Di mana seseorang ahli Syarikat adalah penama yang diberi kuasa seperti didefinisikan di bawah Akta Industri Sekuriti [Depositori Pusat] [Pindaan] Akta 1991, 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.

[iv] Penama yang diberi kuasa yang mempunyai lebih daripada 1 akaun sekuriti mesti menyerahkan suratcara proksi yang berasingan untuk setiap akaun sekuriti.

[v] Suratcara untuk melantik proksi yang telah ditandatangani oleh peguam yang diberi kuasa atau lain-lain badan berkuasa [jika ada] atau yang disahkan secara notari, kuasa atau badan berkuasa tersebut, hendaklah diserahkan kepada Pendaftar Saham Syarikat di Tenaga Korporat Sdn. Bhd., Tingkat 20, Plaza Permata, Jalan Kampar, Off Jalan Tun Razak, 50400 Kuala Lumpur, tidak kurang daripada 48 [empat puluh lapan] jam sebelum masa yang ditetapkan untuk mengadakan mesyuarat atau mesyuarat yang ditangguhkan di mana orang yang dinamakan di dalam suratcara bercadang untuk mengundi, atau dalam kes membuang undi, tidak kurang daripada 24 [dua puluh empat] jam sebelum masa yang ditetapkan untuk membuat undian dan jika gagal, suratcara proksi akan dianggap tidak sah.

Sila lipat di sini untuk digam

Tampalkan setem

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