

Eat Well, Live Well.

Aji

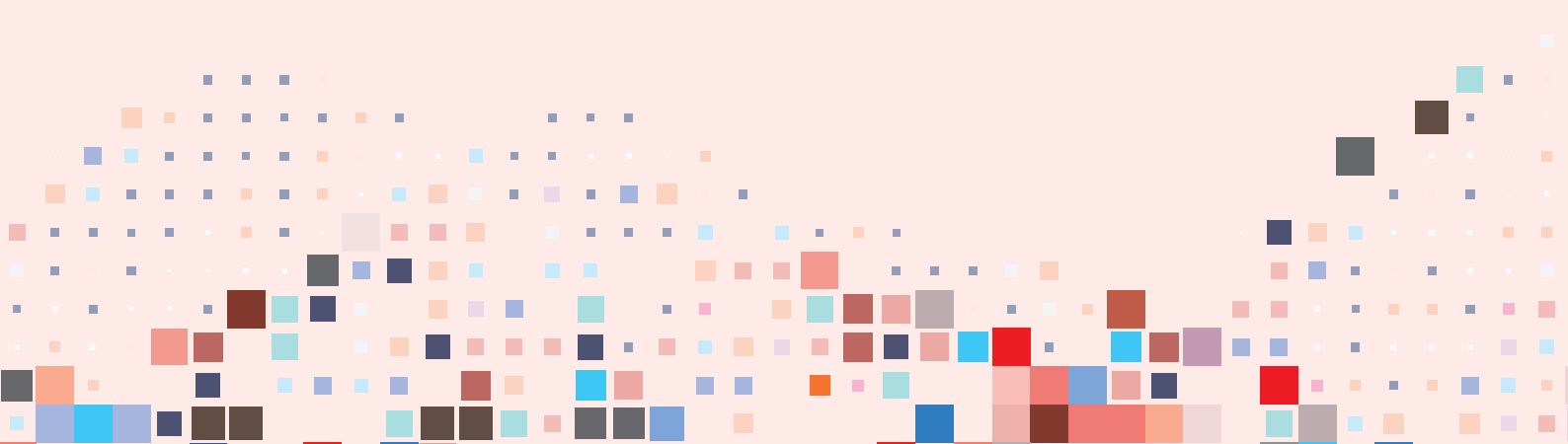
AJINOMOTO®

Annual Report 2021



CONTENTS

Corporate Information	2
Management Discussion and Analysis	3 - 8
Directors' Profile	9 - 14
Corporate Governance Statement	15 - 28
Additional Compliance Information	29
Statement of Directors' Responsibility in Relation to the Financial Statements	30
Statement on Risk Management and Internal Control	31 - 33
Audit Committee Report	34 - 37
Analysis of Shareholdings	38 - 39
Financial Highlights	40
Financial Statements	41 - 94
List of Properties	95
Notice of Annual General Meeting	96 - 102
Sustainability Statement	103 -130
Form of Proxy	



CORPORATE INFORMATION

DIRECTORS

Tan Sri Dato' (Dr.) Teo Chiang Liang (Chairman)
Koay Kah Ee
Tomoharu Abe (Managing Director / Chief Executive Officer)
Shunsuke Sasaki (Chief Finance Officer)
Dominic Aw Kian-Wee
Kamarudin bin Rasid
Azhan bin Mohamed
Norani binti Sulaiman
Noriko Fujimoto
Takahiro Sato

BANKERS

MUFG Bank (Malaysia) Berhad
Malayan Banking Berhad
Standard Chartered Bank Malaysia Berhad

REGISTERED OFFICE

Lot 5710, Jalan Kuchai Lama,
Petaling, 58200 Kuala Lumpur
Tel : 603-7980 6958
Fax: 603-7981 1731

AUDITORS

Ernst & Young PLT

SHARE REGISTRAR

Securities Services (Holdings) Sdn. Bhd.
Level 7, Menara Milenium, Jalan Damantela,
Pusat Bandar Damansara,
Damansara Heights,
50490 Kuala Lumpur
Tel : 603-2084 9000
Fax: 603-2094 9940

SOLICITORS

Lee, Ling & Partners

SECRETARIES

Chua Siew Chuan
(MAICSA 0777689)
SSM PC No. 201908002648
Yeow Sze Min
(MAICSA 7065735)
SSM PC No. 201908003120

STOCK EXCHANGE LISTING

Main Market of the Bursa Malaysia Securities Berhad

MANAGEMENT DISCUSSION & ANALYSIS

Our Business

History & Milestone

Ajinomoto (Malaysia) Berhad ("the Company") was incorporated sixty years ago in 1961 as a distributor of monosodium glutamate ("MSG") under the brand, AJI-NO-MOTO®, which was imported from its parent company in Japan. In 1965, the Company commenced production of MSG and subsequently other food seasoning products at its current factory. The Company is one of the very first Japanese companies to be set up in Malaysia and has since established itself as a responsible and reputable food manufacturer and distributor for a variety of food seasoning products that is trusted by Malaysians for decades. AJI-NO-MOTO® Umami seasoning is an indispensable item in almost every household.



MANAGEMENT DISCUSSION & ANALYSIS (cont'd.)

Our Policy

As an established and trusted food seasoning company in Malaysia, it is the Company's policy to consistently develop and distribute high quality and safe food products that meet customers' needs and satisfaction, and at the same time comply with international and local laws and regulations for food manufacturing. This is the Company's contribution to the joyful and healthy living of the community and society.

The Company is committed to being an exemplary corporate citizen. We remain steadfast in our effort to conserve the environment, an integral component of the business ecosystem. As a responsible employer, the Company is committed to providing a safe and healthy working environment for all its employees.



CERTIFIED TO MS 1500:2019
REF. NO.: 1092-02/2004
Malaysian Standard on Halal Food
General Requirements



CERTIFIED TO ISO 9001:2015
CERT. NO.: QMS 00504
Quality Management Systems
("QMS")



CERTIFIED TO ISO 14001:2015
CERT. NO.: EMS 00368
Environmental Management Systems
("EMS")



CERTIFIED TO ISO 45001:2018
CERT. NO.: OHS 00302
Occupational Health And Safety
Management Systems
("OHS")



CERTIFIED TO MS 1480:2019
CERT. NO.: 53-A4-01757
Food Safety according to Hazard
Analysis and Critical Control Points
System
("HACCP")

Product Range

Consumer Products

From distributing a single product, namely, AJI-NO-MOTO® Umami seasoning in 1961, the Company today manufactures and distributes a wide range of seasoning and food products. This includes chicken stock, all-in-one seasoning, menu seasoning, pepper, sweetener and flavoured drink with amino acids. The Company will continue to expand and improve its product range with innovative, high quality and convenient products to meet changing consumer behaviour and needs. In July 2021, the Company launched 2 new variants of its seasoned flour, namely, Seri-Aji® Fried Fritter (Tepung Goreng Cucur) and Seri-Aji® Banana Fritter (Tepung Goreng Pisang). Seri-Aji® seasoned flour has gained high acceptance for its quality ingredient and good taste among households. These two new seasoned flour allows the consumer to enjoy the crispy and delicious fritters with fast and convenient preparation.



Industrial and Food Service Products

The Company manufactures a wide range of taste and flavour enhancing products as well as binders and texture improvers for the food manufacturing and food industries, which are marketed under the names - TENCHO and ACTIVA®. These products are widely used in various processed food such as instant noodle, soup, snack, sauce, dairy product, processed meat and seafood.



MANAGEMENT DISCUSSION & ANALYSIS (cont'd.)

Sales Branches & Overseas Market

The Company has 10 branches in Malaysia and 1 sales office in Saudi Arabia.



The Company's products are well-received by customers in many countries.

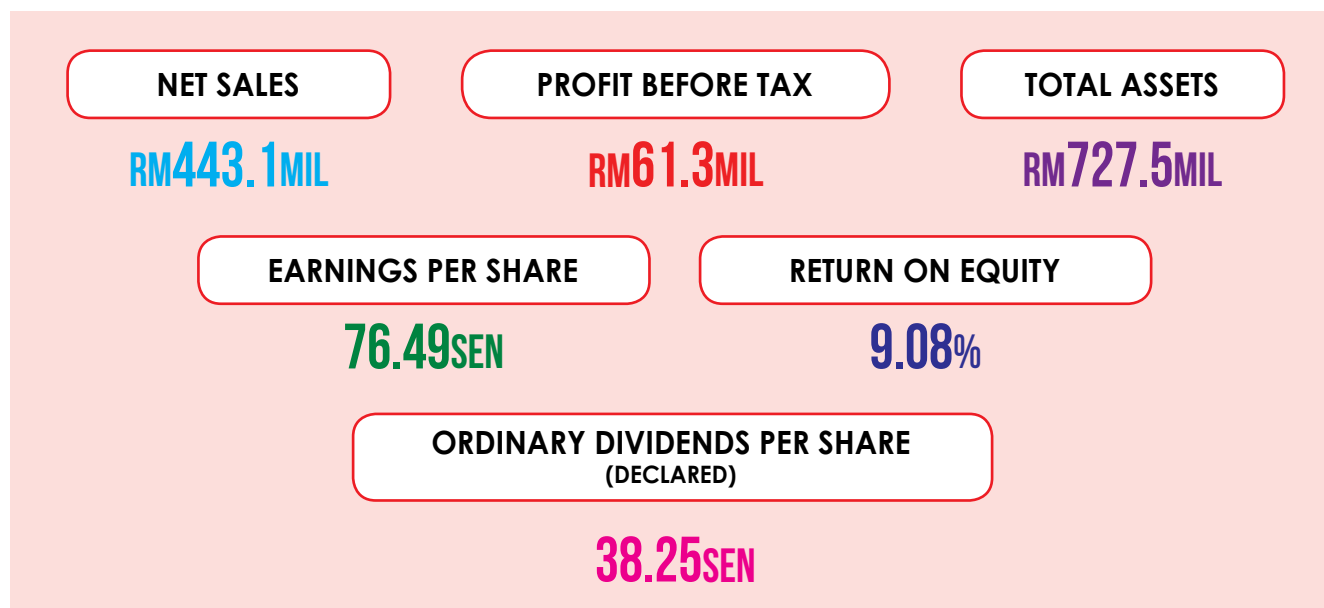


MANAGEMENT DISCUSSION & ANALYSIS (cont'd.)

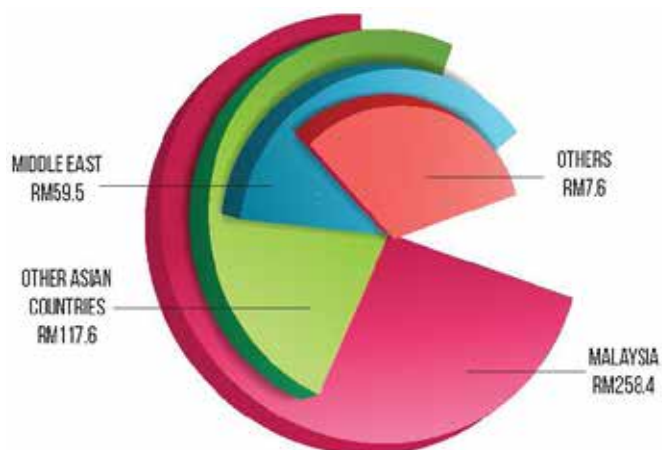
Financial Results

Snapshot

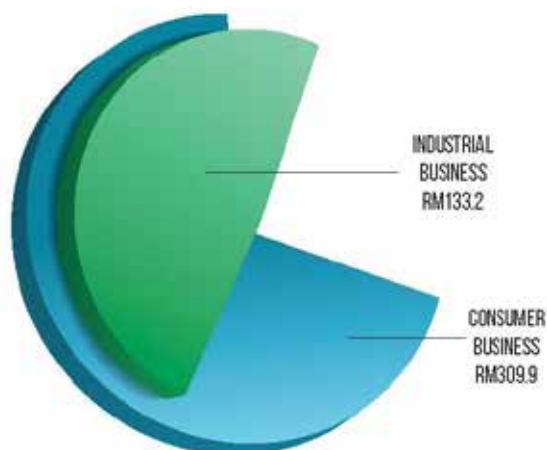
Financial Year Ended 31 March 2021 Highlights



Net Sales By Geographical Area (RM Million)



Net Sales By Business (RM Million)



Operating Environment

The global economy in 2020 had been challenging as it was severely affected by the COVID-19 pandemic and trade tensions between certain countries. The Malaysian economy in 2020 was not spared and saw its Gross Domestic Product ("GDP") shrank compared to the previous year.

Financial Review

For the financial year ended 31 March 2021 ("FYE 31.03.2021"), revenue of the Company was RM443.1 million as compared to the preceding financial year's revenue of RM461.7 million. The decrease of 4.0% was due to lower sales volume of AJI-NO-MOTO®, but this was mitigated by increase in the sales volume of Seri-Aji®, AJI-SHIO® and TENCHO industrial products. Profit before tax for the FYE 31.03.2021 was RM61.3 million, which was lower by 21.2% as compared to RM77.7 million in the preceding financial year. The decrease in profit before tax was mainly due to lower revenue, higher advertising expenses, reduction in distribution from investment securities and interest income.

MANAGEMENT DISCUSSION & ANALYSIS (cont'd.)

Segment Information

Consumer Business

In FYE 31.03.2021, revenue in the Consumer Business segment was RM309.9 million, 7.3% lower than the revenue of RM334.4 million in the preceding year. This was mainly due to the reduction in the demand of AJI-NO-MOTO® in both domestic and export markets as a result of the movement control actions taken by the Malaysian government and Middle East local authorities to contain the COVID-19 pandemic. However, this reduction was mitigated by higher revenue from Seri-Aji® menu specific seasonings and AJI-SHIO® table topping seasonings in line with the increased in home cooking in the domestic market. Profit decreased from RM40.8 million in the preceding financial year to RM29.3 million due to lower revenue and higher advertising expenses.

Industrial Business

Revenue grew by 4.6% from RM127.3 million in the preceding financial year to RM133.2 million in the current financial year. This was mainly contributed by higher sales volume of TENCHO industrial products. Profit for the segment was RM28.1 million which was almost similar to the preceding financial year's profit of RM28.2 million.

Financial Condition

As at FYE 31.03.2021, Total Assets and Total Net Assets were greater than that of the preceding financial year.

Net cash generated from operating activities for the current financial year was RM73.3 million against that of RM67.7 million in the preceding financial year due to the improvement in working capital management. Net cash used for investing activities was RM135.5 million as compared to RM32.1 million in the preceding financial year. This was mainly for the capital expenditure incurred in the new factory construction and manufacturing facilities. Cash inflow for financing activities was RM68.5 million as compared to the cash outflow of RM29.6 million in the preceding financial year subsequent to the draw down of RM100 million from the Islamic i-Financing facility which was secured during the financial year to partially fund the new factory construction and manufacturing facilities set up.

Dividend

The Board of Directors continue to maintain the policy of stable and sustainable dividend payout to shareholders. The Directors, as announced by the Company on 17 August 2021, declared a first and final single-tier dividend of 38.25 sen per ordinary share in respect of FYE 31.03.2021 to be paid on 22 October 2021.

The Company's Preventive Measures during the COVID-19 Pandemic

The Company is committed to providing a safe and healthy working environment for all its employees. It has, for example, implemented the Work Style Innovation ("WSI") offering employees greater work flexibility which is part of our initiative to reduce the number of employees working in the premise at any one time. This is also the Government's current Standard Operating Procedure ("SOP") for businesses to have a percentage of their employees work from home during the pandemic. Since the pandemic was declared, the Company has enforced strict hygiene practices and provided personal protective gear and equipment to its employees including face mask and hand sanitiser at the work place. The Company also implemented measures to monitor the health of employees including conducting COVID-19 antigen screening. The Company also set up a quarantine hostel for its infected employees to manage the risk of contagion. All the measures implemented by the Company to contain the spread of the virus is supported through education and communication to employees on staying safe from COVID-19 by an Occupational Health Doctor appointed by the Company.

Operational Risk

(1) Operating Environment Risks

Exchange Rate Fluctuations

Fluctuations in the exchange rate between the Malaysian Ringgit and USD have significant impact on the Company's export sales and costs of imported raw materials which are priced in USD.

Unforeseen Adverse Economic or Political Factors

The Company conducts business locally and globally. It is therefore exposed to unforeseen economic, political and legal impediments that may impact its operations and performance.

Price Fluctuations for Raw Materials and Fuels

Prices of certain raw materials and energy resources used by the Company fluctuate according to market conditions. These will impact on the manufacturing costs and the Company's profitability.

MANAGEMENT DISCUSSION & ANALYSIS (cont'd.)

(2) Risks Related to Business Activities

Food Safety Matters

Food safety is a key foundation on which the Company's business is built. We accept that there may be unforeseen issues affecting food safety which are beyond the Company's control and may have an adverse impact on the Company's business results.

Laws and Regulations, Litigation, etc.

The Company complies with the laws, rules and regulations of Malaysia and the countries that the Company exports its products to and purchases its raw materials from. However, the Company recognises that new legal requirements may be introduced that cannot currently be foreseen and addressed immediately. The Company's operations and business results may therefore be impacted.

Outlook

The COVID-19 pandemic has led to a dramatic loss of human lives and livelihoods worldwide and presents an unprecedented challenge to public health, food systems and the world of work. The economic and social disruption caused by the pandemic is devastating and unprecedented. Malaysia's economic growth is expected to remain stagnant in the coming year against a challenging local and global economic outlook. The Company ensures the availability of resources for uninterrupted operations, whilst complying with relevant laws, regulations and guidelines of the Local and Federal Governments and continues to improve operational efficiency to stay competitive and deliver products and services that fulfill needs and expectations of consumers and customers.

For the Consumer Business segment, the Company continues to strengthen the Corporate Message of "Eat Well, Live Well." with AJI-NO-MOTO® by promoting healthy meals and emphasising nutritional benefits of vegetables and reduction of sodium intake, and encouraging active lifestyle with aminoVITAL® to support individual sports training. The Company will strive to expand the sales of other seasoning products such as TUMIX®, Seri-Aji®, AJI-SHIO®, RASA SIFU™ by strengthening its distribution coverage and promoting through social media and e-commerce.

As a responsible corporate citizen, the Company continues to engage in social activities to support the needy especially during this challenging time caused by the COVID-19 pandemic. The Company donated its products and other essentials to underprivileged households through collaboration with the Malaysian Red Crescent Society and charity homes; including cash donation to Yayasan Food Bank Malaysia. Recognising the sacrifices of front-liners in combatting the COVID-19 virus, the Company distributed *bubur lambuk* at hospitals and police stations during *Ramadhan*.

For the Industrial Business segment, the Company will continue to leverage on specialty technologies from our parent company to become one of the "solution-providing group of companies for food and health issues" and expand the sales of our TENCHO and ACTIVA® products to both the food manufacturing and food service industries.

With reference to the announcement made by the Company on 13 August 2019 on the investment to construct a new plant and its main office in Techpark@Enstek, Bandar Baru Enstek, Negeri Sembilan, the Company is pleased to inform the new plant and main office are designed with Silver Green Building Index ("GBI") rating and meet 'Standard A' regulations for the wastewater effluent discharge. Currently, the construction progress has reached 99%. The next phase will entail setting up of facilities and installation of machineries and equipment. Barring any unforeseen circumstances, the new plant and main office are expected to be completed and equipped by first half of year 2022. Using state-of-the-art technology, automation and digitalisation, the new plant together with its designed of conducive and work friendly environment, is set to increase productivity, efficiency and optimise operations for the future growth and sustainability of the Company. Techpark@Enstek, a Halal Hub, was chosen as the ideal site to underpin the Company's status as a certified and established halal food manufacturer. The new plant will strengthen the Company's unique development and production functions in supplying halal-compliant products and specialty ingredients. It will maintain the "White List" recognition (the highest recognition from JAKIM) to provide added value to the local community and further expand the export of halal food products to ASEAN and global Islamic countries. It is the Company's aim to become a Global Halal Production and Specialty Ingredients Centre to meet the increasing demand for halal food seasonings and products both locally and globally.

Since its founding, the Ajinomoto Group has consistently engaged in initiatives to help resolve social issues through its business. By creating shared value with society and local communities, the Company's economic value has been improved, thus, leading to the Group's and Company's future growth. These initiatives have been named as The Ajinomoto Group Creating Shared Value ("ASV").

DIRECTOR'S PROFILE

Tan Sri Dato' (Dr.) Teo Chiang Liang
Chairman, Independent Non-Executive Director
 70 ,Malaysian, Male

Tan Sri Dato' (Dr.) Teo was appointed to the Board of Ajinomoto (Malaysia) Berhad on 28 June 2001 as Independent Non-Executive Director. On 4 June 2020, he was appointed as Chairman of Ajinomoto (Malaysia) Berhad. At the same time Tan Sri Teo was re-designated as a member of the Audit Committee from his previous position as the Chairman, and as the Chairman of the Remuneration Committee from his previous position as a committee member. He is also a member of the Nomination Committee. He attended all five (5) Board meetings held in the financial year.

Tan Sri Teo graduated with a Bachelor of Arts (Honours) degree in Business Studies and M.Sc in Management & Administration from the United Kingdom. He obtained his training from The Chartered Bank and Pillar Naco Ltd in UK. Since 1975, he joined and served as a Director of the See Hoy Chan Holdings Group, a well diversified group of companies with its core businesses in real estate investment and property development. In 1990, he was awarded the Certificate in General Insurance by The Malaysian Insurance Institute and appointed as Principal Officer for See Hoy Chan (Malaysia) Sdn. Bhd.'s Insurance Agency business.

Tan Sri Teo was elected Secretary General of the Malaysian Association of Private Colleges & Universities from 1997 to 2003 and is currently its Vice-President. He was appointed as a member of the MSC Education Advisory Panel in 1998. He is also a Life Member of the Malaysian Red Crescent Society. In 1998, The Nottingham Trent University in UK appointed Tan Sri Teo as Professor of the University and awarded an honorary degree of Doctor of Business Administration to him in 2001. In 2006, he was elected as an Exco member of the Malaysian Crime Prevention Foundation.

Tan Sri Teo does not hold directorships in any other public company and listed issuer. He has no conflict of interest with the Company or any family relationship with any other Director or shareholder of the Company. He has neither been convicted for any offences within the past five (5) years other than for traffic offences, if any, nor received any public sanction or penalty imposed by regulatory bodies during the financial year.



DIRECTOR'S PROFILE

(cont'd.)



Koay Kah Ee
Independent Non-Executive
Director
62, Malaysian, Male

Mr. Koay was appointed to the Board of Ajinomoto (Malaysia) Berhad on 15 November 2007. He was re-designated as the Chairman of the Audit Committee from his previous position as a member of the Audit Committee on 4 June 2020. He was also re-designated as a member of the Nomination Committee from his previous position as the Chairman of the Nomination Committee on 4 June 2020. Besides, he was appointed as a member of the Remuneration Committee on 4 June 2020. He is also the Senior Independent Director of the Company. He attended all five (5) Board meetings held in the financial year.

He holds a Master in Business Administration from University of Strathclyde, United Kingdom (UK). He is a fellow member of the Chartered Institute of Management Accountants (CIMA), UK, fellow member of the Australian Certified Practising Accountants (CPA Australia), Chartered Accountant (CA) of the Malaysian Institute of Accountants (MIA) and Chartered Global Management Accountant (CGMA) and member of the SOCSO Appellate Board (JRKS) of Ministry of Human Resources Malaysia.

He is currently the Group Finance Director of a public company listed on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Securities"). He also sits on the Board of JF Technology Berhad, a public company listed on the ACE Market of Bursa Securities, Tashin Holdings Berhad, a public company listed on the ACE Market of Bursa Securities and Eksons Corporation Berhad, a public company listed on the Main Market of Bursa Securities.

He has no conflict of interest with the Company or any family relationship with any other Director or shareholder of the Company. He has neither been convicted for any offences within the past five (5) years other than for traffic offences, if any, nor received any public sanction or penalty imposed by regulatory bodies during the financial year.

Mr. Abe was appointed as Managing Director/Chief Executive Officer of Ajinomoto (Malaysia) Berhad on 1 July 2020. He attended all three (3) Board meetings held since his appointment to the Board. He is not a member of any Board Committee.

Mr. Abe graduated from Tohoku University with a Bachelor Degree in Arts & Letters in March 1992.

He joined Ajinomoto Co., Inc. Japan in 1992 and began his career with the Tokyo Branch and has held various positions in Japan and overseas within the Ajinomoto Group of Companies.

He does not hold directorships in any other public company and listed issuer. He has no conflict of interest with the Company or any family relationship with any other Director or shareholder of the Company. He has also neither been convicted for any offences within the past five (5) years other than for traffic offences, if any, nor received any public sanction or penalty imposed by regulatory bodies during the financial year.



Tomoharu Abe
Managing Director,
Chief Executive Officer
53, Japanese, Male

DIRECTOR'S PROFILE (cont'd.)



Shunsuke Sasaki
Executive Director,
Chief Finance Officer
43, Japanese, Male

Mr. Sasaki was appointed to the Board of Ajinomoto (Malaysia) Berhad on 1 July 2019. He attended all five (5) Board meetings held in the financial year. He is not a member of any Board Committee.

Mr. Sasaki graduated with a Bachelor of Social Sciences Degree from the Faculty of Social Sciences, Hitotsubashi University, Japan in year 2000.

He joined Ajinomoto Co., Inc. Japan in 2000 and began his career with the Tokyo Branch and has held various positions in Japan within the Ajinomoto Group of Companies, with almost 15 years in the areas of finance, treasury, accounting and tax.

He does not hold directorships in any other public company and listed issuer. He has no conflict of interest with the Company or any family relationship with any other Director or shareholder of the Company. He has also neither been convicted for any offences within the past five (5) years other than for traffic offences, if any, nor received any public sanction or penalty imposed by regulatory bodies during the financial year.

Mr. Aw was appointed to the Board of Ajinomoto (Malaysia) Berhad on 10 August 2010. He was re-designated as the Chairman of the Nomination Committee from his previous position as a member of the Nomination Committee on 4 June 2020. He is also a member of the Audit Committee and Remuneration Committee. He attended all five (5) Board meetings held in the financial year.

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

He was a partner of Mazlan & Associates from 2003 to 2015 and has over 19 years of working experience as an advocate and solicitor.

He also sits on the Board of Perusahaan Sadur Timah Malaysia (Perstima) Berhad and Gets Global Berhad, which are public companies listed on the Main Market of Bursa Malaysia Securities Berhad.

He has no conflict of interest with the Company or any family relationship with any other Director or shareholder of the Company. He has neither been convicted for any offences within the past five (5) years other than for traffic offences, if any, nor received any public sanction or penalty imposed by regulatory bodies during the financial year.



Dominic Aw Kian-Wee
Independent Non-Executive
Director
50, Malaysian, Male

DIRECTOR'S PROFILE (cont'd.)



Kamarudin bin Rasid
Executive Director
60, Malaysian, Male

En. Kamarudin was appointed to the Board of Ajinomoto (Malaysia) Berhad on 1 June 2012. He attended all five (5) Board meetings held in the financial year. He is not a member of any Board Committee.

En. Kamarudin graduated with a Degree in Food Science and Technology from University Putra of Malaysia in 1986.

He joined the Technical Department of Ajinomoto (Malaysia) Berhad in 1987. Over the years he moved up the corporate ladder and served under various capacities.

He does not hold directorships in any other public company and listed issuer. He has no conflict of interest with the Company or any family relationship with any other Director or shareholder of the Company. He has also neither been convicted for any offences within the past five (5) years other than for traffic offences, if any, nor received any public sanction or penalty imposed by regulatory bodies during the financial year.

En. Azhan was appointed to the Board of Ajinomoto (Malaysia) Berhad on 15 September 2018. He attended all five (5) Board meetings held in the financial year. He is not a member of any Board Committee.

He graduated from University Putra Malaysia with a Bachelor of Food Science and Technology in 1990.

He joined the Production Department of Ajinomoto (Malaysia) Berhad in February 1991 and over the years, he moved up the corporate ladder and served under various capacities.

He does not hold directorships in any other public company and listed issuer. He has no conflict of interest with the Company or any family relationship with any other Director or shareholder of the Company. He has also neither been convicted for any offences within the past five (5) years other than for traffic offences, if any, nor received any public sanction or penalty imposed by regulatory bodies during the financial year.



Azhan Bin Mohamed
Executive Director
57, Malaysian, Male

DIRECTOR'S PROFILE (cont'd.)



Norani Binti Sulaiman
Independent Non-Executive
Director
65, Malaysian, Female

Puan Norani Binti Sulaiman was appointed to the Board of Ajinomoto (Malaysia) Berhad on 1 July 2020. She attended all three (3) Board meetings held since her appointment to the Board. She is also a member of the Audit Committee and Nomination Committee.

Puan Norani holds a B.Sc. (Hons) Communications Engineering degree from the University of Kent, Canterbury, Kent, England. She started her career in Communications Engineering with Jabatan Telekom Malaysia in 1979. She then continued her career in 1984 with the Private sector and joined two Multinational companies established in Malaysia, serving each company for 10 years. She has also served as a Consultant / Mentor in the largest Aquaculture company in Saudi Arabia. She is now an Associate Consultant at Vigorous Vision (M) Sdn Bhd. Her career in the Public and Private sector in Engineering & Sales / Marketing gained her valuable experience.

She does not hold directorships in any other public company and listed issuer. She has no conflict of interest with the Company or any family relationship with any other Director or shareholder of the Company. She has also neither been convicted for any offences within the past five (5) years other than for traffic offences, if any, nor received any public sanction or penalty imposed by regulatory bodies during the financial year.

Ms. Fujimoto was appointed to the Board of Ajinomoto (Malaysia) Berhad on 1 July 2021 and hence, she did not attend any of the Board meetings held in the financial year. She is not a member of any Board Committee.

Ms. Fujimoto graduated with a Bachelor of Arts from the Faculty of Letters and Education, Geography, Ochanomizu University in March 1994.

She joined Ajinomoto Co., Inc., Japan in 1994 and began her career with the Sales Group for Food Service in the Fukuoka branch and has held various positions in Japan within the Ajinomoto Group of Companies.

She does not hold directorships in any other public company and listed issuer. She has no conflict of interest with the Company or any family relationship with any other Director or shareholder of the Company. She has also neither been convicted for any offences within the past five (5) years other than for traffic offences, if any, nor received any public sanction or penalty imposed by regulatory bodies during the financial year.



Noriko Fujimoto
Executive Director
49, Japanese, Female

DIRECTOR'S PROFILE (cont'd.)



Mr. Sato was appointed to the Board of Ajinomoto (Malaysia) Berhad on 1 July 2021 and hence, he did not attend any of the Board meetings held in the financial year. He is not a member of any Board Committee.

Mr. Sato graduated from Sophia University with a Master Degree in Mechanical Engineering in March 1997.

He joined Ajinomoto Co., Inc., Japan in 1997 and began his career with the Technology and Engineering Laboratories and has held various positions in Japan and overseas within the Ajinomoto Group of Companies.

He does not hold directorships in any other public company and listed issuer. He has no conflict of interest with the Company or any family relationship with any other Director or shareholder of the Company. He has also neither been convicted for any offences within the past five (5) years other than for traffic offences, if any, nor received any public sanction or penalty imposed by regulatory bodies during the financial year.

Takahiro Sato
Executive Director
48, Japanese, Male

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors of the Company ("**the Board**") recognises the importance of maintaining high standards of corporate governance within the Company as this would serve to protect shareholders' value while at the same time preserving the interests of the Company's other stakeholders. The Board understands that this is not just through achieving the desired financial performance but also through being ethical and sustainable.

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

In establishing the Company's Corporate Governance framework, the Board takes cognizance of the Malaysian Code on Corporate Governance ("**MCCG**") that was issued on 26 April 2017 and as revised on 28 April 2021. An overview statement on the corporate governance practices of the Company for the financial year ended 31 March 2021 is appended below. The comprehensive Corporate Governance Report is published on the Company's website at www.ajinomoto.com.my.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

1.0 Board's Leadership on Objectives and Goals

1.1 The Board is responsible for the leadership and long-term success of the Company and the delivery of sustainable value to its stakeholders. In discharging its fiduciary duties and leadership functions, the Board is guided by the Board Charter, which outlines the duties and responsibilities of the Board, matters reserved for the Board as well as those which the Board may delegate to the Board Committees, Managing Director ("**MD**")/Chief Executive Officer ("**CEO**") and Management.

