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 2005.

PRINCIPAL ACTIVITIES

The principal activities of the Company are manufacturing and selling of monosodium glutamate and other related products.

There have been on significant changes in the nature of the principal activities during the financial year.

RESULTS

	RM
Net profit for the year	12,519,434

There were no material transfers to or from reserves or provisions during the year other than as disclosed in the statement of changes in equity.

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

DIVIDENDS

The amount of dividents paid by the Company since 31 March 2004 were as follows:

	RM
In respect of the financial year ended 31 March 2004 as reported in the directors' report of that year:	
First and final dividend of 4% less 28% taxation and 5% tax exempt, paid on 24 September 2004	4,790,927

At the forthcoming Annual General Meeting, a first and final dividend in respect of the financial year ended 31 March 2005, of 4% less 28% taxation and 5% tax exempt on 60,798,534 ordinary shares, amounting to a dividend payable of RM4,790,927 (7.9 sen net per share) will be proposed for shareholders approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in shareholders' equity as an appropriation of retained profits in th financial year ending 31 March 2006.

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:

Gen (R) Tan Sri (Dr) Dato' Paduka Mohamed Hashim bin Mohd Ali
Takashi Imai
Tetsuhiko Yoshikawa
Takuji Umeda
Dato' Professor Teo Chiang Liang
Adinan bin Husin
Dr. Goh Chin Siew
Mazlan bin Ab. Rahman
Gew Ah Lek
Dato' Hj. Shaharuddin Bin Hj. Haron
Keizo Kawamoto
Kenji Fukami

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 6 to the financial statements or the fixed salary of a full-time employee of the Company) by reason of a contract made by the Company or a related corporation with any director or with a film of which he is a member, or with a company in which he 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 follow:

	Number of Ordinary Shares of RM1 Each			
	1 April 2004	Bought	Sold	31 March 2005
The Company				
Direct Interest				
Gew Ah Lek	6,000	-	-	6,000
Takashi Imai	2,398	-	-	2,398
Indirect Interest				
Dato' Professor Teo Chiang Liang	150,000	-	-	150,000

	Number of Shares of Japanese Yen 50 Each			
	1 April 2004	Bought	Sold	31 March 2005
Holding Company				
- Ajinomoto Co. Inc.				
Direct Interest				
Takuji Umeda	2,294	169	-	2,463
Takashi Imai	1,836	166	-	2,002
Keizo Kawamoto	-	2,409	-	2,409

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.

Directors' Report (con't)

OTHER STATUTORY INFORMATION

(a) Before the income statement and balance sheet 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 provision for doubtful debts and satisfied themselves that there were no known bad debts and that adequate provision had been made for doubtful debts; and

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

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

(i) it necessary to write off any bad debts or the provision 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 method 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 withe in this report or 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.

(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.

Gen(R)Tan Sri (Dr) Dato' Paduka Mohamed Hashim bin Mohd Ali

Takashi Imai

Kuala Lumpur, Malaysia
25 May 2005

Statement By Directors

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

We, Gen (R) Tan Sri (Dr) Dato' Paduka Mohamed Hashim bin Mohd Ali and Takashi Imai, being two of the directors of Ajinomoto (Malaysia) Berhad, do hereby state that, in the opinion of the directors, the accompanying financial satatement set out on pages 31 to 57 are drawn up in accordance with applicable MASB Approved Accounting Standards in Malaysia and the provisions of the Companies Act, 1965 so as to give a true and fair view of the financial position of the Company as at 31 March 2005 and of the results and the cash flows of the Company for year then ended.

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

Gen (R) Tan Sri (Dr) Dato' Paduka
Mohamed Hashim bin Mohd Ali

Takashi Imai

Kuala Lumpur, Malaysia
25 May 2005

Statutory Declaration

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

I, Gew Ah Lek, being the Director primarily responsible for the financial management Ajinomoto (Malaysia) Berhad, do solemnly and sincerely declare that the accompanying financial statements set out on pages 31 to 57 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 **Gew Ah Lek**
at Kuala Lumpur in the Federal Territory
on 25 May 2005

Gew Ah Lek

Before me,

Soh Ah Kau
(W315)
Commissioner for Oaths
Kuala Lumpur

Report Of The Auditors To The Members Of Ajinomoto (Malaysia) Berhad

We have audited the accompanying financial statements set out on pages 31 to 57. These financial statements are the responsibility of the Company's directors.

It is our responsibility to form an independent opinion, based on our audit, on the financial statements and to report our opinion to you, as a body, in accordance with Section 174 of the Companies Act, 1965 and for no other purpose. We do not assume responsibility to any other person for the content of this report.

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

In our opinion:

(a) the financial statements have been properly drawn up in accordance with the provisions of the Companies Act, 1965 and applicable MASB Approved Accounting Standards in Malaysia so as to give a true and fair view of :

 (i) the financial position of the Company as at 31 March 2005 and of the results and the cash flows of the Company for the year then ended; and

 (ii) the matters required by Section 169 of the Companies Act, 1965 to be dealt with in the financial statements; and

(b) the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in acocrdance with the provisions of the Act.

Hanafiah Raslan & Mohamad
AF: 0002
Chartered Accountants

Wong Kang Hwee
No. 1116/01/06 (J)
Partner

Kuala Lumpur, Malaysia
25 May 2005

Income Statements
For The Year Ended 31 March 2005

	Note	2005 RM	2004 RM
Revenue	3	166,869,193	164,125,822
Other operating income	4	4,607,887	1,267,254
Changes in inventories of finished goods,			
work-in-progress and goods-in-transit		2,343,585	3,215,930
Raw materials and packaging materials consumed		(84,136,328)	(73,650,684)
Finished goods purchased		(3,906,454)	(5,534,886)
Staff costs	5	(25,689,344)	(24,458,857)
Depreciation		(10,531,568)	(9,604,863)
Other operating expenses		(37,724,536)	(42,254,246)
Profit from operations	6	11,832,435	13,105,470
Interest income		756,804	1,040,997
Profit before taxation		12,589,239	14,146,467
Taxation	8	(69,805)	(2,087,240)
Net profit for the year		12,519,434	12,059,227
Basic earnings per share (sen)	9	20.6	19.8
Net dividends per share (sen)	10	7.9	7.9

The accompanying notes form an integral part of the financial statements.

Balance Sheet As At 31March 2005

	Note	2005 RM	2004 RM
NON-CURRENT ASSETS			
Property, plant and equipment	11	74,384,324	70,611,668
Investments	12	4,119,876	4,119,876
		78,504,200	74,731,544
CURRENT ASSETS			
Inventories	13	28,221,311	23,290,647
Trade receivables	14	21,896,801	20,790,145
Other receivables	15	3,266,538	3,529,640
Tax recoverable		106,171	-
Cash and bank balances	16	31,351,350	33,578,317
		84,842,171	81,188,749
CURRENT LIABILITIES			
Trade payables	17	13,254,092	12,627,196
Other payables	18	5,685,904	5,154,100
Tax payable		-	717,645
Post-employment benefit obligations	21	696,279	392,151
		19,636,275	18,891,092
NET CURRENT ASSETS		65,205,896	62,297,657
		143,710,096	137,029,201
FINANCED BY:			
Share capital	19	60,798,534	60,798,534
Reserves	20	75,622,473	67,893,966
Shareholders' fund		136,421,007	128,692,500
Post-employment benefit obligations	21	3,242,067	3,245,226
Deferred tax liabilities	22	4,047,022	5,091,475
Non-current liabilities		7,289,089	8,336,701
		143,710,096	137,029,201

The accompanying notes form an integral part of the financial statements.

