

The directors have pleasure in presenting their report together with the audited financial statements of the Economic Entity (comprising the Company and the equity accounted associates) and of the Company for the financial year ended 31 March 2007.

PRINCIPAL ACTIVITIES

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

The principal activities of the associated company are trading in monosodium glutamate and processing of HVP (hydrolysed vegetable protein).

There have been no significant changes in the nature of the principal activities during the financial year.

RESULTS

	Economic Entity RM	Company RM
Profit for the year	<u>14,992,847</u>	<u>18,670,013</u>

There were 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 the Economic Entity and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature other than the effects arising from changes in estimates where the residual values of certain motor vehicles and their estimated useful lives were revised resulting in an increase in the Economic Entity's and the Company's profit for the year by RM605,534 as disclosed in Note 2.4 to the financial statements.

DIVIDENDS

The amount of dividends paid by the Company since 31 March 2006 were as follows:

	RM
In respect of the financial year ended 31 March 2006 as reported in the directors' report of that year	4,790,927
First and final dividend of 4% less 28% taxation and 5% tax exempt, declared on 22 August 2006 and paid on 19 September 2006.	4,790,927

At the forthcoming Annual General Meeting, a first and final dividend in respect of the financial year ended 31 March 2007, of 4% less 27% taxation and 6% tax exempt on 60,798,534 ordinary shares, amounting to a dividend payable of RM5,423,229 (8.9 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 the financial year ending 31 March 2008.

Directors' Report (contd.)

DIRECTORS

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

Gen (R) Tan Sri (Dr.) Dato' Paduka Mohamed Hashim Bin Mohd. Ali
Shunichi Komatsu
Kenji Fukami
Makoto Tatsumi
Dato' Professor (Dr.) Teo Chiang Liang
Adinan Bin Husin
Dr. Goh Chin Siew
Mazlan Bin Ab. Rahman
Gew Ah Lek
Dato' Hj. Shaharuddin Bin Hj. Haron
Hiroyuki Furusawa
Taisuke Oka
Takuji Umeda

(appointed on 3 July, 2006)

(resigned on 1 July, 2006)

(resigned on 1 July, 2006)

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 he is a member, or with a company in which he has a substantial financial interest.

DIRECTORS' INTEREST

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:

The Company	Number of Ordinary Shares of RM1 Each			At 31.03.2007
	At 1.04.2006	Acquired	Sold	
Direct Interest				
Shunichi Komatsu	2,398	-	-	2,398
Gew Ah Lek	6,000	-	-	6,000
Indirect Interest				
Dato' Professor (Dr.) Teo Chiang Liang	150,000	-	-	150,000
Holding Company - Ajinomoto Co. Inc.				
Direct Interest				
Shunichi Komatsu	5,182	730	-	5,912
Kenji Fukami	139	138	-	277
Makoto Tatsumi	287	17	-	304
Hiroyuki Furusawa	2,706*	-	-	2,706

* Appointed on 3 July 2006

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 income statements and balance sheets of the Economic Entity and 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 all known bad debts had been written off and that adequate provision had been made for doubtful debts; and
 - (ii) to ensure that any current assets which were unlikely to realise their 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 provision for doubtful debts inadequate to any substantial extent; and
 - (ii) the values attributed to the current assets in the financial statements of the Economic Entity and 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 Economic Entity and 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 Economic Entity and 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 Economic Entity or 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 Economic Entity or 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 Economic Entity or of the Company to meet their 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 Economic Entity and of the Company for the financial year in which this report is made.

Directors' Report (contd.)

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

In addition to the significant events disclosed elsewhere in this report, other significant events are disclosed in Note 27 to the financial statements.

SUBSEQUENT EVENT

Details of a subsequent event are disclosed in Note 28 to the financial statements.

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 22 June 2007.

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

Shunichi Komatsu

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 Shunichi Komatsu, 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 71 are drawn up in accordance with applicable Financial Reporting 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 Economic Entity and the Company as at 31 March 2007 and of the results and the cash flows of the Economic Entity and the Company for the year then ended.

Signed on behalf of the Board in accordance with a resolution of the directors dated 22 June 2007.

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

Shunichi Komatsu

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 of Ajinomoto (Malaysia) Berhad, do solemnly and sincerely declare that the accompanying financial statements set out on pages 35 to 71 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 17 July 2007

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 35 to 71. 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. The financial statements of the Economic Entity for the year ended 31 March 2006 were not audited.

We have 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 Financial Reporting Standards in Malaysia so as to give a true and fair view of:
 - (i) the financial position of the Economic Entity and of the Company as at 31 March 2007 and of the results and the cash flows of the Economic Entity and 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 accordance with the provisions of the Act.

Hanafiah Raslan & Mohamad

AF: 0002

Chartered Accountants

Kuala Lumpur, Malaysia

22 June 2007

Teoh Soo Hock

No. 2477/10/07 (J)

Partner

Income Statements For The Year Ended 31 March 2007

	Note	Economic Entity		Company	
		2007 RM	2006 RM <i>(Unaudited)</i>	2007 RM	2006 RM
Revenue	3	190,628,976	170,592,741	190,628,976	170,592,741
Other income	4	2,346,899	1,852,434	7,977,408	1,852,434
Changes in inventories of finished goods, work in progress and goods-in-transit		(448,494)	(2,525,867)	(448,494)	(2,525,867)
Raw materials and packaging materials consumed		(103,743,602)	(90,491,939)	(103,743,602)	(90,491,939)
Finished goods purchased		(4,871,823)	(5,084,545)	(4,871,823)	(5,084,545)
Staff costs		(25,633,738)	(24,107,966)	(25,633,738)	(24,107,966)
Depreciation		(8,661,427)	(10,148,276)	(8,661,427)	(10,148,276)
Impairment of assets		(850,543)	(1,145,779)	(850,543)	(1,145,779)
Other operating expenses		(33,366,994)	(32,090,000)	(33,366,994)	(32,090,000)
Operating profit		15,399,254	6,850,803	21,029,763	6,850,803
Share of profit of associates		1,953,343	299,895	-	-
Profit before tax	5	17,352,597	7,150,698	21,029,763	6,850,803
Income tax expense	8	(2,359,750)	(841,246)	(2,359,750)	(841,246)
Profit for the year		<u>14,992,847</u>	<u>6,309,452</u>	<u>18,670,013</u>	<u>6,009,557</u>
Earning per share attributable to equity holders of the Company (sen)					
- Basic, for profit for the year	9	<u>24.7</u>	<u>10.4</u>		

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

Balance Sheets As At 31 March 2007

	Note	Economic Entity		Company	
		2007 RM	2006 RM <i>(Unaudited)</i>	2007 RM	2006 RM
ASSETS					
Non-current assets					
Property, plant and equipment	11	69,406,545	73,405,024	69,406,545	73,405,024
Investment in associates	12	8,668,604	9,586,873	1,348,751	1,678,751
Other investments	13	1,134,441	1,234,984	1,134,441	1,234,984
		<u>79,209,590</u>	<u>84,226,881</u>	<u>71,889,737</u>	<u>76,318,759</u>
Current assets					
Inventories	14	25,104,026	29,511,903	25,104,026	29,511,903
Trade and other receivables	15	24,590,686	25,197,271	24,590,686	25,197,271
Cash and cash equivalents	16	64,193,072	30,450,944	64,193,072	30,450,944
		<u>113,887,784</u>	<u>85,160,118</u>	<u>113,887,784</u>	<u>85,160,118</u>
TOTAL ASSETS		<u>193,097,374</u>	<u>169,386,999</u>	<u>185,777,521</u>	<u>161,478,877</u>
EQUITY AND LIABILITIES					
Equity attributable to equity holders of the Company					
Share capital	20	60,798,534	60,798,534	60,798,534	60,798,534
Share premium	20	4,303,700	4,303,700	4,303,700	4,303,700
Other reserves		93,736,342	80,445,525	86,416,489	72,537,403
Total equity		<u>158,838,576</u>	<u>145,547,759</u>	<u>151,518,723</u>	<u>137,639,637</u>
Non-current liabilities					
Retirement benefit obligations	17	3,822,256	3,663,700	3,822,256	3,663,700
Deferred tax liabilities	19	3,878,168	4,048,857	3,878,168	4,048,857
		<u>7,700,424</u>	<u>7,712,557</u>	<u>7,700,424</u>	<u>7,712,557</u>
Current liabilities					
Retirement benefit obligations	17	711,923	444,305	711,923	444,305
Trade and other payables	18	25,619,622	15,548,449	25,619,622	15,548,449
Current tax payable		226,829	133,929	226,829	133,929
		<u>26,558,374</u>	<u>16,126,683</u>	<u>26,558,374</u>	<u>16,126,683</u>
Total liabilities		<u>34,258,798</u>	<u>23,839,240</u>	<u>34,258,798</u>	<u>23,839,240</u>
TOTAL EQUITY AND LIABILITIES		<u>193,097,374</u>	<u>169,386,999</u>	<u>185,777,521</u>	<u>161,478,877</u>

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

Economic Entity's Statements Of Changes In Equity For The Year Ended 31 March 2007