The Board has reserved a formal schedule of matters for its decision making to ensure that direction and control of the Company are firmly in its hands. It has set the strategic direction of the Company, exercised oversight on Management and set the appropriate tone at the top, while providing thought leadership and championing good governance and ethical practices throughout the Company.

All the Directors of the Company has objectively discharged their fiduciary duties and responsibilities at all times in the best interests of the Company to oversee the conduct, business activities and development of the Company. The Board evaluates and determines the training needs of its Directors annually and encourages the Directors to attend various professional training programmes necessary to keep abreast on issues and challenges arising from the changing business environment within which the Company operates.

During the financial year ended 31 March 2021, all Directors complied with Paragraph 15.08 of the Bursa Malaysia Securities Berhad ("**Bursa Securities**") Main Market Listing Requirements ("**Main LR**") and attended training programmes as follows:-

Name of Director	Training/courses attended
Tan Sri Dato' (Dr.) Teo Chiang Liang	<ul style="list-style-type: none"> Lean Leadership
Tomoharu Abe (appointed w.e.f. 1 July 2020)	<ul style="list-style-type: none"> Mandatory Accreditation Programme Lean Leadership
Shunsuke Sasaki	<ul style="list-style-type: none"> Lean Leadership
Koay Kah Ee	<ul style="list-style-type: none"> BDO: Malaysian Tax enforcement environment 2020 BDO Restructuring Options & Legal Updates BURSA -Technical Briefing, recent developments in Listing Requirements 2021 Budget and Tax updates Lean Leadership Environmental, Social, and Governance (ESG): What Matters to You

CORPORATE GOVERNANCE OVERVIEW STATEMENT (cont'd.)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (cont'd.)

1.0 Board's Leadership on Objectives and Goals (cont'd.)

Name of Director	Training/courses attended
Dominic Aw Kian-Wee	<ul style="list-style-type: none"> Lean Leadership Corporate Liability
Dato' Setia Ramli bin Mahmud (resigned w.e.f. 31 March 2021)	<ul style="list-style-type: none"> Lean Leadership
Norani binti Sulaiman (appointed w.e.f. 1 July 2020)	<ul style="list-style-type: none"> Mandatory Accreditation Programme Lean Leadership
Kamarudin bin Rasid	<ul style="list-style-type: none"> Lean Leadership
Hiroki Suzuki (resigned w.e.f. 30 June 2021)	<ul style="list-style-type: none"> Lean Leadership
Miki Moriyama (resigned w.e.f. 30 June 2021)	<ul style="list-style-type: none"> Lean Leadership
Azhan bin Mohamed	<ul style="list-style-type: none"> Lean Leadership

As Takahiro Sato and Noriko Fujimoto were only appointed as Directors of the Company on 1 July 2021, there is no disclosure of their training above.

The Board with the assistance of NC, reviews the training programmes for the Board annually. The Board had approved an in-house training programme entitled 'Lean Leadership' for the Board and Senior Management and it was conducted on 24 March 2021.

The Board had five (5) Board Meetings during the financial year ended 31 March 2021.

To enable the Board to discharge its responsibilities in meeting the goals and objectives of the Company, the Board has, amongst others–

- promoted good corporate governance culture within the Company which reinforces ethical, prudent and professional conduct;
- reviewed, challenged and decided on Management's proposals for the Company, and monitor its implementation;
- ensured that the strategic plan of the Company supports long-term value creation and includes strategies on economic, environmental and social considerations underpinning sustainability;
- assessed Management performance;
- ensured there is a sound framework for internal controls and risk management;
- recognised the principal risks of the Company's business and that business decisions involve the taking of appropriate risks;
- set the risk appetite within which the Board expects Management to operate and ensured that there is an appropriate risk management framework to identify, analyse, evaluate, manage and monitor significant financial and non-financial risks;
- ensured that senior management has the necessary skills and experience, and measures are in place to provide for the orderly succession of Board and senior management;
- ensured that the Company has in place procedures to enable effective communication with shareholders and stakeholders; and
- ensured the integrity of the Company's financial and non-financial reporting.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (cont'd.)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (cont'd.)

1.0 Board's Leadership on Objectives and Goals (cont'd.)

1.2 The Chairman of the Board has –

- provided leadership for the Board so that the Board can discharge its duties and responsibilities effectively;
- through the Chief Financial Officer (“**CFO**”) and Company Secretaries, set the Board agenda and ensured that Board members receive complete and accurate information in a timely manner;
- led Board meetings and discussions;
- encouraged active participation and allowed dissenting views to be freely expressed;
- managed the interface between Board and Management;
- ensured appropriate steps are taken to provide effective communication with stakeholders and that their views are communicated to the Board; and
- led the Board in establishing and monitoring good corporate governance practices in the Company.

1.3 The positions of the Chairman and MD/CEO are held by two different individuals and each has a clear accepted division of responsibilities to ensure that there is a balance of power and authority to promote accountability. The Chairman is responsible for instilling good corporate governance practices and leadership, and for ensuring Board effectiveness. The Chairman leads the Board in its collective oversight of Management, while the MD/CEO has the overall responsibilities over the Company's operating units, organisational effectiveness and implementation of Board policies and decisions. The distinct and separate roles of the Chairman and MD/CEO are clearly defined in the Board Charter to ensure that no one individual has unfettered powers of decision-making.

1.4 The Company is supported by two (2) suitably qualified and competent Company Secretaries. Both Company Secretaries are qualified Chartered Secretaries under Section 235(2)(a) of the Companies Act 2016 registered with the Companies Commission of Malaysia and are Fellow members of the Malaysian Association of the Institute of Chartered Secretaries and Administrators (“**MAICSA**”). The Company Secretaries are external company secretaries from Securities Services (Holdings) Sdn. Bhd. with vast knowledge and experience from being in public practice and is supported by a team of competent company secretarial personnel.

The Company Secretaries have –

- together with Management, managed all Board and Board Committee meeting logistics;
- attended and recorded minutes of all Board and Board Committee meetings and facilitated Board communications either in person or through its representative;
- advised the Board on its roles and responsibilities;
- facilitated Director training and development;
- advised the Board on corporate disclosures and compliance with Company and Securities Commission's regulations and Listing Requirements;
- managed processes pertaining to the Fifty-Ninth Annual General Meeting (“**59th AGM**”); and
- monitored corporate governance developments and advised the Board on governance practices.

The Company Secretaries have and will continue to constantly keep themselves abreast on matters concerning company law, the capital market, corporate governance, and other pertinent matters, and with changes in the regulatory environment, through continuous training and industry updates. They have also attended relevant continuous professional development programmes as required by MAICSA for practicing Chartered Secretaries.

The Board is satisfied with the performance and support rendered by the Company Secretaries to the Board in the discharge of its function, duties and responsibilities.

1.5 Meeting materials are circulated to Directors at least five (5) business days in advance of Board/Board Committee meetings. The Minutes of Board/Board Committee meetings are circulated to the respective Chairman of the meetings in a timely manner for review before they are confirmed and adopted by members of the Board/Board Committee at their respective meetings.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (cont'd.)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (cont'd.)

2.0 Demarcation of Responsibilities

- 2.1 The Board has a Board Charter, which is published on the Company's website at www.ajinomoto.com.my, which was last updated by the Board on 24 May 2018. The Board Charter clearly sets out the Board's strategic intent and identifies the respective roles and responsibilities of the Board, Board Committees, individual Directors, Senior Independent Director and senior management, as well as issues and decisions reserved for the Board, the Board's governance structure and authority, and Terms of Reference of the Board, Board Committees and senior management. This is to ensure that all Directors and senior management acting on behalf of the Company are aware of their duties and responsibilities.

As part of its efforts to ensure the effective discharge of its duties, the Board has delegated certain functions and authorities to three (3) of its Board Committees, namely, Audit Committee ("AC"), Nomination Committee ("NC"), and Remuneration Committee ("RC"). These Committees are entrusted with specific responsibilities to assist the Board in overseeing the Company's affairs, in accordance with their limits of authority and respective Terms of Reference, which are published on the Company's website at www.ajinomoto.com.my together with the Board Charter. These Terms of Reference are reviewed as and when the need arises, and were recently amended to reflect the latest compliance requirements as a result of changes in the regulatory framework. The Board keeps itself abreast of the responsibilities delegated to each Board Committee, and matters deliberated at each Board Committee meeting through the minutes of the Board Committee meetings and reports by the respective Board Committee Chairman, at Board meetings.

AC

Details on the AC are in the AC Report contained in this Annual Report.

RC

Details on the RC are contained in the Corporate Governance Report.

NC

The NC was established with clearly defined Terms of Reference, and comprises four (4) Non-Executive Directors, all of whom are independent pursuant to Paragraph 15.08A(1) of the Main LR of the Bursa Securities, during the financial year ended 31 March 2021 as follows:-

Name	Designation	Directorship
Dominic Aw Kian-Wee (re-designated as Chairman w.e.f. 4 June 2020)	Chairman	Independent Non-Executive Director
General Tan Sri (Dr.) Dato' Paduka Mohamed Hashim bin Mohd. Ali (Rtd) (retired w.e.f. 4 June 2020)	Member	Independent Non-Executive Director
Tan Sri Dato' (Dr.) Teo Chiang Liang	Member	Independent Non-Executive Director
Koay Kah Ee (re-designated as a member w.e.f. 4 June 2020)	Member	Senior Independent Director
Dato' Setia Ramli bin Mahmud (resigned w.e.f. 31 March 2021)	Member	Independent Non-Executive Director
Norani binti Sulaiman (appointed w.e.f. 1 July 2020)	Member	Independent Non-Executive Director

CORPORATE GOVERNANCE OVERVIEW STATEMENT (cont'd.)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (cont'd.)

2.0 Demarcation of Responsibilities (cont'd)

The NC is empowered by the Board to oversee the selection and assessment of Directors to be appointed to ensure that the Board's composition and skills meets the needs of the Company, and hence, is tasked with the following duties and responsibilities:-

- To assess and recommend to the Board, candidates for directorships;
- To recommend to the Board the nominees to fill the seats on Board Committees;
- To review Board and senior management succession plans;
- To review training programmes for the Board annually and facilitate board induction and training programmes for new members of the Board;
- To assess the effectiveness of the Board and the Committees of the Board as a whole, and each individual Director;
- To review the term of office and performance of the AC and each of its members annually to determine whether the AC and members have carried out their duties in accordance with their terms of reference;
- To act in line with the directions of the Board;
- To consider and examine such other matters as the NC considers appropriate; and
- To consider any other matters as defined by the Board.

Activities of the NC

During the financial year ended 31 March 2021, the NC held three (3) meetings to perform the following in the discharge of its duties and responsibilities: -

- Reviewed the profile and nomination of new Board members;
- Assessed the independence of Independent Directors;
- Reviewed the contribution and performance of each individual Director, the Board as a whole and Board Committees;
- Reviewed and recommended the re-election and re-appointment of Directors to the Board for recommendation to the shareholders for approval;
- Reviewed and recommended the retention of Independent Directors to the Board for recommendation to the shareholders for approval;
- Reviewed the training programmes for the Board; and
- Reviewed the term of office and performance of the AC and each of its members.

In reviewing the profile and nomination of new Board members, the NC takes into consideration the following criteria:-

- Professional expertise, level of experience, competency and background;
- Time commitment and potential to add value to the Board and the Company as a whole; and
- Promotion of diversity in views and opinions in the Board.

In assessing the performance of the Board, Board Committees and Directors of the Company, the NC takes into consideration the following:-

- Personal Commitment/Contribution to Interaction
- Understanding of the Company's Activities
- Compliance to the terms of reference, duties and responsibilities of a director, and of a chairman of the Company

CORPORATE GOVERNANCE OVERVIEW STATEMENT (cont'd.)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (cont'd.)

2.0 Demarcation of Responsibilities (cont'd)

The attendance of Directors who are members of Board committees during the financial year ended 31 March 2021 is set out below:-

Directors	NC	AC	RC
Non-Executive Directors			
General Tan Sri (Dr.) Dato' Paduka Mohamed Hashim bin Mohd. Ali (Rtd) (retired w.e.f. 4 June 2020)	1/1	1/1	-
Tan Sri Dato' (Dr.) Teo Chiang Liang	3/3	5/5	2/2
Koay Kah Ee	3/3	5/5	2/2
Dominic Aw Kian-Wee	3/3	5/5	2/2
Dato' Setia Ramli bin Mahmud (resigned w.e.f. 31 March 2021)	3/3	5/5	2/2
Norani binti Sulaiman (appointed w.e.f. 1 July 2020)	1/1	3/3	Not member

3.0 Good Business Conduct and Healthy Corporate Culture

- 3.1 The Board is committed in maintaining a corporate culture that engenders ethical conduct. The Board has formalised ethical standards by adopting a Code of Conduct, which summarises what the Company must endeavour to do proactively in order to increase corporate value, and which describes the areas in daily activities that require caution in order to minimise any risks that may occur. The Company's Code of Conduct covers ethical behaviour in all aspects of the Company's business operations, which includes areas concerning provision of safe, high-quality products and services, social contribution activities, conservation of the environment, respect for human rights and ensuring of workplace safety, responsibilities to shareholders, fair and transparent transactions and protection and management of Company's assets and information.

The said Code of Conduct is published on the Company's website at www.ajinomoto.com.my.

Employees are made aware that relevant disciplinary actions will be taken for unethical behaviour and gross misconduct.

- 3.2 The Board has put in place a whistleblowing policy, which is revised/updated as and when required, to encourage its employees to report genuine concerns in relation to breach of any legal obligation (including negligence, criminal activity, breach of contract and breach of the law), miscarriage of justice, danger to health and safety or to the environment and the cover-up of any of these in the workplace. The whistleblowing policy of the Company provides guidance on the appropriate communication and feedback channels to facilitate whistleblowing.

The said whistleblowing policy is published on the Company's website at www.ajinomoto.com.my.

4.0 Board's Objectivity

- 4.1 Since the commencement of the financial year ended 31 March 2021 up until the retirement of General Tan Sri (Dr.) Dato' Paduka Mohamed Hashim bin Mohd. Ali (Rtd) ("**Tan Sri Hashim**") on 4 June 2020, the Board comprised six (6) Executive Directors and five (5) Independent Non-Executive Directors, which reduced to four (4) Independent Non-Executive Directors upon Tan Sri Hashim's retirement. This composition of six (6) Executive Directors and five (5) Independent Non-Executive Directors was reinstated upon the appointment of Puan Norani Sulaiman as an Independent Non-Executive Director of the Company on 1 July 2020 up until 31 March 2021.

The composition of the Board complies with Paragraph 15.02 of the Main LR, which stipulates that the Company must ensure that at least two (2) Directors or 1/3 of the Board, whichever is the higher, are Independent Directors.

Although slightly less than half of the Board comprises Independent Directors, the Board is of the view that having five (5) Independent Non-Executive Directors on the Board provides adequate check and balance of power and authority and is able to support independent deliberation of the Board and sufficiently enable it to discharge its duties objectively. Further, as the Chairman of the Board is independent, the Chairman of the Board provides the strong leadership necessary to marshal the Board's priorities objectively.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (cont'd.)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (cont'd.)

4.0 Board's Objectivity (cont'd)

4.2 During the financial year ended 31 March 2021, in line with the MCCG, the Board sought shareholders' approval for the retention of its Directors who have served more than a cumulative term of nine (9) years as Independent Directors in accordance with the recommendations of the MCCG. Tan Sri Dato' (Dr.) Teo Chiang Liang and Mr. Koay Kah Ee, the Independent Directors of the Company who had each served the Board for a cumulative term of more than twelve (12) years, were retained as Independent Directors through a two-tier voting process at the 59th AGM of the Company held on 28 September 2020. Mr. Dominic Aw Kian-Wee and Dato' Setia Ramli bin Mahmud, who each served the Board for a cumulative term of more than nine (9) years but not more than twelve (12) years, were retained as Independent Directors through the usual non-two-tier voting process during the said Meeting.

The NC and the Board had assessed the independence of Tan Sri Dato' (Dr.) Teo Chiang Liang, Mr. Koay Kah Ee, Mr. Dominic Aw Kian-Wee and Dato' Setia Ramli bin Mahmud, and had recommended that they be retained as Independent Directors of the Company as they continue to bring independent and objective judgement to Board deliberations and continue to meet the following criteria for independence in discharging their roles and functions as Independent Directors of the Company:-

- fulfilled the criteria under the definition of Independent Director pursuant to the Paragraph 1.01 of the Main LR;
- not been involved in any business or other relationship which could hinder the exercise of independent judgement, objectivity or his ability to act in the best interests of the Company;
- no potential conflict of interest, whether business or non-business related with the Company;
- not established or maintained any significant personal or social relationship, whether direct or indirect, with the MD/CEO and Executive Directors, major shareholders or Management of the Company (including their family members) other than normal engagements and interactions on a professional level consistent with his duties and expected of him to carry out his duties as an independent director; and
- not derived any remuneration and other benefits apart from Directors' fees and hospitalisation and surgical coverage that are approved by shareholders.

4.3 The Board has not adopted a policy which limits the tenure of its Independent Directors to nine (9) years.

4.4 The Board is supportive of the Board and senior management composition diversity recommendation promoted by the MCCG in order to offer greater depth and breadth to Board discussions and constructive debates at senior management level.

The Directors and senior management are recruited based on objective criteria, merit and with due regard for diversity in skills, experience, age, cultural background and gender.

The Board appoints its members through a formal and transparent selection process. The new appointees will be considered and evaluated by the NC and the NC will then recommend the candidates to be approved and appointed by the Board. The Company Secretaries will ensure all appointments are properly documented. This process was applied for the appointment of Mr. Tomoharu Abe and Puan Norani binti Sulaiman as Directors of the Company during the financial year ended 31 March 2021.

The Company is an equal opportunity employer and does not practice discrimination of any form, whether based on age, gender, race and religion, throughout the organisation.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (cont'd.)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (cont'd.)

4.0 Board's Objectivity (cont'd)

- 4.5 The Board practises non-gender discrimination and endeavours to promote workplace diversity and supports the representation of women in the composition of Board and senior management positions of the Company. The gender diversity policy of the Board has been incorporated in the Company's Board Charter.

The Board, assisted by Management, is responsible for developing strategies to meet the objectives of gender diversity, and monitoring the progress of achieving the objectives through the monitoring, evaluation and reporting mechanisms. These gender diversity strategies include:-

- (a) recruiting from a diverse pool of candidates i.e., from Director's registry, open advertisement or by the use of independent search firms for all positions, including senior management;
- (b) reviewing succession plans to ensure an appropriate focus on gender diversity;
- (c) identifying specific factors to take into account the recruitment and selection processes to encourage gender diversity;
- (d) developing programs to develop a broader pool of skilled and experienced senior management and Board candidates, including, workplace development programs, mentoring programs and targeted training and development; and
- (e) any other strategies the Board develops from time to time.

Currently, there are two (2) female Directors on the Board namely, Puan Norani binti Sulaiman and Ms. Noriko Fujimoto after the resignation of Ms. Naoko Yamamoto as the Director of the Company on 30 June 2020. Puan Norani binti Sulaiman and Ms. Noriko Fujimoto were appointed as the Directors of the Company on 1 July 2020 and 1 July 2021, respectively.

- 4.6 Although the Board did not utilise independent sources to identify the new Board members appointed during the financial year ended 31 March 2021, namely, Mr. Tomoharu Abe and Puan Norani binti Sulaiman, who were recommended by the major shareholder and the current Board Chairman respectively, Board decisions were still made objectively in the best interests of the Company taking into account their potential to contribute to the Board.

The Board will consider utilising independent sources to identify suitably qualified candidates when the need arises in the future.

- 4.7 From 1 April 2020 to 4 June 2020 of the financial year ended 31 March 2021, the NC was chaired by Mr. Koay Kah Ee, the Senior Independent Director appointed by the Board. The NC Chairman had led the annual review of Board effectiveness, ensuring that the performance of each individual Director is independently assessed and will lead the succession planning and appointment of future Board members.

Presently, the NC is chaired by Mr. Dominic Aw Kian-Wee while Mr. Koay Kah Ee had been re-designated as a member of the NC. These changes were made effective on 4 June 2020. On 1 July 2020, Puan Norani binti Sulaiman, an Independent Non-Executive Director was appointed as a member of the NC. On 31 March 2021, Dato' Setia Ramli bin Mahmud resigned as a Director of the Company and ceased to be a member of the NC.

5.0 Overall Effectiveness of the Board

- 5.1 The Board has, through the NC, conducted the following annual assessments in the financial year ended 31 March 2021:-

- (i) Directors' self-assessment;
- (ii) Evaluation on the effectiveness of the Board as a whole and Board Committees;
- (iii) Assessment of Independent Directors; and
- (iv) Review of the term of office and performance of AC and each of its members.

The annual assessment of individual Directors, Board as a whole and Board Committees are based on a comprehensive assessment system, which commences with the completion of a set of comprehensive Self-Assessment Form detailing all assessment criteria to be completed by all Directors for evaluation by the NC. Criteria for the self-assessment includes self-ratings on the Director's knowledge, support of the mission and goals of the Company, time commitment, and active participation on the Board.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (cont'd.)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (cont'd.)

6.0 Level and Composition of Remuneration

- 6.1 In view that fair remuneration is crucial to attract, retain and motivate Directors and senior management, the Board has adopted Policies and Procedures to Determine the Remuneration of Directors and senior management which takes into account the demands, complexities and performance of the Company as well as skills and experience required to determine the remuneration of Directors and senior management. The said policies and procedures are available on the Company's website at www.ajinomoto.com.my.
- 6.2 The Board has a RC that assists the Board in implementing its policies and procedures on remuneration, which includes reviewing and recommending the proposed remuneration packages of the Directors of the Company. The RC also assists the Board to structure and link Directors' remuneration to the strategic objectives of the Company, which rewards contribution to the long-term success of the Company in promoting business stability, sustainability and growth.

The Terms of Reference of the RC is published on the Company's website at www.ajinomoto.com.my.

From 1 April 2020 to 4 June 2020 of financial year ended 31 March 2021, the RC was chaired by General Tan Sri (Dr.) Dato' Paduka Mohamed Hashim bin Mohd. Ali (Rtd), the Independent Chairman of the Board. Upon the retirement of General Tan Sri (Dr.) Dato' Paduka Mohamed Hashim bin Mohd. Ali (Rtd) as a Director on 4 June 2020, Tan Sri Dato' (Dr.) Teo Chiang Liang was appointed as the Chairman of the RC. Mr. Koay Kah Ee and Dato' Setia Ramli bin Mahmud were also appointed as the members of RC on 4 June 2020. On 31 March 2021, Dato' Setia Ramli bin Mahmud resigned as a Director of the Company and ceased to be a member of the RC.

The RC currently consists of all Independent Non-Executive Directors, which is in line with the MCCG.

7.0 Remuneration of Directors and Senior Management

- 7.1 Remuneration of Directors for the financial year ended 31 March 2021 is as follows:-

Executive Directors

Name of director	Salaries and other emoluments	Fees*	Bonus	Gratuity#	Defined contribution plan	Benefits in-kind
Company	RM	RM	RM	RM	RM	RM
Tomoharu Abe (appointed w.e.f. 1 July 2020)	414,579	-	27,458	-	-	84,276
Shunsuke Sasaki	554,467	-	81,906	-	-	80,734
Kamarudin bin Rasid	381,041	27,000	109,170	10,800	82,091	8,857
Azhan bin Mohamed	208,880	27,000	54,530	10,800	55,032	10,841
Hiroki Suzuki (resigned w.e.f. 30 June 2021)	611,222	-	81,907	-	-	77,329
Miki Moriyama (resigned w.e.f. 30 June 2021)	595,181	-	81,907	-	-	65,135
Naoko Yamamoto (resigned w.e.f. 30 June 2020)	159,253	-	54,448	-	-	29,330

As Noriko Fujimoto and Takahiro Sato were only appointed as Directors of the Company on 1 July 2021, there is no disclosure of their remuneration above.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (cont'd.)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (cont'd.)

7.0 Remuneration of Directors and Senior Management (cont'd)

Non-Executive Directors

Name of director	Fees*	Gratuity#	Other emoluments [^]	Benefits in-kind
Company	RM	RM	RM	RM
Tan Sri Dato' (Dr.) Teo Chiang Liang	82,500	33,000	27,333	-
Koay Kah Ee	43,333	17,333	21,500	-
Dominic Aw Kian-Wee	35,000	14,000	21,500	-
Norani binti Sulaiman (appointed w.e.f. 1 July 2020)	26,250	10,500	10,900	1,702
Dato' Setia Ramli bin Mahmud (resigned w.e.f. 31 March 2021)	35,000	14,000	20,900	-
General Tan Sri (Dr.) Dato' Paduka Mohamed Hashim bin Mohd. Ali (Rtd) (retired on 4 June 2020)	15,000	6,000	12,800	-

* Subject to shareholders' approval at the 60th AGM of the Company.

Based on the Company's current remuneration policy, all Malaysian Directors are entitled to receive gratuity payment upon their resignation or retirement from office. The Company would make a provision for the gratuity amounts during the Directors' term of office, and hence, the above gratuity was provided for in the financial statements for the current financial year but it has not been paid yet.

[^] Meeting, transport allowance and hospitalisation coverage approved by shareholders at the 59th AGM of the Company.

7.2 The top five (5) senior management's remuneration component including salary, bonus, benefits in-kind and other emoluments in bands of RM50,000/-, are as follows:-

Remuneration bands	Name of top five (5) senior management
RM500,001-RM550,000	Tomoharu Abe – Managing Director, Chief Executive Officer
RM600,001-RM650,000	Kamarudin bin Rasid – Executive Director, Chief Administration Officer
RM700,001-RM750,000	Miki Moriyama - Executive Director, Chief Supply Chain Officer
	Shunsuke Sasaki – Executive Director, Chief Finance Officer
RM750,001-RM800,000	Hiroki Suzuki - Executive Director, Chief Sales and Marketing Officer

7.3 Members of senior management of the Company are also Executive Directors of the Company and their detailed remuneration are disclosed as above.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (cont'd.)

PRINCIPLE B : EFFECTIVE AUDIT AND RISK MANAGEMENT

8.0 Effective and Independent AC

8.1 From 1 April 2020 to 4 June 2020 of the financial year ended 31 March 2021, the Chairman of the AC was Tan Sri Dato' (Dr.) Teo Chiang Liang, an Independent Non-Executive Director, while the Chairman of the Board was General Tan Sri (Dr.) Dato' Paduka Mohamed Hashim bin Mohd. Ali (Rtd), also an Independent Non-Executive Director. On 1 July 2020, Puan Norani binti Sulaiman, an Independent Non-Executive Director was appointed as a member of the AC. On 31 March 2021, Dato' Setia Ramli bin Mahmud resigned as a Director of the Company and ceased to be a member of the AC.

Following the retirement of General Tan Sri (Dr.) Dato' Paduka Mohamed Hashim bin Mohd. Ali (Rtd) as a Director of the Company and Chairman of the Board on 4 June 2020 and upon the appointment of Tan Sri Dato' (Dr.) Teo Chiang Liang as the Chairman of the Board, Mr. Koay Kah Ee was appointed as the Chairman of the AC. This separation of leadership and responsibility ensured that the objectivity of the Board's review of the AC's findings and recommendations are not impaired. This separation is set out clearly in the Terms of Reference of the AC.

During the financial year under review, Tan Sri Dato' (Dr.) Teo Chiang Liang and subsequently Mr. Koay Kah Ee were responsible to ensure the overall effectiveness and independence of the AC. Together with other members of the AC, they had ensured amongst others that -

- a. the AC is fully informed about significant matters related to the Company's audit and its financial statements and these matters are addressed;
 - b. the AC appropriately communicates its insights, views and concerns about relevant transactions and events to Internal and External Auditors;
 - c. the AC's concerns on matters that may have an effect on the financial or audit of the Company are communicated to the External Auditors; and
 - d. there is co-ordination between Internal and External Auditors.
- 8.2 Before appointing a former key audit partner of the Company's External Auditors as a member of the AC, the AC has adopted the Policies and Procedures to Assess the Suitability, Objectivity and Independence of External Auditors, that requires a cooling-off period of at least two (2) years to be observed by the former key audit partner of the Company's External Auditors before being appointed as a member of the AC. This is to safeguard the independence of the audit and preparation of the Company's financial statements.
- 8.3 In recommending the appointment or re-appointment of the External Auditors to the Board, the AC has established Policies and Procedures to Assess the Suitability, Objectivity and Independence of External Auditors that consider amongst others:-
- a. the competence, audit quality, experience and resource capacity of the external auditor and its staff assigned to the audit;
 - b. the audit firm's other audit engagements;
 - c. the adequacy of the scope of the audit plan;
 - d. the external auditor's ability to meet deadlines in providing services and responding to issues in a timely manner as contemplated in the external audit plan;
 - e. the nature and extent of the non-audit services rendered and the appropriateness of the level of fees; and
 - f. obtaining written assurance from the external auditors confirming that they are, and have been, independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements.

The assessment to consider the suitability, objectivity and independence of the audit firm is conducted annually. The AC is of the view that Messrs. Ernst & Young PLT ("EY"), the External Auditors had conducted itself objectively and independently in carrying out the audit of the Company.

In EY's reports on its audit plan and audit findings, EY provided its written assurance to the AC that they are, and have been, independent through the conduct of the audit engagement in accordance with By-Laws of the Malaysian Institute of Accountants.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (cont'd.)

PRINCIPLE B : EFFECTIVE AUDIT AND RISK MANAGEMENT (cont'd)

8.0 Effective and Independent AC (cont'd)

- 8.4 The AC comprises solely of Independent Directors in line with Practice 8.4 of the MCCG.
- 8.5 All members of the AC are financially literate and are able to understand the Company's business and matters under the purview of the AC including the financial reporting process. They have continuously applied a critical and probing view on the Company's financial reporting process, transactions and other financial information, and effectively challenged Management's assertions on the Company's financials. Any inconsistencies or irregularities in the financial and operational reports would be questioned to ascertain that the Quarterly Report and the annual Audited Financial Statements taken as a whole provide a true and fair view of the Company's financial position and performance.

All members of the AC have also undertaken and will continue to undertake continuous professional development to keep themselves abreast of relevant developments in accounting and auditing standards, practices and rules as and when required.

9.0 Risk Management and Internal Control

- 9.1 The Board is supported by the Risk Management Committee which is guided by the risk framework of Ajinomoto Co., Inc's Risk Management Guideline System. The risk management framework serves as a reference for the Risk Management Committee to identify, assess and monitor the key business risks of the Company in order to safeguard shareholders' investment and the Company's assets.

The Risk Management Committee is chaired by the MD/CEO and includes other key Management staff of the Company. Periodic Management meetings are conducted to deliberate the risk issues faced by the Company and the necessary actions to be taken. The MD/CEO presents the risk management report to the Board quarterly for the Board's attention.

- 9.2 The Board via the Risk Management Committee oversees the risk management of the Company. The Risk Management Committee, with the assistance of the senior management team, assesses the risk tolerance of the Company, identifies the risk issues faced by the Company and takes appropriate actions to manage the identified risks within defined parameters.

The Company also engages Internal Auditors to provide independent assessments on the adequacy, efficiency and effectiveness of the Company's internal control system. The Internal Auditors reports directly to the AC and internal audit plans are tabled to the AC for review and approval by the Board to ensure adequate coverage.

The risk management and internal control are ongoing processes, which are undertaken at each department. The Company will continuously enhance the existing system of risk management and internal control by taking into consideration the changing business environment.

The review and periodic testing of the Company's internal control and risk management framework are conducted as and when required.

Further details on the features of the risk management and internal control framework, and the adequacy and effectiveness of this framework, are disclosed in the Statement on Risk Management and Internal Control in this Annual Report.

- 9.3 The Board did not establish a Risk Management Committee, which comprises a majority of independent directors as the current Risk Management Committee made up of the senior management team and chaired by the MD/CEO has managed the risks faced by the Company effectively and in a timely manner.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (cont'd.)

PRINCIPLE B : EFFECTIVE AUDIT AND RISK MANAGEMENT (cont'd)

10.0 Effective Governance, Risk Management and Internal Control Framework

10.1 The internal audit function of the Company is carried out by an outsourced professional service firm that assists the AC and the Board in managing the risks and establishment of the internal control system and processes of the Company by providing an independent assessment on the adequacy, efficiency and effectiveness of the Company's risk management and internal control system and processes. The Internal Auditors reports directly to both the AC and the Board.

