

Carlsberg

CARLSBERG BREWERY
MALAYSIA BERHAD

Laporan Tahunan **2003** Annual Report



“Regardless of the occasion or place,
our brands shall be the
consumers' preferred choice.”

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Carlsberg Beer

CORPORATE INFORMATION

DIRECTORS

Dato' Jorgen Bornhoft, *D.P.T.J.*
(*Kehormat*)
(*Chairman*)

Chan Hua Eng, R OBE

Jen. (B) Tan Sri Dato' Mohd. Ghazali
bin Dato' Mohd. Seth,
P.G.A.T., P.M.N., P.S.M., S.P.M.J.,
S.I.M.P., D.H.M.S., P.N.B.S., J.M.N.,
P.P.C., jssc, psc

Tan Sri Datuk Asmat bin Kamaludin,
P.S.M., P.J.N.,
J.S.M., S.M.J., K.M.N.

Dato' Lim Say Chong,
J.S.M., D.M.P.N.

Jesper Bjoern Madsen

Bjorn Sondenskov

Chin Voon Loong

MANAGING DIRECTOR

Bjorn Sondenskov

SECRETARY

Chin Voon Loong

AUDIT COMMITTEE

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

Jen. (B) Tan Sri Dato' Mohd. Ghazali
bin Dato' Mohd. Seth
(*Independent Non-Executive Director*)

Dato' Lim Say Chong
(*Independent Non-Executive Director*)

Chin Voon Loong
(*Executive Director*)

AUDITORS

Ernst & Young
Chartered Accountants

SOLICITORS

Shearn Delamore & Co.

REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS

No. 55, Persiaran Selangor,
Section 15, 40200 Shah Alam,
Selangor Darul Ehsan

Tel : (03) 5522 6688

Fax : (03) 5519 1931

Email : info@carlsberg.com.my

Website : www.carlsberg.com.my

REGISTRARS

Signet Share Registration Services
Sdn. Bhd.

11th Floor, Tower Block,
Kompleks Antarabangsa
Jalan Sultan Ismail, 50250
Kuala Lumpur

BANKERS

Public Bank Berhad
Wisma Lim Foo Yong
86, Jalan Raja Chulan
50200 Kuala Lumpur

Maybank Berhad
Menara Maybank
100, Jalan Tun Perak
50050 Kuala Lumpur

ABN Amro Bank Berhad
Level 26, MNI Twins, Tower 2
11, Jalan Pinang
50450 Kuala Lumpur



FRIENDSHIP

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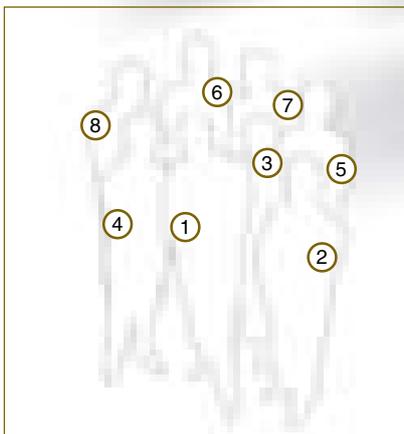
www.carlsberg.com/comeup

Carlsberg

BOARD OF DIRECTORS



- ① **DATO' JORGEN BORNHOFT**
Non-Executive Chairman
- ② **CHAN HUA ENG**
Independent Non-Executive Director
- ③ **JEN (B) TAN SRI DATO' MOHD
GHAZALI BIN DATO' MOHD. SETH**
Independent Non-Executive Director
- ④ **TAN SRI DATUK ASMAT
BIN KAMALUDIN**
Independent Non-Executive Director
- ⑤ **DATO' LIM SAY CHONG**
Independent Non-Executive Director
- ⑥ **JESPER B. MADSEN**
Non-Executive Director
- ⑦ **BJORN SONDESKOV**
Managing Director
- ⑧ **CHIN VOON LOONG**
Executive Director



DIRECTORS' PROFILE

Dato' Jorgen Bornhoft,

D.P.T.J. (Kehormat)

Non-Executive Chairman

Member of Remuneration Committee

Member of ESOS Committee

Dato' Jorgen Bornhoft, aged 62, a Dane, is the Chairman of Carlsberg Malaysia, and had been heading the Carlsberg organisation since 1991. Dato' Bornhoft was appointed to the Board on 30 October 1995. On 28 January 2003, he was appointed as Chief Executive Officer of Carlsberg Asia Pte Ltd in Singapore.

Dato' Bornhoft holds a degree in Accountancy and Financing (Bachelor of Commerce) from Copenhagen Business School, and attended executive management courses at INSEAD. Prior to his appointment to Carlsberg Malaysia, Dato' was Vice-President in Carlsberg International A/S, Denmark, responsible for foreign subsidiaries and new projects. He was also responsible for licence agreements in Asia. In the 1980s, Dato' was appointed as General Manager of a brewery in Greece.

Dato' was President of the Malaysian International Chamber of Commerce and Industry from 1996 to 1999.

Currently, Dato' Bornhoft holds directorships in ABN Amro Bank Berhad (Malaysia), South East Asia Brewery Ltd (Vietnam), Hue Brewery Ltd (Vietnam), International Brewery Distributors (Vietnam), The Ceylon Brewery Ltd (Sri Lanka), The Lion Brewery Ceylon Limited (Sri Lanka), Hite Brewery Co. Ltd (South Korea), Tsingtao Brewery Shanghai Songjiang Co. Ltd (China), Dali Beer (Group) Ltd (China), Lao Brewery Co. Ltd (Laos), Sukhothai Co. Ltd (Thailand), Carlsberg Thai Co. Ltd (Thailand) and Carlsberg Brewery Hong Kong Ltd (Hong Kong).

Chan Hua Eng, R OBE

Independent Non-Executive Director

Chairman of Audit Committee

Chairman of Remuneration Committee

Member of Nomination Committee

Member of ESOS Committee

Mr Chan Hua Eng, aged 75, a Malaysian, was appointed to the Board on 6 December 1971.

Mr Chan is a law graduate with Honours from the University of Bristol, a Barrister-at-Law of Middle Temple and an Associate Member of the Malaysian Institute of Taxation. He was previously a Senior Partner at Shearn Delamore & Co., Chairman of the Malaysian Bar Council, part-time Judicial Commissioner and Chairman of the Sabah Inquiry Commission.

Mr Chan presently serves on the Boards of Malayan Cement Berhad, Lingui Development Berhad, Rohas-Euco Industrial Berhad, Pacific & Orient Berhad and Glenealy Plantations (Malaya) Berhad. He is also a Board Member of the Malaysian Danish Business Council.

Jen (B) Tan Sri Dato' Mohd Ghazali

bin Dato' Mohd. Seth, *P.G.A.T., P.M.N.,*

P.S.M., S.P.M.J., S.I.M.P., D.H.M.S.,

P.N.B.S., J.M.N., P.P.C., jssc, psc

Independent Non-Executive Director

Member of Audit Committee

Jen (B) Tan Sri Dato' Mohd Ghazali bin Dato' Mohd. Seth, aged 75, a Malaysian, was appointed to the Board on 11 July 1997.

Jen (B) Tan Sri Dato' Mohd Ghazali bin Dato' Mohd. Seth possesses numerous military qualifications from the United Kingdom, namely, Military Officer from the Royal Military College, Sandhurst, Military Command & Staff from the Staff College Camberly, Military Intelligence from the Staff Intelligence Ashford and Joint Services from Staff College Latimar. He retired as the Chief of Armed Forces after 35 years of service with the Malaysian Armed Forces. He has also served as a Senator in the Malaysian Parliament and as a Vice-President with the Ex-Servicemen Association.

Currently, Jen (B) Tan Sri Dato' Mohd Ghazali bin Dato' Mohd. Seth holds directorships in Nestle (Malaysia) Berhad and ABN Amro Bank Berhad. He also holds positions in various organisations, namely, Distinguished Fellow with the Institute of Strategic and International Studies (ISIS), Chairman of the Board of Trustees of Yayasan Amanah Pembinaan Insan, Member of the Board of Trustees of the Neuro Surgical Foundation, Director of United World College, Chairman of the Retired Armed Forces Officers Club, Member of the Board of Trustees of the Johore Malay Chamber of Commerce of Malaysia and Chairman to the Investment Panel, Armed Forces Provident Fund (LTAT).

DIRECTORS' PROFILE (contd.)

Tan Sri Datuk Asmat bin Kamaludin,

P.S.M., P.J.N., J.S.M., S.M.J., K.M.N.

Independent Non-Executive Director
Chairman of Nomination Committee
Member of Remuneration Committee

Tan Sri Datuk Asmat bin Kamaludin, aged 60, a Malaysian, was appointed to the Board on 1 February 2001.

Tan Sri Datuk Asmat bin Kamaludin obtained a Bachelor of Economics (Honours) degree from the University of Malaya and later attended a special programme on the European Economic Community in Amsterdam. Tan Sri served in the Ministry of International Trade and Industry (MITI) for 34 years, and retired as its Secretary General, a position he had held for 9 years. Dealing with both domestic and international trade sectors at MITI, he had also worked with several international bodies such as ASEAN, WTO and APEC, representing Malaysia in relevant negotiations and agreements. Tan Sri Datuk Asmat bin Kamaludin was also actively involved in several national organisations such as Johor Corporation, the Small and Medium Scale Industries and MATRADE.

Currently, Tan Sri Datuk Asmat bin Kamaludin is a Board Member of Malaysian Pacific Industries Bhd, UMW Holdings Berhad, Shangri-la Hotels Malaysia Bhd, Lion Industries Corporation Berhad, YTL Cement Berhad, Commerce-Asset Holdings Berhad, Matsushita Electric Company (Malaysia) Berhad, Symphony House Berhad, SCOMI Group Berhad and Permodalan Nasional Berhad.

Dato' Lim Say Chong

J.S.M., D.M.P.N.

Independent Non-Executive Director
Member of Audit Committee

Dato' Lim Say Chong, aged 63, a Malaysian, was appointed to the Board on 21 May 2003.

Dato' Lim obtained a Bachelor of Economics (Honours) from the University of Malaya and a Masters in Business Administration from the University of British Columbia, Canada. He also attended an Advanced Management Programme at the Harvard Business School, Boston. Dato' Lim worked with the Imperial Chemical Industries (ICI) Plc's Group of Companies in Malaysia and abroad for 30 years, during which time he sat on the Boards of several companies within the Group. He later became the Managing Director of the ICI (Malaysia) Group for 5 years.

Presently, Dato' Lim is the Group Managing Director of Chemical Company of Malaysia Berhad, a position which he has held since 1989. He is also a Director of Standard Chartered Bank Malaysia Berhad and Kinta Kellas Public Limited Company. Dato' Lim also served in various associations, including as President of Malaysian International Chamber of Commerce & Industry (MICCI), Vice President of the National Chamber of Commerce & Industry of Malaysia (NICCIM) and Vice Chairman of the British Malaysian Industry & Trade Association. He was also a member of the National Human Resource Development Council, Malaysian

Industrial Development Authority (MIDA) and Board of Trustees of the Aged European Fund as well as council member of the Federation of Malaysian Manufacturers (FMM) and Board of ASEAN Chamber of Commerce & Industry (ACCI). Dato' Lim is currently a Director of the Tun Hussein Onn National Eye Hospital and a trustee of the Ti-Rattana Welfare Society.

DIRECTORS' PROFILE (contd.)

Jesper B. Madsen

Non-Executive Director

Mr Jesper B. Madsen, aged 49, a Dane, was appointed to the Board on 21 May 2003.

Mr Madsen obtained a Masters of Law from Copenhagen University, Denmark and later studied Scottish/English law at the University of Edinburgh, Scotland. Mr Madsen worked in the legal field for 4 years. He has since been working with the Carlsberg A/S Group for 20 years, beginning his career within the Group as a Personal Assistant to the CEO of Carlsberg International. Mr Madsen subsequently held positions as the Vice President responsible for overseas investments/markets, General Manager and Managing Director of Carlsberg Brewery Hong Kong Ltd and Chief Operating Officer of Carlsberg Asia Pte Ltd. In August 2003, Mr Madsen was appointed as Senior Vice President of Carlsberg Breweries A/S with responsibility for Asia, among other markets.

Presently, Mr Madsen is the Chairman of Carlsberg Brewery (Guangdong) Ltd (China), Hue Brewery Ltd (Vietnam) and South East Asia Brewery Ltd (Vietnam). He is also the Vice Chairman of Kunming Huashi Brewery Company Ltd (China) and Dali Beer (Group) Ltd (China) and is a Board member of Carlsberg Brewery Hong Kong Ltd (Hong Kong), Carlsberg Hong Kong Ltd (Hong Kong), The Bottling and Brewing Group Limited (Malawi) and Lao Brewery Co. Ltd (Laos).

Mr Bjorn Sondenskov

Managing Director

Member of Nomination Committee

Mr Bjorn Sondenskov, aged 42, a Dane, was appointed to the Board on 1 April 2003.

Mr Sondenskov holds a Bachelor of Science (Economics) degree from the Copenhagen Business School and a Diplome (a European Masters in General Management) from Ecole Europeenne des Affaires (Paris-Oxford-Berlin) which is part of the Chamber of Commerce and Industry in Paris. Prior to his appointment to Carlsberg Malaysia, Mr Sondenskov was the Director/Chief Financial Officer and member of the Management Board of Hannen Brauerei GmbH, Germany, responsible for finance, controlling, information technology and production. Mr Sondenskov worked with the Carlsberg A/S Group for 15 years, holding various senior positions such as Regional Manager, General Manager and Senior General Manager. He was later appointed Group Vice-President of the Carlsberg A/S Group and was subsequently made responsible for the Western Europe and Exports Division within the Group.

Chin Voon Loong

Executive Director

Member of Audit Committee

Mr Chin Voon Loong, aged 47, was appointed as a Director on 1 April 2003. Prior to this, he was an Alternate Director since 10 March 1999.

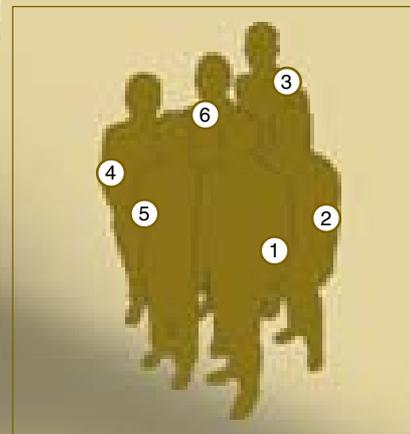
Mr Chin obtained a Bachelor of Science (Honours) degree in Systems and Management from The City of London University and is a Fellow Member of the Institute of Chartered Accountants in England and Wales. He is also a Chartered Accountant with the Malaysian Institute of Accountants, an Associate Member of the Malaysian Institute of Taxation and a Member of the Institute of Company Secretaries, Malaysia. He was employed by Messrs Ernst & Whinney in London and subsequently, by the same firm in Kuala Lumpur. Mr Chin has worked with Carlsberg Malaysia for 17 years. He currently holds the position of Chief Financial Officer/Company Secretary of Carlsberg Malaysia and Commercial Director of Carlsberg Marketing Sdn Bhd.

Mr Chin is a director of The Lion Brewery Ceylon Limited (Sri Lanka).

Other information on Directors

None of the Directors have any family relationship with any director/major shareholder of the Group and the Company, nor any interest in any business arrangement involving the Group and the Company. None of them have had any convictions for any offences within the past 10 years.

MANAGEMENT TEAM



- ① **BJORN SONDESKOV**
Managing Director
- ② **CHIN VOON LOONG**
Executive Director/Chief Financial Officer/Company Secretary
- ③ **MARTIN JAMES CECIL**
Technical Manager
- ④ **CHAN CHEE SENG**
Corporate Services Manager
- ⑤ **WALTER YU TEH MENG**
National Sales Manager
- ⑥ **JAN EMIL HERTZ**
Marketing Manager



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Carlsberg

CHAIRMAN'S STATEMENT



On behalf of the Board of Directors of Carlsberg Brewery Malaysia Berhad, I am pleased to present the Annual Report and the Audited Financial Statements of the Group and the Company for the financial year ended 31 December 2003.

OVERVIEW

The Malaysian brewery industry operated under a very challenging environment in 2003.

The industry was first affected by the outbreak of the Severe Acute Respiratory Syndrome (SARS) in March 2003. Subsequently, on 12 September 2003, the Government announced a 10% increase in the excise duties for beer and stout, which inevitably led to a consumer price increase for beer and stout products. The higher prices have dampened the growth momentum of the local duty-paid beer and stout consumption. This was further exacerbated by the increasing presence of low-priced imported and smuggled beers. Meanwhile, competitive activities within the beer and stout industry continued to be intense, resulting in ongoing downward pressures on prices and margins.

On a more encouraging note, the Government responded positively by revoking the Customs Duties (Exemption) (Goods of ASEAN Countries Origin) Order 1988 in July 2003 which previously allowed some regional ASEAN countries to claim a 50% rebate on import duty for their exports of beer products into Malaysia.

The Group succeeded in meeting the external challenges through several aggressive and innovative marketing and sales initiatives. In so doing, the Group continued to secure its market leadership in the beer market and grow its stout market share.

CHAIRMAN'S STATEMENT (contd.)

OPERATING RESULTS

The Group revenue increased by 4.4% or RM37.2 million for the year under review to reach RM876.0 million. The increase in revenue was primarily due to an increase in sales volume during the festive period.

Group profit before tax of RM106.7 million in 2003 was lower by 15.8% or RM20.0 million compared against RM126.7 million in 2002. The decline in profits was mainly due to high trade discounting arising from the intense and protracted price competition in the market.

Shareholders' funds of RM511.7 million in 2003 declined by 3.7% from RM531.5 million in 2002. Earnings per share after tax was 53.1 sen compared to 62.6 sen in 2002. The Group's net tangible assets per share decreased by 3.7% to RM3.35 per share from RM3.48 per share.

REVIEW OF OPERATIONS

During the year, the Group continued to adopt measures to enhance its organisational efficiencies and effectiveness.

Following its successful introduction of green bottles for Carlsberg Green Label, the Group also embarked on numerous marketing activities and trade promotions to consolidate its market leadership position by keeping in pace with consumer trends. The quality of the Group's products also remained a key focus with the planned implementation of a new, improved quality system.

Carlsberg Malaysia was the first company within the Carlsberg Breweries A/S Group to launch the new international can design for Carlsberg Green Label. The new can packaging features a more modern, contemporary and cosmopolitan look consistent with Carlsberg Green Label's global image. During the year, the Group also launched a successful, new advertising campaign titled "Join a World of Friends", which is aimed at bringing laughter, openness, friendship and togetherness amongst consumers of Carlsberg Green Label.

Carl's Signature Lager was re-launched in September 2003 with a new innovative "No Label Look" design that uses a UV luminous logotype. Carlsberg Malaysia was the first brewery in Malaysia to launch this premium "No Label Look" or "Pressure Sensitive Label" (PSL) for a beer product. A new design for Jolly Shandy can packaging with stronger branding and a more refreshing look was also introduced.



CHAIRMAN'S STATEMENT (contd.)

Carlsberg's long-standing commitment in the development of sports continued throughout 2003 with major sponsorships in various sporting activities. The major sponsorship activities during the year were the Carlsberg Malaysian Open, which offered a record US\$1.1 million in total prize money, making it the richest National Golf Open in Asia, and the Cobra International Rugby event. Furthermore, Carlsberg also sponsored Malaysian Cricket, the Malaysian Olympic Council and SportExcel.

The Group maintained its role as a positive contributor to the various communities through several fund-raising activities. The Carlsberg-Nanyang Top Ten Charity Show, named the Longest Running Charity programme in aid of Education, furthered its record by passing the impressive RM223 million mark for funds raised since its inception 16 years ago. More than 400 Chinese primary and secondary schools as well as institutions of higher learning have benefited from generous donations raised at the Charity Shows. The Group has also contributed to the Education, Welfare and Research Foundation of Malaysia, which supports the education of Indian students from the low-income group.

SHARE CAPITAL

- **Share Buy-Back**

There were no further buy-back of shares during the year under review.

The 1,165,000 ordinary shares representing 0.76% of the issued and paid-up share capital of the Company purchased in 1999 at an average price of RM10.34 per share have been retained as treasury shares.

The Board of Directors have recommended to the shareholders to approve the renewal of the share buy-back programme, the details of which have been included in the Circular to shareholders.

- **Employees' Share Option Scheme**

Since the last allotment of share options comprising 1,265,000 ordinary shares of RM1.00 each at RM8.09 per share on 26 October 1998, there was no further allotment during 2003. The share options expired on 25 October 2003. As at expiry date, 1,039,000 ordinary shares of RM1.00 each had been issued at RM8.09 per share for cash, upon the exercise of the options granted.

Resulting from the exercise of the above mentioned share options, the issued and paid-up share capital of the Company increased to 154,039,000 ordinary shares of RM1.00 each as at 31 December 2003. The share premium arising from this issue amounted to RM7.4 million.



CHAIRMAN'S STATEMENT (contd.)

OVERSEAS INVESTMENT

The Group's associated company, The Lion Brewery Ceylon Limited (TLBCL) performed satisfactorily during the year under review. The Group's share of the income from TLBCL for the twelve months to 30 September 2003 amounting to RM2.8 million had been included in the financial statements for 2003.

BOARD COMMITTEES

The various Board Committees met in 2003 and were effective in ensuring the continuous exercise of high standards of corporate governance. Details of the roles and responsibilities of the Board Committees have been set out in the Statement of Corporate Governance.

DIVIDENDS

The Group continues to demonstrate its appreciation to its loyal and valued shareholders through the payment of dividends.

The Company paid a gross interim dividend of 10 sen per share less Malaysian income tax on 9 October 2003.

The Board is recommending the payment of a final gross dividend of 15 sen per share less Malaysian income tax in respect of the 2003 financial year. The Board, after taking into consideration the Group's funding requirements for operational and strategic needs, is also recommending the payment of a special gross dividend of 25 sen per share less Malaysian income tax and a special tax exempt dividend of 25 sen per share.

The above dividends are subject to shareholders' approval. Upon approval, the final and special dividends would be paid on 19 May 2004.

OUTLOOK FOR 2004

The Government's 10% increase in excise duties and the resulting price increase by the industry is expected to continue to affect the growth in the consumption of beer and stout. The increasing availability of low-priced imported and smuggled beers and stout is also likely to have an adverse impact on the growth in consumption of locally-produced duty-paid beer and stout products.



CHAIRMAN'S STATEMENT (contd.)

The Group anticipates that the intensive price competition would remain in the foreseeable future and is determined to continue to focus and invest necessary resources to expand its market leadership in the malt liquor market.

Barring any unforeseen circumstances, the Group's performance for the year 2004 is expected to be satisfactory.

APPRECIATION

Since the last Annual General Meeting, Y.A.M. Tunku Naquiyuddin Ibni Tuanku Ja'afar, Mr Paul Assar Bergqvist and Mr Mogens Thomsen had resigned from the Board. The Board wishes to record its appreciation to each of them for their invaluable contributions and guidance to the Group.

On behalf of the Board, I would like to welcome Yang Berbahagia Dato' Lim Say Chong and Mr Jesper Bjoern Madsen who were appointed to the Board on 21 May 2003 as non-executive directors.

Equally, I wish to take this opportunity, on behalf of the Board and Management of Carlsberg Brewery Malaysia Berhad, to thank our valued customers and consumers for their continued patronage; our suppliers, distributors and other business partners, for their invaluable support and our shareholders, for the confidence placed in Carlsberg Malaysia.

I also wish to express the Board's appreciation to the Management and all the employees of the Group for their continued efforts, commitment and outstanding loyalty.

DATO' JORGEN BORNHOFT

Chairman

Shah Alam

29 March 2004



OPENNESS

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Penyata Pengerusi

Bagi pihak Lembaga Pengarah Carlsberg Brewery Malaysia Berhad, saya dengan sukacitanya membentangkan Laporan Tahunan dan Penyata-Penyata Kewangan Beraudit bagi Kumpulan dan Syarikat untuk tahun kewangan berakhir 31 Disember 2003.

GAMBARAN KESELURUHAN

Industri bir dan stout di Malaysia beroperasi dalam persekitaran yang sangat mencabar pada tahun 2003.

