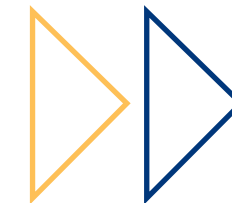




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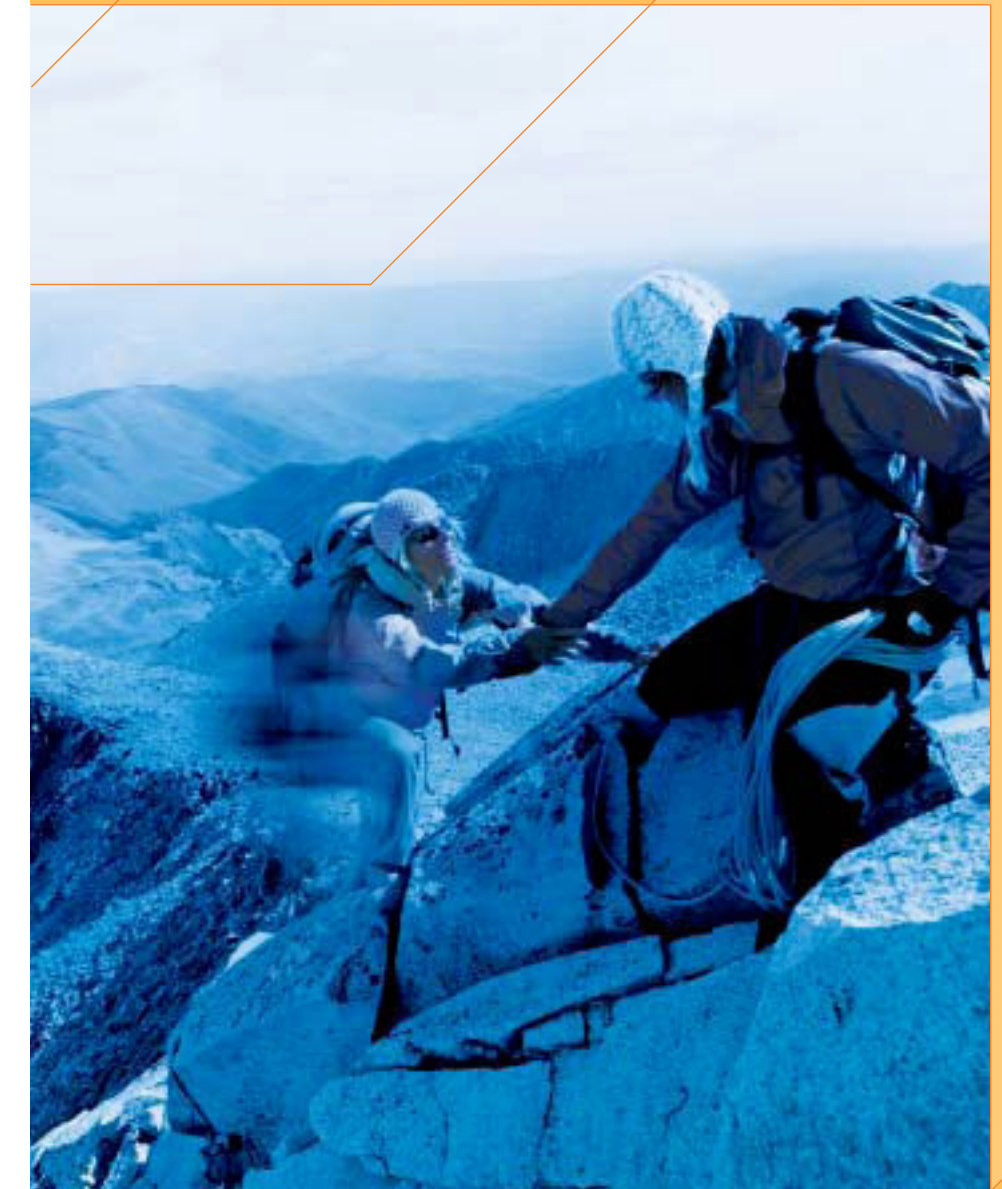


British American Tobacco (Malaysia) Berhad
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Annual Report
2007
Laporan Tahunan

challenges into opportunities



ABOUT THE COVER

A blueprint for where British American Tobacco Malaysia is going as a Company. It is the journey of a market leader that continues to weather the winds of market dynamics and emerges stronger each time. It is a story of timely execution, efficient processes and a formidable well-trained workforce, as the Company navigates towards accelerating its leadership position.

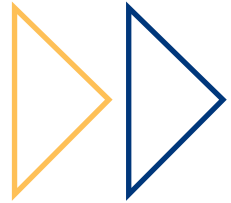
47th

Annual General Meeting (AGM) of
British American Tobacco (Malaysia) Berhad

will be held at Kristal Ballroom,
Hilton Petaling Jaya, No. 2, Jalan Barat,
46200 Petaling Jaya on Thursday, 17 April 2008
at 11.00 a.m.

AGM Helpdesk: Ms. Lee Kar Ling
Tel: +60 (3)7491 7313 Fax: +60 (3)7491 3772
Email: Lee_Kar_Ling@bat.com

Accelerate



**BRITISH AMERICAN
TOBACCO**
MALAYSIA

Annual Report
2007
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challenges into opportunities



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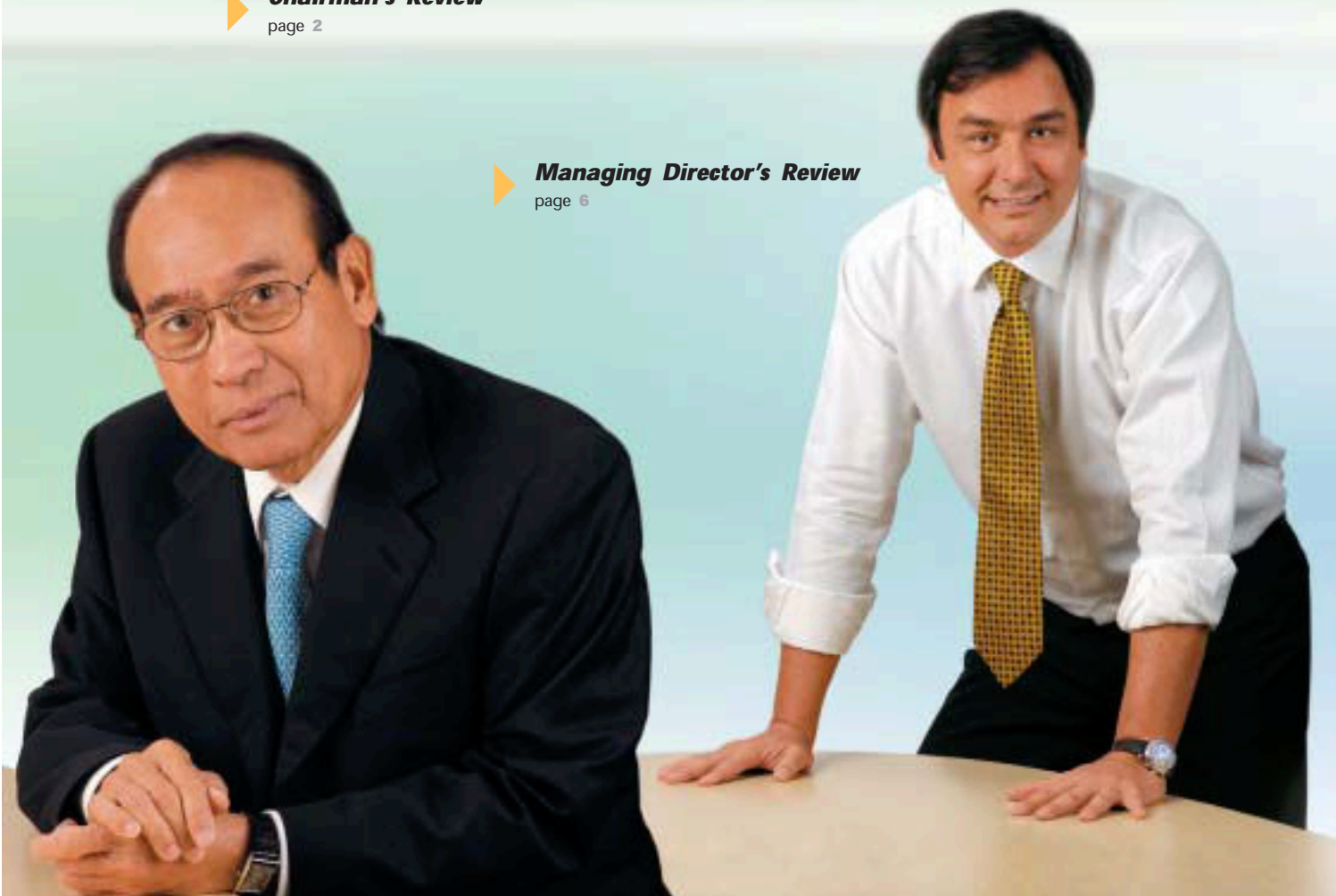
Email: Lee_Kar_Ling@bat.com

INSIDE

British American Tobacco Malaysia Group has once again delivered solid results. The Group's turnover amounted to RM3.8 billion for the year under review, up by 6% from the year before.

▶ **Chairman's Review**
page 2

▶ **Managing Director's Review**
page 6



Our Strategic
F o c u s



▶ **PERFORMANCE**

12 Finance Director's Review 18 Five Year Financial Highlights
19 Five Year Group Performance 20 Share Performance and Financial Calendar
21 Quarterly Performance 22 Corporate Profile
23 British American Tobacco Malaysia in the News 24 Awards and Achievements
26 2007 Corporate Events

▶ **LEADERSHIP**

30 Corporate Information 31 Corporate Structure
32 Profile of Directors 40 Profile of Top Team Members

▶ **GROWTH**

46 Global Drive Brands Accelerate Ahead 50 Trade Marketing and Distribution

▶ **PRODUCTIVITY**

54 Accelerating with Breakthrough 3 56 The Culture of Continuous Improvement

▶ **RESPONSIBILITY**

60 Corporate Social Responsibility 70 Standards of Business Conduct
71 Statement on Corporate Governance 89 Statement on Internal Control
91 Audit Committee Report 95 Report on Corporate Risk Management

▶ **WINNING ORGANISATION**

100 Strengthening Our Winning Organisation 103 A Truly Valuable Experience
104 A Great Place to Work

▶ **OTHER INFORMATION**

107 Analysis of Shareholdings 110 Particulars of Properties
111 Corporate Directory

▶ **112 Financial Statements 171 Laporan Tahunan 2007**

315 Notice of Annual General Meeting 318 Statement Accompanying the Notice of Annual General Meeting
320 Administrative Details for British American Tobacco Malaysia 47th Annual General Meeting • Proxy Form/Borang Proksi

We share British American Tobacco Group's vision to achieve leadership of the global tobacco industry through efforts focused on Growth, Productivity, Responsibility, supported by a Winning Organisation.

▶ KEY FINANCIAL INDICATORS

▶ HIGHLIGHTS OF THE YEAR

		Year ended 31.12.07	Year ended 31.12.06	Increase/ (Decrease) %
Revenue	(RM million)	3,831	3,612	6
Profit Before Taxation	(RM million)	1,003	1,002	0
Net Profit for the Financial Year	(RM million)	732	720	2
Shareholders' Funds (RM million)		346	552	(37)
Net Returns on Shareholders' Funds	(%)	211.6	130.4	62
Net Earnings Per Share	(sen)	256.3	252.0	2
Net Interim, Final and Special Dividend Per Share	(sen)	256.5	254.0	1

+6%

REVENUE

RM3,831 million
growth of RM219 million
vs prior year

+2%

PROFIT AFTER TAXATION

RM732 million
growth of RM12 million
vs prior year

+2%

NET EARNINGS PER SHARE

256.3 sen
growth of 4.3 sen
vs prior year

+1%

TOTAL DIVIDEND PER SHARE

256.5 sen
growth of 2.5 sen
vs prior year

- Continued high Global Drive Brands share growth momentum in 2007 from 2006
- Dunhill grew market share to 40.0%
- Pall Mall attained leadership of value for money (VFM) segment
- Trade Marketing and Distribution over delivered on business case and timings
- Significant productivity savings
- Successful bond refinancing amidst global financial turmoil
- Maintained profit before tax for 2007 vs 2006



CHAIRMAN'S REVIEW

"Net profit for the financial year amounted to RM732 million, an increase of 2% from 2006."

CHAIRMAN

Tan Sri Abu Talib bin Othman



DEAR VALUED SHAREHOLDERS

On behalf of the Board of Directors, I am pleased to present the Annual Report for the financial year ended 31 December 2007.

FINANCIAL RESULTS

The Group turnover increased by 6% to RM3.8 billion as compared to the last financial year due to better sales mix despite heavy discounting activities experienced in the second quarter and higher pricing caused by higher taxes which was offset by lower sales volume from the domestic market.

The Group registered a net profit of RM732 million, an increase of 2% from 2006. This improvement in performance is attributed to improved sales mix, continued healthy payoffs from productivity initiatives and the absence of one off staff restructuring cost.

DIVIDEND

For the year under review, the Board of Directors recommended a final net dividend of 74.00 sen per share. Taken together with an interim net dividend of 109.50 sen per share paid on 30 August 2007, and a second interim net dividend of 73.00 sen per share paid on 30 November 2007, total net dividend for the 2007 financial year amounts to 256.50 sen per share, an increase of 1% over the previous year.



EXTERNAL LANDSCAPE IN 2007

The Group's focus remains centred on maintaining its performance as market leader and delivering long term shareholder value. In 2007, despite the decline of 4% in the volumes of legal cigarettes from the previous year, the Group achieved growth in both revenue and net profit.

The decline in industry volumes was due to the surprise 25% excise increase in July which resulted in significantly higher prices of legal cigarettes. As expected, consumers downtraded to cheaper alternatives in the form of illegal cigarettes, which reached an all time high of 25%, a serious increase from 14% just three years ago.

Inflationary pressures also made their impact felt through higher prices of everyday goods and services. Again, consumers who wished to continue to smoke downtraded to cheaper alternatives, such as illegal cigarettes.

The decline in legal cigarette volumes led to a drop in the demand for local tobacco leaf thus directly impacting the livelihood and sustainability of local tobacco farmers. This will further intensify when the ASEAN Free Trade Agreement is implemented in 2010.

The Group has and will continue to work closely with the relevant authorities in addressing the challenges faced by the tobacco industry, particularly illicit cigarette trade.

OPERATING RESPONSIBLY

At British American Tobacco Malaysia, we conduct our business according to high standards of behaviour and integrity. We also firmly believe that corporate social responsibility (CSR) should be an integral part of the way our Company operates its business.

Within this framework therefore, the Group in 2007 continued its corporate governance and corporate social responsibility initiatives and programmes. These include strengthening internal controls, providing scholarships to deserving students, carrying out social welfare activities and sharing best practices with other public listed companies and multinationals in the country.

One of our CSR initiatives, the afforestation programme implemented in 2002 has garnered for the Group carbon neutrality and as of 2005, has gone beyond this to attain carbon positive status. We remain steadfast as a carbon positive business until 2015.

We are pleased to note that our CSR efforts have received external recognition through the ACCA Social Reporting Award and the Minority Shareholder Watchdog Group Corporate Governance Survey.

LOOKING AHEAD

As the financial year begins, the Group takes cognisance of the greater challenges in the tobacco industry. The process of tightening tobacco legislations is expected to intensify going forward. The increase in smuggling and a further significant hike in excise affecting the tobacco industry will continue to pose a challenge to the future of our business and our performance.

The Group remains vigilant in cost management. Efforts have and will continue to be taken in identifying and implementing cost saving measures.

With the cost of living expected to rise, pressured by potential toll increases, and rising inflation rates, we expect 2008 to be another challenging year for the industry. Nevertheless, with the strong foundation that we have created for the business, with our strong brand portfolio, particularly Dunhill and Pall Mall, as well as our other initiatives under our strategic focus of Growth, Productivity, Responsibility and Winning Organisation, I am confident that we can successfully meet the challenges ahead.

LEADERSHIP CHANGES IN 2007

Mr Jack Bowles took office as Managing Director, in May 2007 replacing Mr Bart Alkemade. I am confident that Mr Bowles' vast experience and knowledge of the tobacco industry will stand him in good stead to accelerate the Group's performance and shareholder value.

On behalf of the Group, I would like to welcome Mr Jack Bowles and thank Mr Alkemade for his contribution and wish him all the best in his future pursuits.

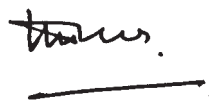
Mr Ricardo Oberlander, Marketing Director, and Ms Sigrid Erdmann, Human Resources Director, have taken on new roles within the British American Tobacco Group. I would also like to express the Group's gratitude for their contributions and wish them well in their new assignments.

I am pleased to welcome Mr Rashed Ahmed and Ms Anna Dolgikh, who have assumed the positions vacated by Mr Oberlander and Ms Erdmann respectively. I look forward to working closely with them.

OUR THANKS

The Group's commendable performance amidst a challenging environment in 2007 is attributable to the diligence and commitment shown by the Board of Directors, the management team and staff. To them, I extend the Group's gratitude for their dedication and contribution.

I would also like to take this opportunity to record my deepest appreciation to our valued customers, distributors, investors, business partners and shareholders for their continuous support and confidence in us.



CHAIRMAN

Tan Sri Abu Talib bin Othman



MANAGING DIRECTOR'S REVIEW

"We are committed to the principles of sustainable development – development that meets the needs of the present without compromising the ability of future generations to meet their own needs."

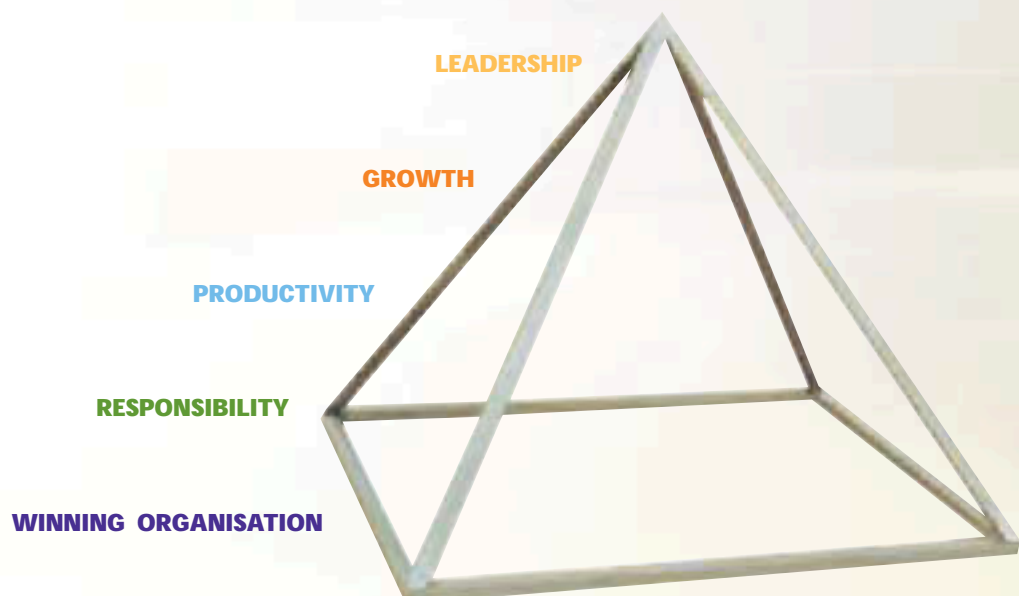
MANAGING DIRECTOR

Jack Bowles

LEADERSHIP

I am pleased to report that despite a challenging year where the industry experienced an ever changing external landscape, British American Tobacco Malaysia successfully solidified its leadership position in the Malaysian tobacco market and achieved solid results. This clearly demonstrates that the Company has the right strategy where the strategic imperatives are on generating Growth, enhancing Productivity and running our business Responsibly with a Winning Organisation.

This annual report tells the story of our eventful year in 2007 through these strategic imperatives.







GROWTH

In spite of adverse conditions where the industry experienced an unexpected 25% tax hike in July 2007, high level of illicit trade as well as the growth of exceptionally low priced cigarettes, British American Tobacco Malaysia Groups volumes declined less than overall industry volumes as successful brand building activities mitigated the impact from these challenges.

Both Dunhill and Pall Mall posted market share gains in comparison to 2006.

For Dunhill, it was a special year as it celebrated its 100th global anniversary in 2007. The celebrations in Malaysia began with the launch of Dunhill Fine Cut in January and culminated with the new Premium Plus edition called the Dunhill Platinum Selection. We also grew Premium Lights and Menthol in terms of both volume and share for the first time since 2003.

As of 31 December 2007, Dunhill solidified its position as the brand leader of the Malaysian tobacco industry with approximately 40% share of the total cigarette market and approximately 60% share of the premium segment, which is an all time high. We are proud of the achievements of this global drive brand and will continue to invest our resources in fortifying its brand equity and its No.1 position in the country.

As for Pall Mall, it had a bedrock year in 2007. This key drive brand attained leadership of the value for money segment for the first time in the fourth quarter since its relaunch into the Malaysian cigarette market in 2002. Pall Mall's success is attributed to extending its leadership in the menthol category, achieving leadership through the convenience store channel and maintaining leadership in the hotel, restaurant and café channel.

From the Trade Marketing and Distribution (TMDX) perspective, 2007 saw further developments in our drive to achieve and maintain benchmark business partnerships with the retail trade in all strategic channels where we do business. The successful implementation of SWIFT, a distribution management and trade marketing execution system, and a warehouse management system have led to enhanced performance and increased controls. By revolutionising our trade marketing and distribution model coupled with speedy implementation of best practices, we have harnessed greater levels of efficiency in our route-to-market approach.

PRODUCTIVITY

British American Tobacco Malaysia Group's blueprint to improve productivity throughout the end-to-end supply chain, by achieving leadership in Quality, Delivery and Cost Effectiveness, has moved into the third phase of its journey also known as Breakthrough 3.

Throughout the year, the Operations team has successfully implemented various initiatives and innovative improvements to ensure a lean, agile and sustainable supply chain that bodes well for the Group's future. Manufacturing cost per mille was reduced by 10% compared to 5% in 2006, while export volumes increased by a significant 41%.

I am also pleased to report that the Continuous Improvement campaign codenamed 'Kai-Zen' meaning 'evolution for progress', which was launched in 2006, has delivered results beyond our expectations. The campaign has boosted productivity considerably and created a healthy and competitive manufacturing environment.

On the technology front, the SAP Distribution Resource Planning system to enable and automate the Vendor Managed Inventory (VMI) planning process went live successfully in 2007. Earlier in the year, the Company successfully migrated its SAP system to the Group's global template that will offer the Company common platforms and data standardisation and thus reducing complexity of managing systems and costs over the long run.

RESPONSIBILITY

We believe that because our products pose risks to health, it is all the more important that our business is managed responsibly. We are committed to the principles of sustainable development – development that meets the needs of the present without compromising the ability of future generations to meet their own needs.

We do not claim to know all the answers or to get everything right every time but we work hard to do business in ways that balance the economic, social and environmental dimensions of sustainable development.

I would like to take this opportunity to report that we have decided in 2007 to conduct social reporting once every two years instead of the previous annual basis in order to provide for more in-depth reports on British American Tobacco Malaysia's corporate responsibility initiatives in the future. Hence, our stakeholders can expect to receive our next social report in 2008. This will also enable us to focus our resources on more initiatives as a socially responsible and sustainable-minded corporate citizen.

At British American Tobacco Malaysia, it is our belief that being a socially responsible corporate citizen is not complete unless our employees are also part of the process. With that in mind, we embarked on a pilot initiative called the Employee Volunteer Programme to provide a platform for our staff to volunteer their time and effort in contribution towards those less fortunate. Our staff's participation was very encouraging and we plan to continue with this programme in 2008 to further contribute to the less privileged.

Further on in this report, you would be able to view our continuous efforts in providing financial assistance to talented Malaysian students in their higher education pursuits. The year 2007 has seen us reach another milestone in offering scholarships with no strings attached to deserving individuals through the British American Tobacco Malaysia Foundation. Last year, we extended the scholarships to employees' children and in 2007, for the first time in our history, we have extended the scholarships to the children of our business partners, the retailers and tobacco farming community.

In the area of Environment, Health and Safety, I am pleased to report that in our journey to sustain a culture of zero accident and zero environmental incident amongst employees and external contractors, we have been awarded this year with zero Lost Workday Case by our parent Company, British American Tobacco p.l.c.

British American Tobacco Malaysia was also the only Malaysian public listed company to be selected for the Dow Jones Sustainability Indexes: included for 2007 for the sixth successive year.

WINNING ORGANISATION

The key to a sustainable business lies within its people. Thus, it is heartening to report that the 2006 Your Voice employee survey received a 98% response rate with improvements in employee opinions in all categories.

Throughout the year, British American Tobacco Malaysia continued to engage employees through internal communications channels such as the Biz Update briefing sessions, functional meetings, employee portal and newsletters, to provide a clear line of sight on the Company's directions and achievements to management and non-management employees alike.

Also in 2007, recruiting and developing talented managers at all levels remained central to the continuing success of British American Tobacco Malaysia. We conducted

recruitment programmes such as the Shape our World competition involving academic centres of excellence in Malaysia and also development opportunities by placing staff on secondment in other British American Tobacco companies with around 15 managers working abroad at any one time.

This was also the year that saw us embark on 'The Leadership Experience' journey, designed to enable employees to more clearly visualise their individual contributions in relation to corporate needs in the short, medium and long term. This experience is delivered via the active involvement and participation of employees at all levels including the Top Team. In 2007 we also implemented the SAP Human Resource system to better manage our information on all employees and to further develop British American Tobacco Malaysia's talent pool.

CONCLUSION

2007 was a year of multifaceted challenges. It was a year in which almost one in four cigarettes sold in the country was from illegal sources. It was also a year of growth for exceptionally low priced cigarettes and the year of a huge excise increase that took the industry by surprise.

Large tax-led price increases have encouraged consumers to downtrade to illegal cigarettes exacerbating the already very high level of illicit trade. This has significantly affected the legitimate tobacco industry, impacting the Government's excise revenue and undermined its health agenda. In light of this, the Company has continued to advocate moderate and gradual tax increases for tobacco products as a means to curb such growth in illicit trade.

From British American Tobacco Malaysia's perspective, it was also a year of successes and opportunities. Our strategy is firmly in place and our key global drive brands are stronger than ever before. Our people continue to be high performance contributors with many opportunities to develop their leadership capabilities.

Though we still see challenges aplenty on the 2008 horizon, British American Tobacco Malaysia will continue to accelerate its business by turning challenges into opportunities guided by its strategic imperatives on generating Growth, enhancing Productivity, running our business Responsibly and building a Winning Organisation.



MANAGING DIRECTOR

Jack Bowles

Driven Performance

Taking it to the top

We are intrinsically linked to success through performance. In setting the pace for the future, we seek to manage and maximise the potential of our resources as the barometer indicating where we are heading as a Company. We refine our effectiveness through constant evaluation and improvements that strengthen our Growth, Productivity, Responsibility and Winning Organisation.





"2007 saw another year of solid performance for British American Tobacco Malaysia. The Group enters 2008 in a stronger position to leverage on our great brands and enhance our leadership position in the Malaysian tobacco industry."

FINANCE DIRECTOR

James Clark

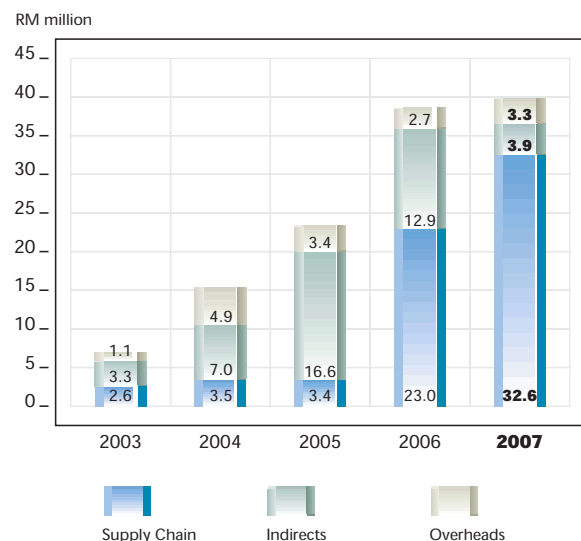
2007 saw another year of solid performance for British American Tobacco Malaysia, with profits higher by 2% as compared to 2006 despite the challenges and tough environment faced by the Group. The first half of 2007 saw the Big 3 cigarette players embroiled in intensified activities against a background of illicit trade and exceptionally low priced cigarettes (ELPC) growing to unprecedented levels. These were then followed by the unexpected significant excise increase in July 2007 which further dampened legal industry cigarette sales, exacerbated the downtrading trend which has been observed in recent years, and fueled further the growth in both the ELPC segment and illicit trade. The total industry volumes amongst the Big 3 cigarette manufacturers contracted by 4%.

Amidst all these challenges, the Group successfully grew its market share among these players for the second consecutive year since 1999, driven primarily by the strength and impressive performance of our Global Drive Brands. The positive performance in the Global Drive Brands is attributed to a focussed and intensified portfolio strategy, as well as strong brand equity developed over the years for Dunhill and Pall Mall. Despite the downtrading pressure exerted by the tax-led price increases, Dunhill once again showed tremendous strength and grew market share once again, as did Pall Mall which attained leadership of the value-for-money segment in the last quarter of 2007 only five years after its relaunch.

With a strong commitment to maximising long term shareholder value, the Group continues to focus on enhancing the value of our brands through continuous

support of brand building activities and leveraging on our strong trade marketing and distribution capabilities via further expansion of Direct Store Sales operations to Penang and Johor Bahru in 2007. The Group's productivity programmes, i.e. the 'Breakthrough' and 'Smart Cost Management' programmes continue to generate substantial savings as well as strengthening the Group's competitive advantage. Our Growth and Productivity initiatives together with our Responsibility and Winning Organisation strategies have enabled the Group to sustain its market leadership and put the Group in a stronger position to face new challenges in an increasingly dynamic environment.

Productivity Savings 2003 to 2007





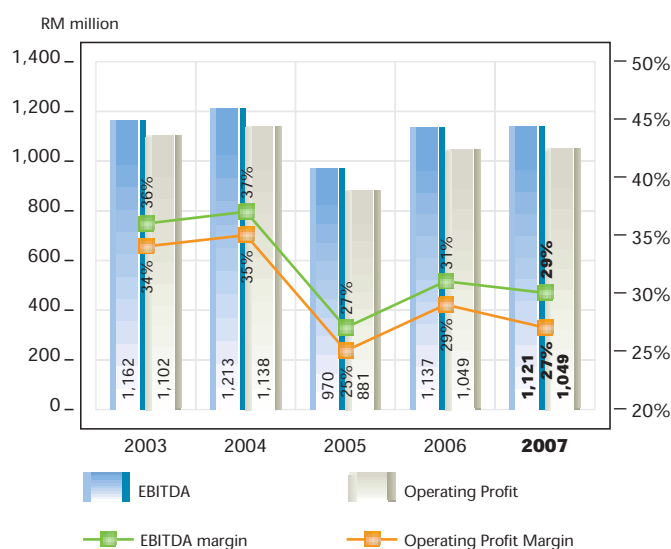
NET PROFIT UP BY 2% IN 2007

CONSOLIDATED INCOME STATEMENT

	12 months 2007 RM million	12 months 2006 RM million	Increase/ (Decrease) %
Revenue	3,831	3,612	6
Cost of sales	(2,263)	(2,082)	9
Gross profit	1,568	1,530	2
Other operating income	11	9	22
Operating expenses	(530)	(490)	8
Profit from operations	1,049	1,049	0
Finance cost	(46)	(47)	(2)
Profit from ordinary activities before taxation	1,003	1,002	0
Taxation	(271)	(282)	(4)
Net profit for the financial year	732	720	2
Net earnings per share – basic and diluted (sen)	256.3	252.0	2
Net interim, final and special dividend per share (sen)	256.5	254.0	1
Operating profit margin	27%	29%	(2%)
Profit before tax/Revenue	26%	28%	(2%)
Profit after tax/Revenue	19%	20%	(1%)

The Group charted yet another year of improved performance since 2005, with revenue registering a 6% increase over 2006 as a result of higher export volumes and the excise-led price increase in July 2007, partly offset by lower domestic volumes. Higher marketing investments as a result of the intensified competitor discounting activities in the second quarter of the year and write-off of some obsolete machinery in 2007 increased our operational costs for the financial year but these were offset by productivity gains and the absence of the one-off restructuring cost incurred in 2006, resulting in profit from operations remaining flat as compared to 2006. The lower taxation was in line with the lower corporate tax rate in 2007 and the effective tax rate was at the statutory tax rate of 27%. With the improved performance, earnings per share increased slightly by 2% to 256.3 sen per share in 2007.

Profits 2007



CASH FROM OPERATIONS UP BY 3% IN 2007

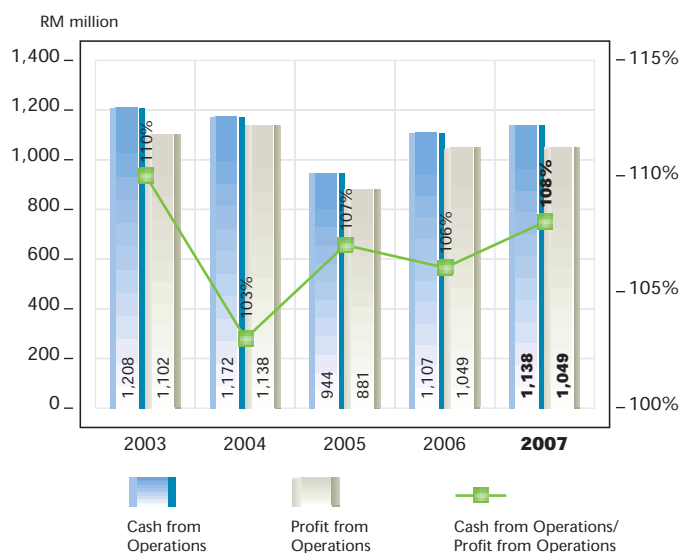
CONSOLIDATED CASH FLOW STATEMENT

	12 months 2007 RM million	12 months 2006 RM million	Favourable/ (Adverse) %
Profit from operations	1,049	1,049	0
Adjustments for:			
Interest income	(10)	(8)	25
Property, plant and equipment:			
– Depreciation and amortisation	81	78	(4)
– Loss on disposal	1	1	0
– Writeback of impairment	—	(4)	(100)
– Written off	13	—	(100)
Allowance for doubtful debts	5	1	(400)
Inventories written off	—	1	100
Changes in working capital	(1)	(11)	91
Cash from operations	1,138	1,107	3
Income taxes paid	(301)	(272)	(11)
Net capital expenditure	(29)	(56)	48
Net proceeds from borrowings	50	—	100
Net finance costs	(37)	(40)	8
Dividends paid	(938)	(786)	(19)
Decrease in cash and cash equivalents	(117)	(47)	(149)

Cash generated from operations improved to 108% of profit from operations, from 106% achieved in 2006. The Group has consistently delivered exceptional cashflow generation over the years and the increase in cash generated from operations in 2007 was a result of continuous improvement of processes in working capital, effective management of leaf stocks in particular, and tight control over capital expenditure.

The lower net expenditure was mainly attributed to the proceeds received from the disposal of the Sungai Besi property. The first tranche of the sale was completed in 2007 and the final tranche is expected to be completed in 2008.

Cashflow Management

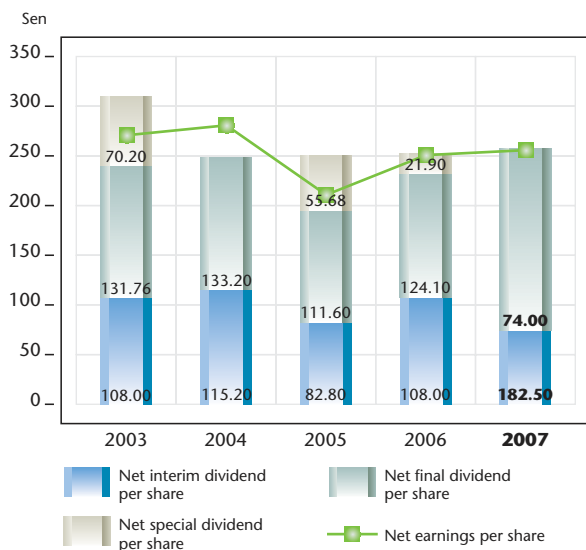




The RM450 million 7-year Medium Term Note (MTN) which matured on 2 November 2007 was partly refinanced through a RM400 million 5-year MTN. The company also raised Commercial Papers (CPs) worth RM100 million, half of which was for the repayment of the 2007 7-year MTN which matured in November 2007, and the balance for working capital purposes.

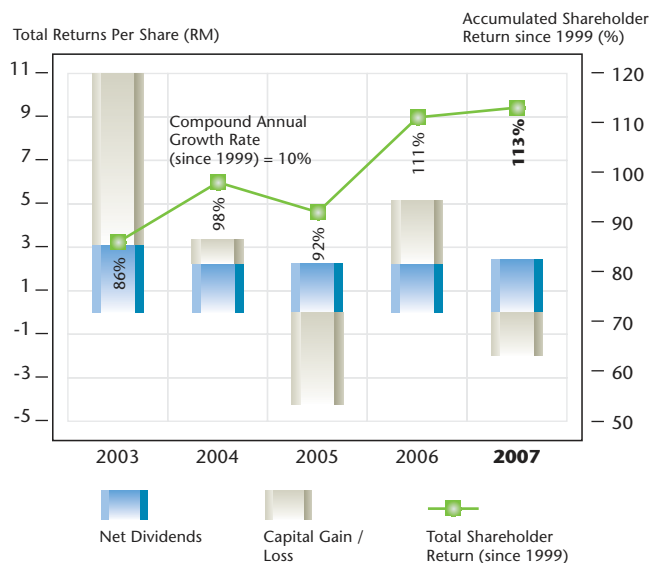
TOTAL DIVIDEND PAYOUT INCREASED AGAIN

Earnings & Dividends Per Share



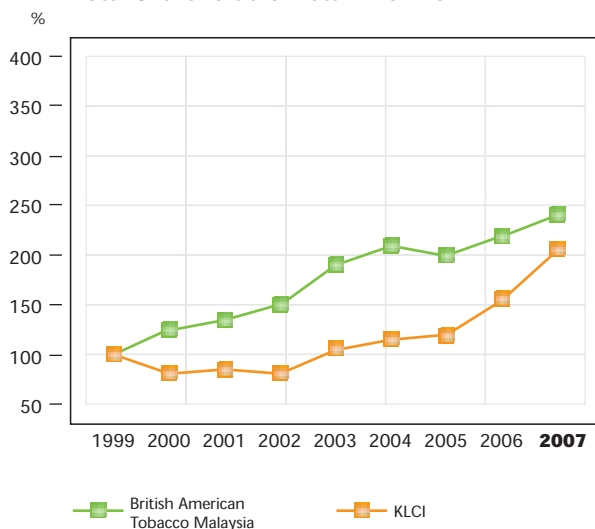
OVERALL GROWTH IN RETURN TO SHAREHOLDERS

Total Shareholders' Return



In line with our dividend policy to distribute dividends to shareholders from cash in excess of our operating requirements, we continued to pay highly attractive dividends. In an effort to further enhance shareholder value, we accelerated a portion of the 2007 final dividend in the form of a second interim dividend that was paid in November 2007. Subject to the shareholders' approval at the forthcoming Annual General Meeting, the directors are pleased to recommend a final net dividend of 74.00 sen per share. This, together with the two interim dividends, will result in total net dividends for 2007 of 256.50 sen per share, a 1% increase over 2006's net dividend payment. The dividend payout in 2007 represents 100% of 2007 profit after tax.

The total return to shareholders, as measured by the increase in share price during the financial year and the total net dividends declared and proposed for the year, was RM0.57 per share. Despite the decrease in the Group's share price as a result of the excise shock in July 2007, net dividends for the year increased again as compared to the prior year, reiterating our commitment to rewarding shareholders through dividends. The compound annual growth rate per annum over the past eight years since the merger was 10% and the Group continued to show solid total shareholder returns since the merger. Once again, the Group's shareholder return since the merger in 1999 has outperformed the KLCI, evidence of the Group's ability to maintain profitability and market leadership, and its commitment to delivering superior shareholder value to shareholders.

**British American Tobacco Malaysia
Total Shareholders' Return vs KLCI**

TREASURY OPERATIONS AND EFFICIENT CAPITAL STRUCTURE

The Treasury function is primarily responsible for managing financial risks through proactive management of cash flow, interest rates and currency exposures. The Group's ability to accelerate the first interim dividend by a month, and introduce the payment of a second interim dividend in November 2007 not only affirmed our commitment to enhancing value for shareholders, but also demonstrates clearly the business's outstanding cash generation capacity.

The highlight of the year on the capital structure front was the part refinancing of the RM450 million 7-year MTN which matured in November 2007 through an issuance of a RM400 million 5-year MTN that will come to maturity in September 2012. The much lower rate of borrowings of 4.05% translates to more than RM15 million annualised savings in financing costs. RM100 million short term commercial papers were raised to refinance the balance of the RM50 million 7-year MTN as well as for working capital requirements.

Additionally, the Group's AAA rating for the existing bonds and short and long term ratings of P1 and AAA respectively, for the CPs/MTNs were reaffirmed in August 2007 in view of its solid and consistent corporate performance backed by excellent cash generation and management.

CONTINUED FOCUS ON MAXIMISING LONG TERM SHAREHOLDER VALUE

The industry landscape continues to be challenging with the rapid growth of exceptionally low price cigarettes and illicit trade being two critical issues. However, with the steps and strategic imperatives undertaken in 2007, the Group enters 2008 in a stronger position to leverage on our great brands, enhance our leadership position in the Malaysian tobacco industry and address these challenges. Going forward, the Group will continue to be fully focused on executing its strategies to maximise long term shareholder value.

FINANCE DIRECTOR

James Clark



FIVE YEAR FINANCIAL HIGHLIGHTS

	Financial year from 1.1.07 to 31.12.07 RM'000	Financial year from 1.1.06 to 31.12.06* RM'000	Financial year from 1.1.05 to 31.12.05* RM'000	Financial year from 1.1.04 to 31.12.04* RM'000	Financial year from 1.1.03 to 31.12.03* RM'000
Revenue	3,830,869	3,612,482	3,564,215	3,263,725	3,199,734
Profit from operations	1,049,416	1,049,414	881,440	1,138,262	1,101,821
Finance cost	(46,515)	(47,467)	(48,471)	(55,447)	(56,850)
Share of results of an associated company	—	—	—	—	1,654
Profit before taxation	1,002,901	1,001,947	832,969	1,082,815	1,046,625
Profit for the financial year	731,931	719,678	592,802	782,084	758,154
Net annual dividends	732,384	662,715	555,070	709,257	684,586
Net special dividends	—	62,531	158,983	—	200,442
Share capital	142,765	142,765	142,765	142,765	142,765
Shareholders' funds	345,912	551,824	618,029	641,849	564,678
Property, plant and equipment	439,959	478,688	517,550	514,059	510,782
Investment property	—	20,010	44,771	45,660	53,384
Leasehold land	20,826	22,600	22,995	30,127	31,571
Trademarks	—	—	—	2,067	2,067
Computer software	21,091	14,100	616	—	—
Goodwill	411,618	411,618	411,618	433,475	455,330
Deferred tax assets	4,978	4,020	3,300	1,713	2,552
Current assets	548,536	669,175	718,142	720,367	679,862
Total assets	1,447,008	1,620,211	1,718,992	1,747,468	1,735,548
Non current liabilities	713,567	310,690	755,086	760,392	499,749
Current liabilities	387,529	757,697	345,877	345,226	671,121
Total liabilities	1,101,096	1,068,387	1,100,963	1,105,618	1,170,870
Net earnings per share (sen)	256.3	252.0	207.6	273.9	265.5
Net dividends per share (sen)	256.5	254.0	250.1	248.4	310.0
Net returns on shareholders' funds (%)	211.6	130.4	95.9	121.8	134.3
Net asset backing per share (RM)	1.21	1.93	2.16	2.25	1.98
Number of employees	1,326	1,044	1,040	1,066	1,209

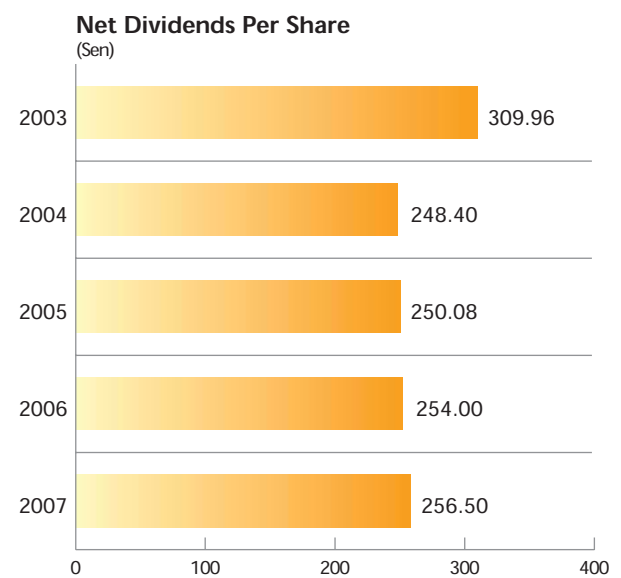
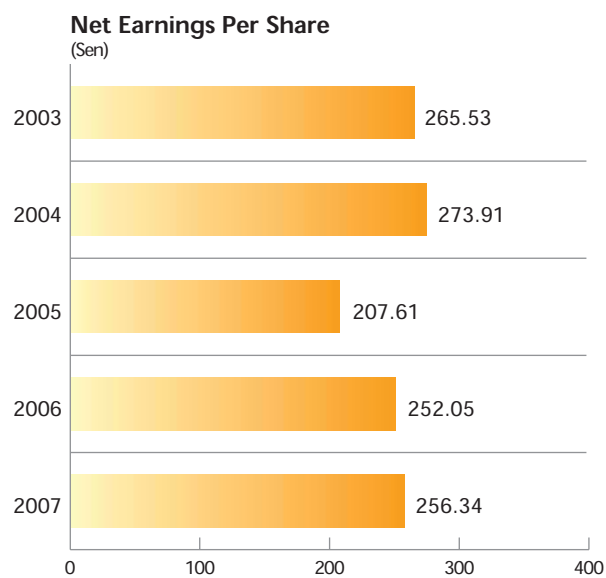
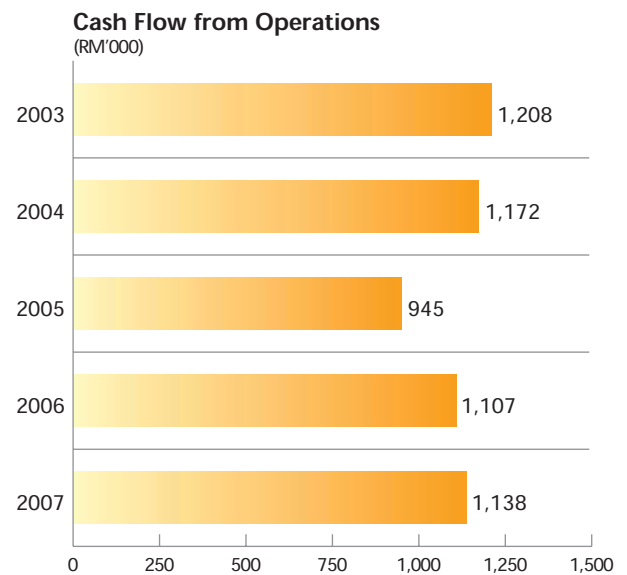
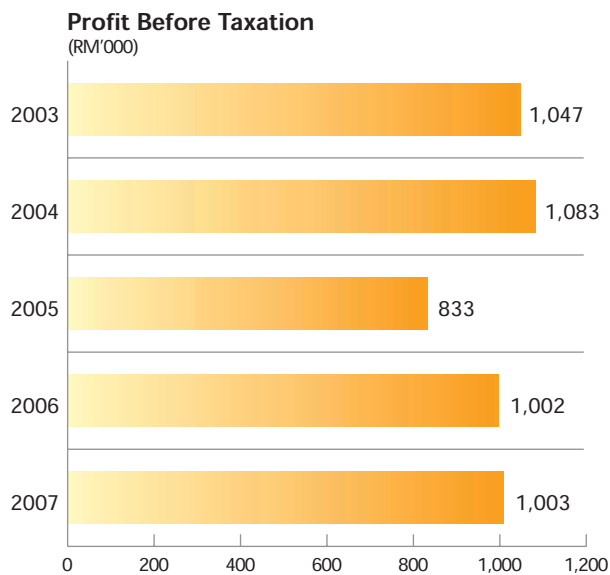
* Certain comparative figures have been reclassified to conform with current year's presentation, where the effects of the changes are detailed in the summary of significant accounting policies.

FIVE YEAR GROUP PERFORMANCE

British American Tobacco
(Malaysia) Berhad

Despite a challenging environment, British American Tobacco Malaysia is committed to delivering high shareholder value.

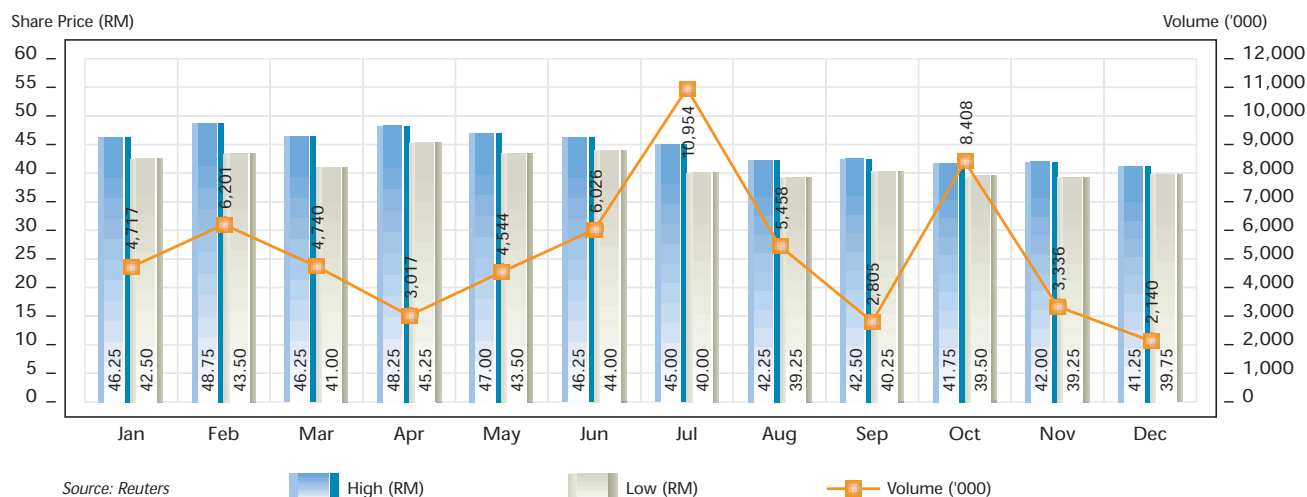
From 2005, we are growing strength-on-strength and gaining momentum towards achieving 2004 profit levels.





SHARE PERFORMANCE AND FINANCIAL CALENDAR

Share Performance 2007



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
High (RM)	46.25	48.75	46.25	48.25	47.00	46.25	45.00	42.25	42.50	41.75	42.00	41.25
Low (RM)	42.50	43.50	41.00	45.25	43.50	44.00	40.00	39.25	40.25	39.50	39.25	39.75
Volume ('000)	4,717	6,201	4,740	3,017	4,544	6,026	10,954	5,458	2,805	8,408	3,336	2,140

ANNOUNCEMENT OF RESULTS

Unaudited consolidated results for the 1st quarter ended 31 March 2007	Tuesday, 24 April 2007
Unaudited consolidated results for the 2nd quarter and half-year ended 30 June 2007	Thursday, 19 July 2007
Unaudited consolidated results for the 3rd quarter ended 30 September 2007	Wednesday, 24 October 2007
Audited consolidated results for the 4th quarter and year ended 31 December 2007	Thursday, 21 February 2008

DIVIDENDS

First interim dividend of 150.00 sen gross per share, less tax of 27%

- Date of notice of entitlement and payment	Tuesday, 19 July 2007
- Date of entitlement	Monday, 6 August 2007
- Date of payment	Tuesday, 30 August 2007

Second interim dividend of 100.00 sen gross per share, less tax of 27%

- Date of notice of entitlement and payment	Wednesday, 24 October 2007
- Date of entitlement	Monday, 19 November 2007
- Date of payment	Friday, 30 November 2007

Net final dividend of 74.00 sen per share comprising 15.00 sen gross per share, less tax of 26% and 62.90 sen per share, tax exempt under the single-tier system

- Date of notice of entitlement and payment	Friday, 22 February 2008
- Date of entitlement	Monday, 5 May 2008
- Date of payment	Friday, 16 May 2008

ANNUAL REPORT AND ANNUAL GENERAL MEETING

Date of notice of 47th Annual General Meeting and date of issuance of the 2007 Annual Report	Tuesday, 25 March 2008
Date of 47th Annual General Meeting	Thursday, 17 April 2008

**QUARTERLY PERFORMANCE**British American Tobacco
(Malaysia) Berhad**2007**

		1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Full Year
Revenue	(RM million)	937	937	1,009	948	3,831
Operating profit	(RM million)	281	256	293	219	1,049
Finance cost	(RM million)	(12)	(12)	(12)	(11)	(47)
Profit before tax	(RM million)	270	244	281	208	1,003
Profit after tax	(RM million)	197	178	205	152	732
Net earnings per share	(sen)	68.9	62.6	71.7	53.1	256.3
Net dividends per share	(sen)	—	109.5	73.0	74.0	256.5

2006

		1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Full Year
Revenue	(RM million)	900	917	998	797	3,612
Operating profit	(RM million)	290	266	311	182	1,049
Finance cost	(RM million)	(11)	(12)	(12)	(12)	(47)
Profit before tax	(RM million)	279	254	299	170	1,002
Profit after tax	(RM million)	199	183	215	123	720
Net earnings per share	(sen)	70.0	63.9	75.2	42.9	252.0
Net dividends per share	(sen)	—	108.0	—	146.0	254.0



British American Tobacco Malaysia arose from the merger of Rothmans of Pall Mall (Malaysia) Berhad and Malaysian Tobacco Company Berhad on 3 November 1999. The merger pooled talent, experience and an unrivalled portfolio of highly successful international brands to create the country's largest tobacco company.

www.batmalaysia.com

Today, we are the clear market leader of the Malaysian cigarette industry, with more than 60% market share, and currently rank amongst the top 20 companies on Bursa Malaysia in terms of market capitalisation. British American Tobacco Malaysia manufactures and markets high quality tobacco products designed to meet diverse consumer preferences. Our portfolio includes well-established international names such as Dunhill, Kent, Pall Mall, Peter Stuyvesant, Benson & Hedges and Perilly's.

We have a combined history of over 90 years in Malaysia going back to 1912. The wealth of expertise, coupled with leading edge technology and efficient systems and processes employed in all aspects of our business activities, position us well to meet the challenges of the future. Currently we employ about 1,300 people who are involved in the full spectrum of the tobacco industry, from leaf buying and processing to manufacturing, marketing and distribution. We have a comprehensive distribution network which spans the entire country to ensure the availability of our brands.

We aim to maintain our leadership in the industry through increasing our share of the tobacco business and satisfying consumer demands better and more profitably than our competitors. In meeting these goals, we ensure that we market responsibly. For us, leadership goes beyond just market share, it has to be about qualitative leadership – in our eyes, and in the eyes of our stakeholders.

While the tobacco industry can be seen by some as controversial, it is also an important industry which has a role to play in contributing to the growth and development of the community in which it operates. We are committed to fulfilling that role.

BRITISH AMERICAN TOBACCO MALAYSIA IN THE NEWS

British American Tobacco (Malaysia) Berhad

A first for tobacco farming community



33 學校獲英美煙草捐獻電腦

【吉隆坡21日訊】馬來亞英美煙草基金會（BATF）日前在吉隆坡舉行了一項頒獎典禮，頒發了33個個人電腦給33間本地學校。該項電腦是英美煙草基金會捐獻的。該項電腦是英美煙草基金會捐獻的。該項電腦是英美煙草基金會捐獻的。

BAT again emerges as KPMG Shareholder Value Award overall winner

By Yung Yee Hio



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BAT leads the pack again

By Yung Yee Hio



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Staying positive in facing challenges

By Yung Yee Hio



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BAT's proposed notes get good ratings

By Yung Yee Hio



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BAT bayar dividen tinggi sejak 2003

By Yung Yee Hio



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NATIONAL ANNUAL CORPORATE REPORT AWARDS (NACRA) 2007

By Yung Yee Hio



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BAT takes its social responsibility seriously

By Yung Yee Hio



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2006年企業股息研究調查顯示 英美煙草派息率居冠

By Yung Yee Hio



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2006年最佳股東價值上市公司 英美煙草五連霸

By Yung Yee Hio



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BAT records RM197m net profit in Q1

By Yung Yee Hio

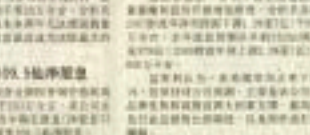


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高股息成英美煙草最大吸引力

By Yung Yee Hio



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AWARDS AND ACHIEVEMENTS

Our strong commitment to excellence in all aspects of our business garnered positive local and international external recognition. In 2007, the Company achieved numerous awards particularly in the areas of corporate governance and corporate social responsibility. This affirms our high standards of business conduct and accelerates the way for continuous improvement.

The Asset Magazine Corporate Governance Ranking (Top 3)

FinanceAsia Best CFO (Top 3) and Best Managed Company (Top 10)

ACCA Malaysia Environmental and Social Reporting Awards

- Best Social Report 2006

KPMG/The Edge Shareholder Value Award 2006

- Sectoral Winner (Consumer Markets)
- Overall Winner

Inclusion Into the 2007/2008 Dow Jones Sustainability Indexes World

National Annual Corporate Report Awards (NACRA) 2007

- Main Board, Consumer Products
- Environmental Reporting

Minority Shareholder Watchdog Group (MSWG) and Nottingham University Business School (NUBS) Corporate Governance Survey 2007 (Top 10)

Public Service Department-British Malaysian Chamber of Commerce Award

- The Most Supportive Organisation





2007 CORPORATE EVENTS

2007 was a year rich with activities across the Company. The activities highlighted below are amongst those that took place to provide a snapshot of 2007.

January

- SAP Symphony went live in British American Tobacco Malaysia.
- The Field Force Specialisation move saw 250 Territory Representatives transitioned into upgraded roles as either Trade Marketing Representatives or Sales and Distribution Representatives.
- Clinched triple certification of our Integrated Management System to ISO 9001, OHSAS 18001 and ISO 14001 for the year.
- Launched Dunhill Limited Edition Wallet Packs.

February

- Financial Analysts' Briefing was conducted on the Group's 2006 financial results.

March

- Publication of the British American Tobacco Malaysia 2005-2006 Social Report. ▶ **1**

April

- The 46th Annual General Meeting was held at PJ Hilton.
- Financial Analysts' Briefing was conducted on the Group's Q1 2007 financial results.
- Introduction of Continuous Improvement rewards system.
- Senior Managers' Forum was conducted for the senior management team of the Company.
- Launched Dunhill Top Leaf global pack design.

May

- Awarded Best Social Report by the Association of Chartered Certified Accountants Malaysia.
- Launched employee engagement platform to keep employees engaged and informed. ▶ **2**
- Awarded Best in Corporate Governance by The Asset Magazine.

- Family Day for employees at the Genting Highlands Amusement Theme Park. ▶ **3**

June

- Embarked on Employee Volunteer Programme where staff visited the residents of Rumah Berkat, a temporary shelter for the homeless together with a donation of RM10,000. ▶ **4**
- British American Tobacco Malaysia Kelab Sukan Employee Treasure Hunt to Lumut, Perak. ▶ **5**
- Kent 3TEK® and MINTEK® were launched in Kuala Lumpur International Airport.

July

- Financial Analysts' Briefing was conducted on the Group's Q2 2007 financial results.
- BAT Malaysia Foundation together with the National Tobacco Board awarded Higher Education Starter Kits to 317 children of the tobacco growing community who entered institutions of higher education. ▶ **6**



- Shape Our World, an undergraduate business case study solving competition was held at PJ Hilton. ▶ 7
- Continuous Improvement campaign surpassed 500 improvements within first year of its launch.
- Dunhill D360 extended its range by introducing its new Ultra Lights variant.

August

- BAT Malaysia Foundation donated 33 personal computers to Yayasan Bachok, a local welfare organisation, at a ceremony held in Sudara Beach Resort, Bachok, Kelantan.
- Launched Pall Mall Max.

September

- British American Tobacco Malaysia won 'The Most Supportive Organisation' in the 17th Public Service Department – British Malaysian Chamber of Commerce Management Development Programme.

- Awarded the KPMG/The Edge Shareholder Value Award 2006 (Sectoral Winner – Consumer Markets; Overall Winner). ▶ 8
- Inclusion into the 2006/2007 Dow Jones Sustainability Indexes World.
- Second Direct Sales Delivery was established, revolutionising our trade and distribution model through best practices.
- Launched Pall Mall 23's Limited Edition Packs.

October

- Financial Analysts' Briefing was conducted on the Group's Q3 2007 financial results.

November

- Awarded the National Annual Corporate Report Awards: Industry Excellence Award – Main Board, Consumer Products and the Gold Award for Best Annual Report in Environmental Reporting. ▶ 9

- Successful renewal of international certifications – ISO9001 for quality management system, ISO14001 for environmental management system and OHSAS 18001 for occupational safety and health management system.
- British American Tobacco Malaysia ranked Top 10 in Corporate Governance by the Minority Shareholder Watchdog Group- Nottingham University Business School, Corporate Governance Survey 2007.
- British American Tobacco Malaysia won British American Tobacco's Environment Health and Safety Excellence Award for waste management and recycling programme.
- BAT Malaysia Foundation awarded scholarships to 13 students pursuing higher education and to 4 employees undertaking their first degree or diploma. ▶ 10

December

- Annual Company Dinner was held at Sunway Lagoon Resort, Subang. ▶ 11
- Biz Update conducted to keep employees engaged and informed. ▶ 12



Inspiring Leadership

Staying ahead

Great leadership is not made, it is recognised. Our premier leadership position has been well noted, to which we have been awarded numerous accolades. We strive to give our best effort as we realise the positive implications that will resound in us, the people around us and the Company.







CORPORATE INFORMATION

BOARD OF DIRECTORS

- **Tan Sri Abu Talib bin Othman**
PMN, PSM, SIMP, SSSA, DGSM, DPMS, DMPN, DCSM, JSM, KMN, PPT
Independent Non-Executive Director
(Chairman)
- **Jack Marie Henry David Bowles**
Non-Independent Executive Director
(Managing Director)
(Appointed as Director on 1 May 2007)
(Appointed as Managing Director on 27 June 2007)
- **Tan Sri Kamarul Ariffin bin Mohamed Yassin**
PSM
Independent Non-Executive Director
- **Datuk Oh Chong Peng**
PJN, JSM
Independent Non-Executive Director
- **James Richard Suttie**
Non-Independent Non-Executive Director
- **Robert James Clark**
Non-Independent Executive Director
- **Dato' Chan Choon Ngai**
DSNS
Non-Independent Executive Director

SECRETARY

Ng Pei Ling
(LS09111)
Tel : +60 (3)7491 7130
Fax : +60 (3)7491 3772
E-mail : Pei_Ling_Ng@bat.com

REGISTERED OFFICE

Virginia Park, Jalan Universiti
46200 Petaling Jaya
Selangor Darul Ehsan
Tel : +60 (3)7956 6899
Fax : +60 (3)7955 8416
E-mail : bat_malaysia@bat.com

SHARE REGISTRAR

Tenaga Koperat Sdn Bhd
(Company No. 118401-V)
20th Floor, East Wing
Plaza Permata, Jalan Kampar
Off Jalan Tun Razak
50400 Kuala Lumpur
Tel : +60 (3)4047 3883
Fax : +60 (3)4042 6352
E-mail : lay.kiow.lim@tricornglobal.com

AUDITORS

PricewaterhouseCoopers
(AF 1146)
Level 10, 1 Sentral, Jalan Travers
Kuala Lumpur Sentral
P.O. Box 10192
50706 Kuala Lumpur
Tel : +60 (3)2173 1188
Fax : +60 (3)2173 1288

PRINCIPAL BANKERS

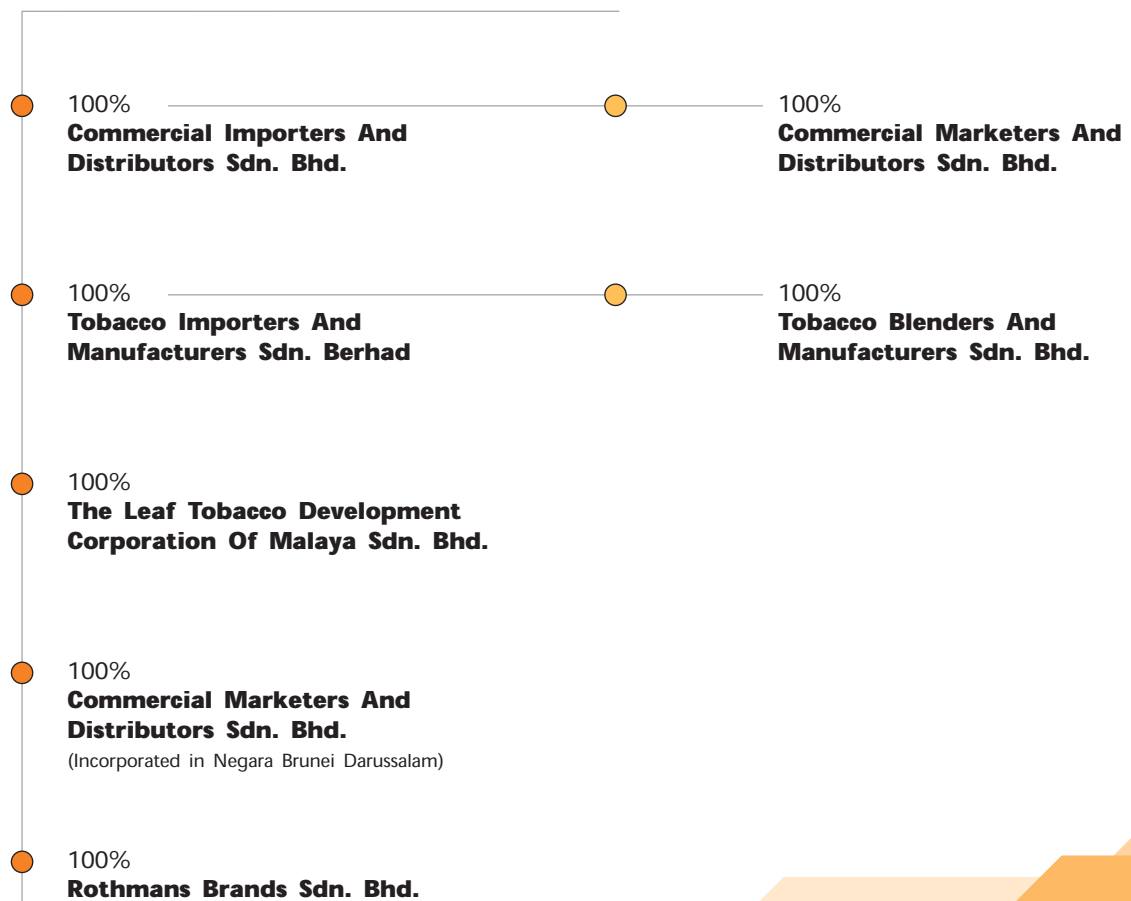
Citibank Berhad
(Company No. 297089-M)

HSBC Bank Malaysia Berhad
(Company No. 127776-A)

Malayan Banking Berhad
(Company No. 3813-K)

STOCK EXCHANGE LISTING

Main Board of
Bursa Malaysia Securities Berhad
(Company No. 635998-W)
Listed Since : 27 October 1961
Stock Code : 4162

**CORPORATE STRUCTURE****British American Tobacco
(Malaysia) Berhad****BRITISH AMERICAN
TOBACCO**
MALAYSIA



PROFILE OF **DIRECTORS**

Tan Sri Abu Talib bin Othman was appointed Chairman of the then Rothmans of Pall Mall (Malaysia) Berhad in 1994, now British American Tobacco (Malaysia) Berhad. He qualified as a barrister-at-law from Lincoln's Inn, United Kingdom. Tan Sri Abu Talib has over forty one (41) years of working experience, of which thirty one (31) years were spent in the Judicial and Legal Service, Malaysia. He was the Attorney-General of Malaysia from 1980 to his retirement in October 1993.

Tan Sri Abu Talib is presently a Director of several public and private companies such as IGB Corporation Berhad (Group), CYL Corporation Berhad, MUI Continental Insurance Berhad, Alliance Investment Management Berhad (formerly known as Alliance Unit Trust Management Berhad), Alliance Capital Asset Management Sdn Bhd, Gleneagles Hospital (KL) Sdn Bhd and Oncology Centre (KL) Sdn Bhd.

He is the Chairman of the Remuneration Committee and Nomination Committee and a member of the Audit Committee of the Company.

Tan Sri Abu Talib bin Othman attended all of the eight (8) Board Meetings which were held in the financial year ended 31 December 2007.

Tan Sri Abu Talib bin Othman

PMN, PSM, SIMP, SSSA, DGSM, DPMS, DMPN, DCSM, JSM, KMN, PPT
(Independent Non-Executive Director)

Chairman

Malaysian, Age 69 years





Mr Jack Bowles, a French national aged 44, was appointed Director of British American Tobacco (Malaysia) Berhad on 1 May 2007. Prior to his appointment in Malaysia, he was the President of British American Tobacco France. Mr Jack Bowles has twenty (20) years of experience in the tobacco industry and had previously worked for blue-chip fast moving consumer goods (FMCG) companies across Europe and Asia. Jack holds a Diploma of Business Management from the French Business School in Paris. His academic experience includes studies in INSEAD (France) and IMEDE (Switzerland). He is a member of the Remuneration Committee of the Company.

Since his appointment to the Board of Directors of British American Tobacco (Malaysia) Berhad, Mr Jack Bowles has attended four (4) Board Meetings in the financial year ended 31 December 2007.

(Non-Independent Executive Director)

Managing Director

French, Age 44 years

*Jack Marie Henry
David Bowles*



Tan Sri Kamarul Ariffin bin Mohamed Yassin was appointed a Non-Executive Director of the then Rothmans of Pall Mall (Malaysia) Berhad in December 1979, now British American Tobacco (Malaysia) Berhad. He qualified as a barrister-at-law from Lincoln's Inn, United Kingdom and practised law for more than fifteen (15) years. Tan Sri Kamarul was formerly a Senator and had held various positions in many organisations such as the Executive Chairman of Bank Bumiputra Malaysia Berhad, Utusan Melayu (Malaysia) Berhad, Chairman of ASEAN Banking Council and President of the National Chamber of Commerce and Industry and Chairman of Dewan Bahasa dan Pustaka. Currently Tan Sri Kamarul Ariffin is the Chairman of Dutch Lady Milk Industries Berhad. Tan Sri Kamarul Ariffin bin Mohamed Yassin is a member of the Audit Committee and Remuneration Committee of the Company.

Tan Sri Kamarul Ariffin bin Mohamed Yassin attended eight (8) Board Meetings which were held in the financial year ended 31 December 2007.

Tan Sri Kamarul Ariffin bin Mohamed Yassin

PSM

(Independent Non-Executive Director)

Malaysian, Age 73 years





Profile of Directors

Datuk Oh Chong Peng was appointed a Non-Executive Director of the then Rothmans of Pall Mall (Malaysia) Berhad in January 1998, now British American Tobacco (Malaysia) Berhad. He undertook his accountancy training in London and qualified as a Chartered Accountant in 1969. He is also a Fellow of the Institute of Chartered Accountants, England and Wales. Datuk Oh joined Coopers & Lybrand in London in 1969 and in Malaysia in 1971. He was a partner of Coopers & Lybrand Malaysia from 1974 until his retirement in 1997.

Datuk Oh is currently the Chairman of Alliance Financial Group Berhad (formerly known as Malaysian Plantations Berhad). He is also a Non-Executive Director of several public companies, such as Star Publications (Malaysia) Berhad, IJM Corporation Berhad, IJM Plantations Berhad and Kumpulan Europlus Berhad.

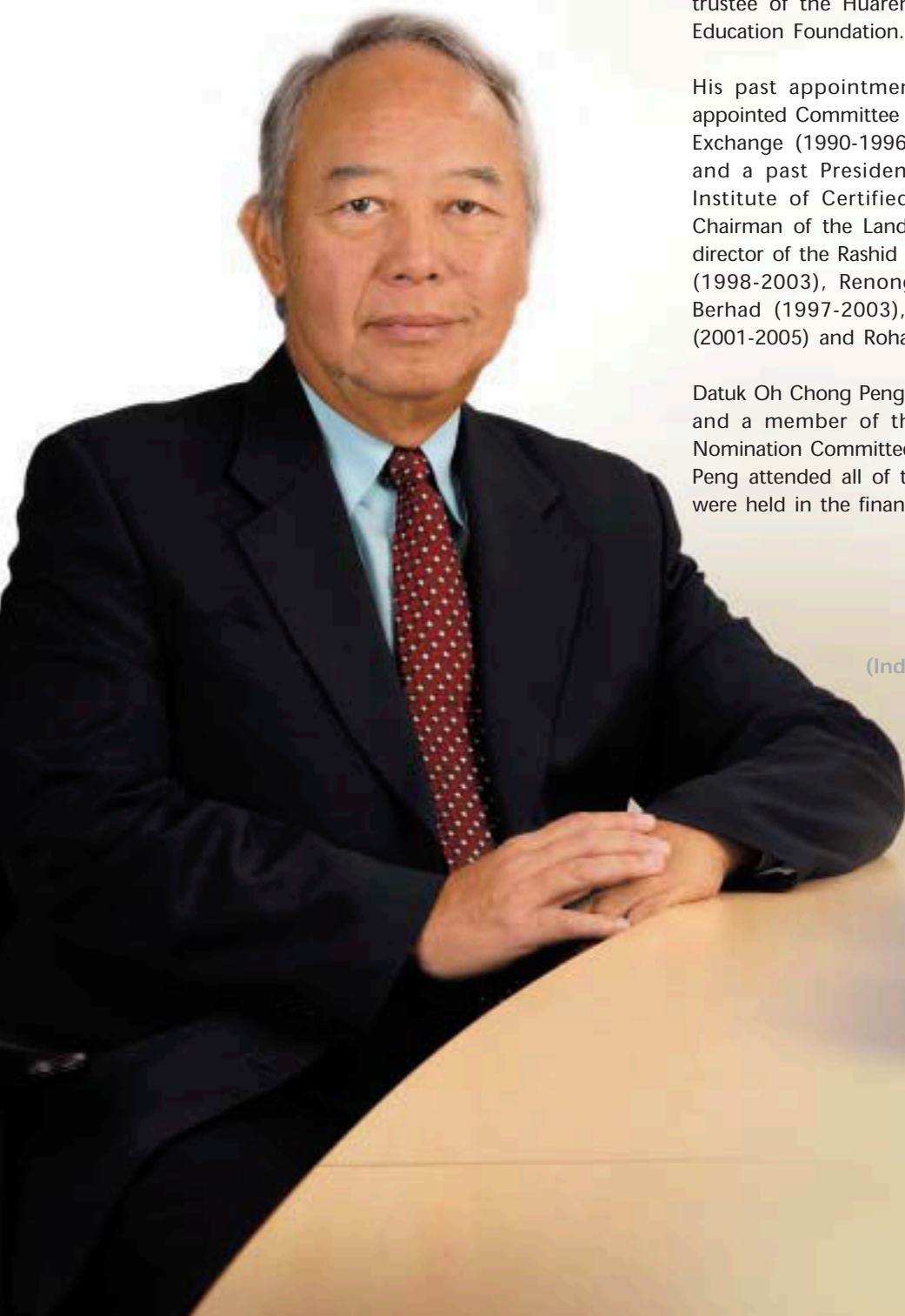
He is also a Government appointed member of the Labuan Offshore Financial Services Authority (LOFSA), a trustee of the Huaren Education Foundation and UTAR Education Foundation.

His past appointments include being a Government appointed Committee Member of the Kuala Lumpur Stock Exchange (1990-1996), a Council member (1981-2002) and a past President (1994-1996) of the Malaysian Institute of Certified Public Accountants (MICPA), a Chairman of the Land & General Berhad (1999-2007), a director of the Rashid Hussain Berhad group of companies (1998-2003), Renong Berhad (2001-2003), Powertek Berhad (1997-2003), Nanyang Press Holdings Berhad (2001-2005) and Rohas-Euco Industries Berhad (2007).

Datuk Oh Chong Peng is the Chairman of Audit Committee and a member of the Remuneration Committee and Nomination Committee of the Company. Datuk Oh Chong Peng attended all of the eight (8) Board Meetings which were held in the financial year ended 31 December 2007.

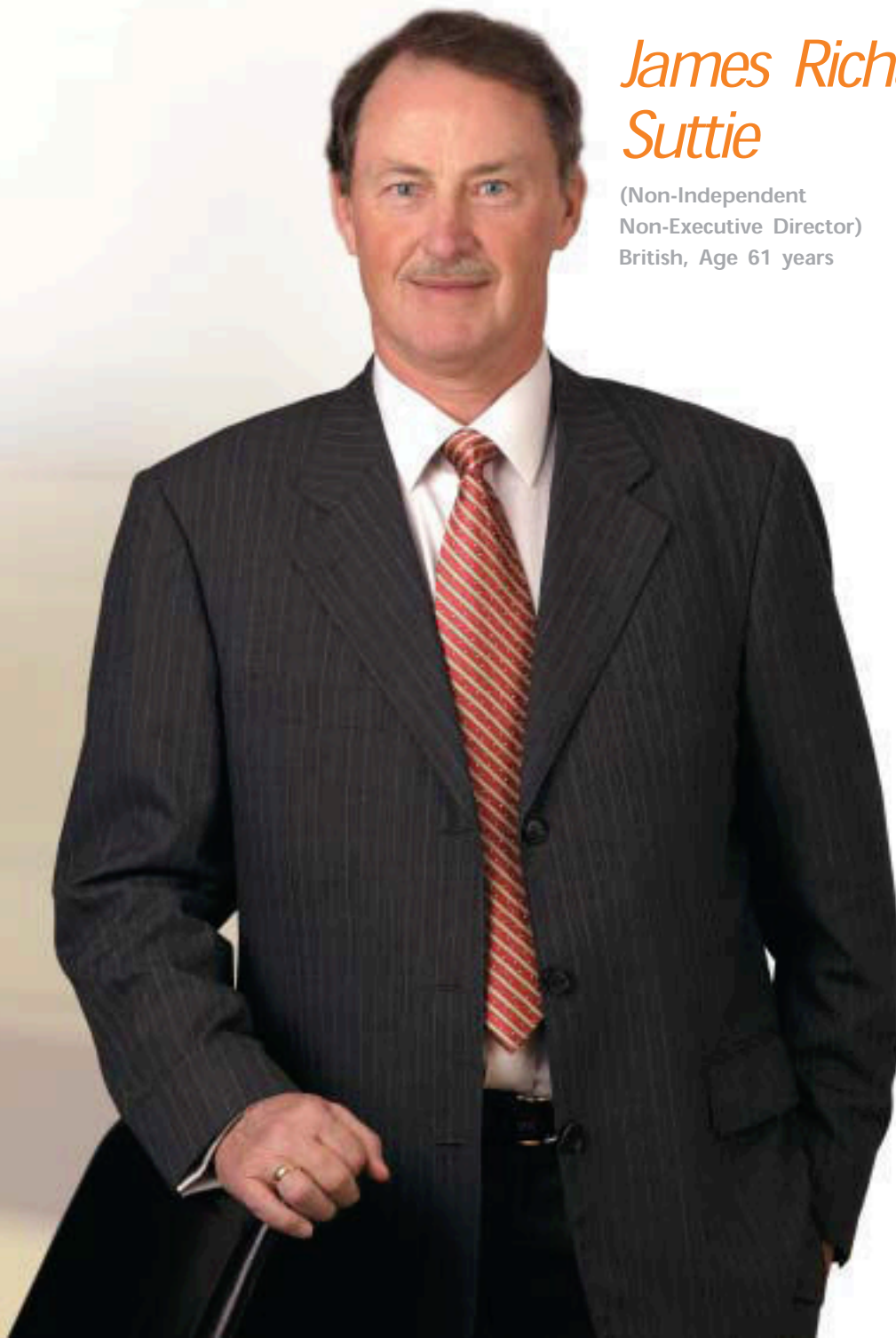
PJN, JSM
(Independent Non-Executive Director)
Malaysian, Age 63 years

*Datuk Oh
Chong Peng*



Mr James Richard Suttie was appointed a Director of British American Tobacco (Malaysia) Berhad in May 2002. He is a member of the Institute of Chartered Accountants of Scotland and an Associate of the Chartered Institute of Taxation. He joined Rothmans International p.l.c. as a Commercial Accountant/Manager in 1972 and became the Finance Director of Carreras of Jamaica Ltd. in 1982, Rothmans International Europe in 1984 and Rothmans of Pall Mall (Malaysia) Berhad in 1992. In 1997, he was appointed the Regional Finance Controller for Rothmans International in Asia. In 1999, he was appointed the Regional Finance Controller, Africa and in 2002 as Regional Finance Controller, Asia Pacific, of British American Tobacco p.l.c. until his retirement from British American Tobacco p.l.c. on 31 December 2006. He is also a member of the Audit Committee, Remuneration Committee and Nomination Committee of the Company.

Mr James Richard Suttie attended seven (7) Board Meetings which were held in the financial year ended 31 December 2007.



*James Richard
Suttie*

(Non-Independent
Non-Executive Director)
British, Age 61 years



(Non-Independent Executive Director)

Finance Director

British, Age 40 years

Robert James Clark

Mr Robert James Clark was appointed a Director of British American Tobacco (Malaysia) Berhad in October 2004. He has a MA in Mathematics from Cambridge University and is also a Chartered Accountant of England and Wales. Mr Robert James Clark joined the British American Tobacco Group as an International Auditor in July 1993. During his international audit role, he worked in many of the operating companies across Europe, Asia and Africa including Hong Kong, China, Indonesia and Sri Lanka. He became the first Finance Director of the British American Tobacco joint-venture company set up in Cambodia in 1996 before moving to British American Tobacco Germany as Head of Marketing Finance in 1998. In 2000, he was appointed Finance Director for British American Tobacco Switzerland SA following the merger of the British American Tobacco and Rothmans subsidiaries in Switzerland.

Prior to his appointment with British American Tobacco (Malaysia) Berhad as Finance Director, Mr James Clark was the Area Finance Director, Far East South Area covering all ASEAN markets except for Malaysia and Brunei.

Mr James Clark attended all of the eight (8) Board Meetings which were held in the financial year ended 31 December 2007.





Dato' Chan Choon Ngai was appointed a Director of the then Rothmans of Pall Mall (Malaysia) Berhad, now British American Tobacco (Malaysia) Berhad in October 1995. He holds a Bachelor of Science in Mechanical Engineering degree from the University of Birmingham, United Kingdom. He joined Rothmans of Pall Mall (Malaysia) Berhad in 1979 and held various significant positions in the production division namely, Production Director and Factory Manager. Effective July 2000, Dato' Chan was appointed as the Operations Director of British American Tobacco (Malaysia) Berhad. He was a director of Tien Wah Press Holdings Berhad from May 1997 to June 2003.

Dato' Chan Choon Ngai attended seven (7) Board Meetings which were held in the financial year ended 31 December 2007.

Dato' Chan Choon Ngai

DSNS
(Non-Independent Executive Director)
Operations Director
Malaysian, Age 52 years





PROFILE OF TOP TEAM MEMBERS

Standing from left to right

- **Robert James Clark** *Finance Director*
- **Zainal Arifin Khalid** *Information Technology Director*
- **Allen Lim Hun Chye** *Business Development Director*
- **Anna Dolgikh** *Human Resources Director*
- **Jack Marie Henry David Bowles** *Managing Director*
- **Rashed Ahmed** *Marketing Director*
- **Christine Lee Oi Kuan** *Corporate and Legal Affairs Director*
- **Dato' Chan Choon Ngai** *Operations Director*





Profile of Top Team Members

Jack Marie Henry David Bowles

Managing Director

French, Age 44 years

Mr Jack Bowles has twenty (20) years of experience in the tobacco industry and had previously worked for blue-chip fast moving consumer goods (FMCG) companies across Europe and Asia. He holds a Diploma of Business Management from the French Business School in Paris. His academic experience includes studies in INSEAD (France) and IMEDE (Switzerland). Mr Jack Bowles is a member of the Board of Directors of several subsidiaries in the Group.

Details of Mr Jack Bowles's profile are set out on page 34 of this Annual Report.

Dato' Chan Choon Ngai

Operations Director

Malaysian, Age 52 years

Holder of a Bachelor of Science in Mechanical Engineering degree from the University of Birmingham, United Kingdom. Dato' Chan Choon Ngai has been with the Group since 1979. He held various significant positions in the Company's production division namely, Production Director and Factory Manager. Dato' Chan Choon Ngai is a member of the Board of Directors of several subsidiaries in the Group.

Details of Dato' Chan's profile are set out on page 39 of this Annual Report.

Anna Dolgikh

Human Resources Director

Russian, Age 33 years

Ms Anna Dolgikh, was appointed as Human Resources Director of British American Tobacco Malaysia in July 2007. She holds a Degree in Information Technology Engineering from Moscow State Technical University and General National Vocational Qualification from British College of Banking and Finance.

Ms Anna Dolgikh joined the British American Tobacco Group in 2000 as Human Resources Manager and has been with British American Tobacco for eight (8) years. She started her career in 1996 as a HR Specialist in NASA Moscow Liaison Office, Moscow and in 1998, she joined Boeing Operations International in Moscow as a Human Resources Manager. Prior to her current appointment, Ms Anna Dolgikh was the Human Resources Manager for Change Management and Communication for Trade Marketing and Distribution Europe wide project based in Budapest, Hungary and Human Resources Director for Central Asia based in Uzbekistan.

Christine Lee Oi Kuan

Corporate and Legal Affairs Director

Malaysian, Age 49 years

Ms Christine Lee Oi Kuan was appointed to the Top Team of British American Tobacco (Malaysia) Berhad on 1 January 2006 and assumed the role of Corporate and Legal Affairs Director of British American Tobacco (Malaysia) Berhad on 1 September 2006. She has been with British American Tobacco (Malaysia) Berhad since 2001. Ms Christine Lee Oi Kuan began her career in British American Tobacco (Malaysia) Berhad as Head of Legal and Company Secretary. She was previously Legal Manager and Company Secretary of two (2) public listed companies, Hong Leong Industries Berhad and Malaysia Pacific Industries Berhad.

Holder of a degree in law from the University of Malaya, Ms Christine Lee Oi Kuan served at the Attorney General's Chambers, Malaysia from 1983-1993 in the Prosecution and Advisory and International Law Divisions.

In her current role as the Corporate and Legal Affairs Director, Ms Christine Lee Oi Kuan is responsible for corporate and regulatory affairs and legal matters of the Group.

Zainal Arifin Khalid

Information Technology Director

Malaysian, Age 49 years

Encik Zainal Arifin Khalid was appointed Information Technology Director of British American Tobacco (Malaysia) Berhad in January 2001. He holds a Master of Science from the University of Kentucky, U.S.A. He joined Malaysian Tobacco Company Berhad in 1983, and worked in both the Information Technology and Marketing departments before joining Nestle (Malaysia) Berhad in 1990. In 1991, he re-joined Malaysian Tobacco Company Berhad as Management Services Manager. In 1996, Encik Zainal Arifin assumed the role of Head of ASEAN IT that provided Information Technology (IT) shared services to all the markets of British American Tobacco within ASEAN. It was during this time that Encik Zainal Arifin initiated the set-up of British American Tobacco Asia Pacific Data Centre in Malaysia which has now evolved to become one of the three (3) global IT shared services centres for British American Tobacco Group under the Group Services Delivery. In late 1998, he was seconded to Thailand as Country Manager for British American Tobacco (United Kingdom & Export) Ltd. until October 2000, when he returned to Malaysia. Encik Zainal Arifin Khalid sits on the Board of Directors of several subsidiaries in the Group.

Rashed Ahmed

Marketing Director

Bangladesh, Age 40 years

Mr Rashed Ahmed, was appointed Marketing Director of British American Tobacco Malaysia in May 2007. He holds a degree in Business Administration from the International Islamic University, Malaysia.

He joined British American Tobacco Bangladesh in 1995 and held various positions from 1995 to 1998. Mr Rashed Ahmed was the Head of International Brands for British American Tobacco Poland from 2000 to 2002. Thereafter, he was Head of Marketing for British American Tobacco Bangladesh from 2003 to 2007. Prior to Mr Rashed Ahmed joining the British American Tobacco Group, he was a Brand Manager in Lever Brothers Bangladesh Ltd.

Allen Lim Hun Chye

Business Development Director

Malaysian, Age 51 years

Mr Allen Lim Hun Chye joined as a Commercial Accountant of the then Rothmans of Pall Mall (Malaysia) Berhad in 1990, now British American Tobacco (Malaysia) Berhad. He holds a degree in Commerce from the University of Melbourne and a MBA from Monash University, Australia. He is a member of both the Institute of Chartered Accountants in Australia and the Malaysian Institute of Accountants. In addition, he is also a member of the Malaysian Institute of Chartered Secretaries and Administrators (MAICSA). He worked in various operational roles spanning both the Information Technology and Finance functions. Post the announcement of the merger between Rothmans of Pall Mall and Malaysian Tobacco Company Berhad in 1999, Mr Allen Lim Hun Chye was appointed the Integration Manager. He then took on the role of Corporate Finance Manager for two (2) years before becoming Head of Brand Marketing Finance in 2004 and subsequently the Head of Marketing Finance in 2005. In April 2006, Mr Allen Lim Hun Chye assumed the role of Head of Strategic Business Development and in September 2006, he was appointed as the Business Development Director. Mr Allen Lim Hun Chye is a member of the Board of Directors of several subsidiaries in the Group.

Robert James Clark

Finance Director

British, Age 40 years

An accountant by profession, Mr Robert James Clark joined the British American Tobacco Group in July 1993. He held several portfolios over the years including the Finance Director for British American Tobacco Switzerland SA and Finance Director for Far East South Area. He sits on the Board of Directors of several subsidiaries in the Group.

Details of Mr Robert James Clark's profile are set out on page 38 of this Annual Report.

Elevating Growth

Performance driven success

We continue to drive growth through focusing on our global drive brands, accelerating our trade marketing and distribution processes, powering productivity in all areas and acting responsibly in a controversial industry. The Group is committed to maximise long term shareholder value.



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GROWTH

"Our business is not about encouraging people to start smoking or to smoke more, but about meeting the preferences of adults smokers better than our competition with differentiated yet superior quality brands."



MARKETING DIRECTOR

Rashed Ahmed

GLOBAL DRIVE BRANDS **ACCELERATE AHEAD**

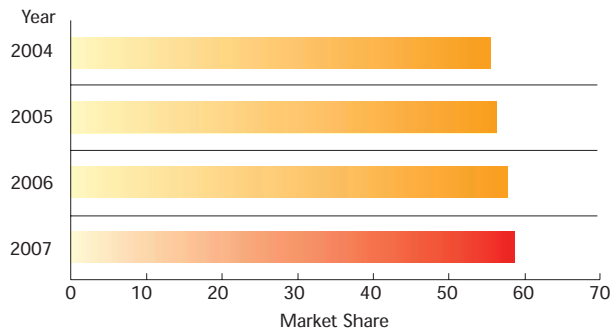


DUNHILL

2007 was an encouraging year where Dunhill further strengthened its leadership position by growing 0.4% share points from 2006 to achieve approximately 40% share of market. Dunhill also increased its share of the Premium segment to approximately 60%, the highest recorded to-date.

THE HOUSE OF DUNHILL: 'PERFECTIONISTS IN TOBACCO®'

Dunhill achieved market share growth attributable to its promise of being 'Perfectionists in Tobacco®'. Dunhill's strength lies in its commitment to delivering superior quality to satisfy discerning consumers' tastes reflected through Dunhill's offerings comprising Signed Range Cigars, Top Leaf, Fine Cut, D360 and King Size cigarettes.



Source: Nielsen, Retail Audit

Dunhill's Share of the Premium Segment



2007 **DUNHILL** HIGHLIGHTS

Dunhill Fine Cut

The Dunhill Fine Cut, a new Super Premium product was launched in January 2007, a new range to bring Dunhill to the next level through a refined blend that utilises premium tobacco leaves, cut into 46 cuts per inch (nearly twice as fine as other tobacco products).

Dunhill Celebrates Its 100th Global Anniversary

2007 marks Dunhill's 100th anniversary worldwide, commemorated with activities that includes re-categorisation of our Dunhill Platinum Selection that reflects the products' proposition of exceeding premium standards, innovative limited edition packs and three new full flavour blends inspired by over 33,000 'My Mixture' Dunhill recipes created since 1907.



Dunhill D360

Dunhill D360 extended its range by introducing new Ultra Lights.

Dunhill King Size Range - New and Improved Blend

Dunhill King Size Lights blend was enhanced with more flavourful tobacco, whereas the Dunhill King Size Menthol and Menthol Lights were improved with cooling sensation.





PALL MALL

ACHIEVING VALUE FOR MONEY (VFM) LEADERSHIP

2007 saw Pall Mall coming out stronger and more resilient as it was the only International VFM brand to maintain YTD share of market. In fact, in the 4th quarter, Pall Mall managed to attain leadership in the VFM segment for the very first time.

Other significant achievements in 2007:

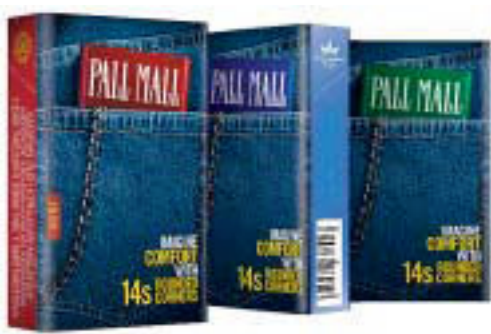
- Extending leadership in the VFM menthol category
- Achieving VFM leadership in the convenience channel
- Maintaining VFM leadership in the hotel, restaurant and café channel

PALL MALL - IMAGINATION IN TOBACCO

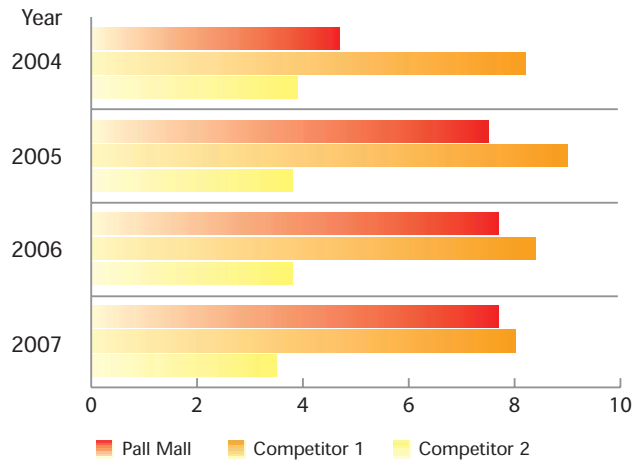
Pall Mall emerged stronger in 2007 with its continuous strive to deliver 'Genuinely More' through several key initiatives:

* **World's First 14s in Rounded Corner - where style meets comfort**

Another first in the world was the launch of 14s in Rounded Corner metallic packs for Full Flavour, Lights and Menthol.



Share of Market Performance



Source: Nielsen, Retail Audit

* **First International VFM brand with a 'Product Story' Limited Edition Packs**

Pall Mall reinforced its promise of always delivering high quality flue-cured Virginia tobaccos, which are rich in colour to give a brighter taste with its unique proposition of giving consumers The Best Thing Under The Sun!





*** Giving choice to consumers – Pall Mall MAX, the Maximum Taste Experience**

Pall Mall introduced Pall Mall MAX, which is a richer full flavour tasting cigarette made from darker imported tobacco available in 20s and Limited Edition 23s, offering consumers another choice of full flavour cigarette.

*** More value, more valued – the First 23s and 26s Pack Size in the market**

In the essence of continuously delivering 'Genuinely More' to consumers, Pall Mall introduced Limited Edition pack of 23s and 26s⁴, offering consumers additional satisfying moments.

KENT

KENT continued to focus its brand building initiatives to enhance its modern image through innovation.

In June 2007, 3TEK[®] and MINTEK[®] were launched in KLIA. 3TEK[®] filtration technology takes the lead in innovation with its enhanced taste and re-engineered new look. The new MINTEK[®] comes with its green thread technology that offers a unique cooling taste sensation. Ever since the launch in June, KENT volume has registered marked improvement.



OTHER BRITISH AMERICAN TOBACCO BRANDS

British American Tobacco Malaysia's portfolio of brands also includes Benson & Hedges, Peter Stuyvesant, Rothmans International, Lucky Strike, Perilly's, Virginia Gold, White Horse Yellow, Matterhorn and John Player Gold Leaf.

⁴ Available in Sabah and Sarawak only.



Growth



TRADE *MARKETING* AND *DISTRIBUTION*



TRADE MARKETING POWERED BY PEOPLE

Trade Marketing and Distribution Excellence (TMDX) programme has three focus areas:

- People** – Change Management and Training people to drive growth
- Process and Systems** – SWIFT System enable new Trade Marketing and Distribution capabilities
- Distribution Network** – Direct Store Sales (DSS), Direct Sales Operations (DSO) and Exclusive Distributors (ED)

Our thrust on TMDX is about striving for excellence with an effective and efficient distribution network as the basis for effective Trade Marketing execution to achieve sustainable competitive advantage in TM&D.

Change Management and People Development

Our People are at the core of enabling our cutting edge TMDX programme – and to support them in upskilling themselves and realising true individual and team potential, we have been running various initiatives under our total Change Management plan. We are driving towards a high performance and winning

INFORMATION TECHNOLOGY DIRECTOR

Zainal Arifin Khalid



"We are committed to enable changes that improves business effectiveness, reduce costs, increase efficiency and leverage information technology investments to continuously create value across the Company's strategic focus areas."

culture, and our initiatives under Change Management can be grouped under the following areas:

- Organisational and Leadership development initiatives to align our people under the right culture and winning mentality
- Progressive talent management processes extended to our entire field force, to drive the optimisation of individual potential and career growth
- Training and Development programmes to drive the acquisition of new skills and marketing capabilities to ensure business sustainability

The Marketing organisation has demonstrated exceptional resilience and strive, and is transforming itself into a modern, progressive and sustainable force that is responsive to local market dynamics and in touch with the changing global landscape.

SWIFT – New Tool for the new millennium

SWIFT is an integrated Trade Marketing and Distribution management and execution system that enables the Company's business across the country in DSS, DSO and distributor operations. Our field staff has been equipped with a handheld PDA providing them instant access to accurate and up-to-date information to achieve their Point-of-Purchase objectives.

From October 2006 till December 2007, four DSS, 11 DSO and 53 ED throughout Malaysia (including Sabah and Sarawak) and Brunei were SWIFT enabled.