The Internal Auditors has and will continue to keep abreast with developments in the profession, relevant industry and regulations.

The internal audit function is independent of the operations of the Company and provides reasonable assurance that the Company's system of internal control is satisfactory and operating effectively.

Further details of the internal audit function are set out in the Statement on Risk Management and Internal Control and the AC Report of this Annual Report.

10.2 The internal audit function is outsourced to Tricor Axcelasia Sdn. Bhd. (formerly known as Axcelasia Columbus Sdn. Bhd.) and the internal audit staff on the engagement are free from any relationships or conflicts of interest, which could impair their objectivity and independence.

The staff involved in the internal audit reviews possess professional qualifications and/or a university degree. Certain staff are members of the Institute of Internal Auditors Malaysia. The Engagement Executive Director is Mr. Chang Ming Chew ("**Mr. Chang**") who has diverse professional experience in internal audit, risk management and corporate governance advisory. He is a Professional Member of the Institute of Internal Auditors Malaysia, a member of the Malaysian Institute of Accountants and a member of the Association of Chartered Certified Accountants, United Kingdom. Mr. Chang is a Certified Internal Auditor (USA) and has a Certification in Risk Management Assurance (USA).

The internal audit reviews were conducted using a risk-based approach and was guided by the International Professional Practice Framework (IPPF).

PRINCIPLE C : INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

11.0 Continuous Communication between the Company and Stakeholders

11.1 The Board believes that a constructive and effective investor relationship is essential in enhancing shareholder value. The Board, in its best efforts, always keeps the shareholders and various stakeholders informed of the Company's business and corporate development and ensure that the Company's communication with them is transparent and timely. Announcements, news, promotions and all relevant updates are posted on the Company's website regularly. Shareholders may also communicate with the Company on investor relation matters by posting their enquiries to the Company through the Company's web enquiry form on its website. The Company will endeavour to reply to these enquiries in the shortest possible time.

11.2 The Company is not categorised as "Large companies" under the MCCG and hence, has not adopted integrated reporting based on a globally recognised framework.

12.0 Encourage Shareholders Participation at General Meetings

12.1 The Company had provided all shareholders at least twenty-eight (28) days' notice before the date of the 59th AGM last year and will give all shareholders at least twenty-eight (28) days' notice before the date of the 60th AGM this year.

The Notice of General Meeting provides detailed explanation for the resolutions proposed along with any background information and reports or recommendation that are relevant, where required and necessary, to enable shareholders to make informed decisions in exercising their voting rights.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (cont'd.)

PRINCIPLE C : INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (cont'd)

12.0 Encourage Shareholders Participation at General Meetings (cont'd)

12.2 All the Directors of the Company attended the 59th AGM of the Company held on 28 September 2020. During the 59th AGM, the MD/CEO presented the financial results and the Company's business strategy for the new financial year, after which the Chairman invited questions from the shareholders present. The Board responded to the questions raised during the 59th AGM.

All the Directors of the Company have and will always endeavour to attend all General Meetings and the Chairman of the AC, NC and RC will provide meaningful response to questions addressed to them.

12.3 In accordance with the Companies Act 2016 and the Company's Constitution, the Company may convene a meeting of members at more than one venue using any technology or method that enables the members of the Company to participate and to exercise the members' rights to speak and vote at the meeting. The main venue of the meeting shall be in Malaysia and the Chairman shall be present at the main venue.

In view of the current COVID-19 pandemic, the Company had taken the necessary precautions and preventive measures in complying with the directives issued by the Ministry of Health Malaysia, the National Security Council, Ministry of International Trade and Industry and other relevant authorities. These include the option of remote shareholder and proxy participation at the annual general meeting ("**AGM**").

At the Company's fully virtual 59th AGM held on 28 September 2020, the Company had leveraged on technology to facilitate remote shareholders' participation and electronic voting for the conduct of poll on the resolution for the first time.

The entire AGM proceedings and poll voting were conducted entirely through Securities Services e-Portal. The Administrative Guide with detailed registration and voting procedures were shared with the shareholders and the same were also published on the Company's website.

The Company had conducted its voting on all resolutions at the fully virtual 59th AGM held on 28 September 2020 by online live polling to provide for remote voting and immediate poll results. The Company had engaged SS E Solutions Sdn. Bhd. to act as the Poll Administrator to provide the electronic polling services, while Commercial Quest Sdn. Bhd. was the appointed independent scrutineer to verify the poll results.

The Corporate Governance Overview Statement and the Corporate Governance Report are made in accordance with a resolution of the Board of Directors passed on 30 July 2021.

ADDITIONAL COMPLIANCE INFORMATION

1. Utilisation of Proceeds

Not Applicable.

2. Audit and Non-Audit Fees

During the financial year, the amount of audit fees and non-audit fees paid or payable by the Company to the External Auditors amounted to RM202,500 and RM37,000 respectively.

3. Material Contracts

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

4. Recurrent Related Party Transactions ("RRPT") of a Revenue or Trading Nature

The RRPT entered into by the Company during the financial year ended 31 March 2021 were as follows:-

- (a) Name of related party : Ajinomoto Group of Companies
- (b) Relationship : Ajinomoto Co., Inc. ("**AjiCo.**") is the holding company of the Company and has presence in over 35 countries worldwide through its subsidiaries and affiliated companies wherein it owns direct and indirect shareholdings. This group of companies is referred to Ajinomoto Group of Companies.

Tomoharu Abe, Shunsuke Sasaki, Hiroki Suzuki (*resigned w.e.f. 30 June 2021*) and Miki Moriyama (*resigned w.e.f. 30 June 2021*) who are Executive Directors of the Company, being persons nominated by AjiCo., are deemed interested in the Proposed Renewal of RRPT Mandate.

- (c) Nature of transaction and transacted value:-

Nature of Transaction	1 April 2020 to 31 March 2021 RM'000
Commission income	23
Royalties payable	(9,617)
Sales	110,707
Purchases	(148,827)
Purchases of assets	(1,911)
Other expenses	(938)
Shared information technology services	(2,766)

STATEMENT OF DIRECTORS' RESPONSIBILITY IN RELATION TO THE FINANCIAL STATEMENTS

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

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

The Directors consider that in preparing the financial statements,

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

The Directors are responsible for ensuring that the Company maintains accounting records that disclose with reasonable accuracy the financial position of the Company, and which enable them to ensure that the financial statements comply with the Companies Act 2016.

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

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

INTRODUCTION

The Board of Directors ("**the Board**") of Ajinomoto (Malaysia) Berhad is pleased to present its Statement on Risk Management and Internal Control for the financial year ended 31 March 2021, which has been prepared pursuant to paragraph 15.26(b) of Bursa Malaysia Securities Berhad ("**Bursa Securities**") Main Market Listing Requirements ("**Main LR**") and in accordance with the principles and recommendations relating to risk management and internal controls provided in the Malaysian Code on Corporate Governance and as guided by the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers. The statement below outlines the nature and scope of risk management and internal control of the Company during the financial year under review.

BOARD RESPONSIBILITY

The Board acknowledges its responsibility and re-affirms its commitment in maintaining a sound system of internal control to safeguard shareholders' investments and the Company's assets as well as reviewing the adequacy and integrity of the system of internal control. The responsibility of reviewing the adequacy and integrity of the Company's system of internal control is delegated to the Audit Committee, which is empowered by its terms of reference to seek assurance on the adequacy and integrity of the internal control system through independent reviews carried out by the internal audit function.

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

KEY FEATURES OF THE COMPANY'S INTERNAL CONTROL SYSTEM

1. CONTROL ENVIRONMENT

- Organisation Structure and Authorisation Procedures

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

- Periodic and Annual Budget

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

- Company Policies and Procedures

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

- Human Resource Policy

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

- Quality of Product

Quality of product is of prime importance to the Board. Compliance to procedures outlined in ISO9001:2015 and "Hazard Analysis and Critical Control Point" (HACCP) accreditation to underpin quality assurance and control are strictly adhered to via regular internal and external quality audits.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

For The Financial Year Ended 31 March 2021 (cont'd.)

- **Regular Operational and Management Meetings**

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

2. RISK MANAGEMENT FRAMEWORK

The Board acknowledges that the Company's business activities involve some degree of risks and key management staff and Heads of Department are responsible for managing identified risks within defined parameters and standards.

The Risk Management Committee which adopts the risk framework from the parent company's Risk Management Guideline System is chaired by the Managing Director/Chief Executive Officer and includes other key management staff of the Company. Identifying, evaluating and managing the significant risks faced by the Company is an ongoing process which is undertaken at each department. During the year under review, this process was carried out through periodic management meetings held to communicate and deliberate key issues and risks amongst Management team members and where appropriate, controls are devised and implemented.

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

Significant risks identified are escalated to the Board for their attention by the Managing Director/Chief Executive Officer of the Company. The Board views the key risks which will have significant impact on the Company's results are price increase of key raw materials, fluctuation in foreign currency exchange rates, food safety and regulatory change. Some of the other significant risks that were brought to the attention of the Board during the financial year were effects of the COVID-19 pandemic to the business, compliance with Occupational Safety & Health requirements, unstable supply of packaging materials, short supply of manpower, spread of negative and incorrect information on the Company and its products in mass media, product quality issue, unstable supply of raw materials, legal and regulation compliance environmental related issue and interruption of business operations due to IT malfunctions and natural disaster. All of the risks stated above have been mitigated/solved and are closely monitored.

In line with the Bursa Securities' amendments to the Main LR in relation to anti-corruption measures that has taken effect on 1 June 2020, the Management has taken proactive initiatives not only to ensure compliance but to also inhibit corrupt practices or actions stemming from within the Company. Control measures that were taken are such as systematic reviewing and enforcement of Company's policies, communication of policies through town hall briefings and the provision of training and workshops to the Company's staffs.

3. INTERNAL AUDIT FUNCTION

The Company's internal audit function, which is outsourced to a professional service firm, assists the Board and the Audit Committee in providing independent assessment of the adequacy, efficiency and effectiveness of the Company's internal control system. The Internal Auditor reports directly to the Audit Committee and internal audit plans are tabled to the Audit Committee for review and approval to ensure adequate coverage.

On a quarterly basis, the results of the internal audit reviews and the recommendations for improvement are presented to the Audit Committee. In addition, the status of the implementation of corrective actions to address control weaknesses is also followed up by the internal auditors to ensure that these actions have been satisfactorily implemented. Senior Management will continue to ensure that appropriate actions are taken to enhance and strengthen the internal control environment.

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

The costs incurred in maintaining the outsourced internal audit function for the financial year ended 31 March 2021 amounted to RM78,466 (financial year ended 31 March 2020: RM80,346).

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

For The Financial Year Ended 31 March 2021 (cont'd.)

4. REVIEW BY THE BOARD

The Board's review of risk management and internal control effectiveness is based on information from:-

- Senior Management within the organisation responsible for the development and maintenance of the risk management and internal control system.
- The work by the internal audit function which submits reports to the Audit Committee together with the assessment of the internal controls systems relating to key risks and recommendations for improvement.

The Board considered the system of internal controls described in this statement to be satisfactory and the risks to be at an acceptable level within the context of the Company's business environment.

5. INFORMATION AND COMMUNICATION

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

6. REVIEW OF THIS STATEMENT

Pursuant to Paragraph 15.23 of the Main LR, the External Auditors have reviewed this Statement for inclusion in the 2021 Annual Report, and reported to the Board that nothing has come to their attention that causes them to believe that this Statement is inconsistent with their understanding of the processes adopted by the Board in reviewing the adequacy and integrity of the system of internal controls.

7. CONCLUSION

The Board has received assurance from the Managing Director/Chief Executive Officer and Chief Finance Officer that the Company's risk management and internal control systems are operating adequately and effectively, in all material aspects, based on the risk management and internal control systems of the Company. There was no material control failure that would have any material adverse effect on the financial results of the Company for the year under review and up to the date of issuance of the financial statements.

Moving forward, the Company will continue to enhance the existing systems of risk management and internal controls, taking into consideration the changing business environment.

The Board is of the view that the Company's system of internal control is adequate to safeguard shareholders' investments and the Company's assets and has not resulted in any material loss, contingency or uncertainty. The Board has not identified any circumstances which suggest any fundamental deficiencies in the Company's system of internal control. However, the Board is also cognisant of the fact that the Company's system of internal control and risk management practices must continuously evolve to meet the changing and challenging business environment. Therefore, the Board will, when necessary, put in place appropriate action plans to further enhance the system of internal control.

This statement was approved by the Board of Directors on 30 July 2021.

AUDIT COMMITTEE REPORT

INTRODUCTION

The Board of Directors ("**the Board**") of the Company is pleased to present the report of the Audit Committee for the financial year ended 31 March 2021.

PURPOSE

The Audit Committee assists the Board in carrying out its responsibilities and meeting the corporate governance requirements. It reviews the quarterly financial information before recommending to the Board for adoption and release to Bursa Malaysia Securities Berhad ("**Bursa Securities**"). In addition to this, the Audit Committee reviews the systems of internal controls which Management and the Board have established, and makes recommendations to Management on actions to be taken, if any, based on the reports of the independent Internal and External Auditors.

AUTHORITY, DUTIES AND RESPONSIBILITIES

The Audit Committee is governed by its Terms of Reference, which is available at the Company's website at www.ajinomoto.com.my.

COMPOSITION OF THE AUDIT COMMITTEE AND ATTENDANCE OF MEMBERS AT MEETINGS

The composition of the Audit Committee and the attendance of the respective members at each Audit Committee Meeting during the financial year ended 31 March 2021 are as follows:-

Names	Designation	Directorship	Attendance*
Koay Kah Ee <i>(re-designated as Chairman w.e.f. 4 June 2020)</i>	Chairman	Independent Non-Executive Director	5/5
Tan Sri Dato' (Dr.) Teo Chiang Liang <i>(re-designated as a member w.e.f. 4 June 2020)</i>	Member	Independent Non-Executive Director	5/5
Dominic Aw Kian-Wee	Member	Independent Non-Executive Director	5/5
Norani binti Sulaiman <i>(appointed w.e.f. 1 July 2020)</i>	Member	Independent Non-Executive Director	3/3
General Tan Sri (Dr.) Dato' Paduka Mohamed Hashim bin Mohd. Ali (Rtd) <i>(retired w.e.f. 4 June 2020)</i>	Member	Independent Non-Executive Director	1/1
Dato' Setia Ramli bin Mahmud <i>(resigned w.e.f. 31 March 2021)</i>	Member	Independent Non-Executive Director	5/5

* There were five (5) Audit Committee Meetings held during the financial year ended 31 March 2021. The meetings were held on 4 June 2020, 29 June 2020, 17 August 2020, 24 November 2020 and 25 February 2021.

Presently, the Audit Committee is chaired by Mr. Koay Kah Ee while Tan Sri Dato' (Dr.) Teo Chiang Liang was re-designated as a member of the Audit Committee. This took effect upon the appointment of Tan Sri Dato' (Dr.) Teo Chiang Liang as the Chairman of the Board in replacement of the retired Chairman of the Board, General Tan Sri (Dr.) Dato' Paduka Mohamed Hashim bin Mohd. Ali (Rtd) on 4 June 2020. Puan Norani binti Sulaiman was subsequently appointed as a member of the Audit Committee on 1 July 2020. On 31 March 2021, Dato' Setia Ramli bin Mahmud resigned as an Independent Non-Executive Director of the Company and ceased to be a member of the Audit Committee.

AUDIT COMMITTEE REPORT (cont'd.)

Summary of work and discharge of responsibilities of the Audit Committee

During the financial year ended 31 March 2021, the Audit Committee had discharged its functions and carried out its duties as set out in the Terms of Reference.

The Audit Committee has also met up with the External Auditors without the presence of all the Executive Board members three (3) times during the financial year, which is beyond the requirement of two (2) times as stipulated in the Audit Committee's Terms of Reference, to encourage a greater exchange of free and honest views between both parties.

A summary of the work of the Audit Committee in the discharge of its functions and duties for the financial year and how it has met its responsibilities during the financial year are as follows:-

1. Financial Results

- a) Reviewed the quarterly financial results of the Company focusing particularly on changes in or implementation of major accounting policy changes, significant and unusual events and compliance with accounting standards and other legal requirements before recommending them for approval by the Board of Directors for announcement to Bursa Securities;
- b) Reviewed the reports and the audited financial statements of the Company together with the External Auditors prior to tabling to the Board for approval.

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

The Audit Committee had met on the following dates during the financial year to deliberate on the financial reporting matters:-

Date of Meeting	Financial Reporting Statement Reviewed
4 June 2020	<ul style="list-style-type: none"> • Fourth quarter results for the financial year ended 31 March 2020
29 June 2020	<ul style="list-style-type: none"> • Audited Financial Statements for the financial year ended 31 March 2020
17 August 2020	<ul style="list-style-type: none"> • First quarter results for the financial year ended 31 March 2021
24 November 2020	<ul style="list-style-type: none"> • Second quarter results for the financial year ended 31 March 2021
25 February 2021	<ul style="list-style-type: none"> • Third quarter results for the financial year ended 31 March 2021

2. External Audit

- a) Reviewed and approved the External Auditors' scope of work, fees, and audit plan for the financial year and made recommendation to the Board for approval on their remuneration;
- b) Reviewed and discussed the External Auditors' audit report, covering the key audit matters ("**KAM**") raised and areas for concern highlighted in the Management letter, including Management's response to the concerns raised by the External Auditors, and evaluation of the system of internal controls;
- c) Discussed significant accounting and auditing issues, impact of new or proposed changes in accounting standards and regulatory requirements;
- d) Inquired into the assistance given by the Management to the External Auditors; and
- e) Assessed the suitability, objectivity, independence and performance of the External Auditors and made recommendation to the Board on their re-appointment.

AUDIT COMMITTEE REPORT (cont'd.)

During the financial year, the Audit Committee had three (3) private meetings with the External Auditors on 4 June 2020, 29 June 2020 and 25 February 2021 without the presence of the Executive Directors and Management of the Company to discuss any issues that may have arose from the external audit.

During the audit process in the financial year ended 31 March 2021, the issue related to the revenue recognition was raised by the Company's External Auditors as KAM. The audit responses to address the abovesaid issue by the Company's External Auditors was set out in the Independent Auditors' Report ("**IAR**"). For detailed information on KAM, please refer to the IAR in this Annual Report.

3. Internal Audit

- a) Reviewed and approved the internal audit plan for the financial year and the internal audit fees;
- b) Reviewed the internal audit issues, recommendations and the Management responses to rectify and improve the system of internal control;
- c) Monitored the implementation of programmes recommended by Internal Auditors arising from its audits in order to obtain assurance that all key risks and controls have been fully dealt with; and
- d) Reviewed the performance of the Internal Auditors pursuant to Paragraph 15.12(1)(e) of the Bursa Securities' Main Market Listing Requirements ("**Main LR**") and the Terms of Reference of the Audit Committee. The areas being assessed were:-
 - Level of understanding of the Company's business and the industry in which the Company operates
 - Frequency of review to test the effectiveness of the financial, operational, compliance controls and processes of the Company
 - Adequacy of manpower, budget and competency
 - Recommendation of action plans to monitor risks and internal controls

4. Related Party Transactions ("**RPT**")

- a) Reviewed the Recurrent RPT of the Company on a quarterly basis.
- b) Reviewed the Circular to Shareholders in relation to the Renewal of Existing Shareholder Mandate for Recurrent RPT.

5. Other matter

- a) Reviewed the Audit Committee Report and Statement on Risk Management and Internal Control for disclosure in the 2021 Annual Report.

AUDIT COMMITTEE REPORT (cont'd.)

Summary of work of the internal audit function

The Company's internal audit function, which is outsourced to a professional service firm, assists the Board and the Audit Committee in providing independent assessment of the adequacy, efficiency and effectiveness of the Company's internal control system.

A summary of work of the internal audit function for the financial year ended 31 March 2021 is as follows:-

- (a) Formulated the internal audit plan and presented the plan for the Audit Committee's review and approval;
- (b) Executed the internal audit reviews covering the following business processes or areas in accordance with the approved audit plan:-
 - Quality management
 - Incoming and issuance inspection
 - In-process quality control
 - Quality issues response and closure
 - Monitoring and reporting of quality issues
 - Preventive maintenance and repair
 - Compliance monitoring and reporting
 - Project Management (New Plant Construction)
 - Project monitoring and reporting
 - Variation order management (design/specification changes)
 - Contractor performance monitoring
 - Quality inspection and non-compliance report monitoring
 - Progress claim management
 - Occupational Safety and Health Management
 - Safety and health compliance system
 - Staff training and awareness
 - Fire safety
 - Physical security management
 - Emergency response and incidents reporting
 - Compliance monitoring and reporting
 - Branch operations in Johor Bahru and Kuala Lumpur in January 2021 covering the following areas:-
 - Inventory management
 - Sales proceeds - records maintenance and deposit
 - Fixed assets verifications
- (c) Based on the audit reviews carried out, reported the results of the audit reviews to the Audit Committee every quarter. The reports highlighted internal control weaknesses identified and corresponding recommendations for improvements; and
- (d) Followed up on the status of implementation of Management action plans carried out and reported the same to the Audit Committee.

The internal audit reviews carried out during the financial year ended 31 March 2021 did not reveal weaknesses that have resulted in any material losses, contingencies or uncertainties that would require separate disclosure in this annual report.

STATISTICS OF SHAREHOLDINGS AS AT 23 JULY 2021

Issued Share Capital: RM60,798,534.00
 Class of Shares : Ordinary Shares
 Voting Rights : One vote per ordinary share

ANALYSIS OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Shares Held	%
1 – 99	363	7.30	4,887	0.01
100 – 1,000	2,672	53.75	1,450,802	2.39
1,001 – 10,000	1,651	33.21	5,686,036	9.35
10,001 – 100,000	243	4.89	6,033,966	9.92
100,001 – 3,039,925 (*)	41	0.82	16,994,998	27.95
3,039,926 and above (**)	1	0.02	30,627,845	50.38
TOTAL	4,971	100.00	60,798,534	100.00

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

SUBSTANTIAL SHAREHOLDER

The substantial shareholder of Ajinomoto (Malaysia) Berhad and its respective shareholdings based on the Register of Substantial Shareholders of the Company as at 23 July 2021 is as follows:-

	Direct		No. of Shares	
	No. of Shares Held	%	Direct	%
Ajinomoto Co., Inc.	30,627,845	50.38	-	-

DIRECTORS' SHAREHOLDINGS

The Directors' Shareholdings based on the Register of Directors' Shareholdings of the Company as at 23 July 2021 are as follows:-

Directors	Direct Interest		Indirect Interest	
	No. of Shares Held	%	No. of Shares Held	%
Tan Sri Dato' (Dr.) Teo Chiang Liang	-	-	150,000 ⁽¹⁾	0.25
Koay Kah Ee	-	-	-	-
Tomoharu Abe	-	-	-	-
Shunsuke Sasaki	-	-	-	-
Dominic Aw Kian-Wee	-	-	-	-
Kamarudin bin Rasid	-	-	-	-
Azhan bin Mohamed	-	-	-	-
Norani binti Sulaiman	-	-	-	-
Noriko Fujimoto	-	-	-	-
Takahiro Sato	-	-	-	-

⁽¹⁾ Deemed interested by virtue of his and/or persons associated with him who has/have more than 20% equity interest in Teo Soo Cheng Sdn. Bhd. and See Hoy Chan Holdings Sendirian Berhad respectively.

STATISTICS OF SHAREHOLDINGS

As At 23 July 2021

(cont'd.)

THIRTY LARGEST SECURITIES ACCOUNT HOLDERS

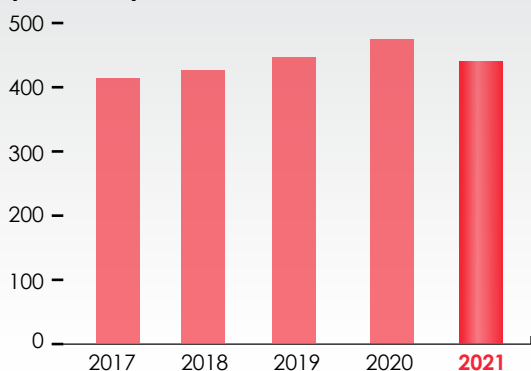
No. Shareholders	No. of Shares	%
1. Ajinomoto Co., Inc.	30,627,845	50.38
2. Cartaban Nominees (Asing) Sdn. Bhd. <i>BBH and Co. Boston for Fidelity Puritan Trust: Fidelity Series Intrinsic Opportunities Fund</i>	1,650,000	2.71
3. Kumpulan Wang Persaraan (Diperbadankan)	1,277,900	2.10
4. Cartaban Nominees (Asing) Sdn. Bhd. <i>SSBT Fund F9EX for Fidelity Northstar Fund</i>	1,250,000	2.06
5. Chinchoo Investment Sdn. Berhad	1,210,800	1.99
6. Maybank Nominees (Asing) Sdn. Bhd. <i>Bank of East Asia (Nominees) Pte Ltd for The Bank of East Asia Ltd Singapore (A/C 2-970510)</i>	1,131,030	1.86
7. Berjaya Sampo Insurance Berhad	1,125,054	1.85
8. Maybank Nominees (Tempatan) Sdn. Bhd. <i>National Trust Fund (IFM Maybank)</i>	784,700	1.29
9. HSBC Nominees (Asing) Sdn. Bhd. <i>Exempt AN for Credit Suisse (SG BR-TST-ASING)</i>	700,000	1.15
10. Amanahraya Trustees Berhad <i>Public Strategic Smallcap Fund</i>	630,200	1.04
11. Tee Teh Sdn. Berhad	564,508	0.93
12. Seah Mok Khoon	475,700	0.78
13. Citigroup Nominees (Tempatan) Sdn. Bhd. <i>Urusharta Jamaah Sdn. Bhd. (Maybank 2)</i>	453,900	0.75
14. Yong Siew Lee	430,000	0.71
15. Citigroup Nominees (Tempatan) Sdn. Bhd. <i>Employees Provident Fund Board (Aberislamic)</i>	383,300	0.63
16. Amanahraya Trustees Berhad <i>Public Smallcap Fund</i>	381,200	0.63
17. Amanahraya Trustees Berhad <i>Public Islamic Emerging Opportunities Fund</i>	338,800	0.56
18. See Hoy Chan Agencies Sendirian Berhad	338,100	0.56
19. Maybank Nominees (Tempatan) Sdn. Bhd. <i>Exempt AN for Maybank Islamic Asset Management Sdn. Bhd. (Resident)</i>	294,500	0.48
20. Wong Lok Jee @ Ong Lok Jee	250,000	0.41
21. Yee Fook Leong	234,000	0.38
22. Maybank Securities Nominees (Asing) Sdn. Bhd. <i>Maybank Kim Eng Securities Pte Ltd for Tan Pheck Gee</i>	208,138	0.34
23. Oh Siew Heong	201,300	0.33
24. Cartaban Nominees (Asing) Sdn. Bhd. <i>SSBT Fund SBG6 for Swedbank Robur Small Cap Emerging Markets</i>	200,000	0.33
25. Key Development Sdn. Berhad	200,000	0.33
26. Seah Heng Lye	200,000	0.33
27. Amanahraya Trustees Berhad <i>Public Select Treasures Equity Fund</i>	175,400	0.29
28. HSBC Nominees (Tempatan) Sdn. Bhd. <i>Exempt AN for Credit Suisse (SG BR-TST-TEMP)</i>	161,800	0.27
29. Eu Lee Chuan Enterprise Sdn. Berhad	160,000	0.26
30. Tay Lee Joo	153,377	0.25
TOTAL	46,191,552	75.97

FINANCIAL HIGHLIGHTS FOR THE FINANCIAL YEAR ENDED 31 MARCH

	2017 RM'000	2018 RM'000	2019 RM'000	2020 RM'000	2021 RM'000
REVENUE	419,917	436,286	447,731	461,689	443,119
PROFIT BEFORE TAXATION	211,469	67,068	72,659	77,747	61,256
NET PROFIT	187,462	56,262	56,581	59,854	46,502
SHAREHOLDERS FUNDS	474,638	437,129	465,335	495,678	512,312
PER SHARE					
o GROSS EARNINGS (Sen)	347.8	110.3	119.5	127.9	100.8
o NET EARNINGS (Sen)	308.3	92.5	93.1	98.4	76.5
o NET ASSET (RM)	7.8	7.2	7.7	8.2	8.4
FINANCIAL RATIOS					
Return on Asset (%)	35.21%	11.56%	10.61%	10.31%	6.39%
Return on Equity (%)	39.50%	12.87%	12.16%	12.08%	9.08%
Dividend Payout Ratio (%)	50.27%	50.25%	50.50%	50.08%	50.01%
Net Dividend per share (sen)	42.00	46.50	47.00	49.30	38.25
Special Dividend per share (sen)	113.00	-	-	-	-

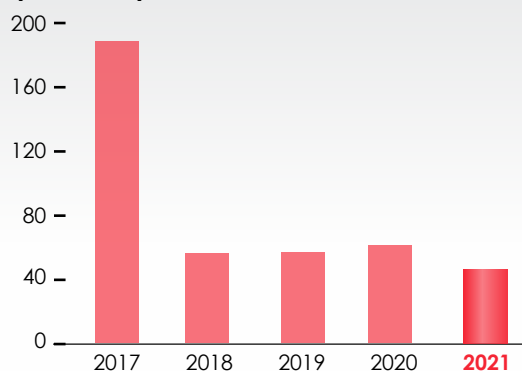
REVENUE

(RM Millions)



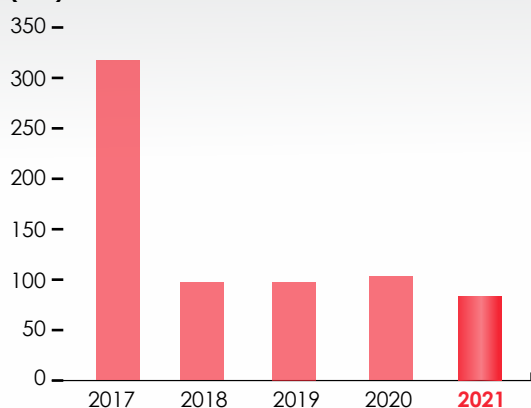
NET PROFIT

(RM Millions)



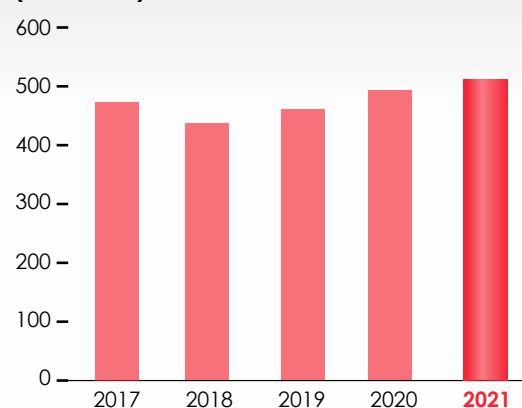
NET EARNINGS PER SHARE

(Sen)



SHAREHOLDERS FUNDS

(RM Millions)



DIRECTORS' REPORT

The directors have pleasure in presenting their report together with the audited financial statements of the Company for the financial year ended 31 March 2021.

Principal activities

The principal activities of the Company are manufacturing and selling AJI-NO-MOTO® products, and other seasoning and food items. There have been no significant changes in the nature of the principal activities during the year.

Results

	RM
Profit net of tax	<u>46,502,317</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 Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature.

Dividends

The amount of dividends paid by the Company since 31 March 2020 were as follows:

	RM
In respect of the financial year ended 31 March 2020 as reported in the directors' report of that year:	
First and final single-tier dividend of 49.30 sen per ordinary share declared on 17 August 2020 and paid on 28 October 2020	<u>29,973,677</u>

Directors

The names of the directors of the Company in office since the beginning of the financial year to the date of this report are:

Tan Sri Dato' (Dr.) Teo Chiang Liang
 Koay Kah Ee
 Tomoharu Abe (appointed on 1 July 2020)
 Shunsuke Sasaki
 Dominic Aw Kian-Wee
 Kamarudin bin Rasid
 Azhan bin Mohamed
 Norani binti Sulaiman (appointed on 1 July 2020)
 Noriko Fujimoto (appointed on 1 July 2021)
 Takahiro Sato (appointed on 1 July 2021)
 General Tan Sri (Dr.) Dato' Paduka Mohamed Hashim bin Mohd. Ali (Rtd) (retired on 4 June 2020)
 Naoko Yamamoto (resigned on 30 June 2020)
 Dato' Setia Ramli bin Mahmud (resigned on 31 March 2021)
 Hiroki Suzuki (resigned on 30 June 2021)
 Miki Moriyama (resigned on 30 June 2021)

DIRECTORS' REPORT (cont'd.)

