Annual Report
2011

AJINOMOTO®

50 years
1961 - 2011
Because of You

AJINOMOTO (MALAYSIA) BERHAD *Incorporated In Malaysia* (4295-W)

Pal Sweet®,
The New Sweet Taste

Pal Sweet® is a sweetener with natural sweet taste to let you fully enjoy your daily sweetness with low calories. New Pal Sweet® is sugar-free but naturally sweet as sugar which suits for all type of beverages.

AJINOMOTO®

50 years

1961 - 2011

Because of You

Contents

Corporate Information

DIRECTORS	General Tan Sri (Dr.) Dato' Paduka Mohamed Hashim Bin Mohd. Ali (Rtd) (Chairman) Hiroshi Amano (Chief Executive Officer/Managing Director) Dato' Professor (Dr.) Teo Chiang Liang Dato' Ramli bin Mahmud Katsuhide Shirai Ryuji Ito Daisuke Kon Adinan bin Husin Mazlan bin Ab. Rahman Tee Ju Mian Koay Kah Ee Domonic Aw Kian Wee
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: 7980 6958 Fax: 7981 1731
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 Market of the Bursa Malaysia Securities Berhad

Chairman's Statement

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 2011. This is the year of our 50th year anniversary. I wish to thank all our shareholders, business associates, customers and the community at large for making it possible for the Company to celebrate the Golden years. It is "BECAUSE OF YOU" that we are where we are today.

RESULTS/PERFORMANCE

Revenue grew by 11 per cent or RM32 million for the year under review to RM316 million. The increase in revenue was contributed by higher domestic sales in terms of better selling prices and higher volume. Increased revenue absorbed higher input costs in the year and despite no more gain from liquidation of associated company in last year, resulted in increase in Net Profit to RM26 million, compared to RM24 million in the previous year.

In 2010 Ajinomoto Group launched ACOS (The Ajinomoto Global Food Communication Symbol) "Eat Well, Live Well." throughout the world and started comprehensive communication to enhance various brands under the Ajinomoto Group. Ajinomoto (Malaysia) Berhad aggressively continued promotional events and activities, creating better interaction with the consumers during "TUMIX" events and "VONO" road show activities. We also promoted a number of Corporate Responsibilities (CR) activities through our "Smile Earth" campaign which is part of the Ajinomoto Group's Global Citizenship Activities. Events such as "Mottainai" campaign (donated unutilised belongings to the underprivileged) and "Clean Up Day" (involvement of our staff in cleaning up the company surrounding area and neighbourhood) were successfully conducted as an integral part of this campaign. In addition, the program to improve the health and nutrition status of the "Orang Asli" (the indigenous peoples) was selected as one of the Ajinomoto International Cooperation Network for Nutrition and Health, AIN project.

PROSPECT

The domestic economic environment continues improving, though higher fuel prices and increasing raw material costs, coupled with stronger foreign exchange rate causing further competition. Under such business environment we will put emphasis on the "Eat Well, Live Well." concept to promote our consumer products further. We will enhance our presence in Asia and Middle East countries through further value added products to the markets.

DIVIDENDS

In view of our performance in 2010 and our 50th year anniversary, the Board of Directors recommends a first and final dividend of 9 sen less tax and 9 sen tax exempt per ordinary share of RM1.00 each as well as a special dividend of 2 sen less tax. The above dividends are subject to shareholders' approval.

APPRECIATION

Since the last Annual General Meeting, Mr. Hitoshi Sasaki and Mr. Makoto Tatsumi have resigned from the Board. The Board wishes to record its appreciation and thanks to them for their 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 relentless dedication, commitment and contributions, to our suppliers for their commitment to deliver services and goods meeting 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.

Director's Profile

General Tan Sri (Dr.) Dato' Paduka Mohamed Hashim Bin Mohd. Ali (Rtd)
Chairman, Independent Non-Executive Director
76 years of age – Malaysian.

General 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 five 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.

General 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 the Chairman of Country Height Holdings Berhad Group and Delloyd Ventures Berhad. He also sits on the Boards of Hong Leong Financial Group Berhad, Mines Excellence Golf Resort Berhad, Borneo Highlands Hornbill Golf & Jungle Club Berhad, Bluwater Developments Berhad and some private companies. He is currently the Chairman of The Southeast Asia Association of Glutamate Science (SEAAGS) comprising Thailand, Indonesia, Philippines, Vietnam and Malaysia.

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.

Hiroshi Amano
Managing Director, Chief Executive Officer
50 years of age – Japanese.

Mr. Amano was appointed as Managing Director/ Chief Executive Officer on 1 July 2009. He is a member of the Remuneration Committee. He attended all five Board meetings held in the financial year.

Mr. Amano graduated from the Department of Economics, Sophia University, Japan in 1983.

He joined Ajinomoto Co., Inc Japan in 1983 and began his career with the Hiroshima Branch Yamagchi Sales Office 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.

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.

Director's Profile (Contd.)

Adinan Bin Husin
Non-Independent Non-Executive Director
65 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 four 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 and 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
61 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 1 November 2002 and was recently redesignated as the Senior Independent Non-Executive Director on 28 June 2011. He is also a member of the Nomination Committee and the Remuneration Committee. He attended all 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 Governing Council member. 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. In 2010 he was appointed Director of RHB Capital Berhad and RHB Insurance 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.

Koay Kah Ee
Independent Non-Executive Director
52 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 all five Board meetings 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 (FCPA) and Chartered Accountant (CA) of the Malaysia Institute of Accountants.

He also sits on the Board of JF Technology Berhad, a company listed on the ACE Market of Bursa Malaysia Securities 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.

Tee Ju Mian
Executive Director
58 years of age - Malaysian

Mr. Tee was appointed to the Board of Ajinomoto (Malaysia) Berhad on 1 April 2008. He attended all five Board meetings held in the financial year.

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.

Mazlan Bin Ab. Rahman
Executive Director
59 years of age – Malaysian.

Daisuke Kon
Executive Director
46 years of age – Japanese.

Tn. Hj. Mazlan was appointed to the Board of Ajinomoto (Malaysia) Berhad on 10 July 2000. He attended all five 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 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.

Mr. Kon was appointed to the Board of Ajinomoto (Malaysia) Berhad on 1 July 2010. He attended all three Board meetings held since his appointment to the Board.

Mr. Kon graduated from the Department of Commerce, Waseda University, Japan in 1988.

He joined Ajinomoto Co., Inc Japan in 1988 and began his career with the Osaka Branch, Sales Office and has held various positions in Japan and overseas within the Ajinomoto Group of Companies.

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.

Katsuhide Shirai
Executive Director
39 years of age – Japanese.

Mr. Shirai was appointed to the Board of Ajinomoto (Malaysia) Berhad on 1 July 2011.

He graduated from the Department of Political Science and Economics, Waseda University, Japan in 1995.

He joined Ajinomoto Co., Inc Japan in 2002 and began his career in Head Quarters, Finance Department Accounting Affairs and had served in various capacities in Head Office.

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.

Ryuji Ito
Executive Director
46 years of age – Japanese.

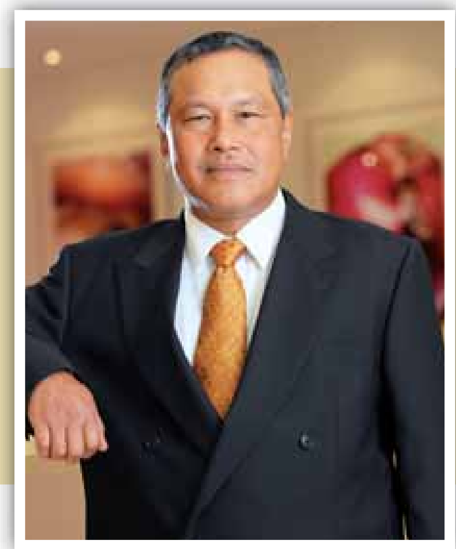
Mr. Ito was appointed to the Board of Ajinomoto (Malaysia) Berhad on 1 July 2011.

He graduated from Graduate school of Science & Technology, Sophia University, Japan in 1989.

He joined Ajinomoto Co., Inc Japan in 1989 and began his career in Research & Development Centre of Food Sciences & Technologies and has held various positions in Japan and overseas within the Ajinomoto Group of Companies.

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.

Director's Profile (Contd.)



Dato' Ramli Bin Mahmud
Independent Non-Executive Director
57 years of age – Malaysian.

Dato' Ramli was appointed to the Board of Ajinomoto (Malaysia) Berhad on 1 April 2011.

Graduated with a Bachelor of Arts (Honours) degree from University Malaya in 1978 and Diploma from National Institute of Public Administration in Public Management, Certificate in Local Government Finance from University of Birmingham, UK., MBA from University of Stirling Scotland, UK., Chevening Fellowship program in Public Sector Reform from University of Bradford, UK.

He had served the Malaysian Government for over thirty years. He began his civil service career in Ministry of Home Affairs and held various positions in the Federal and Selangor State Governments. He also served as a Director of Malaysia External Trade Development (MATRADE) in Tokyo, District Officer of Gombak District, President of Majlis Perbandaran Ampang Jaya and Mayor of Shah Alam. He held the position of the Selangor State Secretary. He is currently the Chairman of Perbadanan Wakaf Selangor.

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.

Dominic Aw Kian Wee
Independent Non-Executive Director
40 years of age – Malaysian.

Mr. Aw was appointed to the Board of Ajinomoto (Malaysia) Berhad on 10 August 2010. He attended all two Board meetings held since his appointment to the Board.

Mr. Aw holds a Bachelor of Law (Hons) degree from the University of Hull, North Humberside, England and a Barrister-at-Law (Middle Temple) from the University of Westminster, London, England.

He is a partner of Mazlan & Associates since 2003 and has over 16 years of working experience as an advocate and solicitor.

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.

Statement on Corporate Governance

The Board of Directors ("the Board") recognises 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 Revised 2007 ("the Code") throughout the financial year ended 31 March 2011.

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 Bursa Malaysia Securities Berhad ("Bursa Securities") Main Market Listing Requirements. 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 experiences are vital for the successful performance of the Company. A brief profile of each Director is presented in the section of "Directors' Profile" of this Annual Report.

The Board has identified Dato' Professor (Dr) Teo Chiang Liang to be the Senior Independent Non-Executive Director to whom concerns may be conveyed by shareholders and the general public.

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 2011 and each Director's attendance at the meetings were as follows:-

Directors	No. of Meetings Attended by the Directors in respect of the Financial Year Ended 31 March 2011*	Attendance (%)
Executive Directors		
Hiroshi Amano *(Managing Director)*	5/5	100
Makoto Tatsumi *(Resigned w.e.f. 30 June 2011)*	5/5	100
Hitoshi Sasaki *(Resigned w.e.f. 30 June 2011)*	5/5	100
Katsuhide Shirai *(Appointed w.e.f. 1 July 2011)*	N/A	N/A
Ryuji Ito *(Appointed w.e.f. 1 July 2011)*	N/A	N/A
Daisuke Kon *(Appointed w.e.f. 1 July 2010)*	3/3	100
Tuan Haji Mazlan Bin Ab Rahman	5/5	100
Tee Ju Mian	5/5	100
Gew Ah Lek *(Resigned w.e.f. 30 June 2010)*	2/2	100
Non-Executive Directors		
General Tan Sri (Dr) Dato' Paduka Mohamed Hashim Bin Mohd Ali (Rtd) *(Chairman)*	5/5	100
Dato' Professor (Dr) Teo Chiang Liang	5/5	100
Dato' Ramli Bin Mahmud *(Appointed w.e.f. 1 April 2011)*	N/A	N/A
Adinan Bin Husin	4/5	80
Koay Kah Ee	5/5	100
Dominic Aw Kian Wee *(Appointed w.e.f. 10 August 2010)*	2/2	100
Dato' Hj Shaharuddin Bin Hj Haron *(Retired w.e.f. 9 August 2010)*	2/3	67
Dr. Goh Chin Siew *(Retired w.e.f. 9 August 2010)*	3/3	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.

Note

* There were five (5) Board meetings held during the financial year ended 31 March 2011. The meetings were held on 25 May 2010, 15 June 2010, 9 August 2010, 23 November 2010 and 24 February 2011.

Board meetings for each calendar year are scheduled well ahead so that the Directors can plan accordingly and fit the Board meetings into their respective schedules.

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 meetings, 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 reports.

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. The Company Secretary also serves notice to Directors on the closed period for trading in the Company's securities in accordance with Chapter 14 on Dealings in Listed Securities of Bursa Securities Main Market Listing Requirements.

Appointments to the Board

The Board has established a Nomination Committee ("NC"), currently consisting of six (6) Directors who are Non-Executive Directors of the Company with the recent appointment of Dato' Ramli Bin Mahmud and Mr. Dominic Aw Kian Wee as members of the NC on 28 June 2011. 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.

Directors' Training and Education

The Directors of the Company have all attended the Mandatory Accreditation Programme (MAP) prescribed by Bursa Securities for directors of public listed companies, save and except for Director namely Mr. Katsuhide Shirai, who was appointed on 1 July 2011 and would be attending the MAP on 7 and 8 September 2011. All the Directors have attended trainings during the financial year ended 31 March 2011 as part of their continuous training in compliance with Bursa Securities Main Market Listing Requirements. The training programmes, seminars and/or forums which were attended are as follows:-

- Competency as the Backbone of Transformation
- Portfolio Risk Management in a Diversified Company
- Building a Board & Management Relationship that Adds Real Value & Analysis of What the Analysts are Saying & Why
- The Toyota Case Study & Portfolio Risk Management in a Diversified Company
- Anti Trust Law & Insider Trade Regulation
- The Non-Executive Director Development Series : Is It Worth The Risk?
- New Financial Reporting Standards – Details of New FRSs
- 2011 Budget and Revisions in Tax Regulations
- Excellent Execution for Value Creators
- Developing New Competency Model for Executive
- Ajinomoto Group Principal
- What Every Director Should Know About Fraud : A New Approach Towards Prevention and Detection of Fraud

Meanwhile, the Board of Directors was briefed at quarterly Board meetings on any significant changes in laws and regulations that were relevant by the Company Secretary.

The Board has assumed the onus of determining or overseeing the training needs of its Directors. The members of the Board will attend various professional programmes necessary to ensure that they are kept abreast on various issues facing the changing business environment within which the Company operates.

In addition, 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 his appointment. As Dato' Ramli Bin Mahmud, Mr. Dominic Aw Kian Wee, Mr. Katsuhide Shirai and Mr. Ryuji Ito were appointed during the past year after the preceding AGM, the same will be retiring from office at the forthcoming Fiftieth AGM.

The Company's Articles of Association also provides that one third (1/3) of the 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. In this respect, the Directors to retire from office at the forthcoming Fiftieth AGM are En. Adinan Bin Husin and Tn. Hj. Mazlan Bin Ab Rahman.

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

COMMITTEES

The Board of Directors delegates specific responsibilities to the respective Committees of the Board namely the Audit Committee ("AC"), the NC and the Remuneration Committee ("RC") 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.

(1) Nomination Committee

The NC was established with clearly defined terms of reference, comprising 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)	(Independent Non-Executive Director)
• Dato' Professor (Dr) Teo Chiang Liang	(Senior Independent Non-Executive Director)
• Dato' Ramli Bin Mahmud *(Appointed w.e.f. 28 June 2011)*	(Independent Non-Executive Director)
• Koay Kah Ee	(Independent Non-Executive Director)
• Dominic Aw Kian Wee *(Appointed w.e.f. 28 June 2011)*	(Independent Non-Executive Director)

The Committee had two (2) meetings during the financial year ended 31 March 2011.

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.

The Committee is satisfied with the size of the Company's Board and that there is appropriate mix of knowledge, skills, attributes and core competencies in the composition of the Board.

(2) **Remuneration Committee**

The RC was set up with clearly defined terms of reference, and currently comprises one (1) Executive Director and three (3) Non-Executive Directors. The majority of the members are Non-Executive Directors.

- General Tan Sri (Dr) Dato' Paduka Mohamed Hashim Bin Mohd Ali (Rtd) (Chairman, Independent Non-Executive Director)
- Dato' Professor (Dr) Teo Chiang Liang (Senior Independent Non-Executive Director)
- Adinan Bin Husin (Non-Independent Non-Executive Director)
- Hiroshi Amano (Managing Director)

The Board has adopted Ajinomoto's Group Remuneration Policy and the parent 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 RC is to set up the policy framework and to recommend to the Board 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 in respect of his individual remuneration.