Statement Of Changes In Equity
For The Year Ended 31 March 2005

	Non- distributable			Distributable	
	Share Capital RM	Share Premium RM	Revaluation Reserves RM	Retained Profits (Note 20) RM	Total RM
At 1 April 2003					
As previously stated	60,798,534	4,303,700	7,871,281	50,144,164	123,117,679
Prior year adjustments (Note 23)	-	-	-	(2,544,661)	(2,544,661)
As restated	60,798,534	4,303,700	7,871,281	47,599,503	120,573,018
Transfer from revaluation reserves to retained profits	-	-	(121,871)	121,871	-
Net profit for the year	-	-	-	12,059,227	12,059,227
Dividends	-	-	-	(3,939,745)	(3,939,745)
At 31 March 2004	60,798,534	4,303,700	7,749,410	55,840,856	128,692,500

	Share Capital RM	Share Premium RM	Revaluation Reserves RM	Retained Profits (Note 20) RM	Total RM
At 1 April 2004					
As previously stated	60,798,534	4,303,700	7,749,410	59,471,641	132,323,285
Prior year adjustments (Note 23)	-	-	-	(3,630,785)	(3,630,785)
As restated	60,798,534	4,303,700	7,749,410	55,840,856	128,692,500
Transfer from revaluation reserves to retained profits	-	-	(485,049)	485,049	-
Net profit for the year	-	-	-	12,519,434	12,519,434
Dividends (Note 10)	-	-	-	(4,790,927)	(4,790,927)
At 31 March 2005	60,798,534	4,303,700	7,264,361	64,054,412	136,421,007

The accompanying notes form an integral part of the financial statements.

Cash Flow Statement
For Ther Year Ended 31 March 2005

	Note	2005 RM	2004 RM
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before taxation		12,589,239	14,146,467
Adjustments for:			
Short-term accumulating compensated absences		20,220	389,567
Depreciation		10,531,568	9,604,863
Inventories written off		135,416	437,764
Property, plant and equipment written off		783,316	360,232
Gain on disposal of property, plant and equipment		(3,900,672)	(318,990)
Amortisation of club membership		-	30,992
Provision for post-employment benefits		884,401	729,171
Dividend income		(192,424)	(171,403)
Interest income		(756,804)	(1,040,997)
Operating profit before working capital changes		20,094,260	24,167,666
Increase in receivables		(807,206)	(4,228,764)
Increase in inventories		(5,066,080)	(2,268,058)
Increase/(decrease) in payables		1,138,480	(1,635,215)
Cash generated from operations		15,359,454	16,035,629
Tax paid		(1,901,853)	(2,162,961)
Payments of post-employment benefits		(583,432)	(666,118)
Net cash generated from operating activities		12,874,169	13,206,550
CASH FLOW FROM INVESTING ACTIVITIES			
Interest received		720,456	994,782
Purchase of property, plant and equipment		(16,286,575)	(25,344,311)
Proceeds from disposal of property, plant and equipment		5,099,707	319,025
Purchase of investments		-	(1,051,069)
Dividend received		156,203	135,182
Net cash used in investing activities		(10,310,209)	(24,946,391)
CASH FLOW FROM FINANCING ACTIVITY			
Dividend paid		(4,790,927)	(3,939,745)
Net Decrease In Cash And Cash Equivalents		(2,226,967)	(15,679,586)
Cash And Cash Equivalents At Beginning Of Financial Year		33,578,317	49,257,903
Cash And Cash Equivalents At End Of Financial Year	16	31,351,350	33,578,317

The accompanying notes form an integral part of the financial statements.

1. CORPORATE INFORMATION

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.

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

The holding and ultimate holding company of the Company is Ajinomoto Co. Inc., a company incorporated in Japan.

The number of employees in the Company at the end of the financial year was 397 (2004:393).

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 25 May 2005.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

The financial statements of the Company have been prepared under the historical cost convention except for the revaluation of land and buildings included within property, plant and equiment.

The financial statements comply with the provisions of the Companies Act, 1965 and applicable MASB Approved Accounting Standards in Malaysia.

(b) Investment in Associates

Associated companies are those companies in which the Company has a long term equity interest and where it exercises significant influence but not control, through participation in the financial and operating policy decisions of the companies.

Investment in associates is stated at cost less impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 2 (k). On disposal of such investments, the difference between the net disposal proceeds and their carrying amounts is recognised in the income statement.

The results of the associated companies have not been equity accounted as consolidated financial statements are not prepared. Details of the associated companies and the effect on the income statement and investments in associated companies had the equity method been applied are disclosed in Note 12.

(c) Property, Plant and Equiment and Depreciation

Property, plant and equipment are stated at cost or valuation less accumulated depreciation and impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 2 (k).

Land and building are stated at valuation less impairment losses. 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, these assets continue to be stated at their 1984 valuation less accumulated depreciation.

Any revaluation increase is credited to equity as a revaluation surplus, except to the extent that it reverses a revaluation decrease for the same asset previously recognised as an expense, in which case the increase is recognised in the income statement to the extent of the decrease previously recognised. A revaluation decrease is first offset against unutilised previously recognised revaluation surplus in respect of the same asset and the balance is thereafter recognised as an expense.

Revaluation surplus being an amount equal to the difference between the depreciation on a revalued asset and the depreciation based on the cost of the asset will be transferred to retained profits progressively as and when the asset is depreciated. Upon the disposal of revalued assets, the attributable revaluation surplus remaining in the revaluation reserve is transferred to retained profits.

(c) Property, Plant and Equiment and Depreciation

Freehold land and capital work-in-progress are not depreciated. Leasehold land is depreciated over the period of the respective leases which range from 71 years to 83 years. Depreciation of other property, plant and equipment is provided on a straight line basis to write off the cost of each asset to its residual value over the estimated useful life at the following annual rates:

Buidings	7% to 11%
Motor vehicles	25%
Plant, machinery and equipment	10% to 25%
Furniture, fixtures and fittings	10%

Upon the disposal of an item of property, plant or equipment, the difference between the net disposal proceeds and the net carrying amount is recognised in the income statement and the unutilised portion of the revaluation surplus on that item is taken directly to retained profits.

(d) Inventories

Invetories are stated at the lower of cost (determined on the weighted average basis) and net realisable value. Cost of finished goods and work-in-progress includes direct materials, direct labour, other direct costs and appropriate production overheads. Net realisable value is the estimated selling price less the estimated costs to completion and costs to be incurred in marketing, selling and distribution.

(e) Cash and Cash Equivalents

For the purpose of the cash flow statement, cash and cash equivalents include cash on hand and at bank and deposits at call which have an insignificant risk of changes in value, net of outstanding bank overdrafts.