Attributable to Equity Holders of the Company

	<----- Non-Distributable Reserves ----->				Distributable Reserves	
	Share Capital RM Note	Share Premium RM (Note 20)	Revaluation Reserves RM	Other Reserves RM (Note 21)	Retained Earnings RM (Note 22)	Total RM
At 1 April 2005	60,798,534	4,303,700	7,264,361	3,802,830	69,552,181	145,721,606
Associates:						
Transfer from revaluation reserves to retained profits	-	-	-	(34,839)	34,839	-
Revaluation decrease from impairment	-	-	-	(1,642,005)	-	(1,642,005)
Foreign currency translation	-	-	-	-	(50,367)	(50,367)
At 1 April 2005	<u>60,798,534</u>	<u>4,303,700</u>	<u>7,264,361</u>	<u>2,125,986</u>	<u>69,536,653</u>	<u>144,029,234</u>
Transfer from revaluation reserves to retained profits	-	-	(121,871)	-	121,871	-
Profit for the year	-	-	-	-	6,309,452	6,309,452
Total recognised income and expense for the year	<u>60,798,534</u>	<u>4,303,700</u>	<u>7,142,490</u>	<u>2,125,986</u>	<u>75,967,976</u>	<u>150,338,686</u>
Dividends	10	-	-	-	(4,790,927)	(4,790,927)
At 31 March 2006	<u>60,798,534</u>	<u>4,303,700</u>	<u>7,142,490</u>	<u>2,125,986</u>	<u>71,177,049</u>	<u>145,547,759</u>
At 1 April 2006	60,798,534	4,303,700	7,142,490	2,125,986	71,177,049	145,547,759
Effects of adopting:						
FRS 3	2.3 (b)	-	-	-	2,871,248	2,871,248
Effects of associate adopting:						
FRS 140	2.3 (d)	-	-	(32,391)	296,118	263,727
		<u>60,798,534</u>	<u>4,303,700</u>	<u>7,142,490</u>	<u>2,093,595</u>	<u>74,344,415</u>
Transfer from revaluation reserves to retained profits		-	-	(121,871)	121,871	-
Associates:						
Transfer from revaluation reserves to retained profits		-	-	(63,588)	63,588	-
Foreign currency translation		-	-	-	(46,078)	(46,078)
Profit for the year		-	-	-	14,992,847	14,992,847
Dividends	10	-	-	-	(4,790,927)	(4,790,927)
At 31 March 2007		<u>60,798,534</u>	<u>4,303,700</u>	<u>7,020,619</u>	<u>2,030,007</u>	<u>84,685,716</u>

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

Company's Statements Of Changes In Equity For The Year Ended 31 March 2007

	Note	<----- Non-Distributable Reserves ----->			Distributable Reserves	
		Share Capital RM (Note 20)	Share Premium RM (Note 20)	Revaluation Reserves RM	Retained Earnings RM (Note 22)	Total Equity RM
Company						
At 1 April 2005		60,798,534	4,303,700	7,264,361	64,054,412	136,421,007
Transfer from						
revaluation reserves to retained profits		-	-	(121,871)	121,871	-
Profit for the year, representing total income and expense for the year		-	-	-	6,009,557	6,009,557
Dividends	10	-	-	-	(4,790,927)	(4,790,927)
At 31 March 2006		<u>60,798,534</u>	<u>4,303,700</u>	<u>7,142,490</u>	<u>65,394,913</u>	<u>137,639,637</u>
At 1 April 2006		60,798,534	4,303,700	7,142,490	65,394,913	137,639,637
Transfer from						
revaluation reserves to retained profits		-	-	(121,871)	121,871	-
Profit for the year, representing total income and expense for the year		-	-	-	18,670,013	18,670,013
Dividends	10	-	-	-	(4,790,927)	(4,790,927)
At 31 March 2007		<u>60,798,534</u>	<u>4,303,700</u>	<u>7,020,619</u>	<u>79,395,870</u>	<u>151,518,723</u>

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

Cash Flow Statements For The Year Ended 31 March 2007

	Note	Economic Entity		Company	
		2007 RM	2006 RM <i>(Unaudited)</i>	2007 RM	2006 RM
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before tax		17,352,597	7,150,698	21,029,763	6,850,803
Adjustments for:					
Short-term accumulating compensated absences	6	(41,015)	127,003	(41,015)	127,003
Interest income	4	(1,349,453)	(683,558)	(1,349,453)	(683,558)
Dividend income	4	(129,360)	(129,360)	(129,360)	(129,360)
Depreciation of property, plant and equipment	5	8,661,427	10,148,276	8,661,427	10,148,276
Provision for doubtful debts	5	191,708	117,179	191,708	117,179
Bad debts written off		-	126,367	-	126,367
Write down of inventories	5	-	719,847	-	719,847
Inventories written off	5	918,005	2,627,483	918,005	2,627,483
Provision for stock obsolescences	5	-	138,744	-	138,744
Property, plant and equipment written off	5	-	741,702	-	741,702
Impairment losses	5	850,543	1,145,779	850,543	1,145,779
Loss/(gain) on disposal of property, plant and equipment	5	130,206	(245,500)	130,206	(245,500)
Loss on disposal of marketable securities		-	101,128	-	101,128
Provision for post-employment benefits	6	1,281,001	770,780	1,281,001	770,780
Loss/(gain) on disposal of associated companies	5	31,849	-	(5,598,660)	-
Share of profit of associated companies		(1,953,343)	(299,895)	-	-
Operating profit before working capital changes		25,944,165	22,556,673	25,944,165	22,556,673
Decrease/(increase) in inventories		3,489,872	(4,776,666)	3,489,872	(4,776,666)
Decrease/(increase) in trade and other receivables		603,425	(267,041)	603,425	(267,041)
Increase/(decrease) in trade and other payables		10,112,188	(3,518,550)	10,112,188	(3,518,550)
Cash generated from operations		40,149,650	13,994,416	40,149,650	13,994,416
Taxes paid		(2,401,318)	(563,090)	(2,401,318)	(563,090)
Payments of post-employment benefits		(854,827)	(601,121)	(854,827)	(601,121)
Net cash generated from operating activities		36,893,505	12,830,205	36,893,505	12,830,205

Cash Flow Statements For The Year Ended 31 March 2007 (contd.)

	Note	Economic Entity		Company	
		2007 RM	2006 RM <i>(Unaudited)</i>	2007 RM	2006 RM
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of property, plant and equipment	11	(6,236,432)	(10,936,878)	(6,236,432)	(10,936,878)
Proceeds from disposal of property, plant and equipment		693,278	245,500	693,278	245,500
Proceeds from disposal of investment in associates (net)		5,928,660	-	5,928,660	-
Proceed from disposal of other investment		-	985,434	-	985,434
Interest received		1,160,905	673,121	1,160,905	673,121
Dividend received		93,139	93,139	93,139	93,139
Net cash generated from/(used in) investing activities		<u>1,639,550</u>	<u>(8,939,684)</u>	<u>1,639,550</u>	<u>(8,939,684)</u>
CASH FLOWS FROM FINANCING ACTIVITIES					
Dividends paid	10	<u>(4,790,927)</u>	<u>(4,790,927)</u>	<u>(4,790,927)</u>	<u>(4,790,927)</u>
Net cash used in financing activities		<u>(4,790,927)</u>	<u>(4,790,927)</u>	<u>(4,790,927)</u>	<u>(4,790,927)</u>
Net increase/(decrease) in cash and cash equivalents		33,742,128	(900,406)	33,742,128	(900,406)
Cash and cash equivalents at beginning of year		30,450,944	31,351,350	30,450,944	31,351,350
Cash and cash equivalents at end of year	16	<u>64,193,072</u>	<u>30,450,944</u>	<u>64,193,072</u>	<u>30,450,944</u>

The accompanying 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 Board of Bursa Malaysia Securities. The registered office of the Company is located at Lot 5710, Jalan Kuchai Lama, Petaling, 58200 Kuala Lumpur.

The immediate holding and ultimate holding company of the Company is Ajinomoto Co., a company 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.

The principal activities of the associated company are trading in monosodium glutamate and processing of HVP (hydrolysed vegetable protein).

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 22 June 2007.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparation

The financial statements of the Economic Entity comprise the Company and the Company's interest in its associates (together referred to as the Economic Entity).

The financial statements of the Economic Entity and of the Company are prepared under the historical cost convention unless otherwise indicated in the summary of significant accounting policies below and comply with applicable Financial Reporting Standards in Malaysia and the provisions of the Companies Act, 1965.

At the beginning of the current financial year, the Economic Entity and the Company had adopted new and revised FRSs and interpretations which are mandatory for financial periods beginning on or after 1 January 2006 as described fully in Note 2.3.

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

2.2 Summary of Significant Accounting Policies

(a) Associates

The Company has an interest in associates. Associates are entities in which the Company has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but not in control or joint control over those policies.

Investments in associates are accounted for in the Economic Entity financial statements using the equity method of accounting. Under the equity method, the investment in associate is carried in the Economic Entity balance sheet at cost adjusted for post-acquisition changes in the Economic Entity's share of net assets of the associate. The Economic Entity's share of the net profit or loss of the associate is recognised in the Economic Entity income statement. Where there has been a change recognised directly in the equity of the associate, the Economic Entity recognises its share of such changes.

In applying the equity method, unrealised gains and losses on transactions between the Economic Entity and the associate are eliminated to the extent of the Economic Entity's interest in the associate. After application of the equity method, the Economic Entity determines whether it is necessary to recognise any additional impairment loss with respect to the Economic Entity's net investment in the associate. The associate is equity accounted for from the date the Economic Entity obtains significant influence until the date the Economic Entity ceases to have significant influence over the associate.

Goodwill relating to an associate is included in the carrying amount of the investment and is not amortised. Any excess of the Economic Entity's share of the net fair value of the associate's identifiable assets, liabilities and contingent liabilities over the cost of the investment is excluded from the carrying amount of the investment and is instead included as income in the determination of the Economic Entity's share of the associate's profit or loss in the period in which the investment is acquired.

Notes To The Financial Statements 31 March 2007 (contd.)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.2 Summary of Significant Accounting Policies (contd.)

(a) Associates (contd.)

