

AJINOMOTO_® Group CSR Vision

As a truly global company, we are committed to social and environmental sustainability. We will contribute toward this goal through the fields of Food and Health like no other company can, and will strive to earn the trust of the people of the world for generations to come.

Food

With the global expansion of the Ajinomoto Group's food business, we will contribute towards a reliable and high-quality dietary life for people around the world by promoting the development, proposal and provision of new products that suit the regional food cultures of the world while also making the most of the special characteristics of Japanese food, as a global company with roots in Japan.

Ajinomoto Group
Vision for CSR
Achievements by 2020
Five Paths in Realising the CSR Vision

Partnerships

In lines with the Ajinomoto Group Principles, we will contribute to the building of sound and vibrant societies by proactively disclosing a variety of information about our business activities to all stakeholders and by forging honest, fair and open partnerships with them through dialogue undertaken as a sincere corporate citizen.

Food resources and the environment

We will contribute to a sustainable global environment by supporting agriculture, fisheries and live-stock farming and establishing a recycling-based business model that minimises the use of exhaustible resources and energy and the production of waste, with the goal of securing safe and sustainable food resources.

Amino Acids

We will create new value and contribute to the lives and health of people worldwide by further improving and expanding our proprietary technologies as a leading company in the field of amino acids.

Human resources development

We will contribute to the building of better societies by fostering the high-caliber human resources needed around the world, by ensuring that our employees can make most of their unique traits and abilities, without regard to characteristics such as nationality, ethnicity, sex, religion and cultural background.

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VONO_® and SERI-AJI_® New Variants

Corporate Information

DIRECTORS

Gen Tan Sri (Dr.) Dato' Paduka Mohamed Hashim Bin Mohd. Ali (Rtd) (Chairman)

Mitsunobu Suzumi (Chief Executive Officer/Managing Director)

Makoto Tatsumi

Hitoshi Sasaki

Adinan bin Husin

Dato' Professor (Dr.)Teo Chiang Liang

Dr. Goh Chin Siew

Dato' Hj. Shaharuddin Bin Hj. Haron

Gew Ah Lek

Mazlan bin Ab. Rahman

Koay Kah Ee

Tee Ju Mian

BANKERS

Bank of Tokyo-Mitsubishi UFJ (Malaysia) Berhad Citibank Berhad Malayan Banking Berhad Standard Chartered Bank Malaysia Berhad

AUDITORS

Hanafiah Raslan & Mohamad

SOLICITORS

Lee, Ling & Partners

SECRETARY

Chua Siew Chuan (F) (MAICSA 0777689)

REGISTERED OFFICE

Lot 5710, Jalan Kuchai Lama, Petaling, 58200 Kuala Lumpur Tel: 798 06958 Fax: 798 11731

SHARE REGISTRAR

Securities Services (Holdings) Sdn Bhd Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur

Tel: 2084 9000 Fax: 2094 9940

STOCK EXCHANGE LISTING

Main Board of the Bursa Malaysia Securities Berhad





On behalf of the Board of Directors, it is my pleasure to present the Annual Report of Ajinomoto (Malaysia) Berhad for the financial year ended 31 March 2008.

RESULTS/PERFORMANCE

The Business environment for the Company remained challenging in 2007. Raw and packaging materials increased further and fuel prices remained high. Competition in the domestic market continued aggressive. Stronger currency reduced our earnings from export market, however, it eased costs of imported raw materials. We deployed effective communication to the market through promotional activities based on the reinforced sales organization and product lines, communication to the customers through the Company website's, i.e. "UMAMI ZONE" and communication to the shareholders and opinion leaders through circulations. We launched new variants of "SERI AJI" – the nasi goreng seasoning, and renewed package designs of all "SERI AJI" product line – the various menu seasonings. We continuously enhance further our market position and profitability.

Revenue grew by 13 per cent or RM25 million for the year under review to RM215 million. The increase in revenue was primarily attributed to growth of sales volume in both domestic and export markets. Our efforts to control factory expenses together with achievement of higher productivity have contributed to our bottom line. The Company posted a higher Profit at RM31.9 million.

PROSPECT

Given a continuously challenging business environment coupled with pressure from increasing raw and packaging material costs and growing competition, we promote our consumer brand "AJI-NO-MOTO", featuring 100th year anniversary of "Discovery of UMAMI" in 2008 and 100th year anniversary of foundation of AJINOMOTO GROUP in 2009. Our activities are not limited to the domestic market but also developed in Asia and Middle East countries.

DIVIDENDS

In view of our performance in 2007, the Board of Directors recommends a first and final dividend of 8 sen per share less tax and a special dividend of 7 sen tax exempt per share. The above dividends are subject to shareholders' approval.

APPRECIATION

Since the last Annual General Meeting, Mr. Hiroyuki Furusawa has resigned from the Board. The Board wishes to record its appreciation to him for his invaluable contributions and guidance to the Company.

On behalf of the Board, I would also like to express my deepest appreciation to the management and staff for their dedication, commitment and untiring contributions, to our suppliers for their commitment to deliver services and goods according to our standards, and to our distributors and customers for their continued support and loyalty to our brands and to the Company. I also wish to put on record my sincere gratitude to my fellow Directors for their counsel and support.

Chairman of the Board
Gen Tan Sri (Dr.) Dato'
Paduka Mohamed Hashim Bin Mohd. Ali (Rtd)

Directors' Profile

Gen Tan Sri (Dr.) Dato' Paduka Mohamed Hashim Bin Mohd.Ali (Rtd)

Chairman, Independent Non-Executive Director 73 years of age — Malaysian.

Gen Tan Sri (Dr.) Dato' Paduka Mohamed Hashim Bin Mohd. Ali (Rtd) was appointed Chairman of Ajinomoto (Malaysia) Berhad on 5 September 1995. He resigned as the Chairman of the Audit Committee on 1 November 2002 but remained as a Committee member. He is the Chairman of the Remuneration Committee and a member of the Nomination Committee. He attended all six Board meetings held in the financial year.

He holds a Diploma In Advance Management from the Harvard Business School and was conferred the Honorary Doctorate by the University of Salford, United Kingdom in January 1999.

Gen Tan Sri (Dr.) Dato' Paduka Mohamed Hashim Bin Mohd. Ali (Rtd) joined Ajinomoto (Malaysia) Berhad soon after his retirement as the Chief of the Defence Forces in the Malaysian Armed Forces where he chalked up 39 years of dedicated service. During his tenure in the Malaysian Armed Forces, he had initiated the re-organisation and modernization of the Army.

He is also the Chairman of Country Height Holdings Berhad Group and sits on the Boards of Delloyd Ventures Berhad, Hong Leong Financial Group Berhad, Mines Resort Berhad, Pioneer Oscar Berhad, Borneo Highlands Hornbill Golf & Jungle Club Berhad.

He has no conflict of interest with the Company or any family relationship with any other Director or shareholder of the Company. He has also not been convicted for any offences within the past ten years other than for traffic offences, if any.





Mitsunobu Suzumi Chief Executive Officer/Managing Director —

Chief Executive Officer/Managing Director – Executive Director 50 years of age – Japanese.

Mr. Suzumi was appointed as Chief Executive Officer/ Managing Director on I July 2007. He is a member of the Remuneration Committee. He attended four Board meetings held in the financial year.

He holds a Bachelor of Liberal Arts in Asian studies degree from the College of Arts And Sciences, the University of Tokyo, Japan 1981.

He joined Ajinomoto Co., Inc Japan in 1981 and began his career with the International Department in Head Quarter and has held various positions in Japan and overseas within the Ajinomoto Group of Companies.