(f) Provisions for Liabilities

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

(g) Income Tax

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

Deferred tax is provided for, using the liability method, on temporary differences at the balance sheet date between the tax bases of assets and liabilities an their carrying amounts in the financial statements. In principle, deferred tax liabilites are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to th extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. Deferred tax is not recognised if the temporary differences arises from goodwill or negative goodwill or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the trasaction, affects neither accounting profit nor taxable profit.

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

(h) Employee Benefits

(i) Short term benefits

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

(h) Employee Benefits (con't)

(ii) Defined contribution plans

(a) As required by law, the Company makes contributions to the Employees Provident Fund. Such contributions are recognised as an expense in the income statement as incurred.

(b) The Compny has a funded defined contribution benefit Post-Employment Scheme for certain executives who have served the required number of years of service. Contributions are made to an approved benefit scheme operated by independent trustees in accordance with a trust deed.

(iii) Defined benefits plans

The Company has a partly funded defined benefit Post-Employment Scheme ("Scheme") for its eligible employees. The Company's obligation under the Scheme is calculated using the Projected Unit Credit Method, though which the amount of benefit that employees have earned in return for their service in the current and prior years is estimated.

Past service costs are recognised immediately to the extent that the benefits are already vested. The amount recognised in the balance sheet represents the present value of the defined benefit obligations.

(i) Revenue recognition

Revenue is recognised when it is probable that the economic benefits associated with the transaction will flow to the enterprise and the amount of the revenue can be measured reliably.

(i) Sale of goods

Revenue relating to the sale of goods is recognised net of sales taxes and discounts upon the transfer of risks and rewards.

(ii) Revenue from services

Revenue from services rendered is recognised net of service taxes and discounts as and when the services are performed.

(iii) Interest income

Interest is recognised on a time proportion basis that reflects the effective yield on the asset.

(iv) Dividend income

Dividend income is recognised when the right to receive payment is established.

(j) Foreign currency transactions

Transactions in foreign currencies are initially recorded in Ringgit Malaysia at rates of exchange ruling at the date of the transaction. At each balance sheet date, foreign currency monetry items are translated into Ringgit Malaysia at exchange rates ruling at that date, unless hedged by forward foreign exchange contracts, in which case the rates specified in such forward contracts are used. Non-monetary items initially denominated in foreign currencies, which are carried at historical cost are translated using the historical rate as of the date of acquisition and non-monetary items which are carried at fair value are translated using the exchange rate that existed when the values were determined.

All exchange rate differences are taken to the income statement.

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

	2005 RM	2004 RM
United States Dollar	3.80	3.80
Singapore Dollar	2.31	2.26
Brunei Dollar	2.31	2.22
Japanese Yen	0.04	0.03
Euro	4.92	4.65
Swiss Franc	3.17	N/A

(k) Impairment of Assets

At each balance sheet date, the Company reviews the carrying amounts of its assets to determine whether there is any indication of impairment. If any such indication exists, impairment is measured by comparing the carrying values of the assets with their recoverable amounts. Recoverable amount is the higher of net selling price and value in use, which is measured by reference to discounted future cash flows.

An impairment loss is recognised as an expense in the income statement immediately, unless the asset is carried at revalued amount. Any impairment loss of a revalued asset is treated as a revaluation decrease to the extent of any unutilised previously recognised revaluation surplus for the same asset. Reversal of impairment losses recognised in prior years is recorded when the indication that the inpairment losses recognised for the asset no longer exist or have decreased.

(l) Financial Instruments

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

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

(i) Other Non-Current Investments
Non-currents investments other than investments in associates are stated at cost less impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 2 (k).

On disposal of an investment, the difference between net disposal proceeds and its carrying amount is recognnised in the income statement.

(ii) Marketable securities
Marketable securities are carried at the lower of cost and market value, determined on an aggregate basis. Cost is determined on the weighted average basis while market value is determined based on quoted market values. Increases or decreases in the carrying amount of marketable securities are recognised in the income statement. On disposal of marketable securities, the difference between net disposal proceeds and the carrying amount is recognised in the income statement.

(iii) Receivables
Receivables are carried at anticipated realisable values. Bad debts are written off when identified. An estimate is made for doubtful debts based on a review of all outstanding amounts as at the balance sheet date.

(iv) Payables
Payables are stated at cost which is the fair value of the consideration to be paid in the future for goods and services received.

(v) Interest-Bearing Borrowings
Interest-bearing bank loans and overdrafts are recorded at the amount of proceeds received, net of transaction costs.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. The amount of borrowing costs eligible for capitalisation is determined by applying a capitalisation rate which is the weighted average of the borrowing costs applicable to the Company's borrowings that are outstanding during the year, other than borrowings made specifically for the purpose of obtaining a qualifying asset. For borrowings made specifically for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalisation is the actual borrowing costs incurred on that borrowing during the period less any investment income on the temporary investment of that borrowing.

All other borrowing costs are recognised as an expense in the income statement as an expense in the period in which they are incurred.

(vi) Equity Instruments
Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

(m) Affiliated Companies

Affiliated companies refer to associated companies of the holding company.

Notes To The Financial Statements
31 March 2005 (con't)

3. REVENUE

Revenue represents the invoiced value of sales net of sales tax, returns and discounts.

4. OTHER OPERATING INCOME

	2005 RM	2004 RM
Net realised foreign exchange gains	83,219	156,056
Gain on disposal of property, plant and equipment	3,900,672	318,990
Dividends from:		
An associated company	129,360	129,360
Investment quoted in Malaysia	63,064	42,043
Management fees	108,000	108,000
Commission income	275,441	432,405
Others	48,131	80,400
	4,607,887	1,267,254

5. STAFF COSTS

	2005 RM	2004 RM
Wages and salaries	22,000,066	20,190,695
Gratuity	36,667	60,000
Pension costs - defined contribution plans	1,812,365	2,254,675
Pension costs - defined benefit plans (Note 21)	884,401	729,171
Social security costs	132,613	125,257
Short term accumulating compensated absences	20,220	389,567
Other staff related expenses	803,012	709,492
	25,689,344	24,458,857

Included in staff costs of the Company are executive directors' remuneration amounting to RM 2,575,208 (2004: RM 2,639,505) as further disclosed in Note 6.