This makes British American Tobacco Malaysia the first end market in the British American Tobacco Group to have a full suite of TM&DX solution covering:

- Field Order Management, i.e. sales (FOM)
- Trade Marketing Execution (TME)
- Distributor Management System (DMS)
- Marketing Data Warehouse (DWH)



With SWIFT, some notable improvements and enhanced capabilities were implemented:

- Integration and definition of field force specialised roles, for example active selling, trade information collection and activity implementation
- Performance and control improvements, for example, real time stocks and inventory reports for more effective warehouse management

Improving Marketing Effectiveness

Our Marketing Data Warehouse (DWH) provides a 'one-stop' place for users at our headquarters, regional office, area office and even distributors to view and extract marketing/sales related information/reports relevant to them at any time. This is possible by having a single view of all information through a consolidated Repository for faster information retrieval.

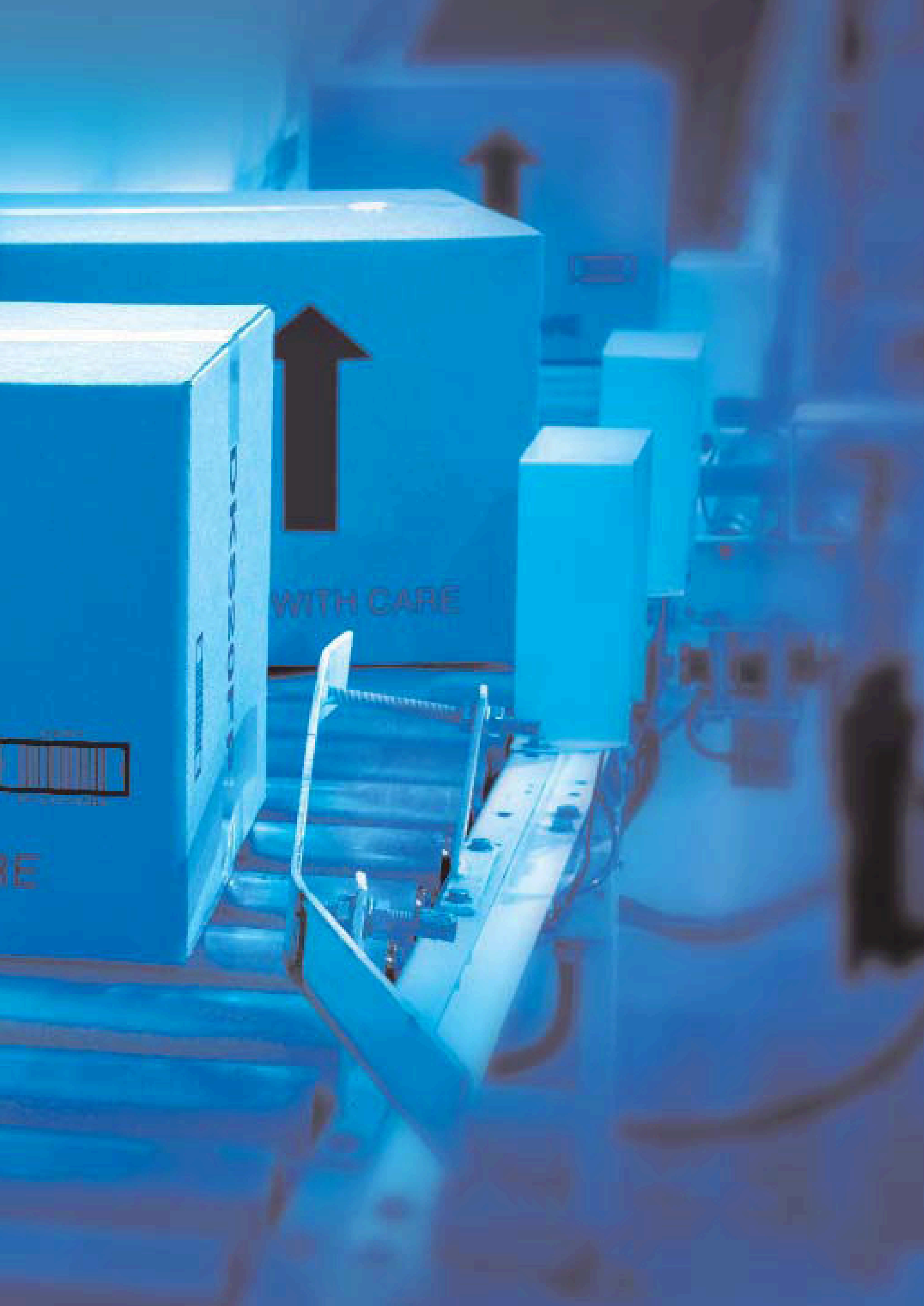
Powering Productivity



HANDLE WITH CARE

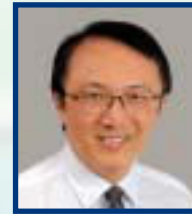
Turning pressure into momentum

We have seen an impressive rise in productivity and efficiency by applying newer methods and enhancing existing process systems in challenging times. Refining the way we do business have led us to think differently about how we can extract the best and also to maximise our potential for the future.





"British American Tobacco Malaysia has an integrated and responsive supply chain with industry leading productivity. We have achieved this through our constant challenging of the status quo to achieve breakthroughs in performance, continue to improve work practices and minimise our impact on the environment."



OPERATIONS DIRECTOR

Dato' Chan Choon Ngai

ACCELERATING WITH BREAKTHROUGH

3



Breakthrough 3 (BT3) is the third phase of British American Tobacco Malaysia's Breakthrough journey which started in 2002 and focuses on driving productivity improvements with the goal of achieving 1st Choice Supply Chain for Asia Pacific. It is a continuation of the Breakthrough 1 programme (2002-2004) which focused on factory performance improvements and Breakthrough 2+ (2005-2006) which focused on Customer focused end-to-end Supply Chain.



Our BT3 aims is captured in the diagram below:



BT3 achieved the following benefits for 2007:

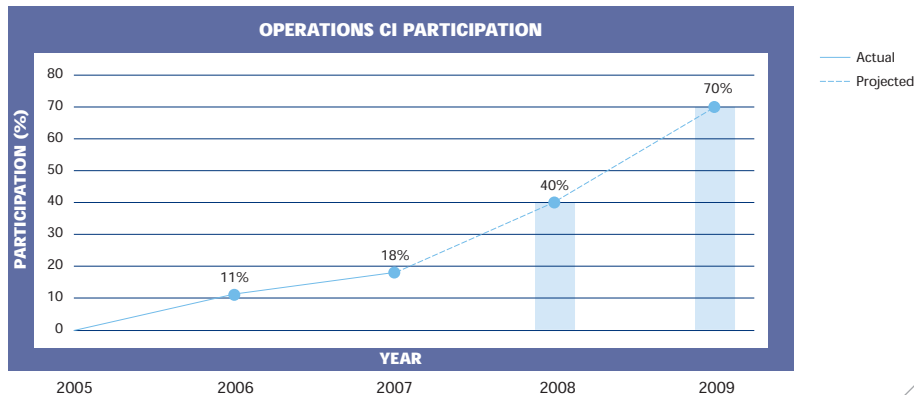
- Export volume increased by 41%
- PDPC cost savings ahead of 2007 target by 22%
- Manufacturing Cost per mille reduced by 10%
- Productivity (cigarette per man hour) improved by 20%
- Supply Chain Cycle Time reduced by 24%
- Continuous Improvement participation achieved 18.2%



THE CULTURE OF CONTINUOUS IMPROVEMENT

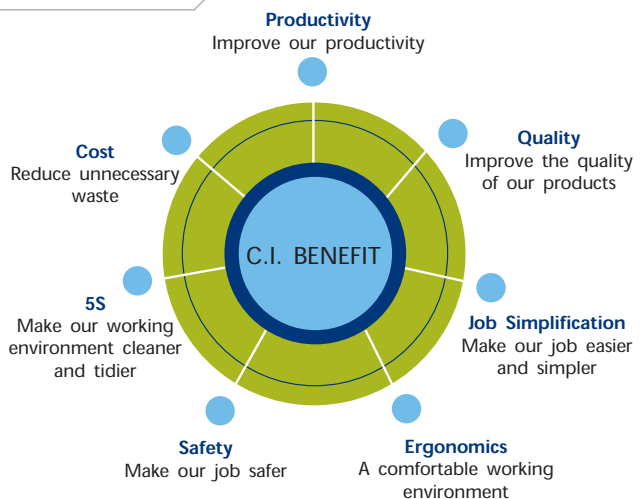
As part of the Company's Kaizen-Continuous Improvement (C.I.), the Operations function at British American Tobacco Malaysia has demonstrated outstanding results with the completion of 1059 Kaizen-C.I. initiatives (18% of total Operations employees participation) by end 2007.

When the Company started the Kaizen-C.I. programme back in October 2006, participation was at a bare minimum with only 100 completed C.I.s achieved. Due to continuous efforts to cultivate and embed the C.I. mindset in the employees at all levels, this has become a major factor in both productivity and personal improvement for our 367 employees on the production floor.



The Kaizen-C.I. has boosted productivity dramatically, but more importantly, they have created a healthy and competitive manufacturing environment with a mindset that constantly seeks opportunities for continuous improvement.

More than 50% of the completed C.I.s are focused on productivity, quality, delivery improvement, waste reduction and customer satisfaction. There is also an accumulated 12% completed C.I. on employee safety and employee work ergonomics.



SAP DISTRIBUTION RESOURCE PLANNING (DRP) WENT LIVE SUCCESSFULLY!

The Company implemented SAP DRP, a software application to enable and automate the Vendor Managed Inventory (VMI) planning process which went live successfully on 18 June 2007 on time and within budget. The project kicked-off in mid-April 2007 with cross-functional participation from Operations, Marketing, Information Technology and Asia Pacific Financial Shared Services.

With the successful go-live of SAP DRP, the Company has made a quantum leap in the way plans are made for VMI markets, from using spreadsheets to managing by exception using SAP and leveraging on real-time data from SWIFT for VMI planning.

**BEFORE****AFTER****IMPROVEMENT**

EFFICIENCY: A visible cover has been installed so that the motor, belt and cam sensor can be seen easily, reducing time wastage.

BEFORE**AFTER****IMPROVEMENT**

EFFICIENCY: The installation of a new ball bearing platform allowing the ease of positioning and handling crates to reduce damage and repair cost.

Upholding Responsibility

Meeting future standards by setting them

We believe in upholding the highest standards of behaviour, integrity together with world-class standards of corporate governance. We have continuously reinforced this standing by giving back to the community by providing assistance, funding and programmes aimed at improving the lives of the people around us.





CORPORATE SOCIAL RESPONSIBILITY

"Since the Company's business is about managing products that pose health risks, it is crucial that our business continues to be managed responsibly and in line with reasonable stakeholders' expectations. Responsibility is an integral part of our strategy for building shareholder value, along with Growth, Productivity and a Winning Organisation so we remain committed to building constructive partnership for change, deepening our understanding of what is expected of us and defining and demonstrating responsible behaviour."

CORPORATE AND LEGAL AFFAIRS DIRECTOR

Christine Lee Oi Kuan



CSR IN OUR VEINS

Due to the nature of the Company's products, it is all the more important that the Company manages its business responsibly. British American Tobacco Malaysia recognises Corporate Social Responsibility (CSR) as integral to our approach in managing our business and in building long-term shareholder value. Our reputation is as important as our brands and we believe that growth and productivity are not to be achieved at the expense of responsibility. We define CSR as 'how we earn our money, not how we spend it' which means it covers every aspect of how we run the business, from marketing and operations to human resources.

We are encouraged by the Government's leadership in advocating a greater sense of CSR among corporations as announced in the National Budget 2008. It is also heartening that British American Tobacco Malaysia's CSR Charter is aligned to the CSR framework launched

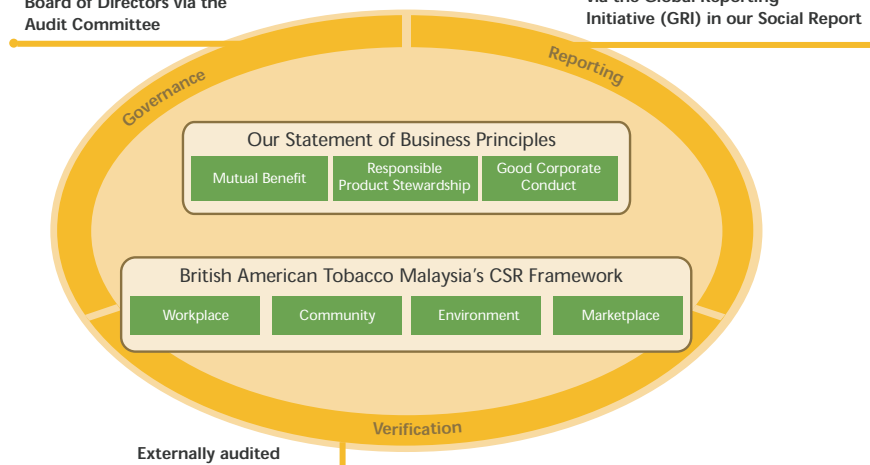
by the Bursa Malaysia Berhad as a guideline for public listed companies in Malaysia. We were the first tobacco Company in the country to embark on social reporting process nearly seven years ago, following the rigorous standards of AA1000AS and Global Reporting Initiative guidelines. While we have a team that drives the day to day CSR activities, we are governed by a CSR Committee that comprises the Company's senior management and is chaired by the Managing Director himself. This body reports to the Board of Directors via the Audit Committee. It also reports to the British American Tobacco Regional CSR Committee, which, in turn, reports to the British American Tobacco Global CSR Committee.

Against a backdrop of the proverbial debate of how sincere can a tobacco Company be in CSR, British American Tobacco Malaysia remains steadfast and committed to this journey.

BRITISH AMERICAN TOBACCO MALAYSIA'S CSR CHARTER

British American Tobacco Malaysia's CSR Committee reports to the Board of Directors via the Audit Committee

Triple Bottom Line reporting via the Global Reporting Initiative (GRI) in our Social Report



**Pillar 1****WORKPLACE****THE COMPANY'S BELIEF**

At British American Tobacco Malaysia, we have always taken seriously the value of our people and been committed to good employment practices. The setting of our Employment Principles founded on the values of Strength from Diversity, Open Minded, Freedom through Responsibility and Enterprising Spirit demonstrates our visible commitment to best practise and its integration into our corporate culture.

INFORMED EMPLOYEES ARE EMPOWERED EMPLOYEES

At British American Tobacco Malaysia, we strongly believe that informed employees are empowered employees and we pride ourselves on ensuring open two-way communication channels are available to all employees. Our people are our asset and to drive the Company strategy, we ensure line of sight through various face-to-face communications, quarterly employees' newsletters and daily updated employee portal. This is to facilitate better understanding of the Company's objectives and direction, through innovative and interactive sessions with our employees.

More details about employee activities can be found in the Winning Organisation section.

**OUR PEOPLE**

The table below describes the Company's management employees, by gender as at 31 December 2007.

End 2007	Level I		Level II	Level III	Level IV
Managers/ by gender	Management Trainees	Junior Management	Middle Management	Senior Management	Senior Management
Female	10	43	26	20	0
Male	19	420	53	43	2



The table describes the Company's senior management employees, by gender and race as at 31 December 2007.

	Male				Female				Total
	Bumiputra	Chinese	Indian	Others	Bumiputra	Chinese	Indian	Others	
Top Team members	1	2	0	3	0	1	0	1	8
Board of Directors	2	2	0	3	0	0	0	0	7



Pillar 2

COMMUNITY

THE COMPANY'S BELIEF

We believe in adding value to the communities in which we operate and ensuring we uphold high standards of behaviour and integrity in everything we do. At British American Tobacco Malaysia, we fully acknowledge and are resolute in our commitment to conduct our business responsibly whilst contributing to society.

ENABLING ENDLESS POSSIBILITIES THROUGH EDUCATION

BAT Malaysia Foundation strongly believe that there is no greater gift than the gift of education and, by awarding scholarships for higher education to deserving talented people, we hope to enable the endless possibilities that may abound from their education. Awarding scholarships is our bid to support the Government's Ninth Malaysia Plan which is to build a knowledge-based economy focusing on human capital development.



Since 1983, the BAT Malaysia Foundation has been awarding scholarships to deserving Malaysians bringing the total investment of the BAT Malaysia Foundation to date to over RM13 million. This year, the scholarship awards amounted to approximately half a million ringgit. Over the years, more than 1,900 students have benefited from the BAT Malaysia Foundation's various education aid programmes which include scholarships for university degrees, college diplomas and certificates, technical studies and starter kits for students from the tobacco farming community. The students are provided with funds for each year of their selected course until the completion of their studies with no bond attached.

For the first time in 2007, BAT Malaysia Foundation offered scholarships to the retailer community and tobacco farming group. It is our way of showing support to our much valued and long standing business partners. The successful scholars were chosen across the nation, taking into consideration their financial background, academic results, personal career plan, people leadership skills and communication skills. We awarded a total of 17 students of which, seven were our employees' children, four to our own employees, five to our retailers' children and one to our tobacco farmer's child.

Since 2002, 1,361 children of tobacco farmers and curers have benefited from awards totalling RM680,500 under the Higher Education Starter Kit (HESK) programme. The programme is a collaborative effort between the BAT Malaysia Foundation and the National Tobacco Board and aims to meet the initial costs involved in entering institutions of higher education for example expenses for books, clothes and transportation and so forth. In 2007, RM103,000 was given to the tobacco farming community which benefited 412 students.

BRIDGING THE DIGITAL DIVIDE

BAT Malaysia Foundation understands the importance of information technology (IT) in today's society and recognises that not everyone in our society have the same opportunities to be exposed to IT. As part of our efforts to facilitate, promote and encourage the use of IT and share its benefits with the local community, BAT Malaysia Foundation donated 33 personal computers to Yayasan Bachok, a local welfare organisation.

REACHING OUT TO FLOOD VICTIMS

Several states such as Johor and Pahang were hard hit by violent storms and massive floods which had caused damage to public infrastructure while the people affected lost belongings, livestock and properties. British American Tobacco Malaysia extended a helping hand by providing aid totalling RM808,057 to employees, retailers, distributors and the public who suffered losses due to the floods.

EMBEDDING CSR AMONG EMPLOYEES THROUGH VOLUNTEERISM

The Employee Volunteer Programme, the Company's first initiative of this kind aims to provide employees the opportunity to contribute towards the communities around them. It acts as a platform for employees to volunteer their personal time to touch the lives of those less fortunate through a community reach programme. In 2007, twenty employees across all functions spent quality time with residents at Rumah Berkat, a temporary shelter for the discharged and homeless.





Pillar 3 **ENVIRONMENT**

THE COMPANY'S BELIEF

The responsibility of working to reduce the environmental impact of our operation is one that we take very seriously. It forms one of our core beliefs in our Statement of Business Principles in achieving world-class standards of environmental performance. The Company also recognises Quality, Environment, Health and Safety as among the key elements to determine our leadership and sustainability in our business operations.

RECOGNITION FOR OUR ENVIRONMENT, HEALTH AND SAFETY (EHS) PROGRAMMES

Waste Management and Recycling Programme

British American Tobacco believes in cultivating a strong culture of responsibility in all our operations globally by recognising and rewarding significant achievements in environmental protection. In November 2007, British American Tobacco Malaysia was awarded by our parent company, British American Tobacco p.l.c., two British American Tobacco EHS Excellence Awards for Waste Management and Recycling Programme for laudable improvements achieved in these two important aspects of environmental protection in 2006.

Waste Management

Key initiatives implemented by British American Tobacco Malaysia:

1. Reduction in tobacco wastage to 5.0% in 2006 from 6.57% in 2005 contributed by better operating efficiencies through a proactive "Tobacco Waste Improvement Programme"
2. Significant reduction in one-off project related wastes (for example, machinery installation and building renovation)
3. EHS Education Programme through monthly team talks for employees that helped to raise their awareness and participation in waste minimisation initiatives

Recycling

Key initiatives implemented by British American Tobacco Malaysia:

1. Conversion of our general wastes into refused-derived fuel (RDF) pellets by an external service provider which is approved by the Government. British American Tobacco Malaysia was the first private commercial organisation in the country to use this technology.
2. Composting of tobacco dust into organic fertilisers by two external parties. The amount of tobacco dust uptake by the external parties increased significantly in 2006.
3. Setting up of Recycling Centres which saw an increase in recycling of paper, metal, plastic and wooden wastes.

By introducing a combination of technical improvements, behavioural programmes and a continuous improvement programme, the Company achieved 42% reduction in waste generation and an outstanding 409% improvement in its recycling rate for 2006. British American Tobacco Malaysia was also awarded in 2007 the NACRA Gold Award for Best Annual Report on Environmental Reporting.

Afforestation Programme

British American Tobacco Malaysia calculates on an annual basis, the total carbon dioxide generated from our business operations which covers energy (electricity, petrol, diesel, natural gas and Liquid Petroleum Gas) used in factories and offices, freight (land, sea and air), business travel (domestic and international), and wastes sent to the landfill. For the year of 2007, British American Tobacco Malaysia emitted 31,914 tonnes of carbon dioxide which is lower by 9.7% compared to 35,349 tonnes in 2006.

In 2002, British American Tobacco Malaysia embarked on an afforestation programme for carbon sequestration purpose and as of 2005, gone beyond carbon neutrality to reach a carbon positive status. To-date, 4,635 hectares of various species of trees have been planted on over-logged land located within a Forest Management Unit (FMU) in Ulu Tunggud, Sabah. It is estimated that in 2007, these trees sequestered 168,000 tonnes of carbon dioxide compared to the 31,914 tonnes generated by our business – more than five times the amount generated through our operations. We remain steadfast as a carbon positive business until 2015.





Continuous Improvement Programme

The Company's Continuous Improvement (C.I.) Programme contributed to make employees' working environment more comfortable, cleaner, tidier and safer. It is a programme whereby employees are recognised and rewarded for ideas implemented. The Operations function at British American Tobacco Malaysia completed 1059 C.I initiatives by end 2007 out of which 12% is on employee safety and employee work ergonomics. Details of the Continuous Improvement programme are set out on pages 56 and 57 of this Annual Report.

BEFORE



AFTER



IMPROVEMENT

SAFETY: A step has been built to allow easier and safer movement up and down the machine platform. This initiative prevents injury from slippage to create a safer working environment.

BEFORE



AFTER

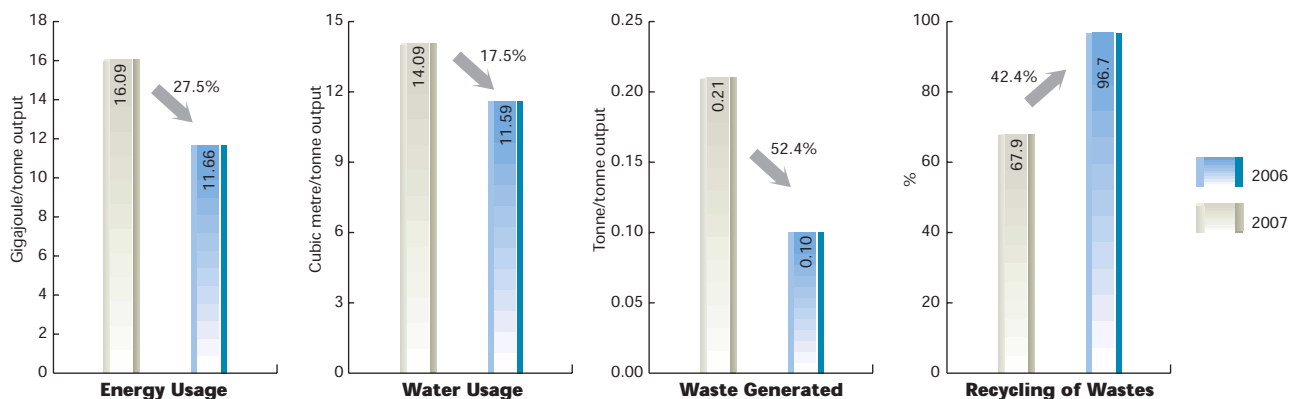


IMPROVEMENT

SAFETY: A staircase connecting the guest car park to the warehouse was built to provide safe passage and convenience to employees by eliminating the need to walk along the road, thus improving their safety.

REDUCING OUR ENVIRONMENTAL FOOTPRINT THROUGH SUSTAINABLE INITIATIVES

In the spirit of continuous improvement, British American Tobacco Malaysia is proud to report significant improvements in its environmental key performance indicators on a normalised basis (i.e. per tonne of product output), for 2007, namely:



In our efforts to further improve the treatment of process emissions, our Green Leaf Threshing Plant in Shah Alam commissioned a new trade effluent treatment plant in May 2007. We also commenced the installation of a second bio-filter for our Virginia Park factory in 2007 and it is expected to be operational in April 2008.

MANAGING OUR OPERATIONS RESPONSIBLY

Our wholly-owned manufacturing subsidiary, Tobacco Importers and Manufacturers Sdn Bhd developed and implemented an integrated management system to propel employees towards higher productivity and quality standards, while minimising environmental, health and safety risks. Our three international certifications which were awarded to us in 2003 were successfully renewed.

- ISO 9001 for our quality management system
- ISO 14001 for our environmental management system
- OHSAS 18001 for our occupational safety and health management system

SAFETY IS OUR NO.1 PRIORITY

British American Tobacco Malaysia is resolute in ensuring a safe environment for our employees and contractors who work on-site through its demonstration of safe work practices. On our journey to sustain a culture of zero accident and zero environmental incident, we have reached a significant milestone by receiving the EHS Merit Award by our parent company British American Tobacco p.l.c in recognition for zero lost workday case (LWC) at our Virginia Park manufacturing plant for the third time since 2000. Our achievement of zero lost workday at our manufacturing plant in Virginia Park, Petaling Jaya in 2007 is a true testament of putting safety first in our daily operations. In addition, our Green Leaf Threshing Plant in Shah Alam was awarded the British American Tobacco EHS Merit Award (Gold Category) for its achievement of zero LWC for five straight years since 2002.

To create a culture of safe work practices, our employees and business partners are our most important stakeholders. As such we strive to ensure their full understanding and support on EHS through education. We continuously reinforce EHS through various awareness, training and competence initiatives which include team talks, training, projects and continuous improvement (C.I.) programmes. We also organised a 'Contractor Green Card' seminar for 26 of our business partners in 2007. The seminar provided our business partners information on EHS practices and our emphasis on ensuring their strict adherence to our standards to further sustain our business partnership.





"We remain committed to working closely with the relevant authorities, retail associations and tobacco farming industry to effectively address the issue of illegal cigarettes in Malaysia."

Pillar 4 MARKETPLACE



BUSINESS DEVELOPMENT DIRECTOR

Allen Lim Hun Chye

THE COMPANY'S BELIEF

At British American Tobacco Malaysia, we have an ongoing commitment to stakeholder engagement where we listen, understand and respond to stakeholders on issues both important to stakeholders and relevant to the tobacco industry. It is crucial to us that our business is managed responsibly and in line with reasonable stakeholder expectations. Our ongoing dedication to Youth Smoking Prevention and retailer awareness on illegal cigarettes is testament to our belief in engaging stakeholders.



YOUTH SMOKING PREVENTION - NO SALE TO UNDER 18s

We strongly believe that children should not smoke and we fully support regulation that prohibits under 18 year olds from purchasing and consuming tobacco products. We hold steadfast to our principle that smoking is strictly for adults who have made an informed choice knowing the health risks associated with smoking.

Since our business is about managing products that pose health risks, it is crucial that our business continues to be managed responsibly. As such, we take responsible marketing seriously and our marketing strategies are founded on the commitment to market appropriately, only

to adult consumers, within the boundaries of the Control of Tobacco Product Regulations 2004 as well as our globally applicable self-regulating standards, the International Marketing Standards 2 (IMS 2).

We have since 1996, via the Confederation of Malaysian Tobacco Manufacturers (CMTM) been working closely with society, specifically Government, to reduce underage smoking. We have worked to contribute effectively to the prevention of underage smoking, supplementing our core activities of responsible marketing, via working with retailers as well as working with other key stakeholders on education as well as advertising programmes aimed at increasing awareness of the issue and the relevant laws.

In support of the Government's positive initiative to curb underage smoking and as part of our commitment to Youth Smoking Prevention, in 2007 British American Tobacco Malaysia together with CMTM members replenished 25,000 'No Sale to under 18s' signages to retail outlets nationwide. Moving forward, it is our view that the Government is best placed to raise public awareness on the issue of underage smoking and are encouraged by the efforts to date. We continue to be open to working with the Government to support relevant youth smoking prevention programmes.



COMBATING ILLEGAL CIGARETTES BY RAISING RETAILERS' AWARENESS

The resurgence of illegal cigarettes in the country is a major concern to both the industry and Government. Illicit tobacco trade comes at a high cost to the Government, businesses as well as society at large. A recent survey commissioned by the CMTM in June 2007, shows that illegal cigarettes now account for 24% of the market.

This means one in every four cigarettes sold in Malaysia is illegal. Illicit tobacco trade deprives Government of taxation revenues, promotes criminality, harms our brands, impacts demand for local tobacco leaf and misleads consumers into buying products of dubious quality. It also undermines the regulatory regimes governing the legitimate tobacco industry.

In response to the expectations of our stakeholders gathered from the five nationwide stakeholder dialogue conducted in 2005 with retail associations and relevant authorities, British American Tobacco Malaysia via the CMTM joined hands with the Royal Malaysian Customs (RMC) and the Ministry of Domestic Trade and Consumer Affairs (MDTCA), as well as key retail associations such as Malaysian-Singapore Coffee Shop Proprietors' General Association, Federation of Sundry Goods Merchants Association of Malaysia, Malaysian Muslim Restaurant Owners Association, Malaysian Muslim Mini Market and Provision Shop Owners Association and Selangor and Wilayah Persekutuan Restaurant Keepers' Association to roll out several programmes in 2006 aimed at creating awareness on the issue of illicit tobacco trade in Malaysia.

With the aim of raising the awareness on illicit tobacco trade among retailers, information leaflets in Bahasa Malaysia and Chinese were distributed twice to over 97,000 retailers nationwide. The leaflets highlighted the laws and penalties related to illicit tobacco trade, methods of identifying legitimate cigarettes as well as information to guide retailers in identifying authorised cigarette sales personnel.

ENGAGING BENCHMARK CSR COMPANIES IN MALAYSIA

Institute of Corporate Responsibility, Malaysia (ICR Malaysia) is a unique network of corporate and regulatory institutions, committed to advancing responsible business philosophy and practices that will have positive impacts on people, environment and society. This non-profit network

is supported by an advisory panel comprising the Securities Commission, Bursa Malaysia Berhad and Khazanah Nasional Berhad.

British American Tobacco Malaysia is one of the leading founding member companies who works with other organisations to embed CSR into the way they do business everyday through sharing of information and exchange of experience in CSR. Last November, the Company hosted a session to share with members of the ICR Malaysia our CSR charter and initiatives under British American Tobacco Malaysia CSR framework to raise business standards of Malaysian companies.

INCLUSION INTO THE DOW JONES SUSTAINABILITY WORLD INDEXES (DJSI WORLD) 2007

British American Tobacco Malaysia together with British American Tobacco p.l.c. has been included in the Dow Jones Sustainability World Indexes (DJSI World) 2007. We are the only Malaysian Company and also the only other British American Tobacco end market to be included in the DJSI World. This is the sixth consecutive time we have been included in the index. The assessment criteria were based on best-practice in economic, environmental and social performance. Other scoring criteria include the expansion of sustainability policies to cover supply chain management and improved corporate governance.

The DJSI World includes over 300 companies from 24 countries that lead their industries in terms of corporate sustainability.

BRITISH AMERICAN TOBACCO MALAYSIA NAMED 'MOST SUPPORTIVE ORGANISATION'

British American Tobacco Malaysia was named the 'Most Supportive Organisation' for its excellent support to the 17th Public Service Department-British Malaysian Chamber of Commerce Management Development Programme. The programme has been established since 1983 by the Government together with the British Malaysian Chamber of Commerce, as part of its efforts to provide senior Government officers the opportunity to have hands-on experience and exposure to the dynamics of modern day business management in British companies. It also aims to promote closer rapport between the public and private sector, which is vital in establishing a strong unified workforce.



HIGH STANDARDS

CORPORATE RESPONSIBILITY

Our Group's employees comply with the Standards of Business Conduct (Standards) which form an integral part of our Group's corporate governance. Together with the Statement of Business Principles, it continues to underpin our commitment to high standards of corporate responsibility.

The Standards require all employees to be committed to operate in accordance with high standards of business integrity, comply with laws and regulations. Employees must exercise honesty, objectivity and diligence in doing their work and must ensure that our Standards are never compromised for the sake of results.

The Standards are an integral part of the Group's principles of corporate governance and are designed to:

- (a)** ensure that decisions and judgements made by employees are lawful and comply with high ethical standards;
- (b)** set a tone and culture for the organisation which will enable it to be regarded as a good corporate citizen;
- (c)** help employees who are faced with making difficult judgements in the course of doing their work; and
- (d)** give reassurance to the Group's stakeholders with whom the Group comes into business contact.

The areas covered by the Standards are:

- Conflicts of Interest
- Inside Information and Corporate Opportunity
- Interest in Competing Businesses
- Insider Dealing and Market Abuse
- Bribery and Corruption
- Political Contributions
- Charitable Contributions
- Competition Law
- Price Sensitive Information
- Trade in the Group's Products
- Money Laundering
- Sanctions
- Whistleblowing
- Confidentiality and Information Security
- Entertainment and Gifts
- General Export Guidelines
- Commission Payments
- External Activities
- Protection of Corporate Assets and Misuse of Resources
- Accurate Accounting and Record Keeping

Compliance with the Standards is monitored regularly by the Board of Directors and Audit Committee of the Company. The Head of Internal Audit, in consultation with the Head of Legal/Company Secretary of the Group is charged with the responsibility of reporting to the Board of Directors on an annual basis the compliance of these Standards by the Group and its employees.

Statement on Corporate Governance

The Board of Directors is committed to maintaining high standards of corporate governance throughout the Group as a fundamental part of its responsibilities in managing the business and affairs of the Group.

Recognising the importance of building long term shareholder value and by demonstrating high standards of corporate conduct, the Board is guided by the Group's Statement of Business Principles (Business Principles) which forms the basis on which the Group expects the business to be run in terms of responsibility. The Business Principles cover key issues that underpin Corporate Social Responsibility (CSR) for a multinational business and more particularly, for the unique characteristics of a tobacco business. The three (3) Business Principles are Mutual Benefit, Responsible Product Stewardship and Good Corporate Conduct each of which is supported by Core Beliefs which explains and supports the Business Principles.

Details of the Business Principles are available from the Group's corporate website at www.batmalaysia.com.

The Company's corporate governance framework is directed towards achieving the Company's key business objectives in a manner which is responsible and in accordance with high standards of honesty, transparency and accountability.

These principles are reflected in our Standards of Business Conduct (Standards) which are reviewed from time to time to ensure that they remain at the forefront of best business practice. Examples of provisions in the Standards are, avoiding situations where there is conflicts of interest, prohibition on use of inside information, corporate opportunities and insider dealing and for employees, Directors and officers to ensure that there is no engagement in corrupt activities.



Statement on Corporate Governance

The Group and every employee including Directors and officers are expected to live up to the Standards. To facilitate this, the Standards can conveniently be located by our employees and Directors via the employee portal. The Standards document is also available from the Company Secretary and through our website, at www.batmalaysia.com.

In driving high standards of corporate governance, the Board of Directors is also guided by the Company's Code of Corporate Governance (BATM Code), which is formulated based on the principles and best practices set out in the Malaysian Code on Corporate Governance (Revised 2007) (Malaysian Code) and developments of globally recognised best governance practices. These principles and best practices are practised throughout the Group as the underlying principle in discharging the Board of Director's responsibility and to ensure transparency and corporate accountability.

The principal governance rules which apply to Malaysian companies listed on Bursa Malaysia Securities Berhad are contained in the Malaysian Code and Bursa Malaysia Listing Requirements (Listing Requirements).

The Company has complied with the BATM Code, Malaysian Code and Listing Requirements and the Board therefore considers that the Company has satisfied its obligations under the BATM Code, Malaysian Code and Listing Requirements.

As required under the Bursa Securities Listing Requirements, this Statement reports on how the BATM Code, Malaysian Code and Listing Requirements are applied by the Company and sets out the Company's formal report on compliance with the BATM Code, Malaysian Code and Listing Requirements throughout the twelve (12) months ended 31 December 2007.

BOARD OF DIRECTORS

The Board

The Board is responsible to the shareholders for the success of the Group, overall strategic direction, its values and governance. In discharging this responsibility, the Board is guided by the Standards and the Business Principles. The Group's Standards sets out high standards of honesty, responsibility, transparency and accountability. The Board ensures that compliance with the Group's Standards is monitored through a process where

declarations are obtained from all management staff on their compliance and this includes disclosure of any conflict of interest situations.

The Board provides the leadership necessary to enable the Group's business objectives to be met within the framework of internal controls as described in this Statement, while ensuring that the Company's obligations to its shareholders and stakeholders are met.

Board Structure and Procedure

The Board structure is consistent with the requirements mandated by the Listing Requirements and as prescribed by the principles and best practices of the Malaysian Code. The present size and composition of the Board is ideal and well balanced as in its currently constituted state. The Board is stable and has the commitment and capacity to discharge its responsibilities effectively.

As at 31 December 2007, the Board has seven (7) members, comprising four (4) Non-Executive Directors (including the Chairman) and three (3) Executive Directors. From the four (4) Non-Executive Directors, three (3) Directors are independent. The three (3) Independent Directors meet the criteria on Independent Directors as set out in the Listing Requirements.

Quality and access to information and independent advice

The Board has direct and unrestricted access to all information within the Company and is able to seek independent professional advice at the Company's expense if necessary. In carrying out their duties, the Board has direct and unrestricted access to the management of the Company.

Duties of the Board

Among key legal and statutory responsibilities for which the Board is responsible are, reviewing and adopting strategic plans for the Group, identifying principal risks and ensuring implementation of appropriate systems to manage these risks, reviewing the adequacy and integrity of the Group's internal control systems and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines.

A GOOD CORPORATE CITIZEN

The Board is responsible for declaring dividends and approving the financial statements and accounting policies of the Group. Other duties of the Board are to consider succession planning, including appointing, training, fixing the compensation of and where appropriate, replacing senior management. Additionally, the Board is responsible for developing and implementing an investor relations programme or shareholder communications policy for the Group.

The Board is responsible for establishing Board committees such as the Audit Committee, Nomination Committee, Remuneration Committee, Corporate Social Responsibility Committee and Executive Compensation Committee (ECC) and determines the duties and responsibilities for the respective committees of the Board. The Board receives and reviews reports from the Board committees and on matters reserved by the Board for approval, the Board reviews the recommendations made by the Board committees and grants approvals, when required.

The Company's Statement of Delegated Authorities supports good corporate governance, prudent control of risk and investment management and local management responsibility.

In the Company's Statement of Delegated Authorities, the Board has specifically reserved matters such as establishment of new businesses or factories, annual strategic plan, approval of major capital expenditure, acquisition and disposal of businesses or equity, borrowings and any corporate restructuring, for its decision.

Top Team

It is important to the Board that the duties of the Board and management (Top Team) complement each other and that responsibilities of the Top Team are clearly defined.

The Board delegates to the Top Team and the Top Team is charged with the responsibility of implementing the policies and decisions of the Board, overseeing the operations as well as developing, co-ordinating and implementing business and corporate strategies.

The Top Team members are the Managing Director, Finance Director, Marketing Director, Operations Director, Information Technology Director, Human Resources Director, Corporate and Legal Affairs Director and the Business Development Director.

From time to time when the Board requires relevant information or updates from any members of the Top Team, the member of the Top Team will be invited to attend meetings of the Board.

Operational management matters of the Group and the relevant levels of authority are accorded to the Top Team in the established and approved Corporate Authority Limits, which is read in conjunction with the Company's Statement of Delegated Authorities.

Board Balance

During the financial year ended 31 December 2007, the Board has maintained its mix of Executive and Non-Executive Directors from diverse professional backgrounds with a wealth of experience, skills and expertise.

The three (3) Executive Directors, Mr Jack Marie Henry David Bowles, Mr Robert James Clark and Dato' Chan Choon Ngai advise the Board on matters pertaining to marketing, finance and operations.



Statement on Corporate Governance

The four (4) Non-Executive Directors, Tan Sri Abu Talib bin Othman, Tan Sri Kamarul Ariffin bin Mohamed Yassin, Datuk Oh Chong Peng and Mr James Richard Suttie are persons of high calibre, professionals in their own right and bring to the Board in-depth knowledge in the fields of law and finance.

The presence of Independent Non-Executive Directors bring unbiased and independent views, advice and judgement to the decision making of the Board taking into account the interest of the Group, shareholders, employees, customers and suppliers. The four (4) Independent Directors in effect represent minority shareholders' interest in the Company and they proactively engage with management and auditors.

The Board has reviewed its size and has considered its current size ideal and effective given the scope, size and complexity of the business and affairs of the Group. The Company is in compliance with the Independent Director criteria set out under Bursa Securities Listing Requirements.

A brief profile of each Director is presented on pages 32 to 39 of this Annual Report.

Role of the Chairman and the Managing Director

The roles of Chairman and Managing Director are separate, with each having distinct and clearly defined responsibilities. This division of roles and responsibilities ensures that there is a balance of power and authority, such that there is no excessive concentration of power in the Chairman or the Managing Director.

The Chairman is responsible for leadership of the Board, ensuring its effectiveness, setting the agenda, and ensuring that a clear business and financial strategy for the Group is formulated for recommendation to the Board. Once objectives and strategies have been reviewed and adopted by the Board as a whole, the Managing Director's responsibility is to ensure delivery of the strategic and financial objectives. The Managing Director is responsible for the stewardship of the Group's assets. The duties and responsibilities of the Chairman and the Managing Director are clearly outlined in the Company's Code of Corporate Governance.

The Chairman of the Board, Tan Sri Abu Talib bin Othman, is an Independent Non-Executive Director and has always been an Independent Non-Executive Director.

The Company's Managing Director, Mr Jack Marie Henry David Bowles, is an Executive Director appointed to the Board on 1 May 2007.

Tan Sri Kamarul Ariffin bin Mohamed Yassin was appointed by the Board as the Senior Independent Non-Executive Director to whom concerns may be conveyed.

Board Meetings

The Board held eight (8) meetings in 2007 of which four (4) were scheduled meetings. The Board is scheduled to hold the same number of scheduled meetings in 2008. The Company's Board meetings are scheduled in the fourth quarter of the preceding year so as to enable the Directors to plan ahead and ensures that the scheduled Board meetings are booked in their respective schedules.

Where any direction or decisions are required expeditiously or urgently from the Board between the scheduled regular meetings, special Board meetings are convened by the Company Secretary, after consultation with the Chairman. Where appropriate, decisions are taken by way of Directors' Circular Resolution between scheduled and special meetings. Decisions of the Board are made unanimously or by a consensus.

The agenda for Board meetings are set by the Chairman in consultation with the Managing Director and the Company Secretary. All Directors are aware of their responsibility to apply high ethical standards and take decisions objectively in the interest of the Company.

Senior management staff or external advisors may be invited to attend Board and Board Committees meetings to advise the Board and Board Committee members and furnish the members with information and clarification required on items on the agenda tabled to the Board and Board Committees to enable them to arrive at a considered decision.

All issues raised, discussions, deliberations in terms of the issues discussed, decisions made and conclusions made at the Board meetings are recorded in the minutes. Minutes of all Board and Board Committee meetings are circulated to all Directors for their perusal prior to the confirmation of such minutes at the following meeting.

Supply of Information

The Board and Board Committees receive up-to-date information for review in good time ahead of each meeting, and the Company Secretary, under the direction of the Chairman, ensures the flow of information to the Board and Board Committees. The Company Secretary is also responsible for advising the Board, through the Chairman on all governance matters. Prior to Board meetings, a formal and structured agenda together with a set of Board papers containing information relevant to the matters to be deliberated at the meeting is forwarded to all Directors at least five (5) days in advance of the relevant Board meeting. This is to enable Directors to review, consider, and if necessary, obtain further information or research on the matters to be deliberated in order to be properly prepared at the Board meeting. The Board papers are presented in a manner which is concise and includes comprehensive management reports, minutes of meetings of Board Committees, proposal papers and supporting documents.

The Board recognises that the decision making process is highly dependent on the quality of information furnished. As such, in furtherance of their duties, every Director has unrestricted access to all information within the Company. The Directors are regularly updated on new statutory and regulatory requirements relating to the duties and responsibilities of Directors and the impact and implication to the Company and Directors in carrying out their fiduciary duties and responsibilities. There is also a formal procedure approved by the Board for all Directors, whether acting as a full Board or in their individual capacity, to obtain independent professional advice when necessary, at the Group's expense.

APPOINTMENTS TO THE BOARD

Appointment Process

The Board appoints its members through a formal process which is consistent with the Articles of Association of the Company. The Board has established the Nomination Committee to make recommendations on suitable candidates for appointment to the Board. Candidates recommended must be approved and appointed by the Board. The Nomination Committee is responsible to ensure that the procedure for appointing new Directors are transparent and rigorous and that appointments are made on merit and against objective criteria for the purpose. This process also applies to Directors who seek re-election or re-appointment at the Company's Annual General Meeting.

Directors are submitted for re-appointment at regular intervals by application of the Company's Articles of Association.

Re-election or Re-appointment of Directors

Articles 97(1) and (2) of the Articles of Association of the Company provides that at least one-third of the Board is subject to retirement by rotation at each Annual General Meeting. The Directors to retire in each year are the Directors who have been longest in office since their appointment or re-election.

Mr James Richard Suttie, a Non-Independent Non-Executive Director and Dato' Chan Choon Ngai, an Executive Director will retire pursuant to Article 97(1) and (2) at this Annual General Meeting.

Article 103 of the Articles of Association of the Company states that a director appointed by the Board from time to time shall hold office only until the next Annual General Meeting and shall then be eligible for re-election.

Mr Jack Marie Henry David Bowles, an Executive Director appointed on 1 May 2007 will retire pursuant to Article 103 and be subject to re-election at this Annual General Meeting.

Section 129(6) of the Companies Act, 1965 provides that a person of or over the age of seventy (70) years may be appointed or re-appointed as a director by the shareholders of the company to hold office until the next Annual General Meeting.

Tan Sri Kamarul Ariffin bin Mohamed Yassin, who has attained the age of seventy (70), will retire in accordance with the aforesaid section.

To assist shareholders in their decision, information such as personal profile, number of meetings attended and the shareholdings in the Group of each Director standing for re-election or re-appointment is furnished in a separate statement accompanying the Notice of the Annual General Meeting.

The Nomination Committee has made recommendations to the Board as to the Directors who are being put forward for re-election or re-appointment at the Annual General Meeting on 17 April 2008.



Directors' Training

In order to ensure that Directors are well equipped to discharge their duties and responsibilities, Directors receive an induction on joining the Board which consist of briefings on all areas of the Group's business.

All existing Directors of the Company have completed the Mandatory Accreditation Programme (MAP) and attended various training programmes under the Continuing Education Programme (CEP) pursuant to the requirements of Bursa Malaysia Securities Berhad. Following the repeal of the CEP requirements prescribed by Bursa Malaysia Securities Berhad with effect from 1 January 2005, the Board of Directors continue to evaluate and determine the training needs of its Directors to ensure continuing education to assist them in the discharge of their duties as Directors.

All Directors appointed to the Board, apart from attending the MAP and the CEP accredited by Bursa Malaysia Securities Berhad, complete other relevant training programmes to further enhance their business acumen and professionalism in discharging their duties to the Group. Pursuant to paragraph 15.09(2) and Appendix 9C (Part A, Paragraph 27) of the Bursa Securities Listing Requirements, the Directors have during the financial year ended 31 December 2007 attended training programmes in areas of leadership, corporate governance, finance, risk management, brand management, competitive strategies, human resources, regulatory developments and business intelligence.

To further enhance the Directors' knowledge in relation to the business of the Group, a majority of them have made visits to the factory, leaf growing areas and on trade marketing and distribution centers of the Group.

During such visits, these Directors obtained first hand understanding of the business operations and challenges faced by the Group.

The Company also provided internal briefings to the Directors on key corporate governance developments and amendments to the Malaysian Code, duties and responsibilities of Directors pursuant to updates to the Companies Amendment Act 2007 and the impact of the Capital Markets and Services Act 2007 to the Company to enable them to keep abreast with such developments and amendments.

Particulars of external training programmes attended by the Directors are as follows:

No.	Name of Director	Training Programme Title	Details of Programme
1.	Tan Sri Abu Talib bin Othman	Directors Development Programme	- Driving Companies to meet the challenges of a global world - Strategic Human Capital Development and Talent Management
		Director Training Programme 2007	- Business Intelligence within Corporate Governance and Directors Duties and Responsibilities - Innovation – Antidote to Commoditisation - Prevention of Corporate Frauds
		Updates on Regulatory Developments in the Malaysian Capital Market	Regulatory developments in the Malaysian capital market
2.	Tan Sri Kamarul Ariffin bin Mohamed Yassin	Director Training Programme 2007	- Business Intelligence within Corporate Governance and Directors Duties and Responsibilities - Innovation – Antidote to Commoditisation - Prevention of Corporate Frauds



Particulars of external training programmes attended by the Directors are as follows: (continued)

No.	Name of Director	Training Programme Title	Details of Programme
3.	Datuk Oh Chong Peng	Director Training Programme 2007	• Business Intelligence within Corporate Governance and Directors Duties and Responsibilities • Innovation – Antidote to Commoditisation • Prevention of Corporate Frauds
		Seminar on Future Accounting Standards in Malaysia	• Future Accounting Standards in Malaysia
		Seminar on Director and Officers' Liability Insurance	• Director and Officers' Liability Insurance
		IJM Seminar	• Finance Reporting Standards 3 • Malaysian Budget • Corporate Governance
		Anti Money Laundering (Bank Negara Malaysia)	• Anti Money Laundering
		Conference on offshore financing hosted by LOFSA	• Offshore Financing
4.	James Richard Suttie	Director Training Programme 2007	• Business Intelligence within Corporate Governance and Directors Duties and Responsibilities • Innovation – Antidote to Commoditisation • Prevention of Corporate Frauds
5.	Robert James Clark	Director Training Programme 2007	• Business Intelligence within Corporate Governance and Directors Duties and Responsibilities • Innovation – Antidote to Commoditisation • Prevention of Corporate Frauds
6.	Dato' Chan Choon Ngai	Director Training Programme 2007	• Business Intelligence within Corporate Governance and Directors Duties and Responsibilities • Innovation – Antidote to Commoditisation • Prevention of Corporate Frauds
7.	Bartholomeus Franciscus Theodorus Alkemade	Director Training Programme 2007	• Business Intelligence within Corporate Governance and Directors Duties and Responsibilities • Innovation – Antidote to Commoditisation • Prevention of Corporate Frauds



Statement on Corporate Governance

Particulars of external training programmes attended by the Directors are as follows: (continued)

No.	Name of Director	Training Programme Title	Details of Programme
8.	Jack Marie Henry David Bowles	Mandatory Accreditation Programme for Directors of Public Listed Companies	• Understanding the concept of Corporate Governance and the Malaysian Code on Corporate Governance • Regulatory Framework Governing Directors of Public Listed Companies • Legal and Professional Financial Reporting Framework • Regulation of the Securities Market • Expectations on Directors of Public Listed Companies • Law, Procedure and Proper Governance of General Meetings and Rights and Powers of Shareholders • Risk Management, Internal Control and Internal Audit Functions • Overview of the Listing Requirements of Bursa Malaysia Securities Berhad and key obligations of Public Listed Companies • The Audit Committee

Board Performance Evaluation

The Board conducts a critical evaluation of its activities on an annual basis. The Company Secretary circulates to the Directors an assessment questionnaire to ascertain their views on the performance of the Board and its Board Committees and then compiles a report for the Chairman. The report is presented to the Nomination Committee and then to the entire Board. The board performance evaluation process in 2007 confirmed that the Board and Board Committees continue to operate effectively in discharging their duties and responsibilities.

Board Committees

To assist the Board in discharging its duties, various Board Committees were established. The Board Committees established by the Board are the Nomination Committee, Audit Committee, Remuneration Committee, Corporate Social Responsibility (CSR) Committee and Executive Compensation Committee. To promote the smooth running of the Board Committees, the Board has specified the authority of the Board Committees. All Board Committees have their functions, written terms of reference and operating procedures clearly defined and where applicable, comply with the recommendations of the Malaysian Code.

Each Board Committee submits to the Board, reports of their respective proceedings and deliberations. The Chairman of the respective Board Committee will report to the Board on all matters deliberated at the Board Committee meetings where recommendations are made to the Board by the Board Committees, the deliberations and decisions taken are minuted and the minutes are approved by all the Directors and confirmed by the Chairman of the Board at the next Board meetings.

The Board retains full responsibility for the direction and control of the Group. The roles and membership of the Board Committees are described in more detail where appropriate below.

1. Nomination Committee

The Nomination Committee comprise exclusively Non-Executive Directors, a majority of whom are independent. The members of the Nomination Committee as of 31 December 2007 are:

Tan Sri Abu Talib bin Othman:
Chairman, Independent Non-Executive Director

Datuk Oh Chong Peng:
Independent Non-Executive Director

James Richard Suttie:
Non-Independent Non-Executive Director

The Nomination Committee is empowered by the Board to, amongst others, recommend to the Board suitable candidates for appointment as Directors, ensure that the Board has an appropriate balance of skills, expertise, attributes and core competencies from its members and review the profiles of the required skills, expertise, attributes and core competencies for membership to the Board and Board Committees. A Director seeking re-election or re-appointment will abstain from all deliberations regarding his re-election or re-appointment to the Board and Board Committees.

Meetings of the Nomination Committee are held at least once a year and also as and when required. The Nomination Committee met twice during the financial year ended 31 December 2007.

The authority and terms of reference of the Nomination Committee are as follows:

a. Authority

The Nomination Committee is authorised by the Board to act as follows:

- To make proposals to the Board on suitable candidates for appointment as directors;
- To ensure that the Board has an appropriate balance of skills, expertise, attributes and core competencies from its members;
- To regularly review profiles of the required skills, expertise, attributes and core competencies for membership of the Board;
- To review succession plans for members of the Board;
- To recommend to the Board, directors to fill the seats on board committees; and
- To assess annually the effectiveness of the Board, the committees of the Board and the contribution of each individual director.

b. Meetings

- The Nomination Committee shall meet at least once a year or upon the request of any of its members.
- A majority of the members in attendance must be independent directors in order to form a quorum for the meeting.

- The Company Secretary shall record, prepare and circulate the minutes of the meetings of the Nomination Committee and ensure that the minutes are properly kept and produced for inspection if required.
- The Nomination Committee shall report to the Board and its minutes will be tabled and noted by the Board.

In February 2007, the Nomination Committee made recommendations to the Board as to the Directors who are retiring and being put forward for re-election and re-appointment at the Annual General Meeting on 19 April 2007.

In March 2007, the Nomination Committee met to deliberate on the appointment of Mr Jack Bowles who had been nominated as the Managing Director of the Company. After having considered Mr Jack Bowles's profile, experience and qualifications, the Nomination Committee was satisfied that he is suitable to be appointed as Managing Director of the Company. Accordingly, the Nomination Committee recommended to the Board that Mr Jack Bowles be appointed as a Director of the Company with effect from 1 May 2007 and the Board approved the appointment with effect from the said date.

2. Audit Committee

The Board's obligation to establish formal and transparent arrangements for considering how it should apply financial reporting and internal control principles, and maintaining an appropriate relationship with the Company's external auditor, PricewaterhouseCoopers Malaysia is met through the Audit Committee.

The members of the Audit Committee as at 31 December 2007 are as follows:

Tan Sri Abu Talib bin Othman:
Chairman, Independent Non-Executive Director

Tan Sri Kamarul Ariffin bin Mohamed Yassin:
Independent Non-Executive Director

Datuk Oh Chong Peng:
Independent Non-Executive Director

James Richard Suttie:
Non-Independent Non-Executive Director



The Managing Director, Finance Director, Head of Internal Audit and representatives of the external auditor attend meetings of the Audit Committee. The Audit Committee met with the external auditor once in 2007, without the presence of the Executive Directors or management. The minutes of the Audit Committee meetings are tabled to the Board for noting, action and approval, where appropriate.

The Audit Committee met four (4) times during 2007. The Audit Committee met with management and with the internal and external auditors to review the effectiveness of internal controls and business risk management, and received reports from the Group's regional audit committees. It reviewed compliance with the Standards and procedures in place within the Group for the management of its business policies. It gave detailed consideration to business risks arising in the context of the Group's treasury operations, its information technology systems and the threat to the Group's business posed by illicit trade, and reviewed the specific controls in place within the Group to address such risks. It has satisfied itself by means of these steps that proper and satisfactory internal control systems remain in place to identify and contain business risks, and that the Group's business is being conducted in a proper and economically sound manner.

The Audit Committee is responsible for approving audit, recurring audit related and non-audit services provided by the external auditors and in carrying out their duties, the Audit Committee ensures that the independence and objectivity of the external auditor is not compromised.

The functions, composition and membership of the Audit Committee are provided at pages 91 to 94 of this Annual Report. The Audit Committee comprises four (4) Directors, the majority of whom are independent.

3. Remuneration Committee

The Remuneration Committee comprise mainly Non-Executive Directors and the members of the Remuneration Committee as at 31 December 2007 are:

Tan Sri Abu Talib bin Othman:
Chairman, Independent Non-Executive Director

Tan Sri Kamarul Ariffin bin Mohamed Yassin:
Independent Non-Executive Director

Datuk Oh Chong Peng:
Independent Non-Executive Director

James Richard Suttie:
Non-Independent Non-Executive Director

Bartholomeus Franciscus Theodorus Alkemade:
Non-Independent Executive Director
(Resigned on 30 April 2007)

Jack Marie Henry David Bowles:
Non-Independent Executive Director
(Appointed on 1 May 2007)

The Remuneration Committee is authorised by the Board to recommend to the Board the remuneration framework for Directors as well as the remuneration packages of the Executive Directors and members of the Top Team and senior managers of the Company. A Director whose remuneration package is being considered will abstain from all deliberations regarding the recommendation of his remuneration package. The Managing Director, who is a member of the Remuneration Committee makes presentations to the Remuneration Committee on the remuneration, compensation payments, annual bonus and salary increments of Executive Directors and senior managers.

The Remuneration Committee meets at least once a year and during the financial year ended 31 December 2007, the Remuneration Committee met five (5) times. Amongst the items deliberated by the Remuneration Committee in 2007 were the remuneration packages of the newly nominated Managing Director, Marketing Director, Human Resources Director and Head of Brands.

The meetings were attended by a majority of the members of the Remuneration Committee.

The authority and terms of reference of the Remuneration Committee are as follows:

a. Authority

The Remuneration Committee is authorised by the Board to act as follows:

- To recommend to the Board the Company's policy framework on the terms of employment of the executive directors, members of the Top Team and employees of Grade 38 and above;
- To recommend to the Board on all elements of remuneration and compensation payments of the executive directors, members of the Top Team and employees of Grade 38 and above;
- To review and approve the annual bonus and salary increment of the executive directors, members of the Top Team and employees of Grade 38 and above; and
- To review and recommend to the Board the remuneration of the non-executive directors.

b. Meetings and Minutes

- The Remuneration Committee shall meet at least once in each year or otherwise as it decides.
- A majority of the members in attendance must be non-executive directors in order to form a quorum for the meeting.
- Executive directors and non-executive directors shall abstain from the deliberations and voting decisions in respect of their respective remuneration either at the Remuneration Committee or Board level as the case may be.
- The Remuneration Committee shall be entitled to call for advice internally from the Human Resources Department or from external sources, when necessary.
- The Company Secretary shall record, prepare and circulate the minutes of the meetings of the Remuneration Committee and ensure that the minutes are properly kept and produced for inspection if required.
- The Remuneration Committee shall report to the Board and the minutes of the Remuneration Committee Meeting will be tabled to and is noted by the Board.

4. Executive Compensation Committee (ECC)

The ECC comprises wholly of Top Team members of the Company. The Regional Human Resources Manager or his nominee is an invitee to ECC meetings as and when deemed necessary by the ECC. The Managing Director of the Company is the Chairman of the ECC and the Human Resources Director of the Company acts as the Secretary to the ECC.

The ECC reports to the Remuneration Committee and its minutes are tabled to the Board.

Members of the ECC as at 31 December 2007 are:

Jack Marie Henry David Bowles	: <i>Chairman</i>
Robert James Clark	: <i>Member</i>
Dato' Chan Choon Ngai	: <i>Member</i>
Rashed Ahmed	: <i>Member</i>
Anna Dolgikh	: <i>Member</i>
Zainal Arifin Khalid	: <i>Member</i>
Christine Lee Oi Kuan	: <i>Member</i>
Allen Lim Hun Chye	: <i>Member</i>

The authority and terms of reference of the ECC are as follows:

a. Authority

The ECC is authorised to perform, with respect to all employees (except employees of Grade 38 and above) of the Company the following functions:

- to review and approve salaries and annual bonuses;
- to review and approve the mandate for collective agreement;
- to review, approve and amend as the case maybe, the design and terms of the executive shares schemes;
- to review and approve voluntary separation schemes; and
- to approve job upgrades to Grades 36 and 37.



b. Meetings and Minutes

- The ECC shall meet at least once in each year or otherwise as it decides.
- The quorum for the ECC shall be at least five (5) members, including the Chairman, being present.
- The Secretary shall record and circulate the minutes of the meeting.
- The ECC shall report to the Remuneration Committee and its minutes will be tabled to and noted by the Board of Directors of the Company.

In 2007, the ECC met twice to deliberate on matters such as budgets for increment, increment guidelines, 2006 bonus payments and 2007 bonus targets.

5. Corporate Social Responsibility Committee (CSR Committee)

The CSR Committee is tasked with responsibilities of reviewing the Company's management of corporate social responsibility and monitoring its alignment with the Statement of Business Principles. The Company was awarded the Gold Award for Best Annual Report in Environmental Reporting by the National Annual Corporate Report Awards. The Company was also included in the 2007 Dow Jones Sustainability World Index consecutively for the sixth (6th) time.

The CSR Committee comprised the Company's Top Team with the Corporate Affairs Manager as the secretary of the CSR Committee. The CSR Committee reports to the Board through the Audit Committee. The CSR Committee met twice during the financial year ended 31 December 2007.

The CSR Committee members as at 31 December 2007 are as follows:

Jack Marie Henry David Bowles	: <i>Chairman</i>
Robert James Clark	: <i>Member</i>
Dato' Chan Choon Ngai	: <i>Member</i>
Rashed Ahmed	: <i>Member</i>
Anna Dolgikh	: <i>Member</i>
Zainal Arifin Khalid	: <i>Member</i>
Christine Lee Oi Kuan	: <i>Member</i>
Allen Lim Hun Chye	: <i>Member</i>

The terms of reference of the CSR Committee are as set out below:

a. Purpose

The CSR Committee reviews the Company's management of CSR including the monitoring of alignment with the Statement of Business Principles.

The CSR Committee seeks to focus on the Company's social and environmental performance whereby social and environmental risks and issues are identified and appropriate and timely action is taken to address the identified issues. The CSR Committee also serves as a forum which demonstrates that the principles of CSR are effectively embedded throughout the Company.

b. Authority

The CSR Committee is authorised by the Board of Directors to review activities within the Company, which fall within the ambit of the Company's management of corporate social responsibility. The CSR Committee in performing its functions is also authorised by the Board of Directors to secure external independent professional advice and the attendance of third parties with relevant experience and expertise, as well as parties from within the Company.

The CSR Committee will meet at least twice annually.

c. Objectives

The CSR Committee's specific objectives are:

- Identification and management of key social and environmental issues;
- Identification of and engagement with key stakeholders;
- Monitoring efficiency and effectiveness of CSR management systems and controls;
- Ensuring the reliability of social and environmental performance management information; and
- Monitoring alignment with the Company's Statement of Business Principles.

d. Relationship with Internal Audit

Representatives from Internal Audit are invited to attend the CSR Committee meeting and be heard on any CSR matter which affects the Company. Internal Audit has direct access to the Chairman of the CSR Committee on all CSR matters.

**ATTENDANCE AT BOARD AND BOARD COMMITTEE MEETINGS**

During the twelve (12) months ended 31 December 2007, eight (8) Board Meetings were held and a majority of the Directors attended all the meetings held during the period.

The following table specifies the number of Board and Committee meetings held in 2007:

	Board Meeting		Audit Committee		Nomination Committee		Remuneration Committee		CSR Committee		Executive Compensation Committee	
	Total attendance	Percentage (%)	Total attendance	Percentage (%)	Total attendance	Percentage (%)	Total attendance	Percentage (%)	Total attendance	Percentage (%)	Total attendance	Percentage (%)
Tan Sri Abu Talib bin Othman (Chairman) (Independent Non-Executive Director)	8/8	100	4/4	100	2/2	100	5/5	100	—	—	—	—
* Jack Marie Henry David Bowles (Non-Independent Executive Director)	4/5	80	—	—	—	—	3/3	100	1/1	100	—	—
Tan Sri Kamarul Ariffin bin Mohamed Yassin (Independent Non-Executive Director)	8/8	100	4/4	100	—	—	5/5	100	—	—	—	—
Datuk Oh Chong Peng (Independent Non-Executive Director)	8/8	100	4/4	100	2/2	100	4/5	80	—	—	—	—
James Richard Suttie (Non-Independent Non-Executive Director)	7/8	88	4/4	100	2/2	100	5/5	100	—	—	—	—
Robert James Clark (Non-Independent Executive Director)	8/8	100	—	—	—	—	—	—	1/2	50	2/3	67
Dato' Chan Choon Ngai (Non-Independent Executive Director)	7/8	88	—	—	—	—	—	—	1/2	50	3/3	100
# Bartholomeus Franciscus Theodorus Alkemade (Non-Independent Executive Director)	3/3	100	—	—	—	—	2/2	100	1/1	100	2/3	67

* Appointed on 1 May 2007

Mr Bartholomeus Franciscus Theodorus Alkemade resigned on 30 April 2007 after the Board of Directors' Meetings held in February, March and April 2007

If a director is appointed mid way through a financial year, the computation of his minimum number of attendance of board meetings for the purpose of achieving the 50% attendance requirement for that financial year is by taking into account only the meetings held on or after his appointment.



COMPANY SECRETARY

The Company Secretary provides support to the Chairman of the Company to ensure the effective functioning of the Board and guidance to the Board on their responsibilities under the relevant laws and other legal requirements to which they are subject to and how those responsibilities should be discharged. The Company Secretary organises and attends all Board meetings and ensures that an accurate and proper record of deliberation of issues discussed, decisions and conclusions are taken.

The Company Secretary records, prepares and circulates the minutes of the meetings of the Board and ensures that the minutes are kept properly at the registered office of the Company and produced for inspection, if required.

The Company Secretary also updates the Board regularly on amendments to the Listing Requirements, practice and guidance notes and circulars from Bursa Malaysia Securities Berhad, Companies Act, 1965, Malaysian Code of Corporate Governance (Revised 2007), Capital Markets and Services Act 2007 and advises the Board on impact, if any, to the Company and the Board. All Directors have access to the advice and services of the Company Secretary. The Company Secretary is appointed and removed by the Board as a whole.

DIRECTORS' REMUNERATION

The policy for Directors' remuneration is to provide the remuneration packages needed to attract, retain and motivate Directors of the quality required to manage the business of the Group. For Non-Executive Directors, the level of remuneration reflects the experience and level of responsibilities undertaken by the individual Non-Executive Director. The remuneration strategy for the Executive Directors of the Group is to pay competitively, and, through the use of an integrated pay and benefits structure, to reward corporate and individual performance in order to contribute to a Winning Organisation. The remuneration strategy reflects the competitive nature of the Group's operations, recognising the need to attract, motivate and retain high quality and calibre personnel.

Information prepared by independent consultants and survey data on the remuneration practices of comparable companies are taken into consideration in determining the remuneration packages for Executive and Non-Executive Directors. The Remuneration Committee recommends to the Board the remuneration package of the Executive Director and it is the ultimate responsibility of the Board as a whole to approve the remuneration package of the Executive Director.

The Independent Non-Executive Directors are paid annual fees and attendance allowances for Board and Board Committee meetings which they attend.

The remuneration package for Directors comprise the following elements:

- **Fees and Meeting Allowances**

The fees payable to each of the Non-Executive Directors are determined by the Board as authorised by the shareholders of the Company. All Non-Executive Directors are paid meeting allowances as determined by the Board as reimbursement for expenses incurred for attending the Board meetings.

- **Basic Salary**

The basic salaries for the Executive Directors are recommended by the Remuneration Committee to the Board for the Board of Director's approval.

- **Benefits-in-kind**

Customary benefits such as rental payments, motor vehicle, club membership and personal expenses are made available to the Directors in accordance with the policies of the Group.

- **Emoluments**

Emoluments such as bonuses, retirement benefits, provision for leave, allowances, statutory contributions and incentives in the form of shares/option in shares of British American Tobacco p.l.c. pursuant to the British American Tobacco p.l.c.'s shares scheme.

The details of the remuneration of Directors for the financial year ended 31 December 2007 are as follows:

Directors	Fees (RM)	Salaries (RM)	Other emoluments* (RM)	Benefits-in-kind** (RM)	Total (RM)
Non-Executive					
Tan Sri Abu Talib bin Othman	337,000	—	—	29,344	366,344
Tan Sri Kamarul Ariffin bin Mohamed Yassin	59,000	—	—	—	59,000
Datuk Oh Chong Peng	60,000	—	—	—	60,000
James Richard Suttie	27,222	—	5,000	—	32,222
Executive					
Bartholomeus Franciscus Theodorus Alkemade ¹	—	572,687	799,291	351,610	1,723,588
Jack Marie Henry David Bowles ²	—	1,162,507	437,184	149,277	1,748,968
Robert James Clark	—	1,327,227	710,141	374,407	2,411,775
Dato' Chan Choon Ngai	—	767,403	810,263	145,648	1,723,314

* Other emoluments include bonuses, retirement benefits, provision for leave, allowances, statutory contributions and incentives in the form of shares/option in shares of British American Tobacco p.l.c. pursuant to the British American Tobacco p.l.c.'s shares scheme.

** Benefits-in-kind include rental payments, motor vehicle, club membership and personal expenses.

¹ resigned on 30 April 2007

² appointed on 1 May 2007

Whistleblowing

One of the key clauses in the Standards is on whistleblowing. The Group acknowledges that misconduct in any company such as violation of laws, rules, regulations, production fault, fraud, health and safety violations or corruption are usually known first by the people who work in or with the Company. An early warning system such as a whistleblowing procedure can help the Group detect wrongdoing and alert the Group to take corrective action before a problem becomes a crisis. A whistleblowing system strengthens, supports good management and at the same time demonstrates accountability, good risk management and sound corporate governance practices. It is the Board's belief that having a whistleblowing system in place will increase investors' confidence in the Group and with that belief in mind, the whistleblowing system was put in place since 2004.

In line with the Group's sound corporate governance practices, the Group's employees are strongly encouraged to speak up and raise any suspicions of wrongdoing, malpractice or impropriety in the management of the Group's business through an internal whistleblowing procedure established pursuant to the Standards. The procedures outline when, how and to whom a concern may be properly raised, distinguishes a concern from a personal grievance, allows the whistleblower the opportunity to raise a concern outside their management line and in confidence. The identity of the whistleblower is kept confidential and protection is accorded to the whistleblower against any form of reprisal or retribution. Any concerns raised will be investigated and a report and update is provided to the Board of Directors, through the Audit Committee.



Statement on Corporate Governance

In 2007, seven (7) whistleblowing incidents were reported and all incidents reported were investigated with appropriate actions taken, where necessary.

SHAREHOLDERS

Communication with shareholders and investors

The Group recognises the importance of maintaining transparency and accountability to its shareholders and investors. The Board, therefore maintains a dialogue with shareholders directed towards ensuring a mutual understanding of objectives. Its primary contact with shareholders is through the Managing Director and Finance Director. The Chairman also maintains contact with shareholders in order to understand their issues and concerns.

Annual Report

A major channel used by the Board to provide its shareholders and investors with information on its business, financials and other key activities, is the Annual

Report of the Company, which contents are continuously enhanced to take into account developments, amongst others, in corporate governance.

An essential aspect of an active and constructive communication policy is the timeliness in disseminating information to shareholders and investors. The Company sends out the Notice of the Annual General Meeting and related circular to shareholders at least twenty one (21) days before the meeting as required by the Companies Act, 1965 and in order to facilitate full understanding and evaluation of the issues involved. Where special business items appear in the Notice of the Annual General Meeting, a full explanation is provided to shareholders on the effect of the proposed resolution emanating from the special business item.

Prompt and timely release of financial results on a quarterly basis enables shareholders to have an overview of the Group's performance and operations and make informed investment decisions.

Release of Annual Report

	Date of Issue/Release	Bursa Securities Deadline	Number of days after end of year
Annual Report 2007	25 March 2008	30 June 2008	85
Annual Report 2006	28 March 2007	30 June 2007	87

Annual General Meeting

The Annual General Meeting is the principal opportunity for the Board to meet a wide range of investors and for the Chairman to explain the Company's progress and receive questions from its owners, the shareholders. At the Annual General Meeting, shareholders are encouraged to ask questions on the resolutions being proposed or on the Group's operations in general. The number of shareholders attending the Annual General Meeting in 2007 had increased clearly indicating a high level of engagement with shareholders. The Board of Directors, senior management and relevant advisors were present to answer questions raised and give clarifications required by the shareholders. At every Annual General Meeting, a helpdesk will be set up as a contact point for the shareholders.

A press conference is held immediately after the Annual General Meeting where the Chairman, Managing Director

and Finance Director advise the press of the resolutions passed and answer questions on matters related to the Group.

Investor Relations

The Company holds separate quarterly briefings for fund managers, institutional investors and investment analysts after each quarter's announcement of results to Bursa Malaysia Securities Berhad to ensure mutual understanding of objectives. There were four (4) quarterly briefings held in 2007.

The quarterly briefings are intended not only to promote the dissemination of the financial results of the Group to as wide audience of investors and shareholders as possible but also to keep the investing public and shareholders updated on the progress and development of the business of the Group.

Release of Quarterly Financial Results

2007 Quarterly Results	Date of Issue/Release	Bursa Securities Deadline	Number of Days after end of Quarter
1st Quarter	24 April 2007	31 May 2007	24
2nd Quarter	19 July 2007	31 August 2007	19
3rd Quarter	24 October 2007	30 November 2007	24
4th Quarter	21 February 2008	29 February 2008	52

Communication is further enhanced by the various announcements and circulars, when necessary, made throughout the year in full compliance with the regulatory authorities' disclosure requirements. To maintain the highest level of transparency as possible, the Group has established a website at www.batmalaysia.com which shareholders can access for information which includes corporate information, press releases, financial information, share prices, investor relations and briefings, social responsibility, tobacco issues and even career opportunities.

Shareholders may contact the Company's Senior Independent Non-Executive Director, Tan Sri Kamarul Ariffin bin Mohamed Yassin to address any concerns which a shareholder may have. The Company's Senior Independent Non-Executive Director can be contacted via telephone, facsimile or electronic mail as follows:

Tel: +60 (3)7956 6899

Fax: +60 (3)7491 3772

E-mail: bat_malaysia@bat.com

Primary contact for investor relations matters:

Robert James Clark

Finance Director

Mr Robert James Clark is an accountant by profession and was the British American Tobacco Area Finance Director, Far East South Area. He joined the British American Tobacco Group as an International Auditor in July 1993 and was appointed the Finance Director of British American Tobacco (Malaysia) Berhad in October 2004.

Contact Details

Telephone number: +60 (3)7491 7328

E-mail: fdoffice_malaysia@bat.com

While the Company endeavours to provide as much information as possible to its shareholders and stakeholders, the Company is mindful of the legal and regulatory framework governing the release of material and price-sensitive information. Any information that may be regarded as undisclosed material information about the Group will not be disclosed to the public.

ACCOUNTABILITY AND AUDIT

Financial Reporting

The Board aims to provide and present a clear, balanced and comprehensive assessment of the Group's financial performance and prospects at the end of the financial year, primarily through the annual financial statements, quarterly and half yearly announcement of results to shareholders as well as the Chairman's statement and review of operations in the annual report. The Board is assisted by the Audit Committee to oversee the Group's financial reporting processes and the quality of its financial reporting.

Directors' responsibility statement in respect of the preparation of the Audited Financial Statements

The Board is responsible for ensuring that the financial statements provide a true and fair view of the state of affairs of the Group and of the Company as at the end of the accounting period and of the profit or loss and cash flows for the period then ended. In preparing the financial statements, the Directors have ensured that accounting standards approved by the Malaysian Accounting Standards Board (MASB) in Malaysia and the provisions of the Companies Act, 1965 have been complied and reasonable and prudent judgments and estimates have been made. The Directors have also overall responsibilities for taking such steps as are reasonably open to them to safeguard the assets of the Group and for the implementation and continued operation of adequate accounting and internal control systems for the prevention and detection of fraud and other irregularities.



Statement on Corporate Governance

The Board is satisfied that it has met its obligation to present a balanced and understandable assessment of the Company's position and prospects in the Directors' Report at page 114 and the Financial Statements from page 114 to page 170 of this Annual Report.

Related Party Transactions

An internal compliance framework exists to ensure that the Group meets its obligations under the Listing Requirements including obligations relating to related party transactions. The Board, through its Audit Committee, reviews all related party transactions. A Director who has an interest in a transaction must abstain from deliberation and voting on the relevant resolution in respect of such transaction at the Board and at any general meeting convened to consider the matter.

The Recurrent Related Party Transactions entered into by the Group with its related parties in 2007 were for the purchase and sale of cigarettes and tobacco products, purchase of leaf, cigarette packaging materials and tobacco products, procurement of information technology services, payment of royalties, payment of fees for technical and advisory support services, provision of technical and advisory support services and purchase and sale of equipment.

Details of these transactions are set out in pages 160 to 163 of this Annual Report.

Internal Control

It is important to emphasise that the ultimate responsibility for ensuring a sound internal control system and reviewing the effectiveness of the system lies with the Board of Directors. The Board sets policies and procedures for internal control and oversees that the implementation of internal control system have been properly carried out by the executive management.

In accordance with the Guidance for Directors of Public Listed Companies, reviews by the Board were carried out at least annually, covering all material controls including financial, operational and compliance controls and risk management systems. The Board derives reasonable assurances from reports submitted by the relevant committee on risk management and internal control.

Statement of Internal Control

The Statement on Internal Control furnished on pages 89 to 90 of the Annual Report provides an overview on the state of internal controls within the Group.

Compliance with the Code

The Board has deliberated, reviewed and approved this Statement on Corporate Governance. The Board considers that the Statement on Corporate Governance provides the information necessary to enable shareholders to evaluate how the Malaysian Code has been applied. The Board therefore considers and is satisfied that the Company has fulfilled its obligation under the Malaysia Code throughout the financial year ended 31 December 2007.

This statement is made in accordance with the resolution of the Board of Directors dated 21 February 2008.

Tan Sri Abu Talib bin Othman

Chairman

STATEMENT ON INTERNAL CONTROL

British American Tobacco
(Malaysia) Berhad

RESPONSIBILITY

The Board of Directors recognises the importance of sound internal controls and risk management practices to good corporate governance. The Board affirms its overall responsibility for the Group's system of internal control which includes the establishment of an appropriate control environment and framework as well as reviewing its adequacy and integrity. As there are limitations that are inherent in any system of internal control, this system is designed to manage rather than eliminate risks that may impede the achievement of the Group's business objectives. Accordingly, it can only provide reasonable but not absolute assurance against material misstatement or loss. The system of internal control covers, inter alia, financial, operational and compliance controls and risk management procedures.

The Group has in place an on-going process for identifying, evaluating, monitoring and managing significant risks faced by the Group and this process includes reviewing and updating the system of internal controls to take into consideration changes in the regulatory and business environment. This process is regularly reviewed by the Board via the Audit Committee and accords with the Statement on Internal Control: Guidance for Directors of Public Listed Companies.

The Board ensures that management undertakes such actions as may be necessary in the implementation of the policies and procedures on risk and control approved by the Board whereby management identifies and assesses the risk faced and then designs, implements and monitors appropriate internal controls to mitigate and control those risks.

RISK MANAGEMENT

Risk management is firmly embedded in the Group's management system and is every employee's responsibility as the Group firmly believes that risk management is critical for the Group's continued profitability and the enhancement of shareholder value.

The Risk Management Team, led by the Finance Director and represented by senior managers from all functions of the Group held quarterly meetings during the year to update the risk register and risk mitigation action plans.

Selected business continuity plans (or contingency plans) were reviewed, updated and/or tested during the year under review. Management continually develops new business continuity plans to support changes in the business environment. Senior managers who owned the respective business continuity plans made formal presentations to the Top Team on their crisis preparedness.

The Audit Committee was briefed by the Enterprise Risk Manager on the Group's Risk Management Programme in April and October 2007.

KEY INTERNAL CONTROL PROCESSES

Central to the Group's internal control and risk management systems is its Control Self Assessment (CSA) process, which it has developed and continues to improve over time. A key control checklist is developed and sets out the various key controls and process requirements across all functions in the Group and is updated annually taking into consideration the changing risk profiles as dictated by changes in the business and regulatory environment, strategies and functional activities from time to time. All business units are required to document the controls and processes for managing the risks and assess their effectiveness on an annual basis. The key control checklist and trend analysis are reported to the Audit Committee.

OTHER KEY ELEMENTS OF THE SYSTEM OF INTERNAL CONTROL

Apart from the above, the other key elements of the Group's internal control system which have been reviewed and approved by the Board are described below:

(a) Policies, Procedures and Limits of Authority

- Clearly defined delegation of responsibilities to committees of the Board and to management including organisation structures and appropriate authority levels; and
- Clearly documented internal policies, standards and procedures are in place and regularly updated to reflect changing risks or resolve operational deficiencies. All policies and standards are approved by the Board and cases of non-compliance are reported to the Board by exception. Reliance is also placed on the Group's Internal Audit as well as the CSA approach mentioned above.



(b) Strategic Business Planning, Budgeting and Reporting

- Regular and comprehensive information provided by management for monitoring of performance against strategic plan, covering all key financial and operational indicators. On a quarterly basis, the Managing Director reviews with the Board on all issues covering, but not restricted to, strategy, performance, resources and standards of business conduct;
- Detailed budgeting process established requiring all business units to prepare budgets annually which are discussed and approved by the Board; and
- Effective reporting systems which expose significant variances against budgets and plan are in place to monitor performance. Key variances are followed up by management and reported to the Board.

(c) Insurance and Physical Safeguard

- Adequate insurance and physical safeguard on major assets in place to ensure that the assets of the Group are sufficiently covered against any mishap that will result in material losses to the Group.

(d) Top Team Meetings

- Top Team Meetings, which are senior management meetings are held on a regular basis to review, identify, discuss and resolve strategic, operational, financial and key management issues.

(e) Risk Awareness Workshops and Training

- Our employees' attitude towards, and understanding of the company's risk management process are as important as having good systems and policies in place in achieving a truly robust internal control system. To this end risk awareness workshops and trainings were carried out nationwide for employees to impart the significance of risk management and internal controls, and its impact on their day to day activities. These workshops include an overview of organisations risk management framework and process, importance of internal controls, types of controls and design and assessment of the effectiveness of internal controls.

(f) Other Matters

- Regular meetings are held between the Finance Director and analysts with a formal presentation conducted on the day the financial results are released after Board's approval to ensure a transparent relationship and open dialogue with investors and shareholders; and
- Written declaration from all management personnel confirming their compliance with the Group's Standards of Business Conduct and where conflicts of interest situations are disclosed.

The system of internal controls is satisfactory and has not resulted in any material losses, contingencies or uncertainties that would require disclosure in the Group's Annual Report.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

As required by paragraph 15.24 of the Listing Requirements of Bursa Malaysia Securities Berhad, the external auditors have reviewed this Statement on Internal Control. Their review was performed in accordance with Recommended Practice Guide (RPG) 5 issued by the Malaysian Institute of Accountants. Based on their review, the external auditors have reported to the Board that nothing has come to their attention that causes them to believe that this Statement is inconsistent with their understanding of the process the Board had adopted in their review of the adequacy and integrity of internal control of the Group. RPG 5 does not require the external auditors to and they did not consider whether this Statement covers all risk and controls, or to form an opinion on the effectiveness of the Group's risk and control procedures.

AUDIT COMMITTEE REPORT

British American Tobacco
(Malaysia) Berhad



From Left:

- Tan Sri Abu Talib bin Othman • Tan Sri Kamarul Ariffin bin Mohamed Yassin
- Datuk Oh Chong Peng • James Richard Suttie

MEMBERSHIP AND ATTENDANCE

The Audit Committee members and details of attendance of each member at Audit Committee meetings during 2007 are as follows:

Composition of Audit Committee	Number of Audit Committee Meetings		%
	Held	Attended	
Tan Sri Abu Talib bin Othman <i>Chairman</i> (Independent Non-Executive Director)	4	4	100
Tan Sri Kamarul Ariffin bin Mohamed Yassin (Independent Non-Executive Director)	4	4	100
Datuk Oh Chong Peng (Independent Non-Executive Director)	4	4	100
James Richard Suttie (Non-Independent Non-Executive Director)	4	4	100

The Audit Committee convened four (4) meetings during the year, which were attended by all the members. Upon invitation by the Audit Committee, the Managing Director, Finance Director, a representative of the external auditors and the Head of Internal Audit attended all the meetings. From time to time other members of senior management also attended Audit Committee meetings upon invitation by the Audit Committee.

COMPOSITION AND TERMS OF REFERENCE

(a) Composition

The Audit Committee shall comprise at least three (3) Directors, the majority of whom are independent. The members of the Audit Committee shall be appointed by the Board of Directors and all members of the Audit Committee including the Chairman are Non-Executive Directors.

At least one (1) member of the Audit Committee shall be a member of the Malaysian Institute of Accountants or if not a member of the Malaysian Institute of Accountants, must have at least three (3) years' working experience and have passed the examinations specified in Part 1 of the First Schedule of the Accountants Act, 1967 or a member of one (1) of the associations of accountants specified in Part II of the said schedule or has a degree/masters/doctorate in accounting or finance and at least three (3) years' post qualification experience in accounting or finance or is a member of a professional accountancy organisation which has been admitted as full members of the International Federation of Accountants and at least three (3) years' post qualification experience in accounting or finance or at least seven (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.



Audit Committee Report

No alternate director shall be appointed as a member of the Audit Committee. The Board shall review the terms of office and performance of the members of the Audit Committee at least once every three (3) years to determine whether the members have carried out their duties in accordance with their terms of reference.

In the event of any vacancy in the Audit Committee resulting in the non-compliance of subparagraph 15.10(1) of the Listing Requirements of the Bursa Malaysia Securities Berhad, the Board shall fill the vacancy within three (3) months from the date of the vacancy.

(b) Chairman

An Independent Non-Executive Director shall be the Chairman of the Audit Committee.

(c) Meetings and minutes

The Audit Committee shall meet at least four (4) times annually. However, at least once a year, the Audit Committee shall meet with the external auditors without the Executive Directors being present. This year, the Audit Committee met once with the external auditors without the Executive Directors and management being present.

Other than in circumstances which the Chairman considers inappropriate, the Finance Director and Head of Internal Audit and a representative of the external auditors shall attend all meetings of the Audit Committee to make known their views on any matter under consideration by the Audit Committee, or which in their opinion, should be brought to the attention of the Audit Committee. The Audit Committee may, as and when necessary, invite other members of the Board and members of senior management to attend the meetings.

The Company Secretary shall be the Secretary of the Audit Committee and will record, prepare and circulate the minutes of the meetings of the Audit Committee and ensure that the minutes are properly kept and produced for inspection if required. The Audit Committee shall report to the Board and its minutes tabled and noted by the Board.

(d) Quorum

A majority of the members in attendance must be Independent Directors in order to form a quorum for the meeting.

(e) Authority

The Audit Committee is authorised by the Board to review any activity within the Audit Committee's terms of reference. The Audit Committee is authorised to seek any information the Audit Committee requires from any Director or member of management and has full and unrestricted access to any information pertaining to the Group and the management, and all employees of the Group are required to comply with the requests made by the Audit Committee.

The Audit Committee is authorised by the Board to obtain external professional advice and secure the attendance of outsiders with relevant experience and expertise if it considers this necessary, the expenses of which will be borne by the Company.

In the event that any member of the Audit Committee shall need to seek external professional advice in furtherance of his duties, he shall first consult with and obtain approval of the Chairman of the Audit Committee.

The Audit Committee shall have direct communication channels and be able to convene meetings with the external auditors without the presence of the non-independent members of the Audit Committee, whenever deemed necessary.

RESPONSIBILITIES AND DUTIES

The responsibilities and duties of the Audit Committee are:

(a) Financial Reporting

- To review the quarterly and annual financial statements of the Company, focusing particularly on:
 - any significant changes to accounting policies and practices;
 - significant adjustments arising from the audits;
 - compliance with accounting standards and other legal requirements; and
 - the going concern assumption.

(b) Related Party Transactions

- To review any related party transactions and conflict of interest situations that may arise within the Group including any transaction, procedure or course of conduct that raises questions of management integrity.

(c) Audit Reports

- To prepare the annual Audit Committee report to the Board which includes the composition of the Audit Committee, its terms of reference, number of meetings held, a summary of its activities and the existence of an Internal Audit unit and summary of the activities of that unit for inclusion in the Annual Report; and
- To review the Board's statements on compliance with the Malaysian Code of Corporate Governance for inclusion in the Annual Report.

(d) Internal Control

- To consider annually the Business Risk Management Framework adopted within the Group and to be satisfied that the methodology employed allows the identification, analysis, assessment, monitoring and communication of risks in a regular and timely manner that will allow the Group to minimise losses and maximise opportunities;
- To ensure that the system of internal control is soundly conceived and in place, effectively administered and regularly monitored;
- To cause reviews to be made of the extent of compliance with established internal policies, standards, plans and procedures including for example, the Group's Standards of Business Conduct;
- To obtain assurance that proper plans for control have been developed prior to the commencement of major areas of change within the Group; and
- To recommend to the Board steps to improve the system of internal control derived from the findings of the internal and external auditors and from the consultations of the Audit Committee itself.

(e) Internal Audit

- To be satisfied that the strategies, plans, manning and organisation for internal auditing are communicated down through the Group. Specifically:
 - to review the internal audit plans and to be satisfied as to their consistency with the Business Risk Management Framework used and adequacy of coverage;
 - to be satisfied that the Internal Audit unit within the Group has the proper resources and standing to enable them to complete their mandates and approved audit plans;
 - to review status reports from Internal Audit and ensure that appropriate actions have been taken to implement the audit recommendations;
 - to recommend any broader reviews deemed necessary as a consequence of the issues or concerns identified;
 - to ensure Internal Audit has full, free and unrestricted access to all activities, records, property and personnel necessary to perform its duties; and
 - to request and review any special audit which it deems necessary.

(f) External audit

- To review the external auditors' audit plan, nature and scope of the audit plan, audit report, evaluation of internal controls and co-ordination of the external auditors. The Audit Committee will consider a consolidated opinion on the quality of external auditing at one of its meetings;
- To review with the external auditors the Statement on Internal Control of the Group for inclusion in the Annual Report;
- To review any matters concerning the appointment and re-appointment, audit fee and any questions of resignation or dismissal of the external auditors;
- To review and evaluate factors related to the independence of the external auditors and assist them in preserving their independence;
- To be advised of significant use of the external auditors in performing non-audit services within the Group, considering both the types of services rendered and the fees, such that their position as auditors are not deemed to be compromised; and



- To review the external auditors' findings arising from audits, particularly any comments and responses in management letters as well as the assistance given by the employees of the Group in order to be satisfied that appropriate action is being taken.

(g) Other matters

- To act on any other matters as may be directed by the Board.

SUMMARY OF ACTIVITIES

During the year, the Audit Committee carried out its duties in accordance with its terms of reference.

Other main issues reviewed by the Audit Committee were summarised as follows:

- the Group's Risk Management Programme, including the insurance programme and security;
- compliance with the Group's Standards of Business Conduct; and
- progress update of the Group's Statement of Business Principles.

INTERNAL AUDIT FUNCTION

The Group has a well established in-house internal audit unit, which reports to the Audit Committee and assists the Audit Committee in reviewing the effectiveness of the internal control systems whilst ensuring that there is an appropriate balance of controls and risks throughout the Group in achieving its business objectives.

Internal audit provides independent assessment on the effectiveness and efficiency of internal controls utilising a global audit methodology and tool to support the corporate governance framework and support an efficient and effective global risk management framework to provide assurance over Group strategy delivery and change management initiatives.

The Head of Internal Audit reports directly to the Audit Committee and has direct access to the Chairman of the Audit Committee on all matters of control and audit. All proposals by management regarding the appointment, transfer and removal of the Head of Internal Audit of the Group shall require prior approval of the Audit Committee. Any inappropriate restrictions on audit scope are to be reported to the Audit Committee.

The Audit Committee approves the internal audit plan during the first Audit Committee meeting each year. Any subsequent changes to the internal audit plan are approved by the Audit Committee. The scope of internal audit covers the audits of all units and operations, including subsidiaries.

The internal audit function adopts a risk-based approach towards the planning and conduct of audits which is consistent with the Group's established framework in designing, implementing and monitoring of its control systems.

Other main activities performed by the internal audit are as follows:

- review of the approval procedures in respect of recurrent related party transactions; and
- undertake special reviews requested by the Audit Committee and/or management.

The system of internal controls is satisfactory and has not resulted in any material losses, contingencies or uncertainties that would require disclosure in the Group's Annual Report.

An Audit Committee effectiveness survey was carried out in October 2007 with results demonstrating improvements in the overall level of effectiveness.

This Audit Committee Report is made in accordance with the resolution of the Board of Directors dated 21 February 2008.

REPORT ON CORPORATE RISK MANAGEMENT

British American Tobacco
(Malaysia) Berhad

The effective management of risks associated with all aspects of the Group's business is critical for sustained growth and continued enhancement of shareholder value.

The business risks of the Group are affected by a number of factors, not all of which are within the Group's control. These externally driven challenges, together with general business risk exposures such as corporate reputation, security, environment, health and safety issues, product quality and information technology are constantly reviewed as part of the Group's Enterprise Risk Management programme.

The Group adopts a proactive Enterprise Risk Management programme with the following objectives:

- Ensuring continuity of its supply to consumers at all times
- Protecting its assets and reputation
- Preserving the safety and health of its employees
- Ensuring that the Group's operations do not impact negatively on its neighbours and the environment
- Protecting the interests of all other stakeholders
- Ensuring compliance with the Malaysian Code of Corporate Governance, British American Tobacco p.l.c. guidelines and all applicable Malaysian laws
- Promoting an effective risk awareness culture where risk management is an integral aspect of the Group's management systems

The Risk Management Team, headed by the Finance Director and comprising senior managers from all functions of the Group is entrusted to drive the Group's Enterprise Risk Management programme. The team's responsibilities are to:

- Steer the Group's Enterprise Risk Management programme
- Promote a proactive risk awareness culture in the Group
- Conduct an annual review of business risks
- Coordinate the development of risk mitigation action plans
- Develop and update business continuity plans for key business risks
- Plan and coordinate the testing of business continuity plans
- Organise training and education for employees on risk management

- Monitor the results of key performance indicators
- Ensure good corporate governance

Risk management is firmly embedded in the Group's management system and is every employee's responsibility.

RISK MANAGEMENT PROCESS

The Group's Enterprise Risk Management process comprises five phases, namely:



In the risk identification process, all possible business risks are identified.

The identified business risks are then evaluated based on:

- LIKELIHOOD of the risk crystallising
- SEVERITY of the consequence
- Degree of internal control and risk management measures in place.

		LIKELIHOOD		
		L	M	H
SEVERITY	H	HIGH	HIGH	HIGH
	M	MEDIUM	MEDIUM	HIGH
	L	LOW	LOW	MEDIUM



Report on Corporate Risk Management

The outcome of the risk identification and evaluation process is a risk register which documents all identified business risks, their risk levels as well as action plans to manage these business risks.

This categorisation of business risks enables the Group to allocate its resources more effectively to deal with the different levels of business risks. A combination of risk management measures are then selected to manage these business risks:

Risk Management Measures	Sub-Category	Examples
AVOID	Avoidance	Decide not to proceed with an activity that is likely to generate an unacceptable risk, where this is practicable.
RETAIN	Loss prevention	Implement proactive risk mitigation measures to reduce likelihood of the risk crystallising. <i>Possible actions:</i> • Quality assurance • Environment, health and safety • Preventive maintenance • Security • Financial controls • Project management • Training and education • Supervision • Research and Development
	Loss reduction	Implement proactive risk mitigation measures to reduce severity of consequence, if any. <i>Possible actions:</i> • Business continuity planning • Emergency response planning • Separation of exposures • Duplication of exposures • Diversification • Portfolio planning
	Self-insurance	For non-insurable risks, or if cost of insurance is too high.
TRANSFER	Insurance	Purchase insurance for insurable risks e.g. fire, life, theft etc.
	Contract	Protection clauses in contracts e.g. indemnity clauses etc.
	Sharing of risks	Joint venture, partnerships.

Ongoing risk monitoring is conducted to review the effectiveness of risk mitigation measures put in place for all identified business risks and corrective actions taken where necessary.

The Group's Enterprise Risk Management programme is subjected to periodic reviews to ensure that the policy and objectives of the programme remain applicable and effective under changing market and regulatory environment. These are complemented by internal control practices such as the statement of compliance with the Malaysian Code of Corporate Governance and the key control checklist of British American Tobacco p.l.c.

PROMOTION OF RISK AWARENESS

Risk communication is equally important and form an integral part of the risk management activities as it focuses on the dissemination of risk information to appropriate levels of employees and stakeholders. Appropriate channels are available for employees to give feedback on risk management issues and suggestions for improvement.

To further enhance and inculcate a risk conscious culture in the Group, a series of risk awareness workshops were conducted nationwide in 2007 for all management employees. The workshop was aimed to promote risk management as every employee's responsibility and should be firmly embedded in their management practices.

REVIEW OF THE GROUP'S ENTERPRISE RISK MANAGEMENT PROGRAMME

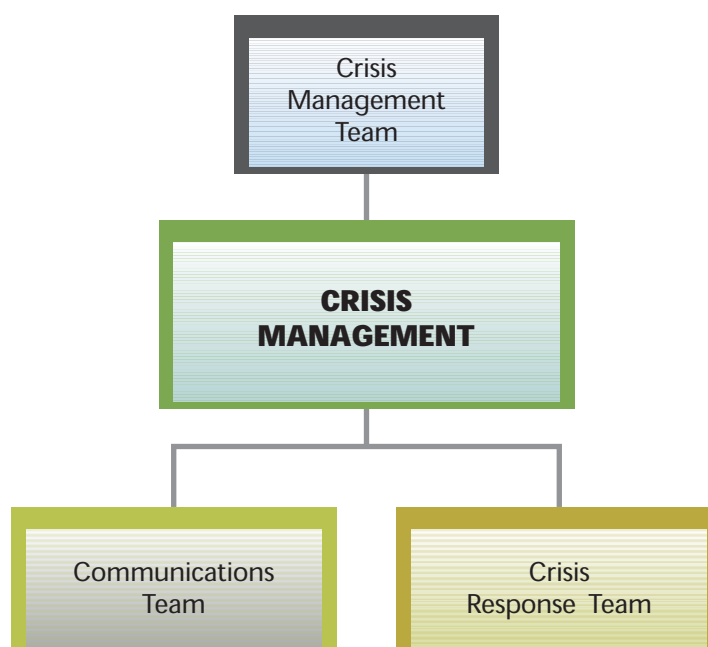
The Risk Management Team met four times during the year, in January, April, July and October 2007 to review the Group's risk profile and progress of business continuity plans.