The RC may meet at least once a year or more frequently as deemed necessary. During the financial year ended 31 March 2011, the Committee had one (1) meeting.

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

	Executive Directors RM'000	Non-Executive Directors RM'000
Salaries and other emoluments	2,093	130
Fees	131	194
Bonus	177	-
Gratuity	53	77
Defined contribution plan	73	-
Benefit In Kind	325	-

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	-	3
RM50,001 - RM100,000	-	3
RM100,001 – RM150,000	1	1
RM150,001 – RM200,000	-	-
RM200,001 – RM250,000	-	-
RM250,001 – RM300,000	-	-
RM300,001 – RM350,000	2	-
RM350,001 – RM400,000	1	-
RM400,001 – RM450,000	-	-
RM450,001 – RM500,000	1	-
RM500,001 – RM550,000	-	-
RM550,001 – RM600,000	-	-
RM600,001 – RM650,000	2	-

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 AC are set out under the section of AC Report of this Annual Report.

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 AC assists the Board in reviewing and scrutinising the information in terms of accuracy, adequacy and completeness for disclosure.

The Statement of Directors' Responsibility in respect of the annual audited financial statements pursuant to paragraph 15.26(a) of Bursa Securities Main Market Listing Requirements and pursuant to the Statement of Directors' responsibility of the Companies Act, 1965 is set out in the section of Statement of Directors' Responsibility in relation to the audited financial statements 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 AC assists the Board in overseeing this function.

Information on the Company's internal control is presented in the Statement on Internal Control of this Annual Report.

3.3 Relationship with Auditors

The roles of the AC, the internal and external auditors of the Company are described in the AC Report of this Annual Report. The Board and the AC 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 annual audited financial statements and giving assurance to stakeholders of the reliability of the annual audited financial statements.

The external auditors have an obligation to bring any significant defects in the Company's system of control and compliance to the attention of the Management; and if necessary, to the AC and the Board.

The AC without the presence of Executive Board members and Management also meets with the external auditors twice during the financial year to exchange free and honest views on issues which the external auditors may wish to discuss in relation to their audit and findings.

3.5 Related Party Transactions

The AC reviews the related party transactions and conflict of interest situations that may arise within the Group from time to time, including any transactions, procedures and courses of conduct that raises questions of management integrity.

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 http://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 http://www.bursamalaysia.com.

Annual General Meeting

The AGM remains the principal forum for dialogue with shareholders where they may seek clarifications on the Company's business and Reports. 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 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 public at large.

Corporate Responsibility ("CR")

The CR activities of the Company are described in the section of Corporate Responsibility (CR) Highlights of this Annual Report.

ADDITIONAL COMPLIANCE INFORMATION

1. 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 or Convertible Securities

The Company has neither granted any options nor issued any convertible securities during the financial year.

4. Depository Receipt Programme

The Company did not sponsor any Depository Receipt Programme during the financial year.

5. Imposition of Sanctions and/or Penalties

There were no sanctions and/or penalties imposed on the Company, or its 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 RM35,000.

7. Variation in Results

There were no material variations between the audited results for the financial year ended 31 March 2011 against the unaudited results for the year ended 31 March 2011 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 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, 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 2011, 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 the Related Party Disclosures of the Financial Statements.

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.

Statement on Internal Control

INTRODUCTION

The Board of Directors ("the Board") of Ajinomoto (Malaysia) Berhad is pleased to present its Statement on Internal Control for the financial year ended 31 March 2011, which has been prepared pursuant to paragraph 15.26(b) of Bursa Malaysia Securities Berhad ("Bursa Securities") Main Market Listing Requirements and in accordance with the Statement on Internal Control: Guidance for Directors of Public Listed Companies ("the Guidance"). The statement below outlines the nature and scope of internal control of the Company during the financial year under review.

BOARD 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. The responsibility of reviewing the adequacy and integrity of the Company's system of internal control is delegated to the Audit Committee, which is empowered by its terms of reference to seek assurance on the adequacy and integrity of the internal control system through independent reviews carried out by the internal audit function and management.

However, as there are inherent limitations in any system of internal control, such system 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

1. 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.

- **Periodic and Annual Budget**

  The Company has a comprehensive budgeting and forecasting system. The annual business plan and budget are approved by the Board and the holding company. Budgetary control is in place for every operation of the Company, where actual performance is closely monitored against budgets to identify and to address significant variances.

- **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 employees of the Company are well trained and equipped with all the necessary knowledge, skills and abilities to carry out their responsibilities effectively.

- **Quality of Product**

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

- **Regular Operational and Management Meetings**

  Monthly operational meetings are conducted among senior management to discuss and review the business plans, budgets, financial and operational performances of the Company. Weekly meetings of Department Heads are also held to monitor performances. The quarterly financial statements containing key financial results and comparisons are tabled to the Board for their review.

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 responsible for managing identified risks within defined parameters and standards.

The Risk Management Committee which adopts the risk framework from the holding company's Risk Management Guideline System is chaired by the Chief Administration 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 carried out through periodic management meetings held to communicate and deliberate key issues and risks amongst management team members and where appropriate, controls are devised and implemented. Significant risks identified are escalated to the Board for their attention by the Chief Administration Officer at their scheduled meetings.

The abovementioned practices / initiatives by the Management serves 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, which is outsourced to a professional service firm, assists the Board and the Audit Committee in providing independent assessment of the adequacy, efficiency and effectiveness of the Company's internal control system. The Internal Auditor reports 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 results of the internal audit reviews and the recommendations for improvement are presented to the Audit Committee. In addition, the status of the implementation of corrective actions to address control weaknesses is also followed up by the internal auditors to ensure that these actions have been satisfactorily implemented. Senior Management will continue to ensure that appropriate actions are taken to enhance and strengthen the internal control environment.

Based on the internal audit reviews carried out, none of the weaknesses noted have resulted in any material losses, contingencies or uncertainties that would require separate disclosure in this annual report.

The costs incurred in maintaining the outsourced internal audit function for the financial year ended 31 March 2011 amounted to RM62,945.10.

4. 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. CONCLUSION

The Board is of the view that the Company's system of internal control 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 control.

This statement was approved by the Board of Directors on 31 May 2011.

Audit Committee Report

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 2011.

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 Bursa Malaysia Securities Berhad, the Securities Commission and shareholders. In addition to this, the Audit Committee reviews 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 OF THE AUDIT COMMITTEE AND ATTENDANCE OF MEMBERS AT MEETINGS

The composition of the Audit Committee and the attendance of the respective members at each Audit Committee Meeting during the financial year ended 31 March 2011 are as follows:

Names	Designation	Status	Attendance*
Dato' Professor (Dr) Teo Chiang Liang	Chairman	Senior Independent Non-Executive Director	5/5
General Tan Sri (Dr) Dato' Paduka Mohamed Hashim Bin Mohd Ali (Rtd)	Member	Independent Non-Executive Director	5/5
Dato' Ramli Bin Mahmud *(appointed w.e.f. 28 June 2011)*	Member	Independent Non-Executive Director	N/A
Adinan Bin Husin	Member	Non-Independent Non-Executive Director	4/5
Koay Kah Ee	Member	Independent Non-Executive Director	5/5
Dominic Aw Kian Wee *(appointed w.e.f. 28 June 2011)*	Member	Independent Non-Executive Director	N/A
Dato' Hj Shaharuddin Bin Hj Haron *(retired w.e.f. 9 August 2010)*	Member	Independent Non-Executive Director	2/3
Dr. Goh Chin Siew *(retired w.e.f. 9 August 2010)*	Member	Independent Non-Executive Director	3/3

* The meetings were held on 25 May 2010, 15 June 2010, 9 August 2010, 23 November 2010 and 24 February 2011.

TERMS OF REFERENCE

1. 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 Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities").

All members of the Audit Committee shall be financially literate and at least one (1) member of the Audit Committee:-

(a) must be 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) must fulfil 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 above, the Board shall within three (3) months of the event appoint such number of 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 members who shall be an independent director.

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 an 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.

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.

6. Quorum

The quorum for the Audit Committee meeting shall be a majority of members present who 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) ensure 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); and

(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.

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 co-ordination 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;

(l) 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 2011, 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 Malaysian Code on Corporate Governance Revised 2007 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 included the following:-

1. Financial Results

a) Reviewed 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 Securities;

b) Reviewed the reports and the audited financial statements of the Company together with the external auditors prior to tabling to the Board for approval.

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) Reviewed the External Auditors' scope of work and audit plan for the year and made recommendations to the Board on their appointment and remuneration;

b) Reviewed and discussed 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) Discussed significant accounting and auditing issues, impact of new or proposed changes in accounting standards and regulatory requirements.

3. Internal Audit

a) Reviewed the internal audit plan, resources planning requirements for the financial year and assessed the performance of the Internal Auditors;

b) Reviewed the internal audit issues, recommendations and the Management responses to rectify and improve the system of internal control; and

c) Monitored the implementation of programmes recommended by Internal Auditors arising from its audits in order to obtain assurance that all key risks and controls have been fully dealt with.

Statistics Of Shareholdings

As At 26 June 2011

Authorised Share Capital	:	RM80,000,000.00
Issued and Paid-Up Share Capital	:	RM60,798,534.00
Class of Shares	:	Ordinary Shares of RM1.00 each
Voting Rights	:	One vote per ordinary share

ANALYSIS OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Shares Held	%
1 – 99	202	6.51	4,289	0.01
100 – 1,000	738	23.77	551,655	0.91
1,001 – 10,000	1,777	57.23	6,637,412	10.92
10,001 – 100,000	351	11.30	9,367,413	15.41
100,001 – 3,039,925 (*)	35	1.13	10,592,320	17.42
3,039,926 and above (**)	2	0.06	33,645,445	55.33
TOTAL	3,105	100.00	60,798,534	100.00

Remarks: * Less than 5% of Issued Shares
** 5% and above of Issued Shares

SUBSTANTIAL SHAREHOLDERS

The substantial shareholders of Ajinomoto (Malaysia) Berhad based on the Register of Substantial Shareholders of the Company and their respective shareholdings as at 26 July 2011 are as follows:-

	No. of Shares			
Substantial Shareholders	Direct	%	Indirect	%
Ajinomoto Co., Inc.	30,445,445	50.08	-	-
Amanahraya Trustees Berhad - Skim Amanah Saham Bumiputera	3,200,000	5.26	-	-

DIRECTORS' SHAREHOLDINGS

The Directors' Shareholdings based on the Register of Directors' Shareholdings of the Company as at 26 July 2011 are as follows:-

	Direct Interest		Indirect Interest	
Directors	No. of Shares Held	%	No. of Shares Held	%
General Tan Sri (Dr) Dato' Paduka Mohamed Hashim Bin Mohd Ali (Rtd)	10,000	0.02	10,000 (1)	0.02
Dato' Professor (Dr) Teo Chiang Liang	-	-	150,000 (2)	0.25
Dato' Ramli Bin Mahmud	-	-	-	-
Hiroshi Amano	2,398	*	-	-
Katsuhide Shirai	-	-	-	-
Ryuji Ito	-	-	-	-
Daisuke Kon	-	-	-	-
Adinan Bin Husin	-	-	-	-
Tuan Hj. Mazlan Bin Ab Rahman	-	-	-	-
Tee Ju Mian	-	-	-	-
Koay Kah Ee	-	-	-	-
Dominic Aw Kian Wee	-	-	-	-

Statistics Of Shareholdings (Contd.)

As At 26 June 2011

** Negligible*

(1) *Deemed interested by virtue of his directorship in Hamiiz Holdings Sdn. Bhd.*

(2) *Deemed interested by virtue of his and/or persons associated with him who has/have more than 15% equity interest in Teo Soo Cheng Sdn. Bhd. and See Hoy Chan Holdings Sendirian Berhad respectively.*

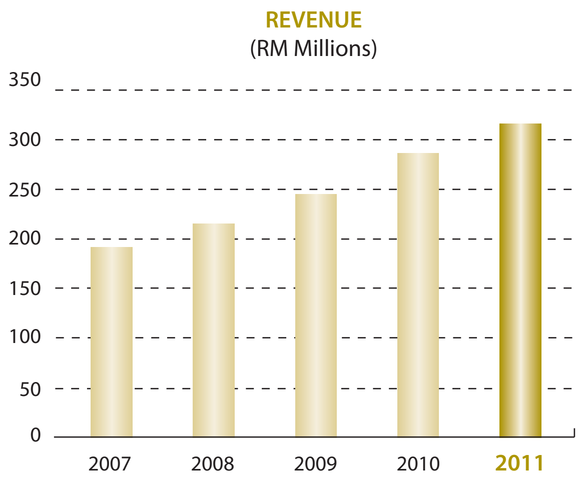
THIRTY LARGEST SECURITIES ACCOUNT HOLDERS

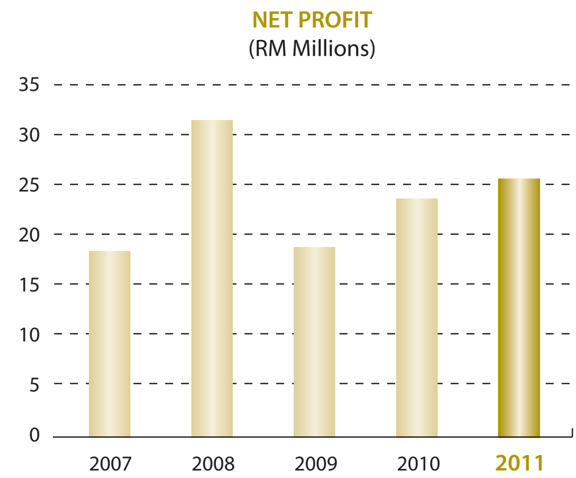
No.	Shareholders	No. of Shares	%
1.	Ajinomoto Co., Inc.	30,445,445	50.08
2.	Amanahraya Trustees Berhad *Skim Amanah Saham Bumiputera*	3,200,000	5.26
3.	Lonpac Insurance Berhad	1,307,454	2.15
4.	Chinchoo Investment Sdn. Bhd.	1,210,800	1.99
5.	Mayban Nominees (Asing) Sdn. Bhd. *Bank of East Asia (Nominees) Pte Ltd for the Bank of East Asia Ltd Singapore(A/C 2-970510)*	1,131,030	1.86
6.	Public Nominees (Tempatan) Sdn. Bhd. *Pledged Securities Account for Kong Goon Khing (E-BTR)*	960,000	1.58
7.	Tee Teh Sdn. Bhd.	564,508	0.93
8.	See Hoy Chan Agencies Sendirian Berhad	422,500	0.69
9.	Cartaban Nominees (Asing) Sdn. Bhd. *DBS Vickers (Hong Kong) Limited For Ng Fung Yee*	312,562	0.51
10.	Tay How Seng	306,259	0.50
11.	Inter-Pacific Equity Nominees (Asing) Sdn. Bhd. *Kim Eng Securities Pte Ltd for Tan Pheck Gee*	283,538	0.47
12.	Seah Mok Khoon	250,000	0.41
13.	Yee Fook Leong	234,000	0.38
14.	Chong Yean Fong	228,521	0.38
15.	Public Nominees (Tempatan) Sdn. Bhd. *Pledged Securities Account for Lee Kin Kheong (E-IMO)*	217,000	0.36
16.	Chan Wan Hun	209,100	0.34
17.	Key Development Sdn. Bhd.	200,000	0.33
18.	Seah Heng Lye	200,000	0.33
19.	Yong Siew Lee	190,000	0.31
20.	Leong Kok Tai	169,400	0.28
21.	Mayban Nominees (Asing) Sdn. Bhd. *DBS Bank for Punit Khanna (211072)*	167,000	0.27
22.	Eu Lee Chuan Enterprise Sdn. Bhd.	160,000	0.26
23.	Goh Choon Kim	158,000	0.26
24.	Chong Kok Fah	156,000	0.26
25.	Goh Beng Choo	142,200	0.23
26.	M'sian Vermicelli Manufacturers (M) Sdn. Bhd.	140,000	0.23
27.	Key Development Sdn. Bhd.	134,000	0.22
28.	Wong Lok Jee @ Ong Lok Jee	130,000	0.21
29.	Ooi Hoe Hean	122,000	0.20
30.	Teo Soo Cheng Sdn. Bhd.	120,000	0.20
	TOTAL	43,471,317	71.48