6. DIRECTORS' REMUNERATION

	2005 RM	2004 RM
Executive Directors:		
Salaries and other emoluments	2,315,679	2,026,215
Pension costs - defined contribution plans	99,672	235,824
Fees	65,000	150,000
Gratuity	36,667	60,000
Bonus	58,190	167,466
Amount included in staff costs	2,575,208	2,639,505
Benefits-in-kind	388,700	74,641
	2,963,908	2,714,146
Non-Executive Directors:		
Fees	115,000	175,000
Gratuity	33,537	70,000
	148,537	245,000
Total	3,112,445	2,959,146
Total directors' remuneration excluding benefits-in-kind	2,723,745	2,884,505

The number of directors of the Company whose total remuneration during the year fell within the following bands is analysed below:

	Number of Directors	
	2005	2004
Executive Directors:		
RM100,001 - RM 150,000	1	-
RM200,001 - RM250,000	2	-
RM250,001 - RM300,000	-	2
RM300,001 - RM350,000	1	-
RM400,001 - RM450,000	2	-
RM450,001 - RM500,000	-	2
RM550,001 - RM600,000	1	2
RM600,001 - RM650,000	1	-
Non-Executive Directors:		
Below RM50,000	5	5
RM50,001 - RM 100,000	1	1

7. PROFIT FROM OPERATIONS

	2005 RM	2004 RM
Profit from operations is stated after charging:		
Auditors' remuneration:		
- Statutory audit	35,000	30,000
- Other services	11,000	9,000
Non-executive directors' remuneration (Note 6)	148,537	245,000
Amortisation of club membership	-	30,992
Inventories written off	135,416	437,764
Property, plant and equipment written off	783,316	360,232

8. TAXATION

	2005 RM	2004 RM
Tax expense for the year:		
Income tax	855,645	2,114,271
Underprovided in prior years:		
Income tax	258,613	56,961
	1,114,258	2,171,232
Deferred tax (Note 22):		
Relating to origination and reversal of temporary differences	537,501	-
Overprovided in prior years:	(1,581,954)	(83,992)
	(1,044,453)	(83,992)
Total	69,805	2,087,240

8. TAXATION (con't)

A reconciliation of income tax expense applicable to profi before taxation at the statutory income tax rate to income tax expense at the effective income tax rate of the Company is as follow:

	2005 RM	2004 RM
Profit before taxation	12,589,239	14,146,467
Taxation at Malaysian statutory tax rate of 28% (2004: 28%)	3,524,987	3,961,011
Income not subject to tax	(1,044,507)	(11,772)
Expenses not deductible for tax purposes	278,050	305,323
Utilisation of current year's reinvestment allowances	(1,365,384)	(2,444,405)
Underprovision of income tax expense in prior years	258,613	56,961
Overprovision of deferred tax in prior years	(1,581,954)	(83,992)
Tax effects of prior year adjustments	-	304,114
Tax expense for the year	69,805	2,087,240

9. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the net profit for the year by the weighted average number of ordinary shares in issue during the financial year.

	2005 RM	2004 RM
Net profit for the year	12,519,434	12,059,227
Weighted average number of ordinary shares in issue	60,798,534	60,798,534
Basic earnings per share (sen)	20.6	19.8

The comparative basic earnings per share has been restated to take into account the effect of the prior year adjustments on net profit for the year.

10. DIVIDENDS

	Amount		Net Dividends per share	
	2005 RM	2004 RM	2005 Sen	2004 Sen
First and final dividend of 4% less 28% taxation and 5 % tax exempt, paid on 24 September 2004	-	4,790,927	-	7.9
First and final dividend of 4% less 28% taxation and 5 % tax exempt	4,790,927	-	7.9	-
	4,790,927	4,790,927	7.9	7.9

At the forthcoming Annual General Meeting, a first and final dividend in respect of the financial year ended 31 March 2005, of 4% less 28% taxation and 5% tax exempt on 60,798,534 ordinary shares, amounting to a dividend payable of RM4,790,927 (7.9 sen net per share) will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in shreholders' equity as an appropriation of retained profits in the financial year ending 31 March 2006.

Notes To The Financial Statements
31 March 2005 (con't)

11. 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
Cost/Valuation						
At 1 April 2004	59,678,962	6,312,042	150,764,845	2,080,729	6,118,150	224,954,728
Additions	826,974	892,348	11,908,102	256,122	2,403,029	16,286,575
Disposals	(1,390,000)	(894,816)	(273,290)	-	-	(2,558,106)
Written off	(9,783)	-	(9,973,465)	(153,574)	-	(10,136,822)
Transfer from/(to)	-	-	6,118,150	-	(6,118,150)	-
At 31 March 2005	59,106,153	6,309,574	158,544,342	2,183,277	2,403,029	228,546,375
Representing:						
At cost	26,906,153	6,309,574	158,544,342	2,183,277	2,403,029	196,346,375
At valuation	32,200,000	-	-	-	-	32,200,000
	59,106,153	6,309,574	158,544,342	2,183,277	2,403,029	228,546,375
Accumulated Depreciation						
At 1 April 2004	24,995,776	4,655,621	123,163,090	1,528,573	-	154,343,060
Charge for the year	1,517,645	988,673	7,886,574	138,676	-	10,531,568
Disposals	(402,325)	(799,923)	(156,823)	-	-	(1,359,071)
Written off	(3,261)	-	(9,215,730)	(134,515)	-	(9,353,506)
At 31 March 2005	26,107,835	4,844,371	121,677,111	1,532,734	-	154,162,051
Net Book Value						
At 31 March 2005						
At cost	14,595,229	1,465,203	36,867,231	650,543	2,403,029	55,981,235
At valuation	18,403,089	-	-	-	-	18,403,089
	32,998,318	1,465,203	36,867,231	650,543	2,403,029	74,384,324
At 31 March 2004						
At cost	14,982,152	1,656,421	27,601,755	552,156	6,118,150	50,910,634
At valuation	19,701,034	-	-	-	-	19,701,034
	34,683,186	1,656,421	27,601,755	552,156	6,118,150	70,611,668
Depreciation charge for 2004	1,477,678	1,065,372	6,942,193	119,620	-	9,604,863

Notes To The Financial Statements
31 March 2005 (con't)

11. PROPERTY, PLANT AND EQUIPMENT (con't)

*** Land and buildings**

	Freehold land RM	Long term leasehold land RM	Buildings RM	Total RM
Cost/Valuation				
At 1 April 2004	1,059,200	30,729,769	27,889,993	59,678,962
Additions	-	-	826,974	826,974
Disposals	(987,675)	-	(402,325)	(1,390,000)
Written off	-	-	(9,783)	(9,783)
At 31 March 2005	71,525	30,729,769	28,304,859	59,106,153
Representing:				
At cost	-	6,192,805	20,713,348	26,906,153
At valuation	71,525	24,536,964	7,591,511	32,200,000
	71,525	30,729,769	28,304,859	59,106,153
Accumulated Depreciation				
At 1 April 2004	-	6,449,680	18,546,096	24,995,776
Charge for the year	-	399,432	1,118,213	1,517,645
Disposals	-	-	(402,325)	(402,325)
Written off	-	-	(3,261)	(3,261)
At 31 March 2005	-	6,849,112	19,258,723	26,107,835
Net Book Value				
At 31 March 2005				
At cost	-	5,549,093	9,046,136	14,595,229
At valuation	71,525	18,331,564	-	18,403,089
	71,525	23,880,657	9,046,136	32,998,318
At 31 March 2004				
At cost	-	5,638,255	9,343,897	14,982,152
At valuation	1,059,200	18,641,834	-	19,701,034
	1,059,200	24,280,089	9,343,897	34,683,186
Depreciation charge for 2004	-	399,432	1,078,246	1,477,678

11. PROPERTY, PLANT AND EQUIPMENT (con't)

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

	2005 RM	2004 RM
At cost:		
Land and buildings	16,614,249	16,316,453
Motor vehicles	3,030,957	2,932,768
Plant, machinery and equipment	85,307,734	87,421,787
Furniture, fixtures and fittings	812,096	893,040
	105,765,036	107,564,048

(b) The freehold and leasehold land and buidings 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.