He also sits on the Board of Malaysia Packaging Industry Berhad.

Adinan Bin Husin
Non-Independent Non-Executive Director
62 years of age — Malaysian.

En. Adinan was appointed to the Board of Ajinomoto (Malaysia) Berhad on 26 July 1991. He is a member of the Audit Committee and the Remuneration Committee. He is the Chairman of the Nomination Committee. He attended all six Board meetings held in the financial year.

He is a food technologist by training and holds a Master Degree in Food Science from University Hawaii, USA.

He was Director of Food Technology Centre, MARDI for 10 years and was subsequently appointed Director of Technical Services Centre in 1996. Whilst at the post, he was appointed as member of International and National committees which include FAO Expert/Consultative Group for Pacific Region Processing, Network for Education and Curriculum Development in Agro-Industries, National Coordinator of Small Scale Food Industries Asia, various Food/Agriculture related committees. He was an Expert Panel Member for the Intensification Research Priority Areas (IRPA) in food processing for the Ministry of Science Technology and Environment for more than 5 years. With his experience, involvement and active contribution to the local food industry, Malaysian Institute of Food Technology (MIFT) has bestowed on him Fellow MIFT in 1999.

He has no conflict of interest with the Company or any family relationship with any other Director or shareholder of the Company. He has also not been convicted for any offences within the past ten years other than for traffic offences, if any.





Dato' Professor (Dr.) Teo Chiang Liang Independent Non-Executive Director 58 years of age – Malaysian.

Dato' Teo was appointed to the Board of Ajinomoto (Malaysia) Berhad on 28 June 2001. He was appointed as the Chairman of the Audit Committee on I November 2002. He is also a member of the Nomination Committee and the Remuneration Committee. He attended five Board meetings held in the financial year.

Graduated with a Bachelor of Arts (Honours) degree in Business Studies and M.Sc in Management & Administration from the United Kingdom, Dato' Teo obtained his training from The Chartered Bank and Pillar Naco Ltd in UK.

Since 1975, he joined and served the See Hoy Chan Holdings Group, a well diversified group of companies, in different levels of management. He was Secretary General of the Malaysian Association of Private Colleges & Universities from 1997 to March 2003 and is currently its Vice President. He was appointed as member of the MSC Education Advisory Panel in 1998. He is also a Life Member of the Malaysian Red Crescent Society. In 1998, The Nottingham Trent University in UK appointed Dato' Teo as Visiting Professor of the University and awarded an honourary degree of Doctor of Business Administration to him in 2001. In 2006, Dato' Teo was elected as an Exco member of the Malaysian Crime Prevention Foundation.

He sits on the Board of Malaysia Ve-Tsin Manufacturing Co. Berhad. (In members' voluntary winding up).

Directors' Profile (Contd.)

Dr. Goh Chin SiewIndependent Non-Executive Director
71 years of age — Malaysian.

Dr. Goh was appointed to the Board of Ajinomoto (Malaysia) Berhad on 28 June 2001. He is a member of the Audit Committee, Nomination Committee and Remuneration Committee. He attended all six Board meetings held in the financial year.

Dr. Goh is a medical consultant by profession. He graduated from University of Hong Kong, Medical Faculty in 1964, and was a Chan Weng Scholar. He is a fellow of the Royal Australisian College of Physicians (Occupational Medicine) and a member of the Academy of Medicine Malaysia. He was the medical director for Hamburg Re-Insurance Company, Germany, and medical director/advisor for several local and international insurance companies, besides being a practicing Occupational Health Physician, and family physician. He was previously the president of Rotary Club of Shah Alam and Rotary Club of Bukit Bintang.

He has no conflict of interest with the Company or any family relationship with any other Director or shareholder of the Company. He has also not been convicted for any offences within the past ten years other than for traffic offences, if any.





Dato' Hj. Shaharuddin Bin Hj. Haron Independent Non-Executive Director 70 years of age – Malaysian.

Dato' Hj. Shaharuddin was appointed to the Board of Ajinomoto (Malaysia) Berhad on 31 October 2002 and has attended all six Board meetings held in the financial year. He also serves as member of the Audit Committee. He holds a Bachelor of Arts (Hons) degree from University Malaya and a Masters in Economics from University of Pittsburgh, USA.

He had served the Malaysian Government for thirty years. He began his civil service career in the Prime Minister's Department from 1963 to 1979, holding various positions in the Economic Planning Unit, including the position of the Secretary to the Foreign Investment Committee. He held the position of Director General of Insurance in 1979 to 1983 and was Secretary of the Finance Division of the Federal Treasury. He then served as Director General of the National Rice and Padi Board.

Prior to retirement, he was the Secretary General of the Ministry of Domestic Trade and Consumer Affairs from 1992. Before that, he was also the Secretary General for the Ministry of International Trade and Industry (MITI) from 1990 and the Secretary General of the Ministry of Public Enterprise in 1986.

Currently, he serves as the Chairman of Latitude Tree Holding Berhad and sits on the Board of Malayan Flour Mills Berhad, Gopeng Berhad and various non-listed companies.



Mr. Sasaki was appointed to the Board of Ajinomoto (Malaysia) Berhad on I July 2007. He attended four Board meetings held in the financial year.

He holds a Master's degree from Department of Food Science & technology, the School of Agriculture, Kyusyu University of Japan in 1987.

He joined Ajinomoto Co., Inc., Japan in 1987 and began his career in Central Research Laboratories and has held various positions in head office until his posting in 2007, to Ajinomoto (Malaysia) Berhad to assume the role of Chief Research and Development Officer of the Company.

He has no conflict of interest with the Company or any family relationship with any other Director or shareholder of the Company. He has also not been convicted for any offences within the past ten years other than for traffic offences, if any.





Makoto TatsumiExecutive Director
45 years of age — Japanese.

Mr.Tatsumi was appointed to the Board of Ajinomoto (Malaysia) Berhad on 6 July 2005 and assumed the role of Executive Director, Finance of the Company. He is a member of the Remuneration Committee. He attended all six Board meetings held in the financial year.

Mr. Tatsumi graduated from the Faculty of Law, University of Tokyo, Japan in 1986.

He joined Ajinomoto Co. Inc., Japan in 1986 and began his career with the Fukuoka Branch, Sales Department and had served in various management capacities with the sales and purchasing departments in head office.

He currently also, sits on the Board of Malaysia Ve-Tsin Manufacturing Co. Berhad. (In members' voluntary winding up).

Directors' Profile (Contd.)

Mazlan Bin Ab. Rahman

Executive Director 56 years of age – Malaysian.

Tn. Hj. Mazlan was appointed to the Board of Ajinomoto (Malaysia) Berhad on 10 July 2000. He attended all six Board meetings held in the financial year.

Graduated with a Bachelor of Science (Hons) in Food Science from Universiti Kebangsaan Malaysia in 1976, he has attended a series of high level technical and management courses both in Malaysia and overseas, particularly in Japan. He is also a qualified Internal Auditor for the Environmental Management System.

He joined the Technical Department of Ajinomoto (Malaysia) Berhad in 1976. Over the years he moved up the corporate ladder and served under various capacities. In 2000, he was appointed as the first local Factory Manager in 36 years history of the Company. He is also the Managing Director of Malaysia VeTsin Manufacturing Co. Bhd. (In members' voluntary winding up).

He has no conflict of interest with the Company or any family relationship with any other Director or shareholder of the Company. He has also not been convicted for any offences within the past ten years other than for traffic offences, if any.





Gew Ah Lek Executive Director 58 years of age – Malaysian.