During the year, selected business continuity plans were reviewed, updated and tested. Two new business continuity plans were developed to manage emerging business risks.

In October 2007, the Risk Management Team together with senior managers updated the risk register and risk mitigation action plans. The Audit Committee was briefed by the Enterprise Risk Manager on the Group's Enterprise Risk Management programme in April and October 2007.

CRISIS MANAGEMENT TEAM

In addition to the Risk Management Team, the Group also established a Crisis Management Team to provide leadership and timely decision making in the event of a crisis. The Crisis Management Team is assisted by the Crisis Response Team, which is entrusted to respond immediately to the crisis whereas the Communications Team coordinates the communication strategy with key stakeholders.

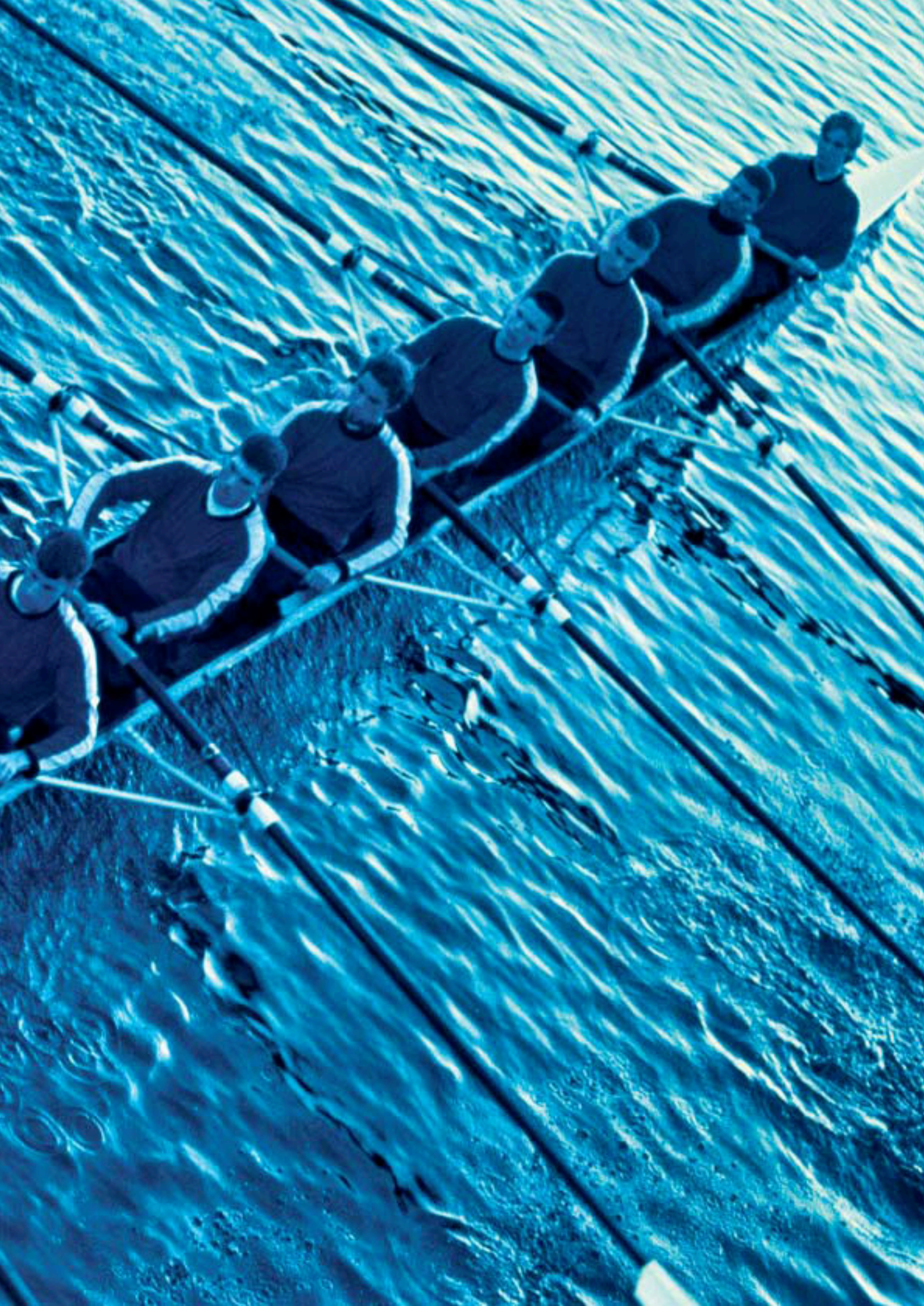




Winning Organisation

Strength from diversity

We create value, through our people, viewpoints and ideas that provide the base for the constant improvement of organisational growth. We strive to improve the understanding of our market through operational excellence and practices that have won numerous awards. A testament not only to our winning organisation but the talented and energised people that made it happen.





WINNING ORGANISATION

HUMAN RESOURCES DIRECTOR

Anna Dolgikh



"It is always about the people. The success of an organisation is rooted in its people. Great energy, passion and drive for success makes a Winning Organisation."

STRENGTHENING OUR WINNING ORGANISATION

HIGH PERFORMANCE CULTURE

Employee Survey

Reflecting on British American Tobacco Malaysia's commitment to gain employee feedback, the 2006 Your Voice employee survey garnered a massive response rate of 98% and improvements in employee opinions were achieved. This is a testimony of efforts and initiatives taken as a continuum transcending annual financial periods and of the value placed on this important feedback mechanism by our employees at every level. Based on the outcome of the survey (which was concluded in December 2006), actions were taken throughout 2007.

The Top Team placed the Your Voice programme as part of their main business agenda and Your Voice change champions were appointed in each function. The forming of more than 40 task force groups spread across every function ensured that:

- (i) results were verified
- (ii) issues were prioritised
- (iii) initiatives were taken, monitored and reported at functional leadership levels

Success stories were then showcased at the champions' gatherings and in the internal magazine, CONTACT as part of the learning process.

As part of our continuing effort to create a great place to work, another Your Voice initiative was launched in the last quarter of 2007. The feedback from this survey will be the basis for action in 2008.

Envisioned Leadership

Leadership is a key component of our Wining Organisation. It underpins our efforts to institutionalise a high performance culture throughout British American Tobacco Malaysia. In 2007 the Company embarked on a journey to re-affirm the business strategy and accelerate the development of envisioned and inspired leaders at all levels. A programme titled 'The Leadership Experience' (LE) led by an international facilitator was designed and rolled-out. The Top Team and their direct reports were the first group to participate in a highly interactive and stimulating session which resulted in a deeper appreciation of the Company's strategy and initiatives required to ensure its success.

Within this leadership change agenda, a clear and concise leadership framework was established, to better enable managers at all levels to drive more effectively the implementation of our business strategy. The LE Workshop was designed to help the leaders form a team-based Strategic Leadership Agenda (SLA) while also developing Personal Leadership Agenda's (PLA's) for each team member.





The Extended Leadership Team (ELT) comprising of direct reports of the Top Team was created following this programme and entrusted with the task of championing the implementation of the Company's business strategy. This also now provides the Top Team with sufficient leverage to focus on the medium to long term aspects of the strategy.

An extension of this and part of a company wide campaign plan, is the Functional Leadership Experience (FLE) programme which provides an opportunity for all levels of employees in the organisation to experience the same journey. The objective of this process is to enable better discussion and reflection at a functional level on how to ensure that the functional businesses is aligned to the vision, mission and strategy.

At this stage of the journey, the formulation of detailed plans via the LE has also resulted in a clear Line of Sight and alignment to the Company's strategic objectives. Managers at all levels are now better equipped to play their leadership roles and assist employees to align their individual contributions to business needs on a daily basis.

TALENT PIPELINE

Developing our Talent

British American Tobacco Malaysia is fully committed to the continuous development of our employees. Enabling each employee to assess and develop their individual capabilities will help the Company achieve stretching business targets and engender personal fulfilment.

The Company firmly believes that each individual should be in the driving seat for their own progress and development. Hence, a structured process called DeveloP was put in place. It enables employees to enhance their capabilities, thus achieving current performance goals and prepare for future roles.

Organisational Training and Development

More than 29 different local developmental programmes and a wide selection of international programmes were included in the 2007 training calendar. These were apportioned based on the specific leadership passage and leadership capabilities identified. In this manner each employee has been able to select the most pertinent programme to address specific areas for improvement throughout the year.

The year 2007 was also an exceptional one for talent development as it included the training needs of the newly promoted management employees in the field as well as in the supply chain. Various leadership programmes were implemented to enable these individuals to acclimatise to their new role.

Recognising Talent through Employee Referral Programme (ERP)

British American Tobacco Malaysia recognises that our employees are the best ambassadors for the Company to recruit high calibre talent to ensure a healthy and sustainable talent pipeline.

With this in mind, the ERP was introduced in 2006 as part of our recruitment platform by leveraging our employees' professional and social networks to fill management vacancies in the Company.

Employee referral is an excellent recruitment method as employees are most familiar with the Company's working culture and environment to find the right talent. Since the ERP was introduced, we have received more than 50 referrals and 11 candidates have successfully joined the Company.





Hear from talents who were recruited via ERP in 2007...

"The employee who referred me painted an environment of great people, amazing opportunities and of unrelenting and exciting pace. She was right!"

Chin Tuck Weng, Corporate Affairs Manager



"I am truly glad to be in Marketing Finance as my role provides me the opportunity to enhance my knowledge and widen my experience."

Teh Chern Lik, Direct Store Sales Finance Executive ▲

What motivates our employees to attract talent...

"The best headhunters are employees of the Company who knows the culture and can best match it against the person recommended. It just makes sense for employees to be able to play a part in determining who their colleagues are and shape a high performing organisation"

Joanne Chan, Regulatory Affairs Executive ▼



TALENT SOURCING

British American Tobacco Malaysia recognises talent sourcing as an integral part of building and sustaining a local talent pipeline. Talent sourcing acknowledges the need to hire outstanding candidates with a winning formula of high leadership potential and business initiative.

Our key initiative in driving recruitment for high calibre talent for 2007 was through employer branding. The Company conducted an inaugural career talk in Monash University, followed by other universities and colleges, to create greater awareness of British American Tobacco Malaysia as an employer of choice.

Our Initiatives

The Company also participated in targeted career fairs across the country where more than 5,000 job seekers visited our booths. Contact was established with student bodies from universities who are part of the United Kingdom and Eire Council for Malaysian Students (UKEC) and Malaysian Students' Council of Australia (MASCA) to heighten awareness on the Company's Global Management Trainee Programme.

The Company held a 'Shape Our World' competition on 10 July 2007 to improve employer branding and identify high potential talent that saw 21 undergraduates from seven selected public and private colleges and universities participating in the event. University of Malaya's team emerged as the overall winner of this inaugural competition. This initiative was subsequently nominated for the British American Tobacco Human Resources Global Excellence Award.



A TRULY VALUABLE EXPERIENCE

OUR PEOPLE AROUND THE WORLD

In recognition of the immense talent at British American Tobacco Malaysia, employees are given the opportunity to gain overseas work experience through our secondment programme. Listed below are our employees who have been seconded to other British American Tobacco operations worldwide.

No.	Name	Designation	Current Location
1.	Alison Yeap Xin Yi	Strategy Execution Senior Analyst	United Kingdom
2.	Anand Panchalingam	Global Solution Architect	United Kingdom
3.	Azizul Shaari	Project Management Office Finance Manager	Hong Kong
4.	Bruce Richard Jalleh	Commercial Finance Manager	Korea
5.	Cheryl Wong	Area Head of Human Resources East Asia Area	Vietnam
6.	Claire Chan Soo Fong	Market Research and Insights Manager	Hong Kong
7.	Hasnol Ibrahim	Product Champion	United Kingdom
8.	Karl Yap Chee Keong	Senior International Brand Manager, Kent	United Kingdom
9.	Lim Peng Hui	Leadership and Learning Manager	Hong Kong
10.	Lim Suat Kim	Head of Production	Singapore
11.	Mohd Azraai	Regional Supply Chain Customer Manager, European region	United Kingdom
12.	Ng Shu-Theng	Marketing Finance Development Manager	United Kingdom
13.	Shaiful Bahari	Head of Corporate and Regulatory Affairs	Bangladesh
14.	Tang Chung Leong	Operations Director	Vietnam
15.	William Toh	Area Director South Asia	Pakistan



A GREAT PLACE TO WORK



My adventures in Asia Pacific began 17 years ago, when, after spending 10½ years with Rothmans of Pall Mall (Malaysia) Berhad in various Marketing roles, I was seconded to Shandong, China in 1991 as the General Manager of our 50/50 joint venture operation.

My Asia Pacific Journey! William Toh

Area Director South Asia

Looking back, my stay in Jinan, the capital of Shandong Province was an amazing adventure and experience in terms of personal and career development. The ultimate satisfaction and joy was to watch the Company come to life. When the first pack of cigarettes was produced, the feeling was nirvana – a real sense of accomplishment!

Since then, I have had the privilege of working and living in many other countries in the Asia Pacific region including Hong Kong, Taiwan, New Zealand and Pakistan.

In early 1994, I moved from China to Hong Kong as Marketing Director for Rothmans China and Hong Kong. Fei Fei, our lovely Shih Tzu dog came into our lives. She has been with us ever since – 14 years to be exact.

I was then seconded to Taiwan in 1996 as General Manager, Rothmans Far East Taiwan and then returned to Hong Kong in 1997 and subsequently became the Managing Director of Rothmans Greater China.

This was a period when more Malaysians joined the Greater China business unit – 10 to be exact. I then joined British American Tobacco China after the merger in 1999 as Business Development Director.

The next leg of my adventure took me to the Pacific in 2003 where I was the Managing Director of British American Tobacco New Zealand based in Auckland until 2005. Beautiful country, great people.

Well, now I am in Pakistan... a place I call home since November 2005 until my next posting. I am the CEO of Pakistan Tobacco Company Limited and since August 2007, was also made the Area Director of South Asia Area. I am fortunate to have the opportunity to work with three organisations (Pakistan, Bangladesh and Sri Lanka) of highly dedicated and capable people.

My learning – embrace overseas assignments as an opportunity as the experience, learning and exposure is truly enriching and, is great for both personal and career development.



Having joined 'The Challenge Initiative' Management Trainee programme almost six years ago after a couple years of external auditing, work at British American Tobacco has never been dull. I have had a taste of Corporate, Marketing and Operations Finance before settling in Marketing Finance. When the opportunity to be part of the Global Strategy and Planning team came by, I saw it as an opportunity that would complement my experience. I am now part of a team of eight in Globe House, running the annual Strategy and Budget cycle in ensuring the Enterprise work towards common goals that are consistent with the Group's vision and strategy.

Alison Yeap Xin Yi*Strategy Execution Senior Analyst*

This role was made known to me just last July 2007, literally when I was holidaying in Europe and thinking "how nice it would be to experience working in this Region". Everything happened so quickly and a month later, I was packed up and flying to London.

My first day at British American Tobacco Globe House was reminiscent of a 'first day at school' feeling – a little bit awestruck and a lot of apprehension from all things new – A far cry from my comfort zone in British American Tobacco Malaysia. I have since learnt the ropes, and have made a 180 degree shift in thinking from a Centre perspective as opposed to an End Market view. The world just got a lot bigger! You learn about the Group dynamics, you learn to work with different sets of people, and I believe the experience here in Global Strategy and Planning will be priceless.

Aside from some initial shocks like claustrophobia from jam packed London tubes deep underground, I have settled in quite nicely and have come to love what the city has to offer – international events, all the food varieties you can ask for, musicals, endless shopping, and proximity to travel the rest of Europe.

Secondments used to be such rare opportunities, but over the past one to two years, I can see the Company changing and we see more incoming and outgoing talents, creating a truly global company and working culture. Above market opportunities will only continue to grow from here and it's important to be open to new roles that come by, you'll never know where it takes you.

Other
Information

ANALYSIS OF SHAREHOLDINGS

as at 29 February 2008

British American Tobacco
(Malaysia) Berhad

Share Capital

Authorised Share Capital : 770,000,000 Ordinary Shares of RM0.50 per share.
Issued and Fully Paid-up Share Capital : 285,530,000 Ordinary Shares of RM0.50 per share.
Voting Rights : One voting right for one Ordinary Share.

DISTRIBUTION OF SHAREHOLDINGS

SIZE OF HOLDINGS	NUMBER OF SHAREHOLDERS	% OF SHAREHOLDERS	NUMBER OF SHARES HELD	% OF ISSUED CAPITAL
Less than 100	346	7.2234	8,036	0.0028
100 – 1,000	2,537	52.9645	1,181,756	0.4139
1,001 – 10,000	1,368	28.5595	5,407,055	1.8937
10,001 – 100,000	415	8.6639	12,951,941	4.5361
100,001 – 14,276,499	122	2.5470	99,038,712	34.6859
14,276,500 and above	2	0.0418	166,942,500	58.4676
Total	4,790	100.0000	285,530,000	100.0000

DIRECT AND INDIRECT INTERESTS OF DIRECTORS

Tan Sri Abu Talib bin Othman	81,000
Tan Sri Kamarul Ariffin bin Mohamed Yassin	1,000
Datuk Oh Chong Peng	1,000
James Richard Suttie	1,500
Robert James Clark	500
Dato' Chan Choon Ngai	1,000

SHAREHOLDINGS IN WHICH THE DIRECTOR IS DEEMED TO HAVE AN INTEREST

James Richard Suttie	3,000
Tan Sri Kamarul Ariffin bin Mohamed Yassin	3,320
Dato' Chan Choon Ngai	6,000

SUBSTANTIAL SHAREHOLDERS

NAME OF SHAREHOLDERS	NUMBER OF SHARES HELD	% OF ISSUED CAPITAL
1. British American Tobacco Holdings (Malaysia) B.V.	142,765,000	50.00
2. Amanah Raya Nominees (Tempatan) Sdn Bhd – Skim Amanah Saham Bumiputera	24,177,500	8.47



Analysis of Shareholdings

as at 29 February 2008

THIRTY LARGEST SHAREHOLDERS

NAME OF SHAREHOLDERS	NUMBER OF SHARES HELD	% OF ISSUED CAPITAL
1. British American Tobacco Holdings (Malaysia) B.V.	142,765,000	50.0000
2. Amanah Raya Nominees (Tempatan) Sdn Bhd – Skim Amanah Saham Bumiputera	24,177,500	8.4676
3. Employees Provident Fund Board	11,498,975	4.0272
4. Valuecap Sdn Bhd	6,505,200	2.2783
5. Amanah Raya Nominees (Tempatan) Sdn Bhd – Amanah Saham Malaysia	5,991,700	2.0984
6. Cartaban Nominees (Asing) Sdn Bhd – SSBT Fund 4545 For Lazard Emerging Markets Portfolio	4,959,500	1.7369
7. HSBC Nominees (Asing) Sdn Bhd – Exempt An For BNP Paribas Securities Services (Convert In USD)	4,924,920	1.7248
8. Malaysia Nominees (Tempatan) Sendirian Berhad – Great Eastern Life Assurance (Malaysia) Berhad (Par 1)	4,500,000	1.5760
9. HSBC Nominees (Asing) Sdn Bhd – Exempt An For JPMorgan Chase Bank, National Association (JPM Funds)	3,910,400	1.3695
10. HSBC Nominees (Asing) Sdn Bhd – TNTC For Saudi Arabian Monetary Agency	3,059,400	1.0715
11. HSBC Nominees (Asing) Sdn Bhd – BNP Paribas Securities Services Paris For Aberdeen Asia Pacific Fund	2,452,900	0.8591
12. Cartaban Nominees (Asing) Sdn Bhd – Investors Bank And Trust Company For Ishares, Inc.	2,164,400	0.7580
13. Citigroup Nominees (Asing) Sdn Bhd – Exempt An For Mellon Bank (Mellon)	2,128,700	0.7455
14. HSBC Nominees (Asing) Sdn Bhd – Exempt An For JPMorgan Chase Bank, National Association (U.A.E.)	1,813,855	0.6353
15. Cartaban Nominees (Asing) Sdn Bhd – Exempt An For RBC Dexia Investor Services Trust (Clients Account)	1,788,300	0.6263
16. HSBC Nominees (Asing) Sdn Bhd – Exempt An For The Hongkong And Shanghai Banking Corporation Limited (HBFS-I CLT ACCT)	1,617,500	0.5665
17. HSBC Nominees (Asing) Sdn Bhd – TNTC For Sanderson International Value Fund	1,360,000	0.4763
18. HSBC Nominees (Asing) Sdn Bhd – Exempt An For JPMorgan Chase Bank, National Association (U.K.)	1,294,500	0.4534
19. Cartaban Nominees (Asing) Sdn Bhd – SSBT Fund TC3G For California State Teachers Retirement System	1,215,700	0.4258
20. Citigroup Nominees (Asing) Sdn Bhd – Exempt An For American International Assurance Company Limited	1,208,400	0.4232

**THIRTY LARGEST SHAREHOLDERS (continued)**

NAME OF SHAREHOLDERS	NUMBER OF SHARES HELD	% OF ISSUED CAPITAL
21. HSBC Nominees (Asing) Sdn Bhd – BBH And Co Boston For Merrill Lynch Global Allocation Fund	1,125,000	0.3940
22. HSBC Nominees (Asing) Sdn Bhd – Sumitomo T&B NY For Asia High Dividend Equity Mother Fund	964,000	0.3376
23. Cartaban Nominees (Asing) Sdn Bhd – Nomura Trust And Banking Company Limited Tokyo For Asia Attractive Dividend Stock Fund Mother Fund	937,300	0.3283
24. HSBC Nominees (Asing) Sdn Bhd – BBH And Co Boston For Vanguard Emerging Markets Stock Index Fund	915,905	0.3208
25. Citigroup Nominees (Asing) Sdn Bhd – CBNY For AGF Emerging Markets Fund	911,000	0.3191
26. Cartaban Nominees (Asing) Sdn Bhd – State Street London Fund XCP2 For Aberdeen Asian Income Fund Limited	900,000	0.3152
27. Cartaban Nominees (Asing) Sdn Bhd – Nomura Trust And Banking Company Limited Tokyo For NAM High Profit Mother	846,300	0.2964
28. HSBC Nominees (Asing) Sdn Bhd – BBH And Co Boston For Nomura Global High Income Stock Fund (MTBI)	780,500	0.2734
29. Citigroup Nominees (Asing) Sdn Bhd – CBHK For Kuwait Investment Authority (Fund 221)	780,000	0.2732
30. Cartaban Nominees (Asing) Sdn Bhd – State Street London Fund VE9L For The Local Government Pensions Institution	776,700	0.2720
Total	238,273,555	83.45



PARTICULARS OF PROPERTIES

The properties held by the Group and Company at 29 February 2008 are as follows:

LOCATION	DATE OF PURCHASE/ LAST REVALUATION	USAGE	APPROX. AGE OF BUILDING (YEARS)	LAND/BUILT- UP AREA (SQUARE METRES)	NET BOOK VALUE RM'000
FREEHOLD					
No. 36 & 36A, Jalan Lengkok Canning, Ipoh Garden, Ipoh, Perak	30.11.89	shop and office	19	143.07	99
No. 27, Jalan SS26/8, Taman Mayang Jaya, Petaling Jaya, Selangor	22.4.93	shop and office	16	272.00	558
No. A79, Jalan Telok Sisek, Kuantan, Pahang	28.4.94	shop and office	16	110.59	231
No. 178-3, Jalan Sungai Besi, Kuala Lumpur	1.12.60	offices, factory and warehousing space	59	15,884.88	20,826
LEASEHOLD					
Lots 122 and 124, Jalan Universiti, Petaling Jaya, Selangor (99 years leases expiring on 8.4.2062 and 29.9.2060 respectively)	30.9.61	factory, office and store	46	46,905.44	74,423
Lots P.T. 683-685, 687-689, Mukim of Panchor, District of Kemumin, Kawasan Perindustrian Pengkalan Chepa II, Kota Bharu, Kelantan (66 years lease expiring 25.7.2048)	26.7.82	industrial land, store and office	20	29,952.00	5,595
Lot 2948, Country Lease No. 135345103 Mukim of Keningau, Sabah (99 years lease expiring 31.7.2062)	22.11.95	store, office and residence	15	8,093.71	2,625
No. 2, Jalan Foochow, Kuching, Sarawak (999 years lease expiring 31.12.2923)	3.10.91	shop and office	18	156.10	214
No. 120, Jalan Semangat, Petaling Jaya, Selangor (99 years lease expiring 12.7.2061)	24.5.93	office and store	32	6,119.00	5,439
Lot 1, Block A Hong Tong Centre, Miles 4, Penampang, Kota Kinabalu, Sabah (99 years lease expiring 31.12.2080)	30.9.99	shop and office	14	136.56	458
No. 8, Jalan Melaka Raya 13, Taman Melaka Raya, Melaka (99 years lease expiring 7.7.2093)	30.3.96	shop and office	13	143.00	306
L.O. 76/65, Kawasan Perindustrian Batu Tiga, Shah Alam, Selangor (99 years lease expiring 8.9.2066)	8.9.67	offices and factory	40	40,603.00	20,810
GM9, Lot 1709, Semerak, Pasir Puteh, Kelantan (33 years lease expiring 23.9.2017)	24.9.84	residence	21	10,380.00	154
Lots 2430 & 2431, HS(M) 6/83, Mukim of Wakaf Delima, Wakaf Bharu, Kelantan (45 years lease expiring 3.1.2029)	4.1.84	offices and store	41	10,467.00	1,220
K.M.5.5, Jalan Bukit Kayu Hitam, Changloon, Kedah (30 years lease expiring 6.7.2021)	7.7.91	offices and agricultural land	19	285,510.00	941

Head Office

BRITISH AMERICAN TOBACCO (MALAYSIA) BERHAD (COMPANY NO. 4372-M)

Virginia Park, Jalan Universiti, 46200 Petaling Jaya, Selangor Darul Ehsan

Tel : +60 (3)7956 6899/7491 7100

Fax : +60 (3)7955 8416

TOBACCO IMPORTERS AND MANUFACTURERS SDN. BERHAD

(Company No. 4414-U)

Factories

Virginia Park, Jalan Universiti

46200 Petaling Jaya

Selangor Darul Ehsan

Tel : +60 (3)7956 6899/7491 7100

Fax : +60 (3)7955 8416

Leaf Processing Plant

Jalan Pelaya 15/1

40000 Shah Alam, Selangor

Tel : +60 (3)5519 1187/5519 1040

Fax : +60 (3)5510 8886

COMMERCIAL MARKETERS AND DISTRIBUTORS SDN. BHD.

(Company No. 42316-T)

Head Office

Virginia Park, Jalan Universiti

46200 Petaling Jaya, Selangor

Tel : +60 (3)7956 6899/7491 7100

Fax : +60 (3)7955 8416

Branch Offices

Pulau Pinang

No. 50 Weld Quay

10300 Penang

Tel : +60 (4)261 8840

Fax : +60 (4)261 8799

Ipoh

36 & 36A, Jalan Lengkok Canning

Ipoh Garden, 31400 Ipoh, Perak

Tel : +60 (5)547 7878/546 2187

Fax : +60 (5)547 4268

Petaling Jaya

No. 3, Jalan Industri PBP3

Taman Perindustrian Pusat Bandar

Puchong, 47100 Puchong

Selangor

Tel : +60 (3)5891 9888

Fax : +60 (3)5891 9882

Melaka

8, Jalan Melaka Raya 13

Taman Melaka Raya

75000 Melaka

Tel : +60 (6)282 5435/284 6593

Fax : +60 (6)283 5168

Johor Bahru

No. 4 Jalan Asas

Larkin Industrial Estate

80350 Johor Bahru, Johor

Tel : +60 (7)232 4688

Fax : +60 (7)238 6208

Kuantan

A79, Jalan Telok Sisek

25000 Kuantan, Pahang

Tel : +60 (9)517 8373/517 7831

Fax : +60 (9)517 7484

Kota Bharu

4959E, Jalan Pengkalan Chepa

15400 Kota Bharu, Kelantan

Tel : +60 (9)744 6341/748 1324

Fax : +60 (9)744 0522

Kota Kinabalu

Lot 1, Block A Hong Tong Centre

Mile 4, Penampang

88813 Kota Kinabalu, Sabah

Tel : +60 (88)722 628/722 629

Fax : +60 (88)722 630

Kuching

Lot 8943, Section 64, KTLD

No. 2, Jalan Foochow

93300 Kuching, Sarawak

Tel : +60 (82)481 884/481 886

Fax : +60 (82)335 490

Retail Outlet

Kuala Lumpur

1010 East

No. 134, Jalan Bukit Bintang

55100 Kuala Lumpur

Tel : +60 (3)2145 9101

Fax : +60 (3)2145 0512

THE LEAF TOBACCO DEVELOPMENT CORPORATION OF MALAYA SDN. BHD.

(Company No. 4998-P)

Leaf Offices

Kota Bharu

Lot No. 2952

Kawasan Perindustrian

Pengkalan Chepa II

Jalan Padang Tembak

16100 Kota Bharu, Kelantan

Tel : +60 (9)774 7400/774 7434

Fax : +60 (9)773 5855

Changloong

KM 5.5, Jalan Bukit Kayu Hitam

06050 Bukit Kayu Hitam

Kedah Darul Aman

Tel : +60 (4)922 2802/924 2054

Fax : +60 (4)924 2055

Keningau

Burley Park, Bayangan

P.O. Box 246

89008 Keningau, Sabah

Tel : +60 (87)391 609

Fax : +60 (87)391 751

COMMERCIAL MARKETERS AND DISTRIBUTORS SDN. BHD.

(Incorporated in Negara Brunei Darussalam)

Unit 4, Block B

Lot 1150, EDR 2244

Latiffuddin Complex

Jalan Tungku Link

Menglait, Gadong, BE 3719

Negara Brunei Darussalam

Tel : +673 245 2975

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annual report'07

114	Directors' Report
119	Statement by Directors
119	Statutory Declaration
120	Report of the Auditors
121	Income Statements
122	Balance Sheets



Financial Statements

123	Consolidated Statement of Changes in Equity	126	Summary of Significant Accounting Policies
124	Company Statement of Changes in Equity	136	Notes to the Financial Statements
125	Cash Flow Statements		



DIRECTORS' REPORT

The Directors are pleased to submit their annual report to the members together with the audited financial statements of the Group and Company for the financial year ended 31 December 2007.

PRINCIPAL ACTIVITIES

The Company provides day-to-day management and administrative services to its subsidiaries which are principally engaged in the manufacture, importation and sale of cigarettes, pipe tobaccos and cigars.

There have been no significant changes in the nature of the Group's and the Company's activities during the financial year.

FINANCIAL RESULTS

	Group RM'000	Company RM'000
Profit for the financial year	731,931	693,499

DIVIDENDS

	RM'000
The dividends paid or declared by the Company since 31 December 2006 were as follows:	
In respect of the financial year ended 31 December 2006, as shown in the Directors' report of that year:	
Final dividend of 170.00 sen gross per share, less tax of 27%, paid on 18 May 2007	354,343
Special final dividend of 30.00 sen gross per share, less tax of 27%, paid on 18 May 2007	62,531
	416,874

In respect of the financial year ended 31 December 2007:

First interim dividend of 150.00 sen gross per share, less tax of 27%, paid on 30 August 2007	312,655
Second interim dividend of 100.00 sen gross per share, less tax of 27%, paid on 30 November 2007	208,437
	521,092

The Directors now recommend the declaration of a net final dividend of 74.00 sen per share, amounting to RM211,292,200 in respect of the financial year ended 31 December 2007 comprising a 15.00 sen gross dividend per share, less tax of 26%, amounting to RM31,693,830 and a 62.90 sen dividend per share, tax exempt under the single-tier system, amounting to RM179,598,370 which, subject to the approval of members at the forthcoming Annual General Meeting of the Company, will be paid on 16 May 2008 to shareholders registered in the Company's Register of Members at the close of business on 5 May 2008.

RESERVES AND PROVISIONS

All material transfers to and from reserves and provisions during the financial year are shown in the financial statements.

DIRECTORS

The Directors who held office during the period since the date of the last report are as follows:

Tan Sri Abu Talib bin Othman (Chairman)	
Jack Marie Henry David Bowles	<i>(appointed on 1 May 2007)</i>
Bartholomeus Franciscus Theodorus Alkemade	<i>(ceased on 30 April 2007)</i>
Tan Sri Kamarul Ariffin bin Mohamed Yassin	
Datuk Oh Chong Peng	
James Richard Suttie	
Dato' Chan Choon Ngai	
Robert James Clark	

In accordance with Articles 97(1) and (2) of the Company's Articles of Association, James Richard Suttie and Dato' Chan Choon Ngai will retire by rotation from the Board at the forthcoming Annual General Meeting and, being eligible, have offered themselves for re-election.

Tan Sri Kamarul Ariffin bin Mohamed Yassin, having attained the age of seventy, will retire in accordance with Section 129(2) of the Companies Act, 1965 at the forthcoming Annual General Meeting. Tan Sri Kamarul Ariffin bin Mohamed Yassin has decided not to seek re-election as a Director at the forthcoming Annual General Meeting.

In accordance with Article 103 of the Company's Articles of Association, Jack Marie Henry David Bowles will retire from the Board at the forthcoming Annual General Meeting and, being eligible, has offered himself for re-election.

DIRECTORS' BENEFITS

During and at the end of the financial year, no arrangements subsisted to which the Company is a party, being arrangements with the object or objects of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate pursuant to provisions under the Companies Act, 1965, other than as may arise from equity-settled share-based compensation plans offered by British American Tobacco p.l.c. (British American Tobacco p.l.c. is deemed to be the ultimate holding company) as disclosed in Note 29 to the financial statements.

Since the end of the previous financial year, no Director has received or become entitled to receive any benefit (other than the benefits shown in Note 4 to the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest, other than by virtue of transactions entered into in the ordinary course of business as disclosed in Note 26 to the financial statements.



MEMBERSHIP OF THE REMUNERATION COMMITTEE

The Remuneration Committee comprise mainly Non-Executive Directors and the members of the Remuneration Committee as at 31 December 2007 are:

Tan Sri Abu Talib bin Othman (Chairman, Independent Non-Executive Director)	
Tan Sri Kamarul Ariffin bin Mohamed Yassin (Independent Non-Executive Director)	
Datuk Oh Chong Peng (Independent Non-Executive Director)	
James Richard Suttie (Non-Independent Non-Executive Director)	
Bartholomeus Franciscus Theodorus Alkemade (Non-Independent Executive Director)	(resigned on 30 April 2007)
Jack Marie Henry David Bowles (Non-Independent Non-Executive Director)	(appointed on 1 May 2007)

DIRECTORS' INTERESTS IN SHARES

According to the Register of Directors' Shareholdings, particulars of interests of Directors who held office at the end of the financial year in shares and share options in the Company and its related corporations are as follows:

The Company	Number of ordinary shares of 50 sen each in the Company			
	At 1.1.07	Bought	Sold	At 31.12.07

Shareholdings in the name of the Director:

Tan Sri Abu Talib bin Othman	1,000	80,000	—	81,000
Tan Sri Kamarul Ariffin bin Mohamed Yassin	1,000	—	—	1,000
Datuk Oh Chong Peng	1,000	—	—	1,000
James Richard Suttie	1,500	—	—	1,500
Dato' Chan Choon Ngai	1,000	—	—	1,000
Robert James Clark	500	—	—	500

Shareholdings in which the Director is deemed to have an interest:

Tan Sri Kamarul Ariffin bin Mohamed Yassin	3,320	—	—	3,320
James Richard Suttie	3,000	—	—	3,000
Dato' Chan Choon Ngai	6,000	—	—	6,000

Ultimate Holding Company - British American Tobacco p.l.c.	Number of ordinary shares of 25p each in British American Tobacco p.l.c.			
	At 1.1.07/ Date of appointment	Bought/ Granted	Sold	At 31.12.07

Shareholdings in the name of the Director:

James Richard Suttie	13,490	23,740	(30,076)	7,154
Dato' Chan Choon Ngai	27,534	1,534	—	29,068
Robert James Clark	9,293	8,404	(10,002)	7,695
Jack Marie Henry David Bowles	8,655	2,902	—	11,557

Shareholdings in which the Director is deemed to have an interest:

James Richard Suttie	6,073	1,000	—	7,073
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DIRECTORS' INTERESTS IN SHARES (continued)

Ultimate Holding Company - British American Tobacco p.l.c.	Number of options in ordinary shares of 25p each in British American Tobacco p.l.c.				
	At 1.1.07/ Date of appointment	Granted	Exercised	Lapsed	At 31.12.07
Shareholdings in the name of the Director, Exercise Price & Expiry Date:					
James Richard Suttie					
Nil (31 December 2007)	35,318	—	(23,709)	(11,609)	—
Dato' Chan Choon Ngai					
£5.98 (19 March 2013)	7,392	—	—	—	7,392
£8.09 (17 March 2014)	5,163	—	—	—	5,163
Nil (17 May 2015)	6,857	—	—	—	6,857
Nil (15 March 2016)	5,418	—	—	—	5,418
Nil (13 March 2017)	—	5,178	—	—	5,178
Robert James Clark					
£8.09 (17 March 2014)	6,227	—	(6,227)	—	—
Nil (17 May 2015)	8,678	—	—	—	8,678
Nil (15 March 2016)	6,616	—	—	—	6,616
Nil (13 March 2017)	—	6,669	—	—	6,669
Jack Marie Henry David Bowles					
Nil (17 March 2014)	15,150	—	—	—	15,150
Nil (17 May 2015)	12,910	—	—	—	12,910
Nil (15 March 2016)	9,922	—	—	—	9,922
Nil (13 March 2017)	—	9,618	—	—	9,618

Some of the shares and options in the ultimate holding company held by Directors arose as a result of the Directors' participation in the employee share schemes offered by British American Tobacco p.l.c. (British American Tobacco p.l.c. indirectly through British American Tobacco Holdings (Malaysia) B.V., owns fifty percent (50%) equity interest in the Company) and is deemed to be the Company's ultimate holding Company. Further details on the employee share schemes offered by British American Tobacco p.l.c. are contained in Note 29 to the financial statements.

STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS

Before the income statements and balance sheets were made out, the Directors took reasonable steps:

- to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and
- to ensure that any current assets, other than debts, which were unlikely to realise in the ordinary course of business their values as shown in the accounting records of the Group and Company had been written down to an amount which they might be expected so to realise.



STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS (continued)

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

- a) which would render the amounts written off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and Company inadequate to any substantial extent; or
- b) which would render the values attributed to current assets in the financial statements of the Group and Company misleading; or
- c) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and Company misleading or inappropriate.

No contingent or other liability has become enforceable or is likely to become enforceable within the period of 12 months after the end of the financial year which, in the opinion of the Directors, will or may affect the ability of the Group or Company to meet their obligations when they fall due.

At the date of this report, there does not exist:

- a) any charge on the assets of the Group or Company which has arisen since the end of the financial year which secures the liability of any other person; or
- b) any contingent liability of the Group or Company which has arisen since the end of the financial year.

At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements misleading.

In the opinion of the Directors:

- a) the results of the Group's and Company's operations during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and
- b) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group or Company for the financial year in which this report is made.

ULTIMATE HOLDING COMPANY

The Directors regard British American Tobacco p.l.c., which is incorporated in England and Wales, to be the ultimate holding company of the Company.

AUDITORS

The auditors, PricewaterhouseCoopers, have expressed their willingness to continue in office.

Signed on behalf of the Board of Directors in accordance with a resolution dated 21 February 2008.

Jack Marie Henry David Bowles
Managing Director

Robert James Clark
Finance Director

STATEMENT BY DIRECTORS

Pursuant to Section 169(15) of the Companies Act, 1965

British American Tobacco
(Malaysia) Berhad

We, JACK MARIE HENRY DAVID BOWLES and ROBERT JAMES CLARK, two of the Directors of British American Tobacco (Malaysia) Berhad, state that, in the opinion of the Directors, the financial statements set out on pages 121 to 170 are drawn up so as to give a true and fair view of the state of affairs of the Group and Company as at 31 December 2007 and of the results and cash flows of the Group and Company for the financial year ended on that date in accordance with Financial Reporting Standards, the MASB Approved Accounting Standards in Malaysia for Entities Other than Private Entities and the provisions of the Companies Act, 1965.

Signed on behalf of the Board of Directors in accordance with a resolution dated 21 February 2008.

Jack Marie Henry David Bowles
Managing Director

Robert James Clark
Finance Director

STATUTORY DECLARATION

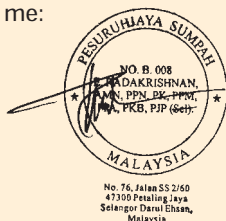
Pursuant to Section 169(16) of the Companies Act, 1965

I, ROBERT JAMES CLARK, the Director primarily responsible for the financial management of British American Tobacco (Malaysia) Berhad, do solemnly and sincerely declare that the financial statements set out on pages 121 to 170 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.

Robert James Clark
Finance Director

Subscribed and solemnly declared by the abovenamed Robert James Clark at Petaling Jaya in the state of Selangor on 21 February 2008.

Before me:



E. Radakrishnan, AMN, PPN, PK, PPM, PPA, PKB, PJP (Sel.)
Commissioner for Oaths
Petaling Jaya



REPORT OF THE AUDITORS

to the Members of British American Tobacco (Malaysia) Berhad (Company No: 4372-M)

We have audited the financial statements set out on pages 121 to 170. These financial statements are the responsibility of the Company's Directors. It is our responsibility to form an independent opinion, based on our audit, on these financial statements and to report our opinion to you, as a body, in accordance with Section 174 of the Companies Act, 1965 and for no other purpose. We do not assume responsibility to any other person for the content of this report.

We conducted our audit in accordance with approved auditing standards 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 financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion:

- (a) the financial statements have been prepared in accordance with the provisions of the Companies Act, 1965 and Financial Reporting Standards, the MASB Approved Accounting Standards in Malaysia for Entities Other than Private Entities so as to give a true and fair view of:
 - (i) the matters required by Section 169 of the Companies Act, 1965 to be dealt with in the financial statements; and
 - (ii) the state of affairs of the Group and Company as at 31 December 2007 and of the results and cash flows of the Group and Company for the financial year ended on that date;

and

- (b) the accounting and other records and the registers required by the Act to be kept by the Company and by the subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.

The name of the subsidiary of which we have not acted as auditors is indicated in Note 14 to the financial statements. We have considered the financial statements of the subsidiary and the auditors' report thereon.

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

The auditors' reports on the financial statements of the subsidiaries were not subject to any qualification and did not include any comment made under sub-section (3) of Section 174 of the Act.

PricewaterhouseCoopers

[AF:1146]

Chartered Accountants

Jayarajan A/L U. Rathinasamy

[2059/06/08 (J)]

Partner of the firm

Kuala Lumpur
21 February 2008

INCOME STATEMENTS
for the financial year ended 31 December 2007

British American Tobacco
(Malaysia) Berhad

		Group		Company	
	Note	Year ended 31.12.07 RM'000	Year ended 31.12.06 RM'000	Year ended 31.12.07 RM'000	Year ended 31.12.06* RM'000
Revenue	2	3,830,869	3,612,482	1,030,092	1,066,698
Cost of sales		(2,262,781)	(2,082,586)	—	—
Gross profit		1,568,088	1,529,896	1,030,092	1,066,698
Other operating income		10,766	9,083	358	741
Distribution and marketing costs		(361,986)	(334,369)	—	—
Administrative expenses		(138,357)	(113,781)	(22,506)	(8,846)
Other operating expenses		(29,095)	(41,415)	(11,350)	(4,081)
Profit from operations	3	1,049,416	1,049,414	996,594	1,054,512
Finance cost		(46,515)	(47,467)	(46,515)	(47,467)
Profit before tax		1,002,901	1,001,947	950,079	1,007,045
Tax expense	6	(270,970)	(282,269)	(256,580)	(275,761)
Profit for the financial year		731,931	719,678	693,499	731,284
Earnings per share (sen)	7	256.3	252.0	—	—
Net dividends per share (sen)	8	256.5	254.0	256.5	254.0

* The comparative figures for Revenue and Other operating income have been reclassified to conform with current year's presentation.

The accounting policies on pages 126 to 135 and the notes on pages 136 to 170 form an integral part of these financial statements.



BALANCE SHEETS

as at 31 December 2007

		Group		Company	
	Note	2007 RM'000	2006* RM'000	2007 RM'000	2006* RM'000
Non current assets					
Property, plant and equipment	9	439,959	478,688	25,403	23,283
Investment property	10	—	20,010	—	—
Leasehold land	11	20,826	22,600	1,132	1,155
Computer software	12	21,091	14,100	21,091	14,100
Goodwill	13	411,618	411,618	—	—
Subsidiaries	14	—	—	1,022,889	1,024,956
Deferred tax assets	15	4,978	4,020	4,978	4,020
		898,472	951,036	1,075,493	1,067,514
Current assets					
Assets held for sale	16	20,638	25,579	—	—
Inventories	17	243,988	264,507	—	—
Receivables	18	186,490	164,085	289,465	602,114
Tax recoverable		26,754	27,715	26,754	27,018
Deposits, cash and bank balances	19	70,666	187,289	1,619	297
		548,536	669,175	317,838	629,429
Current liabilities					
Payables	20	231,036	218,878	310,250	419,415
Borrowings	21	100,000	450,000	100,000	450,000
Current tax liabilities		56,493	88,819	—	—
		387,529	757,697	410,250	869,415
Net current assets/(liabilities)		161,007	(88,522)	(92,412)	(239,986)
		1,059,479	862,514	983,081	827,528
Capital and reserves					
Share capital	22	142,765	142,765	142,765	142,765
Retained earnings		203,147	409,059	190,268	434,735
Shareholders' funds		345,912	551,824	333,033	577,500
Non current liabilities					
Borrowings	21	650,000	250,000	650,000	250,000
Post employment benefit obligations	23	4,982	4,552	48	28
Deferred tax liabilities	15	58,585	56,138	—	—
		1,059,479	862,514	983,081	827,528

* Certain comparative figures have been reclassified to conform with current year's presentation, where the effects of the changes are detailed in the Summary of Significant Accounting Policies.

The accounting policies on pages 126 to 135 and the notes on pages 136 to 170 form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the financial year ended 31 December 2007

British American Tobacco
(Malaysia) Berhad

		Issued and fully paid ordinary shares of 50 sen each			
	Note	Number of shares '000	Nominal value RM'000	Retained earnings RM'000	Total RM'000
At 1 January 2007		285,530	142,765	409,059	551,824
Profit for the financial year		—	—	731,931	731,931
Deferred tax on revalued land and buildings	15	—	—	123	123
Dividends for financial year ended 31 December 2006					
– special final	8	—	—	(62,531)	(62,531)
– final	8	—	—	(354,343)	(354,343)
Dividends for financial year ended 31 December 2007					
– first interim	8	—	—	(312,655)	(312,655)
– second interim	8	—	—	(208,437)	(208,437)
At 31 December 2007		285,530	142,765	203,147	345,912
At 1 January 2006		285,530	142,765	475,264	618,029
Profit for the financial year		—	—	719,678	719,678
Deferred tax on revalued land and buildings	15	—	—	123	123
Dividends for financial year ended 31 December 2005					
– special		—	—	(158,983)	(158,983)
– final		—	—	(318,651)	(318,651)
Dividends for financial year ended 31 December 2006					
– first interim	8	—	—	(308,372)	(308,372)
At 31 December 2006		285,530	142,765	409,059	551,824

The accounting policies on pages 126 to 135 and the notes on pages 136 to 170 form an integral part of these financial statements.



COMPANY STATEMENT OF CHANGES IN EQUITY
for the financial year ended 31 December 2007

	Note	Issued and fully paid ordinary shares of 50 sen each		Distributable	Total RM'000
		Number of shares '000	Nominal value RM'000	Retained earnings RM'000	
At 1 January 2007		285,530	142,765	434,735	577,500
Profit for the financial year		—	—	693,499	693,499
Dividends for financial year ended 31 December 2006					
– special final	8	—	—	(62,531)	(62,531)
– final	8	—	—	(354,343)	(354,343)
Dividends for financial year ended 31 December 2007					
– first interim	8	—	—	(312,655)	(312,655)
– second interim	8	—	—	(208,437)	(208,437)
At 31 December 2007		285,530	142,765	190,268	333,033
At 1 January 2006		285,530	142,765	489,457	632,222
Profit for the financial year		—	—	731,284	731,284
Dividends for financial year ended 31 December 2005					
– special		—	—	(158,983)	(158,983)
– final		—	—	(318,651)	(318,651)
Dividends for financial year ended 31 December 2006					
– first interim	8	—	—	(308,372)	(308,372)
At 31 December 2006		285,530	142,765	434,735	577,500

The accounting policies on pages 126 to 135 and the notes on pages 136 to 170 form an integral part of these financial statements.

CASH FLOW STATEMENTS
for the financial year ended 31 December 2007

British American Tobacco
(Malaysia) Berhad

	Note	Group		Company	
		Year ended 31.12.07 RM'000	Year ended 31.12.06 RM'000	Year ended 31.12.07 RM'000	Year ended 31.12.06 RM'000
Operating activities					
Cash receipts from customers		3,794,460	3,614,508	3,444	2,538
Cash paid to suppliers and employees		(2,656,406)	(2,507,079)	—	—
Cash from operations	24	1,138,054	1,107,429	3,444	2,538
Income tax (paid)/refunded		(300,723)	(271,543)	13,620	15,568
Net cash flow from operating activities		837,331	835,886	17,064	18,106
Investing activities					
Property, plant and equipment					
– additions		(55,163)	(56,416)	(9,243)	(4,923)
– disposals		37,982	13,493	490	720
Additions of computer software		(11,508)	(13,484)	(11,508)	(13,484)
Interest income received		10,702	7,128	182	117
Dividends received from subsidiaries		—	—	963,963	805,082
Repayment (to)/from subsidiaries		—	—	(23,659)	27,113
Net cash flow (used in)/from investing activities		(17,987)	(49,279)	920,225	814,625
Financing activities					
Dividends paid to shareholders		(937,966)	(786,006)	(937,966)	(786,006)
Repayment of bonds		(450,000)	—	(450,000)	—
Proceeds from issuance of medium-term notes		400,000	—	400,000	—
Proceeds from issuance of commercial papers		100,000	—	100,000	—
Interest expense paid		(48,001)	(47,370)	(48,001)	(47,370)
Net cash flow used in financing activities		(935,967)	(833,376)	(935,967)	(833,376)
(Decrease)/increase in cash and cash equivalents		(116,623)	(46,769)	1,322	(645)
Cash and cash equivalents as at 1 January		187,289	234,058	297	942
Cash and cash equivalents as at 31 December	19	70,666	187,289	1,619	297

The accounting policies on pages 126 to 135 and the notes on pages 136 to 170 form an integral part of these financial statements.



SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

for the financial year ended 31 December 2007

Index	Page
A. Basis of preparation	127
B. Changes in accounting policies	128 – 130
C. Revenue recognition	130
D. Property, plant and equipment	130 – 131
E. Investment property	131
F. Leases	131
G. Assets held for sale	132
H. Intangible assets	132
I. Investments	132
J. Inventories	133
K. Receivables	133
L. Cash and cash equivalents	133
M. Employee benefits	133 – 134
N. Tax expense	134
O. Foreign currencies	134 – 135
P. Financial instruments	135
Q. Borrowings	135

A. BASIS OF PREPARATION

The financial statements of the Group and the Company are prepared in accordance with the provisions of the Companies Act, 1965 and Financial Reporting Standards, the MASB Approved Accounting Standards in Malaysia for Entities Other than Private Entities.

The financial statements of the Group and Company have been prepared under the historical cost convention, unless otherwise indicated in this summary of significant accounting policies.

The preparation of financial statements in conformity with the provisions of the Companies Act, 1965 and Financial Reporting Standards, the MASB Approved Accounting Standards in Malaysia for Entities Other than Private Entities requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the financial year. Although these estimates and judgment are based on the Directors' best knowledge of current events and actions, actual results could differ.

BASIS OF CONSOLIDATION

The consolidated financial statements include the financial statements of the Company and all its subsidiaries made up to the end of the financial year. Subsidiaries are those corporations in which the Group has power to exercise control over the financial and operating policies so as to obtain benefits from their activities.

Subsidiaries are consolidated from the date on which control is transferred to the Group and are no longer consolidated from the date that control ceases. Subsidiaries are consolidated using the purchase method of accounting.

The cost of an acquisition is measured as fair value of assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange. The excess of the cost of acquisition over the fair values of the Group's share of the identifiable net assets acquired at the date of acquisition is reflected as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the income statement.

Intragroup transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated but considered an impairment indicator of the asset transferred. Where necessary, accounting policies of subsidiaries have been changed to ensure consistency with the policies adopted by the Group.



Summary of Significant Accounting Policies

for the financial year ended 31 December 2007

B. CHANGES IN ACCOUNTING POLICIES

The new/revised accounting standards and amendments to published standards effective and applicable for the Group's and the Company's financial year beginning 1 January 2007 are as follows:

- FRS 117 Leases
- Amendments to FRS 119 Employee Benefits – Actuarial Gains and Losses, Group Plans and Disclosures
- FRS 124 Related Party Disclosures

All changes in the accounting policies have been made in accordance with the transitional provisions in the respective standards. All standards and amendments adopted by the Group require retrospective application.

The principal effects of these changes are as follows:

(a) FRS 117 Leases

Prior to 1 January 2007, leasehold land and buildings held were classified as property, plant and equipment and were stated at their 1983 valuation less depreciation as the Directors have applied the transitional provisions of MASB Approved Accounting Standards No. 16 (Revised) Property, Plant and Equipment. Accordingly, these valuations have not been updated.

The adoption of the revised FRS 117 has resulted in a change in the accounting policy relating to the classification of leases of land held for own use. Whilst previously classified as part of property, plant and equipment, leasehold land held for own use is now classified as an operating lease and the up-front payment represents prepaid lease payments disclosed as Leasehold land (non-current asset) on the face of the balance sheet. There is no impact on the income statements as the prepaid lease payments continue to be amortised on a straight line basis over the lease term.

The Group has applied the change in accounting policy in respect of leasehold land held for own use in accordance with the transitional provisions of FRS 117. As at 1 January 2007, the unamortised revalued amount of leasehold land is retained as the carrying amount of prepaid lease payments as allowed by transitional provisions.

Leasehold buildings held for own use remain classified in property, plant and equipment as they are finance leases, where substantially all the risks and rewards incidental to their ownership is transferred to the Group. The leasehold buildings continue to be depreciated on a straight line basis, in accordance with the requirements of FRS 116 Property, Plant and Equipment.

As a result of the adoption of FRS 117, comparative amounts as at 31 December 2006 have been reclassified as follows:

	As previously reported RM'000	Effects of changes in accounting policy RM'000	Reclassified as at 31 December 2006 RM'000
Group			
Property, plant and equipment	501,288	(22,600)	478,688
Leasehold land, included in property, plant and equipment	—	22,600	22,600

B. CHANGES IN ACCOUNTING POLICIES (continued)

(b) Amendments to FRS 119 Employee Benefits – Actuarial Gains and Losses, Group Plans and Disclosures

As of 1 January 2007 the Group adopted the amendments to FRS 119. This change has resulted in additional disclosures, providing information about trends in the assets and liabilities in the defined benefit plans and the assumptions underlying the components of the defined benefit cost, included for the years ended 31 December 2006 and 31 December 2007. As the Group does not intend to change the accounting policy adopted for recognition of actuarial gains and losses and does not participate in any multi-employer plans, adoption of this amendment will only impact the format and extent of disclosures presented in the financial statements.

(c) FRS 124 Related Party Disclosures

This standard affects the identification of related parties, and results in additional related party disclosures presented in the financial statements.

The six new/revised standards, amendments to published standards and interpretations to published standards which have been issued by the MASB, but are not yet effective, are as follows:

- (a) FRS 107 Cash Flow Statements (effective for accounting periods beginning on or after 1 July 2007). There were no significant changes as compared to the original standard, hence it is expected that there will be no material impact on the financial statements when the Group applies this standard. The Group will apply this standard from financial periods beginning 1 January 2008.
- (b) FRS 112 Income Taxes (effective for accounting periods beginning on or after 1 July 2007). This revised standard removes the requirements that prohibit recognition of deferred tax on unutilised reinvestment allowances or other allowances in excess of capital allowances. It is expected that there will be no material impact on the financial statements when the Group applies this standard. The Group will apply this standard from financial periods beginning 1 January 2008.
- (c) FRS 118 Revenue (effective for accounting periods beginning on or after 1 July 2007). There were no significant changes as compared to the original standard, hence it is expected that there will be no material impact on the financial statements when the Group applies this standard. The Group will apply this standard from financial periods beginning 1 January 2008.
- (d) FRS 137 Provisions, Contingent Liabilities and Contingent Assets (effective for accounting periods beginning on or after 1 July 2007). There were no significant changes as compared to the original standard, hence it is expected that there will be no material impact on the financial statements when the Group applies this standard. The Group will apply this standard from financial periods beginning 1 January 2008.
- (e) FRS 139 Financial Instruments: Recognition and Measurement (effective date yet to be determined by Malaysian Accounting Standards Board). This new standard establishes principles for recognising and measuring financial assets, financial liabilities and some contracts to buy and sell non-financial items. Hedge accounting is permitted only under strict circumstances.
- (f) Amendment to FRS 121 The Effects of Changes in Foreign Exchange Rates – Net Investment in a Foreign Operation (effective for accounting periods beginning on or after 1 July 2007). This amendment requires exchange differences on monetary items that form part of the net investment in a foreign operation to be recognised in equity instead of in profit or loss regardless of the currency in which these items are denominated in. It is expected that there will be no material impact on the financial statements when the Group applies this amendment. The Group will apply this amendment from financial periods beginning 1 January 2008.



Summary of Significant Accounting Policies

for the financial year ended 31 December 2007

B. CHANGES IN ACCOUNTING POLICIES (continued)

- (g) IC Interpretation 8 Scope of FRS2 (effective for accounting periods beginning on or after 1 July 2007). This interpretation clarifies that FRS 2 Share-based Payment applies even in the absence of specifically identifiable goods and services. The Group will apply this interpretation from financial periods beginning 1 January 2008. It is expected that there will be no material impact on the financial statements when the Group applies this interpretation.

C. REVENUE RECOGNITION

Revenue earned from the sale of the Group's products is recognised upon passing of title to the customer, which generally coincides with their delivery and acceptance and after eliminating sales within the Group.

Other revenue earned by the Group are recognised on the following basis:

- Interest income is recognised on a time proportion basis, taking into account the principal outstanding and the effective rate over the period to maturity, when it is determined that such income will accrue to the Group.
- Dividend income is recognised when the Group's right to receive payment is established.
- Revenue from services rendered is recognised as and when the services are performed.

D. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are initially stated at cost. Freehold land is stated at its 1983 valuation and freehold buildings and leasehold buildings are stated at their 1983 valuation less depreciation as the Directors have applied the transitional provisions of MASB Approved Accounting Standards No. 16 (Revised) Property, Plant and Equipment. Accordingly, these valuations have not been updated. All other property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the costs of the item can be measured reliably. All repairs and maintenance are charged to the income statement during the financial year in which they are incurred.

Freehold land is not depreciated as it has an infinite life. Depreciation on capital work-in-progress commences when the assets are ready for their intended use. Depreciation is provided to their residual values on all other property, plant and equipment on a straight line basis over their estimated useful lives, which are as follows:

Buildings	– 35 to 40 years
Machinery and equipment	– 10 to 14 years
Furniture and fittings (including merchandising equipment, computer equipment and peripherals)	– various periods not exceeding 10 years
Motor vehicles	– 5 years

Small value items are fully depreciated in the year of purchase.

Residual values and useful lives of assets are reviewed, and adjusted if appropriate, at each balance sheet date. If the residual value of an asset increases to an amount equal or greater than the asset's carrying amount, the asset's depreciation charge is nil unless and until its residual value subsequently decreases to an amount below the asset's carrying amount.

D. PROPERTY, PLANT AND EQUIPMENT (continued)

At each balance sheet date, the Group assesses whether there is any indication of impairment. If such indications exist, an analysis is performed to assess whether the carrying amount of the asset is fully recoverable. A write down is made if the carrying amount exceeds the recoverable amount. Likewise, when the conditions for impairment no longer exist after considering indications from both external and internal sources, a writeback on the asset values will be performed.

Gains and losses on disposal are determined by comparing proceeds with carrying amount and are included in the income statement.

E. INVESTMENT PROPERTY

Investment property, comprising a factory, offices and warehousing space, is held for rental yields or for capital appreciation and are not occupied by the Group. Investment property is stated at cost less accumulated depreciation and impairment losses. Freehold land is stated at its 1983 valuation and freehold buildings, leasehold land and buildings are stated at their 1983 valuation less depreciation as the Directors have applied the transitional provisions of MASB Approved Accounting Standards No. 16 (Revised) Property, Plant and Equipment. Accordingly, these valuations have not been updated.

Investment property comprising freehold land is not depreciated. Investment property comprising buildings are depreciated to their residual values on a straight line basis over their estimated useful lives of 35 to 40 years.

Transfers are made to investment property when, and only when, there is a change in use, evidenced by the end of owner occupation. Transfers are made from investment property when, and only when, there is a change in use, evidenced by commencement of owner occupation or when the investment property meets the criteria to be reclassified as "Assets Held for Sale" in accordance with FRS 5.

F. LEASES

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

Leases where the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased property and the present value of the minimum lease payments.

Leasehold land held for own use is classified as an operating lease and the up-front payment represents prepaid lease payments disclosed as Leasehold land (non-current asset). These up-front payments are expensed to the income statement to match the inflow of benefits accrued.

Leasehold buildings held for own use remain classified in property, plant and equipment as they are finance leases, where substantially all the risks and rewards incidental to their ownership is transferred to the Group. The leasehold buildings are depreciated on a straight line basis over their lease terms.



Summary of Significant Accounting Policies

for the financial year ended 31 December 2007

G. ASSETS HELD FOR SALE

Property, plant and equipment and investment property are classified as assets held for sale and stated at the lower of carrying amount and fair value less costs to sell if their carrying amount is expected to be recovered principally through a sale transaction rather than through continuing use. These assets held for sale cease to be depreciated as their economic benefits are no longer consumed.

On disposal of an asset held for sale, the difference between the net disposal proceeds and the carrying amount is recognised in profit or loss in the period of the disposal.

If there are changes to a plan of sale, the asset held for sale will be reclassified as property, plant and equipment or investment property with its carrying amount at the lower of its carrying amount before the asset was classified as held for sale, adjusted for any depreciation that would have been recognised had the asset not been classified as held for sale and its recoverable amount at the date of the change to the plan of sale.

H. INTANGIBLE ASSETS

(i) GOODWILL

Goodwill represents the excess of the cost of acquisition of subsidiaries over the fair value of the Group's share of the identifiable net assets at the date of acquisition.

The carrying amount of goodwill is reviewed for impairment, annually as well as more frequently if events or changes in circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of the cash-generating units, to which the goodwill relates. Where the recoverable amount of the cash-generating units is less than the carrying amount of the cash-generating units to which goodwill has been allocated, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

(ii) COMPUTER SOFTWARE

Costs that are directly associated with identifiable and unique computer software products controlled by the Group, and that will probably generate economic benefits exceeding costs beyond one year, and are not integral to other fixed assets are recognised as intangible assets. These costs include the software development employee costs and an appropriate portion of relevant overheads. The computer software development costs recognised as assets are amortised upon completion of the computer software products on a straight line basis over their estimated useful lives of 3 years.

Costs associated with maintaining computer software programmes are recognised as an expense when incurred.

I. INVESTMENTS

Investments in subsidiaries are shown at cost. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount.

On disposal of investment, the difference between net disposal proceeds and its carrying amount is charged or credited to the income statement.

J. INVENTORIES

Inventories are stated at the lower of cost and net realisable value. Cost is determined principally on a first-in first-out basis and in the case of manufactured cigarettes, comprises cost of materials, labour and manufacturing overheads. Net realisable value is the estimated selling price in the ordinary course of business, less cost of completion and selling expenses.

K. RECEIVABLES

Trade receivables are carried at invoiced amount less an estimate made for doubtful debts based on a review of outstanding amounts at the year end. The allowance is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. Bad debts are written off when identified.

Prepayments comprise expenditure incurred for benefits expected to arise after the balance sheet date. This includes payments for the forest plantation development project, where the amounts are carried at cost and expensed to the income statement to match the inflow of benefits accrued.

L. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash in hand, balances with licensed financial institutions, bank overdrafts and short term highly liquid investments with original maturities of three months or less.

M. EMPLOYEE BENEFITS

(i) Short term benefits

Wages, salaries, bonuses and other staff related expenses are recognised as an expense in the year in which the associated services are rendered by employees of the Group.

(ii) Defined contribution plan

The Group's contributions to the Employees Provident Fund are recognised as an expense in the income statement as incurred. Once the contributions have been paid, the Group has no further payment obligations.

(iii) Defined benefit plan

The Group operates a defined benefit plan for employees who joined the Group prior to 1 January 2006, the assets of which are held in a separate trustee-administered fund. This fund is funded by payments from the relevant Group companies. The Group's retirement obligation is determined based on a triennial actuarial valuation (with annual updates) where the amount of the benefit that eligible employees have earned in return for their service in the current and prior years is estimated.

The liability in respect of the defined benefit plan is the present value of the defined benefit obligation at the balance sheet date, adjusted for unrecognised actuarial gains and losses, and reduced by the fair value of plan assets.

The defined benefit obligation, calculated using the Projected Unit Credit Method, is determined by an independent actuary, considering the estimated future cash outflows.

Actuarial gains and losses arise from experience adjustments and changes in actuarial assumptions. Actuarial gains and losses are recognised as income or expense over the expected average remaining service lives of the participating employees when the cumulative unrecognised actuarial gains or losses for the defined benefit plan exceed the higher of 10% of the present value of the defined benefit obligation and the fair value of the plan assets at the beginning of the financial year.



Summary of Significant Accounting Policies

for the financial year ended 31 December 2007

M. EMPLOYEE BENEFITS (continued)

(iv) Termination benefits

Termination benefits are payable whenever an employee's employment is terminated before the normal retirement date or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits as a liability and an expense when it is demonstrably committed to provide termination benefits as a result of an offer made to encourage voluntary redundancy and is without realistic possibility of withdrawal.

(v) Share-based payments

A number of employees of the Group participate in equity-settled share-based compensation plans offered by British American Tobacco p.l.c. (British American Tobacco p.l.c. indirectly through British American Tobacco Holdings (Malaysia) B.V., owns fifty percent (50%) equity interest in the Company) and is deemed to be the Company's ultimate holding Company.

Equity-settled share-based payments are measured at fair value at the date of grant and are expensed off over the vesting period, based on British American Tobacco p.l.c.'s estimate of awards that will eventually vest. Fair value is measured by the use of the Black-Scholes and Monte-Carlo pricing models. The expected life used in the models has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations, forfeiture and historical experience.

N. TAX EXPENSE

Current tax expense is determined according to the tax laws of the jurisdiction in which the Group operates and include all taxes based upon the taxable profits. Tax expense is the aggregate amount included in the determination of profit for the period in respect of current tax and deferred tax.

Deferred tax assets and liabilities are provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. The principal temporary differences arise from depreciation on property, plant and equipment, revaluations of certain non-current assets, provisions for pensions and other post retirement benefits, allowance for doubtful debts and tax losses and capital allowances carried forward. Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences can be utilised.

Deferred tax is determined using tax rates enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

O. FOREIGN CURRENCIES

(i) Functional and presentation currency

The financial statements of each of the Group's entities are presented in Ringgit Malaysia which is the Group's and Company's functional and presentation currency.

(ii) Foreign currency transactions and balances

Foreign currency transactions in the Group are accounted for at exchange rates ruling at the transaction dates. Foreign currency monetary assets and liabilities are translated at exchange rates ruling at the balance sheet date. Exchange differences arising from the settlement of foreign currency transactions and from the translation of foreign currency monetary assets and liabilities are included in the income statement.

O. FOREIGN CURRENCIES (continued)

(iii) Foreign entities

Assets and liabilities of foreign subsidiaries are translated at closing rates for purposes of consolidation. Income statement items are translated at average rates during the financial year and resulting exchange differences are dealt with in equity for the financial year.

P. FINANCIAL INSTRUMENTS

Financial instruments carried on the balance sheet include cash and bank balances, receivables, payables and borrowings. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

Financial instruments not recognised on the balance sheet

(i) Foreign currency forward contracts

Foreign currency forward contracts protect the Group from movements in exchange rates by establishing the rate at which a foreign currency asset or liability will be settled.

Exchange gains and losses arising on contracts entered into as hedges of anticipated future transactions are deferred until the date of such transaction, at which time they are included in the measurement of such transactions.

All other exchange gains and losses relating to hedge instruments are recognised in the income statement in the same period as the exchange differences on the underlying hedged items. Gains and losses on contracts which are no longer designated as a hedge are included in the income statement.

(ii) Fair value estimation for disclosure purposes

The fair values of long term debt are based on quoted market prices at the balance sheet date or dealer quotes for the specific or similar instruments.

The fair values of forward exchange contracts are determined using forward exchange market rates at the balance sheet date.

In assessing the fair value of non-traded derivatives and financial instruments, the Group uses a variety of methods and makes assumptions that are based on market conditions existing at balance sheet date. Option pricing models and estimated discounted value of future cash flows are used to determine fair value for financial instruments. In particular, the fair value of financial liabilities is estimated by discounting the future cash flows at the current market interest rate available to the Group for similar financial instruments.

The face values, less any estimated credit adjustments, for financial assets and liabilities with a maturity of less than one year are assumed to approximate their fair values.

Q. BORROWINGS

Borrowings are recorded at the amount of proceeds received, net of transaction costs.

Interest expense relating to borrowings is reported within finance cost in the income statement.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.



NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

The Company provides day-to-day management and administrative services to its subsidiaries which are principally engaged in the manufacture, importation and sale of cigarettes, pipe tobaccos and cigars.

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and listed on the Main Board of Bursa Malaysia Securities Berhad.

The Company deems British American Tobacco p.l.c., which is incorporated in England and Wales, to be its ultimate holding company.

The address of the registered office and principal place of business of the Company is as follows:

Virginia Park, Jalan Universiti
46200 Petaling Jaya
Selangor Darul Ehsan

2. REVENUE

	Group		Company	
	Year ended 31.12.07 RM'000	Year ended 31.12.06 RM'000	Year ended 31.12.07 RM'000	Year ended 31.12.06 RM'000
Sale of cigarettes, pipe tobaccos and cigars	3,830,869	3,612,482	—	—
Dividend income from unquoted subsidiaries	—	—	1,014,009	1,055,982
Management fee received from subsidiaries	—	—	6,008	5,815
Fee for usage of property, plant and equipment received from subsidiaries	—	—	10,075	4,901
	3,830,869	3,612,482	1,030,092	1,066,698

3. PROFIT FROM OPERATIONS

	Group		Company	
	Year ended 31.12.07 RM'000	Year ended 31.12.06 RM'000	Year ended 31.12.07 RM'000	Year ended 31.12.06 RM'000
Profit from operations is arrived at:				
After charging:				
Raw materials and consumables used	373,420	418,491	—	—
Auditors' remuneration:				
– statutory audit	184	173	54	52
– non audit fees	174	167	148	142
Property, plant and equipment:				
– depreciation (Note 9)	74,884	76,385	6,064	5,978
– loss on disposal	692	1,190	570	—
– written off	13,402	—	—	—
Investment property – depreciation (Note 10)	190	1,144	—	—
Amortisation of prepaid leases (Note 11)	1,774	—	23	—
Amortisation of computer software (Note 12)	4,517	—	4,517	—
Impairment losses on investment (Note 14)	—	—	2,067	—
Rental of land and buildings	4,563	4,443	—	—
Inventories written off	93	1,490	—	—
Allowance for doubtful debts	4,958	1,320	—	—
Net exchange loss	2,729	—	4,941	18
Staff costs (Note 5)	101,453	127,032	26,744	21,412
And crediting:				
Property, plant and equipment:				
– Impairment written back (netted off from other operating expenses)	—	4,411	—	—
Gain on disposal of property, plant and equipment	—	—	—	56
Interest income	9,965	7,716	182	117
Net exchange gain	—	142	—	—
Rental income	—	1,410	—	—



4. DIRECTORS' REMUNERATION

	Group		Company	
	Year ended 31.12.07 RM'000	Year ended 31.12.06 RM'000	Year ended 31.12.07 RM'000	Year ended 31.12.06 RM'000
Fees	488	420	463	420
Other emoluments	6,586	7,992	5,009	5,999
	7,074	8,412	5,472	6,419

The estimated monetary value of benefits provided to Directors of the Group and Company during the financial year amounted to RM1,050,286 (2006: RM915,681) and RM904,638 (2006: RM820,816) respectively.

Share-based payments made to Directors of the Group and Company (during their employment with the Group) in the financial year are by way of their participation in employee share schemes (Note 29) offered by British American Tobacco p.l.c.

Details of the movements of the Directors' equity-settled share-based payment arrangements during the year ended 31 December 2007, covering the Deferred Share Bonus Scheme and International Share Reward Scheme are as follows:

Number of ordinary shares of 25p each in British American Tobacco p.l.c.				
	At 1.1.07	Awarded in 2007	Vested in 2007	At 31.12.07
Executive Directors				
Deferred Share Bonus Scheme	14,837	6,060	(2,891)	18,006
International Share Reward Scheme	505	361	(5)	861
	15,342	6,421	(2,896)	18,867

Details of the movements of the Directors' participation in the equity-settled Long Term Incentive Plan and Share Option Scheme are as follows:

Number of options in ordinary shares of 25p each in British American Tobacco p.l.c.				
Grant price	At 1.1.07	Granted in 2007	Exercised in 2007	At 31.12.07
£5.98	7,392	—	—	7,392
£8.09	5,163	—	—	5,163
£10.37	15,535	—	—	15,535
£14.34	19,460	—	—	19,460
£15.41	—	20,609	—	20,609
	47,550	20,609	—	68,159

5. STAFF COSTS

	Group		Company	
	Year ended	Year ended	Year ended	Year ended
	31.12.07	31.12.06	31.12.07	31.12.06
	RM'000	RM'000	RM'000	RM'000
Wages, salaries and bonuses	78,927	86,763	17,761	16,498
Defined contribution plan	14,055	14,555	2,098	2,095
Termination benefits	—	18,730	—	—
Other staff related expenses	8,471	6,984	6,885	2,819
	101,453	127,032	26,744	21,412

The Group voluntarily provided additional Employees Provident Fund (EPF) contributions over the statutory requirement for a significant number of existing employees who participate in a defined contribution scheme offered by the Group.

Included in staff cost is an amount for other emoluments as part of Directors' remuneration disclosed in Note 4 to the financial statements.

6. TAX EXPENSE

	Group		Company	
	Year ended	Year ended	Year ended	Year ended
	31.12.07	31.12.06	31.12.07	31.12.06
	RM'000	RM'000	RM'000	RM'000
In respect of current year				
Current tax				
– Malaysian income tax	269,316	277,021	257,538	276,481
– Foreign tax	42	43	—	—
Deferred tax (Note 15 (i))	1,612	5,205	(958)	(720)
	270,970	282,269	256,580	275,761



6. TAX EXPENSE (continued)

The average effective tax rates of the Group and Company are reconciled to the statutory tax rate as follows:

	Group		Company	
	Year ended	Year ended	Year ended	Year ended
	31.12.07	31.12.06	31.12.07	31.12.06
	RM'000	RM'000	RM'000	RM'000
Statutory tax rate	27%	28%	27%	28%
Expenses not deductible for tax purposes	1%	1%	—	—
Utilisation of reinvestment allowances	(1%)	(1%)	—	—
Income not subject to tax	—	—	—	—
Changes in tax rate	—	—	—	(1%)
Average effective tax rate	27%	28%	27%	27%

7. EARNINGS PER SHARE

Earnings per share is calculated by dividing the profit for the financial year by the number of ordinary shares in issue.

	Group	
	Year ended	Year ended
	31.12.07	31.12.06
Profit for the financial year (RM'000)	731,931	719,678
Number of ordinary shares of 50 sen each in issue ('000)	285,530	285,530
Earnings per share (sen)	256.3	252.0

8. DIVIDENDS

Dividends paid, declared or proposed in respect of the financial year are as follows:

	Group and Company					
	Year ended 31.12.07			Year ended 31.12.06		
	Gross per share Sen	Net per share Sen	Amount of dividend RM'000	Gross per share Sen	Net per share Sen	Amount of dividend RM'000
First interim dividend paid	150.0	109.5	312,655	150.0	108.0	308,372
Second interim dividend paid	100.0	73.0	208,437	—	—	—
Proposed special final dividend	—	—	—	30.0	21.9	62,531
Proposed final dividend	15.0	11.1	31,694	170.0	124.1	354,343
Proposed final dividend, tax exempt	62.9	62.9	179,598	—	—	—
	327.9	256.5	732,384	350.0	254.0	725,246

Interim dividends are paid and accounted for in shareholders' equity as an appropriation of retained earnings in the financial year.

At the forthcoming Annual General Meeting on 17 April 2008, a net final dividend in respect of the financial year ended 31 December 2007 of 74.00 sen per share, amounting to RM211,292,200 comprising a 15.00 sen gross dividend per share, less tax of 26% amounting to RM31,693,830 and 62.90 sen dividend per share, tax exempt under the single-tier system, amounting to RM179,598,370 will be recommended for shareholders' approval (2006: final dividend of 170.00 sen gross per share, less Malaysia tax of 27%, amounting to RM354,342,730 and a special final dividend of 30.00 sen gross per share, less Malaysia tax of 27%, amounting to RM62,531,070). These financial statements do not reflect the proposed final dividend which will be accounted for in the financial year ending 31 December 2008.



9. PROPERTY, PLANT AND EQUIPMENT

	Land and Buildings RM'000	Machinery and Equipment RM'000	Furniture and Fittings RM'000	Motor Vehicles RM'000	Capital Work-In- Progress RM'000	Total RM'000
GROUP						
Net book value at 1 January 2006	120,355	299,032	64,964	30,333	25,861	540,545
Additions	195	18,802	12,429	3,386	21,604	56,416
Disposals	—	(17,236)	(1,144)	(4,612)	—	(22,992)
Impairment written back	—	4,411	—	—	—	4,411
Reclassifications	304	10,684	—	—	(10,988)	—
Depreciation charge	(2,539)	(31,171)	(36,642)	(6,033)	—	(76,385)
Transfer to assets held for sale (Note 16)	(707)	—	—	—	—	(707)
Transfer to leasehold land (Note 11)	(22,600)	—	—	—	—	(22,600)
Net book value at 31 December 2006	95,008	284,522	39,607	23,074	36,477	478,688
Additions	368	7,427	7,216	18,646	21,506	55,163
Disposals	—	(2,548)	(1,222)	(1,201)	(1,239)	(6,210)
Written off	—	(13,402)	—	—	—	(13,402)
Reclassifications	—	24,031	16,734	—	(40,765)	—
Depreciation charge	(3,545)	(37,914)	(26,176)	(7,249)	—	(74,884)
Transfer to assets held for sale (Note 16)	(818)	—	—	—	—	(818)
Transfer from assets held for sale (Note 16)	1,422	—	—	—	—	1,422
Net book value at 31 December 2007	92,435	262,116	36,159	33,270	15,979	439,959
At 31 December 2006						
Cost	146,402	405,960	165,159	49,394	36,477	803,392
Valuation	611	—	—	—	—	611
Accumulated depreciation and impairment written back	(52,005)	(121,438)	(125,552)	(26,320)	—	(325,315)
Net book value	95,008	284,522	39,607	23,074	36,477	478,688
At 31 December 2007						
Cost	146,770	405,918	165,356	63,946	15,979	797,969
Valuation	1,227	—	—	—	—	1,227
Accumulated depreciation	(55,562)	(143,802)	(129,197)	(30,676)	—	(359,237)
Net book value	92,435	262,116	36,159	33,270	15,979	439,959

9. PROPERTY, PLANT AND EQUIPMENT (continued)

	Land and Buildings RM'000	Machinery and Equipment RM'000	Furniture and Fittings RM'000	Motor Vehicles RM'000	Capital Work-In- Progress RM'000	Total RM'000
COMPANY						
Net book value at 1 January 2006	10,683	445	11,271	3,320	438	26,157
Additions	—	—	2,775	1,342	806	4,923
Reclassifications	—	438	—	—	(438)	—
Disposals	—	—	(180)	(484)	—	(664)
Depreciation charge	(335)	(46)	(4,765)	(832)	—	(5,978)
Transfer to leasehold land (Note 11)	(1,155)	—	—	—	—	(1,155)
Net book value at 31 December 2006	9,193	837	9,101	3,346	806	23,283
Additions	—	—	6,058	2,272	913	9,243
Reclassifications	—	—	782	—	(782)	—
Disposals	—	—	(557)	(502)	—	(1,059)
Depreciation charge	(312)	(47)	(4,971)	(734)	—	(6,064)
Net book value at 31 December 2007	8,881	790	10,413	4,382	937	25,403
At 31 December 2006						
Cost	12,696	1,245	39,639	6,763	806	61,149
Valuation	611	—	—	—	—	611
Accumulated depreciation	(4,114)	(408)	(30,538)	(3,417)	—	(38,477)
Net book value	9,193	837	9,101	3,346	806	23,283
At 31 December 2007						
Cost	12,696	1,245	43,861	6,972	937	65,711
Valuation	611	—	—	—	—	611
Accumulated depreciation	(4,426)	(455)	(33,448)	(2,590)	—	(40,919)
Net book value	8,881	790	10,413	4,382	937	25,403



9. PROPERTY, PLANT AND EQUIPMENT (continued)

	Freehold Land Cost RM'000	Long Leasehold Land Cost RM'000	Valuation RM'000	Short Leasehold Land Cost RM'000	Buildings Cost RM'000	Valuation RM'000	Total Land and Buildings RM'000
GROUP							
Net book value at							
1 January 2006	455	14,114	8,550	331	96,706	199	120,355
Additions	—	—	—	—	195	—	195
Reclassifications	—	—	—	—	304	—	304
Depreciation charge	—	(103)	(279)	(13)	(2,130)	(14)	(2,539)
Transfer to assets held for sale (Note 16)	—	—	—	—	(707)	—	(707)
Transfer to leasehold land (Note 11)	—	(14,011)	(8,271)	(318)	—	—	(22,600)
Net book value at							
31 December 2006	455	—	—	—	94,368	185	95,008
Additions	—	—	—	—	368	—	368
Reclassifications	—	—	—	—	—	—	—
Depreciation charge	—	—	—	—	(3,531)	(14)	(3,545)
Transfer to assets held for sale (Note 16)	—	—	—	—	—	(818)	(818)
Transfer from assets held for sale (Note 16)	—	—	—	—	—	1,422	1,422
Net book value at							
31 December 2007	455	—	—	—	91,205	775	92,435
At 31 December 2006							
Cost	455	—	—	—	145,947	—	146,402
Valuation	—	—	—	—	—	611	611
Accumulated depreciation	—	—	—	—	(51,579)	(426)	(52,005)
Net book value	455	—	—	—	94,368	185	95,008
At 31 December 2007							
Cost	455	—	—	—	146,315	—	146,770
Valuation	—	—	—	—	—	1,227	1,227
Accumulated depreciation	—	—	—	—	(55,110)	(452)	(55,562)
Net book value	455	—	—	—	91,205	775	92,435

9. PROPERTY, PLANT AND EQUIPMENT (continued)

	Freehold Land Cost RM'000	Long Leasehold Land Cost RM'000	Buildings Cost RM'000	Valuation RM'000	Total Land and Buildings RM'000
COMPANY					
Net book value at 1 January 2006	455	1,178	8,851	199	10,683
Depreciation charge	—	(23)	(298)	(14)	(335)
Transfer to leasehold land (Note 11)	—	(1,155)	—	—	(1,155)
Net book value at 31 December 2006	455	—	8,553	185	9,193
Depreciation charge	—	—	(298)	(14)	(312)
Net book value at 31 December 2007	455	—	8,255	171	8,881
At 31 December 2006					
Cost	455	—	12,241	—	12,696
Valuation	—	—	—	611	611
Accumulated depreciation	—	—	(3,688)	(426)	(4,114)
Net book value	455	—	8,553	185	9,193
At 31 December 2007					
Cost	455	—	12,241	—	12,696
Valuation	—	—	—	611	611
Accumulated depreciation	—	—	(3,986)	(440)	(4,426)
Net book value	455	—	8,255	171	8,881

Freehold land and freehold and leasehold buildings were revalued by the Directors on 1 July 1983 based upon independent professional valuation using fair market value on a current use basis.

Additions subsequent to this revaluation are stated at cost.

The net book value of revalued land and buildings of the Group and Company that would have been included in the financial statements, had these assets been carried at cost less accumulated depreciation, are as follows:

	Group		Company	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Long leasehold buildings	44	48	13	17

**10. INVESTMENT PROPERTY**

	Group	
	2007 RM'000	2006 RM'000
Net book value at 1 January	20,010	44,771
Transfer to assets held for sale (Note 16)	(19,820)	(23,617)
Depreciation charge	(190)	(1,144)
Net book value at 31 December	—	20,010

The fair value of the investment properties approximates the net book value of the investment properties.

11. LEASEHOLD LAND

	Group		Company	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Net book value at 1 January	22,600	—	1,155	—
Transfer from property, plant and equipment (Note 9)	—	22,600	—	1,155
Amortisation of prepaid leases	(1,774)	—	(23)	—
Net book value at 31 December	20,826	22,600	1,132	1,155

Leasehold land was revalued by the Directors on 1 July 1983 based upon independent professional valuations using fair market value on a current use basis.

Additions subsequent to this revaluation are stated at cost.

12. COMPUTER SOFTWARE

	Group		Company	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Net book value at 1 January	14,100	616	14,100	616
Additions	11,508	13,484	11,508	13,484
Amortisation of computer software	(4,517)	—	(4,517)	—
Net book value at 31 December	21,091	14,100	21,091	14,100

13. GOODWILL

	Group	
	2007 RM'000	2006 RM'000
Net book value at 31 December	411,618	411,618

Goodwill arose from the acquisition of the business of Malaysian Tobacco Company Berhad (MTC) and represents the excess of the fair value of the purchase consideration over the Group's share of the fair values of the net assets of the subsidiary companies (i.e. Commercial Marketers and Distributors Sdn. Bhd. (CMD) for the marketing business and Tobacco Blenders and Manufacturers Sdn. Bhd. (TBM) for the tobacco manufacturing business) acquired at 2 November 1999, the date of acquisition.

The carrying amount of goodwill is reviewed for impairment annually. Impairment is determined for goodwill by assessing the recoverable amount of the cash generating units to which the goodwill relates. The recoverable amount has been determined based on value-in-use calculations. The key assumptions for the recoverable amount of all units are management's current estimates of net cash flows over a period of 5 years based on historical growth rate, taking into account industry developments and at the pre-tax discount rate of 9.54%. No impairment charges were recognised in 2007 (2006: Nil) and no significant difference in the recoverable amount is expected should the discounted cash flows change by 5%.

14. SUBSIDIARIES

	Company	
	2007 RM'000	2006 RM'000
Unquoted investments, at cost	1,024,956	1,024,956
Impairment losses	(2,067)	—
	1,022,889	1,024,956

The Company has written down the carrying amount of its investment in Rothmans Brands Sdn. Bhd. as the net assets of Rothmans Brands Sdn. Bhd. was lower than the Company's cost of investment following its write off of trademarks in the financial year 2006.



14. SUBSIDIARIES (continued)

The subsidiaries, all of which are wholly-owned, are as follows:

Incorporated in Malaysia

Operating

Commercial Importers and Distributors Sdn. Bhd.

Commercial Marketers and Distributors Sdn. Bhd.

Rothmans Brands Sdn. Bhd.

The Leaf Tobacco Development Corporation of Malaya Sdn. Bhd.

Tobacco Blenders and Manufacturers Sdn. Bhd.

Tobacco Importers and Manufacturers Sdn. Bhd.

Principal Activities

Investment holding

Marketing and importation of cigarettes, pipe tobaccos and cigars

Holding of trademarks

Development and purchase of tobacco leaf

Provision of warehousing space

Manufacture and sale of cigarettes and other tobacco related products

Non-operating

Contemporary Force Sdn. Bhd.

Lucky Strike Originals Sdn. Bhd.

Martins of Piccadilly, London, Sdn. Bhd.

One World GSA Sdn. Bhd.

Perilly's Centre Sdn. Bhd.

Principal Activities

Dormant

Dormant

Dormant

Dormant

Dormant

Incorporated in Negara Brunei Darussalam

Operating

Commercial Marketers and Distributors Sdn. Bhd.*

Principal Activities

Provision of advertising and promotional services

* The financial statements were not audited by PricewaterhouseCoopers, Malaysia.

15. DEFERRED TAX

	Group		Company	
	2007	2006	2007	2006
	RM'000	RM'000	RM'000	RM'000
Deferred tax assets				
At 1 January	4,020	3,300	4,020	3,300
Credited to income statement	958	720	958	720
At 31 December	4,978	4,020	4,978	4,020
Represented by:				
Unutilised tax losses and capital allowances	4,488	3,535	4,488	3,535
Other temporary differences	490	485	490	485
	4,978	4,020	4,978	4,020

15. DEFERRED TAX (continued)

	Group		Company	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Deferred tax liabilities				
At 1 January	56,138	50,336	—	—
Charged to income statement	2,570	5,925	—	—
Credited to retained earnings	(123)	(123)	—	—
At 31 December	58,585	56,138	—	—
Represented by:				
Excess of depreciation over capital allowances	53,740	60,307	—	—
Revalued land and buildings	4,405	4,528	—	—
Allowance for doubtful debts	(4,554)	(3,399)	—	—
Unutilised capital allowances	(742)	—	—	—
Other temporary differences	5,736	(5,298)	—	—
	58,585	56,138	—	—

The amounts above have been reconciled to the income statements and the statements of changes in equity as follows:

	Group		Company	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
(i) Charged/(credited) to income statement				
Credited in respect of deferred tax assets	(958)	(720)	(958)	(720)
Charged in respect of deferred tax liabilities	2,570	5,925	—	—
Net charge/(credit) to income statement in respect of current year (Note 6)	1,612	5,205	(958)	(720)
(ii) Credited to retained earnings				
Credited in respect of deferred tax liabilities	(123)	(123)	—	—
Net credit to retained earnings	(123)	(123)	—	—



16. ASSETS HELD FOR SALE

	Group	
	2007	2006
	RM'000	RM'000
At 1 January	25,579	1,255
Transfer from property, plant and equipment (Note 9)	818	707
Transfer from investment property (Note 10)	19,820	23,617
Transfer to property, plant and equipment (Note 9)	(1,422)	—
Disposed during the year	(24,157)	—
At 31 December	20,638	25,579

The assets held for sale disposed during the year consist of:

- On 26 October 2006, the Group entered into a sale and purchase agreement for the disposal of its properties at Keningau, Sabah for a consideration of RM800,000. This disposal was completed on 7 June 2007 with no material gains or losses arising.
- On 15 December 2006, the Group entered into a sale and purchase agreement for the disposal of part of its property at Sungai Besi, Kuala Lumpur for a consideration of RM24,600,000. This disposal was completed on 29 May 2007 with no material gains or losses arising.

The asset held for sale transferred from property, plant and equipment and investment property consists of the final part of the Group's property at Sungai Besi, Kuala Lumpur of which the Group entered into a sale and purchase agreement to dispose for a consideration of RM21,000,000 on 8 October 2007. This disposal is expected to be completed in the next financial year with no material gains or losses arising.

During the prior year and current year, the Group's management had undertaken an active programme to locate buyers for its properties at Pasir Puteh, Kelantan and at Mukim Wakaf Delima, Kelantan. However, these properties have not been disposed to date. As such, these properties have been reclassified to property, plant and equipment at their carrying value before the properties were classified as assets held for sale, adjusted for the depreciation that would have been recognised had the asset not been classified as held for sale.

17. INVENTORIES

	Group	
	2007	2006
	RM'000	RM'000
At cost		
Raw materials	162,833	217,865
Work-in-progress	5,949	3,743
Finished goods	71,378	38,364
Consumable stores	3,828	4,535
	243,988	264,507

18. RECEIVABLES

	Group		Company	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Trade receivables	128,340	81,954	—	—
Allowance for doubtful debts	(22,099)	(17,141)	—	—
	106,241	64,813	—	—
Dividends due from subsidiaries	—	—	286,958	593,572
Amounts due from related companies	23,370	18,011	443	3,686
Other receivables	12,397	18,864	855	784
Deposits	1,785	1,813	535	551
Prepayments	42,697	60,584	674	3,521
	186,490	164,085	289,465	602,114

Receivables of the Group and Company are mainly denominated in Ringgit Malaysia.

Credit terms of trade receivables range from 1 to 60 days (2006: 1 to 60 days).

Concentration of credit risk with respect to trade receivables is limited due to the Group's large number of customers who are geographically dispersed in Malaysia. The Group's historical experience in collection of trade receivables falls within the recorded allowances. Due to these factors, management believes that no additional credit risk beyond amounts allowed for collection losses is inherent in the Group's trade receivables.

19. DEPOSITS, CASH AND BANK BALANCES

	Group		Company	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Deposits with licensed banks	69,927	186,529	1,609	287
Cash and bank balances	739	760	10	10
	70,666	187,289	1,619	297
The currency exposure profile of deposits, cash and bank balances is as follows:				
– Ringgit Malaysia	54,334	167,245	1,619	297
– US Dollar	3,521	16,798	—	—
– Brunei Dollar	12,811	3,246	—	—
	70,666	187,289	1,619	297



19. DEPOSITS, CASH AND BANK BALANCES (continued)

	Group		Company	
	2007	2006	2007	2006
	%	%	%	%
The weighted average interest rates of deposits with licensed banks that were effective during the year	2.9	3.1	—	2.8

Deposits of the Group and Company have an average maturity period of 1 day (2006: 37 days) and 1 day (2006: 1 day) respectively.

20. PAYABLES

	Group		Company	
	2007	2006	2007	2006
	RM'000	RM'000	RM'000	RM'000
Trade payables	114,762	112,725	—	—
Trade accruals	17,952	13,669	—	—
Amounts due to subsidiaries	—	—	263,340	387,719
Amounts due to related companies	23,789	21,943	4,449	—
Other payables	74,533	70,541	42,461	31,696
	231,036	218,878	310,250	419,415

The currency exposure profile of trade payables is as follows:

	Group		Company	
	2007	2006	2007	2006
	RM'000	RM'000	RM'000	RM'000
Ringgit Malaysia	114,372	111,455	—	—
US Dollar	217	210	—	—
Pound Sterling	11	18	—	—
Others	162	1,042	—	—
	114,762	112,725	—	—

20. PAYABLES (continued)

The currency exposure profile of amounts due to related companies is as follows:

	Group		Company	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Ringgit Malaysia	7,385	17,762	1,683	—
US Dollar	13,703	3,968	172	—
Pound Sterling	2,350	174	2,328	—
Others	351	39	266	—
	23,789	21,943	4,449	—

Credit terms of trade payables and suppliers of property, plant and equipment granted to the Group vary from no credit to 120 days (2006: no credit to 120 days). Amounts due to subsidiaries and related companies are unsecured, interest free (within the credit period) and repayable within one year.

Amounts other than trade payables and amounts due to related companies are mostly denominated in Ringgit Malaysia.

21. BORROWINGS (INTEREST BEARING)

(a) The Group's and Company's borrowings as at 31 December 2007 are as follows:

- (i) RM100,000,000 4¹/₂-year unsecured Medium-Term Notes 2004/2009 with a coupon rate of 4.95% per annum, maturing on 2 May 2009; and
- (ii) RM150,000,000 5-year unsecured Medium-Term Notes 2004/2009 with a coupon rate of 4.58% per annum, maturing on 2 November 2009 pursuant to an Issuance Programme of up to RM300 million nominal value Commercial Papers/Medium-Term Notes (CPs/MTNs Programme); and
- (iii) RM400,000,000 5-year unsecured Medium-Term Notes 2007/2012 with a coupon rate of 4.05% per annum, maturing on 21 September 2012 pursuant to an Issuance Programme of up to RM700 million nominal value Medium-Term Notes (MTNs Programme); and
- (iv) RM100,000,000 63-day unsecured Commercial Papers 2007/2008 with a coupon rate of 3.66% per annum, maturing on 4 January 2008 pursuant to an Issuance Programme of up to RM100 million nominal value Commercial Papers/Medium-Term Notes (New CPs/MTNs Programme).



21. BORROWINGS (INTEREST BEARING) (continued)

(b) (i) Maturity of the Group and Company borrowings is as follows:

	Group		Company	
	2007	2006	2007	2006
	RM'000	RM'000	RM'000	RM'000
Total borrowings				
Redeemable bonds	—	450,000	—	450,000
Medium-term notes	650,000	250,000	650,000	250,000
Commercial papers	100,000	—	100,000	—
	750,000	700,000	750,000	700,000
Maturity of borrowings:				
Within one year	100,000	450,000	100,000	450,000
More than 1 year and less than 2 years	250,000	—	250,000	—
More than 2 years and less than 5 years	400,000	250,000	400,000	250,000
	750,000	700,000	750,000	700,000

(ii) Classification of the Group and Company borrowings is as follows:

	Group		Company	
	2007	2006	2007	2006
	RM'000	RM'000	RM'000	RM'000
Unsecured				
Current				
Redeemable bonds	—	450,000	—	450,000
Commercial papers	100,000	—	100,000	—
	100,000	450,000	100,000	450,000
Non-current				
Medium-term notes	650,000	250,000	650,000	250,000

The fair value of borrowings are detailed in Note 28(d).

22. SHARE CAPITAL

	Group and Company	
	2007 RM'000	2006 RM'000
Authorised		
770,000,000 Ordinary shares of 50 sen each	385,000	385,000
Issued and fully paid		
285,530,000 Ordinary shares of 50 sen each	142,765	142,765

23. POST EMPLOYMENT BENEFIT OBLIGATIONS

Defined Benefit Plan

The Group operates a defined benefit plan for its eligible employees in Malaysia (who joined the Group prior to 1 January 2006), the assets of which are held in a separate trustee administered fund. The Company and certain subsidiaries in the Group make contributions to the British American Tobacco Malaysia Retirement Scheme, a tax approved fund independent of the Group.

The defined benefit plan is valued by an independent actuary using the Projected Unit Credit Method. The latest actuarial valuation that was conducted on 31 December 2007 showed that the value of the net assets held in the fund together with the book provisions in the Group's financial statements, adequately met the actuarial liabilities arising from the defined benefit plan as at 31 December 2007.