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

(c) Long term leasehold land recorded at valuation of RM2,868,684 (2004: RM2,868,684) and at cost of RM6,192,805 (2004: RM6,192,805) have restriction in the transfer of titles or mortgages which require approval by the relevant authorities.

12. INVESTMENTS

	2005 RM	2004 RM
Unquoted shares in associated companies, at cost	1,678,751	1,678,751
Quoted shares in a Malaysian corporation, at cost	2,173,125	2,173,125
Transferable club memberships	268,000	268,000
	4,119,876	4,119,876
Market value of quoted shares in Malaysia	2,985,040	3,783,853

Had the equity method of accounting been applied, the carrying amount of investment in associated companies would have been as follows:

	2005 RM	2004 RM
Investment in associated companies, at cost	1,678,751	1,678,751
Share of post-acquisition profits	8,580,396	8,543,189
	10,259,147	10,221,940
Represented by:		
Share of net assets	13,130,395	13,093,188
Discount on acquisition	(2,871,248)	(2,871,248)
	10,259,147	10,221,940

12. INVESTMENTS (con't)

Had the equity method of accounting been applied, the income statement of the Company would have been as follows:

	2005		2004	
	RM	RM	RM	RM
Profit before taxation and share				
of profits of associated companies		12,589,239		14,146,467
Share of profit of associated companies		143,592		469,677
Profit before taxation		12,732,831		14,616,144
Taxation				
Company	(69,805)		(2,087,240)	
Associated companies	(129,545)		(176,542)	
		(199,350)		(2,263,782)
Profit after taxation		12,533,481		12,352,362

The associated companies are:

Name of Company	Country of Incorporation	Effective Interests (%) 2005	2004	Financial Year End	Principal Activities
Malaysia Ve-Tsin Manufacturing Co. Bhd.	Malaysia	49	49	31 December	Manufacturer of monosodium glutamate
Ajinomoto (Singapore) Pte. Ltd.	Singapore	50	50	31 March	Distributor of monosodium glutamate
Nee Seng Ngeng & Sons Sago Industries Sdn. Bhd.	Malaysia	30	30	31 December	Producer of sago starch

13. INVENTORIES

	2005	2004
	RM	RM
At cost:		
Raw materials	8,410,508	7,774,782
Consumables	2,315,225	2,345,865
Work-in-progress	2,327,483	2,145,192
Finished goods	15,168,095	11,024,808
	28,221,311	23,290,647

The cost of inventories recognised as an expense during the financial year amounted to RM119,637,359 (2004: RM113,756,924).

14. TRADE RECEIVABLES

	2005 RM	2004 RM
Trade receivables	22,028,824	20,922,168
Less: Provision for doubtful debts	(132,023)	(132,023)
	21,896,801	20,790,145

Included in trade receivables are amounts:

	2005 RM	2004 RM
Due from holding company	3,720	-
Due from affiliated companies	-	472,581
Due from fellow subsidiaries	1,353,777	629,486
Due from associated companies	1,896,023	1,082,881
	3,253,520	2,184,948

The Company's normal trade credit term ranges from 14 days to 90 days (2004: 14 days to 90 days). Other credit terms are assessed and approved on a case-by-case basis.

As at the balance sheet date, the Company has a significant concentration of credir risk in the form of outstanding balances from 2 (2004: 2) customers representing approximately 39% (2004: 37%) of the total trade receivables.

The amounts due from related companies are unsecured, interest free and credit terms ranges from 30 days to 90 days (2004: 30 days to 90 days).

15. OTHER RECEIVABLES

	2005 RM	2004 RM
Deposits	226,410	251,434
Prepayments	974,214	1,529,793
Sundry receivables	2,065,914	1,748,413
	3,266,538	3,529,640

The Company has no significant concentration of credit risk that may arise from exposures to a single debtor or groups of debtors.

16. CASH AND CASH EQUIVALENTS

	2005 RM	2004 RM
Cash on hand and at banks	2,755,712	2,860,771
Deposits with licensed banks	28,595,638	30,717,546
	31,351,350	33,578,317

The weighted average effective interest rates of the deposits with licensed banks at the balance sheet date 2.6% (2004: 2.6%) per annum.

The average maturities of the deposits with licensed banks as at the end of the financial year were 27 days (2004: 30 days).

17. TRADE PAYABLES

	2005 RM	2004 RM
Included in trade payables are amounts:		
Due to holding company	567,043	23,582
Due to fellow subsidiaries	5,427,275	153,254
Due to affiliated companies	317,425	315,906
	6,311,743	492,742

The normal trade credit terms granted to the Company ranges from 30 to 60 days (2004: 30 to 60 days).

The amounts due to related companies are unsecured, interest free and have credit term of 30 days (2004: 30 days).

18. OTHER PAYABLES

	2005 RM	2004 RM
Accrued expenses	2,840,100	1,869,939
Sundry payables	1,867,616	2,296,779
Due to holding company	978,188	987,382
	5,685,904	5,154,100

The amount due to holding copany is unsecured, interest free and has no fixed terms of repayment.

19. SHARE CAPITAL

	Number of Ordinary Share of RM1 Each		Amount	
	2005	2004	2005 RM	2004 RM
Authorised:				
At beginning/end of year	80,000,000	80,000,000	80,000,000	80,000,000
Issued and fully paid:				
At beginning/end of year	60,798,534	60,798,534	60,798,534	60,798,534

20. RESERVES

	2005 RM	2004 RM
Share Premium (Non-distributable)	4,303,700	4,303,700
Revaluation reserves (Non-distributable)	7,264,361	7,749,410
Retained profits	64,054,412	55,840,856
	75,622,473	67,893,966

20. RESERVES (con't)

	2005 RM	2004 RM
Revaluation reserves		
Freehold land	185,769	548,947
Leasehold land	7,078,592	7,200,463
	7,264,361	7,749,410

This reserves includes the cumulative net change, net of deferred tax effects, arising from the revaluation of freehold land and leasehold land.

The movement of each category of revaluation reserve were as follows:

Freehold land	2005 RM	2004 RM
Balance at 1 April 2004/2003	548,947	548,947
Transfer to retained profits upon disposal of revalued assets	(363,178)	-
Balance at 31 March 2005/2004	185,769	548,947

Leasehold land		
Balance at 1 April 2004/2003	7,200,463	7,322,334
Transfer to retained profits	(121,871)	(121,871)
Balance at 31 March 2005/2004	7,078,592	7,200,463

Retained profits

As at 31 March 2005, the Company has tax exempt profits available for distribution of approximately RM67,152,000 (2004: RM65,238,000), subject to the agreement of the Inland Revenue Board.

The Company has sufficient tax credit under Section 108 of the Income Tax Act, 1967 and the balance in the tax exempt income account to frank the payment of dividends out of its entire retained profits as at 31 March 2005.

21. POST-EMPLOYMENT 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% on aggregate basic salaries of eligible staff and the number of completed years of service. Interest is accrued at 6% per annum on these benefits.