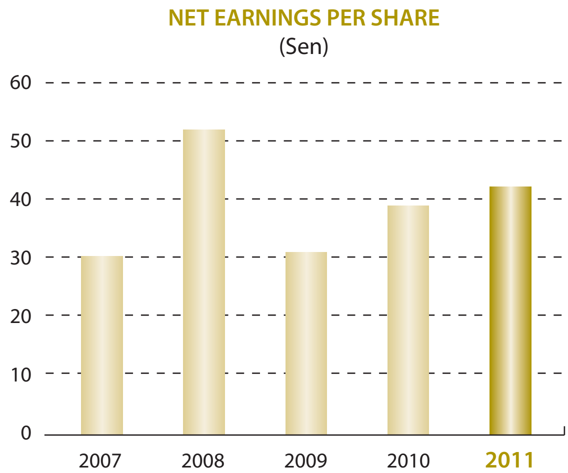
Financial Highlights

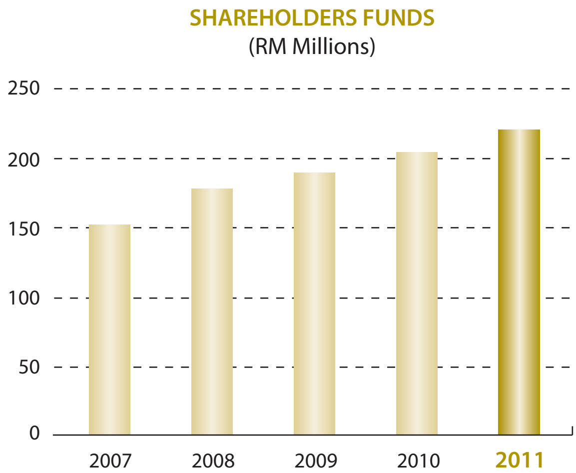
	2007 RM'000	2008 RM'000	2009 RM'000	2010 RM'000	**2011 RM'000**
REVENUE	190,629	215,462	243,839	284,839	**316,165**
Profit Before Taxation	21,030	40,381	25,678	30,876	**31,942**
Net Profit	18,670	31,984	19,072	23,939	**25,870**
Shareholders Funds	151,519	178,080	189,297	204,116	**220,189**
PER SHARE					
• Gross Earnings	34.6	66.4	42.2	50.8	**52.5**
• Net Earnings	30.7	52.6	31.4	39.4	**42.6**
• Net Assets	249.2	292.9	311.4	335.7	**362.2**

Figures are based on company level results









Directors' Report

The directors have pleasure in presenting their report together with the audited financial statements of the Company for the financial year ended 31 March 2011.

Principal activities

The principal activities of the Company are manufacturing and selling of monosodium glutamate and other related products. There have been no significant changes in the nature of the principal activities during the financial year.

Results

	RM
Profit net of tax	25,870,244

There have been no material transfers to or from reserves or provisions during the financial year other than as disclosed in the financial statements.

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

Dividends

The amount of dividends paid by the Company since 31 March 2010 were as follows:

	RM
In respect of the financial year ended 31 March 2010 as reported in the directors' report of that year	
First and final dividend of 9% less 25% taxation and 9% tax exempt, declared on 9 August 2010 and paid on 7 September 2010	9,575,771

At the forthcoming Annual General Meeting, a first and final dividend in respect of the financial year ended 31 March 2011, of 9% less 25% taxation and 9% tax exempt, as well as a special dividend of 2% less 25% taxation on 60,798,534 ordinary shares, amounting to a dividend payable of RM10,487,747 (17.25 sen net per share) will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividends. Such dividends, if approved by the shareholders, will be accounted for in shareholders' equity as an appropriation of retained earnings in the financial year ending 31 March 2012.

Directors

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

General Tan Sri (Dr.) Dato' Paduka Mohamed Hashim bin Mohd Ali (Rtd)	
Hiroshi Amano	
Makoto Tatsumi	
Hitoshi Sasaki	
Mazlan bin Ab. Rahman	
Tee Ju Mian	
Dato' Professor (Dr.) Teo Chiang Liang	
Adinan bin Husin	
Koay Kah Ee	
Daisuke Kon	(appointed on 1 July 2010)
Dominic Aw Kian Wee	(appointed on 10 August 2010)
Dato' Ramli bin Mahmud	(appointed on 1 April 2011)
Gew Ah Lek	(resigned on 30 June 2010)
Dato' Hj. Shaharuddin Bin Hj. Haron	(retired on 9 August 2010)
Dr. Goh Chin Siew	(retired on 9 August 2010)

Directors' benefits

Neither at the end of the financial year, nor at any time during that year, did there subsist any arrangement to which the Company was a party, whereby the directors might acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

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

Directors' interests

According to the register of directors' shareholdings, the interests of directors in office at the end of the financial year in shares in the Company and its related corporations during the financial year were as follows:

	Number of ordinary shares of RM1 each			
	At 1.4.2010	Acquired	Sold	At 31.3.2011
The Company				
Direct interest:				
General Tan Sri (Dr.) Dato' Paduka Mohamed Hashim bin Mohd Ali (Rtd)	-	10,000	-	10,000
Hiroshi Amano	2,398	-	-	2,398
Indirect interest:				
Dato' Professor (Dr.) Teo Chiang Liang	150,000	-	-	150,000

Directors' interests (Contd.)

	Number of shares of Japanese Yen 50 each			
	At 1.4.2010/ date of appointment	Acquired	Sold	At 31.3.2011
Holding company				
- Ajinomoto Co. Inc.				
Direct interest:				
Hiroshi Amano	4,689	95	-	4,784
Hitoshi Sasaki	4,319	188	-	4,507
Makoto Tatsumi	577	122	-	699
Daisuke Kon	4,167 *	166	-	4,333

* Appointed on 1 July 2010

None of the other directors in office at the end of the financial year had any interest in shares in the Company or its related corporations during the financial year.

Other statutory information

(a) Before the statement of comprehensive income and statement of financial position of the Company were made out, the directors took reasonable steps:

(i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of 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

(ii) to ensure that any current assets which were unlikely to realise their values as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.

(b) At the date of this report, the directors are not aware of any circumstances which would render:

(i) the amount written off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Company inadequate to any substantial extent; and

(ii) the values attributed to the current assets in the financial statements of the Company misleading.

(c) At the date of this report, the directors are not aware of any circumstances which have arisen which would render adherence to the existing methods of valuation of assets or liabilities of the Company misleading or inappropriate.

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

(e) As at the date of this report, there does not exist:

(i) any charge on the assets of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or

(ii) any contingent liability of the Company which has arisen since the end of the financial year.

Other statutory information (Contd.)

(f) In the opinion of the directors:

(i) no contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Company to meet its obligations when they fall due; and

(ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Company for the financial year in which this report is made.

Auditors

The auditors, Hanafiah Raslan & Mohamad, have expressed their willingness to continue in office.

Signed on behalf of the Board in accordance with a resolution of the directors dated 28 June 2011.

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

Hiroshi Amano

Statement by Directors

pursuant to section 169 (15) of the Companies Act, 1965

We, General Tan Sri (Dr.) Dato' Paduka Mohamed Hashim bin Mohd Ali (Rtd) and Hiroshi Amano, being two of the directors of Ajinomoto (Malaysia) Berhad, do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 35 to 76 are drawn up in accordance with the Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Company as at 31 March 2011 and of the results and the cash flows of the Company for the year then ended.

The information set out in Note 33 on page 76 to the financial statements have been prepared in accordance with the Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

Signed on behalf of the Board in accordance with a resolution of the directors dated 28 June 2011.

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

Hiroshi Amano

Statutory Declaration

pursuant to section 169(16) of the Companies Act, 1965

I, Hoh Yoon Keong, being the officer primarily responsible for the financial management of Ajinomoto (Malaysia) Berhad, do solemnly and sincerely declare that the accompanying financial statements set out on pages 35 to 76 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by
the abovenamed Hoh Yoon Keong at
Kuala Lumpur in the Federal
Territory on 28 June 2011

Hoh Yoon Keong

Before me,

R. Vasugi Ammal, PJK
(W480)
Commissioner for Oaths
Kuala Lumpur

Independent Auditors' Report

to the members of Ajinomoto (Malaysia) Berhad

Report on the financial statements

We have audited the financial statements of Ajinomoto (Malaysia) Berhad, which comprise the statement of financial position as at 31 March 2011 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 35 to 76.

Directors' responsibility for the financial statements

The directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Company as at 31 March 2011 and of its financial performance and cash flows for the year then ended.

Report on other legal and regulatory requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report that in our opinion, the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Other matters

The supplementary information set out in Note 33 on page 76 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad. The directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Hanafiah Raslan & Mohamad
AF: 0002
Chartered Accountants

Teoh Soo Hock
No. 2477/10/11(J)
Chartered Accountant

Kuala Lumpur, Malaysia
28 June 2011

Statement of Comprehensive Income

For the financial year ended 31 March 2011

	Note	2011 RM	2010 RM
Revenue	4	316,165,220	284,616,880
Other items of income	5	2,321,549	4,066,021
Items of expenses			
Changes in inventories of finished goods, work in progress and goods-in-transit		409,346	788,248
Raw materials and packaging materials consumed		(188,077,870)	(162,076,389)
Finished goods purchased		(7,780,993)	(10,951,068)
Employee benefits expense	6	(33,496,637)	(31,147,630)
Depreciation and amortisation		(12,753,094)	(11,627,019)
Reversal/(impairment) of assets		3,204	(20,360)
Other operating expenses		(44,848,503)	(42,772,605)
Profit before tax	7	31,942,222	30,876,078
Income tax expense	9	(6,071,978)	(6,936,987)
Profit net of tax, represents total comprehensive income for the financial year		25,870,244	23,939,091
Earnings per share attributable to equity holders of the Company (sen)			
- Basic	10	42.6	39.4
Net dividend per share (sen)	11	15.75	15.00

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Statement of Financial Position

As at 31 March 2011

	Note	2011 RM	2010 RM (Restated)	1.4.2009 RM (Restated)
Assets				
Non-current assets				
Property, plant and equipment	12	104,358,059	102,765,733	100,309,887
Prepaid land lease payments	13	-	-	-
Investment in associate		-	-	1,348,751
Other receivables	17	843,561	1,061,831	938,257
Investment securities	14	672,685	798,813	861,877
Other investments	15	281,000	281,000	261,500
		106,155,305	104,907,377	103,720,272
Current assets				
Inventories	16	62,802,628	52,255,273	46,356,553
Trade and other receivables	17	32,410,933	26,068,630	29,161,245
Derivatives	18	36,263	-	-
Cash and cash equivalents	19	68,767,151	56,354,967	43,221,990
		164,016,975	134,678,870	118,739,788
Total assets		270,172,280	239,586,247	222,460,060
Equity and liabilities				
Current liabilities				
Retirement benefit obligations	20	345,271	466,710	320,578
Trade and other payables	21	38,238,679	24,617,997	22,857,239
Derivatives	18	2,397	-	-
Current tax payable		1,589,523	151,171	445,670
		40,175,870	25,235,878	23,623,487
Non-current liabilities				
Retirement benefit obligations	20	5,756,631	5,295,024	5,052,251
Deferred tax liabilities	22	4,051,039	4,939,037	4,487,325
		9,807,670	10,234,061	9,539,576
Total liabilities		49,983,540	35,469,939	33,163,063
Net assets		220,188,740	204,116,308	189,296,997
Equity attributable to equity holders of the Company				
Share capital	23	60,798,534	60,798,534	60,798,534
Share premium	23	4,303,700	4,303,700	4,303,700
Retained earnings	24	148,553,371	132,359,068	117,417,886
Other reserves	25	6,533,135	6,655,006	6,776,877
Total equity		220,188,740	204,116,308	189,296,997
Total equity and liabilities		270,172,280	239,586,247	222,460,060

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Statement of Changes in Equity

For the financial year ended 31 March 2011

	Note	← Non-distributable		→	Distributable	
		Share capital RM (Note 23)	Share premium RM (Note 23)	Aset valuation reserves RM (Note 25)	Retained earnings RM (Note 24)	Total equity RM
At 1 April 2009		60,798,534	4,303,700	6,776,877	117,417,886	189,296,997
Transfer from revaluation reserves to retained profits				(121,871)	121,871	-
Total comprehensive income		-	-	-	23,939,091	23,939,091
Dividends	11	-	-	-	(9,119,780)	(9,119,780)
At 31 March 2010		60,798,534	4,303,700	6,655,006	132,359,068	204,116,308
At 1 April 2010		60,798,534	4,303,700	6,655,006	132,359,068	204,116,308
Effects of adopting FRS 139 (Note 2.2)		-	-	-	(222,041)	(222,041)
		60,798,534	4,303,700	6,655,006	132,137,027	203,894,267
Transfer from revaluation reserves to retained profits		-	-	(121,871)	121,871	-
Total comprehensive income		-	-	-	25,870,244	25,870,244
Dividends	11	-	-	-	(9,575,771)	(9,575,771)
At 31 March 2011		60,798,534	4,303,700	6,533,135	148,553,371	220,188,740

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Statements of Cash Flows

For the financial year ended 31 March 2011

	Note	2011 RM	2010 RM
Cash flows from operating activities			
Profit before tax		31,942,222	30,876,078
Adjustments for:			
Short-term accumulating compensated absences	6	(85,255)	83,289
Interest income	5	(1,295,364)	(752,468)
Depreciation of property, plant and equipment	8	12,753,094	11,627,019
(Reversal of)/provision for doubtful debts	8	21,405	(8,637)
Inventories written off	8	452,765	775,467
Property, plant and equipment written off	8	79,260	39,255
Impairment loss, net	8	(3,204)	23,564
Gain on disposal of property, plant and equipment	5	(19,242)	(121,029)
Provision for post-employment benefits	6	1,196,090	1,272,913
Gain on disposal of other investment	5	-	(17,243)
Gain on liquidation of an associate company	5	-	(1,666,627)
Unrealised foreign exchange (gain)/loss	8	(96,892)	518,886
Effect of adopting FRS 139		(426,512)	-
Interest on staff loan		(29,249)	-
Net fair value loss on financial assets		125,018	-
Net fair value gains on derivatives		(33,866)	-
Operating profit before working capital changes		44,580,270	42,650,467
Increase in inventories		(10,547,355)	(6,674,187)
(Increase)/decrease in trade and other receivables		(6,124,033)	2,461,208
Increase in trade and other payables		13,620,682	1,675,053
Cash generated from operations		41,529,564	40,112,541
Taxes paid		(5,578,817)	(6,779,774)
Payments of post-employment benefits		(855,922)	(884,008)
Net cash generated from operating activities		35,094,825	32,448,759
Cash flows from investing activities			
Purchase of property, plant and equipment	12	(14,679,539)	(14,242,144)
Proceeds from disposal of property, plant and equipment		277,305	241,053
Interest received		1,295,364	752,468
Proceeds from disposal of investment in associates (net)		-	3,015,378
Proceeds from disposal of investment in transferable club memberships (net)		-	37,243
Net cash used in investing activities		(13,106,870)	(10,196,002)
Cash flows from financing activities			
Dividends paid, representing net cash used in financing activities	11	(9,575,771)	(9,119,780)
Net increase in cash and cash equivalents		12,412,184	13,132,977
Cash and cash equivalents at beginning of the financial year		56,354,967	43,221,990
Cash and cash equivalents at end of the financial year	19	68,767,151	56,354,967

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

1. Corporate information

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities. The registered office of the Company is located at Lot 5710, Jalan Kuchai Lama, Petaling, 58200 Kuala Lumpur.

The holding company is Ajinomoto Co., Inc., a corporation incorporated in Japan.

The principal activities of the Company are manufacturing and selling of monosodium glutamate and other related products. There have been no significant changes in the nature of the principal activities during the financial year.

2. Summary of significant accounting policies

2.1 Basis of preparation

The financial statements of the Company have been prepared in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia. At the beginning of the current financial year, the Company adopted new and revised FRS which are mandatory for financial periods beginning on or after 1 April 2010 as described fully in Note 2.2.

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in Ringgit Malaysia (RM).