The amounts recognised in the balance sheet are determined as follows:

	Group		Company	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Present value of defined benefit obligations	10,125	9,936	820	758
Fair value of plan assets	(5,818)	(6,312)	(818)	(790)
Status of funded plan	4,307	3,624	2	(32)
Unrecognised actuarial gains	675	928	46	60
Net liability	4,982	4,552	48	28



23. POST EMPLOYMENT BENEFIT OBLIGATIONS (continued)

Defined Benefit Plan (continued)

The amounts recognised in the income statement under other operating expenses are as follows:

	Group		Company	
	Year ended	Year ended	Year ended	Year ended
	31.12.07	31.12.06	31.12.07	31.12.06
	RM'000	RM'000	RM'000	RM'000
Current service cost	(642)	(634)	(124)	(121)
Interest cost	(635)	(562)	(48)	(40)
Expected return on plan assets	194	185	25	23
Recognition of curtailment gain	—	612	—	90
Past service cost	—	(36)	—	(4)
Total, included in staff cost (Note 5)	(1,083)	(435)	(147)	(52)
Expected return on plan assets	194	185	25	23
Actuarial (loss)/gain on plan assets	(4)	86	(1)	11
Actual return on plan assets	190	271	24	34

Movements in post employment benefit obligations were as follows:

	Group		Company	
	2007	2006	2007	2006
	RM'000	RM'000	RM'000	RM'000
At 1 January	4,552	4,750	28	99
Charge for the year	1,083	435	147	52
Contributions paid	(653)	(633)	(127)	(123)
At 31 December	4,982	4,552	48	28

23. POST EMPLOYMENT BENEFIT OBLIGATIONS (continued)

Defined Benefit Plan (continued)

Changes in the present value of defined benefit obligations were as follows:

	Group		Company	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
At 1 January	9,936	29,372	758	3,862
Service cost	642	634	124	121
Interest cost	635	562	48	40
Benefits paid	(1,338)	(20,505)	(24)	(3,217)
Liability assumed in intercompany transfer	—	—	(101)	—
Curtailment gain	—	(612)	—	(90)
Past service cost	—	36	—	4
Actuarial loss due to actual experience	250	449	15	38
At 31 December	10,125	9,936	820	758
Defined benefit obligations expected to be payable in the next year	1,303	345	31	29

Changes in the fair value of plan assets were as follows:

	Group		Company	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
At 1 January	6,312	25,996	790	3,862
Expected return on plan assets	194	185	25	23
Contributions by employer	653	633	127	123
Benefits paid	(1,337)	(20,588)	(24)	(3,229)
Assets acquired from intercompany transfer	—	—	(99)	—
Actuarial (gain)/loss on plan assets	(4)	86	(1)	11
At 31 December	5,818	6,312	818	790
Contribution payable in the next year	197	211	109	127



23. POST EMPLOYMENT BENEFIT OBLIGATIONS (continued)

Defined Benefit Plan (continued)

The development of actuarial gains and losses as at 31 December were as follows:

	Group		Company	
	2007	2006	2007	2006
	RM'000	RM'000	RM'000	RM'000
Actuarial loss arising in year, prior to 31 December	253	446	15	39
Unrecognised actuarial gain from prior year	(928)	(1,374)	(61)	(99)
Cumulative unrecognised actuarial gain	(675)	(928)	(46)	(60)
Limit of 'corridor'	1,012	994	82	76
Actuarial gain to be amortised	—	(16)	—	—
Number of years to amortise	11	12	15	14
Amortisation amount for next year	—	(1)	—	—

Principal actuarial assumptions used at the balance sheet date in respect of the Group's and the Company's defined benefit plan were as follows:

	2007	2006
	%	%
Discount rate	6.5	6.5
Expected return on plan assets	6.5	3.0
Expected rate of salary increases	6.0	6.0

The expected rate of return on scheme assets in 2007 is derived from an investment allocation of 50% into an exchange traded fund, 20% into Malaysian Government bonds, and 30% into money market instruments yielding annual rates of investment returns of 10%, 3.5% and 3.0% respectively.

24. CASH FROM OPERATIONS

	Group		Company	
	Year ended 31.12.07 RM'000	Year ended 31.12.06 RM'000	Year ended 31.12.07 RM'000	Year ended 31.12.06 RM'000
Profit for the financial year	731,931	719,678	693,499	731,284
Adjustments for:				
Dividends from unquoted subsidiaries	—	—	(1,014,009)	(1,055,982)
Interest income	(9,965)	(7,716)	(182)	(117)
Property, plant and equipment				
– depreciation	74,884	76,385	6,064	5,978
– impairment written back	—	(4,411)	—	—
– loss/(gain) on disposal	692	1,190	570	(56)
– written off	13,402	—	—	—
Investment property – depreciation	190	1,144	—	—
Amortisation of prepaid leases	1,774	—	23	—
Amortisation of computer software	4,517	—	4,517	—
Impairment losses on investment	—	—	2,067	—
Allowance for doubtful debts	4,958	1,320	—	—
Inventories written off	93	1,490	—	—
Interest expense	46,515	47,467	46,515	47,467
Tax expense	270,970	282,269	256,580	275,761
Changes in working capital:				
– inventories	20,426	28,970	—	—
– receivables	(36,410)	2,024	8,905	(2,540)
– payables	14,077	(42,381)	(1,105)	743
Cash from operations	1,138,054	1,107,429	3,444	2,538

25. CAPITAL COMMITMENTS

	Group		Company	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Property, plant and equipment:				
– Authorised and contracted for	24,072	7,995	6,961	1,049
– Authorised but not contracted for	1,223	11,774	250	667
	25,295	19,769	7,211	1,716



26. SIGNIFICANT RELATED PARTY DISCLOSURES

In addition to related party disclosures mentioned elsewhere in the financial statements, set out below are other significant related party transactions. The related party transactions described below were carried out on terms not more favourable to the related parties than those generally available to unrelated parties unless otherwise stated.

(a) Group's transactions

The Group's transactions are with member corporations of British American Tobacco p.l.c. (British American Tobacco p.l.c. indirectly through British American Tobacco Holdings (Malaysia) B.V., owns fifty percent (50%) equity interest in the Company and is deemed to be the Company's ultimate holding company).

	Group	
	Year ended 31.12.07 RM'000	Year ended 31.12.06 RM'000
(i) Sale of goods		
Sale of cigarettes and tobacco products to:		
– British-American Tobacco Company (HK) Ltd.	7,517	11,153
– Rothmans Far East B.V.	26,748	29,064
– British American Tobacco Marketing (Singapore) Pte. Ltd.	18,907	11,729
– B.A.T. China Ltd.	8,645	13,199
– British American Tobacco International Ltd.	9,322	7,111
– British American Tobacco Korea Manufacturing Ltd.	17,441	20,807
– British American Tobacco Japan, Ltd.	1,550	2,498
	90,130	95,561
(ii) Purchase of goods		
Purchase of leaf, cigarette packaging and wrapping materials and tobacco products from:		
– British American Tobacco Far East Leaf Ltd.	7,063	10,478
– Souza Cruz Overseas S.A.	1,406	11
– PT BAT Indonesia Tbk	494	—
– British American Tobacco Bangladesh Company Limited	1,722	—
– British American Tobacco Australasia Limited	203	—
– B.A.T. (U.K. & Export) Ltd.	897	1,422
– British American Tobacco Marketing (Singapore) Pte. Ltd.	72,493	78,503
– British American Tobacco (Germany) GmbH	13,826	20,197
– B.A.T. Switzerland S.A.	2,313	2,488
	100,417	113,099
Purchase of cigarettes and tobacco products from:		
– British American Tobacco International Ltd.	3,054	2,930
– British American Tobacco STC (Export) B.V.	—	2,766
– BAT Theodorus Niemeyer B.V.	1,834	—
	4,888	5,696

26. SIGNIFICANT RELATED PARTY DISCLOSURES (continued)

(a) Group's transactions (continued)

	Group	
	Year ended 31.12.07 RM'000	Year ended 31.12.06 RM'000
(iii) Procurement of services		
Procurement of information technology services from:		
– British American Shared Services Ltd.	21,882	25,557
– B.A.T. (U.K. & Export) Ltd.	495	1,752
– British American Tobacco Asia-Pacific Region Ltd.	3,425	3,012
	25,802	30,321
(iv) Technical and advisory		
Payment of fees for technical and advisory support services to:		
– British American Tobacco (Investments) Ltd.	45,335	22,611
– British American Tobacco International Ltd.	1,409	1,598
– British American Tobacco Asia Pacific Treasury Pte. Ltd.	353	258
– British American Tobacco ASPAC Service Centre Sdn. Bhd.	4,533	2,522
– B.A.T. (U.K. & Export) Ltd.	2,693	2,670
– British American Tobacco Asia-Pacific Region Ltd.	3,258	371
	57,581	30,030
(v) Royalties		
Royalties paid/payable to:		
– B.A.T. (U.K. & Export) Ltd.	81,614	72,736
– The House of Edgeworth Inc.	9,457	8,734
– British American Tobacco (Brands) Inc.	5,323	3,778
	96,394	85,248
(vi) Sale and purchase of equipment		
(Sale)/purchase of equipment from:		
– British American Tobacco Marketing (Singapore) Pte. Ltd.	—	12,470
– Pakistan Tobacco Company Limited	—	(8,460)
– British American Tobacco South Africa	(2,028)	—
– Chiletabacos SA	—	(8,309)
	(2,028)	(4,299)



26. SIGNIFICANT RELATED PARTY DISCLOSURES (continued)

(a) Group's transactions (continued)

	Group	
	Year ended 31.12.07 RM'000	Year ended 31.12.06 RM'000
(vii) Provision of technical and advisory support services		
– B.A.T. China Ltd.	180	125
– British American Tobacco Philippines Ltd.	52	75
– British American Tobacco – Vinataba (JV) Ltd.	19	17
– British-American Tobacco Company (HK) Ltd.	164	119
– British-American Tobacco Korea	8	—
– British American Tobacco Cambodia Ltd.	37	71
– British American Tobacco Services Limited, Taiwan Branch	115	197
– PT BAT Indonesia Tbk.	297	498
– Rothmans of Pall Mall Myanmar	30	39
– British American Tobacco (Vietnam) Ltd.	154	292
– British American Tobacco (Singapore) Pte. Ltd.	1,079	1,107
– British American Tobacco Marketing (Singapore) Pte. Ltd.	—	626
– British American Tobacco Australasia Limited	—	191
– British American Tobacco South Africa	—	185
– British American Tobacco (Thailand) Ltd.	53	161
– British American Tobacco (NZ) Ltd.	—	95
– Ceylon Tobacco Co. Ltd.	3	31
– British American Tobacco (PNG) Limited	17	30
– British American Tobacco ASPAC Service Centre Sdn. Bhd.	279	28
– British American Tobacco Bangladesh Limited	88	5
– British American Tobacco (Fiji) Limited	—	5
– BAT Pacific Corp.	—	4
– British American Tobacco International Ltd.	—	3
	2,575	3,904

The British American Tobacco Malaysia Group provides various services for the relevant members of the British American Tobacco Group which includes procurement, product testing and development services.

26. SIGNIFICANT RELATED PARTY DISCLOSURES (continued)

(b) Company's transactions

The Company's transactions are with its wholly-owned subsidiaries and with member corporations of British American Tobacco p.l.c. (British American Tobacco p.l.c. indirectly through British American Tobacco Holdings (Malaysia) B.V., owns fifty percent (50%) equity interest in the Company and is deemed to be the Company's ultimate holding company).

	Company	
	Year ended 31.12.07 RM'000	Year ended 31.12.06 RM'000
(i) Management fee		
Management fee received from:		
– Commercial Marketers and Distributors Sdn. Bhd.	6,008	5,815
(ii) Fee for usage of property, plant and equipment:		
Fee for usage of property, plant and equipment received from:		
– Commercial Marketers and Distributors Sdn. Bhd.	9,521	4,050
– Tobacco Importers and Manufacturers Sdn. Bhd.	554	851
	10,075	4,901
(iii) Procurement of services		
Procurement of information technology services from:		
– British American Shared Services Ltd.	21,882	25,557
– B.A.T. (U.K. & Export) Ltd.	495	1,752
– British American Tobacco Asia-Pacific Region Ltd.	3,425	3,012
	25,802	30,321
(iv) Technical and advisory		
Payment of fees for technical and advisory support services to:		
– British American Tobacco (Investments) Ltd.	45,335	22,611
– British American Tobacco International Ltd.	1,409	1,598
– British American Tobacco Asia Pacific Treasury Pte. Ltd.	353	258
– British American Tobacco ASPAC Service Centre Sdn. Bhd.	4,533	2,522
– B.A.T. (U.K. & Export) Ltd.	2,693	2,670
– British American Tobacco Asia-Pacific Region Ltd.	3,258	371
	57,581	30,030

Key management personnel of the Group and Company are the Directors of which their compensation has been disclosed in Note 4 of the financial statements.



27. SEGMENT REPORTING

Segment analysis has not been prepared as the Group is primarily engaged in the manufacture, importation and sale of cigarettes and other tobacco products in Malaysia.

28. FINANCIAL INSTRUMENTS

Treasury Risk Management

The Group is exposed to financial risks arising from its business activities; mainly interest rate risks, exchange risks and credit risks. Straightforward derivative financial instruments are utilised by the Group to lower funding costs, to alter interest rate exposures or to achieve greater certainty of future costs. These instruments are entered into in accordance with objectives and policies approved by the Board of Directors that expressly forbid speculative transactions.

The policy restricts the use of derivative instruments to forward foreign exchange contracts, foreign currency and interest rate swaps, forward rate agreements, currency options and caps. In addition to policies, guidelines and exposure limits, a system of authorities and extensive independent reporting covers all major areas of the Group's treasury activities.

Details of instruments used for interest rate and foreign exchange exposure management, together with the information on related exposures are given below.

(a) Interest Rate Management

The objectives of the Group's interest rate risk management policy are to lessen the impact of adverse interest rate movements on the earnings, cash flow and economic value of the Group. As at the balance sheet date, there were no open interest rate swap contracts.

(b) Currency Exchange Risk Management

The objectives of the Group's foreign exchange policies are to allow the Group to manage exposures that arise from trading activities effectively within a framework of controls that does not expose the Group to unnecessary foreign exchange risks. The Group enters into forward foreign exchange contracts to limit its exposure on foreign currency payables and on cash flows to be used in anticipated transactions denominated in foreign currencies and operate within a specified maximum exposure limit.

At 31 December 2007, the settlement dates on open forward contracts range between 26 February 2008 to 25 September 2008. The contracted exchange rate and amount of the Group's outstanding contracts are as follows:

Hedged item	Currency to be paid	RM'000 equivalent	Contracted rate
Future payment for leaf, wrapping materials and services over the next 9 months			
USD5,400,000	US Dollar	18,268	1 USD = RM3.3830
GBP1,300,000	Pound Sterling	8,954	1 GBP = RM6.8880
EUR197,500	Euro Dollar	941	1 EUR = RM4.7655

The fair value of outstanding forward contracts of the Group at the balance sheet date (Note 28(d)) was an unfavourable net position of approximately RM219,000 (2006: RM881,000).

The net loss at 31 December 2007 on open contracts which hedge anticipated future foreign currency purchases amounted to approximately RM219,000 (2006: RM881,000). These net exchange gains and losses are deferred until the related purchases are transacted, at which time they are included in the measurement of such transactions.

28. FINANCIAL INSTRUMENTS (continued)

(c) Credit Risks

Credit risks, or the risk of counterparties defaulting, are controlled by the application of credit approvals, setting of counterparty limits and monitoring procedures. The Group seeks to invest cash assets safely and profitably. Credit risks are minimised given the Group's policy of selecting only counterparties with high creditworthiness.

The Group has no significant concentrations of credit risk, notwithstanding that the majority of its deposits are placed with financial institutions in Malaysia. The likelihood of non-performance by these financial institutions is remote based on their high credit ratings.

(d) Fair Values

The carrying amounts of financial assets and liabilities of the Group and Company at the balance sheet date approximated their fair values except as set out below:

	Note	Group		Company	
		Carrying amount	Fair value	Carrying amount	Fair value
		RM'000	RM'000	RM'000	RM'000
At 31 December 2007					
Current borrowings					
RM100 million CPs	21	100,000	100,000	100,000	100,000
Non-current borrowings					
RM100 million MTNs	21	100,000	101,340	100,000	101,340
RM150 million MTNs	21	150,000	151,905	150,000	151,905
RM400 million MTNs	21	400,000	396,600	400,000	396,600
Derivative financial instruments held to manage interest rates and currency exposures					
Foreign currency forward exchange contracts	28(b)	—	(219)	—	(913)
At 31 December 2006					
Current borrowings					
RM450 million bonds	21	450,000	465,165	450,000	465,165
Non-current borrowings					
RM100 million MTNs	21	100,000	102,830	100,000	102,830
RM150 million MTNs	21	150,000	152,610	150,000	152,610
Derivative financial instruments held to manage interest rates and currency exposures					
Foreign currency forward exchange contracts	28(b)	—	(881)	—	—



29. SHARE-BASED PAYMENTS

The expense recognised for employee services received during the year is as follows:

	Group		Company	
	Year ended	Year ended	Year ended	Year ended
	31.12.07	31.12.06	31.12.07	31.12.06
	RM'000	RM'000	RM'000	RM'000
Expense arising from equity-settled share-based payment transactions	4,617	4,717	2,686	2,720

The expenses arose as a result of a number of the Group and Company employees' participation in the employee share schemes offered by British American Tobacco p.l.c. during their employment with the Group (British American Tobacco p.l.c. indirectly through British American Tobacco Holdings (Malaysia) B.V., owns fifty percent (50%) equity interest in the Company and is deemed to be the Company's ultimate holding company). The details of the employee share schemes are as follows:

	Method of Settlement and Timing of Grant	Contractual Life	Vesting Conditions
Deferred Share Bonus Scheme	Equity-settled grants. (Timing of grant: Annually in March)	3 Years	Free shares released three years from date of grant and may be subject to forfeit if participant leaves employment before the end of three year holding period. Participants receive a separate payment equivalent to a proportion of the dividend during the holding period.
International Share Reward Scheme	Equity-settled grants. (Timing of grant: Annually in April)	3 Years	Free shares granted subject to three year holding period and may be subject to forfeit if employee leaves within this period.
Share Option Scheme	Equity-settled grants. (The granting of options under this scheme ceased with the last grant made in March 2004)	10 Years	Options exercisable three years from date of grant and subject to earnings per share performance.
Long Term Incentive Plan	Equity-settled grants. (Timing of grant: Annually in March)	10 Years	Nil-cost options exercisable three years from date of grant, with payout subject to performance conditions based on earnings per share relative to inflation (50% of grant) and total shareholder return.

29. SHARE-BASED PAYMENTS (continued)

(a) Equity share-based payment arrangements (other than share options)

Details of the movements of equity share-based payment arrangements (other than share options) during the year ended 31 December 2007, covering the Deferred Share Bonus Scheme and International Share Reward Scheme are as follows:

Number of ordinary shares of 25p each in British American Tobacco p.l.c.				
	Group		Company	
	2007	2006	2007	2006
Outstanding at start of year	80,752	83,096	45,387	44,460
Granted during the period	26,799	28,775	12,342	16,625
Exercised during the period	(20,410)	(31,119)	(14,042)	(15,698)
Forfeited during the period	(347)	—	—	—
Outstanding at end of year	86,794	80,752	43,687	45,387

The shares outstanding for the year ended 31 December 2007 for the Group and Company had a weighted average contractual life of 1.1 years (2006: 1.3 years) and 1.1 years (2006: 1.2 years) respectively.

The weighted average fair value equity share-based payment arrangements granted during 2007 for the Group and Company were £13.94 (2006: £13.02) and £13.90 (2006: £13.01) respectively.

(b) Share option schemes

Details of the movements for the equity-settled Share Option Scheme during the year ended 31 December 2007 are as follows:

	Group			
	2007 Number of British American Tobacco p.l.c. options	2007 Weighted average exercise price per share (£)	2006 Number of British American Tobacco p.l.c. options	2006 Weighted average exercise price per share (£)
Outstanding at start of year	69,711	7.34	108,051	7.01
Exercised during the period	(28,669)	7.22	(38,340)	6.41
Outstanding at end of year	41,042	7.42	69,711	7.34
Exercisable at end of year	41,042	7.42	24,280	5.94



29. SHARE-BASED PAYMENTS (continued)

(b) Share option schemes (continued)

	Company			
	2007	2007	2006	2006
	Number of	Weighted	Number of	Weighted
	British	average	British	average
	American	exercise	American	exercise
	Tobacco	price per	Tobacco	price per
	p.l.c.	share (£)	p.l.c.	share (£)
	options		options	
Outstanding at start of year	13,552	8.09	18,733	7.50
Exercised during the period	(5,728)	8.09	(5,181)	5.98
Outstanding at end of year	7,824	8.09	13,552	8.09
Exercisable at end of year	7,824	8.09	—	—

In addition to the above options, the movement in nil-cost equity-settled options from the Long Term Incentive Plan was as follows:

Number of options in ordinary shares of 25p each in British American Tobacco p.l.c.

	Group		Company	
	2007	2006	2007	2006
Outstanding at start of year	137,844	128,600	109,073	109,523
Granted during the period	36,185	44,695	21,320	29,318
Exercised during the period	—	(22,152)	—	(20,313)
Forfeited during the period	—	(13,299)	—	(9,455)
Outstanding at end of year	174,029	137,844	130,393	109,073
Exercisable at end of year	52,545	20,306	52,545	20,306

29. SHARE-BASED PAYMENTS (continued)

(b) Share option schemes (continued)

The weighted average British American Tobacco p.l.c. share price at the date of exercise for share options exercised during the period for the Group and Company was £16.19 (2006: £13.85) and £15.70 (2006: £13.40) respectively.

A detailed breakdown of the range of exercise prices for options outstanding at the end of 31 December 2007 is shown in the tables below:

	Group					
	2007			2006		
	Number of options at end of year	Weighted average remaining contractual life (years)	Weighted average exercise price per share (£)	Number of options at end of year	Weighted average remaining contractual life (years)	Weighted average exercise price per share (£)
Long Term Incentive Plan						
Nil cost	174,029	7.5	—	137,844	8.0	—
Share Option Scheme						
£5.00 to £6.99	11,146	4.0	5.60	24,280	5.4	5.94
£7.00 to £8.99	29,896	6.2	8.10	45,431	7.2	8.09
Total	215,071	7.1	1.40	207,555	7.5	2.46

	Company					
	2007			2006		
	Number of options at end of year	Weighted average remaining contractual life (years)	Weighted average exercise price per share (£)	Number of options at end of year	Weighted average remaining contractual life (years)	Weighted average exercise price per share (£)
Long Term Incentive Plan						
Nil cost	130,393	7.3	—	109,073	7.8	—
Share Option Scheme						
£5.00 to £6.99	7,824	6.2	8.09	—	—	—
£7.00 to £8.99	—	—	—	13,552	7.2	8.09
Total	138,217	7.2	0.46	122,625	7.7	0.89

The weighted average fair value of equity-settled share option schemes granted during 2007 for the Group and the Company was £10.47 (2006: £10.10).



29. SHARE-BASED PAYMENTS (continued)

(c) Assumptions used

Assumptions used in the Black-Scholes Models to determine the fair value of share-based payment arrangements were as follows:

	Group and Company					
	Long Term Incentive Plan		Deferred Share Bonus Scheme		International Share Reward Scheme	
	2007	2006	2007	2006	2007	2006
Share price at date of grant (£)	£15.41	£14.34	n/a	n/a	n/a	n/a
Grant price (£)	n/a	n/a	£15.41	£14.34	£15.76	£13.85
Exercise price (£)	nil cost	nil cost	n/a	n/a	n/a	n/a
Volatility (%)	21	23	21	23	21	23
Average expected term to exercise (years)	3.5	3.5	3.0	3.0	5.0	5.0
Risk free rate (%)	5.1	4.4	5.1	4.4	5.0	4.5
Expected dividend yield (%)	3.6	3.3	3.6	3.3	3.2	3.4

Assumptions used in the Monte-Carlo Models to determine the fair value of share-based payment arrangements are as follows:

	Group and Company	
	2007	2006
Average share price volatility FTSE100* comparator group (%)	28	31
Average share price volatility FMCG** comparator group (%)	21	23
Average correlation FTSE100 comparator group (%)	27	26
Average correlation FMCG comparator group (%)	18	18

* Financial Times Stock Exchange

** Fast Moving Consumer Goods

Market condition features were incorporated into Monte-Carlo models for the total shareholder return elements of the Long Term Incentive Plan in determining fair value at grant date.

The expected British American Tobacco p.l.c. share price volatility was determined taking account of the daily share price movements over a five year period. The respective FMCG and FTSE100 share price volatility and correlations were also determined over the same periods. The average expected term to exercise used in the models has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural conditions, forfeiture and historical experience.

The risk free rate has been determined from market yield curves for government gilts with outstanding terms equal to the average expected term to exercise for each relevant grant. The expected dividend yield was determined by calculating the yield from the last two declared dividends divided by the grant share price. For grants containing earnings per share performance conditions, the payout calculation is based on the expectations based on published analysts' forecasts.

cabaran menjadi peluang

laporan tahunan '07

MENGENAI KULIT DEPAN

Catitan rangka tindakan hala tuju British American Tobacco Malaysia sebagai sebuah Syarikat. Ia bagaikan suatu perjalanan buat Syarikat selaku peneraju yang terus mara merempuhi kekencangan perubahan angin dalam pasaran dan muncul lebih gigih setiap kali. Ia mengisahkan perihal pengaturan strategi yang tepat pada masanya, keberkesanan proses serta kehebatan tenaga kerjanya yang terlatih, ketika Syarikat memacu kemudi ke aras terunggul.

Mesyuarat Agung Tahunan (MAT)

ke-47

British American Tobacco (Malaysia) Berhad

akan diadakan di Kristal Ballroom, Hilton Petaling Jaya,
No. 2, Jalan Barat, 46200 Petaling Jaya pada hari Khamis,
17 April 2008 jam 11.00 pagi.

Untuk Bantuan MAT: Cik Lee Kar Ling

Tel: +60 (3)7491 7313 Faks: +60 (3)7491 3772

Emel: Lee_Kar_Ling@bat.com

KANDUNGAN

Kumpulan British American Tobacco Malaysia telah sekali lagi mempamerkan keputusan yang cemerlang. Hasil Kumpulan mencatat jumlah RM3.8 bilion untuk tahun yang ditinjau, menokok 6% dari tahun sebelumnya.

► **Ulasan Pengerusi**
muka surat **174**

► **Ulasan Pengarah Urusan**
muka surat **176**

► **PRESTASI**

180 Ulasan Pengarah Kewangan **185** Sorotan Kewangan Lima Tahun **186** Prestasi Kumpulan Lima Tahun
187 Prestasi Saham dan Kalendar Kewangan **188** Prestasi Suku Tahunan **189** Profil Korporat **190** Anugerah dan Pengiktirafan
191 Acara Korporat 2007

► **PIMPINAN**

194 Maklumat Korporat **195** Struktur Korporat **196** Profil Lembaga Pengarah **200** Profil Kumpulan Pengurusan Kanan

► **PERTUMBUHAN**

203 Jenama Utama Global Memacu ke Hadapan **205** Pemasaran Dagangan dan Pengedaran

► **PRODUKTIVITI**

207 Pemesatan dengan Breakthrough 3 **208** Budaya Penambahbaikan Berterusan

► **TANGGUNGJAWAB**

210 Tanggungjawab Sosial Korporat **217** Piawaian Perlakuan Perniagaan **218** Penyata Tadbir Urus Korporat
236 Penyata Kawalan Dalam **238** Laporan Jawatankuasa Audit **241** Laporan Pengurusan Risiko Korporat

► **ORGANISASI CEMERLANG**

245 Mengukuhkan Organisasi Cemerlang Kami **247** Pengalaman yang Sesungguhnya Bernilai **248** Tempat Kerja yang Hebat

► **LAIN-LAIN MAKLUMAT**

251 Analisis Pegangan Saham **254** Butir-butir Hartanah **255** Panduan Korporat

► **256 Penyata Kewangan** **321** Notis Mesyuarat Agung Tahunan **324** Penyata Mengiringi Notis Mesyuarat Agung Tahunan
326 Butiran Pentadbiran Mesyuarat Agung Tahunan British American Tobacco Malaysia yang Ke-47 • Proxy Form/Borang Proksi

Fokus Strategi K a m i

Kami berkongsi wawasan Kumpulan British American Tobacco untuk meraih kedudukan terunggul dalam industri tembakau global menerusi usaha yang tertumpu kepada Pertumbuhan, Produktiviti, Tanggungjawab, bersandarkan Organisasi Cemerlang.

PETUNJUK KEWANGAN UTAMA

SOROTAN BAGI TAHUN

		Tahun berakhir 31.12.07	Tahun berakhir 31.12.06	Pertambahan/ (Pengurangan) %
Hasil	(RM juta)	3,831	3,612	6
Keuntungan sebelum cukai	(RM juta)	1,003	1,002	0
Keuntungan bersih bagi tahun kewangan	(RM juta)	732	720	2
Dana Pemegang Saham	(RM juta)	346	552	(37)
Pulangan bersih dari Dana Pemegang Saham	(%)	211.6	130.4	62
Perolehan bersih sesaham	(sen)	256.3	252.0	2
Dividen Interim, Akhir dan Bersih Sesaham	(sen)	256.5	254.0	1

+6%

HASIL

RM3,831 juta
pertumbuhan RM219 juta
berbanding tahun sebelumnya

+2%

UNTUNG SEBELUM CUKAI

RM732 juta
pertumbuhan RM12 juta
berbanding tahun sebelumnya

+2%

HASIL BERSIH SESAHAM

256.3 sen
pertumbuhan 4.3 sen
berbanding tahun sebelumnya

+1%

JUMLAH DIVIDEN SESAHAM

256.5 sen
pertumbuhan 2.5 sen
berbanding tahun sebelumnya

- Meneruskan momentum pertumbuhan yang tinggi dalam penguasaan Jenama Utama Global pada 2007 berbanding 2006
- Dunhill meluaskan penguasaan pasaran kepada 40.0%
- Pall Mall menerajui segmen nilai-untuk-wang (VFM)
- Pemasaran Dagangan dan Pengedaran terlebih hantar bagi kes dan pemaasan perniagaan
- Penjimatan ketara dalam produktiviti
- Kejayaan membiayai semula bon di tengah kegawatan kewangan global
- Mengekalkan keuntungan sebelum cukai bagi 2007 berbanding 2006



“Untung bersih bagi tahun kewangan mencapai RM732 juta, meningkat 2% dari tahun 2006.”

PENERUS

Tan Sri Abu Talib bin Othman

PEMEGANG SAHAM YANG DIHARGAI

Saya, bagi pihak Lembaga Pengarah, dengan sukacitanya membentangkan Laporan Tahunan bagi tahun kewangan berakhir 31 Disember 2007.

KEPUTUSAN KEWANGAN

Hasil Kumpulan telah meningkat 6% kepada RM3.8 bilion berbanding tahun kewangan sebelumnya, berpunca daripada kepelbagaian jualan yang lebih mantap biarpun berhadapan aktiviti pendiskauan yang sengit pada suku kedua serta penetapan harga yang lebih tinggi disebabkan kenaikan cukai yang diimbangi oleh jumlah jualan lebih rendah daripada pasaran domestik.

Kumpulan mencatatkan untung bersih sebanyak RM732 juta, peningkatan 2% dari tahun 2006. Penambahbaikan prestasi ini dijana oleh peningkatan dalam kepelbagaian jualan, inisiatif produktiviti yang memberikan pulangan yang memberangsangkan serta ketiadaan kos sekali untuk penstrukturan semula kakitangan.

DIVIDEN

Untuk tahun di bawah ulasan, Lembaga Pengarah mencadangkan dividen akhir bersih 74.00 sen sesaham. Dengan mengambil kira dividen interim bersih bernilai 109.50 sen sesaham yang dibayar pada 30 Ogos 2007, serta dividen interim bersih yang kedua bernilai 73.00 sen sesaham dibayar pada 30 November 2007, jumlah dividen bersih bagi tahun kewangan 2007 adalah 256.50 sen sesaham, menokok 1% berbanding tahun sebelumnya.

PERSEKITARAN LUARAN 2007

Kumpulan terus memusatkan tumpuannya kepada mengekalkan prestasi sebagai peneraju pasaran serta mencipta nilai jangka panjang bagi para pemegang saham. Sungguhpun pada 2007 terdapat pengurangan

4% dalam jumlah jualan rokok sah berbanding tahun sebelumnya, namun Kumpulan telah mencapai pertumbuhan dari segi hasil serta untung bersih.

Kejatuhan dalam jumlah jualan industri adalah berpunca daripada kenaikan eksais tidak dijangka sebanyak 25% pada bulan Julai, yang mengakibatkan kenaikan ketara harga rokok sah. Seperti yang dijangka, pengguna telah beralih ke pilihan yang lebih murah dalam bentuk rokok-rokok tidak sah, yang mencapai kadar tertinggi pada 25%, suatu peningkatan serius daripada kadar 14% hanya tiga tahun lalu.

Tekanan inflasi turut menampakkan kesannya menerusi harga yang lebih tinggi bagi barangan harian dan perkhidmatan. Sekali lagi, pengguna yang berhasrat untuk terus merokok, beralih kepada alternatif yang lebih murah, seperti rokok tidak sah.

Kemerosotan dalam jumlah jualan rokok sah telah membawa kepada kejatuhan dalam permintaan daun tembakau, lantas memberi kesan langsung terhadap kehidupan serta kestabilan para penanam tembakau tempatan. Keadaan ini akan menjadi lebih buruk lagi apabila Perjanjian Perdagangan Bebas ASEAN dilaksanakan pada 2010.

Kumpulan telah dan akan terus bekerja rapat dengan pihak berkuasa yang berkaitan bagi menangani cabaran yang dihadapi oleh industri tembakau, khususnya perdagangan rokok tidak sah.

BEROPERASI DENGAN BERTANGGUNGJAWAB

Di British American Tobacco Malaysia, kami menjalankan perniagaan mengikut piawaian perlakuan serta integriti yang tinggi. Kami juga dengan sesungguhnya mempercayai bahawa tanggungjawab sosial korporat (CSR) harus menjadi sebahagian penting dalam cara Syarikat mengendalikan perniagaan.

Justeru itu, bersandarkan rangka kerja ini, Kumpulan pada 2007 telah meneruskan inisiatif serta program tanggungjawab sosial korporatnya. Ini termasuklah memperkenalkan kawalan dalaman, memberikan biasiswa kepada pelajar yang layak, menjalankan aktiviti kebajikan sosial serta berkongsi amalan terbaik dengan syarikat tersenarai awam dan multinasional lain dalam negara.

Salah satu daripada usaha CSR kami, ialah program penghutan yang dilaksanakan pada 2002 yang telah menghasilkan keneutralan karbon buat Kumpulan, dan pada 2005, ia telah menjangkau keadaan tersebut untuk beroleh status positif karbon. Kami akan terus berpegang teguh sebagai sebuah perniagaan positif karbon sehingga 2015.

Kami dengan sukacitanya memaklumkan bahawa usaha-usaha CSR kami telah menerima pengiktirafan luar menerusi Anugerah Laporan Sosial ACCA serta Kaji Selidik Tadbir Urus Korporat Badan Pengawas Pemegang Saham Minoriti Berhad.

MEMANDANG KE HADAPAN

Dengan permulaan tahun kewangan yang baru, Kumpulan menyedari akan cabaran yang lebih hebat dalam industri tembakau. Proses mengetatkan undang-undang tembakau dijangka akan lebih hebat lagi di masa hadapan. Peningkatan dalam penyeludupan serta kenaikan lanjut yang ketara dalam eksais yang memberi kesan kepada industri tembakau akan terus mencabar masa depan perniagaan serta prestasi kami.

Kumpulan akan terus berhati-hati dalam pengurusan kos. Usaha telah diambil bagi mengenal pasti serta melaksanakan langkah-langkah penjimatan kos.

Dengan kos kehidupan dijangka meningkat pada 2008, tekanan akibat kenaikan tol serta kenaikan kadar inflasi, kami menjangkakan 2008 akan menjadi satu lagi tahun yang mencabar buat industri. Namun demikian, dengan asas perniagaan yang kukuh yang telah kami bina, berbekalkan portfolio jenama yang kukuh, khususnya Dunhill dan Pall Mall, berserta inisiatif-inisiatif kami yang lain di bawah tumpuan strategik terhadap Pertumbuhan, Produktiviti, Tanggungjawab serta Organisasi Cemerlang, saya yakin kami akan berjaya menghadapi cabaran yang bakal mendatang.

PERUBAHAN KEPIMPINAN PADA 2007

Encik Jack Bowles telah mengambil alih jawatan Pengarah Urusan pada Mei 2007 menggantikan Encik Bart Alkemade. Saya yakin bahawa pengalaman serta pengetahuan luas Encik Bowles dalam industri tembakau akan membantu bagi meningkatkan prestasi Kumpulan serta nilai pemegang saham. Bagi pihak Kumpulan saya ingin mengucapkan selamat datang kepada Encik Jack Bowles serta berterima kasih kepada Encik Bart Alkemade atas sumbangan beliau dan selamat maju jaya dalam segala usahanya di masa hadapan.

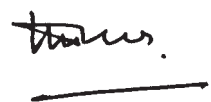
Encik Ricardo Oberlander, Pengarah Pemasaran serta Cik Sigrid Erdmann, Pengarah Sumber Manusia telah mengambil peranan baru dalam Kumpulan British American Tobacco. Saya juga ingin menyampaikan penghargaan Kumpulan atas sumbangan mereka dan semoga berjaya dalam tugas baru.

Saya dengan sukacitanya mengalu-alukan kedatangan Encik Rashed Ahmed dan Cik Anna Dolgikh, yang mana masing-masing telah mengambil alih jawatan yang dikosongkan oleh Encik Oberlander serta Cik Erdmann. Saya berharap dapat bekerja rapat dengan mereka.

TERIMA KASIH DARI KAMI

Prestasi Kumpulan yang patut dipuji biarpun berhadapan dengan persekitaran yang mencabar pada 2007 adalah bertunjangkan ketekunan serta iltizam yang dipamerkan oleh Lembaga Pengarah, kumpulan pengurusan serta kakitangan. Buat mereka semua, saya ingin menyampaikan terima kasih Kumpulan atas dedikasi serta sumbangan mereka.

Saya juga ingin mengambil kesempatan ini untuk merakamkan penghargaan yang seikhlasnya buat para pelanggan, pengedar, pelabur, rakan niaga serta pemegang saham yang amat dihargai atas sokongan serta keyakinan mereka yang berterusan terhadap kami.



PENGERUSI

Tan Sri Abu Talib bin Othman



“Kami komited kepada dasar pembangunan yang mapan – pembangunan yang memenuhi tuntutan semasa tanpa menjejaskan keupayaan generasi masa depan dalam memenuhi keperluan mereka sendiri.”

PENGARAH URUSAN

Jack Bowles

KEPIMPINAN

Saya dengan sukacitanya melaporkan bahawa meskipun ia merupakan tahun yang mencabar di mana industri berhadapan dengan persekitaran luaran yang sentiasa berubah-ubah, British American Tobacco Malaysia berjaya mengukuhkan kedudukannya sebagai peneraju dalam pasaran tembakau Malaysia serta meraih keputusan cemerlang. Ini jelas membuktikan Syarikat memiliki strategi yang tepat di mana imperatif strategik ditujukan ke arah menjana Pertumbuhan, meningkatkan Produktiviti dan menjalankan perniagaan dengan penuh Tanggungjawab bersama Organisasi Cemerlang.

Laporan tahunan ini mengisahkan tentang 2007, tahun pelbagai peristiwa berasaskan imperatif strategik ini.

PERTUMBUHAN

Biarpun dalam keadaan sukar yang dihadapi oleh industri dengan kenaikan cukai yang tidak diduga sebanyak 25%, peningkatan dagangan tidak sah serta pertumbuhan rokok harga murah, jumlah dagangan Kumpulan British American Tobacco Malaysia mengalami hanya sedikit kemerosotan berbanding jumlah dagangan industri keseluruhan atas kejayaan aktiviti pembinaan jenama yang dapat menepis kesan cabaran-cabaran tersebut.

Kedua-dua jenama Dunhill serta Pall Mall telah mencatatkan peningkatan dalam penguasaan pasaran berbanding 2006.

Tahun 2007 merupakan tahun yang istimewa buat Dunhill kerana meraikan ulang tahun globalnya yang ke-100. Sambutan di Malaysia bermula dengan pelancaran Dunhill *Fine Cut* pada bulan Januari dan kemuncak sambutan diraikan dengan edisi baru Premium *Plus* dinamakan Pilihan Platinum Dunhill. Jumlah dagangan serta penguasaan pasaran bagi Premium lights dan menthol turut berkembang buat pertama kalinya sejak 2003.

Setakat 31 Disember 2007, Dunhill mengukuhkan kedudukannya sebagai peneraju jenama dalam industri tembakau Malaysia dengan anggaran 40% penguasaan keseluruhan pasaran rokok dan lebih kurang 60% penguasaan dalam segmen Premium, satu pencapaian tertinggi. Kami berbangga dengan pencapaian Jenama Utama Global ini dan akan terus melaburkan sumber kami dalam memantapkan ekuiti jenama serta kedudukan nombor satunya di dalam negara.

Bagi Pall Mall pula, ia telah mencipta asas yang kukuh bagi tahun 2007. Jenama utama ini menjadi peneraju bagi segmen nilai-untuk-wang buat pertama kalinya pada suku keempat sejak kemunculannya di pasaran rokok Malaysia pada 2002. Kejayaan Pall Mall ini berpunca daripada perkembangan kedudukan penerajunya dalam kategori menthol, menerusi saluran kedai serbaneka serta mengekalkan keunggulannya di saluran hotel, restoran dan kafe.

Dari perspektif Kecemerlangan Pemasaran dan Pengedaran Dagangan (TMDX), 2007 telah menyaksikan peningkatan kemajuan dalam usaha kami untuk mencapainya serta mengekalkan kejayaan perniagaan usaha sama dengan peruncit di semua saluran strategik perniagaan kami. Kejayaan pelaksanaan *SWIFT*, iaitu sistem pengurusan pengedaran dan pemasaran dagangan, serta sistem pengurusan gudang telah menyumbang kepada peningkatan prestasi serta memperketatkan kawalan. Dengan memperkemas model pemasaran dagangan dan pengedaran, bersama pelaksanaan amalan cekap yang terbaik, kami dapat mencecah tahap yang lebih berkesan dalam usaha mendekati pasaran.

PRODUKTIVITI

Rangka tindakan Kumpulan British American Tobacco Malaysia bagi meningkatkan produktiviti keseluruhan rangkaian pembekalan keseluruhan, dengan pencapaian keunggulan dalam Kualiti, Pengedaran serta Keberkesanan Kos, telah berganjak ke fasa ketiga yang juga dikenali sebagai *Breakthrough 3*.

Sepanjang tahun, pasukan Operasi telah berjaya melaksanakan pelbagai inisiatif serta penambahbaikan yang inovatif di dalam menghasilkan rangkaian pembekalan yang teguh, tangkas serta mampan yang sejajar dengan masa depan Kumpulan. Kos perkilangan bagi setiap seribu batang rokok telah dapat dikurangkan sebanyak 10% berbanding 5% pada 2006, manakala jumlah eksport melonjak dengan ketara sebanyak 41%.

Sukacita dilaporkan juga kempen Penambahbaikan Berterusan dengan nama kod 'Kai-Zen' yang bermaksud 'evolusi untuk kemajuan', yang dilancarkan pada 2006, telah menampakkan hasil di luar jangkaan. Kempen tersebut telah banyak merangsang produktiviti serta mewujudkan persekitaran perkilangan yang sihat serta berdaya saing.

Dari sudut teknologi, sistem Perancangan Sumber Pengedaran SAP membolehkan proses perancangan Inventori Pengurusan Pembekal (VMI) dilakukan secara automatik telah berjaya dilancarkan pada 2007. Pada awal tahun, Syarikat berjaya memindahkan sistem SAPnya ke templat global Kumpulan yang menawarkan Syarikat platform bersama serta penyelarasan data yang berupaya mengurangkan kerumitan pengurusan sistem dan kos bagi jangka masa panjang.

TANGGUNGJAWAB

Kami percaya oleh kerana produk kami boleh membawa risiko kepada kesihatan, maka lebih wajar bagi perniagaan kami dikendalikan dengan bertanggungjawab. Kami beriltizam terhadap dasar pembangunan yang mapan – pembangunan yang dapat memenuhi keperluan kini tanpa menjejaskan keupayaan generasi masa depan dalam memenuhi keperluan mereka sendiri.

Kami tidak mendakwa mengetahui semua jawapan atau sentiasa dapat melakukan segalanya dengan betul tetapi kami berusaha keras menjalankan perniagaan yang dapat mengimbangkan kemapanan pembangunan dari segi ekonomi, sosial serta persekitaran.

Saya ingin mengambil kesempatan ini untuk melaporkan bahawa pada 2007, kami telah memutuskan untuk melaksanakan laporan sosial sekali setiap dua tahun dan tidak lagi setiap tahun seperti sebelumnya agar dapat memberikan laporan yang lebih terperinci tentang inisiatif tanggungjawab korporat British American Tobacco Malaysia. Justeru itu, pihak berkepentingan boleh menjangka menerima laporan sosial kami yang berikutnya pada 2008. Usaha ini akan membolehkan kami memfokuskan sumber kami terhadap lebih banyak inisiatif sebagai warga korporat yang mementingkan kemapanan serta tanggungjawab sosial.

Di British American Tobacco Malaysia, kami yakin bahawa menjadi warga korporat yang bertanggungjawab tidak memadai tanpa para pekerja kami turut serta dalam proses tersebut. Maka dengan itu, kami telah memulakan inisiatif perintis bergelar Program Sukarela Pekerja yang menjadi landasan untuk kakitangan kami secara sukarela menyumbangkan masa serta tenaga mereka membantu golongan yang kurang bernasib baik. Penyertaan kakitangan kami amat memberangsangkan dan kami merancang untuk meneruskan program ini pada 2008 bagi menambah sumbangan kepada golongan yang kurang bernasib baik.



Dalam laporan ini selanjutnya, anda akan dapat meninjau usaha kami yang berterusan dalam memberikan bantuan kewangan kepada pelajar Malaysia yang berbakat untuk melanjutkan pendidikan tinggi mereka. Tahun 2007 telah menyaksikan satu lagi catitan peristiwa penting penawaran biasiswa tanpa ikatan kepada individu yang layak menerusi Yayasan BAT Malaysia. Tahun lepas, kami telah menawarkan biasiswa kepada anak-anak pekerja dan pada 2007, buat pertama kali dalam sejarah kami, kami menawarkan biasiswa kepada anak-anak rakan niaga kami, para peruncit serta warga penanam tembakau.

Dari segi Persekitaran, Kesihatan dan Keselamatan, sukacita saya melaporkan bahawa tahun ini, dalam usaha kami untuk mengekalkan budaya kemalangan sifar serta kejadian persekitaran sifar di kalangan pekerja dan kontraktor luar, kami telah dianugerahkan dengan Kes Kehilangan Hari Bekerja sifar oleh syarikat induk kami, British American Tobacco plc.

British American Tobacco Malaysia juga merupakan syarikat tersenarai awam Malaysia yang tunggal terpilih untuk dimasukkan ke *Dow Jones Sustainability Indexes*: untuk 2007 bagi tahun keenam berturut-turut.

ORGANISASI CEMERLANG

Kunci kemapanan perniagaan terletak pada warga kerjanya. Justeru, adalah amat menggalakkan untuk melapor bahawa menerusi kaji selidik pekerja, 'Your Voice' 2007 telah menerima 98% kadar maklum balas dengan peningkatan pendapat para pekerja untuk semua kategori.

Di sepanjang tahun, British American Tobacco Malaysia terus berhubung erat dengan pekerja menerusi saluran komunikasi dalaman seperti sesi taklimat *Biz Update*, mesyuarat fungsional, portal pekerja serta surat berita, bertujuan memberikan garis penglihatan yang jelas tentang hala tuju dan pencapaian Syarikat kepada para pekerja peringkat pengurusan serta bukan pengurusan.

Dalam 2007 juga, pengambilan pekerja dan perkembangan pengurus yang berbakat di semua peringkat terus menjadi keutamaan demi kesinambungan kejayaan British American Tobacco Malaysia. Kami melaksanakan program pengambilan pekerja melalui pertandingan 'Shape Our World' yang melibatkan pusat-pusat akademik yang cemerlang di Malaysia serta mewujudkan peluang-peluang untuk berkembang dengan menempatkan kakitangan secara peminjaman di syarikat-syarikat lain British American Tobacco dengan lebih kurang 15 pengurus bekerja di luar negara pada satu-satu masa.

Tahun ini turut menyaksikan permulaan perjalanan 'Pengalaman Kepimpinan' yang dihasilkan untuk membolehkan pekerja mengetahui lebih jelas sumbangan masing-masing berhubung keperluan korporat dalam tempoh jangka masa pendek, sederhana dan panjang. Pengalaman ini diraih menerusi penglibatan serta penyertaan aktif para pekerja di semua peringkat termasuk Kumpulan Pengurusan Kanan. Dalam 2007 kami juga melaksanakan sistem SAP sumber manusia bertujuan meningkatkan pengurusan maklumat pekerja dan memperkembangkan lagi tabung bakat British American Tobacco Malaysia untuk memberi fokus dalam perkembangan pekerja yang berkaliber.

KESIMPULAN

2007 merupakan tahun kepelbagaian cabaran. Ia merupakan tahun yang mana hampir satu dalam empat rokok yang dijual di dalam negara adalah dari sumber tidak sah. Ia juga merupakan tahun pertumbuhan bagi rokok harga lampau rendah serta tahun kenaikan cukai eksais yang melambung di luar jangkaan industri.

Peningkatan harga bersabit kenaikan cukai yang mendadak telah menggalakkan para pengguna beralih kepada rokok tidak sah meningkatkan lagi perdagangan haram yang sudahpun di tahap yang amat tinggi. Keadaan ini memberi kesan ketara kepada industri tembakau yang sah, menjejaskan hasil eksais Kerajaan serta menggugat agenda kesihatannya memandangkan hal demikian, Syarikat meneruskan usahanya menggalakkan kenaikan cukai yang sederhana dan beransur-ansur bagi produk tembakau untuk membanteras pertumbuhan perdagangan tidak sah.

Dari perspektif British American Tobacco Malaysia, ia juga merupakan tahun kejayaan dan peluang. Kami telah mengatur strategi yang mantap dan jenama utama kami berada di kedudukan yang lebih teguh daripada sebelumnya. Pekerja kami terus menjadi penyumbang prestasi yang mantap yang berpeluang untuk membangunkan kualiti kepimpinan mereka.

Sungguhpun kami masih menjangkakan banyak cabaran menjelang 2008, British American Tobacco Malaysia akan terus memacu perniagaannya dengan mengubah cabaran menjadi peluang berpandukan imperatif strategiknya dalam menjana Pertumbuhan, meningkatkan Produktiviti, menjalankan perniagaan secara Bertanggungjawab serta membina Organisasi Cemerlang.

PENGARAH URUSAN

Jack Bowles

Dorongan Prestasi

Menyusur tinggi

Kami didorong erat oleh hasrat untuk mencapai kejayaan berteraskan prestasi. Dalam menetapkan rentak di masa hadapan, kami berusaha memaksimumkan sumber sebagai penunjuk hala tuju kami sebagai sebuah Syarikat. Kami memantapkan keberkesanan dengan sentiasa melakukan penilaian dan penambahbaikan yang dapat mengukuhkan Pertumbuhan, Produktiviti, Tanggungjawab dan Organisasi Cemerlang kami.



“2007 menyaksikan satu lagi prestasi yang mantap bagi British American Tobacco Malaysia. Kumpulan menempuhi 2008 dalam keadaan lebih kukuh dengan memanfaatkan kehebatan jenama kami dan meningkat kedudukan utama kami dalam industri tembakau Malaysia.”

PENGARAH KEWANGAN

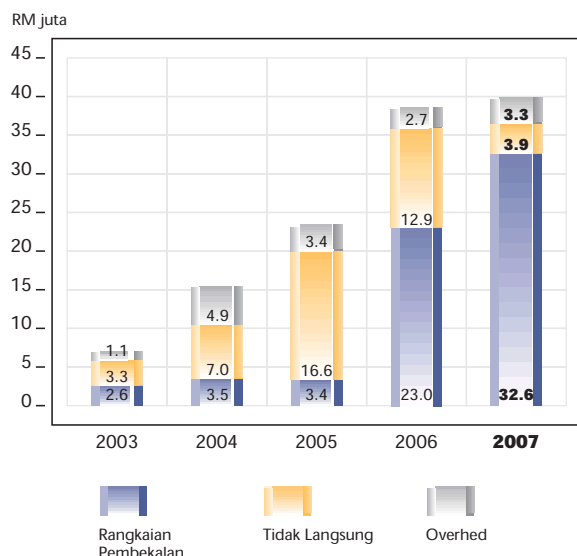
James Clark

2007 menyaksikan satu lagi prestasi yang mantap bagi British American Tobacco Malaysia, dengan keuntungan yang lebih tinggi sebanyak 2% berbanding 2006 biarpun Kumpulan berhadapan dengan cabaran serta persekitaran yang sukar. Setengah tahun pertama 2007 menyaksikan tiga pengilang rokok terbesar (*Big 3*) terlibat dalam aktiviti persaingan pendiskauan yang begitu sengit, perdagangan tidak sah dan pertumbuhan rokok harga murah (ELPC) ke tahap yang tidak didugai. Kemudian diikuti dengan kenaikan eksais yang ketara yang tidak dijangka pada Julai 2007 yang terus melembabkan industri jualan rokok, memburukkan lagi aliran kemerosotan dagangan yang sedang berlaku dalam tahun-tahun kebelakangan ini, serta menyemarakkan lagi pertumbuhan segmen ELPC dan perdagangan tidak sah. Jumlah keseluruhan dagangan industri di kalangan pengilang rokok (*Big 3*) menguncup sebanyak 4%.

Biarpun di selubungi pelbagai cabaran, Kumpulan berjaya meluaskan penguasaan pasarannya di kalangan pengilang-pengilang untuk tahun kedua berturut-turut sejak penggabungannya, didorong oleh kekuatan serta prestasi Jenama Utama Global yang mengagumkan. Prestasi positif Jenama Utama Global berdasarkan kepada penumpuan dan kehebatan kepelbagaian strategi serta keutuhan ekuiti jenama yang diusahakan selama beberapa tahun untuk Dunhill dan Pall Mall. Sungguhpun berlaku tekanan kemerosotan dagangan yang mendorong kenaikan harga akibat cukai, Dunhill sekali lagi mempamerkan kekuatan yang jitu serta mengembangkan penguasaan pasarannya, begitu juga dengan Pall Mall yang berjaya meneraju segmen nilai-untuk-wang pada suku terakhir 2007, lima tahun selepas pelancaran.

Dengan iltizam untuk memaksimumkan nilai pemegang saham dalam jangka panjang, Kumpulan terus memberikan tumpuan kepada peningkatan nilai jenama kami menerusi sokongan yang berterusan dalam aktiviti pembangunan jenama dan memanfaatkan kekuatan kemampuan pemasaran dagangan dan pengedaran kami melalui perkembangan lanjut operasi Jualan Langsung Ke Kedai di Pulau Pinang dan Johor Bahru pada 2007. Program produktiviti Kumpulan, iaitu '*Breakthrough*' dan 'Pengurusan Kos Secara Pintar' terus menghasilkan penjimatan yang besar di samping mengukuhkan lagi kelebihan saingan Kumpulan. Inisiatif Pertumbuhan dan Produktiviti kami berserta dengan strategi Tanggungjawab dan Organisasi Cemerlang telah membolehkan Kumpulan mengekalkan pegangannya sebagai peneraju pasaran dan meletakkan Kumpulan dalam kedudukan yang lebih teguh untuk menghadapi cabaran-cabaran baru dalam persekitaran yang semakin dinamik.

Penjimatan Produktiviti 2003 hingga 2007



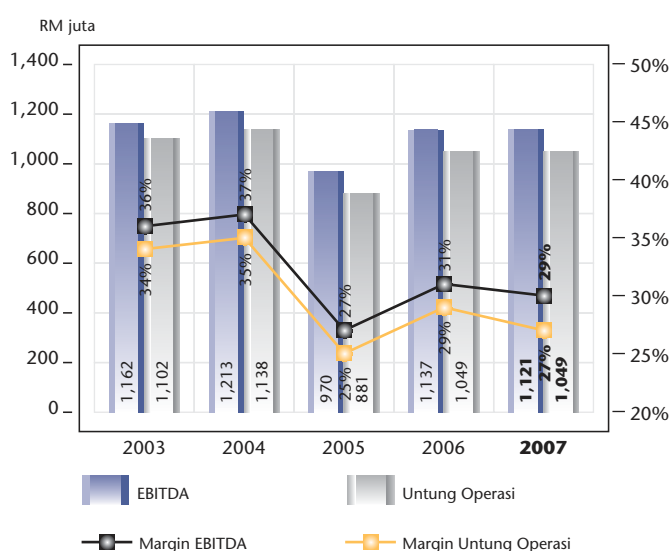
KEUNTUNGAN BERSIH MENINGKAT 2% PADA 2007

PENYATA PENDAPATAN DISATUKAN

	12 bulan 2007 RM juta	12 bulan 2006 RM juta	Tambahan/ (Kurangan) %
Hasil	3,831	3,612	6
Kos jualan	(2,263)	(2,082)	9
Untung kasar	1,568	1,530	2
Pendapatan operasi lain	11	9	22
Perbelanjaan operasi	(530)	(490)	8
Untung dari operasi	1,049	1,049	0
Kos kewangan	(46)	(47)	(2)
Untung dari aktiviti biasa sebelum cukai	1,003	1,002	0
Cukai	(271)	(282)	(4)
Untung bersih bagi tahun kewangan	732	720	2
Perolehan bersih sesaham – asas dan dicairkan (sen)	256.3	252.0	2
Dividen interim, akhir dan khas bersih sesaham (sen)	256.5	254.0	1
Margin Keuntungan Operasi	27%	29%	(2%)
Untung sebelum cukai/hasil	26%	28%	(2%)
Untung selepas cukai/hasil	19%	20%	(1%)

Sejak 2005 Kumpulan telah mempamerkan satu lagi tahun peningkatan prestasi, dengan mencatatkan kenaikan hasil sebanyak 6% berbanding 2006 akibat jumlah eksport yang lebih tinggi serta kenaikan harga akibat eksais pada Julai 2007, mengimbangi jumlah dagangan dalam negara yang lebih rendah. Peningkatan pelaburan pemasaran akibat aktiviti persaingan pendiskauan yang sengit pada suku kedua serta hapus kira beberapa jentera pada 2007 telah meningkatkan kos operasi kami bagi tahun kewangan, namun diimbangi oleh laba produktiviti serta ketiadaan kos sekali penstrukturan semula yang ditanggung pada 2006, mengakibatkan untung operasi kekal rata berbanding 2006. Cukai lebih rendah adalah seiring dengan kadar cukai korporat lebih rendah pada 2007 dan kadar cukai yang dikuatkuasakan adalah pada kadar cukai berkanun 27%. Dengan peningkatan prestasi, perolehan sesaham mengalami sedikit kenaikan sebanyak 2% kepada 256.3 sen sesaham pada 2007.

Untung 2007





TUNAI DARI OPERASI MENINGKAT 3% PADA 2007

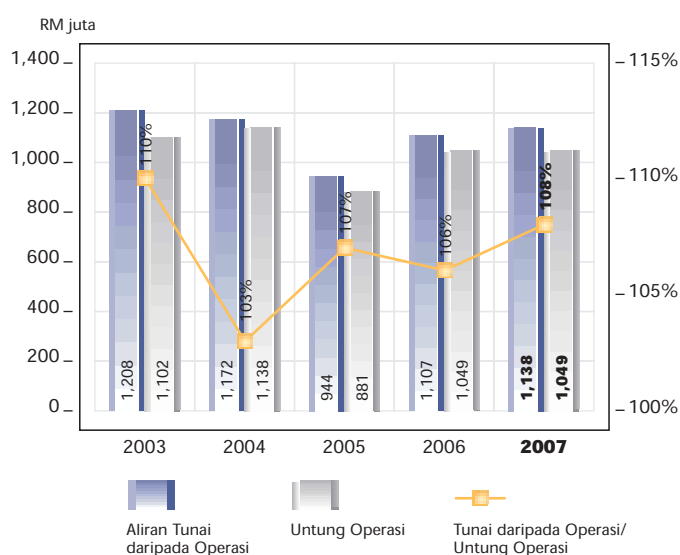
PENYATA ALIRAN TUNAI DISATUKAN

	12 bulan 2007 RM juta	12 bulan 2006 RM juta	Memuaskan/ (Sebaliknya) %
Untung dari operasi	1,049	1,049	0
Pelarasan untuk:			
Pendapatan faedah	(10)	(8)	25
Hartanah, loji dan peralatan:			
– Susut nilai dan pelunasan	81	78	(4)
– Kerugian dari pelupusan	1	1	0
– Masuk kira semula pengurangan nilai	—	(4)	(100)
– Dihapus kira	13	—	(100)
Elaun hutang ragu	5	1	(400)
Inventori dihapus kira	—	1	100
Perubahan dalam modal kerja	(1)	(11)	91
Tunai dari operasi	1,138	1,107	3
Cukai pendapatan dibayar	(301)	(272)	(11)
Perbelanjaan modal bersih	(29)	(56)	48
Prosid bersih dari pinjaman	50	—	100
Kos kewangan bersih	(37)	(40)	8
Dividen dibayar	(938)	(786)	(19)
Pengurangan dalam tunai dan kesamaan tunai	(117)	(47)	(149)

Tunai yang dijana dari operasi meningkat kepada 108% bagi untung dari operasi berbanding pencapaian 106% pada 2006. Kumpulan telah menjana aliran tunai yang luar biasa secara konsisten selama beberapa tahun ini dan peningkatan dalam tunai yang dijana dari operasi pada 2007 merupakan hasil daripada proses penambahbaikan yang berterusan dalam modal kerja, pengurusan stok daun dan khususnya baki pemiutang yang berkesan serta kawalan ketat ke atas perbelanjaan modal.

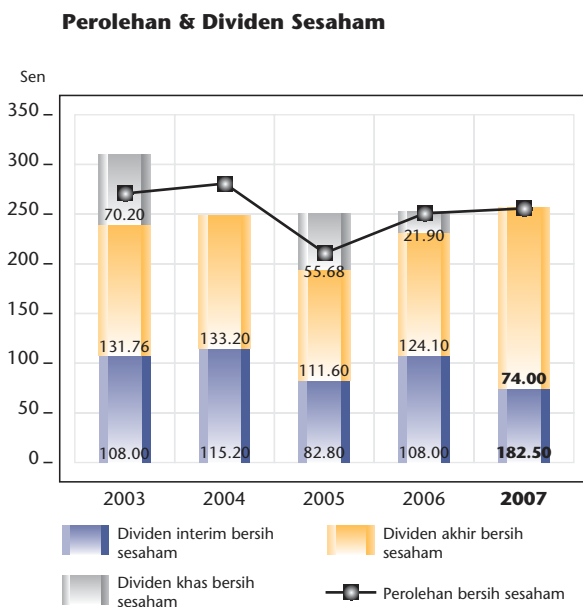
Sebahagian besar perbelanjaan bersih lebih rendah berpunca daripada prosid yang diterima dengan pelupusan hartanah di Sungai Besi. Jualan bahagian pertama selesai pada 2007 dan bahagian akhir dijangka selesai pada 2008.

Pengurusan Aliran Tunai 2003 hingga 2007



Tempoh 7-tahun Nota Jangka Sederhana (NJS) bernilai RM450 juta yang matang pada 2 November 2007 dibiayai semula sebahagian daripadanya menerusi tempoh 5-tahun NJS bernilai RM400 juta. Kumpulan turut mengambil Surat Perdagangan (SP) bernilai RM100 juta, yang mana separuh daripadanya untuk pembayaran balik 2007 7-tahun NJS yang telah matang pada November 2007 dan bakinya untuk modal kerja.

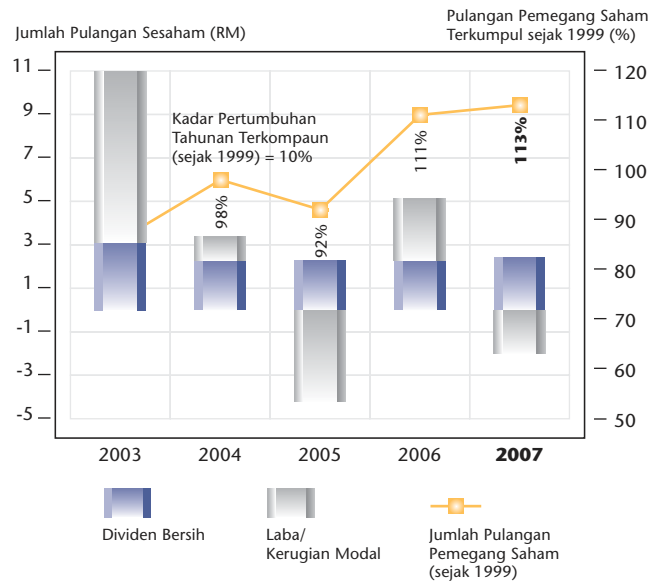
JUMLAH PEMBAYARAN DIVIDEN MENINGKAT



Seiring dengan polisi dividen kami untuk mengagih dividen melalui lebih tunai daripada keperluan operasi, kami sentiasa membayar dividen yang amat menarik kepada pemegang saham. Dalam usaha untuk meningkatkan lagi nilai pemegang saham, kami menambah sebahagian daripada dividen akhir 2007 dalam bentuk dividen interim kedua yang dibayar pada November 2007. Tertakluk kepada kelulusan pemegang saham pada Mesyuarat Agung Tahunan yang akan datang, para pengarah dengan sukacitanya mencadangkan dividen bersih akhir sebanyak 74.00 sen sesaham. Ini, berserta dengan dua dividen interim, akan menghasilkan jumlah dividen bersih sebanyak 256.50 sen sesaham bagi 2007, peningkatan 1% berbanding pembayaran dividen bersih 2006. Pembayaran dividen pada 2007 merupakan 100% untung selepas cukai 2007.

PULANGAN PEMEGANG SAHAM TERJEJAS OLEH HARGA SAHAM

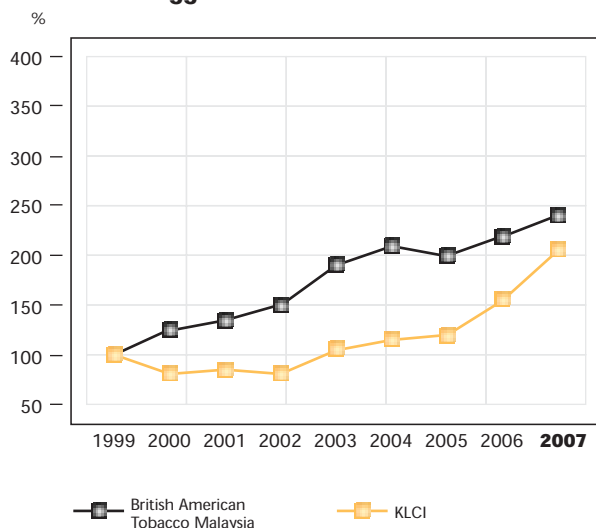
Jumlah Pulangan Pemegang Saham



Jumlah pulangan kepada pemegang saham, berpandukan peningkatan harga saham sepanjang tahun kewangan serta jumlah dividen bersih yang diisytihar dan dicadangkan bagi tahun berkaitan, ialah RM0.57 sesaham. Biarpun terdapat susutan harga saham Kumpulan akibat kenaikan eksais pada Julai 2007, dividen bersih untuk tahun berkaitan masih meningkat berbanding tahun sebelumnya, lantas memperkukuhkan iltizam kami untuk memberi ganjaran kepada pemegang saham melalui dividen. Kadar pertumbuhan tahunan terkompoun setahun selama lapan tahun sejak penggabungan ialah 10% dan Kumpulan terus mempamerkan jumlah pulangan pemegang saham yang memberangsangkan sejak penggabungan. Sekali lagi, pulangan pemegang saham Kumpulan sejak penggabungannya pada 1999 telah mengatasi KLCI, membuktikan bahawa Kumpulan mampu mengekalkan keuntungan serta kedudukan utama dalam pasaran, serta iltizamnya untuk penyampaian nilai terbaik kepada pemegang saham.



Jumlah Pulangan Pemegang Saham British American Tobacco Malaysia berbanding KLCI 1999 hingga 2007



OPERASI PERBENDAHARAAN DAN STRUKTUR MODAL YANG CEKAP

Fungsi utama Perbendaharaan ialah bertanggungjawab menguruskan risiko kewangan melalui pengurusan aliran tunai, kadar faedah serta pendedahan mata wang yang proaktif. Keupayaan Kumpulan untuk mempercepatkan pembayaran dividen interim pertama dalam masa sebulan dan pembayaran dividen interim kedua pada November 2007 bukan sahaja mengukuhkan iltizam kami untuk meningkatkan nilai pemegang saham, malah jelas membuktikan keupayaan perniagaan menjana tunai dengan cemerlang.

Kemuncak bagi tahun berkaitan berhubung struktur modal ialah pembiayaan semula sebahagian daripada 7-tahun NJS bernilai RM450 juta yang matang pada November 2007 menerusi penerbitan 5-tahun NJS bernilai RM400 juta yang akan matang pada September 2012. Kadar pinjaman yang lebih rendah pada 4.05% bermakna penjimatan kos pembiayaan tahunan melebihi RM15 juta. Surat Perdagangan (SP) jangka pendek bernilai RM100 juta telah disediakan bagi membiayai semula baki 7-tahun NJS bernilai RM50 juta serta untuk penggunaan modal kerja.

Selain itu, penarafan AAA Kumpulan untuk bon sedia ada dan penarafan jangka pendek dan panjang PI serta AAA, masing-masing untuk SP/NJS telah disahkan sekali lagi pada Ogos 2007 berteraskan prestasi korporatnya yang mantap dan konsisten yang disokong oleh penjanaan serta pengurusan tunai yang cemerlang.

TUMPUAN BERTERUSAN MEMAKSIMUMKAN NILAI JANGKA PANJANG PEMEGANG SAHAM

Persekitaran industri yang terus mencabar dengan pertumbuhan pantas rokok harga murah (ELPC) serta perdagangan tidak sah menjadi dua isu kritikal. Namun demikian, bersandarkan langkah serta inisiatif yang telah diambil pada 2007, Kumpulan menempuhi 2008 dalam keadaan lebih kukuh dengan memanfaatkan kehebatan jenama kami dan meningkat kedudukan utama kami dalam industri tembakau Malaysia dan menangani cabaran-cabaran ini. Seterusnya, Kumpulan akan terus memberi sepenuh penumpuan terhadap pelaksanaan strateginya untuk memaksimumkan nilai jangka panjang pemegang saham.

PENGARAH KEWANGAN

James Clark

SOROTAN KEWANGAN LIMA TAHUN

British American Tobacco
(Malaysia) Berhad

	Tahun keuangan dari 1.1.07 hingga 31.12.07 RM'000	Tahun keuangan dari 1.1.06 hingga 31.12.06* RM'000	Tahun keuangan dari 1.1.05 hingga 31.12.05* RM'000	Tahun keuangan dari 1.1.04 hingga 31.12.04* RM'000	Tahun keuangan dari 1.1.03 hingga 31.12.03* RM'000
Hasil	3,830,869	3,612,482	3,564,215	3,263,725	3,199,734
Keuntungan daripada operasi	1,049,416	1,049,414	881,440	1,138,262	1,101,821
Kos kewangan	(46,515)	(47,467)	(48,471)	(55,447)	(56,850)
Bahagian keputusan daripada syarikat bersekutu	—	—	—	—	1,654
Keuntungan sebelum cukai	1,002,901	1,001,947	832,969	1,082,815	1,046,625
Keuntungan bagi tahun kewangan	731,931	719,678	592,802	782,084	758,154
Dividen bersih tahunan	732,384	662,715	555,070	709,257	684,586
Dividen bersih khas	—	62,531	158,983	—	200,442
Modal saham	142,765	142,765	142,765	142,765	142,765
Dana pemegang saham	345,912	551,824	618,029	641,849	564,678
Hartanah, loji dan peralatan	439,959	478,688	517,550	514,059	510,782
Hartanah pelaburan	—	20,010	44,771	45,660	53,384
Tanah pegang pajak	20,826	22,600	22,995	30,127	31,571
Cap dagang	—	—	—	2,067	2,067
Perisian komputer	21,091	14,100	616	—	—
Muhibah	411,618	411,618	411,618	433,475	455,330
Aset cukai tertunda	4,978	4,020	3,300	1,713	2,552
Aset semasa	548,536	669,175	718,142	720,367	679,862
Jumlah aset	1,447,008	1,620,211	1,718,992	1,747,468	1,735,548
Tanggungan bukan semasa	713,567	310,690	755,086	760,392	499,749
Tanggungan semasa	387,529	757,697	345,877	345,226	671,121
Jumlah tanggungan	1,101,096	1,068,387	1,100,963	1,105,618	1,170,870
Perolehan bersih sesaham (sen)	256.3	252.0	207.6	273.9	265.5
Dividen bersih sesaham (sen)	256.5	254.0	250.1	248.4	310.0
Pulangan bersih atas dana pemegang saham (%)	211.6	130.4	95.9	121.8	134.3
Sokongan aset ketara bersih sesaham (RM)	1.21	1.93	2.16	2.25	1.98
Bilangan pekerja	1,326	1,044	1,040	1,066	1,209

* Angka-angka perbandingan tertentu telah diklasifikasikan semula menurut pembentangan tahun semasa, dan kesan akibat perubahan tersebut ada diperincikan di dalam Ringkasan Dasar-Dasar Perakaunan Penting.

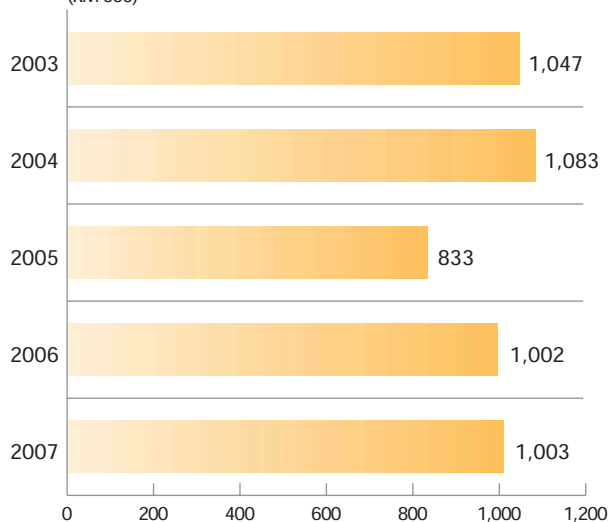


PRESTASI KUMPULAN LIMA TAHUN

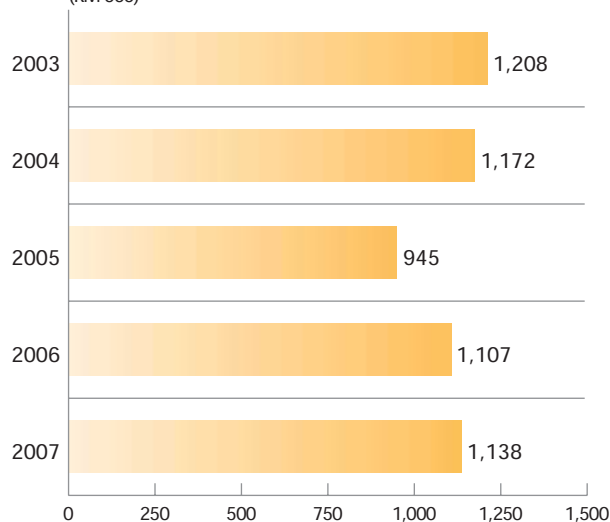
Biarpun berhadapan dengan persekitaran yang mencabar, British American Tobacco Malaysia komited dalam mencipta nilai tertinggi buat para pemegang saham.

Sejak 2005, kami semakin mantap dan kian menapak tinggi ke arah pencapaian tahap keuntungan 2004.

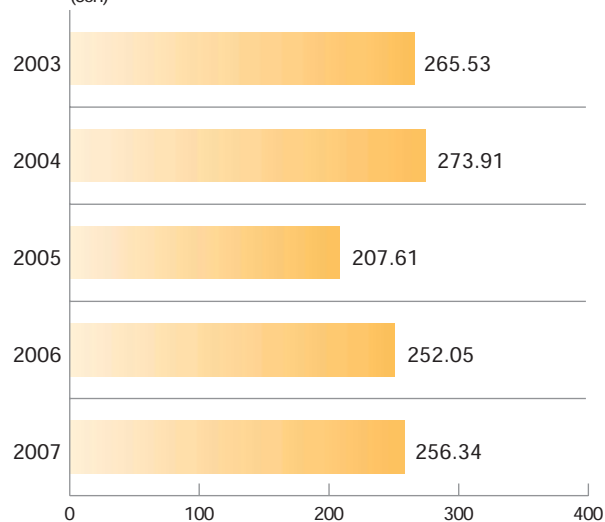
Keuntungan Sebelum Cukai
(RM'000)



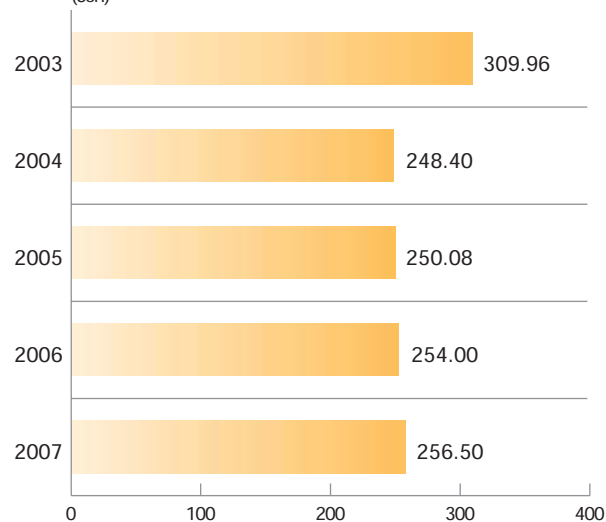
Aliran Tunai daripada Operasi
(RM'000)

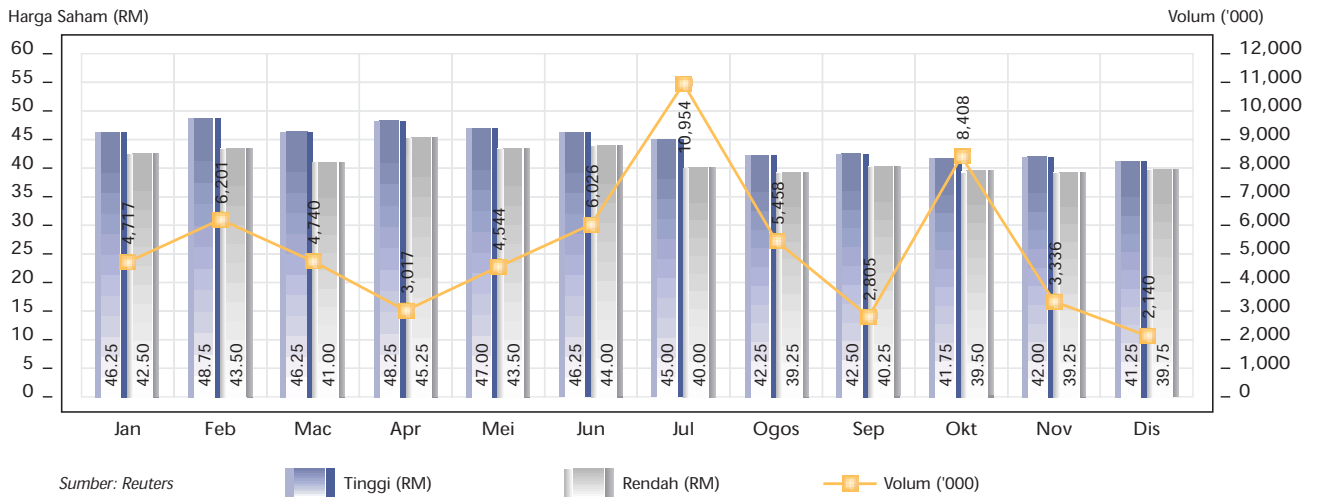


Pendapatan Bersih Sesaham
(Sen)



Dividen Bersih Sesaham
(Sen)



**PRESTASI SAHAM DAN KALENDAR KEWANGAN**British American Tobacco
(Malaysia) Berhad**Prestasi Saham 2007**

	Jan	Feb	Mac	Apr	Mei	Jun	Jul	Ogos	Sep	Okt	Nov	Dis
Tinggi (RM)	46.25	48.75	46.25	48.25	47.00	46.25	45.00	42.25	42.50	41.75	42.00	41.25
Rendah (RM)	42.50	43.50	41.00	45.25	43.50	44.00	40.00	39.25	40.25	39.50	39.25	39.75
Volum ('000)	4,717	6,201	4,740	3,017	4,544	6,026	10,954	5,458	2,805	8,408	3,336	2,140

PENGUMUMAN KEPUTUSAN

Keputusan disatukan tak beraudit bagi suku pertama berakhir 31 Mac 2007	Selasa, 24 April 2007
Keputusan disatukan tak beraudit bagi suku kedua dan setengah tahun berakhir 30 Jun 2007	Khamis, 19 Julai 2007
Keputusan disatukan tak beraudit bagi suku ketiga berakhir 30 September 2007	Rabu, 24 Oktober 2007
Keputusan disatukan beraudit bagi suku keempat dan tahun berakhir 31 Disember 2007	Khamis, 21 Februari 2008

DIVIDEN

Dividen interim pertama bernilai 150.00 sen sesaham kasar, tolak cukai 27%

– Tarikh notis keberhakan dan pembayaran	Selasa, 19 Julai 2007
– Tarikh keberhakan	Isnin, 6 Ogos 2007
– Tarikh pembayaran	Selasa, 30 Ogos 2007

Dividen interim kedua bernilai 100.00 sen sesaham kasar, tolak cukai 27%

– Tarikh notis keberhakan dan pembayaran	Rabu, 24 Oktober 2007
– Tarikh keberhakan	Isnin, 19 November 2007
– Tarikh pembayaran	Jumaat, 30 November 2007

Dividen bersih akhir bernilai 74.00 sen sesaham yang merangkumi 15.00 sen sesaham kasar, tolak cukai 26% dan 62.90 sen sesaham, pengecualian cukai di bawah sistem setingkat

– Tarikh notis keberhakan dan pembayaran	Jumaat, 22 Februari 2008
– Tarikh keberhakan	Isnin, 5 Mei 2008
– Tarikh pembayaran	Jumaat, 16 Mei 2008

LAPORAN TAHUNAN DAN MESYUARAT AGUNG TAHUNAN

Tarikh notis Mesyuarat Agung Tahunan ke-47 dan tarikh pengeluaran Laporan Tahunan 2007	Selasa, 25 Mac 2008
Tarikh Mesyuarat Agung Tahunan ke-47	Khamis, 17 April 2008



PRESTASI SUKU TAHUNAN

2007

		Suku pertama	Suku kedua	Suku ketiga	Suku keempat	Tahun
Hasil	(RM juta)	937	937	1,009	948	3,831
Operating profit	(RM juta)	281	256	293	219	1,049
Kos kewangan	(RM juta)	(12)	(12)	(12)	(11)	(47)
Keuntungan sebelum cukai	(RM juta)	270	244	281	208	1,003
Keuntungan selepas cukai	(RM juta)	197	178	205	152	732
Pendapatan bersih sesaham	(sen)	68.9	62.6	71.7	53.1	256.3
Dividen bersih sesaham	(sen)	—	109.5	73.0	74.0	256.5

2006

		Suku pertama	Suku kedua	Suku ketiga	Suku keempat	Tahun
Hasil	(RM juta)	900	917	998	797	3,612
Operating profit	(RM juta)	290	266	311	182	1,049
Kos kewangan	(RM juta)	(11)	(12)	(12)	(12)	(47)
Keuntungan sebelum cukai	(RM juta)	279	254	299	170	1,002
Keuntungan selepas cukai	(RM juta)	199	183	215	123	720
Pendapatan bersih sesaham	(sen)	70.0	63.9	75.2	42.9	252.0
Dividen bersih sesaham	(sen)	—	108.0	—	146.0	254.0

British American Tobacco Malaysia adalah hasil gabungan perniagaan tembakau Rothmans of Pall Mall (Malaysia) Berhad dan Malaysian Tobacco Company Berhad pada 3 November 1999. Gabungan ini telah mengumpulkan bakat, pengalaman dan rangkaian jenama antarabangsa yang tiada tandingan dan amat berjaya bagi mewujudkan syarikat tembakau terbesar di negara ini.

www.batmalaysia.com

Hari ini, kami merupakan peneraju ulung dalam pasaran industri rokok Malaysia, dengan penguasaan lebih daripada 60% pasaran, menempatkan kami di antara 20 syarikat teratas di Bursa Malaysia dari segi permodalan pasaran.

British American Tobacco Malaysia mengilang dan memasarkan produk tembakau yang bermutu tinggi bagi memenuhi pelbagai cita rasa pengguna. Rangkaian jenama kami terdiri daripada jenama-jenama antarabangsa yang unggul seperti Dunhill, Kent, Pall Mall, Peter Stuyvesant, Benson & Hedges dan Perilly's.

Kami mempunyai gabungan sejarah melebihi 90 tahun di Malaysia sejak 1912. Kekayaan kepakaran berserta teknologi terkini dan penggunaan sistem dan proses yang cekap dalam semua aspek aktiviti perniagaan, telah memampatkan kebolehan kami mengharungi cabaran masa hadapan.

Pada masa ini, kami mempunyai kira-kira 1,300 orang pekerja yang terlibat secara langsung dalam industri tembakau, daripada pembelian dan pemprosesan daun tembakau hingga ke proses pengilangan, pemasaran dan pengedaran. Rangkaian pengedaran kami yang komprehensif merentasi seluruh negara bagi memastikan jenama-jenama kami boleh didapati di seluruh Malaysia.

Sasaran kami adalah untuk kekal menerajui industri ini dengan meningkatkan penguasaan pasaran perniagaan tembakau dan memenuhi permintaan pengguna dengan lebih baik dan lebih menguntungkan daripada pesaing-pesaing kami. Untuk mencapai matlamat tersebut, kami pastikan produk dipasarkan dengan bertanggungjawab. Bagi kami, penerajuan bukan sahaja dari aspek penguasaan pasaran, malah harus merangkumi penerajuan yang berkualiti baik – dari pandangan kami, mahupun baik pandangan pihak berkepentingan.

Meskipun industri tembakau dianggap kontroversial oleh sesetengah pihak, ia juga merupakan industri penting yang mempunyai peranan untuk menyumbang kepada pertumbuhan dan pembangunan masyarakat setempat di mana ia beroperasi. Kami beriltizam untuk memainkan peranan tersebut.



ANUGERAH DAN PENGIKTIRAFAN

Iltizam kami yang utuh terhadap kecemerlangan dalam semua aspek perniagaan telah mendapat pengiktirafan luaran baik di peringkat kebangsaan mahupun antarabangsa. Bagi 2007, Syarikat telah meraih pelbagai anugerah, khususnya dari segi tadbir urus korporat serta tanggungjawab sosial korporat. Ini memantapkan lagi prestasi mutu yang kami tetapkan dalam mengemudi perniagaan serta memacu penambahbaikan yang berterusan.

Penarafan Tadbir Urus Korporat Majalah Asset (3 Teratas)

Ketua Pegawai Kewangan (CFO) Terbaik (3 Teratas) dan Pengurusan Syarikat Terbaik (10 Teratas) FinanceAsia

Anugerah Laporan Sosial dan Persekitaran ACCA Malaysia

- Laporan Sosial Terbaik 2006

Anugerah Nilai Pemegang Saham KPMG/The Edge 2006

- Pemenang Sektor (Pasaran Pengguna)
- Pemenang Keseluruhan

Kemasukan Ke 2007/2008 Dow Jones Sustainability Indexes World

Anugerah Laporan Korporat Tahunan Kebangsaan (NACRA) 2007

- Papan Utama, Produk Pengguna
- Laporan Persekitaran

Kaji Selidik Tadbir Urus Korporat 2007 Badan Pengawas Pemegang Saham Minoriti Berhad dan Nottingham University Business School (NUBS) (10 Teratas)

Anugerah Jabatan Perkhidmatan Awam-British Malaysian Chamber of Commerce

- Organisasi Paling Menyokong

2007 merupakan tahun yang penuh dengan aktiviti di serata Syarikat. Aktiviti yang disenaraikan di bawah adalah gambaran ringkas antara acara yang berlangsung sepanjang 2007.

Januari

- *SAP Symphony* dilancarkan di British American Tobacco Malaysia.
- Usaha Pengkhususan Pasukan Jualan menyaksikan seramai 250 Wakil Kawasan melalui perubahan dengan peningkatan peranan sama ada sebagai Wakil Pemasaran Perdagangan atau Wakil Jualan dan Pendedaran.
- Untuk tahun ini, Sistem Pengurusan Bersepadu kami telah meraih tiga pensijilan ISO 9001, OHSAS 18001 dan ISO 14001.
- Pelancaran Pek Dompot Edisi Terhad Dunhill.

Februari

- Taklimat Penganalisis Kewangan berhubung keputusan kewangan 2006 Kumpulan diadakan.

Mac

- Penerbitan Laporan Sosial British American Tobacco Malaysia 2005 – 2006.

April

- Mesyuarat Agung Tahunan ke-46 diadakan di PJ Hilton.
- Taklimat Penganalisis Kewangan berhubung keputusan kewangan Kumpulan Suku Pertama 2007.
- Pengenalan kepada sistem Anugerah Penambahbaikan Berterusan.

- Forum Pengurusan Kanan diadakan untuk kumpulan pengurusan kanan Syarikat.

- Pelancaran reka bentuk pek global *Dunhill Top Leaf*.

Mei

- Dianugerahkan Laporan Sosial Terbaik oleh Persatuan Akauntan Berkanun Bertauliah (ACCA) Malaysia.
- Melancarkan saluran penglibatan pekerja bagi menggalakkan para pekerja mengambil bahagian dan sentiasa dimaklumi.
- Dianugerahkan Tadbir Urus Terbaik oleh majalah *The Asset*.
- Hari Keluarga pekerja di Taman Tema Hiburan Genting Highlands.

Jun

- Program Sukerala Pekerja di mana pekerja meluangkan masa dengan penghuni Rumah Berkat, rumah perlindungan sementara buat mereka yang tiada tempat berteduh dan turut menyumbang RM10,000.00.
- Pencarian Harta Karun Pekerja di Lumut, Perak.
- Pelancaran Kent 3TEK® dan MINTEK® di Lapangan Terbang Antarabangsa Kuala Lumpur.

Julai

- Taklimat Penganalisis Kewangan berhubung keputusan kewangan Kumpulan Suku Kedua 2007.
- Yayasan BAT Malaysia berserta Lembaga Tembakau Negara menganugerahkan Kit Permulaan Pendidikan Tinggi kepada 317 anak penanam tembakau memasuki institusi pengajian tinggi.
- *Shape Our World*, pertandingan mahasiswa menyelesaikan kajian kes perniagaan di PJ Hilton.
- Kempen Penambahbaikan Berterusan melangkaui 500 penambahbaikan dalam tahun pertama pelancarannya.
- Dunhill D360 menambah rangkaiannya dengan memperkenalkan varian Ultra Light baru.

Ogos

- Yayasan BAT Malaysia menyumbangkan 33 buah komputer peribadi kepada Yayasan Bachok, sebuah persatuan kebajikan tempatan, di majlis yang diadakan di Sudara Beach Resort, Bachok, Kelantan.
- Pelancaran Pall Mall Max.



Acara Korporat 2007

September

- British American Tobacco Malaysia memenangi 'Organisasi Paling Menyokong' Program Jabatan Perkhidmatan Awam – Pembangunan Pengurusan British Malaysian Chamber of Commerce yang ke-17.
- Meraih Anugerah Nilai Pemegang Saham KPMG 2006 (Pemenang Sektor – Pasaran Pengguna; Pemenang Keseluruhan).
- Kemasukan ke *Dow Jones Sustainability Indexes World 2006/2007*.
- Penghantaran Jualan Langsung yang kedua diwujudkan, merevolusi model perdagangan dan pengedaran menerusi amalan terbaik.
- Pelancaran Pek Edisi Terhad 23 batang Pall Mall.

Oktober

- Taklimat Penganalisis Kewangan berhubung keputusan kewangan Kumpulan Suku Ketiga 2007.

November

- Meraih Anugerah Laporan Korporat Tahunan Kebangsaan (NACRA): Anugerah Kecemerlangan Industri – Papan Utama, Produk Pengguna dan Anugerah Emas untuk Laporan Tahunan Terbaik bagi Laporan Persekitaran.
- Berjaya memperbaharui pensijilan antarabangsa – ISO9001 untuk sistem pengurusan alam sekitar dan OHSAS 18001 untuk sistem pengurusan keselamatan dan kesihatan pekerjaan.
- British American Tobacco Malaysia menduduki tangga 10 Teratas dalam Tadbir Urus Korporat menerusi Kaji Selidik Tadbir Urus Korporat Badan Pengawas Pemegang Saham Minoriti Berhad-Nottingham University Business School 2007.
- British American Tobacco Malaysia memenangi Anugerah Kecemerlangan British American Tobacco EHS bagi program pengurusan sisa dan kitar semula.
- Yayasan BAT Malaysia menganugerahkan biasiswa kepada 13 pelajar meneruskan pengajian tinggi dan 4 pekerja melanjutkan pelajaran di peringkat ijazah/diploma.

Disember

- Majlis Makan Malam Tahunan Syarikat di Sunway Lagoon Resort, Subang.
- *Biz Update* diadakan bagi memastikan penglibatan pekerja dan memaklumkan mereka.

Pimpinan Berinspirasi

Terus mara

Pimpinan yang hebat tidak dibentuk, tetapi disanjung. Kedudukan keunggulan kami yang ulung sudah termaktub, yang mana kami dikurniai pelbagai penganugerahan. Kami berikhtiar untuk menyampaikan usaha terbaik kami kerana kami sedari implikasi positif yang akan melibatkan kami, orang sekeliling dan Syarikat.





LEMBAGA PENGARAH

- **Tan Sri Abu Talib bin Othman**

PMN, PSM, SIMP, SSSA, DGSM, DPMS, DMPN, DCSM, JSM, KMN, PPT

Pengarah Bukan Eksekutif Bebas

(Pengerusi)

- **Jack Marie Henry David Bowles**

Pengarah Eksekutif Bukan Bebas

(Pengarah Urusan)

(Dilantik sebagai Pengarah pada 1 Mei 2007)

(Dilantik sebagai Pengarah Urusan pada 27 Jun 2007)

- **Tan Sri Kamarul Ariffin bin Mohamed Yassin**

PSM

Pengarah Bukan Eksekutif Bebas

- **Datuk Oh Chong Peng**

PJN, JSM

Pengarah Bukan Eksekutif Bebas

- **James Richard Suttie**

Pengarah Bukan Eksekutif Bukan Bebas

- **Robert James Clark**

Pengarah Eksekutif Bukan Bebas

- **Dato' Chan Choon Ngai**

DSNS

Pengarah Eksekutif Bukan Bebas

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BANK-BANK UTAMA

Citibank Berhad

(No. Syarikat 297089-M)

HSBC Bank Malaysia Berhad

(No. Syarikat 127776-A)

Malayan Banking Berhad

(No. Syarikat 3813-K)

PENYENARAIAH BURSA SAHAM

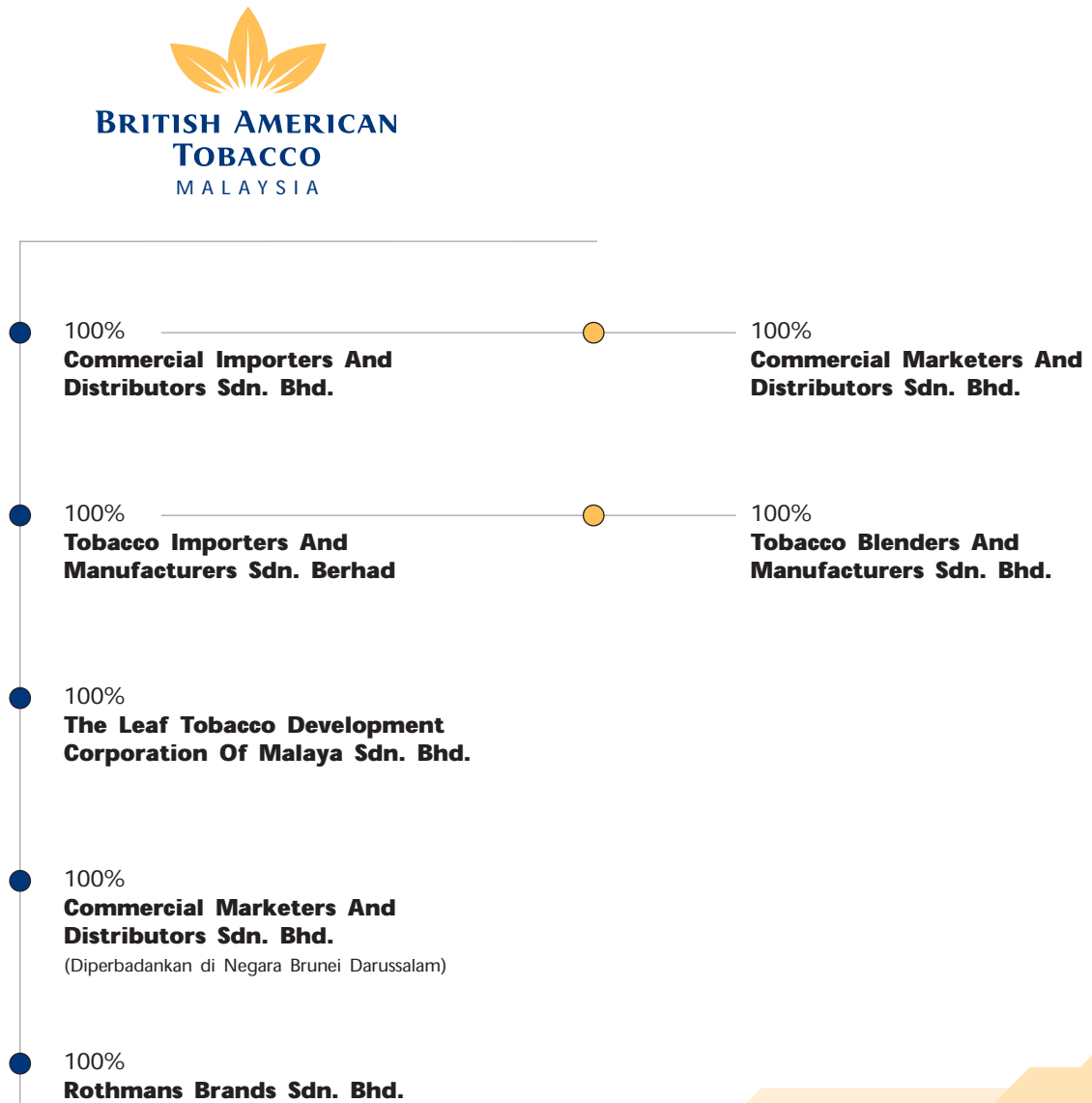
Papan Utama

Bursa Malaysia Securities Berhad

(No. Syarikat 635998-W)

Disenaraikan Sejak : 27 Oktober 1961

Kod Saham : 4162





PROFIL LEMBAGA PENGARAH

Tan Sri Abu Talib bin Othman telah dilantik Pengerusi Syarikat yang dahulunya dikenali sebagai Rothmans of Pall Mall (Malaysia) Berhad pada 1994, dan kini British American Tobacco (Malaysia) Berhad. Beliau seorang peguam lulusan Lincoln's Inn, United Kingdom. Tan Sri Abu Talib mempunyai pengalaman bekerja lebih daripada empat puluh satu (41) tahun yang mana tiga puluh satu (31) tahun dalam Perkhidmatan Kehakiman dan Perundangan Malaysia. Beliau merupakan bekas Ketua Peguam Negara Malaysia sejak 1980 sehingga persaraannya pada Oktober 1993.