21. POST-EMPLOYMENT BENEFIT OBLIGATIONS (con't)

The movements during the financial year in the amount recognised in the balance sheet are as follows:

	2005 RM	2004 RM
At 1 April 2004/2003	3,637,377	3,574,324
Amount recognised in the income statement (Note 5)	884,401	729,171
Less: Contributions paid	(583,432)	(666,118)
At 31 March 2005/2004	3,938,346	3,637,377

The amounts recognised in the balance sheet are determined as follows:

	2005 RM	2004 RM
Present value of defined benefit obligation recognised as liabilities in the balance sheet	3,938,346	3,637,377
Analysed as:		
Current	696,279	392,151
Non-current	3,242,067	3,245,226
	3,938,346	3,637,377

The amounts recognised in the income statements are as follows:

	2005 RM	2004 RM
Current service cost	732,263	642,492
Interest cost	152,138	86,679
	884,401	729,171

The above amounts charged to the income statement have been included in staff costs, as disclosed in Note 5.

22. DEFERRED TAX LIABILITIES

	2005 RM	2004 RM
At 1 April 2004/2003	5,091,475	5,175,467
Transfer to income statement (Note 8)	(1,044,453)	(83,992)
At 31 March 2005/2004	4,047,022	5,091,475

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

22. DEFERRED TAX LIABILITIES (con't)

Deferred Tax Assets:

	Post-employment Benefit Obligations RM	Provision for Liabilities RM	Provision for Doubtful Debts RM	Total RM
At 1 April 2004	1,018,466	109,079	21,598	1,149,143
Recognised in the income statement	84,271	(109,079)	15,368	(9,440)
At 31 March 2005	1,102,737	-	36,966	1,139,703

Deferred Tax Liabilities:

	Revaluation Reserves RM	Accelerated Capital Allowances RM	Total RM
At 1 April 2004	2,829,073	3,411,545	6,240,618
Recognised in the income statement	(19,115)	(1,034,778)	(1,053,893)
At 31 March 2005	2,809,958	2,376,767	5,186,725

23. PRIOR YEAR ADJUSTMENTS

Pursuant to the computerisation of the Company's inventories system, there were inadvertent date omissions and computational errors in the consumption of raw materials and work-in-progress reported in prior years resulting in the overstatement of the Company's inventories. The above have the following effects on the financial statements:

	2005 RM	2004 RM
Effects on retained profits:		
At 1 April 2004/2003, as previously stated	59,471,641	50,144,164
Effects on overstatement of inventories	(3,630,785)	(2,544,661)
At 1 April 2004/2003, as previously stated	55,840,856	47,599,503
Effects on inventories:		
At 1 April 2004/2003, as previously stated	26,921,432	24,005,014
Effects on overstatement of inventories	(3,630,785)	(2,544,661)
At 1 April 2004/2003, as previously stated	23,290,647	21,460,353

Comparative amounts as at 31 March 2004 have been restated as follows:

23. PRIOR YEAR ADJUSTMENTS (con't)

	Previously Stated RM	Adjustments RM	Restated RM
Income statement			
Raw materials and packaging materials consumed	72,564,560	1,086,124	73,650,684
Balance Sheet			
Reserves	(71,524,751)	3,630,785	(67,893,966)
Inventories	26,921,432	(3,630,785)	23,290,647
Cash flow statement			
Profit before taxation	15,232,591	(1,086,124)	14,146,467
Inventories written off	-	437,764	437,764
Increase in inventories	(2,916,418)	648,360	(2,268,058)

24. COMMITMENTS

	2005 RM	2004 RM
Capital expenditure:		
Approved and contracted for:		
Property, plant and equipment	3,884,225	2,923,503
Approved but not contracted for:		
Property, plant and equipment	23,715,775	23,331,497
	27,600,000	26,255,000

Notes To The Financial Statements
31 March 2005 (con't)

25. SIGNIFICANT RELATED PARTY TRANSACTIONS

	2005 RM	2004 RM
(a) Transactions with associated companies:		
Sales to Ajinomoto (Singapore) Pte. Ltd.	2,796,189	3,314,697
Sales to Malaysia Ve-Tsin Manufacturing Co. Bhd.	2,268,180	1,062,525
Purchases from Malaysia Ve-Tsin Manufacturing Co. Bhd.	2,556,830	2,323,028
Purchases from Ajinomoto (Singapore) Pte. Ltd.	1,687,195	1,053,641
Management fees received from Malaysia Ve-Tsin Manufacturing Co. Bhd.	108,000	108,000
Dividend received from Malaysia Ve-Tsin Manufacturing Co. Bhd	129,360	129,360
(b) Transactions with affiliated companies:		
Purchases from Malaysia Packaging Ind. Bhd.	3,189,385	3,517,766
Dividend received from Malaysia Packaging Ind. Bhd	63,064	42,043
(c) Transactions with holding company and its subsidiaries*:		
Commission income	275,441	424,761
Royalties payable	3,812,921	3,679,545
Sales	3,017,219	4,545,429
Purchases	29,234,497	20,642,809

** Comprises Ajinomoto Co. Inc. and its subsidiaries, excluding Ajinomoto (Singapore) Pte. Ltd.*

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

26. COMPARATIVE FIGURES

The presentation and classification of items in the current year financial statements have been consistent with the previous financial year except that certain comparative amounts have been adjusted as a resulf of prior year adjustments as disclosed in Note 23.

27. FINANCIAL INSTRUMENTS

(a) Financial Risk Management Objectives and Policies

The Company's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Company's businesses whilst managing its interest rate, foreign exchange, liquidity and credit risks. The Company operates within clearly defined guidelines that are approved by the Board and the Company's policy is not to engage in speculative transactions.

(b) Interest Rate Risk

The Company had no substantial long-term interest-bearing assets as at 31 March 2005. The investments in financial assets are mainly short term in nature and they are not held for speculative purposes but have been mostly placed in fixed deposits or occasionally, in short term commercial papers which yield better returns than cash at bank.

The information on maturity date and effective interest rates of financial assets is disclosed in its respective note.

(c) Foreign Exchange Risk

The Company operates internationally and is exposed to various currencies, mainly Japenese Yen, United States Dollar, Euro, Brunei Dollar, Swiss Franc and Singapore Dollar. Foreign currency denominated assets and liabilities together with expected cash flows highly probable purchases and sales give rise to foreign exchange exposures.

Foreign exchange exposures in transactional currencies othe than functional currencies of the Company are kept to an accptable level. Material foreign currency transaction exposures are hedged, mainly with deriviative financial instruments such as short-term forward foreign currency contracts.

The net unhedged financial assets and financial liabilities of the Company that are not denominated in their functional currencies are as follows:

	Net Financial Assets / (Liabilities) Held in Non-Functional Currency						
Functional Currency	**United States Dollar RM**	**Brunei Dollar RM**	**Singapore Dollar RM**	**Euro RM**	**Japanese Yen RM**	**Swiss Franc RM**	**Total RM**
At 31 March 2005							
Ringgit Malaysia	593,679	638,594	1,531,260	(114,672)	(1,390,264)	23,416	1,282,013
At 31 March 2004							
Ringgit Malaysia	5,493,167	643,563	835,133	-	(113,172)	-	6,858,691

As at balance sheet date, there were no forward foreign exchange contracts undertaken by the Company to hedge its exposure to currency fluctuations affecting certain foreign currency denominated payables (2004: RM288,000 equivalent to Euro 67,000 which had a maturity period of within 2 months).