Directors' benefits

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

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

The details of directors' remuneration are as follows:

	RM
Executive:	
Salaries and other emoluments	2,924,623
Fees	54,000
Bonus	491,326
Gratuity	21,600
Defined contribution plan	137,123
Total executive directors' remuneration (excluding benefits-in-kind)	3,628,672
Estimated money value of benefit-in-kind	356,502
Total executive directors' remuneration (including benefits-in-kind)	3,985,174
Non-executive:	
Fees	237,083
Gratuity	94,833
Other emoluments	114,933
Total non-executive directors' remuneration (excluding benefits-in-kind)	446,849
Estimated money value of benefit-in-kind	1,702
Total non-executive directors' remuneration (including benefits-in-kind)	448,551
Total directors' remuneration	4,443,725

Indemnity and insurance costs

During the financial year, the Company maintained a Directors' and Officers' Liability Insurance for the purpose of Section 289 of the Companies Act 2016. The total insured limit for the Directors' and Officers' Liability Insurance effected for the Directors and Officers of the Company was RM15 million per occurrence and in the aggregate. The insurance premium for the Company is RM14,450.

DIRECTORS' REPORT (cont'd.)

Directors' interests

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

	Number of ordinary shares			
	At 1.4.2020	Acquired	Sold	At 31.3.2021

The Company

Indirect interest:

Tan Sri Dato' (Dr.) Teo Chiang Liang	150,000	-	-	150,000
--------------------------------------	---------	---	---	---------

	Number of shares			
	At 1.4.2020/ date of appointment	Acquired	Sold	At 31.3.2021

Holding company

- Ajinomoto Co. Inc.

Direct interest:

Tomoharu Abe (appointed on 1 July 2020)	3,181	-	-	3,181
Hiroki Suzuki (resigned on 30 June 2021)	6,405	364	-	6,769

Other than as disclosed above, 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.

Holding company

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

Other statutory information

- (a) Before the statement of comprehensive income and statement of financial position of the Company were made out, the directors took reasonable steps:
- (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that there were no known bad debts and that adequate provision had been made for doubtful debts; and
 - (ii) to ensure that any current assets which were unlikely to realise their 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) it necessary to write off any 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 Company misleading.

DIRECTORS' REPORT

(cont'd.)

Other statutory information (cont'd.)

- (c) At the date of this report, the directors are not aware of any circumstances which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Company misleading or inappropriate.
- (d) At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or financial statements of the Company which would render any amount stated in the financial statements misleading.
- (e) At the date of this report, there does not exist:
- (i) any charge on the assets of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
 - (ii) any contingent liability of the Company which has arisen since the end of the financial year.
- (f) In the opinion of the directors:
- (i) no contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Company to meet its obligations when they fall due; and
 - (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Company for the financial year in which this report is made.

Significant events

In addition to the significant events disclosed elsewhere in this report, other significant event is disclosed in Note 36 to the financial statements.

Auditors and auditors' remuneration

The auditors, Ernst & Young PLT, have expressed their willingness to continue in office.

Auditors' remuneration is as follows:

	RM
Statutory audit	202,500
Other services	37,000
	239,500

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst and Young PLT, as part of the terms of its audit engagement against claims by third parties arising from the audit. No payment has been made to indemnify Ernst & Young PLT during or since the financial year.

Signed on behalf of the Board in accordance with a resolution of the directors dated 30 July 2021.

Tan Sri Dato' (Dr.) Teo Chiang Liang

Tomoharu Abe

STATEMENT BY DIRECTORS PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016

We, Tan Sri Dato' (Dr.) Teo Chiang Liang and Tomoharu Abe, 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 49 to 94 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Company as at 31 March 2021 and of its financial performance and cash flows for the year then ended.

Signed on behalf of the Board in accordance with a resolution of the directors dated 30 July 2021.

Tan Sri Dato' (Dr.) Teo Chiang Liang

Tomoharu Abe

STATUTORY DECLARATION PURSUANT TO SECTION 251(1)(B) OF THE COMPANIES ACT 2016

I, Heng Wai Shen, being the officer primarily responsible for the financial management of Ajinomoto (Malaysia) Berhad, do solemnly and sincerely declare that the accompanying financial statements set out on pages 49 to 94 are to the best of my knowledge and belief 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 Heng Wai Shen at
Kuala Lumpur in the Federal Territory
on 30 July 2021

Heng Wai Shen
MIA: CA 9667

Before me,

Tan Seok Kett
(W530)
Commissioner for Oaths
Kuala Lumpur

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AJINOMOTO (MALAYSIA) BERHAD (INCORPORATED IN MALAYSIA)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Ajinomoto (Malaysia) Berhad, which comprise the statement of financial position as at 31 March 2021, and statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 49 to 94.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 March 2021, and of its financial performance and cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the financial statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence and other ethical responsibilities

We are independent of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key audit matter

Key audit matter is the matter that, in our professional judgement, was of most significance in our audit of the financial statements of the Company for the current year. The matter was addressed in the context of our audit of the financial statements of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on the matter. For matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditors' responsibilities for the audit of the financial statements section of our report, including in relation to the matter. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matter below, provide the basis of our audit opinion on the accompanying financial statements.

Revenue recognition

The note relating to revenue is disclosed in Note 2.18 and Note 4 to the financial statements.

During the financial year, the Company recognised revenue from sale of goods amounting to RM443 million. We identified revenue recognition to be an area of audit focus as we consider the high volume of transactions to be a possible cause of a higher risk of material misstatements in respect of the timing and amount of revenue recognised. Specifically, we focused our audit efforts to determine the possibility of overstatement of revenue.

Our audit procedures include, amongst others, the following:

- (a) We obtained an understanding of the Company's internal controls over the timing and amount of revenue recognised;
- (b) We tested the relevant internal controls in place to address timing and amount of revenue recognised;
- (c) We inspected the terms and conditions of the sales contracts on a sampling basis to assess the appropriateness of the timing of revenue recognised;
- (d) Using data analytics, we performed correlation analysis between revenue, trade receivables and cash and bank balances; and
- (e) We also focused on testing the recording of sales transaction close to year end, including credit notes issued after year end, to establish whether the transactions were recorded in the correct accounting period.

INDEPENDENT AUDITORS' REPORT

to the members of Ajinomoto (Malaysia) Berhad (Incorporated in Malaysia) (cont'd.)

Information other than the financial statements and auditor's report thereon

The directors of the Company are responsible for the other information. The other information comprises the information included in the Company's 2021 Annual Report, but does not include the financial statements of the Company and our auditors' report thereon, which we obtained prior to the date of this auditors' report, and the Company's 2021 Annual Report, which is expected to be made available to us after the date of this auditors' report.

Our opinion on the financial statements of the Company does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Company, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Company's 2021 Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors of the Company and take appropriate action.

Responsibilities of the directors for the financial statements

The directors of the Company are responsible for the preparation of financial statements of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Company, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

INDEPENDENT AUDITORS' REPORT

to the members of Ajinomoto (Malaysia) Berhad
(Incorporated in Malaysia) (cont'd.)

Auditor's responsibilities for the audit of the financial statements (cont'd.)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Company, including the disclosures, and whether the financial statements of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matter communicated with the directors, we determine the matter that was of most significance in the audit of the financial statements of the Company for the current year and is therefore the key audit matter. We describe the matter in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other matters

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Ernst & Young PLT
202006000003 (LLP0022760-LCA) & AF 0039
Chartered Accountants

Kuala Lumpur, Malaysia
30 July 2021

Liew Foo Shen
No. 03349/01/2022 J
Chartered Accountant

STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

	Note	2021 RM	2020 RM
Revenue	4	443,119,251	461,689,082
Other items of income	5	4,513,466	9,919,758
Items of expenses			
Changes in inventories of finished goods and work in progress		2,708,411	6,239,755
Raw materials and packaging materials consumed		(195,508,714)	(202,793,283)
Finished goods purchased		(38,920,150)	(45,288,839)
Employee benefits expense	6	(60,357,575)	(60,129,824)
Depreciation of property, plant and equipment	13	(16,592,499)	(16,787,566)
Amortisation of intangible assets	14	(824,194)	(485,727)
Depreciation of right-of-use assets	15	(1,287,001)	(1,151,705)
Other operating expenses	9	(75,595,156)	(73,464,599)
Profit before tax	8	61,255,839	77,747,052
Income tax expense	10	(14,753,522)	(17,893,385)
Profit net of tax		46,502,317	59,853,667
Other comprehensive income/(loss)			
<i>Other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent periods:</i>			
Actuarial gain/(loss) on defined benefit plans		138,817	(1,230,328)
Tax impact relating to actuarial gain/(loss) on defined benefit plans		(33,316)	295,279
Total other comprehensive income/(loss) for the year		105,501	(935,049)
Total comprehensive income for the year		46,607,818	58,918,618
Earnings per share attributable to equity holders of the Company (sen per share)			
- Basic	11	76.49	98.44
Net dividend (sen per share)	12	49.30	47.00

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

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2021

	Note	2021 RM	2020 RM
Non-current assets			
Property, plant and equipment	13	361,525,438	161,732,067
Intangible assets	14	10,188,132	4,082,103
Right-of-use assets	15	18,253,875	18,909,076
Other receivables	16	1,616,854	1,518,104
Other investments	17	226,000	226,000
Deferred tax assets	25	4,214,670	2,589,413
		<u>396,024,969</u>	<u>189,056,763</u>
Current assets			
Inventories	18	56,698,168	53,729,281
Trade and other receivables	16	56,276,691	102,705,699
Derivatives assets	19	100,395	-
Investment securities	20	99,589,931	122,049,249
Cash and cash equivalents	21	118,838,537	112,909,000
		<u>331,503,722</u>	<u>391,393,229</u>
Total assets		<u>727,528,691</u>	<u>580,449,992</u>
Equity and liabilities			
Current liabilities			
Borrowing	22	254,969	-
Retirement benefit obligations	23	1,273,378	1,214,351
Trade and other payables	24	96,337,772	63,926,831
Derivatives liabilities	19	442,602	442,432
Lease liabilities	15	616,876	716,926
Tax payable		2,621,820	4,953,549
		<u>101,547,417</u>	<u>71,254,089</u>
Non-current liability			
Borrowing	22	99,526,827	-
Retirement benefit obligations	23	13,872,856	13,089,377
Lease liabilities	15	269,346	428,422
		<u>113,669,029</u>	<u>13,517,799</u>
Total liabilities		<u>215,216,446</u>	<u>84,771,888</u>
Net assets		<u>512,312,245</u>	<u>495,678,104</u>
Equity attributable to equity holders of the Company			
Share capital	26	65,102,234	65,102,234
Retained earnings	27	448,865,286	432,336,646
Other reserves	28	(1,655,275)	(1,760,776)
Total equity		<u>512,312,245</u>	<u>495,678,104</u>
Total equity and liabilities		<u>727,528,691</u>	<u>580,449,992</u>

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

STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

	← Non-distributable →	Distributable		
	Share capital RM (Note 26)	Other reserves RM (Note 28)	Retained earnings RM (Note 27)	Total equity RM
Note				
At 1 April 2019	65,102,234	(825,727)	401,058,290	465,334,797
Total comprehensive income	-	(935,049)	59,853,667	58,918,618
<u>Transaction with owners</u>				
Dividends	12	-	(28,575,311)	(28,575,311)
At 31 March 2020	<u>65,102,234</u>	<u>(1,760,776)</u>	<u>432,336,646</u>	<u>495,678,104</u>
At 1 April 2020	65,102,234	(1,760,776)	432,336,646	495,678,104
Total comprehensive income	-	105,501	46,502,317	46,607,818
<u>Transaction with owners</u>				
Dividends	12	-	(29,973,677)	(29,973,677)
At 31 March 2021	<u>65,102,234</u>	<u>(1,655,275)</u>	<u>448,865,286</u>	<u>512,312,245</u>

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

STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

	2021 RM	2020 RM
Cash flows from operating activities		
Profit before tax	61,255,839	77,747,052
Adjustments for:		
Provision for short-term accumulating compensated absences	442,172	125,147
Interest income	(1,661,892)	(2,894,308)
Distribution from investment securities	(1,956,977)	(5,583,566)
Depreciation of property, plant and equipment	16,592,499	16,787,566
Amortisation of intangible assets	824,194	485,727
Depreciation of right-of-use assets	1,287,001	1,151,705
Provision of expected credit loss on trade receivables, net	9,228	6,991
Bad debts written off	-	15,190
Inventories written off	335,730	213,061
Property, plant and equipment written off	730,141	115,447
Intangible assets written off	1,629	-
Gain on disposal of property, plant and equipment	(206,489)	(224,951)
Provision for defined benefit plans	1,961,056	1,845,464
Unrealised foreign exchange loss/(gain)	555,169	(914,943)
Net fair value (gain)/loss on derivatives	(100,224)	375,132
Operating profit before working capital changes	80,069,076	89,250,714
Increase in inventories	(3,304,617)	(9,310,261)
Decrease/(increase) in trade and other receivables	16,957,015	(4,528,813)
(Decrease)/increase in trade and other payables	(919,776)	11,053,038
Cash generated from operations	92,801,698	86,464,678
Net taxes paid	(18,743,824)	(17,647,225)
Net payments made to retirement benefit obligations	(797,178)	(1,130,527)
Net cash generated from operating activities	73,260,696	67,686,926
Cash flows from investing activities		
Purchase of property, plant and equipment	(149,927,839)	(79,470,259)
Purchase of intangible assets	(6,107,139)	(3,080,178)
Proceeds from disposal of property, plant and equipment	822,190	678,276
Prepayment for acquisition of intangible asset (Note 16)	(683,700)	-
Prepayments for acquisition of plant and equipment (Note 16)	(5,401,598)	(35,522,756)
Interest received	1,748,187	2,930,722
Interest paid	(359,655)	-
Distribution from investment securities	2,665,698	6,030,808
Withdrawal with licensed financial institutions	21,750,597	76,283,631
Net cash used in investing activities	(135,493,259)	(32,149,756)
Cash flows from financing activities		
Transaction cost paid for borrowing	(500,000)	-
Payment of lease liabilities	(1,026,797)	(1,011,140)
Proceed from borrowing	100,000,000	-
Dividends paid	(29,973,677)	(28,575,311)
Net cash generated from/(used in) financing activities	68,499,526	(29,586,451)
Net increase in cash and cash equivalents	6,266,963	5,950,719
Effect of exchange rate changes on cash and cash equivalents	(337,426)	559,293
Cash and cash equivalents at beginning of the financial year	112,909,000	106,398,988
Cash and cash equivalents at end of the financial year (Note 21)	118,838,537	112,909,000

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

1. CORPORATE INFORMATION

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

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

The principal activities of the Company are manufacturing and selling AJI-NO-MOTO® products, and other seasoning and food items. There have been no significant changes in the nature of the principal activities during the financial year.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 30 July 2021.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards ("IFRS") and the requirements of the Companies Act 2016 in Malaysia.

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

The financial statements are presented in Ringgit Malaysia ("RM") which is also the Company's functional currency.

2.2 Changes in accounting policies

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

On 1 April 2020, the Company adopted the following new and amended MFRSs and IC Interpretations mandatory for annual financial periods beginning on or after 1 April 2020:

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 April 2020

- Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16: Interest Rate Benchmark Reform-Phase 2
- Amendments to MFRS 4: Extension of the Temporary Exemption from Applying MFRS 9
- Amendments to MFRS 101: Classification of Liabilities as Current or Non-current-Deferral of Effective Date
- Amendment to MFRS 16 Leases: Covid-19-Related Rent Concessions

The adoption of the above amended standards and interpretation did not have material effect on the financial performance or position of the Company.

2.3 Standards issued but not yet effective

The standards, amendments, annual improvements and interpretations that are issued but not yet effective up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, amendments, annual improvements and interpretations if applicable, when they become effective.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021 (cont'd.)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.3 Standards issued but not yet effective (cont'd.)

Description	Effective for annual periods beginning on or after
Covid-19-Related Rent Concessions beyond 30 June 2021 (Amendment to MFRS 16 Leases)	1 April 2021
Annual Improvements to MFRS Standards 2018-2020	1 January 2022
Amendments to MFRS 3 Business Combinations: Reference to the Conceptual Framework	1 January 2022
Amendments to MFRS 116 Property, Plant and Equipment: Property, Plant and Equipment - Proceeds before Intended Use	1 January 2022
Amendments to MFRS 137 Onerous Contracts: Cost of Fulfilling a Contract	1 January 2022
Amendments to MFRS 101 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current	1 January 2023
Disclosure of Accounting Policies	1 January 2023
MFRS 17: Insurance Contracts	1 January 2023
Amendments to MFRS 17 Insurance Contracts	1 January 2023
Amendments to MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

The Company will assess the impact at later date and plans to adopt the above standards, amendments, annual improvement and interpretations on the stipulated effective date.

2.4 Foreign currency

(a) Functional and presentation currency

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

(b) Foreign currency transactions

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021 (cont'd.)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.5 Property, plant and equipment

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

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

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

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

Capital work in progress included in property, plant and equipment are not depreciated as these assets are not yet available for use.

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

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

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset (difference between net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss in the year the asset is derecognised.

2.6 Intangible assets

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

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

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

Amortisation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

Computer software	5 years
-------------------	---------

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021 (cont'd.)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.7 Impairment of non-financial assets

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

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

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

Impairment losses are recognised in statement of profit or loss.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in the statement of profit or loss.

2.8 Financial assets

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

Initial recognition and measurement

Financial assets are classified, at initial recognition, and subsequently measured at amortised cost, fair value through other comprehensive income ("FVOCI"), and fair value through profit or loss ("FVTPL").

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at FVTPL, transaction costs. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under MFRS 15.

In order for a financial asset to be classified and measured at amortised cost or FVOCI, it needs to give rise to cash flows that are 'solely payments of principal and interest ("SPPI")' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021 (cont'd.)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.8 Financial assets (cont'd.)

Initial recognition and measurement (cont'd.)

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- (a) Financial assets at amortised cost (debt instruments)
- (b) Financial assets at FVOCI with recycling of cumulative gains and losses (debt instruments)
- (c) Financial assets designated at FVOCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- (d) Financial assets at FVTPL

Financial assets at amortised cost (debt instruments)

The Company measures financial assets at amortised cost if both of the following conditions are met:

- (a) the financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- (b) The contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest ("EIR") method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Company's financial assets at amortised cost includes trade and other receivables (excluding prepayments and GST refund) and cash and cash equivalents.

Financial assets at FVOCI (debt instruments) and financial assets at FVOCI (equity instruments)

The Company's did not have or designate any financial assets at FVOCI (debt instruments) and FVOCI (equity instruments) during the year ended 31 March 2021.

Financial assets at FVTPL

Financial assets at FVTPL include financial assets held for trading, financial assets designated upon initial recognition at FVTPL, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not SPPI are classified and measured at FVTPL, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at FVOCI, as described above, debt instruments may be designated at FVTPL on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at FVTPL are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

This category includes other investments, derivative instruments and investment securities.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021 (cont'd.)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.8 Financial assets (cont'd.)

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when:

- (a) The rights to receive cash flows from the asset have expired; or
- (b) The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (i) the Company has transferred substantially all the risks and rewards of the asset, or (ii) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

2.9 Impairment of financial assets

The Company recognises a provision for expected credit losses ("ECLs") for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a provision for impairment is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience.

The Company considers a financial asset in default when contractual payments are one year past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021 (cont'd.)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.10 Cash and cash equivalents

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

2.11 Inventories

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

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

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

2.12 Provisions

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

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

2.13 Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at FVTPL, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include borrowing, trade and other payables, derivative liabilities and lease liabilities.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021 (cont'd.)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.13 Financial liabilities (cont'd.)

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at FVTPL

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVTPL.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationship as defined by MFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in statement of profit or loss.

Financial liabilities designated upon initial recognition at FVTPL are designated at the initial date of recognition, and only if the criteria in MFRS 9 are satisfied.

This category includes derivative instruments.

Financial liabilities at amortised costs

After initial recognition, the financial liabilities are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in statement of profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

This category includes borrowing, trade and other payables.

Derecognition

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

2.14 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

2.15 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. Capitalisation of borrowing costs commences when the Company undertakes activities that are necessary to prepare the asset for its intended use or sale and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale.

All other borrowing costs are recognised in statement of profit or loss in the period they are incurred. Borrowing costs consist of interest and other costs that the Company incurred in connection with the borrowing of funds.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021 (cont'd.)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.16 Employee benefits

(a) 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. Short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

(b) Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Company 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. As required by law, the Company makes contributions to the state pension scheme, the Employees Provident Fund ("EPF"). Such contributions are recognised as an expense in the profit or loss as incurred.

(c) Defined benefit plans

The Company has a partly funded defined benefit plan 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.

The defined benefit costs and the present value of defined benefit obligations are calculated at the reporting date by the qualified actuaries using the projected unit credit method.

Re-measurements, comprising of actuarial gains and losses are recognised immediately in the statement of financial position with corresponding debit or credit to other comprehensive income in the period they occur. Remeasurements are not classified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment; and
- The date that the Company recognised restructuring related cost.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset and is recognised in profit or loss. The Company recognises the following changes in the net defined benefit obligations in profit or loss:

- Service costs comprising current service costs, past service costs, gains and losses on curtailments and non-routine settlements.
- Net interest expense or income.

2.17 Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021 (cont'd.)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.17 Leases (cont'd.)

As lessee

(a) Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Leasehold land	42 to 53 years
Building	2 to 3 years

The right-of-use assets are also subject to impairment as disclosed in Note 2.7.

(b) Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

(c) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021 (cont'd.)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.18 Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements (unless otherwise stated below) because it typically controls the goods or services before transferring them to the customer.

The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g., warranties, non-cash consideration and consideration payable to the customer, if any). Depending on the terms of the contract, revenue is recognised when the performance obligation is satisfied, which may be at the point in time or over time.

If the consideration in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. Some contracts for the sale of goods provide customers with a right of return and volume rebates. The rights of return and volume rebates give rise to variable consideration.

Generally, the Company receives short-term advances from its customers. Using the practical expedient in MFRS 15, the Company does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less.

Sale of goods

Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods. The sale of goods is either on cash terms or on credit terms of up to 90 days.

Other Items of Income

(a) Interest income and distribution from investment securities

Interest income and distribution from investment securities are recognised on an accrual basis using the EIR method.

(b) Other income

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

2.19 Income taxes

(a) Current tax

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

Current taxes are recognised in statement of profit or loss except to the extent that the tax relates to items recognised outside statement of profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021 (cont'd.)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.19 Income taxes (cont'd.)

(b) Deferred tax

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

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

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021 (cont'd.)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.19 Income taxes (cont'd.)

(c) Sales and services tax ("SST") and Goods and services tax ("GST")

Revenues are recognised net of SST charged to the customers. SST incurred in purchase of assets or services is not recoverable from the taxation authority, hence SST is recognised as part of the cost of acquisition of the asset or part of the expense item as applicable.

The amount payable to the taxation authority is included as payables in the statements of financial position.

The effective date for SST in Malaysia is 1 September 2018. Prior to this date, Malaysia was under the GST regime.

2.20 Share capital

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

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

2.21 Contingencies

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

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

2.22 Fair value measurements

The Company measures financial instruments such as derivative at fair value at each reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- a) In the principal market for the asset or liability, or
- b) In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal market or the most advantageous market must be accessible to by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021 (cont'd.)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.22 Fair value measurements (cont'd.)

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- a) Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- b) Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- c) Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the Company determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The management determines the policies and procedures for both recurring fair value measurement and for non-recurring measurement.

External valuers are involved for valuation of significant assets. Selection criteria of external valuers include market knowledge, reputation, independence and whether professional standards are maintained. The management decides, after discussions with the Company's external valuers, which valuation techniques and inputs to use for each case.

At each reporting date, the management analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Company's accounting policies. For this analysis, the management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The management present the valuation results to the audit committee and the Company's independent auditors. This includes a discussion of the major assumptions used in the valuations.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

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

3.1 Judgement made in applying accounting policies

No major judgements have been made by management in applying the Company's accounting policies.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021 (cont'd.)

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONT'D.)

3.2 Key sources of estimation uncertainty

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

(a) Income taxes

Significant estimation is involved in determining the provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognises liabilities for expected tax issues based on various factors, such as experience of previous tax submission and differing interpretations of tax regulations by the relevant tax authority. Where the final outcome of these matters are different from the amounts initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

(b) Provision for retirement benefit

The cost of the defined benefit plan and the present value of the retirement obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in future. These includes discount rates, future salary increases, mortality rates and future retirement increases. Due to the complexity of the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting period date. Further details are disclosed in Note 23.

4. REVENUE

	2021 RM	2020 RM
Sale of goods	443,119,251	461,689,082
Geographical markets		
Malaysia	258,390,958	269,989,911
Middle East	59,465,136	73,743,324
Other Asian countries	117,642,863	111,046,724
Others	7,620,294	6,909,123
Total revenue from contracts with customers	443,119,251	461,689,082
Timing of revenue recognition		
Goods transferred at a point in time	443,119,251	461,689,082

Performance obligation

The Company is in the business of selling AJI-NO-MOTO® products, and other seasoning and food items.

The performance obligation is satisfied upon shipment of the goods and payment is generally due within 14 to 90 (2020: 14 to 90) days.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021 (cont'd.)

5. OTHER ITEMS OF INCOME

	2021 RM	2020 RM
Gain on disposal of property, plant and equipment	206,489	224,951
Interest income	1,661,892	2,894,308
Distribution from investment securities	1,956,977	5,583,566
Miscellaneous income	358,680	301,990
Realised foreign exchange gain	229,204	-
Unrealised foreign exchange gain	-	914,943
Net fair value gain on derivatives	100,224	-
	<u>4,513,466</u>	<u>9,919,758</u>

6. EMPLOYEE BENEFITS EXPENSE

	2021 RM	2020 RM
Wages and salaries	49,213,906	47,919,063
Gratuity	21,600	64,800
Defined contribution plans	5,262,149	5,461,448
Provision for defined benefit plans (Note 23)	1,961,056	1,845,464
Social security costs	488,097	472,448
Provision for short-term accumulating compensated absences	442,172	125,147
Other staff related expenses	2,968,595	4,241,454
	<u>60,357,575</u>	<u>60,129,824</u>

Included in employee benefits expense of the Company are executive directors' remuneration amounting to RM3,628,672 (2020: RM3,811,909) as further disclosed in Note 7.

7. DIRECTORS' REMUNERATION

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

	2021 RM	2020 RM
Executive:		
Salaries and other emoluments	2,924,623	2,911,329
Fees	54,000	162,000
Bonus	491,326	505,691
Gratuity	21,600	64,800
Defined contribution plan	137,123	168,089
	<u>3,628,672</u>	<u>3,811,909</u>
Total executive directors' remuneration (excluding benefits-in-kind) (Note 6)	3,628,672	3,811,909
Estimated money value of benefit-in-kind	356,502	366,300
	<u>3,985,174</u>	<u>4,178,209</u>
Total executive directors' remuneration (including benefits-in-kind)	3,985,174	4,178,209

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021 (cont'd.)

7. DIRECTORS' REMUNERATION (CONT'D.)

The details of remuneration receivable by directors of the Company during the year are as follows: (cont'd.)

	2021 RM	2020 RM
Non-executive:		
Fees	237,083	240,000
Gratuity	94,833	96,000
Other emoluments	114,933	119,000
Total non-executive directors' remuneration (excluding benefits-in-kind)	446,849	455,000
Estimated money value of benefit-in-kind	1,702	80,893
Total non-executive directors' remuneration (including benefits-in-kind)	448,551	535,893
Total directors' remuneration	4,433,725	4,714,102

The number of directors of the Company, which included the directors who had resigned during the year whose total remuneration during the year fell within the following bands, is analysed below:

	Number of directors 2021	2020
Executive directors:		
RM200,001 - RM250,000	1	1
RM350,001 - RM400,000	1	1
RM450,001 - RM500,000	-	1
RM500,001 - RM550,000	1	1
RM600,001 - RM650,000	1	-
RM700,001 - RM750,000	2	-
RM750,001 - RM800,000	1	-
RM800,001 - RM850,000	-	1
RM850,001 - RM900,000	-	2
Non-executive directors:		
below RM50,000	2	-
RM50,001 - RM100,000	3	4
RM100,001 - RM150,000	1	1

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021 (cont'd.)

8. PROFIT BEFORE TAX

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

	2021 RM	2020 RM
Inventories written off	335,730	213,061
Provision of expected credit loss on trade receivables, net (Note 16)	9,228	6,991
Bad debt written off	-	15,190
Foreign exchange (gain)/loss :		
- Realised	(229,204)	1,003,706
- Unrealised	555,169	(914,943)
Net fair value (gain)/loss on derivatives	(100,224)	375,132
Property, plant and equipment written off	730,141	115,447
Intangible assets written off	1,629	-
	<u> </u>	<u> </u>

9. OTHER OPERATING EXPENSES

	2021 RM	2020 RM
Selling and distribution expenses	39,813,854	36,619,140
Administrative and other expenses	35,781,302	36,845,459
	<u> </u>	<u> </u>
	75,595,156	73,464,599
	<u> </u>	<u> </u>

10. INCOME TAX EXPENSE

Major components of income tax expense

The major components of income tax expense for the years ended 31 March 2021 and 2020 are:

	2021 RM	2020 RM
Current income tax	16,026,129	19,745,234
Under provision in prior years	385,966	143,159
	<u> </u>	<u> </u>
	16,412,095	19,888,393
	<u> </u>	<u> </u>
Deferred tax (Note 25):		
Relating to origination and reversal to temporary differences	(1,970,598)	(1,980,824)
Under/(over) provision in prior years	312,025	(14,184)
	<u> </u>	<u> </u>
	(1,658,573)	(1,995,008)
	<u> </u>	<u> </u>
Total income tax expense	<u> </u>	<u> </u>
	14,753,522	17,893,385
	<u> </u>	<u> </u>

Domestic current income tax is calculated at the statutory tax rate of 24% of the estimated taxable profit for the year.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021 (cont'd.)

10. INCOME TAX EXPENSE (CONT'D.)

Reconciliation between tax expense and accounting profit

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

	2021 RM	2020 RM
Profit before tax	61,255,839	77,747,052
Taxation at Malaysian statutory tax rate of 24%	14,701,401	18,659,293
Income not subject to tax	(469,674)	(1,340,056)
Expenses not deductible for tax purposes	97,327	445,173
Utilisation of current year's reinvestment allowances	(273,523)	-
Under/(over) provision of deferred tax in prior years	312,025	(14,184)
Under provision of income tax expense in prior years	385,966	143,159
Income tax expense	14,753,522	17,893,385

11. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing profit for the year attributable to owners of the Company by the weighted average number of ordinary shares in issue during the financial year is as follows:

	2021 sen	2020 sen
Basic earnings per share	76.49	98.44

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

There are no instruments in issuance which have a dilutive effect to the earnings per share of the Company. Therefore, diluted earnings per share is not disclosed.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021 (cont'd.)

12. DIVIDENDS

	Amount		Net dividend per share	
	2021 RM	2020 RM	2021 Sen	2020 Sen
Recognised during the year:				
Dividend in respect of financial year ended 31 March 2020				
First and final single-tier dividend of 49.30 sen per ordinary share	29,973,677	-	49.30	-
Dividend in respect of financial year ended 31 March 2019				
First and final single-tier dividend of 47.00 sen per ordinary share	-	28,575,311	-	47.00

13. PROPERTY, PLANT AND EQUIPMENT

	Freehold land RM	Buildings RM	Motor vehicles RM	Plant, machinery and equipment RM	Furniture, fixtures and fittings RM	Capital work in progress RM	Total RM
At 31 March 2021							
Cost							
At 1 April 2020	85,750,210	52,158,375	10,002,705	158,393,101	8,062,325	31,998,147	346,364,863
Additions	5,465	305,034	2,484,802	5,461,398	66,059	209,408,954	217,731,712
Transfers	77,542	4,017	-	95,550	32,600	(209,709)	-
Disposals	-	-	(2,300,830)	-	-	-	(2,300,830)
Written off	-	(1,904,460)	-	(2,674,384)	(163,664)	-	(4,742,508)
At 31 March 2021	85,833,217	50,562,966	10,186,677	161,275,665	7,997,320	241,197,392	557,053,237
Accumulated depreciation							
At 1 April 2020	-	46,556,756	4,142,780	127,328,300	6,604,960	-	184,632,796
Depreciation charge for the year	-	2,861,101	1,168,441	11,804,911	758,046	-	16,592,499
Disposals	-	-	(1,685,129)	-	-	-	(1,685,129)
Written off	-	(1,708,711)	-	(2,165,884)	(137,772)	-	(4,012,367)
At 31 March 2021	-	47,709,146	3,626,092	136,967,327	7,225,234	-	195,527,799
Net carrying amount	85,833,217	2,853,820	6,560,585	24,308,338	772,086	241,197,392	361,525,438

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021 (cont'd.)