When the Economic Entity's share of losses in an associate equals or exceeds its interest in the associate, including any long-term interests that, in substance, form part of the Economic Entity's net investment in the associates, the Economic Entity does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

The most recent available audited financial statements or management financial statements of the associates are used by the Economic Entity in applying the equity method. Where the dates of the audited financial statements used are not coterminous with those of the Economic Entity, the share of results is arrived at from the last audited financial statements available and management financial statements to the end of the accounting period. Uniform accounting policies are adopted for like transactions and events in similar circumstances.

In the Company's separate financial statements, investments in associates are stated at cost less impairment losses.

On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

(b) Property, Plant and Equipment and Depreciation

All items of property, plant and equipment are initially recorded at cost. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Economic Entity and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Subsequent to recognition, property, plant and equipment except for freehold land are stated at cost less accumulated depreciation and any accumulated impairment losses.

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, these assets continue to be stated at their 1984 valuation less accumulated depreciation.

Any revaluation surplus is credited to the revaluation reserve included within equity, except to the extent that it reverses a revaluation decrease for the same asset previously recognised in the income statement, in which case the increase is recognised in the income statement to the extent of the decrease previously recognised. A revaluation deficit is first offset against unutilised previously recognised revaluation surplus in respect of the same asset and the balance is thereafter recognised in the income statement. Upon disposal or retirement of an asset, any revaluation reserve relating to the particular asset is transferred directly to retained earnings.

Capital work-in-progress is not depreciated. Freehold land has an unlimited useful life and therefore is not depreciated. Leasehold land is depreciated over the period of the respective leases which range from 70 years to 82 years.

Depreciation of other property, plant and equipment is provided for 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:

Buildings	7% to 11%
Motor vehicles	17%
Plant, machinery and equipment	7% to 25%
Furniture, fixtures and fittings	10%

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.2 Summary of Significant Accounting Policies (contd.)

(b) Property, Plant and Equipment and Depreciation (contd.)

The residual values, useful life and depreciation method are reviewed at each financial year-end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any, 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 earnings.

(c) Impairment of Non-Financial Assets

The carrying amounts of assets, other than inventories and deferred tax assets, are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated to determine the amount of impairment loss.

For the purpose of impairment testing of these assets, recoverable amount is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, recoverable amount is determined for the cash-generating unit (CGU) to which the asset belongs to. Goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Economic Entity's CGUs, or groups of CGUs, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Economic Entity are assigned to those units or groups of units.

An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows 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 considered impaired and 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.

An impairment loss is recognised in profit or loss in the period in which it arises, unless the asset is carried at a revalued amount, in which case the impairment loss is accounted for as a revaluation decrease to the extent that the impairment loss does not exceed the amount held in the asset revaluation reserve for the same asset.

An impairment loss for an asset is reversed if, and 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. The carrying amount of an asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss for an asset is recognised in profit or loss, unless the asset is carried at revalued amount, in which case, such reversal is treated as a revaluation increase.

(d) Inventories

Inventories are stated at lower of cost and net realisable value.

Cost is determined using the weighted average method. The cost of raw materials comprises costs of purchase. The costs of finished goods and work-in-progress comprise costs of raw materials, direct labour, other direct costs and appropriate proportions of manufacturing overheads based on normal operating capacity.

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

Notes To The Financial Statements 31 March 2007 (contd.)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.2 Summary of Significant Accounting Policies (contd.)

(e) Financial Instruments

Financial instruments are recognised in the balance sheet when the Economic Entity 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 Economic Entity 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) Cash and Cash Equivalents

For the purposes of the cash flow statements, cash and cash equivalents include cash on hand and at bank, deposits at call and short term highly liquid investment which have an insignificant risk of changes in value, net of outstanding bank overdrafts.

(ii) Other Non-Current Equivalents

Non-current investments other than investments in associates are stated at cost less impairment losses. On disposal of an investment, the difference between net disposal proceeds and its carrying amount is recognised in the income statement.

(iii) 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 profit or loss. On disposal of marketable securities, the difference between net disposal proceeds and the carrying amount is recognised in the income statement.

(iv) Trade And Other Receivables

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

(v) Trade And Other 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.

(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.

The transaction costs of an equity transaction are accounted for as a deduction from equity, net of tax. Equity transaction costs comprise only those incremental external costs directly attributable to the equity transaction which would otherwise have been avoided.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.2 Summary of Significant Accounting Policies (contd.)

(f) Income Tax

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

Deferred tax is provided for, using the liability method. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. Deferred tax is not recognised if the temporary difference 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 transaction, 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 as income or an expense and included in the income statement for the period, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also recognised directly in equity, or when it arises from a business combination that is an acquisition, in which case the deferred tax is included in the resulting goodwill or the amount of any excess of the acquirer's interest is the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the cost of the combination.

(g) Provision for Liabilities

Provisions are recognised when the Economic Entity 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, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as finance cost.

(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. 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.

(ii) Defined Contribution Plans

Defined contribution plans are post-employment benefit plans under which the Economic Entity pays fixed contributions into separate entities or funds and will have no legal or constructive obligation to pay further contributions if any of the funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years. Such contributions are recognised as an expense in the income statement as incurred. As required by law, companies in Malaysia make such contributions to the Employees Provident Fund ("EPF").

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.

Notes To The Financial Statements 31 March 2007 (contd.)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.2 Summary of Significant Accounting Policies (contd.)

(i) Foreign Currencies

(i) Functional and Presentation Currency

The individual financial statements of each entity under the Economic Entity are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The financial statements of the Economic Entity are presented in Ringgit Malaysia (RM), which is also the Company's functional currency.

(ii) Foreign Currency Transactions

Transactions in foreign currencies are initially recorded in Ringgit Malaysia at rates of exchange ruling at the dates of the transactions. At each balance sheet date, foreign currency monetary 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 not translated. 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 recognised in profit or loss.

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

	2007 RM	2006 RM
United States Dollar	3.48	3.72
Singapore Dollar	2.30	2.31
Brunei Dollar	2.30	2.31
Japanese Yen	0.03	0.03
Thai Baht	0.11	-

(j) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Economic Entity and the revenue can be reliably measured.

(i) Sale of Goods

Revenue is recognised net of sales taxes and upon transfer of significant risks and rewards of ownership to the buyer. 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.

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.2 Summary of Significant Accounting Policies (contd.)

(j) Revenue Recognition (contd.)

(iv) Dividend income

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

(v) Management Fees

Management fees are recognised when services are rendered.

(vi) Other Income

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

(k) Affiliated Companies

Affiliated companies refer to associated companies of the holding company.

2.3 CHANGES IN ACCOUNTING POLICIES AND EFFECTS ARISING FROM ADOPTION OF NEW AND REVISED FRS

The MASB has issued a number of new and revised FRS and Interpretations that are effective for financial periods beginning on or after 1 January 2006. On 1 April 2006, the Economic Entity and the Company adopted the following FRSs which became mandatory for financial periods beginning on or after 1 January 2006:

FRS 2	Share-based Payment
FRS 3	Business Combinations
FRS 5	Non-current Assets Held for Sale and Discontinued Operations
FRS 101	Presentation of Financial Statements
FRS 102	Inventories
FRS 108	Accounting Policies, Changes in Estimates and Errors
FRS 110	Events after Balance Sheet Date
FRS 116	Property, Plant and Equipment
FRS 121	The Effects of Changes in Foreign Exchange Rates
FRS 127	Consolidated and Separate Financial Statements
FRS 128	Investment in Associates
FRS 131	Investment in Joint Ventures
FRS 132	Financial Instruments: Disclosure and Presentation
FRS 133	Earnings Per Share
FRS 136	Impairment of Assets
FRS 138	Intangible Assets
FRS 140	Investment Property

The Economic Entity and the Company have not early adopted FRS 117: Leases and FRS 124: Related Party Disclosures for its financial period beginning 1 April 2006. Whilst FRS 6: Exploration for and Evaluation of Mineral Resources is not relevant to the Economic Entity's operations.

Except for the changes in accounting policies and their effects as discussed below, the new and revised FRS and Interpretations above do not have any other significant impact on the financial statement of the Economic Entity and the Company:

Notes To The Financial Statements 31 March 2007 (contd.)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.3 CHANGES IN ACCOUNTING POLICIES AND EFFECTS ARISING FROM ADOPTION OF NEW AND REVISED FRS (CONTD.)

(a) FRS 128: Investment in Associates

Under FRS 1282004, investors that do not have subsidiaries and therefore, do not produce consolidated financial statements are exempted from applying the equity method of accounting to its investments in associates. As a result, prior to 1 April 2006, investments in associates are stated at cost less impairment losses in the Company's separate financial statements and as required by FRS 1282004, the Company had only disclosed by way of note, what would have been the effect had the equity method been applied in a set of consolidated financial statements. Upon the adoption of the revised FRS 128, the Company is now required to prepare economic entity financial statements in which their investments in associates are equity accounted. Hence, in addition to the Company's separate financial statements, the Economic Entity's financial statements have also been presented for the current financial year and the comparative year. The investments in associates continue to be stated at cost less impairment losses in the Company's separate financial statements.

(b) Excess of Group's interest in the fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over cost (previously known as negative goodwill)

Under FRS 3, any excess of the Economic Entity's interest in the fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the cost of the acquisitions, after reassessment, is now recognised immediately in the income statement. In accordance with the transitional provisions of FRS 3, the negative goodwill as at 1 April 2006 of RM2,871,248 was recognised with a corresponding increase in retained earnings of the Economic Entity.

Because the revised accounting policy has been applied prospectively, the change has no impact on amounts reported for 31 March 2006 or prior periods.

(c) Accounting for acquisitions

Prior to 1 April 2006, the Economic Entity did not recognise separately the acquiree's contingent liabilities at the acquisition date as part of allocating the cost of a business combination. Upon the adoption of FRS 3, contingent liabilities are now separately recognised, provided their fair values can be measured reliably.

The change did not materially affect the financial statements of the Economic Entity and the Company.