Industri ini pada mulanya terjejas akibat wabak Sindrom Pernafasan Akut Yang Teruk (SARS) pada Mac 2003. Seterusnya pada 12 September 2003, Kerajaan Malaysia mengumumkan kenaikan duti eksais sebanyak 10% untuk produk bir dan stout, yang mana membawa kepada kenaikan harga pengguna bagi produk bir dan stout. Kenaikan harga tersebut telah melembapkan pertumbuhan penggunaan bir dan stout tempatan duti berbayar. Keadaan ini diburukkan lagi oleh pertambahan kehadiran bir import dan seludup berharga murah. Di samping itu, kegiatan persaingan di kalangan industri bir dan stout kekal sengit, mengakibatkan harga dan margin menjadi semakin rendah.

Beralih kepada perkara yang lebih menggalakkan, Kerajaan Malaysia telah bertindak balas secara positif dengan menarik balik Perintah Duti Kastam 1988 (Pengecualian) (Barangan Berasal Dari Negara-Negara ASEAN) pada Julai 2003 di mana sebelum ini membenarkan beberapa negara ASEAN menuntut rebet sebanyak 50% ke atas duti import bagi eksport produk bir negara-negara tersebut ke Malaysia.

Kumpulan berjaya mengharungi pelbagai cabaran luaran melalui berbagai kegiatan pemasaran dan jualan yang agresif dan inovatif. Dengan ini, Kumpulan terus mengekalkan kedudukannya sebagai peneraju dalam pasaran bir dan mempertingkatkan agihan pasaran stoutnya.

KEPUTUSAN OPERASI

Bagi tahun yang dikaji, perolehan Kumpulan mencapai RM876.0 juta, iaitu meningkat sebanyak 4.4% atau RM37.2 juta. Peningkatan perolehan sebahagian besarnya adalah disebabkan oleh peningkatan jumlah jualan semasa musim perayaan.

Keuntungan Kumpulan sebelum cukai sebanyak RM106.7 juta pada 2003, iaitu berkurangan sebanyak 15.8% atau

RM20.0 juta berbanding dengan RM126.7 juta pada 2002. Penurunan keuntungan ini sebahagian besarnya berpunca daripada diskaun dagangan yang tinggi berikutan persaingan harga yang begitu sengit dan berlarutan dalam pasaran.

Dana pemegang saham berjumlah RM511.7 juta pada 2003, iaitu menurun sebanyak 3.7% daripada RM531.5 juta pada 2002. Pendapatan sesaham selepas cukai adalah 53.1 sen berbanding dengan 62.6 sen pada 2002. Aset ketara bersih sesaham bagi Kumpulan menurun sebanyak 3.7% kepada RM3.35 sesaham daripada RM3.48 sesaham.

ULASAN OPERASI

Sepanjang tahun yang dikaji, Kumpulan terus mengambil pelbagai langkah untuk meningkatkan kecekapan dan keberkesanan organisasinya.

Berikutan kejayaan memperkenalkan botol berwarna hijau untuk Carlsberg Green Label, Kumpulan turut memulakan pelbagai kegiatan pemasaran dan promosi perdagangan untuk mengukuhkan kedudukannya sebagai peneraju pasaran agar seiring dengan gaya hidup pengguna. Kualiti produk Kumpulan juga kekal menjadi tumpuan utama dengan rancangan pelaksanaan satu sistem kualiti yang lebih baik dan terkini.

Carlsberg Malaysia adalah syarikat pertama di kalangan Kumpulan Carlsberg Breweries A/S melancarkan rekabentuk tin antarabangsa baru bagi Carlsberg Green Label. Pembungkusan tin baru ini menampilkan rupa yang lebih moden, kontemporari dan kosmopolitan sejajar dengan imej global Carlsberg Green Label. Sepanjang tahun yang dikaji, Kumpulan turut melancarkan dengan jayanya kempen pengiklanan baru bertajuk "Join a World of Friends", yang bertujuan untuk membawakan suasana keriang, keterbukaan, persahabatan dan bersatu padu di kalangan pengguna Carlsberg Green Label.

Carl's Signature Lager telah dilancarkan semula pada September 2003 dengan rekabentuk "No Label Look" baru serta inovatif yang menggunakan jenis logo UV berkilau. Carlsberg Malaysia adalah kilang bir yang pertama di

Penyata Pengerusi (sambungan)

Malaysia melancarkan "No Label Look" atau "Pressure Sensitive Label" (PSL) yang bermutu tinggi ini untuk produk bir. Rekabentuk baru pembungkusan tin Jolly Shandy yang bertujuan mengukuhkan kedudukan jenamanya dan memberi wajah yang lebih segar telah juga diperkenalkan.

Komitmen Carlsberg dalam pembangunan sukan diteruskan sepanjang 2003 melalui penajaan utama dalam pelbagai kegiatan sukan. Kegiatan penajaan utama pada tahun berkenaan adalah Carlsberg Malaysian Open, yang menawarkan hadiah wang tunai tertinggi berjumlah AS\$1.1 juta, sekaligus menjadikannya Golf Terbuka Kebangsaan yang terkaya di Asia, dan acara Cobra International Rugby. Selain itu, Carlsberg juga telah menaja Kriket Malaysia, Majlis Olimpik Malaysia dan SportExcel.

Kumpulan mengekalkan peranannya sebagai penyumbang positif kepada pelbagai komuniti melalui beberapa kegiatan mengisi dana. Persembahan amal Carlsberg-Nanyang Top Ten, iaitu program amal yang paling lama dijalankan berterusan untuk bantuan pendidikan, telah berjaya melepasi tahap RM223 juta untuk dana yang dikumpul sejak ditubuhkan 16 tahun yang lalu. Lebih daripada 400 buah sekolah rendah dan menengah Cina serta institusi pengajian tinggi telah mendapat manfaat daripada derma yang dikumpul daripada persembahan-persembahan amal berkenaan. Kumpulan juga telah menyumbang kepada Yayasan Pendidikan, Kebajikan dan Penyelidikan Malaysia, yang membantu pendidikan pelajar India daripada golongan berpendapatan rendah.

MODAL SAHAM

- **Belian Balik Saham**

Tiada belian balik saham yang seterusnya dilakukan sepanjang tahun yang dikaji.

Sebanyak 1,165,000 saham biasa mewakili 0.76% modal saham terbitan dan berbayar bagi Kumpulan yang dibeli pada 1999 pada harga purata RM10.34 sesaham dipegang sebagai saham perbendaharaan.

Lembaga Pengarah telah mengesyorkan kepada para pemegang saham supaya meluluskan pembaharuan program belian balik saham, di mana butiran telah dilampirkan dalam Pekeliling kepada pemegang saham.

- **Skim Opsyen Saham Pekerja**

Sejak peruntukan opsyen saham yang terakhir yang terdiri daripada 1,265,000 saham biasa bernilai RM1.00 sesaham pada harga tunai RM8.09 sesaham pada 26 Oktober 1998, tiada lagi peruntukan dibuat pada 2003. Tempoh skim opsyen saham berkenaan lupus pada 25 Oktober 2003. Pada tarikh lupus itu, sebanyak 1,039,000 saham biasa bernilai RM1.00 sesaham telah diterbitkan pada harga tunai RM8.09 sesaham, apabila belian opsyen diluluskan.

Berikutan pembelian opsyen saham yang disebutkan di atas, modal terbitan dan berbayar Syarikat telah meningkat kepada 154,039,000 saham biasa bernilai RM1.00 sesaham pada 31 Disember 2003. Premium saham hasil daripada terbitan ini berjumlah RM7.4 juta.

PELABURAN LUAR NEGARA

Syarikat bersekutu Kumpulan, The Lion Brewery Ceylon Limited (TLBCL) mencatatkan prestasi yang memuaskan sepanjang tahun yang dikaji. Jumlah pendapatan Kumpulan daripada TLBCL untuk 12 bulan hingga 30 September 2003 berjumlah RM2.8 juta telah dimasukkan ke dalam penyata-penyata kewangan 2003.

JAWATANKUASA-JAWATANKUASA LEMBAGA

Semua Jawatankuasa Lembaga telah mengadakan mesyuarat-mesyuarat dalam tahun 2003 dan berkesan memastikan pelaksanaan berterusan bagi tahap urus tadbir korporat yang tinggi. Butir-butir peranan dan tanggungjawab Jawatankuasa-jawatankuasa Lembaga telah dibentang dalam Penyata Urus Tadbir Korporat.

DIVIDEN

Kumpulan terus menunjukkan penghargaannya terhadap para pemegang sahamnya yang setia dan dihargai melalui pembayaran dividen.

Syarikat telah membayar dividen kasar interim sebanyak 10 sen sesaham ditolak cukai pendapatan Malaysia pada 9 Oktober 2003.

Penyata Pengerusi (sambungan)

Lembaga Pengarah mengesyorkan pembayaran dividen kasar muktamad sebanyak 15 sen sesaham ditolak cukai pendapatan Malaysia bagi tahun kewangan 2003. Lembaga Pengarah turut mengesyorkan pembayaran dividen kasar istimewa sebanyak 25 sen sesaham ditolak cukai pendapatan Malaysia dan dividen istimewa yang dikecualikan daripada cukai sebanyak 25 sen sesaham selepas mengambil kira peruntukan dana Kumpulan untuk keperluan operasi dan strategik.

Dividen muktamad dan istimewa di atas tertakluk kepada kelulusan para pemegang saham. Apabila diluluskan, dividen muktamad dan istimewa akan dibayar pada 19 Mei 2004.

TINJAUAN TAHUN 2004

Langkah Kerajaan menaikkan duti eksais sebanyak 10% dan diikuti oleh tindakan industri menaikkan harga dijangka akan terus menjejaskan pertumbuhan penggunaan bir dan stout. Kehadiran semakin banyaknya bir dan stout import dan seludup yang berharga rendah juga dijangka memberikan kesan negatif terhadap pertumbuhan penggunaan produk bir dan stout keluaran tempatan duti berbayar.

Kumpulan meramalkan bahawa persaingan harga yang sengit akan tetap berlaku pada masa akan datang dan bertekad untuk terus menumpukan dan melabur sumber-sumber yang diperlukan bagi meluaskan kedudukan peneraju pasaran dalam pasaran malt arak.

Tanpa mengambil kira keadaan di luar jangkaan, prestasi Kumpulan bagi tahun 2004 dijangka memuaskan.

PENGHARGAAN

Sejak Mesyuarat Agung Tahunan yang terakhir, YAM Tunku Naquiyuddin Ibni Tuanku Ja'afar, Encik Paul Assar Bergqvist dan Encik Mogens Thomsen telah meletak jawatan dalam Lembaga Pengarah. Lembaga Pengarah ingin merakamkan penghargaannya kepada mereka atas sumbangan dan bimbingan yang sangat berharga kepada Kumpulan.

Bagi pihak Lembaga Pengarah, saya mengucapkan selamat datang kepada Yang Berbahagia Dato' Lim Say Chong dan Encik Jesper Bjoern Madsen yang dilantik menyertai Lembaga Pengarah pada 21 Mei 2003 sebagai Pengarah Bukan Eksekutif.

Selain itu, saya ingin mengambil kesempatan ini bagi pihak Lembaga Pengarah dan Pengurusan Carlsberg Brewery Malaysia Berhad, mengucapkan terima kasih kepada para pelanggan dan pengguna yang dihargai atas sokongan yang berterusan, kepada para pembekal, pengedar dan rakan-rakan perniagaan yang lain atas sokongan yang dihargai dan para pemegang saham atas keyakinan terhadap Carlsberg Malaysia.

Saya juga ingin menyampaikan penghargaan pihak Lembaga Pengarah kepada Pengurusan dan semua kakitangan Kumpulan atas usaha, komitmen dan kesetiaan yang diberikan secara berterusan.

DATO' JORGEN BORNHOFT
Pengerusi

Shah Alam
29 Mac 2004.

主席獻詞

本人謹此代表馬來西亞皇帽釀酒廠有限公司董事部提呈于二零零三年十二月卅一日止財政年度的公司及集團常年報告與經審查的財務報告。

綜合概述

二零零三年，馬來西亞釀酒業的經營環境面對極高的挑戰。

二零零三年三月，釀酒業因為嚴重急性呼吸系統綜合症(SARS)的爆發而首當其衝。隨後，政府在二零零三年九月十二日宣布將啤酒和黑啤的國產稅調高十巴仙，導致啤酒和黑啤的消費價格提高。調高的售價阻滯了本地已繳稅的啤酒與黑啤消費額之成長動力。此外，這種情況在廉價的進口啤酒及走私啤酒增加下而進一步惡化。另一方面，啤酒與黑啤業者之間激烈的競爭活動，使到這些產品的售價和賺幅不斷遭到打壓。

從更積極的觀點來看，政府也作出了正面的反應，于二零零三年七月撤銷了一九八八年關稅(豁免)(來自東協成員國的貨品)令，使到某些東協成員國將它們的啤酒產品出口到馬來西亞時，不再享有進口稅的五十巴仙回扣。

本集團透過幾項激進和革新的市場與銷售活動，成功地克服了來自外界的挑戰。與此同時，本集團繼續保持啤酒市場上的領導地位，黑啤的市場占有率亦有所增長。

營運業績

在檢討財政年度中，本集團的營業額增加了四點四巴仙，或相等於三千七百二十萬零吉共達八億七千六百萬零吉。營業額的增加主要是因為佳節期間營業額上升的緣故。

本集團二零零三年的扣稅前盈利為一億零六百七十萬零吉，比二零零二年的一億兩千六百七十萬零吉下跌了十五點八巴仙，或相等於二千萬零吉。盈利下跌的主要原因是市場上激烈而延續已久的削價競爭及貿易折扣偏高所導致。

二零零三年的股東基金為五億一千一百七十萬零吉，比二零零二年的五億三千一百五十萬零吉下跌了三點七巴仙。二零零三年的每股淨收益為五十三點一仙，而二零零二年則為六十二點六仙。集團每股淨有形資產削減了三點七巴仙，從每股三零吉四十八仙下降到每股三零吉三十五仙。

業績評估

在此年度，本集團繼續採取措施以加強組織效率及有效性。

隨著皇帽青色標籤啤酒成功推出青瓶庄后，本集團亦展開各種市場活動及貿易促銷，務求跟上消費的走勢，以鞏固在市場上的領導地位。本集團也落實一項新改良的品質計劃，使到集團產品的素質繼續成為關鍵性的焦點。

馬來西亞皇帽啤酒是皇帽釀酒廠A/S集團當中，第一個為皇帽青色標籤推出新的國際鋁罐設計的公司，這一點令馬來西亞皇帽深感自豪。嶄新的鋁罐包裝突出了更現代化、富有時代氣息及都市感的外型，與皇帽青色標籤的全球化形象不謀而合。在此年度，本集團亦成功推展一項題名為“相識滿天下”的嶄新廣告運動，目的是為皇帽青色標籤的消費者營造一個談笑風生、暢所欲言、相知相惜、濟濟一堂的氛圍。

Carl's Signature Lager 于二零零三年九月份重新推出，採用革新的“無標籤外形”設計。馬來西亞皇帽啤酒廠有限公司乃馬來西亞第一家為啤酒產品推出此款“無標籤外形”或“氣壓敏感標籤”(PSL)的釀酒廠。Jolly Shandy 亦重新推出鋁罐包裝，以加強其品牌概念，凸顯更清新宜人的外形。

本集團在二零零三年繼續贊助各大型運動盛會，堅守長久以來的承諾，協助推動體壇發展。此年度所贊助的大型體育活動包括皇帽馬來西亞公開賽，所提供的獎金總值創下一百一十萬美元的記錄，使它成為全亞洲國家高爾夫球公開賽獎金最豐富的賽會及 COBRA 國際橄欖球賽會。此外，本集團也是馬來西亞板球、大馬奧林匹克理事會及 SportExcell 的贊助機構。

本集團透過舉辦數項籌款活動共襄義舉，繼續扮演其熱心公益的角色。被譽為“最持久之教育慈善籌款活動”的皇帽—南洋商報十大歌星義演，自十六年前創辦至今再創佳績，籌款突破兩億二千三百萬零吉大關，令人刮目相看。此項慈善義演向各界籌獲的義款，令四百余所華小、中學及高等學府受惠。本集團也捐款予馬來西亞教育、福利及研究基金會，為資助清寒印度學子的教育費貢獻一番力量。

股票資本

● 股票回購

在此檢討年度中，沒有進一步回購任何股票。

總數一百一十六萬五千的普通股是于一九九九年以平均每股十零吉卅四仙所回購，這相等於已發出及繳足股票資本的零點七六巴仙。這些回購的股票已保留成為庫存股。

董事會已建議股東們批准新的股票回購計劃，詳情已收錄在發予股東的通知書內。

● 雇員股票買賣方案

自從于一九九八年十月二十六日以每股八零吉九仙分配了價值每股一零吉的一百二十六萬五千普通股後，二零零三年沒有進行任何分配。雇員認購股票方案的截止日期是二零零三年十月廿五日。截止當天，在所允許的認購方案下，總數一百零三萬九千普通股經已以每股現金八零吉九仙的價格售出。

隨著上述的股票認購方案，截至二零零三年十二月卅一日為止，公司的已發售和繳足股本經已增加至每股一零吉的一億五千四百零三萬九千普通股。通過這項發售所取得的股份溢價總額為七百四十萬零吉。

海外投資

本集團的合資公司，The Lion Brewery Ceylon Limited (TLBCL)在檢討的財政年度中表現令人滿意。集團分享了TLBCL截至二零零三年九月卅日的十二個月中所取得的盈利為二百八十萬零吉。這項收益已納入二零零三年的帳目中。

董事部成員

各董事部成員經已在二零零三年舉行多次會議，並有效地確保公司持續貫徹高水平的企業管理。董事會成員的角色與職責經已詳列於公司管理條例內。

股息

公司繼續透過支付股息來對其忠心耿耿之尊貴股東表達謝意。

公司于二零零三年十月九日派發每股十仙須扣除馬來西亞收入稅務的中期總股息。

董事部建議于二零零三財政年度，派發每股十五仙須扣除馬來西亞所得稅的終期總股息。董事部在考慮了公司的營運及策略性的資金需求後，建議派發每股二十五仙須扣除馬來西亞所得稅的特別總股息及每股二十五仙特別豁免稅務的股息。

上述的股息有待公司股東們的批准。一旦獲得批准，終期股息和特別股息將于二零零四年五月十九日派發。

二零零四年的展望

政府調高十巴仙國產稅導致本行業產品售價提高，這將繼續影響啤酒及黑啤的消費成長。進口的低價啤酒以及走私入境的啤酒及黑啤充斥市場，亦很可能對本地生產及已繳稅的啤酒與黑啤產品之消費成長帶來負面影響。

本集團推測在可預見的未來，仍然會出現激烈的價格競爭，並堅決要集合及投資必需的資源，增廣它在啤酒市場上之領導地位。

除非出現意料之外的情況，集團預料在二零零四年將取得滿意的業績表現。

鳴謝

Y.A.M. Tunku Naquiyuddin Ibni Tuanku Ja'afar, Paul Assar Bergqvist 先生以及Mogens Thomsen先生于上一屆股東大會後辭去了董事的職位。董事部謹此對上述董事在過去為集團所付出的寶貴貢獻和引導表達衷心的感謝。

Yang Berbahagia Dato' Lim Say Chong 以及 Jesper Bjoern Madsen 先生經已于二零零三年五月廿一日受委任為非執行董事。我謹此代表董事部歡迎他們的加入。

我也要趁此機會，代表皇帽釀酒廠(馬)有限公司董事部和管理層，感謝我們尊貴的顧客及消費者一路來的惠顧，感謝我們的供應商、批發商及其他商業伙伴提供寶貴的支持，以及感謝我們的股東對馬來西亞皇帽深具信心。

我也要代表董事部向管理層及本集團全體員工們致謝，感激他們不斷付出努力、承諾及不離不棄的忠誠。

Dato' Jorgen Bornhoft
主席

沙亞南
二零零四年三月二十九日

தலைவரின் அறிக்கை

மலேசிய கார்ல்ஸ்ரெக் பிரீ தயாரிக்கும் ரெஹாட்டின் இயக்குநர் வாரியத்தின் சாராக குழுப் (இஞ்ஜீஐஐ) மற்றும் நிறுவனத்தின் முடிவடைந்த 31 டிசம்பர், 2003 ஆம் நிதியாண்டின் ஆண்டறிக்கையை மீ தணிக்கைச் செய்யப்பட்ட நிதியறிக்கையை மீ சமர்ப்பிப்பதில் நான் மிகவும் மகிழ்ச்சியடைகிறேன்.

எடுத்துக் கண்ணோட்டம்

2003 ஆம் ஆண்டில் மலேசிய பிரீ தயாரிக்கும் தொழிற்சாலை சவால்கள் நிறைந்த சூழலில் நடத்தப்பட்டது. முதலில் இத்தொழிற்சாலை மார்ச் 2003 இல் கடும்க் ச்சு திணறல் (SARS) நோய் ரவியதால் பாதிக்கப்பட்டது. அதைத் தொடர்ந்து, 12 செப்டம்பர் 2003இல், அரசாங்கம் உள்நாட்டுப் பெருள்களுக்கான வரியில் பிரீ, ஸ்டவுட் ஆகியவற்றிற்கு 10% ஐக்கப்பட்டியது. இதனால் பிரீ ஸ்டவுட் தொடர்நான விளைபெருள்களின் யனிப்பாளர் விலை ஏற்றம் அடைவதைத் தவிர்க்க முடியவில்லை. இத்த விலை உயர்வினால் உள்நாட்டு வரி செலுத்தப்பட்ட பிரீ, ஸ்டவுட் ஆகியவற்றை அருத்துவரின் எண்ணிக்கை குறைந்தது. அதோடு இறக்குமதி செய்யப்பட்ட விலை குறைவான பிரீயும், கள்ளத்தனமாக நாட்டிற்குள் கடத்தப்பட்டு வரும் பிரீயும் இந்நிலைமையை மேலும் மேலாக்கின. அதே வேளையில், பிரீ மற்றும் ஸ்டவுட் தொழிற்சாலைகளுக்கிடையே கடும்க் கோட்டியிடும் நடவடிக்கைகள் தொடர்ந்து நிலவி வந்ததால் விலையிலும் இலாபத்திலும் வீழ்ச்சியை ஏற்றின.

ஒர் ஊக்கப்படும் விசயம் என்னவென்றால், அரசாங்கம் ஜூலை 2003 இல், சுங்கவரி விதி 1988ஐ (வில்லக்கனிதல்) (ஆசியான் நாடுகளிலிருந்து வரும் சுரக்குகள்) நீக்கியது. முன்பு இவ்விதியானது சில ஆசியான் வட்டார நாடுகள் மலேசியாவிற்கு ஏற்றுமதி செய்தல் தங்கள் பிரீ தொடர்நான விளைபெருள்களுக்கு 50% சுழிவினை இறக்குமதி வரியில் அளித்ததாகக் கூறியது. இது ஓரளவிற்கு அண்டை நாடுகளிலிருந்து இறக்குமதி செய்யப்பட்ட பிரீ தொடர்நான விளைபெருள்கள் பெருளவிற்குப் புகுவதிலிருந்து தடை செய்தது எனலாம்.

குழுப் புறச்சவால்களை, ல ஆக்ககரமான மற்றும் புத்தாக்கச் சத்தை வற்றனை முயற்சிகளின் வழி எதிர்கொண்டு வெற்றியடைந்தது. இவ்வாறு செய்ததன் வழி, குழுப் தொடர்ந்து பிரீ சந்தையில் சத்தை தலைமை துவத்தை, ஸ்டவுட் சத்தைப் பங்கின் வளர்ச்சியை மீ தற்காத்துக்கொண்டது.