2.2 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except as follows:

On 1 April 2010, the Company adopted the following new and amended FRSs and IC Interpretations mandatory for annual financial periods beginning on or after 1 April 2010.

- FRS 7 Financial Instruments: Disclosures
- FRS 8 Operating Segments
- FRS 101 Presentation of Financial Statements (Revised)
- FRS 123 Borrowing Costs
- FRS 139 Financial Instruments: Recognition and Measurement
- Amendments to FRS 1 First-time Adoption of Financial Reporting Standards and FRS 127 Consolidated and Separate Financial Statements: Cost of and Investment in a Subsidiary, Jointly Controlled Entity or Associate
- Amendments to FRS 2 Share-based Payment – Vesting Conditions and Cancellations
- Amendments to FRS 132 Financial Instruments: Presentation
- Amendments to FRS 139 Financial Instruments: Recognition and Measurement, FRS 7 Financial Instruments: Disclosures and IC Interpretation 9 Reassessment of Embedded Derivatives
- Improvements to FRS issued in 2009
- IC Interpretation 9 Reassessment of Embedded Derivatives
- IC Interpretation 10 Interim Financial Reporting and Impairment
- IC Interpretation 11 FRS 2 – Group and Treasury Share Transactions
- IC Interpretation 14 FRS 119 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

2. Summary of significant accounting policies (Contd.)

2.2 Changes in accounting policies (Contd.)

Adoption of the above standards and interpretations did not have any effect on the financial performance or position of the Company except for those discussed below:

FRS 7 Financial Instruments: Disclosures

Prior to 1 April 2010, information about financial instruments was disclosed in accordance with the requirements of FRS 132 Financial Instruments: Disclosure and Presentation. FRS 7 introduces new disclosures to improve the information about financial instruments. It requires the disclosure of qualitative and quantitative information about exposure to risks arising from financial instruments, including specified minimum disclosures about credit risk, liquidity risk and market risk, including sensitivity analysis to market risk.

The Company have applied FRS 7 prospectively in accordance with the transitional provisions. Hence, the new disclosures have not been applied to the comparatives. The new disclosures are included throughout the Company's financial statements for the year ended 31 March 2011.

FRS 8 Operating Segments

FRS 8, which replaces FRS 114 Segment Reporting, specifies how an entity should report information about its operating segments, based on information about the components of the entity that is available to the chief operating decision maker for the purposes of allocating resources to the segments and assessing their performance. The Standard also requires the disclosure of information about the products and services provided by the segments, the geographical areas in which the Company operates, and revenue from the Company's major customers. The Company concluded that the reportable operating segments determined in accordance with FRS 8 are the same as the business segments previously identified under FRS 114. The Company has adopted FRS 8 retrospectively. These revised disclosures, including the related revised comparative information, are shown in Note 31.

FRS 101 Presentation of Financial Statements (Revised)

The revised FRS 101 introduces changes in the presentation and disclosures of financial statements. The revised Standard separates owner and non-owner changes in equity. The statement of changes in equity includes only details of transactions with owners, with all non-owner changes in equity presented as a single line. The Standard also introduces the statement of comprehensive income, with all items of income and expense recognised in profit or loss, together with all other items of recognised income and expense recognised directly in equity, either in one single statement, or in two linked statements. The Company have elected to present this statement as one single statement.

In addition, a statement of financial position is required at the beginning of the earliest comparative period following a change in accounting policy, the correction of an error or the classification of items in the financial statements.

The revised FRS 101 also requires the Company to make new disclosures to enable users of the financial statements to evaluate the Company's objectives, policies and processes for managing capital (see Note 30).

The revised FRS 101 was adopted retrospectively by the Company.

2. Summary of significant accounting policies (Contd.)

2.2 Changes in accounting policies (Contd.)

FRS 139 Financial Instruments: Recognition and Measurement

FRS 139 establishes principles for recognising and measuring financial assets, financial liabilities and some contracts to buy and sell non-financial items. The Company have adopted FRS 139 prospectively on 1 April 2010 in accordance with the transitional provisions. The effects arising from the adoption of this Standard has been accounted for by adjusting the opening balance of retained earnings as at 1 April 2010. Comparatives are not restated. The details of the changes in accounting policies and the effects arising from the adoption of FRS 139 are discussed below:

- **Equity instruments**

  Prior to 1 April 2010, the Company classified its investments in equity instruments which were held for non-trading purposes as non-current investments. Such investments were carried at cost less impairment losses. Upon the adoption of FRS 139, those investments whose fair values cannot be reliably measured, are designated at 1 April 2010 as available-for-sale financial assets and accordingly are stated at their fair values as at that date amounting to RM798,813. The adjustment to their previous carrying amounts are recognised as adjustments to the opening balance of retained earnings as at 1 April 2010.

- **Impairment of trade receivables**

  Prior to 1 April 2010, allowance for doubtful debts was recognised when it was considered uncollectible. Upon the adoption of FRS 139, an impairment loss is recognised when there is objective evidence that an impairment loss has been incurred. The amount of the loss is measured as the difference between the receivable's carrying amount and the present value of the estimated future cash flows discounted at the receivable's original effective interest rate. As at 1 April 2010, the Company has remeasured the allowance for impairment losses as at that date in accordance with FRS 139 and the difference is recognised as adjustments to the opening balance of retained earnings as at that date.

- **Staff loans**

  During the current and prior years, the Company granted interest bearing loans to its employees. Prior to 1 April 2010, these loans were recorded at cost in the financial statements of the Company. Upon the adoption of FRS 139, the interest bearing loans are recorded initially at their fair values that are lower than cost. The difference between the fair value and the absolute loan amount represents payment for services to be rendered during the period of the loan and is recorded as part of prepaid operating expenses. Subsequent to initial recognition, the loans are measured at amortised cost. As at 1 April 2010, the Company has remeasured such loans at their amortised cost of RM1,502,981. The adjustment to their previous carrying amounts are recognised as adjustments to the opening balance of retained earnings as at 1 April 2010.

The following are effects arising from the above changes in accounting policies:

	Increase/(Decrease) 31.3.2011 RM	Increase/(Decrease) 1.4.2010 RM
Statement of financial position		
Investment in securities (non-current)		
- available-for-sale financial assets	(126,128)	-
Trade and other receivables		
- staff loans	(5,650)	(301,845)
- provision for doubtful debts	(4,540)	124,667
Tax payable	-	12,329
Deferred tax liabilities	-	(57,192)
Retained earnings	(136,318)	(222,041)

2. Summary of significant accounting policies (Contd.)

2.2 Changes in accounting policies (Contd.)

FRS 139 Financial Instruments: Recognition and Measurement (Contd.)

The following are effects arising from the above changes in accounting policies (Contd.):

	Increase/ (decrease) 31.3.2011 RM
Statement of comprehensive income	
Other expense	(136,318)
Profit before tax	(136,318)
Profit, net of tax	(136,318)

Amendments to FRS 117 Leases

Prior to 1 April 2010, for all leases of land and buildings, if title is not expected to pass to the lessee by the end of the lease term, the lessee normally does not receive substantially all of the risks and rewards incidental to ownership. Hence, all leasehold land held for own use was classified by the Company as operating lease and where necessary, the minimum lease payments or the up-front payments made were allocated between the land and the buildings elements in proportion to the relative fair values for leasehold interests in the land element and buildings element of the lease at the inception of the lease. The up-front payment represented prepaid lease payments and were amortised on a straight-line basis over the lease term.

The amendments to FRS 117 Leases clarify that leases of land and buildings are classified as operating or finance leases in the same way as leases of other assets. They also clarify that the present value of the residual value of the property in a lease with a term of several decades would be negligible and accounting for the land element as a finance lease in such circumstances would be consistent with the economic position of the lessee. Hence, the adoption of the amendments to FRS 117 has resulted in all unexpired land leases to be reclassified as finance leases. The Company has applied this change in accounting policy retrospectively and certain comparatives have been restated. The following are effects to the statement of financial position as at 31 March 2011 arising from the above change in accounting policy:

	2011 RM
Increase/(decrease) in:	
Property, plant and equipment	39,516,203
Prepaid land lease payments	(39,516,203)

The following comparatives have been restated:

	As previously stated RM	Adjustments RM	As restated RM
Statement of financial position			
31 March 2010			
Property, plant and equipment	62,661,795	40,103,938	102,765,733
Prepaid land lease payments	40,103,938	(40,103,938)	-
1 April 2009			
Property, plant and equipment	60,798,913	39,510,974	100,309,887
Prepaid land lease payments	39,510,974	(39,510,974)	-

2. Summary of significant accounting policies (Contd.)

2.3 Standards issued but not yet effective

The Company has not adopted the following standards and interpretations that have been issued but not yet effective:

Description	Effective for annual periods beginning on or after
FRS 1 First-time Adoption of Financial Reporting Standards	1 July 2010
FRS 3 Business Combinations (Revised)	1 July 2010
Amendments to FRS 2 Share-based Payment	1 July 2010
Amendments to FRS 5 Non-current Assets Held for Sale and Discontinued Operations	1 July 2010
Amendments to FRS 127 Consolidated and Separate Financial Statements	1 July 2010
Amendments to FRS 138 Intangible Assets	1 July 2010
Amendments to IC Interpretation 9 Reassessment of Embedded Derivatives	1 July 2010
IC Interpretation 12 Service Concession Arrangements	1 July 2010
IC Interpretation 16 Hedges of a Net Investment in a Foreign Operation	1 July 2010
IC Interpretation 17 Distributions of Non-cash Assets to Owners	1 July 2010
Amendments to FRS 132: Classification of Rights Issues	1 March 2010
Amendments to FRS 1: Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters	1 January 2011
Amendments to FRS 1: Additional Exemptions for First-time Adopters	1 January 2011
Amendments to FRS 2: Group Cash-settled Share-based Payment Transactions	1 January 2011
Amendments to FRS 7: Improving Disclosures about Financial Instruments	1 January 2011
IC Interpretation 4 Determining whether an Arrangement contains a Lease	1 January 2011
IC Interpretation 18 Transfers of Assets from Customers	1 January 2011
IC Interpretation 19 Extinguishing Financial Liabilities with Equity Instruments	1 January 2011
Improvements to FRSs (2010) issued in November 2010	1 January 2011
IC Interpretation 14 Prepayments of a Minimum Funding Requirement	1 July 2011
FRS 124 Related Party Disclosures	1 January 2012
IC Interpretation 15 Agreements for the Construction of Real Estate	1 January 2012

Except for the changes in accounting policies arising from the adoption of the new disclosures required under the Amendments to FRS 7, the directors expect that the adoption of the other standards and interpretations above will have no material impact on the financial statements in the period of initial application.

2.4 Foreign currency

(a) Functional and presentation currency

The financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates (“the functional currency”). The financial statements are presented in Ringgit Malaysia (“RM”), which is also the Company’s functional currency.

(b) Foreign currency transactions

Transactions in foreign currencies are measured in the functional currencies of the Company and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary items denominated in foreign currencies that are measured at historical cost are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items denominated in foreign currencies measured at fair value are translated using the exchange rates at the date when the fair value was determined.

2. Summary of significant accounting policies (Contd.)

2.4 Foreign currency (Contd.)

(b) Foreign currency transactions (Contd.)

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting date are recognised in profit or loss.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised directly in equity. Exchange differences arising from such non-monetary items are also recognised directly in equity.

2.5 Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Freehold land is stated at revalued amount, which is the fair value at the date of the revaluation less any accumulated impairment losses. Fair value is determined from market-based evidence by appraisal that is undertaken by professionally qualified valuers. Land and buildings of the Company have not been revalued since they were last revalued in 1984. The directors have not adopted a policy of regular revaluations of such assets. As permitted under the transitional provisions of International Accounting Standards 16 (Revised): Property, Plant and Equipment adopted by the Malaysian Accounting Standards Board ("MASB"), these assets continue to be stated at their 1984 valuation less accumulated depreciation.

Certain leasehold land and buildings were subsequently revalued and stated at their revalued amounts. However, these properties have not been revalued since as the Company availed itself to the transitional provisions of FRS 116 (Revised): Property, plant and equipment, by virtue of which these properties continue to be stated at their revalued amount less accumulated depreciation and impairment.

Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. When significant parts of property, plant and equipment are required to be replaced in intervals, the Company recognises such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Any revaluation surplus is recognised in other comprehensive income and accumulated in equity under the asset revaluation reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss, in which case the increase is recognised in profit or loss. A revaluation deficit is recognised in profit or loss, except to the extent that it offsets an existing surplus on the same asset carried in the asset revaluation reserve.

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. The revaluation surplus included in the asset revaluation reserve in respect of an asset is transferred directly to retained earnings on retirement or disposal of the asset.

2. Summary of significant accounting policies (Contd.)

2.5 Property, plant and equipment (Contd.)

Freehold land has an unlimited useful life and therefore is not depreciated. Leasehold lands are depreciated over the period of their respective lease term. Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

Buildings	9 to 15 years
Motor vehicles	6 years
Plant, machinery and equipment	4 to 15 years
Furniture, fixtures and fittings	10 years

Assets under construction included in property, plant and equipment are not depreciated as these assets are not yet available for use.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in the profit or loss in the year the asset is derecognised.

2.6 Other intangible assets

Intangible assets acquired separately are measured initially at cost. The cost of intangible assets acquired in a business combination is their fair value as at the date of acquisition. Following initial acquisition, intangible assets are measured at cost less any accumulated amortisation and accumulated impairment losses.

Intangible assets with finite useful lives are amortised over the estimated useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in profit or loss.

Intangible assets with indefinite useful lives or not yet available for use are tested for impairment annually, or more frequently if the events and circumstances indicate that the carrying value may be impaired either individually or at the cash-generating unit level. Such intangible assets are not amortised. The useful life of an intangible asset with an indefinite useful life is reviewed annually to determine whether the useful life assessment continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

2.7 Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when an annual impairment assessment for an asset is required, the Company makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units ("CGU")).

2. Summary of significant accounting policies (Contd.)

2.7 Impairment of non-financial assets (Contd.)

In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

Impairment losses are recognised in profit or loss except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase. Impairment loss on goodwill is not reversed in a subsequent period.

2.8 Financial assets

Financial assets are recognised in the statement of financial position when, and only when, the Company become a party to the contractual provisions of the financial instrument.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

The Company determines the classification of their financial assets at initial recognition, and the categories include financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets.

(a) Financial assets at fair value through profit or loss

Financial assets are classified as financial assets at fair value through profit or loss if they are held for trading or are designated as such upon initial recognition. Financial assets held for trading are derivatives (including separated embedded derivatives) or financial assets acquired principally for the purpose of selling in the near term.

Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value are recognised in profit or loss. Net gains or net losses on financial assets at fair value through profit or loss do not include exchange differences, interest and dividend income. Exchange differences, interest and dividend income on financial assets at fair value through profit or loss are recognised separately in profit or loss as part of other losses or other income.

Financial assets at fair value through profit or loss could be presented as current or non-current. Financial assets that is held primarily for trading purposes are presented as current whereas financial assets that is not held primarily for trading purposes are presented as current or non-current based on the settlement date.

2. Summary of significant accounting policies (Contd.)

2.8 Financial assets (Contd.)

(b) Loans and receivables

Financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables.

Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

Loans and receivables are classified as current assets, except for those having maturity dates later than 12 months after the reporting date which are classified as non-current.

(c) Held-to-maturity investments

Financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Company has the positive intention and ability to hold the investment to maturity.

Subsequent to initial recognition, held-to-maturity investments are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the held-to-maturity investments are derecognised or impaired, and through the amortisation process.

Held-to-maturity investments are classified as non-current assets, except for those having maturity within 12 months after the reporting date which are classified as current.

(d) Available-for-sale financial assets

Available-for-sale financial assets are financial assets that are designated as available for sale or are not classified in any of the three preceding categories.

After initial recognition, available-for-sale financial assets are measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except that impairment losses, foreign exchange gains and losses on monetary instruments and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised. Interest income calculated using the effective interest method is recognised in profit or loss. Dividends on an available-for-sale equity instrument are recognised in profit or loss when the Company's right to receive payment is established.

Investments in equity instruments whose fair value cannot be reliably measured are measured at cost less impairment loss.

Available-for-sale financial assets are classified as non-current assets unless they are expected to be realised within 12 months after the reporting date.