(d) FRS 140: Investment Property

Prior to 1 April 2006, investment properties were stated at valuation. The investment properties of an associated company were last revalued in 1985. Upon the adoption of FRS 140, investment properties are now stated at fair value and gains and losses arising from changes in fair values are recognised in the income statement in the year in which they arise.

The Economic Entity have applied FRS 140 in accordance with the transitional provisions. The change in accounting policy has had no impact on amounts reported for 31 March 2006 or prior periods. Instead, the changes have been accounted for by the following adjustments as at 1 April 2006 in the Economic Entity's financial statements.

	As at 1.4.2006 RM
Economic Entity	
Increase in retained earnings	296,118
Decrease in share of associate revaluation reserves	(32,391)
	<u>263,727</u>

The effects on the Economic Entity balance sheet as at 31 March 2007 are set out in Note 2.3 (e)(i). The effect on the income statement for the year ended 31 March 2007 are set out in Note 2.3 (e)(ii). There were no effects on the balance sheet and income statements of the Company for the year ended 31 March 2007.

Notes To The Financial Statements 31 March 2007 (contd.)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.3 CHANGES IN ACCOUNTING POLICIES AND EFFECTS ARISING FROM ADOPTION OF NEW AND REVISED FRS (CONTD.)

(e) Summary of effects of adopting new and revised FRSs on the current year's financial statements

The following tables provide estimates of the extent to which each of the line items in the balance sheet and income statement for the year ended 31 March 2007 is higher or lower than it would have been had the previous policies been applied in the current year.

(i) Effects on balance sheet as at 31 March 2007:

Description of changes	Increase/(Decrease)		
	FRS 3	FRS 140	Total
	Note 2.3 (b)	Note 2.3 (d)	
	RM	RM	RM
Economic Entity			
Investment in associated companies	2,871,248	263,727	3,134,975
Retained earnings	2,871,248	296,118	3,167,366
Other reserve	-	(32,391)	(32,391)

(ii) Effects on income statement for the year ended 31 March 2007:

Description of changes	Increase/(Decrease)		
	FRS 128	FRS 140	Total
	Note 2.3 (a)	Note 2.3 (d)	
	RM	RM	RM
Economic Entity			
Other income	(5,630,509)	-	(5,630,509)
Share of profit of associated companies	1,953,343	-	1,953,343
Profit for the year	(3,677,166)	-	(3,677,166)

Notes To The Financial Statements 31 March 2007 (contd.)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.3 CHANGES IN ACCOUNTING POLICIES AND EFFECTS ARISING FROM ADOPTION OF NEW AND REVISED FRS (CONTD.)

Standards And Interpretations Issued But Not Yet Effective

At the date of authorisation of these financial statements, the following FRS, amendments to FRS and Interpretations were issued but not yet effective and have not been applied by the Economic Entity and the Company:

FRS, Amendments to FRS and Interpretations	Effective for financial periods beginning on or after
FRS 117: Leases	1 October 2006
FRS 124: Related Party Disclosures	1 October 2006
FRS 139: Financial Instruments: Recognition and Measurement	Deferred
FRS 6: Exploration for and Evaluation of Mineral Resources	1 January 2007
Amendment to FRS 119 ²⁰⁰⁴ : Employee Benefits - Actuarial Gains and Losses, Group Plans and Disclosures	1 January 2007
Amendment to FRS 121: The Effects of Changes in Foreign Exchange Rates - Net Investment in a Foreign Operation	1 July 2007
IC Interpretation 1: Changes in Existing Decommissioning, Restoration and Similar Liabilities	1 July 2007
IC Interpretation 2: Members' Shares in Co-operative Entities and Similar Instruments	1 July 2007
IC Interpretation 5: Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds	1 July 2007
IC Interpretation 6: Liabilities arising from Participating in a Specific Market - Waste Electrical and Electronic Equipment	1 July 2007
IC Interpretation 7: Applying the Restatement Approach under FRS 129 ²⁰⁰⁴ Financial Reporting in Hyperinflationary Economies	1 July 2007
IC Interpretation 8: Scope of FRS 2	1 July 2007

The above FRS, amendments to FRS and Interpretations are expected to have no significant impact on the financial statements of the Economic Entity and the Company upon their initial application except for the reclassification of leasehold land from property, plant and equipment to prepaid land lease payments on adoption of the revised FRS 117.

2.4 Significant Accounting Estimates and Judgements

Key Sources of Estimation Uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet 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:

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.

The revised FRS 116: Property, Plant and Equipment requires the review of the residual values and remaining useful life of an item of property, plant and equipment at least at each financial year end. During the year, the residual values of certain motor vehicles and their estimated useful lives were revised. The revisions were accounted for prospectively as a change in accounting estimates and as a result, the depreciation charges of the Economic Entity and of the Company for the current financial year have been reduced by RM605,534.

Notes To The Financial Statements 31 March 2007 (contd.)

3. REVENUE

	Economic Entity and Company	
	2007	2006
	RM	RM
Sale of Goods	<u>190,628,976</u>	<u>170,592,741</u>

4. OTHER INCOME

	Economic Entity		Company	
	2007	2006	2007	2006
	RM	RM	RM	RM
Miscellaneous income	791,935	686,016	791,935	686,016
Interest income	1,349,453	683,558	1,349,453	683,558
Gain on disposal of property, plant and equipment	-	245,500	-	245,500
Dividends received	129,360	129,360	129,360	129,360
Management fee	108,000	108,000	108,000	108,000
(Loss)/Gain on disposal of associate companies	(31,849)	-	5,598,660	-
	<u>2,346,899</u>	<u>1,852,434</u>	<u>7,977,408</u>	<u>1,852,434</u>

5. PROFIT BEFORE TAXATION

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

	Economic Entity		Company	
	2007	2006	2007	2006
	RM	RM	RM	RM
Employee benefits expenses (Note 6)	25,633,738	24,107,966	25,633,738	24,107,966
Non-executive directors' remuneration excluding benefits-in-kind (Note 7)	217,000	217,000	217,000	217,000
Auditors' remuneration:				
- statutory	42,500	37,500	42,500	37,500
- other services	5,000	5,000	5,000	5,000
Depreciation of property, plant and equipment (Note 11)	8,661,427	10,148,276	8,661,427	10,148,276
Loss/(Gain) on disposal of property, plant and equipment	130,206	(245,500)	130,206	(245,500)
Provision for doubtful debts	191,708	117,179	191,708	117,179
Bad debts written off	-	126,367	-	126,367
Inventories written off	918,005	2,627,483	918,005	2,627,483
Provision for stock obsolescences	-	138,744	-	138,744
Impairment loss of marketable securities	42,043	119,579	42,043	119,579
Impairment loss of property, plant and equipment	750,000	1,026,200	750,000	1,026,200
Impairment loss on club membership	58,500	-	58,500	-
Loss on disposal of marketable securities	-	101,128	-	101,128
Foreign exchange loss				
- Realised	610,607	12,296	610,607	12,296
- Unrealised	104,933	-	104,933	-
Property, plant and equipment written off	-	741,702	-	741,702
Loss/(Gain) on disposal of an associate company	<u>31,849</u>	<u>-</u>	<u>(5,598,660)</u>	<u>-</u>

Notes To The Financial Statements 31 March 2007 (contd.)

6. EMPLOYEE BENEFITS EXPENSES

	Economic Entity and Company	
	2007 RM	2006 RM
Wages and salaries	21,796,432	20,927,215
Gratuity	111,999	75,333
Pension costs - defined contribution plans	1,291,983	1,280,356
Pension costs - defined contribution plans maintained by the Company (Note 17)	1,281,001	770,780
Social security costs	161,918	156,973
Short term accumulating compensated absences	(41,015)	127,003
Other staff related expenses	1,031,420	770,306
	<u>25,633,738</u>	<u>24,107,966</u>

Included in employee benefits expense of the Economic Entity and of the Company are executive directors' remuneration amounting to RM2,513,269 (2006: RM2,899,404) and RM2,513,269 (2006: RM2,899,404) respectively as further disclosed in Note 7.

7. DIRECTORS' REMUNERATION

	Economic Entity		Company	
	2007 RM	2006 RM	2007 RM	2006 RM
Executive directors' remuneration (Note 6):				
Fees	125,000	140,000	125,000	140,000
Other emoluments	2,388,269	2,759,404	2,388,269	2,759,404
Estimated money value of benefit-in-kind	346,933	388,700	346,933	388,700
	<u>2,860,202</u>	<u>3,288,104</u>	<u>2,860,202</u>	<u>3,288,104</u>
Non-executive directors' remuneration (Note 5):				
Fees	155,000	155,000	155,000	155,000
Other emoluments	62,000	62,000	62,000	62,000
	<u>217,000</u>	<u>217,000</u>	<u>217,000</u>	<u>217,000</u>
Total directors' remuneration including benefit-in-kind	<u>3,077,202</u>	<u>3,505,104</u>	<u>3,077,202</u>	<u>3,505,104</u>

Notes To The Financial Statements 31 March 2007 (contd.)