Mr. Gew was appointed to the Board of Ajinomoto (Malaysia) Berhad on 10 July 2000. He attended five Board meetings held in the financial year.

Graduated with Bachelor of Commerce (Accountancy) from Nanyang University, Singapore in 1972. He is a Fellow of Institute of Certified Public Accountants, Singapore, Fellow of the Australian Society of Certified Practicing Accountants and Chartered Accountant of the Malaysia Institute of Accountants.

Tee Ju MianExecutive Director
55 years of age — Malaysian.

Mr. Tee was appointed to the Board of Ajinomoto (Malaysia) Berhad on I April 2008.

Graduated with a Degree in Engineering from University of Malaya in 1978.

He joined the Engineering Department of Ajinomoto (Malaysia) Berhad in 1978. Over the years he moved up the corporate ladder and served under various capacities.

He has no conflict of interest with the Company or any family relationship with any other Director or shareholder of the Company. He has also not been convicted for any offences within the past ten years other than for traffic offences, if any.





Koay Kah Ee Independent Non-Executive Director 48 years of age – Malaysian.

Mr. Koay was appointed to the Board of Ajinomoto (Malaysia) Berhad on 15 November 2007. He is a member of the Audit Committee and Nomination Committee. He attended one Board meeting held in the financial year.

Graduated with a Master in Business Administration from University of Strathclyde, UK. He is a Fellow of Chartered Institute of Management Accountants (FCMA), UK, Fellow of the Australian Society of Certified Practicing Accountants and Chartered Accountant of the Malaysia Institute of Accountants.

He also sits on the Board of Fotronics Corporation Berhad and JF Technology Berhad, both listed on the MESDAQ market of Bursa Malaysia Securities Berhad.

Statement on Corporate Governance

The Board of Directors ("the Board") recognizes the importance of maintaining high standards of corporate governance within the Company as this would serve to protect shareholders' value as well as enhance the financial performance of the Company. In achieving this, the Board is pleased to state that the Company has applied the Principles and Best Practices of the Malaysian Code on Corporate Governance ("the Code") throughout the financial year ended 31 March 2008.

The Board is committed to its policy of managing the affairs of the Company with transparency, integrity and accountability by ensuring that a sound framework of best corporate practices is in place at all levels and thus discharging its principal responsibility towards protecting and enhancing long-term shareholders' value and investors' interest.

The application of the Code and the extent of compliance with the best practices of corporate governance are reported hereunder.

THE BOARD OF DIRECTORS

The Board's overall responsibility for Corporate Governance amongst others includes setting out strategic policies and overseeing the investments and business of the Company. In fulfilling its fiduciary duties, the Board ensures that there are appropriate systems and procedures in place to manage the Company's significant risks. Key matters such as approval of annual and interim results, acquisitions and disposals, as well as material agreements are reserved for the Board. In addition, the Board also has in place a capable and experienced management team to oversee the day-to-day operations of the Company.

Composition of the Board

The Board currently comprises six (6) Executive Directors, one (1) Non-Independent Non-Executive Director and five (5) Independent Non-Executive Directors. The composition of the Board complies with paragraph 15.02 of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"). Therefore the Board is of the view that the current composition of the Board facilitates effective and independent decision making and judgement.

The current composition of the Board fairly reflects the investment in the Company by shareholders other than the significant shareholders including the minority shareholders.

The Board comprises highly respectable and professional persons and represents a diverse background of knowledge, expertise and experience. With their combined experience and knowledge they provide sound advice and judgement for the benefit of the Company and its shareholders. The mixed skills and experience are vital for the successful performance of the Company. A brief profile of each Director is presented on pages 4 to 9 of this Annual Report.

The roles of the Chairman and Managing Director are separate and each has a clear accepted division of responsibilities to ensure that there is a balance of power and authority. The Chairman is responsible for ensuring Board effectiveness and conduct whilst the Managing Director has the overall responsibilities over the Company's operating units, organisational effectiveness and implementation of Board policies and decisions.

Responsibility is vested on the Non-Executive Directors of the Company to ensure that the policies and strategies proposed by Management are fully discussed and critically examined, not only against the best long-term interests of shareholders, but also to ensure that they take proper account of the interests of employees, customers, suppliers and the communities within which it is represented. The presence of the Independent Non-Executive Directors is essential to provide unbiased and independent view, advice and judgement as well as to safeguard the interest of other parties such as minority interest and the community.

Board Responsibilities

In line with the practice of good corporate governance, the Board has established and implemented various processes to assist members of the Board in the discharge of their duties and responsibilities. The Board's duties and responsibilities include the following: -

- 1. Periodic review and adoption of the Company's business policies and strategies;
- 2. Management and staff succession planning;
- 3. Identifying principal risks and ensuring the implementation of appropriate systems to manage these risks;
- 4. Maintaining effective investors' and shareholders' communication policy;
- 5. Ensuring that the Company complies with applicable laws, regulations, rules, directives and guidelines of relevant authorities; and
- 6. Reviewing the adequacy and the integrity of the Company's internal control systems and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines.

Board Meetings

The Board meets at least four (4) times and, as and when required, during the financial year to, amongst others, review and approve the quarterly financial statements and the annual audited financial statements.

The number of Board meetings held during the financial year ended 31 March 2008 and each Director's attendance at the meetings were as follows:-

No. of Meetings Attended

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brectors	by the Directors in respect of the				
•	Financial Year Ended				
	31 March 2008*	(%)			
Executive Directors					
Mitsunobu Suzumi** (Chief Executive Officer / Managing Direct	or) 4/4	100			
Shunichi Komatsu**	2/2	100			
Mazlan Bin Ab Rahman	6/6	100			
Gew Ah Lek	5/6	83			
Makoto Tatsumi	6/6	100			
Hitoshi Sasaki **	4/4	100			
Hiroyuki Furusawa***	6/6	100			
Kenji Fukami**	2/2	100			
Non-Executive Directors					
General Tan Sri (Dr.) Dato' Paduka	6/6	100			
Mohamed Hashim Bin Mohd. Ali (Rtd) (Chairman)					
Adinan Bin Husin	6/6	100			
Dato' Professor (Dr.) Teo Chiang Liang	5/6	83			
Dr. Goh Chin Siew	6/6	100			
Dato' Hj. Shaharuddin Bin Hj. Haron	6/6	100			
Koay Kah Ee**	1/1	100			

In advance of and during each Board meeting, members are each provided with relevant documents and information in a form and quality appropriate to enable them to discharge their duties.

Notes

- * There were six (6) Board meetings held during the financial year ended 31 March 2008. The meetings were held on 23 May 2007, 22 June 2007, 7 August 2007, 21 August 2007, 15 November 2007 and 27 February 2008.
- ** Mitsunobu Suzumi and Hitoshi Sasaki were appointed as Executive Directors of the Company on 1 July 2007 to replace Shunichi Komatsu and Kenji Fukami.
- Koay Kah Ee was appointed as Independent Non-Executive Director on 15 November 2007.
- **** Hiroyuki Furusawa resigned as Executive Director of the Company on 27 June 2008.

Supply of Information

The agenda for the Board meetings, together with appropriate reports and information on the Company's business operations, and proposal papers for the Board's consideration are circulated to all the Directors prior to the meetings in sufficient time. During the meeting, Management provided information and clarification on issues raised by members of the Board.

The Board sets corporate objectives, which are guided by the parent company's corporate objectives and Management is delegated with the responsibility of meeting the objectives.

The Board has unrestricted access to all information within the Company, whether as a full Board or in their individual capacity, which is necessary for discharge of its responsibilities and may obtain independent professional advice at the Company's expense in furtherance of its duties. Wherever necessary, consultants and experts were invited to brief the Board on their areas of expertise or their report.