செயற்பாட்டு அறிக்கை

குழுப்பின் வருமானம் 4.4%. அதிகரித்தது அல்லது RM37.2 மில்லியன் மதிப்பீட்டிற்கான ஆண்டிற்கு RM876.0 மில்லியனை எட்டியது பெருள்களின்மேது வற்றனை அளவு அதிகரித்ததே வருமானம் கூடியதற்கு அடிப்படைக் காரணமாகும். 2003இல் குழுப் அடைந்த வரிக்கு முத்தைய RM106.7 மில்லியன் இலாமானது 15.8% குறைவாகும் அல்லது 2002இல் பெற்ற RM126.7 மில்லியனோடு ஒப்பிடும்மேது RM20.0 மில்லியன் ஆகும். சத்தை விலையில் கடும்க் கோட்டி தொடர்ச்சியாக நிலவியதால் வாணிக் சுழிவு மிக உயர்ந்து ஆதாயத்தில் வீழ்ச்சி ஏற்பட்டதற்கு முக்கியக் காரணமாக அமைந்தது.

2002இல் RM531.5 மில்லியனாக இருந்த நுகுதாரர்களின் நிதி 2003இல் RM511.7 மில்லியனாக, சுழிவு 3.7%, குறைந்தது. 2002 ஆம் ஆண்டோடு ஒப்பிடும்மேது 62.6 சென்னாக இருந்த ஒரு பங்கின் வருமானம் வரிக்குப் பிறகு 53.1 சென்னாகக் குறைந்தது. குழுப்பின் ஒரு பங்கின் நிகரான தெளிவான சொத்துகள் 3.7% ஆகக் குறைந்தது. ஒரு பங்கு RM3.48 இலிருந்து RM3.35 ஆகக் குறைந்தது.

செயற்பாடுகளின் மறுமதிப்பீடு

இத்த ஆண்டில், குழுப் தனது அமைப்பின் ஆற்றலை மீ யன்விளைவை மீ மேம்படுத்த தொடர்ந்து புதிய வழிமுறைகளைக் கையாண்டது.

கார்ல்ஸ்ரெக் கிரீன் லேல் பிரீக்கு, ச்சை நிற்ப் கோத்தல்களை அறிமுகப்படுத்தியதைத் தொடர்ந்து குழுப் ல சத்தை நடவடிக்கைகளில் தீவிரமாக ஈடுபட்டது. வாணி வளர்ச்சியை முன்னிட்டுப் யனிப்பாளர் நாட்டிற்கு ஈடுகொடுக்கும் வகையில் தனது சத்தை தலைமை துவ நிலைகளை ஒருங்கிணைத்தது. குழுப்பின் தரமான விளைபெருள்களுக்கு முதன்மை வழங்குவது, புதிய செம்மைப்படுத்தல் செய்முறையினை அமல்படுத்துவது கோன்றவை உறுதிசெய்யப்பட்டன.

கார்ல்ஸ்ரெக் பூருவரின் A/S குழுப்புகளின் மலேசிய நிறுவனம்தான் முதலில் கார்ல்ஸ்ரெக் ச்சை வண்ண முத்திரையிடப்பட்ட புதிய அனைத்துலக கேன் வடிவத்தை அறிமுகம் செய்தது. புதிய கேன் கேக்கேஜிங் கூறுகள் மிகவும் நவீன முறையில், சமகாலத்திற்கு ஏற் உலகப் பெது தன்மையைச் சித்தரிக்கும் வண்ணம் உலகளாவிய டிமத்தை கார்ல்ஸ்ரெக் ச்சை முத்திரை ஒத்திருக்கிறது. இத்த ஆண்டு முழுவதும், இத்தக் குழுப் ஒர் உலக நணர்களோடு சேர் என்ற கருப்பெருளில் விளம் உத்தியை வெற்றிகரமாக அறிமுகப்படுத்தியது. மகிழ்ச்சியை மீ திறந்த மனப்பான்மையை மீ, நடமை, நுகர்வோருக்கிடையே ஒற்றுமையை மீ கொண்டு வருவதே கார்ல்ஸ்ரெக் ச்சை முத்திரையின் நோக்கமாகும்.

மீண்டும் செப்டம்பர் 2003இல் கார்ல்ஸ் லேகர் கையொப்பம் புது மாற்றங்களோடு முத்திரையில்லாக் காட்சி யாக வடிவமைத்து - "வி (UV) யைப் யண்டுதி இரவில் பிரகாசிக்கும் ஒளிரும் சின்ன வடிவில் அறிமுகப்படுத்தப்பட்டது. மலேசியாவில் ஒரு பிரீ விளைபெருள்க்கு முதன்முதலில் முத்திரையில்லாக் காட்சி அல்லது உணர்ச்சி அழுத்த அட்டை (PSL) அறிமுகப்படுத்தியது கார்ல்ஸ்ரெக் மலேசியா ரெஹாட்டே ஆகும். ஒரு புதிய அழகான வடிவத்தோடு ஜோலி சேண்டி கேன் கேக்கேஜிங் திடமான சின்னதுடன் அறிமுகப்படுத்தப்பட்டது.

நீண்ட காலமாக விளையாட்டு துறையின் மேம்பாட்டிற்காக முக்கியப் பங்காற்றிய கார்ல்ஸ்ரெக், 2003லும் தொடர்ந்து ல வகையான விளையாட்டு நடவடிக்கைகளில் தன்னை முதன்மை ஆதரவாளராக ஈடுதிக் கொண்டது. இத்த ஆண்டு முக்கியமாக மலேசிய கார்ல்ஸ்ரெக் திறந்த கோல்ப் கோட்டி விளையாட்டிற்கு மொத்தப் ரிக் தொகையாக US\$1.1 மில்லியனை வழங்கி சாதனை செய்தது. இது ஆசியாவிலே மிகவும் அதிகமாக ணம் வழங்கப்பட்ட தேசிய திறந்த கோல்ப் விளையாட்டாகும். மேலும் மலேசிய கிரிக்கெட், மலேசிய ஒலிம்பிக் கவுன்சல், ஸ்போர்ட்ஸ் கவுன்சல் (பெனாங்காட்டி அபிவிருத்தி) ஆகியவற்றிற்கும் ஆதரவு வழங்கியது.

பல சகங்களுக்கு நிதி திரட்டும் நடவடிக்கைகள் லவற்றில் குழுப் முக்கிய நன்கொடையாளராகப் பங்காற்றியது.

16 ஆண்டுகளுக்கு முன் தொடங்கப்பட்ட கார்ல்ஸ்ரெக் - நான்யாப் முதல் து அறக்கொடை கலையிரவு, கல்வி உதவிக்கு நீண்ட காலமாக நடத்தப்பட்டுவரும் அறக்கொடை நிகழ்வு என்ப யெரிபட்டிட்டு, பெருமைபட்டக்கூடிய RM223 மில்லியனை மீ தாண்டி சாதனைப் புரிந்துள்ளது. இத்த அறக்கொடை கலையிரவு வாயிலாக பெருத்தன்மையோடு வழங்கிய நன்கொடைகளின் வழி 400க்கும் மேற்பட்ட சீன ஆரம், உயர்நிலைப்பள்ளிகளும், உயர்கல்விக்கூடங்களும் நன்மையடைந்துள்ளன. குறைந்த வருமானம் பெறும் இத்திய குடும்பங்களின் மாணவர்களுக்கு, மலேசிய இத்தியர்களின் கல்வி சகநல ஆய்வு அறவாரியத்தின் (EWRP) லம் கல்வி நிதிதவி குழுப் வழங்கி உள்ளது.

முதலீட்டுப் பங்குகள்

• மீண்டும் பங்குகள் வாங்குதல்

மறுமதிப்பீடு செய்யும் ஆண்டில் மேலும் மீண்டும் பங்குகள் வாங்குதல் இல்லை. வழங்கப்பட்ட 1,165,000 சாதாரண பங்குகள் 0.76%ஐப் பிரதிநிதிக்கின்றன. ஒரு பங்கு சராசரி RM10.34 வீதம் நிறுவனம் 1999இல் வாங்கிச் செலுத்தப்பட்ட முதலீட்டுப் பங்குகள் கருவூலப் பங்குகளாக வைக்கப்பட்டுள்ளன.

மீண்டும் வாங்குதல் திட்டத்தைப் புதுப்பிக்க அனுமதி வழங்குமாறு பங்குதாரர்களுக்கு இயக்குநர் வாரியம் பரிந்துரைத் துள்ளது. அதன் தொடரான விபரங்கள் பங்குதாரர்களின் சுற்றறிக்கைகளில் இணைக்கப்பட்டுள்ளன.

• தொழிலாளர்களின் பங்கு தெரிவு திட்டம்

கடந்த 26 அக்டோபர் 1998இல், பங்குகள் பங்கீட்டுத் தெரிவில் 1,265,000 சாதாரண பங்குகள் RM1.00 வீதம் 1 பங்கு RM 8.09 விலையில் வழங்கப்பட்டதைத் தொடர்ந்து மேலும் 2003இல் பங்கீடு செய்யப்படவில்லை. பங்குத் தெரிவு 25 அக்டோபர் 2003இல் காலாவதியானது. காலாவதியான திகதியன்று தெரிவு செய்ய அனுமதி வழங்கியவுடன் 1,039,000 சாதாரண பங்குகள் RM1.00 வீதம் ஒரு பங்கு ரொக்கம் RM 8.09 க்கு வழங்கப்பட்டது.

மேலே குறிப்பிடப்பட்ட பங்குத் தெரிவுகளைச் செயல்படுத்தியதன் விளைவாக நிறுவனத்தில் வழங்கப்பட்ட பங்குகளும் செலுத்தப்பட்ட பங்கு முதலீடும் சாதாரண பங்குகள் RM1.00 வீதம் 31 டிசம்பர் 2003 இல் 154,039,000 ஆக உயர்ந்தன. இவ்வாறு வழங்கப்பட்டதன் வழி பங்குக் கட்டணம் RM 7.4 மில்லியனாகியது.

அந்நிய முதலீடு

மறுமதிப்பீடு செய்யும் ஆண்டில், குரூப்ஸ் சார்ந்த நிறுவனமான, "The Lion Brewery Ceylon Limited (TLBCL)", திருப்திகரமாகச் செயல்பட்டது. 12 மாதங்களுக்கு, 30 செப்டம்பர், 2003 வரையில், TLBCL இன் வருமானத்திலிருந்து RM2.8 மில்லியன் குரூப் பங்காக 2003 ஆம் ஆண்டின் நிதியறிக்கையில் சேர்த்துக்கொள்ளப்பட்டது.

வாரியச் செயற்குழுக்கள்

2003இல் வாரியத்தின் பல செயற்குழுக்கள் சந்தித்தன. இவை கூட்டு நிறுவனங்களைச் சிறப்பாக நிர்வகிப்பதில் உயர்ந்த தரத்தையும் தொடர்ந்து பயன்விளைவுகளையும் உறுதி செய்யச் செயல்பட்டன. கூட்டு நிறுவன நிர்வாக அறிக்கையில் வாரியச் செயற்குழுக்களின் பங்குகளும் பொறுப்புகளும் தெளிவாகக் குறிப்பிடப்பட்டுள்ளன.

இலாப ஈவுகள்

தன்னுடைய மாறாத மதிப்பிற்குரிய பங்குதாரர்களுக்குக் குரூப் தொடர்ந்து ஈவுகள் வழங்கி நன்றியையும் வாழ்த்துகளையும் கூறிக்கொள்கின்றது.

9 அக்டோபர் 2003இல் நிறுவனம் நிகர இடைப்பட்ட காலப் பங்கு ஈவாக ஒரு பங்கிற்கு 10 சென் வீதம், மலேசிய வருமான வரியைக் கழித்துச் செலுத்தியது.

2003 ஆம் ஆண்டு நிதியாண்டு என்பதைக் குறித்து, வாரியம் இறுதி நிகர ஈவாக ஒரு பங்கிற்கு 15 சென் வீதம் மலேசிய வருமான வரியைக் கழித்து வழங்குபடி பரிந்துரைக்கின்றது. மேலும், குரூப்பின் செயற்பாட்டிற்கான நிதித் தேவைகளையும், சில உத்திகளைச் செயல்படுத்துவதற்கான தேவைகளையும் கருத்தில் கொண்டு மேலும் சிறப்பு நிகர ஈவாக 25 சென் மலேசிய வருமான வரி செலுத்தியும் மற்றும் சிறப்பு வரிக் கழிவு ஈவாக 25 சென் வாரியம் பரிந்துரைக்கின்றது.

மேலே குறிப்பிடப்பட்டுள்ள ஈவுகள் பங்குதாரர்களின் அனுமதியைப் பொறுத்தே வழங்கப்படும். அனுமதி கிடைத்தவுடன் இறுதி நிகர ஈவும் சிறப்பு ஈவும் 19 மே, 2004இல் வழங்கப்படும்.

2004க்கான வாய்ப்புகள்

அரசாங்கம் உள்நாட்டுப் பொருள்களின் வரியில் 10 விழுக்காட்டைக் கூட்டியதால் இத்தொழிற்சூழையும் விலையை ஏற்றியது. இது பீர், ஸ்டவுட் நுகர்வோரின் எண்ணிக்கையில் தொடர்ந்து பாதிப்பை ஏற்படுத்தும் என்று எதிர்பார்க்கப்படுகின்றது. மேலும், கள்ளத்தனமாகவும், விலை குறைவான பீர், ஸ்டவுட் இறக்குமதி செய்வதாலும்; இவற்றைப் பெற வாய்ப்புகள் அதிகரிப்பதாலும் வரி செலுத்தப்பட்ட உள்நாட்டில் தயார் செய்யப்பட்ட பீர், ஸ்டவுட் விலைபொருள்களை நுகர்வோர் எண்ணிக்கையில் பாதகமான விளைவுகளை ஏற்படுத்தும்.

எதிர்காலத்தில் விலையில் கடுமீ போட்டிகள் நிலவும் என்பதைக் குரூப் எதிர்பார்ப்பதோடு அனுமாவிக்கவும் செய்கிறது.

இருப்பினும் தொடர்ந்து முழுக் கவனத்தைச் செலுத்தி, பீர் துறையில் தேவையானவற்றில் முதலீடு செய்வதன் வழி சந்தைத் தலைமைத்துவத்தை விரிவுபடுத்துவதற்கும், அத்தோடு ஸ்டவுட் பங்குச் சந்தையை அதிகரிக்க உறுதியாகவும் நம்பிக்கையோடும் இருக்கின்றது.

எதிர்பாராத சூழ்நிலைகளைத் தவிர்த்து, 2004 ஆம் ஆண்டில் குரூப்பின் செயல்திறன் திருப்திகரமாக இருக்கும் என்று எதிர்பார்க்கப்படுகின்றது.

பாராட்டல்

கடந்த ஆண்டுப் பொதுக்கூட்டத்திலிருந்து, YAM துங்கு நக்குய்யுடன் இப்னி துவாங்கு ஜாபாரும், திரு. பால் அசார் பெர்க்குவின்ஸ்டும், திரு. மோர்கன்ஸ் தேம்ஸனும் இயக்குநர் வாரியத்திலிருந்து இராஜினாமா செய்தனர். YAM துங்கு நக்குய்யுடன் இப்னி துவாங்கு ஜாபார், திரு. பால் அசார் பெர்க்குவின்ஸ்டு, திரு. மோர்கன்ஸ் தேம்ஸன் ஆகியோர் குரூப்பிற்கு வழங்கிய விலையில்லாப் பங்களிப்பிற்கும் வழிகாட்டலுக்கும் இயக்குநர் வாரியம் பாராட்டுதலைத் தெரிவித்துக் கொள்கிறது.

21 மே 2003இல் வாரியத்தில் செயலிலா இயக்குநர்களாக நியமிக்கப்பட்ட Yang Berbahagia டத்தோ' லிம் செர் சோங்கையும், திரு. ஜெஃப் பீரியோன் மாட்சன் ஆகியோரை வாரியத்தின் சார்பாக நான் வரவேற்கிறேன்.

இந்த வாய்ப்பினைப் பயன்படுத்திக்கொண்டு, வாரியத்தின் சார்பாகவும், மலேசிய கார்ல்ஸ் பெர்க்குவின்ஸ்டின் நிர்வாகத்தினர் சார்பாகவும் தொடர்ந்து ஆதரவு வழங்கும் பெரும் மதிப்பிற்குரிய பயனீட்டாளர்களுக்கும், வாடிக்கையாளர்களுக்கும், சப்ளையர்களுக்கும், விநியோகஸ்தர்களுக்கும், பிற வியாபாரப் பங்காளிகளுக்கும் மலேசிய கார்ல்ஸ் பெர்க்கு மீது நம்பிக்கை வைத்திருக்கும் பங்குதாரர்களுக்கும் நான் நன்றி கூறிக்கொள்கிறேன்.

நிர்வாகத்தினருக்கும், குரூப்பின் அனைத்துத் தொழிலாளர்களுக்கும் அவர்களின் அயராத உழைப்பிற்கு, ஈடுபாட்டிற்கு, போற்றக்கூடிய பற்றுதலுக்கு நான் வாரியத்தின் பாராட்டுகளையும் நன்றியையும் தெரிவித்துக்கொள்கிறேன்.

டத்தோ' ஜொர்கன் போர்ன்ஹொப்ட்

தலைவர்

சா ஆலாம்

29 மார்ச் 2004



TOGETHERNESS BREWED BY CARLSBERG

JOIN A WORLD OF FRIENDS. COME UP.

Come up to www.carlsberg.com.sg/forbody

Carlsberg



- 1 "Join a World of Friends" Campaign
- 2 New International Green Label Can
- 3 Carl's Revolutionary "UV" Look
- 4 Jolly Shandy's New Look
- 5 New Carlsberg "POS" Logo

2003 OVERVIEW

INNOVATIVE - IN FINDING NEW WAYS...

Being a supplier at the forefront by providing a wide product selection and imaginative new products, materials, concepts and services.

"JOIN A WORLD OF FRIENDS" CAMPAIGN

A campaign entitled "Join a World of Friends" was launched in April 2003 to further augment the positioning of Carlsberg Green Label, by keeping pace with changing consumer trends. This campaign, which signifies a global look for Carlsberg in over 140 markets worldwide, is aimed at building on the brand's strength with a more cosmopolitan and social dimension.

NEW INTERNATIONAL GREEN LABEL CAN

Carlsberg Malaysia pioneered a new international look for its Green Label can design in December 2003 within the Carlsberg Breweries A/S Group. The new design, with its vibrant green background, is a strong representation of Carlsberg's core values - cosmopolitan, contemporary, witty and a passion for excellence. While the new international look takes the spotlight, some things do not and will never change - Green Label's consistent, trusted quality and definitive beer taste.

CARL'S REVOLUTIONARY "UV" LOOK

Carl's Signature Lager pint was re-launched in September 2003 in a newly dressed "No Label Look" bottle that uses a UV logotype. Unrestrained by conservative borders generally found in other beer packaging throughout the world, this new revolutionary look is designed to appeal to the cool, hip and happening young drinkers of today. To celebrate Carl's new look, a dance celebration called CARL'S UV-lution was organised at clubs throughout the country. There is no change in the taste of Carl's Signature Lager itself - it still retains the same great, smooth and refreshing taste.

JOLLY SHANDY'S NEW LOOK

Jolly Shandy's new look for cans was introduced in December 2003 for clearer branding and a more refreshing look. New secondary packaging for trays and multipacks and POS materials were designed to further drive the Jolly Shandy brand.

NEW CARLSBERG POINT-OF-SALES ("POS") LOGO AND INNOVATIVE POS MATERIALS

To mark its new global contemporary positioning, Carlsberg Malaysia unveiled a bold Carlsberg logo on its POS materials. Innovative POS materials were introduced, namely the thermal tulip glass, revolutionary globe signage incorporating newly imported technology and an award-winning design draught beer tap from the United Kingdom.



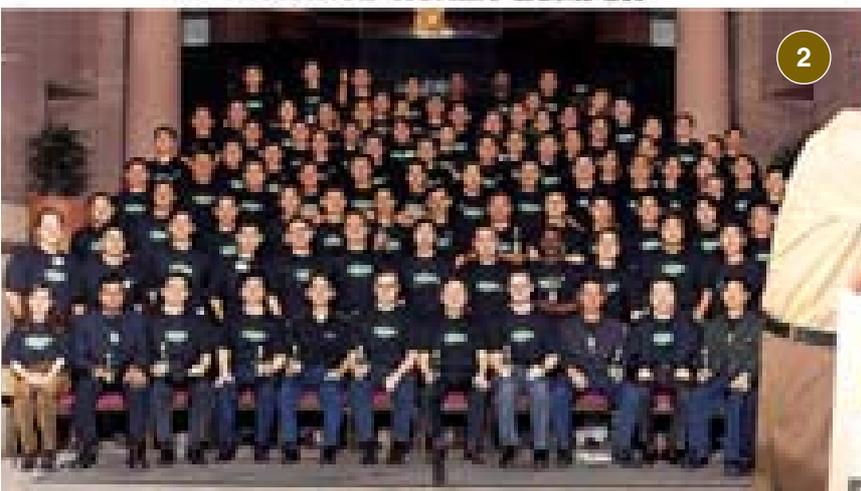
2

NATIONAL SALES CONFERENCE
25TH & 26TH APRIL 2003
RENAISSANCE KUALA LUMPUR



2

NATIONAL SALES CONFERENCE
25TH & 26TH APRIL 2003
RENAISSANCE KUALA LUMPUR



2

NATIONAL SALES CONFERENCE
25TH & 26TH APRIL 2003
RENAISSANCE KUALA LUMPUR



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4

Carlsberg 南洋商报
突破二亿·再攀高峰
RM200,000,000

- 1 Carlsberg Beer Cuisine
- 2 Carlsberg Sales Conference
- 3 Elite Promotion Girls Team
- 4 Carlsberg-Nanyang Top Ten

2003 OVERVIEW (contd.)

CARLSBERG BEER CUISINE

The Carlsberg Beer Cuisine held in conjunction with the KL International Gourmet Festival, which also had Carlsberg as the official beer, provided food and beer lovers with a large offering of fine cuisine at 34 participating hotels and restaurants in the Klang Valley, Penang and Johor Baru in September 2003. New concepts and fresh approaches to cooking styles with beer allowed the diners the rare opportunity to encounter some of the most innovative recipes ever to be produced in fine dining establishments.

CARLSBERG SALES CONFERENCE - "LEADERSHIP THROUGH INNOVATION"

The National Sales Conference 2003 - "Leadership Through Innovation" was attended by all sales and marketing employees to foster an even closer and united spirit and to continue to be armed with innovative solutions and practices to face today's changing market place.

ELITE PROMOTION GIRLS TEAM

An elite team comprising young, attractive, outgoing and articulate girls was set up to promote and drive on-premise beer and stout consumption, with a special focus on pubs, clubs, special events and functions. The team works in Kuala Lumpur, Johor Baru and Penang. The team complements and adds support to the existing team of Carlsberg promotion girls.

GOOD CORPORATE CITIZEN - IN OUR DEEDS...

Being dedicated in giving to the community in the areas of education, sports and music.

EDUCATION

ANOTHER RECORD-BREAKING FEAT FOR THE CARLSBERG-NANYANG TOP TEN

The Carlsberg-Nanyang Top Ten Charity Show organised by Carlsberg Malaysia was named the Longest Running Charity Show in aid of Education by the Malaysian Book of Records. It further exceeded its outstanding record by raising more than RM223 million since its historic debut in 1987. Over 400 Chinese primary schools, Chinese independent secondary schools and institutions of higher learning throughout Malaysia have benefited from generous donations raised at the Charity Shows. Furthermore, a number of talented local artistes were discovered through this programme.

SCHOLARSHIP FUND FOR THE EWRF

Carlsberg Malaysia continued to contribute towards the Education, Welfare and Research Foundation of Malaysia ("EWRf") to support the education of Indian students from the low-income group. EWRf was established in 1979 with the objective of uplifting the socio-economically weaker section of the Indian community in the country.



1



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2

4

- 1 Carlsberg Malaysian Open
- 2 Cobra Invitational Rugby 10s
- 3 Carlsberg Golf Classic
- 4 Carlsberg Hottracks Musicfest

2003 OVERVIEW (contd.)

SPORTS

CARLSBERG MALAYSIAN OPEN

More than 50 million viewers from across 6 continents viewed the 42nd edition of the Carlsberg Malaysian Open held from February 20 to 23, 2003. Since Carlsberg took over as the title sponsor of this event in 2001, the Carlsberg Malaysian Open has grown further in stature and prestige. This US\$1.1 million championship, being Asia's richest National Golf Open, fielded 150 players. Amongst a field of star players such as Retief Goosen, Pádraig Harrington, Paul McGinley and Zhang Lian-wei, the Open was won by Arjun Atwal. As part of Carlsberg's efforts to support the development of Malaysian golfers, a wild card was extended to the leading Malaysian finisher to play in the Nordic Open in Copenhagen.