All gains or losses on foreign exchange contracts are recognised as income or expenses upon realisation.

(d) Liquidity Risk

The Company actively manages its operating cash flows. As part of its overall prudent liquidity management, the Company maintains sufficient levels of cash or cash convertible investments to meet its working capital requirements.

27. FINANCIAL INSTRUMENTS (con't)

(f) Fair values (Contd.)

	2005		2004	
	Carrying Amount RM	Fair Value RM	Carrying Amount RM	Fair Value RM
Financial Assets				
Non-current unquoted shares	1,678,751	*	1,678,751	*
Marketable securities	2,173,125	2,985,040	2,173,125	3,783,853
Transferable club memberships	268,000	*	268,000	*
Financial Liabilities				
Amounts due to holding company	978,188	#	987,382	#

** It is not practical to estimate the fair value of the Company's non-current unquoted shares and transferable club memberships because of the lack of quoted market prices and the inability estimate fair value without incurring excessive costs.*

 # It is also not practical to estimate the fair values of amounts due to related corporations due principally to a lack of fixed repayment term entered by the parties involved and without incurring excessive costs.

The nominal / notional amounts and net fair value of financial instruments not recognised in the balance sheet of the Company as at the end of the financial year are:

	2005		2004	
	Notional Amount RM	Fair Value RM	Notional Amount RM	Fair Value RM
Forward foreign exchange contracts			288,000	287,623

The following methods and assumptions are used to estimate the fair values of the following classes of financial instruments:

(i) Cash and Cash Equivalents, Trade and Other Receivables/Payables
The carrying amounts approximate fair values due to the relatively short term maturity of these financial instruments.

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

(iii) Derivative Financial Instruments
The fair value of a forward foreign currency contract is the amount that would be payable or receivable on termination of the outstanding position arising and is determined by reference to the difference between the contracted rate and forward exchange rate as at the balance sheet date applied to a contract of similar quantum and maturity profile.

27. FINANCIAL INSTRUMENTS (con't)

(e) Fair values (con't)

The following methods and assumptions are used to estimate the fair values of the following classes of financial instruments:

(i) Cash and Cash Equivalents, Trade and Other Receivables/Payables
The carrying amounts approximate fair values due to the relatively short term maturity of these financial instruments.

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

(iii) Derivative Financial Instruments
The fair value of a forward foreign currency contract is the amount that would be payable or receivable on termination of the outstanding position arising and is determined by reference to the difference between the contracted rate and forward exchange rate as at the balance sheet date applied to a contract of similar quantum and maturity profile.

28. SEGMENTAL INFORMATION

(a) Business Segment:

Segmental reporting by business activities has not been prepared as the Company is principally engaged only in the manufacturing and selling of monosodium glutamate and other related products.

(b) Geographical Segment:

Segmental reporting by geographical regions has been prepared for revenue, the Company's assets are located in Malaysia.

	Malaysia	Middle East	Other Asian Countries	Others	Total
	RM	RM	RM	RM	RM
Revenue					
2005	125,730,084	12,886,146	22,808,147	5,444,816	166,869,193
2004	127,509,861	11,606,253	19,653,788	5,355,920	164,125,822

List Of Properties As At 31 March 2005

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)	29 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)	40 years	11,966,297
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)	35years	4,232,143
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	13 years	168,642
Land and buildings Lot 5710, Jalan Kuchai Lama, Petaling, Kuala Lumpur	Mining pool	304,920 sq. ft.	Leasehold expiring on 2062	1984 (Revaluation)	40 years	2,133,124
Land and buildings Lot 5710, Jalan Kuchai Lama, Petaling, Kuala Lumpur	Factory complex	85,568 sq. ft.	Leasehold expiring on 15.3.2073	1992	13 years	11,226,295
Land Lot 47088, Jalan Kuchai Lama, Petaling, Kuala Lumpur	Industrial vacant land	5,904 sq. mtr.	Leasehold expiring on 20.1.2074	2003	-	3,200,292
						32,998,318

Notice Of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Forty-Fourth Annual General Meeting of the Company will be held at its Registered Office, Lot 5710, Jalan Kuchai Lama, Petaling, 58200 Kuala Lumpur on Tuesday, 16 August 2005 at 11.00 a.m. for the following purposes :-

AGENDA

1. To receive the Audited Financial Statements for the financial year ended 31 March 2005 together with the Reports of the Directors and the Auditors thereon. **Resolution 1**

2. To declare a first and final dividend of 9 sen comprising a tax exempt of 5 sen and 4 sen less 28% income tax for the financial year ended 31 March, 2005. **Resolution 2**

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

4. To re-elect the following Directors who shall retire in accordance with Article 116 of the Company's Articles of Association and being eligible, have offered themselves for re-election:-

   (a) Mr. Gew Ah Lek **Resolution 4**
   (b) Y. Bhg. Dato' Professor (Dr.) Teo Chiang Liang **Resolution 5**
   (c) Y. Bhg. Dato' Hj. Shaharuddin Bin Hj. Haron **Resolution 6**

5. To re-elect the following Directors who shall retire in accordance with Article 122 of the Company's Articles of Association and being eligible, have offered themselves for re-election:-

   (a) Mr. Shunichi Komatsu **Resolution 7**
   (b) Mr. Makoto Tatsumi **Resolution 8**
   (c) Mr. Taisuke Oka **Resolution 9**

6. To consider and if thought fit, to pass the following ordinary resolution in accordance with the Section 129 of the Companies Act, 1965: - **Resolution 10**

   "THAT pursuant to Section 129 of the Companies Act, 1965, Y. Bhg. General (R) Tan Sri (Dr.) Dato' Paduka Mohamed Hashim Bin Mohd Ali who has attained the age of 70 years be and is hereby re-appointed as Director of the Company and to hold office until the conclusion of the next Annual General Meeting."

7. To re-appoint Messrs. Hanafiah Raslan & Mohamad as Auditors of the Company until the conclusion of the next Annual General Meeting and to authorise the Directors to fix their remuneration. **Resolution 11**

   As Special Business

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

   ORDINARY RESOLUTION

8. **Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature**

   "**That** approval be and is hereby given to the Company to enter into and give effect to recurrent related party transactions of a revenue or trading nature with Ajinomoto's affiliated companies (as specified in Sections 2.2 and 2.3 of the Circular dated 25 July, 2005 and falling within the ambit of Paragraph 10.09 of the Listing Requirements of the Bursa Malaysia Securities Berhad (formerly known as Malaysia Securities Exchange Berhad), which are necessary for the day-to-day operations and undertaken in the ordinary course of business of the Company, on terms not more favourable to Ajinomoto Affiliated Companies than those generally available to the public and not detrimental to minority shareholders of the Company;

   THAT such approval unless revoked or varied by the Company in general meeting shall continue to be in full force and effect until:

   (a) the conclusion of the next Annual General Meeting ("AGM") of the Company following this AGM at which such mandate is passed, at which time it will lapse, unless by a resolution passed at an AGM, whereby the mandate is renewed; or

(b) the expiration of the period within which the next AGM of the Company subsequent to the date it is required to be held pursuant to Section 143(1) of the Companies Act, 1965 (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the said Act); or

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

whichever is the earlier date;

And that the Directors of the Company be authorised to complete and do all such acts and things as they may consider expedient or necessary to give effect to this resolution." **(Resolution 12)**

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

NOTICE OF BOOK CLOSURE

Notice is also hereby given that the first and final dividend of 9 sen comprising a tax exempt of 5 sen and 4 sen less 28% income tax will be payable on 16 September, 2005 to depositors whose names appear in the Record of Depositors at the close of business on 2 September, 2005 if approved by the members at the Forty-Fourth Annual General Meeting.