Tan Sri Abu Talib kini adalah Pengarah kepada beberapa syarikat awam dan swasta seperti IGB Corporation Berhad (Kumpulan), CYL Corporation Berhad, MUI Continental Insurance Berhad, Alliance Investment Management Berhad (dahulunya dikenali sebagai Alliance Unit Trust Management Berhad), Alliance Capital Asset Management Sdn Bhd, Gleneagles Hospital (KL) Sdn Bhd dan Oncology Centre (KL) Sdn Bhd.

Beliau adalah Pengerusi, Jawatankuasa Ganjaran dan Jawatankuasa Penamaan serta ahli Jawatankuasa Audit Syarikat.

Tan Sri Abu Talib bin Othman telah menghadiri kesemua lapan (8) Mesyuarat Lembaga Pengarah yang diadakan pada tahun kewangan berakhir 31 Disember 2007.

Tan Sri Abu Talib bin Othman

PMN, PSM, SIMP, SSSA, DGSM, DPMS, DMPN, DCSM, JSM, KMN, PPT
(Pengarah Bukan Eksekutif Bebas)
Pengerusi
Warganegara Malaysia, 69 tahun



(Pengarah Eksekutif Bukan Bebas)
Pengarah Urusan
Warganegara Perancis, 44 tahun

Jack Marie Henry David Bowles

Encik Jack Bowles, warganegara Perancis berumur 44 tahun, telah dilantik sebagai Pengarah British American Tobacco Malaysia pada 1 Mei 2007. Sebelum pelantikannya di Malaysia, beliau merupakan Presiden British American Tobacco Perancis. Encik Jack Bowles mempunyai pengalaman selama dua puluh (20) tahun dalam industri tembakau dan sebelum ini pernah bekerja di syarikat terkemuka barangan pengguna laris (FMCG) di serata Eropah dan Asia. Jack merupakan lulusan Diploma Pengurusan Perniagaan, French Business School di Paris. Pengalaman akademiknya merangkumi pengajian di INSEAD (Perancis) serta IMEDE (Switzerland). Beliau adalah ahli Jawatankuasa Ganjaran Syarikat.

Sejak pelantikannya ke Lembaga Pengarah British American Tobacco (Malaysia) Berhad, Encik Jack Bowles telah menghadiri empat (4) Mesyuarat Lembaga Pengarah yang diadakan pada tahun kewangan berakhir 31 Disember 2007.

Tan Sri Kamarul Ariffin bin Mohamed Yassin dilantik sebagai Pengarah Bukan Eksekutif Syarikat yang dahulunya dikenali sebagai Rothmans of Pall Mall (Malaysia) Berhad pada Disember 1979, dan kini British American Tobacco (Malaysia) Berhad. Beliau adalah seorang peguam lulusan Lincoln's Inn, United Kingdom dan mengamalkan guaman selama lebih lima belas (15) tahun. Tan Sri Kamarul adalah bekas Senator dan pernah memegang pelbagai jawatan di beberapa organisasi seperti Pengerusi Eksekutif Bank Bumiputra Malaysia Berhad, Utusan Melayu (Malaysia) Berhad, Pengerusi Majlis Perbankan ASEAN dan Presiden Dewan Perniagaan dan Industri Kebangsaan serta Pengerusi Dewan Bahasa dan Pustaka. Kini, Tan Sri Kamarul Ariffin adalah Pengerusi Dutch Lady Milk Industries Berhad. Beliau adalah ahli Jawatankuasa Audit dan Jawatankuasa Ganjaran Syarikat.

Tan Sri Kamarul Ariffin bin Mohamed Yassin telah menghadiri kesemua lapan (8) Mesyuarat Lembaga Pengarah yang diadakan pada tahun kewangan berakhir 31 Disember 2007.

Tan Sri Kamarul Ariffin bin Mohamed Yassin

PSM

(Pengarah Bukan Eksekutif Bebas)
Warganegara Malaysia, 73 tahun



PJN, JSM
(Pengarah Bukan Eksekutif Bebas)
Warganegara Malaysia, 63 tahun

Datuk Oh Chong Peng

Datuk Oh Chong Peng telah dilantik sebagai Pengarah Bukan Eksekutif Syarikat yang dahulunya dikenali sebagai Rothmans of Pall Mall (Malaysia) Berhad pada Januari 1998, dan kini British American Tobacco (Malaysia) Berhad. Beliau menjalani latihan perakaunan di London dan berkecualan sebagai Akauntan Berkanun pada tahun 1969. Beliau juga Fellow dari Institut Akauntan Berkanun di England dan Wales. Datuk Oh menyertai Coopers & Lybrand di London pada 1969 dan di Malaysia pada 1971. Beliau merupakan rakan kongsi Coopers & Lybrand Malaysia dari tahun 1974 sehingga persaraannya pada tahun 1997.

Datuk Oh kini merupakan Pengerusi Alliance Financial Group Berhad (dahulunya dikenali sebagai Malaysian Plantations Berhad). Beliau juga adalah Pengarah Bukan Eksekutif bagi beberapa syarikat awam seperti Star Publications (Malaysia) Berhad, IJM Corporation Berhad, IJM Plantations Berhad dan Kumpulan Europlus Berhad.

Beliau juga merupakan ahli lantikan Kerajaan bagi Lembaga Perkhidmatan Kewangan Luar Pesisir Labuan (LOFSA), Pemegang Amanah bagi Yayasan Pendidikan Huaren dan Yayasan Pendidikan UTAR.

Jawatan beliau yang terdahulu termasuk menjadi ahli jawatankuasa lantikan Kerajaan Bursa Saham Kuala Lumpur (1990-1996), ahli Majlis (1981-2002) dan bekas Presiden (1994-1996) Malaysian Institute of Certified Public Accountants (MICPA), Pengerusi Land & General Berhad (1999-2007), pengarah kumpulan syarikat Rashid Hussain Berhad (1998-2003), Renong Berhad (2001-2003), Powertek Berhad (1997-2003) dan Nanyang Press Holdings Berhad (2001-2005) dan Rohas-Euco Industries Berhad (2007).

Beliau adalah Pengerusi Jawatankuasa Audit dan ahli Jawatankuasa Ganjaran serta Jawatankuasa Penamaan Syarikat. Datuk Oh Chong Peng telah menghadiri kesemua lapan (8) Mesyuarat Lembaga Pengarah yang diadakan pada tahun kewangan berakhir 31 Disember 2007.

Encik James Richard Suttie telah dilantik sebagai Pengarah British American Tobacco (Malaysia) Berhad pada Mei 2002. Beliau adalah ahli Institute of Chartered Accountants of Scotland dan Ahli Bersekutu Chartered Institute of Taxation. Beliau menyertai Rothmans International p.l.c. sebagai Akauntan/Pengurus Komersil pada 1972 dan dilantik Pengarah Kewangan Carreras of Jamaica Ltd. pada 1982, Rothmans International Eropah pada 1984 dan Rothmans of Pall Mall (Malaysia) Berhad pada 1992. Pada 1997, beliau dilantik Pengawal Kewangan Serantau untuk Rothmans International di Asia. Pada 1999, beliau dilantik sebagai Pengawal Kewangan Serantau, Afrika dan 2002 sebagai Pengawal Kewangan Serantau, Asia Pasifik British American Tobacco p.l.c. sehingga persaraannya daripada British American Tobacco p.l.c pada 31 Disember 2006. Beliau adalah ahli Jawatankuasa Audit, Jawatankuasa Ganjaran dan Jawatankuasa Penamaan Syarikat.

Encik James Richard Suttie telah menghadiri tujuh (7) Mesyuarat Lembaga Pengarah yang diadakan pada tahun kewangan berakhir 31 Disember 2007.

James Richard Suttie

(Pengarah Bukan Eksekutif Bukan Bebas)
Warganegara British, 61 tahun



(Pengarah Eksekutif Bukan Bebas)
Pengarah Kewangan
Warganegara British, 40 tahun

Robert James Clark

Encik Robert James Clark telah dilantik sebagai Pengarah British American Tobacco (Malaysia) Berhad pada bulan Oktober 2004. Beliau memiliki MA dalam bidang Matematik dari Universiti Cambridge dan beliau juga adalah seorang Akauntan Berkanun di England dan Wales. Encik Robert James Clark menyertai Kumpulan British American Tobacco sebagai Juruaudit Antarabangsa pada Julai 1993. Semasa memegang jawatan Juruaudit Antarabangsa, beliau telah berkhidmat di syarikat-syarikat operasi di Eropah, Asia dan Afrika termasuk Hong Kong, China, Indonesia dan Sri Lanka. Beliau menjadi Pengarah Kewangan yang pertama untuk syarikat usaha sama British American Tobacco yang ditubuhkan di Kemboja pada tahun 1996 sebelum berpindah ke British American Tobacco Jerman sebagai Ketua Pemasaran Kewangan tahun 1998. Pada tahun 2000, beliau dilantik sebagai Pengarah Kewangan British American Tobacco Switzerland SA berikutan penggabungan British American Tobacco dan subsidiari-subsidiari Rothmans di Switzerland.

Sebelum pelantikan beliau sebagai Pengarah Kewangan di British American Tobacco (Malaysia) Berhad, Encik Robert James Clark adalah Pengarah Kewangan Kawasan, Kawasan Timur Selatan Jauh merangkumi semua pasaran ASEAN kecuali Malaysia dan Brunei.

Encik Robert James Clark telah menghadiri kesemua lapan (8) Mesyuarat Lembaga Pengarah yang diadakan pada tahun kewangan berakhir 31 Disember 2007.

Dato' Chan Choon Ngai dilantik sebagai Pengarah Syarikat yang dahulunya dikenali sebagai Rothmans of Pall Mall (Malaysia) Berhad pada bulan Oktober 1995, dan kini British American Tobacco (Malaysia) Berhad. Beliau adalah graduan Ijazah Sarjana Muda Kejuruteraan Mekanikal dari Universiti Birmingham, United Kingdom. Beliau menyertai Rothmans of Pall Mall (Malaysia) Berhad pada tahun 1979 dan pernah memegang pelbagai jawatan penting di bahagian pengeluaran termasuk Pengarah Pengeluaran dan Pengurus Kilang. Berkuatkuasa Julai 2000, Dato' Chan dilantik sebagai Pengarah Operasi British American Tobacco (Malaysia) Berhad. Beliau pernah menjadi Pengarah Tien Wah Press Holdings Berhad dari Mei 1997 hingga Jun 2003.

Dato' Chan Choon Ngai telah menghadiri sebanyak tujuh (7) Mesyuarat Lembaga Pengarah yang diadakan pada tahun kewangan berakhir 31 Disember 2007.

Dato' Chan Choon Ngai

DSNS
(Pengarah Eksekutif Bukan Bebas)
Pengarah Operasi
Warganegara Malaysia, 52 tahun



PROFIL KUMPULAN PENGURUSAN KANAN

Jack Marie Henry David Bowles

Pengarah Urusan

Warganegara Perancis, 44 tahun

Encik Jack Bowles mempunyai dua puluh (20) tahun pengalaman dalam industri tembakau dan sebelum ini pernah bekerja di syarikat terkenal barangan pengguna laris (FMCG) di serata Eropah dan Asia. Jack merupakan lulusan Diploma Pengurusan Perniagaan, French Business School di Paris. Pengalaman akademiknya merangkumi pengajian di INSEAD (Perancis) serta IMEDE (Switzerland). Encik Jack Bowles adalah ahli Lembaga Pengarah beberapa subsidiari dalam Kumpulan.

Butiran profil Jack Bowles dibentangkan di muka surat 197 dalam Laporan Tahunan ini.

Dato' Chan Choon Ngai

Pengarah Operasi

Warganegara Malaysia, 52 tahun

Pemegang Ijazah Sarjana Muda Kejuruteraan Mekanikal dari Universiti Birmingham, United Kingdom. Dato' Chan Choon Ngai telah bersama Kumpulan sejak 1979. Beliau pernah memegang pelbagai jawatan penting di bahagian pengeluaran termasuk Pengarah Pengeluaran dan Pengurus Kilang. Dato' Chan Choon Ngai adalah ahli Lembaga Pengarah beberapa subsidiari dalam Kumpulan.

Butiran profil Dato' Chan dibentangkan di muka surat 199 dalam Laporan Tahunan ini.

Anna Dolgikh

Pengarah Sumber Manusia

Warganegara Rusia, 33 tahun

Cik Anna Dolgikh, telah dilantik sebagai Pengarah Sumber Manusia British American Tobacco Malaysia pada Julai 2007. Beliau memiliki Ijazah Kejuruteraan Teknologi Maklumat daripada Moscow State Technical University serta Kelayakan Vokasional Kebangsaan Am daripada Kolej Perbankan dan Kewangan British.

Cik Anna Dolgikh menyertai Kumpulan British American Tobacco pada tahun 2000 sebagai Pengurus Sumber Manusia dan telah bersama British American Tobacco selama lapan (8) tahun. Beliau memulakan kerjayanya pada 1996 sebagai Pakar HR di Pejabat Perhubungan NASA Moscow, Moscow dan pada 1998, beliau menyertai Boeing Operations International di Moscow sebagai Pengurus Sumber Manusia. Sebelum dilantik ke jawatan kini, Cik Anna Dolgikh merupakan Pengurus Sumber Manusia bagi Pengurusan Perubahan dan Komunikasi untuk projek Pemasaran Dagangan dan Pengedaran seluruh Eropah yang berpusat di Budapest, Hungary dan Pengarah Sumber Manusia bagi Asia Tengah yang berpusat di Uzbekistan.

Christine Lee Oi Kuan

Pengarah Hal Ehwal Korporat dan Perundangan

Warganegara Malaysia, 49 tahun

Cik Christine Lee telah dilantik ke Kumpulan Pengurusan Kanan British American Tobacco (Malaysia) Berhad pada 1 Januari 2006 dan memegang jawatan Pengarah Hal Ehwal Korporat dan Perundangan British American Tobacco (Malaysia) Berhad pada 1 September 2006. Beliau telah bersama British American Tobacco (Malaysia) Berhad sejak 2001. Beliau memegang Ijazah Perundangan daripada Universiti Malaya. Cik Christine Lee memulakan kerjayanya di British American Tobacco (Malaysia) Berhad sebagai Ketua Perundangan dan Setiausaha Syarikat. Sebelum ini beliau merupakan Pengurus Perundangan dan Setiausaha Syarikat di dua (2) syarikat tersenarai awam, Hong Leong Industries Berhad dan Malaysian Pacific Industries Berhad.

Pemegang Ijazah Perundangan dari Universiti Malaya, Cik Christine Lee pernah berkhidmat di Jabatan Peguam Negara, Malaysia dari 1983-1993 di Bahagian Pendakwaan dan Penasihat serta Bahagian Undang-undang Antarabangsa.

Dalam jawatannya kini sebagai Pengarah Hal Ehwal Korporat dan Perundangan, Cik Christine Lee bertanggungjawab terhadap hal ehwal korporat dan kawal selia serta hal-hal perundangan yang berkaitan dengan Kumpulan.

**Zainal Arifin Khalid**

Pengarah Teknologi Maklumat
Warganegara Malaysia, 49 tahun

Encik Zainal Arifin Khalid telah dilantik sebagai Pengarah Teknologi Maklumat British American Tobacco (Malaysia) Berhad pada 1 Januari 2001. Beliau lulusan Sarjana Sains daripada University of Kentucky, Amerika Syarikat. Beliau menyertai Malaysian Tobacco Company Berhad pada 1983, dan pernah berkhidmat di jabatan Teknologi Maklumat dan Jabatan Pemasaran sebelum menyertai Nestle (Malaysia) Berhad pada tahun 1990. Pada tahun 1991 beliau menyertai semula British American Tobacco (Malaysia) Berhad sebagai Pengurus Perkhidmatan Pengurusan. Pada tahun 1996, Encik Zainal Arifin memegang jawatan Ketua IT ASEAN yang menawarkan perkhidmatan perkongsian Teknologi Maklumat (IT) kepada semua pasaran British American Tobacco dalam ASEAN. Ketika itu juga beliau mengasas penubuhan Pusat Data British American Tobacco Asia Pasifik di Malaysia yang kini berkembang menjadi salah satu daripada tiga (3) pusat perkhidmatan perkongsian global IT untuk Kumpulan British American Tobacco di bawah Group Services Delivery. Lewat tahun 1998, beliau berpindah ke Thailand sebagai Pengurus Negara untuk British American Tobacco (United Kingdom & Export) Ltd. sehingga Oktober 2000 sebelum kembali ke Malaysia. Encik Zainal Arifin Khalid adalah ahli Lembaga Pengarah beberapa subsidiari dalam Kumpulan.

Rashed Ahmed

Pengarah Pemasaran
Warganegara Bangladesh, 40 tahun

Encik Rashed Ahmed dilantik sebagai Pengarah Pemasaran British American Tobacco Malaysia pada Mei 2007. Beliau memiliki Ijazah Pentadbiran Perniagaan daripada Universiti Islam Antarabangsa, Malaysia.

Beliau menyertai British American Tobacco Bangladesh pada 1995 dan memegang pelbagai jawatan dari 1995 hingga 1998. Encik Rashed Ahmed merupakan Ketua Jenama Antarabangsa British American Tobacco Poland dari tahun 2000 hingga 2002. Sejurus itu, beliau memegang jawatan Ketua Pemasaran British American Tobacco Bangladesh dari 2003 hingga 2007. Sebelum Encik Rashed Ahmad menyertai Kumpulan British American Tobacco, beliau merupakan Pengurus Jenama di Lever Brothers Bangladesh Ltd.

Allen Lim Hun Chye

Pengarah Pembangunan Perniagaan
Warganegara Malaysia, 51 tahun

Encik Allen Lim Hun Chye menyertai sebagai Akauntan Komersil Rothmans of Pall Mall (Malaysia) Berhad pada 1990 yang kini dikenali sebagai British American Tobacco (Malaysia) Berhad. Beliau memegang Ijazah Perdagangan daripada Universiti Melbourne dan Sarjana Pentadbiran Perniagaan daripada Universiti Monash di Australia. Beliau merupakan ahli Institut Akauntan Berkanun di Australia dan Institut Akauntan Malaysia. Tambahan lagi, beliau juga adalah ahli Institut Setiausaha dan Pentadbiran Berkanun Malaysia (MAICSA). Beliau berkhidmat dalam pelbagai jawatan beroperasi yang merangkumi fungsi Teknologi Maklumat dan Kewangan. Selepas pengumuman penggabungan Rothmans of Pall Mall dan Malaysian Tobacco Company Berhad pada tahun 1999, Encik Allen Lim Hun Chye telah dilantik sebagai Pengurus Integrasi. Kemudian beliau memegang jawatan Pengurus Kewangan Korporat selama dua (2) tahun sebelum menjadi Ketua Kewangan Pemasaran Jenama pada tahun 2004 dan seterusnya Ketua Kewangan Pemasaran pada tahun 2005. Pada April 2006, Encik Allen Lim menyandang jawatan Ketua Pembangunan Perniagaan Strategik dan September 2006, beliau dilantik Pengarah Pembangunan Perniagaan. Encik Allen Lim Hun Chye adalah ahli Lembaga Pengarah beberapa subsidiari dalam Kumpulan.

Robert James Clark

Pengarah Kewangan
Warganegara British, 40 tahun

Dengan profesion sebagai seorang akauntan, Encik Robert James Clark telah menyertai Kumpulan British American Tobacco pada Julai 1993. Sepanjang tempoh ini beliau pernah memegang beberapa portfolio termasuk sebagai Pengarah Kewangan di British American Tobacco Switzerland SA serta Pengarah Kewangan bagi Far East South Area. Beliau turut menjadi ahli Lembaga Pengarah dalam beberapa syarikat subsidiari milik Kumpulan.

Butiran profil Encik Robert James Clark dibentangkan di muka surat 199 dalam Laporan Tahunan ini.

Melonjakkan Pertumbuhan

Kejayaan berteraskan Prestasi

Kami terus memacu pertumbuhan dengan memberi tumpuan kepada Jenama Utama Global, menggiatkan proses pemasaran dagangan dan pengedaran, memperkasakan produktiviti dalam semua bidang serta bertindak secara bertanggungjawab dalam industri yang penuh kontroversi. Kumpulan amat komited dalam memaksimumkan nilai pemegang saham.

PERTUMBUHAN

British American Tobacco
(Malaysia) Berhad

PENGARAH PEMASARAN

Rashed Ahmed

"Perniagaan kami bukanlah untuk menggalakkan orang mula merokok atau lebih banyak merokok, tetapi mengenai memenuhi cita rasa perokok dewasa dengan menawarkan kelainan namun kualiti lebih unggul daripada saingan kami."

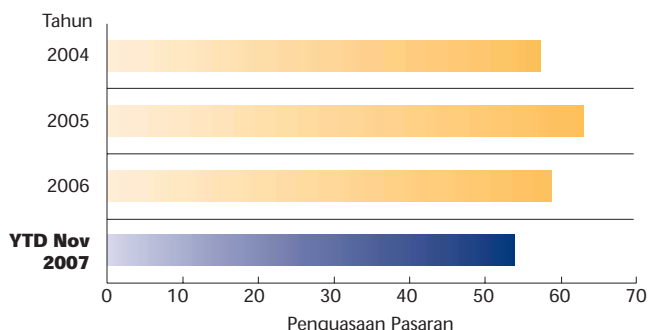
JENAMA UTAMA GLOBAL MEMACU KE HADAPAN

DUNHILL

2007 merupakan tahun yang memberangsangkan di mana Dunhill berjaya mengukuhkan lagi kedudukannya sebagai peneraju dengan meningkatkan penguasaan 0.4% berbanding 2006 bagi mencapai hampir 40% penguasaan pasaran. Dunhill turut mengembangkan penguasaannya dalam segmen Premium kepada lebih kurang 60%, iaitu pencapaian tertinggi setakat ini.

HOUSE OF DUNHILL: 'PERFECTIONISTS IN TOBACCO®'

Dunhill berjaya memperluaskan penguasaan pasaran berlandaskan janjinya untuk menjadi 'Perfectionists in Tobacco®' (Pakar Kesempurnaan Tembakau). Kekuatan Dunhill terletak pada iltizamnya untuk menghasilkan kualiti terunggul bagi memuaskan selera penggunaanya yang arif menilai dan ia tergambar menerusi produk yang ditawarkan, merangkumi Cerut *Signed Range*, *Top Leaf*, *Fine Cut*, *D360* serta rokok-rokok *King Size*.



Penguasaan Dunhill dalam Segmen Premium

SOROTAN MENARIK DUNHILL 2007

Dunhill Fine Cut

Dunhill *Fine Cut*, iaitu produk Super Premium telah dilancarkan pada Januari 2007, suatu rangkaian baru bagi membawa Dunhill ke tahap lebih tinggi menerusi adunan yang diperhalusi menggunakan daun tembakau premium, dipotong kepada 46 potongan seinci (hampir dua kali lebih halus berbanding produk tembakau lain).

Dunhill D360

Dunhill D360 menokok rangkaiannya dengan memperkenalkan *Ultra Lights* baru.

Rangkaian Dunhill King Size - Adunan Baru dan Dipertingkatkan

Adunan *Dunhill King Size Lights* telah dipertingkatkan dengan rasa tembakau yang lebih berperisa, di mana rasa *Dunhill King Size Menthol* dan *Menthol Lights* telah diperbaiki bagi memberi sensasi yang menyenangkan.

Dunhill Meraikan Ulang Tahun Global ke-100

2007 menandakan ulang tahun Dunhill yang ke-100 di serata dunia dan ia diperingati melalui aktiviti seperti mengkategorikan semula Pilihan Platinum Dunhill yang mencerminkan kenyataan produk dalam menjangkau piawaian premium, kotak edisi terhad yang inovatif serta tiga adunan penuh perisa baru yang diilhamkan oleh lebih 33,000 resipi Dunhill 'My Mixture' yang dihasilkan sejak 1907.



PALL MALL

MENJADI PENERAJU NILAI UNTUK WANG (VFM)

2007 menyaksikan Pall Mall tampil lebih bertenaga dan lasak memandangkan ia adalah satu-satunya jenama VFM Antarabangsa yang dapat mengekalkan penguasaan pasaran di sepanjang tahun. Malah, pada suku ke-4, Pall Mall berjaya menjadi peneraju untuk segmen VFM buat pertama kalinya.

Pencapaian penting lain pada 2007:

- Memperluaskan kedudukan peneraju dalam kategori menthol VFM
- Menjadi peneraju di rangkaian kedai serbaneka
- Mengekalkan kedudukan peneraju VFM di rangkaian hotel, restoran serta kafe

PALL MALL – IMAGINASI DALAM TEMBAKAU

Pall Mall muncul lebih teguh pada 2007 dengan usahanya yang berterusan untuk memberikan 'Sebenar-benarnya Lebih Banyak' menerusi beberapa inisiatif utama:

* **Pek 14 batang Berbucu Bulat Pertama di Dunia – gaya dan keselesaan berpadu**

Satu lagi yang pertama di dunia ialah pelancaran pek metalik Berbucu Bulat 14 batang untuk *Full Flavour*, *Lights* dan *Menthol*.

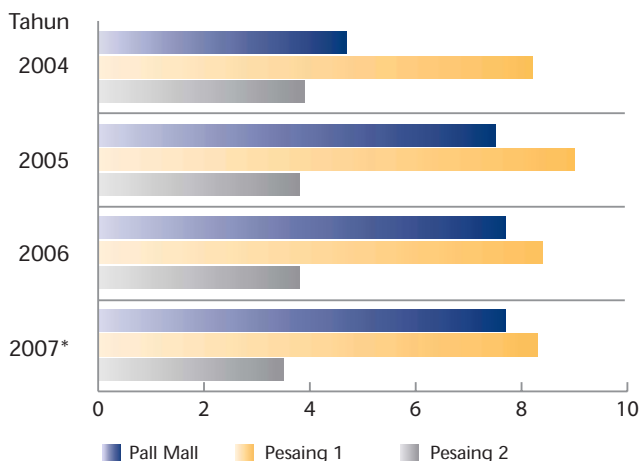
* **Jenama VFM Antarabangsa Pertama dengan Pek Edisi Terhad 'Kisah Produk'**

Pall Mall mengukuhkan janjinya untuk sentiasa memberikan tembakau Virginia *flue-cured* (pengawetan melalui serombong) yang bermutu tinggi, berwarna pekat bagi melahirkan rasa lebih hebat dengan saranan untuk memberikan pengguna Yang Terbaik Di Dunia!

* **Memberi pilihan kepada pengguna – Pall Mall MAX, Pengalaman Rasa Maksimum**

Pall Mall memperkenalkan Pall Mall MAX, rokok yang kaya penuh berperisa dan diperbuat daripada tembakau import yang berwarna lebih gelap dan boleh didapati dalam kotak 20 batang serta Edisi Terhad 23 batang, satu lagi pilihan rokok penuh berperisa buat pengguna.

Penguasaan Prestasi Pasaran



Sumber: Nielsen, Audit Peruncitan

* **Lebih nilai, lebih bernilai – Pek Saiz 23 dan 26 yang Pertama di pasaran**

Memenuhi inti pati untuk terus menerus memberikan 'Sebenar-benarnya Lebih Banyak' kepada pengguna, Pall Mall telah memperkenalkan pek Edisi Terhad 23 batang dan 26 batang⁴ yang menambahkan detik kepuasan buat pengguna.

KENT

Kent terus memberikan penumpuan kepada usaha-usaha membina jenama bagi menyerlahkan lagi imej modennya melalui inovasi.

Pada Jun 2007, 3TEK[®] serta MINTEK[®] telah dilancarkan di KLIA. Teknologi penurasan 3TEK[®] menerajui inovasi dengan peningkatan rasa dan perubahan penampilannya yang baru. MINTEK[®] baru pula didatangkan dengan teknologi benang hijau yang memberikan sensasi rasa menyejukkan yang unik. Sejak pelancarannya pada Jun, jumlah jualan KENT telah mencatatkan peningkatan ketara.

JENAMA LAIN BRITISH AMERICAN TOBACCO

Portfolio jenama British American Tobacco Malaysia turut merangkumi Benson & Hedges, Peter Stuyvesant, Rothmans International, Lucky Strike, Perilly's, Virginia Gold, White Horse Yellow, Matterhorn serta John Player Gold Leaf.

⁴ Boleh didapati di Sabah dan Sarawak sahaja.

PENGARAH TEKNOLOGI MAKLUMAT

Zainal Arifin Khalid

"Kami komited terhadap melaksanakan perubahan yang memantapkan keberkesanan perniagaan, mengurangkan kos, meningkatkan kecekapan serta pelaburan teknologi maklumat supaya berterusan memanfaatkan bidang tumpuan strategik Syarikat."

PEMASARAN DAGANGAN DAN PENGEDARAN

PEMASARAN DAGANGAN DIPERKUASA OLEH WARGA KERJA

Program Kecemerlangan Pemasaran Dagangan dan Pengedaran (TMDX) mempunyai tiga bidang tumpuan:

- | | |
|-----------------------------|---|
| Warga Kerja | - Perubahan Pengurusan dan Melatih warga kerja bagi meningkatkan pertumbuhan |
| Proses dan Sistem | - Sistem SWIFT telah membolehkan pelaksanaan Pemasaran Dagangan dan Pengedaran yang baru |
| Rangkaian Pengedaran | - Jualan Langsung ke Kedai (DSS), Operasi Jualan Langsung (DSO) dan Pengedar Eksklusif (ED) |

Seruan kami terhadap TMDX adalah untuk mencapai kecemerlangan dengan rangkaian pengedaran yang berkesan dan cekap sebagai asas pelaksanaan Pemasaran Dagangan yang berkesan bagi mencapai kelebihan persaingan yang mapan dalam TM&D.

Perubahan Pengurusan dan Pembangunan Warga Kerja

Warga Kerja kami merupakan tulang dalam menjayakan program TMDX kami yang serba canggih – dan bagi menyokong mereka untuk mempertingkatkan diri serta menyedari potensi mereka yang sebenar-benarnya sebagai individu dan secara berkumpulan, kami telah melaksanakan pelbagai inisiatif di bawah pelan Perubahan Pengurusan yang menyeluruh. Kami sedang menuju ke arah prestasi gemilang serta budaya cemerlang, dan inisiatif kami di bawah Perubahan Pengurusan boleh dibahagikan kepada bidang-bidang berikut:

- Inisiatif pembangunan Organisasi dan Kepimpinan yang mensejajarkan warga kerja kami dengan budaya dan daya pemikiran cemerlang yang bertepatan
- Proses pengurusan bakat yang progresif diperluaskan ke seluruh warga kerja, bagi mengembangkan potensi individu serta peningkatan kerjaya
- Program Latihan dan Pembangunan bagi memupuk pemerolehan kemahiran baru serta kebolehan pemasaran untuk memastikan kemapanan perniagaan

Organisasi Pemasaran telah mempamerkan keutuhan semangat serta usaha yang luar biasa, dan kian merubah dirinya sebagai kuasa yang moden, progresif serta mapan

yang bertindak balas kepada dinamik pasaran tempatan serta peka terhadap perubahan dalam persekitaran global.

SWIFT – Alat Baru di milenium baru

SWIFT merupakan sistem pelaksanaan dan pengurusan Pemasaran Dagangan dan Pengedaran yang bersepadu serta membolehkan perniagaan Syarikat di seluruh negara dalam operasi DSS, DSO serta pengedar. Kakitangan jualan kami telah dilengkapi dengan PDA genggam yang memberikan mereka akses serta-merta kepada maklumat yang tepat dan terkini bagi mencapai objektif Di Tempat Pembelian.

Bermula Oktober 2006 hingga Disember 2007, empat DSS, 11 DSO dan 53 ED di seluruh Malaysia (termasuk Sabah dan Sarawak) serta Brunei telah diperlengkapkan dengan SWIFT.

Ini menjadikan British American Tobacco Malaysia syarikat yang pertama dalam Kumpulan British American Tobacco memiliki set penyelesaian TM&DX yang lengkap merangkumi:

- Pengurusan Pesanan di Tempat Jualan, iaitu jualan (FOM)
- Pelaksanaan Pemasaran Dagangan (TME)
- Sistem Pengurusan Pengedar (DMS)
- Gudang Data Pemasaran (DWH)

Dengan SWIFT, beberapa penambahbaikan yang ketara serta peningkatan keupayaan telah dilaksanakan:

- Penyepaduan dan pentakrifan peranan khusus pasukan jualan, contohnya penjualan aktif, pengumpulan maklumat dagangan dan pelaksanaan aktiviti
- Penambahbaikan prestasi dan kawalan, contohnya, stok masa nyata serta laporan inventori untuk pengurusan gudang yang lebih berkesan

Memantapkan Kecekapan Pemasaran

Gudang Data Pemasaran (DWH) kami menyediakan pusat 'sehati' untuk pengguna di ibu pejabat kami, pejabat kawasan, pejabat daerah dan juga para pengedar bagi melihat dan mendapatkan maklumat/laporan berkaitan pemasaran/jualan yang berkait dengan mereka pada bila-bila masa. Ia boleh dilakukan hanya dengan pandangan tunggal untuk semua maklumat menerusi Repositori yang disatukan untuk mendapatkan maklumat dengan lebih pantas.

Memperhebatkan Produktiviti

Merubah tekanan menjadi daya pendorong

Kami telah menyaksikan peningkatan dalam produktiviti yang amat mengagumkan serta keberkesanan menerusi penggunaan kaedah yang lebih baru serta pemantapan sistem pemprosesan yang sedia ada di waktu-waktu yang mencabar. Dengan memperhalusi cara kita menjalankan perniagaan, ia dapat merangsangkan pendekatan yang berbeza tentang bagaimana kita boleh mendapatkan yang terbaik serta memaksimumkan potensi masa hadapan.

PENGARAH OPERASI

Dato' Chan Choon Ngai

"British American Tobacco Malaysia mempunyai rangkaian pembekalan yang bersepadu dan responsif dengan produktiviti yang menerajui industri. Kami berjaya mencapainya dengan sentiasa mencabar status quo bagi meraih kecemerlangan prestasi, berterusan memantapkan amalan kerja serta mengurangkan kesan terhadap persekitaran."

PEMESATAN DENGAN BREAKTHROUGH

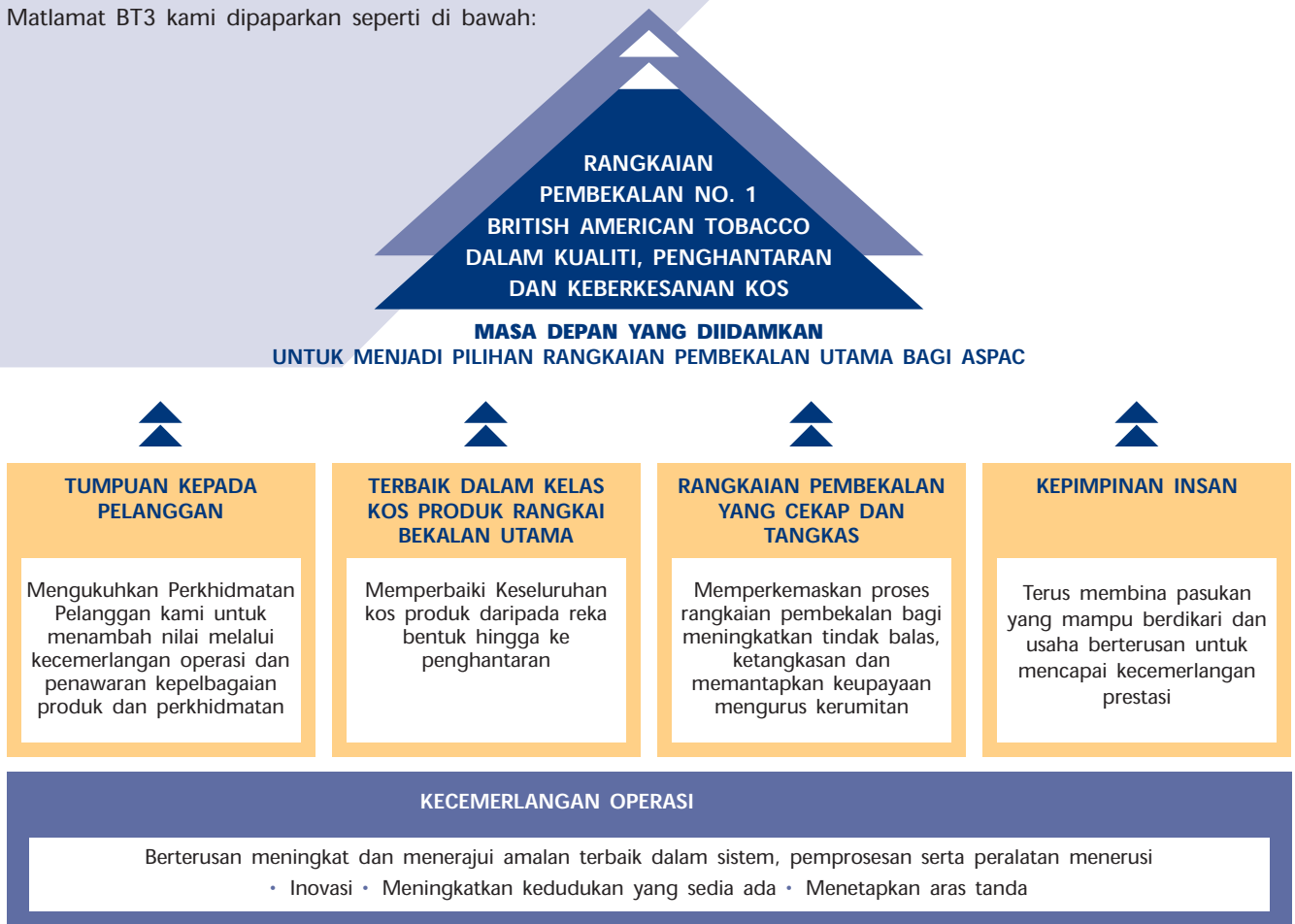
3

Breakthrough 3 (BT3) merupakan fasa ketiga perjalanan Breakthrough British American Tobacco Malaysia yang bermula pada 2002. Ia adalah kesinambungan daripada program Breakthrough 1 (2002-2004) yang berfokus kepada peningkatan prestasi kilang serta Breakthrough 2+ (2005-2006) yang memberi tumpuan terhadap Pelanggan dalam Rangkaian Pembekalan keseluruhan.

BT3 telah berjaya mencapai kejayaan-kejayaan berikut untuk 2007:

- Peningkatan jumlah eksport sebanyak 41%
- Penjimatan kos PDPC sebelum sasaran 2007 sebanyak 22%
- Pengurangan Kos Perkilangan bagi setiap seribu sebanyak 10%
- Peningkatan Produktiviti (rokok setiap jam pekerja) sebanyak 20%
- Masa Kitaran Rangkaian Pembekalan berkurangan 24%
- Penglibatan Penambahbaikan Berterusan mencapai 18.2%

Matlamat BT3 kami dipaparkan seperti di bawah:

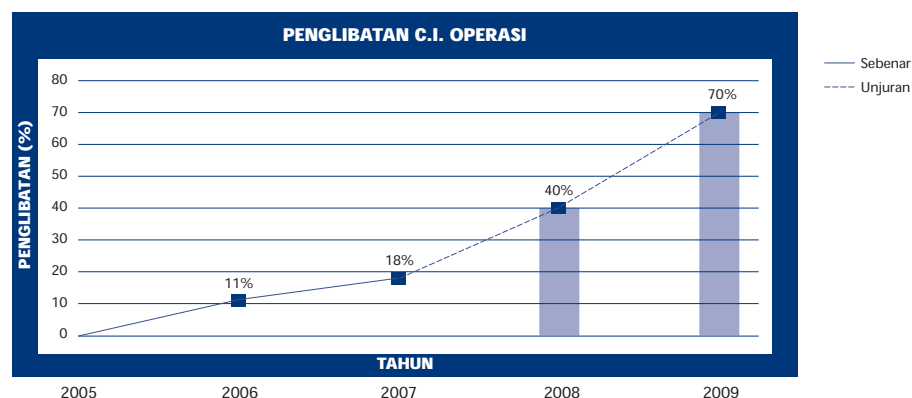




BUDAYA PENAMBAHBAIKAN BERTERUSAN

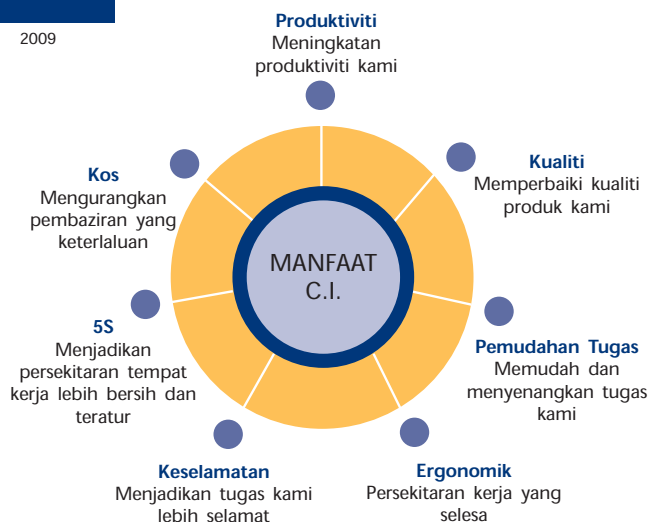
Melalui Kaizen-Penambahbaikan Berterusan (C.I.) Syarikat, bahagian Operasi di British American Tobacco Malaysia telah menghasilkan pencapaian yang cukup cemerlang dengan penyempurnaan 1059 usaha Kaizen-CI (18% jumlah penglibatan pekerja Operasi) menjelang penghujung 2007.

Semasa Syarikat memulakan program Kaizen-C.I. pada Oktober 2006, penglibatan adalah pada tahap minimum dengan pencapaian 100 penyempurnaan C.I. sahaja. Berkat usaha yang berterusan untuk memupuk dan menerapkan C.I. di minda setiap lapisan pekerja, ia menjadi faktor utama bagi peningkatan produktiviti serta pembentukan keperibadian 367 orang pekerja kami di bahagian pengeluaran.



Kaizen-C.I. bukan sahaja telah berjaya melonjakkan produktiviti dengan ketara, malah ia telah mewujudkan persekitaran yang sihat serta berdaya saing dengan sentiasa memikirkan peluang untuk penambahbaikan yang berterusan.

Lebih daripada 50% C.I. yang telah disempurnakan tertumpu kepada produktiviti, kualiti, peningkatan penghantaran, pengurangan sisa serta kepuasan pengguna. Malah ada 12% C.I. yang terkumpul yang telah disempurnakan berhubung keselamatan serta ergonomik kerja para pekerja.



PERANCANGAN SUMBER PENGEDARAN (DRP) SAP BERJAYA DILANCARKAN!

Syarikat telah memperkenalkan SAP DRP, aplikasi perisian bagi menggiatkan proses perancangan Inventori Pengurusan Penjual (VMI) secara automatik yang dilancarkan tepat pada masa dan bajet pada 18 Jun 2007. Projek ini bermula pada pertengahan April 2007 dengan penglibatan daripada bahagian Operasi, Pemasaran, Teknologi Maklumat serta Perkhidmatan Perkongsian Kewangan Asia Pasifik.

Dengan pelancaran SAP DRP, Syarikat telah mencapai perlonjakan dalam perancangan pasaran VMI, daripada menggunakan *spreadsheet* kepada pengurusan menerusi pengecualian menggunakan SAP dan memanfaatkan sepenuhnya data masa nyata daripada SWIFT untuk perancangan VMI.

Mendukung Tanggungjawab

Memenuhi piawaian masa depan dengan menetapkannya

Kami percaya dalam mendukung piawaian tertinggi dalam perlakuan, integriti dan tahap tadbir urus korporat yang bertaraf dunia. Kami secara berterusan mengukuhkan pendirian kami ini dengan menyumbang kepada masyarakat melalui pemberian bantuan, pembiayaan serta pelaksanaan program yang bertujuan meningkatkan kehidupan insan di sekeliling kami.





TANGGUNGJAWAB SOSIAL KORPORAT

PENGARAH HAL EHWAL KORPORAT DAN PERUNDANGAN

Christine Lee Oi Kuan

"Memandangkan perniagaan Syarikat ialah mengenai pengendalian produk yang boleh membawa risiko kesihatan, maka adalah amat penting Syarikat kami terus ditadbir dengan bertanggungjawab dan selaras dengan harapan wajar pihak berkepentingan. Tanggungjawab merupakan sebahagian penting strategi kami dalam memantapkan nilai pemegang saham, seiring dengan Pertumbuhan, Produktiviti serta Organisasi Cemerlang dan justeru itu kami terus komited dalam memupuk perkongsian yang konstruktif demi perubahan, mengukuhkan persefahaman tentang apa yang diharapkan serta menjelas dan memperlihatkan perlakuan yang bertanggungjawab."

CSR MENJADI AMALAN KAMI

Berasaskan sifat produknya, hakikatnya memang penting bagi Syarikat untuk mengendalikan perniagaannya dengan bertanggungjawab. British American Tobacco Malaysia menyedari bahawa Tanggungjawab Sosial Korporat (CSR) adalah penting dalam pendekatan kami untuk mengurus perniagaan dan membina nilai jangka panjang pemegang saham. Reputasi kami adalah sama pentingnya dengan jenama kami dan kami percaya bahawa pertumbuhan dan produktiviti tidak tercapai dengan mengabaikan tanggungjawab. Kami mentakrif CSR sebagai 'bagaimana kami memperoleh wang, dan bukan bagaimana kami membelanjakannya' yang bermaksud ia meliputi setiap aspek bagaimana kami mengendalikan syarikat, daripada pemasaran dan operasi sehingga ke sumber manusia.

Kami didorong oleh kepimpinan Kerajaan yang menyokong kesedaran CSR lebih mendalam di kalangan syarikat, seperti yang diumumkan dalam Bajet Kebangsaan 2008. Turut membanggakan, Piagam CSR British American Tobacco Malaysia adalah sejajar dengan rangka kerja CSR

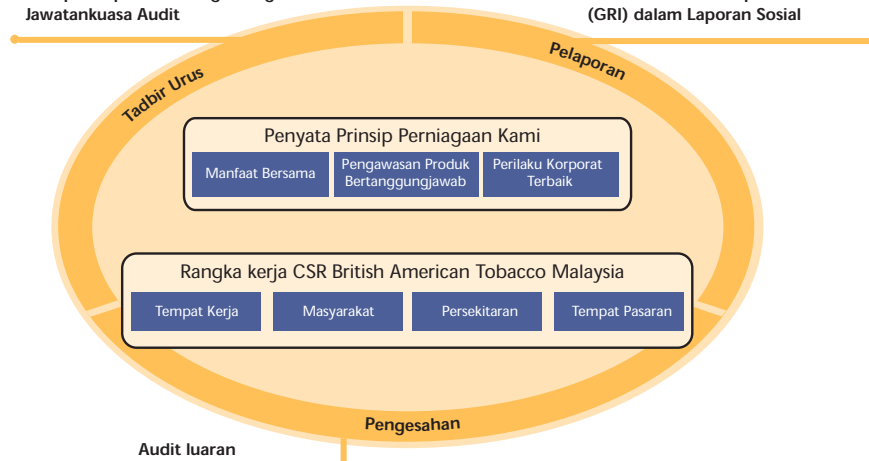
yang dilancarkan oleh Bursa Malaysia Berhad sebagai garis panduan kepada syarikat tersenarai awam di Malaysia. Kami merupakan Syarikat tembakau yang pertama di dalam negara yang merintis proses pelaporan sosial hampir tujuh tahun lalu berikutan piawaian AA1000AS yang ketat serta garis panduan Inisiatif Pelapor Global. Walaupun kami mempunyai pasukan yang mengelolakan aktiviti harian CSR, kami di bawah seliaan Jawatankuasa CSR yang terdiri daripada pihak pengurusan kanan Syarikat, dipengerusikan sendiri oleh Pengarah Urusan. Jawatankuasa ini memberi laporan kepada Lembaga Pengarah menerusi Jawatankuasa Audit. Ia turut melapor kepada Jawatankuasa CSR Serantau British American Tobacco, yang seterusnya melaporkan kepada Jawatankuasa CSR Global British American Tobacco.

Walaupun keikhlasan penglibatan kami dalam CSR sebagai Syarikat tembakau dipersoalkan, namun British American Tobacco Malaysia tetap berpegang teguh dan komited kepada usaha ini.

PIAGAM CSR BRITISH AMERICAN TOBACCO MALAYSIA

Jawatankuasa CSR British American Tobacco Malaysia melapor kepada Lembaga Pengarah melalui Jawatankuasa Audit

Pelaporan Hasil Tiga Serangkai melalui Inisiatif Pelapor Global (GRI) dalam Laporan Sosial



Tonggak 1 TEMPAT KERJA

PEKERJA YANG BERMAKLUM ADALAH PEKERJA YANG BERWIBAWA

Di British American Tobacco Malaysia, kami berpegang teguh kepada kepercayaan bahawa pekerja yang bermaklum adalah pekerja yang berwibawa dan kami berpuas hati dengan memastikan saluran perhubungan dua hala sentiasa tersedia buat semua pekerja. Warga kerja kami merupakan aset kami dan bagi memacu strategi Syarikat, kami memastikan penyampaian matlamat diwujudkan menerusi pelbagai komunikasi secara bersemuka, surat berita setiap suku tahun serta portal pekerja yang dikemas kini setiap hari. Ini adalah bertujuan untuk memastikan pemahaman lebih jelas tentang objektif serta hala tuju Syarikat, menerusi sesi inovatif dan interaktif dengan para pekerja kami.

Butiran lanjut aktiviti pekerja boleh didapati di seksyen Organisasi Cemerlang.

KEPERCAYAAN SYARIKAT

Di British American Tobacco Malaysia, kami sentiasa nilai kepentingan warga kerja kami dan komited kepada amalan terbaik dalam pengambilan pekerja. Penetapan Dasar Pengambilan Pekerja kami berasaskan nilai-nilai Kekuatan daripada Kepelbagaian, Keterbukaan Minda, Kebebasan Bertanggungjawab dan Semangat Berusaha, membuktikan iltizam kami terhadap amalan terbaik serta penerapannya dalam budaya korporat kami.

WARGA KERJA KAMI

Jadual pekerja pengurusan Syarikat mengikut jantina setakat 31 Disember 2007.

Akhir 2007	Tahap 1		Tahap II	Tahap III	Tahap IV
Pengurus/ mengikut jantina	Pelatih Pengurusan	Pengurusan Rendah	Pengurusan Pertengahan	Pengurusan Kanan	Pengurusan Kanan
Perempuan	10	43	26	20	0
Lelaki	19	420	53	43	2

Jadual pekerja pengurusan kanan Syarikat mengikut jantina dan bangsa setakat 31 Disember 2007.

	Lelaki				Perempuan				
	Bumiputera	Cina	India	Lain-lain	Bumiputera	Cina	India	Lain-lain	Jumlah
Ahli Pengurusan Kanan	1	2	0	3	0	1	0	1	8
Lembaga Pengaroh	2	2	0	3	0	0	0	0	7



Tonggak 2

MASYARAKAT

KEPERCAYAAN SYARIKAT

Kami percaya dalam menambah nilai masyarakat di tempat kami beroperasi dan memastikan kami mendukung piawaian yang berhemah serta integriti dalam setiap apa yang kami lakukan. Di British American Tobacco Malaysia, kami bertegas dalam iltizam kami untuk mengendali perniagaan kami secara bertanggungjawab di samping menyumbang kepada masyarakat.

MEWUJUDKAN BANYAK KEMUNGKINAN MENERUSI PENDIDIKAN

Yayasan BAT Malaysia percaya tidak ada hadiah yang lebih bernilai selain pendidikan, dan dengan penganugerahan biasiswa pendidikan tinggi kepada orang yang layak, kami berharap dapat mewujudkan kepelbagaian kemungkinan dalam pendidikan mereka. Penganugerahan biasiswa merupakan usaha kami dalam menyokong Rancangan Malaysia Kesembilan Kerajaan dalam membina ekonomi berasaskan pengetahuan yang tertumpu kepada pembangunan modal insan.

Sejak 1983, Yayasan BAT Malaysia telah menganugerahkan biasiswa kepada warga Malaysia yang berkecayaan membawa jumlah pelaburan terkini Yayasan mencecah lebih RM13 juta. Tahun ini, anugerah biasiswa adalah berjumlah hampir setengah juta ringgit. Untuk beberapa tahun, lebih daripada 1,900 pelajar telah mendapat manfaat daripada pelbagai program bantuan pendidikan Yayasan BAT Malaysia yang merangkumi biasiswa untuk ijazah universiti, diploma dan sijil kolej, pengajian teknikal serta kelengkapan permulaan untuk para pelajar daripada warga penanam tembakau. Pelajar-pelajar ini diberikan dana bagi setiap tahun pengajian kursus pilihan mereka sehingga tamat pengajian tanpa ikatan.

Buat pertama kalinya pada 2007, Yayasan BAT Malaysia menawarkan biasiswa kepada warga peruncit serta kumpulan penanam tembakau. Kami ingin menunjukkan sokongan kami kepada rakan niaga yang telah lama bersama kami dan yang amat kami hargai. Pelajar yang terpilih datang dari seluruh negara dengan mengambil kira latar belakang kewangan, keputusan akademik, pelan kerjaya peribadi, keupayaan kepimpinan insan serta kemahiran berkomunikasi. Kami telah menganugerah seramai 17 pelajar, yang mana tujuh daripadanya

merupakan anak-anak para pekerja kami, empat pekerja kami sendiri, lima anak-anak peruncit kami dan satu anak penanam tembakau.

Sejak 2002, seramai 1,361 anak-anak penanam dan pengawet tembakau mendapat manfaat daripada penganugerahan yang berjumlah RM680,500 di bawah program Kelengkapan Permulaan Pendidikan Tinggi (HESK). Program ini adalah usaha sama antara Yayasan BAT Malaysia dan Lembaga Tembakau Negara dan bertujuan membiayai kos awal untuk memasuki institusi pengajian tinggi, contohnya perbelanjaan buku, pakaian, pengangkutan dan lain-lain. Pada 2007, sebanyak RM103,000 telah disumbangkan kepada masyarakat penanam tembakau yang mana ia memanfaatkan 412 pelajar.

MERAPATKAN JURANG DIGITAL

Yayasan BAT Malaysia memahami kepentingan teknologi maklumat (IT) dalam kehidupan masyarakat hari ini dan menyedari bahawa tidak semua orang mempunyai peluang pendedahan kepada IT yang sama. Sebagai sebahagian daripada usaha kami untuk melengkapkan, mempromosi dan menggalakkan penggunaan IT dan berkongsi manfaatnya bersama masyarakat tempatan, Yayasan BAT Malaysia telah menyumbang 33 buah komputer peribadi kepada Yayasan Bachok, sebuah pertubuhan kebajikan tempatan.

MEMBANTU MANGSA BANJIR

Beberapa negeri seperti Johor dan Pahang telah dilanda ribut kencang serta banjir teruk yang mengakibatkan kerosakan kepada prasarana awam sementara mereka yang terlibat kehilangan harta benda, ternakan serta kediaman. British American Tobacco Malaysia telah menghulurkan bantuan dengan memberikan sumbangan berjumlah RM808,057 kepada para pekerja, peruncit, pengedar serta orang awam yang mengalami kerugian akibat banjir.

PENERAPAN CSR DI KALANGAN PEKERJA MELALUI KESUKARELAAN

Program Sukarela Pekerja merupakan usaha pertama Syarikat bertujuan memberikan pekerja peluang untuk menyumbang kepada masyarakat di sekeliling mereka. Ia menjadi wadah bagi pekerja untuk menyumbang waktu mereka dengan menyentuh kehidupan mereka yang kurang bernasib baik menerusi program mendekati masyarakat. Pada 2007, seramai dua puluh pekerja dari serata bahagian telah meluangkan masa berkualiti dengan penghuni Rumah Berkat, iaitu rumah tumpangan sementara buat mereka yang tiada tempat berteduh.

Tonggak 3 **PERSEKITARAN**

KEPERCAYAAN SYARIKAT

Kami memandang serius terhadap tanggungjawab kami bekerja untuk mengurangkan kesan persekitaran akibat operasi kami. Ia merupakan salah satu daripada tunggak kepercayaan kami yang termaktub dalam Penyata Prinsip-prinsip Perniagaan kami demi mencapai piawaian prestasi persekitaran bertaraf dunia. Syarikat juga memperakui bahawa Kualiti, Persekitaran, Kesihatan dan Keselamatan adalah antara elemen-elemen penting dalam menentukan kepimpinan serta kemapanan kami dalam operasi perniagaan.

PENGIKTIRAFAN PROGRAM PERSEKITARAN, KESIHATAN DAN KESELAMATAN (EHS)

Program Pengurusan Sisa dan Kitar Semula

British American Tobacco menyokong pemupukan budaya kebertanggungjawaban yang utuh dalam semua operasi kami di peringkat global dengan mengiktiraf dan menganugerah pencapaian bermanfaat dalam perlindungan alam sekitar. Pada November 2007, British American Tobacco Malaysia telah dianugerahkan oleh Syarikat induk kami, British American Tobacco p.l.c., dua Anugerah Kecemerlangan EHS British American Tobacco bagi Pengurusan Sisa serta Program Kitar Semula atas pencapaian penambahbaikan yang harus dipuji dalam kedua-dua aspek penting perlindungan alam sekitar ini pada 2006.

Pengurusan Sisa Buangan

Inisiatif utama yang dilaksanakan oleh British American Tobacco Malaysia:

1. Pengurangan sisa tembakau kepada 5.0% pada 2006 daripada 6.57% pada 2005 yang berpunca dari peningkatan dalam kecekapan operasi menerusi 'Program Penambahbaikan Sisa Tembakau' yang proaktif.
2. Pengurangan yang ketara bagi sisa berkaitan projek sekali sahaja (contohnya, pemasangan mesin dan pengubahsuaian bangunan)
3. Program Pendidikan EHS menerusi perbincangan kumpulan setiap bulan untuk pekerja bagi membantu meningkatkan kesedaran serta penyertaan mereka dalam usaha-usaha meminimumkan sisa buangan.

Kitar Semula

Inisiatif utama yang dilaksanakan oleh British American Tobacco Malaysia:

1. Penukaran sisa buangan am kami kepada butir-butir bahan bakar dari sisa buangan (RDF) yang dilakukan oleh pembekal perkhidmatan luar yang diluluskan Kerajaan. British American Tobacco Malaysia merupakan syarikat komersial swasta pertama di dalam negara yang menggunakan teknologi ini.
2. Mengkomposkan habuk tembakau menjadi baja organik yang dikendalikan oleh dua pihak luar. Jumlah habuk tembakau yang diserap oleh pihak-pihak luar ini telah meningkat dengan ketara pada 2006.
3. Menubuhkan Pusat Kitar Semula yang menyaksikan peningkatan dalam pengitaran semula kertas, logam, plastik dan bahan buangan kayu yang sebelum ini dihantar ke tapak pelupusan sampah.

Dengan memperkenalkan gabungan penambahbaikan teknikal, program perlakuan serta program penambahbaikan yang berterusan, Syarikat telah meraih 42% pengurangan dalam penjaan sisa serta pencapaian 409% penambahbaikan yang cemerlang dalam kadar kitar semulanya bagi 2006. British American Tobacco Malaysia juga telah dikurniakan Anugerah Emas NACRA 2007 untuk Laporan Tahunan Terbaik berhubung Laporan Persekitaran.

Program Penghutanan

British American Tobacco Malaysia membuat perhitungan tahunan tentang jumlah karbon dioksida yang terjana daripada operasi perniagaan kami yang merangkumi tenaga (elektrik, petrol, diesel, gas asli serta Gas Petroleum Cair) yang digunakan di kilang dan pejabat, khidmat pengangkutan (darat, laut dan udara), perjalanan urusan perniagaan (domestik dan antarabangsa), serta sisa yang dihantar ke tapak pelupusan. Bagi tahun 2007, British American Tobacco Malaysia telah menghasilkan 31,914 tan karbon dioksida, kurang 9.7% berbanding 35,349 tan pada 2006.

Pada 2002, British American Tobacco telah memulakan program penghutan bagi tujuan sekuestrasi karbon dan mulai 2005, ia telah menjangkau tahap peneutralan karbon untuk mencapai status positif karbon. Setakat ini, seluas 4,635 hektar pelbagai spesis pokok telah ditanam atas tanah terlebih dahulu membalak yang terletak dalam



lingkungan Unit Pengurusan Hutan (FMU) di Ulu Tunggud, Sabah. Dianggarkan bahawa pada 2007, pokok-pokok ini mensekuester 168,000 tan karbon dioksida berbanding 31,914 tan yang terjana daripada perniagaan kami – lebih lima kali ganda jumlah yang terjana menerusi operasi kami. Kami akan kekal berpegang teguh sebagai sebuah perniagaan positif karbon sehingga 2015.

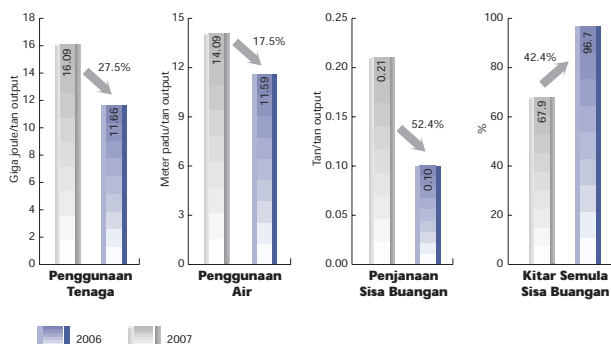


Program Penambahbaikan Berterusan

Program Penambahbaikan Berterusan Syarikat telah menyumbang terhadap mewujudkan persekitaran kerja yang lebih selesa, bersih, kemas dan selamat. Bahagian Operasi di British American Tobacco Malaysia telah menyempurnakan 1059 inisiatif C.I menjelang penghujung 2007, yang mana 12% daripadanya ialah berhubung keselamatan pekerja serta ergonomik pekerjaan para pekerja. Butiran tentang program Penambahbaikan Berterusan dibentangkan di muka surat 208 di dalam Laporan Tahunan ini.

MENGURANGKAN KESAN ALAM SEKITAR MENERUSI INISIATIF MAPAN

Atas semangat penambahbaikan berterusan, British American Tobacco Malaysia dengan bangganya melaporkan penambahbaikan yang ketara dalam catatan prestasi utama persekitarannya atas dasar pemulihan (setiap tan output produk), bagi 2007, iaitu:



Dalam usaha kami untuk terus memperbaiki perawatan emisi daripada pemprosesan, Kilang Pengasingan Daun Hijau kami di Shah Alam telah menggunakan loji perawatan efluen perusahaan yang baru pada Mei 2007. Kami juga mula memasang penapis bio kedua di kilang Virginia Park pada 2007 dan dijangka mula beroperasi pada April 2008.

MENGURUSKAN OPERASI DENGAN BERTANGGUNGJAWAB

Subsidiari perkilangan milik penuh kami, Tobacco Importers and Manufacturers Sdn Bhd telah menghasilkan dan melaksana sistem pengurusan bersepadu bagi mendorong pekerja ke arah peningkatan produktiviti dan piawaian berkualiti, di samping meminimumkan risiko persekitaran, kesihatan dan keselamatan. Tiga pensijilan antarabangsa yang dianugerahkan kepada kami pada 2003 telah berjaya diperbaharui.

- ISO 9001 untuk sistem pengurusan kualiti
- ISO 14001 untuk sistem pengurusan persekitaran
- OHSAS 18001 untuk sistem pengurusan keselamatan dan kesihatan pekerjaan

KESELAMATAN KEUTAMAAN NO. 1 KAMI

British American Tobacco Malaysia amat tegas dalam memastikan persekitaran yang selamat untuk para pekerja dan kontraktor kami yang bertugas di tapak kerja menerusi amalan pekerjaan selamat. Dalam usaha kami untuk mengekalkan budaya kemalangan sifar serta kemalangan persekitaran sifar, kami telah meraih pencapaian yang ketara dengan penerimaan Anugerah Merit EHS oleh Syarikat induk kami, British American Tobacco p.l.c. sebagai mengiktiraf kes kehilangan hari bekerja (LWC) sifar di loji perkilangan Virginia Park buat kali ketiga sejak tahun 2000. Pencapaian kehilangan hari bekerja sifar di loji perkilangan kami di Virginia Park, Petaling Jaya pada 2007 jelas membuktikan keutamaan keselamatan dalam operasi harian kami. Malah, Kilang Pengasingan Daun Hijau kami di Shah Alam telah meraih Anugerah Merit EHS British American Tobacco (Kategori Emas) atas pencapaian LWC sifar selama lima tahun berturut-turut sejak 2002.

Bagi membentuk budaya amalan kerja yang selamat, para pekerja serta rakan niaga kami merupakan pihak berkepentingan yang penting. Justeru itu, kami berusaha untuk memastikan pemahaman dan sokongan mereka yang sepadu terhadap EHS menerusi pendidikan. Kami berterusan mengukuhkan EHS melalui pelbagai usaha kesedaran, latihan dan kecekapan yang merangkumi perbincangan berkumpulan, latihan, projek serta program penambahbaikan berterusan. Kami turut menganjurkan seminar 'Kad Hijau Kontraktor' untuk 26 rakan niaga kami pada 2007. Seminar ini menyalurkan rakan niaga kami dengan maklumat tentang amalan EHS serta menegaskan usaha kami untuk memastikan pematuhan utuh mereka terhadap piawaian kami bagi memantapkan lagi hubungan usaha sama perniagaan kami.

PENGARAH PEMBANGUNAN PERNIAGAAN

Allen Lim Hun Chye

"Kami terus beriltizam untuk bekerjasama dengan pihak berkuasa berkaitan, persatuan peruncit serta industri penanaman tembakau untuk menangani dengan lebih berkesan isu rokok tidak sah di Malaysia."

Tonggak 4 TEMPAT PASARAN

KEPERCAYAAN SYARIKAT

Sifat produk kami membawa bersamanya tanggungjawab tertentu, dan justeru itu, adalah menjadi tugas kami untuk memastikan produk kami dibangunkan, di kilang dan dipasarkan secara bertanggungjawab. Sebagai Syarikat yang bertanggungjawab, kami beroperasi dengan tahap kepekaan, keprihatinan serta kebertanggungjawaban yang lebih tinggi serta berterusan memastikan maklumat yang relevan dan bermakna boleh diperoleh masyarakat awam.

PENCEGAHAN MEROKOK DI KALANGAN REMAJA – TIDAK BOLEH JUAL KEPADA DI BAWAH 18 TAHUN

Kami amat percaya bahawa kanak-kanak tidak harus merokok dan kami menyokong sepenuhnya peraturan yang mencegah mereka di bawah 18 tahun daripada membeli dan menggunakan produk tembakau. Kami berpegang teguh kepada prinsip kami bahawa merokok adalah hanya untuk orang dewasa yang membuat pilihan berdasarkan maklumat dan mengetahui risiko kesihatan yang dikaitkan dengan merokok.

Memandangkan perniagaan kami adalah mengenai pengurusan produk yang melibatkan risiko kesihatan, maka penting bagi perniagaan kami untuk terus dikendalikan dengan bertanggungjawab. Justeru itu, kami amat menitikberatkan pemasaran yang bertanggungjawab dan strategi pemasaran kami adalah berlandaskan iltizam untuk memasarkan produk secara bersesuaian, hanya kepada pengguna dewasa, dalam batasan Peraturan Kawalan Hasil Tembakau 2004 serta Piawaian Pemasaran Antarabangsa 2 (IMS 2) iaitu piawaian kawalan sendiri global yang kami guna pakai.

Sejak 1996 kami, menerusi Gabungan Pengilang Tembakau Malaysia (CMTM) telah bekerja rapat dengan masyarakat, khususnya Kerajaan, untuk mengurangkan

merokok di kalangan bawah umur. Kami turut berusaha untuk menyumbang dengan berkesan terhadap pencegahan merokok di kalangan bawah umur, sebagai tambahan kepada aktiviti teras kami dalam pemasaran bertanggungjawab, dengan bekerjasama dengan peruncit untuk menyekat akses golongan bawah umur kepada produk, serta usaha sama dengan peruncit dan pihak berkepentingan lain menerusi program pendidikan dan pengiklanan untuk meningkatkan kesedaran tentang isu serta undang-undang yang berkaitan.

Sebagai sokongan kepada usaha-usaha positif Kerajaan dalam membendung merokok di kalangan bawah umur dan sebagai sebahagian daripada komitmen kami kepada Pencegahan Merokok Di Kalangan Remaja, pada 2007 British American Tobacco Malaysia bersama ahli-ahli CMTM, telah menambah 25,000 papan tanda 'Tidak Boleh Jual kepada Bawah 18 tahun' di saluran peruncitan di seluruh negara. Melangkah ke hadapan, kami berpendapat bahawa Kerajaan adalah harapan terbaik untuk meningkatkan kesedaran awam tentang isu merokok di kalangan bawah umur dan kami turut terdorong dengan usaha yang dilakukan setakat ini. Kami terus mengamalkan sikap terbuka untuk bekerjasama dengan Kerajaan bagi menyokong program pencegahan merokok di kalangan remaja.

MEMERANGI ROKOK TIDAK SAH DENGAN MENINGKATKAN KESEDARAN PERUNCIT

Kemunculan semula rokok tidak sah di dalam negara merupakan kebimbangan utama bagi kedua-dua industri dan Kerajaan. Perdagangan tembakau tidak sah menyebabkan kerugian yang besar kepada Kerajaan, perniagaan serta masyarakat umum. Suatu kaji selidik yang dijalankan oleh CMTM pada Jun 2007 menunjukkan bahawa rokok tidak sah kini menguasai 24% pasaran.



Ini bermakna satu bagi setiap empat batang rokok yang dijual di Malaysia adalah tidak sah. Perdagangan tembakau tidak sah menghalang Kerajaan daripada memperoleh hasil pencukuaian, mengundang kegiatan jenayah, menjejaskan jenama kami, memberi kesan kepada permintaan daun tembakau tempatan dan mengelirukan pengguna dalam membeli produk tembakau yang kualitinya diragui. Ia turut menjejaskan peraturan kawal selia yang mengawal industri tembakau yang sah.

Sebagai tindakan kepada saranan pihak berkepentingan hasil daripada lima dialog yang diadakan pada 2005 di seluruh negara dengan persatuan peruncit dan pihak berkuasa berkaitan, British American Tobacco Malaysia menerusi CMTM telah bergabung tenaga dengan Kastam Diraja Malaysia (KDRM) dan Kementerian Perdagangan Dalam Negeri dan Hal Ehwal Pengguna (MDTCA), serta persatuan-persatuan peruncit utama seperti Persatuan Am Pemilik Kedai Kopi Malaysia-Singapura, Gabungan Persatuan Peniaga Barangan Runcit Malaysia, Persatuan Pemilik Restoran Muslim Malaysia, Persatuan Pasar Mini dan Pemilik Kedai Runcit Muslim Malaysia serta Persatuan Pengusaha Restoran Selangor dan Wilayah Persekutuan untuk melaksana beberapa program pada 2006 dengan tujuan meningkatkan kesedaran tentang isu perdagangan tembakau tidak sah di Malaysia.

Dengan matlamat meningkatkan kesedaran tentang perdagangan tembakau tidak sah di kalangan para peruncit, risalah maklumat dalam Bahasa Malaysia dan Cina telah diedarkan sebanyak dua kali kepada lebih 97,000 peruncit di seluruh negara. Risalah tersebut menekankan undang-undang serta hukuman berkaitan perdagangan tembakau tidak sah, kaedah untuk mengenal pasti rokok yang sah dan panduan bagi membantu peruncit mengenal pasti kesahihan jurujual yang menjual rokok.

PENGUNAAN PENANDA ARAS CSR BAGI SYARIKAT DI MALAYSIA

Institut Tanggungjawab Korporat, Malaysia (ICR Malaysia) merupakan suatu rangkaian institusi korporat dan institusi kawal selia yang unik yang komited kepada mengutarakan falsafah serta amalan perniagaan yang bertanggungjawab yang dapat memberikan impak positif kepada insan, persekitaran serta masyarakat. Rangkaian yang bukan berunsurkan keuntungan ini disokong oleh sebuah panel penasihat yang terdiri daripada Suruhanjaya Sekuriti, Bursa Malaysia Berhad dan Khazanah Nasional Berhad.

British American Tobacco Malaysia merupakan salah satu ahli syarikat pengasas utama yang bekerjasama dengan organisasi lain untuk menerapkan CSR dalam cara mereka mengendalikan perniagaan harian menerusi perkongsian maklumat serta pertukaran pengalaman berkenaan CSR. Pada November lepas, Syarikat telah menganjurkan sesi untuk berkongsi dengan ahli-ahli ICR Malaysia piagam serta inisiatif CSR kami di bawah rangka kerja CSR British American Tobacco Malaysia bagi meningkatkan tahap perniagaan syarikat-syarikat Malaysia.

KEMASUKAN KE DOW JONES SUSTAINABILITY WORLD INDEXES (DJSI WORLD) 2007

British American Tobacco Malaysia bersama British American Tobacco p.l.c. telah termasuk dalam *Dow Jones Sustainability World Indexes (DJSI World) 2007*. Kami merupakan Syarikat Malaysia yang tunggal serta satu-satunya syarikat pasaran luaran British American Tobacco yang termasuk dalam DJSI World. Ini merupakan kali keenam berturut-turut kami termasuk dalam indeks tersebut. Kriteria penilaian adalah berdasarkan amalan terbaik dalam ekonomi, persekitaran dan prestasi sosial. Kriteria penyumbang lain termasuk peluasan dasar kemapanan yang meliputi pengurusan rangkaian pembekalan serta pemantapan tadbir urus korporat.

DJSI World merangkumi lebih 300 syarikat daripada 24 buah negara yang menerajui industri mereka dari segi kemapanan korporat.

BRITISH AMERICAN TOBACCO MALAYSIA TERPILIH 'ORGANISASI PALING MENYOKONG'

British American Tobacco Malaysia telah terpilih sebagai 'Organisasi Paling Menyokong' berlandaskan sokongan cemerlangnya kepada Program Pembangunan Pengurusan Jabatan Perkhidmatan Awam Dewan Perniagaan British Malaysia ke-17. Program tersebut dimulakan sejak 1983 oleh Kerajaan bersama dengan Dewan Perniagaan British Malaysia sebagai sebahagian daripada usahanya untuk memberi peluang pegawai kanan Kerajaan mendapatkan pengalaman serta pendedahan langsung kepada pengurusan dinamik perniagaan syarikat British di era moden. Ia juga bertujuan menggalakkan hubungan lebih rapat antara sektor awam serta swasta, yang dianggap penting bagi mewujudkan sebuah tenaga kerja kukuh yang bersepadu.

TAHAP TINGGI

TANGGUNGJAWAB KORPORAT

Warga kerja Kumpulan kami mematuhi Piawaian Perlakuan Perniagaan (Piawaian) yang menjadi sebahagian penting tadbir urus korporat Kumpulan. Serentak dengan Penyata Prinsip Perniagaan, ia terus menjadi tunggak iltizam kami ke arah tanggungjawab korporat yang bertahap tinggi.

Piawaian ini memerlukan semua pekerja komited kepada cara kerja berlandaskan tahap integriti perniagaan yang tinggi, mematuhi undang-undang dan peraturan. Pekerja harus mengamalkan kejujuran, objektiviti serta ketekunan semasa bekerja dan perlu memastikan bahawa Piawaian kami tidak boleh ditolak ansur demi hasil semata-mata.

Piawaian ini adalah sebahagian penting prinsip tadbir urus Kumpulan dan digubal bagi:

(a) memastikan keputusan dan pertimbangan yang dibuat oleh pekerja mematuhi undang-undang dan menurut tahap etika yang tinggi; (b) menetapkan corak dan budaya organisasi yang membolehkan ia dianggap sebagai warga korporat yang baik; (c) membantu pekerja yang berdepan dengan perlu membuat pertimbangan yang sewajarnya semasa menjalankan tugas; dan (d) memberi keyakinan kepada pihak berkepentingan yang mengurus niaga dengan Kumpulan.	Bidang liputan Piawaian adalah: • Percanggahan Kepentingan • Maklumat Dalaman dan Peluang Korporat • Kepentingan dalam Perniagaan Bersaingan • Urus Niaga Dalaman dan Penyalahgunaan Pasaran • Sogokan dan Rasuah • Sumbangan Politik • Sumbangan Kebajikan • Undang-undang Persaingan • Maklumat Sensitif Harga • Urus Niaga Produk-produk Kumpulan • Pelaburan Wang Haram • Sekatan • Laporan Salah Laku • Kerahsiaan dan Keselamatan Maklumat • Keraian dan Hadiah • Garis Panduan Eksport Am • Pembayaran Komisen • Aktiviti Luar • Perlindungan Aset Korporat dan Penyalahgunaan Sumber • Ketepatan Perakaunan dan Penyimpanan Rekod
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Pematuhan terhadap Piawaian sentiasa dipantau oleh Lembaga Pengarah serta Jawatankuasa Audit Syarikat. Ketua Audit Dalaman, melalui rundingan dengan Ketua Perundangan/Setiausaha Syarikat Kumpulan diberi tanggungjawab untuk melaporkan kepada Lembaga Pengarah setiap tahun mengenai pematuhan terhadap Piawaian ini oleh Kumpulan serta pekerjanya.



Penyata Tadbir Urus Korporat

Lembaga Pengarah komited dalam mengekalkan tahap tadbir urus korporat yang tinggi pada keseluruhan Kumpulan sebagai sebahagian penting tanggungjawabnya dalam pengendalian perniagaan serta hal ehwal Kumpulan.

Menyedari kepentingan membina nilai jangka panjang pemegang saham dan dengan mempamerkan tahap perlakuan korporat yang tinggi, Lembaga berpandukan kepada Penyata Prinsip Perniagaan (Prinsip Perniagaan) Kumpulan yang menjadikan asas kepada bagaimana Kumpulan mengharapkan perniagaan dikendalikan dari segi tanggungjawab. Prinsip Perniagaan merangkumi isu-isu penting yang menekankan Tanggungjawab Sosial Korporat (CSR) bagi perniagaan multinasional dan khususnya, untuk industri tembakau yang berciri unik. Tiga (3) Prinsip Perniagaan ialah Manfaat Bersama, Pengawasan Produk Secara Bertanggungjawab dan Perlakuan Korporat yang Baik, setiap satu ditunjang oleh Kepercayaan Teras yang menjelaskan dan mendukung Prinsip Perniagaan.

Butiran tentang Prinsip Perniagaan boleh diperolehi daripada laman web korporat Kumpulan di www.batmalaysia.com

Rangka kerja tadbir urus korporat Syarikat mensasar ke arah mencapai objektif utama perniagaan Syarikat dengan cara bertanggungjawab dan selaras dengan taraf kejujuran, ketelusan dan kebertanggungjawaban yang tinggi.

Prinsip-prinsip ini termaktub dalam Piawaian Perlakuan Perniagaan (Piawaian) yang dikaji dari masa ke semasa bagi memastikan ia kekal diberi keutamaan dalam amalan perniagaan terbaik. Contoh-contoh peruntukan dalam Piawaian adalah, mengelakkan keadaan yang terdapat percanggahan kepentingan, larangan mengguna maklumat dalaman, peluang korporat dan perniagaan orang dalam serta memastikan para pekerja, Pengarah dan pegawai tidak terlibat dalam aktiviti rasuah.

Kumpulan serta setiap pekerja, termasuk para Pengarah dan pegawai disarankan menepati Piawaian. Untuk kemudahan, Piawaian ini boleh diakses oleh pekerja dan Pengarah menerusi portal pekerja. Dokumen Piawaian juga boleh didapati daripada Setiausaha Syarikat dan menerusi laman web kami di www.batmalaysia.com.

Dalam memastikan tahap amalan tadbir urus korporat yang tinggi, Lembaga Pengarah turut dipandu oleh Kod Tadbir Urus Korporat Syarikat (Kod BATM) yang dirumus berdasarkan prinsip serta amalan terbaik yang dibentangkan dalam Kod Tadbir Urus Korporat Malaysia (Semakan 2007) (Kod Malaysia) serta perkembangan amalan tadbir urus terbaik global. Prinsip dan amalan terbaik ini diamalkan Kumpulan keseluruhannya sebagai prinsip asas dalam melaksanakan tanggungjawab Lembaga Pengarah dan bagi memastikan ketelusan serta kebertanggungjawaban korporat.

Peraturan tadbir urus utama yang perlu diguna pakai oleh syarikat Malaysia yang tersenarai di Bursa Malaysia Securities Berhad terkandung dalam Kod Malaysia serta Keperluan Penyenaraian Bursa Malaysia (Keperluan Penyenaraian).

Syarikat telah mematuhi Kod BATM, Kod Malaysia dan Keperluan Penyenaraian dan oleh itu, Lembaga beranggapan bahawa Syarikat telah memenuhi tanggungjawabnya di bawah Kod BATM, Kod Malaysia dan Keperluan Penyenaraian.

Seperti yang termaktub di bawah Keperluan Penyenaraian Bursa Securities, Penyata ini melaporkan bagaimana Kod BATM, Kod Malaysia dan Keperluan Penyenaraian diguna pakai oleh Syarikat dan membentangkan laporan rasmi Syarikat tentang pematuhannya kepada Kod BATM, Kod Malaysia dan Keperluan Penyenaraian sepanjang dua belas (12) bulan berakhir 31 Disember 2007.

LEMBAGA PENGARAH

Lembaga

Lembaga bertanggungjawab kepada pemegang saham untuk kemajuan Kumpulan, keseluruhan arah tuju strategik, nilai-nilai serta tadbir urusnya. Dalam melaksanakan tanggungjawab ini, Lembaga dipandu oleh Piawaian serta Prinsip Perniagaan. Piawaian Kumpulan menetapkan tahap tertinggi dalam kejujuran, tanggungjawab, ketelusan dan kebertanggungjawaban. Lembaga memastikan bahawa pematuhan kepada Piawaian Kumpulan dipantau menerusi proses di mana perakuan diperolehi daripada semua kakitangan pengurusan tentang pematuhan mereka dan ini termasuklah pendedahan sebarang keadaan percanggahan kepentingan.

Lembaga menyediakan kepimpinan yang perlu bagi membolehkan objektif perniagaan Kumpulan diselenggara berdasarkan rangka kerja kawalan dalaman seperti yang ditetapkan di dalam Penyata ini sambil memastikan obligasi Syarikat terhadap pemegang saham dan pihak berkepentingan dipenuhi.

Struktur Lembaga dan Tatacara

Struktur Lembaga adalah sejajar dengan keperluan yang dimandatkan oleh Keperluan Penyenaraian dan seperti yang ditetapkan oleh prinsip dan amalan terbaik Kod Malaysia. Saiz serta komposisi Lembaga pada masa ini adalah ideal dan seimbang seperti yang berbentuk masa kini. Lembaga adalah stabil dan mempunyai komitmen serta keupayaan untuk menjalankan tanggungjawabnya dengan berkesan.

Pada 31 Disember 2007, Lembaga mempunyai tujuh (7) ahli yang terdiri daripada empat (4) Pengarah Bukan Eksekutif (termasuk Pengerusi) dan tiga (3) Pengarah Eksekutif. Daripada empat (4) Pengarah Bukan Eksekutif, tiga (3) Pengarah adalah bebas. Tiga (3) Pengarah Bebas memenuhi kriteria bagi Pengarah Bebas seperti yang termaktub dalam Keperluan Penyenaraian.

Kualiti dan akses kepada maklumat dan nasihat bebas

Lembaga mempunyai akses langsung dan tidak terhad kepada semua maklumat berhubung Syarikat dan boleh mendapatkan nasihat profesional bebas atas perbelanjaan Syarikat jika perlu. Dalam menjalankan tugas mereka, Lembaga mempunyai akses langsung dan tidak terbatas kepada pengurusan Syarikat.

Tugas Lembaga

Antara tanggungjawab perundangan dan berkanun yang utama yang dipertanggungjawabkan kepada Lembaga ialah mengkaji dan menerima pakai pelan strategik bagi Kumpulan, mengenal pasti risiko utama dan memastikan pelaksanaan sistem yang bersesuaian bagi menguruskan risiko tersebut, mengkaji kelengkapan dan integriti sistem kawalan dalaman dan sistem maklumat pengurusan Kumpulan, termasuk sistem bagi pematuhan kepada undang-undang, peraturan, syarat, arahan dan garis panduan yang boleh diguna pakai.

Lembaga bertanggungjawab mengisytiharkan dividen dan meluluskan penyata kewangan dan dasar perakaunan Kumpulan. Lain-lain tugas Lembaga ialah untuk mempertimbangkan perancangan penggantian, termasuk



LEMBAGA KORPORAT

YANG BAIK

melantik, melatih, menetapkan pampasan dan di mana sesuai, menggantikan pengurusan kanan. Selain itu, Lembaga bertanggungjawab menghasil dan melaksanakan program hubungan pelabur atau dasar komunikasi pemegang saham untuk Kumpulan

Lembaga bertanggungjawab membentuk jawatankuasa Lembaga seperti Jawatankuasa Audit, Jawatankuasa Pencalonan, Jawatankuasa Ganjaran, Jawatankuasa Tanggungjawab Sosial Korporat dan Jawatankuasa Pampasan Eksekutif (ECC) serta menetapkan tugas dan tanggungjawab setiap jawatankuasa Lembaga. Lembaga menerima dan mengkaji laporan daripada jawatankuasa Lembaga dan bagi perkara-perkara yang dikhususkan untuk kelulusan oleh Lembaga, Lembaga akan mengkaji saranan yang dibuat oleh jawatankuasa Lembaga dan memberikan kelulusan, apabila diperlukan.

Penyata Penugasan Kuasa Syarikat menyokong tadbir urus korporat yang baik, kawalan risiko dan pengurusan pelaburan yang berhemat serta tanggungjawab pengurusan tempatan.

Di dalam Penyata Penugasan Kuasa Syarikat, Lembaga telah mengemukakan secara khusus perkara-perkara seperti penubuhan perniagaan atau kilang baru, pelan strategik tahunan, kelulusan perbelanjaan modal yang besar, pemerolehan dan pelupusan perniagaan atau ekuiti, pinjaman dan sebarang penstrukturan semula korporat, untuk diputuskannya.

Pengurusan Kanan

Ia adalah penting bagi Lembaga bahawa tugas Lembaga dan pengurusan (Pengurusan Kanan) saling sehaluan antara satu sama lain dan tanggungjawab Pengurusan Kanan ditetapkan dengan jelas. Lembaga menugaskan kepada Pengurusan Kanan dan Pengurusan Kanan bertanggungjawab untuk melaksanakan dasar serta keputusan Lembaga, mengawasi operasi serta merangka, menyelaraskan dan melaksanakan strategi perniagaan serta korporat.

Ahli Pengurusan Kanan terdiri daripada Pengarah Urusan, Pengarah Kewangan, Pengarah Pemasaran, Pengarah Operasi, Pengarah Teknologi Maklumat, Pengarah Sumber Manusia, Pengarah Korporat dan Hal Ehwal Perundangan serta Pengarah Pembangunan Perniagaan.

Dari masa ke semasa apabila Lembaga memerlukan maklumat yang berkaitan atau maklumat mutakhir daripada mana-mana ahli Pengurusan Kanan, ahli Pengurusan Kanan akan diminta untuk hadir mesyuarat Lembaga.

Hal-hal pengurusan operasi Kumpulan serta tahap kuasa yang relevan diberikan kepada Pengurusan Kanan mengikut Had Kuasa Korporat yang ditentukan dan diluluskan, yang tercatat berkaitan dengan Penyata Penugasan Kuasa Syarikat.

Imbangan Lembaga

Sepanjang tahun kewangan berakhir 31 Disember 2007, Lembaga telah mengekalkan barisan Pengarah Eksekutif dan Bukan Eksekutifnya daripada latar belakang profesional yang pelbagai dan kaya dengan pengalaman, kemahiran serta kepakaran.

Tiga (3) Pengarah Eksekutif, Encik Jack Marie Henry David Bowles, Encik Robert James Clark dan Dato' Chan Choon Ngai melengkapkan Lembaga maklumat berkaitan pemasaran, kewangan serta operasi.

Empat (4) Pengarah Bukan Eksekutif, Tan Sri Abu Talib bin Othman, Tan Sri Kamarul Ariffin bin Mohamed Yassin, Datuk Oh Chong Peng dan Encik James Richard Suttie merupakan ahli yang berwibawa tinggi, profesional dalam bidang masing-masing dan amat berpengetahuan dalam bidang perundangan serta kewangan.

Pengarah Bukan Eksekutif Bebas berupaya memberi pandangan, nasihat serta pertimbangan yang bebas dan tidak berat sebelah dalam penentuan keputusan Lembaga dengan mengambil kira kepentingan Kumpulan,

pemegang saham, pekerja, pelanggan dan pembekal. Keempat-empat (4) Pengarah Bebas semestinya mewakili kepentingan pemegang saham minoriti dalam Syarikat dan mereka terlibat secara proaktif dengan pengurusan dan juruaudit.

Lembaga telah mengkaji keahliannya dan menganggap bilangannya kini sesuai dan berkesan berdasarkan skop, saiz serta kerumitan perniagaan dan hal ehwal Kumpulan. Syarikat mematuhi kriteria Pengarah Bebas yang ditentukan di bawah Keperluan Penyenaraian Bursa Sekuriti.

Profil ringkas setiap Pengarah dibentangkan di muka surat 196 hingga 199 di dalam Laporan Tahunan ini.

Peranan Pengerusi dan Pengarah Urusan

Peranan Pengerusi dan Pengarah Urusan adalah berasingan, yang mana setiap seorang mempunyai tanggungjawab yang berlainan dan ditakrif dengan jelas. Pembahagian peranan dan tanggungjawab ini memastikan terdapat keseimbangan kuasa, agar tiada penumpuan kuasa yang berlebihan pada Pengerusi atau Pengarah Urusan.

Pengerusi bertanggungjawab terhadap kepimpinan Lembaga, memastikan keberkesanannya, menentukan agenda dan memastikan bahawa strategi perniagaan dan kewangan yang jelas bagi Kumpulan dirumus untuk dicadangkan kepada Lembaga. Setelah objektif dan strategi dikaji dan diterima pakai oleh Lembaga secara keseluruhan, tanggungjawab Pengarah Urusan ialah memastikan pencapaian objektif strategik dan kewangan. Pengarah Urusan bertanggungjawab terhadap pengawasan aset Kumpulan. Tugas serta tanggungjawab Pengerusi serta Pengarah Urusan telah digariskan dengan jelas di dalam Kod Tadbir Urus Korporat.

Pengerusi Lembaga, Tan Sri Abu Talib bin Othman, merupakan Pengarah Bukan Eksekutif Bebas dan selama ini kekal sebagai Pengarah Bukan Eksekutif Bebas.

Pengarah Urusan Syarikat, Encik Jack Marie Henry David Bowles, ialah Pengarah Eksekutif yang dilantik ke Lembaga pada 1 Mei 2007.

Tan Sri Kamarul Ariffin Mohamed Yassin telah dilantik oleh Lembaga sebagai Pengarah Kanan Bukan Eksekutif Bebas yang mana sebarang kemusykilan boleh dirujuk kepada beliau.

Mesyuarat Lembaga

Lembaga telah mengadakan lapan (8) mesyuarat pada 2007 yang mana empat (4) adalah mesyuarat yang dijadualkan. Lembaga dijadual mengadakan bilangan mesyuarat berjadual yang sama pada 2008. Mesyuarat Lembaga Pengarah dijadualkan pada suku keempat tahun sebelumnya bagi membolehkan para Pengarah merancang terlebih dahulu dan memastikan bahawa mesyuarat Lembaga yang dijadualkan ditetapkan mengikut jadual yang ditetapkan.

Bila terdapat arahan atau keputusan yang diperlukan segera atau penting daripada Lembaga selain mesyuarat yang dijadualkan seperti biasa, mesyuarat Lembaga khas akan diadakan oleh Setiausaha Syarikat setelah berunding dengan Pengerusi. Di mana sesuai, keputusan diambil dengan cara Resolusi Pekeliling Pengarah selain mesyuarat berjadual dan mesyuarat khas. Keputusan Lembaga dibuat dengan sebulat suara atau mengikut konsensus.

Agenda mesyuarat Lembaga ditetapkan oleh Pengerusi menerusi perundingan dengan Pengarah Urusan dan Setiausaha Syarikat. Semua Pengarah menyedari akan tanggungjawab mereka untuk mengguna pakai piawaian etika tertinggi dan membuat keputusan secara objektif demi kepentingan Syarikat.

Kakitangan pengurusan kanan atau penasihat luar diminta menghadiri mesyuarat Lembaga atau Jawatankuasa Lembaga sekiranya perlu untuk menasihati ahli Lembaga dan Jawatankuasa Lembaga serta membekal maklumat dan penjelasan yang diperlukan atas perkara-perkara yang tersebut dalam agenda yang dibentangkan kepada Lembaga dan Jawatankuasa Lembaga bagi membolehkan mereka membuat keputusan yang dipertimbangkan.

Semua isu yang dibangkitkan, perbincangan, pertimbangan dari segi isu yang dibincang, keputusan dan kesimpulan yang dibuat di mesyuarat Lembaga, direkodkan dalam minit mesyuarat. Minit-minit mesyuarat Lembaga dan Jawatankuasa Lembaga diedarkan kepada semua Pengarah untuk penelitian mereka sebelum minit-minit tersebut disahkan di mesyuarat berikutnya.

Penyediaan Maklumat

Lembaga dan Jawatankuasa Lembaga menerima maklumat mutakhir untuk dikaji dalam jangka masa yang secukupnya sebelum setiap mesyuarat, dan Setiausaha Syarikat, atas arahan Pengerusi, memastikan aliran maklumat kepada Lembaga dan Jawatankuasa Lembaga. Setiausaha Syarikat juga bertanggungjawab menasihati Lembaga, menerusi Pengerusi tentang segala perkara tadbir urus. Sebelum



berlangsungnya mesyuarat Lembaga, agenda rasmi dan lengkap berserta susunan bahan mesyuarat Lembaga yang mengandungi maklumat relevan tentang perkara yang akan dipertimbangkan di mesyuarat dihantar kepada semua Pengarah sekurang-kurangnya lima (5) hari sebelum mesyuarat Lembaga berkaitan dilangsung. Ini adalah untuk membolehkan para Pengarah mengkaji, menimbang, dan sekiranya perlu, mendapatkan maklumat atau kajian lanjut tentang perkara-perkara yang akan dipertimbangkan agar bersedia secukupnya di mesyuarat Lembaga. Bahan mesyuarat Lembaga yang dibentangkan padat dan diselitkan juga laporan pengurusan yang komprehensif, minit mesyuarat Jawatankuasa Lembaga, kertas cadangan serta dokumen sokongan.

Lembaga menyedari bahawa proses keputusan amat bergantung kepada kualiti maklumat yang diberikan. Justeru, sebagai lanjutan kepada tugas mereka, setiap Pengarah mempunyai akses yang tidak terhad kepada semua maklumat dalam Syarikat. Para Pengarah kerap diberikan maklumat terkini tentang keperluan berkanun dan pengawalan baru yang berkaitan dengan tugas dan tanggungjawab para Pengarah serta kesan dan implikasinya kepada Syarikat dan para Pengarah dalam menjalankan tugas serta tanggungjawab fidusiari mereka. Terdapat juga tatacara rasmi yang diluluskan oleh Lembaga untuk semua Pengarah, sama ada bertindak sebagai Lembaga penuh atau dalam kapasiti individu mereka, untuk mendapatkan nasihat profesional bebas bila perlu, atas perbelanjaan Kumpulan.

PELANTIKAN KE LEMBAGA

Proses Pelantikan

Lembaga melantik ahli-ahlinya menerusi proses rasmi yang konsisten dengan Tataurus Pertubuhan Syarikat. Lembaga telah membentuk Jawatankuasa Pencalonan untuk membuat cadangan tentang calon-calon yang sesuai dilantik ke Lembaga. Calon yang dicadangkan mesti diluluskan dan dilantik oleh Lembaga. Jawatankuasa Pencalonan bertanggungjawab memastikan bahawa prosedur pelantikan Pengarah baru adalah telus dan ketat dan pelantikan dibuat berdasarkan merit dan bersandarkan kriteria objektif untuk tujuan tersebut. Proses ini turut diguna pakai oleh Pengarah yang berhasrat untuk dipilih atau dilantik semula di Mesyuarat Agung Tahunan Syarikat.

Pengarah dipilih untuk pelantikan semula pada jarak tempoh yang ditetapkan menurut Tataurus Pertubuhan Syarikat.

Pemilihan semula atau Pelantikan semula Pengarah

Artikel 97(1) dan (2) Tataurus Pertubuhan Syarikat menetapkan bahawa sekurang-kurangnya satu pertiga Lembaga tertakluk kepada persaraan mengikut giliran di setiap Mesyuarat Agung Tahunan. Pengarah yang akan bersara pada setiap tahun meliputi Pengarah yang telah lama memegang jawatan sejak pelantikan mereka atau pemilihan semula.

Encik James Richard Suttie, Pengarah Bukan Eksekutif Bukan Bebas dan Dato' Chan Choon Ngai, Pengarah Eksekutif akan bersara menurut Artikel 97(1) dan (2) di Mesyuarat Agung Tahunan ini.

Artikel 103 Tataurus Pertubuhan Syarikat menyatakan bahawa pengarah yang dilantik oleh Lembaga dari masa ke semasa akan memegang jawatan hanya sehingga Mesyuarat Agung Tahunan yang berikutnya dan kemudian adalah dilayak untuk pemilihan semula.

Encik Jack Marie Henry David Bowles, Pengarah Eksekutif yang dilantik pada 1 Mei 2007 akan bersara menurut Artikel 103 dan tertakluk kepada pemilihan semula di Mesyuarat Agung Tahunan ini.

Seksyen 129(6) Akta Syarikat, 1965 menetapkan bahawa seseorang yang melebihi umur tujuh puluh (70) tahun boleh dilantik atau dilantik semula sebagai pengarah oleh pemegang saham syarikat dan memegang jawatan sehingga Mesyuarat Agung Tahunan berikutnya.

Tan Sri Kamarul Ariffin bin Mohamed Yassin, yang telah mencapai umur tujuh puluh (70), akan bersara mengikut seksyen tersebut.

Bagi membantu pemegang saham dalam keputusan mereka, maklumat seperti profil peribadi, bilangan mesyuarat yang dihadiri dan pegangan saham dalam Kumpulan bagi setiap Pengarah yang menawarkan diri untuk pemilihan semula atau pelantikan semula disediakan dalam penyata berasingan yang mengiringi Notis Mesyuarat Agung Tahunan.