COBRA INVITATIONAL RUGBY 10s

Red Rock Club of Fiji won the thrilling Cup final of the Cobra Invitational Rugby 10s held in September 2003 which featured Carlsberg Malaysia as the main sponsor of this event.

CARLSBERG GOLF CLASSIC

The National Finals of the Carlsberg Golf Classic 2003 was held in December 2003 and included 92 finalists. Funds raised from participating golfers were channelled to 5 charities. These charities which were awarded RM15,000 each, were Desa Amal Jireh, Yayasan Strategik Sosial, Persatuan Orang-orang Cacat Anggota Malaysia, Handicapped and Disabled Children's Association of Klang and Handicapped Children's Welfare Association, Perak.

MUSIC

CARLSBERG HOTTRACKS MUSICFEST

Carlsberg's continued commitment in sponsoring the Carlsberg Hottracks Musicfest held in July 2003 is to encourage the development of the local music scene and to present a musical feast for its consumers who enjoy a wide variety of music with a world of friends in pubs, clubs and hotels.

SUNRISE CARLSBERG JAZZ FESTIVAL

Jazz music lovers had a treat when the Sunrise Carlsberg Jazz Festival kicked off at Plaza Mont' Kiara. The festival featured 12 top-notch bands with accompanying vocalists, which showcased the best and most eclectic talents that jazz music had to offer in a festive live atmosphere. The annual jazz festival was in its fourth year and proved to be a great success.

2003 OVERVIEW (contd.)

HERITAGE - BUILDING ON A TRADITION OF CONSISTENT HIGH QUALITY...

Carrying on the tradition of Carlsberg Copenhagen's continuous improvement in the quality of products.

NEW WATER DEAERATION PLANT

Carlsberg installed a new 300 hl/h Water Deaeration Plant to meet the increasing capacity and high quality demands for deaerated carbonated water, more commonly known as DCW or gravity liquor. The fully automatic Alfa Laval ALDOX plant guarantees a very low level of dissolved oxygen left in the water. The usage of very low oxygen DCW in the process ensures a lower oxygen content in the finished products which helps to improve flavour stability by preventing oxidation and stale flavours.



RESPONSIBLE - IN OUR ACTIONS...

Being a responsible, reliable and trustworthy company.



KLSE CORPORATE MERIT AWARD 2003 (NOW KNOWN AS MSEB)

For the second consecutive year, Carlsberg Malaysia was awarded the KLSE Corporate Merit Award under the Consumer Products Sector - Main Board category. The KLSE Corporate Awards recognise listed companies which have shown exemplary corporate conduct in complying with the Listing Requirements. In addition, the Awards recognise listed companies which have demonstrated high standards of corporate governance, disclosure and transparency coupled with proactive investor relations efforts.



Our Brands at a Glance

TEN-YEAR FINANCIAL SUMMARY

INCOME STATEMENTS (RM - MILLION)										
	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
Revenue	461.3	525.5	609.6	685.9	707.8	771.4	852.0	841.1	838.8	876.0
Profit Before Tax	88.0	108.1	129.0	160.0	151.9	137.9	152.2	161.7	126.7	106.7
Taxation	25.8	31.1	37.3	44.2	37.4	-	42.2	35.7	31.3	25.5
Profit After Tax	62.2	77.0	91.7	115.8	114.5	137.9	110.0	126.0	95.4	81.2
Transfer from Revenue Reserves	-	-	-	-	1.2	-	-	-	-	-
	62.2	77.0	91.7	115.8	115.7	137.9	110.0	126.0	95.4	81.2
Dividends	27.8	28.0	43.4	65.8	115.7	109.3	82.0	82.0	103.6	103.9
Retained Earnings	34.4	49.0	48.3	50.0	0.0	28.6	28.0	44.0	(8.2)	(22.7)

BALANCE SHEETS (RM - MILLION)										
	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
Issued and Paid-up Share Capital	102.0	102.0	102.0	153.0	153.0	153.0	153.0	153.0	153.7	154.0
Retained Earnings	114.0	163.0	211.4	210.3	209.1	237.7	265.8	380.8	378.4	355.7
Treasury Shares	-	-	-	-	-	(12.0)	(12.0)	(12.0)	(12.0)	(12.0)
General Reserves	5.8	5.8	5.8	5.8	5.8	5.8	5.8	5.8	-	-
Non-Distributable Reserves	10.5	10.5	10.5	10.5	13.0	11.9	11.4	9.3	11.4	14.0
Shareholders' Funds	232.3	281.3	329.7	379.6	380.9	396.4	424.0	536.9	531.5	511.7
Deferred Taxation	10.8	10.8	12.0	12.0	12.0	12.0	12.8	14.0	21.0	22.5
	243.1	292.1	341.7	391.6	392.9	408.4	436.8	550.9	552.5	534.2
Property, Plant and Equipment (Net Book Value)	144.6	144.6	158.9	157.8	176.4	200.9	195.5	211.6	200.8	185.5
Investment in Associated Company	-	-	11.0	11.0	14.1	13.3	13.4	8.3	13.6	15.0
Long Term Investment	-	-	-	-	1.7	1.7	1.7	1.7	1.7	1.7
Net Current Assets	98.5	147.5	171.8	222.8	200.7	192.5	226.2	329.3	336.4	332.0
	243.1	292.1	341.7	391.6	392.9	408.4	436.8	550.9	552.5	534.2

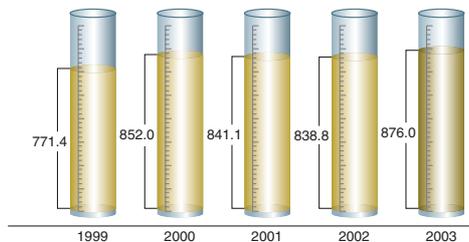
FINANCIAL RATIOS										
	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
Pre-Tax Earnings per Share (RM)*	0.58	0.71	0.84	1.05	0.99	0.91	1.00	1.06	0.83	0.70
Post-Tax Earnings per Share (RM)*	0.41	0.50	0.60	0.76	0.75	0.91	0.72	0.83	0.63	0.53
Net Dividend per Ordinary Share (RM)	0.18	0.18	0.28	0.43	0.76	0.72	0.54	0.54	0.68	0.68
Net Assets Backing per Share (RM)**	1.52	1.84	2.15	2.48	2.49	2.61	2.79	3.54	3.48	3.35
Dividend Cover, No. of Times (Based on post-tax earnings)	2.2	2.8	2.1	1.8	1.0	1.3	1.3	1.54	0.92	0.78
Return on Shareholders' Funds (%)	26.8	27.4	27.8	30.5	30.1	34.8	25.9	23.5	18.0	15.9
Current Ratio	1.9	2.3	2.2	2.2	1.9	2.0	2.2	3.8	4.3	4.8
KLSE Price at 31 December (RM) (After adjustment for all bonus issues till 1997)	7.33	7.93	12.47	12.50	10.90	11.70	11.00	10.80	10.70	11.00

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

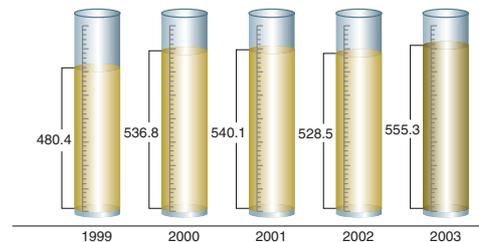
** The figures for 1999 onwards are based on number of shares net of treasury shares.

FINANCIAL HIGHLIGHTS

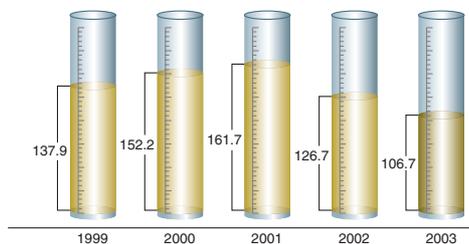
REVENUE Before Excise Duty (RM-Million)



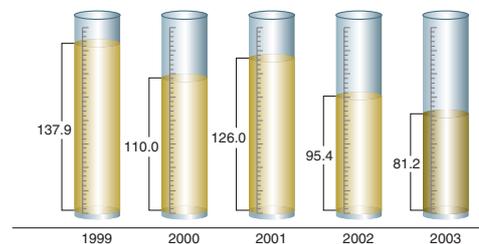
REVENUE After Excise Duty (RM-Million)



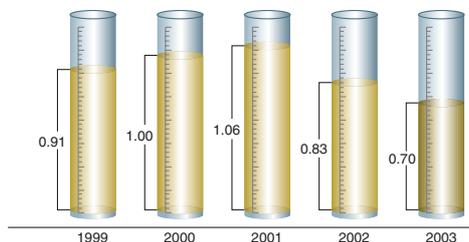
NET PROFIT Before Tax (RM-Million)



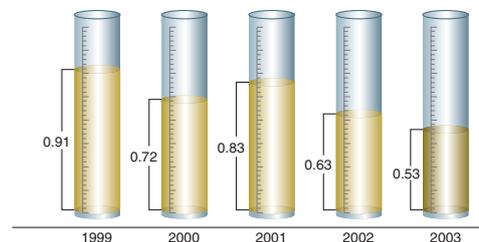
NET PROFIT After Tax (RM-Million)



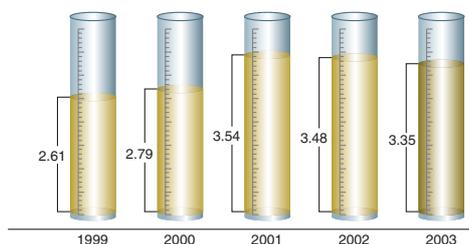
EARNINGS PER SHARE Pre-Tax (RM)



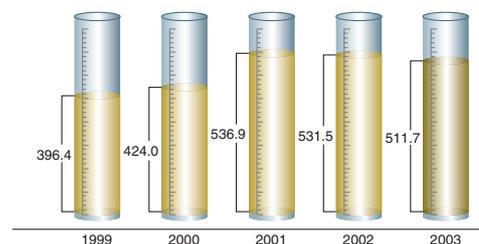
EARNINGS PER SHARE Post-Tax (RM)



NET ASSETS BACKING PER SHARE (RM)



SHAREHOLDERS' FUNDS (RM-Million)



ANALYSIS OF 2003 GROUP REVENUE



	2002	2003
1. Excise Duties	37.0%	36.6%
2. Sales, Distribution & Administration Costs	31.0%	34.7%
3. Profit after Taxation	11.4%	9.3%
4. Raw Materials & Packaging Costs	9.4%	9.4%
5. Employees' Costs	4.2%	4.4%
6. Taxation	3.7%	2.9%
7. Depreciation	3.3%	2.7%

DEVELOPMENT OF INVESTMENT IN CARLSBERG BREWERY MALAYSIA BERHAD SHARES

Year	Particulars	New shares issued to a shareholder #	Cumulative number of shares held by a shareholder	Cost of investment
1971	Initial subscription		1,000	RM1,000
1973	Rights issue : 1 for 2	500	1,500	RM500
1978	Bonus issue : 1 for 2	750	2,250	
1981	Bonus issue : 1 for 2	1,125	3,375	
1988	Bonus issue : 1 for 3	1,125	4,500	
1990	Bonus issue : 1 for 2	2,250	6,750	
1992	Bonus issue : 1 for 3	2,250	9,000	
1994	Bonus issue : 1 for 4	2,250	11,250	
1997	Bonus issue : 1 for 2	5,625	16,875	
			Current investment of a shareholder	Initial investment of a shareholder
Total number of shares held			16,875	1,500
Closing market price as at 01.03.2004			RM11.60	
Market value of shares held			RM195,750	RM1,500
Cumulative gross dividends received (1971 – 2003)			RM124,050	

Assumption of issue of exact lots for illustrative purposes only

DIVIDEND PAYMENT HISTORY

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

FIVE-YEAR DIVIDEND PAYOUT AS % OF PROFIT AFTER TAX

	1999 RM'000	2000 RM'000	2001 RM'000	2002 RM'000	2003 RM'000
Net Dividend amount	115,584	109,321	81,991	103,604	103,859
Group profit after tax	137,935	110,008	125,970	95,402	81,155
Net Dividend amount as % of profit after tax	83.8%	99.4%	65.1%	108.6%	128.0%

STATEMENT OF CORPORATE GOVERNANCE

The Board of Directors is committed to ensuring that the highest standards of corporate governance are practiced throughout the Group as a fundamental part of discharging its responsibilities to protect and enhance shareholder value and the financial performance of the Group.

To this end, the Board continues to implement the recommendations of the Malaysian Code of Corporate Governance ("Code"), which sets out the principles and best practices on structures and processes that companies may use in their operations towards achieving the optimal governance framework.

COMPLIANCE STATEMENT

The Group has not complied with the Principle and Best Practice of the Code set out in the schedule below throughout the year. The reason for non-compliance is specified accordingly.

Provision of the Code	Details	Reasons
AA.VII	Nomination of a Senior Independent Non-Executive Director to whom concerns may be conveyed.	Given the current composition of the Board, in particular the strong and independent element, the Board does not consider it necessary to nominate a recognised Senior Independent Non-Executive Director.
B.III	Disclosure of details of the remuneration of each director.	The Board has considered this Principle against the backdrop of compliance with a related disclosure required under the Listing Requirements of Malaysia Securities Exchange Berhad, i.e. that of disclosure of an analysis of Directors' Remuneration by applicable bands of RM50,000 (refer to Note 7 to the financial statements). The Board is of the view that the transparency and accountability aspects of corporate governance as applicable to Directors' Remuneration are appropriately served by the 'band disclosure' made.

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

STATEMENT OF CORPORATE GOVERNANCE (contd.)

A. DIRECTORS

I. The Board

An effective Board leads and controls the Group whereby collective decision and/or close monitoring are conducted on issues relating to strategy, performance, resources, standards of conduct and financial matters.

During the year ended 31 December 2003, 4 Board Meetings were held. The following is the record of attendance of the Board Members :-

Directors	No. of meetings attended
Dato' Jorgen Bornhoft	4/4
Chan Hua Eng	4/4
Jen (B) Tan Sri Dato' Mohd Ghazali bin Dato' Mohd. Seth	4/4
Tan Sri Datuk Asmat bin Kamaludin	3/4
Dato' Lim Say Chong (appointed on 21.5.2003)	2/2
Jesper B. Madsen (appointed on 21.5.2003)	2/2
Bjorn Sondenskov (appointed on 1.4.2003)	3/3
Chin Voon Loong (appointed on 1.4.2003)	3/3
Y.A.M Tunku Naquiyuddin ibni Tuanku Ja'afar (resigned on 16.5.2003)	1/1
Paul Assar Bergqvist (resigned on 19.5.2003)	1/1
Mogens Thomsen (resigned on 20.5.2003)	1/1

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

In the intervals between Board meetings, for exceptional matters requiring urgent Board decisions, Board decisions are obtained via circular resolutions to which are attached sufficient information required for an informed decision.

STATEMENT OF CORPORATE GOVERNANCE (contd.)

The Board has delegated specific responsibilities to the following Board Committees:-

1. **Audit Committee**

The Audit Committee was established on 15 April 1994. Please refer to the Audit Committee Report on pages 44 to 47.

2. **Nomination Committee**

The Nomination Committee was established on 1 October 2001. The Committee had 3 meetings during the year ended 31 December 2003.

Members

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

Chan Hua Eng (Independent Non-Executive Director)

Bjorn Sondenskov (Managing Director)

Key responsibilities

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

3. **Remuneration Committee**

The Remuneration Committee, which was established on 18 August 2001, had 2 meetings during the year ended 31 December 2003.

Members

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

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

Dato' Jorgen Bornhoft (Non-Executive Chairman)

Key responsibilities

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

4. **ESOS Committee**

The ESOS Committee was set up on 30 April 1998. Meetings of the ESOS Committee were held where necessary. During the year ended 31 December 2003, no meeting was held. The Carlsberg Employees' Share Option Scheme expired on 25 October 2003.

Members

Dato' Jorgen Bornhoft (Non-Executive Chairman)

Chan Hua Eng (Independent Non-Executive Director)

Key responsibilities

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

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

STATEMENT OF CORPORATE GOVERNANCE (contd.)

II. Board Balance

Upon the internal restructuring of Carlsberg Malaysia's holding company, Carlsberg Asia Pte Ltd, the then Chairman of Carlsberg Malaysia, Michael Iuul, resigned on 18 November 2002. For the purposes of continuity, Dato' Jorgen Bornhoft, the then Managing Director of Carlsberg Malaysia, was appointed as the Executive Chairman which combined the roles of Chairman and Managing Director. The strong independent element of the Board, whereby more than 50% were independent, ensured a balance of power and authority during this time.

On 1 April 2003, upon the change in Dato' Jorgen Bornhoft's Board position from Executive Chairman to Chairman, and the appointment of Bjorn Sondenskov as Managing Director, the roles and responsibilities of the Chairman and Managing Director were made clearly distinct to further enhance the existing balance of power and authority. The Chairman holds a Non-Executive position and is primarily responsible for matters pertaining to the Board and the overall conduct of the Group. The Managing Director oversees the running of the Group and the implementation of the Board's decisions and policies.

The Board has 8 members, comprising 6 Non-Executive Directors and 2 Executive Directors. Out of the 8 Directors, 4 are Independent Directors, which is in excess of the statutory requirement of one-third. Collectively, the Directors bring a wide range of business, legal, financial and technical experience relevant to the Group. The profile of each Director is summarised under pages 5 to 7.

The presence of Independent Non-Executive Directors ensures that issues of strategies, performance and resources proposed by the management are objectively evaluated, taking into consideration the long-term interests of shareholders, employees, customers, suppliers and other communities in which the Group conducts its business. The relatively large number of Independent Directors also ensure that the investment of minority shareholders is fairly reflected through Board representation.

III. Supply of Information

All Directors are furnished with a comprehensive Board File including the meeting agenda usually at least 2 weeks before each Board meeting. Sufficient time is given to enable the Directors to solicit further explanations and/or information, where necessary, so that deliberations at the meeting are focused and constructive.

The Board File includes, amongst others, sales and marketing development and strategies, financial results and forecasts, status of major projects, minutes of meetings of the Audit Committee and other major operational, financial and legal issues. In addition, there is a schedule of matters reserved specifically for the Board's decision.

All Directors have access to the advice and services of the Company Secretary as well as to all information within the Group. There is also a formal procedure sanctioned by the Board of Directors, whether as a full board or in their individual capacity, to take independent professional advice, where necessary and in appropriate circumstances, in furtherance of their duties, at the Group's expense.

IV. Appointments to the Board

The Code endorses, as good practice, the setting up of a Nomination Committee to formalise procedures for appointments to the Board. Although the Code states that this procedure may be performed by the Board as a whole, as a matter of best practice, it recommends that this responsibility be delegated to a committee.

To this end, the Nomination Committee, the majority of whom are Non-Executive Directors, is charged with the responsibility of, amongst others, recommending the appointment of new Directors to the Board.

Carlsberg has an induction and education programme for new Board members, which includes a visit to the brewery and discussions with the Managing Director, Department Heads and Key Section Heads to better understand the operations, business and policies of the Group, which will allow the Director to contribute effectively from the outset of the appointment.

STATEMENT OF CORPORATE GOVERNANCE (contd.)

V. Re-election

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

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

B. DIRECTORS' REMUNERATION

I. Remuneration Policy

The objective of the Group's remuneration policy is to attract and retain the Directors required to lead and control the Group effectively. In the case of Executive Directors, the components of the remuneration package are linked to corporate and individual performance. For Non-Executive Directors, the level of remuneration is reflective of their experience and level of responsibilities.

II. Remuneration Procedure

The Remuneration Committee recommends for the Board's approval, the framework of executive remuneration of the Executive Directors' remuneration package.

Non-Executive Directors' fees are determined by the Board as a whole with the Director concerned abstaining from deliberations and voting on decisions in respect of his fee.

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

III. Details of Remuneration

Details of the number of Executive and Non-Executive Directors in remuneration bands of RM50,000 for the year ended 31 December 2003 are disclosed in the Statutory Accounts as Note 7 of the Notes to the financial statements.

C. INVESTOR RELATIONS AND SHAREHOLDER COMMUNICATION

The Board recognises the importance of an effective communications channel between the Board, shareholders and general public.

The annual reports, press releases, quarterly results and any announcements on material corporate exercises are the primary modes of disseminating information on the Group's business activities and financial performance.

The Annual General Meeting represents the principal forum for dialogue and interaction with shareholders. At every meeting, the Board sets out the progress and performance of the Group since the last meeting held. Shareholders are encouraged to participate in the subsequent question and answer session wherein Directors, Heads of Department as well as the Group's external auditors are available to respond to the queries raised. In the event that an answer cannot be readily given at the meeting, the Chairman will undertake to provide a written reply to the shareholder.

Each item of special business included in the notice of meeting will be accompanied by a full explanation of the effects of a proposed resolution.

During the year, the Managing Director and/or key management personnel also hold discussions with the press and analysts when necessary, to provide information on the Group's strategy, performance and major developments. A press briefing is also held after each Annual General Meeting.

In addition, the Group maintains a website at www.carlsberg.com.my for shareholders and the public to access information on, amongst others, the Group's background and products, financial performance, frequently-asked questions (FAQs) and updates on its various sponsorships and promotions.

STATEMENT OF CORPORATE GOVERNANCE (contd.)

D. ACCOUNTABILITY AND AUDIT

I. Financial Reporting

In presenting the annual financial statements and quarterly announcement of results to shareholders, the Board takes responsibility in conveying a balanced and understandable assessment of the Group's position and prospects.

A statement by Directors of their responsibilities in preparing the financial statements is set out on page 48 of this Annual Report.

II. Internal Controls

The Board of Directors has always placed significant emphasis on sound internal controls which are necessary to safeguard the Group's assets and shareholders' investment. To this end, the Board affirms its overall responsibility for the Group's internal controls system which encompasses risk management practices as well as financial, operational and compliance controls. However, it should be noted that such system, by its nature, manages but not eliminates risks and therefore can provide only reasonable, and not absolute, assurance against material misstatement, loss or fraud.

Ongoing reviews are performed throughout the year to identify, evaluate, monitor and manage significant risks affecting the business and ensure that adequate and effective controls are in place. Such continuous review processes are conducted by the Group's independent and adequately resourced internal audit function as well as the management team. The findings of the internal audit function are regularly reported to the Audit Committee.

III. Relationship with Auditors

The role of the Audit Committee in relation to the external auditors is described on pages 44 to 47.

STATEMENT ON INTERNAL CONTROL

Responsibility

The Board is committed to the continuous improvement of internal controls and risk management practices within the Group to meet its business objectives. The Board affirms its overall responsibility for the effectiveness of the Group's systems of internal controls and risk management, and for reviewing the adequacy and integrity of these systems to safeguard shareholders' investment, customers' interests and the Group's assets. However, such systems, by their nature, can only provide reasonable, and not absolute, assurance against material misstatement, loss and fraud. These systems are designed to manage, rather than eliminate, the risk of failure to achieve business objectives of the Group.

Risk Management Framework

The Group has in place an ongoing process for identifying, evaluating, monitoring and managing the significant risks affecting the achievement of its business objectives. This is a continuous process, subject to regular review by the Board, and accords with the "Statement on Internal Control: Guidance for Directors of Public Listed Companies". The key elements of the Group's Risk Management Framework are described below :-

- **Structure**

The Group adopts a decentralised approach to risk management, whereby employees take ownership and accountability for risks at their respective levels. The process of risk management and treatment is overseen by the Heads of Department.

A working group, the Risk Management Working Committee ("RMWC"), provides risk management support to Management for the Group as a whole. The role of the RMWC includes periodic reporting of the status of risk mitigation actions, new risks identified and risks that have changed characteristics, and corresponding controls. The RMWC comprising key persons from all departments, submits its reports to both the Management and the Audit Committee. The Audit Committee reports to the Board on any significant changes in the business and external environment which affect key risks.