The Board has access to the advice and services of the Company Secretary who is responsible to ensure that Board meeting procedures are followed, and the applicable statutory and regulatory requirements are complied with.

Appointments to the Board

The Board has established a Nomination Committee ("NC"), consisting six (6) Directors who are Non-Executive Directors of the Company. This Committee is responsible for making recommendations to the Board on the optimum size of the Board and proposing new nominees to the Board. The Committee also assesses the performance of the Directors of the Company by annually reviewing the profile of the required skills to ensure that the Board has an appropriate balance of expertise and ability.

During the year, the NC reviewed the profiles of Koay Kah Ee and Tee Ju Mian and recommended them to the Board of Directors' for appointment as Independent Non-Executive Director and Executive Director of the Company respectively.

Directors' Training and Education

The Directors who were appointed during the financial year namely, Mitsunobu Suzumi, Hitoshi Sasaki, Koay Kah Ee and Tee Ju Mian have attended and completed the Mandatory Accreditation Programme conducted by Bursatra Sdn. Bhd. The Directors will continue to attend relevant Continuing Education Programme (CEP) and other training to keep themselves updated on the expectations of their roles and other market developments where appropriate.

During the financial year ended 31 March 2008, the Company had organised the following in-house Directors' trainings and all the Directors had attended the same:-

- The impact of amendments to the Companies Act, 1965 on Directors' duties and corporate governance via Companies (Amendment) Act 2007;
- 2. The impact of amendments to the Malaysian Code on Corporate Governance;
- 3. Sniffing out Fraud; and
- 4. Amendments to the Companies Act and Revisions to the Malaysian Code on Corporate Governance that took place during the financial year.

Apart from the aforesaid in-house Directors' training, the following Directors also attended the following training held during the financial year: -

- (a) Dato' Hj. Shaharuddin Bin Hj. Haron attended training entitled "Improving Board of Directors' Performance, Leadership and Governance" on 31 May 2007.
- (b) Mr. Makoto Tatsumi attended Bursa Malaysia MAICSA Roadshow 2007 "Updates on Listing Requirements: Issues and Changes" on 5 June 2007, and also attended transfer pricing seminar on 10 March 2008.

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Statement on Corporate Governance (Contd.)

- (c) General Tan Sri (Dr.) Dato' Paduka Mohamed Hashim Bin Mohd. Ali (Rtd) attended the following training programmes held on 28 June 2007 and 14 April 2008 respectively: -
 - Financial Reporting Standard 2 (Share-based Payment) and Financial Reporting Standard 3 (Business Combination);
 - The Anatomy of Court Decisions: The 3 Factors;
 - Highlights of the amendments to the Companies Act, 1965; and
 - Governance and Board Effectiveness.
- (d) Mr. Koay Kah Ee attended the following training programmes held on 27-28 July 2007, 10 August 2007 and 13 August 2007 respectively: -
 - BURSA Malaysia MAICSA Roadshow 2007;
 - · "Updates on Listing Requirements; Issue and Challenges" and
 - Leadership: Great Leaders, Great Teams, Great Results.

The Board of Directors was also briefed at quarterly Board meetings on any significant changes in laws and regulations that are relevant by the Company Secretary.

Upon the revised Bursa Securities' Listing Requirements, the Board has assumed the onus of determining or overseeing the training needs of their Directors from year 2005 onwards. The members of the Board will attend various external professional programmes necessary to ensure that they are kept abreast on various issues facing the changing business environment within which the Company operates.

However, the Board encourages its Directors to attend talks, workshops, seminars and conferences to update and enhance their skills and to assist them in discharging their responsibilities towards corporate governance, operational and regulatory issues.

Re-election and re-appointment of Directors

Any Director appointed during the year is required under the Company's Articles of Association, to retire and seek re-election by shareholders at the following Annual General Meeting ("AGM") immediately after their appointment. The Company's Articles of Association also provides that all Directors who are appointed by the Board are subject to retirement at the first AGM of the Company subsequent to their appointment. One third (1/3) of all the other Directors shall retire by rotation at each AGM provided always that all Directors shall retire from office at least once in every three (3) years. The Directors retiring from office shall be eligible for re-election by the shareholders.

The Directors to retire from office at the forthcoming Forty-Seventh AGM are Adinan Bin Husin, Mazlan Bin Ab Rahman, Dato' Hj. Shaharuddin Bin Hj. Haron, Koay Kah Ee and Tee Ju Mian.

In addition, in accordance with Section 129 of the Companies Act, 1965, General Tan Sri (Dr.) Dato' Paduka Mohamed Hashim Bin Mohd. Ali (Rtd) and Dr. Goh Chin Siew who are over the age of 70 years will be seeking for re-appointment as Directors of the Company at the forthcoming AGM.

The relevant information on the retiring Directors is disclosed in the Statement Accompanying the Notice of the AGM.

COMMITTEES

The Board of Directors delegates specific responsibilities to the respective Committees of the Board namely the Audit Committee, the Nomination Committee and the Remuneration Committee in order to enhance business and corporate efficiency and effectiveness. The Chairman of the respective Committees will brief the Board on the matters discussed at the Committee meetings and minutes of these meetings are circulated to the full Board.

I. Nomination Committee

The Nomination Committee was established with clearly defined terms of reference, comprising exclusively six (6) Non-Executive Directors. The majority of the members are Independent Directors.

Adinan Bin Husin

(Chairman, Non-Independent Non- Executive Director)

General Tan Sri (Dr.) Dato' Paduka
Mohamed Hashim Bin Mohd. Ali (Rtd)

Dato' Professor (Dr.) Teo Chiang Liang
Dr. Goh Chin Siew

(Independent Non-Executive Director)

The Committee had four (4) meetings during the financial year.

The main responsibilities of this Committee are to propose and recommend new candidates to the Board of Directors, if necessary, and to review the structure, size and composition of the Board of Directors.

2. Remuneration Committee

The Remuneration Committee was set up with clearly defined terms of reference, comprising two (2) Executive Directors, and five (5) Non-Executive Directors. The majority of the members are Independent Directors.

General Tan Sri (Dr.) Dato' Paduka
Mohamed Hashim Bin Mohd.Ali (Rtd)
Adinan Bin Husin
Dato' Professor (Dr.) Teo Chiang Liang
Dr. Goh Chin Siew
Independent Non-Executive Director)
Dato' Hj. Shaharuddin Bin Hj. Haron
Mitsunobu Suzumi
Makoto Tatsumi
(Chairman, Independent Non-Executive Director)
(Independent Non-Executive Director)
(Independent Non-Executive Director)
(Managing Director)
(Executive Director)

The Board has adopted Ajinomoto's Group Remuneration Policy and the Holding Company's recommendations to set the remuneration of its Executive Directors. The compensation system takes into account the performance of each Executive Director and the competitive environment in which the Group operates. The Executive Directors take no part in deciding their own remuneration.

The primary function of the Remuneration Committee is to set up the policy framework and to recommend to the Board on the remuneration and other terms of employment of the Executive Directors. The determination of the remuneration for the Non-Executive Directors will be a matter of the Board as a whole with the Director concerned abstaining from deliberation and voting decision in respect of his individual remuneration.

The Remuneration Committee may meet at least once a year or more frequently as deemed necessary. During the financial year ended 31 March 2008, the Committee had one (1) meeting.