Jawatankuasa Pencalonan telah membuat cadangan kepada Lembaga berkaitan Pengarah yang ditetapkan untuk pemilihan semula atau pelantikan semula di Mesyuarat Agung Tahunan pada 17 April 2008.

Latihan Pengarah

Bagi memastikan para Pengarah cukup lengkap dalam menjalankan tugas dan tanggungjawab mereka, para Pengarah melalui proses induksi apabila menyertai Lembaga, merangkumi taklimat berhubung semua bidang perniagaan Syarikat.

Semua Pengarah Syarikat yang sedia ada telah menyempurnakan Program Akreditasi Mandatori (MAP) serta menghadiri pelbagai program latihan di bawah Program Pendidikan Berterusan (CEP) yang selaras dengan keperluan Bursa Malaysia Securities Berhad. Berikutan pemansuhan keperluan CEP yang ditetapkan oleh Bursa Malaysia Securities Berhad berkuatkuasa 1 Januari 2005, Lembaga Pengarah terus menilai dan menetapkan keperluan latihan para Pengarah bagi memastikan pendidikan yang berterusan untuk membantu mereka melaksanakan tugas sebagai Pengarah.

Semua Pengarah yang dilantik ke Lembaga, selain menghadiri MAP dan CEP yang diakreditasi oleh Bursa Malaysia Securities Berhad, turut menghadiri program latihan lain yang relevan bagi meningkatkan lagi kecekapan dalam perniagaan serta profesionalisme dalam menjalankan tugas mereka untuk Kumpulan. Menurut perenggan 15.09(2) dan Lampiran 9C (Bahagian A,

Perenggan 27) Keperluan Penyenaraian Bursa Sekuriti, para Pengarah di sepanjang tahun kewangan berakhir 31 Disember 2007 telah menghadiri program latihan dalam bidang kepimpinan, tadbir urus korporat, kewangan, pengurusan risiko, pengurusan jenama, strategi kompetitif, sumber manusia, pembangunan kawal selia serta kecerdasan perniagaan.

Bagi meningkatkan lagi pengetahuan Para Pengarah berhubung perniagaan Syarikat, sebahagian besar daripada mereka telah membuat lawatan ke kilang, tempat penanaman tembakau dan pusat pemasaran dan pengedaran dagangan Kumpulan.

Sewaktu lawatan tersebut, para Pengarah telah mendapat pemahaman langsung tentang operasi perniagaan dan cabaran yang dihadapi oleh Kumpulan.

Syarikat juga telah memberi taklimat dalaman kepada para Pengarah tentang perkembangan utama tadbir urus korporat serta pindaan kepada Kod Malaysia, tugas dan tanggungjawab Pengarah menurut Akta Pindaan Syarikat 2007 terkini serta impak Akta Pasaran Modal dan Perkhidmatan 2007 kepada Syarikat untuk membolehkan mereka mengikuti perkembangan dan pindaan tersebut.

Senarai program latihan luaran yang dihadiri Pengarah:

No.	Nama Pengarah	Tajuk Program Latihan	Butiran Program
1.	Tan Sri Abu Talib bin Othman	Program Pembangunan Pengarah	- Memacu Syarikat bagi menghadapi cabaran dunia global - Pembangunan Modal Insan dan Pengurusan Bakat Strategik
		Program Latihan Pengarah 2007	- Kecerdasan Perniagaan dalam Tadbir Urus Korporat serta Tugas dan Tanggungjawab Pengarah - Inovasi – Antidot kepada Pengkomoditian - Pencegahan Penipuan Korporat
		Perkembangan Kawal Selia dalam Pasaran Modal Malaysia Terkini	Perkembangan pengawalan dalam pasaran modal Malaysia
2.	Tan Sri Kamarul Ariffin bin Mohamed Yassin	Program Latihan Pengarah 2007	- Kecerdasan Perniagaan dalam Tadbir Urus Korporat serta Tugas dan Tanggungjawab Pengarah - Inovasi – Antidot kepada Pengkomoditian - Pencegahan Penipuan Korporat



Senarai program latihan luaran yang dihadiri Pengarah: (sambungan)

No.	Nama Pengarah	Tajuk Program Latihan	Butiran Program
3.	Datuk Oh Chong Peng	Program Latihan Pengarah 2007	- Kecerdasan Perniagaan dalam Tadbir Urus Korporat serta Tugas dan Tanggungjawab Pengarah - Inovasi – Antidot kepada Pengkomoditian - Pencegahan Penipuan Korporat
		Seminar Piawaian Perakaunan Masa Hadapan di Malaysia	Piawaian Perakaunan Masa Hadapan di Malaysia
		Seminar Insurans Liabiliti Pengarah dan Pegawai	Insurans Liabiliti Pengarah dan Pegawai
		Seminar IJM	- Piawaian Pelaporan Kewangan 3 - Belanjawan Malaysia - Tadbir Urus Korporat
		Pencegahan Pelaburan Wang Haram (Bank Negara Malaysia)	Pencegahan Pelaburan Wang Haram
		Persidangan pembiayaan luar pesisir anjuran LOFSA	Pembiayaan Luar Pesisir
4.	James Richard Suttie	Program Latihan Pengarah 2007	- Kecerdasan Perniagaan dalam Tadbir Urus Korporat serta Tugas dan Tanggungjawab Pengarah - Inovasi – Antidot kepada Pengkomoditian - Pencegahan Penipuan Korporat
5.	Robert James Clark	Program Latihan Pengarah 2007	- Kecerdasan Perniagaan dalam Tadbir Urus Korporat serta Tugas dan Tanggungjawab Pengarah - Inovasi – Antidot kepada Pengkomoditian - Pencegahan Penipuan Korporat
6.	Dato' Chan Choon Ngai	Program Latihan Pengarah 2007	- Kecerdasan Perniagaan dalam Tadbir Urus Korporat serta Tugas dan Tanggungjawab Pengarah - Inovasi – Antidot kepada Pengkomoditian - Pencegahan Penipuan Korporat
7.	Bartholomeus Franciscus Theodorus Alkemade	Program Latihan Pengarah 2007	- Kecerdasan Perniagaan dalam Tadbir Urus Korporat serta Tugas dan Tanggungjawab Pengarah - Inovasi – Antidot kepada Pengkomoditian - Pencegahan Penipuan Korporat

Senarai program latihan luaran yang dihadiri Pengarah: (sambungan)

No.	Nama Pengarah	Tajuk Program Latihan	Butiran Program
8.	Jack Marie Henry David Bowles	Program Akreditasi Mandatori untuk Pengarah Syarikat Tersenarai Awam	- Memahami konsep Tadbir Urus Korporat dan Kod Malaysia tentang Tadbir Urus Korporat - Rangka Kerja Kawal Selia yang Mengawal Pengarah Syarikat Tersenarai Awam - Rangka Kerja Pelaporan Perundangan dan Kewangan Profesional - Peraturan Pasaran Sekuriti - Tanggungjawab Pengarah Syarikat Tersenarai Awam - Undang-undang, Prosedur dan Tadbir Urus yang Wajar bagi Mesyuarat Agung serta Hak dan Kuasa Pemegang Saham - Pengurusan Risiko, Kawalan Dalaman dan Fungsi Audit Dalaman - Gambaran Keseluruhan Keperluan Penyenaraian Bursa Malaysia Securities Berhad dan kewajipan utama Syarikat Tersenarai Awam - Jawatankuasa Audit

Penilaian Prestasi Lembaga

Lembaga melakukan penilaian kritikal tentang aktiviti setiap tahun. Setiausaha Syarikat mengedarkan kepada para Pengarah soal selidik penilaian bagi mendapatkan pandangan mereka terhadap prestasi Lembaga dan Jawatankuasa Lembaga dan kemudian menyusun laporan untuk Pengerusi. Laporan ini dibentangkan kepada Jawatankuasa Pencalonan dan setelah itu kepada seluruh Lembaga. Proses penilaian prestasi lembaga pada 2007 mengesahkan bahawa Lembaga dan Jawatankuasa Lembaga telah mengendalikan tugas dan tanggungjawab mereka dengan berkesan.

Jawatankuasa Lembaga

Bagi membantu Lembaga menjalankan tugasnya, pelbagai Jawatankuasa Lembaga telah ditubuhkan. Jawatankuasa Lembaga yang ditubuhkan oleh Lembaga terdiri daripada Jawatankuasa Pencalonan, Jawatankuasa Audit, Jawatankuasa Ganjaran, Jawatankuasa Tanggungjawab Sosial Korporat (CSR) dan Jawatankuasa Pampasan Eksekutif. Untuk memastikan kelancaran pengendalian Jawatankuasa Lembaga, Lembaga telah menetapkan kuasa Jawatankuasa Lembaga. Semua Jawatankuasa Lembaga mempunyai fungsi tertentu, bidang rujukan yang tertulis serta tatacara pengendalian yang ditakrif dengan jelas dan di mana sesuai, mematuhi cadangan Kod Malaysia.

Setiap Jawatankuasa Lembaga menyerahkan laporan prosiding dan pertimbangan mereka kepada Lembaga. Pengerusi bagi setiap Jawatankuasa Lembaga akan melaporkan kepada Lembaga tentang semua perkara yang dipertimbangkan di mesyuarat Jawatankuasa Lembaga, yang mana cadangan-cadangan dibentangkan kepada Lembaga oleh Jawatankuasa Lembaga, pertimbangan serta keputusan yang diambil diminutkan dan minit tersebut kemudian diluluskan oleh semua Pengarah serta disah oleh Pengerusi Lembaga pada mesyuarat Lembaga yang berikutnya.

Lembaga mengekalkan tanggungjawab penuh atas hala tuju dan kawalan Kumpulan. Peranan serta keahlian Jawatankuasa Lembaga diperincikan bila mana sesuai seperti berikut:

1. Jawatankuasa Pencalonan

Jawatankuasa Pencalonan terdiri daripada khasnya Pengarah Bukan Eksekutif, yang mana sebahagian besarnya adalah bebas. Ahli Jawatankuasa Pencalonan setakat 31 Disember 2007 adalah:

Tan Sri Abu Talib bin Othman:
Pengerusi, Pengarah Bukan Eksekutif Bebas

Datuk Oh Chong Peng:
Pengarah Bukan Eksekutif Bebas

James Richard Suttie:
Pengarah Bukan Eksekutif Bukan Bebas



Jawatankuasa Pencalonan diberi kuasa oleh Lembaga antara lain mencadangkan kepada Lembaga calon-calon yang sesuai untuk dilantik sebagai Pengarah, memastikan Lembaga mempunyai imbalan yang sesuai dari segi kemahiran, kepakaran, ciri-ciri serta kebolehan teras untuk keahlian dalam Lembaga dan Jawatankuasa Lembaga. Pengarah yang menawarkan dirinya untuk pemilihan semula atau pelantikan semula akan berkecuali dalam semua pertimbangan berhubung pemilihan semula atau pelantikan semula beliau ke Lembaga dan Jawatankuasa Lembaga.

Mesyuarat Jawatankuasa Pencalonan diadakan sekurang-kurangnya sekali setahun dan apabila diperlukan. Jawatankuasa Pencalonan telah bermesyuarat sebanyak dua (2) kali di sepanjang tahun kewangan berakhir 31 Disember 2007.

Bidang kuasa serta rujukan Jawatankuasa Pencalonan adalah seperti berikut:

a. Kuasa

Jawatankuasa Pencalonan telah diberi kuasa oleh Lembaga untuk bertindak seperti berikut:

- Membuat cadangan kepada Lembaga tentang calon-calon yang sesuai untuk pelantikan sebagai pengarah;
- Memastikan Lembaga mempunyai imbalan yang sesuai daripada segi kemahiran, kepakaran, ciri-ciri dan kebolehan teras di kalangan ahli-ahlinya;
- Kerap mengkaji profil berhubung kemahiran, kepakaran, ciri-ciri dan kebolehan teras yang diperlukan untuk keahlian dalam Lembaga;
- Mengkaji pelan penggantian untuk ahli-ahli Lembaga;
- Mencadangkan kepada Lembaga, pengarah yang akan dilantik ke jawatankuasa lembaga; dan
- Penilaian tahunan, keberkesanan Lembaga, jawatankuasa Lembaga dan sumbangan setiap pengarah.

b. Mesyuarat

- Jawatankuasa Pencalonan akan berjumpa sekurang-kurangnya sekali setahun atau apabila diminta oleh mana-mana ahlinya.
- Majoriti ahli yang hadir mestilah pengarah bebas bagi membentuk korum mesyuarat.

- Setiausaha Syarikat akan merekod, menyediakan dan mengedar minit mesyuarat Jawatankuasa Pencalonan dan memastikan bahawa minit disimpan rapi dan dikemukakan untuk pemeriksaan jika diperlukan
- Jawatankuasa Pencalonan akan melaporkan kepada Lembaga dan minitnya dibentangkan untuk makluman Lembaga.

Pada Februari 2007, Jawatankuasa Pencalonan telah membuat cadangan kepada Lembaga tentang Pengarah yang akan bersara dan dikemukakan untuk pemilihan semula serta pelantikan semula di Mesyuarat Agung Tahunan pada 19 April 2007.

Pada Mac 2007, Jawatankuasa Pencalonan telah bermesyuarat untuk menimbangakan pelantikan Encik Jack Bowles yang telah dicalonkan sebagai Pengarah Urusan Syarikat. Setelah menimbangakan profil Encik Jack Bowles, pengalaman serta kelayakannya, Jawatankuasa Pencalonan berpuas hati bahawa beliau sesuai untuk dilantik sebagai Pengarah Urusan Syarikat. Justeru itu, Jawatankuasa telah mencadangkan kepada Lembaga agar Encik Jack Bowles dilantik sebagai Pengarah Syarikat berkuatkuasa mulai 1 Mei 2007.

2. Jawatankuasa Audit

Kewajipan Lembaga untuk mewujudkan penyediaan rasmi serta telus bagi menimbangakan bagaimana harus mengguna pakai pelaporan kewangan dan prinsip kawalan dalaman, serta mengekalkan hubungan sewajarnya dengan juruaudit luaran Syarikat, iaitu PricewaterhouseCoopers Malaysia, dilaksanakan menerusi Jawatankuasa Audit.

Ahli-ahli Jawatankuasa Audit setakat 31 Disember 2007 adalah seperti berikut:

Tan Sri Abu Talib bin Othman:
Pengerusi, Pengarah Bukan Eksekutif Bebas

Tan Sri Kamarul Ariffin bin Mohamed Yassin:
Pengarah Bukan Eksekutif Bebas

Datuk Oh Chong Peng:
Pengarah Bukan Eksekutif Bebas

James Richard Suttie:
Pengarah Bukan Eksekutif Bukan Bebas

Mesyuarat Jawatankuasa Audit dihadiri oleh Pengarah Urusan, Pengarah Kewangan, Ketua Audit Dalam dan wakil juruaudit luaran. Jawatankuasa Audit bertemu dengan juruaudit luar sekali pada 2007, tanpa kehadiran Pengarah Eksekutif atau pihak pengurusan. Minit mesyuarat Jawatankuasa Audit dibentangkan kepada Lembaga untuk makluman, tindakan dan kelulusan yang mana sesuai.

Jawatankuasa Audit telah bertemu sebanyak empat (4) kali sepanjang 2007. Jawatankuasa Audit bertemu dengan pihak pengurusan bersama juruaudit dalam dan luar bagi mengkaji keberkesanan pengurusan kawalan dalam serta risiko perniagaan, dan menerima laporan daripada jawatankuasa audit serantau Kumpulan. Ia mengkaji pematuhan terhadap Piawaian dan tatacara yang ditetapkan dalam Kumpulan untuk pengurusan polisi perniagaannya. Ia memberikan pertimbangan yang terperinci kepada risiko perniagaan yang timbul dari segi operasi perbendaharaan Kumpulan, sistem teknologi maklumatnya dan ancaman perniagaan Kumpulan akibat perdagangan tidak sah, serta mengkaji kawalan khusus yang ada dalam Kumpulan untuk menangani risiko tersebut. Jawatankuasa berpuas hati menerusi langkah-langkah sistem kawalan dalam yang sesuai serta memuaskan kekal diwujudkan untuk mengenal pasti dan mengawal risiko perniagaan, dan perniagaan Kumpulan dikendalikan dengan teratur dan mantap.

Jawatankuasa Audit bertanggungjawab meluluskan audit, perkhidmatan audit berulang yang berkaitan dan bukan berkaitan oleh juruaudit luaran dan dalam menjalankan tugas mereka, Jawatankuasa Audit memastikan bahawa kebebasan dan objektiviti juruaudit luaran tidak dikompromi.

Fungsi, komposisi dan keahlian Jawatankuasa Audit dibentangkan di muka surat 238 hingga 240 dalam Laporan Tahunan ini. Jawatankuasa Audit merangkumi empat (4) Pengarah, yang mana sebahagian besarnya adalah bebas.

3. Jawatankuasa Ganjaran

Jawatankuasa Ganjaran sebahagian besarnya terdiri daripada Pengarah Bukan Eksekutif dan ahli-ahli Jawatankuasa Ganjaran setakat 31 Disember 2007 ialah:

Tan Sri Abu Talib bin Othman:
Pengerusi, Pengarah Bukan Eksekutif Bebas

Tan Sri Kamarul Ariffin bin Mohamed Yassin:
Pengarah Bukan Eksekutif Bebas

Datuk Oh Chong Peng:
Pengarah Bukan Eksekutif Bebas

James Richard Suttie:
Pengarah Bukan Eksekutif Bukan Bebas

Bartholomeus Franciscus Theodorus Alkemade:
Pengarah Eksekutif Bukan Bebas
(Meletak Jawatan pada 30 April 2007)

Jack Marie Henry David Bowles:
Pengarah Eksekutif Bukan Bebas
(Dilantik pada 1 Mei 2007)

Jawatankuasa Ganjaran telah diberi kuasa oleh Lembaga untuk mencadangkan kepada Lembaga rangka kerja ganjaran untuk para Pengarah serta pakej ganjaran bagi Pengarah Eksekutif dan ahli Pengurusan Kanan serta pengurus kanan Syarikat. Pengarah yang sedang dalam pertimbangan akan berkecuali daripada semua perbincangan berhubung cadangan bagi pakej ganjarannya. Pengarah Urusan sebagai salah seorang ahli Jawatankuasa Ganjaran, membuat pembentangan kepada Jawatankuasa Ganjaran tentang ganjaran, pembayaran pampasan, bonus tahunan dan kenaikan gaji para Pengarah dan pengurus kanan.

Jawatankuasa Ganjaran bertemu sekurang-kurangnya sekali setahun dan sepanjang tahun kewangan berakhir 31 Disember 2007, Jawatankuasa Ganjaran telah bertemu sebanyak lima (5) kali. Antara perkara yang dipertimbangkan oleh Jawatankuasa Ganjaran pada 2007 adalah pakej ganjaran bagi Pengarah Urusan, Pengarah Pemasaran, Pengarah Sumber Manusia dan Ketua Jenama yang baru dilantik.

Mesyuarat telah dihadiri oleh sebahagian besar ahli Jawatankuasa Ganjaran.



Bidang kuasa serta rujukan Jawatankuasa Ganjaran adalah seperti berikut:

a. Kuasa

Jawatankuasa Ganjaran diberi kuasa oleh Lembaga untuk bertindak seperti berikut:

- Mencadangkan kepada Lembaga rangka kerja dasar Syarikat bagi syarat pengambilan bekerja pengarah eksekutif, ahli Pengurusan Kanan dan pekerja Gred 38 ke atas;
- Mencadangkan kepada Lembaga semua elemen ganjaran dan pembayaran pampasan bagi pengarah eksekutif, ahli Pengurusan Kanan dan pekerja Gred 38 ke atas;
- Mengkaji dan meluluskan bonus tahunan dan kenaikan gaji pengarah eksekutif, ahli Pengurusan Kanan dan pekerja Gred 38 ke atas; dan
- Mengkaji dan mencadangkan kepada Lembaga, ganjaran bagi pengarah bukan eksekutif.

b. Mesyuarat dan Minit

- Jawatankuasa Ganjaran bertemu sekurang-kurangnya sekali setahun atau sebaliknya seperti yang diputuskan.
- Majoriti ahli yang hadir mestilah pengarah bukan eksekutif agar dapat membentuk korum bagi mesyuarat.
- Pengarah eksekutif dan pengarah bukan eksekutif akan dikecualikan daripada pertimbangan dan keputusan pengundian berhubung ganjaran mereka, sama ada di peringkat Jawatankuasa Ganjaran ataupun peringkat Lembaga, bergantung kepada keadaan.
- Jawatankuasa Ganjaran berhak mendapatkan nasihat dalaman daripada Jabatan Sumber Manusia atau sumber luar, jika perlu.
- Setiausaha Syarikat akan merekod, menyediakan dan mengedarkan minit mesyuarat Jawatankuasa Ganjaran dan memastikan minit disimpan rapi dan dikemukakan untuk pemeriksaan jika diperlukan.
- Jawatankuasa Ganjaran akan melaporkan kepada Lembaga dan minitnya akan dibentangkan serta dimaklumi Lembaga.

4. Jawatankuasa Pampasan Eksekutif (ECC)

ECC terdiri sepenuhnya daripada ahli Pengurusan Kanan Syarikat. Pengurus Sumber Manusia Serantau atau pilihan penggantinya adalah diundang menghadiri mesyuarat ECC apabila difikirkan perlu oleh ECC. Pengarah Urusan Syarikat ialah Pengerusi ECC dan Pengarah Sumber Manusia Syarikat bertindak sebagai Setiausaha kepada ECC.

ECC melapor kepada Jawatankuasa Ganjaran dan minitnya dibentangkan kepada Lembaga.

Ahli-ahli ECC setakat 31 Disember 2007 adalah:

Jack Marie Henry David Bowles	: <i>Pengerusi</i>
Robert James Clark	: <i>Ahli</i>
Dato' Chan Choon Ngai	: <i>Ahli</i>
Rashed Ahmed	: <i>Ahli</i>
Anna Dolgikh	: <i>Ahli</i>
Zainal Arifin Khalid	: <i>Ahli</i>
Christine Lee Oi Kuan	: <i>Ahli</i>
Allen Lim Hun Chye	: <i>Ahli</i>

Bidang kuasa serta rujukan ECC adalah seperti berikut:

a. Kuasa

ECC diberi kuasa untuk melaksana, berhubung semua pekerja Syarikat (kecuali Gred 38 ke atas) fungsi-fungsi berikut:

- mengkaji dan melulus gaji dan bonus tahunan;
- mengkaji dan melulus mandat bagi persetujuan kolektif;
- mengkaji, melulus dan meminda, bergantung kepada keadaan, bentuk serta syarat skim saham eksekutif;
- mengkaji dan melulus skim perpisahan sukarela.
- melulus peningkatan kedudukan kepada Gred 36 dan 37.

b. Mesyuarat dan Minit

- ECC akan bertemu sekurang-kurangnya sekali setahun atau sebaliknya seperti yang diputuskan.
- Korum untuk ECC adalah sekurang-kurangnya lima (5) ahli, termasuk Pengerusi, perlu hadir.
- Setiausaha akan merekod dan mengedarkan minit mesyuarat.
- ECC akan melapor kepada Jawatankuasa Ganjaran dan minitnya akan dibentangkan untuk makluman Lembaga Pengarah Syarikat.

Pada 2007, ECC telah bertemu sebanyak dua (2) kali bagi menimbangkan perkara seperti bajet untuk kenaikan gaji, garis panduan kenaikan, pembayaran bonus 2006 dan sasaran bonus 2007.

5. Jawatankuasa Tanggungjawab Sosial Korporat (Jawatankuasa CSR)

Jawatankuasa CSR dipertanggungjawabkan untuk mengkaji pengurusan tanggungjawab sosial korporat Syarikat serta memantau kesehualuannya dengan Penyata Prinsip Perniagaan. Syarikat telah meraih Anugerah Emas untuk Laporan Tahunan Terbaik bagi Pelaporan Persekitaran oleh Anugerah Laporan Korporat Tahunan Kebangsaan. Syarikat juga telah dimasukkan ke Dow Jones Sustainability World Indexes 2007 sebanyak 6 kali berturut-turut.

Jawatankuasa CSR terdiri daripada Pengurusan Kanan Syarikat dengan Pengurus Hal Ehwal Korporat sebagai setiausaha Jawatankuasa CSR. Jawatankuasa CSR melaporkan kepada Lembaga Menerusi Jawatankuasa Audit. Jawatankuasa CSR bertemu sebanyak dua (2) kali sepanjang tahun kewangan berakhir 31 Disember 2007.

Ahli Jawatankuasa CSR setakat 31 Disember 2007 adalah seperti berikut:

Jack Marie Henry David Bowles	: Pengerusi
Robert James Clark	: Ahli
Dato' Chan Choon Ngai	: Ahli
Rashed Ahmed	: Ahli
Anna Dolgikh	: Ahli
Zainal Arifin Khalid	: Ahli
Christine Lee Oi Kuan	: Ahli
Allen Lim Hun Chye	: Ahli

Bidang rujukan Jawatankuasa CSR adalah seperti yang dibentangkan di bawah:

a. Tujuan

Jawatankuasa CSR mengkaji pengurusan CSR Syarikat, termasuk memantau kesehualuannya dengan Penyata Prinsip Perniagaan.

Jawatankuasa CSR memfokuskan kepada prestasi sosial dan persekitaran Syarikat, yang mana risiko dan isu-isu sosial dan persekitaran dikenal pasti dan tindakan sewajarnya dan tepat pada masa diambil bagi mengatasi isu-isu yang dikenal pasti. Jawatankuasa CSR juga bertindak sebagai forum yang menunjukkan bahawa prinsip CSR tersemam dengan berkesan di seluruh Syarikat.

b. Kuasa

Jawatankuasa CSR diberi kuasa oleh Lembaga Pengarah untuk mengkaji aktiviti dalam Syarikat, di bawah lingkungan pengurusan tanggungjawab sosial korporat Syarikat. Jawatankuasa CSR dalam melaksanakan tugasnya, turut diberi kuasa oleh Lembaga Pengarah untuk mendapatkan khidmat profesional bebas luar dan pihak ketiga yang mempunyai pengalaman serta kemahiran yang relevan, termasuk pihak dari dalam Syarikat.

Jawatankuasa CSR bertemu sekurang-kurangnya dua (2) kali setahun.

c. Objektif

Objektif khusus CSR adalah:

- Mengenal pasti dan menguruskan isu-isu sosial dan persekitaran utama;
- Mengenal pasti dan berhubung kiat dengan pihak berkepentingan utama;
- Memantau kecekapan dan keberkesanan sistem dan kawalan pengurusan CSR;
- Memastikan keandalan maklumat pengurusan prestasi sosial dan persekitaran; dan
- Memantau persehualuannya dengan Penyata Prinsip Perniagaan Syarikat.

d. Perhubungan dengan Audit Dalaman

Wakil daripada Audit Dalaman diundang untuk menghadiri mesyuarat Jawatankuasa CSR dan membentangkan perkara-perkara CSR yang melibatkan Syarikat. Audit Dalaman mempunyai akses langsung kepada Pengerusi Jawatankuasa CSR berkenaan semua hal CSR.



KEHADIRAN KE MESYUARAT LEMBAGA DAN JAWATANKUASA LEMBAGA

Sepanjang dua belas (12) bulan berakhir 31 Disember 2007, lapan (8) Mesyuarat Lembaga telah diadakan dan sebahagian besar Pengarah menghadiri kesemua mesyuarat yang diadakan dalam tempoh tersebut.

Jadual berikut menunjukkan bilangan mesyuarat Lembaga Pengarah yang diadakan pada 2007.

	Mesyuarat Lembaga		Jawatankuasa Audit		Jawatankuasa Pencalonan		Jawatankuasa Ganjaran		Jawatankuasa CSR		Jawatankuasa Pampasan Eksekutif	
	Jumlah kehadiran	Peratus (%)	Jumlah kehadiran	Peratus (%)	Jumlah kehadiran	Peratus (%)	Jumlah kehadiran	Peratus (%)	Jumlah kehadiran	Peratus (%)	Jumlah kehadiran	Peratus (%)
Tan Sri Abu Talib bin Othman (Pengerusi) (Pengarah Bukan Eksekutif Bebas)	8/8	100	4/4	100	2/2	100	5/5	100	—	—	—	—
* Jack Marie Henry David Bowles (Pengarah Eksekutif Bukan Bebas)	4/5	80	—	—	—	—	3/3	100	1/1	100	—	—
Tan Sri Kamarul Ariffin bin Mohamed Yassin (Pengarah Bukan Eksekutif Bebas)	8/8	100	4/4	100	—	—	5/5	100	—	—	—	—
Datuk Oh Chong Peng (Pengarah Bukan Eksekutif Bebas)	8/8	100	4/4	100	2/2	100	4/5	80	—	—	—	—
James Richard Suttie (Pengarah Bukan Eksekutif Bukan Bebas)	7/8	88	4/4	100	2/2	100	5/5	100	—	—	—	—
Robert James Clark (Pengarah Eksekutif Bukan Bebas)	8/8	100	—	—	—	—	—	—	1/2	50	2/3	67
Dato' Chan Choon Ngai (Pengarah Eksekutif Bukan Bebas)	7/8	88	—	—	—	—	—	—	1/2	50	3/3	100
# Bartholomeus Franciscus Theodorus Alkemade (Pengarah Eksekutif Bukan Bebas)	3/3	100	—	—	—	—	2/2	100	1/1	100	2/3	67

* Dilantik pada 1 Mei 2007

Encik Bartholomeus Franciscus Theodorus Alkemade meletak jawatan pada 30 April 2007 selepas Mesyuarat Lembaga Pengarah pada Februari, Mac dan April 2007

Jika seseorang pengarah dilantik dipertengahan tempoh tahun kewangan, pengiraan bilangan kehadiran minimum ke mesyuarat lembaga untuk tujuan mencapai keperluan kehadiran 50% bagi tahun tersebut ialah dengan hanya mengambil kira mesyuarat yang diadakan pada atau selepas pelantikannya.



SETIAUSAHA SYARIKAT

Setiausaha Syarikat memberi sokongan kepada Pengerusi Syarikat bagi memastikan keberkesanan fungsi Lembaga dan sebagai panduan kepada Lembaga tentang tanggungjawab mereka di bawah undang-undang yang berkaitan serta lain-lain keperluan perundangan yang mana mereka tertakluk kepadanya dan bagaimana tanggungjawab tersebut harus dilaksanakan. Setiausaha Syarikat mengelola dan menghadiri kesemua mesyuarat Lembaga dan memastikan bahawa rekod yang tepat dan wajar bagi pertimbangan berhubung isu yang dibincangkan, keputusan dan kesimpulannya diambil.

Setiausaha Syarikat merekod, menyedia dan mengedarkan minit mesyuarat Lembaga dan memastikan bahawa minit tersebut disimpan rapi di pejabat berdaftar Syarikat dan dikemukakan untuk pemeriksaan, jika diperlukan.

Setiausaha Syarikat juga sentiasa memberi maklumat terkini kepada Lembaga tentang pindaan kepada Keperluan Penyenaraian, nota amalan dan panduan serta pekeliling daripada Bursa Malaysia Securities Berhad, Akta Syarikat 1965, Kod Tadbir Urus Korporat Malaysia (Semakan 2007), Akta Pasaran Modal dan Perkhidmatan 2007 serta menasihati Lembaga tentang kesan, jika ada, kepada Syarikat dan Lembaga. Semua Pengarah mempunyai akses kepada nasihat dan khidmat Setiausaha Syarikat. Setiausaha Syarikat dilantik dan disingkir oleh Lembaga secara keseluruhan.

GANJARAN PENGARAH

Dasar bagi ganjaran Pengarah ialah untuk menawarkan pakej ganjaran yang diperlu bagi menarik, mengekal dan memotivasi Pengarah yang berkualiti yang diperlu bagi menguruskan perniagaan Kumpulan. Untuk Pengarah Bukan Eksekutif, tahap ganjaran mencerminkan pengalaman dan takat tanggungjawab yang dipikul oleh Pengarah Bukan Eksekutif secara individu. Strategi ganjaran untuk Pengarah Eksekutif Kumpulan ialah untuk memberi ganjaran yang kompetitif, dan, menerusi penggunaan struktur bayaran dan faedah bersepadu, memberi ganjaran berdasarkan prestasi korporat dan individu agar dapat menyumbang kepada Organisasi Cemerlang. Strategi ganjaran mencerminkan sifat kompetitif operasi Kumpulan, yang menyedari akan keperluan untuk menarik, memotivasi dan mengekalkan kakitangan yang berkualiti dan berwibawa tinggi.

Maklumat yang disediakan oleh perunding bebas dan data kaji selidik tentang amalan ganjaran syarikat untuk perbandingan turut dipertimbangkan dalam menentukan pakej ganjaran Pengarah Eksekutif dan Bukan Eksekutif. Jawatankuasa Ganjaran mencadangkan kepada Lembaga pakej ganjaran Pengarah Eksekutif dan adalah menjadi tanggungjawab muktamad Lembaga secara keseluruhan untuk meluluskan pakej ganjaran Pengarah Eksekutif.

Pengarah Bukan Eksekutif Bebas dibayar yuran tahunan serta elaun kehadiran untuk mesyuarat Lembaga dan Jawatankuasa Lembaga yang mereka hadiri.

Pakej ganjaran untuk Pengarah merangkumi unsur-unsur berikut:

- **Yuran dan Elaun Mesyuarat**

Yuran yang perlu dibayar kepada setiap Pengarah Bukan Eksekutif ditentukan oleh Lembaga seperti yang diluluskan oleh pemegang saham Syarikat. Semua Pengarah Bukan Eksekutif dibayar elaun mesyuarat seperti yang ditetapkan oleh Lembaga sebagai pembayaran balik perbelanjaan yang ditanggung untuk menghadiri mesyuarat Lembaga.

- **Gaji Asas**

Gaji asas untuk Pengarah Eksekutif dicadangkan oleh Jawatankuasa Ganjaran kepada Lembaga untuk kelulusan Lembaga Pengarah.

- **Lain-lain Manfaat**

Manfaat lazim seperti bayaran sewa, kenderaan bermotor, keahlian kelab dan perbelanjaan peribadi disediakan untuk para Pengarah mengikut polisi Kumpulan.

- **Emolumen**

Emolumen seperti bonus, manfaat persaraan, peruntukan cuti, elaun, caruman wajib dan insentif dalam bentuk saham/opsyen dalam saham British American Tobacco p.l.c. menurut skim saham British American Tobacco p.l.c.



Butiran ganjaran para Pengarah bagi tahun kewangan berakhir 31 Disember 2007 adalah seperti berikut:

Pengarah	Yuran (RM)	Gaji (RM)	Emolumen Lain* (RM)	Lain-lain Manfaat** (RM)	Jumlah (RM)
Bukan Eksekutif					
Tan Sri Abu Talib bin Othman	337,000	—	—	29,344	366,344
Tan Sri Kamarul Ariffin bin Mohamed Yassin	59,000	—	—	—	59,000
Datuk Oh Chong Peng	60,000	—	—	—	60,000
James Richard Suttie	27,222	—	5,000	—	32,222
Eksekutif					
Bartholomeus Franciscus Theodorus Alkemade ¹	—	572,687	799,291	351,610	1,723,588
Jack Marie Henry David Bowles ²	—	1,162,507	437,184	149,277	1,748,968
Robert James Clark	—	1,327,227	710,141	374,407	2,411,775
Dato' Chan Choon Ngai	—	767,403	810,263	145,648	1,723,314

* Emolumen lain termasuk bonus, manfaat persaraan, peruntukan cuti, elaun, caruman wajib dan insentif dalam bentuk saham/opsyen dalam saham British American Tobacco p.l.c. menurut skim saham British American Tobacco p.l.c.

** Lain-lain manfaat termasuk bayaran sewa, kenderaan bermotor, keahlian kelab dan perbelanjaan peribadi.

¹ meletak jawatan pada 30 April 2007

² dilantik pada 1 Mei 2007

Laporan Salah Laku

Salah satu fasal utama dalam Piawaian ialah tentang Laporan Salah Laku. Kumpulan menyedari bahawa salah laku dalam mana-mana syarikat seperti pencabulan undang-undang, syarat, peraturan, kesilapan pengeluaran, penipuan, pencemaran kesihatan dan keselamatan atau rasuah selalunya diketahui lebih dahulu oleh orang yang bekerja dalam atau dengan Syarikat. Sistem amaran awal seperti tatacara laporan salah laku boleh membantu Kumpulan mengesan salah laku dan memaklum kepada Kumpulan untuk diambil tindakan pembetulan sebelum masalah menjadi krisis. Sistem laporan salah laku mengukuh dan menyokong pengurusan yang baik dan pada waktu yang sama mengamalkan kebertanggungjawaban, pengurusan risiko yang baik serta amalan tadbir urus korporat yang mantap. Lembaga meyakini bahawa memiliki sistem laporan salah laku akan meningkatkan keyakinan pelabur terhadap Kumpulan dan berbekalkan keyakinan tersebut, sistem laporan salah laku telah dilaksanakan sejak 2004.

Seiring dengan amalan tadbir urus korporat Kumpulan yang mantap, para pekerja Kumpulan amat digalakkan untuk bersuara dan memaklumkan sebarang keraguan tentang salah laku, penyelewengan atau ketidakwajaran dalam pengurusan perniagaan Kumpulan menerusi tatacara laporan salah laku dalaman yang diwujudkan menurut Piawaian. Tatacara ini menggariskan bila, bagaimana dan kepada siapa permasalahan boleh dibangkitkan dengan teratur, dapat membezakan permasalahan dengan rungutan peribadi, memberi peluang kepada pelapor salah laku menyuarakan kemusykilan mereka di luar garis pengurusan mereka dan secara sulit. Identiti pelapor dianggap sulit dan perlindungan diberikan kepada pelapor terhadap sebarang bentuk tindak balas. Sebarang permasalahan yang disuarakan akan disiasat dan laporan serta pengemaskiniannya diserahkan kepada Lembaga Pengarah, menerusi Jawatankuasa Audit.

Pada 2007, tujuh (7) insiden laporan salah laku telah dilapor dan kesemua insiden disiasat dan tindakan yang wajar diambil, di mana perlu.

PEMEGANG SAHAM

Komunikasi dengan pemegang saham dan pelabur

Kumpulan menyedari kepentingan mengekalkan ketelusan dan kebertanggungjawaban terhadap pemegang saham dan pelaburnya. Justeru, Lembaga mengekalkan dialog dengan pemegang saham yang bertujuan memastikan pemahaman objektif antara kedua-duanya. Hubungan utamanya dengan pemegang saham ialah menerusi Pengarah Urusan dan Pengarah Kewangan, tetapi Pengerusi juga mengekalkan hubungan dengan pemegang saham agar dapat memahami isu serta permasalahan mereka.

Laporan Tahunan

Saluran utama yang digunakan oleh Lembaga untuk memberikan pemegang saham dan pelabur maklumat tentang perniagaan, kewangan serta lain-lain aktiviti

utama, ialah Laporan Tahunan Syarikat, yang mana kandungannya sentiasa dipertingkatkan untuk mengambil kira perkembangan, antara lain, dalam tadbir urus korporat.

Aspek penting dasar komunikasi yang aktif dan konstruktif ialah penyebaran maklumat yang tepat pada waktunya kepada pemegang saham dan pelabur. Syarikat menghantar Notis Mesyuarat Agung Tahunan serta surat-surat yang berkaitan kepada pemegang saham sekurang-kurangnya dua puluh satu (21) hari sebelum mesyuarat, seperti dikehendaki di bawah Akta Syarikat, 1965 dan bagi memudahkan pemahaman penuh serta penilaian isu yang terlibat. Di mana timbulnya perkara urusan khas dalam notis Mesyuarat Agung Tahunan, penjelasan penuh diberikan kepada pemegang saham tentang kesan resolusi yang dicadangkan yang terbit dari perkara urusan khas.

Pengeluaran keputusan kewangan yang tepat pada masanya atas dasar suku tahunan membolehkan pemegang saham melihat secara keseluruhan prestasi dan operasi Kumpulan dan membuat keputusan pelaburan bersandarkan pengetahuan.

Pengeluaran Laporan Tahunan

	Tarikh Penerbitan/ Pengeluaran	Tarikh Akhir Bursa Securities	Bilangan hari selepas akhir tahun
Laporan Tahunan 2007	25 Mac 2008	30 Jun 2008	85
Laporan Tahunan 2006	28 Mac 2007	30 Jun 2007	87

Mesyuarat Agung Tahunan

Mesyuarat Agung Tahunan merupakan peluang ulung bagi Lembaga untuk bertemu pelbagai pelabur dan untuk Pengerusi menjelaskan kemajuan Syarikat dan menerima soalan daripada pemilikinya, iaitu pemegang saham. Di Mesyuarat Agung Tahunan, pemegang saham digalakkan bertanya soalan berkenaan resolusi yang dicadangkan atau tentang operasi Kumpulan secara am. Bilangan pemegang saham yang hadir di Mesyuarat Agung Tahunan 2007 telah meningkat dan ia menunjukkan dengan jelas hubungan kukuh dengan pemegang saham. Lembaga Pengarah, pengurusan kanan dan penasihat yang berkaitan telah hadir untuk menjawab soalan yang ditimbulkan dan memberi penjelasan yang diperlukan oleh pemegang saham. Pada setiap Mesyuarat Agung Tahunan, kaunter bantuan akan dibuka sebagai ruang hubungan dengan pemegang saham.

Sidang akhbar diadakan sebaik sahaja berlangsungnya Mesyuarat Agung Tahunan yang mana Pengerusi, Pengarah Urusan dan Pengarah Kewangan memaklumkan kepada pihak media tentang resolusi yang diluluskan dan menjawab soalan berkenaan Kumpulan.

Hubungan Pelabur

Syarikat mengadakan taklimat suku tahun secara berasingan untuk pengurus dana, pelabur institusi dan penganalisis pelaburan selepas setiap pengumuman keputusan suku tahun kepada Bursa Malaysia Securities Berhad bagi memastikan kesefahaman manfaat antara kedua pihak. Terdapat empat (4) taklimat suku tahun yang diadakan pada 2007.

Taklimat suku tahun bukan sahaja bertujuan menggalakkan penyaluran keputusan kewangan Kumpulan kepada seramai mungkin pelabur dan pemegang saham tetapi juga untuk memberikan maklumat terkini kepada pelabur awam dan pemegang saham tentang perkembangan dan kemajuan perniagaan Kumpulan.



Pengeluaran Keputusan Kewangan Suku Tahun

Keputusan Suku Tahun 2007	Tarikh Penerbitan/Pengeluaran	Tarikh Akhir Bursa Securities	Bilangan hari selepas akhir suku tahun
Suku Pertama	24 April 2007	31 Mei 2007	24
Suku Kedua	19 Julai 2007	31 Ogos 2007	19
Suku Ketiga	24 Oktober 2007	30 November 2007	24
Suku Keempat	21 Februari 2008	29 Februari 2008	52

Komunikasi dimantapkan lagi menerusi pelbagai pengumuman dan pekeliling, apabila perlu, dibuat sepanjang tahun dengan mematuhi sepenuhnya keperluan pendedahan pihak berkuasa kawal selia. Bagi mengekalkan sebaik mungkin tahap tertinggi dalam ketelusan, Kumpulan telah mengadakan laman web di www.batmalaysia.com yang mana pemegang saham boleh mengakses maklumat yang merangkumi maklumat korporat, siaran akhbar, maklumat kewangan, harga saham, hubungan dan taklimat pelabur, tanggungjawab sosial, isu-isu tembakau serta peluang kerjaya.

Pemegang saham boleh menghubungi Pengarah Bebas Kanan Syarikat, Tan Sri Kamarul Ariffin bin Mohamed Yassin untuk menyuarakan sebarang kemusykilan yang mungkin dihadapi oleh pemegang saham. Pengarah Bebas Kanan Syarikat boleh dihubungi menerusi telefon, faksimili atau mel elektronik seperti berikut:

Tel: +60 (3)7956 6899
Faks: +60 (3)7491 3772
E-mel: bat_malaysia@bat.com

Perhubungan utama berkaitan hubungan pelabur:

Robert James Clark
Pengarah Kewangan

Encik Robert James Clark seorang akauntan bertauliah dan merupakan Pengarah Kewangan Kawasan British American Tobacco, Kawasan Timur Selatan Jauh. Beliau menyertai Kumpulan British American Tobacco sebagai Juruaudit Antarabangsa pada Julai 1993 dan telah dilantik Pengarah Kewangan British American Tobacco (Malaysia) Berhad pada Oktober 2004.

Butiran Hubungan:
Nombor telefon: +60 (3)7491 7328
E-mel: fdoffice_malaysia@bat.com

Biarpun Syarikat berusaha untuk memberikan sebanyak mungkin maklumat kepada pemegang saham dan pihak berkepentingan, Syarikat menyedari akan rangka kerja kawal selia dan perundangan yang mengawasi pengeluaran maklumat yang penting dan sensitif harga. Sebarang maklumat yang dianggap maklumat penting tidak boleh didedahkan mengenai Kumpulan, tidak akan dihebohkan kepada awam.

KEBERTANGGUNGJAWABAN DAN AUDIT

Pelaporan Kewangan

Kumpulan mensasarkan untuk memberi dan membentangkan penilaian yang jelas, seimbang dan menyeluruh berhubung prestasi kewangan dan prospek Kumpulan pada akhir tahun kewangan, terutamanya melalui penyata kewangan tahunan, pengumuman keputusan suku tahun dan setengah tahun kepada pemegang saham serta melalui penyata Pengerusi dan ulasan operasi di dalam laporan tahunan. Lembaga dibantu oleh Jawatankuasa Audit untuk memantau proses pelaporan kewangan Kumpulan serta kualiti pelaporan kewangannya.

Penyata tanggungjawab Pengarah berhubung penyediaan Penyata Kewangan yang Diaudit

Lembaga bertanggungjawab memastikan bahawa penyata kewangan memberikan gambaran sebenar dan saksama tentang hal ehwal Kumpulan dan Syarikat pada akhir tempoh perakaunan dan berkaitan untung atau rugi dan aliran tunai bagi tempoh yang sama. Dalam menyediakan penyata kewangan, Pengarah telah memastikan bahawa piawaian perakaunan yang diluluskan oleh Lembaga Piawaian Perakaunan Malaysia (MASB) di Malaysia serta peruntukan Akta Syarikat, 1965 telah dipatuhi dan keputusan serta anggaran yang wajar dan teliti telah dibuat. Para Pengarah juga mempunyai tanggungjawab keseluruhan untuk mengambil langkah yang sewajarnya terbuka kepada mereka bagi melindungi aset Kumpulan

dan bagi pelaksanaan serta operasi berterusan perakaunan yang lengkap dan sistem kawalan dalaman untuk pencegahan dan pengesanan penipuan dan lain-lain percanggahan.

Lembaga berpuas hati bahawa ia telah memenuhi kewajipannya untuk membentangkan penilaian yang seimbang dan boleh difahami tentang kedudukan serta prospek Syarikat dalam Laporan Pengarah di muka surat 258 dan Penyata Kewangan di muka surat 258 hingga muka surat 320 di dalam Laporan Tahunan ini.

Urus Niaga Pihak Berkaitan

Rangka kerja pematuhan dalaman wujud bagi memastikan Kumpulan memenuhi kewajipannya di bawah Keperluan Penyenaraian, termasuk kewajipan berhubung urus niaga pihak berkaitan. Lembaga, menerusi Jawatankuasa Auditnya, mengkaji semua urus niaga pihak berkaitan. Pengarah yang mempunyai kepentingan dalam urus niaga mesti dikecuali daripada pertimbangan dan pengundian tentang resolusi berkaitan, yang berhubung dengan urus niaga tersebut di mesyuarat Lembaga dan apa-apa mesyuarat agung yang bersidang untuk menimbang perkara tersebut.

Urus Niaga Pihak Berkaitan yang Berulang yang dilakukan oleh Kumpulan dengan pihak berkaitan pada 2007 adalah untuk pembelian dan jualan rokok serta produk tembakau, pembelian daun, bahan pembungkusan rokok dan produk tembakau, pemerolehan khidmat teknologi maklumat, pembayaran royalti, pembayaran yuran untuk khidmat sokongan nasihat dan teknikal, peruntukan khidmat sokongan nasihat dan teknikal serta pembelian dan penjualan peralatan.

Butir lanjut tentang urus niaga ini dibentangkan di muka surat 305 hingga 307 di dalam Laporan Tahunan ini.

Kawalan Dalaman

Adalah penting untuk menekankan bahawa tanggungjawab muktamad bagi memastikan sistem kawalan dalaman yang mantap dan mengkaji keberkesanan sistem, terletak pada Lembaga Pengarah. Lembaga menetapkan dasar serta tatacara untuk kawalan dalaman dan mengesahkan bahawa pelaksanaan sistem kawalan dalaman telah dilakukan dengan sewajarnya oleh pihak pengurusan eksekutif.

Selaras dengan Panduan untuk Pengarah Syarikat Tersenarai Awam, kajian telah dijalankan oleh Lembaga sekurang-kurangnya setiap tahun, merangkumi semua kawalan penting, termasuk kewangan, operasi dan kawalan pematuhan serta sistem pengurusan risiko. Lembaga mendapat jaminan yang munasabah daripada laporan yang diberikan oleh jawatankuasa berkaitan pengurusan risiko dan kawalan dalaman.

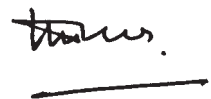
Penyata Kawalan Dalaman

Penyata Kawalan Dalaman yang disiarkan di muka surat 236 hingga 237 di dalam Laporan Tahunan ini memberikan gambaran yang menyeluruh tentang keadaan kawalan dalaman dalam Kumpulan.

Pematuhan kepada Kod

Lembaga telah menimbang, mengkaji dan meluluskan Penyata Tadbir Urus Korporat. Lembaga menganggap Penyata Tadbir Urus Korporat memberikan maklumat yang perlu bagi membolehkan pemegang saham menilai bagaimana Kod Malaysia telah diguna pakai. Justeru, Lembaga menganggap dan berpuas hati bahawa Syarikat telah memenuhi kewajipannya di bawah Kod Malaysia sepanjang tahun kewangan berakhir 31 Disember 2007.

Penyata ini dibuat menurut resolusi Lembaga Pengarah bertarikh 21 Februari 2008.



Tan Sri Abu Talib bin Othman

Pengerusi



PENYATA KAWALAN DALAMAN

TANGGUNGJAWAB

Lembaga Pengarah menyedari kepentingan kawalan dalaman dan amalan pengurusan risiko yang kukuh untuk tadbir urus korporat yang baik. Lembaga menegaskan tanggungjawab keseluruhannya untuk sistem kawalan dalaman Kumpulan yang termasuk mewujudkan persekitaran dan rangka kerja yang bersesuaian serta mengkaji sama ada memadai dan integritinya. Memandangkan terdapat keterbatasan yang wujud dalam mana-mana sistem kawalan dalaman, sistem ini dicipta bagi mengurus dan bukannya menghapuskan risiko yang mungkin menghalang pencapaian objektif perniagaan Kumpulan. Oleh kerana itu, ia hanya dapat memberikan jaminan yang munasabah tetapi tidak mutlak terhadap salah nyata atau kerugian penting. Sistem kawalan dalaman meliputi, antara lain, kawalan kewangan, operasi dan pematuhan serta tatacara pengurusan risiko.

Kumpulan telah menempatkan proses yang berterusan bagi mengenal pasti, menilai, memantau dan mengurus risiko penting yang dihadapi oleh Kumpulan dan proses ini merangkumi mengkaji dan mengemaskini sistem kawalan dalaman bagi menimbang perubahan dalam kawal selia dan persekitaran perniagaan. Proses ini sentiasa dikaji oleh Lembaga menerusi Jawatankuasa Audit dan mematuhi Penyata Kawalan Dalaman: Panduan Pengarah Syarikat Tersenarai Awam.

Lembaga memastikan pengurusan mengambil tindakan yang perlu dalam melaksanakan dasar serta tatacara risiko dan kawalan yang diluluskan oleh Lembaga, yang mana pengurusan mengenal pasti dan menaksir risiko yang dihadapi dan kemudian merangka, melaksana dan memantau kawalan dalaman yang bersesuaian untuk mengurangkan dan mengawal risiko tersebut.

PENGURUSAN RISIKO

Pengurusan risiko terpacat kukuh dalam sistem pengurusan Kumpulan dan ia merupakan tanggungjawab setiap pekerja kerana Kumpulan percaya sepenuhnya bahawa pengurusan risiko adalah kritikal kepada kelangsungan keuntungan serta pemantapan nilai pemegang saham.

Pasukan Pengurusan Risiko, yang diketuai oleh Pengarah Kewangan dan diwakili oleh Pengurus Kanan daripada semua fungsi Kumpulan mengadakan mesyuarat setiap suku tahun sepanjang tahun bagi mengemaskini daftar risiko serta pelan tindakan pengurangan risiko.

Sepanjang tahun dalam tinjauan, pelan kesinambungan perniagaan (atau pelan luar jangkaan) yang terpilih, telah dikaji, dikemas kini dan/atau diuji. Pihak pengurusan berterusan merangka pelan kesinambungan perniagaan bagi menyokong perubahan dalam persekitaran perniagaan. Pengurus kanan yang memiliki pelan kesinambungan perniagaan masing-masing telah membuat pembentangan rasmi kepada Pengurusan Kanan tentang ketersediaan mereka menghadapi krisis.

Jawatankuasa telah diberikan taklimat oleh Pengurus Risiko Perniagaan tentang Program Pengurusan Risiko Kumpulan pada April dan Oktober 2007.

PROSES KAWALAN DALAMAN UTAMA

Tunggak kepada sistem pengurusan kawalan dalaman dan risiko ialah proses Kawalan Menilai Sendiri (CSA), yang mana ia telah dirangka dan terus diperbaiki dari masa ke semasa. Senarai semakan kawalan utama diwujudkan dan mengemukakan pelbagai kawalan utama dan keperluan proses keseluruhan fungsi di dalam Kumpulan dan dikemaskinikan setiap tahun dengan mengambil kira profil risiko yang sering berubah yang ditentukan oleh perubahan dalam persekitaran perniagaan dan kawal selia, strategi serta aktiviti fungsi dari masa ke semasa. Semua unit perniagaan dikehendaki mendokumenkan kawalan dan proses bagi menguruskan risiko serta menilai keberkesannya setiap tahun. Senarai semakan kawalan utama serta analisis trend dilaporkan kepada Jawatankuasa Audit.

UNSUR UTAMA LAIN SISTEM KAWALAN DALAMAN

Selain daripada yang dinyatakan di atas, unsur utama lain sistem kawalan dalaman Kumpulan yang telah dikaji dan diluluskan oleh Lembaga dijelaskan di bawah:

(a) Dasar, Tatacara dan Had Kuasa

- Penugasan tanggungjawab yang amat jelas kepada jawatankuasa Lembaga dan kepada pihak pengurusan termasuk struktur organisasi serta tahap kuasa yang wajar; dan
- Dasar dalaman, piawaian serta tatacara yang didokumenkan dengan jelas, telahpun tersedia dan sentiasa dikemaskinikan bagi mencerminkan risiko yang sering berubah atau menangani kelemahan operasi. Semua dasar dan piawaian diluluskan oleh Lembaga dan kes ketidakpatuhan dilaporkan kepada Lembaga secara pengecualian. Kebergantungan juga diletakkan pada Audit Dalaman Kumpulan serta pendekatan CSA yang dinyatakan di atas.

(b) Perancangan Perniagaan Strategik, Belanjawan dan Laporan

- Pembekalan maklumat yang kerap dan menyeluruh oleh pengurusan untuk memantau prestasi berbanding pelan strategik, merangkumi semua petunjuk kewangan dan operasi utama. Setiap suku tahun, Pengarah Urusan mengkaji bersama dengan Lembaga semua isu yang diliputi, tidak terhad kepada, strategi, prestasi, sumber dan piawaian tatalaku perniagaan;
- Proses belanjawan terperinci yang diwujudkan, memerlukan semua unit perniagaan menyediakan belanjawan tahunan yang dibentang dan diluluskan oleh Lembaga; dan
- Sistem laporan berkesan yang dapat mengesan perbezaan ketara berbanding belanjawan dan pelan telahpun diwujudkan untuk memantau prestasi. Pihak pengurusan akan mengambil tindakan susulan atas perbezaan utama dan melaporkannya kepada Lembaga.

(c) Insurans dan Perlindungan Fizikal

- Insurans dan perlindungan fizikal yang secukupnya diambil atas aset utama bagi memastikan aset Kumpulan dilindungi sepenuhnya daripada sebarang kejadian yang akan mengakibatkan kerugian ketara kepada Kumpulan.

(d) Mesyuarat Kumpulan Pengurusan Kanan

- Mesyuarat Kumpulan Pengurusan Kanan diadakan secara kerap bagi mengkaji, mengenal pasti, berbincang dan menyelesaikan isu-isu strategik, operasi, kewangan dan pengurusan utama.

(e) Bengkel Kerja dan Latihan Kesedaran Risiko

- Sikap pekerja kami, dan pemahaman terhadap proses pengurusan risiko syarikat adalah sama pentingnya dengan pembentukan dasar dan sistem yang mantap bagi mencapai sistem kawalan dalaman yang benar-benar teguh. Dengan demikian, bengkel kerja serta latihan telah dijalankan di seluruh negara untuk menyampaikan kepada pekerja kepentingan pengurusan risiko dan kawalan dalaman serta kesannya ke atas aktiviti harian mereka. Bengkel kerja ini meliputi keseluruhan rangka kerja dan proses pengurusan risiko organisasi, kepentingan kawalan dalaman, jenis kawalan serta bentuk dan penilaian keberkesanan kawalan dalaman.

(f) Lain-lain Hal

- Mesyuarat antara Pengarah Kewangan dan penganalisis kerap diadakan dengan pembentangan rasmi pada hari keputusan kewangan dikeluarkan selepas kelulusan Lembaga bagi memastikan hubungan yang telus serta dialog terbuka dengan pelabur dan pemegang saham; dan
- Perakuan bertulis daripada semua kakitangan pengurusan bagi mengesahkan pematuhan mereka kepada Piawaian Perlakuan Perniagaan Kumpulan dan percanggahan kepentingan didedahkan.

Sistem kawalan dalaman adalah memuaskan dan tidak menimbulkan sebarang kerugian yang ketara, luar jangkaan atau ketidakpastian yang perlu didedahkan dalam Laporan Tahunan Kumpulan.

ULASAN TERHADAP PENYATA JURUAUDIT LUAR

Seperti yang diperlukan dalam perenggan 15.24 Keperluan Penyenaraian Bursa Malaysia Securities Berhad, juruaudit luar telah mengkaji Penyata Kawalan Dalaman ini. Kajian dilaksanakan menurut Panduan Amalan yang Dicadangkan (RPG) 5 yang dikeluarkan oleh Institut Perakaunan Malaysia. Berdasarkan kajian mereka, juruaudit luar melaporkan kepada Lembaga bahawa tidak terdapat apa-apa perkara yang boleh menimbulkan keraguan bahawa Penyata ini adalah tidak konsisten dengan pemahaman mereka tentang proses yang telah diguna pakai oleh Lembaga dalam kajian mereka tentang kelengkapan dan integriti kawalan dalaman Kumpulan. RPG 5 tidak memerlukan juruaudit luar untuk dan mereka tidak menimbang sama ada Penyata ini merangkumi semua risiko dan kawalan, atau membentuk pendapat tentang keberkesanan tatacara risiko dan kawalan Kumpulan.



LAPORAN JAWATANKUASA AUDIT

KEAHLIAN DAN KEHADIRAN

Ahli Jawatankuasa Audit dan butiran kehadiran setiap ahli di mesyuarat Jawatankuasa Audit sepanjang 2007 adalah seperti berikut:

Komposisi Jawatankuasa Audit	Bilangan Mesyuarat Jawatankuasa Audit		%
	Diadakan	Dihadiri	
Tan Sri Abu Talib bin Othman <i>Pengerusi</i> (Pengarah Bukan Eksekutif Bebas)	4	4	100
Tan Sri Kamarul Ariffin bin Mohamed Yassin (Pengarah Bukan Eksekutif Bebas)	4	4	100
Datuk Oh Chong Peng (Pengarah Bukan Eksekutif Bebas)	4	4	100
James Richard Suttie (Pengarah Bukan Eksekutif Bukan Bebas)	4	4	100

Jawatankuasa Audit telah melangsungkan empat (4) mesyuarat di sepanjang tahun, yang mana dihadiri kesemua ahli. Atas undangan Jawatankuasa Audit, Pengarah Urusan, Pengarah Kewangan, wakil juruaudit luaran dan Ketua Audit Dalaman telah menghadiri kesemua mesyuarat. Dari masa ke semasa, lain-lain ahli pengurusan kanan turut menghadiri mesyuarat Jawatankuasa Audit atas undangan Jawatankuasa Audit.

KOMPOSISI DAN BIDANG RUJUKAN

(a) Komposisi

Jawatankuasa Audit hendaklah terdiri daripada sekurang-kurangnya tiga (3) Pengarah, yang mana sebahagian besar adalah bebas. Ahli Jawatankuasa Audit hendaklah dilantik oleh Lembaga Pengarah dan semua ahli Jawatankuasa Audit termasuk Pengerusi adalah Pengarah Bukan Eksekutif.

Sekurang-kurangnya satu (1) ahli Jawatankuasa Audit adalah ahli Institut Akauntan Malaysia ataupun ahli Institut Akauntan Malaysia, mesti mempunyai sekurang-kurangnya tiga (3) tahun pengalaman kerja dan lulus peperiksaan yang ditetapkan dalam Bahagian 1 Jadual Pertama Akta Akauntan, 1967 ataupun ahli salah satu (1) persatuan akauntan yang ditetapkan dalam Bahagian II jadual tersebut atau memiliki ijazah/ijazah sarjana/ijazah kedoktoran perakaunan atau kewangan dan sekurang-kurangnya tiga (3) tahun pengalaman pascakelayakan dalam perakaunan atau kewangan atau merupakan ahli

persatuan perakaunan profesional yang telah diterima sebagai ahli penuh Persekutuan Akauntan Antarabangsa dan sekurang-kurangnya tiga (3) tahun pengalaman pascakelayakan dalam perakaunan atau kewangan atau sekurang-kurangnya tujuh (7) tahun pengalaman sebagai ketua pegawai kewangan sebuah syarikat atau mempunyai fungsi tanggungjawab utama terhadap pengurusan hal ehwal kewangan sebuah syarikat.

Tidak ada pengarah ganti yang dilantik sebagai ahli Jawatankuasa Audit. Lembaga akan mengkaji tempoh pemegangan jawatan dan prestasi ahli Jawatankuasa Audit sekurang-kurangnya sekali setiap tiga (3) tahun bagi menentukan sama ada ahli-ahli telah melaksanakan tugas mereka menurut bidang rujukan mereka.

Jika berlakunya sebarang kekosongan dalam Jawatankuasa Audit dan menyebabkan ketidakpatuhan kepada subperenggan 15.10(1) Keperluan Penyenaraian Bursa Malaysia Securities Berhad, Lembaga akan mengisi kekosongan tersebut dalam tempoh tiga (3) bulan dari tarikh kekosongan.

(b) Pengerusi

Pengarah Bukan Eksekutif Bebas akan menjadi Pengerusi Jawatankuasa Audit.

(c) Mesyuarat dan minit

Ahli Jawatankuasa Audit bertemu sekurang-kurangnya empat (4) kali setahun. Walau bagaimanapun, sekurang-kurangnya sekali setahun, Jawatankuasa Audit akan bertemu dengan juruaudit luaran tanpa kehadiran Pengarah Eksekutif. Pada tahun ini Jawatankuasa Audit bertemu sekali dengan juruaudit luar tanpa kehadiran Pengarah Eksekutif dan pengurusan.

Selain daripada keadaan yang mana Pengerusi menganggapnya tidak sesuai, Pengarah Kewangan dan Ketua Juruaudit Dalaman serta wakil juruaudit luar hendaklah menghadiri semua mesyuarat Jawatankuasa Audit untuk membentangkan pandangan mereka tentang perkara-perkara yang dalam pertimbangan Jawatankuasa Audit, yang mana mengikut pendapat mereka, perlu dibangkitkan untuk perhatian Jawatankuasa Audit. Jawatankuasa Audit boleh, apabila perlu, meminta ahli Lembaga yang lain serta ahli pengurusan kanan untuk menghadiri mesyuarat.

Setiausaha Syarikat adalah Setiausaha Jawatankuasa Audit dan akan merekod, menyedia dan mengedar minit mesyuarat Jawatankuasa Audit dan memastikan bahawa minit disimpan dengan rapi serta dikemukakan untuk pemeriksaan jika diperlukan. Jawatankuasa Audit akan melapor kepada Lembaga dan minitnya dibentangkan untuk makluman Lembaga.

(d) Korum

Sebahagian besar ahli yang hadir mestilah Pengarah Bebas bagi membentuk korum untuk mesyuarat.

(e) Kuasa

Jawatankuasa Audit diberi kuasa oleh Lembaga untuk mengkaji sebarang aktiviti dalam bidang rujukan Jawatankuasa Audit. Jawatankuasa Audit dibenar mendapatkan maklumat yang diperlukan oleh Jawatankuasa daripada mana-mana Pengarah atau anggota pengurusan dan mempunyai akses penuh dan tidak terbatas kepada sebarang maklumat yang berkaitan dengan Kumpulan serta pengurusan, dan semua pekerja Kumpulan dikehendaki patuh kepada permintaan Jawatankuasa Audit.

Jawatankuasa Audit dibenarkan oleh Lembaga untuk memperolehi nasihat profesional luar dan mendapatkan bantuan luar yang berpengalaman serta mempunyai kemahiran yang relevan jika dirasakan perlu, yang mana perbelanjaannya ditanggung oleh Syarikat.

Dalam keadaan yang mana ahli Jawatankuasa Audit perlu mendapatkan nasihat profesional luar sebagai lanjutan kepada tugasnya, dia perlu terlebih dahulu berunding dan mendapatkan kelulusan Pengerusi Jawatankuasa Audit.

Jawatankuasa Audit hendaklah mempunyai saluran komunikasi secara langsung dan boleh mengadakan mesyuarat dengan juruaudit luar tanpa kehadiran ahli bukan bebas Jawatankuasa Audit, bila difikirkan perlu.

TANGGUNGJAWAB DAN TUGAS

Tanggungjawab dan tugas Jawatankuasa Audit termasuk:

(a) Laporan Kewangan

- Untuk mengkaji penyata kewangan suku tahun dan tahunan Syarikat, dengan menumpukan khusus kepada:
 - sebarang perubahan penting kepada dasar dan amalan perakaunan;
 - pelarasan penting yang terbit dari audit;
 - pematuhan terhadap piawaian perakaunan dan keperluan perundangan yang lain; dan
 - andaian usaha berterusan

(b) Urus Niaga Pihak Berkaitan

- Untuk mengkaji sebarang urus niaga pihak berkaitan dan situasi percanggahan kepentingan yang mungkin timbul dalam Kumpulan termasuk sebarang urus niaga, tatacara atau bentuk perlakuan yang mempersoalkan integriti pengurusan.

(c) Laporan Audit

- Menyediakan laporan tahunan Jawatankuasa Audit kepada Lembaga termasuk komposisi Jawatankuasa Audit, bidang rujukan, bilangan mesyuarat yang diadakan, ringkasan aktiviti dan kewujudan unit Audit Dalaman serta ringkasan aktiviti unit tersebut untuk kemasukan dalam Laporan Tahunan; dan
- Untuk mengkaji penyata Lembaga tentang pematuhan terhadap Kod Tadbir Urus Korporat Malaysia untuk kemasukan dalam Laporan Tahunan.

(d) Kawalan Dalaman

- Untuk mengkaji setiap tahun Rangka Kerja Pengurusan Risiko Perniagaan yang diguna pakai dalam Kumpulan dan berpuas hati bahawa metodologi yang diguna pakai membolehkan pengenpastian, analisis, penaksiran, pemantauan dan komunikasi risiko secara tetap dan tepat pada masa yang membolehkan Kumpulan meminimumkan kerugian dan memaksimumkan peluang;
- Memastikan bahawa sistem kawalan dalaman terhasil dengan bijak dan tersedia, dilaksanakan dengan berkesan dan kerap dipantau;
- Menimbulkan sebab kajian perlu dibuat tentang tahap pematuhan terhadap dasar dalaman, piawaian pelan dan tatacara yang telah ditetapkan, contohnya Piawaian Perlakuan Perniagaan Kumpulan;
- Mendapatkan jaminan bahawa pelan yang sesuai untuk kawalan dirangka sebelum membuat perubahan besar dalam Kumpulan; dan
- Mencadangkan kepada Lembaga langkah-langkah untuk memantapkan sistem kawalan dalaman yang diperolehi daripada penemuan juruaudit dalaman dan luaran serta daripada perundangan Jawatankuasa Audit sendiri.

(e) Audit Dalaman

- Untuk berpuas hati bahawa strategi, pelan, pengendalian dan pengaturan bagi pengauditan dalaman disampaikan kepada seluruh Kumpulan. Khususnya:
 - mengkaji pelan audit dalaman dan berpuas hati dengan ketekalannya berhubung Rangka Kerja Pengurusan Risiko Perniagaan yang diguna pakai dan kecukupan liputannya;
 - untuk berpuas hati bahawa unit Audit Dalaman dalam Kumpulan mempunyai sumber yang wajar dan tersedia bagi membolehkan penyempurnaan mandat serta kelulusan pelan audit;
 - mengkaji laporan status daripada Audit Dalaman bagi memastikan tindakan wajar telah diambil untuk melaksana cadangan audit;



- mencadangkan kajian lebih meluas yang dirasakan perlu hasil daripada isu atau kemusykilan yang dikenal pasti;
- memastikan Audit Dalam mempunyai akses penuh, bebas dan tidak terbatas kepada semua aktiviti, rekod, harta dan kakitangan yang diperlukan bagi menjalankan tugasnya; dan
- meminta dan mengkaji sebarang audit khas yang difikirkan perlu.

(f) Audit Luaran

- Mengkaji semula pelan audit juruaudit luaran, jenis dan skop pelan audit, laporan audit, penilaian kawalan dalaman dan penyelarasan juruaudit luaran. Jawatankuasa Audit akan menimbang gabungan pendapat tentang kualiti audit luaran dalam salah satu mesyuaratnya;
- Mengkaji semula Penyata Kawalan Dalaman Kumpulan bersama dengan juruaudit luaran untuk dimasukkan ke dalam Laporan Tahunan;
- Mengkaji semula apa-apa perkara berkaitan pelantikan dan pelantikan semula, yuran audit dan sebarang pertanyaan tentang peletakan jawatan atau penyingkiran juruaudit luaran;
- Mengkaji semula dan menilai faktor-faktor berkaitan dengan kebebasan juruaudit luaran dan membantu mengekal kebebasan mereka;
- Dimaklumkan tentang penggunaan ketara juruaudit luaran dalam melaksana khidmat bukan audit dalam Kumpulan, mengambil kira kedua-dua jenis perkhidmatan yang diberikan serta yuran, agar kedudukan mereka sebagai juruaudit tidak dianggap boleh berkompromi; dan
- Mengkaji semula penemuan juruaudit luaran yang timbul daripada audit, khususnya sebarang komen dan maklum balas dalam surat pengurusan serta bantuan yang diberikan oleh pekerja Kumpulan agar berpuas hati bahawa tindakan yang sewajarnya diambil.

(g) Lain-lain Hal

- Bertindak terhadap sebarang perkara lain yang diarah oleh Lembaga.

RINGKASAN AKTIVITI

Sepanjang tahun, Jawatankuasa Audit telah menjalankan tugasnya menurut bidang rujukannya.

Isu penting lain yang dikaji oleh Jawatankuasa Audit telah diringkaskan seperti berikut:

- Program Pengurusan Risiko Kumpulan, termasuk program insurans dan keselamatan;
- pematuhan terhadap Piawaian Perlakuan Perniagaan Kumpulan; dan
- perkembangan terkini tentang Penyata Prinsip Perniagaan Kumpulan.

FUNGSI AUDIT DALAMAN

Kumpulan mempunyai unit audit dalaman yang mantap, yang memberi laporan kepada Jawatankuasa Audit dan membantu Jawatankuasa Audit dalam mengkaji keberkesanan sistem kawalan dalaman di samping memastikan bahawa terdapat keseimbangan yang bersesuaian dalam kawalan dan risiko di seluruh Kumpulan bagi mencapai objektif perniagaannya.

Audit dalaman memberikan penilaian yang bebas tentang keberkesanan dan kecekapan kawalan dalaman menggunakan metodologi dan kaedah audit global untuk menyokong rangka kerja tadbir urus korporat serta menyokong rangka kerja pengurusan risiko global yang cekap dan berkesan bagi memberi jaminan ke atas pelaksanaan strategi dan usaha perubahan pengurusan Kumpulan.

Ketua Juruaudit Dalaman melapor terus kepada Jawatankuasa Audit dan mempunyai akses terus kepada Pengerusi Jawatankuasa Audit berhubung semua perkara kawalan dan audit. Semua cadangan oleh pengurusan mengenai pelantikan, pemindahan dan penyingkiran Ketua Audit Dalaman Kumpulan mestilah terlebih dahulu mendapat kelulusan Jawatankuasa Audit. Sebarang batasan tidak wajar tentang skop audit perlu dilaporkan kepada Jawatankuasa Audit.

Pelan audit dalaman diluluskan oleh Jawatankuasa Audit di mesyuarat pertama Jawatankuasa setiap tahun. Sebarang perubahan kepada pelan audit dalaman diluluskan oleh Jawatankuasa Audit. Skop audit dalaman merangkumi audit ke atas semua unit dan operasi, termasuk subsidiari.

Audit dalaman mengguna pakai pendekatan berdasarkan risiko bagi perancangan dan pengendalian audit yang mana ia adalah selaras dengan rangka kerja yang tersedia dalam Kumpulan berhubung pembentukan, pelaksanaan dan pemantauan sistem kawalannya.

Aktiviti utama lain yang dilaksanakan oleh audit dalaman adalah seperti berikut:

- mengkaji prosedur kelulusan berhubung urusan niaga berulang pihak berkaitan; dan
- melakukan kajian khusus yang diminta Jawatankuasa Audit dan/atau pengurusan.

Sistem kawalan dalaman adalah memuaskan dan tidak mengakibatkan sebarang kerugian ketara, luar jangkaan atau ketidakpastian yang perlu dilaporkan dalam Laporan Tahunan Kumpulan.

Kaji selidik tentang keberkesanan Jawatankuasa Audit telah dijalankan pada bulan Oktober 2007 yang mana keputusannya menunjukkan peningkatan dalam keseluruhan tahap keberkesanan.

Laporan Jawatankuasa Audit dibuat menurut resolusi Lembaga Pengarah bertarikh 21 Februari 2008.

Keberkesanan pengurusan risiko yang dikaitkan dengan semua aspek perniagaan Kumpulan adalah kritikal kepada kemapanan pertumbuhan serta peningkatan berterusan nilai pemegang saham.

Risiko perniagaan Kumpulan adalah disebabkan beberapa faktor, yang mana bukan kesemuanya dalam kawalan Kumpulan. Cabaran luaran serta pendedahan risiko perniagaan seperti reputasi korporat, sekuriti, persekitaran, isu-isu kesihatan dan keselamatan, kualiti produk serta teknologi maklumat sentiasa dikaji sebagai sebahagian daripada program Pengurusan Risiko Perniagaan Kumpulan.

Kumpulan mengguna pakai program Pengurusan Risiko Perniagaan yang proaktif dengan objektif seperti berikut:

- Memastikan bekalan produk yang berterusan kepada pengguna sepanjang masa
- Melindungi aset dan reputasinya
- Memelihara keselamatan dan kesihatan para pekerja
- Memastikan operasi Kumpulan tidak meninggalkan kesan negatif terhadap tetangga dan persekitarannya
- Melindungi kepentingan semua pihak berkepentingan
- Memastikan pematuhan kepada Kod Tadbir Urus Korporat Malaysia, garis panduan British American Tobacco p.l.c. dan semua undang-undang Malaysia yang berkaitan
- Menekankan budaya kesedaran risiko yang berkesan yang mana pengurusan risiko merupakan aspek penting sistem pengurusan Kumpulan

Pasukan Pengurusan Risiko yang diketuai oleh Pengarah Kewangan dan terdiri daripada pengurus kanan daripada semua fungsi Kumpulan diberi kepercayaan untuk melaksanakan program Pengurusan Risiko Perniagaan Kumpulan. Tanggungjawab pasukan adalah untuk:

- Mengemudi program pengurusan risiko perniagaan Kumpulan
- Memupuk budaya kesedaran risiko secara proaktif dalam Kumpulan
- Mengendalikan penilaian tahunan terhadap risiko perniagaan
- Menyelaraskan pembentukan pelan tindakan pengurangan risiko
- Membangun dan mengemaskini pelan kesinambungan perniagaan untuk risiko utama perniagaan
- Merancang dan menyelaraskan pengujian pelan kesinambungan perniagaan
- Mengadakan latihan dan pendidikan pengurusan risiko untuk para pekerja

- Memantau keputusan petunjuk prestasi utama
- Memastikan tadbir urus korporat yang mantap

Pengurusan risiko terpahat kukuh dalam sistem pengurusan Kumpulan dan ia menjadi tanggungjawab setiap pekerja.

PROSES PENGURUSAN RISIKO

Proses pengurusan risiko perniagaan Kumpulan merangkumi lima tahap, iaitu:



Dalam proses pengenalpastian risiko, semua risiko perniagaan yang berkemungkinan dikenal pasti.

Risiko perniagaan yang dikenal pasti kemudiannya dinilai berdasarkan:

- KEMUNGKINAN risiko berlaku
- KETERUKAN akibatnya
- Tahap kesediaan kawalan dalaman dan langkah-langkah pengurusan risiko

		KEMUNGKINAN		
		R	S	T
KETERUKAN	T	TINGGI	TINGGI	TINGGI
	S	SEDERHANA	SEDERHANA	TINGGI
	R	RENDAH	RENDAH	SEDERHANA



Laporan Pengurusan Risiko Korporat

Hasil daripada proses pengenalanpastian dan penilaian risiko ialah kewujudan daftar risiko yang mendokumenkan semua risiko perniagaan yang dikenal pasti, tahap risikonya serta pelan tindakan pengurusan risiko perniagaan.

Mengategorikan risiko perniagaan membolehkan Kumpulan memperuntukkan sumbernya secara lebih berkesan untuk menangani pelbagai tahap risiko perniagaan. Gabungan langkah-langkah pengurusan risiko kemudiannya dipilih untuk menguruskan risiko tersebut:

Langkah-langkah Pengurusan Risiko	Subkategori	Contoh
HINDAR	Penghindaran	Memutuskan untuk tidak meneruskan aktiviti yang berkemungkinan berisiko tinggi, yang mana praktikal
MENGEKALKAN	Mencegah kerugian	Melaksanakan langkah-langkah proaktif untuk mengurangkan kemungkinan risiko berlaku <i>Tindakan boleh diambil:</i> • Jaminan kualiti • Persekitaran, kesihatan dan keselamatan • Penyelenggaraan pencegahan • Keselamatan • Kawalan kewangan • Pengurusan projek • Latihan dan pendidikan • Penyeliaan • Penyelidikan dan Pembangunan
	Mengurangkan kerugian	Melaksanakan langkah aktif bagi mengurangkan keterukan akibat, jika ada <i>Tindakan boleh diambil:</i> • Pelan kesinambungan perniagaan • Pelan tindak balas kecemasan • Pengasingan pendedahan • Duplikasi pendedahan • Kepelbagaian • Pelan portfolio
	Insurans sendiri	Untuk risiko tidak boleh diinsurans, atau kos insurans terlalu tinggi
MEMINDAH	Insurans	Pembelian insurans untuk risiko yang boleh diinsuranskan contohnya kebakaran, nyawa, kecurian dan sebagainya
	Kontrak	Fasal perlindungan dalam kontrak contohnya fasal indemniti dan sebagainya
	Perkongasian risiko	Usaha sama, perkongsian

Pemantauan risiko yang berterusan dilaksanakan bagi mengkaji keberkesanan langkah pengurangan risiko yang diwujudkan untuk semua risiko perniagaan yang dikenal pasti serta tindakan pembetulan yang diambil yang mana perlu.

Program Pengurusan Risiko Perniagaan adalah tertakluk kepada kajian berkala yang dijalankan bagi memastikan bahawa dasar dan objektif program kekal dapat diguna pakai serta berkesan dalam suasana perubahan pasaran serta persekitaran kawal selia. Semua ini diperkemas lagi oleh amalan kawalan dalaman seperti penyata pematuan dengan Kod Tadbir Urus Korporat Malaysia dan senarai semakan kawalan utama British American Tobacco p.l.c.

PENGALAKAN KESEDARAN RISIKO

Komunikasi risiko adalah sama penting dan membentuk sebahagian daripada aktiviti pengurusan risiko kerana ia memberi tumpuan kepada penyebaran maklumat risiko kepada semua peringkat pekerja yang bersesuaian serta pihak berkepentingan. Saluran yang sesuai tersedia untuk pekerja memberi maklum balas tentang isu pengurusan risiko dan cadangan untuk penambahbaikan.

Untuk memantapkan lagi serta memupuk budaya kesedaran risiko dalam Kumpulan, beberapa siri bengkel kerja kesedaran risiko telah diadakan di seluruh negara pada 2007 untuk semua pekerja pengurusan. Bengkel kerja tersebut bertujuan menggalakkan pengurusan risiko sebagai tanggungjawab setiap pekerja dan patut terpahat kukuh dalam amalan pengurusan mereka.

MENKAJI PROGRAM PENGURUSAN RISIKO PERNIAGAAN KUMPULAN

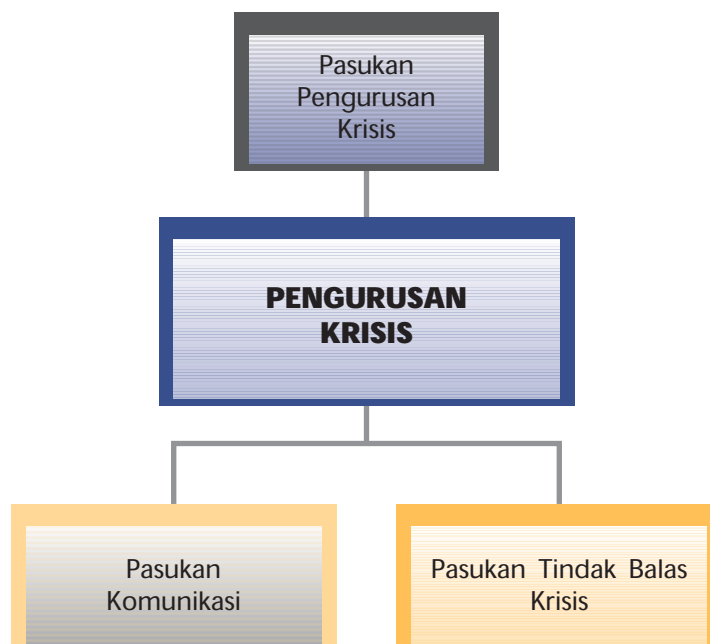
Pasukan Pengurusan Risiko telah bertemu sebanyak empat kali sepanjang tahun, iaitu pada Januari, April, Julai dan Oktober 2007 bagi mengkaji profil risiko dan kemajuan pelan kesinambungan perniagaan Kumpulan.

Sepanjang tahun, pelan kesinambungan perniagaan yang terpilih telah dikaji, dikemas kini dan diuji. Dua pelan kesinambungan perniagaan yang baru telah diwujudkan bagi menguruskan risiko perniagaan yang mendatang.

Pada Oktober 2007, Pasukan Pengurusan Risiko berserta pengurusan kanan telah mengemaskinikan daftar risiko dan pelan tindakan pengurangan risiko. Jawatankuasa Audit telah diberi taklimat oleh Pengurus Risiko Perniagaan tentang program Pengurusan Risiko Perniagaan Kumpulan pada April dan Oktober 2007.

PASUKAN PENGURUSAN KRISIS

Sebagai tambahan kepada Pasukan Pengurusan Risiko, Kumpulan juga telah mewujudkan Pasukan Pengurusan Krisis untuk memimpin dan membuat keputusan yang tepat pada masanya jika berlakunya krisis. Pasukan Pengurusan Krisis dibantu oleh Pasukan Tindak Balas Krisis, yang dipertanggungjawabkan untuk memberi tindak balas serta-merta terhadap krisis, manakala Pasukan Komunikasi menyelaraskan strategi komunikasi dengan pihak berkepentingan utama.



Organisasi Cemerlang

Kekuatan dari kepelbagaian

Kami menghasilkan nilai menerusi warga kami, sudut pandangan serta gagasan yang menjadi asas ketekalan penambahbaikan dalam pertumbuhan organisasi. Kami berusaha meningkat pemahaman tentang pasaran menerusi pengendalian cemerlang serta amalan-amalan yang telah meraih pelbagai anugerah. Ia bukan sekadar membuktikan kecemerlangan organisasi, malah keserlahan bakat serta semangat warga kami.

PENGARAH SUMBER MANUSIA

Anna Dolgikh

"Tumpuan sentiasa diberi terhadap sumber manusia kita. Kejayaan sesebuah organisasi amat bergantung pada warga kerjanya. Bersemangat, bermotivasi dan terdorong ke arah kejayaan adalah asas Organisasi Cemerlang."

MENGUKUHKAN ORGANISASI CEMERLANG KAMI

BUDAYA PRESTASI TINGGI

Kaji Selidik Pekerja

Dalam mengimbas iltizam British American Tobacco Malaysia untuk mendapatkan maklum balas pekerja, kaji selidik 'Your Voice' 2007 mendapat respons yang amat memberangsangkan pada kadar 98%, satu pencapaian peningkatan pendapat pekerja. Ini membuktikan kesungguhan serta inisiatif yang diambil yang menjangkau kepelbagaian selain tempoh kewangan tahunan, serta menilai kepentingan mekanisme maklum balas para pekerja kami di semua peringkat.

Pasukan Pengurusan Kanan telah mengiktiraf program 'Your Voice' dan menjadikannya sebahagian daripada agenda perniagaan mereka yang utama serta melantik para penggerak perubahan 'Your Voice' yang merangkumi setiap fungsi. Pembentukan lebih 40 pasukan petugas yang melingkungi setiap fungsi dapat memastikan:

- (i) keputusan adalah sah
- (ii) isu-isu diberi keutamaan
- (iii) inisiatif diambil, dipantau dan dilaporkan di peringkat kepimpinan fungsian

Pencapaian kemudian dipertengahan di perhimpunan para penggerak serta dalam majalah CONTACT sebagai sebahagian daripada proses pembelajaran.

Kepimpinan Berwawasan

Kepimpinan merupakan komponen utama Organisasi Cemerlang kami. Ia mengukuhkan usaha kami untuk mewujudkan budaya prestasi yang ulung di British American Tobacco Malaysia. Pada 2007, Syarikat telah mengorak langkah untuk menekankan strategi Syarikat dan memacu pembangunan kepimpinan berprestasi di semua peringkat. Satu program bertajuk 'Pengalaman Kepimpinan' (LE) yang diterajui seorang fasilitator antarabangsa, telah dirancang dan dilancarkan. Pasukan Pengurusan Kanan dan pegawai bawahan mereka

merupakan Kumpulan pertama mengambil bahagian dalam sesi interaktif yang menghasilkan penghargaan lebih mendalam terhadap strategi Syarikat serta inisiatif yang perlu untuk memastikan kejayaannya.

Untuk agenda perubahan dalam kepimpinan ini, satu rangka kerja kepimpinan yang jelas dan padat telah ditetapkan, yang membolehkan pengurus di semua peringkat memacu pelaksanaan strategi perniagaan dengan lebih berkesan. Bengkel LE telah dirancang bagi membantu pemimpin membentuk Agenda Kepimpinan Strategik (SLA) berasaskan pasukan, selain turut membangunkan Agenda Kepimpinan Peribadi (PLA) untuk setiap ahli pasukan.

Pasukan Kepimpinan Lanjutan (ELT) yang terdiri daripada pegawai bawahan Pengurusan Kanan telah dibentuk berikutan program ini dan diberi kepercayaan untuk memercu pelaksanaan strategi perniagaan Syarikat. Ini juga memberi ruang untuk pihak Pengurusan Kanan menumpu kepada aspek strategi jangka panjang.

Lanjutan daripada program ini dan sebahagian daripada pelan kempen syarikat ialah program Pengalaman Kepimpinan Fungsian (FLE) yang memberi peluang kepada semua peringkat kepimpinan menempuhi pengalaman yang sama. Objektif proses ini adalah untuk mewujudkan perbincangan serta pemikiran yang lebih mantap di peringkat fungsian tentang bagaimana hendak memastikan perniagaan fungsian berfikir sejajar dengan wawasan, misi dan strategi organisasi.

Di peringkat ini, perumusan rancangan yang terperinci melalui LE turut menghasilkan kejelasan dan penjajaran kepada objektif strategik Syarikat. Pengurusan di semua peringkat kini lebih bersedia memainkan peranan kepimpinan mereka dan membimbing para pekerja menajar sumbangan masing-masing mengikut keperluan harian perniagaan.



PEMBENTUKAN BAKAT

Pembangunan Bakat kami

British American Tobacco Malaysia amat komited kepada perkembangan berterusan para pekerja kami. Membolehkan setiap pekerja meneroka dan mengembangkan kemampuan peribadi mereka akan membantu Syarikat mengunjur sasaran perniagaan dan menimbulkan kepuasan peribadi.

Syarikat sememangnya yakin bahawa setiap individu harus mengemudi kemajuan dan pembangunan sendiri. Justeru, suatu proses yang rapi digelar *DeveloP* (Membangun) telah diwujudkan. Ia membolehkan pekerja meningkatkan kebolehan mereka, lantas mencapai matlamat prestasi semasa dan menyediakan diri untuk peranan masa depan.

Latihan dan Pembangunan Organisasi

Terdapat lebih daripada 29 program pembangunan tempatan dan pilihan program antarabangsa dimasukkan dalam kalendar latihan 2007. Ia dibahagikan berdasarkan laluan kepimpinan khusus serta kebolehan kepimpinan yang telah dikenalpasti. Dengan cara ini, setiap pekerja dapat memilih program yang tepat bagi tujuan khusus untuk penambahbaikan sepanjang tahun.

2007 juga merupakan tahun yang luar biasa bagi pembangunan bakat kerana turut memenuhi keperluan latihan pekerja pengurusan yang baru dinaikkan pangkat di bahagian jualan mahupun di rangkaian pembekalan. Pelbagai program kepimpinan telah dilaksanakan bagi membolehkan setiap individu menyesuaikan diri dengan peranan baru mereka.

Penyerlahan Bakat melalui Program Rujukan Pekerja (ERP)

British American Tobacco Malaysia menyedari bahawa pekerja kami dianggap saluran terbaik Syarikat untuk merekrut bakat yang berkaliber bagi memastikan kecukupan dan kemapanan aliran bakat.

Selaras dengan ini, ERP telah diperkenalkan pada 2006 sebagai sebahagian daripada saluran merekrut dengan memanfaatkan rangkaian kenalan profesional dan sosial para pekerja kami bagi memenuhi kekosongan jawatan pengurusan dalam Syarikat.

Rujukan pekerja merupakan kaedah merekrut yang hebat memandangkan pekerja sudah memahami budaya serta persekitaran kerja Syarikat bagi mencadangkan bakat yang sesuai. Sejak ERP diperkenalkan, kami telah menerima lebih daripada 50 rujukan dan 11 calon telah berjaya menyertai Syarikat.

Pengakuan daripada mereka yang direkrut menerusi ERP pada 2007...

"Pekerja yang merujuk saya memberikan gambaran persekitaran warga kerja yang hebat, peluang yang menakjubkan serta rentak kerja yang berkobar-kobar dan mengujakan. Betul sekali!"

Chin Tuck Weng, Pengurus Hal Ehwal Korporat

"Saya benar-benar berpuas hati dapat berkhidmat dalam Kewangan Pemasaran kerana jawatan ini memberi saya peluang untuk meningkatkan pengetahuan dan meluaskan pengalaman saya."

Teh Chern Lik, Eksekutif Kewangan Jualan Langsung Stor

Apa yang mendorong pekerja kami menawan hati bakat...

"Perekrut terbaik adalah pekerja syarikat yang memahami budaya kerja dan boleh menentukan kesesuaian orang yang disyorkan. Maka memang wajar bagi pekerja memainkan peranan dalam menentukan siapa rakan kerja mereka ke arah membentuk sebuah organisasi yang berprestasi tinggi."

Joanne Chan, Eksekutif Hal Ehwal Kawalan

PENCARIAN BAKAT

British American Tobacco Malaysia mengakui pencarian bakat merupakan sebahagian penting dalam membina dan memastikan kesinambungan aliran bakat tempatan. Pencarian ini mengesahkan keperluan untuk mengambil pekerja cemerlang yang mempunyai potensi kepimpinan dan inisiatif perniagaan.

Inisiatif utama kami yang mendorong penrekrutan bakat yang berwibawa bagi 2007 adalah menerusi penjenamaan pekerja. Syarikat telah mengadakan forum kerjayanya yang sulung di Universiti Monash, diikuti universiti dan kolej lain bagi mewujudkan lebih kesedaran mengenai British American Tobacco Malaysia sebagai majikan pilihan.

Inisiatif Kami

Syarikat turut mengambil bahagian dalam pesta kerjaya yang didasarkan di seluruh negara yang mana lebih daripada 5,000 pemohon kerja mengunjungi tapak pameran kami. Kami mewujudkan hubungan dengan Badan-badan Pelajar daripada universiti-universiti di United Kingdom dan Majlis Eire bagi Penuntut Malaysia (UKEC) serta Majlis Penuntut Malaysia di Australia (MASCA) bagi memarakan lagi kesedaran tentang Program Pelatih Pengurusan Global Syarikat.

Syarikat telah mengadakan pertandingan '*Shape Our World*' pada 10 Julai 2007 bagi menyerlahkan lagi penjenamaan majikan serta mengenal pasti bakat yang berpotensi tinggi yang menyaksikan seramai 21 siswa siswi daripada tujuh kolej dan universiti awam serta swasta terpilih untuk menyertai acara ini. Pasukan dari Universiti Malaya telah muncul sebagai juara keseluruhan bagi pertandingan yang julung kali diadakan. Inisiatif ini kemudiannya telah terpilih untuk Anugerah Kecemerlangan Global Sumber Manusia British American Tobacco.



PENGALAMAN YANG SESUNGGUHNYA BERNILAI

WARGA KAMI DI SERATA DUNIA

Menyedari keserlahan bakat di British American Tobacco Malaysia, para pekerja diberi peluang meraih pengalaman kerja di luar negara menerusi program peminjaman kami. Berikut senarai pekerja kami yang ditugaskan di sekitar operasi British American Tobacco seluruh dunia.

No.	Nama	Jawatan	Lokasi Semasa
1.	Alison Yeap Xin Yi	Juruanalisis Kanan Pelaksanaan Strategi	United Kingdom
2.	Anand Panchalingam	Arkitek Penyelesaian Global	United Kingdom
3.	Azizul Shaari	Pengurus Kewangan Pejabat Pengurusan Projek	Hong Kong
4.	Bruce Richard Jalleh	Pengurus Kewangan Komersial	Korea
5.	Cheryl Wong	Ketua Kawasan Sumber Manusia Rantau Asia Timur	Vietnam
6.	Claire Chan Soo Fong	Pengurus Kajian dan Pemahaman Pasaran	Hong Kong
7.	Hasnol Ibrahim	Peneraju Produk	United Kingdom
8.	Karl Yap Chee Keong	Pengurus Kanan Jenama Antarabangsa, Kent	United Kingdom
9.	Lim Peng Hui	Pengurus Kepimpinan dan Pembelajaran	Hong Kong
10.	Lim Suat Kim	Ketua Pengeluaran	Singapura
11.	Mohd Azraai	Pengurus Pelanggan Rangkaian Pembekalan Serantau, rantau Eropah	United Kingdom
12.	Ng Shu-Theng	Pengurus Pembangunan Kewangan Pemasaran	United Kingdom
13.	Shaiful Bahari	Ketua Hal Ehwal Korporat dan Peraturan	Bangladesh
14.	Tang Chung Leong	Pengarah Operasi	Vietnam
15.	William Toh	Pengarah Kawasan Asia Selatan	Pakistan



TEMPAT KERJA **YANG HEBAT**

Pengalaman saya di Asia Pasifik bermula 17 tahun lalu, di mana selepas meluangkan 10½ tahun bersama Rothmans of Pall Mall (M) Berhad dalam pelbagai jawatan Pemasaran, saya telah ditugaskan ke Shandong, China pada 1991 sebagai Pengurus Besar operasi usaha sama 50/50 kami.

Pengalaman Saya di Asia Pasifik!

William Toh

Pengarah Kawasan Asia Pasifik

Mengimbas kembali, pengalaman saya ketika di Jinan, ibu negeri Wilayah Shandong, merupakan perjalanan hidup yang menakutkan bagi saya secara peribadi mahupun kerjaya. Kemuncak kepuasan dan kebanggaan ialah apabila melihat Syarikat mula menapak. Apabila pek rokok yang pertama dihasilkan, saya mengecapi nirwana – suatu perasaan pencapaian yang luar biasa!

Sejak itu, saya telah berpeluang bekerja dan menetap di negara-negara lain di rantau Asia Pasifik termasuk Hong Kong, Taiwan, New Zealand dan Pakistan.

Pada awal 1994, saya berpindah dari China ke Hong Kong sebagai Pengarah Pemasaran Rothmans China dan Hong Kong. Ketika itulah Fei Fei, anjing Shih Tzu yang comel hadir dalam hidup kami. Fei Fei telah bersama kami sehingga kini – lebih tepat selama 14 tahun.

Saya kemudiannya dipinjam untuk bertugas di Taiwan pada 1996 sebagai Pengurus Besar, Rothmans Far East Taiwan dan kembali semula ke Hong Kong pada 1997 dan selanjutnya Pengarah Urusan Rothmans Greater China.

Ini merupakan tempoh yang mana lebih ramai rakyat Malaysia menyertai unit perniagaan Greater China – lebih tepat 10 orang. Setelah itu saya menyertai British American Tobacco China selepas penggabungannya pada 1999 sebagai Pengarah Pembangunan Perniagaan.

Pengalaman saya berikutnya membawa saya ke Pasifik pada 2003 yang mana saya menjadi Pengarah Urusan British American Tobacco New Zealand yang bertempat di Auckland sehingga 2005. Negara yang cantik dan rakyatnya hebat.

Kini, saya bertugas di Pakistan.... kediaman saya sejak November 2005 sehingga tugas saya yang berikutnya. Saya menjadi CEO Pakistan Tobacco Company Limited dan sejak Ogos 2007, turut dilantik sebagai Pengarah Kawasan bagi Kawasan Asia Selatan. Saya rasa bertuah berpeluang bekerja dengan tiga organisasi (Pakistan, Bangladesh dan Sri Lanka) dengan warga kerja yang amat berdedikasi dan berkemampuan.

Pengajaran saya – Ambil peluang bertugas di luar negara sebagai suatu pengalaman, pengajaran dan pendedahan yang benar-benar bermanfaat, hebat untuk pembangunan peribadi dan kerjaya.