A financial asset is derecognised when the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned. All regular way purchases and sales of financial assets are recognised or derecognised on the trade date i.e., the date that the Company commit to purchase or sell the asset.

2. Summary of significant accounting policies (Contd.)

2.9 Impairment of financial assets

The Company assesses at each reporting date whether there is any objective evidence that a financial asset is impaired.

(a) Trade and other receivables and other financial assets carried at amortised cost

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Company consider factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments. For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis based on similar risk characteristics. Objective evidence of impairment for a portfolio of receivables could include the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period and observable changes in national or local economic conditions that correlate with default on receivables.

If any such evidence exists, the amount of impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The impairment loss is recognised in profit or loss.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable becomes uncollectible, it is written off against the allowance account.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

(b) Available-for-sale financial assets

Significant or prolonged decline in fair value below cost, significant financial difficulties of the issuer or obligor, and the disappearance of an active trading market are considerations to determine whether there is objective evidence that investment securities classified as available-for-sale financial assets are impaired.

If an available-for-sale financial asset is impaired, an amount comprising the difference between its cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously recognised in profit or loss, is transferred from equity to profit or loss.

Impairment losses on available-for-sale equity investments are not reversed in profit or loss in the subsequent periods. Increase in fair value, if any, subsequent to impairment loss is recognised in other comprehensive income. For available-for-sale debt investments, impairment losses are subsequently reversed in profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss in profit or loss.

2.10 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value.

2. Summary of significant accounting policies (Contd.)

2.11 Inventories

Inventories are stated at the lower of cost and net realisable value. Costs incurred in bringing the inventories to their present location and condition are accounted for as follows:

- Raw materials: purchase costs on a weighted average method.
- Finished goods and work-in-progress: costs of direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. These costs are assigned on a weighted average method.

Net realisable value is the estimated selling price in the ordinary course of business less estimated costs of completion and the estimated costs necessary to make the sale.

2.12 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.13 Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability.

Financial liabilities, within the scope of FRS 139, are recognised in the statement of financial position when, and only when, the Company become a party to the contractual provisions of the financial instrument. Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

(a) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities held for trading include derivatives entered into by the Company that do not meet the hedge accounting criteria. Derivative liabilities are initially measured at fair value and subsequently stated at fair value, with any resultant gains or losses recognised in profit or loss. Net gains or losses on derivatives include exchange differences.

The Company have not designated any financial liabilities as at fair value through profit or loss.

(b) Other financial liabilities

The Company's other financial liabilities include trade payables, other payables and loans and borrowings.

Trade and other payables are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

2. Summary of significant accounting policies (Contd.)

2.13 Financial liabilities (Contd.)

(b) Other financial liabilities (Contd.)

Loans and borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method. Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

For other financial liabilities, gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

A financial liability is derecognised when the obligation under the liability is extinguished. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

2.14 Employee benefits

(a) Defined contribution plans

The Company participates in the national pension schemes as defined by the laws of the countries in which it has operations. The Company makes contributions to the Employee Provident Fund in Malaysia, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

The Company also has a partly funded defined contribution benefit Post-Employment Scheme for employees and executives who have served the required number of years of service. Contributions are made to approved benefit schemes operated by independent trustees in accordance with a trust deed.

2.15 Leases

(a) As lessee

Finance leases, which transfer to the Company substantially all the risks and rewards incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Any initial direct costs are also added to the amount capitalised. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to profit or loss. Contingent rents, if any, are charged as expenses in the periods in which they are incurred.

Leased assets are depreciated over the estimated useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life and the lease term.

Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

(b) As lessor

Leases where the Company retains substantially all the risks and rewards of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as rental income. The accounting policy for rental income is set out in Note 2.16(c).

2. Summary of significant accounting policies (Contd.)

2.16 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of consideration received or receivable.

(a) Sale of goods

Revenue from sale of goods is recognised upon the transfer of significant risk and rewards of ownership of the goods to the customer. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

(b) Interest income

Interest income is recognised on an accrual basis using the effective interest method.

(c) Rental income

Rental income is accounted for on a straight-line basis over the lease terms. The aggregate costs of incentives provided to lessee are recognised as a reduction of rental income over the lease term on a straight-line basis.

(d) Other income

Other than those mentioned above, all other income are recognised on accrual basis unless collectibility is in doubt.

2.17 Income taxes

(a) Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Current taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

(b) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

2. Summary of significant accounting policies (Contd.)

2.17 Income taxes (Contd.)

(b) Deferred tax (Contd.)

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

2.18 Share capital and share issuance expenses

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Ordinary shares are equity instruments.

Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

2.19 Contingencies

A contingent liability or asset is a possible obligation or asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future event(s) not wholly within the control of the Company.

Contingent liabilities and assets are not recognised in the statement of financial position of the Company.

3. Significant accounting judgements and estimates

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

3.1 Judgements made in applying accounting policies

There were no significant judgements made by management in the process of applying the accounting policies of the Company which may have significant effect on the amounts recognised in the financial statements.

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) Depreciation of plant and machinery

The cost of plant and machinery is depreciated on a straight-line basis over the assets' useful lives. Management estimates the useful lives of these plant and machinery to be within 4 to 15 years. These are based on past life expectancies of the plant and machinery used. Changes in the expected level of usage and technological developments could impact the economical useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

(b) Deferred tax

Deferred tax assets are recognised for all unused tax losses, unabsorbed capital allowances, unused reinvestment allowances and other temporary differences to the extent that it is probable that taxable profit will be available against which the losses, capital allowances, unused reinvestment allowances and other temporary differences can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. Further details of the recognised deferred tax assets are disclosed in Note 22.

(c) Tax provisions

Significant judgement and estimates are used in arriving at taxable profits for the year and for prior years, including assessing the deductibility of expense items for tax purposes. Management are guided by tax laws/cases on such instances. Management believes that all deductions claimed, in arriving at taxable profits for current and prior years, are appropriate and justifiable.

(d) Impairment of loans and receivables

The Company assesses at each reporting date whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the Company considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. The carrying amount of the Company's loans and receivable at the reporting date is disclosed in Note 17.

4. Revenue

	2011 RM	2010 RM
Sale of goods	316,165,220	284,616,880

5. Other income

	2011 RM	2010 RM
Miscellaneous income	419,854	919,902
Rental income	587,089	588,752
Interest income	1,295,364	752,468
Gain on disposal of property, plant and equipment	19,242	121,029
Gain on disposal of other investment	-	17,243
Gain on liquidation of an associate company	-	1,666,627
	2,321,549	4,066,021

6. Employee benefits expenses

	2011 RM	2010 RM
Wages and salaries	27,259,298	25,449,280
Gratuity	53,334	60,000
Pension costs - defined contribution plans	2,456,447	2,283,857
Pension costs - defined contribution plans maintained by the Company (Note 20)	1,196,090	1,272,913
Social security costs	214,118	215,132
Short term accumulating compensated absences	(85,255)	83,289
Other staff related expenses	2,402,605	1,783,159
	33,496,637	31,147,630

Included in employee benefits expense of the Company are executive directors' remuneration amounting to RM2,527,026 (2010: RM2,514,593) as further disclosed in Note 7.

7. Directors' remuneration

The details of remuneration receivable by directors of the Company during the year are as follows:

	2011 RM	2010 RM
Executive:		
Salaries and other emoluments	2,092,920	2,042,464
Fees	131,250	150,000
Bonus	176,880	174,865
Gratuity	52,500	60,000
Defined contribution plan	73,476	87,264
Total executive directors' remuneration (excluding benefits-in-kind) (Note 6)	2,527,026	2,514,593
Estimated money value of benefit-in-kind	324,561	258,525
Total executive directors' remuneration (including benefits-in-kind)	2,851,587	2,773,118
Non-Executive:		
Fees	193,938	210,000
Gratuity	77,575	84,000
Other emoluments	129,951	138,700
Total non-executive directors' remuneration (Note 8)	401,464	432,700
Total directors' remuneration	3,253,051	3,205,818

The number of directors, which include two retired and one resigned directors of the Company whose total remuneration during the year fell within the following bands is analysed below:

	Number of directors 2011	2010
Executive directors:		
RM100,001- RM150,000	1	-
RM150,001 - RM200,000	-	1
RM300,001 - RM350,000	2	3
RM350,000 - RM400,000	1	-
RM400,001 - RM450,000	-	1
RM450,001 - RM500,000	1	-
RM550,001 - RM600,000	-	1
RM600,001 - RM650,000	2	1
Non-executive directors:		
Below RM50,000	3	-
RM50,001 - RM100,000	3	5
RM100,001 - RM150,000	1	1

8. Profit before tax

The following amounts have been included in arriving at profit before tax:

	2011 RM	2010 RM
Employee benefits expenses (Note 6)	33,496,637	31,147,630
Non-executive directors' remuneration excluding benefits-in-kind (Note 7)	401,464	432,700
Auditors' remuneration:		
- Statutory	53,500	48,500
- Other services	5,000	5,000
Depreciation of property, plant and equipment (Note 12)	12,753,094	11,627,019
Inventories written down	452,765	775,467
Impairment loss on financial assets:		
- Trade receivables (Note 17)	21,405	(8,637)
- Available-for-sale investment securities (Note 14)	126,128	63,064
Reversal of impairment of plant and machinery	(3,204)	(3,204)
Reversal of Impairment on club membership	-	(39,500)
Foreign exchange (gain)/loss:		
- Realised	1,199,480	707,746
- Unrealised	(96,892)	518,886
Property, plant and equipment written off	79,260	39,255

9. Income tax expense

	2011 RM	2010 RM
Current income tax:		
Malaysian income tax	8,233,000	6,004,000
Foreign withholding taxes	-	20,034
	8,233,000	6,024,034
(Over)/under provision in prior years:		
Malaysian income tax	(1,215,831)	461,241
	7,017,169	6,485,275
Deferred tax (Note 22):		
Relating to origination and reversal to temporary differences	(389,712)	333,403
(Over)/under provision in prior years	(555,479)	118,309
	(945,191)	451,712
Total income tax expense	6,071,978	6,936,987

Domestic current income tax is calculated at the statutory tax rate of 25% (2010: 25%) of the estimated assessable profit for the year.

9. Income tax expense (Contd.)

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

	2011 RM	2010 RM
Profit before tax	31,942,222	30,876,078
Taxation at Malaysian statutory tax rate of 25%	7,985,556	7,719,020
Income not subject to tax	-	(420,968)
Expenses not deductible for tax purposes	586,563	443,390
Utilisation of current year's reinvestment allowances	(728,831)	(1,404,039)
(Over)/under provision of deferred tax in prior years	(555,479)	118,309
(Over)/under provision of income tax expense in prior years	(1,215,831)	461,241
Foreign withholding taxes	-	20,034
Income tax expense	6,071,978	6,936,987

10. Earnings per share

Basic earnings per share is calculated by dividing profit for the year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares in issue during the financial year held by the Company.

	2011 sen	2010 sen
Basic earnings per share	42.6	39.4

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of completion of these financial statements.

There are no instruments in issuance which have a dilutive effect to the earnings per share of the Company.

11. Dividends

	Amount		Net dividend per share	
	2011 RM	2010 RM	2011 Sen	2010 Sen
Recognised during the year:				
First and final dividend of 9% less 25% taxation and 9% tax exempt	9,575,771	-	15.75	-
First and final dividend of 8% less 25% taxation and 9% tax exempt	-	9,119,780	-	15.00

11. Dividends (Contd.)

At the forthcoming Annual General Meeting, a first and final dividend in respect of the financial year ended 31 March 2011, of 9% less 25% taxation and 9% tax exempt, as well as a special dividend of 2% less 25% taxation on 60,798,534 ordinary shares, amounting to a dividend payable of RM10,487,747 (17.25 sen net per share) will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividends. Such dividends, if approved by the shareholders, will be accounted for in shareholders' equity as an appropriation of retained earnings in the financial year ending 31 March 2012.

12. Property, plant and equipment

	Land and buildings* RM	Motor vehicles RM	Plant, machinery and equipment RM	Furniture, fixtures and fittings RM	Capital work in progress RM	Total RM
At 31 March 2011						
Cost or valuation:						
At 1 April 2010	83,167,173	6,852,141	138,047,762	3,436,235	501,456	232,004,767
Additions	2,485,542	1,396,388	7,823,402	1,370,479	1,603,728	14,679,539
Disposals	-	(753,816)	(899,040)	-	-	(1,652,856)
Written off	(4,500)	-	(2,899,991)	(260,042)	-	(3,164,533)
Transfer from/(to)	501,456	-	-	-	(501,456)	-
At 31 March 2011	86,149,671	7,494,713	142,072,133	4,546,672	1,603,728	241,866,917
Accumulated depreciation and impairment losses						
At 1 April 2010						
Accumulated depreciation	28,794,762	2,982,460	95,696,445	1,758,959	-	129,232,626
Impairment losses	-	-	6,408	-	-	6,408
	28,794,762	2,982,460	95,702,853	1,758,959	-	129,239,034
Depreciation charge for the year (Note 7)	3,113,023	674,804	8,600,909	364,358	-	12,753,094
Disposals	-	(496,360)	(898,433)	-	-	(1,394,793)
Written off	(2,000)	-	(2,848,653)	(234,620)	-	(3,085,273)
Impairment losses	-	-	(3,204)	-	-	(3,204)
At 31 March 2011	31,905,785	3,160,904	100,553,472	1,888,697	-	137,508,858
Analysed as:						
Accumulated depreciation	31,905,785	3,160,904	100,550,268	1,888,697	-	137,505,654
Impairment losses	-	-	3,204	-	-	3,204
	31,905,785	3,160,904	100,553,472	1,888,697	-	137,508,858
Net carrying amount	54,243,886	4,333,809	41,518,661	2,657,975	1,603,728	104,358,059

12. Property, plant and equipment (Contd.)

	Land and buildings* RM	Motor vehicles RM	Plant, machinery and equipment RM	Furniture, fixtures and fittings RM	Capital work in progress RM	Total RM
At 31 March 2010 - Restated						
Cost or valuation:						
At 1 April 2009	38,506,840	6,366,255	124,729,663	2,825,448	10,263,374	182,691,580
Effects of adopting the amendments to FRS 117	40,207,748	-	-	-	-	40,207,748
At 1 April 2009 (restated)	78,714,588	6,366,255	124,729,663	2,825,448	10,263,374	222,899,328
Additions	3,020,383	1,191,330	8,950,317	578,658	501,456	14,242,144
Disposals	-	(705,444)	(362,236)	-	-	(1,067,680)
Written off	-	-	(4,044,098)	(24,927)	-	(4,069,025)
Transfer from/(to)	1,432,202	-	8,774,116	57,056	(10,263,374)	-
At 31 March 2010	83,167,173	6,852,141	138,047,762	3,436,235	501,456	232,004,767
Accumulated depreciation and impairment losses						
At 1 April 2009						
Accumulated depreciation	25,312,184	2,946,028	92,084,589	1,540,254	-	121,883,055
Impairment losses	-	-	9,612	-	-	9,612
	25,312,184	2,946,028	92,094,201	1,540,254	-	121,892,667
Effects of adopting the amendments to FRS 117	696,774	-	-	-	-	696,774
At 1 April 2009 (restated)	26,008,958	2,946,028	92,094,201	1,540,254	-	122,589,441
Depreciation charge for the year (Note 7)	2,785,804	627,132	7,974,083	240,000	-	11,627,019
Disposals	-	(590,700)	(356,956)	-	-	(947,656)
Written off	-	-	(4,008,475)	(21,295)	-	(4,029,770)
At 31 March 2010	28,794,762	2,982,460	95,702,853	1,758,959	-	129,239,034
Analysed as:						
Accumulated depreciation	28,794,762	2,982,460	95,696,445	1,758,959	-	129,232,626
Impairment losses	-	-	6,408	-	-	6,408
	28,794,762	2,982,460	95,702,853	1,758,959	-	129,239,034
Net carrying amount						
At 31 March 2010	54,372,411	3,869,681	42,344,909	1,677,276	501,456	102,765,733
At 1 April 2009	52,705,630	3,420,227	32,635,462	1,285,194	10,263,374	100,309,887

12. Property, plant and equipment (Contd.)

Except for freehold land and buildings which are stated at valuation as disclosed in Note 12(b), all other property, plant and equipment are stated at cost less accumulated depreciation. Analysis of assets held at valuation are as follows:

*** Land and buildings**

	Freehold land RM	Long term leasehold land RM	Buildings RM	Total RM
Cost or valuation:				
At 1 April 2009	71,525	-	38,435,315	38,506,840
Effects of adopting the amendments to FRS117	-	40,207,748	-	40,207,748
At 1 April 2009 (restated)	71,525	40,207,748	38,435,315	78,714,588
Additions	-	1,178,714	1,841,669	3,020,383
Transfer from capital work in progress	-	-	1,432,202	1,432,202
At 31 March 2010	71,525	41,386,462	41,709,186	83,167,173
At 1 April 2010	71,525	41,386,462	41,709,186	83,167,173
Additions	-	-	2,485,542	2,485,542
Transfer from capital work in progress	-	-	501,456	501,456
Written off	-	-	(4,500)	(4,500)
At 31 March 2011	71,525	41,386,462	44,691,684	86,149,671
Accumulated depreciation				
At 1 April 2009	-	-	25,312,184	25,312,184
Effects of adopting the amendments to FRS117	-	696,774	-	696,774
At 1 April 2009 (restated)	-	696,774	25,312,184	26,008,958
Charge for the year	-	585,750	2,200,054	2,785,804
At 31 March 2010	-	1,282,524	27,512,238	28,794,762
At 1 April 2010	-	1,282,524	27,512,238	28,794,762
Charge for the year	-	587,735	2,525,288	3,113,023
Written off	-	-	(2,000)	(2,000)
At 31 March 2011	-	1,870,259	30,035,526	31,905,785
Net carrying amount				
At 31 March 2011	71,525	39,516,203	14,656,158	54,243,886
At 31 March 2010	71,525	40,103,938	14,196,948	54,372,411
At 1 April 2009	71,525	39,510,974	13,123,131	52,705,630

12. Property, plant and equipment (Contd.)

*** Land and buildings (contd.)**

(a) Included in the above are the following property, plant and equipment which have been fully depreciated but are still in use:

	2011 RM	2010 RM
At cost:		
Buildings	19,895,234	17,797,472
Motor vehicles	238,945	398,411
Plant, machinery and equipment	63,154,203	64,143,407
Furniture, fixtures and fittings	949,300	1,113,793
	84,237,682	83,453,083

(b) The freehold and leasehold land and buildings were last revalued in 1984 by an independent professional valuer, as approved by the relevant authorities and based on open market value on the existing use basis. The surplus arising from the revaluation has been transferred to the capital reserves account in 1985.