In 2003, the RMWC met 5 times wherein discussions and reviews were conducted on key risks faced by the Group and their corresponding controls. The RMWC's feedback was reported to the Management and the Audit Committee on a regular basis.

- **Risk Assessment**

The Group maintains a database of key risks specific to the Group together with their corresponding controls, which are categorised as follows :-

- Strategic, which are risks that affect the overall direction of the business
- Operational, which are risks that impact the delivery of the Group's products and services
- Financial, which are risks associated with financial processes and reporting
- Knowledge, which are risks associated with intellectual property and information resources

During the year, the database of key risks and corresponding controls was reviewed for completeness and adequacy. The identified risks were prioritised according to the degree of impact and likelihood of occurrence. Existing corresponding controls were assessed for adequacy, taking into account the level of risk involved and where necessary and feasible, additional controls were identified for implementation.

Internal Controls System

The key elements of the Group's internal controls system are described below :-

- **Control Environment**

The importance of a proper control environment is emphasised throughout the organisation. Focus is directed towards the quality and abilities of the Group's employees with continuing education and training to enhance the skills of employees and reinforce qualities of professionalism and integrity. Such training also includes internal briefings and external seminars for selected employees to enhance the level of awareness and knowledge on matters relating to risk management and internal controls.

STATEMENT ON INTERNAL CONTROL (contd.)

- **Control Structure**

The Board and Management have established an organisation structure with clearly defined lines of accountability and delegated authority. This includes well-defined responsibilities of Board committees and various management levels, including authorisation levels for all aspects of the business.

The key elements of the Group's control structure are as follows:

- **Management**

- Management has introduced well-established standard operating procedures that cover all key aspects of the Group's various business processes. These policies and procedures deal with, amongst others, control issues for financial accounting and reporting, treasury management, asset security, information technology, health and safety, etc. The procedures are subject to regular reviews to cater for process changes, changing risks or further improvements.
- Aside from the standard operating procedures, changes in internal control procedures are also communicated via circulars and internal memos. Such circulars and memos are properly authorised by the relevant members of senior management.
- Regular visits by the head office personnel to sales depots.
- Regular meetings with the Heads of sections/sales areas which provide a sound platform for the members of the sections/sales areas to communicate with, and provide feedback to, Management.

- **Internal Audit**

The Group has an Internal Audit Department which carries out its functions independently and provides the Audit Committee and the Board with the assurance on the adequacy and integrity of the system of internal controls. The Internal Audit Department is solely responsible for planning, implementing and reporting the audits. For this purpose, each year, the Department :

- Prepares a detailed Annual Audit Plan after discussion with the Managing Director for submission to the Audit Committee for approval;
- Carries out all activities to conduct the audits in an effective, professional and timely manner;
- Reports to the auditee upon completion of each audit; and
- Submits quarterly reports to the Audit Committee.

The Audit Committee Report set out on pages 44 to 47 of this Annual Report contains further details on the principal responsibilities and activities of the Internal Audit Department in 2003.

- **Audit Committee**

The Audit Committee, on behalf of the Board, regularly reviews the measures undertaken on internal control issues identified by the RMWC, internal auditors, external auditors and Management. During the year, 53 reports were issued by the Internal Audit Department to the Audit Committee for their review.

The Audit Committee Report set out on pages 44 to 47 of this Annual Report contains further details on the activities undertaken by the Audit Committee in 2003.

- **Board**

The Board holds regular discussions with the Audit Committee and Management and considers their reports on matters relating to internal controls and deliberates on their recommendations for implementation.

- **Reporting and Information**

Business plans are prepared by Management, which form the basis for detailed budgets, which are prepared by business operating units and reviewed and approved by Management, the Board and the holding company.

The monitoring of results against budget is conducted every quarter, with major variances followed up and management action taken, where necessary. Management also ensures that it has the knowledge of key market information in respect of the Group's products and takes pro-active measures, as appropriate, in the best interests of the Group.

STATEMENT ON INTERNAL CONTROL (contd.)

Regular and comprehensive information is provided to Management, covering financial performance and key business indicators, key operating statistics/indicators, key business risks, legal, environmental and regulatory matters. Weekly meetings attended by Management, which includes the Managing Director, are held to discuss the various aspects of the financial and operational performance of the Group. Key matters affecting the Group are brought to the attention of the Audit Committee and are reported to the Board on a regular basis.

- **Monitoring and Review**

There are processes for monitoring the system of internal controls and reporting any significant weaknesses together with details of corrective action.

The system is subject to ongoing review by the Board (through the Audit Committee), Management, Finance Department and Internal Audit Department. Responsibility for monitoring compliance with policies, procedures and guidelines rests principally with the Internal Audit Department, which reports directly to the Audit Committee as described above. Heads of Department are also actively involved in continually improving the control processes within their respective departments.

Review of Effectiveness

The Directors have taken the necessary steps to ensure that appropriate systems are in place for the assets of the Group to be adequately safeguarded through the prevention and detection of fraud and other irregularities and material misstatements.

The Directors believe that the system of internal control is considered appropriate to business operations, and that the risks taken are at an acceptable level within the context of the business environment of the Group.

During the year, a number of improvements to internal controls were identified and addressed. There have been no significant weaknesses noted which have resulted in any material losses.

This Statement on Internal Control does not deal with the associated company as the Group does not have management control over its operations.

This statement is made in accordance with a resolution of the Board of Directors dated 18 February 2004.

AUDIT COMMITTEE REPORT

MEMBERSHIP AND MEETINGS

The Audit Committee had 4 meetings during the year ended 31 December 2003. The members of the Audit Committee and the record of their attendance are as follows :-

Membership	No. of meetings attended
Chan Hua Eng (Chairman/Independent Non-Executive Director)	4/4
Jen (B) Tan Sri Dato' Mohd Ghazali bin Dato' Mohd. Seth (Member/Independent Non-Executive Director)	4/4
Dato' Lim Say Chong (appointed on 21.5.2003) (Member/Independent Non-Executive Director)	2/2
Chin Voon Loong (appointed on 6.5.2003) (Member/Executive Director)	3/3
Y.A.M Tunku Naquiyuddin ibni Tuanku Ja'afar (resigned on 16.5.2003) (Member/Independent Non-Executive Director)	1/1
Dato' Jorgen Bornhoft (resigned on 5.5.2003) (Member/Chairman)	1/1

The Heads of the Finance and Internal Audit Departments attended the meetings for the purpose of briefing the Audit Committee on the activities involving their areas of responsibilities. The Audit Committee was also briefed by the external auditor on the findings of the external audit.

TERMS OF REFERENCE

• Terms of membership

1. The Audit Committee shall be appointed by the Board from amongst their number and shall consist of not less than 3 members with the majority being Independent Directors.
2. The members of the Audit Committee shall elect a Chairman from amongst their number who shall be an Independent Non-Executive Director.
3. At least 1 member of the Audit Committee must be or have the following :-
 - a member of the Malaysian Institute of Accountants; or
 - at least 3 years' working experience and have passed the examinations specified in Part 1 of the 1st Schedule of the Accountants Act 1967 or be a member of one of the associations of accountants specified in Part II of the 1st Schedule of the Accountants Act 1967; or
 - a degree/masters/doctorate in accounting or finance with at least 3 years' post qualification experience in accounting or finance; or
 - at least 7 years' experience being a chief financial officer of a corporation or having the function of being primarily responsible for the management of the financial affairs of a corporation.
4. In the event of any vacancy in the Audit Committee, the Board shall within 3 months of that event, appoint such new members to make up the minimum number of 3 members.
5. No alternate director can be appointed as a member of the Audit Committee.
6. The term of office and performance of the Audit Committee and each of its members shall be reviewed by the Board at least once in every 3 years.

AUDIT COMMITTEE REPORT (contd.)

- **Authority**

The Audit Committee is authorised by the Board to perform the following :-

1. To investigate any matter within its terms of reference. It shall have full and unrestricted access to any information pertaining to the Group, both the internal and external auditors and to all employees of the Group. It shall have the resources required to perform its duties.
2. To obtain external legal or other professional advice and secure the attendance of outsiders with relevant experience to attend, if necessary.
3. To promptly report to the Malaysia Securities Exchange Berhad ("MSEB"), any matter reported by it to the Board which has not been satisfactorily resolved resulting in a breach of the MSEB Listing Requirements.

- **Functions**

The functions of the Audit Committee shall be :

1. to review the following and report the same to the Board of Directors :-
 - (a) with the external auditor, the audit plan;
 - (b) with the external auditor, his evaluation of the system of internal controls;
 - (c) with the external auditor, his audit report, including his management letter and management's response;
 - (d) with the external auditor, any other matter he may wish to discuss (in the absence of management where necessary);
 - (e) the assistance given by the Company's officers to the external auditor;
 - (f) the adequacy of the scope, functions and resources of the internal audit function and that it has the necessary authority to carry out its work;
 - (g) the internal audit programme, processes, the results of the internal audit programme, processes or investigation undertaken and whether or not appropriate action is taken on the recommendations of the internal audit function;
 - (h) any appraisal or assessment of the performance of members of the internal audit function;
 - (i) any appointment or termination of senior staff members of the internal audit function;
 - (j) any resignations of internal audit staff members and provide the resigning staff member an opportunity to submit his reasons for resigning;
 - (k) the quarterly results and year end financial statements of the Company and of the Group, prior to the approval by the Board, focusing particularly on :-
 - (i) changes in or implementation of major accounting policy changes;
 - (ii) significant and unusual events;
 - (iii) compliance with accounting standards and other legal requirements;
 - (iv) significant adjustments arising from the audit;
 - (v) going concern assumption;
 - (l) any related party transaction and/or conflict of interest situation that may arise within the Company or Group including any transaction, procedure or course of conduct that raises questions of management integrity;
 - (m) any major findings of internal investigations and management's response;
 - (n) the quarterly reports relating to Risk Assessment and the effectiveness and appropriateness of the Risk Management Framework; and
2. to recommend and consider the nomination and appointment of a person or persons as external auditors, the audit fees and any questions of resignation or dismissal; and
3. to consider any other functions as may be agreed to by the Audit Committee and the Board of Directors.

AUDIT COMMITTEE REPORT (contd.)

- **Meetings**

1. Meetings shall be held not less than 4 times a year.
2. The quorum for each meeting shall be two independent Members of the Audit Committee.
3. The Chief Accountant, the Head of Internal Audit and the external auditor shall normally attend meetings. Other Board members and employees may attend meetings only upon the invitation of the Audit Committee.
4. At least once a year, the Audit Committee shall meet with the external auditor without executive board members present. The external auditor may also request a meeting if they consider that one is necessary.
5. The Company Secretary shall be the Secretary of the Audit Committee.

- **Reporting Procedures**

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

SUMMARY OF ACTIVITIES OF THE INTERNAL AUDIT FUNCTION AND THE AUDIT COMMITTEE DURING THE YEAR ENDED 31 DECEMBER 2003

- **Internal Audit Function**

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

In attaining such objectives, the following activities were carried out by the Internal Audit Department in 2003 :

1. ascertained the extent of compliance with established policies, procedures and statutory requirements;
2. carried out investigations and special reviews;
3. assessed the effectiveness of the controls that are intended to safeguard the assets of the Group and verified their existence;
4. appraised the reliability and usefulness of the information developed within the Group for Management;
5. appraised the policies, procedures and management controls of Carlsberg to ensure that the activities were properly managed and to promote controls which could potentially create financial benefits to the Group;
6. identified opportunities to improve the operations of, and processes within, the Group; and
7. recommended improvements to the existing system of controls to minimise wastage, extravagance and fraud and to enhance efficiencies by way of issuing audit reports to the appropriate level of management capable of achieving satisfactory results and ensured corrective actions were taken.

AUDIT COMMITTEE REPORT (contd.)

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

During the year ended 31 December 2003, the Audit Committee performed its duties as set out in its terms of reference.

The main activities undertaken by the Audit Committee were as follows :-

- Reviewed the external auditors' scope of work and audit plans for the year.
- Reviewed the results of the external audit, the audit report and the management letter, including Management's response.
- Considered and recommended to the Board for approval of the audit fees payable.
- Considered the independence and objectivity of the external auditors and the services provided, including non-audit services. Non-audit services totalling RM27,000 were payable to the external auditors during the year.
- Reviewed the Internal Audit Department's resource requirements, programmes and plan for the year under review and the annual assessment of the Department's performance.
- Reviewed the internal audit reports, recommendations and Management's response. Discussed actions taken with Management to improve the internal controls system based on internal audit findings.
- Reviewed the Risk Management Framework and reports summarising the findings from work performed on the identification and assessment of enterprise-wide key risks.
- Reviewed the annual report and audited financial statements of the Company and the Group prior to the submission to the Board for their consideration and approval. The review was to ensure that the audited financial statements were drawn up in accordance with the provisions of the Companies Act, 1965 and the applicable approved accounting standards approved by MASB.
- Reviewed the quarterly announcements of the unaudited financial results before recommending them for the Board's approval. The review and discussions were conducted with the Chief Financial Officer.
- Reviewed the Company's compliance with the Listing Requirements of the MSEC, MASB and other relevant legal and regulatory requirements.
- Reviewed pertinent issues of the Group which had a significant impact on the results of the Group which included enhancement and further investment in existing products, cost rationalisation measures and human resource development.
- Reviewed the significant related party transactions entered into by the Group.
- Reviewed the extent of the Group's compliance with the provisions set out under the Malaysian Code on Corporate Governance for the purpose of the Statement of Corporate Governance pursuant to the MSEC Listing Requirements.

RESPONSIBILITY STATEMENT

RESPONSIBILITY STATEMENT BY THE BOARD OF DIRECTORS

In the course of preparing the annual financial statements of the Group and the Company, the Directors are collectively responsible for ensuring that these financial statements are drawn up in accordance with the requirements of the applicable Approved Accounting Standards in Malaysia, the provisions of the Companies Act, 1965 and the Listing Requirements of the Malaysia Securities Exchange Berhad.

It is the responsibility of the Directors to ensure that financial statements for each financial year present a true and fair view of the state of affairs of the Group and the Company at the end of the financial year and of the results and cash flows of the Group and the Company for the financial year.

In preparing the financial statements for the financial year ended 31 December 2003, the Directors have applied appropriate and relevant accounting policies consistently and in accordance with applicable accounting standards and made judgments and estimates that are reasonable and fair.

The financial statements are prepared on a going concern basis and the Directors have ensured that proper accounting records are kept which enable the preparation of the financial statements with reasonable accuracy.

FINANCIAL RESULTS

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DIRECTORS' REPORT

The directors have pleasure in presenting their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2003.

PRINCIPAL ACTIVITIES

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

RESULTS FOR THE YEAR

	GROUP RM '000	COMPANY RM '000
Operating profit	96,998	34,891
Interest income	6,898	6,566
Dividend from subsidiary	-	59,400
Share of results of associated company	2,779	-
Profit before taxation	106,675	100,857
Taxation	(25,520)	(9,908)
Profit for the year after taxation	81,155	90,949

There were no material transfers to or from reserves or provisions during the financial year, other than as disclosed in the Statements of Changes in Equity and in the Note 22 to the financial statements.

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

HOLDING COMPANY

The directors regard Carlsberg Asia Pte Ltd, a company incorporated in the Republic of Singapore, as the holding company. Following the termination as of 1 August 2003 of the joint venture between Carlsberg Breweries A/S and Chang Beverages Pte Ltd, Carlsberg Asia Pte Ltd remains a wholly owned subsidiary of Carlsberg Breweries A/S, a company incorporated in Denmark. Carlsberg Breweries A/S is now the ultimate holding company of Carlsberg Brewery Malaysia Berhad.

DIVIDENDS

Dividends paid by the Company since 31 December 2002 were as follows:

	GROUP/COMPANY RM '000
In respect of the financial year ended 31 December 2002:	
A final dividend of 15 sen per share less tax	16,494
A special dividend of 50 sen per share, tax exempt	76,362
In respect of the financial year ended 31 December 2003:	
An interim dividend of 10 sen per share less tax	11,003
	103,859

DIRECTORS' REPORT (CONTD.)

DIVIDENDS (cont'd)

The directors propose the payment of the following final dividends in respect of the financial year ended 31 December 2003:

- (a) a final dividend of 15 sen per share less tax, amounting to RM16,510,392;
- (b) a special dividend of 25 sen per share less tax, amounting to RM27,517,320; and
- (c) a special dividend of 25 sen per share, tax exempt, amounting to RM38,218,500.

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

EMPLOYEES' SHARE OPTION SCHEME

At an Extraordinary General Meeting held on 23 April 1998, the shareholders of the Company approved the establishment of an Employees' Share Option Scheme ("the Scheme") for eligible employees of the Group. The Securities Commission, the (then) Kuala Lumpur Stock Exchange and the (then) Registrar of Companies approved the Scheme on 19 June 1998, 30 September 1998 and 26 October 1998 respectively. The Scheme was in force for a period of five (5) years and expired on 25 October 2003.

The main features of the Scheme were as follows:

The Scheme was for eligible employees, including full-time executive directors with at least twelve months of continuous service. Administration of the Scheme was by the 'ESOS Committee' appointed by the Board.

The aggregate number of new shares under the Scheme had not exceeded three per cent of the issued and paid-up share capital of the Company. Options were in multiples of 1,000 shares, and not to exceed 100,000 shares to any individual employee. The options granted were exercisable between the third anniversary of the Scheme and its expiry.

Options granted had an Option Price based on the five-day average of the mean open market quotations shown in the daily official list of the (then) Kuala Lumpur Stock Exchange, and in no event less than the par value. The shares issued upon exercise of an option ranked pari passu with existing shares issued, except for any dividends for which entitlement dates were prior to the date of exercise of the options.

The Scheme expired on 25 October 2003.

Up to the expiry of the Scheme on 25 October 2003, options to subscribe for 1,265,000 ordinary shares of RM1.00 each in the Company had been granted to eligible employees of the Group. Of this total, a director had been granted options to subscribe for 27,000 ordinary shares at RM8.09 per share.

Up to the expiry of the Scheme, 1,039,000 ordinary shares of RM1.00 each had been issued at RM8.09 per share for cash, upon exercise of options granted pursuant to the Scheme, of which 27,000 ordinary shares were issued to the director.

Upon the expiry of the Scheme on 25 October 2003, outstanding options granted to subscribe for 226,000 ordinary shares of RM1.00 each in the Company, including those in respect of recipients who had resigned from employment without exercising their options, had lapsed.

DIRECTORS' REPORT (CONTD.)

DIRECTORS

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

Dato' Jorgen Bornhoft	
Chan Hua Eng	
Jen. (B) Tan Sri Dato' Mohd. Ghazali bin Dato' Mohd. Seth	
Tan Sri Datuk Asmat bin Kamaludin	
Bjorn Sondenskov	(Appointed on 1.4.2003)
Chin Voon Loong	(Resigned as alternate director for Mogens Thomsen on 1.4.2003; appointed as a director on 1.4.2003)
Dato' Lim Say Chong	(Appointed on 21.5.2003)
Jesper Bjoern Madsen	(Appointed on 21.5.2003)
Y.A.M. Tunku Naquiyuddin ibni Tuanku Ja'afar	(Resigned on 16.5.2003)
Paul Bergqvist	(Resigned on 19.5.2003)
Mogens Thomsen	(Resigned on 20.5.2003)

DIRECTORS' BENEFITS

Neither at the end of the financial year, nor at any time during that year, did there subsist any arrangement to which the Company was a party, whereby directors might acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, other than benefits which might arise from the options to subscribe for ordinary shares in the Company granted pursuant to the Employees' Share Option Scheme, which expired on 25 October 2003.

DIRECTORS' INTERESTS

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

Direct interest in the Company	At 1.1.2003	Acquired during the year	Disposed during the year	At 31.12.2003
Chin Voon Loong	20,000	7,000	(10,000)	17,000
Jesper Bjoern Madsen	4,500	-	-	4,500
Indirect interest in the Company	At 1.1.2003 or date of appointment	Acquired during the year	Disposed during the year	At 31.12.2003
Tan Sri Datuk Asmat bin Kamaludin	4,000	-	-	4,000
Dato' Lim Say Chong	28,000	-	-	28,000
Options to subscribe for Ordinary Shares of RM1 each of the Company	At 1.1.2003	Granted	Exercised	At expiry of the Scheme
Chin Voon Loong	7,000	-	(7,000)	-

DIRECTORS' REPORT (CONTD.)

DIRECTORS' INTERESTS (cont'd)

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

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

SHARE CAPITAL

During the financial year, the issued and paid-up capital of the Company was increased from 153,684,000 ordinary shares of RM1.00 each to 154,039,000 ordinary shares of RM1.00 each upon the issue of 355,000 shares of RM1.00 each at RM8.09 per share pursuant to the Employees' Share Option Scheme ("the Scheme"). The share premium arising from this issue amounted to RM2,517,000.

Details of the Scheme are disclosed in the section of this report on "Employees' Share Option Scheme". The Scheme expired on 25 October 2003.

SHARE REPURCHASE

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

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

MATERIAL LITIGATION

The Company is involved in the following pending litigation matters:

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

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

DIRECTORS' REPORT (CONTD.)

MATERIAL LITIGATION (cont'd)

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

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

OTHER STATUTORY INFORMATION

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

DIRECTORS' REPORT (CONTD.)

OTHER STATUTORY INFORMATION (cont'd)

(f) In the opinion of the directors:

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

AUDITORS

The auditors, Ernst & Young, have expressed their willingness to continue in office.

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

CHAN HUA ENG
DIRECTOR

BJORN SONDESKOV
DIRECTOR

Kuala Lumpur, Malaysia
18 February 2004

STATEMENT BY DIRECTORS

PURSUANT TO SECTION 169(15) OF THE COMPANIES ACT, 1965

We, **CHAN HUA ENG** and **BJORN SONDESKOV** being two of the directors of **CARLSBERG BREWERY MALAYSIA BERHAD**, do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 58 to 90 are drawn up in accordance with applicable Approved Accounting Standards in Malaysia and the provisions of the Companies Act, 1965 so as to give a true and fair view of:

- (i) the financial position of the Company and of the Group as at 31 December 2003 and of the results of the business of the Company and of the Group for the year ended on that date;
- (ii) the cash flows of the Company and of the Group for the year ended 31 December 2003.

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

CHAN HUA ENG
DIRECTOR

BJORN SONDESKOV
DIRECTOR

Kuala Lumpur, Malaysia
18 February 2004

STATUTORY DECLARATION

PURSUANT TO SECTION 169(16) OF THE COMPANIES ACT, 1965

I, **CHIN VOON LOONG**, being the officer primarily responsible for the financial management of **CARLSBERG BREWERY MALAYSIA BERHAD**, do solemnly and sincerely declare that the accompanying financial statements set out on pages 58 to 90 are in my opinion correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by
the abovenamed **CHIN VOON LOONG**
at Kuala Lumpur in the Federal Territory
on 18 February 2004

CHIN VOON LOONG
Before me,

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

Kuala Lumpur, Malaysia
18 February 2004

AUDITORS' REPORT

TO THE MEMBERS OF CARLSBERG BREWERY MALAYSIA BERHAD

We have audited the accompanying financial statements set out on pages 58 to 90. These financial statements are the responsibility of the Company's directors. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion:-

- (a) the financial statements are properly drawn up in accordance with the provisions of the Companies Act, 1965 and applicable Approved Accounting Standards in Malaysia so as to give a true and fair view of :
 - (i) the financial position of the Company and of the Group as at 31 December 2003 and of the results and the cash flows of the Company and of the Group for the year then ended; and
 - (ii) the matters required by Section 169 of the Companies Act, 1965 to be dealt with in the financial statements and consolidated financial statements.
- (b) the accounting and other records and the registers required by the Act to be kept by the Company and by its subsidiaries have been properly kept in accordance with the provisions of the Act.