7. DIRECTORS' REMUNERATION (CONTD.)

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

	Economic Entity		Company	
	2007 RM	2006 RM	2007 RM	2006 RM
Executive:				
Salaries and other emolument	2,233,305	2,585,691	2,233,305	2,585,691
Fees	125,000	140,000	125,000	140,000
Bonus	53,400	52,000	53,400	52,000
Gratuity	50,000	75,333	50,000	75,333
Defined contribution plan	51,564	46,380	51,564	46,380
Estimated money value of benefit-in-kind	346,933	388,700	346,933	388,700
	<u>2,860,202</u>	<u>3,288,104</u>	<u>2,860,202</u>	<u>3,288,104</u>
Non-Executive:				
Fees	155,000	155,000	155,000	155,000
Gratuity	62,000	62,000	62,000	62,000
	<u>217,000</u>	<u>217,000</u>	<u>217,000</u>	<u>217,000</u>
	<u>3,077,202</u>	<u>3,505,104</u>	<u>3,077,202</u>	<u>3,505,104</u>

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

	Number of Directors	
	2007	2006
Executive Directors:		
RM50,001 - RM100,000	2	-
RM100,001 - RM150,000	-	1
RM150,001 - RM200,000	-	1
RM200,001 - RM250,000	-	1
RM250,001 - RM300,000	2	1
RM300,001 - RM350,000	-	1
RM350,001 - RM400,000	2	2
RM400,001 - RM450,000	1	1
RM450,001 - RM500,000	-	1
RM500,001 - RM550,000	-	1
RM600,001 - RM650,000	1	-
Non-Executive Directors:		
Below RM50,000	4	4
RM100,001 - RM150,000	1	1

Notes To The Financial Statements 31 March 2007 (contd.)

8. INCOME TAX EXPENSE

	Economic Entity and Company	
	2007 RM	2006 RM
Current income tax:		
Malaysian income tax	2,487,000	869,000
Foreign withholding tax	21,908	13,090
	<u>2,508,908</u>	<u>882,090</u>
Under/(over) provision in prior years:		
Malaysian income tax	21,531	(42,679)
	<u>2,530,439</u>	<u>839,411</u>
Deferred tax (Note 19):		
Relating to origination and reversal of temporary differences	(33,940)	12,687
Relating to changes in tax rates	(80,024)	-
Overprovision in prior years	(56,725)	(10,852)
	<u>(170,689)</u>	<u>1,835</u>
Total income tax expense	<u>2,359,750</u>	<u>841,246</u>

Domestic current income tax is calculated at the statutory tax rate of 27% (2006: 28%) of the estimated assessable profit for the year. The domestic statutory tax rate has been reduced to 27% from the prior year's rate of 28%, effective year of assessment 2007 and to 26% effective year of assessment 2008. The computation of deferred tax as at 31 March 2007 has reflected these changes.

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

	2007 RM	2006 RM
Economic Entity		
Profit before taxation	<u>17,352,597</u>	<u>7,150,698</u>
Taxation at Malaysian statutory tax rate of 27% (2006: 28%)	4,685,201	2,002,195
Effect of changes in tax rates on opening balance of deferred tax (Income)/loss not subject to tax	(80,024)	-
	(73,592)	28,316
Expenses not deductible for tax purposes	609,533	432,371
Utilisation of current year's reinvestment allowances	(534,822)	(1,497,225)
Utilisation of previously unrecognised unutilised reinvestment allowances	(1,705,858)	-
Overprovision of deferred tax in prior years	(56,725)	(10,852)
Under/(over) provision of income tax expense in prior years	21,531	(42,679)
Foreign withholding taxes	21,908	13,090
Net share of results of associates	(527,402)	(83,970)
Income tax expense for the year	<u>2,359,750</u>	<u>841,246</u>
Company		
Profit before taxation	<u>21,029,763</u>	<u>6,850,803</u>
Taxation at Malaysian statutory tax rate of 27% (2006: 28%)	5,678,036	1,918,225
Effect of changes in tax rates on opening balance of deferred tax (Income)/loss not subject to tax	(80,024)	-
	(1,593,829)	28,316
Expenses not deductible for tax purposes	609,533	432,371
Utilisation of current year's reinvestment allowances	(534,822)	(1,497,225)
Utilisation of previously unrecognised unutilised reinvestment allowances	(1,705,858)	-
Overprovision of deferred tax in prior years	(56,725)	(10,852)
Under/(over) provision of income tax expense in prior years	21,531	(42,679)
Foreign withholding taxes	21,908	13,090
Income tax expense for the year	<u>2,359,750</u>	<u>841,246</u>

Notes To The Financial Statements 31 March 2007 (contd.)

9. EARNINGS PER SHARE

Basic

Basic earnings per share amounts are 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.

	Economic Entity	
	2007 RM	2006 RM
Profit attributable to ordinary equity holders of the Company	<u>14,992,847</u>	<u>6,309,452</u>
	2007	2006
Weighted average number of ordinary shares in issue	<u>60,798,534</u>	<u>60,798,534</u>
	sen	sen
Basic earning per share for: Profit for the year	<u>24.7</u>	<u>10.4</u>

10. DIVIDENDS

	Dividends in respect of Year		Dividends Recognised in Year	
	2006 RM	2005 RM	2007 RM	2006 RM
Recognised during the year:				
First and final dividend of 4%				
less 28% taxation and 5 % tax exempt	<u>4,790,927</u>	<u>4,790,927</u>	<u>4,790,927</u>	<u>4,790,927</u>

At the forthcoming Annual General Meeting, a first and final dividend in respect of the financial year ended 31 March 2007, of 4% less 27% taxation and 6% tax exempt on 60,798,534 ordinary shares, amounting to a dividend payable of RM5,423,229 (8.9 sen net per ordinary 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 equity as an appropriation of retained earnings in the financial year ending 31 March 2008.

Notes To The Financial Statements 31 March 2007 (contd.)

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
Economic Entity and Company						
At 31 March 2007						
Cost/Valuation						
At 1 April 2006	63,128,137	6,171,473	150,922,942	2,136,728	-	222,359,280
Additions	436,743	1,774,402	3,996,904	28,383	-	6,236,432
Disposals	-	(853,814)	(26,827,718)	(62,494)	-	(27,744,026)
At 31 March 2007	<u>63,564,880</u>	<u>7,092,061</u>	<u>128,092,128</u>	<u>2,102,617</u>	-	<u>200,851,686</u>
Representing:						
At cost	31,364,880	7,092,061	128,092,128	2,102,617	-	168,651,686
At valuation	32,200,000	-	-	-	-	32,200,000
	<u>63,564,880</u>	<u>7,092,061</u>	<u>128,092,128</u>	<u>2,102,617</u>	-	<u>200,851,686</u>
Accumulated Depreciation and impairment						
At 1 April 2006						
Accumulated depreciation	27,786,918	5,095,856	113,441,972	1,603,310	-	147,928,056
Impairment losses	-	-	1,026,200	-	-	1,026,200
	<u>27,786,918</u>	<u>5,095,856</u>	<u>114,468,172</u>	<u>1,603,310</u>	-	<u>148,954,256</u>
Depreciation charge for the year	1,701,490	350,925	6,487,888	121,124	-	8,661,427
Impairment loss recognised in profit or loss	-	-	750,000	-	-	750,000
Disposal	-	(764,273)	(26,106,829)	49,440	-	(26,920,542)
At 31 March 2007	<u>29,488,408</u>	<u>4,682,508</u>	<u>95,599,231</u>	<u>1,674,994</u>	-	<u>131,445,141</u>
Analysed as:						
Accumulated Depreciation	29,488,408	4,682,508	94,794,514	1,674,994	-	130,640,424
Impairment losses	-	-	804,717	-	-	804,717
	<u>29,488,408</u>	<u>4,682,508</u>	<u>95,599,231</u>	<u>1,674,994</u>	-	<u>131,445,141</u>
Net carrying amount						
	<u>34,076,472</u>	<u>2,409,553</u>	<u>32,492,897</u>	<u>427,623</u>	-	<u>69,406,545</u>

Notes To The Financial Statements 31 March 2007 (contd.)

11. 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
Economic Entity and Company						
At 31 March 2006						
Cost/Valuation						
At 1 April 2005	59,106,153	6,309,574	158,544,342	2,183,277	2,403,029	228,546,375
Additions	4,021,984	540,666	6,336,899	-	-	10,936,878
Disposals	-	(678,767)	(166,400)	-	-	(845,167)
Written off	-	-	(16,194,928)	(83,878)	-	(16,279,806)
Transfer from/(to)	-	-	2,403,029	-	(2,403,029)	-
At 31 March 2006	<u>63,128,137</u>	<u>6,171,473</u>	<u>150,922,942</u>	<u>2,136,728</u>	<u>-</u>	<u>222,359,280</u>
Representing:						
At cost	30,928,137	6,171,473	150,922,942	2,136,728	-	190,159,280
At valuation	32,200,000	-	-	-	-	32,200,000
	<u>63,128,137</u>	<u>6,171,473</u>	<u>150,922,942</u>	<u>2,136,728</u>	<u>-</u>	<u>222,359,280</u>
Accumulated Depreciation and impairment						
At 1 April 2005	26,107,835	4,844,371	121,677,111	1,532,734	-	154,162,051
Depreciation charge for the year	1,679,083	930,252	7,403,219	135,722	-	10,148,276
Impairment losses	-	-	1,026,200	-	-	1,026,200
Disposals	-	(678,767)	(166,400)	-	-	(845,167)
Written off	-	-	(15,471,958)	(65,146)	-	(15,537,104)
At 31 March 2006	<u>27,786,918</u>	<u>5,095,856</u>	<u>114,468,172</u>	<u>1,603,310</u>	<u>-</u>	<u>148,954,256</u>
Analysed as:						
Accumulated Depreciation	27,786,918	5,095,856	113,441,972	1,603,310	-	147,928,056
Impairment losses	-	-	1,026,200	-	-	1,026,200
	<u>27,786,918</u>	<u>5,095,856</u>	<u>114,468,172</u>	<u>1,603,310</u>	<u>-</u>	<u>148,954,256</u>
Net carrying amount	<u>35,341,219</u>	<u>1,075,617</u>	<u>36,454,770</u>	<u>533,418</u>	<u>-</u>	<u>73,405,024</u>

Notes To The Financial Statements 31 March 2007 (contd.)