These land and buildings have continued to be stated on the basis of their 1984 valuation as allowed by the transitional provisions issued by the Malaysian Accounting Standards Board upon adoption of International Accounting Standard 16 (Revised), Property, Plant and Equipment.

The directors were unable to disclose the net carrying amount of the revalued land and buildings had it been carried at historical cost less accumulated depreciation due to lack of historical records.

13. Prepaid land lease payments

	2011 RM	2010 RM (restated)	1.4.2009 RM (restated)
At 1 April	-	-	39,510,974
Effects of adopting the amendments to FRS 117	-	-	(39,510,974)
At 31 March	-	-	-

14. Investment securities

	2011 RM	2010 RM
Non-current		
Available-for-sale financial assets:		
Quoted shares in a Malaysian corporation, at cost	1,086,563	1,086,563
Less: Impairment loss	(413,878)	(287,750)
	672,685	798,813
Market value of quoted shares in Malaysia	672,685	798,813

During the financial year, the Company recognised the following impairment losses of RM126,128 (2010: RM63,064) classified as available-for-sale financial assets respectively as there were "significant" or "prolonged" decline in the fair value of these investments below their costs.

15. Other investments

	2011 RM	2010 RM
Transferable club memberships	344,000	344,000
Less: Impairment loss	(63,000)	(63,000)
	281,000	281,000

16. Inventories

	2011 RM	2010 RM
Cost		
Raw materials	34,445,868	23,613,771
Consumables	4,536,693	4,412,088
Work-in-progress	2,374,316	2,742,580
Finished goods	21,445,751	21,486,834
	62,802,628	52,255,273

The cost of inventories recognised as an expense during the financial year amounted to RM225,175,325 (2010: RM204,235,208).

17. Trade and other receivables

	2011 RM	2010 RM
Current		
Trade receivables		
Third parties	21,483,195	16,980,476
Amounts due from related companies	8,869,491	7,154,560
	30,352,686	24,135,036
Less: Allowance for impairment - Third parties	(106,644)	(226,771)
Trade receivables, net	30,246,042	23,908,265
Other receivables		
Deposits	429,777	373,477
Prepayments	949,633	832,052
Staff loans	503,324	708,984
Sundry receivables	282,157	245,852
	2,164,891	2,160,365
	32,410,933	26,068,630

17. Trade and other receivables (Contd.)

	2011 RM	2010 RM
Non-current		
Other receivables		
Staff loans	882,572	1,100,842
Less: Allowance for impairment	(39,011)	(39,011)
	843,561	1,061,831
Total trade and other receivables (current and non-current)	33,254,494	27,130,461

(a) Trade receivables

Trade receivables are non-interest bearing and are generally on 14 to 90 days (2010: 14 to 90 days) terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Ageing analysis of trade receivables

The ageing analysis of the Company's trade receivables is as follows:

	2011 RM	2010 RM
Neither past due nor impaired	20,855,899	16,088,578
1 to 30 days past due not impaired	7,149,859	4,774,472
31 to 60 days past due not impaired	1,468,299	1,474,836
61 to 90 days past due not impaired	419,180	312,313
91 to 120 days past due not impaired	82,108	542,292
More than 121 days past due not impaired	121,706	715,774
	9,241,152	7,819,687
Impaired	255,635	226,771
	30,352,686	24,135,036

Receivables that are neither past due nor impaired

Trade and other receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Company.

Receivables that are past due but not impaired

The Company has trade receivables amounting to RM9,241,152 (2010: RM7,819,687) that are past due at the reporting date but not impaired.

At the reporting date, trade receivables arising from export sales amounting to RM1,333,311 (2010: RM461,582) have been arranged to be settled via letters of credit issued by reputable banks in countries where the customers are based. Trade receivables that are secured by bank guarantee amounted to RM632,420 (2010: RM786,070) at the reporting date. The remaining balance of receivables that are past due but not impaired are unsecured in nature.

17. Trade and other receivables (Contd.)

(a) Trade receivables (Contd.)

Receivables that are impaired

The Company's trade receivables that are impaired at the reporting date and the movement of the allowance accounts used to record the impairment are as follows:

	Individually impaired	
	2011	**2010**
	RM	**RM**
Trade receivables - nominal amounts	255,635	226,771
Less: Allowance for impairment	(106,644)	(226,771)
	148,991	-

Movement in allowance accounts:

	2011	**2010**
	RM	**RM**
At 1 April	226,771	252,058
Effect of adopting FRS 139	(124,667)	-
Charge for the year (Note 7)	21,405	16,865
Written off	(16,865)	(16,650)
Reversal of impairment losses	-	(25,502)
At 31 March	106,644	226,771

Trade receivables that are individually determined to be impaired at the reporting date relate to debtors that are in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

(b) Related party balances and staff loans

- Amounts due from related companies are unsecured, non-interest bearing and are repayable upon demand.

Staff loans are unsecured, bear interest at 2.5% p.a. (2010: 2.5% p.a.) or non-interest bearing. Non-current amounts have an average maturity of 2.75 years (2010: 2.91 years). The loans are recognised initially at fair value. The difference between the fair value and the nominal loan amount represents payment for services to be rendered during the period of the loan and is recorded as part of operating expenses.

Other receivables that are impaired

At the reporting date, the Company has provided an allowance of RM39,011 (2010: RM39,011) for impairment of the unsecured staff loan with a nominal amount of RM39,011 (2010: RM39,011).

18. Derivatives

The table below shows the fair values of derivative financial instruments, recorded as assets or liabilities, together with their notional amounts. The notional amount, recorded gross, is the amounts of a derivative's underlying assets, reference rate or index and is the basis upon which changes in the values of derivatives are measured. The notional amounts indicated the volume of transactions outstanding at the reporting date and are indicative of neither the market risk nor the credit risk.

	Assets RM	Liabilities RM	Notional Amount RM
Derivative held-for-trading :			
- Forward foreign exchange contracts	36,263	2,397	6,585,039

The Company uses forward currency contracts to manage some of the transaction exposure. These contracts are not designated as cash flow or fair value hedges and are entered into for periods consistent with currency transaction exposure and fair value changes exposure. Such derivatives do not qualify for hedge accounting.

Forward currency contracts are used to hedge the Company's sales denominated in USD for which firm commitments existed at the reporting date, extending to June 2011.

During the financial year, the Company recognised a gain of RM33,866 (2010: RM Nil) arising from fair value changes of derivative liabilities. The fair value changes are attributable to changes in foreign exchange spot and forward rate.

Forward currency contracts are valued using a valuation technique with market observable inputs. The most frequently applied valuation techniques include forward pricing models, using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates and interest rate curves.

19. Cash and cash equivalents

	2011 RM	2010 RM
Cash at banks and on hand	13,051,640	7,280,894
Deposits with licensed banks	55,715,511	49,074,073
Cash and bank balances	68,767,151	56,354,967

The interest rates relating to deposits with licensed banks at the reporting date vary from 2.15% to 2.90% (2010: 1.50% to 1.90%) per annum.

The maturities of the deposits with licensed banks as at the the reporting date vary from 11 days to 90 days (2010: 1 days to 64 days).

20. Employee benefits

Retirement benefit obligations

The Company operates a partly funded, Post-Employment Benefit Scheme ("the Scheme") for its eligible employees. Under the Scheme, eligible employees are entitled to post-employment benefits varying at 6% and 10% (2010: 6% and 10%) on aggregate basic salaries of eligible staff and the number of completed years of service. Interest is accrued at 6% (2010: 6%) per annum on these benefits.

	2011 RM	2010 RM
At 1 April	5,761,734	5,372,829
Recognised in statement of comprehensive income (Note 6)	1,196,090	1,272,913
Less: Contributions paid	(855,922)	(884,008)
At 31 March	6,101,902	5,761,734
The amounts recognised in the statement of financial position are determined as follows:		
Present value of defined contribution obligation recognised as liabilities in the statement of financial position	6,101,902	5,761,734
Analysed as:		
Current	345,271	466,710
Non-current	5,756,631	5,295,024
	6,101,902	5,761,734
The amounts recognised in the statement of comprehensive income are as follows:		
Current service cost	763,296	958,495
Interest cost	432,794	314,418
	1,196,090	1,272,913

The above amounts recognised in the statement of comprehensive income have been included in employee benefits expense, as disclosed in Note 6.

21. Trade and other payables

	2011 RM	2010 RM
Trade payables		
Third parties	17,334,560	8,355,069
Amounts due to related companies	2,998,128	531,422
	20,332,688	8,886,491

21. Trade and other payables (Contd.)

	2011 RM	2010 RM
Other payables		
Accrued operating expenses	3,826,515	5,155,463
Sundry payables	12,286,372	8,913,383
Amounts due to related companies	1,793,104	1,662,660
	17,905,991	15,731,506
	38,238,679	24,617,997

(a) Trade payables

These amounts are non-interest bearing. The normal trade credit terms granted to the Company ranges from 30 to 60 days (2010: 30 to 60 days) terms.

(b) Other payables

These amounts are non-interest bearing. Other payables are normally settled on an average term of three months (2010: average term of 3 months).

(c) Amounts due to related companies

These amounts are unsecured, non-interest bearing and have credit terms of 30 days (2010: 30 days).

22. Deferred taxation

	2011 RM	2010 RM
At 1 April	4,939,037	4,487,325
Effects of adopting FRS 139	57,193	-
Recognised in statement of comprehensive income (Note 9)	(945,191)	451,712
At 31 March	4,051,039	4,939,037
Presented after appropriate offsetting as follows:		
Deferred tax assets	(1,613,955)	(1,696,158)
Deferred tax liabilities	5,664,994	6,635,195
	4,051,039	4,939,037

22. Deferred taxation (Contd.)

Deferred tax assets of the Company:

	Post-employment benefit obligations RM	Provision for liabilities RM	Provision for doubtful debts RM	Total RM
At 1 April 2010	1,440,433	198,532	57,193	1,696,158
Effects of adopting FRS 139	-	-	(57,193)	(57,193)
Recognised in the statement of comprehensive income	85,042	(110,052)	-	(25,010)
At 31 March 2011	1,525,475	88,480	-	1,613,955
At 1 April 2009	1,341,089	69,611	63,355	1,474,055
Recognised in the income of comprehensive income	99,344	128,921	(6,162)	222,103
At 31 March 2010	1,440,433	198,532	57,193	1,696,158

Deferred tax liabilities of the Company:

	Revaluation reserves RM	Accelerated capital allowances RM	Total RM
At 1 April 2010	2,288,580	4,346,615	6,635,195
Recognised in the statement of comprehensive income	(42,316)	(927,885)	(970,201)
At 31 March 2011	2,246,264	3,418,730	5,664,994
At 1 April 2009	2,330,896	3,630,484	5,961,380
Recognised in the statement of comprehensive income	(42,316)	716,131	673,815
At 31 March 2010	2,288,580	4,346,615	6,635,195

23. Share capital and share premium

	Number of ordinary shares of RM1 each		Amount	
	2011	2010	2011 RM	2010 RM
Authorised:				
At 1 April/31 March	80,000,000	80,000,000	80,000,000	80,000,000
Issued and fully paid:				
At 1 April/31 March	60,798,534	60,798,534	60,798,534	60,798,534

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

The share premium account is not available for distribution but may be applied for bonus issue of shares.

24. Retained earnings

As at 31 March 2011, the Company has tax exempt profits available for distribution of approximately RM70,182,000 (2010: RM72,738,894), subject to the agreement of the Inland Revenue Board.

The Company has sufficient tax credit under Section 108 of the Income Tax Act, 1967 and the balance in the tax exempt income account to frank the payment of dividends amounting to RM122,950,966 (2010: RM125,159,507) out of its retained profits as at 31 March 2011. If the balance of the retained earnings of RM25,602,405 (2010: RM7,199,561) were to be distributed as dividends, the Company may distribute such dividends under the single tier system.

25. Other reserves

	Asset valuation reserve RM
At 1 April 2009	6,776,877
Other comprehensive income:	
Revaluation of land and buildings	(121,871)
At 31 March 2010	6,655,006
At 1 April 2010	6,655,006
Other comprehensive income:	
Revaluation of land and buildings	(121,871)
At 31 March 2011	6,533,135

The asset revaluation reserves is used to record increases in the fair value of the leasehold land and building; and decreases to the extent that such decrease relates to an increase on the same asset previously recognised in equity.

26. Commitments

	2011 RM	**2010 RM**
(a) Capital commitments		
Capital expenditure		
Approved but not contracted for:		
Property, plant and equipment	27,761,000	22,466,000

26. Commitments (Contd.)

(b) Operating lease commitments – as lessor

The Company has entered into commercial lease on its long-term leasehold land. This non-cancellable lease has remaining lease term of approximately three years.

Future minimum rentals receivable under non-cancellable operating lease at the reporting date are as follows:

	2011 RM	2010 RM
Not later than 1 year	586,489	390,992
Later than 1 year but not later than 5 years	977,481	-
	1,563,970	390,992

27. Related party disclosures

(a) In addition to the transactions detailed elsewhere in the financial statements, the Company had the following transactions with related parties during the financial year:

	2011 RM	2010 RM
Transactions with related companies:		
Commission income	322,954	673,285
Royalties payable	(7,368,487)	(6,588,518)
Sales	58,082,082	48,442,108
Purchases	(116,298,537)	(106,289,816)
Purchases of assets	(2,247,681)	(2,270,363)
Promotional expenses	(499,540)	(365,368)
Other expenses	(618,359)	(347,476)

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

(b) Compensation of key management personnel

The directors of the Company are the key management personnel during the year whose remuneration is disclosed in Note 7.

28. Fair value of financial instruments

Determination of fair value

Financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

The following are classes of financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value:

	Note
Trade and other receivables (current)	17
Trade and other payables (current)	21

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values due to their short-term nature.

Amounts due from/(to) related companies and staff loans

The fair values of these financial instruments are estimated by discounting expected future cash flows at market incremental lending rate for similar types of lending and borrowing at the reporting date.