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

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

ERNST & YOUNG AF: 0039

Chartered Accountants

Sukanta Kumar Dutt 1556/08/04(J)

Partner

Kuala Lumpur, Malaysia

18 February 2004

INCOME STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2003

	Note	GROUP		COMPANY	
		2003 RM '000	2002 RM '000	2003 RM '000	2002 RM '000
			As restated		As restated
REVENUE	3	876,009	838,783	560,515	526,485
COST OF SALES	4	(636,138)	(592,562)	(515,771)	(442,447)
GROSS PROFIT		239,871	246,221	44,744	84,038
Other operating income		442	2,376	2,359	1,791
Sales & distribution costs		(122,565)	(114,363)	(126)	(122)
Administrative expenses		(19,557)	(16,737)	(11,122)	(8,615)
Other operating expenses		(1,193)	(796)	(964)	(1,096)
OPERATING PROFIT		96,998	116,701	34,891	75,996
INTEREST INCOME		6,898	7,859	6,566	7,360
DIVIDEND FROM SUBSIDIARY COMPANY		-	-	59,400	108,900
SHARE OF RESULTS OF ASSOCIATED COMPANY		2,779	2,170	-	-
PROFIT BEFORE TAXATION	5	106,675	126,730	100,857	192,256
TAXATION	8	(25,520)	(31,328)	(9,908)	(49,623)
PROFIT AFTER TAXATION		81,155	95,402	90,949	142,633
BASIC EARNINGS PER SHARE	10				
- pre tax (sen)		69.9	83.2	66.1	126.2
- post tax (sen)		53.1	62.6	59.6	93.7
FULLY DILUTED EARNINGS PER SHARE*	10				
- pre tax (sen)		N/A	83.1	N/A	126.1
- post tax (sen)		N/A	62.6	N/A	93.6

* Diluted earnings per share for the current year are not presented, as the outstanding options granted under the Employees' Share Option Scheme had lapsed after 25 October 2003, and there are no remaining potential ordinary shares.

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

BALANCE SHEETS

AS AT 31 DECEMBER 2003

	Note	GROUP		COMPANY	
		2003 RM '000	2002 RM '000	2003 RM '000	2002 RM '000
ASSETS EMPLOYED:					
PROPERTY, PLANT AND EQUIPMENT	11	185,476	200,818	171,455	183,165
SUBSIDIARY COMPANIES	12	-	-	1,909	1,909
ASSOCIATED COMPANY	13	14,954	13,570	10,940	10,940
MARKETABLE SECURITIES	14	1,733	1,733	1,733	1,733
CURRENT ASSETS					
Inventories	15	43,904	28,600	18,080	17,774
Trade Receivables	16	119,468	125,796	-	-
Other Receivables	17	16,043	18,278	54,240	33,203
Bank balances and deposits	18	239,096	266,948	226,485	252,946
		418,511	439,622	298,805	303,923
CURRENT LIABILITIES					
Trade Payables	19	36,665	36,430	30,937	31,281
Other Payables	20	43,251	57,918	23,965	29,029
Taxation		6,545	8,930	6,341	9,522
		86,461	103,278	61,243	69,832
NET CURRENT ASSETS		332,050	336,344	237,562	234,091
		534,213	552,465	423,599	431,838
FINANCED BY:					
SHARE CAPITAL	21	154,039	153,684	154,039	153,684
RESERVES	22	369,729	389,870	260,103	270,496
		523,768	543,554	414,142	424,180
TREASURY SHARES	23	(12,043)	(12,043)	(12,043)	(12,043)
SHAREHOLDERS' EQUITY		511,725	531,511	402,099	412,137
DEFERRED TAXATION	24	22,488	20,954	21,500	19,701
		534,213	552,465	423,599	431,838

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

STATEMENT OF CHANGES IN EQUITY OF THE GROUP

FOR THE YEAR ENDED 31 DECEMBER 2003

GROUP	Note	Share capital RM '000	Share premium RM '000	Exchange reserve RM '000	Capital reserve RM '000	Treasury shares RM '000	General reserve RM '000	Retained earnings RM '000	Total RM '000
At 1 January 2002									
As previously reported		153,010	71	(1,240)	10,524	(12,043)	5,766	380,809	536,897
Prior period adjustments	25	-	-	-	(1,846)	-	-	25	(1,821)
As restated		153,010	71	(1,240)	8,678	(12,043)	5,766	380,834	535,076
Exchange differences		-	-	(816)	-	-	-	-	(816)
Issue of ordinary shares pursuant to Employees' Share Option Scheme		674	4,779	-	-	-	-	-	5,453
Transfer of general reserve to retained earnings	22	-	-	-	-	-	(5,766)	5,766	-
Profit for the year									
As previously reported		-	-	-	-	-	-	101,851	101,851
Prior period adjustments	25	-	-	-	-	-	-	(6,449)	(6,449)
As restated		-	-	-	-	-	-	95,402	95,402
Dividends		-	-	-	-	-	-	(103,604)	(103,604)
At 31 December 2002		153,684	4,850	(2,056)	8,678	(12,043)	-	378,398	531,511
At 31 December 2002									
As previously reported		153,684	4,850	(2,056)	10,524	(12,043)	5,766	379,056	539,781
Prior period adjustments	25	-	-	-	(1,846)	-	-	(6,424)	(8,270)
		153,684	4,850	(2,056)	8,678	(12,043)	5,766	372,632	531,511
Transfer of general reserve to retained earnings	22	-	-	-	-	-	(5,766)	5,766	-
As restated		153,684	4,850	(2,056)	8,678	(12,043)	-	378,398	531,511
Exchange differences		-	-	46	-	-	-	-	46
Issue of ordinary shares pursuant to Employees' Share Option Scheme		355	2,517	-	-	-	-	-	2,872
Profit for the year		-	-	-	-	-	-	81,155	81,155
Dividends	9	-	-	-	-	-	-	(103,859)	(103,859)
At 31 December 2003		154,039	7,367	(2,010)	8,678	(12,043)	-	355,694	511,725

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

STATEMENT OF CHANGES IN EQUITY OF THE COMPANY

FOR THE YEAR ENDED 31 DECEMBER 2003

COMPANY	Note	Share capital RM '000	Share premium RM '000	Capital reserve RM '000	Treasury shares RM '000	General reserve RM '000	Retained earnings RM '000	Total RM '000
At 1 January 2002								
As previously reported		153,010	71	6,593	(12,043)	5,766	215,852	369,249
Prior period adjustments	25	-	-	(1,846)	-	-	252	(1,594)
As restated		153,010	71	4,747	(12,043)	5,766	216,104	367,655
Issue of ordinary shares pursuant to Employees' Share Option Scheme								
		674	4,779	-	-	-	-	5,453
Transfer of general reserve to retained earnings								
	22	-	-	-	-	(5,766)	5,766	-
Profit for the year								
As previously reported		-	-	-	-	-	147,356	147,356
Prior period adjustments	25	-	-	-	-	-	(4,723)	(4,723)
As restated		-	-	-	-	-	142,633	142,633
Dividends								
		-	-	-	-	-	(103,604)	(103,604)
At 31 December 2002								
		153,684	4,850	4,747	(12,043)	-	260,899	412,137
At 31 December 2002								
As previously reported		153,684	4,850	6,593	(12,043)	5,766	259,604	418,454
Prior period adjustments	25	-	-	(1,846)	-	-	(4,471)	(6,317)
		153,684	4,850	4,747	(12,043)	5,766	255,133	412,137
Transfer of general reserve to retained earnings								
	22	-	-	-	-	(5,766)	5,766	-
As restated		153,684	4,850	4,747	(12,043)	-	260,899	412,137
Issue of ordinary shares pursuant to Employees' Share Option Scheme								
		355	2,517	-	-	-	-	2,872
Profit for the year								
		-	-	-	-	-	90,949	90,949
Dividends								
	9	-	-	-	-	-	(103,859)	(103,859)
At 31 December 2003								
		154,039	7,367	4,747	(12,043)	-	247,989	402,099

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

CONSOLIDATED STATEMENT OF CASH FLOWS OF THE GROUP

FOR THE YEAR ENDED 31 DECEMBER 2003

	Note	2003 RM '000	2002 RM '000 <i>As restated</i>
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		106,675	126,730
Adjustments for:			
Interest income		(6,898)	(7,859)
Dividend income		(75)	(50)
Share of profit of associated company		(2,779)	(2,170)
Write-back for diminution in value of investment in associated company		-	(4,600)
Depreciation		23,618	27,754
Provision / (write-back) of doubtful debts		3,444	(2,173)
Gain on disposal of property, plant and equipment		(368)	(2,299)
Operating profit before working capital changes		123,617	135,333
Working capital changes:			
Receivables		5,119	(22,794)
Inventories		(15,304)	12,418
Payables		(14,432)	3,716
Cash generated from operations		99,000	128,673
Taxation paid		(26,371)	(46,197)
Net cash generated from operating activities		72,629	82,476
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest income		6,898	7,859
Dividend income - associated company		1,441	725
- others		75	50
Proceeds from disposal of property, plant and equipment		633	6,224
Purchase of property, plant and equipment		(8,541)	(20,906)
Net cash generated from / (used in) investing activities		506	(6,048)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from exercise of share options		2,872	5,453
Dividends paid		(103,859)	(103,604)
Net cash used in financing activities		(100,987)	(98,151)
NET DECREASE IN CASH AND CASH EQUIVALENTS		(27,852)	(21,723)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		266,948	288,671
CASH AND CASH EQUIVALENTS AT END OF YEAR	18	239,096	266,948

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

STATEMENT OF CASH FLOWS OF THE COMPANY

FOR THE YEAR ENDED 31 DECEMBER 2003

	Note	2003 RM '000	2002 RM '000 <i>As restated</i>
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		100,857	192,256
Adjustments for:			
Depreciation		18,243	22,503
Interest income		(6,566)	(7,360)
Dividend income		(60,916)	(109,675)
Write-back for diminution in value of investment in associated company		-	(4,600)
Gain on disposal of property, plant and equipment		(63)	(236)
Operating profit before working capital changes		51,555	92,888
Working capital changes:			
Receivables		(21,037)	(21,698)
Inventories		(306)	(346)
Payables		(5,408)	(31,621)
Cash generated from operations		24,804	39,223
Taxation paid		(11,290)	(24,706)
Net cash generated from operating activities		13,514	14,517
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest income		6,566	7,360
Dividend income - subsidiary company		59,400	78,408
- associated company		1,441	725
- others		75	50
Proceeds from disposal of property, plant and equipment		68	257
Transfer of property, plant and equipment to a subsidiary company		-	76
Purchase of property, plant and equipment		(6,538)	(17,243)
Net cash generated from investing activities		61,012	69,633
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from exercise of share options		2,872	5,453
Dividends paid		(103,859)	(103,604)
Net cash used in financing activities		(100,987)	(98,151)
NET DECREASE IN CASH AND CASH EQUIVALENTS		(26,461)	(14,001)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		252,946	266,947
CASH AND CASH EQUIVALENTS AT END OF YEAR	18	226,485	252,946

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

NOTES TO THE FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

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

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

The directors regard Carlsberg Asia Pte Ltd, a company incorporated in the Republic of Singapore, as the holding company. Following the termination as of 1 August 2003 of the joint venture between Carlsberg Breweries A/S and Chang Beverages Pte Ltd, Carlsberg Asia Pte Ltd remains a wholly owned subsidiary of Carlsberg Breweries A/S, a company incorporated in Denmark. Carlsberg Breweries A/S is now the ultimate holding company of Carlsberg Brewery Malaysia Berhad.

The numbers of employees in the Company and in the Group (including executive directors) at the end of financial year were 283 (2002: 292) and 623 (2002: 637) respectively.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 18 February 2004.

2. SIGNIFICANT ACCOUNTING POLICIES

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

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

In the preparation of the financial statements, the Company and the Group have adopted the following Approved Accounting Standards that became applicable during the year:

MASB Standard No.25, 'Income Taxes'
MASB Standard No.27, 'Borrowing Costs'
MASB Standard No 28, 'Discontinuing Operations'
MASB Standard No.29, 'Employee Benefits'

The accounting effects of adopting MASB 25 and MASB 29 are as disclosed in the Statements of Changes in Equity, as prior period adjustments, and further in Note 25 to the financial statements. The adoption of MASB 27 and MASB 28 have not given rise to any adjustments to the opening balances of retained earnings of the prior and current year or to changes in comparatives.

(b) Basis of Consolidation

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

NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(c) Property, Plant and Equipment, and Depreciation

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

Freehold land is not depreciated.

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

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

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

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

(d) Dividends

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

(e) Inventories

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

(f) Provision for Doubtful Debts

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

(g) Provisions for liabilities

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

(h) Foreign Currencies

Transactions in Foreign Currencies

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

NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(h) Foreign Currencies (cont'd)

Translation of Foreign Currency Financial Statements

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

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

	2003	2002
	RM	RM
Danish Kroner (DKK)	0.672	0.534
Euro (EUR)	3.926	3.039
United States Dollar (USD)	3.800	3.800
Singapore Dollar (SGD)	2.159	2.127
Sri Lanka Rupee (RS)	0.044	0.038

(i) Revenue recognition

(i) Sale of goods

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

(ii) Interest and rental income

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

(j) Employment Benefits

(i) Short term benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by the employees of the Group. Short term accumulated compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences, and short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

(ii) Defined contribution plans

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

(iii) Equity compensation benefits

The Carlsberg Brewery Malaysia Berhad Employees' Share Option Scheme ("the Scheme") allows the Group's employees to acquire shares of the Company. No compensation cost or obligation is recognised. When the options are exercised, equity is increased by the amount of the proceeds received. The Scheme expired on 25 October 2003.

(iv) Termination benefits

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

NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(j) Employment Benefits (cont'd)

(iv) Termination benefits (cont'd)

Prior to the adoption of MASB Standard No.29, 'Employee Benefits' on 1 January 2003, no liability was recognised for the obligations in respect of short-term employee benefits in the form of accumulating compensated absences. The change in accounting policies has been accounted for retrospectively and the effects of the changes are disclosed in Statements of Changes in Equity and Note 25.

(k) Income Tax

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

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

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

Prior to the adoption of MASB 25, 'Income Taxes' on 1 January 2003, deferred tax was provided for using the liability method in respect of significant timing differences and deferred tax assets were not recognised unless there was reasonable expectation of their realisation. This change in accounting policy has been accounted for retrospectively and the effects of this change are disclosed in the Statements of Changes in Equity and Note 25.

(l) Subsidiary Companies

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(l) Subsidiary Companies (cont'd)

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

(m) Associated Companies

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

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

(n) Long Term Investments

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

(o) Cash and Cash Equivalents

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

(p) Impairment of Assets

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(q) Financial Instruments

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

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

(i) Marketable Securities

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

(ii) Trade Receivables

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

(iii) Trade Payables

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

(iv) Equity Instruments

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

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

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

3. REVENUE

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

4. COST OF SALES

Cost of sales represents cost of inventories sold.

NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

5. PROFIT BEFORE TAXATION

	Note	GROUP		COMPANY	
		2003 RM '000	2002 RM '000	2003 RM '000	2002 RM '000
This is stated after charging /(crediting):					
Staff costs	6	32,966	30,079	18,416	17,375
Non-executive directors' remuneration	7	211	208	211	208
Auditors' remuneration					
- statutory audit		75	74	54	53
- other services		27	27	19	19
Depreciation of property, plant and equipment		23,618	27,754	18,243	22,503
Provision / (write-back) for doubtful debts		3,444	(2,173)	-	-
Rent of land and buildings		414	333	123	-
Staff retirement benefits					
- defined contribution plans		4,333	4,190	2,394	2,370
Write-back for diminution in value of investment in associated company		-	(4,600)	-	(4,600)
Dividend income from					
- subsidiary company (tax exempted)		-	-	(59,400)	-
- subsidiary company (taxable)		-	-	-	(108,900)
- associated company		-	-	(1,441)	(725)
- marketable security (quoted in Malaysia, tax exempted)		(75)	(50)	(75)	(50)
Rental income					
- subsidiary company		-	-	(780)	(780)
- third parties		-	(27)	-	-
Gain on disposal of property, plant and equipment		(368)	(2,299)	(63)	(236)

6. STAFF COSTS

Included in staff costs of the Company are executive directors' remuneration amounting to RM1,717,000 (2002 : RM1,485,000) as further disclosed in Note 7.

NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

7. DIRECTORS' REMUNERATION

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

	2003		2002	
	Executive directors	Non-executive directors	Executive directors	Non-executive directors
	RM '000	RM '000	RM '000	RM '000
Total remuneration:				
Fees	60	211	37	208
Gratuity	312	-	-	-
Retirement benefits				
- defined contribution plan	156	-	185	-
Benefits-in-kind	148	-	148	-
Other emoluments	1,041	-	1,115	-
	1,717	211	1,485	208

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

Range of Remuneration (RM)	Number of Directors			
	2003		2002	
	Executive directors	Non-executive directors	Executive directors	Non-executive directors
Less than 50,000	-	9	-	7
400,001 - 450,000	-	-	1	-
500,001 - 550,000	1	-	-	-
550,001 - 600,000	2	-	-	-
900,001 - 950,000	-	-	1	-
	3	9	2	7

NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

8. TAXATION

	Note	GROUP		COMPANY	
		2003 RM '000	2002 RM '000	2003 RM '000	2002 RM '000
			As restated		As restated
Tax expense for the year:					
Malaysian income tax		27,714	28,600	8,868	45,842
Deferred tax:					
Relating to origination and reversal of temporary differences	24	1,534	-	1,799	-
As previously reported		-	350	-	350
Prior year adjustments	25	-	6,349	-	4,623
As restated	24	-	6,699	-	4,973
		29,248	35,299	10,667	50,815
Malaysian income tax over provided in prior years		(3,728)	(3,971)	(759)	(1,192)
		25,520	31,328	9,908	49,623

Domestic income tax is calculated at the Malaysian statutory tax rate of 28% (2002: 28%) of the estimated assessable profit for the year.

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

	GROUP		COMPANY	
	2003 RM '000	2002 RM '000	2003 RM '000	2002 RM '000
		As restated		As restated
Profit before taxation	106,675	126,730	100,857	192,256
Taxation at Malaysian statutory rate of 28% (2002: 28%)	29,869	35,484	28,240	53,832
Income not subject to tax	(274)	(1,874)	(17,163)	(1,238)
Expenses not deductible for tax purposes	720	4,210	301	297
Expenses double deducted for tax purposes	(373)	(459)	(17)	(14)
Utilisation of current year's reinvestment allowances	(694)	(2,062)	(694)	(2,062)
Overprovision of income tax expense in prior years	(3,728)	(3,971)	(759)	(1,192)
Tax expense for the year	25,520	31,328	9,908	49,623

NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

9. DIVIDENDS

	GROUP/COMPANY			
	2003		2002	
	RM '000	Sen per share	RM '000	Sen per share
Interim dividend of 10 sen per share less tax (2002: 10 sen per share less tax)	11,003	7.2	10,980	7.2
Final dividends:				
Approved in 2003 in respect of 2002				
- final 15 sen per share less tax	16,494	10.8	-	-
- special 50 sen per share tax exempt	76,362	50.0	-	-
Approved in 2002 in respect of 2001				
- final 15 sen per share less tax	-	-	16,453	10.8
- special 50 sen per share less tax	-	-	76,171	50.0
	103,859	68.0	103,604	68.0

The following final dividends in respect of the year ended 31 December 2003 will be proposed for shareholders' approval at the forthcoming Annual General Meeting:

- a final dividend of 15 sen per share less tax, amounting to RM16,510,392;
- a special dividend of 25 sen per share less tax, amounting to RM27,517,320; and
- a special dividend of 25 sen per share, tax exempt, amounting to RM38,218,500.

The financial statements for the current financial year do not reflect these proposed dividends. Such dividends, if approved by the shareholders will be accounted for in shareholders' equity as appropriations of retained earnings in the financial year ending 31 December 2004.

10. EARNINGS PER ORDINARY SHARE

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

	GROUP		COMPANY	
	2003	2002	2003	2002
		As restated		As restated
Profit before taxation (RM '000)	106,675	126,730	100,857	192,256
Profit after taxation (RM '000)	81,155	95,402	90,949	142,633
Weighted average number of ordinary shares in issue ('000)	152,697	152,293	152,697	152,293
Basic earnings per share				
- pre tax (sen)	69.9	83.2	66.1	126.2
- post tax (sen)	53.1	62.6	59.6	93.7

Information on fully diluted earnings per share for the current year is not presented, as the outstanding options granted under the Employees' Share Option Scheme had lapsed after 25 October 2003, and there are no remaining potential ordinary shares.

NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

11. PROPERTY, PLANT AND EQUIPMENT

GROUP	Freehold	Long term	Short term	Plant and	Motor	Furniture,	Assets	Total	
	land and	leasehold	leasehold					machinery	vehicles
	buildings	land and	land and			equipment	progress	RM'000	RM'000
	RM'000	buildings	buildings	RM'000	RM'000	and others	RM'000	RM'000	RM'000
COST AND VALUATION									
At 1 January	19,345	62,543	467	302,330	21,169	41,273	-	447,127	435,747
Additions	308	226	-	1,514	867	1,840	3,786	8,541	20,906
Transfers	-	-	-	3,786	-	-	(3,786)	-	-
Disposals	-	-	-	(484)	(1,245)	(3,125)	-	(4,854)	(9,526)
At 31 December	19,653	62,769	467	307,146	20,791	39,988	-	450,814	447,127
ACCUMULATED DEPRECIATION									
At 1 January	312	15,198	77	187,692	9,717	33,313	-	246,309	224,156
Charge for the year	31	1,159	10	14,586	4,016	3,816	-	23,618	27,754
Disposals	-	-	-	(479)	(994)	(3,116)	-	(4,589)	(5,601)
At 31 December	343	16,357	87	201,799	12,739	34,013	-	265,338	246,309
NET BOOK VALUE									
At 31 December 2003	19,310	46,412	380	105,347	8,052	5,975	-	185,476	-
At 31 December 2002	19,033	47,345	390	114,638	11,452	7,960	-	-	200,818
DEPRECIATION CHARGE FOR 2002									
	92	1,136	9	18,535	3,766	4,216	-	-	27,754
ANALYSIS OF COST AND VALUATION									
At 31 December 2003									
Cost	19,653	44,447	467	307,146	20,791	39,988	-	432,492	-
Valuation - 1981	-	18,322	-	-	-	-	-	18,322	-
	19,653	62,769	467	307,146	20,791	39,988	-	450,814	-
At 31 December 2002									
Cost	19,345	44,221	467	302,330	21,169	41,273	-	-	428,805
Valuation - 1981	-	18,322	-	-	-	-	-	-	18,322
	19,345	62,543	467	302,330	21,169	41,273	-	-	447,127

Of the land and buildings of the Group, RM18,104,000 (2002: RM17,796,000) is in respect of the net book value of the freehold land, RM9,089,000 (2002: RM9,215,000) is in respect of the net book value of the long term leasehold land and RM137,000 (2002: RM141,000) is in respect of the net book value of short term leasehold land.

NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

11. PROPERTY, PLANT AND EQUIPMENT (cont'd)

COMPANY	Freehold land and buildings	Long term leasehold land and buildings	Plant and machinery	Motor vehicles	Furniture, office equipment and others	Assets in-progress	Total	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	2003 RM'000	2002 RM'000
COST AND VALUATION								
At 1 January	18,044	59,779	302,330	3,112	17,611	-	400,876	385,088
Additions	308	208	1,514	146	576	3,786	6,538	17,243
Transfers	-	-	3,786	-	(2)	(3,786)	(2)	(92)
Disposals	-	-	(484)	(111)	(1,613)	-	(2,208)	(1,363)
At 31 December	18,352	59,987	307,146	3,147	16,572	-	405,204	400,876
ACCUMULATED DEPRECIATION								
At 1 January	135	14,707	187,692	1,257	13,920	-	217,711	196,566
Charge for the year	12	1,109	14,586	607	1,929	-	18,243	22,503
Transfers	-	-	-	-	(2)	-	(2)	(16)
Disposals	-	-	(479)	(111)	(1,613)	-	(2,203)	(1,342)
At 31 December	147	15,816	201,799	1,753	14,234	-	233,749	217,711
NET BOOK VALUE								
At 31 December 2003	18,205	44,171	105,347	1,394	2,338	-	171,455	-
At 31 December 2002	17,909	45,072	114,638	1,855	3,691	-	-	183,165
DEPRECIATION CHARGE FOR 2002								
	12	1,084	18,535	603	2,269	-	-	22,503
ANALYSIS OF COST AND VALUATION								
At 31 December 2003								
Cost	18,352	41,665	307,146	3,147	16,572	-	386,882	-
Valuation - 1981	-	18,322	-	-	-	-	18,322	-
	18,352	59,987	307,146	3,147	16,572	-	405,204	-
At 31 December 2002								
Cost	18,044	41,457	302,330	3,112	17,611	-	-	382,554
Valuation - 1981	-	18,322	-	-	-	-	-	18,322
	18,044	59,779	302,330	3,112	17,611	-	-	400,876

Of the land and buildings of the Company, RM17,774,000 (2002: RM17,466,000) is in respect of the net book value of the freehold land, and RM8,520,000 (2002: RM8,638,000) is in respect of the net book value of the long term leasehold land.