11. PROPERTY, PLANT AND EQUIPMENT (CONTD.)

* Land and buildings

Cost/Valuation	Freehold land RM	Long term leasehold land RM	Buildings RM	Total RM
At 1 April 2006	71,525	30,729,769	32,326,843	63,128,137
Additions	-	-	436,743	436,743
At 31 March 2007	<u>71,525</u>	<u>30,729,769</u>	<u>32,763,586</u>	<u>63,564,880</u>
Representing:				
At cost	-	6,192,805	25,172,075	31,364,880
At valuation	<u>71,525</u>	<u>24,536,964</u>	<u>7,591,511</u>	<u>32,200,000</u>
	<u>71,525</u>	<u>30,729,769</u>	<u>32,763,586</u>	<u>63,564,880</u>
Accumulated Depreciation				
At 1 April 2006	-	7,248,544	20,538,374	27,786,918
Charge for the year	-	399,431	1,302,059	1,701,490
At 31 March 2007	-	<u>7,647,975</u>	<u>21,840,433</u>	<u>29,488,408</u>
Net Book Value				
At 31 March 2007	-	5,370,771	10,923,153	16,293,924
At cost	<u>71,525</u>	<u>17,711,023</u>	-	<u>17,782,548</u>
At valuation	<u>71,525</u>	<u>23,081,794</u>	<u>10,923,153</u>	<u>34,076,472</u>
At 31 March 2006	-	5,459,932	11,788,469	17,248,401
At cost	<u>71,525</u>	<u>18,021,293</u>	-	<u>18,092,818</u>
At valuation	<u>71,525</u>	<u>23,481,225</u>	<u>11,788,469</u>	<u>35,341,219</u>
Depreciation charge for 2006	-	<u>399,432</u>	<u>1,279,651</u>	<u>1,679,083</u>

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

	2007 RM	2006 RM
At cost:		
Land and buildings	16,942,284	16,614,249
Motor vehicles	3,184,648	3,940,964
Plant, machinery and equipment	61,096,273	79,891,384
Furniture, fixtures and fittings	<u>889,378</u>	<u>826,258</u>
	<u>82,112,583</u>	<u>101,272,855</u>

- (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.

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 (2006: RM2,868,684) and at cost of RM6,192,805 (2006: RM6,192,805) have restriction in the transfer of titles or mortgages which require approval by the relevant authorities.

Notes To The Financial Statements 31 March 2007 (contd.)

12. INVESTMENTS IN ASSOCIATES

	Economic Entity		Company	
	2007 RM	2006 RM	2007 RM	2006 RM
Unquoted shares at cost	1,348,751	1,678,751	1,348,751	1,678,751
Share of post-acquisition reserves	<u>7,319,853</u>	<u>7,908,122</u>	-	-
	<u>8,668,604</u>	<u>9,586,873</u>	<u>1,348,751</u>	<u>1,678,751</u>

The financial statements of Malaysia Ve-Tsin Manufacturing Company Berhad are not coterminous with those of the Company, which has a financial year end of 31 December. For the purpose of applying the equity method of accounting, the management accounts of Malaysia Ve-Tsin Manufacturing Company Berhad for the period ended 31 March 2007 have been used.

The summarised financial statements of the associates which are based on management accounts are as follows:

	2007 RM	2006 RM
Assets and liabilities		
Current assets	11,903,315	23,622,516
Non-current assets	<u>8,555,855</u>	<u>16,206,148</u>
Total assets	<u>20,459,170</u>	<u>39,828,664</u>
Current liabilities	449,588	15,557,626
Non-current liabilities	<u>2,236,685</u>	<u>2,057,720</u>
Total liabilities	<u>2,686,273</u>	<u>17,615,346</u>
Results		
Revenue	250,409,001	52,955,765
Profit for the year	<u>4,240,179</u>	<u>1,555,553</u>

The details of negative goodwill included within the Economic Entity's carrying amount of investment in associates are as follows:

	Negative Goodwill RM
Net carrying amount	
At 1 April 2006	(2,871,248)
Effect of adopting FRS 3 (Note 2.3 (b))	<u>2,871,248</u>
At 31 March 2007	<u>-</u>

Notes To The Financial Statements 31 March 2007 (contd.)

12. INVESTMENTS IN ASSOCIATES (CONTD.)

The associated companies are:

Name of Company	Country of Incorporation	Principal Activities	Effective Interests (%)	
			2007	2006
Malaysia Ve-Tsin Manufacturing Co. Bhd.	Malaysia	Trading in monosodium glutamate and processing of hydrolysed vegetable protein	49	49
Ajinomoto (Singapore) Pte. Ltd.*	Singapore	Distributor of seasoning and food related products	-	50
Nee Seng Ngeng & Sons Sago Industries Sdn. Bhd.*	Malaysia	Producer of sago starch	-	30

* During the financial year, the Company disposed off its entire equity interests in both Ajinomoto (Singapore) Pte. Ltd. and Nee Seng Ngeng & Sons Sago Industries Sdn. Bhd. for a cash consideration of RM5,748,910 and RM190,000 respectively.

13. OTHER INVESTMENTS

	Economic Entity and Company	
	2007 RM	2006 RM
Quoted shares in a Malaysian corporation, at cost	1,086,563	1,086,563
Transferable club memberships	268,000	268,000
Less: Impairment loss	(220,122)	(119,579)
	<u>1,134,441</u>	<u>1,234,984</u>
Market value of quoted shares in Malaysia	<u>924,942</u>	<u>966,984</u>

14. INVENTORIES

	Economic Entity and Company	
	2007 RM	2006 RM
Cost		
Raw materials	8,726,224	12,653,516
Consumables	1,834,481	1,866,571
Work-in-progress	2,938,178	2,448,308
Finished goods	<u>10,700,833</u>	<u>7,681,754</u>
	<u>24,199,716</u>	<u>24,650,149</u>
Net realisable value		
Finished goods	<u>904,310</u>	<u>4,861,754</u>
	<u>25,104,026</u>	<u>29,511,903</u>

The cost of inventories recognised as an expense during the financial year amounted to RM126,140,193 (2006: RM121,180,703)

Notes To The Financial Statements 31 March 2007 (contd.)

15. TRADE AND OTHER RECEIVABLES

	Economic Entity and Company	
	2007 RM	2006 RM
Current		
Trade receivables		
Third parties	19,171,125	17,754,774
Fellow subsidiaries	2,327,807	2,397,255
Associates	<u>221,684</u>	<u>1,348,475</u>
	21,720,616	21,500,504
Less: Provision for doubtful debts		
Third parties	<u>(386,708)</u>	<u>(195,000)</u>
Trade receivables, net	<u>21,333,908</u>	<u>21,305,504</u>
Other receivables		
Deposits	280,760	348,240
Prepayments	487,474	550,533
Other receivables	<u>2,488,544</u>	<u>2,992,994</u>
Other receivables, net	<u>3,256,778</u>	<u>3,891,767</u>
Total	<u>24,590,686</u>	<u>25,197,271</u>

The Company's normal trade credit term ranges from 14 days to 90 days (2006: 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 credit risk in the form of outstanding balances from 2 (2006: 2) customers representing approximately 34% (2006: 30%) of the total trade receivables.

The amounts due from fellow subsidiaries and associates are unsecured, interest free and credit terms ranges from 30 days to 90 days (2006: 30 days to 90 days).

16. CASH AND CASH EQUIVALENTS

	Economic Entity and Company	
	2007 RM	2006 RM
Cash on hand and at banks	4,378,901	2,646,576
Deposits with licensed banks	<u>59,814,171</u>	<u>27,804,368</u>
Cash and bank balances	<u>64,193,072</u>	<u>30,450,944</u>

Notes To The Financial Statements 31 March 2007 (contd.)

16. CASH AND CASH EQUIVALENTS (CONTD.)

The interest rates relating to deposits with licensed banks at the balance sheet date vary from 2.95% to 4.85% (2006: 2.70% to 3.00%) per annum. The maturities of the deposits with licensed banks as at the the balance sheet date vary from 5 days to 87 days (2006: 30 days to 90 days).

17. EMPLOYEE BENEFITS

(a) 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% 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.

	Economic Entity and Company	
	2007	2006
	RM	RM
At 1 April 2006/2005	4,108,005	4,108,005
Amount recognised in the income statement (Note 6)	1,281,001	1,281,001
Less: Contributions paid	<u>(854,827)</u>	<u>(854,827)</u>
At 31 March 2007/2006	<u>4,534,179</u>	<u>4,534,179</u>

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

	Economic Entity and Company	
	2007	2006
	RM	RM
Present value of defined contribution obligation recognised as liabilities in the balance sheet	<u>4,534,179</u>	<u>4,108,005</u>
Analysed as:		
Current	711,923	444,305
Non-current	<u>3,822,256</u>	<u>3,663,700</u>
	<u>4,534,179</u>	<u>4,108,005</u>

The amounts recognised in the income statements are as follows:

Current service cost	938,677	618,378
Interest cost	<u>342,324</u>	<u>152,402</u>
	<u>1,281,001</u>	<u>770,780</u>

The above amounts charged to the income statements have been included in staff costs, as disclosed in Note 6.

Notes To The Financial Statements 31 March 2007 (contd.)

18. TRADE AND OTHER PAYABLES

	Economic Entity and Company	
	2007	2006
	RM	RM
Current		
Trade payables		
Third parties	8,206,973	7,939,735
Holding Company	68,317	237,435
Fellow subsidiaries	2,633,849	626,004
Affiliated companies	270,391	141,782
	<u>11,179,530</u>	<u>8,944,956</u>
Other payables		
Amounts due to related parties:		
Holding company	1,144,035	964,993
Accruals	3,827,993	2,873,392
Other payables	9,468,064	2,801,108
	<u>13,296,057</u>	<u>5,638,500</u>
	<u>25,619,622</u>	<u>15,548,449</u>

The normal trade credit terms granted to the Economic Entity ranges from 30 to 60 days (2006: 30 to 60 days).