13. PROPERTY, PLANT AND EQUIPMENT (CONT'D.)

	Freehold land RM	Long term leasehold land RM	Buildings RM	Motor vehicles RM	Plant, machinery and equipment RM	Furniture, fixtures and fittings RM	Capital work in progress RM	Total RM
At 31 March 2020								
Cost								
At 1 April 2019	71,525	22,331,093	61,637,653	9,796,508	161,362,238	8,140,423	1,003,064	264,342,504
Effect of adoption of MFRS 16	-	(21,765,803)	-	-	-	-	-	(21,765,803)
	71,525	565,290	61,637,653	9,796,508	161,362,238	8,140,423	1,003,064	242,576,701
Reclassification to intangible assets	-	-	-	-	(5,257,483)	-	(652,471)	(5,909,954)
Additions	85,678,685	-	189,809	1,834,602	3,351,976	53,311	31,998,147	123,106,530
Transfers	-	(565,290)	565,290	300,489	50,104	-	(350,593)	-
Disposals	-	-	-	(1,928,894)	-	-	-	(1,928,894)
Written off	-	-	(10,234,377)	-	(1,113,734)	(131,409)	-	(11,479,520)
At 31 March 2020	85,750,210	-	52,158,375	10,002,705	158,393,101	8,062,325	31,998,147	346,364,863
Accumulated depreciation								
At 1 April 2019	-	3,606,000	53,223,625	4,503,754	121,518,624	5,861,171	-	188,713,174
Effect of adoption of MFRS 16	-	(3,606,000)	-	-	-	-	-	(3,606,000)
	-	-	53,223,625	4,503,754	121,518,624	5,861,171	-	185,107,174
Reclassification to intangible assets	-	-	-	-	(4,422,302)	-	-	(4,422,302)
Depreciation charge for the year	-	-	3,557,396	1,114,595	11,240,453	875,122	-	16,787,566
Disposals	-	-	-	(1,475,569)	-	-	-	(1,475,569)
Written off	-	-	(10,224,265)	-	(1,008,475)	(131,333)	-	(11,364,073)
At 31 March 2020	-	-	46,556,756	4,142,780	127,328,300	6,604,960	-	184,632,796
Net carrying amount	85,750,210	-	5,601,619	5,859,925	31,064,801	1,457,365	31,998,147	161,732,067

The Company acquired property, plant and equipment by the following means:

	2021 RM	2020 RM
Cash	149,927,839	79,470,259
Reclassification from other receivables	35,522,443	43,636,271
Accruals	31,639,979	-
Capitalisation of interest (Note 22)	641,451	-
	217,731,712	123,106,530

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021 (cont'd.)

14. INTANGIBLE ASSETS

	Computer software RM	Capital work in progress RM	Total RM
Cost			
At 1 April 2020	6,775,310	2,127,542	8,902,852
Additions	1,724,196	5,207,656	6,931,852
Write off	(9,250)	-	(9,250)
Transfer	1,438,542	(1,438,542)	-
At 31 March 2021	9,928,798	5,896,656	15,825,454
Accumulated amortisation			
At 1 April 2020	4,820,749	-	4,820,749
Charge for the financial year	824,194	-	824,194
Write off	(7,621)	-	(7,621)
At 31 March 2021	5,637,322	-	5,637,322
Net carrying amount			
At 31 March 2021	4,291,476	5,896,656	10,188,132
Cost			
At 1 April 2019	-	-	-
Additions	952,636	2,127,542	3,080,178
Write off	(87,280)	-	(87,280)
Transfer	652,471	(652,471)	-
Reclassification from property, plant and equipment (Note 13)	5,257,483	652,471	5,909,954
At 31 March 2020	6,775,310	2,127,542	8,902,852
Accumulated amortisation			
At 1 April 2019	-	-	-
Charge for the financial year	485,727	-	485,727
Write off	(87,280)	-	(87,280)
Reclassification from property, plant and equipment (Note 13)	4,422,302	-	4,422,302
At 31 March 2020	4,820,749	-	4,820,749
Net carrying amount			
At 31 March 2020	1,954,561	2,127,542	4,082,103

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021 (cont'd.)

15. LEASES

	Leasehold land RM	Buildings RM	Total RM
Right-of-use assets			
At 1 April 2020	21,765,803	1,900,978	23,666,781
Additions	-	904,800	904,800
Derecognition	-	(444,000)	(444,000)
At 31 March 2021	21,765,803	2,361,778	24,127,581
Accumulated depreciation			
At 1 April 2020	4,002,075	755,630	4,757,705
Charge for the year	396,075	890,926	1,287,001
Derecognition	-	(171,000)	(171,000)
At 31 March 2021	4,398,150	1,475,556	5,873,706
Net carrying amount	17,367,653	886,222	18,253,875
Right-of-use assets			
At 1 April 2019	-	-	-
Effect of adoption of MFRS 16	21,765,803	810,850	22,576,653
Additions	21,765,803	810,850	22,576,653
	-	1,090,128	1,090,128
At 31 March 2020	21,765,803	1,900,978	23,666,781
Accumulated depreciation			
At 1 April 2019	-	-	-
Effect of adoption of MFRS 16	3,606,000	-	3,606,000
Charge for the year	3,606,000	-	3,606,000
	396,075	755,630	1,151,705
At 31 March 2020	4,002,075	755,630	4,757,705
Net carrying amount	17,763,728	1,145,348	18,909,076

Set out below are the carrying amounts of lease liabilities and the movements during the year.

	2021 RM	2020 RM
As at 1 April	1,145,348	-
Effect of adoption of MFRS 16	-	810,850
Additions	1,145,348	810,850
Payments	904,800	1,090,128
Derecognition	(890,926)	(755,630)
	(273,000)	-
As at 31 March	886,222	1,145,348
Current	616,876	716,926
Non-current	269,346	428,422
	886,222	1,145,348

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021 (cont'd.)

15. LEASES (CONT'D.)

The following are the amounts recognised in profit and loss:

	2021 RM	2020 RM
Depreciation expenses of right-of-use assets	1,287,001	1,151,705
Expense relating to short-term leases	92,500	195,600
Expense relating to leases of low-value assets	43,371	59,910
Total amount recognised in profit and loss	<u>1,422,872</u>	<u>1,407,215</u>

The Company has total cash outflow for leases of RM1,026,797 in the current financial year (2020: RM1,011,140).

16. TRADE AND OTHER RECEIVABLES

	2021 RM	2020 RM
Current		
Trade receivables		
Third parties	25,780,451	32,817,212
Amount due from holding company	437,796	391,696
Amount due from other related companies	20,246,478	18,072,864
	<u>46,464,725</u>	<u>51,281,772</u>
Less: Allowance for expected credit loss	(31,033)	(21,805)
Trade receivables, net	<u>46,433,692</u>	<u>51,259,967</u>
Other receivables		
Deposits	768,244	483,542
Prepayments	7,536,640	49,070,483
Prepayments for acquisition of plant and equipment	5,401,598	35,522,756
Prepayment for acquisition of intangible asset	683,700	-
Other prepayments	1,451,342	13,547,727
Staff loans	746,367	693,207
GST refundable, net	-	458,043
Sundry receivables	791,748	740,457
	<u>9,842,999</u>	<u>51,445,732</u>
	<u>56,276,691</u>	<u>102,705,699</u>
Non-current		
Other receivables		
Staff loans	<u>1,616,854</u>	<u>1,518,104</u>

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021 (cont'd.)

16. TRADE AND OTHER RECEIVABLES (CONT'D.)

The following table analyses the financial assets classified as financial assets at amortised cost of the Company in the statement of financial position:

	2021 RM	2020 RM
Total trade and other receivables (current and non-current)	57,893,545	104,223,803
Add: Investment securities (Note 20)	99,589,931	122,049,249
Cash and cash equivalents (Note 21)	118,838,537	112,909,000
Less: Prepayments	(7,536,640)	(49,070,483)
GST refundable, net	-	(458,043)
Total financial assets	<u>268,785,373</u>	<u>289,653,526</u>

(a) Trade receivables

Trade receivables are non-interest bearing and are generally on 14 to 90 days (2020: 14 to 90 days) terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Ageing analysis of trade receivables

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

	2021 RM	2020 RM
Neither past due nor impaired	37,672,333	34,924,642
1 to 30 days past due not impaired	8,030,683	14,166,696
31 to 60 days past due not impaired	618,119	1,618,598
61 to 90 days past due not impaired	78,191	522,200
91 to 120 days past due not impaired	29,434	25,539
More than 120 days past due not impaired	4,932	2,292
Impaired	8,761,359	16,335,325
	31,033	21,805
	<u>46,464,725</u>	<u>51,281,772</u>

Receivables that are neither past due nor impaired

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

Receivables that are past due but not impaired

The Company has trade receivables amounting to RM8,761,359 (2020: RM16,335,325) that are past due at the reporting date but not impaired.

At the reporting date, trade receivables arising from export sales amounting to RM666,940 (2020: RM145,999) have been arranged to be settled via letters of credit issued by reputable banks in countries where the customers are based. Trade receivables that are secured by bank guarantee amounted to RM106,436 (2020: RM140,140) at the reporting date. The remaining balance of receivables are unsecured in nature and relates to customers who have never defaulted on payments but are slow paymaster and hence, are periodically monitored.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021 (cont'd.)

16. TRADE AND OTHER RECEIVABLES (CONT'D.)

(a) Trade receivables (cont'd.)

Impaired

An impairment analysis is performed at each reporting date using a provision matrix to measure ECLs. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., geographical region and product type). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

The provision matrix is initially based on the Company's historical observed default rates. The historical observed default rates are updated at every reporting date.

Movement in allowance accounts:

	2021 RM	2020 RM
At 1 April	21,805	40,829
Movement during the year:		
Provision of expected credit loss	19,505	19,807
Reversal of provision of expected credit loss	(10,277)	(12,816)
Provision of expected credit loss, net (Note 8)	9,228	6,991
Written off during the year	-	(26,015)
At 31 March	<u>31,033</u>	<u>21,805</u>

(b) Staff loans

Staff loans are unsecured, bears interest at 0% to 2.5% (2020: 0% to 2.5%) per annum. Non-current amounts have an average maturity of 2.47 years (2020: 2.35 years). The loans are recognised initially at fair value. The difference between the fair value and the nominal loan amount represents payment for services to be rendered during the period of the loan and is recorded as part of operating expenses.

(c) Prepayments

Included in the prior financial year, deposits relate to milestone payment made for construction of buildings and equipment purchased of RM35,522,443. In the current financial year, the deposit for construction of buildings and equipment purchased have been capitalised as property, plant and equipment upon the transfer of ownership.

17. OTHER INVESTMENTS

	2021 RM	2020 RM
<u>Unquoted investments</u>		
Transferable club memberships	<u>226,000</u>	<u>226,000</u>

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021 (cont'd.)

18. INVENTORIES

	2021 RM	2020 RM
At cost:		
Raw materials	21,815,699	22,704,423
Consumables	2,996,524	1,847,324
Work-in-progress	573,687	513,535
Finished goods	31,312,258	28,663,999
	<u>56,698,168</u>	<u>53,729,281</u>

The cost of inventories recognised as an expense during the financial year amounted to RM281,898,154 (2020: RM291,177,098).

19. DERIVATIVES

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

	Forward foreign exchange contracts RM	Notional Amount RM
As at 31 March 2021:		
Derivative assets	100,395	16,098,993
Derivative liabilities	(442,602)	27,703,500
As at 31 March 2020:		
Derivative liabilities	<u>(442,432)</u>	<u>42,367,726</u>

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

During the financial year, the Company recognised a gain of RM100,224 (2020: loss of RM375,132) arising from fair value changes of these derivatives. The fair value changes are attributable to changes in foreign exchange spot and forward rate.

20. INVESTMENT SECURITIES

	2021 RM	2020 RM
Funds placed with licensed financial institutions	<u>99,589,931</u>	<u>122,049,249</u>

Funds placed with licensed financial institutions represent investment in highly liquid money market instrument, and the average distribution rate is at 2.91% to 3.10% (2020: 3.45% to 3.48%).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021 (cont'd.)

21. CASH AND CASH EQUIVALENTS

	2021 RM	2020 RM
Cash at banks and on hand	42,637,520	56,303,634
Deposits with licensed banks	76,201,017	56,605,366
Total cash and cash equivalents	<u>118,838,537</u>	<u>112,909,000</u>

The interest rates relating to deposits with licensed banks at the reporting date vary from 1.25% to 1.90% (2020: 2.65% to 3.35%) per annum.

The maturities of the deposits with licensed banks as at the reporting date vary from 7 days to 3 months (2020: 1 month to 3 months).

22. BORROWING

	2021 RM
Islamic financing facility – unsecured	<u>99,781,796</u>
Current	254,969
Non-current	<u>99,526,827</u>
	<u>99,781,796</u>
Maturity of borrowing:	
Within one year	115,896
More than 1 year and less than 2 years	8,190,881
More than 2 years and less than 5 years	<u>91,475,019</u>
	<u>99,781,796</u>

The effective interest rate during the financial year for borrowing was 3.16%.

The borrowing is made for capital expenditure purposes. It is unsecured and is repayable in 12 installments which due on every 3 months from 28 February 2023 to 28 November 2025.

A reconciliation of liabilities arising from financing activities is as follows:

	RM
At 1 April 2020	-
Cash flows	99,140,345
Non-cash changes	
- Capitalisation of interest (Note 13)	<u>641,451</u>
At 31 March 2021	<u>99,781,796</u>

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021 (cont'd.)

23. EMPLOYEE BENEFITS

Retirement benefit obligations

The Company operates a partly funded, post-employment benefit scheme ("the Scheme") for its eligible employees. Under the Scheme, eligible employees are entitled to post-employment benefits varying at 6% and 10% (2020: 6% and 10%) on aggregate basic salaries of eligible staff and the number of completed years of service.

The amounts recognised in the statement of financial position are determined as follows:

	2021 RM	2020 RM
Present value of defined benefit obligations, representing net liability	15,146,234	14,303,728
Analysed as:		
Within the next 12 months	1,273,378	1,214,351
Beyond 1 year	13,872,856	13,089,377
	15,146,234	14,303,728

2021 changes in the defined obligation and fair value of plan assets are as follows:

	Defined benefit obligation RM	Fair value of plan asset RM	Total RM
Balance as at 1 April 2020	19,253,589	(4,949,861)	14,303,728
Movement during the financial year:			
Service cost	1,363,041	-	1,363,041
Net interest	820,730	(222,715)	598,015
Retirement benefit cost charged to profit or loss (Note 6)	2,183,771	(222,715)	1,961,056
Net benefits (paid)/received	(451,875)	168,559	(283,316)
Actuarial gain recognised in other comprehensive income	(22,074)	(116,743)	(138,817)
Transfer to other receivable	-	198,850	198,850
Transfer to other payable	(381,406)	-	(381,406)
Contributions by the Company	-	(513,861)	(513,861)
	(855,355)	(263,195)	(1,118,550)
Balance as at 31 March 2021	20,582,005	(5,435,771)	15,146,234

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021 (cont'd.)

23. EMPLOYEE BENEFITS (CONT'D.)

Retirement benefit obligations (cont'd.)

2020 changes in the defined obligation and fair value of plan assets are as follows:

	Defined benefit obligation RM	Fair value of plan asset RM	Total RM
Balance as at 1 April 2019	17,011,128	(4,652,665)	12,358,463
Movement during the financial year:			
Service cost	1,245,623	-	1,245,623
Net interest	830,610	(230,769)	599,841
Retirement benefit cost charged to profit or loss (Note 6)	2,076,233	(230,769)	1,845,464
Net benefits (paid)/received	(1,195,417)	653,007	(542,410)
Actuarial loss/(gain) recognised in other comprehensive income	1,361,645	(131,317)	1,230,328
Contributions by the Company	-	(588,117)	(588,117)
	166,228	(66,427)	99,801
Balance as at 31 March 2020	19,253,589	(4,949,861)	14,303,728

The principal assumptions used in determining defined benefit plan obligations of the Company are shown below:

	2021 %	2020 %
Discount rate	4.50	4.40
Salary increment rate	6.00	6.00

The sensitivity analysis below has been determined based on reasonably possible changes of each significant assumption on the defined benefit obligation as of the end of the reporting period, assuming if all other assumptions were held constant.

	Increase/ (decrease)	2021 RM	Increase/ (decrease)	2020 RM
Discount rate	+1%	(1,593,067)	+1%	(1,542,142)
	-1%	1,812,616	-1%	1,760,751
Salary increment rate	+1%	509,694	+1%	503,611
	-1%	(468,892)	-1%	(462,205)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021 (cont'd.)

24. TRADE AND OTHER PAYABLES

	2021 RM	2020 RM
Trade payables		
Third parties	10,769,070	7,194,723
Amount due to holding company	1,148,043	5,703
Amount due to other related companies	16,229,444	17,618,834
	<u>28,146,557</u>	<u>24,819,260</u>
Other payables		
Accruals	36,579,647	3,948,815
Provisions	6,221,128	7,045,997
Sundry payables	20,555,171	24,146,112
Refund liabilities	786,797	867,118
Amount due to holding company	3,187,045	2,887,081
Amount due to other related companies	861,427	212,448
	<u>68,191,215</u>	<u>39,107,571</u>
Total trade and other payables	<u>96,337,772</u>	<u>63,926,831</u>

	2021 RM	2020 RM
Total trade and other payables	96,337,772	63,926,831
Less: Provisions	(6,221,128)	(7,045,997)
Total financial liabilities at amortised cost	<u>90,116,644</u>	<u>56,880,834</u>

(a) Trade payables

These amounts are non-interest bearing. The normal trade credit terms granted to the Company ranges from 30 to 60 days (2020: 30 to 60 days).

(b) Other payables

These amounts are non-interest bearing. Other payables are normally settled on an average term of 3 months (2020: average term of 3 months).

(c) Refund liabilities

Refund liabilities are the obligation to refund some or all of the consideration received (or receivable) from the customer and are measured at the amount the Company ultimately expects it will have to return to the customer.

(d) Amounts due to holding company and other related companies

These amounts are unsecured, non-interest bearing and have credit terms of 30 to 60 days (2020: 30 to 60 days).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021 (cont'd.)

24. TRADE AND OTHER PAYABLES (CONT'D.)

(e) Provisions

2021 changes in provisions are as follows:

	Provision for employee benefits expense RM	Provision for other operating expense RM	Total RM
Balance as at 1 April 2020	3,598,229	3,447,768	7,045,997
Movement during the financial year:			
Current year provision	9,745,534	5,450,569	15,196,103
Utilisation	(9,177,525)	(6,894,736)	(16,072,261)
Under provision in prior year	51,288	-	51,288
Balance as at 31 March 2021	4,217,526	2,003,601	6,221,127

2020 changes in provisions are as follows:

	Provision for employee benefits expense RM	Provision for other operating expense RM	Total RM
Balance as at 1 April 2019	3,272,655	1,756,990	5,029,645
Movement during the financial year:			
Current year provision	11,134,908	7,884,834	19,019,742
Utilisation	(10,887,653)	(6,194,056)	(17,081,709)
Under provision in prior year	78,319	-	78,319
Balance as at 31 March 2020	3,598,229	3,447,768	7,045,997

25. DEFERRED TAXATION

	2021 RM	2020 RM
At 1 April 2019/2020	(2,589,413)	(299,126)
Recognised in statement of comprehensive income (Note 10)	(1,658,573)	(1,995,008)
Recognised in other comprehensive income	33,316	(295,279)
At 31 March	(4,214,670)	(2,589,413)
Presented after appropriate offsetting as follows:		
Deferred tax assets	(5,340,148)	(5,133,022)
Deferred tax liabilities	1,125,478	2,543,609
	(4,214,670)	(2,589,413)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021 (cont'd.)

25. DEFERRED TAXATION (CONT'D.)

Deferred tax assets:

	Retirement benefit obligations RM	Provisions RM	Total RM
At 1 April 2020	3,432,895	1,700,127	5,133,022
Recognised in the statement of comprehensive income	235,517	4,925	240,442
Recognised in other comprehensive income	(33,316)	-	(33,316)
At 31 March 2021	<u>3,635,096</u>	<u>1,705,052</u>	<u>5,340,148</u>
At 1 April 2019	2,966,031	1,556,641	4,522,672
Recognised in the statement of comprehensive income	171,585	143,486	315,071
Recognised in other comprehensive income	295,279	-	295,279
At 31 March 2020	<u>3,432,895</u>	<u>1,700,127</u>	<u>5,133,022</u>

Deferred tax liabilities:

	Property, plant and equipment RM
At 1 April 2020	2,543,609
Recognised in the statement of comprehensive income	(1,418,131)
At 31 March 2021	<u>1,125,478</u>
At 1 April 2019	4,223,546
Recognised in the statement of comprehensive income	(1,679,937)
At 31 March 2020	<u>2,543,609</u>

26. SHARE CAPITAL

	Number of ordinary shares		Amount 2021 RM	2020 RM
	2021	2020		
Issued and fully paid:				
At 1 April 2020/2019/31 March	<u>60,798,534</u>	<u>60,798,534</u>	<u>65,102,234</u>	<u>65,102,234</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 ranked equally with regard to the Company's residual assets.

27. RETAINED EARNINGS

The Company may distribute dividends out of its entire retained earnings under the single tier system.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021 (cont'd.)

28. OTHER RESERVES

	Defined benefit reserves RM
At 1 April 2020	(1,760,776)
Other comprehensive income:	
Defined benefit plan actuarial loss (Note 23)	138,817
Income tax effect	(33,316)
At 31 March 2021	<u>(1,655,275)</u>
At 1 April 2019	(825,727)
Other comprehensive income:	
Defined benefit plan actuarial loss (Note 23)	(1,230,328)
Income tax effect	295,279
At 31 March 2020	<u>(1,760,776)</u>

The defined benefit reserve represent the re-measurement of actuarial gains or losses of the defined benefit liability or asset.

29. CAPITAL COMMITMENT

	2021 RM	2020 RM
Approved and contracted for: Property, plant and equipment	<u>70,906,632</u>	<u>158,558,413</u>

30. CONTINGENT LIABILITIES

	2021 RM	2020 RM
Unsecured bank guarantees extended to third parties	<u>6,113,220</u>	<u>1,443,500</u>

The contingent liabilities are made for capital expenditure and utilities purposes. For the current financial year, the Company has assessed the financial guarantee contracts and determined that the guarantees are not likely to be called upon by the bank.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021 (cont'd.)

31. RELATED PARTY DISCLOSURES

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

	2021 RM	2020 RM
Transactions with related companies:		
Commission income	23,396	19,934
Royalties payable	(9,617,232)	(9,833,904)
Sales	110,706,573	104,338,756
Purchases	(148,827,089)	(169,390,912)
Purchase of assets	(1,910,581)	(715,594)
Other expenses	(937,629)	(890,423)
Shared information technology services	(2,765,510)	(2,791,162)

The directors are of the opinion that related party transactions above have been entered into in the normal course of business under normal trade terms.

- (b) Compensation of key management personnel

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

32. FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying amounts of current financial assets and liabilities reasonably approximate their fair values due to their relatively short term in nature.

Determination of fair value

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

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

	<u>Note</u>
Trade and other receivables (excluding prepayments and GST refundable, net) (current)	16
Trade and other payables (excluding provisions) (current)	24
Lease liabilities	15
Borrowing	22

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

Staff loans

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021 (cont'd.)

32. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONT'D.)

Determination of fair value (cont'd.)

Derivatives

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

The Company uses the following hierarchy for determining the fair value of all financial instruments carried at fair value:

- Level 1 - Quoted prices in active markets for identical financial instruments.
- Level 2 - Inputs other than quoted prices that are included in Level 1 that are observable for the asset either directly or indirectly.
- Level 3 - Inputs that are not based on observable market data.

As at the reporting date, the Company held the following financial asset and liability that are measured at fair value:

	Level 2 RM
As at 31 March 2021:	
<i>Financial assets</i>	
Other investments	226,000
Investment securities	99,589,931
Derivatives	100,395
	<hr/>
<i>Financial liabilities</i>	
Derivatives	442,602
	<hr/>
As at 31 March 2020:	
<i>Financial assets</i>	
Other investments	226,000
Investment securities	122,049,249
	<hr/>
<i>Financial liability</i>	
Derivatives	442,432
	<hr/>

There were no material transfer between Level 1, Level 2 and Level 3 during the financial year.

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021 (cont'd.)

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

(a) Credit risk

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

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

Exposure to credit risk

At the reporting date, the Company's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statement of financial position, including derivatives with positive fair values.

Information regarding credit enhancements for trade and other receivables is disclosed in Note 16.

Credit risk concentration profile

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

	2021		2020	
	RM'000	% of total	RM'000	% of total
By country:				
Malaysia	19,607	42%	24,212	47%
Indonesia	8,419	18%	5,445	11%
Middle East	4,291	9%	6,020	12%
Singapore	1,340	3%	1,043	2%
Thailand	4,040	9%	4,101	8%
Brunei	283	1%	183	0%
Japan	977	2%	1,505	3%
Other countries	7,477	16%	8,750	17%
	46,434	100%	51,259	100%

At the reporting date, approximately:

- 45% (2020: 38%) of the Company's trade receivables were due from 5 major customers.
- 35% (2020: 18%) of the Company's trade and other receivables were due from holding company and related companies.

Financial assets that are neither past due nor impaired

Information regarding trade and other receivables that are neither past due nor impaired is disclosed in Note 16. Cash and cash equivalents, investment securities and derivatives that are neither past due nor impaired are placed with or entered into with reputable financial institutions or companies with high credit ratings and no history of default.

Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in Note 16.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021 (cont'd.)

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

(b) Liquidity risk

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

The table below summarises the maturity profile of the Company's financial liabilities at the reporting date based on contractual undiscounted repayment obligations.

	On Demand or within one year RM	One to five year RM	Total RM
2021			
Financial liabilities:			
Borrowing	2,999,260	107,179,740	110,179,000
Trade and other payables	90,116,644	-	90,116,644
Derivatives liabilities	442,602	-	442,602
Lease liabilities	616,876	269,346	886,222
	<u>94,175,382</u>	<u>107,449,086</u>	<u>201,624,468</u>
2020			
Financial liabilities:			
Trade and other payables	56,880,834	-	56,880,834
Derivatives liabilities	442,432	-	442,432
Lease liabilities	716,926	428,422	1,145,348
	<u>58,040,192</u>	<u>428,422</u>	<u>58,468,614</u>

(c) Interest rate risk

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

The Company's exposure to interest rate risk arises primarily from the deposits placed with licensed financial institutions. All of the Company's financial assets are contractually re-priced at intervals of less than 3 months (2020: less than 3 months) from the reporting date.

Sensitivity analysis for interest rate risk

At the reporting date, if interest rates had been 10 basis points lower/higher, with all other variables held constant, the Company's profit before tax would have been RM76,201 (2020: RM56,605) lower/higher, arising mainly as a result of lower/higher interest income from deposits with licensed financial institutions. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

(d) Foreign currency risk

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

The Company has transactional currency exposures arising from sales or purchases that are denominated in a currency other than the functional currency of the Company, RM. The foreign currencies in which these transactions are denominated are mainly USD, JPY, EUR and SGD.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021 (cont'd.)

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

(d) Foreign currency risk (cont'd.)

Approximately 42% (2020: 41%) of the Company's sales are denominated in foreign currencies whilst almost 26% (2020: 29%) of costs are denominated in foreign currencies. The Company's trade receivables and trade payables balances at the reporting date have similar exposures.

The Company also hold cash and cash equivalents denominated in foreign currencies for working capital purposes. At the reporting date, such foreign currency balances in USD and SGD amounted to RM18,143,441 (2020: RM11,792,999).

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

At the reporting date, the Company hedged 98% (2020: 94%) and 84% (2020: 88%) of its foreign currency denominated sales and purchases of raw materials respectively for which firm commitments existed at the reporting date.

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Company's profit net of tax to a reasonably possible change in the USD, JPY, EUR and SGD exchange rates against the respective foreign currencies using average of 5 years fluctuations with all other variables held constant.

	2021 RM'000 Profit before tax	2020 RM'000 Profit before tax
USD/RM - strengthened 2% (2020: 4%)	148	337
- weakened 2% (2020: 4%)	(148)	(337)
JPY/RM - strengthened 2% (2020: 4%)	(28)	(30)
- weakened 2% (2020: 4%)	28	30
SGD/RM - strengthened 2% (2020: 4%)	33	50
- weakened 2% (2020: 4%)	(33)	(50)
EUR/RM - strengthened 2% (2020: 4%)	(60)	(3)
- weakened 2% (2020: 4%)	60	3

(e) Market price risk

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

The Company is exposed to market price risk arising from its funds placed with licensed financial institutions which are classified as fair value through profit and loss.

At the reporting date, if the market price of the funds placed with licensed financial institutions had been 1% higher/lower, with all other variables held constant, the Company's profit for the year would have been RM995,899 (2020: RM1,220,493) higher/lower.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021 (cont'd.)

34. CAPITAL MANAGEMENT

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

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years ended 31 March 2021 and 31 March 2020.

35. SEGMENTAL INFORMATION

(a) Business segment

Consumer business segment consists of manufacture and distribution of consumer products including "Aji-nomoto", flavour seasoning "Tumix", menu seasoning "Seri Aji" and other seasonings. Industrial business segment consists of manufacture and distribution of monosodium glutamate for industry-use, industrial seasonings and related products.

	Consumer business segment RM	Industrial business segment RM	Total RM
At 31 March 2021			
Revenue	309,878,119	133,241,132	443,119,251
Results			
Segment profit	29,283,152	28,147,329	57,430,481
Interest income			1,661,892
Distribution from investment securities			1,956,977
Gain on disposal of property, plant and equipment			206,489
Profit before tax			61,255,839
Income tax expense			(14,753,522)
Profit, net of tax			46,502,317
At 31 March 2020			
Revenue	334,417,699	127,271,383	461,689,082
Results			
Segment profit	40,837,713	28,206,514	69,044,227
Interest income			2,894,308
Distribution from investment securities			5,583,566
Gain on disposal of property, plant and equipment			224,951
Profit before tax			77,747,052
Income tax expense			(17,893,385)
Profit, net of tax			59,853,667

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021 (cont'd.)

35. SEGMENTAL INFORMATION (CONT'D.)

(a) Business segment (cont'd.)

	Consumer business segment RM	Industrial business segment RM	Total RM
At 31 March 2021			
Assets			
Segment assets	434,639,488	288,674,533	723,314,021
Deferred tax assets			4,214,670
Total assets			727,528,691
Liabilities			
Segment liabilities	171,271,588	41,323,038	212,594,626
Current tax payable			2,621,820
Total liabilities			215,216,446
Other segment information			
Capital expenditure	109,056,449	116,511,915	225,568,364
Depreciation of property, plant and equipment	8,022,042	8,570,457	16,592,499
Amortisation of intangible assets	398,476	425,718	824,194
Depreciation of right-of-use assets	928,891	358,110	1,287,001
At 31 March 2020			
Assets			
Segment assets	384,883,888	192,976,691	577,860,579
Deferred tax assets			2,589,413
Total assets			580,449,992
Liabilities			
Segment liabilities	58,105,629	21,712,710	79,818,339
Current tax payable			4,953,549
Total liabilities			84,771,888
Other segment information			
Capital expenditure	61,535,046	65,741,790	127,276,836
Depreciation of property, plant and equipment	8,116,350	8,671,216	16,787,566
Amortisation of intangible assets	234,836	250,891	485,727
Depreciation of right-of-use assets	556,820	594,885	1,151,705

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021 (cont'd.)