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

NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

11. PROPERTY, PLANT AND EQUIPMENT (cont'd)

The aggregate net book value of property, plant and equipment, had all assets been stated based on their costs would have been RM180,989,000 (2002: RM196,235,000) in respect of the Group and RM166,968,000 (2002: RM178,582,000) in respect of the Company.

On adoption of MASB Standard No. 25 'Income Taxes' on 1 January 2003, the tax effects in respect of the surplus that arose upon revaluation of properties has been accounted for as disclosed in Note 2 (a), Note 22 (b), Note 24 and Note 25.

12. SUBSIDIARY COMPANIES

	COMPANY	
	2003 RM '000	2002 RM '000
Investment in subsidiary companies, at cost	1,909	1,909

The subsidiaries of the Company are:

Name	Principal activity	Country of incorporation	Percentage of equity	
			2003 %	2002 %
Carlsberg Marketing Sdn. Bhd.	Marketing and distribution of beer, stout, shandy and non-alcoholic beverages	Malaysia	100	100
Euro Distributors Sdn. Bhd.	Dormant	Malaysia	100	100

NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

13. ASSOCIATED COMPANY

	GROUP		COMPANY	
	2003 RM '000	2002 RM '000	2003 RM '000	2002 RM '000
Investment in associated company quoted outside Malaysia:				
Group's share of net assets at acquisition	10,807	10,807		
Premium on acquisition	133	133		
Cost of investment	10,940	10,940	10,940	10,940
Share of post-acquisition profits and reserves brought forward	4,686	3,241	-	-
Share of results for the year	2,779	2,170	-	-
Dividends received	(1,441)	(725)	-	-
Share of post-acquisition profits and reserves carried forward	6,024	4,686	-	-
Exchange difference on translation of net assets	(2,010)	(2,056)	-	-
	14,954	13,570	10,940	10,940
Represented by Group's share of :				
Net tangible assets	14,821	13,437		
Premium on acquisition	133	133		
	14,954	13,570		
Market value as at 31 December	23,852	32,976	23,852	32,976

Details of the associated company are:

Name	Principal activity	Country of incorporation	Percentage of equity	
			2003 %	2002 %
The Lion Brewery Ceylon Limited	Manufacturing, marketing and distribution of beer, stout, shandy and non-alcoholic beverages	Sri Lanka	24.6	24.6

In conjunction with the investment undertaken in The Lion Brewery Ceylon Limited, the directors entered into a call option with the principal licensor, Carlsberg A/S, a company incorporated in Denmark, allowing Carlsberg A/S to acquire the Company's interest in the associated company, should certain events occur. The purchase consideration is to be based on an agreed formula and in any event to be a minimum of the original purchase price paid by the Company. The directors of the Company consider the likelihood of occurrence of such events as remote.

NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

14. MARKETABLE SECURITIES

	GROUP/COMPANY	
	2003	2002
	RM '000	RM '000
Shares quoted in Malaysia, at cost	3,983	3,983
Provision for diminution in value	(2,250)	(2,250)
	1,733	1,733
Market value at 31 December	2,355	1,568

15. INVENTORIES

	GROUP		COMPANY	
	2003	2002	2003	2002
	RM '000	RM '000	RM '000	RM '000
Finished goods and work-in-progress	24,749	10,947	8,502	6,678
Raw, packaging and other materials	14,398	12,636	4,974	6,079
Spare parts for machinery	4,757	5,017	4,604	5,017
	43,904	28,600	18,080	17,774

Of the above, spare parts for machinery in respect of the Company and of the Group are stated at net realisable value. During the year, consumption of spare parts and machinery charged in the income statements of the Company and of the Group amounted to RM1.8 million (2002: RM2.2 million).

16. TRADE RECEIVABLES

	GROUP		COMPANY	
	2003	2002	2003	2002
	RM '000	RM '000	RM '000	RM '000
Trade debtors	125,560	130,632	-	-
Provision for doubtful debts - specific	(6,092)	(4,836)	-	-
	119,468	125,796	-	-

The Group's normal trade credit terms range from 45 to 60 days. Other credit terms are assessed and approved on a case-by-case basis.

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

NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

17. OTHER RECEIVABLES

	GROUP		COMPANY	
	2003 RM '000	2002 RM '000	2003 RM '000	2002 RM '000
Due from subsidiary company	-	-	46,234	23,395
Due from related companies	654	703	53	-
Other debtors and prepayments	15,389	17,575	7,953	9,808
	16,043	18,278	54,240	33,203

Included in other debtors and prepayments of the Company and of the Group is an amount of RM218,000 (2002: RM238,000) in respect of a housing loan granted to a director of the Company, in accordance with the Housing Loan Scheme applicable to executive staff.

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

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

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

18. BANK BALANCES AND DEPOSITS

	GROUP		COMPANY	
	2003 RM '000	2002 RM '000	2003 RM '000	2002 RM '000
Deposits with licensed banks and other financial institutions	222,818	252,556	222,291	252,556
Cash and bank balances	16,278	14,392	4,194	390
	239,096	266,948	226,485	252,946

The weighted average interest rates during the financial year and the average maturities of deposits as at 31 December 2003 are as follows:

	Weighted Average Interest Rates %		Average Maturities Days	
	Group	Company	Group	Company
Licensed banks	2.77%	2.75%	30	28
Other financial institutions	1.68%	1.68%	32	32

Other financial institutions refer to off shore banks.

NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

19. TRADE PAYABLES

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

20. OTHER PAYABLES

	GROUP		COMPANY	
	2003 RM '000	2002 RM '000	2003 RM '000	2002 RM '000
Due to ultimate holding company	3,884	-	3,877	-
Due to holding company	761	11,191	751	11,191
Due to related companies	793	5,569	69	3,805
Other creditors and accruals	37,813	41,158	19,268	14,033
	43,251	57,918	23,965	29,029

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

Other creditors and accruals for the Group mainly comprise accruals for trade offer incentives of approximately RM14,373,000 (2002: RM11,813,000) and other accrued expenses of RM21,729,000 (2002: RM27,645,000).

21. SHARE CAPITAL

	Number of ordinary shares of RM1 each		Amount	
	2003 '000	2002 '000	2003 RM '000	2002 RM '000
Authorised:				
Ordinary shares of RM1 each				
At 31 December	300,000	300,000	300,000	300,000
Issued and fully paid:				
Ordinary shares of RM1 each				
At 1 January	153,684	153,010	153,684	153,010
Exercise of share options	355	674	355	674
At 31 December	154,039	153,684	154,039	153,684

As at 31 December 2003, the number of outstanding shares in issue and fully paid is 152,874,000 ordinary shares of RM1.00 each.

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

Upon expiry of the Scheme on 25 October 2003, 1,039,000 ordinary shares of RM1.00 each had been issued at RM8.09 per share for cash, upon exercise of options granted pursuant to the Scheme.

NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

21. SHARE CAPITAL (cont'd)

The details of options exercised during the financial year are as follows:

Exercised Period	Exercised Price RM	Consideration Received RM '000	Number of options '000	Fair value of shares issued RM
Quarter ended 31.3.2003	8.09	1,011	125	10.00 to 11.00
Quarter ended 30.6.2003	8.09	696	86	10.70 to 11.30
Quarter ended 30.9.2003	8.09	744	92	10.80 to 11.10
1.10.2003 to 25.10.2003	8.09	421	52	10.60 to 10.70
		2,872	355	

Upon the expiry of the Scheme on 25 October 2003, outstanding options granted to subscribe for 226,000 ordinary shares of RM1.00 each in the Company, including those in respect of recipients who had resigned from employment without exercising their options, had lapsed.

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

22. RESERVES

	GROUP		COMPANY	
	2003 RM '000	2002 RM '000	2003 RM '000	2002 RM '000
		As restated		As restated
Retained earnings				
- Distributable	343,651	366,355	235,946	248,856
- Non-distributable	12,043	12,043	12,043	12,043
Total retained earnings	355,694	378,398	247,989	260,899
Share premium	7,367	4,850	7,367	4,850
Other reserves:				
General reserve	-	-	-	-
Capital reserve	8,678	8,678	4,747	4,747
Exchange reserve	(2,010)	(2,056)	-	-
Total reserves	369,729	389,870	260,103	270,496
Total Distributable Reserves	343,651	366,355	235,946	248,856
Total Non-distributable Reserves	26,078	23,515	24,157	21,640
TOTAL RESERVES	369,729	389,870	260,103	270,496

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

NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

22. RESERVES (cont'd)

As at 31 December 2003, the Company has tax exempt profits available for distribution of approximately RM41,526,000 (2002: RM54,493,000), subject to the agreement of the Inland Revenue Board.

The Company has sufficient tax credit under Section 108 of the Income Tax Act 1967 and the balance in the tax exempt income account to frank the payment of dividends out of its entire retained earnings as at 31 December 2003.

(a) General Reserve

The general reserve previously held comprised the amount set aside to account for the maximum potential deferred tax liabilities that may arise over and above the amount that had been provided for in the financial statements based on the accounting policies. With the change of accounting policy upon the adoption of MASB 25 (Note 25), the general reserve has been transferred to retained earnings, and the transfer has been presented retrospectively.

The movement of the above transaction is illustrated as follows:

	GROUP/COMPANY	
	2003	2002
	RM '000	RM '000
Balance at 1 January	-	5,766
General reserve transferred to retained earnings	-	(5,766)
Balance at 31 December	-	-

(b) Capital Reserve

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

The movements are as follows:

	Note	GROUP		COMPANY	
		2003	2002	2003	2002
		RM '000	RM '000	RM '000	RM '000
Balance at 1 January					
Revaluation reserve					
As previously reported		6,593	6,593	6,593	6,593
Effect of adopting MASB 25	25	(1,846)	-	(1,846)	-
		4,747	6,593	4,747	6,593
Capitalisation upon bonus issue by subsidiary		3,931	3,931	-	-
As restated / As previously reported		8,678	-	4,747	-
Effect of adopting MASB 25	25	-	10,524	-	6,593
As restated / Balance at 31 December		-	(1,846)	-	(1,846)
		8,678	8,678	4,747	4,747

NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

22. RESERVES (cont'd)

(c) Exchange Reserve

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

	GROUP		COMPANY	
	2003 RM '000	2002 RM '000	2003 RM '000	2002 RM '000
Balance at 1 January	(2,056)	(1,240)	-	-
Foreign exchange differences	46	(816)	-	-
Balance at 31 December	(2,010)	(2,056)	-	-

23. TREASURY SHARES

	GROUP/COMPANY	
	2003 RM '000	2002 RM '000
Balance at 1 January	12,043	12,043
Acquisition of treasury shares	-	-
Treasury shares sold/distributed	-	-
Balance at 31 December	12,043	12,043

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

During the financial year ended 31 December 1999, the Company repurchased 1,165,000 of its issued shares from the open market. The aggregate consideration paid for the repurchased shares was RM12,042,622, representing an average price of RM10.34 per share. The lowest and the highest prices paid for each share were RM9.75 and RM10.60 respectively. The repurchase transactions were financed by internally generated funds. The shares repurchased are being held as treasury shares in accordance with the provisions of Section 67A of the Companies Act, 1965. No further shares were repurchased during the financial year ended 31 December 2003, and none of the previously repurchased shares were reissued or distributed as share dividends.

NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

24. DEFERRED TAXATION

	Note	GROUP		COMPANY	
		2003	2002	2003	2002
		RM '000	RM '000	RM '000	RM '000
			As restated		As restated
Balance at 1 January		14,384	14,034	14,384	14,034
Prior year adjustments					
Recognised in the retained earnings	25	4,724	(1,625)	3,471	(1,152)
Recognised through equity	25	1,846	1,846	1,846	1,846
As restated		20,954	14,255	19,701	14,728
Recognised in the income statement during the year	8	1,534	-	1,799	-
As previously reported		-	350	-	350
Prior year adjustments	25	-	6,349	-	4,623
As restated	8	-	6,699	-	4,973
Balance at 31 December		22,488	20,954	21,500	19,701
Presented after appropriate offsetting as follows:					
Deferred tax assets		(676)	(1,451)	(480)	(1,255)
Deferred tax liabilities		23,164	22,405	21,980	20,956
		22,488	20,954	21,500	19,701

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

Deferred Tax Liabilities of the Group:

	Accelerated	Revaluation	Total
	Capital	of Freehold	
	Allowances	Land	
	RM '000	RM '000	RM '000
At 1 January 2003	21,173	1,232	22,405
Recognised in the income statement	787	(28)	759
At 31 December 2003	21,960	1,204	23,164

NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

24. DEFERRED TAXATION (cont'd)

Deferred Tax Assets of the Group:

	Employees Benefits RM '000	Other Accruals RM '000	Total RM '000
At 1 January 2003	(476)	(975)	(1,451)
Recognised in the income statement	(3)	778	775
At 31 December 2003	(479)	(197)	(676)

Deferred Tax Liabilities of the Company:

	Accelerated Capital Allowances RM '000	Revaluation of Freehold Land RM '000	Total RM '000
At 1 January 2003	19,724	1,232	20,956
Recognised in the income statement	1,052	(28)	1,024
At 31 December 2003	20,776	1,204	21,980

Deferred Tax Assets of the Company:

	Employees Benefits RM '000	Other Accruals RM '000	Total RM '000
At 1 January 2003	(280)	(975)	(1,255)
Recognised in the income statement	(3)	778	775
At 31 December 2003	(283)	(197)	(480)

25. CHANGES IN ACCOUNTING POLICIES AND PRIOR YEAR ADJUSTMENTS

(a) Changes in Accounting Policies

During the financial year, the Company and the Group applied two new MASB Standards, which became effective from 1 January 2003, and accordingly modified certain accounting policies. The changes in accounting policies which resulted in prior year adjustments are discussed below:

(i) MASB Standard No. 25, 'Income Taxes'

Under MASB 25, deferred tax liabilities are recognised for all taxable temporary differences. Previously, deferred tax liabilities were provided for on account of timing differences only to the extent that a tax liability was expected to materialise in the foreseeable future. In addition, the Company and the Group have commenced recognition of deferred tax assets for all deductible temporary differences, when it is probable that sufficient taxable profit will be available against which the deductible temporary differences can be utilised. Previously, deferred tax assets were not recognised unless there was reasonable expectation of their realisation.

NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

25. CHANGES IN ACCOUNTING POLICIES AND PRIOR YEAR ADJUSTMENTS (cont'd)

(ii) MASB Standard No. 29, 'Employee Benefits'

The adoption of MASB 29 resulted in the Company and the Group making provisions for obligations in respect of short term employee benefits in the form of accumulated compensated absences. These obligations were not provided for prior to the adoption of MASB 29.

(b) Prior Year Adjustments

The changes in accounting policies have been applied retrospectively and comparatives have been restated. The effects of changes in accounting policies are as follows:

	GROUP		COMPANY	
	2003 RM '000	2002 RM '000	2003 RM '000	2002 RM '000
Effects on retained profits				
At 1 January, as previously stated	379,056	380,809	259,604	215,852
Effects of adopting MASB 25	(4,724)	1,625	(3,471)	1,152
Effects of adopting MASB 29	(1,700)	(1,600)	(1,000)	(900)
At 1 January, as restated	372,632	380,834	255,133	216,104
Effects on capital reserve				
At 1 January, as previously stated	10,524	10,524	6,593	6,593
Effects of adopting MASB 25	(1,846)	(1,846)	(1,846)	(1,846)
At 1 January, as restated	8,678	8,678	4,747	4,747
Effects on net profit for the year:				
Net profit before changes in accounting policies				
- current year	81,138	-	90,932	-
- as previously reported	-	101,851	-	147,356
Effects of adopting MASB 25	28	(6,349)	28	(4,623)
Effects of adopting MASB 29	(11)	(100)	(11)	(100)
Net profit for the year	81,155	95,402	90,949	142,633

NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

25. CHANGES IN ACCOUNTING POLICIES AND PRIOR YEAR ADJUSTMENTS (cont'd)

Comparative amounts as at 31 December 2002 have been restated as follows:

	Previously		
	Stated RM '000	Adjustments RM '000	Restated RM '000
Group			
Other payables	56,218	1,700	57,918
Deferred tax liabilities	14,384	6,570	20,954
Capital reserve	10,524	(1,846)	8,678
Company			
Other payables	28,029	1,000	29,029
Deferred tax liabilities	14,384	5,317	19,701
Capital reserve	6,593	(1,846)	4,747

26. CAPITAL COMMITMENTS

	GROUP		COMPANY	
	2003 RM '000	2002 RM '000	2003 RM '000	2002 RM '000
Commitments in respect of expenditure contracted for:	7,243	4,969	7,243	4,633
Approved by the directors but not contracted for:	29,621	15,999	12,703	11,381

27. OPERATING LEASE COMMITMENTS

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

	GROUP		COMPANY	
	2003 RM '000	2002 RM '000	2003 RM '000	2002 RM '000
In respect of premises:				
Not later than 1 year	339	294	120	-
Within 1 to 5 years	89	247	40	-
	428	541	160	-

NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

28. SIGNIFICANT RELATED PARTY TRANSACTIONS

	GROUP		COMPANY	
	2003 RM '000	2002 RM '000	2003 RM '000	2002 RM '000
Transactions with:				
Ultimate holding company (as a significant shareholder corporation in 2002)				
Carlsberg Breweries A/S				
Purchases of materials and products	521	347	521	327
Reimbursement of expenses	4,866	3,561	1,069	-
Holding Company				
Carlsberg Asia Pte. Ltd.				
Royalties payable	12,649	12,548	7,100	7,048
Related companies				
Carlsberg Singapore Pte. Ltd.				
Sales	5,068	4,271	-	-
Advertising and promotion subsidy payable	1,254	867	-	-
Carlsberg Brewery (Guangdong) Ltd.				
Purchases	9,055	7,657	-	-
Danbrew Ltd. A/S				
Technical consultancy fee payable	66	606	66	606
Related parties (common directors)*				
Purchases from:				
UMW Toyota Motor Sdn. Bhd.	481	570	196	403
Kian Joo Packaging Sdn. Bhd**	18,578	20,288	18,578	20,288
Subsidiary company				
Carlsberg Marketing Sdn Bhd				
Sales	-	-	653,007	617,659
Transfer of property, plant and equipment at net book value	-	-	2	76
Management fee received	-	-	3,600	3,600
Rental income	-	-	780	780
Dividend income				
- final taxable dividend	-	-	-	108,900
- final tax exempted dividend	-	-	59,400	-

* With direct or indirect interest in either one or both companies

** Common directorship ceased from 16 May 2003 onwards

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

NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

29. SEGMENT INFORMATION

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

30. CONTINGENCIES: MATERIAL LITIGATION

The Company is involved in the following pending litigation matters:

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

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

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

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

31. FINANCIAL INSTRUMENTS

Financial Risk Management Objectives and Policies

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

(a) Foreign Exchange Risks

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

(b) Credit Risks

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

31. FINANCIAL INSTRUMENTS (cont'd)

Financial Risk Management Objectives and Policies (cont'd)

(c) Fair Values

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

	Note	GROUP		COMPANY	
		Carrying Amount	Fair Value	Carrying Amount	Fair Value
		RM '000	RM '000	RM '000	RM '000
Financial Assets					
Associated company	13	14,954	23,852	10,940	23,852
Marketable securities	14	1,733	2,355	1,733	2,355

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

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

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

(ii) Marketable Securities

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

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

32. COMPARATIVES

The presentation and classification of items in the current year financial statements have been consistent with the previous financial year except that certain comparative amounts have been adjusted as a result of changes in accounting policies as disclosed in Note 2(a) and Note 25.

Additionally;

- (i) interest income, which had previously been included within 'Other operating income' has been separately classified in the presentation of the Income Statements for the year, and accordingly, the related comparatives have been reclassified.
- (ii) the comparatives for 'other services' within 'remuneration paid to auditors' has been restated from RM10,000 to RM19,000 for the Company, and from RM10,000 to RM27,000 for the Group, upon specific billings received for amounts previously accrued.