The aggregate remuneration of the Directors for the financial year under review are as follows:-

	Executive Directors RM'000	Non-Executive Directors RM'000
Salaries and other emoluments	2,202	107
Fees	120	163
Bonus	111	-
Gratuity	48	65
Defined contribution plan	56	-
Benefit In Kind	319	-

The number of Directors of the Company whose total remuneration during the financial year under review that fall within the following bands are as follows:-

Range of Remuneration	Executive Directors	Non-Executive Directors	
Below RM50,000	-	4	
RM50,001 - RM100,000	-	1	
RMI00,001 - RMI50,000	1	1	
RM200,001 - RM250,000	I	-	
RM250,001 - RM300,000	2	-	
RM350,001 - RM400,000	I	-	
RM450,001 - RM500,000	I	-	
RM500,001 - RM550,000	I	-	
RM550,001 - RM600,000	I	-	

The only area of non-compliance with the Code is the disclosure of details of the remuneration of each Director. The Board believes that this information will not add significantly to the understanding and evaluation of the Company's governance.

3. The Audit Committee

The composition, responsibilities, terms of reference and activities during the financial year of the Audit Committee are set out under the Audit Committee Report on pages 21 to 25.

3.1 Financial Reporting

The Board is responsible for ensuring that the quarterly and annual audited financial statements of the Company present a fair and balance view and assessment of the Company's financial position, performance and prospects. The Audit Committee assists the Board in reviewing and scrutinising the information in terms of accuracy, adequacy and completeness for disclosure. The composition, summary of activities and terms of reference of the Audit Committee can be found in the Audit Committee Report on pages 21 to 25.

The Statement of Directors' Responsibility in respect of the Audited Financial Statements pursuant to paragraph 15.27(a) of the Listing Requirements and pursuant to the Statement of Directors' responsibility of the Companies Act, 1965 is set out on page 18 of this Annual Report.

3.2 Internal Control

The Board recognises the importance of maintaining a sound system of internal controls which cover risk management, financial, organisational, operational and compliance controls. The Board acknowledges its responsibility and accountability for the Company's system of internal controls and for reviewing the effectiveness, adequacy and integrity of the system. The Board has delegated the implementation and monitoring of the internal control system to the Management of the Company and has appointed independent consultants to carry out the Internal Audit functions. The Committee assists the Board in overseeing this function.

Information on the Company's internal control is presented in the Statement on Internal Control on pages 19 to 20.

3.3 Relationship with Auditors

The roles of the Audit Committee, the internal and external auditors of the Company are described in the Audit Committee Report set out on pages 21 to 25 of this Annual Report. The Board and the Audit Committee have always maintained a professional and transparent relationship with the Company's auditors.

3.4 External Audit

The Company's independent external auditors fill an essential role by enhancing the reliability of the Company's financial statements and giving assurance to stakeholders of the reliability of the financial statements.

The external auditors have an obligation to bring any significant defects in the Company's system of control and compliance that come to their attention in the course of the audit to the attention of the Management; and if necessary, to the Audit Committee and the Board.

SHAREHOLDERS' COMMUNICATION AND INVESTOR RELATIONS

Relationship with Shareholders

The Board recognises the need for transparency and accountability to the Company's shareholders and regular communication with its shareholders, stakeholders and investors on the performance and major developments in the Company. It ensures that timely releases of the quarterly financial results, circulars, press releases, corporate announcements and annual reports are made to its shareholders and investors.

Shareholders, investors and the general public can also obtain information on the Company by accessing the Company's website at www.ajinomoto.com.my Shareholders and investors are also able to access the latest corporate, financial and market information of the Company via Bursa Securities' website at www.bursamalaysia.com.my

Annual General Meeting ("AGM")

The AGM and Extraordinary General Meeting remain the principal forum for dialogue with shareholders where they may seek clarifications on the Company's businesses. Shareholders are encouraged to meet and communicate with the Board at the AGM and to vote on all resolutions. The Board will respond to any question raised during the meeting.

Notice of the AGM, annual reports and circular are sent out with sufficient notice before the date of the meeting to enable the shareholders to have full information about the meeting to facilitate informed decision-making. The Statement Accompanying the Notice of the AGM and explanatory notes on the proposed resolutions under Special Business are given to help the shareholders vote on the resolutions.

Timely announcements are also made to the public with regard to the Company's quarterly results, corporate proposals and other required announcements to ensure effective dissemination of information relating to the Company and that accurate information are provided to the interesting public at large.

Corporate Social Responsibility ("CSR")

The CSR activities of the Company are described on page 30 of this Annual Report.

I. Utilisation of Proceeds

Not Applicable

2. Share Buy-Back

The Company did not enter into any share buy-back transactions during the financial year.

3. Options, Warrants or Convertible Securities

The Company has not granted any options nor issued any warrants or convertible securities during the financial year.

4. American Depository Receipt ("ADR") or Global Depository Receipt ("GDR")

The Company did not sponsor any ADR or GDR programme during the financial year.

5. Imposition of Sanctions and/or Penalties

There were no sanctions and/or penalties imposed on the Company, its subsidiaries, directors or management by any regulatory bodies during the financial year.

6. Non-Audit Fees

During the financial year, the amount of non-audit fees paid by the Company to the external auditors amounted to RM34,000/(Net of amount of fees recovered from Holding Company of RM33,000).

7. Variation in Results

There were no material variations between the audited results for the financial year ended 31 March 2008 against the unaudited results for the year ended 31 March 2008 released by the Company previously.

8. Profit Guarantee

The Company did not provide any profit guarantee during the financial year.

9. Material Contracts

There are no other material contracts entered into by the Company (not being contracts entered into in the ordinary course of business) involving Directors' and major shareholders' interests which were still subsisting, entered into since the end of the previous financial year.

10. Revaluation Policy on Landed Properties

The Company has not adopted a policy of regular revaluation on its landed properties. As at 31 March 2008, the Company did not carry out any revaluation exercise on its landed properties.

11. Recurrent Related Party Transactions of Revenue or Trading Nature

The details of the transactions with related parties undertaken by the Company during the financial year are disclosed in Note 25 on pages 74 to 75 of this Annual Report.

Statement Of Directors' Responsibility In Relation To The Financial Statements

This statement is prepared as required by the Listing Requirements of the Bursa Malaysia Securities Berhad.

The Directors are required to prepare financial statements which give a true and fair view of the state of affairs of the Company as at the end of the financial year and of its result and cash flow for that year then ended.

The Directors consider that in preparing the financial statements,

- the Company has used appropriate accounting policies and are consistently applied;
- reasonable and prudent judgments and estimates have been made; and
- all applicable approved accounting standards in Malaysia have been followed.

The Directors are responsible for ensuring that the Company maintains accounting records that disclose with reasonable accuracy the financial position of the Company, and which enable them to ensure that the financial statements comply with the Companies Act 1965.

The Directors have general responsibilities for taking such steps that are reasonably available to them to safeguard the assets of the Company, and to prevent and detect fraud and other irregularities.

INTRODUCTION

Pursuant to paragraph 15.27 (b) of of the Listing Requirements ("LR") of Bursa Malaysia Securities Berhad ("Bursa Securities") and as guided by the Bursa Malaysia's Statement on Internal Control: Guidance for Directors of Public Listed Companies ('the Guidance"), the Board of Directors ("the Board") of Ajinomoto (Malaysia) Berhad is pleased to include a statement on the state of the Company's internal controls in the annual report.

RESPONSIBILITY

The Board acknowledges its responsibility and re-affirms its commitment in maintaining a sound system of internal control to safeguard shareholders' investments and the Company's assets as well as reviewing the adequacy and integrity of the system of internal control.