35. SEGMENTAL INFORMATION (CONT'D.)

(b) Geographical segment:

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

	Malaysia RM	Middle East RM	Other Asian countries RM	Others RM	Total RM
Revenue					
2021	258,390,958	59,465,136	117,642,863	7,620,294	443,119,251
2020	269,989,911	73,743,324	111,046,724	6,909,123	461,689,082

36. SIGNIFICANT EVENT

The prolonged COVID-19 pandemic has affected many business operations in Malaysia and around the world. The measures taken by the Malaysia Government, including lockdown and travel restriction to curb the pandemic have impacted the business environment in which the Company operates, and the economy.

Besides strictly observing the containment measures and Standard Operating Procedures enforced by the Government, the Company also implemented proactive measures to prevent the spread of COVID-19 amongst its employees at the work place. Fortunately, there is no material financial impact during the financial year.

With the current scale and unknown duration of the pandemic, the Company could not, at this juncture, reasonably estimate or forecast prospects ahead. The Company is monitoring closely the situation of the COVID-19 pandemic and the effects on its operation and financial performance for the following financial year.

LIST OF PROPERTIES AS AT 31 MARCH 2021

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	1,680sq. ft.	Freehold	1984 (Revaluation)	45 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)	56 years	10,098,576
Land and buildings Lot 5710, Jalan Kuchai Lama, Petaling, Kuala Lumpur	Office, warehouse and factory complex	172,640 sq. ft.	Leasehold expiring on 5.7.2067	1984 (Revaluation)	51 years	4,331,305
Land and buildings Lot 5710, Jalan Kuchai Lama, Petaling, Kuala Lumpur	Mining pool	304,920 sq. ft.	Leasehold expiring on 2062	1984 (Revaluation)	56 years	1,605,437
Land and buildings Lot 5710, Jalan Kuchai Lama, Petaling, Kuala Lumpur	Factory complex	84,380 sq. ft.	Leasehold expiring on 15.3.2073	1992	29 years	1,716,288
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	29 years	134,521
Land and buildings Lot 47088, Jalan Kuchai Lama, Petaling, Kuala Lumpur	Industrial land and store	60,848 sq. ft.	Leasehold expiring on 20.1.2074	2003	16 years	2,280,423
Land and buildings Lot No. 1402, Bandar Baru Enstek, Daerah Seremban, Negeri Sembilan	Office, warehouse and factory complex	2,020,730 sq. ft.	Freehold	2019	2 years	257,754,171

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Sixtieth ("60th") Annual General Meeting ("**AGM**") of the Company will be held on a **fully virtual basis** hosted on Securities Services e-Portal at <https://sshsb.net.my/> at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur on Monday, 20 September 2021 at 10:00 a.m. for the following purposes:-

1. To receive the Audited Financial Statements for the financial year ended 31 March 2021 together with the Reports of the Directors and the Auditors thereon. (Please refer to the Notes to the Notice of 60th AGM No. 1)
2. To approve the payment of Directors' fees for the financial year ended 31 March 2021. (Resolution 1)
3. To approve the payment of Directors' benefits up to an amount of RM650,000 from 21 September 2021 until the date of the next Annual General Meeting of the Company. (Resolution 2)
4. To approve the gratuity payment to Dato' Setia Ramli bin Mahmud, the former Independent Non-Executive Director of the Company and member of the Audit Committee, Remuneration Committee and Nomination Committee of the Company respectively, in recognition and appreciation of his past service and contribution to the Company. (Resolution 3)
5. To re-elect the following Directors who are retiring in accordance with Clause 119 of the Company's Constitution and being eligible, have offered themselves for re-election:-
 - (a) Ms. Noriko Fujimoto; (Resolution 4)
 - (b) Mr. Takahiro Sato; and (Resolution 5)
 - (c) Mr. Cheong Heng Choy. (Resolution 6)
6. To re-elect the following Directors who are due to retire pursuant to Clause 120 of the Company's Constitution and being eligible, have offered themselves for re-election:-
 - (a) Mr. Shunsuke Sasaki; (Resolution 7)
 - (b) Encik Kamarudin bin Rasid; and (Resolution 8)
 - (c) Encik Azhan bin Mohamed. (Resolution 9)
7. To appoint Messrs. KPMG PLT as Auditors of the Company in place of the outgoing Auditors, Messrs. Ernst & Young PLT for the ensuing year and to authorise the Directors to fix their remuneration and to consider and if thought fit, with or without any modification, to pass the following ordinary resolution:- (Resolution 10)

"THAT Messrs. KPMG PLT, having consented to act, be and are hereby appointed as the Auditors of the Company in place of the outgoing Auditors, Messrs. Ernst & Young PLT to hold office until the conclusion of the next Annual General Meeting at a remuneration to be agreed between the Directors and the Auditors."

As Special Business

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

8. **ORDINARY RESOLUTION NO. 1:** (Resolution 11)

- AUTHORITY TO ISSUE SHARES PURSUANT TO THE COMPANIES ACT 2016

"**THAT** subject always to the Companies Act 2016 ("**the Act**"), the Constitution of the Company and the approvals from Bursa Malaysia Securities Berhad ("**Bursa Securities**") and any other relevant governmental and/or regulatory authorities, the Directors be and are hereby empowered pursuant to the Act, to issue and allot shares in the capital of the Company from time to time at such price and upon such terms and conditions, for such purposes and to such person or persons whomsoever the Directors may in their absolute discretion deem fit provided always that the aggregate number of shares issued pursuant to this resolution does not exceed ten percent (10%) of the total number of issued shares of the Company for the time being;

NOTICE OF ANNUAL GENERAL MEETING (cont'd.)

AND THAT 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 Securities; **AND FURTHER THAT** such authority shall commence immediately upon the passing of this resolution and continue to be in force until the conclusion of the next Annual General Meeting of the Company."

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

(Resolution 12)

"**THAT** subject to the provisions of the Bursa Malaysia Securities Berhad Main Market Listing Requirements, approval be and is hereby given for the Proposed Renewal of Existing Shareholders' Mandate for the Company to enter into and to give effect to the category of the recurrent transactions of a revenue or trading nature from time to time with the Related Party as specified in Section 2.3 of the Circular to Shareholders dated 20 August 2021, provided that such transactions are:-

- (i) recurrent transactions of a revenue or trading nature;
- (ii) necessary for the Company's day-to-day operations;
- (iii) carried out in the ordinary course of business on normal commercial terms which are not more favourable to the Related Parties than those generally available to the public; and
- (iv) not to the detriment of minority shareholders,

(the "**Mandate**");

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

- (i) the conclusion of the next Annual General Meeting of the Company following the general meeting at which such mandate was passed, at which time it will lapse, unless by a resolution passed at the next Annual General Meeting, the authority is renewed;
- (ii) the expiration of the period within which the next Annual General Meeting after that date it is required to be held pursuant to Section 340(2) of the Companies Act 2016 (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Companies Act 2016); or
- (iii) revoked or varied by resolution passed by the shareholders in a general meeting; whichever is the earlier;

AND FURTHER THAT the Directors be authorised to complete and do all such acts and things (including executing all such documents as may be required), as they may consider expedient or necessary to give effect to the Mandate."

10. **ORDINARY RESOLUTION NO. 3
- RETENTION OF TAN SRI DATO' (DR.) TEO CHIANG LIANG AS AN INDEPENDENT DIRECTOR**

(Resolution 13)

"**THAT** Tan Sri Dato' (Dr.) Teo Chiang Liang who has served the Board as an Independent Director of the Company for a cumulative term of more than twelve (12) years since 28 June 2001 be and is hereby retained as an Independent Director of the Company."

11. **ORDINARY RESOLUTION NO. 4
- RETENTION OF MR. KOAY KAH EE AS AN INDEPENDENT DIRECTOR**

(Resolution 14)

"**THAT** Mr. Koay Kah Ee who has served the Board as an Independent Director of the Company for a cumulative term of more than twelve (12) years since 15 November 2007 be and is hereby retained as an Independent Director of the Company."

NOTICE OF ANNUAL GENERAL MEETING (cont'd.)

12. **ORDINARY RESOLUTION NO. 5** (Resolution 15) **- RETENTION OF MR. DOMINIC AW KIAN-WEE AS AN INDEPENDENT DIRECTOR**

"**THAT** Mr. Dominic Aw Kian-Wee who has served the Board as an Independent Director of the Company for a cumulative term of more than nine (9) years and coming up to twelve (12) years since 10 August 2010 be and is hereby retained as an Independent Director of the Company."

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

By Order of the Board

CHUA SIEW CHUAN (MAICSA 0777689) (SSM PC NO. 201908002648)
YEOW SZE MIN (MAICSA 7065735) (SSM PC NO. 201908003120)
Company Secretaries

Kuala Lumpur
Dated : 20 August 2021

Explanatory Notes: -

1. Approval for Gratuity Payment to Dato' Setia Ramli bin Mahmud

The proposed gratuity payment is a token of appreciation to Dato' Setia Ramli bin Mahmud for his past service, dedication and contribution to the Company during his tenure in office as member of the Board, Audit Committee, Remuneration Committee and Nomination Committee of the Company respectively, in line with the Company's remuneration policy where Directors are entitled to receive a gratuity payment upon their resignation or retirement from office.

The proposed gratuity payment is tabled for the approval of the shareholders in compliance with Section 230(1) of the Companies Act 2016 and Paragraph 7.24 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, which require that benefits payable to the directors of a listed company be approved at a general meeting.

2. Authority to Issue Shares pursuant to the Companies Act 2016

The Company had been granted a general mandate on the authority to issue shares pursuant to the Companies Act 2016 by its shareholders at the Fifty-Ninth Annual General Meeting of the Company held on 28 September 2020 (hereinafter referred to as the "**Previous Mandate**"). The Company wishes to renew the said mandate at the Sixtieth Annual General Meeting of the Company (hereinafter referred to as the "**New Mandate**").

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

The purpose to seek the New Mandate is to provide flexibility to the Company for allotment of shares for any possible fund raising activities for the purpose of funding working capital without convening a general meeting as it would be both time and cost-consuming to organise a general meeting.

3. Proposed Renewal of Existing Shareholder Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature (hereinafter referred to as "the Proposal")

The Proposal will enable the Company and its affiliated companies to enter into any of the recurrent related party transactions of a revenue or trading nature which are necessary for the Company's day-to-day operations, subject to the transactions being in the ordinary course of business and on normal commercial terms which are not more favourable to the related parties than those generally available to the public and are not to the detriment of the minority shareholders of the Company.

Please refer to the Circular to Shareholders dated 20 August 2021 for more information.

NOTICE OF ANNUAL GENERAL MEETING (cont'd.)

4. Retention of Tan Sri Dato' (Dr.) Teo Chiang Liang as an Independent Director

Tan Sri Dato' (Dr.) Teo Chiang Liang ("**Tan Sri Teo**") was appointed as an Independent Director of the Company on 28 June 2001 and has served the Board for a cumulative term of more than twelve (12) years in this capacity. The Board of Directors of the Company through the Nomination Committee, after having assessed the independence of Tan Sri Teo, regards him to be independent based amongst others, the following justifications, and recommends that Tan Sri Teo be retained as an Independent Director of the Company subject to the approval from the shareholders of the Company through a two-tier voting process as described in the Guidance to Practice 4.2 of the Malaysian Code on Corporate Governance:-

- (a) Tan Sri Teo has fulfilled the definition of an independent director as set out under Paragraph 1.01 of the Bursa Malaysia Securities Berhad Main Market Listing Requirements
- is not an executive director of the Company or any related corporation of the Company (each corporation is referred to as "**said Corporation**");
 - has not been within the last 3 years and is not an officer (except as a non-executive director) of the said Corporation ("**officer**" includes a director, secretary, employee, receiver who is also a manager not appointed by the Court, and liquidator not appointed by the Court or creditors);
 - is not a major shareholder of the said Corporation;
 - is not a family member of any executive director, officer or major shareholder of the said Corporation;
 - is not acting as a nominee or representative of any executive director or major shareholder of the said Corporation;
 - has not been engaged as an adviser by the said Corporation under such circumstances as prescribed by the Exchange or is not presently a partner, director (except as an independent director) or major shareholder, as the case may be, of a firm or corporation which provides professional advisory services to the said Corporation under such circumstances as prescribed by the Exchange; or
 - has not engaged in any transaction with the said Corporation under such circumstances as prescribed by the Exchange or is not presently a partner, director or major shareholder, as the case may be, of a firm or corporation (other than subsidiaries of the Company) which has engaged in any transaction with the said Corporation under such circumstances as prescribed by the Exchange;
- (b) Tan Sri Teo has not been involved in any business or other relationship which could hinder the exercise of independent judgement, objectivity or his ability to act in the best interests of the Company;
- (c) Tan Sri Teo has no potential conflict of interest, whether business or non-business related with the Company;
- (d) Tan Sri Teo has not established or maintained any significant personal or social relationship, whether direct or indirect, with the Managing Director/Chief Executive Officer and Executive Directors, major shareholders or management of the Company (including their family members) other than normal engagements and interactions on a professional level consistent with his duties and expected of him to carry out his duties as an independent director; and
- (e) Tan Sri Teo does not derive any remuneration and other benefits apart from Directors' fees that are approved by shareholders.

5. Retention of Mr. Koay Kah Ee as an Independent Director

Mr. Koay Kah Ee ("**Mr. Koay**") was appointed as an Independent Director of the Company on 15 November 2007 and has served the Board for a cumulative term of more than twelve (12) years in this capacity. The Board of Directors of the Company through the Nomination Committee, after having assessed the independence of Mr. Koay, regards him to be independent based amongst others, the following justifications, and recommends that Mr. Koay be retained as an Independent Director of the Company subject to the approval from the shareholders of the Company through a two-tier voting process as described in the Guidance to Practice 4.2 of the Malaysian Code on Corporate Governance:-

NOTICE OF ANNUAL GENERAL MEETING (cont'd.)

- (a) Mr. Koay has fulfilled the definition of an independent director as set out under Paragraph 1.01 of the Bursa Malaysia Securities Berhad Main Market Listing Requirements
- is not an executive director of the Company or any related corporation of the Company (each corporation is referred to as "**said Corporation**");
 - has not been within the last 3 years and is not an officer (except as a non-executive director) of the said Corporation ("**officer**" includes a director, secretary, employee, receiver who is also a manager not appointed by the Court, and liquidator not appointed by the Court or creditors);
 - is not a major shareholder of the said Corporation;
 - is not a family member of any executive director, officer or major shareholder of the said Corporation;
 - is not acting as a nominee or representative of any executive director or major shareholder of the said Corporation;
 - has not been engaged as an adviser by the said Corporation under such circumstances as prescribed by the Exchange or is not presently a partner, director (except as an independent director) or major shareholder, as the case may be, of a firm or corporation which provides professional advisory services to the said Corporation under such circumstances as prescribed by the Exchange; or
 - has not engaged in any transaction with the said Corporation under such circumstances as prescribed by the Exchange or is not presently a partner, director or major shareholder, as the case may be, of a firm or corporation (other than subsidiaries of the Company) which has engaged in any transaction with the said Corporation under such circumstances as prescribed by the Exchange;
- (b) Mr. Koay has not been involved in any business or other relationship which could hinder the exercise of independent judgement, objectivity or his ability to act in the best interests of the Company;
- (c) Mr. Koay has no potential conflict of interest, whether business or non-business related with the Company;
- (d) Mr. Koay has not established or maintained any significant personal or social relationship, whether direct or indirect, with the Managing Director/Chief Executive Officer and Executive Directors, major shareholders or management of the Company (including their family members) other than normal engagements and interactions on a professional level consistent with his duties and expected of him to carry out his duties as an independent director; and
- (e) Mr. Koay does not derive any remuneration and other benefits apart from Directors' fees that are approved by shareholders.

6. Retention of Mr. Dominic Aw Kian-Wee as an Independent Director

Mr. Dominic Aw Kian-Wee ("**Mr. Aw**") was appointed as an Independent Director of the Company on 10 August 2010 and has served the Board for a cumulative term of more than nine (9) years and coming to twelve (12) years in this capacity. The Board of Directors of the Company through the Nomination Committee, after having assessed the independence of Mr. Aw, regards him to be independent based amongst others, the following justifications, and recommends that Mr. Aw be retained as an Independent Director of the Company subject to the approval from the shareholders of the Company through a two-tier voting process as described in the Guidance to Practice 4.2 of the Malaysian Code on Corporate Governance:-

- (a) Mr. Aw has fulfilled the definition of an independent director as set out under Paragraph 1.01 of the Bursa Malaysia Securities Berhad Main Market Listing Requirements
- is not an executive director of the Company or any related corporation of the Company (each corporation is referred to as "**said Corporation**");
 - has not been within the last 3 years and is not an officer (except as a non-executive director) of the said Corporation ("**officer**" includes a director, secretary, employee, receiver who is also a manager not appointed by the Court, and liquidator not appointed by the Court or creditors);
 - is not a major shareholder of the said Corporation;
 - is not a family member of any executive director, officer or major shareholder of the said Corporation;
 - is not acting as a nominee or representative of any executive director or major shareholder of the said Corporation;

NOTICE OF ANNUAL GENERAL MEETING (cont'd.)

- has not been engaged as an adviser by the said Corporation under such circumstances as prescribed by the Exchange or is not presently a partner, director (except as an independent director) or major shareholder, as the case may be, of a firm or corporation which provides professional advisory services to the said Corporation under such circumstances as prescribed by the Exchange; or
 - has not engaged in any transaction with the said Corporation under such circumstances as prescribed by the Exchange or is not presently a partner, director or major shareholder, as the case may be, of a firm or corporation (other than subsidiaries of the Company) which has engaged in any transaction with the said Corporation under such circumstances as prescribed by the Exchange;
- (b) Mr. Aw has not been involved in any business or other relationship which could hinder the exercise of independent judgement, objectivity or his ability to act in the best interests of the Company;
- (c) Mr. Aw has no potential conflict of interest, whether business or non-business related with the Company;
- (d) Mr. Aw has not established or maintained any significant personal or social relationship, whether direct or indirect, with the Managing Director/Chief Executive Officer and Executive Directors, major shareholders or management of the Company (including their family members) other than normal engagements and interactions on a professional level consistent with his duties and expected of him to carry out his duties as an independent director; and
- (e) Mr. Aw does not derive any remuneration and other benefits apart from Directors' fees that are approved by shareholders.

Notes to the Notice of the 60th AGM:-

1. This Agenda item is meant for discussion only, as the provision of Section 340(1)(a) of the Companies Act 2016 does not require a formal approval of the members/shareholders for the Audited Financial Statements. Hence, this Agenda item is not put forward for voting.
2. As part of the initiatives to curb the spread of COVID-19, the 60th AGM will be conducted on a fully virtual basis by way of live streaming and online remote voting via the Remote Participation and Voting ("**RPV**") facilities to be provided by SS E Solutions Sdn. Bhd. via Securities Services e-Portal's platform at <https://sshsb.net.my>. Please read carefully and follow the procedures provided in the Administrative Guide in order to register, participate and vote remotely via the RPV facilities.
3. With the RPV facilities, the members, proxies and/or corporate representatives are strongly encouraged to exercise their rights to participate (including to pose questions to the Chairman, Board of Directors or Management) and vote at the 60th AGM.

As guided by the Securities Commission Malaysia's Guidance Note and Frequently Asked Questions on the Conduct of General Meetings for Listed Issuers, the right to speak is not limited to verbal communication only but includes other modes of expression. Therefore, all members, proxies and/or corporate representatives shall communicate with the main venue of the 60th AGM via real time submission of typed texts through a text box within Securities Services e-Portal's platform during the live streaming of the 60th AGM as the primary mode of communication. In the event of any technical glitch in this primary mode of communication, members, proxies and/or corporate representatives may email their questions to eservices@sshsb.com.my during the 60th AGM. The questions and/or remarks submitted by the members, proxies and/or corporate representatives will be responded via broadcast by the Chairman, Board of Directors and/or Management during the Meeting.

4. In respect of deposited securities, only members whose names appear in the Record of Depositors on 10 September 2021 (General Meeting Record of Depositors) shall be eligible to attend, speak and vote at this Meeting.
5. A member of the Company entitled to attend and vote at the Meeting shall be entitled to appoint another person as his proxy to exercise all or any of his rights to attend, participate, speak and vote in his stead. A member may appoint more than one (1) proxy in relation to a meeting, provided that the member specifies the proportion of the member's shareholdings to be represented by each proxy, failing which the appointment shall be invalid.

NOTICE OF ANNUAL GENERAL MEETING (cont'd.)

6. A proxy need not be a member of the Company. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at the Meeting of the Company shall have the same rights as the members to attend, participate, speak and vote at the Meeting and upon appointment a proxy shall be deemed to confer authority to demand or join in demanding a poll.
7. Where a member of the Company is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("**omnibus account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
8. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a duly notarised certified copy of that power or authority, shall be deposited at Securities Services (Holdings) Sdn. Bhd. of Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan not less than forty-eight (48) hours before the time appointed for holding the Meeting or adjournment thereof or submitted electronically via Securities Services e-Portal at <https://sshb.net.my> not later than forty-eight (48) hours before the time set for holding the 60th AGM or any adjournment thereof. The lodging of the Form of Proxy does not preclude a member from attending and voting remotely at the 60th AGM should he subsequently decides to do so, provided a notice of termination of proxy authority in writing is given to the Company and deposited at the Registered Office of the Company at Level 7, Menara Milenium, Jalan Damanlela, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan not less than twenty-four (24) hours before the time stipulated for holding the 60th AGM or any adjournment thereof, and you register for RPV as guided in the Administrative Guide. Please contact the poll administrator, SS E Solutions Sdn Bhd, at 03-2084 9000 for further assistance.
9. The Administrative Guide on the Conduct of a Fully Virtual General Meeting is available for download at <https://www.ajinomoto.com.my>

Eat Well, Live Well.



AJINOMOTO®

SUSTAINABILITY STATEMENT 2021



CHAIRMAN'S STATEMENT



As a responsible food manufacturer and corporate citizen, Ajinomoto (Malaysia) Berhad ("**AMB**" or "**the Company**") recognises the importance of the environment in which it operates and conducts its business. We have and will continue to maintain strict hygiene and high standards in our manufacturing processes, including treatment of effluent before it is discharged. At the same time, it is AMB's policy to ensure the occupational health, safety and well-being of its staff at the work place. These sustainability practices underpin Ajinomoto Group's motto of "Eat Well, Live Well."

The COVID-19 pandemic has and continues to have a deleterious effect on businesses, lives and livelihoods in Malaysia and globally. This has exerted pressure on business operations, costs and sustainability. Upholding the importance of human capital and business sustainability, AMB has strictly complied with the Standard Operating Procedures implemented by the Government to contain the spread of the dreaded COVID-19 virus. At the same time, it has implemented strict hygiene practices, continually monitored the health of staff, and provided and required the use of personal protective gear, and hand sanitisers at the work place. Procedures were also put in place to manage infected staff and contain contagion.

Additional highlights of our sustainability efforts in the financial year ended ("**FYE**") 31 March 2021 include:

- A review and re-assessment of material sustainability matters and the materiality matrix which impacts business operations and stakeholders.
- Launching of the Work Style Innovation ("**WSI**") initiative, which offers employees greater work flexibility and collaboration. The initiative includes enhancing digital platforms to reduce waste and the dependence on paper-based work, while facilitating working from home.
- Achievement of a high waste recycling rate of 86%, and reduction of total greenhouse gas emissions and total intensity of treated effluent discharge.
- COVID-19 community engagement to actively spread caring and positive energy through online promotions and donation of AMB products as well as essential groceries to needy communities during the Movement Control Order restrictions, as part of AMB's Corporate Responsibility.
- Introduction of health and well-being enhancement activities such as improved recipe webpages, participating in the Nutrition Month of Malaysia 2020 virtual health fair, and launching of aminoVITAL®, a new sports/healthy life-style product.

Our Mission is to contribute to the future global wellness and promote a better quality of life through our food products. We recognise that sustainability impacts on continuity of the Company's business. I sincerely welcome you to participate in our journey towards a sustainable future for all.

Thank you.

Tan Sri Dato' (Dr.) Teo Chiang Liang
Chairman, Independent Non-Executive Director

ABOUT THIS SUSTAINABILITY STATEMENT

Scope of Reporting (102-1, 102-3, 102-4, 102-50, 102-52)

This Sustainability Statement provides our stakeholders with an overview of the Company's sustainability performance during FYE 31 March 2021. It encompasses the business, manufacturing and distribution activities of Ajinomoto (Malaysia) Berhad. The environmental data covers our Head Office and manufacturing facility in Kuala Lumpur, Malaysia.



Report Framework

This Statement is prepared in accordance with Bursa Malaysia Securities Berhad ("**Bursa Malaysia**") Main Market Listing Requirements and guided by the Global Reporting Initiative ("**GRI**") Standards 'Core Option'.

Feedback (102-53)

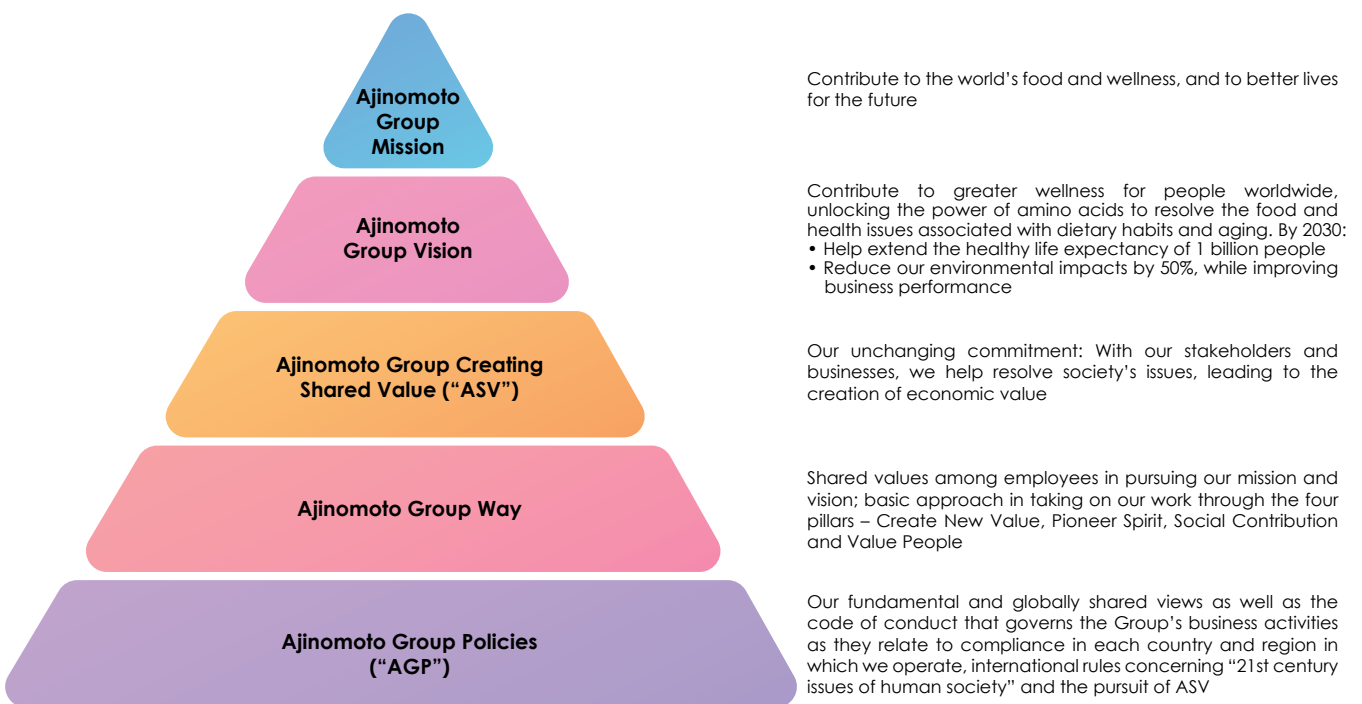
This Sustainability Statement is in our Annual Report which is available on AMB's corporate website (<https://www.ajinomoto.com.my>). Any feedback or clarification on this Statement can be directed to <https://www.ajinomoto.com.my/contact-us>.

102-1: Name of the organisation
 102-3: Location of headquarters
 102-4: Location of operations
 102-50: Reporting Period
 102-52: Reporting Cycle
 102-53: Contact point for questions regarding the report

SUSTAINABILITY APPROACH

We are guided by the Ajinomoto Group's ("the Group") philosophy (as encapsulated in the diagram below) in addressing sustainability matters of our Malaysian operations. Since its founding in 1909, the Group has remained steadfast in promoting wellness for people globally through the science of amino acids. The Group also aims to contribute towards improving the socio-economic status of local communities and the wider society through the Ajinomoto Group Creating Shared Value ("ASV") initiative.



Guided by the Group's corporate philosophy, we strive to live up to the Group's slogan: "Eat Well, Live Well."



SUSTAINABILITY APPROACH (cont'd.)

Contribution to the UN Sustainable Development Goals (SDGs)

In line with the United Nation's 2030 Agenda for Sustainable Development, we have mapped our initiatives to the relevant SDGs to demonstrate AMB's contribution to the global Sustainable Development Agenda in FYE 31 March 2021. A total of six (6) SDGs were selected this reporting period.

UN SDGs	Our Contribution
 <p>3 GOOD HEALTH AND WELL-BEING</p>	<ul style="list-style-type: none"> Implemented health and safety measures to combat the global COVID-19 pandemic. Promoted convenient, nutritious and delicious cooking through digital and community engagement activities. Reduced employee Lost Time Injury Frequency Rate ("LTIFR") by 10% from last reporting period. Enhanced employees' well-being through healthy living programs and periodical medical check-up and consultation.
 <p>6 CLEAN WATER AND SANITATION</p>	<ul style="list-style-type: none"> Further reduced effluent discharge per tonne of product by 0.5% from last reporting period. Monitored and treated all effluent before discharge to ensure they are below the Environmental Quality (Industrial Effluent) Regulations 2009 limits.
 <p>8 DECENT WORK AND ECONOMIC GROWTH</p>	<ul style="list-style-type: none"> Introduced Work Style Innovation to improve workplace condition and flexibility. Achieved average of 11 training hours per employee. Obtained ISO 45001 certification to embed a positive safety culture and ensure full compliance with new regulations.
 <p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p>	<ul style="list-style-type: none"> Continued implementing the 4Rs (Reduce, Reuse, Recycle, and Recovery) in reducing waste production. Reduced plastic use by 42 tonnes. Achieved 86% recycling rate for total waste generated.
 <p>13 CLIMATE ACTION</p>	<ul style="list-style-type: none"> Reduced total greenhouse gas ("GHG") emissions through reduction in total electricity and fuel oil consumption. Replaced R-11 and R-12 as refrigerants, with R134A as an environmentally friendly alternative.
 <p>16 PEACE, JUSTICE AND STRONG INSTITUTIONS</p>	<ul style="list-style-type: none"> Communicated Employee Code of Conduct, Whistleblowing Policy and Anti-Bribery & Anti-Corruption Policy while ensuring employees have access to them. Recorded a 100% employee attendance for training on the Anti-Bribery & Anti-Corruption Policy. Implemented on-boarding programmes for all new hires on Group-wide Human Rights Policy.