Quoted equity instruments

Fair value is determined directly by reference to their published market bid price at the reporting date.

Derivatives

Forward currency contracts are valued using a valuation technique with market observable inputs. The most frequently applied valuation techniques include forward pricing using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates.

29. Financial risk management objectives and policies

The Company are exposed to financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk, foreign currency risk and market price risk.

The Board of Directors reviews and agrees policies and procedures for the management of these risks, which are executed by the director in charge of finance, Finance Manager and the Finance Department. The management committee provides an oversight to the effectiveness of the risk management process.

It is, and has been throughout the current and previous financial year, the Company's policy that no derivatives shall be undertaken except for the use as hedging instruments where appropriate and cost-efficient. The Company does not apply hedge accounting.

The following sections provide details regarding the Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

(a) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Company's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including investment securities, cash and bank balances and derivatives), the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

29. Financial risk management objectives and policies (Contd.)

(a) Credit risk (Contd.)

The Company's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Company trades only with recognised and creditworthy third parties. It is the Company's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Company's exposure to bad debts is not significant. For transactions that do not occur in the country of the relevant operating unit, the Company does not offer credit terms without the appropriate approval.

Exposure to credit risk

At the reporting date, the Company's maximum exposure to credit risk is represented by:

- The carrying amount of each class of financial assets recognised in the statement of financial position, including derivatives with positive fair values.

Information regarding credit enhancements for trade and other receivables is disclosed in Note 17.

Credit risk concentration profile

The Company determines concentrations of credit risk by monitoring the country profile of its trade receivables on an ongoing basis. The credit risk concentration profile of the Company's trade receivables at the reporting date are as follows:

	2011		2010	
	RM'000	% of total	RM'000	% of total
By country:				
Malaysia	19,327	64%	12,396	52%
Middle East	2,286	8%	893	4%
Thailand	1,535	5%	917	4%
Indonesia	1,361	4%	3,763	16%
Singapore	1,109	4%	1,197	5%
Sri Lanka	895	3%	347	1%
Philippines	862	3%	1,109	5%
Japan	603	2%	678	3%
Hong Kong	590	2%	98	0%
Brunei	517	2%	725	3%
Other countries	1,161	4%	1,785	7%
	30,246	100%	23,908	100%

At the reporting date, approximately:

- 25% (2010: 22%) of the Company's trade receivables were due from 5 major customers who are multi-industry conglomerates located in Malaysia,

- 17% (2010: 30%) of the Company's trade and other receivables were due from related parties.

29. Financial risk management objectives and policies (Contd.)

(a) Credit risk (Contd.)

Financial assets that are neither past due nor impaired

Information regarding trade and other receivables that are neither past due nor impaired is disclosed in Note 17. Deposits with banks and other financial institutions, investment securities and derivatives that are neither past due nor impaired are placed with or entered into with reputable financial institutions or companies with high credit ratings and no history of default.

Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in Note 17.

(b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

The maturity profile of the Company's liabilities at the reporting date based on contractual undiscounted repayment obligations is disclosed in Note 21.

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Company's financial instruments will fluctuate because of changes in market interest rates.

The Company's exposure to interest rate risk arises primarily from their deposits placed with licensed financial institutions. All of the Company's financial assets are contractually re-priced at intervals of less than 6 months (2010: less than 6 months) from the reporting date.

Sensitivity analysis for interest rate risk

At the reporting date, if interest rates had been 10 basis points lower/higher, with all other variables held constant, the Company's profit net of tax would have been RM55,716 higher/lower, arising mainly as a result of higher/lower interest income from deposits with licensed financial institutions. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

(d) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Company has transactional currency exposures arising from sales or purchases that are denominated in a currency other than the functional currency of the Company, Ringgit Malaysia ("RM"). The foreign currencies in which these transactions are denominated are mainly US Dollars ("USD").

Approximately 32% (2010: 33%) of the Company's sales are denominated in foreign currencies whilst almost 44% (2010: 44%) of costs are denominated in foreign currencies. The Company's trade receivables and trade payables balances at the reporting date have similar exposures.

29. Financial risk management objectives and policies (Contd.)

(d) Foreign currency risk (Contd.)

The Company also hold cash and cash equivalents denominated in foreign currencies for working capital purposes. At the reporting date, such foreign currency balances in USD amount to RM5,696,000 (2010: RM766,000).

The Company use forward currency contracts to eliminate the currency exposures for which settlement is anticipated more than one month after the Company has entered into a firm commitment for a sale or purchase. The forward currency contracts must be in the same currency as the hedged item. It is the Company's policy not to enter into forward contracts until a firm commitment is in place.

At 31 March 2011, the Company hedged 12% (2010: 0%) of its foreign currency denominated sales, for which firm commitments existed at the reporting date, extending to June 2011.

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Company's profit net of tax to a reasonably possible change in the USD, JPY, EUR and SGD exchange rates against the respective foreign currencies, with all other variables held constant.

		2011 RM'000 Profit net tax
USD/RM	- strengthened 3% (2010: 3%)	(494)
	- weakened 3% (2010: 3%)	494
JPY/RM	- strengthened 3% (2010: 3%)	(101)
	- weakened 3% (2010: 3%)	101
SGD/RM	- strengthened 3% (2010: 3%)	77
	- weakened 3% (2010: 3%)	(77)
EUR/RM	- strengthened 3% (2010: 3%)	(19)
	- weakened 3% (2010: 3%)	19

(e) Market price risk

Market price risk is the risk that the fair value or future cash flows of the Company's financial instruments will fluctuate because of changes in market prices (other than interest or exchange rates).

The Company is exposed to equity price risk arising from its investment in quoted equity instruments. The quoted equity instruments in Malaysia are listed on the Bursa Malaysia. These instruments are classified as available-for-sale financial assets.

Sensitivity analysis for equity price risk

At the reporting date, if the market price of the equity instruments had been 5% higher/lower, with all other variables held constant, the Company's other reserve in equity would have been RM34,000 higher/lower, arising as a result of an increase/decrease in the fair value of equity instruments classified as available-for-sale.

30. Capital management

The primary objective of the Company's capital management is to ensure that it maintains a sustainable capital position in order to support its business and operations.

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years ended 31 March 2011 and 31 March 2010.

31. Segmental information

(a) Business segment:

The Company is primarily engaged in two major areas of activity, Umami segment and Food and seasoning segment. Umami segment comprises of products that are derived from the fermentation process such as Monosodium Glutamate (MSG) and related products. The food and seasoning segment consists of products derived from the extraction and mixing process such as Industrial Seasonings, Tumix and related seasonings. Other products sold by the Company comprises of trading goods such as industrial sweetener, feed-use amino acids and frozen food.

	Umami segment RM	Food and seasoning segment RM	Others RM	Total RM
Revenus from external customers	221,417,073	94,265,554	482,593	316,165,220
Segment profit/(loss)	30,048,294	938,577	(340,013)	30,646,858
Interest income				1,295,364
Profit before tax				31,942,222
Income tax expense				(6,071,978)
Profit, net of tax				25,870,244
Assets	218,792,325	40,998,793	10,381,162	270,172,280
Liabilities	35,306,556	11,306,162	3,370,822	49,983,540

31. Segmental information (Contd.)

(b) Geographical segment:

Segmental reporting by geographical regions has only been prepared for revenue as the Company's assets are located in Malaysia. Sales to external customers disclosed in geographical segments are based on the geographical location of its customers.

	Malaysia RM	Middle East RM	Other Asian Countries RM	Others RM	Total RM
Revenue					
2011	215,501,305	28,632,454	68,961,203	3,070,258	316,165,220
2010	191,416,004	25,671,258	64,470,634	3,058,984	284,616,880

32. Authorisation of financial statements for issue

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 28 June 2011.

33. Supplementary information

The breakdown of the retained earnings of the Company as at 31 March 2011 into realised and unrealised profits is presented in accordance with the directive issued by Bursa Malaysia Securities Berhad dated 25 March 2010 and prepared in accordance with Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

	2011 RM
Total retained earnings of the Company	
- realised	152,737,631
- unrealised	(4,184,260)
Retained earnings as per financial statements	148,553,371

The determination of realised and unrealised profits above is solely for complying with the disclosure requirements as stipulated in the directive of Bursa Malaysia Securities Berhad and should not be applied for any other purposes.

List of Properties

As at 31 March 2011

Properties	Existing Use/ Description of Building/ Land	Land Area	Tenure	Date of Acquisition/ Revaluation	Age of Building	Net Book Value RM
Land and building 8 & 8A, Lorong 1, Jalan Shahbandar, Bandar Penggaram, Batu Pahat	1 unit double storey shophouse	1,680 sq. ft.	Freehold	1984 (Revaluation)	35 years	71,525
Land and buildings Lot 5710, Jalan Kuchai Lama, Petaling, Kuala Lumpur	Office, warehouse and factory complex	536,376 sq. ft	Leasehold expiring on 2.4.2062	1984 (Revaluation)	46 years	20,773,241
Land and buildings Lot 5710, Jalan Kuchai Lama, Petaling, Kuala Lumpur	Office, warehouse and factory complex	174,240 sq. ft.	Leasehold expiring on 5.7.2067	1984 (Revaluation)	41 years	8,475,121
Land and buildings Lot 5710, Jalan Kuchai Lama, Petaling, Kuala Lumpur	Mining pool	304,920 sq. ft.	Leasehold expiring on 2062	1984 (Revaluation)	46 years	1,912,456
Land and buildings Lot 5710, Jalan Kuchai Lama, Petaling, Kuala Lumpur	Factory complex	85,568 sq. ft.	Leasehold expiring on 15.3.2073	1992	19 years	2,105,207
Land and buildings Lot 5710, Jalan Kuchai Lama, Petaling, Kuala Lumpur	Office, warehouse and factory complex	36,329 sq. ft.	Leasehold expiring on 6.3.2064	1992	19 years	196,145
Land and buildings Lot 47088, Jalan Kuchai Lama, Petaling, Kuala Lumpur	Industrial land and store	5,904 sq. mtr	Leasehold expiring on 20.1.2074	2003	6 years	2,874,838
Land and buildings PT 8429, Jalan Kuchai Lama, Petaling, Kuala Lumpur	Office, warehouse and factory complex	39,327 sq. mtr.	Leasehold expiring on 26.05.2108	2008	26-44 years	19,301,482

Notice Of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Fiftieth ("50th") Annual General Meeting ("AGM") of the Company will be held at Bukit Jalil Golf & Country Resort, Jalan 3/155B, Bukit Jalil, 57000 Kuala Lumpur on Monday, 19 September 2011 at 11:00 a.m. for the following purposes :-

AGENDA

1. To receive the Audited Financial Statements for the financial year ended 31 March 2011 together with the Reports of the Directors and the Auditors thereon. (Please refer to Note 6)

2. To declare a first and final dividend of 9 sen less 25% tax per ordinary share of RM1.00 each and 9 sen tax exempt per ordinary share of RM1.00 each as well as a special dividend of 2 sen less 25% tax per ordinary share of RM1.00 each for the financial year ended 31 March 2011. (Resolution 1)

3. To approve the payment of Directors' fees for the financial year ended 31 March 2011. (Resolution 2)

4. To re-elect the following Directors who are retiring in accordance with Article 114 of the Company's Articles of Association and being eligible, have offered themselves for re-election:-

   (a) En. Adinan Bin Husin; and (Resolution 3)
   (b) Tn. Hj. Mazlan Bin Ab Rahman. (Resolution 4)

5. To re-elect the following Directors who are retiring in accordance with Article 120 of the Company's Articles of Association and being eligible, have offered themselves for re-election:-

   (a) Mr. Dominic Aw Kian Wee; (Resolution 5)
   (b) Dato' Ramli Bin Mahmud; (Resolution 6)
   (c) Mr. Ryuji Ito; and (Resolution 7)
   (d) Mr. Katsuhide Shirai. (Resolution 8)

6. To pass the following resolution pursuant to Section 129(6) of the Companies Act, 1965 :- (Resolution 9)

   "That General Tan Sri (Dr) Dato' Paduka Mohamed Hashim Bin Mohd. Ali (RTD) who is retiring pursuant to Section 129(6) of the Companies Act, 1965, be and is hereby re-appointed as Director of the Company and to hold office until the conclusion of the next AGM."

7. To re-appoint Messrs. Hanafiah Raslan & Mohamad as Auditors of the Company until the conclusion of the next AGM and to authorise the Directors to fix their remuneration. (Resolution 10)

   As Special Business

   To consider and if thought fit, with or without any modification, to pass the following Ordinary Resolutions : -

8. **ORDINARY RESOLUTION NO. 1:** (Resolution 11)
   - AUTHORITY TO ISSUE SHARES PURSUANT TO SECTION 132D OF THE COMPANIES ACT, 1965

   "That subject to Section 132D of the Companies Act, 1965 and approvals of the relevant governmental/ regulatory authorities, the Directors be and are hereby empowered to issue and allot shares in the Company, at any time to such persons and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares to be issued does not exceed ten per centum (10%) of the issued and paid-up share capital of the Company for the time being and the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad; AND THAT such authority shall commence immediately upon the passing of this Resolution and continue to be in force until conclusion of the next AGM of the Company."

9. **ORDINARY RESOLUTION NO. 2:** (Resolution 12)
   - PROPOSED RENEWAL OF SHAREHOLDERS' EXISTING MANDATE AND PROPOSED SHAREHOLDERS' NEW MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

   "That subject to Bursa Malaysia Securities Berhad Main Market Listing Requirements, approval be and is hereby given for the following:-

   (a) Proposed Renewal of Shareholders' Existing Mandate for the Company to enter into and to give effect to the category of the recurrent transactions of a revenue or trading nature from time to time with the Related Party as specified in Section 2.3 of the Circular to Shareholders dated 25 August 2011; and

(b) Proposed Shareholders' New Mandate for the Company to enter into and to give effect to the category of the recurrent transactions of a revenue or trading nature from time to time with the Related Party as specified in Section 2.3 of the Circular to Shareholders dated 25 August 2011,

provided that such transactions are:-

(i) recurrent transactions of a revenue or trading nature;

(ii) necessary for the Company's day-to-day operations;

(iii) carried out in the ordinary course of business on normal commercial terms which are not more favourable to the Related Parties than those generally available to the public; and

(iv) not to the detriment of minority shareholders,

(the "Mandate");

And that such authority shall commence upon the passing of this resolution and shall continue to be in force until:-

(i) the conclusion of the next Annual General Meeting of the Company following the general meeting at which such mandate was passed, at which time it will lapse, unless by a resolution passed at the meeting, the authority is renewed;

(ii) the expiration of the period within which the next Annual General Meeting after that date is required to be held pursuant to Section 143(1) of the Companies Act, 1965 (but must 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 a general meeting; whichever is the earlier;

And further that the Directors of the Company be authorised to complete and do all such acts and things (including executing all such documents as may be required), as they may consider expedient or necessary to give effect to the Mandate."

10. To transact any other ordinary business of which due notice shall have been given.

NOTICE OF BOOK CLOSURE

NOTICE IS ALSO HEREBY GIVEN that a first and final dividend of 9 sen less 25% tax per ordinary share of RM1.00 each and 9 sen tax exempt per ordinary share of RM1.00 each as well as a special dividend of 2 sen less 25% tax per ordinary share of RM1.00 each for the financial year ended 31 March 2011 will be payable on 10th October 2011 to depositors whose names appear in the Record of Depositors at the close of business on 23rd September 2011 if approved by the members at the 50th AGM.

A Depositor shall qualify for entitlement only in respect of:-

(a) Shares transferred to the Depositor's Securities Account before 4.00 p.m. on 23rd September 2011 in respect of ordinary transfers; and

(b) Shares bought on the Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of the Bursa Malaysia Securities Berhad.

By Order of the Board

CHUA SIEW CHUAN (MAICSA 0777689)
Company Secretary

Kuala Lumpur
Dated : 25 August 2011

Explanatory Notes to Special Business: -

1. Authority Pursuant to Section 132D of the Companies Act, 1965

The Company wishes to renew the mandate on the authority to issue shares pursuant to Section 132D of the Companies Act, 1965 at the 50th AGM of the Company (hereinafter referred to as the "General Mandate").

The Company had been granted a general mandate by its shareholders at the Forty-Ninth AGM of the Company held on 9 August 2010 (hereinafter referred to as the "Previous Mandate").