However, as there are inherent limitations in any system of internal controls, such systems put into effect by Management can only reduce but cannot eliminate all risks that may impede the achievement of the Company's business objectives. Therefore, the internal control system can only provide reasonable and not absolute assurance against material misstatement or loss.

KEY FEATURES OF THE COMPANY'S INTERNAL CONTROL SYSTEM

I. Control Environment

• Organisation Structure & Authorisation Procedures

The Company maintains a formal organisation structure with well-defined delegation of responsibilities and accountability within the Company's Senior Management. It sets out the roles and responsibilities, appropriate authority limits, review and approval procedures in order to enhance the internal control system of the Company's various operations.

Periodical and/or Annual Budget

Budgetary control for every operations of the Company, where actual performance is closely monitored against budgets to identify and to address significant variances. Forecasts are revised on a semi-annual basis and monthly operational meetings and regular weekly meetings are conducted among senior management to evaluate and monitor the progress of the business operations.

• Company Policies and Procedures

The Company has documented policies and procedures that are regularly reviewed and updated to ensure that it maintains its effectiveness and continues to support the Company's business activities at all times as the Company continues to grow.

• Human Resource Policy

Comprehensive and rigorous guidelines on the employment, performance appraisal and training program and retention of employees are in place, to ensure that the Company has a team of employees who are well trained and equipped with all the necessary knowledge, skills and abilities to carry out their responsibility effectively.

• Quality of Product

Quality of product is of prime importance to the Board. Compliance to procedures outlined in ISO9001:2000 and "Hazard Analysis and Critical Control Point" (HACCP) accreditation to ensure quality assurance and control are strictly adhered to via regular internal and external quality audits.

2. Risk Management Framework

The Board acknowledges that the Company's business activities involve some degree of risk and key management staff and Heads of Department are delegated the responsibility to manage identified risks within defined parameters and standards.

Statement On Internal Control (Contd.)

The Risk Management Committee which adopts the risk framework from the parent company's Risk Management Guideline System is chaired by the Chief Financial Officer and includes other key management staff. Identifying, evaluating and managing the significant risks faced by the Company is an ongoing process which is undertaken at each department. During the year under review, this process was exercised through periodic management meetings held to communicate and deliberate key issues and risk amongst Management team members and where appropriated, controls are devised and implemented. Significant risks identified are escalated to the Board for their attention by the Chief Financial Officer at their scheduled meetings.

The abovementioned practices/ initiatives by the Management servces as the ongoing process used to identify, assess and manage key business, operation and financial risks faced by the Company.

3. Internal Audit Function

The Company's internal audit function is outsourced to external consultants. The outsourced internal auditors assist the Board and the Audit Committee in providing independent assessment of the adequacy, efficiency and effectiveness of the Company's internal control systems. They report directly to the Audit Committee and internal audit plans are tabled to the Audit Committee for review and approval to ensure adequate coverage.

On a quarterly basis, the Company's internal auditors table the results of their review of the business processes of different operating units to the Audit Committee at their scheduled meetings. The status of the implementation of corrective actions to address control weaknesses are also followed up by the internal auditors to ensure that these actions have been satisfactorily implemented.

During the financial year under review, identified weaknesses in internal controls have been appropriately addressed and Senior Management will continue to ensure that appropriate action is taken to enhance and strengthen the internal control environment.

• Information And Communication

Information critical to the achievement of the Company's business objectives are communicated through established reporting lines across the Company. This is to ensure that matters that require the Board and Senior Management's attention are highlighted for review, deliberation and decision on a timely basis.

5. MONITORING AND REVIEW

Scheduled management meetings are held to discuss and review the business planning, budgeting, financial and operational performances.

Financial and Operational Review

The monthly management accounts and the quarterly financial statements containing key financial results, operational performance results and comparisons of performance against budget are presented to the Management Committee comprising of Key Management personnel for their review, consideration and approval.

Business Planning and Budgeting Review

The Management Committee plays an active role in discussing and reviewing the business plans, strategies, performance and risks faced by the Company.

CONCLUSION

The Board is of the view that the Company's system of internal controls is adequate to safeguard shareholders' investments and the Company's assets. However, the Board is also cognizant of the fact that the Company's system of internal control and risk management practices must continuously evolve to meet the changing and challenging business environment. Therefore, the Board will, when necessary, put in place appropriate action plans to further enhance the system of internal controls.

This statement was approved by the Board of Directors on 28 May 2008.

INTRODUCTION

The Board of Directors of the Company is pleased to present the report of the Audit Committee for the financial year ended 31 March 2008.

PURPOSE

The Audit Committee assists the Board in carrying out its responsibilities and meeting the Corporate Governance requirements. It reviews the quarterly financial information before recommending to the Board for adoption and release to the Bursa Malaysia and shareholders, the systems of internal controls which management and the Board of Directors have established, and makes recommendations to management on actions to be taken, if any, based on the Reports of the Independent Internal and External Auditors.

Composition and Meetings

The members of the Audit Committee, attendance at each Audit Committee Meeting during the financial year ended 31 March 2008 are as follows:

Names		Status	Attendance*
Dato' Professor (Dr.) Teo Chiang Liang	Chairman	Independent Non-Executive Director	4/5
Gen Tan Sri (Dr.) Dato' Paduka Mohamed Hashim Bin Mohd.Ali (Rtd)	Member	Independent Non-Executive Director	5/5
Adinan Bin Husin	Member	Non-Independent Non-Executive Director	5/5
Dato' Hj. Shaharuddin Bin Hj. Haron	Member	Independent Non-Executive Director	5/5
Dr. Goh Chin Siew	Member	Independent Non-Executive Director	5/5
Koay Kah Ee**	Member	Independent Non-Executive Director	1/1
Mitsunobu Suzumi***	Member	Executive Director	2/2
Gew Ah Lek***	Member	Executive Director	3/4

^{*} The meetings were held on 23 May 2007, 22 June 2007, 21 August 2007, 15 November 2007 and 27 Feb<mark>ruary 2008</mark>

TERMS OF REFERENCE

I. Composition of members

The Board shall appoint the Audit Committee members from amongst themselves, comprising no fewer than three (3) non-executive directors. The majority of the Audit Committee members shall be independent directors.

In this respect, the Board adopts the definition of "independent director" as defined under the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities").

^{**} Koay Kah Ee was appointed to the Audit Committee on 15 November 2007

^{***} Mitsunobu Suzumi and Gew Ah Lek have resigned from the Audit Committee on 15 November 2007

Audit Committee Report (Contd.)

All members of the Audit Committee shall be financially literate and at least one (I) member of the Audit Committee must be:-

- (a) a member of the Malaysian Institute of Accountant ("MIA"); or
- (b) if he is not a member of MIA, he must have at least three (3) years of working experience and:
 - i. he must have passed the examinations specified in Part I of the First Schedule of the Accountants Act 1967; or
 - ii. he must be a member of one of the associations of the accountants specified in Part II of the First Schedule of the Accountants Act 1967; or
- (c) fulfils such other requirements as prescribed or approved by Bursa Securities.

No alternate director of the Board shall be appointed as a member of the Audit Committee.

The term of office and performance of the Audit Committee and each of its members shall be reviewed by the Board at least once every three (3) years to determine whether such Audit Committee and members have carried out their duties in accordance with their terms of reference.

Retirement and resignation

If a member of the Audit Committee resigns, dies, or for any reason ceases to be a member resulting in non-compliance to the composition criteria as stated in paragraph I above, the Board shall within three (3) months of the event appoint such number of the new members as may be required to fill the vacancy.