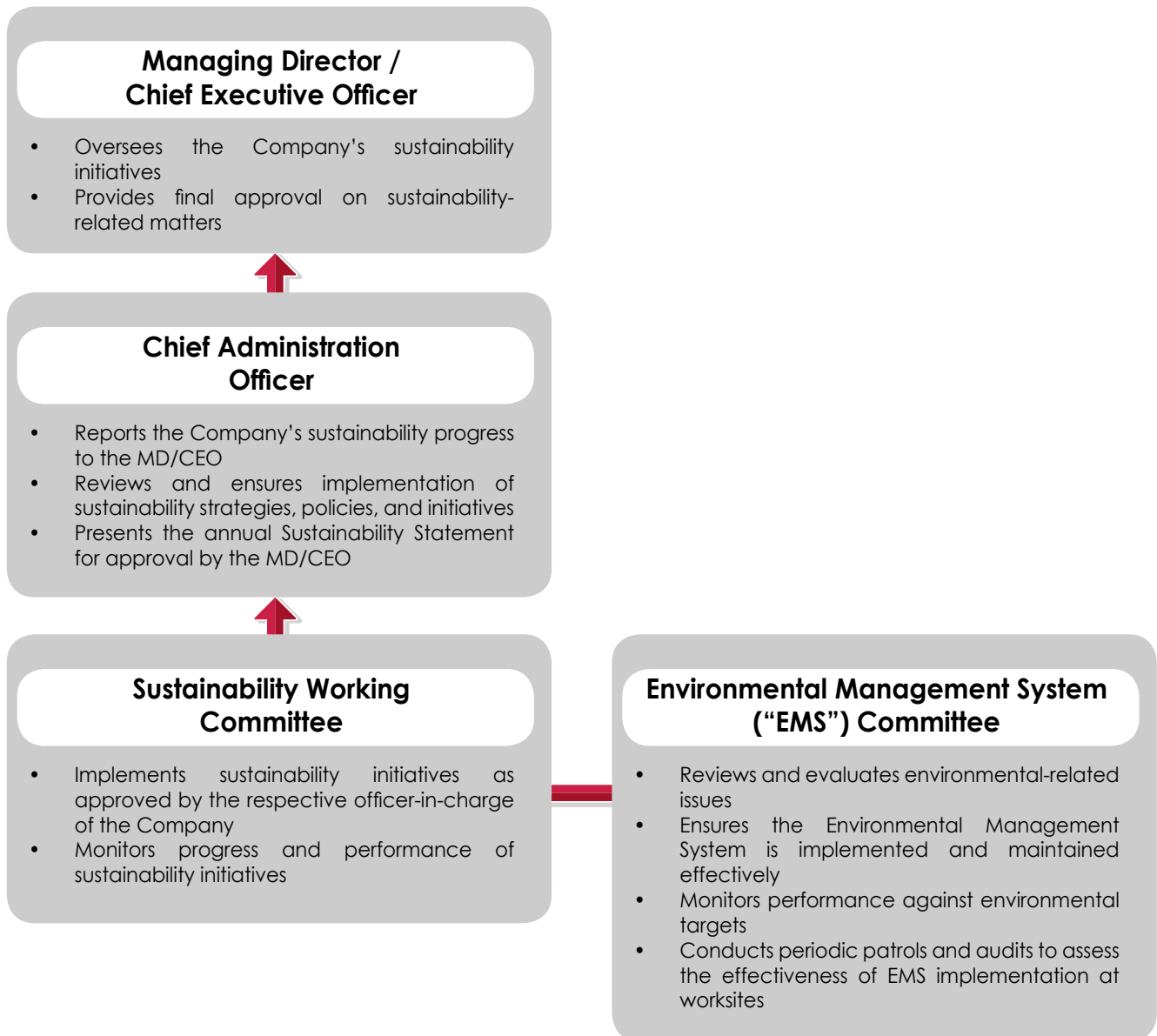
SUSTAINABILITY GOVERNANCE

(102-18, 102-32)

At Ajinomoto, we believe that the continuous growth and improvement of our sustainability performance is made possible with the support of our sustainability team members. Our sustainability governance structure embeds responsibility for sustainability matters across various levels of authority throughout the Company, ensuring accountability across multiple levels.

Our Sustainability Working Committee (“**SWC**”) comprising key individuals and department heads who are responsible for the day-to-day performance and progress of our sustainability initiatives. The Committee reports directly to our Chief Administration Officer (“**CAO**”), who reviews the Company’s sustainability strategies, policies, and initiatives. The CAO reports all progress to our Managing Director (“**MD**”) / Chief Executive Officer (“**CEO**”), who provides the final approval on all sustainability-related matters.

The activities of the SWC are supported concurrently by our Environmental Management System (“**EMS**”) Committee. The EMS Committee is responsible for monitoring and reviewing all environmental-related systems at AMB, including: resource and energy saving, waste management, chemical spillage & emergency response management, environmental training and awareness, and legal compliance. Members of the EMS Committee are representatives from all relevant departments.



ENGAGING OUR STAKEHOLDERS

(102-40, 102-43, 104-44)

Clear and transparent communication builds trust, which is the foundation of the mutually beneficial relationships we maintain with our stakeholders. We consider our stakeholders' valuable feedback to assist us in making informed decisions when shaping our business strategy.

Stakeholder Group	Key Areas of Interest	Our Response	Methods of Engagement	Frequency
Customers/ Consumers	<ul style="list-style-type: none"> Product Quality Support services Inventory supply commitment Commodity pricing 	<ul style="list-style-type: none"> Quality assurance evaluation Customer satisfaction evaluation Accurate product labelling 	Customer call centre	Daily
			Website and social media	Daily
			Plant tour	Daily (by appointment)
			Consumer survey	Annually
			Sales and technical visits	Daily
			Consumer promotions	Daily
Shareholders/ Investors	<ul style="list-style-type: none"> Group financial performance Business strategy Governance 	<ul style="list-style-type: none"> Economic performance Comprehensive corporate governance approach Zero incidents of corruption 	General meeting of shareholders	Annually
			Analysts' meetings on financial results	When necessary
Suppliers	<ul style="list-style-type: none"> Service delivery Project scope Payment schedule Pricing of services Service and product quality 	<ul style="list-style-type: none"> Engaged with 81% local suppliers (for raw and packaging materials of manufactured products) Conduct supplier evaluations Fair and transparent transactions Ajinomoto Group Shared Policy for Suppliers 	Day-to-day business communications	Daily
			Purchasing Policy and Guidelines briefing	As necessary
			Supplier evaluation and audit	Annually
			Purchasing contract	Periodically

102-40: List of stakeholder groups

102-43: Approach to stakeholder engagement

104-44: Key topics and concerns raised

ENGAGING OUR STAKEHOLDERS (cont'd.)

Stakeholder Group	Key Areas of Interest	Our Response	Methods of Engagement	Frequency
Employees	<ul style="list-style-type: none"> Governance and policy systems Employee welfare Health, Safety and Wellbeing Compensation benchmark Career development Retirement planning 	<ul style="list-style-type: none"> Ajinomoto Group Shared Policy on Whistle-blowing and Human Rights 'Work Style Innovation' Initiative Conducted Employee Engagement surveys and received a response rate of 100% Provide comprehensive benefits to employees Salary benchmarking and review of wages every three years Extensive safety and health training including Kiken Yochi training Total of 6,376 training hours with an average of 11 training hours per employee Implementation of ISO 45001:2018 for Occupational Health and Safety management Settlement of the Collective Agreement to maintain industrial harmony 	Employee survey	Annually
			Internal meetings and discussions	Periodically
			Whistle-blower programme	When necessary
			Training	Regularly throughout the year
			Food Industry Employee Union ("FIEU") meetings and discussion	Periodically
			Intranet portal	Daily

ENGAGING OUR STAKEHOLDERS (cont'd.)

Stakeholder Group	Key Areas of Interest	Our Response	Methods of Engagement	Frequency
Regulatory Agencies and Statutory Bodies	<ul style="list-style-type: none"> Compliance Environmental emissions and discharges Security issues Labour practices and health issues 	<ul style="list-style-type: none"> Ajinomoto Group Policy on Human Rights Compliance with the following key laws: <ul style="list-style-type: none"> Environmental Quality Act, 1974 Employment Act, 1955 Minimum Wages Act, 2018 Malaysian Anti-Corruption Commission Act, 2009 Prevention and Control of Infectious Diseases (Measures within the Infected Local Areas) Regulations, 2020 Food Act, 1983 External certifications and audits by accredited third-parties Compliance to guidelines set out by Ministry of International Trade and Industry, and Ministry of Health to operate during Movement Control Order and Conditional Movement Control Order periods 	Inspections by regulatory agencies: <ul style="list-style-type: none"> Department of Environment ("DOE") Department of Occupational Safety and Health ("DOSH") Ministry of Health ("MOH") Department of Islamic Development Malaysia ("JAKIM") 	Periodically
			Active engagement with agencies and associations	Throughout the year
Local Communities, Non-Profit Organisations ("NPOs"), and Academic Institutions	<ul style="list-style-type: none"> Community living Food and nutrition issues 	<ul style="list-style-type: none"> Campaigns to educate communities about nutrition and healthy eating through advances in amino acids technologies Charity activities for the needy community Provide post-graduate scholarships 	Dialogue with neighbourhood residents	When necessary
			Social contribution and community service programmes	Regularly throughout the year

MATERIALITY SUSTAINABILITY MATTERS

The Materiality Assessment Process

We have established a Materiality Assessment process which allows us to identify, prioritise, and validate material matters that impact on sustainability so that we can implement initiatives in line with the Company's sustainability priorities.

This year, our material matters and materiality matrix were reviewed to ensure they remain relevant given the global economic and social changes as a result of the COVID-19 pandemic. From the assessment, 12 material sustainability matters were identified for this reporting period. Customer Satisfaction and Responsible Sourcing were the two (2) newly material matters identified this year. This reflects the value AMB places on customer confidence and satisfaction with our products. In addition to prioritising our customers, we want to ensure our product quality is exceptional from start to finish – and this includes monitoring and assessing raw material and packaging supplies.



Identification

Identified topics that are most relevant to the company, aligned with the material matters identified by Ajinomoto Group as well as peer companies in the industry



Prioritisation

Ranked the priority of each material matter to both business operations and stakeholders using a weighted ranking method. The assessment was completed online by members of the Sustainability Working Committee. Committee members also acted as representatives for stakeholder groups with which they have regular interaction.



Validation

Identified material matters and the Materiality Matrix was verified and approved by the Board

MATERIALITY SUSTAINABILITY MATTERS (cont'd.)

Materiality Matrix (102-47)

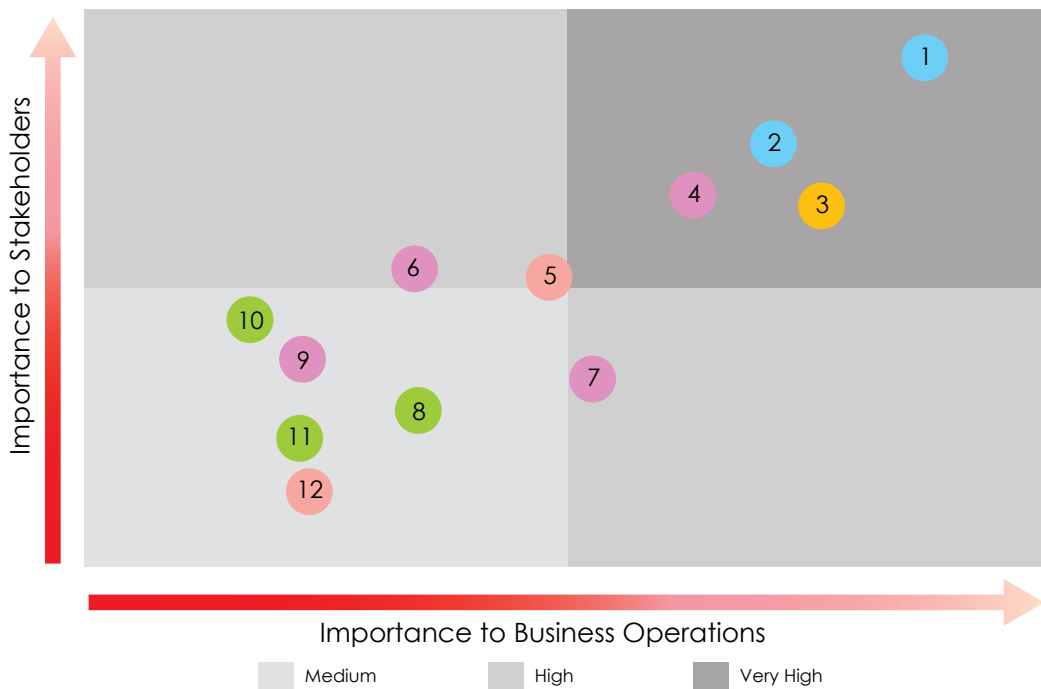
The Materiality Matrix provides a visual representation of the relative priority of each of our material sustainability matters. During the reassessment process completed this year, we identified Product Responsibility and Safety as the top-ranking matter. This has remained our highest priority material matter since our inaugural Sustainability Statement in 2017. We take pride in our dedication to product safety, knowing our customers trust us to provide high-quality, safe products.

Customer Satisfaction placed second in our prioritisation rankings and is important in our aspiration to be the top manufacturer of food products in Malaysia. We obtain constructive feedback about our products and services to retain customer loyalty as well as to attract new customers through continuous engagement activities.

Creating shared value for local communities is AMB's unchanging commitment as we strive to continue strengthening our Community Relations and contributions in promoting the health and well-being of all Malaysians even during this challenging period.

Occupational Safety and Health ("OSH"), which has always been our high priority was also a top-scoring material matter for this year. Ensuring the health and well-being of our team enables them to carry out their respective role in the Company to the best of their ability, especially more so under the COVID-19 pandemic environment.

Ajinomoto Materiality Matrix FYE 31 March 2021



Responsibility to Our Consumers

- 1. Product Responsibility and Safety
- 2. Customer Satisfaction

Caring for our People

- 4. Occupational Safety and Health
- 6. Human Rights
- 7. Employee Advancement and Development
- 9. Workplace Diversity and Equal Opportunity

Upholding Fair Business Practices

- 5. Business Ethics and Integrity
- 12. Responsible Sourcing

Creating Value for Local Communities

- 3. Community Relations and Contributions



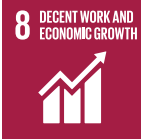


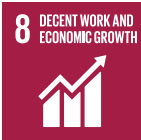

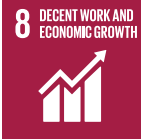

Managing Environmental Impacts

- 8. Water Consumption and Conservation
- 10. Waste Management
- 11. Climate Change and Emissions







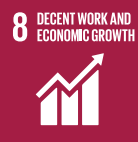



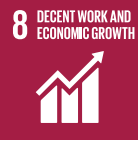
MATERIALITY SUSTAINABILITY MATTERS (cont'd.)

Mapping our Material Matters (102-47)

To illustrate how our sustainability priorities and our stakeholders are interconnected throughout the business, we have mapped our material matters to their relevant GRI indicators, UN SDGs, and key stakeholder groups.

Material Sustainability Matter	GRI Indicators	Stakeholder Groups	UN SDGs
Product Responsibility and Safety:			
The measures we take to ensure the health and safety of our products across their lifecycle, alongside compliance with regulations and voluntary codes.	416: Customer Health and Safety 417: Marketing and Labelling	<ul style="list-style-type: none"> Customers/ Consumers Suppliers Regulatory Agencies and Statutory Bodies 	
Occupational Safety and Health:			
Our measures to prevent workplace accidents and maintain a safe working environment.	403: Occupational Health and Safety	<ul style="list-style-type: none"> Employees Regulatory Agencies and Statutory Bodies 	 
Community Relations and Contributions:			
The community programmes and contributions we make to promote standards of living and well-being in the communities surrounding our operations.	413: Local Communities	<ul style="list-style-type: none"> Local Communities, NPOs and Academic Institutions Customers/ Consumers 	 
Business Ethics and Integrity:			
Our Company's values, principles, standards and norms of behaviour that promote ethical business conduct.	102-16: Values, principles, and norms of behaviour 102-17: Mechanism for advice and concerns about ethics 205: Anti-Corruption	<ul style="list-style-type: none"> Shareholders/ Investors Employees Suppliers Regulatory Agencies and Statutory Bodies 	 
Human Rights:			
Our commitment to prevent any infringement of human rights across our supply chain.	412: Human Rights Assessment	<ul style="list-style-type: none"> Employees Regulatory Agencies and Statutory Bodies 	 

MATERIALITY SUSTAINABILITY MATTERS (cont'd.)

Material Matter	GRI Indicators	Stakeholder Groups	UN SDGs
<p>Employee Advancement and Development:</p> <p>Developing our employees' skills for their career growth and advancement.</p>	<p>404: Training and Development</p>	<ul style="list-style-type: none"> • Employees 	
<p>Climate Change and Emissions:</p> <p>Our continued commitment and efforts towards reducing the impact of our operations on climate change.</p>	<p>302: Energy 305: Emissions</p>	<ul style="list-style-type: none"> • Regulatory Agencies and Statutory Bodies 	 
<p>Waste Management:</p> <p>Our efforts to reduce consumption of materials and waste generation to mitigate adverse environmental impacts.</p>	<p>306: Waste</p>	<ul style="list-style-type: none"> • Regulatory Agencies and Statutory Bodies • Local Communities, NPOs and Academic Institutions 	 
<p>Workplace Diversity and Equal Opportunity:</p> <p>The efforts we make to promote inclusivity and diverse opinions at the workplace, regardless of age, gender, religion or nationality. We apply these values to all business practices including recruitment, promotion, and remuneration.</p>	<p>401: Employment 405: Diversity and Equal Opportunity</p>	<ul style="list-style-type: none"> • Employees 	 
<p>Water Consumption and Conservation:</p> <p>The initiatives we take to reduce water consumption, and to ensure proper effluent management.</p>	<p>303: Water and Effluents</p>	<ul style="list-style-type: none"> • Regulatory Agencies and Statutory Bodies • Local Communities, NPOs and Academic Institutions 	 
<p>Responsible Sourcing:</p> <p>The measures we take to ensure procured materials and services for our operations are sourced in an ethical and environment-friendly manner.</p>	<p>102-9: Supply Chain 204: Procurement Practices</p>	<ul style="list-style-type: none"> • Suppliers • Local Communities, NPOs and Academic Institutions 	
<p>Customer Satisfaction:</p> <p>Our ability to meet and exceed all customer expectations of our products and services.</p>	<p>102-43: Approach to stakeholder engagement</p>	<ul style="list-style-type: none"> • Customers/ Consumers • Shareholders/ Investors 	

UPHOLDING FAIR BUSINESS PRACTICES



Business Ethics and Integrity (102-16, 102-17, 205-1, 205-2, 205-3)

The consumer trust and positive reputation we received for our products and brand stems from our ability to act with integrity and honesty. Our staff uphold high standards of professionalism and integrity, underpinned by our following strong business ethics policies:

Employee Code of Conduct: Our Code of Conduct ("**CoC**") outlines the expected standards and practices for employee behaviour. The CoC also includes information for employees concerning human rights, data privacy and protection as well as conducting fair and transparent transactions.

Whistleblowing Policy: This policy is for employees to report any observed incidents of malpractice, corruption, or otherwise inappropriate behaviour, without fear or favour.

Anti-Bribery and Anti-Corruption Policy: Our Anti-Bribery and Anti-Corruption Policy has been established in line with Malaysia's Anti-Corruption Commission ("**MACC**") Act 2009. This year, we conducted workshops on our Anti-Bribery and Anti-Corruption policies which were attended by every AMB employee.

Employees are informed of the Code of Conduct and other Company ethics policies during on-boarding sessions. They are also available for employees to access and refer to via our intranet.

Risk Management

To ensure potential areas of risk within the business are properly identified and addressed, our Internal Risk Management Committee conducts yearly Risk Management Assessment. The Committee members are relevant Head of Departments ("**HODs**"), C-suite staff and the CEO/MD. In addition to conducting the annual Risk Management Assessment, the Committee implements identified risk-reduction measures, and identify potential and new risks. All AMB's departments and operations are assessed for risk during the assessment process.

Responsible Sourcing (102-9, 204-1)

In order to deliver our renowned quality products to our customers, we maintain strict quality standards for the products and services from our suppliers. These include our raw material and packaging suppliers, and original equipment manufacturers ("**OEM**").

Our procurement policies outline the robust procedure for selecting suppliers, which is based on a set of pre-determined criteria, including the supplier's facilities, overall product cost, delivery lead times, and quality. Our appointed suppliers are required to comply with Ajinomoto's Group Supplier Corporate Responsibility Guidelines which include:

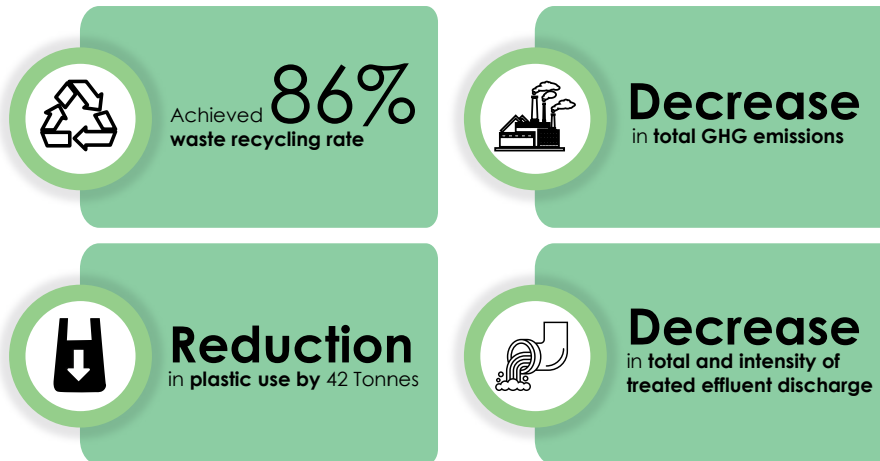
- Human Rights (such as prohibition of child labour and forced labour)
- Occupational Health and Safety
- Resource Use and Efficiency
- Compliance with Statutory and Regulatory Requirements

In line with supporting the Malaysian economy, 81% of our suppliers and service providers for raw material and packaging material of manufactured products are local companies.

The performance of our suppliers is monitored and evaluated annually with the Company's Supplier Evaluation and Supplier Audit. Due to travel restrictions imposed during the COVID-19 pandemic, we successfully conducted a remote supplier audit and verification.

102-9: Supply chain
 102-16: Values, principles, standards and norms of behaviour
 102-17: Mechanism for advice and concerns about ethics
 204-1: Proportion of spending on local suppliers
 205-1: Operations assessed for risks related to corruption
 205-2: Communication and training about anti-corruption policies and procedures
 205-3: Confirmed incidents of corruption and actions taken

MANAGING ENVIRONMENTAL IMPACTS



Climate Change and Emissions (302-3, 302-4, 305-4, 305-5, 305-6, 305-7)

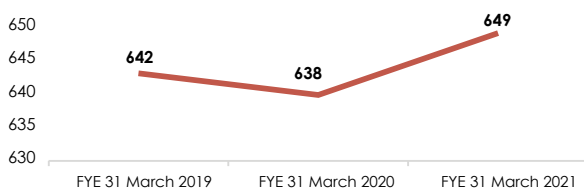
The threat of climate change poses a multitude of risks for businesses around the world, and AMB is not exempted from this threat. Climate change poses risks to supply chains, infrastructure, and raw material sources. We are committed to seek solutions to minimise impacts.

Electricity and Fuel Consumption

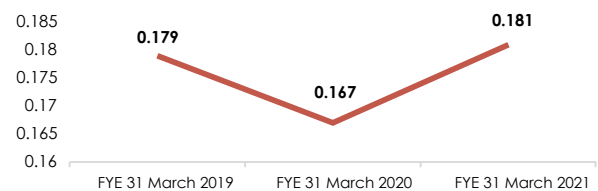
Despite the impact on operations caused by the COVID-19 pandemic, AMB worked diligently to implement and monitor our energy saving initiatives throughout the organisation. This year, we installed inverters on the pumps operating in our ponds to improve efficiency and reduce the overall electricity demand of our pumping system.

Our total electricity consumption for the year was 18,773,623 MWh, a decrease of 4.8% from last year's reporting period. While we recorded a decrease in overall electricity consumption, we experienced an increase in the intensity of electricity consumption (MWh per tonne of product) of 1.7%. This increase in intensity can be attributed to our operations running below their designed output capacity, which was due to decreased production during the Movement Control Order ("MCO") periods enforced by the Government to contain the spread of COVID-19. Fuel oil consumption displayed a similar trend, with overall consumption decreasing by 0.7%, and consumption intensity increasing by 8.4%.

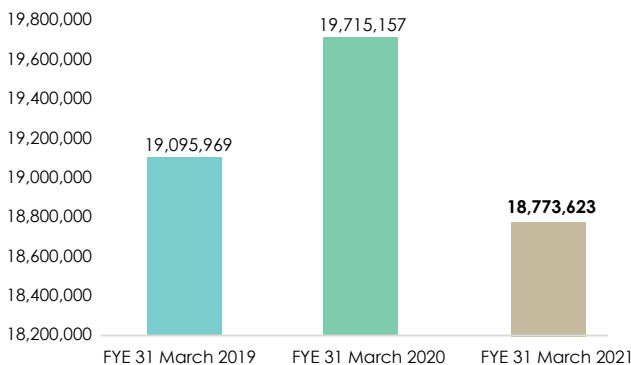
Electricity Consumption Intensity (MWh/T-Product)



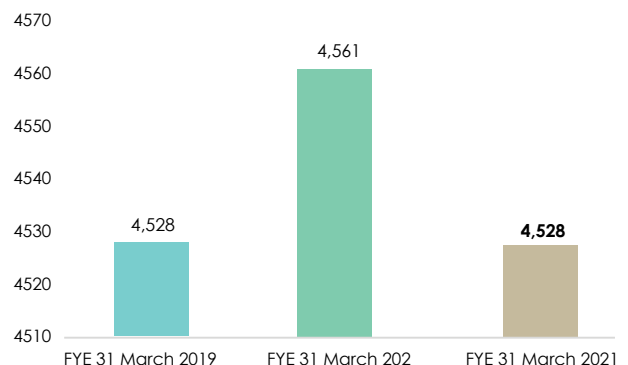
Fuel Oil Consumption Intensity (m³/T-Product)



Total Electricity Consumption (MWh)



Total Fuel Oil Consumption (m³)



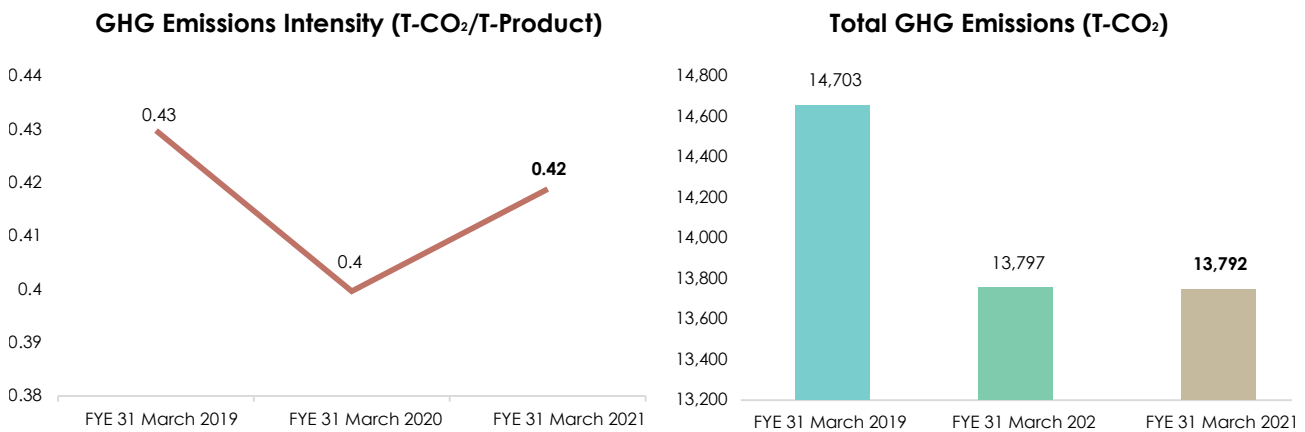
302-3: Energy intensity
 302-4: Reduction of energy consumption
 305-4: GHG emissions intensity
 305-5: Reduction of GHG emissions
 305-6: Emissions of ozone-depleting substances (ODS)
 305-7: Nitrogen oxides (NOx), sulphur oxides (SOx), and other significant air emissions

MANAGING ENVIRONMENTAL IMPACTS (cont'd.)

Greenhouse Gas Emissions

Consumption of electricity and fuel contributes to the release of Greenhouse Gases ("GHGs"), primarily Carbon Dioxide (CO₂), the root cause of global warming and associated climate change. By lowering GHG emissions from our operations and reducing our carbon footprint, we are contributing to Malaysia's international climate commitments to reduce GHG emissions by 45% before 2030.

We recorded a 0.04% decrease in total GHG emissions, from 13,797 tonnes of CO₂ to 13,792 tonnes of CO₂. There was also an increase of 5% in emission intensity this year, with 0.42 tonnes of CO₂ produced per tonne of product.



Ozone Depleting Substances ("ODS") and other Air Emissions

AMB discontinued the use of R-11 and R-12 refrigerants since 2008, and replaced these with R134A, a newer, environment-friendly alternative without the negative atmospheric impacts caused by the usage of ODSs. We also ensured all new installations utilise new environmental-friendly substances, and are inspected periodically for potential leakages.

The boilers produce NO₂ and SO₂, but to ensure they are not emitted excessively, these emissions are monitored every quarter. This year, our emission levels consistently remained below the Environmental Quality (Clean Air) Regulations 2014 threshold of 500mg/m³.

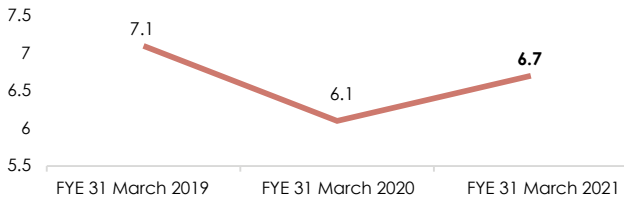
Water Consumption and Conservation (303-2, 303-4, 303-5)

Water scarcity is increasingly becoming a concern globally. At AMB, we don't take our access to water for granted. Since 2017, we have been implementing measures to reduce consumption as part of our sustainability efforts. We actively check for water leakages and wastages throughout our systems and use recycled water for activities such as floor and general washing in order to further reduce our dependence on treated water supply.

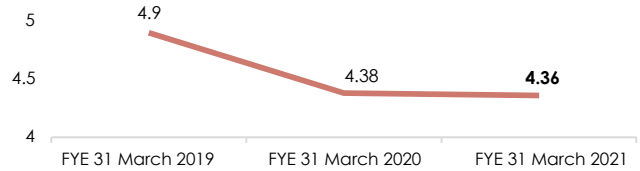
Despite the reduction in production outputs caused by strict Standard Operating Procedures ("SOP") enforced by the Government due to COVID-19 pandemic, we recorded an increase in total water consumption and water consumption intensity. This increase (up 5.2% compared to last year) is attributable to the increased washing and cleaning frequency of the production areas, in response to the strict SOP imposed.

MANAGING ENVIRONMENTAL IMPACTS (cont'd.)

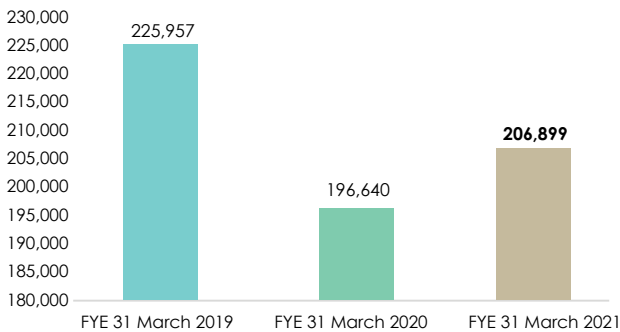
Water Consumption Intensity (m³/T-Product)



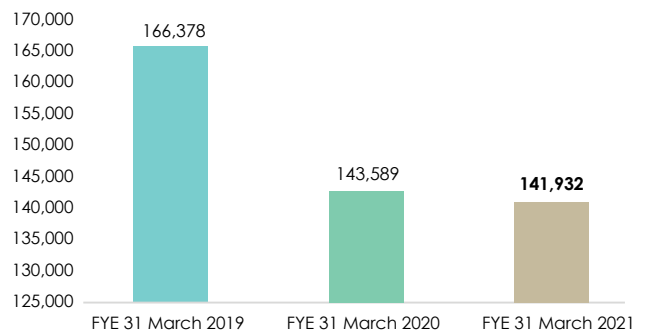
Treated Effluent Discharge Intensity (m³/T-Product)



Total Water Consumption (m³)



Total Treated Effluent Discharge (m³)



Effluents

We endeavour to minimize generation of effluents from our manufacturing operations through process optimization. All effluents are monitored and treated before discharge to ensure the pollutants are below the Environmental Quality (Industrial Effluent) Regulations 2009 limits. In addition, we have set internal limits for Biological Oxygen Demand ("BOD") and Total Nitrogen ("TN") which are more conservative than the regulatory limits. All effluents discharged was below internal limits throughout the reporting period.