The Previous Mandate granted by the shareholders had not been utilised and hence no proceed was raised therefrom.

The purpose to seek the General Mandate is to enable the Directors of the Company to issue and allot shares at any time to such persons in their absolute discretion without convening a general meeting as it would be both time-consuming and costly to organise a general meeting. This authority unless revoked or varied by the Company in general meeting, will expire at the next AGM.

The Company is actively exploring opportunities to broaden its earnings potential. The proceeds raised from the General Mandate will provide flexibility to the Company for any possible fund-raising activities, including but not limited to further placing of shares, for purpose of funding future investment project(s), working capital and/or acquisitions.

2. Proposed Renewal of Shareholders' Existing Mandate and Proposed Shareholders' New Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature (hereinafter referred to as "the Proposals")

The Proposals will enable the Company and its affiliated companies to enter into any of the recurrent related party transactions of a revenue or trading nature which are necessary for the Company'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.

Please refer to the Circular to Shareholders dated 25 August 2011 for more information.

Notes :-

1. In respect of deposited securities, only members whose names appear in the Record of Depositors on 12 September 2011 ("General Meeting Record of Depositors") shall be eligible to attend the Meeting.

2. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote in his stead. A proxy may but need not be a member of the Company and a member may appoint any person to be his proxy and the provisions of Section 149(1)(b) of the Act shall not apply to the Company.

3. A holder may appoint more than two (2) proxies to attend the same meeting. Where a holder appoints two or more proxies, he shall specify the proportion of his shareholding to be represented by each proxy. Only one (1) of the proxies is entitled to vote on a show of hands.

4. The instrument appointing proxy, shall be in print or writing under the hand of the appointer or his duly constituted attorney, or if such appointer is a corporation, under its common seal or under the hand of its officer or attorney duly authorised.

5. The instrument appointing a proxy must be deposited at the registered office of the Company at Lot 5710, Jalan Kuchai Lama, Petaling, 58200 Kuala Lumpur, Malaysia, not less than forty-eight (48) hours before the time fixed for holding the meeting or at any adjournment thereof.

6. This Agenda item is meant for discussion only, as the provision of Section 169(1) of the Companies Act, 1965 does not require a formal approval of the shareholders for the Audited Financial Statements. Hence, this Agenda item is not put forward for voting.

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FOOD AND NUTRITION

Ajinomoto (Malaysia) Berhad carries out food and nutrition centred initiatives throughout the country to contribute to the health and life of the society.

VONO® Healthy Breakfast

"Healthy Breakfast" road show to 170 kindergartens around Klang Valley was arranged from January to March 2011. The purpose of the road show was to educate the children the importance of having healthy breakfast. The event covered healthy breakfast serving with VONO® Mushroom Soup, a talk about benefits of breakfast and games. Total approach of this activity is 10,131 kids.

"Eat Well, Live Well." Campaign

To continue promoting the concept of maintaining healthy living through the enjoyment of deliciousness, series of "Eat Well, Live Well." advertising programs were arranged from August 2010 to March 2011. A total of 800 insertions of the Television Commercial (TVC) were put on air via the local TV stations. Besides that, through newspaper and magazine advertisements, Ajinomoto (Malaysia) Berhad encourages healthy eating habits amongst the young and old alike, from all Malaysian families. It is believed that a healthy life begins with delicious food.

Healthy Cooking Demonstration

A range of cooking demonstrations were arranged to share the importance of healthy diet and useful culinary knowledge with the community. Through cooking demonstration, the audience learnt about the importance of Umami/glutamate rich food in enhancing protein digestion and absorption and reducing salt intake in human bodies for a healthy living.

COMMUNITY ACTIVITIES

We believe it is our duty as a dedicated corporate citizen to help in the development of local communities and building a healthy society.

Timely Aid and Relief

Ajinomoto (Malaysia) Berhad is always alert and take initiative to ease the suffering of the natural disaster victims by donating the company's products and providing monetary supports.

In an effort to assist the flood victims in Kedah and Johor, VONO® instant soup, SERI-AJI® fried rice seasoning powder and TUMIX® chicken stock were presented by Ajinomoto (Malaysia) Berhad to ease the hardship. Besides that, the Company also donated RM10,000 to Tabung Bencana New Straits Times Press-Media Prima in aid of the earthquake and tsunami victims in Japan.

The Umami Zone Members' Day

The Umami Zone Members' Day was organised to show our appreciation to the members of the Ajinomoto (Malaysia) Berhad website membership, who have been loyal supporters of our group and our products. At the same time, we also celebrated the 50th anniversary of Ajinomoto Malaysia with the members.

Sponsorship in Culinary Activities

We are avid supporters of culinary activities organised by local communities. As in previous years, Ajinomoto (Malaysia) Berhad sponsored a culinary competition which was organised by Universiti Putra Malaysia (UPM) on 9 October 2010. The competition involved contestants from 8 local universities. The activity aims to promote development of culinary specialties and to educate the future culinary experts about Umami concept of healthy cooking.

Fund Raising Activities

Ajinomoto (Malaysia) Berhad participated in the Jumble Sales organised by Society for the Prevention of Cruelty to Animals (SPCA) on 23 January 2011. Funds collected from the Jumble Sale will be utilised to sustain the daily operation of the shelter and to buy food and medicine for the animals at the shelter.

DEVELOPMENT & EDUCATIONAL TRAINING

We created a series of customised internal and external training programs that focus on leadership competencies, functional competencies, personal effectiveness and building team spirit, to develop individual talents into powerful leaders, capable of handling frequent global changes and challenges with confidence.

AJINOMOTO® Scholarship Foundation and AJINOMOTO® Award

As part of our social contribution activities, The AJINOMOTO® Scholarship Foundation was launched to provide scholarships for distinguished students in Malaysia, to study for a Master's Degree at the University of Tokyo in Japan. This scholarship provides full financial support for three years study – one year as a research student and two years as a Master's student.

In addition, the AJINOMOTO® Award is given to students with excellent academic achievements in higher learning institutions in Malaysia.

Team Building Training

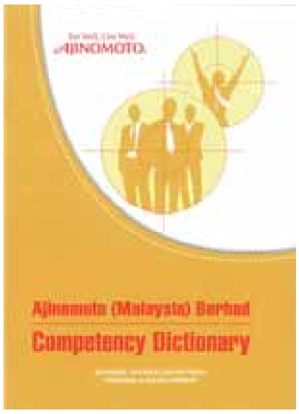
A team building training with the theme of "Excellent Execution For Value Creators" was held in October 2010 at National Park, Pahang. This event was conducted to encourage the staff of Ajinomoto Malaysia to 'think out of the box' for new value creation in both Company and personal life.

Sales Personnel Training

The training was conducted twice a year for the purpose of enhancing company products and merchandising knowledge among the participants through presentations and hands on cooking activities

Competency Dictionary

The Ajinomoto (Malaysia) Berhad Competency Handbook Dictionary was introduced to all the executive staff on 18 March 2011. By introducing the guide book, the Company aims to create a common language which provides clarity on desirable behaviours for human resource development.



"Tak Nak" Campaign

On 2 November 2010, a talk regarding the health consequences of smoking was conducted by the officer from the Quit Smoking Clinic to all Ajinomoto Malaysia members. The purpose of the talk is to encourage and motivate the smokers to stop smoking by educating them in a proper way of quiting smoking and explaining about the side effects of smoking to the attendee. The campaign was continued by the classes on quitting the habit of smoking which was held from December 2010 to May 2011.

ENVIRONMENT

Over the century, we have committed ourselves to address environmental issues in our business activities in order to promote global sustainability.

"Smile Earth" Campaign

The Global Citizenship Activities initiated by the Ajinomoto Group since 2007 to decrease adverse impacts on the global environment and local ecosystems.

• Eco Action – Reusable food container & beverage mug

Ajinomoto (Malaysia) Berhad launched a project to reduce the solid waste in Company's cafeteria on 27 September 2010. The project focused in encouraging Company's staff to utilise the reusable food container and beverage mug in cafeteria in order to increase the awareness & involvement of staff in reducing the environmental burden. This was part of AMB activity toward Ajinomoto Co., Japan Global Zero Emission Target, 99% recovery rate of solid waste generated in fiscal year 2010.

• Global Clean Up Day

The annual global clean up day with the theme of "Clean Up Our Mother Earth Together Day" was held on 28 October 2010 and 139 Ajinomoto Malaysia members took part in the activities. The participants were divided into 5 groups to clean up the neighbourhood of the Company. This activity aims to give the Company staff a good experience to unite and work as a team in taking good care of the local environment.

Ajinomoto (Malaysia) Berhad Environment Performance 2010

The Ajinomoto Group is committed to environmental and social sustainability which assures a rich natural environment and affluent lives for all the people of the world including future generation. Based on the group direction, Ajinomoto (Malaysia) Berhad as a responsible global corporation continuously improves our business operation to keep in harmony with the global environment.

In 2010, Ajinomoto (Malaysia) Berhad had mainly focused in ensuring full compliance with additional requirements imposed under Malaysian Environmental Quality Act. Based on the new revision of the Act, it requires the organization to further improve the quality of final discharge water before being discharged into the nearby river. We had upgraded the Waste Water Treatment (WWT) facilities to ensure the effluent from the operation and they are being treated to comply with the new control parameters especially on the color control of the discharge water. Two units of carbon towers and a new chemical treatment were installed and put in operation from mid of 2010.

In 2010, as in the final year for attaining our 2008-2010 Ajinomoto Group Zero Emission Plan, many planned activities had been fully implemented and been evaluated for its achievements. One of the noticeable achievements is reduction of Total Nitrogen (TN) in the final discharge water. We have been implementing a series of improvement initiatives since year 2005 and are able to reduce the concentration of TN from 20 ppm to below 5 ppm in 2010. We were able to reduce the load to our surrounding environment significantly by reducing this bio-burden.

We are also able to achieve a significant improvement in recycle ratio through effective 3R (Reduce, Reuse and Recycle) activities. In 2010 we are able to recycle around 94% of the total waste generated in the plant which directly avoids disposal to landfill. It shows a 20% improvement on the recycle ratio since the 3R activities have been implemented from year 2006. Even though a substantial growth of Sales was noticed in 2010 through our sensible activities and total commitment from all levels of staffs, a significant reduction of waste generation was achieved.

For greenhouse gases emission reductions, a series of energy saving activities were implemented throughout 2010 under the supervision of Energy Saving Committee. In MSG production line, better energy efficiency equipment was introduced at the evaporation process as to reduce the usage of steam. We were able to reduce 15% steam usage per unit production which directly reduces the usage of fuel oil of the boiler. The saving not only helps to reduce the company operation cost but also helps to protect our environment.

Ajinomoto (Malaysia) Berhad, environmental management efforts was further strengthened by periodical education, skill enhancement and awareness programs carried out throughout the year. It ensures that the workforce share the same values on the environment and a common goal of work to help build a sustainable society.

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Form Of Proxy

CDS Account No.

Number of ordinary shares held

AJINOMOTO®

AJINOMOTO (MALAYSIA) BERHAD
(Company No. 4295-W)
(Incorporated in Malaysia)

*I/We (full name), ____________________
bearing *NRIC No./Passport No./Company No. ____________________
of (full address) ____________________
being a *member/members of Ajinomoto (Malaysia) Berhad ("the Company") hereby appoint :-

First Proxy "A"

Full Name	NRIC/ Passport No.	Proportion of Shareholdings Represented	
		No. of Shares	%
Full Address			

and/or failing *him/her,
Second Proxy "B"

Full Name	NRIC/ Passport No.	Proportion of Shareholdings Represented	
		No. of Shares	%
Full Address			

100%

or failing *him/her, the *Chairman of the Meeting as *my/our proxy to vote for *me/us and on *my/our behalf at the Fiftieth Annual General Meeting of the Company to be held at Bukit Jalil Golf & Country Resort, Jalan 3/155B, Bukit Jalil, 57000 Kuala Lumpur on Monday, 19 September 2011 at 11:00 a.m.and at any adjournment thereof

In the case of a vote by a show of hands, my proxy ____________________ (one only) shall vote on *my/our behalf.

Please indicate with an "X" in the spaces provided below as to how you wish your votes to be casted. If no specific direction as to voting is given, the proxy will vote or abstain from voting at *his/her discretion.

No.	Agenda	Resolution	For	Against
1.	To receive the Audited Financial Statements for the financial year ended 31 March 2011 together with the Reports of the Directors and the Auditors thereon.			
		Resolution	**For**	**Against**
2.	To declare a first and final dividend of 9 sen less 25% tax per ordinary share of RM1.00 each and 9 sen tax exempt per ordinary share of RM1.00 each as well as a special dividend of 2 sen less 25% tax per ordinary share of RM1.00 each for the financial year ended 31 March 2011.	1		
3.	To approve the payment of Directors' fees for the financial year ended 31 March 2011.	2		
4.	To re-elect En. Adinan Bin Husin who is retiring in accordance with Article 114 of the Company's Articles of Association and being eligible, has offered himself for re-election.	3		
5.	To re-elect Tn. Hj. Mazlan Bin Ab Rahman who is retiring in accordance with Article 114 of the Company's Articles of Association and being eligible, has offered himself for re-election.	4		
6.	To re-elect Mr. Dominic Aw Kian Wee who is retiring in accordance with Article 120 of the Company's Articles of Association and being eligible, has offered himself for re-election.	5		
7.	To re-elect Dato' Ramli Bin Mahmud who is retiring in accordance with Article 120 of the Company's Articles of Association and being eligible, has offered himself for re-election.	6		
8.	To re-elect Mr. Ryuji Ito who is retiring in accordance with Article 120 of the Company's Articles of Association and being eligible, has offered himself for re-election.	7		
9.	To re-elect Mr. Katsuhide Shirai who is retiring in accordance with Article 120 of the Company's Articles of Association and being eligible, has offered himself for re-election.	8		
10.	To re-appoint General Tan Sri (Dr) Dato' Paduka Mohamed Hashim Bin Mohd. Ali (Rtd) who is due to retire pursuant to Section 129 of the Companies Act, 1965, and being eligible, has offered himself for re-appointment.	9		
11.	To re-appoint Messrs. Hanafiah Raslan & Mohamad as Auditors of the Company until the conclusion of the next AGM and to authorise the Directors to fix their remuneration.	10		
Special Business				
12.	**Ordinary Resolution No. 1:** Authority To Issue Shares Pursuant To Section 132D Of The Companies Act, 1965	11		
13.	**Ordinary Resolution No. 2:** Proposed Renewal Of Shareholders' Existing Mandate And Proposed Shareholders' New Mandate For Recurrent Related Party Transactions Of A Revenue Or Trading Nature	12		

As witness my/our hand(s) this ____________________ day of ____________________ 2011.

Signature of Member/Common Seal

*Strike out whichever not applicable

Notes: -

1. In respect of deposited securities, only members whose names appear in the Record of Depositors on 12 September 2011 ("General Meeting Record of Depositors") shall be eligible to attend the Meeting.

2. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote in his stead. A proxy may but need not be a member of the Company and a member may appoint any person to be his proxy and the provisions of Section 149(1)(b) of the Act shall not apply to the Company.

3. A holder may appoint more than two (2) proxies to attend the same meeting. Where a holder appoints two or more proxies, he shall specify the proportion of his shareholding to be represented by each proxy. Only one (1) of the proxies is entitled to vote on a show of hands.

4. The instrument appointing proxy, shall be in print or writing under the hand of the appointer or his duly constituted attorney, or if such appointer is a corporation, under its common seal or under the hand of its officer or attorney duly authorised.

5. The instrument appointing a proxy must be deposited at the registered office of the Company at Lot 5710, Jalan Kuchai Lama, Petaling, 58200 Kuala Lumpur, Malaysia, not less than forty-eight (48) hours before the time fixed for holding the meeting or at any adjournment thereof.

6. This Agenda item is meant for discussion only, as the provision of Section 169(1) of the Companies Act, 1965 does not require a formal approval of the shareholders for the Audited Financial Statements. Hence, this Agenda item is not put forward for voting.

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Form Of Proxy

Stamp

The Company Secretary
AJINOMOTO (MALAYSIA) BERHAD (4295-W)
Lot 5710, Jalan Kuchai Lama
Petaling, 58200 Kuala Lumpur

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