The amounts due to related and affiliated companies are unsecured, interest free and have credit terms of 30 days (2006: 30 days).

18. DEFERRED TAXATION

	Economic Entity and Company	
	2007	2006
	RM	RM
At 1 April	4,048,857	4,047,022
Recognised in income statement	(170,689)	1,835
At 31 March	<u>3,878,168</u>	<u>4,048,857</u>
Presented after appropriate offsetting as follows:		
Deferred tax assets	(1,575,937)	(1,530,834)
Deferred tax liabilities	5,454,105	5,579,691
	<u>3,878,168</u>	<u>4,048,857</u>

Notes To The Financial Statements 31 March 2007 (contd.)

19. DEFERRED TAXATION (CONTD.)

Deferred Tax Liabilities of the Economic Entity and the Company:

	Revaluation Reserves RM	Accelerated Capital Allowances RM	Total RM
At 1 April 2006	2,762,564	2,817,127	5,579,691
Recognised in the income statement	(153,793)	28,207	(125,586)
At 31 March 2007	<u>2,608,771</u>	<u>2,845,334</u>	<u>5,454,105</u>
At 1 April 2005	2,809,958	2,376,767	5,186,725
Recognised in the income statement	(47,394)	440,360	392,966
At 31 March 2006	<u>2,762,564</u>	<u>2,817,127</u>	<u>5,579,691</u>

Deferred Tax Assets of the Economic Entity and the Company:

	Post-employment Benefit Obligations RM	Provision for Liabilities RM	Provision for Doubtful Debts RM	Total RM
At 1 April 2006	1,150,241	326,184	54,409	1,530,834
Recognised in the income statement	73,987	(6,654)	(22,230)	45,103
At 31 March 2007	<u>1,224,228</u>	<u>319,530</u>	<u>32,179</u>	<u>1,575,937</u>
At 1 April 2005	1,102,737	-	36,966	1,139,703
Recognised in the income statement	47,504	326,184	17,443	391,131
At 31 March 2006	<u>1,150,241</u>	<u>326,184</u>	<u>54,409</u>	<u>1,530,834</u>

20. SHARE CAPITAL AND SHARE PREMIUM

	Number of Ordinary Shares of RM1 each		Amount	
	2007 RM	2007 RM	2007 RM	2007 RM
Authorised:				
At 1 April/31 March	<u>80,000,000</u>	<u>80,000,000</u>	<u>80,000,000</u>	<u>80,000,000</u>
Issued and fully paid:				
At 1 April/31 March	<u>60,798,534</u>	<u>60,798,534</u>	<u>60,798,534</u>	<u>60,798,534</u>

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.

Notes To The Financial Statements 31 March 2007 (contd.)

21. OTHER RESERVES

Other reserve represents the Company's share of associates' revaluation reserve.

	Associate's Asset Revaluation Reserve RM
Economic Entity	
At 1 April 2005	3,802,830
Transfer from revaluation reserves to retained profits	(34,839)
Impairment loss on value of investment	<u>(1,642,005)</u>
At 31 March 2006	2,125,986
Effects of adopting FRS 140	(32,391)
Transfer from revaluation reserves to retained profits	<u>(63,588)</u>
At 31 March 2007	<u>2,030,007</u>

The asset revaluation reserve of the associate is used to record increases in the fair value of leasehold land and decreases to the extent that such decrease relates to an increase on the same asset previously recognised in equity. Prior to 1 April 2006, revaluation increase of investment property is also included in this reserve which subsequently has been reversed upon the application of FRS 140.

22. RETAINED EARNINGS

As at 31 March 2007, the Company has tax exempt profits available for distribution of approximately RM70,061,000 (2006: RM69,019,000), 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 2007.

23. CAPITAL COMMITMENTS

	Economic Entity and Company	
	2007 RM	2006 RM
Capital expenditure		
Approved and contracted for:		
Property, plant and equipment	-	633,440
Approved but not contracted for:		
Property, plant and equipment	8,030,000	7,766,560
	<u>8,030,000</u>	<u>8,400,000</u>

Notes To The Financial Statements 31 March 2007 (contd.)

24. RELATED PARTY DISCLOSURES

In addition to the transactions detailed elsewhere in the financial statements, the Economic Entity and the Company had the following transactions with related parties during the financial year:

	2007 RM	2006 RM
Economic Entity		
(a) Transactions with associated companies:		
Sales to Ajinomoto (Singapore) Pte. Ltd.	3,943,652	4,155,035
Sales to Malaysia Ve-Tsin Manufacturing Co. Bhd.	2,289,643	2,497,090
Purchases from Malaysia Ve-Tsin Manufacturing Co. Bhd.	2,047,559	2,175,530
Purchases from Ajinomoto (Singapore) Pte. Ltd.	33,167,316	891,979
Management fees received from Malaysia Ve-Tsin Manufacturing Co. Bhd.	108,000	108,000
(b) Transactions with holding company and its subsidiaries:		
Commission income	623,702	469,348
Royalties payable	4,422,312	3,908,427
Sales	9,733,531	7,643,925
Purchases	20,382,417	55,688,084
Sale of an associate company (Note 27)	5,748,910	-
Company		
(i) Transactions with associated companies:		
Sales to Ajinomoto (Singapore) Pte. Ltd.	3,943,652	4,155,035
Sales to Malaysia Ve-Tsin Manufacturing Co. Bhd.	2,289,643	2,497,090
Purchases from Malaysia Ve-Tsin Manufacturing Co. Bhd.	2,047,559	2,175,530
Purchases from Ajinomoto (Singapore) Pte. Ltd.	33,167,316	891,979
Management fees received from Malaysia Ve-Tsin Manufacturing Co. Bhd.	108,000	108,000
Dividend from Malaysia Ve-Tsin Manufacturing Co. Bhd.	129,360	129,360
(ii) Transactions with holding company and its subsidiaries:		
Commission income	623,702	469,348
Royalties payable	4,422,312	3,908,427
Sales	9,733,531	7,643,925
Purchases	20,382,417	55,688,084
Sale of an associate company (Note 27)	5,748,910	-

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.

25. FINANCIAL INSTRUMENTS

(a) Financial Risk Management Objectives and Policies

The Economic Entity's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Economic Entity's businesses whilst managing its interest rate risks (both fair value and cash flow), foreign currency risk, liquidity risk and credit risk. The Board reviews and agrees policies for managing each of these risks and they are summarised below. It is, and has been throughout the year under review, the Economic Entity's policy that no trading in derivative financial instruments shall be undertaken.

(b) Interest Rate Risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. As the Economic Entity has no significant interest-bearing financial assets, the Economic Entity's income and operating cash flows are substantially independent of changes in market interest rates. The Economic Entity's interest-bearing financial assets are mainly short term in nature and have been mostly placed in fixed deposits or occasionally, in short term commercial papers.

(c) Foreign Currency Risk

The Economic Entity is exposed to transactional currency risk primarily through sales and purchases that are denominated in a currency other than the functional currency of the operations to which they relate. The currencies giving rise to this risk are primarily United States Dollar (USD), Singapore Dollar (SGD) and Japanese Yen (Yen). Foreign exchange exposures in transactional currencies other than functional currencies of the operating entities are kept to an acceptable level. Approximately 30% of the Economic Entity's sales are denominated in currencies other than the unit's functional currency of the operating unit making the sale, whilst almost 70% of costs are denominated in the unit's functional currency.

The net unhedged financial assets and financial liabilities of the Economic Entity and 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 of Economic Entity	United States Dollar RM	Brunei Dollar RM	Singapore Dollar RM	Japanese Yen RM	Thai Baht RM	Total RM
At 31 March 2007						
Ringgit Malaysia	3,244,522	628,829	596,648	(352,552)	(143,438)	3,974,009
At 31 March 2006						
Ringgit Malaysia	5,750,277	470,271	1,124,753	(204,533)	-	7,140,768

As at balance sheet date, there were no forward foreign exchange contracts undertaken by the Economic Entity to hedge its exposure to currency fluctuations affecting certain foreign currency denominated payables.

All gains or losses on foreign exchange transactions are recognised as income or expenses upon settlement.

Notes To The Financial Statements 31 March 2007 (contd.)

25. FINANCIAL INSTRUMENTS (CONTD.)

(d) Liquidity Risk

The Economic Entity manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that refinancing, repayment and funding needs are met. As part of its overall liquidity management, the Economic Entity maintains sufficient levels of cash or cash convertible investments to meet its working capital requirements. In addition, the Economic Entity strives to maintain available banking facilities at a reasonable level to its overall debt position. As far as possible, the Economic Entity raises committed funding from both capital markets and financial institutions and balances its portfolio with some short term funding so as to achieve overall cost effectiveness.

(e) Credit Risk

The Economic Entity's credit risk is primarily attributable to trade receivables. The Economic Entity trades only with recognised and creditworthy third parties. It is the Economic Entity'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 and the Economic Entity's exposure to bad debts is not significant. For transactions that are not denominated in the functional currency of the relevant operating unit, the Economic Entity does not offer credit terms without the specific approval of the Head of Credit Control. Since the Economic Entity trades only with recognised and creditworthy third parties, there is no requirement for collateral.

The credit risk of the Economic Entity's other financial assets, which comprise cash and cash equivalents, marketable securities and non-current investments, arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these financial assets.

The Economic Entity does not have any significant exposure to any individual customer or counterparty nor does it have any major concentration of credit risk related to any financial assets other than as disclosed in Note 15.

Notes To The Financial Statements 31 March 2007 (contd.)