Setelah menyertai program Pelatih Pengurusan 'The Challenge Initiative' hampir enam tahun lalu selepas beberapa tahun dalam audit luaran, bekerja di British American Tobacco tidak pernah membosankan. Sebelum penempatan saya di Kewangan Pemasaran, saya berpeluang menyertai Kewangan Korporat, Pemasaran dan Operasi. Apabila wujud peluang untuk menjadi sebahagian daripada pasukan Strategi dan Perancangan Global, saya melihatnya sebagai peluang yang dapat melengkapkan pengalaman saya. Saya kini menjadi sebahagian daripada pasukan seramai lapan orang di Globe House, melaksanakan kitaran Strategi dan Belanjawan tahunan dalam memastikan Perusahaan bekerja ke arah matlamat yang seiring dengan wawasan dan strategi Kumpulan.

Alison Yeap Xin Yi*Juruanalisis Kanan Pelaksanaan Strategi*

Saya dimaklumkan mengenai jawatan ini hanya pada Julai 2007 yang lalu, ketika sedang bercuti di Eropah dan memikirkan 'alangkah baiknya kalau saya dapat merasai pengalaman bekerja di Rantau ini'. Segala-galanya berlaku dengan pantas dan sebulan kemudian, saya telah bersiap dan terbang ke London.

Hari pertama saya di British American Tobacco Globe House mengingatkan saya akan perasaan 'hari pertama di sekolah' – agak kagum dan kkuatir juga kerana banyak perkara baru – Jauh berbeza daripada keselesaan saya kecapi di British American Tobacco Malaysia. Sejak itu saya telah mempelajari cara kerja, dan menanjakkan pemikiran 180 darjah melihat daripada perspektif Pusat dan bukan Pasaran Hujung. Dunia lebih meluas! Anda pelajari tentang dinamik Kumpulan, belajar bekerja dengan kumpulan-kumpulan yang berlainan, dan saya percaya pengalaman di Strategi dan Perancangan Global amat bernilai.

Selain pada mulanya tergamam seperti klaustrofobia akibat pengalaman tiub London bawah tanah yang penuh sesak, saya kini dapat menyesuaikan diri dan mula menikmati segala yang ada di bandar ini – acara antarabangsa, segala jenis makanan yang anda inginkan, muzikal, membeli-belah tanpa henti dan lokasinya yang hampir dengan Eropah.

Pada suatu ketika, peminjaman merupakan peluang yang jarang berlaku, tetapi dalam tempoh setahun dua ini, saya dapat melihat perubahan Syarikat dan dapat menyaksikan lebih ramai bakat yang keluar masuk, bagi mewujudkan sebuah syarikat serta budaya kerja yang benar-benar global. Peluang kepelbagaian pasaran ini akan hanya terus berkembang dari sini dan adalah penting untuk bersikap terbuka kepada peranan baru yang mendatang, kerana anda tidak akan terduga ke mana ia akan membawa anda.



Lain-lain
Maklumat

ANALISIS PEGANGAN SAHAM

pada 29 Februari 2008

British American Tobacco
(Malaysia) Berhad

Modal Saham

Modal Saham Dibenarkan : 770,000,000 Saham Biasa pada RM0.50 sesaham.
 Modal Saham Terbitan dan Berbayar Penuh : 285,530,000 Saham Biasa pada RM0.50 sesaham.
 Hak Mengundi : Satu hak mengundi bagi satu Saham Biasa.

PENGAGIHAN PEGANGAN SAHAM

SAIZ PEGANGAN	BILANGAN PEMEGANG SAHAM	% PEMEGANG SAHAM	BILANGAN SAHAM DIPEGANG	% DARI MODAL TERBITAN
Kurang daripada 100	346	7.2234	8,036	0.0028
100 – 1,000	2,537	52.9645	1,181,756	0.4139
1,001 – 10,000	1,368	28.5595	5,407,055	1.8937
10,001 – 100,000	415	8.6639	12,951,941	4.5361
100,001 – 14,276,499	122	2.5470	99,038,712	34.6859
14,276,500 dan ke atas	2	0.0418	166,942,500	58.4676
Jumlah	4,790	100.0000	285,530,000	100.0000

KEPENTINGAN LANGSUNG DAN TIDAK LANGSUNG PARA PENGARAH

Tan Sri Abu Talib bin Othman	81,000
Tan Sri Kamarul Ariffin bin Mohamed Yassin	1,000
Datuk Oh Chong Peng	1,000
James Richard Suttie	1,500
Robert James Clark	500
Dato' Chan Choon Ngai	1,000

PEGANGAN SAHAM YANG MANA PENGARAH DIANGGAP MEMPUNYAI KEPENTINGAN

James Richard Suttie	3,000
Tan Sri Kamarul Ariffin bin Mohamed Yassin	3,320
Dato' Chan Choon Ngai	6,000

PEMEGANG SAHAM UTAMA

NAMA-NAMA PEMEGANG SAHAM	BILANGAN SAHAM DIPEGANG	% DARI MODAL TERBITAN
1. British American Tobacco Holdings (Malaysia) B.V.	142,765,000	50.00
2. Amanah Raya Nominees (Tempatan) Sdn Bhd – Skim Amanah Saham Bumiputera	24,177,500	8.47

**TIGA PULUH PEMEGANG SAHAM UTAMA**

NAMA-NAMA PEMEGANG SAHAM	BILANGAN SAHAM DIPEGANG	% DARI MODAL TERBITAN
1. British American Tobacco Holdings (Malaysia) B.V.	142,765,000	50.0000
2. Amanah Raya Nominees (Tempatan) Sdn Bhd – Skim Amanah Saham Bumiputera	24,177,500	8.4676
3. Employees Provident Fund Board	11,498,975	4.0272
4. Valuecap Sdn Bhd	6,505,200	2.2783
5. Amanah Raya Nominees (Tempatan) Sdn Bhd – Amanah Saham Malaysia	5,991,700	2.0984
6. Cartaban Nominees (Asing) Sdn Bhd – SSBT Fund 4545 untuk Lazard Emerging Markets Portfolio	4,959,500	1.7369
7. HSBC Nominees (Asing) Sdn Bhd – Exempt An untuk BNP Paribas Securities Services (Convert In USD)	4,924,920	1.7248
8. Malaysia Nominees (Tempatan) Sendirian Berhad – Great Eastern Life Assurance (Malaysia) Berhad (Par 1)	4,500,000	1.5760
9. HSBC Nominees (Asing) Sdn Bhd – Exempt An untuk JPMorgan Chase Bank, National Association (JPM Funds)	3,910,400	1.3695
10. HSBC Nominees (Asing) Sdn Bhd – TNTC untuk Saudi Arabian Monetary Agency	3,059,400	1.0715
11. HSBC Nominees (Asing) Sdn Bhd – BNP Paribas Securities Services Paris untuk Aberdeen Asia Pacific Fund	2,452,900	0.8591
12. Cartaban Nominees (Asing) Sdn Bhd – Investors Bank And Trust Company untuk Ishares, Inc.	2,164,400	0.7580
13. Citigroup Nominees (Asing) Sdn Bhd – Exempt An untuk Mellon Bank (Mellon)	2,128,700	0.7455
14. HSBC Nominees (Asing) Sdn Bhd – Exempt An untuk JPMorgan Chase Bank, National Association (U.A.E.)	1,813,855	0.6353
15. Cartaban Nominees (Asing) Sdn Bhd – Exempt An untuk RBC Dexia Investor Services Trust (Clients Account)	1,788,300	0.6263
16. HSBC Nominees (Asing) Sdn Bhd – Exempt An untuk The Hongkong And Shanghai Banking Corporation Limited (HBFS-I CLT ACCT)	1,617,500	0.5665
17. HSBC Nominees (Asing) Sdn Bhd – TNTC untuk Sanderson International Value Fund	1,360,000	0.4763
18. HSBC Nominees (Asing) Sdn Bhd – Exempt An untuk JPMorgan Chase Bank, National Association (U.K.)	1,294,500	0.4534
19. Cartaban Nominees (Asing) Sdn Bhd – SSBT Fund TC3G untuk California State Teachers Retirement System	1,215,700	0.4258
20. Citigroup Nominees (Asing) Sdn Bhd – Exempt An untuk American International Assurance Company Limited	1,208,400	0.4232

TIGA PULUH PEMEGANG SAHAM UTAMA (sambungan)

NAMA-NAMA PEMEGANG SAHAM	BILANGAN SAHAM DIPEGANG	% DARI MODAL TERBITAN
21. HSBC Nominees (Asing) Sdn Bhd – BBH And Co Boston untuk Merrill Lynch Global Allocation Fund	1,125,000	0.3940
22. HSBC Nominees (Asing) Sdn Bhd – Sumitomo T&B NY untuk Asia High Dividend Equity Mother Fund	964,000	0.3376
23. Cartaban Nominees (Asing) Sdn Bhd – Nomura Trust And Banking Company Limited Tokyo untuk Asia Attractive Dividend Stock Fund Mother Fund	937,300	0.3283
24. HSBC Nominees (Asing) Sdn Bhd – BBH And Co Boston untuk Vanguard Emerging Markets Stock Index Fund	915,905	0.3208
25. Citigroup Nominees (Asing) Sdn Bhd – CBNY untuk AGF Emerging Markets Fund	911,000	0.3191
26. Cartaban Nominees (Asing) Sdn Bhd – State Street London Fund XCP2 untuk Aberdeen Asian Income Fund Limited	900,000	0.3152
27. Cartaban Nominees (Asing) Sdn Bhd – Nomura Trust And Banking Company Limited Tokyo untuk NAM High Profit Mother	846,300	0.2964
28. HSBC Nominees (Asing) Sdn Bhd – BBH And Co Boston untuk Nomura Global High Income Stock Fund (MTBI)	780,500	0.2734
29. Citigroup Nominees (Asing) Sdn Bhd – CBHK untuk Kuwait Investment Authority (Fund 221)	780,000	0.2732
30. Cartaban Nominees (Asing) Sdn Bhd – State Street London Fund VE9L untuk The Local Government Pensions Institution	776,700	0.2720
Jumlah	238,273,555	83.45



BUTIR-BUTIR HARTANAH

Hartanah yang dipegang oleh Kumpulan dan Syarikat pada 29 Februari 2008 adalah seperti berikut:

LOKASI	TARIKH PEMILIKAN/ PENILAIAN SEMULA AKHIR	KEGUNAAN	ANGGARAN UMUR BANGUNAN (TAHUN)	TANAH/ KAWASAN TERBINA (METER PERSEGI)	NILAI BUKU BERSIH RM'000
PEGANGAN BEBAS					
No. 36 & 36A, Jalan Lengkok Canning, Ipoh Garden, Ipoh, Perak	30.11.89	kedai dan pejabat	19	143.07	99
No. 27, Jalan SS26/8, Taman Mayang Jaya, Petaling Jaya, Selangor	22.4.93	kedai dan pejabat	16	272.00	558
No. A79, Jalan Telok Sisek, Kuantan, Pahang	28.4.94	kedai dan pejabat	16	110.59	231
No. 178-3, Jalan Sungai Besi, Kuala Lumpur	1.12.60	pejabat, kilang dan ruang gudang	59	15,884.88	20,826
PEGANGAN PAJAKAN					
Lot 122 dan 124, Jalan Universiti, Petaling Jaya, Selangor (Pajakan 99 tahun masing-masing tamat pada 8.4.2062 dan 29.9.2060)	30.9.61	kilang, pejabat dan stor	46	46,905.44	74,423
Lot P.T. 683-685, 687-689, Mukim Panchor, Daerah Kemumin, Kawasan Perindustrian Pengkalan Chepa II, Kota Bharu, Kelantan (Pajakan 66 tahun tamat pada 25.7.2048)	26.7.82	tanah perindustrian, stor dan pejabat	20	29,952.00	5,595
Lot 2948, No. Pajakan Negara 135345103 Mukim Keningau, Sabah (Pajakan 99 tahun tamat pada 31.7.2062)	22.11.95	stor, pejabat dan kediaman	15	8,093.71	2,625
No. 2, Jalan Foochow, Kuching, Sarawak (Pajakan 999 tahun tamat pada 31.12.2923)	3.10.91	kedai dan pejabat	18	156.10	214
No. 120, Jalan Semangat, Petaling Jaya, Selangor (Pajakan 99 tahun tamat pada 12.7.2061)	24.5.93	pejabat dan stor	32	6,119.00	5,439
Lot 1, Blok A Hong Tong Centre, Batu 4, Penampang, Kota Kinabalu, Sabah (Pajakan 99 tahun tamat pada 31.12.2080)	30.9.99	kedai dan pejabat	14	136.56	458
No. 8, Jalan Melaka Raya 13, Taman Melaka Raya, Melaka (Pajakan 99 tahun tamat pada 7.7.2093)	30.3.96	kedai dan pejabat	13	143.00	306
L.O. 76/65, Kawasan Perindustrian Batu Tiga, Shah Alam, Selangor (Pajakan 99 tahun tamat pada 8.9.2066)	8.9.67	pejabat dan kilang	40	40,603.00	20,810
GM9, Lot 1709, Semerak, Pasir Puteh, Kelantan (Pajakan 33 tahun tamat pada 23.9.2017)	24.9.84	kediaman	21	10,380.00	154
Lot 2430 & 2431, HS(M) 6/83, Mukim Wakaf Delima, Wakaf Bharu, Kelantan (Pajakan 45 tahun tamat pada 3.1.2029)	4.1.84	pejabat dan stor	41	10,467.00	1,220
K.M.5.5, Jalan Bukit Kayu Hitam, Changloon, Kedah (Pajakan 30 tahun tamat pada 6.7.2021)	7.7.91	pejabat dan tanah pertanian	19	285,510.00	941

Ibu Pejabat

BRITISH AMERICAN TOBACCO (MALAYSIA) BERHAD (NO. SYARIKAT 4372-M)

Virginia Park, Jalan Universiti, 46200 Petaling Jaya, Selangor Darul Ehsan

Tel : +60 (3)7956 6899/7491 7100

Faks : +60 (3)7955 8416

TOBACCO IMPORTERS AND MANUFACTURERS SDN. BERHAD

(No. Syarikat 4414-U)

Kilang

Virginia Park, Jalan Universiti

46200 Petaling Jaya

Selangor Darul Ehsan

Tel : +60 (3)7956 6899/7491 7100

Faks : +60 (3)7955 8416

Kilang Pemprosesan Daun

Jalan Pelaya 15/1

40000 Shah Alam, Selangor

Tel : +60 (3)5519 1187/5519 1040

Faks : +60 (3)5510 8886

COMMERCIAL MARKETERS AND DISTRIBUTORS SDN. BHD.

(No. Syarikat 42316-T)

Ibu Pejabat

Virginia Park, Jalan Universiti

46200 Petaling Jaya, Selangor

Tel : +60 (3)7956 6899/7491 7100

Faks : +60 (3)7955 8416

Pejabat-pejabat Cawangan

Pulau Pinang

No. 50 Weld Quay

10300 Pulau Pinang

Tel : +60 (4)261 8840

Faks : +60 (4)261 8799

Ipoh

36 & 36A, Jalan Lengkong Canning

Ipoh Garden, 31400 Ipoh, Perak

Tel : +60 (5)547 7878/546 2187

Faks : +60 (5)547 4268

Petaling Jaya

No. 3, Jalan Industri PBP3

Taman Perindustrian Pusat Bandar

Puchong, 47100 Puchong

Selangor

Tel : +60 (3)5891 9888

Faks : +60 (3)5891 9882

Melaka

8, Jalan Melaka Raya 13

Taman Melaka Raya

75000 Melaka

Tel : +60 (6)282 5435/284 6593

Faks : +60 (6)283 5168

Johor Bahru

No. 4 Jalan Asas

Larkin Industrial Estate

80350 Johor Bahru, Johor

Tel : +60 (7)232 4688

Faks : +60 (7)238 6208

Kuantan

A79, Jalan Telok Sisek

25000 Kuantan, Pahang

Tel : +60 (9)517 8373/517 7831

Faks : +60 (9)517 7484

Kota Bharu

4959E, Jalan Pengkalan Chepa

15400 Kota Bharu, Kelantan

Tel : +60 (9)744 6341/748 1324

Faks : +60 (9)744 0522

Kota Kinabalu

Lot 1, Blok A Hong Tong Centre

Batu 4, Penampang

88813 Kota Kinabalu, Sabah

Tel : +60 (88)722 628/722 629

Faks : +60 (88)722 630

Kuching

Lot 8943, Section 64, KTLD

No. 2, Jalan Foochow

93300 Kuching, Sarawak

Tel : +60 (82)481 884/481 886

Faks : +60 (82)335 490

Cawangan Peruncit

Kuala Lumpur

1010 East

No. 134, Jalan Bukit Bintang

55100 Kuala Lumpur

Tel : +60 (3)2145 9101

Faks : +60 (3)2145 0512

THE LEAF TOBACCO DEVELOPMENT CORPORATION OF MALAYA SDN. BHD.

(No. Syarikat 4998-P)

Pejabat-pejabat Daun

Kota Bharu

Lot No. 2952

Kawasan Perindustrian

Pengkalan Chepa II

Jalan Padang Tembak

16100 Kota Bharu, Kelantan

Tel : +60 (9)774 7400/774 7434

Faks : +60 (9)773 5855

Changloong

KM 5.5, Jalan Bukit Kayu Hitam

06050 Bukit Kayu Hitam

Kedah Darul Aman

Tel : +60 (4)922 2802/924 2054

Faks : +60 (4)924 2055

Keningau

Burley Park, Bayangan

P.O. Box 246

89008 Keningau, Sabah

Tel : +60 (87)391 609

Faks : +60 (87)391 751

COMMERCIAL MARKETERS AND DISTRIBUTORS SDN. BHD.

(Diperbadankan di Negara Brunei Darussalam)

Unit 4, Blok B

Lot 1150, EDR 2244

Latiffuddin Complex

Jalan Tungku Link

Menglait, Gadong, BE 3719

Negara Brunei Darussalam

Tel : +673 245 2975

Faks : +673 245 2974

laporan tahunan'07

258	Laporan Pengarah
263	Penyata Pengarah
263	Akuan Berkanun
264	Laporan Juruaudit
265	Penyata Pendapatan
266	Kunci Kira-Kira



Penyata Kewangan

267	Penyata Perubahan Ekuiti yang Disatukan	270	Ringkasan Dasar Penting Perakaunan
268	Penyata Perubahan Ekuiti Syarikat	280	Nota Penyata Kewangan
269	Penyata Aliran Tunai		



LAPORAN PENGARAH

Para Pengarah dengan sukacitanya membentangkan laporan tahunan mereka bersama penyata kewangan Kumpulan dan Syarikat yang telah diaudit bagi tahun kewangan berakhir 31 Disember 2007.

AKTIVITI UTAMA

Syarikat menyediakan perkhidmatan pengurusan dan pentadbiran harian kepada subsidiarinya yang terlibat terutamanya dalam perkilangan, pengimportan dan penjualan rokok, tembakau paip serta cerut.

Tidak ada perubahan penting dalam bentuk aktiviti Kumpulan dan Syarikat di sepanjang tahun kewangan.

KEPUTUSAN KEWANGAN

	Kumpulan RM'000	Syarikat RM'000
Untung bagi tahun kewangan	731,931	693,499

DIVIDEN

	RM'000
Dividen yang dibayar atau diisytihar oleh Syarikat sejak 31 Disember 2006 adalah seperti berikut:	
Berhubung tahun kewangan berakhir 31 Disember 2006, seperti yang dikemukakan dalam laporan Pengarah pada tahun tersebut:	
Dividen akhir 170.00 sen kasar sesaham, tolak cukai 27%, dibayar pada 18 Mei 2007	354,343
Dividen akhir khas 30.00 sen kasar sesaham, tolak cukai 27%, dibayar pada 18 Mei 2007	62,531
	416,874
Berhubung tahun kewangan berakhir 31 Disember 2007:	
Dividen interim pertama 150.00 sen kasar sesaham, tolak cukai 27%, dibayar pada 30 Ogos 2007	312,655
Dividen interim kedua 100.00 sen kasar sesaham, tolak cukai 27%, dibayar pada 30 November 2007	208,437
	521,092

Para Pengarah kini mengesyorkan pengisytiharan dividen akhir bersih 74.00 sen sesaham, yang berjumlah RM211,292,200 bagi tahun kewangan berakhir 31 Disember 2007 yang merangkumi 15.00 sen dividen kasar sesaham, tolak cukai 26%, berjumlah RM31,693,830 dan 62.90 sen dividen sesaham, dikecualikan cukai di bawah sistem setingkat, berjumlah RM179,598,370 yang mana, tertakluk kepada kelulusan ahli-ahli pada Mesyuarat Agung Tahunan Syarikat yang akan datang, akan dibayar pada 16 Mei 2008 kepada pemegang saham yang berdaftar di dalam Daftar Ahli Syarikat sebelum tutup perniagaan pada 5 Mei 2008.

RIZAB DAN PERUNTUKAN

Semua pindahan penting kepada dan daripada rizab serta peruntukan sepanjang tahun kewangan adalah seperti yang dibentangkan dalam penyata kewangan.

PARA PENGARAH

Para Pengarah yang memegang jawatan semasa tempoh ini sejak tarikh laporan terakhir adalah seperti berikut:

Tan Sri Abu Talib bin Othman (Pengerusi)

Jack Marie Henry David Bowles

(dilantik pada 1 Mei 2007)

Bartholomeus Franciscus Theodorus Alkemade

(berhenti pada 30 April 2007)

Tan Sri Kamarul Ariffin bin Mohamed Yassin

Datuk Oh Chong Peng

James Richard Suttie

Dato' Chan Choon Ngai

Robert James Clark

Menurut Artikel 97(1) dan (2) Tataurus Pertubuhan Syarikat, James Richard Suttie dan Dato' Chan Choon Ngai akan bersara daripada Lembaga Pengarah mengikut giliran di Mesyuarat Agung Tahunan akan datang dan, oleh kerana layak, menawarkan diri mereka untuk pemilihan semula.

Tan Sri Kamarul Ariffin bin Mohamed Yassin, yang telah mencapai umur tujuh puluh tahun, akan bersara menurut Seksyen 129(2) Akta Syarikat, 1965 di Mesyuarat Agung Tahunan akan datang. Tan Sri Kamarul Ariffin bin Mohamed Yassin telah memutuskan untuk tidak dipilih semula sebagai Pengarah di Mesyuarat Agung Tahunan akan datang.

Menurut Artikel 103 Tataurus Pertubuhan Syarikat, Jack Marie Henry David Bowles akan bersara daripada Lembaga Pengarah pada Mesyuarat Agung Tahunan akan datang dan, oleh kerana layak, menawarkan dirinya untuk pemilihan semula.

GANJARAN PARA PENGARAH

Sepanjang dan pada akhir tahun kewangan, tiada sebarang aturan yang wujud yang mana Syarikat merupakan satu pihak, iaitu pengaturan dengan tujuan atau tujuan-tujuan bagi membolehkan para Pengarah Syarikat mendapat ganjaran melalui pengambilan saham, atau debentur Syarikat atau mana-mana badan korporat lain menurut peruntukan di bawah Akta Syarikat, 1965, selain daripada yang mungkin wujud daripada pelan pampasan berdasarkan saham penyelesaian ekuiti yang ditawarkan oleh British American Tobacco p.l.c. (British American Tobacco p.l.c. dianggap sebagai syarikat induk muktamad) seperti yang dibentangkan dalam Nota 29 penyata kewangan.

Sejak berakhirnya tahun kewangan yang lepas, tiada Pengarah yang menerima atau layak untuk menerima sebarang ganjaran (selain daripada ganjaran yang dinyatakan dalam Nota 4 penyata kewangan) disebabkan oleh kontrak yang dibuat oleh Syarikat atau syarikat yang berkaitan dengan Pengarah tersebut atau dengan firma yang mana Pengarah berkenaan merupakan ahlinya, atau dengan syarikat yang mana Pengarah mempunyai kepentingan kewangan yang lumayan, selain daripada urus niaga yang dijalankan berdasarkan urusan perniagaan biasa seperti yang didedahkan dalam Nota 26 penyata kewangan.



KEAHLIAN JAWATANKUASA GANJARAN

Sebahagian besar Jawatankuasa Ganjaran terdiri daripada Pengarah Bukan Eksekutif dan ahli Jawatankuasanya setakat 31 Disember 2007 adalah:

Tan Sri Abu Talib bin Othman (Pengerusi, Pengarah Bukan Eksekutif Bebas)
 Tan Sri Kamarul Ariffin bin Mohamed Yassin (Pengarah Bukan Eksekutif Bebas)
 Datuk Oh Chong Peng (Pengarah Bukan Eksekutif Bebas)
 James Richard Suttie (Pengarah Bukan Eksekutif Bukan Bebas)
 Bartholomeus Franciscus Theodorus Alkemade (Pengarah Eksekutif Bukan Bebas) *(meletak jawatan pada 30 April 2007)*
 Jack Marie Henry David Bowles (Pengarah Bukan Eksekutif Bukan Bebas) *(dilantik pada 1 Mei 2007)*

KEPENTINGAN PARA PENGARAH DALAM SAHAM

Mengikut Daftar Pegangan Saham para Pengarah, butir kepentingan para Pengarah yang memegang jawatan pada akhir tahun kewangan dalam saham dan opsyen saham Syarikat serta syarikat yang berkaitan adalah seperti berikut:

Syarikat

Bilangan saham biasa bernilai 50 sen sesaham dalam Syarikat

	Pada 1.1.07	Dibeli	Dijual	Pada 31.12.07
Pegangan saham atas nama Pengarah:				
Tan Sri Abu Talib bin Othman	1,000	80,000	—	81,000
Tan Sri Kamarul Ariffin bin Mohamed Yassin	1,000	—	—	1,000
Datuk Oh Chong Peng	1,000	—	—	1,000
James Richard Suttie	1,500	—	—	1,500
Dato' Chan Choon Ngai	1,000	—	—	1,000
Robert James Clark	500	—	—	500

Pegangan saham di mana Pengarah dianggap mempunyai kepentingan:

Tan Sri Kamarul Ariffin bin Mohamed Yassin	3,320	—	—	3,320
James Richard Suttie	3,000	—	—	3,000
Dato' Chan Choon Ngai	6,000	—	—	6,000

Syarikat Induk Muktamad

- British American Tobacco p.l.c.

Bilangan saham biasa bernilai 25p sesaham dalam British American Tobacco p.l.c.

	Pada 1.1.07/ Tarikh pelantikan	Dibeli/ Dibenarkan	Dijual	Pada 31.12.07
Pegangan saham atas nama Pengarah:				
James Richard Suttie	13,490	23,740	(30,076)	7,154
Dato' Chan Choon Ngai	27,534	1,534	—	29,068
Robert James Clark	9,293	8,404	(10,002)	7,695
Jack Marie Henry David Bowles	8,655	2,902	—	11,557

Pegangan saham yang mana Pengarah dianggap mempunyai kepentingan:

James Richard Suttie	6,073	1,000	—	7,073
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KEPENTINGAN PARA PENGARAH DALAM SAHAM (sambungan)

Syarikat Induk Muktamad - British American Tobacco p.l.c.	Bilangan opsyen dalam saham biasa bernilai 25p sesaham dalam British American Tobacco p.l.c.				
	Pada 1.1.07/ Tarikh pelantikan	Dibenarkan	Dilaksana	Luput	Pada 31.12.07
Pegangan saham atas nama Pengarah, Harga Laksana & Tarikh Luput:					
James Richard Suttie					
Tiada (31 Disember 2007)	35,318	—	(23,709)	(11,609)	—
Dato' Chan Choon Ngai					
£5.98 (19 Mac 2013)	7,392	—	—	—	7,392
£8.09 (17 Mac 2014)	5,163	—	—	—	5,163
Tiada (17 Mei 2015)	6,857	—	—	—	6,857
Tiada (15 Mac 2016)	5,418	—	—	—	5,418
Tiada (13 Mac 2017)	—	5,178	—	—	5,178
Robert James Clark					
£8.09 (17 Mac 2014)	6,227	—	(6,227)	—	—
Tiada (17 Mei 2015)	8,678	—	—	—	8,678
Tiada (15 Mac 2016)	6,616	—	—	—	6,616
Tiada (13 Mac 2017)	—	6,669	—	—	6,669
Jack Marie Henry David Bowles					
Tiada (17 Mac 2014)	15,150	—	—	—	15,150
Tiada (17 Mei 2015)	12,910	—	—	—	12,910
Tiada (15 Mac 2016)	9,922	—	—	—	9,922
Tiada (13 Mac 2017)	—	9,618	—	—	9,618

Sebahagian saham dan opsyen di dalam syarikat induk muktamad yang dipegang oleh para Pengarah wujud akibat penyertaan para Pengarah dalam skim saham pekerja yang ditawarkan oleh British American Tobacco p.l.c. (British American Tobacco p.l.c. secara tidak langsung melalui British American Tobacco Holdings (Malaysia) B.V., memiliki lima puluh peratus (50%) kepentingan ekuiti di dalam Syarikat dan ia dianggap sebagai syarikat induk muktamad Syarikat). Butir lanjut tentang skim saham pekerja yang ditawarkan oleh British American Tobacco p.l.c. terkandung dalam Nota 29 penyata kewangan.

MAKLUMAT BERKANUN PENYATA KEWANGAN

Sebelum penyata kewangan dan kunci kira-kira disediakan, para Pengarah telah mengambil langkah yang sewajarnya:

- untuk memastikan bahawa tindakan yang sesuai telah diambil berhubung dengan menghapus kira hutang lapuk dan menyediakan elaun bagi hutang ragu dan mereka berpuas hati bahawa semua hutang lapuk yang diketahui telah dihapus kira serta elaun yang secukupnya telah dibuat untuk hutang ragu; dan
- untuk memastikan bahawa sebarang aset semasa, selain daripada hutang yang mungkin tidak dapat direalisasikan dalam urusan biasa perniagaan yang nilainya ditunjukkan dalam rekod perakaunan Kumpulan dan Syarikat telah diturunkan ke amaun yang dijangka boleh direalisasikan.



MAKLUMAT BERKANUN PENYATA KEWANGAN (sambungan)

Pada tarikh laporan ini, para Pengarah tidak mengetahui tentang sebarang keadaan:

- a) yang boleh menyebabkan amaun dihapus kira bagi hutang lapuk atau amaun elaun bagi hutang ragu di dalam penyata kewangan Kumpulan dan Syarikat tidak mencukupi dengan ketara; atau
- b) yang boleh menyebabkan nilai aset semasa dalam penyata kewangan Kumpulan dan Syarikat mengelirukan; atau
- c) yang timbul dan boleh menyebabkan pematuhan kepada kaedah semasa bagi penilaian aset atau liabiliti Kumpulan dan Syarikat mengelirukan atau tidak sesuai.

Tiada liabiliti bersyarat atau liabiliti lain yang berkuat kuasa atau berkemungkinan dikuatkuasakan dalam tempoh 12 bulan selepas berakhirnya tahun kewangan yang mana, mengikut pendapat para Pengarah, akan atau boleh menjejaskan kemampuan Kumpulan atau Syarikat untuk memenuhi tanggungjawab mereka apabila tiba masanya.

Pada tarikh laporan ini, tidak wujud:

- a) sebarang cagaran ke atas aset Kumpulan atau Syarikat yang timbul sejak berakhirnya tahun kewangan ini yang menjamin liabiliti mana-mana pihak lain; atau
- b) sebarang liabiliti bersyarat bagi Kumpulan atau Syarikat yang timbul sejak berakhirnya tahun kewangan ini.

Pada tarikh laporan ini, para Pengarah tidak mengetahui tentang sebarang keadaan yang tidak diliputi di dalam laporan atau penyata kewangan ini yang boleh menyebabkan sebarang amaun yang dinyatakan dalam penyata kewangan mengelirukan.

Pada pendapat para Pengarah:

- a) keputusan operasi Kumpulan dan Syarikat sepanjang tahun kewangan tidak terjejas dengan ketara oleh sebarang perkara, urusan niaga atau peristiwa penting dan luar biasa; dan
- b) sepanjang tempoh antara akhir tahun kewangan dan tarikh laporan ini, tidak timbul sebarang perkara, urusan niaga atau peristiwa penting dan luar biasa yang berkemungkinan boleh menjejaskan dengan ketara keputusan operasi Kumpulan atau Syarikat bagi tahun kewangan laporan ini dibuat.

SYARIKAT INDUK MUKTAMAD

Para Pengarah menganggap British American Tobacco p.l.c., yang diperbadankan di England dan Wales, sebagai syarikat induk muktamad bagi Syarikat.

JURUAUDIT

Juruaudit, PricewaterhouseCoopers, telah menyatakan kesudian mereka untuk terus berkhidmat.

Ditandatangani bagi pihak Lembaga Pengarah menurut resolusi bertarikh 21 Februari 2008.

Jack Marie Henry David Bowles
Pengarah Urusan

Robert James Clark
Pengarah Kewangan

**PENYATA PENGARAH****Menurut Seksyen 169(15) Akta Syarikat, 1965****British American Tobacco
(Malaysia) Berhad**

Kami, JACK MARIE HENRY DAVID BOWLES dan ROBERT JAMES CLARK, dua daripada Pengarah British American Tobacco (Malaysia) Berhad, menyatakan bahawa, pada pendapat para Pengarah, penyata kewangan yang dibentangkan di muka surat 265 hingga 314 telah disediakan untuk memberi gambaran yang sebenar dan saksama berhubung kedudukan Kumpulan dan Syarikat pada 31 Disember 2007 dan keputusan serta aliran tunai Kumpulan dan Syarikat bagi tahun kewangan yang berakhir pada tarikh tersebut adalah menurut Piawaian Laporan Kewangan, Piawaian Perakaunan Diluluskan MASB di Malaysia untuk Entiti Selain Daripada Entiti Swasta serta peruntukan Akta Syarikat, 1965.

Ditandatangani bagi pihak Lembaga Pengarah menurut resolusi bertarikh 21 Februari 2008.

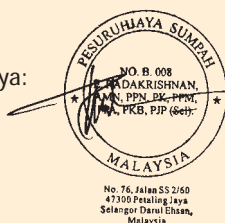
Jack Marie Henry David Bowles*Pengarah Urusan***Robert James Clark***Pengarah Kewangan***AKUAN BERKANUN****Menurut Seksyen 169(16) Akta Syarikat, 1965**

Saya, ROBERT JAMES CLARK, Pengarah yang terutamanya bertanggungjawab ke atas pengurusan kewangan British American Tobacco (Malaysia) Berhad, dengan sesungguhnya dan seikhlasnya mengaku bahawa penyata kewangan yang dibentangkan di muka surat 265 hingga 314 adalah, pada pendapat saya, betul, dan saya membuat pengakuan ini dengan penuh kepercayaan bahawa ia adalah benar, dan disediakan menurut peruntukan Akta Akuan Berkanun, 1960.

Robert James Clark*Pengarah Kewangan*

Ditandatangani dan diakui oleh penama di atas, Robert James Clark di Petaling Jaya, dalam negeri Selangor pada 21 Februari 2008.

Di hadapan saya:

**E. Radakrishnan**, AMN, PPN, PK, PPM, PPA, PKB, PJP (Sel.)*Pesuruhjaya Sumpah**Petaling Jaya*



LAPORAN JURUAUDIT

kepada Ahli-ahli British American Tobacco (Malaysia) Berhad (No. Syarikat: 4372-M)

Kami telah mengaudit penyata kewangan yang dibentangkan di muka surat 265 hingga 314. Penyata kewangan ini adalah tanggungjawab para Pengarah Syarikat. Tanggungjawab kami adalah untuk membentuk suatu pendapat yang bebas ke atas penyata kewangan ini, berasaskan audit yang telah kami jalankan, dan melaporkan kepada anda, sebagai sebuah badan, menurut Seksyen 174 Akta Syarikat, 1965 dan bukan untuk tujuan lain. Kami tidak mempunyai tanggungjawab terhadap orang lain untuk kandungan laporan ini.

Kami telah menjalankan audit menurut piawaian audit yang diluluskan di Malaysia. Piawaian tersebut memerlukan kami merancang dan melaksanakan audit bagi mendapatkan keyakinan yang sewajarnya berkenaan sama ada penyata kewangan tersebut bebas daripada salah nyata yang ketara. Sesuatu audit meliputi pemeriksaan, berasaskan ujian, bukti yang menyokong amaun serta pendedahan di dalam penyata kewangan. Audit juga meliputi penilaian dasar-dasar perakaunan yang digunakan dan anggaran penting yang dibuat oleh para Pengarah, serta penilaian keseluruhan pembentangan penyata kewangan. Kami yakin bahawa audit kami menyediakan asas yang wajar bagi pendapat kami.

Pada pendapat kami:

- (a) penyata kewangan ini telah disediakan selaras dengan peruntukan Akta Syarikat, 1965 dan Piawaian Laporan Kewangan, Piawaian Perakaunan Diluluskan MASB di Malaysia untuk Entiti Selain Daripada Entiti Swasta agar dapat memberi gambaran yang benar dan saksama tentang:
 - (i) perkara-perkara yang mesti diambil kira di dalam penyata kewangan menurut Seksyen 169 Akta Syarikat, 1965; dan
 - (ii) kedudukan Kumpulan dan Syarikat pada 31 Disember 2007 serta keputusan dan aliran tunai Kumpulan dan Syarikat bagi tahun kewangan berakhir pada tarikh tersebut;

dan

- (b) rekod perakaunan dan rekod-rekod lain serta daftar-daftar yang perlu disimpan oleh Syarikat dan subsidiarinya yang mana kami menjadi juruauditnya telah disimpan dengan sempurna menurut peruntukan Akta.

Nama subsidiari di mana kami tidak bertindak sebagai juruaudit dinyatakan dalam Nota 14 penyata kewangan. Kami telah mempertimbangkan penyata kewangan subsidiari tersebut serta laporan juruauditnya.

Kami berpuas hati bahawa penyata kewangan subsidiari yang telah disatukan dengan penyata kewangan Syarikat adalah dalam bentuk dan kandungan yang sesuai dan wajar bagi tujuan menyediakan penyata kewangan disatukan dan kami telah menerima maklumat serta penjelasan yang memuaskan yang kami perlukan bagi tujuan tersebut.

Laporan juruaudit berkenaan penyata kewangan subsidiari tidak tertakluk kepada sebarang pengecualian dan tidak mengandungi sebarang ulasan di bawah subseksyen (3) Seksyen 174 Akta tersebut.

PricewaterhouseCoopers

[AF:1146]

Akauntan Berkanun

Jayarajan A/L U. Rathinasamy

[2059/06/08 (J)]

Rakan kongsi firma

Kuala Lumpur
21 Februari 2008

PENYATA PENDAPATAN
bagi tahun kewangan berakhir 31 Disember 2007

British American Tobacco
(Malaysia) Berhad

	Nota	Kumpulan		Syarikat	
		Tahun berakhir 31.12.07 RM'000	Tahun berakhir 31.12.06 RM'000	Tahun berakhir 31.12.07 RM'000	Tahun berakhir 31.12.06* RM'000
Hasil	2	3,830,869	3,612,482	1,030,092	1,066,698
Kos jualan		(2,262,781)	(2,082,586)	—	—
Untung kasar		1,568,088	1,529,896	1,030,092	1,066,698
Pendapatan operasi lain		10,766	9,083	358	741
Kos pengedaran dan pemasaran		(361,986)	(334,369)	—	—
Perbelanjaan pentadbiran		(138,357)	(113,781)	(22,506)	(8,846)
Perbelanjaan operasi lain		(29,095)	(41,415)	(11,350)	(4,081)
Untung dari operasi	3	1,049,416	1,049,414	996,594	1,054,512
Kos kewangan		(46,515)	(47,467)	(46,515)	(47,467)
Untung sebelum cukai		1,002,901	1,001,947	950,079	1,007,045
Perbelanjaan cukai	6	(270,970)	(282,269)	(256,580)	(275,761)
Untung bagi tahun kewangan		731,931	719,678	693,499	731,284
Perolehan sesaham (sen)	7	256.3	252.0	—	—
Dividen bersih sesaham (sen)	8	256.5	254.0	256.5	254.0

* Angka perbandingan bagi Hasil dan Pendapatan operasi lain telah diklasifikasikan semula mengikut pembentangan tahun semasa.

Dasar perakaunan di muka surat 270 hingga 279 serta nota di muka surat 280 hingga 314 adalah sebahagian penting penyata kewangan ini.



KUNCI KIRA-KIRA
pada 31 Disember 2007

	Nota	Kumpulan		Syarikat	
		2007 RM'000	2006* RM'000	2007 RM'000	2006* RM'000
Aset tak semasa					
Hartanah, loji dan peralatan	9	439,959	478,688	25,403	23,283
Harta pelaburan	10	—	20,010	—	—
Tanah pegangan pajak	11	20,826	22,600	1,132	1,155
Perisian komputer	12	21,091	14,100	21,091	14,100
Muhibah	13	411,618	411,618	—	—
Subsidiari	14	—	—	1,022,889	1,024,956
Aset cukai tertunda	15	4,978	4,020	4,978	4,020
		898,472	951,036	1,075,493	1,067,514
Aset semasa					
Aset dipegang untuk jualan	16	20,638	25,579	—	—
Inventori	17	243,988	264,507	—	—
Belum terima	18	186,490	164,085	289,465	602,114
Cukai boleh dikutip semula		26,754	27,715	26,754	27,018
Deposit, tunai dan baki bank	19	70,666	187,289	1,619	297
		548,536	669,175	317,838	629,429
Liabiliti semasa					
Boleh dibayar	20	231,036	218,878	310,250	419,415
Pinjaman	21	100,000	450,000	100,000	450,000
Liabiliti cukai semasa		56,493	88,819	—	—
		387,529	757,697	410,250	869,415
Aset semasa bersih/(liabiliti)		161,007	(88,522)	(92,412)	(239,986)
		1,059,479	862,514	983,081	827,528
Modal dan rizab					
Modal saham	22	142,765	142,765	142,765	142,765
Perolehan tertahan		203,147	409,059	190,268	434,735
Dana pemegang saham		345,912	551,824	333,033	577,500
Liabiliti tak semasa					
Pinjaman	21	650,000	250,000	650,000	250,000
Obligasi manfaat selepas perkhidmatan	23	4,982	4,552	48	28
Liabiliti cukai tertunda	15	58,585	56,138	—	—
		1,059,479	862,514	983,081	827,528

* Angka bandingan tertentu telah diklasifikasikan semula mengikut pembentangan tahun semasa dan kesan dari perubahan tersebut diperincikan dalam Ringkasan Dasar Penting Perakaunan.

Dasar perakaunan di muka surat 270 hingga 279 serta nota di muka surat 280 hingga 314 adalah sebahagian penting penyata kewangan ini.

PENYATA PERUBAHAN EKUITI YANG DISATUKAN
bagi tahun kewangan berakhir 31 Disember 2007

British American Tobacco
(Malaysia) Berhad

Saham biasa diterbitkan dan dibayar penuh berharga 50 sen sesaham					
	Nota	Bilangan saham '000	Nilai nominal RM'000	Perolehan tertahan RM'000	Jumlah RM'000
Pada 1 Januari 2007		285,530	142,765	409,059	551,824
Untung bagi tahun kewangan		—	—	731,931	731,931
Cukai tertunda bagi tanah dan bangunan dinilai semula	15	—	—	123	123
Dividen bagi tahun kewangan berakhir 31 Disember 2006					
– akhir khas	8	—	—	(62,531)	(62,531)
– akhir	8	—	—	(354,343)	(354,343)
Dividen bagi tahun kewangan berakhir 31 Disember 2007					
– interim pertama	8	—	—	(312,655)	(312,655)
– interim kedua	8	—	—	(208,437)	(208,437)
Pada 31 Disember 2007		285,530	142,765	203,147	345,912
Pada 1 Januari 2006		285,530	142,765	475,264	618,029
Untung bagi tahun kewangan		—	—	719,678	719,678
Cukai tertunda bagi tanah dan bangunan dinilai semula	15	—	—	123	123
Dividen bagi tahun kewangan berakhir 31 Disember 2005					
– khas		—	—	(158,983)	(158,983)
– akhir		—	—	(318,651)	(318,651)
Dividen bagi tahun kewangan berakhir 31 Disember 2006					
– interim pertama	8	—	—	(308,372)	(308,372)
Pada 31 Disember 2006		285,530	142,765	409,059	551,824

Dasar perakaunan di muka surat 270 hingga 279 serta nota di muka surat 280 hingga 314 adalah sebahagian penting penyata kewangan ini.



PENYATA PERUBAHAN EKUITI SYARIKAT
bagi tahun kewangan berakhir 31 Disember 2007

	Nota	Saham biasa diterbitkan dan dibayar penuh berharga 50 sen sesaham		Boleh diagihkan	Jumlah RM'000
		Bilangan saham '000	Nilai nominal RM'000	Perolehan tertahan RM'000	
Pada 1 Januari 2007		285,530	142,765	434,735	577,500
Untung bagi tahun kewangan		—	—	693,499	693,499
Dividen bagi tahun kewangan berakhir 31 Disember 2006					
– akhir khas	8	—	—	(62,531)	(62,531)
– akhir	8	—	—	(354,343)	(354,343)
Dividen bagi tahun kewangan berakhir 31 Disember 2007					
– interim pertama	8	—	—	(312,655)	(312,655)
– interim kedua	8	—	—	(208,437)	(208,437)
Pada 31 Disember 2007		285,530	142,765	190,268	333,033
Pada 1 Januari 2006		285,530	142,765	489,457	632,222
Untung bagi tahun kewangan		—	—	731,284	731,284
Dividen bagi tahun kewangan berakhir 31 Disember 2005					
– khas		—	—	(158,983)	(158,983)
– akhir		—	—	(318,651)	(318,651)
Dividen bagi tahun kewangan berakhir 31 Disember 2006					
– interim pertama	8	—	—	(308,372)	(308,372)
Pada 31 Disember 2006		285,530	142,765	434,735	577,500

Dasar perakaunan di muka surat 270 hingga 279 serta nota di muka surat 280 hingga 314 adalah sebahagian penting penyata kewangan ini.

PENYATA ALIRAN TUNAI
bagi tahun kewangan berakhir 31 Disember 2007

British American Tobacco
(Malaysia) Berhad

Nota	Kumpulan		Syarikat	
	Tahun berakhir 31.12.07 RM'000	Tahun berakhir 31.12.06 RM'000	Tahun berakhir 31.12.07 RM'000	Tahun berakhir 31.12.06 RM'000
Aktiviti operasi				
Tunai diterima daripada pelanggan	3,794,460	3,614,508	3,444	2,538
Tunai dibayar kepada pembekal dan pekerja	(2,656,406)	(2,507,079)	—	—
Tunai dari operasi	1,138,054	1,107,429	3,444	2,538
Cukai pendapatan (dibayar)/dibayar balik	(300,723)	(271,543)	13,620	15,568
Aliran tunai bersih dari aktiviti operasi	837,331	835,886	17,064	18,106
Aktiviti pelaburan				
Hartanah, loji dan peralatan				
– penambahan	(55,163)	(56,416)	(9,243)	(4,923)
– pelupusan	37,982	13,493	490	720
Penambahan perisian komputer	(11,508)	(13,484)	(11,508)	(13,484)
Pendapatan faedah diterima	10,702	7,128	182	117
Dividen diterima daripada subsidiari	—	—	963,963	805,082
Pembayaran balik (kepada)/daripada subsidiari	—	—	(23,659)	27,113
Aliran tunai bersih (digunakan untuk)/ daripada aktiviti pelaburan	(17,987)	(49,279)	920,225	814,625
Aktiviti pembiayaan				
Dividen dibayar kepada pemegang saham	(937,966)	(786,006)	(937,966)	(786,006)
Pembayaran balik bon	(450,000)	—	(450,000)	—
Prosid daripada penerbitan nota jangka sederhana	400,000	—	400,000	—
Prosid daripada penerbitan surat perdagangan	100,000	—	100,000	—
Pembayaran perbelanjaan faedah	(48,001)	(47,370)	(48,001)	(47,370)
Aliran tunai bersih digunakan dalam aktiviti pembiayaan	(935,967)	(833,376)	(935,967)	(833,376)
(Pengurangan)/Pertambahan dalam tunai dan kesamaan tunai	(116,623)	(46,769)	1,322	(645)
Tunai dan kesamaan tunai setakat 1 Januari	187,289	234,058	297	942
Tunai dan kesamaan tunai setakat 31 Disember	70,666	187,289	1,619	297

Dasar perakaunan di muka surat 270 hingga 279 serta nota di muka surat 280 hingga 314 adalah sebahagian penting penyata kewangan ini.



RINGKASAN DASAR PENTING PERAKAUNAN
bagi tahun kewangan berakhir 31 Disember 2007

Indeks	Muka surat
A. Asas penyediaan	271
B. Perubahan dalam dasar perakaunan	272 – 274
C. Pengiktirafan hasil	274
D. Hartanah, loji dan peralatan	274 – 275
E. Harta pelaburan	275
F. Pajakan	275
G. Aset dipegang untuk jualan	276
H. Aset tak ketara	276
I. Pelaburan	276
J. Inventori	277
K. Belum terima	277
L. Tunai dan kesamaan tunai	277
M. Manfaat pekerja	277 – 278
N. Perbelanjaan cukai	278
O. Mata wang asing	278 – 279
P. Instrumen kewangan	279
Q. Pinjaman	279



A. ASAS PENYEDIAAN

Penyata kewangan Kumpulan dan Syarikat telah disediakan mengikut peruntukan Akta Syarikat, 1965 dan Piawaian Laporan Kewangan, Piawaian Perakaunan Diluluskan MASB di Malaysia untuk Entiti Selain daripada Entiti Swasta.

Penyata kewangan Kumpulan dan Syarikat telah disediakan di bawah konvensyen kos sejarah, kecuali dinyatakan sebaliknya dalam ringkasan dasar penting perakaunan.

Penyediaan penyata kewangan yang mematuhi peruntukan Akta Syarikat, 1965 dan Piawaian Laporan Kewangan, Piawaian Perakaunan Diluluskan MASB di Malaysia untuk Entiti Selain daripada Entiti Swasta memerlukan penggunaan anggaran dan andaian perakaunan tertentu yang kritikal dan memberi kesan terhadap amaun aset dan liabiliti yang dilaporkan serta pendedahan aset dan liabiliti bersyarat pada tarikh penyata kewangan serta amaun hasil dan perbelanjaan yang dilaporkan sepanjang tahun kewangan. Sungguhpun anggaran dan pertimbangan ini adalah berdasarkan pengetahuan arif para Pengarah berhubung peristiwa dan tindakan semasa, keputusan sebenar mungkin berbeza.

ASAS PENYATUAN

Penyata kewangan yang disatukan termasuk penyata kewangan Syarikat serta subsidiarinya sehingga akhir tahun kewangan. Subsidiari merangkumi syarikat-syarikat yang mana Kumpulan mempunyai kuasa untuk mengawal dasar kewangan serta operasi bertujuan mendapat faedah daripada aktiviti mereka.

Subsidiari disatukan bermula dari tarikh kawalan dipindahkan kepada Kumpulan dan tidak lagi disatukan dari tarikh kawalan tersebut tamat. Subsidiari disatukan mengguna kaedah perakaunan pengambilan.

Kos pengambilan diukur mengikut nilai saksama aset yang diberikan, instrumen ekuiti yang diterbitkan serta liabiliti yang terlibat atau bertanggung pada tarikh pertukaran. Lebihan kos pengambilan berbanding nilai saksama bahagian aset bersih yang boleh dikenal pasti dimiliki Kumpulan pada tarikh pengambilan ditunjukkan sebagai muhibah. Jika kos pengambilan adalah kurang dari nilai saksama aset bersih subsidiari yang dimiliki, perbezaannya teriktiraf terus dalam penyata pendapatan.

Urus niaga dalam kumpulan, baki dan laba belum terealisasi dari urus niaga antara syarikat-syarikat Kumpulan telah dihapuskan. Kerugian belum terealisasi turut dihapuskan tetapi dianggap sebagai penunjuk keterjejasan pada aset yang dipindahkan. Di mana perlu, dasar perakaunan subsidiari telah ditukar bagi memastikan ketekalan dengan dasar yang diguna pakai oleh Kumpulan.



B. PERUBAHAN DALAM DASAR PERAKAUNAN

Piawaian perakaunan yang baru/disemak serta pindaan kepada piawaian yang telah diterbitkan, yang berkuat kuasa dan diguna pakai bagi tahun kewangan Kumpulan dan Syarikat bermula 1 Januari 2007 adalah seperti berikut:

- FRS 117 Pajakan
- Pindaan kepada FRS 119 Manfaat Pekerja – Laba dan Kerugian Aktuari, Rancangan dan Pendedahan Kumpulan
- FRS 124 Pendedahan Pihak Berkaitan

Semua perubahan dalam dasar perakaunan telahpun dibuat menurut peruntukan peralihan berdasarkan piawaian masing-masing. Semua piawaian dan pindaan yang diguna pakai oleh Kumpulan memerlukan penggunaan secara retrospektif.

Kesan utama daripada perubahan ini adalah seperti berikut:

(a) FRS 117 Pajakan

Sebelum 1 Januari 2007, tanah dan bangunan pegangan pajak diklasifikasikan sebagai hartanah, loji dan peralatan dan ia dinyatakan mengikut penilaian tahun 1983 tolak susut nilai memandangkan para Pengarah telah mengguna pakai peruntukan peralihan Piawaian Perakaunan Diluluskan MASB No. 16 (Disemak) Hartanah, Loji dan Peralatan. Oleh itu, penilaian tersebut tidak dikemaskinikan.

Mengguna pakai FRS 117 yang disemak telah menyebabkan perubahan dalam dasar perakaunan berhubung klasifikasi pajakan tanah yang dipegang untuk kegunaan sendiri. Jika dahulunya diklasifikasikan sebagai sebahagian daripada hartanah, loji dan peralatan, tanah pegangan pajak yang dipegang untuk kegunaan sendiri kini diklasifikasikan sebagai pajakan operasi dan pembayaran pendahuluan mewakili pembayaran pajakan prabayar yang didedahkan sebagai tanah Pegangan Pajak (aset tak semasa) pada Kunci Kira-kira. Ia tidak memberi kesan kepada penyata pendapatan kerana pembayaran pajakan prabayar berterusan dilunas atas dasar garis lurus sepanjang tempoh pajakan.

Kumpulan telah mengguna pakai perubahan dalam dasar perakaunan berhubung tanah pegangan pajak yang dipegang untuk kegunaan sendiri menurut peruntukan peralihan FRS 117. Pada 1 Januari 2007, amaun bagi tanah pegangan pajak yang dinilai semula dan belum dilunaskan telah tertahan sebagai amaun bawaan pembayaran pajakan prabayar, seperti yang dibenarkan oleh peruntukan peralihan.

Bangunan pegangan pajak yang dipegang untuk kegunaan sendiri terus diklasifikasikan di bawah hartanah, loji dan peralatan kerana ia adalah pajakan kewangan, yang mana hampir kesemua risiko serta ganjaran yang berkaitan dengan pemilikannya dipindahkan kepada Kumpulan. Bangunan pegangan pajak berterusan disusutnilai atas dasar garis lurus, menurut keperluan FRS 116 Hartanah, Loji dan Peralatan.

Akibat dari mengguna pakai FRS 117, amaun berbanding setakat 31 Disember 2006 telah diklasifikasikan semula seperti berikut:

	Seperti dilaporkan sebelumnya RM'000	Kesan perubahan dalam dasar perakaunan RM'000	Diklasifi- kasikan semula setakat 31 Disember 2006 RM'000
Kumpulan			
Hartanah, loji dan peralatan	501,288	(22,600)	478,688
Tanah pegangan pajak, dimasukkan dalam hartanah, loji dan peralatan	—	22,600	22,600

B. PERUBAHAN DALAM DASAR PERAKAUNAN (sambungan)

(b) Pindaan kepada FRS 119 Manfaat Pekerja – Laba dan Kerugian Aktuari, Rancangan dan Pendedahan Kumpulan

Mulai 1 Januari 2007 Kumpulan telah mengguna pakai pindaan kepada FRS 119. Perubahan ini telah mengakibatkan penambahan pendedahan, membekal maklumat tentang trend aset dan liabiliti dalam rancangan manfaat ditetapkan serta andaian yang mendasari komponen kos manfaat ditetapkan, dimasukkan bagi tahun berakhir 31 Disember 2006 dan 31 Disember 2007. Memandangkan Kumpulan tidak bercadang untuk mengubah dasar perakaunan yang diguna pakai bagi mengiktiraf laba dan kerugian aktuari serta tidak menyertai dalam apa-apa rancangan majikan – pelbagai, penggunaan pindaan ini akan hanya memberi kesan kepada format serta takat pendedahan yang dibentangkan dalam penyata kewangan.

(c) FRS 124 Pendedahan Pihak Berkaitan

Piawaian ini melibatkan pengenalpastian pihak berkaitan, dan akibat penambahan pendedahan pihak berkaitan yang dibentangkan dalam penyata kewangan.

Enam piawaian baru/disemak, pindaan kepada piawaian yang diterbitkan serta tafsiran terhadap piawaian yang diterbitkan yang dikeluarkan oleh MASB, tetapi belum berkuat kuasa, adalah seperti berikut:

- (a) FRS 107 Penyata Aliran Tunai (berkuat kuasa bagi tempoh perakaunan bermula pada atau selepas 1 Julai 2007). Tiada perubahan penting berbanding dengan piawaian asal, maka tiada kesan ketara dijangkakan terhadap penyata kewangan apabila Kumpulan mengguna pakai piawaian ini. Kumpulan akan mengguna pakai piawaian ini bagi tempoh kewangan bermula 1 Januari 2008.
- (b) FRS 112 Cukai Pendapatan (berkuat kuasa bagi tempoh perakaunan bermula pada atau selepas 1 Julai 2007). Piawaian yang disemak ini menyingkir keperluan yang menghalang pengiktirafan cukai tertunda ke atas elaun pelaburan semula yang belum digunakan atau elaun lain yang merupakan lebihan elaun modal. Tiada kesan ketara dijangkakan terhadap penyata kewangan apabila Kumpulan mengguna pakai piawaian ini. Kumpulan akan mengguna pakai piawaian ini bagi tempoh kewangan bermula 1 Januari 2008.
- (c) FRS 118 Hasil (berkuat kuasa bagi tempoh perakaunan bermula pada atau selepas 1 Julai 2007). Tiada perubahan penting berbanding dengan piawaian asal, maka tiada kesan ketara dijangkakan terhadap penyata kewangan apabila Kumpulan mengguna pakai piawaian ini. Kumpulan akan mengguna pakai piawaian ini bagi tempoh kewangan bermula 1 Januari 2008.
- (d) FRS 137 Peruntukan, Liabiliti dan Aset Bersyarat (berkuat kuasa bagi tempoh perakaunan bermula pada atau selepas 1 Julai 2007). Tiada perubahan penting berbanding dengan piawaian asal, maka tiada kesan ketara dijangkakan terhadap penyata kewangan apabila Kumpulan mengguna pakai piawaian ini. Kumpulan akan mengguna pakai piawaian ini bagi tempoh kewangan bermula 1 Januari 2008.
- (e) FRS 139 Instrumen Kewangan: Pengiktirafan dan Pengukuran (tarikh berkuat kuasa belum ditetapkan oleh Lembaga Piawaian Perakaunan Malaysia). Piawaian baru ini menetapkan dasar bagi mengenal pasti dan mengukur aset kewangan, liabiliti kewangan serta beberapa kontrak untuk membeli dan menjual barangan bukan kewangan. Perakaunan lindung nilai hanya dibenarkan dalam keadaan tertentu sahaja.
- (f) Pindaan kepada FRS 121 Kesan Perubahan dalam Kadar Mata Wang Asing – Pelaburan Bersih dalam Operasi Asing (berkuat kuasa bagi tempoh perakaunan bermula pada atau selepas 1 Julai 2007). Pindaan ini memerlukan perbezaan pertukaran bagi item monetari yang membentuk sebahagian daripada pelaburan bersih dalam operasi asing diiktiraf dalam ekuiti dan tidak dalam untung atau rugi tanpa mengira mata wang yang digunapakai bagi item tersebut. Tiada kesan ketara dijangkakan terhadap penyata kewangan apabila Kumpulan mengguna pakai pindaan ini. Kumpulan akan mengguna pakai piawaian ini bagi tempoh kewangan bermula 1 Januari 2008.



B. PERUBAHAN DALAM DASAR PERAKAUNAN (sambungan)

- (g) Skop 8 Tafsiran IC bagi FRS 2 (berkuat kuasa bagi tempoh perakaunan bermula pada atau selepas 1 Julai 2007). Tafsiran ini menjelaskan bahawa FRS 2 Pembayaran berdasarkan Perkongsian diguna pakai walaupun dalam keadaan ketiadaan barangan dan perkhidmatan yang boleh dikenal pasti secara khusus. Kumpulan akan mengguna pakai tafsiran ini bagi tempoh kewangan bermula 1 Januari 2008. Tiada kesan yang ketara dijangkakan terhadap penyata kewangan apabila Kumpulan mengguna pakai tafsiran ini.

C. PENGIKTIRAFAN HASIL

Hasil yang diperolehi daripada penjualan produk Kumpulan diiktiraf apabila hak milik berpindah kepada pelanggan, yang lazimnya selari dengan penghantaran dan penerimaan produk dan setelah jualan dalam Kumpulan dihapuskan.

Hasil lain yang diperolehi Kumpulan diiktiraf atas dasar berikut:

- Pendapatan faedah diiktiraf berasaskan pembahagian masa, mengambil kira pokok yang belum dijelaskan dan kadar efektif menjangkau tempoh matang, apabila ditentukan bahawa pendapatan tersebut akan berakru kepada Kumpulan
- Pendapatan dividen diiktiraf apabila hak Kumpulan untuk menerima bayaran ditetapkan.
- Hasil daripada perkhidmatan yang diberikan diiktiraf hanya apabila perkhidmatan dilakukan.

D. HARTANAH, LOJI DAN PERALATAN

Hartanah, loji dan peralatan pada asalnya dinyatakan pada kos. Tanah pegangan kekal dinyatakan pada penilaian tahun 1983 dan bangunan pegangan kekal serta bangunan pegangan pajak dinyatakan pada penilaian tahun 1983 ditolak susut nilai sebagai mana Para Pengarah mengguna pakai peruntukan peralihan Piawaian Perakaunan Diluluskan MASB No. 16 (Disemak) Hartanah, Loji dan Peralatan. Oleh itu, penilaian ini belum dikemaskinikan. Semua hartanah, loji dan peralatan lain dinyatakan pada kos ditolak susut nilai terkumpul dan kerugian keterjejasan. Kos adalah termasuk perbelanjaan yang berpunca secara langsung daripada pengambilan barangan tersebut.

Kos yang berikutnya dimasukkan ke dalam amaun bawaan aset atau diiktiraf sebagai aset berasingan, sebagai mana sesuai, hanya apabila manfaat ekonomi di masa hadapan berkaitan barangan itu berkemungkinan menguntungkan Kumpulan dan kos barangan boleh diukur secara andal. Semua pembaikan dan penyelenggaraan dicajkan ke penyata pendapatan sepanjang tahun kewangan yang mana ia ditanggung.

Tanah pegangan kekal tidak disusut nilai kerana ia mempunyai hayat infinit. Susut nilai ke atas modal kerja sedang berlangsung bermula apabila aset tersebut sedia diguna seperti yang dirancang. Susut nilai diperuntukkan mengikut nilai sisa untuk semua hartanah, loji dan peralatan lain berdasarkan garis lurus sepanjang tempoh anggaran jangka hayat kegunaan, iaitu seperti berikut:

Bangunan	– 35 hingga 40 tahun
Jentera dan peralatan	– 10 hingga 14 tahun
Perabot dan kelengkapan (termasuk peralatan dagangan, peralatan dan perkakasan komputer)	– pelbagai tempoh tidak melebihi 10 tahun
Kenderaan bermotor	– 5 tahun

Barangan bernilai kecil disusut nilai sepenuhnya pada tahun pembelian.

Nilai sisaan dan jangka hayat kegunaan bagi aset dikaji semula, dan dilaraskan jika perlu, pada setiap tarikh kunci kira-kira. Jika nilai sisaan bagi aset meningkat ke suatu amaun yang setara atau lebih tinggi daripada amaun bawaan aset, caj susut nilai aset adalah sifar kecuali dan sehingga nilai sisanya kemudiannya berkurangan kepada amaun rendah daripada amaun bawaan aset.

D. HARTANAH, LOJI DAN PERALATAN (sambungan)

Pada setiap tarikh kunci kira-kira, Kumpulan menaksir sama ada terdapat sebarang tanda keterjejasan. Jika wujud tanda sedemikian, satu analisis dijalankan untuk menaksir sama ada amaun bawaan aset boleh diperolehi sepenuhnya. Penurunan nilai dibuat jika amaun bawaan melebihi amaun boleh diperolehi. Begitu juga, apabila keadaan keterjejasan tidak lagi wujud selepas menimbangkan penunjuk daripada kedua-dua sumber luaran dan dalaman, nilai aset akan dimasukkan kira semula.

Laba dan kerugian atas pelupusan ditentukan dengan membandingkan prosid dengan amaun bawaan dan dimasukkan dalam penyata pendapatan.

E. HARTA PELABURAN

Harta pelaburan yang terdiri daripada kilang, ruang pejabat dan ruang gudang, dipegang untuk mendapatkan hasil sewaan atau tambah nilai modal dan tidak didiami oleh Kumpulan. Harta pelaburan dinyatakan pada kos ditolak susut nilai terkumpul dan kerugian keterjejasan. Tanah pegangan kekal dinyatakan pada penilaian tahun 1983 dan bangunan pegangan kekal, tanah serta bangunan pegangan pajak dinyatakan pada penilaian tahun 1983 ditolak susut nilai sebagai mana para Pengarah mengguna pakai peruntukan peralihan Piawaian Perakaunan Diluluskan MASB No. 16 (Disemak) Hartanah, Loji dan Peralatan. Oleh itu, penilaian ini belum dikemaskinikan.

Harta pelaburan yang terdiri daripada tanah pegangan kekal tidak disusut nilai. Harta pelaburan yang terdiri daripada bangunan disusut nilai kepada nilai sisaan berdasarkan garis lurus di sepanjang 35 hingga 40 tahun anggaran tempoh kegunaannya.

Pindahan dibuat kepada harta pelaburan apabila, dan hanya apabila, terdapat perubahan dalam penggunaan, terbukti dengan penamatan didiami oleh pemilik. Pindahan dibuat daripada harta pelaburan apabila dan hanya apabila, terdapat perubahan dalam kegunaan, terbukti dengan permulaan didiami oleh pemilik atau apabila harta pelaburan memenuhi kriteria untuk diklasifikasikan semula sebagai "Aset Dipegang untuk Jualan" menurut FRS 5.

F. PAJAKAN

Pajakan yang mana sebahagian besar risiko dan ganjaran pemilikan ditahan oleh pemberi pajak diklasifikasikan sebagai pajakan operasi. Bayaran yang dibuat di bawah pajakan operasi (bersih dari sebarang insentif yang diterima daripada pemberi pajak) dicajkan ke penyata pendapatan atas dasar garis lurus di sepanjang tempoh pajakan.

Pajakan yang mana Kumpulan menanggung hampir kesemua risiko dan ganjaran pemilikan diklasifikasikan sebagai pajakan kewangan. Pajakan kewangan dipermodalkan di permulaan pajakan pada nilai saksama harta pajakan dan nilai semasa bayaran pajakan minimum, yang mana lebih rendah.

Tanah pegangan pajak yang dipegang untuk kegunaan sendiri diklasifikasikan sebagai pajakan operasi dan bayaran pendahuluan mewakili pembayaran pajakan prabayar yang didedahkan sebagai tanah Pegangan Pajak (aset tak semasa). Bayaran pendahuluan ini dicajkan ke penyata pendapatan untuk dipadankan dengan aliran masuk faedah terakru.

Bangunan pegangan pajak yang dipegang untuk kegunaan sendiri masih diklasifikasikan dalam hartanah, loji dan peralatan kerana ia merupakan pajakan kewangan, yang mana hampir kesemua risiko dan ganjaran yang berkaitan dengan pemilikannya dipindahkan ke Kumpulan. Bangunan pegangan pajak disusutnilaikan atas dasar garis lurus di sepanjang tempoh pajakan.



G. ASET DIPEGANG UNTUK JUALAN

Hartanah, loji dan peralatan serta harta pelaburan diklasifikasikan sebagai aset dipegang untuk jualan dan dinyatakan mengikut yang mana lebih rendah antara amaun bawaan dan nilai saksama ditolak kos untuk menjual jika amaun bawaan dijangka dapat diperolehi semula terutamanya melalui urus niaga jualan berbanding melalui penerusan penggunaan. Aset yang dipegang untuk jualan ini tidak lagi disusut nilai ekoran faedah ekonominya tidak lagi digunakan.

Dengan pelupusan sesuatu aset yang dipegang untuk jualan, perbezaan antara prosid pelupusan bersih dan amaun bawaan diiktiraf dalam untung atau rugi dalam tempoh pelupusannya.

Jika terdapat perubahan kepada rancangan penjualan, aset yang dipegang untuk jualan akan diklasifikasikan semula sebagai hartanah, loji dan peralatan atau harta pelaburan dengan amaun bawaan mengikut yang mana lebih rendah antara amaun bawaan sebelum aset diklasifikasikan sebagai dipegang untuk jualan, dilaraskan untuk sebarang susut nilai yang boleh diiktiraf jika aset tersebut tidak diklasifikasikan sebagai dipegang untuk jualan atau amaun yang boleh diperolehinya pada tarikh perubahan kepada rancangan penjualan.

H. ASET TAK KETARA

(i) MUHIBAH

Muhibah mewakili lebihan kos pengambilan subsidiari berbanding bahagian Kumpulan untuk nilai saksama aset bersih yang boleh dikenal pasti pada tarikh pengambilan.

Amaun bawaan muhibah dikaji semula untuk keterjejasan setiap tahun serta lebih kerap lagi jika peristiwa atau perubahan keadaan menunjukkan bahawa nilai bawaan mungkin terjejas. Keterjejasan ditentukan untuk muhibah dengan menaksir amaun yang boleh dipulihkan bagi unit penjana tunai yang berkait dengan muhibah. Yang mana amaun boleh dipulihkan bagi unit penjana tunai adalah kurang daripada amaun bawaan unit penjana tunai yang mana muhibah diperuntukkan, kerugian keterjejasan diiktiraf. Kerugian keterjejasan berkaitan muhibah tidak boleh diubah di masa hadapan.

(ii) PERISIAN KOMPUTER

Kos yang dikaitkan secara langsung dengan produk perisian komputer yang boleh dikenal pasti dan unik yang dikawal oleh Kumpulan, dan berkemungkinan menjana faedah ekonomi menjangkaui kos selepas satu tahun, dan tidak penting kepada aset tetap lain, diiktiraf sebagai aset tak ketara. Kos ini merangkumi kos pekerja pembangunan perisian dan bahagian yang berpatutan untuk overhead yang relevan. Kos pembangunan perisian komputer yang diiktiraf sebagai aset dilunaskan setelah siapnya produk perisian komputer atas dasar garis lurus sepanjang 3 tahun anggaran hayat kegunaannya.

Kos berkaitan penyelenggaraan program perisian komputer diiktiraf sebagai perbelanjaan apabila ditanggung.

I. PELABURAN

Pelaburan dalam subsidiari dinyatakan pada kos. Yang mana terdapat petunjuk keterjejasan, amaun bawaan pelaburan ditaksirkan dan diturunkan nilainya dengan serta-merta kepada amaun yang boleh diperolehi semula.

Dengan pelupusan pelaburan, perbezaan antara prosid pelupusan bersih dan nilai bawaan dicajkan atau dikreditkan ke penyata pendapatan.

J. INVENTORI

Inventori dinyatakan mengikut yang mana lebih rendah antara kos atau nilai boleh realis bersih. Kos ditentukan terutamanya mengikut dasar masuk dulu, keluar dulu dan dalam hal rokok yang dikilangkan, ia merangkumi kos bahan, buruh dan overhead perkilangan. Nilai realis bersih ialah anggaran harga jualan dalam urusan biasa perniagaan, ditolak kos penyempurnaan dan perbelanjaan jualan.

K. BELUM TERIMA

Belum terima perdagangan dibawa pada amaun diinvois tolak anggaran yang dibuat untuk hutang ragu berdasarkan kajian semula amaun yang belum dijelaskan pada akhir tahun. Elaun ditetapkan apabila terdapat bukti objektif bahawa Kumpulan tidak dapat mengutip kesemua amaun yang terhutang mengikut syarat asal terhadap belum terima. Hutang ragu dihapus kira apabila dikenal pasti.

Prabayar meliputi perbelanjaan yang ditanggung untuk faedah yang dijangka timbul selepas tarikh kunci kira-kira. Ini termasuk pembayaran untuk projek pembangunan penanaman hutan, yang mana amaunnya dibawa pada kos dan menjadi perbelanjaan kepada penyata pendapatan bagi mengimbangi aliran masuk faedah terakru.

L. TUNAI DAN KESAMAAN TUNAI

Tunai dan kesamaan tunai merangkumi tunai di tangan, baki dengan institusi kewangan berlesen, overdraf bank serta pelaburan jangka pendek kecairan tinggi dengan kematangan asal tiga bulan atau kurang.

M. MANFAAT PEKERJA**(i) Manfaat jangka pendek**

Upah, gaji, bonus dan perbelanjaan lain berkaitan kakitangan diiktiraf sebagai perbelanjaan pada tahun yang mana khidmat yang berkaitan diberikan oleh pekerja Kumpulan.

(ii) Pelan caruman yang ditetapkan

Caruman Kumpulan kepada Kumpulan Wang Simpanan Pekerja diiktiraf sebagai perbelanjaan di dalam penyata pendapatan apabila ditanggung. Setelah caruman dibayar, Kumpulan tidak mempunyai apa-apa obligasi pembayaran lagi.

(iii) Pelan manfaat ditetapkan

Kumpulan mengendalikan pelan manfaat ditetapkan untuk pekerja yang menyertai Kumpulan sebelum 1 Januari 2006, yang mana aset tersebut dipegang dalam dana ditadbirkan pemegang amanah secara berasingan. Dana ini dibiayai menerusi pembayaran daripada syarikat Kumpulan yang relevan. Obligasi persaraan Kumpulan ditentukan berdasarkan penilaian aktuari tiga tahun sekali (dikemaskinikan setiap tahun) yang mana amaun manfaat yang diperolehi oleh pekerja yang layak sebagai ganjaran untuk perkhidmatan mereka dalam tahun semasa dan tahun-tahun sebelumnya adalah dianggarkan.

Liabiliti berhubung pelan manfaat yang ditetapkan ialah nilai semasa obligasi manfaat ditetapkan pada tarikh kunci kira-kira, dilaraskan untuk laba dan kerugian aktuari tidak diiktiraf, dan dikurangkan mengikut nilai saksama aset pelan.

Obligasi manfaat ditetapkan, dikira dengan mengguna Kaedah Kredit Unit Terunjur, ditentukan oleh aktuari bebas dengan mengambil kira anggaran aliran keluar tunai masa hadapan.

Laba dan kerugian aktuari timbul dari pelarasan pengalaman dan perubahan dalam andaian aktuari. Laba dan kerugian aktuari diiktiraf sebagai pendapatan atau perbelanjaan di sepanjang jangkaan purata baki tempoh perkhidmatan pekerja yang menyertai apabila laba atau kerugian aktuari kumulatif yang tak diiktiraf untuk pelan manfaat ditetapkan melebihi yang mana lebih tinggi 10% antara nilai semasa obligasi manfaat ditetapkan atau nilai saksama aset pelan pada permulaan tahun kewangan.



M. MANFAAT PEKERJA (sambungan)

(iv) Manfaat Pemberhentian

Manfaat pemberhentian akan dibayar bila mana pekerja diberhentikan sebelum tarikh pemberhentian biasa atau bila mana seseorang pekerja menerima pemberhentian kerana lebihan secara sukarela sebagai pertukaran kepada manfaat ini. Kumpulan mengiktiraf manfaat pemberhentian sebagai liabiliti dan perbelanjaan apabila ia jelas komited untuk memberikan manfaat pemberhentian hasil daripada tawaran yang dibuat bagi menggalakkan pemberhentian sukarela kerana lebihan dan tanpa kemungkinan realistik untuk menarik balik.

(v) Pembayaran berdasarkan saham

Sebilangan pekerja Kumpulan menyertai pelan pampasan penyelesaian ekuiti berdasarkan saham yang ditawarkan oleh British American Tobacco p.l.c. (British American Tobacco p.l.c. secara tidak langsung menerusi British American Tobacco Holdings (Malaysia) B.V., memiliki lima puluh peratus (50%) kepentingan ekuiti dalam Syarikat dan ia dianggap sebagai syarikat induk muktamad Syarikat).

Pembayaran penyelesaian ekuiti berdasarkan saham diukur mengikut nilai saksama pada tarikh pemberian dan dianggap sebagai perbelanjaan di sepanjang tempoh letak hak, berdasarkan anggaran penganugerahan British American Tobacco p.l.c. yang akan akhirnya terletak hak. Nilai saksama diukur dengan menggunakan model penetapan harga Black-Scholes dan Monte-Carlo. Jangkaan hayat yang digunakan di dalam model tersebut telah dilaras berdasarkan anggaran terbaik pihak pengurusan, untuk mengakibatkan ketidakbolehan pindah milik, mengenakan pengehadan serta pertimbangan tingkah laku, pelucuthakan serta sejarah pengalaman.

N. PERBELANJAAN CUKAI

Perbelanjaan cukai semasa ditentukan mengikut bidang kuasa undang-undang cukai di mana Kumpulan beroperasi dan termasuk semua cukai berdasarkan untung bercukai. Perbelanjaan cukai ialah amaun agregat yang termasuk dalam penentuan untung bagi tempoh yang berkaitan dengan cukai semasa dan cukai tertunda.

Aset dan liabiliti cukai tertunda diperuntukkan sepenuhnya menggunakan kaedah liabiliti atas perbezaan sementara yang timbul antara dasar pencukaian aset dan liabiliti serta amaun bawaan dalam penyata kewangan. Perbezaan sementara timbul terutamanya dari susut nilai hartanah, loji dan peralatan, penilaian semula aset tak semasa yang tertentu, peruntukan pencen dan manfaat selepas persaraan lain, elaun untuk hutang ragu dan kerugian cukai serta elaun modal dibawa ke hadapan. Aset cukai tertunda diiktiraf sehingga ke tahap kemungkinan untung bercukai masa hadapan akan tersedia dan yang mana perbezaan sementara yang boleh ditolak boleh digunakan.

Cukai tertunda ditentukan menggunakan kadar cukai yang digubal atau digubal dengan substantif menjelang tarikh kunci kira-kira dan dijangka akan diguna pakai apabila aset tertunda yang berkaitan direalisasi atau liabiliti cukai tertunda dilangsaikan.

O. MATA WANG ASING

(i) Mata wang fungsi dan pembentangan

Penyata kewangan bagi setiap entiti Kumpulan dibentangkan dalam Ringgit Malaysia yang merupakan mata wang fungsi dan pelaksanaan Kumpulan dan Syarikat.

(ii) Urus niaga dan baki mata wang asing

Urus niaga mata wang asing di dalam Kumpulan diambil kira pada kadar pertukaran yang berkuat kuasa pada tarikh urus niaga. Aset dan liabiliti monetari mata wang asing diterjemahkan kepada kadar pertukaran yang berkuat kuasa pada tarikh kunci kira-kira. Perbezaan pertukaran yang timbul dari penyelesaian urus niaga mata wang asing serta daripada penterjemahan aset dan liabiliti monetari mata wang asing dimasukkan ke dalam penyata pendapatan.

O. MATA WANG ASING (sambungan)**(iii) Entiti asing**

Aset dan liabiliti subsidiari asing diterjemahkan pada kadar penutupan bagi tujuan penyatuan. Perkara-perkara dalam penyata pendapatan diterjemahkan pada kadar purata sepanjang tahun kewangan dan perbezaan pertukaran yang terhasil diuruskan dalam ekuiti bagi tahun kewangan.

P. INSTRUMEN KEWANGAN

Instrumen kewangan yang dimasukkan ke dalam kunci kira-kira meliputi tunai dan baki bank, belum terima, boleh dibayar dan pinjaman. Kaedah pengiktirafan khusus yang diguna pakai didedahkan dalam penyata dasar masing-masing yang berkaitan dengan setiap perkara.

Instrumen kewangan yang tidak diiktiraf dalam kunci kira-kira**(i) Kontrak hadapan mata wang asing**

Kontrak hadapan mata wang asing melindungi Kumpulan daripada perubahan di dalam kadar pertukaran dengan menetapkan kadar di mana aset atau liabiliti mata wang asing akan dilangsaikan.

Laba dan kerugian pertukaran yang terbit dari kontrak yang dimasuki sebagai lindung nilai bagi urus niaga masa depan yang dijangka, ditunda sehingga ke tarikh urus niaga tersebut, yang mana pada masa itu ia dimasukkan dalam pengukuran urus niaga tersebut.

Semua laba dan kerugian pertukaran lain yang berkaitan dengan instrumen lindung nilai diiktiraf di dalam penyata pendapatan dalam tempoh yang sama seperti perbezaan pertukaran bagi perkara lindung nilai yang mendasari. Laba dan kerugian dari kontrak yang tidak lagi terpilih sebagai lindung nilai dimasukkan dalam penyata pendapatan.

(ii) Anggaran nilai saksama bagi tujuan pendedahan

Nilai saksama hutang jangka panjang adalah berdasarkan sebutan harga pasaran pada tarikh kunci kira-kira atau sebutan harga wakil jualan sebagai instrumen khusus atau hampir sama.

Nilai saksama kontrak pertukaran hadapan ditentukan menggunakan kadar pasaran pertukaran hadapan pada tarikh kunci kira-kira.

Dalam menaksir nilai saksama derivatif bukan dagangan serta instrumen kewangan, Kumpulan menggunakan pelbagai kaedah dan membuat andaian berdasarkan keadaan pasaran yang sedia wujud pada tarikh kunci kira-kira. Model penetapan harga opsyen dan anggaran nilai terdiskaun aliran tunai masa depan digunakan bagi menentu nilai saksama instrumen kewangan. Secara khusus, nilai saksama liabiliti kewangan dianggarkan dengan mendiskaun aliran tunai masa depan pada kadar faedah pasaran semasa yang tersedia buat Kumpulan sebagai instrumen kewangan yang hampir sama.

Nilai muka, ditolak sebarang anggaran pelarasan kredit, untuk aset dan liabiliti kewangan dengan tempoh matang yang kurang dari satu tahun diandaikan menghampiri nilai saksamanya.

Q. PINJAMAN

Pinjaman direkodkan sebagai amaun prosid yang diterima, bersih dari kos urus niaga.

Perbelanjaan faedah yang berkaitan pinjaman dilaporkan dalam ruang kos kewangan penyata pendapatan.

Pinjaman diklasifikasikan sebagai liabiliti semasa kecuali sekiranya Kumpulan mempunyai hak tanpa syarat untuk menunda penyelesaian liabiliti untuk sekurang-kurangnya 12 bulan selepas tarikh kunci kira-kira.



NOTA PENYATA KEWANGAN

1. MAKLUMAT AM

Syarikat menyediakan perkhidmatan pengurusan dan pentadbiran harian kepada subsidiarinya yang terlibat terutamanya dalam perkilangan, pengimportan dan penjualan rokok, tembakau paip serta cerut.

Syarikat merupakan sebuah syarikat liabiliti terhad awam, yang diperbadankan dan menetap di Malaysia, serta tersenarai di Papan Utama Bursa Malaysia Securities Berhad.

Syarikat menganggap British American Tobacco p.l.c. yang diperbadankan di England dan Wales sebagai syarikat induk muktamad.

Alamat pejabat berdaftar dan tempat utama perniagaan Syarikat adalah seperti berikut:

Virginia Park, Jalan Universiti
46200 Petaling Jaya
Selangor Darul Ehsan

2. HASIL

	Kumpulan		Syarikat	
	Tahun berakhir 31.12.07 RM'000	Tahun berakhir 31.12.06 RM'000	Tahun berakhir 31.12.07 RM'000	Tahun berakhir 31.12.06 RM'000
Penjualan rokok, tembakau paip dan cerut	3,830,869	3,612,482	—	—
Pendapatan dividen dari subsidiari tidak dinyatakan	—	—	1,014,009	1,055,982
Yuran pengurusan diterima daripada subsidiari	—	—	6,008	5,815
Yuran bagi penggunaan hartanah, loji dan peralatan diterima daripada subsidiari	—	—	10,075	4,901
	3,830,869	3,612,482	1,030,092	1,066,698

3. UNTUNG DARIPADA OPERASI

	Kumpulan		Syarikat	
	Tahun berakhir 31.12.07 RM'000	Tahun berakhir 31.12.06 RM'000	Tahun berakhir 31.12.07 RM'000	Tahun berakhir 31.12.06 RM'000
Untung daripada operasi diperolehi:				
Selepas mencaj:				
Bahan mentah dan barangan yang digunakan	373,420	418,491	—	—
Ganjaran juruaudit:				
– audit berkanun	184	173	54	52
– yuran bukan audit	174	167	148	142
Hartanah, loji dan peralatan:				
– susut nilai (Nota 9)	74,884	76,385	6,064	5,978
– kerugian atas pelupusan	692	1,190	570	—
– hapus kira	13,402	—	—	—
Harta pelaburan – susut nilai (Nota 10)	190	1,144	—	—
Pelunasan pajakan prabayar (Nota 11)	1,774	—	23	—
Pelunasan perisian komputer (Nota 12)	4,517	—	4,517	—
Kerugian keterkejasaan atas pelaburan (Nota 14)	—	—	2,067	—
Sewa tanah dan bangunan	4,563	4,443	—	—
Inventori dihapus kira	93	1,490	—	—
Elaun bagi hutang ragu	4,958	1,320	—	—
Kerugian pertukaran bersih	2,729	—	4,941	18
Kos kakitangan (Nota 5)	101,453	127,032	26,744	21,412
Dan menkreditkan:				
Hartanah, loji dan peralatan:				
– Keterkejasaan dimasuk kira semula (ditolak daripada perbelanjaan operasi lain)	—	4,411	—	—
Laba atas pelupusan hartanah, loji dan peralatan	—	—	—	56
Pendapatan faedah	9,965	7,716	182	117
Laba pertukaran bersih	—	142	—	—
Pendapatan sewa	—	1,410	—	—



4. GANJARAN PENGARAH

	Kumpulan		Syarikat	
	Tahun berakhir 31.12.07 RM'000	Tahun berakhir 31.12.06 RM'000	Tahun berakhir 31.12.07 RM'000	Tahun berakhir 31.12.06 RM'000
Yuran	488	420	463	420
Emolumen lain	6,586	7,992	5,009	5,999
	7,074	8,412	5,472	6,419

Anggaran nilai monetari bagi ganjaran yang diperuntukkan kepada para Pengarah Kumpulan dan Syarikat sepanjang tahun kewangan adalah masing-masing berjumlah sehingga RM1,050,286 (2006: RM915,681) dan RM904,638 (2006: RM820,816).

Pembayaran berdasarkan saham yang dibuat kepada para Pengarah Kumpulan dan Syarikat (sepanjang perkhidmatan mereka dengan Kumpulan) pada tahun kewangan dengan penyertaan mereka di dalam skim saham pekerja (Nota 29) yang ditawarkan oleh British American Tobacco p.l.c.

Butiran pergerakan urusan pembayaran penyelesaian ekuiti berdasarkan saham para Pengarah sepanjang tahun kewangan berakhir 31 Disember 2007, termasuk Skim Bonus Saham Tertunda dan Skim Penganugerah Saham Antarabangsa adalah seperti berikut:

**Bilangan saham biasa bernilai 25p sesaham
dalam British American Tobacco p.l.c.**

	Pada 1.1.07	Dianugerah Pada 2007	Diletak hak Pada 2007	Pada 31.12.07
Pengarah Eksekutif				
Skim Bonus Saham Tertunda	14,837	6,060	(2,891)	18,006
Skim Penganugerahan Saham Antarabangsa	505	361	(5)	861
	15,342	6,421	(2,896)	18,867

Butiran pergerakan penyertaan para Pengarah dalam Pelan Insentif Jangka Panjang penyelesaian ekuiti dan Skim Opsyen Saham adalah seperti berikut:

**Bilangan opsyen dalam saham biasa bernilai 25p
sesaham dalam British American Tobacco p.l.c.**

Harga dibenar	Pada 1.1.07	Dibenarkan Pada 2007	Dilaksana Pada 2007	Pada 31.12.07
£5.98	7,392	—	—	7,392
£8.09	5,163	—	—	5,163
£10.37	15,535	—	—	15,535
£14.34	19,460	—	—	19,460
£15.41	—	20,609	—	20,609
	47,550	20,609	—	68,159

5. KOS KAKITANGAN

	Kumpulan		Syarikat	
	Tahun berakhir 31.12.07 RM'000	Tahun berakhir 31.12.06 RM'000	Tahun berakhir 31.12.07 RM'000	Tahun berakhir 31.12.06 RM'000
Upah, gaji dan bonus	78,927	86,763	17,761	16,498
Pelan caruman tetap	14,055	14,555	2,098	2,095
Manfaat pemberhentian	—	18,730	—	—
Lain-lain perbelanjaan berkaitan kakitangan	8,471	6,984	6,885	2,819
	101,453	127,032	26,744	21,412

Kumpulan dengan sukarela telah memberikan caruman tambahan kepada Kumpulan Wang Simpanan Pekerja (KWSP) berbanding keperluan berkanun untuk sebilangan besar pekerja sedia ada yang menyertai skim caruman tetap yang ditawarkan oleh Kumpulan.

Dimasukkan ke dalam kos kakitangan ialah amaun untuk emolumen lain sebagai sebahagian daripada ganjaran para Pengarah yang didedahkan dalam Nota 4 kepada penyata kewangan.

6. PERBELANJAAN CUKAI

	Kumpulan		Syarikat	
	Tahun berakhir 31.12.07 RM'000	Tahun berakhir 31.12.06 RM'000	Tahun berakhir 31.12.07 RM'000	Tahun berakhir 31.12.06 RM'000
Berhubung dengan tahun semasa				
Cukai semasa				
– Cukai pendapatan Malaysia	269,316	277,021	257,538	276,481
– Cukai asing	42	43	—	—
Cukai tertunda (Nota 15 (i))	1,612	5,205	(958)	(720)
	270,970	282,269	256,580	275,761



6. PERBELANJAAN CUKAI (sambungan)

Kadar purata cukai berkuat kuasa bagi Kumpulan dan Syarikat disesuaikan dengan kadar cukai berkanun seperti berikut:

	Kumpulan		Syarikat	
	Tahun berakhir 31.12.07 RM'000	Tahun berakhir 31.12.06 RM'000	Tahun berakhir 31.12.07 RM'000	Tahun berakhir 31.12.06 RM'000
Kadar cukai berkanun	27%	28%	27%	28%
Perbelanjaan tak boleh ditolak untuk tujuan cukai	1%	1%	—	—
Penggunaan elaun pelaburan semula	(1%)	(1%)	—	—
Pendapatan tak tertakluk kepada cukai	—	—	—	—
Perubahan kadar cukai	—	—	—	(1%)
Kadar purata cukai berkuat kuasa	27%	28%	27%	27%

7. PEROLEHAN SESAHAM

Perolehan sesaham dikira dengan cara membahagikan untung bagi tahun kewangan dengan bilangan saham biasa dalam terbitan.

	Kumpulan	
	Tahun berakhir 31.12.07	Tahun berakhir 31.12.06
Untung bagi tahun kewangan (RM'000)	731,931	719,678
Bilangan saham biasa bernilai 50 sen sesaham dalam terbitan ('000)	285,530	285,530
Perolehan sesaham (sen)	256.3	252.0

**8. DIVIDEN**

Dividen yang dibayar, diisytiharkan atau dicadangkan berhubung tahun kewangan adalah seperti berikut:

Kumpulan dan Syarikat

	Tahun berakhir 31.12.07			Tahun berakhir 31.12.06		
	Kasar sesaham Sen	Bersih sesaham Sen	Amaun dividen RM'000	Kasar sesaham Sen	Bersih sesaham Sen	Amaun dividen RM'000
Dividen interim pertama dibayar	150.0	109.5	312,655	150.0	108.0	308,372
Dividen interim kedua dibayar	100.0	73.0	208,437	—	—	—
Dividen akhir khas dicadangkan	—	—	—	30.0	21.9	62,531
Dividen akhir dicadangkan	15.0	11.1	31,694	170.0	124.1	354,343
Dividen akhir dicadangkan, dikecualikan cukai	62.9	62.9	179,598	—	—	—
	327.9	256.5	732,384	350.0	254.0	725,246

Dividen interim dibayar dan diambil kira di dalam ekuiti pemegang saham sebagai peruntukan perolehan tertahan pada tahun kewangan.

Di Mesyuarat Agung Tahunan akan datang pada 17 April 2008, dividen akhir bersih berhubung tahun kewangan berakhir 31 Disember 2007 bernilai 74.00 sen sesaham, yang berjumlah RM211,292,200 merangkumi 15.00 sen dividen kasar sesaham, ditolak cukai 26% berjumlah RM31,693,830 dan 62.90 sen dividen sesaham, dikecualikan cukai di bawah sistem setingkat, berjumlah RM179,598,370 akan dicadangkan untuk kelulusan para pemegang saham (2006: dividen akhir bernilai 170.00 sen kasar sesaham, tolak cukai Malaysia sebanyak 27%, berjumlah RM354,342,730 serta dividen akhir khas bernilai 30.00 sen kasar sesaham, tolak cukai Malaysia sebanyak 27%, berjumlah RM62,531,070). Penyata kewangan ini tidak mencerminkan dividen akhir dicadangkan yang akan diambil kira dalam tahun kewangan berakhir 31 Disember 2008.



9. HARTANAH, LOJI DAN PERALATAN

	Tanah dan Bangunan RM'000	Jentera dan Peralatan RM'000	Perabot dan Kelengkapan RM'000	Kenderaan Bermotor RM'000	Modal Kerja Sedang Berlangsung RM'000	Jumlah RM'000
KUMPULAN						
Nilai buku bersih pada						
1 Januari 2006	120,355	299,032	64,964	30,333	25,861	540,545
Penambahan	195	18,802	12,429	3,386	21,604	56,416
Pelupusan	—	(17,236)	(1,144)	(4,612)	—	(22,992)
Keterjejasan dimasukkan kira semula	—	4,411	—	—	—	4,411
Mengklasifikasikan semula	304	10,684	—	—	(10,988)	—
Caj susut nilai	(2,539)	(31,171)	(36,642)	(6,033)	—	(76,385)
Pindahan ke aset dipegang untuk jualan (Nota 16)	(707)	—	—	—	—	(707)
Pindahan ke tanah pegangan pajak (Nota 11)	(22,600)	—	—	—	—	(22,600)
Nilai buku bersih pada						
31 Disember 2006	95,008	284,522	39,607	23,074	36,477	478,688
Penambahan	368	7,427	7,216	18,646	21,506	55,163
Pelupusan	—	(2,548)	(1,222)	(1,201)	(1,239)	(6,210)
Hapus kira	—	(13,402)	—	—	—	(13,402)
Mengklasifikasikan semula	—	24,031	16,734	—	(40,765)	—
Caj susut nilai	(3,545)	(37,914)	(26,176)	(7,249)	—	(74,884)
Pindahan ke aset dipegang untuk jualan (Nota 16)	(818)	—	—	—	—	(818)
Pindahan daripada aset dipegang untuk jualan (Nota 16)	1,422	—	—	—	—	1,422
Nilai buku bersih pada						
31 Disember 2007	92,435	262,116	36,159	33,270	15,979	439,959
Pada 31 Disember 2006						
Kos	146,402	405,960	165,159	49,394	36,477	803,392
Penilaian	611	—	—	—	—	611
Susut nilai terkumpul dan keterjejasan dimasukkan kira semula	(52,005)	(121,438)	(125,552)	(26,320)	—	(325,315)
Nilai buku bersih	95,008	284,522	39,607	23,074	36,477	478,688
Pada 31 Disember 2007						
Kos	146,770	405,918	165,356	63,946	15,979	797,969
Penilaian	1,227	—	—	—	—	1,227
Susut nilai terkumpul	(55,562)	(143,802)	(129,197)	(30,676)	—	(359,237)
Nilai buku bersih	92,435	262,116	36,159	33,270	15,979	439,959

**9. HARTANAH, LOJI DAN PERALATAN (sambungan)**

	Tanah dan Bangunan RM'000	Jentera dan Peralatan RM'000	Perabot dan Kelengkapan RM'000	Kenderaan Bermotor RM'000	Modal Kerja Sedang Berlangsung RM'000	Jumlah RM'000
SYARIKAT						
Nilai buku bersih pada 1 Januari 2006	10,683	445	11,271	3,320	438	26,157
Penambahan	—	—	2,775	1,342	806	4,923
Mengklasifikasikan semula	—	438	—	—	(438)	—
Pelupusan	—	—	(180)	(484)	—	(664)
Caj susut nilai	(335)	(46)	(4,765)	(832)	—	(5,978)
Pindahan ke tanah pegangan pajak (Nota 11)	(1,155)	—	—	—	—	(1,155)
Nilai buku bersih pada 31 Disember 2006	9,193	837	9,101	3,346	806	23,283
Penambahan	—	—	6,058	2,272	913	9,243
Mengklasifikasikan semula	—	—	782	—	(782)	—
Pelupusan	—	—	(557)	(502)	—	(1,059)
Caj susut nilai	(312)	(47)	(4,971)	(734)	—	(6,064)
Nilai buku bersih pada 31 Disember 2007	8,881	790	10,413	4,382	937	25,403
Pada 31 Disember 2006						
Kos	12,696	1,245	39,639	6,763	806	61,149
Penilaian	611	—	—	—	—	611
Susut nilai terkumpul	(4,114)	(408)	(30,538)	(3,417)	—	(38,477)
Nilai buku bersih	9,193	837	9,101	3,346	806	23,283
Pada 31 Disember 2007						
Kos	12,696	1,245	43,861	6,972	937	65,711
Penilaian	611	—	—	—	—	611
Susut nilai terkumpul	(4,426)	(455)	(33,448)	(2,590)	—	(40,919)
Nilai buku bersih	8,881	790	10,413	4,382	937	25,403



9. HARTANAH, LOJI DAN PERALATAN (sambungan)

	Tanah Pegangan Kekal Kos RM'000	Tanah Pegangan Pajak Jangka Panjang Kos RM'000	Penilaian RM'000	Tanah Pegangan Pajak Jangka Pendek Kos RM'000	Bangunan Kos RM'000	Penilaian RM'000	Jumlah Tanah dan Bangunan RM'000
KUMPULAN							
Nilai buku bersih pada							
1 Januari 2006	455	14,114	8,550	331	96,706	199	120,355
Penambahan	—	—	—	—	195	—	195
Mengklasifikasikan semula	—	—	—	—	304	—	304
Caj susut nilai	—	(103)	(279)	(13)	(2,130)	(14)	(2,539)
Pindahan ke aset dipegang untuk jualan (Nota 16)	—	—	—	—	(707)	—	(707)
Pindahan ke tanah pegangan pajak (Nota 11)	—	(14,011)	(8,271)	(318)	—	—	(22,600)
Nilai buku bersih pada							
31 Disember 2006	455	—	—	—	94,368	185	95,008
Penambahan	—	—	—	—	368	—	368
Mengklasifikasikan semula	—	—	—	—	—	—	—
Caj susut nilai	—	—	—	—	(3,531)	(14)	(3,545)
Pindahan ke aset dipegang untuk jualan (Nota 16)	—	—	—	—	—	(818)	(818)
Pindahan daripada aset dipegang untuk jualan (Nota 16)	—	—	—	—	—	1,422	1,422
Nilai buku bersih pada							
31 Disember 2007	455	—	—	—	91,205	775	92,435
Pada 31 Disember 2006							
Kos	455	—	—	—	145,947	—	146,402
Penilaian	—	—	—	—	—	611	611
Susut nilai terkumpul	—	—	—	—	(51,579)	(426)	(52,005)
Nilai buku bersih	455	—	—	—	94,368	185	95,008
Pada 31 Disember 2007							
Kos	455	—	—	—	146,315	—	146,770
Penilaian	—	—	—	—	—	1,227	1,227
Susut nilai terkumpul	—	—	—	—	(55,110)	(452)	(55,562)
Nilai buku bersih	455	—	—	—	91,205	775	92,435

9. HARTANAH, LOJI DAN PERALATAN (sambungan)

	Tanah Pegangan Kekal Kos RM'000	Tanah Pegangan Pajak Jangka Panjang Kos RM'000	Bangunan Kos RM'000	Penilaian RM'000	Jumlah Tanah dan Bangunan RM'000
SYARIKAT					
Nilai buku bersih pada 1 Januari 2006	455	1,178	8,851	199	10,683
Caj susut nilai	—	(23)	(298)	(14)	(335)
Pindahan ke tanah pegangan pajak (Nota 11)	—	(1,155)	—	—	(1,155)
Nilai buku bersih pada 31 Disember 2006	455	—	8,553	185	9,193
Caj susut nilai	—	—	(298)	(14)	(312)
Nilai buku bersih pada 31 Disember 2007	455	—	8,255	171	8,881
Pada 31 Disember 2006					
Kos	455	—	12,241	—	12,696
Penilaian	—	—	—	611	611
Susut nilai terkumpul	—	—	(3,688)	(426)	(4,114)
Nilai buku bersih	455	—	8,553	185	9,193
Pada 31 Disember 2007					
Kos	455	—	12,241	—	12,696
Penilaian	—	—	—	611	611
Susut nilai terkumpul	—	—	(3,986)	(440)	(4,426)
Nilai buku bersih	455	—	8,255	171	8,881

Tanah pegangan kekal serta bangunan pegangan kekal dan pegangan pajak telah dinilai semula oleh para Pengarah pada 1 Julai 1983 berdasarkan penilaian profesional bebas menggunakan nilai pasaran saksama atas dasar penggunaan semasa.