PARTICULARS OF GROUP PROPERTIES

The Properties included in land and buildings at 31 December 2003 (note 11 to the Accounts) and their net book values are indicated below:-

Address	Description	Area	Date of acquisition or revaluation	Land Tenure	Approx.Age of Buildings (Years)	Net Book Value RM'000
55, Persiaran Selangor, Section 15, 40200 Shah Alam, Selangor Darul Ehsan	Brewery and Offices	20.00 acres	31/3/81 (revaluation)	Leasehold expiring 23.2.2070	33	34,505
25, Jalan Kilang Dua, Kawasan MIEL, Jelapang, 30100 Ipoh, Perak Darul Ridzuan	Office and Warehouse	0.33 acre	4/10/90 (acquisition)	Leasehold expiring 15.9.2072	26	369
10, Pinggiran Tunku, Bukit Tunku, 50480 Kuala Lumpur, Wilayah Persekutuan	Residential – Bungalow	0.64 acre	1/4/91 (acquisition)	Freehold	32	1,943
83, Jalan Seroja 39, Taman Johor Jaya, 81100 Johor Bahru, Johor Darul Takzim	Office and Warehouse	0.34 acre	20/5/91 (acquisition)	Freehold	11	733
Plot 42, off Lot 2817, Jalan Jelawat, Bandar Seberang Jaya, 13700 Prai, Butterworth	Office and Warehouse	0.75 acre	15/3/92 (acquisition)	Leasehold expiring 18.8.2073	11	1,635
Lot 6, No.34, Towering Industrial Estate, Mile 4½, Jalan Penampang, 88300 Kota Kinabalu, Sabah	Office and Warehouse	0.06 acre	28/3/95 (acquisition)	Leasehold expiring 31.12.2037	24	380
394, Taman AST, Jalan Labu, 70200 Seremban, Negeri Sembilan Darul Khusus	Office and Warehouse	0.04 acre	23/12/96 (acquisition)	Freehold	9	372
Lot 22, Jalan Pengapit 15/19, 40200 Shah Alam, Selangor Darul Ehsan	Factory and Office	1.81 acres	12/3/96 (acquisition)	Leasehold expiring 23.2.2082	13	9,684
25, Jalan IM 14/3, Kawasan Perindustrian Ringan Indera Mahkota, 25200 Kuantan, Pahang Darul Makmur	Office and Warehouse	0.05 acre	17/12/97 (acquisition)	Leasehold expiring 29.3.2097	6	219
No. EMR 3099, Lot No.9 & No. EMR 3100, Lot No.10, No. GM 76, Lot No.35 & No. GM 77, Lot No.36, In The Village of Batu Tiga / Mukim of Damansara, District of Petaling, Selangor Darul Ehsan	Land	6.41 acres	24/7/98 (acquisition)	Freehold	-	15,954
Lot 1071, Mukim Damansara, District of Petaling Selangor Darul Ehsan	Land	1.3 acres	18/9/2003	Freehold	-	308*
						66,102

* Initial downpayment for a total sum of RM2.9 million

CARLSBERG SALES OFFICES AND DEPOTS IN MALAYSIA

as at 31 December 2003



PENANG

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

BUTTERWORTH

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

IPOH

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

CENTRAL

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

SEREMBAN

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

MELAKA

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

BATU PAHAT

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

JOHOR BAHRU

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

KOTA BAHRU

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

MENTAKAB

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

KUANTAN

25, Jalan IM14/3,
Kawasan Perindustrian Ringan
Indera Mahkota,
25200 Kuantan,
Pahang Darul Makmur.
Tel: 09-508 8348/508 8349
Fax: 09-508 8343

KOTA KINABALU

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

TAWAU

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

SANDAKAN

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

KUCHING

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

ANALYSIS OF SHAREHOLDINGS

as at 29 February 2004

Size of Holdings	No. of Shareholders	% of Shareholders	No. of Shares	% of Shares
1 - 999	933	19.13	210,404	0.14
1,000 - 10,000	3,072	62.98	8,795,570	5.75
10,001 - 100,000	765	15.68	21,777,608	14.25
100,001 - 7,643,699*	106	2.17	37,315,918	24.41
7,643,700 and above**	2	0.04	84,774,500	55.45
Total	4,878	100.00	152,874,000	100.00

Class of Share : RM1.00 Ordinary Share

Voting Rights : 1 Vote Per Ordinary Share

* Less than 5% of issued shares

** 5% and above of issued shares

Thirty Largest Shareholders

Name	Number of Shares	% of Shares
1. UOBM Nominees (Asing) Sdn Bhd Carlsberg Asia Pte Ltd	75,917,500	49.66
2. Silvercord Capital (Singapore) Limited	8,857,000	5.79
3. Malaysia Nominees (Tempatan) Sendirian Berhad Great Eastern Life Assurance (Malaysia) Berhad (PAR 1)	4,542,660	2.97
4. Citicorp Nominees (Asing) Sdn Bhd CB LDN For First State Asia Pacific Fund	3,247,600	2.12
5. Malaysia Nominees (Tempatan) Sendirian Berhad Great Eastern Life Assurance (Malaysia) Berhad (PAR 2)	2,191,000	1.43
6. UOBM Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Wong Yoke Fong @ Wong Nyok Fing	1,100,000	0.72
7. Mak Tian Meng	1,071,040	0.70
8. Malaysia Nominees (Tempatan) Sendirian Berhad Great Eastern Life Assurance (Malaysia) Berhad (NON PAR 1)	1,001,940	0.66
9. HSBC Nominees (Asing) Sdn Bhd General Motors Employees Global Group Pension Trust	942,000	0.62
10. Citicorp Nominees (Asing) Sdn Bhd American International Assurance Company Limited (P CORE)	913,500	0.60
11. Citicorp Nominees (Tempatan) Sdn Bhd Prudential Assurance Malaysia Berhad (PAR FUND)	785,500	0.51
12. Mayban Nominees (Asing) Sdn Bhd DBS Bank For Mrs Theresa Foo Nee Cheng	774,750	0.51
13. Cartaban Nominees (Asing) Sdn Bhd Mellon Bank, N.A. For Commonwealth Of Massachusetts Pension Reserve Investment Trust	759,000	0.50

ANALYSIS OF SHAREHOLDINGS (CONTD.)

as at 29 February 2004

Name	Number of Shares	% of Shares
14. Tai Tak Estates Sdn Bhd	750,000	0.49
15. Asia Life (M) Berhad As Beneficial Owner (PF)	747,500	0.49
16. Cartaban Nominees (Asing) Sdn Bhd Mellon Bank, N.A. For Commonwealth Of Pennsylvania Public School Employees Retirement System	716,000	0.47
17. HSBC Nominees (Asing) Sdn Bhd HSBC BK PLC For Prudential Assurance Company Ltd	639,200	0.42
18. HSBC Nominees (Asing) Sdn Bhd BBH And Co. Boston For Vanguard Global Equity Fund	506,500	0.33
19. HDM Nominees (Asing) Sdn Bhd UOB Kay Hian Pte Ltd For Kwong Soon Engineering Co Pte Ltd	483,750	0.32
20. John Hancock Life Insurance (Malaysia) Berhad	470,000	0.31
21. UOBM Nominees (Asing) Sdn Bhd Chung Khiaw Bank Nominees (Pte) Ltd For Ko Choon Huat	455,000	0.30
22. Ho Sim Guan	450,000	0.29
23. Cartaban Nominees (Asing) Sdn Bhd Mellon Bank, N.A. for SBC Pension Benefit Plan	421,000	0.28
24. AMSEC Nominees (Asing) Sdn Bhd Fraser Securities Pte Ltd For The Asia Life Assurance Society Ltd	387,000	0.25
25. Cartaban Nominees (Asing) Sdn Bhd The Governor And Company Of The Bank Of Ireland For Marathon Global Equity Fund	356,400	0.23
26. AM Nominees (Tempatan) Sdn Bhd Pertubuhan Keselamatan Sosial	343,000	0.22
27. Cartaban Nominees (Asing) Sdn Bhd State Street London Fund VE9J For The Local Government Pensions Institution	341,000	0.22
28. HLG Nominee (Tempatan) Sdn Bhd HLG Asset Management Sdn Bhd For Pertubuhan Keselamatan Sosial	329,000	0.22
29. BHLB Trustee Berhad Pacific Income Fund	318,700	0.21
30. Citicorp Nominees (Tempatan) Sdn Bhd Prudential Assurance Malaysia Berhad (PRULINK EQTY FD)	314,000	0.20
Total	110,131,540	72.04

ANALYSIS OF SHAREHOLDINGS (CONTD.)

as at 29 February 2004

Substantial Shareholders

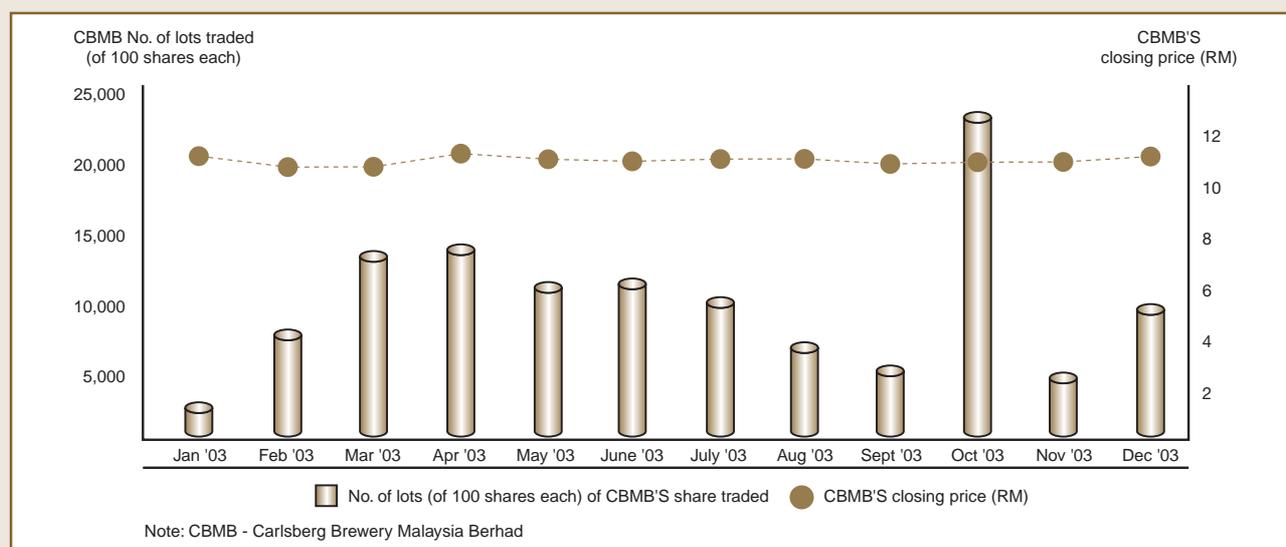
Name	Direct Interest	
	Number of Shares	% of Shares
1. Carlsberg Asia Pte Ltd UOBM Nominees (Asing) Sdn Bhd	75,917,500	49.66
2. Silvercord Capital (Singapore) Limited	8,857,000	5.79
Total	84,774,500	55.45

Share-Buy-Back

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

No further shares were repurchased during the year ended 31 December 2003. None of the repurchased shares were reissued, cancelled or distributed as share dividends during the period under review.

SHARE PERFORMANCE



MATERIAL CONTRACTS

The particulars of material contracts of the Group with its related parties, subsisting as at 31 December 2003 or entered into since the end of the previous financial year, are as follows:-

1. A call option agreement between Carlsberg Brewery Malaysia Berhad ("CBMB") and Carlsberg A/S ("CAS") dated 18 November 1996, allowing CAS to acquire CBMB's interest in The Lion Brewery Ceylon Limited, should certain events occur. The purchase consideration is to be based on an agreed formula and in any event, to be a minimum of the original purchase price paid by CBMB.

CAS is the holding company of Carlsberg Breweries A/S ("CBAS"), which in turn is the holding company of Carlsberg Asia Pte Ltd ("CAPL"). CAPL is the holding company of CBMB.

2. A letter from CBMB to CBAS dated 22 September 2000 agreeing to reimburse CBAS for sponsorship contributions.
3. An agreement between CBMB and CAPL dated 1 January 2002 for, inter-alia, the exclusive use of trade names and the supply of technical and commercial assistance by CAPL. The royalties payable by CBMB is based on an agreed formula.
4. An agreement between Carlsberg Marketing Sdn Bhd ("CMSB"), a wholly-owned subsidiary of CBMB, and CAPL dated 1 January 2002 for the appointment of CMSB as sole and exclusive distributor of products manufactured in CBMB's brewery. The royalties payable by CMSB is based on an agreed formula.
5. An agreement between CBMB, CAPL and Carlsberg Singapore Pte Ltd ("CSPL"), a wholly-owned subsidiary of CAPL, dated 2 January 2003 for the production and supply of products manufactured by CBMB to CSPL for sale and distribution in the Republic of Singapore.

There are no material contracts of the Group with the Directors of CBMB subsisting as at 31 December 2003 or entered into since the end of the previous financial year.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Thirty-Fourth Annual General Meeting of the Company will be held at Selangor 1 Ballroom, Sheraton Subang Hotel & Towers, Jalan SS12/1, 47500 Subang Jaya, Selangor Darul Ehsan, on Wednesday, 21 April 2004 at 11.00 a.m. for the following purposes:

AGENDA

Ordinary Business

1. To receive and adopt the Audited Accounts for the year ended 31 December 2003 together with the Directors' and Auditors' reports thereon. **Resolution 1**
2. To sanction the declaration of a Final Gross Dividend of 15 sen per share less Malaysian income tax and the Special Gross Dividend of 25 sen per share less Malaysian income tax and the Special Tax Exempt Dividend of 25 sen per share in respect of the year ended 31 December 2003. **Resolution 2**
3. To consider and if thought fit, pass the following resolution in accordance with Section 129(6) of the Companies Act, 1965: **Resolution 3**

"THAT, pursuant to Section 129(6) of the Companies Act, 1965, Mr Chan Hua Eng be re-appointed as a Director of the Company and to hold office until the next Annual General Meeting."
4. To consider and if thought fit, pass the following resolution in accordance with Section 129(6) of the Companies Act, 1965: **Resolution 4**

"THAT, pursuant to Section 129(6) of the Companies Act, 1965, Yang Berbahagia Jen (B) Tan Sri Dato' Mohd. Ghazali bin Dato' Mohd Seth be re-appointed as a Director of the Company and to hold office until the next Annual General Meeting."
5. To re-elect Yang Berbahagia Tan Sri Datuk Asmat Kamaludin who retires pursuant to Article 92(a) of the Company's Articles of Association. **Resolution 5**
6. To re-elect Mr Bjorn Sondenskov who retires pursuant to Article 92(a) of the Company's Articles of Association. **Resolution 6**
7. To re-elect Yang Berbahagia Dato' Lim Say Chong who retires pursuant to Article 92(e) of the Company's Articles of Association. **Resolution 7**
8. To re-elect Mr Jesper B. Madsen who retires pursuant to Article 92(e) of the Company's Articles of Association. **Resolution 8**
9. To approve Directors' fees of RM275,000 per annum. **Resolution 9**
10. To re-appoint Messrs Ernst & Young as Auditors of the Company and to authorise the Directors to fix their remuneration. **Resolution 10**

NOTICE OF ANNUAL GENERAL MEETING (CONTD.)

Special Business

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

11. **AUTHORITY TO ISSUE SHARES PURSUANT TO SECTION 132D OF THE COMPANIES ACT, 1965** **Resolution 11**

"**THAT** subject always to the Companies Act, 1965, the Articles of Association of the Company and the approvals of the relevant governmental/regulatory authorities, the Directors be and are hereby empowered, pursuant to Section 132D of the Companies Act, 1965, to issue shares in the Company from time to time and upon such terms and conditions and for such purposes as the Directors may deem fit provided that the aggregate number of shares issued pursuant to this Resolution in any one financial year does not exceed 10% of the issued capital of the Company for the time being;

AND THAT the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on the Malaysia Securities Exchange Berhad and THAT such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company."

12. **PROPOSED RENEWAL OF SHARE BUY BACK AUTHORITY** **Resolution 12**

"**THAT**, subject to compliance with Section 67A of the Companies Act 1965, the Requirements of the Malaysia Securities Exchange Berhad ("MSEB") and any prevailing laws, rules, regulations, orders, guidelines and requirements issued by any relevant authority, approval be and is hereby given to the Company to utilise not more than RM243.32 million being the combined total of the audited distributable retained earnings and share premium reserves of the Company as at 31 December 2003 which stood at RM235.95 million and RM7.37 million respectively, to purchase on the MSEB up to 14,238,900 ordinary shares of RM1.00 each of the Company ("shares") which together with the 1,165,000 shares already purchased earlier and retained as treasury shares, represents 10% of the enlarged issued and paid-up share capital of 154,039,000 shares **AND THAT** upon completion of the purchase by the Company of its own shares, the Directors of the Company be and are hereby authorised to:-

- a) cancel ALL or PART of the shares so purchased and/or to retain ALL or PART of the shares in treasury ("the treasury shares");
- b) distribute the treasury shares as dividends to the Company's shareholders for the time being and/or to resell the treasury shares on the MSEB; AND/OR
- c) cancel the shares so purchased or cancel the treasury shares and transfer the amount by which the Company's issued capital is diminished to the capital redemption reserve and subsequently apply the capital redemption reserve to pay up unissued shares of the Company to be issued to the Company's shareholders as fully paid bonus shares,

NOTICE OF ANNUAL GENERAL MEETING (CONTD.)

whereby an announcement regarding the intention of the Directors of the Company in relation to the proposed treatment of the shares purchased and rationale thereof has been made to the MSEB **AND THAT** such authority from the shareholders would be effective immediately upon passing of this Ordinary Resolution and the aforesaid authority from Shareholders will expire at the conclusion of the next Annual General Meeting ("AGM") unless the authority is renewed by ordinary resolution passed at the said AGM (either unconditionally or subject to condition), or upon the expiration of the period within which the next AGM is required by law to be held or if earlier revoked or varied by ordinary resolution of the shareholders of the Company in a general meeting whichever occurs first, but not so as to prejudice the completion of purchase(s) by the Company before the aforesaid expiry date and, in any event, in accordance with the provisions of the guidelines issued by the MSEB or any other relevant authority **AND THAT** authority be and is hereby given to the Directors of the Company to take all such steps as are necessary including the opening and maintaining of a central depositories account(s) under the Securities Industry (Central Depositories) Act, 1991, and entering into all other agreements, arrangements and guarantees with any party or parties to implement, finalise and give full effect to the aforesaid purchase with full powers to assent to any conditions, modifications, revaluations, variations and/or amendments (if any) as may be imposed by the relevant authorities from time to time and to do all such acts and things as the said Directors may deem fit and expedient in the best interest of the Company".

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

Resolution 13

"**THAT** approval be and is hereby given to the Company and its subsidiaries to enter into and give effect to specified recurrent transactions of a revenue or trading nature and with specified classes of the related parties as stated in Clause 3.3 of the Circular to Shareholders dated 29 March 2004 which are necessary for the Group's day to day operations subject to the following:-

- i) the transactions are in the ordinary course of business and are on terms not more favourable to the related parties than those generally available to the public where applicable and are not to the detriment of the minority shareholders;
- ii) disclosure is made in the annual report of the aggregate value of transactions conducted pursuant to the shareholders' mandate during the financial year and such approval shall continue to be in force until:
 - (a) the conclusion of the first Annual General Meeting ("AGM") of the Company following the forthcoming AGM at which such Proposed Shareholders' Mandate was passed, at which time it will lapse, unless by resolution passed at an AGM whereby the authority is renewed;
 - (b) the expiration of the period within which the next AGM of the Company subsequent to

NOTICE OF ANNUAL GENERAL MEETING (CONTD.)

the date it is required to be held pursuant to Section 143(1) of the Malaysian Companies Act, 1965 ("the Act") (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Act); or

(c) revoked or varied by resolution passed by the shareholders in a general meeting,

whichever is earlier; and

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

NOTICE OF DIVIDEND PAYMENT AND CLOSURE OF REGISTER

NOTICE IS HEREBY GIVEN THAT, subject to the approval of the shareholders at the Thirty-Fourth Annual General Meeting to be held on Wednesday, 21 April 2004, the Final Gross Dividend of 15 sen per share less Malaysian income tax and the Special Gross Dividend of 25 sen per share less Malaysian income tax and the Special Tax Exempt Dividend of 25 sen per share in respect of the year ended 31 December 2003 will be payable on 19 May 2004 to members appearing in the Register of Members and Record of Depositors at the close of business on 12 May 2004.

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

- (a) Shares deposited into the depositor's securities account before 12.30 p.m. on 10 May 2004 (in respect of shares which are exempted from mandatory deposit);
- (b) Shares transferred into the depositor's securities account before 4.00 p.m. on 12 May 2004 in respect of transfers;
- (c) 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
CHIN VOON LOONG

Shah Alam
29 March 2004

NOTICE OF ANNUAL GENERAL MEETING (CONTD.)

Notes:

1. A member entitled to attend and vote at the meeting may appoint ONE person as his proxy to attend and vote in his stead. A proxy need not be a member of the Company.
2. Where the Proxy Form is executed by a corporation, it must be either under its Seal or under the hand of an officer or attorney duly authorised.
3. The Proxy Form must be deposited at the Registered Office at No. 55 Persiaran Selangor, Section 15, 40200 Shah Alam, Selangor, not less than 48 hours before the time set for the meeting.
4. For purpose of determining who shall be entitled to attend this meeting, the Company shall be requesting the Malaysian Central Depository Sdn Bhd to make available to the Company pursuant to Article 50 (9b) of the Articles of Association of the Company and Section 7.18 (2) of the Malaysia Securities Exchange Berhad Listing Requirements, a Record of Depositors as at 15 April 2004 and a Depositor whose name appear on such Record of Depositors shall be entitled to attend this meeting.

EXPLANATORY NOTES ON SPECIAL BUSINESS

Ordinary Resolution 11 - Authority to issue shares pursuant to Section 132D of the Companies Act, 1965

This resolution is proposed pursuant to Section 132D of the Companies Act, 1965, and if passed, will give the Directors of the Company, from the date of the above Annual General Meeting, authority to issue and allot shares from the unissued share capital of the Company for such purposes as the Directors deem fit and in the interest of the Company. This authority, unless revoked or varied at a general meeting, will expire at the conclusion of the next Annual General Meeting of the Company.

Ordinary Resolution 12 - Proposed Renewal of Share Buy-Back Authority

The detailed text on Resolution 12 on the Proposed Renewal of Share Buy-Back Authority is included in the Circular to Shareholders dated 29 March 2004 which is enclosed together with the Annual Report.

Ordinary Resolution 13 - Proposed Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature

The detailed text on Resolution 13 on the Proposed Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature is included in the Circular to Shareholders dated 29 March 2004 which is enclosed together with the Annual Report.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

Pursuant to Paragraph 8.28(2) of the Malaysia Securities Exchange Berhad Listing Requirements.

Please refer to "Directors' Profile" on pages 5 to 7 of this Annual Report for details of Directors who are standing for re-appointment or re-election.

A total of four Board meetings were held in the year ended 31 December 2003:

Date	Time	Place
20 February 2003	3.45 p.m.	Carlsberg Brewery Malaysia Berhad, Shah Alam
21 May 2003	10.00 a.m.	Carlsberg Brewery Malaysia Berhad, Shah Alam
20 August 2003	10.30 a.m.	Carlsberg Brewery Malaysia Berhad, Shah Alam
17 November 2003	10.30 a.m.	Carlsberg Brewery Malaysia Berhad, Shah Alam

Details of Directors attendance at the Board Meetings held in the year ended 31 December 2003 are as follows:

Directors	No. of meetings attended
Dato' Jorgen Bornhoft	4/4
Chan Hua Eng	4/4
Jen (B) Tan Sri Dato' Mohd Ghazali bin Dato' Mohd Seth	4/4
Tan Sri Datuk Asmat bin Kamaludin	3/4
Dato' Lim Say Chong (appointed on 21.5.2003)	2/2
Jesper B. Madsen (appointed on 21.5.2003)	2/2
Bjorn Sondenskov (appointed on 1.4.2003)	3/3
Chin Voon Loong (appointed on 1.4.2003)	3/3
Y.A.M. Tunku Naquiyuddin ibni Tuanku Ja'afar (resigned on 16.5.2003)	1/1
Paul Assar Bergqvist (resigned on 19.5.2003)	1/1
Mogens Thomsen (resigned on 20.5.2003)	1/1

PROXY FORM



CARLSBERG BREWERY MALAYSIA BERHAD
(Company No. 9210-K)
(Incorporated in Malaysia)

No. of Shares Held	
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I/We, _____
of _____
being a member of the abovenamed Company, hereby appoint _____
of _____
or failing him _____
of _____

as my/our proxy to vote for me/us and on my/our behalf at the Thirty-Fourth Annual General Meeting of the Company to be held on Wednesday, 21 April 2004 at 11.00 a.m., and at any adjournment thereof. The proxy is to vote on the business before the meeting as indicated below (if no indication is given, the proxy will vote as he thinks fit or abstain from voting).

		FOR	AGAINST
Resolution 1	Adoption of the Directors' and Auditors' Reports and Audited Accounts for the year ended 31 December 2003.		
Resolution 2	Declaration of Final Dividend and Special Dividends.		
Resolution 3	Re-appointment of Mr Chan Hua Eng as Director.		
Resolution 4	Re-appointment of Yang Berbahagia Jen. (B) Tan Sri Dato' Mohd. Ghazali bin Dato' Mohd. Seth as Director.		
Resolution 5	Re-election of Yang Berbahagia Tan Sri Datuk Asmat Kamaludin as Director.		
Resolution 6	Re-election of Mr Bjorn Sondenskov as Director.		
Resolution 7	Re-election of Yang Berbahagia Dato' Lim Say Chong as Director.		
Resolution 8	Re-election of Mr Jesper B. Madsen as Director.		
Resolution 9	Approval of Directors' fees of RM 275,000 per annum.		
Resolution 10	Re-appointment of Ernst & Young as auditors and to authorise the Directors to fix their remuneration.		
Resolution 11	Authority for Directors to issue shares pursuant to Section 132D of the Companies Act, 1965.		
Resolution 12	Proposed renewal of Share Buy-Back authority.		
Resolution 13	Proposed shareholders' mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature		

As witness my/our hand the _____ day of _____ 2004.

Signed by the said _____

In the presence of _____

Notes:

1. A member entitled to attend and vote at the meeting may appoint ONE person as his proxy to attend and vote in his stead. A proxy need not be a member of the Company.
2. Where the Proxy Form is executed by a corporation, it must be either under its Seal or under the hand of an officer or attorney duly authorised.
3. The Proxy Form must be deposited at the Registered Office at No. 55 Persiaran Selangor, Section 15, 40200 Shah Alam, Selangor, not less than 48 hours before the time set for the meeting.
4. For purpose of determining who shall be entitled to attend this meeting, the Company shall be requesting the Malaysian Central Depository Sdn Bhd to make available to the Company pursuant to Article 50 (9b) of the Articles of Association of the Company and Section 7.18 (2) of the Malaysia Securities Exchange Berhad Listing Requirements, a Record of Depositors as at 15 April 2004 and a Depositor whose name appear on such Record of Depositors shall be entitled to attend this meeting.

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stamp
here*

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

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麻坡关圣宫龙狮团，十二次世界冠军。



黑皇

气势磅礴 独步天下

补益独到 真材实料

CARLSBERG BREWERY MALAYSIA BERHAD

(Company No. 9210-K)

No. 55, Persiaran Selangor,
Section 15, 40200 Shah Alam
Selangor Darul Ehsan, Malaysia

www.carlsberg.com.my