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 2 September, 2005 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 July, 2005

Explanatory Notes To Special Business :

Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions

The Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature 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 Sections 2.2 and 2.3 of the Circular to Shareholders dated 25 July, 2005 for more information.

Notes :-

1. 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.

2. 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 share-holding to be represented by each proxy.

3. 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.

4. 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, not less than forty-eight (48) hours before the time fixed for holding the meeting or at any adjournment thereof.

Statement Accompanying the Notice of Annual General Meeting

1. Details of Annual General Meeting

The Forty-Fourth Annual General Meeting of Ajinomoto (Malaysia) Berhad will be held on Tuesday, 16 August 2005 at 11.00 a.m. at the Registered Office of the Company at Lot 5710, Jalan Kuchai Lama, Petaling, 58200 Kuala Lumpur.

2. Details of Directors Standing for Re-Election/ Re-Appointment

The details of Directors who are standing for re-election at the Forty-Fourth Annual General Meeting of Ajinomoto (Malaysia) Berhad are as follows :-

Name of Directors	Details of Attendance at Board Meeting	Details of Individual Director and other Disclosure Requirements
Mr. Gew Ah Lek (Article 116 of the Company's Articles of Association)	Refer to page **10** of the Annual Report	Refer to page **7** of the Annual Report
Y. Bhg. Dato' Professor (Dr.) Teo Chiang Liang (Article 116 of the Company's Articles of Association)	Refer to page **10** of the Annual Report	Refer to page **5** of the Annual Report
Y. Bhg. Dato' Hj. Shaharuddin Bin Hj. Haron (Article 116 of the Company's Articles of Association)	Refer to page **10** of the Annual Report	Refer to page **8** of the Annual Report
Mr. Shunichi Komatsu (Article 122 of the Company's Articles of Association)	Not applicable as he was appointed on 6 July 2005	Refer to page **5** of the Annual Report

Name of Directors	Details of Attendance at Board Meeting	Details of Individual Director and other Disclosure Requirements
Mr. Makoto Tatsumi (Article 122 of the Company's Articles of Association)	Not applicable as he was appointed on 6 July 2005	Refer to page **6** of the Annual Report
Mr. Taisuke Oka (Article 122 of the Company's Articles of Association)	Not applicable as he was appointed on 6 July 2005	Refer to page **7** of the Annual Report
Y. Bhg. General (R) Tan Sri (Dr.) Dato' Paduka Mohamed Hashim Bin Mohd Ali (Section 129 of the Companies Act, 1965)	Refer to page **10** of the Annual Report	Refer to page **4** of the Annual Report

3. Details of Shareholdings of Directors who are Standing for Re-Election/ Re-Appointment

The shareholdings of Directors standing for re-election are set out in the Analysis of Shareholdings Section of the Annual Report which appear on page 23 of the Annual Report.

Form Of Proxy

Form Of Proxy

AJINOMOTO

AJINOMOTO (MALAYSIA) BERHAD (4295-W)

(incorporated in Malaysia)

Number of shares held :	CDS Account No :

*I/We, (full name in capital letters) ……………………………………………………………………………………………………

of (full address) ………………………………………………………………………………………………… being a *member/members of

AJINOMOTO (MALAYSIA) BERHAD ("the Company"), hereby appoint (full name in capital letters) ……………………………………

………

of (full address) ………

or failing *him/her, (full name in capital letters) ………………………………………………………………………………………

of (full address) ………

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 Forty-Fourth Annual General Meeting of the Company to be held at its Registered Office, Lot 5710, Jalan Kuchai Lama, Petaling, 58200 Kuala Lumpur on Tuesday, 16 August, 2005 at 11.00 a.m. and at any adjournment thereof.

The proportions of my/our holding to be represented by my/our proxies are as follows: -

First Proxy "A"	%
Second Proxy "B"	%

	100%
	=====

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.	Resolution	For	Against
1.	To receive the Audited Financial Statements for the financial year ended 31 March, 2005 together with the Reports of the Directors and the Auditors thereon.		
2.	To declare a first and final dividend of 9 sen comprising a tax exempt of 5 sen and 4 sen less 28% income tax for the financial year ended 31 March, 2005.		
3.	To approve the payment of Directors' fees for the financial year ended 31 March, 2005.		
4.	To re-elect Mr. Gew Ah Lek who retires in accordance with Article 116 of the Company's Articles of Association, and being eligible, has offered himself for re-election.		
5.	To re-elect Y. Bhg. Dato' Professor (Dr.) Teo Chiang Liang who retires in accordance with Article 116 of the Company's Articles of Association, and being eligible, has offered himself for re-election.		
6.	To re-elect Y. Bhg. Dato' Hj. Shaharuddin Bin Hj. Haron who retires in accordance with Article 116 of the Company's Articles of Association, and being eligible, has offered himself for re-election.		
7.	To re-elect Mr. Shunichi Komatsu who retires in accordance with Article 122 of the Company's Articles of Association, and being eligible, has offered himself for re-election.		
8.	To re-elect Mr. Makoto Tatsumi who retires in accordance with Article 122 of the Company's Articles of Association, and being eligible, has offered himself for re-election.		
9.	To re-elect Mr. Taisuke Oka who retires in accordance with Article 122 of the Company's Articles of Association, and being eligible, has offered himself for re-election.		
10.	To re-appoint Y. Bhg. General (R) Tan Sri (Dr.) Dato' Paduka Mohamed Hashim Bin Mohd Ali who is due to retire pursuant to Section 129 of the Companies Act, 1965, and being eligible, has offered himself for re-election.		
11.	To re-appoint Messrs. Hanafiah Raslan & Mohamad as Auditors of the Company until the conclusion of the next Annual General Meeting and to authorise the Directors to fix their remuneration.		

Form Of Proxy (con't)

No.	Resolution	For	Against
12.	As Special Business Ordinary Resolution Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature.		

* Strike out whichever not applicable

As witness my/our hand(s) this .... day of ...., 2005

....

Signature of Member/Common Seal

Notes:-

1. 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 Section149(1)(b) of the Act shall not apply to the Company.

2. 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 share-holding to be represented by each proxy.

3. 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.

4. 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, not less than forty-eight (48) hours before the time fixed for holding the meeting or at any adjournment thereof.

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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,
Malaysia.

AJINOMOTO

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AJINOMOTO (MALAYSIA) BERHAD
Lot 5710, Jalan Kuchai Lama,
Petaling, 58200 Kuala Lumpur.
Tel: 03 - 7980 6958
Fax: 03 - 7981 1731
Website: www.ajinomoto.com.my