Penambahan selepas penilaian semula ini dinyatakan pada kos.

Nilai buku bersih untuk tanah dan bangunan dinilai semula Kumpulan dan Syarikat yang sepatutnya dimasukkan dalam penyata kewangan sekiranya aset tersebut dibawa pada kos ditolak susut nilai terkumpul, adalah seperti berikut:

	Kumpulan		Syarikat	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Bangunan pegangan pajak jangka panjang	44	48	13	17



10. HARTA PELABURAN

	Kumpulan	
	2007 RM'000	2006 RM'000
Nilai buku bersih pada 1 Januari	20,010	44,771
Dipindahkan ke aset dipegang untuk jualan (Nota 16)	(19,820)	(23,617)
Caj susut nilai	(190)	(1,144)
Nilai buku bersih pada 31 Disember	—	20,010

Nilai saksama harta pelaburan adalah hampir sama dengan nilai buku bersih bagi harta pelaburan.

11. TANAH PEGANGAN PAJAK

	Kumpulan		Syarikat	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Nilai buku bersih pada 1 Januari	22,600	—	1,155	—
Pindahan daripada hartanah, loji dan peralatan (Nota 9)	—	22,600	—	1,155
Pelunasan pajakan prabayar	(1,774)	—	(23)	—
Nilai buku bersih pada 31 Disember	20,826	22,600	1,132	1,155

Tanah pegangan pajak telah dinilai semula oleh para Pengarah pada 1 Julai 1983 berdasarkan penilaian profesional bebas menggunakan nilai pasaran saksama atas dasar penggunaan semasa.

Penambahan selepas penilaian semula ini dinyatakan pada kos.

12. PERISIAN KOMPUTER

	Kumpulan		Syarikat	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Nilai buku bersih pada 1 Januari	14,100	616	14,100	616
Penambahan	11,508	13,484	11,508	13,484
Pelunasan perisian komputer	(4,517)	—	(4,517)	—
Nilai buku bersih pada 31 Disember	21,091	14,100	21,091	14,100

13. MUHIBAH

	Kumpulan	
	2007 RM'000	2006 RM'000
Nilai buku bersih pada 31 Disember	411,618	411,618

Muhibah terbit daripada pengambilan perniagaan Malaysian Tobacco Company Berhad (MTC) dan mewakili lebihan nilai saksama pertimbangan pembelian ke atas bahagian Kumpulan terhadap nilai saksama aset bersih syarikat subsidiari (iaitu Commercial Marketers and Distributors Sdn. Bhd. (CMD) untuk perniagaan pemasaran dan Tobacco Blenders and Manufacturers Sdn. Bhd. (TBM) untuk perniagaan perkilangan tembakau) yang dimiliki pada 2 November 1999, iaitu tarikh pengambilan.

Amaun bawaan muhibah dikaji untuk keterjejasan setiap tahun. Keterjejasan ditentukan untuk muhibah dengan menaksir amaun yang boleh dipulihkan bagi unit penjana tunai yang berkaitan dengan muhibah. Amaun boleh ditebus telah ditetapkan berdasarkan pengiraan nilai dalam kegunaan. Andaian utama bagi amaun boleh ditebus untuk semua unit adalah anggaran semasa pihak pengurusan terhadap aliran tunai bersih sepanjang tempoh 5 tahun berdasarkan sejarah kadar pertumbuhan, dengan mengambil kira pembangunan industri dan pada kadar diskaun pracukai 9.54%. Tiada caj keterjejasan diiktiraf pada 2007 (2006: Tiada) dan dijangkakan tiada perbezaan besar dalam amaun boleh ditebus sekiranya aliran tunai terdiskaun berubah sebanyak 5%.

14. SUBSIDIARI

	Syarikat	
	2007 RM'000	2006 RM'000
Pelaburan tak disebut harga, pada kos	1,024,956	1,024,956
Kerugian keterjejasan	(2,067)	—
	1,022,889	1,024,956

Syarikat telah menurunkan nilai amaun bawaan pelaburannya dalam Rothmans Brands Sdn. Bhd. memandangkan aset bersih Rothmans Brands Sdn. Bhd. adalah lebih rendah daripada kos pelaburan Syarikat berikutan penghapusan tanda dagangnya pada tahun kewangan 2006.



14. SUBSIDIARI (sambungan)

Subsidiari, kesemuanya milikan penuh, adalah seperti berikut:

Diperbadankan di Malaysia

Beroperasi

Commercial Importers and Distributors Sdn. Bhd.

Commercial Marketers and Distributors Sdn. Bhd.

Rothmans Brands Sdn. Bhd.

The Leaf Tobacco Development Corporation of Malaya Sdn. Bhd.

Tobacco Blenders and Manufacturers Sdn. Bhd.

Tobacco Importers and Manufacturers Sdn. Bhd.

Aktiviti Utama

Pelaburan induk

Pemasaran dan pengimportan rokok, tembakau paip dan cerut

Tanda dagang induk

Pembangunan dan pembelian daun tembakau

Penyediaan ruang gudang

Pengilangan dan penjualan rokok serta lain-lain produk tembakau

Tidak beroperasi

Contemporary Force Sdn. Bhd.

Lucky Strike Originals Sdn. Bhd.

Martins of Piccadilly, London, Sdn. Bhd.

One World GSA Sdn. Bhd.

Perilly's Centre Sdn. Bhd.

Aktiviti Utama

Dorman

Dorman

Dorman

Dorman

Dorman

Diperbadankan di Negara Brunei Darussalam

Beroperasi

Commercial Marketers and Distributors Sdn. Bhd.*

Aktiviti Utama

Penyediaan perkhidmatan pengiklanan dan promosi

* Penyata kewangannya tidak diaudit oleh PricewaterhouseCoopers, Malaysia.

15. CUKAI TERTUNDA

	Kumpulan		Syarikat	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Aset cukai tertunda				
Pada 1 Januari	4,020	3,300	4,020	3,300
Dikreditkan ke penyata pendapatan Nota 15(i)	958	720	958	720
Pada 31 Disember	4,978	4,020	4,978	4,020
Diwakili oleh:				
Kerugian cukai dan elaun modal tidak diguna	4,488	3,535	4,488	3,535
Lain-lain perbezaan sementara	490	485	490	485
	4,978	4,020	4,978	4,020

15. CUKAI TERTUNDA (sambungan)

		Kumpulan		Syarikat	
		2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Liabiliti cukai tertunda					
Pada 1 Januari		56,138	50,336	—	—
Dicaj ke penyata pendapatan	Nota 15(i)	2,570	5,925	—	—
Dikreditkan ke perolehan tertahan	Nota 15(ii)	(123)	(123)	—	—
Pada 31 Disember		58,585	56,138	—	—
Diwakili oleh:					
Lebihan susut nilai ke atas elaun modal		53,740	60,307	—	—
Tanah dan bangunan dinilai semula		4,405	4,528	—	—
Elaun bagi hutang ragu		(4,554)	(3,399)	—	—
Elaun modal tidak diguna		(742)	—	—	—
Lain-lain perbezaan sementara		5,736	(5,298)	—	—
		58,585	56,138	—	—

Amaun di atas telah diselaraskan ke penyata pendapatan dan penyata perubahan dalam ekuiti seperti berikut:

		Kumpulan		Syarikat	
		2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
(i) Dicaj/(dikreditkan) ke penyata pendapatan					
Dikreditkan berhubung dengan aset cukai tertunda		(958)	(720)	(958)	(720)
Dicaj berhubung liabiliti cukai tertunda		2,570	5,925	—	—
Caj bersih/(kredit) kepada penyata pendapatan berhubung tahun semasa (Nota 6)		1,612	5,205	(958)	(720)
(ii) Dikreditkan ke perolehan tertahan					
Dikreditkan dengan liabiliti cukai tertunda		(123)	(123)	—	—
Kredit bersih ke perolehan tertahan		(123)	(123)	—	—

**16. ASET DIPEGANG UNTUK JUALAN**

	Kumpulan	
	2007 RM'000	2006 RM'000
Pada 1 Januari	25,579	1,255
Pindahan daripada hartanah, loji dan peralatan (Nota 9)	818	707
Pindahan daripada harta pelaburan (Nota 10)	19,820	23,617
Pindahan ke hartanah, loji dan peralatan (Nota 9)	(1,422)	—
Dilupuskan sepanjang tahun	(24,157)	—
Pada 31 Disember	20,638	25,579

Aset yang dipegang untuk jualan dan dilupuskan sepanjang tahun terdiri daripada:

- (a) Pada 26 Oktober 2006, Kumpulan telah memeterai perjanjian jual beli bagi melupuskan hartanahnya di Keningau, Sabah untuk pertimbangan berjumlah RM800,000.00. Pelupusan tersebut telah disempurnakan pada 7 Jun 2007 tanpa timbul sebarang laba atau kerugian penting.
- (b) Pada 15 Disember 2006, Kumpulan telah memeterai perjanjian jual beli bagi pelupusan sebahagian hartanah di Sungai Besi, Kuala Lumpur untuk pertimbangan sebanyak RM24,600,000. Pelupusan tersebut telah disempurnakan pada 29 Mei 2007 tanpa timbulnya sebarang laba atau kerugian penting.

Aset yang dipegang untuk jualan dan dipindahkan daripada hartanah, loji dan peralatan serta harta pelaburan terdiri daripada bahagian akhir hartanah Kumpulan di Sungai Besi, Kuala Lumpur yang mana Kumpulan telah memeterai perjanjian jual beli bagi melupuskannya untuk pertimbangan berjumlah RM21,000,000 pada 8 Oktober 2007. Pelupusan dijangka dapat diselesaikan pada tahun kewangan berikutnya tanpa timbul sebarang laba atau kerugian penting.

Sepanjang tahun lalu dan tahun semasa, pihak pengurusan Kumpulan telah melaksanakan program secara aktif bagi mencari pembeli untuk hartanahnya di Pasir Puteh, Kelantan dan di Mukim Wakaf Delima, Kelantan. Namun sehingga kini hartanah tersebut belum lagi dilupuskan. Justeru, hartanah ini telah diklasifikasikan ke hartanah, loji dan peralatan pada nilai bawaannya sebelum hartanah tersebut diklasifikasikan sebagai aset dipegang untuk dijual, dilaraskan untuk susut nilai yang sepatutnya diiktiraf jika tidak diklasifikasikan sebagai dipegang untuk dijual.

17. INVENTORI

	Kumpulan	
	2007 RM'000	2006 RM'000
Pada kos		
Bahan mentah	162,833	217,865
Kerja sedang berlangsung	5,949	3,743
Barangan siap	71,378	38,364
Penyimpanan barang kegunaan	3,828	4,535
	243,988	264,507

18. BELUM TERIMA

	Kumpulan		Syarikat	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Perdagangan belum terima	128,340	81,954	—	—
Elaun untuk hutang ragu	(22,099)	(17,141)	—	—
	106,241	64,813	—	—
Dividen terhutang daripada subsidiari	—	—	286,958	593,572
Amaun terhutang daripada syarikat berkaitan	23,370	18,011	443	3,686
Belum terima lain	12,397	18,864	855	784
Deposit	1,785	1,813	535	551
Prabayaran	42,697	60,584	674	3,521
	186,490	164,085	289,465	602,114

Belum terima Kumpulan dan Syarikat sebahagian besar dalam Ringgit Malaysia.

Tempoh kredit belum terima perdagangan adalah antara 1 hingga 60 hari (2006: 1 hingga 60 hari).

Tumpuan risiko kredit berhubung belum terima perdagangan adalah terhad kerana kebanyakan bilangan pelanggan Kumpulan berada di merata Malaysia. Pengalaman Kumpulan mengikut sejarahnya dalam kutipan belum terima perdagangan masih dalam had dibenarkan. Dengan demikian pihak pengurusan yakin tiada risiko kredit tambahan yang menjangkau amaun yang dibenarkan bagi kerugian pungutan perlu untuk belum terima perdagangan Kumpulan.

19. DEPOSIT, TUNAI DAN BAKI BANK

	Kumpulan		Syarikat	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Deposit dengan bank berlesen	69,927	186,529	1,609	287
Tunai dan baki bank	739	760	10	10
	70,666	187,289	1,619	297
Profil pendedahan mata wang bagi deposit, tunai dan baki bank adalah seperti berikut:				
– Ringgit Malaysia	54,334	167,245	1,619	297
– Dolar AS	3,521	16,798	—	—
– Dolar Brunei	12,811	3,246	—	—
	70,666	187,289	1,619	297



19. DEPOSIT, TUNAI DAN BAKI BANK (sambungan)

	Kumpulan		Syarikat	
	2007 %	2006 %	2007 %	2006 %
Kadar faedah purata berwajaran bagi deposit dengan bank berlesen yang berkuat kuasa sepanjang tahun	2.9	3.1	—	2.8

Deposit Kumpulan dan Syarikat masing-masing mempunyai tempoh matang purata 1 hari (2006: 37 hari) dan 1 hari (2006: 1 hari).

20. BOLEH DIBAYAR

	Kumpulan		Syarikat	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Perdagangan boleh dibayar	114,762	112,725	—	—
Perdagangan terakru	17,952	13,669	—	—
Amaun terhutang kepada subsidiari	—	—	263,340	387,719
Amaun terhutang kepada syarikat berkaitan	23,789	21,943	4,449	—
Boleh dibayar yang lain	74,533	70,541	42,461	31,696
	231,036	218,878	310,250	419,415

Profil pendedahan mata wang bagi perdagangan boleh dibayar adalah seperti berikut:

	Kumpulan		Syarikat	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Ringgit Malaysia	114,372	111,455	—	—
Dolar AS	217	210	—	—
Paun Sterling	11	18	—	—
Lain-lain	162	1,042	—	—
	114,762	112,725	—	—

20. BOLEH DIBAYAR (sambungan)

Profil pendedahan mata wang bagi amaun terhutang kepada syarikat berkaitan adalah seperti berikut:

	Kumpulan		Syarikat	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Ringgit Malaysia	7,385	17,762	1,683	—
Dolar AS	13,703	3,968	172	—
Paun Sterling	2,350	174	2,328	—
Lain-lain	351	39	266	—
	23,789	21,943	4,449	—

Tempoh kredit yang diberikan bagi perdagangan boleh dibayar serta pembekal hartanah, loji dan peralatan kepada Kumpulan adalah berbeza-beza, daripada tiada kredit hingga 120 hari (2006: tiada kredit hingga 120 hari). Amaun yang terhutang kepada subsidiari dan syarikat berkaitan adalah yang tanpa cagaran, tanpa faedah (dalam tempoh kredit) dan perlu dibayar balik dalam tempoh setahun.

Amaun selain daripada perdagangan boleh dibayar dan amaun terhutang kepada syarikat berkaitan sebahagian besar dalam Ringgit Malaysia.

21. PINJAMAN (DIKENAKAN FAEDAH)

(a) Pinjaman Kumpulan dan Syarikat setakat 31 Disember 2007 adalah seperti berikut:

- (i) RM100,000,000 4½ tahun Nota Jangka Sederhana 2004/2009 tidak bercagar dengan kadar kupon 4.95% setahun, matang pada 2 Mei 2009; dan
- (ii) RM150,000,000 5 tahun Nota Jangka Sederhana 2004/2009 tidak bercagar dengan kadar kupon 4.58% setahun, matang pada 2 November 2009 berikutan Program Penerbitan yang menjangkau RM300 juta nilai nominal Surat Perdagangan/Nota Jangka Sederhana (Program SP/NJS); dan
- (iii) RM400,000,000 5 tahun Nota Jangka Sederhana 2007/2012 tidak bercagar dengan kadar kupon 4.05% setahun, matang pada 21 September 2012 berikutan Program Penerbitan yang menjangkau sehingga RM700 juta nilai nominal Nota Jangka Sederhana (Program NJS); dan
- (iv) RM100,000,00 63 hari Surat Perdagangan 2007/2008 tidak bercagar dengan kadar kupon 3.66% setahun, matang pada 4 Januari 2008 berikutan Program Penerbitan yang menjangkau sehingga RM100 juta nilai nominal Surat Perdagangan/Nota Jangka Sederhana (Program SP/NJS).



21. PINJAMAN (DIKENAKAN FAEDAH) (sambungan)

(b) (i) Tempoh matang pinjaman Kumpulan dan Syarikat adalah seperti berikut:

	Kumpulan		Syarikat	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Jumlah pinjaman				
Bon boleh ditebus	—	450,000	—	450,000
Nota jangka sederhana	650,000	250,000	650,000	250,000
Surat perdagangan	100,000	—	100,000	—
	750,000	700,000	750,000	700,000
Tempoh matang pinjaman:				
Dalam satu tahun	100,000	450,000	100,000	450,000
Lebih dari 1 tahun dan kurang dari 2 tahun	250,000	—	250,000	—
Lebih dari 2 tahun dan kurang dari 5 tahun	400,000	250,000	400,000	250,000
	750,000	700,000	750,000	700,000

(ii) Mengklasifikasikan pinjaman Kumpulan dan Syarikat seperti berikut:

	Kumpulan		Syarikat	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Tidak bercagar				
Semasa				
Bon boleh ditebus	—	450,000	—	450,000
Surat perdagangan	100,000	—	100,000	—
	100,000	450,000	100,000	450,000
Tidak semasa				
Nota jangka sederhana	650,000	250,000	650,000	250,000

Nilai saksama pinjaman diperincikan dalam Nota 28(d).

**22. MODAL SAHAM**

	Kumpulan dan Syarikat	
	2007 RM'000	2006 RM'000
Dibenarkan		
770,000,000 Saham biasa bernilai 50 sen sesaham	385,000	385,000
Diterbitkan dan dibayar penuh		
285,530,000 Saham biasa bernilai 50 sen sesaham	142,765	142,765

23. OBLIGASI MANFAAT LEPASAN PERKHIDMATAN**Pelan Manfaat Tertakrif**

Kumpulan mengendalikan satu pelan manfaat tertakrif untuk para pekerja yang layak di Malaysia (yang menyertai Kumpulan sebelum 1 Januari 2006), yang mana asetnya dipegang dalam dana yang ditadbir oleh pemegang amanah berasingan. Syarikat serta subsidiari tertentu dalam Kumpulan membuat caruman kepada Skim Persaraan British American Tobacco Malaysia, iaitu dana yang diluluskan cukai dan bebas daripada Kumpulan.

Pelan manfaat tertakrif ini dinilai oleh aktuari bebas menggunakan Kaedah Kredit Unit Terunjur. Penilaian aktuari terakhir yang dilakukan pada 31 Disember 2007 menunjukkan nilai bersih aset yang dipegang dana berserta peruntukan buku dalam penyata kewangan Kumpulan, dapat memenuhi secukupnya liabiliti aktuari yang terbit dari pelan manfaat tertakrif setakat 31 Disember 2007.

Amaun yang diiktiraf di dalam kunci kira-kira ditentukan seperti berikut:

	Kumpulan		Syarikat	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Nilai semasa obligasi manfaat tertakrif	10,125	9,936	820	758
Nilai saksama aset pelan	(5,818)	(6,312)	(818)	(790)
Status pelan dibiayai	4,307	3,624	2	(32)
Laba aktuari tidak diiktiraf	675	928	46	60
Liabiliti bersih	4,982	4,552	48	28



23. OBLIGASI MANFAAT SELEPAS PERKHIDMATAN (sambungan)

Pelan Manfaat Tertakrif (sambungan)

Amaun yang diiktiraf di dalam penyata pendapatan di bawah perbelanjaan operasi adalah seperti berikut:

	Kumpulan		Syarikat	
	Tahun berakhir 31.12.07 RM'000	Tahun berakhir 31.12.06 RM'000	Tahun berakhir 31.12.07 RM'000	Tahun berakhir 31.12.06 RM'000
Kos khidmat semasa	(642)	(634)	(124)	(121)
Kos faedah	(635)	(562)	(48)	(40)
Pulangan dijangkakan atas aset pelan	194	185	25	23
Pengiktirafan laba terbatas	—	612	—	90
Kos lepasan perkhidmatan	—	(36)	—	(4)
Jumlah, termasuk dalam kos kakitangan (Nota 5)	(1,083)	(435)	(147)	(52)
Pulangan dijangkakan atas aset pelan	194	185	25	23
Aktuari (kerugian)/laba atas aset pelan	(4)	86	(1)	11
Pulangan sebenar atas aset pelan	190	271	24	34

Pergerakan dalam obligasi manfaat lepasan perkhidmatan adalah seperti berikut:

	Kumpulan		Syarikat	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Pada 1 Januari	4,552	4,750	28	99
Caj bagi tahun	1,083	435	147	52
Caruman dibayar	(653)	(633)	(127)	(123)
Pada 31 Disember	4,982	4,552	48	28

23. OBLIGASI MANFAAT LEPASAN PERKHIDMATAN (sambungan)

Pelan Manfaat Tertakrif (sambungan)

Perubahan dalam nilai semasa bagi obligasi manfaat tertakrif adalah seperti berikut:

	Kumpulan		Syarikat	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Pada 1 Januari	9,936	29,372	758	3,862
Caj perkhidmatan	642	634	124	121
Kos faedah	635	562	48	40
Manfaat dibayar	(1,338)	(20,505)	(24)	(3,217)
Liabiliti ditanggung dalam pemindahan antara syarikat	—	—	(101)	—
Laba terbatas	—	(612)	—	(90)
Kos lepasan perkhidmatan	—	36	—	4
Kerugian aktuari akibat pengalaman sebenar	250	449	15	38
Pada 31 Disember	10,125	9,936	820	758
Obligasi manfaat tertakrif yang dijangka perlu dibayar tahun akan datang	1,303	345	31	29

Perubahan dalam nilai saksama aset pelan adalah seperti berikut:

	Kumpulan		Syarikat	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Pada 1 Januari	6,312	25,996	790	3,862
Pulangan dijangkakan atas aset pelan	194	185	25	23
Caruman oleh majikan	653	633	127	123
Manfaat dibayar	(1,337)	(20,588)	(24)	(3,229)
Aset dimiliki daripada pindahan antara syarikat	—	—	(99)	—
Aktuari (laba)/kerugian atas aset pelan	(4)	86	(1)	11
Pada 31 Disember	5,818	6,312	818	790
Caruman perlu dibayar pada tahun akan datang	197	211	109	127



23. OBLIGASI MANFAAT LEPASAN PERKHIDMATAN (sambungan)

Pelan Manfaat Tertakrif (sambungan)

Pembentukan laba dan kerugian aktuari setakat 31 Disember adalah seperti berikut:

	Kumpulan		Syarikat	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Kerugian aktuari yang terbit pada tahun, sebelum 31 Disember	253	446	15	39
Laba aktuari tidak diiktiraf dari tahun sebelumnya	(928)	(1,374)	(61)	(99)
Laba aktuari tidak diiktiraf terkumpul	(675)	(928)	(46)	(60)
Pengehadan 'koridor'	1,012	994	82	76
Laba aktuari untuk dilunaskan	—	(16)	—	—
Bilangan tahun untuk dilunaskan	11	12	15	14
Amaun pelunasan untuk tahun akan datang	—	(1)	—	—

Andaian aktuari yang utama digunakan pada tarikh kunci kira-kira berhubung pelan manfaat tertakrif Kumpulan dan Syarikat adalah seperti berikut:

	2007 %	2006 %
Kadar diskaun	6.5	6.5
Pulangan dijangkakan daripada aset pelan	6.5	3.0
Kadar kenaikan gaji yang dijangkakan	6.0	6.0

Kadar pulangan yang dijangkakan daripada skim aset pada 2007 diperolehi daripada peruntukan pelaburan sebanyak 50% dalam dana perdagangan pertukaran, 20% dalam bon Kerajaan Malaysia, dan 30% dalam instrumen pasaran wang yang mana masing-masing menghasilkan kadar pulangan pelaburan tahunan sebanyak 10%, 3.5% dan 3.0%.

24. TUNAI DARIPADA OPERASI

	Kumpulan		Syarikat	
	Tahun berakhir 31.12.07 RM'000	Tahun berakhir 31.12.06 RM'000	Tahun berakhir 31.12.07 RM'000	Tahun berakhir 31.12.06 RM'000
Untung bagi tahun kewangan	731,931	719,678	693,499	731,284
Pelarasan untuk:				
Dividen daripada subsidiari tidak dinyatakan	—	—	(1,014,009)	(1,055,982)
Pendapatan faedah	(9,965)	(7,716)	(182)	(117)
Hartanah, loji dan peralatan				
– susut nilai	74,884	76,385	6,064	5,978
– keterjejasan dimasukkan kira semula	—	(4,411)	—	—
– kerugian/(laba) atas pelupusan	692	1,190	570	(56)
– dihapus kira	13,402	—	—	—
Harta pelaburan – susut nilai	190	1,144	—	—
Pelunasan pajakan prabayar	1,774	—	23	—
Pelunasan perisian komputer	4,517	—	4,517	—
Kerugian keterjejasan atas pelaburan	—	—	2,067	—
Elaun bagi hutang ragu	4,958	1,320	—	—
Inventori dihapus kira	93	1,490	—	—
Perbelanjaan faedah	46,515	47,467	46,515	47,467
Perbelanjaan cukai	270,970	282,269	256,580	275,761
Perubahan dalam modal kerja:				
– inventori	20,426	28,970	—	—
– belum terima	(36,410)	2,024	8,905	(2,540)
– boleh dibayar	14,077	(42,381)	(1,105)	743
Tunai daripada operasi	1,138,054	1,107,429	3,444	2,538

25. MODAL KETERIKATAN

	Kumpulan		Syarikat	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Hartanah, loji dan peralatan:				
– Dibenarkan dan dikontrakkan	24,072	7,995	6,961	1,049
– Dibenarkan tetapi tidak dikontrakkan	1,223	11,774	250	667
	25,295	19,769	7,211	1,716



26. PENDEDAHAN PENTING PIHAK BERKAITAN

Sebagai tambahan kepada pendedahan pihak berkaitan yang dinyatakan di bahagian lain dalam penyata kewangan, turut dibentangkan di bawah ialah urus niaga pihak berkaitan lain yang penting. Urus niaga pihak berkaitan yang dinyatakan di bawah telah dilaksanakan berdasarkan syarat yang tidak memihak kepada pihak berkaitan daripada yang biasa diperolehi oleh pihak tidak berkaitan dalam urus niaga kecuali dinyatakan sebaliknya.

(a) Urus niaga Kumpulan

Urus niaga Kumpulan adalah dengan ahli syarikat British American Tobacco p.l.c. (British American Tobacco p.l.c. secara tidak langsung menerusi British American Tobacco Holdings (Malaysia) B.V., memiliki lima puluh peratus (50%) kepentingan ekuiti dalam Syarikat dan ia dianggap sebagai syarikat induk muktamad Syarikat).

	Kumpulan	
	Tahun berakhir 31.12.07 RM'000	Tahun berakhir 31.12.06 RM'000
(i) Penjualan barangan		
Penjualan rokok dan produk tembakau kepada:		
– British-American Tobacco Company (HK) Ltd.	7,517	11,153
– Rothmans Far East B.V.	26,748	29,064
– British American Tobacco Marketing (Singapore) Pte. Ltd.	18,907	11,729
– B.A.T. China Ltd.	8,645	13,199
– British American Tobacco International Ltd.	9,322	7,111
– British American Tobacco Korea Manufacturing Ltd.	17,441	20,807
– British American Tobacco Japan, Ltd.	1,550	2,498
	90,130	95,561
(ii) Pembelian barangan		
Pembelian daun, bahan pembungkusan dan pembalut rokok serta produk tembakau daripada:		
– British American Tobacco Far East Leaf Ltd.	7,063	10,478
– Souza Cruz Overseas S.A.	1,406	11
– PT BAT Indonesia Tbk	494	—
– British American Tobacco Bangladesh Company Limited	1,722	—
– British American Tobacco Australasia Limited	203	—
– B.A.T. (U.K. & Export) Ltd.	897	1,422
– British American Tobacco Marketing (Singapore) Pte. Ltd.	72,493	78,503
– British American Tobacco (Germany) GmbH	13,826	20,197
– B.A.T. Switzerland S.A.	2,313	2,488
	100,417	113,099
Pembelian rokok dan produk tembakau daripada:		
– British American Tobacco International Ltd.	3,054	2,930
– British American Tobacco STC (Export) B.V.	—	2,766
– BAT Theodorus Niemeyer B.V.	1,834	—
	4,888	5,696

**26. PENDEDAHAN PENTING PIHAK BERKAITAN (sambungan)****(a) Urus niaga Kumpulan (sambungan)**

	Kumpulan	
	Tahun berakhir 31.12.07 RM'000	Tahun berakhir 31.12.06 RM'000
(iii) Pemerolehan perkhidmatan		
Pemerolehan perkhidmatan teknologi maklumat daripada:		
– British American Shared Services Ltd.	21,882	25,557
– B.A.T. (U.K. & Export) Ltd.	495	1,752
– British American Tobacco Asia-Pacific Region Ltd.	3,425	3,012
	25,802	30,321
(iv) Khidmat teknikal dan penasihat		
Pembayaran yuran untuk perkhidmatan sokongan teknikal dan penasihat:		
– British American Tobacco (Investments) Ltd.	45,335	22,611
– British American Tobacco International Ltd.	1,409	1,598
– British American Tobacco Asia Pacific Treasury Pte. Ltd.	353	258
– British American Tobacco ASPAC Service Centre Sdn. Bhd.	4,533	2,522
– B.A.T. (U.K. & Export) Ltd.	2,693	2,670
– British American Tobacco Asia-Pacific Region Ltd.	3,258	371
	57,581	30,030
(v) Royalti		
Royalti dibayar/boleh dibayar kepada:		
– B.A.T. (U.K. & Export) Ltd.	81,614	72,736
– The House of Edgeworth Inc.	9,457	8,734
– British American Tobacco (Brands) Inc.	5,323	3,778
	96,394	85,248
(vi) Penjualan dan pembelian peralatan		
(Penjualan)/pembelian peralatan daripada:		
– British American Tobacco Marketing (Singapore) Pte. Ltd.	—	12,470
– Pakistan Tobacco Company Limited	—	(8,460)
– British American Tobacco South Africa	(2,028)	—
– Chiletabacos SA	—	(8,309)
	(2,028)	(4,299)



26. PENDEDAHAN PENTING PIHAK BERKAITAN (sambungan)

(a) Urus niaga Kumpulan (sambungan)

	Kumpulan	
	Tahun berakhir 31.12.07 RM'000	Tahun berakhir 31.12.06 RM'000
(vii) Peruntukan bagi perkhidmatan sokongan teknikal dan penasihat		
– B.A.T. China Ltd.	180	125
– British American Tobacco Philippines Ltd.	52	75
– British American Tobacco – Vinataba (JV) Ltd.	19	17
– British-American Tobacco Company (HK) Ltd.	164	119
– British-American Tobacco Korea	8	—
– British American Tobacco Cambodia Ltd.	37	71
– British American Tobacco Services Limited, Taiwan Branch	115	197
– PT BAT Indonesia Tbk.	297	498
– Rothmans of Pall Mall Myanmar	30	39
– British American Tobacco (Vietnam) Ltd.	154	292
– British American Tobacco (Singapore) Pte. Ltd.	1,079	1,107
– British American Tobacco Marketing (Singapore) Pte. Ltd.	—	626
– British American Tobacco Australasia Limited	—	191
– British American Tobacco South Africa	—	185
– British American Tobacco (Thailand) Ltd.	53	161
– British American Tobacco (NZ) Ltd.	—	95
– Ceylon Tobacco Co. Ltd.	3	31
– British American Tobacco (PNG) Limited	17	30
– British American Tobacco ASPAC Service Centre Sdn. Bhd.	279	28
– British American Tobacco Bangladesh Limited	88	5
– British American Tobacco (Fiji) Limited	—	5
– BAT Pacific Corp.	—	4
– British American Tobacco International Ltd.	—	3
	2,575	3,904

Kumpulan British American Tobacco Malaysia menyediakan pelbagai perkhidmatan kepada ahli yang berkaitan dengan Kumpulan British American Tobacco yang mana termasuk pemerolehan, pengujian produk dan perkhidmatan pembangunan.

**26. PENDEDAHAN PENTING PIHAK BERKAITAN (sambungan)****(b) Urus niaga Syarikat**

Urus niaga Syarikat adalah dengan subsidiari milik penuhnya serta dengan ahli syarikat British American Tobacco p.l.c. (British American Tobacco p.l.c. secara tidak langsung menerusi British American Tobacco Holdings (Malaysia) B.V., memiliki lima puluh peratus (50%) kepentingan ekuiti dalam Syarikat dan ia dianggap sebagai syarikat induk muktamad Syarikat).

	Syarikat	
	Tahun berakhir 31.12.07 RM'000	Tahun berakhir 31.12.06 RM'000
(i) Yuran pengurusan		
Yuran pengurusan diterima daripada:		
– Commercial Marketers and Distributors Sdn. Bhd.	6,008	5,815
(ii) Yuran untuk penggunaan hartanah, loji dan peralatan:		
Yuran untuk penggunaan hartanah, loji dan peralatan diterima daripada:		
– Commercial Marketers and Distributors Sdn. Bhd.	9,521	4,050
– Tobacco Importers and Manufacturers Sdn. Bhd.	554	851
	10,075	4,901
(iii) Pemerolehan perkhidmatan		
Pemerolehan perkhidmatan teknologi maklumat daripada:		
– British American Shared Services Ltd.	21,882	25,557
– B.A.T. (U.K. & Export) Ltd.	495	1,752
– British American Tobacco Asia-Pacific Region Ltd.	3,425	3,012
	25,802	30,321
(iv) Khidmat teknikal dan penasihat		
Pembayaran yuran untuk perkhidmatan sokongan teknikal dan penasihat kepada:		
– British American Tobacco (Investments) Ltd.	45,335	22,611
– British American Tobacco International Ltd.	1,409	1,598
– British American Tobacco Asia Pacific Treasury Pte. Ltd.	353	258
– British American Tobacco ASPAC Service Centre Sdn. Bhd.	4,533	2,522
– B.A.T. (U.K. & Export) Ltd.	2,693	2,670
– British American Tobacco Asia-Pacific Region Ltd.	3,258	371
	57,581	30,030

Kakitangan pengurusan kanan Kumpulan dan Syarikat merupakan para Pengarah yang mana pampasan mereka didedahkan dalam Nota 4 penyata kewangan.



27. LAPORAN SEGMENT

Analisis mengikut segmen tidak disediakan memandangkan Kumpulan terutamanya terlibat dalam perkilangan, pengimportan serta penjualan rokok dan lain-lain produk tembakau di Malaysia.

28. INSTRUMEN KEWANGAN

Pengurusan Risiko Perbendaharaan

Kumpulan terdedah kepada risiko kewangan yang timbul dari aktiviti perniagaannya; khususnya risiko kadar faedah, risiko pertukaran dan risiko kredit. Instrumen kewangan derivatif yang jelas digunakan oleh Kumpulan untuk mengurangkan kos pembiayaan, mengubah pendedahan kadar faedah ataupun untuk mencapai kepastian lebih jitu tentang kos masa depan. Instrumen-instrumen ini diguna berlandaskan objektif dan dasar yang diluluskan oleh Lembaga Pengarah yang tegas melarang urus niaga spekulatif.

Dasar ini membataskan penggunaan instrumen derivatif untuk mengkehadapkan kontrak pertukaran asing, mata wang asing dan pergantian kadar faedah, perjanjian kadar hadapan, opsyen mata wang serta pembatasan. Selain daripada dasar, garis panduan dan had pendedahan, sistem penguatkuasaan dan penglaporan yang bebas dan menyeluruh meliputi semua bidang utama aktiviti perbendaharaan Syarikat.

Butiran instrumen yang digunakan untuk mengurus kadar faedah dan pendedahan pertukaran asing serta maklumat pendedahan yang berkaitan dinyatakan di bawah.

(a) Pengurusan Kadar Faedah

Objektif Kumpulan terhadap dasar pengurusan risiko kadar faedah ialah untuk mengurangkan kesan buruk daripada pergerakan kadar faedah atas perolehan, aliran tunai serta nilai ekonomi Kumpulan. Setakat tarikh kunci kira-kira, tidak terdapat kontrak pergantian kadar faedah terbuka.

(b) Pengurusan Risiko Pertukaran Mata Wang

Objektif Kumpulan terhadap dasar pertukaran asing ialah untuk membolehkan Kumpulan menguruskan pendedahan yang terbit daripada aktiviti perniagaan secara berkesan dalam lingkungan rangka kawalan yang tidak mendedahkan Kumpulan kepada risiko pertukaran asing. Kumpulan memasuki kontrak hadapan pertukaran asing bagi mengehadkan pendedahannya kepada mata wang asing boleh dibayar serta dalam aliran tunai yang akan digunakan dalam urus niaga yang dijangkakan dalam mata wang asing serta dikendalikan dengan had pendedahan yang ditetapkan.

Pada 31 Disember 2007, tarikh penyelesaian bagi kontrak hadapan terbuka adalah antara 26 Februari 2008 hingga 25 September 2008. Kadar pertukaran dikontrakkan serta amaun kontrak belum dijelaskan oleh Kumpulan adalah seperti berikut:

Perkara lindung nilai	Mata wang untuk dibayar	Bersamaan RM'000	Kadar berkontrak
Pembayaran masa hadapan untuk daun, bahan pembungkusan dan perkhidmatan sepanjang 9 bulan berikutnya			
USD5,400,000	Dolar AS	18,268	1 USD = RM3.3830
GBP1,300,000	Paun Sterling	8,954	1 GBP = RM6.8880
EUR197,500	Dolar Euro	941	1 EUR = RM4.7655

Nilai saksama kontrak hadapan Kumpulan yang belum dijelaskan pada tarikh kunci kira-kira (Nota 28(d)) menunjukkan kedudukan bersih tidak menguntungkan anggaran RM219,000 (2006: RM881,000).

Kerugian bersih pada 31 Disember 2007 bagi kontrak terbuka yang melindungi nilai jangkaan pembelian mata wang asing di masa hadapan berjumlah lebih kurang RM219,000 (2006: RM881,000). Laba dan kerugian pertukaran bersih adalah tertunda sehingga pembelian yang berkaitan dilakukan, yang mana pada masa itu dimasukkan dalam pengukuran urus niaga tersebut.

28. INSTRUMEN KEWANGAN (sambungan)

(c) Risiko kredit

Risiko kredit, atau risiko kegagalan pihak bertimbal, dikawal oleh permohonan kelulusan kredit, penetapan had pihak bertimbal serta langkah-langkah pengawasan. Kumpulan memilih untuk melabur aset tunai secara selamat dan menguntungkan. Risiko kredit diminimumkan melalui dasar Kumpulan untuk memilih hanya pihak bertimbal yang memiliki kedudukan kredit yang teguh.

Kumpulan tidak mempunyai tumpuan kredit risiko yang ketara walaupun sebahagian besar depositnya di tempatkan di institusi kewangan di Malaysia. Kemungkinan institusi kewangan tersebut gagal menunjukkan prestasi amat tipis berdasarkan penarafan kreditnya yang tinggi.

(d) Nilai saksama

Amaun bawaan bagi aset serta liabiliti kewangan Kumpulan dan Syarikat pada tarikh kunci kira-kira adalah hampir dengan nilai saksamanya kecuali yang dinyatakan di bawah:

	Nota	Kumpulan		Syarikat	
		Amaun dibawa RM'000	Nilai saksama RM'000	Amaun dibawa RM'000	Nilai saksama RM'000
Pada 31 Disember 2007					
Pinjaman semasa					
RM100 juta SP	21	100,000	100,000	100,000	100,000
Pinjaman tak semasa					
RM100 juta NJS	21	100,000	101,340	100,000	101,340
RM150 juta NJS	21	150,000	151,905	150,000	151,905
RM400 juta NJS	21	400,000	396,600	400,000	396,600
Instrumen kewangan derivatif yang dipegang untuk menguruskan pendedahan kadar faedah dan mata wang					
Kontrak tukaran hadapan mata wang asing	28(b)	—	(219)	—	(913)
Pada 31 Disember 2006					
Pinjaman semasa					
RM450 juta bon	21	450,000	465,165	450,000	465,165
Pinjaman tak semasa					
RM100 juta NJS	21	100,000	102,830	100,000	102,830
RM150 juta NJS	21	150,000	152,610	150,000	152,610
Instrumen kewangan derivatif yang dipegang untuk menguruskan pendedahan kadar faedah dan mata wang					
Kontrak tukaran hadapan mata wang asing	28(b)	—	(881)	—	—



29. PEMBAYARAN BERDASARKAN SAHAM

Perbelanjaan perkhidmatan pekerja yang diterima dan diiktiraf di sepanjang tahun adalah seperti berikut:

	Kumpulan		Syarikat	
	Tahun berakhir 31.12.07 RM'000	Tahun berakhir 31.12.06 RM'000	Tahun berakhir 31.12.07 RM'000	Tahun berakhir 31.12.06 RM'000
Perbelanjaan yang terbit daripada urus niaga pembayaran penyelesaian ekuiti berdasarkan saham	4,617	4,717	2,686	2,720

Perbelanjaan tersebut terbit akibat penyertaan sebilangan pekerja Kumpulan dan Syarikat dalam skim saham pekerja yang ditawarkan oleh British American Tobacco p.l.c. semasa perkhidmatan mereka dengan Kumpulan (British American Tobacco p.l.c. secara tidak langsung menerusi British American Tobacco Holdings (Malaysia) B.V., memiliki lima puluh peratus (50%) kepentingan ekuiti dalam Syarikat dan ia dianggap sebagai syarikat induk muktamad Syarikat). Butiran skim saham pekerja adalah seperti berikut:

	Kaedah Penyelesaian dan Pemasaan Kelulusan	Hayat Berkontrak	Syarat Letak Hak
Skim Bonus Saham Tertunda	Kelulusan penyelesaian ekuiti (Pemasaan kelulusan: Setiap tahun bulan Mac)	3 tahun	Keluaran saham percuma tiga tahun dari tarikh kelulusan dan tertakluk kepada pelucuthakan jika peserta berhenti perkhidmatan sebelum tamat tempoh pemegangan selama tiga tahun. Peserta menerima pembayaran berasingan yang bersamaan dengan perkadaran dividen sepanjang tempoh pemegangan.
Skim Penganugerahan Saham Antarabangsa	Kelulusan penyelesaian ekuiti (Pemasaan kelulusan: Setiap tahun bulan April)	3 tahun	Pemberian saham percuma tertakluk kepada tempoh pemegangan tiga tahun dan tertakluk kepada pelucuthakan jika pekerja berhenti dalam masa tempoh tersebut.
Skim Opsyen Saham	Kelulusan penyelesaian ekuiti (Pemberian opsyen di bawah skim ini telah dihentikan dengan kelulusan terakhir dibuat bulan Mac 2004)	10 tahun	Opsyen boleh dilaksanakan tiga tahun dari tarikh kelulusan dan tertakluk kepada prestasi perolehan sesaham.
Pelan Insentif Jangka Panjang	Kelulusan penyelesaian ekuiti (Pemasaan kelulusan: Setiap tahun bulan Mac)	10 tahun	Opsyen tanpa kos yang boleh dilaksanakan tiga tahun dari tarikh kelulusan, dengan pembayaran tertakluk kepada keadaan prestasi berdasarkan perolehan sesaham berbanding dengan inflasi (50% kelulusan) dan jumlah pulangan pemegang saham.

29. PEMBAYARAN BERDASARKAN SAHAM (sambungan)

(a) Urusan pembayaran berdasarkan saham ekuiti (selain daripada opsyen saham)

Butiran pergerakan urusan pembayaran berdasarkan saham ekuiti (selain daripada opsyen saham) sepanjang tahun berakhir 31 Disember 2007, meliputi Skim Bonus Saham Tertunda dan Skim Penganugerahan Saham Antarabangsa adalah seperti berikut:

	Bilangan saham biasa bernilai 25p sesaham dalam British American Tobacco p.l.c.			
	Kumpulan		Syarikat	
	2007	2006	2007	2006
Bilangan masih ada pada permulaan tahun	80,752	83,096	45,387	44,460
Kelulusan diberikan semasa dalam tempoh	26,799	28,775	12,342	16,625
Dilaksanakan semasa dalam tempoh	(20,410)	(31,119)	(14,042)	(15,698)
Dilucuthakkan semasa dalam tempoh	(347)	—	—	—
Bilangan masih ada pada akhir tahun	86,794	80,752	43,687	45,387

Saham masih ada bagi tahun berakhir 31 Disember 2007 bagi Kumpulan dan Syarikat masing-masing mempunyai hayat berkontrak purata berwajaran 1.1 tahun (2006: 1.3 tahun) dan 1.1 tahun (2006: 1.2 tahun).

Nilai saksama purata berwajaran urusan pembayaran ekuiti berdasarkan saham yang diluluskan sepanjang 2007 bagi Kumpulan dan Syarikat, masing-masing adalah £13.94 (2006: £13.02) dan £13.90 (2006: £13.01).

(b) Skim opsyen saham

Butiran pergerakan Skim penyelesaian ekuiti Opsyen Saham sepanjang tahun kewangan berakhir 31 Disember 2007 adalah seperti berikut:

	Kumpulan			
	2007 Bilangan opsyen British American Tobacco p.l.c.	2007 Harga laksana purata berwajaran sesaham (£)	2006 Bilangan opsyen British American Tobacco p.l.c.	2006 Harga laksana purata berwajaran sesaham (£)
Bilangan masih ada pada permulaan tahun	69,711	7.34	108,051	7.01
Dilaksanakan semasa dalam tempoh	(28,669)	7.22	(38,340)	6.41
Bilangan masih ada pada akhir tahun	41,042	7.42	69,711	7.34
Boleh dilaksanakan pada akhir tahun	41,042	7.42	24,280	5.94



29. PEMBAYARAN BERDASARKAN SAHAM (sambungan)

(b) Skim opsyen saham (sambungan)

	Syarikat			
	2007 Bilangan opsyen British American Tobacco p.l.c.	2007 Harga laksana purata berwajaran sesaham (£)	2006 Bilangan opsyen British American Tobacco p.l.c.	2006 Harga laksana purata berwajaran sesaham (£)
Bilangan masih ada pada permulaan tahun	13,552	8.09	18,733	7.50
Dilaksanakan semasa dalam tempoh	(5,728)	8.09	(5,181)	5.98
Bilangan masih ada pada akhir tahun	7,824	8.09	13,552	8.09
Boleh dilaksanakan pada akhir tahun	7,824	8.09	—	—

Sebagai tambahan kepada opsyen di atas, pergerakan dalam opsyen penyelesaian ekuiti tanpa kos daripada Pelan Insentif Jangka Panjang adalah seperti berikut:

Bilangan saham biasa bernilai 25p sesaham dalam British American Tobacco p.l.c.

	Kumpulan		Syarikat	
	2007	2006	2007	2006
Bilangan masih ada pada permulaan tahun	137,844	128,600	109,073	109,523
Diluluskan semasa dalam tempoh	36,185	44,695	21,320	29,318
Dilaksanakan semasa dalam tempoh	—	(22,152)	—	(20,313)
Dilucuthakkan semasa dalam tempoh	—	(13,299)	—	(9,455)
Bilangan masih ada pada akhir tahun	174,029	137,844	130,393	109,073
Boleh dilaksanakan pada akhir tahun	52,545	20,306	52,545	20,306

29. PEMBAYARAN BERDASARKAN SAHAM (sambungan)

(b) Skim opsyen saham (sambungan)

Harga saham purata berwajaran British American Tobacco p.l.c. pada tarikh pelaksanaan bagi opsyen saham dilaksana di sepanjang tempoh bagi Kumpulan dan Syarikat, masing-masing adalah £16.19 (2006: £13.85) dan £15.70 (2006: £13.40).

Butiran terperinci kadar harga pelaksanaan untuk opsyen yang masih ada pada akhir 31 Disember 2007 dibentangkan dalam jadual di bawah:

	Kumpulan					
	2007			2006		
	Bilangan opsyen pada akhir tahun	Baki purata berwajaran hayat berkontrak (tahun)	Harga laksana purata berwajaran sesaham (£)	Bilangan opsyen pada akhir tahun	Baki purata berwajaran hayat berkontrak (tahun)	Harga laksana purata berwajaran sesaham (£)
Pelan Insentif Jangka Panjang						
Tanpa kos	174,029	7.5	—	137,844	8.0	—
Skim Opsyen Saham						
£5.00 hingga £6.99	11,146	4.0	5.60	24,280	5.4	5.94
£7.00 hingga £8.99	29,896	6.2	8.10	45,431	7.2	8.09
Jumlah	215,071	7.1	1.40	207,555	7.5	2.46

	Syarikat					
	2007			2006		
	Bilangan opsyen pada akhir tahun	Baki purata berwajaran hayat berkontrak (tahun)	Harga laksana purata berwajaran sesaham (£)	Bilangan opsyen pada akhir tahun	Baki purata berwajaran hayat berkontrak (tahun)	Harga laksana purata berwajaran sesaham (£)
Pelan Insentif Jangka Panjang						
Tanpa kos	130,393	7.3	—	109,073	7.8	—
Skim Opsyen Saham						
£5.00 hingga £6.99	7,824	6.2	8.09	—	—	—
£7.00 hingga £8.99	—	—	—	13,552	7.2	8.09
Jumlah	138,217	7.2	0.46	122,625	7.7	0.89

Nilai saksama purata berwajaran skim penyelesaian ekuiti opsyen saham yang diluluskan sepanjang 2007 bagi Kumpulan dan Syarikat ialah £10.47 (2006: £10.10).



29. PEMBAYARAN BERDASARKAN SAHAM (sambungan)

(c) Andaian digunakan

Andaian digunakan dalam Model Black-Scholes bagi menentukan nilai saksama urusan pembayaran berdasarkan saham adalah seperti berikut:

	Kumpulan dan Syarikat					
	Pelan Insentif Jangka Panjang		Skim Bonus Saham Tertunda		Skim Penganugerahan Saham Antarabangsa	
	2007	2006	2007	2006	2007	2006
Harga pasaran pada tarikh kelulusan (£)	£15.41	£14.34	n/a	n/a	n/a	n/a
Harga kelulusan (£)	n/a	n/a	£15.41	£14.34	£15.76	£13.85
Harga laksana (£)	kos nil	kos nil	n/a	n/a	n/a	n/a
Kemudahubahan (%)	21	23	21	23	21	23
Purata tempoh jangkaan untuk melaksana (tahun)	3.5	3.5	3.0	3.0	5.0	5.0
Kadar bebas risiko (%)	5.1	4.4	5.1	4.4	5.0	4.5
Hasil dividen dijangka (%)	3.6	3.3	3.6	3.3	3.2	3.4

Andaian digunakan dalam Model Monte-Carlo bagi menentukan nilai saksama urusan pembayaran berdasarkan saham adalah seperti berikut:

	Kumpulan dan Syarikat	
	2007	2006
Kebolehubahan purata harga saham FTSE100* kumpulan bandingan (%)	28	31
Kebolehubahan purata harga saham FMCG** kumpulan bandingan (%)	21	23
Purata korelasi FTSE100 kumpulan bandingan (%)	27	26
Purata korelasi FMCG kumpulan bandingan (%)	18	18

* Financial Times Stock Exchange

** Fast Moving Consumer Goods

Ciri-ciri keadaan pasaran telah dimasukkan ke dalam model Monte-Carlo untuk keseluruhan elemen pulangan pemegang saham bagi Pelan Insentif Jangka Panjang dalam menentukan nilai saksama pada tarikh kelulusan.

Jangkaan kebolehubahan harga saham British American Tobacco p.l.c. ditentukan dengan mengambil kira pergerakan harga pasaran harian sepanjang tempoh lima tahun. Kebolehubahan harga pasaran FMCG dan FTSE100 serta korelasi turut ditentukan mengikut tempoh yang sama. Purata tempoh jangkaan untuk melaksanakan penggunaan model telah disesuaikan mengikut anggaran terbaik pihak pengurusan bagi memberi kesan tidak boleh dipindah milik, mengenakan pengehadan dan syarat tingkah laku, pelucuthakan dan sejarah pengalaman.

Kadar bebas risiko telah ditentukan daripada keluk hasil pasaran bagi gilt kerajaan dengan tempoh belum jelas bersamaan purata tempoh jangkaan untuk setiap kelulusan yang relevan. Hasil dividen yang dijangkakan telah ditentukan dengan mengira hasil daripada dua dividen terakhir yang telah diisytiharkan dibahagi dengan harga saham kelulusan. Untuk kelulusan yang mengandungi syarat prestasi perolehan sesaham, pengiraan pembayaran adalah berdasarkan jangkaan yang berasaskan ramalan pakar analisis yang diterbitkan.

NOTICE OF ANNUAL GENERAL MEETING

British American Tobacco
(Malaysia) Berhad

NOTICE IS HEREBY GIVEN that the **Forty Seventh Annual General Meeting of British American Tobacco (Malaysia) Berhad (BATM)** will be held at Kristal Ballroom, Hilton Petaling Jaya, No. 2, Jalan Barat, 46200 Petaling Jaya, Selangor Darul Ehsan on **Thursday, 17 April 2008** at 11.00 a.m. for the following purposes:

AS ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 31 December 2007 and the Reports of the Directors and Auditors thereon. (Resolution 1)
2. To sanction the declaration and payment of a final dividend. (Resolution 2)
3. To re-elect the following Directors who retire by rotation in accordance with Articles 97 (1) and (2) of the Company's Articles of Association:
 - (i) Mr James Richard Suttie (Resolution 3)
 - (ii) Dato' Chan Choon Ngai (Resolution 4)
4. To re-elect the following Directors who retire in accordance with Article 103 of the Company's Articles of Association:
 - (i) Mr Jack Marie Henry David Bowles (Resolution 5)
 - (ii) Mr Stephen James Rush (Resolution 6)
5. To approve the increase of the limit of Non-Executive Directors' fees from RM500,000.00 to RM800,000.00. (Resolution 7)
6. To re-appoint PricewaterhouseCoopers as Auditors of the Company and authorise the Directors to fix their remuneration. (Resolution 8)



AS SPECIAL BUSINESS

7. To consider and, if thought fit, to pass the following Ordinary Resolution:

PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR BRITISH AMERICAN TOBACCO (MALAYSIA) BERHAD AND ITS SUBSIDIARIES TO ENTER INTO RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE WITH RELATED PARTIES

PROPOSED SHAREHOLDERS' MANDATE FOR BRITISH AMERICAN TOBACCO (MALAYSIA) BERHAD AND ITS SUBSIDIARIES TO ENTER INTO NEW RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE WITH RELATED PARTIES

"THAT, subject to the provisions of the Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given to the Company and/or its subsidiaries (British American Tobacco Malaysia Group) to enter into and give effect to recurrent transactions of a revenue or trading nature (Recurrent RPTs) of British American Tobacco Malaysia Group with Related Parties (as defined in the Listing Requirements of Bursa Malaysia Securities Berhad) as set out in paragraph 2.1.2 of the Circular to Shareholders dated 25 March 2008 which are necessary for the British American Tobacco Malaysia Group's day-to-day operations, provided that:

- (i) the transactions are in the ordinary course of business and on normal commercial terms which are not more favourable to the related parties than those generally available to the public and are not to the detriment of the minority shareholders of the Company; and

- (ii) disclosure of the aggregate value of the transactions conducted during a financial year will be made in the annual report for the said financial year,

AND THAT the authority conferred by such renewed mandate and the approval of the new mandate shall continue to be in force until:

- (i) the conclusion of the next Annual General Meeting (AGM) of the Company following the AGM at which such this Ordinary Resolution is passed, at which time it will lapse, unless by a resolution passed at the next AGM the authority conferred by this resolution is again renewed;
- (ii) the expiration of the period within which the next AGM of the Company after the forthcoming AGM is required to be held pursuant to Section 143(1) of the Companies Act, 1965 (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Companies Act, 1965); or
- (iii) revoked or varied by resolution passed by the shareholders in general meeting,

whichever is earlier;

AND THAT the Directors of the Company and/or its subsidiaries be and are hereby authorised to complete and do all such acts and things as they may consider expedient or necessary in the best interest of the Company (including executing all such documents as may be required) to give effect to the transactions as authorised by this Ordinary Resolution."

(Resolution 9)

8. To consider and, if thought fit, to pass the following Special Resolution:

PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION OF THE COMPANY

"THAT the proposed deletions, alterations, modifications, variations and additions to the Articles of Association of the Company in the manner as set out in the Circular to Shareholders dated 25 March 2008 (Proposed Amendments) be and are hereby approved.

AND THAT the Directors and Secretary be and are hereby authorised to sign and execute all relevant documents, acts and things as may be required for and in connection with and to give effect to the Proposed Amendments with full power to assent to any conditions, modifications, variations and/or amendments as may be required by the relevant authorities."

(Resolution 10)

9. To consider any other business of which due notice shall have been given.

By Order of the Board



NG PEI LING

Secretary

LS09111

Petaling Jaya
25 March 2008

Notes:

1. A member entitled to attend and vote at the general meeting is entitled to appoint not more than two (2) proxies to attend and vote in his/her stead. A proxy need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company. Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint at least one (1) but not more than two (2) proxies in respect of each securities account with ordinary shares of the Company standing to the credit of the said securities account.
2. The instrument appointing a proxy or proxies must be under the hand of the appointor or his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of any officer or attorney duly authorised.
3. The Form of Proxy must be deposited at the Share Registrar of the Company at Tenaga Koperat Sdn Bhd, 20th Floor, East Wing, Plaza Permata, Jalan Kampar, Off Jalan Tun Razak, 50400 Kuala Lumpur not less than forty-eight (48) hours before the time fixed for the meeting or any adjournment thereof.
4. **Registration of Members/Proxies**
Registration of Members/Proxies attending the meeting will commence at 9.00 a.m. on the day of the meeting and will close at 11.00 a.m. sharp. Members/Proxies are required to produce identification documents for registration.
5. **Explanatory Note on Special Business**
The Ordinary Resolution 9, if passed, will enable British American Tobacco (Malaysia) Berhad and its subsidiaries ("British American Tobacco Group") to enter into any of the recurrent transactions of a revenue or trading nature which are necessary for the British American Tobacco Group's day-to-day operations, subject to the transactions being in the ordinary course of business and on normal commercial terms which are not more favourable to the related parties than those generally available to the public and are not to the detriment of the minority shareholders of the Company. Further information on the Proposed Renewal Of Shareholders' Mandate For Existing Recurrent Related Party Transactions And Mandate For Additional Recurrent Related Party Transactions Of A Revenue Or Trading Nature is set out in the Circular to Shareholders dated 25 March 2008, which is despatched together with the Company's Annual Report 2007.

The Special Resolution 10, if passed, will enable the Company to comply with the recent amendments to the Listing Requirements of the Bursa Malaysia Securities Berhad as well as to ensure clarity and enhance the administration of the Company's internal dealings. Further information on the Proposed Amendments to the Articles of Association of the Company is set out in the Circular to Shareholders dated 25 March 2008, which is despatched together with the Company's Annual Report 2007.



STATEMENT ACCOMPANYING THE NOTICE OF ANNUAL GENERAL MEETING

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

1. Further details of Directors seeking re-election/re-appointment at the Forty Seventh Annual General Meeting are set out below:-

Name	James Richard Suttie	Dato' Chan Choon Ngai DSNS
Age	61	52
Nationality	British	Malaysian
Qualification	- Chartered Accountant – the Institute of Chartered Accountants of Scotland - Associate member of the Chartered Institute of Taxation	Bachelor of Science in Mechanical Engineering, University of Birmingham, United Kingdom
Position on the Board of Directors	Non-Independent Non-Executive Director	Non-Independent Executive Director
Date first appointed to the Board of Directors	1 May 2002	1 October 1995
Number of Board of Directors meetings attended in the financial year	7 (seven)	7 (seven)
Membership of Board Committees	Member of Audit, Remuneration and Nomination Committees	Nil
Occupation	Company Director	Operations Director of British American Tobacco (Malaysia) Berhad
Working Experience	- Commercial Accountant/Manager, Rothmans International p.l.c. - Finance Director, Carreras of Jamaica Ltd. - Finance Director, Rothmans International Europe - Finance Director, Rothmans of Pall Mall (Malaysia) Berhad - Regional Finance Controller, Asia, Rothmans International p.l.c. - Regional Finance Controller, Africa after the merger of Rothmans International p.l.c. and British American Tobacco p.l.c.	- Production Management Trainee, Rothmans of Pall Mall (Malaysia) Berhad - Production Executive, Make and Pack, Rothmans of Pall Mall (Malaysia) Berhad - Personal Assistant to World Production Director, Rothmans International, United Kingdom - Acting Factory Manager, Rothmans of Pall Mall (Malaysia) Berhad - Factory Manager, Rothmans of Pall Mall (Malaysia) Berhad - Production Director (Designate), Rothmans of Pall Mall (Malaysia) Berhad - Production Director, Rothmans of Pall Mall (Malaysia) Berhad
Any other board directorships in public companies	Nil	Nil
Interest in securities of British American Tobacco (Malaysia) Berhad and its subsidiaries	British American Tobacco (Malaysia) Berhad Direct interest: 1,500 shares Indirect interest: 3,000 shares	British American Tobacco (Malaysia) Berhad Direct interest: 1,000 shares Indirect interest: 6,000 shares
Any family relationship with director and/or major shareholder of British American Tobacco (Malaysia) Berhad or any companies that have entered into any transactions with British American Tobacco (Malaysia) Berhad or its subsidiaries	Nil	Nil
Any conflict of interest with British American Tobacco (Malaysia) Berhad	Nil	Nil
List of convictions for offences within the past 10 years other than traffic offences, if any	Nil	Nil

Name	Jack Marie Henry David Bowles	Stephen James Rush
Age	44	40
Nationality	French	Australian
Qualification	• Diploma of Business Management, French Business School in Paris • INSEAD (Paris) • IMEDE (Switzerland)	• Bachelor of Business Accounting, University of Technology, Sydney • Associate member of the Institute of Chartered Accountant, Australia • Affiliate member of the Australian Institute of Company Directors
Position on the Board of Directors	Non-Independent Executive Director	Non-Independent Executive Director
Date first appointed to the Board of Directors	1 May 2007	20 March 2008
Number of Board of Directors meetings attended in the financial year	Four (4)	Nil
Membership of Board Committees	Member of Remuneration Committee	Nil
Occupation	Managing Director of British American Tobacco (Malaysia) Berhad	Finance Director of British American Tobacco (Malaysia) Berhad
Working Experience	• Past President of British American Tobacco France • 20 years of experience in the tobacco industry and had previously worked for blue-chip fast moving consumer group (FMCG) companies across Europe and Asia	• Internal Auditor of British American Tobacco, Australia • Finance Director of British American Tobacco, Cambodia • Finance Director of British American Tobacco, Poland • Deputy Regional Finance Controller, British American Tobacco p.l.c.
Any other board directorships in public companies	Nil	Nil
Interest in securities of British American Tobacco (Malaysia) Berhad and its subsidiaries	Nil	Nil
Any family relationship with director and/or major shareholder of British American Tobacco (Malaysia) Berhad or any companies that have entered into any transactions with British American Tobacco (Malaysia) Berhad or its subsidiaries	Nil	Nil
Any conflict of interest with British American Tobacco (Malaysia) Berhad	Nil	Nil
List of convictions for offences within the past 10 years other than traffic offences, if any	Nil	Nil



ADMINISTRATIVE DETAILS FOR BRITISH AMERICAN TOBACCO MALAYSIA 47TH ANNUAL GENERAL MEETING

Date : 17 April 2008

Time : 11.00 a.m.

Place : Kristal Ballroom, Hilton Petaling Jaya, No. 2, Jalan Barat, 46200 Petaling Jaya, Selangor Darul Ehsan

REGISTRATION

1. Registration will start at 9.00 a.m. at the entrance of Kristal Ballroom and will close at 11.00 a.m. sharp.
2. Please read the signage to ascertain which registration table you should approach to register yourself for the meeting and join the queue accordingly.
3. Please produce your original Identity Card (IC) to the registration staff for verification. Please make sure you collect your IC thereafter.
4. Upon verification, you are required to write your name and sign on the Attendance List placed on the registration table.
5. You will be given a security sticker and no person will be allowed to enter the meeting room without the security sticker. There will be no replacement in the event that you lose or misplace the security sticker.
6. After registration, please leave the registration area immediately and proceed to Kristal Ballroom.
7. You are not allowed to register on behalf of another person even with the original IC of the other person.
8. The registration counter only handle verification and registration. You may proceed to the Help Desk for any clarifications or queries.

HELP DESK

9. Please proceed to the Help Desk for any clarifications or queries.

ENTITLEMENT TO ATTEND AND VOTE

10. Only shareholders registered in the Register of Members and Record of Depositors as at 5.00 p.m. on 9 April 2008 shall be entitled to attend and vote at the Annual General Meeting in respect of the number of shares registered in their name at that time.

PROXY

11. If you are a member of the Company at the time set out above, you are entitled to appoint not more than two (2) proxies to exercise all or any of your rights to attend, speak and vote at the Annual General Meeting.
12. To appoint a proxy, the original Form of Proxy which is attached together with the Company's 2007 Annual Report must be completed and signed, sent and delivered to the Company's Registrar, Tenaga Koperat Sdn Bhd at 20th Floor, East Wing, Plaza Permata, Jalan Kampar, Off Jalan Tun Razak, 50400 Kuala Lumpur by 15 April 2008 at 11.00 a.m.
13. In the case of a member which is a company, the Form of Proxy must be executed either under its seal or under the hand of any officer or attorney duly authorised.

CORPORATE MEMBER

14. Any corporate member who wishes to appoint a representative instead of a proxy to attend this Annual General Meeting should lodge the certificate of appointment under the seal of the corporation, at the office of the Company's Registrar, Tenaga Koperat Sdn Bhd at 20th Floor, East Wing, Plaza Permata, Jalan Kampar, Off Jalan Tun Razak, 50400 Kuala Lumpur by 15 April 2008 at 11.00 a.m.

ANNUAL REPORT 2007

15. The Annual Report 2007 is available on Bursa Malaysia's website at www.bursamalaysia.com under Company Announcements and also on the British American Tobacco Malaysia's website at www.batmalaysia.com

ENQUIRY

16. If you have general queries prior to the meeting, please contact the British American Tobacco Malaysia Legal and Secretarial Department at +60 (3)7956 6899 or the following person during office hours:

Name : Ms. Lim Lay Kiow
Share Registrar : Tenaga Koperat Sdn Bhd
Telephone Number : +60 (3)4047 3890

**NOTIS MESYUARAT AGUNG TAHUNAN****British American Tobacco
(Malaysia) Berhad**

DENGAN INI ADALAH dimaklumkan bahawa
**Mesyuarat Agung Tahunan Keempat
Puluh Tujuh British American Tobacco
(Malaysia) Berhad (BATM)** akan diadakan
di Kristal Ballroom, Hilton Petaling Jaya, No. 2,
Jalan Barat, 46200 Petaling Jaya, Selangor
Darul Ehsan pada hari **Khamis, 17 April
2008** jam 11.00 pagi untuk melaksanakan
urusan-urusan berikut:

SEBAGAI URUSAN BIASA

1. Untuk menerima Penyata Kewangan yang telah Diaudit bagi tahun kewangan berakhir 31 Disember 2007 dan Laporan Para Pengarah serta Juruaudit. (Resolusi 1)
2. Untuk meluluskan pengisytiharan dan pembayaran dividen akhir. (Resolusi 2)
3. Untuk memilih semula para Pengarah berikut yang bersara mengikut giliran menurut Artikel 97 (1) dan (2) Tataurusan Pertubuhan Syarikat:
 - (i) Encik James Richard Suttie (Resolusi 3)
 - (ii) Dato' Chan Choon Ngai (Resolusi 4)
4. Untuk memilih semula para Pengarah berikut yang bersara menurut Artikel 103 Tataurusan Pertubuhan Syarikat:
 - (i) Encik Jack Marie Henry David Bowles (Resolusi 5)
 - (ii) Encik Stephen James Rush (Resolusi 6)
5. Untuk meluluskan had kenaikan yuran para Pengarah Bukan Eksekutif daripada RM500,000.00 kepada RM800,000.00. (Resolusi 7)
6. Untuk melantik semula PricewaterhouseCoopers sebagai Juruaudit Syarikat dan memberi kuasa kepada para Pengarah untuk menentukan ganjaran mereka. (Resolusi 8)



SEBAGAI URUSAN KHAS

7. Untuk dipertimbangkan dan, jika difikirkan wajar, meluluskan Resolusi Biasa berikut:

CADANGAN PEMBAHARUAN MANDAT PEMEGANG SAHAM UNTUK BRITISH AMERICAN TOBACCO (MALAYSIA) BERHAD DAN SUBSIDIARINYA TERLIBAT DALAM URUS NIAGA BERULANG PIHAK BERKAITAN YANG BERSIFAT PENDAPATAN ATAU PERDAGANGAN DENGAN PIHAK-PIHAK BERKAITAN

CADANGAN MANDAT PEMEGANG SAHAM UNTUK BRITISH AMERICAN TOBACCO (MALAYSIA) BERHAD DAN SUBSIDIARINYA TERLIBAT DALAM URUS NIAGA BERULANG BARU PIHAK BERKAITAN YANG BERSIFAT PENDAPATAN ATAU PERDAGANGAN DENGAN PIHAK-PIHAK BERKAITAN

"BAHAWA, tertakluk kepada peruntukan Keperluan Penyenaraian Bursa Malaysia Securities Berhad, kelulusan adalah dan dengan ini diberikan kepada Syarikat dan/atau subsidiarinya (Kumpulan British American Tobacco Malaysia) terlibat dalam dan memulakan urusan niaga berulang yang bersifat pendapatan atau perdagangan (Urus Niaga Berulang) bagi Kumpulan British American Tobacco Malaysia dengan Pihak Berkaitan (yang ditentukan dalam Keperluan Penyenaraian Bursa Malaysia Securities Berhad) seperti dinyatakan dalam perenggan 2.1.2 Notis Pekeliling kepada Pemegang Saham bertarikh 25 Mac 2008 yang mana diperlu untuk operasi harian Kumpulan British American Tobacco Malaysia, tertakluk kepada:

- (i) urusan niaga tersebut adalah urusan perniagaan biasa dan tertakluk kepada terma komersial biasa yang tidak memberi kelebihan kepada pihak-pihak berkaitan berbanding yang biasanya ditawarkan kepada awam dan yang tidak menjejaskan pemegang saham minoriti Syarikat; dan

- (ii) maklumat nilai agregat urusan niaga yang dilaksanakan semasa tahun kewangan akan dilaporkan dalam laporan tahunan bagi tahun kewangan tersebut,

DAN BAHAWA kuasa yang diberikan dengan pembaharuan mandat dan kelulusan bagi mandat baru akan berkuatkuasa sehingga:

- (i) tamatnya Mesyuarat Agung Tahunan (MAT) Syarikat akan datang berikutan MAT yang mana Resolusi Biasa ini diluluskan, yang mana akan tamat tempohnya, kecuali dengan resolusi yang diluluskan pada MAT akan datang yang mana kuasa yang diberikan oleh resolusi ini diperbaharui;
- (ii) tamatnya tempoh dalam mana MAT Syarikat yang berikutnya perlu diadakan selepas MAT Syarikat akan datang menurut Seksyen 143(1) Akta Syarikat, 1965 (tetapi tidak termasuk sebarang penangguhan yang dibenarkan menurut Seksyen 143(2) Akta Syarikat, 1965); atau
- (iii) dibatalkan atau dipinda oleh resolusi yang diluluskan oleh pemegang saham dalam mesyuarat agung,

yang mana lebih awal;

DAN BAHAWA para Pengarah Syarikat dan/atau subsidiarinya adalah dan dengan ini diberi kuasa untuk menyempurnakan dan mengambil apa sahaja tindakan yang difikirkan wajar dan perlu untuk kepentingan Syarikat (termasuk menguruskan semua sebarang dokumen apabila diperlukan) untuk menguatkuasakan urusan niaga seperti yang diluluskan oleh Resolusi Biasa ini." (Resolusi 9)



8. Untuk dipertimbangkan dan, jika difikirkan wajar, meluluskan Resolusi Khas berikut:

CADANGAN PINDAAN KEPADA ARTIKEL TATAURUSAN PERTUBUHAN SYARIKAT

"BAHAWA cadangan pemotongan, pemindaan, pengubahsuaian, perbezaan dan penambahan kepada Artikel Tataurusan Pertubuhan Syarikat dengan cara seperti yang dinyatakan dalam Notis Pekeliling kepada Pemegang Saham bertarikh 25 Mac 2008 (Cadangan Pindaan) adalah dan dengan ini diluluskan.

DAN BAHAWA para Pengarah serta Setiausaha Syarikat adalah dan dengan ini diberi kuasa untuk menandatangani dan melaksanakan semua dokumen, tindakan dan perkara yang berkaitan seperti yang diperlukan untuk dan berhubung dengan serta menguatkuasakan Cadangan Pindaan dengan kuasa penuh untuk mempersetujui sebarang syarat, pengubahsuaian, perbezaan dan/atau pindaan seperti yang diperlukan oleh pihak berkuasa yang berkaitan."

(Resolusi 10)

9. Untuk dipertimbangkan lain-lain urusan yang mana notis yang wajar telah diberikan.

Dengan Perintah Lembaga

NG PEI LING

Setiausaha
LS09111

Petaling Jaya
25 Mac 2008

Nota:

1. Seseorang ahli yang layak untuk hadir dan mengundi di mesyuarat agung adalah layak untuk melantik tidak lebih daripada dua (2) proksi untuk hadir dan mengundi bagi pihaknya. Seseorang proksi tidak semestinya ahli Syarikat dan peruntukan di bawah Seksyen 149(1)(b) Akta Syarikat, 1965 tidak dikenakan kepada Syarikat. Yang mana seseorang ahli adalah penama yang diberi kuasa sebagai mana yang ditakrifkan di bawah Akta Industri Sekuriti (Depositori Pusat), 1991, yang mana boleh melantik sekurang-kurangnya satu (1) tetapi tidak lebih daripada dua (2) proksi bagi setiap akaun sekuriti yang mana saham biasa Syarikat disandarkan bagi kredit akaun sekuriti tersebut.
2. Surat cara untuk melantik seseorang proksi atau proksi-proksi hendaklah dibuat oleh pelantik atau peguamnya yang diberi kuasa secara bertulis. Yang mana surat cara melantik proksi atau proksi-proksi dilaksanakan oleh sebuah perbadanan, ia mesti dimeterai sama ada dengan cap mohor perbadanan atau ditandatangani oleh mana-mana pegawai atau peguam yang diberi kuasa.
3. Borang Proksi mesti didepositkan di pejabat Pendaftar Saham Syarikat di Tenaga Koperat Sdn Bhd, Tingkat 20, East Wing, Plaza Permata, Jalan Kampar, Off Jalan Tun Razak, 50400 Kuala Lumpur tidak kurang daripada empat puluh lapan (48) jam sebelum masa yang ditetapkan bagi mesyuarat atau sebarang penangguhannya.
4. **Pendaftaran Ahli/Proksi**
Pendaftaran Ahli/Proksi untuk hadir ke mesyuarat akan bermula pada jam 9.00 pagi pada hari mesyuarat dan akan ditutup tepat jam 11.00 pagi. Ahli/Proksi dikehendaki mengemukakan dokumen pengenalan untuk pendaftaran.
5. **Nota Penjelasan Urusan Khas**
Resolusi Biasa 9, jika diluluskan akan membolehkan British American Tobacco (Malaysia) Berhad dan subsidiarinya ("Kumpulan British American Tobacco") terlibat dalam sebarang urusan niaga berulang yang bersifat pendapatan atau perdagangan yang perlu untuk operasi harian Kumpulan British American Tobacco, dengan syarat urusan niaga tersebut terkandung dalam urusan perniagaan biasa dan pada syarat-syarat komersial biasa yang tidak memberi kelebihan kepada pihak-pihak berkaitan berbanding yang biasanya ditawarkan kepada awam dan yang tidak menjejaskan pemegang saham minoriti Syarikat. Maklumat lanjut Cadangan Pembaharuan Mandat Pemegang Saham Untuk Urus Niaga Berulang Sedia Ada Pihak Berkaitan Dan Mandat Bagi Urus Niaga Berulang Tambahan Pihak Berkaitan Yang Bersifat Pendapatan atau Perdagangan ada dinyatakan dalam Notis Pekeliling kepada Pemegang Saham bertarikh 25 Mac 2008, yang dihantar bersama Laporan Tahunan Syarikat 2007.

Resolusi Khas 10, jika diluluskan, akan membolehkan Syarikat mematuhi pindaan terbaru kepada Keperluan Penyenaraian Bursa Malaysia Securities Berhad serta memastikan kejelasan dan memantapkan pentadbiran urusan dalaman Syarikat. Maklumat lanjut tentang Cadangan Pindaan kepada Artikel Tataurusan Pertubuhan Syarikat dinyatakan dalam Notis Pekeliling kepada Pemegang Saham bertarikh 25 Mac 2008, yang dihantar bersama Laporan Tahunan Syarikat 2007.



PENYATA MENGIRINGI NOTIS MESYUARAT AGUNG TAHUNAN

Menurut Perenggan 8.28(2) Keperluan Penyenggaraan Bursa Malaysia Securities Berhad

1. Butiran lanjut para Pengarah yang menawarkan diri untuk pemilihan semula/pelantikan semula di Mesyuarat Agung Tahunan Keempat Puluh Tujuh adalah seperti berikut:

Nama	James Richard Suttie	Dato' Chan Choon Ngai DSNS
Umur	61	52
Warganegara	British	Malaysia
Kelulusan	- Akauntan Berkanun – Institut Akauntan Berkanun Scotland - Ahli Bersekutu Institut Pencukaian Berkanun	Sarjana Muda Sains Kejuruteraan Mekanikal, Universiti Birmingham, United Kingdom
Jawatan dalam Lembaga Pengarah	Pengarah Bukan Eksekutif Bukan Bebas	Pengarah Eksekutif Bukan Bebas
Tarikh mula dilantik ke Lembaga Pengarah	1 Mei 2002	1 Oktober 1995
Bilangan kehadiran di Mesyuarat Lembaga Pengarah dalam tahun kewangan	7 (tujuh)	7 (tujuh)
Keahlian dalam Jawatankuasa Lembaga	Ahli Jawatankuasa Audit, Ganjaran dan Pencalonan	Tiada
Pekerjaan	Pengarah Syarikat	Pengarah Operasi British American Tobacco (Malaysia) Berhad
Pengalaman Kerja	- Akauntan Komersil/Pengurus, Rothmans International p.l.c. - Pengarah Kewangan, Carreras of Jamaica Ltd. - Pengarah Kewangan, Rothmans International Europe - Pengarah Kewangan, Rothmans of Pall Mall (Malaysia) Berhad - Pengawal Kewangan Serantau, Asia, Rothmans International p.l.c. - Pengawal Kewangan Serantau, Afrika selepas penggabungan Rothmans International p.l.c. dan British American Tobacco p.l.c.	- Pelatih Pengurusan Pengeluaran, Rothmans of Pall Mall (Malaysia) Berhad - Eksekutif Pengeluaran, Pembuatan dan Pembungkusan, Rothmans of Pall Mall (Malaysia) Berhad - Pembantu Peribadi kepada Pengarah Pengeluaran Dunia Antarabangsa, Rothmans International, United Kingdom - Pemangku Pengurus Kilang, Rothmans of Pall Mall (Malaysia) Berhad - Pengurus Kilang, Rothmans of Pall Mall (Malaysia) Berhad - Pengarah Pengeluaran (Bakal), Rothmans of Pall Mall (Malaysia) Berhad - Pengarah Pengeluaran, Rothmans of Pall Mall (Malaysia) Berhad
Jawatan Pengarah di syarikat awam lain	Tiada	Tiada
Kepentingan dalam sekuriti British American Tobacco (Malaysia) Berhad dan subsidiarinya	British American Tobacco (Malaysia) Berhad Pegangan langsung: 1,500 saham Pegangan tidak langsung: 3,000 saham	British American Tobacco (Malaysia) Berhad Pegangan langsung: 1,000 saham Pegangan tidak langsung: 6,000 saham
Hubungan kekeluargaan dengan Pengarah dan/atau pemegang saham utama British American Tobacco (Malaysia) Berhad atau mana-mana syarikat yang pernah berurusan dengan British American Tobacco (Malaysia) Berhad atau subsidiarinya	Tiada	Tiada
Sebarang percanggahan kepentingan dengan British American Tobacco (Malaysia) Berhad	Tiada	Tiada
Senarai kesalahan yang disabitkan dalam tempoh 10 tahun lalu selain kesalahan trafik, jika ada	Tiada	Tiada



Nama	Jack Marie Henry David Bowles	Stephen James Rush
Umur	44	40
Warganegara	Perancis	Australia
Kelulusan	• Diploma Pengurusan Perniagaan, French Business School di Paris • INSEAD (Paris) • IMEDE (Switzerland)	• Sarjana Muda Perakaunan Perniagaan, Universiti Teknologi, Sydney • Ahli bersekutu Institut Akauntan Berkanun, Australia • Ahli gabungan Institut Pengarah Syarikat Australia
Jawatan dalam Lembaga Pengarah	Pengarah Eksekutif Bukan Bebas	Pengarah Bukan Eksekutif Bukan Bebas
Tarikh mula dilantik ke Lembaga Pengarah	1 Mei 2007	20 Mac 2008
Bilangan kehadiran di Mesyuarat Lembaga Pengarah dalam tahun kewangan	Empat (4)	Tiada
Keahlian dalam Jawatankuasa Lembaga	Ahli Jawatankuasa Ganjaran	Tiada
Pekerjaan	Pengarah Urusan British American Tobacco (Malaysia) Berhad	Pengarah Kewangan British American Tobacco (Malaysia) Berhad
Pengalaman Kerja	• Bekas Presiden British American Tobacco France • 20 tahun pengalaman dalam industri tembakau dan pernah bekerja untuk kumpulan syarikat cip biru barangan pengguna laris (FMCG) di serata Eropah dan Asia	• Juruaudit Dalaman British American Tobacco, Australia • Pengarah Kewangan British American Tobacco, Kemboja • Pengarah Kewangan British American Tobacco, Poland • Timbalan Pengawal Kewangan Serantau, British American Tobacco p.l.c.
Jawatan Pengarah di syarikat awam lain	Tiada	Tiada
Kepentingan dalam sekuriti British American Tobacco (Malaysia) Berhad dan subsidiarinya	Tiada	Tiada
Hubungan kekeluargaan dengan Pengarah dan/atau pemegang saham utama British American Tobacco (Malaysia) Berhad atau mana-mana syarikat yang pernah berurusanniaga dengan British American Tobacco (Malaysia) Berhad atau subsidiarinya	Tiada	Tiada
Sebarang percanggahan kepentingan dengan British American Tobacco (Malaysia) Berhad	Tiada	Tiada
Senarai kesalahan yang disabitkan dalam tempoh 10 tahun lalu selain kesalahan trafik, jika ada	Tiada	Tiada



BUTIRAN PENTADBIRAN MESYUARAT AGUNG TAHUNAN BRITISH AMERICAN TOBACCO MALAYSIA YANG KE-47

Tarikh : 17 April 2008

Masa : 11.00 pagi

Tempat : Kristal Ballroom, Hilton Petaling Jaya, No. 2, Jalan Barat, 46200 Petaling Jaya, Selangor Darul Ehsan

PENDAFTARAN

1. Pendaftaran akan bermula jam 9.00 pagi di pintu masuk Kristal Ballroom dan tutup tepat jam 11.00 pagi.
2. Sila baca papan tanda bagi memastikan meja pendaftaran anda yang betul dan beratur bagi mendaftar diri untuk mesyuarat.
3. Sila kemukakan Kad Pengenalan (KP) asal anda kepada kakitangan pendaftaran untuk penentusahan. Sila pastikan anda mengambil semula KP anda selepas pendaftaran.
4. Selepas penentusahan, anda perlu menulis nama anda serta menandatangani Senarai Kedatangan yang terletak di meja pendaftaran.
5. Anda akan diberikan pelekat keselamatan dan tidak ada sesiapa akan dibenarkan masuk ke bilik mesyuarat tanpa pelekat keselamatan. Sekiranya pelekat keselamatan anda telah hilang atau tersalah letak, pelekat tidak akan diganti.
6. Selepas pendaftaran, sila tinggalkan ruang pendaftaran dengan segera dan terus masuk ke Kristal Ballroom.
7. Anda tidak dibenarkan mendaftar bagi pihak individu lain walaupun dengan KP asal individu tersebut.
8. Kaunter pendaftaran hanya untuk mengendalikan urusan penentusahan dan pendaftaran. Anda boleh pergi ke Kaunter Bantuan untuk sebarang penjelasan atau pertanyaan.

KAUNTER BANTUAN

9. Sila pergi ke Kaunter Bantuan untuk sebarang penjelasan atau pertanyaan.

HAK UNTUK HADIR DAN MENGUNDI

10. Hanya pemegang saham yang berdaftar dalam Daftar Ahli dan Rekod Pendeposit setakat jam 5.00 petang pada 9 April 2008 berhak untuk menghadiri dan mengundi di Mesyuarat Agung Tahunan mengikut bilangan saham yang didaftarkan atas nama mereka pada waktu tersebut.

PROKSI

11. Jika anda merupakan ahli Syarikat pada waktu yang ditetapkan di atas, anda berhak melantik tidak lebih daripada dua (2) proksi untuk melaksanakan segala atau sebarang hak anda untuk hadir, bersuara dan mengundi di Mesyuarat Agung Tahunan.
12. Untuk melantik proksi, Borang Proksi asal yang disertakan bersama Laporan Tahunan 2007 Syarikat hendaklah dilengkapkan dan ditandatangani, dihantar dan sampai ke pejabat Pendaftar Saham Syarikat, Tenaga Koperat Sdn Bhd di Tingkat 20, East Wing, Plaza Permata, Jalan Kampar, Off Jalan Tun Razak, 50400 Kuala Lumpur selewat-lewatnya 15 April 2008 jam 11.00 pagi.
13. Dalam keadaan di mana ahli merupakan sebuah syarikat, Borang Proksi perlu dilaksanakan sama ada bawah kuasa meterainya atau bawah kuasa pegawai atau peguam yang diberi kuasa.

AHLI KORPORAT

14. Mana-mana ahli korporat yang ingin melantik wakil dan bukan proksi untuk menghadiri Mesyuarat Agung Tahunan ini dikehendaki mengemukakan sijil pelantikan di bawah meterai syarikat, di pejabat Pendaftar Saham Syarikat, Tenaga Koperat Sdn Bhd di Tingkat 20, East Wing, Plaza Permata, Jalan Kampar, Off Jalan Tun Razak, 50400 Kuala Lumpur selewat-lewatnya 15 April 2008 jam 11.00 pagi.

LAPORAN TAHUNAN 2007

15. Laporan Tahunan 2007 boleh didapati di laman web Bursa Malaysia di www.bursamalaysia.com di bawah Pengumuman Syarikat serta menerusi laman web British American Tobacco Malaysia di www.batmalaysia.com

PERTANYAAN

16. Jika anda mempunyai sebarang pertanyaan sebelum mesyuarat berlangsung, sila hubungi Bahagian Perundangan dan Kesetiausahaan British American Tobacco Malaysia di no. talian: +60 (3)7956 6899 atau individu berikut pada waktu pejabat:

Nama : Cik Lim Lay Kiow
Pendaftar Saham : Tenaga Koperat Sdn Bhd
Nombor Telefon : +60 (3)4047 3890

I/We _____ (NRIC/Co. No. _____)

of _____

being a member/members of **BRITISH AMERICAN TOBACCO (MALAYSIA) BERHAD**, do hereby appoint _____
(NRIC/Co. No. _____) of _____

and/or failing him/her _____ (NRIC/Co. No. _____)

of _____

or failing him/her, the Chairman of the Meeting as my/our proxy/proxies to vote for me/us and on my/our behalf at the Forty Seventh Annual General Meeting of the Company, to be held at Kristal Ballroom, Hilton Petaling Jaya, No. 2, Jalan Barat, 46200 Petaling Jaya, Selangor Darul Ehsan on Thursday, 17 April 2008 at 11.00 a.m., and at any adjournment thereof.

My/our proxy is to vote either on a show of hands or on a poll as indicated below with an "X":

Resolutions		For	Against
Ordinary Resolution 1	Receive the Audited Financial Statements for the financial year ended 31 December 2007 and the Reports of the Directors and Auditors thereon.		
Ordinary Resolution 2	Sanction the declaration and payment of a final dividend.		
Ordinary Resolution 3	Re-elect Mr James Richard Suttie who retires by rotation in accordance with Articles 97 (1) and (2) of the Company's Articles of Association.		
Ordinary Resolution 4	Re-elect Dato' Chan Choon Ngai who retires by rotation in accordance with Articles 97 (1) and (2) of the Company's Articles of Association.		
Ordinary Resolution 5	Re-elect Mr Jack Marie Henry David Bowles who retires in accordance with Article 103 of the Company's Articles of Association.		
Ordinary Resolution 6	Re-elect Mr Stephen James Rush who retires in accordance with Article 103 of the Company's Articles of Association.		
Ordinary Resolution 7	Approval of the increase of the limit of Non-Executive Directors' fees from RM500,000.00 to RM800,000.00.		
Ordinary Resolution 8	Re-appoint PricewaterhouseCoopers as Auditors of the Company and authorise the Directors to fix their remuneration.		
Ordinary Resolution 9	Proposed Renewal of Shareholders' Mandate for British American Tobacco (Malaysia) Berhad and its Subsidiaries to enter into Recurrent Related Party Transactions of a revenue or trading nature with Related Parties and Proposed Shareholders' Mandate for British American Tobacco (Malaysia) Berhad and its Subsidiaries to enter into New Recurrent Related Party Transactions of a revenue or trading nature with Related Parties.		
Special Resolution 10	Proposed Amendments to the Articles of Association of the Company.		

No. of Shares held	
--------------------	--

Dated this _____ day of _____ 2008.

Signature of Member(s)

Notes:

- If there is no indication as to how a Member wishes his/her vote to be cast, the proxy will vote or abstain from voting at his/her discretion. In the event a Member duly executes the Form of Proxy but does not name any proxy, such Member shall be deemed to have appointed the Chairman of the Meeting as his/her proxy.
- A proxy need not be a Member and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.
- A Member entitled to attend and vote at the Meeting is entitled to appoint not more than two (2) proxies to attend and vote in his/her behalf. Where a Member appoints two (2) proxies, the appointment shall be invalid unless the percentage of the shareholding to be represented by each proxy is specified.
- Where a Member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint at least one (1) but not more than two (2) proxies in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account.
- The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under seal or under the hand of any officer or attorney duly authorised.
- All Forms of Proxy must be duly executed and deposited at the Share Registrar of the Company at Tenaga Koperat Sdn Bhd, 20th Floor, East Wing, Plaza Permata, Jalan Kampar, Off Jalan Tun Razak, 50400 Kuala Lumpur, not less than forty-eight (48) hours before the time set for holding the meeting or adjourned meeting.

Please fold here to seal

affix
postage
stamp

The Share Registrar
Tenaga Koperat Sdn Bhd
(Company No. 118401-V)
20th Floor, East Wing
Plaza Permata, Jalan Kampar
off Jalan Tun Razak
50400 Kuala Lumpur
Malaysia

Please fold here to seal

Saya/Kami _____ (No. K.P./Sykt _____)

beralamat di _____

adalah ahli/ahli-ahli **BRITISH AMERICAN TOBACCO (MALAYSIA) BERHAD**, dengan ini melantik _____

_____ (No. K.P./Sykt _____) beralamat di _____

dan/atau sebagai penggantinya _____ (No. K.P./Sykt _____)

beralamat di _____

atau sebagai penggantinya, Pengerusi Mesyuarat sebagai proksi/proksi-proksi saya/kami untuk pengundian saya/kami dan bagi pihak saya/kami di Mesyuarat Agung Tahunan Keempat Puluh Tujuh Syarikat, yang akan diadakan di Kristal Ballroom, Hilton Petaling Jaya, No. 2, Jalan Barat, 46200 Petaling Jaya, Selangor Darul Ehsan pada hari Khamis, 17 April 2008 jam 11.00 pagi, dan pada sebarang penangguhannya.

Proksi saya/kami boleh mengundi sama ada dengan sokongan tangan atau undian seperti yang dipaparkan di bawah dengan tanda "X":

Resolusi		Menyokong	Menentang
Resolusi Biasa 1	Menerima Penyata Kewangan yang telah Diaudit bagi tahun kewangan berakhir 31 Disember 2007 serta Laporan Para Pengarah dan Juruaudit.		
Resolusi Biasa 2	Meluluskan pengisytiharan dan pembayaran dividen akhir.		
Resolusi Biasa 3	Memilih semula Encik James Richard Suttie yang bersara mengikut giliran menurut Artikel 97 (1) dan (2) Tataurusan Pertubuhan Syarikat.		
Resolusi Biasa 4	Memilih semula Dato' Chan Choon Ngai yang bersara mengikut giliran menurut Artikel 97 (1) dan (2) Tataurusan Pertubuhan Syarikat.		
Resolusi Biasa 5	Memilih semula Encik Jack Marie Henry David Bowles yang bersara menurut Artikel 103 Tataurusan Pertubuhan Syarikat.		
Resolusi Biasa 6	Memilih semula Encik Stephen James Rush yang bersara menurut Artikel 103 Tataurusan Pertubuhan Syarikat.		
Resolusi Biasa 7	Meluluskan had kenaikan yuran para Pengarah Bukan Eksekutif daripada RM500,000.00 kepada RM800,000.00.		
Resolusi Biasa 8	Melantik semula PricewaterhouseCoopers sebagai Juruaudit Syarikat dan memberi kuasa kepada para Pengarah untuk menentukan ganjaran mereka.		
Resolusi Biasa 9	Cadangan Pembaharuan Mandat Pemegang Saham untuk British American Tobacco (Malaysia) Berhad dan Subsidiarinya terlibat dalam Urus Niaga Berulang Pihak Berkaitan yang bersifat pendapatan atau perdagangan dengan Pihak-pihak Berkaitan dan Cadangan Mandat Pemegang Saham untuk British American Tobacco (Malaysia) Berhad dan Subsidiarinya terlibat dalam Urus Niaga Berulang Baru Pihak Berkaitan yang bersifat pendapatan atau perdagangan dengan Pihak-pihak Berkaitan.		
Resolusi Khas 10	Cadangan Pindaan kepada Artikel Tataurusan Pertubuhan Syarikat.		

Bil. Saham yang dipegang	
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Tarikh pada _____ hari bulan _____ 2008.

Tandatangan Ahli/Ahli-ahli

Nota:

- Jika seseorang Ahli tidak menyatakan bagaimana cara undiannya patut dijalankan, proksi akan mengundi atau tidak mengundi berdasarkan pertimbangan beliau sendiri. Dalam situasi seseorang Ahli melaksanakan Borang Proksi tetapi tidak menamakan proksi, Ahli tersebut akan dianggap telah melantik Pengerusi Mesyuarat sebagai proksinya.
- Seseorang proksi tidak semestinya menjadi Ahli dan Syarikat tidak tertakluk di bawah peruntukan Seksyen 149(1)(b) Akta Syarikat, 1965.
- Seseorang ahli yang layak untuk hadir dan mengundi di Mesyuarat adalah layak untuk melantik tidak lebih daripada dua (2) orang proksi untuk hadir dan mengundi bagi pihaknya. Apabila seseorang Ahli melantik dua (2) proksi, pelantikan tersebut akan menjadi tidak sah kecuali peratusan pegangan saham untuk diwakili oleh setiap proksi dinyatakan.
- Apabila seseorang Ahli adalah penama yang diberi kuasa seperti yang ditetapkan di bawah Akta Industri Sekuriti (Depositori Pusat) 1991, dia boleh melantik paling kurang seorang (1) tetapi tidak lebih daripada dua (2) proksi, bagi setiap Akaun Sekuriti yang mana saham biasa Syarikat disandarkan bagi kredit Akaun Sekuriti tersebut.
- Surat cara pelantikan seorang proksi atau proksi-proksi harus dibuat oleh orang yang diberi kuasa melantik atau peguamnya yang diberi kuasa secara bertulis. Jika surat cara pelantikan proksi atau proksi-proksi dilaksanakan oleh sebuah syarikat, ia perlu dilaksanakan sama ada di bawah kuasa meterainya atau di bawah kuasa pegawai atau peguam yang diberi kuasa.
- Semua Borang Proksi harus dilaksanakan dan didepositkan di pejabat Pendaftar Saham Syarikat di Tenaga Koperat Sdn Bhd, No. 20, East Wing, Plaza Permata, Jalan Kampar, Off Jalan Tun Razak, 50400 Kuala Lumpur, tidak kurang daripada empat puluh lapan (48) jam sebelum masa yang ditetapkan bagi mesyuarat atau sebarang penangguhannya.

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tampalkan
setem

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