2. Chairman

The members of the Audit Committee shall elect a Chairman from amongst their number who shall be an independent

In the absence of the Chairman of the Audit Committee, the other members of the Audit Committee shall amongst themselves elect a Chairman who must be independent director to chair the meeting.

3. Secretary

The Company Secretary shall be the Secretary of the Audit Committee and as a reporting procedure, the Minutes shall be circulated to all members of the Board.

4. Meetings

The Audit Committee shall meet regularly, with due notice of issues to be discussed, and shall record its conclusions in discharging its duties and responsibilities. In addition, the Chairman may call for additional meetings at any time at the Chairman's discretion.

Upon the request of the external auditor, the Chairman of the Audit Committee shall convene a meeting of the Audit Committee to consider any matter the external auditor believes should be brought to the attention of the directors or shareholders.

Notice of Audit Committee meetings shall be given to all the Audit Committee members unless the Audit Committee waives such requirement.

The Chairman of the Audit Committee shall engage on a continuous basis with senior management, such as the Chairman, the Chief Executive Officer, the Finance Director, the head of internal audit and the external auditors in order to be kept informed of matters affecting the Company.

Audit Committee Report (Contd.)

The Finance Director, the head of internal audit and a representative of the external auditors should normally attend meetings. Other Board members and employees may attend meetings upon the invitation of the Audit Committee. The Audit Committee shall be able to convene meetings with the external auditors, the internal auditors or both, without executive Board members or employees present whenever deemed necessary and at least twice a year with the external auditors.

Questions arising at any meeting of the Audit Committee shall be decided by a majority of votes of the members present, and in the case of equality of votes, the Chairman of the Audit Committee shall have a second or casting vote.

5. Minutes

Minutes of each meeting shall be kept at the registered office and distributed to each member of the Audit Committee and also to the other members of the Board. The Audit Committee Chairman shall report on each meeting to the Board.

The minutes of the Audit Committee meeting shall be signed by the Chairman of the meeting at which the proceedings were held or by the Chairman of the next succeeding meeting.

Quorum

The quorum for the Audit Committee meeting shall be the majority of members present whom must be independent directors.

7. Objectives

The principal objectives of the Audit Committee are to assist the Board in discharging its statutory duties and responsibilities relating to accounting and reporting practices of the Company. In addition, the Audit Committee shall:-

- (a) evaluate the quality of the audits performed by the internal and external auditors;
- (b) provide assurance that the financial information presented by management is relevant, reliable and timely;
- (c) oversee compliance with laws and regulations and observance of a proper code of conduct; and
- (d) determine the quality, adequacy and effectiveness of the Company's control environment.

8. Authority

The Audit Committee shall, in accordance with a procedure to be determined by the Board and at the expense of the Company,

- (a) have explicit authority to investigate any matter within its terms of reference, the resources to do so, and full access to information. All employees shall be directed to co-operate as requested by members of the Audit Committee.
- (b) have full and unlimited/unrestricted access to all information and documents/resources which are required to perform its duties as well as to the internal and external auditors and senior management of the Company.
- (c) obtain independent professional or other advice and to invite outsiders with relevant experience to attend, if necessary.
- (d) have direct communication channels with the external auditors and person(s) carrying out the internal audit function or activity (if any).
- (e) where the Audit Committee is of the view that the matter reported by it to the Board has not been satisfactorily resolved resulting in a breach of the Listing Requirements, the Audit Committee shall promptly report such matter to Bursa Securities.

Audit Committee Report (Contd.)

9. Duties and Responsibilities

The duties and responsibilities of the Audit Committee are as follows:-

- (a) To consider the appointment of the external auditor, the audit fee and any question of resignation or dismissal;
- (b) To discuss with the external auditor before the audit commences, the nature and scope of the audit, and ensure coordination where more than one audit firm is involved;
- (c) To review with the external auditor his evaluation of the system of internal controls and his audit report;
- (d) To review the quarterly and year-end financial statements of the Board, focusing particularly on
 - any change in accounting policies and practices;
 - significant adjustments arising from the audit;
 - the going concern assumption; and
 - compliance with accounting standards and other legal requirements.
- (e) To discuss problems and reservations arising from the interim and final audits, and any matter the auditor may wish to discuss (in the absence of management, where necessary);
- (f) To review the external auditor's management letter and management's response;
- (g) To do the following, in relation to the internal audit function:-
 - review the adequacy of the scope, functions, competency and resources of the internal audit function, and that it has the necessary authority to carry out its work;
 - review the internal audit programme and results of the internal audit process and, where necessary, ensure that appropriate actions are taken on the recommendations of the internal audit function;
 - review any appraisal or assessment of the performance of members of the internal audit function;
 - · approve any appointment or termination of senior staff members of the internal audit function; and
 - take cognizance of resignations of internal audit staff members and provide the resigning staff member an opportunity to submit his reasons for resigning.
- (h) To consider any related party transactions and conflict of interest situation that may arise within the Company including any transaction, procedure or course of conduct that raises questions of management integrity;
- (i) To report its findings on the financial and management performance, and other material matters to the Board;
- (j) To consider the major findings of internal investigations and management's response;
- (k) To verify the allocation of employees' share option scheme ("ESOS") in compliance with the criteria as stipulated in the by-laws of ESOS of the Company, if any;
- (I) To determine the remit of the internal audit function;
- (m) To consider other topics as defined by the Board; and
- (n) To consider and examine such other matters as the Audit Committee considers appropriate.

Summary of Activities

During the financial year ended 31 March 2008, the Audit Committee carried out its duties as set out in the terms of reference.

The Audit Committee has also met up with the External Auditors without the presence of all the Executive Board members in line with the revised Malaysian Code of Corporate Governance twice during the financial year to encourage a greater exchange of free and honest views between both parties.

Other main activities carried out by the Audit Committee during the financial year includes the following:-

I. Financial Results

- a) Review the quarterly financial results of the Company focusing particularly on overall performance of the Company before recommending them for approval by the Board of Directors for announcement to Bursa Malaysia Securities Berhad;
- b) Review the reports and the audited financial statements of the Company and the Economic Entity together with the external auditors prior to tabling to the Board for approval. The review was, inter alia, to ensure compliance with:-
 - Provision of the Companies Act, 1965
 - Listing Requirements of Bursa Securities
 - Applicable Financial Reporting Standards in Malaysia
 - · Other legal and regulatory requirements

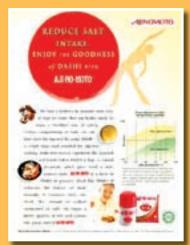
In the review of the annual audited financial statements, the Audit Committee discussed with Management and the external auditors the accounting principles and standards that were applied and their judgement of the items that may affect the financial statements as well as issues and reservations arising from the statutory audit.

2. External Audit

- a) Review the external auditors' scope of work and audit plan for the year and made recommendations to the Board on their appointment and remuneration;
- b) Review and discuss the external auditors' audit report and areas for concern highlighted in the management letter, including management's response to the concerns raised by the external auditors; and
- c) Discuss significant accounting and auditing issues, impact of new or proposed changes in accounting standards and regulatory requirements.

3. Internal Audit

- a) Review the internal audit plan, resources planning requirements for the financial year and assessed the performance of the Internal Auditors;
- b) Review the internal audit issues, recommendations and the management responses and to rectify and improve the system of internal control; and
- c) Monitor the implementation programme recommended by Internal Auditors arising from its audits in order to obtain assurance that all key risks and controls have been fully dealt with.



▶ Consumer

▼ TV Infomercial Program



AJI-NO-MOTO® "Goodness of

DASHI" Campaign

Moving forward from its 'Discover the Secret of DASHI' campaign in 2006, Ajinomoto (Malaysia) Berhad launched another campaign to further enhance AJI-NO-MOTO® as a form of DASHI. The campaign entitled, 'Goodness of DASHI'.