We recorded a 1.15% reduction in total effluent discharge compared to the previous reporting year. There was also a corresponding 0.5% decrease in discharge intensity (m³ per tonne of product).

Waste Management (306-3, 306-4, 306-5)

We continuously prioritise waste reduction as a way to minimise consumption of natural resources, and promote the 4Rs (Reduce, Reuse, Recycle, and Recovery) throughout our business operations. Staff are reminded to play their part in reducing our waste production.

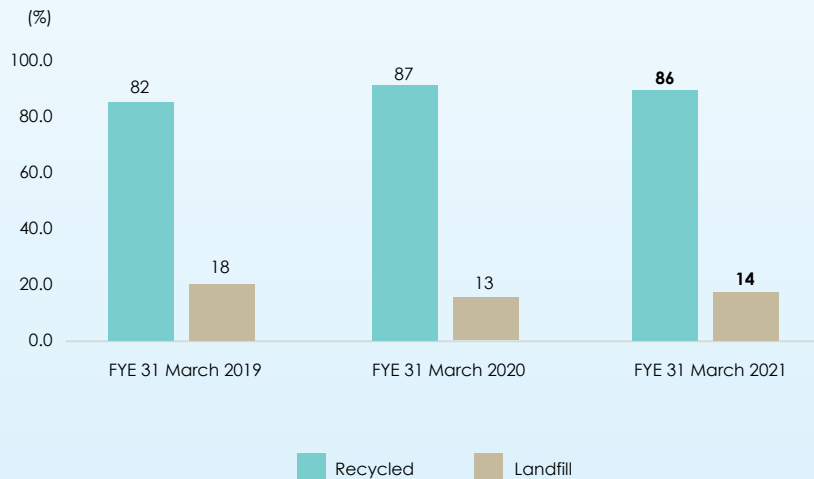
The total waste generated from AMB operations was 1,473 tonnes, a reduction of 12% compared to last year. Of the waste generated, we sent 212 tonnes to the landfill (14%) and the remaining 1261 tonnes (86%) for recycling. This is a slight decrease from last year's recycling rate of 87%, due in part to the disruptions to our waste collection processes during the MCO period. These disruptions forced us to send some recyclable by-products to the landfill as opposed to the recycling facility. Of the 65 tonnes of food product waste generated, 72% was salvaged and recycled as either fertilizer or animal feed.

306-3: Waste generated
 306-4: Waste diverted from disposal
 306-5: Waste directed to disposal

MANAGING ENVIRONMENTAL IMPACTS (cont'd.)

Ajinomoto Group has embarked on a plastic reduction project under its Vision 2030 - the Group's long-term plan. The "PROJECT ZERO" targets are to achieve zero plastic by 2030 and minimize use of one-way plastics in our business by changing to reusable, recyclable or compostable materials. AMB has selected 2008 as the baseline data year and set 40 tonnes as the plastic reduction target for FYE 31 March 2021. We recorded a reduction of 42.3 tonnes by replacing plastic pallets with slip sheets for importation of Glutamic Acids from Indonesia (33.5 tonnes) and reduced the handout of Tumix plastic container as free gift (6.8 tonnes). AMB also has started a feasibility study with potential suppliers on the use of recyclable mono-material, replacing current Oriented Polypropylene/Polyethylene ("OPP/PE") based packaging materials (non-recyclable) for MSG products. Trial implementation of this mono-material is expected to start next year.

Waste Recovery Rate



RESPONSIBILITY TO OUR CONSUMERS



Product Responsibility and Safety (416-1, 416-2, 417-1, 417-2, 417-3)

In our 60 years of operations in Malaysia, consumer health and safety remain our top priority. We uphold our corporate motto "Eat Well, Live Well.", manufacture high quality healthy products, as well as market our products in a responsible manner, enabling informed purchasing decisions by our consumers.

Product Quality

As a trusted international brand, AMB's annual audits are conducted by both internal auditors as well as external certification bodies. We are certified for the following:



MS 1500:2019
Malaysian Standard on Halal Food General Requirements



ISO 9001:2015
Quality Management Systems



MS 1480:2019
Food Safety according to Hazard Analysis and Critical Control Points System



Good Manufacturing Practice



Makanan Selamat Tanggungjawab Industri



Veterinary Inspected for Wholesomeness

We implemented the Food Defence and Food Fraud Programme to prevent any potential contamination of products, as well as to provide transparency and accountability in our production, storage and distribution processes. As part of our wider HACCP programme, awareness training and mock drills are conducted to highlight the importance of product safety to AMB's food culture. The programme undergoes annual evaluation during our audits to assess its effectiveness.

Additionally, we implemented comprehensive assessment procedures throughout the manufacturing process as part of our food quality and safety assurance. From the procurement of raw materials to the distribution of finished goods, all products are inspected for any potential defects. Should any product fail to meet the required parameters during the inspection, it is rejected outright.

We adhere to health and safety regulations relevant to the F&B industry in the markets we operate in. In this financial year, AMB food products recorded zero incidents of health and safety non-compliances.

416-1: Assessment of the health and safety impacts of product and service categories
 416-2: Incidents of non-compliance concerning the health and safety impacts of products and services
 417-1: Requirements for product and service information and labelling
 417-2: Incidents of non-compliance concerning product and service information and labelling
 417-3: Incidents of non-compliance concerning marketing communications

RESPONSIBILITY TO OUR CONSUMERS (cont'd.)

Product Marketing

Proper labelling is important when marketing our products as it is the primary means of conveying information about the product's ingredients, nutrition and safety. Our labelling of retail product complies with the requirements of the Malaysian Food Regulation, and all labelling information for exported products are in accordance to the export country's regulations.

There were no instances of regulatory non-compliance regarding product labelling or marketing in this financial year. As per regulatory requirements, our product labels contain the following key information:



*For applicable products

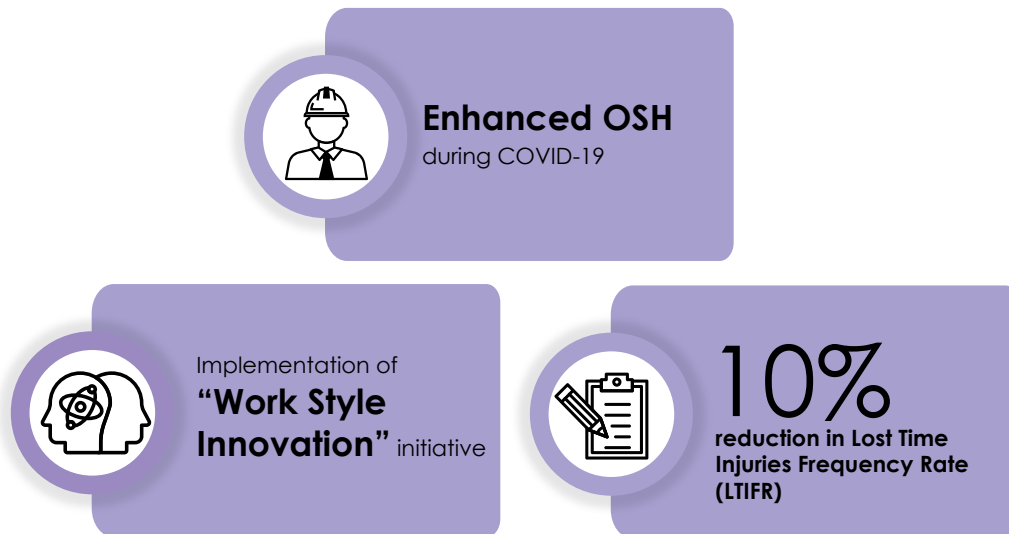
Customer Satisfaction (102-43)

To better address expectations and identify key issues, AMB frequently engages with customers through annual surveys to gauge brand awareness and consumer attitude towards AMB and its products.

In addition to surveys, since 2011, we have been organising the Ajinomoto 1909 Infoseum physical tour of our information centre as part of the Company's direct engagement with its customers. To adapt to the new normal caused by the COVID-19 pandemic, AMB transformed the programme into an interactive virtual tour to replace the physical tour in line with the SOPs set by the authorities. As part of the virtual tour, participants had the opportunity to complete a simple questionnaire to assess customer confidence in our products. 90% of the feedback received expressed confidence and interest in using AMB products.



CARING FOR OUR PEOPLE



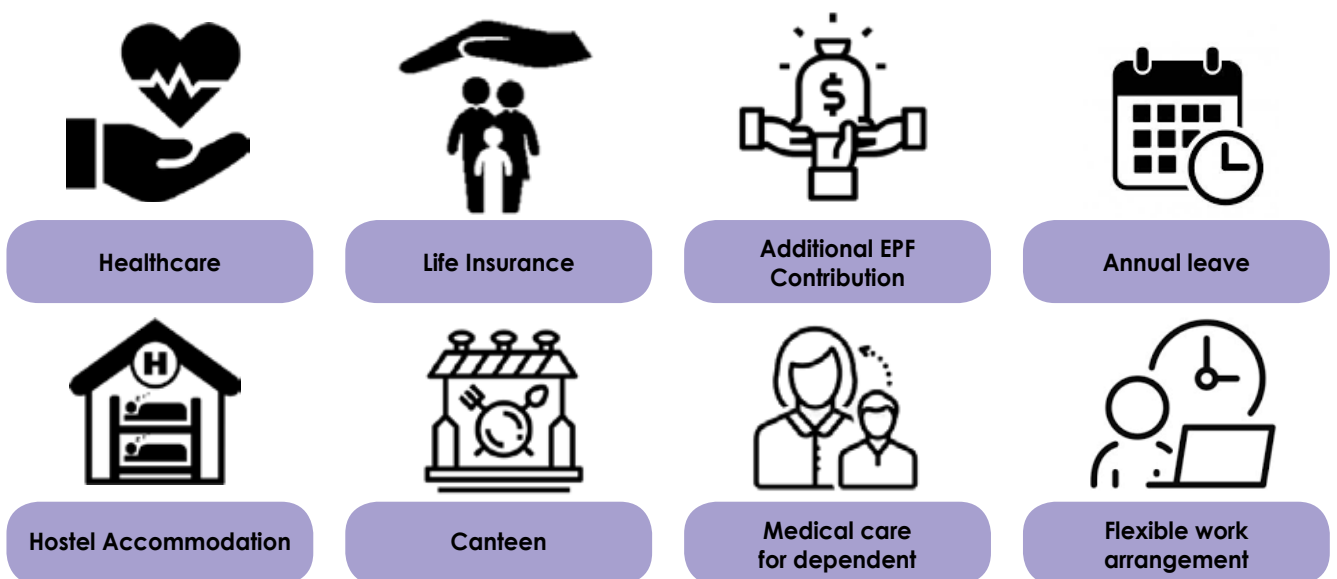
Workplace Diversity and Equal Opportunity (401-1, 401-2, 405-1)

Workforce Distribution

We encourage diversity in our workforce at AMB as we believe fresh perspectives enrich our ability to achieve Company goals. The categorisation of AMB’s workforce by age, gender and employment for FYE 31 March 2021 is illustrated in the figure below. AMB’s total employee strength was 668 employees, with approximately 66% male. The total number of female employees in management roles increased to 25 (up from 23) and now account for one-third of the Company’s management positions. 63% of all employees are within 30 – 50 years of age. Non-executive employees account for 69% of the total workforce.

Employee Benefits

We offer our employees fair wages in accordance to relevant regulations, as well as competitive benefits. Benefits provided to full-time employees include:



Our full-time employees are also entitled to parental leave – three (3) days for men and sixty four (64) days for women. A total of thirty (30) male and nine (9) female employees took parental leave in FYE 31 March 2021, with all but two (2) employees remaining employed with AMB a year after they returned to work. This indicates a 95% retention rate for our employees who are also working parents.

401-1: New employee hires and employee turnover
 401-2: Benefits provided to full-time employee that are not provided to temporary or part-time employees
 405-1: Diversity of governance bodies and employees

CARING FOR OUR PEOPLE (cont'd.)

Talent Management and Retention

From hiring to career advancement, we strive to provide equal opportunities to all our employees regardless of race, gender or religion. This combined with Company benefits attracts and retains exceptional local talents. In FYE 31 March 2021, we recorded a new hire rate of 9.6% and turnover rate of 5.2% for all local hires, an improvement to the 7.8% and 6.2% respectively recorded in the previous reporting period.

Employee Engagement

Safety of employees and the workplace is our top priority. Since the onset of the COVID-19 pandemic, all unnecessary physical gatherings have been cancelled to observe social distancing measures and comply with government regulations. This impacted on employee engagement. This was addressed by promoting employee health online as well as other and online activities such as:

- Ensuring the safety of employees in managing and handling COVID-19 cases
- Promote Nutritional Food Intake Through Healthy Living and BMI and Weight Loss Programme
- Zumba and Physical Activities Sessions

Relocation of our Head Office and factory is planned for 2022, and the changes of operation procedures during the COVID-19 pandemic have also provided us the opportunity to enact major improvements in the workplace through our 'Work Style Innovation' ("WSI") initiative. We have assessed current workplace trends of global companies as well as conducted employee engagement surveys, and the following action plans have been initiated to improve employee satisfaction and productivity:

1. Adoption of digital technology: To improve AMB's method of communication and promote a paperless work-style.
2. Flexible workplace: To adapt to the "open-collaborative" concept and create flexible mind-set as well as promoting collaboration between departments and reducing 'silo working'.
3. Flexible work arrangements: To enhance working arrangements with remote working and flexible working hours to achieve work-life balance and attract younger generation talents.

We envision a complete revamp of our workplace based on the WSI initiative by FYE 31 March 2022, which would motivate our employees to increase productivity and reduce work stress.

Employee Advancement and Development (404-1, 404-2, 404-3)

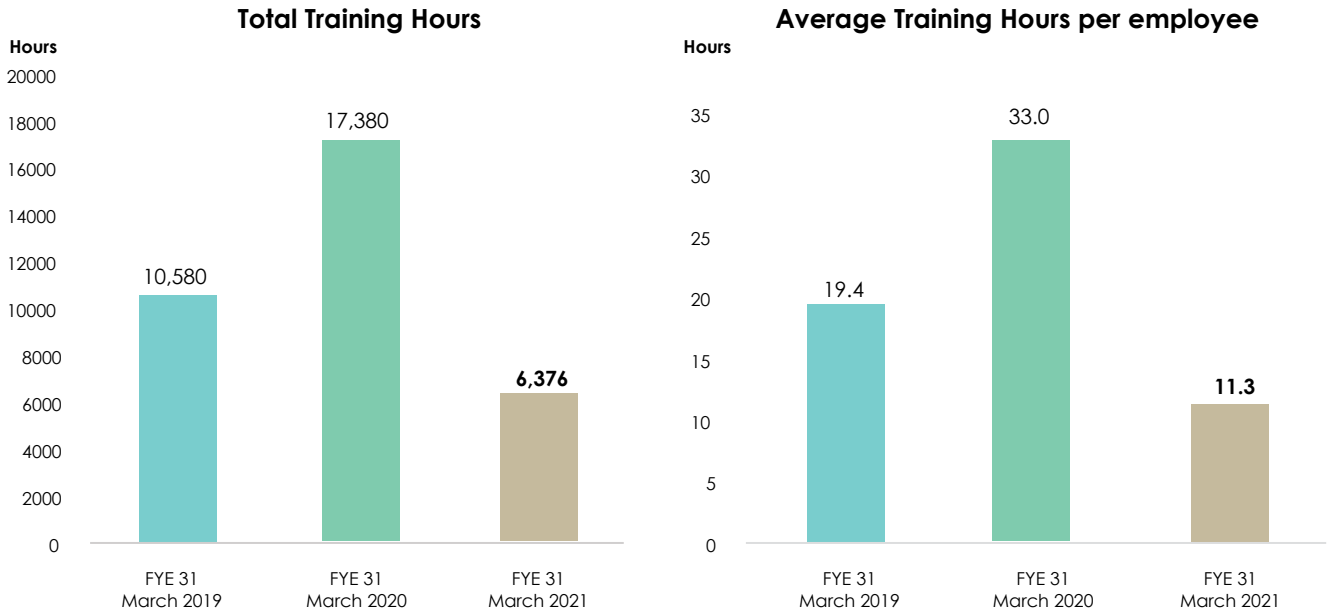
AMB encourages all employees to develop their personal skills and knowledge to benefit themselves. Due to the pandemic, we have diverted the majority of our capacity building programmes to online training sessions and seminars.

As a caring company, we also provided training that focuses on the prevention of the spread of COVID-19 in the workplace. The Company engaged a certified occupational health doctor to educate employees on the following issues:

- What is COVID-19 and its vaccine
- How to manage the workplace in the post COVID-19 era
- AMB's COVID-19 Task Force
- Stress Management due to COVID-19

We have recorded 6376 training hours in FYE 31 March 2021. This amounts to an average of 11 hours per employee, which is a 66% reduction (due to the Covid-19 pandemic) when compared to the previous reporting period.

CARING FOR OUR PEOPLE (cont'd.)



We promote continuous improvement in our employees' performance and are committed to ensure that individual skills are evaluated as well as rewarded based on merit. All employees received a performance and career development review.

Human Rights (412-2)

As an established global food seasoning brand, respecting basic human rights is embedded in the Group's and Company's policy. In alignment with the 5th principle of the Ajinomoto Group Policies, AMB is committed to supporting international standards for human rights, including the Universal Declaration of Human Rights, the UN Global Compact, and the International Labour Organisation Declaration on Fundamental Principle and Rights at Work and its Follow-up.

All new hires are required to undergo an On-Boarding Programme on human rights and ensure they understand the Group's shared Human Rights Policy. A total of 60 hours was devoted to train our employees, with 9% of employees attending the On-Boarding Programme. Among the issues addressed in the policy are:

- Non-discrimination, in terms of race, ethnicity, nationality, religion, gender, age, disability and sexuality
- Prohibition of child and forced labour
- Fair wage in accordance to relevant local laws
- Respecting labour rights, including freedom of association and collective bargaining agreements
- Elimination of excessive working hours
- Handling of personal information in line with the Malaysian Personal Data Protection Act

Occupational Safety and Health (403-1, 403-2, 403-4, 403-5, 403-6, 403-9)

AMB has in place an effective OSH system, which is ISO 45001 certified. Our OSH Policy emphasises worker health and safety through pre-emptive actions.

AMB's OSH Committee, which consists of an independent Board advisor and equal representation from management and employees, is responsible for implementing OSH-related activities and conduct periodic patrols around the workplace to assess the effectiveness of the OSH Management System.

403-1: Occupational health and safety management system
 403-2: Hazard identification, risk assessment and incident investigation
 403-4: Worker participation, consultation and communication on occupational health and safety
 403-5: Worker training on occupational health and safety
 403-6: Promotion of worker health
 403-9: Work-related injuries
 412-2: Employee training on human rights policies and procedures

CARING FOR OUR PEOPLE (cont'd.)

OSH Initiatives

Under our Behaviour Based Safety Programme, inspections conducted recorded no safety issues. AMB's safety training topics in FYE 31 March 2021 under this programme encompassed the following:

- Emergency Response Team Skill Enhancement
- Fire Fighting Skill Enhancement
- Safe Driving of Forklift
- Noise Awareness and Hearing Conservation
- Safe Chemical Handling



We have also continued the Kiken Yochi Training ("KYT") as a hazard identification, risk assessment and risk control ("HIRARC") initiative. With KYT, we assess potential workplace hazards on a bi-monthly basis followed by mandatory monthly training sessions to sustain the identified safety controls in respective workplaces. Our continuous push for an effective KYT has led to improved responses and workplace performance from our employees.

In addition, periodical employee medical check-ups with personal doctor consultations were conducted to safeguard the health of all employees.

CARING FOR OUR PEOPLE (cont'd.)



OSH Performance

We recorded a total of 1,560,000 hours worked and two (2) workplace injuries in FYE 31 March 2021. The Company's LTIFR* was 1.28 per million hours worked this year. This is an improvement compared to 1.42 per million hours worked for FYE 31 March 2020. AMB strives to continually improve our OSH management system and achieve our target of zero LTIFR in the workplace.

Enhanced OSH during COVID-19

In response to the COVID-19 pandemic, AMB took proactive measures to prevent the spread of the virus in order to safe guard the health of employees and sustainability of the Company's business. We established our SOPs for the prevention of the spread of COVID-19 based on the guidelines and instructions of the Ministry of Health, Ministry of International Trade & Industry and the National Security Council. The following were implemented:

- Strict hygiene practice
- Rotation of staff in office
- Virtual meetings in lieu of physical meetings
- Cancellation of unnecessary gatherings or business travel
- Providing personal protective equipment to factory workers

A procedure to report and isolate any COVID-19 infection among employees was also formulated. An infected individual is quarantined at the Company's quarantine hostel and the area where the infected staff work will undergo deep sanitation. At the same time contact tracing is conducted to identify potential spread of the disease within our premises. All quarantined employees are provided three (3) meals a day and monitored daily.

* LTIFR: Lost Time Injuries Frequency Rate is calculated as $(\text{Number of injuries in reporting period} \times 1,000,000) / \text{Total work hours in reporting period}$.



CREATING VALUE FOR LOCAL COMMUNITIES

Community Relations and Contributions (413-1, 413-2)

The Ajinomoto Group Creating Shared Values (“**ASV**”) is our unchanging commitment to be a positive influence on local communities. Our community activities focused on promoting fun, nutritious, and delicious cooking, ultimately to enhance the health and well-being of the community. Our signature Umami Seasoning reduces sodium intake while maintaining the delicious flavour and nutrition of meals served.



During the 1st MCO from 18th March to 28th April 2020, AMB continued its efforts to spread cheer and encourage connectivity while people stayed safe at home. We held an online “Stay Grateful, Stay Close” cooking contest, which encouraged people to eat well with AMB products and also share positive quotes with their loved ones. Over RM15,000 in cash prizes were awarded to the contest winners.

The COVID-19 pandemic impacted negatively on the community as a whole. The Company reached out to ease the burdens of vulnerable groups of people by providing food and essential groceries, including AMB products, to over 500 underprivileged households through collaboration with the Malaysian Red Crescent Society, charity homes and frontliners. These donations were provided during the festive *Hari Raya* season to bring joy and care to those unable to visit their families or celebrate as they normally would. We also launched our “*Jauh Beraya, Erat Di Hati*” campaign to allow our customers to send a “love box” of *Hari Raya* greetings with AMB products to distant friends and family.



CREATING VALUE FOR LOCAL COMMUNITIES (cont'd.)



To address the restrictions placed on social events and group activities due to the COVID-19 pandemic, we promoted healthy eating online. This year, AMB once again took on the role as main sponsor for the Nutrition Month Malaysia (“**NMM**”) 2020, promoting healthy eating and active living in line with this year’s theme, “Invest in Healthy Nutrition: Eat Right, Get Moving!”. A virtual fair was held from 1-14 December 2020. It included live cooking videos and tutorials, mini games, and recipes featuring AMB products to inform our customers and the general public on ease of making simple, nutritious and delicious meals.



Home-cooking has become increasingly common as it is safer for families to stay home and avoid crowded areas since the COVID-19 pandemic. To further support homemakers and working parents to find joy in cooking, we revamped the recipe pages on our website to make it more user-friendly, informative and included new exciting recipes. The refined recipe page features a categorisation method to help customers and the general public find recipes specific to the needs of their families, including Kids, Golden Age Group (Reduced Sodium Diet), and Active Individuals. Our recipes have been produced in collaboration with well qualified and experienced nutritionists and include health tips and nutrition information for balanced meals which are healthy yet appetising.

To further our promotion of healthy life style, we launched our new product – aminoVITAL, an apple-jelly flavoured drink with amino acids in July 2020. With 3,000mg of amino acids per pouch, aminoVITAL is designed for active, athletic individuals on the go. Our aminoVITAL webpage features workout timings, including when to consume aminoVITAL, and also links directly to the recipe pages for Active Individuals.

We will continue to support communities to Eat Well, Live well, and stay healthy and cheerful especially during this challenging time.



CONCLUSION

The journey towards a sustainable future is one we all must make together. We are incredibly proud of the enthusiasm and dedication shown by our employees, who, despite the multi-faceted challenges presented to us this year, rose to the occasion and continued to support our sustainability goals and initiatives. We are committed to move forward on our sustainability journey, with new initiatives and process improvements, AMB continues to strive to ensure a future where everyone can **"Eat Well, Live Well."**



AJINOMOTO

Form Of Proxy

Number of Ordinary Shares Held	CDS Account No.
Contact No.	Email Address

I / We, _____ (FULL NAME AND NRIC / PASSPORT NO. / REGISTRATION NO.)

of _____ (FULL ADDRESS)

being a member of **AJINOMOTO (MALAYSIA) BERHAD** hereby appoint:-

***First Proxy "A"**

Full Name (in Block):-	NRIC/ Passport No.:-	Proportion of Shareholdings Represented	
		No. of Shares	%
Full Address			

*and

***Second Proxy "B"**

Full Name (in Block):-	NRIC/ Passport No.:-	Proportion of Shareholdings Represented	
		No. of Shares	%
Full Address			

100%

*or failing him/her, the CHAIRMAN OF THE MEETING, as *my / our proxy to attend and vote for *me / us and on *my / our behalf at the Sixtieth Annual General Meeting ("AGM") of Ajinomoto (Malaysia) Berhad to be held on a fully virtual basis hosted on Securities Services e-Portal at <https://sshsb.net.my/> at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur on Monday, 20 September 2021 at 10:00 a.m. and at any adjournment thereof.

Mark X under 'For' or 'Against' for each Resolution if you wish to direct the proxy on how to vote. If no mark is made, the proxy may vote on the resolution or abstain from voting as the proxy thinks fit. If you appoint two (2) proxies and wish them to vote differently, this should be specified.

My / our proxy / proxies is / are to vote as indicated below:

No.	Agenda	Resolution	For	Against
1.	To receive the Audited Financial Statements for the financial year ended 31 March 2021 together with the Reports of the Directors and the Auditors thereon. (Note 1)			
2.	To approve the payment of Directors' fees for the financial year ended 31 March 2021.	1		
3.	To approve the payment of Directors' benefits up to an amount of RM650,000 from 21 September 2021 until the date of the next Annual General Meeting of the Company.	2		
4.	To approve the gratuity payment to Dato' Setia Ramli bin Mahmud, the former Independent Non-Executive Director of the Company and member of the Audit Committee, Remuneration Committee and Nomination Committee of the Company respectively, in recognition and appreciation of his past service and contribution to the Company.	3		
5(a).	To re-elect Ms. Noriko Fujimoto who is retiring in accordance with Clause 119 of the Company's Constitution.	4		
5(b).	To re-elect Mr. Takahiro Sato who is retiring in accordance with Clause 119 of the Company's Constitution.	5		
5(c).	To re-elect Mr. Cheong Heng Choy who is retiring in accordance with Clause 119 of the Company's Constitution.	6		
6(a).	To re-elect Mr. Shunsuke Sasaki who is due to retire pursuant to Clause 120 of the Company's Constitution.	7		
6(b).	To re-elect Encik Kamarudin bin Rasid who is due to retire pursuant to Clause 120 of the Company's Constitution.	8		
6(c).	To re-elect Encik Azhan bin Mohamed who is due to retire pursuant to Clause 120 of the Company's Constitution.	9		
7.	To appoint Messrs. KPMG PLT as Auditors of the Company in place of the outgoing Auditors, Messrs. Ernst & Young PLT and to authorise the Directors to fix their remuneration.	10		
Special Business				
8.	Ordinary Resolution No. 1: Authority to Issue Shares pursuant to the Companies Act 2016	11		
9.	Ordinary Resolution No. 2: Proposed Renewal of Existing Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature	12		
10.	Ordinary Resolution No. 3: Retention of Tan Sri Dato' (Dr.) Teo Chiang Liang as an Independent Director	13		
11.	Ordinary Resolution No. 4: Retention of Mr. Koay Kah Ee as an Independent Director	14		
12.	Ordinary Resolution No. 5: Retention of Mr. Dominic Aw Kian-Wee as an Independent Director	15		

* Strike out whichever not applicable

Signed this _____ day of _____ 2021

* Signature of Member/Common Seal

Notes :-

1. This Agenda item is meant for discussion only, as the provision of Section 340(1)(a) of the Companies Act 2016 does not require a formal approval of the members/shareholders for the Audited Financial Statements. Hence, this Agenda item is not put forward for voting.
2. As part of the initiatives to curb the spread of COVID-19, the 60th AGM will be conducted on a fully virtual basis by way of live streaming and online remote voting via the Remote Participation and Voting ("**RPV**") facilities to be provided by SS E Solutions Sdn. Bhd. via Securities Services e-Portal's platform at <https://sshsb.net.my>. Please read carefully and follow the procedures provided in the Administrative Guide in order to register, participate and vote remotely via the RPV facilities.
3. With the RPV facilities, the members, proxies and/or corporate representatives are strongly encouraged to exercise their rights to participate (including to pose questions to the Chairman, Board of Directors or Management) and vote at the 60th AGM. As guided by the Securities Commission Malaysia's Guidance Note and Frequently Asked Questions on the Conduct of General Meetings for Listed Issuers, the right to speak is not limited to verbal communication only but includes other modes of expression. Therefore, all members, proxies and/or corporate representatives shall communicate with the main venue of the 60th AGM via real time submission of typed texts through a text box within Securities Services e-Portal's platform during the live streaming of the 60th AGM as the primary mode of communication. In the event of any technical glitch in this primary mode of communication, members, proxies and/or corporate representatives may email their questions to eservices@sshsb.com.my during the 60th AGM. The questions and/or remarks submitted by the members, proxies and/or corporate representatives will be responded via broadcast by the Chairman, Board of Directors and/or Management during the Meeting.
4. In respect of deposited securities, only members whose names appear in the Record of Depositors on 10 September 2021 (*General Meeting Record of Depositors*) shall be eligible to attend, speak and vote at this Meeting.
5. A member of the Company entitled to attend and vote at the Meeting shall be entitled to appoint another person as his proxy to exercise all or any of his rights to attend, participate, speak and vote in his stead. A member may appoint more than one (1) proxy in relation to a meeting, provided that the member specifies the proportion of the member's shareholdings to be represented by each proxy, failing which the appointment shall be invalid.
6. A proxy need not be a member of the Company. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at the Meeting of the Company shall have the same rights as the members to attend, participate, speak and vote at the Meeting and upon appointment a proxy shall be deemed to confer authority to demand or join in demanding a poll.
7. Where a member of the Company is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("**omnibus account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
8. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a duly notarised certified copy of that power or authority, shall be deposited at Securities Services (Holdings) Sdn. Bhd. of Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan not less than forty-eight (48) hours before the time appointed for holding the Meeting or adjournment thereof or submitted electronically via Securities Services e-Portal at <https://sshsb.net.my> not later than forty-eight (48) hours before the time set for holding the 60th AGM or any adjournment thereof. The lodging of the Form of Proxy does not preclude a member from attending and voting remotely at the 60th AGM should he subsequently decides to do so, provided a notice of termination of proxy authority in writing is given to the Company and deposited at the Registered Office of the Company at Level 7, Menara Milenium, Jalan Damanlela, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan not less than twenty-four (24) hours before the time stipulated for holding the 60th AGM or any adjournment thereof, and you register for RPV as guided in the Administrative Guide. Please contact the poll administrator, SS E Solutions Sdn Bhd, at 03-2084 9000 for further assistance.
9. The Administrative Guide on the Conduct of a Fully Virtual General Meeting is available for download at <https://www.ajinomoto.com.my>

Fold Here

Eat Well, Live Well.



Form Of Proxy

Stamp

The Company Secretaries

AJINOMOTO (MALAYSIA) BERHAD 196101000252 (4295-W)

c/o Securities Services (Holdings) Sdn. Bhd.
Level 7, Menara Milenium, Jalan Damanlela,
Pusat Bandar Damansara, Damansara Heights,
50490, Kuala Lumpur, Wilayah Persekutuan

Fold Here

Eat Well, Live Well.



BARU / NEW



Rangup *di luar*
Lembut *di dalam*



salutan sempurna

Kriuk!



Untuk video memasak dan resipi-resipi, sila layari

f HI Ajinomoto MY

YouTube

MY AJINOMOTO



www.ajinomoto.com.my



Ajinomoto (Malaysia) Berhad
Lot 5710, Jalan Kuchai Lama, Petaling,
58200 Kuala Lumpur, Malaysia.
Tel : 603 7980 6958
Fax : 603 7981 1731

www.ajinomoto.com.my