25. FINANCIAL INSTRUMENTS (CONTD.)

(f) Fair Values

The carrying amounts of financial assets and liabilities of the Economic Entity and of the Company at the balance sheet date approximated their fair values except for the following:

	Economic Entity		Company	
	Carrying Amount RM	Fair Value RM	Carrying Amount RM	Fair Value RM
At 31 March 2007				
Financial Assets				
Non-current unquoted shares in associate	8,668,604	*	1,348,751	*
Marketable securities	924,942	924,942	924,942	924,942
Transferable club memberships	209,500	209,500	209,500	209,500
Financial Liabilities				
Amounts due to holding company	1,144,035	#	1,144,035	#
At 31 March 2006				
Financial Assets				
Non-current unquoted shares in associate	9,586,873	*	1,678,751	*
Marketable securities	966,984	966,984	966,984	966,984
Transferable club memberships	268,000	209,500	268,000	209,500
Financial Liabilities				
Amounts due to holding company	964,993	#	964,993	#

* It is not practical to estimate the fair value of the Company's non-current unquoted shares because of the lack of quoted market prices and the inability to 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 terms entered by the parties involved and without incurring excessive costs.

The methods and assumptions used by management to determine fair values of financial instruments other than those whose carrying amounts reasonably approximate their fair values are as follows:

(i) 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.

(ii) Other receivables (non-current), borrowings and other payable (non-current)

Fair value has been determined using discounted estimated cash flows. The discount rates used are the current market incremental lending rates for similar types of lending, borrowing and leasing arrangements.

Notes To The Financial Statements 31 March 2007 (contd.)

26. SEGMENTAL INFORMATION

(a) Business Segment:

Segmental reporting by business activities has not been prepared as the Economic Entity is principally engaged only in the manufacturing and trading of monosodium glutamate and processing of HVP (hydrolysed vegetable protein).

(b) Geographical Segment:

Segmental reporting by geographical regions has only been prepared for revenue as the Economic Entity'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					
2007	133,939,617	15,832,851	34,823,348	6,033,160	190,628,976
2006	122,589,195	13,441,923	28,820,578	5,741,045	170,592,741

27. OTHER SIGNIFICANT EVENTS

During the financial year, the Company disposed off its entire equity interests in two of its associated companies, Ajinomoto (Singapore) Pte. Ltd. and Nee Seng Ngeng & Sons Sago Industries Sdn. Bhd. for cash considerations of RM5,748,910 and RM190,000 respectively.

28. SUBSEQUENT EVENT

On 4th June 2007, the Company announced that it had entered into a Sale and Purchase Agreement to acquire the entire leasehold properties of its associated company, Malaysia Ve-Tsin Manufacturing Company Berhad for a total purchase consideration of RM19,350,000. This proposed acquisition is pending approvals from relevant authorities and shareholders at an Extraordinary General Meeting to be convened later.

29. COMPARATIVE FIGURES

The comparative figures of the Economic Entity in the Income Statement, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and notes to the financial statements have been included pursuant to the adoption of FRS 128 and were not audited.

List Of Properties As At 31 March 2007

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)	31 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)	42 years	11,553,666
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)	37 years	4,097,789
Land and buildings Lot 5710, Jalan Kuchai Lama, Petaling, Kuala Lumpur	Mining pool	304,920 sq. ft.	Leasehold expiring on 2062	1984 (Revaluation)	42 years	2,059,569
Land and buildings Lot 5710, Jalan Kuchai Lama, Petaling, Kuala Lumpur	Factory complex	85,568 sq. ft.	Leasehold expiring on 15.3.2073	1992	15 years	12,849,658
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	15 years	162,925
Land Lot 47088, Jalan Kuchai Lama, Petaling, Kuala Lumpur	Industrial land and store	5,904 sq. mtr.	Leasehold expiring on 20.1.2074	2003	2 year	3,281,340

Notice Of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Forty-Sixth Annual General Meeting of the Company will be held at its Registered Office, Lot 5710, Jalan Kuchai Lama, Petaling, 58200 Kuala Lumpur on Tuesday, 21 August 2007 at 2:00 p.m. for the following purposes:-

AGENDA

1. To receive the Audited Financial Statements for the financial year ended 31 March 2007 together with the Reports of the Directors and the Auditors thereon. Resolution 1
2. To declare a first and final dividend of 10 sen comprising a tax exempt of 6 sen and 4 sen less 27% income tax for the financial year ended 31 March, 2007. Resolution 2
3. To approve the payment of Directors' fees for the financial year ended 31 March 2007. 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) Dato' Professor (Dr.) Teo Chiang Liang Resolution 5
 - (c) Mr. Makoto Tatsumi 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. Mitsunobu Suzumi Resolution 7
 - (b) Mr. Hitoshi Sasaki Resolution 8
6. To consider and if thought fit, to pass the following ordinary resolution in accordance with Section 129 of the Companies Act, 1965:-

"THAT pursuant to Section 129 of the Companies Act, 1965, General (R) Tan Sri (Dr.) Dato' Paduka Mohamed Hashim Bin Mohd Ali who is over 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."

Resolution 9
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 10

As Special Business

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

8. **ORDINARY RESOLUTION NO. 1**
- 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 Annual General Meeting of the Company."

Resolution 11
9. **ORDINARY RESOLUTION NO. 2**
- PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE AND PROPOSED NEW 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 Affiliated Companies (as specified in Sections 2.2 and 2.3 of the Circular dated 30 July, 2007) and falling within the ambit of Part E, Paragraph 10.09 of Chapter 10 of the Listing Requirements of the Bursa Malaysia Securities Berhad, subject to the following:-

Notice Of Annual General Meeting (contd.)

- (a) the transactions are carried out 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;
- (b) disclosure is made in the Annual Report of the aggregate value of transactions conducted pursuant to the shareholders' mandate during the financial year based on the following information:-
 - (i) the types of the Recurrent Transactions made; and
 - (ii) the names of the Related Parties involved in each type of the Recurrent Transactions made and their relationship with 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 (including executing all such documents as may be required) to give effect to the transactions contemplated and/or authorised by this Ordinary Resolution."

Resolution 12

10. SPECIAL RESOLUTION - PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION OF THE COMPANY

"That the alterations, modifications, deletions and/or additions to the Articles of Association of the Company as set out under Appendix I of the Circular to Shareholders of the Company dated 30 July, 2007 be and are hereby approved."

Resolution 13

- 11. 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 10 sen comprising a tax exempt of 6 sen and 4 sen less 27% income tax will be payable on 21 September, 2007 to depositors whose names appear in the Record of Depositors at the close of business on 4 September, 2007 if approved by the members at the Forty-Sixth 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 4 September, 2007 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: 30 July, 2007

Explanatory Notes To Special Business:-

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

The proposed adoption of the Ordinary Resolution is primarily to give flexibility to the Board of Directors to issue and allot shares at any time to such persons in their absolute discretion without convening a general meeting. This authority unless revoked or varied by the Company in general meeting, will expire at the next Annual General Meeting.

2. Proposed Renewal of Shareholders' Mandate and Proposed New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature.

The Proposed Renewal of Shareholders' Mandate and Proposed New 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 30 July, 2007 for more information.

3. Proposed Amendments to the Articles of Association of the Company

Please refer to Circular to Shareholders dated 30 July, 2007 in relation to the Proposed Amendments to Articles of Association.

Notes:-

1. In respect of deposited securities, only members whose names appear in the Record of Depositors on 15 August 2007 ("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, 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-Sixth Annual General Meeting of Ajinomoto (Malaysia) Berhad will be held on Tuesday, 21 August 2007 at 2:00 p.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

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

(a) Article 116 of the Company's Articles of Association

- (i) Gew Ah Lek
- (ii) Dato' Professor (Dr.) Teo Chiang Liang
- (iii) Makoto Tatsumi

(b) Article 122 of the Company's Articles of Association

- (i) Mitsunobu Suzumi
- (ii) Hitoshi Sasaki

3. Details of Director Standing for Re-Appointment

Director standing for re-appointment pursuant to Section 129(6) of the Companies Act, 1965 is as follows:-

- (i) General (R) Tan Sri (Dr.) Dato' Paduka Mohamed Hashim Bin Mohd. Ali

4. The details of the above Directors standing for re-election/re-appointment are set out in their respective profiles which appear on pages 4 to 9 of the Company's 2007 Annual Report. Their holdings in securities of the Company are set out on page 26 of the Company's 2007 Annual Report.

TUMIX® and VONO® Introduction

TUMIX® CHICKEN STOCK SEASONING INTRODUCES NEW RECIPE IN NEW PACKAGE DESIGN

To cater to the fast-changing tastes of Malaysian consumers, TUMIX® formulation was upgraded at the end of 2006. Now, this unique Chicken Stock powder seasoning brought you the new improved recipes with stronger chicken or anchovies extract that are prevalent in two separate flavours. TUMIX® Chicken Stock powder also makes the delicious Malay homemade taste from its real meat extract and mixture of basic ingredients ("tumis" and spices).

TUMIX® is available in two convenient pack sizes – 6-sachet pack and 120g Jar. Each sachet equals to 3 to 4 servings of stir-fried or 500ml of soup.



TANTALISING NEW FLAVOURS FROM VONO® CUP SOUP

Since its successful launch in Malaysia in May 2005, VONO® Cup Soup is set to continue teasing the taste buds of soup connoisseurs with 3 new, exciting flavours namely Chunky Mushroom, Mushroom Chicken and Mushroom Cheese.

The VONO® Cup Soup range has a thick and creamy texture where milk features strongly as the ingredient for well-balanced nourishment. In addition, it contains premium mushrooms which are obtained from a naturally cultivated source. Adding more nutrition to the selection are high grade cheese, corn and chicken.

The wholesome nourishment provided by VONO® Cup Soup will perk you up gently and get you all ready for a brand new day. All you have to do is empty the contents of a single sachet into 150ml of boiling water and stir.

The VONO® Cup Soup range is available in new, attractive packaging with single sachet and box of 3 sachets.