The thematic campaign focused on highlighting the benefits of AJI-NO-MOTO $_{\odot}$ as a form of DASHI. Based on scientific research, MSG helps to reduce salt intake in daily consumption. MSG contains only 1/3 the amount of sodium compared to salt. By using a small amount of MSG, salt intake can be reduced by as much as 20% - 30% without compromising on taste. With this as one of the main messages, the 'Goodness of DASHI' campaign promoted better living through better eating.

A range of promotional activities have been arranged such as consumer contest, print advertisement and TV infomercial program to further promote the campaign.





AJI-NO-MOTO® awarded the Reader's Digest Gold Award for "The Most

Trusted Brand of 2008"



► Prize Giving Ceremony



-aporan Tahunan 2008 Annual Report

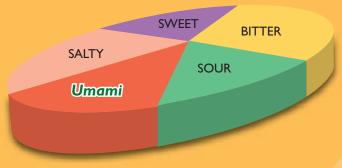
100th Anniversary of The Discovery of Umami











Umami is the taste of glutamate, one of the most abundant amino acids which is produced in our bodies and found in almost all natural foods such as seaweed (*konbu*), tomato, cheese, mushroom, meat and etc. *Umami* is recognised as the fifth basic taste along with sweet, sour, bitter and salty.

In 1908, Professor Kikunae Ikeda from the Tokyo Imperial University in Japan discovered that glutamate was the key component to the delicious taste of Japanese soup stock (dashi). It is made from seaweed called *konbu*. He named this distinctive taste of glutamate as *Umami*.

After discovering *Umami*, Professor Ikeda succeeded in developing Monosodium Glutamate (MSG) as the ideal flavour enhancer that produced the strong *Umami* taste. As such, AJI-NO-MOTO_® as the "*Umami Seasoning*" was launched in 1909.

Throughout the 100 years after the discovery of *Umami*, people from all over the world are accustomed in enjoying the delicious foods through *Umami* sensation.

Company Activities

Consumer Promotions

In 2007, Ajinomoto (Malaysia) Berhad organised various consumer promotions for VONO® and TUMIX®. The VONO® promotions were held to announce the new variations available, with the message that emphasises VONO® as a new way of enjoying breakfast in a nutritious and wholesome manner. Promotional activities include television, newspapers and magazine advertisements besides free sampling at universities/colleges, LRT stations, office buildings, medical centers, areas within the vicinity of shopping centers etc.





As for TUMIX®, Ajinomoto (Malaysia) Berhad launched "Ronda Roda TUMIX®" Mobile Kitchen in September 2007. This campaign was held from 11 September to 8 December, and covered 53 housing estates, fresh markets and the Ramadhan Bazaar in the Klang Valley. The Mobile Kitchen drive was to increase the awareness of TUMIX® amongst housewives and also to encourage customers to try and buy the products. It was also aimed to establish a close rapport with customers through cooking activities, promoting sales at attractive prices and premiums and TUMIX® Chicken Stock exchanges. The profits earned from sales were donated to the "Rumah Bakti" and The Ex-Police Organisation Malaysia.











"Jom, Heboh!" Carnival 2007

On 8 and 9 December 2007, Ajinomoto (Malaysia) Berhad took part in the "Jom, Heboh!" Carnival 2007 at the Shah Alam Stadium, Selangor. The main objective of this carnival was to further enhance the image of AJINOMOTO® as a company marketing various quality products. At the carnival, AJINOMOTO® organised promotional sales at attractive prices with gifts, "Buy & Win" lucky draws, cooking demonstrations by renowned chefs etc. There were an estimated 200,000 visitors at the carnival.



Culinary Activities

Effective from the month of May 2007, Ajinomoto (Malaysia) Berhad had organised cooking classes for the members of "Umami Zone" to promote membership in the Company's website (www.ajinomoto.com.my). The attendees learned various kinds of mouth-watering recipes and health tips with AJINOMOTO® products. They were also given the chance to cook in the classes. The cooking classes were also offered to the company staff.

In addition, Ajinomoto (Malaysia) Berhad also arranged cooking demonstrations in charity organisations, health associations and etc.





"Exploring Umami: The Fifth Basic Taste" Seminar

Ajinomoto (Malaysia) Berhad in collaboration with the Faculty of Food Science & Technology, Universiti Putra Malaysia (UPM), organised a seminar on 24 August 2007. The main objective of this seminar was to introduce and increase the awareness of the taste of *Umami*, which is the fifth basic taste. 220 students from Universiti Putra Malaysia (UPM), Universiti Kebangsaan Malaysia (UKM) and Universiti Teknologi MARA (UITM) attended the seminar. Various kinds of activities were carried out in the seminar such as explanation information about *Umami* by the President of the *Umami* Information Centre of Tokyo, Japan, presentation regarding *Umami* sources in Malaysia such as 'belacan' (shrimp paste) by a university lecturer, soup tasting, cooking demonstration, quiz and Q & A session.





The 40th Southeast Asian Association of Glutamate Science (SEAAGS) Meeting

The meeting was held in Kuching, Sarawak on 22-23 May 2008. This is a gathering for MSG manufacturers in the Southeast Asian countries to discuss update information on media activities, scientific and regulatory issues of MSG.



Corporate Social Responsibilities (CSR) Highlights

Statement on 2007 Environment Performance

In 2007/8 Ajinomoto (Malaysia) Berhad had managed to successfully continue its ISO 14001:2004 certification, the globally recognised environment management system which was acquired in February 2006. Ajinomoto (Malaysia) Berhad continue to ensure full compliance with Malaysian environmental legislation. We had removed 2 chillers that had been operating using ozone-depleting refrigerant gases with 2 new chillers which operated using environment friendly refrigerant substances.

We also continue to uphold our commitment to the environment protection and preservation by further reducing environment burden derived from our business activities. The total nitrogen in the final discharge water was reduced from 30 ppm to 20 ppm by further improving the treatment efficiency. We also increased the solid waste recovery ratio from 75% to 85% through proper segregation and recycling activities.

The increase in global fuel oil price had significantly increased our operation cost, therefore drove some energy saving projects focusing on reduction of electricity, water and steam consumptions. We successfully achieved significant reduction of unit consumption against the 2006 performance data. A reduction of 7.3% for water, and 5.3% for electricity was achieved through the energy saving activities.

"Smile Earth" Project

This is the Ajinomoto Group's 2007 global citizenship activities for the future with the slogan of "What Can You Do For The Earth?". The project provide members of The Ajinomoto Group with the opportunity to contribute to their local communities and the global environment.



Global Warming Education Campaign

The impact of global warming is beginning to be felt around the world. As the members of the societies, the Ajinomoto Group must actively participate. This campaign gave an opportunity for the members of the Ajinomoto Group to think about the environment, identified changes that can be made and began to take action. Various activities were arranged to increase the awareness of the Company staff on global warming such as sharing of information in internal newsletter and video presentation of "An Inconvenient Truth" by the former vice president of USA, Al Gore.



"Recycle Papers Into Lives" Campaign

Ajinomoto (Malaysia) Berhad, National Kidney Foundation of Malaysia (NKF) and Malaysia Newsprint Industries (MNI) have embarked on a recycling campaign to collect used paper products (such as newspapers, magazines, exercise books, telephone books, carton boxes, computer papers etc), to enhance its fundraising efforts in providing subsidies to the underprivileged kidney failure patients. All proceeds from the collection were donated to the NKF.

